

kemira

January-March 2023

Interim Report



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Excellent profitability and strong cash flow

First quarter:

- Revenue increased by 18% to EUR 906.0 million (768.1). Revenue in local currencies, excluding acquisitions and divestments, increased by 17% driven by higher sales prices in both segments.
- Operative EBITDA increased by 60% to a record-high of EUR 192.6 million (120.0) and it improved in both segments driven by higher sales prices. The operative EBITDA margin increased to a record-high level of 21.3% (15.6%) following improvement in both segments. EBITDA increased by 62% to EUR 184.1 million (113.5). The differences between operative and reported figures are explained by items affecting comparability, which consisted of a change in the expected loss related to the divestment of the majority of the colorants business.
- Operative EBIT increased by 106% to EUR 141.9 million (68.9). EBIT increased by 114% to EUR 133.4 million (62.2).
- Cash flow from operating activities was EUR 96.7 million (-10.9).
- EPS (diluted) increased by 128% to EUR 0.60 (0.26) following higher EBIT.

Outlook for 2023 (upgraded on April 13, 2023)

Revenue

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

Operative EBITDA

Kemira's operative EBITDA is expected to be between EUR 550 and EUR 650 million in 2023 (2022: EUR 571.6 million).

Assumptions behind outlook

We expect demand in Kemira's end-markets to be resilient despite the significant uncertainty related to the global macroeconomic environment, energy prices, and

the development of the war in Ukraine. Overall, Kemira's end-market demand (in volumes) is expected to decline somewhat. Demand in the oil & gas market is expected to grow. Variable costs overall are expected to decline, while electricity prices are expected to remain above long-term average in Europe. Market prices for caustic soda are expected to moderate during 2023. The outlook assumes no major disruptions to Kemira's manufacturing operations, supply chain, or Kemira's energy-generating assets in Finland. Foreign exchange rates are expected to remain at approximately current levels. The outlook is based on Kemira's current portfolio, including the Oil & Gas business.

Previous outlook for 2023 (published on February 10, 2023)

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

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

Kemira's President and CEO Jari Rosendal:

"Kemira had a strong start to the year with excellent financial performance. Revenue increased by 18% to EUR 906 million with growth in both segments. Revenue growth was driven by higher sales prices in both segments, while sales volumes declined somewhat following soft demand in Pulp & Paper. Operative EBITDA grew by 60% to a record-high of EUR 193 million. The operative EBITDA margin also reached a new high of 21.3% following strong margin improvement in both segments. Our expectation is that the exceptionally strong margin development will moderate somewhat as the year progresses.

In the Pulp & Paper segment, market demand remained soft due to slowdown in the global economy and inventory destocking in the customer value chain. As a result, our sales volumes also declined. However, our revenue grew by 13% to EUR 505 million driven by higher sales prices. The operative EBITDA margin improved and was strong at 21.7% partially helped by still high market prices of caustic soda. The bleaching capacity expansion in Uruguay is being completed and it will be ramped up in the coming quarters.

In Industry & Water, end-market demand remained resilient in municipal water treatment, while industrial water treatment was impacted by the slowdown in the economy. In Oil & Gas, the market demand continued to grow. Our sales volumes declined in water treatment, but grew in Oil & Gas. Total segment revenue, however, grew by 25% to EUR 401 million driven by higher sales prices. The operative EBITDA margin improved to the strong level of 20.7%. We are particularly pleased about the considerable profitability improvement in the Oil & Gas business.

In March, we announced a strategic review of the Oil & Gas business. We have expressed a desire to grow in water-related applications and given the strong growth in the Oil & Gas business in recent years, now is a good time to evaluate the best strategic options in the long-term for the Oil & Gas business, including a potential

sale of the business. We will update on the progress of the strategic review in due course. During the first quarter, we also announced that Tuija Pohjolainen-Hiltunen will start as President of the Industry & Water segment in May 2023. In June 2023, Linus Hildebrandt will also join Kemira and start as EVP, Strategy. With our strengthened team, I am confident we are in a good position to take our profitable growth strategy forward.

The Annual General Meeting held in March approved the Board of Director's dividend proposal of EUR 0.62 per share. The first installment of EUR 0.31 per share was paid in early April. Looking ahead, on April 13, 2023 we upgraded our 2023 outlook for operative EBITDA. Our 2023 revenue outlook is unchanged and we expect revenue to be between EUR 3,200 and EUR 3,700 million. Following our upgraded outlook, we now expect operative EBITDA to be between EUR 550 and EUR 650 million (2022: EUR 571.6 million)."



KEY FIGURES AND RATIOS

EUR million	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Revenue	906.0	768.1	3,569.6
Operative EBITDA	192.6	120.0	571.6
Operative EBITDA, %	21.3	15.6	16.0
EBITDA	184.1	113.5	558.8
EBITDA, %	20.3	14.8	15.7
Operative EBIT	141.9	68.9	361.6
Operative EBIT, %	15.7	9.0	10.1
EBIT	133.4	62.2	347.6
EBIT, %	14.7	8.1	9.7
Net profit for the period	95.4	42.2	239.7
Earnings per share, diluted, EUR	0.60	0.26	1.50

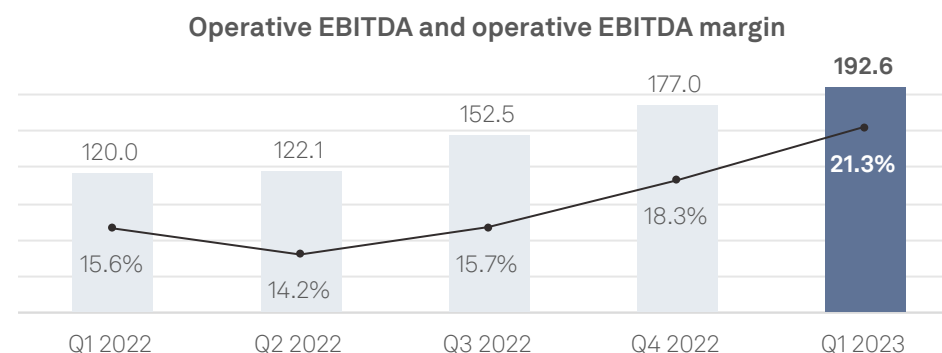
Unless otherwise stated, all comparisons in this report are made to the corresponding period in 2022. Kemira provides certain financial performance measures (alternative performance measures) that are not defined by IFRS. Kemira believes that alternative performance measures followed by capital markets and Kemira management, such as revenue growth in local currencies, excluding acquisitions and divestments (=organic growth), EBITDA, operative EBITDA, operative EBIT, cash flow after investing activities, and gearing, provide useful information about Kemira's comparable business performance and financial position. Selected alternative performance measures are also used as performance criteria in remuneration.



EUR million	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Capital employed*	2,244.5	2,045.4	2,238.0
Operative ROCE*, %	19.4	11.7	16.2
ROCE*, %	18.7	8.7	15.5
Cash flow from operating activities	96.7	-10.9	400.3
Capital expenditure excl. acquisition	29.1	26.1	197.9
Capital expenditure	31.0	26.1	197.9
Cash flow after investing activities	66.5	-36.6	222.3
Equity ratio, % at period-end	45	40	46
Equity per share, EUR	10.05	8.50	10.89
Gearing, % at period-end	45	68	46

*12-month rolling average

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



FINANCIAL PERFORMANCE IN Q1 2023

Revenue increased by 18%. Revenue in local currencies, excluding acquisitions and divestments, increased by 17%. This was due to higher sales prices in both segments and all product groups. Sales volumes decreased following lower sales volumes in Pulp & Paper. In Industry & Water, sales volumes were stable as a whole.

Revenue	Jan-Mar 2023 EUR million	Jan-Mar 2022 EUR million	Δ%	Organic growth*, %	Currency impact, %	Acq. & div. impact, %
Pulp & Paper	504.6	446.5	+13	+12	+1	0
Industry & Water	401.5	321.5	+25	+24	+1	0
Total	906.0	768.1	+18	+17	+1	0

*Revenue growth in local currencies, excluding acquisitions and divestments

Geographically, the revenue split was as follows: EMEA (Europe, Middle East, Africa) 53% (51%), the Americas 39% (38%), and Asia Pacific 8% (11%).

Operative EBITDA increased by 60% to EUR 192.6 million (120.0). Operative EBITDA improved in both segments following higher sales prices, which were partially offset by higher variable costs year-on-year. The continuing high market prices of caustic soda had a positive impact on the operative EBITDA. The operative EBITDA margin improved to 21.3% following improvement in Pulp & Paper and Industry & Water, including the Oil & Gas business.

Variance analysis, EUR million	Jan-Mar
Operative EBITDA, 2022	120.0
Sales volumes	-9.1
Sales prices	+174.3
Variable costs	-75.0
Fixed costs	-23.4
Currency exchange	+5.9
Others	-0.2
Operative EBITDA, 2023	192.6

Operative EBITDA	Jan-Mar 2023 EUR million	Jan-Mar 2022 EUR million	Δ%	Jan-Mar 2023 %-margin	Jan-Mar 2022 %-margin
Pulp & Paper	109.4	71.3	+53	21.7	16.0
Industry & Water	83.3	48.8	+71	20.7	15.2
Total	192.6	120.0	+60	21.3	15.6

EBITDA increased by 62% to EUR 184.1 million (113.5). The difference between it and operative EBITDA is explained by items affecting comparability. **Items affecting comparability** were related to a change in the expected loss from the divestment of most of our colorants business. Items affecting comparability in the comparison period mainly consisted of expected losses related to Kemira's business in Russia.

Items affecting comparability, EUR million	Jan-Mar 2023	Jan-Mar 2022
Within EBITDA	-8.5	-6.5
Pulp & Paper	-8.5	-4.8
Industry & Water	0.0	-1.7
Within depreciation, amortization and impairments	0.0	-0.1
Pulp & Paper	0.0	-0.1
Industry & Water	0.0	0.0
Total	-8.5	-6.7

Depreciation, amortization, and impairments were EUR 50.8 million (51.3), including the EUR 1.9 million (3.1) amortization of purchase price allocation.

Operative EBIT increased by 106% compared to the previous year. **EBIT** increased by 114%, and the difference between the two is explained by items affecting comparability, which were related to a change in the expected loss from the divestment of most of our colorants business. Items affecting comparability in the comparison period mainly consisted of expected losses related to Kemira's business in Russia.

Net finance costs totaled EUR -10.7 million (-7.9). Increase was due to higher interest rate levels. **Income taxes** were EUR -27.2 million (-12.1), with the reported tax rate being 22% (22%). **Net profit** for the period increased by 126% mainly due to higher EBIT.



FINANCIAL POSITION AND CASH FLOW

Cash flow from operating activities in January-March 2023 increased to EUR 96.7 million (-10.9) due to higher net profit for the period and lower changes in net working capital versus the comparison period. Cash flow after investing activities was EUR 66.5 million (-36.6).

At the end of the period, interest-bearing liabilities totaled EUR 981.4 million (1,054.4), including lease liabilities of EUR 142.6 million (139.2). The average interest rate of the Group's interest-bearing loan portfolio (excluding leases) was 2.5% (1.7%), and the duration was 21 months (25). Fixed-rate loans accounted for 89% (76%) of net interest-bearing liabilities, including lease liabilities.

Short-term liabilities maturing in the next 12 months amounted to EUR 148.8 million. On March 31, 2023, cash and cash equivalents totaled EUR 273.2 million (154.5). The Group has a EUR 400 million undrawn committed credit facility maturing in 2026.

At the end of the period, Kemira Group's net debt was EUR 708.2 million (899.8), including lease liabilities. The equity ratio was 45% (40%), while gearing was 45% (68%).

The value of Kemira's shares in Pohjolan Voima and Teollisuuden Voima decreased by EUR 87 million during Q1 2023 mainly due to lower electricity prices.

CAPITAL EXPENDITURE

In January-March 2023, capital expenditure excluding acquisitions increased by 11% to EUR 29.1 million (26.1). Capital expenditure excluding acquisitions (capex) can be broken down as follows: expansion capex 17% (19%), improvement capex 31% (34%), and maintenance capex 52% (47%).

RESEARCH AND DEVELOPMENT

In January-March 2023, total research and development expenses were EUR 8.7 million (7.3), representing 1.0% (0.9%) of the Group's revenue.

HUMAN RESOURCES

At the end of the period, Kemira Group had 4,944 employees (4,939). Kemira had 778 (761) employees in Finland, 1,695 (1,746) employees elsewhere in EMEA, 1,535 (1,511) in the Americas, and 936 (921) in APAC.



SUSTAINABILITY

Kemira's sustainability work covers economical, environmental, and social topics and is guided by the UN Sustainable Development Goals (SDGs). Our focus is on Clean Water and Sanitation (SDG6), Decent Work and Economic Growth (SDG8), Responsible Consumption and Production (SDG12), and Climate Action (SDG13). Q1 2023 data for Kemira's Scope 1 and Scope 2 emissions will be available on Kemira's website kemira.com/investors in early May.

Sustainability performance in Q1 2023

SAFETY

In Q1 2023, Kemira's safety performance improved compared to Q1 2022 and TRIF was 2.3 (4.1 in Q1 2022). Kemira continues to work to further improve the safety performance to reach its mid-term TRIF target of 1.5 by the end of 2025.

PEOPLE

Kemira's target is to reach the top 10% cross industry benchmark for Diversity & Inclusion by the end of 2025. In order to promote a diverse and inclusive work environment, during Q1 2023 we continued the D&I program and related activities, e.g. planning D&I awareness training and communications, and actively developing the Women's Network and KemPride employee networks.

CIRCULARITY

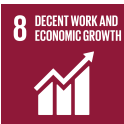




Kemira continued to make progress in its biobased strategy and Kemira's new Growth Accelerator was fully operational during Q1 2023. Regarding waste, in Q1 2023, a waste management questionnaire was developed and assigned to all manufacturing sites in order to collect information centrally on waste reduction targets, opportunities and projects. The collected data will be analyzed in Q2 2023.

WATER

In Q1 2023, a water stewardship questionnaire was developed and assigned to all manufacturing sites in order to collect centrally information e.g. on water-related risks, water recycling projects and opportunities. Analysis of the collected data and update of Kemira's water risk assessment based on the data will take place in Q2 2023. Kemira also participated in the UN Water Conference in New York in March and organized an official side event discussing long-term scenarios for water management.

CLIMATE

In Q1 2023, Kemira launched a Climate Action Program dedicated to identifying opportunities for emissions reduction throughout our value chain. These projects will be aligned with our Science Based Targets Initiative (SBTi) climate target that will be submitted for approval in Q1 2024. A supplier engagement program was implemented to collect product carbon footprint (PCF) data for raw materials to refine our Scope 3 emission inventory and to support the development of our Scope 3 SBTi target. Kemira also expanded its climate risk assessment work that began in 2022 to include 10 additional manufacturing sites and additional functions to further deepen our understanding of physical and transition risks and opportunities.

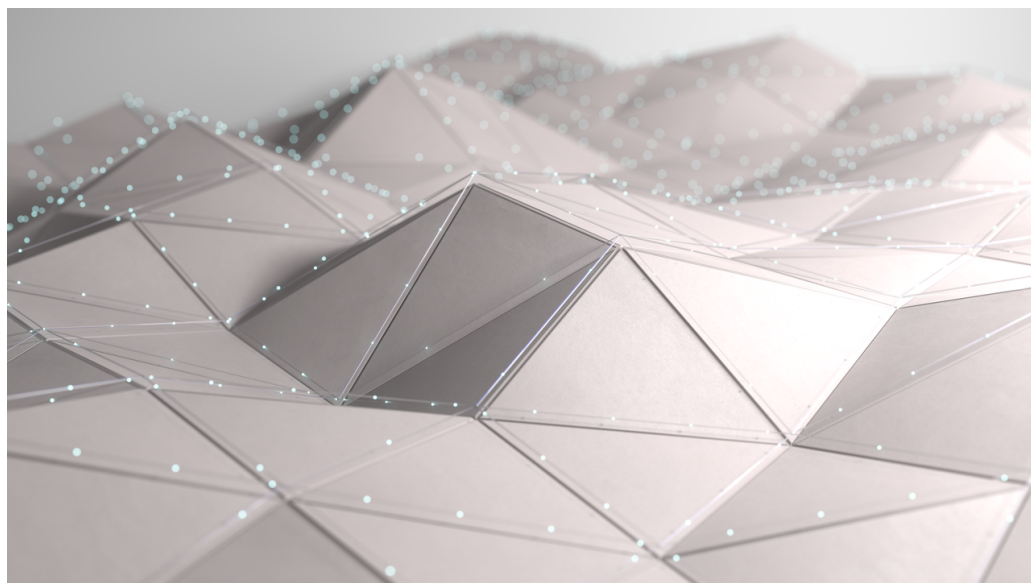
SDG	KPI	UNIT	2022	2021
	SAFETY TRIF* 1.5 by the end of 2025 and 1.1 by the end of 2030 <small>*TRIF = total recordable injury frequency per million</small>		2.6	2.7
	PEOPLE Reach top 10% cross industry norm for Diversity & Inclusion by the end of 2025		Slightly below top 25%	Slightly below top 25%
	CIRCULARITY Reduce waste intensity** by 15% by the end of 2030 from a 2019 baseline of 4.6 Biobased products > EUR 500 million revenue by the end of 2030 <small>**kilograms of disposed production waste per metric tonnes of production</small>	kg/tonnes of production	4.4	4.3
	Biobased revenue	EUR million	~250	~200
	WATER Reach the Leadership level (A-/A) in water management by the end of 2025 measured by CDP Water Security scoring methodology.	Rate scale A-D	B	B
	CLIMATE Scopes 1 & 2*** emissions -50% by the end of 2030 compared to 2018 baseline of 930 ktCO2e	ktCO2e	816	856

***Scope 1: Direct greenhouse gas emissions from Kemira's manufacturing sites, e.g. the generation of energy and emissions from manufacturing processes. Scope 2: Indirect greenhouse gas emissions from external generation and purchase of electricity, heating, cooling, and steam

SEGMENTS

PULP & PAPER

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



	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
EUR million			
Revenue	504.6	446.5	2,027.7
Operative EBITDA	109.4	71.3	348.0
Operative EBITDA, %	21.7	16.0	17.2
EBITDA	100.9	66.4	336.6
EBITDA, %	20.0	14.9	16.6
Operative EBIT	80.4	40.7	225.7
Operative EBIT, %	15.9	9.1	11.1
EBIT	71.9	35.7	213.1
EBIT, %	14.2	8.0	10.5
Capital employed*	1,333.4	1,250.5	1,337.7
Operative ROCE*, %	19.9	10.5	16.9
ROCE*, %	18.7	6.5	15.9
Capital expenditure excl. M&A	19.3	17.9	122.5
Capital expenditure incl. M&A	21.2	17.9	122.5
Cash flow after investing activities	53.8	-23.7	207.2

*12-month rolling average

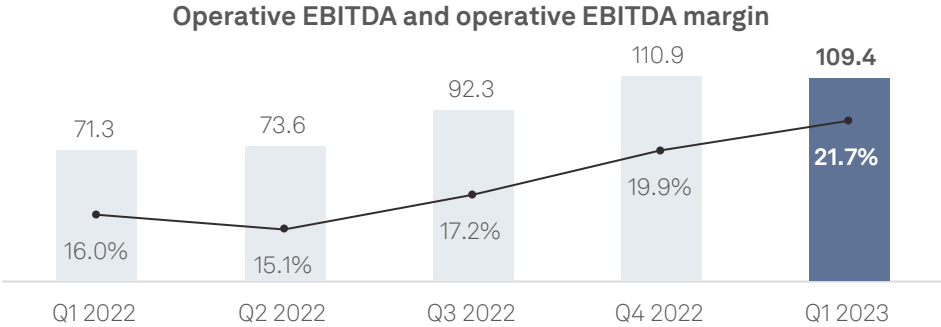
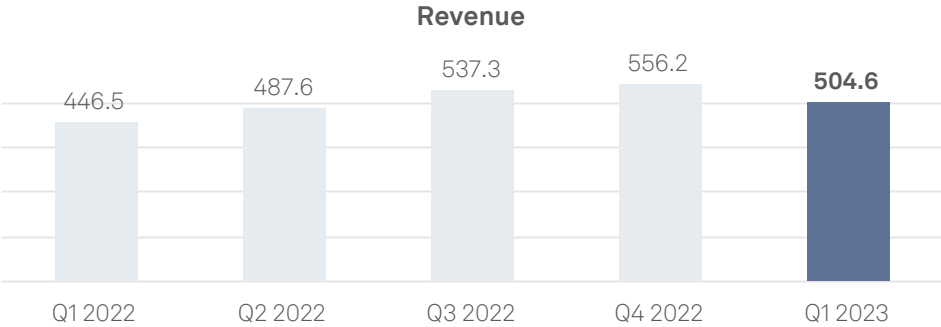
First quarter:

The segment's **revenue** increased by 13%. Revenue in local currencies, excluding acquisitions and divestments, increased by 12% due to higher sales prices in all product groups. Market prices of caustic soda still remained on a high level during Q1 2023. Sales volumes declined in all product groups, particularly in sizing and strength chemicals, due to slower demand and inventory destocking in the customer value chain. Kemira's exit from Russia also had a negative impact on sales volumes. Currencies had a positive impact.

In **EMEA**, revenue increased by 24% due to higher sales prices across product groups. The market prices of caustic soda still remained on a high level during Q1 2023. Sales volumes declined, particularly in sizing chemicals. Also exit from Russia impacted sales volumes negatively. In **the Americas**, revenue increased by 8%. Revenue in local currencies, excluding acquisitions and divestments, increased by 3% due to higher sales prices in all product groups. Sales volumes declined. In **APAC**, revenue decreased by 9%. Revenue in local currencies, excluding acquisitions and divestments, decreased by 9% as sales volumes declined.

Operative EBITDA increased by 53% following higher sales prices, which were partly offset by higher variable costs year-on-year. The continuing high market prices of

caustic soda had a positive impact on operative EBITDA. The operative EBITDA margin increased to 21.7% due to improvement across product groups. **EBITDA** increased by 52%. The difference from operative EBITDA is explained by items affecting comparability, which were related to a change in the expected loss from the divestment of most of our colorants business. Items affecting comparability in the comparison period mainly consisted of expected losses related to Kemira's business in Russia.



INDUSTRY & WATER

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



EUR million	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Revenue	401.5	321.5	1,541.9
Operative EBITDA	83.3	48.8	223.7
Operative EBITDA, %	20.7	15.2	14.5
EBITDA	83.3	47.1	222.2
EBITDA, %	20.7	14.6	14.4
Operative EBIT	61.5	28.2	135.9
Operative EBIT, %	15.3	8.8	8.8
EBIT	61.5	26.5	134.5
EBIT, %	15.3	8.2	8.7
Capital employed*	911.1	794.5	900.3
Operative ROCE*, %	18.6	13.4	15.1
ROCE*, %	18.6	12.2	14.9
Capital expenditure excl. M&A	9.8	8.2	75.4
Capital expenditure incl. M&A	9.8	8.2	75.4
Cash flow after investing activities	59.2	7.1	100.9

*12-month rolling average

First quarter:

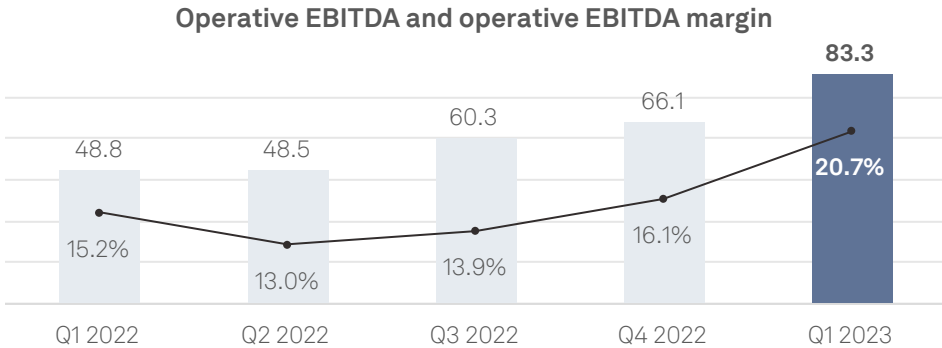
The segment's **revenue** increased by 25%. Revenue in local currencies, excluding acquisitions and divestments, increased by 24% due to higher sales prices, particularly in water treatment. Sales volumes in the segment as a whole were stable. Currencies had a positive impact.

In the water treatment business, revenue increased by 19% due to higher sales prices. Sales volumes declined following softer demand in industrial water treatment. The revenue of the Oil & Gas business increased by 45% to EUR 100.3 million (69.0), particularly driven by higher sales volumes. Sales prices also increased slightly.

In **EMEA**, revenue increased by 19% mainly due to higher sales prices in water treatment. Sales volumes declined. In **the Americas**, revenue increased by 34%. Revenue in local currencies, excluding acquisitions and divestments, increased by 29% following higher sales prices and sales volumes. In water treatment, revenue growth was driven by higher sales prices, while sales volumes declined. In the Oil & Gas business, revenue grew driven by higher sales volumes. In **APAC**, revenue decreased by 28% albeit from a low base.



Operative EBITDA increased by 71% following higher sales prices, which were partly offset by higher variable costs year-on-year. The operative EBITDA margin increased to 20.7% following broad-based improvement. During Q1 2023, the Oil & Gas business saw considerable operative EBITDA margin improvement compared to Q1 2022. **EBITDA** increased by 77%, and the difference from operative EBITDA is explained by items affecting comparability.



KEMIRA OYJ'S SHARES AND SHAREHOLDERS

On March 31, 2023, Kemira Oyj's share capital amounted to EUR 221.8 million and the number of shares was 155,342,557. Each share entitles the holder to one vote at the Annual General Meeting.

At the end of March 2023, Kemira Oyj had 48,889 registered shareholders (48,403 on December 31, 2022). Non-Finnish shareholders held 34.6% of the shares (31.5% on December 31, 2022), including nominee-registered holdings. Households owned 19.0% of the shares (19.3% on December 31, 2022). Kemira held 1,735,822 treasury shares (2,215,073 on December 31, 2022), representing 1.1% (1.3% on December 31, 2022) of all company shares.

Kemira Oyj's share price increased by 13% during the reporting period and closed at EUR 16.22 on the Nasdaq Helsinki at the end of March 2023 (14.33 on December 31, 2022). The shares registered a high of EUR 18.22 and a low of EUR 14.25 in January-March 2023, and the average share price was EUR 15.88. The company's market capitalization, excluding treasury shares, was EUR 2,492 million at the end of March 2023 (2,194 December 31, 2022).

In January-March 2023, Kemira Oyj's share trading turnover on the Nasdaq Helsinki was EUR 320 million (EUR 177 million in January-March 2022). The average daily trading volume was 309,236 shares (228,168 in January-March 2022). The total volume of Kemira Oyj's share trading in January-March 2023 was 24 million shares (19 million shares in January-March 2022), 17% (26% in January-March 2022) of which was executed on other trading platforms (e.g. Turquoise, CBOE DXE). Source: Nasdaq and Kemira.com.

Flagging notifications

[March 1, 2023:](#) Shareholding of Solidium Oy in Kemira decreased to 5.01 per cent.

[January 17, 2023:](#) Shareholding of Impax Asset Management Group plc in Kemira decreased to 4.99 per cent.

DECISIONS BY THE ANNUAL GENERAL MEETING

Kemira Oyj's Annual General Meeting, held on March 22, 2023, approved the financial statements and remuneration report, and discharged the members of the Board of Directors and the company's President & CEO from liability for the financial year 2022.

The Annual General Meeting elected eight members to the Board of Directors. The Annual General Meeting re-elected Tina Sejersgård Fanø, Werner Fuhrmann, Matti Kähkönen, Timo Lappalainen, Annika Paasikivi and Kristian Pullola and elected Fernanda Lopes Larsen and Mikael Staffas as new members to the Board of Directors. Matti Kähkönen was elected as the Chair of the Board of Directors and Annika Paasikivi was elected as the Vice Chair.

The Annual General Meeting decided that the remuneration paid to the members of the Board of Directors will be as follows: The Chair will receive EUR 118,000 per year, the Vice Chair and the Chair of the Audit Committee EUR 67,000 per year and the other members EUR 52,000 per year. A fee payable for each meeting of the Board of Directors and the Board Committees will be paid based on the method and place of the meeting as follows: participating remotely or in a meeting arranged in the member's country of residence EUR 600, participating in a meeting arranged on the same continent as the member's country of residence EUR 1,200 and participating in a meeting arranged in a different continent than the member's country of residence EUR 2,400. Travel expenses will be paid according to Kemira's travel policy. In addition, the Annual General Meeting decided that the annual fee be paid as a combination of the company's shares and cash in such a manner that 40% of the annual fee is paid with the company's shares owned by the company or, if this is not possible, shares purchased from

the market, and 60% is paid in cash. The shares will be transferred to the members of the Board of Directors and, if necessary, acquired directly on behalf of the members of the Board of Directors within two weeks from the release of Kemira's Interim Report January 1 – March 31, 2023. The meeting fees are to be paid in cash.

The Annual General Meeting approved the Board of Directors' dividend proposal of EUR 0.62 per share for the financial year 2022. The dividend will be paid in two installments. The first installment of EUR 0.31 per share was paid to a shareholder who was registered in the company's shareholder register maintained by Euroclear Finland Ltd on the record date for the dividend payment, March 24, 2023. The first installment of the dividend was paid on April 5, 2023. The second installment EUR 0.31 per share will be paid in November 2023. The second installment will be paid to a shareholder who is registered in the company's shareholder register maintained by Euroclear Finland Ltd on the record date for the dividend payment. The Board of Directors will decide the record date and the payment date for the second installment at its meeting in October 2023. The record date is planned to be October 26, 2023, and the dividend payment date November 2, 2023, at the earliest. Kemira will announce the resolution of the Board of Directors separately and confirm the relevant record and payment dates in such announcement.

The Annual General Meeting decided that the Articles of Association to be amended by adding a new article regarding the organization of the general meeting, so that the general meeting can be held completely without a meeting venue as a remote meeting.

The Annual General Meeting decided to amend the Charter of the Nomination Board by adding new sections to the Charter relating to instructions for holders of nominee-registered shares to use the right to nominate a member to the Nomination Board, practices when a qualified shareholder refuses to nominate a

member to the Nomination Board or when two or several qualified shareholders hold an equal number of shares, unanimity of the Nomination Board's decisions as well as procedure relating to amendments to the Charter.

The Annual General Meeting authorized the Board of Directors to decide upon the repurchase of a maximum of 6,000,000 the company's own shares ("Share repurchase authorization"). Shares shall be repurchased by using unrestricted equity either through a tender offer with equal terms to all shareholders at a price determined by the Board of Directors or in proportion to the existing shareholdings of the company's shareholders in public trading on the Nasdaq Helsinki Ltd (the "Helsinki Stock Exchange") at the market price quoted at the time of the repurchase. The price paid for the shares repurchased through a tender offer under the authorization shall be based on the market price of the company's shares in public trading. The minimum price to be paid would be the lowest market price of the share quoted in public trading during the authorization period and the maximum price the highest market price quoted during the authorization period. Shares shall be acquired and paid for in accordance with the Rules of the Helsinki Stock Exchange and Euroclear Finland Oy as well as any other applicable regulations. Shares may be repurchased to be used in implementing or financing mergers and acquisitions, developing the company's capital structure, improving the liquidity of the company's shares or to be used for the payment of the annual fee payable to the members of the Board of Directors or implementing the company's share-based incentive plans. In order to realize the aforementioned purposes, the shares acquired may be retained, transferred further or cancelled by the company. The Board of Directors shall decide upon the other terms related to the share repurchase. The Share repurchase authorization is valid until the end of the next Annual General Meeting.

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

new shares may be issued and the company's own shares held by the company may be transferred either for consideration or without consideration. The new shares may be issued and the company's own shares held by the company may be transferred to the company's shareholders in proportion to their current shareholdings in the company, or by disapplying the shareholders' pre-emption right, through a directed share issue, if the company has a weighty financial reason to do so, such as financing or implementing mergers and acquisitions, developing the capital structure of the company, improving the liquidity of the company's shares or, if it is justified, for the payment of the annual fee payable to the members of the Board of Directors or implementing the company's share-based incentive plans. The directed share issue may be carried out without consideration only in connection with the implementation of the company's share-based incentive plans. The subscription price of new shares shall be recorded to the invested unrestricted equity reserves. The consideration payable for the company's own shares shall be recorded in the invested unrestricted equity reserves. The Board of Directors shall decide upon the other terms related to the share issues. The Share issue authorization is valid until May 31, 2024.

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

BOARD COMMITTEES

On March 22, 2023, the Board of Directors of Kemira Oyj elected members among themselves for the Audit Committee and the Personnel and Remuneration Committee. The Board's Audit Committee members are Werner Fuhrmann, Timo Lappalainen, Fernanda Lopes Larsen and Kristian Pullola. The Audit Committee is chaired by Timo Lappalainen. The Board's Personnel and Remuneration Committee members are Tina Sejersgård Fanø, Matti Kähkönen, Timo

Lappalainen, Annika Paasikivi and Mikael Staffas. The Personnel and Remuneration Committee is chaired by Matti Kähkönen.



SHORT-TERM RISKS AND UNCERTAINTIES

There have been no significant changes in Kemira's short-term risks and uncertainties compared to the situation on December 31, 2022.

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

Risks and impacts of the war in Ukraine

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

At the end of March 2023, net assets in Russia amounted to around EUR 7 million and consisted mainly of cash and cash equivalents denominated in Russian roubles. Kemira is looking at options to repatriate funds from Russia.

For Kemira's 2023 outlook, including assumptions behind the outlook, please refer to the section "Outlook" on page [18](#).

CHANGES IN KEMIRA'S MANAGEMENT BOARD

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

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

OTHER EVENTS DURING THE REVIEW PERIOD

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

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

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

EVENTS AFTER THE REVIEW PERIOD

On April 16, 2023, Olkiluoto 3 started regular electricity production. Kemira is entitled to electricity at production cost in proportion to its ownership in OL3.

Kemira announced an agreement to divest most of its colorants business to ChromaScape LLC on [September 12, 2022](#). The divestment is now expected to close during the second quarter of 2023.

On [April 13, 2023](#), Kemira upgraded its 2023 outlook for operative EBITDA.

OUTLOOK FOR 2023 (upgraded on April 13, 2023)

Revenue

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

Operative EBITDA

Kemira's operative EBITDA is expected to be between EUR 550 and EUR 650 million in 2023 (2022: EUR 571.6 million).

Assumptions behind outlook

We expect demand in Kemira's end-markets to be resilient despite the significant uncertainty related to the global macroeconomic environment, energy prices, and the development of the war in Ukraine. Overall, Kemira's end-market demand (in volumes) is expected to decline somewhat. Demand in the oil & gas market is expected to grow. Variable costs overall are expected to decline, while electricity prices are expected to remain above long-term average in Europe. Market prices for caustic soda are expected to moderate during 2023. The outlook assumes no major disruptions to Kemira's manufacturing operations, supply chain, or Kemira's energy-generating assets in Finland. Foreign exchange rates are expected to remain at approximately current levels. The outlook is based on Kemira's current portfolio, including the Oil & Gas business.

Previous outlook for 2023 (published on February 10, 2023)

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

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

FINANCIAL TARGETS

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

Helsinki, April 24, 2023

Kemira Oyj

Board of Directors

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

FINANCIAL REPORTING SCHEDULE 2023

Half-year financial report January-June 2023

July 18, 2023

Interim report January-September 2023

October 24, 2023

WEBCAST AND CONFERENCE CALL FOR PRESS AND ANALYSTS

Kemira will arrange a webcast for analysts, investors, and the media on Tuesday, April 25, 2023, starting at 10.30 am EEST (8.30 am UK time). During the webcast, Kemira's President and CEO, Jari Rosendal, and CFO, Petri Castrén, will present the results. The webcast will be held in English and can be followed at kemira.com/investors. The presentation material and a recording of the webcast will be available on the above-mentioned company website.

You can attend the Q&A session via conference call. You can access the teleconference by registering on the following link:

<http://palvelu.flik.fi/teleconference/?id=1008733>

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

KEMIRA GROUP - FINANCIALS OF INTERIM REPORT 2023

CONSOLIDATED INCOME STATEMENT

EUR million	1-3/2023	1-3/2022	1-12/2022
Revenue	906.0	768.1	3,569.6
Other operating income	2.3	0.9	18.2
Operating expenses	-724.0	-655.5	-3,029.3
Share of profit or loss of associates	-0.3	0.0	0.3
EBITDA	184.1	113.5	558.8
Depreciation, amortization and impairments	-50.8	-51.3	-211.2
Operating profit (EBIT)	133.4	62.2	347.6
Finance costs, net	-10.7	-7.9	-39.4
Profit before taxes	122.7	54.4	308.2
Income taxes	-27.2	-12.1	-68.5
Net profit for the period	95.4	42.2	239.7
Net profit attributable to			
Equity owners of the parent company	92.9	40.6	231.7
Non-controlling interests	2.5	1.7	8.0
Net profit for the period	95.4	42.2	239.7
Earnings per share, basic, EUR	0.61	0.26	1.51
Earnings per share, diluted, EUR	0.60	0.26	1.50

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	1-3/2023	1-3/2022	1-12/2022
Net profit for the period	95.4	42.2	239.7
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations	-11.4	17.9	17.5
Cash flow hedges	-45.7	5.4	39.2
Items that will not be reclassified subsequently to profit or loss			
Other shares	-69.7	—	98.6
Remeasurements of defined benefit plans	—	—	31.8
Other comprehensive income for the period, net of tax	-126.8	23.2	187.1
Total comprehensive income for the period	-31.4	65.4	426.7
Total comprehensive income attributable to			
Equity owners of the parent company	-34.0	63.9	418.9
Non-controlling interests	2.6	1.5	7.8
Total comprehensive income for the period	-31.4	65.4	426.7

CONSOLIDATED BALANCE SHEET

EUR million	3/31/2023	3/31/2022	12/31/2022
ASSETS			
Non-current assets			
Goodwill	509.8	517.1	510.5
Other intangible assets	59.4	64.9	61.2
Property, plant and equipment	1,060.9	1,061.5	1,080.2
Right-of-use assets	139.3	138.2	146.0
Investments in associates	4.6	4.8	5.1
Other shares	294.8	260.1	383.3
Deferred tax assets	29.0	36.0	27.1
Other financial assets	15.9	21.1	31.0
Receivables of defined benefit plans	79.0	63.2	78.4
Total non-current assets	2,192.7	2,166.8	2,322.8
Current assets			
Inventories	421.5	408.0	433.7
Interest-bearing receivables	0.3	0.3	0.3
Trade receivables and other receivables	517.6	530.5	603.7
Current income tax assets	20.1	14.5	18.7
Cash and cash equivalents	273.2	154.5	250.6
Total current assets	1,232.7	1,107.8	1,307.0
Assets classified as held-for-sale	11.3	—	21.3
Total assets	3,436.7	3,274.6	3,651.1

EUR million	3/31/2023	3/31/2022	12/31/2022
EQUITY AND LIABILITIES			
Equity			
Equity attributable to equity owners of the parent company	1,544.0	1,303.2	1,669.9
Non-controlling interests	17.3	15.5	14.7
Total equity	1,561.3	1,318.6	1,684.6
Non-current liabilities			
Interest-bearing liabilities	832.6	795.5	838.1
Other financial liabilities	10.6	9.8	9.4
Deferred tax liabilities	93.5	79.9	118.2
Liabilities of defined benefit plans	66.7	94.2	66.9
Provisions	36.3	48.7	38.4
Total non-current liabilities	1,039.8	1,028.2	1,070.9
Current liabilities			
Interest-bearing liabilities	148.8	258.8	183.7
Trade payables and other liabilities	633.2	624.5	635.2
Current income tax liabilities	33.5	22.4	57.2
Provisions	19.5	22.1	18.8
Total current liabilities	835.0	927.8	894.9
Total liabilities	1,874.7	1,956.0	1,965.8
Liabilities classified as held-for-sale	0.7	—	0.7
Total equity and liabilities	3,436.7	3,274.6	3,651.1

CONSOLIDATED CASH FLOW STATEMENT

EUR million	1-3/2023	1-3/2022	1-12/2022
Cash flow from operating activities			
Net profit for the period	95.4	42.2	239.7
Total adjustments	98.5	81.0	348.1
Cash flow before change in net working capital	193.9	123.3	587.8
Change in net working capital	-50.8	-114.2	-101.8
Cash generated from operations before financing items and taxes	143.1	9.0	486.0
Finance expenses, net and dividends received	2.4	-10.7	-52.2
Income taxes paid	-48.8	-9.3	-33.5
Net cash generated from operating activities	96.7	-10.9	400.3
Cash flow from investing activities			
Purchases of subsidiaries and business acquisitions, net of cash acquired	-1.9	—	—
Capital expenditure in associated company	—	—	—
Capital expenditure in other shares	—	—	—
Other capital expenditure	-29.1	-26.2	-197.9
Proceeds from sale of assets and capital repayments	0.6	0.2	19.1
Decrease (+) / increase (-) in loan receivables	0.3	0.2	0.8
Net cash used in investing activities	-30.2	-25.7	-178.0

EUR million	1-3/2023	1-3/2022	1-12/2022
Cash flow from financing activities			
Proceeds from non-current interest-bearing liabilities	0.1	15.9	195.9
Repayments of non-current liabilities	—	—	-202.8
Short-term financing, net increase (+) / decrease (-)	-32.5	39.5	21.4
Repayments of lease liabilities	-9.2	-8.6	-35.1
Dividends paid	0.0	0.0	-95.9
Net cash used in financing activities	-41.6	46.9	-116.4
Net decrease (-) / increase (+) in cash and cash equivalents	24.9	10.3	105.9
Cash and cash equivalents at end of period	273.2	154.5	250.6
Exchange gains (+) / losses (-) on cash and cash equivalents	-2.3	1.9	2.3
Cash and cash equivalents at beginning of period	250.6	142.4	142.4
Net decrease (-) / increase (+) in cash and cash equivalents	24.9	10.3	105.9

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR million	Equity attributable to equity owners of the parent company							Total	Non-controlling interests	Total Equity
	Share capital	Share premium	Fair value and other reserves	Unrestricted equity reserve	Exchange differences	Treasury shares	Retained earnings			
Equity on January 1, 2023	221.8	257.9	278.8	196.3	-36.0	-13.4	764.5	1,669.9	14.7	1,684.6
Net profit for the period	—	—	—	—	—	—	92.9	92.9	2.6	95.4
Other comprehensive income, net of tax	—	—	-115.5	—	-11.6	—	0.1	-126.9	0.1	-126.8
Total comprehensive income	—	—	-115.5	—	-11.6	—	93.0	-34.0	2.6	-31.4
Transactions with owners										
Dividends paid	—	—	—	—	—	—	-95.2 ¹⁾	-95.2	—	-95.2
Treasury shares issued to the target group of a share-based incentive plan	—	—	—	—	—	1.7	—	1.7	—	1.7
Share-based payments	—	—	—	—	—	—	1.6	1.6	—	1.6
Total transactions with owners	—	—	—	—	—	1.7	-93.6	-91.9	—	-91.9
Equity on March 31, 2023	221.8	257.9	163.3	196.3	-47.6	-11.7	763.9	1,544.0	17.3	1,561.3

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

Kemira had in its possession 1,735,822 of its treasury shares on March 31, 2023. The average share price of treasury shares was EUR 6.73, and they represented 1.1% of the share capital and the aggregate number of votes conferred by all shares. The aggregate par value of the treasury shares is EUR 2.5 million.

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

EUR million	Equity attributable to equity owners of the parent company							Total	Non-controlling interests	Total Equity
	Share capital	Share premium	Fair value and other reserves	Unrestricted equity reserve	Exchange differences	Treasury shares	Retained earnings			
Equity on January 1, 2022	221.8	257.9	140.9	196.3	-53.7	-14.9	580.5	1,328.8	13.9	1,342.7
Net profit for the period	—	—	—	—	—	—	40.6	40.6	1.7	42.2
Other comprehensive income, net of tax	—	—	5.4	—	18.0	—	—	23.4	-0.1	23.2
Total comprehensive income	—	—	5.4	—	18.0	—	40.6	63.9	1.5	65.4
Transactions with owners										
Dividends paid	—	—	—	—	—	—	-88.9 ²⁾	-88.9	—	-88.9
Treasury shares issued to the target group of a share-based incentive plan	—	—	—	—	—	1.5	—	1.5	—	1.5
Share-based payments	—	—	—	—	—	—	-2.1	-2.1	—	-2.1
Total transactions with owners	—	—	—	—	—	1.5	-91.0	-89.5	—	-89.5
Equity on March 31, 2022	221.8	257.9	146.3	196.3	-35.7	-13.4	530.0	1,303.2	15.5	1,318.6

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

GROUP KEY FIGURES

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

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

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

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

1) 12-month rolling average

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

DEFINITIONS OF KEY FIGURES

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

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

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

2) Average

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

4) 12-month rolling average

RECONCILIATION TO IFRS FIGURES

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

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

1) 12-month rolling average

NOTES OF INTERIM REPORT 2023

1. QUARTERLY SEGMENT INFORMATION

EUR million	2023 1-3	2022 10-12	2022 7-9	2022 4-6	2022 1-3	2022 1-12
Revenue						
Pulp & Paper	504.6	556.2	537.3	487.6	446.5	2,027.7
Industry & Water	401.5	412.0	434.6	373.8	321.5	1,541.9
Total	906.0	968.2	971.9	861.4	768.1	3,569.6
Operative EBITDA						
Pulp & Paper	109.4	110.9	92.3	73.6	71.3	348.0
Industry & Water	83.3	66.1	60.3	48.5	48.8	223.7
Total	192.6	177.0	152.5	122.1	120.0	571.6
Items affecting comparability in EBITDA						
Pulp & Paper	-8.5	7.2	-15.1	1.3	-4.8	-11.4
Industry & Water	0.0	0.6	-0.2	-0.1	-1.7	-1.4
Total	-8.5	7.8	-15.3	1.2	-6.5	-12.8
EBITDA						
Pulp & Paper	100.9	118.1	77.2	74.9	66.4	336.6
Industry & Water	83.3	66.7	60.1	48.4	47.1	222.2
Total	184.1	184.8	137.3	123.2	113.5	558.8
Operative EBIT						
Pulp & Paper	80.4	80.3	61.8	42.8	40.7	225.7
Industry & Water	61.5	43.1	37.7	26.9	28.2	135.9
Total	141.9	123.4	99.5	69.7	68.9	361.6

EUR million	2023 1-3	2022 10-12	2022 7-9	2022 4-6	2022 1-3	2022 1-12
Items affecting comparability in EBIT						
Pulp & Paper	-8.5	7.8	-14.9	-0.6	-4.9	-12.6
Industry & Water	0.0	0.6	-0.2	-0.1	-1.7	-1.4
Total	-8.5	8.4	-15.0	-0.7	-6.7	-14.0
Operating profit (EBIT)						
Pulp & Paper	71.9	88.1	47.0	42.3	35.7	213.1
Industry & Water	61.5	43.7	37.5	26.8	26.5	134.5
Total	133.4	131.8	84.5	69.1	62.2	347.6

2. CHANGES IN PROPERTY, PLANT, AND EQUIPMENT

EUR million	1-3/2023	1-3/2022	1-12/2022
Net book value at beginning of period	1,080.2	1,063.0	1,063.0
Purchases of subsidiaries and asset acquisitions	—	—	—
Increases	27.0	22.7	180.3
Decreases	-0.1	-1.6	-11.5
Depreciation and impairments	-36.8	-36.5	-153.6
Transferred to assets classified as held-for-sale	—	—	-4.8
Exchange rate differences and other changes	-9.3	13.9	6.7
Net book value at end of period	1,060.9	1,061.5	1,080.2

3. CHANGES IN GOODWILL AND OTHER INTANGIBLE ASSETS

EUR million	1-3/2023	1-3/2022	1-12/2022
Net book value at beginning of period	571.7	580.7	580.7
Purchases of subsidiaries and asset acquisitions	3.5	—	—
Increases	2.1	3.5	17.6
Decreases	—	—	—
Amortization and impairments	-4.8	-5.8	-21.0
Transferred to assets classified as held-for-sale	—	—	-13.0
Exchange rate differences and other changes	-3.4	3.7	7.5
Net book value at end of period	569.1	582.0	571.7

4. CHANGES IN RIGHT-OF-USE ASSETS

EUR million	1-3/2023	1-3/2022	1-12/2022
Net book value at beginning of period	146.0	135.8	135.8
Increases	4.2	9.6	45.6
Depreciation and impairments	-9.2	-8.9	-36.7
Transferred to assets classified as held-for-sale	—	—	-0.4
Exchange rate differences and other changes	-1.8	1.7	1.7
Net book value at end of period	139.3	138.2	146.0

5. DERIVATIVE INSTRUMENTS

EUR million	3/31/2023		12/31/2022	
	Nominal value	Fair value	Nominal value	Fair value
Currency derivatives				
Forward contracts	592.6	3.7	619.9	11.3
of which cash flow hedge	70.4	0.2	71.6	0.3
Other derivatives	GWh	Fair value	GWh	Fair value
Electricity forward contracts, bought	1,016.6	22.7	1,129.3	79.8
of which cash flow hedge	1,016.6	22.7	1,129.3	79.8

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

6. FAIR VALUE OF FINANCIAL ASSETS

EUR million	3/31/2023				12/31/2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Fair value hierarchy								
Non-current assets								
Other shares	—	—	294.8	294.8	—	—	383.3	383.3
Other investments	—	6.5	—	6.5	—	6.6	—	6.6
Other derivatives, hedge accounting	—	9.5	—	9.5	—	24.4	—	24.4
Current assets								
Currency derivatives	—	6.5	—	6.5	—	13.3	—	13.3
Currency derivatives, hedge accounting	—	1.0	—	1.0	—	1.7	—	1.7
Other derivatives, hedge accounting	—	15.6	—	15.6	—	55.6	—	55.6
Other receivables	—	0.3	—	0.3	—	0.3	—	0.3
Trade receivables	—	427.8	—	427.8	—	449.6	—	449.6
Cash and cash equivalents	—	273.2	—	273.2	—	250.6	—	250.6
Total	—	740.4	294.8	1,035.2	—	802.2	383.3	1,185.5

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

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

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

Level 3 specification on assets:

EUR million	3/31/2023	12/31/2022
Carrying value at beginning of period	383.3	260.0
Effect on other comprehensive income	-87.2	123.2
Decreases	-0.3	—
Reclassifications	-1.0	—
Carrying value at end of period	294.8	383.3

Fair value of Pohjolan Voima and Teollisuuden Voima shares decreased mainly due to lower electricity prices. The shares has been recognized at fair value according to the valuation method described in the Note 3.5 Other Shares in Annual Financial Statement 2022.

7. FAIR VALUE OF FINANCIAL LIABILITIES

EUR million	3/31/2023				12/31/2022			
Fair value hierarchy	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Non-current liabilities								
Interest-bearing liabilities	—	708.6	—	708.6	—	708.0	—	708.0
Current portion of interest-bearing liabilities	—	—	—	—	—	—	—	—
Other liabilities	—	9.2	—	9.2	—	9.3	—	9.3
Current portion of other liabilities	—	6.7	—	6.7	—	6.8	—	6.8
Lease liabilities	—	112.3	—	112.3	—	118.0	—	118.0
Current portion of lease liabilities	—	30.4	—	30.4	—	30.9	—	30.9
Other derivatives, hedge accounting	—	1.4	—	1.4	—	0.0	—	0.0
Current liabilities								
Interest-bearing loans	—	128.0	—	128.0	—	146.1	—	146.1
Other liabilities	—	43.8	—	43.8	—	45.5	—	45.5
Currency derivatives	—	3.0	—	3.0	—	2.3	—	2.3
Currency derivatives, hedge accounting	—	0.9	—	0.9	—	1.4	—	1.4
Other derivatives, hedge accounting	—	1.0	—	1.0	—	0.2	—	0.2
Trade payables	—	267.3	—	267.3	—	292.8	—	292.8
Total	—	1,312.4	—	1,312.4	—	1,361.1	—	1,361.1

8. BUSINESS COMBINATIONS

In Q3 2021, Kemira acquired a minority interest in advanced process optimization start-up SimAnalytics Oy. In Q1 2023, Kemira acquired the rest of the business and has a 100% interest in the acquired business. The acquisition was not material to Kemira's consolidated income statement and balance sheet.

The acquisition calculation under IFRS 3 is provisional. The fair values of the net assets and goodwill may change during the 12-month period during which the acquisition calculation will be finalized. The purchase price of EUR 3 million were paid in cash, except for certain payments which will be paid later. The purchase price is divided into two installments of which EUR 2 million was paid in Q1 2023 and EUR 1 million was paid earlier in 2021. The rest of the payments after acquisition date to the acquired company's employees are remunerations for services under IFRS 3 and these payments have no effect on goodwill.

Based on preliminary acquisition calculations, EUR 1 million was allocated to intangible assets as software. A provisional goodwill of EUR 2 million arises mainly from the expected synergies.

The acquired business has been consolidated into the Pulp & Paper segment starting on Q1 2023.

9. ASSETS HELD FOR SALE

Assets classified as held for sale

EUR million	3/31/2023	3/31/2022	12/31/2022
Goodwill	0.0	—	0.0
Intangible assets	0.0	—	1.8
Property, plant and equipment	0.0	—	4.8
Right-of-use assets	0.0	—	0.4
Inventories	11.3	—	14.3
Total	11.3	—	21.3

Liabilities directly associated with the assets classified as held for sale

EUR million	3/31/2023	3/31/2022	12/31/2022
Liabilities of defined benefit plans	0.3	—	0.3
Liabilities related to right-of-use assets	0.4	—	0.4
Total	0.7	—	0.7

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

The assets and liabilities related to a sale of the colorants business has been classified as a disposal group held for sale according to IFRS 5. As a result, the assets and liabilities related to the sale of the colorants business are presented in the consolidated balance sheet on separate lines. The reclassification had an effect on the reported values of balance sheet items and the expected loss from the sale of the colorants business was EUR 24 million, of which during the

reporting period Q1 2023 recognized EUR 9 million. The colorants business is part of Kemira's Pulp & Paper segment.

10. CONTINGENT LIABILITIES

EUR million	3/31/2023	3/31/2022	12/31/2022
Guarantees			
On behalf of own commitments	106.2	102.2	108.4
On behalf of associates	11.9	12.5	12.5
On behalf of others	2.5	1.8	2.5
Other obligations			
On behalf of own commitments	0.7	0.9	0.7
On behalf of others	16.3	16.3	16.3

The most significant off-balance sheet investments commitments

Major amounts of contractual investment commitments for the acquisition of property, plant, and equipment on March 31, 2023 were about EUR 39 million for plant investments.

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

LITIGATION

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

11. RELATED PARTY

Transactions with related parties have not changed materially.

12. BASIS OF PREPARATION AND ACCOUNTING POLICIES

This unaudited interim financial statements have been prepared in accordance with the IAS 34 Interim Financial Reporting standard and using the same accounting policies as in the annual financial statements for 2022. The interim financial statements should be read in conjunction with the annual financial statements for 2022.

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

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

EFFECTS OF THE UKRAINE WAR ON THE INTERIM REPORT

At the end of March 2023, net assets in Russia amounted to around EUR 7 million and consisted mainly of cash and cash equivalents denominated in Russian roubles. Kemira is looking at options to repatriate funds from Russia.