

**kemira**

**January-September 2023**  
**Interim Report**



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## CONTINUED STRONG PROFITABILITY DRIVEN BY RECORD QUARTER IN INDUSTRY & WATER

### Third quarter:

- Revenue decreased by 15% to EUR 828.7 million (971.9). Revenue in local currencies, excluding acquisitions and divestments, decreased by 9% mainly due to lower sales volumes in Pulp & Paper following a weak market environment.
- Operative EBITDA increased by 5% to EUR 160.3 million (152.5) due to strong improvement in the Industry & Water segment. The operative EBITDA margin increased to 19.3% (15.7%). The operative EBITDA margin improved in the Industry & Water segment and remained stable in the Pulp & Paper segment. EBITDA increased by 15% to EUR 157.2 million (137.3). The differences between operative and reported figures are explained by items affecting comparability, which were mainly related to portfolio actions.
- Operative EBIT increased by 8% to EUR 107.6 million (99.5). EBIT increased by 24% to EUR 104.5 million (84.5).
- Cash flow from operating activities was very strong, EUR 173.1 million (114.8).
- EPS (diluted) increased by 23% to EUR 0.46 (0.38) following higher EBIT.

### January-September:

- Revenue decreased by 1% to EUR 2,574.8 million (2,601.3). Revenue in local currencies, excluding acquisitions and divestments, increased by 2% as the impacts from the weak pulp and paper market were compensated by revenue growth in the Industry & Water segment.
- Operative EBITDA increased by 28% to EUR 504.0 million (394.6) following strong improvement in the Industry & Water segment. The operative EBITDA margin increased to 19.6% (15.2%) following higher sales prices in both segments as well as lower variable costs. EBITDA increased by 31% to EUR 488.7 million (374.0). The differences between operative and reported figures are explained by items affecting comparability, which were mainly related to a loss from the divestment of most of our colorants business and portfolio actions.

- Operative EBIT increased by 47% to EUR 350.4 million (238.1). EBIT increased by 55% to EUR 335.1 million (215.8).
- Cash flow from operating activities was very strong at EUR 412.7 million (145.4).
- EPS (diluted) increased by 59% to EUR 1.48 (0.93) following higher EBIT.

### Outlook for 2023 (upgraded on October 10, 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 620 and EUR 680 million in 2023 (2022: EUR 571.6 million).

#### Assumptions behind outlook (unchanged)

Kemira's end-market demand (in volumes) is expected to decline. Demand is expected to be resilient in water treatment, while demand in the pulp and paper market is expected to be weak following economic slowdown and continued destocking in the customer value chain. Demand in the oil & gas market is expected to grow. Variable costs overall are expected to decline, while electricity prices are expected to remain above long-term average in Europe. Market prices for caustic soda are expected to moderate during 2023. The outlook assumes no major disruptions to Kemira's manufacturing operations, supply chain, or Kemira's energy-generating assets in Finland. Foreign exchange rates are expected to remain at approximately current levels. The outlook is based on Kemira's current portfolio, including the Oil & Gas business.

## ***Kemira's previous outlook for 2023 (published July 18, 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 550 and EUR 650 million in 2023 (2022: EUR 571.6 million).*



## Kemira's Interim President & CEO, CFO Petri Castrén:

"We experienced great sorrow as Jari Rosendal, Kemira's long-serving President & CEO, passed away unexpectedly after a short illness on July 31, 2023. We are grateful for Jari's legacy at Kemira. Under his leadership, Kemira's profitability improved significantly, and the strategic focus shifted towards sustainable profitable growth. Kemira's strategy remains clear and is unchanged with a strong desire to grow in water-related applications. Until a new President & CEO takes the helm, I will act as the Interim President & CEO to oversee strategy execution.

Our strong financial performance during Q3 2023 was yet another demonstration of our resilient business model. We were pleased that our operative EBITDA increased both year-on-year and sequentially. Revenue was EUR 829 million and it declined mainly due to lower sales volumes in the Pulp & Paper segment following a weak market environment. Also sales prices decreased. Sales prices for energy-intensive pulp and bleaching chemicals increased significantly during Q3 2022 - Q1 2023 following exceptionally high energy prices, which are now normalizing resulting in a more normalized pricing environment for pulp and bleaching chemicals. In terms of profitability, operative EBITDA increased year-on-year by 5% to EUR 160 million driven by the Industry & Water segment. The operative EBITDA margin was strong at 19.3% following strong margin improvement in Industry & Water and steady margin performance in Pulp & Paper. Cash flow was also very strong during the quarter.

The pulp and paper market volumes remained weak during Q3 2023 as a weaker economic environment and inventory destocking continued to impact our customers. There are early signs that the market has reached the bottom but there is no meaningful recovery in sight yet. The segment's organic revenue growth was -19% due to lower sales volumes and sales prices for energy-intensive pulp and bleaching chemicals. However, sequentially we saw modest volume growth. The operative EBITDA margin was stable year-on-year at 17.1%. It improved sequentially, which is an excellent achievement in a difficult market environment.

The Industry & Water segment had a record quarter in terms of absolute operative EBITDA and margin. Market trends remained largely similar as in Q2 2023: steady demand in municipal water treatment, while industrial water treatment was more impacted by the slowdown in the economy. Demand in the oil and gas market was good. The segment's organic revenue growth was 3% driven by higher sales prices. Sales volumes were stable during the quarter. The operative EBITDA margin continued to improve and reached 21.5%, an all-time high. In March 2023, we announced a strategic review of the Oil & Gas business. The review is currently ongoing, and we will disclose further details in due course.

Following our strong performance, we upgraded our outlook for operative EBITDA already on October 10, 2023. We now expect revenue to be between EUR 3,200 and EUR 3,700 million and operative EBITDA to be between EUR 620 and EUR 680 million (2022: EUR 571.6 million)."



## KEY FIGURES AND RATIOS

	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
EUR million	2023	2022	2023	2022	2022
Revenue	828.7	971.9	2,574.8	2,601.3	3,569.6
Operative EBITDA	160.3	152.5	504.0	394.6	571.6
Operative EBITDA, %	19.3	15.7	19.6	15.2	16.0
EBITDA	157.2	137.3	488.7	374.0	558.8
EBITDA, %	19.0	14.1	19.0	14.4	15.7
Operative EBIT	107.6	99.5	350.4	238.1	361.6
Operative EBIT, %	13.0	10.2	13.6	9.2	10.1
EBIT	104.5	84.5	335.1	215.8	347.6
EBIT, %	12.6	8.7	13.0	8.3	9.7
Net profit for the period	75.2	60.3	238.4	149.4	239.7
Earnings per share, diluted, EUR	0.46	0.38	1.48	0.93	1.50

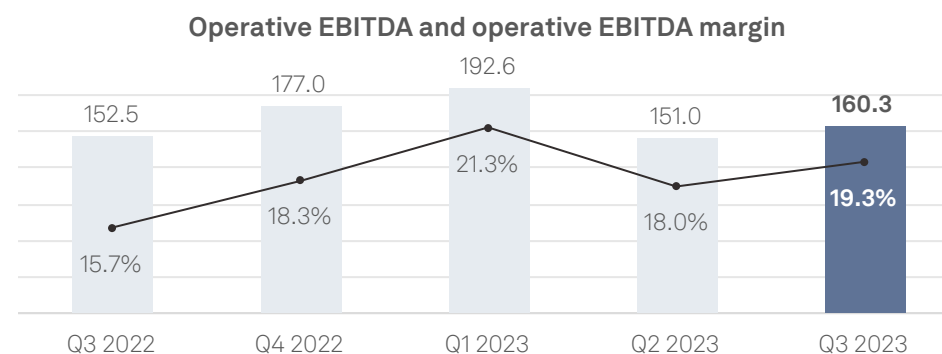
Unless otherwise stated, all comparisons in this report are made to the corresponding period in 2022. Kemira provides certain financial performance measures (alternative performance measures) that are not defined by IFRS. Kemira believes that alternative performance measures followed by capital markets 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.



	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
EUR million	2023	2022	2023	2022	2022
Capital employed*	2,188.9	2,194.9	2,188.9	2,194.9	2,238.0
Operative ROCE*, %	21.6	13.0	21.6	13.0	16.2
ROCE*, %	21.3	10.6	21.3	10.6	15.5
Cash flow from operating activities	173.1	114.8	412.7	145.4	400.3
Capital expenditure excl. acquisition	54.4	43.5	132.3	108.1	197.9
Capital expenditure	54.4	43.5	134.1	108.1	197.9
Cash flow after investing activities	119.0	72.3	288.8	42.4	222.3
Equity ratio, % at period-end	48	44	48	44	46
Equity per share, EUR	10.81	10.77	10.81	10.77	10.89
Gearing, % at period-end	34	54	34	54	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](http://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 Q3 2023

**Revenue** decreased by 15%. Revenue in local currencies, excluding acquisitions and divestments, decreased by 9% mainly due to lower sales volumes as sales volumes declined in Pulp & Paper following a weak market environment. Sales volumes in Industry & Water were stable. Sales prices as a whole decreased as the sales prices for energy-intensive pulp and bleaching chemicals declined following the normalization of electricity prices. Sales prices in Industry & Water increased.

Revenue	Jul-Sep 2023 EUR million	Jul-Sep 2022 EUR million	Δ%	Organic growth*, %	Currency impact, %	Acq. & div. impact, %
Pulp & Paper	403.6	537.3	-25	-19	-3	-2
Industry & Water	425.1	434.6	-2	+3	-5	0
<b>Total</b>	<b>828.7</b>	<b>971.9</b>	<b>-15</b>	<b>-9</b>	<b>-4</b>	<b>-1</b>

\*Revenue growth in local currencies, excluding acquisitions and divestments

**Operative EBITDA** increased by 5% to EUR 160.3 million (152.5) driven by a record quarter in the Industry & Water segment. The operative EBITDA margin increased to 19.3% following strong improvement in Industry & Water and stable margin performance in Pulp & Paper.

Variance analysis, EUR million	Jul-Sep
<b>Operative EBITDA, 2022</b>	<b>152.5</b>
Sales volumes	-31.3
Sales prices	-24.3
Variable costs	+87.9
Fixed costs	-10.3
Currency exchange	-8.0
Others	-6.3
<b>Operative EBITDA, 2023</b>	<b>160.3</b>

Operative EBITDA	Jul-Sep 2023 EUR million	Jul-Sep 2022 EUR million	Δ%	Jul-Sep 2023 %-margin	Jul-Sep 2022 %-margin
Pulp & Paper	68.9	92.3	-25	17.1	17.2
Industry & Water	91.5	60.3	+52	21.5	13.9
<b>Total</b>	<b>160.3</b>	<b>152.5</b>	<b>+5</b>	<b>19.3</b>	<b>15.7</b>

**EBITDA** increased by 15% to EUR 157.2 million (137.3). The difference between it and operative EBITDA is explained by **items affecting comparability**, which were mainly related to portfolio actions. Items affecting comparability in the comparison period were mainly related to an expected loss from the divestment of most of our colorants business, which was closed during Q2 2023.

Items affecting comparability, EUR million	Jul-Sep 2023	Jul-Sep 2022
<b>Within EBITDA</b>	<b>-3.1</b>	<b>-15.3</b>
Pulp & Paper	-0.1	-15.1
Industry & Water	-3.0	-0.2
<b>Within depreciation, amortization and impairments</b>	<b>0.0</b>	<b>0.3</b>
Pulp & Paper	0.0	0.3
Industry & Water	0.0	0.0
<b>Total items affecting comparability in EBIT</b>	<b>-3.1</b>	<b>-15.0</b>

**Depreciation, amortization and impairments** were EUR 52.7 million (52.8), including EUR 1.8 million (2.0) in amortization of purchase price allocation.

**Operative EBIT** increased by 8% due to higher EBITDA. **EBIT** increased by 24%, and the difference between the two is explained by items affecting comparability, which were mainly related to portfolio actions. Items affecting comparability in the comparison period were mainly related to an expected loss from the divestment of most of our colorants business, which was closed during Q2 2023.

**Net finance costs** totaled EUR -9.9 million (-7.4). The increase was driven by foreign exchange valuation and higher interest rates. **Income taxes** were EUR -19.3 million

(-16.9), with the reported tax rate being 20% (22%). **Net profit for the period** increased by 25% mainly due to higher EBIT.



## FINANCIAL PERFORMANCE IN JANUARY-SEPTEMBER 2023

**Revenue** decreased by 1%. Revenue in local currencies, excluding acquisitions and divestments, increased by 2% driven by the Industry & Water segment. Sales prices increased in both segments, particularly in Industry & Water. Sales volumes decreased as sales volumes declined in Pulp & Paper in line with the weak market. In Industry & Water, sales volumes increased slightly.

Revenue	Jan-Sep 2023 EUR million	Jan-Sep 2022 EUR million	Δ%	Organic growth*, %	Currency impact, %	Acq. & div. impact, %
Pulp & Paper	1,329.3	1,471.4	-10	-7	-1	-1
Industry & Water	1,245.5	1,129.9	+10	+13	-2	0
<b>Total</b>	<b>2,574.8</b>	<b>2,601.3</b>	<b>-1</b>	<b>+2</b>	<b>-2</b>	<b>-1</b>

\*Revenue growth in local currencies, excluding acquisitions and divestments

Geographically, the revenue split was as follows: EMEA (Europe, Middle East, Africa) 48% (51%), the Americas 43% (40%), and Asia Pacific 9% (9%).

**Operative EBITDA** increased by 28% to EUR 504.0 million (394.6). Operative EBITDA improved particularly in Industry & Water following higher sales prices. In Pulp & Paper, operative EBITDA improved slightly. Variable costs overall moderated during the year. The operative EBITDA margin improved to 19.6% following improvement in both segments, particularly in Industry & Water.

Variance analysis, EUR million	Jan-Sep
<b>Operative EBITDA, 2022</b>	<b>394.6</b>
Sales volumes	-57.6
Sales prices	+215.6
Variable costs	+15.1
Fixed costs	-47.2
Currency exchange	-3.2
Others	-13.4
<b>Operative EBITDA, 2023</b>	<b>504.0</b>

	Jan-Sep 2023 EUR million	Jan-Sep 2022 EUR million	Δ%	Jan-Sep 2023 %-margin	Jan-Sep 2022 %-margin
<b>Operative EBITDA</b>					
Pulp & Paper	243.4	237.1	+3	18.3	16.1
Industry & Water	260.6	157.5	+65	20.9	13.9
<b>Total</b>	<b>504.0</b>	<b>394.6</b>	<b>+28</b>	<b>19.6</b>	<b>15.2</b>

**EBITDA** increased by 31% to EUR 488.7 million (374.0). The difference between it and operative EBITDA is explained by items affecting comparability. **Items affecting** comparability mainly consisted of a loss from the divestment of most of our colorants business and portfolio actions. Items affecting comparability in the comparison period mainly related to an expected loss from the divestment of most of our colorants business which was closed during Q2 2023 and Kemira's exit from Russia.

Items affecting comparability, EUR million	Jan-Sep 2023	Jan-Sep 2022
<b>Within EBITDA</b>	<b>-15.3</b>	<b>-20.6</b>
Pulp & Paper	-9.9	-18.7
Industry & Water	-5.4	-2.0
<b>Within depreciation, amortization and impairments</b>	<b>0.0</b>	<b>-1.7</b>
Pulp & Paper	0.0	-1.7
Industry & Water	0.0	0.0
<b>Total</b>	<b>-15.3</b>	<b>-22.3</b>

**Depreciation, amortization, and impairments** were EUR 153.6 million (158.2), including the EUR 5.4 million (7.6) amortization of purchase price allocation.

**Operative EBIT** increased by 47% compared to the previous year. **EBIT** increased by 55%, and the difference between the two is explained by items affecting comparability, which were mainly related to a loss from the divestment of most of our colorants business and portfolio actions. Items affecting comparability in the comparison period are described on the previous page.

**Net finance costs** totaled EUR -32.8 million (-24.1). The increase was due to foreign exchange valuation and higher interest rates. **Income taxes** were EUR -63.9 million (-42.3), with the reported tax rate being 21% (22%). **Net profit** for the period increased by 60% mainly due to higher EBIT.



## FINANCIAL POSITION AND CASH FLOW

Cash flow from operating activities in January-September 2023 increased to EUR 412.7 million (145.4) due to lower net working capital and higher net profit for the period. Cash flow after investing activities was very strong at EUR 288.8 million (42.4).

At the end of the period, interest-bearing liabilities totaled EUR 969.6 million (1,080.4), including lease liabilities of EUR 150.7 million (152.8). The average interest rate of the Group's interest-bearing loan portfolio (excluding leases) was 2.8% (1.7%), and the duration was 18 months (21). Fixed-rate loans accounted for 70% (71%) of net interest-bearing liabilities, including lease liabilities.

Short-term liabilities maturing in the next 12 months amounted to EUR 327.8 million. On September 30, 2023, cash and cash equivalents totaled EUR 403.1 million (173.9). 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 566.5 million (906.4), including lease liabilities. The equity ratio was 48% (44%), while gearing was 34% (54%).

The fair value of Pohjolan Voima and Teollisuuden Voima shares decreased during January-September 2023 mainly due to lower electricity forward prices and long-term forecasts. Olkiluoto 3 started regular electricity production during Q2 2023 and Kemira's indirect ownership through PVO's B2 shares was valued with the discounted cash flow method for the first time in Q2 2023. More information can be found in note 6.

## CAPITAL EXPENDITURE

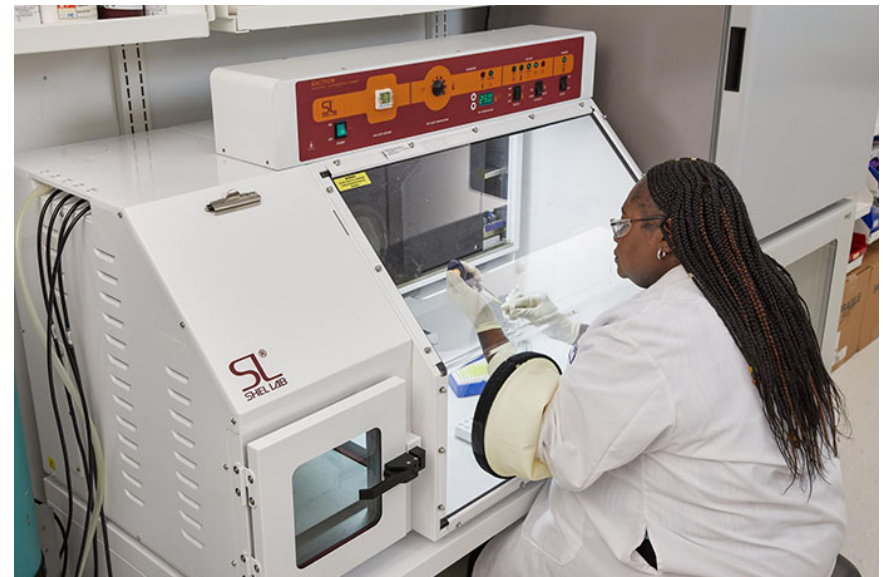
In January-September 2023, capital expenditure excluding acquisitions increased by 22% to EUR 132.3 million (108.1). Capital expenditure excluding acquisitions (capex) can be broken down as follows: expansion capex 20% (22%), improvement capex 30% (29%), and maintenance capex 50% (50%).

## RESEARCH AND DEVELOPMENT

In January-September 2023, total research and development expenses were EUR 25.2 million (23.3), representing 1.0% (0.9%) of the Group's revenue.

## HUMAN RESOURCES

At the end of the period, Kemira Group had 4,919 employees (4,914). Kemira had 801 (771) employees in Finland, 1,702 (1,687) employees elsewhere in EMEA, 1,495 (1,522) in the Americas, and 921 (934) in APAC.



## SUSTAINABILITY

Kemira's sustainability work covers economical, environmental, and social topics and is guided by the UN's Sustainable Development Goals (SDGs). Our focus is on Clean Water and Sanitation (SDG6), Decent Work and Economic Growth (SDG8), Responsible Consumption and Production (SDG12), and Climate Action (SDG13). In May 2023, Kemira achieved a Platinum level rating for the third consecutive year. In July 2023, Kemira reached the highest level, AAA, in MSCI ESG Ratings.

### Sustainability performance in Q3 2023

#### SAFETY

TRIF in January-September 2023 improved to 2.4 (1-9/2022: 2.9). Q3 2023 TRIF was 1.7, the best quarterly performance in 2023. Kemira continues its systematic work to improve 2023 safety performance toward the 2023 TRIF target of 1.9.

#### PEOPLE

Kemira's target is to reach the top 10% cross industry benchmark for Diversity & Inclusion by the end of 2025. In May 2023, the Inclusion index improved 1 point from Oct 2022. In Q3 2023, we completed Diversity, Equity, and inclusion (DEI) training for people managers reaching 50% of all people managers. We also held DEI workshops in 12 manufacturing sites for employees, which will continue in Q4 2023 and in 2024. Kemira's employee resource groups also continued to be active, and a new mentoring program "WeMentor" was designed in the Women's Network and will be piloted during the coming months.

#### CIRCULARITY






Disposed production waste intensity in H1 2023 was 4.3 (metric tons of waste per thousand metric tons of production; 4.4 in 2022) indicating progress towards the 2030 target of 3.9 (15% reduction from the 2019 baseline of 4.6). In addition, Kemira continued to progress its renewable solutions strategy. During Q3 2023, Kemira was particularly successful in rolling out its biomass-balanced polymer offering in the EMEA region.

#### WATER

Kemira's goal to continuously decrease freshwater use intensity was supported by a decrease in freshwater use intensity (m3/metric tons of production) to 1.1 in H1 2023 (2022: 1.2). This was due to the lower share of water-intensive products and process efficiency improvements across the company. During Q3 2023, Kemira also submitted its response to the CDP Water Security questionnaire with results expected in January 2024.

## CLIMATE

The Q3 2023 data for Kemira's Scope 1 and Scope 2 emissions will be available on Kemira's website [kemira.com/investors](https://kemira.com/investors) in November. Kemira's Scope 1 and 2 emissions in H1 2023 were in line with Kemira's SBTi commitment. Scope 1 and 2 emissions are expected to decrease in 2023 due to decarbonization efforts in the energy supplied to Kemira's sites, and implementation of energy efficiency programs to reduce consumption. In addition, Kemira has improved its CO2e emissions intensity (t CO2e/t product) following changes in product mix. Kemira also submitted its response to the CDP Climate Change questionnaire during Q3 2023 with results expected in January 2024.

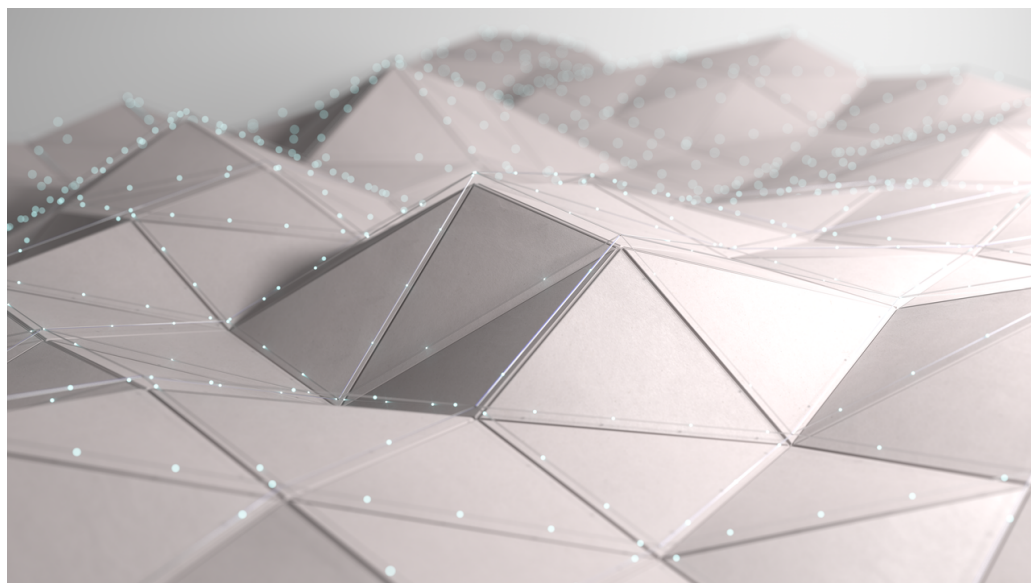
SDG	KPI	UNIT	2022	2021
	<b>SAFETY</b> TRIF* 1.5 by the end of 2025 and 1.1 by the end of 2030 <small>*TRIF = total recordable injury frequency per million</small>		2.6	2.7
	<b>PEOPLE</b> Reach top 10% cross industry norm for Diversity & Inclusion by the end of 2025		Slightly below top 25%	Slightly below top 25%
	<b>CIRCULARITY</b> Reduce waste intensity** by 15% by the end of 2030 from a 2019 baseline of 4.6 <small>**kilograms of disposed production waste per metric tonnes of production</small> Renewable solutions > EUR 500 million revenue by the end of 2030	kg/tonnes of production EUR million	4.4 ~250	4.3 ~200
	<b>WATER</b> 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
	<b>CLIMATE</b> Scopes 1 and 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.



	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
EUR million	2023	2022	2023	2022	2022
Revenue	403.6	537.3	1,329.3	1,471.4	2,027.7
Operative EBITDA	68.9	92.3	243.4	237.1	348.0
Operative EBITDA, %	17.1	17.2	18.3	16.1	17.2
EBITDA	68.7	77.2	233.5	218.5	336.6
EBITDA, %	17.0	14.4	17.6	14.8	16.6
Operative EBIT	39.8	61.8	157.7	145.3	225.7
Operative EBIT, %	9.9	11.5	11.9	9.9	11.1
EBIT	39.7	47.0	147.8	125.0	213.1
EBIT, %	9.8	8.7	11.1	8.5	10.5
Capital employed*	1,288.2	1,324.2	1,288.2	1,324.2	1,337.7
Operative ROCE*, %	18.5	13.3	18.5	13.3	16.9
ROCE*, %	18.3	9.6	18.3	9.6	15.9
Capital expenditure excl. M&A	34.3	28.4	85.0	71.1	122.5
Capital expenditure incl. M&A	34.3	28.4	86.8	71.1	122.5
Cash flow after investing activities	50.7	66.6	166.6	92.2	207.2

\*12-month rolling average

#### Third quarter:

The segment's **revenue** decreased by 25%. Revenue in local currencies, excluding acquisitions and divestments, decreased by 19% as sales volumes declined following the weak market. Sales volumes declined in all product groups, particularly in pulp and bleaching chemicals. Sales prices decreased. This was due to lower sales prices for energy-intensive pulp and bleaching chemicals following the normalization of electricity prices, which is resulting in a more normalized pricing environment for pulp and bleaching chemicals. Currencies had a negative impact. Sequentially sales volumes increased slightly, while sales prices declined, particularly in energy-

intensive pulp and bleaching chemicals. Market prices of caustic soda remained moderate during Q3 2023.

In **EMEA**, revenue decreased by 32%. Sales volumes declined in all product groups, particularly in pulp and bleaching chemicals. Sales prices decreased as sales prices for energy-intensive pulp and bleaching chemicals declined. The market prices of caustic soda remained moderate during Q3 2023. In **the Americas**, revenue decreased by 23%. Revenue in local currencies, excluding acquisitions and divestments, decreased by 11% as sales volumes decreased. Sales prices were rather stable. In **APAC**, revenue decreased by 1%. Revenue in local currencies, excluding acquisitions and divestments, increased by 10% due to higher sales volumes across product groups. Sales prices decreased.

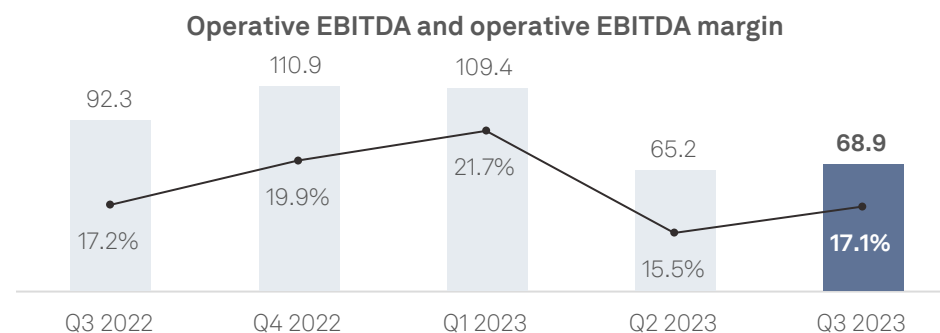
**Operative EBITDA** decreased by 25% as sales prices and sales volumes declined, which were partly compensated by successful variable cost management. The operative EBITDA margin was stable at 17.1%, but it improved sequentially from Q2 2023 (15.5%). **EBITDA** decreased by 11%. The difference between it and operative EBITDA is explained by items affecting comparability. Items affecting comparability in the comparison period were mainly related to an expected loss from the divestment of most of our colorants business.



## January-September:

The segment's **revenue** decreased by 10%. Revenue in local currencies (excluding divestments and acquisitions) decreased by 7% following lower sales volumes. Sales prices increased in all product groups. Market prices of caustic soda were on a high level during Q1 2023, but moderated in Q2 and Q3 2023. Sales volumes declined in all product groups, particularly in pulp and bleaching chemicals.

**Operative EBITDA** increased by 3% following higher sales prices and successful variable cost management, which were partly offset by lower sales volumes. The operative EBITDA margin increased to 18.3% following higher sales prices. **EBITDA** increased by 7%. The difference between it and operative EBITDA is explained by items affecting comparability, which were mainly related to a loss from the divestment of most of our colorants business. Items affecting comparability in the comparison period were mainly related to an expected loss from the divestment of most of our colorants business which was closed during Q2 2023 and Kemira's exit from 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 the efficiency of oil sands tailings treatment.



EUR million	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
Revenue	425.1	434.6	1,245.5	1,129.9	1,541.9
Operative EBITDA	91.5	60.3	260.6	157.5	223.7
Operative EBITDA, %	21.5	13.9	20.9	13.9	14.5
EBITDA	88.5	60.1	255.2	155.5	222.2
EBITDA, %	20.8	13.8	20.5	13.8	14.4
Operative EBIT	67.8	37.7	192.7	92.8	135.9
Operative EBIT, %	16.0	8.7	15.5	8.2	8.8
EBIT	64.8	37.5	187.3	90.8	134.5
EBIT, %	15.2	8.6	15.0	8.0	8.7
Capital employed*	900.6	870.5	900.6	870.5	900.3
Operative ROCE*, %	26.2	12.6	26.2	12.6	15.1
ROCE*, %	25.6	12.3	25.6	12.3	14.9
Capital expenditure excl. M&A	20.1	15.1	47.3	37.1	75.4
Capital expenditure incl. M&A	20.1	15.1	47.3	37.1	75.4
Cash flow after investing activities	86.6	31.6	211.5	25.2	100.9

\*12-month rolling average

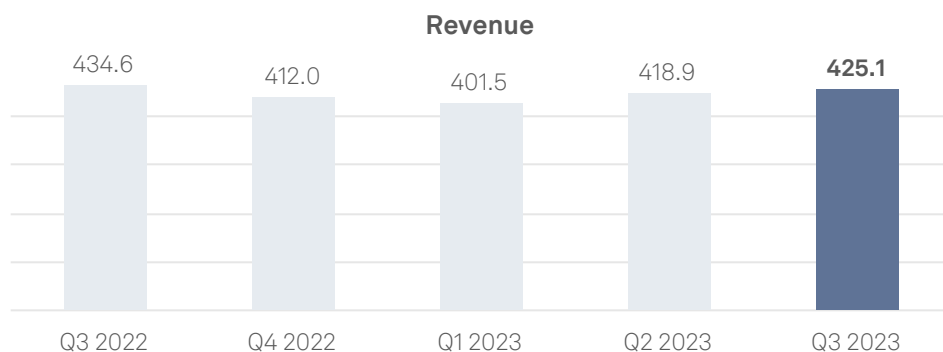
### Third quarter:

The segment's **revenue** decreased by 2%. Revenue in local currencies, excluding acquisitions and divestments, increased by 3% due to higher sales prices in water treatment. Sales volumes were stable. Currencies had a negative impact. Sequentially sales volumes increased, while sales prices decreased.

In the water treatment business, revenue decreased by 5% as lower sales volumes and negative currency impact were only partially compensated by higher sales prices. Sales volumes declined due to industrial water treatment. The revenue of the Oil & Gas business increased by 4% to EUR 125.2 million (120.8) following higher sales volumes, particularly in shale. Sales prices decreased.

In **EMEA**, revenue decreased by 7% due to lower sales volumes. Sales prices increased in water treatment. In **the Americas**, revenue increased by 3%. Revenue in local currencies, excluding acquisitions and divestments, increased by 11% particularly due to higher sales volumes in Oil & Gas. Sales prices increased slightly. In water treatment, revenue growth was driven by higher sales prices, while sales volumes declined. In the Oil & Gas business, revenue growth was driven by higher sales volumes, particularly in shale. Sales prices decreased. In **APAC**, revenue decreased by 37% albeit from a low base.

**Operative EBITDA** increased by 52% following successful variable cost management and higher sales prices in water treatment. The operative EBITDA margin increased to 21.5% following strong improvement in water treatment. The operative EBITDA margin in the Oil & Gas business also improved compared to Q3 2022. **EBITDA** increased by 47%, and the difference from operative EBITDA is explained by items affecting comparability, which were mainly related to portfolio actions.

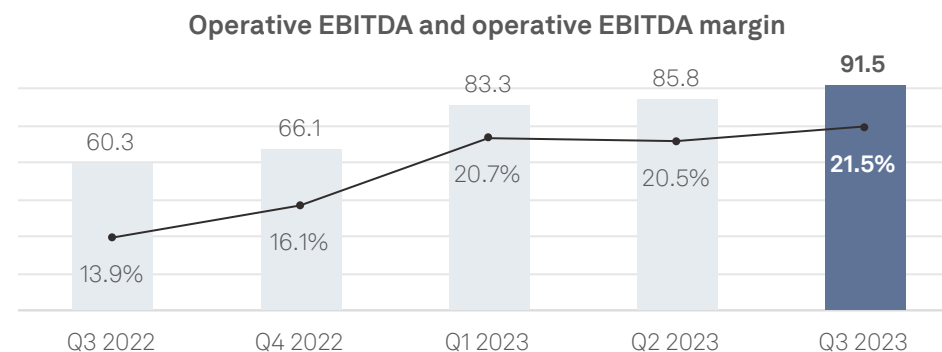


## January-September:

The segment's **revenue** increased by 10%. Revenue in local currencies, excluding acquisitions and divestments, increased by 13%. The increase was driven by higher sales prices in water treatment. Sales volumes were rather stable. Currencies had a negative impact.

In the water treatment business, revenue increased by 6% due to higher sales prices. Sales volumes declined following soft demand in industrial water treatment. Revenue in the Oil & Gas business increased by 25% to EUR 347.9 million (279.3) due to higher sales volumes, particularly in shale. Sales prices decreased.

**Operative EBITDA** increased by 65% following higher sales prices. The operative EBITDA margin increased to 20.9% due to strong performance in water treatment. The operative EBITDA margin improved also in the Oil & Gas business. **EBITDA** increased by 64% and the difference from operative EBITDA is explained by items affecting comparability, which were mainly related to portfolio actions.



## KEMIRA OYJ'S SHARES AND SHAREHOLDERS

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

At the end of September 2023, Kemira Oyj had 49,730 registered shareholders (48,403 on December 31, 2022). Non-Finnish shareholders held 34.5% of the shares (31.5% on December 31, 2022), including nominee-registered holdings. Households owned 19.1% of the shares (19.3% on December 31, 2022). Kemira held 1,722,725 treasury shares (2,215,073 on December 31, 2022), representing 1.1% (1.3% on December 31, 2022) of all company shares.

Kemira Oyj's share price increased by 3% during the reporting period and closed at EUR 14.74 on the Nasdaq Helsinki at the end of September 2023 (14.33 on December 31, 2022). The shares registered a high of EUR 18.22 and a low of EUR 13.51 in January-September 2023, and the average share price was EUR 15.28. The company's market capitalization, excluding treasury shares, was EUR 2,264 million at the end of September 2023 (2,194 December 31, 2022).

In January-September 2023, Kemira Oyj's share trading turnover on the Nasdaq Helsinki was EUR 565 million (EUR 361 million in January-September 2022). The average daily trading volume was 190,313 shares (155,579 in January-September 2022). The total volume of Kemira Oyj's share trading in January-September 2023 was 46 million shares (39 million shares in January-September 2022), 21% (26% in January-September 2022) of which was executed on other trading platforms (e.g. Turquoise, CBOE DXE). Source: Nasdaq and Kemira.com.

## Flagging notifications

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

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

## AUTHORIZATIONS

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

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

## DIVIDEND

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

The Board of Directors decided on the record date and the payment date for the second dividend installment of EUR 0.31 at its meeting on October 23, 2023. The record date is October 26, 2023, and the dividend payment date November 2,

2023. Kemira announced the resolution of the Board of Directors with a separate stock exchange release and confirmed the record and payment dates.

## SHORT-TERM RISKS AND UNCERTAINTIES

There have been changes to Kemira's short-term risks and uncertainties compared to the situation on December 31, 2022. The pulp and paper market weakened clearly during Q2 2023 due to larger and longer-than-expected inventory destocking in the customer value chain. The pulp and paper market remained weak during Q3 2023. There are early signs that the market has reached a bottom, but there is no meaningful recovery in sight yet.

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 compared to the situation on December 31, 2022.

At the end of September 2023, net assets in Russia amounted to around EUR 5 million and consisted mainly of cash and cash equivalents denominated in Russian roubles. Kemira is working to repatriate funds from Russia.

For Kemira's 2023 outlook, including assumptions behind the outlook, please refer to the section "Outlook" on page [20](#).

## CHANGES IN KEMIRA'S MANAGEMENT BOARD

[On August 1, 2023](#), Kemira announced that President & CEO Jari Rosendal had passed away unexpectedly after a short illness on July 31. Kemira announced on [July 18, 2023](#) that Kemira's Board of Directors and President & CEO Jari Rosendal had agreed that he would leave his position in 2024 at the latest and that Kemira's Board of Directors would initiate a search for his successor. CFO Petri Castrén will act as Interim President & CEO until the new President & CEO starts in the position. [On July 11, 2023](#) Kemira announced that President & CEO Jari Rosendal is on sick leave. Kemira Oyj's Group General Counsel, Deputy CEO Jukka Hakkila assumed the duties of the President & CEO between July 11, 2023 and July 17, 2023 until Petri Castrén was appointed as Interim President & CEO.

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

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

## OTHER EVENTS DURING THE REVIEW PERIOD

[On September 21, 2023](#), Kemira joined the UN Global Compact Forward Faster Initiative to accelerate the progress of UN Sustainable Development Goals.

## ACQUISITIONS AND DIVESTMENTS

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

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

## EVENTS AFTER THE REVIEW PERIOD

[On October 10, 2023](#), Kemira upgraded its 2023 outlook for operative EBITDA.



## OUTLOOK FOR 2023 (upgraded October 10, 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 620 and EUR 680 million in 2023 (2022: EUR 571.6 million).

### Assumptions behind outlook (unchanged)

Kemira's end-market demand (in volumes) is expected to decline. Demand is expected to be resilient in water treatment, while demand in the pulp and paper market is expected to be weak following economic slowdown and continued destocking in the customer value chain. Demand in the oil & gas market is expected to grow. Variable costs overall are expected to decline, while electricity prices are expected to remain above long-term average in Europe. Market prices for caustic soda are expected to moderate during 2023. The outlook assumes no major disruptions to Kemira's manufacturing operations, supply chain, or Kemira's energy-generating assets in Finland. Foreign exchange rates are expected to remain at approximately current levels. The outlook is based on Kemira's current portfolio, including the Oil & Gas business.

### Kemira's previous outlook for 2023 (published July 18, 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 550 and EUR 650 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, October 23, 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 2024

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

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

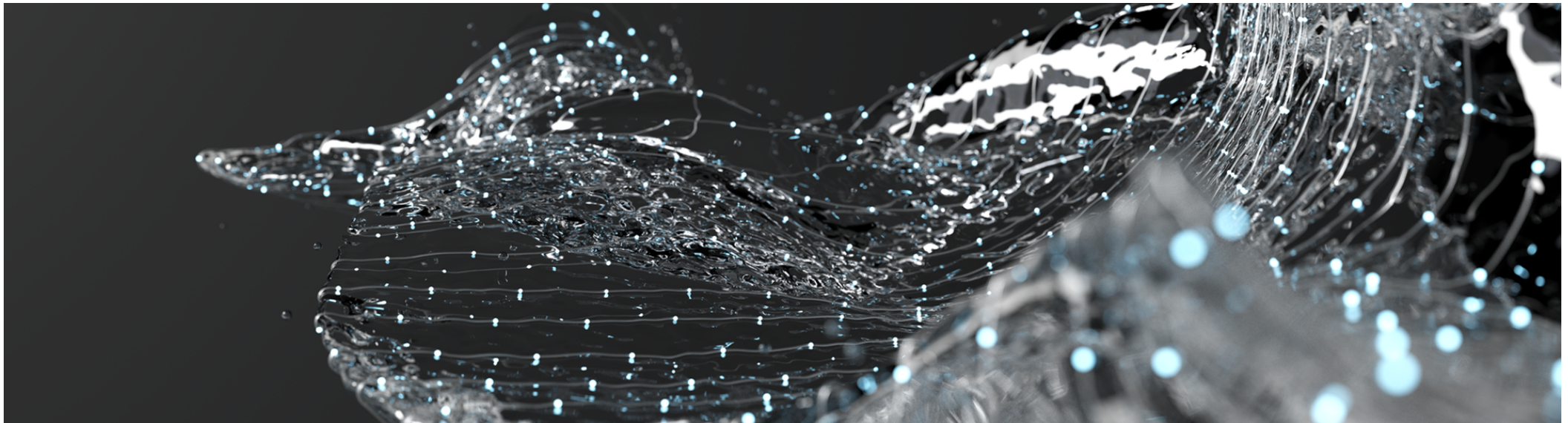
## WEBCAST AND CONFERENCE CALL FOR PRESS AND ANALYSTS

Kemira will arrange a webcast for analysts, investors, and the media on Tuesday, October 24, 2023, starting at 10.30 am EEST (8.30 am UK time). During the webcast, Kemira's Interim President & CEO, CFO Petri Castrén, will present the results. The webcast will be held in English and can be followed at [kemira.com/investors](https://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=1008735>

After 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	7-9/2023	7-9/2022	1-9/2023	1-9/2022	1-12/2022
<b>Revenue</b>	828.7	971.9	2,574.8	2,601.3	3,569.6
Other operating income	1.8	5.4	6.3	9.3	18.2
Operating expenses	-673.3	-840.0	-2,092.1	-2,236.6	-3,029.3
Share of profit or loss of associates	0.0	0.0	-0.3	0.0	0.3
<b>EBITDA</b>	157.2	137.3	488.7	374.0	558.8
Depreciation, amortization and impairments	-52.7	-52.8	-153.6	-158.2	-211.2
<b>Operating profit (EBIT)</b>	104.5	84.5	335.1	215.8	347.6
Finance costs, net	-9.9	-7.4	-32.8	-24.1	-39.4
<b>Profit before taxes</b>	94.6	77.1	302.3	191.7	308.2
Income taxes	-19.3	-16.9	-63.9	-42.3	-68.5
<b>Net profit for the period</b>	75.2	60.3	238.4	149.4	239.7
<b>Net profit attributable to</b>					
Equity owners of the parent company	71.7	57.9	229.4	143.4	231.7
Non-controlling interests	3.5	2.4	9.0	6.0	8.0
<b>Net profit for the period</b>	75.2	60.3	238.4	149.4	239.7
Earnings per share, basic, EUR	0.47	0.38	1.49	0.94	1.51
Earnings per share, diluted, EUR	0.46	0.38	1.48	0.93	1.50

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	7-9/2023	7-9/2022	1-9/2023	1-9/2022	1-12/2022
<b>Net profit for the period</b>	75.2	60.3	238.4	149.4	239.7
<b>Other comprehensive income</b>					
<b>Items that may be reclassified subsequently to profit or loss</b>					
Exchange differences on translating foreign operations	11.3	38.1	0.1	63.8	17.5
Cash flow hedges	-9.8	25.2	-61.0	83.6	39.2
<b>Items that will not be reclassified subsequently to profit or loss</b>					
Other shares	-27.9	—	-84.6	112.9	98.6
Remeasurements of defined benefit plans	—	—	—	—	31.8
<b>Other comprehensive income for the period, net of tax</b>	-26.4	63.3	-145.5	260.2	187.1
<b>Total comprehensive income for the period</b>	48.8	123.6	92.9	409.6	426.7
<b>Total comprehensive income attributable to</b>					
Equity owners of the parent company	45.9	120.2	83.7	404.3	418.9
Non-controlling interests	2.9	3.5	9.2	5.4	7.8
<b>Total comprehensive income for the period</b>	48.8	123.6	92.9	409.6	426.7

## CONSOLIDATED BALANCE SHEET

EUR million	9/30/2023	9/30/2022	12/31/2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	513.1	523.1	510.5
Other intangible assets	54.8	61.0	61.2
Property, plant and equipment	1,090.5	1,085.7	1,080.2
Right-of-use assets	146.1	150.3	146.0
Investments in associates	4.5	4.6	5.1
Other shares	276.2	401.3	383.3
Deferred tax assets	27.5	36.1	27.1
Other financial assets	9.1	49.2	31.0
Receivables of defined benefit plans	80.3	63.3	78.4
<b>Total non-current assets</b>	<b>2,202.1</b>	<b>2,374.6</b>	<b>2,322.8</b>
<b>Current assets</b>			
Inventories	347.5	474.1	433.7
Interest-bearing receivables	0.3	0.3	0.3
Trade receivables and other receivables	496.8	701.4	603.7
Current income tax assets	28.5	20.0	18.7
Cash and cash equivalents	403.1	173.9	250.6
<b>Total current assets</b>	<b>1,276.2</b>	<b>1,369.7</b>	<b>1,307.0</b>
Assets classified as held-for-sale	—	23.6	21.3
<b>Total assets</b>	<b>3,478.2</b>	<b>3,767.8</b>	<b>3,651.1</b>

EUR million	9/30/2023	9/30/2022	12/31/2022
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity attributable to equity owners of the parent company	1,661.4	1,651.1	1,669.9
Non-controlling interests	15.6	12.2	14.7
<b>Total equity</b>	<b>1,676.9</b>	<b>1,663.3</b>	<b>1,684.6</b>
<b>Non-current liabilities</b>			
Interest-bearing liabilities	641.8	814.3	838.1
Other financial liabilities	10.2	9.6	9.4
Deferred tax liabilities	82.5	124.3	118.2
Liabilities of defined benefit plans	66.0	91.0	66.9
Provisions	26.4	44.7	38.4
<b>Total non-current liabilities</b>	<b>827.0</b>	<b>1,083.9</b>	<b>1,070.9</b>
<b>Current liabilities</b>			
Interest-bearing liabilities	327.8	266.1	183.7
Trade payables and other liabilities	569.4	684.8	635.2
Current income tax liabilities	56.2	54.6	57.2
Provisions	20.9	14.2	18.8
<b>Total current liabilities</b>	<b>974.4</b>	<b>1,019.6</b>	<b>894.9</b>
<b>Total liabilities</b>	<b>1,801.3</b>	<b>2,103.5</b>	<b>1,965.8</b>
Liabilities classified as held-for-sale	—	1.0	0.7
<b>Total equity and liabilities</b>	<b>3,478.2</b>	<b>3,767.8</b>	<b>3,651.1</b>

## CONSOLIDATED CASH FLOW STATEMENT

EUR million	7-9/2023	7-9/2022	1-9/2023	1-9/2022	1-12/2022
<b>Cash flow from operating activities</b>					
Net profit for the period	75.2	60.3	238.4	149.4	239.7
Total adjustments	78.3	96.3	251.5	253.1	348.1
Cash flow before change in net working capital	153.6	156.5	489.9	402.5	587.8
Change in net working capital	37.9	-15.8	12.1	-182.0	-101.8
Cash generated from operations before financing items and taxes	191.4	140.7	502.0	220.5	486.0
Finance expenses, net and dividends received	-5.7	-18.4	-14.6	-49.3	-52.2
Income taxes paid	-12.6	-7.6	-74.7	-25.8	-33.5
<b>Net cash generated from operating activities</b>	<b>173.1</b>	<b>114.8</b>	<b>412.7</b>	<b>145.4</b>	<b>400.3</b>
<b>Cash flow from investing activities</b>					
Purchases of subsidiaries and business acquisitions, net of cash acquired	—	—	-1.9	—	—
Other capital expenditure	-54.4	-43.5	-132.3	-108.1	-197.9
Proceeds from sale of assets and capital repayments	0.2	0.7	9.7	4.4	19.1
Decrease (+) / increase (-) in loan receivables	0.0	0.2	0.4	0.6	0.8
<b>Net cash used in investing activities</b>	<b>-54.2</b>	<b>-42.5</b>	<b>-124.0</b>	<b>-103.1</b>	<b>-178.0</b>

EUR million	7-9/2023	7-9/2022	1-9/2023	1-9/2022	1-12/2022
<b>Cash flow from financing activities</b>					
Proceeds from non-current interest-bearing liabilities	0.1	—	0.2	15.9	195.9
Repayments of non-current liabilities	—	—	—	-52.8	-202.8
Short-term financing, net increase (+) / decrease (-)	0.4	-30.3	-51.1	95.7	21.4
Repayments of lease liabilities	-8.8	-8.7	-27.1	-25.9	-35.1
Dividends paid	-7.4	-7.0	-55.9	-51.4	-95.9
<b>Net cash used in financing activities</b>	<b>-15.7</b>	<b>-46.0</b>	<b>-133.9</b>	<b>-18.5</b>	<b>-116.4</b>
<b>Net decrease (-) / increase (+) in cash and cash equivalents</b>	<b>103.2</b>	<b>26.3</b>	<b>154.9</b>	<b>23.8</b>	<b>105.9</b>
Cash and cash equivalents at end of period	403.1	173.9	403.1	173.9	250.6
Exchange gains (+) / losses (-) on cash and cash equivalents	0.4	0.3	-2.4	7.7	2.3
Cash and cash equivalents at beginning of period	299.5	147.3	250.6	142.4	142.4
<b>Net decrease (-) / increase (+) in cash and cash equivalents</b>	<b>103.2</b>	<b>26.3</b>	<b>154.9</b>	<b>23.8</b>	<b>105.9</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to equity owners of the parent company									
EUR million	Share capital	Share premium	Fair value and other reserves	Unrestricted equity reserve	Exchange differences	Treasury shares	Retained earnings	Total	Non-controlling interests	Total Equity
Equity on January 1, 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	—	—	—	—	—	—	229.4	229.4	9.0	238.4
Other comprehensive income, net of tax	—	—	-145.7	—	-0.1	—	0.1	-145.7	0.2	-145.5
Total comprehensive income	—	—	-145.7	—	-0.1	—	229.5	83.7	9.2	92.9
Transactions with owners										
Dividends paid	—	—	—	—	—	—	-95.2 <sup>1)</sup>	-95.2	-8.3	-103.5
Treasury shares issued to the target group of a share-based incentive plan	—	—	—	—	—	1.7	—	1.7	—	1.7
Treasury shares issued to the Board of Directors	—	—	—	—	—	0.1	—	0.1	—	0.1
Share-based payments	—	—	—	—	—	—	1.0	1.0	—	1.0
Transfers in equity	—	—	0.1	—	—	—	-0.1	0.0	—	0.0
Other items	—	—	—	—	—	—	0.2	0.2	—	0.2
Total transactions with owners	—	—	0.1	—	—	1.8	-94.1	-92.2	-8.3	-100.5
Equity on September 30, 2023	221.8	257.9	133.2	196.3	-36.1	-11.6	899.8	1,661.4	15.6	1,676.9

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

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

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

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			
<b>Equity on January 1, 2022</b>	221.8	257.9	140.9	196.3	-53.7	-14.9	580.5	1,328.8	13.9	1,342.7
<b>Net profit for the period</b>	—	—	—	—	—	—	143.4	143.4	6.0	149.4
Other comprehensive income, net of tax	—	—	196.5	—	64.4	—	—	260.9	-0.6	260.2
<b>Total comprehensive income</b>	—	—	196.5	—	64.4	—	143.3	404.3	5.4	409.6
<b>Transactions with owners</b>										
Dividends paid	—	—	—	—	—	—	-88.9 <sup>2)</sup>	-88.9	-7.0	-95.9
Treasury shares issued to the target group of a share-based incentive plan	—	—	—	—	—	1.5	—	1.5	—	1.5
Treasury shares issued to the Board of Directors	—	—	—	—	—	0.1	—	0.1	—	0.1
Treasury shares returned	—	—	—	—	—	0.0	—	0.0	—	0.0
Share-based payments	—	—	—	—	—	—	5.3	5.3	—	5.3
Transfers in equity	—	—	0.1	—	—	—	-0.1	0.0	—	0.0
<b>Total transactions with owners</b>	—	—	0.1	—	—	1.6	-83.7	-82.0	-7.0	-89.0
<b>Equity on September 30, 2022</b>	221.8	257.9	337.5	196.3	10.7	-13.3	640.2	1,651.1	12.2	1,663.3

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](http://www.kemira.com) > Investors > Financial information.

	2023 7-9	2023 4-6	2023 1-3	2022 10-12	2022 7-9	2022 4-6	2022 1-3	2023 1-9	2022 1-9	2022 1-12
<b>Income statement and profitability</b>										
Revenue, EUR million	828.7	840.1	906.0	968.2	971.9	861.4	768.1	2,574.8	2,601.3	3,569.6
Operative EBITDA, EUR million	160.3	151.0	192.6	177.0	152.5	122.1	120.0	504.0	394.6	571.6
Operative EBITDA, %	19.3	18.0	21.3	18.3	15.7	14.2	15.6	19.6	15.2	16.0
EBITDA, EUR million	157.2	147.4	184.1	184.8	137.3	123.2	113.5	488.7	374.0	558.8
EBITDA, %	19.0	17.5	20.3	19.1	14.1	14.3	14.8	19.0	14.4	15.7
Items affecting comparability in EBITDA, EUR million	-3.1	-3.7	-8.5	7.8	-15.3	1.2	-6.5	-15.3	-20.6	-12.8
Operative EBIT, EUR million	107.6	100.9	141.9	123.4	99.5	69.7	68.9	350.4	238.1	361.6
Operative EBIT, %	13.0	12.0	15.7	12.7	10.2	8.1	9.0	13.6	9.2	10.1
Operating profit (EBIT), EUR million	104.5	97.2	133.4	131.8	84.5	69.1	62.2	335.1	215.8	347.6
Operating profit (EBIT), %	12.6	11.6	14.7	13.6	8.7	8.0	8.1	13.0	8.3	9.7
Items affecting comparability in EBIT, EUR million	-3.1	-3.7	-8.5	8.4	-15.0	-0.7	-6.7	-15.3	-22.3	-14.0
Amortization and impairments of Intangible assets	-5.0	-4.7	-4.8	-4.8	-5.0	-5.4	-5.8	-14.6	-16.2	-21.0
Of which purchase price allocation (PPA) related	-1.8	-1.8	-1.9	-1.8	-2.0	-2.4	-3.1	-5.4	-7.6	-9.4
Depreciations and impairments of Property, plant and equipment	-37.9	-35.7	-36.7	-38.8	-38.8	-39.4	-36.5	-110.4	-114.8	-153.6
Depreciations of right-of-use assets	-9.8	-9.7	-9.2	-9.5	-8.9	-9.3	-8.9	-28.6	-27.2	-36.7
Return on investment (ROI), %	14.8	13.6	18.9	18.8	12.2	9.9	9.4	15.6	10.2	12.7
Capital employed, EUR million <sup>1)</sup>	2,188.9	2,221.5	2,244.5	2,238.0	2,194.9	2,113.6	2,045.4	2,188.9	2,194.9	2,238.0
Operative ROCE, %	21.6	21.0	19.4	16.2	13.0	11.8	11.7	21.6	13.0	16.2
ROCE, %	21.3	20.1	18.7	15.5	10.6	9.7	8.7	21.3	10.6	15.5

	2023 7-9	2023 4-6	2023 1-3	2022 10-12	2022 7-9	2022 4-6	2022 1-3	2023 1-9	2022 1-9	2022 1-12
<b>Cash flow</b>										
Net cash generated from operating activities, EUR million	173.1	142.9	96.7	254.9	114.8	41.6	-10.9	412.7	145.4	400.3
Capital expenditure, EUR million	54.4	48.8	31.0	89.8	43.5	38.5	26.1	134.1	108.1	197.9
Capital expenditure excl. acquisitions, EUR million	54.4	48.8	29.1	89.8	43.5	38.5	26.1	132.3	108.1	197.9
Capital expenditure excl. acquisitions / revenue, %	6.6	5.8	3.2	9.3	4.5	4.5	3.4	5.1	4.2	5.5
Cash flow after investing activities, EUR million	119.0	103.3	66.5	180.0	72.3	6.7	-36.6	288.8	42.4	222.3
<b>Balance sheet and solvency</b>										
Equity ratio, %	48.3	48.0	45.5	46.2	44.2	43.0	40.3	48.3	44.2	46.2
Gearing, %	33.8	40.7	45.4	45.8	54.5	61.3	68.2	33.8	54.5	45.8
Interest-bearing net liabilities, EUR million	566.5	665.5	708.2	771.2	906.4	959.0	899.8	566.5	906.4	771.2
<b>Personnel</b>										
Personnel at end of period	4,919	4,989	4,944	4,902	4,914	4,976	4,939	4,919	4,914	4,902
Personnel (average)	4,964	4,970	4,940	4,910	4,940	4,964	4,928	4,958	4,944	4,936
<b>Key exchange rates at end of period</b>										
USD	1.059	1.087	1.088	1.067	0.975	1.039	1.110	1.059	0.975	1.067
CAD	1.423	1.442	1.474	1.444	1.340	1.343	1.390	1.423	1.340	1.444
SEK	11.533	11.806	11.281	11.122	10.899	10.730	10.337	11.533	10.899	11.122
CNY	7.735	7.898	7.476	7.358	6.937	6.962	7.040	7.735	6.937	7.358
BRL	5.307	5.279	5.516	5.639	5.258	5.423	5.301	5.307	5.258	5.639
<b>Per share figures, EUR</b>										
Earnings per share (EPS), basic <sup>2)</sup>	0.47	0.42	0.61	0.58	0.38	0.29	0.26	1.49	0.94	1.51
Earnings per share (EPS), diluted <sup>2)</sup>	0.46	0.42	0.60	0.57	0.38	0.29	0.26	1.48	0.93	1.50
Net cash generated from operating activities per share <sup>2)</sup>	1.13	0.93	0.63	1.66	0.75	0.27	-0.07	2.69	0.95	2.61
Equity per share <sup>2)</sup>	10.81	10.51	10.05	10.89	10.77	10.09	8.50	10.81	10.77	10.89
<b>Number of shares (1,000,000)</b>										
Average number of shares, basic <sup>2)</sup>	153.6	153.6	153.4	153.4	153.4	153.4	153.2	153.6	153.3	153.3
Average number of shares, diluted <sup>2)</sup>	155.1	155.1	155.0	154.6	154.3	154.1	154.0	155.0	154.1	154.3
Number of shares at end of period, basic <sup>2)</sup>	153.6	153.6	153.6	153.4	153.4	153.4	153.3	153.6	153.4	153.4
Number of shares at end of period, diluted <sup>2)</sup>	155.0	155.1	155.1	154.9	154.5	154.2	154.0	155.0	154.5	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
<b>Operative EBITDA</b>	= Operating profit (EBIT) + depreciation and amortization + impairments +/- items affecting comparability
<b>Items affecting comparability <sup>1)</sup></b>	= Restructuring and streamlining programs + transaction and integration expenses in acquisitions + divestment of businesses and other disposals + other items
<b>Operative EBIT</b>	= Operating profit (EBIT) +/- items affecting comparability
<b>Return on investment (ROI), %</b>	= $\frac{(\text{Profit before taxes} + \text{interest expenses} + \text{other financial expenses}) \times 100}{\text{Total assets} - \text{non-interest-bearing liabilities}^{2)}$
<b>Operative return on capital employed (Operative ROCE), %</b>	= $\frac{\text{Operative EBIT} \times 100^{3})}{\text{Capital employed}^{4)}$
<b>Return on capital employed (ROCE), %</b>	= $\frac{\text{EBIT} \times 100^{3})}{\text{Capital employed}^{4)}$
<b>Capital employed</b>	= Property, plant and equipment + right-of-use assets + intangible assets + net working capital + investments in associates
<b>Net working capital</b>	= 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
<b>Cash flow after investing activities</b>	= Net cash generated from operating activities + net cash used in investing activities
<b>Equity ratio, %</b>	= $\frac{\text{Total equity} \times 100}{\text{Total assets} - \text{prepayments received}}$
<b>Gearing, %</b>	= $\frac{\text{Interest-bearing net liabilities} \times 100}{\text{Total equity}}$
<b>Interest-bearing net liabilities</b>	= Interest-bearing liabilities - cash and cash equivalents
<b>Earnings per share (EPS)</b>	= $\frac{\text{Net profit attributable to equity owners of the parent company}}{\text{Average number of shares}}$
<b>Net cash generated from operating activities per share</b>	= $\frac{\text{Net cash generated from operating activities}}{\text{Average number of shares}}$
<b>Equity per share</b>	= $\frac{\text{Equity attributable to equity owners of the parent company at end of period}}{\text{Number of shares at end of period}}$

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 7-9	2023 4-6	2023 1-3	2022 10-12	2022 7-9	2022 4-6	2022 1-3	2023 1-9	2022 1-9	2022 1-12
ITEMS AFFECTING COMPARABILITY IN EBITDA AND IN EBIT										
Operative EBITDA	160.3	151.0	192.6	177.0	152.5	122.1	120.0	504.0	394.6	571.6
Restructuring and streamlining programs	0.0	-1.0	0.0	-1.6	0.1	0.1	-3.1	-1.0	-2.9	-4.5
Transaction and integration expenses in acquisition	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	-0.1	-15.6	0.0
Divestment of businesses and other disposals	-3.1	-2.6	-8.9	8.9	-15.6	2.0	0.0	-14.6	2.0	-4.6
Other items	0.0	0.0	0.4	0.5	0.3	-0.9	-3.5	0.5	-4.1	-3.6
<b>Total items affecting comparability</b>	<b>-3.1</b>	<b>-3.7</b>	<b>-8.5</b>	<b>7.8</b>	<b>-15.3</b>	<b>1.2</b>	<b>-6.5</b>	<b>-15.3</b>	<b>-20.6</b>	<b>-12.8</b>
<b>EBITDA</b>	<b>157.2</b>	<b>147.4</b>	<b>184.1</b>	<b>184.8</b>	<b>137.3</b>	<b>123.2</b>	<b>113.5</b>	<b>488.7</b>	<b>374.0</b>	<b>558.8</b>
Operative EBIT	107.6	100.9	141.9	123.4	99.5	69.7	68.9	350.4	238.1	361.6
Total items affecting comparability in EBITDA	-3.1	-3.7	-8.5	7.8	-15.3	1.2	-6.5	-15.3	-20.6	-12.8
Items affecting comparability in depreciation, amortization and impairments	0.0	0.0	0.0	0.6	0.3	-1.9	-0.1	0.0	-1.7	-1.2
<b>Operating profit (EBIT)</b>	<b>104.5</b>	<b>97.2</b>	<b>133.4</b>	<b>131.8</b>	<b>84.5</b>	<b>69.1</b>	<b>62.2</b>	<b>335.1</b>	<b>215.8</b>	<b>347.6</b>
ROCE AND OPERATIVE ROCE										
Operative EBIT	107.6	100.9	141.9	123.4	99.5	69.7	68.9	350.4	238.1	361.6
Operating profit (EBIT)	104.5	97.2	133.4	131.8	84.5	69.1	62.2	335.1	215.8	347.6
Capital employed <sup>1)</sup>	2,188.9	2,221.5	2,244.5	2,238.0	2,194.9	2,113.6	2,045.4	2,188.9	2,194.9	2,238.0
Operative ROCE, %	21.6	21.0	19.4	16.2	13.0	11.8	11.7	21.6	13.0	16.2
ROCE, %	21.3	20.1	18.7	15.5	10.6	9.7	8.7	21.3	10.6	15.5
NET WORKING CAPITAL										
Inventories	347.5	383.9	421.5	433.7	474.1	490.6	408.0	347.5	474.1	433.7
Trade receivables and other receivables	496.8	494.4	517.6	603.7	701.4	620.4	530.5	496.8	701.4	603.7
Excluding financing items in other receivables	-10.0	-21.9	-23.7	-71.1	-105.9	-78.6	-30.4	-10.0	-105.9	-71.1
Trade payables and other liabilities	569.4	552.6	633.2	635.2	684.8	647.5	624.5	569.4	684.8	635.2
Excluding dividend liability and financing items in other liabilities	-83.1	-78.2	-127.7	-31.4	-82.1	-82.7	-123.1	-83.1	-82.1	-31.4
<b>Net working capital</b>	<b>347.9</b>	<b>382.0</b>	<b>409.9</b>	<b>362.4</b>	<b>466.9</b>	<b>467.6</b>	<b>406.7</b>	<b>347.9</b>	<b>466.9</b>	<b>362.4</b>

EUR million	2023 7-9	2023 4-6	2023 1-3	2022 10-12	2022 7-9	2022 4-6	2022 1-3	2023 1-9	2022 1-9	2022 1-12
<b>INTEREST-BEARING NET LIABILITIES</b>										
Non-current interest-bearing liabilities	641.8	639.6	832.6	838.1	814.3	811.2	795.5	641.8	814.3	838.1
Current interest-bearing liabilities	327.8	325.5	148.8	183.7	266.1	295.1	258.8	327.8	266.1	183.7
<b>Interest-bearing liabilities</b>	<b>969.6</b>	<b>965.1</b>	<b>981.4</b>	<b>1,021.8</b>	<b>1,080.4</b>	<b>1,106.3</b>	<b>1,054.4</b>	<b>969.6</b>	<b>1,080.4</b>	<b>1,021.8</b>
Cash and cash equivalents	403.1	299.5	273.2	250.6	173.9	147.3	154.5	403.1	173.9	250.6
<b>Interest-bearing net liabilities</b>	<b>566.5</b>	<b>665.5</b>	<b>708.2</b>	<b>771.2</b>	<b>906.4</b>	<b>959.0</b>	<b>899.8</b>	<b>566.5</b>	<b>906.4</b>	<b>771.2</b>

1) 12-month rolling average

## NOTES OF INTERIM REPORT 2023

## 1. QUARTERLY SEGMENT INFORMATION

	2023	2023	2023	2022	2022	2022	2022	2023	2022	2022
EUR million	7-9	4-6	1-3	10-12	7-9	4-6	1-3	1-9	1-9	1-12
<b>Revenue</b>										
Pulp & Paper	403.6	421.2	504.6	556.2	537.3	487.6	446.5	1,329.3	1,471.4	2,027.7
Industry & Water	425.1	418.9	401.5	412.0	434.6	373.8	321.5	1,245.5	1,129.9	1,541.9
<b>Total</b>	<b>828.7</b>	<b>840.1</b>	<b>906.0</b>	<b>968.2</b>	<b>971.9</b>	<b>861.4</b>	<b>768.1</b>	<b>2,574.8</b>	<b>2,601.3</b>	<b>3,569.6</b>
<b>Operative EBITDA</b>										
Pulp & Paper	68.9	65.2	109.4	110.9	92.3	73.6	71.3	243.4	237.1	348.0
Industry & Water	91.5	85.8	83.3	66.1	60.3	48.5	48.8	260.6	157.5	223.7
<b>Total</b>	<b>160.3</b>	<b>151.0</b>	<b>192.6</b>	<b>177.0</b>	<b>152.5</b>	<b>122.1</b>	<b>120.0</b>	<b>504.0</b>	<b>394.6</b>	<b>571.6</b>
<b>Items affecting comparability in EBITDA</b>										
Pulp & Paper	-0.1	-1.3	-8.5	7.2	-15.1	1.3	-4.8	-9.9	-18.7	-11.4
Industry & Water	-3.0	-2.4	0.0	0.6	-0.2	-0.1	-1.7	-5.4	-2.0	-1.4
<b>Total</b>	<b>-3.1</b>	<b>-3.7</b>	<b>-8.5</b>	<b>7.8</b>	<b>-15.3</b>	<b>1.2</b>	<b>-6.5</b>	<b>-15.3</b>	<b>-20.6</b>	<b>-12.8</b>
<b>EBITDA</b>										
Pulp & Paper	68.7	63.9	100.9	118.1	77.2	74.9	66.4	233.5	218.5	336.6
Industry & Water	88.5	83.5	83.3	66.7	60.1	48.4	47.1	255.2	155.5	222.2
<b>Total</b>	<b>157.2</b>	<b>147.4</b>	<b>184.1</b>	<b>184.8</b>	<b>137.3</b>	<b>123.2</b>	<b>113.5</b>	<b>488.7</b>	<b>374.0</b>	<b>558.8</b>
<b>Operative EBIT</b>										
Pulp & Paper	39.8	37.6	80.4	80.3	61.8	42.8	40.7	157.7	145.3	225.7
Industry & Water	67.8	63.3	61.5	43.1	37.7	26.9	28.2	192.7	92.8	135.9
<b>Total</b>	<b>107.6</b>	<b>100.9</b>	<b>141.9</b>	<b>123.4</b>	<b>99.5</b>	<b>69.7</b>	<b>68.9</b>	<b>350.4</b>	<b>238.1</b>	<b>361.6</b>

EUR million	2023 7-9	2023 4-6	2023 1-3	2022 10-12	2022 7-9	2022 4-6	2022 1-3	2023 1-9	2022 1-9	2022 1-12
<b>Items affecting comparability in EBIT</b>										
Pulp & Paper	-0.1	-1.3	-8.5	7.8	-14.9	-0.6	-4.9	-9.9	-20.4	-12.6
Industry & Water	-3.0	-2.4	0.0	0.6	-0.2	-0.1	-1.7	-5.4	-2.0	-1.4
<b>Total</b>	<b>-3.1</b>	<b>-3.7</b>	<b>-8.5</b>	<b>8.4</b>	<b>-15.0</b>	<b>-0.7</b>	<b>-6.7</b>	<b>-15.3</b>	<b>-22.3</b>	<b>-14.0</b>
<b>Operating profit (EBIT)</b>										
Pulp & Paper	39.7	36.3	71.9	88.1	47.0	42.3	35.7	147.8	125.0	213.1
Industry & Water	64.8	61.0	61.5	43.7	37.5	26.8	26.5	187.3	90.8	134.5
<b>Total</b>	<b>104.5</b>	<b>97.2</b>	<b>133.4</b>	<b>131.8</b>	<b>84.5</b>	<b>69.1</b>	<b>62.2</b>	<b>335.1</b>	<b>215.8</b>	<b>347.6</b>

## 2. CHANGES IN PROPERTY, PLANT, AND EQUIPMENT

EUR million	1-9/2023	1-9/2022	1-12/2022
<b>Net book value at beginning of period</b>	1,080.2	1,063.0	1,063.0
Purchases of subsidiaries and asset acquisitions	—	—	—
Increases	124.0	97.1	180.3
Decreases	-0.1	-4.5	-11.5
Depreciation and impairments	-110.4	-114.8	-153.6
Transferred to assets classified as held-for-sale	—	-5.2	-4.8
Exchange rate differences and other changes	-3.2	50.1	6.7
<b>Net book value at end of period</b>	<b>1,090.5</b>	<b>1,085.7</b>	<b>1,080.2</b>

## 3. CHANGES IN GOODWILL AND OTHER INTANGIBLE ASSETS

EUR million	1-9/2023	1-9/2022	1-12/2022
<b>Net book value at beginning of period</b>	571.7	580.7	580.7
Purchases of subsidiaries and asset acquisitions	3.5	—	—
Increases	8.2	11.0	17.6
Decreases	-0.3	—	—
Amortization and impairments	-14.6	-16.2	-21.0
Transferred to assets classified as held-for-sale	—	-13.9	-13.0
Exchange rate differences and other changes	-0.7	22.4	7.5
<b>Net book value at end of period</b>	<b>567.9</b>	<b>584.1</b>	<b>571.7</b>

## 4. CHANGES IN RIGHT-OF-USE ASSETS

EUR million	1-9/2023	1-9/2022	1-12/2022
<b>Net book value at beginning of period</b>	146.0	135.8	135.8
Increases	29.3	31.9	45.6
Depreciation and impairments	-28.6	-27.2	-36.7
Transferred to assets classified as held-for-sale	—	-0.5	-0.4
Exchange rate differences and other changes	-0.7	10.3	1.7
<b>Net book value at end of period</b>	146.1	150.3	146.0

## 5. DERIVATIVE INSTRUMENTS

EUR million	9/30/2023		12/31/2022	
	<b>Nominal value</b>	<b>Fair value</b>	Nominal value	Fair value
<b>Currency derivatives</b>				
Forward contracts	597.7	-2.2	619.9	11.3
of which cash flow hedge	88.5	-1.4	71.6	0.3
<b>Other derivatives</b>	<b>GWh</b>	<b>Fair value</b>	GWh	Fair value
Electricity forward contracts, bought	736.7	5.2	1,129.3	79.8
of which cash flow hedge	736.7	5.2	1,129.3	79.8

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

## 6. FAIR VALUE OF FINANCIAL ASSETS

EUR million	9/30/2023				12/31/2022			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>	Level 1	Level 2	Level 3	Total
<b>Fair value hierarchy</b>								
<b>Non-current assets</b>								
Other shares	—	—	276.2	276.2	—	—	383.3	383.3
Other investments	—	6.3	—	6.3	—	6.6	—	6.6
Other derivatives, hedge accounting	—	2.8	—	2.8	—	24.4	—	24.4
<b>Current assets</b>								
Currency derivatives	—	4.6	—	4.6	—	13.3	—	13.3
Currency derivatives, hedge accounting	—	0.3	—	0.3	—	1.7	—	1.7
Other derivatives, hedge accounting	—	4.4	—	4.4	—	55.6	—	55.6
Other receivables	—	0.3	—	0.3	—	0.3	—	0.3
Trade receivables	—	415.0	—	415.0	—	449.6	—	449.6
Cash and cash equivalents	—	403.1	—	403.1	—	250.6	—	250.6
<b>Total</b>	—	836.9	276.2	1,113.1	—	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	9/30/2023	12/31/2022
Carrying value at beginning of period	383.3	260.0
Effect on other comprehensive income	-105.8	123.2
Decreases	-0.3	—
Reclassifications	-1.0	—
<b>Carrying value at end of period</b>	<b>276.2</b>	<b>383.3</b>

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

**7. FAIR VALUE OF FINANCIAL LIABILITIES**

EUR million	9/30/2023				12/31/2022			
Fair value hierarchy	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Non-current liabilities</b>								
Interest-bearing liabilities	—	512.3	—	512.3	—	708.0	—	708.0
Current portion of interest-bearing liabilities	—	197.9	—	197.9	—	—	—	—
Other liabilities	—	8.9	—	8.9	—	9.3	—	9.3
Current portion of other liabilities	—	6.5	—	6.5	—	6.8	—	6.8
Lease liabilities	—	118.4	—	118.4	—	118.0	—	118.0
Current portion of lease liabilities	—	32.4	—	32.4	—	30.9	—	30.9
Other derivatives, hedge accounting	—	1.3	—	1.3	—	0.0	—	0.0
<b>Current liabilities</b>								
Interest-bearing loans	—	106.4	—	106.4	—	146.1	—	146.1
Other liabilities	—	29.7	—	29.7	—	45.5	—	45.5
Currency derivatives	—	5.3	—	5.3	—	2.3	—	2.3
Currency derivatives, hedge accounting	—	1.7	—	1.7	—	1.4	—	1.4
Other derivatives, hedge accounting	—	0.7	—	0.7	—	0.2	—	0.2
Trade payables	—	250.8	—	250.8	—	292.8	—	292.8
<b>Total</b>	<b>—</b>	<b>1,272.3</b>	<b>—</b>	<b>1,272.3</b>	<b>—</b>	<b>1,361.1</b>	<b>—</b>	<b>1,361.1</b>

## 8. BUSINESS COMBINATIONS

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

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

## 9. ASSETS HELD FOR SALE

### Assets classified as held for sale

EUR million	9/30/2023	9/30/2022	12/31/2022
Goodwill	—	0.0	0.0
Intangible assets	—	1.8	1.8
Property, plant and equipment	—	5.2	4.8
Right-of-use assets	—	0.5	0.4
Inventories	—	16.1	14.3
<b>Total</b>	<b>—</b>	<b>23.6</b>	<b>21.3</b>

### Liabilities directly associated with the assets classified as held for sale

EUR million	9/30/2023	9/30/2022	12/31/2022
Liabilities of defined benefit plans	—	0.5	0.3
Liabilities related to right-of-use assets	—	0.5	0.4
<b>Total</b>	<b>—</b>	<b>1.0</b>	<b>0.7</b>

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

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

As of Q3 2022, the assets and liabilities related to the sale of the colorants business were classified as a disposal group held for sale according to IFRS 5. As a result, the assets and liabilities related to the sale of the colorants business were presented in the consolidated balance sheet on separate lines.

## 10. CONTINGENT LIABILITIES

EUR million	9/30/2023	9/30/2022	12/31/2022
<b>Guarantees</b>			
On behalf of own commitments	113.7	115.3	108.4
On behalf of associates	11.8	12.1	12.5
On behalf of others	2.5	2.5	2.5
<b>Other obligations</b>			
On behalf of own commitments	0.6	0.7	0.7
On behalf of others	16.3	16.3	16.3

### The most significant off-balance sheet investments commitments

Major amounts of contractual investment commitments for the acquisition of property, plant, and equipment on September 30, 2023 were about EUR 16 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

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

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

## CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

## EFFECTS OF THE UKRAINE WAR ON THE INTERIM REPORT

At the end of September 2023, net assets in Russia amounted to around EUR 5 million and consisted mainly of cash and cash equivalents denominated in Russian roubles. Kemira is working to repatriate funds from Russia.