

# Q1

# 2022

# COMPARABLE EBITDA IMPROVED

We present in this January-March 2022 interim report certain financial and other information of Ahlstrom-Munksjö Holding (the "Group"; "Ahlstrom-Munksjö Holding"), consisting of Ahlstrom-Munksjö Holding 3 Oy (formerly Spa Holdings 3 Oy) as the parent company (the "Issuer", "parent company" and "Ahlstrom-Munksjö Holding 3 Oy"), Spa US Holdco Inc, and Ahlstrom-Munksjö Oyj and its subsidiaries ("Ahlstrom-Munksjö"). In the comparison periods, Ahlstrom-Munksjö is consolidated from the date of acquisition on February 4, 2021. Income statement and certain related key figures are presented on a pro forma basis for the full year 2021 and January-March 2021 to illustrate the financial effect of the acquisition of Ahlstrom-Munksjö Oyj as if the transaction had been completed in the beginning of 2020. This report also includes certain adjusted figures for the last twelve months ("LTM") ended March 31, 2022.

## HIGHLIGHTS DURING THE REPORTING PERIOD

- Record high net sales and comparable EBITDA supported by strong progress in transformation related initiatives
- Demand remained high, while cost inflation and the availability of inputs continued to be challenging
- Acquisition of a 60% stake in Chinese decor paper producer Minglian completed

## Q1/2022 compared with Q1/2021 Pro forma

- Net sales increased by 27.0% to EUR 918.9 million (723.5)
- Comparable EBITDA improved to EUR 122.3 million (107.7), representing 13.3 (14.9) of net sales.

## Reported Q1/2022 compared with Q1/2021

- Reported operating result was EUR 40.7 million (-8.0) and included items affecting comparability and other items of EUR -33.7 million (-47.4)
- Net result was EUR 14.0 million (-23.9) including net financial items of EUR -16.1 million (-20.2) and taxes of EUR -10.6 million (4.3)

## Adjusted last twelve months

- Adjusted EBITDA<sup>1</sup> for the last twelve months was EUR 518.0 million (EUR 494.9 million at December 31, 2021)
- Adjusted Net indebtedness was EUR 1,879.4 million (EUR 1,803.1 million at December 31, 2021), translating into a net indebtedness to adjusted EBITDA ratio of 3.6 (3.6 at December 31, 2021).

<sup>1</sup> Please see page 6 and 41 for more information about adjusted EBITDA.

Q1/2022

COMPARABLE  
EBITDA MEUR 122.3,  
13.3% OF NET SALES

STRONG  
PROGRESS IN  
TRANSFORMATION  
INITIATIVES

DEMAND  
CONTINUED HIGH

## KEY FIGURES

Key figures	Ahlstrom-Munksjö Holding	Ahlstrom-Munksjö Holding	Ahlstrom-Munksjö Holding	Ahlstrom-Munksjö Holding
	Reported	Pro forma <sup>1</sup>	Reported	Pro forma <sup>1</sup>
	Q1	Q1	Q4	Q1-Q4
	2022	2021	2021	2021
Net sales	918.9	723.5	818.7	3,076.6
Comparable EBITDA	122.3	107.7	101.4	398.3
Comparable EBITDA margin, %	13.3	14.9	12.4	12.9
EBITDA	88.7	82.5	73.0	303.6

<sup>1</sup>Pro forma equals to reported until operating profit.

Key figures	Ahlstrom-Munksjö Holding	Ahlstrom-Munksjö Holding	Ahlstrom-Munksjö Holding	Ahlstrom-Munksjö Holding
	Reported	Reported	Reported	Reported
	Q1	Q1	Q4	Q1-Q4
	2022	2021	2021	2021
MOVC per ton, EUR <sup>1</sup>	794.4	622.6	768.1	708.1
MOVC margin, % <sup>1</sup>	37.4	35.9	38.0	38.1
Operating working capital	430.9	276.5	357.8	357.8
Capital expenditure	34.3	16.0	59.4	145.5
Net senior secured indebtedness	1,751.4	1,181.2	1,760.2	1,760.2
Adjusted Net senior secured indebtedness	1,509.2	1,181.2	1,479.2	1,479.2
Net indebtedness	2,121.6	1,730.0	2,084.2	2,084.2
Adjusted Net indebtedness	1,879.4	1,730.0	1,803.1	1,803.1
Ratio of net senior secured indebtedness to adjusted EBITDA <sup>2</sup>	2.9	2.6	3.0	3.0
Ratio of net indebtedness to adjusted EBITDA <sup>2</sup>	3.6	3.8	3.6	3.6

<sup>1</sup>Q1 2021 Impacted by an inventory adjustment arising from purchase price allocation (PPA) accounting of EUR -31.7 million

<sup>2</sup>Historical data for the LTM before the acquisition is from Ahlstrom-Munksjö historical numbers

Key figures	Ahlstrom-Munksjö Holding	Ahlstrom-Munksjö Holding	Ahlstrom-Munksjö Holding
	Adjusted LTM	Adjusted LTM	Adjusted LTM
	Q1	Q1	Q1-Q4
	2022	2021	2021
Adjusted EBITDA (LTM) <sup>1</sup>	518.0	453.1	494.9
Adjusted EBITDA margin (LTM), % <sup>1</sup>	15.8	16.9	16.1
Interest expenses (LTM) <sup>2</sup>	-98.3	-90.1	-91.6

<sup>1</sup> Historical data for the LTM before the acquisition is from Ahlstrom-Munksjö historical numbers

<sup>2</sup> Calculated as if the transaction of acquiring Ahlstrom-Munksjö Oyj had been completed in the beginning of 2020.

Ahlstrom-Munksjö Holding has adopted the European Securities and Markets Authority (ESMA) guidelines on Alternative Performance Measures (APMs) to reflect the underlying business performance and improve comparability. These measures should, however, not be considered as a substitute for measures of performance in accordance with IFRS. Alternative performance measures are derived from performance measures reported in accordance with IFRS by adding or deducting items affecting comparability (IAC) and they are called "comparable" or adding adjustments and they are called "adjusted". More details on APMs and key figures are available in the appendix 2. Reported, IFRS based numbers are available in appendix 1. Pro forma is available in appendix 3.

# FINANCIAL PERFORMANCE

Net sales by business area	Ahlstrom-Munksjö Holding	Ahlstrom-Munksjö Holding	Ahlstrom-Munksjö Holding	Ahlstrom-Munksjö Holding
	Q1 2022	Q1 2021	Q4 2021	Q1-Q4 2021
EUR million				
Filtration & Performance Solutions	216.7	180.5	203.1	770.0
Advanced Solutions	148.5	125.9	120.2	493.5
Industrial Solutions	240.3	180.3	202.5	779.4
Food Packaging & Technical Solutions	184.9	140.3	175.9	628.9
Decor Solutions	141.2	103.7	126.0	442.1
Other and eliminations	-12.7	-8.2	-10.3	-40.7
Pro forma foreign exchange impact	—	1.0	1.3	3.3
<b>Pro forma Group total</b>	<b>918.9</b>	<b>723.5</b>	<b>818.7</b>	<b>3,076.6</b>
Pro forma impact	—	-262.4	—	-262.4
<b>Group reported</b>	<b>918.9</b>	<b>461.1</b>	<b>818.7</b>	<b>2,814.2</b>

Comparable EBITDA by business area	Ahlstrom-Munksjö Holding	Ahlstrom-Munksjö Holding	Ahlstrom-Munksjö Holding	Ahlstrom-Munksjö Holding
	Q1 2022	Q1 2021	Q4 2021	Q1-Q4 2021
EUR million				
Filtration & Performance Solutions	40.8	40.4	41.1	155.7
Advanced Solutions	17.0	18.8	12.7	65.9
Industrial Solutions	32.5	21.1	24.8	94.4
Food Packaging & Technical Solutions	21.7	16.3	14.1	47.7
Decor Solutions	15.2	11.0	14.9	44.9
Other and eliminations	-4.9	-0.4	-6.3	-10.6
Pro forma foreign exchange impact	—	0.5	0.1	0.3
<b>Pro forma Group total</b>	<b>122.3</b>	<b>107.7</b>	<b>101.4</b>	<b>398.3</b>
Pro forma impact	—	-36.8	—	-36.8
<b>Group reported</b>	<b>122.3</b>	<b>71.0</b>	<b>101.4</b>	<b>361.6</b>

Comparable EBITDA margin by business area	Ahlstrom-Munksjö Holding	Ahlstrom-Munksjö Holding	Ahlstrom-Munksjö Holding	Ahlstrom-Munksjö Holding
	Q1 2022	Q1 2021	Q4 2021	Q1-Q4 2021
%				
Filtration & Performance Solutions	18.8	22.4	20.2	20.2
Advanced Solutions	11.4	14.9	10.6	13.3
Industrial Solutions	13.5	11.7	12.3	12.1
Food Packaging & Technical Solutions	11.8	11.6	8.0	7.6
Decor Solutions	10.8	10.6	11.8	10.2
<b>Pro forma Group total</b>	<b>—</b>	<b>14.9</b>	<b>12.4</b>	<b>12.9</b>
<b>Group reported</b>	<b>13.3</b>	<b>15.4</b>	<b>12.4</b>	<b>12.8</b>

## FINANCIAL RESULT JANUARY-MARCH 2022

### Compared with January–March 2021 Pro forma

The comparative pro forma figures illustrate as if the acquisition of Ahlstrom-Munksjö had been completed in the beginning of 2020.

Net sales increased by 27.0% to EUR 918.9 million (723.5). At constant currency rates the increase was 23.3%, driven mainly by higher selling prices.

Comparable EBITDA increased to EUR 122.3 million (107.7), representing 13.3% of net sales (14.9). Higher selling prices and measures that have improved variable cost efficiency offset the negative impact of higher input costs. Fixed costs increased mainly due to higher personnel costs and exchange rate developments.

Adjusted EBITDA amounted to EUR 518.0 (453.1) million for the last twelve months (LTM) ending March 31, 2022 (EUR 494.9 million LTM ending December 31, 2021). The increase is explained by higher comparable EBITDA (LTM) and additional profit improvement initiatives identified by the Group's owners for 2023.

### Reported January–March 2022

In the comparative reported figures, Ahlstrom-Munksjö is consolidated from the date of the acquisition of February 4, 2021.

The margin on variable costs (MOVC) was EUR 794.4 (622.6) per ton.

EBITDA was EUR 88.7 million (23.5). Items affecting comparability (IACs) and owners' management fee in EBITDA totaled EUR -33.7 million (-47.4), and included mainly transformation costs related to initiatives driven by the owners.

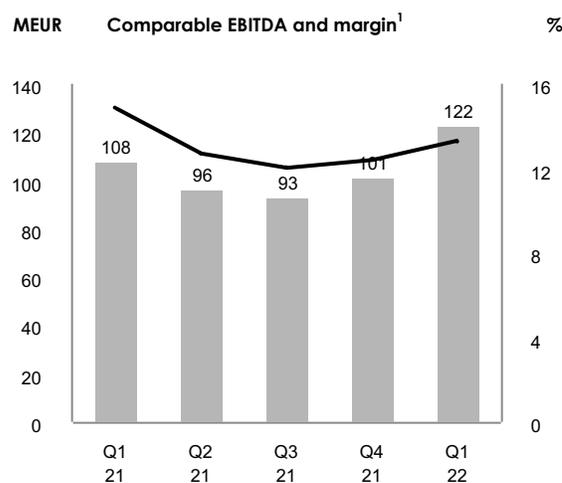
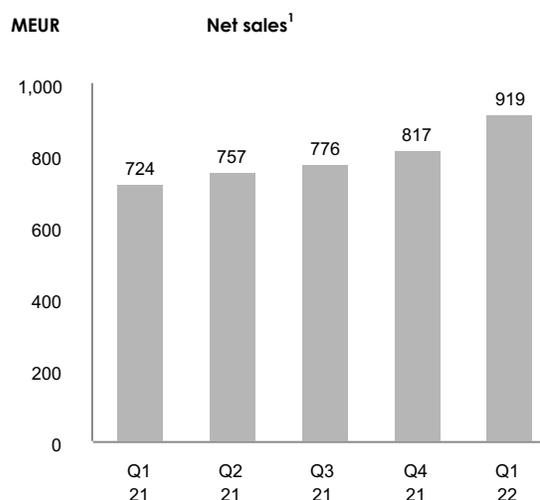
The operating result was EUR 40.7 million (-8.0). Depreciation, amortization and impairment amounted to EUR -48.0 million (-31.5), including depreciation and amortization arising from PPA of EUR -17.4 million (-11.3).

Net financial items were EUR -16.1 million (-20.2). This figure includes net interest expenses of EUR -29.2 million (-14.7), a currency exchange gain of EUR 3.1 million (-3.4) and other financial income of EUR 10.1 million (-2.0).

The result before taxes was EUR 24.7 million (-28.2). Taxes amounted to EUR -10.6 million (4.3). The net result was EUR 14.0 million (-23.9).

### Compared with October–December 2021

Comparable EBITDA increased due to seasonally higher delivery volumes and higher selling prices, more than offsetting the negative impact of increased variable and fixed costs.



<sup>1)</sup> Q1 2021 Ahlstrom-Munksjö Holding pro forma

Reconciliation of EBITDA to comparable EBITDA	Ahlstrom-Munksjö Holding	Ahlstrom-Munksjö Holding	Ahlstrom-Munksjö Holding
	Reported	Pro forma <sup>1</sup>	Pro forma <sup>1</sup>
	Q1	Q1	Q1-Q4
EUR million	2022	2021	2021
<b>Net result</b>	<b>14.0</b>	<b>5.6</b>	<b>-27.7</b>
Taxes	-10.6	-1.6	-29.5
Net financial items	-16.1	-28.2	-114.0
<b>Operating result</b>	<b>40.7</b>	<b>35.5</b>	<b>115.8</b>
Depreciation, amortization and impairment	-48.0	-47.0	-187.8
<b>EBITDA</b>	<b>88.7</b>	<b>82.5</b>	<b>303.6</b>
Transaction costs	-3.9	-25.0	-35.4
Transformation costs	-26.7	0.1	-50.0
Restructuring costs	-1.1	0.0	-6.5
Net gain/loss on business disposal and other related items	—	—	0.9
Other	-0.4	-0.3	1.5
<b>Total items affecting comparability (IAC) in EBITDA</b>	<b>-32.2</b>	<b>-25.2</b>	<b>-89.5</b>
Management fee to owners <sup>2</sup>	-1.5	—	-5.2
<b>Total IAC in EBITDA and management fee</b>	<b>-33.7</b>	<b>-25.2</b>	<b>-94.7</b>
<b>Comparable EBITDA</b>	<b>122.3</b>	<b>107.7</b>	<b>398.3</b>

<sup>1</sup> Full reconciliation is available in appendix 3.

<sup>2</sup> Management fee paid to the consortium pursuant to a management agreement whereby Group has received general business consulting services; financial, managerial and operational advice, advisory and consulting services with respect to selection of advisors; advice in different fields; and financial and strategic planning and analysis.

Reconciliation of Comparable EBITDA (LTM) to adjusted EBITDA (LTM)	Ahlstrom-Munksjö Holding	Ahlstrom-Munksjö Holding
	Adjusted LTM	Adjusted LTM
	Q1	Q1-Q4
EUR million	2022	2021
Comparable EBITDA (LTM) Pro forma	<b>413.1</b>	<b>398.3</b>
Pro forma foreign exchange impact	-0.1	-0.3
<b>Comparable EBITDA (LTM)</b>	<b>413.0</b>	<b>398.0</b>
One off and other adjustments <sup>1</sup>	-1.5	-3.7
FY21 initiatives <sup>2</sup>	8.9	21.9
FY22 initiatives <sup>3</sup>	77.1	78.8
FY23 initiatives <sup>4</sup>	20.5	—
<b>Adjusted EBITDA (LTM)<sup>5</sup></b>	<b>518.0</b>	<b>494.9</b>

Adjusted EBITDA is not identified as an accounting measurement in IFRS and should therefore not be considered as alternative to the disclosures provided in the financial statement for the purpose of assessing the Group's performance. Adjusted EBITDA is based on various assumptions, including successful implementation of certain initiatives and Sponsor estimates. It should not be considered as a substitute for revenue or net result for the period or any other performance or liquidity measures derived in accordance with IFRS or any other generally accepted accounting principles.

<sup>1</sup> Includes certain other individually not material one-off and other adjustments

<sup>2</sup> Comprises of a number of initiatives focusing on better managing of indirect spends and improving efficiencies. The numbers include savings from initiatives implemented during FY21, not yet included in the LTM EBITDA, for which started to generate benefits in FY21 with the full year impact in FY22. Indirect savings (EUR 4.0 million) represents the biggest part (39.8%) of the run rate savings started in 2021 and not yet included in the EBITDA, and relates to renegotiation of IT / freight contracts / maintenance and reducing corporate spend by having stronger approvals process for spend greater than EUR 5 thousand. Continuous improvement, mainly related to reducing waste and improving operational efficiencies at the plants (EUR 3.9 million) are the second bigger contributor (38.8%) of the project started in 2021.

3 Most of the savings for FY22 initiatives are from post transformation review focused on materials (Fibers & Chemicals), indirect spend, and continuous improvement. These savings will be implemented over the course of FY22 and the full run rate benefit will be achieved 12 months from the date of implementation. Fibers projects (EUR 20.5 million, 26.6%) include dual sourcing from a lower cost supplier, optimizing the Group's pulp recipes (long/short fibers replacement) and annual prices negotiation. For Chemicals (EUR 8.6 million, 11.1%) savings mainly come from latex mix optimization, extender usage increases in Decor business, better negotiated price on resale of chemical wastes, and reducing the import taxes in South America (sourcing from different countries). Indirect savings (EUR 16.6 million, 21.6%) includes optimization of annual shutdowns, global consolidation and spend transparency initiatives specifically in IT and Travel, and waste to landfill reductions. Continuous Improvement savings (EUR 16.0 million, 20.7%) include various waste reduction, recycling/resale, and material optimization initiatives.

4 Consists of initiatives to be implemented with EBITDA benefits not planned until FY23, driven mainly by Continuous Improvement, Energy, and Fibers. Continuous improvement projects (EUR 7.6 million, 36.9%) are expected to deliver the most savings, focused on investments at the Wisconsin plants specific to ESG, pulp mill upgrades, and general equipment and facilities improvements. Energy is expected to be the second biggest contributor (EUR 5.9 million, 28.7%) focused on energy optimization, a good portion requiring investment. Fibers savings (EUR 3.1 million, 15.2%) include dual sourcing for competitive pricing (EUR 2.6 million) and recipe mix optimization (EUR 0.5 million).

5 Calculated as if the transaction of acquiring Ahlstrom-Munksjö Oyj had been completed in the beginning of 2020.

## CASH FLOW AND FINANCING

### Reported cash flow and capital expenditure January–March 2022

In the reported figures, Ahlstrom-Munksjö is consolidated from the date of the acquisition of February 4, 2021.

Net cash from operating activities amounted to EUR 33.5 million (-41.1). Cash flow was negatively impacted by items affecting comparability, relating to the transformation initiatives, and an increase in working capital, which was affected by inflation and longer lead times.

Capital expenditure excluding acquisitions totaled EUR -34.3 million (-16.0) and related to maintenance, cost and efficiency improvements as well as growth initiatives.

Free cash flow was EUR 109.9 million (63.3), calculated as comparable EBITDA minus maintenance capital expenditure, and cash conversion was 89.8% (89.2%), calculated as free cash flow divided by comparable EBITDA.

### Financing and indebtedness January–March 2022

Cash flow from financing activities was EUR 116.4 million (2,044.1). During the period, Ahlstrom-Munksjö Holding 3 Oy raised EUR 60 million as an add-on to its existing senior term loan facility (TLB1) maturing in February 2028.

On March 31, 2022, equity was EUR 1,091.2 million (1,049.9, on December 31, 2021). The equity was positively impacted by the net result and consolidation of Minglian New Materials Technology non-controlling interest, while reduced by a cash distribution by way of return of equity.

Ahlstrom-Munksjö's liquidity continues to be good. At the end of the review period, the total cash position was EUR 245.8 million (162.6 on December 31, 2021). The principal sources of liquidity were cash flow from operating activities, committed and uncommitted lines, as well as a Finnish Commercial Paper Program and a factoring arrangement.

At the end of the reporting period, Ahlstrom-Munksjö Holding's adjusted net indebtedness was EUR 1,879.4 million (1,730.0), translating into a net indebtedness to adjusted EBITDA ratio of 3.6 (3.8).

## ACQUISITION OF AHLSTROM-MUNKSJÖ

### ACQUISITION OF AHLSTROM-MUNKSJÖ

On September 24, 2020, Spa Holdings 3 Oy (renamed Ahlstrom-Munksjö Holding 3 Oy in August 2021), a consortium consisting of Ahlström Capital, funds managed or advised by Bain Capital as well as Viknum and Belgrano Inversiones, made a public recommended cash tender offer for all shares in Ahlstrom-Munksjö Oyj. Spa Holdings 3 Oy received an ownership of more than 90% on February 4, 2021 and started a compulsory redemption procedure and applied for the delisting of the shares from Nasdaq Helsinki and Nasdaq Stockholm.

On April 16, Nasdaq Stockholm approved the delisting application and resolved that the last day of trading in Ahlstrom-Munksjö's shares was May 31, 2021.

On June 23, 2021 it was announced that Spa Holdings 3 Oy had posted security approved by the arbitral tribunal appointed by the Redemption Board of the Finland Chamber of Commerce in connection with the redemption proceedings concerning the minority shares in Ahlstrom-Munksjö Oy, and thus gained title to all the shares in Ahlstrom-Munksjö in accordance with Chapter 18, Section 6 of the Finnish

Companies Act. The shares in Ahlstrom-Munksjö were delisted as of that day from the official list of Nasdaq Helsinki.

On February 25, 2022, the arbitral tribunal appointed by the Redemption Board of the Finland Chamber of Commerce rendered its decision according to which the redemption price payable by Ahlstrom-Munksjö Holding 3 Oy for the 10,755,918 Ahlstrom-Munksjö minority shares that are subject to mandatory redemption shall be EUR 21.55 per share. This was EUR 39.9 million in excess of the EUR 191.9 million redemption liability that had been recognized in Ahlstrom-Munksjö Holding's financial statements. The additional payment liability was recognized in Q1/2022 interim financial statements. The excess did not have any impact on the income statement as it is limited to a gross presentation in the balance sheet where goodwill, and trade and other payables increased by EUR 39.9 million.

On April 29, 2022, Ahlstrom-Munksjö Holding 3 Oy filed an appeal with the District Court of Helsinki, requesting the District Court to confirm the redemption price of the minority shares in Ahlstrom-Munksjö to be EUR 17.84 per share. The requested redemption price of EUR 17.84 corresponds with the price offered in the public tender offer.

Amongst others, the trustee who represents the minority shareholders, has also filed their appeal with the District Court. It is estimated that the appeal proceedings at the District Court will last at least 12 months i.e. until late spring 2023 and, if the District Court's judgement is appealed, rendering a final judgment might even take more than a few years. The District Court's judgement may be appealed at the Supreme Court of Finland if the latter grants leave to appeal.

The redemption price falls due after a month has passed from the judgement on redemption becoming *res judicata*, i.e. non-appealable. The unpaid redemption price is subject to interest corresponding to the applicable reference rate, which is currently 0% and is adjusted bi-annually.

#### THE BOARD OF DIRECTORS OF AHLSTROM-MUNKSJÖ OYJ

A shareholder meeting was held on April 6, 2022, in which it was resolved to fix the number of ordinary members of the Board of Directors of Ahlstrom-Munksjö Oyj at eight (8). Ivano Sessa, Peter Seligson, Lasse Heinonen, Alexander Ehrnrooth, Halvor Horten, Michael Siefke, Karl-Henrik Sundström and Helen Mets-Morris were re-elected ordinary members of the Board of Directors.

## PERSONNEL

At the end of the reporting period, Ahlstrom-Munksjö employed 8,135 (7,961) people. The highest numbers of employees were in the United States (30%), France (19%), Sweden (10%), Brazil (9%) and Germany (7%).

## EVENTS DURING THE REPORTING PERIOD

#### AGREEMENT TO ACQUIRE MINGLIAN

On January 14, 2022, Ahlstrom-Munksjö completed the acquisition of a 60% stake in Chinese decor paper producer Minglian New Materials Technology Co., Ltd. and forms a joint venture which comprises a state-of-the-art plant in the city of Xingtai, Hebei Province, China.

#### RETURN OF EQUITY

On January 20, 2022, Ahlstrom-Munksjö Holding 3 Oy decided on a cash distribution in the aggregate amount of EUR 8,315,142.99 (the "Distribution Amount") by way of return of equity from invested unrestricted equity reserve.

#### ISSUE OF ADD-ON TO EXISTING SENIOR TERM LOAN FACILITY

On February 16, 2022, Ahlstrom-Munksjö Holding 3 Oy announced it had entered into an agreement with certain investors pursuant to which it will raise EUR 60 million as an add-on to its existing senior term loan facility (TLB1) maturing in February 2028. The loan was drawn in March, and the amount drawn was EUR 60 million. The proceeds are planned to be used for the general corporate purposes of the group, including a targeted strategic acquisition.

#### ARBITRATION AWARD IN THE REDEMPTION PROCEEDINGS CONCERNING THE MINORITY SHARES IN AHLSTROM-MUNKSJÖ OYJ

On February 25, 2022, the arbitral tribunal appointed by the Redemption Board of the Finland Chamber of Commerce rendered its decision in the redemption proceedings concerning the minority shares in Ahlstrom-Munksjö Oyj. Please see the section Acquisition of Ahlstrom-Munksjö.

## EVENTS AFTER THE REPORTING PERIOD

### ANNUAL GENERAL MEETING

On April 6, 2022, it was resolved in a sole shareholder meeting to adopt the Financial Statements for the year 2021 and to grant the members of the Board of Directors discharge from the financial year 2021. It was resolved also to authorize the Board of Directors to decide on the distribution of funds in one or several tranches from the company's invested unrestricted equity fund up to an aggregate maximum of EUR 34.2 million. The authorization is in force until the beginning of the company's Annual General Meeting 2023.

### RETURN OF EQUITY

On April 27, 2022, Ahlstrom-Munksjö Holding 3 Oy decided on a cash distribution in the aggregate amount of EUR 8 251 378,61 (the "Distribution Amount") by way of return of equity from invested unrestricted equity reserve. Payment was made on April 29, 2022.

### DECISION TO APPEAL THE ARBITRATION AWARD ON THE SQUEEZE OUT SHARE PRICE

On April 29, 2022, Ahlstrom-Munksjö Holding 3 Oy filed an appeal with the District Court of Helsinki, requesting the District Court to confirm the redemption price of the minority shares in Ahlstrom-Munksjö to be EUR 17.84 per share. Please see the section Acquisition of Ahlstrom-Munksjö.

### NEW OPERATING MODEL AND REPORTING STRUCTURE

On May 10, 2022, Ahlstrom-Munksjö announced it will implement a new operating model and reporting structure to support its strategy execution. Based on end-market focus, Ahlstrom-Munksjö will operate under five divisions; Filtration, Food & Consumer Packaging, Healthcare, Building Materials and Technical Materials. The new operating model and reporting structure will become effective on July 1, 2022.

## SHORT-TERM RISKS

As Ahlstrom-Munksjö Holding, through Ahlstrom-Munksjö, manages a broad portfolio of businesses and serves a wide range of end uses globally, it is unlikely to be significantly affected at a Group level by individual business factors. However, slowing global economic growth and uncertain financial market conditions could have an adverse effect on the financial results, operations and financial position. The coronavirus pandemic has been the key driver of increased uncertainty globally from an economic and social perspective and has disrupted consumers' lives across the world. The length and severity of the pandemic will probably be a key determinant for if and the way consumers life will permanently change, as well as affect future business opportunities.

The company's significant risks and uncertainty factors mainly consist of developments in demand for and prices of sold products, the cost and availability of key raw materials and energy (as further described below), financial risks, as well as other business factors including developments in global politics, regulations and the financial markets.

Local authorities continue with vaccination programs globally meanwhile the pandemic has entered a new phase. The vaccines seem to reduce symptoms and prevent serious illness, allowing the governments to ease on restrictions and keep society open in many parts of the world. Operational risk relating to employee absences due to quarantine and infections has been mitigated by the implementation of the Ahlstrom-Munksjö COVID-19 Safety Protocol.

As a result of the rebound in economic activity, demand for resources, labor, and transportation has increased, while the worldwide supply chain continues to be affected by challenges related to the COVID-19 pandemic, which has led to price increases, disruptions, and tight supply chains.

The geopolitical situation has changed in Europe as a result of the war in Ukraine. Although the Group's direct exposure is limited, the repercussions from the Western sanctions and the Russian counter sanctions may be significant. Particularly the energy markets in Europe have been affected, which may lead to limited availability and higher prices for a prolonged time. The Group manufactures glass fiber tissue at one plant in the city of Tver in Russia. Plant assets represent 0.5% of Group total assets. Russia and Belarus combined represented 1.4%, and Ukraine 0.1% of Group's pro forma net sales in 2021.

The sustainability criteria are developing rapidly as the effect of climate change increases. The transition entails new business conditions at the same time as some of the environmental challenges can be met with the company's products, which strengthens its future business opportunities.

The Group's key financial risks include interest rate and currency, liquidity and credit risks. To mitigate short-term risks, methods such as hedging and credit insurance are used. There are no major refinancing

needs short-term. The Group is exposed to tax risks due to potential changes in tax laws and regulations or their application, or as a result of on-going or future tax audits or claims. The company regularly assesses the best structure for its platform of businesses and systematically evaluates M&A opportunities. In potential business combinations, substantial integration work is needed to realize expected synergies. Ahlstrom-Munksjö has operations in many countries, and sometimes disputes cannot be avoided in daily operations. The company is sometimes involved in legal actions, disputes, claims for damages and other procedures. The result of these cannot be predicted, but taking into account all the available current information, no significant impact on the financial position of the company from any known legal actions, disputes or claims is expected.

#### **ADDITIONAL INFORMATION AT AHLSTROM-MUNKSJÖ**

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#### **COMBINED AUDIOCAST AND TELECONFERENCE**

A combined audiocast and teleconference will be held on May 18, 12:00 EET (11:00 CET).

<https://ahlstrom-munksjo.videosync.fi/2022-q1>

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United States: +1 6319131422

Conference ID: 30633427#

To join the conference call, participants are requested to dial into one of the numbers above 5 minutes prior to the start of the event. By dialing in to the conference call, the participant agrees that personal information such as name and company name will be collected. The conference call will be recorded.

## Forward-Looking Statements

This report contains and refers to certain forward-looking statements with respect to our financial condition, results of operations and business. Forward-looking statements are statements of future expectations that are based on management's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. Forward-looking statements include, among others, statements concerning the potential exposure to market risks and statements expressing management's expectations, beliefs, plans, objectives, intentions, estimates, forecasts, projections and assumptions. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements.

This report contains forward-looking statements, including statements about market consolidation and our strategy, investment program, future operations, industry forecasts, expected acquisitions, transactions and investments, and target levels of leverage and indebtedness. Forward-looking statements provide our current expectations, intentions or forecasts of future events. Forward-looking statements include statements about expectations, beliefs, plans, objectives, intentions, assumptions and other statements that are not statements of historical fact. Words or phrases such as "aim," "anticipate," "assume," "believe," "continue," "could," "estimate," "expect," "forecast," "guidance," "intend," "may," "objectives," "ongoing," "outlook," "plan," "potential," "predict," "probably," "project," "seek," "should," "target," "will," "would" or similar words or phrases or the negatives of those words or phrases, may identify forward-looking statements, but the absence of these words does not necessarily mean that a statement is not forward-looking.

All of these forward-looking statements are based on estimates and assumptions made by such entities that, although believed to be reasonable, are inherently uncertain. Therefore, undue reliance should not be placed upon any forward-looking statements. There are important factors that could cause actual results to differ materially from those contemplated by such forward-looking statements. In addition, even if our actual results are consistent with the forward-looking statements contained in this report, those results or developments may not be indicative of results or developments in subsequent periods. For example, factors that could cause our actual results to vary from projected future results include, but are not limited to: uncertain global economic and financial market conditions; changes in demand for our products, including as a result of the cyclical nature of the industry in which we operate; the highly competitive markets in which we operate; changes in the costs or availability of raw materials and energy; trade restrictions and economic sanctions; political, financial or legal risks in the markets in which we operate; our ability to successfully implement our business strategy and to manage our growth; product development and innovation; the significant capital expenditures required by our business; any reorganization of our operations or divestment of businesses; risks arising out of joint ventures and other partnerships; operational risks and failures or deficiencies in the management of operational efficiency; loss of customer relationships and customer concentration; compliance with environmental health and safety and other laws and regulations; product safety or quality failures and additional factors which are explained in other reports and or documents prepared by the Group.

The foregoing factors should not be construed as exhaustive. Other sections of this report describe additional factors that could adversely affect our financial position, results of operations and liquidity and developments in the markets and industries in which we operate. New factors will emerge in the future, and it is not possible for the Group to predict such factors. In addition, the Group cannot assess the impact of each factor on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those described in any forward-looking statements. In light of these risks, the actual results of the Group could differ materially from the forward-looking statements contained in this report. None of the information contained on the Group's website is incorporated by reference into or otherwise deemed to be linked to this report.

You should not place undue reliance on forward-looking statements. Each forward-looking statement speaks only as of the date of the particular statement. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. All forward-looking statements are expressly qualified in their entirety by the cautionary statements referred to in this section and contained elsewhere in this report. In light of these risks, our results could differ materially from the forward-looking statements contained in this report.

## APPENDIX 1: CONSOLIDATED FINANCIAL STATEMENTS

This interim report presents the condensed consolidated interim results, financial position and cash flows of Ahlstrom-Munksjö Holding for January-March 2022 ('interim report'). In the comparison periods, Ahlstrom-Munksjö is consolidated from the date of acquisition on February 4, 2021.

These interim financial statements are unaudited.

INCOME STATEMENT		Ahlstrom-Munksjö Holding	Ahlstrom-Munksjö Holding	Ahlstrom-Munksjö Holding
EUR million	Note	Q1 2022	Q1 2021	Q1-Q4 2021
<b>Net sales</b>	5, 6	<b>918.9</b>	<b>461.1</b>	<b>2,814.2</b>
Cost of goods sold		-771.1	-408.0	-2,417.0
<b>Gross profit</b>		<b>147.8</b>	<b>53.1</b>	<b>397.2</b>
Sales, R&D and administrative expenses		-92.8	-51.0	-278.2
Other operating income	7	3.6	1.9	20.5
Other operating expense	8	-17.9	-12.0	-67.1
Share of profit in equity accounted investments		—	—	-0.1
<b>Operating result</b>		<b>40.7</b>	<b>-8.0</b>	<b>72.3</b>
Net financial items		-16.1	-20.2	-106.2
<b>Result before taxes</b>		<b>24.7</b>	<b>-28.2</b>	<b>-33.9</b>
Income taxes		-10.6	4.3	-23.5
<b>Net result</b>		<b>14.0</b>	<b>-23.9</b>	<b>-57.4</b>

The notes are an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME	Ahlstrom- Munksjö Holding	Ahlstrom- Munksjö Holding	Ahlstrom- Munksjö Holding
	Q1	Q1	Q1-Q4
EUR million	2022	2021	2021
<b>Net result</b>	<b>14.0</b>	<b>-23.9</b>	<b>-57.4</b>
<b>Other comprehensive income</b>			
<b>Items that may be reclassified to income statement</b>			
Exchange differences on translation of foreign operations	29.2	15.7	53.1
Hedges of net investments in foreign operations	-10.3	-12.7	-30.0
Change in cash flow hedge reserve	-1.3	-1.0	-2.5
Cash flow hedge transferred to this year's result	1.7	-0.9	-1.5
Income taxes to items that may be reclassified	2.0	2.9	6.8
<b>Items that will not be reclassified to income statement</b>			
Actuarial gains and losses on defined benefit plans	-2.6	5.6	13.8
Income taxes to items that will not be reclassified	0.7	-1.3	-3.4
<b>Comprehensive income</b>	<b>33.4</b>	<b>-15.6</b>	<b>-21.1</b>
<b>Net result attributable to</b>			
Parent company's shareholders	14.1	-24.1	-57.8
Non-controlling interests	-0.0	0.2	0.4
<b>Comprehensive income attributable to</b>			
Parent company's shareholders	32.9	-15.9	-22.1
Non-controlling interests	0.5	0.2	1.0

The notes are an integral part of the financial statements.

BALANCE SHEET		Ahlstrom- Munksjö Holding	Ahlstrom- Munksjö Holding	Ahlstrom- Munksjö Holding
EUR million		Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
	Note			
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	9	1,254.0	1,185.2	1,214.5
Right-of-use assets	10	43.3	48.9	44.9
Goodwill	11	1,241.1	1,176.0	1,169.3
Other intangible assets	12	865.0	858.9	857.5
Equity accounted investments		1.1	1.6	1.1
Other non-current assets		73.2	25.4	57.6
Deferred tax assets		2.4	11.5	2.4
<b>Total non-current assets</b>		<b>3,480.1</b>	<b>3,307.4</b>	<b>3,347.1</b>
<b>Current assets</b>				
Inventories		488.7	366.8	440.7
Trade and other receivables		634.6	368.6	599.9
Income tax receivables		14.9	14.6	17.4
Cash and cash equivalents	13	245.8	440.9	162.6
<b>Total current assets</b>		<b>1,383.9</b>	<b>1,190.9</b>	<b>1,220.6</b>
<b>TOTAL ASSETS</b>		<b>4,864.0</b>	<b>4,498.3</b>	<b>4,567.7</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity attributable to parent company's shareholders		1,061.8	1,069.4	1,037.2
Non-controlling interests		29.3	11.9	12.7
<b>Total equity</b>	15	<b>1,091.2</b>	<b>1,081.3</b>	<b>1,049.9</b>
<b>Non-current liabilities</b>				
Non-current borrowings	13	2,032.0	1,636.8	1,954.7
Non-current lease liabilities	13	31.2	36.8	32.6
Other non-current liabilities		1.6	5.0	1.7
Employee benefit obligations		82.4	97.3	83.3
Deferred tax liabilities		247.2	241.0	250.0
Non-current provisions		24.3	27.5	20.4
<b>Total non-current liabilities</b>		<b>2,418.6</b>	<b>2,044.4</b>	<b>2,342.6</b>
<b>Current liabilities</b>				
Current borrowings	13	291.0	483.7	246.3
Current lease liabilities	13	13.3	13.6	13.3
Trade and other payables		1,012.4	836.5	886.4
Income tax liabilities		20.9	19.4	12.7
Current provisions		16.7	19.5	16.6
<b>Total current liabilities</b>		<b>1,354.3</b>	<b>1,372.6</b>	<b>1,175.2</b>
<b>Total liabilities</b>		<b>3,772.9</b>	<b>3,417.1</b>	<b>3,517.8</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,864.0</b>	<b>4,498.3</b>	<b>4,567.7</b>

The notes are an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY							
EUR million	Reserve for invested unrestricted equity	Other reserves	Cumulative translation adjustment	Retained earnings	Total equity attributable to parent company's shareholders	Non-controlling interest	Total equity
<b>Equity at January 1, 2021</b>	<b>36.3</b>	<b>—</b>	<b>—</b>	<b>-35.7</b>	<b>0.7</b>	<b>—</b>	<b>0.7</b>
Net result	—	—	—	-24.1	-24.1	0.2	-23.9
Other comprehensive income, net of tax	—	-11.6	15.6	4.3	8.2	0.1	8.3
<b>Total comprehensive income</b>	<b>—</b>	<b>-11.6</b>	<b>15.6</b>	<b>-19.8</b>	<b>-15.9</b>	<b>0.2</b>	<b>-15.6</b>
Business combination	—	—	—	—	—	12.0	12.0
Equity contribution	1,084.6	—	—	—	1,084.6	—	1,084.6
Dividends and other	—	—	—	—	—	-0.3	-0.3
<b>Equity at March 31, 2021</b>	<b>1,120.9</b>	<b>-11.6</b>	<b>15.6</b>	<b>-55.5</b>	<b>1,069.4</b>	<b>11.9</b>	<b>1,081.3</b>
<b>Equity at January 1, 2022</b>	<b>1,095.3</b>	<b>-27.2</b>	<b>52.4</b>	<b>-83.2</b>	<b>1,037.2</b>	<b>12.7</b>	<b>1,049.9</b>
Net result	—	—	—	14.1	14.1	-0.0	14.0
Other comprehensive income, net of tax	—	-7.9	28.7	-1.9	18.8	0.6	19.4
<b>Total comprehensive income</b>	<b>—</b>	<b>-7.9</b>	<b>28.7</b>	<b>12.1</b>	<b>32.9</b>	<b>0.5</b>	<b>33.4</b>
Business combination	—	—	—	—	—	16.4	16.4
Return of equity, dividend and other	-8.3	—	—	—	-8.3	-0.3	-8.6
<b>Equity at March 31, 2022</b>	<b>1,086.9</b>	<b>-35.1</b>	<b>81.1</b>	<b>-71.1</b>	<b>1,061.9</b>	<b>29.3</b>	<b>1,091.2</b>

The notes are an integral part of the financial statements.

STATEMENT OF CASH FLOWS	Ahlstrom-Munksjö Holding	Ahlstrom-Munksjö Holding	Ahlstrom-Munksjö Holding
	Q1 2022	Q1 2021	Q1-Q4 2021
EUR million			
<b>Cash flow from operating activities</b>			
Net result	14.0	-23.9	-57.4
Adjustments, total	74.4	47.0	297.0
Changes in net working capital	-20.1	-48.6	-30.2
Change in provisions	-1.1	-0.8	-5.5
Interest paid	-21.8	-10.7	-75.3
Other financial items	-8.4	-1.8	-16.3
Income taxes paid	-3.6	-2.3	-29.1
<b>Net cash from operating activities</b>	<b>33.5</b>	<b>-41.1</b>	<b>83.3</b>
<b>Cash flow from investing activities</b>			
Acquisition of Ahlstrom-Munksjö, net of cash acquired	—	-1,577.4	-1,577.4
Payment for acquisition of businesses and subsidiaries, net of cash acquired	-34.5	—	-8.4
Purchases of property, plant and equipment and intangible assets	-34.3	-16.0	-145.5
Proceeds from disposal of shares in Group companies and businesses and associated	—	—	1.8
Other investing activities	0.0	0.0	1.8
<b>Net cash from investing activities</b>	<b>-68.9</b>	<b>-1,593.4</b>	<b>-1,727.7</b>
<b>Cash flow from financing activities</b>			
Equity contribution	—	1,084.6	1,084.6
Return of equity	-8.3	—	-25.7
Dividends paid and other	-0.3	-2.4	-2.6
Hybrid bond interests	—	-4.5	-4.5
Change in borrowings and other financial activities	125.0	966.4	723.3
<b>Net cash from financing activities</b>	<b>116.4</b>	<b>2,044.1</b>	<b>1,775.1</b>
<b>Net change in cash and cash equivalents</b>	<b>81.1</b>	<b>409.6</b>	<b>130.6</b>
Cash and cash equivalents at the beginning of the period	162.6	30.7	30.7
Foreign exchange effect on cash and cash equivalents	2.1	0.5	1.3
<b>Cash and cash equivalents at the end of the period</b>	<b>245.8</b>	<b>440.9</b>	<b>162.6</b>

### **1. General information**

Ahlstrom-Munksjö Holding 3 Oy (previously named Spa Holdings 3 Oy) is the parent company (the "Issuer", "parent company") of the Ahlstrom-Munksjö 3 Group ("Ahlstrom-Munksjö Holding", "Group", "company"). Ahlstrom-Munksjö Holding 3 Oy (previously named Spa Holdings 3 Oy) was incorporated on September 9, 2020 for the purpose of executing the public tender offer for the shares in Ahlstrom-Munksjö Oyj. The company is a holding, management and finance company with no revenue-generating activities of its own and no business operations, material assets or liabilities other than those acquired or incurred in connection with its incorporation and the acquisition of Ahlstrom-Munksjö Group ("Ahlstrom-Munksjö") and financing for the acquisition.

Ahlstrom-Munksjö is a global leader in fiber-based materials, supplying innovative and sustainable solutions worldwide. Ahlstrom-Munksjö's offerings include filter materials, release liners, food and beverage processing materials, decor papers, abrasive and tape backings, electrotechnical paper, glass fiber materials, medical fiber materials and solutions for diagnostics as well as a range of specialty papers for industrial and consumer end-uses.

### **2. Form and content of interim financial statements (Basis of presentation)**

The condensed interim consolidated financial statements ("interim report") January-March 2022, approved by the Board of Directors of Ahlstrom-Munksjö Holding 3 Oy have been prepared solely for the purpose of reporting to the parent company's bondholders. The condensed consolidated interim results, financial position and cash flows of Ahlstrom-Munksjö Holding for January-March 2022, January-March 2021 and for the year 2021 presented herein have been prepared in accordance with IFRS, as adopted by the EU. The condensed interim consolidated financial statements have been prepared in accordance with "IAS 34 Interim Financial Reporting", as adopted by the EU. These interim financial statements are unaudited.

The condensed interim consolidated financial statements are presented in millions of euros and consist of the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of cash flows, the consolidated statement of changes in equity, and the explanatory notes. All figures in the interim report have been rounded and consequently the total of individual figures can deviate from the presented totals. Furthermore, all percentages are subject to possible rounding differences.

When comparing the results of Ahlstrom-Munksjö Holding in January-March 2022 and January-March 2021, Ahlstrom-Munksjö's income and expenses have been included in the consolidated financials of Ahlstrom-Munksjö Holding on and forwards of February 4, 2021 which is the date of Ahlstrom-Munksjö Holding acquiring control over Ahlstrom-Munksjö.

### **3. Accounting principles**

The accounting principles applied are consistent with those followed in the preparation of the Ahlstrom-Munksjö Holding audited consolidated financial statements for the year 2021.

### **4. Business acquisitions and disposals**

#### **2022**

*Minglian New Materials Technology Co., Ltd.*

Ahlstrom-Munksjö Holding has acquired on January 14, 2022 a 60% stake in Chinese decor paper producer Minglian New Materials Technology Co., Ltd. which comprises a state-of-the-art plant in the city of Xingtai, Hebei Province, China.

By combining Minglian with its existing Decor business, Ahlstrom-Munksjö creates a global leader in decor papers with improved cost competitiveness and strong presence in Europe, Americas and Asia. Ahlstrom-Munksjö reports Minglian in Decor business segment. The annual production capacity of approximately 50,000 tons is currently fully utilized. The current number of employees is 140.

A provisional purchase consideration amounts to EUR 43.3 million, which was paid in cash in two installments in December 2021 amounting to EUR 8.4 million and in January 2022 amounting to EUR 34.5 million.

The residual preliminary goodwill amounts to EUR 18.7 million arising from the acquisition and is attributable to workforce and to the acquirer's expected synergies.

The non-controlling interest in Minglian amounted to EUR 16.4 million and it was measured based on proportionate share of the entity's net assets.

As acquisition date was January 11, 2022, there is no material pro forma impact for year 2022.

EUR million	
<b>Non-current assets</b>	
Property, plant and equipment	28.6
Other intangible assets	5.3
<b>Current assets</b>	
Inventories	11.0
Trade and other receivables	14.6
Cash and cash equivalents	0.4
<b>Non-current liabilities</b>	
Non-current borrowings	3.5
Non-current provisions	3.5
<b>Current liabilities</b>	
Current borrowings	7.7
Trade and other payables	4.1
<b>Total net assets acquired*</b>	<b>41.1</b>
<b>Goodwill</b>	<b>18.7</b>
<b>Non-controlling interest*</b>	<b>16.4</b>
<b>Provisional purchase consideration</b>	<b>43.3</b>

\*Total net assets acquired reflect 100% acquisition of Minglian and non-controlling interest represents 40% minority in the company. Provisional purchase consideration and goodwill as residual reflect Ahlstrom-Munksjö Holding's 60% stake of the company.

## 2021

### Ahlstrom-Munksjö Holding

The acquisition of Ahlstrom-Munksjö through the public tender offer was accounted for as a linked transaction i.e. as if all ownership interests were acquired at the acquisition date as part of the transaction to gain control. In other words, the acquisition was recognized on February 4, 2021 as an acquisition for 100% of the shareholding as the combination of the tender offer results and the market purchases reached the 90% ownership level granting the acquirer the right for mandatory redemption process for the remaining minority shareholding.

A provisional purchase consideration amounts to EUR 2,091.3 million, including the redemption liability for the remaining shares in Ahlstrom-Munksjö. The purchase consideration paid in cash amounted to EUR 1,859.6 million. Based on a decision by the arbitral tribunal the redemption liability amounts to EUR 231.8 million and it will be payable after the arbitration proceedings will be finalized. The decision has been appealed and the proceedings continues.

Amounts recognized as of the acquisition date

EUR million	
<b>Non-current assets</b>	
Property, plant and equipment	1,187.1
Right-of-use assets	49.2
Other intangible assets	857.6
Equity accounted investments	1.6
Other non-current assets	21.2
Deferred tax assets	51.2
<b>Current assets</b>	
Inventories	377.2
Trade and other receivables	306.7
Income tax receivables	12.1
Cash and cash equivalents	276.6
<b>Non-current liabilities</b>	
Non-current borrowings	108.4
Other non-current liabilities	5.5
Employee benefit obligations <sup>1</sup>	91.8
Deferred tax liabilities	294.1
Non-current provisions	22.7
<b>Current liabilities</b>	
Current borrowings	1,050.6
Trade and other payables	615.4
Income tax liabilities	16.0
Current provisions	18.4
<b>Total net assets acquired</b>	<b>917.7</b>
<b>Goodwill</b>	<b>1,185.7</b>
<b>Non-controlling interest</b>	<b>12.0</b>
<b>Purchase consideration</b>	<b>2,091.3</b>

<sup>1</sup> For further details please see note 15 of Ahlstrom-Munksjö's audited consolidated financial statements for the year 2020.

The residual goodwill of EUR 1,185.7 million arising from the acquisition was attributable to workforce and to the acquirer's expected synergies through various cost initiatives to be implemented throughout the following years. The goodwill has slightly changed during the 12 month time period after acquisition date set by IFRS 3 Business Combinations standard as certain new information has been taken into account concerning facts and circumstances existing on acquisition date as per the standard.

The acquired business contributed all of the net sales reported from February 4, 2021 to December 31, 2021 and net profit of EUR 61.9 million.

#### Kämmerer

Ahlstrom-Munksjö acquired the electrotechnical paper business related assets from German-based KÄMMERER. Through the transaction, Ahlstrom-Munksjö expanded its electrotechnical paper offering in area of semiconductor papers used in special applications such as high-performing power cables and transformers. The transaction was treated as intangible asset purchase and purchase of inventories, and did not have a material impact for Group's result or financial position for the financial year 2021.

## **5. Segment information**

Ahlstrom-Munksjö Holding continues to be organized into five business areas comprising of Filtration & Performance Solutions, Advanced Solutions, Industrial Solutions, Food Packaging & Technical Solutions and Decor Solutions of Ahlstrom-Munksjö consistent with how the CODM manages the business. The CODM has been determined to be the Group's CEO together with the Board of Directors. The business areas are described below. For internal management reporting purposes, the Group reports 2021 on a pro forma basis allowing for full continuum for reporting of revenue and operating results on a business area level despite change in control and reporting entity as a result of the completion of the tender offer during 2021. Accordingly, the change in reporting entity and the resulting impact on the cost structure are reflected in Other and eliminations.

### *Filtration & Performance Solutions*

*The Filtration & Performance Solutions business area develops and produces engine oil, fuel and air filtration materials, as well as industrial filtration. It also produces abrasive backings, glass fiber for flooring products as well nonwoven materials for automotive, construction, textile, hygiene and wallcovering applications.*

### *Advanced Solutions*

*The Advanced Solutions business area develops and produces materials for laboratory filters and life science diagnostics, water filtration, beverage and food processing, tapes and medical fabrics. The business area also supplies hot cooking oil and milk filtration materials as well as specialty release liners.*

### *Industrial Solutions*

*The Industrial Solutions business area develops and produces release liners, electrotechnical insulation papers as well as flexible packaging and coated label papers. The business area also supplies specialty pulp, interleaving papers as well as office and printing papers.*

### *Food Packaging & Technical Solutions*

*The Food Packaging & Technical Solutions business area develops and produces a wide range of sustainable food packaging and processing papers as well as specialty papers for industrial and construction use.*

### *Decor Solutions*

*The Decor Solutions business area develops and produces paper-based surfacing for wood-based materials such as laminate flooring, furniture and interiors.*

### *Other and eliminations*

Other and eliminations include head office costs comprising the following functions: Group Finance, Corporate Development, Legal, R&D, Group Communications and Investor Relations, as well as Group Human Resources. The head office costs comprise mainly salaries, rent and professional fees. Other and eliminations include holding and sales companies' income and expenses. Other and eliminations also include certain other exceptional costs not used in the assessment of business area performance.

Ahlstrom-Munksjö Holding							
Financial performance by business area, EUR million Q1/2022	Filtration & Performance Solutions	Advanced Solutions	Industrial Solutions	Food Packaging & Technical Solutions	Decor Solutions	Other and eliminations	Group
Net sales, external	213.7	147.7	236.9	176.3	141.2	3.1	918.9
Net sales, internal	3.0	0.8	3.4	8.6	0.0	-15.8	—
<b>Net sales</b>	<b>216.7</b>	<b>148.5</b>	<b>240.3</b>	<b>184.9</b>	<b>141.2</b>	<b>-12.7</b>	<b>918.9</b>
Comparable EBITDA	40.8	17.0	32.5	21.7	15.2	-4.9	122.3
IAC in EBITDA and management fee							-33.7
Depreciation, amortization and impairment							-48.0
<b>Operating result</b>							<b>40.7</b>
Operating working capital	100.5	123.0	59.5	85.2	81.4	-18.6	430.9

Ahlstrom-Munksjö Holding								
Financial performance by business area, EUR million Q1/2021	Filtration & Performance Solutions	Advanced Solutions	Industrial Solutions	Food Packaging & Technical Solutions	Decor Solutions	Other and eliminations	Pro forma foreign exchange impact	Pro forma/ reported Group total
Net sales, external	179.0	125.5	177.1	135.4	103.7	1.8	1.0	723.5
Net sales, internal	1.5	0.4	3.2	5.0	0.0	-10.0	—	—
<b>Net sales</b>	<b>180.5</b>	<b>125.9</b>	<b>180.3</b>	<b>140.3</b>	<b>103.7</b>	<b>-8.2</b>	<b>1.0</b>	<b>723.5</b>
Pro forma impact	-60.1	-48.7	-65.1	-54.0	-37.4	3.9	-1.0	-262.4
<b>Net sales Ahlstrom-Munksjö Holding (reported)</b>	<b>120.4</b>	<b>77.2</b>	<b>115.1</b>	<b>86.4</b>	<b>66.3</b>	<b>-4.3</b>	<b>—</b>	<b>461.1</b>
Comparable EBITDA	40.4	18.8	21.1	16.3	11.0	-0.4	0.5	107.7
Pro forma impact								-36.8
Comparable EBITDA (reported)								71.0
IAC in EBITDA and management fee								-47.4
Depreciation, amortization and impairment (reported)								-31.5
<b>Operating result (reported)</b>								<b>-8.0</b>
Operating working capital	79.1	93.0	51.1	81.6	32.4	-60.7	—	276.5

Segment information by quarter	Ahlstrom-Munksjö Holding				
	2022	2021	2021	2021	2021
EUR million, or as indicated	Q1	Q4	Q3	Q2	Q1
<b>Net sales, total</b>					
Filtration & Performance Solutions	216.7	203.1	194.0	192.5	180.5
Advanced Solutions	148.5	120.2	123.9	123.4	125.9
Industrial Solutions	240.3	202.5	200.7	195.9	180.3
Food Packaging & Technical Solutions	184.9	175.9	159.8	152.8	140.3
Decor Solutions	141.2	126.0	107.9	104.5	103.7
Other and eliminations	-12.7	-10.3	-10.2	-12.0	-8.2
Pro forma foreign exchange impact	—	1.3	1.0	0.1	1.0
<b>Pro forma Group total</b>	<b>918.9</b>	<b>818.7</b>	<b>777.0</b>	<b>757.3</b>	<b>723.5</b>
Pro forma impact	—	—	—	—	-262.4
<b>Group reported</b>	<b>918.9</b>	<b>818.7</b>	<b>777.0</b>	<b>757.3</b>	<b>461.1</b>
<b>Comparable EBITDA</b>					
Filtration & Performance Solutions	40.8	41.1	34.1	40.1	40.4
Advanced Solutions	17.0	12.7	15.6	18.7	18.8
Industrial Solutions	32.5	24.8	28.5	20.0	21.1
Food Packaging & Technical Solutions	21.7	14.1	7.0	10.3	16.3
Decor Solutions	15.2	14.9	10.0	8.9	11.0
Other and eliminations	-4.9	-6.3	-2.0	-1.8	-0.4
Pro forma foreign exchange impact	—	0.1	0.1	-0.3	0.5
<b>Pro forma Group total</b>	<b>122.3</b>	<b>101.4</b>	<b>93.4</b>	<b>95.8</b>	<b>107.7</b>
Pro forma impact	—	—	—	—	-36.8
<b>Group reported</b>	<b>122.3</b>	<b>101.4</b>	<b>93.4</b>	<b>95.8</b>	<b>71.0</b>
<b>Comparable EBITDA margin, %</b>					
Filtration & Performance Solutions	18.8	20.2	17.6	20.8	22.4
Advanced Solutions	11.4	10.6	12.6	15.1	14.9
Industrial Solutions	13.5	12.3	14.2	10.2	11.7
Food Packaging & Technical Solutions	11.8	8.0	4.4	6.7	11.6
Decor Solutions	10.8	11.8	9.3	8.6	10.6
<b>Pro forma Group total</b>	<b>—</b>	<b>12.4</b>	<b>12.0</b>	<b>12.6</b>	<b>14.9</b>
<b>Group reported</b>	<b>13.3</b>	<b>12.4</b>	<b>12.0</b>	<b>12.6</b>	<b>15.4</b>

Segment information by quarter	Ahlstrom-Munksjö Holding				
	2022	2021	2021	2021	2021
EUR million, or as indicated	Q1	Q4	Q3	Q2	Q1
<b>Operating working capital</b>					
Filtration & Performance Solutions	100.5	86.3	91.4	95.5	79.1
Advanced Solutions <sup>1</sup>	123.0	108.4	110.3	99.7	93.0
Industrial Solutions	59.5	62.0	48.2	53.5	51.1
Food Packaging & Technical Solutions	85.2	77.5	79.0	79.8	81.6
Decor Solutions	81.4	48.2	38.2	35.8	32.4
Other and eliminations	-18.6	-24.6	-27.4	-34.1	-60.7
<b>Group reported</b>	<b>430.9</b>	<b>357.8</b>	<b>339.7</b>	<b>330.1</b>	<b>276.5</b>

<sup>1</sup> The comparison period Q2 2021 has been adjusted.

## 6. Net sales by region

	Q1	Q1	Q1-Q4
EUR million	2022	2021	2021
Europe	414.2	209.6	1,257.1
North America	302.4	148.3	947.2
South America	74.3	34.1	204.6
Asia-Pacific	116.5	62.3	359.8
Rest of the world	11.5	6.7	45.6
<b>Total</b>	<b>918.9</b>	<b>461.1</b>	<b>2,814.2</b>

## 7. Other operating income

	Q1	Q1	Q1-Q4
EUR million	2022	2021	2021
Gain on sale of fixed assets	0.0	0.0	1.1
Sale of scrap and side products	2.0	0.9	5.6
Government grants	0.6	0.5	5.9
R&D and other tax credits	0.2	0.1	1.6
Other	0.8	0.3	6.3
<b>Total</b>	<b>3.6</b>	<b>1.9</b>	<b>20.5</b>

## 8. Other operating expense

EUR million	Q1 2022	Q1 2021	Q1-Q4 2021
Depreciation and amortization arising from PPA <sup>1</sup>	-17.4	-11.3	-62.6
Impairment loss	—	—	-1.1
Other	-0.5	-0.7	-3.4
<b>Total</b>	<b>-17.9</b>	<b>-12.0</b>	<b>-67.1</b>

<sup>1</sup>Depreciation and amortization arising from PPA comprise depreciation and amortization charges from fair value adjustments relating to the business combinations.

## 9. Changes in property, plant and equipment

EUR million	Q1 2022	Q1 2021	Q1-Q4 2021
<b>Net book value at the beginning of period</b>	<b>1,214.5</b>	<b>—</b>	<b>—</b>
Business combination	28.6	1,187.1	1,187.1
Additions	24.2	15.5	122.2
Disposals	-0.0	-0.0	-0.6
Depreciations, amortizations and impairment	-32.2	-20.8	-117.6
Translation differences and other changes	18.9	3.5	23.2
<b>Net book value at the end of period</b>	<b>1,254.0</b>	<b>1,185.2</b>	<b>1,214.5</b>

Net book value of property, plant and equipment amounted to EUR 1,254.0 million, comprising of land and land improvements of EUR 96.6 million, buildings of EUR 216.6 million, machinery and equipment of EUR 794.4 million, other tangible of EUR 9.7 million and construction in progress EUR 136.7 million.

## 10. Changes in right-of-use assets

EUR million	Q1 2022	Q1 2021	Q1-Q4 2021
<b>Net book value at the beginning of period</b>	<b>44.9</b>	<b>—</b>	<b>—</b>
Business combination	—	49.2	49.2
Additions	1.8	1.8	8.6
Depreciations, amortizations and impairment	-3.8	-2.5	-13.7
Translation differences and other changes	0.5	0.3	0.6
<b>Net book value at the end of period</b>	<b>43.3</b>	<b>48.9</b>	<b>44.9</b>

## 11. Goodwill

The acquisition of Ahlstrom-Munksjö through the public tender offer was accounted for as a business combination in which assets acquired and liabilities assumed were valued at fair value together with the redemption liability recognized on the balance sheet. The excess of the consideration transferred over the Ahlstrom-Munksjö Holding's interest in the fair value of the identifiable net assets acquired at the acquisition date was recognized as goodwill and amounted to EUR 1,185.7 million on February 4, 2021. Change in goodwill until March 31, 2022 comprise of translation differences and new information taken into account concerning facts and circumstances existing on acquisition date as per IFRS 3 Business Combinations standard. In addition, acquisition of Minglian increased goodwill by EUR 18.7 million during the first quarter of 2022.

## 12. Changes in other intangible assets

EUR million	Q1 2022	Q1 2021	Q1-Q4 2021
<b>Net book value at the beginning of period</b>	857.6	—	—
Business combination	5.3	857.3	857.6
Additions	6.0	4.2	30.2
Disposals	—	—	-0.1
Depreciations, amortizations and impairment	-11.9	-8.2	-41.1
Translation differences and other changes	8.2	5.6	10.8
<b>Net book value at the end of period</b>	<b>865.0</b>	<b>858.9</b>	<b>857.6</b>

Net book value of intangible assets amounted to EUR 865.0 million, comprising of customer relationships of EUR 403.0 million, patents- and trademarks of EUR 124.8 million, technology of EUR 248.0 million and other intangible assets of EUR 89.1 million.

## 13. Net indebtedness

Net indebtedness is Ahlstrom-Munksjö Holding 3 Oy's key measure to manage external debt funding for the Group. Net indebtedness is defined as borrowings less cash and cash equivalents. The Group's sources for funding and liquidity purposes are primarily term loans, bonds, bank loans, and commercial paper. The Group has also entered into lease agreements resulting in lease liabilities to secure the availability of key assets used in the production process.

Ahlstrom-Munksjö Holding 3 Oy has entered into the following debt financing arrangements to finance the tender offer purchase consideration for the acquisition of Ahlstrom-Munksjö, to refinance certain of Ahlstrom-Munksjö's existing debt arrangements and for the other uses described below:

### Senior term facilities

Ahlstrom-Munksjö Holding 3 Oy entered into a senior secured credit facilities agreement on January 29, 2021 (as amended and restated on 18 March 2021) with several financial institutions. The senior secured credit facilities agreement provides for (i) senior term loan facilities in principal amounts of: (A) EUR 350 million, which was increased by EUR 250 million to a total amount of EUR 600 million on March 18, 2021 ("TLB1"), (B) USD 363.7 million (EUR 300 million equivalent), which was increased by USD 183.3 million (EUR 150 million equivalent) to a total amount of USD 547 million (EUR 450 million equivalent) on March 18, 2021 ("TLB2"); EUR 282 million, which was entered into on June 21, 2021 in relation to the financing of the squeeze-out of minority shareholders (and related steps) ("TLB3"); and (D) EUR 60 million, which was entered into on March 11, 2022 in relation to the financing of general corporate purposes (including acquisitions) ("TLB4" and together with TLB1, TLB2 and TLB3, "Senior Term Facilities") and (ii) a revolving credit facility in a principal amount of EUR 325 million (the "Revolving Credit Facility").

The Senior Term Facilities will mature on February 4, 2028 and the Revolving Credit Facility matures six months before the Senior Term Facilities (as defined below). The Revolving Credit Facility may be utilized until (and including) the date falling 1 month prior to the maturity date of the Revolving Credit Facility.

The TLB1, TLB 3 and TLB4 term loans carry interest of EURIBOR (with zero floor) plus 3.50% p.a. and will be repaid in full at the maturity date. The TLB2 term loans carry interest of LIBOR (with 0.75% floor) plus 3.75% p.a. and will be repaid in installments on a quarterly basis (i.e. the last day of each full quarter) by 0.25 per cent of their outstanding principal amount, with the remaining balance to be repaid in full at the maturity date. The Revolving Credit Facility carries interest of IBOR (with zero floor) plus 3.50% p.a. for drawn commitment. For the undrawn commitment, 30% of margin (i.e. 1.05%) is charged as commitment fee. The Group triggered the margin ratchet for the Senior Term Facilities when compliance letter was submitted on March 8, 2022, as a result the margins on Senior Term Facilities were reduced by 0.25%. The compliance letter is submitted once a quarter.

As at March 31, 2022, all of the Senior Term Facilities have been drawn in full and no amounts were outstanding under the Revolving Credit Facility. The principal amount of outstanding guarantees from ancillary facilities under the Revolving Credit Facility were EUR 70.9 million.

### Senior secured notes

On March 19, 2021, Ahlstrom-Munksjö Holding 3 Oy issued EUR 350 million senior secured notes (the "EUR Notes") and USD 305 million senior secured notes (the "USD Notes" and together with the EUR Notes, the "Notes"). The proceeds of the Notes, together with a portion of the proceeds of the Senior Term Facilities, were used to (i) refinance certain bridge facilities that were used to pay a portion of the tender offer consideration, refinance certain existing debt and to pay certain fees and expenses in connection therewith and (ii) pay costs associated with the refinancing. The EUR Notes and the USD Notes bear interest at a rate of 3.625% and 4.875% per annum, respectively. The Notes will mature on February 4, 2028. Prior to February 4, 2024, Ahlstrom-Munksjö Holding 3 Oy will be entitled, at its option, to redeem all or a portion of the Notes by paying a "make-whole" premium. At any time on or after February 4, 2024, Ahlstrom-Munksjö Holding 3 Oy may redeem all or part of the Notes at the redemption prices set forth in the Notes. Interests on the Notes is paid semi-annually in arrears on April 1 and October 1 of each year. The Notes were admitted on the Official List of The International Stock Exchange on May 25, 2021.

Accordingly, as at March 31, 2022, gross borrowings amounts to EUR 2,367.4 million (2,170.9).

Net indebtedness EUR million	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
<b>Cash and cash equivalents</b>	245.8	440.9	162.6
Senior secured credit facilities	1,396.1	1,037.8	1,327.9
Senior secured notes	601.1	584.3	594.9
<b>Senior secured net indebtedness</b>	<b>1,751.4</b>	<b>1,181.2</b>	<b>1,760.2</b>
Bank loans	138.9	116.0	124.2
Senior unsecured note	—	256.4	—
Hybrid bond	—	100.0	—
Pension loan	15.0	20.0	15.0
Commercial papers	112.8	—	119.9
Other financial liabilities	59.2	6.0	19.0
Lease liabilities	44.4	50.5	45.9
<b>Net indebtedness</b>	<b>2,121.6</b>	<b>1,730.0</b>	<b>2,084.2</b>

Notes	Initial notional amount, EUR million	Maturity	Coupon %	March 31, 2022	March 31, 2021	December 31, 2021
Notional currency				Carrying value, EUR million		
EUR	250.0	April 12, 2021	1.9	—	256.4	—
EUR	350.0	February 4, 2028	3.6	337.1	335.8	336.6
USD	274.8	February 4, 2028	4.9	263.9	248.6	258.3

Bank loans	March 31, 2022		March 31, 2021		December 31, 2021	
	Weighted average interest rate, %	Carrying value, EUR million	Weighted average interest rate, %	Carrying value, EUR million	Weighted average interest rate, %	Carrying value, EUR million
<b>Notional currency</b>						
<b>Committed loans from banks grouped by currency</b>						
EUR	3.18	1,035.4	3.7	588.1	3.74	863.6
USD	4.50	475.2	4.8	452.5	4.75	466.4
CNY	5.68	62.9	5.2	52.3	5.53	60.1
BRL	16.65	54.2	7.4	49.0	7.29	45.5
<b>Uncommitted loans from banks grouped by currency</b>						
BRL	11.95	19.8	8.2	11.9	8.35	16.6

#### 14. Financial risk management

Group's financial risks consist of credit risk, funding risk, liquidity risk, counterparty risk and market risks. Market risks are further divided to currency risk, interest rate risk and commodity price risk.

The treasury policy defines the guidelines set by the Board of Directors on how finance and treasury operations are carried out and how financial risks within the Group are managed. The guidelines aim to ensure that the Group's financial risks are kept at an acceptable level.

Currency transaction exposures for Ahlstrom-Munksjö which arise from commercial and finance-related transactions and payments in a currency other than an operation's functional currency i.e. from internal purchases, sales between manufacturing units and market companies, external sales and purchases as well as from financing transactions in foreign currencies are hedged on a net exposure basis in accordance with the rules set out in the Treasury Policy. The Group's risk management strategy in terms of currency risk is to hedge 75% (+/-10%) of the forecasted cash flows for a period up to 9 months if the total exposure to forecasted net flows of foreign currency exceeds the equivalent of 2% of the total turnover of Ahlstrom-Munksjö.

Group's income statement and balance sheet are both exposed to foreign exchange fluctuations, as these affect the translation of subsidiaries' assets and liabilities denominated in foreign currencies. The Group aims to minimize currency risk related to translation exposure by aiming to balance assets and liabilities of subsidiaries so that the foreign exchange risk is minimized in the consolidated balance sheet. According to its hedging directive, the company may use non-derivative financial instruments such as foreign currency borrowings to hedge foreign currency risk on net investments in foreign operations. Derivative instruments are not allowed to be used to hedge this risk. Equity hedging needs to be approved by the board of directors.

In accordance with the current treasury policy, in order to mitigate funding risk, the Group aims to spread its debt across different lenders and different forms of financing. The Group aims to ensure that the average maturity of the long-term finance should be at least 2 years.

Ahlstrom-Munksjö Holding 3 Oy's Senior Secured Notes and Term Facilities contain certain customary covenants related to indebtedness and other limitations.

Liquidity risk is the risk that Group will not have sufficient funds to pay foreseen committed obligations in addition to unforeseen expenditures. In order to mitigate this risk, Group Treasury monitors the Group's cash pools, headroom under committed and uncommitted facilities, and cash forecast to ensure at all times that there is sufficient liquidity.

Liquidity position			
EUR million	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
Available committed bank overdrafts	23.0	36.8	34.7
Cash and cash equivalents	245.8	440.9	162.6
Committed revolving credit facilities	254.1	260.2	260.1
Finnish Commercial Paper programme	187.0	—	180.0
Available uncommitted bank overdrafts	31.8	35.3	36.8
<b>Liquidity position</b>	<b>741.7</b>	<b>773.2</b>	<b>674.2</b>

Fair values of financial assets and liabilities	Mar 31, 2022		Mar 31, 2021		Dec 31, 2021	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
<b>Non-current financial instruments measured at amortized cost</b>						
Notes	601.1	591.7	584.3	610.1	594.9	622.5
Term loans	1,391.3	1,400.4	1,033.1	1,061.9	1,323.2	1,366.5
Bank loans	34.6	34.6	2.0	2.0	31.3	31.3
Pension loan	5.0	5.0	15.0	15.0	5.0	5.0
Other financial liabilities	—	—	2.3	2.3	0.2	0.2
Lease liabilities	31.2	31.2	36.8	36.8	32.6	32.6
<b>Financial instruments measured at fair value</b>						
Forward contracts - cash flow hedge accounting	-1.6	-1.6	0.2	0.2	-2.0	-2.0
Forward contracts - fair value through income statement	-0.5	-0.5	0.3	0.3	0.0	0.0
Interest rate derivatives - fair value through income statement	24.2	24.9	—	—	4.3	4.5

Carrying value for bank loans are considered to approximate fair value. The fair values of the term loans and notes have been estimated based on quoted market prices, including any accrued interest. In February 2022, the company entered into interest rate cap options to hedge part of its interest rate risk of its floating rate EUR debt. The gross nominal amount of interest rate derivatives at the end of the reporting period was USD 370.0 million and EUR 400.0 million. The fair value change of interest rate options was significant during the last month of Q1 2022.

Nominal values of derivatives	Mar 31,	Mar 31,	Dec 31,
EUR million	2022	2021	2021
Forward contracts - cash flow hedge accounting	130.0	130.5	132.2
Forward contracts - fair value through income statement	72.0	79.2	176.7

## 15. Equity

### *The reserve for invested unrestricted equity*

The reserve has decreased by EUR 8.3 million during the period due to return of invested unrestricted equity to consortium in form of preferred dividends. In the comparison period 2021, the reserve was increased by EUR 1,084.6 million in January- March 2021 to obtain capital to execute the tender offer and to settle the tender offer consideration in connection with the acquisition of Ahlstrom-Munksjö.

## 16. Off-balance sheet commitments

EUR million	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
<b>Assets pledged</b>			
Pledges	243.1	0.9	282.0
<b>Commitments</b>			
Guarantees and commitments given on behalf of Group companies	45.3	67.0	45.4
Capital expenditure commitments	60.1	43.9	48.0
Other guarantees and commitments	82.3	48.6	84.9

See note 4 for information on the redemption proceedings.

## 17. Related party transactions and associates

Parties are considered to be related parties if one party has the ability to control the other party or to exercise significant influence or joint control over the other party in making financial and operational decisions. Ahlstrom-Munksjö Holding's related parties comprise of several parent companies of which the ultimate parent company for the Group is Spa Lux Topco SARL, whose owners exercise significant influence in Ahlstrom-Munksjö Holding, the members of the Board of Directors of the Ahlstrom-Munksjö Holding 3 Oy (parent company) and the Board of Directors of previously publicly listed subsidiary Ahlstrom-Munksjö Oyj and the Executive Management Team of Ahlstrom-Munksjö and their closely related family members and the entities over which they have control or joint control. In addition, the Group's investments in associated companies are related parties.

### Parent companies

Related parties include the parent companies Ahlstrom-Munksjö Holding 2 Oy, Ahlstrom-Munksjö Holding 1 Oy, Spa Lux Midco SARL and Spa Lux Topco SARL which all belong to the same Group with Ahlstrom-Munksjö Holding. The ultimate parent company is Spa Lux Topco SARL, an entity domiciled in Luxembourg.

### Owners

The ultimate parent company Spa Lux Topco SARL is owned by a consortium comprising of:

- Spa (BC) Lux Holdco SARL (entity owned and controlled by funds managed and/or advised by Bain Capital Private Equity (Europe), LLP, and/or its affiliates). Bain Capital indirectly owns 55% of the Ahlstrom-Munksjö Holding 3 Oy, representing the ultimate controlling party.
- Ahlstrom Invest B.V., a company owned by individual members of the Ahlström family and Ahlstrom Capital BV, a wholly owned subsidiary of Ahlström Capital Oy. Ahlstrom Invest B.V. (including through its affiliates) own 36.4% of the Ahlstrom-Munksjö Holding 3 Oy.
- Viknum AB, a wholly-owned subsidiary of Nidoco AB, which is indirectly owned by Alexander and Albert Ehrnrooth. Alexander Ehrnrooth is a member of the company's and Ahlstrom-Munksjö Oyj's Board of Directors. Viknum AB owns 8.6% of the Ahlstrom-Munksjö Holding 3 Oy.

### Key Management

Board of Directors - Ahlstrom-Munksjö Holding 3 Oy (the parent company)

Ahlstrom-Munksjö Holding 3 Oy's members of the Board of Directors are Ivano Sessa (chair), Andrej Busch, Alexander Ehrnrooth, Lasse Heinonen, Halvor Meyer Horten, Peter Seligson and Michael Siefke.

Board of Directors - Ahlstrom-Munksjö Oyj

Ahlstrom-Munksjö Oyj's members of the Board of Directors are Alexander Ehrnrooth, Lasse Heinonen, Halvor Meyer Horten, Peter Seligson, Ivano Sessa, Michael Siefke, Karl-Henrik Sundström and Helen Mets-Morris.

Executive Management Team of Ahlstrom-Munksjö

The Group's Executive Management Team consists of the CEO, Deputy CEO, Business Area Executive Vice Presidents (EVPs) and EVPs responsible for Group Functions.

### Associated companies

Ahlstrom-Munksjö Holding has, through its subsidiary Ahlstrom-Munksjö, a 33% share of the equity and 33% share of the voting rights of an associate investee in Sweden, Sydved AB.

Related party transactions	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
EUR million	Trade and other payables	Trade and other payables	Trade and other payables
Associated companies	8.0	5.8	3.5
Parent companies	—	—	0.1
Owners	0.1	3.5	—
<b>Total</b>	<b>8.1</b>	<b>9.4</b>	<b>3.6</b>

Related party transactions	Mar 31, 2022		Mar 31, 2021		Dec 31, 2021		
EUR million	Cost of goods sold	Sales, R&D and administrative expense	Cost of goods sold	Sales, R&D and administrative expense	Cost of goods sold	Sales, R&D and administrative expense	Interest income
Associated companies	-9.6	—	-5.5	—	-31.6	—	—
Key management	—	—	—	-1.0	—	-1.0	—
Parent companies	—	—	—	—	—	—	0.1
Owners	—	-1.5	—	-0.7	—	-5.8	—
<b>Total</b>	<b>-9.6</b>	<b>-1.5</b>	<b>-5.5</b>	<b>-1.7</b>	<b>-31.6</b>	<b>-6.8</b>	<b>0.1</b>

### Description of the Group's related party balances

The Group conducts transactions with related parties on an arm's length basis.

#### Transactions with parent companies

During the comparison period 2021, the parent companies provided an equity contribution of EUR 1,120.9 million of which EUR 1,084.6 million during January-March 2021. The equity contribution was provided to obtain capital to execute the tender offer and to settle the tender offer consideration in connection with the acquisition of Ahlstrom-Munksjö.

#### Transactions with owners

Transactions mainly relate to expenses related to the acquisition of Ahlstrom-Munksjö Oyj shares incurred by the consortium and recharged to Ahlstrom-Munksjö Holding 3 Oy and management fee paid to the consortium pursuant to a management agreement whereby Group has received general business consulting services; financial, managerial and operational advice; advisory and consulting services with respect to selection of advisors; advice in different fields; and financial and strategic planning and analysis. The management fee and costs incurred amounted to EUR 1.5 million during January-March 2022.

#### Transactions with the members of the Board of Directors

During the comparison period 2021, Ahlstrom-Munksjö Holding 3 Oy issued equity in exchange of services provided by Karl-Henrik Sundström, through Alma Patria AB, an entity controlled by him, in connection with the tender offer process. The costs incurred amounted to EUR 1.0 million of which EUR 0.3 million was paid in cash and EUR 0.8 million was settled against invested equity.

#### Key management compensation

Members of Board of Directors of Ahlstrom-Munksjö Holding 3 Oy were not paid any remuneration in January-March 2022 for their Board work as it is handled by Ahlstrom-Munksjö Oyj. Ahlstrom Munksjö Holding 3 Oy has paid Audit Committee remuneration.

The AGM held on April 6, 2022 resolved that the annual remuneration of the Board of Directors and the Board Committees (at their request) is as follows:

- The Chairman of the Board shall receive EUR 130,000 a year, the Vice Chairman EUR 90,000 and the ordinary members EUR 65,000 each.
- The Chairman of the Audit Committee shall receive EUR 15,000 and the ordinary members of the committee EUR 7,500 each on an annual basis.
- The Chairman of the Human Resources Committee shall receive EUR 10,000 a year and the ordinary members EUR 5,000 each.

Ahlstrom-Munksjö Holding has currently one share-based incentive scheme for the key management and personnel described in more detail in Consolidated Financial Statements 2021. The costs recognised for the synthetic options program were EUR 0.1 million during the first quarter of 2022.

#### *Associated companies*

The Group purchases wood and wood chips from associated company Sydved AB amounting to 200,994 m<sup>3</sup>. Share of profit of the associated company is EUR 0.0 million.

### **EVENTS AFTER THE REPORTING PERIOD**

#### **ANNUAL GENERAL MEETING**

On April 6, 2022, it was resolved in a sole shareholder meeting to adopt the Financial Statements for the year 2021 and to grant the members of the Board of Directors discharge from the financial year 2021. It was resolved also to authorize the Board of Directors to decide on the distribution of funds in one or several tranches from the company's invested unrestricted equity fund up to an aggregate maximum of EUR 34.2 million. The authorization is in force until the beginning of the company's Annual General Meeting 2023.

#### **RETURN OF EQUITY**

On April 27, 2022, Ahlstrom-Munksjö Holding 3 Oy decided on a cash distribution in the aggregate amount of EUR 8 251 378,61 (the "Distribution Amount") by way of return of equity from invested unrestricted equity reserve. Payment was made on April 29, 2022.

#### **DECISION TO APPEAL THE ARBITRATION AWARD ON THE SQUEEZE OUT SHARE PRICE**

On April 29, 2022, Ahlstrom-Munksjö Holding 3 Oy filed an appeal with the District Court of Helsinki, requesting the District Court to confirm the redemption price of the minority shares in Ahlstrom-Munksjö to be EUR 17.84 per share. Please see the section Acquisition of Ahlstrom-Munksjö.

#### **NEW OPERATING MODEL AND REPORTING STRUCTURE**

On May 10, 2022, Ahlstrom-Munksjö announced it will implement a new operating model and reporting structure to support its strategy execution. Based on end-market focus, Ahlstrom-Munksjö will operate under five divisions; Filtration, Food & Consumer Packaging, Healthcare, Building Materials and Technical Materials. The new operating model and reporting structure will become effective on July 1, 2022.

## APPENDIX 2: KEY FIGURES

Certain of our key figures are not accounting measures defined or specified under IFRS and therefore are considered as alternative performance measures. We present these alternative performance measures as additional information to the financial measures presented in the consolidated financial statements prepared in accordance with IFRS. Certain of the adjustments and estimates underlying e.g. Adjusted EBITDA are forward-looking by nature and therefore subject to a number of assumptions about the timing, execution and costs associated with implementing the underlying initiatives. Such assumptions are inherently uncertain and are subject to significant business, economic and competition risk and uncertainties as further described under the heading "Forward-Looking Statements".

We present alternative performance measures because we believe that they are helpful to investors as measures of our operating performance and ability to service our debt, and that they and similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. Alternative performance measures should not be viewed in isolation or as a substitute for revenue or net result for the period or any other performance or liquidity measures presented in our IFRS financial statements or any other generally accepted accounting principles or as a substitute to cash flows from operating, investing or financing activities. Companies do not calculate alternative performance measures in a uniform way, and therefore Ahlstrom-Munksjö Holding's alternative performance measures may not be comparable with similarly named measures presented by other companies. The alternative performance measures we present may also be defined differently than the corresponding terms under our debt financing arrangements.

Some of the limitations of these alternative performance measures are that:

- they do not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;
- they do not reflect changes in, or cash requirements for, our working capital needs;
- they do not reflect the significant interest expense, or the cash requirements necessary, to service interest or principal payments on our debt;
- they do not reflect any cash income taxes that we may be required to pay;
- they do not reflect the impact of earnings or charges resulting from certain matters we consider not to be indicative of our ongoing operations;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often need to be replaced in the future and EBITDA-based measures do not reflect any cash requirements that would be required for such replacements;
- they may include adjustments for non-cash items and not adjust for all items that impact cash flows;
- some of the items that we eliminate in calculating certain EBITDA-based measures reflect cash payments that were made, or will in the future be made; and
- other companies in our industry may calculate these measures differently than we do, limiting their usefulness as comparative measures.
- Net indebtedness as presented in this report is not necessarily calculated in the same manner in which net indebtedness is calculated for the purposes of determining the "Fixed Charge Coverage Ratio," the "Senior Secured Net Leverage Ratio," the "Total Net Leverage Ratio" or any other metric in accordance with the finance documents governing the Group's indebtedness.

Alternative performance measures are unaudited.

KEY FIGURES	Ahlstrom-Munksjö Holding	Ahlstrom-Munksjö Holding	Ahlstrom-Munksjö Holding
	Q1	Q1	Q1-Q4
EUR million, or as indicated	2022	2021	2021
Employee benefit expenses	-156.5	-89.3	-536.2
Depreciation and amortization	-48.0	-31.5	-171.1
Impairment loss	—	—	-1.1
Net sales	918.9	461.1	2,814.2
Operating result	40.7	-8.0	72.3
Operating result margin, %	4.4	-1.7	2.6
Net result	14.0	-23.9	-57.4
EBITDA	88.7	23.5	244.6
EBITDA margin, %	9.7	5.1	8.7
Comparable EBITDA	122.3	71.0	361.6
Comparable EBITDA margin, %	13.3	15.4	12.8
Items affecting comparability in EBITDA and management fee	-33.7	-47.4	-117.0
Adjusted EBITDA (LTM)	518.0	453.1	494.9
Adjusted EBITDA margin, %	15.8	16.9	16.1
Comparable operating result	74.4	39.4	190.4
Comparable operating result margin, %	8.1	8.6	6.8
Items affecting comparability in operating result and management fee	-33.7	-47.4	-118.1
MOVC/ton, EUR <sup>1</sup>	794.4	622.6	708.1
MOVC margin, % <sup>1</sup>	37.4	35.9	38.1
Cash and cash equivalents	245.8	440.9	162.6
Net senior secured indebtedness	1,751.4	1,181.2	1,760.2
Adjusted Net senior secured indebtedness	1,509.2	1,181.2	1,479.2
Net indebtedness	2,121.6	1,730.0	2,084.2
Adjusted Net indebtedness	1,879.4	1,730.0	1,803.1
Interest expense (LTM)	-98.3	-90.1	-91.6
Ratio of net senior secured indebtedness to adjusted EBITDA (LTM)	2.9	2.6	3.0
Ratio of net indebtedness to adjusted EBITDA (LTM) <sup>2</sup>	3.6	3.8	3.6
Ratio of adjusted EBITDA to interest expense <sup>2</sup>	5.3	5.0	5.4
Capital expenditure	34.3	16.0	145.5
Operating working capital	430.9	276.5	357.8
Free cash flow	109.9	63.3	290.6
Cash conversion, %	89.8	89.2	80.4

<sup>1</sup>Q1 2021 Impacted by an inventory adjustment arising from purchase price allocation (PPA) accounting of EUR 31.7 million

<sup>2</sup>Historical data for the LTM before the acquisition is from Ahlstrom-Munksjö historical numbers

Reconciliation of certain key performance measures	Ahlstrom-Munksjö Holding	Ahlstrom-Munksjö Holding	Ahlstrom-Munksjö Holding
	Q1	Q1	Q1-Q4
EUR million or as indicated	2022	2021	2021
<b>Items affecting comparability</b>			
Transaction costs	-3.9	-15.6	-25.9
Inventory fair value	—	-31.7	-31.7
Transformation costs	-26.7	0.1	-50.0
Restructuring costs	-1.1	0.1	-5.6
Gain/Loss on business disposal and other related items	—	—	0.9
Other	-0.4	-0.3	1.5
<b>Total items affecting comparability (IAC) in EBITDA</b>	<b>-32.2</b>	<b>-47.4</b>	<b>-111.7</b>
Management fee to owners	-1.5	—	-5.2
<b>Total IAC in EBITDA and management fee</b>	<b>-33.7</b>	<b>-47.4</b>	<b>-117.0</b>
Impairment loss	—	—	-1.1
<b>Total IAC in operating result and management fee</b>	<b>-33.7</b>	<b>-47.4</b>	<b>-118.1</b>
<b>Net result</b>	14.0	-23.9	-57.4
Taxes	-10.6	4.3	-23.5
Net financial items	-16.1	-20.2	-106.2
<b>Operating result</b>	40.7	-8.0	72.3
Depreciation, amortization and impairment	-48.0	-31.5	-172.3
<b>EBITDA</b>	<b>88.7</b>	<b>23.5</b>	<b>244.6</b>
Total IAC in EBITDA and management fee	-33.7	-47.4	-117.0
<b>Comparable EBITDA</b>	<b>122.3</b>	<b>71.0</b>	<b>361.6</b>
<b>Adjusted Senior secured net indebtedness</b>			
Senior secured net indebtedness	1,751.4	1,181.2	1,760.2
Escrow account related to minority squeeze-out liability	242.2	—	281.1
<b>Adjusted Senior secured net indebtedness</b>	<b>1,509.2</b>	<b>1,181.2</b>	<b>1,479.2</b>
<b>Adjusted Net indebtedness</b>			
Net indebtedness	2,121.6	1,730.0	2,084.2
Escrow account related to minority squeeze-out liability	242.2	—	281.1
<b>Adjusted Net indebtedness</b>	<b>1,879.4</b>	<b>1,730.0</b>	<b>1,803.1</b>
<b>Adjusted EBITDA (LTM)</b>			
Comparable EBITDA (LTM) Pro forma	413.1	350.2	398.3
Pro forma foreign exchange impact	-0.1	-0.5	-0.3
Comparable EBITDA, (LTM)	413.0	349.8	398.0
One off and other adjustments	-1.5	1.0	-3.7
Covid-19 normalization	—	12.4	—
Full year estimate of FY 20 initiatives	—	4.4	—
FY21 initiatives	8.9	69.8	21.9
FY22 initiatives	77.1	15.7	78.8
FY23 initiatives	20.5	—	—
<b>Adjusted EBITDA (LTM)</b>	<b>518.0</b>	<b>453.1</b>	<b>494.9</b>

Reconciliation of certain key performance measures	Ahlstrom- Munksjö Holding	Ahlstrom- Munksjö Holding	Ahlstrom- Munksjö Holding
	Q1 2022	Q1 2021	Q1-Q4 2021
EUR million or as indicated			
<b>Comparable operating result</b>			
Operating result	40.7	-8.0	72.3
Total IAC in operating result and management fee	33.7	47.4	118.1
<b>Comparable operating result</b>	<b>74.4</b>	<b>39.4</b>	<b>190.4</b>
<b>Free cash flow</b>			
Comparable EBITDA	122.3	71.0	361.6
Maintenance capital expenditure	12.4	7.6	71.0
<b>Free cash flow</b>	<b>109.9</b>	<b>63.3</b>	<b>290.6</b>

## APPENDIX 3: UNAUDITED VOLUNTARY PRO FORMA FINANCIAL INFORMATION

### Basis of Compilation

#### General

The following voluntary pro forma combined financial information concerning the previous year (the "pro forma Information") is presented for illustrative purposes only to give effect to the acquisition of Ahlstrom-Munksjö Oyj ("Ahlstrom-Munksjö") by Ahlstrom-Munksjö Holding 3 Oyj (the "Issuer", "parent company") on the business performance of Ahlstrom-Munksjö Holding 3 Group ("Ahlstrom-Munksjö Holding", the "Group") and the financing for the acquisition to Ahlstrom-Munksjö Holding's financial information as if the acquisition had been completed at an earlier date. The pro forma Information is unaudited.

The unaudited pro forma combined income statements ("pro forma income statement") give effect to the acquisition as if it had taken place on January 1, 2020. Pro forma adjustments that do not have a continuing impact on Ahlstrom-Munksjö Holding's results are presented in the pro forma income statement for the year 2020 presented in Q1/2021 report. No balance sheet is presented as the December 31, 2021 consolidated balance sheet reflects the impacts of the acquisition and the financing for the acquisition.

The pro forma information has been presented for illustrative purposes only. The pro forma Information addresses a hypothetical situation and is not therefore necessarily indicative of what the combined companies' financial performance would have been had the acquisition been completed on January 1, 2020. The pro forma information does not either purport to project the operating results of the combined companies as of any future date.

The pro forma income statements do not reflect any expected cost savings, synergy benefits or future integration costs that are expected to be generated or may be incurred as a result of the acquisition. The pro forma effective tax rate differs from the historical tax rates of Ahlstrom-Munksjö Holding and Ahlstrom-Munksjö and from the 2021 effective tax for the Group as pro forma income tax impact is calculated based on the deductibility of the adjustment and using the actual enacted applicable tax rates in the respective jurisdiction. Further actual effective tax rates may also be significantly different in the future depending on the post-acquisition activities, including cash needs and funding activities, geographical mix of income and integration and tax planning strategies.

The pro forma information presented herein is prepared based on the historical results of Ahlstrom-Munksjö Holding and Ahlstrom-Munksjö prepared in accordance with IFRS and on a basis consistent with the EU prospectus regulation's pro forma guidance. The pro forma Information has been prepared on a basis consistent with the accounting principles applied in Ahlstrom-Munksjö Holding's consolidated interim report.

The acquisition of Ahlstrom-Munksjö has been accounted for as business combination using the acquisition method of accounting under the provisions of IFRS with Ahlstrom-Munksjö Holding determined as the acquirer. The acquisition method of accounting applies the fair value concepts and requires, among other things, that the identifiable assets acquired and liabilities assumed in a business combination are recognized at their fair values as of the acquisition date, with any excess of the purchase consideration over the fair value of identifiable net assets acquired recognized as goodwill.

The pro forma information reflects the application of pro forma adjustments that are based upon certain assumptions, described in the accompanying notes herein, that management believes are reasonable under the circumstances. Pro forma adjustments to historical financial information are prepared to give pro forma effect to events that are directly attributable to the acquisition and the financing for the acquisition and are factually supportable. Actual results may differ materially from the assumptions within the accompanying pro forma Information.

For more information regarding the acquisition of Ahlstrom-Munksjö from the Q1/2021 interim report.

## Historical Financial Information

The pro forma Information has been derived from the following historical financial information:

- Ahlstrom-Munksjö's audited consolidated financial statements for the year 2020 and from the accounting records of Ahlstrom-Munksjö for period ended February 4, 2021 (the "acquisition date");
- Ahlstrom-Munksjö Holding's audited financial statements for the year 2020 and 2021.

This pro forma information should be read in conjunction with note 4 in the appendix 1 of the interim report.

## Other Considerations

The pro forma adjustments which have continuing impact on the Ahlstrom-Munksjö Holding's results, have been translated to euros using historical average exchange rates for respective currencies. The pro forma adjustments for income taxes have been calculated based on the tax deductibility of the underlying pro forma adjustments in the respective jurisdiction and accordingly, tax rates used for pro forma purposes differ depending on the nature of the underlying pro forma adjustment.

All amounts are rounded and presented in millions of euros unless otherwise noted. Accordingly, in certain instances, the sum of the numbers in a column or row may not conform exactly to the total amount given for that column or row.

## Consolidated Pro Forma Income Statement Information for the year 2021

	Ahlstrom- Munksjö Holding historical	Ahlstrom- Munksjö historical	Pro forma adjustments	Pro forma total Q1-Q4 2021
<b>Net sales</b>	<b>2,814.2</b>	<b>262.4</b>	<b>—</b>	<b>3,076.6</b>
Cost of goods sold	-2,417.0	-216.7	31.7	-2,602.0
<b>Gross profit</b>	<b>397.2</b>	<b>45.7</b>	<b>31.7</b>	<b>474.6</b>
Sales, R&D and administrative expenses	-278.2	-44.2	14.9	-307.4
Other operating income	20.5	1.3	—	21.9
Other operating expense	-67.1	-4.2	-1.7	-73.1
Share of profit in equity accounted investments	-0.1	—	—	-0.1
<b>Operating result</b>	<b>72.3</b>	<b>-1.5</b>	<b>44.9</b>	<b>115.8</b>
Net financial items	-106.2	-3.6	-4.3	-114.0
<b>Result before taxes</b>	<b>-33.9</b>	<b>-5.0</b>	<b>40.7</b>	<b>1.8</b>
Income taxes	-23.5	1.4	-7.4	-29.5
<b>Net result</b>	<b>-57.4</b>	<b>-3.7</b>	<b>33.3</b>	<b>-27.7</b>

## Notes to the Pro Forma information

### Note 1 – Pro Forma adjustments

The following tables presents the pro forma adjustments for the year 2021:

	Q1-Q4 2021			Total pro forma adjustments
	Fair value adjustments (Note 1a)	Transaction costs (Note 1b)	Financing arrangements (Note 1c)	
<b>Net sales</b>	—	—	—	—
Cost of goods sold	31.7	—	—	31.7
<b>Gross profit</b>	<b>31.7</b>	<b>—</b>	<b>—</b>	<b>31.7</b>
Sales, R&D and administrative expenses	0.5	14.5	—	14.9
Other operating expense	-1.7	—	—	-1.7
<b>Operating result</b>	<b>30.5</b>	<b>14.5</b>	<b>—</b>	<b>44.9</b>
Net financial items	—	—	-4.3	-4.3
<b>Result before taxes</b>	<b>30.5</b>	<b>14.5</b>	<b>-4.3</b>	<b>40.7</b>
Income taxes	-8.2	—	0.8	-7.4
<b>Net result</b>	<b>22.3</b>	<b>14.5</b>	<b>-3.5</b>	<b>33.3</b>

For further details on each pro forma adjustments, see appendix 3 in Ahlstrom-Munksjö Holding Q1/2021 interim report.

## Note 2 – Additional Pro Forma Information

### Pro Forma Financial Key Figures

EUR million	Q1-Q4 2021
EBITDA	303.6
Comparable EBITDA	398.3
Comparable EBITDA margin, %	12.9

### Reconciliation of Pro Forma Comparable EBITDA and Pro Forma EBITDA to Pro Forma Operating Result

EUR million	Q1-Q4 2021			
	Ahlstrom-Munksjö Holding historical	Ahlstrom-Munksjö historical January-February 4, 2021	Pro forma adjustments	Pro forma total
<b>Net Result</b>	<b>-57.4</b>	<b>-3.7</b>	<b>33.3</b>	<b>-27.7</b>
Taxes	-23.5	1.4	-7.4	-29.5
Net financial items	-106.2	-3.6	-4.3	-114.0
<b>Operating result</b>	<b>72.3</b>	<b>-1.5</b>	<b>44.9</b>	<b>115.8</b>
Depreciation, amortization and impairment	-172.3	-14.2	-1.3	-187.8
<b>EBITDA</b>	<b>244.6</b>	<b>12.8</b>	<b>46.2</b>	<b>303.6</b>
Transaction costs	-25.9	-23.9	14.5	-35.4
Transformation costs	-50.0	—	—	-50.0
Inventory fair value	-31.7	—	31.7	—
Restructuring costs	-6.5	-0.0	—	-6.5
Net (gain)/loss on business disposal	0.9	—	—	0.9
Other	1.5	—	—	1.5
<b>Total items affecting comparability (IAC) in EBITDA</b>	<b>-111.7</b>	<b>-24.0</b>	<b>46.2</b>	<b>-89.5</b>
Management fee to owners	-5.2	—	—	-5.2
<b>Total IAC and management fee</b>	<b>-117.0</b>	<b>-24.0</b>	<b>46.2</b>	<b>-94.7</b>
<b>Comparable EBITDA</b>	<b>361.6</b>	<b>36.8</b>	<b>—</b>	<b>398.3</b>

## CALCULATION OF KEY FIGURES

Key figure	Definitions	Reason for use of the key figure
<b>Operating result</b>	Net result before taxes and net financial items	Operating result shows result generated by the operating activities
<b>Operating result margin, %</b>	Operating result / net sales	
<b>EBITDA</b>	Operating result before depreciation, amortization and impairment	EBITDA is the indicator to measure the performance of Ahlstrom-Munksjö Holding.
<b>EBITDA margin, %</b>	EBITDA / net sales	EBITDA margin is a key measure in our long-term financial targets.
<b>Comparable EBITDA</b>	EBITDA excluding items affecting comparability in EBITDA and management fee to owners	Comparable EBITDA, comparable EBITDA margin, comparable operating result, comparable operating result margin, comparable operating result excluding depreciation and amortization arising from PPA,
<b>Comparable EBITDA margin, %</b>	Comparable EBITDA / net sales	comparable net result, comparable earnings per share, comparable net result excluding depreciation and amortization arising from PPA and comparable earnings per share
<b>Comparable operating result</b>	Operating result excluding items affecting comparability in operating result and management fee to owners	excluding depreciation and amortization arising from PPA, comparable net result, comparable earnings per share to reflect the underlying business performance and to enhance comparability from period to period. Ahlstrom-Munksjö Holding believes that these comparable performance measures provide meaningful supplemental information by excluding items outside ordinary course of business including PPA related depreciation and amortization, which reduce comparability between the periods.
<b>Comparable operating result margin, %</b>	Comparable operating result / net sales	
<b>Items affecting comparability in operating result</b>	Material items outside ordinary course of business, such as gains and losses on business disposals, direct transaction costs related to business acquisitions, costs for closure of business operations and restructurings including redundancy payments, impairment losses, one-off items arising from purchase price allocation such as inventory fair value adjustments, compensation related to environmental damages arising from unexpected or rare events and other items including fines (such as VAT tax audit fines) or other similar stipulated payments and litigations.	
<b>Items affecting comparability in EBITDA</b>	Items affecting comparability in operating result excluding impairment losses.	
<b>Management fee to owners</b>	Represents the fees paid to the owners pursuant to a management agreement whereby we have received general business consulting services; financial, managerial and operational advice; advisory and consulting services with respect to selection of advisors; advice in different fields; and financial and strategic planning and analysis.	
<b>Adjusted EBITDA (LTM)</b>	Represents comparable EBITDA as adjusted for additional sponsor adjustments, certain cost savings programs, certain post-acquisition savings programs	Adjusted EBITDA is a parameter used for calculating the indebtedness ratios.
<b>Adjusted EBITDA margin (LTM), %</b>	Adjusted EBITDA/Net sales	
<b>MOVC/ton, EUR</b>	Net sales minus variable costs of sales/ sales tons	
<b>MOVC margin, %</b>	Net sales minus variable costs of sales/ net sales	

Key figure	Definitions	Reason for use of the key figure
<b>Net indebtedness</b>	Non-current and current borrowings and non-current and current lease liability less securitization liability less cash and cash equivalents	
<b>Adjusted Net indebtedness</b>	Net indebtedness minus escrow account related to minority interest squeeze-out liability	
<b>Net senior secured indebtedness</b>	Notes offered and borrowings under the Senior Term Facilities excluding any existing debt of Ahlstrom-Munksjö at the date of the acquisition that will be secured on the Collateral, net of as adjusted cash and cash equivalents.	Indebtedness related key figures are indicators to measure the total external debt financing of Ahlstrom-Munksjö Holding
<b>Adjusted Net senior secured indebtedness</b>	Net senior secured indebtedness minus escrow account related to minority interest squeeze-out liability	
<b>Ratio of net indebtedness to adjusted EBITDA<sup>1)</sup></b>	Adjusted Net indebtedness/adjusted EBITDA	
<b>Ratio of net senior secured indebtedness to adjusted EBITDA<sup>1)</sup></b>	Adjusted Net senior secured indebtedness/adjusted EBITDA	
<b>Ratio of adjusted EBITDA<sup>1)</sup> to interest expense</b>	Adjusted EBITDA (LTM)/interest expense (LTM)	
<b>Capital expenditure</b>	Purchases for property, plant and equipment and intangible assets as presented in the cash flow statement.	Capital expenditure provides additional information of the cash flow needs of the operations.
<b>Operating working capital</b>	Inventories plus operative receivables before factoring less operating payables	
<b>Free cash flow</b>	Comparable EBITDA minus maintenance capital expenditure	
<b>Cash conversion</b>	Free cash flow divided by comparable EBITDA	

<sup>1)</sup> Calculated as if the transaction of acquiring Ahlstrom-Munksjö Oyj had been completed in the beginning of 2020.