

# ANNUAL REPORT 2023





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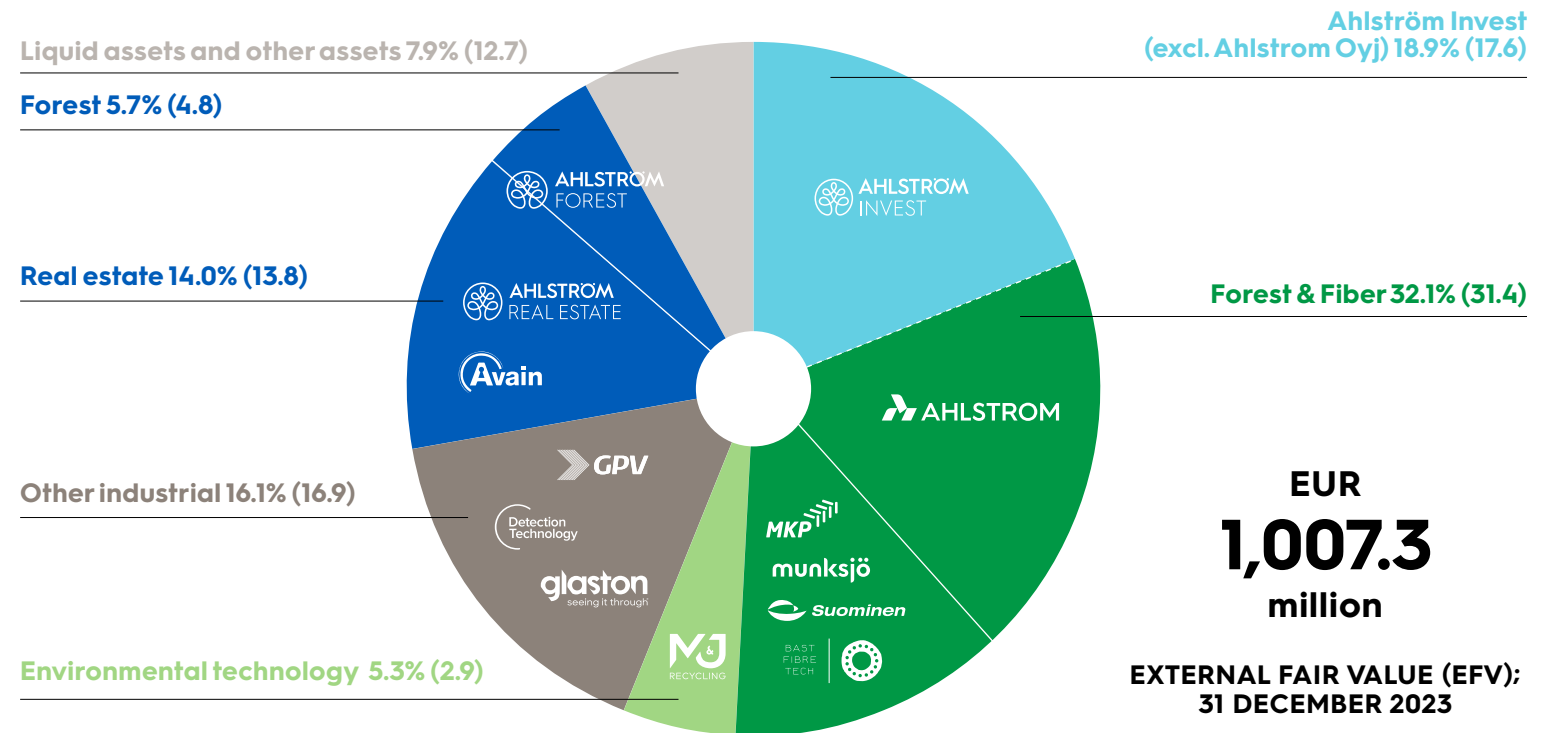
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### THE SCOPE OF OUR PORTFOLIO COMPANIES

**~5.9 billion EUR**  
revenue of portfolio  
companies, total

**30**  
operating countries

**~19,200**  
employees in portfolio  
companies



Building on a legacy of more than 170 years, we are a long-term industrial owner, developing leading global specialist positions in *Forest & Fiber* and *Environmental technology* sectors. Ahlström integrates synergistic businesses to create

a handful of world-leading specialist platforms in these sectors. In the platform companies we have a lead or majority owner role.

The current ownership includes Ahlström Invest B.V. (including a

significant ownership in Ahlström Oyj), Munksjö Paper AB, Suominen Corporation, Metsäkonepalvelu Oy, Bast Fibre Technologies Inc, M&J Recycling A/S, Detection Technology Plc, Glaston Corporation and GPV Group A/S.

We also invest in real estate and forestry to de-risk the Ahlström family assets, manage liquidity, and generate stable cash flow. The real estate and forest holdings are managed by A. Ahlström's fully owned subsidiary, A. Ahlström Real Estate Ltd.





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## CEO's review

# A. Ahlström Corporation: the family company reborn

In March 2023, Ahlström Capital merged with Antti Ahlström Perilliset to form A. Ahlström Corporation. Our strategy was renewed, with the strategic core built around industrial companies in the Forest & Fiber as well as Environmental technology sector. The strategic core is supported with diversification in financial assets, real estate and the forest business.

### A challenging year due to slowdown in demand

The demand was at a low level in the forest and fiber sector during 2023. In Ahlström and Munksjö, our focus has been on managing the cash flow, as well as liquidity, and on cost efficiency and commercial excellence. At Suominen, the commercial and operational improvements started to contribute to better profitability towards the end of the year.

Increased interest rates slowed down the demand also for investment goods. At M&J Recycling and Glaston, revenue was solid, but the order backlog decreased during the year. At Detection Technology, the demand improved in the second half of the year and the actions to improve cost efficiency had a positive impact on the performance. The integration of Enics and GPV has proceeded well and the financial performance of GPV was satisfactory.



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In the forest business, strong prices continued throughout the year and, as we have also increased the share of delivery sales to our customers, the financial performance was strong. Despite the good pricing environment, we continued to increase the biomass in our forests as we continued to harvest less than the annual growth of trees. In the real estate business, our portfolio of quality assets has endured the market pressures well. Through active portfolio management, the utilisation rate has increased, and cash flow improved. In Q4, the GO21 office building in the centre of Tampere was completed and the building is fully let.

The share repurchase program in A. Ahlström was completed during Q4. The program was oversubscribed, and 300,000 shares were acquired.

### Implementing our new strategy

The strategic core in our renewed strategy is built around industrial companies in the Forest & Fiber and the Environmental technologies sectors. Within the strategic core, we integrate synergistic businesses into a selected number of world-leading specialist platforms. In December, we acquired Metsäkonepalvelu Oy as a new platform company in the Forest & Fiber sector.

Metsäkonepalvelu is the largest harvesting services platform in Finland and also has a strategic foothold in the Swedish market.

The strategic core is supported by diversification into financial assets, real estate, and the forest business. By diversifying, we can manage liquidity and maintain stable and predictable cash flow. In real estate we actively develop, own and manage, certified high-quality assets in central locations, and aim for long lease agreements with established tenants. We actively and efficiently manage our forests to achieve best-in-class profitability, and predictable cash flow, while ensuring long term vitality and biodiversity. During 2024, we will continue to define our unique way of working, the Ahlström Way, together with our professionals.

I would like to thank all the employees for the good work done and the shareholders and Board for the trust and support. I am eager to continue to execute this strategy together with all of you.

### Jyrki Vainionpää

President and CEO



### Ahlström Network Day

The Ahlström Network Day brings together the boards and management of A. Ahlström and its companies annually to network and exchange ideas. In January 2024, the event's theme was "Future readiness".

Jyrki Vainionpää, the CEO of A. Ahlström, presented the company's new strategy. Following his presentation, Helen Mets, President & CEO of Ahlstrom Oyj, presented a case study on how to create superior product portfolio and commercial excellence. Anders Falkeström, Group Deputy CEO of Munksjö, presented a case study on critical cash flow.

We also heard three different pitches on the theme "What is our future made of - key themes for future readiness". Katri Makkonen, Senior Advisor at Milton and Nordic West Office, spoke about geopolitics, Tero Ojanperä, Chair & Founder of Silo AI, discussed artificial intelligence; and Annu Nieminen, Founder & CEO of The Upright Project, addressed sustainability. The board professional Kaisa Hietala acted as the moderator.

Professor of Strategy and Innovation at IMD, Patrick Reinmoeller, delivered a keynote titled "What is future readiness made of - key tools" followed by a workshop.

# Financial performance

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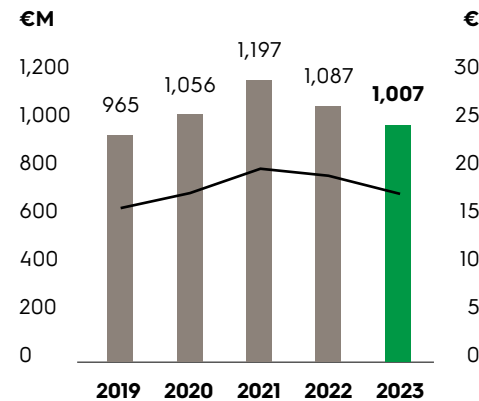
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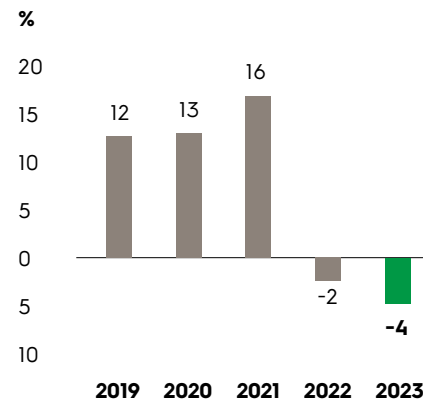
In 2023, the development of the External Fair Value (EFV), adjusted for dividends and share repurchases, was negative -4.3% totalling EUR 1,007 million. The valuations of companies operating in the forest and fiber sector and in investment goods were impacted by lower demand and, in addition, the increased interest rates had an effect to real estate valuations.

EXTERNAL FAIR VALUE (EFV) AND  
EFV PER SHARE

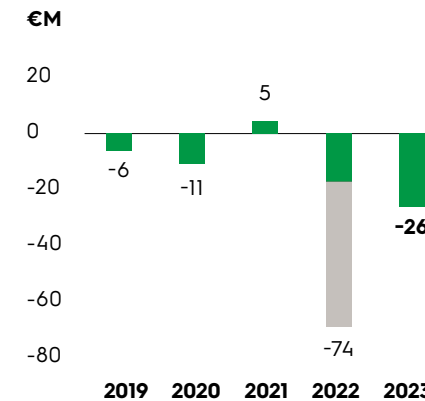


● EFV  
- EFV per share

NET TOTAL SHAREHOLDER RETURN (TSR)

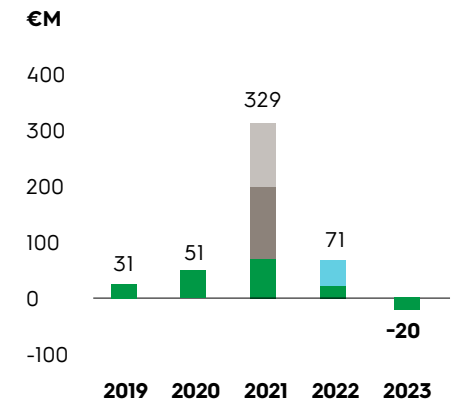


RECURRING CASH FLOW



● Recurring cash flow  
● Share repurchases mainly related to the creation of A. Ahlström Corporation

PROFIT FOR THE PERIOD



● Profit for the period  
● Impact from share exchange of Ahlstrom-Munksjö  
● Divestment of Destia  
● Divestment of Enics

# Key performance

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### External Fair Value (EFV)

### Net Total Shareholder Return (TSR)

### Recurring cash flow and total cash flow

### Profit for the period

	2023	2022
<b>EFV total</b>	<b>1,007.3</b>	<b>1,087.1</b>
<b>EFV per share</b>	<b>17.04</b>	<b>18.44</b>
Gross Total Shareholder Return (TSR) %	-2.2	-0.7
- A. Ahlström costs %	-2.1	-1.5
<b>Net Total Shareholder Return (TSR)*</b>	<b>-4.3</b>	<b>-2.2</b>
Distributions to shareholders %	-3.0	-7.0
EFV change	-7.3	-9.2
Sources of funds	29.7	28.6
- Uses of funds	-56	-102.1
<b>Recurring cash flow</b>	<b>-26.3</b>	<b>-73.5</b>
Divestments and exit proceeds	3.4	130.0
New investments	-80.4	126.7
Financing items, taxes and other changes	78.0	21.4
Total cash flow	-25.3	-48.7
Comparable operating profit margin	3.0	0.4
Profit from associated companies	12.0	27.2
Comprehensive operating profit	15.0	27.6
Financing costs, tax and other	-35.3	43.0
<b>Profit for the period</b>	<b>-20.3</b>	<b>70.6</b>

\* Net Total Shareholder Return = Adjusted EFV change

In 2023, the **Gross Total Shareholder Return (TSR)**

from the portfolio was -2.2%, impacted by the negative returns in the forest and fiber sector, in other industrial holdings and in real estate. The operational costs increased to 2.1% of the External Fair Value (EFV) mainly due to the merger of Antti Ahlström Perilliset Oy into A. Ahlström Oy in the beginning of March 2023. Distributions to shareholders were 3% of the EFV and total change in the EFV was -7.3%.

**Recurring cash flow** was impacted by increased financing costs during the year. The comparison year includes an extraordinarily high use of funds for share repurchases, which were related to the forming of A. Ahlström Oy, a strong Ahlström family company.

New investments were made into Metsäkonepalvelu Oy, a new portfolio company since December 2023, and into two real estate development projects.

**Profit for the period** was negative, as lower demand impacted the turnover and the profitability of several companies and the negative change in real estate valuations also negatively impacted the profit. The comparison year included exit gains, while in 2023 the company did not have any divestments.



## The global footprint of our portfolio companies

A. Ahlström and its portfolio companies have altogether approximately 19,200 employees and operations in 30 countries.

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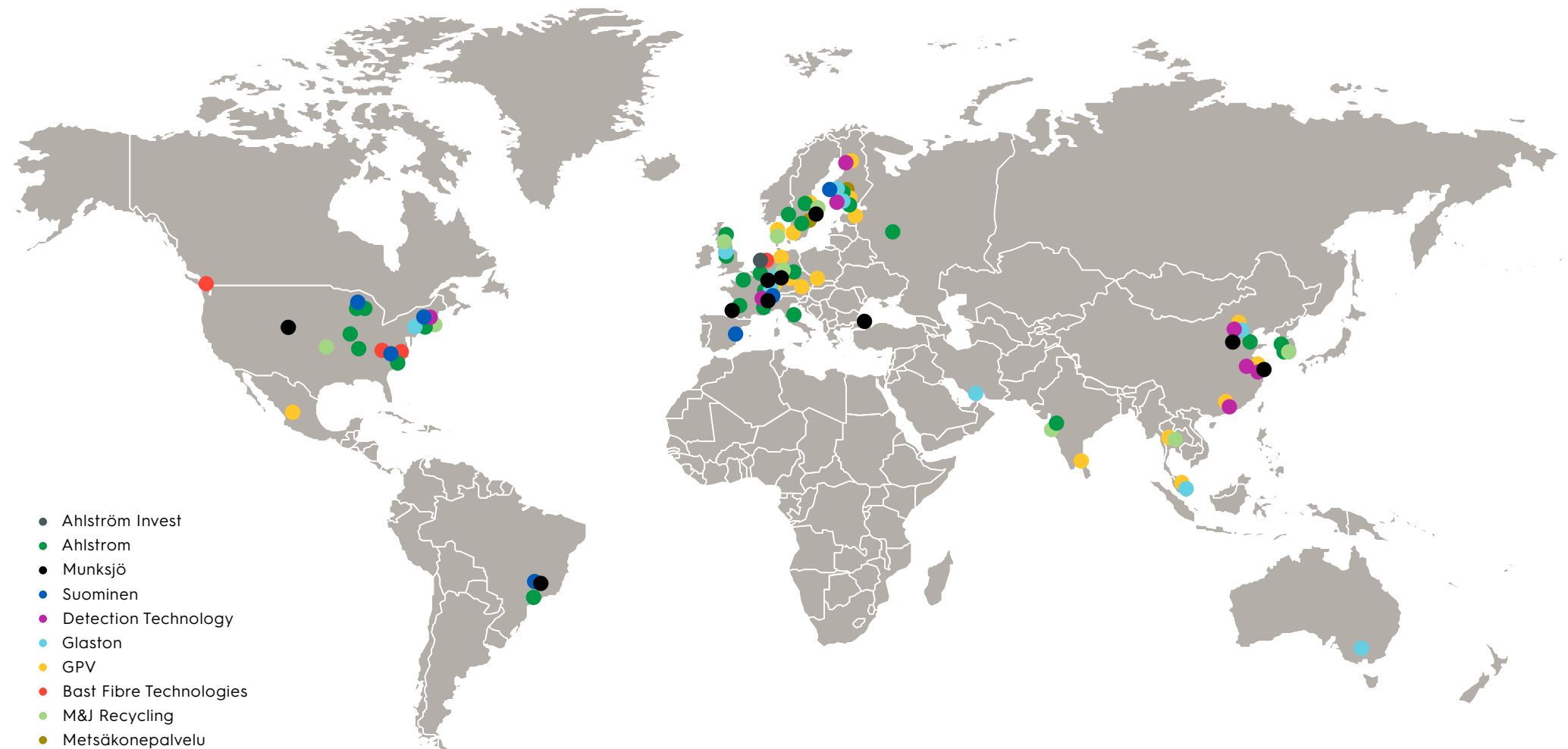
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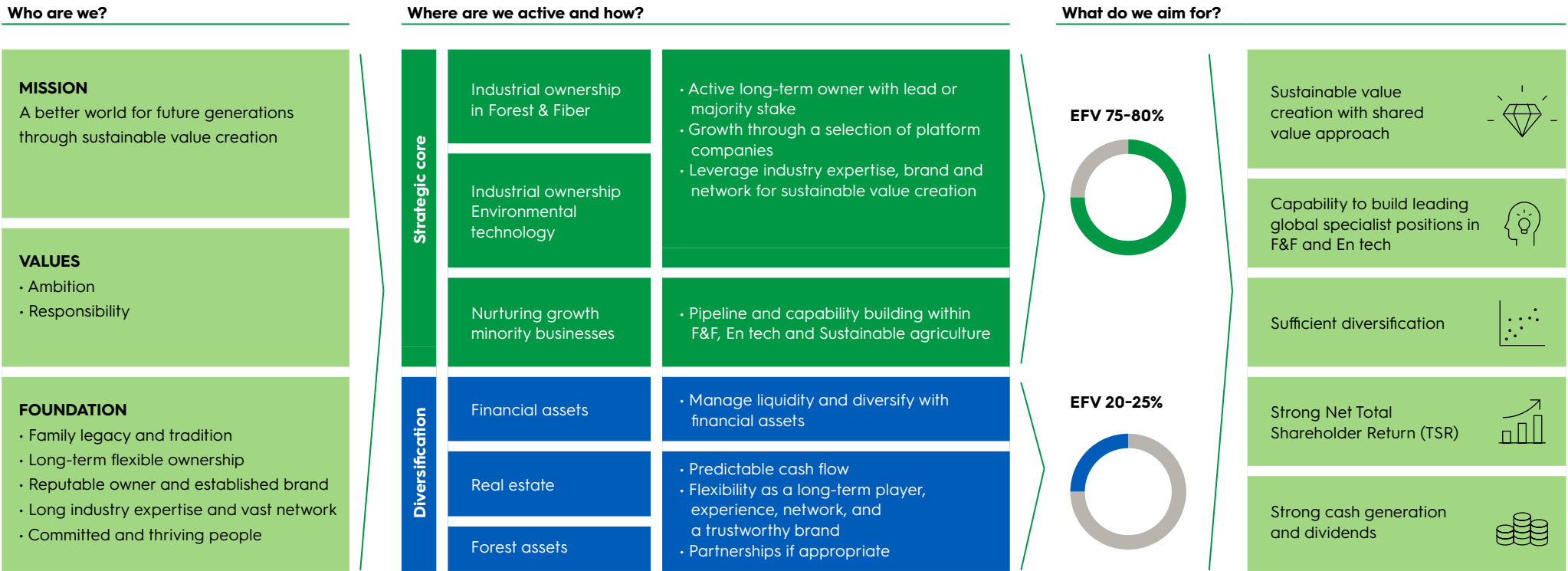
The dots represent both factories and sales offices.

# Ahlström Strategy

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# Sustainable value creation through active long-term ownership

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Ahlström is a long-term industrial owner, developing leading global specialist positions in the *Forest & Fiber* and *Environmental technology* sectors. Our goal is to create a better world for future generations through sustainable value creation. We are guided by our fundamental values of Ambition and Responsibility, set by our founders Eva and Antti Ahlström, seven generations ago. Combined with a forward-looking business mindset, these values help us succeed as markets and societies evolve.

At A. Ahlström, we create *Shared value* by building profitable businesses as well as supporting actions that mitigate climate change, protect biodiversity, and increase circularity, and social sustainability. From our beginnings in the Finnish forests to future-driven innovative solutions, we have always been motivated to identify business opportunities, drive sustainable progress, and improve people's everyday lives.

*We are like no other company.* Rather than being just owners, we are builders with an entrepreneurial mindset and an ability to make bold decisions to acquire, merge, and divest businesses. We combine the best of Ahlström's industrial heritage with the team and capabilities built during last two decades. Our unique way of working,

*the Ahlström Way*, brings together the best practices from well-run private equity, industrial and family companies.

#### A. Ahlström's strategy has two pillars

Cornerstones of the Ahlström Way are *Strategic core* and *Diversification*. Strategic core aims to build leading global specialist positions in the Forest & Fiber and Environmental technology sectors while diversification de-risks Ahlström family assets, manages liquidity, and generates stable cash flow, by investing in financial assets, real estate, and forestry.

#### Strategic core

We are long-term owners with a strategic core built around industrial companies in

the Forest & Fiber and the Environmental technology sectors. We integrate synergistic businesses into a handful of world-leading specialist platforms in these sectors. We develop a selection of these platforms by being active owners and leveraging our industry knowledge.

Our flexible ownership model, international mindset, vast network, long history, and reputable brand, provide us with unique opportunities to accomplish this. A. Ahlström has a lead or majority owner role in the platform companies. In the target state, the strategic core forms 75-80% of A. Ahlström's assets.

#### Diversification

A. Ahlström's diversification de-risks Ahlström family assets and generates stable cash flow by investing in financial assets, real estate and forestry.

Our competitive advantage in real estate and forestry stems from our flexibility as a long-term player, our experience, network, and being an established and trustworthy brand. In real estate we actively develop, own and manage, certified high-quality

## We develop platform companies in the Forest & Fiber and Environmental technology sectors

assets in central locations, and aim for long lease agreements with established tenants. We actively and efficiently manage our forests to achieve best-in-class profitability, and predictable cash flow, while ensuring long-term vitality and biodiversity. In the target state, diversification forms 20-25% of A. Ahlström's assets.

We also own and develop the culturally and historically significant Noormarkku Works, which is one of the largest, most impressive, and well-kept, old industrial areas in Finland. The real estate and forest holdings are managed by our fully owned subsidiary, A. Ahlström Real Estate Ltd.

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# Strategic core

We are long-term owners with a strategic core built around industrial companies in the Forest & Fiber as well as the Environmental technology sectors. We integrate synergistic businesses into a handful of world-leading specialist platforms in these sectors. In addition to the platform companies where we aim for leading or a majority ownership, we selectively make minority investments with the right partners to build learnings, capabilities, and pipeline, and to nurture towards potential control stakes.

In the target state, strategic core would form 75-80% of Ahlström's total assets.



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Business overview

- Ahlström Invest B.V. is a family investment company that actively manages its holding in Ahlstrom Oyj, and invests with a strong sustainable focus in the public and private markets
- Ahlström Invest's strategic core is formed by the Forest & Fiber, Environmental technology and Sustainable agriculture sectors. Diversification is achieved through asset management

Ahlström Invest B.V. top priorities

- Active minority owner role, together with the right partners, in strategic core investments for building an investment pipeline, learnings, and capabilities, as well for as nurturing investments towards potential controlling stakes
- Asset management provides high liquidity, cash flow generation, and sufficient diversification across multiple sectors and asset classes

[www.ahlstrominvest.com](http://www.ahlstrominvest.com)

TOTAL PORTFOLIO





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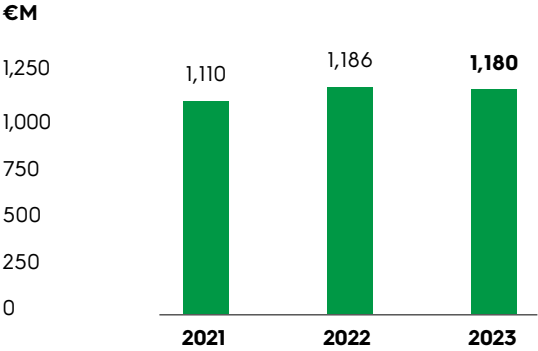
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2023: Good progress in implementing  
the amended strategy

- At the end of December 2023, Ahlström Invest's total asset value amounted to EUR 1,270 million, of which EUR 828 million is attributable to Ahlstrom Oyj and EUR 444 million to the investment portfolio, including cash. The investment portfolio benefited from the strong equity markets towards the year end, and it managed to avoid losses in the bond markets due to a very short duration of the fixed income portfolio.
- The External Fair Value (EFV) growth per share including the dilution effect from the convertible loan of EUR 90 million and adjusted for distributions paid was 2.8%. The EFV was EUR 1,180 million and the EFV per share was EUR 21.29. The total return on the investment portfolio for 2023 was EUR 10 million or +2.3%.
- During the first half of the year, Ahlström Invest formulated an amended investment strategy (in line with that of A. Ahlström Oy) which is comprised of, on one hand, building a portfolio of strategic investments in the Forest & Fiber industry, as well as Environmental technology and Sustainable agriculture sectors, and on the other hand maintaining a portfolio of liquid and diversified investments. By the end of 2023, Ahlström Invest had made good progress in implementing this strategy.
- Ahlström Invest strengthened the ESG related research into the companies and funds, making ESG an integral part of Ahlström Invest's investment due diligence process and monitoring.

EXTERNAL FAIR VALUE (EFV)



● EFV (fully diluted)

Total return	2021	2022	2023
Ahlstrom Oyj	-	23%	3%
Investment portfolio	-	-10%	2%
Ahlström dividend, €M	9	10	10



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Forest & Fiber



Business overview

- A global leader in fiber-based materials supplying innovative and sustainable solutions
- Speciality products for Filtration, Food & Consumer Packaging, Healthcare, Building Materials and Technical Materials by adding advanced technology to fibers
- 37 plants in 13 countries and 6,000 customers in over 100 countries

Ahlström top priorities

- Support the management together with Bain Capital to achieve: 1) industry leading EBITDA margins and cash conversion; 2) #1-2 positions in selected global niche segments; and; 3) superior product portfolio, commercial, operational and procurement excellence
- Strong value creation target with high cash distributions and strategic options to maintain long term ownership in the company when Bain Capital exits

[www.ahlstrom.com](http://www.ahlstrom.com)



EMPLOYEES IN 2023

7,000

FOUNDED IN

1851

AHLSTRÖM INVEST OWNERSHIP, %  
31 DECEMBER 2023



- Ahlström Invest 36%
- Viknum 9%
- Bain Capital 55%

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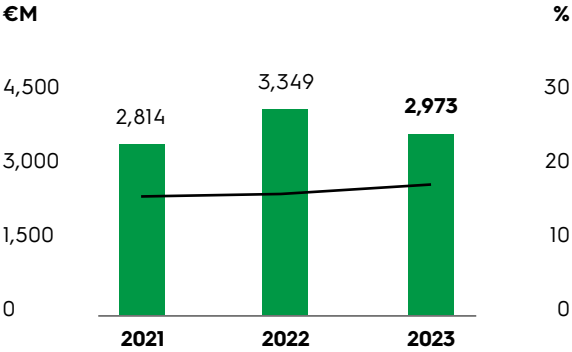
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2023: On a transformation journey

- Under challenging market conditions, Ahlstrom's net sales decreased compared to the previous year. The reduction in volumes, due to the destocking in the value chains, was mainly related to weaker end markets. Thanks to the company's pricing power and agility, the comparable EBITDA reached a level almost as robust as the previous year's, despite a noticeable volume lag.
- The margin on variable costs per ton has consistently improved throughout our transformation journey, driven primarily by the effective execution of our commercial and operational excellence initiatives. This positive trend, combined with timely and targeted cost reduction measures, allowed the company to nearly compensate for the negative impact of lower volumes during the year.
- Ahlstrom's business portfolio was strengthened through several measures including the divestment of the unprofitable Stenay plant in France and the commissioning of a new glass fiber tissue production line in Madisonville, USA.
- The company is well-positioned for earnings growth as the markets rebound. The intensive phase of transformation-driven investments has peaked, and transformation costs are gradually decreasing as the company builds up internal capabilities.
- Ahlstrom has committed to set a science-based Scope 1&2 emission reduction target aligned with a 1.5 celcius ambition.

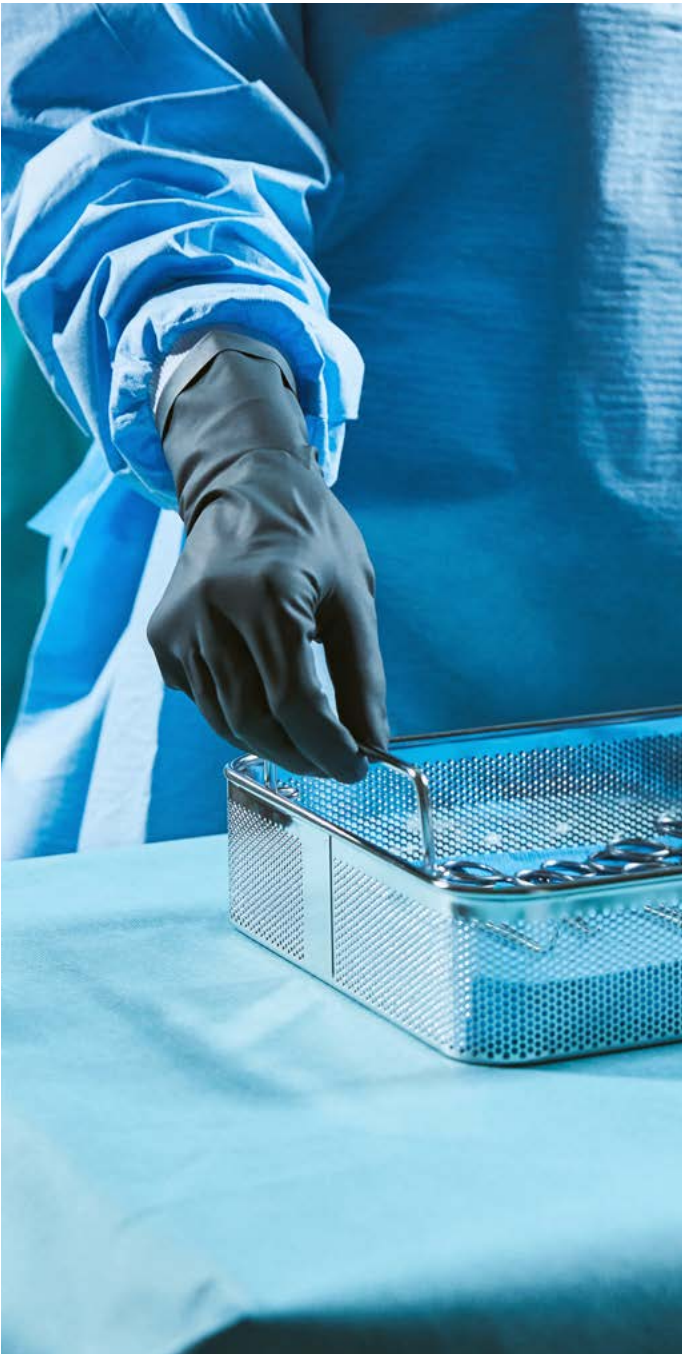
REVENUE & COMPARABLE EBITDA



- Net sales
- Comparable EBITDA-%

€M	2021	2022	2023
Comparable EBITDA	362	440	420
Comparable EBITDA-%	13%	13%	14%
Net profit	-57	-100	-80
Net debt	2,084	1,930	2,040
Free cash flow*	-	196	-73
ESG mgmt maturity	3.5	5.0	5.0
GHG emissions**	1,807	1,655	1,382
GHG / Sales**	0.64	0.49	0.46

\*) Cash flow from operating activities - Cash flow from investing activities. \*\*) Scope 1 and 2 emissions (CO<sub>2</sub> thousand tonnes). GHG / Sales = tCO<sub>2</sub>/kEUR





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## Forest & Fiber

munksjö

### Business overview

- Produces décor paper for surface upgrading of wood-based panels for the furniture and construction industries
- Has the widest product portfolio in the industry. One of the two producers capable of producing pre-impregnated paper and a full palette of solid (dark) colours
- Six production sites in Brazil, China, France, Germany and Spain

### Ahlström top priorities

- Support the new CEO (since June 2023) in executing renewed strategy “Strategy 2028”
- Support management in further developing operations across the plant network
- Secure financing and financial flexibility to execute required investment programs

[www.munksjo.com](http://www.munksjo.com)



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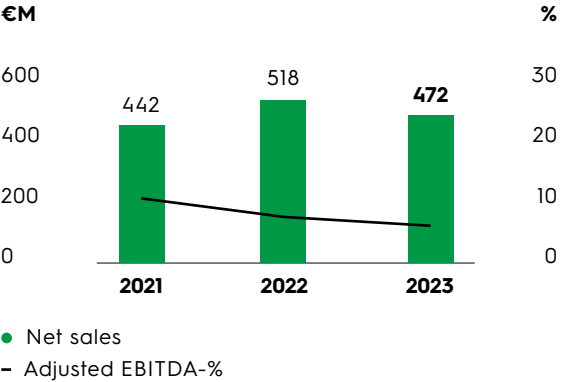
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2023: First year as a standalone  
company

- Under the leadership of its new CEO, Dr. Manfred Bracher, since 1 May 2023, Munksjö has undergone organisational, and process changes toward future growth.
- In 2023, the decor paper market faced challenges with declining demand in several key regions. This led to intense competition among decor paper manufacturers due to significant overcapacity, resulting in low asset utilisation and pricing pressures. Chinese manufacturers increased exports, gaining market share in Brazil, Turkey and Europe.
- Despite low sales volumes, Munksjö was able to defend its margins through successful pricing in an environment of fluctuating raw material and energy costs.
- Munksjö’s operative cash flow development was satisfactory thanks to a dedicated working capital improvement program. Also, the company successfully renegotiated its financing agreements.
- In Latin America, Munksjö made significant progress with the Expandecor project, a EUR 28 million investment that will modernise the plant in Caieiras with the planned start-up in 2025. The investment will enhance product quality, cost competitiveness, and broaden product offering to all standard grades for the local market.

REVENUE & ADJUSTED EBITDA



€M	2021	2022	2023
Adjusted EBITDA	45	38	27
Adjusted EBITDA-%	10%	7%	6%
Net profit	-	-	-21
Net debt	-	165	149
Free cash flow*	-	-	3
Ahlström dividend	-	0	0
ESG mgmt maturity	-	2.5	2.5
GHG emissions**	-	165	162
GHG / Sales**	-	0.31	0.34

\*) Cash flow from operating activities - Cash flow from investing activities. \*\*) Scope 1 and 2 emissions (thousand tCO<sub>2</sub>e). GHG / Sales = tCO<sub>2</sub>e/kEUR. <sup>1)</sup>  
Some figures for 2021-2022 are not available as Munksjö was a division of Ahlstrom-Munksjö





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- Strategic core
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- Ahlstrom
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- Suominen
- Metsäkonepalvelu
- Bast Fibre Technologies
- M&J Recycling

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Forest & Fiber



Business overview

- Manufactures nonwovens as roll goods for wipes and other applications
- Vision is to be the frontrunner for nonwovens innovation and sustainability
- Seven production plants in Brazil, Finland, Italy, Spain, and USA

Ahlström top priorities

- Demand high sense of urgency with regards to profitability, growth and value creation
- Help facilitate discussion around potential strategic market opportunities
- Facilitate an A.Ahlström groupwide discussion to benefit from potential combined purchasing and sharing of best practices

[www.suominen.fi](http://www.suominen.fi)





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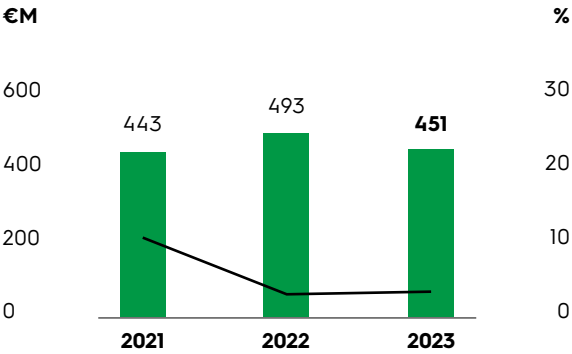
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2023: On a journey towards  
profitable growth

- The year 2023 was still challenging in terms of profitability for Suominen, but in the second half the actions taken to improve performance gradually started to contribute to the result. The company’s sales volumes increased slightly while sales prices decreased driven by lower raw material costs.
- Tommi Björnman started as the new President & CEO on 1 April 2023. A new organisational model that enhances collaboration between commercial teams and production came into effect at the beginning of 2024. This enables the company to be even more efficient, focused, and agile in its efforts to improve profitability.
- The wipes nonwovens market is rapidly transitioning towards more sustainable solutions. In line with its strategy, Suominen increased the sales of its sustainable products by 79% in 2023, exceeding the company’s target of 50% increase compared to the base year 2019. The company launched 12 sustainable products during the year, compared to its target of over 10 products annually. One example is HYDRASPUN® Circula, the first nonwoven made of recycled materials that is suitable for producing moist toilet tissue.
- The company completed an investment project in Nakkila to further strengthen its capabilities in sustainable nonwovens. The company’s Bethune plant was designated as a site focusing on sustainable profitability and quality.

REVENUE & COMPARABLE EBITDA



- Net sales
- Comparable EBITDA-%

€M	2021	2022	2023
Comparable EBITDA	47	15	16
Comparable EBITDA-%	11%	3%	4%
Net profit	21	-14	-13
Net debt	50	55	44
Free cash flow*	-4	4	20
Ahlström dividend	3	1	1
ESG mgmt maturity	5.0	5.0	5.0
GHG emissions**	115	93	100
GHG / Sales**	0.26	0.19	0.22

\*) Cash flow from operating activities - Cash flow from investing activities. \*\*) Scope 1 and 2 emissions (thousand tCO<sub>2</sub>e).  
GHG / Sales = tCO<sub>2</sub>e/kEUR





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## Forest & Fiber



### Business overview

- Largest harvesting services platform in Finland, strategic foothold in the Swedish market
- Main customers: Nordic forest companies, large private forest owners and public sector
- Metsäkonepalvelu's headquarters are located in Hämeenlinna, Finland. The company operates in Southern and Central Finland, and the area around Eksjö in Sweden

### Ahlström top priorities

- Support management in executing ambitious growth plan, including M&A
- Support management in developing operating model, processes and governance, and strengthening organisation to support growth agenda
- Support management in developing Swedish operations
- Facilitate discussions with large forest company customers

[www.mkpd.fi](http://www.mkpd.fi)







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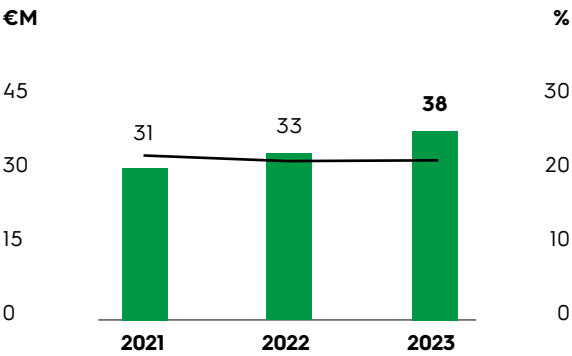
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2023: Strong demand for wood  
and logging services

- A. Ahlström acquired Metsäkonepalvelu in December 2023. It is the largest harvesting services platform in Finland, and it has a strategic foothold in the Swedish market.
- Metsäkonepalvelu continued its profitable growth in 2023 driven by strong demand for wood and logging services, and an acquisition in Sweden.
- As the largest player in the Nordic markets, Metsäkonepalvelu is well-positioned to benefit from the ongoing industry development. The company has demonstrated superior skill in growing and operating its fleet and servicing its customers for decades and this builds a strong foundation for future growth in an interesting and rapidly changing market environment.

REVENUE & COMPARABLE EBITDA



● Net sales  
- Comparable EBITDA-%

€M	2021	2022	2023
Comparable EBITDA*	7	7	8
Comparable EBITDA-%	22%	21%	21%
Net profit	2	2	3
Net debt	5	6	5
Ahlström dividend	-	-	3

\*) Excluding sale of fixed assets  
Calendar years presented, Metsäkonepalvelu's fiscal year runs from October to September  
ESG data not available as A. Ahlström acquired Metsäkonepalvelu in December 2023





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Forest & Fiber



Business overview

- Manufacturer of 100% plant-based, intact natural fibers with technical and performance requirements for a wide variety of nonwoven applications
- Transforms raw fibers from cotton, hemp, and flax plants
- Operations in Germany, Canada and USA

Ahlström top priorities

- Ensure sufficient liquidity and strength of balance sheet for the ramp-up of the business
- Tightly follow the development of top-line and profitability to reach set business case targets
- Support strategic business development initiatives using Ahlström's network of companies
- Lend operational and network support to help Bast Fibre Technologies on its path towards profitable growth

[www.bastfibretch.com](http://www.bastfibretch.com)







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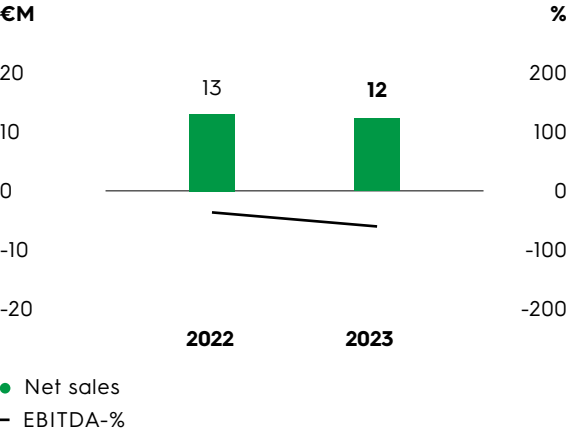
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2023: Transition from a fibre supplier to  
brand & material science partner

- In 2023, low demand for renewable fibres from the nonwoven industry suppressed Bast Fibre Technologies' (BFT) output and sales. Increased input costs and lower utilisation had a negative impact on the gross profit margin, which declined from the previous year.
- The year was transitional for the company as it strategically positioned itself within the preferred materials segment as a leading regenerative materials systems company, covering both the nonwoven and textile markets. BFT took several strategic initiatives to solidify the company's position, including refining its manufacturing processes, investing significantly in a regenerative materials science platform, and continued validation of the company's natural fibres across multiple production platforms. BFT has positioned their Sero™ brand as the first regenerative ingredient brand for natural performance fibres.
- The company identified the FemTech market as the first market segment to launch into. At the end of 2023, three brands have launched period pads into the EU market, incorporating high percentages of Sero™ hemp fibre. There is also a strategic initiative to expand into the textile market where the preferred materials gap is substantial.
- New management appointments were made during the year to align the company's capabilities with its new strategy.
- There are ongoing rounds for equity and debt financing to secure operational and capital expenditure needs in the company's 2024 business plan.

REVENUE & EBITDA



€M	2021*	2022	2023
EBITDA	-	-5	-7
EBITDA-%	-	-36%	-55%
Net debt		2	8
Ahlström dividend	-	0	0

\*Data not available for 2021  
ESG data not available, A. Ahlström acquired BFT in 2022





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## Environmental technology



### Business overview

- Designs and manufactures industrial waste shredders
- Offers pre- and fine-shredders for size reduction of solid waste, and aftermarket services
- Has offices in seven countries: Denmark, India, South Korea, Germany, USA, UK and Thailand

### Ahlström top priorities

- Support the strengthening of operational platform to enable further volume growth
- Support the development of market-facing organisation including dealers and service partners
- Work systematically together with management to explore M&A opportunities

[www.mjrecycling.com](http://www.mjrecycling.com)





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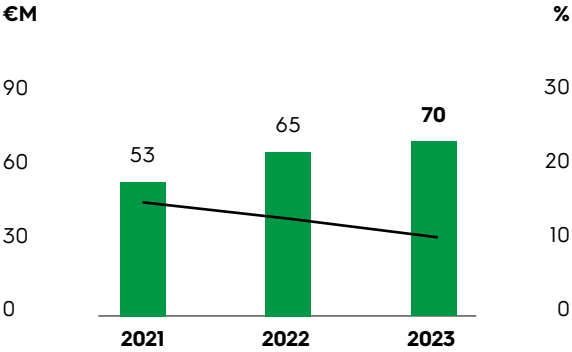
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2023: Topline growth in challenging conditions

- In 2023, commodity prices for recyclables declined and interest rates increased, which led to a softer demand for capital equipment than previously expected. The Service business continued to grow despite the difficult market conditions, and overall, the strong order backlog from the previous year led to an increase in net sales to record high levels. Profitability was impacted negatively by cost overruns in several projects.
- M&J continued to focus on digitalisation and automation through targeted investments, following the roadmap laid out in the company's strategy. A new ERP (Enterprise Resource Planning System) system was implemented, integrating all major functions, and strengthening the processes throughout the entire operations.
- The company inaugurated a new welding robot at the Horsens factory, significantly increasing the level of automation.
- M&J achieved further reductions in CO2 emissions from its own operations and launched the F320 large fine shredder targeted for high-capacity alternative fuel production. The company has an extensive roadmap for electrifying classic hydraulic drivetrains, which will lead to the launch of additional significant products in the coming years.
- As having local presence in key markets is essential, a legal entity was opened in Mumbai, India, to further support activities in this important region.
- M&J's team was further strengthened by several new key hires during the year.

REVENUE & COMPARABLE EBITDA



● Net sales  
- Comparable EBITDA-%

€M	2021	2022	2023
Comparable EBITDA	8	8	7
Comparable EBITDA-%	15%	13%	10%
Net profit	-	4	1
Net debt	15	20	18
Free cash flow*	-	-6	-1
Ahlström dividend	0	0	5
ESG mgmt maturity	2.0	2.5	2.5
GHG emissions**	0.41	0.35	0,25
GHG / Sales**	0.01	0.01	0.004

\*) Cash flow from operating activities - Cash flow from investing activities. \*\*) Scope 1 and 2 emissions (thousand tCO<sub>2</sub>e). GHG / Sales = tCO<sub>2</sub>e/KEUR



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# Other industrial investments





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## Other industrial investments



### Business overview

- Global provider of X-ray detector solutions for medical, security, and industrial applications
- Solutions range from sensor components to optimised detector subsystems with ASICs, electronics, mechanics, software, and algorithms
- Operations in China, Finland, France and USA

### Ahlström top priorities

- Support in driving the business towards set targets, including also cost and capital efficiency in addition to the growth ambition
- Ensure the optimisation of manufacturing capacity and a global presence to serve the customer base
- Continuation of investments into new products and technologies through innovation

[www.deetee.com](http://www.deetee.com)



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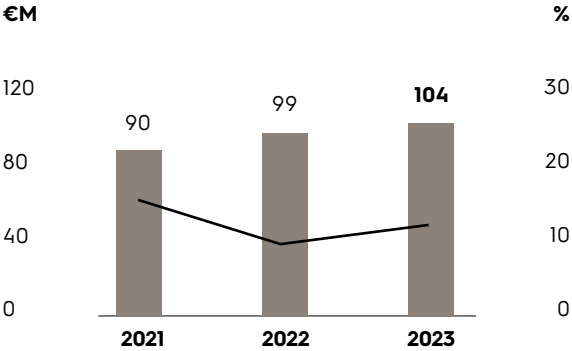
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2023: Prerequisites for growth are in place

- During 2023 the growth was below target and demand in the main markets, particularly in China, was low-key. Despite the challenges, the company experienced double-digit growth in all but the third quarter and annual net sales increased by 5%, boosted by sales in security applications.
- Despite the challenges, the year culminated in record-breaking quarterly sales in Q4 and significant improvements in the company's results. Detection Technology maintained its market position, while strategic investments improved its competitiveness.
- The financial performance during the year was two-fold; in the first half of the year, revenue and profitability were impacted negatively by low volumes, and in the second half of the year, they improved due to volume recovery and actions to improve cost efficiency.
- The year was strategically important for Detection Technology: it acquired Haobo Imaging and decided to invest in TFT flat panel detectors. These strategic decisions nearly doubled the company's total addressable market, and the business acquisition will create customer and technological synergies.
- Another strategically important decision was the expansion of production in Oulu, Finland. Thanks to this investment, Detection Technology is able to offer a wider range of EU origin products, enhanced customer experience and minimise risks.

REVENUE & COMPARABLE EBITDA



● Net sales  
- Comparable EBITDA-%

€M	2021	2022	2023
Comparable EBITDA	14	9	13
Comparable EBITDA-%	15%	9%	12%
Net profit	9	5	6
Net debt	-28	-21	-13
Free cash flow*	6	-2	-5
Ahlström dividend	2	1	1
ESG mgmt maturity	4.0	4.0	4.5
GHG emissions**	2.20	1.74	1.53
GHG / Sales**	0.03	0.02	0.02

\*) Cash flow from operating activities - Cash flow from investing activities. \*\*) Scope 1 and 2 emissions (thousand tCO<sub>2</sub>e). GHG / Sales = tCO<sub>2</sub>e/kEUR





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Other industrial investments



Business overview

- Glass processing industry’s technology leader supplying equipment, services and solutions to the architectural, mobility, display and solar industries
- Also supports the development of new technologies integrating intelligence to glass
- Operates globally with manufacturing, services & sales offices in nine countries

Ahlström top priorities

- Through board work drive continued focus on strategy execution: 1) Harvesting the expected efficiencies and other benefits from a new company structure; 2) Continuing investments into automation and digitalisation; and; 3) Fully leveraging new Chinese operational set-up to gain share in the Mobility business
- Sustainability-related initiatives to reduce emissions in line with SBTi commitments

[www.glaston.net](http://www.glaston.net)





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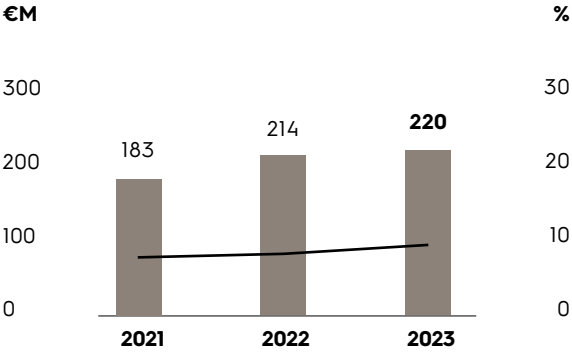
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2023: Persistent work continued for steadily improving profitability

- The year 2023 was a year of steady progress for Glaston. The company continued to work to reach its strategic goals. In particular, the improvement in profitability throughout the year was a good achievement.
- During the year, the glass processing equipment markets developed unevenly. The full-year orders received were down 13% reflecting the slowdown in the Architectural market. On the other hand, in the final quarter, the company saw good order intake development in the Mobility, Display & Solar segment as well as a recovery of the upgrade order intake.
- While continuing to seek growth across the solution portfolio Glaston will put special focus on lifecycle revenue growth and profitability improvement actions. In the renewed organisation, the Glaston team will further develop commercial excellence and leverage the increased efficiencies and global benefits of scale to accelerate strategy execution.
- Glaston is well-positioned to provide solutions that address increased demands for energy efficiency and the growing pressure for renewable energy production, particularly with its insulating glass technologies and capabilities for high-volume solar panel glass tempering production. In November, Glaston set new science-based emission targets, which include decreasing the direct scope 1 and 2, and especially indirect scope 3 emissions by 2032.
- Antti Kaunonen stepped in as Interim CEO in November 2023, and Toni Laaksonen was subsequently appointed as the new President and CEO in March 2024.

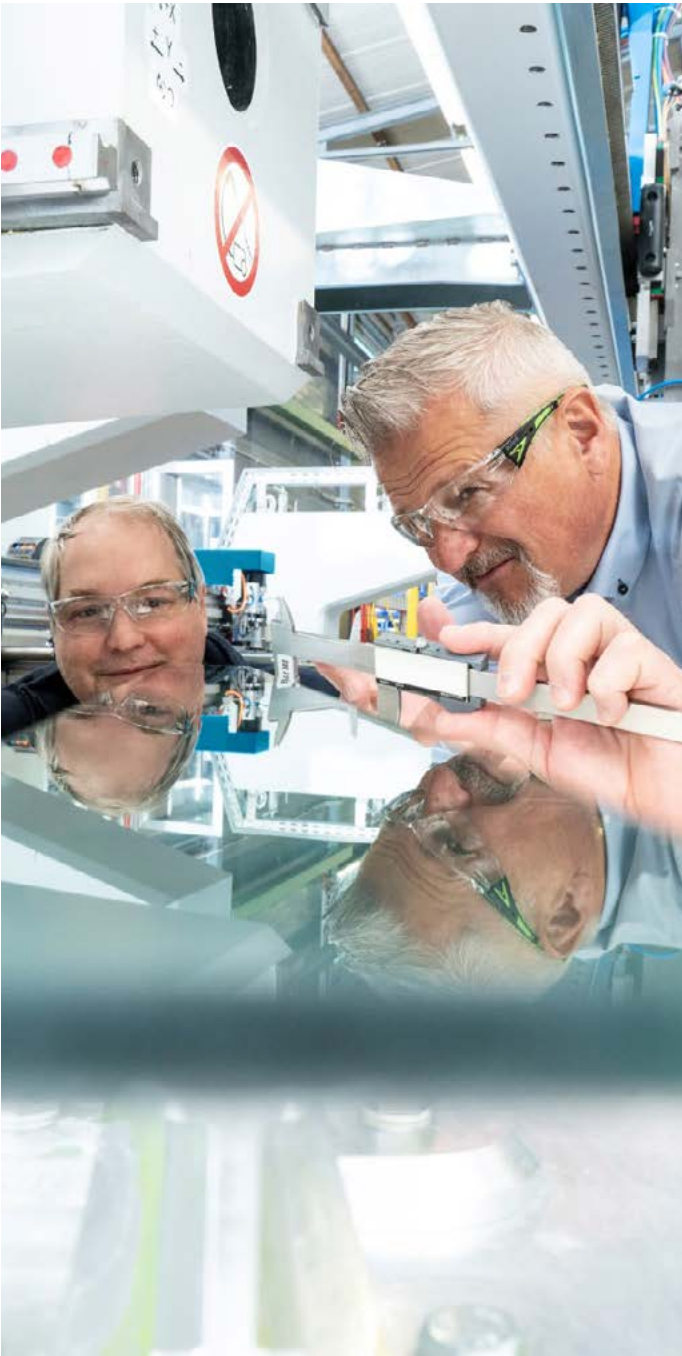
REVENUE & COMPARABLE EBITDA



● Net sales  
- Comparable EBITDA-%

€M	2021	2022	2023
Comparable. EBITDA	15	18	19
Comparable EBITDA-%	8%	8%	9%
Net profit	1	3	5
Net debt	18	13	11
Free cash flow*	16	5	7
Ahlström dividend	1	1	1
ESG mgmt maturity	2.5	4.0	4.5
GHG emissions**	2.61	1.49	1.24
GHG / Sales**	0.01	0.07	0.006

\*) Cash flow from operating activities - Cash flow from investing activities. \*\*) Scope 1 and 2 emissions (thousand tCO<sub>2</sub>e). GHG / Sales = tCO<sub>2</sub>e/kEUR





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## Other industrial investments



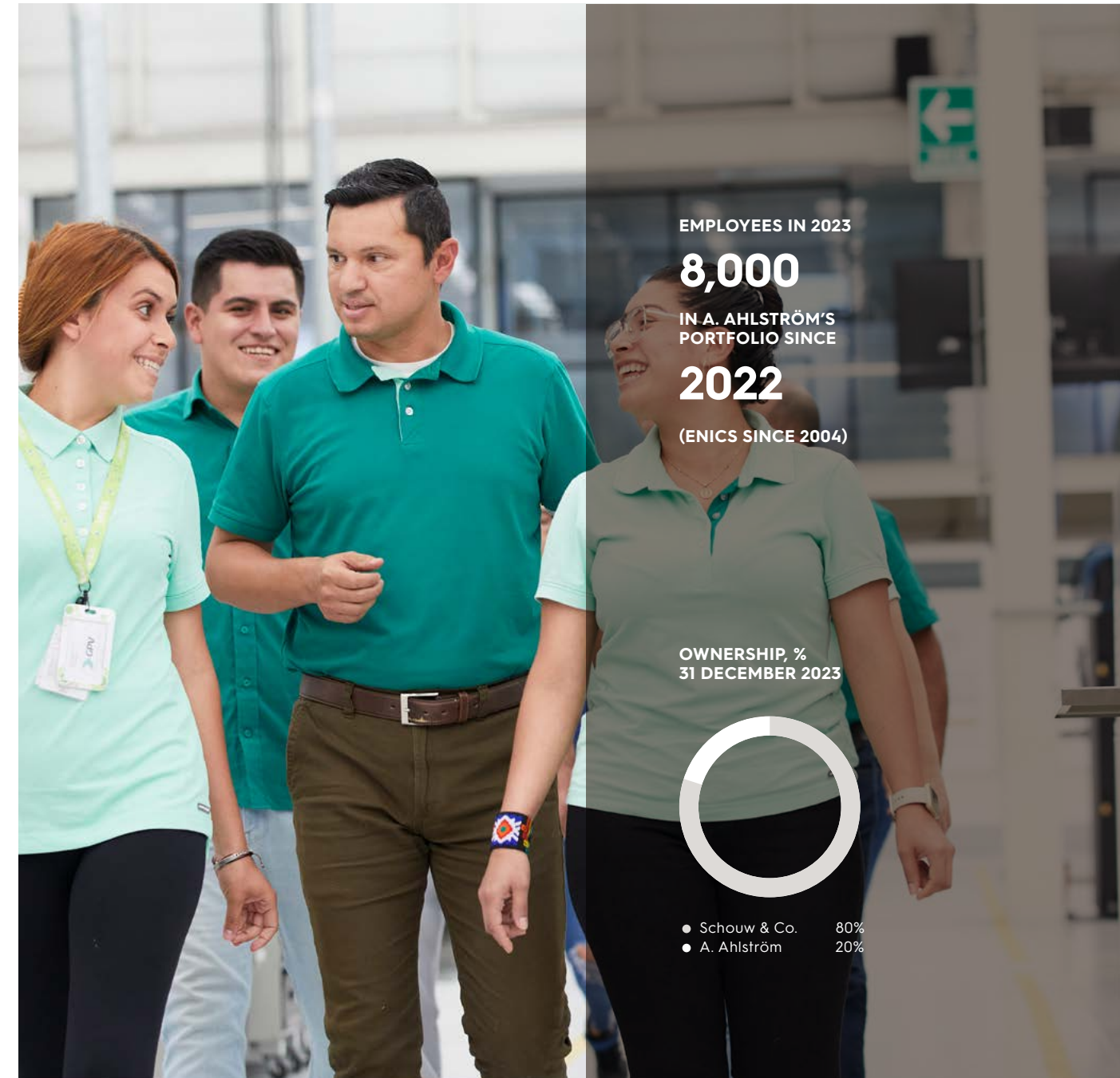
### Business overview

- 2<sup>nd</sup> largest European headquartered Electronics Manufacturing Services (EMS) company
- Formed through merger of Enics and GPV which was completed in 2022
- Focus on industrial electronics, box-build mechatronics products and turnkey products
- Production sites in 13 countries

### Ahlström top priorities

- Cash flow focus and consistent dividend flow
- Synergy realisation and profit improvement
- Active business development for future growth

[www.gpv-group.com](http://www.gpv-group.com)





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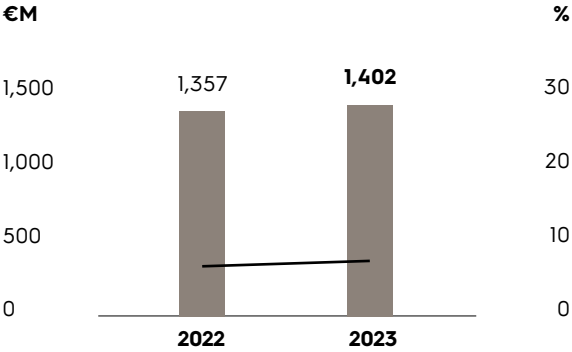
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2023: Integration of GPV and Enics progressed well

- The main theme of the year 2023 was integrating GPV and Enics into one company “One.New.Leader”, with common procedures, workflows, culture and values.
- In terms of sales, profitability and cash flow performance, the year was satisfactory for the company. This was achieved in part due to a successful integration with Enics. Furthermore, higher material prices affected revenue positively and margins negatively. GPV’s long-term strong growth of the company stems both from acquisitions and organic expansion.
- Despite the positive results, there was a gradual decline in activity levels in the global electronics industry through the second half of 2023. This trend was largely due to market rebalancing, after some busy and challenging years in the supply chain mainly due to the impact of the coronavirus pandemic. During the year, GPV extended its factory footprint in Sri Lanka and Thailand and has initiated extension of its footprint in Slovakia and Mexico.
- GPV’s focus on expanding capacity in recent years has shifted to aligning capacity to market demand. In close dialogue with its customers, GPV is intensifying its efforts to balance production capacity worldwide to avoid a situation of overcapacity at some factories and undercapacity at others.

REVENUE & COMPARABLE EBITDA



● Net sales  
- Comp. EBITDA-%

€M	2021	2022	2023
Comparable EBITDA	-	87	100
Comparable EBITDA-%	-	6%	7%
Ahlström dividend	0	0	2
GHG emissions*	0	25	26

\*) Scope 1 and 2 emissions (thousand tCO<sub>2</sub>e). 2022: Pro-forma.  
Certain figures not available due to merger.





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# REAL ESTATE AND FOREST



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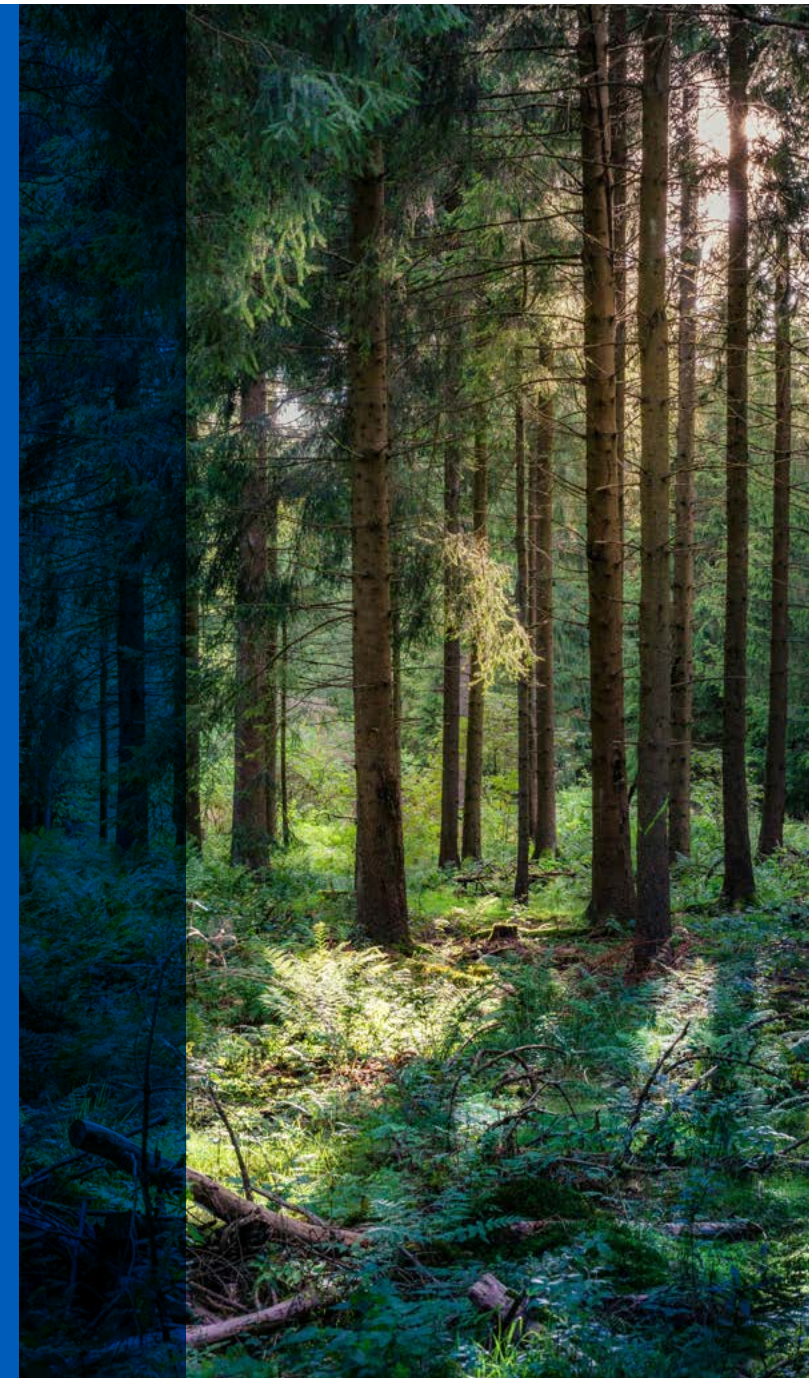
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# Diversification

With diversification we de-risk Ahlström family assets, manage liquidity, and generate stable cash flow, by investing in financial assets, real estate, and forestry. Our competitive advantage in real estate and forestry stems from our flexibility as a long-term player, our experience, network, and an established and trustworthy brand. In financial assets we have professional asset management practices, and our team invests in sectors and asset classes that have limited or no correlation with strategic core sectors' risks and cycles.

In the target state, diversification would form 20-25% of Ahlström's total assets.





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## Diversification



### Business overview

- Focus on actively managed premium properties in the Helsinki area, Tampere and Turku
- The property at Eteläesplanadi 14 in central Helsinki is the flagship of A. Ahlström's real estate portfolio
- Real estates provide diversification and steady cash flows for the Ahlström family assets

### Ahlström top priorities

- Ahlström will continue active asset management in all properties
- Construction and leasing in EriCa Green Chemistry Park
- Extending of lease agreement and future development plans in Uudenmaankatu
- Future of Åbyntie JV (Cramo) will be decided together with S-Bank



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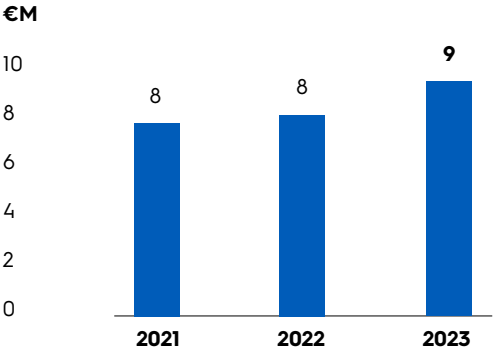
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2023: Solid financial performance in difficult markets conditions

- The performance of A. Ahlström’s real estate business remained stable in 2023 despite a slowdown in the real estate markets. The rise of interest rates and yields were partly compensated with rental indexation.
- The development project, GO21 office building, was completed in October and is fully leased with Gofore being the anchor tenant. It is the first building in Tampere to be awarded the highest Platinum level certificate of the LEED environmental certification system. The building also has WELL certification, which demonstrates consideration of the occupants’ well-being.
- The groundbreaking ceremony for Kemira’s R&D hub EriCa Green Chemistry Park took place in October and the construction is proceeding as expected.
- Ahlström’s flagship property, Eteläesplanadi 14, is fully let. The 7th floor was renovated during the year with the same quality as the 8th floor. Sunborn Events opened a new champagne and wine bar Minne and started operating restaurant operations of Savoy Theater in Autumn.
- Caverion was chosen as a partner for the property management of Ahlström’s growing real estate portfolio. Caverion’s versatile and efficient services along with its digital tools ensure customer satisfaction, the good condition of properties, energy efficiency, and the preservation of the value of Ahlström’s properties.

REVENUE



€M	2021	2022	2023
Comprehensive operating profit	22	15	9
Debt	37	57	96
ESG mgmt maturity	1.5	2.0	2.5
GHG emissions*	1.55	1.56	1.62

\*) Scope 1 and 2 emissions (thousand tCO<sub>2</sub>e)





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## Diversification



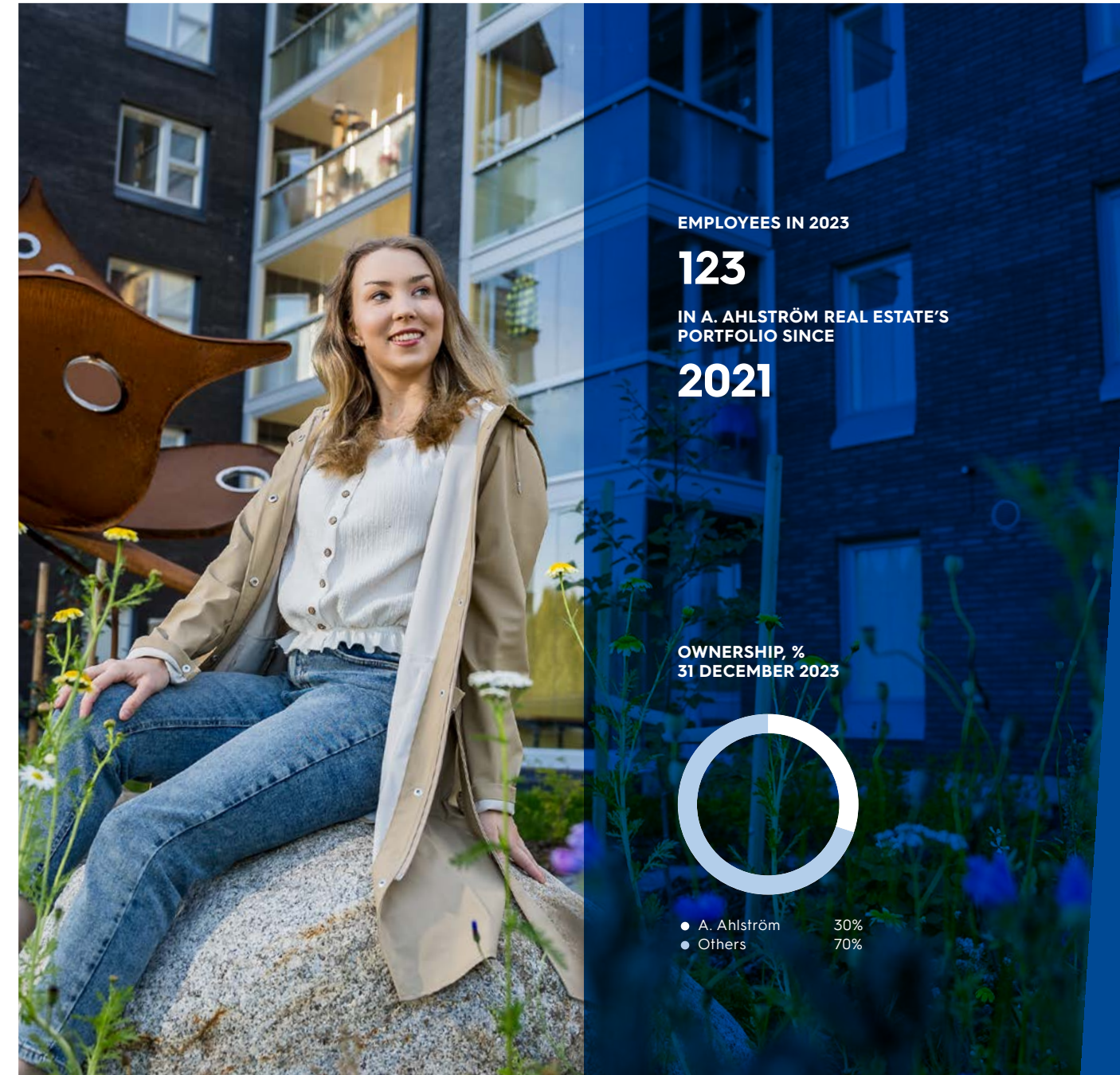
### Business overview

- Specialises in building and owning apartments, producing housing services, construction contracting, and construction
- Aims at building and maintaining a functional, safe and environmentally friendly living environment and developing the overall quality of housing and construction
- Builds approximately 1,000 apartments a year in the Helsinki area, Tampere and Turku

### Ahlström top priorities

- Ahlström supports the company in risk management and financing issues
- Active board work and liquidity monitoring
- Possible larger joint development – projects combining residential and commercial premises

[www.avainasunnot.fi/en/](http://www.avainasunnot.fi/en/)







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  - Forests

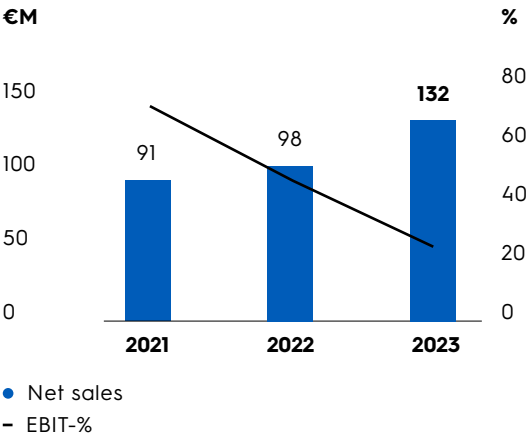
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2023: Development margins compensated for negative value changes in existing portfolio

- Economic uncertainty, high interest rates, higher yields and rising living costs had a negative impact on the residential investment sector during the year 2023. Previously initiated projects kept the housing supply high in both ownership and rental properties.
- Despite an abundance of supply in the rental market, rental income in 2023 aligned with the Group’s estimate. Avain Yhtiöt’s revenue increased by 33.7% compared to the previous year, primarily driven by the completion and sale of a self-developed residential property to consumers. Additionally, adjustments made to maintenance fees and rents, coupled with an increase in housing stock, contributed to the growth in fee and rental income compared to the preceding year.
- The Group’s operating profit, excluding the fair value appreciation of investment properties, improved compared to the previous year. Due to the increase in investors’ yield requirements, the fair value change of investment properties was negative. On the other hand, thanks to its unique value chain, Avain Yhtiöt has been able to produce rental properties significantly at lower costs than market prices.
- In an environment of higher interest rates, Avain Yhtiöt’s development projects mainly used ARA-financing.

REVENUE & EBIT



€M	2021	2022	2023
EBIT	62	43	30
EBIT-%	68%	44%	23%
Net profit	59	13	9
Ahlström dividend	1	1	1

2021-2022 figures restated as Avain moved to IFRS in 2023





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[Diversification](#)

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## Diversification



### Business overview

- One of Finland's largest private forest owners with some 36,000 ha of forestry land
- Mainly located in the Satakunta in Western Finland, and in Central and Eastern Finland
- Forests provide diversification and generate steady cash flows

### Ahlström top priorities

- Securing new orders and meeting customer delivery expectations
- Defending the price level despite log demand being weaker
- Loggings according to plan
- Monitoring and increasing biodiversity in forests





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Avain  
Forests

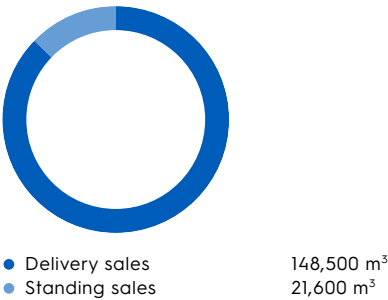
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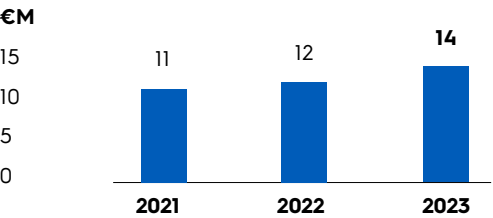
2023: A record year for the forestry business

- The good financial development of the forestry business in 2023 was primarily due to the high level of timber prices. The cessation of timber imports from Russia has particularly increased the demand for domestic energy wood and pulpwood.
- The growth of tree trunks reached 199,000 m³ in 2023, which means that the annual growth exceeds the number of logged trees by 24,000 m³, in line with the strategy.
- 603 hectares of new forest was acquired in 2023, exceeding the target of 500 hectares per year.
- The forest protection areas were increased by approximately 70 hectares, in 2023, partially designated as entirely protected and partially as restricted-use areas.
- The carbon sink effect of Ahlström’s forests was approximately 145,000 tons. Around 415,000 new seedlings were planted, which was nearly the same amount compared to the previous year.
- Biodiversity in the forestry operations and logging areas is promoted through the PEFC certification (Programme for the Endorsement of Forest Certification).
- Forests have a significant role to play in social responsibility. Also, we promoted forest awareness among local school children and provided local residents with opportunities for recreation in our forests.

INDUSTRIAL WOOD LOGGING IN  
TOTAL, 2023



REVENUE



€M	2021	2022	2023
Comprehensive operating profit	7	7	8
Debt	33	58	84
ESG mgmt maturity	1.5	2.0	2.5
Carbon sink*	151	150	145

\*) (tCO<sub>2</sub>e)





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# SUSTAINABILITY AND HERITAGE



# Sustainability – a prerequisite for long-term value creation

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At A. Ahlström, we are committed to promoting responsible business practices in our companies and conducting sustainable asset management of our real estate and forest investments. We are guided by our fundamental values of *Ambition* and *Responsibility*, set by our founders Eva and Antti Ahlström, seven generations ago. Combined with a forward-looking business mindset, these values help us succeed as markets and societies evolve. We create *Shared Value* by building profitable businesses as well as supporting actions that mitigate climate change, protect biodiversity, and increase circularity, and social sustainability. Our goal is to create a better world for future generations through sustainable value creation.

The Ahlström Sustainability Policy is defining the framework for our sustainability work. The Policy is reviewed and updated annually and approved by the Board. At the end of 2023, the company strategy was renewed and during 2024 the Ahlström Sustainability Policy will be implemented to both the strategic core and diversification assets in A. Ahlström Corporation and Ahlström Invest B.V. Guidelines on how to drive sustainable progress in the active majority ownership, active minority ownership and asset management categories will be developed.

We have been participants of the UN Global Compact (UNGC) since 2018 and we report annually on the progress towards implementing the ten principles of the UNGC.

We are an active participant in the Ahlström Collective Impact initiative, which brings together the Ahlström network companies, Ahlström foundations and UNICEF Finland (more on page 50). We are also members of the Finnish organisation for sustainable business practices (FIBS).

#### Driving sustainable progress

We continuously strive to improve the Environmental, Social and Governance (ESG) impact of our own operations and our holdings. As an owner, we contribute through the capital we provide, the engaged ownership role we undertake and furthermore, through the employment, innovations, products and services provided by our portfolio companies. The ESG risks and opportunities related to each investment case are assessed during the due diligence process. During 2023, an ESG due diligence was conducted before the acquisition of Metsäkonepalvelu Oy. This new acquisition will be integrated in our sustainability work during 2024.

#### Impact through active ownership

Our primary influence in the company we own, is carried out through the board work. We also have an active dialogue with the management of each company about the development of their ESG work, the targets and the action plans for the future. We believe in making an impact through developing

the companies we own, by improving the ESG impact of their operations and also by making a positive impact through product innovations. Our ESG targets for each company are integrated in the value creation plans developed for each company.

#### Measuring the progress

In the business development work of the companies we own, we follow both the ESG focus areas defined by Ahlström and the industry specific ESG topics that are material for the companies. Our focus areas are Climate Change, Resource Efficiency, Biodiversity, Employee Wellbeing, Health & Safety, Diversity & Inclusion, Business Ethics and Good Governance. We have Key Performance Indicators (KPIs) for all our focus areas to be able to track the development and set long-term targets (more about the progress on following pages).

With the help of our ESG Management Maturity tool, we monitor the development and discuss the actions and targets set for a sustainable development of each company. The tool can be used in the development work of integrating sustainability into the operations and strategy of the company.

#### Preparing for Corporate Sustainability Reporting Directive

In autumn 2023, we started preparations for the EU's new Corporate Sustainability

Reporting Directive (CSRD) in A. Ahlström Group and also stakeholder discussions with our associated companies about their reporting scopes. The double materiality analysis has started in all our Group companies and the scope for our reporting will be defined during the first half of 2024. The A. Ahlström Group Annual Report 2025 will be published according to the new directive. Our Sustainability Policy will be updated if needed with the material topics defined during the CSRD preparations.



#### UN Global Compact

A. Ahlström Corporation is a participant of the United Nations Global Compact. We are committed to the Ten Principles of the Global Compact with respect to human rights, labour, environment and anti-corruption. We report annually on the progress towards implementing the ten principles at A. Ahlström and the companies in our Group (Munksjö, M&J Recycling, A. Ahlström Real Estate and also from 2024 onwards Metsäkonepalvelu). You can find the report [on our webpage](#). Moreover, we are committed to promoting the UN Sustainable Development Goals (SDG).



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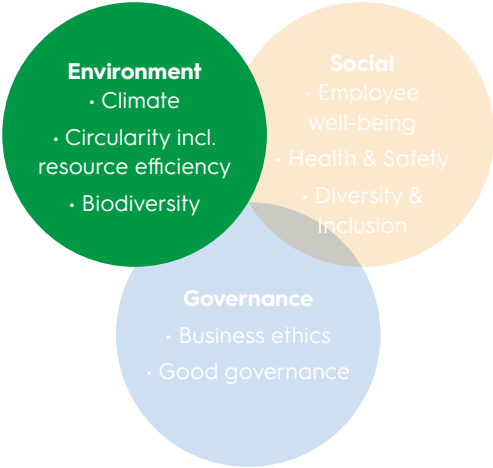
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**Environmental impact**

As an industrial owner, we take our role of accelerating the transition to a sustainable low-carbon economy seriously. By investing in new, sustainable technologies and developing more sustainable products the companies we own can mitigate the negative impact or even increase the positive impact on the environment. By increasing resource efficiency and reducing the GHG emissions, the companies can mitigate their negative impact on the environment. The way we manage our forests plays a key role in fostering biodiversity.

Focus area:	Our approach:	Our KPIs:	UN SDG:
Climate change	<ul style="list-style-type: none"><li>• We encourage all our companies to align with the Paris Agreement’s aim of limiting the rise in global temperature to 1.5 degrees above pre-industrial levels and, when relevant, to commit to Science Based Targets</li><li>• By planning and developing the built environment and increasing the total amount of carbon stored in tree trunks we can decrease our carbon footprint</li></ul>	GHG emissions, total GHG emission intensity	 
Resource efficiency	<ul style="list-style-type: none"><li>• The ESG impact has to be taken into account in the product development in our companies</li><li>• The environmental impact of the resources needed in operations needs to be measured and a clear plan for reduction is needed</li></ul>	Energy intensity Share of renewable energy	 
Biodiversity	<ul style="list-style-type: none"><li>• Identifying areas in our forests that are particularly vital for biodiversity and excluding them from forestry activities</li><li>• The impact on biodiversity needs to be analysed in all our companies in the Forest &amp; Fiber sector</li></ul>	Forests excluded from forestry activities New KPIs will be defined during 2024	

**Progress in 2023 in A.Ahlström and our companies:**

- Ahlstrom and Glaston committed to the Science Based Targets (SBTi)
- All of Suominen’s European sites and the Paulina site in Brazil have shifted entirely to fossil-free electricity
- GHG emission reduction targets set in all our companies
- GHG emissions (Scope 1 and 2) decreased in Ahlstrom, Munksjö, M&J, Detection Technology and Glaston
- Energy intensity increased in the Forest & Fiber companies as the volumes were at low levels due to low demand
- Water consumption per ton increased or was at the previous years level in the Forest & Fiber companies. More focus is needed in 2024
- A. Ahlström’s Esplanadi and Noormarkku offices received the WWF Green Office certification
- Preparations for the CSRD are ongoing and the environmental focus areas will be updated after double-materiality assessment if needed

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Social impact

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

Focus area:	Our approach:	Our KPIs:	UN SDG:
Employee well-being	<ul style="list-style-type: none"><li>• Emphasise good leadership and a culture of high-performance</li><li>• All employees are treated equally, fairly and with respect regardless of ethnicity, nationality, gender, sexual orientation, faith, religion, age or other characteristics protected by law</li><li>• Improving employee satisfaction increases employee commitment and motivation</li></ul>	Employee satisfaction Employee turnover, %	
Health & Safety	<ul style="list-style-type: none"><li>• Emphasis on building a strong safety culture and accident prevention</li><li>• Aiming at zero lost time accidents in all companies</li></ul>	Accident frequency rate (AFR)	
Diversity & Inclusion	<ul style="list-style-type: none"><li>• We encourage and expect our portfolio companies to invest in competence development and promote diversity &amp; inclusion</li></ul>	Share of women in senior leadership position	

Progress in 2023 in A. Ahlström and our companies:

- Employee satisfaction and engagement is carefully monitored in most of our companies and ambitious targets are set
- Employee turnover decreased in Ahlstrom, M&J, Detection Technology and Glaston from somewhat high levels in 2022
- Safety is a focus area in all companies and preventive actions like detection of near misses and safety walks are held. The accident frequency rate decreased in M&J, Munksjö, Ahlstrom and stayed at same low level in Detection Technology
- Social KPIs are included in the short-term incentive programs in some of the companies. These are mainly related to safety but Ahlstrom also include employee engagement and Diversity & Inclusion.
- A. Ahlström, Ahlstrom, Glaston, Detection Technology, Suominen, M&J Recycling, Ahlström Invest and Avain Yhtiöt continued in the Ahlström Collective Impact initiative promoting child rights in business and learning more about UNICEFs work for children
- Preparations for the CSRD are ongoing and the social focus areas will be updated after double materiality assessment if needed





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Governance impact

We support universally recognised human rights, assume long-term accountability for ethical standards and combat corruption and bribery. Business ethics and good governance constitute the foundation for our ownership model with clear roles and responsibilities. The Sustainability Policy is approved by the Board of A. Ahlström and the ESG KPI's are reviewed by the Board's Audit Committee. The sustainability work and the development in the portfolio is reported to the Board annually. Within the management the Head of Corporate Communication & Responsibility is responsible for coordinating and driving the overall sustainability work.

The CSRD is being implemented in A. Ahlström Group and our associated companies during 2024 and 2025. As an owner, A. Ahlström is actively participating in the implementation of the new directive in all of its companies.

Focus area:	Our approach:	Our KPIs:	UN SDG:
Business ethics	<ul style="list-style-type: none"><li>• The Sustainability guidelines and the ESG management maturity system define the expectations applicable to us and our portfolio companies</li><li>• High ethical standards and compliance requirements are defined in the Code of Conduct and supplementing policies</li><li>• Child rights in business (both directly and indirectly) trainings by UNICEF's in the Ahlström Collective Impact collaboration</li></ul>	<b>Code of Conduct trainings</b> <b>Supplier Code of Conduct trainings/audits</b> <b>Whistleblowing channel</b>	 
Good governance	<ul style="list-style-type: none"><li>• Active board work and support to the management to ensure that sustainability is integrated into business and strategy</li><li>• Active support for management to secure good ESG reporting</li></ul>	<b>ESG Management Maturity system, levels 1-5 (see next page)</b>	

Progress in 2023 in A. Ahlström and our companies:

- An individual ESG target is included in the short term incentive program for all A. Ahlström employees. Most of our companies have sustainability KPIs included in the incentive systems for the management.
- All our companies have Code of Conducts and training of the Code of Conduct for new employees
- All companies also have Supplier Code of Conducts and whistleblowing channels
- Preparations for the CSRD are ongoing and the governance focus areas as well as the processes and policies needed, will be updated based on the double-materiality assessment
- Preparations are also ongoing for the Corporate Sustainability Due Dilligence Directive and at A. Ahlström Corporation we are developing instructions for due dilligence of the supply chains in our Group companies

# A tool for assessment of ESG Management Maturity

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ESG Management System Maturity is our tool to assess and monitor how each of our portfolio companies are proceeding in their sustainable business journey. The companies provide a self-assessment, which covers the pre-defined, material processes in each of the five levels of ESG Management System Maturity (see picture).

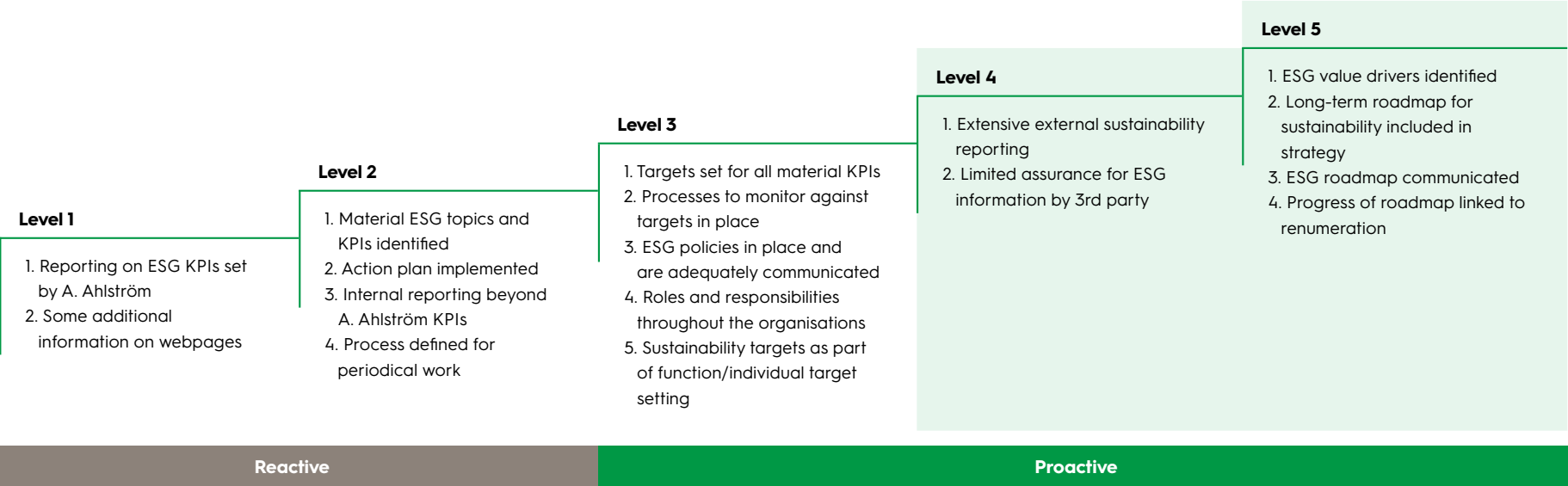
ESG Management System Maturity is reviewed in our annual sustainability discussions between A. Ahlström management and the portfolio company management. In these meetings, company’s progress in sustainability work, action plans and target levels are discussed. Our target is that each portfolio company should reach at least the level 4 out of 5.

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

During 2023, good progress was seen throughout our portfolio. Ahlstrom and Suominen have reached level 5 and Glaston and Detection Technology

are between level 4 and 5. Some of our portfolio companies are still developing targets as well as policies and processes to be able to monitor the development as a basis for decision-making. These companies are between level 2 and 3. As the companies are implementing the CSRD they will also move upwards the ESG management maturity ladder.

The ESG management maturity model will be developed during 2024. We will add to the tool new levels for strategic and even more ambitious sustainability initiatives.





# The net impact of A. Ahlström’s portfolio

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The Upright net impact model helps to understand and quantify the sum of the companies’ positive and negative impacts on society, knowledge, health and the environment. The framework consists of four impact dimensions divided into 19 sub-categories (see table on the right). At A. Ahlström, we utilise the Upright model as one way to assess the net impact of our portfolio companies. The Upright net impact model is based on open access scientific publications and databases. The data is comparable across companies and impact categories. The Upright net impact model produces quantitative estimates of the costs and benefits related to each product and service of a company in each impact category. The whole value chain is considered in the estimates.

**The net impact of our portfolio**  
We have used the Upright model since 2022 to get an outside-in-analysis of the value chain in which our portfolio companies operate. In addition, the model has been utilised as one viewpoint when assessing new investment opportunities. According to the latest updates, the net impact ratio of our portfolio companies varies between -24% and +59% and the combined net impact of our portfolio is +11%.

The impact is calculated from both our listed and non-listed industrial investments as well as the real estate and forest assets. The changes in our portfolio during 2023 are included. Our portfolio creates the most significant positive value in the Society dimension through the impact categories Taxes, Societal Infrastructure and Jobs. The positive contribution to Societal Infrastructure is driven by Avain Yhtiöt, our real-estate portfolio and Ahlstrom. Our portfolio companies, mainly Detection Technology, Ahlstrom and Suominen, have a positive impact on Health due to their product portfolio in this area. Although our industrial companies and real estate investments have negative impacts due to their GHG emissions, the product solutions of our companies include many innovations that help to decrease the GHG emissions in the value chain and the real estate projects focus on improving energy-efficiency. The protection of Biodiversity is in focus in the forest investments and also the industrial companies in the Forest & Fiber segment.

Cost	Score	Benefits
-0.3	<b>Society</b>	<b>+10.5</b>
	Jobs	+2.8
	Taxes	+4.5
	Societal infrastructure	+3.1
-0.1	Societal stability	+0.01
-0.2	Equality and human rights	+0.0
-2.9	<b>Knowledge</b>	<b>+0.9</b>
	Knowledge infrastructure	+0.1
	Creating knowledge	+0.04
	Distributing knowledge	+0.04
-2.9	Scarce human capital	
-0.9	<b>Health</b>	<b>+2.0</b>
-0.8	Physical diseases	+1.0
-0.1	Mental diseases	+0.1
	Nutrition	+0.3
	Relationships	+0.1
-0.0	Meaning and joy	+0.5
-10.5	<b>Environment</b>	<b>+3.1</b>
-4.6	GHG emissions	+1.5
-1.4	Non-GHG emissions	+0.5
-0.5	Scarce natural resources	+0.0
-2.6	Biodiversity	+0.2
-1.3	Waste	+0.8

+11% Net impact ratio

A. Ahlström’s net impact ratio of +11% can be compared with other net impact ratios e.g. Nasdaq Helsinki -24%, OMX Nordic 40 +12% and S&P 500 ESG +17%.



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Ahlström Collective Impact (ACI), launched in 2020, is a unique collaboration model that combines A. Ahlström Network companies, foundations, shareholders and employees in partnership with UNICEF Finland.

Currently, ACI consists of A. Ahlström, Ahlström Invest, Ahlstrom, Detection Technology, Destia, Glaston, Suominen, Avain Yhtiöt, M&J Recycling, the Eva Ahlström Foundation and the Walter Ahlström Foundation.

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

ACI has invested in children's education worldwide since 2020, and last year, it invested close to EUR 800,000 in UNICEF's global education program. A. Ahlström's investment was 200 000 euros. The sum was not allocated to any specific target within the program, but ACI's investment could have covered 93% of the allocation from the

UNICEF Global Education Fund in India. A total of 44,420 adolescents (97% girls) were empowered through financial literacy classes in 26 districts in the state of Bihar thanks to UNICEF.

ACI's aim is to empower change through action. UNICEF Finland helps the ACI network through the concept of child-lens investing (CLI), an approach which urges investors to consider child-related factors to advance positive outcomes for children and minimise harm, and is training the ACI members about children's rights issues in business. Through the Ahlström Collective Impact Ambassador program, employees and shareholders within the Ahlström Network can contribute to selected United Nations Sustainable Development Goals by driving and implementing relevant ACI-related initiatives and events locally. Today we have 50 Ambassadors from 11 countries in the program.

[www.ahlstromcollectiveimpact.com](http://www.ahlstromcollectiveimpact.com)





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# Sustainable travel destination with a unique history

Noormarkku Works is one of the most attractive and historically important destinations in the Satakunta region of Western Finland. It has significant value from both an architectural and cultural point of view, and the Works plays a noted role as part of the history of Finnish industry.

In Noormarkku, it is possible to enjoy culture, first-class food, and a unique milieu, in addition to which visitors can accommodate in the area and organise various events, from company meetings to family celebrations. In 2023, the number of events organised in the area increased compared to the previous year reaching pre-COVID level. Noormarkku Works gained popularity both among domestic and international guests. Customer satisfaction has remained at an excellent level, e.g. according to the travel site Booking.com. The unique environment, the individuality of the service and the excellent food receive a lot of praise, in particular.

In addition to guided tours in the area, the Noormarkku Works offers visitors first-rate exhibitions. The permanent Ahlström Voyage exhibition in the Old Iron Smithy gives an interesting look at the history and present of the Ahlström companies, the family and

the Noormarkku Works over a period of more than 170 years. In 2023, a themed exhibition about Eva Ahlström was arranged in the Noormarkku Club house. Eva was an exceptional woman in her time and a big contributor to society at the turn of the 20th century and earlier.

Sustainability is an essential part of the values and the operation of the area. Noormarkku Works complies with Visit Finland's Sustainable Travel Finland (STF) responsibility program and has a Green Key certificate. Noormarkku Works is self-sufficient in terms of energy. A heating station, and hydroelectric power plant are in use in the area and solar panels have also been installed there.

Locality is an important value at the Noormarkku Works, and the restaurants in the area use a significant amount of locally produced food, thus supporting local producers and their work. In addition, free guided tours are offered, for example, to school children.

[www.ahlstrominruukki.fi](http://www.ahlstrominruukki.fi)





# Family Functions

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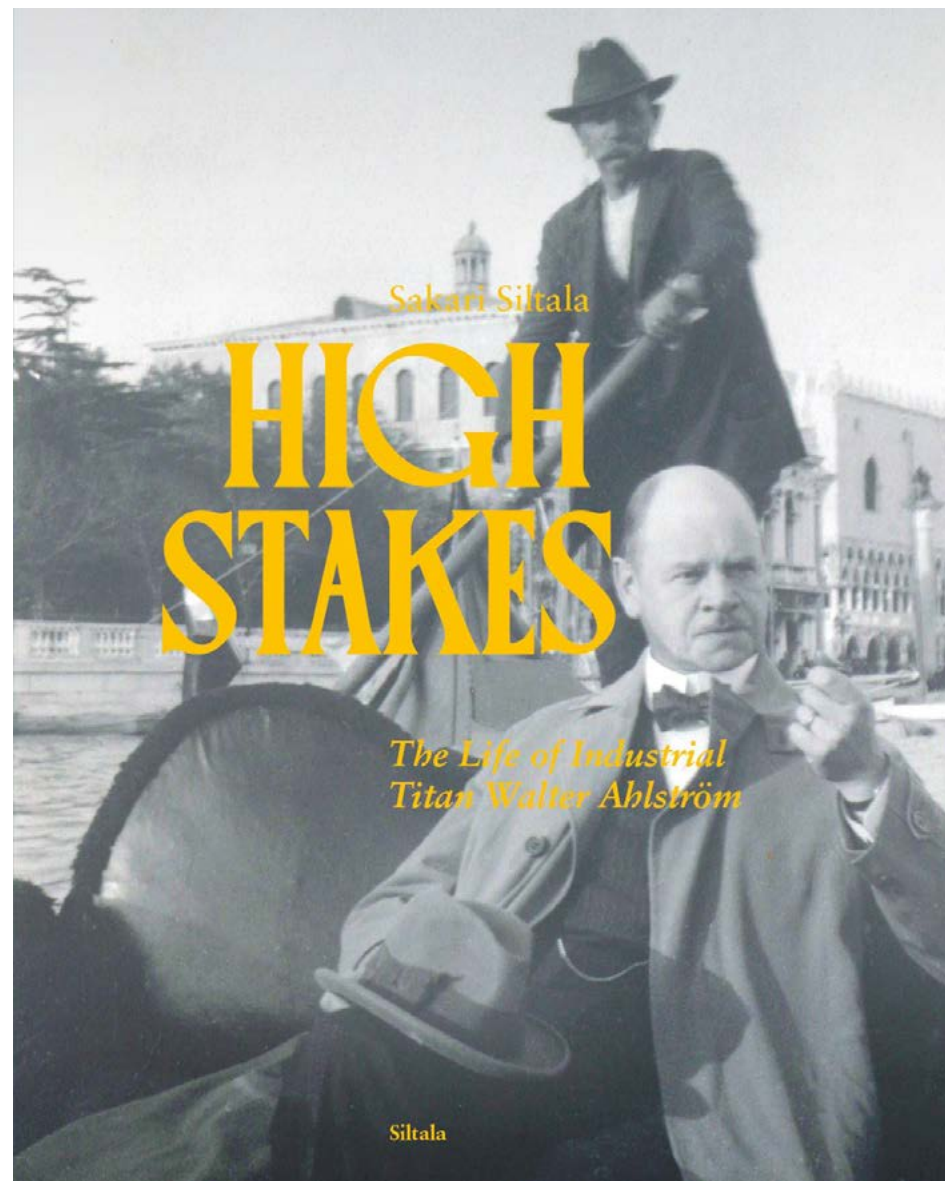
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As a result of the merger of Antti Ahlström Perilliset Oy and Ahlström Capital, the new family company A. Ahlström has the role to grow the financial, intellectual, and social capital of the Ahlström family and sphere. Antti Ahlström Perilliset Oy's organisation, nowadays called Family Functions, continues to work within A. Ahlström Oy with the social and intellectual capital by nurturing the family, cohesion of the family and the willingness to own together in many ways, as well as seeking synergy benefits with the business side. Today, Family Functions is an integral part of the company working at the interface of shareholders, family members and business activities.

To highlight some of the activities, Family Functions has been preparing during the year a new platform "Ahlström in Society". In order to leverage the strong engagement in society and efforts in sustainability, this dynamic and inspiring communication hub serves as an umbrella for the different foundations and initiatives in the Ahlström sphere and engages our stakeholders with meaningful and relevant content. The targeted launch for this new website is during the first half of 2024.

Family Functions supported the Walter Ahlström Foundation with the book launch of Walter Ahlström biography "High Stakes – The Life of Industrial Titan Walter Ahlström" on 30 August 2023. The book described the beginning of the Ahlström business era

through Walter's life. Walter served as the director of A. Ahlström Ltd from 1907 to 1931. Under his guidance, the firm expanded its operations from a small collection of sawmills to becoming a thriving industrial powerhouse. Since its launch, the book has received several non-fiction book prizes.

Family Functions also continued to work closely with Ahlström Collective Impact (ACI). A new concept, "Ahlström Collective Impact Talks" was organised on 7 November in Helsinki. Participants from the ACI network had the possibility to listen to interesting and topical presentations from UNICEF Finland and from the first guest speaker, Member of Parliament Pekka Haavisto, regarding the situations and challenges in the world and how UNICEF can help solve them. The Ahlström Collective Impact Talks concept will continue with inspiring guest speakers and content in the future.

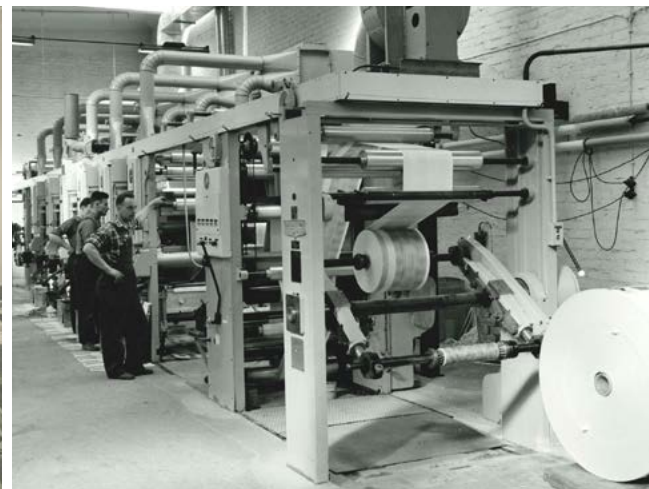
The main investor event, "Investor Day", was held on 22 January 2024. The theme of the event was "Sustainable Future", and it served as a platform for stakeholders to learn more about Ahlström's commitment to sustainability and its strategic vision for the future. The new Ahlström film "Since the beginning", premiered during the event.



# 170 years of industrial traditions

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**1851**

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

**1896**

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

**1908**

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

**1963**

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

**2001**

A. Ahlström Osakeyhtiö was divided into Ahlstrom Corporation, Ahlström Capital Oy and A. Ahlström Osakeyhtiö.

**1870**

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

**1907**

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

**1937**

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

**1968-**

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

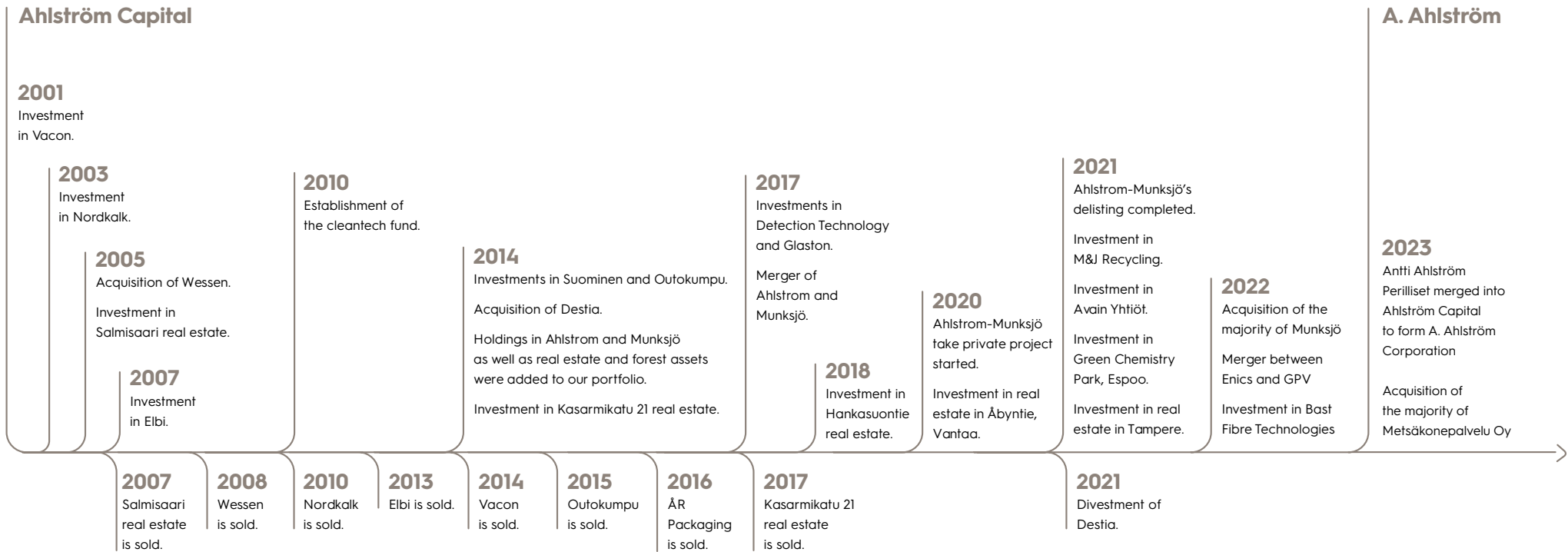
**2023**

Antti Ahlström Perilliset merged into Ahlström Capital Oy to form A. Ahlström Corporation.

# Active value creation in the 21st century

Ahlström Capital was established in 2001, when A. Ahlström Osakeyhtiö was divided into Ahlstrom Corporation, Ahlström Capital Oy and A. Ahlström Osakeyhtiö. Ahlström Capital’s portfolio consisted of Ahltronix (which later became Enics) and ÅR Carton (later ÅR Packaging). In March 2023, Ahlström Capital merged with Antti Ahlström Perilliset to form A. Ahlström Corporation.

At the end of 2023, A. Ahlström’s ownership includes Ahlström Invest B.V. (including a significant ownership in Ahlstrom Oyj), Munksjö Paper AB, Suominen Corporation, Metsäkonepalvelu Oy, Bast Fibre Technologies Inc, M&J Recycling A/S, Detection Technology Plc, Glaston Corporation and GPV Group A/S.



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# CORPORATE GOVERNANCE

# Risk management

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

A diversified ownership, consisting of forests, real estate holdings, industrial investments and liquid funds, reduces the overall risks, and is a key component of the company's risk management. In the new strategy that was formulated in 2023, the strategic core ownership in the Forest & Fiber and Environmental technology sectors are balanced with diversifying assets in real estate, forests and financial assets.

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

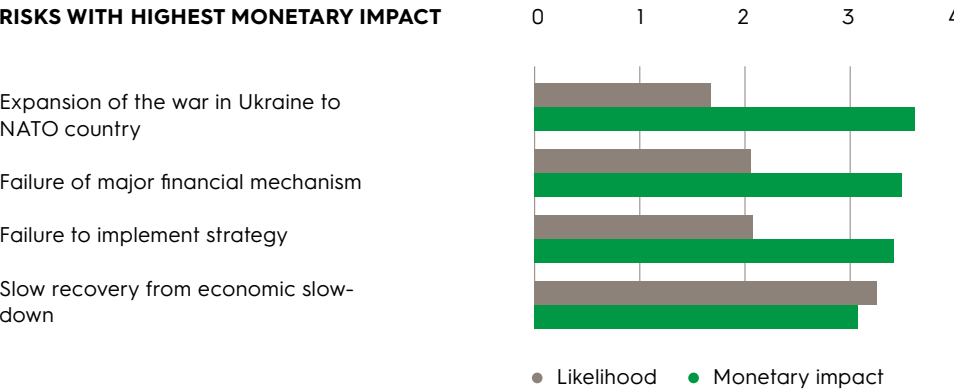
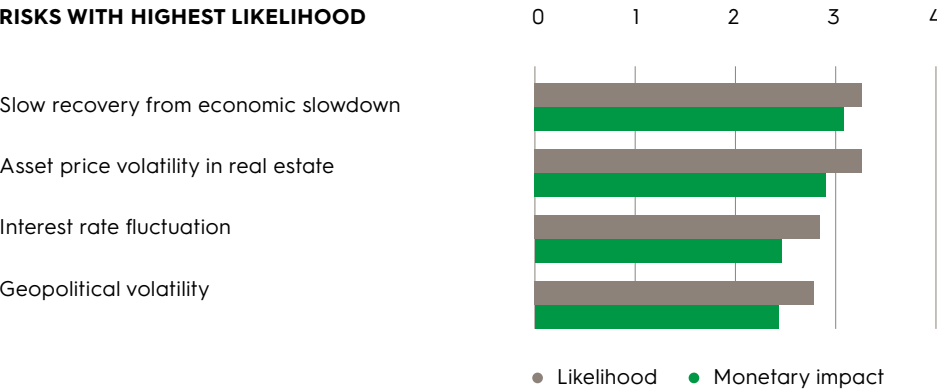
Annually, a more comprehensive risk assessment is performed to establish the company's risk profile according to the impact on shareholder value and cash flow. Risks that threaten the company's strategic objectives,

compliance and sustainability are evaluated. Based on the evaluation, key actions for risk management and mitigation are identified and implemented. With regards to its portfolio companies, A. Ahlström participates in, promotes, and monitors internal risk management practices in each company mainly through Board work.

Ahlström directly, as well as indirectly through lower market demand. To secure the availability of financing, A. Ahlström has had a long-term hedge to cap the interest rate since 2021.

The geopolitical uncertainties have remained at a high level mainly due to the continued Russian invasion of Ukraine. While the European markets for energy and raw materials have adapted to the current operating environment, the adverse development of the conflict may have a material impact on A. Ahlström's and the portfolio companies' performance and ability to deliver on the strategies.

Based on the risk assessment, in the current operating environment the risks with the highest monetary impact to the external fair value or the cash flows and the risks with highest likelihood of occurrence were:





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A. Ahlström Corporation is a private limited liability company registered in Finland and the parent company of the group. The company is committed to good corporate governance practices in accordance with the Finnish Limited Liability Companies Act, the company's Articles of Association and the principles of the Finnish Corporate Governance Code, and the Governance Manual and other internal policies adopted by the Board of Directors from time to time. The company adheres to insider guidelines approved by the Board of Directors of the company. The company maintains its project-specific insider registers in the SIRE system of Euroclear Finland Ltd. The company's shares are incorporated in the Finnish book-entry system maintained by Euroclear Finland Ltd.

A. Ahlström Oy has its registered office in Helsinki, Finland. A. Ahlström Oy is responsible for determining the group strategy, the allocating of funds to different business fields as well as for developing the businesses in general. In addition, the company handles financial reporting, provides the Group and associated companies with services relating to risk management, finance, legal, and governance and advises them in strategic and ownership matters. The Group's structure is presented in the Report of the Board of Directors on page 54.

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

## General Meeting of Shareholders

The highest decision-making body of A. Ahlström Oy is the General Meeting. The Annual General Meeting decides on the composition of the Board of Directors, the Supervisory Board and the Supervisory Board Nomination Committee. In addition, the Annual General Meeting decides on the Chair and Vice-Chair of the Board of Directors and Supervisory Board. The Annual General Meeting also decides on the fees payable to the Board and Supervisory Board members, the Board's committees, and the Nomination Committees of the Board of Directors and the Supervisory Boards well as the auditors. In addition, the General Meeting has exclusive authority over certain matters such as amending the Articles of Association, adopting the financial statements, and deciding on the distribution of profits, deciding on releasing the Board

and President and CEO from liability and electing auditors.

In 2023, the Annual General Meeting was held on 12 April in Helsinki.

## Board of Directors

According to the Articles of Association, the Board of Directors consists of a minimum of six (6) and a maximum of nine (9) ordinary members. The members are elected at the Annual General Meeting for a term ending at the closing of the Annual General Meeting following their election.

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

The Board of Directors can decide on establishing committees for preparing matters for which the Board of Directors is responsible. In 2023, the Board of Directors had an Audit Committee and a Compensation Committee.

The members of the Board of Directors have a right and an obligation to actively promote the interests of the shareholders and of the company. A member of the Board of Directors does not represent any individual shareholder or group of shareholders and the member should be independent in relation to competitors and significant contracting parties.

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

## Audit Committee

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

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Compensation Committee

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

Supervisory Board

According to the Articles of Association the Supervisory Board consists of a minimum of eight (8) and a maximum of twelve (12) ordinary members. The Supervisory Board shall supervise the company’s administration of which the Board of Directors and CEO are responsible and submit a statement regarding the annual accounts and the auditors’ report to the Annual General Meeting. In addition, the Supervisory Board may issue statements and recommendations on its own initiative or on the initiative of the Board of Directors on matters that are of long-lasting and/or fundamental importance to the company, including the owners’ vision regarding the company’s financial and social capital.

A member of the Supervisory Board shall have knowledge about, interest in and time for the affairs of the company and the family, be able to dedicate the necessary time and care required for the successful performance of the task as well as actively pursue and promote the interests of all shareholders, and, in this capacity, does not represent any individual shareholder or group of shareholders.

Nomination Committees

The company has two Nomination Committees, the Board of Directors Nomination Committee, and the Supervisory Board Nomination Committee.

The members of the Board of Directors Nomination Committee are elected annually by the Supervisory Board by 1 September for a term of office ending on 30 August the following year. The Board of Directors shall consist of a minimum of five (5) members. The Board of Directors Nomination Committee shall prepare and propose the composition of the Board of Directors to the General Meeting and prepare and propose the remuneration of Board of Directors and its committees.

The Supervisory Board Nomination

Committee is elected by the Annual General Meeting for a term of office expiring upon the closing of the next Annual General Meeting following their election. The Supervisory Board Nomination Committee consists of a minimum of five (5) members. The Supervisory Board shall prepare and propose the composition of the Supervisory Board to the General Meeting and prepare and propose the remuneration of the persons elected.

President and CEO

A. Ahlström Oy’s President and CEO is appointed by the Board of Directors. The President and CEO organises and manages the company’s and the Group’s operations and is responsible for operational administration in compliance with the instructions and decisions of the Board of Directors. The President and CEO supervises, manages and develops the business fields in line with the strategy and allocation.

Personnel and Management

At year-end 2023, the company had ten employees. They assist the President and CEO, actively monitor, and develop the company’s operations and businesses in accordance with

the objectives set as well as handle reporting. The management also assists the President and CEO in preparing strategic issues and prepares issues to be considered and decided by the Board of Directors.

Salaries and remunerations

The Annual General Meeting decides on the remuneration of the Supervisory Board and the Board of Directors. In accordance with the resolution of the Annual General Meeting of 2023, the Chair of the Board receives an annual remuneration of EUR 125,000, Vice-Chair EUR 85,000 and each other member of the Board EUR 42,500. The Chair of the Supervisory Board receives an annual remuneration of EUR 60,000, Vice-Chair EUR 36,000 and each member of the Supervisory Board EUR 24,000.

The Chair of the Audit Committee receives an annual remuneration of EUR 10,000 and each member of the Audit Committee EUR 5,000. The Chair of the Compensation Committee receives an annual remuneration of EUR 8,000 and each member of the Compensation Committee EUR 4,000.

In addition, all members of the Board of Directors and Supervisory Board residing



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outside of Finland receive an attendance fee of EUR 1,500 per meeting (not applicable to remote meetings), members residing in Finland a fee of EUR 750 if the meeting is held outside the Helsinki metropolitan areas and EUR 1,500 if the meeting is held abroad.

The Chairs of the Nomination Committees receive a meeting fee of EUR 1,000 per meeting, but not exceeding a total maximum of EUR 8,000 annually and each other member of the Committees receive a meeting fee of EUR 500 per meeting, but not exceeding a total maximum of EUR 4,000 annually.

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

Audit

The auditors supply the company's shareholders with the statutory auditor's

report as part of the annual financial statements. They also report on their observations to the company's Board of Directors.

The Annual General Meeting of 2023 elected KPMG Oy Ab as the company's auditor, with Kim Järvi, Authorised Public Accountant, as the auditor in charge. The Group's auditing fees in 2023 were EUR 551 thousand (389). In addition, the auditor was paid EUR 22 thousand (295) for services not related to the audit.

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## Peter Seligson

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

### Current position

Chair of the Board, A. Ahlström Oy  
Chair of the Supervisory Board, Ahlström Invest

### Key positions of trust

Board member, Ahlstrom Oy, Finnforel Oy,  
Baltiska Handels AB



## Kari Kauniskangas

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

### Current position

Board professional

### Key positions of trust

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



## Marcus Ahlström

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

### Current position

CEO, SAG Flowmedik Oy

### Key positions of trust

Board member, Destia Oy



## Hannele Arvonen

b. 1966, M.Sc. (Forestry), BA  
(International Relations, German, Russian)  
Board member, 12 April 2023–  
Member of the Compensation Committee,  
12 April 2023–

### Key positions of trust

Board member, Plantvation AB, Nordic  
Waterproofing AB, Södra Skogsägarna,  
Svensk Husproduktion AB  
Chair of the Board, Silvestica Green Forest AB



## Sebastian Bondestam

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

### Current position

President, Uponor Infra and Deputy to the President  
and CEO, Uponor Oyj

### Key positions of trust

President, TEPPFA, the European Plastic Pipe and  
Fittings Association  
Chair of the Board, NPG, the Nordic Plastic Pipe  
Association  
Deputy Chair of the Board, Chair of the Remuneration  
Committee, Glaston Corporation



## Klaus Cawén

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

### Current position

Executive Advisor, KONE Corporation

### Key positions of trust

Vice Chair of the Board, Metso Corporation  
Vice Chair of the Board, Sanoma Oyj  
Member of the Board, Toshiba Elevator &  
Building Systems Corporation, China Office of  
Finnish Industries Oy  
Senior Advisor, DevCo Partners Oy



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## Casper von Koskull

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

### Current position

Board professional

### Key positions of trust

Chair of the Board, Oy Karl Fazer Ab,  
Hemstaden Bostad AB, European Business  
Leaders Convention  
Board member, Ductor Oy, Montrose  
Associates, Stena Ab, Citigroup Inc



## Nelli Paasikivi-Ahlström

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

### Current position

Partner, Brick Hill Advisors Oy



## Fredrik Persson

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

### Current position

Board professional

### Key positions of trust

Chair of the Board, JM AB, BusinessEurope, Ellevio AB  
Board member, Holmen AB, Hufvudstaden AB,  
ICA Gruppen AB, AB Industrivärden

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A. Ahlström employees working at the Helsinki office

**Jyrki Vainionpää**  
President and CEO

**Andreas Ahlström**  
Investment Director

**Outi Kaivo-oja**  
Head of HR

**Anne Karell**  
Head of Family Functions

**Akseli Komu**  
Investment Associate

**Pasi Koota**  
Chief Financial Officer

**Carla Kruse**  
Specialist, Administration

**Laura Meyer**  
Manager, Family Functions

**Sari Paronen**  
Communications Specialist  
(Maternity leave substitute  
for Miia Mäkinen)

**Elina Salminen**  
Executive Assistant to  
President and CEO

**Camilla Sångbom**  
Director, Corporate  
Communications and  
Responsibility

**Tero Telaranta**  
Director, Industrial  
Investments

**Ville Vastamäki**  
Treasury Manager

**Visa Virintie**  
Investment Manager

**Sandra Wickström**  
General Counsel

**Sebastian Burmeister**  
Managing Director,  
Ahlstrom Capital B.V.

**Anja van Maarsen**  
Legal Counsel,  
Ahlstrom Capital B.V.

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



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A. Ahlström Corporation (Ahlström Capital Oy until 28 February 2023) is a long-term industrial owner developing leading global specialist positions in the forest and fiber and environmental technology sectors. A. Ahlström Corporation also owns real estate and forest assets and, through Ahlström Invest, owns shares in the Ahlstrom company. The company's mission is to create a better world for future generations through sustainable value creation.

In 2023, the total revenue of A. Ahlström group amounted to EUR 568.3 million (198.5) and the balance sheet total was EUR 1,775.5 million (1,787.4). On average, A. Ahlström group had 1,423 employees (1,424).

In 2023 A. Ahlström Corporation appointed Jyrki Vainionpää as the new President and CEO and a new strategy was launched with a strategic core built around industrial companies in the forest and fiber and the environmental technology sector. In the strategic core sectors A. Ahlström group integrates synergistic businesses into world-leading specialist platforms. By investing in financial assets, real estate, and forest. A. Ahlström Corporation de-risks the Ahlström family assets, manages liquidity, and generates stable cash flow.

Antti Ahlström Perilliset Oy was merged into A. Ahlström Corporation to create a strong Ahlström family business. Following the merger, the parent company's name

changed from Ahlström Capital Oy to A. Ahlström Corporation as of 1 March 2023. After the merger, the company's governance bodies are, in accordance with the Articles of Association, the Board of Directors and the Supervisory Board. In addition, the company has a Board of Directors Nomination Committee and a Supervisory Board Nomination Committee. The Supervisory Board oversees the company's administration, which is the responsibility of the Board of Directors and the CEO. The Supervisory Board submits a statement regarding the annual accounts and the auditor's report to the Annual General Meeting. It may also issue statements and recommendations on significant matters that are of long-lasting and/or fundamental importance to the company, including the owner's vision regarding the company's financial and social capital. The Supervisory Board also elects the Board of Directors Nomination Committee and proposes two members to the Supervisory Board Nomination Committee, highlighting its role in the company's governance.

## The key performance indicators of A. Ahlström Corporation

### EFV (External Fair Value)

The development of the external fair value of the company is one of the most relevant long-

term performance indicators. EFV is defined as the aggregate market value of the company's assets after deducting its liabilities. When valuing its unlisted holdings, A. Ahlström Corporation evaluates the companies' financial forecasts and follows generally accepted valuation practices, such as the IPEV guidelines. In the assessment of real estate investments, the recommendations of the European Public Real Estate Association (EPRA) are used. Forest holdings are valued in accordance with International Financial Reporting Standards (IFRS). For listed companies, valuation is based on share prices. The company aims to achieve an average annual increase in external fair value of 6-10 per cent over time.

At year-end 2023, the total external fair value of A. Ahlström Corporation's portfolio was EUR 1,007.3 million (1,087.1). The value change in 2023 was EUR -79.8 million (-110.2). At the end of 2023, the external fair value of one A. Ahlström Corporation share was EUR 17.04 (18.44).

### Recurring cash flow

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

In 2023, the total recurring cash sources amounted to EUR 29.7 million, driven by

diverse contributions such as a EUR 9.7 million dividend from Ahlström Invest, EUR 8.8 million from forest ownership and EUR 7.9 million from real estate ownership. However, the total uses of cash were significantly higher at EUR 56.0 million, including EUR 28.5 million in dividends paid to shareholders, EUR 4.5 million for share repurchases and EUR 12.1 million in operational costs. The net recurring cash flow for the year was a negative EUR 26.3 million.

Based on the Annual General Meeting's decision, A. Ahlström Corporation paid a dividend of EUR 0.48 per share (0.52), totalling EUR 28,522,512.96. The dividend yield was 2.8 per cent (2.6) of the external fair value. In addition, EUR 4.5 million (53.0) was spent on a share repurchase program. A. Ahlstrom Corporation repurchased 300,000 of its own shares during 2023. The purchases were made at a discount from the current fair value of the company's shares.

## Changes in shareholdings

A. Ahlström Corporation actively developed its ownership in 2023.

A. Ahlström Real Estate Ltd decided to use its option and acquire an additional five per cent in Avain Yhtiöt, which increased the shareholding in Avain Yhtiöt from 25.2 per cent to 30.2 per cent. The acquisition was completed on 2 January 2023. Avain Yhtiöt



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carried out a reorganisation of the group at the end of the fiscal year 2023, which separates the business related to right-of-occupancy apartments into its own group named Avain Asumisoikeus Holding Oy. The demerger does not affect the A. Ahlström group's financial statements.

A new company, Eura Solar Oy, was established on 28 April 2023 as part of the A. Ahlström group. The company received an environmental permit to build a solar power park covering 64 hectares of land owned by the group. At the end of the year the building permit was still in process, and on 23 January 2024 the permit was granted. Eura Solar Oy is evaluating its options for the development, and the building permit is valid for three years.

A. Ahlström Corporation acquired an 84.88 per cent shareholding in Metsäkonepalvelu Oy on 19 December 2023. This acquisition is aligned with A. Ahlström Corporation's strategic core, which primarily focuses on the forest and fiber sector. Metsäkonepalvelu, being the largest provider of timber harvesting services in Finland, also holds a strategic foothold in the Swedish market. Metsäkonepalvelu Group specialises in mechanical timber harvesting services and is a clear market leader in the highly fragmented Nordic markets.

At the end of the year, Ahlström Invest accounted for 38.4 per cent (36.0) of A. Ahlström Corporation's total external fair

value. The forest & fiber sector, excluding Ahlstrom common and preferred equity, represented 12.5 per cent (12.9), the environmental technology sector 5.3 per cent (2.9), other industrial 16.1 per cent (16.9), real estate 14.0 per cent (13.8), forests 5.7 per cent (4.8) and liquid and other assets including undrawn funds 7.9 per cent (12.7) of the EFV.

## Ownerships

### Ahlström Invest B.V. (23.8 % shareholding)

Ahlström Invest is a family investment company.

A. Ahlström Corporation's subsidiary Ahlstrom Capital B.V. sold shares in Ahlström Invest during the financial year, changing the shareholding from 24.1 per cent to 23.82 per cent during.

At the end of 2023, Ahlström Invest's portfolio totalled EUR 1,195.9 million (1,201.8), of which the main items were Ahlstrom corporation with EUR 827.5 million euros (832.8) and the investment portfolio with EUR 442.3 million (438.5). Ahlstrom's common equity value developed negatively during the year and the value decreased by EUR 5.3 million to EUR 534.9 million. The value of other investments increased during 2023 by EUR 3.8 million to EUR 442.3 million at the end of 2023.

In 2023, A. Ahlström Corporation's ownership in Ahlström Invest was worth EUR 387.2 million (391.9) and its share of the result EUR 8.0 million (23.7).

### Forest & Fiber sector

#### Munksjö Paper AB (60.0 % shareholding)

A. Ahlström Corporation is the largest owner in the Munksjö Group with a 60.0 percent shareholding. Ahlstrom Oyj remained as the company's minority owner with a shareholding of approximately 25.0 per cent, and the Swedish investment company Nidoco AB with a holding of approximately 15.0 per cent.

Munksjö Paper AB has an internationally leading position and a broad product portfolio in the decor paper business. The Decor business has been part of the Munksjö brand for over 25 years, and the brand is known for its excellent quality and service throughout the decor paper industry. Decor papers are mainly used in wood-based laminate furniture, floor coverings and other interior decoration and construction applications. The key market areas are Europe, North and South America, China and selected export markets. Production facilities are in Germany (Unterkothen and Dettingen), Spain (Tolosa), France (Arches), Brazil (Caieiras) and China (Xingtai).

The company was consolidated into the A. Ahlström group from the beginning of October 2022. The revenue in the A. Ahlström group was EUR 472.5 million (109.4) and the comparable operating profit was EUR 0.4 million (-4.3). Munksjö Group's result was -21.5 million euros (-20.9), and the company's minority shareholding affected the result by EUR -9.8 million -9.2). The group has approximately 1,200 employees (1,200).

#### Metsäkonepalvelu Oy (84.9 % shareholding)

A. Ahlström Corporation is the largest owner of Metsäkonepalvelu, the largest provider of timber harvesting services in Finland and it also holds a strategic foothold in the Swedish market. Metsäkonepalvelu Group specialises in mechanical timber harvesting services and is a clear market leader in the highly fragmented Nordic markets. Its clientele includes major Nordic Forest companies, private large forest owners, and the public sector. The company's headquarters is in Hämeenlinna, Finland, and its operational area spans Southern and Central Finland, as well as the Eksjö area in Sweden.

Metsäkonepalvelu's minority shareholders are Viisikertaa Ab 13.53 per cent, roQab Oy 1.05 per cent and Teemu Tolppa 0.54 per cent.

The company was consolidated into the A. Ahlström group from 19 December 2023.

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The impact of the 2023 result on A. Ahlström group was EUR -0.01 due to financial arrangement items.

#### **Suominen (24.0 % shareholding)**

Suominen is listed on NASDAQ OMX Helsinki. The market cap of Suominen amounted to EUR 164.4 million (172.4) at year-end 2023.

Suominen's revenue decreased by 9.0 per cent from the comparison period to EUR 450.9 million (493.3). The decrease in revenue was due to lower sales prices driven by lower raw material prices. The negative impact of exchange rates on the revenue amounted to EUR 6.8 million. EBITDA was EUR 11.2 million (14.3). EBITDA decreased due to the closure of the Mozzate plant.

The comparable operating profit totalled EUR -2.8 million (-4.2). The operating profit totalled EUR -7.5 million (-9.0). Items affecting comparability of operating profit were EUR -4.8 million (-4.8) and were mainly related to the closure of the Mozzate plant. Profit before income taxes for the 2023 financial period was EUR -13.5 million (-11.9). Income taxes for the financial year were EUR 0.7 million (-2.0). The profit for the period was EUR -12.8 million (-13.9).

The Board of Directors proposes to the Annual General meeting, that a dividend of EUR 0.10 (0.10) per share shall be distributed

for the financial year 2023.

In 2023, A. Ahlström Corporation's share of Suominen's result was EUR -3.1 million (-3.3).

#### **Bast Fibre Technologies Inc (BFT) (24.4 % shareholding)**

A. Ahlström Corporation holds a 24.4 per cent minority shareholding in Bast Fibre Technologies as of October 2022.

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

The company was consolidated into the A. Ahlström group from the beginning of October 2022. In 2023, Bast Fibre Technologies had revenue of USD 13.5 million (13.8) and made an operating loss USD 11.3 million (10.3). The net income and comprehensive loss for the year was USD -11.7 million (-10.2).

The associated company's impact on the result of the A. Ahlström Corporation was EUR -2.8 million (-0.5).

### Environmental technology sector

#### **M&J Recycling (100.0 % shareholding)**

M&J Recycling is specialised in the design and manufacture of industrial waste shredders to reduce the size of waste materials. The company also offers lifecycle maintenance services and spare parts. The production facility is located in Denmark and the sales offices in various countries serve a comprehensive global network of partners in the recycling industry. A. Ahlström Corporation acquired M&J in 2021 and it was consolidated into the A. Ahlström group from the beginning of December 2021.

In 2023, M&J's revenue was EUR 69.5 million (65.8). The comprehensive operating profit was EUR 5.0 million (6.7) and operating profit (EBIT) amounted to EUR 3.1 million (4.2). The profit for the period was EUR 1.9 million (3.2).

### Other industrial

#### **GPV Group A/S (20.0 % shareholding)**

GPV Group A/S was established in June 2022 and acquired 100.0 per cent of GPV International A/S and Enics AG on 3 October 2022. A. Ahlström Corporation has a 20.0 per cent minority shareholding in GPV and the Danish industrial conglomerate

Schouw & C/o holds 80.0 per cent. The company was consolidated into the A. Ahlström group from the beginning of October 2022. GPV Group is mainly engaged in electronic manufacturing services, mechatronics, high precision mechanics and cable harnesses.

The financial result for the year 2023 was satisfactory. Total revenue in 2023 amounted to DKK 10,449.8 million (5,923.4), including the full year effect from the acquisition from 2022. Operating profit (EBIT) amounted to DKK 430.0 million (290.0). Profit for the year was DKK 165.0 million (157.0).

The associated company's impact on the result of the A. Ahlström Corporation was EUR 4.4 million (0.9).

#### **Detection Technology (36.0 % shareholding)**

Detection Technology is listed on NASDAQ OMX First North. The market cap of Detection Technology amounted to EUR 201 million (248) at year-end.

The company's total revenue for 2023 increased by 5.3 per cent to EUR 103.8 million (98.6). The operating profit amounted to EUR 8.8 million (5.8), or 8.5 per cent (5.9) of the revenue. Operating profit excluding non-recurring items amounted to EUR 9.7 million (6.1), or 9.3 per cent (6.2) of revenue. Profit for the 2023 financial year was EUR 5.5 million (5.1).



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The Board of Directors of Detection Technology proposes that a dividend of EUR 0.23 per share (0.20) be paid for the financial year 2023. Detection Technology expects its year-on-year total revenue to remain stable in Q1 and H1 of 2024.

In 2023, A. Ahlström Corporation's share of the result of Detection Technology was EUR 0.9 million (-0.4).

#### **Glaston** (26.4 % shareholding)

Glaston is listed on NASDAQ OMX Helsinki. The company's market value amounted to EUR 61.9 million (76.0) at year-end.

In 2023, Glaston's revenue totalled EUR 219.7 million (213.5). Glaston's comparable EBITA amounted to EUR 14.9 million (13.6), i.e. 6.8 per cent (6.4) of the revenue. The company's operating result (EBIT) was EUR 8.1 million (7.6). Profit for the 2023 financial year was EUR 5.0 million (3.1).

Glaston's Board of Directors proposes that a return of capital of EUR 0.05 per share is to be paid.

In 2023, A. Ahlström Corporation's share of the result of Glaston was EUR 1.3 million (0.8).

#### **Diversification assets**

##### **Real estate**

A. Ahlström group's real estate portfolio consists of the Eteläesplanadi 14 property,

as well as office, light industrial/logistics and commercial properties in growth centres. In 2023, the real estate business development projects continued in line with a strategy focusing on quality and active asset management. Additionally, ongoing construction projects progressed, and the development of the Noormarkku heritage area continued in accordance with the company's values.

Avain Yhtiöt Oy is a Finnish group specialising in the construction and ownership of residential projects. In 2023, A. Ahlström Real Estate Ltd decided to use its option to increase its ownership in Avain Yhtiöt Oy from 25.2 percent to 30.2 percent. The transaction was completed on 2 January 2023. At the end of the fiscal year 2023, Avain Yhtiöt Oy restructured its operations, establishing a separate group, Avain Asumisoikeus Holding Oy, for its right-of-occupancy apartment business. This demerger does not affect the A. Ahlström group's financial statements.

The new office building development in the centre of Tampere, GO21, was completed in November 2023. The building is fully let and hosts offices for several technology companies, including the head office for Gofore Oyj. The highest level of environmental certification, LEED Platinum has been applied to the building and it will be the first office building in Tampere to have it.

The real estate development of Erica Green Chemistry Park, which is a joint venture with Aktia Life Insurance and Kirkon Eläkerahasto, progressed to the construction phase. In January 2023, a land transaction was completed between Neliapila and Erica and construction work started. The foundation stone of the project was laid in October. The share of ownership of A. Ahlström Real Estate Ltd is 40 per cent.

The comprehensive operating profit of the real estate business was EUR 8.9 million (14.8) in 2023. The reported operating profit (EBIT) was EUR -5.7 million (13.2). Items affecting comparability consisted mainly of changes in the fair values of real estate assets. The share in results of joint ventures and associated companies was EUR 3.2 million (9.6).

##### **Forest**

The forest business is responsible for the management and logging of the company's forests. A. Ahlström group forest assets are mainly located in Western Finland in the Satakunta region, and in Central and Eastern Finland. A. Ahlström Corporation has around 36,000 hectares of forest holdings.

In 2023, A. Ahlström Real Estate Ltd purchased 604 hectares of forest. The prices of pulpwood and energy wood remained at a good level. Although the price of log timber decreased slightly from the previous year's

record levels, it remained at a good level throughout the year.

During the year 2023, A. Ahlström Real Estate Ltd delivered a total of 185,000 m<sup>3</sup> (189,000) of wood, of which the share of delivery sales was 87 per cent (84). In 2023, the comprehensive operating profit of the forest business totalled EUR 8.2 million (6.6). The reported operating profit (EBIT) was EUR 11.0 million (14.5). Items affecting comparability, totalling EUR 2.7 million (14.6), consisted mainly of an increase in the fair value of forest assets.

## A. Ahlström group structure

A. Ahlström group consists of the parent company A. Ahlström Corporation, domiciled in Finland, and 39 subsidiaries. The industrial ownership in the Forest & Fiber sector and Environmental technology sectors are mainly concentrated in the Netherlands and held by Ahlström Capital B.V. Through the structure, A. Ahlström Corporation can efficiently operate in an international environment. The ownerships in real estate and forest are concentrated in A. Ahlström Real Estate Ltd, except for the property at Eteläesplanadi 14, which is held by A. Ahlström Corporation. Ahlström Konsernipalvelut Oy offers financial, ICT and HR services to the group companies.

Ahlström Invest B.V., Detection Technology Plc, Glaston Corporation,

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Suominen Corporation, Avain Yhtiöt Oy, Avain Asumisoikeus Holding Oy, GPV Group A/S and Bast Fibre Technologies Inc are consolidated in the consolidated financial statements as associated companies. Kiinteistö Oy Espoon Erica, Åbyntie Gp Oy and Åbyntien Kiinteistöt Ky are consolidated as joint ventures.

AC Cleantech Management Oy is the management company for AC Cleantech Growth Fund I Ky. AC Cleantech Growth Fund I Ky was liquidated in 2023. KymiRing Oy was declared bankrupt during 2023.

### A. Ahlström group earnings in 2023

The consolidated revenue of the A. Ahlström group in 2023 was EUR 568.3 million (198.5). Of this amount, Munksjö accounted for EUR 472.5 million (109.4), M&J Recycling accounted for EUR 69.5 million (65.9), the real estate business for EUR 9.3 million (8.1), the forest business for EUR 13.6 million (11.7) and other businesses for EUR 3.3 million (3.4). Other operating income amounted to EUR 0.8 million (0.1). The change in the fair value of forest holdings was EUR 2.7 million (14.3), the change in the fair value of real estate holdings was EUR -9.8 million (0.7) and sales gains EUR 0.0 million (0.5).

A. Ahlström Corporation's share of the results of its associates and joint ventures

was EUR 12.0 million (27.3). This consists of shares in the results of Ahlström Invest, Suominen, Detection Technology, Glaston, AC Cleantech Growth Fund, Avain Yhtiöt, Åbyntien Kiinteistöt Ky, Åbyntie GP Oy, Kiinteistö Oy Espoon Erica, GPV and Bast Fibre Technologies.

The comprehensive operating profit of the A. Ahlström Corporation amounted to EUR 15.0 million (27.7). Items affecting comparability totalled EUR -20.0 million (-10.2), consisting of changes in the fair value of forest and real estate assets, sales gains and restructuring costs. The reported operating profit (EBIT) was EUR -5.0 million (17.5). The return on invested capital was 0.3 per cent (7.5).

The administrative and investment costs of the parent company A. Ahlström Corporation and the holding companies increased due to increased resourcing and the merger of Antti Ahlström Perilliset Oy and its governing body and functions to A. Ahlström Corporation in the beginning of March 2023. In total, costs amounted to EUR 15.3 million (10.5) in the reporting period, representing an average of 1.5 per cent (1.0) of the external fair value.

Financial income was EUR 9.5 million (9.5). Financial expenses totalled EUR 31.1 million (15.8). Profit before taxes was EUR -26.6 million (11.2). Taxes recorded for the period were EUR 6.3 million (3.9). A. Ahlström group's profit for continuing

operations was EUR -20.3 million (15.2) and profit for discontinued operations EUR -20.3 million (55.4), including the income tax allocated to discontinued operations. Profit for the period totalled EUR -20.3 million (70.6) and profit attributable to the equity holders of the parent company was EUR -10.9 million (79.8).

### Financial position and financing

A. Ahlström Corporation's financial position remained stable throughout the year. At the end of the year, the consolidated shareholders' equity was EUR 1,066.2 million (1,112.2). The equity ratio at the end of the year was 63.8 per cent (66.2) and the EFV-adjusted net gearing stood at 32.2 per cent (21.9). The company's return on equity (ROE) was -0.9 per cent (7.1). At the end of December 2023, the interest-bearing liabilities amounted to EUR 412.1 million (347.7) and liquid assets to EUR 88.1 million (108.4). A. Ahlström group's net debt in 2023 was EUR 324.0 million (239.3).

A. Ahlström Corporation has to a limited extent issued a first-demand guarantee as security for certain subsidiaries' credit facilities.

A. Ahlström Corporation has a EUR 200.0 million syndicated secured financing facility, of which a term loan of EUR 90.0 million is in use and an overdraft facility of EUR 13.0

million has been reserved for use. In 2023, a EUR 40.0 million loan was drawn from the facility. The financing agreement is valid until February 2026. There is a group level financial covenant on the facility, which restricts the indebtedness to 60 per cent. There are two group level financial covenants on the facility. The first covenant limits the group's indebtedness to not exceeding 60%. Another covenant limits the loan to a maximum of 95% of the Security Value, which is the total market value of the Security Properties. In addition, A. Ahlström Corporation and A. Ahlström Real Estate Ltd have a junior term loan of EUR 38.0 million. The covenants are the same as secured syndicated financing mentioned above.

A. Ahlström Corporation has entered into an interest rate hedge to safeguard long-term financing costs. The hedging period started in 2023 and ends in 2034. The nominal value of the hedge is EUR 100.0 million.

At the end of 2023, the loan to value was 27.8 per cent (22.3).

### Risk management

A. Ahlström Corporation's key risks are related to its ability to create long-term shareholder value growth with steady returns. A diversified and balanced portfolio, consisting of forests, real estate holdings and industrial investments, reduces the overall risks, and



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is a key component of the company's risk management. As a family-owned company, A. Ahlström Corporation fosters the trust and reputation generated over the decades through good corporate governance principles and processes in all its portfolio companies.

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

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

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

## Research and development

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

## Corporate Social Responsibility

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

A. Ahlström Corporation creates shared value by building profitable businesses as well as supporting actions that mitigate climate change, protect biodiversity and increase circularity as well as social sustainability. As a responsible owner, A. Ahlström Corporation continuously strives to improve the ESG (environment, social and governance) impact and performance of the companies it owns. The framework for A. Ahlström Corporation's sustainability work is defined in the Sustainability Policy. The focus areas are Climate, Resource Efficiency, Biodiversity, Employee well-being, Diversity

& Inclusion, Business ethics and a good governance model. Indicators for measuring the development of ESG in the businesses have been set for all focus areas. In annual sustainability reviews with the management of each portfolio company the development of the ESG KPIs, the targets and the action plans are discussed. All businesses made good progress in the ESG management maturity system, a KPI set up to measure the development and integration of the sustainability work in the companies.

A. Ahlström Corporation, Ahlstrom, Destia and Glaston as well as Antti Ahlström Perilliset and the Eva Ahlström Foundation launched the Ahlström Collective Impact initiative in 2021. The initiative was established for strategic investments aimed at supporting the realisation of the UN Sustainable Development Goals (SDG). In 2023, the project involved A. Ahlström Corporation and Ahlström Invest, Ahlstrom, Destia, Detection Technology, Enics, Glaston, Suominen, Avain Yhtiöt, M&J Recycling as well as Eva Ahlström Foundation and Walter Ahlström Foundation. Ahlström Collective Impact made an investment of close to EUR 800,000 in UNICEF's Global Education Program in 2023. UNICEF's global education program provides support for millions of children who need to continue to learn, grow and develop the skills necessary to thrive in life.

## Personnel, administration and auditors

A. Ahlström group had an average of 1,423 employees (1,424) during the financial year. Wages, salaries and fees paid amounted to EUR 101.7 million (39.8). At the end of the year, the parent company's personnel numbered 14 (10).

In 2023, the members of the Board of Directors of A. Ahlström Corporation were Peter Seligson (Chair), Kari Kauniskangas (Vice Chair), Casper von Koskull, Nelli Paasikivi-Ahlström, Fredrik Persson, Marcus Ahlström, Sebastian Bondestam, Klaus Cawén and Hannele Arvonen (since 12 April 2023). In 2023, the Board convened eleven times. In a total of eight meetings, all Board members attended and in three meetings, one out of nine Board members was absent.

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

The governance model of A. Ahlström Corporation also includes a Supervisory Board since 1 March 2023. The members of the Supervisory Board were Marion Björkstén (Chair), Johannes Gullichsen (Vice Chair), Axel Ahlström, Walter Ahlström, Maria Ahlström-Bondestam, Philip Aminoff, Vera Backström, and Mats Danielsson. The Annual General Meeting elected Eduard Paulig and Niclas Rosenlew as new members to the

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Supervisory Board on 12 April 2023. In 2023, the Supervisory Board convened eight times. In a total of 6 meetings, all members attended the meeting and in two meetings, one out of ten members was absent.

The Board of Directors of A. Ahlström Corporation had two committees, an Audit Committee and a Compensation Committee. The members of the Audit Committee were Marcus Ahlström (Chair), Nelli Paasikivi-Ahlström, Fredrik Persson and Klaus Cawén. The members of the Compensation Committee were Kari Kauniskangas (Chair), Hannele Arvonen, Casper von Koskull, and Sebastian Bondestam. The Audit Committee convened five times and the Compensation Committee two times during 2023.

The composition of the Supervisory Board Nomination Committee was as of 1 March 2023 till 12 April 2023 Carl Ahlström (Chair), Philip Aminoff, Robin Ahlström, Maria Ahlström-Bondestam, Vera Backström and Casper von Koskull. As of 12 April 2023 the members are Carl Ahlström (Chair), Robin Ahlström, Philip Aminoff, Christina Dahlblom and Susanne Ehrnrooth. The term of office ends upon the closing of the next Annual General Meeting following their election.

The composition of the Board of Directors Nomination Committee was as of 1 March 2023 till 12 April 2023, Carl Ahlström (Chair), Philip Aminoff, Robin Ahlström, Maria Ahlström-Bondestam, Vera Backström

and Casper von Koskull. As of 1 September 2023, the members are Mats Danielsson, Johannes Gullichsen (Chair), Kaisa Hietala, Nina Kopola and Andreas Tallberg. The term of office ends on 30 August the following year.

### Share repurchase programme

On 31 December 2023, A. Ahlström Corporation held 300,000 treasury shares (0.5 per cent) following the share repurchase program. The repurchased shares were invalidated in January 2024 based on the Board of Directors' decision in December 2023.

Antti Ahlström Perilliset Oy was merged into A. Ahlström Corporation on 1 March 2023. In the merger, A. Ahlström Corporation's number of shares increased by 468,931 and its share capital by 225,000 euros. The rest of the capital increase was booked to be invested in a non-restricted equity fund.

The Annual General Meeting held on 12 April 2023, resolved to authorise the Board of Directors to decide on the repurchase of a maximum of 650,000 shares. The purchase price is the external fair value of the share at the end of September 2023 with a 12 per cent discount. The authorisation is valid until the end of the next Annual General Meeting. The Board of Directors resolved to commence the repurchase of shares in November

with a maximum of 300,000 shares to be repurchased. The share repurchase program was oversubscribed, and thus 300,000 shares were acquired for a total value of 4,467,000 EUR.

### Shareholders

At the end of 2023, A. Ahlström Corporation had 264 (268) shareholders. No shareholder holds more than 5 per cent of the shares.

### Events after the reporting period

Eura Solar, established for a solar power park development in Eura, received a building permit on 23 January 2024. The company received an environmental permit for the development earlier during 2023. The building permit is valid for three years.

The bankruptcy estate for Kymiring Oy announced on 15 February 2024, that the company assets have been sold to Finland Motorsport Circuit Holding Oy. A. Ahlström Real Estate Ltd was an owner in Kymiring Oy with a 22.0 per cent ownership and a creditor to the bankruptcy estate.

### Expectations for 2024

A. Ahlström Corporation's financial position is strong. The increase in the price of financing

and the tightening of its availability and terms has affected investment opportunities during the year. The company expects the global market uncertainties to continue, especially in the forest and fiber segment during the first half of the year. In the interest rates a turn downwards is expected during the year and we expect that the activity in capital goods demand and in the real estate sector will improve during the year. The demand and prices for timber are expected to stay at the current level.

### Proposal for the distribution of profits

According to A. Ahlström Corporation's dividend policy, the company's target is to pay a steady dividend that increases over time. The Board of Directors proposes that a dividend of EUR 0.40 per share be paid for 2023 in two instalments. The first dividend payment (EUR 0.20 per share) will take place in May 2024 and the second (EUR 0.20 per share) in October 2024.

The Annual General Meeting 2024 will be held on Friday, 17 May 2024 in Noormarkku.



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EUR	2023	2022	2021 <sup>1)</sup>	2020 <sup>1)</sup>	2019
<b>Revenue</b>	568.3	198.5	31.0	521.5	1,173.2
Comparable operating profit	3.0	0.4	-1.6	13.5	27.9
Comprehensive operating profit	15.0	27.7	59.8	38.0	34.1
Operating profit (EBIT)	-5.0	17.7	199.3	51.3	43.0
Profit from continuing operations	-20.3	15.2	211.6	35.5	30.9
Profit from discontinued operations	0.0	55.4	117.3	15.5	0
Profit for the period	-20.3	70.6	328.9	51.1	30.9

EUR	31.12.2023	31.12.2022	31.12.2021	31.12.2020	31.12.2019
External Fair Value, EFV, EUR million	1,007.3	1,087.1	1,197.2	1,056.1	965.1
Equity ratio	63.8 %	66.2 %	70.5 %	59.0 %	59.6 %
Net gearing	28.6 %	20.1 %	-3.1 %	17.1 %	17.3 %
Net gearing, EFV adjusted	32.2 %	21.9 %	-2.8 %	12.6 %	13.9 %
Return on Capital Employed (ROCE)	0.3 %	7.5 %	33.1 %	7.5 %	5.3 %
Return on Equity (ROE)	-0.9 %	7.1 %	34.3 %	6.7 %	4.0 %
Loan-to-value ratio, LTV	27.8 %	22.3 %	12.8 %	17.5 %	17.8 %
Net debt(+)/Net cash (-), EUR million	324.0	239.3	-33.8	132.7	134.6
Equity per share, EUR <sup>(3)</sup>	18.04	18.87	17.70	12.48	12.45
External Fair Value per share, EUR <sup>(3)</sup>	17.04	18.44	19.24	16.95	15.46
Earnings per share, EUR <sup>(3)</sup>	-0.18	1.20	5.29	0.82	0.49
Dividend per share, EUR <sup>(2,3)</sup>	0.40	0.48	0.52	0.48	0.48

<sup>1)</sup> Restated due to discontinued operations.

<sup>2)</sup> 2023 figure is based on proposal by the Board. In addition, it is proposed that a dividend will be paid in two instalments; the first payment of EUR 0.20 per share in May and the second payment of EUR 0.20 per share in October.

<sup>3)</sup> The number of shares was decreased in December 2019-2023 through share repurchase. Comparative figures have not been restated due to these changes.

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



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MEUR	Note	2023	2022
<b>Continuing operations</b>			
Revenue	3.1.	568.3	198.5
Other operating income	3.2.	9.4	27.8
Materials and services	3.3.	-379.5	-133.5
Depreciation, amortisation and impairment	4.1., 4.3., 4.4.	-30.1	-11.7
Employee benefits	3.7.	-101.7	-39.8
Other operating expenses	3.4.	-83.4	-51.2
Share in results of associated companies and joint ventures	2.4.	12.0	27.3
<b>Operating profit</b>		<b>-5.0</b>	<b>17.5</b>
Financial income	3.6.	9.5	9.5
Financial expenses	3.6.	-31.1	-15.8
<b>Profit before tax</b>		<b>-26.6</b>	<b>11.3</b>
Income taxes	7.1.	6.3	3.9
<b>Profit for the period from the continuing operations</b>		<b>-20.3</b>	15.2
<b>Discontinued operations</b>			
<b>Profit for the period from the discontinued operations</b>	2.3.	<b>-20.3</b>	<b>55.4</b>
<b>Profit for the period</b>		<b>-20.3</b>	<b>70.6</b>
<b>Profit for the period attributable to:</b>			
Equity holders of the parent		-10.9	79.8
Non-controlling interests		-9.4	-9.2
		<b>-20.3</b>	<b>70.6</b>



# Consolidated Statement of Comprehensive Income

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MEUR	Note	2023	2022
<b>Profit for the period</b>		<b>-20.3</b>	70.6
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to statement of income</b>			
Remeasurement of defined benefit plans	3.8.	0.0	-0.8
Related tax	3.8.	0.0	0.1
Remeasurement of defined benefit plans from discontinued operations	2.3.	0.0	0.4
Share of other comprehensive income of associates	2.4.	0.0	-0.4
Reclassification of OCI of associate	2.4.	0.0	
		-0.1	-0.7
<b>Items that may be reclassified subsequently to statement of income</b>			
Exchange differences on translation of foreign operations		3.2	-24.1
Hedges - net change in fair value	6.3.	-7.1	20.4
Share of other comprehensive income of associates	2.4.	-4.7	0.5
Reclassification of OCI of associate	2.4.	0.0	22.3
		-8.5	19.1
<b>Other comprehensive income for the period, net of tax</b>	6.2.	<b>-8.6</b>	<b>18.4</b>
<b>Total comprehensive income for the period, net of tax</b>		<b>-28.9</b>	<b>88.9</b>
<b>Total comprehensive income attributable to:</b>			
Equity holders of the parent		-20.5	100.6
Non-controlling interests		-8.4	-11.7
		<b>-28.9</b>	<b>88.9</b>

# Consolidated Statement of Financial Position

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MEUR	Note	December 31, 2023	December 31, 2022
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill	4.1., 4.2.	34.7	29.4
Intangible assets	4.1.	86.7	99.2
Property, plant and equipment	4.3.	239.4	213.4
Investment properties	4.5.	192.9	179.8
Biological assets	4.6.	176.9	168.5
Investments in associates	2.4.	619.1	620.0
Non-current financial assets	6.4.	131.5	136.4
Deferred tax assets	7.2.	16.4	11.3
		<b>1.497.5</b>	<b>1.458.0</b>
<b>Current assets</b>			
Inventories	5.1.	89.2	122.0
Trade and other receivables	3.1., 5.2.	97.8	92.5
Current tax receivable		2.9	3.5
Other current financial assets	5.3.	0.0	3.0
Cash and cash equivalents	5.3.	88.1	108.3
		<b>278.0</b>	<b>329.4</b>
<b>Total assets</b>		<b>1.775.5</b>	<b>1.787.4</b>

MEUR	Note	December 31, 2023	December 31, 2022
<b>Equity and liabilities</b>			
<b>Equity attributable to equity holders of the parent</b>	6.2.		
Share capital		39.0	38.8
Share premium		12.8	12.8
Reserve for invested non-restricted equity		111.5	104.3
Treasury shares		-5.2	-53.0
Reserves		12.6	18.1
Foreign currency translation reserve		2.5	3.0
Retained earnings		893.2	988.2
<b>Total equity</b>		<b>1.066.3</b>	<b>1.112.2</b>
Non-controlling interests		66.0	71.5
		<b>1.132.3</b>	<b>1.183.7</b>
<b>Non-current liabilities</b>			
Interest-bearing loans and borrowings	6.4.	381.0	311.2
Net employee defined benefit liabilities	3.8.	9.7	13.1
Provisions	5.4.	2.5	2.7
Deferred tax liabilities	7.2.	73.4	86.9
Other liabilities	6.4.	7.4	0.6
		<b>474.0</b>	<b>414.5</b>
<b>Current liabilities</b>			
Interest-bearing loans and borrowings	6.4.	31.0	36.5
Trade and other payables	5.5.	132.5	145.5
Provisions	5.4.	3.0	1.7
Current tax liability		2.6	5.5
		<b>169.2</b>	<b>189.2</b>
<b>Total liabilities</b>		<b>643.2</b>	<b>603.7</b>
<b>Total equity and liabilities</b>		<b>1.775.5</b>	<b>1.787.4</b>



# Consolidated Statement of Changes in Equity

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## Equity attributable to owners of the parent company

MEUR	Note	Share capital	Share premium	Reserve for invested non-restricted equity	Treasury shares	Fair value reserve	Hedging reserve	Legal reserve	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
<b>Equity January 1, 2023</b>		<b>38.8</b>	<b>12.8</b>	<b>104.3</b>	<b>-53.0</b>	<b>0.0</b>	<b>18.1</b>	<b>0.0</b>	<b>3.0</b>	<b>988.2</b>	<b>1,112.2</b>	<b>71.5</b>	<b>1,183.7</b>
Profit for the period										-10.9	-10.9	-9.7	-20.6
Other comprehensive income	2.1., 6.2.					0.1	-9.5		-0.5	0.0	-9.9	1.3	-8.6
<b>Total comprehensive income</b>		<b>38.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>-9.5</b>	<b>0.0</b>	<b>-0.5</b>	<b>-10.8</b>	<b>-20.8</b>	<b>-8.4</b>	<b>-29.2</b>
<b>Transactions with owners</b>													
Issue of share capital	6.2.			7.2							7.2	4.0	11.2
Acquisition of treasury shares	6.2.				-4.5						-4.5		-4.5
Invalidation of treasury shares	6.2.				52.3					-52.3	0.0		0.0
Dividends paid										-28.6	-28.6	-0.4	-28.9
Reclassifications	6.2.	0.0	0.0				3.9			-3.9	0.0	-1.4	-1.4
Share of direct equity entries in associates	6.2.									-0.1	-0.1		-0.1
Other changes	6.2.	0.2	0.0							0.6	0.8	0.6	1.5
<b>Total transactions with owners</b>		<b>0.2</b>	<b>0.0</b>	<b>7.2</b>	<b>47.8</b>	<b>0.0</b>	<b>3.9</b>	<b>0.0</b>	<b>0.0</b>	<b>-84.3</b>	<b>-25.2</b>	<b>2.9</b>	<b>-22.3</b>
Change in non-controlling interests													
<b>Equity December 31, 2023</b>		<b>77.8</b>	<b>12.8</b>	<b>111.5</b>	<b>-5.2</b>	<b>0.2</b>	<b>12.5</b>	<b>0.0</b>	<b>2.5</b>	<b>893.1</b>	<b>1,066.2</b>	<b>66.0</b>	<b>1,132.3</b>
<b>Equity January 1, 2022</b>		<b>38.8</b>	<b>12.8</b>	<b>104.3</b>	<b>-1.1</b>	<b>0.0</b>	<b>-1.3</b>	<b>3.6</b>	<b>1.5</b>	<b>943.0</b>	<b>1,101.5</b>		<b>1,101.5</b>
Comprehensive income													
Profit for the year										79.8	79.8	-9	70.6
Other comprehensive income, net of tax	6.2.					0.0	19.4		1.5	-0.1	20.8	-2	18.4
<b>Total comprehensive income</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>19.4</b>	<b>0.0</b>	<b>1.5</b>	<b>79.7</b>	<b>100.7</b>	<b>-11.7</b>	<b>89.0</b>
<b>Transactions with owners</b>													
Acquisition of treasury shares	6.2.				-53.0						-53.0		-53.0
Invalidation of treasury shares	6.2.				1.1					-1.1	0.0		0.0
Dividends paid										-32.3	-32.3		-32.3
Acquisition and disposal of subsidiary		0.0	0.0					-4.2		-0.4	-4.6		-4.6
Reclassifications	6.2.		0.0					0.6		-0.6	0.0		0.0
Share of direct equity entries in associates	6.2.									-0.1	-0.1		-0.1
<b>Total transactions with owners</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-51.9</b>	<b>0.0</b>	<b>0.0</b>	<b>-3.6</b>	<b>0.0</b>	<b>-34.4</b>	<b>-89.9</b>	<b>0.0</b>	<b>-89.9</b>
Change in non-controlling interests												83.2	83.2
<b>Equity December 31, 2022</b>		<b>38.8</b>	<b>12.8</b>	<b>104.3</b>	<b>-53.0</b>	<b>0.0</b>	<b>18.1</b>	<b>0.0</b>	<b>3.0</b>	<b>988.2</b>	<b>1,112.2</b>	<b>71.5</b>	<b>1,183.7</b>

# Consolidated Statement of Cash Flows

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MEUR	Note	2023	2022
<b>Operating activities</b>			
Profit for the period		-20.3	70.6
Adjustments to reconcile profit to net cash flows			
Depreciation, amortisation and impairment		30.1	20.7
Gains and losses on disposal of intangible and tangible assets and other non-current assets		-0.8	-48.6
Share in results of associated companies and joint ventures		-12.0	-27.3
Unrealised foreign exchange gains and losses		-0.5	-7.3
Change in fair value of investment properties and biological assets	4.5., 4.6.	12.8	12.6
Other non-cash items	3.2.	-5.2	-25.5
Financial income and expenses	3.6.	22.2	12.7
Income taxes	7.1.	-6.3	-1.2
Other adjustments		-1.0	6.8
Change in working capital			
Change in inventories		33.3	-46.3
Change in trade and other receivables		28.8	-75.6
Change in trade and other payables		-27.2	83.0
Change in provisions		-2.3	-3.1
Interest paid		-21.1	-8.3
Dividends received		12.3	14.3
Interest received		7.1	2.0
Other financing items		-13.3	20.6
Income taxes paid		-1.4	-26.2
<b>Net cash flows from operating activities</b>		<b>35.1</b>	<b>-26.0</b>

MEUR	Note	2023	2022
<b>Investing activities</b>			
Acquisition of subsidiaries, net of cash acquired	2.2.	-29.6	-215.9
Disposal of subsidiaries, net of cash disposed of	2.3.	0.0	93.4
Investment in associated companies	2.4.	-13.1	-102.7
Purchase of financial investments		-1.0	-3.2
Proceeds from financial investments		4.9	0.2
Investments in tangible and intangible assets	4.1., 4.3.	-45.3	-49.4
Disposal of tangible and intangible assets		-0.5	3.9
Loans granted		0.0	-0.6
Repayment of loan receivables	6.4.	0.0	0.1
<b>Net cash flows from / used in investing activities</b>		<b>-84.6</b>	<b>-274.2</b>
<b>Financing activities</b>			
Proceeds received from share issues	7.3.	7.4	0.0
Loan withdrawals, non-current	6.4.	69.2	240.6
Loan repayments, non-current	6.4.	-1.0	-1.1
Loan withdrawals, current	6.4.	1.9	27.8
Loan repayments, current	6.4.	-17.3	-5.0
Purchase of treasury shares		-4.5	-53.0
Capital investment by non-controlling interests		4.0	19.5
Payment of lease liabilities	4.4.	-1.8	-4.3
Dividends paid	6.2.	-28.5	-32.3
<b>Net cash flows from / used in financing activities</b>		<b>29.2</b>	<b>192.3</b>
<b>Net change in cash and cash equivalents</b>		<b>-20.3</b>	<b>-107.9</b>
Cash and cash equivalents on January 1		108.3	215.1
Net foreign exchange difference		0.0	1.2
<b>Cash and cash equivalents on December 31</b>		<b>88.1</b>	<b>108.3</b>



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## 1.1. Corporate information

A. Ahlström Corporation is a family-owned industrial owner, founded in 2001, with core investments in the global space of forest and fiber technologies. The company creates long-term shareholder value by active business development also in the domains of environmental technologies, real estate, and financial investments. Companies consolidated as subsidiaries and referred to as portfolio companies, operate as independent subgroups. A. Ahlström Corporation is an active and responsible owner who develops the portfolio companies to create long-term shareholder value (see Note 6.1). A. Ahlström Corporation is domiciled in Helsinki (Finland). The registered address is Eteläesplanadi 14, 00130 Helsinki.

A. Ahlström's Extraordinary General Meeting was held on November 25, 2022. The general meeting approved the plan according to which Antti Ahlström Perilliset Oy merged with A. Ahlström Corporation. The purpose of the merger is to create a strong Ahlström family business. In connection with the merger, the name of the parent company changed from Ahlström Capital Oy to A. Ahlström Corporation from March 1, 2023.

A. Ahlström Corporation acquired 84.88% shares of Metsäkonepalvelu Oy on December 19, 2023. Metsäkonepalvelu offers mechanical timber harvesting services in Finland and in Sweden. The customers include large Nordic forest companies, large private forest owners and the public sector. Metsäkonepalvelu's headquarter is in Hämeenlinna and the company operates in Southern and Central Finland and the area around Eksjö in Sweden. Metsäkonepalvelu is consolidated 100% to A. Ahlström group.

The consolidated financial statements of A. Ahlström Corporation (parent company) and its subsidiaries, associates, and joint ventures (collectively, A. Ahlström group) for the year ended December 31, 2023 were authorised for issue in accordance with a resolution of the Board of Directors on March 7, 2024. Under the Finnish Limited Liability Companies Act, shareholders may approve or reject the financial statements at the General Meeting held following their publication. The General Meeting may also take the decision to amend the financial statements.

The consolidated financial statements are available at [www.aahlstrom.com](http://www.aahlstrom.com) and at the parent company's head office at Eteläesplanadi 14, 00130 Helsinki.

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

## 1.2. Basis of preparation

The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) by applying IAS and IFRS standards effective on December 31, 2023 and their SIC and IFRIC interpretations. International Financial Reporting Standards refer to the standards, and their interpretations, approved for application in the EU in accordance with the procedures stipulated in the EU's regulation (EC) No. 1606/2002 and embodied in Finnish accounting legislation and the statutes enacted under it. The notes to the consolidated financial statements also comply with the Finnish accounting and corporate legislation.

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

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

### Current versus non-current classification

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

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

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

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### Foreign currencies

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

### Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange ruling at the reporting date. Foreign currency differences of monetary items are recognised in statement of income. Foreign exchange gains and losses that are recognised in statement of income as financial income and expense are presented at net amounts. Exchange differences of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation are recognised in other comprehensive income. When the net investment is disposed of, the cumulative amount is reclassified to statement of income. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

### Foreign operations

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

### Borrowing costs

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

### Impairment of non-financial assets

A. Ahlström group assesses, at each reporting date whether there is an indication of an asset being impaired. If any indication is shown, or when annual impairment testing for an asset is

required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

A. Ahlström group bases its impairment calculation on detailed budgets and forecast calculations, prepared separately for each of the CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

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

## 1.3. Significant accounting judgments, estimates and assumptions

The preparation of the A. Ahlström group's consolidated financial statements requires the Management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of



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contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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

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

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

Segment information

A. Ahlström group elects not to disclose segment information in its consolidated financial statements. Disclosing segment information is not mandatory according IFRS 8 for A. Ahlström group since the

parent, A. Ahlström Corporation, does not have any publicly traded equity or debt instruments. Instead, voluntary other financial information on the segment will be disclosed (a)-(e) below.

a) External Fair Value (EFV) of the share

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

b) Loan-to-value ratio (LTV)

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

c) Comparable Operating Profit

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

d) Comprehensive operating profit – COP

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

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#### e) Total return

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

### 1.4. New and amended IFRS standards

The group has evaluated the new and amended standards that have entered into force on January 1, 2023. These standards have not had a material impact on the A. Ahlström group.

New and amended standards or interpretations of financial statement presentation and annual improvements to IFRS standards that come into effect on or after 1 January 2024 are evaluated in A. Ahlström group. These standards and interpretations are adopted if they are applicable to the group.



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Note 2.1. Group information

Information about subsidiaries, associated companies, and joint ventures

The consolidated financial statements include:

Subsidiaries	Country of incorporation	Activities	% equity interest	
			2023	2022
A. Ahlström Kiinteistöt Oy	Finland	Real Estate	100	100
Keskinäinen Kiinteistöosakeyhtiö Uudenmaankatu 24	Finland	Holding	100	100
H11 Holding Oy	Finland	Holding	100	100
Kiinteistö Oy Hankasuontie 11A	Finland	Real Estate	100	100
A. Ahlström Asunnot Oy	Finland	Real Estate	100	100
Rakennus Oy Kivipalatsi	Finland	Real Estate	100	100
Kiinteistö Oy Lahden Kulmala	Finland	Holding	100	100
Ratapihankatu Holding Oy	Finland	Holding	100	100
Kiinteistö Oy Tampereen Ratapihankatu 21	Finland	Real Estate	100	100
Kiinteistö Oy Tampereen Ratapihankatu 33	Finland	Real Estate	100	100
Kiinteistö Oy Tampereen Vellamonkatu 2	Finland	Real Estate	100	100
Eura Solar Oy	Finland	Holding	100	
Ahlström Konsernipalvelut Oy	Finland	Holding	100	100
AC Cleantech Management Oy	Finland	Holding	100	100
AC Cleantech Growth Fund I Holding AB	Sweden	Holding	100	29

Subsidiaries	Country of incorporation	Activities	% equity interest	
			2023	2022
Ahlstrom Capital B.V.	Netherlands	Holding	100	100
AC Invest Nine B.V.	Netherlands	Holding	100	100
M&J Management Holding ApS	Denmark	Holding	74	74
M&J Recycling Group ApS	Denmark	(Recycling) Holding	97.35	97.35
M&J Denmark A/S	Denmark	Production and sales	97.35	97.35
M&J Germany GmbH	Germany	Production and sales	97.35	97.35
M&J Technology Environmental Equipment (Shanghai) Co., Ltd.	China	Production and sales	97.35	97.35
M&J USA Inc.	United States	Production and sales	97.35	97.35
M&J Denmark Properties A/S	Denmark	Production and sales	97.35	97.35
Munksjö Group	Sweden	(Decor) Holding	60	60
Munksjö Paper AB	Sweden	Holding	60	60
Ahlström-Munksjö Germany Holding GmbH	Germany	Holding	60	60
Munksjö Unterkochen GmbH	Germany	Production and sales	60	60
Kraftwerksgesellschaft Unterkochen GmbH	Germany	Production and sales	36	36
Munksjö Dettingen GmbH	Germany	Production and sales	60	60
Hebei Minglian New Materials Technology Co., Ltd	China	Production and sales	36	36
Munksjo Spain Holding, S.L.U	Spain	Holding	60	60
Munksjo Tolosa S.A.U.	Spain	Production and sales	60	60
Caieiras Industria e Comercio de Papeis Especiais Ltda	Brazil	Production and sales	60	60
Munksjö Arches SAS	France	Production and sales	60	60
Munksjo USA Inc.	United States	Sales office	60	60
DutchCo Alpha Holding B.V.	Netherlands	Holding	100	100
AC Bucharest Real Estate Holding B.V.	Netherlands	Holding	100	100
BDY Invest S.R.L	Romania	Real Estate	100	100
Kasarmi Real Estate Holding B.V.	Netherlands	Holding	100	100
DutchCo Epsilon Holding B.V.	Netherlands	Holding	100	100
Ahlström Acquisition Company Oy	Finland	Holding	100	
Metsäkonepalvelu Oy *	Finland	Production and sales	84.88	
MKP Sverige AB *	Sweden	Production and sales	84.88	

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Associated companies	Country	Activities	% equity interest	
			2023	2022
Detection Technology Plc	Finland	Production and sales	36	36
Glaston Corporation	Finland	Production and sales	26.4	26.4
Suominen Corporation	Finland	Production and sales	24	24
Ahlström Invest B.V.	Netherlands	Holding	23.82	24.1
Avain Yhtiöt Oy **	Finland	Holding	30.2	25.2
Avain Asumisoikeus Holding Oy **	Finland	Holding	30.2	
Kymiring Oy	Finland	Holding	-	44
GPV Group A/S	Denmark	Production and sales	20	20
Bast Fibre Technologies	Canada	Production and sales	24.41	24.41
<b>Joint ventures</b>			100	100
Åbyntie Gp Oy	Finland	Holding	50	50
Åbyntien Kiinteistöt Ky	Finland	Holding	50	50
Kiinteistö Oy Espoon Erica	Finland	Real Estate	40.5	40.5
<b>Divestments, liquidations, mergers</b>				
AC Cleantech Growth Fund I Ky	Finland	Holding	Liquidated	29

\* Metsäkonepalvelu has been consolidated 100% into the A. Ahlström group. A. Ahlström Corporation has an option to acquire minority shares, and it has been recorded as a liability.

\*\* Avain Yhtiöt Oy carried out a reorganization of the group structure at the end of the fiscal year 2023, which separates the business related to right-of-occupancy apartments into its own group. The demerger does not affect the A. Ahlström group financial statements.

### Non-controlling interests

A. Ahlström group includes subsidiaries in which there are non-controlling interests. A material non-controlling interest of 40% (40) is in Munksjö Paper Holding AB and its subsidiaries.

Munksjö offers decor papers which are primarily used as the decorative surface material. Key markets are Europe, North and South America, China, and selected export markets. Munksjö Group has around 1,200 employees.

The following are Munksjö Group's figures for the reporting period. There were no acquisitions which impacted the equity attributable to A. Ahlström Corporation's equity holders during the reporting period.

MEUR	Net profit	Revenue	Assets
Munksjö Group	-39.2	568.9	472.8

### Shares on non-controlling interest

MEUR	2023	2022
January 1	71.5	
Acquisitions		83.2
Other changes	3.0	
Share of profit (loss) for the period	-9.9	-9.2
Share of other comprehensive income, net of tax	1.3	-2.5
<b>December 31</b>	<b>65.9</b>	<b>71.5</b>

### Accounting policies

#### Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as per December 31, 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Usually the control is formed when an entity holds 50% (or more) of the voting rights. Specifically, the Group controls an investee if and only if the Group has:

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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities,

income and expenses of a subsidiary acquired or disposed during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated statement of income and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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



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2.2. Acquisitions

Acquisitions in 2023

On December 19, 2023, A. Ahlström Corporation acquired 84,88% shareholding of Metsäkonepalvelu Oy. The acquisition is a good addition to A. Ahlström Corporation's strategic core sector built around forest and fiber companies. Metsäkonepalvelu is the largest harvesting services platform in Finland and also has a strategic foothold in the Swedish market.

The total consideration of the acquisition was EUR 32.05 million. 25.7 MEUR was paid in cash. 6.35 MEUR have been presented as liability.

Investments in associated companies and in real estate joint ventures in 2023 are presented in Note 2.4.

Assets acquired and liabilities assumed in 2023

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

FAIR VALUE RECOGNISED ON ACQUISITION

MEUR	Metsäkonepalvelu Group
<b>Assets</b>	
Other intangible assets	10.1
Property, plant and equipment	28.2
Biological assets	0.4
Inventories	0.1
Trade and other receivables	5.2
Cash and cash equivalents	3.5
	47.6
<b>Liabilities</b>	
Interest-bearing loans and borrowings	9.7
Deferred tax liabilities	4.0
Trade and other payables	6.9
Current tax liability	0.3
	20.9
<b>Total identifiable net assets at fair value</b>	<b>26.7</b>
Goodwill arising on acquisition	5.4
Purchased equity	26.7
<b>Purchase consideration transferred</b>	<b>38.4</b>

Accounting policies

Business combinations are accounted for using the acquisition method. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. The cost of an acquisition is the aggregate of the consideration transferred at the fair value of the acquisition date and the amount of any non-controlling interest in the acquiree.

For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in other operating expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and valuation in accordance with the contractual terms, economic circumstances and pertinent

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conditions as per the acquisition date. If the business combination is achieved in stages, the previously held equity interest is remeasured at the fair value of its acquisition date and any resulting gain or loss is recognised in the statement of income.

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

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration

transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed.

#### Significant accounting judgments, estimates and assumptions

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

## 2.3. Discontinued operations

### 2022

In June 2022 A. Ahlström Corporation announced that it has agreed to sell 100% of the shares in Enics to GPV Group A/S. The acquisition was closed on October 1, 2022. Enics was in A. Ahlström Corporation's ownership since 2005.

### PROFIT FOR THE YEAR FROM THE DISCONTINUED OPERATIONS

MEUR	1-9/2022
Revenue	558.6
Expenses	-548.3
	10.3
Profit on sale of shares	47.8
<b>Profit before tax for the year from discontinued operations</b>	<b>58.1</b>
Income taxes	-2.8
<b>Profit for the year from discontinued operations</b>	<b>55.4</b>

### THE NET CASH FLOWS FROM DISCONTINUED OPERATIONS

MEUR	1-9/2022
Net cash flow from operating activities	-23.1
Net cash flow from/used in investing activities	83.4
Net cash flow from/used in financing activities	24.4
<b>Net cash flows</b>	<b>84.7</b>

### DISCONTINUED OPERATIONS, EFFECT ON THE STATEMENT OF FINANCIAL POSITION

MEUR	30.9.2022
Non-current assets	77.8
Inventories	220.6
Other receivables	133.2
Cash and cash equivalents	34.3
Financial liabilities	-135.5
Trade payables and other liabilities	-232.1
<b>Net assets</b>	<b>98.3</b>
Consideration received less costs to sell	126.6
Cash and cash equivalents of discontinued operations	-34.3
<b>Net cash inflows</b>	<b>92.4</b>



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### Accounting policies

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

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

Such non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value

less costs to sell. Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

A discontinued operation is a substantial component of entity that either has been disposed of or is classified as held for sale. Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of income. The comparative figures are restated accordingly. The comparative figures for the statement of financial position are not restated.

2.4. Investments in associated companies and joint ventures

Industrial investments

**Ahlström Invest**  
Ahlström Invest is a family investment company. It actively manages its holding in Ahlstrom and invests with a strong sustainable focus in public and private markets. A. Ahlström recognises the share of Ahlström Invest’s profit or loss in the statement of income according to the equity method. At the end of December 2023, the group had a 23.8% interest in Ahlström Invest.

**Suominen**  
At the end of December 2023 the group had a 24.0% interest in Suominen Oyj. Suominen is a globally leading supplier in nonwovens industry. The company manufactures nonwovens as roll goods for wipes and for hygiene products and medical applications. Suominen’s shares are listed on Nasdaq Helsinki Ltd.

**Detection Technology**  
At the end of December 2023 the group had a 36.0% interest in Detection Technology. Detection Technology is a global provider of X-ray imaging subsystems, components and services for medical, security and industrial applications. Detection Technology prepares its Financial Statements according to Finnish Accounting Act. Detection Technology’s shares are listed on Nasdaq First North Growth Market Finland marketplace.

**Glaston**  
At the end of December 2023 the group had a 26.4% interest in Glaston. Glaston is a frontrunner in glass industry technologies and services, responding globally to the glass processing needs of the architectural, solar, display and automotive industries. The company also supports the development of emerging technologies integrating intelligence to glass. Glaston’s shares are listed on Nasdaq Helsinki Ltd.

**GPV**  
At the end of December 2023 the group had a 20.0% interest in GPV. GPV is the second largest electronics manufacturing services provider in Europe. The company has a strong focus on industrial electronics, box-build mechatronics products, and turnkey products.

**Bast Fibre Technologies**  
At the end of December 2023 the group had a 24.41% interest in Bast Fibre Technologies. BFT is a triple-bottom-line cleantech fibre engineering firm that places equal emphasis on social, environmental, and fiscal responsibility. The company is a manufacturer of 100% plant-based, intact natural fibres with the technical and performance requirements for a wide variety of nonwoven applications.

**Cleantech Fund**  
In 2023, the assets of the Cleantech fund were surveyed and the investors jointly approved the final distribution of the assets. Cleantech Fund is no longer handled as an associated company.

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Real estate investments

**Avain Yhtiöt**  
At the end of December 2023 the group had a 30.2% interest in Avain Yhtiöt. Avain Yhtiöt is a Finnish group specializing in building and owning apartments. The company owns more than 10,000 apartments. The company carried out a reorganization of the group structure at the end of the fiscal year 2023, which separates the business related to right-of-occupancy apartments into its own group.

**Åbyntien Kiinteistöt**  
At the end of December 2023 the group had a 50.0% interest in Åbyntien Kiinteistöt together with Alternative investment fund Terrieri Kiinteistöt Ky, managed by S-Bank.

**Kiinteistö Oy Espoon Erica**  
At the end of December 2023 the group had a 40.5% interest in Kiinteistö Oy Espoon Erica. It is a joint venture real estate investment together with Aktia Life Insurance and Church Pension Fund. The anchor tenant in a new building in Finnoo Espoo, will be Kemira Oyj. Kiinteistö Oy Espoon Erica is scheduled for completion in 2025. The group's total investment commitment is EUR 35.0 million. The contruction project of Erica is at early stage. In 2023, A. Ahlström Kiinteistöt Oy provided management services to the company, EUR 0.2 million.

**Kymiring**  
Kymiring has been filed for bankruptcy during the fiscal year.

CHANGES IN INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

MEUR	2023	2022
Opening balance	620.0	506.3
Translation difference	-0.6	-1.5
Share of profit/loss	12.6	28.7
Share of other comprehensive income items	-4.7	0.1
Share of direct adjustments to equity	-0.1	-0.1
Dividends and return of equity	-16.6	-14.3
Additions	13.1	102.7
Impairment	-4.6	-1.4
Reclassifications	0.0	-0.7
Closing Balance	619.1	620.0

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## Summarised financial information for significant associates

SUMMARISED STATEMENT OF COMPREHENSIVE INCOME	Ahlström Invest		Suominen		Detection Technology		Glaston		GPV		Bast Fibre Technologies		Avain Yhtiöt*		Äbyntien Kiinteistöt	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
MEUR																
Revenue	0.8	0.6	450.9	493.3	103.8	98.6	219.7	213.5	1,402.6	795.5	12.5	12.8	126.5	98.5	3.4	3.2
Operating profit/loss	-3.2	-3.5	-2.8	-4.2	8.8	5.8	8.1	7.6	57.8	38.9	-11.3	-7.8	33.1	43.2	2.3	2.2
<b>Profit/loss for the period</b>	<b>33.3</b>	<b>98.3</b>	<b>-12.8</b>	<b>-13.9</b>	<b>5.5</b>	<b>5.1</b>	<b>5.0</b>	<b>3.1</b>	<b>22.1</b>	<b>21.1</b>	<b>-10.9</b>	<b>-9.0</b>	<b>10.2</b>	<b>19.0</b>	<b>0.9</b>	<b>1.4</b>
Other comprehensive income																
Items that will not be reclassified to statement of income							-0.1	-1.7								
Items that may be reclassified subsequently to statement of income			2.6	8.3			-0.2	1.1			0.0	-0.5	-8.4			
<b>Total comprehensive income for the period</b>	<b>33.3</b>	<b>98.3</b>	<b>-10.3</b>	<b>-5.6</b>	<b>5.5</b>	<b>5.1</b>	<b>4.9</b>	<b>2.6</b>	<b>22.1</b>	<b>21.1</b>	<b>-10.8</b>	<b>-9.5</b>	<b>1.8</b>			

SUMMARISED STATEMENT OF FINANCIAL POSITION	Ahlström Invest		Suominen		Detection Technology		Glaston		GPV		Bast Fibre Technologies		Avain Yhtiöt*		Äbyntien Kiinteistöt	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
MEUR																
Current assets	450.2	449.8	168.5	188.9	77.8	84.2	88.3	87.1	693.7	744.4	9.0	16.6		52.6	1.2	0.7
Non-current assets	838.8	843.7	148.0	154.5	16.7	7.2	108.2	107.8	326.8	318.0	17.8	18.7		1,633.8	34.3	34.7
Current liabilities	3.1	1.7	122.3	122.9	17.3	18.6	92.2	87.1	643.8	708.4	9.1	5.9		79.8	0.6	0.4
Non-current liabilities	90.0	90.0	69.3	74.6	4.4		35.0	39.3	52.8	48.9	12.1	15.2		1,224.5	22.6	22.6
<b>Equity</b>	<b>1,195.9</b>	<b>1,201.8</b>	<b>124.9</b>	<b>145.9</b>	<b>72.8</b>	<b>72.8</b>	<b>69.3</b>	<b>68.5</b>	<b>323.9</b>	<b>305.1</b>	<b>5.6</b>	<b>14.2</b>		<b>382.1</b>	<b>12.3</b>	<b>12.4</b>

INVESTMENTS IN ASSOCIATES	Ahlström Invest		Suominen		Detection Technology		Glaston		GPV		Bast Fibre Technologies		Avain Yhtiöt*		Äbyntien Kiinteistöt	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
MEUR																
Group's share of the profit/loss for the period	8.0	23.7	-3.1	-3.3	0.9	-0.4	1.3	0.8	4.4	0.9	-2.7	-0.5	3.4	8.9	-0.1	0.7
Group's share of the other comprehensive income			-0.6	2.0	-0.9	-0.3	0.0	-0.1	0.0	0.0	-0.6	-1.5				
Carrying amount of the investment	282.5	286.3	45.6	50.5	93.5	94.5	31.3	31.0	78.3	73.9	15.4	18.2	54.1	50.4	8.8	9.3
Fair value of the investment	387.2	391.9	39.8	41.9	72.3	89.2	16.5	20.0	73.0	73.0	12.9	20.3	34.8	36.7	8.7	8.9
Interest held	23.8%	24.1%	24.0%	24.0%	36.0%	36.0%	26.4%	26.4%	20.0%	20.0%	24.4%	24.4%	30.2%	25.2%	50.0%	50.0%
Dividend received	7.4		1.4	2.8	1.1	1.8	0.9						1.0	0.8	0.4	1.0

\* Avain Yhtiöt preliminary figures 2023, includes non-controlling interest. Preliminary Balance Sheet 2023 not available.



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## Accounting policies

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

In joint arrangements two or more parties exercise joint control. This is the contractually agreed sharing of control of an arrangement which exists only when decisions about the relevant activities require unanimous consent of the parties' distribution control.

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

The group's investments in its associates and joint ventures are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the group's share of the net assets of the associate or joint venture as of the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying

amount of the investment and is neither amortised nor individually tested for impairment.

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

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

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

At each reporting date, the group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the group tests the amount of impairment as the difference

between the recoverable amount of the associate or joint venture and its carrying value, then recognises the loss as 'share of profit of an associate and a joint venture' in the statement of income.

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

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### 3.1. Revenue from contracts with customers

#### Revenue recognition

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

#### DISTRIBUTION OF REVENUE BY BUSINESS

MEUR	2023	2022
Decor *	472.5	109.4
Recycling	69.5	65.8
Forestry	13.3	11.6
Real estate	9.5	9.0
Others	3.4	2.7
	<b>568.3</b>	<b>198.5</b>

\*2022 revenue started to accumulate only in October after the acquisition of Munksjö

#### DISTRIBUTION OF REVENUE BY GEOGRAPHICAL AREA

##### 2023

MEUR	Decor	Recycling	Forestry	Real Estate	Others	Total
Finland	0.8	0.0	13.3	9.5	2.6	26.3
Other Europe	250.9	38.4			-0.1	289.2
Rest of the world	220.8	31.1			0.8	252.8
	<b>472.5</b>	<b>69.5</b>	<b>13.3</b>	<b>9.5</b>	<b>3.4</b>	<b>568.3</b>

##### 2022

MEUR	Decor	Recycling	Forestry	Real Estate	Others	Total
Finland	0.2	0	11.6	9.0	2.1	22.9
Other Europe	61.4	36.1			0.4	97.8
Rest of the world	47.8	29.7			0	77.8
	<b>109.4</b>	<b>65.8</b>	<b>11.6</b>	<b>9.0</b>	<b>2.7</b>	<b>198.5</b>

#### Timing of the revenue recognition

A. Ahlström group recognises the revenue from projects and from sale of goods and services based on timing of the transfer of the control either over time or at point in time.

The revenue recognition policy for M&J Recycling has been changed from point in time to over time as of January relating to installation of machines. The M&J group recognised 100% of its revenue at a point in time during year 2022.

##### 2023

MEUR	Decor	Recycling	Forestry	Real Estate	Others	Total
At a point in time	472.5	31.4	13.3	9.5	3.4	557.5
Over time		38.1				
	<b>472.5</b>	<b>69.5</b>	<b>13.3</b>	<b>9.5</b>	<b>3.4</b>	<b>557.5</b>

##### 2022

MEUR	Decor	Recycling	Forestry	Real Estate	Others	Total
At a point in time	109.4	65.8	11.6	9.0	2.7	198.5
Over time						
	<b>109.4</b>	<b>65.8</b>	<b>11.6</b>	<b>9.0</b>	<b>2.7</b>	<b>198.5</b>

#### TRANSACTION PRICE ALLOCATED TO THE REMAINING OBLIGATION

MEUR	2023	2022
Within one year	1.8	
More than one year		
	1.8	0.0

#### CONTRACT BALANCES

MEUR	2023	2022
Contract assets	1.8	
Contract liabilities	-0.6	
	1.1	0.0

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The change in receivables and payables based on customer contracts is due to the invoicing of ongoing projects and the usual project periods. Contract assets mainly consist of services already performed at the time of the group's financial statements, but not invoiced. Contract assets are transferred to receivables when they have been invoiced. Contractual liabilities consist of payments received from customers.

#### Accounting policies

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

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

The group recognises the revenue over time when one of the following criteria is met:

- The customer simultaneously receives and consumes the goods or services as the group provides it;
- The customer controls over an asset as it is created by the group; or
- The group's performance does not create an asset with an alternative use to the group and the group has a right to payment for performance.

If the group does not satisfy its performance obligation over time, revenue is recognised at point in time. Revenue from sale of materials and services is recognised when the asset and the control over an asset are transferred to

a customer. Usually this criteria is fulfilled at delivery of goods or services.

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

Goods and services sold by Recycling business are recognised either over time or at point in time. Over Time revenue recognition is recognized gradually over time as the customer receives the benefits of the company's performance. At point in time revenue is recognised when the risk for the goods is transferred to the customer according to Incoterms, the price is fixed and determinable and recoverability is reasonably assured (usually prepaid) and the company assumes no significant obligations after shipment.

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

### 3.2. Other operating income

MEUR	2023	2022
Gain on sale of investments	0.6	0.0
Gain on sale of other tangible and intangible assets	0.2	0.5
Change in fair value of investment properties	3.1	1.1
Change in fair value of biological assets	5.2	25.6
Fair valuation of Ahlström Invest B.V., share exchange	0.0	0.5
Other	0.4	0.1
	<b>9.4</b>	<b>27.8</b>

### 3.3. Materials and services

MEUR	2023	2022
Purchases during the period	-351.3	-112.7
External services	-18.5	-10.7
Change in raw material inventories	3.0	2.7
Change in inventories of finished goods and work in progress	-12.8	-12.8
	<b>-379.5</b>	<b>-133.5</b>

### 3.4. Other operating expenses

MEUR	2023	2022
IT-expenses	-1.5	-4.8
External services	-7.2	-8.3
Non-statutory employee benefits	-0.2	-1.2
Rental expenses	-0.3	-0.2
Change in fair value of investment properties	-15.8	-13.7
Other expense items	-58.4	-23.0
	<b>-83.4</b>	<b>-51.2</b>



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

Research and development costs recognised in the Statement of Income amount to EUR -2.4 million in 2023 (-0.7). The research and development costs relate to personnel and other costs. Capitalised development expenditures during the reporting period amount to EUR 0.4 million in 2023 (0.1).

AUDITOR’S FEE

MEUR	2023	2022
Audit fee	-0.6	-0.5
Audit related services	0.0	0.0
Tax consultancy	0.0	0.0
Other services	0.0	0.0
	-0.6	-0.6

3.5. Government grants

There were no government grants received in the reporting period 2023 (0.0).

Accounting policies

Government or other grants are recognised as income on a systematic basis over the periods necessary to match them with the related costs which they are intended to compensate. Investment

grants related to acquisitions of property, plant and equipment and intangible assets are deducted from the cost of the asset in question in the statement of financial position and recognised as income on a systematic basis over the useful life of the asset in the form of reduced depreciation expense.

3.6. Financial income and expenses

FINANCIAL INCOME

MEUR	2023	2022
Interest income	6.7	2.7
Foreign exchange gain	0.3	0.0
Gain on assets at fair value through profit and loss	0.4	6.8
Change in fair value, derivatives	1.8	0.0
Other financial income	0.4	0.0
	9.5	9.5

FINANCIAL EXPENSES

MEUR	2023	2022
Interest expenses from financial liabilities	-22.4	-2.6
Interest expenses on leases	-0.3	-0.1
Impairment on investments	-5.5	-10.6
Other financial expenses	-1.4	-2.4
Foreign exchange loss	-1.4	0.0
	-31.1	-15.8

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

Accounting policies

Interest income from interest bearing financial assets at amortised cost is recorded using the effective

interest rate (EIR). Interest income is included in financial income in the statement of income. Dividend income is recognised when the Group’s right to receive the payment is established, generally when shareholders approve the dividend.

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### 3.7. Employee benefits and number of employees

#### EMPLOYEE BENEFITS

MEUR	2023	2022
Wages and salaries and other remunerations	-96.5	-36.0
Pension costs	-2.5	-2.1
Other wage-related costs	-2.7	-1.7
	<b>-101.7</b>	<b>-39.8</b>
CEO's salaries	-0.8	-1.0
of which variable compensation	-0.3	-0.6
Remunerations to Board members and Supervisory Board	-1.0	-0.5

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

#### AVERAGE NUMBER OF PERSONNEL

	2023	2022
Salaried	576	502
Blue-collar	847	922
	<b>1.423</b>	<b>1.424</b>

#### LTI program in A. Ahlström Corporation

The Board of Directors of A. Ahlström Corporation (the "Company") has since 2015 implemented a long-term incentive program for the company's management that is paid in cash. The purpose of the program is to align the objectives of shareholders and management to increase the company's value over the long term, commit the management to the company's long-term business objectives, and ensure a competitive and benchmark-sustainable level of remuneration for the management.

The company's long-term incentive program includes annual three-year earning periods. At the end of the financial year, the company has two consecutive and overlapping earning periods underway: 2022-2024 and 2023-2025. The third earning period, which ended at the end of 2023,

generated a total payable reward of 0.1 million euros. The reward for the earning period is payable in the year following its conclusion.

The Board has decided on the performance criteria for the system, the individuals included in it, and the size of the rewards for each earning period separately. The main performance criteria approved for all three earning periods are based on the development of the external fair value (EFV) of A. Ahlström Corporation's share, and in addition, for some participants, on the total return of industrial or real estate investments. The maximum amount of rewards in the incentive system varies between 100-166% of the participant's annual salary.

The impact of the long-term incentive programs on the personnel expenses of the A. Ahlström group was adjusted in 2023 by EUR -0.5 million (0.2), and the related liabilities at the end of 2023 were EUR 0.2 million (1.2).

In 2023, a new incentive program was launched for the chairman of the Board of A. Ahlström Corporation. The earning period for the program is 2023-2025, and the main performance criteria are based on the development of the external fair value (EFV) of A. Ahlström Corporation's shares, the development of the company's cash flow, the value growth of selected industrial investments, and the development of an operational metric. The maximum amount of the reward is 226% of the annual salary, and it is paid in the company's shares.

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3.8. Pension and other post-employment benefit plans

NET EMPLOYEE DEFINED BENEFIT LIABILITY

MEUR	2023	2022
Finland	0.6	0.6
Germany	7.8	8.4
France	1.2	1.2
	9.7	10.2

CHANGES IN THE DEFINED BENEFIT OBLIGATION AND FAIR VALUE OF THE PLAN ASSETS

MEUR	2023	2022
Opening Balance	10.2	2.6
Business combination		9.1
Discontinued operations		-1.8
Cost charged to statement of income		
Service cost of current period	0.1	0.0
Net interest expense	0.3	0.0
Service cost of past periods	-0.2	-0.1
Plan settlement	0.1	
Jubilee plans		
Remeasurement gains/losses in other comprehensive income		
Actuarial gains/losses	0.0	0.6
Benefits paid	-0.3	-0.2
Exchange difference	-0.7	
Closing Balance	9.7	10.2

The expected benefit payments for the following financial year are EUR 0.7 million (0.3). The main actuarial assumptions relate to discount rate and future salary increases. In the group the weighted average discount rate used is 3.66% (3.33) and weighted average increase in future salaries is 2.36% (2.55).

Accounting policies

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

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

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

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

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

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

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

Significant accounting judgments, estimates and assumptions

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



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## 4.1. Intangible assets

2023

MEUR	Goodwill	Intangible rights	Development costs	Other intangible assets	Advances paid	Total
<b>Acquisition cost</b>						
January 1	29.4	23.7	2.7	79.8	0.2	135.8
Additions			0.4	0.1		0.5
Revaluation		0.8				0.8
Business combinations	5.3			-2.1		3.2
Reclassification				0.1	-0.1	-0.1
Exchange differences	-0.1			0.1		0.0
<b>December 31</b>	<b>34.7</b>	<b>24.6</b>	<b>3.2</b>	<b>77.8</b>	<b>0.1</b>	<b>140.2</b>
<b>Accumulated amortisation and impairment</b>						
January 1		-0.9	-0.6	-5.6		-7.0
Amortisation for the year		-0.8	-0.4	-8.3		-9.5
Impairment				-2.4		-2.4
December 31		-1.7	-1.0	-16.3		-18.9
<b>Net book value December 31</b>	<b>34.7</b>	<b>22.9</b>	<b>2.2</b>	<b>61.5</b>	<b>0.1</b>	<b>121.4</b>

2022

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

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Accounting policies

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

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

Other intangible assets, e.g. customer relationships, acquired in business combinations

are recorded at fair value at the acquisition date. These intangible assets have a definite useful life and are carried at cost less accumulated straight-line amortisation over the expected life of the intangible asset.

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

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

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

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

4.2. Impairment testing of goodwill

Goodwill acquired through business combinations has been allocated to A. Ahlström group companies Metsäkonepalvelu, M&J Recycling, and Munksjö regarded as CGUs. There is no goodwill allocated to Munksjö.

The acquisition of Metsäkonepalvelu affected the amount of goodwill during 2023 and the divestment of Enics affected the amount of goodwill during 2022.

CARRYING AMOUNT OF GOODWILL ALLOCATED TO EACH OF THE CGUS

MEUR	2023	2022
Metsäkonepalvelu	5.3	0.0
M&J Recycling	29.4	29.4
	34.7	29.4

The annual impairment tests are based on valuation reports prepared by external independent valuers. In 2023, the impairment test was conducted regarding the goodwill allocated to M&J. The acquisition of Metsäkonepalvelu was completed in December 2023 and the amount of goodwill was measured at cost in initial recognition. The purchase price and the amount of goodwill generated were determined based on the assessment of the investment target, which included a comprehensive due diligence process supported by external valuers. The amount of goodwill generated was also assessed post-acquisition when allocating the purchase costs. Therefore, the impairment testing as of this reporting date is considered to have been carried out as part of that process.

Key assumptions used in value in use calculations

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

The discount rate used was 12.3% (11.5). The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC).

The growth rate used was 2.1% (2.0), which is aligned with the latest Euro area 5-year inflation forecast.

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### Sensitivity to changes in assumptions

Sensitivity analysis on M&J with a 1.1% long term growth rate will not imply a writedown; higher growth rates imply increased values in use. Similarly higher discount rates will yield a writedown need only at unrealistically high levels.

### Accounting policies

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

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

### Significant accounting judgments, estimates and assumptions

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

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



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## 4.3. Property, plant and equipment

### 2023

MEUR	Land and water areas	Buildings and constructions	Buildings, right-of-use	Machinery and equipment	Machinery and equipment, right-of-use	Other tangible assets	Advances paid and construction in progress	Total
<b>Cost</b>								
January 1	28.2	51.9	4.7	120.5	3.9	4.5	13.9	227.4
Additions		0.1	0.1	2.4	0.9	0.8	12.2	16.4
Disposals				-1.1	-0.1			-1.3
Business combinations	0.1	0.6		26.8	0.4	0.1		28.0
Reclassifications		2.9	0.1	10.2		0.3	-12.8	0.8
Exchange differences	0.2	-0.5		0.3	0.1		0.3	0.3
<b>December 31</b>	<b>28.4</b>	<b>55.0</b>	<b>4.9</b>	<b>159.1</b>	<b>5.1</b>	<b>5.6</b>	<b>13.6</b>	<b>271.7</b>
<b>Accumulated depreciation and impairment</b>								
January 1		-6.4	0.2	-5.9	-0.8	-1.3		-14.1
Depreciation for the year		-3.1	-0.9	-12.1	-1.0	-0.6		-17.7
Impairment				-0.4				-0.4
Disposals				0.4				0.4
Reclassifications				-0.5	0.1			-0.4
<b>December 31</b>		<b>-9.5</b>	<b>-0.6</b>	<b>-18.5</b>	<b>-1.7</b>	<b>-1.9</b>		<b>-32.4</b>
<b>Net book value December 31</b>	<b>28.4</b>	<b>45.5</b>	<b>4.3</b>	<b>140.6</b>	<b>3.4</b>	<b>3.7</b>	<b>13.6</b>	<b>239.4</b>

On December 31, 2023 A. Ahlstrom group had contractual commitments total EUR 9.3 million (1.9).

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

### Accounting policies

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. All other repair and

maintenance costs are recognised in the statement of income as incurred. Grants received are reported as a reduction of costs. The property, plant and equipment of acquired subsidiaries are measured at their fair value at the acquisition date. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

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

Land is not depreciated, as its useful life is considered as infinite. The estimated useful lives and

the residual values are reviewed at least at the end of each financial year, and if they differ significantly from previous estimates, depreciation periods are adjusted accordingly.

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

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4.4. Leases

A. Ahlström group as a lessee

A. Ahlström group has recognised land areas, office and other premises, and machinery as right-of-use assets based on its leasing contracts. A leased land area that is part of a property classified as an investment property, is recognised according to IAS 40. The discount rates used in measuring the liability in A. Ahlström group range from 1.2% to 5.8%. Right-of-use assets are presented in asset groups in note 4.3.

RIGHT-OF-USE ASSETS\*

MEUR	2023	2022
Opening Balance	11.7	14.6
Additions	1.3	10.4
Disposals	-0.1	-0.3
Acquisition through business combination	0.4	4.5
Business disposal		-14.0
Reclasification	0.1	
Depreciation	-1.9	-3.4
Change in fair value	-0.1	-0.1
Exchange differences	0.1	0.1
Closing Balance	11.4	11.7

\*Including leasing contract classified to investment property

LEASE LIABILITIES

MEUR	2023	2022
Non-current lease liabilities	9.6	10.1
Current lease liabilities	2.1	1.7
	11.7	11.9

IFRS 16 has an impact on profit and loss through depreciations, material and services, other operating expenses, and financial expenses. Assets which are classified as investment property are not depreciated but the revaluation is recognised as change in fair value in other operating expenses. Short-term and low-value leases are recognised in profit and loss. The total expenses of right-of-use assets and other leases in the statement of income is EUR 2.7 million (1.1). Total cash outflow from leasing contracts is EUR 2.8 million (14.3) including cash flow from discontinuing operations EUR 0.0 million (4.5).

Accounting policies

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

On subsequent periods the right-of-use asset is measured at cost and depreciated for the leasing period. Lease liabilities are amortised during the leasing period and the interest is calculated for the outstanding amount by using the discount rate. Interest is recognised as financial expense. Some of A. Ahlström group's leasing contracts are classified to investment property and are reported according to IAS 40 Investment property. Investment properties are not depreciated but

amount equal to depreciation of right-of-use asset is recognised as change in fair value through profit and loss. Leasing contracts that are short-term (under twelve months) or with low-value assets are not recognised as right-of-use assets but as rental expenses in profit or loss.

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

Significant accounting judgments, estimates and assumptions

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



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## 4.5. Investment properties

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

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

On December 31, 2023, the fair values of the investment properties are mostly based on valuations performed by an accredited external independent valuer covering the total value of built investment properties. The rest of the investment properties consists of forest land and other land areas. The fair value measurement for all of the investments properties has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

The real estate project in Tampere was completed and construction work of Kemiras R&D EriCa started in Espoo during 2023. The street level restaurant premises of Eteläesplanadi 14 was renovated and leased out during 2023.

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

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

## PROFIT ARISING FROM INVESTMENT PROPERTIES CARRIED OUT AT FAIR VALUE

MEUR	2023	2022
Rental income derived from investment properties	9.3	8.0
Direct operating expenses generating rental income	-3.4	-2.9
	<b>5.9</b>	<b>5.1</b>

## SPECIFICATION BY USE OF THE INVESTMENT PROPERTIES

### 2023

MEUR	Office and retail properties	Factory and logistics properties	Forest land	Unbuilt land and other properties	Total
January 1	146.2	20.1	8.7	4.9	179.8
Additions	25.5	0.2	0.3	0.0	26.0
Disposals				-0.1	-0.1
Change in fair value	-8.7	-1.3	-2.8		-12.8
<b>December 31</b>	<b>163.0</b>	<b>19.0</b>	<b>6.2</b>	<b>4.8</b>	<b>192.9</b>

### 2022

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

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Sensitivity analysis

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

MEUR	2023		2022
Yield -2.0 percentage point	294.9	Yield -0.5 percentage point	139.6
Yield +/-0 percentage point	178.2	Yield +/-0 percentage point	128.6
Yield +2.0 percentage point	127.3	Yield +0.5 percentage point	119.9

Accounting policies

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

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

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

Investment properties are derecognised either when they have been disposed of or when

they are permanently withdrawn from use. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of income in the period of derecognition.

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

Significant accounting judgments, estimates and assumptions

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

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4.6. Biological assets

A. Ahlström group’s biological assets consist of current growing stock value. Its forest assets are approximately 36 thousand hectares. The total volume of growing stock in the A. Ahlström Real Estate Ltd’s forests is 5.7 million m3 (5.5). In 2023, the harvested industrial wood quantity was approximately 170,000 m3 (162,000). The harvested energy wood quantity was 15,000 m3 (27,000). In 2023, A. Ahlström group has purchased round 603 hectares of forest and acquired 70 hectares through business combination. Total effect in forest assets was EUR 3.9 million.

In 2023 the main reasons for the increase in biological asset value are increases in wood prices and productive forest land area. Increase in the discount rate has negative impact to both biological asset and forest land value. The timber prices assumed in the cash flow model were estimated with the use of the 5-year regional averages during 2018–2023. In 2020 the Finnish national growth model was updated which reflects more accurately the current real growth. The growth of forests has increased based on good and sustainable forestry. The valuation method of forest land was updated in 2022 and the value of terminal logging is discounted to the present value of forest land.

The discount rate used for 2023 valuation is 4.7% (4.2) real weighted-average-cost-of-capital (WACC). The study of the used discount rate was made by an external valuer in 2023. The WACC incorporates the capital structure of the forest owning company as well as the cost of different financing types. The cashflows are calculated without inflation and the discount rate used is pre-tax real WACC.

Changes in fair value are recognized in the income statement as part of other operating income and expenses. Further information on A. Ahlström group’s fair value measurements is provided in note 6.5.

The land of forest areas is reported as investment property according to IAS 40 (Note 4.5). The value of forest land was EUR 6.2 million in 2023 (8.7). The total value of growing stock and forest land was EUR 183.1 million in 2023 (177.2).

THE CHANGE IN THE VALUE OF THE GROWING FORESTS

2023			
MEUR	Biological assets	Forest land*	Forest total
January 1	168.5	8.7	177.2
Additions	3.2	0.3	3.5
Acquisition through business combination	0.4		0.4
Disposals	-0.3	-0.1	-0.4
Change due to harvesting	-8.3		-8.3
Change due annual growth	7.5		7.5
Change in fair value	6.0	-2.8	3.2
December 31	176.9	6.2	183.1

2022			
MEUR	Biological assets	Forest land*	Forest total
January 1	139.8	20.1	159.9
Additions	3.5	0.3	3.8
Disposals	-0.3	-0.1	-0.4
Change due to harvesting	-6.9		-6.9
Change due annual growth	7.3		7.3
Change in fair value	25.3	-11.7	13.6
December 31	168.5	8.7	177.2

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



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Sensitivity analysis

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

2023	Discount rate		
MEUR	3.7%	4.7%	5.7%
Timber prices -10%	191.5	156.1	130.5
Timber prices +10%	238.8	195.0	163.2
Stable prices and costs	215.1	175.5	146.8
Costs -10%	217.1	177.2	148.3
Costs +10%	213.1	173.8	145.3

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

Accounting policies

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

There are no existing active markets for forest assets as extensive as A. Ahlström group's holdings. Therefore, the valuation is made by using the discounted future cash flows method modelled by an external appraiser. The cash flows are based on A. Ahlström group's forest management and harvesting plan that include forestry costs and harvesting incomes of current growing stock until final cutting. The regeneration costs are included in forest land value, which is presented as investment property. Discount rate used is weighted average cost of capital separately calculated for forest

assets. The discount rate is assessed annually. The cash flows are calculated on a pre-tax basis without inflation.

**Significant accounting judgments, estimates and assumptions**

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

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## 5.1. Inventories

MEUR	2023	2022
Raw materials	33.7	27.6
Work in progress	2.1	8.2
Finished goods	53.2	86.2
Advance payments for inventories	0.1	
	<b>89.2</b>	<b>122.0</b>

Inventories are valued at the lower of cost and net realisable value. In 2023, EUR 5.5 million (7.1) impairment for inventories has been recognised in the consolidated statement of income.

### Accounting policies

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

- raw materials: purchase cost on a first in, first out basis or weighted-average cost method basis; and

- finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

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

## 5.2. Current trade and other receivables

MEUR	2023	2022
Trade receivables	77.5	67.7
Trade receivables from associates	0.0	0.0
Contract assets	1.8	0.0
Other receivables	8.5	18.9
Loan receivables	0.2	0.4
Accrued receivables	9.2	4.9
Accrued receivables from associates	0.6	0.6
Derivatives		0.0
	<b>97.8</b>	<b>92.5</b>

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

### INDIVIDUALLY IMPAIRED TRADE RECEIVABLES AND CONTRACT ASSETS

A. Ahlström group does not have credit loss expectations based on customer contracts.

MEUR	2023	2022
Opening Balance	0.3	0.9
Addition of provisions for expected losses	0.8	0.2
Realised losses	-0.3	0.0
Other changes	0.0	-0.8
<b>Closing Balance</b>	<b>0.8</b>	<b>0.3</b>

### Ageing analysis of trade receivables and contract assets

#### EXPECTED CREDIT LOSSES BY AGEING CLASSES

MEUR	Trade receivables		Expected credit losses		Percentage of expected credit losses	
	2023	2022	2023	2022	2023	2022
Neither past due nor impaired	62.9	54.0	0.0	0.0	0%	0%
Past due but not impaired						
< 30 days	11.5	10.5	0.0	0.0	0%	0%
30-60 days	2.6	1.8	0.0	0.0	0%	1%
61-90 days	0.8	0.5	0.2	0.0	2%	3%
> 90 days	1.5	1.0	0.6	0.3	28%	23%
	<b>79.2</b>	<b>67.7</b>	<b>0.8</b>	<b>0.3</b>		

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## 5.3. Cash and cash equivalents

MEUR	2023	2022
Cash in hand and at bank	88.1	108.3
	<b>88.1</b>	<b>108.3</b>

### Accounting policies

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand

and current deposits with a maturity of three months or less. The corresponding items are considered in the consolidated statement of cash flows as cash and cash equivalents.

## 5.4. Provisions

2023					
MEUR	Warranty provision	Restructuring provision	Environmental provisions	Other provisions	Total
January 1	0.8		1.4	2.3	4.5
Exchange differences	0.3			-0.3	0.0
Arising during the year	0.9	2.3		0.2	3.4
Utilised	-0.4			-1.4	-1.9
Unused amounts reversed	-0.4				-0.4
<b>December 31</b>	<b>1.1</b>	<b>2.3</b>	<b>1.4</b>	<b>0.8</b>	<b>5.6</b>
<b>Non-current</b>	<b>0.0</b>		<b>1.4</b>	<b>1.1</b>	<b>2.5</b>
<b>Current</b>	<b>1.1</b>	<b>2.3</b>	<b>0.0</b>	<b>-0.3</b>	<b>3.0</b>

## 2022

MEUR	Warranty provision	Restructuring provision	Environmental provisions	Other provisions	Total
January 1	1.7	4.4	1.4	0.9	8.5
Discontinued operations		-4.4		0.0	-4.4
Business combinations	-0.5		0.0	0.0	-0.4
Arising during the year	0.1		0.0	1.2	1.3
Utilised	-0.3			0.0	-0.3
Other change	-0.3			0.3	
<b>December 31</b>	<b>0.8</b>	<b>0.0</b>	<b>1.4</b>	<b>2.3</b>	<b>4.5</b>
<b>Non-current</b>	<b>0.0</b>		<b>1.4</b>	<b>1.3</b>	<b>2.7</b>
<b>Current</b>	<b>0.8</b>	<b>0.0</b>		<b>0.9</b>	<b>1.7</b>

### Warranty, restructuring, environmental and other provisions

Warranty provisions have been booked to cover any obligations during the warranty period of contractual agreements. They are based on experiences from previous years. Restructuring provision relates to cost for personnel affected and notified by structural changes in the Group. The Group has an environmental provision recorded for cleaning costs of a contaminated land area. Other provisions include mainly provision for disputes and some other provisions.



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Accounting policies

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

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is

based on historical experience. The initial estimate of warranty-related costs is revised annually.

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

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

5.5. Trade and other payables

MEUR	2023	2022
Trade payables	88.1	78.5
Contract liabilities	0.6	0.0
Other payables	14.6	29.7
Accrued liabilities	29.3	37.3
	132.5	145.5

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6.1. Capital management

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

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

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

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

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

MEUR	2023	2022
Non-current interest-bearing loans and borrowings (Note 6.4.)	381.0	311.2
Current interest-bearing loans and borrowings (Note 6.4.)	31.0	36.5
Less: cash and short-term deposits (Note 5.3.)	-88.1	-108.3
Net cash (-)/ net debt (+)	324.0	239.3
External Fair Value	1.007.3	1.087.1
Shareholders equity (incl. non-controlling interest)	1.132.3	1.183.7
EFV adjusted net gearing	32.2%	22.0%
Net gearing (IFRS / Book value based)	28.6%	20.2%

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## 6.2. Share capital and reserves

### 2023

MEUR	Share capital	Share premium	Reserve for invested non-restricted equity	Treasury shares	Legal reserve	Total
<b>January 1</b>	<b>38.8</b>	<b>12.8</b>	<b>104.3</b>	<b>-53.0</b>	<b>0.0</b>	<b>102.9</b>
Share issue	0.2		7.2			7.4
Acquisition of treasury shares				-4.5		-4.5
Cancellation of treasury shares				52.3		52.3
Reclassifications	0.0	0.0				0.0
<b>December 31</b>	<b>39.0</b>	<b>12.8</b>	<b>111.5</b>	<b>-5.2</b>	<b>0.0</b>	<b>158.0</b>

### 2022

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

A. Ahlström Corporation's registered share capital is 38,996,470 euros. The number of shares registered in the company's trade register on December 31, 2023 was 59,421,902 shares. The company entitles one series of shares. Each share entitles one vote at the General Meeting and all the shares have equal rights to dividend or other distribution of company assets.

On December 31, 2022, A. Ahlström Corporation held 3,268,514 treasury shares (5.25%) following the share repurchase program. The repurchased shares were invalidated in January 2023 based on the Board of Directors' decision in December 2022.

Antti Ahlström Perilliset Oy was merged into A. Ahlström Corporation on March 1, 2023. In merger A. Ahlström Corporation's number of shares increased by 468,931 and share capital by 225,000 euros.

The rest of the capital increase was booked to invested non-restricted equity fund.

The Annual General Meeting held on April 12, 2023, resolved to authorize the Board of Directors to decide on the repurchase of a maximum of 650,000 shares. The purchase price is the external fair value of the share at the end of September 2023 with a 12% discount. The authorisation is valid until the end of the next Annual General Meeting. The Board of Directors resolved to commence the repurchase of shares in November.

On December 31, 2023, A. Ahlström Corporation owned 300,000 (0.5%) of its own share repurchase program. The repurchased shares were invalidated in January 2024 based on the Board of Directors' decision in December 2023.



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## Other Comprehensive Income, net of tax

### THE DISAGGREGATION OF CHANGES OF OCI BY EACH TYPE OF RESERVE IN EQUITY

#### 2023

MEUR	Fair value reserve	Hedging reserve	Translation reserve	Retained earnings	Non-controlling interests	Total OCI
Exchange differences on translation of foreign operations			1.9		1.3	3.2
Hedges - net change in fair value		-7.1				-7.1
Share of other comprehensive income of associates	0.1	-2.5	-2.4	0.0		-4.7
<b>Changes of OCI</b>	<b>0.1</b>	<b>-9.5</b>	<b>-0.5</b>	<b>0.0</b>	<b>1.3</b>	<b>-8.6</b>

#### 2022

MEUR	Fair value reserve	Hedging reserve	Translation reserve	Retained earnings	Non-controlling interests	Total OCI
Exchange differences on translation of foreign operations			-2.8		-2.3	-5.0
Hedges - net change in fair value		19.2				19.2
Remeasurement of defined benefit plans				-0.4	-0.3	-0.7
Share of other comprehensive income of associates		0.2	0.3	-0.4		0.1
Reclassification of OCI of associate			4.4	0.4		4.8
<b>Changes of OCI</b>		<b>19.4</b>	<b>1.9</b>	<b>-0.4</b>	<b>-2.6</b>	<b>18.4</b>

### Accounting policies

The total shareholders' equity consists of share capital, share premium, unrestricted equity reserve, treasury shares, legal reserve, fair value reserve, hedging reserve, foreign currency translation reserve

and retained earnings. The share premium account includes the value of shares in excess of the accounting par value of the shares. Treasury shares consist of the repurchased own shares. Legal reserves consist of amounts created from retained earnings due to specific legislation in certain countries. Fair value reserve includes changes in the fair values of financial

assets in investments recognised through OCI. Hedging reserve include changes in the fair values of derivative financial instruments used to hedge operational cash flows. Foreign currency translation reserve includes the differences resulting from the translation of foreign subsidiaries.

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## 6.3. Financial risk management

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

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

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

### Financing risk

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

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

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

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

### Market risk

#### Currency risk

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

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

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

#### Interest rate risk

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

Some refinancing arrangements have been settled in the group and interest rate hedging is used against interest rate changes according to treasury policies. A. Ahlström Corporation has agreed an interest rate hedging for nominal amount EUR 100.0 million to secure cost of long-term financing.

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Based on the interest rate sensitivity analysis, a change of one percentage point in the interest rate would have reduced/increased net interest expenses by 2.9 million (3.2) euros. The sensitivity of the result is affected by liabilities with variable interest rates and interest rate swaps. The calculation is based on the balance sheet values at the time of closing the financial statements, and changes in capital during the financial period have not been taken into account.

#### Credit risk

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

In portfolio companies the receivables risk can be considerable, with significant variations in the amount and age structure of receivables between companies. The portfolio companies manage credit risk by their credit policies and their ways vary depending on the type of the business. E.g. limitations for the outstanding credits and terms are used, credit insurances have been applied and prepayments and collaterals are asked when needed. Analyzing the new and existing business relationships and investigating the creditworthiness regularly are common to real estate, forest as well as portfolio companies' businesses.

#### Liquidity risk

Liquidity risk materializes if a group company ceases to have cash or has insufficient credit limits and borrowing facilities to meet its contractual obligations. The group's liquidity risk is managed by the maintenance of several potential financing facilities, backed by the group's assets, and supplemented by a considerable amount of assets that have good value as security (e.g. listed shares). The group maintains sufficient liquidity resources and borrowing facilities in order to secure the availability of liquidity needs arising from new investment opportunities for the group.

At the end of the year existing facilities in A. Ahlström Corporation and in its Holding companies and in real estate companies included credit facilities (RCF, committed credit facilities and overdrafts) amounting to EUR 279.1 (309.3) million of which EUR 110.0 (206.0) million was unutilized.

A. Ahlström Corporation and A. Ahlström Real Estate Ltd have a committed long-term syndicated secured financing facility up to EUR 200.0 million. The facility is secured by mortgage on the real estate at Eteläesplanadi 14 owned by A. Ahlström Corporation and material part of the forest assets held by A. Ahlström Real Estate Ltd. There are two group level financial covenants on the facility. First one restricts the indebtedness calculated as gross interest-bearing debt compared to gross fair value of the assets (loan to value) not to exceed 60%. Another covenant restricts the loan to Security Value (the aggregate market value of the Security Properties) not to exceed 95%. There have been no breaches in the financial covenant in the current period. In addition, A. Ahlström Corporation and A. Ahlström Real Estate Ltd have a junior term loan facility EUR 38.0 million. The facility is secured by second priority mortgage on the real estate at Eteläesplanadi 14 owned by A. Ahlström Corporation and material part of the forest assets held by A. Ahlström Real Estate Ltd. The covenants are the same as secured syndicated financing mentioned above.

The portfolio companies are responsible for monitoring their own liquidity position and cash flows. They maintain financing facilities that may be utilized if needed. At the end of the year existing facilities in the portfolio companies included committed credit facilities (RCF, committed credit facilities and overdrafts) amounting to EUR 279.8 (274.8) million of which EUR 65.0 (50.0) million was unutilized.



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## THE MATURITY PROFILE OF THE GROUP'S FINANCIAL LIABILITIES BASED ON CONTRACTUAL UNDISCOUNTED PAYMENTS

2023

MEUR	< 1 year	2-3 years	4-5 years	> 5 years	Total
Interest-bearing loans and borrowings	62.8	312.7	23.7	53.2	452.4
Lease liabilities	2.2	2.4	2.2	1.6	8.4
Other financial liabilities	43.0	0.0			43.0
Trade payables	88.1				88.1
Interest rate swaps, hedge accounting	-4.8	-7.7	-7.7	-19.7	-39.9
	<b>191.2</b>	<b>307.4</b>	<b>18.1</b>	<b>35.1</b>	<b>551.8</b>

2022

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

## DERIVATIVES DESIGNATED AS HEDGING INSTRUMENTS

MEUR	Fair values		Nominal amounts	
	2023	2022	2023	2022
<b>Assets</b>				
Interest rate swaps	17.8	22.5	100.0	100.0

In 2023, hedge accounted interest rate derivatives designed as cash flow hedges, which do not fulfill effectiveness requirements had impact of EUR 1.4 million (0.0) in the statement of comprehensive income.

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

A. Ahlström Group has no derivatives not designated as hedging instruments.

## Accounting policies

## Derivative financial instruments and hedge accounting

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

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

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

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

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

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

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## 6.4. Financial Assets and Liabilities

December 31, 2023

MEUR	At amortised cost	At fair value through profit and loss	At fair value through OCI	Total carrying amount
<b>Non-current financial assets</b>				
Other shares and securities	0.2	6.2		6.4
Interest-bearing loan receivables from associates		106.3		106.3
Other receivables	3.5			3.5
Derivatives			15.5	15.5
<b>Current financial assets</b>				
Trade and other receivables	97.6			97.6
Interest-bearing loan receivables and financial assets	0.2			0.2
Cash and cash equivalents	88.1			88.1
	<b>189.5</b>	<b>112.5</b>	<b>15.5</b>	<b>317.5</b>
<b>Non-current financial liabilities</b>				
Interest-bearing loans and borrowings				
Loans from financial institutions	369.0			369.0
Lease liabilities	9.6			9.6
Other financial liabilities	9.9			9.9
<b>Current financial liabilities</b>				
Interest-bearing loans and borrowings				
Loans from financial institutions	20.7			20.7
Lease liabilities	2.1			2.1
Other liabilities	8.3			8.3
Trade and other payables	132.5			132.5
	<b>552.0</b>			<b>552.0</b>

December 31, 2022

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

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## CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

2023

MEUR	January 1	Cash flows	Non-cashflow effect					December 31
			Changes in foreign exchange rates	Acquisition and disposal of subsidiaries	Reclassification	New leases	Terminations of leasing contracts	
Non-current interest-bearing loans	300.1	68.1			0.8			369.0
Current interest-bearing loans	34.7	-15.5			9.7			29.0
Lease liabilities	11.9	-1.8			1.3	0.3		11.7
	<b>346.7</b>	<b>50.8</b>			<b>11.8</b>	<b>0.3</b>		<b>409.6</b>

2022

MEUR	January 1	Cash flows	Non-cashflow effect					December 31
			Changes in foreign exchange rates	Acquisition and disposal of subsidiaries	Reclassification	New leases	Terminations of leasing contracts	
Non-current interest-bearing loans	110.4	239.5	0.1	-39.8	-10.2			300.1
Current interest-bearing loans	55.3	22.8	1.3	-50.8	6.0			34.7
Lease liabilities	15.5	-4.3	0.2	-9.0		9.4		11.9
	<b>181.3</b>	<b>258.1</b>	<b>1.6</b>	<b>-99.6</b>	<b>-4.3</b>	<b>9.4</b>		<b>346.7</b>

### Accounting policies

#### Financial assets

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

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

#### Financial assets at amortised cost

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

recognised in the statement of income as financial costs in case of loan receivables and as cost of sales or other operating expenses in case of trade receivables.

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

#### Financial assets at fair value through other comprehensive income

Financial assets that are held within business model whose objective is both to sell and to hold until maturity and whose cash flows are solely contractual cash flows are measured at fair value through other comprehensive income. Revaluation changes are

recognised in fair value reserve. Interest income, impairments, exchange gains and losses as well as final sales gains and losses of these assets are recognised in the statement of income.

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

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



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**Financial assets at fair value through profit or loss**

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

**Derecognition of financial assets**

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

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

**Accounting policies**

When the group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of

the asset, nor transferred control of the asset, the group continues to recognise the transferred asset to the extent of the group’s continuing involvement. In that case, the group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the group has retained.

**Impairments**

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

**Financial liabilities**

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

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

**Financial liabilities recognised at fair value through the statement of income**

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

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

**Financial liabilities measured at amortised cost**

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

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

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

**Significant accounting judgments, estimates and assumptions**

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

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## 6.5. Fair values and fair value measurement

December 31, 2023		Fair Value			
MEUR	Carrying amount	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>					
Investment properties	192.9			192.9	192.9
Biological assets	176.9			176.9	176.9
Other shares and securities	6.3		0.0	6.3	6.3
Derivate financial assets, hedge accounting	15.5		15.5		15.5
Loan receivables at fair value	106.3			106.3	106.3
<b>Assets for which fair values are disclosed</b>					
Loan receivables at amortised cost	0.8			0.8	0.8
	<b>498.7</b>		<b>15.5</b>	<b>483.1</b>	<b>498.7</b>
<b>Liabilities for which fair values are disclosed</b>					
Floating rate borrowings	397.3			397.3	397.3
Fixed rate borrowings	0.7			0.7	0.7
Other liabilities	2.5			2.5	2.5
	<b>400.4</b>			<b>400.4</b>	<b>400.4</b>

December 31, 2022		Fair Value			
MEUR	Carrying amount	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>					
Investment properties	179.8			179.8	179.8
Biological assets	168.5			168.5	168.5
Other shares and securities	6.2		0.9	5.4	6.2
Derivatives not designated as hedges	22.5		22.5		22.5
Other current financial assets	3.0		3.0		3.0
Loan receivables at fair value	105.8			105.8	105.8
<b>Assets for which fair values are disclosed</b>					
Loan receivables at amortised cost	0.9			0.9	0.9
	<b>486.8</b>		<b>26.4</b>	<b>460.5</b>	<b>486.8</b>
<b>Liabilities for which fair values are disclosed</b>					
Floating rate borrowings	315.9			315.9	315.9
Fixed rate borrowings	18.9			18.9	18.9
	<b>334.8</b>			<b>334.8</b>	<b>334.8</b>

### RECONCILIATION OF LEVEL 3 FAIR VALUES OF OTHER SHARES AND SECURITIES

MEUR	2023	2022
<b>Opening Balance</b>	6.3	3.4
Business combination		0.0
Discontinued operations		0.0
Disposals	0.0	-0.2
Additions	1.0	3.2
Impairment	-1.0	-1.1
Reclassification		0.9
<b>Closing balance</b>	<b>6.3</b>	<b>6.3</b>

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Accounting policies

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

Fair value is the price that would be received when selling an asset or paid when transferring a liability in an orderly transaction between market participants at the measurement date. The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure the fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest

level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the group determines whether shifts have occurred between levels in the hierarchy by reassessing the categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

6.6. Commitments and contingencies

Capital commitments

The Group has contracts regarding new real estate development projects. Committed investments amounted to approximately EUR 13.9 million (27.0) at the end of December 2023.

Derivative contracts

The Group has interest rate hedging for principal amount EUR 100.0 million to secure cost of long-term financing.

COMMITMENTS AND CONTINGENCIES ON OWN BEHALF

MEUR	2023	2022
<b>Secured loans</b>		
Loans from financial institutions and others	421.1	88.0
<b>Pledged assets</b>		
Real estate mortgages	446.4	178.9
Pledged shares	332.4	73.8
<b>Guarantees</b>		
		9.7

Pledges are used as collaterals for certain credit facilities. A substantial part of group’s investment properties (note 4.5) and forest assets (note 4.6) have been utilised as collaterals for these credit facilities and reported as real estate mortgages in commitments.

A. Ahlström group has a contingent VAT liability on real estate investments EUR 14.3 million (3.7) on December 31, 2023. As a founder shareholder A. Ahlström group has certain commitments according to Finnish act of Housing Transactions. Provisions have been made to cover the commitments.

Commitments on behalf of others

A. Ahlström group has guarantees given on behalf of others EUR 0.1 million (0.1) on December 31, 2023.

Accounting policies

Contingent liabilities are present obligations that have arisen from past events, such as rental agreements commencing in the future, possible defaults of deliveries in the ordinary course of business for which the group has guarantee commitments and sales of accounts receivable under factoring agreements.

Contingent liabilities are not recognised in the statement of financial position because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations. However, since it cannot be precluded that an outflow of resources embodying economic benefits can be required to settle the obligations, the group discloses the possible contingencies separately.



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## 7.1. Income tax

### THE MAJOR COMPONENTS OF INCOME TAX EXPENSE

MEUR	2023	2022
<b>Consolidated statement of income</b>		
<b>Current income tax</b>		
Current tax expense	-1.0	-5.2
Taxes from previous years	-0.1	0.2
<b>Deferred tax</b>		
Change in deferred taxes	7.4	6.2
<b>Income tax expense reported in the statement of income</b>	<b>6.3</b>	<b>1.2</b>
<b>Income tax expense is attributable to</b>		
Profit from continuing operations	6.3	3.9
Profit from discontinued operations		-2.8
	6.3	1.2
<b>Consolidated statement of other comprehensive income</b>		
<b>Deferred tax related to items recognised in OCI during the year</b>		
Related to remeasurements of defined benefit plans		0.1
Related to changes in cash flow hedges	1.8	-4.8
<b>Income tax charged to other comprehensive income</b>	<b>1.8</b>	<b>-4.7</b>

### RECONCILIATION OF TAX EXPENSE AND THE ACCOUNTING PROFIT MULTIPLIED BY FINLAND'S DOMESTIC TAX RATE

MEUR	2023	2022
Profit from continuing operations before tax	-26.6	12.2
Profit from discontinued operations before tax		57.2
Tax calculated using Finnish tax rates (20%, 2022: 20%)	5.3	-13.9
Difference between Finnish and foreign tax rates	4.2	-25.0
Share in results of associated companies	3.3	27.1
Non-taxable income	-2.5	4.9
Taxable income not included in the profit	-0.1	-0.2
Non-deductible expenses	-0.8	5.1
Recognition of previously non-deducted expenses	-0.6	-1.5
Utilisation of previously unrecognised tax losses	1.0	0.2
Loss for the period, for which no deferred tax asset is recognised	-1.3	-1.0
Previous years' loss for which deferred tax assets was recognised/de-recognised	-1.0	
Adjustments of previous years current income tax	-0.1	0.2
Other	-1.2	5.2
<b>Effective income tax 23.6% (-1.7)</b>	<b>6.3</b>	<b>1.2</b>
<b>Total income tax for the period</b>	<b>6.3</b>	<b>1.2</b>

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## 7.2. Deferred tax assets and liabilities

### CHANGE IN DEFERRED TAX ASSETS

2023

MEUR	1.1.	Recognised in the statement of income	In other comprehensive income	Recorded directly into equity	Discontinued operations	Business arrangements	Translation difference	Other movements	31.12.
Unused tax losses	2.5	2.2					0.071		4.7
Pension benefits	3.2	-2.2						0.3	1.3
Provisions								0.2	0.2
Inventories internal margin	0.2	0.1							0.3
Investment properties	0.4	0.5							0.8
Interest									
Derivatives									
Other	5.2	2.8						1.2	9.1
	<b>11.3</b>	<b>3.4</b>					<b>0.1</b>	<b>1.7</b>	<b>16.4</b>

2022

MEUR	1.1.	Recognised in the statement of income	In other comprehensive income	Recorded directly into equity	Discontinued operations	Business arrangements	Translation difference	Other movements	31.12.
Unused tax losses		1.9				0.6			2.5
Pension benefits	0.2	1.7				1.3			3.2
Provisions	0.8					-0.8			
Inventories internal margin	0.1	0.1				-0.1			0.2
Investment properties	0.4								0.4
Interest									
Derivatives	0.3		-0.3						
Other	2.4	1.5				1.3			5.2
	<b>4.1</b>	<b>5.2</b>	<b>-0.3</b>			<b>2.4</b>			<b>11.3</b>

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## CHANGE IN DEFERRED TAX LIABILITIES

2023

MEUR	1.1.	Recognised in the statement of income	In other comprehensive income	Discontinued operations	Business arrangements	Translation difference	Other movements	31.12.
Intangible assets and property, plant and equipment	51.2	3.4			3.9	0.2	-19.6	39.1
Investment properties	13.4	-0.8						12.6
Biological assets	24.1	0.5			0.1			24.6
Derivatives	4.5	-1.4						3.1
Other	-6.3	0.4			0.1	-0.2		-6.0
	<b>86.9</b>	<b>2.1</b>			<b>4.0</b>	<b>0.0</b>	<b>-19.6</b>	<b>73.4</b>

2022

MEUR	1.1.	Recognised in the statement of income	In other comprehensive income	Discontinued operations	Business arrangements	Translation difference	Other movements	31.12.
Intangible assets and property, plant and equipment	4.4	-3.9			50.9	-0.4		51.2
Investment properties	13.3	0.1						13.4
Biological assets	21.3	2.8						24.1
Derivatives			4.5					4.5
Other	-0.1	-6.1					-0.2	-6.3
	<b>39.0</b>	<b>-7.2</b>	<b>4.5</b>		<b>50.9</b>	<b>-0.4</b>	<b>-0.2</b>	<b>86.9</b>

Reflected in the statement of financial position	December 31, 2023	December 31, 2022
Deferred tax assets	16.2	11.3
Deferred tax liabilities	73.4	86.9
<b>Deferred tax assets/liabilities, net</b>	<b>-57.2</b>	<b>-75.5</b>

On December 31, 2023 A. Ahlström group had tax loss carry forwards of EUR 48.8 million in total of which EUR 18.1 million has no expiration period. Regarding losses amounting to EUR 30.9 million no deferred tax asset was recognised due to the uncertainty of utilisation of these tax loss carry forwards.



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Taxes

Taxes shown in the consolidated statement of income include income taxes to be paid on the basis of local tax legislations, tax adjustments from previous years as well as the effect of the annual change in the deferred tax liability and deferred tax assets.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income. Current income tax relating to items recognised directly in equity is recognised in other comprehensive income. Each reporting date the Group evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax assets and liabilities are calculated on temporary differences arising between the tax basis and the book value of assets and liabilities using the liability method. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The main temporary differences arise from unused tax losses, intangible assets, property, plant and equipment, biological assets, investment properties, provisions, defined benefit pension plans, inter-company inventory margin and fair valuation of derivative financial instruments. A deferred tax asset is recognised to the extent that it is probable that it can be utilised.

Deferred tax is not recognised for non-deductible goodwill on initial recognition. Also

it is not recognised for an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**Significant accounting judgments, estimates and assumptions**

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

7.3. Related party transactions

A. Ahlström group’s related parties include A. Ahlström’s Board of Directors, Supervisory Board and committees, Shareholders’ Nomination Board, CEO, subsidiaries, and associated companies, which hold a significant influence in A. Ahlström Corporation. The transactions with associated companies are listed in a separate Note 2.4. Loan transactions with associated companies are presented in the Note 6.4.

Salaries for CEO and remunerations to Board of Directors, Supervisory board and committee members are specified in Note 3.7.

BUSINESS TRANSACTIONS WITH THE ASSOCIATED COMPANIES AND ENTITY WITH SIGNIFICANT INFLUENCE OVER THE GROUP

MEUR	2023	2022
Sales to the entity with significant influence over the group		0.2
Purchases from the entity with significant influence over the group		0.0

COMPENSATION OF PERSONS BELONGING TO THE RELATED PARTY OF THE GROUP

MEUR	2023	2022
Wages and other short-term employee benefits	1.7	1.5
Post-employment benefits	0.1	0.2
	1.8	1.7

The amounts disclosed in the table are those recognised as an expense during the reporting period.

7.4. Events after the reporting period

On December 31, 2023, A. Ahlström Corporation owned 300,000 (0.5%) of its shares acquired through a repurchase program. The repurchased shares were invalidated in January 2024 based on the Board of Directors’ decision in December 2023.

Eura Solar Oy’s solar power project was granted a building permit in January 2024.

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TEUR	Note	2023	2022
<b>Revenue</b>	2	5,945	6,465
Other operating income	3	3	68,040
Raw materials and services		-119	
Employee benefits	4	-3,608	-3,065
Depreciation, amortisation and impairment	9	-1,302	-1,210
Other operating expenses	6	-5,412	-4,670
<b>Operating profit / loss</b>		<b>-4,494</b>	<b>65,560</b>
Financial income	7	11,081	20,132
Impairments	7	2,186	-7,375
Financial expenses	7	-3,855	-8,523
<b>Profit before appropriations and tax</b>		<b>4,918</b>	<b>77,170</b>
Appropriations	8		
Change in depreciation difference		66	6
Group contributions		1,886	4,220
Income taxes			8
<b>Profit for the period</b>		<b>6,870</b>	<b>81,405</b>

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TEUR	Note	December 31, 2023	December 31, 2022
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	9		
Intangible rights		197	197
		<b>197</b>	<b>197</b>
Tangible assets	9		
Land and water areas		26,254	26,254
Buildings and constructions		23,916	24,128
Machinery and equipment		1,761	1,555
Other tangible assets		70	70
Advances paid and construction in progress		5	4
		<b>52,006</b>	<b>52,011</b>
Investments	10		
Investments in Group companies		498,203	469,017
Other investments		63	65
		<b>498,265</b>	<b>469,082</b>
<b>Total non-current assets</b>		<b>550,468</b>	<b>521,289</b>

TEUR	Note	December 31, 2023	December 31, 2022
<b>Current assets</b>			
Long-term receivables			
Accrued receivables		3,073	
		<b>3,073</b>	
Short-term receivables			
Trade receivables		16	29
Receivables from Group companies	16	7,957	4,220
Other receivables		13	2
Accrued receivables	12	4,778	98
		<b>12,764</b>	<b>4,350</b>
Short-term cash investments	11		3,000
Cash and cash equivalents		6,690	45,236
<b>Total current assets</b>		<b>22,527</b>	<b>52,586</b>
<b>Total assets</b>		<b>572,995</b>	<b>573,876</b>



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TEUR	Note	December 31, 2023	December 31, 2022
<b>Equity and liabilities</b>			
<b>Equity</b>	13		
Share capital		38,996	38,771
Share premium		12,774	12,774
Reserve for invested non-restricted equity		111,517	104,336
Retained earnings		329,274	280,926
Profit for the period		6,870	81,405
<b>Total equity</b>		<b>499,432</b>	<b>518,213</b>
<b>Appropriations</b>			
Depreciation difference		1,809	1,845
		<b>1,809</b>	<b>1,845</b>
<b>Liabilities</b>			
Long-term liabilities			
Loans from financial institutions	17	60,000	20,000
Accrued liabilities	15	56	470
		<b>60,056</b>	<b>20,470</b>
Short-term liabilities			
Trade payables		346	256
Liabilities to Group companies	16	9,690	31,401
Other liabilities		49	161
Accrued liabilities	15	1,613	1,529
		<b>11,697</b>	<b>33,348</b>
<b>Total liabilities</b>		<b>71,753</b>	<b>53,818</b>
<b>Total equity and liabilities</b>		<b>572,995</b>	<b>573,876</b>

# Statement of Cash Flows, Parent Company

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TEUR	2023	2022
<b>Operating activities</b>		
Profit/loss for the period	6,870	81,405
Adjustments to reconcile profit to net cash flows		
Depreciation, amortisation and impairment	1,302	1,210
Financial income and expenses	-9,412	-11,610
Tax on income from operations		-8
Other adjustments	-1,950	-72,264
Cash flow from operating activities before change in net working capital	-3,189	-1,267
Change in working capital		
Change in short-term receivables	62	235
Change in short-term non-interest-bearing debts	-639	-867
Change in other short-term receivables	-3,071	66
Net cash flow from operating activities before financing items and taxes	-6,838	-1,834
Interest received and other financing items	2,965	20,055
Interest paid and other financing items	-3,346	-1,067
Income taxes		-21,578
<b>Net cash flow from operating activities</b>	<b>-7,219</b>	<b>-4,424</b>

TEUR	2023	2022
<b>Investing activities</b>		
Capital expenditure		
Other investments	-27,000	-45,000
Disposal of tangible and intangible assets	-1,212	-1,528
<b>Net cash flows from / used in investing activities</b>	<b>-28,212</b>	<b>-46,528</b>
<b>Financing activities</b>		
Change in long-term debt	40,000	
Change in short-term debt	-21,711	-131,617
Dividends paid	-28,523	-32,256
Group contribution	4,220	112,200
Purchase of treasury shares	-5,908	-52,999
<b>Net cash flows from / used in financing activities</b>	<b>-11,922</b>	<b>-104,672</b>
<b>Net change in cash and cash equivalents</b>	<b>-47,353</b>	<b>-145,625</b>
Other adjustment	8,806	68,340
Cash and cash equivalents on January 1	45,236	122,521
<b>Cash and cash equivalents on December 31</b>	<b>6,690</b>	<b>45,236</b>

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## 1. Accounting principles

The financial statements of the parent company A. Ahlström Corporation have been prepared in accordance with the Finnish Accounting act and other regulations in force in Finland. They comply with the European Union directives on financial statements and good accounting practices.

The financial statements are presented in euro and are prepared under the historic cost convention.

### Revenue recognition

Income from the sale of goods and services is recognised as revenue when the goods are delivered or the services rendered. Net sales are shown net of indirect taxes and discounts. Translation differences attributable to sales are reported as part of net sales.

### Items denominated in foreign currency

In the financial statements, receivables and liabilities denominated in foreign currency are translated into euros at the functional currency spot rate of exchange ruling at the one day prior to the reporting date. Translation differences in receivables and liabilities are recognised in profit or loss. Exchange differences attributable to sales are reported as part of net sales. Exchange differences arising from translation of accounts payable are shown as adjustment items under purchase expenses (annual costs or capitalisations).

Exchange differences arising from translation of financial items are shown as financial income or financial expenses.

### Investments

Investments that are intended to generate income for more than one accounting period are recognised in non-current assets at cost.

Securities included in the financial assets are stated at the lower of cost or market.

### Non-current assets

Non-current assets are disclosed at original cost in the balance sheet, less accumulated depreciation and amortisation.

Depreciation and amortisation is calculated from the original cost or revaluated amounts of non-current assets using the straight-line method over the useful lives of assets.

The estimated useful lives are as follows:

- Buildings	25–40 years
- Heavy machinery	10–20 years
- Other machinery and equipment	3–10 years
- Intangible assets	3–5 years

Land and water areas are not depreciated.

### Leasing

Payments of operating leases and financial leases are recognised as rental expenses. Leased assets are not shown on the balance sheet as fixed assets, and future lease payments are not shown as liabilities. The notes to the financial statements show the liabilities arising from currently valid leases.

### Taxes

Income taxes consist of taxes paid and payable on taxable income for the most recent and previous accounting periods in accordance with local tax laws, plus deferred taxes.

## 2. Net sales

### DISTRIBUTION OF REVENUE BY COUNTRY

TEUR	2023	2022
Finland	5,151	4,557
Netherlands	794	1,908
	<b>5,945</b>	<b>6,465</b>

### DISTRIBUTION OF REVENUE BY BUSINESS

TEUR	2023	2022
Real estate	4,961	4,403
Others	984	2,063
	<b>5,945</b>	<b>6,465</b>



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### 3. Other operating income

TEUR	2023	2022
Other	3	3
	<b>3</b>	<b>3</b>

### 4. Personnel costs

TEUR	2023	2022
Wages and salaries and other remunerations	2,969	2,481
Pension costs	564	512
Other wage-related costs	75	72
	<b>3,608</b>	<b>3,065</b>
CEO's salaries	1,173	995
of which bonuses	334	575
Remunerations to Board members	699	529
Remunerations to Supervisory Board members	258	

### 5. Average number of personnel

	2023	2022
Salaried	14	10

### 6. Other operating expenses

TEUR	2023	2022
Real estate expenses	1,976	1,630
External services	2,252	2,032
Other expense items	1,185	1,008
	<b>5,412</b>	<b>4,670</b>

### 7. Financial income and expenses

#### FINANCIAL INCOME

TEUR	2023	2022
Dividends from Group companies		20,000
Interest and financial income from Group companies	237	82
Interest and financial income from others	10,844	50
	<b>11,081</b>	<b>20,132</b>

#### FINANCIAL EXPENSES

TEUR	2023	2022
Impairment on investments from Group companies	-2,186	7,375
Interest and financing expenses to Group companies	364	41
Interest and financial expenses to others		
Interest expenses	1,190	85
Other financial expenses	2,301	1,022
	<b>1,669</b>	<b>8,523</b>
<b>Total financial income and expenses</b>	<b>9,412</b>	<b>11,610</b>

### 8. Appropriations

TEUR	2023	2022
Change in depreciation difference	66	6
Group contribution, received	1,886	4,220
	<b>1,952</b>	<b>4,226</b>

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## 9. Intangible and tangible assets, appreciations, depreciations and write-offs

### 2023

TEUR	Intangible rights	Land and water areas	Buildings and constructions	Machinery and equipment	Other tangible assets	Advances paid and construction in progress
<b>Acquisition cost</b>						
January 1	203	26,254	40,543	3,729	70	4
Additions				85		1,214
Disposals			-1			
Reclassification			883	329		-1,212
December 31	203	26,254	41,425	4,143	70	5
<b>Accumulated depreciation and impairment</b>						
January 1	6		16,415	2,174		
Amortisation for the year			1,094	208		
December 31	6		17,509	2,382		
<b>Net book value December 31, 2021</b>	<b>197</b>	<b>26,254</b>	<b>23,916</b>	<b>1,761</b>	<b>70</b>	<b>5</b>

### 2022

TEUR	Intangible rights	Land and water areas	Buildings and constructions	Machinery and equipment	Other tangible assets	Advances paid and construction in progress
<b>Acquisition cost</b>						
January 1	203	26,254	39,126	3,620	70	0
Additions			7			1,522
Disposals						
Reclassification			1,410	109		-1,518
December 31	203	26,254	40,543	3,729	70	4
<b>Accumulated depreciation and impairment</b>						
January 1	6		15,391	1,988		
Amortisation for the year			1,024	186		
December 31	6		16,415	2,174		
<b>Net book value December 31, 2020</b>	<b>197</b>	<b>26,254</b>	<b>24,128</b>	<b>1,555</b>	<b>70</b>	<b>4</b>

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## 10. Long-term investments

2023		
TEUR	Investments in Group companies	Other shares
January 1	469,017	65
Additions	27,000	
Disposals		-3
Impairments	2,186	
<b>December 31</b>	<b>498,203</b>	<b>63</b>

2022		
TEUR	Investments in Group companies	Other shares
January 1	431,695	65
Additions	45,000	
Disposals	-303	
Impairments	-7,375	
<b>December 31</b>	<b>469,017</b>	<b>65</b>

## 11. Short-term investments

TEUR	2023	2022
Short-term cash investments		3,000
	<b>0</b>	<b>3,000</b>

## 12. Accrued receivables

TEUR	2023	2022
Long-term		
Other	3,073	
Short-term		
Accrued interest income	1,589	
Periodisation of costs	353	98
Other	2,836	
	<b>7,851</b>	<b>98</b>

## 13. Equity

TEUR	2023	2022
<b>Restricted equity</b>		
Equity on January 1	38,771	38,771
Increase of shareholders' equity	225	
<b>Equity on December 31</b>	<b>38,996</b>	<b>38,771</b>
Share premium on January 1	12,774	12,774
<b>Capital in excess of par value on December 31</b>	<b>12,774</b>	<b>12,774</b>
<b>Restricted equity, total</b>	<b>51,771</b>	<b>51,546</b>
<b>Unrestricted equity</b>		
Reserve for invested non-restricted equity	111,517	104,336
Retained earnings (loss) on January 1	362,331	366,181
Distribution of profits	-28,523	-32,256
Acquisition of treasury shares	-4,534	-52,999
<b>Profit from previous financial years on December 31</b>	<b>329,274</b>	<b>280,926</b>
<b>Profit for the period</b>	<b>6,870</b>	<b>81,405</b>
<b>Unrestricted equity, total</b>	<b>447,662</b>	<b>466,667</b>
<b>Equity, total</b>	<b>499,433</b>	<b>518,212</b>



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## 14. Share capital on December 31

TEUR	Number of shares	EUR
Shares January 1	62,221,485	38,771,470
Issue of shares	4,337,250	
Invalidation of shares	-7,136,833	
<b>Shares December 31</b>	<b>59,421,902</b>	<b>38,996,470</b>
1 vote / share, with redemption clause		

The Annual General Meeting of A. Ahlström Corporation resolved to authorise the Board of Directors to decide on the repurchase of a maximum of 300,000 shares. The purchase price is the external fair value of the share at the end of September with a 20% discount. The authorisation is valid until the end of the next Annual General Meeting. The Board of Directors resolved to commence the share repurchase program during November. The company repurchased 300,000 shares (0,5%). The repurchased shares were invalidated in January 2024 based on the board of directors' decision in December 2023.

## 15. Accrued liabilities

TEUR	2023	2022
Long-term		
Personnel costs	56	470
Short-term		
Personnel costs	756	1,377
Periodisation of costs	857	152
	<b>1,668</b>	<b>1,999</b>

## 16. Receivables from and liabilities to Group companies

### RECEIVABLES FROM GROUP COMPANIES

TEUR	2023	2022
Other receivable	6,071	
Accrued receivables	1,886	4,220
	<b>7,957</b>	<b>4,220</b>

### LIABILITIES TO GROUP COMPANIES

TEUR	2023	2022
Other short-term liabilities	9,690	31,401
	<b>9,690</b>	<b>31,401</b>

## 17. Collaterals

TEUR	2023	2022
For own liabilities		
Credit facilities	200,000	200,000
of which in use	50,000	10,000
Other long-term facilities	10,000	10,000
Pledged assets	140,000	130,000

A. Ahlström Oy and A. Ahlström Kiinteistöt Oy have a joint syndicated long-term secured financing Facility of EUR 200.0 million, of which EUR 110.0 million was unused at the end of the year. The financing agreement will expire during 2026. In addition, A. Ahlström Oy and A. Ahlström Kiinteistöt Oy have a joint financing agreement of EUR 38.0 million. A. Ahlström Oy's share of the contract is EUR 10.0 million.

The facility is secured by mortgage on the real estate at Eteläesplanadi 14 owned by A. Ahlström Oy and material part of the forest assets held by A. Ahlström Kiinteistöt Oy. There are two group level financial covenants on the facility. First onerestricts the indebtedness calculated as gross interest-bearing debt in the Group compared to gross fair value of assets (loan to value) of the

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Group not to exceed 60%. Another covenant restricts the loan to Security Value (the aggregate market value of the Security Properties) not to exceed 95%. There have been no breaches in the financial covenant in the current period.

## 18. Contingent liabilities

TEUR	2023	2022
Leasing and rental commitments		
Current portion	20	14
Non-current portion	51	9
	<b>71</b>	<b>23</b>

### Commitments on behalf of Group companies

A. Ahlström Oy has provided guarantees for the credit facilities of certain subsidiaries.

TEUR	2023	2022
Contingent liabilities for Real Estate investment's VAT	590	682

### Derivatives

TEUR	2023	2022
Interest rate derivatives		
Fair value	17,845	22,517
Nominal value	100,000	100,000

A. Ahlström Oy has agreed on an interest rate hedge for EUR 100.0 million to secure the costs of long-term financing. the interest rate hedge had an effect of EUR 10.1 million (0.0) in financial income and EUR 1.9 million in financial expenses (0.0).

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This document is an English translation of the Finnish auditor's report. Only the Finnish version of the report is legally binding.

## To the Annual General Meeting of A.Ahlström Oy

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of A. Ahlström Oy (business identity code 1670034-3) for the year ended 31 December, 2023. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including material accounting policy information, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

#### Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing

practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.



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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Other Reporting Requirements

#### Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed, we conclude that there is a material misstatement of the report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

Helsinki, 12 March 2024

KPMG OY AB

#### Kim Järvi

Authorized Public Accountant, KHT

# Proposal for the Distribution of Profits

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According to the parent company’s balance sheet as at 31 December 2023, the total distributable funds are:

	EUR
Reserve for invested non-restricted equity	111,516,893.88
Retained earnings	329,274,404.53
Profit for the period	6,870,352.83
Total distributable funds	477,661,651.24

The Board of Directors proposes that a dividend of EUR 0.40 per share be paid on the 59,121,902 shares and the remainder retained. The total proposed dividend for 2023 is EUR 23,648,760.80. The dividend is proposed to be paid in two instalments; the first payment of EUR 0.20 per share in May 2024 and the second payment of EUR 0.20 per share in October 2024.

Helsinki, 7 March 2024

Peter Seligson  
Chairman of the Board

Klaus Cawén

Kari Kauniskangas

Casper von Koskull

Nelli Paasikivi-Ahlström

Sebastian Bondestam

Fredrik Persson

Marcus Ahlström

Hannele Arvonen

Jyrki Vainionpää  
President and CEO



# Shares and shareholders

## Shares and share capital

A. Ahlström's registered share capital on 31 December 2023 was EUR 38,996,470. The Company has one series of shares. Each share entitles the holder to one vote in the general meeting of shareholders. The Articles of Association include a redemption clause as defined in Chapter 3, section 7 of the Limited Liability Companies Act.

## Shareholdings

At the end of 2023, A. Ahlström had 264 shareholders. More information on shareholders is presented in the Report of the Board of Directors.

## Shareholdings of the Board of Directors

On 31 December 2023, members of the Board of Directors held 1,297,575 shares in A. Ahlström Oy, which represents 2.2 per cent of the shares and voting rights.

## Shareholders by group on 31 December 2023

	Number of Shares	Percentage of capital stock
Companies	1,220,647	2.1
Financial and insurance institutions	31,225	0.1
Households	46,176,720	77.7
Non-profit organisations	555,020	0.9
Foreign owners	11,083,515	18.6
<b>Total</b>	<b>59,067,127</b>	<b>100</b>

## Distribution of shareholdings on 31 December 2023

TEUR	Number of shareholders	Percentage of shareholders	Number of shares and votes	Percentage of shares and votes	Average number of shares held
1-10,000	80	30.3	202,444	0.3	2,531
10,000-50,000	47	17.8	1,331,817	2.3	28,337
50,000-100,000	32	12.1	2,122,411	3.6	66,325
100,000-500,000	67	25.4	16,931,662	28.7	252,711
500,000-	38	14.4	38,478,793	65.1	1,012,600
<b>Total</b>	<b>264</b>	<b>100</b>	<b>59,067,127</b>	<b>100</b>	<b>59,067,127</b>

On 31 December 2023, the number of issued shares was 59,421,902 of which 54,775 shares were on the waiting list and 300,000 shares were repurchased and waiting to be invalidated.



AHLSTRÖM



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## Annual general meeting

The Annual General Meeting 2024 is to be held on Friday, 17 May 2024 at 4 p.m. in Noormarkku, Finland.

## Financial information

A. Ahlström's Annual Report 2023 is available on the company's website at [aahlstrom.com](https://aahlstrom.com). In 2024, the company will inform the shareholders about the development of its performance on a quarterly basis.