



Q1

**INTERIM REPORT
JANUARY-MARCH 2023**

The name was changed from Ahlstrom-Munksjö Holding 3 Oy to Ahlstrom Holding 3 Oy on January 16, 2023.

Purify and Protect, with Every Fiber, for a Sustainable World



TRANSFORMATION JOURNEY ON TRACK - SOLID MARGIN WHILE DESTOCKING CONTINUES

In this interim report the Decor business and related transactions are presented as a discontinued operation in the income statement and statement of comprehensive income for 2022 and 2023. Comparative balance sheet and cash flow statements include Decor business until October 1, 2022.

HIGHLIGHTS DURING THE REPORTING PERIOD

- Progress continues on our transformation journey and milestones on track, including lower transformation costs
- Performance underpinned by solid margin on variable costs per ton – a result of consistent transformation related initiatives, including pricing
- Destocking by customers and weaker end use demand resulted as expected in lower deliveries
- Name change to Ahlstrom Holding 3 Oy registered on January 16, 2023
- Consultation process started at the Stenay plant in France regarding the possibility of divesting or closing the plant

Q1/2023 compared with Q1/2022

- Net sales increased by 2.6% to EUR 801.0 million (780.8), as higher selling prices more than offset the impact of lower deliveries
- Comparable EBITDA was EUR 87.6 million (106.2), representing 10.9% (13.6%) of net sales. Higher margin on variable costs per ton did not fully offset lower deliveries
- EBITDA increased to EUR 76.5 million (73.7) including lower items affecting comparability and other items of EUR -11.1 million (-32.5), mainly relating to the transformation initiatives
- Operating result increased to EUR 32.7 million (30.7)
- Net result was EUR -14.2 million (7.5) including net financial items of EUR -44.8 million (-15.6) and taxes of EUR -0.4 million (-7.6)

Adjusted last twelve months¹

- Adjusted EBITDA for the last twelve months was EUR 511.9 million (EUR 540.8 million at December 31, 2022)
- Adjusted net indebtedness was EUR 1,769.9 million (EUR 1,687.8 million at December 31, 2022), translating into a net indebtedness to adjusted EBITDA ratio of 3.5 (3.1 at December 31, 2022)

Q1/2023

COMPARABLE
EBITDA MEUR 87.6,
10.9% OF NET
SALES

CONTINUED
PROGRESS IN THE
TRANSFORMATION

DEMAND
IMPACTED BY
ONGOING
DESTOCKING

¹ For more information on adjusted EBITDA see page 6, 7 and 34.

KEY FIGURES

Key figures	Q1	Q1	Q4	Q1-Q4
EUR million, or as indicated	2023	2022	2022	2022
Net sales	801.0	780.8	834.3	3,348.7
Comparable EBITDA	87.6	106.2	83.2	440.2
Comparable EBITDA margin, %	10.9	13.6	10.0	13.1
EBITDA	76.5	73.7	34.1	299.8
MOVC per ton, EUR	875.6	793.5	870.9	867.9
MOVC margin, %	35.7	38.4	34.8	37.4
Operating working capital	348.7	349.8	314.2	314.2
Capital expenditure	62.7	31.4	86.5	195.1
Net senior secured indebtedness	1,880.9	1,751.4 ¹	1,788.9	1,788.9
Adjusted Net senior secured indebtedness	1,638.7	1,509.2 ¹	1,546.7	1,546.7
Net indebtedness	2,012.2	2,121.6 ¹	1,930.0	1,930.0
Adjusted Net indebtedness	1,769.9	1,879.4 ¹	1,687.8	1,687.8
Ratio of net senior secured indebtedness to adjusted EBITDA	3.2	n/a	2.9	2.9
Ratio of net indebtedness to adjusted EBITDA	3.5	n/a	3.1	3.1

¹ Include discontinued operation until Oct 1, 2022.

Key Figures	Q1	Q4
EUR million, or as indicated	2023	2022
Adjusted EBITDA (LTM)	511.9	540.8
Adjusted EBITDA margin (LTM), %	14.2	16.1
Interest expenses (LTM)	-130.4	-121.0

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

FINANCIAL PERFORMANCE

Net sales by division	Q1	Q1	Q4	Q1-Q4
EUR million	2023	2022	2022	2022
Filtration	143.3	144.8	149.8	617.9
Food & Consumer Packaging	348.3	324.5	372.8	1,450.0
Healthcare	41.5	54.6	37.7	191.8
Building Materials	75.4	85.4	80.1	351.1
Technical Materials	169.5	153.2	170.3	663.6
Other and eliminations	22.9	18.3	23.7	74.3
Group total	801.0	780.8	834.3	3,348.7

Comparable EBITDA by division	Q1	Q1	Q4	Q1-Q4
EUR million	2023	2022	2022	2022
Filtration	25.1	27.9	26.2	120.4
Food & Consumer Packaging	25.5	27.7	33.7	141.5
Healthcare	7.6	12.9	5.2	42.8
Building Materials	4.5	14.8	7.2	52.6
Technical Materials	20.7	19.2	19.6	72.4
Other and eliminations	4.3	3.8	-8.8	10.5
Group total	87.6	106.2	83.2	440.2

Comparable EBITDA margin by division	Q1	Q1	Q4	Q1-Q4
%	2023	2022	2022	2022
Filtration	17.5	19.2	17.5	19.5
Food & Consumer Packaging	7.3	8.5	9.1	9.8
Healthcare	18.2	23.6	13.8	22.3
Building Materials	5.9	17.3	8.9	15.0
Technical Materials	12.2	12.5	11.5	10.9
Group total	10.9	13.6	10.0	13.1

FINANCIAL RESULT JANUARY-MARCH 2023

Comparison with January-March 2022

Net sales increased by 2.6% to EUR 801.0 million (780.8) as higher selling prices more than offset the impact of lower delivery volumes.

Comparable EBITDA decreased to EUR 87.6 million (106.2), representing 10.9% of net sales (13.6), due to lower deliveries. Volumes decreased as a result of the ongoing destocking in the value chains, partly relating to weaker end markets.

The transformation is progressing and continues to deliver strong results. Margin on variable costs per ton increased compared to the previous year as significantly higher variable costs were more than offset by higher selling prices and cost efficiency measures relating to operational excellence initiatives.

EBITDA increased to EUR 76.5 million (73.7). Items affecting comparability (IACs) and owners' management fee in EBITDA totaled EUR -11.1 million (-32.5), and included significantly lower transformation costs. An important milestone in the transformation journey is the strengthened capabilities in strategically important areas, which gradually reduce transformation costs.

Operating result increased to EUR 32.7 million (30.7). Depreciation, amortization and impairment amounted to EUR -43.8 million (-43.0), including depreciation and amortization arising from PPA of EUR -15.9 million (-15.8).

Net financial items were EUR -44.8 million (-15.6). This figure includes net interest expenses of EUR -35.4 million (-28.7), a currency exchange gain of EUR 1.1 million (2.9), and other financial items of EUR -10.4 million (10.2) impacted by fair value changes of interest rate hedges.

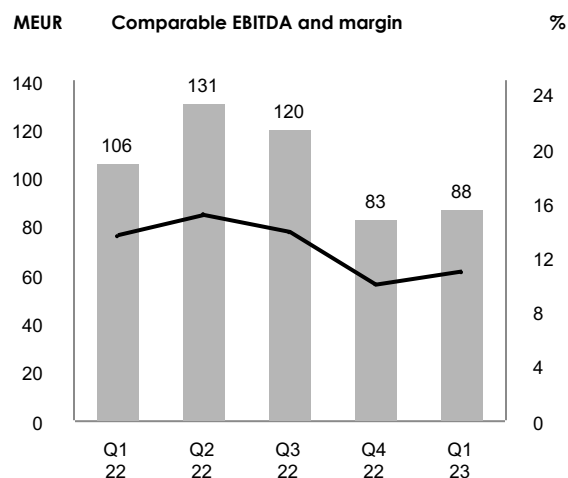
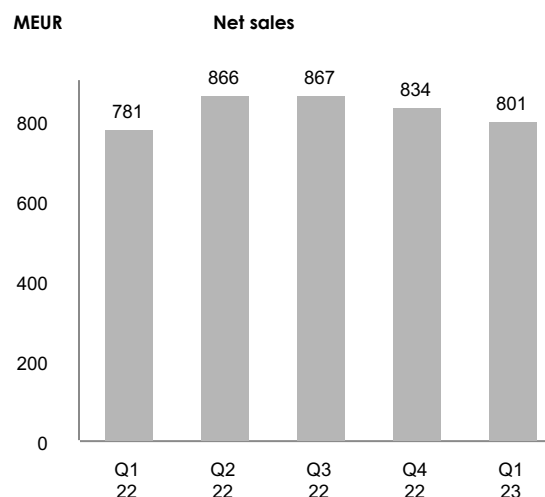
The result before taxes was EUR -13.9 million (15.1). Taxes amounted to EUR -0.4 million (-7.6). The net result was EUR -14.2 million (7.5).

Adjusted EBITDA

Adjusted EBITDA amounted to EUR 511.9 million for the last twelve months (LTM) ending March 31, 2023 (EUR 540.8 million LTM ending December 31, 2022). The reduction is mainly explained by lower comparable EBITDA (LTM).

Comparison with September-December 2022

Comparable EBITDA increased mainly thanks to improved cost efficiency driven by the ongoing transformation.



Reconciliation of EBITDA and comparable EBITDA				
	Q1	Q1	Q4	Q1-Q4
EUR million	2023	2022	2022	2022
Operating result	32.7	30.7	-20.8	113.8
Depreciation, amortization and impairment	-43.8	-43.0	-54.9	-185.9
EBITDA	76.5	73.7	34.1	299.8
Transaction costs	1.5	-3.1	0.0	-4.6
Transformation costs	-9.5	-26.7	-40.6	-116.3
Restructuring costs	-0.5	-1.1	-3.6	-7.8
Other	-0.7	-0.2	-3.5	-5.5
Total items affecting comparability (IAC) in EBITDA	-9.3	-31.1	-47.6	-134.3
Management fee to owners ¹	-1.8	-1.5	-1.4	-6.1
Total IAC in EBITDA and management fee	-11.1	-32.5	-49.1	-140.4
Comparable EBITDA	87.6	106.2	83.2	440.2

¹ Management fee paid to the consortium pursuant to a management agreement whereby Group has received general business consulting services; financial, managerial and operational advice, advisory and consulting services with respect to selection of advisors; advice in different fields; and financial and strategic planning and analysis.

Reconciliation of Comparable EBITDA (LTM) to adjusted EBITDA (LTM)		
	Adjusted LTM	Adjusted LTM
	Q1	Q4
EUR million	2023	2022
Comparable EBITDA (LTM)	421.6	440.2
FY22 initiatives ¹	9.2	27.8
FY23 initiatives ²	64.9	72.8
FY24 initiatives ³	16.2	—
Adjusted EBITDA (LTM)	511.9	540.8

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

¹ Comprises of a number of initiatives focusing on better managing of indirect spends and improving efficiencies. The numbers include savings from initiatives implemented during FY22, not yet included in the LTM EBITDA, for which started to generate benefits in FY22 with the full year impact in FY23. The amount of the initiatives launched in 2022 and not yet included in L12M EBITDA is 9.2 M€. Most of the savings for FY22 initiatives comes from transformation projects focused on materials (Fibers & Chemicals), indirect spend, continuous improvement with a special focus on Energy initiatives, considering the critical market situation. Fibers projects (EUR 2.1 million, 23%) include dual sourcing from a lower cost supplier, optimizing the Group's pulp recipes (long/short fibers replacement) and annual/quarterly prices negotiation. For Chemicals (EUR 1.2 million, 13%), savings mainly come from recipe optimization, better negotiated price and in resale of chemical wastes. Indirect savings (EUR 3.0 million, 33%) includes global consolidation and spend transparency initiatives specifically in IT and Travel, subcontracting optimization and freight costs negotiation.

² These savings were implemented over the course of FY23 and the full run rate benefit will be achieved 12 months from the date of implementation: saving mainly due to Fibers (17.2 M€, 26%), Chemicals (15.1 M€, 23%), continuous improvement actions (13.2 M€, 20%) and energy (9.3 M€, 14%) coming from project like Recipe 2.0 and Rapid Value Creation.

³ Consists of initiatives to be implemented with EBITDA benefits not planned until FY24, driven mainly by Continuous Improvement, Fibers, Indirect and Energy. Fiber savings (EUR 2.3 million, 14%) are expected to deliver the most savings. Indirect savings contribution is 2.1 million, 13% and high contribution is expected from Continuous improvement projects (EUR 10.2 million, 62%) related to general equipment and facilities improvements. Energy is expected to be the contribute (EUR 1.4 million, 9%) focused on energy optimization.

CASH FLOW AND FINANCING JANUARY-MARCH 2023

Cash flow and capital expenditure

In January-March 2023 net cash from operating activities was EUR -22.9 million (33.5 in Q1 2022, including discontinued operation). Cash flow was negatively impacted by an increase in working capital, significantly affected by short term incentive payments in March as a result of the strong results in 2022.

Capital expenditure totaled EUR -62.7 million (-34.3 in Q1 2022, including discontinued operation) and were high due to several projects related to the ongoing transformation targeting improved performance and growth.

Free cash flow was EUR 64.4 million (95.0 in Q1 2022), calculated as comparable EBITDA minus maintenance capital expenditure, and cash conversion was 73.5% (89.5%), calculated as free cash flow divided by comparable EBITDA.

Financing and indebtedness

Cash flow from financing activities was EUR -22.6 million (116.4 in Q1 2022, including discontinued operation).

On March 31, 2023, total equity was EUR 843.6 million (894.5 on December 31, 2022). The total equity was reduced by translation differences, net result and cash distribution by way of return of equity.

Ahlstrom's liquidity is satisfactory. At the end of the review period, the total cash position was EUR 134.8 million (240.7 on December 31, 2022). The principal sources of liquidity were cash flow from operating activities, committed and uncommitted lines, as well as a Finnish Commercial Paper Program and a factoring arrangement.

At the end of the reporting period, adjusted net indebtedness was EUR 1,769.9 million (1,687.8 on December 31, 2022), affected by high cash outflows in the first quarter, translating into a net indebtedness to adjusted EBITDA ratio of 3.5 (3.1).

ACQUISITION OF AHLSTROM-MUNKSJÖ

THE ACQUISITION OF AHLSTROM OYJ IN 2021 AND SUBSEQUENT REDEMPTION PROCEDURE

On September 24, 2020, Ahlstrom Holding 3 Oy (previously named first Spa Holdings 3 Oy until August 2021 and, subsequently, Ahlstrom-Munksjö Holding 3 Oy until January 2023), a consortium consisting of Ahlström Capital, funds managed or advised by Bain Capital as well as Viknum and Belgrano Inversiones, made a public recommended cash tender offer for all shares in Ahlstrom Oyj (previously named Ahlstrom-Munksjö Oyj until January 2023). Ahlstrom Holding 3 Oy received an ownership of more than 90% on February 4, 2021 and started a compulsory redemption procedure and applied for the delisting of the shares from Nasdaq Helsinki and Nasdaq Stockholm.

On April 16, Nasdaq Stockholm approved the delisting application and resolved that the last day of trading in Ahlstrom Oyj's shares was May 31, 2021. On June 23, 2021 it was announced that Ahlstrom Holding 3 Oy had posted security approved by the arbitral tribunal appointed by the Redemption Board of the Finland Chamber of Commerce in connection with the redemption proceedings concerning the minority shares in Ahlstrom Oyj, and thus gained title to all the shares in Ahlstrom Oyj in accordance with Chapter 18, Section 6 of the Finnish Companies Act. The shares in Ahlstrom Oyj were delisted as of June 23 from the official list of Nasdaq Helsinki.

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

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

Amongst others, the trustee who represents the minority shareholders, has also filed their appeal with the District Court. The current estimate is that the District Court will issue its judgement in August 2023. The judgement may, however, still be appealed to the Supreme Court, if the latter grants leave to appeal, in which case the appeal proceedings could last until the end of 2024 or the beginning of 2025.

According to the Companies Act, the redemption price falls due after a month has passed from the judgement on redemption becoming *res judicata*, i.e. non-appealable. The unpaid redemption price is subject to interest in accordance with Chapter 18, Section 7 of the Finnish Companies Act. The reference rate referred to therein (at 2.5% as of 1 January, 2023) is subject to bi-annual adjustments, with the next adjustment due on 1 July, 2023. However, the redemption price may be paid up to the undisputed price of EUR 17.84 per share already during the course of the appeal proceedings.

PERSONNEL

At the end of the reporting period, Ahlstrom employed 6,939 people. The highest numbers of employees were in the United States (36%), France (21%), Sweden (11%), Italy (8%), Brazil (5%) and China (5%).

EVENTS DURING THE REPORTING PERIOD

APPOINTMENT OF PRESIDENT AND CEO

On December 13, 2022, Helen Mets was appointed President and CEO, effective January 1, 2023, and succeeded Hans Sohlström who left Ahlstrom at the end of December.

CHANGE OF NAME TO AHLSTROM HOLDING 3 OY

On January 16, 2023, Ahlstrom-Munksjö Holding 3 Oy registered with the Finnish Patent and Registration Office as its company name Ahlstrom Holding 3 Oy.

AHLSTROM HOLDING 3 OY RETURN OF EQUITY

On January 23, 2023, Ahlstrom Holding 3 Oy decided on a cash distribution in the aggregate amount of EUR 8,348,142.78 (the "Distribution Amount") by way of return of equity from invested unrestricted equity reserve. Payment was made on February 1, 2023.

CONSULTATION PROCESS STARTED AT STENAY PLANT IN FRANCE

On 13 March 2023, a consultation process started with employee representatives at the Stenay plant in France regarding the possibility of divesting the plant, and if a buyer cannot be found a closure of the plant. The plant has an annual capacity of approximately 55,000 tons of specialty paper and has 127 employees.

ANNUAL GENERAL MEETING

On March 28, 2023, it was resolved in a sole shareholder meeting to adopt the Financial Statements for the year 2022 and to grant the members of the Board of Directors discharge from the financial year 2022. It was resolved also to authorize the Board of Directors to decide on the distribution of funds in one or several tranches from the company's invested unrestricted equity fund up to an aggregate maximum of EUR 35.0 million. The authorization is in force until the beginning of the company's Annual General Meeting 2024.

EVENTS AFTER THE REPORTING PERIOD

RETURN OF EQUITY

On April 26, 2023, Ahlstrom Holding 3 Oyj decided on a cash distribution in the aggregate amount of EUR 8,207,878 (the "Distribution Amount") by way of return of equity from invested unrestricted equity reserve. Payment was made on April 28, 2023.

CHANGES IN THE EXECUTIVE MANAGEMENT TEAM

On May 2, 2023, it was announced that Konraad Dullaert had been appointed Executive Vice President Science, Innovation and Sustainability and a member of the Executive Management Team, effective June 1, 2023. In his role, Konraad will be responsible for global innovation, sustainability, and commercial excellence as well as marketing. Konraad will succeed Robin Guillaud, EVP Sustainability, Innovation and Marketing, who will leave Ahlstrom at the end of July.

Wouter Hut, Chief Procurement Officer, was appointed as a member of Ahlstrom's Executive Management Team, effective June 1, 2023. Wouter has been with Ahlstrom and in his current role as Chief Procurement Officer since 2021.

On May 24, 2023, it was announced that Mary Puddepha had been appointed Chief People Officer and a member of the Executive Management Team, effective June 1, 2023. Mary will succeed Tarja Takko, EVP People & Culture, who leaves Ahlstrom at the end of May.

SHORT-TERM RISKS

Ahlstrom manages a broad portfolio of businesses and serves a wide range of end uses globally and therefore unlikely to be significantly affected at a Group level by individual business factors. However, slowing global economic growth and uncertain financial market conditions could have an adverse effect on the operations, financial results, and financial position.

Ahlstrom's significant risks and uncertainty factors mainly consist of developments in demand for and prices of sold products, the cost and availability of key raw materials and energy, as well as other business factors including developments in global trade, regulations, and the financial markets.

The sustainability criteria are developing rapidly as the effects of climate change increase. For the industry, the green transition means new business conditions, but also new business opportunities because some of the environmental challenges can be met with the company's products. Risks include, but are not limited to, unforeseen expenses related to compliance with existing and new environmental and other government regulations, adaptation and innovation expenditures, as well as production disruptions and restrictions.

The economic repercussions of the war in Ukraine have become a source of increased uncertainty, particularly regarding the availability and cost of energy in Europe. There is a risk of continued high inflation, high interest rates and deteriorating geopolitical stability, factors that could deepen the economic downturn and lead to a prolonged global recession.

The Group's key financial risks include interest rate and currency, liquidity and credit risks. To mitigate short-term risks, methods such as hedging and credit insurance are used. There are no major refinancing needs short-term. The Group is exposed to tax risks due to potential changes in tax laws and regulations or their application, or as a result of on-going or future tax audits or claims.

The company regularly assesses the best structure for its platform of businesses and systematically evaluates M&A opportunities. In potential business combinations, substantial integration work is needed to realize expected synergies. Ongoing transformation initiatives pose risks that are mitigated by a dedicated transformation office of cross-functional and operational capabilities.

Ahlstrom has operations in many countries, and sometimes disputes cannot be avoided in daily operations. The company is sometimes involved in legal actions, disputes, claims for damages and other procedures. The result of these cannot be predicted, but taking into account all the available current information, no significant impact on the financial position of the company from any known legal actions, disputes or claims is expected.

ADDITIONAL INFORMATION AT AHLSTROM

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COMBINED AUDIOCAST AND TELECONFERENCE

A combined audiocast and teleconference will be held on May 31, 17:00 EEST (16:00 CEST).

Questions to the management can be asked either via the chat box in the audiocast or in person by phone in the conference call.

Audiocast registration link:

<https://ahlstrom.videosync.fi/q1-2023>

Teleconference registration link:

<https://conference.financialhearings.com/teleconference/?id=10011134>

By joining audiocast or teleconference, the participant agrees that personal information such as name and company name will be collected. The event will be recorded.

Forward-Looking Statements

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

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

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

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

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

APPENDIX 1: CONSOLIDATED FINANCIAL STATEMENTS

This interim report presents the condensed consolidated interim results, financial position and cash flows of Ahlstrom for January-March 2023 ('interim report'). All figures in this interim report are concerning continuing operations unless otherwise stated.

These interim financial statements are unaudited.

INCOME STATEMENT		Q1	Q1	Q1-Q4
EUR million	Note	2023	2022	2022
Continuing operations				
Net sales	6, 7	801.0	780.8	3,348.7
Cost of goods sold		-691.8	-651.1	-2,820.1
Gross profit		109.3	129.7	528.6
Sales, R&D and administrative expenses		-67.8	-86.1	-370.7
Other operating income	8	8.1	3.1	27.6
Other operating expense	9	-16.9	-16.1	-71.6
Operating result		32.7	30.7	113.8
Net financial items		-44.8	-15.6	-84.4
Share of result in equity accounted investments		-1.8	0.0	-6.1
Result before taxes		-13.9	15.1	23.3
Income taxes		-0.4	-7.6	-13.2
Net result from continuing operations		-14.2	7.5	10.1
Net result from discontinued operation	5	-0.7	6.6	-110.0
Net result		-15.0	14.0	-99.9

The notes are an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME			
EUR million	Q1 2023	Q1 2022	Q1-Q4 2022
Net result	-15.0	14.0	-99.9
Other comprehensive income, continuing operations			
Items that may be reclassified to income statement			
Exchange differences on translation of foreign operations	-33.5	27.4	22.7
Hedges of net investments in foreign operations	10.3	-10.3	-31.5
Change in cash flow hedge reserve	-9.9	-1.3	-21.3
Cash flow hedge transferred to this year's result	2.1	1.7	10.0
Equity-accounted investees- share of OCI	0.6	—	-1.5
Income taxes to items that may be reclassified	2.2	2.0	3.0
Items that will not be reclassified to income statement			
Actuarial gains and losses on defined benefit plans	0.5	-2.6	9.7
Equity-accounted investees- share of OCI	0.1	—	-0.1
Income taxes to items that will not be reclassified	-0.1	0.7	-2.3
Other comprehensive income, continuing operations	-27.6	17.6	-11.2
Other comprehensive income, discontinued operation	—	1.8	13.4
Translation differences reclassified to income statement, discontinued operations	—	—	-13.3
Comprehensive income	-42.6	33.4	-110.9
Net result attributable to			
Parent company's shareholders	-15.3	14.1	-99.6
Non-controlling interests	0.4	0.0	-0.3
Comprehensive income attributable to			
Parent company's shareholders	-42.8	32.9	-111.0
Non-controlling interests	0.2	0.5	0.1

The notes are an integral part of the financial statements.

BALANCE SHEET		Mar 31,	Mar 31,	Dec 31
EUR million	Note	2023	2022	2022
ASSETS				
Non-current assets				
Property, plant and equipment	10	1,123.9	1,254.0	1,121.1
Right-of-use assets	11	37.3	43.3	38.2
Goodwill	12	1,085.5	1,241.1	1,101.9
Other intangible assets	13	795.4	865.0	806.7
Equity accounted investments		27.2	1.1	25.9
Other non-current assets		91.9	73.2	106.9
Deferred tax assets		2.4	2.4	4.0
Total non-current assets		3,163.6	3,480.1	3,204.6
Current assets				
Inventories		439.4	488.7	423.2
Trade and other receivables		551.5	634.6	560.3
Income tax receivables		13.1	14.9	12.6
Cash and cash equivalents	14	134.8	245.8	240.7
Total current assets		1,138.9	1,383.9	1,236.9
TOTAL ASSETS		4,302.5	4,864.0	4,441.5
EQUITY AND LIABILITIES				
Equity				
Equity attributable to parent company's shareholders		834.0	1,061.8	885.1
Non-controlling interests		9.6	29.3	9.4
Total equity		843.6	1,091.2	894.5
Non-current liabilities				
Non-current borrowings	14	2,010.9	2,032.0	2,024.6
Non-current lease liabilities	14	25.4	31.2	26.3
Other non-current liabilities		11.3	1.6	11.2
Employee benefit obligations		51.0	82.4	52.0
Deferred tax liabilities		212.0	247.2	226.2
Non-current provisions		21.1	24.3	21.1
Total non-current liabilities		2,331.7	2,418.6	2,361.4
Current liabilities				
Current borrowings	14	97.4	291.0	106.4
Current lease liabilities	14	13.3	13.3	13.4
Trade and other payables		992.3	1,012.4	1,041.3
Income tax liabilities		13.0	20.9	12.4
Current provisions		11.2	16.7	12.0
Total current liabilities		1,127.2	1,354.3	1,185.5
Total liabilities		3,459.0	3,772.9	3,547.0
TOTAL EQUITY AND LIABILITIES		4,302.5	4,864.0	4,441.5

The notes are an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY							
EUR million	Reserve for invested unrestricted equity	Other reserves	Cumulative translation adjustment	Retained earnings	Total equity attributable to parent company's shareholders	Non-controlling interest	Total equity
Equity at January 1, 2022	1,095.3	-27.2	52.4	-83.2	1,037.2	12.7	1,049.9
Net result	—	—	—	14.1	14.1	-0.0	14.0
Other comprehensive income, net of tax	—	-7.9	28.7	-1.9	18.8	0.6	19.4
Total comprehensive income	—	-7.9	28.7	12.1	32.9	0.5	33.4
Business combination	—	—	—	—	—	16.4	16.4
Return of equity, dividend and other	-8.3	—	—	—	-8.3	-0.3	-8.6
Equity at March 31, 2022	1,086.9	-35.1	81.1	-71.1	1,061.9	29.3	1,091.2
Equity at January 1, 2023	1,054.1	-66.8	71.8	-173.9	885.1	9.4	894.5
Net result	—	—	—	-15.3	-15.3	0.4	-15.0
Other comprehensive income, net of tax	—	4.8	-32.7	0.5	-27.5	-0.2	-27.6
Total comprehensive income	—	4.8	-32.7	-14.8	-42.8	0.2	-42.6
Return of equity, dividend and other	-8.3	—	—	—	-8.3	—	-8.3
Equity at March 31, 2023	1,045.7	-62.1	39.0	-188.7	834.0	9.6	843.6

The notes are an integral part of the financial statements.

STATEMENT OF CASH FLOWS	Q1	Q1	Q1-Q4
EUR million	2023	2022	2022
Cash flow from operating activities			
Net result	-15.0	14.0	-99.9
Adjustments, total	90.0	74.4	426.4
Changes in net working capital	-62.0	-20.1	56.0
Change in provisions	-0.7	-1.1	-4.9
Interest paid	-26.3	-21.8	-120.1
Other financial items	-1.5	-8.4	-17.6
Income taxes paid	-7.3	-3.6	-24.0
Net cash from operating activities	-22.9	33.5	215.9
Cash flow from investing activities			
Payment for acquisition of businesses and subsidiaries, net of cash acquired	—	-34.5	-34.3
Purchases of property, plant and equipment and intangible assets	-62.7	-34.3	-203.8
Proceeds from disposal of shares in Group companies and businesses and associated	6.8	—	216.6
Other investing activities	-2.5	0.0	1.3
Net cash from investing activities	-58.4	-68.9	-20.2
Cash flow from financing activities			
Return of equity	-8.3	-8.3	-41.2
Dividends paid and other	—	-0.3	-0.3
Changes in borrowings and other financial activities	-14.3	125.0	-76.2
Net cash from financing activities	-22.6	116.4	-117.7
Net change in cash and cash equivalents	-103.9	81.1	78.0
Cash and cash equivalents at the beginning of the period	240.7	162.6	162.6
Foreign exchange effect on cash and cash equivalents	-2.1	2.1	0.0
Cash and cash equivalents at the end of the period	134.8	245.8	240.7

1. General information

Ahlstrom Holding 3 Oy (previously named first Spa Holdings 3 Oy until August 2021 and subsequently Ahlstrom-Munksjö Holding 3 Oy until January 16, 2023) is the parent company (the "Issuer", "parent company") of the Ahlstrom Group ("Ahlstrom", "Group", "company"). Ahlstrom is a global leader in fiber-based materials, supplying innovative and sustainable solutions worldwide. Ahlstrom's offerings include filter materials, release liners, food and beverage processing materials, abrasive and tape backings, electrotechnical paper, glass fiber materials, medical fiber materials and solutions for diagnostics as well as a range of specialty papers for industrial and consumer end-uses.

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

The condensed interim consolidated financial statements ("interim report") January-March 2023, approved by the Board of Directors of Ahlstrom Holding 3 Oy have been prepared solely for the purpose of reporting to the parent company's bondholders. The condensed consolidated interim results, financial position and cash flows of Ahlstrom for January-March 2023, January-March 2022 and for the year 2022 presented herein have been prepared in accordance with IFRS, as adopted by the EU. The condensed interim consolidated financial statements have been prepared in accordance with "IAS 34 Interim Financial Reporting", as adopted by the EU and should be read together with Ahlstrom's consolidated Financial Statements for the year 2022.

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

3. Accounting principles

The accounting principles applied are consistent with those followed in the preparation of the Ahlstrom's consolidated financial statements for the year 2022.

Discontinued operation - Decor business

Unless otherwise noted, figures in this interim report refer to continuing operations. The Decor business divested in 2022 and related transactions are presented as a discontinued operation in the income statement and statement of comprehensive income. Comparative balance sheet and cash flow statements include Decor business until October 1, 2022.

4. Business acquisitions and disposals

There were no new business acquisitions or disposals during the first quarter of 2023.

Reorganization of the ownership of Decor business

On October 1, 2022, Ahlstrom completed the ownership arrangement and divested its Decor business. Decor business continues as an independent company under the Munksjö name. The divestment is presented in more detail in the note 5 Discontinued operation below. Ahlstrom's investment in new Munksjö is presented in more detail in the note 22 Associated companies and joint operations in the consolidated Financial Statements for the year 2022.

Acquisition of Ahlstrom in 2021 and related developments in 2022 and 2023

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

On February 25, 2022, the arbitral tribunal appointed by the Redemption Board of the Finland Chamber of Commerce rendered its decision according to which the redemption price payable by Ahlstrom Holding 3 Oy for the 10,755,918 Ahlstrom Oyj's minority shares that are subject to mandatory redemption shall be EUR 21.55 per share. This was EUR 39.9 million in excess of the EUR 191.9 million redemption liability that had been recognized in the financial statements of Ahlstrom Holding 3 Oy. The additional payment liability was recognized in Q1/2022 interim financial statements. The excess did not have any impact on the income statement as it is limited to a gross presentation in the balance sheet where goodwill, and trade and other payables increased by EUR 39.9 million. On April 29, 2022, Ahlstrom Holding 3 Oy filed an appeal with the District Court of Helsinki, requesting the District Court to confirm the redemption price of the minority shares in Ahlstrom Oyj to be EUR 17.84 per share. The requested redemption price of EUR 17.84 corresponds with the price offered in the public tender offer.

Amongst others, the trustee who represents the minority shareholders, has also filed their appeal with the District Court. The current estimate is that the District Court will issue its judgement in August 2023. The judgement may, however, still be appealed to the Supreme Court, if the latter grants leave to appeal, in which case the appeal proceedings could last until the end of 2024 or the beginning of 2025. According to the Companies Act, the redemption price falls due after a month has passed from the judgement on redemption becoming non-appealable. The unpaid redemption price is subject to interest in accordance with Chapter 18, Section 7 of the Finnish Companies Act. The reference rate referred to therein (at 2.5% as of 1 January, 2023) is subject to bi-annual adjustments, with the next adjustment due on 1 July, 2023. However, the redemption price may be paid up to the undisputed price of EUR 17.84 per share already during the course of the appeal proceedings.

Acquisition of Minglian New Materials Technology Co., Ltd.

On January 14, 2022, Ahlstrom acquired a 60% stake in the Chinese decor paper producer Minglian New Materials Technology Co., Ltd. which comprised a state-of-the-art plant in the city of Xingtai, Hebei Province, China. On October 1, 2022 Minglian was divested as a part of the Decor business. See more information in note 3 of Ahlstrom's consolidated Financial Statements for the year 2022.

5. Discontinued operation - The Decor business

Reorganization of the Decor business ownership

Following the announcement of ownership reorganization of the Decor business on May 23, 2022, Ahlstrom classified the Decor business as assets held for sale and reports the business and related transactions as a discontinued operation as of the second quarter of 2022. Results from the discontinued operation are reported separately from income and expenses from continuing operations in the consolidated income statement and prior periods are re-presented accordingly. Assets and liabilities related to the discontinued operation are presented as separate line items in the balance sheet as of the classification date and the balance sheet is not re-presented for prior periods. On October 1, 2022, Ahlstrom completed the ownership

arrangement and divested the Decor business. The divestment and its impact on the Group's financial statements is explained in more detail in Ahlstrom's consolidated Financial Statements for the year 2022.

The final consideration payment received for the divestment in the first quarter of 2023 was EUR -0.9 million less than the estimated consideration receivable recognized as at December 31, 2022. As a result, the adjusted total gain on the divestment, net of tax, amounted to EUR 1.3 million. The cash flow impact of the transaction, i.e. purchase consideration net of disposed subsidiaries' cash and cash equivalents and net of Group's equity contribution and a loan to the acquiring party Munksjö, amounted to EUR 216.6 million in 2022 and EUR 6.8 million in 2023. The following tables that present the detailed information about the discontinued operation's net result and cash flows, gain on sale of discontinued operation and disposal's impact on the Group's balance sheet have been adjusted based on the final consideration payment received in the first quarter of 2023.

INCOME STATEMENT, DISCONTINUED OPERATION			
EUR million	Q1 2023	Q1 2022	Q1-Q4 2022
Net sales	—	144.4	403.3
Cost of goods sold	—	-126.4	-353.0
Gross profit	—	18.1	50.3
Sales, R&D and administrative expenses	—	-6.8	-20.9
Other operating income	0.2	0.5	11.9
Other operating expense	-0.9	-1.8	-134.7
Operating result	-0.7	10.0	-93.4
Net financial items	—	-0.5	-2.5
Result before taxes	-0.7	9.6	-95.9
Income taxes	0.0	-3.0	-14.2
Net result from discontinued operation	-0.7	6.6	-110.0
Other comprehensive income	—	1.8	0.2
Comprehensive income	-0.7	8.4	-109.8

CASH FLOWS, DISCONTINUED OPERATION			
EUR million	Q1 2023	Q1 2022	Q1-Q4 2022
Cash flows from operating activities	0.5	-12.0	-18.4
Cash flows from investing activities	6.8	-38.2	177.1
Cash flows from financing activities	—	49.8	86.2
Net change in cash flows	7.3	-0.4	244.9

GAIN ON DISPOSAL	
EUR million	
Purchase consideration ¹	302.7
Carrying amount of net assets sold	-300.9
Costs to sell ²	-7.6
Loss on sale of discontinued operation before income tax and reclassification of accumulated translation differences	-5.7
Reclassification of accumulated translation differences	13.5
Income tax on sale of discontinued operation	-6.5
Gain on sale, net of tax	1.3

¹ Includes the estimated purchase consideration of EUR 303.6 million reported for the year 2022 and the adjustment of EUR -0.9 million resulting from the final consideration payment in the first quarter of 2023.

² of which EUR -1.7 million was recognized in 2021

6. Segment information

Ahlstrom-Munksjö operates under the following five divisions and reporting segments:

Filtration – Mission-critical air and liquid filtration materials.

Food & Consumer Packaging – Materials for improved food safety, product preservation, and bacteria prevention, helping extend product life and protect human health.

Healthcare – Materials serving essential societal uses in medical, laboratory, and life science settings including diagnostics, bioprocessing, and medical performance barriers.

Building Materials – Highly engineered protective building material applications for every face of the building.

Technical Materials – Highly technical applications including protective materials such as insulation, precision coating, tape, and others.

Other and eliminations include certain group and function costs, as well as Aspa market pulp mill and certain other costs not used in the assessment of divisional performance.

Financial performance by division, EUR million Q1/2023	Filtration	Food & Consumer Packaging	Health- care	Building Materials	Technical Materials	Other and eliminations	Group total
Net sales, external	142.6	342.1	39.9	75.2	166.3	34.8	801.0
Net sales, internal	0.6	6.2	1.6	0.2	3.2	-11.8	—
Net sales	143.3	348.3	41.5	75.4	169.5	22.9	801.0
Comparable EBITDA	25.1	25.5	7.6	4.5	20.7	4.3	87.6
IAC in EBITDA and management fee							-11.1
Depreciation, amortization and impairment							-43.8
Operating result							32.7
Operating working capital	72.5	129.4	38.3	9.5	110.1	-11.1	348.7

Financial performance by division, EUR million Q1/2022	Filtration	Food & Consumer Packaging	Health- care	Building Materials	Technical Materials	Other and eliminations	Group total
Net sales, external	144.0	315.0	52.3	84.2	150.1	35.3	780.8
Net sales, internal	0.9	9.5	2.3	1.2	3.1	-17.0	—
Net sales	144.8	324.5	54.6	85.4	153.2	18.3	780.8
Comparable EBITDA	27.9	27.7	12.9	14.8	19.2	3.8	106.2
IAC in EBITDA and management fee							-32.5
Depreciation, amortization and impairment							-43.0
Operating result							30.7
Operating working capital	84.9	124.6	34.5	19.4	105.8	-19.4	349.8

Segment information by quarter	2023	2022	2022	2022	2022
EUR million, or as indicated	Q1	Q4	Q3	Q2	Q1
Net sales, total					
Filtration	143.3	149.8	159.7	163.6	144.8
Food & Consumer Packaging	348.3	372.8	387.8	364.9	324.5
Healthcare	41.5	37.7	45.1	54.4	54.6
Building Materials	75.4	80.1	87.2	98.5	85.4
Technical Materials	169.5	170.3	170.0	170.1	153.2
Other and eliminations and pro forma foreign exchange impact	22.9	23.7	17.3	15.0	18.3
Group total	801.0	834.3	867.1	866.4	780.8
Comparable EBITDA					
Filtration	25.1	26.2	31.5	34.8	27.9
Food & Consumer Packaging	25.5	33.7	39.4	40.7	27.7
Healthcare	7.6	5.2	10.2	14.5	12.9
Building Materials	4.5	7.2	14.5	16.1	14.8
Technical Materials	20.7	19.6	15.6	18.0	19.2
Other and eliminations and pro forma foreign exchange impact	4.3	-8.8	8.8	6.7	3.8
Group total	87.6	83.2	120.0	130.8	106.2
Comparable EBITDA margin, %					
Filtration	17.5	17.5	19.8	21.3	19.2
Food & Consumer Packaging	7.3	9.1	10.2	11.1	8.5
Healthcare	18.2	13.8	22.5	26.7	23.6
Building Materials	5.9	8.9	16.6	16.4	17.3
Technical Materials	12.2	11.5	9.2	10.6	12.5
Group total	10.9	10.0	13.8	15.1	13.6
Operating working capital					
Filtration	72.5	67.3	102.1	100.6	84.9
Food & Consumer Packaging	129.4	124.6	135.4	157.8	124.6
Healthcare	38.3	35.5	40.5	44.4	34.5
Building Materials	9.5	20.7	29.3	35.1	19.4
Technical Materials	110.1	98.1	107.4	107.0	105.8
Other and eliminations	-11.1	-31.8	-23.8	-34.0	-19.4
Group total	348.7	314.2	390.9	411.0	349.8

7. Net sales by region

EUR million	Q1 2023	Q1 2022	Q1-Q4 2022
Europe	315.7	316.5	1,316.7
North America	334.4	297.5	1,348.9
South America	51.8	55.4	220.7
Asia-Pacific	92.1	101.8	420.5
Rest of the world	6.9	9.6	41.9
Total	801.0	780.8	3,348.7

8. Other operating income

EUR million	Q1 2023	Q1 2022	Q1-Q4 2022
Gain on sale of fixed assets	0.0	0.0	0.2
Sale of scrap and side products	1.4	1.7	7.2
Government grants	0.6	0.6	8.0
R&D and other tax credits	0.2	0.2	1.2
Gain on sale of emission rights and other environmental rights	0.0	0.0	3.5
Other	5.9	0.6	7.5
Total	8.1	3.1	27.6

9. Other operating expense

EUR million	Q1 2023	Q1 2022	Q1-Q4 2022
Depreciation and amortization arising from PPA ¹	-15.9	-15.8	-65.1
Impairment loss	—	—	-3.1
Other	-0.9	-0.3	-3.5
Total	-16.9	-16.1	-71.6

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

10. Changes in property, plant and equipment ¹

EUR million	Q1 2023	Q1 2022	Q1-Q4 2022
Net book value at the beginning of period	1,121.1	1,214.5	1,214.5
Business combination	—	28.6	28.6
Additions	43.4	24.2	180.5
Business Disposal	—	—	-177.6
Disposals	—	-0.0	-0.5
Depreciation and impairment	-29.2	-32.2	-135.4
Translation differences and other changes	-11.3	18.9	11.0
Net book value at the end of period	1,123.9	1,254.0	1,121.1

¹ Include discontinued operation until October 1st, 2022

Net book value of property, plant and equipment amounted to EUR 1,123.9 million, comprising of land and land improvements of EUR 79.0 million, buildings of EUR 170.6 million, machinery and equipment of EUR 697.1 million, other tangible assets of EUR 6.0 million and construction in progress of EUR 171.3 million.

11. Changes in right-of-use assets¹

EUR million	Q1 2023	Q1 2022	Q1-Q4 2022
Net book value at the beginning of period	38.2	44.9	44.9
Additions	3.4	1.8	13.0
Business disposal	—	—	-4.8
Depreciation and impairment	-3.8	-3.8	-15.2
Translation differences and other changes	-0.5	0.5	0.3
Net book value at the end of period	37.3	43.3	38.2

¹ Include discontinued operation until October 1st, 2022

12. Goodwill¹

EUR million	Q1 2023	Q1 2022	Q1-Q4 2022
Net book value at the beginning of period	1,101.9	1,169.3	1,169.3
Business combination	—	58.7	58.4
Translation differences and other changes	-16.4	13.1	22.8
Impairment	—	—	-130.0
Business disposal	—	—	-18.6
Net book value at the end of period	1,085.5	1,241.1	1,101.9

¹ Include discontinued operation until October 1st, 2022

In 2022, business combination included an adjustment related to the acquisition of Ahlstrom of EUR 39.9 million and the acquisition of Minglian of EUR 18.8 million. An impairment loss of 130 million was recognized on Decor business related goodwill in the second and third quarter of 2022, and the amount of Decor business related goodwill disposed of was EUR 18.6 million.

13. Changes in other intangible assets¹

EUR million	Q1 2023	Q1 2022	Q1-Q4 2022
Net book value at the beginning of period	806.7	857.6	857.6
Business combination	—	5.3	1.8
Additions	16.4	6.0	30.6
Business disposal	—	—	-51.7
Disposals	—	—	-1.0
Amortizations and impairment	-10.8	-11.9	-45.2
Translation differences and other changes	-16.8	8.2	14.6
Net book value at the end of period	795.4	865.0	806.7

¹ Include discontinued operation until October 1st, 2022

Net book value of intangible assets amounted to EUR 795.4 million, comprising of customer relationships of EUR 356.6 million, trademarks of EUR 120.3 million, technology of EUR 210.9 million and other intangible assets of EUR 107.6 million.

14. Net indebtedness¹

Net indebtedness is Ahlstrom's key measure to manage external debt funding for the Group. Net indebtedness is defined as borrowings less cash and cash equivalents. The Group's sources for funding and liquidity purposes are primarily term loans, bonds, bank loans, factoring, and commercial paper. The Group has also entered into lease agreements resulting in lease liabilities to secure the availability of key assets used in the production process. See more information on net indebtedness in the note 17 in Ahlstrom's consolidated financial statements for the year 2022.

As at March 31, 2023, the Group's gross borrowings amount to EUR 2,147.0 million (2,367.4).

Net indebtedness EUR million	Mar 31, 2023	Mar 31, 2022	Dec 31 2022
Cash and cash equivalents	134.8	245.8	240.7
Senior secured credit facilities	1,405.8	1,396.1	1,415.4
Senior secured notes	609.9	601.1	614.3
Senior secured net indebtedness	1,880.9	1,751.4	1,788.9
Bank loans	65.9	138.9	64.7
Pension loan	5.0	15.0	5.0
Commercial papers	—	112.8	—
Other financial liabilities	21.6	59.2	31.7
Lease liabilities	38.8	44.4	39.7
Net indebtedness	2,012.2	2,121.6	1,930.0

Notes				March 31, 2023	March 31, 2022	Dec 31, 2022
Notional currency	Initial notional amount, EUR million	Maturity	Coupon %	Carrying value, EUR million		
EUR	350.0	February 4, 2028	3.63	339.1	337.1	338.6
USD	280.5	February 4, 2028	4.88	270.9	263.9	275.7

Bank loans	March 31, 2023		March 31, 2022		December 31, 2022	
	Weighted average interest rate, %	Carrying value, EUR million	Weighted average interest rate, %	Carrying value, EUR million	Weighted average interest rate, %	Carrying value, EUR million
Committed loans from banks grouped by currency						
EUR	6.51	924.6	3.2	1,035.4	5.5	923.8
USD	8.91	482.2	4.5	475.2	8.5	492.6
CNY	5.52	58.5	5.7	62.9	5.4	57.4
BRL	—	—	16.7	54.2	—	—
Uncommitted loans from banks grouped by currency						
BRL	18.00	5.4	12.0	19.8	18.0	5.3

¹ Include discontinued operation until October 1st, 2022

15. Financial risk management

Financial risks of the Group consist of credit risk, funding risk, liquidity risk, counterparty risk and market risks. Market risks are further divided into currency risk, interest rate risk and commodity price risk.

The treasury policy defines the guidelines set by the Board of Directors on how finance and treasury operations are carried out and how financial risks within the Group are managed. The guidelines aim to

ensure that the Group's financial risks are kept at an acceptable level.

See more information on financial risk management in Ahlstrom's consolidated financial statements for the year 2022, note 19.

Available committed facilities and cash	Mar 31,	Dec 31
EUR million	2023	2022
Available committed bank overdrafts	18.6	23.9
Cash and cash equivalents	134.8	240.7
Committed revolving credit facilities	237.4	239.8
Available committed facilities and cash	390.8	504.4

In December 2021 Ahlstrom Oyj decided to enter a Finnish Commercial Paper program with the aggregate nominal amount of outstanding notes under this program limited to EUR 300 million. The notes are guaranteed by Ahlstrom Holding 3 Oy under a separate guarantee indemnity which was entered into by Ahlstrom Holding 3 Oy when the Finnish Commercial Paper program was entered into.

Fair values of financial assets and liabilities	Mar 31, 2023		Mar 31, 2022		Dec 31, 2022	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
EUR million						
Non-current financial instruments measured at amortized cost						
Notes	609.9	547.2	601.0	591.7	614.3	560.0
Term loans	1,400.9	1,434.1	1,391.3	1,400.4	1,410.3	1,403.4
Bank loans	—	—	34.6	34.6	—	—
Pension loan	—	—	5.0	5.0	—	—
Other financial liabilities	—	—	—	—	—	—
Lease liabilities	25.4	25.4	31.2	31.2	26.3	26.3
Financial instruments measured at fair value						
Forward contracts - cash flow hedge accounting	-1.0	-1.0	-1.6	-1.6	-2.6	-2.6
Forward contracts - fair value through income statement	0.1	0.1	-0.5	-0.5	0.9	0.9
Interest rate derivatives - fair value through income statement	50.9	55.4	24.2	24.9	59.7	63.2
Commodity swap contracts - cash flow hedge accounting	-20.0	-20.0	—	—	-10.7	-10.7

Carrying value for bank loans are considered to approximate fair value. The fair values of the term loans and notes have been estimated based on quoted market prices, including any accrued interest.

Nominal values of derivatives	Mar 31,	Mar 31,	Dec 31
EUR million	2023	2022	2022
Forward contracts - cash flow hedge accounting	162.3	130.0	159.8
Forward contracts - fair value through income statement	60.7	72.0	71.8
Interest rate derivatives - fair value through income statement	960.2	773.3	966.9

The gross nominal amount of interest rate derivatives at the end of the reporting period was USD 370.0 million and EUR 620.0 million.

16. Off-balance sheet commitments¹

EUR million	Mar 31, 2023	Mar 31, 2022	Dec 31 2022
Assets pledged			
Pledges	243.1	243.1	243.1
Commitments			
Guarantees and commitments given on behalf of Group companies	61.3	45.3	65.3
Capital expenditure commitments	47.4	60.1	63.9
Other guarantees and commitments	88.7	82.3	105.1

¹ Include discontinued operation until October 1st, 2022

After the reporting date Ahlstrom has given a commitment for further investment of equity of approximately EUR 5 million into the associated company Munksjö upon the occurrence of certain triggering event. See also note 4 for information on the redemption proceedings.

17. Related party transactions and associates

See more information on Ahlstrom's related parties and employee and management remuneration in the consolidated financial statements for the year 2022. The Group conducts transactions with related parties on an arm's length basis.

Related party transactions EUR million	Mar 31, 2023	Mar 31, 2022	Dec 31 2022
Trade and other receivables			
Associated companies	6.1	—	14.9
Loan receivable			
Associated companies	10.0	—	10.0
Trade and other payables			
Associated companies	5.8	8.0	6.4
Owners	0.0	0.1	0.1

Related party transactions EUR million	Mar 31, 2023	Mar 31, 2022	Dec 31 2022
Net sales			
Associated companies	1.8	—	1.6
Other income			
Associated companies	3.6	—	3.2
Cost of goods sold			
Associated companies	-14.5	-9.6	-43.1
Sales, R&D and administrative expense			
Associated companies	—	—	-0.6
Owners	-1.8	-1.5	-6.1
Interest income			
Associated companies	0.1	—	0.1
Return on equity			
Parent companies	-8.3	-8.3	-41.2

In March, 2023 Ahlstrom paid new equity of EUR 2.5 million to the associated company Munksjö. Additionally, after the reporting date Ahlstrom has given a commitment for investment of equity of approximately EUR 5 million into the associated company Munksjö upon the occurrence of certain triggering event.

EVENTS AFTER THE REPORTING PERIOD

RETURN OF EQUITY

On April 26, 2023, Ahlstrom Holding 3 Oy decided on a cash distribution in the aggregate amount of EUR 8,207,878 (the "Distribution Amount") by way of return of equity from invested unrestricted equity reserve. Payment was made on April 28, 2023.

APPENDIX 2: KEY FIGURES

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

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

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

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

Alternative performance measures are unaudited.

KEY FIGURES	Q1	Q1	Q1-Q4
EUR million, or as indicated	2023	2022	2022
Net sales	801.0	780.8	3,348.7
Operating result	32.7	30.7	113.8
Operating result margin, %	4.1	3.9	3.4
Net result	-14.2	7.5	10.1
EBITDA	76.5	73.7	299.8
EBITDA margin, %	9.6	9.4	9.0
Comparable EBITDA	87.6	106.2	440.2
Comparable EBITDA margin, %	10.9	13.6	13.1
Items affecting comparability in EBITDA and management fee	-11.1	-32.5	-140.4
Adjusted EBITDA (LTM)	511.9	n/a	540.8
Adjusted EBITDA margin (LTM), %	14.2	n/a	16.1
Comparable operating result	43.8	63.2	257.0
Comparable operating result margin, %	5.5	8.1	7.7
Items affecting comparability in operating result and management fee	-11.1	-32.5	-143.2
MOVC/ton, EUR	875.6	793.5	867.9
MOVC margin, %	35.7	38.4	37.4
Interest expense (LTM)	-130.4	n/a	-121.0
Free cash flow	64.4	95.0	360.2
Cash conversion, %	73.5	89.5	81.8
Employee benefit expenses	-141.4	-137.9	-582.4
Depreciation and amortization	-43.8	-43.0	-182.8
Impairment loss	—	—	-3.1
Operating working capital	348.7	349.8	314.2
Ratio of net indebtedness to adjusted EBITDA (LTM)	3.5	n/a	3.1
Ratio of net senior secured indebtedness to adjusted EBITDA (LTM)	3.2	n/a	2.9
Ratio of adjusted EBITDA to interest expense	3.9	n/a	4.5
Capital expenditure	62.7	31.4	195.1
Net senior secured indebtedness	1,880.9	1,751.4 ¹	1,788.9
Adjusted Net senior secured indebtedness	1,638.7	1,509.2 ¹	1,546.7
Net indebtedness	2,012.2	2,121.6 ¹	1,930.0
Adjusted Net indebtedness	1,769.9	1,879.4 ¹	1,687.8

¹ Including discontinued operation until Oct 1, 2022.

Reconciliation of certain key performance measures			
EUR million or as indicated	Q1 2023	Q1 2022	Q1-Q4 2022
Items affecting comparability			
Transaction costs	1.5	-3.1	-4.6
Transformation costs	-9.5	-26.7	-116.3
Restructuring costs	-0.5	-1.1	-7.8
Other	-0.7	-0.2	-5.5
Total items affecting comparability (IAC) in EBITDA	-9.3	-31.1	-134.3
Management fee to owners	-1.8	-1.5	-6.1
Total IAC in EBITDA and management fee	-11.1	-32.5	-140.4
Impairment loss	—	—	-2.8
Total IAC in operating result and management fee	-11.1	-32.5	-143.2
EBITDA and comparable EBITDA			
Operating result			
Operating result	32.7	30.7	113.8
Depreciation, amortization and impairment	-43.8	-43.0	-185.9
EBITDA	76.5	73.7	299.8
Total IAC in EBITDA and management fee	-11.1	-32.5	-140.4
Comparable EBITDA	87.6	106.2	440.2
Comparable operating result			
Operating result	32.7	30.7	113.8
Total IAC in operating result and management fee	11.1	32.5	143.2
Comparable operating result	43.8	63.2	257.0
Free cash flow			
Comparable EBITDA	87.6	106.2	440.2
Maintenance capital expenditure	23.2	11.2	80.0
Free cash flow	64.4	95.0	360.2
Adjusted Senior secured net indebtedness			
Senior secured net indebtedness	1,880.9	1,751.4 ¹	1,788.9
Escrow account related to minority squeeze-out liability	242.2	242.2	242.2
Adjusted Senior secured net indebtedness	1,638.7	1,509.2¹	1,546.7
Adjusted Net indebtedness			
Net indebtedness	2,012.2	2,121.6 ¹	1,930.0
Escrow account related to minority squeeze-out liability	242.2	242.2	242.2
Adjusted Net indebtedness	1,769.9	1,879.4¹	1,687.8

¹ Including discontinued operation until Oct 1, 2022.

CALCULATION OF KEY FIGURES

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

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