Good start to the year, outlook withdrawn due to an uncertain environment
Kemira in brief

LAST 12 MONTHS: REVENUE EUR 2,653 MILLION, OPERATIVE EBITDA EUR 423 MILLION, OPERATIVE EBITDA MARGIN 15.9%, OPERATIVE ROCE 11.8%

SEGMENT SPLIT

- **43%** Industry & Water
- **57%** Pulp & Paper

- #1 in water treatment in NA and Europe
- #2 in friction reduction in North American shale oil & gas

GEOGRAPHIES

- **40%** AMERICAS
  1. USA
  2. Canada
  3. Brazil

- **50%** EMEA
  1. Finland
  2. Sweden
  3. Germany

- **10%** APAC
  1. China
  2. South Korea
  3. Thailand

PRODUCTS

- **20%** Other: e.g. defoamers, dispersants, and biocides
- **25%** Bleaching and pulping
- **15%** Sizing and strength
- **20%** Polymers
- **20%** Coagulants

CUSTOMERS

Several thousand customers
TOP 10 customers are ~25% of revenue
TOP 50 customers are ~50% of revenue

EXAMPLES OF LARGEST CUSTOMERS

Municipalities, e.g.
Frankfurt, Berlin, New York, Paris, Shanghai, Singapore

Revenue by geographies and product category represent FY 2019.

Note: Revenue by industry, product and geography rounded to the nearest 5%
Why invest in Kemira

1. Profitable growth
   Operative EBITDA improved by +13% and Operative EBIT +21% in Q1/2020

2. Attractive dividend
   Stable dividend and competitive yield

3. Sustainable investment
   Climate ambition to carbon neutrality by 2045
Strategy and Equity Story in summary

**HOW KEMIRA CREATES VALUE**

### OUR MARKET FOCUS

Chemicals for Pulp & Paper, Oil & Gas and Water Treatment

#1 or #2 in our core markets

Market growth estimated to be 2-3% p.a. supported by higher use of fiber-based products, resource efficiency and regulation

### BUILDING A GREAT CHEMICALS COMPANY

**Great products:**

4 core areas are polymers, coagulants, sizing and bleaching chemicals which meet our customers' needs incl. resource efficiency

**Great operations:**

Deliver reliably with consistent quality

**Great people:**

Deep application expertise and innovation capability

### EXECUTION – VALUE OVER VOLUME

Improving product and market mix

Focusing on capital efficiency

Investing selectively in core product areas with higher return on capital employed

### FINANCIAL TARGETS

Above the market revenue growth • Operative EBITDA 15-17% • Gearing below 75%
Global megatrends favor Kemira

<table>
<thead>
<tr>
<th>GROWING MIDDLE CLASS &amp; URBANIZATION</th>
<th>SCARCITY OF RESOURCES</th>
<th>REGULATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher use of water, energy, tissue and board</td>
<td>Alternative materials for single-use plastic products</td>
<td>More stringent discharge limits</td>
</tr>
<tr>
<td>E-commerce / online shopping</td>
<td>Material and resource efficiency</td>
<td>Safe drinking water</td>
</tr>
</tbody>
</table>

- **GROWING MIDDLE CLASS & URBANIZATION**
  - Higher use of water, energy, tissue and board
  - E-commerce / online shopping

- **SCARCITY OF RESOURCES**
  - Alternative materials for single-use plastic products
  - Material and resource efficiency

- **REGULATION**
  - More stringent discharge limits
  - Safe drinking water
Delivering profitable growth

**REVENUE**

- **EUR million**
- 2014: 2,137
- 2015: 2,373
- 2016: 2,363
- 2017: 2,486
- 2018: 2,593
- 2019: 2,659

**OPERATIVE EBITDA**

- **EUR million**
- 2014: 253
- 2015: 287
- 2016: 303
- 2017: 311
- 2018: 323
- 2019: 410

**OPERATIVE EBITDA MARGIN**

- **%**
- 2014: 11.8%
- 2015: 12.1%
- 2016: 12.8%
- 2017: 12.5%
- 2018: 12.5%
- 2019: 15.4%

**INVESTOR PRESENTATION**

- Date: APRIL 28, 2020
- Pre IFRS 16
Key profitability improvement actions in 2016-2019

Operative EBITDA 2015: 12.1%

2016
- Transportation agreement with Odyssey
- Botlek modernization (NL)
- BOOST operational excellence program launch
- Closures of Ottawa (CA) and Zaramillo (ES), coagulants

2017
- Start-up of Ortigueira sodium chlorate site (BR)
- Bradford polymer expansion (UK)
- San Giorgio polymer expansion (IT)
- Two segment structure operational
- Odyssey go-live in North America

2018
- Chevron CEOR deal & Botlek expansion
- Start-up of Joutseno chlorate expansion (FI)
- Major oil sands tailings water treatment deal (CA)
- ‘Value over volume’ initiated
- Odyssey go-live in Europe
- Closing of ECOX detergent production (SWE)

2019
- Start-up of new AKD wax site (CN)
- Polymer investment decision (US)
- Joint Venture – Dry polymers (SK)
- AKD wax manufacturing JV deal closed (CN)
- Move from ‘Value over volume’ to ‘Active price management’
- Cost savings in Pulp & Paper
- Divestment of coagulant asset (IT)
- Divestment of Kemira Operon (water treatment facility operations, FI)

Operative EBITDA 2019: 15.4%
(IFRS 16 included)
Pulp & Paper – strong business with solid track record

**MARKET ENVIRONMENT**
- Solenis (paper)* #1
- Kemira (pulp and paper) m.s. ~16% #2
- Nouryon (pulp) #3
- Ecolab (paper) #4
- Kurita (paper) #5

* Solenis-BASF combined entity

**CUSTOMER EXAMPLES**
- #1 Solenis (paper)*
- #2 Kemira (pulp and paper) m.s. ~16%
- #3 Nouryon (pulp)
- #4 Ecolab (paper)
- #5 Kurita (paper)

Note: Revenue by industry, product and geography rounded to the nearest 5%

**REVENUE BY CUSTOMER TYPE AND MARKET GROWTH**
- **Pulp** 40%
- **Board & tissue** 40%
- **Printing & writing papers** 20%

Market growth:
- **1-2%**
- **2-3%**
- **-1-2%**

**REVENUE BY GEOGRAPHIES AND MARKET GROWTH BY REGION**
- **EMEA** 50%
- **Americas** 35%
- **APAC** 15%

Market growth:
- **1%**
- **0-1%**
- **2-3%**

**REVENUE AND OPERATIVE EBITDA**

<table>
<thead>
<tr>
<th>Year</th>
<th>EUR million</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>1,417</td>
</tr>
<tr>
<td>2016</td>
<td>1,457</td>
</tr>
<tr>
<td>2017</td>
<td>1,477</td>
</tr>
<tr>
<td>2018</td>
<td>1,520</td>
</tr>
<tr>
<td>2019</td>
<td>1,523</td>
</tr>
</tbody>
</table>

**REVENUE BY PRODUCT CATEGORY**
- **Bleaching & pulping** 40%
- **Polymers** 10%
- **Defoamers, dispersants, biocides and other process chemicals** 25%
- **Sizing & strength** 20%
- **Other** 5%
Industry & Water – strong positions in chosen categories

**MARKET ENVIRONMENT**

**WATER TREATMENT**
- Market share ~30% in coagulants and ~20% in polymers
- Main competitors in coagulants:
  - Feralco (Europe)
  - Kronos (Europe)
  - Chemtrade (NA)
  - USAIco (NA)

**OIL & GAS**
- Market share ~25% in polymers used in shale oil & gas
- Main peers in polymers (also in water treatment):
  - SNF
  - Solenis*
  - Solvay (only O&G)

* Solenis-BASF combined entity

**MARKET GROWTH BY REGION**

**WATER TREATMENT**
- Municipal (40%)
- Industrial (60%)

**OIL & GAS**
- Other products such as defoamers and biocides
- Polymers

**CUSTOMER EXAMPLES**

**MUNICIPAL** (40%)
- Amsterdam
- Barcelona
- Frankfurt
- Berlin
- Oslo
- Paris
- Stockholm
- Melbourne
- Shanghai
- Singapore

**INDUSTRIAL** (60%)
- Los Angeles
- Montreal
- New York City
- Toronto
- Houston

Note: Revenue by industry, product and geography rounded to the nearest 5%.
### FINANCIAL TARGETS AND HISTORICAL FIGURES

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>MEUR 2,593</td>
<td>MEUR 2,659</td>
<td>-</td>
<td>MEUR 642</td>
<td>Above-the-market growth</td>
</tr>
<tr>
<td></td>
<td>Change +4%</td>
<td>Change +3%</td>
<td>-</td>
<td>Change -1%</td>
<td></td>
</tr>
<tr>
<td>Operative EBITDA*</td>
<td>12.5%</td>
<td>15.4%</td>
<td>Around +1.3 %-point</td>
<td>16.9%</td>
<td>15-17%</td>
</tr>
<tr>
<td>Gearing*</td>
<td>62%</td>
<td>66%</td>
<td>Around +11 %-points</td>
<td>67%</td>
<td>Below 75%</td>
</tr>
</tbody>
</table>

* Targets updated in February 2019 due to IFRS 16 accounting change. 2017-2018 figures are PRE IFRS 16.

### KEY FACTORS TO WATCH FOR PROFITABILITY IMPROVEMENT

<table>
<thead>
<tr>
<th>Factors</th>
<th>Q1 2020 comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organic growth through volume and sales price increases</td>
<td>Group’s organic growth was stable excl. forest industry strike</td>
</tr>
<tr>
<td>Growth investments – Polymer capacity expansion in Netherlands,</td>
<td>Backward integration. Gradual positive contribution to</td>
</tr>
<tr>
<td>AKD sizing Joint Venture in China, Polymer capacity expansion in the US</td>
<td>EBITDA starting Q1 2020.</td>
</tr>
<tr>
<td>Sales price vs raw material price development</td>
<td>Focus on value over volume visible in profitability; favorable</td>
</tr>
<tr>
<td></td>
<td>variable cost development</td>
</tr>
</tbody>
</table>
Healthy market growth for Kemira’s relevant markets

**KEMIRA RELEVANT MARKET**
EUR billion

![Graph showing market growth from 2019 to 2025 with a CAGR of 3-4%](image)

**PULP & PAPER RELEVANT MARKET**
EUR billion

- **2019:** 9 (CAGR: 1-2%)
- **2025:** 10

- **2019:** 13 (CAGR: 5-6%)
- **2025:** 18

Source: Management estimation based on various sources
Dividend proposal 2020

• Kemira’s dividend policy is to pay a stable and competitive dividend

• Kemira has paid dividend every year since listing of shares in 1994

• Kemira’s Board of Directors proposes that AGM authorizes the Board to decide at its discretion on a dividend payment of max EUR 0.56 per share. No dividend payment directly based by AGM resolution

• Dividend would be paid in two installments, one in May and one in November. Kemira will announce each Board resolution separately.

Kemira’s dividend yield calculated using the share price at year-end

*BoD proposes that the AGM authorizes the Board to decide on a dividend payment of max. EUR 0.56 at its discretion to be paid in two installments in May and November. The Board of Directors would make separate resolutions on the amount and timing of each dividend with preliminary record and payment dates stated below. Kemira will announce each Board resolution separately.
Our three sustainability priorities

Incorporating sustainability into our products and solutions
Proactive product stewardship throughout the products' lifecycle

Culture and commitment to people
Ensuring compliance with Kemira Code of Conduct

KPI's and Targets
- At least 50% of our revenue is generated through products improving customers' resource efficiency

KPI's and Targets
- Employee engagement index above industry benchmark
- Leadership development activities 2 per people manager position, cumulative target 1500 by 2020 (2015=0)
- Integrity index continuously increasing

Ensuring responsible operations to protect our assets, our environment, employees, contractors, customers and communities
Ensuring compliance with responsible business practices in our supply chain

KPI's and Targets
- Carbon Index 80 by 2020 (Baseline 100 in 2012)
- People safety TRIF 2.0 by 2020
- Supplier Sustainability Evaluation
- 90% of direct key suppliers screened through sustainability evaluation through assessments and audits (Baseline 60% in 2017)

At least 50% of our revenue is generated through products improving customers’ resource efficiency

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KPI's and Targets
• Carbon Index 80 by 2020 (Baseline 100 in 2012)
• People safety TRIF 2.0 by 2020
• Supplier Sustainability Evaluation
• 90% of direct key suppliers screened through sustainability evaluation through assessments and audits (Baseline 60% in 2017)
Customer satisfaction improved

Kemira’s strengths:

1. Delivery accuracy
2. Service level
3. Ease of doing business

CUSTOMER SATISFACTION

NET PROMOTER SCORE *

2016 2017 2018 2019

28 30 33 36**

* Promoter customers (very loyal) – Detractor customers (unhappy)
Scale: 0-10 Satisfactory, 10-29 Good, 40+ Excellent. 1,024 customer interviews in 2018
** New rolling process implemented in 2019
We invest in core products globally

KEY INVESTMENT FOCUS ON CORE PRODUCT GROUPS SINCE 2016

- Bleaching chemicals
  - New chlorate plant in Brazil
  - New chlorate line in the U.S.
  - New chlorate line and peroxide capacity in Finland
  - Freed peroxide capacity from ECOX closure in Sweden

- Polymer capacity additions
  - Italy
  - UK
  - Aberdeen, USA
  - Netherlands
  - South Korea (start 2021)
  - Mobile, USA (start 2021)

- Sizing chemicals – capacity additions due to integration of acquisitions (Akzo Nobel and China AKD wax)

- Coagulants
  - Goole, UK (start 2022)

PRODUCTS

- 20% Other: e.g. defoamers, dispersants, and biocides
- 25% Bleaching and pulping
- 20% Polymers
- 15% Sizing* and strength
- 20% Coagulants

Revenue EUR 2,659 million (2019)

*Sizing = Resistance against water absorption

Note: Revenue by product rounded to the nearest 5%.
Latest news and financials
Summary of Q1 2020

• Focus on mitigating impact from COVID-19 pandemic to ensure employee and stakeholder safety and business continuity.

• Solid demand in Pulp & Paper and water treatment during Q1 2020. Chemical industry and customer industries classified as essential industries.

• Profitability improved: operative EBITDA 108.5 MEUR with margin improving to 16.9%

• COVID-19 pandemic and oil price drop create uncertainty– outlook for 2020 withdrawn on April 27, 2020
Update on COVID-19 impacts

IMPACT SO FAR

- In countries with government-imposed restrictions on economic activity, chemical industry and our customer industries almost always classified as essential industries to the society
- All Kemira’s manufacturing facilities operating throughout Q1 – safety of employees and stakeholders prioritized with several precautionary actions
- Situation in China improving currently; monitoring pandemic development in Europe and Americas closely
- Logistics disruption managed well

POTENTIAL IMPACTS DEPENDING ON PANDEMIC LENGTH

- Potential widespread decline in customer demand
- Potential disruption to manufacturing and logistics network
- Possible disruption to raw material supply
- Possible prolonged lower oil demand combined with oil market oversupply

KEMIRA’S CHEMICALS ARE CONSUMABLE IN NATURE AND TYPICALLY LESS PRONE TO ECONOMIC CYCLES
Financial highlights Q1 2020

Organic revenue growth -1%
• Excluding impact of two-week forest industry strike in Finland, organic revenue development stable.
• Good organic revenue growth excluding shale
• No significant customer inventory build-up identified

Operative EBITDA +13% to margin of 16.9%
• Improvement due to lower raw material costs particularly in polymers, lower electricity costs and lower inventory accruals. Also investments in China and the Netherlands had a positive EBITDA contribution.

Earnings per share +35% to EUR 0.25
• Increase driven by higher operative EBITDA

Solid cash flow from operating activities

<table>
<thead>
<tr>
<th>EUR million (except ratios)</th>
<th>Q1 2020</th>
<th>Q1 2019</th>
<th>Δ%</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>642.0</td>
<td>647.8</td>
<td>-1%</td>
<td>2,658.8</td>
</tr>
<tr>
<td>Operative EBITDA</td>
<td>108.5</td>
<td>95.6</td>
<td>13%</td>
<td>410.0</td>
</tr>
<tr>
<td>of which margin</td>
<td>16.9%</td>
<td>14.8%</td>
<td>-</td>
<td>15.4%</td>
</tr>
<tr>
<td>Operative EBIT</td>
<td>60.8</td>
<td>50.1</td>
<td>21%</td>
<td>224.0</td>
</tr>
<tr>
<td>of which margin</td>
<td>9.5%</td>
<td>7.7%</td>
<td>-</td>
<td>8.4%</td>
</tr>
<tr>
<td>Net profit</td>
<td>39.6</td>
<td>29.3</td>
<td>35%</td>
<td>116.5</td>
</tr>
<tr>
<td>EPS diluted, EUR</td>
<td>0.25</td>
<td>0.18</td>
<td>35%</td>
<td>0.72</td>
</tr>
<tr>
<td>Cash flow from operating activities</td>
<td>50.2</td>
<td>65.2*</td>
<td>-23%</td>
<td>386.2</td>
</tr>
</tbody>
</table>

*Comparison period included EUR 15 million return of excess capital from Kemira’s supplementary pension fund in Finland.
Pulp & Paper – solid customer demand

Market environment

- Good demand in Q1, in pulp and tissue in particular despite COVID-19 and industry strike
- COVID-19 impact uncertain: negative impact expected on printing and writing demand. Pulp, tissue and board demand likely to remain more resilient

Organic growth -1% in Q1 2020

- Industry strike in Finland and lower caustic soda market prices (mainly trading product) burdened organic growth – underlying development clearly positive

Operative EBITDA margin 15.9% in Q1 2020

- Improved profitability due to lower raw material and electricity costs. Efficiency improvements from the AKD wax investment in China also contributed positively. The ramp-up of the facility progressing as planned
Industry & Water – good demand in water treatment, clear decline in shale demand

Market environment
• Water treatment market remained solid; shale market slowed down significantly in Q1, particularly in March
• Water treatment stable by nature, COVID-19 could have some negative impact on industrial water treatment

Organic growth -1% in Q1 2020
• Lower Oil & Gas revenue compensated by higher water treatment revenue
• Improved pricing in water treatment

Operative EBITDA margin 18.3% in Q1 2020
• Profitability improvement due to lower raw material costs, particularly in polymers, and lower inventory accruals. Efficiency improvements from the polymer expansion in the Netherlands also contributed positively

REVENUE AND ORGANIC REVENUE GROWTH (Y-ON-Y)
EUR million

OPERATIVE EBITDA AND OPERATIVE EBITDA-%
EUR million

* Includes IFRS16 impact
Oil & Gas – revenue declined due to shale market softness

Shale
- Shale market declined significantly due to oil price drop with customers cutting back on capital expenditure. Market visibility low with Q2 likely to be weak
- Kemira shale revenue decline accelerated in March

CEOR*
- Solid market demand in Q1 2020; impact of COVID-19 uncertain at this point
- Good sales growth in Q1 2020

Oil sands tailings
- Tailings treatment season to begin in May and to last until October; resilient business

*CEOR, chemical enhanced oil recovery
AGM scheduled to be held on May 5, 2020

• Kemira’s Annual General Meeting, originally scheduled for March 25, 2020, postponed due to COVID-19 pandemic

• Annual General Meeting now convened for May 5, 2020

• **Dividend proposal:**
  • Board proposes that the AGM authorizes the Board to decide on a dividend payment of max. EUR 0.56 to be paid in two installments in May and November.
  • Shareholders strongly encouraged to follow the AGM via video – AGM can only be held in line with restrictions set by the Finnish authorities
Focus on safety and business continuity in the short-term

- Mitigate impact from COVID-19 and oil price drop and ensure safety of employees and other stakeholders
- Chemical industry and customer industries classified as essential for the society - ensure business continuity of both
- Improve operational excellence and reduce complexity
- Realize benefits of added capacity in China, the Netherlands and the U.S.
- Construction of polymer capacity in the U.S. and South Korea
Favorable cost trend continued

Q1/2020

**Revenue and Organic Growth (Y-on-Y)**

<table>
<thead>
<tr>
<th>EUR million</th>
<th>648</th>
<th>-2%</th>
<th>0%</th>
<th>+1%</th>
<th>0%</th>
<th>642</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2019</td>
<td>Sales volumes</td>
<td>Sales prices</td>
<td>Currency impact</td>
<td>Acquisitions &amp; Divestments</td>
<td>Q1 2020</td>
<td></td>
</tr>
</tbody>
</table>

**Operative EBITDA Bridge**

<table>
<thead>
<tr>
<th>EUR million</th>
<th>95.6</th>
<th>-1.9</th>
<th>-0.1</th>
<th>+24.7</th>
<th>-9.0</th>
<th>-0.5</th>
<th>-0.4</th>
<th>108.5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2019</td>
<td>Sales volumes</td>
<td>Sales prices</td>
<td>Variable costs</td>
<td>Fixed costs</td>
<td>Currency impact</td>
<td>Other</td>
<td>Q1 2020</td>
<td></td>
</tr>
</tbody>
</table>

**Organic revenue growth -1%**
- Negative revenue impact from forest industry strike
- Good organic revenue growth when shale excluded

**Operative EBITDA margin 16.9%**
- Improvement due to lower raw material costs particularly in polymers, lower electricity costs and lower inventory accruals. Efficiencies from investments in China and the Netherlands also had a positive EBITDA contribution.
Impact from variable costs continued to be positive

SALES PRICE VS VARIABLE COST TREND (ROLLING 12-MONTH CHANGE Y-O-Y)

Net impact on EBITDA (sales prices-variable costs)

SALES PRICES AND VARIABLE COSTS (CHANGE Y-O-Y)

* 12-month rolling change vs previous year in EUR million
Cash flow at a solid level

ALL KEY FIGURES IN EUR MILLION

CASH FLOW FROM OPERATIONS

- Cash flow at a solid level. Comparison period included EUR 15 million return of excess capital from Kemira’s supplementary Pension Fund in Finland.
- Typically cash flow is H2-weighted, especially due to changes in net working capital

CAPITAL EXPENDITURE EXCL. ACQUISITIONS

- Capex higher in Q1 2020 due to higher expansion capex following investments in the Netherlands and the U.S.
- Capex estimated to be around EUR 200 million in 2020:
  - New polymer capacity expansion in the U.S.
  - Smaller capex projects in several locations
**ROCE improving clearly**

**OPERATIVE RETURN ON CAPITAL EMPLOYED**

- ROCE improvement driven by Industry & Water
- On-going investment projects are expected to improve Group’s ROCE once up and running

**NET DEBT (EUR million) AND LEVERAGE RATIO**

- Gearing 67% - well within financial target range of below 75%
- Average cost of net debt excluding leases is 1.9% and duration is 23 months
- With pre-IFRS 16 net debt figures:
  - gearing 56.5%
  - leverage ratio 1.8

---

* Leverage ratio = Net debt / last 12 months operative EBITDA
** pre-IFRS 16 figures
Kemira has a diversified financing base

- **17%** Other
  - EUR 173 million

- **34%** Loans from banks and financial institutions
  - EUR 336 million

- **13%** Leases
  - 133 million

- **36%** Bond
  - EUR 350 million

**GROSS DEBT END OF MARCH 2020 EUR 986 MILLION, MATURITY PROFILE EXCLUDING LEASES**

- **2020**: 220
- **2021**: 2
- **2022**: 150
- **2023**: 156
- **2024**: 200
- **2025**: 131

**Bar Graph**:
- Bilaterals
- Bonds
- Others
- Undrawn RCF, extended to 2025 in April
Outlook for 2020 withdrawn on April 27

OUTLOOK FOR 2020 WITHDRAWN DUE TO THE UNCERTAINTY RELATED TO THE COVID-19 PANDEMIC AND OIL PRICE DROP

ITEMS IMPACTING EBITDA DEVELOPMENT IN 2020

<table>
<thead>
<tr>
<th>Supporting EBITDA</th>
<th>Uncertainties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stable demand for water treatment as well as pulp, tissue and board expected</td>
<td>Uncertainty related to COVID-19 and whether it will materially impact customer demand</td>
</tr>
<tr>
<td>High share of valid annual customer contracts – share of spot contracts clearly lower</td>
<td>Significant uncertainty regarding shale demand following oil price drop</td>
</tr>
<tr>
<td>Favorable variable cost development</td>
<td>Possible disruptions to operations, including manufacturing and logistics</td>
</tr>
</tbody>
</table>
Majority of contracts with fixed annual pricing

**Pulp & Paper** – Contract types and pricing terms on high level

- **Length** – Around 95% of contracts are 1-year or longer / only 5% are spot deals
- **Pricing** – Around 70% fixed / 30% formula or spot pricing

**Industry & Water** – Contract types and pricing terms

- **Length** – Around 60% of contracts are 1-yr or longer / 40% spot deals
- **Pricing** – Around 60% fixed / 40% formula or spot pricing, incl. Oil & Gas where contracts are either formula or spot based
Kemira’s variable cost split and top raw materials

**VARIABLE COST SPLIT 2019**
EUR 1.5 billion

- 15% Logistics
- 15% Electricity & energy
- 70% Raw materials

**EXPOSURE TO OIL RELATED RAW MATERIALS**

- 65% Not oil related
- 35% Oil & gas related

**TOP 12 RAW MATERIALS BY SPEND**
1. Sodium hydroxide (caustic soda)*
2. Acrylonitrile (OD)
3. Petroleum solvents (OD)
4. Aluminium Hydrate
5. Colloidal silica dispersion*
6. Acrylic Acid (OD)
7. Amines (OD)
8. Alpha olefin (OD)
9. Sodium chloride (salt)
10. Sulphuric acid
11. Acrylic ester (OD)
12. Fatty acid

Top 12 account for 52% of Kemira’s raw material spend

OD = Oil & gas derivative

* Mainly trading materials
## Key figures

### EUR million

<table>
<thead>
<tr>
<th></th>
<th>Q1 2020</th>
<th>Q4 2019</th>
<th>Q3 2019</th>
<th>Q2 2019</th>
<th>Q1 2019</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>642.0</td>
<td>657.7</td>
<td>689.8</td>
<td>663.6</td>
<td>647.8</td>
<td>2,658.8</td>
</tr>
<tr>
<td>Operative EBITDA</td>
<td>108.5</td>
<td>90.1</td>
<td>118.1</td>
<td>106.1</td>
<td>95.6</td>
<td>410.0</td>
</tr>
<tr>
<td>margin</td>
<td>16.9%</td>
<td>13.7%</td>
<td>17.1%</td>
<td>16.0%</td>
<td>14.8%</td>
<td>15.4%</td>
</tr>
<tr>
<td>Operative EBIT</td>
<td>60.8</td>
<td>42.4</td>
<td>71.1</td>
<td>60.3</td>
<td>50.1</td>
<td>224.0</td>
</tr>
<tr>
<td>margin</td>
<td>9.5%</td>
<td>6.4%</td>
<td>10.3%</td>
<td>9.1%</td>
<td>7.7%</td>
<td>8.4%</td>
</tr>
<tr>
<td>Net profit</td>
<td>39.6</td>
<td>8.6</td>
<td>43.3</td>
<td>35.2</td>
<td>29.3</td>
<td>116.5</td>
</tr>
<tr>
<td>Earnings per share, diluted, EUR</td>
<td>0.25</td>
<td>0.05</td>
<td>0.27</td>
<td>0.22</td>
<td>0.18</td>
<td>0.72</td>
</tr>
<tr>
<td>Cash flow from operations</td>
<td>50.2</td>
<td>142.5</td>
<td>121.3</td>
<td>57.2</td>
<td>65.2</td>
<td>386.2</td>
</tr>
<tr>
<td>Capex excl. acquisitions</td>
<td>36.1</td>
<td>81.4</td>
<td>51.5</td>
<td>39.9</td>
<td>28.3</td>
<td>201.1</td>
</tr>
<tr>
<td>Net debt</td>
<td>816</td>
<td>811</td>
<td>866</td>
<td>921</td>
<td>842</td>
<td>811</td>
</tr>
<tr>
<td>NWC ratio (rolling 12 m)</td>
<td>10.2%</td>
<td>10.7%</td>
<td>11.1%</td>
<td>10.9%</td>
<td>10.6%</td>
<td>10.7%</td>
</tr>
<tr>
<td>Operative ROCE (rolling 12 m)</td>
<td>11.8%</td>
<td>11.2%</td>
<td>11.5%</td>
<td>10.8%</td>
<td>10.3%</td>
<td>11.2%</td>
</tr>
<tr>
<td>Personnel at period-end</td>
<td>5,075</td>
<td>5,062</td>
<td>5,036</td>
<td>5,067</td>
<td>4,973</td>
<td>5,062</td>
</tr>
</tbody>
</table>
# Cash flow

<table>
<thead>
<tr>
<th>EUR million</th>
<th>Q1 2020</th>
<th>Q1 2019</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net profit for the period</td>
<td>40</td>
<td>29</td>
<td>116</td>
</tr>
<tr>
<td>Total adjustments</td>
<td>69</td>
<td>79</td>
<td>302</td>
</tr>
<tr>
<td>Change in net working capital</td>
<td>-31</td>
<td>-30</td>
<td>45</td>
</tr>
<tr>
<td>Finance expenses</td>
<td>-9</td>
<td>-7</td>
<td>-39</td>
</tr>
<tr>
<td>Income taxes paid</td>
<td>-18</td>
<td>-6</td>
<td>-39</td>
</tr>
<tr>
<td><strong>Net cash generated from operating activities</strong></td>
<td>50</td>
<td>65</td>
<td>386</td>
</tr>
<tr>
<td>Purchases of subsidiaries and business acquisitions, net of cash acquired</td>
<td>-3</td>
<td>0</td>
<td>-3</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>-36</td>
<td>-28</td>
<td>-201</td>
</tr>
<tr>
<td>Proceeds from sale of assets</td>
<td>0</td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td>Change in long-term loan receivables</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Cash flow after investing activities</strong></td>
<td>12</td>
<td>40</td>
<td>190</td>
</tr>
</tbody>
</table>
Currencies

Currency exchange rates had around EUR +5 million impact on revenue and EUR -0.5 million impact on the operative EBITDA in Q1 2020 compared to Q1 2019.

Guidance: 10% change in our main foreign currencies would approximately have EUR 15 million impact on operative EBITDA on an annualized basis.
## Pulp & Paper

### KEY FINANCIALS

<table>
<thead>
<tr>
<th>EUR million</th>
<th>Q1 2020</th>
<th>Q4 2019</th>
<th>Q3 2019</th>
<th>Q2 2019</th>
<th>Q1 2019</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>378.5</td>
<td>385.9</td>
<td>382.9</td>
<td>373.4</td>
<td>380.8</td>
<td>1,522.9</td>
</tr>
<tr>
<td>Operative EBITDA</td>
<td>60.2</td>
<td>52.6</td>
<td>61.3</td>
<td>53.7</td>
<td>50.7</td>
<td>218.3</td>
</tr>
<tr>
<td>margin</td>
<td>15.9%</td>
<td>13.6%</td>
<td>16.0%</td>
<td>14.4%</td>
<td>13.3%</td>
<td>14.3%</td>
</tr>
<tr>
<td>Operative EBIT</td>
<td>30.1</td>
<td>22.5</td>
<td>32.1</td>
<td>24.0</td>
<td>20.6</td>
<td>99.2</td>
</tr>
<tr>
<td>margin</td>
<td>8.0%</td>
<td>5.8%</td>
<td>8.4%</td>
<td>6.4%</td>
<td>5.4%</td>
<td>6.5%</td>
</tr>
<tr>
<td>Operative ROCE*, %</td>
<td>8.5%</td>
<td>7.7%</td>
<td>7.9%</td>
<td>7.6%</td>
<td>7.7%</td>
<td>7.7%</td>
</tr>
<tr>
<td>Capital expenditure (excl. M&amp;A)</td>
<td>14.3</td>
<td>43.6</td>
<td>25.4</td>
<td>23.3</td>
<td>17.3</td>
<td>109.7</td>
</tr>
<tr>
<td>Cash flow after investing activities</td>
<td>26.1</td>
<td>33.5</td>
<td>44.6</td>
<td>36.2</td>
<td>25.1</td>
<td>139.4</td>
</tr>
</tbody>
</table>

*12-month rolling average
## Industry & Water

### KEY FINANCIALS

<table>
<thead>
<tr>
<th>EUR million</th>
<th>Q1 2020</th>
<th>Q4 2019</th>
<th>Q3 2019</th>
<th>Q2 2019</th>
<th>Q1 2019</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>263.6</td>
<td>271.8</td>
<td>306.9</td>
<td>290.2</td>
<td>267.0</td>
<td>1,135.9</td>
</tr>
<tr>
<td>Operative EBITDA</td>
<td>48.2</td>
<td>37.5</td>
<td>56.8</td>
<td>52.4</td>
<td>45.0</td>
<td>191.7</td>
</tr>
<tr>
<td>margin</td>
<td>18.3%</td>
<td>13.8%</td>
<td>18.5%</td>
<td>18.1%</td>
<td>16.8%</td>
<td>16.9%</td>
</tr>
<tr>
<td>Operative EBIT</td>
<td>30.7</td>
<td>19.9</td>
<td>39.0</td>
<td>36.3</td>
<td>29.5</td>
<td>124.7</td>
</tr>
<tr>
<td>margin</td>
<td>11.7%</td>
<td>7.3%</td>
<td>12.7%</td>
<td>12.5%</td>
<td>11.0%</td>
<td>11.0%</td>
</tr>
<tr>
<td>Operative ROCE*, %</td>
<td>17.6%</td>
<td>17.6%</td>
<td>18.4%</td>
<td>16.9%</td>
<td>15.4%</td>
<td>17.6%</td>
</tr>
<tr>
<td>Capital expenditure (excl. M&amp;A)</td>
<td>21.8</td>
<td>37.8</td>
<td>26.0</td>
<td>16.5</td>
<td>11.0</td>
<td>91.4</td>
</tr>
<tr>
<td>Cash flow after investing activities</td>
<td>12.6</td>
<td>57.3</td>
<td>37.9</td>
<td>5.7</td>
<td>27.8</td>
<td>128.7</td>
</tr>
</tbody>
</table>

*12-month rolling average
## Key figures and ratios – 5-year summary

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>2,136.7</td>
<td>2,373.1</td>
<td>2,363.3</td>
<td>2,486.0</td>
<td>2,592.8</td>
<td>2,658.8</td>
</tr>
<tr>
<td><strong>Operative EBITDA</strong></td>
<td>252.9</td>
<td>287.3</td>
<td>302.5</td>
<td>311.3</td>
<td>323.1</td>
<td>410.0</td>
</tr>
<tr>
<td>of which margin</td>
<td>11.8%</td>
<td>12.1%</td>
<td>12.8%</td>
<td>12.5%</td>
<td>12.5%</td>
<td>15.4%</td>
</tr>
<tr>
<td><strong>Operative EBIT</strong></td>
<td>158.3</td>
<td>163.1</td>
<td>170.1</td>
<td>170.3</td>
<td>173.8</td>
<td>224.0</td>
</tr>
<tr>
<td>of which margin</td>
<td>7.4%</td>
<td>6.9%</td>
<td>7.2%</td>
<td>6.9%</td>
<td>6.7%</td>
<td>8.4%</td>
</tr>
<tr>
<td><strong>Cash flow from operations</strong></td>
<td>74.2</td>
<td>247.6</td>
<td>270.6</td>
<td>205.1</td>
<td>210.2</td>
<td>386.2</td>
</tr>
<tr>
<td><strong>Capital expenditure, excluding acq.</strong></td>
<td>140.6</td>
<td>181.7</td>
<td>212.6</td>
<td>190.1</td>
<td>150.4</td>
<td>201.1</td>
</tr>
<tr>
<td><strong>Gearing at period-end</strong></td>
<td>42</td>
<td>54</td>
<td>54</td>
<td>59</td>
<td>62</td>
<td>66</td>
</tr>
<tr>
<td><strong>Inventories</strong></td>
<td>197</td>
<td>207</td>
<td>217</td>
<td>224</td>
<td>284</td>
<td>261</td>
</tr>
<tr>
<td><strong>Personnel at period-end</strong></td>
<td>4,248</td>
<td>4,685</td>
<td>4,818</td>
<td>4,732</td>
<td>4,915</td>
<td>5,062</td>
</tr>
</tbody>
</table>
## Per share figures – 5-year summary

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings per share, EUR</td>
<td>0.59</td>
<td>0.47</td>
<td>0.60</td>
<td>0.52</td>
<td>0.58</td>
<td>0.72</td>
</tr>
<tr>
<td>Cash flow from operating activities per share, EUR</td>
<td>0.49</td>
<td>1.63</td>
<td>1.78</td>
<td>1.35</td>
<td>1.38</td>
<td>2.5</td>
</tr>
<tr>
<td>Equity per share, EUR</td>
<td>7.57</td>
<td>7.76</td>
<td>7.68</td>
<td>7.61</td>
<td>7.80</td>
<td>7.98</td>
</tr>
<tr>
<td>Dividend per share, EUR</td>
<td>0.53</td>
<td>0.53</td>
<td>0.53</td>
<td>0.53</td>
<td>0.53</td>
<td>0.56</td>
</tr>
<tr>
<td>Share price, EUR, end of period</td>
<td>9.89</td>
<td>10.88</td>
<td>12.13</td>
<td>11.50</td>
<td>9.85</td>
<td>13.26</td>
</tr>
<tr>
<td>Market capitalization, EUR million (excl. treasury shares)</td>
<td>1,504</td>
<td>1,654</td>
<td>1,848</td>
<td>1,752</td>
<td>1,502</td>
<td>2,024</td>
</tr>
<tr>
<td>Number of shares, million (excl. treasury shares)</td>
<td>152.1</td>
<td>152.1</td>
<td>152.4</td>
<td>152.4</td>
<td>152.4</td>
<td>152.4</td>
</tr>
<tr>
<td>P/E ratio</td>
<td>16.7</td>
<td>23.3</td>
<td>20.1</td>
<td>22.3</td>
<td>17.0</td>
<td>18.4</td>
</tr>
<tr>
<td>P/CF ratio</td>
<td>20.2</td>
<td>6.7</td>
<td>6.8</td>
<td>8.5</td>
<td>7.1</td>
<td>5.3</td>
</tr>
<tr>
<td>P/B ratio</td>
<td>1.3</td>
<td>1.4</td>
<td>1.6</td>
<td>1.5</td>
<td>1.3</td>
<td>1.7</td>
</tr>
<tr>
<td>Dividend yield, %</td>
<td>5.4</td>
<td>4.9</td>
<td>4.4</td>
<td>4.6</td>
<td>5.4</td>
<td>4.2</td>
</tr>
</tbody>
</table>
Revenue split by country

FY 2019

- USA: 27%
- Finland: 15%
- Sweden: 5%
- Germany: 4%
- UK: 4%
- Other EMEA: 9%
- Other APAC: 6%
- China: 4%
- Norway: 1%
- Netherlands: 2%
- France: 2%
- Italy: 2%
- Russia: 2%
- Spain: 2%
- Poland: 2%
- APAC: 1%
- Other Americas: 2%
- Canada: 7%
- Brazil: 2%
- Uruguay: 2%
- Other Americas: 2%
- Italy: 2%
- Other EMEA: 9%
- Norway: 1%
- France: 2%
- Finland: 15%
Pulp & Paper – driving growth as market leader
Pulp & Paper chemicals market estimated to grow 1-2%

- Pulp & Paper chemicals market drivers
  - Hardwood and softwood pulp demand increasing driven by growth of packaging needs (e-commerce, non-plastic solutions), growing tissue demand and lack of recycled fiber
  - Demand increase continues for packaging, driven by online shopping, last-mile delivery, product safety and non-plastic solutions
  - Growth in tissue demand driven by increasing wealth in emerging countries
  - Ongoing digitalization of media drives decline of graphic paper demand

- Growth areas, pulp and board & tissue, represent over 80% of our Pulp & Paper revenue
  - Ongoing capacity additions suit well for the need of growing demand
Strong demand in pulp market creating growth opportunities

New pulp mill projects are driven by increasing demand for tissue and board

- Main bleached pulp demand growth globally from tissue
- Food and liquid packaging board is growing particularly fast in Asia
- Pulp is produced close to fiber sources and then shipped to board, paper, and tissue mills or used captively in an integrated mill
- Growth of bleached pulp = 1 new pulp mill per year

Multiple pulp mill projects realised and expected in Northern Europe creating opportunities for Kemira to grow with the market

In addition, a few large scale pulp mill projects expected in South America, and new applications outside traditional Pulp&Paper (e.g. car battery manufacturing)
Acquisition via JV in China

• Agreed to form joint venture with Tiancheng
• NewCo will produce mainly AKD wax and its key raw material fatty acid chloride (FACL)
  – AKD is sizing chemical used in board and paper to create resistance against liquid absorption
  – NewCo also plans to produce coagulants for water treatment
• Kemira strengthens its position and secures supply of key raw material for AKD wax
• Kemira has 80% of NewCo
  – Investment for 80% around EUR 55 million
• Ramp-up after completion investments
  – Good contribution to P&L after ramp-up
We leverage acquisition synergies with our global production

AKD WAX SUPPLIED FROM YANZHOU, CHINA TO KEMIRA SITES GLOBALLY
Acquisition in China is excellent strategic fit

Acquired asset fulfills our key criteria for acquisitions

**GROWTH** – End-products in growing markets

**APAC** – Enables profitable growth in APAC

**SUPPLY** – Backward integr. & self-sufficiency (FACL)

**SUSTAINABILITY** – FACL from renewable raw material

**LOCATION** – Close to our existing production

**PROFITABILITY** – Accretive after ramp-up
Pulp & Paper
TECHNOLOGY AND MARKET LEADER

RAW MATERIALS
- Electricity
- Sodium chloride (salt)
- Crude tall oil
- Cationic monomer
- Acrylonitrile
- Acrylic acid
- Olefins
- Fatty acids
- Maleic anhydride
- Sulfur

INTERMEDIATES
- Tall oil rosin
- AKD Wax
- Isomerized olefins
- Acrylamide

PRODUCTS
- Sodium chlorate
- Hydrogen peroxide
- Polymers
- Defoamers
- Coagulants
- Biocides
- Sizing
- Strength Additives
- Surface additives
- Colorants
- Sulfuric acid

APPLICATIONS
- Pulping
- Bleaching
- Retention
- Wet-end process control
- WQQM
- Sizing
- Strength
- Surface treatment
- Coloring

CUSTOMER INDUSTRIES
- Pulp
- Packaging and board
- Printing and writing
- Tissue

CUSTOMERS
- All the major global paper and pulp producers

Value chain part covered by Kemira

MAIN COMPETITORS: Solenis, Nouryon, Ecolab, Kurita, SNF
Industry & Water - stronger platform for profitable growth
Industry & Water relevant chemicals market estimated to grow 3-4%.

- Demand for water treatment chemicals expected to increase due to:
  - Higher demand for water driven by industrial growth and population growth
  - More stringent discharge limits for waste water
  - Better dewatering of sludge
  - Phosphorus recovery
  - Water reuse

- Higher demand for Oil & Gas solutions expected:
  - Shale friction reducer market expected to grow due to higher energy demand and increasing number of wells fracked
  - Oil sands operators face regulatory requirements for their tailings treatment
  - Chemical Enhanced Oil Recovery lucrative in certain fields due to better yield from existing reservoirs
Kemira is a market leader in water treatment chemistry

Serving most European cities

Drinking water plants and wastewater plants

- No of ship-to countries ~ 80
- No of ship-to points ~ 9 000
- No of ship-from points ~ 30-40

I&W EMEA customer locations. Dot size correlates with ship-to volumes.
Not representative for Eastern Europe due to roll-out of Kemira ERP system.
1. The requirements of the Urban Wastewater Treatment Directive (UWWTD) must be implemented fully and equally in all member states.

2. Emission limit values (especially phosphorus) in water discharges should be tightened.

3. Digitalization can improve both the quality of monitoring and the cost efficiency of water treatment.

4. Emerging pollutants need to be included in the legislation.

5. Pollution from storm-water overflows must be limited and discharges safely disinfected.

6. Clearer guidance is needed on applying innovation and sustainability criteria in public procurement for water treatment.
Implementation of wastewater treatment directive varies in EU

- There are significant implementation gaps of the Urban Wastewater Treatment Directive, even though the first collection and treatment requirements of the Directive already entered into force in 2001.

---

**Degree of compliance in water discharges**

% of subjected load

- **2010**
- **2012**
- **2014**

* Degree of compliance with Article 5 of the Directive, which sets the requirements for water discharges to sensitive areas.

Source: European Commission, 9th report on the implementation status concerning urban waste water treatment.
Oil & Gas growing fast

Growing market demand with our selective market diversification assuring growth

Kemira’s offering

- **Process efficiencies:** polymers that reduce energy consumption by 60% in shale oil fields
- **Cost reduction:** higher concentrated liquids that make offshore oil recovery more cost effective (CEOR)
- **Addressing environmental regulations:** tailing treatment in oil sands

New innovative technologies driving expansion
CEOR-polymer deal with Chevron / Ithaca

- Strategically important multi-year Chemical Enhanced Oil Recovery deal with Chevron. Chevron has since sold field to Ithaca.
- EUR 30 million polymer capacity addition, announced in October 2017, progressing well
- CEOR market size approximately EUR 1 billion of which EUR 500 million accessible to Kemira
- Market growth estimated to be 5% driven by enhanced production from existing fields
- Kemira is committed to provide enhanced solutions for challenging water intensive environments and technologies that can enable CEOR
Industry & Water

TECHNOLOGY AND MARKET LEADER IN WATER TREATMENT AS WELL AS IN NICHE APPLICATIONS IN OIL & GAS

RAW MATERIALS
- Acrylonitrile
- Acrylic acid
- Sulfuric acid
- Hydrochloric acid
- Aluminium hydrate
- Iron ore
- Pickling liquor
- Copperas
- Various monomers

INTERMEDIATES
- Acrylamide
- Cationic monomer

PRODUCTS
- Polymers (EPAM, DPAM)
- Al Coagulants
- Fe Coagulants
- Dispersants & antiscalants
- Biocides
- Emulsifiers
- Defoamers
- Formulations

APPLICATIONS
- Raw water & waste water treatment
- Sludge treatment
- Friction reduction
- Enhanced oil recovery
- Tailings treatment
- Mining processes

SALES CHANNELS
- Direct sales
- Distributor/reseller
- Service companies

CUSTOMERS
- Municipalities
- Private operators
- Industrial customers
- Pumpers
- Oil & Gas operators
- Service companies
- Mine operators

Value chain part covered by Kemira

MAIN COMPETITORS
Coagulants: mainly local small companies, Feralco, USALCO, Kronos, PVS,
Polymers: SNF, Solvay, Ecolab, Solenis
Appendix
Kemira – largest shareholders and Board of Directors

SHAREHOLDERS ON MARCH 31, 2020

<table>
<thead>
<tr>
<th>% OF SHARES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Oras Invest</td>
<td>20.1%</td>
</tr>
<tr>
<td>2. Solidium (owned by State of Finland)</td>
<td>10.2%</td>
</tr>
<tr>
<td>3. Varma Mutual Pension Insurance Company</td>
<td>3.4%</td>
</tr>
<tr>
<td>4. Ilmarinen Mutual Pension Insurance Comp.</td>
<td>2.7%</td>
</tr>
<tr>
<td>5. Kemira Oyj</td>
<td>1.6%</td>
</tr>
</tbody>
</table>

Total number of shares 155,342,557
Foreign ownership of shares 28.2%
Total number of shareholders 38,504

KEMIRA BOARD OF DIRECTORS

JARI PAASIKIVI
Chairman
Member since 2012
Oras Invest Oy, CEO

KERTTU TUOMAS
Vice Chairman
Member since 2010

SHIRLEY CUNNINGHAM
Member since 2017

TIMO LAPPALAINEN
Member since 2014

WOLFGANG BÜCHELE
Member in 2009-2012 and since 2014

KAISA HIETALA
Member since 2016
Kemira’s Management Board

JARI ROSENDAL
President and CEO
With Kemira since 2014

KIM POULSEN
President
Pulp & Paper
With Kemira since 2015

PETRI CASTRÉN
CFO
With Kemira since 2013

ESA-MATTI PUPUTTI
EVP, Operational Excellence
With Kemira since 2015

ANTTI SALMINEN
President
Industry & Water
With Kemira since 2011

MATTHEW PIXTON
CTO
With Kemira since 2016

EEVA SALONEN
EVP, Human Resources
With Kemira since 2008

Jukka Hakkila, Chief Legal Officer, (with Kemira since 2005) acts as secretary of Management Board and Board of Directors.
Corporate responsibility performance Q1/2020

<table>
<thead>
<tr>
<th>Priority</th>
<th>KPI+Target</th>
<th>Performance</th>
<th>Comments</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainable products and solutions</td>
<td>Product sustainability</td>
<td>Share of revenue from products used for use-phase resource efficiency. At least 50% of Kemira’s revenue generated through products improving customers’ resource efficiency.</td>
<td>During Q1 five new R&amp;D projects were started and 100% of them are designed to improve customer resource efficiency. No commercialization of any R&amp;D project was started during this time.</td>
<td>AHEAD OF TARGET</td>
</tr>
<tr>
<td>Responsible operations and supply chain</td>
<td>Workplace safety</td>
<td>Achieve zero injuries on long term; TRIF* 2.0 by end of 2020.</td>
<td>Safety performance decreased in the first three months of the year. Globally we had 9 people incidents and 8 of these led to lost time. Human behavior has been one of the significant root causes in most of the incidents. With improvements in “Stop-Think-Act” behavior these incidents could be avoided.</td>
<td>IN PROGRESS</td>
</tr>
<tr>
<td></td>
<td>Climate change</td>
<td>Reduce by 30% combined Scope 1 and Scope 2 GHG emission across the whole company by 2030 compared to 2018 baseline (0.93 MTCO2eq). Ambition to be carbon neutral by 2045.</td>
<td>Kemira’s new 2030 climate change target and an internal carbon pricing program were launched in Q1. E3 Energy Reviews to identify energy savings projects were finalized for 2 manufacturing plants and started at 3. First wind power purchasing agreement signed for 5 MW over ten years (reduction of 12.6 kT CO2e per annum).</td>
<td>IN PROGRESS</td>
</tr>
<tr>
<td></td>
<td>Supplier Management</td>
<td>% of direct key suppliers screened through sustainability assessments and audits (cumulative %). The target includes 5 sustainability audits for highest risk** suppliers every year, and cumulatively 25 by 2020.</td>
<td>Sustainability screening of key suppliers continues as planned. During Q1, our annual supplier segmentation was reviewed where key suppliers are evaluated against multifactor criteria and prioritized for the pool of suppliers to be assessed and audited in 2020. 7 new supplier assessments were completed by end of March.</td>
<td>IN PROGRESS</td>
</tr>
</tbody>
</table>

* TRIF = Number of Total Recordable Injury Frequency per million hours, Kemira + contractor, year-to-date
** Suppliers with lowest sustainability assessment score
### Corporate responsibility performance Q1/2020

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<tbody>
<tr>
<td><strong>People and integrity</strong></td>
<td><strong>Employee engagement index based on MyVoice survey</strong>&lt;br&gt;The index at or above the external industry norm.</td>
<td><img src="image" alt="Engagement and Participation Chart" /></td>
<td>Results are being followed up with actions at the team level with segment/function management. We aim to run pulses and follow up to MyVoice on a needs basis aligned with business priorities. During 2020 we will continue to embed our new continuous feedback and listening model into our ways of working.</td>
<td>IN PROGRESS</td>
</tr>
<tr>
<td><strong>Leadership development activities provided, average</strong>&lt;br&gt;Two leadership development activities per people manager position during 2016-2020, the cumulative target is 1,500 by 2020.</td>
<td><img src="image" alt="Leadership Development Chart" /></td>
<td>During 2020 we will experiment with more digital learning. In Q1 we have been working with leaders and employees supporting them during Covid-19 and in the adoption of remote working.</td>
<td>AHEAD OF TARGET</td>
<td></td>
</tr>
<tr>
<td><strong>Integrity index</strong>&lt;br&gt;KPI to measure compliance with the Kemira Code of Conduct. The target is to maintain the Integrity Index level above industry benchmark of 77%.</td>
<td><img src="image" alt="Integrity Index Chart" /></td>
<td>Integrity has been measured in the past using the biannual Voices@Kemira survey. The last such survey was in 2018 and our result was high at 87%. This is 10% above the external industry norm. Integrity will be measured using our new MyVoice survey in 2020.</td>
<td>IN PROGRESS</td>
<td></td>
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</tbody>
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Read more about Corporate Responsibility in Kemira
Important information about financial figures

Kemira provides certain financial performance measures (alternative performance measures) on non-GAAP basis. Kemira believes that alternative performance measures, such as organic growth*, EBITDA, operative EBITDA, cash flow after investing activities, and gearing followed by capital markets and Kemira management, provide useful information of its comparable business performance and financial position. Selected alternative performance measures are also used as performance criteria in remuneration.

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

All the figures in this interim report have been individually rounded and consequently the sum of individual figures may deviate slightly from the sum figure presented.

* Revenue growth in local currencies, excluding acquisitions and divestments
keimira 100 years of chemistry