



# Q3 | INTERIM REPORT

JANUARY 1 – SEPTEMBER 30, 2022



Suominen Corporation Interim Report October 26, 2022 at 9:30 a.m. (EET)

Suominen Corporation's Interim Report for January 1–September 30, 2022:

## High quarterly sales, result recovery trending positively

### KEY FIGURES

	<b>7-9/ 2022</b>	7-9/ 2021	<b>1-9/ 2022</b>	1-9/ 2021	1-12/ 2021
Net sales, EUR million	<b>131.9</b>	98.7	<b>360.2</b>	327.6	443.2
Comparable EBITDA, EUR million	<b>5.1</b>	4.2	<b>10.3</b>	38.1	47.0
Comparable EBITDA, %	<b>3.9</b>	4.3	<b>2.9</b>	11.6	10.6
EBITDA, EUR million	<b>5.1</b>	4.2	<b>10.3</b>	38.1	47.0
Operating profit, EUR million	<b>0.2</b>	-0.8	<b>-4.0</b>	23.1	26.9
Operating profit, %	<b>0.2</b>	-0.9	<b>-1.1</b>	7.0	6.1
Profit for the period, EUR million	<b>-0.4</b>	-1.7	<b>-5.1</b>	18.2	20.7
Cash flow from operations, EUR million	<b>-10.8</b>	-8.9	<b>-1.6</b>	8.2	11.1
Cash flow from operations per share, EUR	<b>-0.19</b>	-0.16	<b>-0.03</b>	0.14	0.19
Earnings per share, basic, EUR	<b>-0.01</b>	-0.03	<b>-0.09</b>	0.32	0.36
Return on invested capital, rolling 12 months, % *	–	–	<b>0.0</b>	16.6	13.9
Gearing, %	–	–	<b>39.9</b>	30.2	30.4

\* Restated

In this interim report, figures shown in brackets refer to the comparison period last year if not otherwise stated.

#### July–September 2022 in brief:

- Net sales increased 34% from the corresponding period of 2021 and were EUR 131.9 million (98.7)
- Comparable EBITDA improved to EUR 5.1 million (4.2)
- Cash flow from operations was EUR -10.8 million (-8.9)

#### January–September 2022 in brief:

- Net sales increased 10% and were EUR 360.2 million (327.6)
- Comparable EBITDA decreased to EUR 10.3 million (38.1)
- Cash flow from operations declined and was EUR -1.6 million (8.2)

#### Outlook for 2022 unchanged

Suominen expects that its comparable EBITDA (earnings before interest, taxes, depreciation and amortization) in 2022 will decrease clearly from 2021. The war in Ukraine has increased the already significant cost inflation in raw materials, energy, and transportation. Also, while there has been

progress in the normalization of the customer inventory levels in the US, it has been somewhat slower than expected. These factors will impact the full year result negatively even though we expect that the demand for our products will improve in the second half of the year. In 2021, Suominen's comparable EBITDA was EUR 47.0 million.

**Petri Helsky, President & CEO:**

"After a difficult first half of the year, Suominen's result started to turn around in the third quarter. We reached all time high quarterly net sales in Q3 through improvement in both volumes and prices and tailwind from currencies. Our sales volumes increased in comparison to both Q3/2021 and Q2/2022 driven especially by improvement in North America. Margins were still lower than a year ago but improved slightly versus the previous quarter.

Our net sales were EUR 131.9 million (98.7) in the third quarter. Sales volumes increased as did sales prices following the higher raw material prices. Currency impact was significantly positive at EUR +11.1 million. Our quarterly EBITDA improved to EUR 5.1 million (4.2). The higher sales and production volumes impacted the result positively but our sales price increases could not fully compensate for the higher raw material and energy costs even despite the previously implemented energy surcharge in Europe. Other operating income was impacted positively by one-time tax credits and incentives in Brazil and Italy.

In August we announced surcharges on all our products in North America as a response to significant unexpected increases in raw materials, energy and freight costs. In September we announced a new energy surcharge on all our products in Europe as energy prices have continued to increase significantly after our first surcharge in March. Energy cost inflation is expected to continue during the autumn and winter months.

In the third quarter Suominen completed the EcoVadis sustainability assessment for the first time and received a silver level rating. This result places us in the top 8% of companies in the manufacture of other textiles industry rated by EcoVadis.

Looking ahead, we expect the demand for our products in the US to continue recovering and we have already seen the raw material markets turn more favorable in early Q4. At the same time our own improvement actions are starting to bear fruit. All these are expected to contribute positively to our result in the fourth quarter."

**NET SALES****July–September 2022**

In July–September 2022, Suominen's net sales increased from the comparison period by 34% to EUR 131.9 million (98.7) as both volumes and sales prices increased. Currencies impacted the net sales positively by EUR 11.1 million.

Suominen has two business areas, Americas and Europe. Net sales of the Americas business area amounted to EUR 80.3 million (57.0) and net sales of the Europe business area to EUR 51.7 million (41.6).

**January–September 2022**



In January–September 2022, Suominen’s net sales improved from the comparison period by 10% and amounted to EUR 360.2 million (327.6). Volumes decreased while sales prices increased, with currencies impacting the net sales positively by EUR 23.7 million.

Net sales of the Americas business area amounted to EUR 206.3 million (196.4) and net sales of the Europe business area to EUR 154.1 million (131.3).

## **EBITDA, OPERATING PROFIT AND RESULT**

### **July–September 2022**

EBITDA (earnings before interest, taxes, depreciation and amortization) was EUR 5.1 million (4.2). The increased sales and production volumes impacted the result positively while margins declined as sales price increases could not fully compensate for the higher raw material and energy costs. Currency impact on EBITDA was EUR +0.3 million. Other operating income was positively impacted by one-time tax credits and incentives in Brazil and Italy.

Operating profit increased from the comparison period and amounted to EUR 0.2 million (-0.8).

Profit before income taxes was EUR 0.1 million (-1.8), and profit for the reporting period was EUR -0.4 million (-1.7). Income taxes for the period were EUR -0.5 million (0.1).

### **January–September 2022**

EBITDA (earnings before interest, taxes, depreciation and amortization) was EUR 10.3 million (38.1). The main drivers were lower sales and production volumes and lower margins as sales price increases could not fully compensate for the higher raw material, energy, and freight costs. Currency impact on EBITDA was EUR +0.3 million.

Operating profit decreased and was EUR -4.0 million (23.1).

Profit before income taxes was EUR -4.3 million (23.8), and profit for the reporting period was EUR -5.1 million (18.2).

Income taxes for the period were EUR -0.8 million (-5.6).

## **FINANCING**

The Group’s net interest-bearing liabilities at nominal value amounted to EUR 65.8 million (48.2) at the end of the review period. The gearing ratio was 39.9% (30.2%) and the equity ratio 39.8% (42.5%).

In January–September, net financial expenses were EUR -0.3 million (+0.7), or -0.1% (+0.2%) of net sales. Fluctuations in exchange rates decreased the net financial expenses by EUR 4.4 million (in 2021, decreased by EUR 1.1 million).

Suominen sold its minority share in Amerplast (Bright Maze Oy) in March 2021. The transaction impacted Suominen’s net financial expenses positively in 2021 by EUR 3.7 million. The effect on the cash flow in 2021 was EUR 11.6 million.

Cash flow from operations in July–September was EUR -10.8 million (-8.9) and in January–September EUR -1.6 million (8.2), representing a cash flow per share of EUR -0.03 (0.14). The decline in the cash flow from operations for January–September was driven by the weaker result.

In the third quarter the change in net working capital was negative by EUR -13.9 million (-11.4). The change in net working capital in January–September was EUR -7.3 million (-23.2).

In June 2022, Suominen announced that it has extended by one year the maturity of the EUR 100 million syndicated revolving credit facility agreement signed in July 2020. The maturity of the facility is now extended to July 2025.

### **CAPITAL EXPENDITURE**

In January–September, the gross capital expenditure totaled EUR 7.4 million (14.0) and the largest item was related to the growth investment initiatives in Nakkila, Finland. Other investments were mainly for maintenance.

Suominen announced in June that it strengthens its capabilities in sustainable products by enhancing and upgrading one of its production lines in Nakkila, Finland. The investment is made in line with Suominen's strategy and supports company's vision to be the frontrunner in sustainability. The total value of the investment is approximately EUR 6 million and the investment project will be completed in the second half of 2023.

Depreciation and amortization for the review period amounted to EUR 14.3 million (15.0).

### **PROGRESS IN SUSTAINABILITY**

During the third quarter of 2022, we were awarded a silver level rating from the EcoVadis sustainability assessment. This was the first time that we completed the EcoVadis assessment and received a rating. This result places us in the top 8% of companies in the manufacture of other textiles industry rated by EcoVadis.

We have strong focus on safety and accident prevention, and our long-term target is to have zero lost-time accidents. By the end of September there has not been any LTA's at Suominen sites.

We systematically measure our employee engagement by conducting our engagement survey, Suominen Vibe, every year. During the year we have used the results from the survey conducted last year to plan and execute development actions. Now it is again time to collect feedback and this year's Vibe survey is now ongoing.

We are continuously improving our production efficiency and the efficient utilization of natural resources. In the third quarter we continued our actions towards our targets to reduce energy consumption, greenhouse gas emissions, water consumption and waste to landfill by 20% per ton of product by 2025 compared to the base year of 2019. One example of our concrete actions to reduce greenhouse gas emissions is our solar panels in our Alicante plant that have been in operation since August.

We have a comprehensive portfolio of sustainable nonwovens, and we continuously develop new and innovative solutions with a reduced environmental impact. Our target is a 50% increase in sales of sustainable nonwovens by 2025 compared to 2019, and to have at least 10 sustainable product launches per year.

Suominen reports progress in its key sustainability KPIs annually.

As part of our Annual Report 2021 published on March 2, 2022 we reported on the progress of our sustainability performance. Our sustainability reporting in 2021 was done in accordance with the Core

option of the GRI Standards from the Global Reporting Initiative and it was assured by an external partner.

## **INFORMATION ON SHARES AND SHARE CAPITAL**

### **Share capital**

The number of Suominen's registered shares was 58,259,219 shares on September 30, 2022, equaling to a share capital of EUR 11,860,056.00.

### **Share trading and price**

The number of Suominen Corporation shares traded on Nasdaq Helsinki from January 1 to September 30, 2022 was 9,800,783 shares, accounting for 17.1% of the average number of shares (excluding treasury shares). The highest price was EUR 5.27, the lowest EUR 2.46 and the volume-weighted average price EUR 3.64. The closing price at the end of review period was EUR 2.64. The market capitalization (excluding treasury shares) was EUR 151.7 million on September 30, 2022.

### **Treasury shares**

On September 30, 2022, Suominen Corporation held 778,492 treasury shares.

The share repurchase program of Suominen commenced on November 3, 2021 and ended on January 21, 2022. Suominen acquired in total 68,677 shares in January 2022.

As a share-based payment plan vested, in total 237,584 shares were transferred to the participants of the plan in February.

In accordance with the resolution by the Annual General Meeting, in total 18,585 shares were transferred to the members of the Board of Directors as their remuneration payable in shares during the reporting period.

### **The portion of the remuneration of the members of the Board of Directors paid in shares**

The Annual General Meeting held on March 24, 2022 decided that 75% of the annual remuneration of the members of the Board of Directors is paid in cash and 25% in Suominen Corporation's shares.

The number of shares forming the remuneration portion payable in shares was determined based on the share value in the stock exchange trading maintained by Nasdaq Helsinki Ltd, calculated as the trade volume-weighted average quotation of the share during the two-week period immediately following the date on which the Interim Report of January–March 2022 of the company was published. The shares were given out of the treasury shares held by the company by the decision of the Board of Directors on May 17, 2022.

### Share-based incentive plans for the management and key employees

The Group management and key employees participate in the company's share-based long-term incentive plans. The plans are described in more detail in the Financial Statements and in the Remuneration Report, available on the company's website [www.suominen.fi](http://www.suominen.fi).

Company's Performance Share Plan currently includes three 3-year performance periods, calendar years 2020–2022, 2021–2023 and 2022–2024. The aim of the Performance Share Plan is to combine the objectives of the shareholders and the persons participating in the plan in order to increase the value of the company in long-term, to build loyalty to the company and to offer them competitive reward plans based on earning and accumulating the company's shares.

#### Performance Share Plan: Ongoing performance periods

Performance Period	2020–2022	2021–2023	2022–2024
Incentive based on	Total Shareholder Return (TSR)	Total Shareholder Return (TSR)	Total Shareholder Return (TSR)
Potential reward payment	Will be paid partly in Suominen shares and partly in cash in spring 2023	Will be paid partly in Suominen shares and partly in cash in spring 2024	Will be paid partly in Suominen shares and partly in cash in spring 2025
Participants	16 people	17 people	23 people
Maximum number of shares	684,500	413,000	362,000

The President & CEO of the company must hold 50% of the net number of shares given on the basis of the plan, as long as his or her shareholding in total corresponds to the value of his or her annual gross salary. A member of the Executive Team must hold 50% of the net number of shares given on the basis of the plan, as long as his or her shareholding in total corresponds to the value of half of his or her annual gross salary. Such a number of shares must be held as long as the participant's employment or service in a group company continues.

### ANNUAL GENERAL MEETING

The Annual General Meeting (AGM) of Suominen Corporation was held on March 24, 2022.

The AGM adopted the Financial Statements and the Consolidated Financial Statements for the financial year 2021 and discharged the members of the Board of Directors and the President & CEO from liability for the financial year 2021. The AGM approved the Remuneration Report for the governing bodies.

The AGM decided, in accordance with the proposal by the Board of Directors, that a dividend of EUR 0.20 per share will be paid.

The AGM confirmed the remuneration of the Board of Directors. The Chair will be paid an annual fee of EUR 70,000 and the Deputy Chair and other Board members an annual fee of EUR 33,000. Chair of the Audit Committee will be paid an additional fee of EUR 10,000. Further, the members of the Board will receive a fee for each Board and Committee meeting as follows: EUR 500 for each meeting held in the home country of the respective member, EUR 1,000 for each meeting held elsewhere than in the

home country of the respective member and EUR 500 for each meeting held as a telephone conference.

75% of the remuneration is paid in cash and 25% in Suominen Corporation's shares. Compensation for expenses is paid in accordance with the company's valid travel policy.

The AGM decided that the number of Board members remain unchanged at six (6). Mr. Andreas Ahlström, Mr. Björn Borgman, Mr. Jaakko Eskola, Ms. Nina Linander and Ms. Laura Raitio were re-elected as members of the Board. Mr. Aaron Barsness was elected as a new member of the Board.

Mr. Jaakko Eskola was re-elected as the Chair of the Board of Directors.

Ernst & Young Oy, Authorised Public Accountant firm, was re-elected as the auditor of the company for the next term of office in accordance with the Articles of Association. Ernst & Young Oy appointed Mr. Toni Halonen, Authorised Public Accountant, as the principally responsible auditor of the company.

The AGM authorized the Board of Directors to decide on the repurchase of the company's own shares and to resolve on the issuance of shares and granting of options and the issuance of special rights entitling to shares. The terms and conditions of the authorization are explained later in this interim report.

Suominen published a stock exchange release on March 24, 2022 concerning the resolutions of the Annual General Meeting and the organizing meeting of the Board of Directors. The stock exchange release and an introduction of the new Board member can be viewed on Suominen's website at [www.suominen.fi](http://www.suominen.fi).

In compliance with the resolution of the Annual General Meeting, on April 7, 2022 Suominen paid out dividends in total of EUR 11.5 million for 2021, corresponding to EUR 0.20 per share.

### **Organizing meeting and permanent committees of the Board of Directors**

In its organizing meeting held after the AGM, the Board of Directors elected Andreas Ahlström as Deputy Chair of the Board.

The Board of Directors elected from among its members the members for the Audit Committee and Personnel and Remuneration Committee. Nina Linander was re-elected as the Chair of the Audit Committee and Andreas Ahlström and Laura Raitio were re-elected as members. Jaakko Eskola was re-elected as the Chair of the Personnel and Remuneration Committee, Björn Borgman was re-elected as member, and Aaron Barsness was elected as new member.

### **Authorizations of the Board of Directors**

The Annual General Meeting (AGM), held on March 24, 2022 authorized the Board of Directors to decide on the repurchase a maximum of 1,000,000 of the company's own shares. The company's own shares shall be repurchased otherwise than in proportion to the holdings of the shareholders by using the non-restricted equity through trading on regulated market organized by Nasdaq Helsinki Ltd at the market price prevailing at the time of acquisition. The shares shall be repurchased and paid in accordance with the rules of Nasdaq Helsinki Ltd and Euroclear Finland Ltd. The shares shall be repurchased to be used in company's share-based incentive programs, in order to disburse the remuneration of the members of the Board of Directors, for use as consideration in acquisitions



related to the company's business, or to be held by the company, to be conveyed by other means or to be cancelled. The Board of Directors shall decide on other terms and conditions related to the repurchase of the company's own shares. The repurchase authorization shall be valid until June 30, 2023 and it revokes all previous authorizations to repurchase company's own shares.

The Annual General Meeting (AGM) held on March 24, 2022 authorized the Board of Directors to decide on issuing new shares and/or conveying the company's own shares held by the company and/or granting options and other special rights referred to in Chapter 10, Section 1 of the Finnish Companies Act. New shares may be issued, and the company's own shares may be conveyed to the company's shareholders in proportion to their current shareholdings in the company; or by waiving the shareholder's pre-emption right, through a directed share issue if the company has a weighty financial reason to do so, such as, for example, using the shares as consideration in possible acquisitions or other arrangements related to the company's business, as financing for investments, using shares as part of the company's incentive program or using the shares for disbursing the portion of the Board members' remuneration that is to be paid in shares. The new shares may also be issued without payment to the company itself. New shares may be issued and/or company's own shares held by the company or its group company may be conveyed at the maximum amount of 5,000,000 shares in aggregate.

The Board of Directors may grant options and other special rights referred to in Chapter 10, Section 1 of the Finnish Companies Act, which carry the right to receive against payment new shares or own shares held by the company. The right may also be granted to the company's creditor in such a manner that the right is granted on condition that the creditor's receivable is used to set off the subscription price ("Convertible Bond"). However, options and other special rights referred to in Chapter 10, Section 1 of the Companies Act cannot be granted as part of the company's remuneration plan.

The maximum number of new shares that may be subscribed and own shares held by the company that may be conveyed by virtue of the options and other special rights granted by the company is 5,000,000 shares in total which number is included in the maximum number stated above.

The authorizations shall revoke all earlier authorizations regarding share issue and issuance of special rights entitling to shares. The Board of Directors shall decide on all other terms and conditions related to the authorizations. The authorizations shall be valid until June 30, 2023.

#### **NOTIFICATIONS UNDER CHAPTER 9, SECTION 5 OF THE SECURITIES MARKET ACT**

June 28, 2022: The shareholding of OP-Henkivakuutus Oy in Suominen Corporation crossed the 5% flagging threshold.

March 8, 2022: The shareholding of Etola Group Oy, controlled by Mr. Erkki Etola, in Suominen Corporation crossed the 10% flagging threshold. At the same time the total holding of Erkki Etola and companies controlled by him in Suominen Corporation crossed the 20% flagging threshold.

February 25, 2022: The shareholding of Etola Group Oy, controlled by Mr. Erkki Etola, in Suominen Corporation crossed the 5% flagging threshold.

January 20, 2022: The shareholding of Ilmarinen Mutual Pension Insurance Company in Suominen Corporation fell below the threshold of 5%.

## CHANGES IN THE EXECUTIVE TEAM

Suominen announced on September 6, 2022 that Toni Tamminen, Suominen's CFO and a member of the Executive Team has decided to pursue career opportunities outside the company and will leave Suominen latest on March 5, 2023.

## NOMINATION BOARD

Suominen's three largest registered shareholders Ahlstrom Capital B.V., Oy Etra Invest Ab and Etola Group Oy have nominated the following members to the Shareholders' Nomination Board:

- Lasse Heinonen, President & CEO of Ahlström Capital Oy, as a member appointed by Ahlstrom Capital B.V.;
- Mikael Etola, CEO, Etola-Yhtiöt, as a member appointed by Oy Etra Invest Ab and Etola Group Oy

Jaakko Eskola, Chair of Suominen's Board of Directors, serves as the third member of the Nomination Board. The shareholders entitled to appoint members to the Nomination Board were determined on the basis of the registered holdings in the company's shareholders' register on September 1, 2022.

## SHORT TERM RISKS AND UNCERTAINTIES

The raw material, energy and logistics markets relevant for Suominen have experienced significant volatility and cost inflation. This can impact Suominen's financial performance depending on how the markets develop.

Regarding the war in Ukraine, the direct impact to Suominen's business is minor as we have no customers nor suppliers in Russia, Belarus or Ukraine. Suominen as a company is mostly affected by the indirect economic impacts of the war which contribute to the cost inflation mentioned above.

Also the COVID-19 pandemic can still cause uncertainty in Suominen's business environment. The key risks related to the virus concern the health and safety of Suominen personnel and customers, possible shortages of raw materials and issues linked to logistics, as well as potential closures of customers' or our own plants due to virus infections. Despite the inflation and supply chain challenges caused by the pandemic straining the whole nonwovens industry and its value chain, we have not experienced more payment delays than usual by our customers and hence we do not see that our customer credit risks would have materially increased.

Suominen's other risks and uncertainties include but are not limited to: risks related to manufacturing, competition, raw material prices and availability and customer specific volumes and credits, changes in legislation, political environment or economic conditions and investments, and financial risks.

A more detailed description of risks is available in Suominen's Annual Report 2021 at [suominen.fi/investors](https://suominen.fi/investors).

## BUSINESS ENVIRONMENT

Suominen's nonwovens are, for the most part, used in daily consumer goods, such as wet wipes as well as in hygiene and medical products. In these target markets of Suominen, the general economic situation determines the development of consumer demand, even though the demand for consumer

goods is not very cyclical in nature. North America and Europe are the largest market areas for Suominen. In addition, the company operates in the South American markets. The growth in the demand for nonwovens has typically exceeded the growth of gross domestic product by a couple of percentage points.

The market expectation is that in the long run the end user demand for wipes will remain above pre-COVID levels. However, the pandemic-caused demand spike followed by moderation of said demand has led to an inventory imbalance in the whole supply chain especially in the US which still partially persists.

The war in Ukraine has worsened the inflationary pressures in raw material, energy and freight costs and increased uncertainty overall. However, we are seeing the raw material markets turning more favorable from the fourth quarter onwards and we also expect normalization of the US inventory levels going forward.

## **OUTLOOK FOR 2022**

Suominen expects that its comparable EBITDA (earnings before interest, taxes, depreciation and amortization) in 2022 will decrease clearly from 2021. The war in Ukraine has increased the already significant cost inflation in raw materials, energy and transportation. Also, while there has been progress in the normalization of the customer inventory levels in the US, it has been somewhat slower than expected. These factors will impact the full year result negatively even though we expect that the demand for our products will improve in the second half of the year. In 2021, Suominen's comparable EBITDA was EUR 47.0 million.

## **CORPORATE GOVERNANCE AND REMUNERATION REPORT**

Suominen has prepared a separate Corporate Governance Statement and a Remuneration Report for 2021, which comply with the recommendations of the Finnish Corporate Governance Code for listed companies. The statements also cover other central areas of corporate governance. The statements have been published on Suominen's website, separately from the Report of the Board of Directors, at [www.suominen.fi](http://www.suominen.fi).

## **AUDIOCAST AND CONFERENCE CALL**

Petri Helsky, President & CEO, and Toni Tamminen, CFO, will present the result in English in an audiocast and a conference call for analyst, investors, and media on the same day at 11:00 a.m. (EEST). The audiocast can be followed at <https://suominen.videosync.fi/2022-q3>. The recording of the audiocast and the presentation material will be available after the event at [www.suominen.fi](http://www.suominen.fi).

Conference call participants:

You can access the teleconference by registering on the link below. After the registration you will be provided phone numbers and a conference ID to access the conference.

<https://call.vsy.io/access-8477>

The event cannot be attended on the spot.

**EVENTS AFTER THE REPORTING PERIOD**

The debenture bond of EUR 85 million issued in 2017 fell due and was repaid in full on October 3, 2022.

**NEXT FINANCIAL REPORT**

Suominen Corporation will publish its Financial Statements Release 2022 on February 3, 2023 approximately at 9:30 a.m. (EET).

**SUOMINEN GROUP JANUARY 1 – SEPTEMBER 30, 2022**

The figures in this interim report are mainly presented in EUR thousands. As a result of rounding differences, the figures presented in the tables do not necessarily add up to total.

This interim report has not been audited.

This interim report has been prepared in accordance with the principles defined in IAS 34 Interim Financial Reporting. The principles for preparing the interim report are the same as those used for preparing the consolidated financial statements for 2021, with the exception of the effect of the new accounting standards and interpretations which have been applied from 1.1.2022.

The new or amended standards or interpretations applicable from 1.1.2022 are not material for Suominen Group.



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

EUR thousand	30.9.2022	30.9.2021	31.12.2021
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill	15,496	15,496	15,496
Intangible assets	10,662	14,320	13,176
Property, plant and equipment	127,537	113,162	115,478
Right-of-use assets	14,890	16,344	15,741
Equity instruments	421	421	421
Other non-current receivables	88	71	96
Deferred tax assets	1,871	1,299	1,668
<b>Total non-current assets</b>	<b>170,964</b>	161,112	162,077
<b>Current assets</b>			
Inventories	69,265	50,714	49,763
Trade receivables	75,920	52,959	65,495
Other current receivables	10,569	5,615	5,403
Assets for current tax	3,700	2,855	2,564
Cash and cash equivalents	84,664	103,182	101,357
<b>Total current assets</b>	<b>244,118</b>	215,325	224,583
<b>Total assets</b>	<b>415,082</b>	376,437	386,660
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	11,860	11,860	11,860
Share premium account	24,681	24,681	24,681
Reserve for invested unrestricted equity	75,692	75,692	75,692
Fair value and other reserves	265	-7	-7
Exchange differences	13,220	-7,801	-5,577
Retained earnings	39,469	55,257	56,549
<b>Total equity attributable to owners of the parent</b>	<b>165,188</b>	159,682	163,199
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities	13,376	14,006	13,931
Liabilities from defined benefit plans	595	662	638
Non-current provisions	1,956	1,885	1,916
Non-current lease liabilities	12,353	13,706	13,167
Other non-current liabilities	-	4	3
Debentures	49,257	132,857	49,144

Total non-current liabilities	<b>77,537</b>	163,119	78,799
<b>Current liabilities</b>			
Current lease liabilities	<b>3,141</b>	2,723	2,761
Debenture bonds	<b>84,990</b>	–	84,062
Liabilities for current tax	<b>3,829</b>	1,018	669
Trade payables and other current liabilities	<b>80,398</b>	49,894	57,170
Total current liabilities	<b>172,358</b>	53,636	144,662
<b>Total liabilities</b>	<b>249,895</b>	216,755	223,461
<b>Total equity and liabilities</b>	<b>415,082</b>	376,437	386,660

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

EUR thousand	<b>7-9/2022</b>	7-9/2021	<b>1-9/2022</b>	1-9/2021	1-12/2021
<b>Net sales</b>	<b>131,937</b>	98,654	<b>360,225</b>	327,634	443,219
Cost of goods sold	<b>-126,723</b>	-93,182	<b>-343,446</b>	-285,220	-392,390
<b>Gross profit</b>	<b>5,214</b>	5,472	<b>16,780</b>	42,414	50,828
Other operating income	<b>3,007</b>	696	<b>4,103</b>	2,404	4,434
Sales, marketing and administration expenses	<b>-6,754</b>	-6,034	<b>-21,551</b>	-19,562	-26,238
Research and development expenses	<b>-925</b>	-678	<b>-2,571</b>	-1,872	-2,678
Other operating expenses	<b>-340</b>	-298	<b>-729</b>	-317	595
<b>Operating profit</b>	<b>202</b>	-842	<b>-3,969</b>	23,067	26,941
Net financial expenses	<b>-78</b>	-969	<b>-284</b>	684	-390
<b>Profit before income taxes</b>	<b>125</b>	-1,811	<b>-4,253</b>	23,751	26,551
Income taxes	<b>-523</b>	112	<b>-801</b>	-5,554	-5,816
<b>Profit for the period</b>	<b>-398</b>	-1,699	<b>-5,054</b>	18,197	20,734
<b>Earnings per share, EUR</b>					
Basic	<b>-0.01</b>	-0.03	<b>-0.09</b>	0.32	0.36
Diluted	<b>-0.01</b>	-0.03	<b>-0.09</b>	0.31	0.36

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

EUR thousand	7-9/2022	7-9/2021	1-9/2022	1-9/2021	1-12/2021
<b>Profit for the period</b>	<b>-398</b>	-1,699	<b>-5,054</b>	18,197	20,734
<b>Other comprehensive income:</b>					
<b>Other comprehensive income that will be subsequently reclassified to profit or loss</b>					
Exchange differences	<b>8,117</b>	1,968	<b>20,439</b>	6,691	9,137
Income taxes related to other comprehensive income	<b>-725</b>	-255	<b>-1,642</b>	-559	-781
<b>Total</b>	<b>7,392</b>	1,713	<b>18,797</b>	6,132	8,356
<b>Other comprehensive income that will not be subsequently reclassified to profit or loss</b>					
Remeasurements of defined benefit plans	-	-	-	-	26
Income taxes related to other comprehensive income	-	-	-	-	-7
<b>Total</b>	-	-	-	-	19
<b>Total other comprehensive income</b>	<b>7,392</b>	1,713	<b>18,797</b>	6,132	8,375
<b>Total comprehensive income for the period</b>	<b>6,994</b>	14	<b>13,743</b>	24,329	29,109

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

EUR thousand	Share capital	Share premium account	Reserve for invested unrestricted equity	Exchange differences
<b>Equity 1.1.2022</b>	<b>11,860</b>	<b>24,681</b>	<b>75,692</b>	<b>-5,577</b>
Profit for the period	-	-	-	-
Other comprehensive income	-	-	-	18,797
<b>Total comprehensive income</b>	-	-	-	<b>18,797</b>
Distribution of dividend	-	-	-	-
Share-based payments	-	-	-	-
Acquisition of treasury shares	-	-	-	-
Conveyance of treasury shares	-	-	-	-
Transfers	-	-	-	-
<b>Equity 30.9.2022</b>	<b>11,860</b>	<b>24,681</b>	<b>75,692</b>	<b>13,220</b>

EUR thousand	Fair value and other reserves	Retained earnings	Total equity attributable to owners of the parent
<b>Equity 1.1.2022</b>	<b>-7</b>	<b>56,549</b>	<b>163,199</b>
Profit for the period	-	-5,054	-5,054
Other comprehensive income	-	-	18,797
<b>Total comprehensive income</b>	<b>-</b>	<b>-5,054</b>	<b>13,743</b>
Distribution of dividend	-	-11,492	-11,492
Share-based payments	-	35	35
Acquisition of treasury shares	-	-352	-352
Conveyance of treasury shares	-	55	55
Transfers	272	-272	-
<b>Equity 30.9.2022</b>	<b>265</b>	<b>39,469</b>	<b>165,188</b>

EUR thousand	Share capital	Share premium account	Reserve for invested unrestricted equity	Treasury shares
<b>Equity 1.1.2021</b>	<b>11,860</b>	<b>24,681</b>	<b>81,361</b>	<b>-44</b>
Profit for the period	-	-	-	-
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Share-based payments	-	-	-	-
Conveyance of treasury shares	-	-	90	44
Dividends and return of capital	-	-	-5,759	-
<b>Equity 30.9.2021</b>	<b>11,860</b>	<b>24,681</b>	<b>75,692</b>	<b>-</b>

EUR thousand	Exchange differences	Fair value and other reserves	Retained earnings	Total equity attributable to owners of the parent
<b>Equity 1.1.2021</b>	<b>-13,933</b>	<b>-7</b>	<b>41,962</b>	<b>145,882</b>
Profit for the period	-	-	18,197	18,197
Other comprehensive income	6,132	-	-	6,132
<b>Total comprehensive income</b>	<b>6,132</b>	<b>-</b>	<b>18,197</b>	<b>24,329</b>
Share-based payments	-	-	900	900



Conveyance of treasury shares	-	-	-44	90
Dividends and return of capital	-	-	-5,759	-11,519
<b>Equity 30.9.2021</b>	<b>-7,801</b>	<b>-7</b>	<b>55,257</b>	<b>159,682</b>

EUR thousand	Share capital	Share premium account	Reserve for invested unrestricted equity	Treasury shares
<b>Equity 1.1.2021</b>	<b>11,860</b>	<b>24,681</b>	<b>81,361</b>	<b>-44</b>
Profit for the period	-	-	-	-
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Distribution of dividend and return of capital	-	-	-5,759	-
Share-based payments	-	-	-	-
Acquisition of treasury shares	-	-	-	-
Conveyance of treasury shares	-	-	90	44
<b>Equity 31.12.2021</b>	<b>11,860</b>	<b>24,681</b>	<b>75,692</b>	<b>-</b>

EUR thousand	Exchange differences	Fair value and other reserves	Retained earnings	Total equity attributable to owners of the parent
<b>Equity 1.1.2021</b>	<b>-13,933</b>	<b>-7</b>	<b>41,962</b>	<b>145,882</b>
Profit for the period	-	-	20,734	20,734
Other comprehensive income	8,356	-	19	8,375
<b>Total comprehensive income</b>	<b>8,356</b>	<b>-</b>	<b>20,754</b>	<b>29,109</b>
Distribution of dividend and return of capital	-	-	-5,759	-11,519
Share-based payments	-	-	1,276	1,276
Acquisition of treasury shares	-	-	-1,640	-1,640
Conveyance of treasury shares	-	-	-44	90
<b>Equity 31.12.2021</b>	<b>-5,577</b>	<b>-7</b>	<b>56,549</b>	<b>163,199</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS**

EUR thousand	1-9/2022	1-9/2021	1-12/2021
<b>Cash flow from operations</b>			
Profit for the period	-5,054	18,197	20,734
Total adjustments to profit for the period	15,539	20,919	27,585
Cash flow before changes in net working capital	10,486	39,116	48,319
Change in net working capital	-7,275	-23,203	-25,242
Financial items	-2,009	-2,272	-5,258
Income taxes	-2,755	-5,449	-6,731
<b>Cash flow from operations</b>	<b>-1,553</b>	8,192	11,088
<b>Cash flow from investments</b>			
Investments in property, plant and equipment and intangible assets	-7,415	-13,609	-17,628
Sales proceeds from property, plant and equipment and intangible assets	0	4	4
Sales proceeds from sale of equity investments	-	2,123	2,170
<b>Cash flow from investments</b>	<b>-7,415</b>	-11,482	-15,454
<b>Cash flow from financing</b>			
Drawdown of non-current interest-bearing liabilities	-	50,000	50,000
Issuance costs of the bonds	-	-939	-939
Repayment of current interest-bearing liabilities	-2,325	-1,998	-2,757
Repayment of loan receivables	-	9,301	9,301
Acquisition of treasury shares	-379	-	-1,612
Dividends and return of capital paid	-11,492	-11,520	-11,520
<b>Cash flow from financing</b>	<b>-14,197</b>	44,845	42,473
<b>Change in cash and cash equivalents</b>	<b>-23,165</b>	41,555	38,106
Cash and cash equivalents at the beginning of the period	101,357	57,877	57,877
Effect of changes in exchange rates	6,472	3,750	5,374
Change in cash and cash equivalents	-23,165	41,555	38,106
<b>Cash and cash equivalents at the end of the period</b>	<b>84,664</b>	103,182	101,357

**KEY RATIOS**

	<b>7-9/ 2022</b>	7-9/ 2021	<b>1-9/ 2022</b>	1-9/ 2021	1-12/ 2021
Change in net sales, % *	<b>33.7</b>	-14.5	<b>9.9</b>	-5.8	-3.4
Gross profit, as percentage of net sales, %	<b>4.0</b>	5.5	<b>4.7</b>	12.9	11.5
Comparable EBITDA, as percentage of net sales, %	<b>3.9</b>	4.3	<b>2.9</b>	11.6	10.6
Operating profit, as percentage of net sales, %	<b>0.2</b>	-0.9	<b>-1.1</b>	7.0	6.1
Net financial items, as percentage of net sales, %	<b>-0.1</b>	-1.0	<b>-0.1</b>	0.2	-0.1
Profit before income taxes, as percentage of net sales, %	<b>0.1</b>	-1.8	<b>-1.2</b>	7.2	6.0
Profit for the period, as percentage of net sales, %	<b>-0.3</b>	-1.7	<b>-1.4</b>	5.6	4.7
Gross capital expenditure, EUR thousand	<b>3,390</b>	3,343	<b>7,380</b>	14,016	17,771
Depreciation and amortization, EUR thousand	<b>4,922</b>	5,082	<b>14,253</b>	14,984	20,092
Return on equity, rolling 12 months, %	-	-	<b>-1.6</b>	16.7	13.3
Return on invested capital, rolling 12 months, % **	-	-	<b>0.0</b>	16.6	13.9
Equity ratio, %	-	-	<b>39.8</b>	42.5	42.2
Gearing, %	-	-	<b>39.9</b>	30.2	30.4
Average number of personnel (FTE - full time equivalent)	-	-	<b>706</b>	709	709
Earnings per share, EUR, basic	<b>-0.01</b>	-0.03	<b>-0.09</b>	0.32	0.36
Earnings per share, EUR, diluted	<b>-0.01</b>	-0.03	<b>-0.09</b>	0.31	0.36
Cash flow from operations per share, EUR	<b>-0.19</b>	-0.16	<b>-0.03</b>	0.14	0.19
Equity per share, EUR	-	-	<b>2.87</b>	2.77	2.85
Number of shares, end of period, excluding treasury shares	-	-	<b>57,480,727</b>	57,624,558	57,293,235
Share price, end of period, EUR	-	-	<b>2.64</b>	4.41	5.18
Share price, period low, EUR	-	-	<b>2.46</b>	4.37	4.25
Share price, period high, EUR	-	-	<b>5.27</b>	6.41	6.41
Volume weighted average price during the period, EUR	-	-	<b>3.64</b>	5.57	5.48
Market capitalization, EUR million	-	-	<b>151.7</b>	254.1	296.8
Number of traded shares during the period	-	-	<b>9,800,783</b>	15,570,116	17,714,203
Number of traded shares during the period, % of average number of shares	-	-	<b>17.1</b>	27.0	30.8

\* Compared with the corresponding period in the previous year.

\*\* Restated

	<b>30.9.2022</b>	30.9.2021	31.12.2021
<b>Interest-bearing net debt, EUR thousands</b>			
Non-current interest-bearing liabilities, nominal value	<b>62,353</b>	148,706	63,167
Current interest-bearing liabilities, nominal value	<b>88,141</b>	2,723	87,761
Interest-bearing receivables and cash and cash equivalents	<b>-84,664</b>	-103,182	-101,357
<b>Interest-bearing net debt</b>	<b>65,830</b>	48,247	49,570

### **CALCULATION OF KEY RATIOS AND ALTERNATIVE PERFORMANCE MEASURES**

Key ratios per share are either IFRS key ratios (earnings per share) or required by Ordinance of the Ministry of Finance in Finland or alternative performance measures (cash flow from operations per share).

Some of the other key ratios Suominen publishes are alternative performance measures. An alternative performance measure is a key ratio which has not been defined in IFRS standards. Suominen believes that the use of alternative performance measures provides useful information for example to investors regarding the Group's financial and operating performance and makes it easier to make comparisons between the reporting periods.

The link between the components of the key ratios per share and the consolidated financial statements is presented in the consolidated financial statements of 2021. The link between the components of the alternative performance measures and the consolidated financial statements is presented in Suominen's Annual Report for 2021.

#### **Calculation of key ratios per share**

##### **Earnings per share**

$$\text{Basic earnings per share (EPS)} = \frac{\text{Profit for the period adjusted with interest on hybrid bond, net of tax}}{\text{Share-issue adjusted average number of shares excluding treasury shares}}$$

$$\text{Diluted earnings per share (EPS)} = \frac{\text{Profit for the period}}{\text{Average diluted share-issue adjusted number of shares excluding treasury shares}}$$

EUR thousand	<b>30.9.2022</b>	<b>30.9.2021</b>	<b>31.12.2021</b>
Profit for the period	-5,054	18,197	20,734



Average share-issue adjusted number of shares	57,425,760	57,601,008	57,579,440
Average diluted share-issue adjusted number of shares excluding treasury shares	57,510,358	58,019,324	58,023,347

### Earnings per share

#### EUR

Basic	-0.09	0.32	0.36
Diluted	-0.09	0.31	0.36

### Cash flow from operations per share

Cash flow from operations per share	=	$\frac{\text{Cash flow from operations}}{\text{Share-issue adjusted number of shares excluding treasury shares, end of reporting period}}$		
		<b>30.9.2022</b>	<b>30.9.2021</b>	<b>31.12.2021</b>
Cash flow from operations, EUR thousand		-1,553	8,192	11,088
Share-issue adjusted number of shares excluding treasury shares, end of reporting period		57,480,727	57,624,558	57,293,235
Cash flow from operations per share, EUR		-0.03	0.14	0.19

### Equity per share

Equity per share	=	$\frac{\text{Total equity}}{\text{Share-issue adjusted number of shares excluding treasury shares, end of reporting period}}$		
		<b>30.9.2022</b>	<b>30.9.2021</b>	<b>31.12.2021</b>
Total equity attributable to owners of the parent, EUR thousand		165,188	159,682	163,199
Share-issue adjusted number of shares excluding treasury shares, end of reporting period		57,480,727	57,624,558	57,293,235
Equity per share, EUR		2.87	2.77	2.85

### Market capitalization

Market capitalization = Number of shares at the end of reporting period excluding treasury shares x share price at the end of period

	<b>30.9.2022</b>	<b>30.9.2021</b>	<b>31.12.2021</b>
Number of shares at the end of reporting period excluding treasury shares	57,480,727	57,624,558	57,293,235
Share price at end of the period, EUR	2.64	4.41	5.18
Market capitalization, EUR million	151.7	254.1	296.8

### Share turnover

Share turnover = The proportion of number of shares traded during the period to weighted average number of shares excluding treasury shares

	<b>30.9.2022</b>	<b>30.9.2021</b>	<b>31.12.2021</b>
Number of shares traded during the period	9,800,783	15,570,116	17,714,203
Average number of shares excluding treasury shares	57,425,760	57,601,008	57,579,440
Share turnover, %	17.1	27.0	30.8

### Calculation of key ratios and alternative performance measures

#### Operating profit and comparable operating profit

Operating profit (EBIT) = Profit before income taxes + net financial expenses

Comparable operating profit (EBIT) = Profit before income taxes + net financial expenses, adjusted with items affecting comparability

In order to improve the comparability of result between reporting periods, Suominen presents comparable operating profit as an alternative performance measure. Operating profit is adjusted with material items that are considered to affect comparability between reporting periods. These items include, among others, impairment losses or reversals of impairment losses, gains or losses from the sales of property, plant and equipment or intangible assets or other assets and restructuring costs. Suominen did not have any items affecting comparability in 2022 or 2021.

**EBITDA and comparable EBITDA**

EBITDA = EBIT + depreciation, amortization and impairment losses

Comparable EBITDA = EBIT + depreciation, amortization and impairment losses, adjusted with items affecting comparability

EUR thousand	30.9.2022	30.9.2021	31.12.2021
Operating profit	-3,969	23,067	26,941
+ Depreciation, amortization and impairment losses	14,253	14,984	20,092
EBITDA	10,284	38,051	47,033

**Gross capital expenditure**

EUR thousand	30.9.2022	30.9.2021	31.12.2021
Increases in intangible assets	410	122	162
Increases in property, plant and equipment	6,971	13,894	17,609
Gross capital expenditure	7,380	14,016	17,771

**Interest-bearing net debt**

It is the opinion of Suominen that presenting interest-bearing liabilities not only at amortized cost but also at nominal value gives relevant additional information to the investors.

Interest-bearing net debt = Interest-bearing liabilities at nominal value - interest-bearing receivables - cash and cash equivalents

EUR thousand	30.9.2022	30.9.2021	31.12.2021
Interest-bearing liabilities	149,741	149,286	149,134
Tender and issuance costs of the debentures	753	2,143	1,794
Cash and cash equivalents	-84,664	-103,182	-101,357
Interest-bearing net debt	65,830	48,247	49,570
Interest-bearing liabilities	149,741	149,286	149,134
Tender and issuance costs of the debentures	753	2,143	1,794
Nominal value of interest-bearing liabilities	150,494	151,429	150,927

**Return on equity (ROE), %**

Return on equity (ROE), % =  $\frac{\text{Profit for the reporting period (rolling 12 months)} \times 100}{\text{Total equity (quarterly average)}}$

EUR thousand	30.9.2022	30.9.2021	31.12.2021
Profit for the reporting period (rolling 12 months)	-2,516	25,491	20,734
Total equity attributable to owners of the parent 30.9.2021 / 30.9.2020 / 31.12.2020	159,682	144,074	145,882
Total equity attributable to owners of the parent 31.12.2021 / 31.12.2020 / 31.3.2021	163,199	145,882	152,227
Total equity attributable to owners of the parent 31.3.2022 / 31.3.2021 / 30.6.2021	153,504	152,227	159,386
Total equity attributable to owners of the parent 30.6.2022 / 30.6.2021 / 30.9.2021	158,098	159,386	159,682
Total equity attributable to owners of the parent 30.9.2022 / 30.9.2021 / 31.12.2021	165,188	159,682	163,199
Average	159,934	152,250	156,075
Return on equity (ROE), %	-1.6	16.7	13.3

### Invested capital

Invested capital = Total equity + interest-bearing liabilities - cash and cash equivalents

EUR thousand	30.9.2022	30.9.2021	31.12.2021
Total equity attributable to owners of the parent	165,188	159,682	163,199
Interest-bearing liabilities	149,741	149,286	149,134
Cash and cash equivalents	-84,664	-103,182	-101,357
Invested capital	230,264	205,786	210,975

The calculation formula for invested capital has been changed. Previous years' figures have been restated.

### Return on invested capital (ROI), %

Return on invested capital (ROI), % = 
$$\frac{\text{Operating profit (rolling 12 months)} \times 100}{\text{Invested capital, quarterly average}}$$

EUR thousand	30.9.2022	30.9.2021	31.12.2021
Operating profit (rolling 12 months)	-94	31,596	26,941
Invested capital 30.9.2021 / 30.9.2020 / 31.12.2020	205,786	191,626	188,298



Invested capital 31.12.2021 / 31.12.2020 / 31.3.2021	210,975	188,298	170,609
Invested capital 31.3.2022 / 31.3.2021 / 30.6.2021	205,806	170,609	192,651
Invested capital 30.6.2022 / 30.6.2021 / 30.9.2021	210,561	192,651	205,786
Invested capital 30.9.2022 / 30.9.2021 / 31.12.2021	230,264	205,786	210,975
Average	212,679	189,794	193,664
Return on invested capital (ROI), %	0.0	16.6	13,9

The calculation formula for invested capital has been changed. Previous years' figures have been restated.

### Equity ratio, %

$$\text{Equity ratio, \%} = \frac{\text{Total equity} \times 100}{\text{Total assets} - \text{advances received}}$$

EUR thousand	30.9.2022	30.9.2021	31.12.2021
Total equity attributable to owners of the parent	165,188	159,682	163,199
Total assets	415,082	376,437	386,660
Advances received	-108	-430	-75
	414,975	376,008	386,584
Equity ratio, %	39.8	42.5	42.2

### Gearing, %

$$\text{Gearing, \%} = \frac{\text{Interest-bearing net debt} \times 100}{\text{Total equity}}$$

EUR thousand	30.9.2022	30.9.2021	31.12.2021
Interest-bearing net debt	65,830	48,247	49,570
Total equity attributable to owners of the parent	165,188	159,682	163,199
Gearing, %	39.9	30.2	30.4

**NET SALES BY GEOGRAPHICAL MARKET AREA**

EUR thousand	1-9/2022	1-9/2021	1-12/2021
Finland	<b>2,503</b>	2,087	2,707
Rest of Europe	<b>145,781</b>	124,512	168,841
North and South America	<b>210,482</b>	199,523	269,247
Rest of the world	<b>1,458</b>	1,512	2,424
<b>Total</b>	<b>360,225</b>	327,634	443,219

**QUARTERLY SALES DEVELOPMENT BY BUSINESS AREA**

EUR thousand	2022			2021			
	7-9	4-6	1-3	10-12	7-9	4-6	1-3
Americas	80,308	64,226	61,726	68,858	57,048	67,402	71,904
Europe	51,701	53,819	48,530	46,747	41,634	46,251	43,432
Unallocated exchange differences and eliminations	-72	-26	12	-20	-28	-6	-2
<b>Total</b>	<b>131,937</b>	<b>118,019</b>	<b>110,269</b>	<b>115,585</b>	<b>98,654</b>	<b>113,647</b>	<b>115,333</b>

**QUARTERLY DEVELOPMENT**

EUR thousand	2022			2021			
	7-9	4-6	1-3	10-12	7-9	4-6	1-3
Net sales	131,937	118,019	110,269	115,585	98,654	113,647	115,333
Comparable EBITDA	5,124	1,863	3,298	8,983	4,240	15,277	18,534
as % of net sales	3.9	1.6	3.0	7.8	4.3	13.4	16.1
EBITDA	5,124	1,863	3,298	8,983	4,240	15,277	18,534
as % of net sales	3.9	1.6	3.0	7.8	4.3	13.4	16.1
Items affecting comparability	-	-	-	-	-	-	-
Operating profit	202	-2,903	-1,268	3,874	-842	10,317	13,592
as % of net sales	0.2	-2.5	-1.2	3.4	-0.9	9.1	11.8
Net financial items	-78	723	-930	-1,074	-969	-1,613	3,266
Profit before income taxes	125	-2,180	-2,198	2,800	-1,811	8,704	16,858
as % of net sales	0.1	-1.8	-2.0	2.4	-1.8	7.7	14.6

**RELATED PARTY INFORMATION**

The related parties of Suominen include the members of the Board of Directors, President & CEO and the members of the Executive Team as well as their family members and their controlled companies.

In addition, shareholders who have a significant influence in Suominen through share ownership are included in related parties. Suominen has no associated companies.

In its transactions with related parties Suominen follows the same commercial terms as in transactions with third parties.

The Annual General Meeting held on March 24, 2022 resolved that 25% of the annual remuneration for the Board of Directors is paid in Suominen Corporation's shares. The number of shares transferred to the members of the Board of Directors as their remuneration payable in shares for 2022 was 18,585 shares. The shares were transferred on May 17, 2022 and the value of the transferred shares totaled EUR 61,331.

One of Suominen's share-based plans was vested and shares were transferred to the participants of the plan in February. The President & CEO received 60,739 shares, and the value of the shares and portion settled in cash totaled EUR 463 thousand. The number of the shares transferred to other members of the Executive Team was 116,755 shares. The value of the shares and the portion settled in cash was EUR 817 thousand.

#### CHANGES IN PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS

EUR thousand	30.9.2022		30.9.2021		31.12.2021	
	Property, plant and equipment	Intangible assets	Property, plant and equipment	Intangible assets	Property, plant and equipment	Intangible assets
Carrying amount at the beginning of the period	<b>115,478</b>	<b>13,176</b>	104,666	16,748	104,666	16,748
Capital expenditure and increases	<b>6,971</b>	<b>410</b>	13,894	122	17,609	162
Depreciation, amortization and impairment losses	<b>-8,790</b>	<b>-2,886</b>	-9,969	-2,615	-13,061	-3,801
Exchange differences and other changes	<b>13,878</b>	<b>-38</b>	4,571	65	6,264	68
Carrying amount at the end of the period	<b>127,537</b>	<b>10,662</b>	113,162	14,320	115,478	13,176

Goodwill is not included in intangible assets.

EUR thousand	30.9.2022	30.9.2021	31.12.2021
	Right-of-use assets	Right-of-use assets	Right-of-use assets
Carrying amount at the beginning of the period	<b>15,741</b>	17,784	17,784
Increases	<b>689</b>	599	719
Disposals and decreases	<b>-13</b>	-59	-103
Depreciation, amortization and impairment losses	<b>-2,577</b>	-2,399	-3,230
Exchange differences and other changes	<b>1,049</b>	419	571
Carrying amount at the end of the period	<b>14,890</b>	16,344	15,741

**CHANGES IN INTEREST-BEARING LIABILITIES**

EUR thousand	1-9/2022	1-9/2021	1-12/2021
<b>Total interest-bearing liabilities at the beginning of the period</b>	<b>149,134</b>	100,293	100,293
Current liabilities at the beginning of the period	<b>86,823</b>	2,539	2,539
Repayment of current liabilities, cash flow items	<b>-2,325</b>	-1,998	-2,757
Increases in current liabilities, non-cash flow items	<b>242</b>	226	309
Decreases of current liabilities, non-cash flow items	<b>-13</b>	-41	-67
Reclassification from non-current liabilities	<b>2,268</b>	1,936	86,610
Periodization of debentures to amortized cost, non-cash flow items	<b>928</b>	-	105
Exchange rate difference, non-cash flow item	<b>208</b>	61	84
Current liabilities at the end of the period	<b>88,131</b>	2,723	86,823
Non-current liabilities at the beginning of the period	<b>13,167</b>	14,892	14,892
Increases in non-current liabilities, non-cash flow items	<b>448</b>	380	418
Decreases of non-current liabilities, non-cash flow items	<b>-</b>	-29	-47
Reclassification to current liabilities	<b>-2,268</b>	-1,936	-2,653
Exchange rate difference, non-cash flow item	<b>1,007</b>	399	557
Non-current liabilities at the end of the period	<b>12,353</b>	13,706	13,167
Non-current debentures at the beginning of the period	<b>49,144</b>	82,862	82,862
Increases in debentures	<b>-</b>	50,000	50,000
Periodization of debentures to amortized cost, non-cash flow items	<b>113</b>	933	1,178
Tender and issuance costs of the debentures, cash flow items	<b>-</b>	-939	-939
Reclassification to current liabilities	<b>-</b>	-	-83,957
Non-current debentures at the end of the period	<b>49,257</b>	132,857	49,144
<b>Total interest-bearing liabilities at the end of the period</b>	<b>149,741</b>	149,286	149,134

**CONTINGENT LIABILITIES**

EUR thousands	30.9.2022	30.9.2021	31.12.2021
<b>Other commitments</b>			
Leasing commitments	<b>110</b>	101	85
Contractual commitments to acquire property, plant and equipment	<b>2,743</b>	1,883	713

Commitments to leases not yet commenced	<b>240</b>	251	458
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**Guarantees**

On own behalf	<b>4,002</b>	3,967	3,495
Other own commitments	<b>18,994</b>	26,911	24,713
	<b>22,996</b>	30,878	28,208

**NOMINAL AND FAIR VALUES OF DERIVATIVE INSTRUMENTS**

	30.9.2022		30.9.2021		31.12.2021	
	Nominal value	Fair value	Nominal value	Fair value	Nominal value	Fair value
EUR thousand						
Currency forward contracts						
Hedge accounting not applied	749	-35	1,917	-43	1,960	-14

**FINANCIAL ASSETS BY CATEGORY**

- a. Fair value through profit or loss
- b. Financial assets at amortized cost
- c. Financial assets at fair value through other comprehensive income
- d. Carrying amount
- e. Fair value

EUR thousand	Classification				
	a.	b.	c.	d.	e.
Equity instruments	-	-	421	421	421
Trade receivables	-	75,920	-	75,920	75,920
Interest and other financial receivables	-	261	-	261	261
Cash and cash equivalents	-	84,664	-	84,664	84,664
<b>Total 30.9.2022</b>	<b>-</b>	<b>160,845</b>	<b>421</b>	<b>161,266</b>	<b>161,266</b>

EUR thousand	a.	b.	c.	d.	e.
	Equity instruments	-	-	421	421
Trade receivables	-	65,495	-	65,495	65,495
Derivative receivables	2	-	-	2	2
Interest and other financial receivables	-	259	-	259	259

Cash and cash equivalents	-	101,357	-	101,357	101,357
<b>Total 31.12.2021</b>	<b>2</b>	<b>167,111</b>	<b>421</b>	<b>167,534</b>	<b>167,534</b>

Principles in estimating fair value of financial assets for 2022 are the same as those used for preparing the consolidated financial statements for 2021.

## FINANCIAL LIABILITIES

EUR thousand	30.9.2022			31.12.2021		
	Carrying amount	Fair value	Nominal value	Carrying amount	Fair value	Nominal value
<b>Non-current financial liabilities</b>						
Debentures	49,257	40,345	50,000	49,144	49,125	50,000
Lease liabilities	12,353	12,353	12,353	13,167	13,167	13,167
Total non-current financial liabilities	61,610	52,698	62,353	62,311	62,292	63,167
<b>Current financial liabilities</b>						
Debentures	84,990	85,000	85,000	84,062	86,496	85,000
Lease liabilities	3,141	3,141	3,141	2,761	2,761	2,761
Interest accruals	2,352	2,352	2,352	936	936	936
Derivative liabilities	35	35	35	15	15	15
Other current liabilities	410	410	410	379	379	379
Trade payables	62,536	62,536	62,536	45,661	45,661	45,661
Total current financial liabilities	153,464	153,474	153,474	133,814	136,248	134,752
<b>Total</b>	<b>215,074</b>	<b>206,172</b>	<b>215,827</b>	<b>196,125</b>	<b>198,540</b>	<b>197,919</b>

Principles in estimating fair value for financial liabilities for 2022 are the same as those used for preparing the consolidated financial statements for 2021.

## FAIR VALUE MEASUREMENT HIERARCHY

EUR thousands	Level 1	Level 2	Level 3
<b>Financial assets at fair value</b>			



Equity instruments	–	–	421
<b>Total</b>	<b>–</b>	<b>–</b>	<b>421</b>
<b>Financial liabilities at fair value</b>			
Currency forward contracts, liabilities	–	-35	–
<b>Total</b>	<b>–</b>	<b>-35</b>	<b>–</b>

Principles in estimating fair value of financial assets and their hierarchies for 2022 are the same as those used for preparing the consolidated financial statements for 2021.

There were no transfers in the fair value measurement hierarchy levels during the reporting period.

SUOMINEN CORPORATION

Board of Directors

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*Suominen manufactures nonwovens as roll goods for wipes and other applications. Our vision is to be the frontrunner for nonwovens innovation and sustainability. The end products made of Suominen's nonwovens are present in people's daily life worldwide. Suominen's net sales in 2021 were EUR 443.2 million and we have over 700 professionals working in Europe and in the Americas. Suominen's shares are listed on Nasdaq Helsinki. Read more at [www.suominen.fi](http://www.suominen.fi).*

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