

Aspo Plc
Financial Statement Release
February 15, 2023, at 9:30 am

Aspo Group financial statement release, January 1 – December 31, 2022

Excellent fourth quarter topped off Aspo's strong financial performance in 2022

Figures from the corresponding period in 2021 are presented in brackets.

October–December 2022, Group total

- Aspo's net sales remained at the previous year's level, being EUR 164.6 (163.2) million.
- Comparable operating profit was EUR 11.3 (13.9) million, and the comparable operating profit rate was 6.9% (8.5%).
- The comparable operating profit of ESL Shipping was EUR 10.6 (9.8) million, Telko EUR 1.3 (5.2) million, and Leipurin EUR 1.1 (0.7) million.
- Items affecting the comparability of the operating profit totaled EUR -16.1 million and were mainly related to Russia's invasion in Ukraine and its consequences.
- The operating profit of continuing operations was EUR -3.7 (8.7) million. The operating profit rate of continuing operations was -2.3% (5.4%).
- The operating profit of ESL Shipping was EUR 10.2 (9.8) million, Telko EUR -7.7 (4.4) million, and Leipurin EUR -4.3 (-3.6) million.
- Earnings per share were EUR -0.21 (0.17).
- Net cash from operating activities was EUR 22.0 (10.7) million. Free cash flow was EUR 16.5 (4.1) million.

January–December 2022, Group total

- Aspo's net sales increased by 11% to EUR 652.6 (586.4) million.
- Comparable operating profit was EUR 55.3 (42.4) million, and the comparable operating profit rate was 8.5% (7.2%).
- The comparable operating profit of ESL Shipping was EUR 37.4 (26.8) million, Telko EUR 20.8 (21.2) million, and Leipurin EUR 3.3 (1.9) million.
- Items affecting the comparability of operating profit totaled EUR -24.1 million and were mainly related to Russia's invasion in Ukraine and its consequences.
- The operating profit of continuing operations was EUR 33.9 (36.9) million. The operating profit rate of continuing operations was 5.3% (6.4%).
- The operating profit of ESL Shipping was EUR 38.1 (26.8) million, Telko EUR 7.3 (20.4) million, and Leipurin EUR -4.8 (-2.4) million.
- Earnings per share were EUR 0.61 (0.76).
- Net cash from operating activities was EUR 67.7 (44.0) million. Free cash flow was EUR 34.4 (27.5) million.

Guidance for 2023

Aspo Group's comparable operating profit will be higher than EUR 35 (2022: 55.3) million in 2023.

Proposal of the Board of Directors for the payment of dividends

Aspo's aim is an annually increasing dividend distribution. The Board of Directors proposes to the Annual Shareholders' Meeting of Aspo Plc to be held on April 4, 2023, that EUR 0.23 per share be

distributed in dividends for the 2022 financial year. In addition, the Board of Directors proposes that the Annual Shareholders' Meeting authorizes the Board of Directors to decide on another dividend distribution in the maximum amount of EUR 0.23 per share on a later date. Therefore, a maximum of EUR 0.46 (0.45) would be distributed in dividends for the 2022 financial year.

More information about the proposed dividend distribution is available under section "Dividend proposal".

Key figures

	10-12/2022	10-12/2021	1-12/2022	1-12/2021
Net sales, Group total, MEUR	164.6	163.2	652.6	586.4
Net sales from continuing operations, MEUR	163.8	160.0	643.4	573.3
ESL Shipping, operating profit, MEUR	10.2	9.8	38.1	26.8
Telko, operating profit, MEUR	-7.7	4.4	7.3	20.4
Leipurin, operating profit, MEUR	-4.3	-3.6	-4.8	-2.4
Other operations, operating profit, MEUR	-1.9	-1.9	-6.7	-7.9
Operating profit from continuing operations, MEUR	-3.7	8.7	33.9	36.9
<i>Operating profit from continuing operations, %</i>	-2.3	5.4	5.3	6.4
Operating profit from discontinued operations, MEUR	-1.1	0.1	-2.7	-3.0
Operating profit, Group total, MEUR	-4.8	8.8	31.2	33.9
Items affecting comparability, MEUR	-16.1	-5.1	-24.1	-8.5
Comparable operating profit, Group total, MEUR	11.3	13.9	55.3	42.4
<i>Comparable operating profit, Group total, %</i>	6.9	8.5	8.5	7.2
Profit before taxes from continuing operations, MEUR	-3.0	7.7	27.6	33.0
Profit for the period, MEUR	-5.4	5.7	20.7	25.3
Profit from continuing operations, MEUR	-4.3	5.6	23.5	28.3
Profit from discontinued operations, MEUR	-1.1	0.1	-2.8	-3.0
Earnings per share (EPS), EUR	-0.21	0.17	0.61	0.76
EPS from continuing operations, EUR	-0.17	0.17	0.70	0.86
EPS from discontinued operations, EUR	-0.04	0.00	-0.09	-0.10
Net cash from operating activities, MEUR	22.0	10.7	67.7	44.0
Free cash flow, MEUR	16.5	4.1	34.4	27.5
Return on equity (ROE), %			15.2	20.8
Equity ratio, %			34.7	32.0
Gearing, %			108.4	131.0
Equity per share, EUR			4.58	4.14

Rolf Jansson, CEO of Aspo Group, comments on the fourth quarter and the whole year 2022:

In the light of financial figures, 2022 was a success and in many ways record-breaking. Aspo Group's net sales increased to EUR 652.6 million, up by roughly 11% from the previous year. The comparable operating profit for 2022 increased to a record EUR 55.3 million, with the comparable operating profit rate being 8.5%. Both the increase in net sales and our comparable operating profit exceeded the financial targets set for the Group.

Aspo's net sales in October–December stood at EUR 164.6 million, and the comparable operating profit was EUR 11.3 million. ESL Shipping especially supported the positive development of net sales and operating profit, with its record-breaking fourth quarter crowning its overall excellent year. The strong growth of Leipurin's net sales during the fourth quarter was supported not only by high inflation rates, but also by the acquisition of the Swedish company Kobia AB at the beginning of September. Telko's comparable operating profit in October–December was below the normal level which was due

to the direct and reflected effects of Russia's invasion in Ukraine on Eastern trade. Apart from the eastern markets, Telko's net sales developed positively.

The year 2022 turned out to be highly different from what we still assumed at the beginning of the year. Russia's invasion of Ukraine dramatically changed the lives of many of our employees, and our entire operating environment changed drastically.

Already in spring, we decided to withdraw from all our operations in Russia and from other selected eastern markets. The prerequisites for responsible business had vanished, and it became clear that we would set our sights even more firmly on western markets in accordance with our strategy updated at the end of 2021. We will continue to operate in Ukraine, and we want to support its development and do our part to help rebuild the country.

In summer, we divested Leipurin's machinery business Vulganus, and at the end of October, the divestment of Kauko was finalized. At the same time, we focused on developing our key businesses through acquisitions according to our compounder strategy, of which the acquisition of Kobia by Leipurin and Telko's recent acquisitions were the most significant. During the year, we also made strategic investments, the most important of which was ESL Shipping's decision to invest in new Green Coaster vessels using a pooling arrangement.

We are heading to 2023 from a good position, and we will continue the determined implementation of our strategy. I believe that we can generate strong cash flow even in this challenging market environment and, in accordance with our financial guidance, we expect Aspo's comparable operating profit to be higher than EUR 35 million in 2023. We continue to boost organic growth through strategic acquisitions.

Thanks for Aspo's excellent results in 2022 go to our entire personnel. I am particularly pleased and grateful for the dedication our personnel showed in supporting our colleagues in areas ravaged by the war and in ensuring their safety.

ASPO GROUP

Financial results and targets

Aspo's financial targets announced on December 1, 2021:

- Annual increase in net sales: 5–10% a year
- Operating profit: 8%
- Return on equity: more than 20%
- Gearing: less than 130%

With regard to Aspo's businesses, ESL Shipping's operating profit target is 14%, Telko's 8% and Leipurin's 5%.

In 2022, the Group's targets were reached well overall. Aspo Group's operating profit increased by 11%. The comparable operating profit rate was 8.5% (7.2%), clearly exceeding the target level of 8.0%. Return on equity remained at the level of 15.2% (20.8%) due to the items affecting comparability of EUR -24.1 million that mainly consisted of additional costs and impairment losses arising from Russia's invasion in Ukraine, and whose negative impact on return on equity was roughly 15.6 percentage points. Aspo's gearing decreased to 108.4% (131.0%), well below the target level.

Aspo Group's comparable result for continuing and discontinued operations

Aspo Group's comparable operating profit includes results for continuing and discontinued operations. The comparable operating profit is calculated by adjusting the reported operating profit with rare and

material items affecting the operating profit. These include impairment losses, sales gains from vessels, and financial losses caused by Russia's invasion in Ukraine.

In December 2021, Aspo announced that Kauko operating segment was defined not being part of Aspo's core operations, and Kauko was classified as a discontinued operation. On October 31, 2022, Kauko was divested outside the Group, and its accumulated earnings until that date and the divestment loss are presented in the profit from discontinued operations, separate from the results of Aspo Group's continuing operations. However, Kauko's results are included in Aspo Group's total figures and comparable operating profit.

Telko's companies in Russia and Belarus, and Leipurin's companies in Russia, Belarus and Kazakhstan are classified as held for sale in the 2022 financial statements (eastern businesses held for sale below). The results of the eastern businesses held for sale are reported as part of Telko and Leipurin, as well as Aspo Group's continuing operations. The assets and liabilities of the eastern businesses held for sale are presented on the balance sheet separately as assets and liabilities held for sale. When the eastern businesses were classified as held for sale, they were measured at fair value less cost to sell, resulting in the recognition of impairment losses totaling EUR 14.5 million in the fourth quarter, reported as items affecting comparability. On divestment, the recognition of the translation differences of the eastern businesses as part of sales losses as well as a possible change the fair value of the eastern businesses compared with the estimates made in the financial statements will also have a negative impact on the operating profit. On the closing date, the amount of the translation differences of the eastern businesses held for sale was EUR -11.8 million. The amount fluctuates according to changes in exchange rates until the date of sale. The reclassification of the translation differences from the translation difference reserve to the result for the period has no impact on Aspo Group's total equity.

Net sales and operating profit margin, Group total

	10-12/2022	10-12/2021	1-12/2022	1-12/2021
	MEUR	MEUR	MEUR	MEUR
Net sales, Group total	164.6	163.2	652.6	586.4
Net sales, continuing operations	163.8	160.0	643.4	573.3
Net sales, discontinued operations	0.8	3.2	9.2	13.1
Operating profit, Group total	-4.8	8.8	31.2	33.9
Operating profit, Group total, %	-2.9	5.4	4.8	5.8
Items affecting comparability*)	-16.1	-5.1	-24.1	-8.5
Comparable operating profit, Group total	11.3	13.9	55.3	42.4
Comparable operating profit, Group total, %	6.9	8.5	8.5	7.2

Operating profit and comparable operating profit, Group total

	10-12/2022	10-12/2021	1-12/2022	1-12/2021
	MEUR	MEUR	MEUR	MEUR
ESL Shipping, operating profit	10,2	9,8	38,1	26,8
Telko, operating profit	-7,7	4,4	7,3	20,4
Leipurin, operating profit	-4,3	-3,6	-4,8	-2,4
Other operations, operating profit	-1,9	-1,9	-6,7	-7,9
Operating profit from continuing operations	-3,7	8,7	33,9	36,9
Operating profit from discontinued operations	-1,1	0,1	-2,7	-3,0
Operating profit, Group total	-4,8	8,8	31,2	33,9
Items affecting comparability*)	-16,1	-5,1	-24,1	-8,5
Comparable operating profit, Group total	11,3	13,9	55,3	42,4

*) Items affecting comparability, MEUR

	ESL Shipping	Telko	Leipurin	Other operations	Kauko	Total
Sale of Espa	1,5					1,5
Inventory in Ukraine		-2,6	-0,7			-3,3
Accounts receivable in Ukraine		-0,5	-0,1			-0,6
Impairment losses		-9,3	-5,0		-1,3	-15,6
Withdrawal from Russia	-0,8	-1,1	-0,6			-2,5
Divestment losses			-0,4		-1,2	-1,6
Other			-1,3	-0,7		-2,0
Total	0,7	-13,5	-8,1	-0,7	-2,5	-24,1

In 2022, items affecting comparability totaled EUR -24.1 million, of which EUR -20.7 million resulted from the impact of Russia's invasion in Ukraine on Aspo Group's business operations. Items affecting comparability relating to the Kauko segment totaled EUR -2.5 million, and they are reported in the profit from discontinued operations. Other items affecting comparability totaled EUR -0.9 million.

Of the items affecting comparability during the fourth quarter of 2022, totaling EUR -16.1 million, EUR -14.3 million were related to Russia's invasion in Ukraine and its consequences. Of the items, EUR -0.4 million were recognized for the ESL Shipping segment, EUR -9.0 for Telko, and EUR -5.0 million for Leipurin. Items affecting comparability relating to reorganizations were EUR -0.4 million in the Leipurin segment and EUR -0.1 million in other operations. In addition, Kauko's sales loss of EUR -1.2 million is included in the items affecting comparability and reported as part of the results of discontinued operations.

Items affecting the comparability in 2021, totaling EUR -8.5 million, included the impairment loss of EUR -4.3 million recognized on Leipurin's goodwill during the final quarter, and the impairment loss and restoration provision of EUR -0.8 million recognized on the fixed assets of Telko's terminal in Rauma, as well as the impairment loss of EUR -3.4 million recognized on Kauko's goodwill during the third quarter, which is reported as part of the results of discontinued operations.

Sustainability

Sustainability is a material factor which guides Aspo's management system and especially the company's investments. Aspo's businesses aim to be pioneers in sustainability in their respective sectors. To support the sustainability commitments, Aspo published new environmental, social and corporate governance (ESG) goals for the Group and its businesses in December 2021. The key goal is to reduce emission intensity, CO₂e (tn) per net sales (EUR thousand), by 30% by 2025. The starting point (2020) is 0.44, while the target level (2025) is 0.30. According to the green transition in the shipping industry, ESL Shipping is engaged in close and long-term cooperation with leading energy suppliers to provide fossil-free sea transportation for its key customers in the future. ESL Shipping invests in twelve new generation electric hybrid vessels, half of which will remain in its own ownership and half will be transferred to the other party of the pooling arrangement. The investment is significant in terms of monetary value, but above all, it helps the shipping company move towards its emissions target.

During the past 12 months, emission intensity improved further to 0.33 (0.42), driven by the increase in net sales and operational efficiency.

Another key goal was a higher level of safety, with the Total Recordable Injury Frequency (TRIF) being 8.1 (8.8) during the past 12 months. Even though TRIF improved from the previous year, we did not reach the target of 7.0 set for 2022.

Aspo regularly assesses the satisfaction of employees with their own tasks, the quality of management, and Aspo as an employer by conducting an annual atmosphere survey. In 2021, Aspo started to use the People Power index, a new method of measuring job satisfaction, and it was also included in the Group's sustainability goals. The operating environment remained fairly challenging in all businesses, and job satisfaction decreased slightly, while still being high: the Group achieved the rating of AA in 2022 (2021: AA+). However, the targeted level of AA+ was not achieved unlike in 2021.

Aspo's internal Compliance and Code of Conduct training includes anti-corruption issues and provides guidance for identifying any suspicious situations and practices considered unethical. Aspo's goal is that all of the Group's personnel complete the training every year. In 2022, approximately 100% (89%) of the Group's employees completed Code of Conduct training and roughly 100% (88%) completed Compliance training.

Operating environment and the impact of Russia's invasion in Ukraine on Aspo's operations

Aspo's operating environment changed dramatically during 2022 due to Russia's invasion in Ukraine. The invasion has caused considerable general uncertainties in markets, higher interest rates, lower trust among consumers, price inflation, higher energy prices in particular, as well as significant volatility in prices and exchange rates.

Significantly suspended business operations in Ukraine due to the war have caused financial losses. The considerable damage to the energy distribution infrastructure in Ukraine made the situation even worse during the second half of 2022. The war drastically reduces operating conditions in eastern markets as a result of operational challenges and regulations, and selected values in particular. Aspo's decision to withdraw from Russia and other selected eastern markets, combined with the sanctions related to the war, has also reshaped Aspo's logistics flows and operating models.

ESL Shipping's all operations have been suspended in Russia, and the released vessel capacity has been transferred to other operating areas. Telko has signed a binding preliminary agreement on selling all shares in its subsidiary in Russia, to GK Himik, a Russian industrial company. At the end of 2022, Telko also signed a binding preliminary agreement on the sale of its subsidiary in Belarus to a member of its current management. A binding preliminary agreement was also signed with Timur Akhiyarov, a Russian-born private investor, after the end of the financial year on the sale of Leipurin's companies in Russia, Belarus and Kazakhstan.

Leipurin's net sales in Russia, Belarus and Kazakhstan stood at EUR 24.7 million in 2022, comprising 19% of Leipurin's total net sales in 2022 and less than 4% of Aspo Group's net sales. Telko's net sales in Russia and Belarus stood at EUR 58.0 million in 2022, comprising 22% of Telko's total net sales in 2022 and less than 9% of Aspo Group's net sales. The consolidated net sales of Telko and Leipurin in these countries accounted for roughly 13% of Aspo Group's net sales in 2022 (16% of net sales in 2021).

The international sanctions and Russia's legislative measures prevent the transportation of goods and the transfer of payments which has reduced the net sales and profitability of the operations in Russia. In addition, decreases in the companies' operations and personnel have reduced Russia's role in Aspo's business operations. The operating environment is expected to become even more challenging, and no rapid solution is in sight.

The equity of the group companies in Russia is EUR 20.5 (16.6) million, comprising 14.3% (12.8%) of Aspo Group's total equity. In Aspo Group, EUR 12.2 million in impairment losses associated with the equity of Russian companies have been recognized in the financial statements. Aspo's assets in Russia mainly consist of cash and cash equivalents, inventories and accounts receivable. The number of employees in Aspo Group's companies in Russia is decreasing, being 105 (193) at the end of the year.

Rising interest and inflation rates, as well as weaker general economic estimates, have affected consumers' purchasing behavior, for example, so that consumers have shifted from more expensive to more affordable products.

While the coronavirus pandemic has been overshadowed by Russia's invasion of Ukraine in the news, it still has an impact on Aspo's operating environment. For example, the global shortage of components, caused by the pandemic, has an impact on certain Aspo's businesses, decelerating sales and the completion of orders. The markets are also characterized by disruptions in logistics flows and the low availability of certain products. The risk of infections must still be taken into account in daily operations especially among ESL Shipping's crew members.

Net sales by market area, continuing operations

	10-12/2022	10-12/2021	Share	1-12/2022	1-12/2021	Share
	MEUR	MEUR	%	MEUR	MEUR	%
Finland	58.6	45.4	35.8	224.4	175.2	34.9
Scandinavia	38.6	32.2	23.6	137.6	109.4	21.4
Baltic countries	18.2	16	11.1	67.8	54.8	10.5
Russia, other CIS countries and Ukraine	21.6	43.9	13.2	118.2	155.2	18.4
Other countries	26.8	22.5	16.3	95.4	78.7	14.8
Total	163.8	160	100	643.4	573.3	100

During 2022, Aspo has reported its net sales by market area with the following division: Finland, Scandinavia, the Baltic region, and eastern markets (Russia, other CIS countries, and Ukraine). The eastern markets' share of total net sales continued to decrease during the fourth quarter of 2022, mainly due to Russia's invasion in Ukraine and decisions to downsize operations in Russia and withdraw from the market as planned. As a result of the withdrawal from Russia, the division of Aspo's main market areas will change at the beginning of 2023. According to the previously announced strategy, the company will direct its growth investments at western markets, and the eastern markets' share of Aspo's total net sales already decreased to 13.2% in the fourth quarter.

Cash flow and financing

The Group's net cash flow from operating activities in January–December was EUR 67.7 (44.0) million. The cash flow of all businesses showed positive development during the year. The impact of the change in working capital on cash flow during the review period was EUR -6.7 (-22.0) million. The increase in working capital mainly comes from the advance payments for the vessels to be built in the ESL Shipping segment's vessel pool and the customer receivables accumulated through high sales at the end of the year. This was partly compensated by the Telko segment's working capital, which improved towards the year end. The free cash flow in January–December was EUR 34.4 (27.5) million. The amount of investments of EUR -17.8 (-15.9) million mainly included the ESL Shipping segment's dockages and Green Coaster advance payments. In addition, the cash flow from investing activities includes EUR -17.9 million cash outflow on the acquisitions of Kobia, Mentum and Johan Steenks and a total of EUR 2.8 million in cash inflow from the sale of *Espa* and *Vulganus* as the most significant items.

	12/2022	12/2021
	MEUR	MEUR
Interest-bearing liabilities, incl. lease liabilities	189.2	187.3
Cash and cash equivalents	33.5	17.7
Net interest-bearing debt	155.7	169.6

Net interest-bearing debt decreased to EUR 155.7 (169.6) million and gearing fell to 108.4% (131.0%). The Group's equity ratio at the end of the review period was 34.7% (32.0%). The balance sheet strengthened as a result of improved profitability and the new hybrid instrument issued in June.

Net financial expenses in January–December totaled EUR -6.3 (-3.9) million. Exchange rate changes, especially the strengthened value of the Russian ruble, increased financial expenses by EUR 1.6 million from the previous year. The average interest rate of interest-bearing liabilities, excluding lease liabilities, was 3.3% (1.4%).

The Group's liquidity position remained strong. Cash and cash equivalents stood at EUR 33.5 (17.7) at the end of the review period, of which cash and cash equivalents related to businesses held for sale were EUR 11.8 million. Committed revolving credit facilities, totaling EUR 40 million, were fully unused, as in the comparative period. Aspo's EUR 80 million commercial paper program also remained wholly unused (5).

During 2022, Aspo extended its maturity structure for interest-bearing loans. In September, AtoBatC AB signed an EUR 32.2 million loan agreement with Svenska Skeppshypotek. The loan's maturity is 15 years, and it has not yet been withdrawn. The loan, together with the ten-year loan agreement of EUR 20 million signed in June with the Nordic Investment Bank, of which EUR 19.6 million have been withdrawn, finances ESL Shipping's investment in a series of six new highly energy-efficient electric hybrid vessels. The project was launched in September 2021. In addition, Aspo restructured a bilateral bank loan of EUR 20 million, about to mature in 2023, with a new bilateral revolving credit facility which will mature in 2025. The loan agreement also includes two options for a one-year extension.

In June, Aspo issued a new EUR 30 million hybrid instrument, with a coupon rate of 8.75% per annum. The hybrid instrument has no maturity, but the company may exercise an early redemption option in June 2025 at the earliest. Aspo's earlier hybrid instrument of EUR 20 million was redeemed on May 2, 2022.

Short-term risks and uncertainties in business operations

Aspo and its subsidiaries are exposed to various risks and uncertainties, which are mainly identified and managed in Aspo's businesses. The most important risks and preparedness for them are summarized and reported to Aspo's Board of Directors through Aspo's Audit Committee.

Russia's invasion of Ukraine causes significant geopolitical uncertainties. It affects the general economic environment, including inflation, energy and raw material prices, interest rates, and consumers' trust.

The ongoing process to withdraw from Russia and other selected eastern markets will change the Group's structure significantly and will affect the revenue model of Aspo's businesses in the long term. There are risks that the withdrawal from the selected markets causes additional costs or losses, and that funds cannot be transferred from the markets or that the withdrawal is unsuccessful in full or in part. It is also possible that the official approvals required for the withdrawal from the markets are not obtained for example due to changes in legislation or that they are at risk or fail for some other reason.

Financial activities and the prevailing geopolitical uncertainties have caused the prices of many raw materials, components and logistics services to rise rapidly. While Aspo may benefit from the price increases temporarily, the prices of raw materials or rental capacity, such as leased vessels, are increasing at the same time. Disruptions in logistics flows, longer delivery times for spare parts, components and raw materials, and any rapid price changes are also increasing risks. The rapid increase in inflation has generally caused pressure for salary increases, which in Finland can lead to labor disputes, which can also negatively affect Aspo's businesses.

International sanctions and countersanctions have been imposed, which may also affect Aspo's businesses directly or indirectly. The geopolitical tensions may escalate and cause a direct adverse impact on business operations, put payments at risk and even suspend business operations. If escalated, cyber incidents and disruptions in information systems may cause damage to business operations.

In line with its renewed strategy, Aspo aims to increase its steady profit-making ability through acquisitions. Strategy execution may lead to a temporary deterioration in the balance sheet and capital structure in situations where acquisitions require financial resources and consequently may reduce solvency. With its strategy, Aspo aims to reduce the impact of the possibly weakening general economic development on Aspo's profit-making ability.

The impact of the coronavirus pandemic on Aspo's operations has been limited at the group level, even though it has been significant in the Leipurin segment. The current and any new coronavirus variants and their rapid spread may suspend business operations and cause financial losses through stoppages in global logistics chains, among other factors.

Because the future estimates presented in this interim report are based on the current situation and knowledge, they involve significant risks and other uncertainties, due to which actual future outcomes may differ from the estimates.

ASPO'S BUSINESS OPERATIONS

ESL Shipping

ESL Shipping is the leading dry bulk sea transport company operating in the Baltic Sea area. ESL Shipping's operations are mainly based on long-term customer contracts and established customer relationships. At the end of the review period, the shipping company's fleet consisted of 41 vessels with a total capacity of 425,000 deadweight tonnage (dwt). Of these, 23 were wholly owned (80% of the tonnage), two were minority owned (2%) and the remaining 16 vessels (18%) were time chartered. ESL Shipping's competitive edge is based on its pioneering role and ability to responsibly secure product and raw material transportation for industries and energy production year-round, even in difficult conditions. The shipping company loads and unloads large ocean liners at sea as a special service.

	10-12/2022	10-12/2021	Change,%	1-12/2022	1-12/2021	Change,%
Net sales, MEUR	63.3	54.7	16	245.4	191.4	28
Operating profit, MEUR	10.2	9.8	4	38.1	26.8	42
Operating profit, %	16.1	17.9		15.5	14.0	
Items affecting comparability, MEUR	-0.4			0.7		
Comparable operating profit, MEUR	10.6	9.8	8	37.4	26.8	40
Comparable operating profit, %	16.7	17.9		15.2	14.0	

The fourth quarter of 2022 marked the best quarter in ESL Shipping's history measured by the operating profit. Net sales increased by 16% from the previous year to EUR 63.3 (54.7) million. The comparable operating profit for the quarter increased by 8% to record-breaking EUR 10.6 (9.8) million. The operating profit of EUR 10.2 (9.8) million includes EUR -0.4 million in expenses associated with suspended operations in Russia.

High demand in the shipping company's main market areas, the shipping company's long-term partnership strategy and the successful operations of the onshore and offshore personnel enabled the excellent results. Weather conditions were also favorable for operations. The comparable operating profit rate of 16.7% (17.9%) achieved during the fourth quarter was once again excellent. During the quarter, the prices of diesel and liquefied natural gas (LNG) used as ship fuels decreased from the

previous quarter, while remaining roughly twice as high as in the comparative period. The high level of fuel surcharges increased net sales and reduced the operating profit rate, which is used as an indicator of relative profitability.

During the fourth quarter, cargo volumes transported by ESL Shipping decreased slightly from the comparative period to 3.8 (3.9) million tons. The volume development was based on the transfer of raw material deliveries away from Russia which has extended transportation distances especially for energy coal. The final quarter is also normally the busiest season for energy transportation, but as a result of the exceptional situation involving the security of supply, the low availability of biofuels and longer transportation distances, the percentage of energy coal from all transportation operations tripled during the fourth quarter from the comparative period.

The profitability of all the shipping company's vessel categories was excellent during the fourth quarter. In fourth quarter, production plants of several contractual customers underwent relatively large maintenance stoppages and restricted production due to lower demand and high energy costs. High demand experienced in the energy industry enabled the vessels to continue to operate at full capacity during the fourth quarter. The spot cargo market decreased in all customer segments and vessel categories during the quarter. After operations in Russia were suspended, demand for ESL Shipping's loading and unloading operations for vessels at sea shifted to the southern Baltic Sea where it was maintained by the high demand for energy coal transportation during the fourth quarter and congestion at ports suitable for large ocean liners.

Six time-chartered vessels of the smaller vessel category were redelivered to their owners as the charter agreements ended at the end of the fourth quarter and as the price of an extended charter period became too high.

The newbuilding project of ESL Shipping's Swedish subsidiary AtoBatC Shipping AB, at the Chowgule & Company Private Limited shipyard in India proceeded as planned during the fourth quarter. Every other vessel in the series of 12 next-generation electric hybrid vessels will be sold, as announced earlier, to the company established by the pooling investor group. The first four new vessels are already under construction, and the first vessel is to be delivered during fall 2023.

One larger vessel was docked for seven days during the fourth quarter and one smaller vessel was out of service for 26 days. In 2022, dockage days totaled 141 (229).

The net sales of ESL Shipping in January–December increased from the comparative period by 28% to EUR 245.4 (191.4) million. The comparable operating profit was the highest in the company's history at EUR 37.4 (26.8) million, with the comparable operating profit rate being 15.2% (14.0%). The operating profit rate clearly exceeded the long-term target of 14%. Comparability was affected by the gain from the sale of the barge *Espa* and costs associated with the suspended operations in Russia. Their impact on net results was EUR 0.7 million and, as a result, ESL Shipping's operating profit amounted to EUR 38.1 (26.8) million and its operating profit rate was 15.5% (14.0%) for 2022 as a whole.

The shipping company's long-term environmental activities focus on minimizing emissions to the sea and air. The aim is to halve carbon dioxide emissions per transportation unit by the end of the decade. During 2022, ESL Shipping transported 14.7 (14.8) million tons of cargo, and its vessels consumed 819,988 (898,158) MWh of energy. CO₂ emissions per transported ton decreased by 7.5% to 0.015 (0.016) tons of carbon dioxide per ton of cargo. The new energy-efficient operating models applied to port visits supported the positive development.

ESL Shipping outlook for 2023

General macroeconomic uncertainties have increased in ESL Shipping's main market areas. Higher inflation and slower economic growth increase demand and pricing pressure among the shipping company's main customers. Finland's labor market may experience unrest during the spring, and its

impact through overtime bans and strikes may be significant on key customers and especially on the effectiveness of the transport chain.

Global demand estimates in sea transportation markets and price levels of spot markets have decreased considerably from the previous year. On the other hand, the availability of vessel capacity suitable for round-the-year operations in the Baltic Sea is limited. Production volumes of ESL Shipping's main customers is expected to be satisfactory, albeit slightly lower than in the previous year. Demand for energy deliveries outside Finland is expected to remain high during the first half of the year. In the forest industry, pulp delivery volumes are looking positive, but only satisfactory for sawn goods. Volumes are looking satisfactory in the steel industry. Now that deliveries of Russian raw materials have stopped, certain of the shipping company's significant contractual customers are forced to seek new suppliers for part of their production input required in new geographic areas. Not all of these procurement routes have yet become stabilized which may cause an imbalance in ESL Shipping's operations. The role of energy coal transportation is expected to decrease significantly when the preparation situation returns to normal and demand shifts towards other energy forms.

The majority of the shipping company's transportation capacity has been secured through long-term agreements with the exception of the Supramax vessels. Currently, the expectations of the lessors of the time-chartered vessels do not meet the realities in the shipping company's main market areas which may cause further uncertainties in the availability of a suitable and sufficient tonnage. The impact of rising energy prices on ESL Shipping's costs is compensated effectively through fuel clauses in long-term transportation agreements.

Surveys show that ESL Shipping's customer satisfaction is at an excellent level, similarly to the personnel's commitment and job satisfaction. Activities to further improve customer and employee satisfaction, sustainability and occupational safety will continue.

The shipping company's investments in energy-efficient vessels will strengthen its competitiveness and market position in the future. ESL Shipping will continue the development of a fossil-free sea transportation ecosystem in line with the green transition and the vessels designed for it in cooperation with its key customers. The shipping company is participating in projects aimed to produce green hydrogen through renewable electricity and to further process it as fossil-free fuel for the shipping company's vessels.

During 2023, four larger and two smaller vessels will be docked for a total of approximately 100 days.

Telko

Telko is a leading expert in and supplier of plastic raw materials, industrial chemicals and lubricants. It operates as a sustainable partner in the value chain, bringing well-known international principals and customers together. Its competitive edge is based on strong technical support, efficient logistics and local expert service. Telko operates in Finland, the Baltic countries, Scandinavia, Poland, Romania, Russia, Belarus, Ukraine, Kazakhstan, Uzbekistan, and China.

In October 2022, Telko signed a binding preliminary agreement on selling all shares in its subsidiary in Russia, to GK Himik, a Russian industrial company. In December, Telko finalized the preliminary agreement to divest its subsidiary in Belarus, to a member of its current management. Both business transactions still need to be approved by the local authorities. Assets and liabilities related to these companies have been classified as assets and liabilities held for sale in accordance with IFRS 5 standard at the end of the review period.

	10-12/2022	10-12/2021	Change,%	1-12/2022	1-12/2021	Change,%
Net sales, MEUR	59.2	73.6	-20	267.4	268.8	-1
Operating profit, MEUR	-7.7	4.4	-275	7.3	20.4	-64
Operating profit, %	-13.0	6.0		2.7	7.6	
Items affecting comparability, MEUR	-9.0	-0.8		-13.5	-0.8	
Comparable operating profit, MEUR	1.3	5.2	-75	20.8	21.2	-2
Comparable operating profit, %	2.2	7.1		7.8	7.9	

During the fourth quarter, Telko's net sales decreased steeply to EUR 59.2 (73.6) million. Telko's net sales for the fourth quarter decreased after sales in Russia, Belarus and Ukraine dropped substantially from the previous year. Telko's net sales outside Russia, Belarus and Ukraine increased. Demand remained stable in Telko's all business operations.

The comparable operating profit for the fourth quarter stood at EUR 1.3 (5.2) million, and the operating profit rate was 2.2% (7.1%). Net sales and operating profit decreased from the previous year, especially due to weak development and negative results in Russia. Telko's result for the fourth quarter includes items affecting comparability, which reduced Telko's operating profit by EUR 9.0 million in total. Impairment losses regarding companies in Russia and Belarus of EUR 9.3 million and other expenses of EUR 0.2 million were recognized relating to the withdrawal from Russia. In addition, the credit loss provision recognized from accounts receivable in Ukraine was reversed by EUR 0.5 million. The combined comparable operating profit of the above countries was slightly negative during the fourth quarter.

Telko's operating profit for the fourth quarter was EUR -7.7 (4.4) million. The operating profit rate was -13.0% (6.0%). Impairment losses associated with inventories, exchange rate losses, and costs related to corporate restructuring also had a negative impact on the operating profit.

The net sales of the plastics business decreased by 25% during the fourth quarter to EUR 29.6 (39.7) million, mainly due to the decrease in Telko's operations in Russia. In Telko's European markets, demand for plastic polymers remained at a normal level in general. Sales outside Russia, Belarus and Ukraine increased slightly, regardless of the downward trend in prices. While the steep decline in the prices of volume plastics turned to an increase during the fourth quarter, the prices are still lower than during the corresponding period in the previous year. The prices of technical plastics decreased slightly during the fourth quarter but were clearly above the comparative period's level. The acquisition of the operations of Johan Steenks, a Norwegian distributor of technical plastic raw materials and plastics, increased the net sales of the plastics business during the fourth quarter, while it had no significant impact on results.

During the fourth quarter, the net sales of the chemicals business decreased by 32% to EUR 15.9 (23.4) million. Sales decreased steeply in Russia, Belarus and Ukraine. The weak development especially in Ukraine resulted from the disruptions in the electricity distribution infrastructure due to the war which directly limited production. Total sales in other countries increased significantly, regardless of the decrease in prices. Prices started to increase during the fourth quarter. Telko's chemicals business is divided between several customer groups which evens out any fluctuations in demand.

During the fourth quarter, the net sales of the lubricants business increased by 31% to EUR 13.7 (10.5) million. Sales increased in all key product groups. The increase in sales resulted from high price levels, the acquisition of Mentum AS at the end of 2021, and very positively developed sales of industrial lubricants. Prices of lubricants increased slightly during the fourth quarter. Russia's invasion in Ukraine did not have any direct impact on the lubricants business.

Telko's net sales in January–December decreased by 1% to EUR 267.4 (268.8) million. The full-year comparable operating profit of EUR 20.8 million was only slightly lower than the previous year's

record-high comparable operating profit (21.2). The comparable operating profit rate remained high at 7.8% (7.9%). Exchange rate losses of EUR 2.5 million reduced the operating profit.

Telko's full-year operating profit fell by 64% to EUR 7.3 (20.4) million. The operating profit rate was 2.7% (7.6%). Results decreased due to the warehouse destroyed in Ukraine, the impairment losses associated with companies in Russia and Belarus, and other costs arising from the withdrawal from Russia, which totaled EUR -13.5 million and have been reported as items affecting comparability.

Telko outlook for 2023

As announced previously, Telko has agreed to divest its operations in Russia and Belarus. Telko's net sales in Russia and Belarus were EUR 58.0 million in 2022, comprising 22% of Telko's total net sales in 2022. Both sales transactions require approval by the local authorities. Telko expects the Russian transaction to be completed during the first quarter of 2023 but there is uncertainty involved.

In 2023, Telko's net sales and profit will be significantly lower than in the previous year due to the changed situation in Russia, Belarus and Ukraine. In other countries, demand is expected to remain moderate, even though there will be differences between businesses.

The prices of plastics and chemicals decreased steeply during the latter half of 2022, while still being clearly above the long-term average. It is assumed that the most significant price corrections took place during 2022, but the prices are expected to decrease slightly during the first half if energy prices do not experience a considerable increase. In high added value products, on which Telko focuses in accordance with its strategy, price changes are typically more moderate. Significant changes in prices have a short-term impact on margins. Demand for lubricants is expected to remain stable, and prices are expected to increase at least during the first half of 2023.

In western markets, demand will involve uncertainties during the next few months. Demand indices have decreased in the construction and automotive industries in Europe. High energy prices and inflation rates will affect demand during the next few months, in particular. At the end of the year, demand will, above all, be affected by the general development of purchasing power in Europe. The lifting of coronavirus restrictions in China is expected to increase local demand. In addition, higher demand in China may have an impact on global price development during the first part of the year. In Central Asia, demand is expected to remain relatively high. Sales in Ukraine will be lower during the first half than in the previous year, while they are expected to be at the 2022 level during the rest of the year, depending completely on the development of the war.

Telko will continue its activities to improve its operational efficiency and scalability. Inflation causes general increases in costs. On the other hand, cargo expenses, especially in Asia, will be materially lower than in the previous year.

The recent structural arrangements continued when Telko announced on January 31, 2023, that it will acquire Eltrex, a Polish company specialized in the distribution of chemicals. According to its strategy, Telko continues to accelerate its growth through acquisitions in addition to organic growth.

Leipurin

Leipurin operates as part of the food chain, acquiring raw materials in global markets and from domestic companies, and supplying them through its effective logistics chain according to customer needs. Leipurin operates in nine countries that have been grouped into four business units, each being responsible for their financial performance: Finland, Sweden, Baltics, and East. Leipurin serves bakery, food industry and foodservice customers by providing raw materials and by supporting research and development and recipes for new products. The Leipurin segment's other product categories include various supplies and machines for the same customer segments. The Leipurin segment uses leading international manufacturers as its raw material and machinery supply partners.

On April 22, 2022, Aspo announced that Leipurin will withdraw from its operations in Russia, Belarus and Kazakhstan. In January 2023, Leipurin signed a binding preliminary agreement to sell its subsidiaries in these countries to a private investor. The transaction still needs to be approved by the local authorities. Assets and liabilities related to these companies have been classified as assets and liabilities held for sale in accordance with IFRS 5 standard at the end of the review period.

	10-12/2022	10-12/2021	Change,%	1-12/2022	1-12/2021	Change,%
Net sales, MEUR	41.3	31.7	30	130.6	113.1	15
Operating profit, MEUR	-4.3	-3.6	19	-4.8	-2.4	100
Operating profit, %	-10.4	-11.4		-3.7	-2.1	
Items affecting comparability, MEUR	-5.4	-4.3		-8.1	-4.3	
Comparable operating profit, MEUR	1.1	0.7	57	3.3	1.9	74
Comparable operating profit, %	2.7	2.2		2.5	1.7	
Comparable operating profit excl. Vulkanus, MEUR	1.1	0.7	57	4.1	2.4	71
Comparable operating profit excl. Vulkanus, %	2.7	2.3		3.2	2.2	

Leipurin's operations were still affected by the restrictions in eastern markets due to Russia's invasion in Ukraine, the high price inflation in global raw material markets, and challenges related to the availability of raw materials.

Leipurin's total net sales increased by 30% during the fourth quarter to EUR 41.3 (31.7) million. Figures for the comparative year included EUR 2.7 million in net sales of the discontinued machinery business in Russia and divested Vulkanus Oy. The Finland business unit's net sales increased by 8% to EUR 12.2 (11.3) million. In the Baltics, net sales increased by 18% to EUR 10.0 (8.5) million. Net sales of the East business unit decreased by 32% to EUR 6.2 (9.1) million due to the reduced product range, consisting only of local procurement. The decrease in the net sales of the East business unit was also significantly affected by the decrease in operations in Ukraine down to roughly 9% from the comparative year's level. Sweden was established as a new business unit as a result of the acquisition of Kobia AB on September 1, and it accounted for EUR 12.9 million and approximately 31% of Leipurin's net sales in the fourth quarter. During the fourth quarter, sales to bakeries increased by 41% to EUR 28.6 (20.3) million. Sales to the food industry increased by 35% to EUR 4.2 (3.1) million.

The steep increase in raw material prices in global markets continued to have a significant impact on Leipurin's sales during the fourth quarter. Measured in kilograms, the decrease in sales intensified in Finland, Sweden and the Baltics, whereas sales continued to be roughly half of the previous year's level in the East business unit. The weak volume development is mainly driven by the decrease in consumers' trust in the current market situation, in which energy costs and interest rates are especially rising steeply. The significant increase in living expenses continued in Finland, Sweden and the Baltics which reduced the inflation-adjusted sales volume of retail and strengthened the shift in consumers' demand towards more affordable products. The positive development of profit margins continued, regardless of the negative trends in volumes.

The comparable operating profit for the fourth quarter stood at EUR 1.1 (0.7) million, and the comparable operating profit rate was 2.7% (2.2%). Leipurin's comparable operating profit, excluding Vulkanus, was EUR 1.1 (0.7) million, and the comparable operating profit rate was 2.7% (2.3%). Items affecting comparability, totaling EUR -5.4 (-4.3) million, included costs and impairment losses arising from the withdrawal from Russia, Belarus and Kazakhstan, and costs associated with the reorganization of Leipurin's group operations. The comparability of the comparative period was affected by an impairment loss recognized on goodwill. Leipurin's operating loss for the fourth quarter was EUR -4.3 (-3.6) million. Reversal of a fair value allocation of inventories amounting to EUR -0.5 million which arised from the acquisition of Kobia, had a negative impact on the operating profit.

In January–December, Leipurin’s net sales increased by 15% to EUR 130.6 (113.1) million. Figures for the comparative year included EUR 11.4 million in net sales of the discontinued machinery business in Russia and divested Vulganus Oy, which were EUR 7.1 million higher than in 2022, but the increase in raw material sales in western markets was particularly strong during the review period compared to the corresponding period in the previous year. The steep increase in raw material prices in global markets had a significant impact on the euro-denominated increase in sales.

Leipurin’s comparable operating profit in January–December 2022 was EUR 3.3 (1.9) million, and the comparable operating profit rate was 2.5% (1.7%). Leipurin’s comparable operating profit, excluding Vulganus, was EUR 4.1 (2.4) million, and the comparable operating profit rate was 3.2% (2.2%). Items affecting comparability, totaling EUR -8.1 (-4.3) million, were mainly related to the impact of Russia’s invasion in Ukraine, the acquisition of Kobia, and the divestment of Vulganus. The reported operating profit was negative at EUR -4.8 (-2.4) million. Kobia’s impact on Leipurin’s operating profit was still negative due to the reversal of the EUR 0.5 million fair value allocation of inventories related to the acquisition.

Vulganus was divested on June 30, 2022. The loss arising from the divestment and the expenses related to it, totaling EUR -0.4 million, are reported under the Leipurin segment’s other operating expenses.

Leipurin acquired all shares in Kobia AB, a Swedish distributor in the bakery industry, from the Swedish Abdon Group. Kobia AB comprises Leipurin’s new Sweden business unit, and it has been included in Aspo Group’s figures since September 1, 2022. Kobia’s annual net sales are approximately EUR 50 million, and its operating profit rate is roughly 3%. The acquisition strengthens Leipurin’s position as the leading company in the Baltic Sea region.

Leipurin outlook for 2023

The war in Ukraine and the decision to withdraw operations from Russia, Belarus and Kazakhstan will have a significant impact on Leipurin’s net sales and results. Leipurin’s net sales in Russia, Belarus and Kazakhstan were EUR 24.7 million in 2022, comprising 19% of Leipurin’s total net sales in 2022. The divestment of the operations in the eastern markets still needs to be approved by the local authorities. Leipurin expects the transaction to be completed during the first half of 2023 but there is uncertainty involved.

The expansion to Sweden through the acquisition of Kobia AB will increase Leipurin’s annual net sales by roughly EUR 50 million and produce considerable synergy benefits in the development of the product range, and in the supply chain and procurement. It also enables partners to be served in a larger geographic area. The integration of operations has progressed according to plans.

Inflation and the rising energy prices, in particular, have a negative impact on demand for more expensive products, potentially presenting profitability challenges among the bakery segment’s customers. The decreased purchasing power may have a negative impact on demand for artisanal bakeries, as consumers prefer more affordable products.

The upward trend is expected to continue in the prices of main raw material categories, even though the rapid inflation during the review period is expected to decelerate considerably. This is expected to take place during the first half of 2023.

Despite these challenges, Leipurin sees that the market will offer a highly stable environment in the long term and also opportunities for organic growth in selected market segments. In addition, the profitability program that was launched earlier develops the organization’s ability to lead with information and helps to improve financial performance in particular. The program focuses both on selected growth clusters and on improving the efficiency of operations. This program is expected to contribute to improving Leipurin’s financial development.

The impact of Russia's invasion in Ukraine and the coronavirus pandemic on the global supply chains, the availability of certain raw materials and general delivery times will continue.

The management of payment defaults and claims has succeeded well at present. Profitability challenges will increase risks of payment defaults and bankruptcies among customers and suppliers.

Other operations

Other operations include Aspo Group's administration, finance and ICT service center. The comparable operating profit of other operations was EUR -1.8 (-1.9) million during the fourth quarter. The reported operating profit of EUR -1.9 (-1.9) million includes EUR -0.1 million in restructuring expenses affecting comparability.

The comparable operating profit for 2022 was EUR -6.0 (-7.9) million. The reported operating profit was EUR -6.7 (-7.9) million, including EUR -0.7 million in items affecting comparability that are mainly related to the additional share-based remuneration granted to Aspo's previous CEO and restructuring expenses.

COMPANY INFORMATION

Aspo aims to achieve sustainable long-term growth by re-investing earned profits in profitable investment objects and by taking steps towards a compounder profile. Aspo enables growth for the businesses it owns and aims to improve their profitability and earnings by developing them and ensuring steady cash flows. The goal is to assume an even more active role in mergers, acquisitions, and other restructuring activities as well as in growth investments in the owned businesses. Aspo focuses especially on B-to-B industrial services, and its key clusters include logistics and trade.

Key businesses in Aspo's portfolio are ESL Shipping, Telko and Leipurin. They are responsible for their own operations and customer relationships, as well as for developing these. Sustainability is a key factor of Aspo's management system and guides the process of targeting new investment opportunities.

Share capital and shares

Aspo Plc's registered share capital on December 31, 2022, was EUR 17,691,729.57, and the total number of shares was 31,419,779, of which the company held 62,250 shares, i.e. 0.2% of the share capital.

Aspo Plc has one share series. Each share entitles the shareholder to one vote at the Shareholders' Meeting. Aspo's share is quoted on Nasdaq Helsinki Ltd's Mid Cap segment under basic resources.

In January-December 2022, a total of 4,242,696 Aspo Plc shares, with a market value of EUR 33.9 million, were traded on Nasdaq Helsinki. In other words, 13.5% of the shares changed hands. During the review period, the share price reached a high of EUR 11.80 and a low of EUR 6.09. The average price was EUR 8.01 and the closing price at the end of the review period was EUR 8.20. At the end of the review period, the market value, less treasury shares, was EUR 257.1 million.

The company had 11,712 shareholders at the end of the review period. A total of 1,077,145 shares, or 3.43% of the share capital, were nominee registered or held by non-domestic shareholders.

Dividend proposal

Aspo's aim is an annually increasing dividend distribution, while leaving room for strategic investments. Aspo started to pay dividends twice a year in 2017.

The Board of Directors proposes to the Annual Shareholders' Meeting of Aspo Plc to be held on April 4, 2023, that EUR 0.23 per share be distributed in dividends for the 2022 financial year, and that no dividend will be paid for shares held by Aspo Plc. In addition, the Board of Directors proposes that the Annual Shareholders' Meeting authorizes the Board of Directors to decide on another dividend distribution in the maximum amount of EUR 0.23 per share at a later date. The authorization would be valid until the next Annual Shareholders' Meeting.

On December 31, 2022, the parent company's distributable funds totaled EUR 43,344,212.43, with the profit for the financial year totaling EUR 7,544,383.09. There are a total of 31,357,529 shares entitling to dividends on the publication date of this financial statement release.

The dividend of EUR 0.23 per share will be paid to shareholders who are registered in the shareholders' register maintained by Euroclear Finland Ltd on the record date of April 6, 2023. The Board of Directors proposes that the dividend be paid on April 17, 2023. The Board of Directors will decide at its meeting to be held on November 1, 2023, on the second dividend distribution in the maximum amount of EUR 0.23 per share, which would be paid in November 2023 to shareholders who are registered in the shareholders' register maintained by Euroclear Finland Ltd on the record date.

Before the Board of Directors implements the decision made at the Annual Shareholders' Meeting, it must assess, as required in the Finnish Limited Liability Companies Act, whether the company's liquidity and/or financial position has changed after the decision was made at the Annual Shareholders' Meeting so that the prerequisites for the distribution of dividends stipulated in the Limited Liability Companies Act are no longer fulfilled. The fulfillment of the prerequisites stipulated in the Limited Liability Companies Act is a requirement for the implementation of the decision made at the Annual Shareholders' Meeting.

Remuneration

Share-based incentive plan 2022–2024

On February 16, 2022, Aspo Plc's Board of Directors decided to establish a new share-based incentive plan for 2022–2024. The aim of the plan is to combine the objectives of the shareholders and key employees in order to increase the value of the company in the long term, to retain key employees in the company, and to offer them a competitive reward plan based on earning and accumulating the company's shares.

The share-based incentive plan consists of three earnings periods, with the earned reward being based on the Group's earnings per share (EPS) and two sustainability indicators. Participation in the scheme and obtaining rewards require that participants allocate the freely transferable company shares they hold to the plan or acquire the company's shares up to the quantity determined by the Board of Directors.

The share-based incentive plan is directed at a maximum of 30 people, including the members of the Group Executive Committee. The potential reward will be paid partly in the company's shares and partly in cash in 2023, 2024 and 2025. The rewards payable based on the plan correspond to a maximum total value of 400,000 Aspo Plc shares, also including the proportion to be paid in cash.

For the 2022 earnings period, the targets were met at 90% overall.

Share-based incentive plan 2021–2023

On February 11, 2021, Aspo's Board of Directors decided to continue the share-based incentive plan for the Group's key personnel by establishing a share-based incentive plan for 2021–2023. The aim of the plan is to combine the objectives of the shareholders and key employees in order to increase the value of the company in the long term, to retain key employees in the company, and to offer them a competitive reward plan based on earning and accumulating the company's shares. The share-based

incentive plan is directed at around 20 people, including the members of the Group Executive Committee.

The EPS target, acting as an earnings criterion for the share-based incentive plan, was fully met during the 2021 financial year. In March 2022, based on the share-based incentive plan, a total of 89,400 treasury shares were transferred, and an amount equaling the value of the shares was paid in cash to cover taxes.

Share-based incentive plan 2020

In June 2022, Aspo's Board of Directors granted 20,000 Aspo shares to Aspo's CEO Rolf Jansson based on the share-based incentive plan for 2020 and the conditions of the CEO's contract of service. 10,000 of the shares and an amount of cash equaling their value to cover taxes were transferred in June and at the same time, Jansson acquired 10,000 shares from the markets at his own expense in accordance with the contract. A second transfer of equal quantity will take place in 2023.

Dividend

Aspo Plc's Annual Shareholders' Meeting held on April 6, 2022, decided, as proposed by the Board of Directors, that EUR 0.23 per share be distributed in dividends for the 2021 financial year, and that no dividend be paid for shares held by Aspo Plc. The dividend was paid on April 19, 2022.

At its meeting held on November 2, 2022, Aspo Plc's Board of Directors decided on the payment of the second installment of dividends, EUR 0.22 per share, on the basis of the authorization provided at the Annual Shareholders' Meeting on April 6, 2022. The dividend was paid on November 11, 2022.

The Board of Directors and the auditor

At the Annual Shareholders' Meeting, Patricia Allam, Mammu Kaario, Mikael Laine, Salla Pöyry, Tatu Vehmas and Heikki Westerlund were re-elected to the Board of Directors, and Tapio Kolunsarka was elected as a new member. At the Board's organizing meeting held after the Annual Shareholders' Meeting, Heikki Westerlund was elected as Chair of the Board and Mammu Kaario as Vice Chair. In addition, the Board decided to elect Heikki Westerlund as Chair of the Personnel and Remuneration Committee, and Tapio Kolunsarka, Salla Pöyry and Tatu Vehmas as its members, and Mammu Kaario as Chair of the Audit Committee, and Patricia Allam, Mikael Laine and Tatu Vehmas as its members.

In 2022, the Board of Directors arranged 21 meetings. The participation rate was 99%.

The authorized public accountant firm Deloitte Oy was re-elected as the company's auditor. Deloitte announced that Jukka Vattulainen, APA, will be the auditor in charge. The auditor's fee will be paid in accordance with an accepted invoice.

Board authorizations

Authorization of the Board of Directors to decide on the acquisition of treasury shares

The Annual Shareholders' Meeting held on April 6, 2022 authorized the Board of Directors to decide on the acquisition of no more than 500,000 treasury shares using the unrestricted equity of the company, representing around 1.6% of all the shares in the company. The authorization includes the right to accept treasury shares as a pledge. The authorization is valid until the Annual Shareholders' Meeting in 2023 but not more than 18 months from the approval at the Annual Shareholders' Meeting.

Authorization of the Board of Directors to decide on a share issue of treasury shares

The Annual Shareholders' Meeting held on April 6, 2022 authorized the Board of Directors to decide on a share issue, through one or several lots, to be executed by conveying treasury shares. An aggregate maximum amount of 900,000 shares may be conveyed based on the authorization. The authorization is valid until the Annual Shareholders' Meeting in 2023 but not more than 18 months from the approval at the Annual Shareholders' Meeting.

In 2022, 99,400 share were conveyed based on the share-based incentive plans.

Authorization of the Board of Directors to decide on a share issue of new shares

The Annual Shareholders' Meeting on April 6, 2022 authorized the Board of Directors to decide on an issue of new shares against payment. The authorization includes the right of the Board of Directors to decide on all of the other terms and conditions of the conveyance and thus also includes the right to decide on a directed share issue, in deviation from the shareholders' pre-emptive right, if a compelling financial reason exists for the company to do so. The total number of new shares to be offered for subscription may not exceed 1,500,000. The authorization is valid until the Annual Shareholders' Meeting in 2023 but not more than 18 months from the approval at the Annual Shareholders' Meeting.

Authorization of the Board of Directors to decide on donations

Aspo Plc's Annual Shareholders' Meeting held on April 6, 2022 authorized the Board of Directors to decide on donations of EUR 100,000 at maximum for non-profit or similar purposes, and to decide on the recipients, purposes and other conditions of the donations. The authorization is valid until the Annual Shareholders' Meeting in 2023.

In 2022, donations of approximately EUR 55,000 were made.

Proposals of the shareholders' Nomination Board for the Shareholders' Meeting

The shareholders' Nomination Board consists of the representatives of the four largest shareholders. According to the list of shareholders as of August 31, 2022, the following representatives of the largest shareholders are members of the Nomination Board which prepared proposals for the 2023 Annual Shareholders' Meeting: Roberto Lencioni, chair (Vehmas family, including AEV Capital Holding Oy); Gustav Nyberg (Nyberg family, including Oy Havsudden Ab); Pekka Pajamo (Varma Mutual Pension Insurance Company); and Annika Ekman (Ilmarinen Mutual Pension Insurance Company). In addition, Heikki Westerlund, chairman of Aspo's Board of Directors, has acted as an expert member of the Nomination Board.

The Nomination Board of Aspo Plc's shareholders proposes to the Annual Shareholders' Meeting of Aspo Plc to be held on April 4, 2023 that the Board of Directors will have seven members.

The Nomination Board proposes to the Annual Shareholders' Meeting that its rules of procedure be changed. According to the proposal, members of the shareholders' Nomination Board will be selected based on the list of shareholders dated May 31, while the date has previously been August 31. The Nomination Board considers this to better support its activities, with the new date giving it more time to prepare proposals.

Members of the Board of Directors

The Nomination Board proposes that Patricia Allam, Tapio Kolunsarka, Mikael Laine, Salla Pöyry, Tatu Vehmas and Heikki Westerlund, current members of the company's Board of Directors, be re-elected as members of the Board of Directors for the term closing at the end of the 2024 Annual Shareholders' Meeting, and that Kaarina Ståhlberg be elected as a new member. Aspo's long-time board member and Chairman of the Audit Committee, Mammu Kaario, will step down from the Board of Directors after the current term.

All of the aforementioned individuals proposed as members of the Board of Directors have given their consent to their appointment. The members of the Board of Directors elect a Chairman and a Vice

Chairman from among its members. The proposed individuals have announced to the company that, if they are elected, they will elect Heikki Westerlund as the Chairman of the Board of Directors and Mikael Laine as the Vice Chairman.

Remuneration paid to the members of the Board of Directors

The Nomination Board proposes that the monthly fees paid to the members of the Board of Directors be increased moderately so that they would be as follows (current fees in brackets):

- members of the Board of Directors: EUR 3,000 (2,700) per month
- Vice Chair: EUR 4,400 (4,050) per month
- Chair: EUR 6,000 (5,400) per month

The Nomination Board proposes that a meeting fee of EUR 800 (700) per meeting be paid to members of the committees and a meeting fee of EUR 1,200 (1,050) per meeting be paid to chairs of the committees. If the chair of a committee is also the Chair or the Vice Chair of the Board of Directors, the Nomination Board proposes that the fee paid to the chair of the committee be the same as that paid to members of the committee. Board members having a full-time position in an Aspo Group company are not paid a fee.

FINANCIAL INFORMATION

Aspo Group's condensed consolidated statement of comprehensive income

	10-12/2022 MEUR	10-12/2021 MEUR	1-12/2022 MEUR	1-12/2021 MEUR
Continuing operations				
Net sales	163.8	160.0	643.4	573.3
Other operating income	1.1	0.2	3.3	0.5
Materials and services	-109.8	-97.3	-402.9	-349.4
Employee benefit expenses	-14.1	-13.0	-54.4	-50.7
Depreciation, amortization and impairment losses	-6.9	-8.8	-19.9	-20.8
Depreciation and impairment losses, leased assets	-4.6	-3.8	-16.7	-13.7
Other operating expenses	-33.2	-28.6	-118.9	-102.3
Operating profit	-3.7	8.7	33.9	36.9
Financial income and expenses	0.7	-1.0	-6.3	-3.9
Profit before taxes	-3.0	7.7	27.6	33.0
Income taxes	-1.3	-2.1	-4.1	-4.7
Profit from continuing operations	-4.3	5.6	23.5	28.3
Profit from discontinued operation (attributable to equity holders of the company)	-1.1	0.1	-2.8	-3.0
Profit for the period	-5.4	5.7	20.7	25.3
Other comprehensive income				
Items that may be reclassified to profit or loss in subsequent periods:				
Translation differences	-7.2	-0.1	-1.2	2.2
Other comprehensive income for the period, net of taxes	-7.2	-0.1	-1.2	2.2
Total comprehensive income	-12.6	5.6	19.5	27.5
Profit attributable to parent company shareholders	-5.4	5.7	20.7	25.3
Total comprehensive income attributable to parent company shareholders	-12.6	5.6	19.5	27.5
Earnings per share attributable to parent company shareholders, EUR				
Basic and diluted earnings per share				
Continuing operations	-0.17	0.17	0.70	0.86
Discontinued operations	-0.04	0.00	-0.09	-0.10
Total	-0.21	0.17	0.61	0.76

Aspo Group's condensed consolidated balance sheet

	12/2022 MEUR	12/2021 MEUR
Assets		
Intangible assets	46.8	45.9
Tangible assets	178.4	168.9
Leased assets	15.9	20.7
Other non-current assets	1.5	1.7
Total non-current assets	242.6	237.2
Inventories	69.9	68.6
Accounts receivable and other receivables	69.3	74.4
Cash and cash equivalents	21.7	17.7
	160.9	160.7
Assets held for sale	12.4	8.4
Total current assets	173.3	169.1
Total assets	415.9	406.3
Equity and liabilities		
Share capital and premium	22.0	22.0
Other equity	121.7	107.4
Total equity	143.7	129.4
Loans and overdraft facilities	154.3	142.4
Lease liabilities	4.6	6.9
Other liabilities	7.6	5.7
Total non-current liabilities	166.5	155.0
Loans and overdraft facilities	17.8	21.4
Lease liabilities	11.7	14.4
Accounts payable and other liabilities	72.3	79.3
	101.8	115.1
Liabilities directly associated with assets classified as held for sale	3.9	6.8
Total current liabilities	105.7	121.9
Total equity and liabilities	415.9	406.3

Aspo Group's condensed consolidated cash flow statement

	1-12/2022 MEUR	1-12/2021 MEUR
CASH FLOWS FROM/USED IN OPERATING ACTIVITIES		
Operating profit, Group total	31.2	33.9
Adjustments to operating profit	50.6	39.6
Change in working capital	-6.7	-22.0
Interest paid	-4.2	-4.4
Interest received	0.3	0.4
Income taxes paid	-3.5	-3.5
Net cash from operating activities	67.7	44.0
CASH FLOWS FROM/USED IN INVESTING ACTIVITIES		
Investments	-17.8	-16.9
Investment subsidy		1.0
Proceeds from sale of tangible assets	1.8	0.3
Acquisition of businesses	-17.9	-1.1
Disposal of businesses	0.3	
Dividends received	0.3	0.2
Net cash used in investing activities	-33.3	-16.5
CASH FLOWS FROM/USED IN FINANCING ACTIVITIES		
Proceeds from loans	29.6	37.0
Repayment of loans	-18.7	-47.5
Net change in commercial papers	-5.0	-6.0
Payments of lease liabilities	-16.2	-13.8
Hybrid bond repayment	-20.0	
Proceeds from Hybrid bond issue	30.0	
Hybrid bond, interest paid	-1.8	-1.8
Hybrid bond, issuance fees paid	-0.3	
Dividends paid	-14.1	-10.9
Net cash used in financing activities	-16.5	-43.0
Change in cash and cash equivalents	17.8	-15.5
Cash and cash equivalents January 1	17.7	32.3
Translation differences	0.0	0.9
Impairment loss on cash and cash equivalents	-2.0	0.0
Cash and cash equivalents at period-end	33.5	17.7
Cash and cash equivalents held for sale	-11.8	0.0
Cash and cash equivalents in balance sheet	21.7	17.7

Aspo Group consolidated statement of changes in equity

MEUR	Share capital and premium	Other reserves	Hybrid bond	Translation differences	Retained earnings	Total
Equity January 1, 2022	22.0	16.5	20.0	-24.8	95.7	129.4
Comprehensive income:						
Profit for the period					20.7	20.7
Translation differences				-1.2		-1.2
Total comprehensive income				-1.2	20.7	19.5
Transactions with owners:						
Dividend payment					-14.1	-14.1
Hybrid bond			10.0			10.0
Hybrid bond interest and issuance costs					-2.2	-2.2
Share-based incentive plan					1.1	1.1
Total transactions with owners			10.0		-15.2	-5.2
Equity December 31, 2022	22.0	16.5	30.0	-26.0	101.2	143.7
Equity January 1, 2021	22.0	16.5	20.0	-26.9	81.9	113.5
Comprehensive income:						
Profit for the period					25.3	25.3
Translation differences				2.2		2.2
Total comprehensive income				2.2	25.3	27.5
Transactions with owners:						
Dividend payment					-10.9	-10.9
Hybrid bond interest					-1.8	-1.8
Share-based incentive plan					1.1	1.1
Total transactions with owners					-11.6	-11.6
Equity December 31, 2021	22.0	16.5	20.0	-24.7	95.6	129.4

Accounting principles

Aspo Plc's financial statement release has been prepared in accordance with the principles of IAS 34 – Interim Financial Reporting. As of the beginning of the financial year, Aspo applies certain new or amended IFRS standards and IFRIC interpretations as described in the 2021 consolidated financial statements. In other respects, the same accounting and measurement principles have been applied as in the 2021 consolidated financial statements. The information in this financial statement release is unaudited.

Aspo Plc applies the guidance on alternative key figures issued by ESMA. In addition to IFRS figures, the company releases other commonly used key figures, which are mainly derived from the statement of comprehensive income and balance sheet. According to the management, key figures clarify the view drawn by the statement of comprehensive income and balance sheet of Aspo's financial performance and financial position. The calculation principles of key figures are explained on page 71 of the Aspo's Year 2021 publication.

Personnel

At the end of the review period, Aspo Group had 886 (944) employees.

Segment information

Aspo Group's reportable segments are ESL Shipping, Telko and Leipurin.

Reconciliation of segment operating profit to the group's profit before taxes

1-12/2022

MEUR	ESL Shipping	Telko	Leipurin	Unallocated items	Group total
Operating profit	38.1	7.3	-4.8	-6.7	33.9
Net financial expenses				-6.3	-6.3
Profit before taxes					27.6

1-12/2021

MEUR	ESL Shipping	Telko	Leipurin	Unallocated items	Group total
Operating profit	26.8	20.4	-2.4	-7.9	36.9
Net financial expenses				-3.9	-3.9
Profit before taxes					33.0

Investments by segment

MEUR		ESL Shipping	Telko	Leipurin	Unallocated items	Group total
Investments	1-12/2022	16.5	1.1	0.2		17.8
Investments	1-12/2021	15.3	0.5	0.1		15.9

Green Coaster investment commitment

AtoBatC Shipping AB, reported in the ESL Shipping segment, is building a series of six highly energy-efficient electric hybrid vessels. The new vessels of ice class 1A will be top of the line in terms of their cargo capacity, technology and innovation. The total value of the six-vessel investment is approximately EUR 70 million, and its cash flows will be divided mainly for the years 2023 and 2024. The new vessels will be built at the Chowgule and Company Private Limited shipyard in India, and first of them will start operating in the third quarter of 2023.

During the third quarter of 2022, it was confirmed that ESL Shipping will establish a Green Coaster pool. As a result, AtoBatC Shipping AB declared its option and ordered five additional vessels from the Chowgule & Company Private Limited, from which AtoBatC has previously ordered seven identical electric hybrid vessels. Every other vessel in the series of 12 next-generation electric hybrid vessels will be sold to a company formed by a group of investors.

Advance payments for the vessels to be sold further have been recognized in inventories. At the end of the financial year, inventories included EUR 10.2 million in advance payments for the Green Coaster vessels.

ESL Shipping's total investment comprises six vessels and roughly EUR 70 million.

Segment assets and liabilities

MEUR	ESL Shipping	Telko	Leipurin	Held for sale	Unallocated items	Group total
Assets Dec 31, 2021	215.8	106.6	54.7	8.4	20.8	406.3
Assets Dec 31, 2022	224.8	85.7	68.5	12.4	24.5	415.9
Liabilities Dec 31, 2021	31.5	47.9	15.4	6.8	175.3	276.9
Liabilities Dec 31, 2022	32.3	34.4	16.4	3.9	185.2	272.2

Aspo Group disaggregation of net sales. from continuing operations

Telko net sales

	10-12/2022 MEUR	10-12/2021 MEUR	Change,%	1-12/2022 MEUR	1-12/2021 MEUR	Change,%
Business area:						
Plastics business	29.6	39.7	-25.4	136.9	146.7	-6.7
Chemicals business	15.9	23.4	-32.1	80.3	83.6	-3.9
Lubricants business	13.7	10.5	30.5	50.2	38.5	30.4
Telko total	59.2	73.6	-19.6	267.4	268.8	-0.5

Leipurin net sales

	10-12/2022 MEUR	10-12/2021 MEUR	Change,%	1-12/2022 MEUR	1-12/2021 MEUR	Change,%
Regions:						
Finland	12.2	11.3	8.0	46.6	40.4	15.3
Sweden	12.9			17.3		
Baltics	10.0	8.5	18.0	36.8	30.6	20.4
East	6.2	9.1	-32.1	25.6	30.7	-16.7
Total	41.3	29.0	42.4	126.3	101.7	24.2
of which:						
Bakeries	28.6	20.3	40.8	87.9	73.2	20.1
Food Industry	4.2	3.1	34.5	14.2	11.0	28.8
Retail, foodservice, other	8.5	5.5	53.7	24.2	17.4	38.8
Machinery trading Russia		2.0	-100.0	0.0	7.3	-100.0
Vulganus		0.7	-100.0	4.3	4.1	4.9
Leipurin total	41.3	31.7	30.4	130.6	113.1	15.5

Net sales by timing of revenue recognition

	10-12/2022 MEUR	10-12/2021 MEUR	1-12/2022 MEUR	1-12/2021 MEUR
ESL Shipping				
At a point in time	0.6	0.9	3.5	3.6
Over time	62.7	53.8	241.9	187.8
	63.3	54.7	245.4	191.4
Telko				
At a point in time	59.1	73.5	267.0	268.5
Over time	0.1	0.1	0.4	0.3
	59.2	73.6	267.4	268.8
Leipurin				
At a point in time	41.3	29.7	127.3	107.5
Over time	0.0	2.0	3.3	5.6
	41.3	31.7	130.6	113.1
Total				
At a point in time	101.0	104.1	397.8	379.6
Over time	62.8	55.9	245.6	193.7
	163.8	160.0	643.4	573.3

Net sales by market area

	10-12/2022 MEUR	10-12/2021 MEUR	1-12/2022 MEUR	1-12/2021 MEUR
ESL Shipping				
Finland	32.6	20.2	121.5	84.3
Scandinavia	11.9	17.4	58.5	54.1
Baltic countries	0.6	2.3	2.9	3.5
Russia, other CIS countries and Ukraine	0.0	0.6	1.3	2.5
Other countries	18.2	14.2	61.2	47.0
	63.3	54.7	245.4	191.4
Telko				
Finland	13.7	12.4	53.5	47.6
Scandinavia	14.1	14.1	61.7	52.4
Baltic countries	7.6	5.0	28.2	20.4
Russia, other CIS countries and Ukraine	15.4	34.0	91.3	117.3
Other countries	8.4	8.1	32.7	31.1
	59.2	73.6	267.4	268.8
Leipurin				
Finland	12.3	12.8	49.4	43.3
Scandinavia	12.6	0.7	17.4	2.9
Baltic countries	10.0	8.7	36.7	30.9
Russia, other CIS countries and Ukraine	6.2	9.3	25.6	35.4
Other countries	0.2	0.2	1.5	0.6
	41.3	31.7	130.6	113.1
Total				
Finland	58.6	45.4	224.4	175.2
Scandinavia	38.6	32.2	137.6	109.4
Baltic countries	18.2	16.0	67.8	54.8
Russia, other CIS countries and Ukraine	21.6	43.9	118.2	155.2
Other countries	26.8	22.5	95.4	78.7
	163.8	160.0	643.4	573.3

Acquisition of Kobia AB

Leipurin acquired the entire share capital of the Swedish bakery industry distributor Kobia Ab from the Swedish Abdon Group on September 1, 2022. The acquisition expands Leipurin's geographical presence in the Northern European market. In 2021, Kobia's net sales amounted to approximately EUR 50 million and its operating profit rate was approximately 3%. The acquisition of Kobia AB included also the properties owned by Kobia. Aspo actively explores options to sell and lease back the properties. The potential transactions are significantly affected by market conditions.

The purchase price of EUR 15.7 million was paid fully in cash. The assets and liabilities of the acquired company were measured at fair value on the acquisition date. A fair value allocation of EUR 9.7 million was made on the properties, a fair value allocation of EUR 0.4 million was made on the intangible assets based on customer relationships, and the fair value adjustment relating to inventories was EUR 0.5 million. The deferred tax liability arising from the fair value adjustments was EUR 2.2 million. The carrying amount of the other acquired assets and liabilities were deemed to correspond to their fair values. A goodwill balance of EUR 0.1 million resulted from the acquisition. The acquisition-related costs of approximately one million euro were recognized in the Leipurin segment's other operating expenses.

Acquisition calculation of Kobia AB

	12/2022 MEUR
Consideration	
Paid in cash	15.7
Total consideration	15.7
Assets acquired and liabilities assumed. fair value	
Intangible assets	0.8
Tangible assets	13.6
Leased assets	0.3
Inventories	4.8
Accounts receivable and other receivables	5.0
Total assets	24.5
Interest bearing liabilities	1.3
Accounts payable and other liabilities	5.3
Deferred tax liability	2.3
Total liabilities	8.9
Net assets acquired	15.6
Goodwill	0.1

Acquisition of Johan Steenks

Telko completed the acquisition of the operations of the Norwegian company Johan Steenks AS on October 3, 2022. Johan Steenks is a distributor of technical plastic raw materials and additives for plastics, and it has an established customer base in the Norwegian markets and a number of well-known principals. The company's annual net sales are roughly EUR 5 million. The business acquisition had no significant impact on Telko's net sales or results during the final quarter of the year. The purchase price was approximately EUR 2.0 million, of which EUR 0.7 million were allocated to inventories and the remaining EUR 1.3 million were recognized as an increase in goodwill. The cash

flow from the acquisition in 2022 was EUR -1.9 million.

Discontinued operations and other non-current assets and disposal groups held for sale

In October 17, Telko signed a binding preliminary agreement on selling all shares in its subsidiary in Russia, to GK Himik, a Russian industrial company. The sales price is approximately EUR 9.5 million. The transaction still needs to be approved by the Russian authorities. Telko's company in Russia has been classified as held for sale since October 2022 when the preliminary agreement on the sale was signed. Telko's company in Belarus has been classified as held for sale since December 2022 when the agreement on the sale was signed with the company's acting management.

Leipurin's companies in Russia, Belarus and Kazakhstan have been classified as held for sale since December 31, 2022 when their divestment started to seem probable. A binding preliminary agreement on their sale was signed on January 17, 2023 with Timur Akhiyarov, a Russian-born private investor. The sales price is approximately EUR 8.4 million. The transaction still needs to be approved by the local authorities.

The Kauko operating segment and Vulganus Oy, part of the Leipurin segment, were defined as non-core businesses for Aspo and classified as held for sale in December 2021. Vulganus was sold to KÖNIG Maschinen GmbH, the leading manufacturer of bakery machines in Austria, on June 30, 2022. The results of Vulganus, including the divestment loss of EUR -0.4 million, are reported as part of the Leipurin segment's figures and Aspo Group's continuing operations.

The Kauko operating segment has been classified as a discontinued operation in accordance with the IFRS 5 standard, and its figures are reported separately from the figures of Aspo Group's continuing operations. In the statement of comprehensive income, the figures of the comparative periods have been restated. Kauko Oy was sold to Signal Partners Oy on October 31, 2022.

Profit from discontinued operations

	10-12/2022	10-12/2021	1-12/2022	1-12/2021
	MEUR	MEUR	MEUR	MEUR
Net sales	0.8	3.2	9.2	13.1
Materials and services	-0.6	-2.3	-6.9	-9.6
Employee benefit expenses	-0.2	-0.4	-1.5	-1.7
Depreciation, amortization and impairment losses	0.0	0.0	-1.3	-3.5
Depreciation, leased assets	0.0	0.0	0.0	-0.1
Other operating expenses	-1.1	-0.4	-2.2	-1.2
Operating profit	-1.1	0.1	-2.7	-3.0
Profit before taxes	-1.1	0.1	-2.7	-3.0
Income taxes			-0.1	0.0
Profit for the period	-1.1	0.1	-2.8	-3.0

Profit from discontinued operations includes the income and expenses of the Kauko operating segment, to the extent that they are considered to transfer outside Aspo Group in conjunction with the divestment. Therefore, the profit from discontinued operations does not include all internal administrative charges of Aspo Group allocated to the Kauko operating segment. As a result, the profit from discontinued operations for the financial year is EUR 0.3 (0.4) million higher than the Kauko operating segment's profit. An impairment loss of EUR -1.3 million was recognized on Kauko's goodwill in June 2022. The profit from discontinued operations also includes the EUR -1.2 million loss on sale of Kauko Oy recognized during the fourth quarter. An impairment loss of EUR -3.4 million was recognized on Kauko's goodwill during the third quarter of 2021.

Net cash flows of discontinued operations

	1-12/2022	1-12/2021
	MEUR	MEUR
Net cash inflow from operating activities	-0.6	0.4
Net cash inflow/outflow(-) from investing activities	-1.0	0.0
Net cash inflow/outflow(-) from financing activities	-1.6	-1.6
Net change in cash generated by the discontinued operations	-3.2	-1.2

Net cash flows of discontinued operations consist of the Kauko operating segment's share of Aspo Group's cash flows. The cash flow from the divestment of Kauko Oy in 2022 was EUR -1.0 million, and it is included in the cash flow from investing activities. The costs to sell of EUR -0.4 million are included in the cash flow from operating activities. The cash flow from financing mainly consists of repayments of interest-bearing loans.

Assets and liabilities classified as held for sale

	12/2022	12/2021
	MEUR	MEUR
Assets of discontinued operations		5.5
Other assets held for sale	12.4	2.9
Assets classified as held for sale, total	12.4	8.4
Liabilities of discontinued operations		4.9
Liabilities directly associated with assets classified as held for sale	3.9	1.9
Liabilities directly associated with assets classified as held for sale, total	3.9	6.8

On the balance sheet, the assets and liabilities of the companies held for sale are reported under "Assets held for sale" and liabilities under "Liabilities directly associated with assets classified as held for sale". The reporting of balance sheet items on separate rows starts at the time of classification, therefore the figures of the comparative period have not been restated.

In 2022, assets and liabilities classified as held for sale included the assets and liabilities of the companies held for sale in eastern markets. The classification includes the share of the assets and liabilities of Aspo Group that belong to the companies held for sale, excluding internal assets and liabilities that have been eliminated. In 2021, assets and liabilities of discontinued operations included the figures of the Kauko operating segment. The other assets held for sale at the end of 2021 consisted of Vulcanus Oy's assets and liabilities. The recognition of depreciation and amortization expense ended on December 1, 2021, for Kauko and Vulcanus when they were classified as held for sale. The depreciation and amortization expense was recognized as part of sales losses in conjunction with the divestment of the companies. Telko Russia was classified as held for sale on October 31, 2022, and the other companies held for sale in eastern markets on December 31, 2022. The recognition of depreciation and amortization expense ended at the time of the classification as held for sale.

At the time of classification as held for sale, the net assets of the companies in eastern markets were measured at fair value less cost to sell, which was lower than the carrying amount. As a result, an impairment loss of EUR 9.4 million was recognized in the Telko segment and EUR 5.2 million in the Leipurin segment during the fourth quarter, which are reported as part of the Telko and Leipurin segments' figures and Aspo Group's continuing operations.

Impairment losses in income statement 2022

	Telko MEUR	Leipurin MEUR	Total MEUR
Impairment losses, tangible and intangible assets	0.6	1.1	1.7
Impairment losses, leased assets	0.8	0.1	0.9
Materials and services	4.8	2.4	7.2
Other operating expenses	3.1	1.4	4.5
Income taxes	0.0	0.2	0.3
Total	9.4	5.2	14.6

The impairment losses recognized on the assets of the companies in eastern markets were mainly allocated to inventories, accounts receivable, and cash and cash equivalents. In addition, an impairment loss was recognized on goodwill, determined in based on the ratio between the fair values of the divested companies and the segment.

Restricted cash and cash equivalents

In Russia, Aspo Group has EUR 13.5 million in cash and cash equivalents, the use of which is strictly restricted by the Russian Government and controlled by banks. The value of these cash and cash equivalents in the Group is EUR 11.5 million, as an impairment loss of EUR 2.0 million was recognized on the cash and cash equivalents in conjunction with the IFRS 5 classification of the companies in Russia. Cash and cash equivalents in Russia are presented under assets held for sale on the balance sheet. It was still possible to pay dividends and make commercial payments during the fourth quarter of 2022. According to our understanding, the purchase prices of the operations held for sale in eastern markets can be transferred in conjunction with their sale. However, there is a risk that the Group does not have access to the cash and cash equivalents in full in Russia, which is why they must be considered restricted cash and cash equivalents in accordance with IAS 7.

Events after the review period

On January 17, 2023, Leipurin signed a binding preliminary agreement to sell all shares in its subsidiaries in Russia, Belarus and Kazakhstan to Timur Akhiyarov. Russian-born Akhiyarov will invest in Leipurin's operations in eastern markets as a private investor. The sales price is approximately EUR 8.4 million. Rights to Leipurin's name and trademarks are not included in the transaction. The transaction still needs to be approved by the local authorities.

The Belarusian subsidiaries of Telko and Leipurin have been added to the list of companies whose transfer of shares are prohibited by a decision issued by the Council of Ministers of Belarus at the end of January 2023. Because of this, it is deemed unlikely that the sale of Telko's Belarusian business would proceed. This does not change Aspo Group's previously published assessment of the financial effects of the divestment. Leipurin's Belarusian subsidiary is part of an agreement according to which the share capitals of Leipurin's subsidiaries in Russia, Belarus and Kazakhstan would be sold to the same buyer. The decision of the Council of Ministers of Belarus does not change the previously published assessment of the financial effects of the transaction, nor does it prevent the sale of Leipurin's Russian and Kazakh subsidiaries.

On January 31, Telko acquired a Polish distribution company Eltrex. Eltrex is a distributor of specialty chemicals and industrial packaging materials, and its annual net sales are approximately 8 million euros and operating profit slightly under one million euros.

On February 9, 2023, Leipurin completed a sale and lease back agreement for its warehouse property in Gothenburg, Sweden. The property came into Leipurin's ownership via the Kobia acquisition that took place on 1 September 2022. The buyer of the property is Revelop, a Swedish real estate investor. As a result of the sale and lease back transaction, Aspo recognizes a sales gain of approximately EUR 0.4 million. According to the terms of the agreement, Leipurin leases the property

for five years. The transaction is close to cost neutral, as the depreciation expense of the assets owned will be replaced by depreciation and interest expense for the leased assets of similar size.

Helsinki, February 15, 2023

Aspo Plc
Board of Directors

Press and analyst conference

A press, analyst and investor conference will be held at FLIK's Eliel studio in Sanomatalo, Töölönlahdenkatu 2, 00100 Helsinki on February 15, 2023 at 2 p.m. The event is also open to private investors, and participants are requested to register beforehand by emailing johanna.ahtiainen@aspo.com.

The financial statement release will be presented by CEO Rolf Jansson. The presentation material will be available at www.aspo.com/en before the conference.

The event will be held in English, and it can also be followed by a live webcast at https://aspo.videosync.fi/full_year_result_2022. Questions can be asked after the event by telephone by registering through the following link: <https://palvelu.flik.fi/teleconference/?id=1009756>. After registering, participants will be given a telephone number and identifier to participate in the telephone conference. The recording of the event will be available on the company's website later on the same day.

Helsinki, February 15, 2023

Aspo Plc

Rolf Jansson

Arto Meitsalo

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Key media

www.aspo.com

Aspo creates value by owning and developing business operations sustainably and in the long term. Our companies aim to be market leaders in their sectors. They are responsible for their own operations, customer relationships and the development of these aiming to be forerunners in sustainability. Aspo supports its businesses profitability and growth with the right capabilities. Aspo Group has businesses in 18 different countries, and it employs a total of approximately 900 professionals.