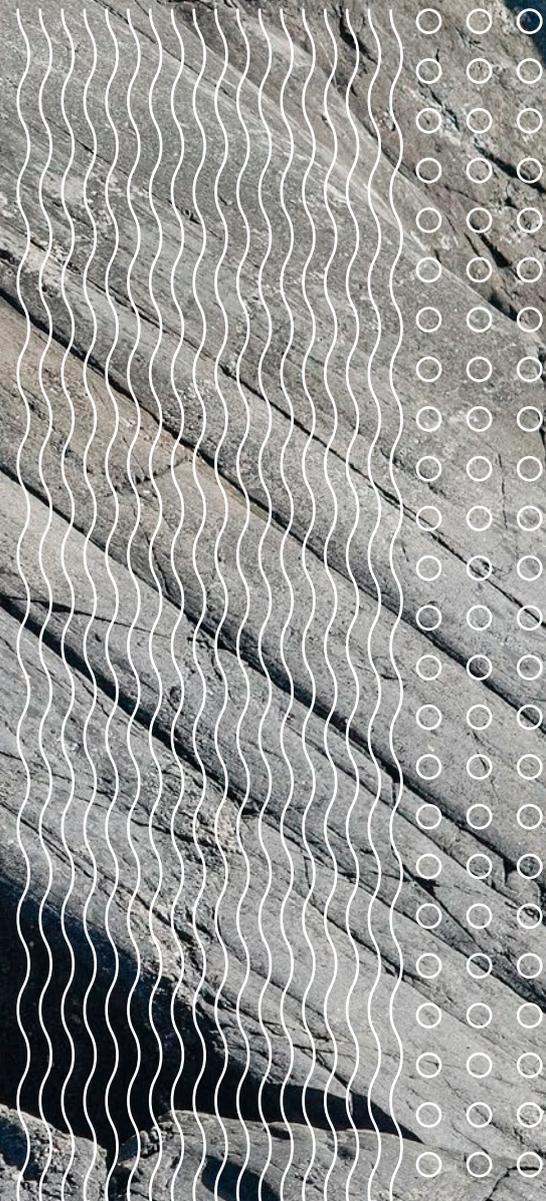




# Q1 | INTERIM REPORT

JANUARY 1 – MARCH 31, 2022





Suominen Corporation's Interim Report on May 4, 2022 at 9:30 a.m. (EEST)

Suominen Corporation's Interim Report for January 1 – March 31, 2022:

## Start of the year burdened by cost inflation and customer inventory issues, outlook updated

<b>KEY FIGURES</b>	<b>1-3/ 2022</b>	1-3/ 2021	1-12/ 2021
Net sales, EUR million	<b>110.3</b>	115.3	443.2
Comparable EBITDA, EUR million	<b>3.3</b>	18.5	47.0
Comparable EBITDA, %	<b>3.0</b>	16.1	10.6
EBITDA, EUR million	<b>3.3</b>	18.5	47.0
Operating profit, EUR million	<b>-1.3</b>	13.6	26.9
Operating profit, %	<b>-1.2</b>	11.8	6.1
Profit for the period, EUR million	<b>-2.3</b>	13.8	20.7
Cash flow from operations, EUR million	<b>-2.7</b>	16.0	11.1
Cash flow from operations per share, EUR	<b>-0.05</b>	0.28	0.19
Earnings per share, basic, EUR	<b>-0.04</b>	0.24	0.36
Return on invested capital, rolling 12 months, %*	<b>6.1</b>	25.0	13.9
Gearing, %	<b>35.0</b>	13.3	30.4

\* Restated

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

### January–March 2022 in brief:

- Net sales decreased by 4% and amounted to EUR 110.3 million (115.3)
- Comparable EBITDA declined to EUR 3.3 million (18.5)
- Cash flow from operations was EUR -2.7 million (16.0)

### Outlook for 2022 updated

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

**Previous outlook**

Suominen expects that its comparable EBITDA (earnings before interest, taxes, depreciation and amortization) in 2022 will decrease from 2021. The main reasons are inventory levels which still remain high at certain customers as well as operational issues in the entire supply chain due to the current COVID-19 situation, both of which will impact the result negatively especially in the first quarter. In 2021, Suominen's comparable EBITDA was EUR 47.0 million.

**Petri Helsky, President & CEO:**

"For Suominen the beginning of 2022 has been challenging as was expected. Certain key customers especially in the US continued to struggle with their inventory levels. Furthermore, in the early part of the year both our and our customers' operations were affected by the omicron variant of the COVID-19. Both of these factors impacted our sales negatively. On the cost side we have seen further sharp increases in raw material, energy and freight costs. Due to the lag in our sales pricing mechanisms our pricing in the first quarter did not fully reflect these increases.

We condemn the Russian invasion of Ukraine and we feel deeply for all Ukrainians whose lives have been devastated by Russia's incredulous aggression. The war has minor direct impact to Suominen's business as we have had no suppliers in Russia, Belarus and Ukraine and only very few customers in Russia. Since the war started, we have stopped all sales to Russia. Suominen as a company is mostly affected by the indirect economic impacts of the invasion which contribute to the significant cost inflation mentioned above.

Our net sales were EUR 110.3 million (115.3) in the first quarter. Sales volumes decreased from the COVID-19 boom levels while sales prices increased clearly following the higher raw material prices. Our quarterly EBITDA was EUR 3.3 million (18.5). The main reasons for the decline were the lower volumes and the timing gap between our customer pricing and raw material, energy and freight costs which increased even more than the sales prices.

To improve our financial performance, we have launched an EBITDA improvement program to identify both new sales opportunities and cost savings initiatives. As an example of actions taken, we implemented an energy surcharge to all our products sold in Europe in mid-March. Also, as the inventory issues in the US are mainly related to a certain product group, we have been working to widen the product portfolio at the production lines especially affected by the inventory imbalance.

In line with our vision to be the frontrunner in sustainable nonwovens we are continuously developing our sustainable product offering. During the quarter, we launched our first carbon neutral product BIOLACE® Zero. Our efforts in the sustainability area were also recognized at the IDEA®22 Conference with our HYDRASPUN® Aquaflo winning the Nonwoven Product Achievement Award.

The near future continues to look challenging. The war in Ukraine has worsened the inflationary pressures in raw material, energy and freight costs and increased uncertainty overall. The inventory levels at our certain US key customers have remained elevated despite a decreasing trend supported by solid end consumer demand. However, we are more optimistic about the second half of the year. We are seeing signs of the raw material cost inflation moderating from the third quarter onwards and we also expect improved demand for our products through normalization of the US inventory levels and our portfolio widening actions mentioned above.

## **NET SALES**

In January–March 2022, Suominen’s net sales decreased by 4% from the comparison period to EUR 110.3 million (115.3). Sales volumes decreased while sales prices increased following the higher raw material prices. Currencies impacted net sales positively by EUR 4.6 million.

Suominen has two business areas, Americas and Europe. Net sales of the Americas business area were EUR 61.7 million (71.9) and net sales of the Europe business area were EUR 48.5 million (43.4).

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

EBITDA (earnings before interest, taxes, depreciation and amortization) declined to EUR 3.3 million (18.5). This was driven by lower sales volumes and the timing gap between the higher raw material, energy and freight costs and sales pricing. The positive impact from currencies on EBITDA was EUR 0.6 million.

Operating profit decreased to EUR -1.3 million (13.6).

Result before income taxes was EUR -2.2 million (16.9), and result for the reporting period was EUR -2.3 million (13.8). In the comparison period, the sale of Amerplast impacted the result positively by EUR 3.7 million.

## **FINANCING**

The Group’s net interest-bearing liabilities at nominal value amounted to EUR 53.8 million (20.2) at the end of the review period. The gearing ratio was 35.0% (13.3%) and the equity ratio 39.8% (43.9%).

In January–March, net financial expenses were EUR -0.9 million (+3.3), or -0.8% (2.8%) of net sales. The net financial expenses of the comparison period include a gain of EUR 3.7 million arising from the sale of Amerplast. Fluctuations in exchange rates decreased the net financial items by EUR 0.7 million. In the comparison period the fluctuations in exchange rates decreased the net financial items by EUR 0.7 million.

Cash flow from operations was EUR -2.7 million (16.0), representing a cash flow per share of EUR -0.05 (0.28). The decline in the cash flow from operations was mainly due to the lower result. An additional EUR 4.3 million was tied up in working capital (in Q1 2021: tied up additional EUR 2.2 million).

## **CAPITAL EXPENDITURE**

The gross capital expenditure totaled EUR 1.8 million (5.2) and was mainly related to normal maintenance investments.

Depreciation and amortization for the review period amounted to EUR 4.6 million (4.9).

## **PROGRESS IN SUSTAINABILITY**

We have strong focus on safety and accident prevention, and our long-term target is to have zero lost time accidents. In the first quarter there were no LTA’s at Suominen sites.

The employee-manager performance and development discussions, conducted in February–March, covered 98% of the white-collar employees. Our target is to develop and harmonize the performance and development process for our blue-collar employees globally.

We are committed to continuously improving our production efficiency and the efficient utilization of natural resources. In the first quarter we continued our active measures towards our targets to reduce

energy consumption, greenhouse gas emissions, water consumption and waste to landfill by 20% per ton of product by 2025 compared to the base year of 2019. As an example of our concrete actions to reduce greenhouse gas emissions we installed solar panels to our Alicante plant during the first quarter of the year.

We offer a comprehensive portfolio of sustainable nonwovens to our customers and we are continuously developing new and innovative solutions with a reduced environmental impact. During the first quarter of 2022 we launched our first carbon neutral product BIOLACE® Zero. Our target is a 50% increase in sales of sustainable nonwovens by 2025 compared to 2019, and to have over 10 sustainable product launches per year.

Suominen reports progress in its key sustainability KPIs annually.

As part of our Annual Report 2021 published on March 2, 2022 we reported on the progress of our sustainability performance. Our sustainability reporting in 2021 was done in accordance with the Core option of the GRI Standards from the Global Reporting Initiative and it was assured by an external partner.

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

### **Share capital**

The number of Suominen's registered shares was 58,259,219 shares on March 31, 2022, equaling to a share capital of EUR 11,860,056.00.

### **Share trading and price**

The number of Suominen Corporation shares traded on Nasdaq Helsinki from January 1 to March 31, 2022 was 7,195,433 shares, accounting for 12.6% of the average number of shares (excluding treasury shares). The highest price was EUR 5.27, the lowest EUR 3.02 and the volume-weighted average price EUR 3.85. The closing price at the end of review period was EUR 3.55. The market capitalization (excluding treasury shares) was EUR 204.0 million on March 31, 2022.

### **Treasury shares**

On March 31, 2022, Suominen Corporation held 797,077 treasury shares. As a share-based payment plan vested, in total 237,584 shares were transferred to the participants of the plan in February.

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

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

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

The shares will be transferred out of the own shares held by the company by the decision of the Board of Directors within two weeks from the date on which the interim report of January–March 2022 of the company is published.

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

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

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

#### Performance Share Plan: Ongoing performance periods

Performance Period	2020–2022	2021–2023	2022–2024
Incentive based on	Total Shareholder Return (TSR)	Total Shareholder Return (TSR)	Total Shareholder Return (TSR)
Potential reward payment	Will be paid partly in Suominen shares and partly in cash in spring 2023	Will be paid partly in Suominen shares and partly in cash in spring 2024	Will be paid partly in Suominen shares and partly in cash in spring 2025
Participants	17 people	19 people	25 people
Maximum number of shares	748,500	456,500	401,000

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

### ANNUAL GENERAL MEETING

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Annual General Meeting (AGM) held on March 24, 2022 authorized the Board of Directors to decide on the repurchase a maximum of 1,000,000 of the company's own shares. The company's own shares shall be repurchased otherwise than in proportion to the holdings of the shareholders by using the non-restricted equity through trading on regulated market organized by Nasdaq Helsinki Ltd at the market price prevailing at the time of acquisition. The shares shall be repurchased and paid in accordance with the rules of Nasdaq Helsinki Ltd and Euroclear Finland Ltd. The shares shall be repurchased to be used in company's share-based incentive programs, in order to disburse the remuneration of the members of the Board of Directors, for use as consideration in acquisitions related to the company's business, or to be held by the company, to be conveyed by other means or to be cancelled. The Board of Directors shall decide on other terms and conditions related to the repurchase of the company's own shares. The repurchase authorization shall be valid until June 30, 2023 and it revokes all earlier authorizations to repurchase company's own shares.

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

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

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

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

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

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

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

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

#### **SHORT TERM RISKS AND UNCERTAINTIES**

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

Regarding the war in Ukraine, the direct impact to Suominen's business is minor as we have very few customers and no suppliers in Russia, Belarus and Ukraine. Suominen as a company is mostly affected by the indirect economic impacts of the war which contribute to the cost inflation mentioned above.

Also the COVID-19 pandemic can still cause uncertainty in Suominen's business environment. The key risks related to the virus concern the health and safety of Suominen personnel and customers, possible

shortages of raw materials and issues linked to logistics, as well as potential closures of customers' or our own plants due to virus infections. Our customers have generally performed well financially even during the pandemic and thus our customer credit risks have not materially increased.

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

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

## **BUSINESS ENVIRONMENT**

Suominen's nonwovens are, for the most part, used in daily consumer goods, such as wet wipes as well as in hygiene and medical products. In these target markets of Suominen, the general economic situation determines the development of consumer demand, even though the demand for consumer goods is not very cyclical in nature. North America and Europe are the largest market areas for Suominen. In addition, the company operates in the South American markets. The growth in the demand for nonwovens has typically exceeded the growth of gross domestic product by a couple of percentage points.

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

The war in Ukraine has worsened the inflationary pressures in raw material, energy and freight costs and increased uncertainty overall. However, we are seeing signs of the raw material cost inflation moderating from the third quarter onwards and we also expect normalization of the US inventory levels going forward.

## **OUTLOOK FOR 2022**

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

## **CORPORATE GOVERNANCE STATEMENT AND REMUNERATION REPORT**

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

## **AUDIOCAST AND CONFERENCE CALL**

Petri Helsky, President & CEO, and Toni Tamminen, CFO, will present the result in English in an audiocast and a conference call for analyst, investors and media on May 4, 2022 at 11:00 a.m. (EEST). The audiocast

can be followed at <https://suominen.videosync.fi/2022-q1-results>. The recording of the audiocast and the presentation material will be available after the event at [www.suominen.fi](http://www.suominen.fi).

Conference call participants are requested to dial on:

Sweden: +46 856642651

United Kingdom: +44 3333000804

United States: +1 6319131422

The confirmation code for joining the conference call is 26630687#

## NEXT FINANCIAL REPORT

Suominen Corporation will publish its Half Year Report 2022 on August 9, 2022 approximately at 9:30 a.m. (EEST).

## SUOMINEN GROUP 1.1–31.3.2022

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

This interim report has not been audited.

This interim report has been prepared in accordance with the principles defined in IAS 34 Interim Financial Reporting. The principles for preparing the interim report are the same as those used for preparing the consolidated financial statements for 2021, with the exception of the effect of the new accounting standards and interpretations which have been applied from January 1, 2022.

The new or amended standards or interpretations applicable from January 1, 2022 are not material for Suominen Group.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR thousand	31.3.2022	31.3.2021	31.12.2021
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill	15,496	15,496	15,496
Intangible assets	12,503	15,925	13,176
Property, plant and equipment	116,643	110,050	115,478
Right-of-use assets	15,465	17,405	15,741
Equity instruments	421	421	421
Other non-current receivables	101	69	96
Deferred tax assets	1,665	2,044	1,668
<b>Total non-current assets</b>	<b>162,295</b>	161,410	162,077
<b>Current assets</b>			
Inventories	49,005	39,732	49,763

Trade receivables	<b>66,740</b>	55,432	65,495
Other current receivables	<b>9,007</b>	6,256	5,403
Assets for current tax	<b>2,439</b>	2,168	2,564
Cash and cash equivalents	<b>97,046</b>	81,999	101,357
<b>Total current assets</b>	<b>224,237</b>	185,587	224,583
<b>Total assets</b>	<b>386,532</b>	346,997	386,660
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	<b>11,860</b>	11,860	11,860
Share premium account	<b>24,681</b>	24,681	24,681
Reserve for invested unrestricted equity	<b>75,692</b>	75,602	75,692
Fair value and other reserves	<b>80</b>	-7	-7
Exchange differences	<b>-680</b>	-10,100	-5,577
Retained earnings	<b>41,871</b>	50,192	56,549
<b>Total equity attributable to owners of the parent</b>	<b>153,504</b>	152,227	163,199
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities	<b>13,421</b>	13,884	13,931
Liabilities from defined benefit plans	<b>596</b>	752	638
Non-current provisions	<b>1,948</b>	1,833	1,916
Non-current lease liabilities	<b>12,917</b>	14,642	13,167
Other non-current liabilities	<b>1</b>	17	3
Debentures	<b>49,181</b>	83,155	49,144
Total non-current liabilities	<b>78,064</b>	114,283	78,799
<b>Current liabilities</b>			
Current provisions	<b>-</b>	270	-
Current lease liabilities	<b>2,882</b>	2,584	2,761
Debenture bonds	<b>84,368</b>	-	84,062
Liabilities for current tax	<b>729</b>	3,403	669
Trade payables and other current liabilities	<b>66,985</b>	74,230	57,170
Total current liabilities	<b>154,964</b>	80,487	144,662
<b>Total liabilities</b>	<b>233,028</b>	194,770	223,461
<b>Total equity and liabilities</b>	<b>386,532</b>	346,997	386,660

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

EUR thousand	<b>1-3/2022</b>	1-3/2021	1-12/2021
<b>Net sales</b>	<b>110,269</b>	115,333	443,219
Cost of goods sold	<b>-103,687</b>	-95,125	-392,390
<b>Gross profit</b>	<b>6,582</b>	20,208	50,828
Other operating income	<b>315</b>	845	4,434
Sales, marketing and administration expenses	<b>-7,255</b>	-6,622	-26,238
Research and development expenses	<b>-795</b>	-600	-2,678
Other operating expenses	<b>-116</b>	-238	595
<b>Operating profit</b>	<b>-1,268</b>	13,592	26,941
Net financial expenses	<b>-930</b>	3,266	-390
<b>Profit before income taxes</b>	<b>-2,198</b>	16,858	26,551
Income taxes	<b>-138</b>	-3,085	-5,816
<b>Profit for the period</b>	<b>-2,336</b>	13,774	20,734
<b>Earnings per share, EUR</b>			
Basic	<b>-0.04</b>	0.24	0.36
Diluted	<b>-0.04</b>	0.24	0.36

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

EUR thousand	<b>1-3/2022</b>	1-3/2021	1-12/2021
<b>Profit for the period</b>	<b>-2,336</b>	13,774	20,734
<b>Other comprehensive income:</b>			
<b>Other comprehensive income that will be subsequently reclassified to profit or loss</b>			
Exchange differences	<b>5,103</b>	4,268	9,137
Income taxes related to other comprehensive income	<b>-206</b>	-436	-781
<b>Total</b>	<b>4,897</b>	3,832	8,356
<b>Other comprehensive income that will not be subsequently reclassified to profit or loss</b>			
Remeasurements of defined benefit plans	-	-	26
Income taxes related to other comprehensive income	-	-	-7
<b>Total</b>	-	-	19
<b>Total other comprehensive income</b>	<b>4,897</b>	3,832	8,375
<b>Total comprehensive income for the period</b>	<b>2,561</b>	17,606	29,109

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

EUR thousand	Share capital	Share premium account	Reserve for invested unrestricted equity	Exchange differences
<b>Equity 1.1.2022</b>	<b>11,860</b>	<b>24,681</b>	<b>75,692</b>	<b>-5,577</b>
Profit for the period	-	-	-	-
Other comprehensive income	-	-	-	4,897
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,897</b>
Distribution of dividend	-	-	-	-
Share-based payments	-	-	-	-
Acquisition of treasury shares	-	-	-	-
Transfers	-	-	-	-
<b>Equity 31.3.2022</b>	<b>11,860</b>	<b>24,681</b>	<b>75,692</b>	<b>-680</b>

EUR thousand	Fair value and other reserves	Retained earnings	Total equity attributable to owners of the parent
<b>Equity 1.1.2022</b>	<b>-7</b>	<b>56,549</b>	<b>163,199</b>
Profit for the period	-	-2,336	-2,336
Other comprehensive income	-	-	4,897
<b>Total comprehensive income</b>	<b>-</b>	<b>-2,336</b>	<b>2,561</b>
Distribution of dividend	-	-11,492	-11,492
Share-based payments	-	-412	-412
Acquisition of treasury shares	-	-352	-352
Transfers	87	-87	-
<b>Equity 31.3.2022</b>	<b>80</b>	<b>41,871</b>	<b>153,504</b>

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

Dividends and return of capital	-	-	-5,759	-
<b>Equity 31.3.2021</b>	<b>11,860</b>	<b>24,681</b>	<b>75,602</b>	<b>-</b>

EUR thousand	Exchange differences	Fair value and other reserves	Retained earnings	Total equity attributable to owners of the parent
<b>Equity 1.1.2021</b>	<b>-13,933</b>	<b>-7</b>	<b>41,962</b>	<b>145,882</b>
Profit for the period	-	-	13,774	13,774
Other comprehensive income	3,832	-	-	3,832
<b>Total comprehensive income</b>	<b>3,832</b>	<b>-</b>	<b>13,774</b>	<b>17,606</b>
Share-based payments	-	-	259	259
Conveyance of treasury shares	-	-	-44	-
Dividends and return of capital	-	-	-5,759	-11,519
<b>Equity 31.3.2021</b>	<b>-10,100</b>	<b>-7</b>	<b>50,192</b>	<b>152,227</b>

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

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

Acquisition of treasury shares	–	–	-1,640	-1,640
Conveyance of treasury shares	–	–	-44	90
<b>Equity 31.12.2021</b>	<b>-5,577</b>	<b>-7</b>	<b>56,549</b>	<b>163,199</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

EUR thousand	1-3/2022	1-3/2021	1-12/2021
<b>Cash flow from operations</b>			
Profit for the period	-2,336	13,774	20,734
Total adjustments to profit for the period	5,276	5,121	27,585
Cash flow before changes in net working capital	2,941	18,895	48,319
Change in net working capital	-4,313	-2,157	-25,242
Financial items	-466	-283	-5,258
Income taxes	-840	-501	-6,731
<b>Cash flow from operations</b>	<b>-2,679</b>	15,954	11,088
<b>Cash flow from investments</b>			
Investments in property, plant and equipment and intangible assets	-2,235	-4,255	-17,628
Sales proceeds from property, plant and equipment and intangible assets	–	–	4
Sales proceeds from sale of equity investments	–	2,123	2,170
<b>Cash flow from investments</b>	<b>-2,235</b>	-2,132	-15,454
<b>Cash flow from financing</b>			
Drawdown of non-current interest-bearing liabilities	–	–	50,000
Issuance costs of the bonds	–	–	-939
Repayment of current interest-bearing liabilities	-709	-638	-2,757
Repayment of loan receivables	–	9,301	9,301
Acquisition of treasury shares	-379	–	-1,612
Dividends and return of capital paid	–	–	-11,520
<b>Cash flow from financing</b>	<b>-1,088</b>	8,663	42,473
<b>Change in cash and cash equivalents</b>	<b>-6,002</b>	22,485	38,106
Cash and cash equivalents at the beginning of the period	101,357	57,877	57,877
Effect of changes in exchange rates	1,691	1,637	5,374
Change in cash and cash equivalents	-6,002	22,485	38,106
<b>Cash and cash equivalents at the end of the period</b>	<b>97,046</b>	81,999	101,357

**KEY RATIOS**

	<b>1-3/2022</b>	1-3/2021	1-12/2021
Change in net sales, % *	<b>-4.4</b>	1.7	-3.4
Gross profit, as percentage of net sales, %	<b>6.0</b>	17.5	11.5
Comparable EBITDA, as percentage of net sales, %	<b>3.0</b>	16.1	10.6
Operating profit, as percentage of net sales, %	<b>-1.2</b>	11.8	6.1
Net financial items, as percentage of net sales, %	<b>-0.8</b>	2.8	-0.1
Profit before income taxes, as percentage of net sales, %	<b>-2.0</b>	14.6	6.0
Profit for the period, as percentage of net sales, %	<b>-2.1</b>	11.9	4.7
Gross capital expenditure, EUR thousand	<b>1,768</b>	5,226	17,771
Depreciation and amortization, EUR thousand	<b>4,566</b>	4,942	20,092
Return on equity, rolling 12 months, %	<b>2.9</b>	28.1	13.3
Return on invested capital, rolling 12 months, % **	<b>6.1</b>	25.0	13.9
Equity ratio, %	<b>39.8</b>	43.9	42.2
Gearing, %	<b>35.0</b>	13.3	30.4
Average number of personnel (FTE - full time equivalent)	<b>710</b>	703	709
Earnings per share, EUR, basic	<b>-0.04</b>	0.24	0.36
Earnings per share, EUR, diluted	<b>-0.04</b>	0.24	0.36
Cash flow from operations per share, EUR	<b>-0.05</b>	0.28	0.19
Equity per share, EUR	<b>2.67</b>	2.64	2.85
Number of shares, end of period, excluding treasury shares	<b>57,462,142</b>	57,599,164	57,293,235
Share price, end of period, EUR	<b>3.55</b>	5.74	5.18
Share price, period low, EUR	<b>3.02</b>	5.00	4.25
Share price, period high, EUR	<b>5.27</b>	6.24	6.41
Volume weighted average price during the period, EUR	<b>3.85</b>	5.60	5.48
Market capitalization, EUR million	<b>204.0</b>	330.6	296.8
Number of traded shares during the period	<b>7,195,433</b>	7,004,147	17,714,203
Number of traded shares during the period, % of average number of shares	<b>12.6</b>	12.2	30.8

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

\*\* Restated

	<b>31.3.2022</b>	31.3.2021	31.12.2021
<b>Interest-bearing net debt, EUR thousands</b>			
Non-current interest-bearing liabilities, nominal value	<b>62,917</b>	99,642	63,167
Current interest-bearing liabilities, nominal value	<b>87,882</b>	2,584	87,761
Interest-bearing receivables and cash and cash equivalents	<b>-97,046</b>	-81,999	-101,357
Interest-bearing net debt	<b>53,753</b>	20,227	49,570

## CALCULATION OF KEY RATIOS AND ALTERNATIVE PERFORMANCE MEASURES

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

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

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

### Calculation of key ratios per share

#### Earnings per share

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

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

EUR thousand	<b>31.3.2022</b>	<b>31.3.2021</b>	<b>31.12.2021</b>
Profit for the period	-2,336	13,774	20,734
Average share-issue adjusted number of shares	57,323,494	57,581,245	57,579,440
Average diluted share-issue adjusted number of shares excluding treasury shares	57,419,946	57,912,920	58,023,347

#### Earnings per share

<b>EUR</b>			
Basic	-0.04	0.24	0.36
Diluted	-0.04	0.24	0.36

### Cash flow from operations per share

Cash flow from operations per share =  $\frac{\text{Cash flow from operations}}{\text{Share-issue adjusted number of shares excluding treasury shares. end of reporting period}}$

	<b>31.3.2022</b>	<b>31.3.2021</b>	<b>31.12.2021</b>
Cash flow from operations, EUR thousand	-2,679	15,954	11,088
Share-issue adjusted number of shares excluding treasury shares, end of reporting period	57,462,142	57,599,164	57,293,235
Cash flow from operations per share, EUR	-0.05	0.28	0.19

### Equity per share

Equity per share =  $\frac{\text{Total equity attributable to owners of the parent}}{\text{Share-issue adjusted number of shares excluding treasury shares. end of reporting period}}$

	<b>31.3.2022</b>	<b>31.3.2021</b>	<b>31.12.2021</b>
Total equity attributable to owners of the parent, EUR thousand	153,504	152,227	163,199
Share-issue adjusted number of shares excluding treasury shares, end of reporting period	57,462,142	57,599,164	57,293,235
Equity per share, EUR	2.67	2.64	2.85

### Market capitalization

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

	<b>31.3.2022</b>	<b>31.3.2021</b>	<b>31.12.2021</b>
Number of shares at the end of reporting period excluding treasury shares	57,462,142	57,599,164	57,293,235
Share price at end of the period, EUR	3.55	5.74	5.18
Market capitalization, EUR million	204.0	330.6	296.8

### Share turnover

Share turnover =  $\frac{\text{The proportion of number of shares traded during the period}}{\text{weighted average number of shares excluding treasury shares}}$

	<b>31.3.2022</b>	<b>31.3.2021</b>	<b>31.12.2021</b>
Number of shares traded during the period	7,195,433	7,004,147	17 714 203
Average number of shares excluding treasury shares	57,323,494	57,581,245	57,579,440
Share turnover, %	12.6	12.2	30.8

### **Calculation of key ratios and alternative performance measures**

#### **Operating profit and comparable operating profit**

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

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

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

#### **EBITDA and comparable EBITDA**

EBITDA is an important measure that focuses on the operating performance excluding the effect of depreciation and amortization, financial items and income taxes, in other words what is the margin on net sales after deducting operating expenses.

EBITDA = EBIT + depreciation, amortization and impairment losses

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

EUR thousand	<b>31.3.2022</b>	<b>31.3.2021</b>	<b>31.12.2021</b>
Operating profit	-1,268	13,592	26,941
+ Depreciation, amortization and impairment losses	4,566	4,942	20,092
EBITDA	3,298	18,534	47,033

#### **Gross capital expenditure**

EUR thousand	<b>31.3.2022</b>	<b>31.3.2021</b>	<b>31.12.2021</b>
Increases in intangible assets	261	19	162
Increases in property, plant and equipment	1,508	5,207	17,609
Gross capital expenditure	1,768	5,226	17,771

### Interest-bearing net debt

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

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

EUR thousand	31.3.2022	31.3.2021	31.12.2021
Interest-bearing liabilities	149,348	100,381	149,134
Tender and issuance costs of the debentures	1,451	1,845	1,794
Cash and cash equivalents	-97,046	-81,999	-101,357
Interest-bearing net debt	53,753	20,227	49,570
Interest-bearing liabilities	149,348	100,381	149,134
Tender and issuance costs of the debentures	1,451	1,845	1,794
Nominal value of interest-bearing liabilities	150,799	102,226	150,927

### Return on equity (ROE), %

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

EUR thousand	31.3.2022	31.3.2021	31.12.2021
Profit for the reporting period (rolling 12 months)	4,625	40,344	20,734
Total equity attributable to owners of the parent 31.3.2021 / 31.3.2020 / 31.12.2020	152,227	135,868	145,882
Total equity attributable to owners of the parent 30.6.2021 / 30.6.2020 / 31.3.2021	159,386	138,551	152,227
Total equity attributable to owners of the parent 30.9.2021 / 30.9.2020 / 30.6.2021	159,682	144,074	159,386
Total equity attributable to owners of the parent 31.12.2021 / 31.12.2020 / 30.9.2021	163,199	145,882	159,682
Total equity attributable to owners of the parent 31.3.2022 / 31.3.2021 / 31.12.2021	153,504	152,227	163,199
Average	157,600	143,320	156,075
Return on equity (ROE), %	2.9	28.1	13.3

### Invested capital

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

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

EUR thousand	31.3.2022	31.3.2021	31.12.2021
Total equity attributable to owners of the parent	153,504	152,227	163,199
Interest-bearing liabilities	149,348	100,381	149,134
Cash and cash equivalents	-97,046	-81,999	-101,357
Invested capital	205,806	170,609	210,975

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

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

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

EUR thousand	31.3.2022	31.3.2021	31.12.2021
Operating profit (rolling 12 months)	12,081	47,420	26,941
Invested capital 31.3.2021 / 31.3.2020 / 31.12.2020	170,609	199,571	188,298
Invested capital 30.6.2021 / 30.6.2020 / 31.3.2021	192,651	199,529	170,609
Invested capital 30.9.2021 / 30.9.2020 / 30.6.2021	205,786	191,626	192,651
Invested capital 31.12.2021 / 31.12.2020 / 30.9.2021	210,975	188,298	205,786
Invested capital 31.3.2022 / 31.3.2021 / 31.12.2021	205,806	170,609	210,975
Average	197,165	189,927	193,664
Return on invested capital (ROI), %	6.1	25.0	13.9

### Equity ratio. %

$$\text{Equity ratio. \%} = \frac{\text{Total equity attributable to owners of the parent} \times 100}{\text{Total assets} - \text{advances received}}$$

EUR thousand	31.3.2022	31.3.2021	31.12.2021
Total equity attributable to owners of the parent	153,504	152,227	163,199
Total assets	386,532	346,997	386,660
Advances received	-788	-60	-75
	385,744	346,937	386,584
Equity ratio, %	39.8	43.9	42.2

**Gearing. %**

$$\text{Gearing. \%} = \frac{\text{Interest-bearing net debt} \times 100}{\text{Total equity attributable to owners of the parent}}$$

EUR thousand	31.3.2022	31.3.2021	31.12.2021
Interest-bearing net debt	53,753	20,227	49,570
Total equity attributable to owners of the parent	153,504	152,227	163,199
Gearing, %	35.0	13.3	30.4

**NET SALES BY GEOGRAPHICAL MARKET AREA**

EUR thousand	1-3/2022	1-3/2021	1-12/2021
Finland	<b>787</b>	780	2,707
Rest of Europe	<b>45,709</b>	41,472	168,841
North and South America	<b>62,922</b>	72,370	269,247
Rest of the world	<b>851</b>	711	2,424
Total	<b>110,269</b>	115,333	443,219

**QUARTERLY SALES BY BUSINESS AREA**

EUR thousand	2022	2021			
	1-3	10-12	7-9	4-6	1-3
Americas	61,726	68,858	57,048	67,402	71,904
Europe	48,530	46,747	41,634	46,251	43,432
Unallocated exchange differences and eliminations	12	-20	-28	-6	-2
Total	110,269	115,585	98,654	113,647	115,333

**QUARTERLY DEVELOPMENT**

EUR thousand	2022	2021			
	1-3	10-12	7-9	4-6	1-3
Net sales	110,269	115,585	98,654	113,647	115,333
Comparable EBITDA	3,298	8,983	4,240	15,277	18,534
<i>as % of net sales</i>	3.0	7.8	4.3	13.4	16.1
EBITDA	3,298	8,983	4,240	15,277	18,534
<i>as % of net sales</i>	3.0	7.8	4.3	13.4	16.1
Items affecting comparability	-	-	-	-	-

Operating profit	-1,268	3,874	-842	10,317	13,592
<i>as % of net sales</i>	-1.2	3.4	-0.9	9.1	11.8
Net financial items	-930	-1,074	-969	-1,613	3,266
Profit before income taxes	-2,198	2,800	-1,811	8,704	16,858
<i>as % of net sales</i>	-2.0	2.4	-1.8	7.7	14.6

## RELATED PARTY INFORMATION

The related parties of Suominen include the members of the Board of Directors, President & CEO and the members of the Executive Team as well as their family members and their controlled companies. In addition, shareholders who have a significant influence in Suominen through share ownership are included in related parties. Suominen has no associated companies.

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

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

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

EUR thousand	31.3.2022		31.3.2021		31.12.2021	
	Property, plant and equipment	Intangible assets	Property, plant and equipment	Intangible assets	Property, plant and equipment	Intangible assets
Carrying amount at the beginning of the period	<b>115,478</b>	<b>13,176</b>	104,666	16,748	104,666	16,748
Capital expenditure and increases	<b>1,508</b>	<b>261</b>	5,207	19	17,609	162
Depreciation, amortization and impairment losses	<b>-2,767</b>	<b>-955</b>	-3,284	-861	-13,061	-3,801
Exchange differences and other changes	<b>2,425</b>	<b>22</b>	3,461	19	6,264	68
Carrying amount at the end of the period	<b>116,643</b>	<b>12,503</b>	110,050	15,925	115,478	13,176

Goodwill is not included in intangible assets.

EUR thousand	31.3.2022	31.3.2021	31.12.2021
	Right-of-use assets	Right-of-use assets	Right-of-use assets
Carrying amount at the beginning of the period	<b>15,741</b>	17,784	17,784

Increases	<b>419</b>	91	719
Disposals and decreases	<b>-2</b>	-11	-103
Depreciation, amortization and impairment losses	<b>-843</b>	-797	-3,230
Exchange differences and other changes	<b>150</b>	338	571
Carrying amount at the end of the period	<b>15,465</b>	17,405	15,741

## CHANGES IN INTEREST-BEARING LIABILITIES

EUR thousand	<b>1-3/2022</b>	1-3/2021	1-12/2021
<b>Total interest-bearing liabilities at the beginning of the period</b>	<b>149,134</b>	100,293	100,293
Current liabilities at the beginning of the period	<b>86,823</b>	2,539	2,539
Repayment of current liabilities, cash flow items	<b>-709</b>	-638	-2,757
Increases in current liabilities, non-cash flow items	<b>115</b>	29	309
Decreases of current liabilities, non-cash flow items	<b>-2</b>	-13	-67
Reclassification from non-current liabilities	<b>680</b>	622	86,610
Periodization of debentures to amortized cost, non-cash flow items	<b>306</b>	-	105
Exchange rate difference, non-cash flow item	<b>37</b>	44	84
Current liabilities at the end of the period	<b>87,250</b>	2,584	86,823
Non-current liabilities at the beginning of the period	<b>13,167</b>	14,892	14,892
Increases in non-current liabilities, non-cash flow items	<b>304</b>	68	418
Decreases of non-current liabilities, non-cash flow items	<b>-</b>	-4	-47
Reclassification to current liabilities	<b>-680</b>	-622	-2,653
Exchange rate difference, non-cash flow item	<b>127</b>	308	557
Non-current liabilities at the end of the period	<b>12,917</b>	14,642	13,167
Non-current debentures at the beginning of the period	<b>49,144</b>	82,862	82,862
Increases in debentures	<b>-</b>	-	50,000
Periodization of debentures to amortized cost, non-cash flow items	<b>37</b>	293	1,178
Tender and issuance costs of the debentures, cash flow items	<b>-</b>	-	-939
Reclassification to current liabilities	<b>-</b>	-	-83,957
Non-current debentures at the end of the period	<b>49,181</b>	83,155	49,144
<b>Total interest-bearing liabilities at the end of the period</b>	<b>149,348</b>	100,381	149,134

**CONTINGENT LIABILITIES**

EUR thousand	<b>31.3.2022</b>	31.3.2021	31.12.2021
<b>Other commitments</b>			
Rental obligations	<b>83</b>	124	85
Contractual commitments to acquire property, plant and equipment	<b>1,117</b>	4,442	713
Commitments to leases not yet commenced	<b>332</b>	117	458
<b>Guarantees</b>			
On own behalf	<b>3,558</b>	3,922	3,495
Other own commitments	<b>23,466</b>	31,304	24,713
<b>Total</b>	<b>27,025</b>	35,226	28,208

**NOMINAL AND FAIR VALUES OF DERIVATIVE INSTRUMENTS**

EUR thousand	31.3.2021		31.3.2021		31.12.2021	
	Nominal value	Fair value	Nominal value	Fair value	Nominal value	Fair value
Currency forward contracts						
Hedge accounting not applied	2,675	-17	2,729	-66	1,960	-14

**FINANCIAL ASSETS BY CATEGORY**

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

EUR thousand	<b>a.</b>	<b>b.</b>	<b>c.</b>	<b>d.</b>	<b>e.</b>
Equity instruments	-	-	421	421	421
Trade receivables	-	66,740	-	66,740	66,740
Interest and other financial receivables	-	233	-	233	233
Cash and cash equivalents	-	97,046	-	97,046	97,046
<b>Total 31.3.2022</b>	-	<b>164,019</b>	<b>421</b>	<b>164,440</b>	<b>164,440</b>

EUR thousand	<b>Classification</b>				
	<b>a.</b>	<b>b.</b>	<b>c.</b>	<b>d.</b>	<b>e.</b>
Equity instruments	-	-	421	421	421

Trade receivables	–	65,495	–	65,495	65,495
Derivative receivables	2	–	–	2	2
Interest and other financial receivables	–	259	–	259	259
Cash and cash equivalents	–	101,357	–	101,357	101,357
<b>Total 31.12.2021</b>	<b>2</b>	<b>167,111</b>	<b>421</b>	<b>167,534</b>	<b>167,534</b>

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

## FINANCIAL LIABILITIES

EUR thousand	31.3.2022			31.12.2021		
	Carrying amount	Fair value	Nominal value	Carrying amount	Fair value	Nominal value
<b>Non-current financial liabilities</b>						
Debentures	49,181	45,765	50,000	49,144	49,125	50,000
Lease liabilities	12,917	12,917	12,917	13,167	13,167	13,167
Total non-current financial liabilities	62,098	58,682	62,917	62,311	62,292	63,167
<b>Current financial liabilities</b>						
Debentures	84,368	85,927	85,000	84,062	86,496	85,000
Lease liabilities	2,882	2,882	2,882	2,761	2,761	2,761
Interest accruals	1,661	1,661	1,661	936	936	936
Derivative liabilities	17	17	17	15	15	15
Other current liabilities	1,017	1,017	1,017	379	379	379
Trade payables	40,295	40,295	40,295	45,661	45,661	45,661
Total current financial liabilities	130,241	131,799	130,873	133,814	136,248	134,752
<b>Total</b>	<b>192,339</b>	<b>190,482</b>	<b>193,790</b>	196,125	198,540	197,919

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

## FAIR VALUE MEASUREMENT HIERARCHY

EUR thousands	Level 1	Level 2	Level 3
Equity instruments	–	–	421
<b>Total</b>	–	–	<b>421</b>
<b>Derivatives at fair value</b>			
Currency derivatives, liabilities	–	-17	–
<b>Total</b>	–	<b>-17</b>	–

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

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

SUOMINEN CORPORATION  
Board of Directors

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

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