



## Rights Offering of a maximum of 19,214,742 Offer Shares

### Subscription Price EUR 7.81 per share

Ahlstrom-Munksjö Oyj (“**Ahlstrom-Munksjö**” or the “**Company**”), a public limited liability company incorporated in Finland, offers for subscription in a rights issue for consideration based on the shareholders’ pre-emptive subscription right no more than 19,214,742 shares in the Company (the “**Offer Shares**”) at a subscription price of EUR 7.81 per Offer Share (the “**Subscription Price**”), as described in more detail in this prospectus (the “**Prospectus**”) (the “**Offering**”). The conversion of the Subscription Price into SEK will be based on the reference rate as published by the European Central Bank on November 16, 2018 at 4:00 p.m. CET. The Subscription Price in Swedish krona is SEK 80.15 per Offer Share.

Ahlstrom-Munksjö and Specialty Papers Holdings, L.P. have on July 23, 2018 signed a share purchase agreement (the “**Share Purchase Agreement**”), pursuant to which Ahlstrom-Munksjö agreed to acquire Expera Specialty Solutions Holdings, Inc. (“**Expera**”), a U.S. based specialty paper producer (the “**Expera Acquisition**”). The purpose of the Offering is to repay the outstanding bridge facilities related to the Expera Acquisition.

All shareholders of Ahlstrom-Munksjö registered in the Company’s shareholders’ register maintained by Euroclear Finland Oy (“**Euroclear Finland**”) or in the register of the Company’s shareholders maintained by Euroclear Sweden AB (“**Euroclear Sweden**”) will receive one (1) subscription right in the form of a book-entry entitling them to subscribe for Offer Shares (the “**Subscription Right**”) for each share of the Company owned on the record date November 21, 2018 (the “**Record Date**”) of the Offering. In accordance with the normal clearing period for trading on (i) Nasdaq Helsinki Ltd (“**Nasdaq Helsinki**”), trades in the Company’s shares made no later than on November 19, 2018; and (ii) Nasdaq Stockholm Ltd (“**Nasdaq Stockholm**”) no later than on November 19, 2018, will affect the shareholders’ register of the Record Date. Each five (5) Subscription Rights entitles to subscribe for one (1) Offer Share at the Subscription Price (the “**Primary Subscription Right**”). No fractions of shares will be allotted and a Subscription Right cannot be exercised partially. The Subscription Rights will be registered on the shareholders’ book-entry accounts in the book-entry system maintained by Euroclear Finland on November 22, 2018 and on November 23, 2018 in the book-entry system maintained by Euroclear Sweden.

The subscription period for the Offer Shares will commence on November 26, 2018 at 9.30 a.m. Finnish time and end on December 12, 2018 at 4.30 p.m. Finnish time (the “**Subscription Period**”). The Subscription Rights are freely transferable, and they are subject to trading on Nasdaq Helsinki between November 26, 2018 and December 5, 2018 and on Nasdaq Stockholm between November 26, 2018 and December 10, 2018. Subscription Rights that remain unexercised at the end of the Subscription Period on December 12, 2018 at 4.30 p.m. Finnish time will expire without compensation. See Section “**Important Dates**”.

In the event the Offer Shares are not fully subscribed for pursuant to the Primary Subscription Right, the Company’s shareholders and other investors have the right to subscribe for such Offer Shares (the “**Secondary Subscription Right**”). Offer Shares remaining unsubscribed under the Primary Subscription Right and the Secondary Subscription Right may be directed for subscription as resolved by the Board of Directors.

Certain shareholders of the Company have each separately and irrevocably committed to subscribe in full for Offer Shares on the basis of Subscription Rights allocated to them, i.e. in total approximately 36.9 percent of the Offer Shares (the “**Subscription Undertakings**”). In addition, Antti Ahlström Perilliset Oy has irrevocably committed to subscribe for Offer Shares that may remain unsubscribed for in the Offering for an amount representing approximately 10.0 percent of the Offer Shares (the “**Subscription Guarantor**”). The subscription commitments covered by the Subscription Undertakings and the Subscription Guarantor represent in aggregate approximately 46.9 percent of the Offer Shares. Nordea Bank Abp and Skandinaviska Enskilda Banken AB (publ) have entered into an underwriting agreement with the Company (the “**Underwriting Agreement**”) pursuant to which they have severally agreed, subject to certain terms and conditions, to procure subscribers for any Offer Shares that may remain unsubscribed for in the Offering, excluding the Offer Shares that are covered by the Subscription Undertakings and regarding which the Subscription Guarantor has committed to subscribe for, or to subscribe for such Offer Shares themselves. Further information on the matter is found in the section “**Plan of Distribution in the Offering**” of this Prospectus.

Ahlstrom-Munksjö’s shares are subject to trading on Nasdaq Helsinki under trading code “AM1” (ISIN code: FI4000048418) with a secondary listing on Nasdaq Stockholm under trading code “AMIS”. Trading in interim shares corresponding to the Offer Shares that have been subscribed for based on the Subscription Rights (the “**Interim Shares**” in Finland and the “**BTA**” in Sweden) are expected to commence as their own share class on Nasdaq Helsinki (trading symbol AM1N0118) and Nasdaq Stockholm (trading symbol AMIS BTA) on November 26, 2018 and end on December 19, 2018. The Offer Shares subscribed for pursuant to the Primary Subscription Right and the Secondary Subscription Right in Finland are expected to be registered in the Finnish Trade Register of the Finnish Patent and Registration Office (the “**Finnish Trade Register**”) on or about December 19, 2018. The Offer Shares subscribed for in the Secondary Subscription Right in Sweden are expected to be registered in the Finnish Trade Register on or about December 28, 2018. Trading in the Offer Shares on the official list of Nasdaq Helsinki together with the existing shares in the Company is expected to commence on or about December 20, 2018, at the latest. Trading in the Offer Shares on the official list of Nasdaq Stockholm together with the existing shares in the Company and subscribed based on Subscription Rights is expected to commence on or about December 28, 2018 and without Subscription Rights on or about January 4, 2019.

**An investment in the Subscription Rights or the Offer Shares involves risks, see “Risk Factors”.**

The Offering consists of (i) a public offering in Finland and in Sweden and (ii) a private placement, described in “**Important Information**” herein, in other jurisdictions outside the United States, in each case, in reliance on Regulation S of the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), and in accordance with applicable securities laws. The Subscription Rights and the Offer Shares have not and will not be registered under the U.S. Securities Act or under any state securities laws of the United States, and may not be offered or sold in or into the United States, directly or indirectly. Until 40 days after the commencement of the Offering, an offer, sale or transfer of the Subscription Rights or Offer Shares within the United States by a dealer (whether or not participating in the Rights Offering) may violate the registration requirements of the U.S. Securities Act. This Prospectus may not be distributed in or into Australia, Canada, Hong Kong, Japan, New Zealand, South Africa, Singapore or the United States, or any other jurisdiction in which it would not be permissible to deliver the Subscription Rights or make an offering of the Offer Shares. The Subscription Rights or the Offer Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into any such countries. See “**Important Information**”.

**Nordea**

**S|E|B**

## IMPORTANT INFORMATION

In connection with the Offering, the Company has prepared a Finnish language prospectus (the “**Finnish Prospectus**”) in accordance with the Finnish Securities Market Act (746/2012, as amended, the “**Securities Market Act**”), Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council (the “**Prospectus Directive**”) as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements (as amended, Annexes II, XXII, XXIII and XXIV) (the “**Prospectus Regulation**”), the Decree of the Ministry of Finance on the prospectuses referred to in Chapter 3–5 of the Securities Market Act (1019/2012) and the regulations and guidelines issued by the Financial Supervisory Authority. In the Offering, Offer Shares will be offered for subscription in a rights issue for consideration based on shareholders’ pre-emptive subscription right, and this Prospectus has therefore been drawn up in accordance with the aforementioned provisions concerning the contents of the prospectus applicable to such offering. The Financial Supervisory Authority has approved the Finnish Prospectus, but is not responsible for the accuracy of the information presented therein. The record number of the Financial Supervisory Authority’s approval decision concerning the Finnish Prospectus is FIVA 62/02.05.04/2018. This prospectus is available as an English language document (the “**English Prospectus**”) and as a Finnish language document. This English Prospectus is a translation of the approved Finnish Prospectus made under the sole responsibility of the persons responsible for the approved Finnish Prospectus. In accordance with the Prospectus Directive, a Swedish language summary together with this English Prospectus will be passported by way of notification to the Swedish Financial Supervisory Authority for use in Sweden. The Financial Supervisory Authority has not approved the Swedish language summary in this English Prospectus.

In this Prospectus, any reference to “**Ahlstrom-Munksjö**”, the “**Company**” or the “**Group**” means Ahlstrom-Munksjö Oyj and its subsidiaries collectively, except where it is clear from the context that the term means Ahlstrom-Munksjö Oyj as the parent company or a specific subsidiary or particular business area only. References and matters relating to the shares and share capital of the Company or matters of administration of the Company shall refer to the shares, share capital and matters of administration of Ahlstrom-Munksjö Oyj. Any reference to “**Expera**” means Expera Specialty Solutions Holdings, Inc. and its subsidiaries collectively, except where it is clear from the context that the term means Expera Specialty Solutions Holdings, Inc. as the parent company or a specific subsidiary or particular business area only. The Company has appointed Nordea Bank Abp (“**Nordea**”) and Skandinaviska Enskilda Banken AB (publ) Helsinki Branch (“**SEB**”) to act as the managers for the Offering (Nordea and SEB together the “**Managers**”).

No person has been authorised to give any information or to make any representation regarding the Offering other than those contained in this Prospectus. If such information or representations are given or made, it must be noted that they have not been authorised by the Company or the Managers. No representation or warranty, express or implied, is made by the Managers as to the accuracy or completeness of the information contained in this Prospectus, and nothing contained in this Prospectus should be relied upon as a promise or representation by the Managers in this respect, regardless of whether it concerns the past or the future. Neither of the Managers assume any responsibility for the accuracy, completeness or verification of the information and, accordingly, disclaim to the fullest extent permitted by applicable law any and all liability, whether arising in tort, contract or otherwise, which they might otherwise be found to have in respect of this Prospectus or any such representation. Any information given or representations made in connection with the Offering that are inconsistent with those contained in this Prospectus are invalid.

The Managers are acting exclusively for the Company and no one else in connection with the Offering. They will not regard any other person (whether or not a recipient of this Prospectus) as their respective client in relation to the Offering. Neither of the Managers will be responsible to anyone other than the Company for giving advice in relation to the Offering or any transaction or arrangement referred to in this Prospectus. In connection with the Offering, each of the Managers and any of their respective affiliates, acting as an investor for its own account, may purchase Subscription Rights or Offer Shares in the Offering and in that capacity may retain, purchase or sell for its own account any Subscription Rights or Offer Shares or related investments and may offer or sell Subscription Rights or Offer Shares or other investments otherwise than in connection with the Offering. Accordingly, references in this Prospectus to shares being offered should be read as including any offering or placement of the Subscription Rights or Offer Shares to any of the Managers or any of their respective affiliates acting in such capacity. None of the Managers intend to disclose the extent of such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so. In addition, certain of the Managers or their affiliates may enter into financing arrangements with investors in connection with which such Managers, or their affiliates, may from time to time acquire, hold or dispose of shares.

Prospective investors should rely only on the information contained in this Prospectus. Prospective investors should not rely on the Managers or their respective affiliates or any other third party in connection with any investigation in respect of the accuracy of any information contained in this Prospectus or in making an investment decision. No person has been authorised to give any other information or to make any representation concerning the Offering and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company or the Managers. Prospective investors should, prior to making an investment decision, carefully acquaint themselves with the entire Prospectus. In making an investment decision, prospective investors must rely on their own examination of the Company and the terms and conditions of the Offering, including the benefits and risks involved in them. None of the Company, the Managers or their respective affiliates or respective representatives, are making any representation to any recipient of the offer, subscriber or purchaser of the Subscription Rights or the Offer Shares regarding the legality of an investment in the Subscription rights or Offer Shares under the laws applicable to them. Investors should consult their own advisers, as they consider it necessary, before exercising the Subscription Rights or subscribing for the Offer Shares. Investors are required to make their own independent assessments of the legal, tax, business, financial and other consequences and risks of a subscription or purchase concerning the Subscription Rights or Offer Shares.

The information in this Prospectus was given on the date of the Prospectus. Neither the submission of this Prospectus nor any offering, sale or delivery based thereon shall, under any circumstances, mean that the information contained in this Prospectus would be correct in the future or that no changes would have taken place in respect of the Company’s business which may result in or have resulted in a material adverse effect on the Company’s business operations, operating result or financial standing as of the date of this Prospectus. The Company shall, however, correct and supplement the Prospectus as required in the Securities Markets Act Chapter 4, Section 14.

The distribution of this Prospectus and the Offering may in certain jurisdictions be restricted by law, and this Prospectus may not be used for the purpose of, or in connection with, any offer or solicitation by anyone in any jurisdiction in which such an offer or solicitation is not legal or to any person to whom it is unlawful to make such an offer or solicitation. Neither the Company nor the Managers has taken or will take any action to register or qualify the Subscription Rights, the Offer Shares or the Offering or otherwise to permit a public offering of the Subscription Rights or the Offer Shares in any jurisdiction outside Finland and Sweden. The Company and the Managers require persons into whose possession this Prospectus comes to acquire the relevant information for themselves and to observe all such restrictions. Neither the Company nor the Managers shall be held legally liable in the event that persons who have obtained this Prospectus violate these restrictions, regardless of whether the persons in question are prospective subscribers or purchasers of the Offer Shares and/or Subscription Rights.

Unless expressly noted in this Prospectus: (i) the Subscription Rights and the Offer Shares being granted or offered in the Offering may not be offered, sold, resold, transferred or delivered, directly or indirectly, (a) within or into the member states of the European Economic Area (“**EEA**”) that have implemented the Prospectus Directive (other than Finland and Sweden), unless granted or offered pursuant to applicable exemptions under the Prospectus Directive, or (b) within or into Australia, Canada, the Hong Kong Special Administrative Region of the People’s Republic of China, Japan, New Zealand, South Africa, Singapore, the United States or any other jurisdiction in which it would not be permissible to offer the Subscription Rights or the Offer Shares (“**Ineligible Jurisdiction**”); (ii) this Prospectus may not be sent to any person in any of the Ineligible Jurisdictions mentioned under clause (i) (b); (iii) the crediting of Subscription Rights to a securities account of a shareholder or other person referred to in clause (ii) shall not constitute an offer of the Offer Shares to such a person. The persons referred to in clause (ii) above may not exercise Subscription Rights.

The prerequisite for exercising the Subscription Rights or subscribing for the Offer Shares pursuant to the Offering is that each shareholder or subscriber is considered to have made – or, in some cases, has been required to make – certain representations and warranties regarding their domicile that will be relied upon by the Company, the Managers and others. The Company reserves the right, in its sole and absolute discretion, to reject any subscription of the Offer Shares that the Company or its representatives believe may give rise to a breach or violation of any law, rule or regulation, including, without limitation, any subscription that appears to the Company or its agents to have been executed in or dispatched from the United States, or that provides an address in the United States for the acceptance or renunciation of the Offering. The Offering is governed by Finnish law. Any disputes arising in connection with the Offering will be settled by a court of competent jurisdiction in Finland.

## TABLE OF CONTENTS

IMPORTANT INFORMATION .....	ii
TABLE OF CONTENTS .....	iii
SAMMANFATTNING .....	1
SUMMARY .....	20
RISK FACTORS .....	38
Risks Relating to the Company’s Operating Environment .....	38
Risks Relating to the Company’s Business and Operations .....	40
Risks Relating to the Company’s Financial Condition and Financing .....	48
Risks Relating to the Shares, Subscription Price and the Offering .....	52
COMPANY, BOARD OF DIRECTORS, AUDITORS AND ADVISERS .....	55
CERTAIN MATTERS .....	56
IMPORTANT DATES .....	61
EXCHANGE RATES .....	63
DIVIDEND AND DIVIDEND POLICY .....	64
BACKGROUND OF THE EXPERA ACQUISITION AND USE OF PROCEEDS .....	65
CAPITALIZATION AND INDEBTEDNESS .....	66
TERMS AND CONDITIONS OF THE OFFERING .....	67
BUSINESS OF THE COMPANY .....	76
Overview of the Business .....	76
Key Strengths .....	77
Strategy .....	79
Long-term Financial Targets .....	80
History .....	80
The Company’s Business Operations .....	82
Competition .....	91
Production and Converting Facilities .....	91
Logistics .....	95
Raw Materials and Energy .....	95
Research and Development .....	96
Intellectual Property .....	97
Group Legal Structure .....	97
Employees .....	98
Environmental, Health and Safety .....	98
Insurance .....	100
Material Contracts .....	100
Litigation .....	103
SELECTED FINANCIAL INFORMATION .....	104
UNAUDITED PRO FORMA FINANCIAL INFORMATION .....	116
RECENT DEVELOPMENT AND FUTURE OUTLOOK .....	145
BOARD OF DIRECTORS, MANAGEMENT AND AUDITORS .....	149
MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS .....	164
DESCRIPTION OF THE SHARES AND SHARE CAPITAL .....	166
PLAN OF DISTRIBUTION IN THE OFFERING .....	171
FINNISH SECURITIES MARKET .....	174

TAXATION..... 178  
DOCUMENTS ON DISPLAY ..... 185  
DOCUMENTS INCORPORATED BY REFERENCE..... 186  
ANNEX A – THE ARTICLES OF ASSOCIATION OF THE COMPANY (UNOFFICIAL ENGLISH TRANSLATION)  
..... A-1  
ANNEX B – INDEPENDENT AUDITOR’S REPORT CONCERNING THE COMPANY’S UNAUDITED PRO  
FORMA FINANCIAL INFORMATION..... B-1  
ANNEX C – INDEPENDENT AUDITOR’S REPORT ON REVIEW OF THE COMPANY’S UNAUDITED  
CONSOLIDATED INTERIM REPORT AS AT AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018C-1

## SAMMANFATTNING

Prospektsammanfattningar består av informationskrav uppställda i ”Punkter”. Punkterna är numrerade i avsnitten A–E (A.1–E.7). Sammanfattningen i detta prospekt innehåller alla de Punkter som krävs i en sammanfattning för aktuell typ av värdepapper och emittent. Eftersom vissa Punkter inte är tillämpliga för alla typer av prospekt kan det dock finnas luckor i Punkternas numrering.

Även om det krävs att en Punkt inkluderas i sammanfattningen för aktuell typ av värdepapper och emittent, är det möjligt att ingen relevant information kan ges rörande Punkten. Informationen har då ersatts med en kort beskrivning av Punkten tillsammans med angivelsen ”ej tillämplig”.

Punkt	Avsnitt A – Introduktion och varningar
A.1	Varning Denna sammanfattning bör betraktas som en introduktion till detta prospekt (” <b>Prospektet</b> ”). Beslutet angående investering i aktier i Ahlstrom-Munksjö Oyj (” <b>Ahlstrom-Munksjö</b> ” eller ” <b>Bolaget</b> ”) ska baseras på en bedömning av Prospektet i dess helhet från investerarens sida. Om yrkande avseende uppgifterna i Prospektet anförs vid domstol, kan den investerare som är kärande i enlighet med den nationella lagstiftningen i en medlemsstat i Europeiska ekonomiska samarbetsområdet bli tvungen att svara för kostnaderna för översättning av Prospektet innan de rättsliga förfarandena inleds. Civilrättsligt ansvar kan åläggas de personer som lagt fram sammanfattningen, inklusive översättningar därav, men endast om sammanfattningen är vilseledande, felaktig eller oförenlig med de andra delarna av Prospektet eller om den inte, tillsammans med de andra delarna av Prospektet, ger nyckelinformation för att hjälpa investerare när de överväger att investera i Erbjudna Aktier.
A.2	Samtycke för efterföljande återförsäljning eller slutlig placering, anbudsperioden och villkoren för samtycket Ej tillämplig.

Punkt	Avsnitt B — Emittent och garant
B.1	Registrerad firma och handelsbeteckning Emittentens registrerade firma är Ahlstrom-Munksjö Oyj.
B.2	Hemort, bolagsform, lagstiftning och land där bolagsbildningen ägde rum Bolaget har sin hemort i Helsingfors. Bolaget är ett publikt aktiebolag bildat i Finland. På Bolaget tillämpas finsk lag.
B.3	Funktion och huvudsaklig verksamhet Ahlstrom-Munksjö är en global ledare inom innovativa och hållbara fiberbaserade material och förser sina kunder världen över med lösningar. Bolagets utbud innefattar filtermaterial, releasepapper, bearbetningsmaterial för livsmedel och drycker, dekorpapper, slibaspapper och tejbärare, elektrotekniskt papper, glasfibermaterial, medicinska fibermaterial och lösningar till diagnostik samt flera olika specialpapper för industrins eller konsumenters slutanvändning. Ahlstrom-Munksjö bedriver verksamhet i växande marknader med stabila bakomliggande drivkrafter för efterfrågan och som stöds av globala megatrender. Bolaget betjänar mer än 7 000 kunder i över 100 länder och i flera olika branscher, såsom transportsektorn, livsmedels- och dryckesindustrin, detaljhandeln, möbelindustrin, byggnadsindustrin samt hälsovårds- och life science branschen.  Ahlstrom-Munksjö bedriver verksamhet i marknadssegment där fiberbaserade lösningar och teknologier typiskt utgör en viktig del av värdekedjan. Produkterna kännetecknas av ett betydande tilläggsvärde och baserar sig mer på kundens krav än på branschstandard. Typiskt för fiberbaserade material och lösningar är att de utgör en viktig del av de slutgiltiga produkterna eller utför centralt betydelsefulla uppgifter i produktionsprocesser. Kvalitet, service och kundnöjdhet är de viktigaste riktvärdena för Ahlstrom-Munksjö. Den 30 september 2018 hade Bolaget 5 938 anställda (omvandlat till heltidsanställda) som arbetar i 40 produktions- och konverteringsanläggningar i 14 olika länder. Den 30 september 2018 hade Expera 1 858 anställda (omvandlat till heltidsanställda) som arbetade vid fyra produktionsanläggningar i Förenta Staterna och Caieiras hade 375 anställda (omvandlat till heltidsanställda) som arbetade vid Caieiras-anläggningen i Brasilien.  Bolaget består av 14 affärsverksamheter organiserade i de fem följande affärsområdena, vilka utgör Bolagets rapporteringssegment:

- *Affärsområdet Decor* tillverkar pappersbaserade ytbeläggningar för trämaterial, såsom laminatgolv, möbler och inredningar och utvecklar papper för hög- och lågtryckslaminat, tryckbaspapper och förimpregnerat papper. Till kunderna hör företag som arbetar med laminering eller impregnering samt tryckerier.
- *Affärsområdet Filtration and Performance* tillverkar ett brett sortiment av filtreringsprodukter, såsom material till motorolje-, bränsle- och luftfiltrering, gasturbinfiltrering och olika industriella luftfiltreringsmaterial, glasfiber för golvbeläggningar och vindkraftverk, industriella fiberduksmaterial för tillämpningar inom fordons-, byggnads-, textil- och hygienindustrin samt tapeter. Till kunderna hör leverantörer av tunga fordon och bilar och ursprungstillverkare (original equipment manufacturers), tillverkare av gasturbinfilter, tillverkare av kvalitetsfilter för inomhusluft, byggnads- och vindkraftsindustrin, tillverkare av hygien- och såromvårdnadsprodukter och leverantörer av tvättprodukter.
- *Affärsområdet Industrial Solutions* tillverkar releasepapper, slipbaspapper, elektrotekniskt isoleringspapper, specialmassa, tunnpapper, balansfolie samt konstnärs- och tryckpapper. Till kunderna hör tillverkare av självhäftande laminat, tillverkare av slipmaterial och högkvalitativt rostfritt stål, byggnads- och energiföretag och industrier som kräver högkvalitativa material.
- *Affärsområdet Specialties* tillverkar material för livsmedels- och dryckesförpackningar, laboriefilter och life science diagnostik samt material för vattenfiltrering, tejpprodukter och medicinska textilier, såsom antibakteriella dukar och kläder och antivirusedukar, -kläder och -masker. Affärsområdet tillverkar också material för filtrering av varm matolja och mjölk, tryckpapper för klisterlappar och kuvert, metalliserade etiketter samt tryckta och bestrukna produkter. Till kunderna hör konverterare i förpackningsindustrin, tryckerier, innehavare av varumärken i marknaden för te- och kaffeprodukter för engångsanvändning och livsmedelsförpackning, laboratorier, leverantörer av förbrukningsartiklar och utrustning till laboratorier, tillverkare av life science instrument och medicinska material, samt tillverkare av vattenreningsutrustning, marknadsförare, konverterare och laminärer.
- *Affärsområdet North America Specialty Solutions* utgörs av den av Expera förvärvade verksamheten och tillverkar specialiserade material som skyddar och förbättrar prestandan för ett brett spektrum av tillämpningar inom industrin och för konsumentändamål, såsom bärare och barriärer för tekniskt material, specialpapper för emballering och förpackning av förädlade livsmedel och livsmedel producerade i snabbmatsrestauranger samt releasepapper. Till kunderna hör förpackningstillverkare och konverterare, hårdvaru- och elektronikstillverkare, tillverkare som förädlar och packar livsmedel, kompositstillverkare i luftfartsindustrin, tillverkare i den medicinska industrin samt tillverkare av tejp och tätningar.

Bolagets övergripande strategiska mål är att uppnå en lönsam tillväxt i utvalda nischer på den globala marknaden för fiberbaserade lösningar, vilka erbjuder positiva tillväxtutsikter och stöds av hållbara marknadsdrivkrafter. Globalt ledarskap i utvalda tillväxtsegment utgör grunden för denna strategiska riktning. Bolagets strategi omfattar fyra hörnstenar: lönsam tillväxt, värde för kunden, effektivitet och rörlighet samt lokalt ansvar.

Ahlstrom-Munksjö och Specialty Papers Holdings, L.P. har den 23 juli 2018 undertecknat ett aktieförvärsavtal ("Aktieförvärsavtalet") enligt vilket Ahlstrom-Munksjö förvärvade Expera Specialty Solutions Holdings, Inc. ("Expera"), en i Förenta Staterna baserad specialpapperstillverkare ("Expera-förvärvet"). Expera-förvärvet kommer att expandera Bolagets närvaro i Nordamerika och ytterligare förstärka dess utbud av avancerade specialtillverkade fiberbaserade material. Expera-förvärvet verkställdes den 10 oktober 2018. Den 17 oktober 2018 verkställde Ahlstrom-Munksjö också förvärvet av MD Papéis Caieiras ("Caieiras") specialpappersanläggning i Brasilien, vilket ytterligare stärker Bolagets utbud och produktionsplattform i Sydamerika.

**B.4a** Senaste betydande trender som påverkar emittenten och dess bransch

Under 2018 har marknadssituationen för Ahlstrom-Munksjös produkter i allmänhet varit stabil. Efterfrågan på Bolagets produkter har stötts och fortsätter att stödas av ett flertal marknadsdrivkrafter och megatrender, såsom digitalisering, demografiska trender (t.ex. urbanisering och en växande medelklass), hållbarhet, globalisering och teknikskiften. Ekonomiska konjunkturer har generellt en relativt begränsad inverkan på den totala efterfrågan på Ahlstrom-Munksjös produktutbud, tack vare Bolagets exponering mot i stort sett konjunkturresistenta men växande marknadssegment, såsom detaljhandelsrelaterad slutanvändning av livsmedel och drycker, inredning och renovering i byggnadssektorn och

eftermarknaden för tillämpningar inom motorfiltrering i transportsektorn. Bolaget har också en betydande exponering på den stabila och strukturellt växande hälsovårds- och life science branschen. Bolaget uppskattar att dess marknader i medeltal vuxit mer än BNP under rapportperioderna. Ahlstrom-Munksjö har fokuserat på nischmarknader med små volymer där tillväxten enligt Bolagets uppskattningar varit högre än på traditionella tryckpapperssegment och sådana marknader har också varit mindre känsliga för ekonomiska fluktuationer än den traditionella pappersindustrin. Ahlstrom-Munksjö's marknader är främst globala och Bolaget har en betydande världsomspännande export.

Fluktuerande råvarupriser är den mest betydande faktorn som påverkar Ahlstrom-Munksjö's lönsamhet. Under 2018 har den ansevärd eskalationen av råvarukostnader, speciellt vad gäller massa och titandioxid, resulterat i prishöjningar och Bolaget har fokuserat på service- och kvalitetsorienterade kundrelationer med lönsamma beställningar av högt specialiserade och specialtillverkade produkter.

Marknadsutvecklingen och drivkrafter för efterfrågan per affärsområde under 2018 beskrivs nedan:

I Affärsområdet Decor har efterfrågan på dekorprodukter mattats av i Europa under den andra halvan av 2018 till följd av minskade lager i hela branschen men låg kvar på en bra nivå i Nordamerika och Asien. Konkurrensen har ökat, i synnerhet på marknader utanför Europa, på grund av nya leverantörer. Den globala marknaden för dekorpapper drivs av en växande befolkning, accelererande urbanisering och konsumentpreferenser som föredrar mer modern produktdesign och möbler där laminat används.

I Affärsområdet Filtration and Performance har efterfrågan på filtreringsprodukter varit stabil på en bra nivå i många regioner och slutanvändningssegment och var särskilt god inom tunga fordon och industriluft. När det gäller byggrelaterade marknader var efterfrågan på golvbeläggnings- och andra glasfibervävmaterial god medan tapetmarkanden har mattats av i Europa. Medvetenhet om luftföroreningar ökar snabbt, vilket skapar en efterfrågan på lösningar medan striktare reglering vad gäller luftkvalitet och utsläpp driver efterfrågan på filtreringsmaterial.

I Affärsområdet Industrial Solutions har efterfrågan på slibaspapper och specialmassa varit god, medan den låg på en stabil nivå för elektrotekniskt papper. Konkurrensen på marknaderna för releasepapper i Europa har nyligen ökat. Den inhemska marknaden för bestrukna specialprodukter i Brasilien var fortsatt stabil. Tillväxten i marknaden för releasepapper har en god korrelation med BNP-tillväxten och stärks också av ett skifte till andra etikettekniker med självhäftande etiketter som kräver releasepapper. För isoleringspapper, tunnpaper och massa drivs efterfrågan till exempel av behoven av både utökad infrastruktur och underhåll eller uppgraderingar av befintliga kraftnät.

I Affärsområdet Specialties var efterfrågan på förpackningsrelaterade pergamentprodukter hög, medan konkurrensen var fortsatt hård på marknaden för obestruket och bestruket papper samt för tepåsmaterial. Efterfrågan på life science-produkter och avancerade medicinska produkter var god, medan den låg på en stabil nivå för tejpmaterial. Drivkrafter för efterfrågan inkluderar ersättning av aluminium och plast med fiberbaserade material, ökning av marknaderna för lättanvänd självdiagnostik, vattenrening som tar bort bakterier och sterilförpackningar.

I Affärsområdet North America Specialty Solutions låg efterfrågan på affärsområdets produkter på en fortsatt stabil nivå, konsistent i linje med den ökade tillväxten i Förenta Staternas BNP. Drivkrafter för efterfrågan på produkter i Industrial & Technical –affärsenheten inkluderar utvecklingen i byggnads- och infrastrukturbranschen, tillväxt i näthandeln, tillväxt i bilförsäljning och -reparationer samt ett skifte mot displayer av glas. I Food Processing & Packaging – affärsenheten drivs efterfrågan av hållbarhetsinitiativ vad gäller förpackningar, ökad efterfrågan på naturella eller mindre processade förpackningar och en ökad efterfrågan för fast-casual restauranger. Drivkrafter för efterfrågan för affärsenheten Pressure-Sensitive Release Liner inkluderar ett skifte i luftfartsindustrin mot användningen av fiberkomposit, en ökad användning av självhäftande fästdon, elektronisk handel som driver logistik och ett behov av etiketter för spårning och identifikation.

<b>B.5</b>	Koncernstruktur	Ahlstrom-Munksjö-koncernen ("Koncernen") består av moderbolaget Ahlstrom-Munksjö Oyj och dess konsoliderade dotterbolag.
<b>B.6</b>	De största aktieägarna	Bolaget har ett aktieslag. Varje aktie ger en röst vid Bolagets bolagsstämma och berättigar till lika rätt till dividend och annan utdelning av medel. Tabellen nedan presenterar de tio största aktieägarna i Bolaget såsom framgår ur aktieägarförteckningen som upprätthålls av Euroclear

Finland Oy ("Euroclear Finland") den 31 oktober 2018 och aktieboken som förs av Euroclear Sweden AB ("Euroclear Sweden") den 1 November 2018.

	<u>Antal aktier</u>	<u>Procentandel av aktier och röster</u>
Ahlström Capital Oy <sup>1)</sup>	17 935 919	18,6
Viknum AB <sup>2)</sup>	11 625 005	12,1
Ömsesidiga Pensionförsäkringsbolaget Ilmarinen	3 025 765	3,1
Verdipapirfonde ODIN <sup>3)</sup>	2 156 900	2,2
Mona Huber	1 911 672	2,0
Jacqueline Tracewski	1 344 106	1,4
Ömsesidiga arbetspensionsförsäkringsbolaget Varma	1 306 732	1,4
Kai Nahi	1 232 459	1,3
Linda-Maria Emmett	1 073 628	1,1
Kim Kylmälä	1 070 888	1,1
Tio största, totalt	42 683 074	44,3
Övriga aktieägare	53 755 499	55,7
Totalt antal aktier i Bolaget	96 438 573	100,0

<sup>1)</sup> Aktier ägda genom AC Invest Five B.V.

<sup>2)</sup> Viknum AB är ett bolag med nära koppling till Alexander Ehrnrooth och som kontrolleras av Virala Corporation.

<sup>3)</sup> Består av aktier ägda av Verdipapirfonde ODIN Sverige och ODIN Finland.

Såvitt Bolaget känner till är Bolaget inte direkt eller indirekt ägt eller kontrollerat av någon enskild person.

**B.7** Utvald historisk  
finansiell  
nyckelinformation

I följande tabeller presenteras utvald konsoliderad finansiell information för Bolaget för de niomånadersperioder som slutade den 30 september 2018 och 2017 samt för räkenskapsåret som slutade den 31 december 2017. Den finansiella informationen som presenteras nedan har härletts från Bolagets oreviderade konsoliderade delårsrapport för den niomånadersperiod som slutade den 30 september 2018, inklusive den oreviderade jämförbara konsoliderade finansiella informationen för den niomånadersperiod som slutade den 30 september 2017 som upprättats i enlighet med "IAS 34 – Delårsrapportering" samt från det reviderade koncernbokslutet för året som slutade den 31 december 2017, vilket upprättats i enlighet med IFRS såsom de antagits av den Europeiska Unionen.

Ahlstrom Oyj och Munksjö Oyj slogs samman genom en fusion den 1 april 2017. Fusionen har redovisats som en fusion vid konsolideringen med Munksjö Oyj som den förvärvande parten. Ahlstrom har tagits in i Bolagets finansiella information från och med fusionsdagen och koncernens resultaträkning, kassaflödesanalys och relaterade nyckeltal för Bolaget för året som slutade den 31 december 2017 innehåller således rörelseresultatet och kassaflöden hänförliga till Ahlstrom Oyj för perioden från den 1 april 2017 till den 31 december 2017.

Bolaget har från och med den 1 januari 2018 antagit IFRS 15 Intäkter från avtal med kunder och IFRS 9 Finansiella instrument. Bolaget antog IFRS 15 –standard genom fullständig retroaktiv tillämpning utan identifierad påverkan på de finansiella rapporterna eftersom inga väsentliga redovisningsförändringar identifierats jämfört med tidigare praxis. Bolaget antog IFRS 9 –standard genom retroaktiv tillämpning. Inverkan av övergången till IFRS 9 –standard har tagits i beaktande i balanserade vinstmedel från och med den 1 januari 2018. Historisk jämförbar finansiell information för året som slutade 31 december 2017 har inte räknats om.



### Koncernens resultaträkning

	1.1.-30.9.		1.1.-31.12.
	2018	2017	2017
MEUR	(oreviderad)	(oreviderad)	(reviderad)
Nettoomsättning.....	1 725,8	1 412,9	1 959,9
Övriga rörelseintäkter.....	6,3	11,5	12,7
Summa rörelsens intäkter.....	1 732,1	1 424,3	1 972,6
<b>Rörelsens kostnader</b>			
Förändring av varulager och pågående arbeten	28,8	-5,5	-6,4
Råvaror och förnödenheter.....	-860,9	-662,9	-920,2
Övriga externa kostnader.....	-408,6	-341,1	-472,0
Personalkostnader.....	-306,3	-257,4	-363,7
Avskrivningar och nedskrivningar.....	-88,7	-76,0	-106,6
<b>Summa rörelsens kostnader.....</b>	<b>-1 635,8</b>	<b>-1 342,9</b>	<b>-1 868,9</b>
Resultatandel i intresseföretag.....	-	0,0	-0,2
<b>Rörelseresultat.....</b>	<b>96,3</b>	<b>81,4</b>	<b>103,5</b>
Finansiella intäkter.....	9,0	6,7	9,5
Finansiella kostnader.....	-21,0	-26,3	-35,7
<b>Finansnetto.....</b>	<b>-12,0</b>	<b>-19,6</b>	<b>-26,2</b>
<b>Resultat före skatt.....</b>	<b>84,3</b>	<b>61,8</b>	<b>77,3</b>
Skatter.....	-21,6	-18,0	-10,8
<b>Periodens resultat.....</b>	<b>62,7</b>	<b>43,8</b>	<b>66,5</b>

### Koncernens rapport över totalresultat

	1.1.-30.9.		1.1.-31.12.
	2018	2017	2017
MEUR	(oreviderad)	(oreviderad)	(reviderad)
<b>Periodens resultat.....</b>	<b>62,7</b>	<b>43,8</b>	<b>66,5</b>
<b>Övrigt totalresultat</b>			
<i>Poster som senare kan omklassificeras till resultaträkningen</i>			
Periodens valutakursdifferenser vid omräkning av utländska verksamheter.....	-22,3	-45,0	-53,6
Säkringar av nettoinvesteringar i utländska verksamheter.....	0,0	0,1	0,1
Förändringar i verkligt värde på kassaflödessäkring.....	-1,6	1,2	0,8
Förändringar i verkligt värde på kassaflödessäkring överfört till periodens resultat.....	3,6	-0,2	-0,7
<i>Poster som inte kommer att omklassificeras till resultaträkningen</i>			
Aktuariella vinster och förluster.....	6,0	6,8	5,9
Skatt hänförlig till komponenter i övrigt totalresultat.....	-1,8	-2,7	-1,7
<b>Periodens totalresultat.....</b>	<b>46,6</b>	<b>4,0</b>	<b>17,2</b>
Periodens resultat hänförligt till			
Moderbolagets aktieägare.....	61,4	43,3	65,9
Innehav utan bestämmande inflytande.....	1,3	0,5	0,6
Periodens totalresultat hänförligt till			
Moderbolagets aktieägare.....	45,4	3,7	16,8
Innehav utan bestämmande inflytande.....	1,2	0,3	0,4
Resultat per aktie			
Viktat genomsnittligt antal utestående aktier.....	96 073 711	81 189 753	84 941 326
Resultat per aktie före utspädning, EUR.....	0,64	0,53	0,78
Resultat per aktie efter utspädning, EUR.....	0,64	0,53	0,78

**Koncernens balansräkning**

MEUR	30.9.		31.12.
	2018 (oreviderad)	2017 (oreviderad)	2017 (reviderad)
<b>Tillgångar</b>			
<b>Anläggningstillgångar</b>			
Materiella anläggningstillgångar.....	841,3	834,8	841,7
Goodwill.....	428,0	434,4	429,4
Övriga immateriella anläggningstillgångar.....	297,2	309,5	309,2
Andelar i intresseföretag.....	-	2,2	1,2
Andra investeringar.....	1,6	0,5	0,5
Övriga kortfristiga fordringar.....	8,6	13,5	7,1
Uppskjutna skattefordringar.....	2,5	16,7	15,1
<b>Summa anläggningstillgångar.....</b>	<b>1 579,1</b>	<b>1 611,6</b>	<b>1 604,2</b>
<b>Omsättningstillgångar</b>			
Varulager.....	329,5	273,2	282,3
Kundfordringar och övriga fordringar.....	300,1	292,3	259,3
Skattefordringar.....	2,4	7,4	5,1
Likvida medel.....	194,9	225,7	245,9
<b>Summa omsättningstillgångar.....</b>	<b>826,9</b>	<b>798,5</b>	<b>792,6</b>
<b>Summa tillgångar.....</b>	<b>2 406,0</b>	<b>2 410,1</b>	<b>2 396,8</b>
<b>Eget kapital och skulder</b>			
<b>Eget kapital</b>	<b>1 034,4</b>	<b>1 028,2</b>	<b>1 038,0</b>
<b>Eget kapital hänförligt till moderbolagets aktieägare</b>			
Aktiekapital.....	85,0	85,0	85,0
Fonden för inbetalt fritt kapital.....	517,6	521,0	517,6
Övriga reserver och egna aktier.....	294,3	324,3	314,9
Balanserat resultat och årets resultat.....	127,7	89,3	111,7
<b>Summa eget kapital hänförligt till moderbolagets aktieägare.....</b>	<b>1 024,6</b>	<b>1 019,4</b>	<b>1 029,1</b>
Innehav utan bestämmande inflytande.....	9,8	8,8	8,9
<b>Summa eget kapital.....</b>	<b>1 034,4</b>	<b>1 028,2</b>	<b>1 038,0</b>
<b>Långfristiga skulder</b>			
Långfristiga lån.....	532,4	552,8	542,3
Övriga långfristiga skulder.....	0,7	0,8	0,5
Förpliktelser avseende ersättningar till anställda.....	90,3	98,0	98,1
Uppskjutna skatteskulder.....	94,0	123,9	105,5
Avsättningar.....	12,8	15,2	17,7
<b>Summa långfristiga skulder.....</b>	<b>730,2</b>	<b>790,7</b>	<b>764,1</b>
<b>Kortfristiga skulder</b>			
Kortfristiga lån.....	119,2	77,1	78,9
Leverantörsskulder och övriga skulder.....	507,4	494,6	502,9
Skatteskulder.....	9,5	14,4	4,1
Avsättningar.....	5,3	5,1	8,8
<b>Summa kortfristiga skulder.....</b>	<b>641,4</b>	<b>591,3</b>	<b>594,6</b>
<b>Summa skulder.....</b>	<b>1 371,6</b>	<b>1 381,9</b>	<b>1 358,8</b>
<b>Summa eget kapital och skulder.....</b>	<b>2 406,0</b>	<b>2 410,1</b>	<b>2 396,8</b>

## Koncernens kassaflödesanalys

MEUR	1.1.-30.9.		1.1.-31.12.
	2018	2017	2017
	(oreviderad)	(oreviderad)	(reviderad)
<b>Kassaflöde från den löpande verksamheten</b>			
Periodens resultat.....	62,7	43,8	66,5
Justeringar, totalt.....	120,8	107,3	138,8
Förändringar i nettorelsekapital.....	-84,5	3,0	25,2
Förändring i avsättningar.....	-8,1	0,5	9,5
Finansnetto.....	-16,8	-18,5	-17,3
Betald/erhållen skatt.....	-13,4	-26,9	-35,6
<b>Nettokassaflöde från den löpande verksamheten.....</b>	<b>60,7</b>	<b>109,3</b>	<b>186,5</b>
<b>Kassaflöde från investeringsverksamheten</b>			
Anskaffningar av materiella och immateriella tillgångar.....	-95,6	-44,3	-84,6
Övriga investeringsaktiviteter.....	0,1	2,9	4,8
<b>Nettokassaflöde från investeringsverksamheten.....</b>	<b>-95,5</b>	<b>-41,4</b>	<b>-79,7</b>
<b>Kassaflöde från finansieringsverksamheten</b>			
Dividend (utdelning) och återbetalt kapital samt övrigt.....	-47,0	-45,9	-48,5
Ränta på hybridlånet.....	-	-6,9	-6,9
Återköp av hybridlån.....	-	-100,0	-100,0
Förändringar i lån och övrig finansieringsverksamhet.....	38,5	108,5	97,5
Försäljning/återköp av egna aktier.....	-	-5,6	-5,6
<b>Nettokassaflöde från finansieringsverksamheten.....</b>	<b>-8,5</b>	<b>-50,0</b>	<b>-63,6</b>
<b>Förändring av likvida medel</b>	<b>-43,3</b>	<b>17,9</b>	<b>43,2</b>
Likvida medel i början av perioden.....	245,9	146,0	146,0
Likvida medel som erhållits i samgåendet.....	-	66,6	66,6
Effekt av utländska valutor på likvida medel.....	-7,6	-4,8	-9,9
<b>Likvida medel vid periodens utgång</b>	<b>194,9</b>	<b>225,7</b>	<b>245,9</b>

## Finansiella nyckeltal

	1.1.-30.9. och 30.9.		1.1.-31.12. och 31.12.
	2018	2017	2017
	(oreviderad)	(oreviderad)	(oreviderad om inte annat anges)
Nettoomsättning, MEUR.....	1 725,8	1 412,9	1 959,9 <sup>1)</sup>
EBITDA, MEUR.....	185,1	157,4	210,1
Jämförelsestörande poster, MEUR.....	-20,5	-27,7	-38,1
Jämförbar EBITDA, MEUR.....	205,6	185,1	248,2
Jämförbar EBITDA-marginal, %.....	11,9	13,1	12,7
Rörelseresultat, MEUR.....	96,3	81,4	103,5 <sup>1)</sup>
Jämförbart rörelseresultat, MEUR.....	116,9	109,2	141,7
Jämförbar rörelseresultatmarginal, %.....	6,8	7,7	7,2
Jämförbart rörelseresultat exklusive avskrivningar hänförliga till förvärv, MEUR.....	139,8	125,8	166,1
Nettoresultat, MEUR.....	62,7	43,8	66,5 <sup>1)</sup>
Resultat per aktie före utspädning, EUR.....	0,64	0,53	0,78 <sup>1)</sup>
Jämförbart resultat per aktie exklusive avskrivningar hänförliga till förvärv, EUR.....	0,98	0,92	1,29
Kassaflöde från den löpande verksamheten, MEUR.....	60,7	109,3	186,5 <sup>1)</sup>
Avskrivningar och nedskrivningar, MEUR.....	88,7	76,0	106,6 <sup>1)</sup>
Investeringar, MEUR.....	95,6	44,3	84,6
Nettoskuld, MEUR.....	456,6	404,2	375,3
Skuldsättningsgrad, %.....	44,1	39,3	36,2
Medeltal anställda, FTE.....	5 909	4 847	5 109

<sup>1)</sup> Reviderad.

## Definitioner och skäl för att använda finansiella nyckeltal

Nyckeltal	Definitioner	Skäl för att använda
EBITDA	Rörelseresultat före avskrivningar	EBITDA används för att mäta Koncernens resultat
Rörelseresultat	Nettoresultat före skatt och finansnetto	Rörelseresultat visar resultat som genereras av den löpande verksamheten
Jämförbar EBITDA	EBITDA exklusive jämförelsestörande poster	
Jämförbar EBITDA-marginal, %	Jämförbar EBITDA / nettoomsättning	
Jämförbart rörelseresultat	Rörelseresultat exklusive jämförelsestörande poster	
Jämförbar rörelseresultatmarginal, %	Jämförbart rörelseresultat / nettoomsättning	
Jämförbart rörelseresultat exklusive avskrivningar hänförliga till förvärv	Rörelseresultat exklusive jämförelsestörande poster och avskrivningar hänförliga till förvärv	
Jämförbart resultat per aktie exklusive avskrivningar hänförliga till förvärv	Nettoresultat exklusive jämförelsestörande poster efter skatt och avskrivningar hänförliga till förvärv efter skatt – nettoresultat hänförligt till innehav utan bestämmande inflytande / viktat genomsnittligt antal utestående aktier	Jämförbar EBITDA, jämförbar EBITDA-marginal, jämförbart rörelseresultat, jämförbar rörelsemarginal, jämförbart rörelseresultat exklusive avskrivningar hänförliga till förvärv, och jämförbart resultat per aktie exklusive avskrivningar hänförliga till förvärv presenteras utöver EBITDA, rörelseresultat och resultat per aktie för att avspegla det underliggande verksamhetsresultatet och för att förbättra jämförbarheten mellan perioder. Koncernen anser att dessa jämförbara resultatmått ger meningsfull kompletterande information genom att exkludera poster utanför den ordinarie verksamheten, däribland tillhörande av- och nedskrivningar av materiella anläggningstillgångar, vilket minskar jämförbarheten mellan perioder
Jämförelsestörande poster	Väsentliga poster utanför den ordinarie verksamheten, som vinster och förluster vid avyttringar av verksamheter, direkta transaktionskostnader hänförliga till rörelseförvärv, kostnader för avveckling av verksamheter och omstruktureringskostnader inklusive uppsägningskostnader, engångsposter till följd av fördelning av köpeskilling, t.ex. justeringar av verkligt värde på varulager, ersättning hänförlig till miljöskador till följd av oväntade eller sällsynta händelser och andra poster, däribland viten (t.ex. viten vid skatterevision) eller andra liknande föreskrivna betalningar och rättstvister	
Investeringar	Inköp av materiella anläggningstillgångar och immateriella anläggningstillgångar så som de redovisas i kassaflödesanalysen	Investeringar ger ytterligare information om verksamhetens likviditetsbehov
Resultat per aktie före utspädning, EUR	Nettoresultat hänförligt till moderbolagets aktieägare / viktat genomsnittligt antal utestående aktier	
Nettoskuld	Lång- och kortfristiga lån minus likvida medel	Nettoskuld är en indikator när det gäller att mäta koncernens externa skuldfinansiering
Skuldsättningsgrad, %	Nettoskuld / summa eget kapital	Koncernen anser att skuldsättningsgraden hjälper koncernen att visa nivån för finansiell risk och den är ett användbart mått för företagsledningen för övervakning av nivån av koncernens skuldsättning. Skuldsättningsgrad är också ett av koncernens mått för långsiktiga finansiella mål

Avstämning av vissa resultatmått

	1.1.-30.9.		1.1.-31.12.
	2018	2017	2017
MEUR, om inte annat anges	(oreviderad)	(oreviderad)	(oreviderad om inte annat anges)
<b>Jämförelsestörande poster</b>			
Transaktionskostnader	-6,0	-6,0	-5,8
Integrationskostnader	-11,7	-10,8	-17,2
Varulager till verkligt värde	-	-11,1	-11,1
Omstruktureringskostnader	-2,6	-0,3	-1,0
Miljöavsättningar	-0,2	-0,2	-1,5
Vinst vid avyttring av verksamhet	-	0,7	0,7
Övrigt	0,0	-	-2,3
<b>Summa jämförelsestörande poster</b>	<b>-20,5</b>	<b>-27,7</b>	<b>-38,1</b>
<b>Jämförbar EBITDA</b>			
Rörelseresultat	96,3	81,4	103,5 <sup>1)</sup>
Summa jämförelsestörande poster	20,5	27,7	38,1
Av- och nedskrivningar	88,7	76,0	106,6 <sup>1)</sup>
<b>Jämförbar EBITDA</b>	<b>205,6</b>	<b>185,1</b>	<b>248,2</b>
<b>Jämförbart rörelseresultat exklusive avskrivningar hänförliga till förvärv</b>			
Rörelseresultat	96,3	81,4	103,5 <sup>1)</sup>
Summa jämförelsestörande poster	20,5	27,7	38,1
<b>Jämförbart rörelseresultat</b>	<b>116,9</b>	<b>109,2</b>	<b>141,7</b>
Avskrivningar avseende förvärv <sup>2)</sup>	23,0	16,6	24,4
<b>Jämförbart rörelseresultat exklusive avskrivningar hänförliga till förvärv</b>	<b>139,8</b>	<b>125,8</b>	<b>166,1</b>
<b>Jämförbart nettoresultat exklusive avskrivningar hänförliga till förvärv</b>			
Nettoresultat	62,7	43,8	66,5 <sup>1)</sup>
Summa jämförelsestörande poster	20,5	27,7	38,1
Skatter relaterade till jämförelsestörande poster	-4,9	-8,3	-11,4
<b>Jämförbart nettoresultat</b>	<b>78,4</b>	<b>63,3</b>	<b>93,3</b>
Avskrivningar avseende förvärv <sup>2)</sup>	23,0	16,6	24,4
Skatter relaterade till avskrivningar hänförliga till samgående (PPA)	-5,8	-5,0	-7,3
<b>Jämförbart nettoresultat exklusive avskrivningar hänförliga till förvärv</b>	<b>95,6</b>	<b>74,9</b>	<b>110,3</b>
<b>Jämförbart resultat per aktie, EUR</b>			
Jämförbart nettoresultat	78,4	63,3	93,3
Periodens resultat hänförligt till innehav utan bestämmande inflytande	-1,3	-0,5	-0,6
Jämförbart nettoresultat hänförligt till moderbolagets aktieägare	77,0	62,8	92,7
Viktat genomsnittligt antal utstående aktier	96 073 711	81 189 753	84 941 326
<b>Jämförbart resultat per aktie, EUR</b>	<b>0,80</b>	<b>0,77</b>	<b>1,09</b>
<b>Jämförbart resultat per aktie exklusive avskrivningar hänförliga till förvärv, EUR</b>			
Jämförbart nettoresultat exklusive avskrivningar hänförliga till förvärv	95,6	74,9	110,3
Periodens resultat hänförligt till innehav utan bestämmande inflytande	-1,3	-0,5	-0,6
Jämförbart nettoresultat exklusive avskrivningar hänförliga till förvärv hänförligt till moderbolagets aktieägare	94,2	74,4	109,8
Viktat genomsnittligt antal utstående aktier	96 073 711	81 189 753	84 941 326
<b>Jämförbart resultat per aktie exklusive avskrivningar hänförliga till förvärv, EUR</b>	<b>0,98</b>	<b>0,92</b>	<b>1,29</b>

<sup>1)</sup> Reviderad.

<sup>2)</sup> Avskrivningar avseende förvärv av verksamheten Label and Processing 2013 och av Ahlstrom i april 2017.

Med undantag av Expera-förvärvet, förvärvet av Caieiras samt den relaterade finansieringen har det inte förekommit väsentliga förändringar i Bolagets finansiella situation eller ställning på marknaden från den 30 september 2018 fram till datumet för detta Prospekt.

## B.8 Finansiell proformainformation

Den oreviderade finansiella proformainformationen ("**Oreviderad Finansiell Proformainformation**") presenteras enbart i illustrativt syfte för att påvisa effekten av Expera-förvärvet och relaterad finansiering, Caieiras-förvärvet och relaterad finansiering samt fusionen mellan Munksjö och Ahlstrom och relaterad refinansiering (tillsammans "**Transaktionerna**") på Ahlstrom-Munksjös historiska finansiella information. Förvärvet av Expera och Caieiras och fusionen mellan Ahlstrom och Munksjö har redovisats som en fusion vid konsolideringen med tillämpning av förvärvsmetoden i enlighet med bestämmelserna i IFRS, med Ahlstrom-Munksjö som förvärvande bolag. Den oreviderade kombinerade proformabalansräkningen per den 30 september 2018 påvisar effekten av Transaktionerna som om de hade ägt rum per detta datum. Den oreviderade kombinerade proformaresultaträkningen för niomånadsperioden som slutade den 30 september 2018 och för räkenskapsåret som slutade den 31 december 2017 påvisar effekten av Transaktionerna som om de hade ägt rum per den 1 januari 2017.

Den Oreviderade Finansiella Proformainformationen har upprättats i enlighet med Bilaga II till EU-kommissionens förordning (EG) nr 809/2004, med ändringar, på ett sätt som är förenligt med redovisningsprinciper som tillämpats av Ahlstrom-Munksjö på dess koncernredovisning, som upprättats i enlighet med IFRS såsom de antagits av den Europeiska Unionen. Den Oreviderade Finansiella Proformainformationen har inte upprättats i enlighet med artikel 11 i Regulation S-X i Förenta Staternas värdepapperslag (*U.S. Securities Act*) eller riktlinjerna som fastställts av den amerikanska revisorsföreningen (*American Institute of Certified Public Accountants*).

Den Oreviderade Finansiella Proformainformationen har härletts från (a) Ahlstrom-Munksjös reviderade konsoliderade IFRS-redovisning för räkenskapsåret som slutade den 31 december 2017 och den oreviderade IFRS-delårsrapporten för niomånadsperioden som slutade den 30 september 2018, (b) Specialty Papers Acquisition, LLC:s reviderade finansiella rapport för räkenskapsåret som slutade den 31 december 2017, den oreviderade koncernredovisningen i sammandrag för tremånadersperioden och niomånadersperioden som slutade den 30 september 2018, och den oreviderade koncernbalansräkningen per den 10 oktober 2018, alla upprättade i enlighet med US GAAP, (c) Ahlstroms reviderade slutredovisning för tremånadersperioden som slutade den 31 mars 2017 och (d) Caieiras oreviderade finansiella information för avknoppningen för niomånadersperioden som slutade den 30 september 2018 och för räkenskapsåret som slutade den 31 december 2017 upprättade i enlighet med brasilianska GAAP.

Den Oreviderade Finansiella Proformainformationen återspeglar tillämpningen av proformajusteringar som grundar sig på tillgänglig information och vissa antaganden, som Ahlstrom-Munksjö anser vara rimliga under omständigheterna. Ahlstrom-Munksjö har gjort en preliminär allokering av de totala köpeskillingarna för Expera och Caieiras till de förvärvade nettotillgångarna. Ahlstrom-Munksjö har inte slutfört samtliga detaljerade värderingsstudier för bedömningen av det verkliga värdet av de förvärvade tillgångarna och de övertagna skulderna. De verkliga värden som redovisas vid konsolideringen kan skilja sig från de belopp som anges i den Oreviderade Finansiella Proformainformationen. Den Oreviderade Finansiella Proformainformationen har upprättats av Ahlstrom-Munksjö enbart i illustrativt syfte och på grund av dess natur gäller den en hypotetisk situation och är inte nödvändigtvis indikativ av den faktiska finansiella ställning eller det rörelseresultat som skulle ha realiserats om Transaktionerna hade genomförts på de angivna datumen, och den är inte heller avsedd att vara indikativ av en eventuell förväntad finansiell ställning eller framtida rörelseresultat som kan komma att uppnås framöver. Den oreviderade kombinerade proformaresultaträkningen återspeglar inga förväntade kostnadsbesparingar, synergifördelar eller framtida integrationskostnader som förväntas genereras eller som kan uppkomma som ett resultat av Transaktionerna.

*Oreviderad kombinerad proformabalansräkning per den 30 september 2018*

miljoner euro	Ahlstrom- Munksjö historisk	Expera proforma	Caieiras proforma	Finansiering av Expera proforma	Finansiering av Caieiras proforma	Summa proforma
<b>TILLGÅNGAR</b>						
<b>Anläggningstillgångar</b>						
Materiella anläggningstillgångar	841,3	198,7	41,7	-	-	1 081,6
Goodwill	428,0	176,7	29,2	-	-	633,8
Övriga immateriella anläggningstillgångar	297,2	179,0	26,0	-	-	502,2
Andelar i intresseföretag	-	-	-	-	-	-
Andra investeringar	1,6	0,1	-	-	-	1,7
Övriga kortfristiga fordringar	8,6	2,3	0,1	-	-	11,0
Uppskjutna skattefordringar	2,5	0,5	0,3	-	-	3,3
<b>Summa anläggningstillgångar</b>	<b>1 579,1</b>	<b>557,2</b>	<b>97,2</b>	<b>-</b>	<b>-</b>	<b>2 233,6</b>
<b>Omsättningstillgångar</b>						
Varulager	329,5	90,8	12,4	-	-	432,8
Kundfordringar och övriga fordringar	300,1	62,9	15,0	-0,8	-	377,1
Skattefordringar	2,4	1,1	0,2	1,8	0,0	5,5
Likvida medel	194,9	-521,4	-89,5	524,2	70,9	179,1
<b>Summa omsättningstillgångar</b>	<b>826,9</b>	<b>-366,6</b>	<b>-61,9</b>	<b>525,2</b>	<b>70,9</b>	<b>994,5</b>
<b>SUMMA TILLGÅNGAR</b>	<b>2 406,0</b>	<b>190,7</b>	<b>35,3</b>	<b>525,2</b>	<b>70,9</b>	<b>3 228,1</b>
<b>EGET KAPITAL OCH SKULDER</b>						
<b>Eget kapital hänförligt till moderbolagets aktieägare</b>						
Aktiekapital	85,0	-	-	-	-	85,0
Fonden för inbetalt fritt kapital	517,6	-	-	144,5	-	662,1
Övriga reserver och egna aktier	294,3	-2,0	-	-	-	292,3
Balanserat resultat och årets resultat	127,7	-4,1	-0,1	-1,6	-0,0	121,8
<b>Summa eget kapital hänförligt till moderbolagets aktieägare</b>	<b>1 024,6</b>	<b>-6,2</b>	<b>-0,1</b>	<b>142,8</b>	<b>-0,0</b>	<b>1 161,2</b>
Innehav utan bestämmande inflytande	9,8	-	-	-	-	9,8
<b>Summa eget kapital</b>	<b>1 034,4</b>	<b>-6,2</b>	<b>-0,1</b>	<b>142,8</b>	<b>-0,0</b>	<b>1 171,0</b>
<b>Långfristiga skulder</b>						
Långfristiga lån	532,4	10,7	-	412,6	70,9	1 026,6
Övriga långfristiga skulder	0,7	0,0	-	-	-	0,7
Förpliktelser avseende ersättningar till anställda	90,3	-	-	-	-	90,3
Uppskjutna skatteskulder	94,0	59,1	13,9	-	-	167,0
Avsättningar	12,8	8,8	-	-	-	21,6
<b>Summa långfristiga skulder</b>	<b>730,2</b>	<b>78,6</b>	<b>13,9</b>	<b>412,6</b>	<b>70,9</b>	<b>1 306,2</b>
<b>Kortfristiga skulder</b>						
Kortfristiga lån	119,2	46,5	-	-30,0	-	135,7
Leverantörsskulder och övriga skulder	507,4	71,6	20,4	-0,3	-	599,2
Skatteskulder	9,5	0,0	1,1	-	-	10,6
Avsättningar	5,3	0,1	-	-	-	5,4
<b>Summa kortfristiga skulder</b>	<b>641,4</b>	<b>118,2</b>	<b>21,5</b>	<b>-30,3</b>	<b>-</b>	<b>750,8</b>
<b>Summa skulder</b>	<b>1 371,6</b>	<b>196,8</b>	<b>35,4</b>	<b>382,3</b>	<b>70,9</b>	<b>2 057,1</b>
<b>SUMMA EGET KAPITAL OCH SKULDER</b>	<b>2 406,0</b>	<b>190,7</b>	<b>35,3</b>	<b>525,2</b>	<b>70,9</b>	<b>3 228,1</b>

*Oreviderad kombinerad proformaresultaträkning för den niomånadersperiod som slutade den 30 september 2018*

<b>miljoner euro, såvida inget annat anges</b>	<b>Ahlstrom-Munksjö historisk</b>	<b>Expera proforma</b>	<b>Caieiras proforma</b>	<b>Finansiering av Expera proforma</b>	<b>Finansiering av Caieiras proforma</b>	<b>Summa proforma</b>
Nettoomsättning	1 725,8	470,5	65,9	-	-	2 262,2
Övriga rörelseintäkter	6,3	1,2	-	-	-	7,5
<b>Summa rörelsens intäkter</b>	<b>1 732,1</b>	<b>471,7</b>	<b>65,9</b>	-	-	<b>2 269,7</b>
<b>Rörelsens kostnader</b>						
Förändringar av varulager och pågående arbeten	28,8	0,4	0,2	-	-	29,4
Råvaror och förnödenheter	-860,9	-191,4	-43,1	-	-	-1 095,5
Övriga externa kostnader	-408,6	-119,4	-5,9	-	-	-533,9
Personalkostnader	-306,3	-116,3	-7,8	-	-	-430,4
Avskrivningar och nedskrivningar	-88,7	-20,7	-5,3	-	-	-114,8
<b>Summa rörelsens kostnader</b>	<b>-1 635,8</b>	<b>-447,5</b>	<b>-61,9</b>	-	-	<b>-2 145,2</b>
Resultatandel i intresseföretag	-	-	-	-	-	-
<b>Rörelseresultat</b>	<b>96,3</b>	<b>24,2</b>	<b>3,9</b>	-	-	<b>124,5</b>
Finansiella intäkter	9,0	-	0,5	-	-	9,5
Finansiella kostnader	-21,0	-2,1	-0,2	-11,7	-4,6	-39,6
<b>Finansnetto</b>	<b>-12,0</b>	<b>-2,1</b>	<b>0,3</b>	<b>-11,7</b>	<b>-4,6</b>	<b>-30,1</b>
<b>Resultat före skatt</b>	<b>84,3</b>	<b>22,1</b>	<b>4,3</b>	<b>-11,7</b>	<b>-4,6</b>	<b>94,3</b>
Skatter	-21,6	-4,5	-1,7	2,7	1,6	-23,5
<b>Periodens resultat</b>	<b>62,7</b>	<b>17,6</b>	<b>2,5</b>	<b>-9,0</b>	<b>-3,0</b>	<b>70,8</b>
<b>Periodens resultat hänförligt till:</b>						
Moderbolagets aktieägare	61,4	17,6	2,5	-9,0	-3,0	69,5
Innehav utan bestämmande inflytande	1,3	-	-	-	-	1,3
<b>Resultat per aktie, hänförligt till moderbolagets aktieägare (not 6)</b>						
Före utspädning, EUR	0,64					0,60
Efter utspädning, EUR	0,64					0,60



*Oreviderad kombinerad proformaresultaträkning för räkenskapsåret som slutade den 31 december 2017*

<b>miljoner euro, såvida inget annat anges</b>	<b>Ahlstrom-Munksjö (reviderad) historisk</b>	<b>Fusion och relaterad refinansiering</b>	<b>Expera proforma</b>	<b>Caieiras proforma</b>	<b>Finansiering av Expera proforma</b>	<b>Finansiering av Caieiras proforma</b>	<b>Summa proforma</b>
Nettoomsättning	1 959,9	272,6	637,9	91,0	-	-	2 961,5
Övriga rörelseintäkter	12,7	7,0	1,5	-	-	-	21,2
<b>Summa rörelsens intäkter</b>	<b>1 972,6</b>	<b>279,6</b>	<b>639,4</b>	<b>91,0</b>	<b>-</b>	<b>-</b>	<b>2 982,6</b>
<b>Rörelsens kostnader</b>							
Förändringar av varulager och pågående arbeten	-6,4	2,8	-3,2	0,8	-	-	-6,0
Råvaror och förnödenheter	-920,2	-119,9	-249,8	-54,5	-	-	-1 344,3
Övriga externa kostnader	-472,0	-65,8	-178,1	-13,4	-	-	-729,4
Personalkostnader	-363,7	-52,8	-160,4	-12,7	-	-	-589,6
Avskrivningar och nedskrivningar	-106,6	-19,9	-30,9	-8,4	-	-	-165,8
<b>Summa rörelsens kostnader</b>	<b>-1 868,9</b>	<b>-255,6</b>	<b>-622,5</b>	<b>-88,2</b>	<b>-</b>	<b>-</b>	<b>-2 835,2</b>
Resultatandel i intresseföretag	-0,2	-	-	-	-	-	-0,2
<b>Rörelseresultat</b>	<b>103,5</b>	<b>24,0</b>	<b>16,9</b>	<b>2,8</b>	<b>-</b>	<b>-</b>	<b>147,3</b>
Finansiella intäkter	9,5	4,6	-	0,4	-	-	14,5
Finansiella kostnader	-35,7	-7,4	-2,1	-0,3	-20,8	-7,5	-73,8
<b>Finansnetto</b>	<b>-26,2</b>	<b>-2,8</b>	<b>-2,1</b>	<b>0,1</b>	<b>-20,8</b>	<b>-7,5</b>	<b>-59,3</b>
<b>Resultat före skatt</b>	<b>77,3</b>	<b>21,2</b>	<b>14,8</b>	<b>2,9</b>	<b>-20,8</b>	<b>-7,5</b>	<b>88,0</b>
Skatter	-10,8	-6,9	-4,5	3,9	4,7	2,5	-11,1
<b>Periodens resultat</b>	<b>66,5</b>	<b>14,3</b>	<b>10,3</b>	<b>6,8</b>	<b>-16,1</b>	<b>-5,0</b>	<b>76,9</b>
<b>Periodens resultat hänförligt till:</b>							
Moderbolagets aktieägare	65,9	14,2	10,3	6,8	-16,1	-5,0	76,2
Innehav utan bestämmande inflytande	0,6	0,1	-	-	-	-	0,7
<b>Resultat per aktie, hänförligt till moderbolagets aktieägare</b>							
Före utspädning, EUR	0,78						0,66
Efter utspädning, EUR	0,78						0,66

**B.9** Resultatprognos eller - uppskattning Ej tillämplig. Prospektet innehåller ingen resultatprognos eller -uppskattning.

**B.10** Beskrivning av typen av anmärkningar i revisionsberättelsen om den historiska finansiella informationen Ej tillämplig. Bolagets revisionsberättelse för räkenskapsåret som slutade den 31 december 2017 innehåller inga anmärkningar.

**B.11** Emittentens rörelsekapital Bolaget tror att dess tillgängliga rörelsekapital är tillräckligt för åtminstone de 12 månader som följer från datumet för detta Prospekt.

**Punkt****Avsnitt C — Värdepapper**

- C.1** Slag och kategori av värdepapper som emitteras och/eller tas upp till handel  
Bolaget har ett aktieslag och varje aktie ger en röst vid Bolagets bolagsstämma. Bolagets aktier har inget nominellt belopp. Handelskoden för Ahlstrom-Munksjös aktier är AM1 på Nasdaq Helsinki Oy ("**Nasdaq Helsingfors**") och AMS1 på Nasdaq Stockholm AB ("**Nasdaq Stockholm**"). Aktiernas ISIN-kod är FI4000048418. Aktierna är fritt överlåtbara.
- C.2** Värdepapperens valuta  
Valutan på de emitterade värdepapperen är Euro.
- C.3** Antal emitterade aktier / nominellt belopp  
Bolagets registrerade aktiekapital per datumet för Prospektet är 85 005 912 euro. Bolaget har 96 438 573 utestående aktier som är fullt betalda. Per datumet för detta Prospekt, innehar Bolaget 364 862 av sina egna aktier. Bolagets aktier har inget nominellt belopp.
- C.4** Beskrivning av rättigheter som sammanhänger med värdepapperen  
Rättigheterna som sammanhänger med aktierna bestäms på basis av den finska aktiebolagslagen (624/2006, med ändringar, "**Aktiebolagslagen**") och annan tillämplig finsk reglering.

**Aktieägares företrädesrätt att teckna aktier**

Enligt Aktiebolagslagen har aktieägarna i ett finskt aktiebolag rätt att med företrädesrätt teckna bolagets nya aktier, optionsrätter och konvertibla obligationer i förhållande till antalet aktier de sedan tidigare äger i bolaget, förutsatt att inget annat fastställs i bolagsstämmans eller styrelsens beslut om sådan emission.

**Bolagsstämma**

Aktieägarna utövar sin beslutanderätt i ärenden som angår Bolaget på bolagsstämman. Enligt Aktiebolagslagen har aktieägarna rätt att delta och rösta i bolagsstämman. En aktieägare kan delta och rösta i bolagsstämman antingen personligen eller genom ombud.

Beslut på bolagsstämman kräver i regel en majoritet av de avgivna rösterna. Vissa beslut ska dock fattas med en kvalificerad majoritet om två tredjedelar av de avgivna rösterna och de vid bolagsstämman företrädde aktierna, såsom ändring av bolagsordningen, riktad aktieemission, samt beslut om fusion eller delning. Dessutom kräver vissa beslut, såsom riktad inlösen av bolagets aktier, samtycke av samtliga aktieägare.

**Dividend och annan utdelning av medel**

Alla aktier, inklusive de Erbjudna aktierna, berättigar till lika rätt till dividend och annan utdelning av medel (inklusive utdelning av Bolagets tillgångar vid likvidation) efter att aktierna registrerats i handelsregistret som upprätthålls av Patent- och registerstyrelsen ("**Handelsregistret**").

Dividend kan utdelas endast efter att bolagsstämman har fastställt Bolagets bokslut och fattat beslut om utdelning av dividend på basis av styrelsens förslag. Interimsdividender baserat på pågående räkenskapsårs vinst kan utdelas endast om en extra bolagsstämma fastställt nya reviderade finansiella rapporter. Enligt Aktiebolagslagen kan bolagsstämman också befullmäktiga styrelsen att besluta om utbetalning av dividend eller annan utdelning av fritt eget kapital. Storleken på dividenden eller annan utdelning av fritt eget kapital kan inte överskrida den av bolagsstämman fastslagna summan. Beslut om utdelning av dividender eller befullmäktigande av styrelsen att besluta om utdelning av dividender kräver ett majoritetsbeslut på bolagsstämman.

Storleken på utdelade dividender får inte överskrida beloppet av utdelningsbara medel i Bolagets senast fastställda bokslut. Väsentliga ändringar i Bolagets finansiella position efter fastställande av det föregående bokslutet ska tas i beaktande vid beslut om utdelning av dividend. Dividend får inte heller utdelas, om det då utdelningsbeslutet fattades var känt eller borde ha varit känt att Bolaget var insolvent eller att utdelningen skulle leda till insolvens.

- C.5** Inskränkningar i rätten att fritt överlåta värdepapperen  
Aktierna är fritt överlåtbara. Distribution av detta Prospekt samt Aktieemissionen kan vara föremål för begränsningar i vissa jurisdiktioner.

C.6	Ansökan om upptagande till handel	Bolaget kommer att lämna en ansökan om att de Erbjudna aktierna ska upptas för offentlig handel på Nasdaq Helsingfors och Nasdaq Stockholm.
C.7	Dividendpolicy	Bolagets styrelse tillsammans med koncernledningen överväger lämpliga finansiella mål för Bolaget och kommer överens om ett ramverk för de finansiella målen. Enligt de långsiktiga finansiella målen som styrelsen har godkänt, siktar Bolaget på en stabil och årligen ökande dividend som ska betalas ut två gånger per år till aktieägarna.

Eventuell utbetalning av dividend av Bolaget, inklusive beloppen och tidpunkterna för denna utdelning kommer att bero på ett antal faktorer som bedöms som relevanta av styrelsen. Det är inte möjligt att garantera att dividend kommer att utdelas för ett visst år. Om dividend utdelas, är det inte möjligt att ge garantier för utdelningens belopp eller utbetalningsförhållande. Vidare är inte utdelad dividend för ett visst år en indikation på dividend som betalas för något efterföljande år.

## Punkt

**D.1** Väsentlig information om de huvudsakliga riskerna för emittenten eller branschen

## Avsnitt D — Risker

### Risker som hänför sig till Bolagets verksamhetsmiljö

- Osäkra förhållanden på den globala ekonomiska och finansiella marknaden kan ha en väsentligt negativ inverkan på Bolagets affärsverksamhet, finansiella ställning och verksamhetens resultat.
- Efterfrågan på Bolagets produkter påverkas av bland annat den periodiska karaktären av den bransch i vilken Bolaget är verksam samt av förändrade marknadsförhållanden.
- Konkurrensen på segmenten för fiber-baserade lösningar och produkter är hård, vilket kan dra ner priser eller leda till en betydande minskning i efterfrågan på Bolagets produkter.
- Volatilitet eller öknings i priset på råvaror eller energi samt tillgängligheten av råvaror och energi kan ha en väsentlig inverkan på Bolagets lönsamhet.
- Politiska, finansiella eller juridiska risker i tillväxtmarknader kan ha en väsentligt negativ inverkan på Bolaget.
- Ekonomiska sanktioner och restriktioner i handeln, så som tariffer, kan ha en väsentligt negativ inverkan på Bolagets affärsverksamhet, finansiella ställning och verksamhetens resultat.

### Risker som hänför sig till Bolagets verksamhet

- Bolaget lyckas nödvändigtvis inte realisera vissa eller inga som helst av de förväntade fördelarna med förvärven av Expera och Caieiras och är nödvändigtvis inte heller framgångsrik i integrationen av Expera, Caieiras eller andra förvärvade enheter i bolagets befintliga verksamhet på det sätt eller inom den tidsram som för tillfället är estimerat.
- Expera-förvärvet samt andra företagsförvärv är föremål för ett antal risker förenade med förvärv, såsom tilläggskostnader och ansvar som resulterar från de förvärvade enheternas potentiella ansvar eller brister.
- Problem associerade med Bolagets omorganisering eller –strukturering kan ha en väsentligt negativ inverkan på Bolaget.
- Som ett resultat av Expera-förvärvet och andra företagsförvärv, är Bolaget utsatt för potentiella förluster av nyckelpersoner och kan även misslyckas i att locka eller hålla kvar kvalificerad ledning och annan yrkeskunnig personal.
- Bolaget lyckas nödvändigtvis inte med att framgångsrikt implementera sin affärsstrategi eller i att effektivt behärska sin tillväxt.
- Bolaget kan misslyckas med produktutveckling och innovation eller i utvecklingen av dess produktionsprocesser i syfte att hålla takt med konkurrenter och Bolaget kan vara tvunget att göra ytterligare investeringar på grund av tekniska utvecklingar inom branschen.
- Problem som är associerade med operativ effektivitet kan ha en väsentligt negativ inverkan på Bolaget.
- Branschen för fiber-baserade lösningar och produkter karaktäriseras av betydande investeringar i produktionsprocesser och i underhållet av existerande produktions- och konverteringsanläggningar. Misslyckande eller fördröjning i vilka som helst nuvarande eller kommande investeringar av betydande storlek eller i relaterade investeringsprocesser kan ha en väsentligt negativ inverkan på Bolaget.

- Förlust av betydelsefulla kundrelationer och kundkoncentrationer kan skada Bolagets affärsverksamhet.
- Bolaget kommer att vara utsatt för avbrott och skador vid sina produktions- och konverteringsanläggningar.
- Betydande problem med IT-system kan ha en väsentligt negativ effekt på bolagets affärsverksamhet, finansiella ställning och verksamhetens resultat.
- Misslyckande med att etablera, ombesörja och skydda immateriella rättigheter kan ha en väsentligt negativ inverkan på bolagets konkurrenskraft samt bolagets affärsverksamhet, finansiella ställning och verksamhetens resultat.
- Bolaget är utsatt för risken att dess finansiella rapportering är felaktig och vilseledande.
- Bolaget är utsatt för risken för arbetsmarknadstvister, avbrott i arbete och ökade kostnader för arbetskraft.
- Efterföljandet av miljö-, hälso-, och säkerhetslagstiftning samt efterföljandet av annan nationell och internationell lagstiftning och reglering kan öka Bolagets rörelsekostnader och potentiella brott mot lagstiftning och reglering kan ha en väsentligt negativ inverkan på Bolaget.
- Bolaget kan misslyckas med att efterfölja villkoren i sina miljötillstånd, vilket kan leda till förluster i produktionen och böter och/eller ändring av miljötillstånden.
- Bolagets verksamhet utsätts för risker relaterade till mänsklig hälsa, miljö och naturresurser.
- Bolagets försäkringspolicy erbjuder endast begränsat skydd, vilket kan leda till att Bolaget potentiellt är oförsäkrat mot vissa risker.
- Problem relaterade till produktsäkerhet och produktansvar kan avbryta Bolagets produktion och Bolaget kan bli tvunget att betala skadestånd eller annan kompensation som ett resultat av produktansvarskrav.
- Bolaget kan tidvis vara involverat i rättsprocesser och andra liknande förfaranden som kan ha en väsentligt negativ inverkan på Bolagets affärsverksamhet, finansiella ställning och verksamhetens resultat.
- Skada på Bolagets anseende kan ha en negativ effekt på Bolaget.

#### **Risker som hänför sig till Bolagets finansiella ställning och finansiering**

- Den Oreviderade Finansiella Proformainformationen i detta Prospekt är presenterat endast för illustrativa ändamål och kan avvika väsentligt från Bolagets verkliga rörelseresultat eller finansiella ställning efter Transaktionerna.
- Bolaget kan ha svårigheter med att få tilläggsfinansiering eller med att efterleva finansiella kovenanter som ingår i bolagets kreditfaciliteter samt andra lån, vilket kan ha en väsentligt negativ effekt på Bolagets verksamhet, finansiella ställning och verksamhetens resultat.
- Bolagets skattebörda kan öka på grund av förändringar i skattelagstiftning och reglering eller på grund av förändringar gällande tillämpningen eller tolkningen av dessa, eller som ett resultat av pågående eller framtida skatterevisioner.
- Ifall bolaget misslyckas med att utnyttja dess uppskjutna skattefordringar, kan verksamhetens resultat påverkas negativt.
- En försvagning av goodwill eller andra immateriella eller materiella anläggningstillgångar kan ha en negativ inverkan på Bolagets finansiella ställning eller Bolagets rörelseresultat.
- Antagande av nya eller omarbetade IFRS-standards kan ha en väsentlig inverkan på Bolagets framtida koncernbokslut.
- Bolaget kommer att vara utsatt för förändringar i utländska växelkurser.
- Bolaget kommer att vara utsatt för förändringar i räntesatser.
- Kostnader relaterade till pensionsförmånsplaner kan öka.
- Finansiella svårigheter eller konkurs av en eller flera av Bolagets stora kunder eller finansiella motparter kan ha en negativ inverkan på Bolagets affärsverksamhet, finansiella ställning och verksamhetens resultat.

**D.3** Väsentlig information om de huvudsakliga riskerna för värdepapperen

#### **Risker som hänför sig till aktierna, Teckningspriset och Aktieemissionen**

- Bolagets förmåga att betala dividend eller utdelningar av fritt eget kapital i enlighet med dess dividendpolicy eller i övrigt, är beroende av tillgängligheten på utdelningsbara medel och Bolaget kan vara oförmöget att, eller bestämma sig för att i framtiden inte betala dividend eller andra utdelningar av fritt eget kapital.

- Vissa av Bolagets stora aktieägares intressen kan avvika från övriga aktieägares intressen.
- En aktieägares aktieinnehav kommer att spådas ut om inte aktieägaren använder sin Teckningsrätt och Teckningsrätterna kan förlora sitt värde.
- Det är möjligt att man genom Aktieemissionen misslyckas med insamlingen av medel till fullo.
- Investerarare har inte rätt att återkalla användningen av Teckningsrätter eller försäljningar eller andra överlåtelser av Interimsaktier eller BTAn.
- Marknadspriset på Teckningsrätterna och de Erbjudna Aktierna kan fluktuera avsevärt och priset på de Erbjudna Aktierna kan falla lägre än Teckningspriset.
- Teckningsrätterna, Interimsaktierna och BTAn blir nödvändigtvis inte föremål för aktiv handel.
- Framtida erbjudanden av aktier eller försäljning av en avsevärd mängd av aktier kan ha en negativ effekt på marknadspriset på aktierna och vilka som helst framtida erbjudanden av aktier kan spåda ut nuvarande aktieägares aktieinnehav.
- Vissa utländska aktieägare kan inte nödvändigtvis använda sina teckningsrätter.

## Punkt

## Avsnitt E — Erbjudande

E.1	Totala nettointäkter och uppskattade totala kostnader för emissionen/erbjudandet	Se Punkt E.2a.
E.2a	Motiven till erbjudandet, användning av medel erbjudandet förväntas tillföra och det beräknade nettobeloppet för medlen som erbjudandet förväntas tillföra	<p>Bolaget och Specialty Papers Holdings, L.P. har den 23 juli 2018 undertecknat Aktieförvärvsavtalet angående förvärvet av Expera, en i Förenta Staterna baserad specialpapperstillverkare.</p> <p>I syfte att återbetala de utestående bryggfaciliteterna som hänför sig till Experiaförvärvet har Bolagets styrelse den 19 november 2018 beslutat, på basis av befullmäktigandet av den extra bolagsstämman den 19 september 2018, att genomföra Aktieemissionen. Under antagande att alla Erbjudna Aktier tecknas i Aktieemissionen kommer bruttointäkterna från Aktieemissionen att uppgå till ungefär 150 miljoner euro. Bolaget uppskattar att det kommer att betala ungefär 6,9 miljoner euro i arvoden och kostnader i samband med Aktieemissionen, vilket resulterar i nettointäkter om ungefär 144,5 miljoner euro med beaktande av den till transaktionskostnaderna hänförliga skatteinverkan på cirka 1,4 miljoner euro.</p>
E.3	Erbjudandets former och villkor	<p>Ahlstrom-Munksjö erbjuder för teckning, i en aktieemission mot vederlag med företrädesrätt för nuvarande aktieägare, ett antal om högst 19 214 742 aktier i Bolaget (de ”<b>Erbjudna Aktierna</b>”) till ett teckningspris om 7,81 euro (”<b>Teckningspriset</b>”) (”<b>Aktieemissionen</b>”).</p> <p>Alla aktieägare i Ahlstrom-Munksjö som på Aktieemissionens avstämningsdag den 21 November 2018 (”<b>Avstämningsdagen</b>”) är antecknade i aktieägarförteckningen som upprätthålls av Euroclear Finland eller i den aktiebok som upprätthålls av Euroclear Sweden, erhåller för varje aktie de på Avstämningsdagen äger en (1) teckningsrätt i värdeandelsform som berättigar till teckning av Erbjudna Aktier (”<b>Teckningsrätt</b>”).</p> <p>Varje fem (5) Teckningsrätter berättigar till teckning av en (1) Erbjuden Aktie till Teckningspriset (”<b>Primär Teckningsrätt</b>”). Teckningsrätterna registreras på aktieägarnas värdeandelskonton i värdeandelssystemet som upprätthålls av Euroclear Finland den 22 november 2018 och den 23 november 2018 i värdeandelssystemet som upprätthålls av Euroclear Sweden.</p> <p>Teckningstiden för de Erbjudna aktierna börjar den 26 november 2018 kl. 9.30 finsk tid och slutar den 12 december 2018 kl. 16.30 finsk tid (”<b>Teckningstiden</b>”). Teckningsrätterna är fritt överlåtbara och är föremål för handel på Nasdaq Helsingfors mellan den 26 november 2018 och den 5 december 2018 och på Nasdaq Stockholm mellan den 26 november 2018 och den 10 december 2018. Teckningsrätter som inte använts vid slutet av Teckningstiden den 12 december 2018 kl. 16.30 finsk tid, förfaller som värdelösa.</p> <p>Ifall att de Erbjudna Aktierna inte tecknas till fullo enligt den Primära Teckningsrätten, har Bolagets aktieägare och andra investerare rätt att teckna sådana aktier (”<b>Sekundär Teckningsrätt</b>”). Erbjudna Aktier som inte tecknats under den</p>

Primära Teckningsrätten och den Sekundära Teckningsrätten kan komma att riktas för teckning enligt vad som beslutas av styrelsen.

Vissa av Bolagets aktieägare har var för sig, oåterkalleligen åtagit sig att fullt ut teckna Erbjudna Aktier med stöd av de Teckningsrätter som de blivit tilldelade, dvs. totalt cirka 36,9 procent av de Erbjudna Aktierna ("**Teckningsåtagandet**"). Dessutom har Antti Ahlström Perilliset Oy oåterkalleligen åtagit sig att teckna Erbjudna Aktier som kan komma att förbli otecknade i Aktieemissionen till ett belopp motsvarande cirka 10,0 procent av de Erbjudna Aktierna ("**Teckningsgaranten**"). De teckningsåtaganden som täcks av Teckningsåtagandet och Teckningsgaranten motsvarar totalt cirka 46,9 av antalet Erbjudna Aktier. Nordea Bank Abp ("**Nordea**") och Skandinaviska Enskilda Banken AB (publ) ("**Skandinaviska Enskilda Banken**") har ingått ett avtal om teckningsgaranti med Bolaget ("**Teckningsgarantiavtalet**"), enligt vilket de var för sig överenskommit, i enlighet med vissa villkor, att anskaffa tecknare för eventuella Erbjudna Aktier som kan komma att förbli otecknade i Aktieemissionen, med undantag av de Erbjudna Aktierna som täcks av Teckningsåtagandet och de Erbjudna Aktier som Teckningsgaranten åtagit sig att teckna, eller att själva teckna sådana Erbjudna Aktier.

Handel med interimsktior motsvarande de Erbjudna Aktierna som tecknats med stöd av Teckningsrätter ("**Interimsktior**" i Finland och "**BTA**" i Sverige") förväntas inledas som ett eget aktieslag på Nasdaq Helsingfors (handelskod AM1N0118) och på Nasdaq Stockholm (handelskod AM1S BTA) den 26 november 2018 och upphöra den 19 december 2018. De Erbjudna Aktierna som tecknats enligt den Primära Teckningsrätten och den Sekundära Teckningsrätten i Finland förväntas registreras i Handelsregistret uppskattningsvis den 19 december 2018. De Erbjudna aktierna som tecknats enligt den Sekundära Teckningsrätten i Sverige förväntas registreras i Handelsregistret uppskattningsvis den 28 december 2018. Handel med de Erbjudna Aktierna på Nasdaq Helsingfors börslista tillsammans med Bolagets existerande aktier förväntas inledas uppskattningsvis senast den 20 december 2018. Handel med de Erbjudna Aktierna som tecknats med stöd av Teckningsrätter tillsammans med Bolagets existerande aktier förväntas inledas på Nasdaq Stockholms börslista uppskattningsvis den 28 december 2018 och med Erbjudna Aktier som tecknats utan stöd av Teckningsrätter uppskattningsvis den 4 januari 2019.

**E.4** Beskrivning av intressen som har betydelse för emissionen, inklusive intressekonflikter

Arrangörernas arvoden är delvis kopplade till beloppet av inbringade medel från Aktieemissionen.

Nordea och SEB i egenskap av Arrangörer, samt deras respektive närstående krets, i egenskap av investerare för egen räkning, kan köpa Teckningsrätter eller Erbjudna Aktier i Aktieemissionen och i den egenskapen hålla, köpa eller sälja för sin egen räkning Teckningsrätter eller Erbjudna Aktier eller relaterade investeringar och kan erbjuda eller sälja Teckningsrätter eller Erbjudna Aktier eller andra investeringar också annars än i samband med Aktieemissionen.

Ingen av Arrangörerna ämnar uppge i vilken omfattning dylika investeringar eller transaktioner företas utöver skyldighet i lag eller reglering att så uppge. Vissa av Arrangörerna eller deras närstående krets kan även ingå finansieringsarrangemang med investerare i samband med vilka Arrangörerna eller deras närstående krets tidvis kan förvärva, hålla eller avyttra aktier.

Var och en av Arrangörerna och/eller deras respektive närstående krets har tillhandahållit och kan framöver tillhandahålla rådgivnings-, konsult- och/eller banktjänster för Ahlstrom-Munksjö inom ramen för sin normala affärsverksamhet, för vilka de har erhållit och kommer att erhålla sedvanliga arvoden och kostnader. Dessutom har Arrangörerna eller deras respektive närstående krets fungerat som finansiär åt Ahlstrom-Munksjö i samband med Expera-förvärvet och de i Aktieemissionen inbringade medlen används för återbetalning av de existerande lånen enligt bryggfacilitetsavtalet. Vidare har vissa av Arrangörerna eller deras respektive närstående krets fungerat som och kan framöver fungera som arrangörer eller långgivare under vissa låneavtal för Ahlstrom-Munksjö för vilka de har erhållit eller kommer att erhålla sedvanliga arvoden och kostnader.

<b>E.5</b>	Värdepappers säljare och avtal om begränsning	Bolagets största aktieägare, Viknum AB och Ahlström Capital Oy kommer att förbinda sig att de inte utan skriftligt samtycke i förväg av Bolaget och Arrangörerna, direkt eller indirekt, kommer att överföra, tilldela, låna eller på annat sätt avyttra aktier, Erbjudna Aktier eller tillhörande rösträtter under en period slutar den senare av (a) datumet för avveckling och leverans av de Erbjudna Aktierna eller (b) ifall Arrangörerna tecknar eller köper Erbjudna Aktier enligt Teckningsgarantivalet, senast trettio (30) dagar från datumet för avveckling och leverans av de Erbjudna Aktierna.
<b>E.6</b>	Omedelbar utspädningseffekt och procentandel	Aktierna som erbjuds i Aktieemissionen utgör ungefär 19,9 procent av aktierna i Bolaget före Aktieemissionen. Ifall att nuvarande aktieägare inte skulle teckna Erbjudna Aktier i Aktieemissionen, skulle det totala innehavet för nuvarande aktieägare spädas ut med ungefär 16,6 procent, under antagande att samtliga Erbjudna Aktier tecknas i sin helhet.
<b>E.7</b>	Beräknade kostnader som ska åläggas investeraren	Ej tillämplig. Bolaget kommer inte att ålägga investerare några kostnader för Aktieemissionen.

## SUMMARY

Summaries are made up of disclosure requirements known as ‘Elements’. The Elements are presented in Sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be included, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be included in the summary due to the type of securities or issuer, it is possible that no relevant information exists regarding the Element. In this case, the summary includes a brief description of the Element along with a notion of the Element being ‘not applicable’.

Element	Section A – Introduction and warnings
A.1 Warning	This summary should be considered as an introduction to this prospectus (the “ <b>Prospectus</b> ”). Any decision by the investor to invest in the shares of Ahlstrom-Munksjö Oyj (“ <b>Ahlstrom-Munksjö</b> ” or the “ <b>Company</b> ”) should be based on consideration of the Prospectus as a whole. If a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might under the national legislation of an EEA state, have to bear the costs of translating the Prospectus before the legal proceedings are commenced. Civil liability attaches to those persons who are responsible for this summary including its translation only if the summary is misleading, inaccurate or inconsistent in relation to the other parts of the Prospectus or if the summary does not provide, when read together with the other parts of the Prospectus, the key information required by the investors when considering whether to invest in the shares.
A.2 Consent to the subsequent resale or final placement, the offer period and the terms and conditions of the consent	Not applicable.

Element	Section B — Issuer and guarantor
B.1 Legal and commercial name of the issuer	The issuer’s legal name is Ahlstrom-Munksjö Oyj.
B.2 Domicile and legal form, law applicable to the issuer and the issuer’s country of incorporation	The domicile of the Company is Helsinki. The Company is a public limited liability company incorporated in Finland. The Company is governed by Finnish law.
B.3 Nature of the issuer’s current operations and principal activities	Ahlstrom-Munksjö is a global leader in innovative and sustainable fiber-based materials, supplying solutions to its customers worldwide. The Company’s offering includes filter materials, release liners, food and beverage processing materials, decor papers, abrasive and tape backings, electrotechnical paper, glass fiber materials, medical fiber materials and solutions for diagnostics, and a range of other specialty papers for industrial and consumer end-uses. Ahlstrom-Munksjö operates in growing markets, with solid underlying demand drivers and underpinned by global megatrends. The Company serves more than 7,000 customers in over 100 countries and in a number of industries, including transportation, food and beverage, retail, furniture, construction, healthcare and life science.

Ahlstrom-Munksjö operates in market segments where fiber-based solutions and technologies typically constitute an important part of the value chain. Products are generally characterized by a significant value-add, and are oriented towards customer requirements rather than industry standards. Typically, the fiber-based materials and solutions form an important part of the final products or perform crucial tasks in a production process. Quality, service and customer satisfaction are the most important benchmarks for Ahlstrom-Munksjö. The Company had 5,938 FTE employees as at September 30, 2018 working in 40 production and converting facilities located in 14 different countries. As at September 30, 2018, Expera had 1,858 FTE employees working in four production facilities in the United States and Caieiras had 375 FTE employees working at the Caieiras plant in Brazil.

The Company comprises 14 businesses organized into the following five business areas, which form the Company’s reportable segments:

- *Business Area Decor* manufactures paper-based surfacing for wood-based materials, such as laminate flooring, furniture and interiors and develops papers for high- and low pressure-laminates, print base paper and pre-



impregnated paper. Customers include laminators, impregnators and printers.

- *Business Area Filtration and Performance* produces a broad range of filtration products, such as engine oil, fuel and air filtration, gas turbine filtration and various industrial air filtration materials, glass fiber used in flooring applications and wind turbines, industrial nonwoven products for automotive, construction, textile and hygiene applications as well as wall cover materials. Customers include heavy duty vehicle and automotive suppliers and OEMs (original equipment manufacturers), gas turbine filter producers, indoor air quality filter makers, building and wind power industries, hygiene and wound care product manufacturers and laundry care suppliers.
- *Business Area Industrial Solutions* produces release liners, abrasive backings, electrotechnical insulation papers, specialty pulp, thin papers, balancing foils as well as fine art and printing papers and many other products used in industrial processes. Customers include self-adhesive laminate manufacturers, manufacturers of abrasive materials and high quality stainless steel, construction and energy companies, and other industries that require high quality materials.
- *Business Area Specialties* produces materials for food and beverage packaging, laboratory filters and life science diagnostics, as well as for water filtration, tape products, and medical fabrics, such as anti-bacterial drapes and gowns and anti-viral drapes, gowns and facemasks. In addition, it makes hot oil cooking and milk filtration materials, graphic papers for sticky notes and envelopes, metalized labels as well as printed and coated products. Customers include converters in the packaging industry, printers, brand owners in single-serve tea and coffee product markets as well as in the food packaging, laboratories, laboratory consumable and equipment suppliers, life science instrument and medical materials manufacturers, water purification equipment manufacturers, marketers, converters and laminators.
- *Business Area North America Specialty Solutions* comprises the acquired business of Expera and it produces specialized materials that protect and enhance the performance of a wide range of industrial and consumer applications, such as backings and barriers for technical materials, specialty paper to wrap and package processed and quick service restaurant prepared foods as well as release liners. Customers include packaging manufacturers and converters, hardware and electronics manufacturers, food processing and packaging manufacturers, composite manufacturers for the aerospace industry, medical manufacturers and tape and sealant manufacturers.

The Company's overall strategic ambition is to achieve profitable growth in selected niches of the global fiber-based solutions segment that exhibit a positive growth outlook and are supported by sustainable market drivers. Global leadership in chosen growth segments provides the foundation for this strategic direction. The Company's strategy encompasses four cornerstones: profitable growth, customer value, efficiency and agility, and local accountability.

Ahlstrom-Munksjö and Specialty Papers Holdings, L.P. have on July 23, 2018 signed a share purchase agreement (the "**Share Purchase Agreement**"), pursuant to which Ahlstrom-Munksjö acquired Expera Specialty Solutions Holdings, Inc. ("**Expera**"), a U.S. based specialty paper producer (the "**Expera Acquisition**"). The Expera Acquisition will expand the Company's presence in North America and further strengthen its offering of advanced custom-made fiber-based materials. The Expera Acquisition was completed on October 10, 2018. In addition, on October 17, 2018, Ahlstrom-Munksjö completed the acquisition of the MD Papéis Caieiras ("**Caieiras**") specialty paper mill in Brazil, which further strengthens the Company's offering and production platform in South America.

**B.4a** Main recent trends affecting the issuer and its industry

During 2018, the market landscape for Ahlstrom-Munksjö's products has been generally stable. The demand for the Company's products has been, and continues to be, supported by several market drivers and megatrends, such as digitalization, demographic trends (e.g. urbanization and a growing middle class), sustainability, globalization and technology shifts. Economic cycles generally have a relatively limited impact on the overall demand for Ahlstrom-Munksjö's offering due to its exposure to largely cycle-resilient but growing market segments like retail-related end-uses in food and beverage, furnishing and renovation in the construction segment and the aftermarket for engine filtration applications in the transportation sector. The Company

also has a meaningful exposure to a stable and structurally growing health care and life science industry. The Company estimates that its markets have on average grown more than GDP during the periods under review. Ahlstrom-Munksjö has focused on small volume niche markets where growth has been, according to the Company's estimates, higher than in traditional graphic paper segments, and such markets have been less sensitive to economic fluctuations than the traditional paper industry. Ahlstrom-Munksjö's markets are primarily global, with significant exports worldwide.

Fluctuating raw material prices are the most important factor affecting Ahlstrom-Munksjö's profitability. During 2018, the significant raw material cost escalation especially with respect to pulp and titanium dioxide has resulted in price increases and the Company has focused on customer relationships that are service and quality oriented with profitable orders of highly specialized and customized products.

Market developments and demand drivers per business area during 2018 are described below:

In Business Area Decor, while end-use demand has remained at a good level in North America and Asia, demand for decor products has softened in Europe during the second half of 2018 due to inventory reduction across the industry in Europe. Competition has intensified particularly in markets outside of Europe due to new suppliers. The global market for decor paper is driven by a growing population, accelerating urbanization and consumer preferences that favor more modern product designs and furniture that uses laminates.

In Business Area Filtration and Performance, demand for filtration products has been stable at a good level across many regions and end-use segments, and particularly good in heavy-duty vehicles and industrial air. In construction-related markets, demand for flooring and other glass fiber tissue materials was good whereas the wallcover market has slowed in Europe. Awareness of air pollution is rising fast, which generates demand for solutions, while tighter regulation on air quality and emissions drive demand for filtration material.

In Business Area Industrial Solutions, demand has been good for abrasive backings and specialty pulp, while that of electrotechnical paper was stable. The competitiveness in the market for release liners in Europe has recently increased. The domestic market for coated specialties products in Brazil remained stable. The release liner market growth has a good correlation with GDP growth, and it is also strengthened by substitution of other labelling technologies with self-adhesive labelling that requires a release liner. In insulation paper, thin paper and pulp, the demand is driven, for example, by the need of both infrastructure expansion and maintenance or upgrades of existing power grids.

In Business Area Specialties, demand for food packaging-related parchment products was strong, while the market for uncoated and coated papers as well as tea bag materials remained highly competitive. Demand for life science and high-end medical products was good, while that for tape materials was stable. Demand drivers include substitution of aluminum and plastics with fiber-based materials, increase in the easy-to-use self-diagnostics, water purification that also eliminates bacteria and sterilization wrapping business.

In North America Specialty Solutions, demand for the business area's products remained firm, consistent with the continuing growth in the United States GDP. Demand drivers for Industrial & Technical products include building and infrastructure development, growth in online sales, growth in automotive sales and repair, and a shift toward glass-screen displays. In Food Processing & Packaging, demand is driven by sustainability initiatives in packaging, increased demand for natural or less processed packaging and an increasing demand for fast casual restaurants. Demand drivers for Pressure-Sensitive Release Liner include a shift in the airline industry towards fiber composites, an increased use of self-adhesive fasteners, e-commerce driving logistics and a need for labels in tracking and identification.

**B.5** Group structure

The Ahlstrom-Munksjö Group (the "**Group**") consists of the parent company Ahlstrom-Munksjö Oyj and its consolidated subsidiaries.

**B.6** Major shareholders

The Company has one class of shares. Each share carries one vote at the Company's General Meeting of Shareholders and entitles their holder to equal rights to dividend and other distribution of funds. The following table presents the ten largest shareholders of the Company that appear in the shareholders' register maintained by Euroclear Finland Oy ("**Euroclear Finland**") as at October 31, 2018 and in the register of the Company's shareholders maintained by Euroclear Sweden AB ("**Euroclear Sweden**") as at November 1, 2018.

	<b>Number of shares</b>	<b>Percent of shares and votes</b>
Ahlström Capital Oy <sup>1)</sup>	17,935,919	18.6
Viknum AB <sup>2)</sup>	11,625,005	12.1
Ilmarinen Mutual Pension Insurance Company	3,025,765	3.1
Verdipapirfonde ODIN <sup>3)</sup>	2,156,900	2.2
Mona Huber	1,911,672	2.0
Jacqueline Tracewski	1,344,106	1.4
Varma Mutual Pension Insurance Company	1,306,732	1.4
Kai Nahi	1,232,459	1.3
Linda-Maria Emmett	1,073,628	1.1
Kim Kylmälä	1,070,888	1.1
Ten largest, total	42,683,074	44.3
Other shareholders	53,755,499	55.7
Total shares in the Company	96,438,573	100.0

<sup>1)</sup> Shares owned through AC Invest Five B.V.

<sup>2)</sup> Viknum AB is an entity closely associated with Mr. Alexander Ehmrooth and controlled by Virala Corporation.

<sup>3)</sup> Consists of shares owned by Verdipapirfonde ODIN Sverige and ODIN Finland.

To the extent known to the Company, the Company is not, directly or indirectly, owned or controlled by any one person.

**B.7** Selected historical key financial information

The following tables present selected consolidated financial information for the Company as at and for the nine months ended September 30, 2018 and 2017 and as at and for the financial year ended December 31, 2017. The financial information presented below has been derived from the Company's unaudited consolidated interim report as at and for the nine months ended September 30, 2018, including the unaudited comparative consolidated financial information as at and for the nine months ended September 30, 2017 prepared in accordance with "IAS 34 – Interim Financial Reporting" and from the audited consolidated financial statements as at and for the year ended December 31, 2017 prepared in accordance with IFRS as adopted by the European Union.

Ahlstrom Corporation and Munksjö Oyj were combined through a merger on April 1, 2017. The merger has been accounted for as a business combination at consolidation with Munksjö Oyj as the acquirer. Ahlstrom has been consolidated into the Company's financial information from the merger date and the consolidated income statement, consolidated cash flow statement information and related key figures of the Company for the year ended December 31, 2017 thus include the result of operations and cash flows attributable to Ahlstrom Corporation for the period from April 1, 2017 to December 31, 2017.

The Company has adopted IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments standards as of January 1, 2018. The Company adopted IFRS 15 standard using full retrospective application with no impacts recognized to the financial statements as no significant accounting changes compared to previous practice were identified. The Company adopted IFRS 9 standard using retrospective application. The impacts of the transition of IFRS 9 standard is recognized in the retained earnings as of January 1, 2018. Historical comparative financial information for year ended December 31, 2017 has not been restated.

### Consolidated Income Statement

In EUR million	For the nine months ended September 30		For the year ended December 31
	2018	2017	2017
	(unaudited)	(unaudited)	(audited)
Net sales.....	1,725.8	1,412.9	1,959.9
Other operating income .....	6.3	11.5	12.7
Total operating income .....	1,732.1	1,424.3	1,972.6
<b>Operating costs</b>			
Changes in inventories of finished goods and work in progress	28.8	-5.5	-6.4
Materials and supplies .....	-860.9	-662.9	-920.2
Other operating expenses.....	-408.6	-341.1	-472.0
Personnel costs .....	-306.3	-257.4	-363.7
Depreciation and amortization.....	-88.7	-76.0	-106.6
<b>Total operating costs.....</b>	<b>-1,635.8</b>	<b>-1,342.9</b>	<b>-1,868.9</b>
Share of profit in equity accounted investments .....	-	0.0	-0.2
<b>Operating result.....</b>	<b>96.3</b>	<b>81.4</b>	<b>103.5</b>
Financial income.....	9.0	6.7	9.5
Financial expenses .....	-21.0	-26.3	-35.7
<b>Net financial items .....</b>	<b>-12.0</b>	<b>-19.6</b>	<b>-26.2</b>
<b>Profit before tax .....</b>	<b>84.3</b>	<b>61.8</b>	<b>77.3</b>
Taxes.....	-21.6	-18.0	-10.8
<b>Net profit .....</b>	<b>62.7</b>	<b>43.8</b>	<b>66.5</b>

### Consolidated Statement of Comprehensive Income

In EUR million	For the nine months ended September 30		For the year ended December 31
	2018	2017	2017
	(unaudited)	(unaudited)	(audited)
<b>Net profit .....</b>	<b>62.7</b>	<b>43.8</b>	<b>66.5</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations for the period .....	-22.3	-45.0	-53.6
Hedges of net investments in foreign operations .....	0.0	0.1	0.1
Change in cash flow hedge reserve .....	-1.6	1.2	0.8
Cash flow hedge transferred to this year's result .....	3.6	-0.2	-0.7
<i>Items that will not be reclassified to profit or loss</i>			
Actuarial gains and losses on defined benefit plans.....	6.0	6.8	5.9
Tax attributable to other comprehensive income .....	-1.8	-2.7	-1.7
<b>Comprehensive income.....</b>	<b>46.6</b>	<b>4.0</b>	<b>17.2</b>
Net profit attributable to			
Parent company's shareholders.....	61.4	43.3	65.9
Non-controlling interests .....	1.3	0.5	0.6
Comprehensive income attributable to			
Parent company's shareholders.....	45.4	3.7	16.8
Non-controlling interests .....	1.2	0.3	0.4
Earnings per share			
Weighted average number of outstanding shares.....	96,073,711	81,189,753	84,941,326
Basic earnings per share, EUR.....	0.64	0.53	0.78
Diluted earnings per share, EUR.....	0.64	0.53	0.78

*Consolidated Balance Sheet*

In EUR million	As at September 30		As at December 31
	2018 (unaudited)	2017 (unaudited)	2017 (audited)
<b>Assets</b>			
<i>Non-current assets</i>			
Property, plant and equipment .....	841.3	834.8	841.7
Goodwill .....	428.0	434.4	429.4
Other intangible assets .....	297.2	309.5	309.2
Equity accounted investments .....	-	2.2	1.2
Other investments .....	1.6	0.5	0.5
Other receivables .....	8.6	13.5	7.1
Deferred tax assets .....	2.5	16.7	15.1
<b>Total non-current assets</b> .....	<b>1,579.1</b>	<b>1,611.6</b>	<b>1,604.2</b>
<i>Current assets</i>			
Inventories .....	329.5	273.2	282.3
Trade and other receivables .....	300.1	292.3	259.3
Income tax receivables .....	2.4	7.4	5.1
Cash and cash equivalents .....	194.9	225.7	245.9
<b>Total current assets</b> .....	<b>826.9</b>	<b>798.5</b>	<b>792.6</b>
<b>Total assets</b> .....	<b>2,406.0</b>	<b>2,410.1</b>	<b>2,396.8</b>
<b>Equity and liabilities</b>			
<i>Equity</i> .....	<b>1,034.4</b>	<b>1,028.2</b>	<b>1,038.0</b>
<i>Equity attributable to parent company's shareholders</i>			
Issued capital .....	85.0	85.0	85.0
Reserve for invested unrestricted equity .....	517.6	521.0	517.6
Other reserves and treasury shares .....	294.3	324.3	314.9
Retained earnings .....	127.7	89.3	111.7
<b>Total equity attributable to parent company's shareholders</b> .....	<b>1,024.6</b>	<b>1,019.4</b>	<b>1,029.1</b>
Non-controlling interests .....	9.8	8.8	8.9
<b>Total equity</b> .....	<b>1,034.4</b>	<b>1,028.2</b>	<b>1,038.0</b>
<i>Non-current liabilities</i>			
Non-current borrowings .....	532.4	552.8	542.3
Other non-current liabilities .....	0.7	0.8	0.5
Employee benefit obligations .....	90.3	98.0	98.1
Deferred tax liabilities .....	94.0	123.9	105.5
Provisions .....	12.8	15.2	17.7
<b>Total non-current liabilities</b> .....	<b>730.2</b>	<b>790.7</b>	<b>764.1</b>
<i>Current liabilities</i>			
Current borrowings .....	119.2	77.1	78.9
Trade and other payables .....	507.4	494.6	502.9
Income tax liabilities .....	9.5	14.4	4.1
Provisions .....	5.3	5.1	8.8
<b>Total current liabilities</b> .....	<b>641.4</b>	<b>591.3</b>	<b>594.6</b>
<b>Total liabilities</b> .....	<b>1,371.6</b>	<b>1,381.9</b>	<b>1,358.8</b>
<b>Total equity and liabilities</b> .....	<b>2,406.0</b>	<b>2,410.1</b>	<b>2,396.8</b>

### Consolidated Cash Flow Statement

In EUR million	For the nine months ended September 30		For the year ended December 31
	2018	2017	2017
	(unaudited)	(unaudited)	(audited)
<b>Cash flow from operating activities</b>			
Net profit.....	62.7	43.8	66.5
Adjustments, total.....	120.8	107.3	138.3
Changes in net working capital.....	-84.5	3.0	25.2
Change in provisions.....	-8.1	0.5	9.5
Financial items.....	-16.8	-18.5	-17.3
Income taxes paid/received.....	-13.4	-26.9	-35.6
<b>Net cash flow from operating activities</b> .....	<b>60.7</b>	<b>109.3</b>	<b>186.5</b>
<b>Cash flow from investing activities</b>			
Purchases of property, plant and equipment and intangible assets.....	-95.6	-44.3	-84.6
Other investing activities.....	0.1	2.9	4.8
<b>Net cash flow from investing activities</b> .....	<b>-95.5</b>	<b>-41.4</b>	<b>-79.7</b>
<b>Cash flow from financing activities</b>			
Dividends paid and other.....	-47.0	-45.9	-48.5
Interest on hybrid bond.....	-	-6.9	-6.9
Repurchase of hybrid bond.....	-	-100.0	-100.0
Change in loans and other financing activities.....	38.5	108.5	97.5
Sale/repurchase of own shares.....	-	-5.6	-5.6
<b>Net cash flow from financing activities</b> .....	<b>-8.5</b>	<b>-50.0</b>	<b>-63.6</b>
<b>Net change in cash and cash equivalents</b> .....	<b>-43.3</b>	<b>17.9</b>	<b>43.2</b>
Cash and cash equivalents at the beginning of the period.....	245.9	146.0	146.0
Cash and cash equivalents received in the merger.....	-	66.6	66.6
Foreign exchange effect on cash and cash equivalents.....	-7.6	-4.8	-9.9
<b>Cash and cash equivalents at the end of the period</b> .....	<b>194.9</b>	<b>225.7</b>	<b>245.9</b>

### Financial key figures

	As at and for the nine months ended September 30		As at and for the year ended December 31
	2018	2017	2017
	(unaudited)	(unaudited)	(unaudited, unless otherwise indicated)
Net sales, EUR million.....	1,725.8	1,412.9	1,959.9 <sup>1)</sup>
EBITDA, EUR million.....	185.1	157.4	210.1
Items affecting comparability, EUR million.....	-20.5	-27.7	-38.1
Comparable EBITDA, EUR million.....	205.6	185.1	248.2
Comparable EBITDA margin, %.....	11.9	13.1	12.7
Operating result, EUR million.....	96.3	81.4	103.5 <sup>1)</sup>
Comparable operating result, EUR million.....	116.9	109.2	141.7
Comparable operating result margin, %.....	6.8	7.7	7.2
Comparable operating result excl. depreciation and amortization arising from PPA, EUR million.....	139.8	125.8	166.1
Net profit, EUR million.....	62.7	43.8	66.5 <sup>1)</sup>
Earnings per share (basic), EUR.....	0.64	0.53	0.78 <sup>1)</sup>
Comparable EPS excl. depreciation and amortization arising from PPA, EUR.....	0.98	0.92	1.29
Cash generated from operating activities, EUR million.....	60.7	109.3	186.5 <sup>1)</sup>
Depreciation and amortization, EUR million.....	88.7	76.0	106.6 <sup>1)</sup>
Capital expenditure, EUR million.....	95.6	44.3	84.6
Net debt, EUR million.....	456.6	404.2	375.3
Gearing ratio, %.....	44.1	39.3	36.2
Average number of employees, FTE.....	5,909	4,847	5,109

<sup>1)</sup> Audited.

***The definitions and reasons for the use of financial key indicators***

<b>Key figure</b>	<b>Definition</b>	<b>Reason for the use</b>
EBITDA	Operating result before depreciation and amortization	EBITDA is the indicator to measure the performance of the Group
Operating result	Net profit before taxes and net financial items	Operating result shows result generated by the operating activities
Comparable EBITDA	EBITDA excluding items affecting comparability	
Comparable EBITDA margin, %	Comparable EBITDA / net sales	
Comparable operating result	Operating result excluding items affecting comparability	
Comparable operating result margin, %	Comparable operating result / net sales	
Comparable operating result excluding depreciation and amortization arising from PPA	Operating result excluding items affecting comparability and depreciation and amortization arising from PPA	
Comparable earnings per share excluding depreciation and amortization arising from PPA	Net profit excluding items affecting comparability net of tax and depreciation and amortization arising from PPA net of tax - net profit attributable to non-controlling interests / weighted average number of shares outstanding	Comparable EBITDA, comparable EBITDA margin, comparable operating result, comparable operating margin, comparable operating result excluding depreciation and amortization arising from PPA and comparable earnings per share excluding depreciation and amortization arising from PPA are presented in addition to EBITDA, operating result and earnings per share to reflect the underlying business performance and to enhance comparability from period to period. The Group believes that these comparable performance measures provide meaningful supplemental information by excluding items outside ordinary course of business including PPA related depreciation and amortization, which reduce comparability between the periods
Items affecting comparability	Material items outside ordinary course of business, such as gains and losses on business disposals, direct transaction costs related to business acquisitions, costs for closure of business operations and restructurings including redundancy payments, one-off items arising from purchase price allocation such as inventory fair value adjustments, compensation related to environmental damages arising from unexpected or rare events and other items including fines (such as VAT tax audit fines) or other similar stipulated payments and litigations	
Capital expenditure	Purchases for property, plant and equipment and intangible assets as presented in the cash flow statement	Capital expenditure provides additional information of the cash flow needs of the operations
Earnings per share (EPS), basic, EUR	Net profit attributable to parent company's shareholders / weighted average number of shares outstanding	
Net debt	Non-current and current borrowing less cash and cash equivalents	Net debt is an indicator to measure the total external debt financing of the Group
Gearing ratio, %	Net debt / total equity	The Group believes that Gearing ratio helps to show financial risk level and it is a useful measure for management to monitor the level of the Group's indebtedness. Gearing ratio is also one of the Group's long-term financial targets measure

*Reconciliation of Alternative Performance Measures*

	For the nine months ended September 30		For the year ended December 31
	2018	2017	2017
In EUR million, unless otherwise indicated	(unaudited)	(unaudited)	(unaudited, unless otherwise indicated)
<b>Items affecting comparability</b>			
Transaction costs	-6.0	-6.0	-5.8
Integration costs	-11.7	-10.8	-17.2
Inventory fair valuation	-	-11.1	-11.1
Restructuring costs	-2.6	-0.3	-1.0
Environmental provision	-0.2	-0.2	-1.5
Gain on business disposal	-	0.7	0.7
Other	0.0	-	-2.3
<b>Total items affecting comparability</b>	<b>-20.5</b>	<b>-27.7</b>	<b>-38.1</b>
<b>Comparable EBITDA</b>			
Operating result	96.3	81.4	103.5 <sup>1)</sup>
Total items affecting comparability	20.5	27.7	38.1
Depreciation and amortization	88.7	76.0	106.6 <sup>1)</sup>
<b>Comparable EBITDA</b>	<b>205.6</b>	<b>185.1</b>	<b>248.2</b>
<b>Comparable operating result excl. depreciation and amortization arising from PPA</b>			
Operating result	96.3	81.4	103.5 <sup>1)</sup>
Total items affecting comparability	20.5	27.7	38.1
<b>Comparable operating result</b>	<b>116.9</b>	<b>109.2</b>	<b>141.7</b>
Depreciation and amortization arising from PPA <sup>2)</sup>	23.0	16.6	24.4
<b>Comparable operating result excl. depreciation and amortization arising from PPA</b>	<b>139.8</b>	<b>125.8</b>	<b>166.1</b>
<b>Comparable net profit excl. depreciation and amortization arising from PPA</b>			
Net profit	62.7	43.8	66.5 <sup>1)</sup>
Total items affecting comparability	20.5	27.7	38.1
Taxes relating to items affecting comparability	-4.9	-8.3	-11.4
<b>Comparable net profit</b>	<b>78.4</b>	<b>63.3</b>	<b>93.3</b>
Depreciation and amortization arising from PPA <sup>2)</sup>	23.0	16.6	24.4
Taxes relating to depreciation and amortization arising from PPA	-5.8	-5.0	-7.3
<b>Comparable net profit excl. depreciation and amortization arising from PPA</b>	<b>95.6</b>	<b>74.9</b>	<b>110.3</b>
<b>Comparable earnings per share, EUR</b>			
Comparable net profit	78.4	63.3	93.3
Profit attributable to non-controlling interest	-1.3	-0.5	-0.6
Comparable net profit attributable to parent company shareholders	77.0	62.8	92.7
Weighted average number of outstanding shares	96,073,711	81,189,753	84,941,326
<b>Comparable earnings per share, EUR</b>	<b>0.80</b>	<b>0.77</b>	<b>1.09</b>
<b>Comparable EPS excl. depreciation and amortization arising from PPA, EUR</b>			
Comparable net profit excl. depreciation and amortization arising from PPA	95.6	74.9	110.3
Profit attributable to non-controlling interest	-1.3	-0.5	-0.6
Comparable net profit excl. depreciation and amortization arising from PPA attributable to parent company shareholders	94.2	74.4	109.8
Weighted average number of outstanding shares	96,073,711	81,189,753	84,941,326
<b>Comparable EPS excl. depreciation and amortization arising from PPA, EUR</b>	<b>0.98</b>	<b>0.92</b>	<b>1.29</b>

<sup>1)</sup> Audited.

<sup>2)</sup> Depreciation and amortization relating to business combination of Label and Processing business in 2013 and Ahlstrom in April 2017.



Except for the Expera Acquisition, the acquisition of Caieiras and the related financing, there have not been any material changes in the Company's financial or trading position since September 30, 2018 up until the date of this Prospectus.

**B.8** Pro forma financial information

The unaudited pro forma financial information (the “**Unaudited Pro Forma Financial Information**”) is presented for illustrative purposes only to give effect to the acquisition of Expera and related financing, the acquisition of Caieiras and related financing as well as the merger of Munksjö and Ahlstrom and related refinancing (together, the “**Transactions**”) to Ahlstrom-Munksjö's historical financial information. The acquisitions of Expera and Caieiras and the merger of Munksjö and Ahlstrom have been accounted for as a business combination at consolidation using the acquisition method of accounting under the provisions of IFRS with Ahlstrom-Munksjö as the acquirer. The unaudited pro forma combined balance sheet as at September 30, 2018 gives effect to the Transactions as if they had occurred on that date. The unaudited pro forma combined income statements for the nine months ended September 30, 2018 and for the year ended December 31, 2017 give effect to the Transactions as if they had occurred on January 1, 2017.

The Unaudited Pro Forma Financial Information has been prepared in accordance with the Annex II to the Commission Regulation (EC) N:o 809/2004, as amended, and on a basis consistent with the accounting principles applied by Ahlstrom-Munksjö in its consolidated financial statements prepared in accordance with IFRS as adopted by EU. The Unaudited Pro Forma Financial Information has not been compiled in accordance with Article 11 of Regulation S-X under the U.S. Securities Act or the guidelines established by the American Institute of Certified Public Accountants.

The Unaudited Pro Forma Financial Information has been derived from (a) Ahlstrom-Munksjö's audited consolidated financial statements as at and for the year ended December 31, 2017 and unaudited interim report as at and for the nine months ended September 30, 2018, (b) Specialty Papers Acquisition, LLC's audited consolidated financial statements as at and for the year ended December 31, 2017, unaudited consolidated condensed financial statements as at and for the three-month and nine-month periods ended September 30, 2018 and unaudited consolidated balance sheet information as at October 10, 2018, all prepared in accordance with US GAAP, (c) Ahlstrom's audited final accounts as at and for the three months ended March 31, 2017 and (d) Caieiras' unaudited carve-out financial information as at and for the nine months ended September 30, 2018 and for the year ended December 31, 2017 prepared in accordance with Brazilian GAAP.

The Unaudited Pro Forma Financial Information reflects the application of pro forma adjustments that are based upon available information and certain assumptions that Ahlstrom-Munksjö believes are reasonable under the circumstances. Ahlstrom-Munksjö has made a provisional allocation of the aggregate purchase considerations of Expera and Caieiras to the acquired net assets. Ahlstrom-Munksjö has not finalized all of the detailed valuation studies in determining the fair values for the assets acquired and liabilities assumed. The final fair values recorded at consolidation may differ from the values presented in the Unaudited Pro Forma Financial Information. The Unaudited Pro Forma Financial Information has been prepared by Ahlstrom-Munksjö for the illustrative purposes only and, because of its nature, it addresses a hypothetical situation, and therefore is not necessarily indicative of the financial position or the results of operations that would have been actually realized had the Transactions completed as of the dates indicated, nor is it meant to be indicative of any anticipated financial position or future results of operations that will experience going forward. The unaudited pro forma combined income statements do not reflect any expected cost savings, synergy benefits or future integration costs that are expected to be generated or may be incurred as a result of the Transactions.

*Unaudited Pro Forma Combined Balance Sheet as at September 30, 2018*

<b>In EUR million</b>	<b>Ahlstrom- Munksjö Historical</b>	<b>Pro forma Expera</b>	<b>Pro forma Caieiras</b>	<b>Pro forma Expera Financing</b>	<b>Pro forma Caieiras Financing</b>	<b>Pro forma total</b>
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	841.3	198.7	41.7	-	-	1,081.6
Goodwill	428.0	176.7	29.2	-	-	633.8
Other intangible assets	297.2	179.0	26.0	-	-	502.2
Equity accounted investments	-	-	-	-	-	-
Other investments	1.6	0.1	-	-	-	1.7
Other receivables	8.6	2.3	0.1	-	-	11.0
Deferred tax assets	2.5	0.5	0.3	-	-	3.3
<b>Total non-current assets</b>	<b>1,579.1</b>	<b>557.2</b>	<b>97.2</b>	<b>-</b>	<b>-</b>	<b>2,233.6</b>
<b>Current assets</b>						
Inventories	329.5	90.8	12.4	-	-	432.8
Trade and other receivables	300.1	62.9	15.0	-0.8	-	377.1
Income tax receivables	2.4	1.1	0.2	1.8	0.0	5.5
Cash and cash equivalents	194.9	-521.4	-89.5	524.2	70.9	179.1
<b>Total current assets</b>	<b>826.9</b>	<b>-366.6</b>	<b>-61.9</b>	<b>525.2</b>	<b>70.9</b>	<b>994.5</b>
<b>TOTAL ASSETS</b>	<b>2,406.0</b>	<b>190.7</b>	<b>35.3</b>	<b>525.2</b>	<b>70.9</b>	<b>3,228.1</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity attributable to parent company's shareholders</b>						
Issued capital	85.0	-	-	-	-	85.0
Reserve for invested unrestricted equity	517.6	-	-	144.5	-	662.1
Other reserves and treasury shares	294.3	-2.0	-	-	-	292.3
Retained earnings	127.7	-4.1	-0.1	-1.6	-0.0	121.8
<b>Total equity attributable to parent company's shareholders</b>	<b>1,024.6</b>	<b>-6.2</b>	<b>-0.1</b>	<b>142.8</b>	<b>-0.0</b>	<b>1,161.2</b>
Non-controlling interests	9.8	-	-	-	-	9.8
<b>Total equity</b>	<b>1,034.4</b>	<b>-6.2</b>	<b>-0.1</b>	<b>142.8</b>	<b>-0.0</b>	<b>1,171.0</b>
<b>Non-current liabilities</b>						
Non-current borrowings	532.4	10.7	-	412.6	70.9	1,026.6
Other non-current liabilities	0.7	0.0	-	-	-	0.7
Employee benefit obligations	90.3	-	-	-	-	90.3
Deferred tax liabilities	94.0	59.1	13.9	-	-	167.0
Provisions	12.8	8.8	-	-	-	21.6
<b>Total non-current liabilities</b>	<b>730.2</b>	<b>78.6</b>	<b>13.9</b>	<b>412.6</b>	<b>70.9</b>	<b>1,306.2</b>
<b>Current liabilities</b>						
Current borrowings	119.2	46.5	-	-30.0	-	135.7
Trade and other payables	507.4	71.6	20.4	-0.3	-	599.2
Income tax liabilities	9.5	0.0	1.1	-	-	10.6
Provisions	5.3	0.1	-	-	-	5.4
<b>Total current liabilities</b>	<b>641.4</b>	<b>118.2</b>	<b>21.5</b>	<b>-30.3</b>	<b>-</b>	<b>750.8</b>
<b>Total liabilities</b>	<b>1,371.6</b>	<b>196.8</b>	<b>35.4</b>	<b>382.3</b>	<b>70.9</b>	<b>2,057.1</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,406.0</b>	<b>190.7</b>	<b>35.3</b>	<b>525.2</b>	<b>70.9</b>	<b>3,228.1</b>

*Unaudited Pro Forma Combined Income Statement for the Nine Months Ended September 30, 2018*

<b>In EUR million, unless otherwise indicated</b>	<b>Ahlstrom-Munksjö Historical</b>	<b>Pro forma Expera</b>	<b>Pro forma Caieiras</b>	<b>Pro forma Expera Financing</b>	<b>Pro forma Caieiras Financing</b>	<b>Pro forma total</b>
Net sales	1,725.8	470.5	65.9	-	-	2,262.2
Other operating income	6.3	1.2	-	-	-	7.5
<b>Total operating income</b>	<b>1,732.1</b>	<b>471.7</b>	<b>65.9</b>	<b>-</b>	<b>-</b>	<b>2,269.7</b>
<b>Operating costs</b>						
Changes in inventories of finished goods and work in progress	28.8	0.4	0.2	-	-	29.4
Materials and supplies	-860.9	-191.4	-43.1	-	-	-1,095.5
Other operating expenses	-408.6	-119.4	-5.9	-	-	-533.9
Personnel costs	-306.3	-116.3	-7.8	-	-	-430.4
Depreciation and amortization	-88.7	-20.7	-5.3	-	-	-114.8
<b>Total operating costs</b>	<b>-1,635.8</b>	<b>-447.5</b>	<b>-61.9</b>	<b>-</b>	<b>-</b>	<b>-2,145.2</b>
Share of profit in equity accounted investments	-	-	-	-	-	-
<b>Operating result</b>	<b>96.3</b>	<b>24.2</b>	<b>3.9</b>	<b>-</b>	<b>-</b>	<b>124.5</b>
Financial income	9.0	-	0.5	-	-	9.5
Financial expenses	-21.0	-2.1	-0.2	-11.7	-4.6	-39.6
<b>Net financial items</b>	<b>-12.0</b>	<b>-2.1</b>	<b>0.3</b>	<b>-11.7</b>	<b>-4.6</b>	<b>-30.1</b>
<b>Profit/(loss) before tax</b>	<b>84.3</b>	<b>22.1</b>	<b>4.3</b>	<b>-11.7</b>	<b>-4.6</b>	<b>94.3</b>
Taxes	-21.6	-4.5	-1.7	2.7	1.6	-23.5
<b>Net profit</b>	<b>62.7</b>	<b>17.6</b>	<b>2.5</b>	<b>-9.0</b>	<b>-3.0</b>	<b>70.8</b>
<b>Net profit attributable to:</b>						
Parent company's shareholders	61.4	17.6	2.5	-9.0	-3.0	69.5
Non-controlling interests	1.3	-	-	-	-	1.3
<b>Earnings per share, attributable to the equity holders of the parent company</b>						
Basic, EUR	0.64					0.60
Diluted, EUR	0.64					0.60

*Unaudited Pro Forma Combined Income Statement for the Year Ended December 31, 2017*

<b>In EUR million, unless otherwise indicated</b>	<b>Ahlstrom-Munksjö Historical (Audited)</b>	<b>Merger and Related Refinancing</b>	<b>Pro forma Expera</b>	<b>Pro forma Caieiras</b>	<b>Pro forma Expera Financing</b>	<b>Pro forma Caieiras Financing</b>	<b>Pro forma total</b>
Net sales	1,959.9	272.6	637.9	91.0	-	-	2,961.5
Other operating income	12.7	7.0	1.5	-	-	-	21.2
<b>Total operating income</b>	<b>1,972.6</b>	<b>279.6</b>	<b>639.4</b>	<b>91.0</b>	<b>-</b>	<b>-</b>	<b>2,982.6</b>
<b>Operating costs</b>							
Changes in inventories of finished goods and work in progress	-6.4	2.8	-3.2	0.8	-	-	-6.0
Materials and supplies	-920.2	-119.9	-249.8	-54.5	-	-	-1,344.3
Other operating expenses	-472.0	-65.8	-178.1	-13.4	-	-	-729.4
Personnel costs	-363.7	-52.8	-160.4	-12.7	-	-	-589.6
Depreciation and amortization	-106.6	-19.9	-30.9	-8.4	-	-	-165.8
<b>Total operating costs</b>	<b>-1,868.9</b>	<b>-255.6</b>	<b>-622.5</b>	<b>-88.2</b>	<b>-</b>	<b>-</b>	<b>-2,835.2</b>
Share of profit in equity accounted investments	-0.2	-	-	-	-	-	-0.2
<b>Operating result</b>	<b>103.5</b>	<b>24.0</b>	<b>16.9</b>	<b>2.8</b>	<b>-</b>	<b>-</b>	<b>147.3</b>
Financial income	9.5	4.6	-	0.4	-	-	14.5
Financial expenses	-35.7	-7.4	-2.1	-0.3	-20.8	-7.5	-73.8
<b>Net financial items</b>	<b>-26.2</b>	<b>-2.8</b>	<b>-2.1</b>	<b>0.1</b>	<b>-20.8</b>	<b>-7.5</b>	<b>-59.3</b>
<b>Profit/(loss) before tax</b>	<b>77.3</b>	<b>21.2</b>	<b>14.8</b>	<b>2.9</b>	<b>-20.8</b>	<b>-7.5</b>	<b>88.0</b>
Taxes	-10.8	-6.9	-4.5	3.9	4.7	2.5	-11.1
<b>Net profit</b>	<b>66.5</b>	<b>14.3</b>	<b>10.3</b>	<b>6.8</b>	<b>-16.1</b>	<b>-5.0</b>	<b>76.9</b>
<b>Net profit attributable to:</b>							
Parent company's shareholders	65.9	14.2	10.3	6.8	-16.1	-5.0	76.2
Non-controlling interests	0.6	0.1	-	-	-	-	0.7
<b>Earnings per share, attributable to the equity holders of the parent company</b>							
Basic, EUR	0.78						0.66
Diluted, EUR	0.78						0.66

<b>B.9</b>	Profit forecast or estimate	Not applicable. The Prospectus does not contain a profit forecast or estimate.
<b>B.10</b>	Description of the nature of qualifications in the auditor's report on the historical financial information	Not applicable. The Company's auditor's report for the financial year ended 31 December 2017 is unqualified.
<b>B.11</b>	Working capital	The Company believes that the working capital available to the Company is sufficient for at least the 12 months following the date of this Prospectus.
	<b>Element</b>	<b>Section C — Securities</b>
<b>C.1</b>	Type and class of securities and/or admitted to trading	The Company has one class of shares, and each share carries one vote at the Company's General Meeting of Shareholders. The shares of the Company do not have nominal value. The trading codes of the shares in Ahlstrom-Munksjö is AM1 on Nasdaq Helsinki Ltd ("Nasdaq Helsinki") and AMS1 on Nasdaq Stockholm Ltd ("Nasdaq Stockholm"). The ISIN code of the shares is FI4000048418. The shares are freely transferrable.

C.2	Currency of issue	The currency of the securities issued is Euro.
C.3	Number of shares issued / nominal value	The registered share capital of the Company as at the date of the Prospectus is EUR 85,005,912. The Company has 96,438,573 shares outstanding that are fully-paid. As at the date of this Prospectus, the Company holds 364,862 of its own shares in treasury. The shares of the Company do not have nominal value.
C.4	Description of rights attached to the securities	The rights attached to the shares are determined by the Finnish Companies Act (624/2006, as amended) (the “ <b>Companies Act</b> ”) and other applicable Finnish regulation.

#### **Shareholders’ Pre-emptive Subscription Right**

Pursuant to the Companies Act, the shareholders of a Finnish limited liability company have a pre-emptive right to subscribe for the company’s new shares, option rights and convertible bonds in proportion to the number of shares in a company they already hold unless otherwise provided in the resolution of the General Meeting of Shareholders or the Board of Directors resolving on such issue.

#### **General Meetings of Shareholders**

Shareholders exercise their decision-making powers in matters concerning the Company at the General Meeting of Shareholders. Pursuant to the Companies Act, the shareholders have the right to attend and vote at the General Meeting of Shareholders. A shareholder may attend and vote at the General Meeting of Shareholders in person or by using a representative.

Resolutions at the General Meeting of Shareholders generally require a majority vote. However, certain resolutions, such as amending the Articles of Association, issuing shares in deviation of the shareholders’ pre-emptive subscription rights and decisions on e.g., mergers or demergers require a qualified majority of at least two-thirds of the votes cast and of the shares represented at the General Meeting of Shareholders. In addition, certain resolutions, such as a mandatory redemption of the shares by the company in deviation from the shareholdings of the shareholders, require consent of all shareholders.

#### **Dividend and Other Distribution of Funds**

All of the shares, including the Offer Shares, entitle their holders to equal rights to dividend and other distributable funds (including the distribution of the Company’s assets in dissolution) after the shares are entered in the Finnish Trade Register of the Finnish Patent and Registration Office (“**Finnish Trade Register**”).

The dividends may only be distributed after the General Meeting of Shareholders has confirmed the Company’s financial statements and decided on the distribution of dividends on the basis of the proposal of the Board of Directors. Interim dividends based on the earning of the ongoing financial year may only be distributed if an Extraordinary General Meeting of Shareholders adopts new audited financial statements. Pursuant to the Companies Act, the General Meeting of Shareholders may also authorize the Board of Directors to resolve upon payment of dividends and other distributions of unrestricted equity. The amount of dividend or other distribution of unrestricted equity cannot exceed the amount stipulated by the General Meeting of Shareholders. Resolution on the distribution of dividends or granting of authorisation to the Board of Directors regarding the distribution of dividends requires a majority decision at the General Meeting of Shareholders.

The amount of dividends distributed may not exceed the distributable funds in the latest adopted financial statements of the Company. Material changes in the Company’s financial position after the adoption of the previous financial statements shall be taken into account upon resolving on the distribution of dividends. In addition, no dividends may be distributed if, when deciding on the distribution, it is known or should be known that the Company is insolvent or that the distribution will cause the Company to be insolvent.

C.5	Restrictions on the free transferability of the securities	The shares are freely transferable. The distribution of this Prospectus and the Offering may be subject to limitations in certain jurisdictions.
C.6	Admission	The Company will submit an application that the Offer Shares are admitted to public trading on the official list of Nasdaq Helsinki and Nasdaq Stockholm.
C.7	Dividend policy	The Board of Directors together with the management of the Company considers appropriate financial targets for the Company and agrees on a financial target framework. According to

the long-term financial targets of the Company approved by the Board of Directors, the Company aims for a stable and annually increasing dividend to be paid bi-annually to shareholders.

The payment of dividends, if any, by the Company and the amounts and timing thereof will depend on a number of factors deemed relevant by the Board of Directors. There can be no assurance that a dividend will be declared in any given year. If a dividend is declared, there can be no assurance as to the dividend amount or the dividend payout ratio. Moreover, any dividend paid in a given year will not be indicative of any dividends to be paid in any subsequent year.

#### Element

#### Section D — Risks

#### D.1

Key information on major risks applicable to the issuer or its industry

#### Risks Relating to the Company's Operating Environment

- Uncertain global economic and financial market conditions could have a material adverse effect on the Company's business, financial condition and results of operations.
- The demand for the Company's products will be affected by, among others, the cyclical nature of the industry in which it operates and changing market conditions.
- The segments for fiber-based solutions and products are highly competitive, which could drive down prices or lead to a significant reduction in the demand for the Company's products.
- Volatility or increases in raw material prices and energy costs as well as the availability of raw materials and energy could have a material effect on the Company's profitability.
- Political, financial or legal risks in emerging markets could have a material adverse effect on the Company.
- Economic sanctions and trade restrictions, such as tariffs, could have a material adverse effect on the Company's business, financial condition and results of operations.

#### Risks Relating to the Company's Business and Operations

- The Company may not necessarily be able to realize some or any of the anticipated benefits of the acquisitions of Expera and Caieiras, and it may not necessarily be successful in integrating Expera, Caieiras or other acquired entities into its existing business in the manner or within the timeframe currently estimated.
- The Expera Acquisition and other corporate acquisitions are subject to a number of risks inherent in acquisitions, such as additional costs and liabilities resulting from the acquired entities' potential liabilities or deficiencies.
- Problems associated with the reorganisation or restructuring of the Company's operations could have a material adverse effect on the Company.
- The Company is subject to potential loss of key employees as a result of the Expera Acquisition and other corporate acquisitions and it could also fail in attracting or retaining qualified management and other skilled personnel.
- The Company may not be able to successfully implement its business strategy or manage its growth effectively.
- The Company may not be successful in product development and innovation or in development of its production processes to keep pace with competitors, or the Company may be forced to make further investments due to technological developments in the industry.
- Problems associated with operational efficiency could have a material adverse effect on the Company.
- The fiber-based solutions and products industry is characterized by significant capital expenditure in the production processes and maintenance of existing production and converting facilities and the failure or delay of any current or upcoming investment of a significant size or in the related investment process may have a material adverse effect on the Company.
- Loss of significant customer relationships and customer concentration could harm the Company's business.
- The Company will be subject to interruptions and damage at its production and converting facilities.
- Any significant problems with IT systems could have a material adverse effect on the Company's business, financial condition and results of operations.
- Failure to establish, manage and protect intellectual property rights could have a material adverse effect on the Company's competitiveness as well as on its business, financial condition and results of operations.
- The Company will be subject to the risk that its financial reporting is inaccurate or misleading.

- The Company will be subject to the risk of labor disputes, work stoppages and increased labor costs.
- Compliance with environmental, health and safety and other national and international laws and regulations could increase the Company's operating costs, and potential violation of laws and regulations could have a material adverse effect on the Company.
- The Company may fail to comply with the terms of its environmental permits, which could lead to production losses and penalties for the Company and/or the permits may be modified.
- The Company's operations will be exposed to risks related to human health, environment and natural resources.
- The Company's insurance policies provide limited coverage, potentially leaving the Company uninsured against certain risks.
- Issues relating to product safety and product liability could interrupt the Company's production operations and the Company may be required to pay damages or other remedies as a result of product liability claims.
- The Company may from time to time be involved in litigation and other similar proceedings that could have a material adverse effect on the Company's business, financial condition and results of operations.
- Reputational damage could have an adverse effect on the Company.

#### **Risks Relating to the Company's Financial Condition and Financing**

- The Unaudited Pro Forma Financial Information in this Prospectus is presented for illustrative purposes only and may differ materially from the Company's actual results of operations or financial position following the Transactions.
- The Company may not be able to access additional financing or comply with the financial covenants included in its credit facilities and other loans, which could have a material adverse effect on its business, financial condition and result of operations.
- The Company's tax burden could increase due to changes in tax laws or regulations or their application and interpretation, or as a result of current or future tax audits.
- If the Company will be unable to utilize its deferred tax assets, its results of operations could be adversely affected.
- An impairment of goodwill, other intangible assets or property, plant and equipment could have a material adverse effect on the financial position or operating results of the Company.
- The adoption of new or revised IFRSs may have material effects on the Company's future consolidated financial statements.
- The Company will be exposed to fluctuations in foreign exchange rates.
- The Company will be exposed to fluctuations in interest rates.
- Costs related to pension benefit plans could increase.
- Financial difficulties or bankruptcy of one or more of the Company's major customers or financing counterparties could have a material adverse effect on the Company's business, financial condition and results of operations.

#### **D.3** Key information on the risks specific to the securities

#### **Risks Relating to the Shares, Subscription Price and the Offering**

- The Company's ability to pay dividends or other distributions of unrestricted equity in accordance with its dividend policy or otherwise is dependent on the availability of distributable funds and the Company may be unable to, or decide not to, pay any dividends or other distributions of unrestricted equity in the future.
- Interests of certain larger shareholders of the Company may differ from the interests of other shareholders.
- A shareholder's ownership will be diluted if the shareholder does not exercise the Subscription Rights, and the Subscription Rights could lose their value.
- It is possible that the Offering is unsuccessful in the collection of funds in full.
- Investors do not have the right to cancel the use of Subscription Rights or sales and other transfers of Interim Shares and BTAs.
- The market price of the Subscription Rights and the Offer Shares could fluctuate considerably and the price of the Offer Shares could fall below the Subscription Price.
- The Subscription Rights, Interim Shares and BTAs may not necessarily become subject to active trading
- Future share offerings or the sale of a significant number of shares could have adverse effects on the market price of shares and any future share offerings may dilute the shareholdings of current shareholders.
- Certain foreign shareholders may not necessarily be able to exercise their subscription rights.

Element	Section E — Offering	
E.1	Total net proceeds and estimated total costs of issue	See Element E.2a
E.2a	Reasons for offer, use of proceeds and estimated total net proceeds	<p>The Company and Specialty Papers Holdings, L.P. have on July 23, 2018 signed the Share Purchase Agreement regarding the acquisition of Expera, a U.S. based specialty paper producer.</p> <p>To repay the outstanding bridge facilities related to the Expera Acquisition, the Board of Directors of the Company resolved on November 19, 2018, based on the authorization granted by the Extraordinary General Meeting on 19 September 2018, to carry out the Offering. Assuming that all the Offer Shares are subscribed for in the Offering, the gross proceeds received by the Company from the Offering will be approximately EUR 150 million. The Company estimates to pay approximately EUR 6.9 million in fees and other expenses in connection with the Offering, resulting in net proceeds of approximately EUR 144.5 million taking into account the tax impact of approximately EUR 1.4 million related to the transaction costs.</p>
E.3	Terms and conditions of the offer	<p>Ahlstrom-Munksjö offers for subscription in a rights issue for consideration based on the shareholders' pre-emptive subscription right no more than 19,214,742 shares in the Company (the "<b>Offer Shares</b>") at a subscription price of EUR 7.81 per Offer Share (the "<b>Subscription Price</b>"), (the "<b>Offering</b>").</p> <p>All shareholders of Ahlstrom-Munksjö registered in the Company's shareholders' register maintained by Euroclear Finland or in the register of the Company's shareholders maintained by Euroclear Sweden will receive one (1) subscription right in the form of a book-entry entitling them to subscribe for Offer Shares (the "<b>Subscription Right</b>") for each share of the Company owned on the record date November 21, 2018 (the "<b>Record Date</b>") of the Offering.</p> <p>Each five (5) Subscription Rights entitles to subscribe for one (1) Offer Share at the Subscription Price (the "<b>Primary Subscription Right</b>"). The Subscription Rights will be registered on the shareholders' book-entry accounts in the book-entry system maintained by Euroclear Finland on November 22, 2018 and on November 23, 2018 in the book-entry system maintained by Euroclear Sweden.</p> <p>The subscription period for the Offer Shares will commence on November 26, 2018 at 9.30 a.m. Finnish time and end on December 12, 2018 at 4.30 p.m. Finnish time (the "<b>Subscription Period</b>"). The Subscription Rights are freely transferable, and they are subject to trading on Nasdaq Helsinki between November 26, 2018 and December 5, 2018 and on Nasdaq Stockholm between November 26, 2018 and December 10, 2018. Subscription Rights that remain unexercised at the end of the Subscription Period on December 12, 2018 at 4.30 p.m. Finnish time will expire without compensation.</p> <p>In the event the Offer Shares are not fully subscribed for pursuant to the Primary Subscription Right, the Company's shareholders and other investors have the right to subscribe for such Offer Shares (the "<b>Secondary Subscription Right</b>"). Offer Shares remaining unsubscribed under the Primary Subscription Right and the Secondary Subscription Right may be directed for subscription as resolved by the Board of Directors.</p> <p>Certain shareholders of the Company have each separately and irrevocably committed to subscribe in full for Offer Shares on the basis of Subscription Rights allocated to them, i.e. in total approximately 36.9 percent of the Offer Shares (the "<b>Subscription Undertakings</b>"). In addition, Antti Ahlström Perilliset Oy has irrevocably committed to subscribe for Offer Shares that may remain unsubscribed for in the Offering for an amount representing approximately 10.0 percent of the Offer Shares (the "<b>Subscription Guarantor</b>"). The subscription commitments covered by the Subscription Undertakings and the Subscription Guarantor represent in aggregate approximately 46.9 percent of the Offer Shares. Nordea Bank Abp ("<b>Nordea</b>") and Skandinaviska Enskilda Banken AB (publ) ("<b>Skandinaviska Enskilda Banken</b>") have entered into an underwriting agreement with the Company (the "<b>Underwriting Agreement</b>") pursuant to which they have severally agreed, subject to certain terms and conditions, to procure subscribers for any Offer Shares that may remain unsubscribed for in the Offering, excluding the Offer Shares that are covered by the Subscription Undertakings and regarding which the Subscription Guarantor has committed to subscribe for, or to subscribe for such Offer Shares themselves.</p> <p>Trading in interim shares corresponding to the Offer Shares that have been subscribed for based on the Subscription Rights (the "<b>Interim Shares</b>" in Finland and the "<b>BTA</b>" in Sweden) are expected to commence as their own share class on Nasdaq Helsinki (trading symbol AM1N0118) and Nasdaq Stockholm (trading symbol AM1S BTA) on November 26,</p>



2018 and end on December 19, 2018. The Offer Shares subscribed for pursuant to the Primary Subscription Right and the Secondary Subscription Right in Finland are expected to be registered in the Finnish Trade Register on or about December 19, 2018. The Offer Shares subscribed for in the Secondary Subscription Right in Sweden are expected to be registered in the Finnish Trade Register on or about December 28, 2018. Trading in the Offer Shares on the official list of Nasdaq Helsinki together with the existing shares in the Company is expected to commence on or about December 20, 2018, at the latest. Trading in the Offer Shares on the official list of Nasdaq Stockholm together with the existing shares in the Company and subscribed for based on Subscription Rights is expected to commence on or about December 28, 2018 and without Subscription Rights on or about January 4, 2019.

**E.4** Description of all essential interests regarding the offering, including conflicts of interest

The fees of the Managers are partly linked to the amount of funds to be raised in the Offering.

Nordea and SEB acting as the Managers, as well as any of their respective affiliates, acting as investor for its own account, may purchase Subscription Rights or Offer Shares in the Offering and in that capacity may retain, purchase or sell for its own account any Subscription Rights or Offer Shares or related investments and may offer or sell Subscription Rights or Offer Shares or other investments otherwise than in connection with the Offering.

None of the Managers intend to disclose the extent of such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so. In addition, certain of the Managers or their affiliates may enter into financing arrangements with investors in connection with which such Managers, or their affiliates, may from time to time acquire, hold or dispose of shares.

Each of the Managers and/or their respective affiliates have performed, and may in the future perform, advisory, consulting and/or banking services for Ahlstrom-Munksjö in the ordinary course of their business for which they have received, or will receive, customary fees and expenses. In addition, the Managers or their respective affiliates have acted as financier to Ahlstrom-Munksjö in connection with the Expera Acquisition and the proceeds received from the Offering will be used to repay the outstanding loans under the bridge facilities agreement related to the Expera Acquisition. Furthermore, certain of the Managers or their respective affiliates have acted and may in the future act as arrangers or lenders under certain facility agreements of Ahlstrom-Munksjö for which they have received, or will receive, customary fees and expenses.

**E.5** Name of persons selling the security and lock-up agreements

The largest shareholders of the Company, Viknum AB and Ahlström Capital Oy, will undertake that they will not, without the prior written consent of the Company and the Managers, directly or indirectly, transfer, assign, lend or otherwise dispose of any of the shares or any Offer Shares or any voting rights pertaining thereto during a period ending on the later of (a) the date of the settlement and delivery of the Offer Shares or, (b) in the case that the Managers end up subscribing for or purchasing Offer Shares pursuant to the Underwriting Agreement, at the latest thirty (30) days from the settlement and delivery date of the Offer Shares.

**E.6** Degree and percentage of immediate dilution resulting from the offering

The shares offered in the Offering represent approximately 19.9 percent of the shares in the Company prior to the Offering. In the event that the existing shareholders of the Company would not subscribe for the Offer Shares in the Offering, the total holdings of the existing shareholders would dilute by approximately 16.6 percent, assuming that all the Offer Shares are subscribed for in full.

**E.7** Estimated costs charged to investor by the issuer

Not applicable. The Company does not charge costs related to the Offering to the investors.

## RISK FACTORS

*An investment in Ahlstrom-Munksjö's shares involves risks, the materialization of which could have an adverse effect on the value of the investment. Prospective investors should carefully consider the following risk factors, in addition to the other information contained in this Prospectus, before deciding whether or not to invest in the shares. Should one or more of these risks materialize and result in a decline in the market price of the shares, investors could lose all or part of their investment. The risks and uncertainties described here are not the only risks potentially affecting the Company's business operations. Additional risks and uncertainties presently unknown to the Company or currently deemed immaterial may also have an adverse effect on the Company's business, financial condition, results of operations or future prospects. The order in which the risks are presented is not intended to be an indication of the probability of their materialization or order of significance.*

*This Prospectus includes forward-looking statements that involve risks and uncertainties. The Company's actual results may differ in a material way from those anticipated in the forward-looking statements due to the risks described below and other factors described in this Prospectus.*

### **Risks Relating to the Company's Operating Environment**

***Uncertain global economic and financial market conditions could have a material adverse effect on the Company's business, financial condition and results of operations.***

In recent years, the general economic and financial market conditions in Europe and other parts of the world have undergone significant volatility due to, among other factors, the sovereign debt crisis in certain European countries. Although general economic conditions and financial market conditions have improved somewhat recently, this does not guarantee that similar volatility will not continue in the future. The Company is especially exposed to the macroeconomic conditions affecting Europe and North America, which accounted for approximately 44.8 and 32.4 percent, respectively, of the Company's total pro forma net sales for the nine month period ended September 30, 2018.

Furthermore, global economic conditions have been, and are likely to continue to be, affected by concerns over increased geopolitical tensions as well as political developments, such as the United Kingdom referendum on June 23, 2016 in which a majority voted to leave the EU ("**Brexit**") and the increased threat of escalated trade conflicts on a global level. These or other geopolitical tensions, political developments around the world and global protectionism have impacted the global economic conditions and increased market uncertainty and volatility and may continue to do so in the future.

It is difficult to predict how market conditions will develop, as they are impacted by macro movements of the financial markets and many other factors, including the stock, bond and derivatives markets as well as measures taken by various governmental and regulatory authorities and central banks, over which the Company has no control. Uncertainty remains in the global markets and it cannot be ruled out that the global economy could fall back into a recession, or even a depression, which could be deeper and longer lasting than the recessions experienced since 2008.

The uncertainty in the global economy and financial markets could have a material adverse effect on the Company. Although the Company believes that its capital structure and credit facilities will provide sufficient liquidity, the Company's liquidity and access to financing may be materially affected by changes in the financial markets, or its capital resources may not, at all times, be sufficient to satisfy its liquidity needs. The materialization of any of the above risks could have a material adverse effect on the Company's asset values, future cost of debt and access to bank and capital market financing in the future, which, in turn, could have a material adverse effect on the Company's business, financial condition and results of operations.

***The demand for the Company's products will be affected by, among others, the cyclical nature of the industry in which it operates and changing market conditions.***

The Company's business may be affected by risks related to the fiber-based solutions and products industry in which it operates, many of which are beyond the Company's control. The Company's products will generally be affected by the business cycle both in terms of pricing and delivery volumes, and the cycles may vary in different customer industries and in geographic regions. Demand for the Company's products will be affected by global, regional and national macroeconomic conditions that affect end-users of its products. Accordingly, the Company will also be exposed to cyclical changes in the various industries in which its customers operate, such as the building, automotive, food packaging, energy transmission, and wind energy industries.

The cyclical nature of the fiber-based solutions and products industry may result in overcapacity and consequently put pressure on the pricing of the Company's products, which could have a material adverse effect on the Company's profitability and margins. In the absence of sufficient economic growth, periods of local excess supply may decrease the

demand for the Company's products and lead to decreases in market prices. Demand for the Company's products could also decline due to various other factors in the Company's operating environment, some of which are discussed in this section.

Shifts in the patterns of demand, whether foreseen or not, could strain the flexibility of the Company's asset base and leave some assets underutilized, while others may become overloaded. See also "*Problems associated with operational efficiency could have a material adverse effect on the Company*" below.

Any decreases or changes in the patterns of demand for the Company's products could have a material adverse effect on the Company's business, financial condition and results of operations.

***The segments for fiber-based solutions and products are highly competitive, which could drive down prices or lead to a significant reduction in the demand for the Company's products.***

The segments for fiber-based solutions and products are highly competitive, and the Company will compete with several large multinational companies, regional manufacturers and specialized manufacturers. Certain of the Company's products are priced in a competitive market environment, resulting in small margins at the prevailing market prices. Recently, the competitive environment has tightened in some of the Company's product segments, particularly in release liner in Europe, filter materials in North America and in export markets for decor papers outside of Europe. Some of the Company's competitors may be able to take advantage of stronger economies of scale benefits due to larger sites, higher investment capacity or other operational benefits, such as ability to utilize integrated pulp at their sites.

Existing competitors or new competitors may enter one or more of the Company's key markets, or they may seek to increase their market share through aggressive pricing strategies or otherwise. With respect to certain of the Company's products, existing or potential competitors might begin to manufacture competing products by adapting their existing production capacity or by investing in new capacity. If this were to occur to any significant degree, decreased prices for those products would likely follow, thus adversely affecting the profitability of the Company's business. Furthermore, the Company's products may face competition from alternative materials, such as petroleum-based materials including plastics. If the use of other materials and products in certain applications increases at the expense of fiber-based solutions and products, there is a risk that demand for the Company's products will decrease. See also "*The Company may not be successful in product development and innovation or in development of its production processes to keep pace with competitors, or the Company may be forced to make further investments due to technological developments in the industry*" below.

Materialization of any of the above risks could have a material adverse effect on the Company's business, financial condition and results of operations.

***Volatility or increases in raw material prices and energy costs as well as the availability of raw materials and energy could have a material effect on the Company's profitability.***

The profitability of the Company's business will be materially affected by changes in the availability and market price of the raw materials used in its production. The Company will purchase long- and short-fiber pulp, titanium dioxide, wood, synthetic fibers, latex, various chemicals, other raw materials and energy, such as electricity, oil and gas, from external suppliers. The Company will also produce and sell bleached and unbleached long-fiber pulp. In total, the Company will however be a net purchaser of both long-fiber and short-fiber pulp and will as such be adversely affected by high prices for long- and short-fiber pulp. In 2017, the cost for pulp corresponded to 32 percent of the Company's operational costs. The market prices of pulp, wood, chemicals, energy and other raw materials are subject to substantial cyclical fluctuations, including the potential for rapid increases, which are beyond the Company's control. Recently, the cost for raw materials, especially for pulp and titanium dioxide, has increased significantly and a further substantial increase in the prices of pulp, wood, chemical, energy or other raw materials that the Company will use could have a material adverse effect on the Company's business, financial condition and results of operations.

The level of raw materials production capacity is a key factor affecting the price and availability of raw materials. In general, global overproduction decreases the price of a raw material and increases availability. In an underproduction situation, the availability of raw materials in the market decreases and prices may increase. The prices of raw materials or energy could also increase due to natural disturbances or problems in the Company's supply agreements. Price increases in raw materials, energy and services, such as transportation, that cannot be offset by a corresponding price increase in the Company's products could have a material adverse effect on the Company's business, financial condition and results of operations. The Company's ability to timely pass price increases on to its customers through increases in the prices of its products will be dependent on several external factors, such as the demand for the Company's products and the negotiation power of the Company's major suppliers and customers. Furthermore, there can be significant delays before any price increase can be put into effect because of specific contractual provisions, competitive pressures or other factors. In the event of a significant increase in the prices of raw materials or a significant interruption in the supply of

any raw materials, the Company may have to purchase raw materials from alternative sources and the Company's ability to provide competitively priced products to customers in a timely manner could be significantly affected. Furthermore, while the Company is not dependent on any specific supplier, certain suppliers are significant to the operations of an individual business and might be costly to replace. Materialization of any of the above risks could have a material adverse effect on the Company's business, financial condition and results of operations.

***Political, financial or legal risks in emerging markets could have a material adverse effect on the Company.***

The Company will have operations around the world, including in a number of emerging markets, in particular in Asia and South America. Emerging markets are generally subject to greater political, economic and social uncertainties than countries with more developed institutional structures, and the risk of losses resulting from changes in law, authorities' practices and interpretations, economic or social upheaval and other factors may be substantial. Among the more significant risks of operating and investing in emerging markets are those arising from the introduction of trade restrictions, enforcement of foreign exchange restrictions, inflation and changes in tax laws and enforcement mechanisms. Operations in certain emerging market countries may also include the risk of the possibility of expropriation or nationalization of assets. Materialization of any of the above risks could substantially reduce or eliminate any benefits derived from operating in these markets and could have a material adverse effect on the Company's business, financial condition and results of operations.

***Economic sanctions and trade restrictions, such as tariffs, could have a material adverse effect on the Company's business, financial condition and results of operations.***

The Company will operate in a large number of countries, some of which are or have been subject to economic sanctions and export controls, and the Company's sale of products may become subject to new or tightened export control regulations, sanctions, tariffs, embargoes or other economic and trade restrictions in the future. Authorities in the countries in which the Company operates or from which it will import its products may impose new custom duties to imports, or repeal current ones, which could have a material adverse effect on the supply of products or their prices. Changes in the level of custom duties may have a material adverse effect on the Company's ability to import its products or the profitability of its domestic operations in markets where such protectionist measures are applied. For example, the Company's exports of certain products manufactured in China to the United States will become subject to a new import duty imposed by the United States.

International economic and trade sanctions are complex and subject to frequent change, including jurisdictional reach and the list of countries, entities and individuals subject to the sanctions. The global nature of the Company's business operations subjects the Company to the laws and regulations of various jurisdictions. For example, the Company must comply with laws and sanctions regulations of the United States, the European Union and the United Nations. The Company operates in jurisdictions where individuals or companies may be subject to sanctions, such as Russia, and there can be no certainty that the Company in its operations in such countries will not be deemed to be engaged in dealings with entities or individuals subject to sanctions. Even though the Company strives to frequently monitor the situation, ensuring compliance with such controls and regulations may be difficult or costly and the Company may become subject to related investigations or claims by authorities or contracting parties. Possible further trade restrictions, protectionist measures, sanctions or economic slowdown resulting from increased economic or political instability in certain regions could have a material adverse effect on the Company's operations. In the worst case, part or all of the Company's assets in the affected regions could be at risk of seizure or the Company's current operating opportunities or financing arrangements could be adversely affected. Materialization of any of the above risks could have a material adverse effect on the Company's reputation, business, financial condition and results of operations.

**Risks Relating to the Company's Business and Operations**

***The Company may not necessarily be able to realize some or any of the anticipated benefits of the acquisitions of Expera and Caieiras, and it may not necessarily be successful in integrating Expera, Caieiras or other acquired entities into its existing business in the manner or within the timeframe currently estimated.***

The Company has recently completed corporate acquisitions, such as the Expera Acquisition and the acquisition of the MD Papéis Caieiras ("Caieiras") specialty paper mill in Brazil. The Company estimates it will achieve certain benefits from its recent acquisitions, such as estimated recurring cost synergies of USD 10 million in relation to the Expera Acquisition, resulting from selling, general and administrative expenses and sourcing as well as further dynamic synergies from innovation capability, cross-selling and sharing of best practices, and annual synergies of approximately EUR 6 million in relation to the acquisition of Caieiras, as described in more detail in "Recent Development and Future Outlook – Recent Development and Trend Information – Corporate Transactions". Achieving the anticipated benefits of the Expera Acquisition, the acquisition of Caieiras and other corporate acquisitions, will largely depend on the timely and efficient integration of the business operations, processes and ways of working of the acquired entities with Ahlstrom-Munksjö, which, in turn, will also be dependent on the management's time and resources in the acquired entities. The

process of integrating Expera and Caieiras into Ahlstrom-Munksjö's existing business involves certain risks and uncertainties, and there can be no assurance that Ahlstrom-Munksjö will be able to integrate the businesses in the manner or within the timeframe currently anticipated. Hence, there can be no assurance that Ahlstrom-Munksjö will achieve some or any of the anticipated benefits of the acquisitions. Risks and challenges related to the integration of Expera, Caieiras or other acquired entities into Ahlstrom-Munksjö's existing business include, but are not limited to, the following:

- the placement of demands on Ahlstrom-Munksjö's resources to manage the expanded operations and integration process within the Company, which may affect the management's ability to run the Company's business effectively during the integration process;
- the structure and reliability of the acquired entities' corporate, financial, control and administrative functions;
- the process of coordinating raw material and energy sourcing;
- the risk of losing focus in research and development, marketing and other support functions as well as losing key customers especially in the acquired entities during the integration process;
- the retention of senior management and/or key employees of the Company especially in the acquired entities; and
- the mitigation of contingent and assumed liabilities.

The anticipated synergies and benefits expected to arise from the integration of Expera and Caieiras into Ahlstrom-Munksjö's existing business as well as related costs to implement such measures are derived from the estimates of Ahlstrom-Munksjö and such estimates are inherently uncertain. The estimates included in this Prospectus are based on a number of assumptions made in reliance on the information available to Ahlstrom-Munksjö and management's judgments based on such information, including, without limitation, information relating to the business operations, financial condition and results of operations of Expera and Caieiras. While Ahlstrom-Munksjö believes these estimated synergies and benefits as well as related costs are reasonable, the underlying assumptions are inherently uncertain and are subject to a wide variety of significant business, economic, and competitive factors, risks and uncertainties that could cause the actual results to differ materially from those contained in the synergy, benefit and related cost estimates. See "*Background of the Expera Acquisition and Use of Proceeds*" and "*Recent Development and Future Outlook – Recent Development and Trend Information*".

***The Expera Acquisition and other corporate acquisitions are subject to a number of risks inherent in acquisitions, such as additional costs and liabilities resulting from the acquired entities' potential liabilities or deficiencies.***

Acquisitions are subject to a number of risks relating to the assessment of the acquired business, including its value, strengths, weaknesses, potential profitability, assets and liabilities. Accordingly, even a detailed review of the acquired entity may have failed to identify and discover potential liabilities and deficiencies, including legal claims; claims for breach of contract; employment related claims; tax liabilities; and other liabilities (whether or not contingent), which could result in significant future additional costs and liabilities that are not described in this Prospectus.

On July 23, 2018 Ahlstrom-Munksjö and Specialty Papers Holdings, L.P. (the "**Seller**") signed the share purchase agreement (the "**Share Purchase Agreement**") regarding the Expera Acquisition. In the Share Purchase Agreement, certain representations and warranties regarding Expera have been provided and Ahlstrom-Munksjö has conducted due diligence on Expera in connection with the Expera Acquisition. Even if Ahlstrom-Munksjö had been able to identify all of Expera's liabilities and deficiencies accurately and to their full extent, the Share Purchase Agreement may not contain sufficient indemnity or other contractual protections against all or part of every known liability or deficiency. Should any liability or deficiency materialize, it could have a material adverse effect on the Company's business, financial condition, results of operations and future prospects.

***Problems associated with the reorganisation or restructuring of the Company's operations could have a material adverse effect on the Company.***

The Company may from time to time contemplate possible reorganisation or restructuring of certain business operations to improve its profitability or to respond to changes in the market conditions. The successful execution of such reorganisation or restructuring is dependent on a number of factors, such as the correct timing and execution of measures, co-operation with the Company's employees and customers as well as the ability to maintain operational efficiency. For example, on October 30, 2018, the Company announced it contemplates a plan to optimize its production capacity and product offering and investigates the closure of one paper machine in Stenay, France. By concentrating orders to the larger paper machine at the Stenay plant, the Company estimates to achieve cost savings from higher raw material-, energy- and waste-efficiency, as well as improved inventory management.

Any reorganisation or restructuring of the business operations may have adverse effects on the Company's business and result in customers of the business segment in question to reduce or cancel orders or to terminate their customer relationship entirely. Any significant reduction in sales could lead to overcapacity in the business or plant in question, which in turn could have an adverse effect on the Company's ability to utilize its production capacity efficiently or its profitability. Further, reorganisation or restructuring could result in loss of key employees or problems related to employee consultation procedures, which might result in labor claims and litigation. In addition, there can be no certainty that the Company will be able to achieve all of the anticipated benefits of the reorganisation, the costs for the reorganisation could be higher than estimated and the reorganisation might not be completed in the expected timeframe. The materialization of any of such risks could have a material adverse effect on the Company's business, financial condition and results of operations.

***The Company is subject to potential loss of key employees as a result of the Expera Acquisition and other corporate acquisitions and it could also fail in attracting or retaining qualified management and other skilled personnel.***

Companies involved in transactions are generally subject to risk of employees, including senior management and other key employees, leaving the acquired or acquiring company. Although the Company aims to offer its employees an inspiring and respectful working community with a broad range of development opportunities in an international environment, Ahlstrom-Munksjö is, nevertheless, subject to this risk with employees of the Company in connection with the Expera Acquisition and other corporate acquisitions. For example, the Company's management in North America is highly experienced and will play a significant role in the future success of the Company's operations in the region. Any loss of these or other key employees of the Company could have a material adverse effect on the Company's business, results of operations, financial condition and future prospects.

The Company is to a certain extent dependent on key individuals. The Company operates in a technically demanding industry where qualified and experienced employees within business operations are an important competitive advantage. The Company also faces the risk of an aging workforce. The Company's ability to retain and recruit employees who have relevant qualifications and to succeed in succession planning will be important for the Company's future development. If the Company fails to retain and recruit key individuals or if the Company fails in succession planning, it could have a material adverse effect on its business, financial condition and results of operations.

***The Company may not be able to successfully implement its business strategy or manage its growth effectively.***

The future growth of the Company will depend on the successful implementation of its business strategy. The Company's ability to implement the business strategy and achieve the financial targets described in this Prospectus and otherwise grow its business is subject to a variety of factors, many of which are beyond the Company's control, including, but not limited to, the Company's ability to:

- grow in selected niches of the fiber-based solutions segment with a positive growth outlook;
- continue to deliver a clear customer value-add through a high quality offering supported by advanced technology, deep know-how and tailored services;
- efficiently utilize the flexible and agile operating platform; and
- use a business unit based operating model that locally promotes accountability, enables flexibility and is built on a shared common culture.

Any failure to successfully execute the Company's business strategy could have a material adverse effect on the Company's business, financial condition and results of operations.

***The Company may not be successful in product development and innovation or in development of its production processes to keep pace with competitors, or the Company may be forced to make further investments due to technological developments in the industry.***

The Company's market position will be dependent on a combination of continuous product and technology development and long-term customer relationships. The future growth and success of the Company will depend on its continued ability to identify and respond to changes in consumer and industry preferences and demand, develop its production and launch new and improved products in a timely manner using its existing or new production capabilities in all of its key markets and manufacture and market the products in changing markets. Furthermore, the production chain of the Company's products can be fairly complex, which may cause additional challenges in responding to specific customer and industry needs in the different stages of the production chain. The speed to the market will be essential for the Company to be able to compete effectively in product development. The Company may not be successful in launching new products on time or as expected during ramp-up as the commercialization process may require considerable amount of time.

Should there be an important advance in production processes or technology by a competitor in which the Company was not able to participate, there could be a material adverse effect on the Company's business, financial condition and results of operations. The Company's future growth may depend on its ability to foresee the direction of the commercial and technological development of production processes and technologies in all of its key markets. For example, the Company is currently exploring opportunities for new applications to be used in electric vehicles. However, changes in the use of electric vehicles may occur more rapidly than expected or the market for electric vehicles could stagnate. There can be no certainty that the Company will be able to foresee these developments in a timely manner or it may require significant additional investments to remain competitive in the sector.

There can be no assurance that the Company will be successful in continuing to meet its customers' needs through innovation or in developing new products and/or technologies, or that, if developed, any such new products or technologies will be accepted by its customers. The Company may not be able to recover investments that it has made in order to develop these new products or technologies, and may not have sufficient resources to keep pace with technological developments. The failure of the Company to keep pace with the evolving technological innovations in its markets and adequately foresee customer preferences could have a material adverse effect on the Company's business, financial condition and results of operations.

***Problems associated with operational efficiency could have a material adverse effect on the Company.***

The Company's ability to utilize its production capacity efficiently could be materially affected by variations in customer demand or interruptions in production. Inability to adjust production capacity may lead to opportunity loss in case of increasing demand or heavy cost burden in case of decreasing demand. Rapid production changes may be challenging to implement, which will also increase the Company's vulnerability to adverse general economic and industry conditions. The Company will typically only produce goods against orders received, rather than for stock. However, a variety of conditions may cause customers to reduce, delay or cancel anticipated or confirmed orders and lower capacity utilization to align the production with the demand. Problems associated with operational efficiency could have a material adverse effect on the Company's business, financial condition and results of operations.

***The fiber-based solutions and products industry is characterized by significant capital expenditure in the production processes and maintenance of existing production and converting facilities and the failure or delay of any current or upcoming investment of a significant size or in the related investment process may have a material adverse effect on the Company.***

In recent years, the Company has undertaken certain investments in order to improve the efficiency of its production processes and to increase capacity. In 2018, the Company has announced it will invest approximately EUR 27 million to rebuild a recovery boiler at the Billingsfors plant in Sweden and to modernize a bailing line at the Aspa pulp mill in Sweden (completion during third quarter of 2019). The Company will also invest approximately EUR 5 million to enhance the quality of pre-impregnated decor papers at the Dettingen plant in Germany (completion during first quarter of 2019) and approximately EUR 4 million to rebuild a converting line of sterilization wrap at the Pont Audemer plant in France (completion during second quarter of 2019). Furthermore, the Company announced in June 2018 an investment of approximately EUR 28 million to expand manufacturing capacity as well as product capabilities of industrial filtration applications in Turin, Italy as well as in Stålldalen, Sweden and Malmedy, Belgium (completion during second half of 2020). In addition, the Company announced in July 2018 an investment of approximately EUR 28 million in a second-hand Voith production line that will produce biodegradable and compostable tea and coffee infusion materials as well as fibrous meat casing materials at its Chirnside plant in the UK (completion during fourth quarter of 2019) and, in August 2018, the Company announced an investment of EUR 21 million in its Coated Specialties business to improve capabilities and flexibility at its Jacarei plant in Brazil (completion during third quarter of 2019). For the nine months ended September 30, 2018, the cash flow effect of these investments was approximately EUR 16 million.

Through its recent corporate acquisitions, the Company has acquired several new production facilities and there can be no certainty as to the need for capital expenditure and maintenance investments relating to equipment, machinery and other assets of the newly acquired production facilities.

The investments undertaken by the Company may not be completed in the expected timeframe or at all, may experience budget overruns or may not result in the benefits expected by the Company, and the newly acquired production facilities may be subject to significant unexpected capital expenditure and maintenance costs. The materialization of any of the above risks could have a material adverse effect on the Company's business, financial condition and results of operations.

***Loss of significant customer relationships and customer concentration could harm the Company's business.***

Changes in customer industries related to customer strategies or end-user needs could have a material adverse effect on the Company's business. While the Company is not dependent on any specific customer or group of customers, it has customers that are significant to the operations of an individual business area. Additionally, a number of the Company's

customers are, or could in the future be, under pressure in their own domestic markets from imports, in particular from Asia, and may consequently lose market share or have to relocate their production or converting facilities to other markets, which could cause the Company's customers to reduce the volume of their purchases. The loss of a significant number of the Company's key customers, if not replaced with new customer agreements on similar terms, or a significant reduction in sales to any such customers could have a material adverse effect on the Company's business, financial condition and results of operations. The Company will also be exposed to a risk of customer concentration. The industries in which the Company's customers operate may be subject to future consolidation. Any such consolidation could result in companies having increased bargaining power and could lead to a decline in the Company's market share if an existing customer merges with or is acquired by an entity that has a strong relationship with a competitor of the Company.

***The Company will be subject to interruptions and damage at its production and converting facilities.***

Any interruption in production at the Company's production sites, whether due to lack of orders, labor action, environment-related accidents, breakdown of major paper, pulping or other production machines, interruptions in the distribution of energy, system failures or service interruptions in IT systems, fire, accidents, transportation disruptions, problems in the Company's supply agreements or other factors, could have a material adverse effect on the Company's ability to meet its production goals and result in lost opportunities in the future and have a material adverse effect on the Company's business, financial condition and results of operations. In addition, the Company's business operations may be interrupted by unplanned maintenance and installation breaks. The Company may not be able to control these situations by preventive measures. Unforeseeable interruptions may lead to loss of business and increased costs, such as repair costs, higher insurance premiums and claims for damages. Also, any failure to fill customer orders on schedule could lead to customers seeking alternative sources of supply. If the operations of the Company were interrupted for any significant length of time, either because of a natural disaster (such as flooding, fire or earthquake), a failure to obtain raw materials, or any other reason, it could have a material adverse effect on the Company's business, financial condition and results of operations. See also “– *Issues relating to product safety and product liability could interrupt the Company's production operations and the Company may be required to pay damages or other remedies as a result of product liability claims*” below.

***Any significant problems with IT systems could have a material adverse effect on the Company's business, financial condition and results of operations.***

The Company's operations will be dependent on the integrity, security and stable operation of its IT systems and software, which are partly provided by third-party suppliers. The operation of the Company's IT systems and software could be interrupted by power cuts, software or telecommunication errors or major disasters, such as fires or natural disasters, as well as human errors made by the Company's own staff or third-party suppliers. If the Company's IT systems and software were to become unusable or their function were to be significantly impaired for any reason during an extended period of time, for example, due to systems and software becoming outdated or lack of sufficient resources for IT support from third-party suppliers, the Company's operations could be adversely affected since its production processes and its ability to deliver products at the appointed time, order raw materials and handle inventory will be largely dependent on the Company's IT systems and software. Following the merger of Ahlstrom Corporation and Munksjö Oyj in 2017 (the “**Merger**”), the Company is currently renewing and harmonizing its Enterprise Resource Planning (ERP) and Manufacturing Execution systems and outsourcing certain parts of its IT operations to a third-party supplier. Difficulties in renewing, maintaining, upgrading and outsourcing the Company's IT systems and software could result in increased costs and damage to the Company's reputation in the eyes of its customers and other third parties, which, in turn, could have a material adverse effect on the Company's business, financial condition and results of operations.

Despite the Company's security measures and back-up systems, its information technology and infrastructure may be vulnerable to attacks by hackers, computer viruses or malicious code. Various cyber threats have increased in recent years along with the digitalisation of companies' operations. The Company may be targeted, for example, by phishing or malware attacks, denial-of-service attacks, breaches in information or data systems, ransomware or attacks targeting production processes. It may also be difficult for the Company to detect cyber-attacks upon their occurrence, which could have an impact on the size of damage. In addition, the Company's information technology and infrastructure may be breached due to employee error, malfeasance or affected by other disruptions, including as a result of natural disasters or telecommunications breakdowns or other reasons beyond the Company's control. In addition, any problems with IT systems and software could result in leakage of sensitive information and theft of intellectual property, which, in turn, could have a material adverse effect on the Company's business, financial condition and results of operations.

***Failure to establish, manage and protect intellectual property rights could have a material adverse effect on the Company's competitiveness as well as on its business, financial condition and results of operations.***

A key success factor for the Company will be to be at the leading edge in terms of product development and the constant improvement of manufacturing and production processes. The Company's focus on sustainable and innovative fiber-based solutions will continue to have a strong foothold in intellectual property rights. The Company has taken active



measures to obtain protection of their intellectual property by obtaining patents, trademarks and undertaking monitoring activities in their major markets. See “*Business of the Company – Intellectual Property*.” In addition to its patent portfolio and trademarks, the Company will rely on trade secrets, know-how, the development of new products, and technological development in combination with non-disclosure agreements and certain other agreements to protect intellectual property rights. However, there can be no assurance that the measures the Company takes will effectively deter competitors from improper use of its intellectual property. Protection of intellectual property rights may pose challenges especially in Asia, where there have been attempts in the past, for example, to misuse the name and logo of the predecessor Ahlstrom Corporation. Competitors, suppliers and customers may misappropriate intellectual property owned or licensed by the Company, disputes as to ownership of intellectual property may arise and intellectual property may otherwise become known or independently developed by competitors, suppliers or customers. In addition, certain technologies and processes used by the Company may be subject to the intellectual property rights of third parties. Such third parties may take legal action for infringement of these intellectual property rights and any such claim could delay or prevent the delivery of the Company’s products. Any failure by the Company to establish, manage and protect its intellectual property or resulting claims of infringement on third-party intellectual property rights could have a material adverse effect on the Company’s business, financial condition and results of operations as well as its competitiveness.

***The Company will be subject to the risk that its financial reporting is inaccurate or misleading.***

Effective internal controls are necessary for the Company to provide reliable financial information. While the Company has control functions at unit level as well as at business area and Group level, failure in integration of policies and controls of the acquired entities may have a material adverse effect on the Company’s ability to produce and provide its management with timely, reliable, accurate and up-to-date financial information on the development of the business operations and, thereby, lead to wrong decisions or actions by its management. Inaccurate or misleading financial reporting could also cause investors and other third parties to lose confidence in the Company’s reported financial information, which could have a material adverse effect on the Company’s business, financial condition and results of operations.

***The Company will be subject to the risk of labor disputes, work stoppages and increased labor costs.***

The majority of the Company’s employees are represented by labor unions with which there are several collective bargaining agreements. The organizations collectively representing the Company and other employers may not be able to renegotiate satisfactory collective labor agreements when they expire, which could lead to, inter alia, increased labor costs. Although the Company believes that its relations with its employees and employees’ representative unions are currently good, there can be no assurance that future development in relation to the Company’s business would not affect such relationships and that strikes or work stoppages would not occur at any of its facilities in the future. For example, the collective bargaining agreements concerning employees at three of four mills in the North America Specialty Solutions business area will expire in 2019, and there can be no assurance that the renegotiation of these agreements will be satisfactory from the Company’s point of view. In addition, labor disputes in the transportation sector may prevent the distribution of the Company’s products, and labor disputes affecting the Company’s important suppliers and/or customers may have a material adverse effect on the Company’s business. Any sustained labor dispute leading to a substantial interruption in the overall business of the Company, increased labor costs or adverse changes to the present terms of collective labor agreements could have a material adverse effect on the Company’s business, financial condition and results of operations.

***Compliance with environmental, health and safety and other national and international laws and regulations could increase the Company’s operating costs, and potential violations of laws and regulations could have a material adverse effect on the Company.***

The Company and its operations are subject to various regional, national and international laws and regulations, such as environmental regulations, health and safety regulations, labor regulations, competition regulations, regulations restricting competitive trading conditions, anti-corruption, data protection as well as corporate, accounting and tax laws. These requirements are complex and frequently changing, and they have tended to become more stringent over time. The Company will incur capital and operating costs in its efforts to comply with these laws and regulations. For example, wastewater discharges and air emissions are highly regulated, and investments are required to ensure compliance with applicable requirements. In addition, there can be no assurance that the requirements of such laws and regulations and the associated cost of compliance will not increase in the future. Adapting operations to such changes may require the Company to incur costs that are difficult to anticipate, which, in turn, could have a material adverse effect on the Company’s business, financial condition and results of operations.

The Company’s operations in the EU will also be affected by the cost of compliance with the EU Emissions Trading System (“ETS”) in accordance with directive 2003/87/EC, as amended, establishing a scheme for greenhouse gas emission allowance trading. If the level of the Company’s emissions of carbon dioxide exceeds the rights in its possession, sufficient allowances for the emissions must be purchased. From 2013 onwards, manufacturing companies have generally

had to purchase a steadily increasing amount of emission rights in auctions, for which the costs for emission allowances are difficult to foresee. The cap on total annual emissions in the EU will gradually be reduced in phase 4 of the ETS starting from 2020, and auctions will become the main method for issuing allowances. Further, regulations on chemicals, such as the REACH Regulation of the EU, may also impose obligations and related costs on the Company. For example, the Company uses titanium dioxide as a raw material for manufacturing certain types of specialty papers and the EU is currently considering classifying titanium dioxide as a category 2 carcinogen under the CLP regulation (1272/2008/EC). A change in the classification could impose additional obligations and costs on the Company and the use of titanium dioxide in the Company's products could generate negative public perception for the Company. Any of the above events could have a material adverse effect on the Company's business, financial condition and results of operations.

Other environmental and health and safety expenditures relate to maintenance, inspection and security requirements, contingency arrangements for emergency preparedness and insurance coverage. The risk of substantial environmental costs and liabilities are inherent in industrial operations, including in the production processes in which the Company engages. There may be future changes to laws, regulations and operating permits which the Company is unable to predict and which may require the Company to incur increased operating costs and may impose additional liabilities on the Company.

If any of the applicable laws and regulations were violated by the Company or its employees, distributors or suppliers, the Company could experience increased costs or delays in the delivery of its products, be subject to fines, damages or penalties as well as orders and sanctions imposed by supervisory authorities and courts in countries the Company operates in, or the Company could suffer reputational harm, which could reduce demand for the Company's products and have a material adverse effect on the Company's business. For example, the maximum amount of a possible penalty payment for an infringement of Finnish and EU competition law is ten percent of the turnover of the undertaking concerned (on a group-wide basis) during the year in which the undertaking was last involved in the infringement.

In addition, the Company has adopted revisions in its data protection practises with the aim to be compliant with the General Data Protection Regulation ((EU) 2016/679, the "GDPR") which became applicable in May 2018. However, compliance with the GDPR in the Company's business and operations or potential inadequacy of the revision of the data protection practises may cause problems, difficulties or additional costs to the Company. Any infringement of the GDPR could adversely affect the Company's reputation among its customers and other stakeholders. Furthermore, under the GDPR, a national data protection authority is vested with power to impose corrective actions, such as a temporary or definitive ban on processing, and to impose administrative fines for breaches of the GDPR up to EUR 20 million or four percent of the total worldwide annual turnover of a company.

Any of the foregoing could have a material adverse effect on the Company's business, financial condition and results of operations.

***The Company may fail to comply with the terms of its environmental permits, which could lead to production losses and penalties for the Company and/or the permits may be modified.***

The Company's activities in pulp, paper and fiber-based materials production are generally licensed in accordance with the environmental regulations of the relevant country of production and may be affected by the constraints imposed by the environment in which these activities are conducted. The Company's activities may affect the environment primarily through emissions into the air and water. There is a risk of the Company failing to comply with the terms of its permits as well as a risk of the permits being modified, either of which could lead to production losses and penalties for the Company. Furthermore, from September 2018 onwards, the Company's operations in the EU have been subject to more strict limitations on industrial emissions as they have been required to comply with the conclusions of the best available techniques (the "BATs"), as defined in commission implementing decision (2014/687/EU) for the production of pulp, paper and board under Directive 2010/75/EU on industrial emissions. Competent environmental authorities must ensure that all environmental permit conditions have been updated, if necessary, to comply with the BATs and that the installations concerned comply with the conditions. In the United States, major emission sources are regulated by the United States Environmental Protection Agency (the "EPA"). For example, the EPA has in recent years introduced new standards for industrial boilers, which required significant capital expenditure by the Company in order to ensure compliance within its permits. There can be no certainty that the EPA does not enact further rules and regulations related to the Company's major air emission permits or other environmental permits, such as permits relating to wastewater discharge or landfills. If the Company fails to comply with the terms of its environmental permits, the resulting remediation measures or reconsideration of permit conditions could have a material adverse effect on the Company's business, financial condition and results of operations.

***The Company's operations will be exposed to risks related to human health, environment and natural resources.***

The nature of the Company's manufacturing processes and products will expose the Company to potential liability risks under applicable laws and regulations relating to human health, the environment and natural resources.

To promote a safe work environment, the Company applies safety procedures and provides regular training to its employees. However, health and safety related accidents have occurred in the past at the Company's production sites, and work-related accidents could occur in the future. Accidents can lead to harm to employees and disruptions in production processes, which may result in costs and other liabilities and have a material adverse effect on the Company's business, financial condition and results of operations as well as damage its reputation and ability to recruit qualified employees.

The Company's operations will result in emissions of substances in both air and water and also generate noise. Production processes and products, which by their nature require the use of chemicals and materials that are potentially harmful to the environment, also result in the generation of waste products that require special treatment. Many of the Company's manufacturing facilities are situated in locations with a long history of environmentally harmful industrial use, including the use, storage and disposal of hazardous materials. The Company is currently and could in the future be required to investigate, remediate, monitor or otherwise pay for such measures at the locations in question, where operations are currently pursued or where they have been pursued in the past. Such liability for costs might also arise with respect to real estate property that the Company owns, has previously owned or where predecessor companies previously had operations, or in connection with a closure of a production facility.

Any environmental accident or finding, employee injury, occupational disease or other health and safety issue could impose significant liabilities and remedial costs on the Company as well as result in reputational damage. In addition, individuals (employees as well as third parties) could seek damages for alleged personal injury or property damage due to accidents or exposure to chemicals, materials or substances that are currently used or were used in the past by the Company or that are present at facilities operated by the Company. The Rottersac production site in France has been officially designated as a site having manufactured goods containing asbestos from 1956 to 1997 and the Arches site in France has also been officially designated as a site having manufactured goods containing asbestos from 1960 until 1989. As a result of potential exposure to asbestos, the employees employed at the Rottersac and Arches production sites during these periods are entitled to or have already opted for early retirement. In addition, the Company is aware of a number of cases where individual employees and/or their beneficiaries have presented asbestos indemnification claims for their illness, alleged loss of salary, anxiety suffering (*préjudice d'anxiété*) and difficult living conditions (*trouble dans les conditions d'existence*). Although the Company does not believe that these claims will have a material effect on the Company's financial condition, there can be no assurance that further claims will not be made against the Company. The Company may also face other asbestos-related liabilities as asbestos has been identified in materials and structures in certain current and former production sites of the Company. If materials and structures containing asbestos become damaged or are renovated or demolished, additional costs may be incurred.

If any of the above mentioned risks were to materialize, it could have a material adverse effect on the Company's business, financial condition and results of operations. In addition, any potential non-compliance with environmental, health and safety regulations could lead to administrative sanctions, such as warnings, fines and suspension of activities, as well as to criminal sanctions.

***The Company's insurance policies provide limited coverage, potentially leaving the Company uninsured against certain risks.***

While the Company maintains insurance covering, among others, property damage, business interruption and product and general liability in amounts believed to be consistent with industry practices, it is not fully insured against all risks, and insurance against all types of risks and catastrophic events may not be available on reasonable economic terms or at all. Notwithstanding the insurance coverage that the Company carries, the occurrence of an accident that causes losses in excess of limits specified under the relevant policy or is subject to material deductibles or self-insured retentions, or losses arising from events not covered by insurance policies such as certain catastrophic events, could have a material adverse effect on the Company's business, financial condition and results of operations. Natural catastrophic events to which the Company will be exposed include, among others, windstorms, severe winter weather, floods and earthquakes, which are inherently unpredictable in terms of both their occurrence and severity. The Company may also be exposed to the risk of terrorism, the materialization of which could have a material adverse effect on the industry where the Company operates and the Company's business.

***Issues relating to product safety and product liability could interrupt the Company's production operations and the Company may be required to pay damages or other remedies as a result of product liability claims.***

The quality and safety of the Company's products will be critical to the success of its business. The quality targets of its customers in many product segments are very high and tend to have risen further in recent years, which highlights the importance of consistency and repeatability in production processes to ensure customer satisfaction. Furthermore, certain products of the Company are used in the food industry, where key customers have stringent requirements regarding the products they purchase and conduct regular audits to ensure compliance. The consequences of quality or safety issues due to, for example, accidental or malicious raw material contamination or due to supply chain contamination caused by human error, sabotage or equipment fault could be severe. While the Company will aim to detect potential quality issues

and hazards as early as possible, detected faults or defects in products or in product descriptions discovered at a critical point in the Company's production chain could interrupt production in the unit concerned and disturb the entire chain's operations. Such disturbances could have a material adverse effect on the Company's business, financial condition and results of operations.

Notwithstanding the product liability insurance coverage that the Company will carry, its insurance coverage may not be sufficient to cover all of the Company's potential liabilities. Accordingly, a major claim, or a series of smaller claims, for damages related to the Company's products sold, or advice given to customers in connection with products sold, may not be fully covered by insurance, or may not be covered by insurance at all, which could have a material adverse effect on the Company's business, financial condition and results of operations. The Company's products will generally be integrated into and become a part of more valuable end products. If a product supplied by the Company is found to be defective and causes the end product to fail, the Company's potential liability may be higher than the cost of the faulty product sold by the Company. In the event that effective contractual limitations of liability have not been included in some of the supply agreements into which the Company has entered or will enter with its customers, or if such limitations are not enforceable, the Company may be required to pay substantial damages if faulty products have been or are delivered by the Company under such supply agreements. If the Company was required to pay substantial damages or other remedies relating to a supply agreement, it could have a material adverse effect on the Company's business, financial condition and results of operations.

***The Company may from time to time be involved in litigation and other similar proceedings that could have a material adverse effect on the Company's business, financial condition and results of operations.***

The Company may from time to time be involved in litigation and other similar proceedings and further disputes could arise in the ordinary course of business related to, among others, contracts, tax issues, alleged defects in product deliveries, health and safety matters, competition law, intellectual property, employment matters, and environmental issues. Such litigation and other similar proceedings may be costly, divert management attention, disrupt normal operations and result in reputational damage for the Company. The outcome of any dispute is impossible to predict. It is also impossible to rule out the possibility of an unfavorable outcome in ongoing proceedings, or any proceedings that may arise in the future, which could have a material adverse effect on the Company's business, financial condition and results of operations.

***Reputational damage could have an adverse effect on the Company.***

The Company's ability to maintain current and acquire new customers could weaken if the reputation of the Company is damaged. Reputational risks may arise mainly with respect to sustainability, including environmental risks, the supply chain, health and safety, human rights and business ethics. Failure to meet expectations and standards in these areas could lead to reputational damage, which could reduce brand value and have an adverse effect on the Company's business, financial condition and results of operations.

## **Risks Relating to the Company's Financial Condition and Financing**

***The Unaudited Pro Forma Financial Information in this Prospectus is presented for illustrative purposes only and may differ materially from the Company's actual results of operations or financial position following the Transactions.***

In the past, Ahlstrom-Munksjö, Expera and Caieiras have operated their respective businesses separately and there are no consolidated financial statements including Expera and Caieiras prepared before the dates of completion of the respective acquisitions available for the Company. The unaudited pro forma financial information in this Prospectus (the "**Unaudited Pro Forma Financial Information**") is presented for illustrative purposes only in order to reflect the hypothetical impact of the Transactions (as defined under "*Unaudited Pro Forma Financial Information*") to the Company's results of operations and financial position. It is not necessarily indicative of what the Company's actual results of operations and financial position would have been had the Transactions been completed on the dates indicated. Moreover, the Unaudited Pro Forma Financial Information does not purport to project the future results of operations or financial position of the Company. The Unaudited Pro Forma Financial Information has been prepared based upon available information and certain assumptions and estimates that Ahlstrom-Munksjö currently considers to be reasonable.

The Unaudited Pro Forma Financial Information reflects adjustments, which are based upon preliminary estimates, to reflect the impact of the Transactions to the Company's results of operations and financial position. The allocation of the purchase considerations for Expera and Caieiras reflected in the Unaudited Pro Forma Financial Information in this Prospectus are based on the preliminary valuation estimates and the Company has not finalized all of the underlying detailed valuation studies in determining the fair values for the assets acquired and the liabilities assumed. The Company will continue its valuation exercise and the review of Expera's and Caieiras' accounting policies. Therefore, the final fair values recorded at consolidation and the alignments to the presentation of the financial information may differ from the amounts presented in the Unaudited Pro Forma Financial information of this Prospectus. See "*Unaudited Pro Forma Financial Information*".

***The Company may not be able to access additional financing or comply with the financial covenants included in its credit facilities and other loans, which could have a material adverse effect on its business, financial condition and result of operations.***

The Company's ability to finance its operations will depend on a number of factors, such as its cash flows from operations and access to additional debt and equity financing, and there can be no assurance that financing will be available at a commercially reasonable cost, or at all. The Company's credit capacity, adverse developments in the credit markets or other future adverse developments, such as the deterioration of the overall financial markets or a worsening of general economic conditions, could have a material adverse effect on the Company's ability to borrow additional funds as well as the cost and other terms of funding. There is also a risk that the Company's balance sheet structure may limit the Company's ability to finance its future growth. For example, factoring and other similar arrangements currently constitute a significant source of funding to the Company. Adverse changes in the commercial terms for factoring, or the cancellation of such arrangements by the Company's counterparties, could have a material adverse effect on the Company's balance sheet and liquidity. Furthermore, the financing of the Company's Chinese operations currently relies significantly on uncommitted credit limits. Although most such limits have been agreed upon with the Company's core banks, there is a risk that such banks could cease funding the Company's operations in China, including due to, for example, possible future actions by the Chinese authorities regarding operational licenses of international banks. The failure to obtain sufficient funding for operations or the increased costs or unfavorable terms of financing or refinancing could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company's credit facilities and other loans will contain certain customary financial and operational covenants. Operational and financial covenants may restrict the Company's options for business development and lead to decisions that are not optimal from a commercial or business perspective. If the Company is unable to comply with these covenants in the future, interest rates payable under credit facilities and other loans may increase or the Company could be required to renegotiate its credit facilities and other loans, request waivers or replace such credit facilities and other loans with other financial instruments or arrangements in order to prevent a default. There can be no assurance that the Company would be able to take any such action on terms that are acceptable to it, or at all. If the Company is not able to comply with the operational and financial covenants included in its credit facilities and other loans, it could have a material adverse effect on the Company's business, financial condition and results of operations as well as make it difficult for the Company to obtain additional financing, if needed.

***The Company's tax burden could increase due to changes in tax laws or regulations or their application and interpretation, or as a result of current or future tax audits.***

Due to the international nature of its business, the Company will be subject to the tax laws and regulations of several jurisdictions, in particular with regard to transfer pricing rules. Related companies must conduct any inter-company transactions on an arm's length basis and provide sufficient documentation thereof, subject to applicable rules of the relevant jurisdiction. The Organization for Economic Cooperation and Development ("OECD") has recently published new guidance on transfer pricing. National tax authorities are increasingly scrutinizing and challenging companies' transfer pricing policies. In addition, the estimation of the Company's total income taxes requires thorough consideration and numerous filings in various countries and the final amount of taxes related to certain transactions and calculations cannot be estimated with full certainty. The tax burden of the Company is, therefore, dependent on specific aspects of tax laws and regulations in several jurisdictions including their application and interpretation. Changes in tax laws or regulations or their application or interpretation could significantly increase the Company's tax burden, which could have a material adverse effect on the Company's business, financial condition and results of operations. Changes to tax laws are expected for example due to the Anti-Tax Avoidance Directive ((EU) 2016/1164), which requires member states of the European Union to implement, among others, limitations on the right to deduct interest expense and controlled foreign company rules as of year 2019. Furthermore, the introduction of the OECD multilateral instrument and the inclusion of the so-called principal purpose test in the same could increase uncertainty with respect to application of tax treaties.

In addition, the Company is currently and will be, from time to time, subject to general tax audits by national tax authorities. At the date of this Prospectus, the Company is subject to tax audits or litigations in Italy, Germany, India, Brazil, the United States and China. As a result of ongoing or future tax audits or other review actions of tax or other authorities, additional taxes (such as income taxes, withholding taxes, real estate taxes, capital gains taxes, transfer taxes and value added taxes) could be imposed, which could lead to an increase in the tax liabilities of the Company either as a result of the relevant tax payment being imposed directly against the Company or as a result of the Company becoming liable for the relevant tax as a secondary obligor.

Tax audits and claims could have a material adverse effect on Ahlstrom-Munksjö. Ahlstrom-Munksjö and its predecessors have historically grown by acquisitions, most recently by the Expera Acquisition and the acquisition of Caieiras in 2018. Tax authorities may question some of the positions that Ahlstrom-Munksjö or its predecessors have taken and, consequently, additional taxes may be assessed or tax assets may be challenged. The main items under discussion or

already disputed relate to transfer pricing and business related taxes. Although Ahlstrom-Munksjö currently believes that the abovementioned processes will not have any significant effect on the financial position or profitability of the Company, the realization of any risks described above could have a material adverse effect on the Company's business, financial condition and results of operations.

***If the Company will be unable to utilize its deferred tax assets, its results of operations could be adversely affected.***

As at September 30, 2018, the recorded deferred tax assets of the Company were EUR 2.5 million (net deferred tax liabilities of EUR 91.5 million). The Company's ability to generate taxable income will be subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond its control. If lower taxable income than the amount the Company has assumed in determining its deferred tax assets is generated, then the value of its deferred tax assets would be reduced, which could have a material adverse effect on the Company's business, financial condition and results of operations. In addition, the value of the Company's deferred tax assets would be reduced if tax rates are reduced. Any of these factors could have a material adverse effect on the Company's business, financial condition and results of operations.

***An impairment of goodwill, other intangible assets or property, plant and equipment could have a material adverse effect on the financial position or operating results of the Company.***

As at September 30, 2018, the Company had EUR 428 million of goodwill, EUR 297 million of other intangible assets, such as customer relationships, patents, trademarks and, technology related intangible assets and EUR 841 million of property, plant and equipment in its balance sheet. The Company's equity as at September 30, 2018 was EUR 1,034 million. In the Unaudited Pro Forma Financial Information prepared to illustrate the financial impact of the Transactions, the unaudited pro forma combined balance sheet as at September 30, 2018 includes EUR 634 million of goodwill, EUR 502 million of other intangible assets and EUR 1,082 million of property, plant and equipment. See "*Unaudited Pro Forma Financial Information.*"

Goodwill is not amortized but is tested for impairment annually, or more often, if an event or circumstance indicates that an impairment loss may have been incurred. Other intangible assets and property, plant and equipment are amortized and depreciated on a straight-line basis over their estimated useful lives and reviewed for impairment whenever there are events such as product discontinuances, plant closures, product dispositions or other changes in circumstances that indicate that the carrying amount may not be wholly recoverable.

Impairment is recognized when an asset's or a cash-generating unit's (for goodwill impairment testing representing the Company's business areas) carrying value exceeds the recoverable amount. Impairment is recognized as an expense in the consolidated statement of comprehensive income. Impairment identified for a cash-generating unit is applied first to goodwill and thereafter proportionally to all other intangible and tangible assets of that unit. The value in use for cash-generating units is calculated through discounting the future cash flows that takes into account the risk-free interest and the risk associated with the specific asset or a cash-generating unit. The calculation of the value in use is based on assessments and estimates. The most significant estimates comprise sales development, current market prices, current cost levels with supplements for changes in real price and cost inflation, estimates regarding the development of the operating margin and the current weighted average cost of capital (WACC) used to discount future cash flows. If management's judgements, assumptions, estimates or market conditions change, the estimate of the recoverable amount of goodwill and other intangible assets or tangible assets could fall significantly and result in an impairment. An impairment charge could have a material adverse effect on the Company's business, financial condition and results of operations.

***The adoption of new or revised IFRSs may have material effects on the Company's future consolidated financial statements.***

The adoption of new or revised IFRS-standards can have a material effect on the Company's future consolidated financial statements. The International Financial Reporting Standards ("**IFRS**") comprise IFRSs issued by the International Accounting Standards Board ("**IASB**"), the International Accounting Standards ("**IAS**") as well as the interpretations of the International Financial Reporting Interpretations Committee and the Standing Interpretations Committee. The annual consolidated financial statements included elsewhere in this Prospectus comply with the IFRS as adopted by the EU as of the date of such financial statements. The IASB has published or may in the future publish new or amended standards and interpretations, which are not yet effective and have not yet been adopted by the Company in its financial statements. The Company will adopt each standard and interpretation from their effective date, or if the effective date is different from the first date of the reporting period, from the start of the next reporting period following the effective date as endorsed by the EU.

The Company has adopted the IFRS 15 *Revenue from Contracts with Customers* and IFRS 9 *Financial Instruments* standards on January 1, 2018. The Company has assessed the impacts of the adoption of these standards, and these are

described under section “*Certain Matters – New standards adopted as of January 1, 2018*” and in the notes to the unaudited interim report for the nine months ended September 30, 2018 incorporated by reference to this Prospectus. Furthermore, the Company will adopt the IFRS 16 *Leases* standard on January 1, 2019. The Company is currently assessing the impacts of the implementation of the new standard. The new standard requires that almost all leases are recognised on the balance sheet. As a result, the recognised assets of leases (the right to use the leased item) and financial liability to pay rentals will increase in the balance sheet. The operating expenses will decrease and depreciation and interest expenses will increase in the income statement, because lease expenses are no longer classified as operating expenses. For more information on Ahlstrom-Munksjö’s preliminary impact assessments, see sections “*Certain Matters – New standards not yet adopted*” and the notes to the unaudited interim report for the nine months ended September 30, 2018 incorporated by reference to this Prospectus.

Possible future changes in the IFRS would expose the Company to risks related to changes in accounting policies and reporting standards and changes in accounting systems which may affect, among others things, the financial position, results of operations and key figures of the Company.

***The Company will be exposed to fluctuations in foreign exchange rates.***

The Company will operate and sell products globally and, as a result, it will generate a portion of its sales and incur a part of its expenses in currencies other than the euro, primarily U.S. dollars, Chinese yuan, Swedish kronor, Brazilian real, and South Korean won. As a result of the Company’s increased presence in the United States, the Company is especially exposed to fluctuations in the exchange rate of the U.S. dollar. The Company’s results of operations will be subject to currency transaction risk and currency translation risk. As the Company will incur a portion of its expenses in currencies other than the currencies in which it generates sales, appreciation of a currency in which costs are incurred against a currency in which sales are generated could have a material adverse effect on the Company’s business, financial condition and results of operations. To reduce the effects of the transaction exposure at group level, the Company continuously hedges a forecasted exposure in foreign currencies according to its policy. The Company will report its results in euro, but it will have assets in foreign currencies, primarily through the ownership of its foreign subsidiaries. Consequently, the Company will incur foreign currency translation risk to the extent that assets, liabilities, revenues and expenses of its subsidiaries are reported in currencies other than the euro. In order to prepare its consolidated financial statements, the Company must translate the values of those assets, liabilities, revenues and expenses into euro at the applicable exchange rates. The Company does not under normal circumstances hedge its net investment in foreign subsidiaries. As a consequence, fluctuations in foreign currencies could have a material adverse effect on the Company’s business, financial condition and results of operations.

***The Company will be exposed to fluctuations in interest rates.***

As at September 30, 2018, the Company’s interest-bearing liabilities on a pro forma basis were EUR 1,119 million, of which EUR 249 million incurred interest at a fixed rate.

Any increase or decrease in interest rates would have a material effect on the Company’s current interest expenses and its future refinancing costs. The Company may be unable to use hedging instruments in line with its hedging strategy or may incur increased costs, or not be able to hedge at all, due to the conditions in the financial markets, the Company’s own financial situation, especially its level of indebtedness, or other factors. There can be no assurance that the Company will be able to hedge its exposure to fluctuations in interest rates or that any hedging policy that it adopts will mitigate the adverse effects of interest rate fluctuations on its results of operations. A failure to properly manage such risks could have a material adverse effect on the Company’s business, financial condition and results of operations.

***Costs related to pension benefit plans could increase.***

The Company has established certain defined pension benefit and defined pension contribution plans in various countries in which it operates, or has liability for such plans as a part of its historical operations. Accordingly, the Company will be exposed to various risks related to the defined benefit plans, including the risk of actual investment returns being lower than assumed rates of return and the risk of results deviating from actuarial assumptions for areas such as mortality of plan participants. In addition, fluctuations in interest rates may cause changes in the annual cost and benefit obligations. The above-mentioned risks relate in particular to the Company’s plans that are in effect in Sweden, Germany, France, Italy, the United States, and the United Kingdom. As at December 31, 2017, the Company’s unfunded benefit obligations amounted to EUR 64.5 million. Any of the above-mentioned risks, if they were to materialize, could have a material adverse effect on the Company’s business, financial condition and results of operations.

***Financial difficulties or bankruptcy of one or more of the Company's major customers or financing counterparties could have a material adverse effect on the Company's business, financial condition and results of operations.***

The Company will face credit risk in relation to their accounts receivable from customers. As at September 30, 2018, the Company's trade and other receivables amounted to EUR 300.1 million. In recent years, certain of the Company's customers have experienced, and may experience in the future, financial and operational challenges the continuation or exacerbation of which could place them in additional financial and operational distress or could even result in their bankruptcy. Furthermore, the changes in the global economy may put additional financial stress on the Company's customers. Financial and operational challenges experienced by customers may impact the Company's ability to collect outstanding accounts receivables fully or in a timely manner, or at all, and, consequently, result in credit losses and have a material adverse effect on the Company's cash flows. In an uncertain economic situation, it may be difficult to cover the Company's customer credit risks with credit insurance. Further, the failure by customers to fulfill their payment obligations towards the Company may have a material adverse effect on the terms or availability of credit insurance for the Company. These factors, combined with limited availability of credit, could also cause the Company's customers to reduce the volume of their purchases in an effort to improve their own financial position.

An uncertain economic situation also leads to increased counterparty risk, that is the risk that one or more of the Company's counterparties in financing transactions (e.g., banks and insurance companies) may be unable to fulfill their contractual obligations to the Company. In recent years, the general economic and financial market conditions in Europe and other parts of the world have undergone significant volatility. Although general economic conditions and financial market conditions have recently remained stable, this does not guarantee that similar volatility will not continue in the future. As uncertainty remains in the global markets, it cannot be ruled out that the global economy could fall back into a recession which could lead to banks, insurance companies and other corporations facing financial difficulties, which, in turn, may lead to corporate restructuring arrangements, states taking over companies and bankruptcies. Despite any efforts by the Company to manage its counterparty risk, there is a possibility that one or more of the Company's financing counterparties could face serious financial difficulties or bankruptcy. If a counterparty risk materializes, the Company may incur costs relating to, among other things, rearranging its credit transactions, including on less favorable terms, such as an incremental change in its financing rate. Further, counterparty risks that materialize could force the Company to obtain alternative financing to meet its obligations under its financing arrangements, and such financing may not be available on commercially acceptable terms, or at all.

Materialization of a credit or counterparty risk could have a material adverse effect on the Company's business, financial condition and results of operations.

### **Risks Relating to the Shares, Subscription Price and the Offering**

***The Company's ability to pay dividends or other distributions of unrestricted equity in accordance with its dividend policy or otherwise is dependent on the availability of distributable funds and the Company may be unable to, or decide not to, pay any dividends or other distributions of unrestricted equity in the future.***

Pursuant to the Finnish Companies Act (624/2006, as amended, the "**Companies Act**"), the amount distributed by the Company as dividends may not exceed the amount of distributable funds shown on its latest unconsolidated parent company audited financial statements adopted by the general meeting of shareholders. As the Company is the parent company of the Group, its distributable funds and, by extension, its ability to pay dividends or make other distributions of unrestricted equity, will depend, inter alia, upon the level of income to be derived from its subsidiaries in the form of management fees, group contributions, dividend payments and interest income, if any, as well as its cash balances. As a result, any potential distribution of dividends or other distributions of unrestricted equity will depend on the Company's and its subsidiaries' results of operations, financial condition, cash flows, need for working capital, capital expenditure, future outlook, terms of its financing agreements, ability to upstream any income to the Company from its subsidiaries and other factors. Any payment of dividends or other distributions of unrestricted equity will always be at the discretion of the Board of Directors of the Company and, ultimately, be dependent on a resolution of a general meeting of shareholders. Moreover, under the Companies Act, the distribution of dividends is not permitted if it would jeopardize the Company's solvency. The Board of the Directors of the Company has together with the management of the Company considered appropriate financial targets for the Company and agreed on a financial target framework. According to the framework, the Company aims for a stable and annually increasing dividend to be paid bi-annually to shareholders. Notwithstanding any dividend policy adopted by the Company, the Company will evaluate the preconditions for the payment of dividends or other distributions of unrestricted equity bi-annually, while also considering, among other things, the Company's structure, financial condition, general economic and business conditions and future prospects, which may result in a deviation or change in the dividend policy, including a decision not to distribute any dividends. The amount of any dividends paid by the Company in any given financial year is, therefore, uncertain. Further, any payment of dividends, or other distributions of unrestricted equity, by the Company with respect to prior financial periods is not an indication of the dividends to be paid for financial periods in the future, if any. See also "*Dividend and Dividend Policy*".



***Interests of certain larger shareholders of the Company may differ from the interests of other shareholders.***

Certain shareholders of the Company, including AC Invest Five B.V., a company belonging to Ahlström Capital group, and Viknum AB, which is controlled by Virala Corporation, have each separately and irrevocably committed to subscribe in full of the Offer Shares on the basis of the Subscription Rights allocated to them. As such, following the Offering, AC Invest Five B.V. and Viknum AB would each continue to own more than ten percent of the Company and there can be no assurance that the interests of such, or other larger shareholders, will be in line with those of the Company's other shareholders.

***A shareholder's ownership will be diluted if the shareholder does not exercise the Subscription Rights, and the Subscription Rights could lose their value.***

Should shareholders choose not to exercise their Subscription Rights or if a shareholder and the securities broker employed by the shareholder do not meet the requirements detailed in the section "*Terms and Conditions of the Offering*", the Subscription Rights shall expire and the investor may not necessarily receive any compensation for them. In such a case, the shareholder's relative ownership and share of voting rights conferred by the shares will be diluted correspondingly. Even if the shareholder decided to sell the Subscription Rights, that the shareholder has not exercised, or even if these Subscription Rights were sold in the name of the shareholder, the payment received for the Subscription Rights in the markets will not necessarily correspond with the direct dilution attributable to the execution of the Offering.

***It is possible that the Offering is unsuccessful in the collection of funds in full.***

Based on the Subscription Undertakings, certain shareholders of the Company have each separately and irrevocably committed to subscribe in full for the Offer Shares on the basis of the Subscription Rights allocated to them, i.e. in total approximately 36.9 percent of the Offer Shares. In addition, the Subscription Guarantor has irrevocably committed to subscribe for Offer Shares that may remain unsubscribed for in the Offering for an amount representing approximately 10.0 percent of the Offer Shares. Nordea Bank Abp ("**Nordea**") and Skandinaviska Enskilda Banken AB (publ) ("**Skandinaviska Enskilda Banken**") have agreed to procure subscribers for any Offer Shares that may remain unsubscribed for in the Offering, excluding the Offer Shares that are covered by the Subscription Undertakings and which the Subscription Guarantor has committed to subscribe for, or to subscribe for such Offer Shares themselves. By virtue of the Subscription Undertakings and subscription guarantee by the Subscription Guarantor, Nordea and Skandinaviska Enskilda Banken, the Offering is fully guaranteed.

In line with the market practice, the shareholders who have given Subscription Undertakings, Nordea and Skandinaviska Enskilda Banken and the Subscription Guarantor have not provided security for the fulfilment of their obligations. Consequently, it is not certain that the shareholders who have given Subscription Undertakings, Nordea and Skandinaviska Enskilda Banken and the Subscription Guarantor will fulfil their obligations in their entirety. In addition, the collection of funds in the Offering will be affected by fluctuations in the exchange rate of the Swedish krona as compared to the euro. The Subscription Price is set as a fixed price of 7.81 EUR per Offer Share and the conversion of the Subscription Price into Swedish krona will be based on the reference rate published by the European Central Bank on November 16, 2018 at 4:00 p.m. CET. Any changes in the exchange rate of the Swedish krona as compared to the euro between the aforementioned date and the date the Company receives payment for the Offer Shares, will have an impact on the amount of proceeds (measured in euros) from the Offer Shares paid for in Swedish kronor.

If the Offering were not subscribed for in full due to non-fulfilment of a subscription undertaking or subscription guarantee or changes in the exchange rates were to reduce the proceeds (measured in euros) from the Offer Shares paid for in Swedish kronor, it would reduce the equity and cash booked by the Company from the Offering, which might necessitate the acquisition of additional financing or hamper the Company's possibilities to implement its business strategy (further information is provided in the sections "*Background of the Expera Acquisition and Use of Proceeds*" and "*Business of the Company – Strategy*"), and these consequences could in turn have an adverse effect on the Company's business, results of operations, its future ability to pay dividends, financial condition and future prospects.

***Investors do not have the right to cancel the use of Subscription Rights or sales and other transfers of Interim Shares and BTAs.***

Subscriptions made in the Offering as well as sales and other transfers of Interim Shares and BTAs are binding and may not be withdrawn, invalidated or changed, except in the special cases mentioned in the section "*Terms and Conditions of the Offering*". The Offer Shares are paid for in connection with the subscription. The sales and other transfers of Interim Shares and BTAs are paid in connection with the transaction in question. Therefore, the investors must make their investment decisions before the final outcome of the Offering is known. In case the Underwriting Agreement were terminated, the Company's proceeds from the Offering would be considerably below the level planned herein. If the Board of Directors shall in such situation, based on the Companies Act, resolve not to accept subscriptions made with Subscription Rights in the exceptional circumstances set out in the "*Plan of Distribution in the Offering*", the Subscription

Price will be refunded to the holders of Interim Shares and BTAs and to the subscribers of Offer Shares without Subscription Rights.

***The market price of the Subscription Rights and the Offer Shares could fluctuate considerably and the price of the Offer Shares could fall below the Subscription Price.***

Ahlstrom-Munksjö will file an application to list the Offer Shares on Nasdaq Helsinki and Nasdaq Stockholm. The market price of the Subscription Rights and the Offer Shares could be subject to significant fluctuations due to a change in sentiment in the market regarding the Subscription Rights, the Offer Shares or similar securities, and in response to various facts and events, including any variations in the Company's results of operations and business developments. Further, stock markets may from time to time experience significant price and volume fluctuations that may be unrelated to the Company's operating performance or prospects. Any of these factors could result in a decline in the market price of the Offer Shares below the Subscription Price and render the Subscription Rights without value.

***The Subscription Rights, Interim Shares and BTAs may not necessarily become subject to active trading.***

There can be no certainty that the Subscription Rights, Interim Shares or BTAs would be subject to active trading on Nasdaq Helsinki or Nasdaq Stockholm or that the liquidity of the Subscription Rights, Interim Shares or BTAs would be adequate during the period that the Subscription Rights, Interim Shares or BTAs are traded. In addition, there can be no guarantee that the market price of the Subscription Rights, Interim Shares or BTAs would reflect the price level of the Company's shares in a manner that would be appropriate from a financial theory point of view.

***Future share offerings or the sale of a significant number of shares could have adverse effects on the market price of shares and any future share offerings may dilute the shareholdings of current shareholders.***

The issuance or sale of a significant number of shares or an understanding that such an issue or sale may take place in the future could have an adverse effect on the market price of the Company's shares and on the Company's future ability to raise funds with subordinated loans. In addition, any possible future private offerings or subscription rights offerings in which shareholders choose not to exercise or sell their subscription rights could dilute the relative shareholdings of the shareholders as well as their proportion of the voting rights conferred by the shares.

***Certain foreign shareholders may not necessarily be able to exercise their subscription rights.***

Certain shareholders of Ahlstrom-Munksjö who live or will live, or whose registered address is located in, certain states beyond the borders of Finland or Sweden, including shareholders living in the USA, may not necessarily be able to exercise their Subscription Rights in the Offering or in possible further offerings, unless the shares have been registered according to the securities legislation of the country in question or in an otherwise similar manner, or unless a derogation from the registration or other equivalent regulations provided in the applicable legislation is available. If the number of shareholders who are not able to exercise their Subscription Rights is high and if the Subscription Rights of such shareholders are sold on the market, it could have an adverse effect on the price of the Subscription Rights. A foreign shareholder's right to have access to information concerning share issues and important transactions may also be restricted due to the legislation of the country in question. Further information is provided in section "Description of the Shares and Share Capital – Shareholders' Rights – Shareholders' Pre-Emptive Subscription Right".

## COMPANY, BOARD OF DIRECTORS, AUDITORS AND ADVISERS

### Company

Ahlstrom-Munksjö Oyj  
Alvar Aallon katu 3 C  
P.O. Box 329  
FI-00101 Helsinki, Finland

### Board of Directors of the Company

<b>Name</b>	<b>Position</b>
Peter Seligson	Chairman of the Board of Directors
Elisabet Salander Björklund	Vice Chairman of the Board of Directors
Pernilla Walfridsson	Member of the Board of Directors
Alexander Ehrnrooth	Member of the Board of Directors
Johannes Gullichsen	Member of the Board of Directors
Lasse Heinonen	Member of the Board of Directors
Hannele Jakosuo-Jansson	Member of the Board of Directors
Harri-Pekka Kaukonen	Member of the Board of Directors
Valerie A. Mars	Member of the Board of Directors

The business address of all members of the Board of Directors is c/o Ahlstrom-Munksjö Oyj, Alvar Aallon katu 3, P.O. Box 329, FI-00101 Helsinki, Finland

### Auditor of the Company

KPMG Oy Ab  
Töölönlahdenkatu 3 A  
00100 Helsinki  
Auditor in charge: Anders Lundin  
Authorized Public Accountant

### Managers

Nordea Bank Abp  
Satamaradankatu 5  
FI-00020 Nordea, Helsinki, Finland

Skandinaviska Enskilda Banken AB (publ) Helsinki Branch  
Eteläesplanadi 18  
FI-00130 Helsinki, Finland

### Legal Adviser to the Company

Hannes Snellman Attorneys Ltd  
Eteläesplanadi 20  
FI-00130 Helsinki, Finland

### Legal Adviser to the Managers

Roschier, Attorneys Ltd.  
Kasarmikatu 21 A  
FI-00130 Helsinki, Finland

## CERTAIN MATTERS

### Statement Regarding Information in this Prospectus

The Company is responsible for the information included in this Prospectus. To the best knowledge of the Company and its Board of Directors, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

November 19, 2018

Ahlstrom-Munksjö Oyj

### Forward-Looking Statements

Some of the statements in this Prospectus, particularly all statements regarding the future projections under sections “*Summary*”, “*Risk Factors*”, “*Business of the Company*”, “*Recent Development and Future Outlook*” and elsewhere in this Prospectus include forward-looking statements that reflect the management’s current views and understanding with respect to the Company’s financial condition, business strategy, and plans and objectives of the management for future operations and goals (including development plans relating to the Company’s products and services). These statements may include forward-looking statements both with respect to the Company and the sector and industry in which it operates. Statements that include the words “aim”, “anticipate”, “assume”, “believe”, “continue”, “could”, “estimate”, “expect”, “intend”, “may”, “plan”, “project”, “target”, “will”, “would”, “should” and similar statements identify forward-looking statements.

All forward-looking statements address matters that involve risks and uncertainties, as a result of which the Company’s actual results or operating results may differ materially from those indicated in the forward-looking statements. Any forward-looking statements in this Prospectus are unaudited. These forward-looking statements are subject to those risks described in section “*Risk Factors*” in this Prospectus and other risks, uncertainties and assumptions relating to the Company’s business, results of operations, growth strategy and liquidity. In light of the risks, uncertainties, assumptions and other factors referred to in this Prospectus, events described in the forward-looking statements may not occur or may fail to materialize. Consequently, there can be no guarantee regarding the accuracy and completeness of any of the forward-looking statements contained in this Prospectus or the actual materialization of predicted developments.

These forward-looking statements reflect only current views as at the date of this Prospectus. Subject to any obligations under the applicable laws and regulations (including the Securities Markets Act), the Company undertakes no obligation to update or review any forward-looking statements, whether as a result of new information, future developments or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or individuals acting on behalf of the Company are expressly qualified in their entirety by this section.

### Availability of the Prospectus

The Finnish Prospectus and the documents incorporated therein by reference will be available as of November 20, 2018 at the latest at the website of the Company at [www.ahlstrom-munksjo.com/osakeanti](http://www.ahlstrom-munksjo.com/osakeanti) and at the registered office of the Company at Alvar Aallon katu 3 C, FI-00100 Helsinki, Finland. In addition, the Finnish Prospectus will be available on or about November 20, 2018 at Nordea’s branch offices as well as on the website of Nordea at [www.nordea.fi/osakkeet](http://www.nordea.fi/osakkeet), at SEB’s Helsinki office located at Eteläesplanadi 18, FI-00130 Helsinki, Finland and on the website of SEB at [www.seb.fi](http://www.seb.fi) as well as at Nasdaq Helsinki at Fabianinkatu 14, FI-00100 Helsinki, Finland.

This English Prospectus and the documents incorporated herein by reference, along with a Swedish language summary, will be available on or about November 21, 2018 at the website of the Company at [www.ahlstrom-munksjo.com/rightsissue](http://www.ahlstrom-munksjo.com/rightsissue) and on the website of Nordea at [www.nordea.fi/osakkeet](http://www.nordea.fi/osakkeet) and [www.nordea.se](http://www.nordea.se) and SEB at [www.seb.fi](http://www.seb.fi) and [www.sebgroup.com](http://www.sebgroup.com).

### Presentation of Financial and Certain Other Information

#### *Historical financial statements*

The Company prepares its consolidated financial statements in accordance with the International Financial Reporting Standards as adopted by the EU (“**IFRS**”), and its interim reports have been prepared in accordance with “*IAS 34-Interim Financial Reporting*”. The audited consolidated financial statements of Ahlstrom-Munksjö as at and for the year ended December 31, 2017 as well as unaudited consolidated interim report as at and for the nine months ended September 30, 2018 and the unaudited comparative financial information as at and for the nine months ended September 30, 2017 have been incorporated by reference into this Prospectus. Independent auditor’s report on review of the Company’s unaudited

consolidated interim report as at and for the nine months ended September 30, 2018 is included as Annex C to this Prospectus.

The consolidated financial statements as at and for the year ended December 31, 2017 has been audited by KPMG Oy Ab, Authorised Public Accountants, with Authorized Public Accountant Anders Lundin as the auditor with the principal responsibility.

### ***New standards adopted as of January 1, 2018***

#### *IFRS 15 Revenue from Contracts with Customers*

The Company has adopted the new IFRS 15 Revenue from Contracts with Customers standard as of January 1, 2018. IFRS 15 replaces the standards IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations. IFRS 15 defines a five-step model to recognize revenue arising from contracts with customers. The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Under IFRS 15, an entity recognizes revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the good or service underlying the particular performance obligation is transferred to the customer.

The Company is delivering goods to the customer where each good provided to the customer is distinct from the other goods provided to the customer. A typical good consist of a packed sheet of paper, a roll of paper or a cube of pulp. The Company does not provide services. Sale of goods is the only revenue stream of the Company and that consists of the following business areas: Decor, Filtration and Performance, Industrial Solutions, Specialties and North America Specialty Solutions. A typical contract with customer consists of purchase order and order confirmation, including the general terms and conditions of the arrangement. Compared to the previous accounting standard, the new standard does not entail any change in identification and accounting for the delivery of goods in Ahlstrom-Munksjö. Revenue is recognized at point in time when control of goods has been transferred to the customer.

The Company adopted the new standard using the full retrospective method. The Company has performed an assessment of IFRS 15 impacts and as a result, there were no significant accounting changes compared to the previous practice and thus there was no impact to the financial statements. For more information on the adoption of IFRS 15 standard is presented in the unaudited consolidated interim report for the nine months ended September 30, 2018 incorporated by reference to this Prospectus.

#### *IFRS 9 Financial Instruments*

The Company has adopted IFRS 9 Financial Instruments on January 1, 2018. The new standard replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new expected credit loss model for calculating impairment on financial assets.

Under IFRS 9, the classification and measurement of financial assets are based on the cash flow characteristics of them and the business model they are managed in. The Company has categorized its financial assets to financial assets measured at amortized cost, at fair value through income statement and at fair value through other comprehensive income. The reclassification has not had any impact on equity.

The new rules of IFRS 9 for hedge accounting aligns more closely with common risk management practices and, among others, allows net position hedging. The Company applies the new hedge accounting requirements prospectively. The Company hedges the foreign currency flows on a net exposure basis. The cash flow hedging is applied against the expected net cash flows, consisting of related sales proceeds and purchases in the same currency. The new rules of IFRS 9 for hedge accounting had no impact on the reporting period.

According to IFRS 9 the impairment assessment of financial assets is based on expected credit loss model. The impairment is based on forward-looking information as well as past experience and current expectations. The Company estimates the credit risk for financial assets, mainly trade receivables, measured at amortized cost at the end of each reporting period.

The Company applies the simplified approach to assess the credit risk of trade receivables. The loss allowance is measured at the estimate of the lifetime expected credit losses, which are recognized based on ageing categories of trade receivables. The Group has historically low levels for realized credit losses in trade receivables and the Group also has a credit insurance program in place. Due to the new expected credit loss model the Group has made an adjustment of EUR -1.6 million in retained earnings and trade receivables for the opening balance of January 1, 2018. Comparative historical financial information for the periods prior to January 1, 2018 has not been restated.

More information on the adoption of IFRS 9 standard is presented in the unaudited consolidated interim report for the nine months ended September 30, 2018 incorporated by reference to this Prospectus.

### ***New standards not yet adopted***

IFRS 16 Leases standard is effective on January 1, 2019 and the new standard will affect primarily the accounting by lessees and will result in the recognition of almost all leases on the balance sheet. The new lease standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for the majority of Ahlstrom-Munksjö's lease contracts. The income statement will also be affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense will be replaced with interest cost and depreciation, so our key metrics like EBITDA will change. An optional exemption exists for short-term and low-value leases.

Ahlstrom-Munksjö has performed a first preliminary impact assessment based on the identified existing contracts at the end of the first quarter in 2018. According to the high level assessment, the implementation of IFRS 16 would have increased the property, plant and equipment in the balance sheet at the end of second quarter by approximately EUR 42 million. The Company is currently also assessing the impact of the adoption of IFRS 16 to its recently completed acquisitions of Expera and Caieiras. At December 31, 2017, Expera had non-cancellable operating lease commitments of USD 9 million. In the consolidated income statement, the operating expense will decrease, while depreciation and interest costs will reflect an increase as the lease expense is no longer classified as an operating expense. This will lead to an improvement in EBITDA. The Company will continue the IFRS 16 implementation project including specifying more accurate impact of the change.

Ahlstrom-Munksjö expects to adopt IFRS 16 upon initial application January 1, 2019 using a simplified approach (modified retrospective approach) where comparative figures will not be restated. The Company expects to use the other available reliefs to the widest possible extent, including the exclusion of leases with a term to maturity of less than 12 months and low-value leases.

More information on the implementation of IFRS 16 standard is presented in the unaudited consolidated interim report for the nine months ended September 30, 2018 incorporated by reference to this Prospectus.

### ***Historical financial information of Ahlstrom Corporation***

The audited final accounts for the three months ended March 31, 2017 of Ahlstrom Corporation have been included by reference to this Prospectus. The audited final accounts of Ahlstrom Corporation has been audited by PricewaterhouseCoopers Oy, Authorised Public Accountants, with Authorized Public Accountant Markku Katajisto as the auditor with the principal authority.

### ***Historical financial information of Specialty Papers Acquisition, LLC***

Expera Specialty Solutions Holdings, Inc. is a holding company and was formed for the sole purpose of investing, directly or indirectly, in Specialty Papers Acquisition, LLC, and has never, and does not, own, lease, license or have any rights with respect to any assets except for the equity interest in Specialty Papers Acquisition, LLC. Since its formation, Expera Specialty Solutions Holdings, Inc. has not engaged in any substantive business activities. Hence, Specialty Papers Acquisition, LLC's audited consolidated financial statements as at and for the year ended December 31, 2017 and unaudited consolidated condensed financial statements as of and for the three-month and nine-month periods ended September 30, 2018 prepared in conformity with U.S. generally accepted accounting principles ("US GAAP") have been incorporated by reference into this Prospectus. Specialty Papers Acquisition, LLC's audited consolidated financial statements as at and for the year ended December 31, 2017 have been audited by EY.

### ***Pro Forma financial information***

The Unaudited Pro Forma Financial Information is presented for illustrative purposes only to give effect to the Transactions (as defined under "*Unaudited Pro Forma Financial Information*") on Ahlstrom-Munksjö's financial information. The unaudited pro forma combined balance sheet as at September 30, 2018 gives effect to the Transactions as if they had occurred on that date. The unaudited pro forma combined income statements for the nine months ended September 30, 2018 and for the year ended December 31, 2017 give effect to the Transactions as if they had occurred on January 1, 2017. The Unaudited Pro Forma Financial Information has been prepared in accordance with Annex II to the Prospectus Regulation, and with the accounting principles applied by Ahlstrom-Munksjö in its consolidated financial statements prepared in accordance with IFRS. The Unaudited Pro Forma Financial Information has not been compiled in accordance with Article 11 of Regulation S-X under the U.S. Securities Act or the guidelines established by the American Institute of Certified Public Accountants.

The Unaudited Pro Forma Financial Information reflects the application of pro forma adjustments that are based upon available information and certain assumptions described in the accompanying notes to the Unaudited Pro Forma Financial Information and that the Company believes are reasonable under the circumstances. Actual results of the Transactions may materially differ from the assumptions used in the Unaudited Pro Forma Financial Information presented in this Prospectus. The Unaudited Pro Forma Financial Information has been prepared by the Company for illustrative purposes only and, because of its nature, it addresses a hypothetical situation, and therefore is not necessarily indicative of the financial position or results of operations of Ahlstrom-Munksjö that would have been realized had the Transactions occurred as at the dates indicated, nor is it meant to be indicative of any anticipated financial position or future results of operations that Ahlstrom-Munksjö will experience going forward. In addition, the unaudited pro forma combined income statements do not reflect any expected cost savings, synergy benefits or integration costs that are expected to be generated or may be incurred as a result of the Transactions.

The Unaudited Pro Forma Financial Information does not include all information required to be included in financial statements prepared in accordance with IFRS and they should be read together with the historical financial information of Ahlstrom-Munksjö and Expera incorporated by reference to this Prospectus. See also “*Unaudited Pro Forma Financial Information*” and “*Risk Factors – Risks Relating to the Company’s Financial Condition and Financing – The Unaudited Pro Forma Financial Information in this Prospectus is presented for illustrative purposes only and may differ materially from the Company’s actual results of operations or financial position following the Transactions*”.

### ***Alternative performance measures***

This Prospectus includes certain alternative performance measures of the Company’s historical financial performance, financial position and cash flows, which, in accordance with the “Alternative Performance Measures” guidance issued by the European Securities and Markets Authority (“ESMA”) are not accounting measures defined or specified in IFRS and are therefore considered alternative performance measures. The Company presents the following alternative performance measures:

- EBITDA
- Items affecting comparability
- Comparable EBITDA
- Comparable EBITDA margin, %
- Operating result
- Comparable operating result
- Comparable operating result margin, %
- Comparable operating result excluding depreciation and amortization arising from PPA
- Comparable earnings per share excluding depreciation and amortization arising from PPA
- Capital expenditure
- Net debt
- Gearing ratio, %

For the detailed definitions and reasons for the use of these alternative performance measures, see “*Selected Financial Information – The definitions and reasons for the use of financial key indicators*”. The reconciliation of alternative performance measures is presented in section “*Selected Financial Information – Reconciliation of Alternative Performance Measures*”.

Ahlstrom-Munksjö has in this Prospectus changed the names of the presented performance measures from “Comparable operating result excluding depreciations arising from mergers” and “Comparable earnings per share excluding depreciations arising from mergers” to “Comparable operating result excluding depreciation and amortization arising from PPA” and “Comparable earnings per share excluding depreciation and amortization arising from PPA” respectively. The Company believes that the changed names better reflect the contents and definitions of the performance measures, which have not been changed. The Company will in the future present these performance measures with the names used in this Prospectus.

Alternative performance measures are unaudited, with the exception of operating result presented for the year ended December 31, 2017, which is audited.

### ***Rounding adjustments***

The figures presented in this Prospectus, including the financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum of the numbers in a column or row in tables may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in this Prospectus reflect calculations based upon the underlying information prior to rounding and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

## **Currencies**

As used herein, references to (i) “euro”, “EUR” or “€” are to the euro, the lawful currency of the participating member states in the Third Stage of the European Economic and Monetary Union of the Treaty Establishing the European Community and (ii) “U.S. dollar” or “USD” or “\$” are to the United States dollar, the lawful currency of the United States of America and (iii) “Swedish krona” or “SEK” are to the Swedish krona, the lawful currency of Sweden and (iv) “Chinese yuan” or “CNY” are to the China yuan renminbi, the lawful currency of the People’s Republic of China and (v) “Brazilian real” or “BRL” are to the Brazilian real, the lawful currency of Brazil and (vi) “South Korean Won” or “KRW”, the lawful currency of South Korea. For information regarding recent rates of exchange between the euro and the U.S. dollar, Swedish krona, Chinese yuan, Brazilian real, and South Korean Won see “*Exchange Rates*”.

## **Market, Economic and Industry Data and Management Reports and Finding**

This Prospectus contains estimates regarding the market and industries in which Ahlstrom-Munksjö operates as well as its competitive positions therein. Such estimates cannot be gathered from publications by market research institutions or any other independent sources. In many cases, there is no publicly available information on such data, for example from industry associations, public authorities or other organizations and institutions. The statements in this Prospectus on the Company’s market position and market growth rates are based on the Company’s internal investigations and assessments of information from internal financial and operational information supplied by, or on behalf of, the Company, and from other sources as well as the Company’s general market knowledge, applying certain supplementary assumptions, where necessary. Ahlstrom-Munksjö believes that their internal estimates of market data and information derived therefrom and included in this Prospectus are helpful in order to give investors a better understanding of the industries in which Ahlstrom-Munksjö operates as well as its positions therein. Although Ahlstrom-Munksjö believes that its internal market estimates are fair, they have not been reviewed or verified by any external experts and Ahlstrom-Munksjö cannot guarantee that a third-party expert using different methods would obtain or generate the same results.

## **Website Information**

The Company and the Managers will publish the Finnish Prospectus and any supplements thereto on their websites. The contents of the Company’s or the Managers’ websites or any other website do not form part of this Prospectus, excluding the documents incorporated by reference into this Prospectus as set forth in “*Documents Incorporated by Reference*”, and prospective investors should not rely on such information in making their decision to invest in securities.



## IMPORTANT DATES

### Finland

November 20, 2018	Ex rights date for the Subscription Rights
November 21, 2018	Record Date of the Offering on Euroclear Finland
November 26, 2018	Subscription Period for the Offering commences
November 26, 2018	Trading in the Subscription Rights and Interim Shares commences on Nasdaq Helsinki
December 5, 2018	Trading in the Subscription Rights expires on Nasdaq Helsinki
December 12, 2018	Subscription Period expires and unexercised Subscription Rights expire without compensation
December 14, 2018 (estimate)	Stock exchange release regarding the preliminary result of the Offering
December 18, 2018 (estimate)	Stock exchange release regarding the final result of the Offering
December 19, 2018 (estimate)	Trading in the Interim Shares expires on Nasdaq Helsinki
December 19, 2018 (estimate)	The Offer Shares subscribed for pursuant to the Primary Subscription Rights and the Secondary Subscription Rights in Finland are registered in the Finnish Trade Register
December 20, 2018 (estimate)	The Interim Shares are combined with the existing shares of the Company on Nasdaq Helsinki
December 20, 2018 (estimate)	The Offer Shares subscribed for in the Offering are admitted to trading on Nasdaq Helsinki

### Sweden

November 20, 2018	Ex rights date for the Subscription Rights
November 21, 2018	Record Date of the Offering on Euroclear Sweden
November 26, 2018	Subscription Period for the Offering commences
November 26, 2018	Trading in the Subscription Rights and BTAs commences on Nasdaq Stockholm
December 10, 2018	Trading in the Subscription Rights expires on Nasdaq Stockholm
December 12, 2018	Subscription Period expires and unexercised Subscription Rights expire without compensation
December 14, 2018 (estimate)	Stock exchange release regarding the preliminary result of the Offering
December 18, 2018 (estimate)	Stock exchange release regarding the final result of the Offering
December 18, 2018 (estimate)	The investors are informed in writing about the acceptance of subscriptions based on the Secondary Subscription Right
December 19, 2018 (estimate)	Trading in the BTAs expires on Nasdaq Stockholm
December 19, 2018 (estimate)	The Offer Shares subscribed for pursuant to the Primary Subscription Rights in Sweden are registered in the Finnish Trade Register

December 21, 2018 (estimate)	Record Date for the BTAs to be combined with the existing shares of the Company on Nasdaq Stockholm
December 27, 2018 (estimate)	Contract note payments to be made at the latest by investors
December 28, 2018 (estimate)	The Offer Shares subscribed for pursuant to the Secondary Subscription Rights in Sweden are registered in the Finnish Trade Register
December 28, 2018 (estimate)	The Offer Shares subscribed for in the Offering based on the Subscription Rights are admitted to trading on Nasdaq Stockholm
January 4, 2019 (estimate)	The Offer Shares subscribed for in the Offering without Subscription Rights are admitted to trading on Nasdaq Stockholm

## EXCHANGE RATES

The following table presents the average, high, low, and period-end reference rates as published by the European Central Bank for the U.S. dollar (“USD”) per EUR as at the dates and for the periods indicated:

	Reference rates of USD per euro			
	<u>Average</u>	<u>High</u>	<u>Low</u>	<u>Period-End</u>
2015	1.11	1.20	1.06	1.09
2016	1.11	1.16	1.04	1.05
2017	1.13	1.21	1.04	1.20
2018 (through November 16)	1.19	1.25	1.13	1.13

The following table presents the average, high, low, and period-end reference rates as published by the European Central Bank for the Swedish krona (“SEK”) per EUR as at the dates and for the periods indicated:

	Reference rates of SEK per euro			
	<u>Average</u>	<u>High</u>	<u>Low</u>	<u>Period-End</u>
2015	9.35	9.66	9.11	9.19
2016	9.47	10.00	9.14	9.55
2017	9.64	10.02	9.42	9.84
2018 (through November 16)	10.25	10.69	9.76	10.26

The following table presents the average, high, low, and period-end reference rates as published by the European Central Bank for the Chinese yuan (“CNY”) per EUR as at the dates and for the periods indicated:

	Reference rates of CNY per euro			
	<u>Average</u>	<u>High</u>	<u>Low</u>	<u>Period-End</u>
2015	6.97	7.48	6.56	7.06
2016	7.35	7.53	7.01	7.32
2017	7.63	7.98	7.23	7.80
2018 (through November 16)	7.80	8.10	7.42	7.89

The following table presents the average, high, low, and period-end reference rates as published by the European Central Bank for the Brazilian real (“BRL”) per EUR as at the dates and for the periods indicated:

	Reference rates of BRL per euro			
	<u>Average</u>	<u>High</u>	<u>Low</u>	<u>Period-End</u>
2015	3.70	4.73	2.91	4.31
2016	3.86	4.52	3.39	3.43
2017	3.61	3.97	3.24	3.97
2018 (through November 16)	4.30	4.89	3.86	4.27

The following table presents the average, high, low, and period-end reference rates as published by the European Central Bank for the South Korean Won (“KRW”) per EUR as at the dates and for the periods indicated:

	Reference rates of KRW per euro			
	<u>Average</u>	<u>High</u>	<u>Low</u>	<u>Period-End</u>
2015	1,256.54	1,389.25	1,156.94	1,280.78
2016	1,284.18	1,368.69	1,223.53	1,269.36
2017	1,276.74	1,363.52	1,191.09	1,279.61
2018 (through November 16)	1,301.59	1,355.17	1,248.51	1,283.80

The above rates are provided solely for the convenience of the reader and are not necessarily the rates used in the preparation of the Company’s financial statements and financial statement information. No representation is made that the euros could have been converted into U.S. dollars, Swedish krona, Chinese yuan, Brazilian real or South Korean Won at the rates shown or any other rate at such dates or during such periods.

## DIVIDEND AND DIVIDEND POLICY

The Board of Directors of the Company together with the management of the Company considers appropriate financial targets for Ahlstrom-Munksjö and agrees on a financial target framework. According to the long-term financial targets approved by the Board of Directors of the Company, Ahlstrom-Munksjö aims for a stable and annually increasing dividend to be paid bi-annually to shareholders.

The payment of dividends, if any, by Ahlstrom-Munksjö and the amounts and timing thereof will depend on a number of factors, including Ahlstrom-Munksjö's capital structure, future net sales, profits, financial condition, general economic and business conditions, and future prospects; the ability of Ahlstrom-Munksjö's subsidiaries to pay dividends or otherwise transfer funds to Ahlstrom-Munksjö; and such other factors as the Board of Directors may deem relevant. There can be no assurance that a dividend will be declared in any given year. If a dividend is declared, there can be no assurance that the dividend amount or the dividend payout ratio will be as described below. Moreover, any dividend paid in a given year will not be indicative of any dividends to be paid in any subsequent year. If any dividend is distributed, all of the shares will be entitled to the same dividend.

In March 2017, the Board of Directors of the predecessor Munksjö Oyj resolved on a return of equity in the amount of EUR 0.45 per each outstanding share, representing approximately EUR 23 million in total, based on the authorization granted by the Extraordinary General Meeting held on January 11, 2017. The return of equity was paid to the shareholders prior to the completion of the Merger.

In September 2017, the Board of Directors of Ahlstrom-Munksjö resolved on a return of equity in the amount of EUR 0.23 per each outstanding share, representing approximately EUR 22 million in total. The return of equity was paid based on the decision by the Annual General Meeting of Shareholders held on May 16, 2017. The return of equity was paid in September 2017.

The distributable funds on the balance sheet of Ahlstrom-Munksjö as of December 31, 2017 amounted to EUR 639,383,957.56. The Annual General Meeting of Shareholders of Ahlstrom-Munksjö held on March 21, 2018 resolved, in accordance with the proposal of the Board of Directors, on a dividend payment in the amount of EUR 0.52 per share, representing approximately EUR 50 million in total. The dividend was paid in two instalments. The first instalment of EUR 0.26 per share was paid to a shareholder who on the record date of the payment, March 23, 2018, was registered in the shareholders' register of the Company maintained by Euroclear Finland or in the register of the Company's shareholders maintained by Euroclear Sweden. The payment date for this instalment was April 3, 2018. The second instalment of EUR 0.26 per share was paid to a shareholder who on the record date of the payment, September 12, 2018, was registered in the shareholders' register of the Company maintained by Euroclear Finland or in the register of the Company's shareholders maintained by Euroclear Sweden. The payment date for this instalment was September 19, 2018. In addition, the Annual General Meeting authorized the Board of Directors at its discretion to resolve on donations in a total maximum of EUR 100,000 to charitable or corresponding purposes.

Under the Companies Act, the General Meeting decides on the distribution of dividends based on a proposal by the company's board of directors. Dividends are generally declared once every financial year and may be paid only after the General Meeting of Shareholders has approved the company's financial statements. For a description of the restrictions applicable to dividend distributions, see "*Description of the Shares and Share Capital – Shareholders' Rights – Dividend and Other Distribution of Funds*".

## BACKGROUND OF THE EXPERA ACQUISITION AND USE OF PROCEEDS

### Overview of the Expera Acquisition

The Company and Specialty Papers Holdings, L.P. have on July 23, 2018 signed the Share Purchase Agreement regarding the acquisition of Expera, a U.S. based specialty paper producer. The Expera Acquisition expands the Company's presence in North America and further strengthens its offering of advanced custom-made fiber-based materials. The acquisition will almost triple Ahlstrom-Munksjö's net sales in the U.S. and provide a platform for growth. The purchase price paid was USD 604 million (EUR 525 million<sup>1)</sup>). Pursuant to the Share Purchase Agreement, the enterprise value of Expera was USD 615 million (EUR 535 million<sup>1)</sup>), which pursuant to the Share Purchase Agreement has been adjusted based upon the level of working capital, cash and debt as well as certain other expenditures relating to the transaction in the acquired business on the closing date. The Expera Acquisition was completed on October 10, 2018.

The Expera Acquisition supports Ahlstrom-Munksjö's ambition to strengthen its position in selected high-end, value adding areas of the global fiber-based materials market that offer positive growth outlook and are supported by market drivers for more sustainable products and solutions. The acquisition will be earnings enhancing. Expera is highly complementary to the Company and will provide opportunities for cross-selling and best practice sharing as well as preliminary recurring cost synergies of approximately EUR 8 million (USD 10 million<sup>1)</sup>) by year end 2019. In addition, value will be created from joint product development and sharing of best practices. One-time costs related to the achievement of synergies are estimated at EUR 7 million (USD 8 million<sup>1)</sup>). Strength in product development will help the Company to serve its customers better.

### Financing of the Expera Acquisition

#### *Debt financing*

The financing of the Expera Acquisition consists of a bridge facilities agreement containing approximately EUR 155.2 million bridge-facility and approximately EUR 167.0 million bridge-facility (Facility A1 and Facility A2 respectively, as defined below in "*Business of the Company – Material Contracts – Financial arrangements*") under the bridge facilities agreement, and a USD 260.0 million facility and a EUR 108.0 million facility under the term facilities agreement. The approximately EUR 167.0 million bridge-facility was repaid on November 8, 2018 and replaced by a EUR 200.0 million term facility under the New Facility Agreement (as defined below in "*Business of the Company – Material Contracts – Financial arrangements*"). The debt financing is described in more detail in "*Business of the Company – Material Contracts – Financial arrangements*".

#### *The Offering*

To repay the outstanding bridge facilities related to the Expera Acquisition, the Board of Directors of the Company resolved on November 19, 2018, based on the authorization granted by the Extraordinary General Meeting on 19 September 2018, to carry out the Offering. Assuming that all the Offer Shares are subscribed for in the Offering, the gross proceeds received by the Company from the Offering will be approximately EUR 150 million (before taking into account any transaction costs in relation to the Offering as well as any fluctuations in the EUR/SEK currency exchange rate). The Company estimates to pay approximately EUR 6.9 million in fees and other expenses in connection with the Offering, resulting in net proceeds of approximately EUR 144.5 million taking into account the tax impact of approximately EUR 1.4 million related to the transaction costs.

The proceeds received from the Offering will be used to repay the outstanding loans under Facility A1 (as defined below in "*Business of the Company – Material Contracts – Financial arrangements*") under the bridge facilities agreement related to the Expera Acquisition. The remaining part of the Facility A1 will be paid with the Company's existing funds.

---

<sup>1)</sup> Figures in USD have been converted into EUR using the EUR/USD exchange rate 1.15.

## CAPITALIZATION AND INDEBTEDNESS

The following table presents the capitalization and indebtedness (i) on an actual basis as at September 30, 2018 as derived from the Company's unaudited consolidated interim report as at and for the nine months ended September 30, 2018, prepared in accordance with "IAS 34 – Interim Financial Reporting" and (ii) on a pro forma basis to give effect to the Transactions (as defined under "Unaudited Pro Forma Financial Information" assuming they had been completed on September 30, 2018.

This table should be read in conjunction with "Selected Financial Information", "Unaudited Pro Forma Financial Information" and the historical financial information of Ahlstrom-Munksjö incorporated by reference into this Prospectus.

In EUR million	As at September 30, 2018	
	Actual	Pro forma <sup>1)</sup>
	(unaudited)	(unaudited)
<b>Capitalization</b>		
Current borrowings:		
Guaranteed/secured .....	1.1	4.1
Unguaranteed/secured .....	118.1	88.1
Total current borrowings .....	119.2	92.2 <sup>2)</sup>
Non-current borrowings:		
Guaranteed/secured .....	2.2	12.2
Unguaranteed/secured .....	530.2	1,014.4
Total non-current borrowings .....	532.4	1,026.6
Total current and non-current borrowings .....	<b>651.6</b>	<b>1,118.8<sup>2)</sup></b>
Equity attributed to parent company shareholders:		
Issued capital .....	85.0	85.0
Reserve for invested unrestricted equity .....	517.6	662.1
Other reserves and treasury shares .....	294.3	292.3
Retained earnings .....	127.7	121.8
Total equity attributed to parent company shareholders .....	<b>1,024.6</b>	<b>1,161.2</b>
Non-controlling interests .....	9.8	9.8
Total equity .....	<b>1,034.4</b>	<b>1,171.0</b>
Total equity and borrowings .....	<b>1,686.0</b>	<b>2,289.8</b>
<b>Indebtedness</b>		
Cash and cash equivalents .....	194.9	179.1
Liquidity .....	194.9	179.1
Current borrowings .....	119.2	92.2 <sup>2)</sup>
Net current financial indebtedness .....	-75.8	-86.8
Non-current borrowings .....	532.4	1,026.6
Net financial indebtedness .....	456.6	939.8 <sup>2)</sup>

<sup>1)</sup> For information on pro forma adjustments and basis for preparing the information set forth in this column, see "Unaudited Pro Forma Financial Information".

<sup>2)</sup> A liability of EUR 43.5 million related to Expera's receivable purchase agreement has been excluded from current borrowings in the pro forma net debt calculation.

Except to the Expera Acquisition and the Caieiras Acquisition and the related financing arrangements there have not been any material changes in the Company's capitalization and indebtedness since September 30, 2018 up until the date of this Prospectus.

### Working Capital Statement

The Company believes that the working capital available to the Company is sufficient for at least the 12 months following the date of this Prospectus.

## TERMS AND CONDITIONS OF THE OFFERING

### GENERAL INSTRUCTIONS

#### Overview of the Offering

On September 19, 2018, the Extraordinary General Meeting of Shareholders authorized the Board of Directors of Ahlstrom-Munksjö Oyj (“**Ahlstrom-Munksjö**” or the “**Company**”) to decide on a new share issue in which the shareholders will have a pre-emptive right to subscribe for new shares in proportion to their shareholdings in the Company to partly finance the acquisition of Expera Specialty Solutions through a repayment of the outstanding bridge facilities related to the acquisition. The number of new shares issued based on the authorization may not exceed 20,000,000 shares. The Company's Board of Directors was authorized to decide upon other terms and conditions of the share issue.

On November 19, 2018, the Board of Directors of the Company resolved, based on the authorization granted by the Extraordinary General Meeting of Shareholders, to issue a maximum of 19,214,742 new shares in the Company (the “**Offer Shares**”) in the offering for consideration based on the pre-emptive subscription right of the shareholders (the “**Offering**”) as set forth in these terms and conditions of the Offering.

As a result of the Offering, the total number of the shares in the Company may increase from 96,438,573 shares to a maximum of 115,653,315 shares. Assuming the Offering is fully subscribed for, the Offer Shares represent approximately 19.9 percent of the existing shares in the Company and related voting rights prior the Offering, and approximately 16.6 percent of all shares and related voting rights after the completion of the Offering.

#### Subscription Rights

Except as set out below, all shareholders of Ahlstrom-Munksjö registered in the Company's shareholders' register maintained by Euroclear Finland Oy (“**Euroclear Finland**”) or in the register of the Company's shareholders maintained by Euroclear Sweden AB (“**Euroclear Sweden**”) will receive one (1) subscription right in the form of a book-entry (the “**Subscription Right**”) for each share of the Company owned on the record date (the “**Record Date**”) of the Offering. No Subscription Rights will be allocated to the treasury shares of Ahlstrom-Munksjö. See section “– *Shareholders Resident in Certain Unauthorized Jurisdictions.*”

The Subscription Rights will be registered on the shareholders' book-entry accounts on November 22, 2018 in the book-entry system maintained by Euroclear Finland and on November 23, 2018 in the book-entry system maintained by Euroclear Sweden.

Each five (5) Subscription Rights entitles to subscribe for one (1) Offer Share at the Subscription Price (as defined below) (“**Primary Subscription Right**”). In the event that the Offer Shares are not fully subscribed for pursuant to the Primary Subscription Right, the Company's shareholders and other investors have the right to subscribe for such Offer Shares (the “**Secondary Subscription Right**”). Offer Shares remaining unsubscribed under the Primary Subscription Right and Secondary Subscription Right may be directed for subscription as resolved by the Board of Directors. See also “– *Participation of the Principal Shareholders in the Offering and the Underwriting*” and “– *Allocation of Offer Shares Subscribed for without Subscription Rights*”.

The Subscription Rights will be subject to public trading on Nasdaq Helsinki Ltd. (the “**Nasdaq Helsinki**”) from November 26, 2018 to December 5, 2018, and on Nasdaq Stockholm AB (the “**Nasdaq Stockholm**”) from November 26, 2018 to December 10, 2018. It will not be possible to transfer Subscription Rights between Euroclear Finland and Euroclear Sweden.

Upon expiry of the Subscription Period, unexercised Subscription Rights will lapse and will be deleted from the holder's securities account, without notification.

In order for the value of the Subscription Rights not to be lost, the holder must either:

- Exercise the Subscription Rights to subscribe for the Offer Shares no later than on December 12, 2018, in accordance with instructions from the subscriber's account operator, custodian or nominee; or
- Sell the Subscription Rights registered in Euroclear Finland that are not to be exercised no later than on December 5, 2018 and the Subscription Rights registered in Euroclear Sweden no later than on December 10, 2018.

If a share in the Company entitling to a Subscription Right is pledged or subject to any other restrictions, the Subscription Right may not necessarily be exercised without the consent of the pledgee or the holder of any other right.

More information on the exercise of the Subscription Rights and subscriptions based on the Secondary Subscription Right, see “– *Instructions to Holders of Shares Registered in Euroclear Finland and Traded on Nasdaq Helsinki*” and “– *Instructions to Holders of Shares Registered in Euroclear Sweden and Traded on Nasdaq Stockholm*”.

### **Subscription Price**

The subscription price is EUR 7.81 per Offer Share (the “**Subscription Price**”) that will be registered with Euroclear Finland and listed on Nasdaq Helsinki. As regards subscription of Offer Shares that will be registered with Euroclear Sweden and listed on Nasdaq Stockholm, payment shall be made in Swedish krona with an amount corresponding to the Subscription Price of EUR 7.81 per Offer Share, translated to Swedish krona based on the European Central Bank’s reference exchange rate at 4:00 p.m. CET on November 16, 2018. The Subscription Price in Swedish krona is SEK 80.15 per Offer Share.

The Subscription Price includes a discount typical for rights issues compared to the closing price of the Company’s shares on Nasdaq Helsinki or on Nasdaq Stockholm on the trading day immediately preceding the decision on the Offering. The Subscription Price shall be recorded into the invested unrestricted equity reserve of the Company.

### **Record Date**

The Record Date of the Offering is November 21, 2018.

### **Subscription Period**

The Subscription Period will commence on November 26, 2018 at 9:30 a.m. Finnish time (at 8:30 a.m. Swedish time) and expire on December 12, 2018 at 4:30 p.m. Finnish time (at 3:30 p.m. Swedish time). The Board of Directors is entitled to extend the Subscription Period. Any extension will be announced by the Company through a stock exchange release no later than December 12, 2018.

Subscription places, i.e. account operators, custodians and nominees, may require their customers to submit subscription assignments on a certain day before the trading with the Subscription Rights or the Subscription Period ends.

### **Trading in Subscription Rights**

Holders of Subscription Rights may sell their Subscription Rights on the market at any time during the public trading of the Subscription Rights. Public trading of the Subscription Rights on Nasdaq Helsinki commences on November 26, 2018 at 10:00 a.m. Finnish time and expires on December 5, 2018 at 6:30 p.m. Finnish time. Public trading of the Subscription Rights on Nasdaq Stockholm commences on November 26, 2018 at 9:00 a.m. Swedish time and expires on December 10, 2018 at 5:25 p.m. Swedish time. The price of the Subscription Rights on Nasdaq Helsinki and Nasdaq Stockholm will be determined in market trading. Subscription Rights may be sold or purchased by giving a sell or purchase assignment to one’s own custodian.

The ISIN code of the Subscription Rights on Nasdaq Helsinki is FI4000354287 and the trading code is AM1U0118 and the ISIN code of the Subscription Rights on Nasdaq Stockholm is SE0011974070 and the trading code is AM1S TR.

### **Approval of Subscriptions and Publication of the Outcome in the Rights Issue**

The Board of Directors of Ahlstrom-Munksjö will approve subscriptions pursuant to the Subscription Rights made in accordance with these terms and conditions of the Offering and applicable laws and regulations on or about December 18, 2018. In addition, the Board of Directors of Ahlstrom-Munksjö will, in accordance with the allocation principles set out below in “– *Allocation of Offer Shares Subscribed for without Subscription Rights*”, approve subscriptions without Subscription Rights made in accordance with these terms and conditions of the Offering and applicable laws and regulations.

Ahlstrom-Munksjö will publish the final results of the Offering in a stock exchange release on or about December 18, 2018.

### **Allocation of Offer Shares Subscribed for without Subscription Rights**

In the event that not all the Offer Shares have been subscribed for pursuant to the exercise of the Subscription Rights, the Board of Directors of Ahlstrom-Munksjö shall determine the allocation of Offer Shares subscribed for without Subscription Rights as follows:

- first, to those that subscribed for Offer Shares also pursuant to Subscription Rights (including without limitation the number of Offer Shares that certain shareholders of the Company have irrevocably



committed to subscribe pursuant to written subscription commitments as stated in the Underwriting Agreement, see “– *Participation of the Principal Shareholders in the Offering and the Underwriting*”). If the Offering is oversubscribed by such subscribers, the allocation among such subscribers shall be determined per book-entry account in proportion to the number of Subscription Rights exercised by subscribers for subscription of Offer Shares and, where this is not possible, by drawing of lots;

- second, to those that have subscribed for Offer Shares without Subscription Rights only and, if the Offering is oversubscribed by such subscribers, the allocation among such subscribers shall be determined per book-entry account in proportion to the number of Offer Shares which such subscribers have subscribed for and, where this is not possible, by drawing of lots;
- third, to the committed underwriting investor who has given a subscription guarantee described in the Underwriting Agreement see “– *Participation of the Principal Shareholders in the Offering and the Underwriting*”; and
- fourth, to subscribers procured by Nordea Bank Abp (“**Nordea**”) and Skandinaviska Enskilda Banken AB (publ), (“**Skandinaviska Enskilda Banken**”) or, when such subscribers have not been procured, to Nordea or Skandinaviska Enskilda Banken in accordance with, and subject to, the terms and conditions of the Underwriting Agreement. The subscription period with respect to Nordea or Skandinaviska Enskilda Banken and/or to subscribers procured by them expires on December 19, 2018.

### **Withdrawal of Subscriptions in Certain Circumstances**

Any exercise of the Subscription Rights is irrevocable and may not be modified or cancelled other than as set forth below.

In the event that the prospectus related to the Offering (the “**Prospectus**”) is supplemented or amended due to an error or omission in the Prospectus or due to material new information which, in each case, could be of material importance to investors, investors who have subscribed for the Offer Shares are entitled to withdraw their subscriptions in accordance with the Finnish Securities Markets Act (746/2012, as amended) within a time limit which shall not be shorter than two (2) banking days from the publication of the supplement or amendment to the Prospectus. The withdrawal right may only be used if an error, omission or new information arose or was noted before the holder of the interim shares representing the Offer Shares (the “**Interim Shares**” in Finland and the “**Paid Subscribed Shares**” or “**BTA**” in Sweden), who has received the Interim Shares or BTAs based on the exercise of the Subscription Rights, has sold or otherwise transferred the Interim Shares or BTAs or, when the Offer Shares are subscribed without Subscription Right, before the Offer Shares are delivered to the subscribers. The procedure regarding the withdrawal of the subscriptions will be announced together with any such supplement or amendment to the Prospectus through a stock exchange release. If the holder of a Subscription Right, an Interim Share or a BTA has sold or otherwise transferred the Subscription Right, the Interim Share or the BTA, such sale or transfer cannot be withdrawn.

### **Shareholders Resident in Certain Unauthorized Jurisdictions**

The granting of Subscription Rights to shareholders resident in countries other than Finland or Sweden and the issuance of the Offer Shares through exercise of Subscription Rights to persons resident in countries other than Finland or Sweden may be affected by securities legislation in such countries. Consequently, subject to certain exceptions, shareholders whose existing shares are directly registered on a securities account and whose registered address is in the United States, Canada, Australia, Hong Kong, South Africa, Singapore, Japan and New Zealand or any other jurisdiction in which participation in the Offering would not be permissible (the “**Unauthorized Jurisdictions**”), may not receive any Subscription Rights and will not be allowed to subscribe for the Offer Shares. In Finland, each such shareholder, registered in the Company’s shareholders’ register, acting through banks, nominees, custodians or other financial intermediaries through which its shares are held, may consider selling any and all Subscription Rights held for its benefit to the extent permitted under their arrangements with such persons and applicable law and receiving the sales proceeds (less deduction of costs) to the accounts of such persons thereof. In Sweden, the Subscription Rights which otherwise would have been delivered to such shareholders, registered in the register of the Company’s shareholders, will be sold and such shareholders will receive the sales proceeds (less deduction of costs) thereof. Amounts of less than SEK 100 will not be paid out.

### **Participation of the Principal Shareholders in the Offering and the Underwriting**

Baltiska Handels A.B., Belgrano Inversiones Oy, Viknum AB, AC Invest Five B.V., Ilmarinen Mutual Pension Insurance Company, Varma Mutual Pension Insurance Company, Alexander Ehrnrooth and Peter Seligson, representing in aggregate approximately 36.9 percent of the issued and outstanding shares in the Company, have each separately and irrevocably committed to subscribe in full for the Offer Shares on the basis of Subscription Rights allocated to them (“**Subscription Undertakings**”). In addition, Antti Ahlström Perilliset Oy has irrevocably committed to subscribe for

Offer Shares that may remain unsubscribed for in the Offering for an amount representing approximately 10.0 percent of the Offer Shares (the “**Subscription Guarantor**”). The subscription commitments covered by the Subscription Undertakings and the Subscription Guarantor represent in aggregate approximately 46.9 percent of the Offer Shares.

Nordea and Skandinaviska Enskilda Banken have entered into the Underwriting Agreement with Ahlstrom-Munksjö pursuant to which they have severally agreed, subject to certain terms and conditions, to procure subscribers for any Offer Shares that may remain unsubscribed for in the Offering, excluding the Offer Shares that are covered by the Subscription Undertakings and regarding which the Subscription Guarantor has committed to subscribe for, or to subscribe for such Offer Shares themselves. See “*Plan of Distribution in the Offering*”.

### **Shareholder Rights**

The Offer Shares will entitle their holders to possible dividend and other distribution of funds, if any, and to other shareholder rights in Ahlstrom-Munksjö after the Offer Shares have been registered with the Finnish Trade Register, on or about December 19, 2018 (Offer shares subscribed for in Finland and Sweden with Subscription Rights and without Subscription Rights in Finland) or December 28, 2018 (Offer shares subscribed for without Subscription Rights in Sweden) and in the Company's shareholder register maintained by Euroclear Finland on or about December 20, 2018 or in the register of the Company's shareholders maintained by Euroclear Sweden on or about December 28, 2018 (Offer shares subscribed for with Subscription Rights) or January 4, 2019 (Offer shares subscribed for without Subscription Rights). Each Offer Share entitles its holder to one vote at the General Meeting of shareholders of Ahlstrom-Munksjö.

### **Costs and Expenses**

No fees or expenses will be charged for the subscription of Offer Shares, and no transfer tax is payable for the subscription of Offer Shares. Account operators, custodians or securities brokers who execute subscription assignments relating to the Subscription Rights may charge a commission in accordance with their own tariffs. Account operators and custodians may also charge a fee for the maintenance of a book-entry account and the custody of the shares. See also “*Taxation*”.

### **Applicable Law and Dispute Resolution**

The Offering shall be governed by the laws of Finland. Any disputes arising in connection with the Offering shall be settled by the court of competent jurisdiction in Finland.

In case of any discrepancies between the original Finnish language version and the English language translation of these terms and conditions, the Finnish language version shall prevail.

### **Other Issues**

Documents referred to in Chapter 5, Section 21 of the Finnish Companies Act (624/2006, as amended) are available for review at the website of Ahlstrom-Munksjö at [www.ahlstrom-munksjo.com/en/investors](http://www.ahlstrom-munksjo.com/en/investors).

Other issues and practical matters relating to the Offering will be resolved by the Board of Directors of Ahlstrom-Munksjö, including such circumstances where the Board of Directors may, based on the Finnish Companies Act, be obliged to resolve not to accept subscriptions made with Subscription Rights. See also “*Plan of Distribution in the Offering*”.

Nordea is acting as issuing and paying agent in respect of the Offering, i.e., assisting the Company with certain administrative services concerning the Offering. The fact that Nordea is acting as issuing and paying agent does not, in itself, mean that Nordea regards the subscriber as a customer of Nordea. For the purposes of the Offering, the subscriber is regarded as a customer of Nordea only if Nordea has provided advice to the subscriber regarding the Offering or has otherwise contacted the subscriber individually regarding the Offering, or if the subscriber has an existing customer relationship with the bank. As a consequence of Nordea not regarding the subscriber as a customer in respect of the Offering, the investor protection rules set forth in the Swedish Securities Market Act (2007:528) and the Finnish Investment Service Act (747/2012, as amended) will not apply to the Offering. This means, among other things, that neither customer categorization nor a suitability assessment will take place with respect to the Offering. Accordingly, the subscriber is personally responsible for ensuring that he or she possesses sufficient experience and knowledge to understand the risks associated with the Offering.

Subscribers in the Offering will provide personal data to Nordea. Personal data provided to Nordea will be processed in data systems to the extent required to provide services and administer matters in Nordea. Personal data obtained from a party other than the customer to whom the processing relates may also be processed. Personal data may also be processed in data systems at companies and organizations with which Nordea cooperate. Information regarding the processing of personal data is provided by Nordea's branch offices, which also accept requests for correction of personal data.

Information regarding addresses may be obtained by Nordea through automatic data runs at Euroclear Finland and Euroclear Sweden.

By subscribing for the Offer Shares in the Offering, the subscriber authorises his / her account operator to disclose necessary personal data, the number of his / her book-entry account and the details of the subscription to the parties involved in the processing of the subscription order or the execution of the assignment to allocate and settle the Offer Shares.

## **INSTRUCTIONS TO HOLDERS OF SHARES REGISTERED IN EUROCLEAR FINLAND AND TRADED ON NASDAQ HELSINKI**

Except as set out below, each holder of existing shares in the Company, who is registered in the Company's shareholders' register maintained by Euroclear Finland on the Record Date, will receive one (1) Subscription Right in the form of a book-entry for each existing share in the Company owned on the Record Date. Five (5) Subscription Rights will entitle its holder to subscribe for one (1) Offer Share. No fractions of the Offer Shares will be allotted and a Subscription Right cannot be exercised partially. See section “– *General Instructions – Shareholders Resident in Certain Unauthorized Jurisdictions.*”

### **Subscription for Offer Shares with Subscription Rights (Primary Subscription Right)**

#### ***Directly registered shareholders***

A shareholder may participate in the Offering by subscribing for the Offer Shares by using the Subscription Rights on the shareholder's book-entry account and by paying the Subscription Price therefore. However, the previously mentioned shall not apply to shareholders who are resident in certain unauthorized jurisdictions, and shareholders may be required in connection with any such subscription to certify that they are not in an Unauthorized Jurisdiction. In order to participate in the Offering, a shareholder must give a subscription assignment in accordance with the instructions provided by the shareholder's own account operator or custodian.

Holders of Subscription Rights purchased on Nasdaq Helsinki must submit their subscription assignments in accordance with the instructions given by their own book-entry account operator or custodian.

#### ***Nominee-registered shareholders***

Shareholders and other investors participating in the Offering, whose existing shares in the Company or Subscription Rights are held through a nominee, must submit their subscription assignments in accordance with the instructions given by their nominee or, if the holding is registered with more than one nominee, through each of these. Subscription and payment must be made in accordance with instructions from the nominee. Banks and other nominees are required to read and comply with the restrictions described in the section “*Important Information*” in the Prospectus and in these terms and conditions under “– *General Instructions – Shareholders Resident in Certain Unauthorized Jurisdictions.*” Banks, custodians and other nominees may be required in connection with any such subscription to certify that shareholders on whose behalf they are holding the shares or Subscription Rights, are not in an Unauthorized Jurisdiction.

#### ***General***

Subscription assignments must be submitted separately for each book-entry account. Incomplete or erroneous subscription assignments may be rejected. A subscription assignment may be rejected, if the subscription payment is not made according to these terms and conditions or if such payment is incomplete. In these situations, the subscription payment will be refunded to the subscriber. No interest will be paid on the refunded amount.

Any unexercised Subscription Rights will expire without any compensation at the end of the Subscription Period at 4:30 p.m. Finnish time on December 12, 2018.

The Offer Shares subscribed with Subscription Rights will be recorded on the subscriber's book-entry account as ordinary shares on or about December 20, 2018.

### **Payments for the Subscriptions**

The Subscription Price of the Offer Shares subscribed for in the Offering shall be paid in full in euros at the time of submission of the subscription assignment in accordance with the instructions given by the account operator or the custodian.

A subscription will be deemed effected only after the arrival of the subscription form at relevant account operator or custodian and of the payment of the Subscription Price in full.

## **Interim Shares**

The Offer Shares subscribed for pursuant to the exercise of the Subscription Rights will be recorded on the subscriber's book-entry account as Interim Shares representing the Offer Shares after the subscription has been effected.

In case the Offering is cancelled, the Subscription Price will be refunded to the holders of the Interim Shares. No interest will be paid on the refunded amount. See also “– *General Instructions – Withdrawal of Subscriptions in Certain Circumstances*” and “*Plan of Distribution in the Offering*”. It will not be possible to transfer Interim Shares between Euroclear Finland and Euroclear Sweden.

The Interim Shares are combined with the existing shares of the Company (ISIN Code FI4000048418, trading code AM1) after the Offer Shares have been registered with the Finnish Trade Register. Such combination is expected to occur on or about December 20, 2018.

## **Trading with Interim Shares**

The Interim Shares are freely transferable and trading with the Interim Shares on Nasdaq Helsinki, as a separate class of securities is expected to take place during the period from and including November 26, 2018, up to and including December 19, 2018, under the trading code AM1N0118. The ISIN code of the Interim Shares on Nasdaq Helsinki is FI4000354295.

## **Subscription for Offer Shares without Subscription Rights (Secondary Subscription Right)**

Subscription for the Offer Shares without Subscription Rights shall be effected by a shareholder and/or other investor by submitting a subscription assignment and simultaneously paying the Subscription Price in accordance with the instructions provided by his/her book-entry account operator, custodian, or in case of nominee-registered holders, in accordance with instructions provided by the nominee.

The subscription assignment and payment shall be received by the shareholder's and/or investor's account operator, custodian or nominee on December 12, 2018 at the latest or on an earlier date in accordance with instructions by the book-entry account operator, custodian or nominee.

If several subscription assignments are submitted in relation to a single book-entry account, the assignments will be combined into one assignment per book-entry account.

The Offer Shares subscribed without Subscription Rights will be recorded on the subscriber's book-entry account as shares on or about December 20, 2018.

If the allocation of Offer Shares subscribed for without Subscription Rights does not correspond to the amount of Offer Shares indicated in the subscription assignment, the Subscription Price paid for non-allocated Offer Shares will be refunded to the subscriber on or about December 20, 2018. No interest will be paid on the refunded amount.

## **Trading in Offer Shares**

Trading in the Offer Shares registered with Euroclear Finland commences on Nasdaq Helsinki on or about December 20, 2018.

## **INSTRUCTIONS TO HOLDERS OF SHARES REGISTERED IN EUROCLEAR SWEDEN AND TRADED ON NASDAQ STOCKHOLM**

Except as set out below, each holder of existing shares in the Company, who is registered in the register of the Company's shareholders maintained by Euroclear Sweden on the Record Date, will receive one (1) Subscription Right for each existing share in the Company owned on the Record Date. Five (5) Subscription Right will entitle its holder to subscribe for one (1) Offer Share. No fractions of the Offer Shares will be allotted and a Subscription Right cannot be exercised partially. See section “– *General Instructions – Shareholders Resident in Certain Unauthorized Jurisdictions*.”

## **Subscription for Offer Shares with Subscription Rights (Primary Subscription Right)**

### ***Directly registered shareholders resident in Sweden***

A pre-printed issue statement with an attached Plusgiro payment slip will be sent shareholders and representatives of shareholders who, on the Record Date, are directly registered in the register of the Company's shareholders maintained by Euroclear Sweden and whose address registered in the register of the shareholders is in Sweden. The issue statement sets out, *inter alia*, the number of Subscription Rights received and the full number of new shares that may be subscribed

for pursuant thereto. Settlement notes (Sw. *VP-avi*) will not be distributed regarding the registration of Subscription Rights on VP accounts.

Persons included in the special list of pledgees and guardians maintained in connection with the register of shareholders will not receive any issue statement and will instead be informed separately.

Directly registered holders of Subscription Rights purchased on Nasdaq Stockholm must submit their subscription assignments in accordance with the instructions given in these terms and conditions to Nordea Issuer Services. Subscription for Offer Shares by exercise of Subscription Rights is effected by means of simultaneous cash payment, either by using the pre-printed issue statement with the Plusgiro payment slip provided or by using a special subscription form in accordance with one of the following alternatives:

- The pre-printed Plusgiro payment slip shall be used if all Subscription Rights according to the issue statement from Euroclear Sweden are to be exercised. No additions or changes may be made to the Plusgiro payment slip.
- The subscription form named “Subscription for shares with subscription rights” shall be used if Subscription Rights have been bought, sold or transferred from another VP account, or if for any other reason another number of Subscription Rights than what is stated on the pre-printed issue statement shall be exercised for subscription of Offer Shares. When the duly filled in subscription form is submitted, payment shall be made for the Offer Shares being subscribed for; this may be done in accordance with other payments using giro, for example by way of Internet bank, giro transfer or through a bank branch office.

The subscription form “Subscription for shares with subscription rights” may be obtained from Nordea on telephone +46 10 156 98 00. The subscription form shall be sent to Nordea Bank Abp, filial i Sverige, Issuer Services M423, SE-105 71 Stockholm, SWEDEN. The subscription form must be received by Nordea no later than December 12, 2018 at 3:30 p.m. Swedish time. Note that the payment for subscription shall be exact. Do not round off amounts.

***Directly registered shareholders not resident in Sweden eligible for subscription for Offer Shares with Subscription Rights***

A pre-printed issue statement with an attached Plusgiro payment slip will be sent to directly registered shareholders and representatives of such shareholders who on the Record Date, are directly registered in the register of the Company’s shareholders maintained by Euroclear Sweden and who are not resident in Sweden and are entitled to subscribe for the Offer Shares with Subscription Rights and who are not subject to the restrictions described above under the heading “– *General Instructions – Shareholders Resident in Certain Unauthorized Jurisdictions*”. If such shareholders are unable to use the pre-printed Plusgiro payment slip, they may pay the Subscription Price in SEK through a foreign bank in accordance with the instructions below:

Address:

Nordea Bank Abp, filial i Sverige  
Issuer Services M423  
SE-105 71 Stockholm, SWEDEN  
IBAN number: SE25 3000 0000 0347 3170 1511  
Account number: 34731701511  
Swift/BIC: NDEASESS

The subscriber’s name, address, VP account number and payment identity stated on the issue statement must be quoted. The Subscription Price must be received by Nordea no later than December 12, 2018 at 3:30 p.m. Swedish time. If the subscription refers to another number of Subscription Rights than what is stated on the pre-printed issue statement, the subscription form “Subscription for shares with subscription rights” shall be used instead, which can be obtained from Nordea during office hours on telephone +46 10 156 98 00. Payment shall be made in accordance with the above instructions, however, the payment identity from the subscription form shall be stated. The subscription form must be received by Nordea at the address above no later than December 12, 2018 at 3:30 p.m. Swedish time.

Each such shareholder will be deemed to have declared, warranted and agreed that, by submitting a subscription form and making payment, or by accepting delivery of the Subscription Rights or the Offer Shares, that it is not, and that at the time of acquiring or subscribing, as applicable, for the Subscription Rights or the Offer Shares it will not be, located or resident in the United States, Canada, Australia, Hong Kong, South Africa, Singapore, Japan and New Zealand or any other jurisdiction where participation would require an additional prospectus or other regulatory approval, or acting on behalf of, or for the account or benefit of, any such person.

### ***Nominee-registered shareholders***

Nominee-registered shareholders of Ahlstrom-Munksjö can exercise their Subscription Rights by applying for subscription in accordance with the instructions from their nominee or, if the holding is registered with more than one nominee, through each of these. Shareholders whose holdings are nominee-registered with a bank or other nominee will not receive an issue statement. Subscription and payment must, instead, be made in accordance with instructions from the nominee. Banks and other nominees are required to read and comply with the restrictions described in the sections “*Important Information*” and “*Plan of Distribution in the Offering*” in the Prospectus and in these terms and conditions under “– *General Instructions – Shareholders Resident in Certain Unauthorized Jurisdictions*”.

### ***General***

Subscription assignments must be submitted separately for each VP account. Incomplete or erroneous subscription assignments may be rejected. A subscription assignment may be rejected, if the subscription payment is not made according to these terms and conditions or if such payment is incomplete. In these situations, the subscription payment will be refunded to the subscriber. No interest will be paid on the refunded amount.

Any unexercised Subscription Rights will expire without any compensation at the end of the Subscription Period at 3:30 p.m. Swedish time on December 12, 2018.

The Offer Shares subscribed with Subscription Rights will be recorded on the subscriber's VP account as ordinary shares on or about December 28, 2018.

### ***Paid Subscribed Shares (“BTA”)***

Following subscription and payment, Euroclear Sweden will distribute a settlement note (Sw. *VP-avi*) confirming the registration of paid subscribed shares (Sw. *betalda tecknade aktier, BTAs*) on the subscriber's VP account. The newly subscribed Offer Shares will be registered as BTAs on the account until such time as the Offer Shares have been registered by the Company with the Finnish Trade Register and subsequently re-registered as Offer Shares in Euroclear Sweden. Registration of the Offer Shares subscribed for pursuant to the Subscription Rights is expected to take place with the Finnish Trade Register on or around December 19, 2018. Thereafter, BTAs will be re-registered as Offer Shares, which is expected to be made on or around December 28, 2018. No settlement notes (Sw. *VP-avi*) will be issued in connection with such re-registration.

In case the Offering is cancelled, the Subscription Price will be refunded to the holders of the BTAs. No interest will be paid on the refunded amount. See also “– *General Instructions – Withdrawal of Subscriptions in Certain Circumstances*” and “*Plan of Distribution in the Offering*”. It will not be possible to transfer BTAs between Euroclear Finland and Euroclear Sweden.

### ***Trading in BTAs***

Trading in BTAs on Nasdaq Stockholm is expected to take place during the period from and including November 26, 2018, up to and including December 19, 2018, under the trading code AM1S BTA. The ISIN code for BTAs is SE0011974088. Nordea and other securities institutions with requisite authorization will provide brokerage services regarding purchases and sales of BTAs.

### ***Subscription for Offer Shares without Subscription Rights (Secondary Subscription Right)***

#### ***Directly registered shareholders and other VP account holders***

Application for subscription for the Offer Shares without Subscription Rights must be made on a designated application form, called “Subscription for shares without subscription rights”. More than one subscription form may be submitted, but only the most recently dated subscription form will be considered. Subscription forms may be obtained from Nordea's website, [www.nordea.se](http://www.nordea.se) or from Ahlstrom-Munksjö's website, [www.ahlstrom-munksjo.com/emission](http://www.ahlstrom-munksjo.com/emission). The subscription form shall be sent to Nordea Bank Abp, filial i Sverige, Issuer Services M423, SE-105 71 Stockholm, SWEDEN. The Subscription form must be received by Nordea no later than December 12, 2018 at 3:30 p.m. Swedish time.

### ***Nominee-registered shareholders***

Subscription for new Ahlstrom-Munksjö shares without Subscription Rights shall be made to the respective nominee and in accordance with instructions from the nominee or, if the holding is registered with more than one nominee, through each of these.

### ***Confirmation of allotment for Offer Shares without Subscription Rights***

As confirmation of the allotment of the Offer Shares subscribed for without Subscription Rights, a contract note will be sent to the subscriber on or about December 18, 2018. No notice will be sent to subscribers who have not received any allotment. Subscribed and allotted Offer Shares must be paid for in cash in accordance with the instructions stated in the contract note sent to the subscriber. After payment has been made for subscribed and allotted Offer Shares and the Offer Shares have been registered at the Finnish Trade Register, Euroclear Sweden will distribute a settlement note (Sw. *VP-avi*) confirming the registration of the Offer Shares on the subscriber's VP account. The subscriber will receive shares directly, i.e., no BTAs will be registered on the subscriber's VP account. Registration of the Offer Shares subscribed for without Subscription Rights is expected to take place at the Finnish Trade Register on or about December 28, 2018. Booking of the Offer Shares on VP accounts is expected to take place on or about January 4, 2019.

Nominee-registered shareholders will receive notice of allotment and payment in accordance with each nominee's procedures.

### **Trading in Offer Shares**

Trading in the Offer Shares registered with Euroclear Sweden commences on the Nasdaq Stockholm on or about December 28, 2018 (Offer shares that are subscribed for with Subscription Rights) and January 4, 2019 (Offer shares that are subscribed for without Subscription Rights).

### **Other Information**

Questions regarding the Offering considering shares registered with Euroclear Sweden are answered by Nordea during office hours on telephone number +46 10 156 98 00.

## BUSINESS OF THE COMPANY

### Overview of the Business

Ahlstrom-Munksjö is a global leader in innovative and sustainable fiber-based materials, supplying solutions to its customers worldwide. The Company's offering includes filter materials, release liners, food and beverage processing materials, decor papers, abrasive and tape backings, electrotechnical paper, glass fiber materials, medical fiber materials and solutions for diagnostics, and a range of other specialty papers for industrial and consumer end-uses.

Ahlstrom-Munksjö operates in growing markets, with solid underlying demand drivers and underpinned by global megatrends. The Company serves more than 7,000 customers in over 100 countries and in a number of industries, including transportation, food and beverage, retail, furniture, construction, healthcare and life science.

The Company comprises 14 businesses organized into the following five business areas, which form the Company's reportable segments:

- *Business Area Decor* manufactures paper-based surfacing for wood-based materials, such as laminate flooring, furniture and interiors and develops papers for high- and low pressure-laminates, print base paper and pre-impregnated paper. Customers include laminators, impregnators and printers.
- *Business Area Filtration and Performance* produces a broad range of filtration products, such as engine oil, fuel and air filtration, gas turbine filtration and various industrial air filtration materials, glass fiber used in flooring applications and wind turbines, industrial nonwoven products for automotive, construction, textile and hygiene applications as well as wall cover materials. Customers include heavy duty vehicle and automotive suppliers and OEMs (original equipment manufacturers), gas turbine filter producers, indoor air quality filter makers, building and wind power industries, hygiene and wound care product manufacturers and laundry care suppliers.
- *Business Area Industrial Solutions* produces release liners, abrasive backings, electrotechnical insulation papers, specialty pulp, thin papers, balancing foils as well as fine art and printing papers and many other products used in industrial processes. Customers include self-adhesive laminate manufacturers, manufacturers of abrasive materials and high quality stainless steel, construction and energy companies, and other industries that require high quality materials.
- *Business Area Specialties* produces materials for food and beverage packaging, laboratory filters and life science diagnostics, as well as for water filtration, tape products and medical fabrics, such as anti-bacterial drapes and gowns and anti-viral drapes, gowns and facemasks. In addition, it makes hot oil cooking and milk filtration materials, graphic papers for sticky notes and envelopes, metalized labels as well as printed and coated products. Customers include converters in the packaging industry, printers, brand owners in single-serve tea and coffee product markets as well as in the food packaging, laboratories, laboratory consumable and equipment suppliers, life science instrument and medical materials manufacturers, water purification equipment manufacturers, marketers, converters and laminators.
- *Business Area North America Specialty Solutions* comprises the acquired business of Expera and it produces specialized materials that protect and enhance the performance of a wide range of industrial and consumer applications, such as backings and barriers for technical materials, specialty paper to wrap and package processed and quick service restaurant prepared foods as well as release liners. Customers include packaging manufacturers and converters, hardware and electronics manufacturers, food processing and packaging manufacturers, composite manufacturers for the aerospace industry, medical manufacturers and tape and sealant manufacturers.

The costs remaining in the segment *Other and eliminations* include head office costs comprising the following functions: CEO, Group Finance, Treasury, Corporate Development, Legal, Group Communications and Investor Relations, and Group HR. The head office costs comprise mainly salaries, rent and professional fees. The segment *Other and eliminations* also includes certain other exceptional costs not used in the assessment of business area performance.

The Company had reported net sales of EUR 1,725.8 million for the nine months ended September 30, 2018 and EUR 1,959.9 million for the year ended December 31, 2017. On a pro forma basis, the Company's net sales were EUR 2,262.2 million for the nine months period ended September 30, 2018 and EUR 2,961.5 million for the year ended December 31, 2017.



The Company had 5,938 FTE employees as at September 30, 2018 working in 40 production and converting facilities located in 14 different countries. As at September 30, 2018, Expera had 1,858 FTE employees working in four production facilities in the United States and Caieiras had 375 FTE employees working at the Caieiras plant in Brazil.

## **Key Strengths**

### ***Leading position in its chosen growth segments***

Ahlstrom-Munksjö's overall strategic ambition is to achieve sustainable profitable growth in selected segments of the global fiber-based solutions market that have growth potential and are supported by sustainable market drivers. A leading global position provides the foundation for this strategic direction. Critical mass in the value chain enables efficient operations, a global reach and a readiness to better meet customer needs as well as strong focus on research and product development.

According to the Company's analysis, Ahlstrom-Munksjö is one of the leading suppliers, measured by sales or volumes, in many of the segments in which the Company operates. The Company's position is described in further detail by segment in the section "*The Company's Business Operations*". Ahlstrom-Munksjö's leading position has been strengthened through the strategic transformation of the Company, including the Merger in 2017 followed by the strategic acquisitions of Expera and Caieiras in 2018 as well as several recent substantial organic investments in the Company's production platform. The acquisition of Expera significantly expands Ahlstrom-Munksjö's presence in North America and strengthens the Company's offering of advanced custom-made fiber-based materials, whereas the acquisition of Caieiras strengthens the offering and production platform in South America. The Company believes that the benefits of the Merger, the strategic acquisitions and the organic investments provide a strong platform to build on and further strengthen its positions in chosen growth segments.

Ahlstrom-Munksjö operates in growing markets, serving a variety of consumer and industrial end-user segments with solid underlying demand drivers and underpinned by global megatrends. An increasing global population with a growing and increasingly prosperous middle class, together with rapid urbanization is changing consumer preferences and driving demand for consumables, construction, transportation and healthcare products and services. Globalization is increasing the flow of goods and services between markets and continents and leading to a higher demand for solutions related to tracking of goods, product labelling and flexible packaging, as well as new energy infrastructure. In addition, heightened awareness of sustainability, health and waste issues is calling for efficient energy, raw material and transportation use and increasing the demand for renewable, recyclable and biodegradable fiber-based materials.

According to the Company's analysis, the underlying markets of the business segments in which the Company operates all demonstrate positive trend exceeding GDP growth, with certain businesses demonstrating even stronger growth potential.

### ***Balanced exposure to growing markets, cycle-resilient demand***

The Company serves customers in a number of industries, including transportation, food and beverage, retail, furniture, construction, healthcare and life science. Ahlstrom-Munksjö's fiber-based materials and solutions perform crucial tasks in everyday life. For example, the materials and solutions reduce harmful emissions, purify air and drinking water, extend the lifetime of furniture and backings of sanding paper, diagnose medical conditions, enable DNA analysis and pregnancy tests, provide protective barriers against bacteria and viruses, and make production processes more efficient. Ahlstrom-Munksjö's fiber-based materials also keep food and beverage safe and clean and are mostly made out of renewable fibers. Ahlstrom-Munksjö's mission is to expand the role of fiber-based solutions for a sustainable everyday life.

Economic cycles generally have a relatively limited impact on the overall demand for Ahlstrom-Munksjö's offering due to its exposure to largely cycle-resilient but growing market segments like retail-related end-uses in food and beverage, furnishing and renovation in the construction segment and the aftermarket for engine filtration applications in the transportation sector. The Company also has a meaningful exposure to a stable and structurally growing health care and life science industry. The long-running customer relationships, many of which are based on a close cooperation in product development and a deep understanding of the customer needs, further contribute to the stability of the demand for the Company's offering. The acquisitions of Expera and Caieiras also expand Ahlstrom-Munksjö's presence in North and South America, and result in a more geographically balanced production platform and customer base. Ahlstrom-Munksjö generated 59.3 percent of its net sales in Europe, 15.3 percent in North America, 15.5 percent in the Asia-Pacific area, 8.1 percent in South America and 1.8 percent in the rest of the world in 2017. On a pro forma basis, Ahlstrom-Munksjö generated 43.6 percent of its net sales in Europe, 32.9 percent in North America, 13.3 percent in the Asia-Pacific area, 8.9 percent in South America and 1.5 percent in the rest of the world in 2017.

### ***Innovative value-add solutions designed for the customers***

Ahlstrom-Munksjö operates in market segments where fiber-based solutions and technologies typically constitute an important part of the value chain. Products are generally characterized by a significant value-add, and are oriented towards customer requirements rather than industry standards. Typically, the fiber-based materials and solutions form an important part of the final products or perform crucial tasks in a production process. Quality, service and customer satisfaction are the most important benchmarks for Ahlstrom-Munksjö.

Innovation and product development is the key to success. The Company views innovation as vital for securing both growth and competitiveness through improving existing products, designing new products and exploring emerging technologies to understand how they can deliver the products of the future. In 2017, Ahlstrom-Munksjö's new product sales, defined as sales from products for which the product launch has occurred within 36 months, accounted for 11 percent of total sales. In 2017, Expera's new product sales, defined as sales from products developed within the past 36 months, accounted for 13.5 percent of total sales.

Ahlstrom-Munksjö has a strong innovation and product development culture and organization, with extensive development capabilities at each business area and two R&D facilities in France. The innovation and product development resources have been significantly strengthened through the Merger as well as through the recent acquisitions of Expera and Caieiras, with each company contributing with strong, complementary innovation and product development knowledge and resources.

The Company works in close collaboration with its customers to understand how its offering can improve customers' performance and enable them to grow their businesses. Through in-depth customer insight the Company develops existing products, designs new ones and explores emerging technologies. Significant process, product feature and quality improvements have been achieved when understanding customer demands. Customer relationships are usually long-running and close, strengthening Ahlstrom-Munksjö's understanding of end-user applications.

### ***Efficient global operating model supporting synergy extraction and profit improvement actions***

Ahlstrom-Munksjö manages its broad business with lean group functions and strong businesses with local accountability. Its operating model strives to create an organization that promotes entrepreneurial spirit. The Group outlines the direction, provides strength and economies of scale for the businesses, while each business is accountable for its operational performance.

The combination of Ahlstrom and Munksjö created a solid basis for improved performance and the Company is continuously striving to improve operational efficiency. The Merger created critical mass in the value chain, enabling operations on a global scale and a readiness to better meet customer needs. The estimated cost synergies from the Merger are achieved through organizational streamlining, mainly within sales, general and administrative expenses ("SG&A") as well as a more focused central administration and the combination of administration for closely located sales offices and production and converting facilities. Work to combine product and service offering is ongoing in order to achieve incremental sales and benefits from product mix improvement. Production optimization has been largely completed. The total benefits of the Merger are estimated to amount to EUR 50 million annually when fully realized (compared to the situation before Merger). Benefits are expected to be gradually realized and fully visible by the end of the first quarter of 2019. The Company estimates that annual run-rate synergy benefits achieved are around EUR 38 million as at the end of the third quarter in 2018.

The Merger also strengthened the financial position of the Company, enabling larger, strategic acquisitions as well as increased organic investments. As an important step in further strengthening the global operations in line with the strategy of the Company, Ahlstrom-Munksjö acquired Expera and Caieiras in 2018. The acquisition of Expera significantly expands Ahlstrom-Munksjö's presence in North America and strengthens its offering of advanced custom-made fiber-based materials. The Expera Acquisition is an important milestone in the Company's strategic transformation towards global leadership. Annual near-term synergy benefits of EUR 8 million are estimated, mainly arising from SG&A and procurement, and are estimated to be achieved by the end of 2019. Ahlstrom-Munksjö also targets an increase in EBITDA from a recently finalized investment in new silicone coating capacity. The new coater came on-line in September 2017 and is expected to contribute approximately EUR 9 million annually to EBITDA when fully commissioned in 2022. In the longer term, the Expera acquisition is also expected to generate dynamic synergies, relating to product development and the sharing of best practice. The acquisition of Caieiras strengthens Ahlstrom-Munksjö's offering and production platform in South America and provides growth opportunities and production optimization potential for the longer term. In addition, production and delivery capabilities as well as competitiveness are improved by combining operations in Caieiras with the Company's operations in nearby Jacarei and Louveira. Annual synergies of up to EUR 6 million are estimated, mainly arising from optimization of overlapping business and are expected to be achieved by the end of 2019.

As a result of the continuous improvement of operational efficiency and extraction of synergies from the strategic actions, most of the Company's businesses are performing well. The Company has isolated challenges in certain product segments and the Company has defined action plans to address the underperforming businesses. Actions include increased efforts on strongholds, value-add and customization, investments to improve efficiency and capabilities, as well as cost optimization. For additional information on the Company's action plans, see "*Recent Development and Future Outlook – Recent Development and Trend Information*".

### ***Profitable growth through organic investments and acquisitions***

Ahlstrom-Munksjö is a leader in many market segments where it can reap benefits from critical size. To leverage this advantage and further improve operational efficiency and the ability to deliver customer value, Ahlstrom-Munksjö has made several significant organic investments of which only some have been or will be completed during 2018. From the beginning of 2016 until the end of the third quarter of 2018 the Company has completed or ongoing investments totaling approximately EUR 140 million. These investments are mainly capacity expansions, capability improvements and debottlenecking of existing plants and thus considered to be of low risk with attractive returns. The Company is targeting a meaningful EBITDA contribution from these investments.

During 2018, the Company has decided on several investment opportunities in order to strengthen its leading positions and drive growth. Announced investment decisions total approximately EUR 113 million by the end of the third quarter of 2018. Each investment decision is carefully evaluated against Group financial, health and safety, and environmental key performance indicators.

Ahlstrom-Munksjö continuously evaluates acquisitions that support the strategy of the Company and recognizes significant opportunities for value creative acquisitions. The Company has accumulated experience from the Merger, the recent acquisitions as well as from the integration of the acquired entities into the Company. The accumulated experience strengthens future acquisitions and extraction of synergies.

### **Strategy**

The Company's overall strategic ambition is to achieve profitable growth in selected niches of the global fiber-based solutions segment that exhibit a positive growth outlook and are supported by sustainable market drivers. Global leadership in chosen growth segments provides the foundation for this strategic direction.

The Company's strategy encompasses four cornerstones:

#### ***Profitable growth***

*Ability to grow in selected niches of the fiber-based solutions segment with a positive growth outlook*

To promote growth, the Company strives to develop organic growth opportunities through its geographical footprint, product development and the innovation opportunities in product areas where it is present. Through in-depth customer insight, the Company develops custom-made materials, strengthening end-user application understanding and protecting ongoing customer relationships. The Company's businesses operate in growing end-use segments and aim to take advantage of these opportunities through investments in its current production and converting facilities as well as through acquisitions. M&A opportunities are evaluated with the aim to enhance the long-term value of the Company's portfolio of businesses and ensuring that the profitability of its businesses is aligned with its financial targets.

#### ***Customer value***

*Deliver a clear customer value-add through a high-quality offering supported by advanced technology, deep know-how and tailored services*

The Company has developed custom-made value-added fiber-based materials over the years. Significant process, product feature and quality improvements have been achieved through understanding customer demands. Long-term cooperation in product development with customers creates a foundation for advancing the capabilities of what fiber-based materials can do. The Company maintains a strong research and development focus to develop new innovative solutions for and together with customers. Communicating the value of the customer benefits of the products and services to customers enables value-based pricing.

## ***Efficiency and agility***

### *Efficiently utilizing the flexible and agile operating model*

The Company has an operating model that efficiently and effectively supports its businesses. Through investments, the Company develops and strengthens the flexibility and efficiency of its production plants and converting facilities. The Company's operating platform adds value to its businesses with its procurement activities, technology know-how and capability to innovate as well as common IT and financing functions. The Company also manages continuous improvement programs for reducing fixed and variable costs and minimizing environmental impact.

## ***Local accountability***

### *Using a business unit based operating model that locally promotes accountability, enables flexibility and is built on a shared common culture*

The Company strives to create an organization that decentralizes everyday business decisions while maintaining economies of scale in business-oriented support functions, which is also able to attract and retain engaged and dedicated personnel by offering challenging jobs and development opportunities. The Group outlines the strategic direction for the businesses, while each business is accountable for its financial performance and the implementation of the strategy. The Company focuses on creating a culture of safe work environment, shared values and a collaborative attitude that enhances innovation and promotes an entrepreneurial spirit.

## **Long-term Financial Targets**

The Company's long-term financial targets are the following:

- *EBITDA<sup>1)</sup> Margin:* Above 14 percent over a business cycle.
- *Gearing ratio:* To be maintained below 100 percent.
- *Dividend:* A stable and annually increasing dividend, to be paid biannually.

---

<sup>1)</sup> The Board of Directors of Ahlstrom-Munksjö believes that EBITDA adjusted for items affecting comparability will reflect the underlying performance of the Company's business and enhances comparability from period to period.

## **History**

### ***History of Ahlstrom and Munksjö prior to the Merger***

Ahlstrom-Munksjö was created through the merger of Ahlstrom Corporation and Munksjö Oyj on April 1, 2017. The roots of the two companies trace back to the mid-1800s and the companies have a long history in the Finnish and Swedish forestry and paper industry.

A. Ahlström Corporation was incorporated in Finland in 1908, and traces its origins to the saw mill, iron and shipping family business of Antti Ahlström established in 1851. The company focused on pulp, paper and timber production and machinery, later expanding to glassworks. A. Ahlström Corporation grew internationally during the second half of the 1900s by completing several acquisitions and by the early 2000s, the newly formed Ahlstrom Corporation encompassed the manufacturing businesses of the fiber-based materials operations of the company. In March 2006, Ahlstrom Corporation was listed on the Helsinki Stock Exchange. Following the listing, Ahlstrom Corporation refocused its business to high performance fiber-based materials.

The Munksjö paper mill was founded in Sweden in 1862, in 1890 the company was converted to a limited liability company and Munksjö AB was listed on the Stockholm Stock Exchange in 1919. Investment in development and innovation has marked Munksjö AB group's operations in the history. In 1917, Munksjö AB acquired Aspa Bruk and in 1927, it was turned into a kraft pulp mill. From 1981 to 1983, Munksjö AB went through extensive restructuring measures that included a change of focus from traditional forestry to specialty papers and made several consequent acquisitions. In 1991, Munksjö AB was acquired by Trelleborg and Custodia, which delisted Munksjö AB and divested certain operations. Munksjö AB was listed again on the Stockholm Stock Exchange in 1993. In the middle of the 1990s, the Munksjö AB group entered the decor paper market by acquiring several decor paper mills and a decor paper company in Europe and the United States. During the 2000s, Munksjö AB was purchased and delisted by Jefferson Smurfit Group in 2002 and in 2004 acquired by private equity funds managed by EQT III Limited, which brought about divestments of operations. In 2011, Munksjö AB group acquired ArjoWiggins' operations in Decor Paper, Abrasive Backings, Thin Print Paper and Fine Art Paper and further streamlined its specialty papers operations through additional divestments. In 2013, Munksjö

AB was combined with certain business operations of Ahlstrom Corporation, to form a new company, Munksjö Oyj. Munksjö Oyj was listed on the Helsinki Stock Exchange in 2013 and on the Stockholm Stock Exchange in 2014. In the period 2013 to 2016, the separate businesses of Ahlstrom and Munksjö both focused on improving profitability and strengthening the balance sheet.

### ***The combination of Ahlstrom and Munksjö***

On November 7, 2016, the Boards of Directors of Munksjö Oyj and Ahlstrom Corporation agreed on combining the two companies and entered into a combination agreement and executed a merger plan pursuant to which Ahlstrom Corporation would be merged into Munksjö Oyj through a statutory absorption merger so that all assets and liabilities of Ahlstrom Corporation would be transferred without a liquidation procedure to Munksjö Oyj. The Boards of Directors of Munksjö Oyj and Ahlstrom Corporation resolved to complete the Merger on March 31, 2017 and the completion of the Merger was registered with the Finnish Trade Register on April 1, 2017.

The Merger created a global leader in fiber-based materials. The benefits of the Merger included a stronger balance sheet allowing room for further growth. The combination also laid basis for improved cost efficiency and realization of synergies. The combination of Ahlstrom and Munksjö after the Merger has progressed well. The Human Resources function has been centralized and many of the IT functions have been integrated to a common platform, resulting in savings in development costs through economies of scale. The two companies' sourcing activities have been reorganized into a joint procurement organization for improved bargaining power and efficiency. Prior to the Merger, Ahlstrom and Munksjö cooperated already in pulp sourcing. Benefits from the capital markets included wider financing options, lower cost debt and increased interest from investors due to larger size and improved liquidity of the Company's share. Ahlstrom-Munksjö has also relocated its head office to Helsinki and prepares closing of its Stockholm office by early 2019.

### ***The acquisition of Caieiras***

On April 24, 2018, Ahlstrom-Munksjö entered into an agreement to acquire MD Papéis' Caieiras specialty paper mill in Brazil of the Formitex Group, an industrial conglomerate active in the paper, chemicals and panel board industries. Formitex Group regards the divestment from the specialty paper business as an opportunity for the group to consolidate its strategic interest in strengthening its chemicals core businesses. For Ahlstrom-Munksjö, the acquisition strengthens the Company's offering and production platform in South America, and provides attractive growth opportunities, synergies and further production optimization opportunities for the longer term. The acquisition was completed on October 17, 2018. Of Caieiras' sales approximately 55 percent is decor papers. Approximately 25 percent of sales is grease proof paper, crepe and flexible packaging. Coffee filter paper and tape represent each some 10 percent of sales, while release liner make up the remaining 5 percent of Caieiras' sales. The business operations of Caieiras has been integrated into the Decor and Industrial Solutions business areas.

### ***The acquisition of Expera***

Ahlstrom-Munksjö and Specialty Papers Holdings, L.P. signed on July 23, 2018 the Share Purchase Agreement pursuant to which Ahlstrom-Munksjö acquired Expera. In 2013, KPS Capital Partners L.P ("KPS") created Expera from the combination of the specialty paper businesses of Thilmany, LLC and Wausau Paper, Corp., with roots in the Wisconsin paper industry dating back more than 135 years. Under KPS's stewardship and through capital investment in state of the art production and coating assets, Expera evolved into one of the few pure play specialty paper businesses in North America. Since the creation of Expera in 2013, the paper machines and mills have been continuously modernized and improved and Expera has completed investments in Boiler Maximum Achievable Control Technology in order to meet the regulatory requirements of the EPA. In 2017, Expera finalized the customer-driven investment in a state of the art silicone coater and started production ramp-up for a key customer based on a long-term volume commitment. The key product categories of Expera are Industrial & Technical (representing approximately 45 percent of sales), Food Processing & Packaging (representing approximately 30 percent of sales) and Pressure-Sensitive Release Liner (representing approximately 25 percent of sales).

The transformative acquisition will expand the Company's presence in North America and further strengthen its offering of advanced custom-made fiber-based materials. The earnings enhancing transaction will almost triple Ahlstrom-Munksjö's net sales in the United States and provide a platform for growth. The acquisition was completed on October 10, 2018. Expera has since been consolidated as part of Ahlstrom-Munksjö and forms the Company's fifth business area and reportable segment named North America Specialty Solutions.

## The Company's Business Operations

### Overview

The Company is organized into five business areas which are Decor, Filtration and Performance, Industrial Solutions, Specialties and North America Specialty Solutions. These five business areas also form the Company's reportable segments. In addition, the Company has the following key functions: Finance, Procurement, Group Communications & IR, Human Resources, Legal, IT.

The following table presents the Company's net sales by business area for the periods indicated:

In EUR million	For the nine months ended September 30,		For the year ended
	2018	2017	December 31,
	(unaudited)		2017
			(audited)
Decor	298.0	284.1	378.4
Filtration and Performance	510.0	336.3	496.2
Industrial Solutions	500.7	482.1	640.8
Specialties	439.4	327.1	466.0
Other and eliminations	-22.3	-16.9	-21.6
<b>Total</b>	<b>1,725.8</b>	<b>1,412.9</b>	<b>1,959.9</b>

The following table presents the Company's net sales by business area on a pro forma basis for the periods indicated<sup>1)</sup>:

In EUR million	For the nine months ended September 30,		For the year ended
	2018	2017	December 31,
	(unaudited)		2017
			(unaudited)
Decor		336.7	431.8
Filtration and Performance		510.0	665.3
Industrial Solutions		527.9	678.4
Specialties		439.4	574.3
North America Specialty Solutions		470.5	637.9
Other and eliminations		-22.3	-26.2
<b>Total</b>		<b>2,262.2</b>	<b>2,961.5</b>

<sup>1)</sup> See "Unaudited Pro Forma Financial Information".

The following table presents a breakdown of the Company's net sales by geography (based on customers' geographic location) for the periods indicated:

In EUR million	For the nine months ended September 30,		For the year ended
	2018	2017	December 31,
	(unaudited)		2017
			(audited)
Europe	1,003.5	843.0	1,161.3
North America	304.3	212.7	299.6
South America	116.7	114.6	159.7
Asia-Pacific	271.9	214.4	304.5
Rest of the world	29.4	28.1	34.8
<b>Total</b>	<b>1,725.8</b>	<b>1,412.9</b>	<b>1,959.9</b>

The following table presents a breakdown of the Company's net sales by geography (based on customer's geographic location) on a pro forma basis for the periods indicated:

In EUR million	For the nine months ended September 30,	For the year ended December 31,
	2018	2017
	(unaudited)	(unaudited)
Europe	1,012.7	1,289.8
North America	733.3	972.9
South America	183.3	263.1
Asia-Pacific	302.7	392.4
Rest of the world	30.1	43.2
<b>Total</b>	<b>2,262.2</b>	<b>2,961.5</b>

<sup>1)</sup> See "Unaudited Pro Forma Financial Information".

The end-use segments of the Company's products are balanced, and Expera's and Caieiras' product offering and customer segments are similar to Ahlstrom-Munksjö's current portfolio. Due to the Expera Acquisition and the acquisition of Caieiras<sup>2)</sup>, the share of sales to the Consumer Goods customer segment, including former Food & beverage and Non-food consumer goods, and the Industrial customer segment, including former General industry and Energy, increases by a few percentage points. The share of sales to the Transportation customer segment, former Automotive, is estimated to decrease by a few percentage points. The share of sales to the Homebuilding & Furniture customer segment, including former Construction and Furniture, and the Health Care & Life Science customer segment is estimated to remain unchanged.

### **Decor business area**

The Decor business area manufactures paper-based surfacing for wood-based materials such as laminate flooring, furniture and interiors. Decor develops solid color, print base and pre-impregnated papers for production of low- and high-pressure laminates and finish foils applications.

#### *Decor business*

#### Decor paper product segment

Decor paper is a type of surface material for decorative applications (i.e., decorative surface materials), mainly used in laminated furniture, flooring and interior applications both for technical purposes (surface resistance) and esthetical purposes (colors and patterns, for example to provide the appearance of wood or other materials).

The Company produces decor paper in a wide range of colors, grades and grammages according to customers' specifications.

Decor paper for high- and low-pressure laminates offers high color consistency and technological features for fast and economical impregnation. After lamination (by a customer), decor paper becomes durable and achieves the surface properties that make it suitable for use in environments involving rough wear and tear. Examples of application include kitchen furniture and worktops, office furniture and building facades.

Print base paper is white or solid colored decor paper that is ready for printing. Following printing and lamination (by a customer), the product is mainly used for laminate flooring and furniture.

Pre-impregnated paper is a partly pre-impregnated foil base paper offering high internal bond level and high printability results, which are suitable for finish foil applications. Pre-impregnated paper is suitable for upgrading surfaces that require moderate scratch and wear resistance. The Company considers itself as one of the leading suppliers in the decor paper product segment.

According to the Company's analysis, the annual market growth for decor paper is estimated to be about three percent. The largest customer sectors are the furniture and construction sectors.

<sup>2)</sup> Management's estimate based on Ahlstrom-Munksjö's annual report 2017 and net sales of Expera and Caieiras in 2017.

Demand drivers for decor paper include:

- Population and gross domestic product growth
- Growing middle class in developing and emerging markets driving construction and furniture demand
- Changing interior fashion trends and an increase in single person households
- Substitution from solid wood, veneer and plastic foils

#### Thin print paper product segment

Thin print papers are thin, lightweight papers used for applications requiring a large amount of text to be printed on the smallest space possible and on both sides of the paper, while still offering excellent printability, high opacity and good processing properties on printing and folding machines.

The Decor business area produces a broad range of uncoated thin print paper used primarily by the pharmaceutical industry for patient information leaflets, cosmetic leaflets and other packaging inserts and outcerts. The material is also suitable for certain books, literature and timetables.

The largest customer sectors are the pharmaceutical and publishing sectors.

#### ***Filtration and Performance business area***

The Filtration and Performance business area develops and produces filtration materials for engine oils, fuels and air as well as industrial filtration materials. It also produces glass fiber tissue for flooring products, reinforcement fabrics for wind turbine blades and makes nonwoven materials for automotive, construction, textile and hygiene applications and wallcover materials.

#### *Filtration business*

The Company produces and develops energy efficient filtration materials from natural or synthetic fibers or a combination of these two. The filtration media portfolio includes engine fuel, oil and air filtration applications, cabin air filter media, as well as hydraulic filter media. The Company has applications and is further developing filtration solutions for hybrid and fully electric vehicles. The portfolio also includes solutions for indoor air and cleanroom applications and both static and pulse-jet gas turbine air intake applications. The Company considers itself as one of the leading suppliers in the engine and industrial air filtration product segment.

According to the Company's analysis, the annual market growth for filtration products is estimated to be about three percent. The largest customer sectors are the automotive, heavy truck and heavy duty vehicles industry, as well as energy and general industry.

Demand drivers include:

- Growing truck and passenger fleet
- Total mileage drives the after-market sales of filtration material
- Tighter emission regulation drives demand for advanced filtration material
- Tighter regulation on air quality drives demand for industrial filtration material
- New filter applications in electrical mobility

#### *Building & Wind business*

The Company also produces glass fiber tissue for vinyl flooring products and a range of other applications. It also produces reinforcement fabrics for wind turbine blades and as surface to boat hulls in the marine industry. The Company considers itself as one of the leading suppliers in the vinyl flooring product segment.

According to the Company's analysis, the annual market growth for glass fiber tissue and fabrics is estimated to be about three to eight percent. The largest customer sectors are construction and building materials manufacturers, wind turbine manufacturers as well as boat builders and commercial vehicle panel manufacturers.



Demand drivers include:

- Building and construction activity
- Substitution from other flooring reinforcement such as mineral felt in North America
- Energy saving regulations and need for lighter building and transportation materials
- Wind turbine investments

#### *Nonwovens business*

Nonwovens are used in fabrics for laundry care suppliers, automotive and construction material suppliers, wallcover printers and flushable wipes manufacturers.

The Company offers a broad range of nonwoven materials, e.g. nonwovens backings, reinforcements and composite materials for automotive interior materials, plasterboard materials, wetlaid nonwovens specifically designed for the apparel market, nonwoven substrate used in washing machines to protect the colors of the fabrics being washed, strips that are suitable for both cold and hot wax application, nonwovens to be used as a base material for several wound care products, such as undercast paddings, wound dressings, surgical tape and dressing pads and nonwoven materials used to make household, personal care, baby and industrial wipes. The Company considers itself as one of the leading suppliers in the nonwoven wallcover product segment.

According to the Company's analysis, the annual market growth for nonwoven products is estimated to be about three percent. The largest customer sectors are the construction materials and automotive sectors and wall cover printers.

Demand drivers include:

- Construction and consumer spending
- Shift from paper to nonwoven wallcoverings
- Need for energy efficient construction materials

#### *Industrial Solutions business area*

The Industrial Solutions business area produces a wide range of materials often used in manufacturing or production processes. These include products such as abrasive backings, electrotechnical insulation papers, release liners, thin papers, specialty pulp and balancing foil paper. The business area also houses Arches fine art and printing papers.

#### *Release liners business*

Release liners are generally used as carriers for labels and other pressure-sensitive adhesive materials and components. Release liners are divided into two categories depending on production technology: supercalendered release liners and clay-coated release liners. Supercalendered release liners are primarily used as carriers for self-adhesive labels in the retail, consumer and durable goods industries, as well as carriers of technical adhesive materials and components applied in the aeronautical, electronic and medical industries. Clay-coated release liners are used in self-adhesive graphics, mainly for wide-format advertising on a range of surfaces, as well as in point of sales or exhibition communications.

The Company offers a broad range of release liner products, which are delivered in the form of paper rolls and further used by converting and printing companies to produce the end product. Release liner papers are coated with silicone by the Company's customers to carry self-adhesive labels or materials used in labeling of food, beverages, consumer goods, or for manufacturing and assembling adhesive components in industrial processes. The Company considers itself as one of the leading suppliers in the release liner product segment.

According to the Company's analysis, the annual market growth for release liners is estimated to be about four percent. The largest customer sectors are self-adhesive laminates and industrial siliconizers who supply a silicone-coated release liner to laminate producers or manufacturers of tapes or other self-adhesive materials or components.

Demand drivers include:

- Economic growth, growing middle class
- E-commerce drives logistics and need for labels in tracking and identification
- In industrial segments growth is driven by tapes, medical and composites

#### *Insulation business*

##### Electrotechnical paper product segment

The Company produces specialty papers that include creped or smooth grades supplied to manufacturers of transformers and high voltage cables, where they are used for electrotechnical insulation. Electrotechnical paper for transformers is impregnated in oil and must be durable to provide long-life insulation in a tough environment. It is also a vital component in the manufacture of submarine cables with high demands on the paper's insulating property, mechanical and chemical purity, strength and flexibility. The Company considers itself as one of the leading suppliers in the electrotechnical paper segment.

According to the Company's analysis, the annual market growth for electrotechnical papers is estimated to be about two to three percent. The largest customers are cable manufacturers, producers of equipment for power transmission and distribution and wire producers for transformers.

Demand drivers for electrotechnical paper include:

- Extension and upgrade of power distribution networks
- Decentralization of power production and system
- Demography and urbanization

##### Thin papers product segment

Another Industrial Solutions product segment is thin papers delivered to the steel, aluminium and glass manufacturing industries, which use them as interleaves between different layers of their products. Thin paper is also used in the textile industry to protect machinery from excess dye. The Company's thin paper offering also includes grades used as base paper for one-time carbon.

##### Balancing foil product segment

The Company's balancing foils product range includes durable edge-banding foils, balancing foils that protect chipboard against moisture and varnished or pattern-printed ready-to-use foils. Spantex® is a registered trademark for foil used in numerous applications. Spantex® balancing foil is laminated onto the base or back of modular furniture and laminate floorings to protect the product from moisture damage and keep it from changing shape. Spantex® is often used to balance the tensions that arise when veneer or high-pressure laminates are applied to a particle board. Priming foils remove irregularities, seal the surface and provide a substrate for painting on a wood-based panel.

##### Specialty pulp product segment

Beyond papers, the Company also offers specialty long fiber cellulose pulp manufactured at a dedicated unit in Sweden and supplied to a number of industrial users in diverse sectors. Elementary chlorine free bleached pulp is used for specialty paper, hygiene products, graphic paper, printing and writing paper, coated paper, cardboard paper, transparent paper and passport paper as well as for specialty pulp applications such as molding compounds. Unbleached kraft pulp is a specialty pulp mainly produced for electrotechnical papers since it is pure and with a very low conductivity. End products include electrotechnical paper, board, hygiene paper and grease-proof paper.

#### *Abrasive business*

Abrasive backings are specialty papers that are used as a substrate for abrasive products used both in industrial and do-it yourself sanding applications ranging from grinding to super fine finishing operations. The Company offers a broad range of backings, from multipurpose paper to latex, antistatic and high mechanical resistant paper, as well as materials for oil-based impregnation. The Company considers itself as one of the leading suppliers in the abrasive backings product segment.

According to the Company's analysis, the annual market growth for abrasive backings is estimated to be about two to three percent. The largest customers are manufacturers of the abrasive coated products sector who sell their products to wholesalers or directly to end customers.

Demand drivers include:

- Development of the automotive, wood, furniture and construction industries globally

The Industrial Solutions business area also includes fine art papers under the brand name Arches, used for watercolor, oil painting and drawing as well as art publishing and paper for writing and printing. Fine art paper has qualities similar to traditional handmade paper and has characteristics that make it well suited for painting and the printing of art motifs. It is made of cotton, with a structure that provides strength and a characteristic feel. Fine art paper is also used for, inter alia, exclusive books and stationery.

#### *Coated Specialties business*

At the Brazilian unit in Jacarei, the Company manufactures coated label and flexible packaging papers, as well as printing and writing papers, which primarily serve the South American market. The Company manufactures, for example, variable information printing label papers with long-lasting readability due to their high definition printing performance and resistance to scratching and smudging (used for e.g. bar codes). Coated specialties also include sublimation papers used for textile transfer printing. In the textile transfer printing process, thin print paper is first printed and then the ink is gasified and transferred to polyester cloth using heat. The Company considers itself as one of the leading suppliers in the coated specialty papers segment in Brazil.

According to the Company's analysis, the annual market growth for coated specialty papers in Brazil is estimated to be about two to four percent. The largest customer sectors for coated specialty papers are industrial converters within flexible packaging and self-adhesive laminates applications.

Demand drivers include:

- Demographic and purchasing power development in Brazil and South America
- Growing middle class and urban life style
- Consumer trends increasing the need of packaging, tracking and identification in supply chain

#### *Specialties business area*

The Specialties business area produces materials for food and beverage processing, laboratory filters and life science diagnostics, water filtration, tape products and medical fabrics. It also supplies hot oil cooking and milk filtration materials, graphics paper for sticky notes and envelopes and metallized labels.

#### *Food Packaging business*

The Company produces sustainable vegetable parchment packaging and processing materials for hot and cold foods. The product portfolio includes cooking and baking papers, pan liners, trays and molds. Flexible packaging paper products are used to package and protect a range of fast-moving consumables and food. To this end, the Company serves many end-use markets, such as bread and bakery, confectionery, dairy, pet food and non-food applications. The Company considers itself as one of the leading suppliers in the parchment based cooking and baking paper segment.

According to the Company's analysis, the annual market growth for food packaging and processing papers is estimated to be about two to three percent. The largest customer sector is the food processing sector.

Demand drivers include:

- Private consumption, sustainable alternatives
- Stricter food safety and chemical regulations
- Packaging functionality, innovations

### *Beverage & Casing business*

The Company produces materials to make tea bags and single-serve coffee capsules, as well as fibrous meat casing material. The teabags portfolio includes both heatsealable and non-heatsealable teabag lines, whereas the coffee filter solutions portfolio includes single-serve coffee materials and solutions for the most common capsules systems (both drip and espresso). The Company also produces a range of food contact parchment wrapping materials and fibrous meat casings. The Company considers itself as one of the leading suppliers in the tea bag and fibrous meat casing materials product segment.

According to the Company's analysis, the annual market growth for beverage and casing materials is estimated to be about two to eight percent. The largest customer sectors are the beverage and meat processing sectors.

Demand drivers include:

- Private consumption, sustainable alternatives
- Stricter food safety and chemical regulations
- Packaging functionality and barrier properties

### *Advanced Liquid Technologies business*

#### Laboratory and Life Science product segment

The Company's offering includes advanced laboratory filters and life science diagnostics materials used by makers of laboratory consumables and equipment and life science instruments. In addition, the Company develops and manufactures high performance water filters for water purification.

In laboratory consumables, the Company offers a range of applications, including extraction thimbles for the analysis of environmental pollution, pH indicator papers suitable for the determination of pH and glass and quartz microfiber filters suitable for different kinds of environmental analysis.

In life science and diagnostics applications, the Company's portfolio includes e.g. a product line for specimen collection and products suitable for lateral flow applications, including conjugate release pads and single layer fibers suitable for the separation of plasma for small volume blood samples. The portfolio also includes components for rapid test kits which are used in diagnostics. The Company considers itself as one of the leading suppliers in macro filtration in laboratory and in fiber-based solutions in the life science product segments.

According to the Company's analysis, the annual market growth for laboratory and life science materials is estimated to be about four to eight percent. The largest customers are laboratories, laboratory consumables and equipment suppliers, life science instrument and materials manufacturers.

Demand drivers in Laboratory and Life Science include:

- Increase in testing for environmental and health monitoring
- Aging population and universal healthcare
- Quick and cost-effective solutions for healthcare
- Patient-friendly procedure - can also be performed at home

#### Liquid purification product segment

In water filters applications, the Company's portfolio includes filter media suitable for water purification, which can be used in a wide range of applications, such as refrigerators, whole house filters, countertop, tap and under counter filters, water dispenser ice machines and food and beverage preparation.

In cooking oil and milk filtration, the Company's products portfolio includes filter materials for the fast food industry and a selection of food and industrial liquids processing applications suitable for, for example, producers of alcoholic, soft drink, and fruit juice beverages as well as a product range that covers all types of milk filters. The Company considers itself as a pioneer with its alternative technology in the fiber-based water purification product segment.

According to the Company's analysis, the annual market growth for liquid purification materials is estimated to be about one to ten percent. The largest customer sectors are industrial end-users and water purification equipment manufacturers, including municipals.

Demand drivers in Liquid purification include:

- Safe drinking water
- Increasing quality for food/liquid

#### *Medical business*

The Company also makes medical fabrics used in drapes, gowns and facemasks and sterilization wraps, all used primarily in surgery but also in cleanrooms and laboratories. The Company has a focus on advanced products using safe yet breathable laminate technology, capable of stopping not only bacteria but also viruses.

The Company's range of single-use sterile barrier systems are made of either nonwovens or papers and they are designed to reduce the risk of healthcare acquired infections (used for e.g. wrap, overwrap, tray liners and paper for packaging sterilized medical devices). The medical fabrics used in drapes and gowns are single-use fabrics designed to protect patients, surgeons, and surgical staff from viruses, bacteria, and fluids, while being comfortable to wear at the same time. The Company also offers lightweight and breathable nonwovens for use as inner and outer facemask cover stock. The Company considers itself as one of the leading suppliers in the medical drapes and gowns fabrics product segment.

According to the Company's analysis, the annual market growth for medical fabrics is estimated to be about three percent. The largest customers are marketers, converters and laminators, who supply end-user products to medical and health care segments.

Demand drivers include:

- Aging population
- High-risk surgeries increasing
- Liabilities around infections and contamination
- More rigorous regulatory requirements
- Increasing use of single-use fabrics

#### *Tape business*

The Specialties business area also offers tape backings used by masking tape manufacturers. Masking tape comes in a variety of qualities and is used in the construction and automotive industries and for specialty purposes. The Company is the world's largest supplier of tape backing for masking tape, and the production facility in France supplies colored varieties while the Chinese plant has received substantial investments in recent years and now supplies the local Chinese market as well as demand from international customers. The Company considers itself as one of the leading suppliers in the tape backings product segment.

According to the Company's analysis, the annual market growth for tape backings is estimated to be about five percent. The largest customers are masking tape manufacturers, saturators and laminators.

Demand drivers include:

- Home construction activity
- Automotive and electronics growth

#### **North America Specialty Solutions**

The North America Specialty Solutions business area manufactures specialized materials that protect and enhance a wide range of industrial and consumer applications. The key product categories are industrial & technical, food processing & packaging and pressure-sensitive release liner. The largest end-user applications to which North America Specialty Solutions business area products are sold are tape, interleavers, building and construction, quick service restaurants, microwave popcorn/baking papers, self-adhesive labelling, and fiber composite manufacture. The Company considers itself as one of the leading suppliers in the relevant product segments in North America.

### *Industrial & Technical*

The Company produces backings and barriers for technical materials used in residential and commercial construction, tape applications and metal and glass manufacturing. The industrial and technical product portfolio include, among others, masking and water-activated tape, steel and glass interleavers, insulation paper, saturating base and filtration papers. Products are offered in a broad range of basis weights and are characterized by being for instance contaminant-free, durable and strong, efficient in absorption and protective from scratching or staining. The Company especially targets products, which are engineered with high technical complexity and manufactured to specific customer requirements.

According to the Company's analysis, the annual market growth for Industrial & Technical products is estimated to be about two to six percent.

Demand drivers include:

- Building and infrastructure development
- Growth in online sales increasing demand for tape applications
- Growth in automotive sales and automotive repair
- Shift toward glass-screen displays, especially increased use of LCD TVs

### *Food Processing & Packaging*

The Company offers specialty papers to process, wrap and package processed foods and quick service restaurant prepared foods. Products are offered in a broad range of basis weights and are available as bleached and unbleached, fluorochemical and fluorochemical-free, greaseproof and grease-resistant, and in colors, and are characterized by being highly customized for a customer's specific application. The products are used by companies operating in the confectionary/snack and meat and dairy markets as well as by quick service restaurants. Applications include bags, clamshells, wrapping paper, laminates and grease-proof papers. The Company especially targets products with complex requirements for instance on preservative qualities, oil resistance and wet strength, as well as requiring special certification or health and safety requirements.

According to the Company's analysis, the annual market growth for food and processing papers is estimated to be about one to three percent.

Demand drivers include:

- Sustainability initiatives in packaging, including foil and film transition to paper
- Increased demand for natural or less processed packaging
- Increasing demand for fast-casual restaurants

### *Pressure-Sensitive Release Liner*

Pressure-sensitive release liner has a variety of uses in which specialty paper enables customers' products to retain adhesive properties prior to final application. Pressure-sensitive release liners are vital to product performance for fiber composites and a crucial component in the manufacturing of labels, tapes and medical materials. Products are characterized by being for instance of high density, transparent and coatable with differential release and are available as bleached and unbleached, smooth and in colors. The primary end markets for the products include fiber composites, highly regulated food and pharmaceutical packaging labels and tapes. The Company especially targets highly technical pressure-sensitive products such as industrial fiber composites which require specialized coated machines and technical experts and know-how to meet extensive qualification processes and certification requirements.

According to the Company's analysis, the annual market growth for pressure-sensitive release liner is estimated to be about three to eight percent.

Demand drivers include:

- Airline industry shifting towards fiber composites in the construction of aircraft for increased energy efficiency, decreased maintenance costs and increased passenger comfort due to reduced cabin depressurization

- Increased use of self-adhesive fasteners in industrial and home applications
- E-commerce drives logistics and need for labels in tracking and identification

## Competition

The Company focuses on selected niches of the fiber-based solutions segment where it believes that it can produce and sell products at a price premium because it addresses customers that require specific competence and customized products. The Company focuses on collaborative innovation with customers to provide customer-specified products optimized for manufacturing and end-product requirements. The Company does not compete primarily on price, as it believes that the strongest competitive factors in its markets are product portfolio, technical competence, service and quality.

The following table sets forth the Company's primary competitors by business area and product group:

<b>Business Area and Product Category</b>	<b>Primary Competitors</b>
<b><i>Decor</i></b>	
Decor paper	Technocell Dekor (part of the Felix Schoeller Group), Malta Decor and Koehler, as well as Kingdecor, Shandong Qifeng and other Chinese producers
Thin print papers	delfortgroup
<b><i>Filtration and Performance</i></b>	
Filtration	Neenah Paper, Hollingsworth & Vose and Lydall
Nonwovens	Glatfelter, Aralar, Jacob Holm and Freudenberg Group
Building and Wind	Saertex, Owens Corning, Johns Manville and Saint Gobain
<b><i>Industrial Solutions</i></b>	
Release Liners	UPM, delfortgroup and Verso
Coated Specialties	Oji Paper, Papeles Bio Bio, Fanapel and UPM
Insulation	
Electrotechnical papers	Weidmann, Nordic Paper, Kämmerer and Nine Dragons
Balancing foils	Fa Schubert, Walki, LamiDecor and Mondi
Thin papers	Nordic Paper, Gascogne, Lenk
Specialty pulp	JSC Pitkyaranta, Rottneros Vallvik and Canfor
Abrasive	Neenah, Kämmerer, Hubei Haifeng, Jiangxi Lemen, delfortgroup, BillerudKorsnäs and Qifeng Huasha / Hangzhou Xinxing
Fine art papers	Hahnemühle, St Cuthberts and Fabriano
<b><i>Specialties</i></b>	
Food Packaging	Metsä Tissue and Purico Group, Nordic Paper
Beverage & Casing	Glatfelter, Purico Group
Advanced Liquid Technologies	GE Healthcare, Advantec, Merck Millipore and MACHEREY-NAGEL
Tape	Swiss Quality Paper
Medical	Berry Plastics and SAAF
<b><i>North America Specialty Solutions</i></b>	
Industrial & Technical	Kapstone, Neenah Paper, Verso
Food Processing & Packaging	Domtar, Dunn Paper, Twin Rivers
Pressure-Sensitive Release Liner	Verso, Twin Rivers, UPM

## Production and Converting Facilities

The Company has, including the North America Specialty Solutions business area and the Caieiras plant, 45 production and converting facilities located in 14 different countries.

The following table sets forth the Company's production and converting facilities as at the date of this Prospectus:

<b>Location</b>	<b>Business/Main products</b>	<b>Equipment</b>	<b>FTE Employees as at September 30, 2018<sup>1)</sup></b>	<b>Owned/Leased<sup>3)</sup></b>
Achern, Germany	Decor: Sheeting of thin print papers	Cutting and sheeting equipment	8 <sup>2)</sup>	Leased <sup>3)</sup>
Arches, France	Abrasive: Abrasive backings, fine art paper and E2P Decor: Decor paper	7 paper machines and 3 rotogravure printers	463	Owned
Aspa, Sweden <sup>4)</sup>	Insulation: Bleached and unbleached kraft pulp	1 pulp line	191	Owned
Bethune, United States	Advanced Liquid Technologies: Laboratory products, applications for food industry, medical and filtration applications	27 converting machines, 1 steel rule die cutting, 1 rotary drum die cutting and other equipment	70 <sup>5)</sup>	Owned
Billingsfors, Sweden	Insulation: Thin paper, Spantex <sup>®</sup> and kraft pulp	3 paper machines and 1 pulp line	309	Owned
Binzhou, China	Filtration: Filtration media for different purposes, nonwoven wallcover substrate, engine industrial filtration applications, tea bags material	2 paper machines and 2 saturators	146	Owned
Bousbecque, France	Food Packaging: Genuine vegetable parchment applications	1 paper machine, 3 parchmmentizers and 1 online size press	115	Owned
Brignoud, France	Nonwovens: Nonwoven, wallcover and specialties applications	2 production machines, 2 winders, 4 rewinders and other equipment	122	Owned
Bärenstein, Germany	Advanced Liquid Technologies: Laboratory filter papers, micro filtration products, papers for environmental control, technical and industrial filter papers, medical and IVD devices	1 paper machine, 2 rewinders, 1 guillotine and other equipment	57	Owned
Caieiras, Brazil	Decor: Decor papers and thin print papers Industrial Solutions: Release liners, food and beverage packaging, tapes, coffee filters	4 specialty paper machines	375	Owned
Chirnside, United Kingdom	Beverage & Casing: Heatsealable and non-heatsealable teabags, coffee filter solutions, fibrous meat casing	3 production machines, 5 winders, 4 rewinders	136	Owned
Dettingen, Germany	Decor: Decor paper and thin print paper	2 paper machines	200	Owned
De Pere, United States	North America Specialty Solutions: Technical glass interleaver, school colors, specialty SCK, confectionary/snack	2 paper machines, 3 production winders,	220	Owned



			2 re-reelers and 2 supercalenders		
Ed, Sweden	Coating and printing converting	1 flexoprint and coating machine	7 <sup>6)</sup>		Leased
Fabriano, Italy	Filtration: Fully synthetic (glass fiber and polyester fibers) media for hydraulic and air applications	1 wetlaid drum former, 1 paper machine, 1 laminator and other equipment	36		Owned
Falun, Sweden	Advanced Liquid Technologies: Laboratory products, filter media for air quality monitoring, HEPA and ULPA, medical materials	1 production line	32		Owned
Hyun Poong, South Korea	Filtration: Engine filter media as well as air, oil and fuel media, industrial applications	2 paper machines and 2 saturators	112		Owned
Jacareí, Brazil	Coated Specialties: One-side coated face-stock papers for self-adhesive labels, one-side coated papers for release liners, one-side coated papers for packaging, tobacco and industrial applications, uncoated papers for printing and writing applications	1 paper machine	239		Owned
Jönköping, Sweden	Insulation: Electrotechnical paper	1 paper machine	120		Owned
Karhula, Finland	Building & Wind: Glass fiber tissue as well as building wallcover and specialties applications	1 GFT machine, 1 test machine, 3 rewinders	75 <sup>7)</sup>		Owned
Kaukana, United States	North America Specialty Solutions: Building/construction, interleaver, tape, QSR	5 paper machines, 4 digesters, 2 recovery boilers, 3 power boilers, evaporators and concentrators	571		Owned
Longkou, China	Tape: Industrial applications for masking tape, building and construction applications as well as automotive, electronics and medical applications	1 production line, 1 crepe paper machine	118		Owned
Louveira, Brazil	Filtration: Transportation filtration applications	1 full production line (1 paper machine, 1 saturator and 2 rewinders)	107		Owned
Madisonville, United States	Filtration: Transportation filtration applications, filter media solutions for gas turbine applications and hydraulic filtration media	1 wetlaid nonwoven production machine, 2 laminators, electro spinning nanofiber production line and other equipment	133		Owned
Malmedy, Belgium	Nonwovens: Wallcovering materials	Several preparation lines, 1 heavy natural gas boiler, physico-chemical waste water treatment station	75		Owned

		and other equipment		
Mikkeli, Finland	Building & Wind: Glass fiber reinforcement, glass fiber products for wind energy as well as marine, transportation and other applications	1 ace blade line, 18 multiaxials, 23 woven machines and other equipment	103	Owned
Mosinee, United States	North America Specialty Solutions: Interleaver, tape, QSR paper, saturating base	4 paper machines, 6 digesters, recovery boiler, 3 power boilers, evaporators and concentrator	394	Owned
Mt Holly Springs, United States	Advanced Liquid Technologies: Laboratory products, applications for food industry, materials used in medical fabrics and diagnostics, industrial and water filtration applications	1 open headbox fourdrinier, 1 paper machine, 2 laminators and other equipment	155	Owned
Mundra, India	Medical: SMS (spunbond-meltblow-spunbond) fabric	1 production line with treatment as a separate line	96	Owned
Pont-Audemer, France	Tape: Masking tape, medical applications and coffee filter solutions	1 production machine	99	Owned
Pont-Evêque, France <sup>8)</sup> (La Gere)	Release Liners: Acti-V <sup>®</sup> supercalendered release liners for pressure sensitive adhesive labelstock, specialty tapes and industrial applications	1 paper machine	165	Owned
Radcliffe, United Kingdom	Beverage & Casing: Pulps for heatsealable tea bags, non-heatsealable teabags, coffee filter solutions and fibrous meat casing	14 digesters	30	Owned
Rhineland, United States	North America Specialty Solutions: Pressure-sensitive coated products, baking papers, other food packaging	4 paper machines, 3 production winders, 3 supercalenders, 3 coaters	510	Owned
Rottersac, France	Food Packaging: Uncoated, treated and calendered papers for food and non-food flexible packaging, repositionable notes, envelope windows and industrial applications	2 paper machines	199	Owned
Saint Severin, France	Food Packaging: Materials used in food and beverage packaging	1 paper machine, 3 parchmentizers and 1 coater	165	Owned
Stenay, France	Food Packaging: One-side coated papers for flexible packaging, wet-glue label, metalizing, release liner and other industrial applications	2 paper machines	204	Owned
Ställdalen, Sweden	Nonwovens: Wipes fabrics, automotive applications, fabric care materials, depilatory products, flower pot applications, wood veneers, cabin and oil filter media	Nonwoven lines and 2 production lines	132	Owned

Taicang, China	Insulation: Paper converting	1 slitting machine	11	Leased
Tampere, Finland	Filtration: Milk filtration media, cabin air filter media and heavy duty oil filter media, gas turbine and HVAC media	1 wetlaid nonwoven production machine, 1 after-treatment line, 1 pilot line	63	Owned
Taylorville, United States	Filtration: Auto oil and heavy duty filtration media, auto and heavy duty air filtration media, gas turbine filtration media, humidifier wick and embroidery backing	1 paper machine and 1 saturator	109	Owned
Tolosa, Spain	Decor: Decor paper	2 paper machines	149	Owned
Turin, Italy	Release Liners: Acti-V <sup>®</sup> supercalendered release liners for pressure sensitive adhesive labelstock, tapes and industrial applications	1 paper machine	196	Owned
	Filtration: Auto and heavy duty air filter media, heavy duty fuel and oil filter media as well as gas turbine filter media	4 paper machines, 3 saturators, 1 fine fiber line and other equipment	301	Owned
Tver, Russia	Building & Wind: Glass fiber tissue, flooring tissue, roofing tissue and paint over tissue	1 GFT machine and 1 rewinder	75	Owned
Unterkochen, Germany	Decor: Decor paper	2 paper machines	221	Owned
Windsor Locks, United States	Beverage & Casing: Single-serve applications, applications for food industry. Medical: Medical applications. Nonwovens: Applications for apparel market, wallcover materials, wipes fabrics	6 production lines (4 for the Company, 2 for Suominen Corporation) and other equipment	261	Owned

- 1) The figures presented in this column do not include the Company's employees working in administrative, sales and support functions.
- 2) The employees of the Achern converting facility are also included in the headcount of the Dettingen production facility.
- 3) The Company leases the Achern converting facility but owns the equipment.
- 4) The name of the production facility is Aspa Bruk.
- 5) The employees of the Bethune facility are also included in the headcount of the Mt Holly Springs facility.
- 6) The employees of the Ed converting facility are also included in the headcount of the Billingsfors production facility.
- 7) Includes one employee located in Kauttua.
- 8) The name of the production facility is La Gère.

## Logistics

The Company organizes the transportation of a majority of its products directly to its customers as business-to-business deliveries using a variety of third-party transport service providers. Transportation is usually conducted by truck, train or ship.

The Company aims to have at least two transportation service providers per destination and regularly evaluates its transportation service provider options.

## Raw Materials and Energy

The Company's most important raw materials include fibers, particularly wood pulp, and the chemicals the Company uses in its production processes. Other important raw materials used by the Company include titanium dioxide, which has in the past experienced significant price fluctuations. The Company purchases titanium dioxide from a limited number of suppliers pursuant to long-term contracts. A limited number of the Company's supply agreements include fixed price commitments mitigating the fluctuations in the prices of raw materials and energy.

The Company uses both natural and synthetic fibers in its operations. In 2017, 90 percent of the fibers used by the Company were natural (including e.g. pulp, abaca, cotton and other, such as jute and sisal), and 10 percent were synthetic (including e.g. glass fiber, polyester and polypropylene, pellets, micro glass and tencel/viscose). The Company aims to use renewable materials wherever they can deliver the necessary product performance. In 2017, the Company's fiber and chemical raw materials were 68 percent renewable by volume.

The Company works with a reasonably large number of suppliers to secure the diverse inputs needed to create its portfolio of specialty fiber products. The Company's fiber suppliers include commodity pulp suppliers, large companies producing synthetic fibers, and smaller farmers selling niche products such as abaca. The Company also works with chemical, equipment, energy, water, and service suppliers on scales from the global to the highly local and indirect suppliers, such as utilities, transportation services, and equipment and machinery providers.

The Company is also dedicated to supporting more environmentally sustainable fiber production practices. The most impactful purchasing in this area is the Company's wood pulp procurement, which in 2017 accounted for 87 percent of its fiber use. To advance improved forest management practices, the Company purchased 49 percent of its wood pulp from Forest Stewardship Council (the "FSC") mix credit certified sources in 2017, with the remainder meeting FSC Controlled Wood criteria. FSC is recognized as a third-party audited forest product certification systems for responsible forest management. By using FSC materials, the Company can meet growing customer demand for certified products while contributing to more sustainable forest practices in its supply chain.

The paper mills Thilmany in Kaukauna and Mosinee are vertically integrated into pulp production, converting wood into natural pulp, which is the largest raw material used in the North America Specialty Solutions business area. Natural products offer a higher log-to-paper yield and require less energy and chemicals to process and the raw material also represents a sustainable approach to production.

The Company's main sources of energy are electricity, gas, oil and coal. In 2017, the Company's total energy use in GJ per gross ton production was 8.12. Despite modern technology and best practices, the processes of the manufacturing operations are inherently energy intensive. A lot of energy is required first in pulping to separate the fibers and also after web forming to dry the water out. However, the Company's production sites enhance energy consumption through several mechanisms. For additional information on efficiencies and innovations in the Company's energy use, please see Section "*Business of the Company – Environmental, Health and Safety*".

## **Research and Development**

The Company has extensive research and development capabilities in each business area. R&D in the business areas is carried out in the production processes at the various plants and in collaboration with customers. The Company also operates two R&D facilities in France, one in Pont-Evêque and one in Apprieu. The innovation and product development resources have been significantly strengthened through the Merger as well as through the recent acquisitions of Expera and Caieiras, with each company contributing with strong, complementary innovation and product development knowledge and resources. In addition, marketing, sales and customer service organizations all form integral parts of the R&D process by supporting the understanding of what areas of development to give priority to, what improvements in qualities are needed, and what new applications are sought after by customers.

The Company's areas of research include improved sustainability, which involves making existing products more environmentally friendly by, for example, making them compostable, recyclable or using lower amounts or different chemicals. One of the strategic directions of the Company is to develop barrier papers based on biopolymers to offer biodegradable packaging media. Other areas of research include various forms of nanocellulose, the range of application of which is wide. Nanocellulose is also renewable and biodegradable and will compete with plastics and other non-degradable materials in many areas. Another cellulosic research activity focuses on the phenomena involved in the aging of cellulose. The ambition is to conceive new materials for electrotechnical insulation to manufacturers of transformers and high voltage cables. The Company also focuses on researching biopolymers, which are bi-products of the pulp used in production. Biopolymers are used for enhancing current paper products.

Examples of recently launched new products include Spray-Up, a product which makes wallcovers easier to take down and change and 100%Color, a heavy weight decor paper range, which brings more opportunities for creativity and color options for designers and architects when working with compact laminates. In the finish foils segment, the M-Foil-PN product was introduced as a new formaldehyde-free pre-impregnated decor paper concept. In the abrasive backing category the Company launched the RE-VOLUTION backing which can replace cloth with paper and offer high quality finishing and an easier supply chain management for customers with the ready-to-use backing. The backing is also 100 percent formaldehyde-free, saving energy and chemicals. The Company has also recently developed new food packaging products in collaboration with its customers to address regulatory concerns. Such products include fluorochemical-free microwave popcorn packaging and grease and staining resistant packaging for quick service restaurants. The Company has also developed compostable paper-based solutions for beverage applications, such as filter papers for tea bags and

lids for the next generation of compostable single use coffee capsules. Innovative solutions are also proposed on highly technical markets such as life science and forensic with the recent launch of DNA collection and preservation cards as well as new conjugate pad grades for diagnostics kits.

## Intellectual Property

Ahlstrom-Munksjö strives to register and actively protect its patents, brands, product names and trade names in jurisdictions that are relevant to its operations. Ahlstrom-Munksjö's intellectual property rights are handled centrally. Ahlstrom-Munksjö's patent portfolio contains mainly patents related to products and manufacturing methods. In addition, certain manufacturing methods have been protected by keeping them as trade secrets. Currently Ahlstrom-Munksjö has in its portfolio around 400 granted patents and 200 patent applications that are pending in various patent offices across 4 business areas. The AHLSTROM MUNKSJÖ trademark has been registered in the EU as an EU trademark and is pending in several other countries where Ahlstrom-Munksjö is conducting business. Both the Ahlstrom and the Munksjö names have a long history in the industry. The Company targets that all of Ahlstrom-Munksjö's subsidiaries use the AHLSTROM MUNKSJÖ trademark in their businesses, and product names are used alongside the AHLSTROM MUNKSJÖ trademark to clearly identify them with the overall company brand.

## Group Legal Structure

Ahlstrom-Munksjö Oyj is the parent company of the Company. The following table sets forth the consolidated subsidiaries of Ahlstrom-Munksjö Oyj as at November 10, 2018:

<u>Company</u>	<u>Registered Office</u>	<u>Share of equity %</u>
Ahlstrom-Munksjö Oyj	Finland	Parent
Ahlstrom-Munksjö AB	Sweden	100
Munksjö UK Limited	United Kingdom	100
Ahlstrom-Munksjö Aspa Bruk AB	Sweden	100
Ahlstrom-Munksjö Paper AB	Sweden	100
Munksjö Electrotechnical Paper AB <sup>1)</sup>	Sweden	100
Ahlstrom-Munksjö Spain Holding, S.L	Spain	100
Ahlstrom-Munksjö Paper, S.A.	Spain	100
Ahlstrom-Munksjö Paper (Taicang) Co. Ltd	China	100
Ahlstrom-Munksjö Germany Holding GmbH	Germany	100
Ahlstrom-Munksjö Paper GmbH	Germany	100
Kraftwerksgesellschaft Unterkochen GmbH	Germany	60
Ahlstrom-Munksjö Dettingen GmbH	Germany	100
Ahlstrom-Munksjö Paper Inc.	USA	100
Ahlstrom-Munksjö Italia S.p.A.	Italy	100
Ahlstrom-Munksjö France Holding S.A.S.	France	100
Ahlstrom-Munksjö Arches S.A.S.	France	100
Ahlstrom-Munksjö Stenay S.A.S.	France	100
Ahlstrom-Munksjö Rottersac S.A.S.	France	100
Ahlstrom-Munksjö La Gère S.A.S.	France	100
Ahlstrom-Munksjö Apprieu S.A.S.	France	100
Ahlstrom-Munksjö Paper Trading (Shanghai) Co., Ltd	China	100
Ahlstrom-Munksjö Asia Holdings Pte Ltd	Singapore	100
PT Ahlstrom Indonesia	Indonesia	100
Ahlstrom-Munksjö Barcelona, S.A	Spain	100
Ahlstrom-Munksjö Brasil Indústria e Comércio de Papéis Especiais Ltda.	Brazil	100
Caieiras Indústria e Comércio de Papéis Especiais Ltda.	Brazil	100
Ahlstrom-Munksjö Chirmside Limited	United Kingdom	100
Ahlstrom-Munksjö Fibercomposites (Binzhou) Limited	China	100
Ahlstrom Munksjö Fiber Composites India Private Ltd	India	100
Ahlstrom-Munksjö Germany GmbH	Germany	100
Ahlstrom-Munksjö Glassfibre Oy	Finland	100
Ahlstrom-Munksjö Tver LLC	Russia	100
Ahlstrom-Munksjö Industries S.A.S.	France	100
Ahlstrom-Munksjö Brignoud S.A.S.	France	100
Ahlstrom-Munksjö Tampere Oy	Finland	100
Ahlstrom-Munksjö Specialties S.A.S.	France	100
Ahlstrom-Munksjö Japan Inc.	Japan	100
Ahlstrom-Munksjö Korea Co., Ltd	South Korea	100
Ahlstrom-Munksjö Malmédy SA	Belgium	100
Ahlstrom-Munksjö Monterrey, S. de R.L. de C.V.	Mexico	100
Ahlstrom-Munksjö South Africa (Pty) Ltd	South Africa	100
Ahlstrom-Munksjö Stålldalen AB	Sweden	100
Ahlstrom-Munksjö Falun AB	Sweden	100

Ahlstrom-Munksjo USA Inc.	USA	100
Ahlstrom-Munksjo Filtration LLC	USA	100
Ahlstrom-Munksjo Nonwovens LLC	USA	100
Windsor Locks Canal Company	USA	100
Expera Specialty Solutions Holdings, Inc.	USA	100
Specialty Papers Acquisition LLC	USA	100
Expera Specialty Solutions LLC	USA	100
Expera Brokaw LLC	USA	100
Expera Nicolet LLC	USA	100
Expera Mosinee LLC	USA	100
Expera Rhinelander LLC	USA	100
Rhinelander Coated Products LLC	USA	100
Expera Funding LLC	USA	100
Ahlstrom-Munksjo Vilnius UAB	Lithuania	100
Ahlstrom-Munksjö Warsaw Sp. Z.o.o	Poland	100
Ahlstrom-Munksjo Yulong (Shanghai) Specialty Paper Trading Co. Ltd	China	60
Ahlstrom-Munksjo Yulong Specialty Paper Company Limited	China	60
Akerlund & Rausing Kuban Holding GmbH	Germany	100

<sup>1)</sup> Dormant.

As at September 30, 2018, the Company holds 33 percent of the shares of a company in Sweden, Sydved AB. Until the Merger, the Company had an interest in a joint operation, AM Real Estate S.r.l. located in Turin Italy. The other investor in the arrangement was an Ahlstrom group company. Following the Merger, the arrangement became a wholly-owned subsidiary of Ahlstrom-Munksjö. In addition, Ahlstrom-Munksjö Paper GmbH is buying electricity and gas from Stadtwerke Aalen GmbH who owns 40 percent of Ahlstrom-Munksjö Paper GmbH's subsidiary Kraftwerksgesellschaft Unterkochen GmbH.

## Employees

For the nine months period ended September 30, 2018 the Company employed an average of 5,909 FTE employees. As at September 30, 2018, the highest numbers of employees were in France (28 percent), Sweden (14 percent), the United States (12 percent), Germany (9 percent) and Italy (9 percent). For the nine months ended September 30, 2018 Expera employed an average of 1,851 FTE employees in the United States and the Caieiras plant in Brazil employed an average of 375 FTE employees.

For the year ended December 31, 2017 the Company employed an average of 5,109 FTE employees. As at December 31, 2017, the highest numbers of employees were in France (28 percent), Sweden (14 percent), the United States (12 percent), Germany (9 percent) and Italy (9 percent).

## Environmental, Health and Safety

The Company is pursuing continuous improvement in the following environmental areas: the supply chain and sourcing practices of the Company, efficiencies and innovations in its energy and water use, waste reduction and disposal as well as carbon dioxide emissions reductions. The Company also works towards being a zero-accident workplace and contributes to a more sustainable everyday life.

## Supply chain and sourcing practices

The Company's Supplier Code of Conduct establishes minimum requirements related to legal compliance, human rights and the prevention of child labor, health and safety, responsible business, environmental impacts, and transparency, and its newly built global corporate procurement team is leading efforts to ensure suppliers have signed or are in compliance with these expectations through regular dialogue with suppliers as well as emerging systems for risk assessments and field auditing.

The Company has established metrics and targets to track progress in this area. The Company has assessed what percentage of its chemical and fiber suppliers have signed the Supplier Code of Conduct or are considered compliant to set expectations for responsible sourcing. Currently the Company assesses that close to 100 percent of the Company's chemical and fiber suppliers are on board, and by end of 2019, the Company will work to ensure that all of its significant suppliers are signatories or considered compliant. The incorporation of the Supplier Code of Conduct in all sourcing tenders is estimated to rapidly increase the number of companies signing. The Company creates accountability by evaluating the Supplier Code of Conduct risks and following up with mitigation actions as needed. The Company is currently developing new evaluation procedures, with a goal of incorporating suppliers into the system by mid-2019.

### ***Efficiencies and innovations in its energy and water use and waste reduction and disposal***

The Company's production sites advance energy, water, and waste efficiencies and stewardship through several mechanisms. Environmental managers at the Company's sites tailor their activities and investments in best available technologies to meet their particular plant's local resource management requirements, challenges, and opportunities. Many plants also advance effective energy and environmental management through third party audited, internationally recognized certification systems. The Company is ISO 14001 certified in environmental management at 36 locations and the Company plans to achieve greater than 95 percent coverage by end of year 2020. Fifteen of the Company's plants are ISO 50001 certified in energy management. Going forward, the Company's goal is to reach 80 percent certified energy management system coverage of the Company's energy consumption, the timeframe for which will be established in 2018.<sup>3)</sup> The Company has historically operated and continues to operate landfills at or near certain of its facilities in the United States. The operation of these landfills require state permits for operating and closure and the landfills are subject to continued monitoring. Pursuant to state requirements, the Company has posted surety bonds for certain landfills, which serve as financial assurance for the fulfilment of the Company's obligations with respect to potential closure and long-term care costs. The Company currently has seven outstanding surety bonds amounting to approximately USD 16 million in total. The status of all significant existing or potential environmental issues is reviewed periodically and the Company accrues remediation costs when it is probable that such costs will be incurred and they can be reasonably estimated. As at September 30, 2018, Expera had recorded provisions amounting to approximately USD 5.6 million for asset retirement obligation related to landfill closure and long-term care costs.

In addition, the Company assesses its energy use, water use, and water emissions per gross ton of production, as well as total tons of waste sent to landfill. In 2017, the Company's total energy use in GJ per gross ton production was 8.12, its water use in cubic meters per gross ton production was 44.8, its water chemical oxygen demand (COD) emissions in kilograms per gross ton production was 4.06 among reporting plants, and 12,223 tons of non-recoverable waste were sent to landfills. The Company seeks annual reductions in each of these metrics from 2018 onwards.

### ***Carbon dioxide emissions reductions***

The Company aims to continuously reduce its products' impact on the climate by decreasing its specific Scope 1<sup>4)</sup> carbon dioxide emissions and dependency on fossil fuels. To date, the Company has primarily contributed to climate mitigation efforts by pursuing the energy efficiency work described above. As a 2017 baseline, excluding the North America Specialty Solutions business area and the Caieiras plant, the Company's Scope 1 emissions were 0.381 tons carbon dioxide per gross ton production. Going forward, the Company will target to a 2 percent reduction in its Scope 1 emissions intensity each year from 2018 onwards. The Company will also develop Scope 2<sup>5)</sup> carbon dioxide emissions reduction targets by the end of year 2018. To monitor its progress, climate emissions data for each of the Company's production sites will be aggregated on a quarterly basis through its new cloud-based data collection system.

### ***Health & safety***

The Company focuses on preventative activities, behavior-based safety interactions, safety inspections and auditing, and tailored safety training to ensure a safe working environment. Local Health & Safety Managers lead these activities at sites in coordination with the Company's Safety Network of leaders across business areas and sites, the Human Resources team, and the VP Health & Safety.

To measure its progress in this area, the Company tracks three priority indicators: the Company's annual total recordable incidents (TRI) rate, near miss rate, and hours of tailored safety training per employee each year. In 2017, the Company established baselines as a new company of a TRI rate of 2.37, a near miss rate of 2.71, and 13.35 average hours of tailored safety training per employee annually. By end of year 2018, the Company seeks a near miss rate higher than 2.9 to ensure all risks are being reported and responded to swiftly and plan to increase tailored safety trainings to 15 hours per employee annually.

### ***Contributing to a more sustainable everyday life***

In 2017, Ahlstrom-Munksjö created its sustainability strategy, involving people, the planet and shared well-being as a Company which has recently combined and has a greater global reach and more diverse product portfolio. The Company identified nine material sustainability topics, aligned with the framework of the United Nations Sustainable Development

---

<sup>3)</sup> The targets for certification coverage were set prior to the Expera Acquisition and the acquisition of Caieiras. Thus, these targets currently encompass only the Company's plants from the time preceding these acquisitions, i.e. excluding the plants of the North America Specialty Solutions business area and the Caieiras plant.

<sup>4)</sup> Scope 1 emissions refer to direct greenhouse gas emissions which result from sources owned by the Company, for example, emissions resulting from combustion in owned or controlled boilers, furnaces, vehicles and other similar appliances. The scope also includes emissions from chemical production in owned or controlled process equipment.

<sup>5)</sup> Scope 2 emissions refer to indirect greenhouse gas emissions, which result from the generation of electricity, heat or steam purchased by the Company.

Goals (SDG), that form key areas for tracking and improving the Company's performance. In 2018, the Company proceeded in setting targets for 22 Key Performance Indicators for the period 2019–2022. Ahlstrom-Munksjö has signed the United Nations Global Compact in November 2017, and reports according to the Global Reporting Initiative (“GRI”) standards to ensure timely and transparent information is shared with all its stakeholders.

The Company's supply chain is traceable in cooperation with the suppliers and the customers and the Company follows the best practices to ensure resource efficiency. The Company aims to source all raw materials responsibly and purchase forest fiber-based raw materials as certified or as a minimum controlled wood for sustainable forest management. Ahlstrom-Munksjö has achieved the Eco Vadis Gold Rating, meaning the Company is ranked in the top 1 percent of suppliers on a platform providing sustainability evaluation for global suppliers.

Ahlstrom-Munksjö contributes to a sustainable everyday life by providing renewable materials that are alternatives to non-renewables and solutions that make the end product more sustainable. The Company's fiber-based materials and solutions reduce harmful emissions, purify air and drinking water, extend the lifetime of furniture and backings of sanding paper, diagnose medical conditions, enable DNA analysis and pregnancy tests, provide protective barriers from bacteria and viruses and keep food and beverage safe and clean.

The Company is currently implementing a new Eco Design tool, with which the Company's new products will be evaluated in order to assess the lifecycle and ecological footprint of the newly developed product. The Company works toward continuous improvement to make the production processes more efficient in energy and water use in order to enhance raw material use and to fight the climate impacts from operations.

## **Insurance**

The Company maintains insurance covering property damage, business interruption, product and general liability, employment practice liability, travelling employees, transported goods, damage caused by crime and directors' and officers' liability. The Company believes that its insurance coverage is consistent with industry practice and is sufficient for the risks that would normally be associated with its operations, but it cannot guarantee that it could not be adversely affected by damage or accidents despite possessing said insurance coverage.

## **Material Contracts**

### ***Corporate transactions***

Ahlstrom-Munksjö and Specialty Papers Holdings, L.P. have on July 23, 2018 signed the Share Purchase Agreement pursuant to which Ahlstrom-Munksjö agreed to acquire Expera and on April 24, 2018, Ahlstrom-Munksjö entered into a transaction agreement to acquire Caieiras from the Formitex Group. The acquisitions are described in more detail in “*Background of the Expera Acquisition and Use of Proceeds*” and “*Recent Development and Future Outlook – Recent Development and Trend Information – Corporate Transactions*”.

### ***Financial arrangements***

#### ***Facilities Agreement***

Ahlstrom-Munksjö has entered into a EUR 270,000,000, SEK 600,000,000 and USD 35,000,000 term facilities and a EUR 200,000,000 multicurrency revolving facilities agreement dated November 10, 2016 (as amended and restated from time to time) with Nordea Bank AB (publ) and Skandinaviska Enskilda Banken AB (publ) as mandated lead arrangers and underwriters and Nordea Bank AB (publ) as agent (the “**Facilities Agreement**”). The Company has provided a guarantee in connection therewith. The Facilities Agreement consists of several term facilities (Facility A, Facility B, Facility C, Facility D and Facility E) and a revolving facility.

Pursuant to the Facilities Agreement, amounts drawn under the Facilities Agreement have been utilised for, inter alia, refinancing previous financial indebtedness of the Company and financing transaction costs arising in relation to the absorption merger of Ahlstrom Corporation into Munksjö Oyj and may be utilised for general purposes of the Group (including acquisitions).

Any loans drawn under the term facilities under the Facilities Agreement shall be repaid in full on the applicable termination date, except loans drawn under Facility A under the Facilities Agreement which shall be repaid in semi-annual instalments of EUR 8 million starting on October 31, 2017. Any loans drawn under the revolving facility fall due on the last day of the applicable interest period and may be re-borrowed again after repayment.

As at October 10, 2018, all outstanding loans under Facility C under the Facilities Agreement were prepaid and Facility C (a maximum amount of EUR 150,000,000) was cancelled in full. All other term facilities and the revolving facility terminate on April 1, 2022.



Interest on amounts drawn under the term facilities and revolving facility is the sum of the applicable margin and relevant IBOR per annum. The margin for each of the facilities depends on the gearing financial covenant Consolidated Senior Net Debt to Consolidated EBITDA.

The Facilities Agreement contains two gearing financial covenants, according to which:

- Consolidated Senior Net Debt shall not be more than (i) 3.50 times Consolidated EBITDA to and including September 30, 2019, (ii) 3.25 times Consolidated EBITDA from October 1, 2019 to and including September 30, 2020 and (iii) 3.00 times Consolidated EBITDA thereafter.
- the ratio of Consolidated Senior Net Debt to Adjusted Equity shall not exceed 100 percent on any quarter date falling after the earlier of (i) the date when the Offering has been completed and (ii) June 30, 2019.

Compliance with the financial covenants is monitored quarterly.

The Facilities Agreement contains other customary undertakings, inter alia, compliance with laws and sanctions, negative pledge, restrictions on mergers, acquisitions and disposals, restrictions on granting loans and guarantees, restrictions on change of business and restrictions on subsidiary indebtedness. The Facilities Agreement contains customary events of default and customary terms on acceleration situations, including payment defaults, breach of the financial covenants and breach of other provisions of the Facilities Agreement as well as on cross-default. In addition, the Facilities Agreement contains customary representations and information undertakings.

The Facilities Agreement contains a change of control clause, which entitles each lender to cancel its commitment and request repayment of all its participation of the loans outstanding as well as not to fund new utilizations. The change of control clause is triggered if (i) any person or group of persons (others than the Lineal Descendants) acting in concert gains control of the Company or (ii) the shares of the Company cease to be listed on a regulated market or a multilateral trading facility.

#### *Bridge Facilities Agreement*

The Company has entered into an approximately EUR 322.2 million (“**Facility A1**” and “**Facility A2**”) term facilities agreement dated October 8, 2018 with Nordea Bank Abp, filial i Sverige and Skandinaviska Enskilda Banken AB (publ) as mandated lead arrangers and underwriters and Nordea Bank Abp, filial i Sverige as agent (the “**Bridge Facilities Agreement**”). The Company has provided a guarantee in connection therewith.

The Company has applied all amounts drawn under the facilities towards payment of the purchase price for the Expera Acquisition and transaction costs in relation to the Expera Acquisition.

Any loans drawn under the facilities under the Bridge Facilities Agreement shall be repaid in full on the applicable termination date. Facility A1 terminates on June 30, 2019 and Facility A2 terminates on October 10, 2019, unless it is extended by six (6) months pursuant to the Bridge Facilities Agreement.

Interest on amounts drawn under the term facilities is the sum of the applicable margin and EURIBOR *per annum*. The margin for each of the facilities depends on the number of months elapsed from the closing date of the Expera Acquisition.

The financial covenants, customary undertakings, customary events of default and customary terms on acceleration situations and customary representations and information undertakings contained in the Facilities Agreement are reflected in the Bridge Facilities Agreement. In addition, the change of control clause contained in the Facilities Agreement is reflected in the Bridge Facilities Agreement.

#### *Term Facilities Agreement*

The Company and Ahlstrom-Munksjö USA Inc. have entered into a USD 260.0 million (“**Facility B**”) and EUR 108.0 million (“**Facility A**”) term facilities agreement dated October 8, 2018 (as amended by an amendment agreement dated October 24, 2018) with, among others, Nordea Bank Abp, filial i Sverige and Skandinaviska Enskilda Banken AB (publ) as mandated lead arrangers and underwriters and Nordea Bank Abp, filial i Sverige as agent and certain other lenders (the “**Term Facilities Agreement**”). The Company has provided a guarantee in connection therewith.

The Company has applied all amounts drawn under the facilities towards repayment of Facility C under the Facilities Agreement and payment of the purchase price for the Expera Acquisition and transaction costs in relation to the Expera Acquisition.

Any loans drawn under Facility A under the Term Facilities Agreement shall be repaid in semi-annual instalments of EUR 5 million starting on May 31, 2019 and any loans drawn under Facility B under the Term Facilities Agreement shall be repaid in full on the applicable termination date. Both facilities terminate on October 10, 2023.

Interest on amounts drawn under the facilities is the sum of the applicable margin and relevant IBOR per annum. The margin for each of the facilities depends on the gearing financial covenant Consolidated Senior Net Debt to Consolidated EBITDA.

The financial covenants, customary undertakings, customary events of default and customary terms on acceleration situations and customary representations and information undertakings contained in the Facilities Agreement and the Bridge Facilities Agreement are reflected in the Term Facilities Agreement.

The change of control clause contained in the Facilities Agreement and the Bridge Facilities Agreement is reflected also in the Term Facilities Agreement. In addition, the Term Facilities Agreement contains a change of control clause, which entitles each lender to cancel its commitment in relation to Facility B and request repayment of all its participation of the loans outstanding as well as not to fund new utilizations in relation to Facility B, if the Company ceases to hold 100 percent of the issued share capital or voting rights of Ahlstrom-Munksjö USA Inc.

#### *New Facility Agreement*

The Company has entered into a EUR 200.0 million term facility agreement dated November 1, 2018 with Nordea Bank Abp, filial i Sverige and Skandinaviska Enskilda Banken AB (publ) as mandated lead arrangers and original lenders and Nordea Bank Abp, filial i Sverige as agent (the “**New Facility Agreement**”).

All amounts drawn under the facility shall be applied towards repayment of Facility A2 under the Bridge Facilities Agreement, and general corporate purposes.

Any loans drawn under the facility shall be repaid in full on November 1, 2021. The Company is obliged to prepay outstanding loans, and cancel available commitments, in amounts equal to the amount of any proceeds of any debt capital markets issue received by the Company.

Interest on amounts drawn under the facility is the sum of the applicable margin and EURIBOR *per annum*. The margin depends on the gearing financial covenant *Consolidated Senior Net Debt to Consolidated EBITDA*.

The financial covenants, customary undertakings, customary events of default and customary terms on acceleration situations and customary representations and information undertakings contained in the Facilities Agreement, the Bridge Facilities Agreement and the Term Facilities Agreement are reflected in the New Facility Agreement.

The change of control clause contained in the Facilities Agreement and the Bridge Facilities Agreement is reflected also in the New Facility Agreement.

#### *Credit Facility Agreement*

Ahlstrom-Munksjö Brasil Indústria e Comércio de Papéis Especiais Ltda. (“**Ahlstrom Brasil**”) has entered into a working capital credit facility agreement in a maximum amount of BRL 330 million dated October 10, 2018 with Banco Citibank S.A. (the “**Credit Facility Agreement**”). The Company has provided a guarantee in connection therewith under a separate guarantee agreement dated September 24, 2018 with Banco Citibank S.A. (the “**Guarantee Agreement**”). The financial covenants, certain customary representations and undertakings and certain customary events of default, including the cross-default, contained in the Facilities Agreement are reflected in the Guarantee Agreement.

Pursuant to the Credit Facility Agreement, amounts drawn under the facility have been utilized for, *inter alia*, payment of the purchase price for the acquisition of Caieiras and related costs and expenses, refinancing previous financial indebtedness of Caieiras and may be utilized for general corporate purposes of Ahlstrom Brasil and/or Caieiras.

Any loans drawn under the facility shall be repaid in quarterly instalments starting on January 3, 2019. Interest on amounts drawn under the facility is the sum of 1.49 per cent, and the applicable CDI rate *per annum*.

The Credit Facility Agreement contains customary undertakings, *inter alia*, compliance with laws and regulations (including environmental and socio-environmental laws and policies and employment legislation), restrictions to incur new financial obligations and restrictions on change of legal nature and/or corporate purpose. The Credit Facility Agreement contains customary events of default and customary terms on acceleration situations, including payment defaults, defaults under the Guarantee Agreement and breach of other provisions of the Credit Facility Agreement as well as on cross-default. In addition, the Credit Facility Agreement contains customary representations and information undertakings, *inter alia*, to deliver financial statements in accordance with the Brazilian generally accepted accounting principles.

The Credit Facility Agreement contains a change of control clause, which entitles the lender to cancel its commitment and request repayment of all its participation of the loans outstanding as well as not to fund new utilisations. The change

of control clause is triggered if any person or group of persons acting in concert (other than the Company) gains control of Ahlstrom Brasil.

Except for the contracts discussed in this section, there are no contracts (other than contracts entered into in the ordinary course of business) that are, or may be, material and that have been entered into by any member of the Company group during the two years immediately preceding the date of this Prospectus or that contain any provision under which any member of the Group has any obligation or entitlement that is material to the Company as at the date of this Prospectus.

### **Litigation**

The Company has no pending governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Company is aware) which may have, or have had, in the past 12 months, a significant effect on the financial position or profitability of the Company and/or its subsidiaries.

## SELECTED FINANCIAL INFORMATION

### Historical Financial Information of the Company

The following tables present selected consolidated financial information for the Company as at and for the nine months ended September 30, 2018 and 2017 and as at and for the financial year ended December 31, 2017. The financial information presented below has been derived from the Company's unaudited consolidated interim report as at and for the nine months ended September 30, 2018, including unaudited comparative financial information as at and for the nine months ended on September 30, 2017 prepared in accordance with "IAS 34 – Interim Financial Reporting", and from the audited consolidated financial statements as at and for the year ended December 31, 2017 prepared in accordance with IFRS as adopted by the European Union.

Ahlstrom Corporation and Munksjö Oyj were combined through the Merger on April 1, 2017. The Merger has been accounted for as a business combination at consolidation with Munksjö Oyj as the acquirer. Ahlstrom has been consolidated into the Company's financial information from the merger date and the consolidated income statement, consolidated cash flow statement information and related key figures of the Company for the year ended December 31, 2017 thus include the result of operations and cash flows attributable to Ahlstrom Corporation for the period from April 1, 2017 to December 31, 2017.

The Company has adopted IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments standards as of January 1, 2018. The Company adopted IFRS 15 standard using full retrospective application with no impacts recognized to the financial statements, as no significant accounting changes compared to previous practice were identified. The Company adopted IFRS 9 standard using retrospective application. The impact of the transition of IFRS 9 standard is recognized in the retained earnings as of January 1, 2018. Historical comparative financial information for year ended December 31, 2017 has not been restated. For more information on the adoption of these standards, see "Certain Matters – Presentation of Financial and Certain Other Information".

The selected financial information provided herein should be read together with "Certain Matters – Presentation of Financial and Certain Other Information" and the Company's audited consolidated financial statements as at and for the year ended December 31, 2017 and unaudited consolidated interim report as at and for the nine months ended September, 30, 2018 incorporated by reference into this Prospectus.

### Consolidated Income Statement

	For the nine months ended September 30		For the year ended December 31
	2018	2017	2017
In EUR million	(unaudited)	(unaudited)	(audited)
Net sales .....	1,725.8	1,412.9	1,959.9
Other operating income .....	6.3	11.5	12.7
Total operating income .....	1,732.1	1,424.3	1,972.6
<b>Operating costs</b>			
Changes in inventories of finished goods and work in progress .....	28.8	-5.5	-6.4
Materials and supplies .....	-860.9	-662.9	-920.2
Other operating expenses .....	-408.6	-341.1	-472.0
Personnel costs .....	-306.3	-257.4	-363.7
Depreciation and amortization .....	-88.7	-76.0	-106.6
<b>Total operating costs</b> .....	<b>-1,635.8</b>	<b>-1,342.9</b>	<b>-1,868.9</b>
Share of profit in equity accounted investments .....	-	0.0	-0.2
<b>Operating result</b> .....	<b>96.3</b>	<b>81.4</b>	<b>103.5</b>
Financial income .....	9.0	6.7	9.5
Financial expenses .....	-21.0	-26.3	-35.7
<b>Net financial items</b> .....	<b>-12.0</b>	<b>-19.6</b>	<b>-26.2</b>
<b>Profit before tax</b> .....	<b>84.3</b>	<b>61.8</b>	<b>77.3</b>
Taxes .....	-21.6	-18.0	-10.8
<b>Net profit</b> .....	<b>62.7</b>	<b>43.8</b>	<b>66.5</b>

*Consolidated Statement of Comprehensive Income*

	For the nine months ended September 30		For the year ended December 31
	2018 (unaudited)	2017 (unaudited)	2017 (audited)
<b>In EUR million</b>			
Net profit.....	62.7	43.8	66.5
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations for the period.....	-22.3	-45.0	-53.6
Hedges of net investments in foreign operations.....	0.0	0.1	0.1
Change in cash flow hedge reserve.....	-1.6	1.2	0.8
Cash flow hedge transferred to this year's result.....	3.6	-0.2	-0.7
<i>Items that will not be reclassified to profit or loss</i>			
Actuarial gains and losses on defined benefit plans.....	6.0	6.8	5.9
Tax attributable to other comprehensive income.....	-1.8	-2.7	-1.7
<b>Comprehensive income</b> .....	<b>46.6</b>	<b>4.0</b>	<b>17.2</b>
Net profit attributable to			
Parent company's shareholders.....	61.4	43.3	65.9
Non-controlling interests.....	1.3	0.5	0.6
Comprehensive income attributable to			
Parent company's shareholders.....	45.4	3.7	16.8
Non-controlling interests.....	1.2	0.3	0.4
Earnings per share			
Weighted average number of outstanding shares.....	96,073,711	81,189,753	84,941,326
Basic earnings per share, EUR.....	0.64	0.53	0.78
Diluted earnings per share, EUR.....	0.64	0.53	0.78

*Consolidated Balance Sheet*

In EUR million	As at September 30		As at December 31
	2018	2017	2017
	(unaudited)	(unaudited)	(audited)
<b>Assets</b>			
<i>Non-current assets</i>			
Property, plant and equipment.....	841.3	834.8	841.7
Goodwill .....	428.0	434.4	429.4
Other intangible assets .....	297.2	309.5	309.2
Equity accounted investments.....	-	2.2	1.2
Other investments .....	1.6	0.5	0.5
Other receivables.....	8.6	13.5	7.1
Deferred tax assets .....	2.5	16.7	15.1
<b>Total non-current assets .....</b>	<b>1,579.1</b>	<b>1,611.6</b>	<b>1,604.2</b>
<i>Current assets</i>			
Inventories.....	329.5	273.2	282.3
Trade and other receivables.....	300.1	292.3	259.3
Income tax receivables.....	2.4	7.4	5.1
Cash and cash equivalents.....	194.9	225.7	245.9
<b>Total current assets .....</b>	<b>826.9</b>	<b>798.5</b>	<b>792.6</b>
<b>Total assets.....</b>	<b>2,406.0</b>	<b>2,410.1</b>	<b>2,396.8</b>
<b>Equity and liabilities</b>			
<i>Equity.....</i>			
<b>Equity attributable to parent company's shareholders</b>	<b>1,034.4</b>	<b>1,028.2</b>	<b>1,038.0</b>
Issued capital.....	85.0	85.0	85.0
Reserve for invested unrestricted equity .....	517.6	521.0	517.6
Other reserves and treasury shares .....	294.3	324.3	314.9
Retained earnings.....	127.7	89.3	111.7
<b>Total equity attributable to parent company's shareholders</b>	<b>1,024.6</b>	<b>1,019.4</b>	<b>1,029.1</b>
Non-controlling interests .....	9.8	8.8	8.9
<b>Total equity .....</b>	<b>1,034.4</b>	<b>1,028.2</b>	<b>1,038.0</b>
<i>Non-current liabilities</i>			
Non-current borrowings .....	532.4	552.8	542.3
Other non-current liabilities .....	0.7	0.8	0.5
Employee benefit obligations.....	90.3	98.0	98.1
Deferred tax liabilities.....	94.0	123.9	105.5
Provisions.....	12.8	15.2	17.7
<b>Total non-current liabilities.....</b>	<b>730.2</b>	<b>790.7</b>	<b>764.1</b>
<i>Current liabilities</i>			
Current borrowings .....	119.2	77.1	78.9
Trade and other payables.....	507.4	494.6	502.9
Income tax liabilities .....	9.5	14.4	4.1
Provisions.....	5.3	5.1	8.8
<b>Total current liabilities .....</b>	<b>641.4</b>	<b>591.3</b>	<b>594.6</b>
<b>Total liabilities .....</b>	<b>1,371.6</b>	<b>1,381.9</b>	<b>1,358.8</b>
<b>Total equity and liabilities .....</b>	<b>2,406.0</b>	<b>2,410.1</b>	<b>2,396.8</b>

## Consolidated Cash flow Statement

	For the nine months ended September 30		For the year ended December 31
	2018	2017	2017
In EUR million	(unaudited)	(unaudited)	(audited)
<b>Cash flow from operating activities</b>			
Net profit .....	62.7	43.8	66.5
Adjustments, total .....	120.8	107.3	138.3
Changes in net working capital .....	-84.5	3.0	25.2
Change in provisions .....	-8.1	0.5	9.5
Financial items .....	-16.8	-18.5	-17.3
Income taxes paid/received .....	-13.4	-26.9	-35.6
<b>Net cash flow from operating activities</b> .....	<b>60.7</b>	<b>109.3</b>	<b>186.5</b>
<b>Cash flow from investing activities</b>			
Purchases of property, plant and equipment and intangible assets	-95.6	-44.3	-84.6
Other investing activities .....	0.1	2.9	4.8
<b>Net cash flow from investing activities</b> .....	<b>-95.5</b>	<b>-41.4</b>	<b>-79.7</b>
<b>Cash flow from financing activities</b>			
Dividends paid and other .....	-47.0	-45.9	-48.5
Interest on hybrid bond .....	-	-6.9	-6.9
Repurchase of hybrid bond .....	-	-100.0	-100.0
Change in loans and other financing activities .....	38.5	108.5	97.5
Sale/repurchase of own shares .....	-	-5.6	-5.6
<b>Net cash flow from financing activities</b> .....	<b>-8.5</b>	<b>-50.0</b>	<b>-63.6</b>
<b>Net change in cash and cash equivalents</b>	<b>-43.3</b>	<b>17.9</b>	<b>43.2</b>
Cash and cash equivalents at the beginning of the period .....	245.9	146.0	146.0
Cash and cash equivalents received in the merger .....	-	66.6	66.6
Foreign exchange effect on cash and cash equivalents .....	-7.6	-4.8	-9.9
<b>Cash and cash equivalents at the end of the period</b>	<b>194.9</b>	<b>225.7</b>	<b>245.9</b>

## Consolidated Segment Information

In EUR million	For the nine months ended September 30		For the year ended December 31
	2018	2017	2017
	(unaudited)	(unaudited)	(unaudited, unless otherwise indicated)
<b>NET SALES, EUR million</b>			
Decor.....	298.0	284.1	378.4 <sup>1)</sup>
Filtration and Performance.....	510.0	336.3	496.2 <sup>1)</sup>
Industrial Solutions.....	500.7	482.1	640.8 <sup>1)</sup>
Specialties.....	439.4	327.1	466.0 <sup>1)</sup>
Other and eliminations.....	-22.3	-16.9	-21.6 <sup>1)</sup>
<b>Group.....</b>	<b>1,725.8</b>	<b>1,412.9</b>	<b>1,959.9<sup>1)</sup></b>
<b>COMPARABLE EBITDA, EUR million</b>			
Decor.....	21.2	25.2	33.9
Filtration and Performance.....	90.1	64.2	88.8
Industrial Solutions.....	78.0	83.9	109.3
Specialties.....	29.7	24.8	35.0
Other and eliminations.....	-13.4	-13.1	-18.7
<b>Group.....</b>	<b>205.6</b>	<b>185.1</b>	<b>248.2</b>
<b>COMPARABLE EBITDA margin %</b>			
Decor.....	7.1	8.9	9.0
Filtration and Performance.....	17.7	19.1	17.9
Industrial Solutions.....	15.6	17.4	17.1
Specialties.....	6.8	7.6	7.5
Other and eliminations.....	-	-	-
<b>Group.....</b>	<b>11.9</b>	<b>13.1</b>	<b>12.7</b>

<sup>1)</sup> Audited.

## Financial Key Figures

	As at and for the nine months ended September 30		As at and for the year ended December 31
	2018	2017	2017
	(unaudited)	(unaudited)	(unaudited, unless otherwise indicated)
Net sales, EUR million.....	1,725.8	1,412.9	1,959.9 <sup>1)</sup>
EBITDA, EUR million.....	185.1	157.4	210.1
Items affecting comparability, EUR million.....	-20.5	-27.7	-38.1
Comparable EBITDA, EUR million.....	205.6	185.1	248.2
Comparable EBITDA margin, %.....	11.9	13.1	12.7
Operating result, EUR million.....	96.3	81.4	103.5 <sup>1)</sup>
Comparable operating result, EUR million.....	116.9	109.2	141.7
Comparable operating result margin, %.....	6.8	7.7	7.2
Comparable operating result excl. depreciation and amortization arising from PPA, EUR million.....	139.8	125.8	166.1
Net profit, EUR million.....	62.7	43.8	66.5 <sup>1)</sup>
Earnings per share (basic), EUR.....	0.64	0.53	0.78 <sup>1)</sup>
Comparable EPS excl. depreciation and amortization arising from mergers, EUR.....	0.98	0.92	1.29
Cash generated from operating activities, EUR million.....	60.7	109.3	186.5 <sup>1)</sup>
Depreciation and amortization, EUR million.....	88.7	76.0	106.6 <sup>1)</sup>
Capital expenditure, EUR million.....	95.6	44.3	84.6
Net debt, EUR million.....	456.6	404.2	375.3
Gearing ratio, %.....	44.1	39.3	36.2
Average number of employees, FTE.....	5,909	4,847	5,109

<sup>1)</sup> Audited.



***The definitions and reasons for the use of financial key indicators***

<b>Key figure</b>	<b>Definition</b>	<b>Reason for the use</b>
EBITDA	Operating result before depreciation and amortization	EBITDA is the indicator to measure the performance of the Group
Operating result	Net profit before taxes and net financial items	Operating result shows result generated by the operating activities
Comparable EBITDA	EBITDA excluding items affecting comparability	
Comparable EBITDA margin, %	Comparable EBITDA / net sales	
Comparable operating result	Operating result excluding items affecting comparability	
Comparable operating result margin, %	Comparable operating result / net sales	
Comparable operating result excluding depreciation and amortization arising from PPA	Operating result excluding items affecting comparability and depreciation and amortization arising from PPA  Depreciation and amortization arising from PPA comprises of depreciation and amortization charges on fair value adjustments relating to the acquisition of Label and Processing business in 2013 and Ahlstrom in April 2017	Comparable EBITDA, comparable EBITDA margin, comparable operating result, comparable operating margin, comparable operating result excluding depreciation and amortization arising from PPA and comparable earnings per share excluding depreciation and amortization arising from PPA are presented in addition to EBITDA, operating result and earnings per share to reflect the underlying business performance and to enhance comparability from period to period. The Group believes that these comparable performance measures provide meaningful supplemental information by excluding items outside ordinary course of business including PPA related depreciation and amortization, which reduce comparability between the periods
Comparable earnings per share excluding depreciation and amortization arising from PPA	Net profit excluding items affecting comparability net of tax and depreciation and amortization arising from PPA net of tax - net profit attributable to non-controlling interests / weighted average number of shares outstanding	
Items affecting comparability	Material items outside ordinary course of business, such as gains and losses on business disposals, direct transaction costs related to business acquisitions, costs for closure of business operations and restructurings including redundancy payments, one-off items arising from purchase price allocation such as inventory fair value adjustments, compensation related to environmental damages arising from unexpected or rare events and other items including fines (such as VAT tax audit fines) or other similar stipulated payments and litigations	
Capital expenditure	Purchases for property, plant and equipment and intangible assets as presented in the cash flow statement	Capital expenditure provides additional information of the cash flow needs of the operations
Earnings per share (EPS), basic, EUR	Net profit attributable to parent company's shareholders / weighted average number of shares outstanding	
Net debt	Non-current and current borrowing less cash and cash equivalents	Net debt is an indicator to measure the total external debt financing of the Group
Gearing ratio, %	Net debt / total equity	The Group believes that Gearing ratio helps to show financial risk level and it is a useful measure for management to monitor the level of the Group's indebtedness. Gearing ratio is also one of the Group's long-term financial targets measure

## Reconciliation of Alternative Performance Measures

	For the nine months ended September 30		For the year ended December 31
	2018	2017	2017
In EUR million, unless otherwise indicated	(unaudited)	(unaudited)	(unaudited, unless otherwise indicated)
<b>Items affecting comparability</b> .....			
Transaction costs.....	-6.0	-6.0	-5.8
Integration costs.....	-11.7	-10.8	-17.2
Inventory fair valuation.....	-	-11.1	-11.1
Restructuring costs.....	-2.6	-0.3	-1.0
Environmental provision.....	-0.2	-0.2	-1.5
Gain on business disposal.....	-	0.7	0.7
Other.....	0.0	-	-2.3
<b>Total items affecting comparability</b> .....	<b>-20.5</b>	<b>-27.7</b>	<b>-38.1</b>
<b>Comparable EBITDA</b> .....			
Operating result.....	96.3	81.4	103.5 <sup>1)</sup>
Total items affecting comparability.....	20.5	27.7	38.1
Depreciation and amortization.....	88.7	76.0	106.6 <sup>1)</sup>
<b>Comparable EBITDA</b> .....	<b>205.6</b>	<b>185.1</b>	<b>248.2</b>
<b>Comparable operating result excl. depreciation and amortization arising from PPA</b> .....			
Operating result.....	96.3	81.4	103.5 <sup>1)</sup>
Total items affecting comparability.....	20.5	27.7	38.1
<b>Comparable operating result</b> .....	<b>116.9</b>	<b>109.2</b>	<b>141.7</b>
Depreciation and amortization arising from PPA <sup>2)</sup> .....	23.0	16.6	24.4
<b>Comparable operating result excl. depreciation and amortization arising from PPA</b> .....	<b>139.8</b>	<b>125.8</b>	<b>166.1</b>
<b>Comparable net profit excl. depreciation and amortization arising from PPA</b> .....			
Net profit.....	62.7	43.8	66.5 <sup>1)</sup>
Total items affecting comparability.....	20.5	27.7	38.1
Taxes relating to items affecting comparability.....	-4.9	-8.3	-11.4
<b>Comparable net profit</b> .....	<b>78.4</b>	<b>63.3</b>	<b>93.3</b>
Depreciation and amortization arising from PPA <sup>2)</sup> .....	23.0	16.6	24.4
Taxes relating to depreciation and amortization arising from PPA.....	-5.8	-5.0	-7.3
<b>Comparable net profit excl. depreciation and amortization arising from PPA</b> .....	<b>95.6</b>	<b>74.9</b>	<b>110.3</b>
<b>Comparable earnings per share, EUR</b> .....			
Comparable net profit.....	78.4	63.3	93.3
Profit attributable to non-controlling interest.....	-1.3	-0.5	-0.6
Comparable net profit attributable to parent company shareholders.....	77.0	62.8	92.7
Weighted average number of outstanding shares.....	96,073,711	81,189,753	84,941,326
<b>Comparable earnings per share, EUR</b> .....	<b>0.80</b>	<b>0.77</b>	<b>1.09</b>
<b>Comparable EPS excl. depreciation and amortization arising from PPA, EUR</b> .....			
Comparable net profit excl. depreciation and amortization arising from PPA.....	95.6	74.9	110.3
Profit attributable to non-controlling interest.....	-1.3	-0.5	-0.6
Comparable net profit excl. depreciation and amortization arising from PPA attributable to parent company shareholders.....	94.2	74.4	109.8
Weighted average number of outstanding shares.....	96,073,711	81,189,753	84,941,326
<b>Comparable EPS excl. depreciation and amortization arising from PPA, EUR</b> .....	<b>0.98</b>	<b>0.92</b>	<b>1.29</b>

<sup>1)</sup> Audited.

<sup>2)</sup> Depreciation and amortization relating to business combination of Label and Processing business in 2013 and Ahlstrom in April 2017.

## Historical Financial Information of Specialty Papers Acquisition, LLC

The following tables present selected consolidated financial information for Specialty Papers Acquisition, LLC as at and for the three-month and nine-month periods ended September 30, 2018 and as at and for the financial year ended December 31, 2017. The financial information presented below has been derived from Specialty Papers Acquisition, LLC's unaudited consolidated condensed financial statements as at and for the three-month and nine-month periods ended September 30, 2018 and from the audited consolidated financial statements as at and for the year ended December 31, 2017. Specialty Papers Acquisition, LLC's consolidated financial statements as at and for the year ended December 31, 2017 and the consolidated condensed financial statements as at and for the three-month and nine-month periods ended September 30, 2018 have been prepared in conformity with US GAAP.

The selected financial information provided herein should be read together with "*Certain Matters – Presentation of Financial and Certain Other Information*" and Specialty Papers Acquisition, LLC's audited consolidated financial statements as at and for the year ended December 31, 2017 and unaudited consolidated condensed financial statements as at and for the three-month and nine-month periods ended September 30, 2018 incorporated by reference into this Prospectus.

### Consolidated Statements of Comprehensive Income

	For the three- month period ended September 30, <u>2018</u>	For the nine- month period ended September 30, <u>2018</u>	For the year ended December 31, <u>2017</u>
USD in thousands	(unaudited)	(unaudited)	(audited)
Net sales .....	\$183,470	\$562,437	\$720,505
Cost of sales .....	161,161	489,878	621,916
Gross profit .....	<u>22,309</u>	<u>72,559</u>	<u>98,589</u>
Selling, general, and administrative expenses .....	13,681	38,990	52,200
Operating income .....	8,628	33,569	46,389
Other (income) expense .....	-32	503	1,618
Write-off of deferred financing costs and discounts on notes .....	-	-	274
Interest expense .....	5,742	16,512	19,624
Total other expense .....	<u>5,710</u>	<u>17,015</u>	<u>21,516</u>
Income before income tax expense .....	2,918	16,554	24,873
Income tax expense .....	561	3,628	5,184
Net income .....	<u>2,357</u>	<u>12,926</u>	<u>19,689</u>
<b>Comprehensive income</b>	<b><u>\$2,357</u></b>	<b><u>\$12,926</u></b>	<b><u>\$19,689</u></b>

**Consolidated Balance Sheets**

	As at	
	September 30, 2018 (unaudited)	December 31, 2017 (audited)
<b>USD in thousands</b>		
<b>Assets</b>		
Current assets:		
Cash .....	\$2,311	\$8,643
Trade accounts receivable, less allowances of \$1,401 and \$1,434 as of September 30, 2018 and December 31, 2017, respectively .....	20,186	15,263
Other receivables .....	640	587
Inventories, net .....	116,246	105,928
Income tax receivable .....	823	5,129
Prepaid expenses and other current assets .....	3,050	3,535
Total current assets .....	143,256	139,085
Property, plant and equipment, net .....	170,084	164,106
Intangible assets, net .....	4,190	6,823
Goodwill .....	22,178	22,178
Other non-current assets .....	187	92
Total assets .....	\$339,895	\$332,284
<b>Liabilities and member's equity</b>		
Current liabilities:		
Accounts payable .....	\$47,695	\$46,211
Accrued liabilities:		
Payroll-related accruals .....	14,621	17,925
Accrued outside service, freight, and utilities .....	9,458	4,055
Other .....	2,791	3,052
Current portion of long-term debt, net .....	2,856	2,880
Current portion of capital lease and financing obligations .....	3,357	2,658
Total current liabilities .....	80,778	76,781
Long-term debt, net .....	286,098	272,309
Capital lease and financing obligation .....	11,761	13,036
Deferred tax liability .....	5,166	1,142
Other non-current liabilities .....	14,210	14,160
Total liabilities .....	398,013	377,428
Commitments and contingencies		
Member's deficit:		
Member's deficit .....	-66,925	-62,367
Retained earnings .....	8,807	17,223
Total member's deficit .....	-58,118	-45,144
Total liabilities and member's deficit .....	\$339,895	\$332,284

*Consolidated Statements of Cash Flows*

USD in thousands	For the nine-month period ended September 30, 2018 (unaudited)	For the year ended December 31, 2017 (audited)
<b>Operating activities</b>		
Net income from continuing operations .....	\$12,926	\$19,689
Adjustments to reconcile net income from continuing operations to net cash provided by operating activities:		
Depreciation .....	10,649	15,262
Amortization of identifiable intangible assets .....	2,633	4,326
Amortization of deferred financing costs and discount on notes .....	956	1,235
(Depletion) / Accretion on landfill reserves .....	-73	1,182
Write-off of deferred financing costs and discount on notes .....	-	274
(Gain) / loss on disposal of fixed assets .....	-2	25
Deferred income taxes .....	4,024	5,102
Stock-based compensation .....	-	56
Contingent consideration and other operating .....	441	4,500
Changes in operating assets and liabilities:		
Trade accounts, other receivables, and income tax receivable, net .....	-670	35,870
Inventories, net .....	-10,318	4,659
Accounts payable and accrued liabilities .....	2,770	-3,081
Other assets and liabilities .....	624	9
Net cash provided by operating activities .....	23,960	89,108
<b>Investing activities</b>		
Purchase of property, plant, and equipment .....	-15,134	-35,063
Proceeds from sale of property, plant, and equipment .....	3	27
Net cash used in investing activities .....	-15,131	-35,036
<b>Financing activities</b>		
Borrowings on revolver, net .....	15,000	-
Repayments on long-term debt .....	-2,191	-3,043
Principal payments on obligations under capital leases .....	-2,070	-135
Payment of dividend .....	-25,900	-50,000
Payment of debt issuance costs .....	-	-1,322
Net cash used in financing activities .....	-15,161	-54,500
Decrease in cash .....	-6,332	-428
Cash at beginning of period .....	8,643	9,071
Cash at end of period .....	2,311	8,643
<b>Supplemental disclosures of cash flow information</b>		
Interest paid, net of capitalized interest .....	15,322	18,216
Income taxes received .....	4,635	-684
Acquired capital leases for equipment .....	1,494	-

## Selected key figures

	For the three-month period ended September 30, 2018	For the nine-month period ended September 30, 2018	For the nine-month period ended September 30, 2017	For the year ended December 31, 2017
USD in thousands, unless otherwise indicated (unaudited, unless otherwise indicated)				
Net sales .....	183,470	562,437	544,182	720,505 <sup>1)</sup>
EBITDA .....	12,722	46,361	54,601	66,757
Comparable EBITDA .....	17,511	52,721	53,291	70,494
Comparable EBITDA % .....	10	9	10	10
Depreciation, amortization and accretion/(depletion) .....	4,027	13,209	15,314	20,770
Capital expenditures .....	6,735	15,134	23,022	35,063

<sup>1)</sup> Audited

## Definitions and reconciliation of non-GAAP financial measures

The table below presents the reconciliation of comprehensive income to EBITDA and comparable EBITDA for the periods indicated.

	For the three-month period ended September 30, 2018	For the nine-month period ended September 30, 2018	For the nine-month period ended September 30, 2017	For the year ended December 31, 2017
USD in thousands (unaudited, unless otherwise indicated)				
<b>Comprehensive income</b> .....	2,357	12,926	15,546	19,689 <sup>1)</sup>
Income tax expense .....	561	3,628	7,891	5,184 <sup>1)</sup>
Interest expense .....	5,742	16,512	14,742	19,624 <sup>1)</sup>
Write-off of deferred financing costs and discounts on notes .....	-	-	-	274 <sup>1)</sup>
Depreciation, amortization and accretion/(depletion) .....	4,027	13,209	15,314	20,770
Other financing income and expense .....	35	86	1,108	1,216
<b>EBITDA</b> .....	<b>12,722</b>	<b>46,361</b>	<b>54,601</b>	<b>66,757</b>
<b>Items affecting comparability</b> .....				
M&A project related costs/Transaction costs .....	4,788	5,902	336	375
Settlement of product claim matter .....	-	-	-1,102	-1,102
Investment related reimbursement .....	-	-	-125	-125
Change in contingent consideration payable .....	-	441	-500	4,500
Restructuring costs .....	1	18	81	89
<b>Total items affecting comparability</b> .....	<b>4,789</b>	<b>6,361</b>	<b>-1,310</b>	<b>3,737</b>
<b>Comparable EBITDA</b> .....	<b>\$17,511</b>	<b>\$52,721</b>	<b>\$53,291</b>	<b>\$70,494</b>

<sup>1)</sup> Audited

## Definitions of non-GAAP financial measures

Specialty Papers Acquisition, LLC defines EBITDA as comprehensive income before income tax expense, interest expense, write-off of deferred financing costs and discounts of notes, depreciation, amortization and accretion/(depletion) on landfill reserves and other financial income and expense.

Specialty Papers Acquisition, LLC defines comparable EBITDA as EBITDA adjusted to remove the effects of certain exceptional charges (items affecting comparability) that it believes are not indicative of the underlying operating performance. Such adjustments relate primarily to direct transaction costs related to business acquisitions and other M&A related projects, restructurings, changes in contingent consideration payables related to business acquisitions, and the settlement of a product claim matter.

Specialty Papers Acquisition, LLC presents non-GAAP financial measures on a basis consistent with Ahlstrom-Munksjö's basis of presentation of financial measures as additional information to financial measures presented in the consolidated income statement prepared in accordance with US GAAP. In its view these measures provides management, investors, securities markets analysts and other parties with significant additional information on its results of operations and these non-GAAP financial measures are widely used by analysts, investors and other parties. Specialty Papers Acquisition, LLC presents comparable EBITDA, which has been adjusted with effects of certain exceptional charges to improve comparability between periods.

EBITDA and comparable EBITDA are not measures of performance under US GAAP and EBITDA or comparable EBITDA should not be considered as an alternative to (a) comprehensive income for the period as a measure of Specialty Papers Acquisition, LLC operating performance, (b) cash flows from operating, investing, acquisitions and financing activities as a measure of Specialty Papers Acquisition, LLC's ability to meet its cash needs or (c) any other measures of performance under US GAAP. Other companies may calculate EBITDA and comparable EBITDA differently; therefore, Specialty Papers Acquisition, LLC's presentation of EBITDA and comparable EBITDA may not be comparable to similarly-titled measures used by other companies.

## UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following unaudited pro forma combined financial information (the “**Unaudited Pro Forma Financial Information**”) is presented for illustrative purposes only to give effect to the following transactions (together, the “**Transactions**”) to Ahlstrom-Munksjö’s historical financial information:

### *The acquisition of Expera*

- The acquisition of Expera Specialty Solutions Holdings, Inc. (“**Expera**”) on October 10, 2018 (the “**Expera Acquisition**”) for an aggregate cash consideration of USD 603.8 million (EUR 525.0 million) on a cash and debt free basis;

### *The financing of the Expera Acquisition*

- The drawdown of a EUR 155.2 million bridge loan under the Bridge Facilities Agreement;
- The drawdown of a EUR 167.0 million bridge loan under the Bridge Facilities Agreement;
- The drawdown of a USD 260.0 million loan under the Term Facilities Agreement;
- The drawdown of a EUR 108.0 million term loan under the Term Facilities Agreement to refinance Ahlstrom-Munksjö’s existing loan under Facility C under the Facilities Agreement;
- The drawdown of a EUR 200.0 million term loan under the New Facility Agreement to repay the bridge loan of EUR 167.0 million under the Bridge Facilities Agreement and the revolving loan of EUR 40.0 million withdrawn under Facilities Agreement;
- Issuance of no more than 19,214,742 new shares of Ahlstrom-Munksjö at a Subscription Price of EUR 7.81 in the Offering for the estimated gross proceeds of EUR 150 million to repay the outstanding bridge loan of EUR 155.2 million;

### *The acquisition of Caieiras*

- The acquisition of MD Papéis’ Caieiras specialty paper mill in Brazil (“**Caieiras**”), on October 17, 2018 (the “**Caieiras Acquisition**”), for aggregate cash consideration of BRL 416.0 million (EUR 89.4 million);

### *The financing of the Caieiras acquisition*

- The drawdown of a BRL 330.0 million loan under the Credit Facility Agreement;

### *The Merger and related refinancing*

- The Unaudited Pro Forma Financial Information presents the pro forma impacts of the merger of Ahlstrom and Munksjö, which was completed on April 1, 2017 and the subsequent issuance of the bond of EUR 250 million in June 9, 2017 (together “**Merger and Related Refinancing**”) to refinance certain indebtedness of Ahlstrom-Munksjö (whether originally incurred by Ahlstrom-Munksjö or assumed by Ahlstrom-Munksjö as a result of the Merger) as if the Merger and Related Refinancing had taken place as of January 1, 2017. The Merger was completed on April 1, 2017, thus impacting the 2017 pro forma income statement information only.

The unaudited pro forma combined balance sheet as at September 30, 2018 gives effect to the Transactions as if they had occurred on that date. The unaudited pro forma combined income statements for the nine months ended September 30, 2018 and for the year ended December 31, 2017 give effect to the Transactions as if they had occurred on January 1, 2017.

### **Basis of Presentation**

The Unaudited Pro Forma Financial Information has been presented for illustrative purposes only. The pro forma information is not necessarily indicative of what Ahlstrom-Munksjö’s financial position or financial performance actually would have been had the Transactions been completed as of the dates indicated and does not purport to project the operating results of Ahlstrom-Munksjö.

The Unaudited Pro Forma Financial Information has been derived from the following financial information, which are incorporated by reference to this Prospectus:

- Ahlstrom-Munksjö’s audited consolidated financial statements as at and for the year ended December 31, 2017 prepared in accordance with IFRS;



- Ahlstrom-Munksjö's unaudited interim report as at and for the nine months ended September 30, 2018 prepared in accordance with IFRS;
- Specialty Papers Acquisition, LLC's audited consolidated financial statements as at and for the year ended December 31, 2017 and 2016 prepared in accordance with US GAAP;
- Specialty Papers Acquisition, LLC's unaudited consolidated condensed financial statements for the three-month and nine-month periods ended September 30, 2018 prepared in accordance with US GAAP; and
- Ahlstrom's audited final accounts as at and for the three months ended March 31, 2017 prepared in accordance with IFRS;

The following information included in the Unaudited Pro Forma Financial Information have been derived from financial information not included in or incorporated by reference to the Prospectus as described below:

- Specialty Papers Acquisition LLC's unaudited consolidated balance sheet information as at October 10, 2018, the acquisition date, derived from the company's US GAAP accounting records used as the basis for Ahlstrom-Munksjö's consolidation
- Caieiras' unaudited carve-out balance sheet as at September 30, 2018 and unaudited carve-out financial income statements for the nine months ended September 30, 2018 and for the year ended December 31, 2017 based on MD Papéis' cost centre financial data prepared in accordance with Brazilian GAAP as defined in more detail in Note 3a.

The Expera Acquisition, the Caieiras Acquisition and the Merger of Ahlstrom and Munksjö have been accounted for as a business combination at consolidation using the acquisition method of accounting under the provisions of IFRS with Ahlstrom-Munksjö as the acquirer. The acquisition method of accounting in accordance with IFRS applies the fair value concepts and requires, among other things, that the identifiable assets acquired and liabilities assumed in a business combination are recognized at their fair values as of the acquisition date, with any excess of the purchase consideration over the fair value of identifiable net assets acquired recognized as goodwill. The fair valuations of the acquired assets and assumed liabilities related to the Expera Acquisition and the Caieiras Acquisition presented herein have been made solely for the purpose of preparing this Unaudited Pro Forma Financial Information.

The Unaudited Pro Forma Financial Information has been prepared in accordance with the Annex II to the Commission Regulation (EC) N:o 809/2004, as amended, and on a basis consistent with the accounting principles applied by Ahlstrom-Munksjö in its consolidated financial statements prepared in accordance with IFRS as adopted by the EU. The Unaudited Pro Forma Financial Information has not been compiled in accordance with Article 11 of Regulation S-X under the U.S. Securities Act or the guidelines established by the American Institute of Certified Public Accountants.

The Unaudited Pro Forma Financial Information reflects the application of pro forma adjustments that are based upon available information and certain assumptions, described in the accompanying notes hereto, that management believes are reasonable under the circumstances. Actual results may differ materially from the assumptions within the accompanying Unaudited Pro Forma Financial Information. The Unaudited Pro Forma Financial Information has been prepared by the management for the illustrative purposes only and, because of its nature, it addresses a hypothetical situation, and therefore it is not necessarily indicative of the financial position or the results of operations that would have been actually realized had the Transactions completed as of the dates indicated, nor is it meant to be indicative of any anticipated financial position or future results of operations that will be experienced going forward. In addition, the accompanying unaudited pro forma combined income statement does not reflect any expected cost savings, synergy benefits or future integration costs that are expected to be generated or may be incurred as a result of the Transactions.

The following Unaudited Pro Forma Financial Information, should be read in conjunction with the historical financial information incorporated by reference to this Prospectus described above, as well as the information set forth in "*Background of the Expera Acquisition and Use of Proceeds*", "*Selected Financial Information*", "*Recent Development and Future Outlook*" and "*Business of the Company – Material Contracts*".

All amounts are presented in millions of Euro unless otherwise noted. The Unaudited Pro Forma Financial Information set forth herein has been rounded. Accordingly, in certain instances, the sum of the numbers in a column or row may not conform exactly to the total amount given for that column or row.

Independent auditor's report concerning the Company's unaudited pro forma financial information is included as Annex B to this Prospectus.

*Unaudited Pro Forma Combined Balance Sheet as at September 30, 2018*

<b>In EUR million</b>	<b>Ahlstrom- Munksjö Historical</b>	<b>Pro forma Expera (Note 2)</b>	<b>Pro forma Caieiras (Note 3)</b>	<b>Pro forma Expera Financing (Note 4)</b>	<b>Pro forma Caieiras Financing (Note 5)</b>	<b>Pro forma total</b>
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	841.3	198.7	41.7	-	-	1,081.6
Goodwill	428.0	176.7	29.2	-	-	633.8
Other intangible assets	297.2	179.0	26.0	-	-	502.2
Equity accounted investments	-	-	-	-	-	-
Other investments	1.6	0.1	-	-	-	1.7
Other receivables	8.6	2.3	0.1	-	-	11.0
Deferred tax assets	2.5	0.5	0.3	-	-	3.3
<b>Total non-current assets</b>	<b>1,579.1</b>	<b>557.2</b>	<b>97.2</b>	<b>-</b>	<b>-</b>	<b>2,233.6</b>
<b>Current assets</b>						
Inventories	329.5	90.8	12.4	-	-	432.8
Trade and other receivables	300.1	62.9	15.0	-0.8	-	377.1
Income tax receivables	2.4	1.1	0.2	1.8	0.0	5.5
Cash and cash equivalents	194.9	-521.4	-89.5	524.2	70.9	179.1
<b>Total current assets</b>	<b>826.9</b>	<b>-366.6</b>	<b>-61.9</b>	<b>525.2</b>	<b>70.9</b>	<b>994.5</b>
<b>TOTAL ASSETS</b>	<b>2,406.0</b>	<b>190.7</b>	<b>35.3</b>	<b>525.2</b>	<b>70.9</b>	<b>3,228.1</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity attributable to parent company's shareholders</b>						
Issued capital	85.0	-	-	-	-	85.0
Reserve for invested unrestricted equity	517.6	-	-	144.5	-	662.1
Other reserves and treasury shares	294.3	-2.0	-	-	-	292.3
Retained earnings	127.7	-4.1	-0.1	-1.6	-0.0	121.8
<b>Total equity attributable to parent company's shareholders</b>	<b>1,024.6</b>	<b>-6.2</b>	<b>-0.1</b>	<b>142.8</b>	<b>-0.0</b>	<b>1,161.2</b>
Non-controlling interests	9.8	-	-	-	-	9.8
<b>Total equity</b>	<b>1,034.4</b>	<b>-6.2</b>	<b>-0.1</b>	<b>142.8</b>	<b>-0.0</b>	<b>1,171.0</b>
<b>Non-current liabilities</b>						
Non-current borrowings	532.4	10.7	-	412.6	70.9	1,026.6
Other non-current liabilities	0.7	0.0	-	-	-	0.7
Employee benefit obligations	90.3	-	-	-	-	90.3
Deferred tax liabilities	94.0	59.1	13.9	-	-	167.0
Provisions	12.8	8.8	-	-	-	21.6
<b>Total non-current liabilities</b>	<b>730.2</b>	<b>78.6</b>	<b>13.9</b>	<b>412.6</b>	<b>70.9</b>	<b>1,306.2</b>
<b>Current liabilities</b>						
Current borrowings	119.2	46.5	-	-30.0	-	135.7
Trade and other payables	507.4	71.6	20.4	-0.3	-	599.2
Income tax liabilities	9.5	0.0	1.1	-	-	10.6
Provisions	5.3	0.1	-	-	-	5.4
<b>Total current liabilities</b>	<b>641.4</b>	<b>118.2</b>	<b>21.5</b>	<b>-30.3</b>	<b>-</b>	<b>750.8</b>
<b>Total liabilities</b>	<b>1,371.6</b>	<b>196.8</b>	<b>35.4</b>	<b>382.3</b>	<b>70.9</b>	<b>2,057.1</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,406.0</b>	<b>190.7</b>	<b>35.3</b>	<b>525.2</b>	<b>70.9</b>	<b>3,228.1</b>

*See accompanying notes to unaudited pro forma combined financial information.*

*Unaudited Pro Forma Combined Income Statement for the Nine Months Ended September 30, 2018*

<b>In EUR million, unless otherwise indicated</b>	<b>Ahlstrom-Munksjö Historical</b>	<b>Pro forma Expera (Note 2)</b>	<b>Pro forma Caieiras (Note 3)</b>	<b>Pro forma Expera Financing (Note 4)</b>	<b>Pro forma Caieiras Financing (Note 5)</b>	<b>Pro forma total</b>
Net sales	1,725.8	470.5	65.9	-	-	2,262.2
Other operating income	6.3	1.2	-	-	-	7.5
<b>Total operating income</b>	<b>1,732.1</b>	<b>471.7</b>	<b>65.9</b>	<b>-</b>	<b>-</b>	<b>2,269.7</b>
<b>Operating costs</b>						
Changes in inventories of finished goods and work in progress	28.8	0.4	0.2	-	-	29.4
Materials and supplies	-860.9	-191.4	-43.1	-	-	-1,095.5
Other operating expenses	-408.6	-119.4	-5.9	-	-	-533.9
Personnel costs	-306.3	-116.3	-7.8	-	-	-430.4
Depreciation and amortization	-88.7	-20.7	-5.3	-	-	-114.8
<b>Total operating costs</b>	<b>-1,635.8</b>	<b>-447.5</b>	<b>-61.9</b>	<b>-</b>	<b>-</b>	<b>-2,145.2</b>
Share of profit in equity accounted investments	-	-	-	-	-	-
<b>Operating result</b>	<b>96.3</b>	<b>24.2</b>	<b>3.9</b>	<b>-</b>	<b>-</b>	<b>124.5</b>
Financial income	9.0	-	0.5	-	-	9.5
Financial expenses	-21.0	-2.1	-0.2	-11.7	-4.6	-39.6
<b>Net financial items</b>	<b>-12.0</b>	<b>-2.1</b>	<b>0.3</b>	<b>-11.7</b>	<b>-4.6</b>	<b>-30.1</b>
<b>Profit/(loss) before tax</b>	<b>84.3</b>	<b>22.1</b>	<b>4.3</b>	<b>-11.7</b>	<b>-4.6</b>	<b>94.3</b>
Taxes	-21.6	-4.5	-1.7	2.7	1.6	-23.5
<b>Net profit</b>	<b>62.7</b>	<b>17.6</b>	<b>2.5</b>	<b>-9.0</b>	<b>-3.0</b>	<b>70.8</b>
<b>Net profit attributable to:</b>						
Parent company's shareholders	61.4	17.6	2.5	-9.0	-3.0	69.5
Non-controlling interests	1.3	-	-	-	-	1.3
<b>Earnings per share, attributable to the equity holders of the parent company (Note 6)</b>						
Basic, EUR	0.64					0.60
Diluted, EUR	0.64					0.60

*See accompanying notes to unaudited pro forma combined financial information.*

*Unaudited Pro Forma Combined Income Statement for the Year Ended December 31, 2017*

<b>In EUR million, unless otherwise indicated</b>	<b>Ahlstrom-Munksjö Historical (Audited)</b>	<b>Merger and Related Refinancing (Note 1)</b>	<b>Pro forma Expera (Note 2)</b>	<b>Pro forma Caieiras (Note 3)</b>	<b>Pro forma Expera Financing (Note 4)</b>	<b>Pro forma Caieiras Financing (Note 5)</b>	<b>Pro forma total</b>
Net sales	1,959.9	272.6	637.9	91.0	-	-	2,961.5
Other operating income	12.7	7.0	1.5	-	-	-	21.2
<b>Total operating income</b>	<b>1,972.6</b>	<b>279.6</b>	<b>639.4</b>	<b>91.0</b>	<b>-</b>	<b>-</b>	<b>2,982.6</b>
<b>Operating costs</b>							
Changes in inventories of finished goods and work in progress	-6.4	2.8	-3.2	0.8	-	-	-6.0
Materials and supplies	-920.2	-119.9	-249.8	-54.5	-	-	-1,344.3
Other operating expenses	-472.0	-65.8	-178.1	-13.4	-	-	-729.4
Personnel costs	-363.7	-52.8	-160.4	-12.7	-	-	-589.6
Depreciation and amortization	-106.6	-19.9	-30.9	-8.4	-	-	-165.8
<b>Total operating costs</b>	<b>-1,868.9</b>	<b>-255.6</b>	<b>-622.5</b>	<b>-88.2</b>	<b>-</b>	<b>-</b>	<b>-2,835.2</b>
Share of profit in equity accounted investments	-0.2	-	-	-	-	-	-0.2
<b>Operating result</b>	<b>103.5</b>	<b>24.0</b>	<b>16.9</b>	<b>2.8</b>	<b>-</b>	<b>-</b>	<b>147.3</b>
Financial income	9.5	4.6	-	0.4	-	-	14.5
Financial expenses	-35.7	-7.4	-2.1	-0.3	-20.8	-7.5	-73.8
<b>Net financial items</b>	<b>-26.2</b>	<b>-2.8</b>	<b>-2.1</b>	<b>0.1</b>	<b>-20.8</b>	<b>-7.5</b>	<b>-59.3</b>
<b>Profit/(loss) before tax</b>	<b>77.3</b>	<b>21.2</b>	<b>14.8</b>	<b>2.9</b>	<b>-20.8</b>	<b>-7.5</b>	<b>88.0</b>
Taxes	-10.8	-6.9	-4.5	3.9	4.7	2.5	-11.1
<b>Net profit</b>	<b>66.5</b>	<b>14.3</b>	<b>10.3</b>	<b>6.8</b>	<b>-16.1</b>	<b>-5.0</b>	<b>76.9</b>
<b>Net profit attributable to:</b>							
Parent company's shareholders	65.9	14.2	10.3	6.8	-16.1	-5.0	76.2
Non-controlling interests	0.6	0.1	-	-	-	-	0.7
<b>Earnings per share, attributable to the equity holders of the parent company (Note 6)</b>							
Basic, EUR	0.78						0.66
Diluted, EUR	0.78						0.66

*See accompanying notes to unaudited pro forma combined financial information.*

## Notes to the Unaudited Pro Forma Financial Information

### Note 1 – Merger and Related Refinancing

The following table sets forth adjustments related to the Merger of Munksjö and Ahlstrom and Related Refinancing transactions to the Unaudited Pro Forma Combined Income Statement for the year ended December 31, 2017:

In EUR million	Ahlstrom's three months ended March 31, 2017 Historical (Audited)	Reclassific ations and accounting policy alignments	Ahlstrom Reclassified	Fair valuation of assets and liabilities <sup>1)</sup>	Refinancing	Merger and Related Refinancing (Note 1)
Net sales	272.7	-	272.7	-0.0	-	272.6
Other operating income	8.2	-0.7	7.5	-0.5	-	7.0
<b>Total operating income</b>		<b>-0.7</b>	<b>280.2</b>	<b>-0.5</b>	<b>-</b>	<b>279.6</b>
Changes in inventories of finished goods and work in progress		2.8	2.8	-	-	2.8
Materials and supplies		-119.9	-119.9	0.0	-	-119.9
Other operating expenses		-65.5	-65.5	-0.3	-	-65.8
Personnel costs		-52.8	-52.8	-	-	-52.8
Depreciation and amortization		-12.3	-12.3	-7.6	-	-19.9
<i>Cost of goods sold</i>	-212.8	212.8	-	-	-	-
<i>Sales and marketing expenses</i>	-8.8	8.8	-	-	-	-
<i>R&amp;D expenses</i>	-3.9	3.9	-	-	-	-
<i>Administrative expenses</i>	-21.9	21.9	-	-	-	-
<i>Other operating expenses</i>	-1.0	1.0	-	-	-	-
<b>Total operating costs</b>		<b>0.7</b>	<b>-247.7</b>	<b>-7.9</b>	<b>-</b>	<b>-255.6</b>
Share of profit in equity accounted investments	0.1	-	0.1	-0.1	-	-
<b>Operating result</b>		<b>-</b>	<b>32.5</b>	<b>-8.5</b>	<b>-</b>	<b>24.0</b>
Financial income	0.4	4.3	4.6	0.0	-	4.6
Financial expenses	-4.6	-4.3	-8.9	-0.0	1.4	-7.4
<b>Net financial items</b>	<b>-4.2</b>	<b>-</b>	<b>-4.2</b>	<b>-0.0</b>	<b>1.4</b>	<b>-2.8</b>
<b>Profit/(loss) before tax</b>	<b>28.3</b>	<b>-</b>	<b>28.3</b>	<b>-8.5</b>	<b>1.4</b>	<b>21.2</b>
Taxes	-8.6	-	-8.6	2.0	-0.3	-6.9
<b>Net profit</b>	<b>19.6</b>	<b>-</b>	<b>19.6</b>	<b>-6.4</b>	<b>1.1</b>	<b>14.3</b>

<sup>1)</sup> Includes the adjustment which reflects the consolidation of AM Real Estate S.r.l. as a wholly owned subsidiary including elimination of group internal transactions and balances. As a result of the Merger, Ahlstrom-Munksjö acquired the 50 percent interest of AM Real Estate S.r.l., which prior to the Merger was 50 percent owned by Ahlstrom-Munksjö and 50 percent owned by an Ahlstrom group company.

#### *Merger of Munksjö and Ahlstrom*

The Merger of Ahlstrom and Munksjö, which was agreed in the combination agreement and merger plan during November 2016, was completed on April 1, 2017 and registered with the Finnish Trade Register on April 1, 2017. Ahlstrom was merged into Munksjö through a statutory absorption merger with Ahlstrom's shareholders receiving Munksjö's shares as merger consideration. Trading in the new shares commenced on Nasdaq Helsinki and Nasdaq Stockholm on April 3, 2017. Munksjö was identified as the accounting acquirer in the Merger.

The pro forma income statement includes the income statement of Ahlstrom for the three month period from January 1, 2017 to March 31, 2017 to reflect as if the acquisition took place on January 1, 2017. Ahlstrom had historically presented expenses in its consolidated income statement by using the classification based on functions whereas Munksjö aggregated expenses its consolidated income statement based on their nature. Certain reclassifications and accounting policy alignments were made to align Ahlstrom's historical income statement information with Munksjö financial statement presentation.

The following depreciation and amortization adjustments have been made based on the fair value allocation of the assets acquired and liabilities assumed by Ahlstrom-Munksjö for the acquisition of Ahlstrom<sup>6)</sup>:

<b>In EUR million</b>	<b>Useful life</b>	<b>Depreciation and amortization for the three months ended March 31, 2017</b>
Property, plant and equipment	10 years	3.4
Customer relationships	20 years	1.5
Trademark	25 years	0.4
Technology	15 years	2.0
<b>Total</b>		<b>7.3</b>

### ***Merger related refinancing through issuance of EUR 250 million bond***

On June 9, 2017, the Company issued a EUR 250 million unsecured callable bond with an annual coupon of 1.875%. The notes will mature on June 9, 2022. The proceeds from the issue were used to refinance the existing indebtedness transferred from Ahlstrom through the Merger including the outstanding bond of EUR 104.8 million and certain other borrowings. The net impact of the bond issuance of EUR 0.5 million on the interest expense has been adjusted in the income statement for the year ended December 31, 2017. The extinguishment loss of EUR 3.0 million related to loans and gain of EUR 1.9 million related to the redemption of the EUR 104.8 million bond recorded in the income statement for the year ended December 31, 2017 as a result of refinancing have been eliminated from the pro forma income statement.

### **Note 2 – Pro Forma Expera**

On October 10, 2018, Ahlstrom-Munksjö acquired Expera in exchange for aggregate cash consideration of USD 603.8 million (EUR 525.0 million) on a cash and debt free basis.

The acquisition of Expera has been accounted for using the acquisition method of accounting under which the purchase consideration is allocated to assets acquired and liabilities assumed based on their estimated fair values as of the acquisition date. The excess of the purchase consideration over the fair value of the identifiable net assets acquired has been allocated to goodwill.

Ahlstrom-Munksjö has made a provisional allocation of the aggregate purchase consideration of Expera to the acquired net assets. As at the date of this Prospectus due to acquisition recent closing date in October 2018, Ahlstrom-Munksjö has not finalized all of the detailed valuation studies in determining the fair values for the assets acquired and the liabilities assumed. Ahlstrom-Munksjö will continue its valuation exercise and accordingly, the final fair values recorded at consolidation may differ from the amounts presented herein. However, as the acquisition date was October 10, 2018 and the closing balance sheet has been prepared for the purpose of executing the acquisition in accordance with the Share Purchase Agreement, Expera's consolidated balance sheet information as at the acquisition date has been used as the basis for the purchase price allocations presented herein as it is considered to reflect the most accurate basis to present the balances acquired.

The following tables set forth Expera's unaudited pro forma balance sheet on the acquisition date as at October 10, 2018, the unaudited pro forma income statements, for the nine months ended September 30, 2018 and the year ended December 31, 2017 including the effects of the provisional purchase price allocations for the net assets acquired in accordance with IFRS:

<sup>6)</sup> Refer to Note 3 Changes in Ahlstrom-Munksjö Group Structure in Ahlstrom-Munksjö's audited consolidated financial statements as at and for the year ended December 31, 2017 incorporated by reference to this Prospectus for more information on the assets acquired and liabilities assumed of Ahlstrom.

*Expera's Unaudited Pro Forma Combined Balance Sheet as at October 10, 2018*

In EUR million, unless otherwise indicated	Closing balance sheet US GAAP (Note 2a)	Reclassifications (Note 2a)	Closing balance sheet US GAAP Reclassified (Note 2a)	Closing balance sheet US GAAP Reclassified (Note 2b)	IFRS accounting policy alignment (Note 2c)	Fair valuation of assets and liabilities (Note 2d)	Other adjustments (Note 2e)	Pro forma Expera (Note 2)
In USD million								
<b>ASSETS</b>								
<b>Non-current assets</b>								
Property, plant and equipment	171.3	-	171.3	148.9	-	49.7	-	198.7
Goodwill	22.2	-	22.2	19.3	-	157.4	-	176.7
Other intangible assets	4.1	-0.5	3.6	3.1	-	175.8	-	179.0
Other investments	-	0.1	0.1	0.1	-	-	-	0.1
<i>Other long term assets</i>	0.2	-0.2	-	-	-	-	-	-
Other receivables	-	0.6	0.6	0.6	-	-	1.7	2.3
Deferred tax assets	2.0	-	2.0	1.8	1.0	-2.8	0.5	0.5
<b>Total non-current assets</b>	<b>199.8</b>	<b>-</b>	<b>199.8</b>	<b>173.8</b>	<b>1.0</b>	<b>380.2</b>	<b>2.3</b>	<b>557.2</b>
<b>Current assets</b>								
Inventories	113.8	-	113.8	98.9	-	-8.1	-	90.8
Trade and other receivables	21.1	6.7	27.8	24.2	43.5	-	-4.8	62.9
<i>Other receivables</i>	2.3	-2.3	-	-	-	-	-	-
<i>Prepaid expenses and other current assets</i>	3.3	-3.3	-	-	-	-	-	-
Income tax receivables	0.8	-	0.8	0.7	-	-	0.4	1.1
Cash and cash equivalents	8.9	-	8.9	7.7	-	-	-529.1	-521.4
<b>Total current assets</b>	<b>150.1</b>	<b>1.1</b>	<b>151.3</b>	<b>131.5</b>	<b>43.5</b>	<b>-8.1</b>	<b>-533.5</b>	<b>-366.6</b>
<b>TOTAL ASSETS</b>	<b>350.0</b>	<b>1.1</b>	<b>351.1</b>	<b>305.3</b>	<b>44.5</b>	<b>372.1</b>	<b>-531.2</b>	<b>190.7</b>
<b>EQUITY AND LIABILITIES</b>								
<b>Equity attributable to parent company's shareholders</b>								
<i>Member's equity contributed</i>	281.3	-	281.3	244.6	-	-	-244.6	-
Other reserves and treasury shares	-	-	-	-	-	-	-2.0	-2.0
Retained earnings	-41.9	-	-41.9	-36.4	-3.0	-	35.3	-4.1
<b>Total equity</b>	<b>239.4</b>	<b>-</b>	<b>239.4</b>	<b>208.2</b>	<b>-3.0</b>	<b>-</b>	<b>-211.3</b>	<b>-6.2</b>
<b>Non-current liabilities</b>								
Non-current borrowings	0.8	11.5	12.3	10.7	-	-	-	10.7
<i>Capital lease and financing obligation</i>	11.5	-11.5	-	-	-	-	-	-
Other non-current liabilities	6.6	-5.5	1.1	1.0	-	-0.9	-	0.0
Deferred tax liabilities	-	-	-	-	-	57.7	1.4	59.1
Provisions	-	5.5	5.5	4.8	4.0	-	-	8.8
<b>Total non-current liabilities</b>	<b>18.9</b>	<b>-</b>	<b>18.9</b>	<b>16.4</b>	<b>4.0</b>	<b>56.8</b>	<b>1.4</b>	<b>78.6</b>
<b>Current liabilities</b>								
Current borrowings	0.0	3.5	3.5	3.0	43.5	-	-	46.5
<i>Current portion of capital lease and financing obligation</i>	3.4	-3.4	-	-	-	-	-	-
Trade and other payables	44.9	44.3	89.2	77.6	-	-0.1	-5.9	71.6
<i>Accrued liabilities</i>	43.4	-43.4	-	-	-	-	-	-
Income tax liabilities	-	0.0	0.0	0.0	-	-	-	0.0
Provisions	-	0.1	0.1	0.1	-	-	-	0.1
<b>Total current liabilities</b>	<b>91.7</b>	<b>1.1</b>	<b>92.8</b>	<b>80.7</b>	<b>43.5</b>	<b>-0.1</b>	<b>-5.9</b>	<b>118.2</b>
<b>Total liabilities</b>	<b>110.6</b>	<b>1.1</b>	<b>111.7</b>	<b>97.2</b>	<b>47.5</b>	<b>56.7</b>	<b>-4.5</b>	<b>196.8</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>350.0</b>	<b>1.1</b>	<b>351.1</b>	<b>305.3</b>	<b>44.5</b>	<b>56.7</b>	<b>-215.8</b>	<b>190.7</b>

*Expera's Unaudited Preliminary Acquisition Balance Sheet as at October 10, 2018*

<b>In EUR million</b>	<b>Note 2d</b>	<b>Closing balance sheet US GAAP Reclassified (Note 2b)</b>	<b>IFRS accounting policy alignment (Note 2c)</b>	<b>Fair valuation of assets and liabilities (Note 2d)</b>	<b>Acquired assets and assumed liabilities (2b, 2c, 2d)</b>
<b>Non-current assets</b>					
Property, plant and equipment	(i)	148.9	-	49.7	<b>198.7</b>
Goodwill	(ii)	19.3	-	-19.3	-
Other intangible assets	(iii)	3.1	-	175.8	<b>179.0</b>
Other investments		0.1	-	-	<b>0.1</b>
Other receivables		0.6	-	-	<b>0.6</b>
Deferred tax assets	(vii)	1.8	1.0	-2.8	<b>0.0</b>
<b>Current assets</b>					
Inventories	(iv)	98.9	-	-8.1	<b>90.8</b>
Trade and other receivables		24.2	43.5	-	<b>67.7</b>
Income tax receivables		0.7	-	-	<b>0.7</b>
Cash and cash equivalents		7.7	-	-	<b>7.7</b>
<b>Non-current liabilities</b>					
Non-current borrowings		-10.7	-	-	<b>-10.7</b>
Other non-current liabilities	(v)	-1.0	-	0.9	<b>-0.0</b>
Deferred tax liabilities	(vii)	-	-	-57.7	<b>-57.7</b>
Provisions	(v)	-4.8	-4.0	-	<b>-8.8</b>
<b>Current liabilities</b>					
Current borrowings		-3.0	-43.5	-	<b>-46.5</b>
Trade and other payables	(v)	-77.6	-	0.1	<b>-77.5</b>
Income tax liabilities		-0.0	-	-	<b>-0.0</b>
Provisions		-0.1	-	-	<b>-0.1</b>
<b>Net assets acquired</b>					<b>343.9</b>
<b>Goodwill</b>	(ii)				<b>176.7</b>
<b>Gain on hedge</b>	(Note 2e)				<b>4.4</b>
<b>Purchase consideration</b>					<b>525.0</b>



*Expera's Unaudited Pro forma Combined Income Statement for the nine month period ended September 30, 2018*

In EUR million, unless otherwise indicated	Income-statement US GAAP Historical (Note 2a)	Reclassifi- cations (Note 2a)	Income statement US GAAP Reclassified (Note 2a)	Income statement US GAAP Reclassified (Note 2b)	Excluded items and IFRS account- ing policy alignment (Note 2c)	Fair valuation of assets and liabilities (Note 2d)	Other adjust- ments (Note 2e)	Pro forma Expera (Note 2)
	In USD million							
Net sales	562.4	-0.2	<b>562.2</b>	<b>470.5</b>	-	-	-	<b>470.5</b>
Other operating income	-	1.4	<b>1.4</b>	<b>1.2</b>	-	-	-	<b>1.2</b>
<b>Total operating income</b>		1.2	<b>563.6</b>	<b>471.7</b>	-	-	-	<b>471.7</b>
Changes in inventories of finished goods and work in progress		0.4	<b>0.4</b>	<b>0.4</b>	-	-	-	<b>0.4</b>
Materials and supplies		-228.7	<b>-228.7</b>	<b>-191.4</b>	-	-	-	<b>-191.4</b>
Other operating expenses	-0.5	-149.0	<b>-149.5</b>	<b>-125.1</b>	0.8	-	4.9	<b>-119.4</b>
Personnel costs		-139.0	<b>-139.0</b>	<b>-116.3</b>	0.0	-	-	<b>-116.3</b>
Depreciation and amortization		-13.3	<b>-13.3</b>	<b>-11.1</b>	-	-9.6	-	<b>-20.7</b>
<i>Cost of Sales</i>	-489.9	489.9	-	-	-	-	-	-
<i>Selling, general and administrative expenses</i>	-39.0	39.0	-	-	-	-	-	-
<b>Total operating costs</b>		-0.7	<b>-530.1</b>	<b>-443.7</b>	0.8	-9.6	4.9	<b>-447.5</b>
<b>Operating result</b>		0.5	<b>33.5</b>	<b>28.1</b>	0.8	-9.6	4.9	<b>24.2</b>
Financial income		-	-	-	-	-	-	-
Financial expenses		-17.0	<b>-17.0</b>	<b>-14.2</b>	12.1	-	-	<b>-2.1</b>
<i>Interest expense</i>	-16.5	16.5	-	-	-	-	-	-
<b>Net financial items</b>		-0.5	<b>-17.0</b>	<b>-14.2</b>	12.1	-	-	<b>-2.1</b>
<b>Profit/(loss) before tax</b>	<b>16.6</b>	-	<b>16.6</b>	<b>13.9</b>	12.9	-9.6	4.9	<b>22.1</b>
Taxes	-3.6	-	<b>-3.6</b>	<b>-3.0</b>	-2.8	2.4	-1.0	<b>-4.5</b>
<b>Net profit</b>	<b>12.9</b>	-	<b>12.9</b>	<b>10.8</b>	10.1	-7.2	3.9	<b>17.6</b>

*Expera's Unaudited Pro Forma Combined Income Statement for the year ended December 31, 2017*

In EUR million, unless otherwise indicated	Income statement US GAAP		Income statement US GAAP		Excluded items and IFRS accounting policy alignment	Fair valuation of assets and liabilities	Other adjustments	Pro forma Expera
	Historical (Audited) (Note 2a)	Reclassifications (Note 2a)	US GAAP Reclassified (Note 2a)	US GAAP Reclassified (Note 2b)	(Note 2c)	(Note 2d)	(Note 2e)	(Note 2)
	<b>In USD million</b>							
Net sales	720.5	-0.1	720.4	637.9	-	-	-	637.9
Other operating income	-	1.7	1.7	1.5	-	-	-	1.5
<b>Total operating income</b>		1.6	722.1	639.4	-	-	-	639.4
Changes in inventories of finished goods and work in progress		-3.7	-3.7	-3.2	-	-	-	-3.2
Materials and supplies		-274.5	-274.5	-243.1	-	-6.7	-	-249.8
Other operating expenses	-1.6	-194.9	-196.6	-174.1	4.6	-	-8.7	-178.1
Personnel costs		-181.2	-181.2	-160.5	0.1	-	-	-160.4
Depreciation and amortization		-19.6	-19.6	-17.3	-	-13.5	-	-30.9
Cost of Sales	-621.9	621.9	-	-	-	-	-	-
Selling, general and administrative expenses	-52.2	52.2	-	-	-	-	-	-
<b>Total operating costs</b>		0.2	-675.6	-598.2	4.7	-20.2	-8.7	-622.5
<b>Operating result</b>		1.7	46.5	41.2	4.7	-20.2	-8.7	16.9
Financial income			-	-	-	-	-	-
Financial expenses		-21.6	-21.6	-19.1	17.0	-	-	-2.1
Write-off of deferred financing costs and discounts on notes	-0.3	0.3	-	-	-	-	-	-
Interest expense	-19.6	19.6	-	-	-	-	-	-
<b>Net financial items</b>		-1.7	-21.6	-19.1	17.0	-	-	-2.1
<b>Profit/(loss) before tax</b>	<b>24.9</b>	-	<b>24.9</b>	<b>22.0</b>	21.7	-20.2	-8.7	<b>14.8</b>
Taxes	-5.2	-	-5.2	-4.6	-4.5	5.0	-0.3	-4.5
<b>Net profit</b>	<b>19.7</b>	-	<b>19.7</b>	<b>17.4</b>	17.1	-15.2	-9.0	<b>10.3</b>

**Note 2a – Expera historical financial information**

The acquired company, Expera Specialty Solutions Holdings, Inc. is a holding company and formed for the sole purpose of investing in Specialty Papers Acquisition, LLC with no business activities. Hence, for the purpose of this Unaudited Pro Forma Financial Information the historical financial information for Expera has been derived from the historical consolidated financial statements of Specialty Papers Acquisition, LLC.

The historical balance sheet information of Expera has been derived from the unaudited consolidated closing balance sheet of Specialty Papers Acquisition, LLC as at the acquisition date October 10, 2018 prepared in accordance with US GAAP.

The closing balance sheet amounts represent the assets acquired and liabilities assumed pursuant to the Share Purchase Agreement. The closing balance sheet information presented herein differs from Expera's consolidated balance sheet information as at September 30, 2018 prepared in accordance with US GAAP and presented elsewhere in this Prospectus due to the following:

- The closing balance sheet as at October 10, 2018 reflects the results of operations and changes in the financial position for the ten (10) day period from September 30, 2018 to the acquisition date October 10, 2018;
- Further, as Ahlstrom-Munksjö acquired Expera on a cash and debt free basis, the sellers settled Expera's outstanding credit facility balances and contingent consideration liability at closing. The outstanding credit facility totalled to USD 288.4 million and the contingent consideration liability amounted to USD 7.6 million on the balance sheet as at September 30, 2018. These liabilities were not assumed in the acquisition.

The historical income statement information has been derived from Specialty Papers Acquisition, LLC's unaudited consolidated condensed financial statements as at and for the nine months ended September 30, 2018 and from the audited

financial statements for the year ended December 31, 2017, respectively, prepared in accordance with US GAAP, which are incorporated by reference to this Prospectus.

Expera has historically presented expenses in its consolidated income statement prepared in accordance with US GAAP by using the classification based on the function of the expenses. Whereas Ahlstrom-Munksjö aggregates expenses in its consolidated income statement prepared in accordance with IFRS according to their nature. Certain reclassifications were made to align Expera's historical income statement information with Ahlstrom-Munksjö's financial statement presentation. Further, certain Expera's balance sheet line items presented separately under US GAAP have been combined to other line item based on Ahlstrom-Munksjö's presentation. Based on the information available at the date of this Prospectus, Ahlstrom-Munksjö is not aware of any other presentation differences that could have a material impact on the Unaudited Pro Forma Financial Information.

***Note 2b – Translation of historical financial information from USD to EUR***

This column reflects the translation of the historical financial statements using the average USD to EUR foreign exchange rate of 1.1293 for the year ended December 31, 2017 and the average exchange rate of 1.1949 for the nine months ended September 30, 2018, as well as an the exchange rate of 1.1500 for the balance sheet as at the acquisition date October 10, 2018.

***Note 2c – Excluded items and IFRS accounting policy alignment***

*Income statement items not subject to Expera Acquisition*

The following expenses recognized in Expera's historical income statement for the nine months ended September 30, 2018 and for the year ended December 31, 2017 related to balances that were not assumed by Ahlstrom-Munksjö in the acquisition (as described in Note 2a above) were eliminated from Expera's pro forma combined income statement:

- Other operating expenses have been adjusted by EUR 0.4 million in the unaudited pro forma combined income statement for the nine months ended September 30, 2018 and EUR 4.0 million for the year ended December 31, 2017 to the eliminate the impact on earnings due to the changes contingent consideration liability;
- Financial expenses have been adjusted by EUR 12.4 million in the unaudited pro forma combined income statement for the nine months ended September 30, 2018 and EUR 17.0 million for the year ended December 31, 2017 to the eliminate the impact on earnings of the settled credit facilities.

*IFRS accounting policy alignment adjustments*

Ahlstrom-Munksjö has performed a preliminary analysis of accounting policies applied by Expera in order to determine whether any adjustments are necessary to ensure comparability with the accounting policies applied by Ahlstrom-Munksjö. As Expera has reported on a US GAAP basis and Ahlstrom-Munksjö did not assume Expera's debt, the differences between IFRS and US GAAP are limited resulting in the following adjustments to amounts in Expera's audited historical financial statements and unaudited historical interim financial information.

- Expera has a long-term obligation to monitor its landfills for 40 years subsequent to closing of the landfill. The long-term costs of care and maintenance of the landfill are provided for in the balance sheet at their discounted values. Expera discounts the forecasted cash flows using its WACC. Under IFRS, a risk-free interest rate is used to reflect the time-value of money as risk and uncertainties are built into the cash flow estimates. An adjustment of EUR 4.0 million has been recorded to provisions in the unaudited acquisition date pro forma combined balance sheet to reflect the adjusted discount rate. Respectively, the unaudited pro forma combined income statements have been adjusted by deducting expenses of EUR 0.1 million in total for the nine months ended September 30, 2018 and EUR 0.2 million in total for the year ended December 31, 2017.
- Expera entered into a receivables purchase agreement on March 9, 2017 to sell its eligible accounts receivables and related rights to a bank. Expera derecognised the receivables from its balance sheet to the extent of the consideration received from the bank as the US GAAP true sale criteria for derecognition was met. The receivables purchase agreement does not meet the derecognition criteria under IFRS as the substance of the arrangement is collateralized financing and therefore the receivables remain on the balance sheet with a corresponding liability to the lending bank. The receivables will be subject to a normal impairment assessment under IFRS in accordance with Ahlstrom-Munksjö's expected credit loss model. Accordingly, an adjustment of EUR 43.5 million has been recorded to trade

and other receivables and current borrowings in the unaudited acquisition date pro forma combined balance sheet as an accounting policy alignment.

**Note 2d – Fair valuation of acquired assets and assumed liabilities of Expera**

The provisional purchase consideration to acquire Expera totalled to EUR 525.0 million on a cash and debt free free basis on October 10, 2018. The enterprise value of Expera amounted to USD 615.0 million (EUR 534.8 million) which has been adjusted for working capital, indebtedness and certain transaction related costs in accordance with the share purchase agreement.

- (i) A provisional fair value adjustment of EUR 49.7 million has been recorded to the tangible assets in the unaudited acquisition date pro forma combined balance sheet to reflect the fair value of acquired property, plant and equipment (“PPE”) of EUR 198.7 million. Land was valued using recent tax values individually at a lot level totalling to an adjustment of EUR 3.4 million. The fair value adjustment to Building and improvements and Plants and machinery totals to EUR 46.3 million and it was calculated using the replacement costs new for product line level (either pulp or paper product line) using unit cost approach.

Accordingly, additional depreciation expense of EUR 3.9 million has been recorded to the unaudited pro forma combined income statement for the nine months ended September 30, 2018 and EUR 5.6 million for the year ended December 31, 2017. The remaining depreciation period for the acquired PPE is estimated to be 10 years. Land is not depreciated.

- (ii) These adjustments reflect the elimination of the historical goodwill totalling EUR 19.3 million and recognition of goodwill arising from the Expera Acquisition. The goodwill recognized in the unaudited pro forma combined balance sheet as at October 10, 2018 represents the excess of the purchase consideration transferred over the provisional fair value of identifiable net assets acquired. Ahlstrom-Munksjö hedged nominal USD 300 million for foreign exchange risk which resulted in a gain of EUR 4.4 million reducing goodwill at consolidation.

The goodwill of EUR 176.7 million arising from the acquisition is attributable to workforce, synergies and expanding the North American platform for future growth. Ahlstrom-Munksjö expects that EUR 12.4 million of the goodwill will be deductible for tax purposes. For pro forma presentation purposes, the difference between Expera’s existing goodwill of EUR 19.3 million and the provisional goodwill amount arising in the transaction of EUR 157.4 million has been adjusted in the unaudited pro forma combined balance sheet.

- (iii) The provisional fair values of Expera’s customer relationships and acquired technology have been valued using “income approach” which requires an estimate or forecast of expected future cash flows through the use of either the multi-period excess earnings method or the relief-from-royalty method. The fair value of landfill rights have been valued using the “avoided costs” method. The following table sets forth the provisional fair value adjustments to the identifiable intangible assets and their average useful lives representing the amortization periods:

<b>In EUR million, unless otherwise indicated</b>	<b>Preliminary fair values</b>	<b>Estimated useful life (years)</b>	<b>Pro forma amortization expense for the year ended December 31, 2017</b>	<b>Pro forma amortization expense for the nine months ended September 30, 2018</b>
Customer relationships	120.8	20	-6.1	-4.4
Technology	49.6	15	-3.4	-2.4
Landfills	8.6	40	-0.2	-0.2
Total	179.0		<b>-9.7</b>	<b>-6.9</b>

Customer relationships represent the fair value of the customer agreements and underlying relationships with Expera’s customers. The fair value of the order backlog is considered immaterial and it is included in the fair value of customer relationships. Based on the provisional valuation, amortization expense of EUR 4.4 million has been recorded to the unaudited pro forma combined income statement for the nine months ended September 30, 2018 and EUR 6.1 million for the year ended December 31, 2017.

Technology represents the fair value of Expera's products that have reached technological feasibility and are part of Expera's product lines at the time of acquisition. Based on the provisional valuation, amortization expense of EUR 2.4 million has been recorded to the unaudited pro forma combined income statement for the nine months ended September 30, 2018 and EUR 3.4 million for the year ended December 31, 2017.

The landfill sites for which Expera owns the rights are very well located next to the mill sites and it would be hard to substitute them with as good of a location with similar investment value. The fair value of the landfill rights, in excess of the fair value of land and land improvements, are recognized as an intangible asset in the acquisition balance sheet. Based on the provisional valuation, amortization expense of EUR 0.2 million has been recorded to the unaudited pro forma combined income statement for the nine months ended September 30, 2018 and EUR 0.2 million for the year ended December 31, 2017.

In addition to the adjustments described above, an intangible asset of EUR -3.1 million has been adjusted as a result of revaluation of the asset from the pro forma combined balance sheet as at October 10, 2018. The intangible asset amortization expense has been adjusted by eliminating the amortization of revalued intangible assets. Elimination of amortization expense of EUR 1.2 million has been recorded to the unaudited pro forma combined income statement for the nine months ended September 30, 2018 and EUR 1.8 million for the year ended December 31, 2017.

- (iv) A provisional fair value adjustment of EUR 6.6 million has been recorded to finished goods, work-in-progress and raw material inventories and EUR -14.7 million to spare parts and consumables included in the inventory in the unaudited acquisition date pro forma combined balance sheet to reflect the fair value of acquired inventories of EUR 90.8 million. Ahlstrom-Munksjö expects that the acquired finished goods and work-in-progress inventory would turn-over within a quarter and accordingly, the full adjustment of EUR 6.7 million has been recorded to the unaudited pro forma combined income statement as an expense for the year ended December 31, 2017. The fair value adjustment to spare parts and consumables will not be recognised through income statement. These adjustments are not expected to have a continuing impact on the Ahlstrom-Munksjö's results or balance sheet.
- (v) Provisional fair value adjustments of EUR -0.9 million to Other non-current liabilities and EUR -0.1 million to Trade and other payables has been recorded in the unaudited pro forma combined balance sheet to eliminate deferred revenue that does not represent an obligation assumed by Ahlstrom-Munksjö. This adjustment is not expected to have a continuing impact on the Ahlstrom-Munksjö's results or balance sheet.
- (vi) Expera has a long-term obligation to monitor its landfills for 40 years subsequent to closing of the landfill. An adjustment of EUR 4.0 million has been recorded to provisions in the unaudited pro forma combined balance sheet as at October 10, 2018 to reflect the adjusted discount rate used for the valuation of the landfill obligation under IFRS.
- (vii) This adjustment represents the estimated deferred tax liability related to the fair value adjustments reflected in the unaudited pro forma combined balance sheet (excluding adjustments related to goodwill to the extent assumed to be non-deductible). The resulting impact increases deferred tax liabilities by EUR 57.7 million. Deferred tax impacts were calculated based on the estimated applicable blended US tax rate of 24.7 %. The tax rates are based on preliminary assumptions related to the underlying jurisdiction and states that the income or expense will be recorded by Ahlstrom-Munksjö after the transactions have taken place. The effective tax rate could be significantly different depending on the post-acquisition activities, including cash needs, geographical mix of income and integration and tax planning strategies.

#### ***Note 2e – Other adjustments***

- Expera's equity including impact of IFRS accounting policy alignment at the acquisition date, amounting to EUR 205.2 million has been eliminated from the unaudited pro forma combined balance sheet as at October 10, 2018.
- The payment of provisional cash consideration of USD 603.8 million (EUR 525.0 million) has been recognized as a decrease in cash and cash equivalents in the unaudited pro forma combined balance sheet.

- Ahlstrom-Munksjö hedged nominal USD 300 million for foreign exchange risk related to the purchase consideration paid in USD which resulted in a gain of EUR 4.4 million reducing goodwill at consolidation. For the pro forma purposes, it has assumed that the gain has been realised at the balance sheet date and trade and other receivables, cash and cash equivalents, equity and trade and other payables in the pro forma combined balance sheet has been adjusted accordingly.
- As a result of the Expera Acquisition, the applicable blended US tax rate in Ahlstrom-Munksjö group has been estimated to increase to 24.7 %. The resulting impact increases the existing deferred tax liabilities of Ahlstrom-Munksjö by EUR 1.4 million.
- The total estimated transaction costs of EUR 10.4 million to be incurred by Ahlstrom-Munksjö in connection with the Expera Acquisition primarily comprise financial, legal and advisory costs (excluding financing transaction costs and rights issue costs) and transaction related insurance payment. The estimated transaction costs of EUR 8.3 million has been recorded in other operating expenses of the unaudited pro forma combined income statement for the year ended December 31, 2017. The transaction costs of EUR 5.2 million already recorded as expenses for the nine months ended September 30, 2018 have been eliminated from other operating expenses in the pro forma combined income statement for that period. This adjustment does not have a continuing impact on the Ahlstrom-Munksjö's results or financial position. In addition, transaction related insurance payment of EUR 2.1 million has been recorded as prepaid expenses in the pro forma balance sheet as at September 30, 2018 and will be amortised over 6 years. A pro forma adjustment of EUR 0.3 million has been recorded in other operating expenses in the pro forma combined income statement for the nine months ended September 30, 2018, and EUR 0.3 million for the year ended December 31, 2017.

In the unaudited pro forma combined balance sheet, the unpaid portion of the transaction costs of EUR 5.2 million and the amount of EUR 3.3 million that has been recorded as accounts payable as at September 30, 2018, in total EUR 8.5 million, have been deducted from cash and cash equivalents in the pro forma combined balance sheet.

The income tax adjustment from tax deductible transaction costs has been calculated with a blended US tax rate of 24.7 % regarding the transaction costs to be incurred in the United States and with a Finnish statutory tax rate of 20.0 % regarding the transaction costs to be incurred in Finland.

### ***Note 3 – Pro forma Caieiras***

On October 17, 2018, Ahlstrom-Munksjö acquired Caieiras in exchange for aggregate cash consideration of BRL 416.0 million (EUR 89.4 million). The cash consideration was funded through the combination of available cash of BRL 86.0 million and a loan of BRL 330.0 million drawn under the Credit Facility Agreement.

Prior to the closing date of the acquisition, three new companies were created to facilitate the demerger of an existing business unit into multiple legal entities and provide a legal entity that holds the assets and liabilities that have been acquired by Ahlstrom-Munksjö and forms the basis of the opening balance sheet for Ahlstrom-Munksjö.

The acquisition of Caieiras will be accounted for using the acquisition method of accounting under which the purchase consideration is allocated to assets acquired and liabilities assumed based on their estimated fair values as of the acquisition date. The excess of the purchase consideration over the fair value of the identifiable net assets acquired will be allocated to goodwill.

Ahlstrom-Munksjö has made preliminary allocation of the aggregate purchase consideration of the Caieiras Acquisition. As at the date of this Prospectus, Ahlstrom-Munksjö has not completed all of the detailed valuation studies necessary to arrive at the required estimates of fair value for all of Caieiras' assets to be acquired and liabilities to be assumed. Ahlstrom-Munksjö will conduct a detailed valuation of all assets and liabilities as of the acquisition date at which point the fair value of acquired assets and assumed liabilities may differ from the amounts presented herein. Caieiras' unaudited carve-out balance sheet information as at September 30, 2018 has been used as the basis for the purchase price allocations presented herein. The final purchase price allocation will be based on the closing balance sheet as at October 17, 2018. This Unaudited Pro Forma Financial Information has been prepared using Caieiras' carve-out balance sheet as of September 30, 2018.

The following tables set forth Caieiras' unaudited pro forma combined balance sheet as at September 30, 2018, the unaudited pro forma combined income statements for the nine months ended September 30, 2018 and the period ended December 31, 2017 including the effects of the provisional purchase price allocations for the net assets acquired in accordance with IFRS.

*Caieiras' Unaudited Pro Forma Combined Balance Sheet as at September 30, 2018*

In EUR million, unless otherwise indicated	Carve-out balance sheet Historical (Note 3a)	Reclassifications (Note 3b)	Carve-out balance sheet Reclassified (Note 3b)	Carve-out balance sheet Reclassified (Note 3c)	Fair valuation of assets and liabilities and other adjustments (Note 3d)	Pro forma Caieiras (Note 3)
<b>In BRL million</b>						
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	78.7	50.8	129.5	27.8	13.9	(i) 41.7
Goodwill	-	-	-	-	29.2	(iv) 29.2
Other intangible assets	-	-	-	-	26.0	(ii) 26.0
Other receivables	66.9	-44.9	21.9	4.7	-4.6	(v) 0.1
Deferred tax assets	1.5	-	1.5	0.3	-	0.3
<b>Total non-current assets</b>	<b>147.0</b>	<b>5.9</b>	<b>152.9</b>	<b>32.8</b>	<b>64.4</b>	<b>97.2</b>
<b>Current assets</b>						
Inventories	53.7	-	53.7	11.5	0.9	(iii) 12.4
Trade and other receivables	75.5	-5.9	69.7	15.0	-0.0	15.0
Income tax receivables	0.6	-	0.6	0.1	0.0	(ix) 0.2
Cash and cash equivalents	2.1	-	2.1	0.4	-90.0	(viii),(ix) -89.5
<b>Total current assets</b>	<b>131.9</b>	<b>-5.9</b>	<b>126.0</b>	<b>27.1</b>	<b>-89.0</b>	<b>-61.9</b>
<b>TOTAL ASSETS</b>	<b>278.9</b>	<b>-</b>	<b>278.9</b>	<b>59.9</b>	<b>-24.6</b>	<b>35.3</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity attributable to parent company's shareholders</b>						
Issued capital	0.1	-	0.1	0.0	-0.0	(viii) -
Retained earnings	-1.5	-	-1.5	-0.3	0.2	(viii),(ix) -0.1
<b>Total equity</b>	<b>-1.4</b>	<b>-</b>	<b>-1.4</b>	<b>-0.3</b>	<b>0.2</b>	<b>-0.1</b>
<b>Non-current liabilities</b>						
Non-current borrowings	90.9	-	90.9	19.5	-19.5	(vi) -
Other non-current liabilities	18.4	-	18.4	4.0	-4.0	(vii) -
Deferred tax liabilities	-	-	-	-	13.9	(vii) 13.9
<b>Total non-current liabilities</b>	<b>109.4</b>	<b>-</b>	<b>109.4</b>	<b>23.5</b>	<b>-9.7</b>	<b>13.9</b>
<b>Current Liabilities</b>						
Current borrowings	54.7	-	54.7	11.8	-11.8	(vi) -
Trade and other payables	95.1	-	95.1	20.4	-	20.4
Income tax liabilities	21.1	-	21.1	4.5	-3.4	(vii) 1.1
<b>Total current liabilities</b>	<b>170.9</b>	<b>-</b>	<b>170.9</b>	<b>36.7</b>	<b>-15.2</b>	<b>21.5</b>
<b>Total liabilities</b>	<b>280.3</b>	<b>-</b>	<b>280.3</b>	<b>60.2</b>	<b>-24.8</b>	<b>35.4</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>278.9</b>	<b>-</b>	<b>278.9</b>	<b>59.9</b>	<b>-24.6</b>	<b>35.3</b>

**Caieiras' Preliminary Fair Values of Acquired Assets and Assumed Liabilities as at September 30, 2018**

The acquired net assets of Caieiras based on the carve-out balance sheet as of September 30, 2018 including the effects of the provisional purchase price allocations are as follows:

In EUR million	Note 3d	Acquired assets and assumed liabilities
<b>Non-current assets</b>		
Property, plant and equipment	(i)	41.7
Other intangible assets	(ii)	26.0
Other receivables	(v)	0.1
Deferred tax assets		0.3
<b>Current assets</b>		
Inventories	(iii)	12.4
Trade and other receivables		15.0
Income tax receivables		0.1
<b>Non-current liabilities</b>		
Deferred tax liabilities	(vii)	-13.9
<b>Current liabilities</b>		
Trade and other payables		-20.4
Income tax liabilities	(vii)	-1.1
<b>Net assets acquired</b>		<b>60.2</b>
<b>Purchase consideration</b>	<b>(viii)</b>	<b>89.4</b>
<b>Goodwill</b>	<b>(iv)</b>	<b>29.2</b>

**Caieiras' Unaudited Pro forma Combined Income Statement for the nine month period ended September 30, 2018**

In EUR million, unless otherwise indicated	Carve-out income statement Historical (Note 3a)	Reclassifications (Note 3b)	Carve-out income statement Reclassified (Note 3b)	Carve-out income statement Reclassified (Note 3c)	Fair valuation of assets and liabilities and other adjustments (Note 3d)	Pro forma Caieiras (Note 3)
<b>In BRL million</b>						
Net sales	282.9	-	282.9	65.9	-	65.9
Other operating income	-	-	-	-	-	-
<b>Total operating income</b>	<b>282.9</b>	<b>-</b>	<b>282.9</b>	<b>65.9</b>	<b>-</b>	<b>65.9</b>
<b>Operating costs</b>						
Changes in inventories of finished goods and work in progress	1.0	-	1.0	0.2	-	0.2
Materials and supplies	-185.2	-	-185.2	-43.1	-	-43.1
Other operating expenses	-28.7	-	-28.7	-6.7	0.8	-5.9
Personnel costs	-33.6	-	-33.6	-7.8	-	-7.8
Depreciation and amortization	-5.0	-6.1	-11.1	-2.6	-2.7	-5.3
<b>Total operating costs</b>	<b>-251.5</b>	<b>-6.1</b>	<b>-257.6</b>	<b>-60.0</b>	<b>-2.0</b>	<b>-61.9</b>
<b>Operating result</b>	<b>31.4</b>	<b>-6.1</b>	<b>25.3</b>	<b>5.9</b>	<b>-2.0</b>	<b>3.9</b>
Financial income	5.4	-	5.4	1.3	-0.7	0.5
Financial expenses	-23.6	6.1	-17.5	-4.1	3.9	-0.2
<b>Net financial items</b>	<b>-18.2</b>	<b>6.1</b>	<b>-12.1</b>	<b>-2.8</b>	<b>3.1</b>	<b>0.3</b>
<b>Profit/(loss) before tax</b>	<b>13.2</b>	<b>-</b>	<b>13.2</b>	<b>3.1</b>	<b>1.2</b>	<b>4.3</b>
Taxes	-5.7	-	-5.7	-1.3	-0.4	-1.7
<b>Net Profit</b>	<b>7.5</b>	<b>-</b>	<b>7.5</b>	<b>1.7</b>	<b>0.8</b>	<b>2.5</b>



*Caieiras' Unaudited Pro forma Combined Income Statement for the Year Ended December 31, 2017*

In EUR million, unless otherwise indicated	Carve-out income statement Historical (Note 3a)	Reclassifications (Note 3b)	Carve-out income statement Reclassified (Note 3b)	Carve-out income statement Reclassified (Note 3c)	Fair valuation of assets and liabilities and other adjustments (Note 3d)	Pro forma Caieiras (Note 3)
<b>In BRL million</b>						
Net sales	327.9	-	327.9	91.0	-	91.0
Other operating income	-	-	-	-	-	-
<b>Total operating income</b>	<b>327.9</b>	<b>-</b>	<b>327.9</b>	<b>91.0</b>	<b>-</b>	<b>91.0</b>
<b>Operating costs</b>						
Changes in inventories of finished goods and work in progress	2.8	-	2.8	0.8	-	0.8
Materials and supplies	-193.0	-	-193.0	-53.5	-0.9 (iii)	-54.5
Other operating expenses	-44.9	-	-44.9	-12.5	-0.9 (ix)	-13.4
Personnel costs	-45.8	-	-45.8	-12.7	-	-12.7
Depreciation and amortization	-10.1	-4.6	-14.7	-4.1	-4.4 (i),(ii)	-8.4
<b>Total operating costs</b>	<b>-290.9</b>	<b>-4.6</b>	<b>-295.5</b>	<b>-82.0</b>	<b>-6.2</b>	<b>-88.2</b>
<b>Operating result</b>	<b>37.0</b>	<b>-4.6</b>	<b>32.5</b>	<b>9.0</b>	<b>-6.2</b>	<b>2.8</b>
Financial income	7.8	-	7.8	2.2	-1.8 (v)	0.4
Financial expenses	-33.3	4.6	-28.8	-8.0	7.7 (vi)	-0.3
<b>Net financial items</b>	<b>-25.6</b>	<b>4.6</b>	<b>-21.0</b>	<b>-5.8</b>	<b>5.9</b>	<b>0.1</b>
<b>Profit/(loss) before tax</b>	<b>11.5</b>	<b>-</b>	<b>11.5</b>	<b>3.2</b>	<b>-0.3</b>	<b>2.9</b>
Taxes	13.6	-	13.6	3.8	0.1 (vii)	3.9
<b>Net Profit</b>	<b>25.0</b>	<b>-</b>	<b>25.0</b>	<b>6.9</b>	<b>-0.2</b>	<b>6.8</b>

*Note 3a – Caieiras' carve-out financial information*

Caieiras, the special papers business of MD Papéis, has not been a stand-alone entity and MD Papéis has not historically prepared stand-alone financial statements for each of its plants or business units. However, MD Papéis management does have financial information available by cost centres. The cost center financial data is the basis for the following unaudited carved-out financial information (the “**Carve-out Financial Information**”) prepared in accordance with Brazilian GAAP:

- the unaudited carve-out balance sheet of Caieiras as at September 30, 2018;
- the unaudited carve-out income statement of Caieiras for the year ended December 31, 2017; and
- the unaudited carve-out income statement of Caieiras for the nine months ended September 30, 2018.

The basis of the Carve-out Financial Information is the trial balance split of MD Papéis by cost centres. Balances have been allocated to Caieiras cost centre when they can be directly segregated (i.e. Accounts receivable, PP&E). When no clear segregation between cost centres exist, management has made assumptions to split such balances. In these cases, the balance may not precisely represent the actual position of Caieiras as if it were a stand-alone entity. Moreover, certain amounts in the Caieiras trial balance were excluded by management from the Carve-out Financial Information as they refer to items that were allocated to Caieiras but were not part of the Caieiras Acquisition.

*Note 3b – Reclassifications*

MD Papéis prepares its financial statements in accordance with Brazilian GAAP which aligns to IFRS as adopted by the EU and, therefore, no differences between accounting policies applied by Ahlstrom-Munksjö and Caieiras have been identified. Caieiras has presented expenses in its historical carve-out income statement prepared in accordance with Brazilian GAAP. The following reclassifications have been made to align Caieiras' historical carve-out income statement information with Ahlstrom-Munksjö's financial statement presentation:

- Reclassification of certain long term prepaid expenses (BRL 44.9 million) and current prepaid expenses (BLR 5.9 million) related to a sale and leaseback from other receivables to property, plant and equipment in Caieiras' historical carve-out balance sheet;

- As a result of the reclassification of prepaid expenses to property, plant and equipment, the reclassification of BRL 6.1 million for the nine months ended September 30, 2018 and BLR 4.6 million for the year ended December 31, 2017 of finance interest costs to depreciation and amortization in Caieiras' historical carve-out income statements.

Based on the information available at the date to this Prospectus, Ahlstrom-Munksjö is not aware of any other presentation differences that could have a material impact on the Unaudited Pro Forma Financial Information.

**Note 3c – Translation of the Carve-out Financial Information from BRL to EUR**

This column reflects the translation of the Carve-out Financial Information using the average BRL to EUR foreign exchange rate of 3.6041 for the year ended December 31, 2017 and the average exchange rate of 4.2957 for the nine month period ended September 30, 2018, as well as the exchange rate of 4.6535 for the balance sheet as at September 30, 2018.

**Note 3d – Fair valuation of assets and liabilities and other adjustments**

- (i) The following table sets forth the provisional fair value adjustments for property, plant and equipment, their average useful lives and the related depreciation expense is as follows:

In EUR million, unless otherwise indicated	Preliminary fair value adjustments	Estimated useful life (years)	Pro forma depreciation expense for the year ended December 31, 2017	Pro forma depreciation expense for the nine months ended September 30, 2018
Buildings and building improvements	3.4	26.5	-0.2	0.1
Machinery and equipment	7.8	7.1	-1.4	-0.9
Land	2.6	n/a	n/a	n/a
Vehicles	0.2	4.4	-0.0	-0.0
<b>Total</b>	<b>14.0</b>		<b>-1.6</b>	<b>-</b>

In addition, the adjustment related to the sale and leaseback amounted to EUR 0.2 million has been deducted from the property, plant and equipment.

- (ii) The provisional fair value customer relationships have been determined through the use of the “income approach” which requires an estimate or forecast of expected future cash flows through the use of the multi-period excess earnings method. The fair value of energy contracts have been determined based on the present value of the assumed savings. The following table sets forth the provisional fair value adjustments to the identifiable intangible assets and their average useful lives representing the amortization periods:

In EUR million, unless otherwise indicated	Preliminary fair values	Estimated useful life (years)	Pro forma amortization expense for the year ended December 31, 2017	Pro forma amortization expense for the nine months ended September 30, 2018
Customer relationships	21.9	20	-1.4	-0.9
Energy contracts	4.1	4	-1.3	-0.8
<b>Total</b>	<b>26.0</b>		<b>-2.7</b>	<b>-1.7</b>

- (iii) The provisional increase to the value of inventory will be recognized as additional expense under materials and supplies in the period following the acquisition. The impact on materials and supplies has been reflected as an adjustment in the unaudited pro forma combined income statement for the year ended December 31, 2017 because it will be fully amortized in one year.
- (iv) These adjustments reflect recognition of goodwill arising from the Caieiras Acquisition. The goodwill recognized in the unaudited pro forma combined balance sheet as at September 30, 2018 represents the

excess of the purchase consideration transferred over the provisional fair value of identifiable net assets acquired. The goodwill of EUR 29.2 million arising from the acquisition is attributable to synergies and assembled workforce and it is expected that the goodwill will not be deductible for tax purposes.

- (v) This adjustment reflects the elimination of the historical carve-out receivables relating to intercompany receivables that were not acquired. Elimination of related financial income has been recorded to the unaudited pro forma combined income statements for the periods presented herein.
- (vi) This adjustment in non-current borrowings and in current borrowings is related to the historical carve-out borrowings and leaseback payables that were not acquired. Elimination of related financial expense of has been recorded to the unaudited pro forma combined income statement for the periods presented herein.
- (vii) This adjustment represents the estimated deferred tax liability related to the fair value adjustments reflected in the unaudited pro forma combined balance sheet. The tax rates are based on preliminary assumptions related to the underlying jurisdiction and states that the income or expense will be recorded by Ahlstrom-Munksjö after the transactions have taken place. In addition the non current and current tax payables has been eliminated from the unaudited pro forma balance sheet.

Income tax was calculated using an assumed applicable tax rate of 34.0 %.

- (viii) Historical carve-out equity of EUR -0.3 million at the acquisition date have been eliminated from the unaudited pro forma combined balance sheet. The payment of provisional cash consideration of BLR 416.0 million (EUR 89.4 million) has been recognized as a decrease in cash and cash equivalents in the unaudited pro forma combined balance sheet, as well as the elimination of the historical carve-out cash balances of EUR 0.4 million which were not acquired.
- (ix) The total transaction costs of EUR 0.8 million have been recognized in the Ahlstrom-Munksjö historical income statements for nine months ended September 30, 2018, and an additional EUR 0.1 million are expected to be incurred in connection with the Caieiras Acquisition, and they primarily consist of financial, legal and advisory costs. The estimated transaction costs of EUR 0.9 million have been recorded in other operating expenses in the unaudited pro forma combined income statement for the year ended December 31, 2017 and the cost accrued for the nine months ended September 30, 2018 has been eliminated in the pro forma combined income statement for that period. In the unaudited pro forma combined balance sheet, the unpaid portion of the transaction costs amounting to EUR 0.1 million has been deducted from cash and cash equivalents and retained earnings.

#### **Note 4 – Pro Forma Expera Financing**

##### ***Debt financing***

The financing of the Expera Acquisition consists of a EUR 155.2 million bridge-facility and a EUR 167.0 bridge-facility under the Bridge Facilities Agreement, and a USD 260.0 million facility and a EUR 108.0 million facility under the Term Facilities Agreement. As at October 10, 2018, all outstanding loans under Ahlstrom-Munksjö's existing Facility C under the Facilities Agreement were prepaid with a EUR 108.0 million facility under the Term Facilities Agreement.

Ahlstrom-Munksjö has entered into a EUR 200.0 million term facility agreement dated November 1, 2018 with Nordea and SEB as mandated lead arrangers and original lenders and Nordea as agent (the "**New Facility Agreement**"). All amounts drawn under the facility shall be applied towards repayment of EUR 167.0 bridge-facility under the Bridge Facilities Agreement, and general corporate purposes.

The debt financing is described in more detail in "*Business of the Company – Material Contracts – Financing arrangements*".

##### ***The Offering***

To repay the outstanding bridge facilities related to the Expera Acquisition, the Board of Directors of Ahlstrom-Munksjö resolved on November 19, 2018, based on the authorization granted by the Extraordinary General Meeting on 19 September 2018, to carry out the Offering. Assuming that all the Offer Shares are subscribed for in the Offering, the gross proceeds received by the Company from the Offering will be an amount of approximately EUR 150 million (before taking into account any transaction costs in relation to the Offering as well as any fluctuations in the EUR/SEK currency exchange rate).

The proceeds received from the Offering will be used to repay the outstanding bridge-loan of EUR 155.2 million under the Bridge facilities agreement related to the Expera Acquisition.

These Unaudited Pro Forma Financial Information reflects the estimated gross proceeds of EUR 150 million as a whole as the Offering is fully guaranteed by virtue of Subscription Undertakings and subscription guarantee by the Subscription Guarantor, Nordea and Skandinaviska Enskilda Banken as described in sections “*Terms and Conditions of the Offering*” and “*Plan of Distribution in the Offering*”.

The following table sets forth the pro forma income statement and balance sheet impacts of the Pro forma Expera Financing:

<b>As at September 30, 2018</b>					
<b>In EUR million</b>	<b>New term loans (Note 4a)</b>	<b>Offering (Note 4b)</b>	<b>Bank fees and other costs recorded directly as expenses (Note 4c)</b>	<b>Refinancing of certain Ahlstrom- Munksjö's loans (Note 4d)</b>	<b>Pro forma Expera financing (Note 4)</b>
Trade and other receivables	-0.2	-0.5	-0.2		-0.8
Income tax receivables (Note 4f)		1.4	0.3	0.1	1.8
Cash and cash equivalents	390.5	143.3	-1.4	-8.2	524.2
<b>Total current assets</b>	<b>390.4</b>	<b>144.2</b>	<b>-1.3</b>	<b>-8.1</b>	<b>525.2</b>
Reserve for invested unrestricted equity		144.5			144.5
Retained earnings			-1.3	-0.4	-1.6
<b>Total equity</b>	<b>-</b>	<b>144.5</b>	<b>-1.3</b>	<b>-0.4</b>	<b>142.8</b>
Non-current borrowings	390.4			22.2	412.6
<b>Total non-current liabilities</b>	<b>390.4</b>	<b>-</b>	<b>-</b>	<b>22.2</b>	<b>412.6</b>
Current borrowings				-30.0	-30.0
Trade and other payables		-0.3			-0.3
<b>Total current liabilities</b>	<b>-</b>	<b>-0.3</b>	<b>-</b>	<b>-30.0</b>	<b>-30.3</b>

<b>For the nine months ended September 30, 2018</b>					
<b>In EUR million</b>	<b>New term loans (Note 4a)</b>	<b>Bank fees and other costs recorded directly as expenses (Note 4c)</b>	<b>Refinancing of certain Ahlstrom- Munksjö's loans (Note 4d)</b>	<b>Interest adjustment of existing loans (Note 4e)</b>	<b>Pro forma Expera financing (Note 4)</b>
Financial expenses	-10.8	0.9	-0.9	-1.0	-11.7
Taxes (Note 4f)	2.6	-0.2	0.2	0.2	2.7

<b>For the year ended December 31, 2017</b>					
<b>In EUR million</b>	<b>New term loans (Note 4a)</b>	<b>Bank fees and other costs recorded directly as expenses (Note 4c)</b>	<b>Refinancing of certain Ahlstrom- Munksjö's loans (Note 4d)</b>	<b>Interest adjustment of existing loans (Note 4e)</b>	<b>Pro forma Expera financing (Note 4)</b>
Financial expenses	-15.2	-2.5	-1.8	-1.3	-20.8
Taxes (Note 4f)	3.6	0.5	0.4	0.3	4.7

#### **Note 4a – New term loans**

The pro forma adjustments in non-current borrowings and cash and cash equivalents reflect the increase in borrowings resulting from the drawdown of the USD 260.0 million (EUR 226.1 million) term loan under the Term Facilities Agreement recorded net of transaction costs and the drawdown of the EUR 167.0 million term loan under the New Facility Agreement, recorded net of transaction costs. For pro forma purposes, it has been assumed that the bridge facility of EUR 155.2 million has already been repaid by using the proceeds received from the Offering and existing cash and cash

equivalents, and the bridge facility of EUR 167.0 million is repaid by using the term loan facility of EUR 200.0 million under New Facility Agreement as of the transaction date.

The pro forma income statement adjustment reflects the interest calculated with effective interest rate method for the USD 260.0 million term loan and the EUR 167.0 million portion of the EUR 200.0 million term loan. For pro forma purposes, an effective interest rate of 5.23 % is used for the term loan of USD 260.0 million and an effective interest rate of 1.95 % for the 167.0 million portion of the term loan. This adjustment has a continuing impact in Ahlstrom-Munksjö's financial expenses.

#### ***Note 4b – Offering***

Reflects the estimated gross proceeds of EUR 150 million from the Offering based upon the issuance of no more than 19,214,742 shares at EUR 7.81 per share, net of the estimated issuance costs of EUR 6.9 million, (such as underwriting fees, advisory costs and other estimated transaction costs to be paid in connection with the Offering) and related tax impact of EUR 1.4 million.

For pro forma purposes, it has been assumed that the proceeds from the Offering has been used to repay the bridge loan of EUR 155.2 million related to the Expera Acquisition.

#### ***Note 4c – Bank fees and other costs recorded directly as expenses***

Reflects the following bank fees and other costs recorded directly as expenses as a result of the debt financing of the Expera Acquisition which have been presented in the pro forma income statement for the year ended December 31, 2017:

- backstop facility and waiver fees of Ahlstrom-Munksjö's existing loans recorded directly as expenses; and
- interest expenses and transaction costs related to the bridge loan of EUR 155.2 million and bridge loan of EUR 167.0 million in order to reflect the one-time impact of the loans drawn under the Bridge Facilities Agreement.

These adjustments do not have a continuing impact in Ahlstrom-Munksjö's financial expenses. In the pro forma balance sheet, the transaction costs which have not been paid yet have been adjusted from cash and cash equivalents.

#### ***Note 4d – Refinancing of certain Ahlstrom-Munksjö's loans***

The pro forma adjustment in non-current borrowings, cash and cash equivalents and retained earnings reflects the impact of the drawdown of the EUR 108.0 million term loan under the Term Facility Agreement, recorded net of transaction costs, and repayment of Ahlstrom-Munksjö's existing term loan of EUR 108.2 million under Facility C. Additionally, the EUR 40.0 million revolving loan has been assumed to be refinanced with EUR 33.0 million from term loan under the New Facility Agreement and the remaining portion of EUR 7.0 million has been repaid from cash and cash equivalents.

After the pro forma adjustment the pro forma income statement reflects the new interest calculated with effective interest rate method for the EUR 108.0 million term loan and the EUR 33.0 million portion of the EUR 200.0 million term loan. For pro forma purposes, an effective interest rate of 2.77 % is used for the term loan of EUR 108.0 million and an effective interest rate of 1.95 % for the 33.0 million portion of the term loan. This adjustment has a continuing impact in Ahlstrom-Munksjö's financial expenses.

The pro forma income statement for the year ended December 31, 2017 includes also an extinguishment loss of EUR 0.6 million recorded as a result of the repayment of the EUR 108.2 million term loan. This adjustment does not have a continuing impact in Ahlstrom-Munksjö's financial expenses.

#### ***Note 4e – Interest adjustment of existing loans***

Reflects the increase in interest expenses in Ahlstrom-Munksjö's existing loans drawn under the Facilities Agreement. This increase in interest expenses was triggered by the gearing financial covenant Consolidated Senior Net Debt to Consolidated EBITDA falling within the range of 2.5-3.25 which led to the higher applicable margin. These adjustments have a continuing impact in Ahlstrom-Munksjö's financial expenses.

#### ***Note 4f – Taxes***

To reflect the impact of the Pro forma Expera financing adjustments on income taxes for the nine months ended September 30, 2018 and for the year ended December 31, 2017, the pro forma tax adjustments have been calculated assuming a US

blended rate of 24.7 % for the USD 260.0 million term loan and a Finnish tax rate of 20.0 % for all other Pro forma Expera financing adjustments presented above in Note 4.

#### Note 5 – Pro Forma Caieiras Financing

In connection with the Caieiras Acquisition on October 17, 2018, Ahlstrom-Munksjö performed a drawdown of a BRL 330.0 million (EUR 70.9 million) loan under the Credit Facility Agreement, translated using the BRL to EUR exchange rate of 4.6535 as at September 30, 2018. Pro forma Caieiras financing adjustments reflect the following:

- Increase in long-term debt and the related impact on cash and cash equivalents associated with the EUR 70.9 million loan drawn under the Credit Facility Agreement;
- Interest expenses associated with the EUR 70.9 million loan drawn under the Credit Facility Agreement. The interest expense has been calculated using the stated rate of 1.49 % plus CDI rate of 6.50%. The transaction costs will be amortized using the effective interest method over the expected maturity of 5 years of the facility. The finance expense has been translated of using the average BRL to EUR foreign exchange rate of 3.6041 for the year ended December 31, 2017 and the exchange rate of 4.2957 for the nine-month period ended September 30, 2018;
- Income tax effects of the above pro forma adjustments assuming an applicable tax rate of 34.0 % for the nine month period ended September 30, 2018 and for the year ended December 31, 2017.

#### Note 6 – Pro Forma Earnings per Share

Pro forma basic and diluted earnings per share is calculated by dividing the pro forma net profit attributable to parent company's shareholders by the pro forma weighted average number of shares outstanding as adjusted for the Offering shares and adjusted with the pro forma impact to the weighted average number of shares issued to Ahlstrom shareholders in connection with the Merger. The following table sets forth the pro forma earnings per share attributable to parent company's shareholders for the periods indicated:

<b>In EUR million, unless otherwise indicated</b>	<b>For the nine months ended September 30, 2018</b>	<b>For the year ended December 31, 2017</b>
Pro forma net profit attributable to parent company's shareholders	69.5	76.2
Number of shares		
Weighted average number of outstanding shares – historical	96,073,711	84,941,326
Pro forma adjustment from shares issued to Ahlstrom shareholders in connection with the Merger, weighted average number of shares	-	11,188,847
New shares issued in the Offering (Note 4)	19,214,742	19,214,742
Pro forma weighted average number of outstanding shares – basic	115,288,453	115,344,915
Dilution effect – historical	-	-
Pro forma weighted average number of outstanding shares – diluted	115,288,453	115,344,915
<b>Pro forma earnings per share attributable to parent company's shareholders - basic and diluted, EUR</b>	<b>0.60</b>	<b>0.66</b>

#### Note 7 – Unaudited Additional Pro Forma Information

##### *Pro forma business area information*

Pro forma business area information presented herein has been prepared to reflect the Ahlstrom-Munksjö business area structure following the Expera and Caieiras acquisitions consisting of five business areas Decor, Filtration and Performance, Industrial Solutions, Specialties and North America Specialty Solutions. Ahlstrom-Munksjö reports its business area results using comparable EBITDA as the main operating measure. Pro forma business area data is based on historically reported business area information by Ahlstrom-Munksjö and, respectively, adjusted for changes in the composition of the business areas as follows:

- Business of Expera has formed a new segment, North America Specialty Solutions; and
- Business of Caieiras has been divided into two segments, Décor and Industrial Solutions.

The following tables sets forth unaudited pro forma business area information for the nine months ended September 30, 2018 and for the year ended December 31, 2017:

*Unaudited pro forma business area information for the nine months ended September 30, 2018*

<b>In EUR million, unless otherwise indicated</b>	<b>Ahlstrom- Munksjö Historical</b>	<b>Pro forma Expera (Note 2)</b>	<b>Pro forma Caieiras (Note 3)</b>	<b>Pro forma total</b>
<b>Net sales by business area</b>				
Decor	298.0	-	38.7	336.7
Filtration and Performance	510.0	-	-	510.0
Industrial Solutions	500.7	-	27.2	527.9
Specialties	439.4	-	-	439.4
North America Specialty Solutions	-	470.5	-	470.5
Other and eliminations	-22.3	-	-	-22.3
<b>Total net sales</b>	<b>1,725.8</b>	<b>470.5</b>	<b>65.9</b>	<b>2,262.2</b>
<b>Comparable EBITDA by business area</b>				
Decor	21.2	-	5.9	27.1
Filtration and Performance	90.1	-	-	90.1
Industrial Solutions	78.0	-	2.6	80.6
Specialties	29.7	-	-	29.7
North America Specialty Solutions	-	44.9	-	44.9
Other and eliminations	-13.4	-	-	-13.4
<b>Total comparable EBITDA</b>	<b>205.6</b>	<b>44.9</b>	<b>8.4</b>	<b>258.9</b>
<b>Comparable EBITDA margin by business area, percent</b>				
Decor	7.1 %	-	15.2 %	8.0 %
Filtration and Performance	17.7 %	-	-	17.7 %
Industrial Solutions	15.6 %	-	9.4 %	15.3 %
Specialties	6.8 %	-	-	6.8 %
North America Specialty Solutions	-	9.5 %	-	9.5 %
Other and eliminations	n/a	n/a	n/a	n/a
<b>Total comparable EBITDA margin</b>	<b>11.9 %</b>	<b>9.5 %</b>	<b>12.8 %</b>	<b>11.4 %</b>

*Unaudited pro forma business area information for the year ended December 31, 2017*

<b>In EUR million, unless otherwise indicated</b>	<b>Ahlstrom-Munksjö Historical</b>	<b>Merger and Related Refinancing (Note 1)</b>	<b>Pro forma Expera (Note 2)</b>	<b>Pro forma Caieiras (Note 3)</b>	<b>Pro forma total</b>
<b>Net sales by business area</b>					
Decor	378.4	-	-	53.4	431.8
Filtration and Performance	496.2	169.0	-	-	665.3
Industrial Solutions	640.8	-	-	37.6	678.4
Specialties	466.0	108.3	-	-	574.3
North America Specialty Solutions	-	-	637.9	-	637.9
Other and eliminations	-21.6	-4.7	-	-	-26.2
<b>Total net sales</b>	<b>1,959.9</b>	<b>272.6</b>	<b>637.9</b>	<b>91.0</b>	<b>2,961.5</b>
<b>Comparable EBITDA by business area</b>					
Decor	33.9	-0.1	-	10.2	44.0
Filtration and Performance	88.8	31.8	-	-	120.6
Industrial Solutions	109.3	-0.8	-	3.8	112.2
Specialties	35.0	17.9	-	-	52.9
North America Specialty Solutions	-	-	62.4	-	62.4
Other and eliminations	-18.7	-6.5	-	-	-25.3
<b>Total comparable EBITDA</b>	<b>248.2</b>	<b>42.2</b>	<b>62.4</b>	<b>14.0</b>	<b>366.8</b>
<b>Comparable EBITDA margin by business area, percent</b>					
Decor	9.0 %	-	-	19.1 %	10.2 %
Filtration and Performance	17.9 %	18.8 %	-	-	18.1 %
Industrial Solutions	17.1 %	-	-	10.0 %	16.5 %
Specialties	7.5 %	16.5 %	-	-	9.2 %
North America Specialty Solutions	-	-	9.8 %	-	9.8 %
Other and eliminations	n/a	n/a	n/a	n/a	n/a
<b>Total comparable EBITDA margin</b>	<b>12.7 %</b>	<b>15.5 %</b>	<b>9.8 %</b>	<b>15.3 %</b>	<b>12.4 %</b>

*Pro forma net sales by region*

The following tables set forth the net sales by region for the nine months ended September 30, 2018 and for the year ended December 31, 2017 on a pro forma basis. Net sales are presented based on the customers' geographical location.

*Pro forma net sales by region for the nine months ended September 30, 2018*

<b>In EUR million</b>	<b>Ahlstrom-Munksjö Historical</b>	<b>Pro forma Expera (Note 2)</b>	<b>Pro forma Caieiras (Note 3)</b>	<b>Pro forma total</b>
Europe	1,003.5	8.2	1.1	1,012.7
North America	304.3	428.2	0.8	733.3
South America	116.7	2.8	63.9	183.3
Asia-Pacific	271.9	30.7	0.1	302.7
Rest of the world	29.4	0.6	0.0	30.1
<b>Total net sales</b>	<b>1,725.8</b>	<b>470.5</b>	<b>65.9</b>	<b>2,262.2</b>

*Pro forma net sales by region for the year ended December 31, 2017*

<b>In EUR million</b>	<b>Ahlstrom-Munksjö Historical</b>	<b>Merger and Related Refinancing (Note 1)</b>	<b>Pro forma Expera (Note 2)</b>	<b>Pro forma Caieiras (Note 3)</b>	<b>Pro forma total</b>
Europe	1,161.3	116.5	9.5	2.5	1,289.8
North America	299.6	90.6	581.9	0.8	972.9
South America	159.7	10.8	5.2	87.5	263.1
Asia-Pacific	304.5	49.8	38.0	0.1	392.4
Rest of the world	34.8	5.0	3.4	0.0	43.2
<b>Total net sales</b>	<b>1,959.9</b>	<b>272.6</b>	<b>637.9</b>	<b>91.0</b>	<b>2,961.5</b>



### Pro forma key figures

The following tables set forth a reconciliation of the Ahlstrom-Munksjö's pro forma comparable EBITDA, pro forma comparable operating result excluding depreciation and amortization arising from PPA and pro forma comparable operating result to pro forma operating result for the nine months ended September 30, 2018 and for the year ended December 31, 2017.

#### Reconciliation of pro forma comparable EBITDA to pro forma operating result for the nine months ended September 30, 2018

<b>In EUR million, unless otherwise indicated</b>	<b>Ahlstrom-Munksjö Historical</b>	<b>Pro forma Expera (Note 2)</b>	<b>Pro forma Caieiras (Note 3)</b>	<b>Pro forma total</b>
Operating result	96.3	24.2	3.9	124.5
Depreciation and amortization	88.7	20.7	5.3	114.8
<b>EBITDA</b>	<b>185.1</b>	<b>44.9</b>	<b>9.3</b>	<b>239.2</b>
<b>EBITDA margin</b>	<b>10.7 %</b>	<b>9.5 %</b>	<b>14.1 %</b>	<b>10.6 %</b>
<b>Items affecting comparability</b>				
Transaction costs	6.0	-0.0 <sup>1)</sup>	-0.8 <sup>2)</sup>	5.2
Integration costs	11.7	-	-	11.7
Inventory fair valuation	-	-	-	-
Restructuring costs	2.6	-	-	2.6
Environmental provision	0.2	-	-	0.2
Gain on business disposal	-	-	-	-
Other	-0.0	-	-0.0	-0.1
Total items affecting comparability	20.5	-0.0	-0.8	19.7
<b>Comparable EBITDA</b>	<b>205.6</b>	<b>44.9</b>	<b>8.4</b>	<b>258.9</b>
<b>Comparable EBITDA margin</b>	<b>11.9 %</b>	<b>9.5 %</b>	<b>12.8 %</b>	<b>11.4 %</b>

<sup>1)</sup> Includes the transaction costs of EUR 4.9 million recorded by Expera and a net pro forma adjustment eliminating transaction costs of EUR 4.9 million incurred by Ahlstrom-Munksjö related to the Expera Acquisition.

<sup>2)</sup> Consists of the pro forma adjustment eliminating the transaction costs of EUR 0.8 million recorded by Ahlstrom-Munksjö related to the Caieiras acquisition.

#### Reconciliation of pro forma comparable EBITDA to pro forma operating result for the year ended December 31, 2017

<b>In EUR million, unless otherwise indicated</b>	<b>Ahlstrom-Munksjö Historical</b>	<b>Merger and Related Refinancing (Note 1)</b>	<b>Pro forma Expera (Note 2)</b>	<b>Pro forma Caieiras (Note 3)</b>	<b>Pro forma total</b>
Operating result	103.5	24.0	16.9	2.8	147.3
Depreciation and amortization	106.6	19.9	30.9	8.4	165.8
<b>EBITDA</b>	<b>210.1</b>	<b>43.9</b>	<b>47.8</b>	<b>11.2</b>	<b>313.0</b>
<b>EBITDA margin</b>	<b>10.7 %</b>	<b>16.1 %</b>	<b>7.5 %</b>	<b>12.3 %</b>	<b>10.6 %</b>
<b>Items affecting comparability</b>					
Transaction costs	5.8	3.0	9.0 <sup>1)</sup>	0.9	18.7
Integration costs	17.2	-	-	-	17.2
Inventory fair valuation	11.1	-	6.7	0.9	18.7
Restructuring costs	1.0	0.8	-	1.0	2.9
Environmental provision	1.5	-	-	-	1.5
Gain on business disposal	-0.7	-5.7	-	-	-6.4
Other	2.3	-	-1.1	-0.1	1.1
Total items affecting comparability	38.1	-1.8	14.6	2.7	53.6
<b>Comparable EBITDA</b>	<b>248.2</b>	<b>42.2</b>	<b>62.4</b>	<b>14.0</b>	<b>366.8</b>
<b>Comparable EBITDA margin</b>	<b>12.7 %</b>	<b>15.5 %</b>	<b>9.8 %</b>	<b>15.3 %</b>	<b>12.4 %</b>

<sup>1)</sup> Includes the transaction costs of EUR 0.3 million recorded by Expera and a pro forma adjustment to the transaction costs of EUR 8.7 million related to the Expera Acquisition.

**Reconciliation of pro forma comparable operating result excluding depreciation and amortization arising from PPA and pro forma comparable operating result to pro forma operating result for the nine months ended September 30, 2018**

<b>In EUR million</b>	<b>Ahlstrom-Munksjö Historical</b>	<b>Pro forma Expera (Note 2)</b>	<b>Pro forma Caieiras (Note 3)</b>	<b>Pro forma total</b>
Operating result	96.3	24.2	3.9	124.5
Items affecting comparability				
Transaction costs	6.0	-0.0 <sup>2)</sup>	-0.8 <sup>3)</sup>	5.2
Integration costs	11.7	-	-	11.7
Inventory fair valuation	-	-	-	-
Restructuring costs	2.6	-	-	2.6
Environmental provision	0.2	-	-	0.2
Gain on business disposal	-	-	-	-
Other	-0.0	-	-0.0	-0.1
Total items affecting comparability	20.5	-0.0	-0.8	19.7
<b>Comparable operating result</b>	<b>116.9</b>	<b>24.2</b>	<b>3.1</b>	<b>144.1</b>
Depreciation and amortization arising from PPA <sup>1)</sup>	23.0	10.8	2.7	36.5
<b>Comparable operating result excl. depreciation and amortization arising from PPA</b>	<b>139.8</b>	<b>35.0</b>	<b>5.8</b>	<b>180.7</b>

<sup>1)</sup> Depreciation and amortization relating to business combination of Label and Processing business in 2013, Ahlstrom in April 2017 as well as the Expera and Caieiras acquisitions.

<sup>2)</sup> Includes the transaction costs of EUR 4.9 million recorded by Expera and a pro forma adjustment eliminating the transaction costs of EUR 4.9 million incurred by Ahlstrom-Munksjö related to the Expera Acquisition.

<sup>3)</sup> Consists of the pro forma adjustment eliminating the transaction costs of EUR 0.8 million recorded by Ahlstrom-Munksjö related to the Caieiras Acquisition.

**Reconciliation of pro forma comparable operating result excluding depreciation and amortization arising from PPA and pro forma comparable operating result to pro forma operating result for the year ended December 31, 2017**

<b>In EUR million</b>	<b>Ahlstrom-Munksjö Historical</b>	<b>Merger and Related Refinancing (Note 1)</b>	<b>Pro forma Expera (Note 2)</b>	<b>Pro forma Caieiras (Note 3)</b>	<b>Pro forma total</b>
Operating result	103.5	24.0	16.9	2.8	147.3
Items affecting comparability					
Transaction costs	5.8	3.0	9.0 <sup>2)</sup>	0.9	18.7
Integration costs	17.2	-	-	-	17.2
Inventory fair valuation	11.1	-	6.7	0.9	18.7
Restructuring costs	1.0	0.8	-	1.0	2.9
Environmental provision	1.5	-	-	-	1.5
Gain on business disposal	-0.7	-5.7	-	-	-6.4
Other	2.3	-	-1.1	-0.1	1.1
Total items affecting comparability	38.1	-1.8	14.6	2.7	53.6
<b>Comparable operating result</b>	<b>141.7</b>	<b>22.2</b>	<b>31.5</b>	<b>5.5</b>	<b>200.9</b>
Depreciation and amortization arising from PPA <sup>1)</sup>	24.4	7.3	15.3	4.4	51.3
<b>Comparable operating result excl. depreciation and amortization arising from PPA</b>	<b>166.1</b>	<b>29.5</b>	<b>46.8</b>	<b>9.9</b>	<b>252.2</b>

<sup>1)</sup> Depreciation and amortization relating to the business combination of Label and Processing business in 2013, Ahlstrom in April 2017 and the Expera and Caieiras acquisitions.

<sup>2)</sup> Includes the transaction costs of EUR 0.3 million recorded by Expera and a pro forma adjustment to the transaction costs of EUR 8.7 million related to the Expera Acquisition.

**Reconciliation of pro forma comparable earnings per share and pro forma comparable earnings per share excluding depreciation and amortization arising from PPA for the nine months ended September 30, 2018 and for the year ended 31 December 2017**

<b>In EUR million, unless otherwise indicated</b>	<b>For the nine months ended September 30, 2018</b>	<b>For the year ended December 31, 2017</b>
Pro forma net profit	70.8	76.9
Items affecting comparability		
Transaction costs	5.2	18.7
Integration costs	11.7	17.2
Inventory fair valuation	-	18.7
Restructuring costs	2.6	2.9
Environmental provision	0.2	1.5
Gain on business disposal	-	-6.4
Other	-0.1	1.1
Total items affecting comparability	19.7	53.6
Tax impact	-4.7	-14.4
<b>Pro forma comparable net profit</b>	<b>85.8</b>	<b>116.2</b>
Profit attributable to non-controlling interest	-1.3	-0.7
Pro forma comparable net profit attributable to parent company shareholders	84.5	115.5
Pro forma weighted average number of outstanding shares – basic (Note 6)	115,288,453	115,344,915
<b>Pro forma comparable earnings per share, EUR</b>	<b>0.73</b>	<b>1.00</b>
Pro forma comparable net profit	85.8	116.2
Depreciation and amortization arising from PPA <sup>1)</sup>	36.5	51.3
Taxes relating to depreciation and amortization arising from PPA	-9.4	-14.6
<b>Comparable net profit excl. depreciation and amortization arising from PPA</b>	<b>113.0</b>	<b>152.9</b>
Profit attributable to non-controlling interest	-1.3	-0.7
<b>Comparable net profit excl. depreciation and amortization arising from PPA attributable to parent company shareholders</b>	<b>111.6</b>	<b>152.1</b>
Pro forma weighted average number of outstanding shares – basic (Note 6)	115,288,453	115,344,915
<b>Pro forma comparable earnings per share excluding depreciation and amortization arising from PPA, EUR</b>	<b>0.97</b>	<b>1.32</b>

<sup>1)</sup> Depreciation and amortization relating to the business combination of Label and Processing business in 2013, Ahlstrom in April 2017 and the Expera and Caieiras acquisitions.

**Pro forma net debt**

<b>In EUR million</b>	<b>Ahlstrom- Munksjö Historical</b>	<b>Pro forma Expera (Note 2)</b>	<b>Pro forma Caieiras (Note 3)</b>	<b>Pro forma Expera Financing (Note 4)</b>	<b>Pro forma Caieiras Financing (Note 5)</b>	<b>Pro forma total</b>
<b>Assets</b>						
Cash and cash equivalents	194.9	-521.4	-89.5	524.2	70.9	179.1
<b>Liabilities</b>						
Non-current borrowings	532.4	10.7	-	412.6	70.9	1,026.6
Current borrowings	119.2	3.0 <sup>1)</sup>	-	-30.0	-	92.2
<b>Net debt</b>	<b>456.6</b>	<b>535.1</b>	<b>89.5</b>	<b>-141.6</b>	<b>0.0</b>	<b>939.8</b>

<sup>1)</sup> A liability of EUR 43.5 million related to Expera's receivable purchase agreement has been excluded from the pro forma net debt calculation.

*Pro forma gearing ratio*

<b>In EUR million, unless otherwise indicated</b>	<b>Ahlstrom-Munksjö Historical</b>	<b>Pro forma Expera (Note 2)</b>	<b>Pro forma Caieiras (Note 3)</b>	<b>Pro forma Expera Financing (Note 4)</b>	<b>Pro forma Caieiras Financing (Note 5)</b>	<b>Pro forma total</b>
Net debt	456.6	535.1	89.5	-141.6	0.0	939.8
Total equity	1,034.4	-6.2	-0.1	142.8	-0.0	1,171.0
<b>Gearing, %</b>	<b>44.1</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>80.3</b>

## RECENT DEVELOPMENT AND FUTURE OUTLOOK

### Recent Development and Trend Information

#### *Market developments*

During 2018, the market landscape for Ahlstrom-Munksjö's products has been generally stable. The demand for the Company's products has been, and continues to be, supported by several market drivers and megatrends, such as digitalization, demographic trends (e.g. urbanization and a growing middle class), sustainability, globalization and technology shifts. Economic cycles generally have a relatively limited impact on the overall demand for Ahlstrom-Munksjö's offering due to its exposure to largely cycle-resilient but growing market segments like retail-related end-uses in food and beverage, furnishing and renovation in the construction segment and the aftermarket for engine filtration applications in the transportation sector. The Company also has a meaningful exposure to a stable and structurally growing health care and life science industry. The Company estimates that its markets have on average grown more than GDP during the periods under review. Ahlstrom-Munksjö has focused on small volume niche markets where growth has been, according to the Company's estimates, higher than in traditional graphic paper segments, and such markets have been less sensitive to economic fluctuations than the traditional paper industry. Ahlstrom-Munksjö's markets are primarily global, with significant exports worldwide.

Fluctuating raw material prices are the most important factor affecting Ahlstrom-Munksjö's profitability. During 2018, the significant raw material cost escalation especially with respect to pulp and titanium dioxide has resulted in price increases and the Company has focused on customer relationships that are service and quality oriented with profitable orders of highly specialized and customized products.

#### *Investments*

The cash flow effect of current capital expenditure on fixed assets as well as strategic investments is expected to be approximately EUR 150 million in 2018 (EUR 84.6 million in 2017)<sup>7)</sup>. Ahlstrom-Munksjö's capital expenditure excluding acquisitions amounted to EUR 95.6 million for the nine months period ended September 30, 2018. The investments were maintenance related, targeted improved environmental performance and efficiency improvements as well as growth initiatives. For further information on the current investments, see descriptions under each business area below. The Company will fund the development of these projects with its available cash and cash equivalents, including the funds generated in its operating activities. The Company has not made any other final decisions on any significant investment projects.

#### *Corporate transactions*

The combination of Ahlstrom and Munksjö has created a solid basis for improved performance and the Company is continuously striving to improve operational efficiency. Ahlstrom-Munksjö has completed all of the original integration initiatives related to the Merger. Ahlstrom-Munksjö targets synergies and cost reduction initiatives with a profit improvement impact of EUR 50 million annually in its existing businesses by the end of the first quarter of 2019. The majority of the planned cost synergies were achieved through organizational streamlining, mainly within sales, general and administrative expenses (SG&A) as well as a more focused central administration and the combination of administration for closely located sales offices and production and converting facilities. As part of the process of delivering the initial merger related synergy benefits, the Company identified further synergies and cost reducing initiatives. The measures identified include adjusting the group structure to Ahlstrom-Munksjö's operating model, where business units have clear responsibility and local accountability. The operating model enables operational flexibility and lean group functions. The new identified initiatives implied concentrating and re-allocating the Company's head office in Helsinki, Finland. At the end of September 2018, the annual synergy achievement run rate was approximately EUR 38 million. Cumulative costs related to the achievement of synergies and cost reduction measures are estimated to be EUR 30–35 million by the end of the first quarter of 2019.

On October 10, 2018, Ahlstrom-Munksjö completed the acquisition of Expera. The acquisition expands Ahlstrom-Munksjö's presence in North America and strengthens its offering of advanced custom-make fiber-based materials. The net sales of Expera were USD 721 million (EUR 638 million) and comparable EBITDA USD 70 million (EUR 62 million in 2017).<sup>8)</sup> For the nine months ended September 30, 2018, the net sales were USD 562 million (EUR 472 million) and comparable EBITDA USD 53 million (EUR 44 million).<sup>9)</sup> Expera is geographically highly complementary to the

---

<sup>7)</sup> Figure does not include Ahlstrom Corporation's first quarter data from before the completion of the Merger.

<sup>8)</sup> Figures in USD have been converted into EUR using the EUR/USD exchange rate 1.13.

<sup>9)</sup> Figures in USD have been converted into EUR using the EUR/USD exchange rate 1.19.

Company with approximately 70 percent of the product offering being in line with Ahlstrom-Munksjö's current portfolio. The Expera Acquisition is expected to provide preliminary recurring cost synergies of approximately EUR 8 million (USD 10 million)<sup>10)</sup> resulting from SG&A expenses and sourcing by year end 2019. In addition, the Expera Acquisition will provide opportunities for dynamic synergies through joint product development, cross-selling and sharing of best practices. One-time costs related to the achievement of synergies are estimated at EUR 7 million (USD 8 million). Ahlstrom-Munksjö also targets an increase in EBITDA from a recently finalized investment in new silicone coating capacity. See “– *North America Specialty Solutions*” for further information.

On October 17, 2018, Ahlstrom-Munksjö completed the acquisition of the Caieiras specialty paper mill in Brazil for a debt free purchase price of about EUR 98 million. Caieiras is located in the vicinity of Ahlstrom-Munksjö's existing production plants in Jacarei, part of the Coated Specialties business, and in Louveira, part of the Filtration business. The annual net sales of the business were BRL 328 million (EUR 91 million) and operating result BRL 37 million (EUR 10 million)<sup>11)</sup> in 2017. The acquisition strengthens Ahlstrom-Munksjö's offering and production platform in South America, giving access to local production of decor paper, and provides growth opportunities, synergies and production optimization potential for the longer term. In the Company's view, the product mix of Caieiras is a good match, with approximately 80 percent of sales being in line with Ahlstrom-Munksjö's current product and solution portfolio, and fills gaps in the regional offering. In addition, by combining the businesses of Caieiras, Jacarei and Louveira, Ahlstrom-Munksjö intends to improve production and delivery capability, competitiveness as well as process and quality control and to combine sales and sourcing activities. Annual synergies of up to EUR 6 million are estimated, mainly arising from optimization of overlapping business and are expected to be achieved by the end of 2019. Business operations of Caieiras are divided into Decor and Industrial Solutions business areas.

Except for the Expera Acquisition, the acquisition of Caieiras and the related financing, there have not been any material changes in the Company's financial or trading position since September 30, 2018 up until the date of this Prospectus.

### ***Recent developments and trends by business area***

The recent developments and demand drivers per business area during 2018 are described below.

#### *Decor*

In Business Area Decor, while end-use demand has remained at a good level in North America and Asia, demand for decor products has softened in Europe during the second half of 2018 due to inventory reduction across the industry. Competition has intensified particularly in markets outside of Europe due to new suppliers. The global market for decor paper is driven by a growing population, accelerating urbanization and consumer preferences that favor more modern product designs and furniture that uses laminates. A string of sales price increases has not been able to fully mitigate the negative effects from escalating titanium dioxide and pulp costs, although in 2018 the gross margin for products has improved through price increases with a delay. Profitability has also been affected by lower volumes in some overseas markets due to price increases and new competition. Key elements of the ongoing improvement plan in Decor consist of price increases, product and customer mix optimization and improved cost efficiency. The Company has decided to invest approximately EUR 5 million to further enhance the quality of pre-impregnated decor papers produced at its Dettingen plant in Germany.

The recent acquisition of the Caieiras specialty paper mill provides local production of decor paper and hence strengthens the Company's service and product offering in South America. The Company has a competitive platform for further growth in South America, and production and delivery capabilities as well as competitiveness are improved by combining Caieiras with the Company's operations in Jacarei and Louveira.

#### *Filtration and Performance*

In Business Area Filtration and Performance, demand for filtration products has been stable at a good level across many regions and end-use segments, and particularly good in heavy-duty vehicles and industrial air. In construction-related markets, demand for flooring and other glass fiber tissue materials was good whereas the wallcover market has slowed in Europe. Awareness of air pollution is rising fast, which generates demand for solutions, while tighter regulation on air quality and emissions drive demand for filtration material. For filtration materials, the largest customer segment is the transportation industry, where demand drivers include an expanding global truck and passenger fleet and more stringent emission regulations. For nonwoven materials, a shift towards dry construction techniques is driving demand for wet plaster board in construction. In the Building and Wind business, increasing demand for vinyl flooring, a technology shift

---

<sup>10)</sup> Figures in USD have been converted into EUR using the EUR/USD exchange rate 1.17.

<sup>11)</sup> Figures in BRL have been converted into EUR using the EUR/BRL exchange rate 3.60.

that favors laminated flooring products and a shift to glass fiber are fueling demand for Ahlstrom-Munksjö products, especially in North America and Russia.

During the first half of 2018, the Company has completed a debottlenecking investment of EUR 3 million for filtration material capacity in Turin, Italy.

On June 18, 2018, the Company announced an investment of approximately EUR 28 million to expand manufacturing capacity as well as product capabilities of industrial filtration applications in Turin, Italy as well as in Ställdalen, Sweden and Malmedy, Belgium. The project will start in 2018 and is expected to be completed during the first half of 2020. Further, the Company announced on October 1, 2018, that it had completed an investment of approximately EUR 23 million to enhance the quality and widen the range of engine and industrial filtration materials being produced at the Madisonville plant in the United States.

#### *Industrial Solutions*

In Business Area Industrial Solutions, demand has been good for abrasive backings and specialty pulp, while stable for electrotechnical paper. The competitiveness in the market for release liners in Europe has recently increased. The domestic market for coated specialties products in Brazil remained stable. The release liner market growth has a good correlation with GDP growth, and it is also strengthened by substitution of other labelling technologies with self-adhesive labelling that requires a release liner. In insulation paper, thin paper and pulp, the demand is driven, for example, by the need of both infrastructure expansion and maintenance or upgrades of existing power grids. In abrasive backings, growing sales of new vehicles drive demand for grinding and sanding products that require backings, and the construction industry represents another important customer segment where demand strengthened.

During the first half of 2018, the Company has completed an investment of approximately EUR 14 million in a machine rebuild for abrasive backings and decor papers in Arches, France. On April 10, 2018, the Company announced investments of approximately EUR 27 million, including rebuilding a recovery boiler at the Billingsfors plant and modernizing of a bailing line at the Aspa pulp mill, both located in Sweden. Further, on August 30, 2018, the Company announced an investment of about EUR 21 million in its Coated Specialties business to improve capabilities and flexibility at its Jacarei plant in Brazil. The project is expected to be completed in the third quarter of 2019, and will expand the site's capabilities of coating and calendering on the paper machine. The benefits of the investment include a further improvement of product mix towards coated specialty papers, an increase in production flexibility and a broader product offering.

#### *Specialties*

In Business Area Specialties, demand for food packaging-related parchment products was strong, while the market for uncoated and coated papers as well as tea bag materials remained highly competitive. Demand for life science and high-end medical products was good, while that for tape materials was stable. Demand drivers include substitution of aluminum and plastics with fiber-based materials, increase in the easy-to-use self-diagnostics, water purification that also eliminates bacteria and sterilization wrapping business.

The markets in the one-side coated product segment have significant overcapacity globally, especially in Europe, and the operating environment has further deteriorated mainly due to increased raw material costs. Ahlstrom-Munksjö has identified that its offering is not optimally aligned with the strategy of niche orientation in customized solutions and the Company has proceeded with a detailed action plan and key measures to improve its performance in this product segment. On October 30, 2018, Ahlstrom-Munksjö announced it plans to significantly improve the competitiveness of its one-side coated paper segment. The Company contemplates a plan to optimize its production capacity and product offering to meet the profitable demand and investigates the closure of one paper machine (PM1) in Stenay, France. By concentrating orders to the larger paper machine (PM3) at the Stenay plant, cost savings can also be achieved from higher raw material-, energy- and waste-efficiency, as well as improved inventory management. Annual impact of the planned turnaround program would be approximately EUR 13 million.

Profitability in the bulk black tea business has weakened as the operating environment has become more challenging. New entrants and an ongoing shift from loose tea to bagged tea and from black to herbal tea has triggered cost optimization in the traditional segments. On July 18, 2018, the Company announced an investment of approximately EUR 28 million to reinforce its market position in biodegradable and compostable tea bag, coffee and meat casing materials in the Beverage & Casing business. The project includes purchasing a second-hand paper making line to be dismantled and transferred to the Chirnside manufacturing site in the UK. The machine is expected to be fully commissioned in the beginning of the fourth quarter of 2019. Combining Ahlstrom-Munksjö's extensive offering of biodegradable and compostable solutions with the investment in a new production line, the Company seeks to increase product differentiation versus competition and achieve a higher degree of customization. The new production line enables growth and better quality in paper for tea and coffee filters and fibrous meat casing materials and also improves production efficiency.

In 2017, the Company announced an investment of approximately EUR 6.7 million in the installation of a new parchentizer line at its Saint Severin plant in France. Ramp-up of the new line was successful in September, running flat-out since mid-October 2018. The Company will also rebuild a converting line of sterilization wrap being produced at its Pont Audemer plant in France for approximately EUR 4 million.

#### *North America Specialty Solutions*

In North America Specialty Solutions, demand for the business area's products remained firm, consistent with the continuing growth in the United States GDP.

During the third quarter and the first nine months of 2018, North America Specialty Solutions faced positive sales growth driven by continued product mix upgrade towards higher complexity and more value-add products as well as price increases to counter raw material inflation. Simultaneously, the sales volumes decreased resulting from the product mix upgrade. Profitability weakened slightly due to continued raw material inflation, mainly in bleached pulp, combined with the lagging effect of price increases, as well as increased freights resulting from tighter supply and increased demand as well as higher fuel surcharges in the U.S. Fixed costs remained stable due to successful cost controls. For the third quarter and the first nine months of 2018, the primary difference between EBITDA and Comparable EBITDA is related to M&A transaction costs. Further, the capital expenditure levels were lower than in 2017 as many strategic investments were conducted in 2017 and completed during this year.

In the Industrial & Technical business sector the growth is driven by building and infrastructure development driving demand for industrial specialty papers and growth and innovation in engineered decor materials, by growth in online sales increasing the demand for tape applications and by growth in automotive sales and repair. In addition, the shift toward glass-screen displays, especially increased use of LCD TVs and other electronic devices drives demand for glass interleavers and other protective papers and high technical complexity for filters remains a driver of industrial paper usage.

In the Food Processing & Packaging business sector the growth is driven by sustainability initiatives, which support unique food processing & packaging properties, increasing demand for natural or less processed packaging. In addition, demand for extended shelf life, increasing demand for fast-casual restaurants, alternative to fluorochemically treated papers and foil or film transition to paper is supported by sustainability trends.

In the Pressure-sensitive Release Liner business sector, the growth is driven by the aerospace industry shifting toward fiber composites for aircraft; an increased use of self-adhesive fasteners in industrial and home applications; growing demand for label differentiation; shift in consumer demand toward e-commerce, leading to increases in shipped packages and shipping labels; continuing need for barcodes and other secondary packaging applications for food safety and pharmaceutical end markets; and stricter label disclosure requirements fueling secondary packaging labels.

Ahlstrom-Munksjö also targets an increase in EBITDA from a recently finalized investment in new silicone coating capacity. The new coater came on-line in September 2017 and will ramp up production based on long term volume commitment after customer certification of product in 2018. The new coater is expected to contribute approximately EUR 9 million annually when fully commissioned in 2022. Further, the business area has a wide range of development initiatives to expand current operational capabilities to meet growing demand from existing customers e.g. through process and asset improvements and to achieve cost reductions by focusing on energy and raw material savings.

#### **Short-term Risks**

The Company's significant risks and uncertainty factors mainly consist of developments in demand for and prices of sold products, the cost and availability of significant raw materials, financial risks, as well as other business factors including developments in the financial markets. The cost of key raw materials such as pulp and titanium dioxide has continued to increase and the Company's financial performance may be impacted by its ability to raise selling prices and the timing of such rises to mitigate cost inflation.

***The Company has described the risks related to the Company's business, which could have a material adverse effect on the Company's business, financial condition, results of operations and future prospects and hence to the value of the Subscription Rights and/or the Offer Shares, in section "Risk Factors" of this Prospectus. Investors should carefully consider the risk factors described in section "Risk Factors" and other information contained in this Prospectus before deciding whether or not to invest in the Shares.***

#### **Future Outlook**

Demand for Ahlstrom-Munksjö's fiber-based products is expected to remain stable at the current good level for most of the product segments and to reflect the seasonal pattern.



## BOARD OF DIRECTORS, MANAGEMENT AND AUDITORS

### General

Ahlstrom-Munksjö Oyj is a public limited liability company incorporated and domiciled in Finland. In its corporate governance and management, Ahlstrom-Munksjö complies with applicable Finnish legislation, its Articles of Association and Ahlstrom-Munksjö's corporate governance principles approved by its Board of Directors. Ahlstrom-Munksjö follows all regulations and recommendations of Nasdaq Helsinki, including the Finnish Corporate Governance Code 2015 issued by the Finnish Securities Market Association and adopted by Nasdaq Helsinki (the "**Finnish Code**"). Ahlstrom-Munksjö also complies with the Revised Swedish Corporate Governance Code (the "**Swedish Code**") with the exceptions listed under "*– Corporate Governance*" below. The governing bodies of Ahlstrom-Munksjö (*i.e.*, the General Meeting of Shareholders, the Board of Directors and the CEO) have the ultimate responsibility for Ahlstrom-Munksjö's management and its operations. Ahlstrom-Munksjö's Executive Management Team reports to the CEO and is responsible for the efficient management of Ahlstrom-Munksjö's operations.

Shareholders participate in the administration and management of Ahlstrom-Munksjö through resolutions passed at General Meetings of Shareholders of Ahlstrom-Munksjö. General Meetings of Shareholders are generally convened upon notice given by the Board of Directors of Ahlstrom-Munksjö. In addition, General Meetings of Shareholders of Ahlstrom-Munksjö must be convened when requested in writing by an auditor of Ahlstrom-Munksjö or by shareholders representing at least one-tenth of all issued and outstanding shares in Ahlstrom-Munksjö.

The business address of the members of the Board of Directors, Executive Management Team and CEO of Ahlstrom-Munksjö is c/o Ahlstrom-Munksjö Oyj, Alvar Aallon katu 3 C, FI-00100 Helsinki, Finland.

### Board of Directors and Management Team

#### *Board of Directors*

The tasks and responsibilities of the Board of Directors of Ahlstrom-Munksjö are determined on the basis of the Companies Act as well as other applicable legislation. The Board of Directors has general authority to decide and act in all matters not reserved for other corporate governing bodies by law or under the provisions of Ahlstrom-Munksjö's Articles of Association. The general task of the Board of Directors is to duly organize Ahlstrom-Munksjö's management and operations. In all situations, the Board of Directors must act in accordance with Ahlstrom-Munksjö's best interest.

The operating principles and main duties of the Board of Directors have been defined in the procedural rules for the Board of Directors of Ahlstrom-Munksjö and include, among other things:

- to establish business objectives and strategy;
- to appoint, continuously evaluate and, if required, remove the CEO from office;
- to ensure that there are effective systems in place for monitoring and controlling Ahlstrom-Munksjö's operations and financial position compared to its stated objectives;
- to ensure that there is satisfactory control of Ahlstrom-Munksjö's compliance with laws and other regulations applicable to Ahlstrom-Munksjö's operations;
- to ensure that guidelines to govern Ahlstrom-Munksjö's ethical conduct are adopted; and
- to ensure that Ahlstrom-Munksjö's external disclosure of information is marked by openness and is correct, timely, relevant and reliable, by way of, among other things, adopting a communication policy.

The Annual General Meeting of Shareholders of Ahlstrom-Munksjö elects the members of the Board of Directors for a term expiring at the close of the following Annual General Meeting of Shareholders of Ahlstrom-Munksjö. Therefore, the entire Board of Directors of Ahlstrom-Munksjö is elected at each Annual General Meeting of Shareholders of Ahlstrom-Munksjö. The organization meeting of the Board of Directors elects the Chairman and the Vice Chairman of the Board of Directors of the Company. A member of the Board of Directors of Ahlstrom-Munksjö may be removed from office at any time by a resolution passed by a General Meeting of Shareholders. The Shareholder's Nomination Board shall submit to the Board of Directors its proposals concerning the election of members to the Board of Directors at the latest on January 31 preceding the next Annual General Meeting. The proposals will be published through a stock exchange release and included in the notice to the Annual General Meeting.

In accordance with the Articles of Association of Ahlstrom-Munksjö, the Board of Directors of Ahlstrom-Munksjö is composed of a minimum of four and a maximum of twelve ordinary members. The Board of Directors is quorate when

more than one-half of its members are present. A decision by the Board of Directors is the opinion supported by more than one-half of the members present at a meeting. In the event of a tie, the Chairman has the casting vote. In 2017, the Board of Directors of Ahlstrom-Munksjö convened fourteen times, including four meetings held as telephone meetings.

The Extraordinary General Meeting of Shareholders of Ahlstrom-Munksjö held on September 19, 2018 confirmed the number of members of the Board of Directors of Ahlstrom-Munksjö to be nine, and elected Lasse Heinonen as a new member of the Board of Directors, in addition to the eight members elected at the preceding Annual General Meeting. Peter Seligson, Pernilla Walfridsson, Alexander Ehrnrooth, Johannes Gullichsen, Hannele Jakosuo-Jansson, Harri-Pekka Kaukonen, Valerie A. Mars, and Elisabet Salander Björklund were elected as members of the Board of Directors of Ahlstrom-Munksjö at the Annual General Meeting held on March 21, 2018. The organization meeting of the Board of Directors of Ahlstrom-Munksjö elected Peter Seligson as Chairman and Elisabet Salander Björklund as Vice Chairman of the Board of Directors. As at the date of this Prospectus, all current members of the Board of Directors of Ahlstrom-Munksjö are independent of the Company. As at the date of this Prospectus, Peter Seligson, Pernilla Walfridsson, Johannes Gullichsen, Hannele Jakosuo-Jansson, Harri-Pekka Kaukonen, Valerie A. Mars, and Elisabet Salander Björklund are independent of the significant shareholders of Ahlstrom-Munksjö and other current members of the Board of Directors are not independent of Ahlstrom-Munksjö's significant shareholders.

The following table sets forth the members of the Board of Directors of Ahlstrom-Munksjö as at the date of this Prospectus:

	<b>Position</b>	<b>Citizenship</b>	<b>Year of birth</b>
Peter Seligson	Chairman	Finnish	1964
Elisabet Salander Björklund	Vice Chairman and Member	Swedish	1958
Pernilla Walfridsson	Member	Swedish	1973
Alexander Ehrnrooth	Member	Finnish	1974
Johannes Gullichsen	Member	Finnish	1964
Lasse Heinonen	Member	Finnish	1968
Hannele Jakosuo-Jansson	Member	Finnish	1966
Harri-Pekka Kaukonen	Member	Finnish	1963
Valerie A. Mars	Member	United States	1959

*Peter Seligson* has been the Chairman of the Board of Directors of Ahlstrom-Munksjö since 2018. He is currently a Partner and member of the Board of Directors of Seligson & Co Fund Management Company Plc. He also currently serves as the Managing Director and a member of the Board of Directors of Broadius Holding Oy and as the Chairman of the Boards of Directors of Johto Cafe Oy, Aschan Kahvilat Oy, Broadius Partners Ltd, Antti Ahlström Perilliset Oy, and Baltiska Handels A.B. He is also the Chairman of Skatte- och Företagsekonomiska Stiftelsen and a member of Folkhälsan. Previously, Mr. Seligson was the Vice Chairman of the Board of Directors of Ahlstrom-Munksjö between 2017 and 2018, as well as the Chairman of the Board of Directors of Munksjö Oyj between 2012 and 2017. He was also a member of the Board of Directors of Ahlstrom Corporation between 2001 and 2014. He served as a Partner and a member of the Board of Directors at Seligson & Co Oyj between 2006 and 2018, as Managing Director of Alfred Berg Finland between 1991 and 1997 and as Head of Sales and Trading of Arctos Securities between 1987 and 1991. Mr. Seligson holds a Lic. Oec. (HSG) degree.

*Elisabet Salander Björklund* has been Vice Chairman and member of the Board of Directors of Ahlstrom-Munksjö since 2017. She currently serves as the CEO of Bergvik Skog AB, as Chairman of the Board of Directors of SweTree Technologies AB, and as a member of the Boards of Directors of Firefly AB, Gasum Ltd, and Marcus Wallenberg Prize Foundation. Ms. Salander Björklund is also a member of the Board of Directors of several subsidiaries of Bergvik Skog AB. Previously, Ms. Salander Björklund was a member of the Board of Directors of Munksjö Oyj between 2013 and 2017 and Munksjö AB between 2011 and 2013, Executive Vice President and member of the Executive Team of Stora Enso Oyj between 2005 and 2010 and member of the Board of Directors of Clas Ohlson AB between 2000 and 2010. Ms. Salander Björklund holds a Master of Science Degree in Forestry from the Swedish University of Agricultural Sciences.

*Pernilla Walfridsson* has been a member of the Board of Directors of Ahlstrom-Munksjö since 2017. She currently acts as the CFO of Byggmax Group AB and as a member of the Board of Directors of Netonnet Group AB. Previously, Ms. Walfridsson was the CFO of Power Hemelektronik AB between 2003 and 2005, and held several managerial positions at IKEA between 1998 and 2003. She holds a Master of Science Degree in Business Administration from Växjö University.

*Alexander Ehrnrooth* has been a member of the Board of Directors of Ahlstrom-Munksjö since 2017. He currently serves as the Managing Director and as a member of the Boards of Directors of Virala Corporation, Virala Capital Partners Inc. along with its Finnish branch, Atine Group Oy, Belgrano Inversiones Oy, Vimpu Intressenter Ab and AI-Partners Oy. In addition, he serves as the Chairman of the Board of Directors of Aleba Corporation and as a Member of the Board of Directors of Tercero Invest AB, Valeado AB, Viknum AB and Louise och Göran Ehrnrooth Stiftelse sr. Previously, Mr. Ehrnrooth was a member of the Board of Directors of Munksjö Oyj between 2014 and 2017 and Ahlstrom Corporation

between 2015 and 2017. He also served as the Managing Director and a member of the Board of Directors of Vikon Partners Ab between 2012 and 2018 as well as Vilha Intressenter Ab between 2007 and 2011. He was the Managing Director and deputy member of the Board of Directors of Sellan Intressenter Oy Ab between 2008 and 2015. He also served as a member of the Board of Directors of Fiskars Corporation between 2005 and 2018, Wärtsilä Corporation between 2010 and 2015, FEL Investments Oy between 2004 and 2016, Ferraria Oy Ab between 2007 and 2013, as well as Hindhår Storskog Oy Ab between 1998 and 2011. Mr. Ehrnrooth holds a Master of Science degree in Economics from Hanken School of Economics, a Master of Business Administration degree in Entrepreneurship from the University of Wisconsin-Madison School of Business and he has received a Kellogg Executive Scholars Certificate from the Kellogg School of Management at Northwestern University.

*Johan Sebastian (Johannes) Gullichsen* has been a member of the Board of Directors of Ahlstrom-Munksjö since 2017. He currently serves as the Chairman of the Board of Directors of RAM Partners Oy and as a member of the Boards of Directors of GasEK Ltd, Nukute Oy, Antti Ahlström Perilliset Oy, and Alfakemist Kapitalförvaltning Ab. He also acts as a limited partner in RAM Partners Special Situations Ky and Ingenjörbyrå Arhippainen, Gullichsen & Co Kb, as the auditor of TM Kapital Ab and as a deputy member of the Board of Directors of Studio Butter-Briceño Architects Ltd. Previously, Mr. Gullichsen was a member of the Board of Directors of Ahlstrom Corporation between 2015 and 2017 and Ahlström Capital Oy between 2001 and 2014. He was also the Vice Chairman of the Walter Ahlström Foundation between 2009 and 2018. He has also held senior positions at RAM Partners Oy and eQ Bank Oy. Mr. Gullichsen holds a Bachelor of Science degree in Engineering from Tekniska Läroverket i Helsingfors and a Master of Business Administration degree from Helsinki School of Economics.

*Lasse Heinonen* has been a member of the Board of Directors of Ahlstrom-Munksjö since 2018. He currently serves as the President and CEO of Ahlström Capital Oy and as Chairman of the Board of Directors of Enics AG and as member of the Boards of Directors of Destia Group Plc, Terveystalo Plc, Olvi plc and Are Oy. Previously, Mr. Heinonen served as CFO of Tieto Corporation between 2011 and 2018. In addition to his role as CFO, he was also Head of Telecom, Media and Energy between 2015 and 2016. Prior to joining Tieto, Mr. Heinonen held leadership roles at Finnair Plc between 2004 and 2011 as Executive Vice President Cargo & Aviation Services, Deputy CEO and CFO. He has also held leadership roles in Finance and Supply chain management at Novartis Pharma and Sandoz in Finland, Turkey and Switzerland. Mr. Heinonen holds a Master of Science degree in Economics from Turku School of Economics.

*Hannele Jakosuo-Jansson* has been a member of the Board of Directors of Ahlstrom-Munksjö since 2017. She currently serves as Senior Vice President, Human Resources and Safety of Neste Corporation and as a member of the Board of Directors of Neste Engineering Solutions Oy and Nynas AB. Previously, Ms. Jakosuo-Jansson was a member of the Board of Directors of Munksjö Oyj between 2013 and 2017 and she has served as Vice President, Human Resources at Oil Refining of Neste Oil Corporation between 2004 and 2005 and as Laboratory and Research Manager at the Technology Center of Neste Oil Corporation between 1998 and 2004. Ms. Jakosuo-Jansson holds a Master of Science Degree in Chemical Engineering from the Helsinki University of Technology.

*Harri-Pekka Kaukonen* has been a member of the Board of Directors of Ahlstrom-Munksjö since 2017. He currently acts as the Chairman of the Boards of Directors of YIT Corporation, Esperri Care Holding Oy, Suomen Asuntoneuvoja Oy, Suomen VAKA-Palvelut I Oy, Suomen VAKA-Palvelut II Oy, and Lindström Oy and as a member of the Boards of Directors of Tieto Corporation and UMNI Oy. Previously, Mr. Kaukonen was a member of the Board of Directors of Ahlstrom Corporation between 2016 and 2017. He served as the Managing Director of Sanoma Corporation between 2011 and 2015 and as the Chairman of the Board of Directors of Lastanet Oy between 2011 and 2015. He was also a member of the Board of Directors of Evli Bank Plc between 2008 and 2018, Lemminkäinen Corporation between 2017 and 2018, Oral Hammaslääkärit Plc, Renideo Group Oy and Renideo Holding Oy between 2016 and 2017, Lindström Oy between 2015 and 2017, ÅR Packaging Group AB in 2016, East Office of Finnish Industries Oy between 2011 and 2016, and Karem Oy between 2001 and 2014. He also served as a member of the Supervisory Board of Ilmarinen Mutual Pension Insurance Company between 2014 and 2016. He has also held various executive positions at Oy Karl Fazer Ab between 2003 and 2010, most recently as EVP, head of Bakery and Confectionery Business Area and he was also a partner at McKinsey & Company between 1999 and 2003. Mr. Kaukonen holds a Doctor of Technology degree in Computational Material Physics from the Helsinki University of Technology and a Master of Science degree in Technical Physics from the Helsinki University of Technology.

*Valerie A. Mars* has been a member of the Board of Directors of Ahlstrom-Munksjö since 2018. She currently serves as Senior Vice President and Head of Corporate Development of Mars, Incorporated, as a member of the Board of Directors of Fiat Chrysler Automobiles N.V. and Royal Canin, and as a member of the Rabobank North America Advisory Board. Previously, Ms. Mars held several positions within the Mars Group including Director of Corporate Development for Masterfoods Europe and General Manager of Masterfoods Czech and Slovak Republics. She was also a controller with Whitman Heffernan Rhein, a boutique investment company. She began her career with Manufacturers Hanover Trust Company as a training program participant and rose to Assistant Secretary. Ms. Mars served as a member of the Board of Directors of Celebrity Inc., a NASDAQ listed company, between 1994 and 2000. She has also served on the Mars,

Incorporated, Audit Committee and Remuneration Committee. Ms. Mars has a Bachelor of Arts degree from Yale University and a Master of Business Administration degree from Columbia Business School.

### **President and CEO**

The President and CEO of Ahlstrom-Munksjö is appointed by the Board of Directors. The President and CEO is in charge of the day-to-day management of the Company. The duties of the President and CEO are governed primarily by the Companies Act and the President and CEO instruction from the Board of Directors, and the President and CEO leads the operational activities and prepares information and decisions to support the Board of Directors and presents his findings at the meetings of the Board of Directors. In accordance with the Companies Act, the President and CEO has the right to make decisions on certain urgent matters that otherwise would require a decision by the Board of Directors of Ahlstrom-Munksjö.

### **Executive Management Team**

The Executive Management Team of Ahlstrom-Munksjö consists of the CEO, Deputy CEO, functional managers and business area managers. The members of the Executive Management Team are proposed by the CEO and appointed by the Board of Directors of Ahlstrom-Munksjö. The members of the Executive Management Team report to the CEO.

The CEO, CFO and functional leaders meet with the business area leaders and other business area management monthly to discuss the business areas' performance and financial status. In addition, the Executive Management Team meets to discuss issues concerning group performance, strategy, budget, forecasting, business and people development and other matters relating to the Company. In accordance with the policies and guidelines established by the Board of Directors, group functions are responsible for business development, distribution of financial resources between the Company's operations, capital structure and risk management. Their duties also include matters concerning group-wide research and development, acquisitions and disposals, purchasing coordination, consolidated financial reporting, human resources, internal and external communications, IT, legal matters and coordination and monitoring of safety, environment, sustainability, occupational health and quality and some major projects.

The following table sets forth the members of the Executive Management Team of Ahlstrom-Munksjö as at the date of this Prospectus:

	<b>Position</b>	<b>Citizenship</b>	<b>Year of birth</b>
Hans Sohlström	President and CEO	Finnish	1964
Sakari Ahdekivi <sup>1)</sup>	Deputy CEO and Executive Vice President, Corporate Development	Finnish	1963
Pia Aaltonen-Forsell <sup>1)</sup>	CFO and Executive Vice President, Communications & Investor Relations	Finnish	1974
Dan Adrianzon	Executive Vice President, People & Safety	Swedish	1960
Daniele Borlatto	Executive Vice President, Industrial Solutions	Italian	1969
Fulvio Capussotti	Executive Vice President, Filtration & Performance	Italian	1972
Andreas Elving	Executive Vice President, Legal and General Counsel	Swedish	1976
Omar Hoek	Executive Vice President, Specialties	Dutch	1969
Tomas Wulkan	Executive Vice President, Decor	Swedish	1961
Russ Wanke	Executive Vice President, North America Specialty Solutions	United States	1961

<sup>1)</sup> On November 9, 2018, Ahlstrom-Munksjö announced that Pia Aaltonen-Forsell will leave the Company and that Sakari Ahdekivi is appointed Deputy CEO and CFO as of March 1, 2019, in addition to his current role. Ms. Aaltonen-Forsell will continue in her position until the end of February 2019.

*Hans Sohlström* has been the President and CEO of Ahlstrom-Munksjö since 2018. Previously, Mr. Sohlström was the Chairman of the Board of Directors of Ahlstrom-Munksjö between 2017 and 2018 and the President and CEO of Ahlström Capital Oy between 2016 and 2018. Mr. Sohlström has also served as the Chairman of the Board of Directors of Enics AG and as the Vice Chairman of the Board of Directors of Destia Group Plc between 2016 and 2018. He was also the Chairman of the Board of Directors of Ahlstrom Corporation between 2016 and 2017, the President and CEO of Rettig Group Ltd between 2012 and 2016 as well as a member of the Board of Directors between 2016 and 2017, the Chairman of the Board of Directors of Bore Ltd, Nordkalk Corporation and Rettig ICC between 2012 and 2016 and Oy Thunship Ab between 2012 and 2014. He was also a deputy member of the Board of Directors of East Office of Finnish Industries Oy between 2009 and 2012. In addition, he has held various executive and managerial positions at UPM-Kymmene Corporation between 1990 and 2012. Mr. Sohlström holds a Master of Science degree in Technology from the Helsinki University of Technology and Master of Science degree in Economics from the Swedish School of Economics and Business Administration.

*Sakari Ahdekivi* has been the Deputy CEO and Executive Vice President of Corporate Development of Ahlstrom-Munksjö since 2017. Mr. Ahdekivi currently serves as a member of the Board of Directors of Lehto Group Plc and as a member of the Supervisory Board of the Helsinki Deaconess Institute. Previously, Mr. Ahdekivi was the interim President and CEO of Ahlstrom Corporation between 2016 and 2017 and CFO between 2014 and 2017. He has also served as the Managing Director of Tamro Corporation and Tamro Finland and Baltics between 2012 and 2013. He was also the Chairman of the Board of Directors of Tamro Finance Oy between 2012 and 2013, MediNord Oy between 2010 and 2013, Apokjeden A/S, Nomeco A/S and Tamro AB between 2010 and 2012 as well as Tamro Russia Oy between 2010 and 2011. He was also a member of the Board of Directors of Tamro Corporation in 2013 and CFO of Tamro Corporation between 2009 and 2011. In addition, Mr. Ahdekivi has held CFO positions at YIT Corporation between 2007 and 2009 and at Huhtamäki Oyj between 2005 and 2007. He has also held various financial controlling positions at ABB in the United States, Switzerland, the United Kingdom and Finland between 1994 and 2005. Mr. Ahdekivi holds a Master of Science degree in Economics from the Helsinki School of Economics.

*Pia Aaltonen-Forsell* has been the CFO of Ahlstrom-Munksjö since 2017 and since 2018, she also serves as Executive Vice President of Communications & Investor Relations. Currently, she also serves as a member of the Board of Directors of Uponor Corporation and Helapala Oy. Previously, Ms. Aaltonen-Forsell was a member of the Management Team of Munksjö Oyj and held the position of CFO between 2015 and 2017. She has also served as the CFO of Vacon Plc between 2013 and 2015, as Senior Vice President of Finance, IT and M&A, Building and Living Business Area of Stora Enso Oyj between 2012 and 2013, as Senior Vice President, Group Controller, of Stora Enso between 2009 and 2012, and held various other positions at Stora Enso between 2000 and 2009. In addition, Ms. Aaltonen-Forsell has held various positions within controlling and finance at Corenso United between 1997 and 2000. Ms. Aaltonen-Forsell holds a Master of Social Science degree in Economics from the University of Helsinki and a Master of Business Administration degree from Henley Business School.

*Dan Adrianzon* has been the Executive Vice President, People & Safety of Ahlstrom-Munksjö since 2018. Previously, Mr. Adrianzon was a member of the Management Team of Munksjö Oyj and held the position of President of Industrial Applications between 2013 and 2017. He has also served as Group Chief Controller of Munksjö AB, Interim CEO and CFO, Specialty Pulp, of Munksjö Aspa Bruk AB and Interim CFO of Munksjö Arches (France). He was employed at Munksjö between 1998 and 2017. Between 1985 and 1998, he held several positions in Finance and Control within the Saint Gobain Group, both in Sweden and in France. Mr. Adrianzon holds a Bachelor in Business Administration and Economics degree from the University of Lund and a Mechanical Engineering degree from a technical high school in Växjö, Sweden.

*Daniele Borlatto* has been the Executive Vice President, Industrial Solutions of Ahlstrom-Munksjö since 2017. Mr. Borlatto was a member of the Management Team of Munksjö Oyj and held the position of Executive Vice President and President Release Liners between 2013 and 2017. Previously, Mr. Borlatto worked at Ahlstrom Corporation where he was Executive Vice President of the Label and Processing business area between 2011 and 2013, Vice President of the Release & Label business unit and Supply Chain Label & Processing business area between 2010 and 2011 and Senior Vice President of Release & Label Papers and a member of the Corporate Executive Team of Ahlstrom Corporation between 2007 and 2010. Mr. Borlatto was employed at Ahlstrom Corporation between 1990 and 2013. Mr. Borlatto has a degree in business and administration from Instituto Superiori E. Fermi and completed the Global Executive Program at INSEAD.

*Fulvio Capussotti* has been the Executive Vice President, Filtration & Performance of Ahlstrom-Munksjö since 2017. Mr. Capussotti was a member of the Executive Management Team of Ahlstrom Corporation between 2013 and 2017. At Ahlstrom, he was Executive Vice President of Filtration & Performance between 2016 and 2017, Executive Vice President of Building and Energy between 2015 and 2016, Executive Vice President of Advanced Filtration between 2013 and 2015, Vice President of Advanced Filtration between 2012 and 2013, and Vice President of Release Liner between 2008 and 2012. Prior to that Mr. Capussotti was Product Manager at Solvay between 2000 and 2002, Sales and Technical Manager at Rasmussen between 1999 and 2000 as well as R&D Manager at Solvay between 1997 and 1999. Mr. Capussotti holds a Master of Science degree in Chemical Engineering from Politecnico di Torino.

*Andreas Elving* has been the Executive Vice President, Legal and General Counsel of Ahlstrom-Munksjö since 2017. Previously, Mr. Elving served as Associate General Counsel of Autoliv, Inc. between 2015 and 2016. He has also worked as a Senior Associate at Mannheimer Swartling Advokatbyrå AB between 2014 and 2015, as a Senior Associate at Mannheimer Swartling (China) between 2010 and 2014, as an Associate/Senior Associate at Mannheimer Swartling Advokatbyrå AB between 2004 and 2010 and as a Law Clerk at the District Court of Stockholm between 2002 and 2004. Mr. Elving holds a Master of Laws degree from Uppsala University.

*Omar Hoek* has been the Executive Vice President, Specialties of Ahlstrom-Munksjö since 2017. Mr. Hoek was a member of the Executive Management Team of Ahlstrom Corporation between 2014 and 2017. At Ahlstrom, Mr. Hoek was Executive Vice President of Specialties between 2016 and 2017 and Executive Vice President of Food and Medical

between 2014 and 2016. Mr. Hoek currently serves as a member of the Board of Directors of EDANA, an international association serving nonwovens and related industries. Previously, Mr. Hoek held several senior management roles at Newell Rubbermaid, Avery Dennison and Bell Textron / HESUSA. Mr. Hoek holds a Master of Science degree in Business Administration from OUBS.

*Tomas Wulkan* has been the Executive Vice President, Decor of Ahlstrom-Munksjö since 2018. Previously, Mr. Wulkan held various leading positions within Svenska Cellulosa Aktiebolaget SCA between 1992 and 2017, most recently as President, BU Middle East, India & Africa between 2012 and 2017 and before that as President of BU Personal Care Europe between 2009 and 2011. Mr. Wulkan has a degree in business administration from Umeå University.

*Russ Wanke* has been the Executive Vice President, North America Specialty Solutions of Ahlstrom-Munksjö since 2018. Mr. Wanke is also currently the Chairman of the University of Wisconsin-Stevens Point College of Natural Resources Advisory Board, as well as a Director of the Wisconsin Paper Council and the University of Wisconsin-Stevens Point Paper Science & Chemical Engineering Foundation. Previously, Mr. Wanke was the President and CEO of Expera Specialty Solutions from 2013 to 2018 and the Vice President and General Manager of Thilmany Papers from 2008 to 2013. He was also a Director of the American Forest & Paper Association between 2010 and 2016. Between 1985 and 2008, Mr. Wanke held various leadership positions at NewPage Corporation, Stora Enso North America and Consolidated Papers. Mr. Wanke has a bachelor's degree in Paper Science & Engineering from the University of Wisconsin-Stevens Point.

## Corporate Governance

Ahlstrom-Munksjö is a Finnish public limited liability company, the shares of which are listed on Nasdaq Helsinki and Nasdaq Stockholm. In its corporate governance, Ahlstrom-Munksjö complies with applicable laws and regulations, including without limitation, the Companies Act, the Securities Markets Act, the Market Abuse Regulation (EU 596/2014) (the "MAR"), the rules of Nasdaq Helsinki as well as the Articles of Association of Ahlstrom-Munksjö. In addition, Ahlstrom-Munksjö complies with the Finnish Code and the Swedish Code.

Ahlstrom-Munksjö does not deviate from any of the recommendations of the Finnish Code. Ahlstrom-Munksjö also complies with the Swedish Code with the exceptions listed below. The deviations are due to the differences between the Swedish and Finnish legislation, governance code rules and practices and the fact that Ahlstrom-Munksjö follows the rules and practices in Finland.

Ahlstrom-Munksjö's corporate governance and control system deviates from the following recommendations under the Swedish Code:

- *Swedish Code Rule 1.3 and 1.4: The shareholders' meeting.* According to Finnish Annual General Meeting of Shareholders practice, the Chairman of the Board of Directors opens the annual general meetings of shareholders and proposes the chair, who is normally an attorney-at-law. The General Meetings of Shareholders of Ahlstrom-Munksjö are conducted in Finnish and partly in Swedish. The materials of the General Meetings of Shareholders of Ahlstrom-Munksjö are available in Finnish, Swedish and English. The minutes of the General Meetings of Shareholders of Ahlstrom-Munksjö are in Finnish.
- *Swedish Code Rule 2.1 and 2.6: The nomination committee.* The Shareholders' Nomination Board makes proposals to the General Meeting of Shareholders of Ahlstrom-Munksjö in accordance with its charter. As the Chairman of the Board of Directors of Ahlstrom-Munksjö, in accordance with the Companies Act, is elected by the Board of Directors, the Shareholders' Nomination Board cannot propose the Chairman, but, in accordance with its charter, the Shareholders' Nomination Board makes a recommendation as to who should be elected as Chairman. The Audit Committee prepares the proposals on the election and remuneration of the statutory auditor in line with the Finnish Code. Under the Finnish Code, the Shareholders' Nomination Board does not issue a statement explaining its proposal regarding the composition of the Board of Directors on Ahlstrom-Munksjö's website. The share ownership of the candidates or related persons and companies are only published once the candidate has been elected as a member of the Board of Directors.
- *Swedish Code Rule 6.1: The chair of the board.* According to the Companies Act, the Chairman of the Board of Directors is elected by the Board of Directors if not otherwise stated in the company's Articles of Association or otherwise decided when the Board of Directors is elected.
- *Swedish Code Rule 9.1 and 9.6: Remuneration of the board and executive management.* According to Finnish law, the remuneration of the CEO and management is the responsibility of the Board of Directors. The guidelines and information on remuneration is presented in the corporate governance

statement of Ahlstrom-Munksjö and on Ahlstrom-Munksjö's website in the remuneration statement. The incentive plans are established by the Board of Directors of Ahlstrom-Munksjö. If the plan includes issuing new shares, options or repurchase of shares or disposal of shares, such disposal, issuance or repurchase of shares will be subject to shareholders' approval or authorization. Currently, the Board of Directors of Ahlstrom-Munksjö has an authorization to repurchase shares and dispose of them.

- *Swedish Code Rule 10.2 and 10.3: Information on corporate governance.* Under the Finnish Code, shareholdings in companies with which Ahlstrom-Munksjö has significant business do not have to be reported. Infringements of the stock exchange rules applicable to Ahlstrom-Munksjö and similar do not need to be reported according to the Finnish Code. According to the Finnish Code, the Audit Committee or some other competent committee shall review the corporate governance statement of Ahlstrom-Munksjö. The auditors shall check that the statement has been issued and that the descriptions of the main features of the internal control and risk management systems related to the financial reporting process included in it is consistent with the financial statements. The incentive plans are established by the Board of Directors of Ahlstrom-Munksjö. If the plan includes issuing new shares or repurchase of shares or disposal of shares, such disposal, issuance or repurchase of shares will be subject to shareholders approval or authorization. Currently, the Board of Directors of Ahlstrom-Munksjö has an authorization to repurchase shares and dispose of them as well as to resolve on the issuance of a maximum of 20,000,000 new shares pursuant to the shareholders' pre-emptive subscription right.

## **Board Committees**

### ***Overview***

The Board of Directors of Ahlstrom-Munksjö annually appoints an Audit Committee and a Human Resources Committee (previously Remuneration Committee) and may also appoint other permanent committees if considered necessary at its organization meeting following the Annual General Meeting of Shareholders of Ahlstrom-Munksjö. The composition, duties and working procedures of the committees shall be defined by the Board of Directors of Ahlstrom-Munksjö in the charters confirmed for the committees. The committees regularly report on their work to the Board of Directors. All members of the Board of Directors have the right to attend Board Committee meetings and have access to all information relating to the Board Committees' work regardless of whether he or she is a member of the Committee in question.

### ***Audit Committee***

The Audit Committee consists of at least three members, all of which shall be members of the Board of Directors who are independent of the Company and shall have the qualifications necessary to perform the responsibilities of the committee. At least one member shall be independent of Ahlstrom-Munksjö's significant shareholders and at least one member shall have expertise specifically in accounting, bookkeeping or auditing. All members of the Audit Committee shall be versed in financial matters.

According to its charter, the Audit Committee assists the Board of Directors in fulfilling its supervisory responsibilities and also prepares certain accounting and auditing matters to be handled by the Board of Directors. In addition, the Audit Committee makes recommendations for the election and removal of the external auditors and for their compensation and approves the external auditors' audit plan based on the auditors' proposal. Among its other duties, the Audit Committee reviews and monitors the financial reporting process, the efficiency of the system of internal control and risk management, and the audit process.

The members of the Audit Committee as at the date of this Prospectus are Elisabet Salander Björklund (Chair), Alexander Ehrnrooth, Harri-Pekka Kaukonen, Pernilla Walfridsson, and Valerie A. Mars. All the members of the Audit Committee are considered independent of the Company and its significant shareholders, except Alexander Ehrnrooth, who is not considered independent of a significant shareholder of the Company. All the members have the expertise and experience required for the performance of the responsibilities of the Audit Committee. In 2017, the Audit Committee convened six times, including one meeting held as a telephone meeting.

### ***Human Resources Committee***

The Human Resources Committee (previously Remuneration Committee) consists of at least three members, all of which shall be members of the Board of Directors who are independent of Ahlstrom-Munksjö. Representatives of Ahlstrom-Munksjö's senior management, including members of the Executive Management Team, may not be members of the Human Resources Committee.

According to its charter, the Committee assists the Board of Directors to ensure that all human capital related topics, such as ethics and values, resourcing strategy, competence and performance management as well as remuneration

arrangements, support the strategic aims of the business and enable the recruitment, development, motivation and retention of key personnel while complying with regulatory and governance requirements, and satisfying the expectations of shareholders. The Committee further provides guidance in human capital related corporate social responsibility and diversity matters. In addition, the Committee assists the Board of Directors in the efficient preparation and handling of the matters pertaining to the appointment and dismissal of the CEO and other executives and their remuneration.

The members of the Human Resources Committee as at the date of this Prospectus are Hannele Jakosuo-Jansson (Chair), Peter Seligson, and Johannes Gullichsen. All the members of the Human Resources Committee are considered independent of the Company and its significant shareholders. In 2017, the Human Resources Committee convened eight times, including one meeting held as a telephone meeting (including meetings of the Remuneration Committee prior to April 6, 2017).

### **Shareholders' Nomination Board**

The Shareholders' Nomination Board prepares proposals for the Annual General Meeting for the election and remuneration of the members of the Board of Directors and the remuneration of the Board Committees and the Shareholders' Nomination Board. The Shareholders' Nomination Board consists of five members, three of which represent Ahlstrom-Munksjö's three largest shareholders who, on May 31 preceding the next Annual General Meeting of Shareholders of Ahlstrom-Munksjö, hold the largest number of votes calculated of all shares in Ahlstrom-Munksjö. The Chairman of and another person nominated by the Board of Directors serve as expert members and comprise the other two members of the Shareholders' Nomination Board.

The duties of the Shareholders' Nomination Board include:

- to prepare and present to the Annual General Meeting of Shareholders of Ahlstrom-Munksjö a proposal on the remuneration of the members of the Board of Directors as well as a proposal on the remuneration of the board committees and the Shareholders' Nomination Board;
- to prepare and present to the Annual General Meeting of Shareholders of Ahlstrom-Munksjö a proposal on the number of the members of the Board of Directors;
- to prepare and present to the Annual General Meeting of Shareholders of Ahlstrom-Munksjö a proposal on the members of the Board of Directors, including a recommendation on who of the proposed members of the Board of Directors should be elected Chairman of the Board of Directors;
- to establish the principles of diversity that it applies; and
- to seek for prospective successors for the members of the Board of Directors of Ahlstrom-Munksjö.

The Chairman of the Shareholders' Nomination Board convenes the Shareholders' Nomination Board as required. The members of the Shareholders' Nomination Board as at the date of this Prospectus are Mikael Lilius, Chairman (appointed by AC Invest Five B.V., a fully owned subsidiary of Ahlström Capital Oy), Alexander Ehrnrooth (appointed by Viknum AB and Belgrano Inversiones Oy), Mikko Mursula (appointed by Ilmarinen Mutual Pension Insurance Company), Peter Seligson (expert member) and Elisabet Salander Björklund (expert member).

### **Information on the Members of the Board of Directors and the Executive Management Team**

As at the date of this Prospectus, none of the members of the Board of Directors or the Executive Management Team of Ahlstrom-Munksjö have, during the previous five years:

- had any convictions in relation to fraudulent offences;
- been in a managerial position, such as a member of the administrative or management or a supervisory body or belonged to the senior management, of any company at the time of its bankruptcy, receivership or liquidation (excluding liquidation which has been carried out in order to dissolve the company due to tax reasons or reasons related to the simplification of group structure); or
- been the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) and been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any company or from managing the affairs of any company.



## Conflicts of Interest

Provisions regarding the conflicts of interest of the management of a Finnish company are set forth in the Companies Act. Pursuant to Chapter 6, Section 4 of the Companies Act, a member of the Board of Directors may not participate in the handling of a contract between himself or herself and the company, nor may he or she participate in the handling of a contract between the company and a third party if he or she may thereby receive a material benefit, which may be in contradiction with the interests of the company. This provision also applies to any other legal act, legal proceeding or other similar matter. This provision also applies to the CEO.

Except for their legal and/or beneficial interest in shares in Ahlstrom-Munksjö, there are no, save for the exception described below, (i) conflicts of interest between any duties to Ahlstrom-Munksjö of any member of the Board of Directors or the Executive Management Team of Ahlstrom-Munksjö and their private interests and/or other duties; (ii) arrangements or understandings with major shareholders, members, suppliers or others pursuant to which any member of the Board of Directors or the Executive Management Team of Ahlstrom-Munksjö was elected; or (iii) restrictions agreed by any member of the Board of Directors or the Executive Management Team of Ahlstrom-Munksjö on the disposal of their holdings in Ahlstrom-Munksjö's securities within a certain time.

There are also no family relationships between the aforementioned members of the Board of Directors, the President and CEO, or members of the Executive Management Team.

Notwithstanding the above, Russ Wanke's shareholding in Ahlstrom-Munksjö will be subject to a non-transfer restriction as described in more detail below in "*Management Ownership*".

## Remuneration

### *Board of Directors*

The remuneration of the members of the Board of Directors of Ahlstrom-Munksjö is decided by the Annual General Meeting of Shareholders of Ahlstrom-Munksjö based on a proposal by the Shareholders' Nomination Board. On March 21, 2018, the Annual General Meeting of Shareholders of Ahlstrom-Munksjö decided that the Chairman of the Board of Directors will receive EUR 100,000 per year, the Vice Chairman EUR 80,000 per year and the ordinary members EUR 60,000 per year each. The Chairman of the Audit Committee will receive EUR 12,000 per year and other members will receive EUR 6,000 per year each. The Chairman of the Human Resources Committee will receive EUR 8,000 per year and other members will receive EUR 4,000 per year each. The Chairman of the Shareholders' Nomination Board will receive EUR 8,000 per year and the ordinary members EUR 4,000 per year each. Travel expenses will be reimbursed in accordance with Ahlstrom-Munksjö's travel policy.

The following table sets forth the remuneration paid to the members of the Board of Directors of Ahlstrom-Munksjö for the year ended December 31, 2017:

	<u>For the year ended December 31,</u> <u>2017</u> <u>(audited)</u> <u>(EUR in thousands)</u>
Hans Sohlström (up until March 21, 2018)	89
Peter Seligson	88
Elisabet Salander Björklund	81
Pernilla Walfridsson	41
Alexander Ehrnrooth	71
Johannes Gullichsen	50
Lasse Heinonen (as of September 19, 2018)	-
Hannele Jaksouo-Jansson	56
Harri-Pekka Kaukonen	54
Valerie A. Mars (as of March 21, 2018)	-
Sebastian Bondestam (up until May 16, 2017)	16
Jan Inborr (up until June 24, 2017)	21
Mats Lindstrand (up until May 16, 2017)	16
Anna Ohlsson-Leijon (up until May 16, 2017)	16

### *Executive Management Team*

The Board of Directors of Ahlstrom-Munksjö decides on the remuneration of the CEO based on a proposal by the Human Resources Committee and on the remuneration of the other key management based on a proposal by the CEO, which is reviewed by the Human Resources Committee.

Salaries and variable remuneration programs are determined per calendar year. The President and CEO and other members of the Executive Management Team of Ahlstrom-Munksjö may be offered variable remuneration. Any variable remuneration must be limited and in proportion to the fixed salary and be based on the financial objectives of Ahlstrom-Munksjö as well as other common targets. The final resolution on the payment of variable remuneration must be passed by the Board of Directors of Ahlstrom-Munksjö after the approval of the audited financial statements. Any variable remuneration must not be pensionable, unless otherwise stipulated in any applicable law or in the rules of a general pension plan, e.g. Sweden's ITP occupational pension plan. The President and CEO is entitled to a cash based short term incentive plan, which may amount to a maximum of 80 percent of his annual fixed salary. For the other members of the Executive Management Team the cash based short term incentive plans amount to a maximum of 60 percent of their annual fixed salary. To the extent that other benefits are paid, they consist of company cars and health insurance.

The following table sets forth the remuneration and benefits paid to Jan Åström, who was the President and CEO up until April 16, 2018 and other members of the Executive Management Team of Ahlstrom-Munksjö for the year ended December 31, 2017:

	<u>Gross salary</u>	<u>Cash based variable remuneration</u>	<u>Long-term incentive plans</u>	<u>Other benefits</u>	<u>Pension costs</u>	<u>Total</u>
			(audited) (EUR in thousands)			
<b>2017</b>						
The President and CEO – Jan Åström	569	235	1,207	11	201	2,223
Other members of the Executive Management Team	<u>2,063</u>	<u>608</u>	<u>1,524</u>	<u>74</u>	<u>133<sup>1)</sup></u>	<u>4,402</u>
Total	<u><u>2,632</u></u>	<u><u>843</u></u>	<u><u>2,731</u></u>	<u><u>85</u></u>	<u><u>334</u></u>	<u><u>6,625</u></u>

<sup>1)</sup> Includes only additional, non-obligatory, pension costs.

### ***Long-term Share-based Incentive Plans***

#### *Predecessor Munksjö Oyj's long-term incentive plans*

Munksjö Oyj had prior to the effective date of the Merger, two separate long-term incentive plans (“LTI”) in place, LTI 2014–2016 and LTI 2016–2018. Participants were awarded Matching and Performance Rights, based on an initial investment of saving shares. Under the original terms and conditions, the Matching and Performance Rights would have vested conditional on specific performance criteria, holding of investment shares and continued employment of the participant. The vesting period for both programs was originally three years. The LTI 2014–2016 plan vested in accordance with the original terms and conditions of the plan and a total of 126,371 shares were delivered to the participants on vesting. The total cost for the LTI recorded in 2017 comprised of EUR 0.7 million of the equity-settled payment recorded against the Company equity and EUR 3.3 million of a cash-settled compensation cost representing the cash portion to the participants to cover the tax portion and social security costs for the employees.

On December 16, 2016, the Board of Directors decided to terminate the Munksjö 2016–2018 LTI's. The LTI 2016–2018 terminated on the completion of the Merger, on April 1, 2017 on a pro rata basis, thereby cancelling 7/12 of the program (the original award period would have terminated at the end of 2018 and the award would have been payable in the spring of 2019). The participants in the program received shares and cash. The termination was accounted for as a cancellation. A total of 108,767 shares in Ahlstrom-Munksjö were transferred to the participants during April 2017 equalling to a compensation expense on the equity-settled portion of EUR 2.1 million and a cash payment of EUR 0.7 million was made to compensate the employee tax implications and social security costs.

#### *Long-term share-based plan 2017-2019*

Ahlstrom-Munksjö's Board of Directors decided on October 24, 2017 to introduce a new rolling long-term share-based incentive plan for 65 members of the Company's key personnel with the aim of aligning the objectives of the owners and key personnel to increase the Company's value and to commit the key personnel to the Company.

The plan includes a rolling structure of individual performance share plans, each with a three-year performance period. The first performance period started in 2017. The commencement of any further performance periods is subject to the Board of Director's annual decision. The performance period for the first reward is 2017–2019 and the reward will be paid out in 2020 in the form of shares, provided that certain performance and service conditions are met.

Depending on which levels of the performance and service condition thresholds are met, the gross EUR value of the reward paid will be within a minimum and maximum range, with the final number of shares being determined based on Ahlstrom-Munksjö's share price at the end of the performance period. The minimum gross value of the reward has been fixed to EUR 0.4 million and the maximum gross value has been fixed to EUR 6.9 million, and the final reward EUR value will be converted into an equivalent number of shares based on the trade volume weighted average price of the Ahlstrom-Munksjö share during the period of January–February of the calendar year immediately following the last year of the performance period.

In order for the rewards to qualify for vesting, both of the following performance conditions will need to be met over the 2017–2019 performance period.

- Total shareholder return (“**TSR**”) is a market condition and is based on the share price at the end of the performance period. This will need to exceed the minimum threshold set by the Company in order for the condition to be met.
- TSR is determined against Ahlstrom-Munksjö's volume weighted average share price over the period from April 3, 2017 to June 30, 2017 of EUR 17.28; and Ahlstrom-Munksjö's cumulative comparable EBITDA over the performance period will need to exceed an underlying comparable EBITDA requirement. This is a non-market performance condition.

In addition to the performance conditions, in order for the rewards to vest the participant will need to be employed by Ahlstrom-Munksjö at the time when the reward is paid.

The fair value of the reward at the grant date was EUR 2.6 million. The fair value is calculated based on the probability of achieving each individual TSR threshold at the end of the performance period between the minimum and maximum thresholds set by the Company.

#### *Bridge plan*

In addition to the new long-term share-based incentive plan, the Board of Directors decided to establish a bridge plan to cover the gap in the former LTI structure, which results from the Merger and the transition to the new plan as described above.

The bridge plan covers the most critical leadership resources of Ahlstrom-Munksjö and will be a one-off plan. The bridge plan includes one performance period comprising years 2017–2018. The reward will be paid out in spring 2019 in the form of shares, provided that certain performance and service conditions are met. The payment of the reward is followed by a one-year restriction period.

Depending on which levels of the performance and service condition thresholds are met, the gross EUR value of the reward paid will be within a minimum and maximum range, with the final number of shares being determined based on Ahlstrom-Munksjö's share price at the end of the performance period. The minimum gross value of the reward has been fixed to EUR 0.2 million and the maximum gross value has been fixed to EUR 4.1 million, and the final reward EUR value will be converted into an equivalent number of shares based on the trade volume weighted average price of the Ahlstrom-Munksjö share during the period of January–February of the calendar year immediately following the last year of the performance period.

The performance conditions for the bridge plan are the same as those for the LTI 2017–2019 plan. Both of the performance conditions will need to be met over the 2017–2018 performance period in order for the rewards to qualify for vesting.

The fair value of the rewards at the grant date was EUR 1.6 million. The fair value is calculated based on the probability of achieving each individual TSR threshold at the end of the performance period between the minimum and maximum thresholds set by the Company.

#### ***Bonuses related to the Expera Acquisition***

In relation to the Expera Acquisition, certain key persons of the Company are entitled to receive a retention bonus, provided that certain conditions are met.

#### **Pensions**

Pension arrangements for the Executive Management Team include customary occupational pensions and in some cases individually agreed arrangements, consisting of defined benefit and defined contribution plans. The President and CEO has an individual pension agreement, stating that Ahlstrom-Munksjö will contribute an amount corresponding to 20 percent of the President and CEO's annual fixed salary per year to an occupational pension insurance. No early retirement

has been agreed on between Ahlstrom-Munksjö and the President and CEO. The retirement age for the President and CEO is 63 years.

### Termination Benefits

The President and CEO's employment agreement may be terminated by Ahlstrom-Munksjö with a 12 months' notice and by the President and CEO with six months' notice. If the Company terminates the President and CEO's employment agreement the President and CEO is entitled to an additional severance pay of his monthly salary for six months. The employment agreements for the members of the Executive Management Team are concluded pursuant to local legislation in different countries and have varying notice periods. Certain members of the Executive Management Team are entitled to severance payments in addition to the salary for the notice period.

### Management Ownership

The following table presents the number of shares owned by the members of the Board of Directors and the Executive Management Team of Ahlstrom-Munksjö as at October 31, 2018:

	<u>Shares</u>
<b>Members of the Board of Directors</b>	
Peter Seligson	1,078,303 <sup>1)</sup>
Elisabet Salander Björklund	4,200
Pernilla Walfridsson	920
Alexander Ehrnrooth	12,161,595 <sup>2)</sup>
Johannes Gullichsen	341,724
Lasse Heinonen	-
Hannele Jakosuo-Jansson	3,000
Harri-Pekka Kaukonen	4,000
Valerie A. Mars	-
<b>Members of the Executive Management Team</b>	
Hans Sohlström	30,000
Sakari Ahdekivi	-
Pia Aaltonen-Forsell	15,019
Dan Adrianzon	25
Daniele Borlatto	20,341
Fulvio Capussotti	8,270
Andreas Elving	3,217
Omar Hoek	3,839
Tomas Wulkan	-
Russ Wanke	- <sup>3)</sup>

<sup>1)</sup> Includes shares directly owned by Mr. Peter Seligson and his wife and shares owned by Baltiska Handels A.B., which is controlled by Mr. Peter Seligson.

<sup>2)</sup> Includes shares owned by Mr. Alexander Ehrnrooth and by Belgrano Inversiones Oy, which is controlled by Mr. Alexander Ehrnrooth, and by Viknum AB, an entity closely associated with Mr. Alexander Ehrnrooth and controlled by Virala Corporation.

<sup>3)</sup> Mr. Wanke has in his employment agreement agreed to purchase shares in Ahlstrom-Munksjö for an aggregate purchase price of USD 1 million. The shares to be purchased are subject to a non-transfer restriction expiring on September 30, 2019.

## Directorships and/or Partnerships

The members of the Board of Directors and the Executive Management Team of Ahlstrom-Munksjö currently hold or have held the following directorships and/or have been a partner in the following partnerships in the five years prior to the date of this Prospectus:

	<u>Current directorships/partnerships</u>	<u>Former directorships/partnerships</u>
<b>Members of the Board of Directors</b>		
Peter Seligson	Antti Ahlström Perilliset Oy Aschan Kahvilat Oy Aurajoki Oy Baltiska Handels A.B. Baltiska Handels Sverige AB Broadius Holding Ltd. Broadius Partners Ltd. Café Ax Oy Chateau de Clarettes SA Dexus Oy Folkhälsan Hercculia Oy Ab Johto Café Oy Oy Reuter & Stolt Products Ab SCI Domaine des Clarettes Seligson & Co Fund Management Plc Skatte- och Företagsekonomiska Stiftelsen Tammimetsän Kahvilat Oy Thaddeus & CIE S.A.	Ahlstrom Corporation Ahlström Capital Oy Jokiauran Kiinteistö Oy Seligson & Co Oyj
Elisabet Salander Björklund	Bergvik Skog AB Bergvik Skog Plantor AB Bergvik Skog Väst AB Bergvik Skog Öst AB Dalkarlsbo AB Firefly AB Gasum Ltd. Marcus Wallenberg Prize Foundation Svensk Skogskommunikation AB SweTree Technologies AB	Bergnät 1 AB Bergnät 2 AB Bergnät 3 AB Bergvik Skog, SIA Björkön Skog AB Cellutech AB Dina Skog 2013 AB Fragaria, SIA Gopån Nät AB Granmark, SIA Grävlingkullarna Energi AB Gruvberget Vindkraft AB Källfallet Skogs AB Lingbo Nät AB Lingbo Vindkraft AB Mogård Skog AB Myrtillus, SIA Målsjön Skog AB Norra Ånglarna Vindkraft AB Ramnäs Skog AB Rem Skog AB Ruda, SIA Skäftåsen Nät AB Skäftåsen Vindkraft AB Svartnäs Vindkraft AB Tulia Vitåsarna AB Vackeråsen Skog AB Vito Skog AB Zilupe Mezs, SIA
Pernilla Walfridsson	Netonnet Group AB	
Alexander Ehrnrooth	AI-Partners Oy Aleba Corporation Atine Group Oy Belgrano Inversiones Oy Louise och Göran Ehrnrooth Stiftelse sr. Tercero Invest AB Valeado AB Viknum AB Vimpu Intressenter Ab	Ahlstrom Corporation FEL Investments Oy Ferraria Oy Ab Fiskars Corporation Sellan Intressenter Oy Ab Vikon Partners Ab Wärtsilä Corporation

	Virala Capital Partners Inc. Virala Capital Partners Inc. Finnish branch Virala Corporation	
Johannes Gullichsen	Alfakemist Kapitalförvaltning Ab Antti Ahlström Perilliset Oy GasEK Ltd Ingenjörbyrå Arhippainen, Gullichsen & Co Kb Nukute Oy Ram Partners Oy RAM Partners Special Situations Ky Studio Butter-Briceño Architects Ltd TM Kapital Ab	Ahlstrom Corporation Ahlström Capital Oy Walter Ahlström Foundation
Hannele Jakosuo-Jansson	Neste Engineering Solutions Oy  Nynas AB	Tekes – the Finnish Funding Agency for Innovation
Harri-Pekka Kaukonen	Esperi Care Holding Oy Lindström Oy Suomen Asuntoneuvoja Oy Suomen VAKA-palvelut I Oy Suomen VAKA-palvelut II Oy Tieto Corporation UMNI Oy YIT Corporation	Ahlstrom Corporation East Office of Finnish Industries Oy Evli Bank Plc Ilmarinen Mutual Pension Insurance Company Karem Oy Lastannet Oy Lemminkäinen Corporation Oral Hammaslääkärit Plc Renideo Group Oy Renideo Holding Oy Sanoma Corporation ÅR Packaging Group AB
Valerie A. Mars	Fiat Chrysler Automobiles N.V. Royal Canin Rabobank North America	
Lasse Heinonen	Ahlström Capital Oy Are Oy Destia Group Plc Enics AG Olvi plc Terveystalo Healthcare Holding Oy Terveystalo Plc	FD Finanssidata Oy Tieto Finland Oy Tieto Finland Support Services Oy Tieto Global Oy Tieto Healthcare & Welfare Oy Tieto Information 123 Oy Tietokarhu Oy
<b>Members of the Executive Management Team</b>		
Hans Sohlström		Ahlstrom Corporation Ahlström Capital Oy Bore Ltd Destia Group Plc Enics AG Nordkalk Corporation Oy Thunship Ab Rettig Group Ltd Rettig ICC bv
Sakari Ahdekivi	Helsinki Deaconess Institute Lehto Group Plc	MediNord Oy Tamro Corporation Tamro Finance Oy
Pia Aaltonen-Forsell	Helapala Oy Uponor Corporation	Mena Wood Oy Ltd Stora Enso Building Solutions Finland Oy Stora Enso Wood Products Oy Ltd
Dan Adrianzon	Sydved AB	Euterpe Musica AB
Daniele Borlatto	–	–
Fulvio Capussotti	–	–

Andreas Elving	Peter AG Elving AB	Autoliv Development AB Autoliv East Europe AB Autoliv Italia S.p.A. Autoliv-Kolb Limited Autoliv Spring Dynamics Limited
Omar Hoek	EDANA Just Flush, India	
Tomas Wulkan	–	–
Russ Wanke	University of Wisconsin Stevens Point Paper Science & Chemical Engineering Foundation University of Wisconsin-Stevens Point College of Natural Resources Advisory Board Wisconsin Paper Council	American Forest & Paper Association Expera Specialty Solutions, LLC

### **Auditors**

Ahlstrom-Munksjö's audited consolidated financial statements as at and for the year ended December 31, 2017, which have been incorporated by reference into this Prospectus, have been audited by KPMG Oy Ab, independent auditors, (with Authorized Public Accountant Anders Lundin as the responsible auditor). On March 21, 2018, the Annual General Meeting of Shareholders of Ahlstrom-Munksjö reelected KPMG Oy Ab, with Authorized Public Accountant Anders Lundin as the responsible auditor, to be the auditor of Ahlstrom-Munksjö.

## MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

The following table presents the ten largest shareholders of Ahlstrom-Munksjö that appear in the shareholders' register maintained by Euroclear Finland as at October 31, 2018 and in the register of shareholders maintained by Euroclear Sweden as at November 1, 2018:

	Number of shares	Percent of shares and votes
Ahlström Capital Oy <sup>1)</sup>	17,935,919	18.6
Viknum AB <sup>2)</sup>	11,625,005	12.1
Ilmarinen Mutual Pension Insurance Company	3,025,765	3.1
Verdipapirfonde ODIN <sup>3)</sup>	2,156,900	2.2
Mona Huber	1,911,672	2.0
Jacqueline Tracewski	1,344,106	1.4
Varma Mutual Pension Insurance Company	1,306,732	1.4
Kai Nahi	1,232,459	1.3
Linda-Maria Emmett	1,073,628	1.1
Kim Kylmäla	1,070,888	1.1
Ten largest, total	42,683,074	44.3
Other shareholders	53,755,499	55.7
Total shares in the Company	96,438,573	100.0

<sup>1)</sup> Shares owned through AC Invest Five B.V.

<sup>2)</sup> Viknum AB is an entity closely associated with Mr. Alexander Ehrnrooth and controlled by Virala Corporation.

<sup>3)</sup> Consists of shares owned by Verdipapirfonde ODIN Sverige and ODIN Finland.

All shares in Ahlstrom-Munksjö carry equal voting rights and none of Ahlstrom-Munksjö's shareholders have any voting rights that are different from those of the other shareholders in Ahlstrom-Munksjö.

To the extent known to Ahlstrom-Munksjö, Ahlstrom-Munksjö is not, directly or indirectly, owned or controlled by any one person.

Ahlstrom-Munksjö is not aware of any arrangements that may lead to a change of control in the Company. The Company is not aware of any shareholder agreements between the shareholders of the Company that would be in effect.

### Related Party Transactions

Ahlstrom-Munksjö's related parties include subsidiaries, associates and joint operations as well as the members of the Board of Directors and the Executive Management Team and their close family members and controlled entities. Ahlstrom-Munksjö's subsidiaries have been presented under "*Business of the Company – Group Legal Structure*".

Ahlstrom-Munksjö has entered into certain transactions with its related parties:

- Ahlstrom-Munksjö purchases wood and woodchips from the company Sydved AB, in which Ahlstrom-Munksjö holds 33 percent of the shares. For the year ended December 31, 2017 Ahlstrom-Munksjö purchased 794,578 cubic meters of wood and woodchips amounting to EUR 35.8 million and 618,903 cubic meters of wood and woodchips amounting to EUR 30.7 million for the nine months period ended September 30, 2018. The Company's trade payables to Sydved AB were EUR 4.1 million as at September 30, 2018.
- The Company's subsidiary Ahlstrom-Munksjö Paper GmbH purchases electricity and gas from Stadtwerke Aalen GmbH, which owns 40 percent of Ahlstrom-Munksjö Paper GmbH's subsidiary Kraftwerksgesellschaft Unterkochen GmbH. For the year ended December 31, 2017 the related purchases amounted to EUR 5.9 million and EUR 3.3 million for the nine months period ended September 30, 2018.

The above transactions took place on arm's length terms.

The Company's related party transactions with members of the Executive Management Team and the Board of Directors for the nine months period ended 30 September 2018 consist of normal remuneration. The Extraordinary General Meeting held on September 19, 2018 elected one new member to the Board of Directors and a new member was appointed to the Executive Management Team in connection with the Expera Acquisition. For additional information on the remuneration



of the members of the Board of Directors and the Executive Management Team, see “*Board of Directors, Management and Auditors – Remuneration*” above.

In addition to the above, there has not been any significant change in Ahlstrom-Munksjö’s related party transactions after the year ended December 31, 2017.

## DESCRIPTION OF THE SHARES AND SHARE CAPITAL

### General Information

Ahlstrom-Munksjö was incorporated on June 8, 2012 and it is a public limited liability company organized under the laws of Finland. The registered business name of Ahlstrom-Munksjö is Ahlstrom-Munksjö Oyj and it is domiciled in Helsinki, Finland. Ahlstrom-Munksjö is registered in the Finnish Trade Register under business identity code 2480661-5. Its registered office is located at Alvar Aallon katu 3 C, FI-00100 Helsinki, Finland, and its telephone number is +358 (0)10 888 0.

According to Article 2 of its Articles of Association, Ahlstrom-Munksjö's field of business is to engage in the manufacture, converting and sale of fiber-based solutions and products and in other related or supporting activities. Ahlstrom-Munksjö may operate either directly or through subsidiaries and associated companies. Ahlstrom-Munksjö may also as the parent company take care of the Group companies' common tasks such as administrative services and financing, and own real estate, shares and other securities.

### Shares and Share Capital

As at the date of this Prospectus, Ahlstrom-Munksjö's fully paid share capital amounts to EUR 85,005,912 and the total number of shares in Ahlstrom-Munksjö is 96,438,573. The shares in Ahlstrom-Munksjö have no nominal value. Ahlstrom-Munksjö has one series of shares with ISIN code FI4000048418. Ahlstrom-Munksjö's shares are listed on Nasdaq Helsinki as well as on Nasdaq Stockholm. All shares carry one vote and have equal voting rights at the General Meetings of Shareholders. The trading codes of the shares in Ahlstrom-Munksjö is AM1 on Nasdaq Helsinki and AMS1 on Nasdaq Stockholm. As at the date of this Prospectus, Ahlstrom-Munksjö holds 364,862 of its own shares in treasury. The shares are issued under Finnish law.

### History of Share Capital

The following table presents a summary of the changes in the Company's share capital and the number of shares from 1 January 2017 to the date of this Prospectus:

Date of decision	Arrangement	Number of shares after the arrangement	Share capital (EUR)	Date of Trade Register registration
January 11, 2017	Completion of the Merger and the issuance of new shares as merger consideration	96,438,573	85,005,912 <sup>1)</sup>	April, 1, 2017 (rectification May 9, 2018) <sup>1)</sup>

<sup>1)</sup> The registration of the amount of the increase in the share capital of the Company in connection with the registration of the execution of the Merger was corrected from EUR 70,000,000 to EUR 70,005,912 and registered with the Finnish Trade Register on May 9, 2018.

### Current Authorisations

#### *Authorization regarding the repurchase and distribution of the Company's own shares*

On March 21, 2018, the Annual General Meeting of Shareholders of Ahlstrom-Munksjö authorized the Board of Directors to resolve to repurchase and to distribute the Company's own shares as well as to accept them as pledge in one or more instalments on the following conditions:

The number of shares to be repurchased or accepted as pledge by virtue of the authorization shall not exceed 8,000,000 own shares in the Company, subject to the provisions of the Companies Act on the maximum amount of shares owned by or pledged to the company or its subsidiaries. The shares may be repurchased or accepted as pledge in one or several instalments and in another proportion than that of the existing shareholdings of the shareholders in the Company. The shares shall be repurchased in public trading at the prevailing market price by using unrestricted shareholders' equity.

The Board of Directors is authorized to resolve on all other terms and conditions regarding the repurchase of the Company's own shares or their acceptance as pledge.

By virtue of the authorization, the Board of Directors has the right to resolve on the distribution of a maximum of 8,000,000 own shares held by the Company in one or several instalments.

The authorization includes the right for the Board of Directors to resolve upon all terms and conditions of the distribution of shares held by the Company, including the right to derogate from the pre-emptive right of the shareholders. The shares may be used e.g. as consideration in acquisitions and in other arrangements as well as to implement the Company's share-based incentive plans or for other purposes determined by the Board of Directors. The Board of Directors has also the right to resolve on the distribution of the shares in public trading for the purpose of financing possible acquisitions. The authorization also includes the right for the Board of Directors to resolve on the sale of the shares accepted as a pledge.

The authorizations are valid until the close of the next Annual General Meeting, however, no longer than eighteen (18) months from the close of the Annual General Meeting.

### ***Authorization regarding the Offering***

On September 19, 2018, the Extraordinary General Meeting of Shareholders of Ahlstrom-Munksjö authorized the Board of Directors to resolve on the issuance of a maximum of 20,000,000 new shares pursuant to the shareholders' pre-emptive subscription right. The authorization includes the right for the Board of Directors to resolve upon the issuance of shares that at the end of the subscription period of the rights offering may remain unsubscribed for pursuant to the shareholders' pre-emptive subscription right to parties determined by the Board of Directors (i.e. in derogation from the pre-emptive right of the shareholders). The Board of Directors is authorized to determine all other terms and conditions of the issuance of new shares.

The authorization is valid until the close of the next Annual General Meeting, however, no longer than until June 30, 2019.

## **Shareholders' Rights**

### ***Shareholders' pre-emptive subscription right***

Pursuant to the Companies Act, the shareholders of a Finnish limited liability company have a pre-emptive right to subscribe for the company's new shares, option rights and convertible bonds in proportion to the number of shares in a company they already hold unless otherwise provided in the resolution of the General Meeting of Shareholders or the Board of Directors resolving on such issue. Pursuant to the Companies Act, a resolution that deviates from the shareholders' pre-emptive rights must be approved by at least two thirds of all votes cast and shares represented at a General Meeting of Shareholders. In addition, pursuant to the Companies Act, such a resolution requires that the company has a weighty financial reason to deviate from the pre-emptive rights of shareholders. In addition, pursuant to the Companies Act, a resolution on a share issue without payment waiving the shareholders' pre-emptive rights requires that there is an especially weighty financial reason for the company and in regard to the interests of all shareholders in the company.

Certain foreign shareholders may not necessarily be able to exercise their pre-emptive subscription rights in the Company's future offerings due to the legislation and regulations of their own country.

In the Offering, new shares will be offered in deviation from the shareholders' pre-emptive subscription right. See also "*Risk Factors – Risks relating to the Shares, the Subscription Price and the Offering – Certain foreign shareholders may not necessarily be able to exercise their subscription rights*" and "*Background of the Expera Acquisition and Use of Proceeds*".

### ***General Meetings of Shareholders***

Pursuant to Companies Act, the shareholders exercise their decision-making power concerning the company's matters at the General Meetings of Shareholders. Pursuant to the Companies Act, the Annual General Meeting of Shareholders of a company shall be held annually within six months of the end of the financial year.

Pursuant to the Companies Act, the Annual General Meeting of Shareholders shall resolve on matters including, amongst others, the following:

- adoption of the financial statements and consolidated financial statements,
- granting discharge from liability to the members of the Board of Directors and the CEO,
- use of profit shown in the balance sheet,
- election of members of the Board of Directors, and
- election of auditors.

Furthermore, an authorization for the Board of Directors to resolve on a share issue or issue of other special rights entitling to shares and amendments to the Articles of Association also require the resolution of a General Meeting of Shareholders. In addition to Annual General Meetings of Shareholders, Extraordinary General Meetings of Shareholders may also be held if required. Subject to the nature of the matter to be resolved, the provisions of the Companies Act regarding qualified majority, as described below, shall be applied.

The General Meeting of Shareholders handles the matters required by the Companies Act or the Articles of Association or presented to it by the Board of Directors. As a general rule, the General Meeting of Shareholders is summoned by the Board of Directors. If a shareholder or shareholders of a company controlling at least 10 percent of the shares or the company's auditor request in writing that a certain matter be handled at a General Meeting of Shareholders, the Board of Directors must summon a General Meeting of Shareholders within one month from the arrival of the request. Under the Companies Act, a shareholder may submit a written request to the Board of Directors to include on the agenda for the next General Meeting of Shareholders any matter falling within the competence of the General Meeting of Shareholders, provided that the request is submitted in good time so that it can be included in the notice to the meeting. In a listed company, a request is always considered to be on time, if it is submitted at the latest four weeks prior to the giving of the notice to a meeting.

The proposal by the Shareholders' Nomination Board for the composition of the Board of Directors shall be included in the notice of the General Meeting of Shareholders. The same applies to a proposal for the composition of the Board of Directors made by shareholders with at least 10 percent of the votes carried by the shares, provided that the candidates have given their consent to the election and the Company has received information on the proposal sufficiently in advance so that it may be included in the notice to the General Meeting of Shareholders. The proposal by the Board of Directors for the auditors of the company will be published in connection with the notice to the General Meeting of Shareholders.

Under the Articles of Association of the Company, the shareholders of the Company are summoned to a General Meeting of Shareholders by publishing the notice on the Company's website. The notice shall be published no earlier than three (3) months and no later than three (3) weeks prior to the General Meeting of Shareholders, in any event no later than nine (9) days prior to the record date (as described below) of the General Meeting of Shareholders.

Under the Articles of Association, a shareholder must notify the Company of his or her intention to attend the meeting no later than on the date mentioned in the notice to the meeting, which date may be no earlier than ten (10) days prior to the meeting.

Pursuant to the Companies Act, only the shareholders who have been entered in the Company's shareholders' register maintained by Euroclear Finland eight working days before a General Meeting of Shareholders (i.e. the record date) have the right to attend the General Meeting of Shareholders. A holder of nominee-registered shares has the right to participate in a General Meeting of Shareholders by virtue of such shares based on which he or she on the record date would be entitled to be registered in the shareholders' register of the company held by Euroclear Finland. The right to participate in a General Meeting of Shareholders requires, in addition, that the shareholder on the basis of such shares has been registered into the temporary shareholders' register of the company held by Euroclear Finland. The notification of temporary entry into the shareholders' register shall be made no later than on the date specified in the notice to the General Meeting of Shareholders, which must be after the record date.

A shareholder, whose shares are registered in the Company's register of shareholders maintained by Euroclear Sweden, shall, to fulfil the requirements to attend the General Meeting of Shareholders, must be entered in the Company's register of shareholders maintained by Euroclear Sweden on the record date and request temporary registration of ownership in the shareholders' register maintained by Euroclear Finland by the date announced in the notice to the General Meeting of Shareholders. Furthermore, a shareholder whose shares are nominee registered in the register of shareholders of the Company maintained by Euroclear Sweden shall temporarily register his/her shares under his/her name in the register. A shareholder who wishes such temporary registration must contact his/her custodian bank and ask the custodian bank to temporarily register the shareholder in the Company's register of shareholders maintained by Euroclear Sweden and procure that the custodian bank sends the abovementioned request for temporary registration in the shareholders' register maintained by Euroclear Finland on their behalf.

Pursuant to the Companies Act, a shareholder may participate in a General Meeting of Shareholders in person or by way of proxy representation. A proxy representative shall produce a dated proxy document or otherwise in a reliable manner demonstrate his or her right to represent a shareholder at a General Meeting of Shareholders. When a shareholder participates in the General Meeting of Shareholders by means of several proxy representatives representing the shareholder based on shares at different securities accounts, the shares based on which each proxy representative represents the shareholder shall be identified in connection with the registration for the General Meeting of Shareholders. In addition, each shareholder or proxy representative may have an assistant present at the General Meeting of Shareholders.

## ***Voting rights***

A shareholder may attend and vote at a General Meeting of Shareholders personally or by way of proxy representation. Each share confers the right to cast one (1) vote at a General Meeting of Shareholders. If a holder of a nominee-registered share wishes to attend a General Meeting of Shareholders and exercise the voting rights attached to such share, the holder must be notified for a temporary entry in the Company's shareholders' register. The notification for temporary entry into the shareholders' register shall be made no later than on the date specified in the notice to the General Meeting of Shareholders, which must be after the record date. There are no quorum requirements for the General Meetings of Shareholders in the Companies Act or the Company's Articles of Association.

At a General Meeting of Shareholders, resolutions generally require the approval of the majority of the votes cast. However, certain resolutions, such as amending the Articles of Association, a directed share issue and, in certain cases, a resolution regarding a merger or demerger of the company, require a majority of two-thirds of the votes cast and of the shares represented at the General Meeting of Shareholders. In addition, certain resolutions, such as a mandatory redemption of the shares by a company in deviation of the shareholdings of the shareholders, require a consent of all shareholders.

## ***Dividend and other distribution of funds***

Under the Companies Act, dividends on shares of a Finnish company may only be paid after the General Meeting of Shareholders has adopted the company's financial statements and resolved on the distribution of dividend. As a general rule, the General Meeting of Shareholders may not decide to distribute assets in excess of what the Board of Directors has proposed or accepted. Pursuant to the Companies Act, the distribution of dividends shall be based on the latest adopted and audited financial statements. A company may also pay an interim dividend based on the earnings of the ongoing financial year if an Extraordinary General Meeting of Shareholders adopts new audited financial statements. The payment of dividends requires the approval of the majority of the votes cast at a General Meeting of Shareholders. The General Meeting of Shareholders may also authorize the Board of Directors to resolve on the distribution of dividends. Pursuant to the Articles of Association of the Company, the shares of the Company entitle their holders to equal rights to dividend and other distributable funds (including the distribution of the Company's assets in dissolution) after the shares are entered in the Finnish Trade Register.

Pursuant to the Companies Act, the shareholders' equity is divided into restricted and unrestricted equity. The division has significance when determining the amount of distributable funds. Share capital and revaluation surplus, fair value reserve and revaluation reserve pursuant to the Finnish Accounting Act (1336/1997, as amended) are restricted equity. The premium fund and reserve fund established prior to the entry into force of the Companies Act are restricted equity as provided by the Act on the Implementation of the Companies Act (625/2006, as amended). Other reserves and the profit for the financial year and retained earnings from the previous financial years are unrestricted equity. The amount of any dividend or other distribution of assets is limited to the amount of distributable funds. However, no funds may be distributed if at the time of resolving on the distribution it is known or it should be known that the company is insolvent or that the distribution will result in insolvency. Distributable funds include the profit for the financial year, retained earnings from previous years and other unrestricted equity, less reported losses and the amount required by the company's Articles of Association to be left undistributed. The distributable funds shall be adjusted as appropriate by the amount of founding costs, research costs and certain development costs capitalised in the balance sheet pursuant to the Act on the Implementation of the Companies Act.

A dividend or other distribution of assets may not exceed the amount proposed or approved by the Board of Directors unless requested at the Annual General Meeting of Shareholders by shareholders representing at least ten percent of the issued shares of a company. If such a request is presented, and sufficient distributable funds are available as described above, the dividend paid shall equal at least one-half of a company's profit for the financial year, less the amount required by a company's Articles of Association to be left undistributed. The shareholders may request dividend for a maximum amount of eight percent of the total shareholders' equity of a company. Any dividend for the financial year distributed prior to the Annual General Meeting of Shareholders shall be deducted from the distributable amount. Dividend and other distributions are paid to shareholders or their nominees that are included in the shareholders' register or the register of shareholders on the relevant record date. The shareholders' register is maintained by Euroclear Finland through relevant book-entry account operators. Under the Finnish book-entry securities system, dividends are paid by account transfers to the accounts of the shareholders appearing in the register. The register of shareholders is maintained by Euroclear Sweden and dividends payable for Euroclear Sweden registered shares will be forwarded by Euroclear Sweden. All shares of the Company entitle their holders equal rights to dividend and other distributions of the Company (including in an event of dissolution of the Company). The date of expiry of the dividend is normally three years from the payment date of the dividend.

Under the Companies Act, a company may acquire or redeem its own shares. Decisions on the acquisition or redemption of a company's own shares must be made by the General Meeting of Shareholders and require at least two thirds of the

votes cast and the shares represented at the meeting. The General Meeting of Shareholders may also authorize the Board of Directors to decide on an acquisition of a company's own shares using the unrestricted equity for a specific period of time, which cannot exceed 18 months. Own shares may be acquired in a proportion other than that of the shares held by the shareholders only if there is a weighty financial reason for the company to do so. As a general rule, own shares may be redeemed in a proportion other than that of the shares held by the shareholders only by the consent of all shareholders. In a public company, the decision to acquire or redeem own shares or to accept them as pledge may not be made if the treasury shares in the possession of, or held as pledges by, the company and its subsidiaries would exceed ten percent of all shares. Shares held by a company or its subsidiaries shall not be entitled to participate in the General Meeting of Shareholders or to dividend distribution.

### ***Mandatory tender offer and redemption obligation***

The Securities Market Act requires that a shareholder whose holding in a company exceeds three-tenths or one-half of the total voting rights attached to the shares of the company, after the commencement of a public quotation of such shares must make a public tender offer for all the remaining shares and securities with an entitlement to its shares issued by the company for fair value. For more information, see "*Finnish Securities Market – Regulation of the Finnish Securities Market*".

Under the Companies Act, a party holding more than nine-tenths of all the shares and votes attached to the shares in a company has the right to redeem the shares of the other shareholders of the company at fair value. The Companies Act provides detailed provisions for the calculation of the said shares and votes. In addition, any minority shareholder that possesses shares that may be so redeemed by the majority shareholder based on the Companies Act is entitled to require such majority shareholder to redeem its shares. If a shareholding constitutes the right and obligation for redemption, the company must immediately enter this in the Finnish Trade Register. The Redemption Committee of the Finland Chamber of Commerce appoints a requisite number of arbitrators to resolve disputes related to the redemption and the redemption price. The redemption price shall be determined on the basis of the fair market price preceding the initiation of the arbitration proceedings.

### **Treasury Shares**

Pursuant to the Companies Act, a company can repurchase its own shares. Resolutions regarding the repurchase of a company's own shares must be made by the General Meeting of Shareholders, unless the General Meeting of Shareholders has authorized the Board of Directors to resolve upon share repurchases using unrestricted equity. Any such authorization with regard to a public limited liability company may remain in effect for no more than 18 months. A public limited liability company may not, directly or indirectly, own more than ten percent of all shares in the company. As at the date of this Prospectus, Ahlstrom-Munksjö holds 364,862 of its own shares in treasury.

### **Transfer through the Finnish Book-entry Securities System**

Upon a sale of shares through the Finnish book-entry securities system, the relevant shares are transferred from the seller's book-entry account to the buyer's book-entry account as an account transfer. For the sale, allocation data is recorded into Euroclear Finland's Infinity system and, if necessary, a provision regarding the book-entry security is made to the book-entry account. The sale is registered as an advance transaction until settlement and payment, after which the buyer is automatically registered in the shareholders' register of the relevant company. Trades are normally cleared in Euroclear Finland's automated clearing and settlement system (Infinity system) on the second banking day after the trade date unless otherwise agreed by the parties. In case the shares are registered in the name of a nominee and the seller's and buyer's shares are deposited in the same custodial nominee account, a sale of shares does not require any entries into the Finnish book-entry securities system unless the nominee changes or the shares are transferred from the custodial nominee account pursuant to the sale.

### **Foreign Exchange Control**

Shares in a Finnish company may be purchased by non-residents of Finland without any separate Finnish exchange control consent. Non-residents may also receive dividends without separate Finnish exchange control consent, but the company is generally required to withhold tax on the transfer of assets out of Finland unless an agreement for avoiding double taxation, whose provisions prevent the withholding of tax, applies. Non-residents having acquired shares in a Finnish limited liability company may receive shares pursuant to a bonus issue or through participation in a rights issue without separate Finnish exchange control consent. Shares in a Finnish company may be sold in Finland by non-residents, and the proceeds of such sale may be transferred out of Finland in any convertible currency. There are no Finnish exchange control regulations restricting the sale of shares in a Finnish company by non-residents to other non-residents.

## PLAN OF DISTRIBUTION IN THE OFFERING

### Underwriting

Nordea and Skandinaviska Enskilda Banken have entered into the Underwriting Agreement, dated November 19, 2018, with Ahlstrom-Munksjö, pursuant to which they have severally agreed, subject to certain terms and conditions, to procure subscribers for any Offer Shares that may remain unsubscribed for in the Offering, excluding the Offer Shares that are covered by the Subscription Undertakings and that the Subscription Guarantor has committed to subscribe for, or to subscribe for such Offer Shares (the “**Rump Shares**”) themselves at the Subscription Price in the percentages set forth below, in each case, subject to the terms and conditions set out in the Underwriting Agreement:

	Percentage of Rump Shares
Nordea Bank Abp	50
Skandinaviska Enskilda Banken AB (publ)	50

The obligations of Nordea and Skandinaviska Enskilda Banken are subject to certain conditions that are customary for an agreement of this nature. These conditions include, among other things, that the shareholders that have given the Subscription Undertakings and the Subscription Guarantor shall have subscribed and paid for their committed amounts of the Offer Shares at the Subscription Price, as described in “– *Participation of the Existing Shareholders and Subscription Guarantor*” below, the accuracy of the representations and warranties in the Underwriting Agreement and approval for listing of the Offer Shares on Nasdaq Helsinki and Nasdaq Stockholm having taken place on or prior to the closing date of the Offering. In addition, Ahlstrom-Munksjö has agreed to indemnify Nordea and Skandinaviska Enskilda Banken against certain liabilities in connection with the Offering.

The Underwriting Agreement is subject to customary provisions allowing Nordea and Skandinaviska Enskilda Banken to terminate their respective underwriting commitments in certain circumstances. These include the occurrence of certain material adverse changes in the business, condition (financial, legal or otherwise) or results of operations of Ahlstrom-Munksjö and its subsidiaries taken as a whole and certain changes in, among other things, certain national or international political, financial or economic conditions. If any of the above-mentioned conditions are not satisfied or any of the above-mentioned events occurs, or the Underwriting Agreement is terminated, prior to the closing date, then the subscription of the Rump Shares will not occur. In such circumstances the Board of Directors may, based on the Finnish Companies Act, be obliged to resolve not to approve subscriptions made using the Subscription Rights.

Ahlstrom-Munksjö has given customary representations and warranties to Nordea and Skandinaviska Enskilda Banken, including in relation to Ahlstrom-Munksjö’s business and legal compliance, in relation to the existing Shares and the Offer Shares and in relation to the contents of this Prospectus.

### Fees and Expenses

Ahlstrom-Munksjö expects to pay approximately EUR 6.9 million in fees and expenses, including the underwriting commissions of the Managers and the Subscription Guarantor, in connection with the Offering. Ahlstrom-Munksjö has also agreed to pay certain costs incurred by the Managers in connection with the Offering. The fee payable to the Subscription Guarantor for committing to subscribe for Offer Shares (see “– *Participation of the Existing Shareholders and Subscription Guarantor*”) is comparable to the fees payable to the Managers for their respective underwriting commitments under the Underwriting Agreement (on a pro rata basis to the relative size of the commitments).

### Interests of the Managers

The fees of the Managers are partly linked to the amount of funds to be raised in the Offering.

Each of the Managers and/or their respective affiliates have performed, and may in the future perform, advisory, consulting and/or banking services for Ahlstrom-Munksjö in the ordinary course of their business for which they have received, or will receive, customary fees and expenses. In addition, the Managers or their respective affiliates have acted as financier to Ahlstrom-Munksjö in connection with the Expera Acquisition and the proceeds received from the Offering will be used to repay the outstanding loans under the bridge facilities agreement related to the Expera Acquisition. Furthermore, certain of the Managers or their respective affiliates have acted and may in the future act as arrangers or lenders under certain facility agreements of Ahlstrom-Munksjö for which they have received, or will receive, customary fees and expenses.

## Participation of the Existing Shareholders and Subscription Guarantor

Baltiska Handels A.B., Belgrano Inversiones Oy, Viknum AB and AC Invest Five B.V., Ilmarinen Mutual Pension Insurance Company, Varma Mutual Pension Insurance Company, Alexander Ehrnrooth and Peter Seligson, representing in aggregate approximately 36.9 percent of the issued and outstanding Shares, have each separately and irrevocably committed to subscribe in full for the Offer Shares on the basis of Subscription Rights allocated to them. In addition, Antti Ahlström Perilliset Oy has irrevocably committed to subscribe for Offer Shares that may remain unsubscribed for in the Offering for an amount representing approximately 10.0 percent of the Offer Shares.

## Lock-ups

The largest shareholders of the Company, Viknum AB and Ahlström Capital Oy, will undertake that they will not, without the prior written consent of the Company and the Managers, directly or indirectly, transfer, assign, lend or otherwise dispose of any of the shares or any Offer Shares or any voting rights pertaining thereto during a period ending on the later of (a) the date of the settlement and delivery of the Offer Shares or, (b) in the case that the Managers end up subscribing for or purchasing Offer Shares pursuant to the Underwriting Agreement, at the latest thirty (30) days from the settlement and delivery date of the Offer Shares.

## Dilution

The maximum amount of the Offer Shares offered in the Offering represents approximately 16.6 percent of Shares after the completion of the Offering. In the event that the existing shareholders of Ahlstrom-Munksjö would not subscribe for the Offer Shares in the Offering (except for the participation of the shareholders who have given a Subscription Undertaking, see “– *Participation of the Existing Shareholders and Subscription Guarantor*” above), the total holdings of the existing shareholders would dilute by 16.6 percent assuming that all the Offer Shares are subscribed for in full.

## Listing of Shares

Ahlstrom-Munksjö will apply for the Offer Shares to be admitted to public trading on Nasdaq Helsinki and Nasdaq Stockholm.

## NCI Requirement for Natural Persons

The national client identifier (NCI) is a global identity code for natural persons. Under the Markets in Financial Instruments Directive (2014/65/EU) (“**MiFID II**”), all natural persons wishing to trade in financial instruments must verify their identity with a national client identifier from 3 January 2018. If the identity is not verified, Nordea may not be able to carry out transactions on behalf of the natural person. In Finland the personal identity code and in Sweden the personal identity number is used as the NCI code.

## LEI Requirement for Legal Persons

The legal entity identifier (LEI) is a global identity code for legal persons. Under MiFID II, all legal persons wishing to trade in financial instruments must have a legal identity identifier from 3 January 2018. If a legal entity identifier cannot be provided, Nordea may not be able to carry out transactions on behalf of the legal person.

## Information to Distributors

In connection with the product governance requirements of: (a) MiFID II, (b) Articles 9 and 10 of the Commission Delegated Directive (EU) 2017/593 of April 7, 2016 supplementing MiFID II, and (c) Chapter 5 of the Swedish Financial Supervisory Authority’s regulations regarding investment services and activities, FFFS 2017:2 and (d) other local implementation activities, (together the “**MiFID II Product Governance Requirements**”), and aside from liability for damages which may be incumbent on a “producer” (in accordance with the MiFID II Product Governance Requirements), the shares in the Company have been subject to an authorization process, in which the target market for shares in the Company is (i) non-professional clients and investors who fulfil the requirements for professional clients and equal counterparties, each in accordance with MiFID II (the “**Target Market**”), and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II. Notwithstanding the Target Market assessment, the distributors should note that: the value of the shares in the Company may decrease and investors may not regain all or part of the invested amount; shares in the Company do not guarantee revenue or capital protection; and an investment in the Company’s shares are solely suited for investors who are not in need of a guaranteed revenue or a capital protection, who (either alone or together with a suitable financial or other advisor) are capable of evaluating the benefits and risks with such an investment and have sufficient means to carry such losses that may arise thereof. The Target Market evaluation does not affect the requirements in any contractual, legal or regulatory sales restrictions in relation to the Offering.



The Target Market evaluation should not be considered as (a) an eligibility or suitability evaluation in accordance with MiFID II; or (b) a recommendation to any investor or group of investors to invest in, obtain, or take any other action concerning the shares. Each distributor is responsible for its own evaluation of the Target Market concerning shares and for determining the appropriate distribution channels.

## FINNISH SECURITIES MARKET

*The following summary is a general description of the Finnish securities markets and it is based on the laws of Finland as in effect as at the date of this Prospectus. The following summary is not exhaustive.*

### **Trading and Clearing on Nasdaq Helsinki**

Trading in and clearing of securities on Nasdaq Helsinki takes place in euro, and the minimum price increment in which the prices are quoted (tick size) depends on the share price. All price information is produced and published only in euro.

Nasdaq Helsinki uses the automated INET Nordic trading platform. INET Nordic is an order-based system in which orders are executed when price and volume information as well as other conditions match. Nasdaq Helsinki has three principal trading sessions: pre-open session, continuous trading and post-trading session. For shares, pre-open session begins at 9:00 a.m. and ends at 9:45 a.m. during which orders may be placed, changed or cancelled. The opening call begins at 9:45 a.m. and ends at 10:00 a.m. Continuous trading begins immediately after the opening call ends at 10:00 a.m. and trading continues at prices based on market demand until 6:25 p.m. when the closing call is initiated. Orders entered during the pre-open session and existing orders with several days' validity are automatically transferred into the opening call. Post-trading, during which contract transactions for shares can be registered as after-hours trading in confirmed prizes within the price limits based on the trading day, takes place between 6:30 p.m. and 7:00 p.m.

Trades are normally cleared in Euroclear Finland's automated clearing and settlement system (Infinity system) on the second banking day after the trade date unless otherwise agreed by the parties. Nasdaq Helsinki is a part of Nasdaq, Inc. ("Nasdaq"). Nasdaq offers trading across multiple asset classes, and its technology supports the operations of over 85 marketplaces in 50 countries. Nasdaq also owns and maintains the stock exchanges in Stockholm, Copenhagen, Reykjavik, Tallinn, Riga and Vilnius. Each country has its own official list and country-specific listing requirements. Nasdaq's Nordic List was launched on 2 October 2006 and it consists of the local stock exchanges in Helsinki, Copenhagen, Stockholm and Reykjavik. Through the Nordic List, the listing requirements for companies as well as the way of presenting the listed companies have been harmonized. In the Nordic List, companies are presented first by their market capitalization and then by their industry sector irrespective of the domicile of the company. The market's capitalization classification is divided into three categories: Large Cap, Mid Cap and Small Cap. Within each market capitalization segment, companies are sorted by their industry sector pursuant to the Industry Classification Benchmark (ICB).

### **Regulation of the Finnish Securities Market**

The securities market in Finland is supervised by the Finnish Financial Supervisory Authority (the "FIN-FSA"). The principal statute governing the Finnish securities market is the Securities Market Act, which contains regulations with respect to, among other matters, company and shareholder disclosure obligations, prospectuses as well as public tender offers. In addition, the MAR regulates insider dealing, unlawful disclosure of inside information, market manipulation, and public disclosure of inside information. MAR establishes a uniform regulatory framework for market abuse regime in the EU. The FIN-FSA and Nasdaq Helsinki have also issued more detailed regulations on the securities markets pursuant to the Securities Market Act. The FIN-FSA monitors compliance with these regulations.

The Securities Market Act specifies the minimum disclosure requirements for Finnish companies applying to list on Nasdaq Helsinki or making a public offering of securities in Finland. The issuer of security subject to public trading is obliged to regularly provide financial information of the company and, pursuant to MAR, publicly disclose to the public as soon as possible the inside information which directly concerns that issuer. An issuer may delay disclosure of inside information to the public provided that all of the conditions set out in MAR are met. Information disclosed shall be sufficient to enable investors to make an informed assessment of the security and the issuer thereof.

A shareholder is required, without undue delay, to notify a Finnish listed company and the FIN-FSA when its voting interest in, or its percentage ownership of, the total number of shares in such Finnish listed company reaches, exceeds or falls below five percent, ten percent, 15 percent, 20 percent, 25 percent, 30 percent, 50 percent, 66.67 percent (2/3) or 90 percent, calculated in accordance with the Securities Market Act, or when it has on the basis of a financial instrument the right to receive an amount of shares that reaches, exceeds or falls below any such threshold. If a Finnish listed company receives information indicating that a voting interest or ownership interest has reached, exceeded or fallen below any of these thresholds, it must, without undue delay, publish such information and disclose it to Nasdaq Helsinki and to the main media. If a shareholder has violated its obligation to notify on voting interest or ownership, the FIN-FSA may due to a weighty reason prohibit the shareholder from using its right to vote and to be presented in the General Meeting of Shareholders for the shares to which the violation relates.

Pursuant to the Securities Market Act, a shareholder whose proportion of voting rights in a listed company exceeds three-tenths (3/10) or exceeds one-half (1/2) of the total voting rights attached to the shares of the company, calculated in accordance with the Securities Market Act, after the commencement of a public quotation of such shares must make a public tender offer for all the remaining shares and securities with an entitlement to its shares issued by the company for fair value. If the securities exceeding the thresholds referred to above have been acquired through a public tender offer on all shares and securities with an entitlement to the shares issued by the target company, no obligation to make a tender offer arises. If a company has two or more shareholders whose holdings of voting rights exceed the above mentioned limit, only the shareholder with the most voting rights is required to make a tender offer. If the proportion of votes described above is exceeded solely due to the measures taken by the target company or other shareholders, the shareholder will not be obligated to make a tender offer until he or she acquires or subscribes for more shares in the target company or otherwise increases his or her proportion of votes in the target company. If the above-mentioned limit is exceeded due to the shareholders acting in concert when making a voluntary tender offer, the obligation to make a tender offer is not triggered if acting in concert is limited only to such tender offer. There is no obligation to make a tender offer if a shareholder or another party who is acting in concert with such shareholder gives up its voting rights in excess of the above mentioned limit within one month after such limit was exceeded provided that the shareholder publishes its intention and voting rights are not used during such time.

Under the Companies Act, a shareholder holding shares representing more than nine-tenths of all the shares in a company and of the votes conferred by the shares has the right to redeem the shares of the other shareholders of the company at fair value. In addition, any minority shareholder that possesses shares that may be so redeemed by the majority shareholder in accordance with the Companies Act is entitled to require such majority shareholder to redeem its shares. The Companies Act includes detailed rules that apply to the calculation of the majority shareholder's proportion of shares and votes.

Under the Securities Market Act, a Finnish listed company must directly or indirectly belong to an independent body, established in Finland, that broadly represents the business sector which has, in order to promote compliance with good securities markets practice, issued a recommendation which relates to the actions of the management of the target company regarding a public takeover bid (the "**Helsinki Takeover Code**"). Pursuant to the Securities Market Act, a listed company must provide an explanation in case it is not committed to complying with the Helsinki Takeover Code.

Net short positions relating to shares tradable on Nasdaq Helsinki must be disclosed to the FIN-FSA in accordance with Regulation (EU) No 236/2012 of the European Parliament and of the Council of 14 March 2012 on short selling and certain aspects of credit default swaps. The obligation to disclose net short positions applies to all investors and market participants. A net short position regarding shares admitted to trading on a regulated market must be disclosed when the position reaches, exceeds or falls below 0.2 percent of the issued share capital of the target company. A new notification must be disclosed for each 0.1 percent exceeding the above threshold. The FIN-FSA publishes the notified net short positions on its website, if the net short position reaches, exceeds or falls below 0.5 percent of the issued share capital of the target company.

The Finnish Criminal Code (39/1889, as amended) contains provisions relating to the misuse of inside information, unlawful disclosure of inside information, market manipulation and breach of disclosure requirements. A breach of these provisions constitutes a criminal offence. Pursuant to MAR, the Securities Markets Act and the Finnish Act on the Financial Supervisory Authority (878/2008, as amended), the FIN-FSA has the right to impose administrative sanctions to the extent the offence does not fall within the scope of the Finnish Criminal Code. The FIN-FSA may, for example, issue a public warning or impose administrative fine or penalty payment for the breach of disclosure requirements or public tender offer, insider register or market abuse provisions. The disciplinary board of Nasdaq Helsinki may give a warning or note or impose a disciplinary fine or order the company to be removed from the stock exchange list.

## **Finnish Book-Entry Securities System**

### ***General***

Any issuer established in the European Union that issues or has issued transferable securities which are admitted to trading or traded on trading venues, shall arrange for such securities to be represented in book-entry form. An issuer has the right to choose the central securities depository where the securities are issued. The book-entry system is maintained by the central securities depository. In Finland, the central securities depository is Euroclear Finland, which provides national clearing and settlement as well as registration services for securities. Euroclear Finland maintains a centralized book-entry securities system for both equity and debt securities. The business address of Euroclear Finland is Urho Kekkosen katu 5 C, FI-00100, Helsinki, Finland.

Euroclear Finland keeps, on behalf of the issuers, issuer-specific shareholders' registers of companies entered into the book-entry system. In addition, Euroclear Finland offers book-entry account services to shareholders, who have opened their accounts before enforcement of the Act on the Book-Entry System and Clearing Operations (348/2017, as amended),

entered into force on 21 June 2017. The expenses incurred by Euroclear Finland in connection with maintaining the centralized book-entry securities system are borne mainly by the issuers and the account operators participating in the book-entry securities system during the transitional period of the Act on the Book-Entry System and Clearing Operations (348/2017, as amended). The account operators, which consist of, inter alia, credit institutions, investment service firms and other institutions licensed to act as clearing parties by the central securities depository administer the book-entry accounts and are entitled to make entries in the book-entry accounts.

### ***Registration procedure***

In order to hold entries in the book-entry system, a security holder or such holder's nominee must establish a book-entry account with an account operator or register its shares through a nominee registration process in order to effect share entries. Finnish shareholders are not allowed to hold his or her shares through nominee registration in Finland. Non-Finnish shareholders may deposit book-entries in a custodial nominee account, where the shares are registered in the name of a custodial account holder in the company's shareholders' register. A custodial nominee account must contain information on the custodial account holder instead of the beneficial owner and indicate that the account is a custodial nominee account. Book-entry securities owned by one or more beneficial owners may be registered in a custodial nominee account. In addition, the shares owned by a foreigner, foreign entity or trust may be registered in a book-entry account opened in the name of such foreigner, foreign entity or trust, but the holding may be registered in the name of a nominee in the company's shareholders' register. For shareholders who have not transferred their shares into book-entries, a joint book-entry account shall be opened with the central securities depository and the issuer is entered as the account holder. All transactions in securities registered with the book-entry securities system are executed as computerized book-entry transfers. The account operator confirms book-entry transfers by sending notifications of all transactions to the holder of the respective book-entry account. The account holders also receive an annual statement of their holdings as of the end of each calendar year.

Each book-entry account is required to contain specified information with respect to the account holder and other holders of rights to the book-entries entered into the account as well as information on an account operator administering the book entry account. In addition, the book-entry account shall contain information with respect to the type and number of book-entry securities registered and the rights and restrictions pertaining to the account and to the book-entry securities registered in the account. A nominee registration is identified as such upon entry. Euroclear Finland and the account operators are bound by strict confidentiality requirements, although certain information (for example the name and address of each account holder) contained in the register is public, except in the case of nominee registration. The FIN-FSA is entitled to receive certain information on nominee registrations upon request. However, a company must keep the shareholders' register accessible to everyone at the head office of the company or, if the company's shares are incorporated in the book entry system, at the registered office of the Central Securities Depository in Finland, except in the case of nominee registration.

Each account operator is strictly liable for errors and omissions on the registers maintained by it and for any unauthorized disclosure of information. If an account holder has suffered a loss as a result of a faulty registration or an amendment to, or deletion of, rights in respect of registered securities and an account operator is unable to compensate for such loss due to insolvency that is not temporary, such account holder is entitled to receive compensation from the statutory registration fund of Euroclear Finland. The capital of the registration fund must be at least 0.0048 percent of the average of the total market value of the book-entry securities included in the book-entry securities system during the previous five years and, in any event, must at least equal to EUR 20 million. The compensation to be paid to an injured party shall be equal to the amount of damages suffered from a single account operator subject to a maximum amount of EUR 25,000 per account operator. The liability of the registration fund to pay damages in relation to each individual incident is limited to EUR 10 million.

### ***Custody of the shares and nominee registration***

A non-Finnish shareholder may appoint an account operator (or certain other Finnish or non-Finnish organizations approved by central securities depository) to act as a custodial nominee account holder on its behalf. A custodial nominee account holder is entitled to receive dividends on behalf of the shareholder. A holder of nominee-registered shares wishing to attend and vote at General Meetings of Shareholders must be registered temporarily in the shareholders' register no later than the date set out in the notice to convene the meeting, which date shall be subsequent to the record date of the relevant General Meeting of Shareholders. A holder of nominee-registered shares temporarily registered in the shareholders' register shall be deemed to have enrolled to the meeting and no further enrolment is required provided that such holder of nominee-registered shares on the record date would be entitled, by virtue of such shares, to be registered in the shareholders' register of the company held by Euroclear Finland. When the holder of nominee-registered shares is known, a custodial nominee account holder is required, on request, to disclose to the FIN-FSA and the relevant company the identity of the holder of any shares registered in the name of such custodial nominee, as well as the number of shares owned by such holder of nominee-registered shares. If the identity of the holder of nominee-registered shares is not

known, the custodial nominee account holder is required to disclose the identity of the representative acting on behalf of the holder of nominee-registered shares and the number of shares held, and to submit a written declaration to the effect that the holder of the nominee-registered shares is not a Finnish natural person or a Finnish legal entity.

Finnish depositories for both Euroclear Bank, S.A./N.V. – as operator of Euroclear Finland – and Clearstream have custodial accounts within the book-entry securities system and, accordingly, non-Finnish shareholders may hold their shares listed on Nasdaq Helsinki in their accounts in Euroclear Bank, S.A./N.V. and in Clearstream.

Shareholders wishing to hold their shares in the book-entry securities system in their own name and who do not maintain a book-entry account in Finland are required to open a book-entry account at an authorized account operator in Finland and a convertible euro account at a bank.

### **Compensation Fund for Investor and Deposit Insurance Fund**

The Finnish Act on Investment Services (747/2012, as amended) sets forth a compensation fund for investors. Under the Finnish Act on Investment Services, investors are divided into professional and non-professional investors. The fund does not compensate any losses by professional investors. The definition of professional investor includes business enterprises and public entities, which can be deemed to understand the securities markets and their associated risks. An investor may also provide notice in writing that, on the basis of his or her professional skills and experience in the securities markets, he or she is a professional investor; however, natural persons are presumed to be non-professional investors.

Investment firms and credit institutions must belong to the compensation fund. The compensation fund safeguards payment of clear and indisputable claims when an investment company or a credit institution has been declared bankrupt, is undergoing a restructuring process or is otherwise, for a reason other than temporary insolvency, not capable of paying claims within a determined period of time. For valid claims, the compensation fund will pay 90 percent of the investor's claim against each investment company or credit institution, up to a maximum of EUR 20,000. The compensation fund does not provide compensation for losses due to decreases in stock value or bad investment decisions. Accordingly, investors continue to be liable for the consequences of their own investment decisions.

Pursuant to the Act on Finnish Financial Stability Authority (1195/2014, as amended), depositary banks must belong to a deposit guarantee scheme, which is intended to safeguard payments of receivables in the depositary bank's account or receivables in the forwarding of payments that have not yet been entered into an account if the depositary bank becomes insolvent and the insolvency is not temporary. The customers of a depositary bank can be compensated by the deposit insurance fund up to a maximum of EUR 100,000. An investor's funds can be safeguarded either by the deposit insurance fund or the compensation fund; however, an investor's funds cannot be safeguarded by both funds at the same time.

## TAXATION

*The following summary is based on the tax laws of Finland as in effect and applied as at the date of this Prospectus, as well as on the current case law and tax practice. Any changes in tax laws and their interpretation may also have a retroactive effect on taxation. The following summary is not exhaustive and does not take into account or discuss the tax laws, case law or tax practice of any country other than Finland. Prospective investors are advised to consult a tax adviser in order to obtain information about tax consequences resulting from the subscription, ownership and disposition of the Subscription Rights or the Offer Shares in Finland or elsewhere. Prospective investors, whose taxation may be impacted by the tax laws of other countries, should consult their own tax advisers as to the tax implications related to their individual circumstances.*

### **Finnish Taxation**

#### ***Background***

The following is a general description of Finnish income and transfer tax consequences that may be relevant in terms of the Offering. The description below is applicable to individuals and limited companies that are tax residents or tax non-residents in Finland, and it also discusses the Finnish tax laws applicable e.g. to distribution of dividends on the Offer Shares and capital gains arising from the sale of the Subscription Rights or the Offer Shares.

The following does not address any tax consequences applicable to shareholders who are subject to special tax rules. Such shareholders include, among others, entities exempt from income tax, non-business carrying entities, individuals taxable under the Finnish Business Income Tax Act and general or limited partnerships. Furthermore, this description does not address the tax consequences of the Expera Acquisition, Finnish resident shareholders in controlled foreign corporations in Finland, different restructurings of corporations or Finnish inheritance tax or gift tax consequences.

This description is based on:

- the Finnish Income Tax Act (1535/1992, as amended);
- the Finnish Business Income Tax Act (360/1968, as amended);
- the Finnish Act on the Taxation of Non-residents' Income (627/1978, as amended);
- the Finnish Transfer Tax Act (931/1996, as amended); and
- the Finnish Tax Procedure Act (1558/1995, as amended)

In addition, case law and any decisions and statements made by the tax authorities in effect and available as at the date of this Prospectus have also been taken into account. Tax legislation, case law and statements given by tax authorities are subject to change, which could also have retroactive effects.

#### ***General***

The scope of taxation in Finland is defined by the tax liability position of a taxpayer. Finnish residents are subject to Finnish taxation on their worldwide income (unlimited tax liability). Non-residents are taxed only on Finnish source income (limited tax liability). In addition, all income of non-residents derived from a permanent establishment located in Finland is taxed in Finland. Tax treaties binding on Finland may restrict the applicability of Finnish internal tax legislation and prevent the Finnish taxation of income derived from Finland by a non-resident.

Generally, a natural person is deemed a resident of Finland for tax purposes if the person stays in Finland for more than six consecutive months or if the permanent home and abode of the person is in Finland. A Finnish citizen is deemed a resident of Finland for tax purposes during the year he or she has emigrated from Finland and three subsequent calendar years unless he or she proves that no essential ties to Finland existed during the relevant tax year. Earned income is taxed at progressive tax rates. Capital income up to EUR 30,000 per calendar year is taxed at a rate of 30 percent and, if the overall capital income exceeds EUR 30,000 during a calendar year, the tax rate for the exceeding amount is 34 percent. Corporate entities established under the laws of Finland are regarded as residents of Finland and thus subject to corporate income tax on their worldwide income. In addition, non-residents are subject to Finnish corporate income tax on their income connected with their permanent establishments situated in Finland. The current corporate income tax rate is 20 percent.

Distribution of unrestricted equity (in accordance with Chapter 13 Section 1 Subsection 1 of the Companies Act) by a publicly quoted company pursuant to section 33a (2) of the Income Tax Act (the "**Listed Company**") is taxable as

dividend. Hence, the description below addressing the tax implications of dividends is also applicable with respect to distribution of unrestricted equity.

The following is a summary of certain Finnish tax consequences relating to the subscription, ownership and disposition of Subscription Rights and Offer Shares by Finnish resident and non-resident shareholders.

## **Taxation of Finnish Corporations**

### ***Receiving/subscribing and owning the Subscription Rights and the Offer Shares***

Receiving and owning the Subscription Rights that entitle to subscribe the Offer Shares does not trigger any tax consequences. Furthermore, no taxation is triggered by subscribing or owning the Offer Shares per se. For the dividends received based on the Offer Shares, please see below “– *Dividends Received Based on the Offer Shares*” and for Finnish transfer taxation, please see below “– *Transfer Tax*”.

### ***Dividends received based on the Offer Shares***

The tax treatment of dividends distributed by a Listed Company varies depending on whether the Finnish company receiving the dividend is a Listed Company or a non-listed company.

Dividends received by a Listed Company from another Listed Company are generally exempt from tax. However, in the event that the underlying Finnish shares belong to the investment assets of such a shareholder, 75 percent of the dividend received by the Listed Company is taxable income and 25 percent is tax-exempt income. Only financial, insurance and pension institutions may have investment assets. The actual tax rate in these situations is 15 percent.

If the recipient is a non-listed company, the dividends it receives are fully subject to corporate income tax if such a shareholder does not directly own at least 10 percent of the share capital of the distributing company. If the direct ownership is at least 10 percent when the dividend is distributed, the dividend received on such shares is tax-exempt. However, if a non-listed company receives a dividend from shares of a Finnish company included in its investment assets, 75 percent of the dividend is taxable income and 25 percent is tax-exempt regardless of the ownership threshold.

### ***Disposal of the Subscription Rights and the Offer Shares: capital gains and losses***

Finnish corporations are subject to a national corporate income tax on their worldwide income. Any capital gains from the sale of the Subscription Rights and the Offer Shares are generally regarded as taxable income arising from business activities or other activities of Finnish resident corporations. The taxable income of a Finnish corporation is determined separately for business activities and for other activities. Income belonging to both baskets is taxed according to a fixed tax rate of 20 percent, but business activities are taxable under the Finnish Business Income Tax Act, whereas other activities are taxable under the Finnish Income Tax Act. Shares belonging to the business activities basket may be fixed assets, current assets, investment assets or financial assets of a Finnish corporation. The taxation of a disposal of shares and loss of value varies according to the asset type for which the shares qualify.

The capital gain (as well as the capital loss) is calculated by deducting the total sum of the actual acquisition cost and selling costs from the sales price. The acquisition cost of the Offer Shares sold is thus deductible from the income in the basket to which the Offer Shares sold belonged and in which the sales price was recorded.

If a Finnish corporation uses a Subscription Right that it has received based on its previous shareholding to subscribe to Offer Shares, the acquisition costs of the shares are determined by dividing the total of the acquisition costs of the previously owned shares and the subscription prices of the Offer Shares subscribed based on the previously owned shares by the total number of the shares based on which the Offer Shares have been subscribed and the subscribed Offer Shares. When a Finnish corporation sells a Subscription Right without using it to subscribe to Offer Shares, the acquisition cost of the Subscription Right is deemed the part of the acquisition price of the underlying share entitling to the Subscription Right that corresponds to the transfer price of the Subscription Right divided by the value of the underlying share. The acquisition cost of a purchased Subscription Right is the sum of the purchase price and acquisition expenses. The acquisition cost of an Offer Share subscribed using a purchased Subscription Right is the sum of the acquisition cost of the used Subscription Right and the Subscription Price.

Any capital loss arising from the sale of Offer Shares and Subscription Rights attributable to business activities is deductible from income in the business income basket. Confirmed tax losses from business activities can be carried forward and deducted against taxable income from business activities for 10 years following the loss-making year. Capital losses attributable to other income can only be offset against capital gains arising in the same income basket and can be carried forward only for the subsequent five tax years.

However, capital gains based on the disposal of shares in a limited liability company may be tax-exempt for corporate entities provided, among other things, that the seller company has owned at least 10 percent of the company's share capital for at least one year continuously and that the shares belong to the seller's fixed assets attributable to business activities. Capital losses relating to the disposals of shares entitled to this tax exemption will not be tax deductible. Capital losses arising from the disposal of shares, which belong to the seller's fixed assets but do not qualify for tax-exemption, are deductible only from capital gains arising from the disposal of shares, which belong to the seller's fixed assets, in the same tax year and the subsequent five tax years.

## **Taxation of Finnish Resident Individuals**

### ***Receiving/subscribing and owning the Subscription Rights and the Offer Shares***

Receiving and owning the Subscription Rights that entitle to subscribe the Offer Shares does not trigger any tax consequences. Furthermore, no taxation is triggered by subscribing or owning the Offer Shares per se. For the dividends received based on the Offer Shares, please see below "*Dividends received based on the Offer Shares*" and for Finnish transfer taxation, please see below "*Transfer Tax*".

### ***Dividends received based on the Offer Shares***

85 percent of dividends received by a natural person resident in Finland from a Listed Company is taxable as capital income, whereas 15 percent is tax-exempt income. The current applicable tax rate is 30 percent for capital income of up to EUR 30,000 per calendar year and 34 percent for any amount exceeding EUR 30,000 per calendar year.

When a Listed Company distributes dividends to individuals, the Listed Company is obligated to withhold advance tax on the dividend payments. As at the date of this Prospectus, the tax withholding is 25.5 percent of the amount of the dividend. The advance tax withheld by the distributing company is credited against the final tax payable for the tax year by the recipient of the dividend. Finnish tax resident individuals must check from their pre-completed tax return that the dividend information has been correctly reported, and, when necessary, correct the right amount of dividends and tax withholding into the tax return.

### ***Disposal of the Subscription Rights and the Offer Shares: capital gains and losses***

Capital gains from the sale of securities, such as Subscription Rights or Offer Shares, are taxed as capital income of the Finnish resident individual. The current tax rate applied to capital gains is 30 percent for capital income of up to EUR 30,000 per calendar year and 34 percent for any amount exceeding EUR 30,000 per calendar year. However, capital gains from assets that do not belong to the person's business activities are exempt from tax if the total amount of the transfer prices of the person's sold assets does not exceed EUR 1,000 in a tax year (excluding sales prices of assets from which capital gains are tax exempt under Finnish tax laws).

Capital losses arising from the sale of shares are deductible primarily from capital gains and secondarily from other capital income arising in the same tax year and the following five tax years. Capital losses will not be taken into account when calculating the capital income deficit for the tax year in question, and it does hence not entitle to a deficit credit. Capital losses will not, however, be tax deductible if the total amount of the acquisition costs (and also sales prices) of the assets sold by the individual does not exceed EUR 1,000 in a tax year (excluding sales prices of assets from which capital gains are tax exempt under Finnish tax laws).

If the shareholder sells the Subscription Rights that he or she has received based on previous shareholding or the Offer Shares he or she has received by using Subscription Rights, the acquisition date is deemed to be the acquisition date of the shares on the basis of which the Subscription Rights were obtained. If the Subscription Right has been purchased separately, the acquisition date is deemed to be the date of purchase. Correspondingly, the acquisition date of an Offer Share subscribed by using a purchased Subscription Right is deemed to be the subscription date.

Capital gains and losses are calculated as the difference between the transfer price and the aggregate of the actual acquisition cost and sales-related expenses. If the shareholder subscribes for Offer Shares based on a Subscription Right that the shareholder has received based on his or her previous shareholding, the acquisition costs of the shares are determined by dividing the total acquisition costs of the previously owned shares and the Subscription Prices of the Offer Shares subscribed based on such previously owned shares by the total number of the shares based on which the Offer Shares have been subscribed and the subscribed Offer Shares. If the shareholder sells the Subscription Rights the shareholder has received in the Offering without using such Subscription Rights to subscribe Offer Shares, the acquisition cost of the Subscription Rights is deemed zero, however, at a minimum the presumptive acquisition cost discussed below. The acquisition cost of a purchased Subscription Right is the sum of the purchase price and acquisition expenses. The acquisition cost of an Offer Share subscribed using a purchased Subscription Right is the sum of the acquisition cost of the used Subscription Right and the Subscription Price. Alternatively, individuals may choose to apply the presumptive



acquisition cost instead of the actual acquisition cost. As the presumptive acquisition cost, 20 percent is deducted from the transfer price but, if the shareholder has held the shares for at least 10 years, the presumptive acquisition cost is 40 percent of the transfer price. If the presumptive acquisition cost is applied instead of the actual acquisition cost, all expenses arising from acquiring the gains are deemed to be included in the presumptive acquisition cost and, therefore, cannot be deducted separately from the transfer price.

Natural persons resident in Finland must enter information about any disposal of securities, such as Subscription Rights or Offer Shares, during the tax year in their pre-completed tax return.

## **Taxation of Investors not Resident in Finland**

### ***Receiving/subscribing and owning the Subscription Rights and the Offer Shares***

Receiving and owning the Subscription Rights that entitle to subscribe the Offer Shares does not trigger any tax consequences. Furthermore, no taxation is triggered by subscribing or owning the Offer Shares per se. For the dividends received based on the Offer Shares, please see below “– *Dividends Received based on the Offer Shares*” and for Finnish transfer taxation, please see below “– *Transfer Tax*”.

### ***Dividends received based on the Offer Shares***

In connection with the payment of dividends from a Finnish company to a non-resident investor, the Finnish dividend payer is generally obliged to withhold withholding tax in connection with the payment of the dividend, and no other Finnish taxes are payable on the dividend.

The current withholding tax rate applicable to dividends paid to non-resident corporate entities is 20 percent, and that applicable to dividends paid to non-resident individuals and other non-corporate recipients is 30 percent. The withholding tax may be reduced or removed pursuant to tax treaty provisions applicable to the dividend.

However, no withholding tax shall be levied on dividends paid to such corporate entities residing within the European Union, as defined in Article 2 of the Parent-Subsidiary Directive (2011/96/EU, as amended), if the recipient company directly holds at least 10 percent of the share capital of the dividend distributing Finnish company.

Dividends paid to certain foreign corporate entities resident within the European Economic Area may qualify for a complete exemption from Finnish withholding taxation or may be subject to withholding taxation at a reduced rate, based on how the dividend would have been taxed, had it been paid to a corresponding Finnish entity. No withholding tax shall be levied in Finland from dividends to a non-resident entity distributed by the Finnish company, if (i) the entity receiving dividend resides in the EEA; (ii) the Mutual Assistance Directive (2011/16/EU, as amended) or an agreement on mutual assistance and information exchange in tax matters applies to the home state of the recipient of the dividend; and (iii) the company receiving a dividend is equivalent to a Finnish entity defined in the Finnish Income Tax Act, Section 33d, Sub-section 4, or Section 6a of the Finnish Business Income Tax Act; (iv) the dividend would be fully tax-exempt if paid to a Finnish corresponding corporation or entity; and (v) the entity establishes (with a certificate from the home member state’s tax authority) that in accordance with the agreements on avoiding double taxation applicable in the home state of the recipient of dividends, the withholding tax cannot be reimbursed in full.

Notwithstanding the aforementioned, the dividend is only partly tax-exempt if the Offer Shares belong to the investment assets of the recipient corporate entity, and that corporate entity is not a corporate entity defined in the Parent-Subsidiary Directive directly holding at least 10 percent of the capital of the distributing company. In this case, the applicable withholding tax rate is currently 15 percent. A prerequisite for this tax treatment is that the recipient corporate entity has its registered office in a state fulfilling the conditions i) and ii) above and that the entity fulfils the conditions set out under iii) above. Depending on the applicable tax treaty, the withholding tax rate may also be lower than 15 percent.

When the shares of a Finnish company are nominee-registered, the Finnish company paying the dividend pays them to the nominee-registered custodian account, whose custodian remits the dividends paid to the beneficial owners. If the recipient of the dividend paid to a nominee-registered share is resident in a tax treaty state, withholding tax is always levied on the dividend at a rate of at least 15 percent, or a higher percentage provided for in the applicable tax treaty, provided that, pursuant to the information duly ascertained by the payer, the recipient qualifies under the tax treaty provisions applicable to dividends. The recipient of dividends may, prior to the payment, provide the payer with information on his or her domicile and the other requirements for the application of the tax treaty, in which case he or she may receive the dividend payable on the nominee-registered share at a lower tax rate pursuant to the applicable tax treaty. This means that with respect to dividends on shares held through a nominee account, tax is withheld at the rate set in the applicable tax treaty, higher than 15 percent or 15 percent absent thorough clarification of the identity of the person beneficially entitled to the dividend. Such procedure, however, requires that the foreign custodian intermediary is registered in the Finnish tax authorities’ register and that it is resident in a country with which Finland has a tax treaty.

Also, the foreign custodian intermediary must have an agreement with the Finnish account operator regarding the custody of the shares. In such agreement, the foreign custodian intermediary must, among other things, commit to report the dividend recipient's residential country to the account operator and to provide additional information to the tax authorities, if needed. If these provisions are not fulfilled, a 30 percent withholding tax is withheld on the nominee account's dividends.

If the recipient of the dividends is a non-resident natural person residing in the EEA, he or she can claim, provided that certain preconditions are met, that the taxation of dividends paid by a Finnish company is carried out in accordance with the Tax Procedure Act instead of withholding tax. A precondition is that the mutual assistance in tax matters between Finland and the recipient's country of residence is organised in accordance with the Mutual Assistance Directive (2011/16/EU, as amended) or a tax treaty concerning executive assistance and exchange of information and, furthermore, that the Finnish withholding tax cannot, by virtue of provisions in the applicable tax treaty, be credited in its entirety in the country where the recipient is residing.

### ***Disposal of the Subscription Rights and the Offer Shares: capital gains and losses***

Investors that are not resident in Finland for tax purposes are not generally subject to Finnish tax on capital gains arising from the transfer of the Subscription Rights or the Offer Shares, unless the transfer of the Subscription Rights or the Offer Shares relates to business activities carried out in Finland (through a permanent establishment) or more than 50 percent of the total assets of the company in question consists of real estate properties located in Finland.

### **Transfer Tax**

Transfer tax is not payable in Finland in connection with the issuance of or subscription for new shares. Furthermore, no consideration is paid for the transfer of Subscription Rights. Transfer tax is generally not payable on Finnish securities, such as the Subscription Rights or the Offer Shares, subject to public trading on a regulated market or multilateral trading facility against fixed cash consideration on the condition that the broker or other party to the transaction is an investment firm, a foreign investment firm or other investment services provider as defined in the Finnish Act on Investment Services (747/2012, as amended) or the transferee has been approved as a trading party in the market where the transfer is executed. If the intermediary or other trading party is not a securities broker as defined in the Transfer Tax Act (i.e. the intermediary is a foreign broker that does not have a branch or office in Finland), the precondition for the tax exemption is that the transferee notifies the Finnish tax authorities of the transfer within two months of the transfer or that the intermediary submits an annual notification to the tax authorities pursuant to the Tax Procedure Act.

The exemption does not apply to certain specifically defined disposals, such as transfers of shares or subscription rights by means of a capital contribution or distribution, or transfers of shares or subscription rights in which the consideration consists partially or completely of employment or work. Also, the exemption does not apply to transfers of shares carried out in order to fulfil the provisions in the Companies Act concerning the purchase of minority shareholdings under squeeze-out rules. There are specific rules allowing the exemption to apply in the context of initial public offerings, subject to certain requirements, even though the exemption does not apply to a transfer of shares if it is based on an offer made after the public trading with the share in question has ended or before it has begun.

If the transfer of shares or subscription rights does not fulfil the conditions set out above, the purchaser has a liability to pay transfer tax at a rate of 1.6 percent of the transaction price. Transfers of shares in real estate companies, as defined in the Transfer Tax Act, are subject to transfer taxation at a rate of 2.0 percent. However, if the purchaser is neither a tax resident in Finland nor a Finnish branch or office of a foreign credit institution, investment firm, fund management company or EEA alternative investment fund manager, the seller must collect the tax from the purchaser. If the broker is a Finnish stockbroker or credit institution, or a Finnish branch or office of a foreign stockbroker or credit institution, it is liable to collect the transfer tax from the purchaser and pay the tax to the state. If neither the purchaser nor the seller is tax resident in Finland or a Finnish branch or office of a foreign credit institution, foreign investment firm, fund management company or EEA alternative investment fund manager, the transfer of shares or subscription rights will be exempt from Finnish transfer tax, unless shares or subscription rights in real estate companies are transferred.

No transfer tax is collected if the amount of the tax is less than EUR 10.

### **Certain Tax Considerations in Sweden**

The following is a summary of certain tax consequences based on Swedish legislation that can arise in relation to the Offering. The summary is based on current Swedish legislation and is solely intended to provide general information to private individuals and Swedish limited liability companies (Sw. *aktiebolag*) with unlimited tax liability in Sweden that are considering to subscribe to, own or dispose of Subscription Rights or Offer Shares, unless stated otherwise. In this case, "unlimited tax liability" refers to holders of shares or other securities who are (i) a natural person who is resident or

is permanently living in Sweden or who has an essential connection with Sweden, or (ii) any legal entity registered in Sweden or whose board of directors is domiciled in Sweden if registration has not taken place.

The summary is not exhaustive and will, for example, not cover:

- situations where shares have been acquired by means of shares in so called closely held companies;
- situations involving tax exempt dividends and capital gains on shares deemed to be held for business purposes under the Swedish participation exemption regime;
- situations where shares are held by a general partnership or a limited partnership;
- situations where shares are held as current assets in business operations;
- foreign companies conducting business through a permanent establishment in Sweden;
- situations where shares are held by investment companies, insurance companies or investment funds;
- situations where shares have been acquired by employees at a discounted rate (below fair market value), or
- situations where shares are held in an investments savings account (Sw. *investeringssparkonto*) or endowment insurance (Sw. *kapitalförsäkring*).

The tax consequences for each individual shareholder will ultimately depend on the holder's particular circumstances. Everyone considering to subscribe to, own or dispose of Subscription Rights or Offer Shares is therefore recommended to consult their tax advisors regarding the tax consequences which might arise in connection to the Offering, including the effects of foreign tax legislation (including regulations), tax treaties and other rules which may apply.

### ***Private individuals***

#### *Capital gains taxation*

When publicly traded shares (including shares that are traded on Nasdaq Helsinki) are sold, a taxable gain or a tax-deductible loss may arise for Swedish tax purposes. Capital gains are taxed in the category income from capital at a rate of 30 percent. The capital gain or the capital loss is normally calculated as the difference between the sale proceeds less expenses relating to the disposal, and the acquisition cost of the shares (Sw. *omkostnadsbeloppet*). The acquisition cost for all shares of the same series and type should generally be calculated jointly in accordance with the average method (Sw. *genomsnittsmetoden*).

The acquisition cost for publicly traded shares may alternatively be determined by using the standard method (Sw. *schablonmetoden*) under which the acquisition cost is calculated as 20 percent of the sale proceeds less expenses relating to the disposal.

Capital losses on publicly traded shares may be fully offset against taxable capital gains on shares and other publicly traded securities, except for units in investment funds containing only Swedish receivables (Sw. *räntefonder*). Capital losses not absorbed by these set off rules are deductible at 70 percent in the capital income category. Should a net loss arise in the capital income category, a reduction is granted of the municipality and state income tax, property tax and municipality property fee with 30 percent of the net loss that does not exceed SEK 100,000 and at 21 percent of any remaining net loss. Any excess net loss cannot be carried forward to future tax years.

#### *Taxation of dividends*

Private individuals are taxed on dividends received on listed shares in the category income from capital at a rate of 30 percent. The tax on dividends to private individuals from companies listed in Sweden is normally withheld by Euroclear Sweden (unless the shares are nominee-registered) so that the total tax withheld (including any foreign withholding tax) equals 30 per cent of the gross dividend. Hence, in case of foreign withholding tax, the Swedish tax withheld by Euroclear will not amount to the full 30 per cent that is due. The withheld tax can usually be offset against the final tax.

For withholding taxes, please see “– *Finnish Taxation*”.

### *Receipt, use and disposal of Subscription Rights*

Receiving and using the Subscription Rights does not trigger any tax consequences. For shareholders that dispose of their Subscription Rights (and thus does not use them), a capital gain or loss will be calculated. Subscription Rights received based on previous shareholding are deemed to have been received without consideration (acquisition cost). Hence, upon disposal, the entire sale proceeds less expenses related to the disposal are taxed. In such situation, the standard method may not be used. The original acquisition cost of the shares remains unchanged. The acquisition cost of purchased or otherwise acquired Subscription Rights (in other words, Subscription Rights that have not been received based on previous shareholding) is the price paid for such Subscription Rights. The acquisition cost of the Subscription Rights is taken into account when calculating the acquisition cost of the Offer Shares. The standard method may be applied upon sale of listed Subscription Rights acquired through purchase. A Subscription Right that is not used or sold and that consequently becomes void, is deemed to have been disposed without consideration.

### *Transfer taxes*

In Swedish taxation, there is no stamp duty or transfer tax on security transactions.

### ***Swedish limited liability companies***

#### *Taxation of capital gains and dividends*

Swedish limited liability companies will be taxed on all income, including capital gains and dividend payments at the ordinary corporate income tax rate of 22 percent (to be lowered in two steps, to 21.4 percent in January 2019 and to 20.6 percent in January 2021). Capital gains and capital losses shall be calculated in accordance with the rules applicable to private individuals (please see “– *Private Individuals – Capital Gains Taxation*”). Deductible capital losses on shares may only be offset against taxable capital gains on shares and other securities taxed as shares. Capital losses may in certain cases be utilized against capital gains in other group companies, presuming that the criteria for group contributions are fulfilled. A capital loss that cannot be utilized may be carried forward and utilized against future capital gains on shares and other securities taxed as shares, without any limitation in time.

For withholding taxes, please see “– *Finnish Taxation*”.

### *Receipt, use and disposal of Subscription Rights*

Receiving and using the Subscription Rights does not trigger any tax consequences. For shareholders that dispose of their Subscription Rights (and thus does not use them), a capital gain or loss will be calculated. Subscription Rights received based on previous shareholdings are deemed to have been received without consideration (acquisition cost). Hence, upon disposal, the entire sale proceeds less expenses related to the disposal are taxed. In such situation, the standard method may not be used. The original acquisition cost of the shares remains unchanged. The acquisition cost of purchased or otherwise acquired Subscription Rights (in other words, Subscription Rights that have not been received based on previous shareholding) is the price paid for such Subscription Rights. The acquisition cost of the Subscription Rights is taken into account when calculating the acquisition cost of the Offer Shares. The standard method may be applied upon sale of listed Subscription Rights acquired through purchase. A Subscription Right that is not used or sold and that consequently becomes void, is deemed to have been disposed without consideration.

### *Transfer taxes*

In Swedish taxation, there is no stamp duty or transfer tax on security transactions.

### ***Shareholders with limited tax liability in Sweden***

#### *Capital gains taxation*

Non-resident holders of shares and subscription rights are generally not subject to Swedish capital gains taxation at the disposal of such securities, provided the holding cannot be allocated to a Swedish permanent establishment.

However, in accordance with a special tax rule, private individuals not resident in Sweden may be subject to Swedish capital gains taxation upon disposal of certain securities (e.g. Offer Shares and Subscription Rights), if they have been domiciled in Sweden or have had a habitual abode in Sweden at any time during the same calendar year or the 10 preceding calendar years. However, in regard to foreign securities, e.g. shares in Finnish companies, this rule applies only to securities acquired when the individual was still subject to unlimited tax liability in Sweden (please note that the rules can also apply to securities acquired through rollover of such securities). Further, the applicability of this rule may be limited by the tax treaty.

## DOCUMENTS ON DISPLAY

### Documents on Display

Copies of the following documents are on display during the period of validity of this Prospectus on weekdays during normal business hours between 9 a.m. and 4 p.m. at the registered office of the Company at Alvar Aallon katu 3 C, FI-00100 Helsinki, Finland:

- (a) the Articles of Association of the Company valid on the date of this Prospectus;
- (a) the audited financial statements of the Company including consolidated financial statements and Report of the Board of Directors for the financial year ended December 31, 2017;
- (b) the unaudited consolidated interim report as at and for the nine months ended September 30, 2018;
- (c) this Prospectus; and
- (d) the decision of the FIN-FSA regarding the Finnish Prospectus.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents have been incorporated by reference into this Prospectus according to Commission Regulation (EC) No. 809/2004, as amended, Article 28 and they form a part of the financial information of Ahlstrom-Munksjö and Specialty Papers Acquisition, LLC. Should any of the documents incorporated by reference into this Prospectus themselves refer to or incorporate by reference any further information, such information is not incorporated by reference into and does not form a part of this Prospectus. The documents incorporated by reference are available at Ahlstrom-Munksjö's website at [www.ahlstrom-munksjo.com/rightsissue](http://www.ahlstrom-munksjo.com/rightsissue) and at the registered office of Ahlstrom-Munksjö located at Alvar Aallon katu 3 C, FI-00100 Helsinki, Finland, on weekdays during normal business hours.

Document	Section	Pages
Ahlstrom-Munksjö's unaudited consolidated interim report as at and for the nine months ended September 30, 2018	Unaudited consolidated interim report for the nine months ended September 30, 2018, excluding pro forma financial information and key figures	19-28, 32
Ahlstrom-Munksjö's Annual Report 2017	Audited consolidated financial statements and auditor's report as at and for the year ended December 31, 2017, excluding pro forma financial information and key figures	77-122, 123-125
Ahlstrom Corporation's audited final accounts and auditor's report for the three months ended March 31, 2017	Audited final accounts for the three months ended March 31, 2017  Auditor's report on the final accounts for the three months ended March 31, 2017 in its entirety	9-89, 90-96
Specialty Papers Acquisition, LLC's unaudited US GAAP condensed financial statements for the three-month and nine-month periods ended September 30, 2018	In its entirety	-
Specialty Papers Acquisition, LLC's audited US GAAP consolidated financial statements and auditor's report for the year ended December 31, 2017	In its entirety	-

**ANNEX A – THE ARTICLES OF ASSOCIATION OF THE COMPANY  
(UNOFFICIAL ENGLISH TRANSLATION)**

- 1 § The name of the Company is Ahlstrom-Munksjö Oyj. The domicile of the Company is Helsinki.
- 2 § The Company's field of business is to engage in the manufacture, converting and sale of fiber-based solutions and products and in other related or supporting activities. The Company may operate either directly or through subsidiaries and associated companies. The Company may also as the parent company take care of the Group companies' common tasks such as administrative services and financing, and own real estate, shares and other securities.
- 3 § The shares of the Company belong to the book-entry securities system.
- 4 § The Board of Directors of the Company shall comprise a minimum of four (4) and a maximum of twelve (12) ordinary members.
- 5 § The Company is represented by the chairman of the Board of Directors and the President and CEO, each alone, as well as by two members of the Board of Directors together. The Board of Directors may grant the right to represent the Company to a named person.
- 6 § The Company shall have one (1) auditor, which shall be an audit firm authorised by the Finnish Patent and Registration Office.
- 7 § The Company's financial period shall be the calendar year.
- 8 § General meetings shall be convened by a notice published on the website of the Company, no earlier than three (3) months and no later than three (3) weeks prior to the General Meeting. The notice shall in any event be published no later than nine (9) days before the record date of the General Meeting. In addition, the Board of Directors may decide to publish the notice of meeting, in whole or in part, in a manner it considers appropriate.
- 9 § In order to attend a General Meeting, a shareholder must notify the Company by the date stated in the notice of meeting, which date may be no earlier than ten (10) days prior to the meeting.

**ANNEX B – INDEPENDENT AUDITOR’S REPORT CONCERNING THE COMPANY’S UNAUDITED PRO  
FORMA FINANCIAL INFORMATION**





**KPMG Oy Ab**  
Töölönlahdenkatu 3 A  
PO Box 1037  
00101 Helsinki, FINLAND

Telephone +358 20 760 3000  
www.kpmg.fi

## **Independent auditor's assurance report on the compilation of pro forma financial information included in a prospectus**

### ***To the Board of Directors of Ahlstrom-Munksjö Oyj***

We have completed our assurance engagement to report on the compilation of pro forma financial information of Ahlstrom-Munksjö Oyj prepared by the board of directors. The unaudited pro forma financial information comprises the pro forma combined statement of financial position as at 30 September 2018, pro forma combined income statements for the nine-month period ended 30 September 2018 and the twelve-months period ended 31 December 2017, and related notes (including additional pro forma financial information), and it is set out in section "Unaudited Pro Forma Financial Information" of the prospectus dated 19 November 2018 issued by Ahlstrom-Munksjö Oyj. The applicable basis used by the board of directors of Ahlstrom-Munksjö Oyj in preparing the pro forma financial information is specified in Annex II of Commission Regulation (EC) No 809/2004 and described in the section "Unaudited Pro Forma Financial Information" of the prospectus.

The pro forma financial information has been compiled by the board of directors to illustrate the impact of the transaction described in section "Unaudited Pro Forma Financial Information" of the prospectus on the company's financial position as at 30 September 2018 and the company's financial performance for the twelve-months period ended 31 December 2017 and the for the nine-months period ended 30 September 2018, as if the transaction had taken place at 30 September 2018 for the pro forma combined statement of financial position and at 1 January 2017 for the pro forma combined income statements. As part of this process, information about the company's financial position and financial performance has been extracted by the board of directors from the company's financial statements for the period ended 31 December 2017, on which an audit report has been published and the company's interim report for the period ended 30 September 2018, on which a review report has been published.

#### *The board of directors' responsibility for the pro forma financial information*

The board of directors is responsible for compiling the pro forma financial information in accordance with Commission Regulation (EC) No 809/2004.

#### *The Practitioner's Independence and Quality Control*

We are independent from the company according to the ethical requirements in Finland and we have complied with other ethical requirements, which apply to the engagement conducted.

The practitioner applies International Standard on Quality Control 1 (ISQC 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### *The practitioner's responsibilities*

Our responsibility is to express an opinion, as required by item 7 of Annex II of Commission Regulation (EC) No 809/2004, as to whether the pro forma financial information has been compiled, in all material respects, by the board of directors on the basis stated and whether that basis is consistent with the accounting policies applied by the issuer.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE 3420) *Assurance engagements to report on the compilation of pro forma financial information*, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner plan and perform procedures to obtain reasonable assurance as to whether the pro forma financial information has been compiled by the board of directors, in all material respects, in accordance with Commission Regulation (EC) No 809/2004.



For the purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of the pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the company as if the event had occurred or the transaction had been undertaken at an earlier date selected for the purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis stated and that basis is consistent with the accounting policies of the issuer involves performing procedures to assess whether the basis used by the board of directors in the compilation of the pro forma financial information provides a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the basis stated has been consistently applied in the pro forma adjustments; and
- the resulting pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Opinion*

In our opinion,

- the pro forma financial information has been properly compiled on the basis stated on in the section "Unaudited Pro Forma Financial Information" of the prospectus dated 19 November 2018 and
- the basis stated is consistent with the accounting policies applied by Ahlstrom-Munksjö Oyj.

#### *Restriction to the distribution of the report*

This report has been issued solely for the purposes of including in the prospectus prepared in accordance with Commission Regulation (EC) No 809/2004. Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Helsinki, 19 November 2018

KPMG OY AB

Anders Lundin  
*Authorised Public Accountant, KHT*

**ANNEX C – INDEPENDENT AUDITOR’S REPORT ON REVIEW OF THE COMPANY’S UNAUDITED  
CONSOLIDATED INTERIM REPORT AS AT AND FOR THE NINE MONTHS ENDED  
SEPTEMBER 30, 2018**



**KPMG Oy Ab**  
Töölönlahdenkatu 3 A  
PO Box 1037  
00101 Helsinki, FINLAND

Telephone +358 20 760 3000  
www.kpmg.fi

## ***Independent Auditor's Report on Review of Consolidated Interim Financial Statements of Ahlstrom-Munksjö Oyj***

To the Board of Directors of Ahlstrom-Munksjö Oyj

### **Introduction**

We have reviewed the accompanying condensed consolidated interim financial statements of Ahlstrom-Munksjö Oyj which comprise the condensed consolidated balance sheet as at September 30, 2018, condensed consolidated income statement, statement of comprehensive income, changes in equity, and cash flows for the nine months ended September 30, 2018 and notes to the condensed interim information, excluding pro forma financial information and key figures. The Board of Directors and the CEO are responsible for the preparation and presentation of the condensed consolidated interim financial statements in accordance with IAS 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

### **Scope of review**

We conducted our review in accordance with International Standards on Review Engagements ISRE 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements of Ahlstrom-Munksjö Oyj as at September 30, 2018 and for the nine month period ended September 30, 2018 has not been prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting.

Helsinki November 19, 2018

KPMG OY AB

Anders Lundin  
Authorised Public Accountant, KHT