

oras invest

ANNUAL REVIEW

2022





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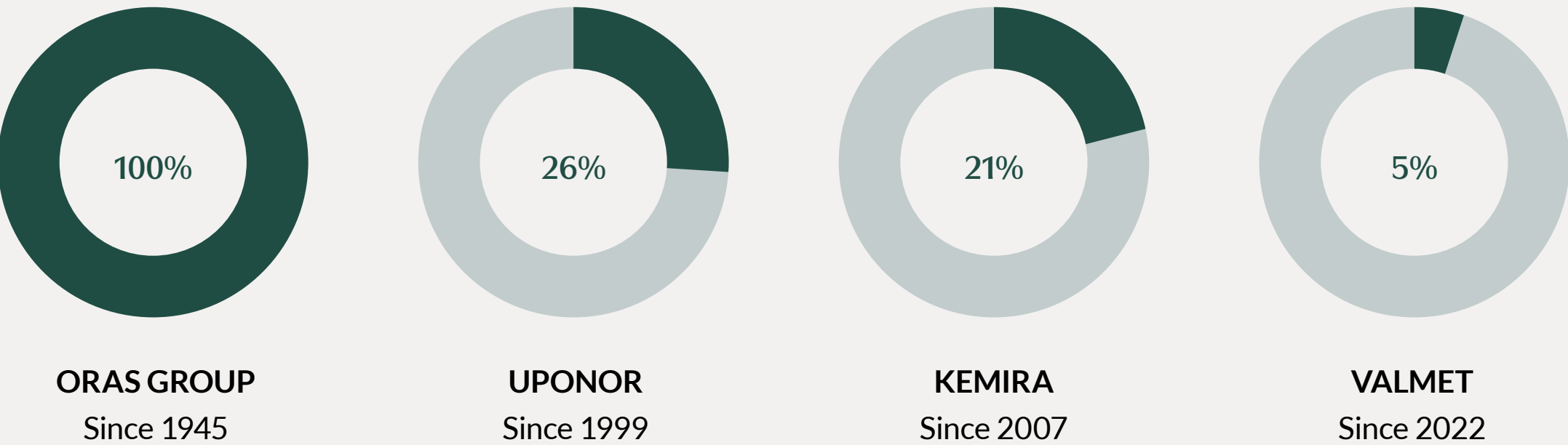
# Oras Invest in brief

Oras Invest is a family company focused on industrial ownership. The roots of Oras Invest lie in family entrepreneurship: the faucet company Oras was founded in 1945.

Our focus is on industrial companies, that operate in the building, water and bio-based materials value chains or in closely related sectors. We develop our companies through active board work and close cooperation with management, as well as with other significant owners.

Our current industrial ownerships are Oras Group, Uponor, Kemira and Valmet. The net asset value of Oras Invest was EUR 1.3 billion at the end of 2022.

## ORAS INVEST COMPANIES



## NET SALES

EUR 10.3 billion

## PEOPLE

26,979

## OPERATING IN MORE THAN

100 countries



# Overview of 2022



# Key figures 2022

ORAS INVEST KEY FIGURES	2022	2021	2020
Dividends received, EUR million	63	36	33
Net asset value (NAV), EUR million	1,288	1,398	1,238
Total shareholder return (TSR)	-8%	13%	41%
Shareholder's equity, EUR million	792	872	673
Balance sheet total, EUR million	823	876	719
Equity ratio	96%	100%	94%
Loan-to-value ratio	0%	-16%	2%





FROM THE CEO

# Continued resilience in an uncertain macro environment

Contrary to what we hoped for, the geopolitical and business environment in 2022 turned out even more challenging than its predecessor. Early 2022 was still plagued by new COVID variants and the strict local health measures applied by China until early 2023 continued to have a material impact on many supply chains globally.

As a new challenge, Russia's unprovoked attack on Ukraine in February led to a prolonged war with no end in sight. This is a human tragedy with no comparison, and our hearts and minds are with the Ukrainian people. All our companies took prompt action to contribute to the economic sanctions against the aggressor and have discontinued their local operations and imports and exports to/from Russia. Oras Invest and its companies have made humanitarian donations to Ukraine. Finland and Sweden have taken the historic decision to apply for NATO membership in response to Russia's aggression. In addition to the suffering and devastation locally in Ukraine, the war has further contributed to macroeconomic headwinds in Europe. Inflation picked up abruptly during the year, with prices of energy, materials and shipping rising to unforeseen

levels. Supply chains experienced disruptions, and companies developed historically high working capital levels.

## Financial performance

Oras Invest aims for sustainable long-term value creation. In 2022, our Net Asset Value declined by 8% in tandem with a broader softness of the stock markets (OMX Helsinki TSR -12.6%). We continued long-term strategic development of our 100% subsidiary Oras Group and our publicly listed strategic ownerships in Uponor and Kemira. We increased our ownership of Uponor to 25.72% and accumulated a 5% ownership stake in Valmet, which constituted 18% of Oras Invest's Gross Asset Value at the end of 2022. Oras Invest made a EUR 9 million donation to the Erkki Paasikivi foundation, which supports research projects and education on clean water and housing solutions.

We are proud of how well our companies navigated through the macroeconomic headwinds despite lower delivery volumes in many businesses. Inbound inflationary pressures were, for the most part,



Oras Invest President & CEO  
Annika Paasikivi



successfully offset with price adjustments, which is a testament to high customer loyalty and competitive product offerings.

**Oras Group** managed to improve in 2022 despite the weakening market conditions. Net sales grew by 4.5% to EUR 244 million (234). Operative EBIT decreased slightly to 12.2% (12.6%), but the comparable operating profit increased in euro terms by 0.7% to EUR 33.3 million (33.1) due to net sales growth.

**Kemira** had a record year in 2022. Net sales increased by 33% to an all-time high of EUR 3,570 million (2,674). The increase was driven by higher sales prices. Volumes were down 5% due to discontinued sales to Russia, the China lockdown and macro drivers in Pulp & Paper. Operative EBIT climbed to EUR 362 million (225), or 10.1% of net sales (8.4%).

**Uponor's** net sales were higher than ever at EUR 1,386 million (1,313), growing by 5.6% year-on-year. Operative EBIT declined by 4.3% to EUR 154 million (161), or 11.1% (12.2%) of net sales. In the fourth quarter, Uponor faced a cyberattack, and Q4 net sales decreased by 16% mainly due to the attack. Business has continued uninterrupted thereafter, since the beginning of December.

**Valmet** posted strong results in 2022. Net sales increased 29% to EUR 5,074 million (3,935), driven both by the Neles merger and organic growth. Operative EBIT grew to EUR 419 million (380), or 8.3% of net sales (9.7%). Margins decreased due to cost inflation. The stable, recurring Services and Automation segments contributed 80% of Valmet's comparable EBITA.

## Current outlook

The outlook for our industries, most notably the construction sector, remains cautious. We have entered 2023 with a combination of humility and optimism. All our companies have improved their resilience in the past 3 years, and balance sheets are strong. Growth plans are in place, and so are contingency plans for less favorable outcomes in the operating environment.

In the midst of two exceptional humanitarian and economic challenges, the COVID pandemic and war in Europe, it is easy to lose sight of the most important global challenges of climate change, biodiversity loss, pollution and unsustainable resource consumption. Oras Invest has defined its sustainability agenda and works together with its companies to ensure alignment with local and global sustainability targets, so that we as humankind learn to take care of the planet and the planet can continue to support life for all generations to come. Our companies have made encouraging progress on multiple sustainability fronts and are partly international benchmarks already today.

I would like to thank all the 26,979 team members, management and board members in our companies for your effort and commitment, as well as our partners and stakeholders for your consistent support. We look forward to shaping a positive future together with you in 2023.

**March 28, 2023**

**Annika Paasikivi**



## PERFORMANCE IN 2022

# Oras Invest acquired new 5% ownership position in Valmet

Many trends came to an end in 2022. The bull market had lasted for more than a decade since the global financial crisis and even during the years of the pandemic, supported by low inflation and historically low interest rates. The year 2022 turned out to be totally different. Inflation increased much faster and higher than expected, interest rates surged, and fears of a looming recession caused high volatility. As a result, both equity and bond markets posted losses; bond markets even posted one of their biggest in history. OMX Helsinki Index total shareholder return was -13% in 2022.

In this context, Oras Invest companies' value development was satisfactory. Our net asset value declined by 8% to EUR 1,288 (1,398) million. At the end

of 2022, the gross asset value (GAV) of Oras Invest was EUR 1,282 (1,206) million, and our net cash position was EUR 6 (193) million, bringing our loan-to-value-ratio to 0% (-16%).

Our largest ownership position continues to be the water chemicals company Kemira. The market value of our Kemira ownership was EUR 459 million at the end of the year, representing 36% of GAV. Kemira's share price increased by 8% during the year and, in addition, we received EUR 19 million in dividend income. The building and infrastructure solutions provider Uponor represented 24% of our GAV. The company's share price declined by 20%, and the value of our Uponor shares was EUR 313 million at the year end. The sanitary fittings company Oras Group was 22% of our

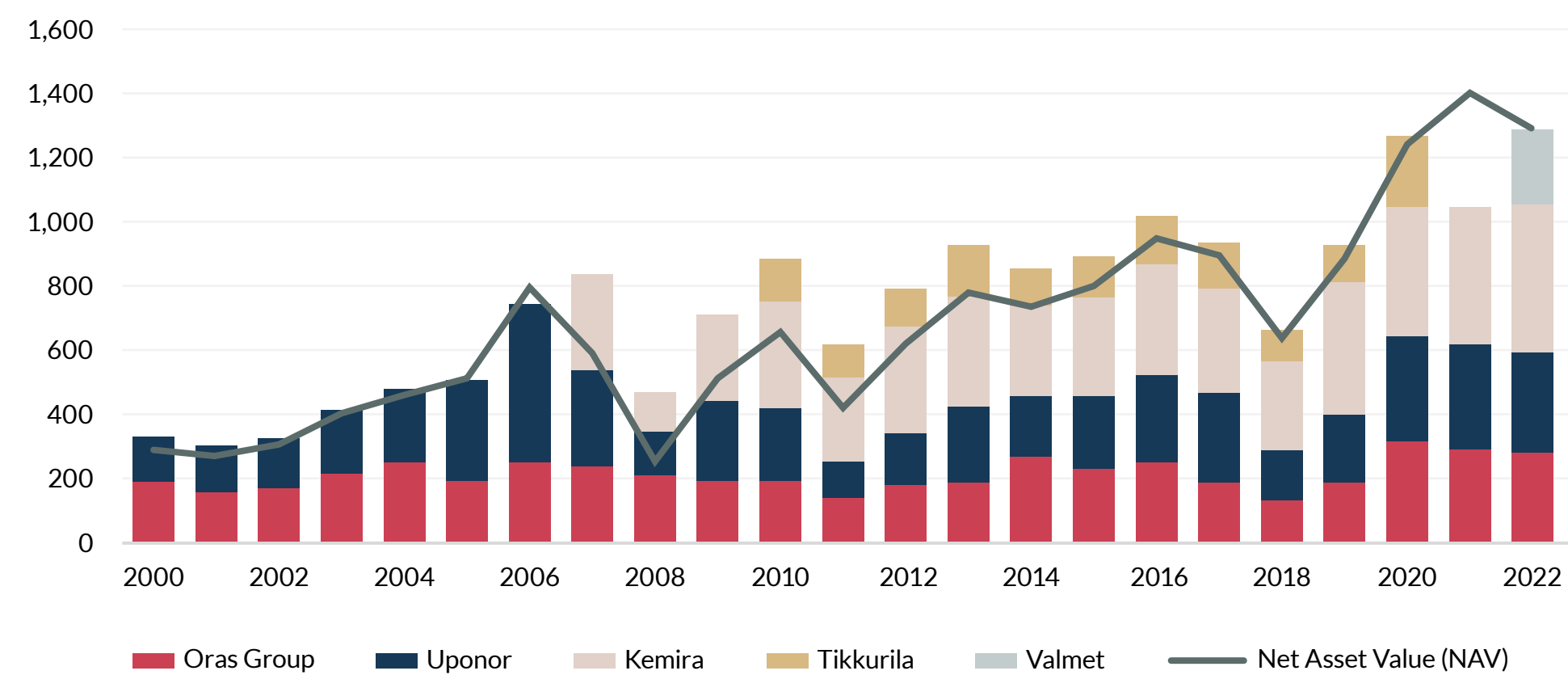


GAV, with an intrinsic value of EUR 276 million, a decline of 4%. Oras Invest received dividend income of EUR 12 million and EUR 11 million from these two building technology companies, respectively. In December 2022, we acquired an additional 0.8 million Uponor shares (1.1% of the company) for EUR 12 million and increased our ownership to 26%.

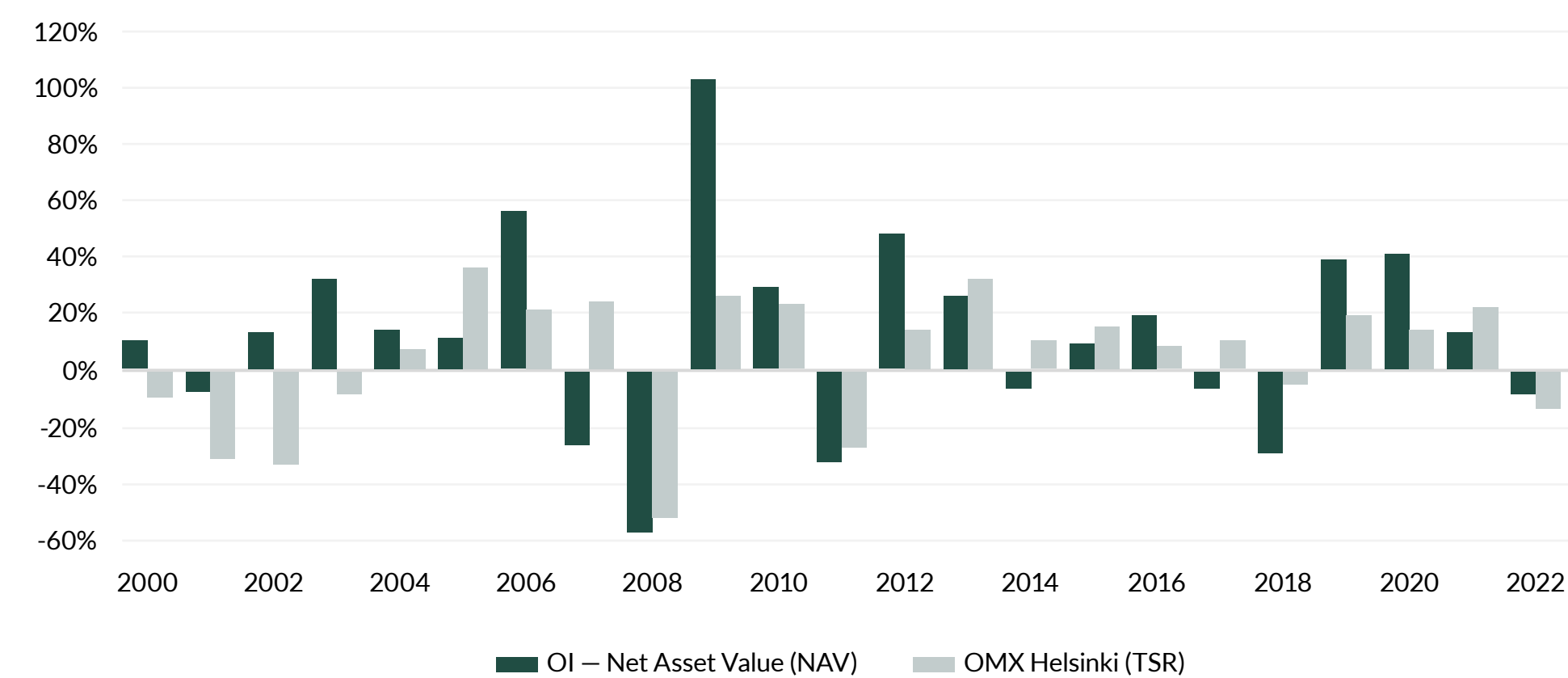
Oras Invest finalized the divestment of Tikkurila in 2021 for EUR 300 million. During the year 2022, this liquidity was used to acquire a new ownership position in Valmet, a leading global developer and supplier of process technologies, automation and services for the pulp, paper and energy industries. The company has a long history, and it has been listed on Nasdaq Helsinki since 2014. Our ownership reached 9.3 million shares (5% of the company) at the end of 2022, and the shares were worth EUR 234 million. This represented 18% of our GAV. Valmet has a track record of steadily improving its sales, profits, and dividend. Following the acquisition of the valve company Neles in 2022, Valmet has more than 50% of its sales in recurring and growing service and automation businesses.

Oras Invest’s balance sheet continues to be strong, and we have the capacity to continue investing in our current and new industrial ownership positions. At the end of 2022, we had a net cash position of EUR 6 million. We expect approximately EUR 60 million in dividend income in 2023, and all our companies have a strong financial position.

Development of ownerships and NAV, EUR million



Development of Oras Invest’s NAV and total shareholder return of OMX Helsinki, %



## New board members for Kemira and Uponor

In 2023, new members have been appointed to the boards of directors of Kemira and Uponor.

**Fernanda Lopes Larsen** (EVP, Africa and Asia, Yara International) and **Mikael Staffas** (CEO of Boliden) joined the Kemira Board of Directors. **Shirley Cunningham** and **Wolfgang Büchele** stepped down from the Board of Directors. **Katja Keitaanniemi** (CEO of OP Corporate Bank) and **Hans Sohlström** (President and CEO of Ahlström-Munksjö until 2022) were appointed to the Uponor Board of Directors. **Pia Aaltonen-Forsell** stepped down from the Uponor Board of Directors. We would like to thank all departing members of the boards for their long service and significant contributions.

The diversity on the boards of directors of our companies is at a good level. The most typical background is as a CEO, at close to 50%. After the latest appointments, the male/female split is 62%/38% and 45% of the members are of a non-Finnish nationality. The average age is 57 years, and 35% of the board members were born in the 1970s and 1980s.



# Our way of working





# Vision & Purpose

## VISION

Oras Invest is and will remain in family ownership. We aspire to be the best owner of selected industrial companies, with long-term commitment. The companies under our ownership are the best long-term performers in their industries. They attract the most competent people and a committed owner base.

## PURPOSE

Oras Invest focuses its ownership on industrial companies, that operate in the building, water and bio-based materials value chains. We develop our companies through active board work and close cooperation with management and other owners. Our aim is to create long-term sustainable value, which we measure by the development of our net asset value.



# Values

OWNERSHIP

Ownership cannot be claimed without an open and honest approach, respect for work and fair play. Responsibilities of ownership are greater than its privileges.

ENDURANCE

By endurance we state that there is continuity and competence in our work, and we are driven by sustainable value creation.

COMMITMENT

By commitment we express our long-term commitment to our companies and stakeholders; and to our family.

VITALITY

By vitality we demonstrate our aim to develop the business by seeking regeneration and innovative ownership ideas.

## Taking the long view, with sustainable values

**Good ownership** is a value and way of life understood by Oras Invest. It requires an honest, open and responsible approach, respect for work, and fair play. As an active industrial owner, we look beyond economic fluctuations.

**Vitality, commitment and endurance** form the basis for Oras Invest’s continuous, long-term value creation. We ensure that the companies we own are proactive and able to renew themselves. Our commitment to their long-term development is tangible. We put our competence and experience at our companies’ disposal.

**We take responsibility** for ensuring that our companies have solid ownership structures, as well as great boards of directors and CEOs. These are the basic prerequisites for solid value creation and constant improvement. A company will only be able to fulfil its social responsibility if it operates profitably on a solid base and creates value.



STRATEGY

# Industrial owner's strategy

Our family business background has had a strong influence on defining the nature and objectives of Oras Invest as an industrial owner. Oras Invest's strategy is guided by sustainable value creation throughout economic fluctuations, and when necessary, bold moves and preparations for challenging times. Committed ownership, long-term development and value creation are permanent factors of our strategy. We work in close cooperation with other significant owners, boards, management, and other stakeholders.

The perspective and operating model of a long-term owner differs from those of a financial investor, although the basic objective of value creation is important for both. We are committed to the companies we own and support them through thick and thin with a long-term view. We look beyond economic cycles, and to us, industrial ownership means actively contributing to the long-term development of the companies we own.

Oras Invest aims to be in a decision-making position. In listed companies, our goal is to be the largest owner, while in the case of unlisted companies, we aim for majority ownership. We direct our earned dividends toward growing our net asset value and strengthening our balance sheet to be able to support the growth of our current companies according to their strategies and to invest in new industrial ownerships.



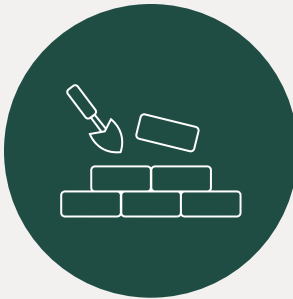
As an industrial owner, Oras Invest participates in the development of its companies by:

- Being active on the boards of directors and nomination boards of the companies we own and exerting influence during general meetings of shareholders
- Assessing the development opportunities, strategies, and value creation potential of our companies
- Working in close and constructive cooperation with the management of our companies and having a continuous dialogue with the other significant owners of our companies and the closest stakeholders
- Evaluating the management competencies of our companies and having a significant role in their remuneration policies through our board positions
- Promoting our companies to become leaders in all aspects of sustainability in their own industries and to continuously improve their sustainability performance
- Participating in ensuring that the capital structures of our companies remain healthy, giving them strength for development and renewal, and for building a sustainable future



STRATEGY

# Basic business principles and continuous renewal



Foundation

We believe that a solid foundation creates the basis for successful business.



Profitability

We strive towards long-term value creation and regard profitability as a prerequisite for seeking growth.



Sustainable growth

We expect our companies to create value in a sustainable manner.



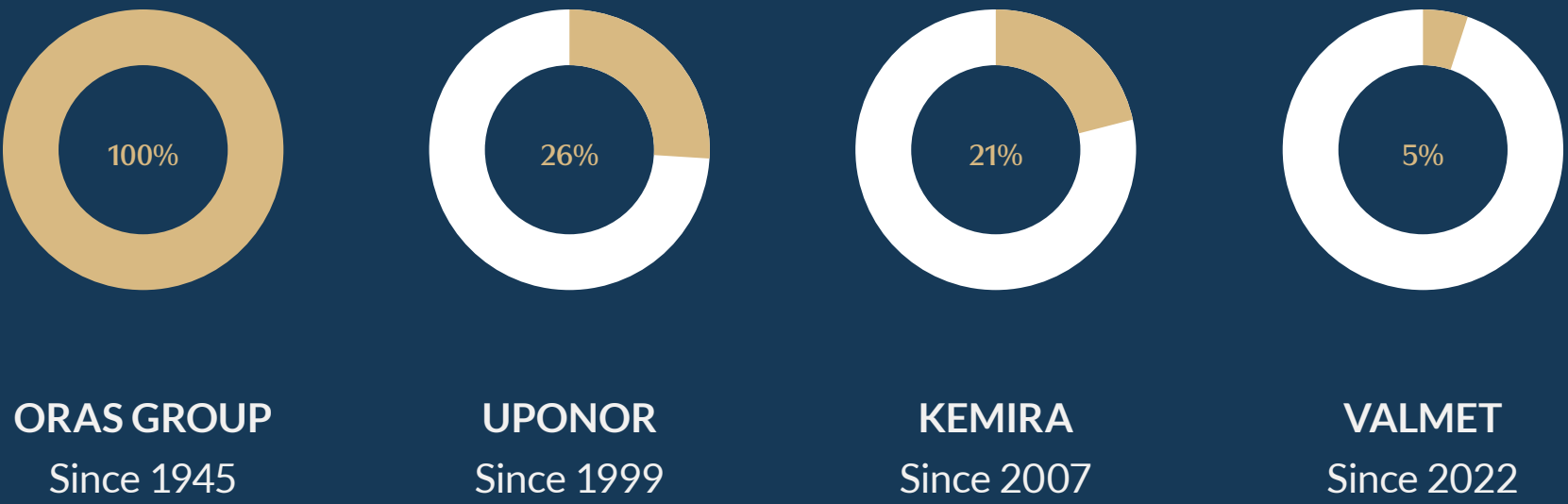
Business competence

Continuous competence development and renewal are the drivers of a healthy business model.



# Portfolio companies

The performance of our companies







# Oras Group – Working towards the perfect flow in everything we do

Oras Group is a significant European provider of sanitary fittings: the market leader in the Nordics and a leading company in Continental Europe.

**Board of Directors:**

Chairman Markus Lengauer, Vice Chairman Heli Leskinen, Maciej Gwozdz, Petri Kokko, Eerik Paasikivi and Pirjo Väliäho

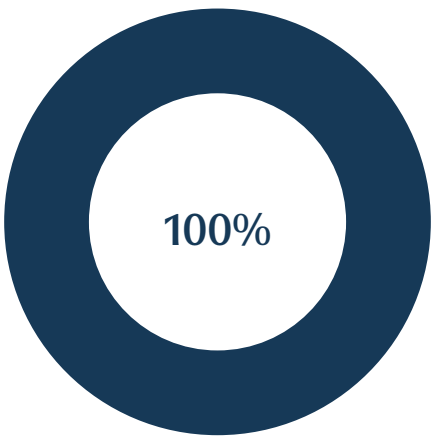
**Nomination Board:**

Chairman Annika Paasikivi and Markus Lengauer

**President & CEO:**

Kari Lehtinen

**Oras Invest ownership:**



ORAS GROUP KEY FIGURES 2022

Net sales

EUR 243.9 million

Comparable operating profit

EUR 33.3 million

Average number of personnel

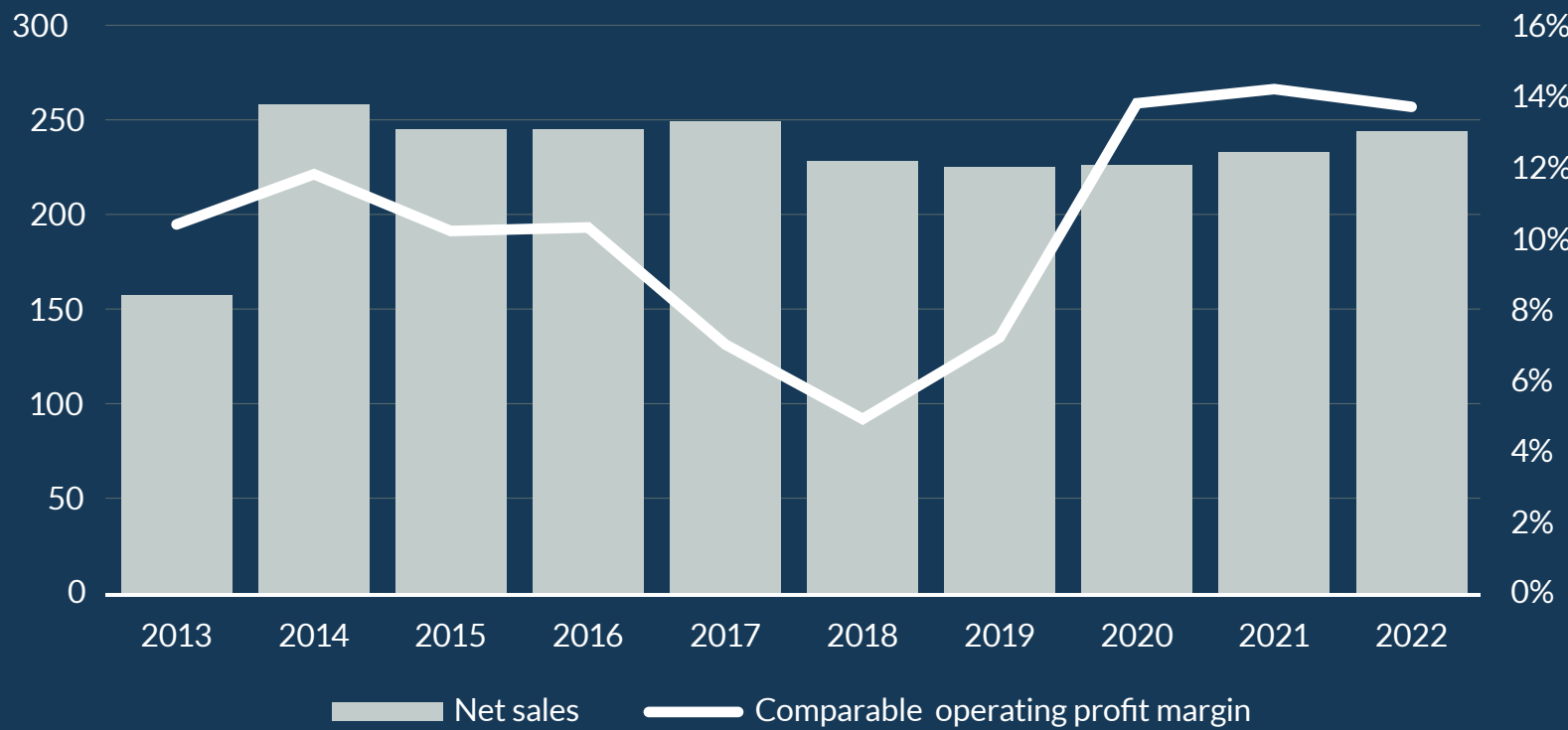
1,271

Oras Invest ownership

100%

Net sales and profitability, 2013-2022

EUR million





## PORTFOLIO COMPANIES: ORAS GROUP

# Oras Group review of 2022

2022 was a mixed year in Oras Group's markets. The first half was encouraging despite the macroeconomic headwinds. Consumer and wholesale channel uncertainty accelerated towards the end of the year, and there was a clear negative change in market sentiment in the second half. Oras Group took cost containment measures in all production sites to cope with the changed market conditions. Price levels were adjusted during the year to meet significant inbound inflationary pressures related to materials, energy and logistics.

Despite the weakening market conditions, Oras Group managed to improve in 2022. Net sales grew by 4.5% to EUR 243.9 million (233.5). Margins decreased slightly, but the comparable operating profit increased in euro terms by 0.7% to EUR 33.3 million (33.1) due to net sales growth. Inventory levels and, consequently, net working capital had been built up in 2021 and 2022 to avoid shortages. Inventory levels were successfully driven towards normal levels in H2.

Oras Group has been executing a significant EUR 29 million investment program since 2021 that is making the company well poised for future success. These investments in production capabilities are planned to be operational starting in Q3 2023.

The outlook for residential construction in 2023 is hard to predict. The sector's purchasing manager index (PMI) rebounded slightly after a continuous slide in 2022, but it is too early to say what direction the newbuild market will take. On a positive note, renovation activity, which constitutes the majority of the company's market, is likely to remain at a decent level, although some softness is foreseeable still in 2023 as European consumer confidence slowly rebounds from an all-time low in Sept-Oct 2022.



[www.orasgroup.com](http://www.orasgroup.com)





# Uponor – Sustainable water solutions for the future

Uponor is a provider of safe drinking water delivery systems, energy efficient radiant heating and cooling and reliable infrastructure solutions which enable a more sustainable living environment.

**Board of Directors:**

Chair Annika Paasikivi, Deputy Chair Markus Lengauer, Pia Aaltonen-Forsell, Johan Falk, Michael G. Marchi and Susanne Skippari

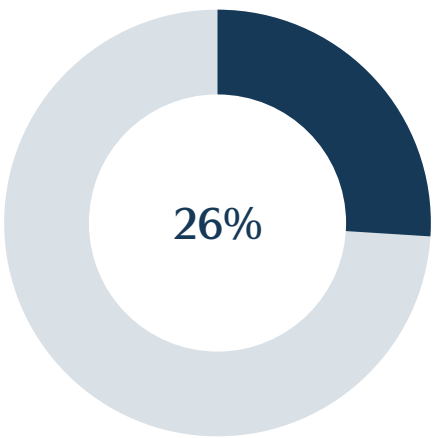
**Nomination Board:**

Chair Ville Kivelä (Oras Invest Oy), Henrika Vikman (Nordea Funds Oy), Hanna Kaskela (Varma Mutual Pension Insurance Company) and Expert Member Annika Paasikivi

**President & CEO:**

Michael Rauterkus

**Oras Invest ownership:**



UPONOR KEY FIGURES 2022

Net sales

EUR 1,386 million

Comparable operating profit

EUR 154 million

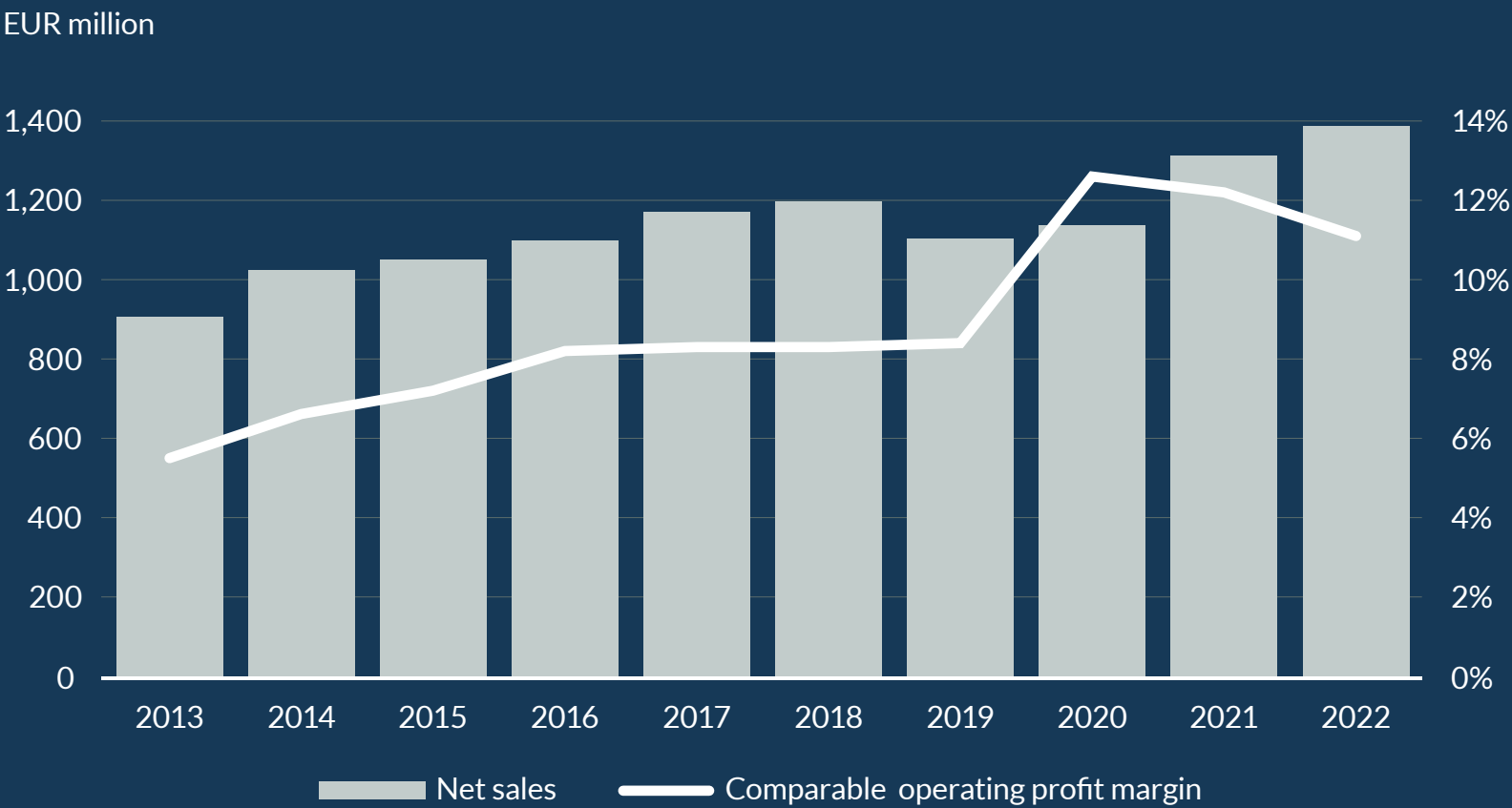
Average number of personnel

4,214

Oras Invest ownership

26%

Net sales and profitability, 2013-2022







## PORTFOLIO COMPANIES: UPONOR

# Uponor review of 2022

2022 was a good year for Uponor, considering the volatile market environment. Market development was relatively positive in the first half of the year, but as interest rates started to rise, construction activity began to moderate from multi-year highs and builder confidence fell in the second half of the year.

2022 net sales were an all-time high at EUR 1.386 billion (1.313), growing by 5.6% year-on-year. The comparable operating profit declined by 4.3% to EUR 154 million (161), being 11.1% (12.2%) of net sales. In the fourth quarter, Uponor faced a cyberattack, and Q4 net sales decreased by 16%, mainly due to the attack. The company took immediate actions to investigate and remediate the situation, and operating levels were back to normal from the beginning of December.

Building Solutions Europe grew 5.6% to EUR 599 million (564). Uponor focused on countries with high potential to drive organic growth, and it started the journey moving from component selling to selling more integrated solutions. Operating profit dropped to EUR 44 million (66), or 7.3% of net sales (11.7%).

Building Solutions North America grew 2.6% to EUR 480 million (468), a decline of 9% in local currency. Operating profit declined to EUR 78 million (85), or 16.2% of net sales (18.1%). Uponor continued to make inroads into the commercial market and to leverage its global offerings.

Uponor Infra grew to a record EUR 313 million (287). Operating profit margin improved to 7.4% (5.6%), and operating profit for the year was EUR 23 million (16). Uponor Infra successfully continued to transform the sales mix towards industry projects with higher margins.

2022 was a team building year for Uponor. Multiple new members were nominated to the Executive Committee and Group Leadership Team. Two key themes of these nominations were innovation and growth.

Uponor's vision is to be the leader in sustainable water solutions. Uponor aims to have a sustainable alternative for 50% of its product portfolio by 2027. During 2022, the company submitted more ambitious SBTi net-zero targets for validation.

Pursuing growth, optimizing capacity and protecting margins will be the key priorities in 2023 and 2024. Uponor has a strong balance sheet and a diversified portfolio, enabling the company to capture growth opportunities even if market volatility remains high in the coming quarters.

Oras Invest increased its ownership of Uponor towards the end of 2022 to 25.72% of all shares.

**uponor**

[www.uponorgroup.com](http://www.uponorgroup.com)



kemira

# Kemira – Improving the everyday with chemistry

Kemira is a global leader in sustainable chemical solutions for water-intensive industries.

**Board of Directors:**

Chair Matti Kähkönen, Vice Chair Annika Paasikivi, Wolfgang Büchele, Shirley Cunningham, Tina Sejersgård Fanø, Werner Fuhrmann, Timo Lappalainen and Kristian Pullola

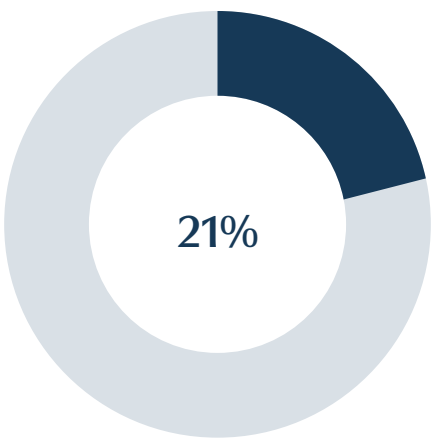
**Nomination Board:**

Chair Ville Kivelä (Oras Invest Oy), Pauli Anttila (Solidium Oy), Lisa Beauvilain (Impax Asset Management plc), Annika Ekman (Ilmarinen Mutual Pension Insurance Company) and Expert Member Matti Kähkönen

**President & CEO:**

Jari Rosendal

Oras Invest ownership:



KEMIRA KEY FIGURES 2022

Net sales

EUR 3,570 million

Comparable operating profit

EUR 362 million

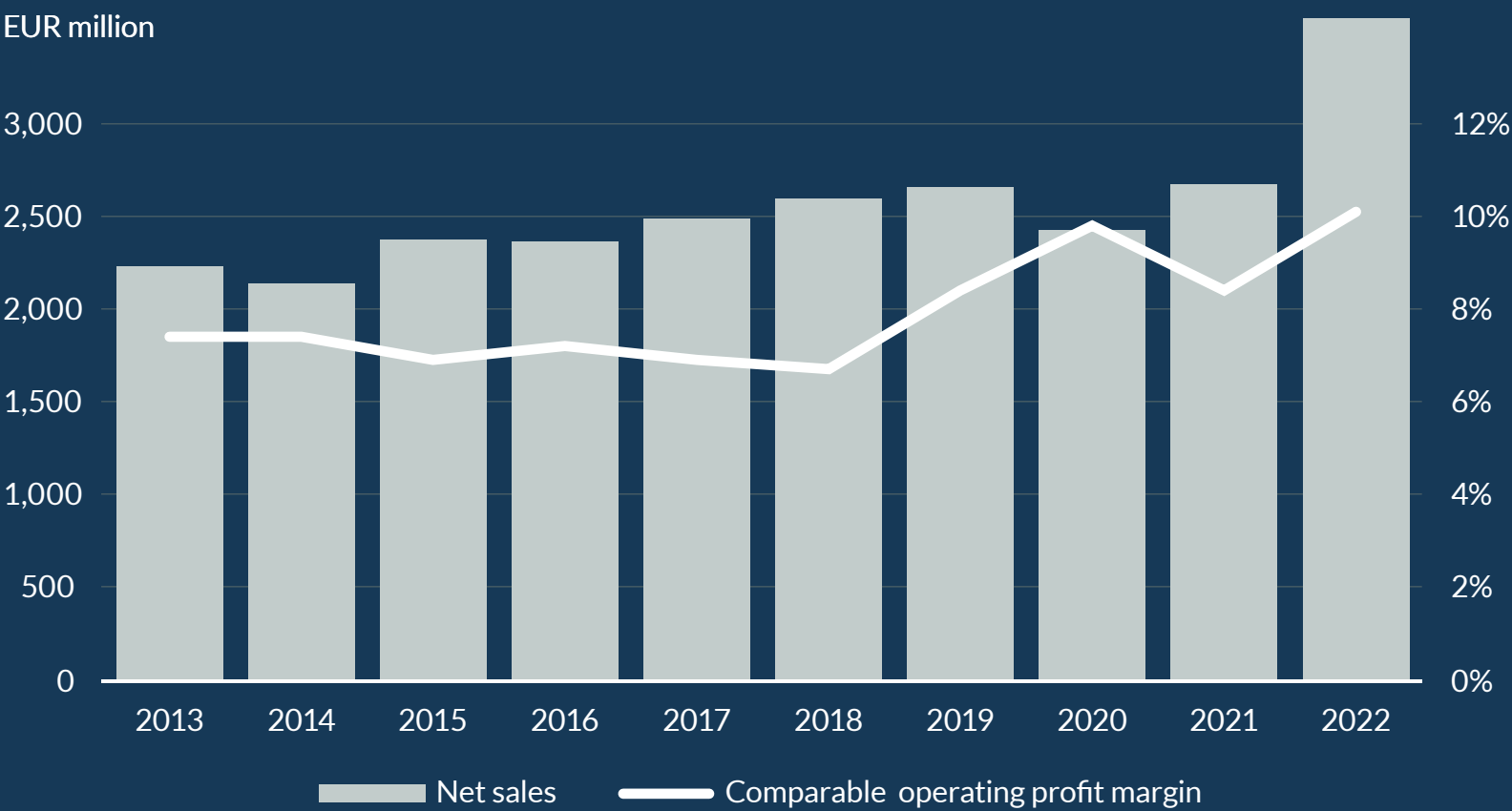
Average number of personnel

4,936

Oras Invest ownership

21%

Net sales and profitability, 2013-2022





## PORTFOLIO COMPANIES: KEMIRA

# Kemira review of 2022

The year 2022 was a record year for Kemira. Net sales increased by 33% to a record-high EUR 3.6 billion (2.7). The increase was driven by higher sales prices, volumes were down around 5% due to discontinued sales to Russia, the China COVID-19 lockdown and macro drivers in Pulp & Paper. Operative EBITDA increased by 34% to a record-high EUR 572 million (426) following improvements in both segments. The operative EBITDA margin increased to 16.0% (15.9%) following actions to mitigate impacts from strong inflation.

The Pulp & Paper segment posted excellent financial results despite a slowing market in H2. Net sales grew by 30% to over EUR 2 billion, driven by higher market prices, particularly for energy-intensive pulp and bleaching chemicals such as caustic soda. Kemira is partly backward-integrated in electricity in Finland. Operative EBITDA margin improved to 17.2% (15.7%), driven by higher sales prices.

The Industry & Water segment also had a strong year. Demand remained good in water treatment, while the oil & gas market grew strongly following higher oil prices. Segment net sales grew by 38% to EUR 1.5 billion driven by both the oil & gas and water treatment businesses. The operative EBITDA margin declined to 14.5% (16.2%) due to strong inflationary pressures.

In 2022, Kemira executed its sustainable growth strategy on many fronts. Kemira committed to the Science Based Targets initiative (SBTi) and set a climate target of cutting Scope 1 and Scope 2 emissions by 50% by 2030 from a 2018 baseline, and a quantified near-term Scope 3 target within the timeframe set by the SBTi framework is under development. The ambition is to be carbon neutral by 2045 for Scope 1 and Scope 2 emissions.

Kemira expects the market volumes for existing products to decline somewhat in 2023 following macroeconomic uncertainty. On a positive note, Kemira's balance sheet is strong, enabling the company to look for new organic and inorganic growth opportunities. In 2022, the company set up a growth accelerator unit to accelerate the commercialization of new biomaterials, and in early 2023, it announced a new strategy role in the Executive committee.

In March 2023, Oras Invest increased its shareholding in Kemira by 1.553 million shares, or +1% of all outstanding shares.

**kemira**[www.kemira.com](https://www.kemira.com)





# Valmet – Forward

Valmet is a leading global developer and supplier of process technologies, automation and services for the pulp, paper and energy industries.

**Board of Directors:**

Chairman Mikael Mäkinen, Vice Chairman Jaakko Eskola, Aaro Cantell, Anu Hämäläinen, Pekka Kemppainen, Per Lindberg, Monika Maurer and Eriikka Söderström

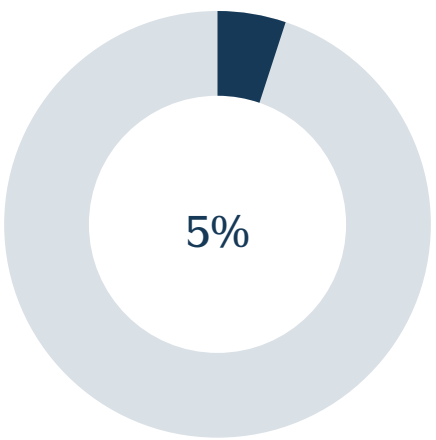
**Nomination Board:**

Chairman Annareetta Lumme-Timonen (Solidium Oy), Jari Paasikivi (Oras Invest Oy), Mikko Mursula (Ilmarinen Mutual Pension Insurance Company) and Expert Member Mikael Mäkinen

**President & CEO:**

Pasi Laine

Oras Invest ownership:



VALMET KEY FIGURES 2022

Net sales

EUR 5,074 million

Comparable operating profit

EUR 419 million

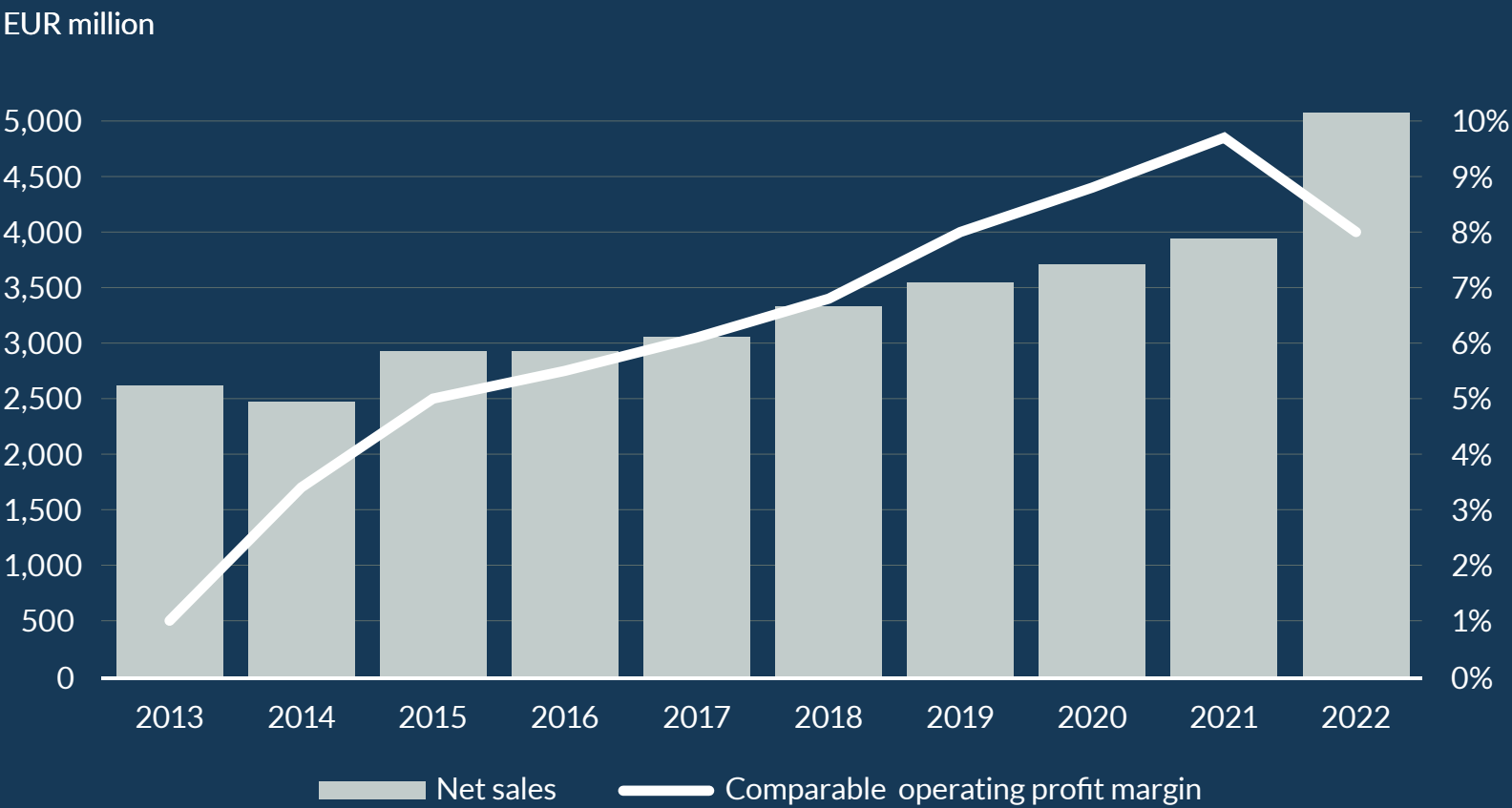
Average number of personnel

16,554

Oras Invest ownership

5%

Net sales and profitability, 2013-2022







## PORTFOLIO COMPANIES: VALMET

# Valmet review of 2022

In April, Neles was merged into Valmet. The integration of the companies is proceeding according to plan.

Valmet posted strong results in 2022. Net sales increased 29% to EUR 5.1 billion (3.9). Comparable EBITA increased 24% to EUR 533 million (429), of which the stable, recurring Services and Automation segments contributed EUR 427 million. Valmet's comparable EBITA margin decreased to 10.5% in 2022 (10.9%) due to cost inflation.

Net sales for Process Technologies grew 12% to EUR 2.4 billion (EUR 2.2 billion). Comparable EBITA decreased to EUR 145 million (175), corresponding to 6.0% (8.1%), due to some projects being impacted by cost inflation.

Net sales for Services grew 18% to EUR 1.6 billion (EUR 1.4 billion). Comparable EBITA increased 16% to EUR 237 million (204), corresponding to 14.8% of net sales.

Net sales for Automation grew by 152% to EUR 1.0 billion (0.4). The ex-Neles flow control business contributed EUR 551 million. Comparable EBITA more than doubled to EUR 190 million (79), corresponding to 18.3% of net sales.

Sustainability is fully integrated into Valmet's strategy and operations. 2022 was the first full year of its Climate Program, covering the supply chain, Valmet's own operations, and the use phase of its technologies and services. A new R&D and innovation program, "Beyond Circularity", aims to develop process technologies, automation and services to utilize renewable materials, recycled waste and sidestreams. Valmet continues to receive recognition for progress in sustainability topics and was included in the Dow Jones World and Europe Sustainability Indices for the ninth consecutive year.

Valmet has a solid order backlog of EUR 4.4 billion, up by EUR 0.3 million from 2021. The company has leading capabilities and a unique offering, supported by favorable megatrends, providing confidence going into 2023 and beyond. During 2022, Oras Invest accumulated a 5% shareholding in Valmet.



[www.valmet.com](http://www.valmet.com)



# Sustainability

Creating long-term value to the society



# The aggregate contributions of our companies in 2022

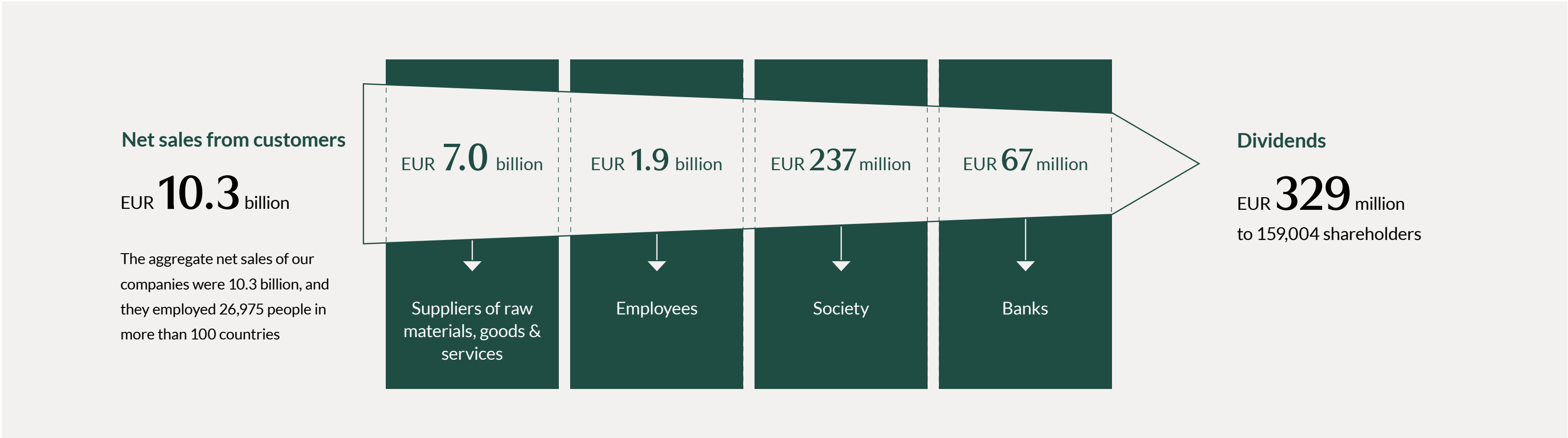
Oras Invest companies contribute to society on various levels, and once again distributed a significant share of added value to several stakeholders.

In 2022, the combined net sales of our companies were EUR 10.3 billion.

The payments to suppliers totalled EUR 7.0 billion. The number of employees was an average of 26,975 and the contribution to them EUR 1.9 billion.

Corporate income taxes and social costs paid by our companies were in total EUR 237 million. The amount paid to financial institutions was EUR 67 million.

Our companies had, in total, 159,004 shareholders at the end of 2022. The combined dividends amounted to EUR 329 million.







# Sustainable value creation – influencing through active ownership

Oras Invest has a defined sustainability policy and approach, and we actively engage with our companies to set expectations accordingly. We are committed to continuously developing our sustainability approach, and we encourage and support our companies to do the same.

Oras Invest contributes to its companies' sustainability work through channels available for a significant owner:

- Promoting our companies to become the leaders in all aspects of sustainability in their own industries
- Proactively bringing sustainability topics onto the governance and management agendas
- Actively monitoring the progress of our companies, focusing on topics relevant to shareholders
- Ensuring that sustainability is an integral part of our new investment decisions

We actively follow the development of our companies and review their performance annually in a systematic manner. In addition to annual reviews, we discuss sustainability in various meetings with the boards, management teams and other significant owners. Sustainability is not something we only review once a year, but something we have already integrated and will further continue integrating in all our communications and actions with our companies.



# Sustainability guidelines for Oras Invest companies

We expect our companies to become the leaders in all aspects of sustainability in their own industries.

<ul style="list-style-type: none"><li>● Have clear overall responsibility for sustainability management, and proper processes and policies in place.</li></ul>	<ul style="list-style-type: none"><li>● Identify and manage risks related to climate change, including its financial impacts.</li></ul>	<ul style="list-style-type: none"><li>● Integrate sustainability into management incentive plans.</li></ul>
<ul style="list-style-type: none"><li>● Continuously reduce the company's environmental footprint, addressing the main elements thereof in order of priority.</li></ul>	<ul style="list-style-type: none"><li>● Organize appropriately to drive change: define focus areas, set (science-based, when reasonable) targets, have clear responsibilities, follow-up with suitable metrics and take corrective actions when needed.</li></ul>	<ul style="list-style-type: none"><li>● Comply with laws and regulations and follow good corporate governance practices and high ethical standards.</li></ul>
<ul style="list-style-type: none"><li>● Identify and pursue opportunities arising from contributing to a more sustainable society.</li></ul>	<ul style="list-style-type: none"><li>● Report adequately and transparently on sustainability, reflecting regulations and global standards. Prepare a sustainability report based on an internationally recognized framework or standard when reasonable, and have it audited by external auditors.</li></ul>	<ul style="list-style-type: none"><li>● Have zero tolerance for human rights abuse and discrimination. Actively promote diversity and inclusion and ensure health &amp; safety of personnel.</li></ul>

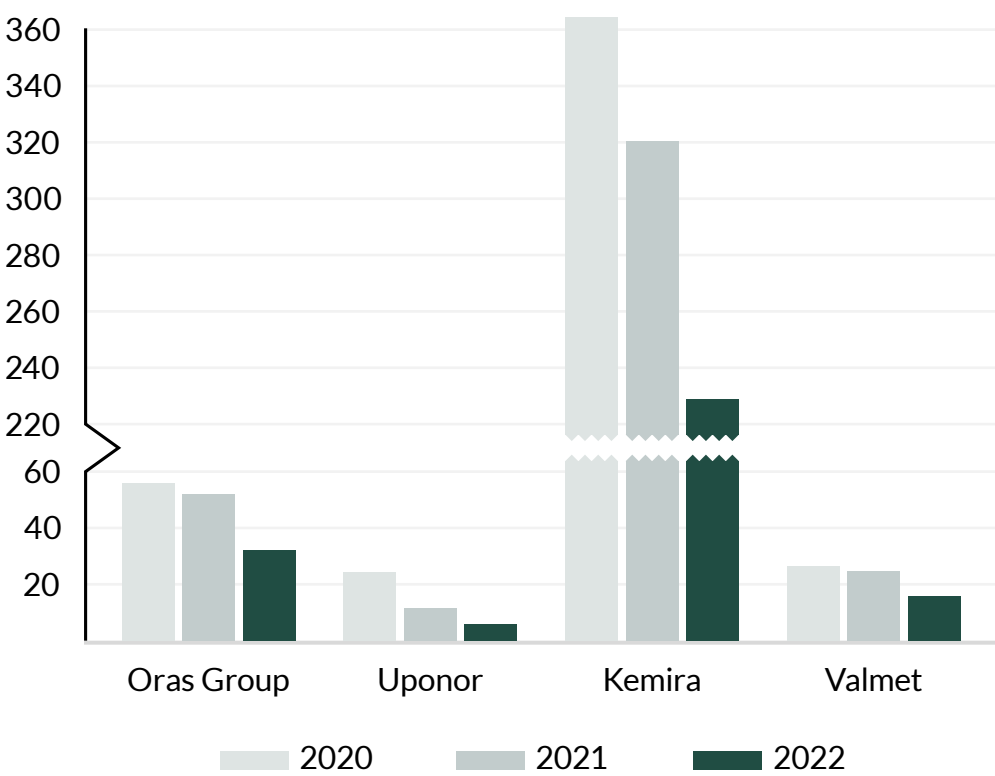




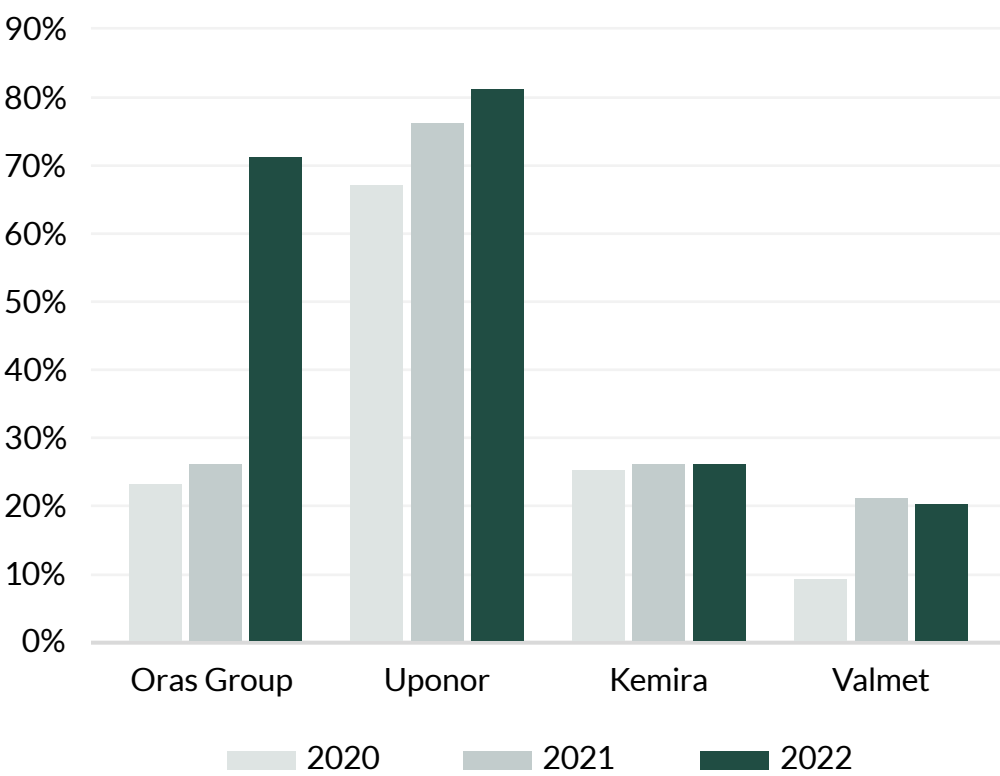
# Sustainability performance 2020-2022

## ENVIRONMENT

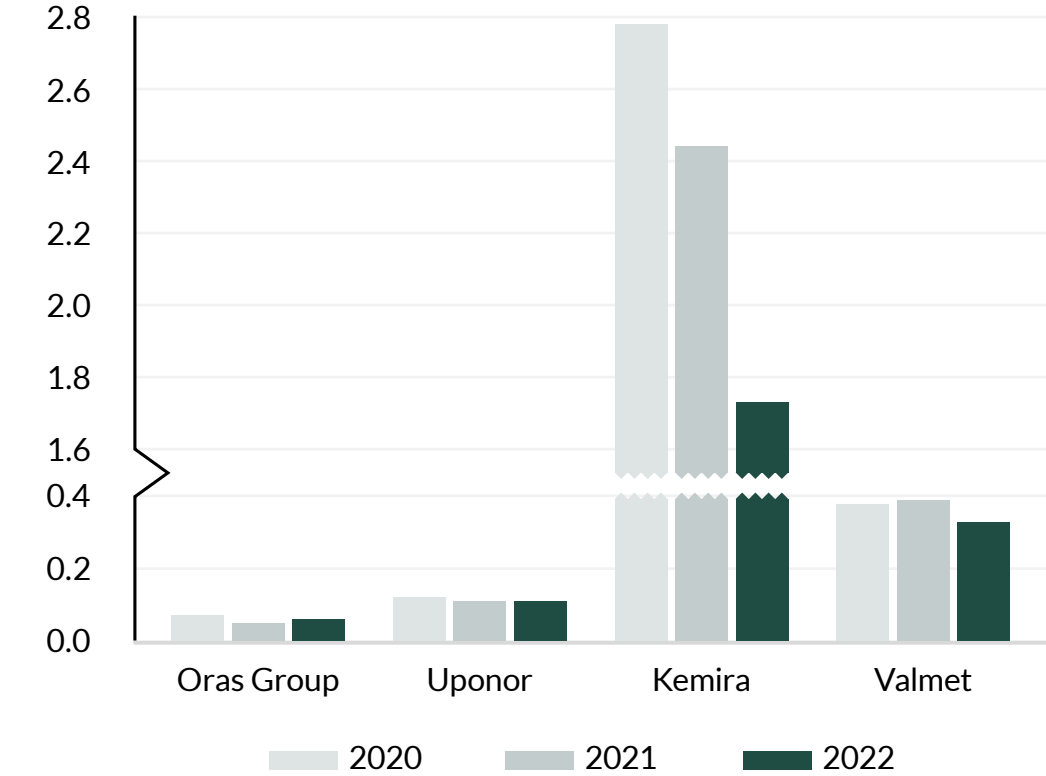
GHG emission intensity (scope 1 + 2, tn CO<sub>2</sub>e / EUR million)



Share of renewable energy (%)

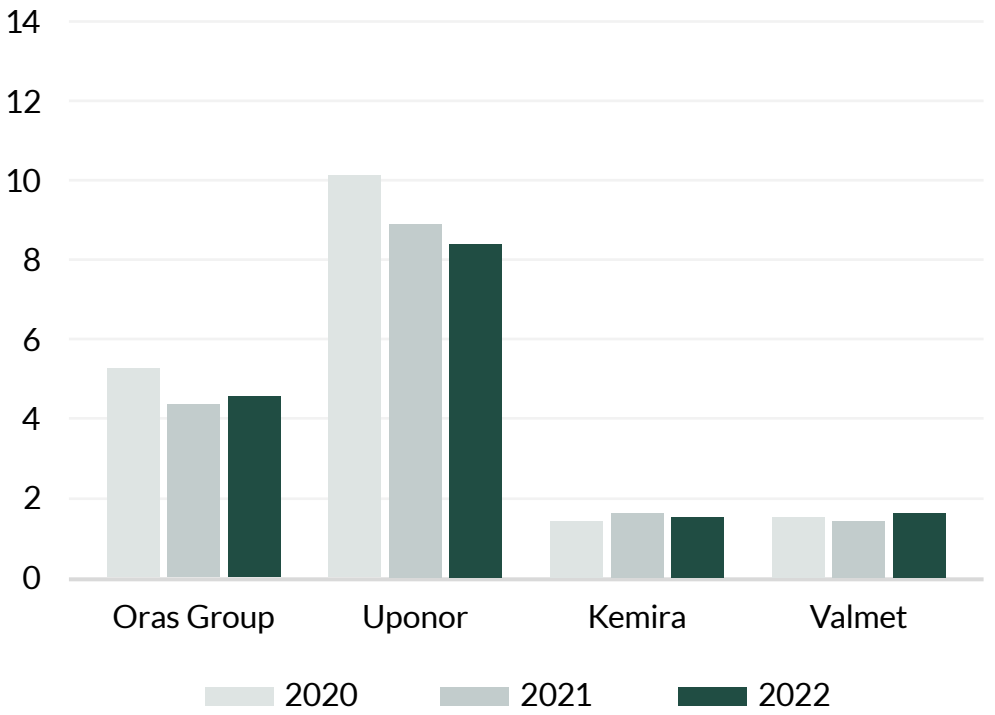


Water consumption (MI / net sales EURm)

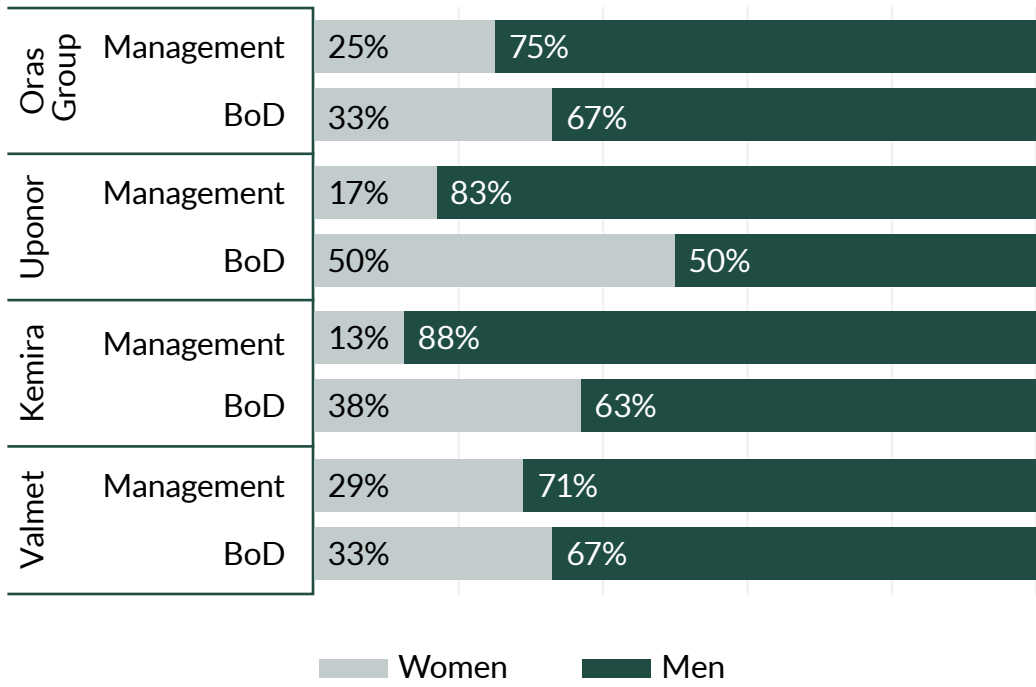


## SOCIAL

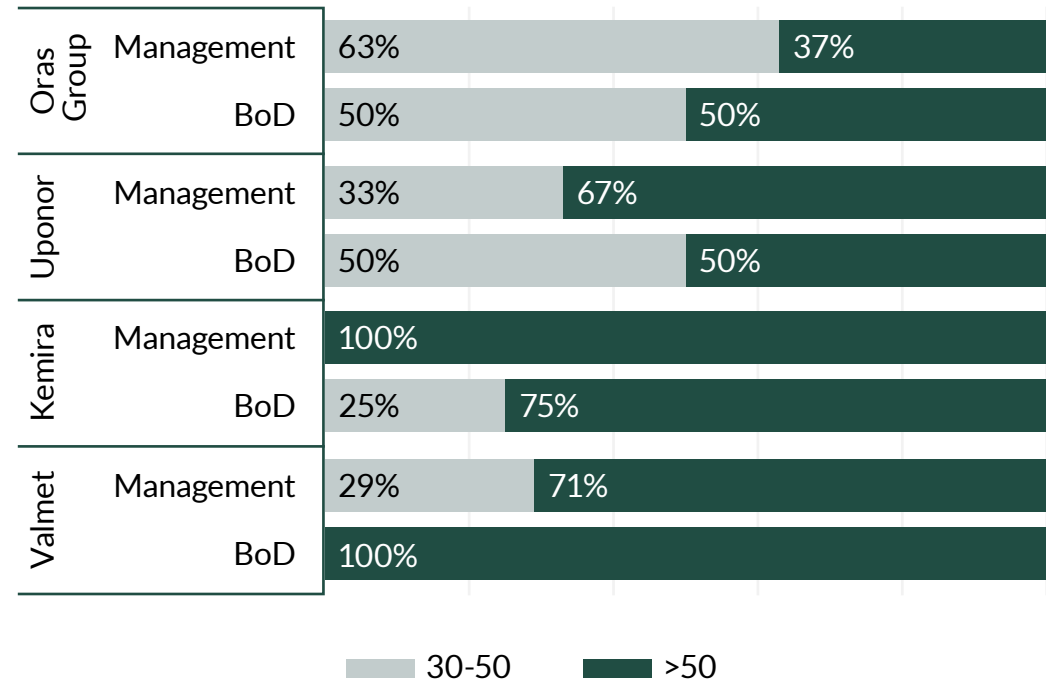
Lost Time Incidents (LTIF)



Diversity - Gender



Diversity - Age





# Summary of financial statements



## Parent company income statement FAS

INCOME STATEMENT (EUR 1,000)	1.1.-31.12.2022	1.1.-31.12.2021
Net sales	300	250
Other operating income	20	20
Personnel expenses	1,474	1,038
Depreciation	73	58
Other operating expenses	10,717	2,351
<b>Operating profit</b>	<b>-11,944</b>	<b>-3,177</b>
Financial income and expenses	51,915	199,397
<b>Profit before appropriations and taxes</b>	<b>39,971</b>	<b>196,220</b>
Income taxes	-31,751	-2,745
<b>Profit for the financial period</b>	<b>8,220</b>	<b>193,475</b>



## Parent company balance sheet FAS

ASSETS (EUR 1,000)	31.12.2022	31.12.2021
<b>Non-current assets</b>		
Tangible assets	1,311	838
Investments in Group companies	21,942	21,942
Other investments	789,202	545,854
Other non-current receivables	98	23
	<b>812,553</b>	<b>568,658</b>
<b>Current assets</b>		
Current receivables	980	9,704
Other financial assets	1	256,811
Cash and cash equivalents	9,278	40,782
	<b>10,259</b>	<b>307,297</b>
<b>Total assets</b>	<b>822,812</b>	<b>875,955</b>

SHAREHOLDERS' EQUITY AND LIABILITIES (EUR 1,000)	31.12.2022	31.12.2021
<b>Shareholders' equity</b>		
Share capital	6,521	6,521
Fair value reserve	-75,510	9,177
Retained earnings	852,904	662,928
Profit for the year	8,220	193,475
	<b>792,135</b>	<b>872,102</b>
<b>Liabilities</b>		
Current liabilities	30,677	3,853
	<b>30,677</b>	<b>3,853</b>
<b>Total equity and liabilities</b>	<b>822,812</b>	<b>875,955</b>



# Parent company cash flow statement FAS

CASH FLOW FROM OPERATIONS (EUR 1,000)	1.1.-31.12.2022	1.1.-31.12.2021
Profit before appropriations and taxes	39,971	196,220
Adjustments		
Depreciation and impairment	73	58
Financial income and expense	-51,915	-199,397
Cash flow from operations before change in working capital	-11 871	-3,119
Change in trade and other non-interest bearing receivables (-/+)	419	61
Change in trade and other non-interest bearing liabilities (+/-)	-207	109
Cash flow from operations before financial items and taxes	-11,659	-2,949
Interests paid and other financial items	-245	-513
Interests received	368	341
Dividends received	62,625	32,896
Income taxes paid	-6,146	-16
<b>Cash flow from operations</b>	<b>44,943</b>	<b>29,759</b>

CASH FLOW FROM INVESTMENTS (EUR 1,000)	1.1.-31.12.2022	1.1.-31.12.2021
Investments in intangible and tangible assets	-546	-33
Investment in associate	-9,459	-9,828
Investments in financial assets	-309,498	
Proceeds from sale of an associate		300,154
Proceeds from sale of financial assets	181	
Other financial assets	246,449	-250,200
Change in other non-current receivables	-75	
<b>Cash flow from investments</b>	<b>-72,948</b>	<b>40,093</b>

CASH FLOW FROM FINANCING (EUR 1,000)	1.1.-31.12.2022	1.1.-31.12.2021
Repayment of current loans		-45,000
Group contribution		3,000
Dividends paid	-3,499	-3,499
<b>Cash flow from financing</b>	<b>-3,499</b>	<b>-45,499</b>
<b>Net change in cash and cash equivalents</b>	<b>-31,504</b>	<b>24,353</b>
Cash and cash equivalents at 1 January	40,782	16,429
Cash and cash equivalents at 31 December	9,278	40,782



# Corporate Governance



# Corporate Governance

Oras Invest Ltd (the Company) is a private limited company registered in Finland. The company follows good corporate governance practices based on the Finnish Companies Act and the company's Articles of association. The Company is the parent company of Oras Invest Group. In such capacity, it is responsible for the development of the management of the Group, prepares the Group's financial reporting and supports the Group in financial, legal and management issues. The Group consists of a number of independent subgroups and separate companies. Decisions regarding their operations are taken by each company's own decision-making bodies. Oras Invest exercises its ownership through representatives elected by its Board of Directors in the decision making bodies of its subsidiaries, associated companies and other investments.

## General Meeting of Shareholders

The highest decision-making authority in the Company is exercised by the shareholders at the General Meeting of shareholders. According to the Finnish Companies Act and the Articles of Association, the General Meeting of shareholders decides on the following issues:

- Amendments to the Articles of Association
- Adoption of the annual accounts
- Dividend distribution
- Appointment and compensation of the Owners Board members
- Appointment and compensation of the Board of Directors
- Appointment of the Company's auditor and decision on audit fees





The General Meeting also elects the Chairman of the Board of Directors and the Vice Chairman of the Board of Directors.

## Owners Board

The Owners Board prepares all matters that are brought to be decided by the General Meeting and decides on all such owner matters which are not brought to the General Meeting. The Owners Board is responsible for the ownership steering of the Company and determines the long-term will and vision of the owners. The Owners Board works in close cooperation with the Company's Board of Directors.

The Owners Board consists of four (4) to seven (7) members, who elect a chairperson among themselves. Members of the Owners Board are appointed annually at the General Meeting.

The Owners Board works according to a charter, which describes the role and functions of the Owners Board in detail. The Owners Board decides on the proposal for the appointment of members to the Company's Board of Directors, which is brought to the Annual General Meeting.

## Nomination Committee

The task of the Nomination Committee is to find the best possible members to the Board of Directors of the Company and to prepare the proposal regarding their remuneration.

The Owners Board elects a chairman for the Nomination Committee among its members; in addition to which the chairman of the Board of Directors will act as adviser to the Nomination Committee.

The Nomination Committee submits its proposal to the Owners Board, and the Owners Board decides on the proposal for appointment of members to the Board of Directors, to be brought to the Annual General Meeting. The Nomination Committee submits its proposal regarding matters related to remuneration to the Annual General Meeting.

## Board of Directors

In accordance with the Finnish Companies Act, the Board of Directors is responsible for the governing of the Company and the appropriate organisation of its operations. The Board's main duty is to direct the company's strategy so as to advance the benefit of all shareholders in the long term, while taking into account the expectations of various stakeholders. The Board further monitors and supervises the executive management of the Company, and appoints and dismisses the Chief Executive Officer. The Board also oversees that the Company acts in accordance with its values. Pursuant to the Articles of Association, the Board of Directors of the Company comprises a minimum of three (3) and a maximum of seven (7) members, appointed for a term starting at the close of the General Meeting at which they were appointed, and expiring at the close of the following Annual General Meeting. Members of the Board of Directors can also

be appointed mid-term, at Extraordinary General Meetings.

The Board of Directors shall comprise of competent members with diverse expertise from various fields. At least two (2) independent members and at least one (1) owner must be appointed as members of the Board.

The Board evaluates its work on an annual basis and reports on this to the Nomination Committee.

## Chief Executive Officer

The Chief Executive Officer (CEO) is appointed by the Board of Directors. The CEO plans and manages the Company's operations and is responsible for its executive management in accordance with the instructions and orders given by the Board of Directors. It is the CEO's duty to ensure that the Company's accounts are in compliance with the law and its financial affairs have been arranged in a reliable manner.

## Compensation

The Nomination Committee proposes the remuneration of members of the Board of Directors. The General Meeting of shareholders shall annually decide on the remuneration of members of the Board of Directors and the Owners Board. The Board of Directors decides on the CEO's salary and benefits and confirms the salaries and benefits of the executive committee members.

## Supervision

Pursuant to the Articles of Association registered on August 3, 2017, the Company has one auditor and a deputy auditor. In case an Authorised Public Accountants Community is elected as an auditor, a deputy auditor shall not be elected. The Board of Directors proposes auditors for election to the General Meeting which appoints them annually. The auditors provide the Company's shareholders with the statutory auditor's report. Auditors' duties are regulated by statutory law and other sources.

Together with the Chief Executive Officer, the Board of Directors of the Company is responsible for arranging appropriate internal supervision.



# Board of Directors



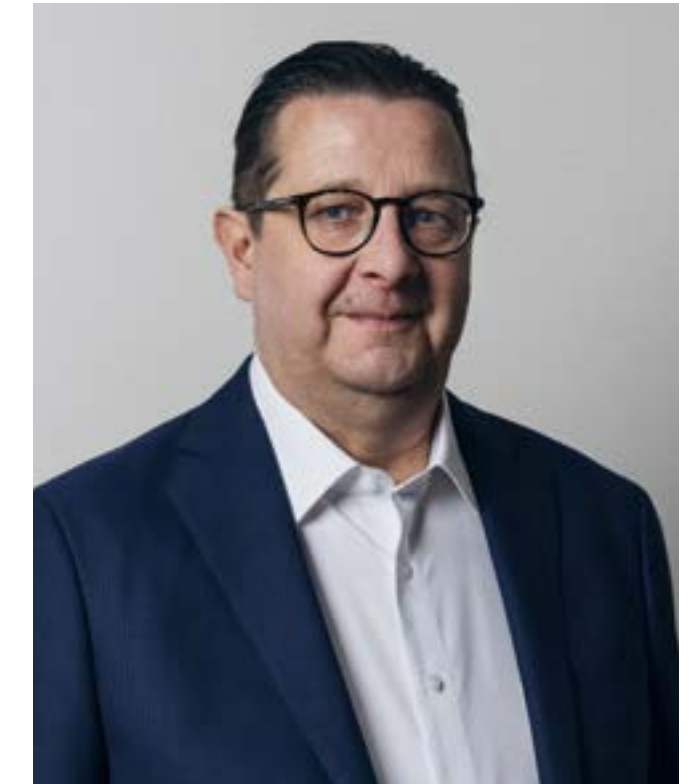
**Jari Paasikivi**  
The Chairman of the Board



**Timo Ihamuotila**



**Ulf Mattsson**



**Kaj Paasikivi**



**Christoph Vitzthum**



**Ruth Werhahn**



**Heikki Westerlund**



# Team



**Annika Paasikivi**  
President & CEO



**Ville Kivelä**  
Chief Investment Officer



**Joonas Sandholm**  
Chief Financial Officer



**Anniina Myllyperkiö**  
Executive Assistant



A close-up, high-contrast photograph of industrial machinery, likely a pump or valve assembly, featuring various metal components, bolts, and pipes. The lighting is dramatic, highlighting the metallic textures and creating deep shadows. The Oras Invest logo is overlaid in the bottom left corner.

**oras invest**

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