ASPO

CMD 2024

Today's program

Time	Topic and presenter	Time	Topic and presenter
09:30	**Welcome & practicalities** Mikko Heikkilä, VP, Corporate Development **Aspo Group Strategy** Rolf Jansson, Aspo Group CEO **Aspo Group Finance** Erkka Repo, Aspo Group CFO **Aspo Q&A Session** **ESL: Creating Infra for Nordic Industries** Mikki Koskinen, ESL MD **ESL Q&A Session**	10:50	**Telko: Accelerated Growth** Mikko Pasanen, Telko MD **Telko Q&A Session** **Leipurin: Towards full potential** Miska Kuusela, Leipurin MD **Leipurin Q&A Session** **Wrap-up & closing remarks** Rolf Jansson, Aspo Group CEO **Joint Q&A**
		12:00	**End of streaming, Lunch**
10:40	**Break**		

ASPO

Strategy

Rolf Jansson, Aspo CEO

Note: Because the future estimates described in this presentation are based on the current situation and knowledge, they involve significant risks and other uncertainties, due to which actual future outcomes may differ from the estimate.

Aspo Capital Markets Day key messages

1 **Strategy.** Aspo's businesses have clear and attractive business strategies

2 **Financial ambition.** Aspo financial ambition is to reach EUR 1 bn of net sales and 8% EBITA in year 2028

3 **Sustainability.** Aspo and its businesses will commit to Science Based Targets by the end of 2024

4 **Portfolio vision.** Aspo's portfolio vision is to form two separate companies: Aspo compounder and Aspo Infra. These entities have diverging business models and strategies with different ESG agendas. Approach and timing to be defined, in order to maximise benefits of the shareholders

5 **Leadership model.** Aspo Group to lead the transition. Aspo's new leadership model is focused on business reviews and governed by Aspo's board, to drive the transformation efficiently forward (ESL Shipping forms an exception due to the minority ownership)

6 **Dividend policy.** Aspo's dividend growth will consider financing needs of growth initiatives with strategic priority and be based on positive profitability development with an aim to pay out annually up to 50% of net profit

Aspo creates value by owning and developing businesses sustainably and long-term.

Our companies aim to be market leaders in their sectors. They are responsible for their own operations, customer relationships and development of these, aiming to be forerunners in sustainability.

Aspo sets targets and supports growth and profitability development of its business portfolio.

Aspo today – Sustainable value creation since 1929

- Three business segments
- ~750 committed employees in 16 countries
- Net sales EUR 536 million
- Comparable operating profit EUR 26.5 million

Year 2023 figures

Aspo's share has yet not recovered since Russia's attack against Ukraine

Aspo's adjusted share price development vs. OMXH25

Source: Yahoo Finance

Aspo way of creating value

Portfolio

- Maximize value of current business portfolio
  - Ambitious growth and profitability targets
  - Develop clear business strategies with focused and resilient business models
  - Pursue full business potential
  - No ambition for operative synergies between the businesses
- To reach Group level financial targets, allocate investments to areas with best returns
- Becoming a forerunner in sustainability within each segment

Growth

- Long-term growth by re-investing earnings
- Growth to improve profitability and develop resilience
- Complement targeted organic growth with active role in M&A
  - Both bolt-on as well as platform acquisitions into new market segments
  - M&A value generated from screening the right businesses, improving target profitability and expanding valuation multiples
  - New growth platforms beyond existing portfolio not short-term prioritised

Ownership

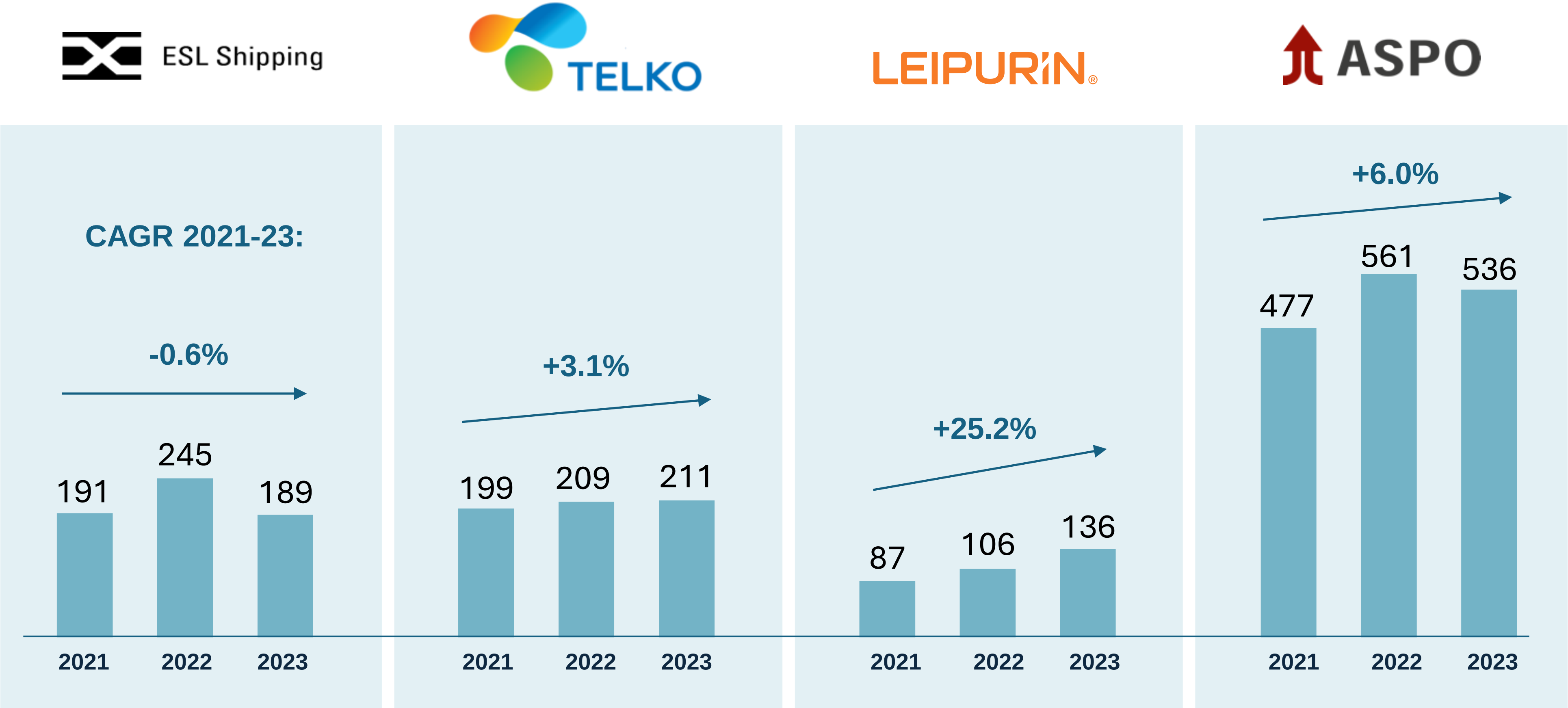
- Focus on active portfolio management and long-term strategic development of portfolio companies
- To free up capital, exit low performing businesses with poor fit to Aspo’s targets or for which Aspo is not the best owner
- Maintain flexibility for different structural models to maximize value
  - Use of advanced funding opportunities (e.g. pool)
  - Utilise co-ownership structures when appropriate and value adding

Since the CMD in 2021, Aspo has focused its portfolio, repositioned westwards and invested into the green transition

	Sources	Uses
ASPO	• Renewal of debt • Hybrid loan • Sale of Kauko	• Investment allocations to the businesses • Dividends
ESL Shipping	• Investment pool for next generation electric hybrid vessels • OP Finland Infra and Varma Mutual Pension Insurance Company take 21.43% ownership in ESL • Sale of two supramax vessels (closing planned by end of May)	• Investments in twelve new generation electric hybrid green coasters • Preparations for future in fossil free handies
TELKO	• Exits of Telko Russia and Belarus	• Acquisitions of Mentum, Johan Steenks, Eltrex, Optimol, Greenfluid, and Swed Handling (closing planned for Q3)
LEIPURIN	• Divestment of Vulganus and the bakery equipment trading business • Sale and lease back of four warehouse properties in Sweden and Lithuania • Exits of Leipurin Russia and Kazakstan (signed transaction and figures deconsolidated)	• Acquisitions of Kobia and Kebelco (closing part of Swed Handling)

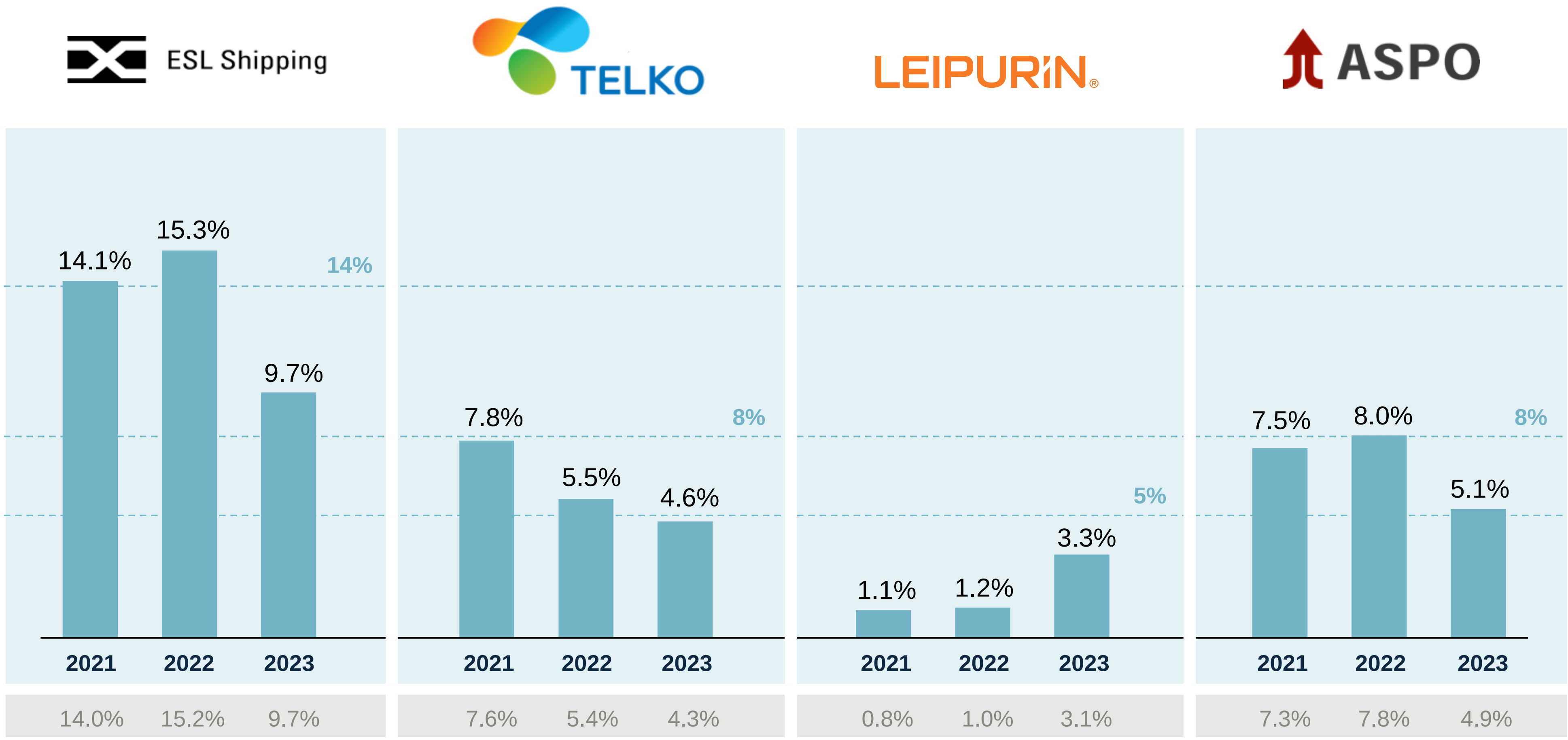
Aspo grew annually by 6% during 2021-2023, driven by Leipurin and Telko

Net sales EUR million (continued business, comparable figures)

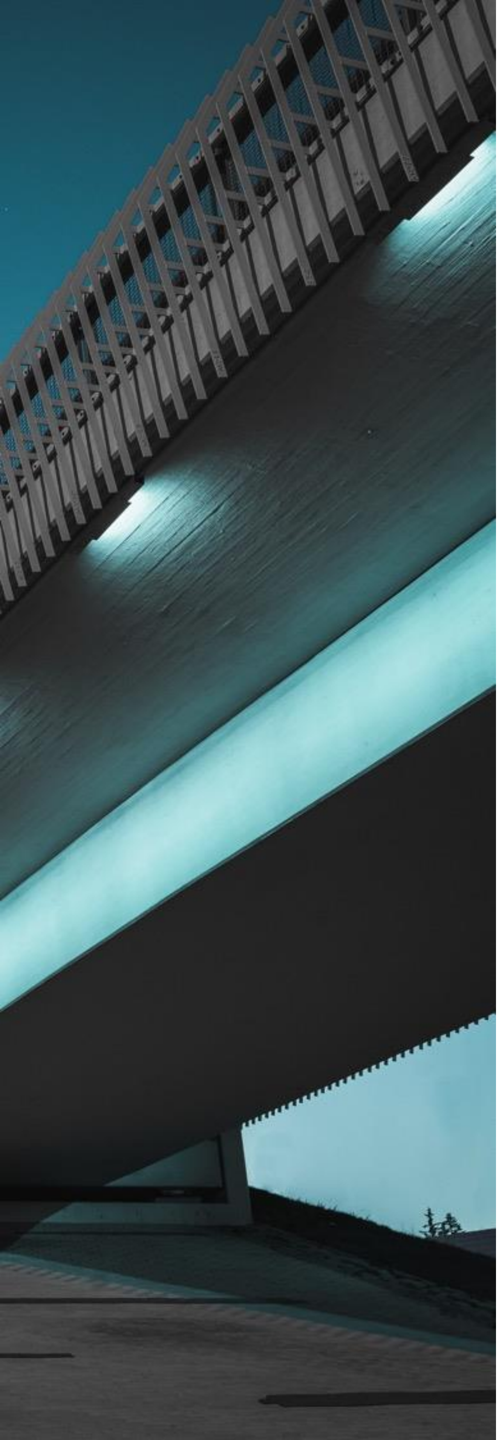


Aspo's EBITA reached target in 2022, with a decline in 2023 due to softening in especially ESL Shipping's market

EBITA-% (continued business, comparable figures)

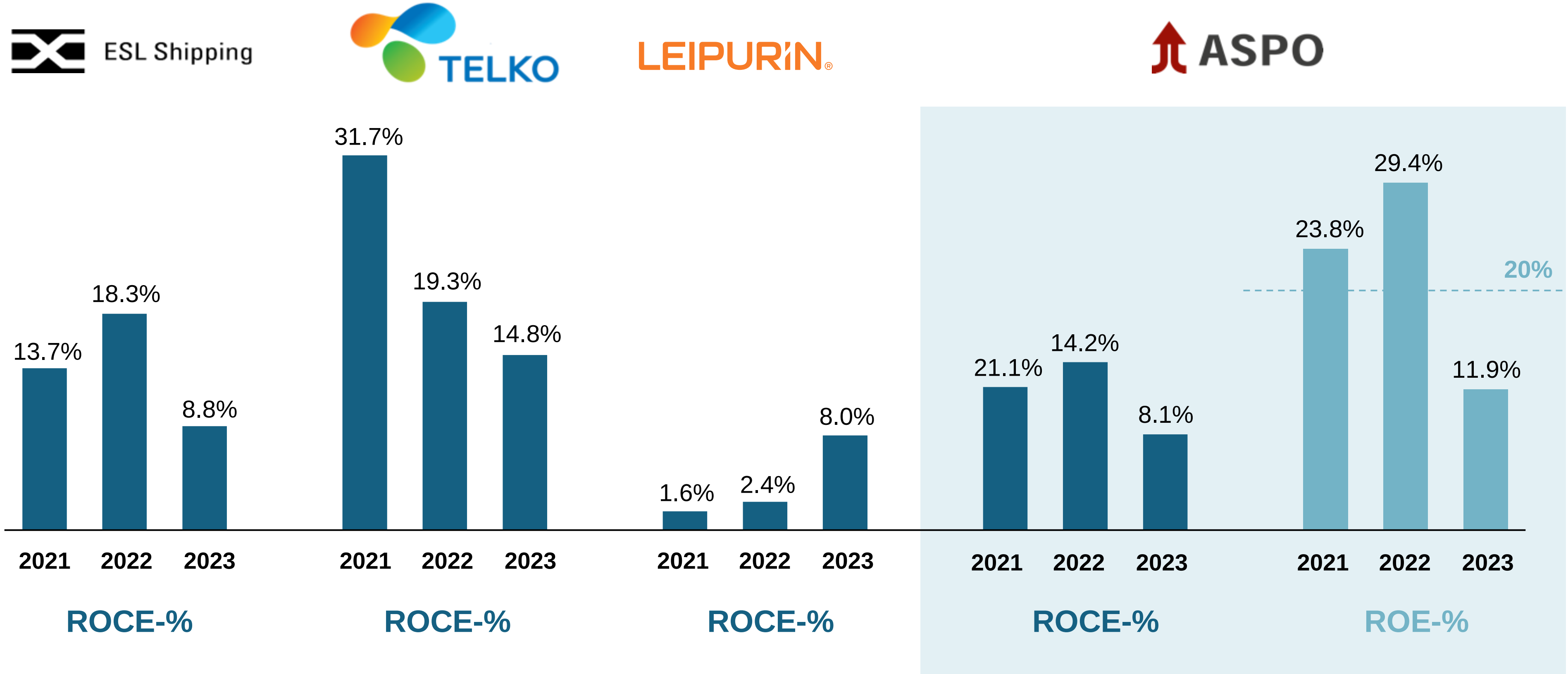


EBIT-% for comparison



Aspo's ROE-% target was surpassed in 2021 and 2022, decline in 2023 due to the negative profitability trend

ROCE-% and ROE-% (continued business, comparable figures)



Aspo's targets remain unchanged, but adjusted to consider the compounder strategy, achieve resilience and manage growth financing

Aspo's long-term targets

EBITA 8%*

Telko 8%
Leipurin 5%
ELS 14%

Net sales growth 5–10% per year**

Return on equity of over 20%

Net debt / EBITDA < 3.0***

Key changes:

***) EBIT->EBITA to mitigate M&A impact:** Change from EBIT to EBITA to mitigate the impact of amortization in M&A transactions (will gradually build-up due to the compounder strategy). For the current financial performance, the change in profitability measure plays a minimal role => on an Aspo level moving from EBIT to EBITA improves the profitability margin with 0,2%-points in years 2021, 2022, and 2023. The financial guidance of Aspo for year 2024 updated accordingly, considering the forecasted difference between EBIT and EBITA

****) Minimum growth to support resilience:** The 5-10% annual growth target is defined as the minimum annual growth level to be achieved. Such growth rate supports resilience of profitability development over time

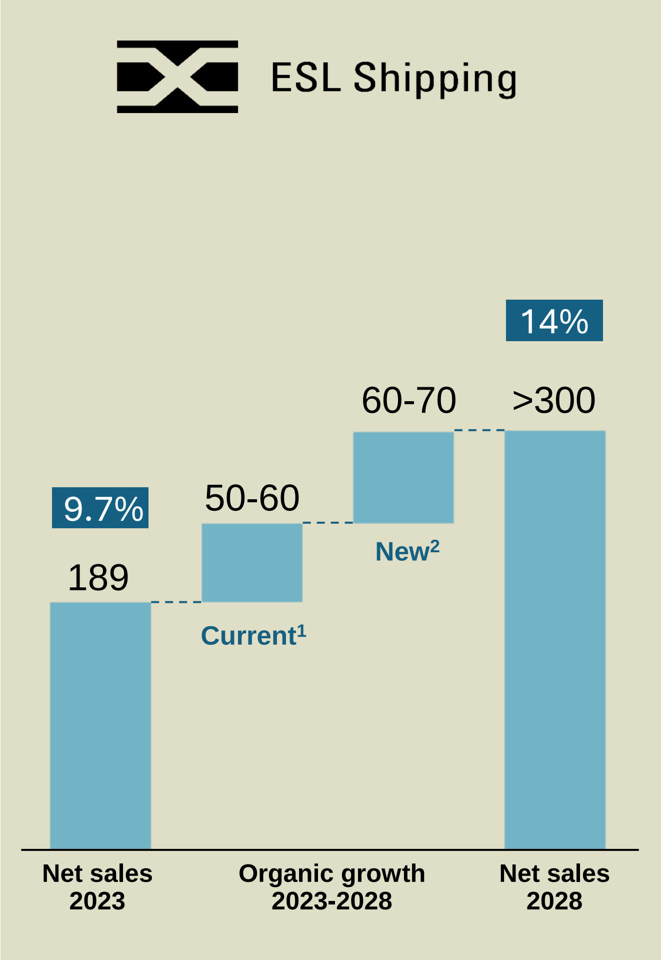
*****) Net Debt/EBITDA to manage financing capacity:** Current target for capital structure, i.e. gearing less than 130%, is replaced by a net debt / EBITDA target. Critical to manage the financing capacity of Aspo and develop the balance sheet to enable strategy execution, i.e. growth investments. Financing capacity strongly dependent on financial performance. Short-term, the net debt / EBITDA ratio can exceed the 3.0 level in case of major investments. Aspo net debt / EBITDA has fluctuated between 1.7-3.3 during 2022-2024 ytd

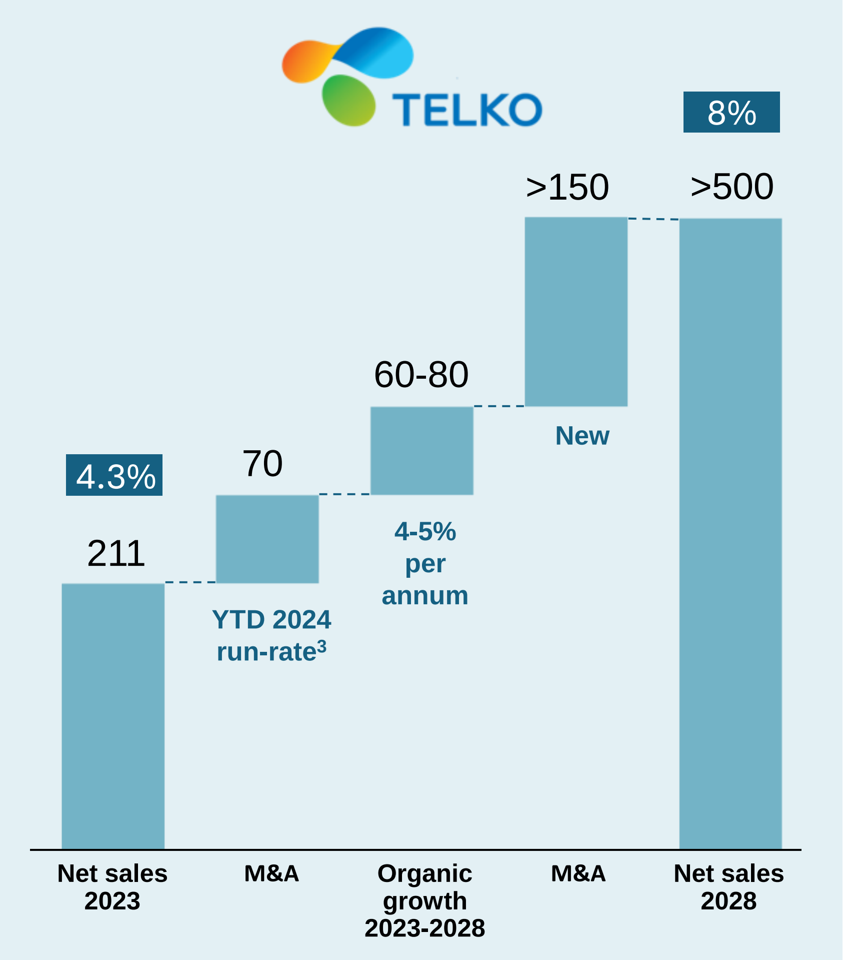
Clear strategies set for Aspo's businesses to drive growth and profitability improvement going forward

	ESL Shipping	TELKO	LEIPURIN
Vision	• Creating infra to enable the green transition of Nordic industrials	• Leading European specialty products expert and distributor	• Effective and skilled gateway of bakery and food ingredients to Northern Europe
Strategic agenda	• ESG driven accelerated growth, combined with commercial and operational excellence	• Organic growth supported by M&A and scalability	• On path to its full profit potential
Growth drivers	• Green transition of Nordic industrials and partners • Addressable market of ESL Shipping forecasted to double over next 10 years • Investments to be a forerunner in low-carbon technologies	• Strong organic growth in specialty products and by widening service offering • Continued M&A growth via both add-ons in existing markets and growth platforms in new markets	• Stable market development • Growth initiatives in prioritised segments (incl. food industry, industrial bakeries, ready products)
Operational drivers	• Strong capabilities for specific conditions in the Baltic Sea • Business intelligence and operational excellence • Development of commercial activities	• Uniform business model with commercial and supply chain synergies • Actions for increased scalability and cost efficiency • Specific improvement efforts in supply chain and commercial activities	• Develop commercial-, supply chain- and sourcing capabilities • Successful synergy capture across countries • New Leipurin wide management model

Aspo's ambition is to reach EUR 1 bn (2023: EUR 536 m) of sales and 8% (2023: 5.1%) of EBITA by 2028

Net Sales EUR m EBITA-%





1) Incl. Green coasters, 2) New investments incl. fossil free handies

3) Optimol, Greenfluid, Swed Handling

4) Kebelco

Aspo's businesses have different business models – more similarities between Leipurin and Telko vs. ESL Shipping

	ESL Shipping	TELKO	LEIPURIN
Business logic and value creation	• Long term industrial partnerships • Solutions for local conditions	• Bridging principals and customers • Bringing local access and capability to global principals	• Bridging principals and customers • Local presence with wide service offering
Market resilience and improvement levers	• High resilience in typically volatile market. Improved through long-term contracts, customer diversification, green focus, etc.	• High resilience that can be improved by focused growth, incl. specialty products, bolt on acquisitions, and scale	• High resilience, very stable demand and market development
Organic growth	• Green transition, overall demand • Long-term contracts and partnerships	• Focused growth through specialty products and expansion of service offering	• Focused growth within sub-segments, incl. food industry, industrial bakeries and ready products
In-organic growth	• New market entry	• Compounding	• Buy and build
Capital employed and capex needs	• Capital employed = primarily vessels • High capex need from new builds and to lesser extent maintenance	• Capital employed = working capital • Low capex need, depending on M&A roadmap	• Capital employed = working capital • Low capex need
Business timespan	• 25 years life span of vessel	• Rotation of inventory up to 60 days	• Rotation of inventory up to 60 days
Availability of financing	• High availability of financing based on strong EBITDA and using vessels as collateral	• Leverage based on resilient profitability	• Leverage based on resilient profitability
Financial profile	• High margins • Medium return on capital and high return on equity	• Medium margins • High return on capital and equity	• Low to medium margins depending on segment; High return on capital and equity

Sustainability continues to shape Aspo's business strategies, tailored agendas required for the different business models

	ESL Shipping	TELKO	LEIPURIN
Narrative	• Creating infra to enable the green transition of Nordic industrials	• Gradual shifting product mix and improving supply chain to lead way in sustainable transformation	• Providing access to a leading plant-based product offering via a sustainable supply chain
Key focus & scope	• Investments in environmentally friendly and fossil-free fleet and technologies. Management of ESG data. Already scope 1 and 2 (direct and indirect emissions from company-owned and controlled resources) offer major opportunity to influence	• Development of product range and management of ESG data as part of service offering. Only scope 3 (all indirect emissions that occur in the value chain of the company, upstream and downstream) perspective offers major opportunity to influence	
KPI's	• Emissions per seamile x tn, safety frequency, customer NPS	• Customer and principal NPS, waste, total emissions in the entire value chain, Reach / product data management	

ASPO **Aspo and its businesses will commit to Science Based Targets by end of 2024**

Aspo's vision is to form two separate companies considering the differences in business model "before Aspo turns 100 years in 2029"

ASPO active ownership

	ASPO Infra	ASPO Compounder
Current ASPO segments	ESL Shipping	TELKO, LEIPURIN
Business model	• Green transition and capex investments • Industrial partnership • Forerunner in new sustainable technologies and operating models • High return of equity • Towards strong resilience	• Organic growth supported with acquisitions • Partnering with principals and customers • Sustainable and efficient value chains • High return of capital employed • Strong resilience • Also, some differences between Telko and Leipurin, incl. market conditions, scalability, etc.

→ **Ambition to shift capex focus towards ASPO Compounder, from traditionally being purely focused on ESL Shipping**

Key building blocks of the transformation

Why now?

- The business models between Aspo Compounder and Aspo Infra differ across multiple dimensions and will further diverge when implementing the selected business strategies, incl.
  - Major investments in growth and performance improvement according to the agenda of each business
  - Strong focus on different ESG dimensions
  - Specific funding needs as well as capacity
- Ultimately, the ambition is to create a clear and transparent investment profile of Aspo to the market
- The aim is to create resilient business models, which will deteriorate some benefit of combining businesses under the same umbrella
- Important to communicate this transformation upfront, for Aspo to make for its stakeholders clear and logic steps towards this ambition

What, when and how?

- Approach and timing not predetermined, in order to maximise value to the shareholders
  - Different approaches will be considered, incl. demerger, IPO, and sales (minority/majority/full)
  - Growth investments, financial performance, and specific market and business conditions to be considered when deciding on timing
- Aspo Group will lead the transformation
- Meanwhile, the focus will lie on executing the business strategies and improving financial performance of the businesses
- Systematic and transparent leadership to build engagement and success. Special focus on communication, both internal as well as external

Aspo's new leadership model is focused on business reviews and governed by Aspo's board to drive the transformation efficiently

Aspo Board of Directors

Rolf Jansson
Aspo CEO

ESL Board of Directors

Matti-Mikael Koskinen
ESL MD

Mikko Pasanen
Telko MD

Miska Kuusela
Leipurin MD

Erkka Repo
Aspo CFO

Taru Uotila
Aspo Legal, Sustainability & HR

Mikko Heikkilä
Aspo Corporate Development, M&A

To support strategy execution, Aspo's dividend policy is adjusted, better reflecting the strategy and underlying business models

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Current dividend policy:
- Aspo's goal is to annually increase the amount of dividends

Return profile:
- Strong focus on dividend yield

Revised dividend policy:
- Aspo's dividend growth is based on positive profitability development with aim to pay-out annually up to 50% of net profit as dividend. The goal is to gradually increase the amount of dividends, while considering financing needs of growth initiatives with strategic priority

Revised return profile:
- Considering the financial ambition of EUR 1 bn of sales and 8% of EBITA, positive share price development is a key success factor, besides pure dividend yield (i.e. Total Shareholder Return)

ASPO Infra

Dividends of infra companies are linked to the growth of the underlying asset base. Typically, resilient and gradually growing dividends, with adequate yield

ASPO Compounder

The compounder model focuses on re-investing stable earnings into company growth. Typically, moderate dividend linked to the net profit for the year

Executive summary: Aspo Capital Markets Day key messages

1 **Strategy.** Aspo's businesses have clear and attractive business strategies:

- ESL Shipping: ESG driven accelerated growth, combined with commercial and operational excellence (key actions: minority shareholders on-board, green coaster investment program, divestment of supramax vessels, pooling financing)
- Telko: Organic growth supported by M&A and scalability (key actions: Optimol, Greenfluid, and Swed Handling acquisitions, ongoing actions to improve cost efficiency)
- Leipurin: On path to its full profit potential (key actions: divesment of non-core machine businesses and real estate, Kobia and Kebelco acquisitions, prioritised organic growth, development of commercial, supply chain and sourcing capabilities)

2 **Financial ambition.** Aspo's financial ambition is to reach EUR 1 bn of net sales and 8% EBITA in year 2028. Aspo's financial targets unchanged, but adjusted to consider the compounder strategy (from EBIT-% to EBITA-%), achieve resilience (minimum net sales growth of 5-10%), and manage financing of growth investments (net debt / EBITDA to replace gearing target)

3 **Sustainability.** Aspo Group level sustainability ambition: Aspo and its businesses will commit to Science Based Targets by end of 2024. Each business of Aspo aims to be a sustainability forerunner in its industry

4 **Portfolio vision.** Aspo portfolio vision is to form two separate companies: Aspo Compounder and Aspo Infra

- Diverging business models and strategies with different ESG agendas
- Approach and timing to be defined, in order to maximise value for the shareholders

5 **Leadership model.** Aspo Group to lead the transition. Aspo's new leadership model is focused on business reviews and governed by Aspo's board to drive the transformation efficiently forward (ESL Shipping forms an exception due to the minority ownership)

6 **Dividend policy.** Dividend policy adjusted to reflect company strategy and growth ambition, the ongoing transition and specific business characteristics

- Dividend growth will consider financing needs of growth initiatives with strategic priority and be based on positive profitability development with an aim to pay-out annually up to 50% of net profit as dividend
- Strong focus on Total Shareholder Return


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Thank you!

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Finance

Erkka Repo, Aspo CFO

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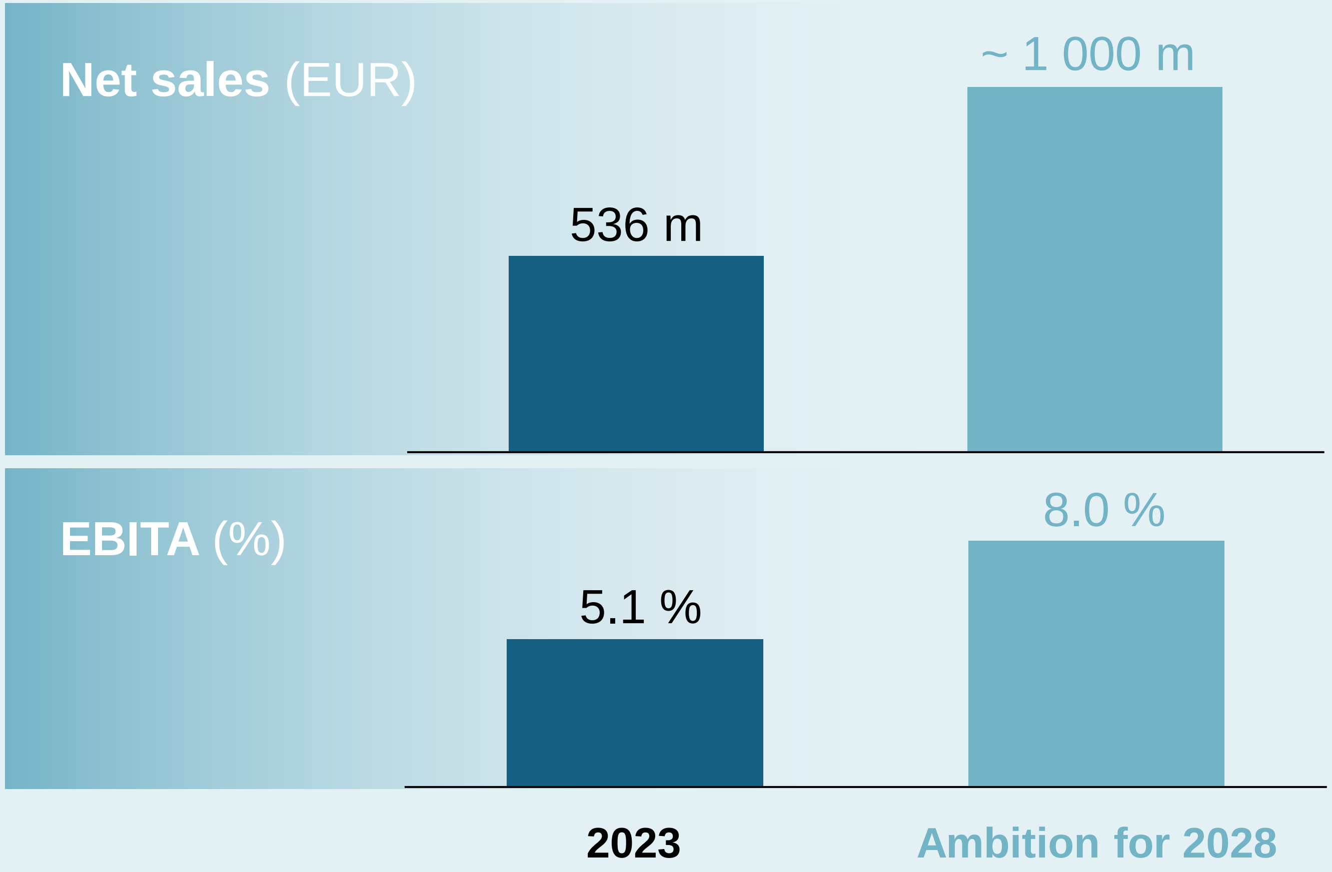
Ambition for growth and profitability going forward

Aspo Group continued businesses

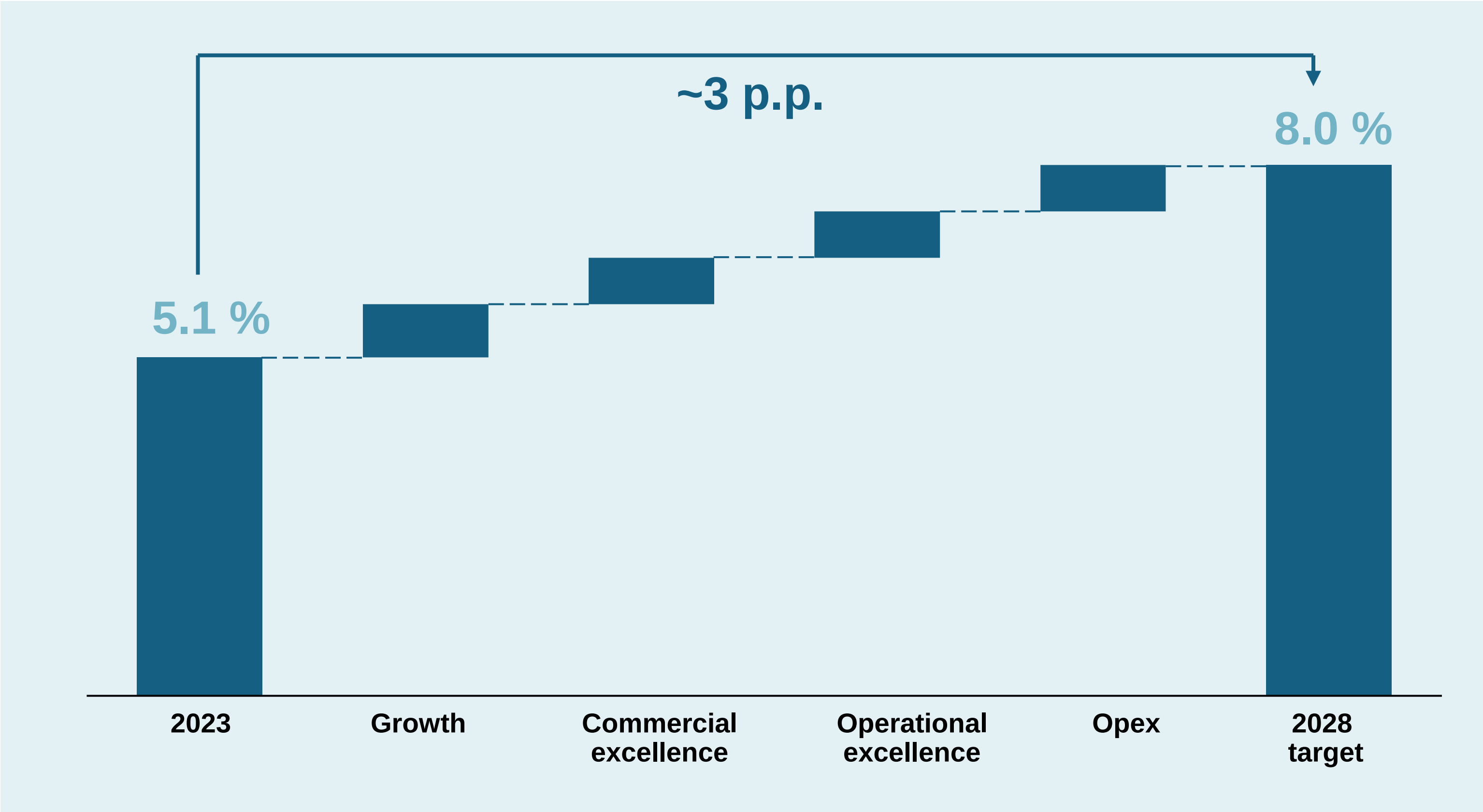


We aim to double our business by end of the strategy period 2024-2028

Profitability to reach and sustain 8%

Full profit potential to be reached with systematic implementation of improvement actions together with synergies from growth and M&A

Levers for comparable EBITA improvement



- Growth impact delivered by scale benefits of organic growth, M&A synergies and cost-efficiency of new fleet
- Commercial excellence from pricing and sourcing actions, product mix optimisation, differentiation by customer segmentation
- Supply chain efficiency, process development and automation
- Initiatives across all three business segments and in Aspo Group

Illustrative, not an exact plan or forecast

Significant earnings growth from current Green coaster investment in ESL to fully materialize only in 2027

Construction phase

- Green Coaster pool of 12 vessels
- ESL investment of EUR 70 m for 6 vessels
  - of which EUR 23 m paid
- Assets under construction
  - 2024: EUR 35 m
  - 2025: EUR 20 m
  - 2026: EUR 10 m

Commercial ramp-up

Full year average:

- 2024: 15%
- 2025: 50%
- 2026: 80%
- 2027: 100%

Expected EBITDA impact

- EUR 15 m / year
- Once fully commercialized

Illustrative, not an exact plan or forecast

Telko profitability run-rate will be significantly higher after the planned closing of Swed Handling

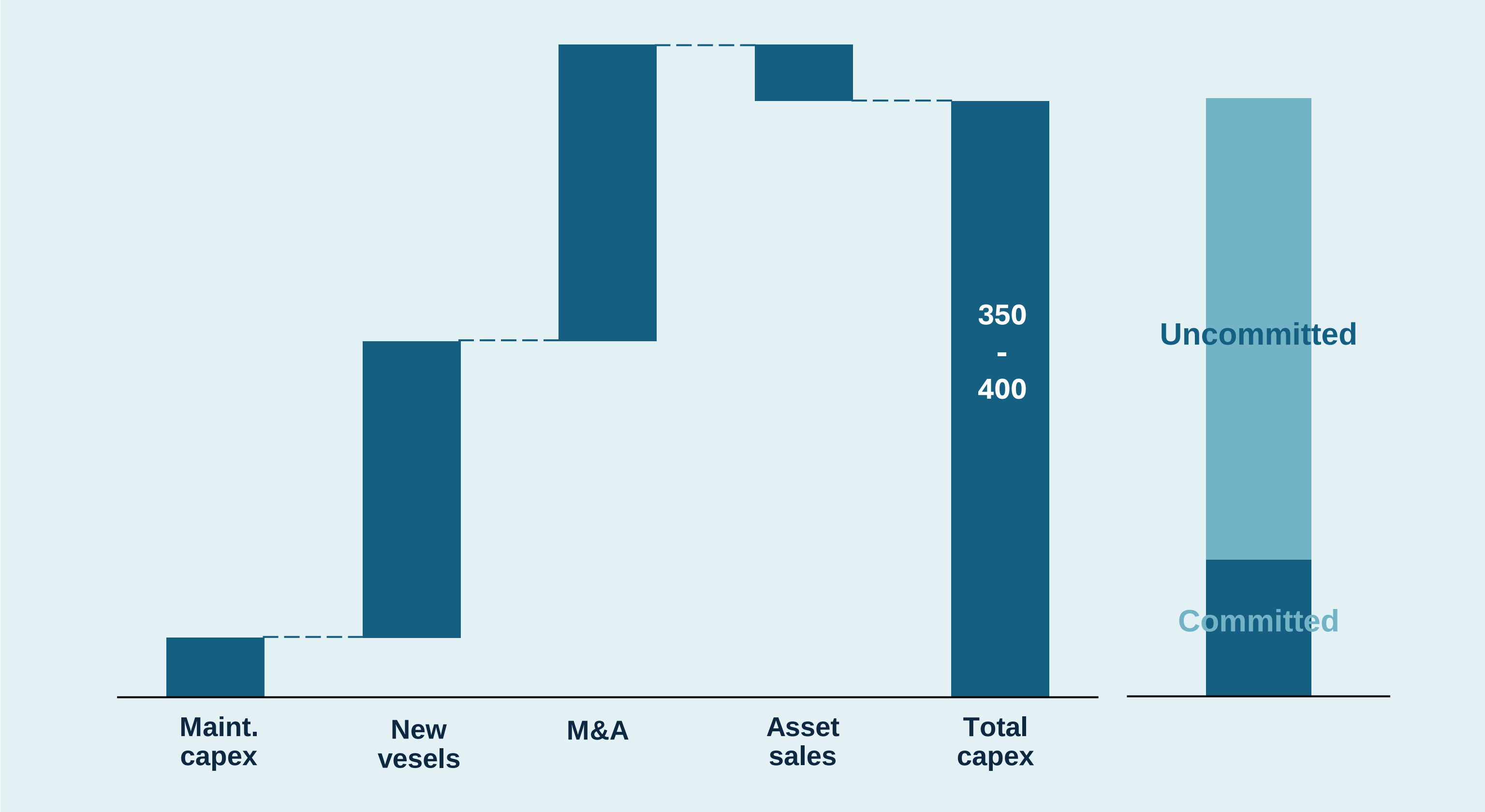
M&A items affecting Telko's profitability, EUR million

	Q1 2024	Quarterly run rate after closing	
Telko run-rate profitability before M&A impact	3.1	↗	• Profit improvement actions
M&A process costs	-0.7	↘	• 2023 level more representative
Reversal of fair value allocation to inventory	-0.2	–	• Reversal impact in a magnitude of two months EBITA after closing
Optimol & Greenfluid	–	0.55	• Based on 2023 result, not a forecast
Swed Handling	–	1.2	• Based on 2023 result, not a forecast
M&A Synergies	–	↗	
Telko comparable EBIT	2.2	↗	

Illustrative, not an exact plan or forecast. The closing of the Swed Handling acquisition is subject to customary competition authority approvals and foreign direct investment (FDI) filings. Closing of the transaction is expected during the third quarter of 2024.

Potential capex for 2024-28 is in the magnitude of EUR 350-400 m

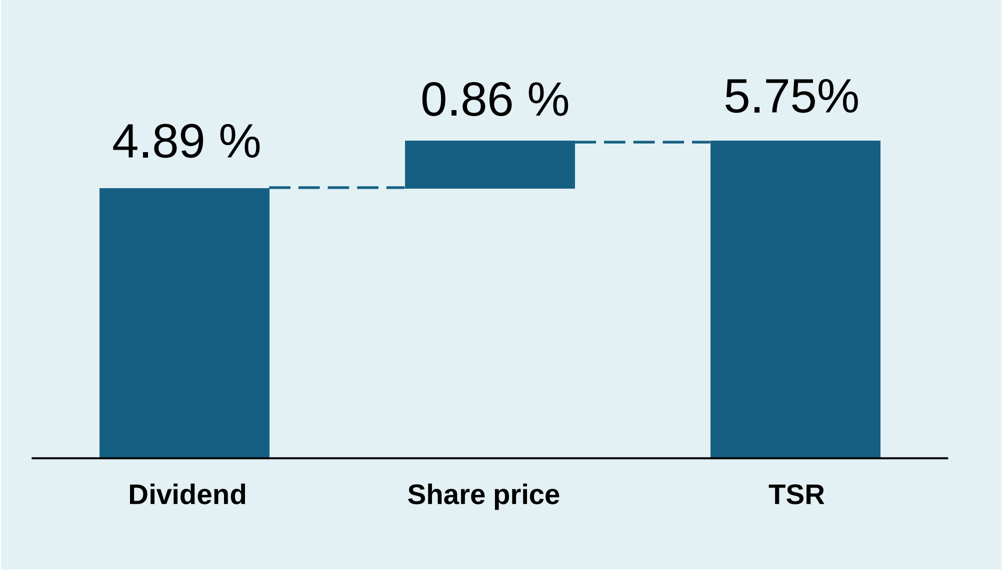
Capex allocation 2024-28 (EUR million)



- Capex allocation based on maximising value creation in each business and delivering highest return for Aspo
- Return threshold for each investment of reaching 20% ROE
- Capex expected to be divided on new green vessels for ESL and on acquisitions for Telko
- Investment into Handy size vessels assumed to be in magnitude of EUR 150+ m

Updated dividend policy to reflect growth ambition

10-year annualized shareholder value creation (April 5, 2024)

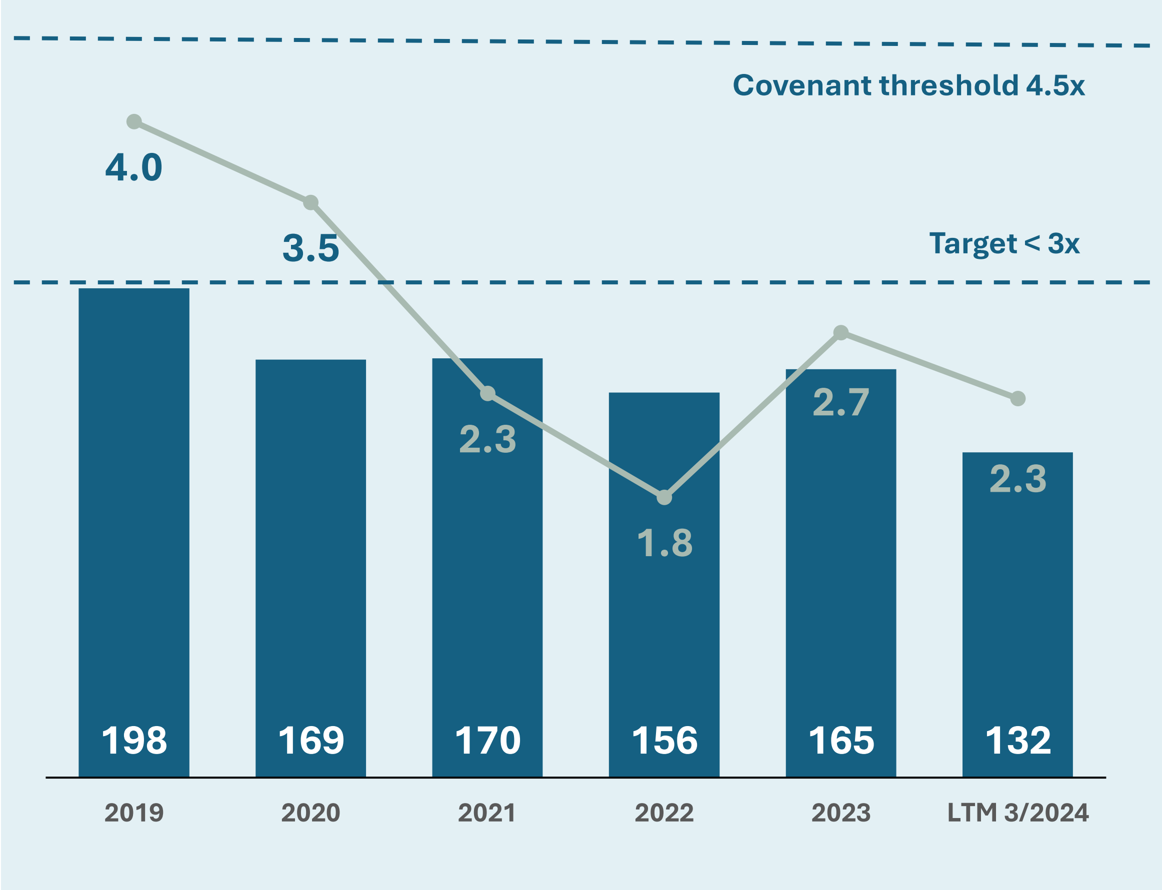


Ambition for shareholder value creation

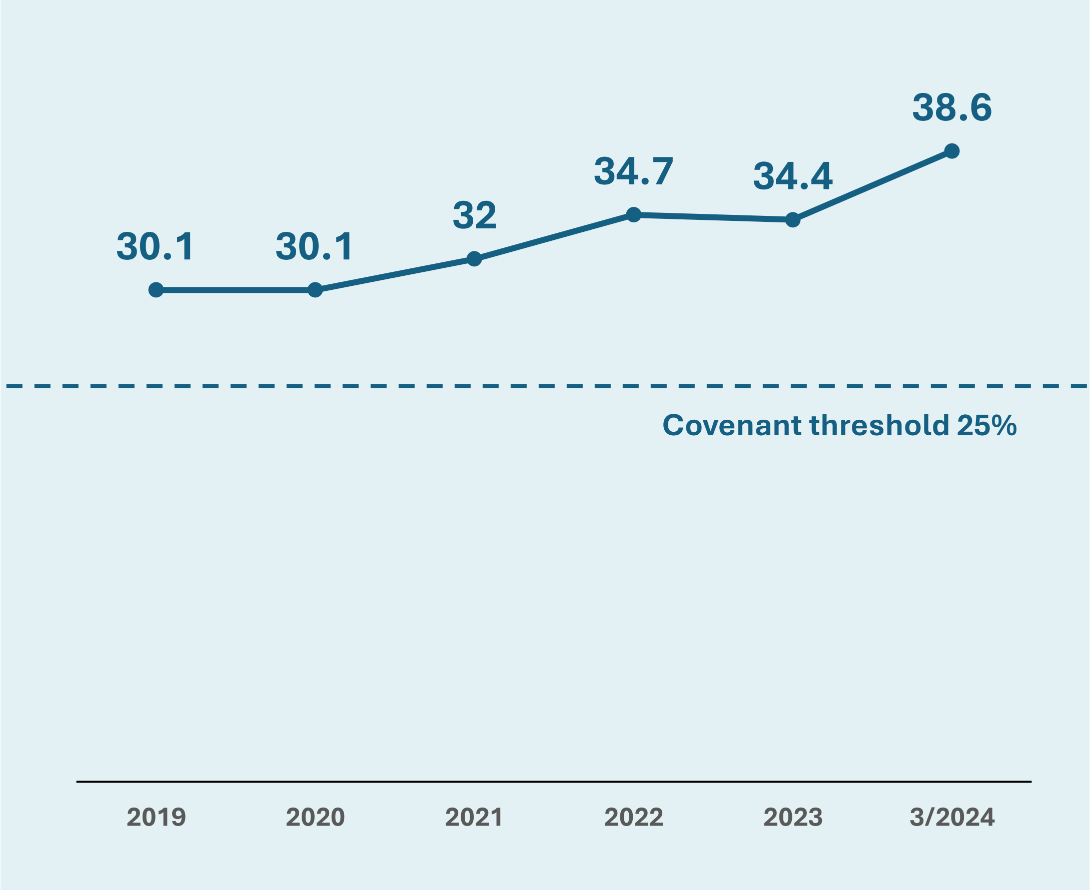
- Aspo’s dividend growth is based on positive profitability development with the aim to pay-out annually up to 50% of net profit as dividend. The goal is to gradually increase the amount of dividends, while considering financing needs of growth initiatives with strategic priority
- Growth investments expected to deliver significant part of the future value creation
- On longer term aim not to have hybrid loan

Aspo is committed in maintaining a strong balance sheet with Net Debt / Comparable EBITDA below 3x

Net Debt, EUR million and Net Debt / Comp. EBITDA



Equity ratio %



Approximately 2/3 of the planned growth investments to be financed by operative cash flow

Maintain strong balance sheet, Net debt / comp. EBITDA <3x

Cash Sources

Strong cashflow
from performance improvement

Debt

Portfolio development

Cash Uses

Updated dividend policy
Growth based on profit improvement

Growth investments
with high returns
EUR ~350-400 m

ASPO

Key performance metric to be changed from EBIT to EBITA to better reflect the compounder business profitability

No significant difference between EBIT and EBITA on the past reported results

- Amortizations for year 2024 expected to be about EUR 2 m
- As Telko compounding acquisitions will progress the difference between EBIT and EBITA will start to build up
- No major impact expected for ESL and Leipurin
- Quarterly EBITAs for Aspo Group and segments for comparative periods of 2022 and 2023 will be published during Q2 2024

Guidance for year 2024 unchanged. Guidance updated to the new performance metric EBITA

New guidance for the year 2024:

- Aspo Group's comparable EBITA is expected to exceed EUR 32 million in 2024 (EUR 27.9 million in 2023)

Previously:

- Aspo Group's comparable operating profit is expected to exceed EUR 30 million in 2024 (EUR 26.5 million in 2023)

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Thank you!

ESL Shipping

Creating infra for Nordic industries

Mikki Koskinen, ESL MD

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ESL strategy

1 ESL is the leading dry-bulk shipping company in Northern Baltic Sea

- Highly contractual business with long term customer relationships

2 We have a track-record of long-term value creation

- Grown 2.5x in scale with improved profitability and strategic position during last 10 years

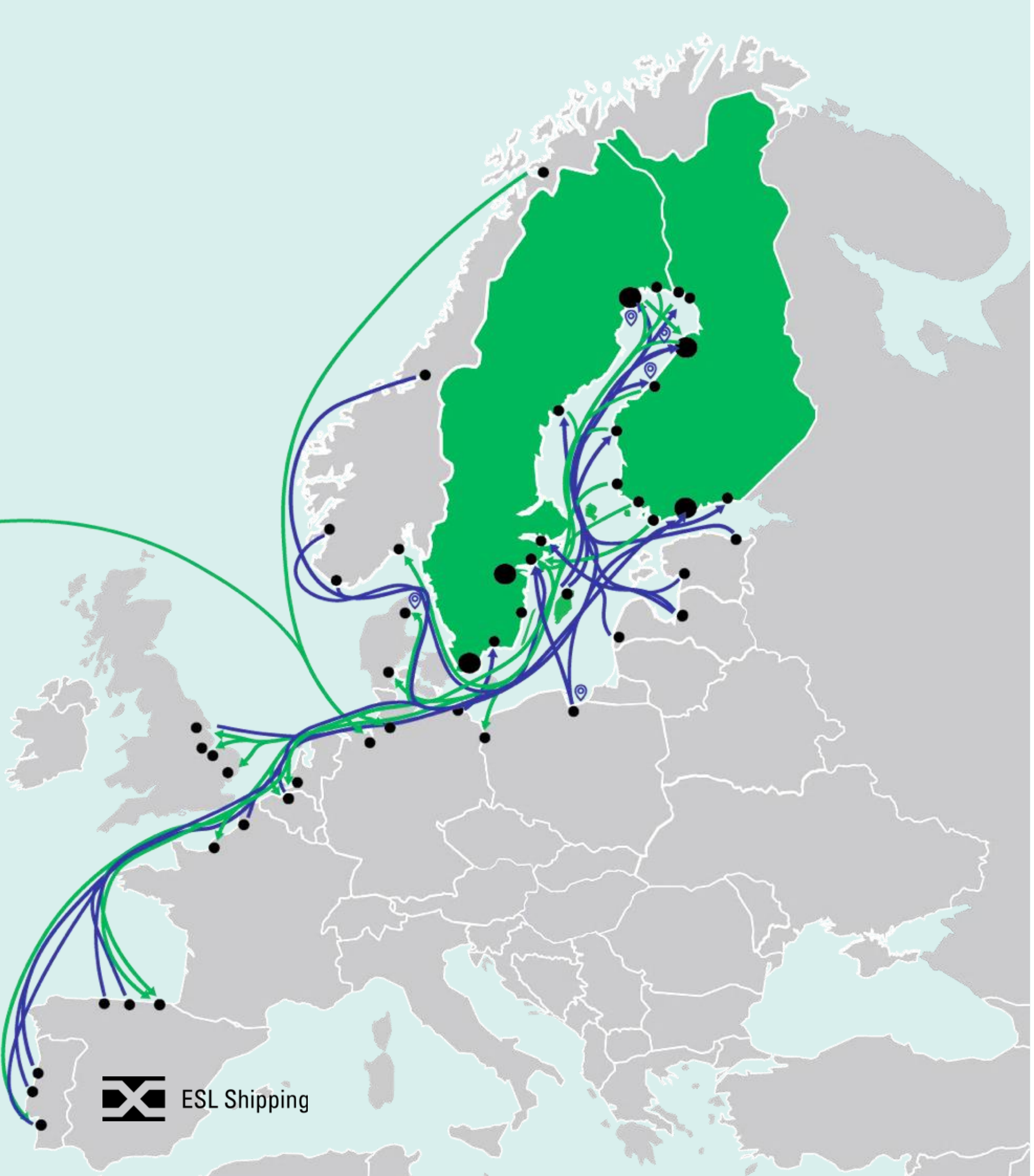
3 Our strategy is to respond to growing demand and customer needs

- Defend our position through renewal and expansion of our fleet to environmentally leading vessels
- Increased projectability of business through balancing of contractual portfolio and enhanced risk management

4 Green transition drives substantial growth for "green shipping" in our home turf

- Major industrial companies executing multi-billion growth investments
- Customers increasingly committed to sustainability while regulation simultaneously tightening

5 Our ambition is an EUR 300+ million business with 14% EBITA by 2028



ESL is the leading dry-bulk player in Northern Baltic Sea with a well protected business set-up

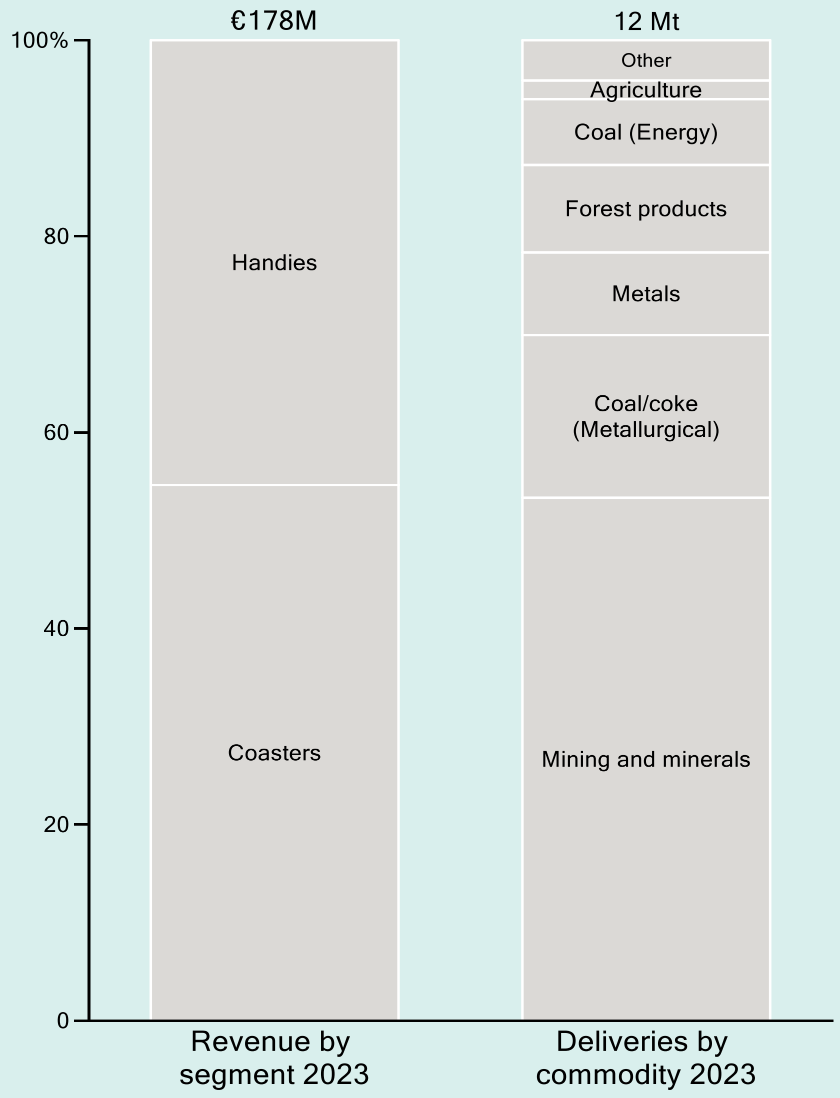
#1 dry-bulk shipping company in Northern Baltic Sea

- Leader position both in Coasters and Handies

Well-equipped, high quality vessel fleet for core markets

- 40+ ice-class 1A or 1A Super vessels
- Continental and intra-Baltic main routes
- Mixture of own and time-chartered, targeting higher share of owned for improved profitability
- All handies geared with industry leading ship-to-ship capabilities

Note: excluding Supra business



ESL Shipping

ESL is the leading dry-bulk player in Northern Baltic Sea with a well protected business set-up

Long-term customer base – Nordic industrials as core

- 80% of business contractual with decades long relationships
- High customer satisfaction (NPS=42)

Industry leading environmental performance

- >60% of customers view ESL to be ahead of competition in sustainability and Green transition (vs. <3% behind)
- 2 leading performance LNG-fueled Handies in fleet; 12 vessel Green coaster investment program under way; Next wave of investments in fossil free Handies designed

Note: excluding Supra business

ASPO

Cornerstones of ESL Shippings business model

Business logic and value creation	• Long term industrial partnerships • Solutions for local conditions
Market resilience and improvement levers	• High resilience in typically volatile market. Improved through long-term contracts, customer diversification, green focus, etc.
Organic growth	• Green transition, overall demand • Long-term contracts and partnerships
In-organic growth	• New market entry
Capital employed and capex needs	• Capital employed = primarily vessels • High capex need from new builds and to lesser extent maintenance
Business timespan	• 25 years life span of vessel
Availability of financing	• High availability of financing based on strong EBITDA and using vessels as collateral
Financial profile	• High margins • Medium return on capital and high return on equity

ESL has a strong track record of value creation with a crystallized strategy

	Early 2010s		Early 2020s
Financial performance	• EUR 80 m revenue • Solid profitability and return on capital employed • Solid cash generation over cycles	**Continued dividend payments** **Investments in sustainable fleet**	• EUR 200 m revenue • Strong, industry leading profitability incl. improved capital return • Continued solid cash generation over cycles
Strategic position	• Strong position in Handies, niche player in Supras • High customer concentration • Iron ore and coal focus	**Acquisition of AtoB@C (Coasters)** **Broadened contractual portfolio**	• Leader in Handies and Coasters • More balanced customer and commodity portfolio • Industry leading environmental performance

Industrial players investing heavily in Green transition within our home market – logistical service demand for products and raw materials

Greenfield steel plant
+2.5 MT (2025)
H2green steel

Conversion to Green Steel
+2.5 MT (2028)
SSAB

Pulp mill
+1.5 MT (2023)

Board expansion
+0.2 MT (2024)
Metsä

Board conversion
+0.7-0.8 MT (2025)
storaenso

Fossil free fertilizers **(2028)**
Fertiberia
Lantmännen

ReeMAP – mine waste recycling
LKAB

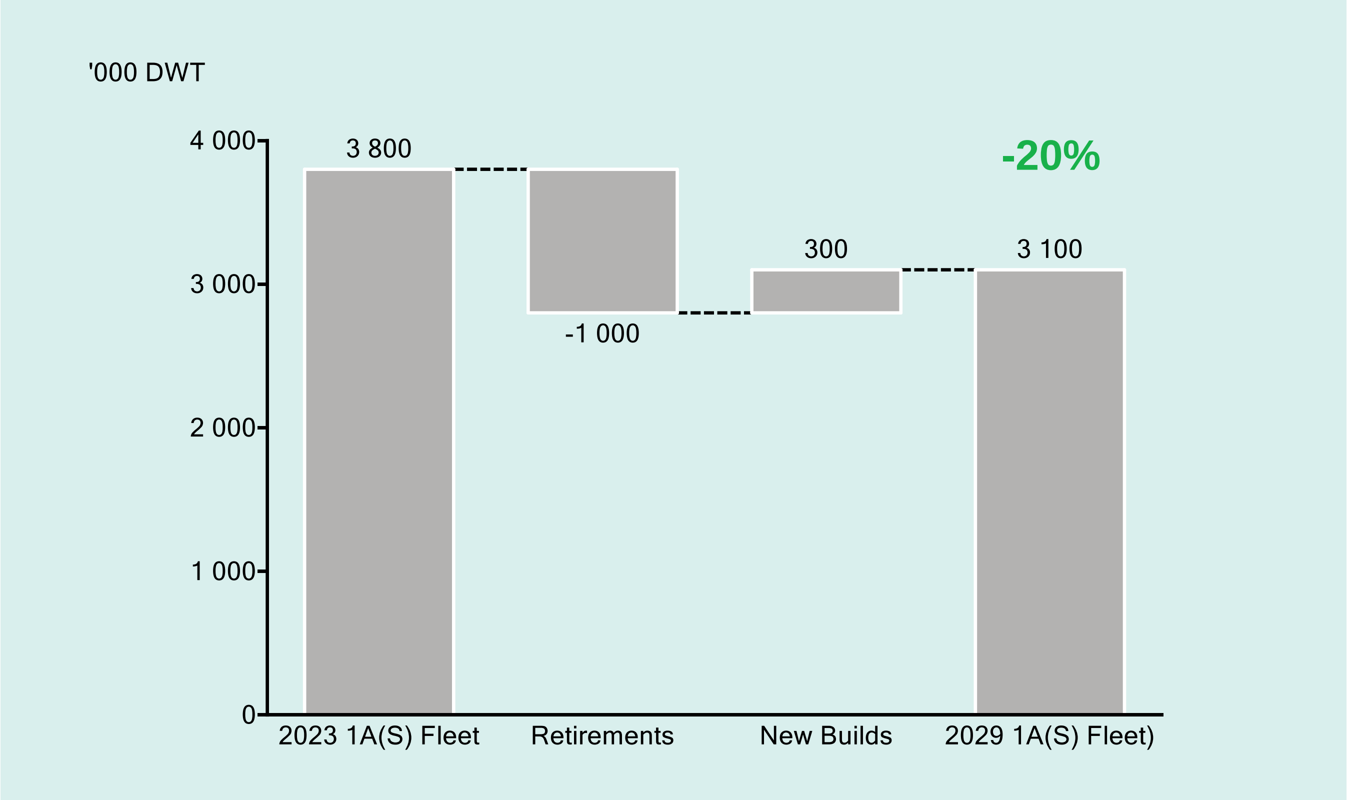
Wind energy (FI/SE) to grow
25 GW → 50 GW by 2030
VATTENFALL
OX2
eolus
ILMATAR
SEA VIND OFFSHORE

Source: Company information

ASPO

Simultaneously ice-classed Bothnia Bay capacity projected to decline by 20% in our core segments

Bothnia Bay IA(S) dry bulk fleet, 2 500 – 40 000 DWT



Source:Shipbroker market data and magament estimates

Current active fleet aging across segments

- 20-40% of fleet reaching 25 years within next 5 years, age profile most challenging in Coasters

Known newbuilds <10% of current capacity

- Given heavy load at shipyards, further additional capacity possible to earliest 2027

Industrial players are committing towards ambitious sustainability targets and green regulation is tightening

Tightening regulation

EU Emission Trading System (ETS)

- Extended to cover large ships January 2024 onwards, with concrete cost of emissions

EU Fuel Maritime

- Starting January 2025, ever tightening emission targets towards 2050 (in 2050, 80% reduction in GHG intensity required)

IMO - Carbon Intensity Indicator (since 2023)

- Setting demands for vessel specific emissions

Environmental targets of select clients

Metsä

- Commitment to 1.5 degrees global warming target
- Encourage the suppliers to set targets for reducing their emissions to mitigate climate change
- Metsä Board – Share of suppliers having set Science Based Targets: 70% by 2024

SSAB

- **Absolute Scope 1 GHG emissions:** Reduce 35% by 2032 compared to 2018
- **Absolute Scope 2 GHG emissions:** Reduce 35% by 2032 compared to 2018
- **Scope 3 emissions:** Target to reduce CO_2 emissions from the supply chain (targets TBD)

outokumpu

- **Scope 1 GHG emissions:** Reduce 42% per ton of stainless steel by 2030 compared to 2016
- **Scope 2GHG emissions:** Reduce 42% per ton of stainless steel by 2030 compared to 2016
- **Scope 3 GHG emissions**: Reduce 42% per ton of stainless steel by 2030 compared to 2016

Source: Company information

Our strategy is to strengthen our position by being front runner in green shipping

Shipping Investment

Best available ship design and power train capable of shifting to drop-in fossil free fuels

- LNG fueled vessels Viikki & Haaga
- Green Coasters
- Next generation fossil free Handies

Energy Sourcing

Access to low emission and future no emission fuels

- Market leading use of LBG
- Continued fuel cooperation with Neste (co-pro)
- Participation in projects aiming at industrial scale production of hydrogen-based e-fuels

Transport Demand

Customer commitment and building common future vision for low emission shipping

- Long term cooperation with leading Nordic industrials

Metsä, stockholm exergi, YARA, outokumpu, Lantmännen, SSAB, Hankkija, TETRA, ArcelorMittal, ROTTNEROS, sma mineral, BILLERUDKORSNÄS

ESL Shipping

We will enhance our business model as we progress towards Green leadership

Broader variety of commodities

Enhanced customer portfolio

Committed to Science Based Targets
(net zero by 2040)

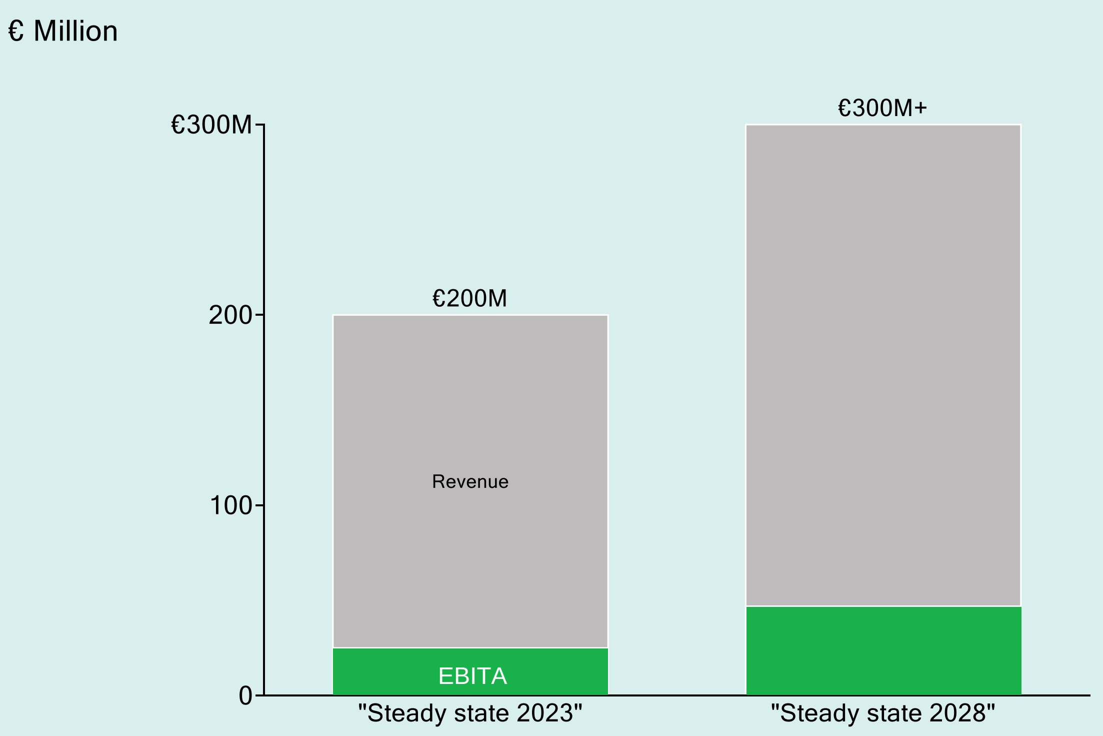
Stronger contractual risk sharing

Higher energy and fuel efficiency

50% reduction in CO_2 emissions by 2030

We are on track to pursue an EUR 300+ million business with strengthened profitability by 2028

Cornerstones of ESL strategy 2023-2028



Protected business model

- Strong customer relationships
- Leadership positions
- Leading environmental performance

Invest to reinforce strategic position in fast growing core markets

- Market size to double within next decade
- Green transition the main growth driver
- Fleet reinforcing investments in execution and under preparation
- Green coaster capex for 2021-2026 is EUR 70 million and expected EBITDA impact is EUR 15 million / year
- Fossil free handy capex 2024-2028: EUR 150+ million (estimated)

Substantial growth and value creation in ambition

- EUR 300+ million business with 14% EBITA by 2028
- Substantial capex investments to make the growth happen


ESL Shipping
Thank you!

TELKO

Accelerated Growth

Mikko Pasanen, Telko MD

Note: Because the future estimates described in this presentation are based on the current situation and knowledge, they involve significant risks and other uncertainties, due to which actual future outcomes may differ from the estimate.

We operate in three business segments

Plastics

Wide range of plastic raw materials and additives for various applications and industries.

Chemicals

Broad portfolio of chemicals for different industry segments, such as paints and coatings, personal care and food.

Lubricants

Industrial, marine and automotive lubricants, own production of car chemicals.

TELKO

We act as a bridge between thousands of industrial customers and hundreds of principals

Principals

- 400 suppliers

TELKO

Customers

- 7000 customers

The Telko Effect:
As a leading expert serving multiple industries, we're also in a unique position to improve our customers'

Sustainability

- Our wide range of products and in-depth technical expertise help our customers find sustainable solutions that make business sense.

Productivity

- Our long-standing and close relationships with suppliers help the requested material to be delivered promptly and on budget.

Operational quality

- We are the bridge on between suppliers and our customers.

  We empower you to innovate and expand into new markets and product applications.

Telko’s business is future-proof

1 Chemical market grow faster than GDP

2 Specialties will grow faster than commodities

3 Distributors will grow faster than demand (change of channel)

4 Small and medium size distributors will grow faster than large ones

5 Regional and focused distributors will grow faster than generalists

Clear strategy to drive growth and profitability

Vision	• Leading European specialty products expert and distributor
Strategic agenda	• Organic growth supported by M&A and scalability
Growth drivers	• Strong organic growth in specialty products and by widening service offering • Continued M&A growth via both add-ons and growth platforms in new markets
Operational drivers	• Uniform business model with commercial and supply chain synergies • Actions for increased scalability and cost efficiency • Specific improvement efforts in supply chain and commercial

Cornerstones of Telko's business model

Business logic and value creation	• Bridging principals and customers • Bringing local access and capability to global principals
Market resilience and improvement levers	• High resilience that can be improved by focused growth, incl. specialty products, bolt on acquisitions and scale
Organic growth	• Focused growth through specialty products and expansion of service offering
In-organic growth	• Bigger platforms in new /and existing) markets, Add-ons in existing markets • Possibility to increase shareholder value utilizing modest valuation
Capital employed and capex needs	• Capital employed = mainly working capital • Low capex need, depending on M&A roadmap
Business timespan	• Cash Conversion Cycle and Rotation of inventory up to 60 days
Availability of financing	• Leverage based on resilient profitability
Financial profile	• Higher margins on specialty products, big variety • High return on capital and equity on all businesses • Synergies and scalability enable increased OPEX efficiency

TELKO

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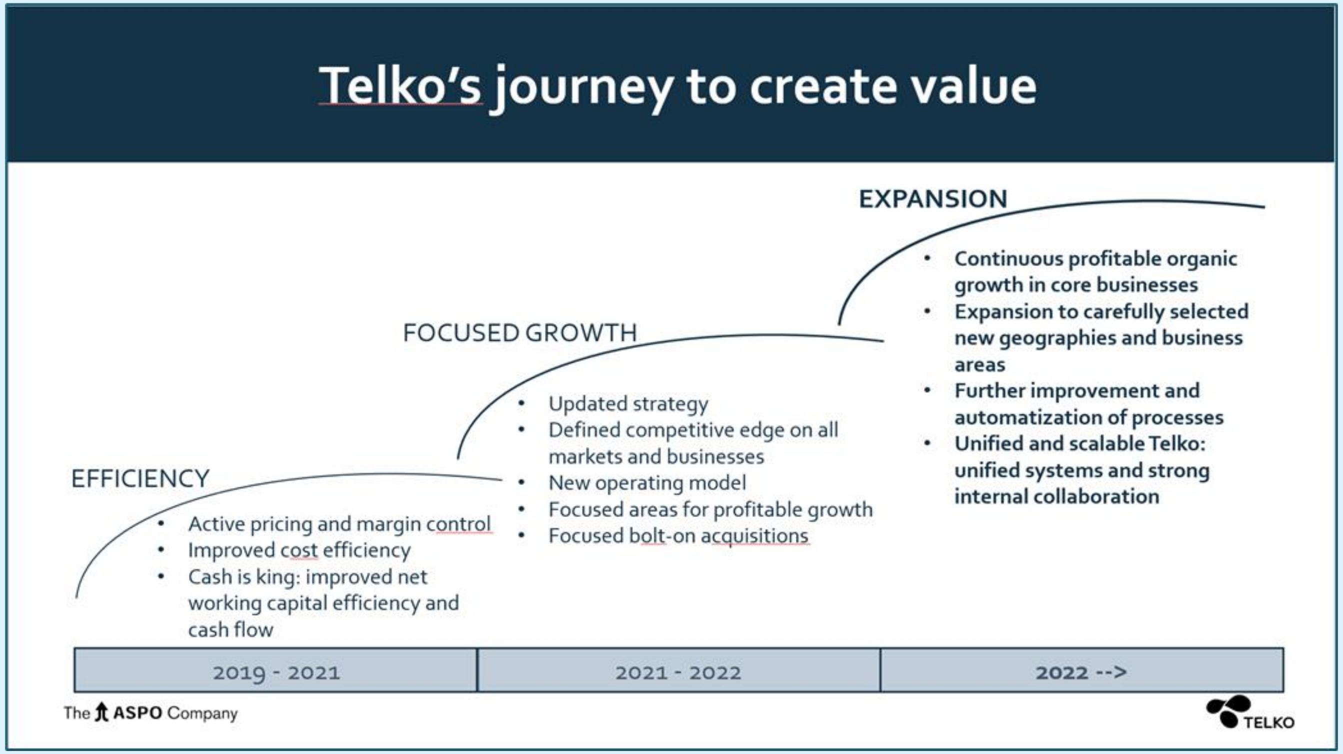
Our ESG approach: Committed to Science Based targets by end of 2024

Our sustainability vision is to make our industry better for the environment and society as a whole

We aim to be a sustainability forerunner by addressing critical issues beyond the minimum requirements of laws and regulations

While we nurture a culture that values and promotes sustainable and ethical operations, we deliver application expertise and solutions that help improve the sustainability performance of the entire value chain

Telko’s strategy execution is progressing



- In 2021 at Aspo CMD Telko presented its then updated strategy
- The direction and cornerstones of Telko´s strategy remain unchanged
- Expansion phase is full in speed
- War in Ukraine and following exit from Russia slowed down progress by 1-2 years

Years 2021-2023: Exit from Russia and first acquisitions

- **Exit from Russia and Belarus significantly reduced the size and profitability of the company**
- **Management resources were tied to exit for some time**
- **Telko started systematic preparations for faster growth**
  - Readiness to simultaneously take over new companies and continuously improve existing businesses
  - New management model
  - Unified processes and scalability of operation
  - Systematic integration methodology

- **Telko started to grow inorganically. Several acquisitions were carried out during the period:**
  - ILS & Autolubes
  - Mentum
  - Johan Steenks
  - Eltrex

ILS Nordic

MENTUM

Johan Steenks AS

eltrex

TELKO

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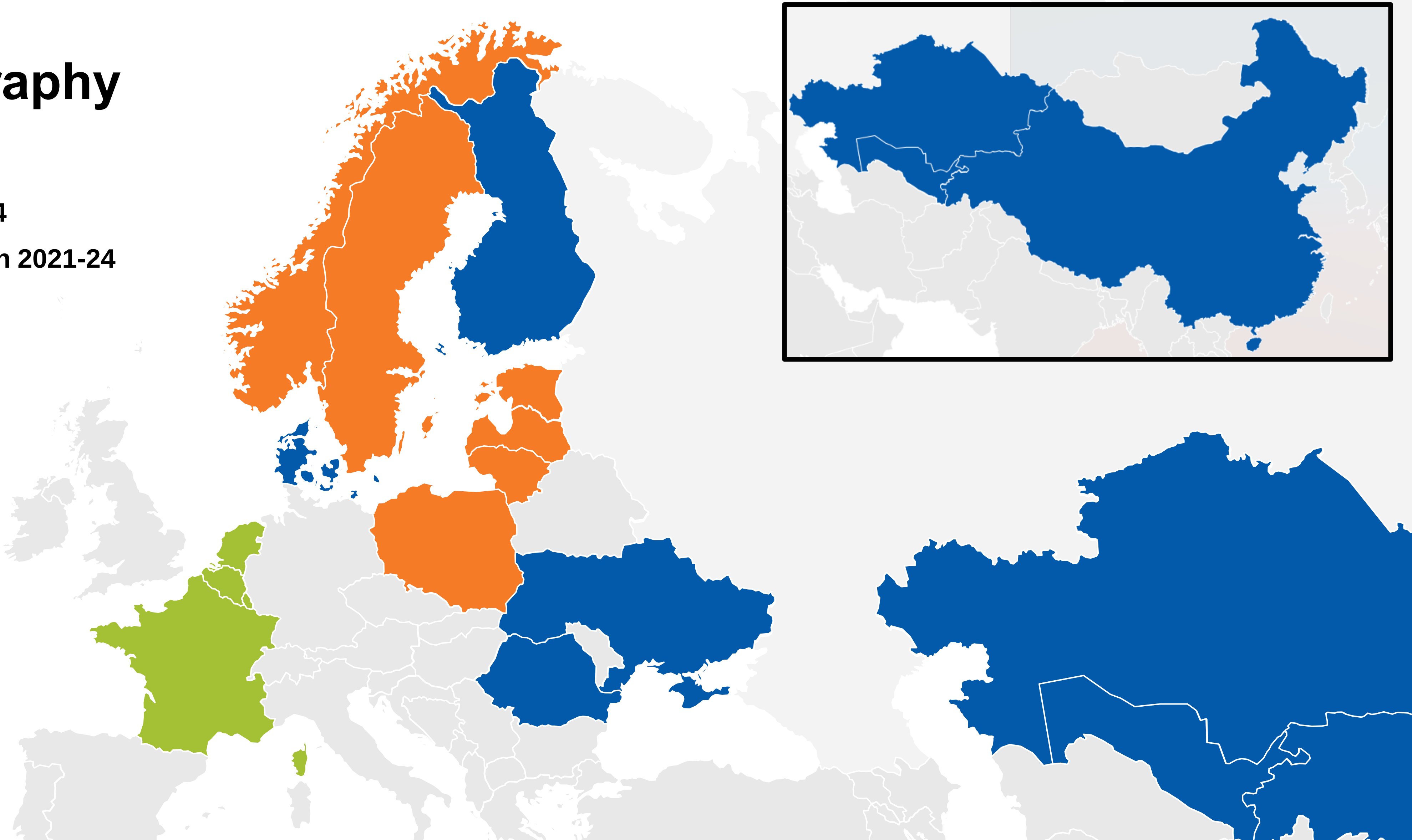
Telko’s geography

- ”Old” countries
- New countries in 2024
- Strengthened position 2021-24

Poland as an example:

- First Plastics
- Then Chemicals (Eltrex)
- Now Lubricants (organic)
- Further development of all businesses



FINLAND | SWEDEN | NORWAY | DENMARK | ESTONIA | LITHUANIA | LATVIA | POLAND | FRANCE | BELGIUM | THE NETHERLANDS | LUXEMBOURG | ROMANIA | UKRAINE | KAZAKHSTAN | UZBEKISTAN | CHINA

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Optimol & Greenfluid

- In March 2024 Telko expanded its lubricants business to Western Europe through acquisition in France, Belgium, Luxembourg, and Netherlands, making Telko one of the strongest industrial lubricants distributors in Europe
- The transaction strengthened the weight of the lubricants business in Telko's business portfolio and increased Telko´s lubricant sales by 36%
- The acquisition opens new markets for Telko and enables a platform for further growth in the area
- This acquisition was a key milestone in Telko's compounder strategy, focusing on high value-added products and growth in Western Europe
- Integration has started well. Synergy potential confirmed
- During first two months sales and profitability has been in line with expectations

Swed Handling

- April 29 2024, Aspo informed that Telko expands its chemicals business in Sweden by acquiring Swed Handling AB, a leading Swedish chemical distributor. Closing of the transaction is expected during the third quarter of 2024
- Another significant step in Telko's compounder strategy execution. The acquisition doubles net sales in chemicals segment and significantly strengthens Telko's presence in Nordic markets
- Sweden becomes Telko's largest country of operation in terms of total net sales and personnel
- Swed Handling's customer focused business model combines high quality processed chemical products with exceptional customized service
- Synergies are expected in sales, purchases, supplier relationships, business model transfer, IT and logistics

After completing the acquisition of Swed Handling, Telko will be bigger than before exit from Russia.

And the journey continues…

- Clear actions to improve profitability and efficiency
- Focus on achieving synergies and organic growth in existing business
- There is a solid pipeline of recognized targets for coming years
- Telko has built capabilities to take over several companies each year

TELKO

Telko after announced acquisitions

- Net sales > EUR 280 million
- Comparable EBITA ~EUR 18 million
- 16 countries
  (3 new countries)
- 350 employees
  (over 100 new employees)

Illustrative 2023 figures assuming acquisitions announced in 2023 and 2024 included for full year 2023

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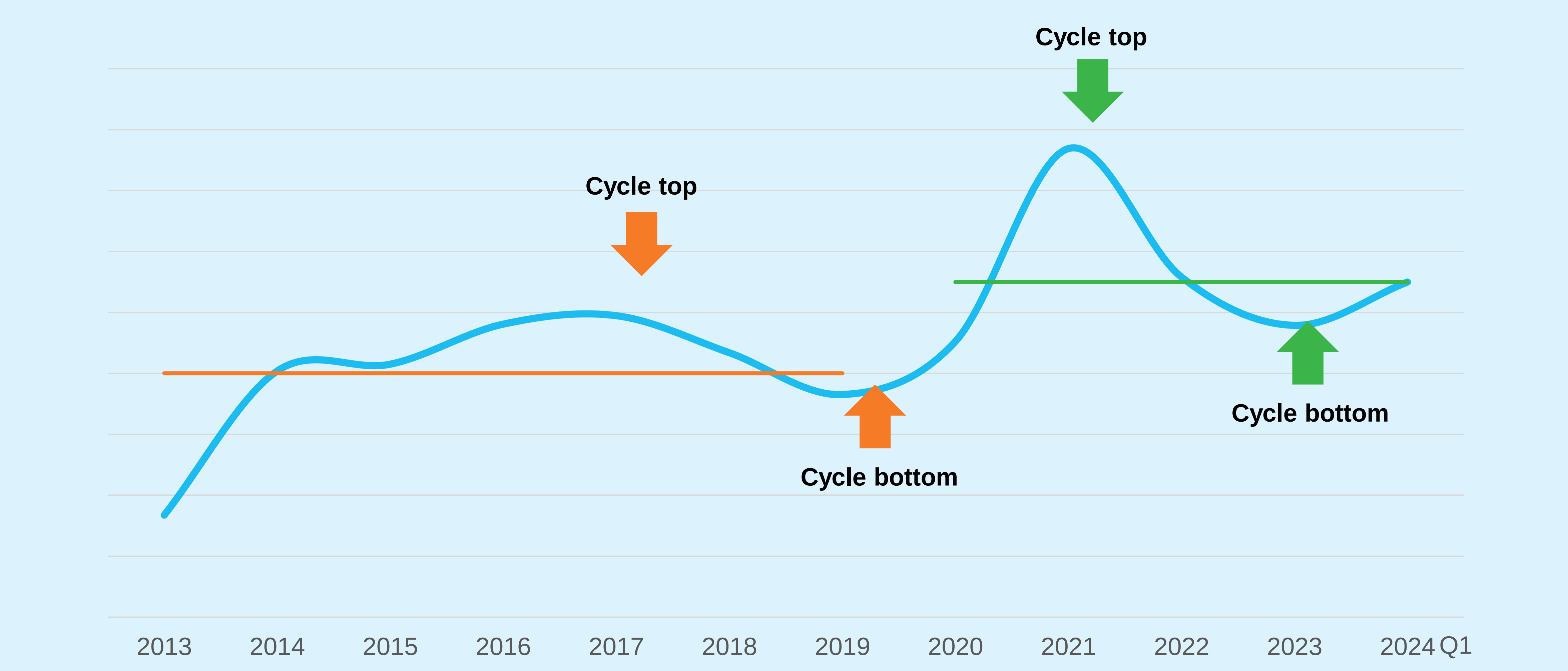
Focused acquisitions create significant value

- Currently very fragmented industry is facing rapid consolidation driven by good growth opportunities, tightening regulation and family-owned companies' generation change
- Willingness to sell has increased
- Valuations currently on a reasonable level
- Telko's acquisitions are focused: specialized products and value-added services
- Platforms in new markets, add-ons in current markets

- Telko as an owner: preferred buyer over big multinationals, stronger opportunity to develop operations than previous owners, synergies
- Platform for further organic growth and enables entry for other Telko's business segments
- Telko aims to accelerate its organic growth through acquisitions to achieve its strategic goals in all three business areas and it has a solid pipeline of potential acquisition candidates

Continuous improvement of EBITA performance over cycles



Current business portfolio of Telko

TELKO

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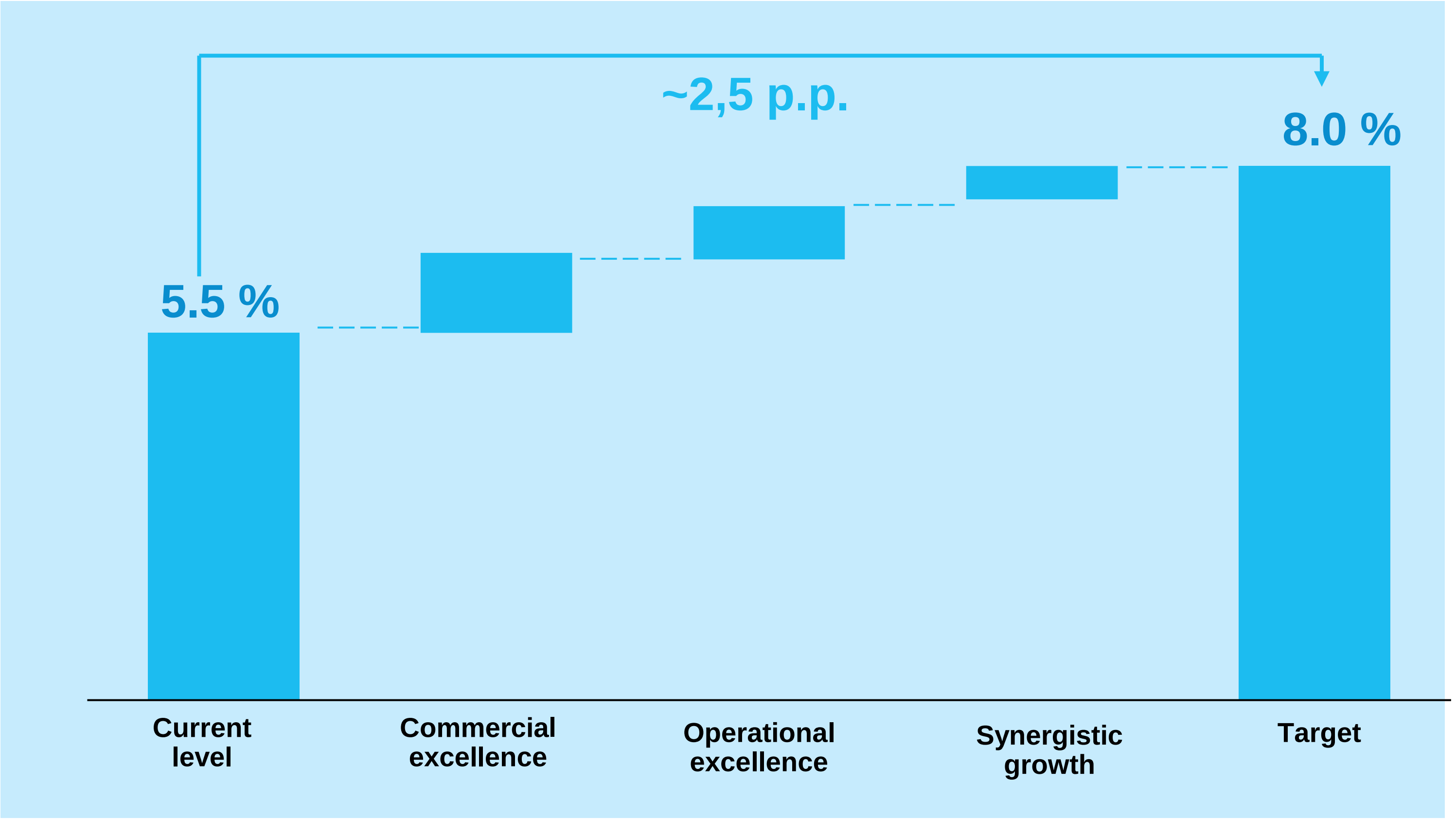
Full profit potential to be reached with systematic implementation of improvement actions together with synergies from growth and M&A

Levers for comparable EBITA improvement



- We continue to develop our segment and product portfolio to support shift in portfolio profitability
- We develop new organic commercial opportunities and optimize pricing
- We continue to achieve scale benefits through our compounder strategy
- We access new geographies throughout Western Europe, with focused add-ons to strengthen local platforms
- We implement process efficiency measures especially related to supply chain rationalization to adapt to new footprint after M&A

Illustrative, not an exact plan or forecast

Telko’s ambition for 2028

- **By the end of 2028 Telko has repositioned itself on European distribution market and is recognized as all-European player**

- **Plastics EUR 200-300 million**
- **Chemicals EUR 200-300 million**
- **Lubricants EUR 100-150 million**

- **Clear improvement of profitability due to efficiency of scale, improved sales mix and improved performance**

TELKO

- Net sales > EUR 500 million
- Comparable EBITA > EUR 40 million
- Clearly Positive Free Cash Flow
- ROCE ~20%


TELKO
Thank you!

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Towards full potential

Miska Kuusela, Leipurin MD

Note: Because the future estimates described in this presentation are based on the current situation and knowledge, they involve significant risks and other uncertainties, due to which actual future outcomes may differ from the estimate.

Resilient market offering growth opportunities going forwards

1

Bakery segment provides a large, resilient core for Leipurin

- Ingredient sales to bakeries is Leipurin's core market
- We estimate it to be EUR ~0.5 bn, stable and resilient to market changes with opportunities in new geographies

2

The food industry is ~20x the size of bakeries and creates new opportunities

- Leipurin is already active in this segment, but significant growth potential for further growth organically and through focused M&A
- Value-add products offer attractive margins

3

Transition towards plant-based alternatives offers synergistic growth

- Our offering is to the most part fully plant-based already
- We have needed competences to expand towards rapidly growing alternative proteins

4

Growing demands for end-to-end supply chain transparency

- Customers are increasingly demanding product data to ensure the sustainability of supply chains
- We see data is becoming a license to operate in our industry and are ready to serve

Leipurin today

- Leading B2B ingredients supply to bakeries, the food industry and food service customers
- 157 Committed employees across six countries
- Net sales EUR 136 million
- Comparable operating profit EUR 4.2 million

Year 2023 figures

Gateway to the Northern Europe: Leipurin connects a broad range of suppliers to local customers

Suppliers

- Direct access to a broad customer spectrum through relationshops that have been built over decades
- Efficient warehousing and last mile delivery
- Knowledge of local preferences and trends

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Customers

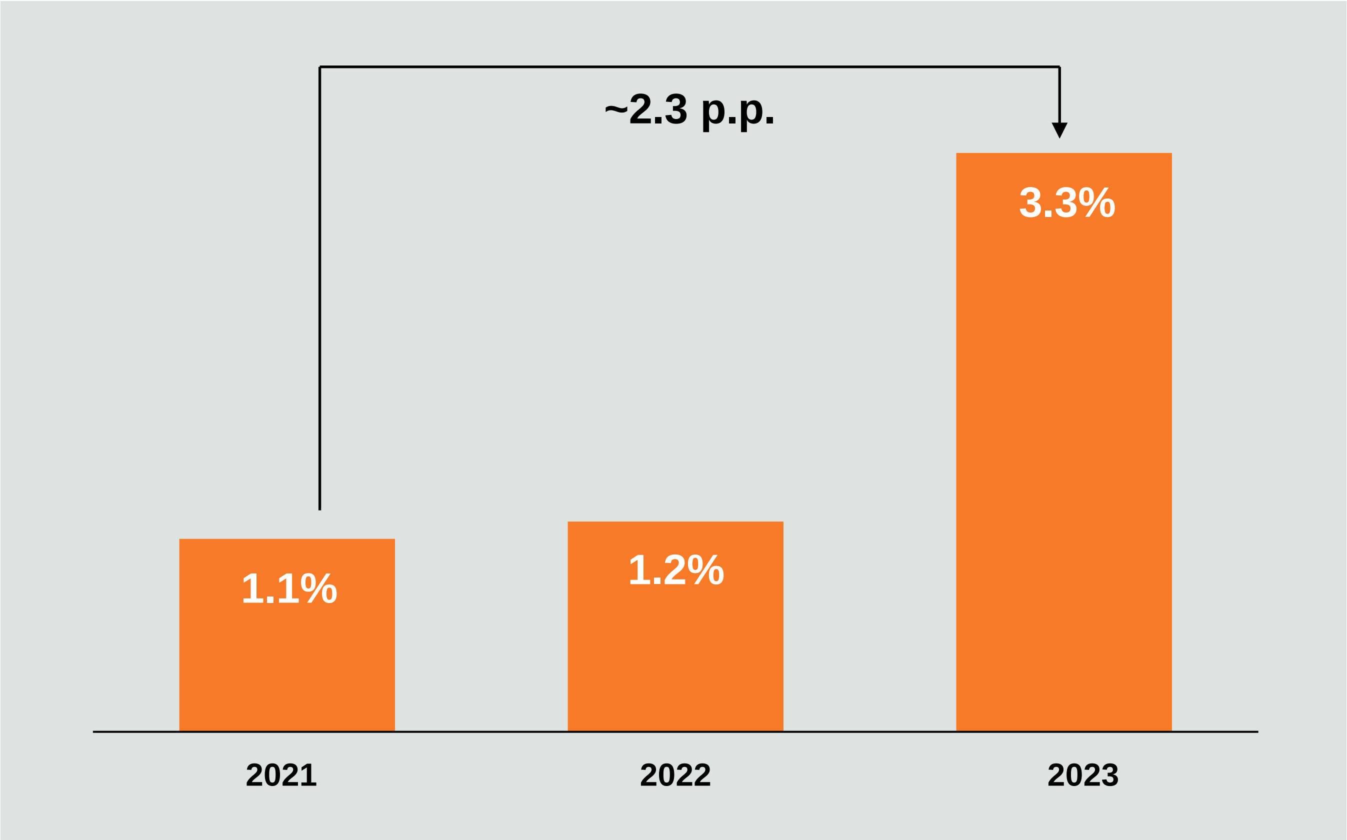
- Managing the long product tail (with hundreds or thousands SKUs)
- Ensuring availability and logistics for products reducing own tied up capital
- Competence to offer new solutions and products
- Ensuring quality of products and reliability of suppliers
- Up-to-date understanding on latest product innovations in the market
- One stop shop for smaller customers who can focus on their core operations

Cornerstones of Leipurin's business model

Business logic and value creation	• Bridging principals and customers • Local presence with wide service offering
Market resilience and improvement levers	• High resilience, very stable demand and market development
Organic growth	• Focused growth within sub-segments, incl. food industry, industrial bakeries and ready products • We expect to grow organically > 3% p.a.
In-organic growth	• Buy and build • Gradual shift towards high margin specialty ingredients
Capital employed and capex needs	• Capital employed = working capital • Low capex need
Business timespan	• Rotation of inventory up to 60 days
Availability of financing	• Leverage based on resilient profitability
Financial profile	• Low to medium margins depending on segment • High return on capital and equity

Successful turnaround taking shape since 2021

EBITA improvement 2021-2023



Key milestones

1. Clarity and cost efficiency through country-based operating model
2. Focus on efficient processes, capability development and operative performance
3. Divestment of non-performing businesses and selected changes to customer and product portfolio
4. Synergistic M&A to shift geographical focus (from East) to West

Our vision is to become the leading partner for R&D and ingredient supply for the broader food industry in Northern Europe

Vision	Best partner for R&D and ingredient supply for food industry in Northern Europe		
Current core	**1.** Strengthen the position as the preferred partner for Bakeries		
Areas for growth	**2.** Build Northern European coverage	**3.** Grow within non-bakery customers	**4.** Enable customers' sustainability journey
Success enablers	Run efficient and sustainable operations & processes with competent employees		
Key metrics	Customer and employee satisfaction	Financial performance	Sustainability metrics

Net sales > EUR 200 million

EBITA 5%

1. Our core strengths supporting our strong position within the Bakery segment

LEIPURIN Trusted and well-known brand

Sales and customer service

- Great customer experience based on technical competence and customer centric approach.
- Regular customer feedback to ensure continuous improvement

Assortment & Category mgmt

- Competitive offering to meet our customers' expectations
- Access to best brands but also continuously develop offering

R&D capability

- Trusted partner for product development and innovation, with in-house baking centers, leveraging also suppliers' R&D capabilities
- Close collaboration with customers

Commercial excellence

- Optimized pricing and service models
- Suitable digital tools (e.g. CRM) and channels (e.g. eStore) to increase efficiency and customer experience

Supply chain excellence

- Broad supplier network
- Efficient warehousing and transportation operations with cross-country scale

Admin efficiency

- Skilled in supporting the success of commercial and supply chain teams
- Analytical insight to facilitate decision making

2a. We want to expand our geographic coverage and market footprint

What we do

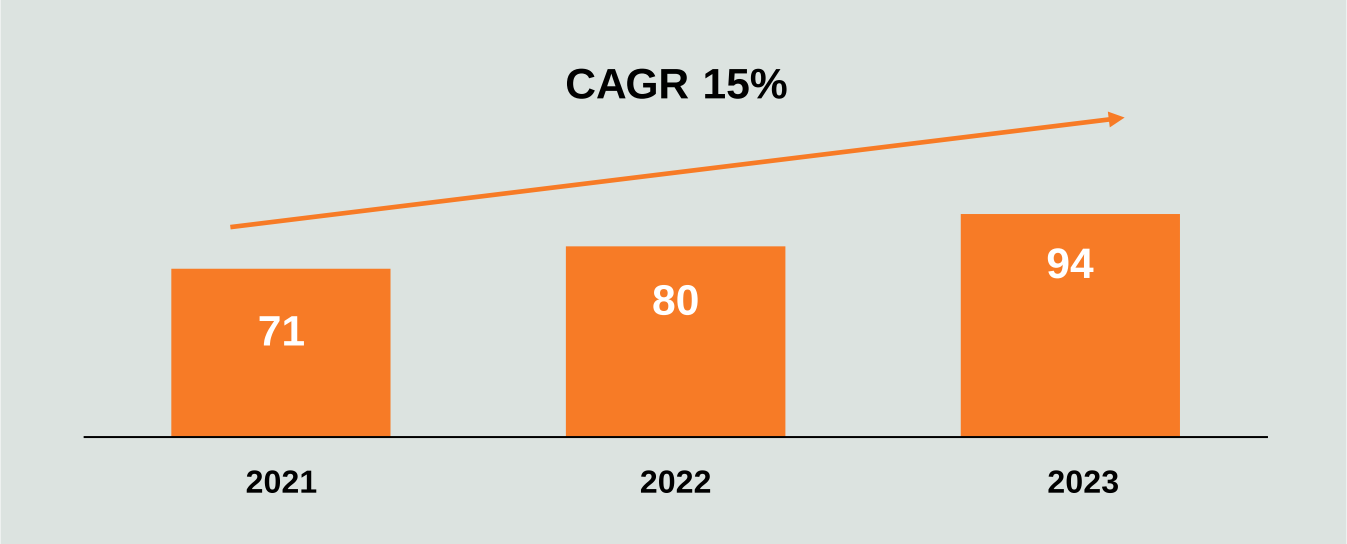
- We are preparing for growth throughout Northern Europe, geographically and through expansion towards higher margin products
- We deploy Leipurin core strengths to realize synergies as one common platform
- Buy & build approach -> shift towards high margin specialty ingredients through organic development or synergistic add-ons once large enough platform is in place in new market

How we do it

1. **We actively look for organic and inorganic growth opportunities throughout Northern Europe**
2. **We have a tested recipe deployed e.g. during the Kobia acquisition**
3. **Our most recent acquisition Kebelco as an example**

2b. Our most recent acquisition Kebelco

Net Sales (SEK millions)

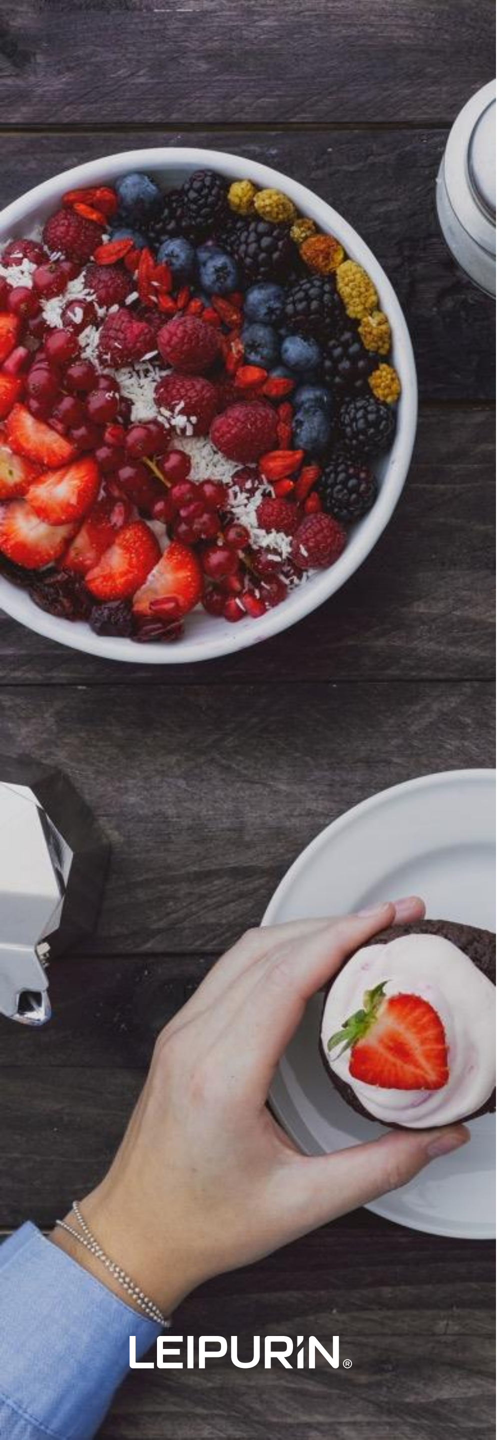


Product focus

- Bakery
- Ice cream
- Beverages
- Health Food
- Confectionery
- Prepared food
- Dairy
- Nutrition
- Farm dairy
- Other food

- Kebelco is a distributor of ingredients to the food and beverage industry
- The company is situated in Gothenburg, Sweden
- Product focus is on ingredients for dairy, confectionary and sports nutrition segments – such technical products support margin development
- The assortment is complementary to Leipurin and Kobia, with new opportunities to expand the existing value-add / technical product portfolio
- We see significant opportunities for further growth of Kebelco by leveraging the Leipurin Group platform

The closing of the acquisition is subject to customary competition authority approvals and foreign direct investment (FDI) filings. Closing of the transaction is expected during the third quarter of 2024.



3. Growth within the food industry is a strategic priority

Profitable growth opportunity

- Leipurin has during its over 100-year history operated in the bakery niche, which we estimate to be an EUR 0.5 bn market for Leipurin in current markets
- We estimate the food industry market to be significantly bigger, about 20x vs. current bakery segment
- Leipurin has grown within the food industry in Finland and new growth is targeted across all countries
- Growth within the food industry provides new opportunities for focused growth with a value-add product portfolio

What we have done

1. **We have developed new talent and capabilities in-house to serve the food industry**
2. **We have acquired Kebelco to broaden our food industry offering**
3. **The food industry as a new business segment represents now about EUR 20 million in net sales for Leipurin**

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4. We want to enable our customers' sustainability journey

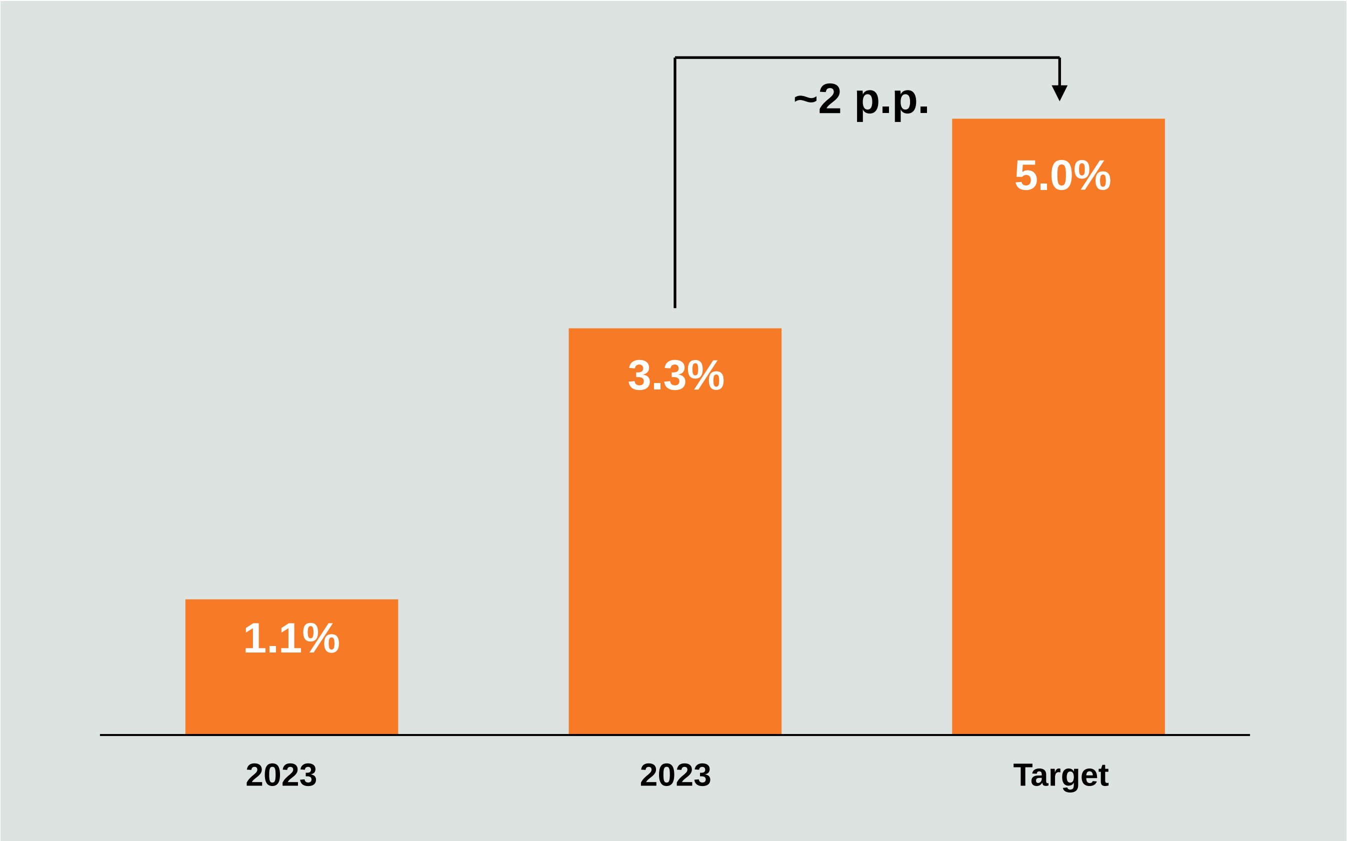
What we target

How we do it

What we target	How we do it
Sustainable and responsible own operations with minimal environmental footprint	• We are committing to the Science Based Targets (SBTi) initiative • Our Scope 1 and 2 emissions are low. We are in the process of compiling our GHG inventory and defining priorities for targets and actions for Scope 3. • We will minimize food waste in our operations. • Health and safety are at good levels. We will keep it that way. • Employee satisfaction has improved from moderate to great. We will keep it that way. • Food safety has been the main focus throughout the food chain in past decades. We have audited systems and processes in place.
Sustainable product offering and platform that can be leveraged in plant-based transformation	• Our offering is already sustainable and about 90% plant-based. We are developing our offering and competence also for the growing market of plant-based alternative proteins, and the upcoming microbe-based foodstuffs. • The challenge of plant-based alternatives is to get the taste, texture and appearance of the product acceptable for consumers. Leipurin can leverage its current competences, i.e. broad supplier and R&D network, to find and develop product offering and solutions for this challenge.
Capability to deliver needed sustainability information from the supply chain and products	• Leipurin customers are developing more sustainable products, and for that they need broad and accurate sustainability and transparency data of the ingredients they choose and use. • Firstly, Leipurin needs to ensure that all its suppliers operate ethically and fulfill Leipurin's code of conduct. Target is to build full transparency and validate the status through supplier audits. • Secondly, Leipurin needs to collect all relevant and commensurate sustainability data of the products it sells and provide this to the customers.

Leipurin is on track to reaching target of 5% EBITA

EBITDA improvement going forwards



Key success factors

- We continue to deliver improvements to run efficient operations – special focus on the Swedish supply chain, where we see significant opportunities
- We develop new commercial opportunities in all locations
- Focused growth investments, incl. organic and/or M&A to support shift in profitability
- We continue to strengthen our position as the preferred partner within the bakery segment
- We leverage our position and know-how to enable our customers' sustainability journey
- We access new geographical markets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Thank you!

Executive summary: Aspo Capital Markets Day key messages

1 **Strategy.** Aspo's businesses have clear and attractive business strategies:

- ESL Shipping: ESG driven accelerated growth, combined with commercial and operational excellence (key actions: minority shareholders on-board, green coaster investment program, divestment of supramax vessels, pooling financing)
- Telko: Organic growth supported by M&A and scalability (key actions: Optimol, Greenfluid, and Swed Handling acquisitions, ongoing actions to improve cost efficiency)
- Leipurin: On path to its full profit potential (key actions: divesment of non-core machine businesses and real estate, Kobia and Kebelco acquisitions, prioritised organic growth, development of commercial, supply chain and sourcing capabilities)

2 **Financial ambition.** Aspo's financial ambition is to reach EUR 1 bn of net sales and 8% EBITA in year 2028. Aspo's financial targets unchanged, but adjusted to consider the compounder strategy (from EBIT-% to EBITA-%), achieve resilience (minimum net sales growth of 5-10%), and manage financing of growth investments (net debt / EBITDA to replace gearing target)

3 **Sustainability.** Aspo Group level sustainability ambition: Aspo and its businesses will commit to Science Based Targets by end of 2024. Each business of Aspo aims to be a sustainability forerunner in its industry

4 **Portfolio vision.** Aspo portfolio vision is to form two separate companies: Aspo Compounder and Aspo Infra

- Diverging business models and strategies with different ESG agendas
- Approach and timing to be defined, in order to maximise value for the shareholders

5 **Leadership model.** Aspo Group to lead the transition. Aspo's new leadership model is focused on business reviews and governed by Aspo's board to drive the transformation efficiently forward (ESL Shipping forms an exception due to the minority ownership)

6 **Dividend policy.** Dividend policy adjusted to reflect company strategy and growth ambition, the ongoing transition and specific business characteristics

- Dividend growth will consider financing needs of growth initiatives with strategic priority and be based on positive profitability development with an aim to pay-out annually up to 50% of net profit as dividend
- Strong focus on Total Shareholder Return


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Thank you!