



Aspo Capital Markets Day 2021

December 1, 2021



Agenda

Moving towards a compounder profile

Rolf Jansson, CEO of Aspo Group

Sustainable growth and strong profitability

Mikki Koskinen, Managing Director of ESL Shipping

From focused growth to accelerated expansion

Mikko Pasanen, Managing Director of Telko

Towards full potential

Heli Arantola, Managing Director of Leipurin

Summary of key messages

Rolf Jansson, CEO of Aspo Group

Q&A session

Recap of Aspo today

Aspo Q1-Q3/2021

Net sales
EUR 423.2 million (367.2)

Operating profit
EUR 28.5 million (11.7)



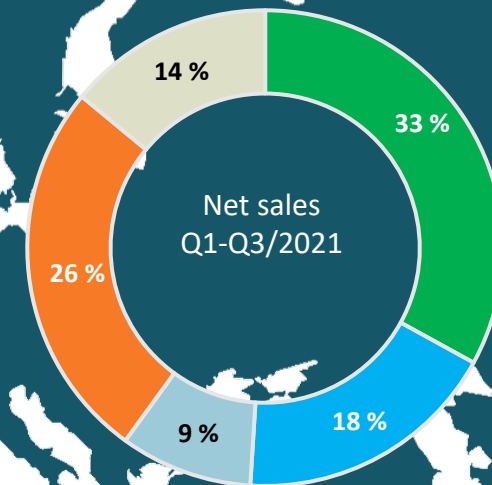
Net sales EUR 136.7 million (107.2)
Personnel 295



Net sales EUR 205.1 million (185.6)
Personnel 308

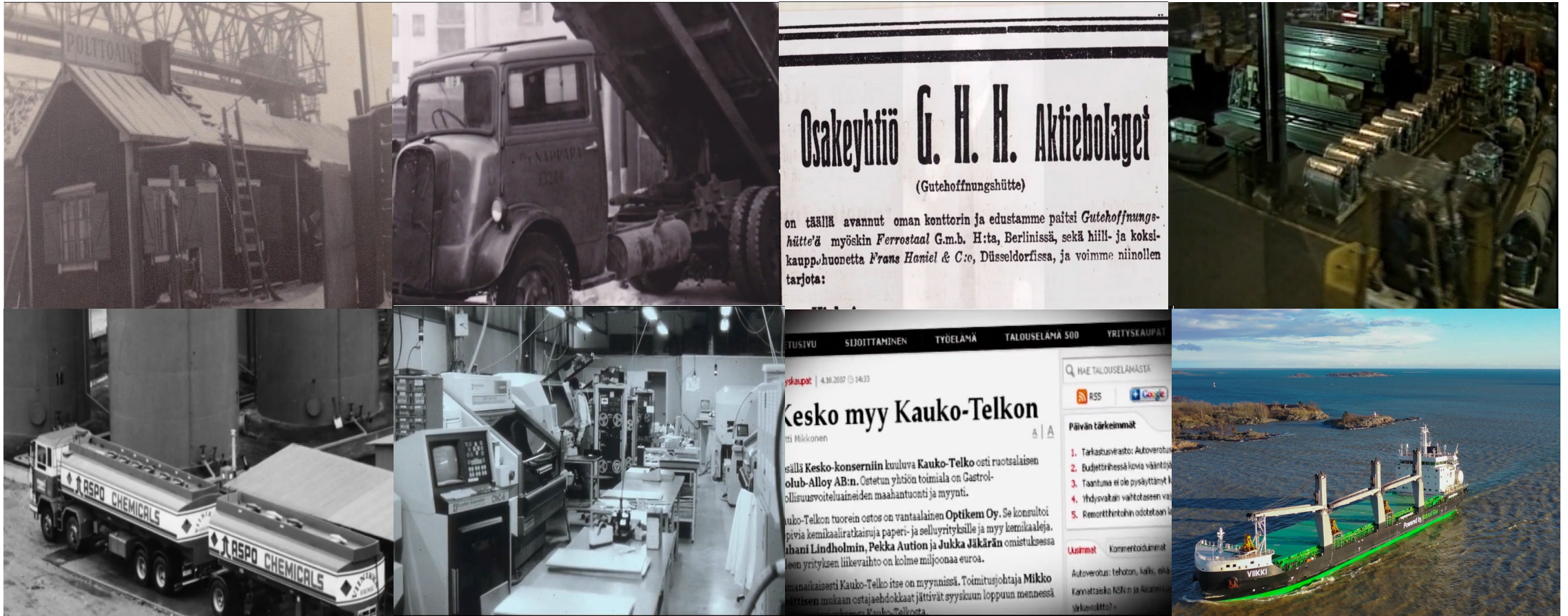


Net sales EUR 81.4 million (74.4)
Personnel 262

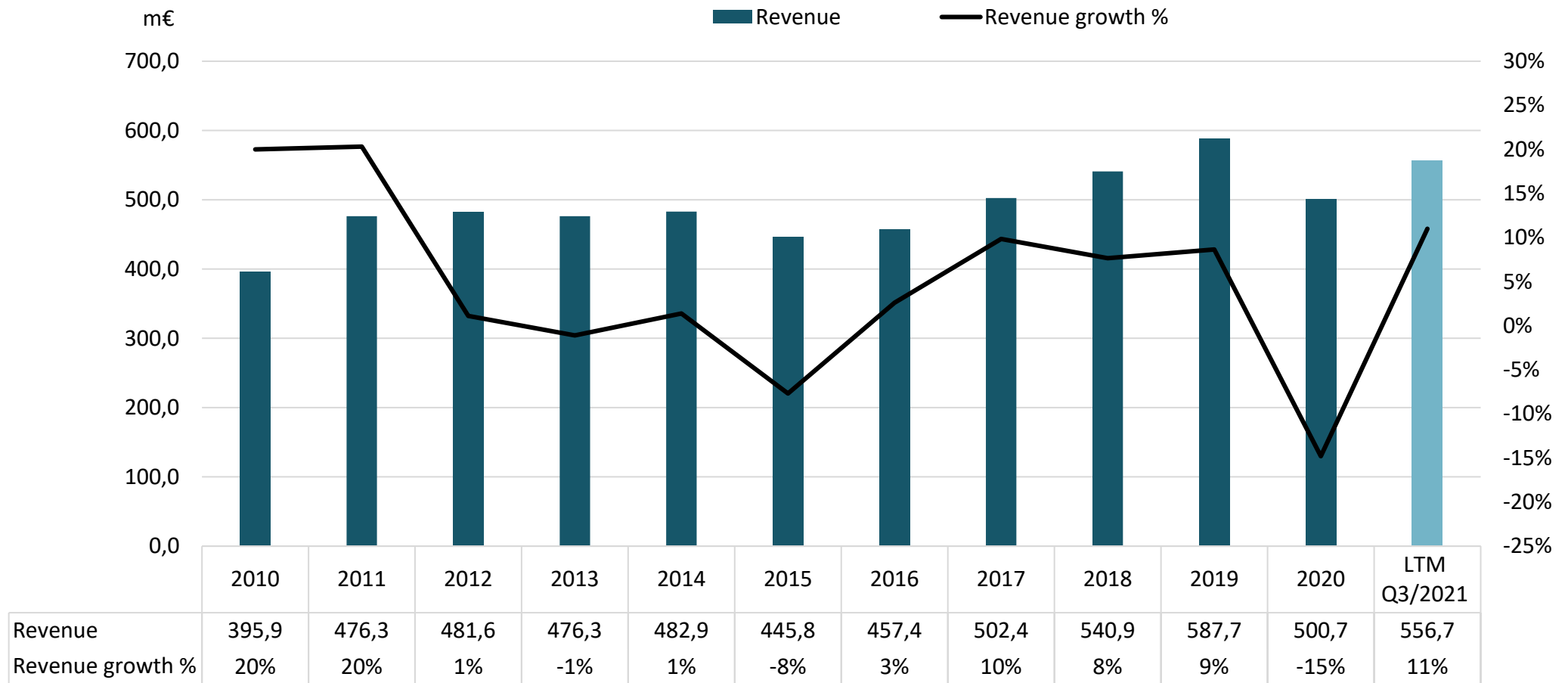


- Finland
- Scandinavia
- Baltic countries
- Russia, other CIS countries and Ukraine
- Other countries

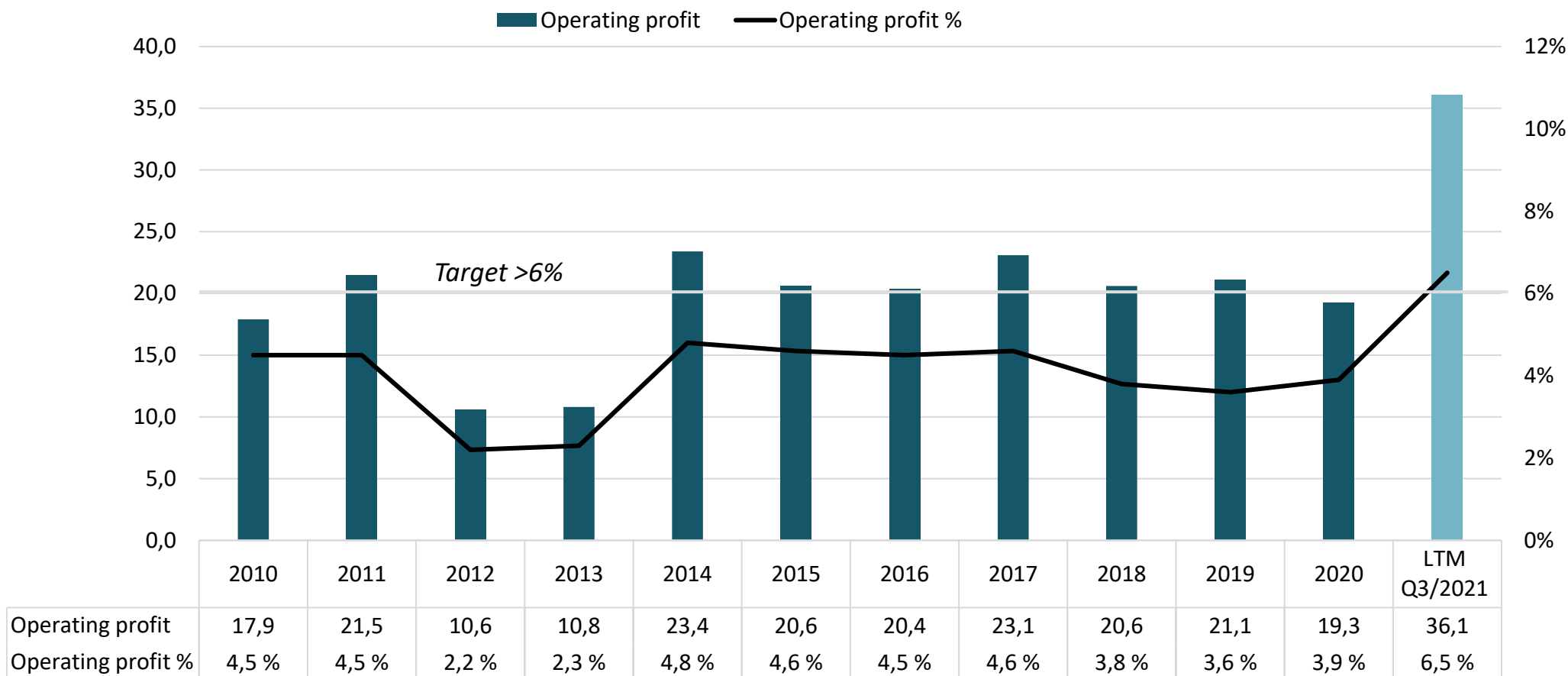
Aspo's journey since 1929



Back to strong growth in 2021

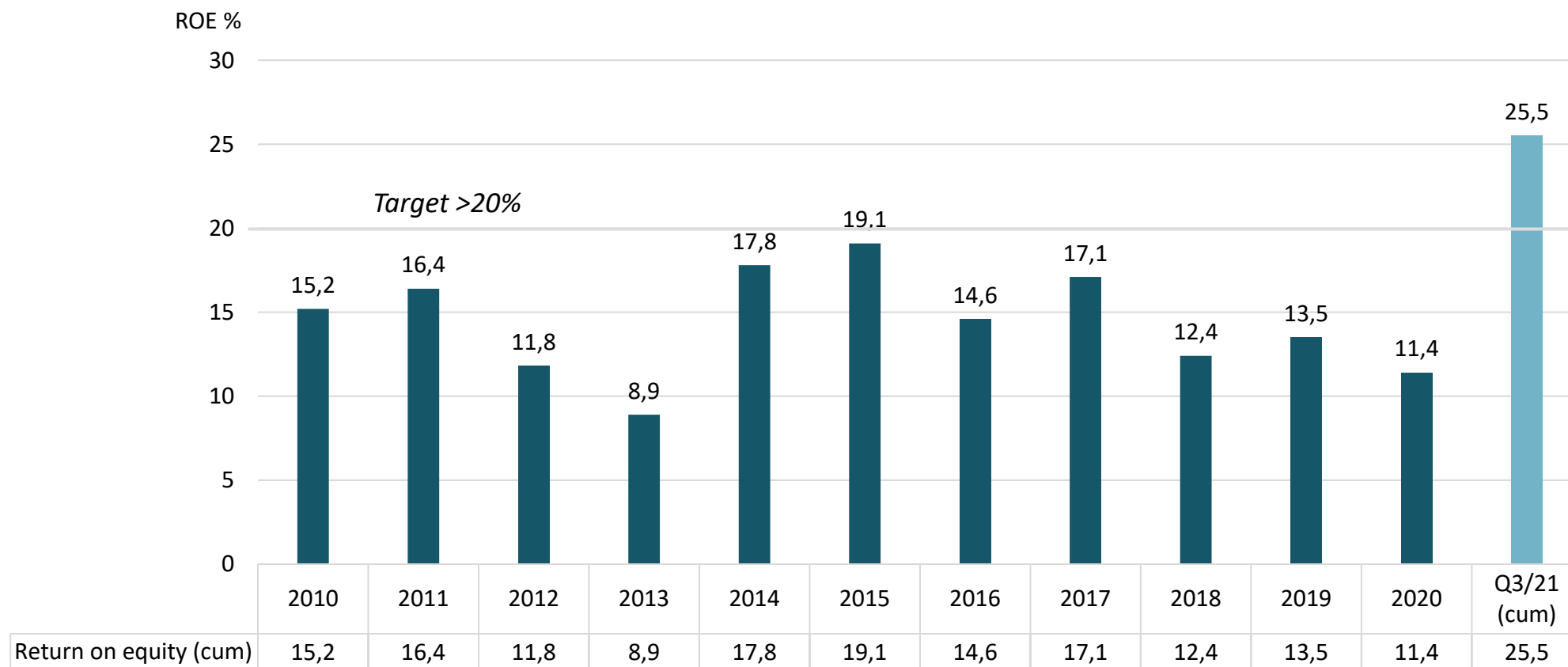


Operating profit above target level in 2021



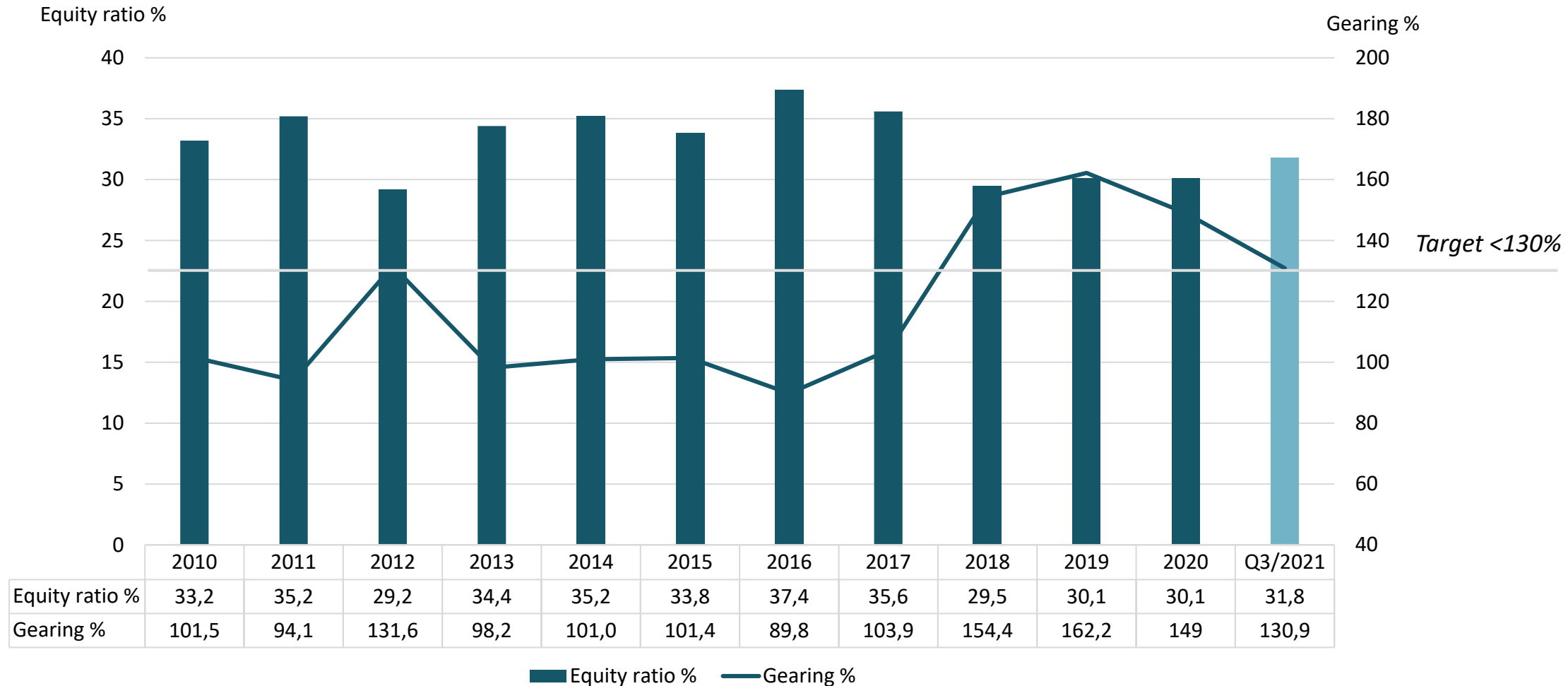
Note: LTM Q3/2021 excluding -3,4 m€ write-down of Kauko's goodwill

ROE exceeds long-term target in 2021



Note: Q3/2021 (cum) excluding -3,4 m€ write-down of Kauko's goodwill

Gearing back to the 130% target level in Q3/2021



Aspo new strategic direction & revised long-term financial targets

Aspo revised strategy: key highlights



Revised long-term financial targets

- Increased ambition level
- Focus on both profitability and growth



Sustainability shapes Aspo's growth and its business portfolio

- Clear priorities, themes and targets
- Target to decouple growth from environmental pressure
- All investments assessed from an ESG perspective



Moving towards a compounder profile

- Active M&A's to drive growth and value
- Long-term perspective



Building success on people and culture

- Employee satisfaction on great level
- Still, prioritised actions to further improve



Focusing of business portfolio

- Telko accelerated growth, ESL Shipping industrial partner, Leipurin towards full potential
- Kauko and Vulganus outside the core



Dividend policy unchanged, leaving room for strategic investments

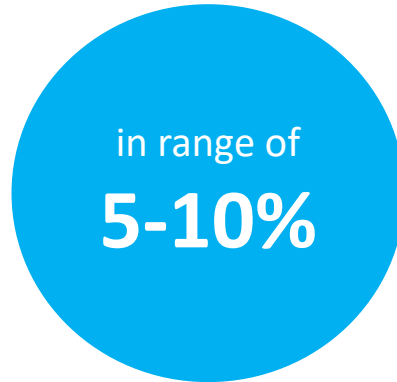
- Target to increase dividends
- Not at the expense of strategic investments

Revised long-term financial targets

Revised



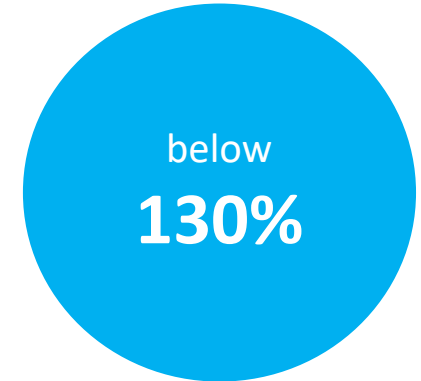
**Run rate operating
profit margin**



**Annual revenue
growth depending on
non-organic activity**

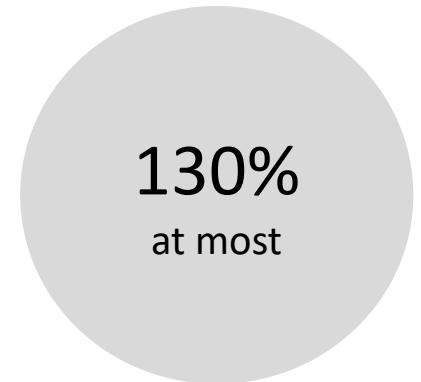
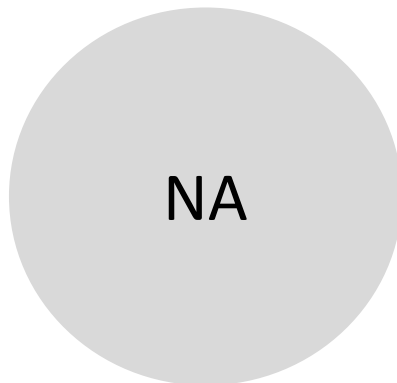
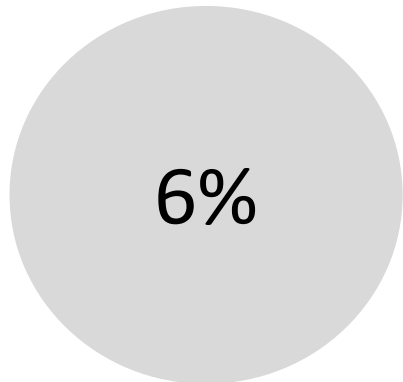


**Return on
equity**



**Long-term
gearing**

Previous



Decisive strategy execution to reach targets



Maximizing value of the current business portfolio

- Growth and profitability improvement of BUs
- Add-on acquisitions to accelerate organic growth and develop positioning



Working towards Aspo Group financial targets

- Identifying assets that do not generate sufficient returns
- Allocating investments in areas with the best returns



Exiting businesses for which Aspo is not the right owner to free up capital for investments in core businesses.

Ensuring focus and financial performance of the BUs to support structural scenarios.



Developing balance sheet that enables growth investments and acquisitions and allows dividend payments to meet owners' expectations



Securing the right competencies for achieving the new ambition and strategy execution





ESL Shipping: Industrial partner and forerunner

- **Our success builds on being an industry forerunner; sustainability, technology, operational excellence, new operating models, and quality of services**
- Aspo core business with strong local market position
 - Geographical coverage of wider Baltic and North Sea region
 - Customer base focused on long term partnerships
 - Sustainable technologies for all weather conditions
- Track record of strong financial performance. Still opportunity to further strengthen cash flow and returns
 - Growth by strengthening position in handysize & coaster segments
 - Active fleet management, continuous improvement, KPI optimisation
- Example of new operating model: pooling investments in vessels to lighten balance sheet and improve returns, i.e. opportunity for external investors to invest in sustainable vessels operated by ESL Shipping

Telko: Accelerated growth

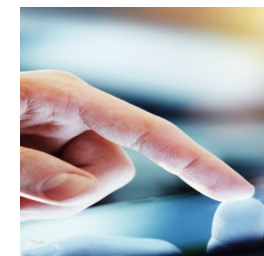
- **We will actively participate in consolidating the market, strengthening Telko's positioning, while securing and developing existing margins**
- Telko's growth is supported by strong underlying market trends, incl. outsourcing of non core activities, consolidation, and growing barriers for entry
- Telko has a strong market position and offers a future value upside as part of Aspo's core portfolio
 - Business focus to develop margins, improve Telko's local positioning, and add efficiency
 - A strong partner linking principals and customers
 - Uniform and scalable operations independently of country
 - A sustainable gateway for principals to Russia and CIS
 - Development of sustainable product innovations together with partners
 - Significant opportunity for growth both organically and non-organically
 - Strong returns and cash flow already based on current performance



Leipurin: Towards full potential

- **We have launched a program to maximise Leipurin's margins by developing commercial skills, processes in sales & marketing, procurement, and supply chain. Aspo is committed to drive development of Leipurin**
- Leipurin's niche position offers the best access for principals and customers to the regional food chain
 - Focus on ingredients for the growing plant-based diet
 - Industry forerunner in sustainability
- Growth of Leipurin in prioritised segments
 - Expanding presence in bakery
 - Strengthening position in food industry
 - Entering incrementally into new neighbouring geographies
 - Leipurin to evaluate structural scenarios for growth

Kauko & Vulganus non-core businesses for Aspo



New focus for Kauko

We will assess strategic options for Kauko

- **Limited size compared with Aspo's core businesses**
 - **Growth and development require new investments**
-
- Financial performance in 2021 has been unsatisfactory. An impairment test resulted in a -3.4 m€ goodwill write-down in Q3/21
 - New Revised strategy of Kauko
 - From a supplier of devices to a solution provider
 - Growth from expanding sales and services to existing key clients within mobile work segment
 - Penetration into the health care segment incl. IT solutions, healthy working environments, etc
 - Kauko figures will be separated from Telko segment from Q4/21 onwards

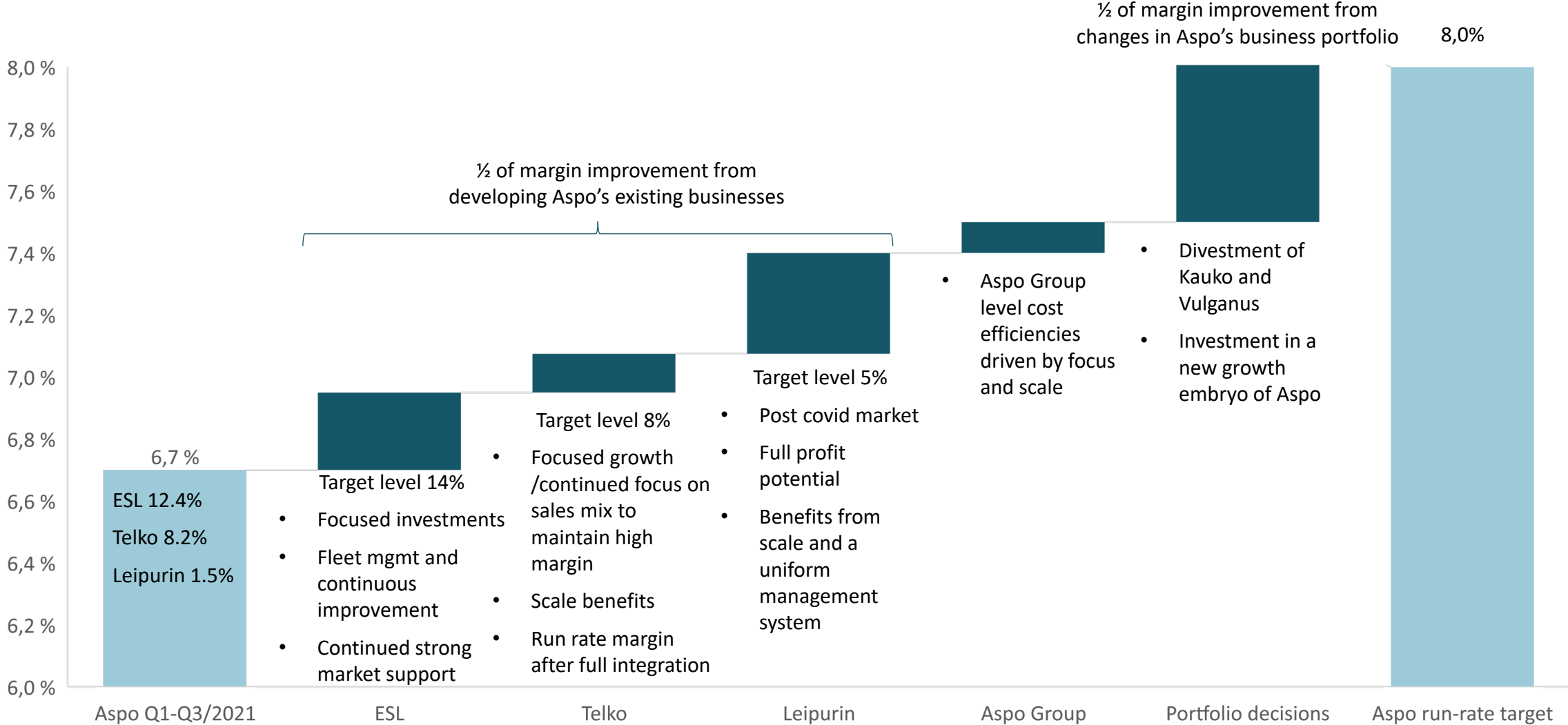
Strong demand for Vulganus

We will assess strategic options for Vulganus

- **Limited synergies with Leipurin's core trading business**
 - **Different customer base & geographical scope**
 - **Different business logic: production, projects**
-
- A divestment will free-up Leipurin management's time to the core business and increase predictability of financial performance
 - Strong order book for 2022. Opportunity in after sales after reorganisation
 - Machine trading remains a core business of Leipurin: after reorganisation an upside in after sales

Bridge to reach the new EBIT target level

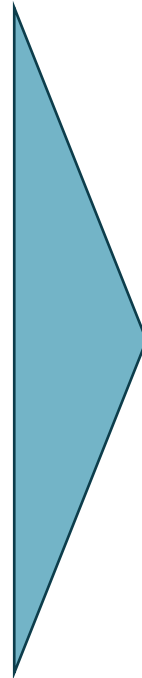
Simulated based on outcomes of different growth and profit improvement scenarios. Shows magnitude of the different opportunity areas and how they contribute to Aspo Group level ebit-%



Moving towards a compounder profile aiming for growth

Aspo growth ambition

- Sustainable long term growth achieved by re-investing earnings
- Growth as an enabler to improve profitability and returns, and to secure cash flows
- Ambition to take active role in M&A's, both add-ons as well as new stand alone business acquisitions
- Focus on compounding b-to-b industrial services
- Three clusters: logistics, trade, and "new cluster"
- Market and target screening is implemented systematically based on selected criteria: financial performance, positioning and growth, sustainability, people & culture, Aspo contribution to the business



Add-ons in BUs

- Possible add-ons relevant for all core businesses of Aspo, but particularly for Telko market consolidation is a strategic cornerstone
- M&A value generated from screening the right businesses, improving target profitability, capturing synergies, and expanding valuation multiples

New growth embryo for Aspo

- A new stand-alone business is profitable and has a clear growth path, both organic and non-organic
- Longer-term growth supported by megatrends
- Evaluated also based on ESG performance, positioning and financials
- Ideal target size has an EV of 20-50 million euros



Long term investment horizon

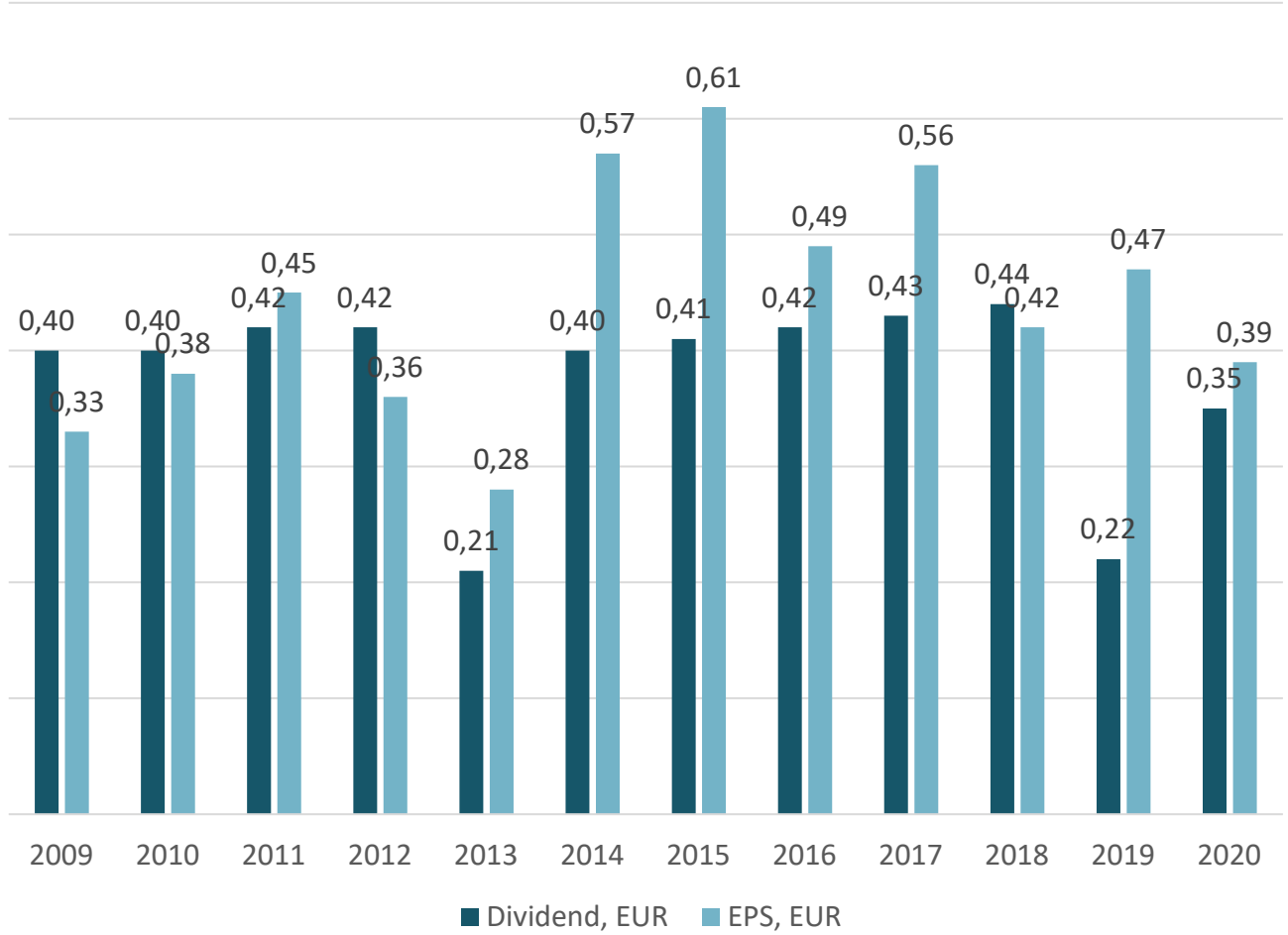
- Focus on long term strategic development of target companies without pre-determined exit
- Exists possible, but only considered in case the business has poor fit with Aspo's strategic targets (e.g. profitability, returns, sustainability) or a better owner for the business is found

Aspo growth platform to support businesses with critical competencies

- No aim to capture operative synergies, but important to create a common platform for success
- Tailored support depending on the company situation
 - Strategic guidance
 - M&A and development skills
 - Integrating sustainability into the business model
 - Data driven management and performance culture aiming at 100% potential capture
 - Effective use of capital markets & access to financing enabling investments
 - Capability in building regional presence of medium-sized companies
 - Experience sharing in common Aspo level management team



Dividend policy unchanged, leaving room for strategic investments



- Aspo’s dividend policy: target to annually increase the amount of dividend
- Dividend policy will not jeopardise strategic capex investments, compounding Aspo growth
- The dividend will be paid in two installments

Aspo sustainability





Sustainability shaping Aspo

- Sustainability shapes our growth strategy and business portfolio in the face of social, economic, and environmental change
- Aspo's sustainability themes include the overall ambition to decouple business growth from caused environmental pressure over a given period
- Investments by Aspo are always assessed from an ESG perspective to drive sustainable development
- Aspo's existing and future businesses aim to be sustainability forerunners in their industries
- Aspo's businesses prioritise the sustainability themes, formulates key measures, set targets, and outline actions for reaching targets
- ESG metrics will be integrated to personnel incentive system in 2022



Aspo Group key sustainability themes

OUR AMBITION

Aspo portfolio companies aim to be sustainability forerunners in their industries

OUR COMMITMENTS / KEY FOCUS AREAS

E

Growing our business while lowering pressure to the environment

S

Improving Aspo experience for people in our value chain

G

Driving sound governance practices at all levels

MATERIAL THEMES FOR ALL BUSINESSES



Lowering carbon intensity



Driving sustainable innovations



Improving recycling and waste management



Ensuring employee safety



Improving the employee, customer and principal experience



Enhancing product and service quality



Sound Governance practices



Thorough risk management



Continuous development of the Sustainability program

Aspo level sustainability Key Performance Indicators

E

Growing our business while lowering pressure to the environment



Lowering carbon intensity

KPI: CO2e (tn) / net sales (k€)

- Status 2020: 0.44*
- Target 2025: lowering by 30% (0.30)

S

Improving Aspo experience for people in our value chain



Ensuring employee safety

KPI: Lost time incident rate**

- 2020: 5,1 / YTD 2021: 6,0
- Target 2022: 4,0
- Long-term Target: zero

G

Driving sound governance practices at all levels



Sound governance practices

KPI: % of completion of Code of Conduct & Compliance training

- Status 2021: 75%
- Target 2022: 100%



Driving sustainable innovations

(Business-specific KPIs)



Improving the employee, customer and principal experience

KPI: Employee satisfaction (People Power)

- Status 2021: AA+ (81)
- Target: maintaining AA+

KPI: Net promoter score

- To be measured frequently in all businesses



Thorough risk management

Further development of systematic risk management process together with portfolio companies



Improving recycling and waste management

(Business-specific KPIs)



Enhancing product and service quality

(Business-specific KPIs)



Continuous development of the Sustainability program

Integration of ESG targets to personnel incentive system groupwide in 2022

Preparation of Aspo ESG policy

*) Incl. scope 1+2 emissions
(year 2020: 221 511 tCO2 / 500 741 k€)

**) Lost Time Injury Frequency Rate (Lost Time Injury Frequency Rate per Million person-hours). All injuries included that require medical treatment and/or alternative work

ESG to form an integral part of our acquisition process and ownership agenda

	Target mapping	Acquisition process	Ownership
Our approach	<p>We evaluate potential targets based on financial performance and strategic fit</p> <p>ESG forms an integral part of the strategic fit –evaluation</p>	<p>We deepen our understanding of the financial performance and strategic direction</p> <p>ESG is evaluated both in terms of evaluating</p> <ul style="list-style-type: none">• Target performance across Aspo’s key sustainability themes• Impact on Aspo’s opportunity to reach set KPI targets <p>The evaluation may result in us not investing in a company</p>	<p>We develop an ESG strategy, incl. priority areas, together with the acquired company</p> <p>We set targets, define key actions, and monitor results – we provide active support from the group where needed</p> <p>We are committed to progress reporting to Aspo board and shareholders</p>

Key takeaways



Revised long-term financial targets

- Increased ambition level
- Focus on both profitability and growth



Sustainability shapes Aspo's growth and its business portfolio

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ESL Shipping

ESL SHIPPING

Sustainable growth and
strong profitability

Aspo Capital Markets Day

December 1, 2021



The most sustainable marine logistics partner for selected industries in Northern Europe and Arctic areas

51 vessels, 473.000 DWT

Offices in Finland, Sweden and Russia

Net sales: EUR 178m (LTM)

EBITDA: EUR 46,0m (LTM)

EBIT: EUR 21,7m (LTM)

EBIT-%: 12,2 (LTM)

Cargo volume 14,9 mt (LTM)

Main clients:

Metals & mining, forest industry, chemicals, food chain and energy

Investments made in most environmental friendly technologies available



LTM 10/20-9/21

Our Strengths

Sustainability leadership

Industry forerunner in environmental, safety and governance issues

Long-term customer agreements

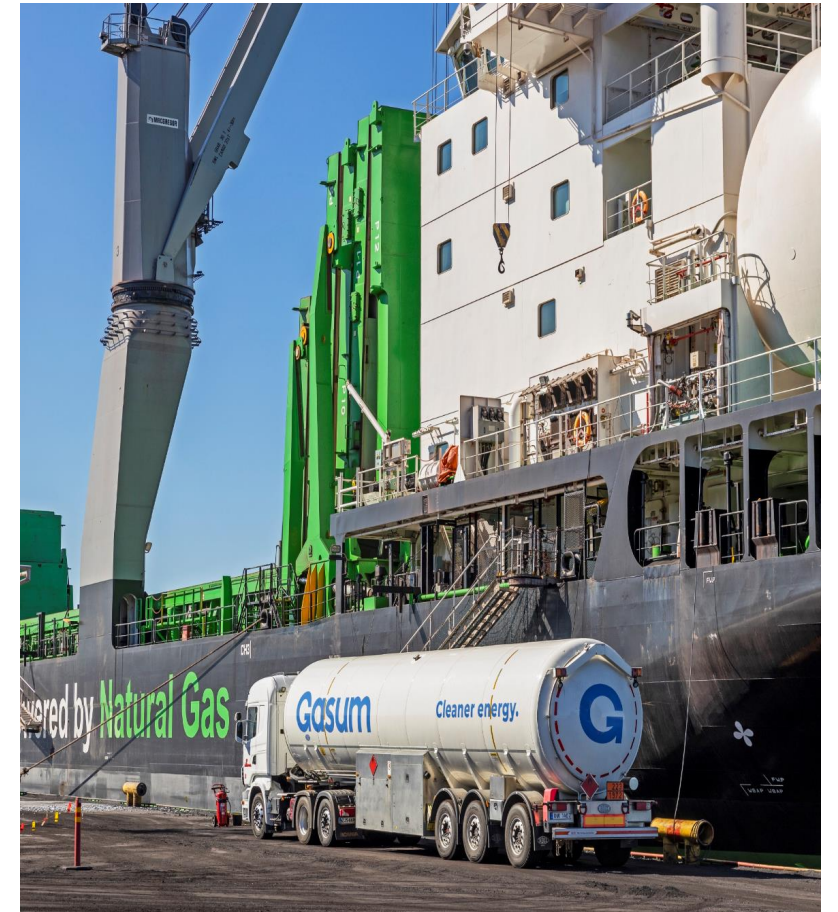
Built on trust and performance

Strong niche player

Northern know-how and deep understanding of customer supply chain

Operational excellence

Highly competent staff & efficient operating systems



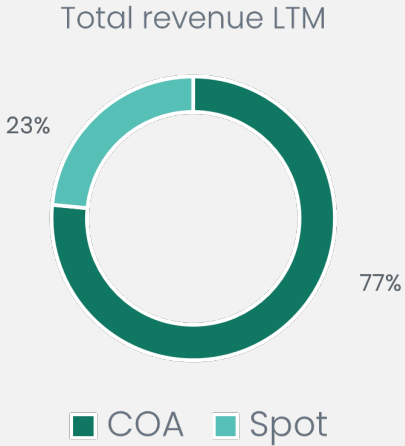
Industrial Partnership

We secure product and raw material transportation for industries and energy production year-round



Logos are used under the copyright of respective company

Industrial Contracts of Affreightment form vast majority of revenues in both segments.



Due to large share of long-term contracts our business model is much less sensitive to market volatility typical to many other dry bulk companies.

ESL Handysize and Supra segment



17 vessel units between 9000-56000 dwt
All 100 % owned vessels



Healthy volume development and strong earnings since Q4/20.


Main industrial clients in metals & mining, chemicals and energy.

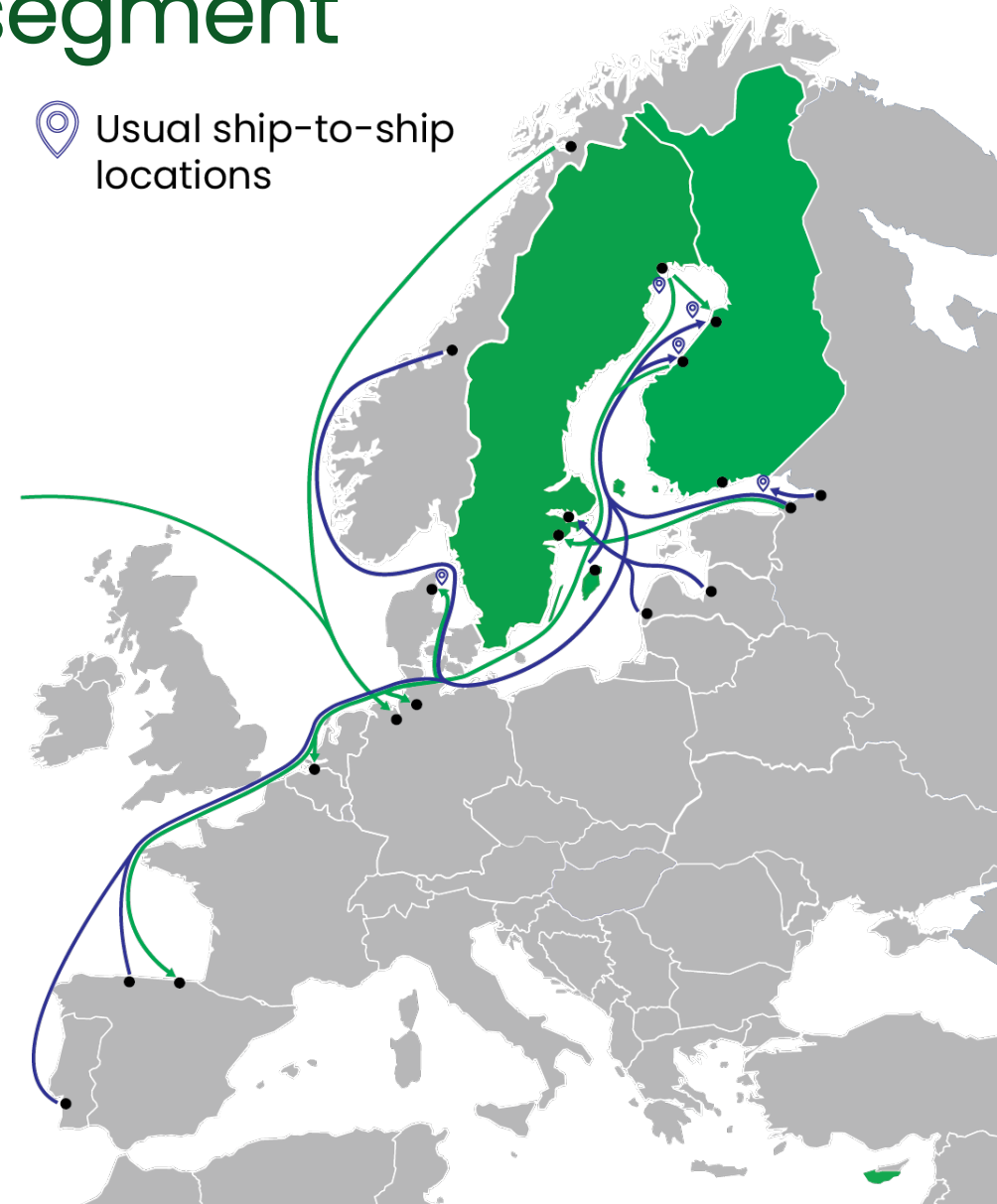


Supras operating in Atlantic basin and Arctic areas including NSR transits to China.



Ship to Ship operations performed with handysize vessels in 3-4 main locations in the Baltic Sea.

 Usual ship-to-ship locations



AtoB@C Coaster segment



34 vessel units between 3000-6000 dwt
7 owned, 2 partly owned, 25 time-chartered



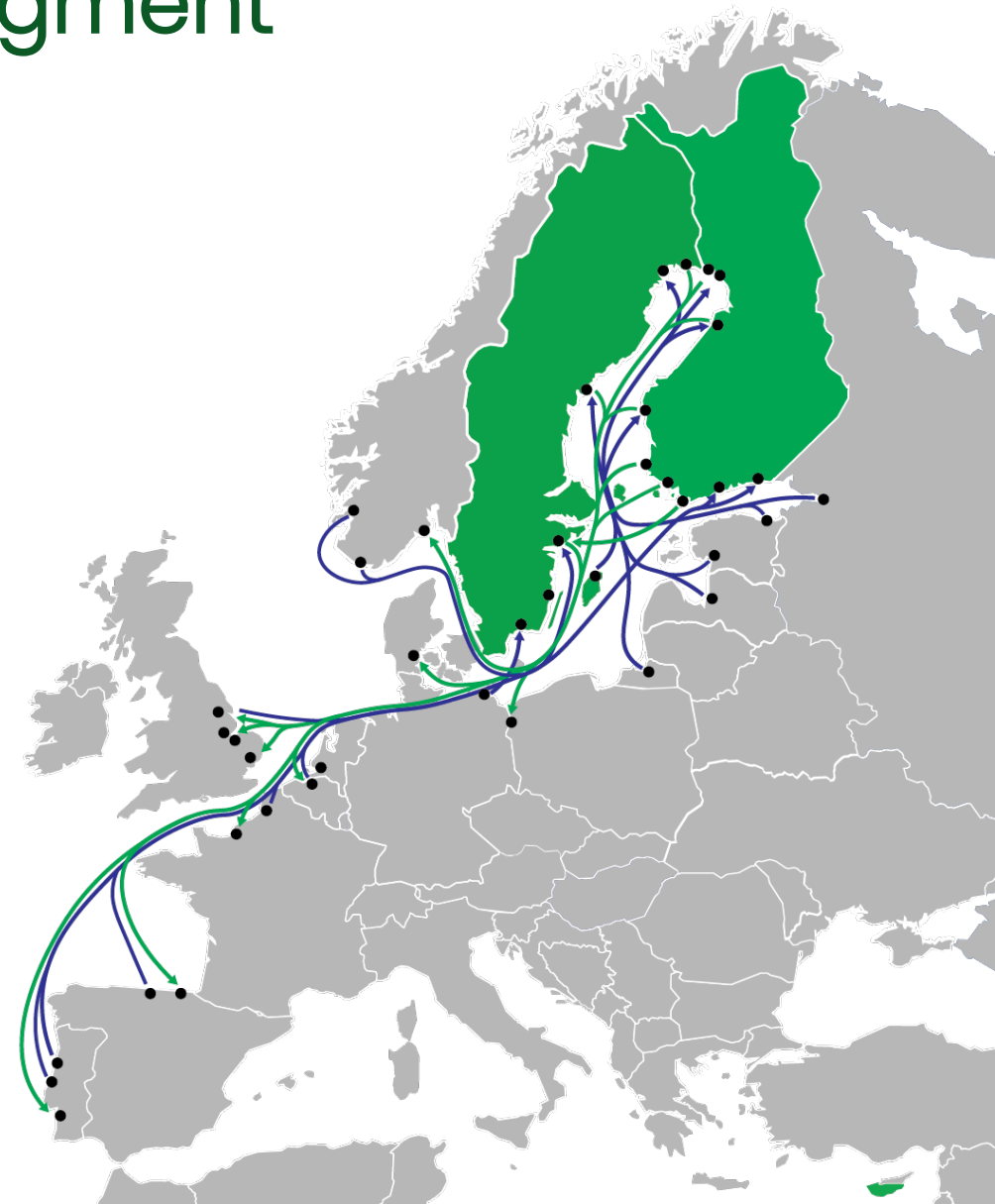
Healthy volume development and strong earnings since Q1/21.

Main industrial clients in forest industry, metals & mining, chemicals and food chain.



All vessels operating within range
Scandinavia-Iberian continent with main focus on Baltic and Continent.

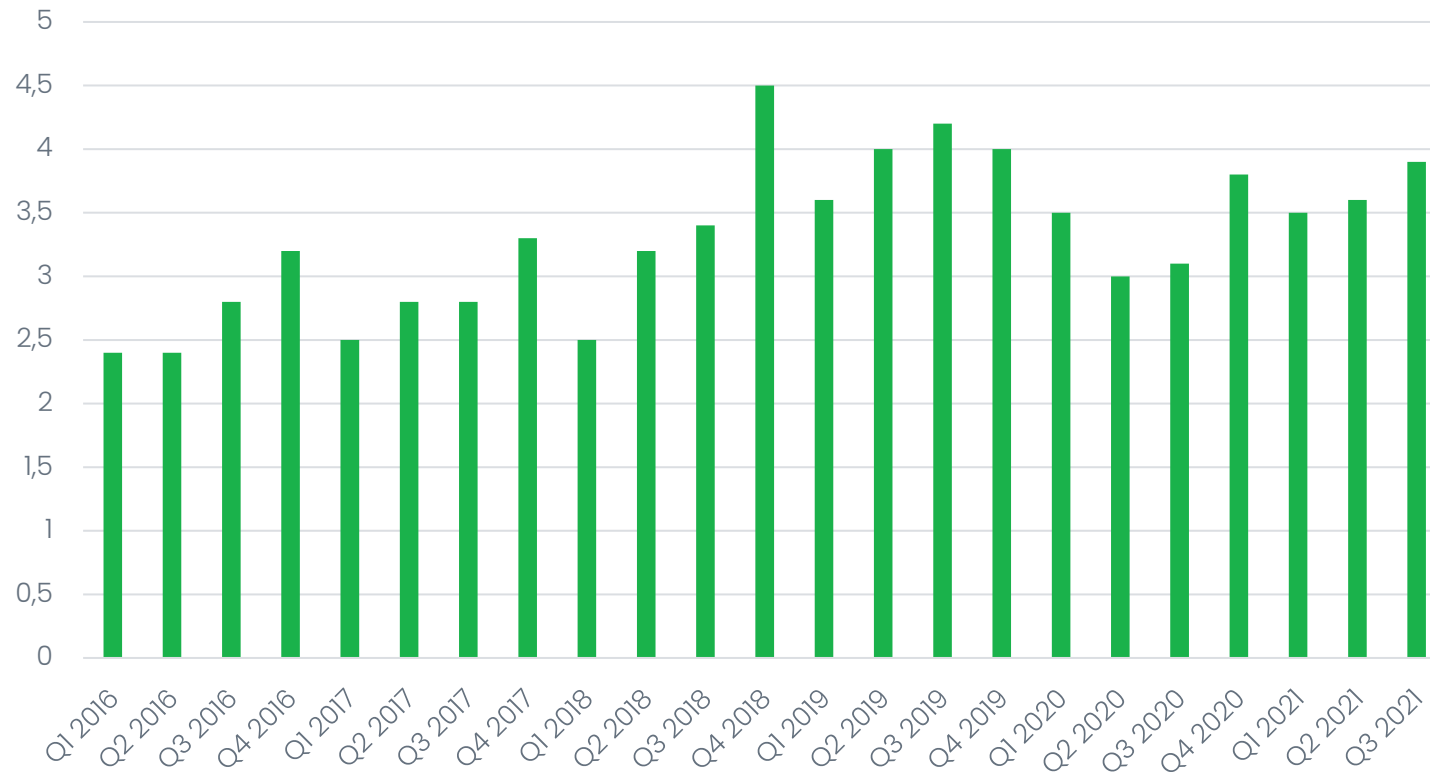
Investment into market leading, efficient and environmentally superior newbuildings.



Demand recovered towards normal levels

Carried volume is not the only revenue driver, also cargo type and distance carried matter

Million tons per quarter



■ Transport volumes, million tons

Bigger vessels fully employed
Transportation volumes in larger vessel categories on healthy level since Q4 2020

AtoB@C has capacity constraints
Demand for AtoB@C vessels remained strong throughout the year, but time charter costs are increasing heavily going forward.

New earnings level 2021

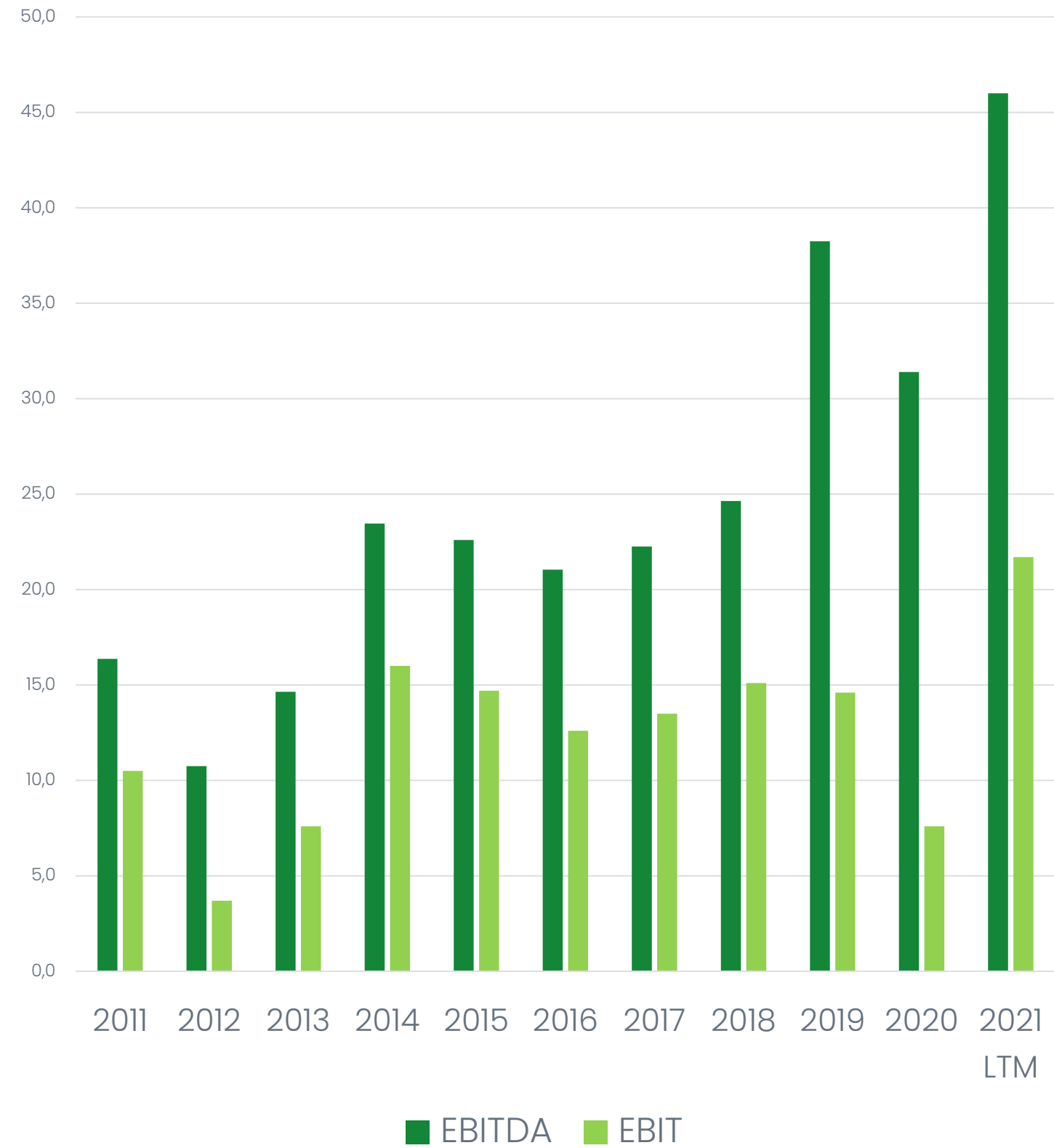
EUR million

Net sales



EUR million

EBIT and EBITDA 2011-2021



Long term financial target tuned up to 14 % EBIT-margin

Solid cash flow generation over the cycle - EUR 271 million of EBITDA in 2011-2021 LTM

Transportation volume estimates*

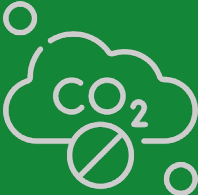
	Next 12 months	Long-term
Steel raw materials		
Steel products		
Scrap metals for steel industry		
Forest industry excluding paper		
Dry biomass		
Energy Coal		
Loading and unloading at sea		
Food chain		
Arctic area freight operations (incl. Russia)		



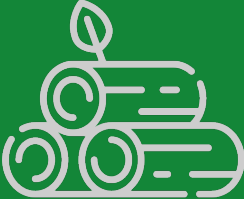
Strategic growth drivers – Sustainability and new technologies



Fossil free society



Carbon free steelmaking



Wood based products



Circular economy



Biofuels



Fossil free energy production

Changing environmental regulation in shipping

Planned GHG reduction regulations applicable for ships over 5000 GT, meaning AtoB@C fleet is excluded



EU emissions trade to include shipping

- Increasing energy cost between 30-100 % assuming emission right price 50-200 EUR per ton of CO₂e.
- Can be relatively easily absorbed by most of our clients as also oil price has varied within this range and trade has continued normally.



Ship specific carbon intensity indicator (Cii)

- Measures how efficiently a ship transports goods and is given in grams of CO₂ emitted per cargo-carrying capacity and nautical mile. The rating thresholds will become increasingly stringent towards 2030.
- Will be mitigated by improved energy efficiency and usage of low carbon fuels.



Fuel EU Maritime

- Will over time limit the maximum carbon intensity of marine fuels used in Europe.
- Will be mitigated by growing use of renewable diesel, biogas or other low carbon fuels.



Handling of cargo residuals and wastewater in ports

- Shippers, receivers, port operators and ports must recognise their responsibility for handling and receipt of cargo originating residual waste.
- Port operators and ports must develop wastewater recovery facilities.



ESG commitments

Reduce emissions to atmosphere and water



- -50% of CO₂ by 2030
- Net zero operations by 2050
- We commit to Science Based Targets Initiative by the end of 2023



- We work with the ports to minimise the amount of grey water and hold washing water discharge to the sea

Our key ESG Targets

GOALS

Growing our business while lowering the pressure to the environment

Improving the experience for people in our value chain

Driving sound governance practices at all levels

-50% of CO₂ by 2030,
Net zero operations by 2050

We work with the ports to minimise the amount of grey water and hold washing water to the sea

We commit to Science Based Targets Initiative by the end of 2023

We provide a safe and healthy place to work

We provide first-class service to our customers

We treat everyone equally

We conduct ethically in line with applicable law and standards and expect the same from our counterparties

Incorporation of climate change mitigation into the incentive system for personnel and management

SELECTED KPIs & TARGETS

Scope 1 CO₂-emissions in total
2050: Net zero CO₂ emission operations

Scope 1 CO₂-emissions per ton-mile
2030: 50% lower carbon intensity per ton-mile compared to 2008 and respective vessel class

Percentage of grey water pumped to shore reception facility
2025: 50%
2030: 100%

LTIFR
Includes all incidents, per 1,000,000 working hours

Target: Zero

Percentage of employees who have completed Compliance and Code of Conduct training

Target: 100%

Roadmap towards fossil free shipping

Shipping Investment



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

Green Coaster project, LNG fueled vessels Viikki & Haaga and other fleet renewal plans in second half of the decade.

Energy Sourcing



Building industrial scale availability of renewable fuels in partnership with leading Scandinavian suppliers.

Market leading use of LBG and continued fuel cooperation with Neste to reduce shipping emissions.

Participation in projects aiming at industrial scale production of hydrogen based e-fuels in second half of the decade.

Transport Demand



Customer commitment. Building and sharing common future vision for low emission shipping. Long-term contracts with leading Scandinavian industries

SSAB and Metsä Group as prime examples of long term cooperation and logistics ecosystem supporting energy efficiency, high capacity utilization and smart operations.

Green Coaster Concept

AtoB@C Shipping invests in a series of six future proof, highly energy-efficient hybrid vessels



MAIN PARTICULARS

Length	90 m
Breadth	16 m
Draft	6 m
DWT	5,350 tons
Cubic capacity	7,650 m ³
Deliveries	Q3/2023 -

Green Coaster highlights

New electric-hybrid technology enables noise-free and emission-free port visits



AtoB@C Shipping invests in a series of six highly energy-efficient green coaster diesel-hybrid vessels with 1A ice class

Nearly -50 %

CO₂-emissions compared to present vessels

Further emission reduction potential by shore power, renewable fuels and wind propulsion.
Battery technology enables emission-free and noise-free port visits.

~ 70 MEUR

The total value of the investment

Top-notch in the market in terms of cargo capacity, technology and innovation

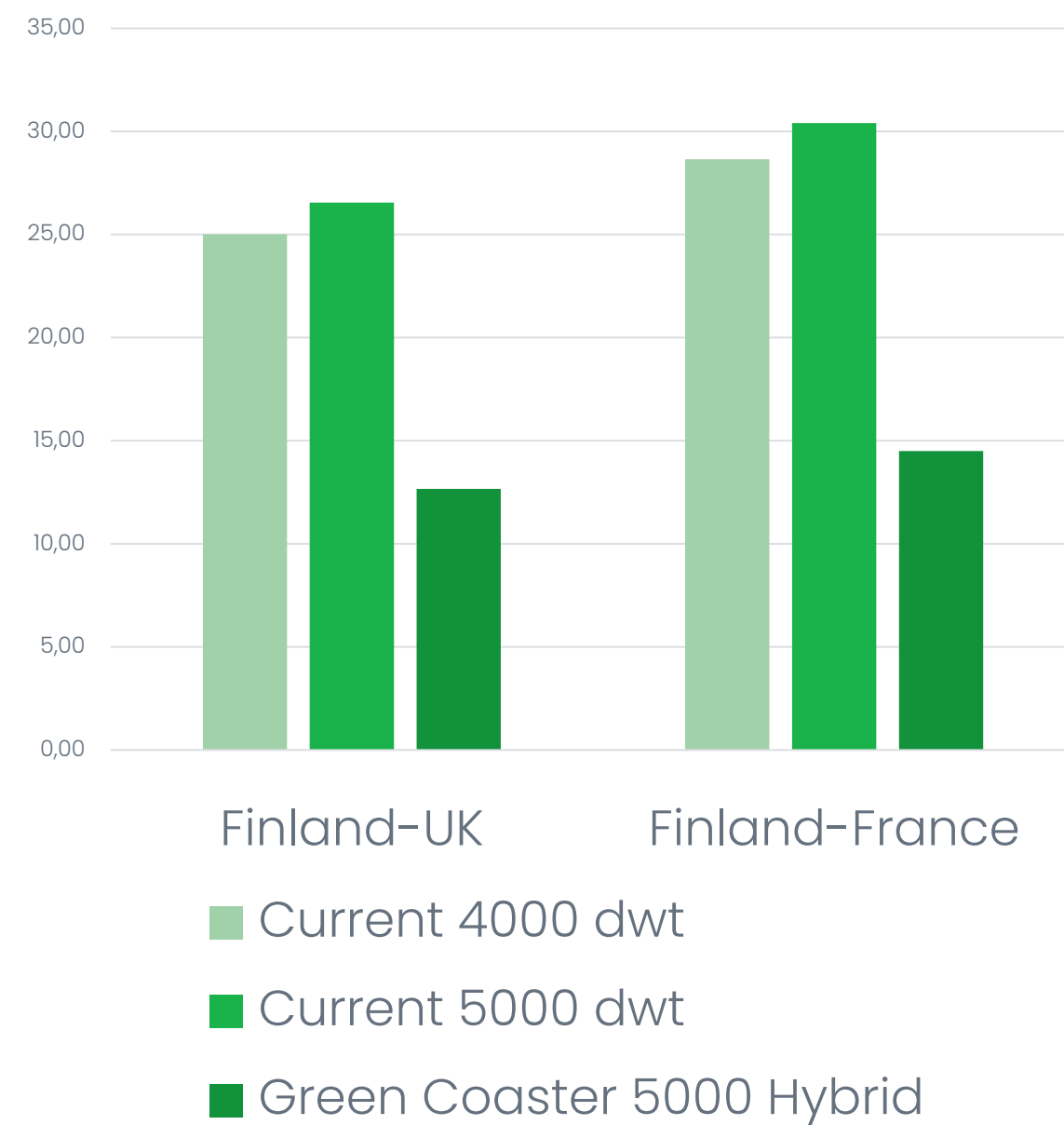
Q3 / 2023

First delivery

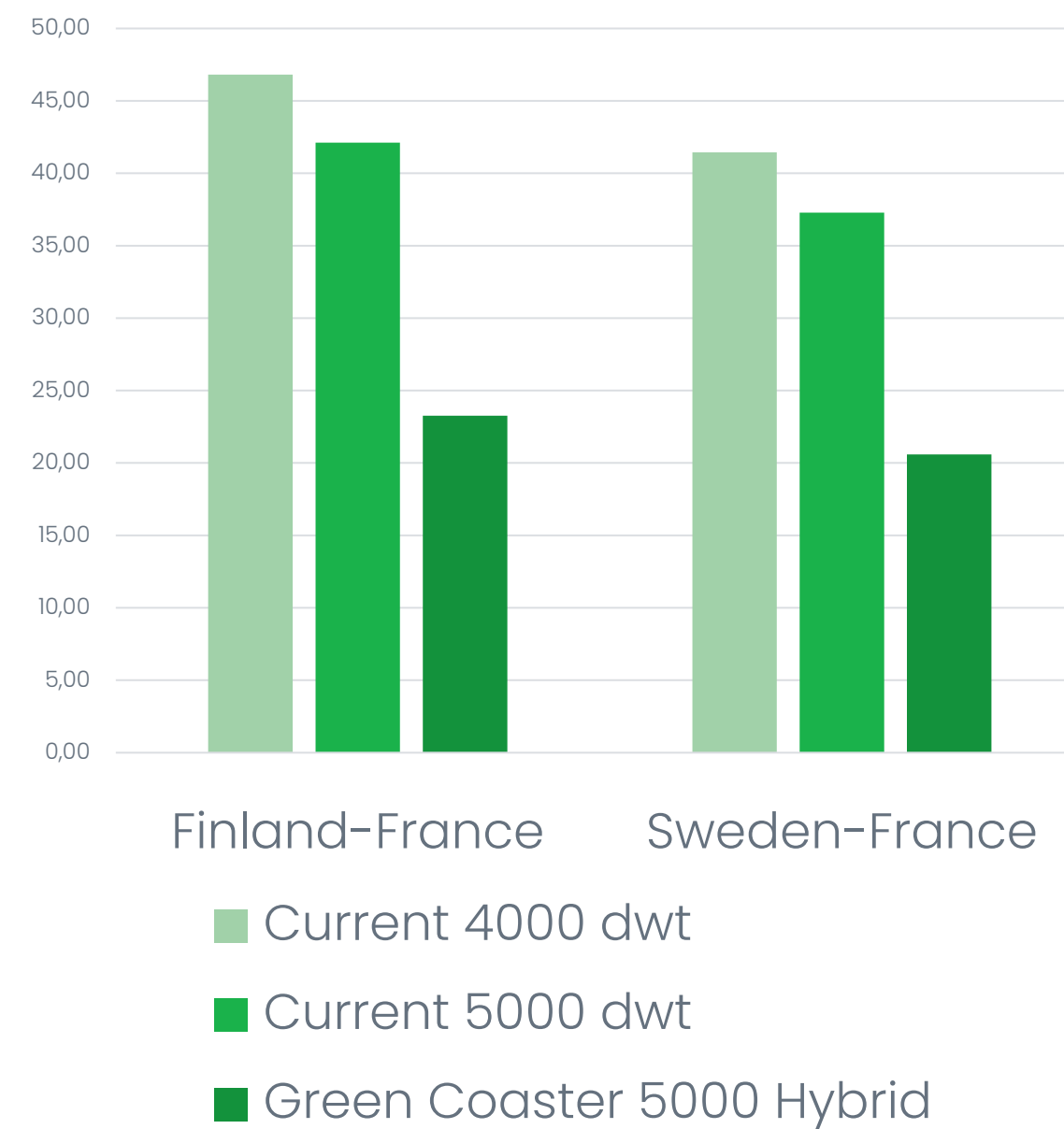
Metsä Group – AtoB@C long-term partnership

Increased transport efficiency with Green Coasters enables low emissions, competitive transport cost and improved profitability.

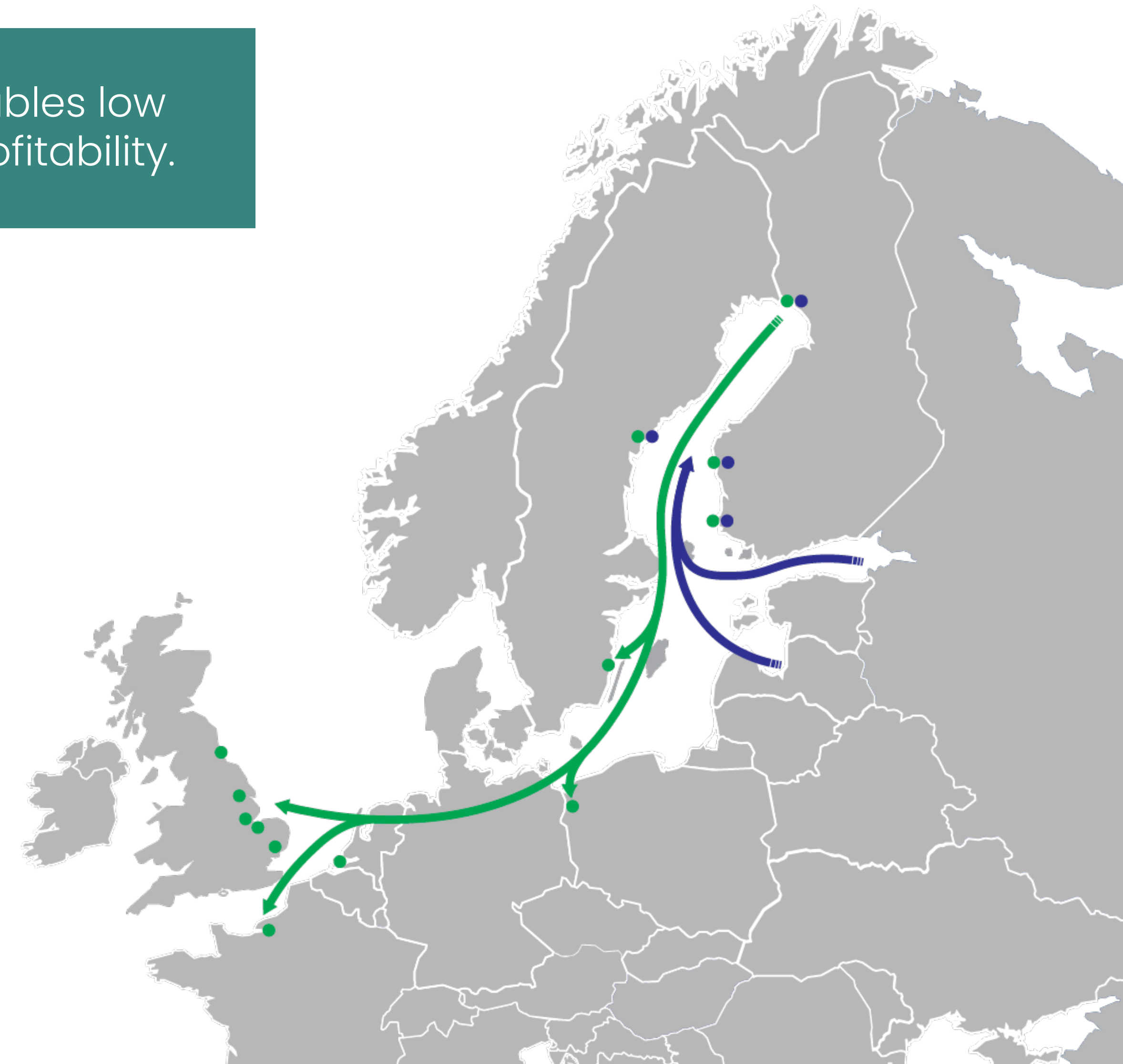
Timber shipment GHG emissions
kg/loaded m³



Woodpulp Shipment GHG emissions
kg/loaded ton



*50 % less Life Cycle Carbon Factor Well-to-Wake emissions calculating all GHG
Source: SFI – Centre for Research-based Innovation. The Research Council of Norway



Green Coaster Pooling – shipping re-invented

Platform for investors to finance additional six newbuild hybrid vessels



Asset light growth model

Pooling will enable accelerated growth and improved return on capital for ESL Shipping.



Green infra investment

The hybrid vessels represent the most efficient and environmentally friendly vessels in their size class and provide opportunity for sustainable Baltic Sea infrastructure investment.



Pooling

All newbuild vessels will be placed in a commercial pool and operated by ESL Shipping.



Operational excellence

ESL will manage all operational aspects offering a turnkey investment opportunity.



Diversification and optimization

The vessel pool spreads investor's risk of operating one vessel over to several vessels.



Perfect storm in shipping cycle

Macroeconomic recovery, ageing global fleet and GHG regulation are creating an excellent operating environment and significant demand for new green vessels going forward.

Well positioned for sustainable growth and strong profitability

- We are well positioned for supporting our clients' transition towards fossil free shipping.
- Based on our long term strategy we are now delivering the expected strong profitability after the historical drop caused by Covid-19.
- Investments in best environmental performance provide solid platform for future growth and earnings improvement.
- Long term financial target tuned up to 14 % EBIT-margin.
- Pooling will enable accelerated growth and improved return on capital.





*From focused growth
to accelerated expansion*



What is Telko

We bridge industrial customers and principals in a sustainable way



Telko is primarily an expert organization, which has the ability to create additional value to customers and principals.

Telko's business is based on sustainable partnerships by creating solutions together with our partners.

Telko is the link in material and information flow between customers and principals.



PLASTICS



CHEMICALS



LUBRICANTS

Telko at a glance

Net sales (Q4/20 – Q3/21)

253
mEUR

EBIT %

7,6
(Q4/20 – Q3/21)

Personnel

~300
employees

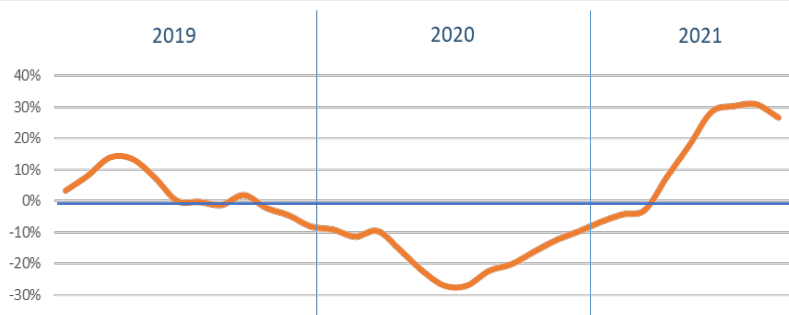
FINNISH COMPANY HAVING **23** LOCAL OFFICES IN **15** COUNTRIES

FINLAND | SWEDEN | NORWAY | DENMARK | ESTONIA | LITHUANIA | LATVIA | RUSSIA | UKRAINE
BELARUS | POLAND | CHINA | KAZAKHSTAN | UZBEKISTAN | ROMANIA

Back to growth track with solid profitability

Net Sales (MEUR)
Q4/2020-Q3/2021

253 MEUR

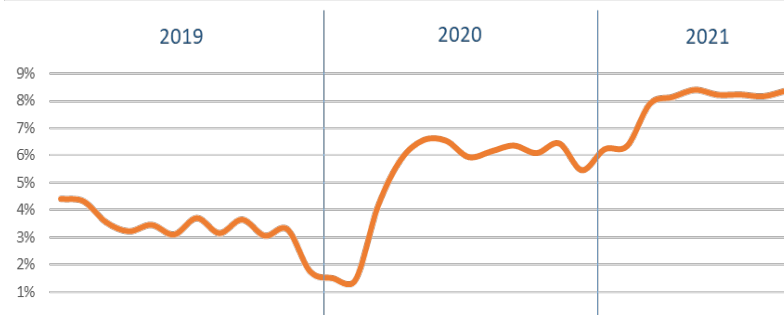


Net Sales growth
Q4/2020-Q3/2021

+9,5%

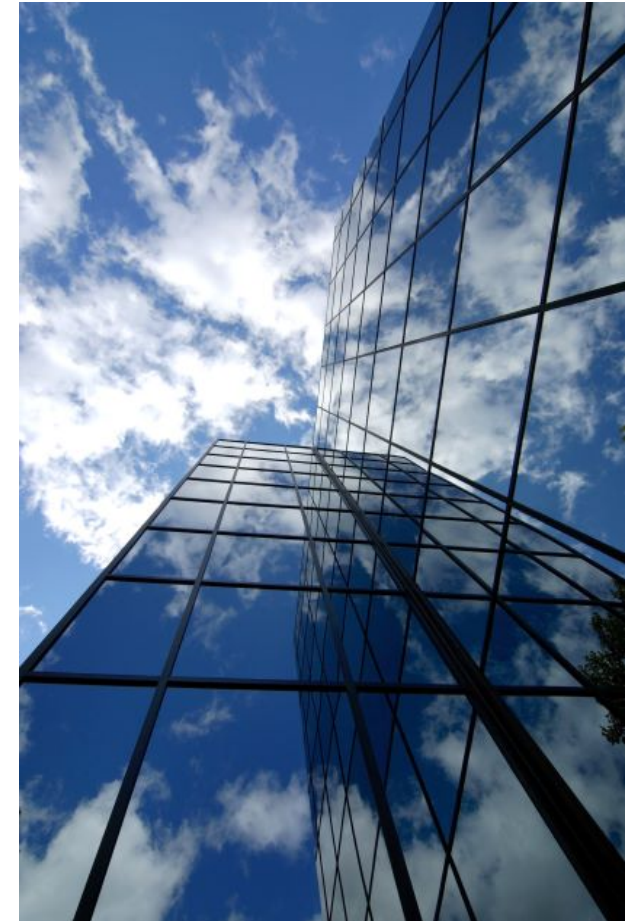
EBIT (MEUR)
Q4/2020-Q3/2021

19 MEUR



EBIT %
Q4/2020-Q3/2021

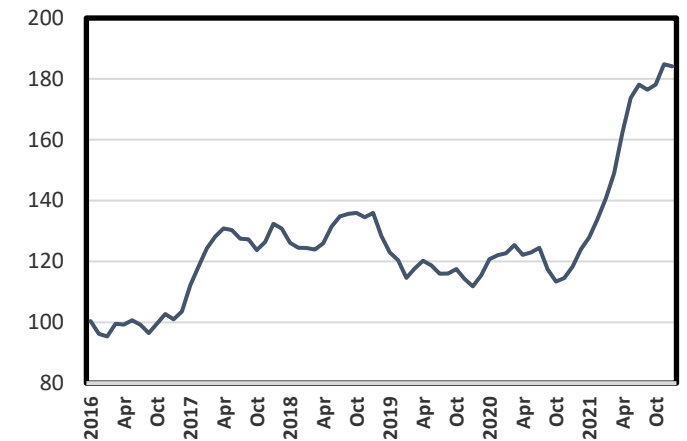
7,6%



Unusual market situation continues

- Despite the difficult corona situation, in year 2020 Telko made best ever result. In year 2021 this record breaking profitability level of the previous year was achieved already in August
- Market situation has been favourable for all distribution companies in our industry
- Raw material prices are on exceptionally high level
- There have been availability challenges in all businesses. Also severe availability problems of other than Telko related components and raw materials has indirectly influenced in demand
- Telko has successfully restructured its own operations and business portfolio.

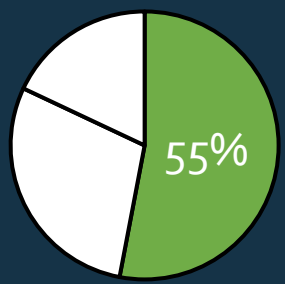
Price index, Chemicals



Price development, Polyethylene

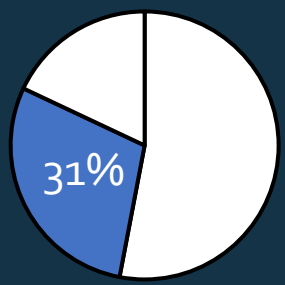


Telko Plastics



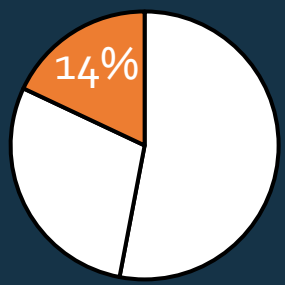
- Wide range of plastic raw materials and additives for various applications and industries.
- Plastics is the biggest Business Segment for Telko. Present in all Telko countries.
- The sales mix has shifted significantly towards more value-added products
- Plastics distribution in Europe is still relatively non-consolidated

Telko Chemicals



- Broad portfolio of chemicals for different industry segments, such as paints and coatings, personal care and food.
- Chemicals business has the most diversified business portfolio
- International business lines, but also several regional businesses
- Clearly more than half of sales comes outside EU
- There are few chemicals distribution giants present in the European market, but still very fragmented compared to most other industries

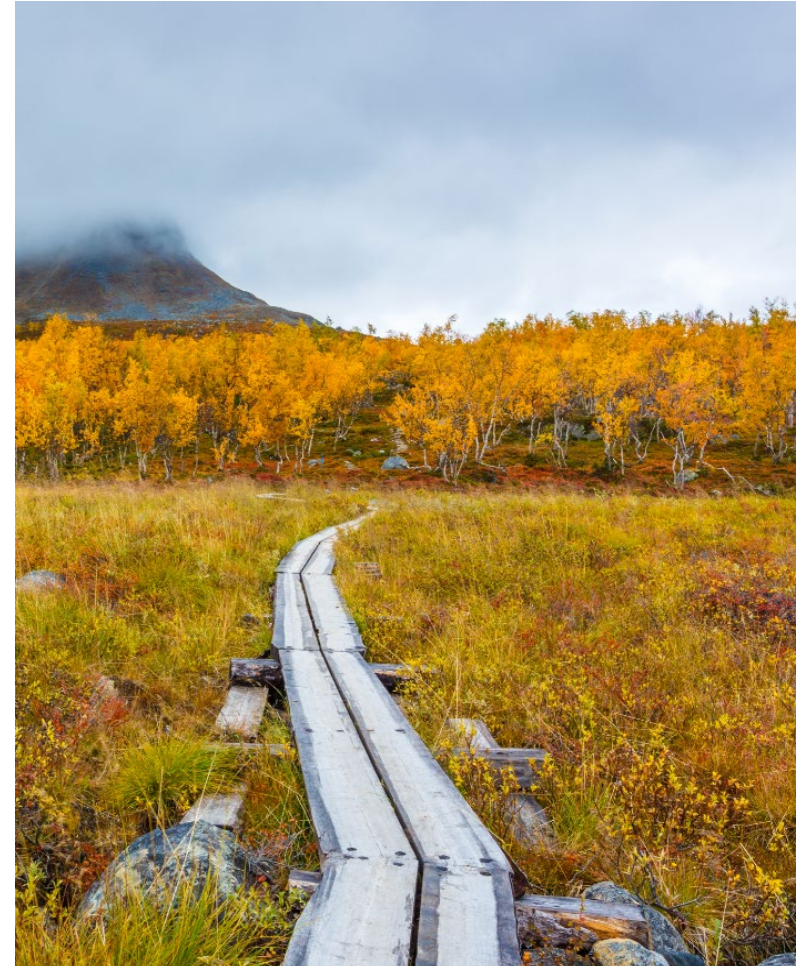
Telko Lubricants



- Industrial, marine and automotive lubricants, own production of car chemicals
- Telko is one of the biggest distributors for Castrol in Europe
- Lubricants is the smallest, but most stable business segment
- Unified business portfolio in all countries
- Sales volumes of recently acquired companies, ILS Group and Mentum, will present almost 40% of lubricant segment total sales in year 2022.

Sustainability drives industry transformation

- Our customers and principals expect that cooperation with Telko not only meets all legal requirements but enables our partners to achieve their own ambitious targets and commitments.
- Based on customer and supplier surveys Telko is seen as a reliable partner in sustainability efforts
- Telko's main impact to sustainability is created by bringing together customer demands and suppliers' advanced products and solutions.
- In order to be transparent and credible partner in sustainability work Telko introduces its own sustainability targets and commitments.
- We bridge industrial customers and principals in a sustainable way



Telko sustainability targets & KPIs

Growing our business while lowering the pressure to the environment



Lowering carbon intensity

Scope 3: create a road map and KPIs for reducing CO₂ emissions in Telko transports by 2023



Driving sustainable innovations

Create targets and KPIs for hand print improvement by 2025



Improving recycling and waste management

KPI: Raw material waste %
• Target: under industry average

Improving the Aspo experience for people in our value chain



Ensuring employee safety

KPI: Lost time incident rate
• Target : zero



Improving the employee, customer and principal experience

KPI: Employee satisfaction survey
• Target: maintaining AA+

KPI: Customer Satisfaction, NPS
• Target: continuous improvement

Driving sound governance practices at all levels



Sound governance practices

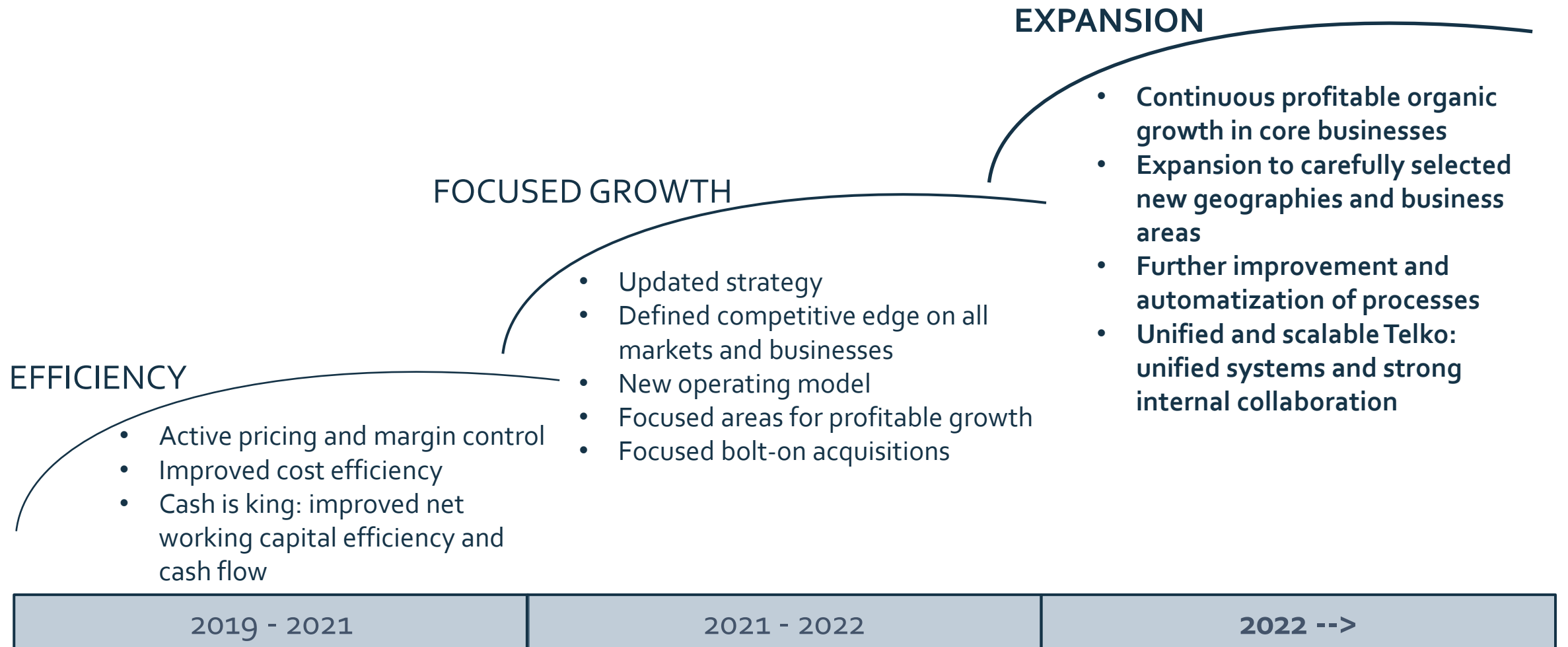
KPI: % of completion of Code of Conduct & Compliance training.
• Target: 100% of employees with min. 3 months employment complete training yearly.



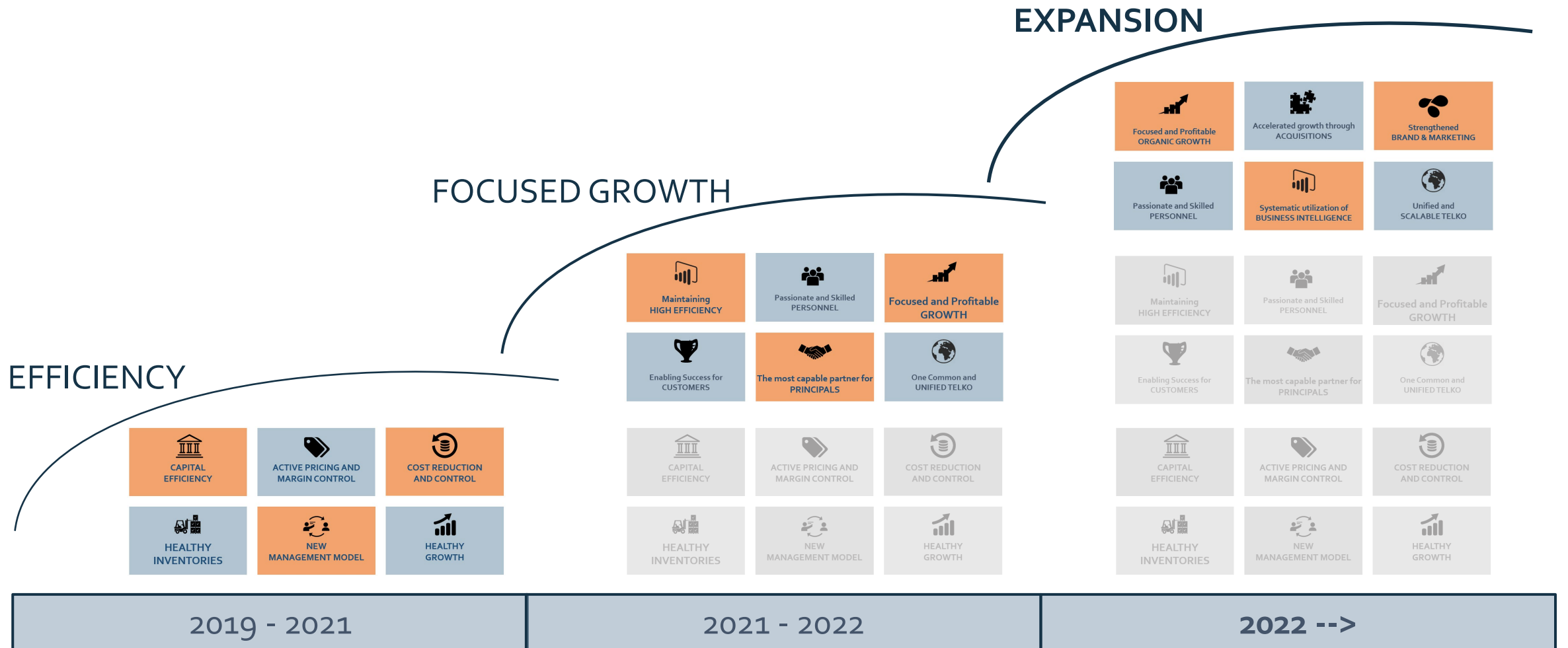
Continuous development of the Sustainability program

KPI: EcoVadis score.
• Target: EcoVadis gold level by 2023 and Platinum level by 2025.

Telko's journey to create value



Clear focus areas for each phase



Focus Areas for Expansion Phase



Focused and Profitable
ORGANIC GROWTH



NEW

Accelerated growth through
ACQUISITIONS



NEW

Strengthened
BRAND & MARKETING



Passionate and Skilled
PERSONNEL



Systematic utilization of
BUSINESS INTELLIGENCE



Unified and
SCALABLE TELKO

Key takeaways



We bridge industrial customers and principals
in a sustainable way

TELKO

is now more
efficient and
profitable than
ever before

TELKO'S transformation:

Updated strategy
and scalable
operating model
enable strong
profitable growth

TELKO'S strategy:

Focused organic
growth will be
accelerated by
acquisitions

TELKO

aims to become a
forerunner in
sustainability in
its industry

THANK YOU!

www.telko.com



LEIPURIN

Towards full potential

**Strategy update
CMD 1.12.2021**

LEIPURIN SERVES FOOD INDUSTRIES IN 3 REGIONS: FINLAND, BALTICS & EAST

1-9/21 net sales / PY
81 M€ (74 M€)

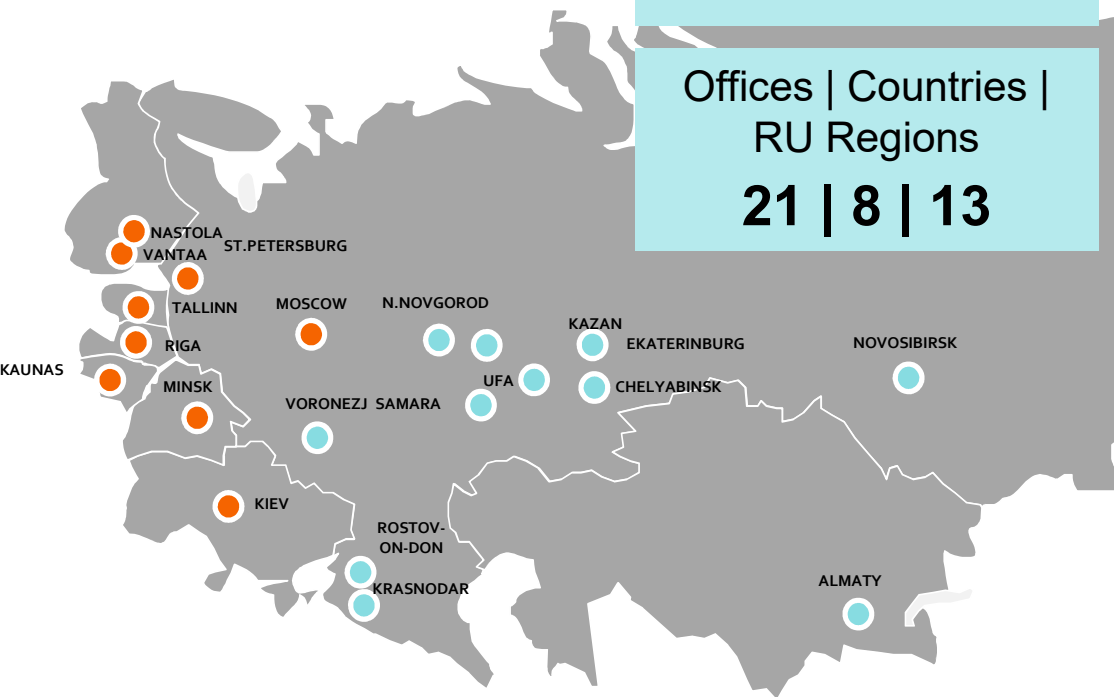
1-9/21 operating profit
1,2 M€ (1,2M€)

Personnel Nov 2021
271

Offices | Countries |
 RU Regions
21 | 8 | 13

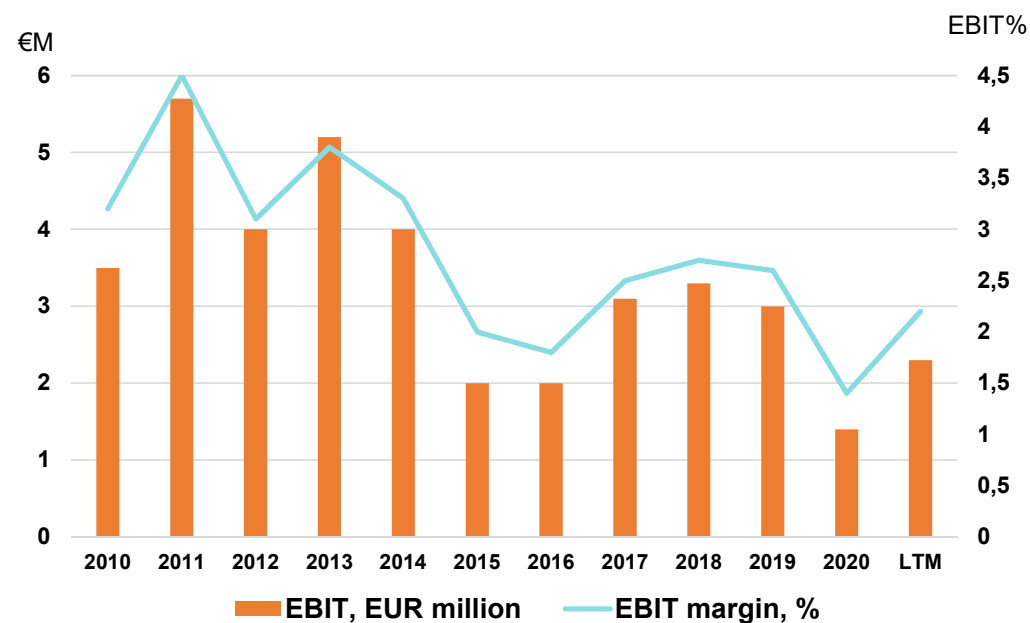
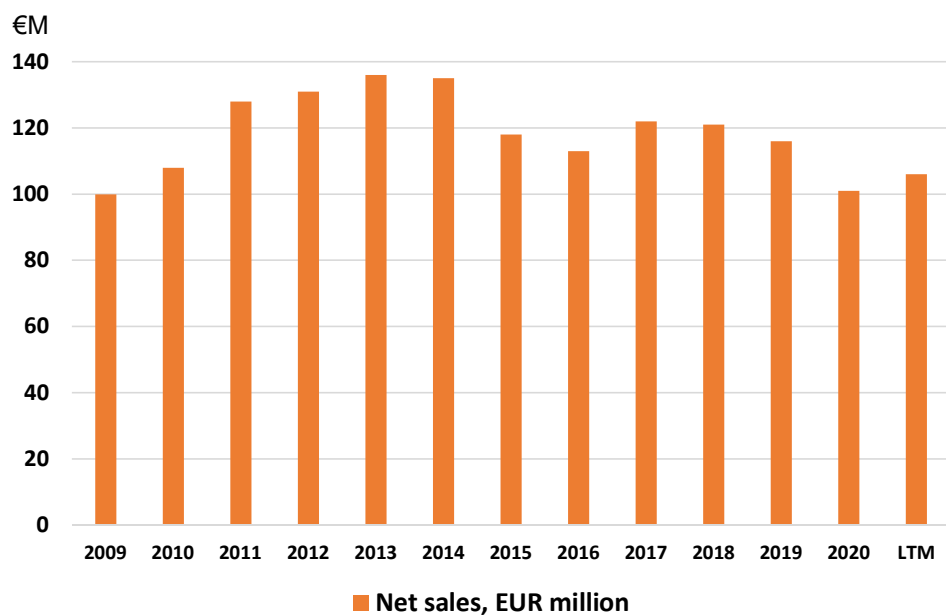
Finland | East | Baltics
 Net Sales
40% | 30% | 30%

LTIF Accidents -10/21
Zero

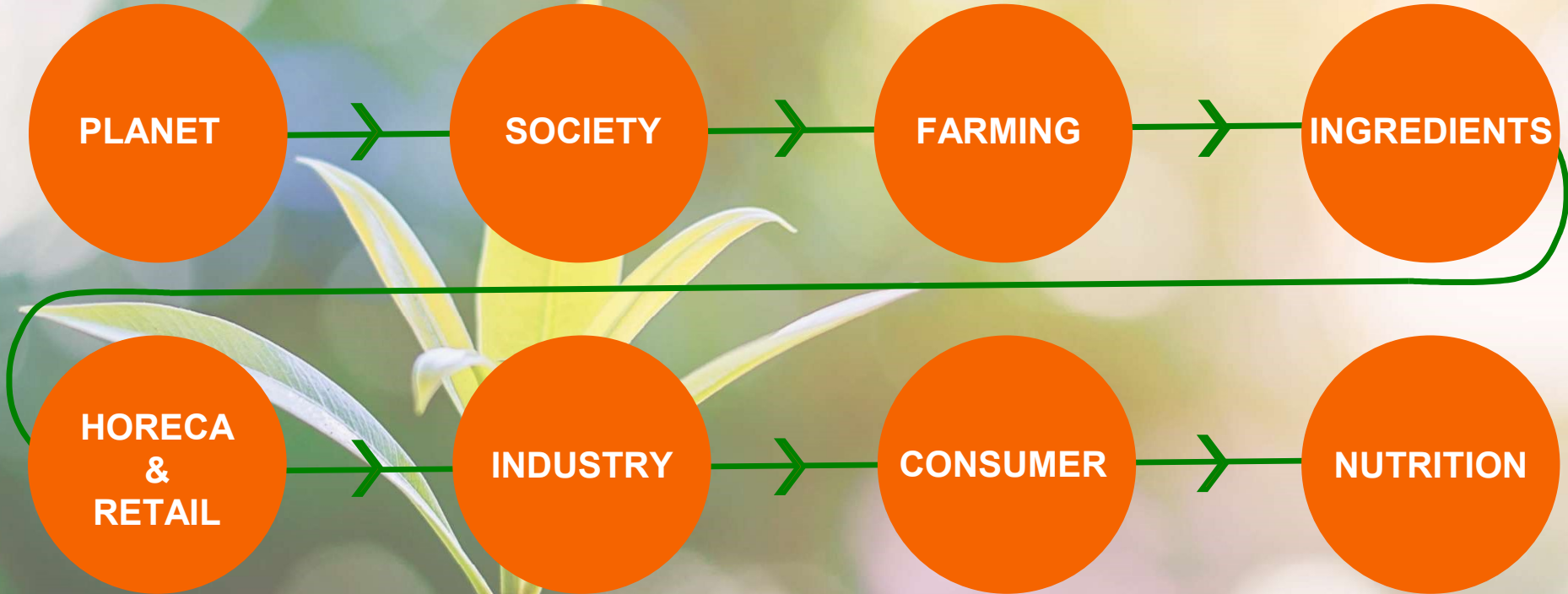


STABLE NET SALES OVER BUSINESS CYCLES

PANDEMIC WEIGHING DOWN DEMAND AND PROFITABILITY IN 2020-21



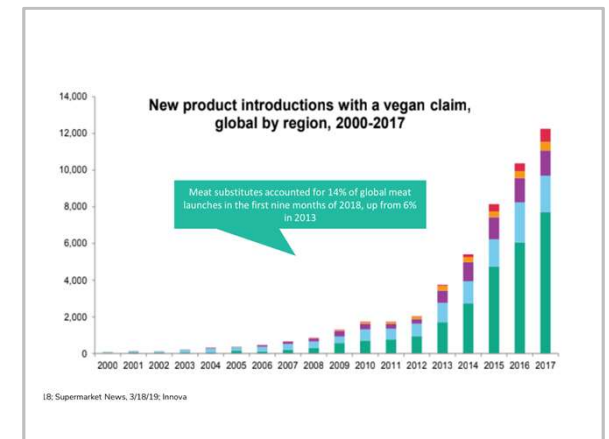
THE FOOD CHAIN STARTS FROM NATURE & ENDS IN OUR HOMES



WE WORK FOR THE VITALITY OF REGIONAL FOOD CHAINS

UNPRECEDENTED MARKET SITUATION 2021

- Demand still strongly affected by **COVID** in Baltics and East
- **Remedies**
 - eSales
 - Continued focus on product development
 - Hybrid work
- **Supply chain** disturbances are here to stay
- **Raw material** volatility
- Market demand growth is flat with exception of **focus categories** in food industries
- Nordics and Western Europe back on track with **Plant-based and Convenience** paths



STRATEGY UPDATE

STRATEGY & INITIATIVES

Profit Boost Program

- Q2/21 - 2023
- Accountability & performance culture
- Modernisation of commercial operations & category management
- Scale benefits
- Evaluating structural scenarios for growth

Growth

- Plant-based foods market growth
- Focus on Bakery core business
- Food Industry entry
- Local focus in Russia

Sustainability

- Our new 5 pillars of sustainability cover the food chain from nature to consumer
- Actionable sustainability targets

Structural Development

- Streamlined organisation: Functions x Regions
- Machinery services growth: after sales merger
- Vulcanus a non-core stand-alone business

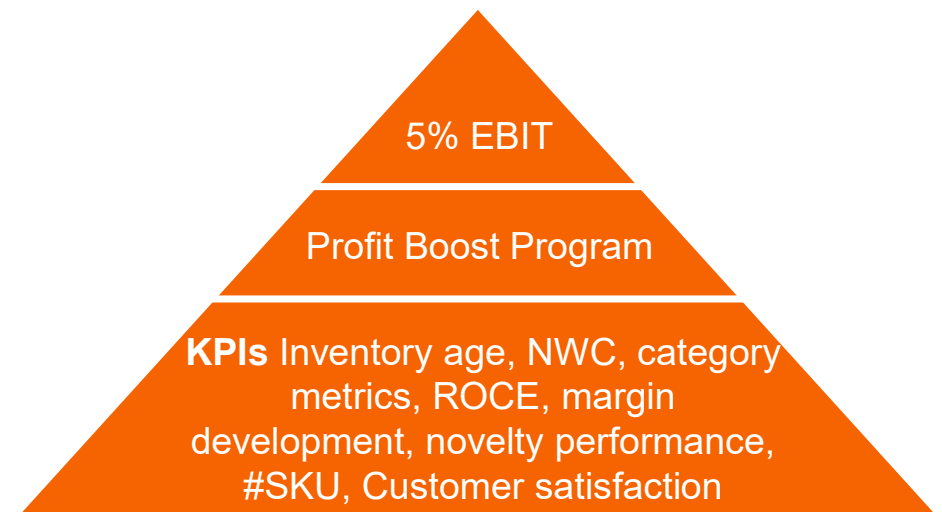
➤ **Towards full potential 2025**

PROFIT BOOST PROGRAM 2021-2023

Direct profit impact and
clear monetary targets

Profit Boost Program started in Q2

- Actionable analysis
 - Continuous execution
 - Accountability
- 1. Performance culture**
 - 2. Modernisation of commercial operations and category management – customer centric**
 - 3. Scale benefits** from international operations

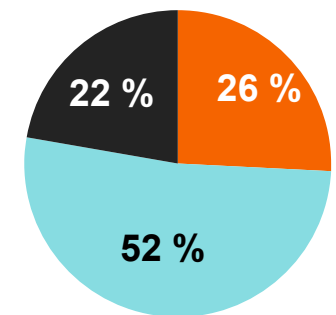


GROWTH

1. Core focus on Bakery
2. Food Industry entry
3. Local focus in Russia

- Growing focus categories in all food industries: **dairy, non-dairy, plant-based foods and ready meals**
- **Bakery** market demand remains stable and is Leipurin stronghold in all regions
- Food Industry entry: building **2nd business pillar** in all Leipurin countries
 - Growth in 2021 Q1-Q3 >20%
 - Will be reported as segment from 2022
 - Targeting >10% of Group revenue in 2022
- **Russia** operates in 13 regions with local supply chains & key accounts
- All growth efforts support the **Profit Boost** program

Growth by initiatives



■ Food industry ■ Core Bakery ■ Russia

Shares of growth



SUSTAINABILITY

Sustainability drives our growth strategy.
We understand that the food chain starts
from nature and ends in our homes.






- We strive to actively develop Leipurin 5 pillars of sustainable business
- Aligned with Aspo-level sustainability commitments

Growing our
business while
lowering
pressure to the
environment

Improving
Aspo
experience for
people in our
value chain

Driving sound
governance
practices at all
levels

5 PILLARS AND TARGETS OF SUSTAINABILITY

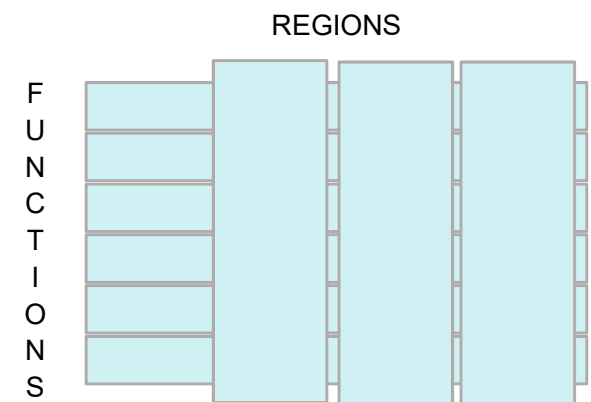
EMISSIONS	MATERIAL EFFICIENCY	RESPONSIBLE SUPPLY CHAIN	CARE FOR PEOPLE	CORPORATE GOVERNANCE
<ul style="list-style-type: none"> Reducing scope 1 & 2 emissions in our operations Supporting our supply chain in reducing their emissions: develop system for Scope 3 	<ul style="list-style-type: none"> Increasing material efficiency and reducing waste through “Reduce, Reuse & Recycle” 	<ul style="list-style-type: none"> Maintaining high quality and product safety Ensuring a responsible supply chain Supporting biodiversity 	<ul style="list-style-type: none"> Caring for all the people in the food chain Diversity & Inclusion Health, safety and well-being at work 	<ul style="list-style-type: none"> Creating and upholding systematic sustainability management Strong corporate governance and stakeholder relations 
<p style="text-align: center;">TARGETS 2022</p> <ul style="list-style-type: none"> Mapping, measurement and target setting done in 2022 20% less travel and daily commuting Scrap under 1% of sales value Leipurin branded palm-oil products 100% certified Risk countries approach implemented Zero accidents People Power AA+ NPS Established new way of sustainability governance 				

STRUCTURAL DEVELOPMENT

Building a solid base for future growth

- Streamlined organisation since June
 - Supporting strategy and profit improvement
 - Full benefit from Leipurin international size and scope
- Performance management: strategy → target setting → KPI system
- Machinery services growth: after sales merger in September
- Evaluating structural scenarios for growth

Streamlined organisation:



KEY TAKEAWAYS



Focus

- Core focus: Bakery industry
- New entry: Food industry
- New strategy: Russia
- Profit boost program
- Vulganus outside of the core



Long-term financial target

- EBIT 5%



Performance culture

- KPI
- Accountability
- Passion



Building success on people and culture

- Employee satisfaction on great level
- Empowering the Manager Network



Sustainability strategy

- 5 pillars
- Actionable targets 2022



LEIPURIN®

Key takeaways



Revised long-term financial targets

- Increased ambition level
- Focus on both profitability and growth



Sustainability shapes Aspo's growth and its business portfolio

- Clear priorities, themes and targets
- Target to decouple growth from environmental pressure
- All investments assessed from an ESG perspective



Moving towards a compounder profile

- Active M&A's to drive growth and value
- Long-term perspective



Building success on people and culture

- Employee satisfaction on great level
- Still, prioritised actions to further improve



Focusing of business portfolio

- Telko accelerated growth, ESL Shipping industrial partner, Leipurin towards full potential
- Kauko and Vulganus outside the core



Dividend policy unchanged, leaving room for strategic investments

- Target to increase dividends
- Not at the expense of strategic investments

Q&A session

Coming events •

Aspo Group's Financial Statements release
February 16, 2022

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