

Spa Holdings 3 Oy announces a voluntary recommended public cash tender offer for all the shares in Ahlstrom-Munksjö Oyj

AHLSTROM-MUNKSJÖ OYJ INSIDE INFORMATION September 24, 2020 at 8:00 a.m. EEST

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Spa Holdings 3 Oy announces a voluntary recommended public cash tender offer for all the shares in Ahlstrom-Munksjö Oyj.

- *The transaction will enable the Company to reach its full potential in a changing and competitive environment*
- *Provide significant investment and support for the transformation of the Company whilst maintaining its heritage and roots*
- *Opportunity for Ahlstrom-Munksjö's shareholders to crystallise their investment in the Company at a compelling valuation*
- *Irrevocable undertakings to support the offer received from Ahlstrom-Munksjö's shareholders representing over 35 per cent of the shares*

Spa (BC) Lux Holdco S.à r.l. ("**Bain Luxco**") (a vehicle owned and controlled by funds managed or advised by Bain Capital Private Equity (Europe), LLP, and/or its affiliates (together "**Bain Capital**" and such funds being the "**Bain Capital Funds**")), Ahlstrom Invest B.V. ("**Ahlstrom Capital**", an indirect wholly-owned subsidiary of Ahlström Capital Oy), Viknum AB ("**Viknum**") and Belgrano Inversiones Oy ("**Belgrano Inversiones**") form a consortium (the "**Consortium**") for the purposes of the voluntary recommended public cash tender offer for all the issued and outstanding shares in Ahlstrom-Munksjö Oyj ("**Ahlstrom-Munksjö**" or the "**Company**") that are not held by Ahlstrom-Munksjö or any of its subsidiaries (the "**Shares**" or, individually, a "**Share**") (the "**Tender Offer**") made by Spa Holdings 3 Oy (the "**Offeror**"), a private limited liability company incorporated and existing under the laws of Finland. The shareholders of Ahlstrom-Munksjö (other than Ahlstrom-Munksjö or any of its subsidiaries) will be offered a cash consideration of EUR 18.10 for each Share validly tendered in the Tender Offer (the "**Offer Price**"). The Board of Directors of Ahlstrom-Munksjö, represented by a quorum comprising the non-conflicted members of the Board of Directors, has unanimously decided to recommend that the shareholders of Ahlstrom-Munksjö accept the Tender Offer.

KEY HIGHLIGHTS AND SUMMARY OF THE TENDER OFFER

- On September 24, 2020, the Offeror and Ahlstrom-Munksjö entered into a combination agreement (the "**Combination Agreement**") pursuant to which the Offeror will make the Tender Offer for all of the issued and outstanding shares in Ahlstrom-Munksjö, excluding shares held by Ahlstrom-Munksjö and its subsidiaries. Bain Luxco, Ahlstrom Capital, Viknum and Belgrano Inversiones form a Consortium for the purposes of the Tender Offer, which (excluding Belgrano Inversiones) indirectly will own the Offeror upon completion of the Tender Offer.
- The Offer Price under the Tender Offer is EUR 18.10 in cash for each Share validly tendered in the Tender Offer, subject to any adjustments as set out in the section "The Tender Offer in Brief" below.
- The Offer Price represents a premium of approximately 24 per cent compared to the closing price (EUR 14.56) of the Share on Nasdaq Helsinki Ltd ("**Nasdaq Helsinki**") on September 23, 2020, the last trading day immediately preceding the announcement of the Tender Offer, a premium of approximately 37 per cent compared to the closing price (EUR 13.20) of the Share on Nasdaq Helsinki on July 31, 2020, the last trading day prior to the Consortium submitting its non-binding proposal to Ahlstrom-Munksjö, and a premium of approximately 30 per cent compared to the volume-weighted average price (EUR 13.96) of the Share on Nasdaq Helsinki during the three-month period prior to and up to September 23, 2020.
- The Tender Offer values Ahlstrom-Munksjö's total equity at approximately EUR 2.1 billion.
- The Board of Directors of Ahlstrom-Munksjö, represented by a quorum comprising the non-conflicted members of the Board of Directors, has unanimously decided to recommend that the shareholders of Ahlstrom-Munksjö accept the Tender Offer.
- The Consortium believes that under private ownership Ahlstrom-Munksjö will be best placed to fulfil its potential from its diversified product portfolio, substantial technical know-how as well as its leading positions in attractive niches. However, the Consortium recognises that the sector is becoming increasingly competitive. The Consortium intends to invest significant time, resources and capital to support the Company's strategy for long-term profitable growth, to maintain and further strengthen the Company's existing market positions in its core areas, as well as to invest in new business opportunities. Under private ownership, the Company would be ideally positioned to invest further and faster in initiatives to support organic growth as well as benefiting from additional expansionary capital expenditures and acquisitions to strengthen selected areas of the portfolio.
- The Consortium believes that Ahlstrom-Munksjö, in a private setting, will more effectively manage all above mentioned initiatives as well as current market challenges as management can devote its full attention to business performance without the constraints imposed by its current balance sheet and the public market.
- The Consortium is well-positioned to support the transformation of the Company due to Bain Capital's considerable experience in the industry and distinctive approach to investments, working alongside management in the pursuit of long-term strategic goals, with the benefit of continuity from the families' prominent participation in the Consortium. Together this unique group of investors is best equipped with the appropriate long-term investment horizon, expertise and capital required to realise Ahlstrom-Munksjö's potential.
- The completion of the Tender Offer is not expected to have any immediate material effects on the operations or the position of the management or employees, of Ahlstrom-Munksjö. However, as is customary, the Offeror intends to change the composition of the Board of Directors of Ahlstrom-Munksjö after the completion of the Tender Offer.

- Certain major shareholders of Ahlstrom-Munksjö, i.e. Ahlstrom Capital, Viknum and Belgrano Inversiones, together representing approximately 31.42 per cent of all the shares and votes in Ahlstrom-Munksjö, have irrevocably undertaken to accept the Tender Offer. In addition, Varma Mutual Pension Insurance Company and Ilmarinen Mutual Pension Insurance Company, together representing approximately 4.16 per cent of all the shares and votes in Ahlstrom-Munksjö, have irrevocably undertaken to accept the Tender Offer, subject to certain customary conditions.
- The Offeror has secured the required equity and debt financing to finance the Tender Offer at completion in accordance with its terms, and compulsory redemption proceedings, if any, in accordance with the Finnish Companies Act (624/2006, as amended, the “**Finnish Companies Act**”).
- The Offeror expects to publish a tender offer document (the “**Tender Offer Document**”) with detailed information on the Tender Offer on or about October 23, 2020. The offer period under the Tender Offer is expected to commence on or about October 26, 2020, and to expire on or about January 4, 2021, unless the Offeror extends the offer period in order to satisfy the conditions to completion of the Tender Offer, including, among others, receipt of the relevant regulatory approvals. The Tender Offer is currently expected to be completed during the second quarter of 2021.
- The completion of the Tender Offer is subject to the satisfaction or waiver by the Offeror of certain customary conditions on or prior to the Offeror’s announcement of the final results of the Tender Offer including, among others, that approvals by the competition authorities and other regulatory authorities have been received and the Offeror having gained control of more than 90 per cent of the Shares and votes in Ahlstrom-Munksjö on a fully diluted basis.

Commenting on the Tender Offer, Lasse Heinonen, President and CEO of Ahlström Capital Oy:

“At Ahlström Capital Oy we are pleased with how Ahlstrom-Munksjö has transformed over its 170 years of history to become a global leader in specialty fiber-based materials. However, the dynamics and clock speed of the industry are changing. This means that unlocking the full potential of the Company will require active and ambitious measures, that we believe will be easier in a private setting. In addition, partnering with Bain Capital adds valuable resources, expertise and networks for accelerating development and will, together with the Company’s management and employees, take Ahlstrom-Munksjö to the next level.”

Commenting on the Tender Offer, Kari Kauniskangas, Chairman of the Board of Directors of Ahlström Capital Oy:

“Ahlström Capital Oy has been mandated by its owners to create long-term shareholder value by actively developing its portfolio. The proposal to take Ahlstrom-Munksjö private and bringing in a partner like Bain Capital represent the level of activity and ambition that we want to foster as an owner. We see this as a unique opportunity to create value by building an even stronger and more sustainable business benefitting both the Company and its employees. We believe that the proposal represents an attractive opportunity for both Ahlstrom-Munksjö and all of its shareholders.”

Commenting on the Tender Offer, Ivano Sessa, Managing Director and Co-Head of European Industrials, Bain Capital:

“We have a long track record of successful partnerships with family-owned businesses where those families have a long-term approach and commitment to the companies they own. Our expertise in growing and transforming industrial companies has been proven over many years and we have demonstrated this as well in the specialty fiber-based materials industry through our recent investments in the sector. We believe passionately in the long-term growth potential of the industry and the ability of specialty fiber-based materials to be on the right side of important sustainability trends. Ahlstrom-Munksjö operates on a global scale, which will enable our international networks, industry expertise and global resources to help position the Company at the forefront of the market.”

Commenting on the Tender Offer, Jaakko Eskola, Chairman of the Board of Directors of Ahlstrom-Munksjö:

“Ahlstrom-Munksjö needs to deal with several operational and strategic challenges globally. The business dynamic and the industry landscape is changing and the pace of the technological development is increasing. Against this background, and considering necessary contributions from the shareholders, I see the offer as both fair and as the best alternative for Ahlstrom-Munksjö’s shareholders.”

Commenting on the Tender Offer, Hans Sohlström, President and CEO of Ahlstrom-Munksjö:

“I consider the offer evidence of the good work we have done and how we have succeeded in creating an attractive business in a world of increasing stakeholder expectations. I am particularly proud how well our organization has performed in this period of intense business transformation and growth. With the support and resources from our new owners, we will have even better opportunities to accelerate strategy implementation and value creation.”

ABOUT THE CONSORTIUM

Ahlstrom Capital is currently the indirect wholly-owned subsidiary of Ahlström Capital Oy. Ahlström Capital Oy is a family-owned investment company that focuses its investment activity on industrial companies, real estate and forestry. In 2019, the annual revenue of Ahlström Capital Oy’s portfolio companies was approximately EUR 5 billion and the portfolio companies employed approximately 15,500 people in 29 countries. Ahlström Capital Oy and Ahlstrom-Munksjö share almost 170 years of common history. As at the date of this announcement, Ahlstrom Capital directly holds approximately 18.69 per cent of all the shares and votes in Ahlstrom-Munksjö. In addition, it is estimated that separately, over 36 per cent of all the shares and votes in Ahlstrom-Munksjö are owned directly by members of the Ahlström family.

Viknum is a wholly-owned subsidiary of Nidoco AB (“**Nidoco**”). Nidoco is an investment company whose strategy is to create long-term value through active ownership of public and private companies. Nidoco is currently the largest shareholder of three listed companies with head offices in the Nordic region and has direct and indirect investments in more than 250 unlisted companies. In total, the Nidoco group and associated companies generate annual sales in excess of EUR 6.7 billion and have more than 15,000 employees. Nidoco is one of the main companies in the Virala Group, which is owned by Alexander and Albert Ehrnrooth. As at the date of this announcement, Viknum directly holds approximately 12.15 per cent of all the shares and votes in Ahlstrom-Munksjö.

Belgrano Inversiones is an investment company owned by Alexander Ehrnrooth. As at the date of this announcement, Belgrano Inversiones directly holds approximately 0.58 per cent of all the shares and votes in Ahlstrom-Munksjö.

Bain Luxco is owned and controlled by the Bain Capital Funds. Bain Capital is one of the most successful and active private equity firms in the world. Since its inception in 1984, it has made private equity investments in over 345 standalone businesses and currently manages

approximately USD 100 billion of capital. Bain Capital has over 520 investment professionals worldwide spread throughout its global network in Europe, Asia and North America. Bain Capital has made numerous successful and value-enhancing investments and exits in the Nordic region over the past years, including Securitas Direct Verisure Group, Europe's leading provider of professionally monitored home alarm systems and connected smart home services, Bravida, a leading Nordic supplier of electrical, heating and plumbing and HVAC services, EWOS, a leading supplier of feed and nutrition for the international aquaculture industry, and Nets, a leading Northern European provider of payments, information and digital identity solutions.

Bain Luxco, Ahlstrom Capital, Viknum and Belgrano Inversiones form the Consortium for the purposes of the Tender Offer. As at the date of this announcement, the Offeror, a private limited liability company incorporated under the laws of Finland, is indirectly owned by Spa Lux Topco S.à r.l., which is a private limited company incorporated under the laws of Grand Duchy of Luxembourg. Spa Lux Topco S.à r.l. was incorporated to be the holding company in the acquisition structure and is currently owned by Bain Luxco. It is expected that at the completion of the Tender Offer, Bain Luxco will own 55 per cent, Ahlstrom Capital approximately 36 per cent and Viknum approximately 9 per cent of the ordinary shares in Spa Lux Topco S.à r.l.

ABOUT AHLSTROM-MUNKSJÖ

Ahlstrom-Munksjö is a global leader in innovative and sustainable fiber-based materials, supplying solutions to its customers worldwide. Ahlstrom-Munksjö's products are used in a broad range of industrial applications and consumer-driven products and processes, such as every day consumables, health care and life science, homebuilding and furniture as well as transportation and industrial end-use segments.

Ahlstrom-Munksjö's offering includes filter materials, release liners, food and beverage processing and packaging materials, decor papers, abrasive and tape backings, electrotechnical insulation paper, glass fiber materials, medical fabrics and solutions for diagnostics, and a range of other specialty papers and pulp for industrial and consumer end-uses.

The solutions are designed and produced to meet and exceed specific customer demands concerning quality and functionality to ensure added value to customers. The products are developed in close cooperation with customers and other stakeholders in the value-chain, requiring experience and expertise within the production of specialty papers and fiber-based solutions. Ahlstrom-Munksjö aims to continuously improve its offering of products, applications, and solutions that address sustainable functionality and design. Ahlstrom-Munksjö's shares are listed on Nasdaq Helsinki and on Nasdaq Stockholm AB ("**Nasdaq Stockholm**"). Ahlstrom-Munksjö serves more than 7,000 customers in over 100 countries.

BACKGROUND AND STRATEGIC RATIONALE

The Consortium believes that under private ownership Ahlstrom-Munksjö will be best placed to fulfil its potential from its diversified product portfolio, substantial technical know-how as well as its leading positions in attractive niches. However, the Consortium recognises that the sector is becoming increasingly competitive. The Consortium intends to invest significant time, resources and capital to support the Company's strategy for long-term profitable growth, to maintain and further strengthen the Company's existing market positions in its core areas, as well as to invest in new business opportunities. Under private ownership, the Company would be ideally positioned to invest further and faster in initiatives to support organic growth as well as benefiting from additional expansionary capital expenditures and acquisitions to strengthen selected areas of the portfolio. The Consortium believes that Ahlstrom-Munksjö, in a private setting, will more effectively manage all above mentioned initiatives as well as current market challenges as management can devote its full attention to business performance without the constraints imposed by its current balance sheet and the public market.

The Consortium is well-positioned to support the transformation of the Company due to Bain Capital's considerable experience in the industry and distinctive approach to investments, working alongside management in the pursuit of long-term strategic goals, with the benefit of continuity from the families' prominent participation in the Consortium. Together this unique group of investors is best equipped with the appropriate long-term investment horizon, expertise and capital required to realise Ahlstrom-Munksjö's potential.

The completion of the Tender Offer is not expected to have any immediate material effects on the operations, or the position of the management or employees, of Ahlstrom-Munksjö. However, as is customary, the Offeror intends to change the composition of the Board of Directors of Ahlstrom-Munksjö after the completion of the Tender Offer.

THE TENDER OFFER IN BRIEF

The Offeror and Ahlstrom-Munksjö have on September 24, 2020, entered into the Combination Agreement pursuant to which the Offeror will make the Tender Offer. A brief summary of the Combination Agreement has been provided below under section "The Combination Agreement".

The Offeror and Ahlstrom-Munksjö have undertaken to comply with the Helsinki Takeover Code issued by the Finnish Securities Market Association (the "**Helsinki Takeover Code**").

As at the date of this announcement, Ahlstrom-Munksjö has 115,653,315 issued shares, of which 114,988,453 are outstanding Shares and 664,862 of which are held in treasury. As at the date of this announcement, Ahlstrom Capital directly holds 21,618,957 Shares, representing approximately 18.69 per cent of all the shares and votes in Ahlstrom-Munksjö, Viknum directly holds 14,048,006 Shares, representing approximately 12.15 per cent of all the shares and votes in Ahlstrom-Munksjö and Belgrano Inversiones directly holds 668,508 Shares, representing approximately 0.58 per cent of all the shares and votes in Ahlstrom-Munksjö. As at the date of this announcement, neither the Offeror nor Bain Luxco hold any Shares.

The Offeror, Bain Luxco, Ahlstrom Capital, Viknum and Belgrano Inversiones, each respectively, reserve the right to acquire, or enter into arrangements to acquire, Shares, or arrange ownership of the Shares before, during and/or after the offer period (including any extension thereof and any subsequent offer period) in public trading on Nasdaq Helsinki, Nasdaq Stockholm or otherwise.

The Offer Price

The Offer Price is EUR 18.10 in cash for each Share validly tendered in the Tender Offer, subject to any adjustments as set out below.

The Offer Price represents a premium of approximately:

- 24 per cent compared to EUR 14.56, *i.e.* the closing price of the Ahlstrom-Munksjö share on Nasdaq Helsinki on September 23, 2020, the last trading day immediately preceding the announcement of the Tender Offer;
- 37 per cent compared to EUR 13.20, *i.e.* the closing price of the Ahlstrom-Munksjö share on Nasdaq Helsinki on July 31, 2020, the

last trading day prior to the Consortium submitting its non-binding proposal to Ahlstrom-Munksjö;

- 30 per cent compared to EUR 13.96, *i.e.* the three-month volume-weighted average trading price of the Ahlstrom-Munksjö share on Nasdaq Helsinki immediately preceding the announcement of the Tender Offer; and
- 41 per cent compared to EUR 12.87, *i.e.* the twelve-month volume-weighted average trading price of the Ahlstrom-Munksjö share on Nasdaq Helsinki immediately preceding the announcement of the Tender Offer.

In addition, the Offer Price implies an enterprise value multiple of approximately 10.0 times Ahlstrom-Munksjö's Comparable EBITDA^[1] for the 12 months ended June 30, 2020, which is attractive when compared to similar M&A transactions in the fibre-based engineered materials sector, and the historical trading multiple of Ahlstrom-Munksjö over the cycle.

The Offer Price has been determined based on 114,988,453 Shares. Should the number of Shares issued and outstanding in Ahlstrom-Munksjö increase on or after the date hereof as a result of a new share issue, reclassification, stock split (including a reverse split) or any other measure with such dilutive effect, or should Ahlstrom-Munksjö distribute a dividend or otherwise distribute funds or any other assets to its shareholders, including the third and fourth instalments, if any, of the dividend payments resolved by the annual general meeting of Ahlstrom-Munksjö held on March 25, 2020, payable in October 2020 and January 2021 (such instalments, the “**Approved Instalments**”), or if a record date with respect to any of the foregoing will occur prior to any of the settlements of the completion trades (whether after the expiry of the offer period or any subsequent offer period), resulting in the distribution of funds not being payable to the Offeror, including the Approved Instalments, the Offer Price will be reduced accordingly on a euro-for-euro basis.

The offer period

The offer period under the Tender Offer is expected to commence on or about October 26, 2020, and to expire on or about January 4, 2021. The Offeror reserves the right to extend the offer period from time to time in accordance with, and subject to, the terms and conditions of the Tender Offer and applicable laws and regulations, in order to satisfy the conditions to completion of the Tender Offer, including, among others, the receipt of approvals from relevant competition authorities or other regulatory authorities as set out in the Combination Agreement (or, where applicable, expiry of relevant waiting periods) (the “**Regulatory Approvals**”). The Tender Offer is currently expected to be completed during the second quarter of 2021. For further information, see “Regulatory Approvals”.

The detailed terms and conditions of the Tender Offer as well as instructions on how to accept the Tender Offer will be included in the Tender Offer Document, which the Offeror expects to publish on or about October 23, 2020.

Recommendation by the Board of Directors of Ahlstrom-Munksjö

The Board of Directors of Ahlstrom-Munksjö, represented by a quorum comprising the non-conflicted members of the Board of Directors, has unanimously decided to recommend that the shareholders of Ahlstrom-Munksjö accept the Tender Offer. The Board of Directors will issue its statement on the Tender Offer in accordance with the Finnish Securities Markets Act (746/2012, as amended, the “**Finnish Securities Markets Act**”) before the commencement of the offer period. To support its assessment of the Tender Offer, the Board of Directors of Ahlstrom-Munksjö has received a fairness opinion from Ahlstrom-Munksjö's financial adviser UBS Europe SE, according to which the Offer Price is fair from a financial point of view from the perspective of the shareholders of Ahlstrom-Munksjö. The complete fairness opinion will be attached to the statement of the Board of Directors of Ahlstrom-Munksjö.

The following members of the Board of Directors of Ahlstrom-Munksjö have not participated in the consideration and decision-making concerning the implications of the Tender Offer and the recommendation of the Board of Directors due to their material connections and interests to the Offeror: Alexander Ehrnrooth, Johannes Gullichsen and Lasse Heinonen.

The statement of the Board of Directors in accordance with the Finnish Securities Markets Act regarding the Tender Offer will be published prior to the commencement of the offer period and appended to the Tender Offer Document.

Support by certain major shareholders of Ahlstrom-Munksjö

Certain major shareholders of Ahlstrom-Munksjö, *i.e.* Ahlstrom Capital, Viknum, Belgrano Inversiones, together representing approximately 31.42 per cent of all the shares and votes in Ahlstrom-Munksjö, have irrevocably undertaken to accept the Tender Offer. In addition, Varma Mutual Pension Insurance Company and Ilmarinen Mutual Pension Insurance Company, together representing approximately 4.16 per cent of all the shares and votes in Ahlstrom-Munksjö, have irrevocably undertaken to accept the Tender Offer subject to certain customary conditions.

Conditions to completion of the Tender Offer

A condition to the completion of the Tender Offer is that the requirements set forth below for the completion of the Tender Offer (the “**Conditions to Completion**”) are fulfilled on or by the date of the Offeror's announcement of the final result of the Tender Offer in accordance with Chapter 11, Section 18 of the Finnish Securities Markets Act, or, to the extent permitted by applicable law, their fulfilment is waived by the Offeror:

- a. The Tender Offer has been validly accepted with respect to the Shares representing, together with any Shares otherwise held by the Offeror prior to the date of the announcement of the final result of the Tender Offer, on a fully diluted basis more than ninety (90) per cent of the Shares and voting rights of the Company calculated in accordance with Chapter 18, Section 1 of the Finnish Companies Act governing the right and obligation to commence compulsory redemption proceedings;
- b. The receipt of all approvals, permits, consents, clearances or other actions (or, where applicable, the expiry of relevant waiting periods) by any competition authorities or other regulatory authorities required under any applicable competition laws or other regulatory laws in any jurisdiction for the completion of the Tender Offer, and any conditions set out in such approvals, permits, consents, clearances or other actions, including any requirements for the disposal of any assets of the Company or any reorganisation of the business of the Company, provided that the Offeror shall not be required to approve and/or execute any required measures (i) if such measures would be materially adverse to the monetary benefits of the transactions contemplated in the Combination Agreement, or (ii) if such measures are aimed at any company, business or assets other than the Company and its subsidiaries and their respective businesses and assets;
- c. No legislation or other regulation has been issued or decision by a competent court or regulatory authority has been given that would wholly or in part prevent or materially postpone the completion of the Tender Offer;

- d. No fact or circumstance has arisen after the announcement of the Tender Offer that constitutes, or that would reasonably be expected to constitute, a material adverse change;
- e. The Offeror has not received information with respect to a fact or circumstance that has resulted in a material adverse change (other than any such fact or circumstance fairly disclosed);
- f. The Combination Agreement has not been terminated in accordance with its terms and remains in full force and effect;
- g. The Board of Directors of the Company has issued the recommendation that the holders of the Shares in the Company accept the Tender Offer and the recommendation remains in full force and effect and has not been modified, cancelled or changed (excluding, however, any technical modification or change of the recommendation required under applicable laws or the Helsinki Takeover Code as a result of a competing offer so long as the recommendation to accept the Tender Offer is upheld); and
- h. The undertakings by Varma Mutual Pension Insurance Company and Ilmarinen Mutual Pension Insurance Company to accept the Tender Offer remain in full force and effect in accordance with their terms and have not been modified, cancelled or changed.

The Conditions to Completion set out herein are exhaustive. The Offeror may invoke any of the Conditions to Completion so as to cause the Tender Offer not to proceed, to lapse or to be withdrawn, if the circumstances which give rise to the right to invoke the relevant Condition to Completion have a significant meaning to the Offeror in view of the Tender Offer, as referred to in the Regulations and Guidelines 9/2013 (Takeover bids and mandatory bids), as may be amended or re-enacted from time to time, issued by the Finnish Financial Supervisory Authority and the Helsinki Takeover Code. The Offeror reserves the right to waive any of the Conditions to Completion that have not been fulfilled. If all Conditions to Completion have been fulfilled or the Offeror has waived the requirements for the fulfilment of all or some of them no later than at the time of announcement of the final results of the Tender Offer, the Offeror will consummate the Tender Offer in accordance with its terms and conditions after the expiration of the offer period by purchasing the Shares validly tendered in the Tender Offer and paying the Offer Price to the holders of the Shares that have validly accepted the Tender Offer.

Regulatory Approvals

The Offeror will, as soon as reasonably practicable, make all material and customary submissions, notifications and filings (or draft notifications as appropriate) required to obtain the Regulatory Approvals.

Based on currently available information, the Offeror expects to obtain the Regulatory Approvals and to complete the Tender Offer during the second quarter of 2021. The Offeror will use its reasonable best efforts to obtain the competition authorities approvals subject to the Conditions to Completion. However, the length of the merger control and foreign investment clearance process is not within the control of the Offeror, and there can be no assurances that clearance will be obtained within the estimated timeframe, or at all.

Financing

The Offeror has received equity and debt commitments, as evidenced in equity commitment letters and debt commitment letters addressed to the Offeror, to finance the Tender Offer at completion and compulsory redemption proceedings, if any. The Offeror's obligation to complete the Tender Offer is not conditional upon availability of financing (assuming that all the Conditions to Completion of the Tender Offer are otherwise satisfied or waived by the Offeror).

Future plans concerning the Shares

The Offeror intends to acquire all the Shares. If as a result of the completion of the Tender Offer, the Offeror's ownership has exceeded 90 per cent of all the Shares and votes in the Company, when calculated together with any Shares otherwise held by the Offeror prior to the date of the announcement of the final result of the Tender Offer, the Offeror will commence as soon as reasonably practicable compulsory redemption proceedings in accordance with the Finnish Companies Act for all the Shares not purchased pursuant to the Tender Offer. Thereafter, the Offeror will apply for the shares in Ahlstrom-Munksjö to be delisted from Nasdaq Helsinki and from Nasdaq Stockholm, respectively, as soon as permitted and reasonably practicable under the applicable laws and regulations and the rules of Nasdaq Helsinki and Nasdaq Stockholm. Since the Offer Price is subject to adjustment for the payment of any dividends, the Offeror intends to request for the redemption price to be similarly reduced if the third and/or fourth instalment of Ahlstrom-Munksjö's 2020 annual dividend or any other distribution is paid to shareholders of Ahlstrom-Munksjö prior to the Offeror acquiring the remaining Shares in the compulsory redemption proceedings.

The Combination Agreement

The Combination Agreement between Ahlstrom-Munksjö and the Offeror sets forth the principal terms under which the Offeror will make the Tender Offer.

Under the Combination Agreement, the Board of Directors of Ahlstrom-Munksjö may, at any time prior to the completion of the Tender Offer, withdraw, modify, amend, include conditions to or decide not to issue its recommendation for the shareholders of Ahlstrom-Munksjö to accept the Tender Offer or take actions contradictory to its earlier recommendation, but only if the Board of Directors of Ahlstrom-Munksjö, on the basis of its fiduciary duties under Finnish laws and regulations (including the Helsinki Takeover Code) and after having taken certain measures, considers that, due to materially changed circumstances not connected with a breach of the Company's obligations under the Combination Agreement, the acceptance of the Tender Offer would no longer be in the best interest of the holders of the Shares, provided, that, if such an action by the Board of Directors of the Company is connected to a superior offer or a competing offer, which the Board of Directors of the Company has determined in good faith to constitute a superior offer (also taking into account whether such competing offer is reasonably capable of being consummated) if made public, (i) the Board of Directors of the Company has given the Offeror a reasonable opportunity to agree with the Board of Directors of the Company on improving the terms of the Tender Offer as contemplated by the Combination Agreement, (ii) the Company has informed the Offeror that the Board of Directors of the Company has determined that such competing offer constitutes a superior offer or would, if announced, constitute a superior offer, as applicable, and (iii) such competing offer has been publicly announced such that it becomes a superior offer.

The Company shall, and shall cause its subsidiaries and its and their respective representatives to, (a) not solicit, directly or indirectly, any inquiries or any proposal or offer (including any proposal or offer to holders of the Shares) that constitutes, or would reasonably be expected to lead to, any competing offer or that would otherwise materially harm or hinder the completion of the transactions contemplated in the Combination Agreement, and (b) not, upon receipt of a competing offer, directly or indirectly, promote the progress of such competing offer,

except, in each case, if (and only to the extent that) such competing offer constitutes a superior offer, or would, if announced, constitute a superior offer, as applicable, and provided that the Company complies with certain procedures about matters arising from such competing offer.

The Combination Agreement further includes certain customary representations, warranties and undertakings by both parties, such as conduct of Ahlstrom-Munksjö's and each of its subsidiaries' business in the ordinary course of business until the earlier of the date of the extraordinary general meeting of shareholders of the Company to be convened after the Offeror has publicly announced that it will complete the Tender Offer for the purpose of electing new members of the Board of Directors of the Company or the termination of the Combination Agreement in accordance with its terms and use of reasonable best efforts by the parties to do, or cause to be done, and to assist and cooperate with the other party in doing, all things necessary or advisable to consummate in the most expeditious manner practicable, the Tender Offer and the transactions contemplated by the Combination Agreement.

The Combination Agreement may be terminated and the transactions contemplated in the Combination Agreement abandoned by the Company or the Offeror in certain circumstances, including, among others, if any order preventing the completion of the transactions contemplated in the Combination Agreement or a material part of it shall have been issued by any court or other authority of competent jurisdiction and shall have become final and non-appealable or upon a material breach of any warranty or undertaking given by the Company or the Offeror. If the Combination Agreement is terminated due to certain reasons specified in the Combination Agreement, the Offeror has agreed to reimburse expenses incurred by the Company up to a certain amount and the Company has agreed to reimburse expenses incurred by the Offeror up to a certain amount.

ADVISERS

The Offeror has appointed PJT Partners (UK) Limited and Goldman Sachs International as financial advisers, Nordea Bank Abp as financial adviser and arranger outside of the United States, Pöyry Capital Limited as financial advisor and Hannes Snellman Attorneys Ltd, Roschier, Attorneys Ltd and Kirkland & Ellis International LLP as legal advisers in connection with the Tender Offer. Ahlstrom-Munksjö has appointed UBS Europe SE as financial adviser and White & Case LLP and Cleary Gottlieb Steen & Hamilton LLP as legal advisers in connection with the Tender Offer.

INVITATION TO LIVE WEBCAST BRIEFING ON SEPTEMBER 24, 2020 at 09:30 EEST

Ahlstrom-Munksjö and representatives of the Consortium will arrange a live webcast and conference call in English today on September 24 at 09:30 (EEST).

Webcast and conference call information

The combined webcast and teleconference can be viewed live at:

https://cloud.webcast.fi/ahlstromcapital/2020_0924_ahlstromcapital_press_info/

Finland: +358 (0)9 7479 0361

Sweden: +46 (0)8 5033 6574

UK: +44 (0)330 336 9105

Conference ID: 1772808

To join the conference call, participants are kindly requested to dial one of the numbers about 5 minutes prior to the start of the event. An on-demand version of the conference call will be available on Ahlstrom-Munksjö's website later the same day.

By dialing in to the conference call, the participant agrees that personal information such as name and company name will be collected. The conference call will be recorded.

The presentation material will be available at www.ahlstrom-munksjo.com after the news conference.

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IMPORTANT INFORMATION

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THIS STOCK EXCHANGE RELEASE HAS BEEN PREPARED IN COMPLIANCE WITH FINNISH LAW, THE RULES OF NASDAQ HELSINKI AND THE HELSINKI TAKEOVER CODE AND THE INFORMATION DISCLOSED MAY NOT BE THE SAME AS THAT WHICH WOULD HAVE BEEN DISCLOSED IF THIS ANNOUNCEMENT HAD BEEN PREPARED IN ACCORDANCE WITH THE LAWS OF JURISDICTIONS OUTSIDE OF FINLAND.

Information for shareholders of Ahlstrom-Munksjö in the United States

Shareholders of Ahlstrom-Munksjö in the United States are advised that the Shares are not listed on a U.S. securities exchange and that Ahlstrom-Munksjö is not subject to the periodic reporting requirements of the U.S. Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and is not required to, and does not, file any reports with the U.S. Securities and Exchange Commission (the “**SEC**”) thereunder.

The Tender Offer will be made for the issued and outstanding shares of Ahlstrom-Munksjö, which is domiciled in Finland, and is subject to Finnish disclosure and procedural requirements. The Tender Offer is made in the United States pursuant to Section 14(e) and Regulation 14E under the Exchange Act, and otherwise in accordance with the disclosure and procedural requirements of Finnish law, including with respect to the Tender Offer timetable, settlement procedures, withdrawal, waiver of conditions and timing of payments, which are different from those of the United States. In particular, the financial information included in this announcement has been prepared in accordance with applicable accounting standards in Finland, which may not be comparable to the financial statements or financial information of U.S. companies. The Tender Offer is made to Ahlstrom-Munksjö’s shareholders resident in the United States on the same terms and conditions as those made to all other shareholders of Ahlstrom-Munksjö to whom an offer is made. Any informational documents, including this announcement, are being disseminated to U.S. shareholders on a basis comparable to the method that such documents are provided to Ahlstrom-Munksjö’s other shareholders.

To the extent permissible under applicable law or regulations, the Offeror and its affiliates or its brokers and its brokers’ affiliates (acting as agents for the Offeror or its affiliates, as applicable) may from time to time after the date of this stock exchange release and during the pendency of the Tender Offer, and other than pursuant to the Tender Offer, directly or indirectly purchase or arrange to purchase Shares or any securities that are convertible into, exchangeable for or exercisable for Shares. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. To the extent information about such purchases or arrangements to purchase is made public in Finland, such information will be disclosed by means of a press release or other means reasonably calculated to inform U.S. shareholders of Ahlstrom-Munksjö of such information. In addition, the financial advisers to the Offeror may also engage in ordinary course trading activities in securities of Ahlstrom-Munksjö, which may include purchases or arrangements to purchase such securities. To the extent required in Finland, any information about such purchases will be made public in Finland in the manner required by Finnish law.

Neither the SEC nor any U.S. state securities commission has approved or disapproved the Tender Offer, passed upon the merits or fairness of the Tender Offer, or passed any comment upon the adequacy, accuracy or completeness of the disclosure in relation to the Tender Offer. Any representation to the contrary is a criminal offence in the United States.

The receipt of cash pursuant to the Tender Offer by a U.S. holder of Shares may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local, as well as foreign and other, tax laws. Each holder of Shares is urged to consult its independent professional advisers immediately regarding the tax consequences of accepting the Tender Offer.

It may be difficult for Ahlstrom-Munksjö’s shareholders to enforce their rights and any claims they may have arising under the U.S. federal securities laws, since the Offeror and Ahlstrom-Munksjö are located in non-U.S. jurisdictions and some or all of their respective officers and directors may be residents of non-U.S. jurisdictions. Ahlstrom-Munksjö shareholders may not be able to sue the Offeror or Ahlstrom-Munksjö or their respective officers or directors in a non-U.S. court for violations of the U.S. federal securities laws. It may be difficult to compel the Offeror and Ahlstrom-Munksjö and their respective affiliates to subject themselves to a U.S. court’s judgment.

Disclaimer

PJT Partners (UK) Limited which is authorised and regulated by the Financial Conduct Authority in the United Kingdom is acting exclusively for the Offeror and no one else in connection with the matters described herein and will not be responsible to anyone other than the Offeror for providing the protections afforded to clients of PJT Partners (UK) Limited or for providing advice in connection with the matters described herein. Neither PJT Partners (UK) Limited nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of PJT Partners (UK) Limited in connection with this announcement, any statement contained herein or otherwise.

Goldman Sachs International, which is authorized by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom, is acting exclusively for the Offeror and no one else in connection with the Tender Offer and the matters set out in this stock exchange release, and will not be responsible to anyone other than the Offeror for providing the protections afforded to clients of Goldman Sachs International, or for giving advice in connection with the Tender Offer or any matter or arrangement referred to in this stock exchange release.

Nordea Bank Abp is acting as financial adviser to the Offeror and arranger outside of the United States and no one else in connection with the Tender Offer, and will not regard any other person as its client in relation to the Tender Offer and will not be responsible to anyone other than the Offeror for providing the protection afforded to clients of Nordea Bank Abp, nor for providing advice in relation to the Tender Offer or the other matters referred to in this stock exchange release. For the avoidance of doubt, Nordea Bank Abp is not registered as a broker or dealer in the United States of America and will not be engaging in direct communications relating to the Tender Offer with investors located within the United States (whether on a reverse inquiry basis or otherwise). U.S. shareholders should contact their brokers with any questions relating to the Tender Offer.

UBS Europe SE, authorised and regulated by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) and the European Central Bank (ECB), is acting exclusively for the Company and no one else in connection with the Tender Offer or the matters referred to in this document, will not regard any other person (whether or not a recipient of this document) as its client in relation to the Tender Offer and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Tender Offer or any other transaction or arrangement referred to in this document.

^[1] Operating result before depreciation, amortization and impairment excluding items affecting comparability in EBITDA.