

Ahlström Capital, the investment company of the Ahlström family, together with Bain Capital, Viknum and Belgrano Inversiones, announces a recommended public tender offer for all shares in Ahlstrom-Munksjö

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A consortium consisting of Ahlström Capital, Bain Capital, Viknum and Belgrano Inversiones has today made a public tender offer for all shares in Ahlstrom-Munksjö. Following a successful tender offer and delisting, all parties would work together to develop Ahlstrom-Munksjö in the private domain. The announcement release with more detailed information is available at www.ahlstrom-munksjo.com/Investors/ (“Announcement release”)

Ahlström Capital has carefully considered various alternatives and came to the conclusion that taking Ahlstrom-Munksjö private with Bain Capital as a partner would be the best route for developing the company to its fullest potential. Bain Capital would become the majority owner in Ahlstrom-Munksjö with a 55% ownership, alongside Ahlström Capital as further described in the Announcement Release. After the closing of the transaction, Ahlström Capital’s ownership (through Ahlstrom Invest BV) in Ahlstrom-Munksjö would be approximately 36% and the ownership of Viknum AB would be approximately 9%.

The strategy of Ahlström Capital is to actively develop its portfolio businesses. Ahlstrom-Munksjö is the biggest asset in the portfolio with roots in the very beginning of the Ahlström industrial history. Ahlström Capital believes in a great future for Ahlstrom-Munksjö, and sees that this partnership with Bain Capital is the best way to ensure that the company can develop to its fullest potential in a changing competitive environment.

Commenting on the tender offer, Lasse Heinonen, the President and CEO of Ahlström Capital:

“At Ahlström Capital 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, Ivano Sessa, Managing Director, Co-Head of European Industrials of 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, Kari Kauniskangas, the Chairman of the Board of Ahlström Capital:

“Ahlström Capital 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.”

The offer price is EUR 18.10 in cash for each share in Ahlstrom-Munksjö validly tendered in the tender offer. The offer price represents a premium of approximately

- 24% compared to EUR 14.56, i.e. the closing price of Ahlstrom-Munksjö shares on Nasdaq Helsinki Ltd on 23 September 2020, the last trading day immediately preceding the announcement of the tender offer.
- 37 % 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% compared to EUR 13.96, i.e. the 3-month volume-weighted average trading price of the Ahlstrom-Munksjö share on Nasdaq Helsinki Ltd immediately preceding the announcement of the tender offer.
- 41% compared to EUR 12.87, i.e. the 12-month volume-weighted average trading price of the Ahlstrom-Munksjö share on Nasdaq Helsinki Ltd immediately preceding the announcement of the tender offer.

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 25 March 2020, payable in October 2020 and January 2021, the offer price will be reduced accordingly on a euro-for-euro basis.

Certain major shareholders of Ahlstrom-Munksjö, i.e. Ahlström Capital (through Ahlstrom Invest BV), Viknum AB and Belgrano Inversiones Oy, Varma Mutual Pension Insurance Company and Ilmarinen Mutual Pension Insurance Company, together representing approximately 35% of all the shares and votes in Ahlstrom-Munksjö, have irrevocably undertaken to accept the tender offer, subject to certain customary conditions. Also, 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.

For Ahlström Capital and the Ahlström Family this is a logical move. Antti Ahlström Perilliset Oy, a holding company owned by the Ahlström Family and the largest shareholder in Ahlström Capital, and selected family representatives have been involved in the preparation and support the plan.

Commenting on the tender offer, Johannes Gullichsen, the Chairman of the Board of Antti Ahlström Perilliset:

“With this transaction, Ahlström family would remain deeply committed to its industrial roots, while allowing Ahlstrom-Munksjö to develop and thrive, supported by a world-class partner. The transaction perfectly reflects our family values of ambition and responsibility. We believe that this proposal would be the appropriate next step for enabling another 170 years of success for the company.”

The offer period is expected to commence on or about October 26, 2020 and expire on or about January 4, 2021.

Briefing:

A joint briefing will be arranged as a live webcast on 24 September 2020 at 9:30 a.m. Finnish time (EET) at https://cloud.webcast.fi/ahlstromcapital/2020_0924_ahlstromcapital_press_info/.

It is possible to ask questions through a conference call. Conference call participants are requested to dial in at least five minutes prior to the start of the conference, at

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Sweden +46 (0)8 5033 6574

United Kingdom +44 (0)330 336 9105

United States +1 323-794-2423

The participants will be asked to provide the following conference ID: 1772808

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AC and Ahlstrom Invest BV

Ahlström Capital (AC) is one of Finland's largest investment companies with a history of nearly 170 years. AC is a family-owned investment company that focus its investment activity in listed and non-listed companies, real estate and forest. In 2019, the annual net sales of its holding companies was approximately EUR 5 billion and they employed ca 15,500 people in 29 countries. The current portfolio includes significant holdings in the listed companies Ahlstrom-Munksjö Oyj, Detection Technology Plc., Glaston Corporation and Suominen Corporation. In addition, the portfolio includes Destia Group Oyj, Enics AG, investment in the AC Cleantech Fund and major real estate and forest holdings which are managed by A. Ahlström Kiinteistöt Oy, a subsidiary of AC. Ahlstrom Invest BV is the indirect fully owned subsidiary of AC.

For more information, visit www.ahlstromcapital.com

Viknum AB and Belgrano Inversiones Oy

Viknum AB is a 100% 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 a leading 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 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. Belgrano Inversiones Oy is an investment company owned by Alexander Ehrnrooth.

For more information, visit www.nidoco.se

Bain Capital (Europe), LLP

Bain Capital has partnered closely with management teams to provide the strategic resources that build great companies and help them thrive since its founding in 1984. Bain Capital's global team of approximately 240 investment professionals creates value for its portfolio companies through its global platform and depth of expertise in key vertical industries including healthcare, consumer/retail, financial and business services, industrials, and technology, media and telecommunications. Bain Capital has 19 offices on four continents. The firm has made primary or add-on investments in more than 760 companies since its inception. In addition to private equity, Bain Capital invests across asset classes including credit, public equity and venture capital, managing approximately \$100 billion in total and leveraging the firm's shared platform to capture opportunities in strategic areas of focus.

For more information, visit www.baincapital.com

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Information for shareholders of Ahlstrom-Munksjö in the United States

Shareholders of Ahlstrom-Munksjö in the United States are advised that the Ahlstrom-Munksjö 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 press 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 the Ahlstrom-Munksjö shares or any securities that are convertible into, exchangeable for or exercisable for the Ahlstrom-Munksjö 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 the Ahlstrom-Munksjö 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 the Ahlstrom-Munksjö 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.