DEMERGER AND LISTING PROSPECTUS **16 July 2026**

WISA

UPM-Kymmene Corporation ("**UPM**") announced on 29 April 2026 that the Board of Directors of UPM has approved a demerger plan concerning the partial demerger of UPM (the "**Demerger Plan**") according to which all assets and liabilities of UPM relating to the UPM Plywood business area or predominantly serving it, be transferred without liquidation to WISA Group Plc (the "**Company**" or "**WISA Group**") (the "**Demerger**"), a company to be incorporated in the partial demerger, as set out in the Demerger Plan. UPM shall not be dissolved as a result of the Demerger and the assets and liabilities other than those which relate to, or predominantly serve, the UPM Plywood business area shall remain with UPM. The Board of Directors of UPM has on 16 July 2026 proposed that the Extraordinary General Meeting convened to be held on 31 August 2026 (the "**General Meeting**") would approve the Demerger Plan and resolve upon the Demerger as set out in the Demerger Plan. The completion of the Demerger is subject to, among other things, approval by the General Meeting. The Board of Directors of UPM may resolve not to complete the Demerger if the Board of Directors of UPM concludes that the completion of the Demerger would no longer be in the best interest of UPM and its shareholders due to a change in circumstances that has occurred or arisen after the Demerger Plan has been signed. Information on the conditions to the completion of the Demerger included in the Demerger Plan is presented in section "*Summary of the Demerger*" and in the Demerger Plan, which is attached to this demerger and listing prospectus (the "**Prospectus**") as Annex A. The Demerger shall be completed on the date of registration of the completion of the Demerger with the trade register maintained by the Finnish Patent and Registration Office (the "**Finnish Trade Register**"). The planned date of registration of the completion of the Demerger is 31 October 2026 (the "**Effective Date**"). The planned Effective Date may change, and the actual Effective Date may be earlier or later than the above-mentioned date.

As with UPM, there will be one (1) share class in WISA Group, and the shares in the Company will not have a nominal value. Upon the completion of the Demerger, the shareholders of UPM shall receive as demerger consideration (the "**Demerger Consideration**") one (1) new share in the Company (the "**Demerger Consideration Shares**") for each share owned in UPM. All Demerger Consideration Shares will be issued to UPM's shareholders in proportion to their shareholdings in the Demerger. No Demerger Consideration will be issued to the treasury shares in UPM's possession. The final total number of Demerger Consideration Shares is expected to be approximately 527,324,046 shares (based on the number of shares in UPM as at the date of this Prospectus apart from the treasury shares in UPM's possession). The final total number of shares in WISA Group would consequently be 527,324,046 shares ("**Share**" and collectively the "**Shares**"). The Demerger Consideration will be issued to the shareholders of UPM on the Effective Date or as soon as possible thereafter. The Demerger Consideration will be issued through the book-entry securities system maintained by Euroclear Finland Oy ("**Euroclear Finland**"), in such manner that the Shares issued by WISA Group shall be issued based on the number of shares in UPM registered in the book-entry accounts of UPM's shareholders on the Effective Date in the proportion set out in the Demerger Plan. The Demerger Consideration will be distributed automatically, and no action is required from the shareholders of UPM in relation thereto.

This Prospectus has been prepared and published by UPM on behalf of WISA Group for the purposes of issuing the Demerger Consideration Shares to the shareholders of UPM and of applying the Shares to be admitted to trading on the regulated market of Nasdaq Helsinki Ltd ("**Nasdaq Helsinki**") (the "**Listing**"). This Prospectus is valid until the Listing. For information on the obligation to supplement this Prospectus, see section "*Important Information*". An application for the Listing will be submitted prior to the Effective Date. The trading in the Shares on the regulated market of Nasdaq Helsinki is expected to begin on or about 2 November 2026 or as soon as reasonably possible thereafter.

This Prospectus is furnished solely to provide information to shareholders of UPM, who will receive a distribution of Demerger Consideration Shares through the Demerger. The distribution of this Prospectus may, in certain jurisdictions, be restricted by law. The information contained herein does not constitute an offer to sell or the solicitation of an offer to buy any shares in UPM or WISA Group in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, exemption from registration or qualification under the securities laws of any such jurisdiction. The Demerger Consideration Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered, sold or delivered, directly or indirectly, in or into the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There will be no public offering of securities in the United States. The Demerger Consideration Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission or any other regulatory authority in the United States, nor have any of the foregoing authorities passed comment upon, or endorsed the merit of, the Demerger or the accuracy or the adequacy of the disclosures contained in this Prospectus. Any representation to the contrary is a criminal offence in the United States. See also "*Important Information*".

Investing in WISA Group involves a number of risks, see section "Risk Factors".

Financial Adviser to UPM

Nordea

IMPORTANT INFORMATION

UPM has prepared and published a Finnish-language demerger prospectus (the "**Finnish Prospectus**") on behalf of WISA Group in order to issue the Demerger Consideration Shares to the shareholders of UPM and of applying the Shares to be admitted to trading on the regulated market of Nasdaq Helsinki. The Finnish Prospectus has been prepared in accordance with the following regulations: the Finnish Securities Markets Act (746/2012, as amended) (the "**Finnish Securities Markets Act**"), Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended (the "**Prospectus Regulation**"), Commission Delegated Regulation (EU) 2019/979 of 14 March 2019, supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council with regard to regulatory technical standards on key financial information in the summary of a prospectus, the publication and classification of prospectuses, advertisements for securities, supplements to a prospectus, and the notification portal, and repealing Commission Delegated Regulation (EU) No 382/2014 and Commission Delegated Regulation (EU) 2016/301, Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004, as amended. The Finnish Prospectus and this Prospectus contain a summary. The Finnish Financial Supervisory Authority (the "**FIN-FSA**") has approved the Finnish Prospectus as the competent authority under the Prospectus Regulation. The FIN-FSA only approves the Finnish Prospectus as meeting the standards of completeness, comprehensibility, and consistency imposed by the Prospectus Regulation. Approval by the FIN-FSA of the Finnish Prospectus shall not be considered as an endorsement of WISA Group or the quality of the securities that are the subject of the Finnish Prospectus. Shareholders and investors should make their own assessment as to the suitability of investing in the securities. The journal number of the FIN-FSA's decision of approval is FIVA/2026/954. This Prospectus is an English language translation of the Finnish Prospectus, and it contains the same information as the Finnish Prospectus, with the exception of certain sections intended for other than Finnish shareholders and investors. This English language Prospectus has not been approved by the FIN-FSA. In the event of any discrepancies between the Finnish Prospectus and this English language Prospectus, the Finnish Prospectus shall prevail. In accordance with section "*Certain Matters – Parties Responsible for the Prospectus and the Statement Regarding the Prospectus*", the persons responsible for the Prospectus are also responsible for this English language translation of the Prospectus. **This Prospectus is valid until the Listing. The obligation to supplement the Prospectus with regard to significant new facts, material errors, or material inaccuracies will end when the Prospectus expires.**

In this Prospectus, prior to the Effective Date, any reference to "**UPM**" means UPM-Kymmene Corporation and its subsidiaries on a consolidated basis, except where it is clear from the context that the term means UPM-Kymmene Corporation or a particular subsidiary or business area only. Prior to the Effective Date, any reference to "**WISA Group**" or the "**Company**" means WISA Group Plc, which shall be incorporated on the Effective Date as a result of the Demerger, and its subsidiaries on a consolidated basis, except where it is clear from the context that the term means WISA Group Plc or a particular subsidiary or business area only.

Shareholders and investors should rely solely on the information contained in the Prospectus as well as in the stock exchange releases published by UPM. No person has been authorised to provide any information or give any statements other than those provided in the Prospectus. Delivery of the Prospectus shall not indicate that there would not have been any adverse changes or events after the date of the Prospectus, which could have an adverse effect on UPM's or WISA Group's business, financial position or results of operations, or that the information presented in the Prospectus would be correct in all respects in the future. However, if significant new factors, material errors or material inaccuracies relating to the information included in the Prospectus which may affect the assessment of the securities arise or are noted prior to the Listing, this Prospectus will be supplemented in accordance with the Prospectus Regulation. The obligation to supplement the Prospectus under the Prospectus Regulation will end when the Prospectus expires. Information given in the Prospectus is not a guarantee or grant for future events by UPM or WISA Group and shall not be considered as such. Unless otherwise stated, any estimates with respect to market development relating to UPM or WISA Group or their industry are based upon reasonable estimates of the management of the company that such information concerns.

In a number of jurisdictions, such as in Australia, Canada, Hong Kong, Japan, Singapore and South Africa, the distribution of this Prospectus may be subject to restrictions imposed by law (such as registration of the relevant offering documents or transaction, admission, qualification and other regulations). Neither the Prospectus, any notification nor any other Demerger material may be distributed, disseminated or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. This Prospectus is neither an offer to sell nor the solicitation of an offer to buy any securities and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offering, solicitation or sale would be unlawful. This Prospectus must not be released or otherwise forwarded, distributed or sent, directly or indirectly, in whole or in part, to any other person and may not be reproduced in any manner whatsoever in or into any jurisdiction where the distribution of these materials would breach any applicable law or regulation or would require any registration or licensing within such jurisdiction. Failure to comply with the foregoing limitation may result in a violation of applicable securities law or regulation.

The Demerger Consideration Shares have not been and will not be registered under the Securities Act, and may not be offered, sold or delivered, directly or indirectly, in or into the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Neither UPM nor the financial adviser of UPM accept any legal responsibility for persons who have obtained the Prospectus in violation of these restrictions, irrespective of whether these persons are prospective recipients of the Demerger Consideration Shares. UPM advises persons into whose possession this Prospectus comes to inform themselves of and observe all possible applicable restrictions. No actions have been taken to register or qualify the Demerger Consideration Shares for public offer in any jurisdiction other than Finland.

The financial adviser does not make any representation or warranty, express or implied, as to the accuracy or completeness of this Prospectus, and does not accept any liability with respect to this Prospectus. Nordea Bank Abp has been retained as financial adviser to UPM in connection with the Demerger. Nordea Bank Abp is acting for UPM and no one else in connection with the Demerger and will not be responsible to anyone other than UPM for providing the protections afforded to clients of Nordea Bank Abp, or for giving advice in connection with the Demerger or any other matter.

Any disputes arising in connection with the Finnish Prospectus or this Prospectus will be settled exclusively by a court of competent jurisdiction in Finland. Investors must not construe the contents of this Prospectus as legal, investment or tax advice. Investors are advised, at their own discretion, to consult with their own counsel, accountant or business adviser as to legal, investment and tax advice and related matters pertaining to the Demerger.

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SUMMARY

Introduction

*This summary contains all the sections required by Regulation 2017/1129 of the European Parliament and of the Council, as amended (the "**Prospectus Regulation**") to be included in a summary for this type of securities and issuer. This summary should be read as an introduction to this demerger and listing prospectus (the "**Prospectus**"). Any decision by an investor to invest in the securities presented in this Prospectus should be based on consideration of this Prospectus as a whole. An investor investing in the securities could lose all or part of the invested capital. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states, have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled this summary including any translation thereof, but only if the summary is misleading, inaccurate, or inconsistent when read together with the other parts of this Prospectus or where it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the securities.*

The identity and contact details of the issuer are:

*The following information is based on the demerger plan (the "**Demerger Plan**") and information available as at the date of this Prospectus regarding WISA Group's (as defined below) business, as the new public limited liability company to be established in the Demerger (as defined below), the name of which will be WISA Group Plc (the "**Company**" or "**WISA Group**"), will not be incorporated until the date of the registration of the completion of the Demerger of the public limited liability company registered under the company name UPM-Kymmene Corporation ("**UPM**"), is registered with the trade register maintained by the Finnish Patent and Registration Office (the "**Finnish Trade Register**") (the "**Effective Date**").*

Company	WISA Group Plc
Business identity code	3621888-8
Legal entity identifier (LEI)	636700YPKFQBT89PU933
Domicile	Helsinki, Finland
Registered office...	c/o UPM-Kymmene Corporation, Alvar Aallon katu 1, FI-00100 Helsinki, Finland
Telephone	+358 20 415 113

The identity and contact details of UPM are:

Company	UPM-Kymmene Corporation
Business identity code	1041090-0
Legal entity identifier (LEI)	213800EC6PW5VU4J9U64
Domicile	Helsinki, Finland
Registered office...	Alvar Aallon katu 1, FI-00100 Helsinki, Finland
Telephone	+358 20 415 111
Website	https://www.upm.com/

Hereinafter, the term "**WISA Group**" refers to WISA Group Plc as of the Effective Date. UPM intends to carry out a partial demerger in accordance with the Finnish Limited Liability Companies Act (624/2006, as amended, the "**Finnish Companies Act**") to the effect that all assets and liabilities of UPM relating to the UPM Plywood business area or predominantly serving it, be transferred without liquidation to WISA Group, a company to be incorporated in the partial demerger (the "**Demerger**"), as set out in the Demerger Plan.

As with UPM, there will be one (1) share class in WISA Group ("**Share**" and collectively the "**Shares**"), and the Shares will not have a nominal value. UPM intends to apply for admission to trading of the Shares on the regulated market of Nasdaq Helsinki Ltd ("**Nasdaq Helsinki**") (the "**Listing**") under the trading code WISA (ISIN code FI4000603345). The Shares in WISA Group will be issued in the book-entry system maintained by Euroclear Finland Oy ("**Euroclear Finland**").

The Finnish Financial Supervisory Authority (the "**FIN-FSA**") has, in its capacity as competent authority under the Prospectus Regulation, approved the Finnish Prospectus on 16 July 2026. The journal number of the FIN-FSA's approval of the Finnish Prospectus is FIVA/2026/954. The FIN-FSA's address is P.O. Box 103, FI-00101 Helsinki, Finland, its telephone number is +358 9 183 51 and its email address is kirjaamo@finanssivalvonta.fi.

Key Information on WISA Group

Who is the Issuer of the Securities?

WISA Group will not be incorporated until the Effective Date and, therefore, the following information is based on the Demerger Plan and information available as at the date of this Prospectus regarding WISA Group's business. The following information reflects a number of assumptions and expectations regarding WISA Group's operations, including the Demerger being completed in the manner and timeframe contemplated in this Prospectus or the operations of WISA Group being organised as anticipated as at the date of this Prospectus. However, there can be no assurance that the Demerger will be completed in the timeframe contemplated in this Prospectus, or at all, or that the operations of WISA Group will be organised as anticipated as at the date of this Prospectus, any of which may cause any of the statements below not to materialise. The Demerger Plan is attached to this Prospectus as Annex A.

The issuer's legal and commercial name will be WISA Group Oyj in Finnish and WISA Group Plc in English. WISA Group will become a public limited liability company incorporated in Finland and governed by the laws of Finland and it will be domiciled in Helsinki, Finland. WISA Group will be registered in the Finnish Trade Register under business identity code 3621888-8 and its LEI code will be 636700YPKFQBT89PU933.

Principal Activities

WISA Group offers high-quality[1] plywood and veneer products, mainly for panel trading and construction, vehicle flooring, LNG shipbuilding and parquet manufacturing as well as other industrial applications. WISA Group has seven production units in five locations. Following the Effective Date, WISA Group's business will consist of the production and sale of high-quality plywood and veneer products in the three main product categories: hardwood (birch) plywood, softwood (spruce) plywood, and veneer products.

Major Shareholders

As at the date of this Prospectus, UPM has 527,324,046 shares (excluding the treasury shares held by UPM). According to the Demerger Plan, the shareholders of UPM shall receive as demerger consideration (the "**Demerger Consideration**") one (1) new share in WISA Group (the "**Demerger Consideration Shares**") for each share they hold in UPM; i.e., the Demerger Consideration Shares shall be issued to the shareholders of UPM in proportion to their shareholdings in the Demerger.

Pursuant to the notification of UPM under Chapter 9, Section 10 of the Finnish Securities Markets Act (746/2012, as amended, the "**Finnish Securities Markets Act**") on 4 October 2024, the holdings of BlackRock, Inc. in UPM, through its controlled undertakings, comprising shares, American Depositary Receipts, securities lent and contracts for differences, amounted to a total of 34,350,132 shares, which at that time corresponded to approximately 6.43 per cent of the total number of shares and voting rights of UPM. To UPM's knowledge, no other shareholder holds more than 5 per cent of the shares or voting rights of UPM.

UPM is not aware that WISA Group will be directly or indirectly owned or controlled by any party, as control is defined in the Finnish Securities Markets Act. UPM is not aware of any arrangements or agreements concluded between its shareholders, which could affect the ownership or use of voting rights in the general meetings of WISA Group or of any other arrangements the operation of which could result in a change of control.

Key Management and Auditor

The Board of Directors of UPM has proposed to the Extraordinary General Meeting convened to be held on 31 August 2026 (the "**General Meeting**") that the following persons be elected as members of the Board of Directors of WISA Group: Tapio Korpeinen (Chair), Sakari Ahdekivi, Frank Herrmann, Nina Kiviranta, Mats Nordlander and Emmanuelle Picard. The Board of Directors may elect a Deputy Chair from among its members, and the proposed Chair has informed UPM that, should the persons in question be elected as members of the Board of Directors of WISA Group, Mats Nordlander will be elected as Deputy Chair.

The members of WISA Group's Group Leadership Team, who are expected to be appointed on the Effective Date, are: Tuija Suur-Hamari (President and CEO), Pia Helminen (Senior Vice President, HR), Saara-Maria Helminen (Senior Vice President, General Counsel), Kristiina Jaaranen (Senior Vice President, Marketing, Sustainability and Communications), Susanna Rinne (Senior Vice President, Sales), Juhani Tenhunen (Senior Vice President, Operations) and Lasse von Hertzen (Senior Vice President, Chief Financial Officer (interim)).

[1] Source: Customer satisfaction surveys commissioned by UPM.

The Board of Directors of UPM has proposed to the General Meeting that audit firm Ernst & Young Oy be elected as the auditor of WISA Group. Ernst & Young Oy has informed that Authorised Public Accountant (KHT) Kristina Sandin would act as the lead audit partner. Kristina Sandin is registered in the auditor register in accordance with Chapter 6, Section 9 of the Finnish Auditing Act (1141/2015, as amended).

What Is the Key Financial Information Regarding the Issuer?

The following tables present selected combined carve-out financial information of WISA Group as at and for the years ended 31 December 2025, 2024 and 2023 and as at and for the three months ended 31 March 2026 and 2025. The selected combined carve-out financial information presented below has been extracted from the audited WISA Group carve-out financial statements as at and for the years ended 31 December 2025, 2024 and 2023 and the unaudited carve-out financial information of WISA Group as at and for the three months ended 31 March 2026, including unaudited comparative financial information as at and for the three months ended 31 March 2025. The carve-out financial information of WISA Group has been prepared in accordance with the International Financial Reporting Standards adopted for use in the EU (the "**IFRS Accounting Standards**"), under consideration of the principles for determining which assets and liabilities, income and expenses and cash flows are to be assigned to WISA Group.

The independent auditor's report on the audit for the WISA Group carve-out financial statements as at and for the years ended 31 December 2025, 2024 and 2023 includes an emphasis of matter paragraph. In this paragraph, the independent auditor, without qualifying its opinion, draws attention to the fact that WISA Group has not formed a standalone legal group during the relevant financial years. Thus, the carve-out financial statements are not necessarily indicative of the financial performance, financial position and cash flows of WISA Group if it had operated as a standalone legal group during the financial years in question, nor WISA Group's future performance. The auditor's report also includes a qualification in which the auditor notes that Ernst & Young Oy, the audit firm that audited the carve-out financial statements of WISA Group, has acted as auditor of the entities related to the carve-out financial statements only since the financial year 2024 and, accordingly, did not observe the physical inventory count at the beginning of 2023. The auditor has not been able to obtain sufficient appropriate audit evidence regarding the quantity of inventory as at 1 January 2023 by alternative means. As the opening inventory balances at 1 January 2023 affect the financial result and cash flows, the auditor has been unable to determine whether any adjustments would have been necessary to the profit for the financial year 2023 and the cash flows from operating activities presented in the cash flow statement.

	As at 31 March and 1 January to 31 March		**As at and for the year ended 31 December**		
In EUR million, unless otherwise indicated	**2026**	**2025**	**2025**	**2024**	**2023**
	(unaudited)		**(audited, unless otherwise indicated)**		
Combined income statement					
Sales	119.1	103.3	409.1	429.9	421.8
Sales growth, %	15.3	-	-4.8[1)]	1.9[1)]	-
Operating profit	10.9	5.1	26.9	38.4	46.6
Operating profit, % of sales	9.2	4.9	6.6	8.9	11.0
Comparable EBITDA	16.1	10.5	50.7	60.6	73.4
Comparable EBITDA, % of sales	13.5	10.2	12.4	14.1	17.4
Profit for the period	6.0	5.0	24.6	34.2	41.7
Comparable profit for the period	6.4	5.0	28.1[1)]	34.2[1)]	48.0[1)]
Comparable ROCE, %	20.7	-	14.9	17.3	22.6
Combined Balance Sheet					
Total assets	323.9	410.1	324.4	422.9	413.9
Total invested equity	228.1	337.4	231.8	332.1	335.4
Combined Cash Flow Statement					
Operating cash flow	0.8	4.8	44.3	68.0	48.8
Investing cash flow	-1.1	-1.0	-7.9	-16.5	-2.6
Financing cash flow	0.6	-2.7	-35.6	-50.3	-47.5

[1)] Unaudited.

Unaudited Pro Forma Financial Information

This Prospectus includes unaudited pro forma financial information (the "**Unaudited Pro Forma Financial Information**") illustrating the effect of the Demerger to WISA Group's historical carve-out financial information had the Demerger been consummated at an earlier point in time. The Unaudited Pro Forma Financial Information is prepared for illustrative purposes only.

The unaudited pro forma combined income statement for the financial year ended 31 December 2025 and the unaudited pro forma combined income statement for the three months ended 31 March 2026 give effect to the Demerger as if it had occurred on 1 January 2025. The unaudited pro forma combined balance sheet as at 31 March 2026 illustrates the impact of the Demerger as if it had occurred on that date.

Because of its nature, the Unaudited Pro Forma Financial Information illustrates the hypothetical impact of the Demerger if the Demerger had been consummated at the date assumed in the Unaudited Pro Forma Financial Information, and, therefore, does not represent the actual results of operations or financial position of WISA Group. The Unaudited Pro Forma Financial Information is not intended to project the results of operations or financial position of WISA Group as of any future date and does not represent the results of operations or financial position had WISA Group been an independent listed company for the periods presented.

The Unaudited Pro Forma Financial Information reflects adjustments to the historical carve-out financial information to give pro forma effect to events that are directly attributable to the Demerger and are factually supportable. The pro forma adjustments are based upon available information and certain assumptions. There can be no assurance that the assumptions used in the preparation of the Unaudited Pro Forma Financial Information will prove to be correct. In addition, WISA Group's effective tax rate may differ in the future depending on its operations following the Demerger, such as funding needs, the geographical distribution of income, and tax-related regulatory changes and measures.

The Unaudited Pro Forma Financial Information has been extracted from WISA Group's audited carve-out financial statements as at and for the year ended 31 December 2025 and unaudited carve-out financial information as at and for the three months ended 31 March 2026 and UPM management's estimate of the assets and liabilities to be transferred to WISA Group and the costs related to the Demerger and Listing, for which WISA Group is responsible in accordance with the Demerger Plan.

The final amounts of assets and liabilities transferred to WISA Group in the Demerger may materially differ from those presented in the Unaudited Pro Forma Financial Information as such balances will be determined based on the carrying values of the transferring assets and liabilities on the Effective Date of the Demerger. This could result in a significant variation in the results of operations and financial position of WISA Group in the future compared to the Unaudited Pro Forma Financial Information.

The Unaudited Pro Forma Financial Information has been prepared in accordance with Annex 20 to the Commission Delegated Regulation (EU) 2019/980 and on a basis consistent with the IFRS Accounting Standards applied by WISA Group and consistent with the carve-out principles.

The pro forma financial information is unaudited.

Unaudited Pro Forma Key Figures

	1 January to 31 March 2026 or as at 31 March 2026	**For the financial year ended 31 December 2025**
In EUR million, unless otherwise indicated		
Sales	119.1	409.1
Operating profit	10.8	6.3
Operating profit, % of sales	9.1	1.5
Comparable EBITDA	16.1	51.4
Comparable EBITDA, % of sales	13.5	12.6
Profit for the period	4.7	1.2
Comparable profit for the period	5.1	21.4
Earnings per share, euros	0.01	0.00
Comparable earnings per share, euros	0.01	0.04
Assets	**310.9**	**-**
Equity	96.9	-
Net debt	93.0	-
Net debt/ Comparable EBITDA[1)]	1.7x	-

[1)] Comparable EBITDA as a carve-out basis from the latest 12 months (31 March 2026)

What Are the Key Risks that Are Specific to WISA Group?

- WISA Group may not be able to organise its operations or implement its independent strategy in the manner and timeframe currently anticipated, and it may not be able to realise anticipated benefits of the Demerger

- Geopolitical tensions, conflicts, sanctions, political uncertainty, tariffs, uncertain global economic and financial market conditions, low consumer confidence, and economic downturns could adversely affect WISA Group's business, financial position, results of operations and future prospects

- WISA Group’s business operations will initially be dependent on wood supplied by UPM, and if WISA Group would be unable to source wood in sufficient quantities after the expiry of the Wood Supply Agreement, it could have a material adverse effect on WISA Group’s business operations

- WISA Group’s business is susceptible to economic fluctuations, and changing market conditions and variations in the industries of WISA Group’s customers may affect the demand for WISA Group’s products

- WISA Group may face intense competition, which may affect the volume and profitability of its business

- The Demerger may have undesirable effects on the uninterrupted functionality of, for example, IT systems and other functions and processes central to WISA Group’s operations, which may result in interruptions and disturbances in WISA Group’s business operations and its financial reporting

- Fluctuations in the prices of major inputs, as well as changes in their availability, could have a material adverse effect on WISA Group’s results of operations

- Delivery, quality and availability of WISA Group’s products are contingent on the capabilities of its suppliers, subcontractor and logistics network and raw materials procurement

- WISA Group’s operations rely on digital solutions. Any malfunctions in and breaches or attacks targeting such solutions as well as potential failures in information system development projects as well as lack of adequate data processing agreements may adversely affect the business and financial position of WISA Group and lead to reputational damage

- WISA Group is exposed to the risk of adverse employee relations or labour disputes

- Regulations and changes thereto applicable to WISA Group may result in significant costs and liabilities for WISA Group, they may affect WISA Group’s business, results of operations and competitiveness, and any failure to comply with applicable laws and regulations, permits and licences may damage WISA Group’s reputation and lead to fines, liability for damages and loss of business

- WISA Group’s business depends on maintaining industry certifications granted to its products and raw materials, and failure to maintain certifications could have a material adverse effect on its competitive position and financial performance

Key Information on the Securities

What Are the Main Features of the Securities?

There will be one (1) share class in WISA Group, and the Shares will not have a nominal value. The Shares in WISA Group will carry equal rights. Each Share will carry one (1) vote at a General Meeting, and the Shares carry equal rights to dividend and other assets distributed by WISA Group (including the distribution of assets in connection with WISA Group’s dissolution). The rights attached to the Shares include, among others, a pre-emptive right to subscribe for shares in the Company in proportion to their shareholding, the right to participate in and exercise voting power at the general meetings of the Company, the right to dividend and other assets distributed and the right to require redemption of their shares from a shareholder that holds more than nine tenths (9/10) of all the shares and votes attached to the shares in the Company. The Shares will be issued in accordance with Finnish law and will be denominated in euros. In the event of the WISA Group’s insolvency, the Shares in WISA Group would, in principle, rank last in the order of priority for payment in any insolvency proceedings.

The share capital of WISA Group will be EUR 80,000.00. The shareholders of UPM will receive as Demerger Consideration one (1) Demerger Consideration Share for each share owned in UPM. Thus, all Shares in WISA Group will be issued to UPM’s shareholders in proportion to their shareholdings in the Demerger. No Demerger Consideration shall be issued to any treasury shares held by UPM. As at the date of this Prospectus, UPM holds 411,653 treasury shares. The total number of Shares in WISA Group to be issued as Demerger Consideration would consequently be 527,324,046 Shares.

The Shares in WISA Group will be issued in the book-entry system maintained by Euroclear Finland and will be freely transferable. UPM intends to apply for admission to trading of the Shares of WISA Group on the regulated market of Nasdaq Helsinki. The trading code of the Shares on Nasdaq Helsinki will be WISA. The ISIN code of the Shares will be FI4000603345. The Demerger Consideration will be registered in the book-entry accounts of UPM’s shareholders on the Effective Date or as soon as reasonably possible thereafter in accordance with the practices followed by Euroclear Finland.

The Demerger Consideration will be distributed automatically, and no action is required from the shareholders of UPM in relation thereto.

The Board of Directors of WISA Group will adopt the Company's dividend policy following the completion of the Demerger. According to the planned dividend policy, WISA Group aims to distribute approximately 50 per cent of the profit for the financial year as dividend.

Where Will the Securities Be Traded?

UPM intends to apply for admission to trading of the Shares of WISA Group on the regulated market of Nasdaq Helsinki. An application for the Listing will be submitted prior to the Effective Date. The trading in the Shares on the regulated market of Nasdaq Helsinki is expected to begin on or about 2 November 2026, or as soon as reasonably possible thereafter.

What Are the Key Risks that Are Specific to the Securities?

- The market price of the Shares may be volatile, and an active and liquid trading market may not develop for the Shares
- There can be no assurance of distribution of dividends or repayment of capital to the shareholders in the future
- The Listing may be delayed or cancelled, which could increase the costs arising from the Listing and cause the Listing to require more resources from UPM's and WISA Group's management and other personnel

Key Information on the Offer of Securities to the Public and the Admission to Trading on a Regulated Market

Costs and Remuneration

The total costs related to the Demerger and the Listing are expected to amount to approximately EUR 32.3 million, which primarily comprises financial reporting, information management, legal and advisory related costs (excluding the estimated costs related to financing other than the costs incurred in obtaining the consents of the holders of the Notes). UPM's portion of the costs related to the Demerger and Listing is expected to amount to approximately EUR 9.3 million and WISA Group's to approximately EUR 23.0 million.

Who is the Offeror and/or the Person Asking for Admission to Trading?

This Prospectus has been prepared and published by UPM on behalf of WISA Group for the purposes of issuing the Demerger Consideration Shares to the shareholders of UPM and of applying the Shares to be admitted to trading on the regulated market of Nasdaq Helsinki. UPM is a public limited liability company incorporated in Finland under the laws of Finland, it is governed by the laws of Finland and its registered office is in Helsinki, Finland.

Why Is This Prospectus Being Produced?

This Prospectus has been prepared and published by UPM on behalf of WISA Group for the purposes of issuing the Demerger Consideration Shares to the shareholders of UPM and of applying the Shares to be admitted to trading on the regulated market of Nasdaq Helsinki.

Interests of the Financial Adviser

Nordea Bank Abp, acting as the financial adviser, as well as other entities within the same group, have provided and may provide in the future advisory, consulting, banking and/or financial services to UPM and WISA Group in the ordinary course of business. In accordance with customary practice, Nordea Bank Abp will receive success-based remuneration linked to the completion of the Demerger as consideration for the services provided in connection with the Demerger.

RISK FACTORS

An investment in the Shares of WISA Group involves risks which may be significant. The following describes the risks relating to the Demerger, as well as the risks relating to WISA Group and its business and the Shares, including the Demerger Consideration Shares. Many of the risks related to WISA Group are inherent to its business and are typical in WISA Group's industry. Shareholders are advised to carefully review and consider the information contained in this Prospectus and, in particular, the risk factors described below. More information regarding WISA Group and the rationale of the Demerger is presented in section "Summary of the Demerger".

Unless a risk factor specifically refers to the Demerger or business operations planned in conjunction with it, the risks presented describe the effects of their materialisation on WISA Group through describing the business of the UPM Plywood business area prior to the Demerger. Prior to the completion of the Demerger, materialisation of the risks presented herein could also have the effect described in the risk factor on UPM, its shareholders or the market price of its shares.

The description of risk factors below is based on information available, and estimates made on the date of this Prospectus and, therefore, is not necessarily exhaustive. Some of these factors are potential events that may or may not materialise. As part of the assessment of the materiality of the risk factors, UPM has considered the probability of these factors materialising. Due to the uncertainty inherent in these sequences of events, UPM is not able, with respect to all risks, to present a precise estimate of the probability of such events materialising or failing to materialise. Should one or more of the risk factors described in this Prospectus materialise, either individually, or together with each other or other circumstances, this could have a material adverse effect on WISA Group's business, financial position, results of operations, future prospects and Share price.

The risk factors presented herein have been divided into the following nine categories based on their nature:

- *Risks relating to the Demerger;*
- *Risks relating to WISA Group's operating environment;*
- *Risks relating to WISA Group's business operations and strategy;*
- *Risks relating to WISA Group's IT systems and intellectual property rights;*
- *Risks relating to WISA Group's management and employees;*
- *Legal, regulatory and administrative risks;*
- *Risks relating to WISA Group's financial position and financing;*
- *Risks relating to WISA Group's Shares; and*
- *Risks relating to the Listing.*

Within each category the most material risks are presented in accordance with the Prospectus Regulation in a manner that is consistent with the assessment of UPM taking into account the probability of their materialisation and the expected magnitude of the negative impact. The order of the categories is not an evaluation of the materiality of the risk factors within that category, when compared to risk factors in another category.

This section contains forward-looking statements. These statements are not guarantees of WISA Group's financial performance. WISA Group's actual results of operations or financial position may differ materially from the results of operations or financial position contained in or implied by the forward-looking statements. This may be due to several factors which are described, among other things, in section "Certain Matters – Forward-Looking Statements".

Risks Relating to the Demerger

WISA Group may not be able to organise its operations or implement its independent strategy in the manner and timeframe currently anticipated, and it may not be able to realise anticipated benefits of the Demerger

One of the main purposes of the Demerger is to increase shareholder value by creating a business platform focused exclusively on pursuing and implementing the strategic priorities and growth opportunities of plywood manufacturing (see "*Summary of the Demerger – General Description*"). WISA Group's ability to achieve the estimated benefits of the Demerger will depend on its ability to organise its business operations and implement its independent strategy effectively and in a timely manner. The implementation of WISA Group's strategy involves certain risks and uncertainties, some of which are outside of WISA Group's control. There can be no assurance that WISA Group will be able to implement its strategy as currently expected or to realise the anticipated benefits of the Demerger.

Risks and challenges relating to the Demerger and the organisation of WISA Group's independent operations and the implementation of its strategy include, but are not limited to, the following topics:

- the definition and implementation of the strategy for WISA Group;
- the implementation of the new organisation of WISA Group;
- synergies lost between UPM and WISA Group as a result of the Demerger, including cost synergies related to general and administrative expenses as well as people-related costs;
- the renegotiation and separation of shared supplier contracts for raw materials, products and services;
- the ability to secure necessary financing and insurance facilities for WISA Group also in the future;
- potential loss of customers and arrangements related to customer contracts;
- the implementation of WISA Group's key information systems and IT infrastructure;
- the implementation of WISA Group's corporate, financial, control and administrative functions, including cash management, internal and other financing, insurance, financial control and reporting, communications, process management and other administrative functions;
- the retention of key senior management and/or key employees at WISA Group and the ability to hire new qualified personnel; and
- higher than expected indirect costs related to operating as a standalone entity.

Should WISA Group not be able to organise its operations or implement its independent strategy as currently anticipated and in a timely manner and realise the estimated benefits of the Demerger in the manner or within the timeframe currently anticipated, it may have a material adverse effect on WISA Group's business, financial position, results of operations, future prospects and/or Share price.

WISA Group's business operations will initially be dependent on wood supplied by UPM, and if WISA Group would be unable to source wood in sufficient quantities after the expiry of the Wood Supply Agreement, it could have a material adverse effect on WISA Group's business operations

WISA Group has agreed with UPM on a fixed-term veneer log wood supply agreement (the "**Wood Supply Agreement**"), which will be in force until the end of 2030. WISA Group will develop its own wood sourcing capabilities during the term of the Wood Supply Agreement. During the first two-year period of the Wood Supply Agreement ending at the end of 2028, UPM commits to deliver wood to WISA Group's production units in Finland in accordance with WISA Group's wood usage plan. If WISA Group requires wood in Finland in excess of the estimated volumes included in the wood usage plan, WISA Group has the right to purchase wood also from other wood suppliers. During the second two-year period of the Wood Supply Agreement, WISA Group has the right to purchase wood from UPM flexibly in quantities representing 60–80 per cent of the volumes included in the wood usage plan whilst simultaneously developing its wood sourcing capabilities. This enables an increase in the number of wood suppliers as of the beginning of 2029 (see section "*Summary of the Demerger – Related Arrangements – Wood Supply Agreement*"). The original term of the Wood Supply Agreement expires on 31 December 2030, and a one-year extension is possible. A part of UPM's wood sourcing organisation, through which wood sourcing in the Baltics is organised, will transfer to WISA Group in connection with the Demerger.

Following the Demerger, WISA Group's business operations in Finland will be dependent on wood supplied by UPM as WISA Group does not initially have the capability to source wood on a large scale in Finland other than under the Wood Supply Agreement. The supply of wood by UPM may be dependent on the availability of suitable wood and on functions and services provided by third parties. If UPM would be unable to supply wood in accordance with the Wood Supply Agreement during its term, WISA Group will be entitled to contractual penalties from UPM agreed in the agreement and may procure the wood it requires from other wood suppliers.

If UPM is unable to supply WISA Group with quantities of wood sufficient for WISA Group's operations, WISA Group will need to source additional wood from other wood suppliers. This may be challenging in practice before WISA Group has had the opportunity to develop its own wood sourcing organisation in Finland, and may result in significant additional costs for WISA Group regardless of the contractual penalties received from UPM. Similarly, if the Baltic wood sourcing operations were unable to source sufficient quantities of wood following the Demerger, this may also result in significant additional costs for WISA Group. If WISA Group is unable to secure sufficient volumes of wood at a reasonable price, or if the related negotiations and preparations require a considerable amount of time, this may also cause material disruptions to WISA Group's business.

In addition, although WISA Group intends to develop its wood sourcing capabilities during the term of the Wood Supply Agreement, there is a risk that WISA Group is unable to substitute all wood sourcing provided under the Wood Supply Agreement. This could have a material adverse effect on WISA Group's business, financial position, results of operations and future prospects after the expiry of the Wood Supply Agreement, through, for example, significant additional costs or material disruptions. It is also not certain that WISA Group will be able to purchase the quantities of wood required for its operations or at a reasonable price level, which can result in significantly higher raw material costs.

If any of the risks mentioned above materialises, it may have a material adverse effect on WISA Group's business, financial position, results of operations and future prospects due to, for example, recruitment and development costs or delays.

The Demerger may have undesirable effects on the uninterrupted functionality of, for example, IT systems and other functions and processes central to WISA Group's operations, which may result in interruptions and disturbances in WISA Group's business operations and its financial reporting

In connection with the Demerger, certain functions of WISA Group will be separated from the existing IT systems of UPM and integrated into WISA Group's IT environment. Any failures in the separation of WISA Group's functions may cause severe interruptions or operational disturbances in WISA Group's business operations. Among other things, the operational reliability of IT systems used in controlling business operations, risk management, and operational and financial reporting, as well as in financial functions, and in enterprise resource planning systems, is essential to WISA Group's ability to conduct business. WISA Group may also have limited negotiating power in negotiations with IT system providers, which may result in higher costs compared to its operations as part of UPM.

Despite the planned schedules, there is a risk that the separation of the new systems may be delayed, which could force WISA Group to negotiate extended maintenance and support for its current systems. An extended support period may lead to increased costs, for example related to license maintenance, and the costs related to the separation, implementation and maintenance of IT systems may also prove significantly higher and more difficult to manage than the management has estimated. It may also increase the operational risk targeting WISA Group's ICT environment. Problems or disturbances in information systems or IT infrastructure after the Demerger, including any potential cybersecurity breaches, data leaks through application programming interfaces or other fraudulent actions, could also have a negative effect on the continuity of WISA Group's key functions and processes as well as its financial reporting. See also "*– Risks Relating to WISA Group's IT Systems and Intellectual Property Rights – WISA Group's operations rely on digital solutions. Any malfunctions in and breaches or attacks targeting such solutions as well as potential failures in information system development projects as well as lack of adequate data processing agreements may adversely affect the business and financial position of WISA Group and lead to reputational damage*". Further information on certain transitional arrangements with UPM is presented in section "*Summary of the Demerger – Related Arrangements*".

Following the Effective Date, WISA Group's functions required to operate as an independent listed company may not operate as efficiently as desired or planned, and as a result, the Company may not be able to conduct its business efficiently

As an independent listed company following the Effective Date, WISA Group requires effective internal controls and other functions to prepare, among other things, reliable financial reports, including internal control and risk management systems, as well as guidelines and controls related to financial reporting. If WISA Group fails to maintain effective internal control over financial reporting or to implement or integrate necessary control procedures, this may have a material adverse effect on WISA Group's ability to produce and provide its management with timely, reliable, accurate, and up-to-date financial information on business development. These factors could lead to the management making decisions and taking actions based on incorrect or incomplete information. Further information on certain transitional arrangements with UPM is presented in section "*Summary of the Demerger – Related Arrangements*". The ongoing finalisation of the integrated structures for administration, control and risk management of WISA Group may cause additional costs for it, and until the integrated structures are completed, WISA Group may be exposed to risks related to internal control and risk management. If any of the aforementioned risks materialise, this could have a material adverse effect on WISA Group's business, financial position, results of operations, future prospects and/or Share price.

WISA Group's business operations will be initially dependent on certain UPM group-function-related services provided by UPM under the Transitional Services Agreement, and UPM's inability to provide these services to WISA Group can have a material adverse effect on WISA Group's business operations

WISA Group and UPM intend to enter into a fixed-term Transitional Services Agreement ("**Transitional Services Agreement**") in connection with the Demerger, under which UPM undertakes to provide WISA Group, following the completion of the Demerger, certain services mainly related to the UPM group functions, which WISA Group needs to continue its business as before the Demerger, but which it does not yet have produced in-house or independently procured from external service providers (see section "*Summary of the Demerger – Related Arrangements – Transitional Services Agreement*"). These services include e.g. certain IT services, HR and payroll services, electricity supply and balance management services, and sea freight and logistics system services. The provision of some of these services by UPM may be dependent on the availability of services provided by third parties. If UPM were not able to provide WISA Group with these transitional services, WISA Group would be required to seek third-party providers to provide these services and negotiate related agreements or to organise such services in-house. Such negotiations or the arrangement of internal resources could lead to significant additional costs for WISA Group. Further, if WISA Group were not able to find suitable third-party providers or produce the necessary services internally, or if such negotiations and preparations required significant time or any required third-party providers refused to provide the required services, this could lead to material disruptions in WISA Group's business operations. It is also possible that not all necessary transitional services will be identified prior to the completion of the Demerger, resulting in some of the necessary services falling outside the scope of the Transitional Services Agreement.

Significant additional costs or material disruptions in WISA Group's business operations incurred resulting from UPM's inability to provide certain necessary services to WISA Group under the Transitional Services Agreement, or from some of the services not being identified before the completion of the Demerger, may have a material adverse effect on WISA Group's business, financial position, results of operations and future prospects.

Although the parties intend to arrange the necessary replacement services for the transition period, there is a risk that WISA Group is unable to substitute all of the services provided under the Transitional Services Agreement by the end of the agreed transitional term for the service in question. This could have a material adverse effect on WISA Group's business operations, financial position, results of operations and future prospects after the expiry of the service, for example, in the form of significant additional costs or material disruptions in WISA Group's business operations. If WISA Group is required to organise replacement services internally or no suitable external provider can be found for the services procured under the Transitional Services Agreement, this may have a material adverse effect on WISA Group's business, financial position, results of operations and future prospects due to, for example, recruitment and development costs or delays.

Certain agreements entered into by UPM that relate to WISA Group may be terminated by UPM's counterparties as a result of the Demerger, and there can be no assurance that WISA Group or UPM are able to renegotiate such agreements or enter into new agreements with equally favourable terms and conditions

Some of UPM's and WISA Group's agreements entered into with third parties include customary clauses that prevent or impose limitations on transferring the rights and obligations arising from such agreements without the consent of the other party. Further, some of the agreements may also give the contracting party a right to terminate or rescind the agreement in the event of corporate reorganisation or change of control. The applicability of these clauses in the Demerger may be subject to interpretation and uncertainty. There can be no assurance that the contracting parties of UPM and/or WISA Group give their consent based on notifications and consent requests sent by UPM and/or WISA Group or that such agreements entered into by UPM that relate to WISA Group would not be prematurely terminated or rescinded due to the Demerger. There is also no assurance that the renegotiated agreements and/or new replacing agreements could be entered into with equally favourable terms and conditions as the corresponding existing agreements. Such agreements may relate to, for example, information management systems, data processing agreements or lease agreements.

Should agreements entered into by UPM that relate to WISA Group be prematurely terminated due to the Demerger and should UPM and/or WISA Group fail to renegotiate or seek new contractual partners to replace the terminated agreements, this may affect the continuity of certain functions and processes related to WISA Group's business operations. Interruptions in the continuity of certain functions and processes for example with regard to information management systems could therefore may a material adverse effect on WISA Group's business, financial position and results of operations. In addition, negotiations relating to new replacement agreements would require that UPM's and WISA Group's management and personnel devote time and resources thereto.

The Demerger may negatively affect WISA Group's market position, reliability and negotiating position

Following the completion of the Demerger, WISA Group may not be able to maintain the market position that it has achieved as part of UPM. The Demerger may adversely affect WISA Group's relationships with its customers and its ability to attract new customers if WISA Group is unable to convince customers of its ability to fulfil their needs in terms of features and quality of its products.

Further, as an independent and separate entity, WISA Group may not have the same negotiating power with its customers or suppliers or regarding the procurement of certain raw materials, assets, equipment and services that UPM had. In addition, WISA Group may not be able to negotiate contract terms or prices comparable to those obtained prior to the Effective Date. The materialisation of any of the risks mentioned above, if realised, may have a material adverse effect on WISA Group's business operations, results of operations, financial position and future prospects.

The UPM Plywood business area has gained its market position and established its own brand identity while operating as part of UPM and under UPM's brand. After the completion of the Demerger, WISA Group is a new independent and separate entity from UPM and is therefore unable to rely on UPM's brand while, for example, attracting skilled personnel. WISA Group will make changes to its brand identity during the Demerger process and intends to make them in connection with the completion of the Demerger as well. Therefore, WISA Group may need to gain and maintain brand awareness for the new WISA Group brand in order to be able to maintain its market position and attract skilled personnel.

WISA Group's carve-out financial information and pro forma financial information may not give an accurate view of WISA Group's business, financial position and results of operations

WISA Group has not in the past, as a part of UPM, formed a standalone legal group, and the financial result of its operations has been consolidated with the result of operations, financial position and cash flows of UPM. The carve-out financial information for WISA Group included in this Prospectus has been prepared on a carve-out basis from UPM's consolidated financial statements using the historical book values for income and expenses, assets, liabilities and cash flows attributable to the UPM Plywood business area in UPM's consolidated financial statements, and certain assumptions and estimates have been made in connection with the preparation of the carve-out financial information, which affect the recognition and the amount of the assets, liabilities, income and expenses. Additional information is presented in WISA Group's carve-out financial information included in the F-pages to this Prospectus. See also "*Certain Matters – Presentation of Financial and Certain Other Information – Carve-out Financial Information of WISA Group*" and "*Selected Combined Carve-out Financial Information*".

WISA Group's historical carve-out financial information included in this Prospectus may not necessarily reflect what WISA Group's actual operations, financial position and result of operations would have been had WISA Group and its subsidiaries operated as an independent consolidated group and had WISA Group prepared standalone consolidated financial statements during the periods presented, and they may not be indicative of WISA Group's future operations, financial position or result of operations. In addition, it should be noted that the corporate costs allocated to WISA Group for the purpose of presenting the historical carve-out financial information may not necessarily represent what these costs would have been if WISA Group had operated as an independent legal entity.

WISA Group may, according to management's estimates, incur additional annual costs following the Effective Date in order for WISA Group to operate as an independent listed company, as well as from organising the headquarter functions as compared to the costs allocated to WISA Group in the carve-out financial statements as at and for the years ended 31 December 2025, 2024 and 2023. There can be no assurance that the management's estimate of the additional costs would correspond the actual costs incurred by WISA Group from operating as an independent listed company. See also "*Operating and Financial Review – Key Factors Affecting the Results of Operations – The Demerger*".

WISA Group's unaudited pro forma financial information included in this Prospectus (the "**Unaudited Pro Forma Financial Information**") has been prepared for illustrative purposes only and, because of its nature, it addresses a hypothetical situation. The Unaudited Pro Forma Financial Information illustrates the hypothetical impact of the Demerger if the Demerger had been consummated at the date assumed in the Unaudited Pro Forma Financial Information and, therefore, does not represent the actual results of operations or financial position of WISA Group. The Unaudited Pro Forma Financial Information is not intended to project the results of operations or financial position of WISA Group for any future period or as at any future date. The Unaudited Pro Forma Financial Information is based on WISA Group's carve-out financial information and certain Demerger related adjustments have been made to it as presented in more detail in section "*Unaudited Pro Forma Financial Information*". The pro forma adjustments are based on available information and assumptions, and their factual effects may differ from what has been presented in this Prospectus, as the final amounts of assets and liabilities transferred to WISA Group in the Demerger will be determined based on the carrying values of the transferring assets and liabilities on the Effective Date. Consequently, the result of operations and/or financial position presented in the Unaudited Pro Forma Financial Information may significantly differ from WISA Group's future result of operations and/or financial position.

WISA Group may become liable for certain obligations of UPM following the Effective Date, and such obligations could have a material adverse effect on WISA Group's business, financial position and results of operations

Pursuant to the Finnish Companies Act (624/2006, as amended, the "**Finnish Companies Act**"), all companies participating in a demerger are jointly liable for the debts of the demerging company that have arisen prior to the registration of the completion of the demerger. The liability of a participating company for debts that have in the demerger plan been allocated to another participating company is limited to a total amount equal to the value of the net assets received or retained by the first mentioned participating company in the demerger ("**Secondary Demerger Liability**"). A demand for payment based on Secondary Demerger Liability can be made only after it has been established that payment will not be received from the participating company to which such debt was allocated in the demerger plan or out of the proceeds of security posted for the relevant liability. On 10 April 2026, UPM announced that the required amount of the holders of its Notes (as defined in section "*Summary of the Demerger – Creditor Consents and Waivers*") have granted their consents to amend the terms and conditions of the Notes to waive any right they may have to make a claim against WISA Group on the basis of the Secondary Demerger Liability with respect to the Notes.

In the Demerger, all assets and liabilities of UPM relating to the UPM Plywood business area or predominantly serving it, be transferred without liquidation to WISA Group as set out in the Demerger Plan. UPM shall not be dissolved as a result of the Demerger, and the assets and liabilities other than those which relate to or predominantly serve the UPM Plywood business area shall remain with UPM. The completion of the Demerger is intended to be registered in the Finnish Trade Register on or about the Effective Date, after which WISA Group may become liable for any debts of UPM that have arisen prior to the Effective Date and that have been allocated to UPM in the Demerger Plan if it has been established that payment will not be received from UPM or out of the proceeds of security granted for the relevant liability, if any. The Secondary Demerger Liability may in such cases create a liability for WISA Group to settle UPM's debts unrelated to WISA Group's business, which may have a material adverse effect on WISA Group's financial position were such liability to materialise.

There is no certainty that the Demerger will be completed, or the completion may be delayed, and any delay in the completion of the Demerger could result in increased expenses and require increased resources from the UPM management and other personnel

Provided that the General Meeting of UPM approves the Demerger and the Demerger Plan and UPM's Board of Directors thereafter resolves to apply for the registration of the completion of the Demerger in accordance with the terms and conditions of the Demerger Plan, the Demerger will become effective when such completion is registered with the Finnish Trade Register. The Board of Directors of UPM has on 16 July 2026 proposed that the General Meeting would approve the Demerger Plan and resolve upon the Demerger as set out in the Demerger Plan. The Demerger and the Demerger Plan must be approved by UPM's shareholders representing at least two-thirds of the votes cast and shares represented at the General Meeting. The Demerger Plan must be approved in the form proposed by the Board of Directors of UPM or the Demerger will not be completed. If the Board of Directors of UPM concludes that the completion of the Demerger is no longer in the best interest of UPM and its shareholders due to a change in circumstances that has occurred or arisen after the Demerger Plan has been signed, the Board of Directors of UPM may, at any time prior to the completion of the Demerger (also after the General Meeting resolving on the Demerger), resolve not to complete the Demerger. In such case, the Demerger will lapse.

There can be no assurance that the General Meeting of UPM will approve the Demerger. Should the Demerger be delayed or not completed at all, this could have a material adverse effect on UPM's and WISA Group's future prospects as well as on the market price of UPM's shares. If the Demerger is delayed, additional costs could be incurred both to UPM and WISA Group, and the prolonged Demerger process would require additional resources from UPM's and WISA Group's management and personnel.

Pursuant to the Finnish Companies Act, the Demerger requires the prior completion of a creditor hearing process during which creditors of UPM may object to the Demerger until a specified due date. In the Demerger, such due date is 24 August 2026. If any of UPM's creditors object to the Demerger in the creditor hearing process and do not revoke such objection, the completion of the Demerger will not be registered until the competent district court has issued a confirmation judgment stating that the objecting creditor has received payment for their claim or that security has been provided for the payment of the creditor's claim. Although UPM has obtained consents and waivers from certain of its creditors (see "*Summary of the Demerger – Creditor Consents and Waivers*"), there can be no assurance that other creditors of UPM will not object to the Demerger in the creditor hearing process, which may delay or prevent the completion of the Demerger.

If the Demerger would not be approved by the General Meeting of UPM or the Demerger is otherwise not completed, the already incurred Demerger and Listing preparation costs will be borne by UPM, and the contribution of time and resources of UPM and WISA Group's proposed management and personnel directly connected to the Demerger process will also be lost.

The Demerger can have adverse tax implications for certain UPM shareholders, and the intra-group transactions in preparation for the Demerger may result in tax consequences for UPM's group companies

UPM has received a binding advance ruling from the Finnish Tax Administration according to which the Demerger will be treated as a tax neutral partial demerger for income tax purposes as defined in Section 52 c of the Finnish Business Income Tax Act (360/1968, as amended, the "**Finnish Business Income Tax Act**"). Tax neutrality means that the Demerger will not give rise to any immediate tax implications in Finland, and no transfer tax implications will be triggered to WISA Group in accordance with Section 15(3) of the Finnish Transfer Tax Act (931/1996, as amended). See also "*Taxation*".

However, there is no assurance that tax authorities in other jurisdictions, including but not limited to jurisdictions having not implemented the EU Merger Directive (Council Directive 2009/133/EC and related amendments), would not levy taxes or duties to the investors (including on investors resident in the EU that are not covered by the EU Merger Directive) as a consequence of the Demerger and related restructuring transactions. The same applies to investors that are EU citizens, but are not covered in the EU Merger Directive. Investors must not construe the contents of this Prospectus as tax advice addressed to them. Investors should consult their own tax advisers pertaining to the Demerger and its tax implications.

In addition, even though UPM and its affiliates have duly examined and taken a reasonable effort to ensure that all applicable tax legislation is being followed, local tax authorities may try to challenge the taken position, potentially leading to a tax dispute. Any such challenge by local tax authorities may cause unexpected payment obligations, which depending on the ultimate outcome of any potential tax dispute, may have an adverse effect on UPM's and/or WISA Group's cash flow, income and financial position.

Risks Relating to WISA Group's Operating Environment

Geopolitical tensions, conflicts, sanctions, political uncertainty, tariffs, uncertain global economic and financial market conditions, low consumer confidence, and economic downturns could adversely affect WISA Group's business, financial position, results of operations and future prospects

Global markets have in recent years experienced significant disruptions and volatility as a result of, among other things, changes in global economic conditions, geopolitical uncertainty, and changes in monetary policy. Market conditions are likely to continue to be affected by, among other things, the slower economic and productivity growth, the prospect of continuation of higher interest rates in the United States and Europe, changes in trade policies (including large-scale global trade-conflicts), military conflicts such as Russia's war in Ukraine, the war in Iran and other military conflicts in the Middle East, and the threat of other geopolitical events, conflicts and tensions (including military conflicts and hybrid influence activities, such as cyber-attacks) as well as the development of energy prices, such as oil and electricity prices. Furthermore, geopolitical tensions caused by the war in Ukraine, the war in Iran and other military conflicts in the Middle East as well as other geopolitical tensions may continue to cause disruptions to the global economy especially if these conflicts escalate or expand. WISA Group is susceptible to macroeconomic conditions, in particular in Europe.

Geopolitical uncertainty, problems with the availability of raw materials and energy, high inflation, delayed recovery of construction and weakened consumer confidence have negatively affected and may keep negatively affecting the activity of WISA Group's customers, for example through declining demand for renovation and new build, which may lead to reduced demand for WISA Group's products. It is possible that the global economy falls into a recession in the short to medium term. The increase in WISA Group's operating costs (including the rise in raw materials and energy prices as well as potential changes in interest rates) may affect WISA Group's results.

Additionally, any restrictions or changes on free trade, such as the imposition or removal of tariffs, import taxes or other forms of protectionism or trade war, may adversely affect global trade and the economy, and thus directly or indirectly adversely affect WISA Group's business operations. It is difficult to predict how market conditions will develop, as the markets are influenced by macroeconomic movements in financial markets, such as changes in interest rates, inflation rates and unemployment rates, which may affect the cost of financing and the availability of raw materials and services as well as the general availability of employees, and by many other factors, including political actions of various countries, over which WISA Group has no control.

Any increased political uncertainty, escalation of geopolitical tensions, including military conflicts or economic slowdown or an unfavourable interest rate environment may lead to disruptions in WISA Group's operations. Such disruptions may increase the cost of operations and lead to a negative impact on the demand for WISA Group's products and solutions, and each of these factors may have a material adverse effect on the business, financial position, results of operations, future prospects and/or Share price of WISA Group.

WISA Group's business is susceptible to economic fluctuations, and changing market conditions and variations in the industries of WISA Group's customers may affect the demand for WISA Group's products

WISA Group's customers are susceptible to the development of the general economic situation and economic fluctuations. Moreover, slow or negative economic growth may have an unfavourable effect on the demand for WISA Group's products. Changes in customer behaviour and demand fluctuations can be significant even over a short period, especially in panel trading and construction products. For example, although key benchmark interest rates have decreased significantly from the highs of recent years, construction industry activity in WISA Group's key markets has remained below long-term averages, and there is no certainty that the demand for panels and parquet in the construction industry would recover, at least in the short to medium term. Weak macroeconomic conditions may also weaken the demand for plywood used in vehicle flooring. Furthermore, the demand for the high-quality plywood for liquefied natural gas ("**LNG**") shipbuilding may decline unexpectedly, despite shipyards having order backlogs for several years. Political or technological changes may affect the position of LNG relative to other energy sources, in which case the effects on demand for high-quality LNG plywood could materialise over the long term.

Additionally, already ordered projects may be cancelled or postponed, or their implementation may be suspended, which could have a material adverse effect on WISA Group's business, financial position and results of operations. Further, if WISA Group loses customers, the demand for products may decrease significantly, or if a growing number of customers become insolvent, this may result in a loss of income and an increase in credit losses. Even though WISA Group's business is diversified in terms of geography and number of customers, fluctuations in customer demand, which is dependent on the economic situation, impairs the predictability of business, especially in an uncertain economic situation. Reduced demand can, in turn, affect WISA Group's negotiating power and the pricing of its products, which may have a material adverse effect on WISA Group's business, financial position, results of operations, future prospects and/or Share price.

The markets in which WISA Group operates are cyclical. In these markets, the price level is determined by a combination of demand and supply and an imbalance between them could cause the prices of WISA Group's products to fluctuate significantly. WISA Group's focus on high-value plywood in accordance with its strategy mitigates the Company's exposure to sudden price fluctuations compared to commodity-type wood products. Imbalances in demand and supply may be caused by factors such as decreases or increases in the end-use demand, changes in customer preferences, a new production capacity entering the market or an old production capacity being closed, as well as changes in global trade flows. All of these factors may affect both the volume and price level of WISA Group's products.

WISA Group may face intense competition, which may affect the volume and profitability of its business

The markets where WISA Group operates are generally highly competitive, and WISA Group faces competition from a number of competitors. To compete successfully, WISA Group's products must excel in terms of quality, reliability, environmental sustainability, price, features, innovativeness and safety. WISA Group may also need to compete for raw materials, such as wood. Competitor behaviour may influence the market price development and may affect both the volume and price level of WISA Group's products. WISA Group may, from time to time, experience particularly large fluctuations in operating margins due to this competitive environment. The uncertainty of these fluctuations may be amplified by the continuation or escalation of Russia's war in Ukraine or other geopolitical developments relevant to WISA Group's manufacturing footprint or logistics routes, resulting in unanticipated changes in supply chains and competition.

WISA Group also expects that the potential lifting of sanctions and import restrictions on Russian plywood imposed due to Russia's war in Ukraine may result in a large inflow of Russian wood raw material and plywood to the European markets, which may increase competition. Inadequate creation or enforcement of anti-dumping rules and regulations by the European Union (the "**EU**") and/or relevant jurisdictions may decrease the competitive position of WISA Group and cause pressure on market pricing.

Low-cost competition from developing markets could also decrease the demand for WISA Group's products. Market participants for example from Brazil, Chile and emerging market countries may benefit from lower production costs and better availability, for example in relation to the cost and availability of raw material, labour, energy, facilities, financing, logistics and infrastructure and transportation.

In addition, possible greater financial resources of certain competitors or the benefits that such competitors may receive from state subsidies or trade protection measures may put WISA Group at a competitive disadvantage. Especially if economic growth slows down significantly, the markets for WISA Group's products may shrink, which may lead to tougher price competition and thereby decrease WISA Group's profitability. Increased competition and potential aggressive pricing policies adopted by competitors, could lead to downward pressure on prices or a decline in WISA Group's market share and profitability.

The geographic concentration of WISA Group's production assets and sourcing operations exposes WISA Group to risks that could have a material adverse effect on its business

WISA Group's production units are predominantly located in Finland. In addition, WISA Group's wood sourcing operations mainly operate in Finland and in the Baltics. This geographic concentration means that any event that materially impacts WISA Group's ability to produce plywood in Finland, deliver products from Finland or source wood in Finland or in the Baltics, whether due to natural disasters, infrastructure disruptions, industrial actions, regulatory changes, geopolitical developments or other factors, could have a material adverse effect on WISA Group's business operations, financial position, results of operations and future prospects. WISA Group may not be able to mitigate such risks through alternative production arrangements or supply sources in a timely manner or at all. Materialisation of any of the above factors could have a material adverse effect on the business, financial position, results of operations, future prospects and/or Share price of WISA Group.

WISA Group's business is sensitive to fluctuations in the pricing and supply of raw materials, other materials, and capital goods

Should the economy stagnate or experience a recession or a depression, WISA Group's suppliers may face financial difficulties and even bankruptcies, which could result in delays or other disruptions in deliveries. Economic slowdowns can force WISA Group to reduce the prices of WISA Group's products, but the cost of raw materials, such as wood, other materials and capital goods may not decline proportionally or promptly, due to a variety of reasons such as supply constraints and long-term contracts, thereby compressing margins. Conversely, during an upswing in economic activity, the rising cost of raw materials may not be immediately transferable to the customer prices of WISA Group's products due to customer resistance, contractual price rigidity, competitive market conditions or otherwise.

Materialisation of any of the above risks may have a material adverse effect on the business, financial position, results of operations, future prospects, and/or Share price of WISA Group.

WISA Group's business may be affected by protectionist trade policies

As WISA Group and its suppliers source materials used in WISA Group's business from suppliers located throughout the world, WISA Group's business is sensitive to trade policies. The adoption of increasingly protectionist trade policies between nations exposes WISA Group to risks relating to additional costs, added complexity within its supply chains and security of supply. In recent years, increasingly protectionist trade policies have been adopted around the world, particularly in the United States and China, and it is unclear to what extent additional tariffs, duties, border taxes or other similar tax-like charges on imports may be implemented in the future and what effects such changes may have on WISA Group's sourcing and sales in different regions. Such protectionist trade legislation and other measures affecting international trade, including changes in current tariff structures, export or import compliance laws, or other trade policies, may be announced unexpectedly and they could weaken WISA Group's ability to sell its products in both developed and emerging markets and expand to any possible new markets. In addition, protectionist trade policies may, for instance, force WISA Group to choose between regions or to make changes to supply chains, which could reduce WISA Group's sales and profitability.

In addition, WISA Group may also be exposed to other protectionist measures in the market areas in which it operates. Several countries, in particular those with centrally controlled economies, grant, for example, substantial subsidies to local companies. The pricing advantage enjoyed by producers on their subsidised products may impair or eliminate WISA Group's ability to compete with such producers. This and other protectionist measures may have a material adverse effect on WISA Group's profitability to the extent such heavily subsidised products will be exported into WISA Group's key markets. Unfair trade practices or subsidies may also lead to increased supply of products that compete with WISA Group's products in certain markets, resulting in increased price competition. Materialisation of any of the above risks may have a material adverse effect on the business, financial position, results of operations, future prospects, and/or Share price of WISA Group.

Illegal trade flows and grey imports may adversely affect WISA Group's competitive position and market pricing

Restrictions on free trade, such as duties, tariffs, quotas and sanctions have an impact on the global plywood markets. Any restrictions may result in changes in trade balances between certain markets. Such changes may lead to a rise of illegal trade flows and grey imports of plywood and veneer products entering WISA Group's markets in Europe and elsewhere, whether illegally or through circumvention practices.

Such illegal trade flows and grey imports may take place through various means, including the use of fake country of origin documents, product modifications designed to avoid duties or sanctions, or re-routing products through third countries to circumvent trade restrictions. For example, despite sanctions, Russian hardwood plywood may continue to enter European markets through circumvention practices whereby products from Russia are first imported to a country outside of the EU and subsequently sold to customers in the EU, thereby avoiding the sanctions regime. See also "*– Risks*

Relating to WISA Group's Operating Environment – WISA Group may face intense competition, which may affect the volume and profitability of its business".

Illegal trade flows and grey imports may provide unfair competitive advantages to parties importing and reselling such products in markets where WISA Group operates. This may adversely affect WISA Group's competitive position by enabling competitors to offer lower prices or capture market share based on cost advantages derived from avoiding applicable duties, tariffs or sanctions. Such competitive pressure may cause downward pressure on market pricing for plywood and veneer products generally, which could negatively impact WISA Group's pricing power, sales volumes and profit margins.

WISA Group has limited ability to prevent or control illegal trade flows and grey imports by third parties. Whilst enforcement authorities in the EU and other jurisdictions may take action against illegal imports, there can be no certainty that such enforcement will be effective or timely, or that it will prevent illegal trade flows from adversely affecting WISA Group's business. The extent and impact of illegal trade flows and grey imports may also increase if trade restrictions are expanded or if enforcement efforts prove insufficient.

Materialisation of any of the above risks may have a material adverse effect on WISA Group's business, financial position, results of operations, future prospects and/or Share price.

Risks Relating to WISA Group's Business Operations and Strategy

Fluctuations in the prices of major inputs, as well as changes in their availability, could have a material adverse effect on WISA Group's results of operations

The main inputs required in the manufacturing of WISA Group's products, in addition to labour, are wood, heat, electricity, chemicals, materials used in coating, machinery and water. The prices for many of these major production inputs have been volatile in recent years and are expected to remain volatile for the foreseeable future, which may have an adverse effect on the general profitability of the industries in which WISA Group operates. Wood costs have shown significant inflationary trends in recent years, with prices experiencing substantial increases following the restrictions on Russian wood exports and tightening of European hardwood supply. See also "*– Risks Relating to WISA Group's Operating Environment – WISA Group's business is sensitive to fluctuations in the pricing and supply of raw materials, other materials, and capital goods*". WISA Group also requires skilled personnel to run its operations and any increases in labour costs may have an adverse effect on the general profitability of WISA Group. See also "*– Risks Relating to WISA Group's Management and Employees – WISA Group operates in a labour-intensive industry and failures in recruiting skilled personnel, losing senior managers or key employees or other disruptions in the availability or work capacity of personnel may adversely affect WISA Group's business, and it may fail in recruiting and retaining people with the required skill set*".

Governmental protection and trade protection measures, amplified by Russia's war in Ukraine, the war in Iran and other military conflicts in the Middle East, geopolitical tensions, sanctions or trade restrictions, could also have an effect on the price and availability of raw materials as, for example, further export ban policies may be enacted to protect forests or to bolster domestic industries, which may have a material adverse effect on the cost and availability of raw materials for WISA Group. See also "*– Risks Relating to WISA Group's Operating Environment – WISA Group's business may be affected by protectionist trade policies*". It is also uncertain how the EU energy policies may affect the availability and costs of wood and energy. Climate change may contribute to the increased price volatility of WISA Group's major production inputs. For example, exceptionally mild winter conditions could potentially increase the price of wood as wood harvesting and harvester machine operations become more difficult when the ground is not frozen, which may reduce the availability of wood during such conditions. Climate change may also pose new threats to forests and wood availability through increased pest infestations, such as the European spruce bark beetle, which thrives in warm temperatures and can cause significant damage to spruce forests, particularly in Southern and Central Finland. Warmer summers have led to increased bark beetle populations, with the pest spreading to more northern areas, and during hot summers, multiple generations of bark beetles may develop, increasing the risk of damage to both weakened and healthy trees. Also, any adverse changes in the current forestry practices and level of harvesting due to negative public opinion towards harvesting or regulatory restrictions could have an adverse effect on the raw material supply and may increase the cost of wood. See also "*– Changes in political or public support for sustainability regulation applicable to WISA Group's business may adversely affect WISA Group's competitive position*".

For the years ended 31 December 2025, 2024 and 2023, the carve-out basis costs and expenses for raw materials, consumables and goods accounted for 48.3 per cent, 48.0 per cent and 46.6 per cent of WISA Group's total costs and expenses, respectively. Significant increases in the prices of WISA Group's major inputs could increase WISA Group's operating expenses and, thus, have an adverse effect on the profitability of WISA Group's operations. Despite WISA Group's efforts to mitigate possible risks related to price fluctuations of raw materials and energy, there can be no assurance that increases in the prices of raw materials and/or energy will not occur. Due to existing customer contracts or prevailing market conditions, WISA Group may not be able to adjust product prices at the same pace in order to pass these cost increases on to customers and maintain its margins, which may have an adverse effect on the profitability of WISA Group. This could have a material adverse effect on WISA Group's business, financial condition or results of operations.

Delivery, quality and availability of WISA Group's products are contingent on the capabilities of its suppliers, subcontractor and logistics network and raw materials procurement

WISA Group may face risks associated with its key suppliers and the procurement of certain essential raw materials, other materials, machinery and services. See also "*– Risks Relating to the Demerger – WISA Group's business operations will be initially dependent on certain UPM group-function-related services provided by UPM under the Transitional Services Agreement, and UPM's inability to provide these services to WISA Group can have a material adverse effect on WISA Group's business operations*", "*– Risks Relating to the Demerger – WISA Group's business operations will initially be dependent on wood supplied by UPM, and if WISA Group would be unable to source wood in sufficient quantities after the expiry of the Wood Supply Agreement, it could have a material adverse effect on WISA Group's business operations*" and section "*Summary of the Demerger – Related Arrangements*". WISA Group is to a certain extent dependent on certain machinery providers who provide WISA Group with machinery and equipment used in plywood manufacturing process. Delays in key suppliers' capabilities to provide WISA Group with necessary raw materials, other materials, machinery and/or services may delay production at a number of WISA Group's manufacturing locations or require that WISA Group seeks alternative supply sources or delay or prevent deliveries from WISA Group's locations to its customers. Delays in obtaining raw materials, other materials, machinery and/or services may result from a number of factors, including capacity constraints, labour disputes, suppliers' impaired financial position, suppliers' allocations to other purchasers, weather emergencies, pandemics or disruptions to logistics networks.

As WISA Group's manufacturing and production process makes use of materials and machinery procured from suppliers, quality and other defects in these materials and machinery may cause delays in WISA Group's production or may require alternative suppliers, which WISA Group may not be able to obtain in a timely manner and at commercially competitive terms or at all. Any significant delay in procuring materials, machinery and supplies from any key suppliers, combined with an inability to source alternative suppliers in a timely manner, may impair WISA Group's ability to deliver products to its customers and result in loss of customers or sales and, consequently, adversely affect WISA Group's reputation. In such an event, WISA Group may also lose business opportunities and/or customers, especially if WISA Group's competitors were simultaneously able to continue the procurement of materials and machinery from their suppliers. In addition, a failure or a significant delay in the delivery of materials or machinery by WISA Group's suppliers due to the suppliers' financial difficulty or other difficulties may lead to additional costs for WISA Group e.g. lead to claims for late delivery penalties addressed to WISA Group.

Materialisation of any of the above factors may have a material adverse effect on the business, financial position, results of operations, future prospects, and/or Share price of WISA Group.

Changes in political or public support for sustainability regulation applicable to WISA Group's business may adversely affect WISA Group's competitive position

Sustainability values and criteria have been and continue to be an important factor to differentiate producers in WISA Group's markets according to management's estimate. The EU has adopted legislation requiring the calculation and disclosure of greenhouse gas emissions across the entire life cycle of new buildings. Certain countries have been setting regulations targeting to reduce the CO_2 emissions per unit indicating political support for low carbon footprint and carbon storing building materials in the construction sector, such as plywood. Such support incentivizes constructors and manufacturers to use less carbon-intensive construction materials and traceable products. Political and/or public support may create an advantage for WISA Group's products over other alternatives such as steel, concrete or plastic materials, improving WISA Group's competitive position. Transport sector decarbonisation policies and potential regulatory changes (e.g. Vehicle Energy Consumption calculation Tool – VECTO) may also shape trailer value chain or new trailer designs and thus impact the demand for WISA Group's products. Furthermore, the EU Deforestation Regulation ((EU) 2023/1115, as amended) ("**EUDR**"), for example, requires traceability of raw materials, which emphasises the importance of traceability procedures of market participants.

Any decrease in political and/or public support for such regulations and consequential amendments in regulations may decrease the demand for or reduce the competitive advantage of wood-based materials that WISA Group produces. Any such negative change may occur at a pace to which WISA Group is unable to adapt for example by adjusting its production capacity, product portfolio or otherwise. WISA Group may also be unable to monitor such changes in all relevant countries and areas affecting its ability to adapt to any relevant changes. Following political and/or public support, manufacturers for example in steel, concrete and plastic industries may also be incentivized to develop less carbon-intensive materials, such as fossil-free steel, which may cause constructors and manufacturers to choose such products instead of WISA Group's products affecting WISA Group's market position and increase competition.

Materialisation of any of the above factors could have a material adverse effect on the business, financial position, results of operations, future prospects, and/or Share price of WISA Group.

WISA Group is liable and may become liable for environmental damages, which has resulted and which could result in significant costs and reputational harm

WISA Group uses equipment, vehicles, machinery and certain chemicals in its business operations which may contaminate soil, air, water and buildings, especially in the event of leaks or accidents. Further, WISA Group operates or has previously operated industrial sites where soil contamination has been confirmed. WISA Group is liable for the remediation of properties contaminated by itself and may be liable for such contamination by previous users of the property. Following a notification submitted by the operator itself in accordance with the law, the environmental supervisory authority has ordered UPM Plywood Ltd belonging to the UPM Plywood business area to remediate contaminated soil at a specific industrial site in Finland where it has conducted business activities, which results in significant costs for WISA Group. Based on the contemplated arrangement, UPM would purchase the properties of the specific industrial site in Finland from UPM Plywood Ltd and UPM Plywood Ltd would compensate UPM for the costs arising from soil remediation measures in respect of the remediation obligations ordered by the environmental supervisory authority as well as the costs of demolition of the buildings based on the contemplated services agreement between the parties (please see Section "*Summary of the Demerger – Related Arrangements*").

When realised, such environmental risks and liabilities can result in significant remediation and decontamination obligations and costs, as well as reputational harm for WISA Group. UPM Plywood Ltd has applied for an advance ruling in connection with the service agreement concerning value added tax. In the application for an advance ruling, confirmation was requested from the Finnish Tax Administration that the value added tax to be charged for the lump-sum fee payable to UPM for providing remediation and demolition services under the service agreement is deductible for UPM Plywood Ltd. The Finnish Tax Administration gave an advance ruling, which confirmed that the value added tax charged on the service fee is deductible for UPM Plywood Ltd. The advance ruling is legally binding.

Environmental laws and environmental protection regulations impose strict, significant, retroactive and joint liabilities for costs and damage that WISA Group or its predecessors may have caused. Such laws, regulations and provisions have generally tightened in recent years and may become even more stringent going forward. Non-compliance may lead to substantial legal consequences, such as injunctions or civil, administrative or criminal consequences and sanctions. Waste, chemicals or other materials may have been disposed of or handled at industrial sites for decades due to overlapping and potentially conflicting laws, permit practices and regulatory requirements, or absence thereof. While there are no large-scale waste disposal areas at WISA Group's production units, smaller-scale soil contamination resulting from historical industrial activities cannot be ruled out. If WISA Group or the condition of its production units causes an environmental hazard or risk, for example due to previously unknown contamination or other pollution, WISA Group or its subsidiaries may be required to carry out remediation, restoration or other decontamination measures to comply with applicable environmental laws.

Zoning changes, such as converting land previously used for industrial purposes into residential use, may also necessitate significant remediation measures. Depending on the extent of remedial measures required by the authorities and the possible spread of contamination, the necessary decontamination, restoration or remediation activities may be significant and require multi-year monitoring.

Furthermore, as successor to the UPM Plywood business area, WISA Group may likewise be liable for potential unknown environmental liabilities associated with the UPM Plywood business area. Many sites operated or previously operated by the UPM Plywood business area have a long industrial history which may have led to undiscovered soil contamination or other environmental hazards.

WISA Group may seek to limit its environmental remediation and decontamination obligations and liabilities by means of contractual arrangements, to the extent permissible. Even if these arrangements are binding on the contracting parties, they do not necessarily exempt WISA Group from public law liability relating to statutory remediation, restoration or other decontamination measures, especially if WISA Group or its predecessors had caused the contamination. Such liabilities may also relate to properties previously owned or leased by UPM or its predecessors.

Materialisation of any of the above risk factors may have a material adverse effect on the business, financial position, results of operations, future prospects and/or Share price of WISA Group.

WISA Group is dependent on a jointly owned joint venture for heat supply to its production units in Mikkeli and Savonlinna

WISA Group has a joint venture, Järvi-Suomen Voima Oy ("**JSV**"), which supplies heat and electricity to WISA Group's production units in Mikkeli and Savonlinna (see also "*Business of WISA Group – Business Operations – Joint venture Järvi-Suomen Voima Oy*"). WISA Group's production units in Mikkeli and Savonlinna are dependent on the supply of heat by JSV. WISA Group cannot exercise full control over JSV due to the joint ownership structure. The other shareholder may be incapable or reluctant to fulfil its commitments, or it may encounter financial distress or seek to require WISA Group to make additional investments or disagree with WISA Group in terms of rights, responsibilities and obligations under the joint ownership arrangements. If a disagreement arises with the other shareholder regarding the business or operations of JSV, there can be no certainty that WISA Group will be able to resolve it in a favourable manner. Furthermore, the other shareholder may have financial or business interests or objectives that are in conflict with WISA Group's interests or objectives and may make decisions that are contrary to WISA Group's business objectives.

Should JSV be unable to supply heat to WISA Group's production units in Mikkeli and Savonlinna in time or at all, whether due to operational disruptions, technical failures, force majeure events or otherwise, WISA Group could face substantial disruptions to production at these production units. If WISA Group were to lose access to JSV's supply or if JSV does not provide adequate heat, WISA Group would be subject to substantial additional costs arising out of arranging substitutive supply with another supplier, if even possible at all, or making substantial investment in assets that could produce heat, such as by building its own boiler facility. There can be no certainty that alternative suppliers of heat would be available on short notice or on commercially reasonable terms. While WISA Group may potentially develop its own heat generation capacity, such a solution would require substantial capital investment and time to implement. Any prolonged disruption in the supply of heat by JSV to the production units in Mikkeli and Savonlinna may have a material adverse effect on WISA Group's business operations, financial condition and results of operations. Furthermore, should WISA Group decide to seek to dispose of its share in JSV, there can be no certainty that WISA Group would be able to divest its investment at fair value or otherwise on favourable terms, or at all.

WISA Group's key customer relationships may be discontinued, customers may experience financial distress or bankruptcy, or customers may have to decrease their purchases

Although WISA Group's current customer base is well diversified and decentralised, orders by certain customers may represent a significant part of WISA Group's sales in a single financial year, and certain customers may have considerable bargaining power (see also "*Business of WISA Group – Sales and Customers*"). Such key customers may decide not to continue purchasing WISA Group's products, or they may reduce the number of purchases or require the application of terms and conditions that are less favourable to WISA Group. A significant reduction of key customers' purchases or the discontinuation of key customers' relationship with WISA Group or any failure of or material impediment in the ability of WISA Group's customers to purchase WISA Group's products may have a negative impact on WISA Group's sales, which may have a material adverse effect on the business, financial position, results of operations, future prospects and/or Share price of WISA Group.

WISA Group may face various challenges in meeting sustainability requirements, and if WISA Group fails to meet the customer expectations in regard to sustainability topics it could lose one or more key customers

WISA Group's business is impacted by the challenges related to climate change and its mitigation. In order to meet stakeholder expectations and to preserve and develop its business model, WISA Group has reduced and continues to reduce its environmental impact across its entire value chain. In order to succeed in this, WISA Group must reduce emissions related to its own operations as well as emissions generated in its supply chain. Moreover, WISA Group expects to continue to experience tightening customer demands in this respect, as customer expectations with respect to the sustainability of the forest industry continue to increase. These effects can lead, for example, to impairments of assets due to the shortened life cycles of equipment, as well as additional costs related to the introduction of new technologies, which may arise in service development and the realisation of project risks.

While WISA Group's environmental practices and the level of transparency of operations relating to them are foundational to its business, they also expose WISA Group to several risks. Achieving its environmental objectives, including the responsible sourcing of raw materials, may require WISA Group to expend more resources than anticipated, and it may divert the attention of WISA Group's senior management and key personnel, weaken WISA Group's competitiveness, or otherwise limit WISA Group's ability to make investments in its growth, and, as a result, harm WISA Group's business, results of operations, financial position and future prospects.

WISA Group may also be unable to succeed in implementing technical, economical, sustainable and fossil free solutions, in obtaining and securing the procurement of e.g. biobased chemicals, such as glue, as well as in complying with greenhouse gas reductions and other sustainability-related requirements set by its customers. WISA Group may potentially lose market share if it fails to invest in these solutions while competitors succeed in doing so. Moreover, in order to reduce its supply chain emissions, WISA Group must reduce emissions across its entire value chain.

WISA Group may fail or be unable to achieve one or more of its own or its customers' sustainability requirements due to a range of factors (some of which are within and some beyond its control), such as additional emissions caused by potential growth, or WISA Group may adjust or modify its ambition level relating to sustainability in light of new information, adjusted projections or a change in business strategy, any of which may lead to the loss of key customers and may negatively impact WISA Group's brand, reputation, competitiveness, and market share.

WISA Group has incurred and may also in the future incur additional costs and require additional resources relating to monitoring, reporting and complying with various sustainability practices and regulation. For example, in the EU, the Non-Financial Reporting Directive has been replaced by the EU Corporate Sustainability Reporting Directive (Directive (EU) 2022/2464, as amended, "**CSRD**"). The amending directive relaxing the sustainability reporting obligations under the CSRD[2] was implemented in Finland through amendments to, amongst others, the Finnish Accounting Act (1336/1997, as amended, the "**Finnish Accounting Act**") and the Finnish Auditing Act (1141/2015, as amended), which entered into force on 30 June 2026. As a result of these regulatory changes, the thresholds giving rise to the reporting obligation are raised such that the reporting obligation applies to companies and parent companies of groups which, during the most recently completed financial period and the preceding financial period, employed more than 1,000 persons on average and generated turnover of more than EUR 450 million. WISA Group does not meet the turnover threshold (as at 31 December 2025, WISA Group had approximately 1,451 employees on a carve-out basis and its turnover was EUR 409.1 million on a carve-out basis) and is therefore not subject to sustainability reporting requirements for its first financial period. Should WISA Group become subject to sustainability reporting obligations in the future, it would report in accordance with the applicable obligations. WISA Group's brand, reputation and business could be negatively impacted if any of its disclosures, including its carbon footprint numbers, reports to third-party stakeholders or other environmental and sustainability reports are inaccurate or perceived or alleged to be inaccurate or if WISA Group fails to comply with any other sustainability regulations. In addition to the CSRD, the EU has passed several acts and the EU is preparing several other regulatory initiatives which require companies to address the negative social and environmental impacts of their operations, including in their value chains within and outside Europe. In addition, by taking the relevant requirements into account in designing its logistics, value chain and associated capital expenditure, WISA Group may incur additional costs and capital expenditure, which may have a negative effect on WISA Group's business and financial position.

Failure to meet sustainability requirements may expose WISA Group to consequences such as the loss of customers, business opportunities and markets, difficulties in securing financing, reputational damage, disqualification from public procurement processes, a significant increase in the acquisition costs for emission allowances as well as a decrease in the Share price.

WISA Group may not be successful in product innovation or in the development of its production processes to keep pace with competitors

The future growth and success of WISA Group depends on its continued ability to identify and respond to changes in customer and industry needs as well as to market products in changing markets. The demand for sustainable choices by the end-customers in the construction industry (such as panels and parquets), vehicle flooring, and LNG shipbuilding, among other things, are expected to create a growing demand for sustainable products. WISA Group also focuses on providing tailored solutions for its largest customers. WISA Group expects that the replacement of fossil-based materials with bio-based alternatives, such as plywood and veneer, presents value creation opportunities, which WISA Group aims to realise through the innovation of renewable and low-carbon alternatives as well as by marketing its existing solutions. Despite research and product development being an important part of WISA Group's strategy, there can be no assurance that WISA Group will be successful in developing or commercialising new products or solutions, using new raw materials, or that WISA Group's customers will accept such new raw materials, products or solutions. The return on investment of new or enhanced existing raw materials, products and solutions may, therefore, not meet targets or improve WISA Group's competitiveness, which may have a material adverse effect on the demand for WISA Group's products and thereby on WISA Group's business, financial condition or results of operations.

WISA Group has a broad patent portfolio and new patent applications are filed annually. There is always a risk that third parties make efforts to limit the scope of protection or invalidate the granted intellectual property rights. In some cases WISA Group's intellectual property rights protection scope might be limited or the rights may be revoked, which might have a material adverse effect on its business, financial condition or results of operations.

WISA Group's contracts may be subject to early termination or include onerous terms

Some of WISA Group's existing customers and suppliers have, and future customers or suppliers may have, the right to terminate their contracts without cause in compliance with applicable notice periods. In addition, under certain circumstances, WISA Group's existing and future contracts may, depending on the contract, permit a customer or supplier to terminate its contract early without the payment of any termination fee, as a result of for example non-performance or delay or defect in deliverables, or force majeure events. Many of such factors are beyond WISA Group's control. Early termination of customer contracts may reduce the planned sales of any businesses based on terminated customer contracts. In certain contracts, the customer or supplier may have the right to transfer any rights, benefits, or interests at their discretion. WISA Group's customer, supplier and other agreements may also include onerous terms, such as insufficient limitations of liability, fitness for purpose provisions, or indemnity undertakings or other contract terms restricting the operations of WISA Group, such as non-competition, non-solicitation, non-transferability or minimum purchase

[2] Directive (EU) 2026/470 of the European Parliament and of the Council of 24 February 2026 amending Directives 2006/43/EC, 2013/34/EU, (EU) 2022/2464 and (EU) 2024/1760 as regards certain corporate sustainability reporting requirements and certain corporate due diligence requirements.

obligations. As a result of such contractual terms, WISA Group may bear risks for which WISA Group's ability to react, for example to changed circumstances, may be limited, and the realisation of such risks may adversely affect the actual profitability of the products sold under these agreements.

During periods of challenging market conditions, WISA Group may be subject to an increased risk of its customers or suppliers seeking to repudiate or delay commencement of their contracts, including through claims based on anticipated, actual or alleged non-performance based on e.g. contract terms described above. If WISA Group's customers or suppliers terminate their contracts with WISA Group and WISA Group is unable to secure new contracts on a timely basis and on substantially similar terms, or if contracts are suspended for an extended period of time, this may adversely affect WISA Group's business and reduce WISA Group's orders and sales. Materialisation of any of the above factors could have a material adverse effect on the business, financial position, results of operations, future prospects, and/or Share price of WISA Group.

WISA Group's possible future mergers, acquisitions and divestments may involve risks

WISA Group's strategy is to grow its businesses with strong long-term fundamentals and sustainable competitive advantage. This may result in acquisitions of new businesses or divestments of existing businesses or parts thereof. Carrying out corporate mergers, acquisitions and divestments involves risks relating to the successful implementation of a divestment and the ability to integrate and manage acquired businesses, systems, intellectual property rights, culture and personnel successfully. In addition, the cost of an acquisition may prove high and/or the anticipated economies of scale or synergies may not materialise. Hidden liabilities of an acquired company (e.g., competition law liabilities) may also constitute significant risk in relation to potential acquisitions. WISA Group may not be able to identify attractive acquisition or merger opportunities or ensure the strategic fit, right valuation and effective integration of acquisitions despite its acquisition preparations and stakeholder engagement, which may have a material adverse effect on WISA Group's business, financial condition or results of operations. Regulation of merger or acquisition activity by competition authorities may also limit WISA Group's ability to make future acquisitions or mergers.

WISA Group may also divest operations or assets to focus on strategic areas. Any future divestments may be affected by many factors that are beyond WISA Group's control, such as the availability of financing to potential buyers, interest rates, acquirers' capacity and regulatory approval processes. Divestments may also expose WISA Group to indemnity claims. Furthermore, divestments may involve additional costs due to historical and unaccounted liabilities. There can be no assurance that WISA Group will be able to divest assets in a profitable way, or that such divestments will be possible on acceptable terms, or at all. The profitability of corporate acquisitions and divestments may differ from WISA Group's expectations, which may have a material adverse effect on WISA Group's business, financial condition or results of operations. Large corporate transactions may also take significant amounts of management time and cause reputational damage, which would divert the attention of WISA Group's management away from WISA Group's everyday business.

WISA Group may not succeed in managing its investment projects, which could result in additional costs, business losses or disputes

Investment projects related to WISA Group's business could be large and take up to one year or several years to complete. Participation in large projects involves risks, such as cost overruns, shortage of personnel, financial distress of suppliers, accidents or delays, as well as non-achievement of the economic targets set for the investment.

WISA Group's potential future investment projects may involve technical and operational risks, and projects require continuous operational planning, steering and supervision, quality control, input procurement, scheduling as well as resource and cost monitoring. Investment projects may involve requirements or changes relating to land use planning, which may have an impact on the implementation of the investments. These must be identified and taken into account as part of the investment processes. Managing several projects efficiently would require that WISA Group has sufficient resources and efficient processes, so that several overlapping internal teams and supplier networks can be managed simultaneously. In addition, transportation bottlenecks and rising logistics and construction costs, all of which could be resulting from external events or market conditions beyond WISA Group's control, may have an adverse effect on the execution or profitability of investment projects. Although WISA Group has experience in projects in different locations, any problems related to the management and execution of projects may have a material adverse effect on WISA Group's business, financial condition or results of operations.

Safety risks, if materialised, could result in operational disruptions or liability or significantly harm WISA Group's reputation

WISA Group has taken precautions against safety risks in its operations and production through, among other things, occupational health and safety policies and guidelines, certification principles, rescue planning and premises and information security instructions. In addition, WISA Group encourages its personnel to engage in proactive safety work, such as making safety observations, conducting Safety Walk safety tours and participating in safety briefings. Despite this, exceptional events such as fires and explosions, release of high-temperature steam or water, structural collapse, machinery or IT system failure, mechanical defects, extensive or exceptional maintenance, road construction, maintenance or the closure of access routes, windstorms or other extreme weather events, as well as environmental damage, may adversely affect production at WISA Group's plants and units. In addition, climate change increases the risk of extreme weather events and natural disasters, such as floods, storms, wildfires and heatwaves. WISA Group's production units and supply chains may be exposed to such risks and suffer from them via, for example, damages to infrastructure, decline in service quality or higher operating costs.

The manufacturing of WISA Group's products may result in personal injuries, including potentially fatal incidents as well as accidents leading to severe damage to the environment or property or accidents leading to disruptions of customers' production or services. The occurrence of a major accident in WISA Group's production operations or the closure of such operations due to unforeseen events may result in significant disruptions to WISA Group's business operations and lead to substantial costs or liabilities. Such accidents may also result in WISA Group being subject to, either individually or in aggregate, significant claims or sanctions as a defendant in legal or administrative proceedings.

The occurrence of any of the aforesaid factors may cause interruptions in WISA Group's business operations, increase production costs, result in an occupational accident or casualty, cause damage to property or the environment and result in liability for damages for and significantly harm WISA Group's reputation and could therefore have a material adverse effect on WISA Group's business, financial position, results of operations, future prospects and/or Share price.

WISA Group's insurance coverage may not be sufficient

WISA Group's insurance programme provides coverage for its identified and insurable main risks, subject to insurance terms and conditions, but despite WISA Group's efforts for continuous safety improvements and established risk management procedures, health and safety precautions and loss prevention programmes, there can be no assurances that WISA Group's efforts will be successful in preventing all accidents or other calamities in its operations, or that WISA Group's insurance coverage would adequately cover all or any of such costs, if such an incident were to occur.

WISA Group should not be considered fully insured against all risks, including cyber risks, and insurance against all types of risks and catastrophic events may not be available on reasonable economic terms or at all. WISA Group's insurance coverage, and thus possibly WISA Group's insurance protection, also has limitations, such as deductibles, maximum liability amounts and possible corrective claims, which affect the final amount of possible insurance compensation and may not cover all damages resulting from exceptional events, such as loss of sales or any costs resulting from a mill down time following an incident. This may have a material adverse effect on the efficiency of WISA Group's operations, its reputation, business, financial condition or results of operations.

Risks Relating to WISA Group's IT Systems and Intellectual Property Rights

WISA Group's operations rely on digital solutions. Any malfunctions in and breaches or attacks targeting such solutions as well as potential failures in information system development projects as well as lack of adequate data processing agreements may adversely affect the business and financial position of WISA Group and lead to reputational damage

The uninterrupted continuity and operational reliability of IT systems essential to WISA Group's business may be at risk due to the Demerger. WISA Group's operations are highly dependent on the availability, reliability, quality, confidentiality and integrity of its information management and IT systems, websites, IT services and related information tracking and communications systems (the "**IT Systems**"). WISA Group's ability to effectively manage and maintain its operations and inventories, oversee logistics, deliver products to customers in a timely manner, maintain cost efficiency, respond to customer sales inquiries and process sales transactions is dependent on the IT Systems. The hosting and maintenance of IT Systems may, to a large extent, rely on services provided by third parties. These IT Systems process, transmit and store electronic information, including sensitive data, such as confidential business information and personal data relating to employees, customers and other business partners. As WISA Group focuses on a data-driven business model, the functioning of IT Systems utilized by WISA Group is of crucial importance in reaching its strategic, operational and financial goals.

Although UPM believes that the currently used IT Systems are reliable and meet its operational requirements, there is no certainty that these IT Systems will be successfully transferred to or implemented in WISA Group, will not require repairs or will not be subject to technical or other defects. At least the following factors may cause malfunctions such as delays in the delivery of materials, services or equipment, or cybersecurity breaches of information systems relevant to WISA Group, or its customers, contractors, business partners, vendors or other third parties:

- criminal hackers, hacktivists or state sponsored disruptive organisations;
- computer viruses and worms, denial of service or phishing attacks or industrial espionage;

- intentional or unintentional errors or misconduct by current or former employees producing WISA Group's services and solutions, customers or third parties;
- IT separation from UPM's IT Systems and the ramp-up of WISA Group's IT Systems;
- IT Systems provided by UPM based on the Transitional Services Agreement
- planned or unplanned updates, outages or maintenance breaks by WISA Group's IT System providers;
- technological errors resulting from maintenance and upgrading activities;
- power outages or surges as well as floods, fires or natural disasters; or
- telecommunication outages in wide area network backbone, local last mile connections, site local area network or mobile connections.

Any malfunctions in IT Systems or cybersecurity breaches in IT security or in WISA Group's software intensive production equipment could engender production and delivery disruptions. Such malfunctions or breaches could expose WISA Group and its customers, employees and suppliers to risks of misuse of information or systems, the compromising of confidential information, manipulation and destruction of data, fraudulent actions, defective services, production downtimes and operational disruptions. In addition, such breaches in security could result in litigation, regulatory action and potential liability, as well as in additional costs and operational consequences for implementing further data protection measures. It may also be difficult for WISA Group to detect cybersecurity breaches upon their occurrence, which could have an impact on the extent of damage. Any information security risks and incidents may have a material adverse effect on WISA Group's business performance and may lead to higher total business operation and project costs, reputational damage and a loss of market share to competitors or market disruptors. As WISA Group's business is dependent on software intensive production equipment, materialisation of any information security risks or incidents relating to such equipment, such as cyber or hybrid attacks, may result in reputational damage as well as in legal claims or penalties and/or costly countermeasures, which may not be covered by WISA Group's insurance coverage.

In addition, WISA Group may not succeed in realising the benefits of improving operations through technology and data systems. The success of development projects is important as WISA Group's enterprise resource planning, financial, human resources and risk management functions are highly dependent on IT Systems and on WISA Group's ability to operate them efficiently and safely. Such internal IT Systems include enterprise resource planning and advanced planning and scheduling systems, client relationship and maintenance management systems, as well as human resources management systems, which WISA Group uses to control business operations, manage its risks, create operating and financial reports as well as to execute treasury operations.

Additionally, as there may be a need to enter new agreements with IT service providers due to the Demerger, there may be also a risk of WISA Group having to enter into new data processing agreements with relevant third parties to ensure compliance with applicable data protection laws and overall control over its contractual relationships with suppliers.

The materialisation of any of the above factors may have a material adverse effect on the business, financial position, results of operations, future prospects and/or Share price of WISA Group.

WISA Group may not be able to protect its brand and intellectual property, may be subject to third-party intellectual property rights, and may face claims of intellectual property infringement

UPM and WISA Group have taken measures to protect WISA Group's intellectual property by acquiring patents, utility models, designs, trademarks and domain names and monitoring them in its main markets, and WISA Group is expected to continue doing so in the future. In addition to registered intellectual property, WISA Group seeks to protect its intangible assets, which consist of trade and business secrets and know-how, for example through non-disclosure agreements. However, there is no certainty that the measures taken by WISA Group will effectively prevent the unauthorised use of WISA Group's intangible assets by competitors in all its operating countries. Competitors may infringe upon the intellectual property rights owned or licensed by WISA Group, or disputes may arise regarding the ownership of intangible assets owned, used or licensed by WISA Group, and competitors may otherwise gain knowledge of or independently develop expertise equivalent to intangible assets, such as know-how. Additionally, some of the technologies and processes used by WISA Group may be subject to third-party intellectual property rights. Such third parties may take legal action if their intellectual property rights are infringed, and such action may delay or prevent the sale or delivery of WISA Group's products. Failure to protect intangible assets or claims of infringement of third-party intellectual property rights may result in reputational harm, claims for liability for damages, contractual penalties, fines, regulatory enforcement action or loss of customers, and have a material adverse effect on the business, financial position, results of operations, future prospects and/or Share price of WISA Group.

Risks Relating to WISA Group's Management and Employees

WISA Group is exposed to the risk of adverse employee relations or labour disputes

As at 31 March 2026, WISA Group had 1,454 employees on a carve-out basis. As WISA Group's business is labour intensive, maintaining good relationships with WISA Group's employees, unions and other employee representatives is crucial to WISA Group's operations.

WISA Group's shopfloor employees in Finland are covered by a company-specific collective agreement. Work stoppages, strikes or other industrial actions in the business sectors related to WISA Group's business may cause disruptions in WISA Group's operations resulting in WISA Group not being able to offer its services to customers and, thus would weaken WISA Group's profitability and increase its costs.

Additionally, increased costs of labour due to e.g. high inflation, including the costs of employee benefits plans as well as labour disputes, work stoppages or actions by labour unions could undermine WISA Group's competitiveness or lead to disruptions in operations. WISA Group cannot assure that potential future issues with its employees or labour unions will be resolved favourably or that it will not encounter future strikes, other unionisation efforts or other types of conflicts with labour unions or employees. Furthermore, WISA Group must inform and consult with union representatives or employee representatives in managing, developing or restructuring certain aspects of its business, which may impair WISA Group's ability to restructure its operations and organisation or entail additional costs. Labour laws may also require periodic inspections by the competent authorities, and any identified violations of applicable regulations may result in administrative as well as civil and criminal penalties, which could damage WISA Group's reputation in the eyes of its current and future employees and hamper its ability to recruit and retain key employees. WISA Group's customers and suppliers may also be subject to their own labour disputes or industrial actions, which may then result in delays in projects and higher costs than estimated. These could have a negative impact on WISA Group's profitability.

WISA Group is exposed to the risk of adverse employee relations and labour disputes particularly if disagreements over terms and conditions of employment continue without a negotiated settlement. In Finland, the high level of unionisation in the manufacturing sector may facilitate the effective coordination and implementation of industrial action. In 2025, a total of 11 weeks of industrial action took place at WISA Group's production units in Finland due to protracted collective bargaining negotiations.

Materialisation of any of the above factors could have a material adverse effect on the business, financial position, results of operations, future prospects and/or Share price of WISA Group.

WISA Group operates in a labour-intensive industry and failures in recruiting skilled personnel, losing senior managers or key employees or other disruptions in the availability or work capacity of personnel may adversely affect WISA Group's business, and it may fail in recruiting and retaining people with the required skill set

WISA Group is dependent on the working capacity of its senior management and key personnel and their continued employment with WISA Group and the loss of certain key personnel during the Demerger process may adversely affect WISA Group's results of operations or profitability. The loss of key employees, or an inability to hire and/or retain skilled senior management, could prevent WISA Group from carrying out or developing its business successfully. Any insufficiencies in the intellectual property rights, confidentiality, non-solicitation and non-competition provisions in WISA Group's employment agreements with its key personnel may lead to WISA Group not being fully protected against the key employee breaching obligations regarding trade secrets or confidential information, competing with WISA Group, or soliciting its employees, customers or other business partners, which may have a material adverse effect on WISA Group's business and competitive position. WISA Group may not be entitled to compensation in case of breaches of contractual obligations by some of its key employees.

The performance and execution of the strategy of WISA Group also depends upon skilled personnel and the ability to identify, attract, develop, motivate and retain professional personnel. WISA Group competes with other employers to recruit and hire from a limited pool of potential employees with the required eligibility, technical skill set and industry experience. Challenges in the availability and turnover of the workforce may hinder WISA Group's production or prevent it from expanding and developing its operations. The training of new employees requires a large amount of time and resources and may disrupt the normal course of WISA Group's operations. Furthermore, a high employee turnover, prolonged sick leaves or a significant number thereof, or other absenteeism of personnel and an inability to move personnel according to WISA Group's operational needs may also cause delays or quality failures, which may lead to penalties payable to WISA Group's contractual partners or losses of existing and potential customers or to difficulties in recruiting people. Additionally, the age structure of the population in WISA Group's domestic market intensifies competition for workforce. If WISA Group fails in retaining senior managers or key personnel or recruiting new talent, it could have a negative impact on the performance, efficiency or implementation of WISA Group's strategy.

WISA Group's reputation and employer image are important factors for WISA Group when competing for professional workforce. It is possible that WISA Group cannot retain its position as an attractive employer in its industry despite its efforts to do so. WISA Group operates in a number of countries, and its ability to attract and retain professional workforce may vary by country, which could result in difficulties in recruiting qualified personnel in certain markets and adversely affect WISA Group's operations in those markets. Failure to meet employee expectations or negative publicity directed at WISA Group's operations, industry, financial position, service quality or possible allegations of deficiencies or neglect in occupational safety or compliance with laws and regulations can adversely affect WISA Group's reputation and employer image among its current and potential employees as well as other key stakeholders. Furthermore, as a new independent and separate entity from UPM, WISA Group is unable to rely on UPM's brand in attracting skilled personnel.

Improving employee experience has strategic importance for WISA Group, and the Company aims to manage employee-related risks by investing in diversity, employee experience, recruitment and employer branding. WISA Group continuously strives to enhance its onboarding processes and leadership practices. Additionally, WISA Group aims to ensure the availability of personnel by utilising lease work, which is subject to the same rules and requirements as WISA Group's own employees. However, there is no certainty that WISA Group's measures will be sufficient to attract and retain competent management and personnel under all circumstances.

The materialisation of any of the above factors could have a material adverse effect on the business, financial position, results of operations, future prospects and/or Share price of WISA Group.

Legal, Regulatory and Administrative Risks

Regulations and changes thereto applicable to WISA Group may result in significant costs and liabilities for WISA Group, they may affect WISA Group's business, results of operations and competitiveness, and any failure to comply with applicable laws and regulations, permits and licences may damage WISA Group's reputation and lead to fines, liability for damages and loss of business

WISA Group is subject to a wide range of laws and regulations globally. WISA Group's business is to a high degree dependent on regulatory frameworks, and changes in regulation, tariffs, direct and indirect taxation or subsidies, aid, grants or allowances could have a direct effect on WISA Group's performance and its relative competitiveness, and structurally restrict or exacerbate WISA Group's ability to compete for raw material and other resources. The policies of EU and/or countries in order to achieve energy security and price stability may result in temporary or permanent regulatory changes which could cause further uncertainty and volatility in energy prices or usage, or taxation that may have a material adverse effect on WISA Group's sales or profitability.

WISA Group's operations are subject to extensive environmental laws and regulations governing, among other things, emissions, noise, water quality, nature/habitat loss, energy efficiency, as well as waste handling, recycling and disposal. Environmental laws and regulations in particular have become more stringent over time and may continue to develop to be even more stringent due to various global, regional and national level regulatory initiatives. As these environmental laws and regulations are amended or as their application or enforcement is changed, additional costs in complying with new and more stringent regulations may be imposed on WISA Group. Further, WISA Group's operations require WISA Group to obtain environmental permits and other licences from relevant authorities and comply with their terms and conditions. These permits and licences may be subject to modification, renewal or, subject to certain conditions, revocation by the issuing authorities. Procedures for obtaining these permits can be long and complex and there can be no assurance that the requested permit will be granted or renewed. Violations of applicable environmental laws and regulations may result in civil and criminal penalties, revocation of permits and licences, third party claims or any combination thereof. WISA Group may become subject to liabilities that could be substantial for, among other things, non-compliance with environmental as well as health and safety regulations and standards.

Increases in environmental regulation may also result in challenges for WISA Group's operations. For example, EU regulation in respect of forestry has increased significantly in recent years as the EU seeks to address global environmental risks related to, among other things, climate change and biodiversity. This may affect wood sourcing volumes due to the prescribed criteria or forestry required to gain the necessary raw material volumes for production. These factors may lead to shortages of wood, higher raw material prices or both.

WISA Group monitors regulatory changes in order to better adapt to the effects of such changes. However, there can be no assurance that WISA Group will be able to maintain its competitive position if legislative changes affecting its operations occur. In addition, any failure by WISA Group to comply with applicable laws, regulations, permits and licences could harm WISA Group's reputation and result in fines and damages as well as loss of business. Changes in legislation may adversely affect WISA Group's business and WISA Group's competitiveness, which could have a material adverse effect on WISA Group's business, financial condition or results of operations.

WISA Group's business depends on maintaining industry certifications granted to its products and raw materials, and failure to maintain certifications could have a material adverse effect on its competitive position and financial performance

WISA Group's competitiveness in selected end uses and ability to meet customer requirements are dependent on maintaining multiple industry certifications for both its products and raw materials. WISA Group's business model is predicated on sourcing raw materials mainly from European sources as a competitive differentiator. WISA Group sources its wood raw materials in accordance with a chain-of-custody system that fulfils the requirements of the Forest Stewardship Council ("**FSC**") (FSC-C009856) and the Programme for the Endorsement of Forest Certification ("**PEFC**") (PEFC/02-31-112) standards. These certificates demonstrate that WISA Group's wood is responsibly sourced and traceable through the supply chain. Further, in the LNG end use, certifications from Gaztransport & Technigaz ("**GTT**") and classification societies such as DNV and Lloyd's Register are required to supply LNG shipbuilding projects.

Obtaining certifications is often costly and time-consuming, typically requiring a minimum of approximately one year. Further, annual deliveries are required to maintain LNG certifications. If WISA Group fails to maintain the required delivery volumes, loses any key certifications, or fails certification audits, it could be prevented from supplying major customers and projects.

As regulatory pressure for transparency on materials used increases, driven by regulations such as the EUDR, suppliers must be able to verify the origin of the raw materials they use. If WISA Group is unable to demonstrate compliance with evolving regulatory requirements relating to raw material traceability, it could lose customers, face market access restrictions, or be unable to charge for high quality. This may also undermine WISA Group's competitive positioning against competitors that cannot offer certified European materials.

WISA Group's products are subject to extensive regulatory and industry certification requirements in the EU, the United Kingdom and other key markets. WISA Group also has certified management systems for quality, environment and occupational health and safety. See also "*Business of WISA Group – Business Operations – Product Offering – Key conformity and product approvals*" and "*Business of WISA Group – Business Operations – Management system*".

Any loss or suspension of certifications may have a material adverse effect on WISA Group's sales and profitability. Regaining certifications after they are lost could be time-consuming and costly, potentially taking a year or more, during which time WISA Group could lose significant market share to its competitors. Customers may be reluctant to switch back to WISA Group even after certifications are restored due to the lengthy qualification processes and technical risks involved in changing suppliers.

Materialisation of any of the above risks could have a material adverse effect on WISA Group's business, competitive position, financial condition, results of operations, future prospects and/or Share price.

WISA Group's operations subject it to risks related to contracts, compliance, and violations of applicable laws, which could lead to liability for damages, other sanctions and fines and affect WISA Group's reputation and financial position

WISA Group's operations are subject to risks related to contracts and other legal obligations, regulatory compliance and illegal activities, such as fraud, misconduct or criminal acts, which may result in liability for damages, administrative sanctions and fines and harm WISA Group's reputation.

In the normal course of its business activities, WISA Group may be involved in legal disputes, proceedings or investigations regarding, for example, contractual responsibility, contractor's obligations, employers' liabilities, anti-trust, anti-bribery and anti-corruption matters or other extracontractual or compliance-related matters. WISA Group's products have high quality requirements, and any deviation or breach from such requirements could result in liabilities for WISA Group. Legal disputes, proceedings or investigations may result in, for instance, WISA Group being held liable to compensate for damage, fines being imposed or loss of approvals.

Furthermore, any non-compliance with, for example, the statutory maximum working time may lead to a deterioration in employee relations and expose WISA Group to fines and/or criminal sanctions. Some of WISA Group's contracts may include unfavourable indemnity, warranty and/or limitation of liability clauses, which could result in significant additional costs. Legal disputes, proceedings or investigations may be costly, prolonged and unpredictable in their outcome and divert management's attention away from the day-to-day management of the business. Information on legal disputes, proceedings or investigations may also have a negative effect on WISA Group's reputation among its present or potential customers, vendors, subcontractors, investors and employees and other stakeholders. Legal disputes, environmental permits, proceedings or investigations leading to direct and indirect costs or any restrictions on the conduct of WISA Group's business that may arise as a result may have a material adverse effect on the business, financial position, results of operations, future prospects and/or Share price of WISA Group.

WISA Group may also face losses due to negligent, deliberate, fraudulent or other malicious acts of its employees or third parties. WISA Group's current, former or future employees, agents, subcontractors, external consultants or other intermediaries, may act in violation of applicable legislation, WISA Group's guidelines or its policies, misuse confidential information or trade secrets that are material to WISA Group's operations or divulge such information to third parties. Furthermore, there is a risk that WISA Group's internal guidelines or policies or their supervision may prove insufficient for preventing or detecting misconduct on the part of employees. Negligent, deliberate, fraudulent or other malicious acts of WISA Group's employees or the aforesaid third parties as well as other non-compliance with applicable laws or regulations or WISA Group's guidelines or policies may have a material adverse effect on WISA Group's business through, for example, loss of permits important for WISA Group's business, sanctions imposed, reputational damage or unexpected and unforeseen additional expenses for WISA Group.

Contractual liabilities that are factually, technically or contractually unclear may trigger legal disputes, proceedings or investigations, such as claims for compensation addressed to WISA Group. Additionally, the validity and enforceability of some of WISA Group's contracts could potentially be questioned. Changes in regulatory framework, sudden changes in established interpretations or practices by governments or other regulatory authorities or the loss of benefits associated with a status or an authorisation could require WISA Group to adapt its business activities, re-design or re-engineer existing services, revise its strategy or invest additional resources in process management.

In addition, WISA Group must comply with, among other things, the current and future legislation concerning data usage and sharing that may have an effect on how data can be used for commercial purposes in WISA Group's operations as well as with the current and future legislation concerning cyber security, including any legislation relating to mandatory software updates that are necessary to keep digital content or digital services in conformity. Any such updates to its software of digital solutions may incur additional costs for WISA Group. Contractual, legal and regulatory compliance risks may also arise from operational obligations imposed by authorities or from liabilities arising from mergers and acquisitions. Any of these factors could lead to an increase in WISA Group's expenses, or a slowing or even halting of the development of its business activities and may therefore have a material adverse effect on the business, financial position, results of operations, future prospects and/or Share price of WISA Group.

WISA Group is committed to operate in compliance with applicable laws and regulations and having internal control and procedures in place to avoid risks related to compliance and violations of the law. However, there can be no assurance that such internal control and procedures will enable WISA Group to avoid non-compliance and illegal activities entirely in the future. Materialisation of any of the above factors may increase WISA Group's costs or lead to liability for damages, fines, administrative sanctions or other penalties that undermine WISA Group's reputation and could therefore have a material adverse effect on the business, financial position, results of operations, future prospects and/or Share price of WISA Group.

WISA Group operations are subject to risks related to litigation and compliance that could result in sanctions and fines and have an adverse effect on WISA Group's reputation

WISA Group operates globally in a large number of jurisdictions and is subject to multiple regulatory frameworks at a time of stricter and more complex legislation and increased enforcement activity and initiatives worldwide in areas such as competition law, export control and sanctions, tariffs, data privacy, artificial intelligence, use of data, anti-corruption, human rights, supply chain due diligence, climate change and health and safety regulations. Recent years have also seen an increase in investor and regulatory attention to environmental, social and governance and cybersecurity matters. A lack of harmonisation globally in relation to environmental, social and governance reform or cybersecurity regulations and the different pace at which legislators and regulators across the globe operate adds further complexity to the regulatory environment. WISA Group may from time to time be involved in litigation and other similar proceedings or it could become subject to various claims and actions based on various grounds.

For example, the economic sanctions imposed on Russia and Russia's countersanctions, or other retaliatory measures may increase the risk of litigation and claims in Russia or investigations from the EU, the United States or the United Kingdom in relation to potential violations of sanctions imposed as a result of Russia's war in Ukraine. Notwithstanding WISA Group's efforts to comply with applicable sanctions regimes, there is a risk that WISA Group's products may reach Russia or other sanctioned destinations through third-party sanction circumvention, or WISA Group may otherwise inadvertently breach applicable sanctions. Any such actual or alleged sanctions violation, whether resulting from WISA Group's own conduct or from the conduct of third parties, may expose WISA Group to investigations, fines or reputational damage and restrict its ability to conduct business in key markets.

Globally regulatory enforcement activities and jurisdictional reach regarding competition law issues and anticorruption have increased. There can be no assurance that ongoing or future litigation, claims and disagreements involving WISA Group will not result in material expenses for WISA Group or harm its reputation and thus, have a material adverse effect on WISA Group's business, results of operations and financial condition.

WISA Group is committed to operating in compliance with applicable laws and regulations and to mitigating compliance risks and risks relating to violations of law through internal control and procedures. However, there can be no assurance that WISA Group's internal control measures and procedures will detect and prevent misbehaviour by individual employees, suppliers or third-party intermediaries as well as violations by WISA Group's partners and other companies in which WISA Group has an interest. Breaches of applicable laws and regulations or corporate policies by WISA Group employees may lead to legal processes, sanctions and fines as well as reputational damages effecting WISA Group's operations, which may have a material adverse effect on WISA Group's business, financial condition or results of operations.

WISA Group collects and processes personal data as part of its daily business. Any leakage of such data or failure to process the data in accordance with applicable regulations could have an adverse effect on WISA Group's business and reputation as well as result in claims for damages and regulatory sanctions.

WISA Group processes personal data as part of its business operations, primarily employee data and data relating to business partners and their representatives. Processing of personal data is subject to legislation that sets the requirements for the processing and data security. The EU's General Data Protection Regulation ((EU) 2016/679, the "**GDPR**") is a general regulation on the processing of personal data. The GDPR is specified and supplemented by the Finnish Data Protection Act (1050/2018, as amended) as well as a number of specific laws, such as the Finnish Act on Protection of Privacy in Working Life (759/2004, as amended).

Possible causes of personal data breaches include hacking, malware, encryption errors in information systems, human errors in the processing of personal data in physical or electronic form, errors in the transfer of large amounts of data from one system to another and unauthorised access to personal data by employees or third parties, its disclosure or other unlawful use. If WISA Group fails to comply with applicable regulations regarding the processing of personal data, WISA Group will be exposed to the risk of sanctions, damages and other possible costs. Under the GDPR, a national data protection authority has the power to impose corrective actions, such as a temporary or definitive ban on personal data processing, and to impose administrative fines for breaches of the GDPR up to EUR 20 million or 4 per cent of the total worldwide annual turnover of a company. WISA Group may also need to take corrective actions and change its processes or revise its information systems and related processes to ensure compliance with the GDPR.

The national data protection authority may also order WISA Group to delete personal data on the grounds of a breach of the GDPR and may prohibit WISA Group from processing personal data or restrict such processing temporarily or permanently. The Data Protection Ombudsman of Finland (in Finnish, *tietosuojavaltuutettu*) may impose a conditional fine for the purpose of enforcing an order under certain circumstances. Specific legislation also imposes its own sanctions for non-compliance. WISA Group uses suppliers and other business partners (i.e. processors of personal data) to carry out processing activities on its behalf, and WISA Group's business operations may be adversely affected if these processors fail to comply with the GDPR or contractual obligations relating to data protection. Furthermore, it cannot be fully excluded that WISA Group could face contractual liability in the event a processor acting on behalf of WISA Group would be subject to the GDPR related sanctions. WISA Group's customers may also claim damages from WISA Group, for example, due to administrative fines imposed on customers or damages claims brought against customers, if such fines or claims arise from WISA Group's actions. Compliance with data protection has also emerged as a potential source of dispute, which may result in WISA Group facing disputes with business partners or disagreements in an employment context. Data subjects' growing awareness of their rights, such as the right to erasure or the right to obtain a copy of their data, may also place a burden on WISA Group's operations if such requests are made in large numbers.

Uncertainty still exists with respect to the interpretation of the GDPR. The GDPR may be interpreted and applied inconsistently across member states, and data protection regulations may conflict with other applicable legislation. This increases the risk of unintended regulatory breaches.

Materialisation of the above factors could lead to reputational damage and liability for damages and costs resulting from changes in practices, which could have a material adverse effect on the business, financial position, results of operations, future prospects and/or Share price of WISA Group.

Risks Relating to WISA Group's Financial Position and Financing

WISA Group is exposed to credit and counterparty risks

Credit and counterparty risks materialise when counterparties are unable or unwilling to fulfil their obligations towards WISA Group. WISA Group's results of operations are contingent on the full payments by its customers. The credit risk of WISA Group's customers may be adversely affected by a number of factors outside of the control of WISA Group, including, among other things, market volatility, economic conditions, tariffs, interest rates and inflation, currency fluctuations, diminished liquidity and credit availability. In recent years, the global financial markets have experienced significant disruptions and volatility as a result of, among other things, uncertainty arising from the political situations and geopolitical tensions in various regions, including the United States and its trade policy (including import or export tariffs and sanctions), and the effects of these developments, a slowdown of the European, Chinese and general macro-economic situation, higher inflation and monetary policy changes as well as geopolitical events, such as the ongoing war in Ukraine, the war in Iran and other military conflicts in the Middle East. If WISA Group's customers are not successful in generating sufficient sales or are precluded from securing financing, they may not be able to pay, or may delay payment of, WISA Group's services or accounts receivable owed, or they may need to cancel their existing orders for WISA Group's products.

WISA Group will be exposed to credit and counterparty risks through all of its trade receivables and receivables related to financing. In addition, WISA Group's financing operations, including bank arrangements and potential hedging arrangements related to foreign exchange and electricity, expose WISA Group to counterparty risks. A large part of WISA Group's customer relationships are based on long-term service agreements, and customers are generally not required to provide collateral. Although WISA Group seeks to manage and identify its credit and counterparty risks through various measures, such as assessing the creditworthiness of its customers and advance payments, there can be no assurance that WISA Group can fully manage and identify all its credit and counterparty risks or that its credit and counterparty risks will not increase in the future. Failure by the counterparties to fulfil their obligations towards WISA Group in full, in a timely manner or at all may result in credit losses and may have an adverse effect on WISA Group's cash flows.

Materialisation of any of the above factors could have a material adverse effect on the business, financial position, results of operations, future prospects and/or Share price of WISA Group.

Following the Effective Date, WISA Group will have to secure its financing independently, and WISA Group's financing arrangements will have terms that differ from those of financing obtained or agreed prior to the Effective Date

In the view of UPM's management, WISA Group's working capital is sufficient to cover WISA Group's needs for at least 12 months following the date of this Prospectus (see "*Capitalisation and Indebtedness – Working Capital Statement*"). In connection with the Demerger process, UPM has also on 13 May 2026 agreed on long-term financing arrangements available for WISA Group on the Effective Date, which after the Demerger consist of a EUR 130 million term loan, and a EUR 50 million revolving credit facility. See also "*Operating and Financial Review – Liquidity and Capital Resources – Liquidity*". However, in the future, financing of WISA Group's business or its growth strategy may require new debt or equity financing. In addition, WISA Group may want to or be required to refinance its existing debts and WISA Group's financing arrangements may have terms that differ from those of financing obtained or agreed prior to the Effective Date. There can also be no assurance that WISA Group's future financing arrangements will have terms equally favourable to those of financing obtained or agreed prior to the Effective Date. For example, deterioration of WISA Group's financial position or other internal or external issues could reduce the opportunities of credit institutions to offer WISA Group financing alternatives and/or lead to more unfavourable terms of financing for WISA Group. Additionally, as an independent entity, WISA Group may not have the same negotiating position with its financiers as UPM has had. WISA Group's position as an independent entity may, for example, affect its ability to obtain additional financing with equally favourable terms and conditions as a part of UPM.

The terms of financing available for WISA Group will be affected by the development of WISA Group's business. Exceptional financial market conditions, unfavourable development of the global economy and the level of and changes in interest rates may have an adverse effect on WISA Group's financing expenses or the general availability of financing. Possible fluctuations and uncertainty as well as other potential disturbances or unfavourable developments in the financial markets could also lead to increased costs and weaker availability of external financing needed in order to carry out WISA Group's business.

Failures in the efficient management of capital, including breaches of the financial covenant contained in financing arrangements and financing agreement or negligence related to WISA Group's financing arrangements, could result in premature termination of financing agreements or acceleration of credits and other financing arrangements. Such failures could also result in the triggering of possible cross default clauses in other loan or financing arrangements of WISA Group, which could lead to premature acceleration of these other loan or financing arrangements. This may also hinder the availability of financing for WISA Group and burden WISA Group's liquidity and capital structure. Such events may prevent WISA Group from achieving its targeted gearing, impair its ability to make necessary investments required to maintain and develop its operations, and could ultimately lead to financial distress or insolvency.

Materialisation of any of the above factors could have a material adverse effect on the business, financial position, results of operations, future prospects and/or Share price of WISA Group.

Fluctuations in interest rates and deterioration in WISA Group's creditworthiness may adversely affect WISA Group's business and WISA Group may not succeed in hedging against interest rate risks

WISA Group's interest rate risk is primarily related to loans tied to variable interest rates, with cash flows fluctuating as interest rates change. Interest rates can increase in response to numerous factors outside WISA Group's control, including government and central bank monetary policies. Fluctuations in market interest rates may have an effect on WISA Group's interest outflows and the fair values of interest-bearing loans, receivables and derivative instruments. The long-term financing arrangements agreed by UPM on 13 May 2026 in connection with the Demerger process and available for WISA Group on the Effective Date, which after the Demerger consist of a EUR 130 million term loan and a EUR 50 million revolving credit facility, are tied to variable interest rates.

As part of the Unaudited Pro Forma Financial Information prepared to illustrate the financial impacts of the Demerger, a pro forma adjustment of EUR 134.0 million is recognised under non-current debt in the unaudited pro forma combined balance sheet as at 31 March 2026. See "*Unaudited Pro Forma Financial Information*".

In the event of decreasing interest rates, WISA Group may have to pay higher interest than it would have, had it not hedged its interest rate. In such a case, it would bear the expenses for the hedging without receiving any benefits in the form of reduced risk exposure. Hedging transactions also involve a counterparty risk, where the payment default of a counterparty in a hedging transaction or the premature termination of hedging transactions may lead to higher interest expenses without any benefit from hedging transactions. WISA Group may be unable to obtain or use hedging instruments in accordance with its hedging strategy due to increased expenses or other reasons.

Fluctuations in interest rates and WISA Group's creditworthiness will also have a direct impact on WISA Group's financing expenses. WISA Group's creditworthiness may affect the terms and availability of financing. Should WISA Group's creditworthiness deteriorate, the credit risk associated with WISA Group could increase, which may result in lenders requiring higher credit margins on any financing extended to WISA Group, thereby increasing WISA Group's financing costs. In addition, higher costs of capital resulting from an increase in interest rates will have a direct effect on WISA Group's customers' investment decisions. An increase in interest rates may weaken the financial position of WISA Group's current or potential customers and thereby reduce the demand for WISA Group's products. WISA Group does not generally hedge its interest rate risk, and if it were to hedge its interest rate risk, there can be no assurance that WISA Group's hedging strategy against interest rate fluctuations would be successful or that WISA Group's hedging strategy is sufficient to mitigate the negative impacts that interest rate fluctuations may have on its business operations. Any increase in interest rates or deterioration in WISA Group's creditworthiness could have a material adverse impact on WISA Group's financial position, cost of financing, ability to raise capital, liquidity as well as its future refinancing expenses.

WISA Group is exposed to transaction and translation risks arising from fluctuations in currency exchange rates, and the termination of existing currency hedges upon separation from UPM may result in less favourable hedging arrangements

As a consequence of the global nature of its business, WISA Group is exposed to risks associated with changes in exchange rates, as at the date of this Prospectus primarily with respect to the USD, GBP and DKK, but WISA Group's current and future operations may expose it to risks relating to other currencies as well. Foreign exchange risk arises from contracted and expected commercial future payment flows (transaction exposure), changes in value of recognised assets and liabilities denominated in foreign currency and changes in the value of assets and liabilities in foreign subsidiaries (translation exposure).

Latest upon separation from UPM, existing currency hedges will be terminated and WISA Group will need to establish new currency hedging arrangements independently. It is also possible that WISA Group is not able to establish new currency hedges and hedge against foreign exchange rate risks immediately after UPM terminates the existing hedges. Depending on prevailing market conditions at the time such new hedges are established, they may be entered into at levels significantly less favourable than those of the existing hedges maintained by UPM. This could result in increased hedging costs and reduced effectiveness of WISA Group's currency risk management, which may have a material adverse effect on WISA Group's financial position and results of operations.

WISA Group has certain currency denominated assets and liabilities on its balance sheet in other currencies than its functional currencies. WISA Group aims to hedge this balance sheet translation exposure within the limits set in WISA Group's treasury policy. Derivatives used for hedging translation risks may include external forward contracts.

In addition to the direct effect that these risks could have on WISA Group's earnings and cash flow, fluctuating exchange rates can also have indirect effects, such as change in WISA Group's relative competitiveness between currency regions. Materialisation of any of these risks may have a material adverse effect on WISA Group's business, financial condition or results of operations, and there can be no assurance that the hedging of such risks will be sufficient or even possible.

Potential impairment of subsidiary shares may weaken WISA Group's equity

WISA Group Plc, the parent company to be established in the Demerger, will not itself conduct operative manufacturing activities. Subsidiary shares are expected to constitute a significant portion of WISA Group's parent company's assets. If the results of operations of WISA Group's subsidiaries deteriorate, market conditions change unfavourably, deficiencies arise in the performance of the businesses, or other circumstances emerge that require impairment testing, the carrying value of the shares or other equity interests in subsidiaries may be subject to impairment. Such impairment losses may have a material adverse effect on the WISA Group's parent company's equity.

Any potential impairment of shares or interests in subsidiaries may have a direct negative impact on the distributable equity of WISA Group's parent company. Impairments of subsidiary shares occurring simultaneously, or a significant impairment of receivables from subsidiaries recognized on WISA Group's balance sheet, may have a material adverse effect on WISA Group's parent company's financial position, distributable equity and results of operations.

As a result, such potential impairments may limit WISA Group's ability to distribute dividends in the future. Moreover, the recognition of material impairment losses may adversely affect investors' perception of WISA Group's financial position and solvency.

Changes in tax laws, practices and interpretations or tax and administrative audits may affect the amount of WISA Group's tax liabilities and increase tax uncertainty for WISA Group and its shareholders

Any changes to relevant tax laws, the way they are interpreted and applied or any changes to the current rate of taxes could result in payment increases or sanctions imposed by tax authorities which may, in turn, have a material adverse effect or negative impact, prospectively and/or retroactively, on WISA Group's effective tax rate, business, net assets, financial position, cash flow and returns to the shareholders. Furthermore, changes in tax laws and regulation or their interpretation and application may increase WISA Group's compliance costs to a significant degree, which could have an adverse effect on WISA Group's financial position or results of operations. In addition, any changes in tax laws and taxation practice could also have an adverse effect or negative impact on the shareholders' taxation and the relevant tax rate as well as increase tax uncertainty for WISA Group and its shareholders.

WISA Group's tax returns will be subject to ongoing review by tax authorities. In addition, WISA Group and its subsidiaries may be subject to tax or administrative audits in different jurisdictions according to applicable local rules, including concerning financial periods of WISA Group's subsidiaries preceding the Effective Date. Tax and other governmental authorities (e.g., customs officials) may redetermine the amounts of direct and indirect taxes and other payments payable or receivable by WISA Group and its subsidiaries, including, for example, due to different interpretations of legislation and double tax treaties, which, in turn, may influence the amounts of any future tax assets or liabilities and income tax expenses that WISA Group or its subsidiaries may ultimately recognise. Such redeterminations may result in additional taxes (e.g., income taxes, withholding taxes, real estate taxes, capital taxes, transfer taxes and value added taxes) being assessed, which could lead to an increase in WISA Group's tax liabilities either as a result of the relevant tax payment being imposed directly against WISA Group or as a result of WISA Group becoming liable for it as a secondary obligor.

Unforeseen costs may also arise from protectionist government policies resulting in sudden changes to tax laws or interpretations of laws concerning the operations of foreign companies in certain countries. The actions of tax authorities in different jurisdictions and government policies may lead to conflicting interpretations by tax authorities in different jurisdictions and could increase the risk of multiple taxation as well as costly disputes concerning the taxation of WISA Group, its subsidiaries or potential taxable permanent establishments.

Resulting increases in WISA Group's tax liabilities could have a material adverse effect on the profitability of WISA Group's significant operations and thus result in decreased results of operations at the group level.

WISA Group may be subjected to reversals or reassessments of tax liabilities under transfer pricing and other tax-related regulations

WISA Group operates in jurisdictions that impose transfer pricing and other tax-related regulations, the application of which could have a material adverse effect on WISA Group's profitability. In order to comply with complex and subjective local transfer pricing rules as well as the international standards set out by the Organisation for Economic Cooperation and Development ("**OECD**"), companies must generally conclude any intra-group transactions on an arm's length basis and provide sufficient documentation. UPM has transfer pricing instructions and WISA Group will be required to prepare corresponding instructions. UPM has carried out intra-group transactions between group companies located in different countries and WISA Group will continue to carry out cross border intra-group transactions after the Demerger. Therefore, WISA Group is subject to transfer pricing risks, as authorities may question the conformity of such transactions with the applicable local transfer pricing rules. These risks could be of a one-off nature or recurring risks, and may result in material tax expenses, interest charges and/or penalties, and, in certain cases, the occurrence of double taxation. WISA Group and its subsidiaries may also, from time to time, file ruling requests and other applications regarding transfer pricing to tax authorities for the purposes of ensuring that transactions are taxed in a certain way. It is possible, however, that tax authorities may not approve the applications in the form submitted by the companies, and the companies' taxation assessments could be challenged.

Potential impairments of goodwill, intangible assets and tangible assets could have a material adverse effect on WISA Group's financial position and result of operations

As at 31 March 2026, WISA Group's combined carve-out balance sheet included EUR 13.1 million of goodwill, EUR 7.8 million of other intangible assets and EUR 106.2 million of property, plant and equipment.

Items with indefinite useful lives, such as goodwill are not amortised but instead tested annually for impairment and whenever there are indications of impairment. Changes in cash flow forecasts based on WISA Group's strategic plans, the macroeconomic or underlying market outlook, the discount rate or terminal growth could lead to write-downs on goodwill, which could weaken WISA Group's result. Other events or circumstances that lower the value of goodwill include, among other things, greater economic uncertainty, growing competition and factors leading to a decline in sales or profitability.

Other intangible assets, such as emission right allowances, patents, trademarks, licences, software and capitalised development costs, are particularly susceptible to impairments. In the event that a particular intangible asset would no longer be subject to a reasonable expectation of income e.g. due to technological developments that would render the product obsolete, this could result in a write-down of the intangible assets, which may have a material adverse impact on WISA Group's results of operations. If WISA Group's management's discretion, assumptions or estimates or market conditions change, the estimate of the recoverable amount of goodwill and other intangible assets or tangible assets or the net realisation value of inventories could decline significantly, causing impairments.

Materialisation of any of the above factors may have a material adverse effect on the financial position, results of operations, future prospects, and/or Share price of WISA Group.

Risks Relating to WISA Group's Shares

The market price of the Shares may be volatile, and an active and liquid trading market may not develop for the Shares

WISA Group's Shares have not been previously traded on a regulated market or multilateral trading facility, and there is no assurance that an active and liquid market will develop for the Shares after the Listing. In addition, concentration of the ownership in WISA Group may reduce the influence of other shareholders in WISA Group and reduce the liquidity of the Shares. Therefore, the price and liquidity of the Shares are uncertain.

The market price of the Shares may fluctuate significantly, and such fluctuations could be caused, among other things, by the market's perception, public discussion and news relating to WISA Group's field of business, planned and implemented changes in the legislation applied to WISA Group's operations or changes in WISA Group's results of operations or the development of its business operations. The prices and trading volumes of Shares may fluctuate on the stock markets, and this may impact the prices of securities and may not have any connection to the performance or prospects of WISA Group's business. A decline in share prices may have a material adverse effect on the demand for and liquidity of the Shares, and there can be no assurance that the market price of the Shares will not fluctuate or decrease significantly, or that investors will be able to sell the Shares they acquire should they so wish.

Further, the prices of shares traded publicly on a regulated market for the first time have been subject to considerable price fluctuations for periods of time, which may not have corresponded to the business or financial success of the particular company issuing such shares. Due to this, the market price of the Shares may fluctuate significantly.

There can be no assurance of distribution of dividends or repayment of capital to the shareholders in the future

Under the provisions of the Finnish Companies Act, the amount distributed by WISA Group as dividends may not exceed the amount of distributable funds shown on its latest unconsolidated parent company audited financial statements adopted by the general meeting of shareholders. In the distribution of WISA Group's assets, material changes in WISA Group's financial position that have occurred after the preparation of the financial statements must also be taken into account. The possible distribution of dividends depends, among other things, on WISA Group's and its subsidiaries' results of operations, financial position, cash flow, need for working capital, investments, future outlook, ability to upstream any income to WISA Group from its subsidiaries and other factors. Under the Finnish Companies Act, the distribution of WISA Group's funds is not permitted if the distribution would jeopardise WISA Group's solvency. According to WISA Group's planned dividend policy, WISA Group aims to distribute approximately 50 per cent of the profit for the financial year as dividend. Notwithstanding this policy, WISA Group will evaluate the preconditions for the distribution of dividends in connection with the dividend distribution resolution so that the distribution does not jeopardise the growth objective set out in WISA Group's strategy or WISA Group's development or jeopardise WISA Group's financial position. The amount of any dividends to be potentially paid by WISA Group in any given financial year is thus uncertain. Further, the shareholders of WISA Group should not consider past dividends paid by UPM to be an indication of any dividends to be paid by WISA Group in the future. See also "*Shares and Share Capital – Dividends*".

Certain foreign shareholders may be unable to exercise their right to vote

Shareholders that are not Finnish natural persons or legal entities and that manage their Shares through a nominee register may not necessarily be able to exercise their shareholders' right through the management chain. Holders of nominee registered Shares are not able to directly exercise their right to vote at a general meeting unless the holder of nominee registered Shares has been temporarily entered into WISA Group's register of shareholders, which is prepared for each general meeting no later than on the date mentioned in the notice of the general meeting. Since making such a temporary entry requires actions not only from the shareholder but also from the custodian bank and the custodian bank's account operator, it is possible that the entry cannot be registered within the time limit.

Certain foreign shareholders may not necessarily be able to exercise their subscription rights or other shareholders' rights

Under the Finnish Companies Act, shareholders have pre-emptive rights in proportion to their holdings in case WISA Group issues new shares or securities entitling to subscription of new shares unless the resolution to issue new shares provides otherwise. Certain shareholders of WISA Group who reside in, or whose registered address is located in, certain countries other than Finland, including shareholders in the United States or in the United Kingdom, may not necessarily be able to exercise their subscription rights in possible future share issues, unless the shares have been registered according to the securities legislation of the relevant jurisdiction or in an otherwise similar manner, or unless a derogation from the registration or other equivalent regulations provided in the applicable legislation is available. No assurance can be given that local requirements will be met so as to enable the exercise of such shareholders' pre-emptive rights or participation in any rights offer.

This may lead to the dilution of such shareholders' ownership in WISA Group or to potential tender offers not being made to shareholders in certain countries. A foreign shareholder's right to have access to information concerning share issues and other important transactions may also be restricted due to the legislation of the relevant jurisdiction. See "*Shares and Share Capital – Shareholder Rights*" for further information.

In addition, it may be difficult for shareholders located in the United States to enforce their rights and claims arising under U.S. federal securities laws, as neither UPM nor WISA Group is incorporated in the United States, and some or all of the members of the management or the Board of Directors of UPM and WISA Group may be residents of countries other than the United States. Shareholders located in the United States may not be able to bring actions against a company incorporated outside the United States or its members of the management or the Board of Directors in courts outside the United States for violations of U.S. securities laws. Furthermore, it may be difficult to oblige a company incorporated outside the United States and its group companies to comply with a judgement of a U.S. court.

Investors with a reference currency other than the euro will be exposed to certain foreign exchange risks when investing in the Shares

The Shares will be priced and traded in euro in trading maintained by Nasdaq Helsinki. Any future payments of dividends on the Shares will also be denominated in euro. Furthermore, the market price of the Shares as expressed in other currencies may fluctuate in part due to changes in exchange rates. This could further affect the value of the Shares, any dividends paid on the Shares and other distributions of unrestricted equity, such as capital repayments, for investors whose principal or reference currency is not the euro. In addition, exchanging euros into another currency may cause such investors to incur additional transaction costs.

Future share issues, divestments or other disposals may affect the value of the Shares or dilute the shareholders' relative holdings as well as their voting rights

Any potential future issues or sales of WISA Group's Shares or an understanding that such issues or sales may occur in the future may have an adverse effect on the market value of the Shares and on WISA Group's ability to acquire equity capital funding in the future. Furthermore, if WISA Group requires equity capital funding, in addition to debt financing, by new share issues or by other means, WISA Group may need to arrange new share issues in which the shareholders hold pre-emptive subscription rights or directed share issues that deviate from the shareholders' pre-emptive subscription rights if the general meeting resolves on such share issues or grants WISA Group's Board of Directors the authorisation to carry out such share issues. Directed share issues can also be arranged in conjunction with incentive programmes for WISA Group's management and employees, to implement acquisitions or for other reasons if WISA Group has a weighty financial reason for a directed share issue. Directed share issues and share issues that include subscription rights in which existing shareholders do not participate or participate in only in part will dilute the relative holdings of shareholders in WISA Group.

Risks Relating to the Listing

The Listing may be delayed or cancelled, which could increase the costs arising from the Listing and cause the Listing to require more resources from UPM's and WISA Group's management and other personnel

There can be no certainty that the Listing will be completed as UPM has planned or at all. The Listing may fail due to, among others, issues relating to the execution of the Listing or the Demerger (e.g. if the General Meeting of UPM does not approve of the Demerger, the Demerger is delayed or cancelled), decisions made by authorities, requirements set by Nasdaq Helsinki or other factors that are beyond UPM's control. Internal preparations to meet the technical requirements set for a listed company are still ongoing for WISA Group and WISA Group has internal timetables and detailed action plans to finalise the pending work. If the planned development work is not performed or the timetable is not followed, it is possible that WISA Group does not meet the requirements set for a listed company which may lead to a delay in the Listing or its cancellation. It is also possible that Nasdaq Helsinki does not accept WISA Group's listing application or that the Demerger is not completed in time or at all, both which may lead to a delay in the Listing or its cancellation, as well as cause significant additional expenses and administrative burden. In addition, the expected benefits of the Demerger may not materialise as anticipated or at all. If the Demerger is not completed and the Listing does not take place, the costs incurred in connection with the Demerger and the preparation for the Listing will be borne by UPM. The resources and time spent directly on the Demerger process by UPM and WISA Group's proposed management and personnel will in such case be lost. See also "*– Risks Relating to the Demerger – There is no certainty that the Demerger will be completed, or the completion may be delayed, and any delay in the completion of the Demerger could result in increased expenses and require increased resources from the UPM management and other personnel*" above.

The Listing involves additional costs and new obligations, the fulfilment of which leads to new expenses; WISA Group may also fail to ensure compliance with the new obligation

UPM intends to submit, on behalf of WISA Group, a listing application to Nasdaq Helsinki to list the Shares on the regulated market of Nasdaq Helsinki. WISA Group and UPM will incur significant costs relating to the Listing and related preparations, and there can be no assurance that the management's estimate of such costs would correspond the actual costs incurred. The non-recurring transaction costs relating to the Listing and the separation from UPM may prove significantly higher or more difficult to predict than the management has estimated. In addition to non-recurring costs, the Listing will generate additional administrative costs for WISA Group, which have been assumed by UPM prior to the completion of the Demerger. As a result of the Listing, WISA Group will be required to meet regulatory requirements pertaining to entities with shares admitted to trading on Nasdaq Helsinki, in particular with respect to the management, planning, disclosure and control systems and financial reporting, and WISA Group must allocate staff and resources to such purposes. There can be no assurance that WISA Group will be able to fulfil all new obligations, and failure to do so may subject WISA Group to sanctions under securities market regulation or cause reputational damage. Increased costs resulting from the Listing or issues related to compliance with the requirements set for listed companies could have a material adverse effect on WISA Group's business, financial position, results of operations and future prospects and/or Share price.

COMPANY, BOARD OF DIRECTORS, AUDITORS AND ADVISERS

Company

WISA Group Plc
c/o UPM-Kymmene Corporation
Alvar Aallon katu 1
FI-00100 Helsinki, Finland

Members proposed to be elected to the Board of Directors of the Company

Name	**Position**
Tapio Korpeinen	Chair of the Board of Directors
Mats Nordlander	Deputy Chair of the Board of Directors
Sakari Ahdekivi	Member of the Board of Directors
Frank Herrmann	Member of the Board of Directors
Nina Kiviranta	Member of the Board of Directors
Emmanuelle Picard	Member of the Board of Directors

The business address of all members of the Board of Directors is expected to initially be WISA Group Plc, c/o UPM-Kymmene Corporation, Alvar Aallon katu 1, FI-00100 Helsinki, Finland.

Proposed Auditor of the Company

Ernst & Young Oy
Authorised Public Accountants
Korkeavuorenkatu 32–34
FI-00130, Helsinki, Finland
Auditor in charge: Kristina Sandin
Authorised Public Accountant

Financial Adviser

Nordea Bank Abp
Satamaradankatu 5
FI-00020 Nordea
Finland

Legal Advisers to the Company

In relation to Finnish law
Hannes Snellman Attorneys Ltd
Eteläesplanadi 20
FI-00130 Helsinki
Finland

In relation to U.S. law
Freshfields LLP
100 Bishopsgate
London EC2P 2SR
United Kingdom

CERTAIN MATTERS

Parties Responsible for the Prospectus and the Statement Regarding the Prospectus

UPM-Kymmene Corporation, the demerging company:

Company	UPM-Kymmene Corporation
Business identity code	1041090-0
Legal entity identifier (LEI)	213800EC6PW5VU4J9U64
Domicile	Helsinki, Finland
Registered office	Alvar Aallon katu 1, FI-00100 Helsinki, Finland
Telephone	+358 20 415 111
Website	https://www.upm.com/

WISA Group Plc, the receiving company:

WISA Group will not be incorporated until the Effective Date and, therefore, the following information is based on the Demerger Plan and information available as at the date of this Prospectus regarding WISA Group's business.

Future company name	WISA Group Plc
Business identity code	3621888-8
Legal entity identifier (LEI)	636700YPKFQBT89PU933
Domicile	Helsinki, Finland
Registered office	c/o UPM-Kymmene Corporation, Alvar Aallon katu 1, FI-00100 Helsinki, Finland
Telephone	+358 20 415 113

UPM accepts responsibility for the information included in this Prospectus and declares that the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and that the Prospectus contains no omission likely to affect its import.

UPM has prepared this Prospectus on behalf of WISA Group as WISA Group will be incorporated on the Effective Date, which is expected to be on 31 October 2026. WISA Group will be a public limited liability company incorporated in Finland and governed by the laws of Finland. Insofar as this Prospectus concerns WISA Group, WISA Group accepts responsibility for the information included in this Prospectus after its incorporation according to the Demerger Plan.

Forward-Looking Statements

The Prospectus includes forward-looking statements. These statements are not necessarily based on historical facts, but they are statements concerning future expectations. Forward-looking statements have been set forth in several parts of this Prospectus, such as under sections "*Summary*", "*Risk Factors*", "*Market and Industry Review*", "*Business of WISA Group*" and "*Operating and Financial Review*" as well as in other such parts of this Prospectus which contain information on WISA Group's business-related future results, plans and expectations, including its strategic plans, plans for growth and profitability, and general financial situation. Such presented statements are based on current views, perceptions, plans, estimates and forecasts of UPM and information currently available for the management of UPM, and thus such statements may be considered as forward-looking statements. Among others, statements that include the words "believe", "expect", "anticipate", "intend", "plan", "estimate", "assume", "may", "aim", "could" or other similar verbs or expressions may be considered as forward-looking statements. Other forward-looking statements can be identified from the context in which such statements have been made.

These forward-looking statements rest on certain expectations and assumptions that are currently justifiable, which may turn out to be incorrect. Shareholders should not rely on these forward-looking statements. Numerous factors of uncertainty may lead to WISA Group's actual results of operations or its financial position differing materially from the results of operations or financial position that are expressly described in or may be concluded from the forward-looking statements included in this Prospectus.

Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, level of performance or achievements of WISA Group, or industry results, to differ even materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Material risks concerning WISA Group are presented in the section titled "*Risk Factors*" in this Prospectus. The aforesaid list is not exhaustive, and new risks may emerge from time to time. Should one or more of these or other risks materialise, or should any underlying assumptions prove to be incorrect, WISA Group's actual results of operations or financial position could differ materially from what has been described as expected, believed, estimated or anticipated in this Prospectus.

Availability of the Prospectus

The Finnish Prospectus will be available on or about 16 July 2026 on UPM's website at https://www.upm.com/fi/sijoittajat/jakautuminen/. Furthermore, this English translation of the Prospectus will be available on or about 16 July 2026 on UPM's website at https://www.upm.com/investors/demerger/.

The FIN-FSA has, in its capacity as competent authority under the Prospectus Regulation, approved the Finnish Prospectus on 16 July 2026. The journal number of the FIN-FSA's approval of the Finnish Prospectus is FIVA/2026/954. The FIN-FSA's address is P.O. Box 103, FI-00101 Helsinki, Finland, its telephone number is +358 9 183 51 and its email address is kirjaamo@finanssivalvonta.fi.

Presentation of Financial and Certain Other Information

Carve-out Financial Information of WISA Group

The historical financial information of WISA Group included in this Prospectus has been extracted from the audited WISA Group carve-out financial statements as at and for the years ended 31 December 2025, 2024, 2023 and the unaudited carve-out financial information of WISA Group as at and for the three months ended 31 March 2026, including unaudited comparative financial information as at and for the three months ended 31 March 2025. The carve-out financial information of WISA Group has been prepared in accordance with the International Financial Reporting Standards adopted for use in the EU (the "**IFRS Accounting Standards**"), under consideration of the principles for determining which assets and liabilities, income and expenses and cash flows are to be assigned to WISA Group as described in Note 1 to the audited WISA Group carve-out financial statements as at and for the years ended 31 December 2025, 2024 and 2023 included in the F-pages to this Prospectus.

The WISA Group carve-out financial statements as at and for the years ended 31 December 2025, 2024 and 2023 have been audited by Ernst & Young Oy, Authorised Public Accountants, with Authorised Public Accountant Mikko Järventausta as the auditor with the principal responsibility. The independent auditor's report on the audit for WISA Group carve-out financial statements is included in the F-pages of this Prospectus. The independent auditor's report includes an emphasis of matter paragraph. In this paragraph, the independent auditor draws attention to, as it is described in Note 1.2 to carve-out financial statements for the years ended 31 December 2025, 2024 and 2023, that WISA Group has not formed a standalone legal group during the financial years presented. Therefore, the carve-out financial statements are not necessarily indicative of the financial performance, financial position and cash flows of WISA Group if it had operated as a standalone legal group during the financial years presented, nor WISA Group's future performance. The opinion has not been modified in respect of this matter. The auditor's report also includes a qualification in which the auditor notes that Ernst & Young Oy, the audit firm that audited the carve-out financial statements of WISA Group, has acted as auditor of the entities related to the carve-out financial statements only since the financial year 2024 and, accordingly, did not observe the physical inventory count at the beginning of 2023. The auditor has not been able to obtain sufficient appropriate audit evidence regarding the quantity of inventory as at 1 January 2023 by alternative means. As the opening inventory balances at 1 January 2023 affect the financial result and cash flows, the auditor has been unable to determine whether any adjustments would have been necessary to the profit for the financial year 2023 and the cash flows from operating activities presented in the cash flow statement.

The WISA Group carve-out financial statements for the financial years ended 31 December 2025, 2024 and 2023 have been prepared on a carve-out basis from UPM's audited consolidated financial statements and the carve-out financial information for the three months ended 31 March 2026 on a carve-out basis from UPM's unaudited consolidated interim financial information using the historical income and expenses, assets and liabilities and cash flows attributable to the UPM Plywood business area. The carve-out financial statements include the allocation of income, expenses, assets, liabilities and cash flows which are based on management judgement, assumptions and estimates as described below in section "*Operating and Financial Review – Carve-out Financial Information and Factors Affecting Comparability*". The most significant estimates, judgements and assumptions relate to the allocation of the costs of certain centrally provided services, cash management and financing and invested equity.

The WISA Group carve-out financial statements have been prepared in accordance with IFRS Accounting Standards, taking into account the principles described in Note 1 of the audited carve-out financial statements for the financial years ended 31 December 2025, 2024 and 2023 included in the F-pages to this Prospectus and described in summary in the section "*Operating and Financial Review – Carve-out Financial Information and Factors Affecting Comparability – Carve-out Principles Applied in Preparing WISA Group's Carve-out Financial Information*", in accordance with which the assets and liabilities, income and expenses and cash flows attributable to WISA Group have been determined. The unaudited carve-out financial information of WISA Group as at and for the three months ended 31 March 2026, including unaudited comparative carve-out financial information as at and for the three months ended 31 March 2025, has been prepared in accordance with "IAS 34 – Interim Financial Reporting" taking into account the carve-out principles as described above.

Accordingly, the carve-out financial information of WISA Group does not necessarily reflect what WISA Group's results of operations, financial position or cash flows would have been had WISA Group operated as an independent company and had it presented standalone financial information during the periods presented. Moreover, the carve-out financial information of WISA Group may not be indicative of WISA Group's future results of operations, financial position or cash flows. See also "*Operating and Financial Review – Carve-out Financial Information and Factors Affecting Comparability*".

Unaudited Pro Forma Financial Information

This Prospectus includes Unaudited Pro Forma Financial Information illustrating the effect of the Demerger to WISA Group's historical carve-out financial information had the Demerger been consummated at an earlier point in time. The Unaudited Pro Forma Financial Information is prepared for illustrative purposes only.

The unaudited pro forma combined income statement for the financial year ended 31 December 2025 and the unaudited pro forma combined income statement for the three months ended 31 March 2026 give effect to the Demerger as if it had occurred on 1 January 2025. The unaudited pro forma combined balance sheet as at 31 March 2026 illustrates the impact of the Demerger as if it had occurred on that date.

Because of its nature, the Unaudited Pro Forma Financial Information illustrates the hypothetical impact of the Demerger if the Demerger had been consummated at the date assumed in the Unaudited Pro Forma Financial Information, and, therefore, does not represent the actual results of operations or financial position of WISA Group. The Unaudited Pro Forma Financial Information is not intended to project the results of operations or financial position of WISA Group as of any future date and does not represent the results of operations or financial position had WISA Group been an independent listed company for the periods presented.

The Unaudited Pro Forma Financial Information reflects adjustments to the historical carve-out financial information to give pro forma effect to events that are directly attributable to the Demerger and are factually supportable. The pro forma adjustments are based upon available information and certain assumptions, which are described in the accompanying notes to the Unaudited Pro Forma Financial Information. There can be no assurance that the assumptions used in the preparation of the Unaudited Pro Forma Financial Information will prove to be correct. In addition, WISA Group's effective tax rate may differ in the future depending on its operations following the Demerger, such as funding needs, the geographical distribution of income, and tax-related regulatory changes and measures.

The Unaudited Pro Forma Financial Information has been prepared in accordance with Annex 20 to the Commission Delegated Regulation (EU) 2019/980 and on a basis consistent with the IFRS Accounting Standards applied by WISA Group and consistent with the carve-out principles described in Note 1 to the audited carve-out financial statements included in the F-pages to this Prospectus. The pro forma financial information is unaudited.

The Unaudited Pro Forma Financial Information has been extracted from WISA Group's audited carve-out financial statements as at and for the year ended 31 December 2025 and unaudited carve-out financial information as at and for the three months ended 31 March 2026 and UPM management's estimate of the assets and liabilities to be transferred to WISA Group and the costs related to the Demerger and Listing, for which WISA Group is responsible in accordance with the Demerger Plan.

The final amounts of assets and liabilities transferred to WISA Group in the Demerger may materially differ from those presented in the Unaudited Pro Forma Financial Information as such balances will be determined based on the carrying values of the transferring assets and liabilities on the Effective Date of the Demerger. This could result in a significant variation in the results of operations and financial position of WISA Group in the future compared to the Unaudited Pro Forma Financial Information.

The Unaudited Pro Forma Financial Information does not include all of the information required for financial statements under IFRS Accounting Standards and should be read together with WISA Group's carve-out financial information and any other information included in this Prospectus. See also "*Risk Factors – Risks Relating to the Demerger – WISA Group's carve-out financial information and pro forma financial information may not give an accurate view of WISA Group's business, financial position and results of operations*".

Alternative Performance Measures

This Prospectus includes certain performance measures of WISA Group's historical financial performance or financial position, which, in accordance with the "*Alternative Performance Measures*" guidance issued by the European Securities and Markets Authority ("**ESMA**"), are not accounting measures defined or specified in IFRS Accounting Standards and therefore are considered as alternative performance measures.

WISA Group presents the following alternative performance measures:

- EBITDA
- EBITDA, % of sales
- Items affecting comparability, total
- Comparable EBITDA
- Comparable EBITDA, % of sales
- Comparable profit before tax
- Comparable profit for the period
- Capital expenditure
- Items affecting comparability in operating profit
- Sales growth, %
- Operating profit
- Operating profit, % of sales
- Comparable EBIT
- Comparable EBIT, % of sales
- Capital employed
- Return on capital employed (ROCE), %
- Comparable ROCE, %

For the detailed definitions and reasons for the use of these alternative performance measures, see "*Selected Combined Carve-out Financial Information – The Definitions and Reasons for the Use of Financial Key Indicators*". The reconciliation of alternative performance measures is presented in "*Selected Combined Carve-out Financial Information – Reconciliation of Alternative Performance Measures*".

WISA Group presents the alternative performance measures as additional information to the financial measures presented in the combined income statement, combined statement of comprehensive income, combined balance sheet, and the notes to the carve-out financial statements, all prepared in accordance with IFRS Accounting Standards. In WISA Group's view, alternative performance measures provide management, investors, securities market analysts, and other parties with relevant and useful additional information on the results of operations and financial position of WISA Group.

Alternative performance measures should not be viewed in isolation or as a substitute to the financial measures defined or specified in IFRS Accounting Standards. All companies do not calculate alternative performance measures in a uniform way, and therefore, the alternative performance measures presented in this Prospectus may not be comparable with similarly named measures presented by other companies.

The alternative performance measures are unaudited except for operating profit for the years ended 31 December 2025, 2024 and 2023, which are audited.

Alternative Performance Measures on pro forma basis

The Demerger and the related transactions will have an impact on WISA Group's performance and financial position and as such have an impact on comparability of the historical carve-out financial information for the periods presented. Consequently, certain key figures on WISA Group's business performance are presented on a pro forma basis for the financial year ended 31 December 2025 and for the three months ended 31 March 2026 to illustrate what the hypothetical impact would have been if the Demerger had been consummated at the date assumed in the Unaudited Pro Forma Financial Information. The pro forma key figures are presented for illustrative purposes only, and do not represent actual results of operations or financial position of WISA Group. For a basis of preparation and notes disclosure for the additional Unaudited Pro Forma Financial Information, see section "*Unaudited Pro Forma Financial Information*".

The unaudited pro forma key figures are considered as alternative performance measures, as they are not measures defined or specified under IFRS Accounting Standards. The alternative performance measures are presented as additional information to the financial measures presented in the historical carve-out financial information prepared in accordance with IFRS Accounting Standards. Management believes the unaudited pro forma key figures to be a meaningful supplement to management, investors, analysts and other parties on WISA Group's results of operations and financial position.

WISA Group presents the following alternative performance measures on a pro forma basis:

- Operating profit
- Operating profit, % of sales
- EBITDA
- Items affecting comparability in total
- Comparable EBITDA
- Comparable EBIDTA, % of sales
- Comparable profit for the period
- Comparable EBIT
- Comparable EBIT, % of sales
- Net debt
- Net debt / Comparable EBITDA
- Return on equity (ROE)
- Items affecting comparability in operating profit

Rounding

The figures presented in this Prospectus, including the financial information, have been subject to rounding. Accordingly, in certain instances, the sum of the numbers in a column or row may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in this Prospectus reflect calculations based upon the underlying information prior to rounding and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

Currencies

As used herein, references to “euro”, “EUR” or “€” are to the euro, the lawful currency of the participating member states in the Third Stage of the Economic and Monetary Union of the Treaty Establishing the European Community.

Market and Industry Information

This Prospectus includes information on the market environment, market size and developments, market shares, market positions, market trends, estimates and forecasts and on the competitive situation in the markets and regions in which WISA Group operates. The information is based on various sources, including the Company’s management’s view and publicly available sources, such as FAOSATS (Food and Agriculture Organization Corporate Statistical Database) and COMTRADE (The United Nations Comtrade database) and information obtained in other ways. The historical market data is compiled from statistics and information from industry associations, country organisations and other market data providers, information supplied by, or on behalf of, UPM, and publicly available information from other sources. Certain of the market estimates and forecasts contained in this Prospectus are based on the analysis by UPM based on its own information and information derived from third-party sources concerning the factors affecting the growth of the markets and their forecasted development.

The statements in this Prospectus on WISA Group, its market position, and other companies operating in its market areas are based solely on the investigations and assessments of UPM, as well as other sources which UPM deems reliable. However, UPM cannot guarantee that any of these statements are accurate or give an accurate description of WISA Group’s position in its market, and none of UPM’s internal investigations or information has been verified using external sources.

Information Derived from Third-Party Sources

Where certain information contained in this Prospectus has been derived from third-party sources, such sources have been identified herein. UPM confirms that such third-party information has been accurately reproduced in the Prospectus and that as far as UPM is aware and has been able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information misleading or inaccurate.

Website Information

UPM will publish this Prospectus and any supplements thereto on its website. The contents of UPM’s website (https://www.upm.com/) or any other website do not form part of this Prospectus, and prospective investors should not rely on such information in making their decision to invest in securities.

Notice to Shareholders in the United Kingdom

No Demerger Consideration Shares have been offered or will be offered pursuant to this offering to the public in the United Kingdom, except that the Demerger Consideration Shares may be offered to the public in the United Kingdom at any time:

a) to any qualified investor as defined in paragraph 15 of Schedule 1 of the POATR;

b) to fewer than 150 persons (other than qualified investors as defined in paragraph 15 of Schedule 1 of the POATR), subject to obtaining the prior consent of UPM for any such offer; or

c) in any other circumstances falling within Part 1 of Schedule 1 of the POATR.

For the purposes of this provision, the expression an “**offer to the public**” in relation to any Demerger Consideration Shares in the United Kingdom means the communication to any person which presents sufficient information on: (a) the Demerger Consideration Shares to be offered; and (b) the terms on which they are to be offered, to enable an investor to decide to buy or subscribe for the Demerger Consideration Shares, and the expression “**POATR**” means the Public Offers and Admissions to Trading Regulations 2024.

In the United Kingdom, this Prospectus is for distribution only to, and is only directed at, persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (as amended, the "**FSMA**") (Financial Promotion) Order 2005 (as amended, the "**Financial Promotion Order**"), (ii) are persons falling within Article 43 of the Financial Promotion Order (for example as shareholders in UPM entitled to receive the Demerger Consideration Shares pursuant to the Finnish Companies Act), (iii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) in connection with the issue or sale of the Demerger Consideration Shares may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "**Relevant Persons**"). This Prospectus is directed only at Relevant Persons and must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this document relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

Notice to Shareholders in the European Economic Area

This Prospectus has been prepared on the basis that any offer of the Demerger Consideration Shares in any Member State of the European Economic Area ("**EEA**") other than offers (the "**Permitted Public Offers**") which are made prior to the Effective Date, and which are contemplated in the Prospectus in Finland once the Finnish Prospectus has been approved by the competent authority in Finland and published in accordance with the Prospectus Regulation, and in respect of which UPM has consented in writing to the use of the Prospectus, will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of the Demerger Consideration Shares. Accordingly, any person making or intending to make an offer in that Member State of the Demerger Consideration Shares which are the subject of the offer contemplated in this Prospectus, other than the Permitted Public Offers, may only do so in circumstances in which no obligation arises for UPM to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer. UPM has not authorised, nor does it authorise, the making of any offer (other than Permitted Public Offers) of the Demerger Consideration Shares in circumstances in which an obligation arises for UPM to publish or supplement a prospectus for such offer.

In relation to each Member State of the EEA no offer has been made and will not be made (other than a Permitted Public Offer) of the Demerger Consideration Shares which are the subject of the offering contemplated by this Prospectus to the public in that Member State, except that an offer of such Demerger Consideration Shares is made to the public in that Member State:

a) to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) as permitted under the Prospectus Regulation, subject to obtaining the prior consent of UPM for any such offer; or

c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no offer of the Demerger Consideration Shares is made which would require UPM to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

In this section, the expression an offer of the Demerger Consideration Shares to the public in relation to any Demerger Consideration Shares in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Demerger Consideration Shares to be offered so as to enable an investor to decide to purchase or subscribe to the Demerger Consideration Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Regulation in that Member State.

The expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129 (as amended) and includes any relevant implementing measure in the EEA Member State concerned.

CERTAIN IMPORTANT DATES

29 April 2026	Publication of the Demerger Plan and stock exchange release related to the Demerger
On or about 16 July 2026	Finnish Prospectus and Prospectus available
16 July 2026	Notice to the General Meeting of UPM
19 August 2026	Record date for the General Meeting of UPM
26 August 2026	The last day for the holders of nominee registered shares in UPM to become registered in the temporary shareholders' register maintained by Euroclear Finland in order to obtain the right to participate in the General Meeting of UPM
31 August 2026	General Meeting of UPM
30 October 2026	The date of which UPM's shares registered on a UPM's shareholder's book-entry account will entitle to the Demerger Consideration (provided that the Effective Date is 31 October 2026)
31 October 2026	Planned Effective Date (provided that the conditions for the completion of the Demerger are fulfilled)
On or about 2 November 2026	Demerger Consideration Shares registered in the book-entry accounts of the shareholders of UPM (provided that the Effective Date is 31 October 2026)
On or about 2 November 2026	Trading in the Shares commences on the regulated market of Nasdaq Helsinki (provided that the Effective Date is 31 October 2026)

SUMMARY OF THE DEMERGER

The description below provides a general overview of the Demerger and WISA Group, and is based on, among other things, the assumption that the Demerger will be completed in the manner and within the timetable planned in this Prospectus. However, there can be no assurance that the Demerger will be completed within the timetable planned in this Prospectus or at all, either of which could result in any statement on WISA Group below being unfulfilled. See "Risk Factors – Risks Relating to the Demerger".

General Description

UPM announced on 29 April 2026 that the Board of Directors of UPM has approved the Demerger Plan and the Board of Directors of UPM has on 16 July 2026 proposed that the General Meeting would resolve upon the Demerger in accordance with the Demerger Plan. The Demerger is a partial demerger of UPM, in which all assets and liabilities of UPM relating to the UPM Plywood business area or predominantly serving it be transferred without liquidation to WISA Group to be incorporated in the Demerger as set out in the Demerger Plan. UPM shall not be dissolved as a result of the Demerger. Assets and liabilities that do not relate to, or predominantly serve, the UPM Plywood business area shall remain with UPM in the Demerger. The Demerger shall be carried out in accordance with Chapter 17 of the Finnish Companies Act and Section 52 c of the Finnish Business Income Tax Act (360/1968, as amended) as a tax-neutral demerger, of which UPM has received an advance ruling from the Finnish Tax Administration.

The purpose of the Demerger is to separate the UPM Plywood business area from UPM into a standalone company. WISA Group will be listed as a new publicly listed company as a part of the arrangement. According to the assessment of the Board of Directors of UPM, the separation of WISA Group into a new publicly listed company would increase shareholder value by creating a business platform focused solely on pursuing and implementing the strategic priorities and growth opportunities of plywood production. The separation will also simplify governance and decision-making structures, foster more direct accountability and enable UPM's focus on its core businesses. The separation will also provide increased visibility to investors into WISA Group's key value drivers, which can facilitate the fair valuation of the business and provide more flexibility for accessing external capital. The separation further allows WISA Group to attract new investors who are interested in investing directly in a company focused on high value-added end markets, serving demanding customer segments such as construction, LNG shipbuilding and vehicle flooring solutions. In this way, the separation also supports value creation for UPM's current shareholders.

The Board of Directors of UPM has on 16 July 2026 proposed that the General Meeting would resolve on the approval of the Demerger in accordance with the Demerger Plan. New resolutions may, if necessary, be subsequently made at a general meeting of UPM to be held prior to the Effective Date. If the Board of Directors of UPM concludes that completion of the Demerger is no longer in the best interest of UPM and its shareholders due to a change in circumstances that has occurred or arisen after the Demerger Plan has been signed, the Board of Directors of UPM may, at any time prior to the completion of the Demerger (also after the General Meeting), resolve that UPM will not complete the Demerger. In such case, the Demerger will lapse.

The shareholders of UPM will receive as Demerger Consideration one (1) Demerger Consideration Share in WISA Group for each share owned in UPM. Thus, all Shares in WISA Group will be issued to UPM's shareholders in proportion to their shareholdings in the Demerger. Save for the Demerger Consideration to be issued in the form of Demerger Consideration Shares in WISA Group, no other consideration will be issued to the shareholders of UPM in the Demerger. No Demerger Consideration will be issued to the treasury shares in UPM's possession in accordance with Chapter 17, Section 16, Subsection 3 of the Finnish Companies Act. There is one (1) share class in WISA Group, and the Shares in WISA Group do not have a nominal value.

The Demerger Consideration will be issued to the shareholders of UPM on the Effective Date or as soon as possible thereafter. The Demerger Consideration will be issued through the book-entry securities system maintained by Euroclear Finland based on the number of shares in UPM registered in the book-entry accounts of UPM's shareholders on the Effective Date in the proportion set out in the Demerger Plan. The Demerger Consideration will be distributed automatically, and no action is required from the shareholders of UPM in relation thereto. As the Demerger is a partial demerger into a company to be incorporated pursuant to the Finnish Companies Act, the shareholders of UPM do not have the right to demand that the Demerger Consideration be redeemed.

The final total number of Demerger Consideration Shares issued as Demerger Consideration will be determined based on the number of shares in UPM held by others than UPM itself on the Effective Date. As at the date of this Prospectus, UPM holds 411,653 treasury shares. As at the date of this Prospectus, the total number of Demerger Consideration Shares to be issued as Demerger Consideration would consequently be 527,324,046 Shares. The final total number of Demerger Consideration Shares and Shares in WISA Group will be affected by, among other things, possible changes in the number of issued and outstanding shares in UPM caused, for example, by UPM issuing new shares or acquiring its own shares prior to the Effective Date.

UPM intends to apply for the listing of Shares in WISA Group on the regulated market of Nasdaq Helsinki. The trading in WISA Group's Shares on Nasdaq Helsinki will begin on or about 2 November 2026 or as soon as possible thereafter. UPM is a public limited liability company incorporated in Finland under the laws of Finland, it is governed by the laws of Finland and its registered office is in Helsinki, Finland.

The Board of Directors of UPM has the right to resolve on the listing of WISA Group's Shares and take measures in preparation for the listing, including entering into agreements concerning the listing.

The Demerger will not affect the listing of, or trading in, the shares of UPM.

Demerger Plan

The Board of Directors of UPM has proposed that the General Meeting, convened to be held on 31 August 2026 at 2:00 p.m., would resolve upon the Demerger in accordance with the Demerger Plan. The Demerger Plan has been registered with the Finnish Trade Register on 8 May 2026. The Demerger Plan is attached to this Prospectus as Annex A. The Demerger Plan and its appendices are available on UPM's website at https://www.upm.com/investors/demerger/, and at the office of UPM at Alvar Aallon katu 1, FI-00100 Helsinki, Finland.

Creditor Consents and Waivers

On 5 March 2026, UPM commenced consent solicitation in respect of its EUR 750 million green notes due in 2028 (ISIN: XS2257961818), EUR 500 million green notes due in 2029 (ISIN: XS2478685931), EUR 500 million green notes due in 2031 (ISIN: XS2320453884) and EUR 600 million green notes due in 2034 (ISIN: XS2886143770) (together, the "**Notes**") and approached the holders of the Notes with a proposal to obtain consents from the holders of the Notes to amend the terms and conditions of the Notes to waive their right to require UPM to deliver a written notice in respect of the Demerger under Chapter 17, Section 7 of the Finnish Companies Act, their rights to object to the Demerger pursuant to Chapter 17, Section 6 of the Finnish Companies Act and any right they may have pursuant to Chapter 17, Section 16 of the Finnish Companies Act to make a claim against WISA Group after the completion of the Demerger on the basis of the secondary demerger liability with respect to the Notes. On 10 April 2026, UPM announced that the required number of holders of the Notes have granted the requested consents and approved the amendments to the terms and conditions of the Notes pursuant to the consent solicitation and that the amendments to the terms and conditions of the Notes have been implemented with effect from 10 April 2026.

Pursuant to the Finnish Companies Act, the Demerger requires the prior completion of a creditor hearing process during which creditors of UPM may object to the Demerger until a specified due date. In the Demerger, such due date is 24 August 2026.

Related Arrangements

The Demerger will affect UPM's administrative, accounting and other functions as part of the personnel in these functions and part of the functions of UPM's subsidiaries will transfer to WISA Group or its subsidiaries on the Effective Date.

In addition to the agreements described below, WISA Group and UPM intend to enter into, in connection with the Demerger, a service agreement on the retention of accounting records, relating to the retention and delivery of historical financial and tax books and records as well as other historical information between the parties following the completion of the Demerger. Furthermore, WISA Group's subsidiary and UPM intend to enter into a service agreement concerning soil remediation measures and the demolition of buildings in a specific area in Finland, as well as the allocation between the parties of any identified and unidentified remediation liabilities related to soil and groundwater contamination. Based on the contemplated arrangement, UPM would purchase the properties of the specific industrial site in Finland from UPM Plywood Ltd and UPM Plywood Ltd would compensate UPM for the costs arising from soil remediation measures in respect of the remediation obligations ordered by the environmental supervisory authority based on UPM Plywood Ltd's application, as well as the costs of demolition of the buildings pursuant to the contemplated services agreement between the parties.

Transitional Services Agreement

WISA Group and UPM intend to enter into a customary fixed-term Transitional Services Agreement in connection with the Demerger, under which UPM undertakes to provide WISA Group, following the completion of the Demerger, certain transitional services mainly related to the UPM group functions, which WISA Group needs to continue its business as before the Demerger, but which it does not yet have produced in-house or procured from external service providers. The services to be provided under the Transitional Services Agreement include, e.g., certain IT services, HR and payroll services, electricity supply and balance management services, and sea freight and logistics system services. The transitional services provided by UPM are substantially the same or equivalent in scope and quality as those that UPM or its subsidiaries provide or procure for themselves.

UPM will provide the transitional services for a customary limited transitional period, which varies depending on the service from one month to two years following the completion of the Demerger. With respect to sea freight and logistics system services, the fixed two-year transitional period may be extended by one additional year if agreed by the parties. The Transitional Services Agreement will terminate when the provision of the last transitional service has ended.

Wood Supply Agreement

In connection with the Demerger, WISA Group and UPM have agreed on the Wood Supply Agreement, pursuant to which UPM will deliver wood to WISA Group's production units in Finland for a fixed term expiring on 31 December 2030. After this, the agreement continues for one additional year until 31 December 2031 unless terminated by either party and provided that the By-Products Supply Agreement (as defined below) continues similarly. During the first two-year period of the Wood Supply Agreement ending at the end of 2028, UPM commits to deliver wood to WISA Group for its production units in Finland in accordance with WISA Group's wood usage plan. If WISA Group requires wood in excess of the estimated volumes included in the wood usage plan, WISA Group has the right to purchase wood also from other wood suppliers. During the second two-year period of the Wood Supply Agreement, WISA Group has the right to purchase wood from UPM flexibly in quantities representing 60–80 per cent of the volumes included in the wood usage plan whilst simultaneously developing its wood sourcing capabilities. This enables an increase in the number of wood suppliers as of the beginning of 2029. If UPM would be unable to supply wood in accordance with the Wood Supply Agreement during its term, WISA Group will be entitled to contractual penalties from UPM agreed in the agreement and may source the wood it requires from other wood suppliers.

The pricing under the Wood Supply Agreement is based on the actual price level applicable between UPM and the UPM Plywood business area prior to the Demerger. The prices will be adjusted regularly based on changes in market-based reference prices and indices published by independent parties. The Wood Supply Agreement also contains customary provisions regarding delivery terms, specifications and measurement practices, requirements of origin of wood, certifications, force majeure, and the parties' contractual liability. Either party may terminate the Wood Supply Agreement to expire on 31 December 2030 by providing 24 months' notice. The Wood Supply Agreement may thus expire under ordinary circumstances on 31 December 2030 at the earliest.

By-Products Supply Agreement

In connection with the Demerger, WISA Group and UPM have agreed on a by-products supply agreement (the "**By-Products Supply Agreement**"), pursuant to which WISA Group will deliver to UPM spruce and birch pulp chips generated as by-products at its Finnish production units. The term of the By-Products Supply Agreement is the same as the Wood Supply Agreement's and expires on 31 December 2030. After this, the agreement continues for one additional year until 31 December 2031 unless terminated by either party and provided that the Wood Supply Agreement continues similarly. During the first two-year period of the By-Products Supply Agreement ending at the end of 2028, WISA Group commits to supply to UPM pulp chips generated in its production following the wood usage plan in Finland in quantities corresponding to the quantities of wood supplied by UPM to WISA Group under the Wood Supply Agreement. During the second two-year period of the By-Products Supply Agreement UPM has the right to purchase pulp chips from WISA Group in quantities representing 60–80 per cent of pulp chips generated in its production in accordance with the wood usage plan.

The preliminary pricing under the By-Products Supply Agreement is based on the average price level of the agreements with third parties, after which the prices are regularly adjusted based on changes in market-based reference prices and indices published by independent parties. The By-Products Supply Agreement also contains customary provisions regarding delivery terms, specifications and measurement practices, requirements of origin of wood, certifications, force majeure, and the parties' contractual liability in line with those in the Wood Supply Agreement. Either party may terminate the By-Products Supply Agreement to expire on 31 December 2030 by providing 24 months' notice. The By-Products Supply Agreement may thus expire under ordinary circumstances on 31 December 2030 at the earliest. Under the By-Products Supply Agreement, UPM is entitled to contractual penalties in circumstances where deliveries of pulp chips fall below defined thresholds, save for such situations during the first two years' higher volume commitments where the shortfall is due to lower-than-expected plywood and veneer production volumes or otherwise due to lower generation of pulp chips in ordinary course.

Energy By-Products Supply Agreement

In connection with the Demerger, WISA Group and UPM have agreed on an energy by-products supply agreement (the "**Energy By-Products Supply Agreement**"), pursuant to which WISA Group will deliver to UPM energy chips generated as by-products at its Finnish production units for which WISA Group has no use. The term of the Energy By-Products Supply Agreement is the same term as the Wood Supply Agreement's and By-Products Supply Agreement's and expires on 31 December 2030. After this, the agreement continues for one additional year until 31 December 2031 unless terminated by either party.

The preliminary pricing under the Energy By-Products Supply Agreement is based on the average price level of the agreements with third parties, after which the prices are regularly adjusted based on a market-based reference index published by an independent party. The Energy By-Products Supply Agreement also contains customary provisions regarding delivery terms, specifications and measurement practices, requirements of origin of wood, certifications, force majeure and the parties' contractual liability in line with those in the Wood Supply Agreement and By-Products Supply Agreement. Either party may terminate the Energy By-Products Supply Agreement to expire on 31 December 2030 by providing 24 months' notice. The Energy By-Products Supply Agreement may thus expire under ordinary circumstances on 31 December 2030 at the earliest. Under the Energy By-Products Supply Agreement, UPM is entitled to contractual penalties in circumstances where deliveries of energy chips fall below defined thresholds, save for situations where the shortfall is due to lower-than-expected plywood and veneer production volumes or otherwise due to lower generation of energy chips in ordinary course.

Proceeds of the Demerger

WISA Group will not raise any proceeds from the issuance of the Demerger Consideration.

Costs and Fees Relating to the Demerger

Unless otherwise set out in the Demerger Plan (including Section 10 of the Demerger Plan) or agreed by UPM and WISA Group, the following will be applied to the allocation of the costs and fees relating to the Demerger between the companies participating in the Demerger, regardless of when such costs may arise or who has paid them:

a) UPM and WISA Group shall be responsible on a 50:50 basis for any costs and fees relating directly to the Demerger process and completion of the Demerger, including but not limited to any fees payable to the advisers;

b) WISA Group shall be responsible for any costs and fees relating to the listing of the Shares in WISA Group and the creation of the Shares in the book-entry securities system, including but not limited to any costs and fees relating to due diligence or investigations required for the listing, the preparation of a securities prospectus, and the Finnish Financial Supervisory Authority, Nasdaq Helsinki and Euroclear Finland, as well as any costs and fees payable to the advisers relating to the Listing and the creation of the Shares;

c) WISA Group shall be responsible for any costs and fees relating to the establishment and commencement of its operations, the separation of the UPM Plywood business area and the establishment and commencement of the companies transferring to WISA Group and the transfer of their shares and operations, including any fees payable to the advisers relating to these measures; and

d) UPM and WISA Group shall be responsible on a 50:50 basis for any costs and fees that cannot be allocated based on the subsections above, or that are not directly related to the operations of either of the companies participating in the Demerger.

The total costs related to the Demerger and the Listing are expected to amount to approximately EUR 32.3 million, which primarily comprises financial reporting, information management, legal and advisory related costs (excluding the estimated costs related to financing other than the costs incurred in obtaining the consents of the holders of the Notes). UPM's portion of the costs related to the Demerger and Listing is expected to amount to approximately EUR 9.3 million and WISA Group's to approximately EUR 23.0 million.

Applicable Law

The Demerger is governed by the laws of Finland.

General Meeting of UPM on the Approval of the Demerger

General

The Board of Directors of UPM has on 16 July 2026 proposed that the General Meeting would resolve on the approval of the Demerger in accordance with the Demerger Plan. In accordance with the Demerger Plan, all assets and liabilities of UPM relating to the UPM Plywood business area or predominantly serving it, be transferred without liquidation to WISA Group to be incorporated in the Demerger.

The proposed Articles of Association of WISA Group as appended to the Demerger Plan, are approved in connection with the resolution on the Demerger.

Voting rights and the majority required for the approval of the Demerger

Each share in UPM will entitle its holder to one (1) vote at the General Meeting.

The Demerger must be approved by UPM's shareholders representing at least two-thirds of the votes cast and shares represented at the General Meeting. The Demerger must be approved in accordance with the Demerger Plan without any amendments. If the General Meeting will not approve the Demerger, the Demerger will lapse.

Regardless of the resolution by the General Meeting of UPM, the Board of Directors of UPM may resolve not to complete the Demerger if the Board of Directors of UPM concludes that the completion of the Demerger would no longer be in the best interest of UPM and its shareholders due to a change in circumstances that has occurred or arisen after the Demerger Plan has been signed. In such case as well, the Demerger will lapse.

Giving Notice of Resolutions

Resolutions of the General Meeting concerning the Demerger and the Demerger Plan will be made public as required by disclosure obligations applicable to UPM.

Interests of the Financial Adviser

Nordea Bank Abp, acting as the financial adviser, as well as other entities within the same group, have provided and may provide in the future advisory, consulting, banking and/or financial services to UPM and WISA Group in the ordinary course of business. In accordance with customary practice, Nordea Bank Abp will receive success-based remuneration linked to the completion of the Demerger as consideration for the services provided in connection with the Demerger.

CAPITALISATION AND INDEBTEDNESS

The following table sets forth the capitalisation and indebtedness of WISA Group as at 31 March 2026, (i) on a carve-out basis, and (ii) on a pro forma basis illustrating the effects of the Demerger as if the Demerger had been completed on 31 March 2026. The following information is based on the unaudited carve-out financial information of WISA Group as at and for the three months ended 31 March 2026 and the unaudited pro forma balance sheet information of WISA Group as at 31 March 2026.

This table should be read in conjunction with "*Selected Combined Carve-Out Financial Information*", "*Unaudited Pro Forma Financial Information*", "*Operating and Financial Review*" as well as the unaudited carve-out financial information and the Unaudited Pro Forma Financial Information included elsewhere in this Prospectus.

In EUR million	As at 31 March 2026	
	(i)	(ii)
	WISA Group Carve-out	WISA Group Pro forma
	(unaudited)	
CAPITALISATION		
Current debt		
Guaranteed / secured[1]	2.4	2.4
Unguaranteed / unsecured	-	-
Total current debt	**2.4**	**2.4**
Non-current debt		
Guaranteed / secured[1]	4.3	4.3
Unguaranteed / unsecured	-	129.7
Total non-current debt	**4.3**	**134.0**
Total current and non-current debt	**6.7**	**136.5**
EQUITY		
Share capital	-	0.1
Reserve for invested unrestricted equity	-	47.6
Retained earnings	-	49.3
Invested equity	228.1	-
Total equity	**228.1**	**96.9**
TOTAL INDEBTEDNESS		
Cash and cash equivalents[2]	2.8	43.5
Other current financial assets[3]	59.8	-
Liquidity (A)	**62.6**	**43.5**
Current portion of debt	-	-
Current portion of non-current debt	2.4	2.4
Current indebtedness (B)	**2.4**	**2.4**
Net current financial indebtedness (C = B-A)	**-60.2**	**-41.1**
Non-current debt	4.3	134.0
Non-current indebtedness (D)	**4.3**	**134.0**
Total financial indebtedness (C + D)	**-55.9**	**93.0**

[1] Includes lease debt as at 31 March 2026.
[2] Includes EUR 2.8 million of cash and cash equivalents held by the JSV joint venture, which is not freely available for WISA Group.
[3] Includes Cash pool receivables from UPM Group as at 31 March 2026.

As at the date of this Prospectus, WISA Group does not have material contingent debt or off-balance sheet liabilities. For further information on WISA Group's off-balance sheet liabilities, contractual obligations and contingent debt, see "*Operating and Financial Review – Commitments and Contingencies*".

There have not been any material changes in WISA Group's capitalisation and indebtedness between 31 March 2026 and the date of this Prospectus.

Working Capital Statement

In the view of UPM's management, WISA Group's working capital is sufficient to cover WISA Group's needs for at least 12 months following the date of this Prospectus.

SELECTED COMBINED CARVE-OUT FINANCIAL INFORMATION

The following tables present selected combined carve-out financial information of WISA Group as at and for the years ended 31 December 2025, 2024, 2023, and as at and for the three months ended 31 March 2026 and 2025. The selected combined carve-out financial information presented below has been extracted from the audited WISA Group carve-out financial statements as at and for the years ended 31 December 2025, 2024, 2023 and the unaudited carve-out financial information of WISA Group as at and for the three months ended 31 March 2026, including unaudited comparative financial information as at and for the three months ended 31 March 2025. The carve-out financial information of WISA Group has been prepared in accordance with the IFRS Accounting Standards, under consideration of the principles for determining which assets and liabilities, income and expenses and cash flows are to be assigned to WISA Group as described in Note 1 to the audited WISA Group carve-out financial statements as at and for the years ended 31 December 2025, 2024 and 2023 included in the F-pages to this Prospectus.

The independent auditor's report on the audit for the WISA Group carve-out financial statements as at and for the years ended 31 December 2025, 2024 and 2023 includes an emphasis of matter paragraph. In this paragraph, the independent auditor, without qualifying its opinion, draws attention to the fact that WISA Group, as stated in Note 1.2 to the carve-out financial statements, has not formed a standalone legal group during the relevant financial years. Thus, the carve-out financial statements are not necessarily indicative of the financial performance, financial position, and cash flows of WISA Group if it had operated as a standalone independent group during the financial years in question, nor future performance. The auditor's report also includes a qualification. For further information, see "*– Other Information Presented in the Auditor's Report*".

The financial information presented below should be read in conjunction with sections "*Operating and Financial Review*", "*Certain Matters – Presentation of Financial and Certain Other Information*", "*Unaudited Pro Forma Financial Information*", and WISA Group's carve-out financial information included in the F-pages to this Prospectus.

Combined Income Statement

	1 January to 31 March		1 January to 31 December		
In EUR million	**2026**	**2025**	**2025**	**2024**	**2023**
	(unaudited)			**(audited)**	
Sales	**119.1**	**103.3**	**409.1**	**429.9**	**421.8**
Other operating income	0.1	0.6	3.4	3.2	2.6
Costs and expenses	-103.6	-93.3	-366.2	-372.4	-357.7
Depreciation, amortisation and impairment charges	-4.7	-5.5	-19.4	-22.3	-20.1
Operating profit	**10.9**	**5.1**	**26.9**	**38.4**	**46.6**
Finance income	0.4	1.1	3.7	5.4	5.4
Finance expenses	-0.1	-0.1	-0.1	-0.3	-0.3
Profit before tax	**11.2**	**6.1**	**30.5**	**43.6**	**51.7**
Income taxes	-5.1	-1.1	-6.0	-9.3	-10.0
Profit for the period	**6.0**	**5.0**	**24.6**	**34.2**	**41.7**
Attributable to:					
Owners of WISA Group	6.0	5.0	24.6	34.2	41.7

Combined Statement of Comprehensive Income

	1 January to 31 March		1 January to 31 December		
In EUR million	**2026**	**2025**	**2025**	**2024**	**2023**
	(unaudited)			**(audited)**	
Profit for the period	**6.0**	**5.0**	**24.6**	**34.2**	**41.7**
Other comprehensive income					
Items that will not be reclassified to income statement:					
Actuarial gains and losses on defined benefit plans	-	-	-	-	-
Other comprehensive income for the period, net of tax	**-**	**-**	**-**	**-**	**-**
Total comprehensive income for the period	**6.0**	**5.0**	**24.6**	**34.2**	**41.7**
Attributable to:					
Owners of WISA Group	6.0	5.0	24.6	34.2	41.7

Combined Balance Sheet

In EUR million	As at 31 March 2026	As at 31 March 2025	As at 31 December 2025	As at 31 December 2024	As at 31 December 2023
	(unaudited)			(audited)	
ASSETS					
Non-current assets					
Goodwill	13.1	13.1	13.1	13.1	13.1
Other intangible assets	7.8	7.5	8.2	5.8	7.3
Property, plant and equipment	106.2	114.8	109.0	119.1	123.2
Leased assets	6.4	4.4	7.0	4.8	2.7
Non-current assets	**133.5**	**139.9**	**137.3**	**142.7**	**146.3**
Current assets					
Inventories	79.7	64.1	79.1	74.7	75.2
Trade and other receivables	48.1	37.1	34.5	42.1	39.6
Other current financial assets	-	-	-	-	0.1
Income tax receivables	0.1	2.2	0.2	-	-
Cash pool receivables, UPM Group	59.8	163.9	70.8	161.5	152.1
Cash and cash equivalents	2.8	2.9	2.5	1.8	0.6
Current assets	**190.4**	**270.2**	**187.2**	**280.1**	**267.6**
TOTAL ASSETS	**323.9**	**410.1**	**324.4**	**422.9**	**413.9**
INVESTED EQUITY AND LIABILITIES					
Total invested equity	**228.1**	**337.4**	**231.8**	**332.1**	**335.4**
Non-current liabilities					
Deferred tax liabilities	10.9	10.5	10.1	9.4	6.4
Provisions	14.0	9.9	13.9	10.0	10.5
Non-current debt	4.3	3.0	4.7	3.2	1.7
Non-current liabilities	**29.2**	**23.4**	**28.7**	**22.6**	**18.5**
Current liabilities					
Current debt	2.4	1.7	2.6	1.8	1.6
Provisions	0.3	0.3	0.5	0.5	0.6
Trade and other payables	63.7	47.3	60.8	64.8	55.9
Income tax payables	0.2	-	-	1.1	1.8
Current liabilities	**66.6**	**49.3**	**63.9**	**68.2**	**59.9**
Total liabilities	**95.8**	**72.7**	**92.6**	**90.8**	**78.4**
TOTAL INVESTED EQUITY AND LIABILITIES	**323.9**	**410.1**	**324.4**	**422.9**	**413.9**

Combined Cash Flow Statement

In EUR million	1 January to 31 March 2026	1 January to 31 March 2025	1 January to 31 December 2025	1 January to 31 December 2024	1 January to 31 December 2023
	(unaudited)			(audited)	
Cash flows from operating activities					
Profit for the period	6.0	5.0	24.6	34.2	41.7
Adjustments	9.6	3.9	23.7	29.0	21.9
Interest received	0.4	1.1	3.7	5.4	4.7
Interest paid	-0.1	-0.1	-0.2	-0.1	-
Income taxes paid	-4.0	-3.6	-6.9	-8.0	-7.0
Change in working capital	-11.2	-1.5	-0.7	7.4	-12.4
Operating cash flow	**0.8**	**4.8**	**44.3**	**68.0**	**48.8**
Cash flows from investing activities					
Capital expenditure	-1.0	-1.0	-8.2	-16.5	-16.2
Proceeds from disposal of businesses and subsidiaries and advances received	-	-	-	-	13.5
Change in other non-current assets	0.0	0.0	0.3	0.0	0.0
Investing cash flow	**-1.1**	**-1.0**	**-7.9**	**-16.5**	**-2.6**
Cash flows from financing activities					

Lease repayments	-0.4	-0.3	-1.3	-0.9	-1.0
Cash pool financing with UPM Group	11.0	-2.4	90.7	-9.4	13.4
Dividends paid to UPM Group	-10.0	-	-125.0	-40.0	-60.0
Financing cash flow	**0.6**	**-2.7**	**-35.6**	**-50.3**	**-47.5**
Change in cash and cash equivalents	0.3	1.1	0.7	1.2	-1.3
Cash and cash equivalents at the beginning of the period	2.5	1.8	1.8	0.6	1.9
Cash and cash equivalents at the end of the period	**2.8**	**2.9**	**2.5**	**1.8**	**0.6**

Financial Key Figures

WISA Group follows several key figures to measure its performance. The key figures also include alternative performance measures. For more information on alternative performance measures and their purpose of use, see "*Certain Matters – Presentation of Financial and Certain Other Information – Alternative Performance Measures*", "*– The Definitions and Reasons for the Use of Financial Key Indicators*" and "*– Reconciliation of Alternative Performance Measures*".

The following table sets forth the key figures of WISA Group for the periods or at the dates indicated.

	As at 31 March and 1 January to 31 March		**As at 31 December and 1 January to 31 December**		
In EUR million, unless otherwise indicated	**2026**	**2025**	**2025**	**2024**	**2023**
	(unaudited)		**(audited, unless otherwise indicated)**		
Sales	119.1	103.3	409.1	429.9	421.8
Sales growth, %	15.3	-	-4.8[1)]	1.9[1)]	-
Operating profit	10.9	5.1	26.9	38.4	46.6
Operating profit, % of sales	9.2	4.9	6.6	8.9	11.0
EBITDA	15.6	10.5	46.3	60.7	66.7
EBITDA, % of sales	13.1	10.2	11.3[1)]	14.1[1)]	15.8[1)]
Items affecting comparability in operating profit	-0.5	-	-4.4	0.1	-6.3
Items affecting comparability, total	-0.4	-	-3.5	0.1	-6.3
Comparable EBITDA	16.1	10.5	50.7	60.6	73.4
Comparable EBITDA, % of sales	13.5	10.2	12.4	14.1	17.4
Comparable EBIT	11.4	5.1	31.3	38.4	52.8
Comparable EBIT, % of sales	9.6	4.9	7.7	8.9	12.5
Profit before tax	11.2	6.1	30.5	43.6	51.7
Comparable profit before tax	11.7	6.1	34.9[1)]	43.5[1)]	57.9[1)]
Profit for the period	6.0	5.0	24.6	34.2	41.7
Comparable profit for the period	6.4	5.0	28.1[1)]	34.2[1)]	48.0[1)]
Operating cash flow	0.8	4.8	44.3	68.0	48.8
Capital employed at the end of the period	218.5	217.4	207.4	217.4	226.1
Return on capital employed (ROCE), %	19.7	-	12.9	17.3	20.0
Comparable ROCE, %	20.7	-	14.9	17.3	22.6
Capital expenditure	1.0	1.0	8.2	16.5	16.2
Personnel at the end of the period	1,454	1,504	1,451[1)]	1,491[1)]	1,518[1)]

1) Unaudited.

The Definitions and Reasons for the Use of Financial Key Indicators

Key figure	**Definition**	**Reason for the use**
Sales growth, %	Sales for the reporting period less sales for the comparison period, divided by sales for the comparison period.	Sales growth describes the growth in WISA Group's sales. The key figure is used to monitor the development of WISA Group's business performance and for target setting.
EBITDA	Operating profit before depreciation, amortisation and impairments.	EBITDA describes the profitability of WISA Group's business before depreciation, amortisation and impairments.
Items affecting comparability, total	Certain non-operational or non-cash valuation transactions with significant income statement impact are considered as items affecting comparability, if they arise from asset impairments, restructuring measures, asset sales, or changes in legislation or legal proceedings. In addition, the changes in fair value of unrealized cash flow and commodity hedges and business acquisition costs are	Items affecting comparability are transactions or non-cash items that do not relate to WISA Group's ordinary business operations and are adjusted to improve the comparability of WISA Group's performance between reporting periods.

	classified as items affecting comparability. Numerical threshold for items to be considered as significant is EUR 1 million pre-tax.	
Comparable EBITDA	Operating profit before depreciation, amortisation and impairments, and items affecting comparability.	Comparable EBITDA is used in addition to EBITDA to present the comparability of business profitability without items affecting comparability.
Comparable EBIT	Operating profit adjusted for items affecting comparability	Comparable EBIT is used as a component to monitor the development of WISA Group's business performance and for target setting. The key figure is presented in addition to operating profit to improve comparability of business profitability without items affecting comparability.
Comparable profit before tax	Profit before income tax expense presented on the face of the combined income statement adjusted for items affecting comparability	Comparable profit before tax is presented in addition to profit before tax to improve the comparability of business profitability without items affecting comparability.
Comparable profit for the period	Profit for the period presented on the face of the combined income statement adjusted for items affecting comparability	Comparable profit for the period is presented in addition to profit for the period to improve the comparability of business profitability without items affecting comparability.
Capital employed at the end of the period	Goodwill, other intangible assets, property, plant and equipment, leased assets, inventories and trade receivables less trade payables and advances received.	Capital employed describes WISA Group's amount of operating assets less operating liabilities. The key figure is used as a component in calculating return on capital employed.
Return on capital employed (ROCE), %	Operating profit as a percentage of average capital employed.	ROCE describes WISA Group's relative profitability meaning the return generated on capital employed.
Comparable ROCE, %	Comparable EBIT as a percentage of average capital employed.	Comparable ROCE is presented in addition to ROCE to improve the comparability of relative profitability without items affecting comparability.
Capital expenditure	Capital expenditure line item presented on the combined cash flow statement	Capital expenditure describes investments made in tangible assets, construction in progress and land areas.

Reconciliation of Alternative Performance Measures

In EUR million, unless otherwise indicated	1 January to 31 March		1 January to 31 December		
	2026	2025	2025	2024	2023
	(unaudited)		(audited, unless otherwise indicated)		
Items affecting comparability					
Impairment charges	-	-	-	-	0.4
Restructuring charges	-	-	-4.1	0.1	-1.4
Capital gains and losses on sale of non-current assets	-	-	-	-	-5.3
Other non-operation items	-0.5	-	-0.3	-	-
Items affecting comparability in operating profit	**-0.5**	**-**	**-4.4**	**0.1**	**-6.3**
Items affecting comparability in finance costs	-	-	-	-	-
Items affecting comparability in profit before taxes	**-0.5**	**-**	**-4.4**	**0.1**	**-6.3**
Items affecting comparability in taxes	0.1	-	0.9	-	-
Items affecting comparability, total	**-0.4**	**-**	**-3.5**	**0.1**	**-6.3**
EBITDA					
Operating profit	10.9	5.1	26.9	38.4	46.6
Depreciation, amortisation and impairment charges	4.7	5.5	19.4	22.3	20.1
EBITDA	**15.6**	**10.5**	**46.3**	**60.7**	**66.7**
EBITDA, % of sales	13.1	10.2	11.3[1)]	14.1[1)]	15.8[1)]
Comparable EBITDA					
Operating profit	10.9	5.1	26.9	38.4	46.6
Depreciation, amortisation and impairment charges excluding items affecting comparability[2)]	4.7	5.5	19.4[1)]	22.3[1)]	20.5[1)]

Items affecting comparability in operating profit	0.5	-	4.4	-0.1	6.3
Comparable EBITDA	**16.1**	**10.5**	**50.7**	**60.6**	**73.4**
Comparable EBITDA, % of sales	13.5	10.2	12.4	14.1	17.4
Comparable EBIT					
Operating profit	10.9	5.1	26.9	38.4	46.6
Operating profit, % of sales	9.2	4.9	6.6	8.9	11.0
Items affecting comparability in operating profit	0.5	-	4.4	-0.1	6.3
Comparable EBIT	**11.4**	**5.1**	**31.3**	**38.4**	**52.8**
Comparable EBIT, % of sales	9.6	4.9	7.7	8.9	12.5
Comparable profit before tax					
Profit before tax	11.2	6.1	30.5	43.6	51.7
Items affecting comparability in operating profit	0.5	-	4.4	-0.1	6.3
Items affecting comparability in financial items	-	-	-	-	-
Comparable profit before tax	**11.7**	**6.1**	**34.9**[1)]	**43.5**[1)]	**57.9**[1)]
Comparable profit for the period					
Profit for the period	6.0	5.0	24.6	34.2	41.7
Items affecting comparability, total	0.4	-	3.5	-0.1	6.3
Comparable profit for the period	**6.4**	**5.0**	**28.1**[1)]	**34.2**[1)]	**48.0**[1)]
Capital employed at the end of the period					
Goodwill	13.1	13.1	13.1	13.1	13.1
Other intangible assets	7.8	7.5	8.2	5.8	7.3
Property, plant and equipment	106.2	114.8	109.0	119.1	123.2
Leased assets	6.4	4.4	7.0	4.8	2.7
Inventories	79.7	64.1	79.1	74.7	75.2
Trade receivables	40.6	33.7	27.7	34.0	33.9
Trade payables	-35.2	-19.2	-36.5	-33.8	-29.3
Advances received	-0.1	-1.0	-0.2	-0.2	0.0
Capital employed at the end of the period	**218.5**	**217.4**	**207.4**	**217.4**	**226.1**
Return on capital employed (ROCE)					
Operating profit	43.6[3)]	-	26.9	38.4	46.6
Capital employed (average at the end of the reporting period and the end of the comparison period)	221.2	-	209.5	222.2	233.5
Return on capital employed (ROCE), %	**19.7**	**-**	**12.9**	**17.3**	**20.0**
Comparable ROCE					
Comparable EBIT	45.7[3)]	-	31.3	38.4	52.8
Capital employed (average at the end of the reporting period and the end of the comparison period)	221.2	-	209.5	222.2	233.5
Comparable ROCE, %	**20.7**	**-**	**14.9**	**17.3**	**22.6**

[1)] Unaudited.
[2)] The Depreciation, amortisation and impairment charges line has been adjusted in 2023 by a reversal of impairment of EUR 0.4 million.
[3)] For the three months ended 31 March 2026, the figure presented multiplied by four.

Selected combined quarterly financial information

The following tables set forth the quarterly development of WISA Group's sales for the periods indicated:

	2025				
In EUR million	**1 January to 31 March**	**1 April to 30 June**	**1 July to 30 September**	**1 October to 31 December**	**1 January to 31 December**
		(unaudited)			**(audited)**
Sales	103.3	88.8	113.4	103.7	409.1

	2024				
In EUR million	**1 January to 31 March**	**1 April to 30 June**	**1 July to 30 September**	**1 October to 31 December**	**1 January to 31 December**
		(unaudited)			**(audited)**
Sales	97.9	120.4	103.1	108.5	429.9

In EUR million	2023 1 January to 31 March	1 April to 30 June	1 July to 30 September	1 October to 31 December	1 January to 31 December
		(unaudited)			(audited)
Sales	118.2	116.5	95.9	91.2	421.8

WISA Group's sales for the three months ended 31 March 2026 was EUR 119.1 million on a carve-out basis.

Other Information Presented in the Auditor's Report

The auditor's report also includes a qualification in which the auditor notes that Ernst & Young Oy, the audit firm that audited the carve-out financial statements of WISA Group, has acted as auditor of the entities related to the carve-out financial statements only since the financial year 2024 and, accordingly, did not observe the physical inventory count at the beginning of 2023. The auditor has not been able to obtain sufficient appropriate audit evidence regarding the quantity of inventory as at 1 January 2023 by alternative means. As the opening inventory balances at 1 January 2023 affect the financial result and cash flows, the auditor has been unable to determine whether any adjustments would have been necessary to the profit for the financial year 2023 and the cash flows from operating activities presented in the cash flow statement.

UNAUDITED PRO FORMA FINANCIAL INFORMATION

Overview

Basis of compilation of Unaudited Pro Forma Financial Information

The following unaudited pro forma combined financial information (the "**Unaudited Pro Forma Financial Information**") is presented to illustrate the effect of the Demerger to WISA Group's historical carve-out financial information had the Demerger been consummated at an earlier point in time. This Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only.

The unaudited pro forma combined income statement for the financial year ended 31 December 2025 and the unaudited pro forma combined income statement for the three months ended 31 March 2026 give effect to the Demerger as if it had occurred on 1 January 2025. The unaudited pro forma combined balance sheet as at 31 March 2026 illustrates the impact of the Demerger as if it had occurred on that date.

Because of its nature, the Unaudited Pro Forma Financial Information illustrates the hypothetical impact of the Demerger, if the Demerger had been consummated at the date assumed in this Unaudited Pro Forma Financial Information, and, therefore, does not represent the actual results of operations or financial position of WISA Group. The Unaudited Pro Forma Financial Information is not intended to project the results of operations or financial position of WISA Group as of any future date and does not represent the results of operations or financial position had WISA Group been an independent listed company for the periods presented.

The Unaudited Pro Forma Financial Information reflects adjustments to the historical carve-out financial information to give pro forma effect to events that are directly attributable to the Demerger and are factually supportable. The pro forma adjustments are based upon available information and certain assumptions, which are described in the accompanying notes to this Unaudited Pro Forma Financial Information. There can be no assurance that the assumptions used in the preparation of the Unaudited Pro Forma Financial Information will prove to be correct. In addition, WISA Group's effective tax rate may differ in the future depending on its operations following the Demerger, such as funding needs, the geographical distribution of income, and tax-related regulatory changes and measures.

The Unaudited Pro Forma Financial Information has been prepared in accordance with Annex 20 to the Commission Delegated Regulation (EU) 2019/980 and on a basis consistent with the IFRS Accounting Standards applied by WISA Group and consistent with the carve-out principles described in Note 1 to the audited carve-out financial statements included in the F-pages to this Prospectus.

The pro forma financial information is unaudited.

Effects of the Demerger

As WISA Group's business operations will be separated into an independent separate group only at the Effective Date, which is planned to be 31 October 2026, the historical financial information of WISA Group has been presented in this Prospectus as carve-out financial information extracted from UPM's audited consolidated financial statements and unaudited consolidated interim financial information.

In accordance with the Demerger Plan, all assets and liabilities of UPM relating to the UPM Plywood business area or predominantly serving it be transferred without liquidation to WISA Group to be incorporated in the Demerger as set out in the Demerger Plan. WISA Group's equity structure will be formed in accordance with the Demerger Plan. Also, prior to the completion of the Demerger, WISA Group's group structure will be formed through various transactions where the WISA Group business will be transferred to WISA Group's group companies. The intercompany loans to UPM and receivables from UPM included in the historical carve-out financial information are eliminated on the Effective Date, as UPM's corresponding intercompany loans and receivables will be transferred to WISA Group Plc. In accordance with the Demerger Plan, the external debt transferring from UPM to WISA Group includes a portion of UPM's external general debt, as required by Finnish tax laws for the tax neutral partial demerger. Unaudited Pro Forma Financial Information includes these Demerger-related transactions to illustrate those impacts of the Demerger that are not included in the historical carve-out financial information. Demerger-related pro forma adjustments also include adjustments related to equity to illustrate the contemplated equity structure of WISA Group as described in the Demerger Plan in connection with the Demerger and estimated direct costs related to the Demerger and Listing.

The pro forma adjustments made herein are based on WISA Group's unaudited interim carve-out financial information as at and for the three months ended 31 March 2026, audited carve-out financial statements as at and for the financial year ended 31 December 2025, term loan and credit facility agreements and their terms and conditions and UPM management's estimate of the assets and liabilities to be transferred to WISA Group and costs related to the Demerger and Listing for which WISA Group is responsible in accordance with the Demerger Plan.

The final amounts of assets and liabilities transferred to WISA Group in the Demerger may materially differ from those presented in the Unaudited Pro Forma Financial Information as such balances will be determined based on the carrying values of the transferring assets and liabilities on the Effective Date of the Demerger. This could result in a significant variation in the results of operations and financial position of WISA Group in the future compared to the Unaudited Pro Forma Financial Information.

Historical financial information

The Unaudited Pro Forma Financial Information has been extracted from WISA Group's audited carve-out financial statement as at and for the financial year ended 31 December 2025 and unaudited carve-out interim financial information as at and for the three months ended 31 March 2026, which are included in the F-pages to this Prospectus.

WISA Group's carve-out financial information is not necessarily indicative of the financial performance, financial position and cash flows of WISA Group that would have occurred if it had operated as a standalone legal group during the periods presented. In addition, it should be noted that the allocation of the costs of the certain centrally provided shared services to WISA Group for the purpose of presenting the historical carve-out financial information may not necessarily represent what these costs would have been if WISA Group had operated as an independent legal group. Accordingly, additional costs may be incurred by WISA Group following the Effective Date of the Demerger in order for it to operate as an independent listed company, as well as from organising headquarter functions.

Other considerations

All amounts are presented in millions of euros unless otherwise indicated. The Unaudited Pro Forma Financial Information set forth herein has been rounded. Accordingly, in certain instances, the sum of the numbers in a column or row may not conform exactly to the total amount given for that column or row.

The Unaudited Pro Forma Financial Information presented herein should be read in conjunction with the historical financial information of WISA Group presented in this Prospectus, section "*Summary of the Demerger*" and the Demerger Plan as well as other information presented in this Prospectus.

Independent practitioner's assurance report concerning the Unaudited Pro Forma Financial Information is included as Appendix B to this Prospectus.

WISA Group's Unaudited pro forma combined income statements and balance sheet

Unaudited pro forma combined income statement for the three months ended 31 March 2026

		Pro forma adjustments				
In EUR million	**WISA Group Carve-out (unaudited)**	**Transactions prior Demerger (Note 1)**	**Demerger (Note 2)**	**Financing (Note 3)**	**Demerger and Listing costs (Note 4)**	**WISA Group Pro forma**
Sales	**119.1**	**-**	**-**	**-**	**-**	**119.1**
Other operating income	0.1	-	-	-	-	0.1
Costs and expenses	-103.6	-	-	-	-	-103.6
Depreciation, amortisation and impairment charges	-4.7	-	-	-	-0.1	-4.8
Operating profit	**10.9**	**-**	**-**	**-**	**-0.1**	**10.8**
Finance income	0.4	-	-0.4	-	-	-
Finance expenses	-0.1	-	-	-1.2	-	-1.3
Profit before tax	11.2	-	-0.4	-1.2	-0.1	9.5
Income taxes	-5.1	-	0.1	0.2	0.0	-4.8
Profit for the period	**6.0**	**-**	**-0.3**	**-1.0**	**-0.1**	**4.7**
Attributable to:						
Owners of WISA Group	6.0	-	-0.3	-1.0	-0.1	4.7
Earnings per share basic, EUR	-	-	-	-	-	0.01

See accompanying notes to Unaudited Pro Forma Financial Information.

Unaudited pro forma combined income statement for the financial year ended 31 December 2025

In EUR million	WISA Group Carve-out (unaudited)	Pro forma adjustments: Transactions prior Demerger (Note 1)	Demerger (Note 2)	Financing (Note 3)	Demerger and Listing costs (Note 4)	WISA Group Pro forma
Sales	**409.1**	**-**	**-**	**-**	**-**	**409.1**
Other operating income	3.4	0.7	-	-	-	4.2
Costs and expenses	-366.2	-	-	-	-21.0	-387.2
Depreciation, amortisation and impairment charges	-19.4	-	-	-	-0.4	-19.8
Operating profit	**26.9**	**0.7**	**-**	**-**	**-21.4**	**6.3**
Finance income	3.7	-	-3.7	-	-	-
Finance expenses	-0.1	-	-	-4.9	-	-5.0
Profit before tax	**30.5**	**0.7**	**-3.7**	**-4.9**	**-21.4**	**1.3**
Income taxes	-6.0	-0.1	0.7	1.0	4.3	-0.1
Profit for the period	**24.6**	**0.6**	**-3.0**	**-3.9**	**-17.1**	**1.2**
Attributable to:						
Owners of WISA Group	24.6	0.6	-3.0	-3.9	-17.1	1.2
Earnings per share basic, EUR	-	-	-	-	-	0.00

See accompanying notes to Unaudited Pro Forma Financial Information

Unaudited pro forma combined balance sheet as at 31 March 2026

In EUR million	WISA Group Carve-out (unaudited)	Pro forma adjustments: Transactions prior Demerger (Note 1)	Demerger (Note 2)	Financing (Note 3)	Demerger and Listing costs (Note 4)	WISA Group Pro forma
ASSETS						
Goodwill	13.1	-	-	-	-	13.1
Other intangible assets	7.8	-	-	-	2.0	9.8
Property, plant and equipment	106.2	-0.1	-	-	-	106.1
Leased assets	6.4	-	-	-	-	6.4
Non-current assets	**133.5**	**-0.1**	**-**	**-**	**2.0**	**135.4**
Inventories	79.7	-	-	-	-	79.7
Trade and other receivables	48.1	-	-	-	-	48.1
Other current financial assets	-	-	-	-	-	-
Income tax receivables	0.1	-	-	-	4.2	4.3
Cash pool receivables from UPM group	59.8	-	-59.8	-	-	-
Cash and cash equivalents	2.8	0.8	-	62.8	-23.0	43.5
Current assets	**190.4**	**0.8**	**-59.8**	**62.8**	**-18.8**	**175.5**
ASSETS	**323.9**	**0.7**	**-59.8**	**62.8**	**-16.8**	**310.9**
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY						
Share capital	-	-	0.1	-	-	0.1
Reserve for invested unrestricted equity	-	-	47.6	-	-	47.6
Retained earnings	-	-	66.1	-	-16.8	49.3
Invested equity	228.1	0.6	-228.7	-	-	-
EQUITY	**228.1**	**0.6**	**-115.0**	**-**	**-16.8**	**96.9**
Deferred tax liabilities	10.9	-	-	-	-	10.9
Provisions	14.0	-11.7	-	-	-	2.3
Non-current debt	4.3	-	55.2	74.5	-	134.0
Non-current liabilities	**29.2**	**-11.7**	**55.2**	**74.5**	**-**	**147.2**

Current debt	2.4	-	-	-	-	2.4
Provisions..............................	0.3	-	-	-	-	0.3
Trade and other payables........	63.7	11.7	-	-11.7	-	63.7
Income tax payables..............	0.2	0.1	-	-	-	0.4
Current liabilities	**66.6**	**11.8**	**-**	**-11.7**	**-**	**66.8**
Liabilities	**95.8**	**0.1**	**55.2**	**62.8**	**-**	**214.0**
EQUITY AND LIABILITIES......................	**323.9**	**0.7**	**-59.8**	**62.8**	**-16.8**	**310.9**

See accompanying notes to Unaudited Pro Forma Financial Information

Notes to the Unaudited Pro Forma Financial Information

Note 1 – Transactions prior Demerger

Prior to the completion of the Demerger, WISA Group's group structure will be formed through several arrangements. This pro forma adjustment illustrates the income statement effects of a transaction to be completed prior to the completion of the Demerger on the historical carve-out financial information as if the transaction had occurred on 1 January 2025, and the balance sheet effects as if the arrangement had occurred on 31 March 2026.

WISA Group's subsidiary and UPM intend to enter into a service agreement concerning soil remediation measures and the demolition of buildings on a specific area in Finland, as well as the allocation between the parties of any identified and unidentified remediation liabilities related to soil and groundwater contamination. Based on the contemplated arrangement, UPM would purchase the properties of the specific industrial site in Finland from UPM Plywood Ltd and UPM Plywood Ltd would compensate UPM for the costs arising from soil remediation measures in respect of the remediation obligations ordered by the environmental supervisory authority based on UPM Plywood Ltd's notification, as well as the costs of demolition of the buildings based on the contemplated services agreement between the parties.

The historical carve-out financial information of WISA Group includes an environmental provision of EUR 11.7 million related to soil remediation measures and demolition of buildings. Prior to the completion of the Demerger, WISA Group will sell the land area with an estimated carrying amount of approximately EUR 0.1 million to UPM at a purchase price of approximately EUR 0.8 million.

In the unaudited pro forma combined income statement for the financial year ended 31 December 2025, other operating income has been adjusted by EUR 0.7 million to reflect the gain on the sale of the land area. The income tax effect of EUR 0.1 million for the financial year ended 31 December 2025 has been calculated using the Finnish corporate income tax rate of 20 per cent.

In the unaudited pro forma combined balance sheet as at 31 March 2026, property, plant and equipment has been adjusted by EUR 0.1 million, cash and cash equivalents by EUR 0.8 million to reflect the sale of the land area, invested equity has been adjusted by EUR 0.6 million to reflect the gain on the sale of the land area and a tax effect of EUR 0.1 million has been recognised as an income tax payable. In addition, in the unaudited pro forma combined balance sheet as at 31 March 2026, provisions have been decreased by EUR 11.7 million and trade payables and other payables have been correspondingly increased by EUR 11.7 million, as WISA Group will pay the above-mentioned obligations to UPM with external debt after the completion of the Demerger.

This adjustment does not have a continuing impact on WISA Group's results of operations and financial position.

Note 2 – Demerger

The following table sets forth the pro forma Demerger impacts for the unaudited pro forma combined balance sheet as at 31 March 2026. The final amounts of the income statement as well as assets and liabilities transferred to WISA Group and the final composition of equity items of WISA Group in the Demerger may materially differ from those presented in this Unaudited Pro Forma Financial Information as such balances will be determined based on the carrying values of the transferring assets, liabilities and equity structure on the Effective Date of the Demerger. The pro forma Demerger adjustments will have a continuing impact on WISA Group's financial position unless otherwise indicated.

Unaudited pro forma combined balance sheet Demerger adjustments as at 31 March 2026

In EUR million	Elimination of receivables from and liabilities to UPM (Note 2a)	UPM's interest-bearing debt allocated to WISA Group (Note 2b)	Equity formation (Note 2c)	Demerger
ASSETS				
Cash pool receivables from UPM Group ..	-59.8	-	-	-59.8
Current assets	**-59.8**	**-**	**-**	**-59.8**
ASSETS	**-59.8**	**-**	**-**	**-59.8**
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY				
Share capital	-	-	0.1	0.1
Reserve for invested unrestricted equity ...	-	-	47.6	47.6
Retained earnings	-	-	66.1	66.1
Invested equity	-59.8	-55.2	-113.7	-228.7
EQUITY	**-59.8**	**-55.2**	**-**	**-115.0**
Non-current debt	-	55.2	-	55.2
Non-current liabilities	**-**	**55.2**	**-**	**55.2**
Liabilities	**-**	**55.2**	**-**	**55.2**
EQUITY AND LIABILITIES	**-59.8**	**-**	**-**	**-59.8**

Note 2a – Elimination of receivables from and liabilities to UPM

Prior to the completion of the Demerger, WISA Group's group structure will be formed through several arrangements in which the business operations of WISA Group will be transferred to WISA Group's group companies in order to form an independent legal subsidiary structure for WISA Group. In addition, UPM plans to distribute dividends from its subsidiaries in Finland and Estonia prior to the completion of the Demerger.

WISA Group's historical carve-out financial information includes cash pool receivables of the legal entities forming WISA Group from UPM reflecting the historical financing of WISA Group as a part of UPM. UPM's corresponding cash pool liabilities to WISA Group entities, which have not been included in the carve-out financial information, shall be transferred to WISA Group Plc in the Demerger and these items will be eliminated in the consolidation after the Demerger. Any dividend distributions from WISA Group entities prior to the completion of the Demerger will affect the amount of cash pool liabilities transferring from UPM and correspondingly WISA Group's cash pool receivables from UPM. As no decisions have been made regarding dividend distributions, their effects have not been described in this Unaudited Pro Forma Financial Information.

Accordingly, the cash pool receivables from UPM group amounting to a total of EUR 59.8 million included in the carve-out financial information as at 31 March 2026 have been eliminated in the unaudited pro forma combined balance sheet against the corresponding amount of transferring intercompany liabilities. In the unaudited pro forma combined income statement, the corresponding finance income presented in the carve-out financial information has been adjusted by decreasing finance income by EUR 0.4 million for the three months ended 31 March 2026. The unaudited pro forma combined income statement for the financial year ended 31 December 2025 has been adjusted by decreasing finance income by EUR 3.7 million. The income tax impact of EUR 0.1 million for the three months ended 31 March 2026 and EUR 0.7 million for the financial year ended 31 December 2025 has been calculated with the assumed combined tax rate of 20 per cent estimated by management. The estimate takes into account, in addition to the Finnish corporate income tax rate, the income taxation in Estonia, where the income tax rate is determined based on the level of dividends distributed.

Note 2b – UPM's interest-bearing debt allocated to WISA Group

In accordance with the Demerger Plan, WISA Group will receive in the Demerger a portion of UPM's interest-bearing liabilities for which a debt relationship between UPM and WISA Group corresponding to the amount of transferring external interest-bearing liabilities will be established. For more information on the financing, see section "*Operating and Financial Review – Liquidity and Capital Resources – Liquidity*". In the unaudited pro forma combined balance sheet it has been assumed, in accordance with the Demerger Plan, that approximately EUR 55.2 million of UPM's existing interest-bearing liabilities based on the balance sheet date of 31 March 2026 would be allocated to WISA Group in the Demerger. WISA Group will pay such interest-bearing liabilities to UPM immediately after the Effective Date with an external loan drawn by it, which is described below in Note 3. The final amount of the financing to be transferred will be confirmed based on the balance sheet date of the completion of the Demerger.

Note 2c – Equity formation

The formation of WISA Group's equity structure in accordance with the Demerger Plan has been taken into account as an adjustment in the unaudited pro forma combined balance sheet as at 31 March 2026. The presentation of invested equity in the carve-out combined balance sheet as at 31 March 2026 has been adjusted by splitting the line item "Invested equity" into line items "Share capital", "Reserve for invested unrestricted equity" and "Retained earnings" in the unaudited pro forma combined balance sheet.

Note 3 – Financing

Unaudited pro forma combined balance sheet financing adjustments as at 31 March 2026

In EUR million	**Term loan drawdown**	**Payment of the environmental liability to UPM**	**Payment of UPM's external debt allocated to WISA Group**	**Financing**
ASSETS				
Cash and cash equivalents	129.7	-11.7	-55.2	62.8
Current assets	**129.7**	**-11.7**	**-55.2**	**62.8**
ASSETS	**129.7**	**-11.7**	**-55.2**	**62.8**
Non-current debt	129.7	-	-55.2	74.5
Non-current liabilities	**129.7**	**-**	**-55.2**	**74.5**
Trade and other payables	-	-11.7	-	-11.7
Current liabilities	**-**	**-11.7**	**-**	**-11.7**
Liabilities	129.7	-11.7	-55.2	62.8
EQUITY AND LIABILITIES	**129.7**	**-11.7**	**-55.2**	**62.8**

In connection with the Demerger process, UPM has also on 13 May 2026 agreed on long-term financing arrangements available for WISA Group on the Effective Date, which after the Demerger consist of a EUR 130 million term loan and a EUR 50 million revolving credit facility. The financing arrangements will be used to settle the one-off cost arising from soil remediation measures and building demolition, WISA Group's share under the Demerger Plan of the debt relationship between UPM and WISA Group arising from UPM's interest-bearing liabilities and WISA Group's share under the Demerger Plan of the Demerger and Listing costs paid by UPM, as well as to cover WISA Group's working capital requirements. For more information on the financing, see section "*Operating and Financial Review – Liquidity and Capital Resources – Liquidity*". In the Unaudited Pro Forma Financial Information, it has been assumed that the EUR 50 million revolving credit facility is undrawn.

In the unaudited pro forma combined balance sheet, the EUR 130 million term loan has been recognised net of transaction costs of EUR 0.3 million incurred in connection with obtaining the loan. The adjustments in the unaudited pro forma combined income statement reflect interest expenses calculated using the effective interest rate method for the term loan amounting to EUR 1.2 million for the three months ended 31 March 2026 and EUR 4.7 million for the financial year ended 31 December 2025. This adjustment will have a continuing impact on WISA Group's finance costs.

The estimated costs related to the availability of the EUR 50 million revolving credit facility, amounting to EUR 0.0 million for the three months ended 31 March 2026 and EUR 0.1 million for the financial year ended 31 December 2025, have been recognised as finance costs in the unaudited pro forma combined income statement in the pro forma financial information. This adjustment will have a continuing impact on WISA Group's finance costs.

In addition, WISA Group will be charged transaction costs related to the financing arrangements of the term loan and the revolving credit facility. The costs to be charged to WISA Group related to the loan financing arrangements have been included in the unaudited pro forma combined income statement as part of the finance costs related to the term loan described above and have been accounted for using the effective interest rate method.

The income tax effect of these adjustments, EUR 0.2 million for the three months ended 31 March 2026 and EUR 1.0 million for the financial year ended 31 December 2025, has been calculated using the Finnish corporate income tax rate of 20 per cent.

Note 4 – Demerger and Listing costs

The estimated Demerger and Listing costs to be incurred by WISA Group in connection with the Listing amount to approximately EUR 23 million, primarily comprising financial reporting, information management, legal and advisory related costs. None of these estimated Demerger and Listing costs have been recognised as an expense in the carve-out combined income statement for the financial year ended 31 December 2025 nor in the carve-out combined income statement for the three months ended 31 March 2026. As the unaudited pro forma combined income statement for the three months ended 31 March 2026 and for the financial year ended 31 December 2025 illustrate the Demerger as if it had occurred on 1 January 2025, the Demerger and Listing costs have been presented as if they had been incurred in the beginning of the year 2025.

The Demerger and Listing costs include expenses related to separation WISA Group's operations from UPM's IT environment and integrating those operations into WISA Group's own IT environment. According to management's estimate, the majority of the costs related to the separation and deployment of IT systems relate to the reorganisation of existing operations and system implementations or new cloud-based SaaS solutions, which do not give rise to a separately identifiable asset controlled by WISA Group and are therefore expensed as incurred. According to management's estimate, approximately EUR 2.0 million of the IT system costs relate to new code from software development and integrations controlled by the Company that meets the capitalisation criteria for an intangible asset. The amortisation period for these IT systems is 5 years.

In the unaudited pro forma combined income statement for the financial year ended 31 December 2025, EUR 21.0 million has been recognised as an increase in other operating expenses. In addition, in the unaudited pro forma combined income statement for the financial year ended 31 December 2025, EUR 0.4 million, and in the unaudited pro forma combined income statement for the three months ended 31 March 2026, EUR 0.1 million, have been recognised as an increase in depreciation and amortisation to reflect amortisation arising from capitalised IT systems. The income tax effect of these adjustments, EUR 0.0 million for the three months ended 31 March 2026 and EUR 4.3 million for the financial year ended 31 December 2025, has been calculated with the Finnish corporate income tax rate of 20 per cent.

In the unaudited pro forma combined balance sheet as at 31 March 2026, cash and cash equivalents have been decreased by EUR 23.0 million and other intangible assets have been increased by EUR 2.0 million. In the unaudited pro forma combined balance sheet as at 31 March 2026, the post-tax net effect of EUR 16.8 million has been eliminated from retained earnings, and the tax effect of EUR 4.2 million has been recognised as an income tax receivable.

The tax effect of the Demerger and Listing costs has been calculated using the Finnish corporate income tax rate, which is currently 20 per cent. This adjustment has no continuing impact on WISA Group's results of operations or financial position, except for amortisation arising from IT system costs.

Note 5 – Pro forma earnings per share

Pro forma earnings per share is calculated by dividing the pro forma result for the financial year by the number of Demerger Consideration Shares at the date of the Prospectus, assuming there would not be any changes prior to the Effective Date.

The following table sets forth the pro forma earnings per share for the periods indicated:

In EUR million, unless otherwise indicated	**For the three months ended 31 March 2026, Pro forma**	**For the year ended 31 December 2025, Pro forma**
Profit for the period	4.7	1.2
Number of Demerger Consideration Shares, pcs[1]	527,324,046	527,324,046
Earnings per share, EUR	**0.01**	**0.00**

[1] As at the date of the Demerger and Listing Prospectus.

The following table sets forth the pro forma comparable earnings per share for the periods indicated:

In EUR million, unless otherwise indicated	**For the three months ended 31 March 2026, Pro forma**	**For the year ended 31 December 2025, Pro forma**
Profit for the period	4.7	1.2
Items affecting comparability	0.4	20.3
Comparable profit for the period	5.1	21.4
Number of Demerger Consideration Shares, pcs[1]	527,324,046	527,324,046
Comparable earnings per share, EUR	**0.01**	**0.04**

[1] As at the date of the Demerger and Listing Prospectus.

Note 6 - Unaudited pro forma key figures

The following table sets forth the key figures presented on a pro forma basis for the periods indicated.

In EUR million, unless otherwise indicated	As at 31 March 2026 or for the three months ended 31 March 2026, Pro forma	For the year ended 31 December 2025, Pro forma
Sales	119.1	409.1
EBIT	10.8	6.3
EBIT, % of sales	9.1	1.5
EBITDA	15.6	26.1
Items affecting comparability in operating profit	-0.5	-25.3
Items affecting comparability, total	-0.4	-20.3
Comparable EBITDA	16.1	51.4
Comparable EBITDA, % of sales	13.5	12.6
Comparable EBIT	11.3	31.6
Comparable EBIT, % of sales	9.5	7.7
Comparable profit for the period	5.1	21.4
Net debt	93.0	
Net debt / comparable EBITDA[1)]	1.7x	
ROE, %	19.3	

[1)] Carve-out-based comparable EBITDA for the last twelve months (31 March 2026).

Definitions for the unaudited pro forma figures

The following table sets forth the definition of the key figures presented on a pro forma basis. The components in the pro forma key figures included in the definitions below have been extracted from the unaudited pro forma combined income statement for the three months ended 31 March 2026 and for the financial year ended 31 December 2025 and from the unaudited pro forma combined balance sheet as at 31 March 2026.

The Definitions and Reasons for the Use of pro forma Financial Key Indicators

Pro forma key figure	Definition	Reason for the use
EBITDA	Operating profit before depreciation, amortisation and impairments.	EBITDA describes the profitability of WISA Group's business before depreciation, amortisation and impairments.
Items affecting comparability, total	Certain non-operational or non-cash valuation transactions with significant income statement impact are considered as items affecting comparability, if they arise from asset impairments, restructuring measures, asset sales, or changes in legislation or legal proceedings. In addition, corporate acquisition costs and Demerger and Listing costs are classified as items affecting comparability. Numerical threshold for items to be considered as significant is EUR 1 million pre-tax.	Items affecting comparability are transactions or non-cash items that do not relate to WISA Group's ordinary business operations and are adjusted to improve the comparability of WISA Group's performance between reporting periods.
Comparable EBITDA	Operating profit before depreciation, amortization and impairments, and items affecting comparability.	Comparable EBITDA is used in addition to EBITDA to improve the comparability of business profitability without items affecting comparability.
Comparable EBIT	Operating profit adjusted for items affecting comparability.	Comparable EBIT is presented in addition to operating profit to improve the comparability of business profitability without items affecting comparability.
Comparable profit for the period	Profit for the period presented on the face of the combined income statement adjusted for items affecting comparability.	Comparable profit for the period is used in addition to profit for the period to improve the comparability of business profitability without items affecting comparability.
Net debt	Non-current debt + current debt – cash and cash equivalents.	Net debt describes WISA Group's indebtedness. The key figure is used as a component in the net debt / comparable EBITDA ratio calculation.

Net debt / Comparable EBITDA	$100x \dfrac{\text{Net debt}}{\text{carve-out comparable EBITDA (last 12 months)}}$	Net debt / Comparable EBITDA describes WISA Group's indebtedness and is a practical measure for management to assess WISA Group's indebtedness in relation to its results. The key figure is one of WISA Group's long-term financial targets.
Return on equity (ROE)	$100x \dfrac{\text{Profit for the period}}{\text{Total equity}}$	Return on equity describes WISA Group's ability to generate return on its equity.

Reconciliation of pro forma key figures

Items affecting comparability for the three months ended 31 March 2026 and for the financial year ended 31 December 2025

Items affecting comparability

		For the three months ended 31 March 2026				
In EUR million	**WISA Group Carve-out (unaudited)**	**Transactions prior Demerger (Note 1)**	**Demerger (Note 2)**	**Financing (Note 3)**	**Demerger and Listing costs (Note 4)**	**WISA Group Pro forma**
Impairment charges	-	-	-	-	-	-
Restructuring charges	-0.0	-	-	-	-	-0.0
Capital gains and losses on sale of non-current assets	-	-	-	-	-	-
Other non-operation items	-0.5	-	-	-	-	-0.5
Demerger and Listing costs	-	-	-	-	-	-
Total items affecting comparability in operating profit	**-0.5**	**-**	**-**	**-**	**-**	**-0.5**
Items affecting comparability in financial items	-	-	-	-	-	-
Items affecting comparability in profit before tax	**-0.5**	**-**	**-**	**-**	**-**	**-0.5**
Taxes relating to items affecting comparability	0.1	-	-	-	-	0.1
Items affecting comparability, total	**-0.4**	**-**	**-**	**-**	**-**	**-0.4**

Items affecting comparability

		For the financial year ended 31 December 2025				
In EUR million	**WISA Group Carve-out (audited)**	**Transactions prior Demerger (Note 1)**	**Demerger (Note 2)**	**Financing (Note 3)**	**Demerger and Listing costs (Note 4)**	**WISA Group Pro forma**
Impairment charges	-	-	-	-	-	-
Restructuring charges	-4.1	-	-	-	-	-4.1
Capital gains and losses on sale of non-current assets	-	-	-	-	-	-
Other non-operation items	-0.3	-	-	-	-	-0.3
Demerger and Listing costs	-	-	-	-	-21.0	-21.0
Total items affecting comparability in operating profit	**-4.4**	**-**	**-**	**-**	**-21.0**	**-25.3**
Items affecting comparability in financial items	-	-	-	-	-	-
Items affecting comparability in profit before tax	**-4.4**	**-**	**-**	**-**	**-21.0**	**-25.3**
Taxes relating to items affecting comparability	0.9	-	-	-	4.2	5.1
Items affecting comparability, total	**-3.5**	**-**	**-**	**-**	**-16.8**	**-20.3**

EBITDA and Comparable EBITDA for the three months ended 31 March 2026 and for the financial year ended 31 December 2025

EBITDA and Comparable EBITDA

In EUR million, unless otherwise indicated		**For the three months ended 31 March 2026**				
	WISA Group Carve-out (unaudited)	**Transactions prior Demerger (Note 1)**	**Demerger (Note 2)**	**Financing (Note 3)**	**Demerger and Listing costs (Note 4)**	**WISA Group Pro forma**
Operating profit	10.9	-	-	-	-0.1	10.8
Depreciation, amortization and impairment charges	-4.7	-	-	-	-0.1	-4.8
EBITDA	**15.6**	**-**	**-**	**-**	**-**	**15.6**
Operating profit	10.9	-	-	-	-0.1	10.8
Depreciation, amortization and impairment charges excluding items affecting comparability	-4.7	-	-	-	-0.1	-4.8
Items affecting comparability in operating profit	-0.5	-	-	-	-	-0.5
Comparable EBITDA	**16.1**	**-**	**-**	**-**	**-**	**16.1**
Comparable EBITDA, % of sales	13.5	-	-	-	-	13.5

EBITDA and Comparable EBITDA

In EUR million, unless otherwise indicated		**For the financial year ended 31 December 2025**				
	WISA Group Carve-out (audited)	**Transactions prior Demerger (Note 1)**	**Demerger (Note 2)**	**Financing (Note 3)**	**Demerger and Listing costs (Note 4)**	**WISA Group Pro forma**
Operating profit	26.9	0.7	-	-	-21.4	6.3
Depreciation, amortization and impairment charges	-19.4	-	-	-	-0.4	-19.8
EBITDA	**46.3**	**0.7**	**-**	**-**	**-21.0**	**26.1**
Operating profit	26.9	0.7	-	-	-21.4	6.3
Depreciation, amortization and impairment charges excluding items affecting comparability	-19.4	-	-	-	-0.4	-19.8
Items affecting comparability in operating profit	-4.4	-	-	-	-21.0	-25.3
Comparable EBITDA	**50.7**	**0.7**	**-**	**-**	**-**	**51.4**
Comparable EBITDA, % of sales	12.4	-	-	-	-	12.6

Comparable EBIT for the three months ended 31 March 2026 and for the financial year ended 31 December 2025

Comparable EBIT

In EUR million, unless otherwise indicated		**For the three months ended 31 March 2026**				
	WISA Group Carve-out (unaudited)	**Transactions prior Demerger (Note 1)**	**Demerger (Note 2)**	**Financing (Note 3)**	**Demerger and Listing costs (Note 4)**	**WISA Group Pro forma**
Operating profit	10.9	-	-	-	-0.1	10.8
Operating profit, % of sales	9.2	-	-	-	-	9.1
Items affecting comparability in operating profit	-0.5	-	-	-	-	-0.5
Comparable EBIT	**11.4**	**-**	**-**	**-**	**-0.1**	**11.3**
Comparable EBIT, % of sales	9.6	-	-	-	-	9.5

Comparable EBIT

In EUR million, unless otherwise indicated	WISA Group Carve-out (audited)	For the financial year ended 31 December 2025 Transactions prior Demerger (Note 1)	Demerger (Note 2)	Financing (Note 3)	Demerger and Listing costs (Note 4)	WISA Group Pro forma
Operating profit	26.9	0.7	-	-	-21.4	6.3
Operating profit, % of sales	6.6	-	-	-	-	1.5
Items affecting comparability in operating profit	-4.4	-	-	-	-21.0	-25.3
Comparable EBIT	**31.3**	**0.7**	**-**	**-**	**-0.4**	**31,6**
Comparable EBIT, % of sales	7.7	-	-	-	-	7.7

Comparable profit for the three months ended 31 March 2026 and for the financial year ended 31 December 2025

Comparable profit for the period

In EUR million	WISA Group Carve-out (unaudited)	For the three months ended 31 March 2026 Transactions prior Demerger (Note 1)	Demerger (Note 2)	Financing (Note 3)	Demerger and Listing costs (Note 4)	WISA Group Pro forma
Profit for the period	6.0	-	-0.3	-1.0	-0.1	4.7
Items affecting comparability, total	-0.4	-	-	-	-	-0.4
Comparable profit for the period	**6.4**	**-**	**-0.3**	**-1.0**	**-0.1**	**5.1**

Comparable profit for the period

In EUR million	WISA Group Carve-out (audited, unless otherwise indicated)	For the financial year ended 31 December 2025 Transactions prior Demerger (Note 1)	Demerger (Note 2)	Financing (Note 3)	Demerger and Listing costs (Note 4)	WISA Group Pro forma
Profit for the period	24.6	0.6	-3.0	-3.9	-17.1	1.2
Items affecting comparability, total	-3.5	-	-	-	-16.8	-20.3
Comparable profit for the period	**28.1**[1)]	**0.6**	**-3.0**	**-3.9**	**-0.3**	**21.4**

[1)] Unaudited.

Net debt as at 31 March 2026

Net debt

In EUR million, unless otherwise indicated	WISA Group Carve-out (unaudited)	As at 31 March 2026 Transactions prior Demerger (Note 1)	Demerger (Note 2)	Financing (Note 3)	Demerger and Listing costs (Note 4)	WISA Group Pro forma
Non-current debt	4.3	11.7	55.2	62.8	-	134.0
Current debt	2.4	-	-	-	-	2.4
Cash and cash equivalents	2.8	0.8	-	62.8	-23.0	43.5
Net debt	**3.9**	**10.9**	**55.2**	**-**	**23.0**	**93.0**
Comparable EBITDA[1)]	56.3	-	-	-	-	56.3
Net debt/ Comparable EBITDA	**0.1x**	**-**	**-**	**-**	**-**	**1.7x**

[1)] Carve-out based Comparable EBITDA for the last twelve months (31 March 2026).

Return on equity for the three months ended 31 March 2026 or as at 31 March 2026

Return on equity (ROE)

In EUR million, unless otherwise indicated	**WISA Group Carve-out (unaudited)**	**1 January to 31 March 2026 or as at 31 March 2026** Transactions prior Demerger (Note 1)	**Demerger (Note 2)**	**Financing (Note 3)**	**Demerger and Listing costs (Note 4)**	**WISA Group Pro forma**
Profit for the period[1].............	24.1	-	-1.2	-3.9	-0.3	18.7
Equity.....................................	228.1	0.6	-115.0	-	-16.8	96.9
ROE, %................................	**10.6**	**-**	**1.0**	**-**	**1.9**	**19.3**

[1] The figure presented for the three months ended 31 March 2026, multiplied by four.

MARKET AND INDUSTRY REVIEW

In this section, UPM makes certain statements regarding markets in which WISA Group operates, expected growth in such markets and its competitive and market position. The information is based on UPM's management's estimates and/or analyses relying on multiple sources, including company management view, and publicly available sources such as FAOSATS and COMTRADE. See "Certain Matters – Market and Industry Information".

Introduction

WISA Group offers high-quality[3] plywood and veneer products, mainly for panel trading and construction, vehicle flooring, LNG shipbuilding and parquet manufacturing as well as other industrial applications. Theoretical maximum production capacity is approximately 785,000 cubic metres per year. However, the actual utilisation rate varies depending on the product mix. The Company's management estimates that WISA Group is one of the few manufacturers globally holding a certification for the production of LNG plywood and is one of the leading plywood producers in Europe in high- and medium-requirement end uses.

Key End Uses and Geographies

The relevant end uses for WISA Group include panel trading and construction, vehicle flooring, LNG shipbuilding, parquet manufacturing and other industrial applications.

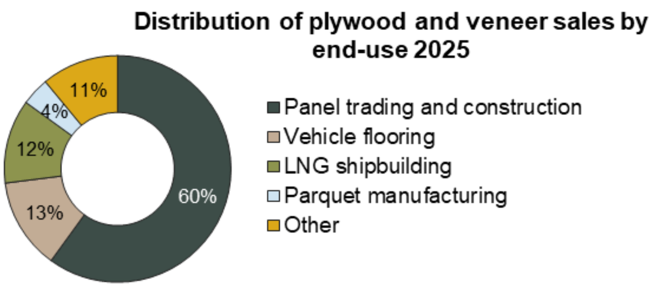
In 2025, sales generated through WISA Group's panel trading and construction end use represented approximately 60 per cent of the total sales on a carve-out basis from plywood and veneer sales.

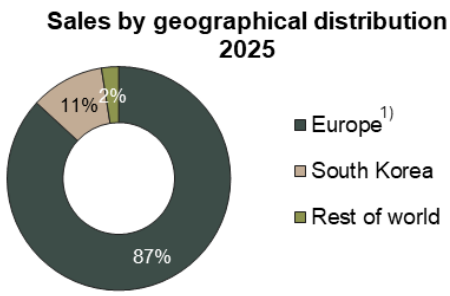
The vehicle flooring end use represented approximately 13 per cent and LNG shipbuilding approximately 12 per cent of the total sales on a carve-out basis from plywood and veneer sales in 2025, respectively. WISA Group sells its products globally, with Europe being the largest market measured by sales. In 2025, WISA Group generated approximately 87 per cent of its total sales on a carve-out basis from Europe, including related party sales.

WISA Group offers a wide range of hardwood plywoods for industrial applications and construction-related end uses directly or through distribution partners. Germany is the largest hardwood plywood market, where the majority of the volume is sold to timber merchants and vehicle flooring customers. Western Europe, especially Germany and the United Kingdom, is the most important market for WISA Group in vehicle flooring, whereas in the Far East, the hardwood plywood is sold to LNG shipbuilders primarily in South Korea.

The largest softwood plywood market for WISA Group is the Netherlands, where the majority of the volume is sold for construction applications through distribution partners specialising in construction. The same applies to the Nordic countries, which account for approximately 40 per cent of the softwood plywood sales volume.

The following charts illustrate the distribution of plywood and veneer sales by end use and the geographical distribution of sales on a carve-out basis in 2025:





1) Including related party sales.

Panel trading and construction

The management of WISA Group estimates that customers in the panel trading and construction end use value plywood that is consistent in quality, reliably available and competitively priced. Comprehensive documentation, traceability and relevant certifications are increasingly required to meet regulatory and sustainability expectations in the market. Security

[3] Source: Customer satisfaction surveys commissioned by UPM.

of supply plays a central role, supported by flexible logistics and short lead times, as it enables WISA Group's distribution partners to respond quickly to fluctuating demand while maintaining appropriate stock turnover and sustainable margins.[4]

Vehicle flooring

The management of WISA Group estimates that customers using WISA Group's products for vehicle flooring (such as manufacturers of trailers and commercial vehicles) value suppliers capable of combining high technical expertise with competitive, application-driven product design. To ensure uninterrupted production, these customers require optimised material flows and highly reliable, efficient supply chains. In addition, in terms of quality, these customers demand products that consistently deliver high performance at every stage, from trailer floor installation through the entire service life of the trailer.[5]

LNG shipbuilding

The management of WISA Group estimates that in LNG shipbuilding, customers require plywood solutions that fully comply with specifications defined by technology owners and meet the stringent quality requirements of both shipyards and ship owners. Materials used in cargo containment systems must demonstrate low thermal conductivity and structural rigidity. Dimensional stability, precise manufacturing tolerances and verified bonding quality are critical, given the technical complexity of LNG vessels. Traceability, third-party certification and long-term supplier reliability are essential, as projects are high value and strictly regulated and operate on strict construction schedules.[6]

Parquet manufacturing

The management of WISA Group estimates that parquet manufacturers seek the right product quality with customized specifications and punctual, flexible and reliable deliveries. Consistent veneer quality and tight tolerances are crucial for efficient production. Increasingly, customers also expect fast and accurate information flow and a strong customer-oriented development work, as well as adherence to sustainable sourcing principles to meet consumer and regulatory expectations.[7]

Market Definition and Focus Market for WISA Group

WISA Group's management estimates, based on market reports and publicly available market news, that the total global addressable market volume of plywood, including both hard- and softwood plywood, is approximately 107 million cubic metres[8] and approximately EUR 39 billion, annually[9]. The management estimates that the serviceable addressable market[10] is approximately 19.5 million cubic metres[11] and approximately EUR 9.6 billion in value, annually[12]. WISA Group has chosen to focus on high- and medium-requirement end uses primarily in Europe (panel trading and construction, vehicle flooring and parquet manufacturing end uses) and the LNG shipbuilding market globally ("**Focus Market**"[13]). WISA Group's management estimates that the annual size of the defined Focus Market is approximately 4.6 million cubic metres[14] and EUR 3.1 billion[15]. WISA Group currently has a limited presence in the North American market through customer trials carried out with established importer partners aimed at enhancing its presence.

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[4] Source: Management's estimate based on Plywood market report compiled by Market Glass, Inc (https://www.marketresearch.com/Global-Industry-Analysts-v1039/Plywood-42587696/, accessed on 16 April 2026).

[5] Source: Management's estimate based on Plywood market report compiled by Market Glass, Inc (https://www.marketresearch.com/Global-Industry-Analysts-v1039/Plywood-42587696/, accessed on 16 April 2026).

[6] Source: Management's estimate based on Plywood market report compiled by Market Glass, Inc (https://www.marketresearch.com/Global-Industry-Analysts-v1039/Plywood-42587696/, accessed on 16 April 2026).

[7] Source: Management's estimate based on Plywood market report compiled by Market Glass, Inc (https://www.marketresearch.com/Global-Industry-Analysts-v1039/Plywood-42587696/, accessed on 16 April 2026).

[8] Source: Management's estimate based on The European Panel Federation's (EPF) Annual Report 2024/2025, trade statistics (Eurostat, UK Trade Info), The European Parquet Federation's (FEP) press releases dated 31 October 2025 and 17 April 2026, Drewry LNG Forecast 2026 report and The West European Trailer Market Forecast Report compiled by Clear International Consulting Limited, February 2026 (the "**Clear International Report**").

[9] Source: Management's estimate based on publicly available market news.

[10] The serviceable addressable market comprises the plywood markets in Europe and North America, as well as the global LNG plywood markets.

[11] Source: Management's estimate based on The European Panel Federation's (EPF) Annual Report 2024/2025, trade statistics (Eurostat, UK Trade Info), The European Parquet Federation's (FEP) press releases dated 31 October 2025 and 17 April 2026, Drewry LNG Forecast 2026 report and Clear International Report.

[12] Source: Management's estimate based on publicly available market news.

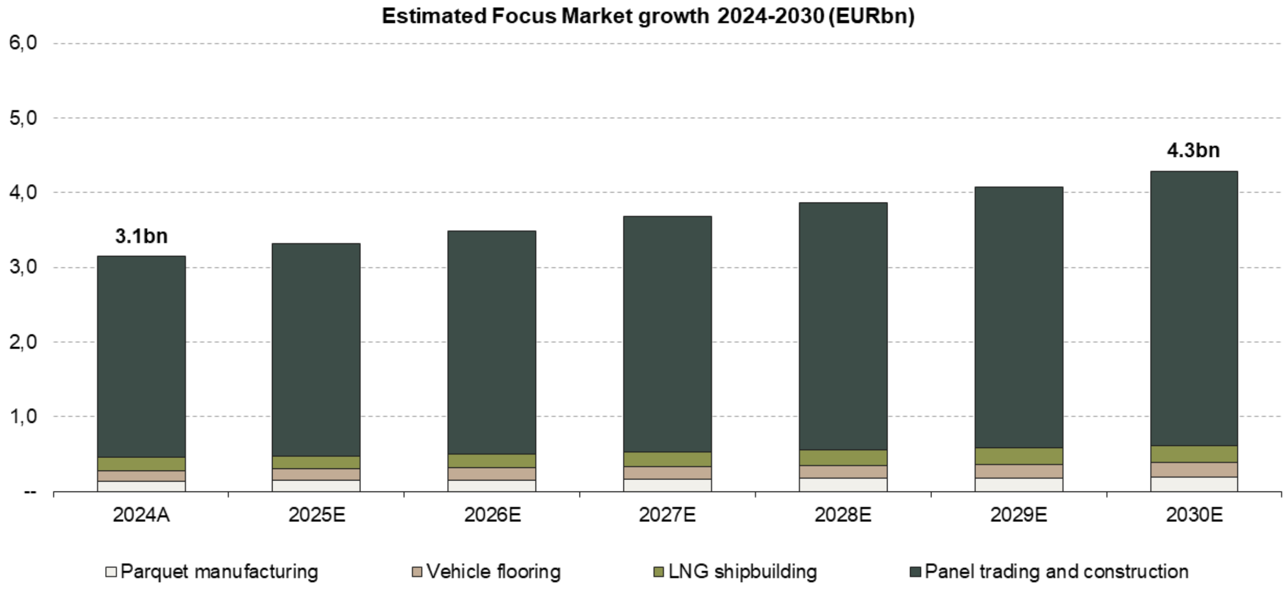
[13] WISA Group's Focus Market comprises the European markets (EU27 countries, the United Kingdom, Norway, Iceland and Switzerland) for panel trading and construction, vehicle flooring and parquet manufacturing, and the global markets for LNG shipbuilding.

[14] Source: Management's estimate based on The European Panel Federation's (EPF) Annual Report 2024/2025, trade statistics (Eurostat, UK Trade Info), The European Parquet Federation's (FEP) press releases dated 31 October 2025 and 17 April 2026, Drewry LNG Forecast 2026 report and Clear International Report.

[15] Source: Management's estimate based on publicly available market news.

WISA Group's management estimates that WISA Group's Focus Market, including high- and medium-requirement end uses, will expand at an annual pace of approximately 5.3 per cent[16]. WISA Group's management estimates, based on market reports and publicly available market news that the total size of the Focus Market was approximately EUR 3.1 billion in 2024 and is expected to reach EUR 4.3 billion by 2030, with panel trading and construction being the largest end use.

The following chart illustrates the estimated Focus Market growth from 2024 to 2030 (EUR billion) based on WISA Group's management's estimate, which is based on market reports and publicly available market news[17]:



Decarbonisation Goals Drive the Use of Low-Carbon Materials

WISA Group's management expects sustainability regulation and values to structurally support the plywood industry, particularly for operators with established compliance infrastructure and certified supply chains. In the EU, under EUDR, certain due diligence obligations as well as traceability and risk assessment obligations in relation to wood sourcing will be applied to operators placing relevant products on the Union market for the first time. Downstream operators and traders further along the supply chain are not required to carry out their own due diligence or submit due diligence statements; the first downstream operator or trader is, however, required to retain reference numbers of due diligence statements for traceability purposes. According to the Company's management's view, as a result of the EUDR, barriers to entry are elevated for operators placing products on the market and competitive advantage is conferred on scaled, well-capitalised producers capable of demonstrating compliance with the EUDR criteria and maintaining transparent procurement systems.

As an engineered wood product, plywood stores biogenic carbon sequestered during tree growth for the duration of its service life, thereby acting as a temporary carbon storage when its raw material is sourced from sustainably managed forests.[18] Compared to more emissions-intensive construction materials, plywood is well aligned with building standards and public procurement criteria relating to low-carbon construction. The Company's management expects tightening sustainability regulation to reinforce demand for responsibly produced plywood, support pricing discipline and enhance long-term sales visibility for compliant industry participants.

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[16] Source: Management's estimate based on The European Panel Federation's (EPF) Annual Report 2024/2025, trade statistics (Eurostat, UK Trade Info), The European Parquet Federation's (FEP) press releases dated 31 October 2025 and 17 April 2026, Drewry LNG Forecast 2026 report and Clear International Report.

[17] Source: Management's estimate based on The European Panel Federation's (EPF) Annual Report 2024/2025, trade statistics (Eurostat, UK Trade Info), The European Parquet Federation's (FEP) press releases dated 31 October 2025 and 17 April 2026, Drewry LNG Forecast 2026 report and Clear International Report.

[18] Source: Food and Agriculture Organization of the United Nations (FAO), Climate change mitigation and harvested wood products: Lessons learned from three case studies in Asia and the Pacific, 2022 (https://openknowledge.fao.org/server/api/core/bitstreams/10648ca9-bac4-4b7b-8ba5-231e739d8b36/content, accessed on 6 May 2026).

The following figure illustrates sustainability regulation in selected countries:[19]

Regulations in selected countries

Finland

Carbon neutral by **2035**

- Climate declarations and carbon footprint calculations for buildings compulsory from January 2026
- A limit value of 16kgCO_2e/m^2 for residential buildings was introduced on 9 January 2026 with tightening to 12kgCO_2e/m^2 in 2029

Sweden

Carbon neutral by **2045**

- Limit values for climate emissions from buildings are pending for government's decision
- Sweden is legally committed to net-zero greenhouse gas emissions by 2045

Denmark

Carbon neutral by **2050**

- Required mandatory CO_2 calculations per m^2 for buildings >1,000 m^2 and carbon declarations of buildings <1,000 m^2
- All new buildings must meet CO_2 limit values averaging 7.1 kgCO_2e/m^2, varying by building type, further tightening of limits by 2027 and 2029

Netherlands

Carbon neutral by **2050**

- Aims to halve the environmental performance limit for new buildings (MPG metric) by 2030 compared to 2018 levels with tightening MPG standards
- The Netherlands targets climate neutrality by 2050

Key Demand Drivers

The demand for plywood is influenced by a range of macroeconomic, demographic and industry-specific factors that collectively shape consumption patterns across end use sectors. Growth in construction activity, accelerating urbanisation, the evolution of building methodologies and expansion in specialised industrial applications are among the principal drivers for market expansion. This section outlines key factors, including construction recovery, urbanisation and infrastructure development, modular construction adoption and LNG shipbuilding activity, each of which the Company's management expects to contribute to the medium- to long-term growth of the plywood market, subject to prevailing economic conditions, regulatory environments and investment cycles.

Construction recovery

The development of the global construction sector represents a significant driver for the plywood market[20]. Following earlier downturns and project deferrals, residential, commercial and industrial construction activities have resumed across multiple regions, contributing to increased demand for wood panel products. Many regions such as the Nordics, Benelux, the United Kingdom and the United States are experiencing a housing shortage[21]. The Company's management expects lower interest rates and governmental stimulus programmes to drive the growth in housing starts[22].

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[19] Source: Finland's National Climate Policy (https://ym.fi/en/finland-s-national-climate-change-policy, accessed on 17 April 2026), Denmark's Climate Transition Towards 2050 publication (https://klimaraadet.dk/en/analysis/denmarks-climate-transition-towards-2050, accessed on 17 April 2026), Sweden's Climate Act and Climate Policy Framework (https://www.naturvardsverket.se/en/topics/climate-transition/sveriges-klimatarbete/swedens-climate-act-and-climate-policy-framework/, accessed on 17 April 2026) and the Dutch Climate Act (https://www.government.nl/themes/nature-and-the-environment/climate-change/mitigating-climate-change, accessed on 17 April 2026).

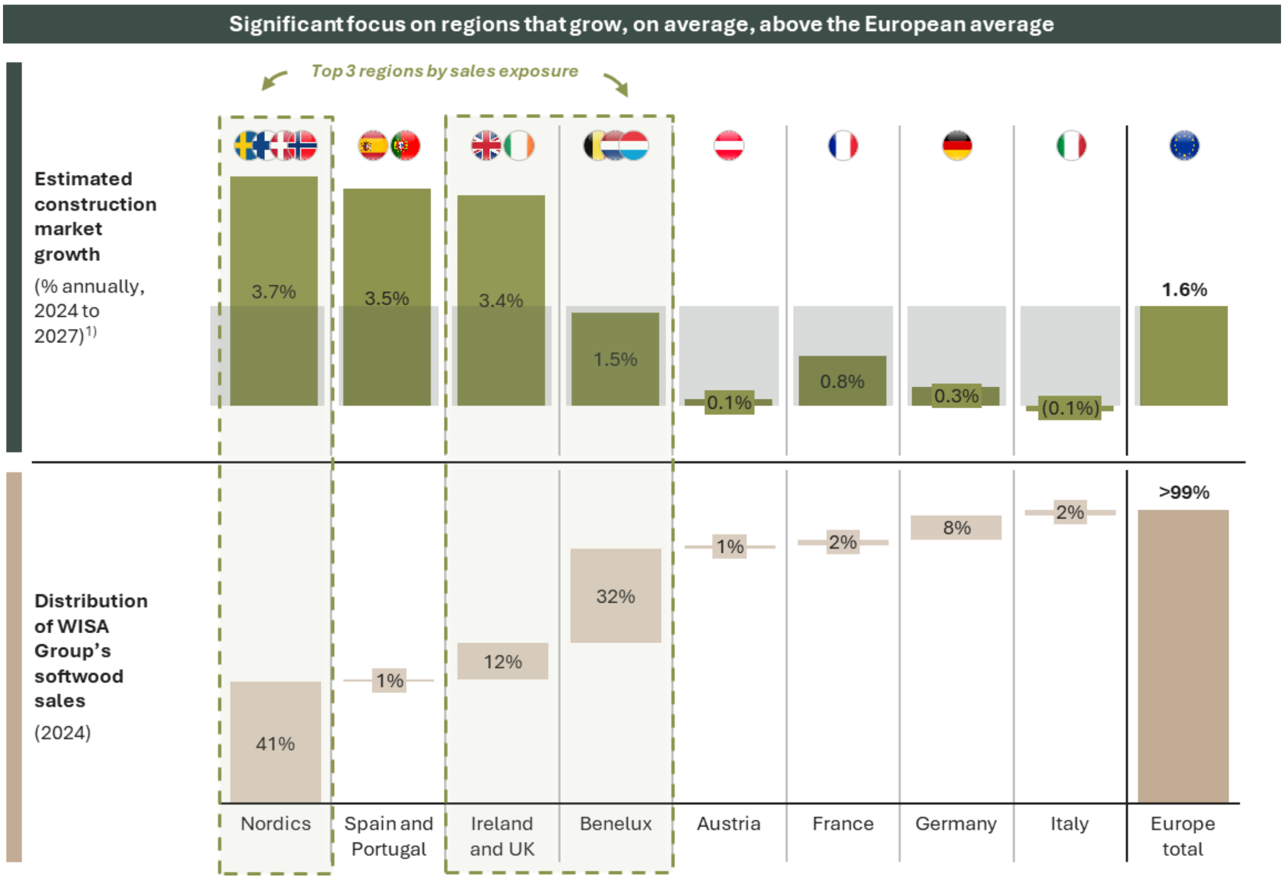
[20] Source: EUROCONSTRUCT Summary Report, Winter 2025.

[21] Source: Congressional Research Service (CRS): Estimates of a "Housing Shortage" (https://www.congress.gov/crs_external_products/IN/PDF/IN12628/IN12628.1.pdf), European Parliament: Housing crisis: why prices are rising and what the EU is doing about it (https://www.europarl.europa.eu/topics/en/article/20241014STO24542/housing-crisis-why-prices-are-rising-and-what-the-eu-is-doing-about-it, accessed on 7 May 2026) and Centre for Cities: "The housebuilding crisis, The UK's 4 million missing homes" report, (https://www.centreforcities.org/publication/the-housebuilding-crisis/, accessed on 11 May 2026).

[22] Source: Management's estimate based on EUROCONSTRUCT Summary Report, Winter 2025.

Furthermore, renovation activity, particularly in mature markets, continues to provide incremental demand support. Public infrastructure developments and private capital expenditure in real estate development are also contributing to order visibility for manufacturers and suppliers of plywood products. While the pace and sustainability of construction development may vary by geography and macroeconomic conditions, the Company's management expects construction growth to remain a material factor influencing plywood demand in the short to medium term.

The following figure illustrates WISA Group's sales exposure on a carve-out basis across different geographies in Europe and the estimated growth of the construction market in 2024–2027:



1) Source: EUROCONSTRUCT Summary Report, Winter 2025.

Urbanisation and infrastructure development

The Company's management estimates that urbanisation trends and infrastructure development projects constitute another key demand catalyst for plywood products, especially hardwood plywood products. Rapid population migration from rural to urban centres, particularly in emerging economies, has resulted in sustained requirements for residential housing, commercial facilities and transportation networks. Large-scale public infrastructure investments have increased the usage of plywood in these applications.[23]

The Company's management expects government-led infrastructure modernisation programmes and public-private partnership projects to further support plywood consumption. Additionally, the growing emphasis on cost-effective and time-efficient construction solutions in densely populated urban areas may favour engineered wood products, including plywood, due to their adaptability, strength-to-weight characteristics and relative ease of installation.[24]

The increasing prevalence of modular construction

The Company's management estimates that the increasing adoption of modular and prefabricated construction methodologies is emerging as a structural driver of plywood demand. Modular construction involves the off-site fabrication of standardised building components that are subsequently assembled on the building site, thereby reducing construction timelines, labour intensity and on-site waste. Plywood is commonly utilised in modular applications such as

[23] Source: Management's estimate based on Plywood market report compiled by Market Glass, Inc (https://www.marketresearch.com/Global-Industry-Analysts-v1039/Plywood-42587696/, accessed on 16 April 2026).
[24] Source: Management's estimate based on Plywood market report compiled by Market Glass, Inc (https://www.marketresearch.com/Global-Industry-Analysts-v1039/Plywood-42587696/, accessed on 16 April 2026).

wall panels, flooring systems, roof assemblies, cabinetry and structural reinforcements due to its dimensional stability, load-bearing capability and compatibility with efficient manufacturing processes.[25]

The Company's management expects the shift toward off-site construction solutions to accelerate across residential, hospitality, healthcare and educational end uses as developers and contractors seek to enhance project execution and mitigate labour shortages. The Company's management expects this transition to result in recurring, high-volume procurement arrangements for plywood manufacturers capable of meeting technical specifications and quality standards required for prefabricated assemblies.[26]

Vehicle flooring demand growth

From 2026 onward, the European commercial vehicle market is expected to transition into a phase of steady recovery, supported by improved macroeconomic conditions, aging truck fleets and a strong rebound in municipal bus tenders[27]. The Company's management estimates that the commercial vehicle market development will positively affect vehicle flooring plywood demand.

LNG shipbuilding

The Company's management estimates that the expansion in global LNG production, transportation and storage infrastructure is also contributing to demand for specialised plywood products. The growth in international LNG trade has led to increased construction of LNG carriers and associated support vessels. Shipbuilding hubs, particularly in Asia, have historically constructed the majority of the world's LNG vessels. As GTT's technologies are the dominant solution for containment systems in LNG vessels, their material specifications also govern demand for high-performance plywood designed and certified for LNG applications.[28]

In addition to new orders, the renewal of the fleet as older vessels reach the end of their lifecycle may according to the estimate of the Company's management provide ancillary demand for LNG-certified plywood. The Company's management expects the broader global transition toward comparatively lower-carbon energy sources, including LNG, to support short-term vessel demand, subject to energy market and regulatory developments as well as capital investment cycles. While shipbuilding demand can be cyclical and sensitive to global trade conditions, LNG shipbuilding remains a significant premium end use.[29]

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[25] Source: Management's estimate based on Plywood market report compiled by Market Glass, Inc (https://www.marketresearch.com/Global-Industry-Analysts-v1039/Plywood-42587696/, accessed on 16 April 2026).

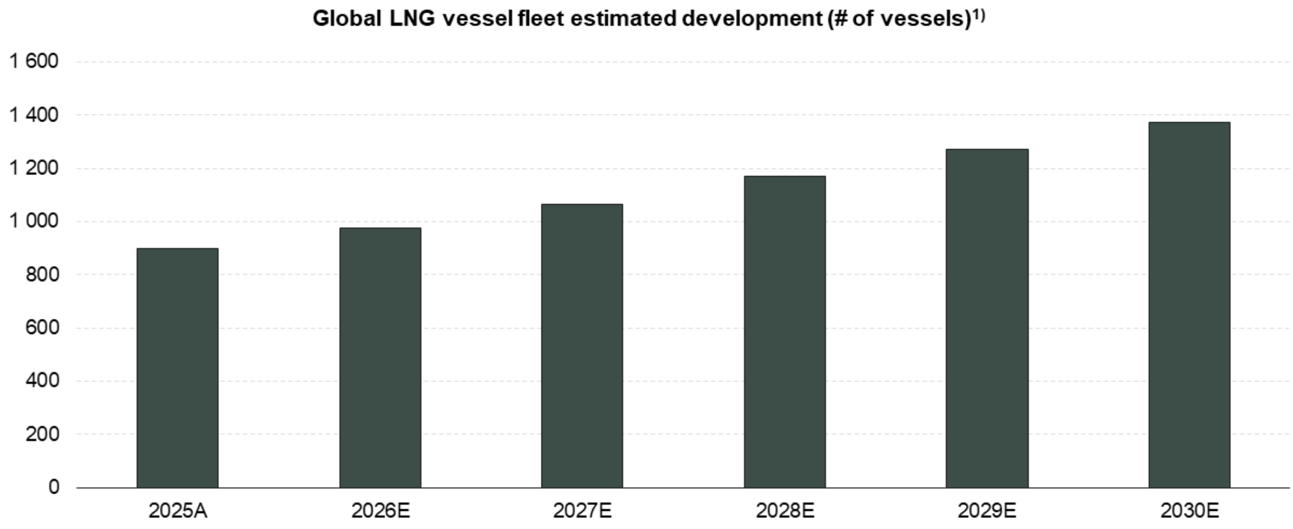
[26] Source: Management's estimate based on Plywood market report compiled by Market Glass, Inc (https://www.marketresearch.com/Global-Industry-Analysts-v1039/Plywood-42587696/, accessed on 16 April 2026).

[27] Source: S&P Global Mobility: 2026 Commercial vehicle outlook: Steady gains amid diverging regional cycles (https://www.spglobal.com/automotive-insights/en/blogs/2026/02/commercial-vehicle-market-outlook-sees-steady-gains, accessed on 15 June 2026).

[28] Source: Management's estimate based on Plywood market report compiled by Market Glass, Inc (https://www.marketresearch.com/Global-Industry-Analysts-v1039/Plywood-42587696/, accessed on 16 April 2026).

[29] Source: Management's estimate based on Plywood market report compiled by Market Glass, Inc (https://www.marketresearch.com/Global-Industry-Analysts-v1039/Plywood-42587696/, accessed on 16 April 2026).

The following figure illustrates the global LNG vessel fleet's estimated development in 2025–2030:



1) Source: Drewry LNG Forecast 2026 report.

Competitive Environment

The plywood market is characterised by international trade. China is the key exporter of plywood (12.1 million cubic metres). It is distantly followed by Indonesia (3.3 million cubic metres), Brazil (2.3 million cubic metres), Russia (1.6 million cubic metres) and Malaysia (1.1 million cubic metres). Finland (0.5 million cubic metres) and Chile (0.8 million cubic metres) also take a minor share of total exports but have an important role, especially in European markets.[30]

According to WISA Group's management's view, the global plywood market is relatively mature and is characterised by significant imports from Asia and Latin America to Europe. The competitive landscape has changed considerably following the war in Ukraine and the subsequent imposition of sanctions on Russian imports. The competitive landscape is characterised by raw material cost considerations, evolving regulatory and sustainability requirements and competition from substitute materials such as oriented strand board. Market leaders specialise in specific grades and wood types, with limited overlap between hardwood and softwood end uses. The market is further shaped by regulatory and sustainability considerations, including evolving standards for emissions, environmental certification requirements and, in certain jurisdictions, trade defence measures applied in response to alleged dumping and unfair pricing.

The Asia-Pacific region represents the dominant geographic area within the global plywood industry, accounting for the largest share of production and consumption. Additionally, Europe is a net importer of plywood. Plywood imports are coming from Latin America and China, with Brazil and Chile now accounting for over 30 per cent[31] of imports and China accounting for over 50 per cent[32]. As a result of the weakened economy following the war in Ukraine, imports of lower-priced Latin American softwood plywood imports have increased while the hardwood plywood imports previously imported from Russia have been mostly replaced with plywood from China in end uses where the quality requirement level is low.

WISA Group Competitive Position

WISA Group is one of the largest European plywood producers and considered by its customers to be one of the market leaders in terms of its product properties, technical capabilities and customer and supply chain services[33]. Compared to competitors, WISA Group is specialised in high- and medium-requirement end uses, where market entry for new players is challenging. These include vehicle flooring end uses, where advanced R&D and robust customer networks limit competition, and LNG shipbuilding end uses, where stringent certification requirements make market entry difficult. WISA Group's high service levels, supported by an extensive sales and warehousing network in Europe, provide the Company with a competitive edge given high reliability and delivery times.

[30] Source: COMTRADE international trade flow database (https://comtradeplus.un.org/, accessed on 16 April 2026).
[31] Source: COMTRADE international trade flow database (https://comtradeplus.un.org/, accessed on 16 April 2026).
[32] Source: COMTRADE international trade flow database (https://comtradeplus.un.org/, accessed on 16 April 2026).
[33] Source: Customer satisfaction surveys commissioned by UPM.

End-market competitive dynamics

Competitive dynamics within the LNG shipbuilding end use are characterised by a limited number of GTT-approved suppliers serving shipyards and their relevant outsourcing partners. Shipyards operate under strict technical approval processes, with product performance according to certification requirements forming critical purchasing criteria. Barriers to entry are significant, reflecting the requirement for technology owners' approval, classification society approvals, customer-specific testing and material qualification cycles. In addition, the reputational risk associated with component failure in marine environments materially favours incumbent suppliers with established references and audited production systems.

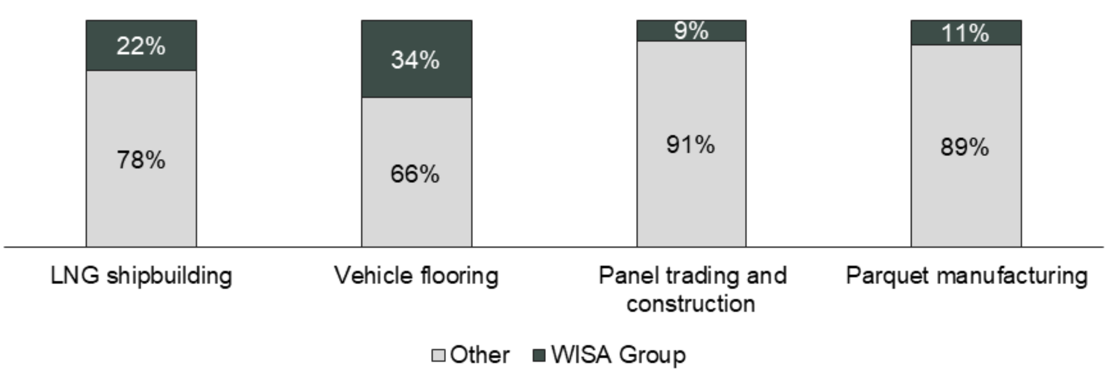
Competition in the panel trading and construction end use is broad due to a large pool of suppliers and distributors. Key factors for success include pricing, logistics capabilities, product availability, and working capital strength. While this end use is commodity market -based in nature compared to specialised industrial applications, competitive advantages can be achieved through efficiency in procurement, production, and distribution. Barriers to entry are moderate: although basic production technology is widely available, new entrants face challenges in maintaining quality, certification compliance, ensuring wood raw material availability and establishing efficient logistics. Existing customer relationships also strengthen the position of established companies in the market.

The vehicle flooring end use is characterised by a more specialised competitive landscape, with customers requiring application-specific product performance, including high load-bearing capacity, wear resistance and machinability. Original equipment manufacturers typically operate formal supplier evaluation processes, emphasising quality assurance, technical (after-sales) support and reliability of supply. Competitive differentiation is based on engineered product characteristics, customisation capability and long-term commercial partnerships. Barriers to entry are relatively high due to the need for technical know-how, tailored production processes, recurring product testing and customer-specific material flows. The threshold to change suppliers is significant, driven by factors such as original equipment manufacturer supplier evaluations and operational continuity considerations.

The parquet industry can be divided into two main end uses based on product type: 3-layer parquet and 2-layer parquet, which are determined by their construction. WISA Group focuses on the niche market of the 3-layer parquet, in which backing veneer is used in parquet offerings. This end use is driven by demand linked to construction cycles in both residential and commercial sectors. Barriers to entry in this market are moderate. While established technology exists for plywood and rotary-cut veneer production, achieving the tight dimensional and moisture content tolerances required for parquet applications necessitates specialised knowledge and expertise. Additionally, strong, long-standing supplier relationships and a customer-oriented development cooperation in the value chain of products applied to flooring applications further enhance the competitive positioning of existing suppliers.

The following figure illustrates WISA Group's estimated market shares across the key end uses measured in euro value based on WISA Group's management's estimate:

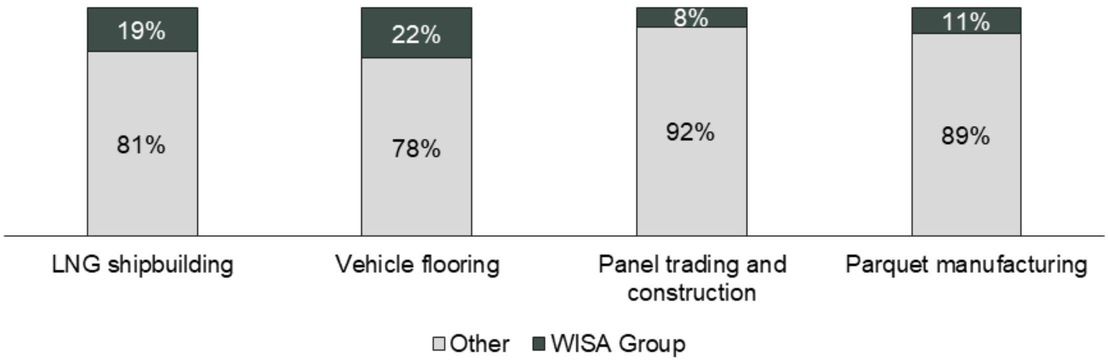
Estimated market shares in key end uses (%)[1)]



[1)] Source: Management's estimate based on publicly available market news.

The following figure illustrates WISA Group’s estimated market shares across the key end uses measured by volume based on WISA Group’s management’s estimate:

Estimated market shares in key end uses (%)[1)]



[1)] Source: Management’s estimate based on The European Panel Federation’s (EPF) Annual Report 2024/2025, trade statistics (Eurostat, UK Trade Info), The European Parquet Federation’s (FEP) press releases dated 31 October 2025 and 17 April 2026, Drewry LNG Forecast 2026 report and Clear International Report.

The following figure illustrates WISA Group and its key competitors’ positioning across different product grades and wood types:

Competitor / size			Wood type			End market exposure						
Company	Capacity (m³)	#	Soft wood	Hard wood	Veneer	Panel trading and construction	Vehicle flooring[1)]	LNG shipbuilding	Parquet manufactu-ring	Scaffolding	Concrete forming	Furniture
SVEZA	1 400 000		×	✓	×	✓	✓	✓	✓	✓	✓	✓
WISA	785 000	7	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Latvijas Finieris	~330 000	~5	×	✓	✓	✓	✓	✓	×	✓	✓	✓
segezha group	300 000		×	✓	×	✓	✓	×	×	×	×	✓
Paged	240 000	2	✓	✓	✓	✓	✓	×	(✓)	(✓)	(✓)	✓
Metsä	163 000	3	×	✓	✓	✓	✓	×	(✓)	✓	✓	×
THEBAULT	125 000	4	✓	✓	×	✓	✓	×	×	✓	✓	(✓)
Moelven	110 000	1	✓	×	×	✓	✓	×	(✓)	(✓)	(✓)	(✓)
KOSKISEN	72 000	2	×	✓	(✓)	✓	✓	×	✓	✓	✓	✓
Others	~102 Mn											

Number of production units ✓ Present in portfolio (✓) Partial presence in portfolio

Source: Company websites. Latest reported capacity statistics for competitors (Latvijas Finieris estimated from management commentary). Sveza and Segezha are marked in grey, as their operations have been suspended in the European markets following the introduction of EU sanctions on Russian wood products.
[1)] Including heavy transport, such as buses.

BUSINESS OF WISA GROUP

WISA Group will not be incorporated until the Effective Date and therefore, the following information is based on the Demerger Plan and information available as at the date of this Prospectus regarding WISA Group's business, including the assets and liabilities to be transferred to WISA Group as a result of the Demerger. The following information reflects a number of assumptions and expectations regarding WISA Group's operations, including the Demerger being completed in the timeframe contemplated in this Prospectus. However, there can be no assurance that the Demerger will be completed in the manner or in the timeframe contemplated in this Prospectus or at all, or that the operations of WISA Group will be organised as anticipated as at the date of this Prospectus, any of which may cause any of the statements below to not materialise. The Demerger Plan is attached to this Prospectus as Annex A.

Overview

WISA Group offers high-quality[34] plywood and veneer products, mainly for panel trading and construction, vehicle flooring, LNG shipbuilding and parquet manufacturing as well as other industrial applications. Theoretical maximum production capacity is approximately 785,000 cubic metres per year. However, the actual capacity utilisation rate varies according to the product mix. The Company's management estimates that WISA Group is one of the few manufacturers globally holding a certification for the production of LNG plywood and is one of the leading plywood producers in Europe in high- and medium-requirement end uses (see section "– *Business Operations – Product offering*" below).

WISA Group's sales on a carve-out basis amounted to EUR 119.1 million for the three months ended 31 March 2026 and EUR 409.1 million for the financial year ended 31 December 2025. The operating profit on a carve-out-basis was EUR 10.9 million for the three months ended 31 March 2026 and EUR 26.9 million for the financial year ended 31 December 2025.

WISA Group is headquartered in Helsinki, Finland and has seven production units in five locations. The production units in Finland are located in Mikkeli (three Pellos production units), Kouvola (Kalso production unit), Joensuu and Savonlinna. The production unit in Estonia is located in Otepää. Wood sourcing for the Otepää production unit is supported by the Otepää wood sourcing organisation transferring from UPM to WISA Group, and including a branch office in Latvia. WISA Group has a total of six warehouses in Finland, Denmark, Germany, the Netherlands, France and the United Kingdom and a total of seven sales offices in Finland, Denmark, Germany, the Netherlands, France, Spain and the United Kingdom. WISA Group had 1,454 employees on a carve-out basis as at 31 March 2026.

Following the Effective Date, WISA Group's business will consist of the production and sale of high-quality plywood and veneer products in the three main product categories: hardwood (birch) plywood, softwood (spruce) plywood, and veneer products. These products are offered for both high- and medium-requirement end uses, with certain products qualifying for either end use category depending on their specifications and application. The business serves four primary end uses: panel trading and construction, vehicle flooring, LNG shipbuilding, and parquet manufacturing.

The following table sets forth WISA Group's key financial figures on a carve-out basis as at the dates and for the periods indicated:

	As at 31 March and 1 January to 31 March		As at 31 December and 1 January to 31 December		
In EUR million, unless otherwise indicated	**2026**	**2025**	**2025**	**2024**	**2023**
	(unaudited)		**(audited, unless otherwise indicated)**		
Sales	119.1	103.3	409.1	429.9	421.8
EBITDA	15.6	10.5	46.3	60.7	66.7
Operating profit	10.9	5.1	26.9	38.4	46.6
Operating profit, % of sales	9.2	4.9	6.6	8.9	11.0
Profit for the period	6.0	5.0	24.6	34.2	41.7
Total assets	323.9	410.1	324.4	422.9	413.9
Total invested equity	228.1	337.4	231.8	332.1	335.4
Personnel at the end of the period	1,454	1,504	1,451[1)]	1,491[1)]	1,518[1)]

[1)] Unaudited.

[34] Source: Customer satisfaction surveys commissioned by UPM.

Sales Disaggregation

The following table sets forth WISA Group's disaggregation of sales on a carve-out basis as at the dates and for the periods indicated:

In EUR million	1 January to 31 March		1 January to 31 December		
	2026	2025	2025	2024	2023
	(unaudited)		(unaudited, unless otherwise indicated)		
Plywood and veneer sales	107.7	94.9	369.1	392.1	385.9
By-product sales	10.7	9.0	38.9	39.1	35.0
Hedging results of sales	0.7	-0.6	1.1	-1.3	0.9
Total sales	**119.1**	**103.3**	**409.1**[1)]	**429.9**[1)]	**421.8**[1)]

[1)] Audited.

The following table sets forth WISA Group's disaggregation of sales on a carve-out basis as at the dates and for the periods indicated:

In EUR million	1 January to 31 March		1 January to 31 December		
	2026	2025	2025	2024	2023
	(unaudited)		(unaudited, unless otherwise indicated)		
Birch production units (Joensuu, Savonlinna, Otepää) plywood sales including by-product sales	63.8	52.6	210.2	224.7	225.9
Spruce production units (Pellos, Kalso) plywood and veneer sales including by-product sales	55.3	50.9	199.9	207.9	194.8
Eliminations and other	0.0	-0.2	-1.0	-2.7	1.2
Total sales	**119.1**	**103.3**	**409.1**[1)]	**429.9**[1)]	**421.8**[1)]

[1)] Audited.

Key Strengths

WISA Group's management believes that the following factors in particular are key strengths of WISA Group and represent key competitive advantages for the Company:

One of the leading European plywood producers with a strong market position across key end uses

WISA Group is one of the largest plywood manufacturers in the EU with EUR 409.1 million in sales on a carve-out basis in 2025 and the Company's management estimates that the Company has a market share of approximately 13 per cent in its main markets.[35] The Company is specialised in high- and medium-requirement end uses, anchored by the WISA brand. The Company's management estimates that WISA Group holds a leading position in vehicle flooring (approximately 22 per cent market share measured by volume) and a strong position in LNG shipbuilding (approximately 19 per cent measured by volume), and a significant market share also in parquet (approximately 11 per cent measured by volume) and panel trading and construction (approximately 8 per cent measured by volume).[36] Approximately 87 per cent of WISA Group's sales in 2025 on a carve-out basis, including related party sales, came from Europe. In 2025 WISA Group's sales from panel trading and construction end uses amounted to approximately 60 per cent of total plywood and veneer sales on a carve-out basis. Approximately 34 per cent of WISA Group's plywood and veneer sales on a carve-out basis in 2025 came from industrial high- and medium-requirement end uses, including for example vehicle flooring, LNG shipbuilding and parquet manufacturing, where technical and service requirements are high.

The Company specialises in high- and medium-requirement end uses in the European plywood market. It focuses on end uses with higher technical and service requirements where product value is higher and competition on price is less intense. WISA Group's management estimates based on market research and publicly available market news that the serviceable addressable market of WISA Group[37] is annually approximately EUR 9.6 billion[38] and approximately 19.5 million cubic

[35] Source: Management's estimate based on The European Panel Federation's (EPF) Annual Report 2024/2025, trade statistics (Eurostat, UK Trade Info), The European Parquet Federation's (FEP) press releases dated 31 October 2025 and 17 April 2026, Drewry LNG Forecast 2026 report and Clear International Report.
[36] Source: Management's estimate based on The European Panel Federation's (EPF) Annual Report 2024/2025, trade statistics (Eurostat, UK Trade Info), The European Parquet Federation's (FEP) press releases dated 31 October 2025 and 17 April 2026, Drewry LNG Forecast 2026 report and Clear International Report.
[37] The serviceable addressable market comprises the plywood markets in Europe and North America, as well as the global LNG plywood markets.
[38] Source: Management's estimate based on publicly available market news.

metres[39], which is equivalent to approximately 18 per cent of the total global plywood market volume but approximately 25 per cent of the total value (according to the management's estimate the global plywood market is annually approximately EUR 39 billion[40] and 107 million cubic metres[41]), and shows a significant price difference in WISA Group's serviceable addressable focus markets. WISA Group's management estimates the Focus Market[42] to be annually approximately EUR 3.1 billion[43] and approximately 4.6 million cubic metres[44]. Within Europe, WISA Group mainly focuses on the Nordics, Benelux, and the United Kingdom, which are the main markets for the Company's softwood plywood and are projected to grow faster than continental Europe[45] and Germany, which is the main market for the Company's hardwood plywood.

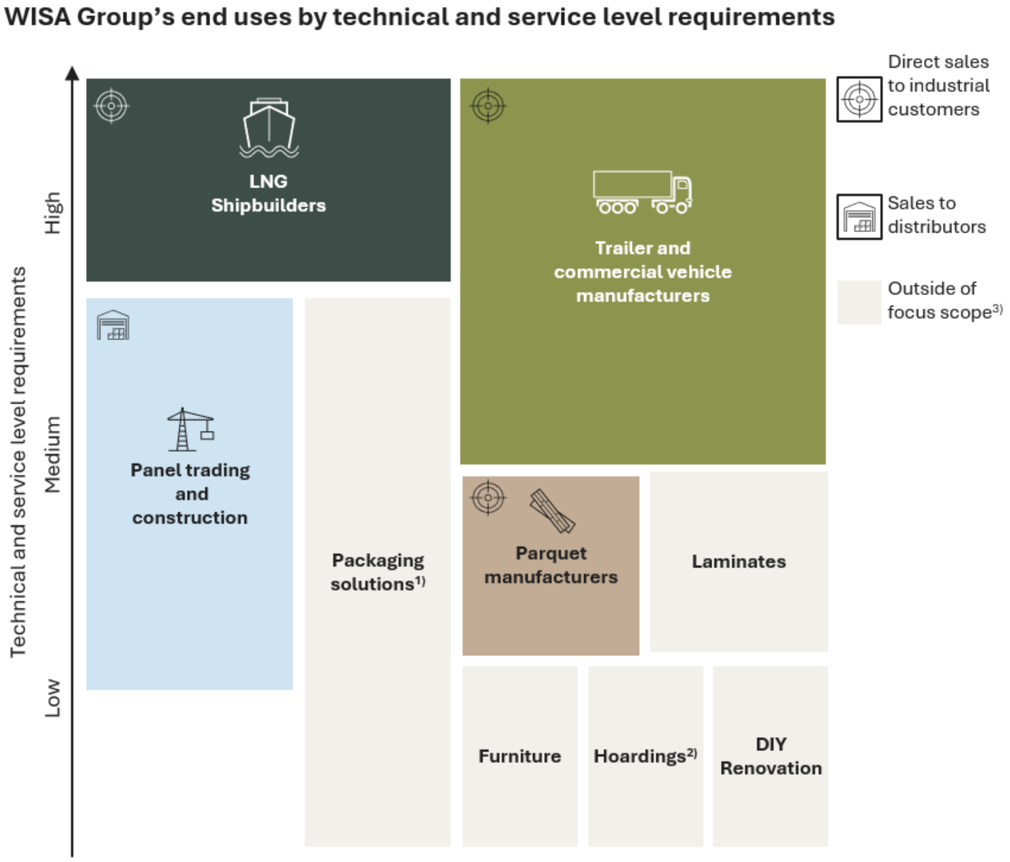
WISA Group's large sales and service warehouse network creates a competitive edge. The Company has seven sales offices and six key warehouses strategically positioned near key markets with good logistics connections. WISA Group's professional customer service is highly valued by customers, and according to the assessment of the Company's management, it creates a competitive advantage that is difficult for competitors to replicate. The Company combines localised customer service provided through a robust sales office and agent network with centralised specialised technical support.

Differentiated product portfolio for a variety of applications, using only wood raw materials of known origin

WISA Group maintains a balanced hardwood and softwood plywood portfolio serving demanding applications, including vehicle flooring, LNG shipbuilding, parquet manufacturing, and load-bearing structures. In the view of the Company's management the Company's presence in both hardwood and softwood plywood end uses serves as risk mitigation against different conditions in supply and demand. WISA Group is one of the few LNG-qualified suppliers with the widest GTT certification set and it has also been an early mover regarding the NO96 LNG certification. Both vehicle flooring and LNG shipbuilding require stringent specifications, advanced research and development ("**R&D**") and well-structured supply chain networks.

[39] Source: Management's estimate based on The European Panel Federation's (EPF) Annual Report 2024/2025, trade statistics (Eurostat, UK Trade Info), The European Parquet Federation's (FEP) press releases dated 31 October 2025 and 17 April 2026, Drewry LNG Forecast 2026 report and Clear International Report.
[40] Source: Management's estimate based on publicly available market news.
[41] Source: Management's estimate based on The European Panel Federation's (EPF) Annual Report 2024/2025, trade statistics (Eurostat, UK Trade Info), The European Parquet Federation's (FEP) press releases dated 31 October 2025 and 17 April 2026, Drewry LNG Forecast 2026 report and Clear International Report.
[42] WISA Group's Focus Market comprises the European markets (EU27 countries, the United Kingdom, Norway, Iceland and Switzerland) for panel trading and construction, vehicle flooring and parquet manufacturing, and the global markets for LNG shipbuilding.
[43] Source: Management's estimate based on publicly available market news.
[44] Source: Management's estimate based on The European Panel Federation's (EPF) Annual Report 2024/2025, trade statistics (Eurostat, UK Trade Info), The European Parquet Federation's (FEP) press releases dated 31 October 2025 and 17 April 2026, Drewry LNG Forecast 2026 report and Clear International Report.
[45] Source: EUROCONSTRUCT Summary Report, Winter 2025.

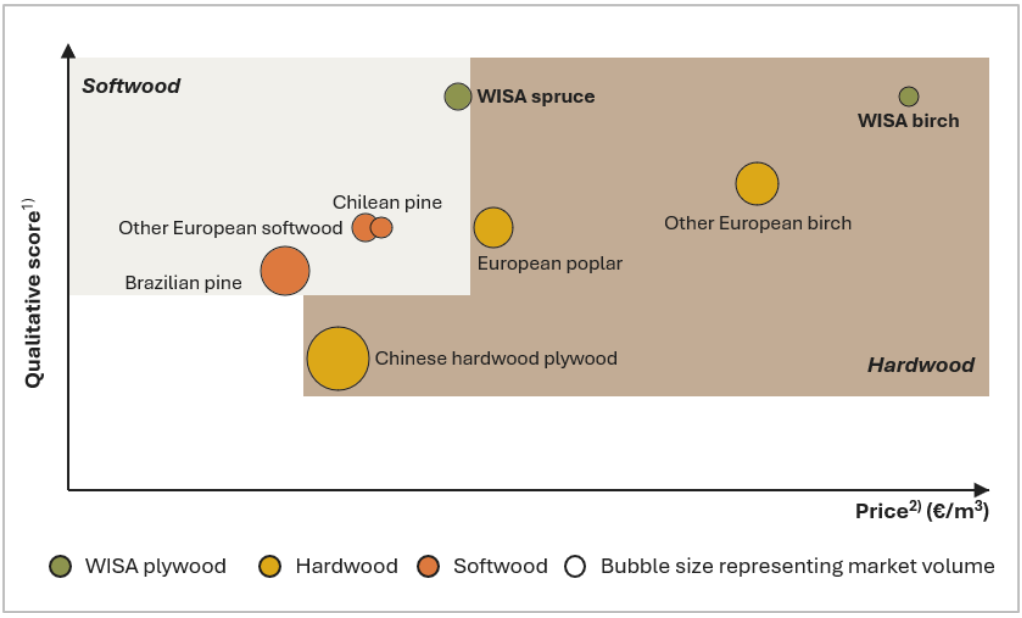
The following diagram presents WISA Group's customer groups by technical specifications and service level requirements:



[1)] For example heavy machinery.
[2)] For example site hoardings.
[3)] The Company also delivers minor volumes to packaging solutions (for example large machinery), furniture (for example UPM Grada) and DIY renovation, particularly when more specialised plywood solutions are required.

The following diagram provides an overview of the qualitative scoring and pricing positioning of WISA Group and competing materials in the European plywood market:

Overview of the qualitative scoring and pricing positioning – WISA Group and competing materials in the European plywood market



1) Qualitative score is based on management view which is based on lead time, certificates and sales network and support.
2) Price information is based on national trade statistics, market information and management view. The market information received is based on information obtained in the ordinary course of business.

WISA Group is amongst customers perceived as a frontrunner when it comes to quality, reliability and service[46], with a differentiated product portfolio for a variety of applications. With a product portfolio fit for complex applications, wood raw materials sourced in accordance with FSC- and PEFC-standards requirements and an ability to serve customers with high service levels through a wide sales office and warehousing network and advanced product development capabilities, WISA Group is able to differentiate from competitors. As an example, WISA Group's products hold important industry certifications that represent a competitive advantage: GTT approvals and classification society approvals (including DNV, Lloyd's Register, American Bureau of Shipping, China Classification Society, Korean Register, Nippon Kaiji Kyokai and Bureau Veritas) for LNG shipbuilding, CE markings and declarations of performance under the EU Construction Product Regulation (see section "*– Regulatory Environment – Regulation on construction products*" below).

The Company's products are manufactured from wood sourced mainly from European sources. WISA Group sources its wood raw materials in accordance with chain-of-custody systems fulfilling the requirements of FSC and PEFC standards ensuring also compliance with the EUDR. This way of operating applies regardless of whether wood is sourced from UPM or other suppliers, ensuring that all wood raw materials meet stringent sustainability and traceability standards. WISA Group is well positioned to address growing customer demand for traceable raw materials, particularly as environmental regulations such as the EUDR increase the importance of supply chain transparency and traceability.

46 Source: Customer satisfaction surveys commissioned by UPM.

The following diagram presents forest statistics for the 10 largest EU countries by forest area:[47]

Forest statistics for the top 10 EU countries by forest area

	Forest area, 2025 (kha)	Forest of total area, 2025 (%)	Forest stock, 2023 (million m^3)	Net increments, 2023 (million m^3)	Removal of wood, 2023 (million m^3)
Sweden	27,934	68%	3,803	112	85
Finland	**22,543**	**70%**	**2,638**	**93**	**73**
Spain	19,133	41%	1,330	n.a.	n.a.
France	17,795	33%	3,341	74	50
Germany	11,481	32%	3,808	97	73
Poland	9,495	36%	2,699	78	52
Italy	9,422	39%	1,394	n.a.	n.a.
Romania	6,957	34%	2,518	55	17
Greece	4,763	51%	211	n.a.	n.a.
Bulgaria	3,959	26%	740	13	6

Strong customer retention track record which supports a value-based pricing model

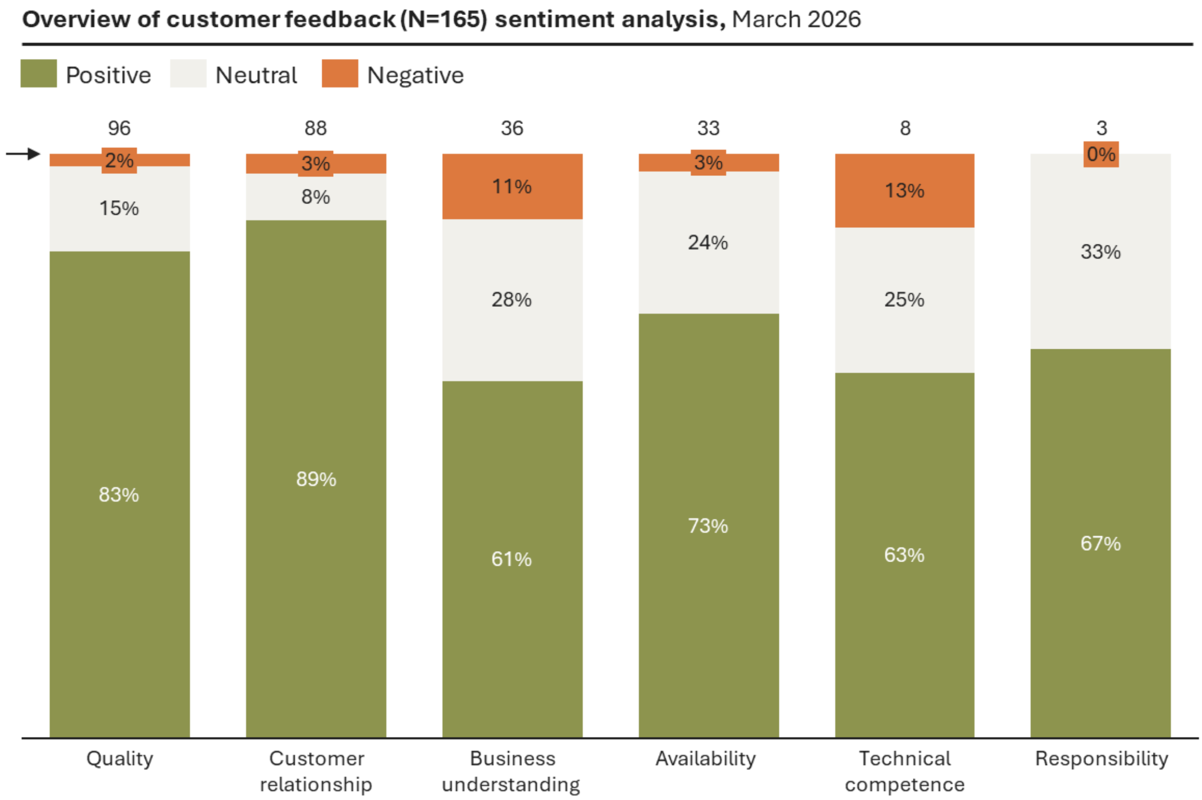
WISA Group has been able to form long-term customer relationships with customers in its key end uses through its differentiated product portfolio, high quality and service levels combined with tailored value propositions for each customer group. The Company focuses on, among other things, enabling constant access to its products via a wide service stock network for panel trading customers and on-time deliveries to large industrial customers, like commercial vehicle and trailer manufacturers. The offering is designed to meet customer needs, for example through technical capabilities harnessed to meet customer requirements together with co-development projects with industry leaders. WISA Group utilises a partnership model to serve approximately 200 customers, with approximately 100 key plywood and veneer customers accounting for approximately 95 per cent of WISA Group's total plywood and veneer sales on a carve-out basis in 2025. As part of the development of its commercial strategy, WISA Group currently focuses in particular on these approximately 100 key customers across approximately 10 different application areas and four main end uses. WISA Group's customer retention has been exceptionally high, ranging from 96 per cent to 100 per cent between 2016 and 2025 with an average retention during the ten-year period being 99 per cent.[48] WISA Group's customer base is highly loyal.

The Company's Net Promoter Score ("**NPS**")[49] amongst customers in March 2026 was on average 59, which is at a high level compared to the average level of the business-to-business markets (NPS average being 25–30).[50] Most positive feedback was received on product quality, customer relationships, business understanding, availability, technical competence and responsibility. NPS has remained high over the years, driven by product quality and strong customer

[47] Source: Eurostat 2026.
[48] Source: The Company's sales data.
[49] NPS measures customer loyalty by asking how likely customers are to recommend the company to others. Customers give their rating on a scale of 0–10, where 0 indicates a low and 10 a high willingness to recommend. Based on their responses, customers are divided into three groups: promoters (9–10), who are likely to recommend, passives (7–8), and detractors (0–6), who are unlikely to recommend. NPS is calculated by subtracting the percentage of detractors from the percentage of promoters, resulting in a score ranging from –100 to +100. A negative NPS (-100 to 0) indicates that there are more detractors than promoters. A positive NPS (0 to 100) indicates that there are more promoters than detractors. The higher the score, the better.
[50] Source: B2B International.

relationships.[51] Trusted partnerships and dependable product availability position WISA Group as a preferred supplier in key markets, which is also reflected in high customer retention.[52]

The following diagram presents overview of customer feedback (March 2026):



The majority of sales to industrial end users, in both volume and price, is secured through contracts ranging from half a year to a year and in certain rare cases even to 2–3 years. Price agreements with distributors range from until-further-notice to quarterly agreements. Volume development is mainly supported by performance-based rebates.

The longer-term contracts, together with strong customer retention, improve order book and future demand visibility. At the same time, the value-based pricing strategy enables WISA Group to capitalise on the full market potential by optimising pricing based on the full economic value of its offering to a customer instead of just the intrinsic product price.

Resilient business model with strong financial foundation

The business has shown resilience despite challenging market conditions, such as the COVID-19 pandemic, and the war in Ukraine, and is in a good position for profitable growth, supported by a strong financial and operational foundation. WISA Group's position in both hardwood and softwood plywood products offers some protection against volatility, in terms of both sales prices and raw material costs. The Company's current production capacity also allows for an increase in production volumes.

The following figure presents sales and comparable EBITDA of UPM Plywood business area, excluding the Chudovo and Jyväskylä production units (EUR million, 2015–2025), based on sales and comparable EBITDA of the UPM Plywood business area as reported in UPM's financial statements for the relevant periods. UPM closed the Jyväskylä production unit in 2020 and sold the Chudovo production unit in Russia in 2023. The management estimates that 2025 sales and comparable EBITDA would have been at a higher level than in 2024 without the strike related to the spring 2025 collective bargaining agreement negotiations.

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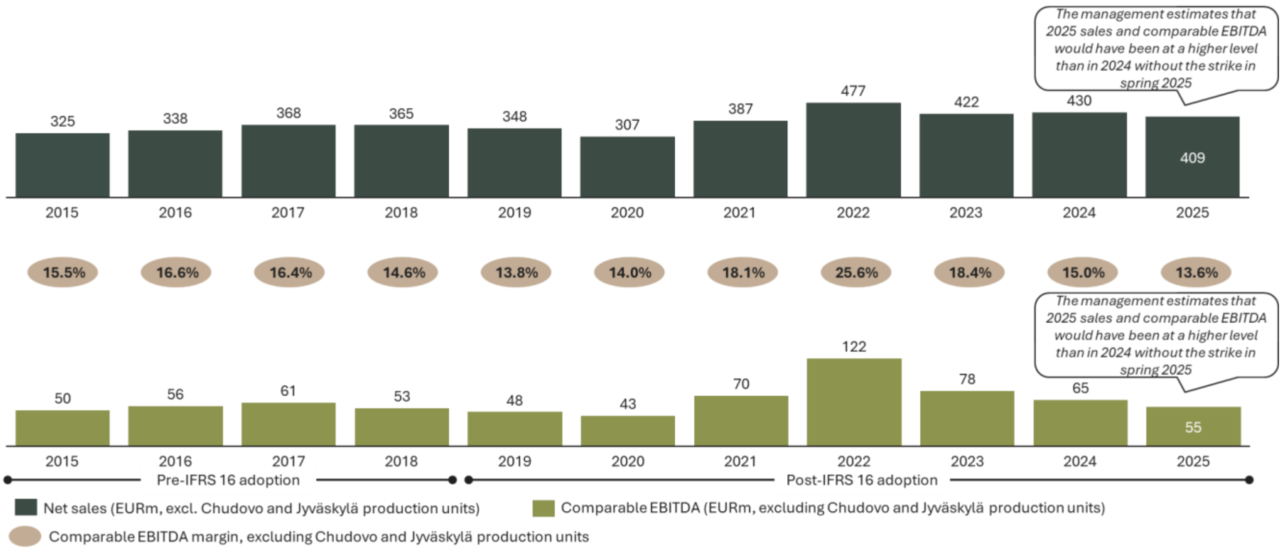
[51] Source: Customer satisfaction surveys commissioned by UPM.
[52] Based on WISA Group's average customer retention rate for the years 2016–2025, which has been 99 per cent.



The following table sets forth a reconciliation of sales of UPM Plywood business area, excluding the Jyväskylä production unit, which was closed in 2020, and the Chudovo production unit, which was sold in 2023, for the periods indicated. Sales of UPM Plywood business area for the years 2023–2025 presented in the table equal to WISA Group's sales on a carve-out basis.

In EUR million	2015	2016	2017[2]	2018	2019	2020	2021	2022	2023	2024	2025
			(audited, unless otherwise indicated)								
Sales total	**438.9**	**444.2**	**483.7**	**480.2**	**450.4**	**405.0**	**492.0**	**538.6**	**421.8**	**429.9**	**409.1**
Impact of Jyväskylä and Chudovo production units[1]	113.6	106.6	115.5	115.0	101.9	97.9	104.9	62.0	-	-	-
Sales, excluding Jyväskylä and Chudovo[1]................	**325.3**	**337.7**	**368.2**	**365.2**	**348.5**	**307.1**	**387.1**	**476.6**	**421.8**	**429.9**	**409.1**

[1] Unaudited.
[2] IFRS 15 – Revenue from Contracts with Customers has been applied since 1 January 2018. Consequently, the figures for 2015–2017 are not fully comparable in all respects. The adoption of IFRS 15 had no impact on the 2017 sales of UPM Plywood business area. In 2018, the impact was approximately EUR 1 million.

The following table sets forth a reconciliation of comparable EBITDA of UPM Plywood business area, excluding the Jyväskylä production unit, which was closed in 2020, and the Chudovo production unit, which was sold in 2023, for the periods indicated.

In EUR million	2015	2016	2017	2018	2019[1]	2020	2021	2022	2023	2024	2025
			(audited, unless otherwise indicated)								
Operating profit	**53.4**	**58.5**	**61.9**	**51.9**	**36.2**	**10.1**	**79.7**	**44.0**	**50.3**	**41.7**	**31.0**
Items affecting comparability	1.4	-	-	-	-	22.6	-8.0	65.4	6.1	-0.1	4.4
Depreciation and amortisation..............	23.2	22.0	23.1	23.1	24.8	26.7	26.8	23.3	21.1	23.0	20.0
Comparable EBITDA[2]................	**78.0**	**80.5**	**84.9**	**75.1**	**61.0**	**59.3**	**98.6**	**132.6**	**77.5**	**64.6**	**55.4**
Impact of Jyväskylä and Chudovo production units[2]	27.7	24.4	24.5	21.8	12.7	16.3	28.4	10.6	-	-	-
Comparable EBITDA, excluding Jyväskylä and Chudovo[2]................	**50.3**	**56.1**	**60.5**	**53.3**	**48.2**	**43.0**	**70.2**	**121.9**	**77.5**	**64.6**	**55.4**

[1] IFRS 16 – Leases has been applied since 1 January 2019. UPM has adopted IFRS 16 using the modified retrospective application method without restatement of comparatives. Consequently, the figures for 2015–2018 are not fully comparable in all respects. The adoption of IFRS 16 had an impact of EUR 1.2 million to comparable EBITDA of UPM Plywood business area in 2019.
[2] Unaudited.

The time series presented in the table above is based entirely on the historical financial information published by UPM for the UPM Plywood business area (excluding adjustments related to production units). The carve-out financial information for WISA Group included in this Prospectus has been prepared on a carve-out basis from UPM's consolidated financial statements using the historical book values for income and expenses, assets, liabilities and cash flows attributable to the UPM Plywood business area in UPM's consolidated financial statements, and certain assumptions and estimates have been made in connection with the preparation of the carve-out financial information, which affect the recognition and the amount of the assets, liabilities, income and expenses. The carve-out financial information also includes certain allocations from the remaining UPM, including the parent company UPM-Kymmene Corporation's income, expenses, assets, liabilities and cash flows which will either be transferred to WISA Group or which have been allocated to WISA Group for the purpose of preparation of the carve-out financial information.

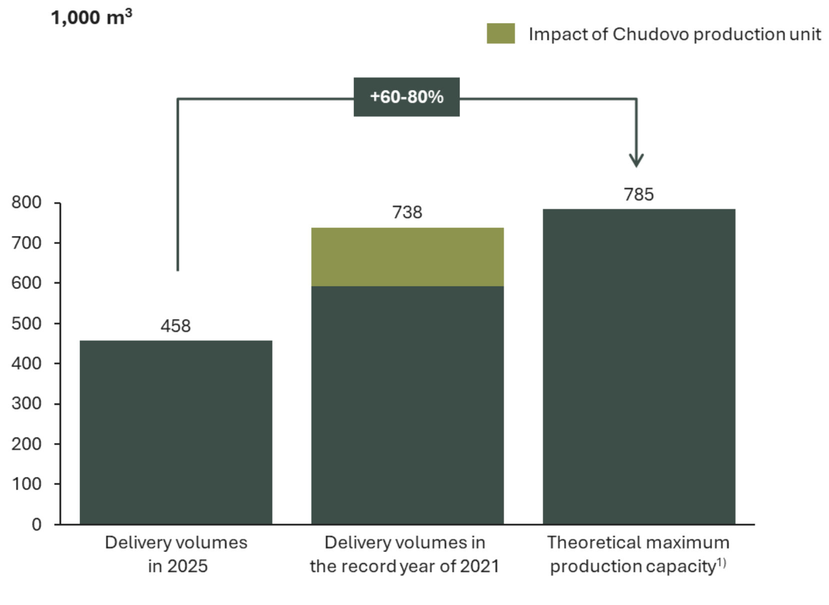
With respect to the UPM Plywood business area, the financial information presented above and the carve-out financial information are not fully comparable, in particular due to the accounting principles described in "*Operating and Financial Review – Carve-out Financial Information and Factors Affecting Comparability*" and certain allocations described above. As a result, comparable EBITDA presented in the carve-out financial information was approximately EUR 4.0–4.8 million lower in 2023–2025 than the comparable EBITDA of the UPM Plywood business area, and comparable EBIT presented in the carve-out financial information was approximately EUR 3.2–4.1 million lower in 2023–2025 than the comparable EBIT of the UPM Plywood business area. See the table below and section "*Operating and Financial Review – Carve-out Financial Information and Factors Affecting Comparability*" for further information.

In EUR million	**1 January to 31 December**		
	2025	**2024**	**2023**
	(audited, unless otherwise indicated)		
Operating profit, UPM Plywood business area	31.0	41.7	50.3
Impact of carve-out adjustments[1]	-4.1	-3.3	-3.7
Operating profit, carve-out	**26.9**	**38.4**	**46.6**
Depreciation, amortisation and impairment charges excluding items affecting comparability[2]	19.4	22.3	20.5
Items affecting comparability in operating profit	4.4	-0.1	6.3
Comparable EBITDA, carve-out	**50.7**	**60.6**	**73.4**

[1] Unaudited.
[2] The Depreciation, amortisation and impairment charges line has been adjusted in 2023 by a reversal of impairment of EUR 0.4 million.

Due to the carve-out principles applied, the carve-out financial statements may not necessarily reflect what WISA Group's results of operations, financial position or cash flows would have been had WISA Group operated as an independent group during the financial periods presented, nor may be indicative of WISA Group's future performance.

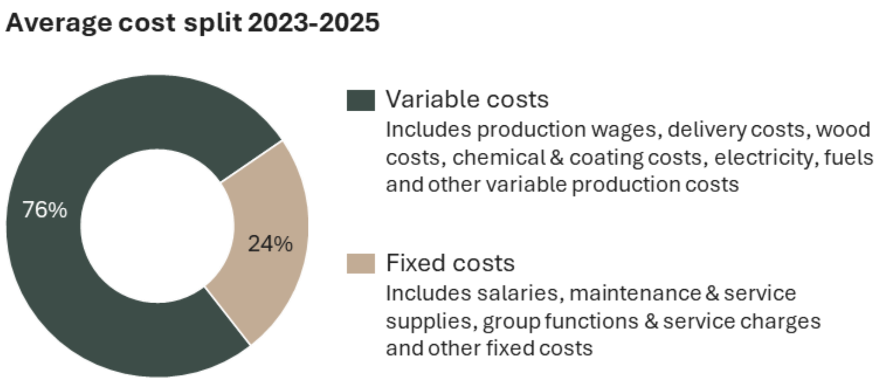
The following diagram presents WISA Group's production capacity in relation to delivery volumes in 2025 and the record year of 2021:



[1] Maximum production capacity is affected by the combination of wood species, quality grades and product types.

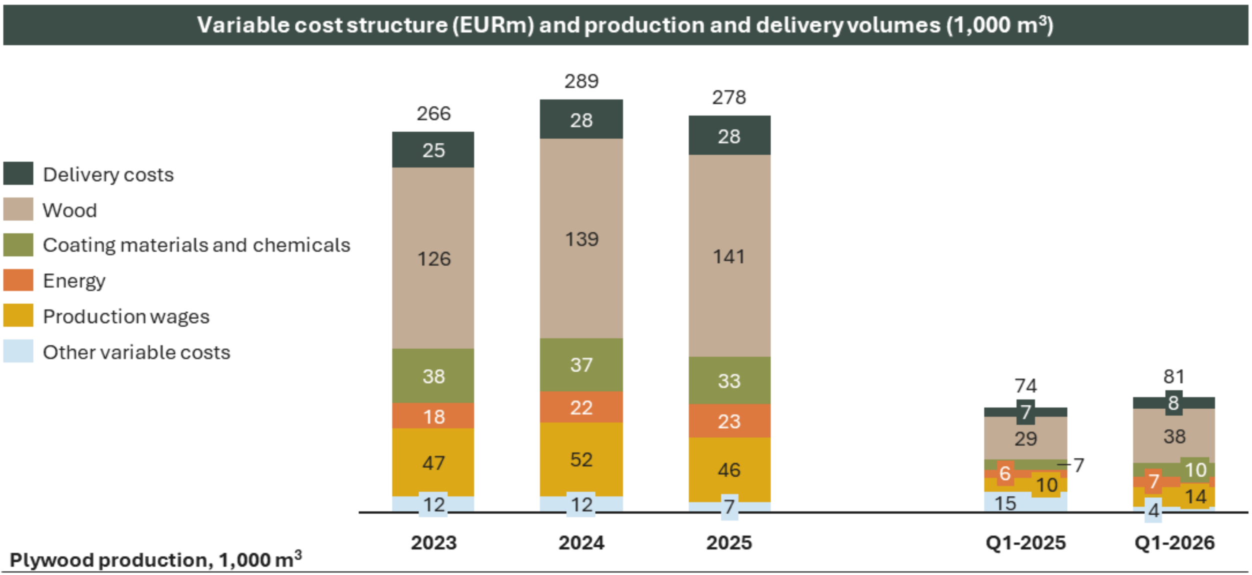
WISA Group has maintained relatively stable sales and profitability on a carve-out basis, despite facing significant macroeconomic turbulence during recent years (operating profit, % of sales ranging from 6.6 to 11.0 per cent and EBITDA, % of sales ranging from 11.3 to 15.8 per cent during 2023–2025). The Company has been able to grow its delivery volumes during the period from 2023 onwards. In addition, the high proportion of variable costs in the cost base supports WISA Group's resilient business.

The following diagram presents the average proportion of WISA Group's carve-out based variable and fixed costs for the years 2023–2025:



Variable costs in plywood production per cubic metre produced (EUR/m³) have decreased slightly in 2023–2025, driven by an increased share of softwood plywood in production. Wood costs, which are the most significant variable cost item and account for approximately half of total costs, have remained largely stable in euro terms per cubic metre (EUR/m³) in 2023–2025. A significant part of the cost base is variable and scales down in downside demand scenarios. Available capacity can be brought into use without significant additional fixed costs.

The following diagrams present WISA Group's variable cost structure on a carve-out basis, production and delivery volumes, as well as variable costs in relation to production volumes for the years 2023–2025 and for the first three months of 2025 and 2026. The figures are unaudited.



	2023	2024	2025	Q1-2025	Q1-2026
Plywood production, 1,000 m³					
Total	427	482	473	93	127
Birch	*40%*	*35%*	*34%*	*42%*	*40%*
Spruce	*60%*	*65%*	*66%*	*58%*	*60%*
Plywood deliveries, 1,000 m³					
Total	429	482	458	120	131
Birch	*35%*	*33%*	*34%*	*33%*	*35%*
Spruce	*65%*	*67%*	*66%*	*67%*	*65%*
Wood usage, 1,000 m³					
Total	1,070	1,220	1,170	240	328
Birch	*46%*	*40%*	*40%*	*48%*	*45%*
Spruce	*54%*	*60%*	*60%*	*52%*	*55%*

Variable costs (EUR/m³)[1)]	2023	2024	2025	Q1-25	Q1-26
Delivery costs	59	57	58	71	60
Wood	296	288	298	319	302
Coating materials and chemical	88	77	71	77	76
Energy	41	45	48	64	55
Production wages	111	107	96	103	110
Other variable costs	28	25	15	161	33
Total	**624**	**600**	**587**	**796**	**637**

[1)] Variable costs (EUR/m³) have been calculated by dividing total costs by the total amount of plywood produced. Other variable costs include change in inventories, finished goods and work in progress.

WISA Group's operating cash flow has historically been strong. The cash conversion[53], which is defined as the difference between comparable EBITDA, capital expenditures and change in working capital divided by comparable EBITDA, was 82.4 per cent on a carve-out basis in 2025, and as at 31 March 2026 the cash conversion for the last 12 months was 67.1 per cent on a carve-out basis. WISA Group's flexible cost structure, in which variable costs such as raw materials and other materials used in production represent a significant portion of the cost structure, together with the historically low need for maintenance capital expenditure, enable a strong cash conversion.

Extensive innovation capabilities with emphasis on sustainability

WISA Group has a proven and strong R&D engine, holding more than 40 active patent families across the value chain, with a portfolio spanning products, coating solutions, resin applications and production technology. Continuous innovation supports WISA brand's strong positioning around quality, consistency and performance. Customer co-development across coatings, product performance and services increases mutual benefit from long-term customer relationships.

The Company's team of experienced product development experts' unique industry knowledge supports continuous product, process and service innovation. WISA Group fosters strong customer relationships through a comprehensive R&D process, contributing to customer loyalty due to familiarity with the Company's people, processes and products. A customer-driven and systematic R&D process enables the development of customer-specific products, further strengthening customer relationships. Sustainability, traceability and regulatory compliance trends provide opportunities for reinforcing WISA Group's advantages and customer preferences.

R&D projects are co-developed with customers, with customer piloting utilised alongside laboratory testing, including trial panels refined through customer feedback. Customer insights are utilised in product development to maximise customer value, and expert support is provided to support customer decision-making.

History

Before the completion of the Demerger, the UPM Plywood business area is part of UPM. UPM was officially established on 1 May 1996 through a merger of Kymmene Corporation and Repola Ltd with its subsidiary United Paper Mills Ltd. The plywood production operations that would form WISA Group following the completion of the Demerger have a history dating back to the 1910s.

Early development (from the 1910s to the 1990s)

Production of plywood commenced in the 1910s in Finland, establishing the foundation for what would become one of Europe's leading plywood operations. Over the decades, the business developed expertise in both hardwood plywood (birch) and softwood plywood (spruce) production, building a reputation for quality and reliability in European markets.

Formation of UPM and initial expansion (1996–2010)

UPM officially started its operations on 1 May 1996. During this period, the WISA brand was developed as a premium mark in the plywood industry and multiple production units were established and consolidated across Finland.

[53] Cash conversion = (Comparable EBITDA – Capital expenditure – Change in working capital) / Comparable EBITDA, is used to evaluate operational efficiency, i.e. how much operational cash flow the company has generated relative to its result (Comparable EBITDA) during the measurement period.

Capacity expansion, strategic focus and portfolio optimisation (2010–2020)

During this period, the UPM Plywood business area inaugurated the Otepää production unit expansion and a new bio-boiler plant in Estonia. The UPM Plywood business area also underwent significant strategic restructuring to optimise its production footprint and strengthen its customer focus. As part of its strategic refocusing, the UPM Plywood business area streamlined its customer base from more than 400 customers to approximately 200 customers, concentrating on key end uses, including panel trading and construction, vehicle flooring, LNG shipbuilding and parquet manufacturing. In 2020, the expansion of the Chudovo production unit was also completed. In 2020, the Company was negatively affected by a strike earlier in the year and the COVID-19 pandemic. In 2020, UPM permanently closed the Jyväskylä production unit, and the premises were sold to Redeve Oy in 2021.

Recent developments and preparation for independence (2020–present)

In 2021 and 2022, favourable market conditions had a positive impact on selling prices and volumes. In 2023, the UPM Plywood business area's operations in Chudovo, Russia were sold to Gungnir Wooden Products Trading. Demand for plywood saw a low point in 2023 and has improved slowly and steadily since then. Sales prices came down during 2023 and 2024 and have remained relatively stable thereafter. In 2024, margins weakened as prices decreased, but sales volumes partially recovered. In 2024, demand for softwood plywood in panel trading and construction end use and in veneer was slow, but improved from 2023, while demand for birch plywood in panel trading and construction and LNG shipbuilding end uses was robust. In 2025, the Company and the Industrial Union in Finland signed a new collective labour agreement valid until the end of 2027, ending the strikes held during the negotiations at the production units in Finland. The strikes affected the first quarter and especially the second quarter of 2025. The second quarter tends to be seasonally somewhat stronger for the Company due to typically few maintenance shutdowns and holidays. The business has continued developing new plywood solutions while expanding its product portfolio to meet evolving customer needs in vehicle flooring, LNG shipbuilding and panel trading and construction end uses. Investments in digital solutions and customer service platforms, such as the MyWISA customer portal (see also "*– Business Operations – MyWISA customer portal*" below), have provided improved visibility of shipping data in real time for key customers, enhancing service quality and operational planning capabilities.

The UPM Plywood business area and the WISA brand are recognised for high quality in the European plywood markets, as reflected in customer satisfaction surveys commissioned and conducted over 10 years in which quality has consistently been a defining strength. Meanwhile the Company has also been adapting to changing market conditions, customer requirements and sustainability demands. The business has demonstrated resilience through various economic cycles and market disruptions, including restrictions on Russian imports to Europe, the Company's own discontinuation of operations in Russia and COVID-19 pandemic effects.

Strategy

WISA Group's strategy is focused on the following areas:

- *Premium focus:* WISA Group's strategy is based on value creation and differentiation. Operations are focused on end uses where WISA Group has an advantage due to its high-quality products, services and expertise, enabling premium pricing.

- *Partnership-led commercial model:* WISA Group emphasises close, partnership-like relationships with its customers to drive customer satisfaction and retention.

- *Two strategic product lines*: WISA Group's product offering consists of softwood and hardwood products, enabling customers to purchase both products from one supplier. This differentiates WISA Group from its many competitors. Having two strategic product lines also serves as a risk mitigation against fluctuations in supply and demand.

- *Operational efficiency:* WISA Group has been able to control its margins in challenging market environments. Furthermore, the Company has available capacity to increase production volumes when the economic activity recovers in Europe.

- *Continuous improvement and cost control:* WISA Group continuously develops its processes by executing targeted investments, standardising its processes and increasing use of digital tools.

Key strategic action plans

In order to achieve the Company's strategic objectives, WISA Group's management has divided the strategic action plan into three main themes:

Commercial excellence

WISA Group has a clear commercial strategy across its key end-use-markets.

In panel trading and construction, the management aims to grow alongside the market by taking advantage of increasing economic activity and the recovery of the European construction industry. In addition, WISA Group aims to increase the share of wallet among the key strategic partners through targeted initiatives. European softwood market supply conditions are changing, which, according to management's estimate, offers further opportunities to capture additional market share. In new customer acquisition, the sales organisation actively identifies and targets attractive potential customers in WISA Group's currently underpenetrated markets with growth potential.

The Company expects to continue to benefit from the favourable market trend for its LNG customers. The management also estimates that WISA Group is well prepared to increase the share of wallet within the LNG shipbuilding end use. Customers are required to procure materials from suppliers certified by the technology owner GTT, ensuring compliance with GTT's quality and performance standards. To enable growth, WISA Group is actively developing a new softwood-based alternative to widen its product offering.

WISA Group targets to capitalise on the momentum of its strong customer base within European vehicle flooring market. WISA Group has close ties with the largest trailer manufacturers that offer a unique vantage point to evolving customers' needs. The management believes that this combined with WISA Group's size, market presence, strong technical and product development capabilities provide a way to differentiate from competitors.

Among parquet manufacturing end use customers, WISA Group aims to both increase share of wallet among existing customers and acquire new ones. The management believes that the Company is able to answer the needs of its customers and produce uncompromised and reliable quality, such as precisely controlled moisture content, precise dimensions and technically consistent and reliable quality. This together with potential construction market recovery should benefit WISA Group in parquet markets. By further developing WISA Group's service and product offering, the aim is to deepen partnerships with key strategic customers to ensure stable and continuing demand.

Operational excellence

The management has identified various measures across variable and fixed costs to further improve the performance of WISA Group.

Within the management of variable costs, the Company aims to boost its productivity by leveraging spare capacity in existing production units and seeking process efficiencies and operational improvements. Efficiency of wood raw material use is targeted with specified measures and production unit developments to boost profitability. Deploying a production unit specific data platform (Mill Data Platform) will allow WISA Group to monitor the production performance in real-time, react faster to deviations and build capabilities for more advanced production steering, such as predictive maintenance and AI agents. In terms of production quality, the target is to increase the share of first-quality products, i.e. products meeting customer requirements through continuous improvement and standardised processes. Further development of the AI-based quality sorting tool and its phased deployment to all production units will enable quality improvement and further automation. According to the management's estimate, the increase in the share of first-quality products has a strong positive correlation with EBITDA improvement.

The management aims to increase the production capacity by continuing targeted investments to meet the growth needs especially in vehicle flooring and LNG shipbuilding end uses. The starting point for all the planned investments is that they meet at least one of the following criteria: improved raw material utilisation rate, productivity increase through automation, and capability to produce higher margin products.

The Company utilises the Mill Data Platform as a core digital tool to support operational performance and improve the efficiency of its production processes. The platform provides access to real-time production data, trends, alarms and notifications, as well as aggregated insights across production units, thereby supporting fact-based decision-making and faster reaction times to potential operational disruptions. The platform enables, among other things, early identification of maintenance needs before disruptions materialise, which may contribute to reducing unplanned downtime and associated costs. The implementation of the Mill Data Platform has progressed successfully to date and has been completed at six of the Company's seven production units. Upon full implementation, the platform is expected to provide a scalable digital foundation to support operational performance monitoring and continuous improvement measures across the production network.

The Company's management believes that the combination of growth, available capacity and efficiency measures will result in operational efficiency whereby production can be increased without significant additions in fixed costs. In addition, management intends to maintain cost discipline in fixed costs. Maintenance costs are optimised with a focus on predictive maintenance.

WISA Group's people strategy focuses on maintaining a diverse, inclusive and highly skilled workforce through leadership development, talent rotation and capability building. These measures support employee engagement and resilience, ensure the retention of deep industry expertise, and systematically develop the critical competencies required to deliver WISA Group's long-term strategy.

Additional potential

WISA Group aims to take the next technological step through its wood modification programme, focused on the development of advanced plywood solutions. Wood modification may involve reinforcement, chemical modification, mechanical modification, or combinations thereof, to enhance material performance. Through this programme, WISA Group seeks to launch next-generation plywood products with improved technical properties supporting increased value creation and long-term competitiveness.

In addition, WISA Group actively monitors the mergers and acquisitions landscape as part of its growth strategy. The Company acts prudently and selectively but is prepared to pursue value-accretive acquisitions should strategically suitable targets arise that strengthen the Company's market position, product offering or geographic footprint.

Financial Targets

The financial targets constitute forward-looking statements that are not guarantees of future financial performance. WISA Group's actual results could differ materially from the results presented in or implied by such forward-looking statements as a result of numerous factors discussed in, among other sections, "Certain Matters – Forward-Looking Statements", "Risk Factors" and "Operating and Financial Review – Key Factors Affecting the Results of Operations". All of the financial targets presented in this Prospectus are only targets and should not be considered forecasts or estimates of WISA Group's future performance.

The Board of Directors of UPM has set the following performance targets for WISA Group:

- Sales over EUR 550 million by 2030;
- Comparable EBIT, % of sales of 13 per cent by 2030;
- Net debt / Comparable EBITDA under 1.5x;

In addition, the Company's intended dividend distribution policy is to distribute around 50 per cent of the profit for the financial year as a dividend.

Business Operations

Overview

WISA Group's business model is based on the production and sale of high-quality plywood and veneer products to key industries through its seven production units across Finland and Estonia. WISA Group mainly uses European wood raw materials and sources its wood raw materials according to a chain-of-custody system that fulfils the requirements of FSC and PEFC standards.

WISA Group sells its products either to the panel trading and construction end use (approximately an estimated 60 per cent of plywood and veneer sales on a carve-out basis in 2025) or directly to industrial end users (approximately an estimated 34 per cent of plywood and veneer sales on a carve-out basis in 2025). The majority of sales are secured through contracts, with durations ranging from short-term agreements (until further notice, 1–3 months) to longer-term commitments of even 2–3 years, which may include annual rebates for key customers. The Company's business model enables it to maintain stable relationships with customers while adapting to market conditions.

WISA Group builds long-term and loyal customer relationships through its diverse portfolio and deep understanding of customers' needs. The Company specialises in high- and medium-requirement end uses in the plywood market, delivering products to customers in panel trading and construction, vehicle flooring, parquet manufacturing and LNG shipbuilding.

Product offering

WISA Group's product portfolio is organised into high- and medium-requirement end uses, reflecting the varying technical and service requirements of different customer applications and end uses. The product portfolio can also be organised based on product surface characteristics into coated and uncoated hardwood and softwood plywood as well as backing veneer for three-layer parquets. Hardwood plywood is slightly stronger in its properties (density approximately 680 kilograms / cubic metre), making it suitable for more demanding applications, whilst softwood plywood is slightly lighter (density approximately 460 kilograms / cubic metre). In terms of properties, plywood is stronger, more moisture-resistant and more stable compared to other wood-based substitutes (e.g. particleboard and fibreboard).

Key conformity and product approvals

WISA Group's products meet the key conformity markings in the EU and EEA. The CE marking demonstrates that a product conforms with the requirements of applicable EU legislation and harmonised standards relating to safety, health, environment and performance, thereby enabling the free movement of the product in the EU and EEA markets. The UKCA marking (UK Conformity Assessed) demonstrates that a product meets the applicable regulatory and safety requirements in Great Britain and supports the placing of the product on the market in Great Britain. The M1 classification confirms a product's low emissions and a high indoor air classification in accordance with the Finnish emission classification of building materials, supporting healthy and high-quality indoor environments.

High-requirement plywood products

High-requirement plywood products are used in sectors where plywood is a component in industrial high-value or complex products, and where customer technical requirements are high. These end uses have high entry barriers, and value-based pricing is possible due to stringent regulatory and performance requirements.

Key applications include:

- *LNG shipbuilding*: structures require superior strength to withstand stress encountered at sea, as well as very low thermal conductivity. WISA Group supplies WISA LNG Birch plywood for insulation systems in LNG carriers. Plywood offers strength, performance and reliability for GTT systems NO96 and Mark III. In addition, the Company launched WISA LNG Spruce plywood at the end of 2025 to offer its customers greater capacity and more flexible procurement options. The business requires approvals from GTT and classification societies and therefore compliance with specific requirements. According to the Company's management's estimate, only few plywood mills globally hold the required certificates and approvals. LNG shipbuilding application represented on a carve-out basis approximately an estimated 12 per cent of plywood and veneer sales and approximately an estimated 7 per cent of delivery volumes in 2025.

- *Vehicle flooring*: products with good strength-to-weight ratio are used in transportation applications such as trucks, trailers, buses and light commercial vehicles. For certain customers, materials are delivered as pre-packed components that can be assembled directly. Customers require consistent quality and short lead times. In addition, approval from the original equipment manufacturer and TIER-1 supplier approval is often required. Key products include, for example, WISA-Wire, a general-purpose plywood floor panel for vehicle and industrial use, WISA-Trans, designed specifically for demanding floor applications in heavy commercial vehicles and trailers, and WISA-Hexa Grey, a non-slip surface, visually finished plywood panel for light commercial vehicles and transport and construction applications. The products are designed to meet high technical requirements in terms of service life, safety and performance for vehicle floors. For products used for buses in particular, WISA Group's products are certified in accordance with United Nations Economic Commission for Europe (UN/ECE) Regulation No. 118, which sets fire safety requirements for interior materials used in buses and coaches. Vehicle flooring application represented on a carve-out basis approximately an estimated 13 per cent of plywood and veneer sales and approximately an estimated 8 per cent of delivery volumes in 2025.

Medium-requirement plywood products

Medium-requirement plywood products include several applications where technical requirements are high but are often more generic to the end use. Technical requirements drive material selection, with moderate entry barriers. In the panel trading and construction application, the barriers to market entry are raised by customers' need for a broad product offering as well as established customer relationships and contracts. In the parquet market, the barriers to entry are raised by a customised production process and a relatively concentrated market.

Key applications include:

- *Panel trading and construction*: versatile softwood and hardwood plywood products are adaptable to diverse construction end-use cases, including roofing, wall panelling, interior lining, concrete forming and concreting systems, and scaffoldings. Key products include, for example, WISA-Spruce Special, which is a versatile and structural softwood plywood offering high strength and excellent surface quality for demanding construction applications, whilst WISA-Spruce FR is a fire-retardant plywood solution for load-bearing and structural applications and WISA-Spruce WR is a lightweight, water-repellent alternative for structural use. In hardwood-based products, WISA-Birch Special is a high-quality, versatile plywood for applications requiring a combination of aesthetic appearance, excellent strength and dimensional accuracy. For concrete construction, the Company offers well-known formwork plywood solutions, including WISA-Form Birch, which is widely suitable for various formwork systems ranging from basic construction to demanding specialist applications, WISA-Form MDO, a lightweight softwood plywood for achieving a smooth matt concrete surface, and WISA-Form Elephant, in which a wood-plastic composite overlay enables a high number of reuses in demanding formwork applications. Panel traders value a wide network of service stocks enabling reliable availability of WISA Group's materials. Panel trading and construction application represented on a carve-out basis approximately an estimated 60 per cent of plywood and veneer sales and approximately an estimated 69 per cent of delivery volumes in 2025.

- *Parquet manufacturing*: veneers intended for parquet applications are required to meet precise moisture content, thickness, and technical uniformity. WISA-Parquet Veneer is a high-grade back veneer used particularly in three-layer parquet owing to its excellent balancing properties. In addition, WISA-Parquet Spruce is a plywood component designed for the parquet industry, suitable as a core material for both two-layer and three-layer parquet as well as sports floors. Parquet customers require effective solutions that do not compromise quality or compatibility with various flooring types and that offer high performance. The parquet manufacturing application represented on a carve-out basis approximately an estimated 4 per cent of plywood and veneer sales and approximately an estimated 5 per cent of delivery volumes in 2025.

- *Other medium-requirement applications*: this category includes, among other things, special packaging for heavy-duty machinery, laminated furniture for wet areas, and other industrial end uses requiring reliable quality and performance.

Coated and treated products

The performance of plywood can be enhanced through surface treatment. In addition to its key product categories, WISA Group offers coated and treated products designed to extend product lifecycle in special conditions, in both high- and medium-requirement applications:

- WISA-Form, MDO, Stone, and Elephant products for applications related to the concreting industry

- WISA-Wire, Trans, and Truck products for transportation applications

- Various coated and treated products for specific customer requirements including fire-retardant, water-repellent, and UV-coated products

The Company continuously develops new products as well as potential future end uses through its comprehensive R&D roadmap.

Production process

WISA Group's plywood manufacturing process is technically demanding and consists of multiple stages from log receiving to final product packaging. The production process begins with log preparation, where logs are soaked to heat the wood for processing, after which the logs are measured and debarked. The logs are then cross cut into suitable lengths for peeling.

The veneer production process begins with peeling the cut logs into veneers, which are then dried to the desired final moisture content. Following drying, veneers undergo sorting by quality. The veneers are further processed through jointing (jointing multiple narrow veneers into full-size veneer sheets), composing (extending veneers to desired length), and patching (repairing holes, knots, or surface defects with wood patches). Through these process stages, the veneers are processed to a higher quality, and the wood raw material utilisation rate is improved.

The plywood assembly stage involves gluing, where veneers are glued together in cross-banded layers, followed by pressing them under heat and pressure into plywood sheets. After hot pressing, the plywood sheets are sawed and trimmed to final dimensions, then sanded to achieve a smooth surface and the desired thickness tolerance. In softwood plywood production, automated filling lines are also used prior to sawing and sanding to enhance surface quality.

The final stage of the production process includes various value-added treatments depending on customer requirements and product specifications. These may include panel coating, edge painting (protecting edges from moisture and wear), and machining (tongue-and-groove processing or CNC machining of panels to required specifications). At the Savonlinna production unit, panels can also be processed into larger panel sizes using a scarf-jointing line. Following final processing, plywood panels undergo final quality inspection before packaging for shipment to customers.

Kalso's veneer production follows the plywood manufacturing process up to and including post-drying grading. After grading, the veneers are cut to customer dimensions and packed for delivery to customers.

Throughout the entire production process, WISA Group implements comprehensive quality control measurements and utilises advanced technologies to ensure quality, including automated grading. The Company has implemented a production unit specific data platform (Mill Data Platform), which enables real-time monitoring of production and performance analytics. The production unit specific data platform allows for rapid response to deviations and makes it possible to anticipate potential issues. The Company's production units are equipped with specialised machinery for each stage of the process. By developing production and continuously investing in production processes, the aim is to improve production efficiency and product quality as well as improve the raw material utilisation rate.

Plywood production generates a range of by-products that constitute valuable secondary raw materials and are utilised across multiple industrial value chains. The efficient recovery and reuse of these by-product streams support resource efficiency, reduce waste, and contribute to circular economy objectives, while also generating incremental sales alongside core plywood production.

- *Pulp chips* are generated by chipping the rounding waste and peeler cores generated primarily during the peeling. This uniform wood chip represents a high-quality secondary raw material and is supplied to customers in the pulp and paper industry, industrial manufacturers as well as the bioenergy sector. Typical end uses include paper and cardboard production.

- *Energy by-products*, including bark, fuel chips, and other wood residues, are generated mainly from the debarking of wood, the edge trimming of plywood, and other rejected veneer and plywood. Energy by-products are utilised both internally, supporting on-site heat and power generation at production units, and externally by bioenergy plants for heat and electricity production.

- *Sawdust* is generated during sawing and sanding associated with plywood processing. Sawdust is supplied to own energy production.

- *Peeler core* is the central part of the wood after the peeling of logs. Produced during the peeling, peeler cores are solid wood products with various downstream applications. In addition to their use as raw material for pulp chips, peeler cores are supplied to the timber industry.

Management system

WISA Group's operations are based on a management system in accordance with internationally recognised ISO standards. The Company's operations comply with the international ISO 9001 (quality management system), ISO 14001 (environmental management system) and ISO 45001 (occupational health and safety management system) standards. The certified standards form an integrated framework for process management, risk minimisation and continual improvement across all areas of the business. They ensure a systematic approach to meeting customer requirements, managing environmental impacts and employee wellbeing, thereby supporting the Company's sustainable growth and trust from a stakeholder perspective.

ISO 9001 is an internationally recognised quality management standard that ensures that a company's quality management processes are systematically planned, controlled and continuously improved. Certification demonstrates the company's commitment to meeting customer requirements, operational efficiency and the continual improvement of quality across the entire value chain. The standard supports risk management, performance evaluation and transparent management, and creates a foundation for scalable and predictable business operations.

ISO 14001 is a leading environmental management standard that guides a company in identifying, managing and reducing the environmental impacts of its operations. Certification demonstrates a systematic approach to resource efficiency, emissions management and regulatory compliance. The standard supports sustainable development objectives and reduces operational and regulatory risks, while strengthening the company's responsibility in the eyes of stakeholders.

ISO 45001 is an international standard for occupational health and safety management that focuses on ensuring a safe and healthy working environment. Certification demonstrates systematic risk identification, preventive measures and the continual improvement of employee wellbeing. The standard prevents accidents, reduces absences, improves productivity and strengthens the organisation's responsible operating culture.

Production optimisation and continuous improvement

The Company aims to enhance the efficiency and performance of its production in accordance with the principles of systematic production optimisation and continuous improvement.

The Company's operational roadmap for achieving its strategic objectives is built on a strong culture of continuous improvement, which is founded on an employee-engaging and systematic operating model. The objective is, through production standardisation and visual management, to reduce process variation, improve responsiveness to production deviations and reduce waste, whilst at the same time creating a strong foundation for production development and supporting delivery reliability and cost-efficient operations.

The Company's key initiatives include targeted measures to remove bottlenecks across production units, such as investments and development projects in veneer production capacity in Otepää (2024–2025), veneer production capacity in Pellos (2025–2026) and veneer production in Savonlinna (2026). In parallel, the Company has focused on streamlining process flows, including investments in log irrigation terminal infrastructure in Joensuu, the introduction of 8-foot production in Savonlinna (2024), and the modernisation of veneer sorting process at Pellos (2026).

In addition, the Company has pursued a range of continuous improvement projects, including further development of veneer production in Joensuu (2025), coated plywood quality improvement initiatives in Pellos (2025–2026), yield improvement programmes in Pellos (2025) and the deployment of AI-based panel sorting solutions. These initiatives are complemented by energy efficiency measures, including LED lighting upgrades, and data-driven optimisation efforts, such as veneer moisture data utilisation in Kalso, supporting ongoing improvements in operational efficiency and sustainability.

In the long-term development of operational performance, the focus is on relieving production bottlenecks and optimising production processes and process flows across the Company's various production units. Production is developed holistically throughout the entire process, with the particular aim of improving raw material utilisation rate, increasing productivity and strengthening the manufacturing capability of higher-margin products, in line with the Company's strategy. Production development measures include, among other things, capacity and process improvements related to logyard operations, veneer production and drying lines, the reorganisation of production flows and the modernisation of sorting technologies at selected production units. In addition, the Company is implementing targeted development and improvement projects, which relate, for example, to production quality management, energy efficiency improvements and the utilisation of production data to support operational decision-making.

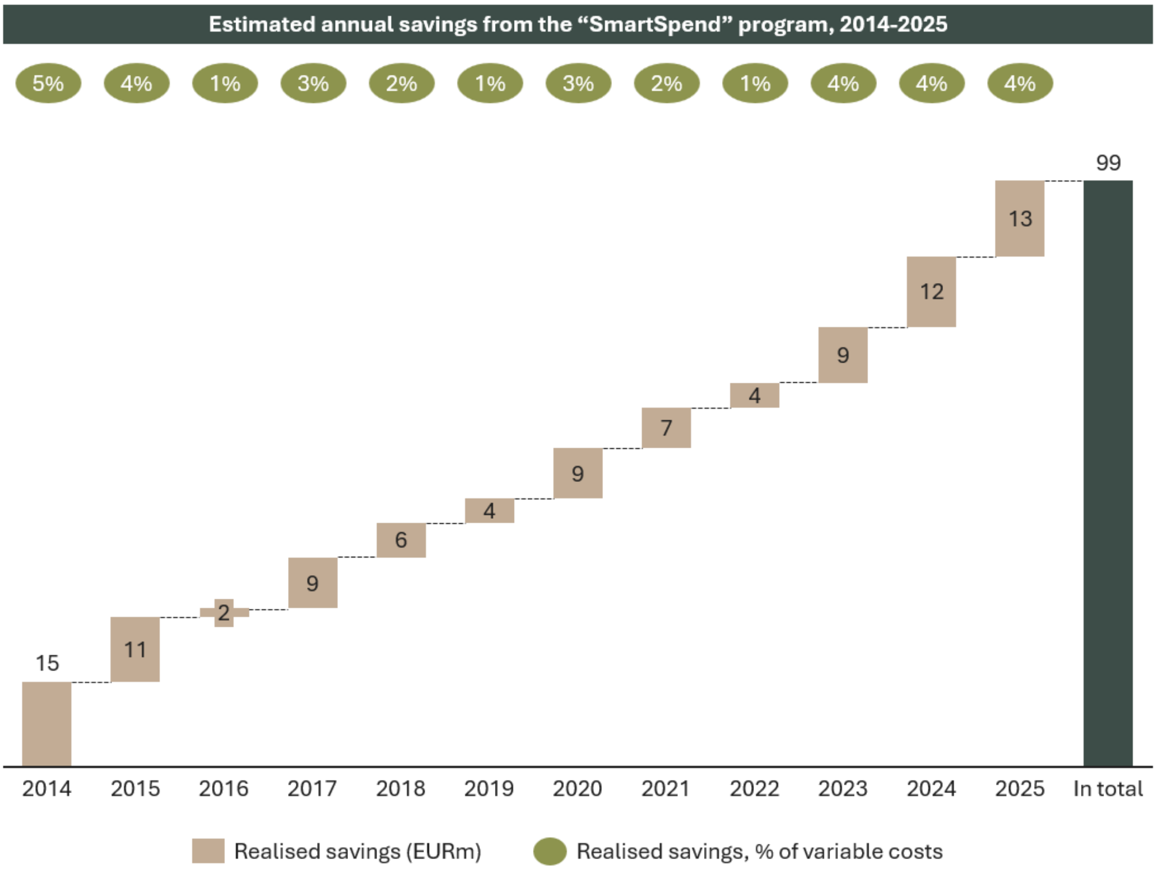
The Company utilises a structural SmartSpend cost-saving programme, which aims to improve cost-efficiency and systematically support business profitability. The programme monitors the development of key performance indicators for variable costs, and each indicator is driven by several underlying data points, which are used to analyse cost trends in detail.

The SmartSpend programme assesses the impact of the Company's own measures on cost trends, whilst seeking to isolate the impact of external factors, such as changes in market prices for raw materials. Using this approach, the SmartSpend programme focuses on identifying and measuring the net impact of the Company's internal measures on cost trends.

The SmartSpend programme has been in use for over ten years and is part of the Company's employee incentive schemes. The programme is thus an established part of the Company's operating model and broadly supports the Company's culture of continuous improvement. Within the framework of the programme, the Company has identified and implemented several cost-saving initiatives.

The drivers behind the cost savings cover several areas of business, including, for example, price negotiations related to procurement and efficiency-enhancing investments in production capacity and processes. The long-term use of the programme and the results achieved demonstrate the Company's ability to systematically implement measures that improve cost-efficiency, which have played a significant role in supporting the Company's profitability even in challenging market conditions.

The following chart presents the annual savings achieved through the cost-saving programme as estimated by the Company:



MyWISA customer portal

WISA Group seeks to strengthen the customer experience by combining personal service with intelligent digital tools and self-service solutions. This is supported by the MyWISA customer portal, which operates as a personalised business-to-business platform and consolidates key customer relationship information in a single view. The portal provides selected customers with access to product, order and delivery information filtered on a customer-specific basis, as well as sales and marketing support. The continuous development of the platform's content production is essential for MyWISA to be able to provide customers with relevant and up-to-date information. Through integrated and automated processes, the portal enhances the operation of the customer interface, improves data transparency and complements personal customer service.

Joint venture Järvi-Suomen Voima Oy

WISA Group has a joint venture JSV, which supplies heat and electricity to WISA Group's production units in Mikkeli and Savonlinna. WISA Group owns 50 per cent of JSV, and the remaining 50 per cent is owned by Suur-Savon Sähkö Oy. JSV is a so-called Mankala company, which is a type of special purpose limited liability company widely used in the Finnish energy industry. JSV supplies heat and electricity to its shareholders on a cost-price principle (so called Mankala principle). Under the Mankala principle, heat and electricity is supplied to the shareholders in proportion to their ownership, and each shareholder is, pursuant to the specific stipulations of the Articles of Association, severally responsible for its respective share of the production costs of the energy company in question.

Sales and Customers

WISA Group serves approximately 200 customers across Europe and Asia, with approximately 100 key plywood and veneer customers accounting for on a carve-out basis approximately an estimated 95 per cent of plywood and veneer sales in 2025. During the financial year 2025, WISA Group's 20 largest plywood and veneer customers in terms of sales accounted for approximately an estimated 49 per cent of WISA Group's sales on a carve-out basis. During the same period, the biggest customer of WISA Group accounted for approximately an estimated 9 per cent of WISA Group's sales on a carve-out basis. The Company's customer base is divided into four primary end-use categories: panel trading and construction (approximately an estimated 60 per cent of plywood and veneer sales on a carve-out basis in 2025), vehicle flooring (approximately an estimated 13 per cent), LNG shipbuilding (approximately an estimated 12 per cent), and parquet manufacturing (approximately an estimated 4 per cent), with other industrial end uses accounting for the remainder. WISA Group has a diversified customer base and is not dependent on any individual customer.

The following table sets forth the geographical breakdown of WISA Group's sales on a carve-out basis for the periods indicated:

In EUR million	1 January to 31 March		1 January to 31 December		
	2026	2025	2025	2024	2023
	(unaudited)		(audited)		
Finland	13.0	9.8	40.2	38.3	32.8
Germany	24.1	22.0	82.9	87.2	79.7
Netherlands	12.7	11.6	46.5	49.1	42.7
United Kingdom	9.6	8.5	36.0	46.3	45.0
Other EU countries	27.6	27.7	103.8	109.9	126.4
Other European countries	6.7	6.6	25.4	27.6	25.8
South Korea	17.4	10.5	43.7	37.7	26.7
Rest of the world	2.8	2.2	10.2	13.4	22.6
Sales excluding UPM Group	**113.9**	**98.9**	**388.8**	**409.3**	**401.8**
Sales to UPM Group	5.1	4.3	20.4	20.7	20.0
Sales total	**119.1**	**103.3**	**409.1**	**429.9**	**421.8**

WISA Group's sales organisation consists of approximately 43 employees across sales, customer service, and commercial development, with an average tenure of 19 years. The Company operates seven sales offices across Europe (Finland, the United Kingdom, Germany, France, Denmark, Spain, and the Netherlands) and six key warehouses strategically positioned near major markets, enabling WISA Group to maintain product availability and provide reliable and fast deliveries to customers, together with customer-tailored assortments to selected industrial customers.

WISA Group has built long-term customer relationships through its partnership model, achieving an average customer retention rate of approximately 99 per cent in key accounts over the past ten years, and an average NPS score of 59 among its customers in March 2026.[54] The majority of sales are steered through contracts, with durations ranging from short-term agreements to longer-term commitments of even 2–3 years, and the Company employs value-based pricing and contract durations vary by end use and customer. Prices agreed with distribution partners can be reviewed flexibly either on the basis of separate notice, monthly or quarterly. With industrial customers, pricing is typically updated annually or every six months. Contracts with industrial customers that include fixed prices and volume or market share-based commitments increase the clarity and predictability of WISA Group's pricing. In addition, agreements with distribution partners provide flexibility to adapt to market changes.

Approximately 87 per cent of WISA Group's sales on a carve-out basis, including related party sales, in 2025 came from Europe, with the remainder from elsewhere, mainly from South Korea (approximately 11 per cent). Germany is the largest market for hardwood plywood, while the Netherlands represents the largest market for softwood plywood.

Supply Chain

WISA Group's supply chain encompasses raw material sourcing, sales and operations planning as well as distribution logistics. The Company's supply chain strategy focuses on securing high-quality wood raw materials mainly from European sources and ensuring reliable deliveries to customers through an extensive warehousing and logistics network. The Company's production units are located in Finland and Estonia, which have a high proportion of forest cover relative to total land area by European standards. Finland has the highest forest cover as a proportion of total land area in Europe (70 per cent) and Estonia's forest cover as a proportion of total land area is also among the highest (59 per cent).[55] Plywood producers have superior ability to pay for raw material compared to for example, pulp producers (both mix wood and log-based) as well as timber producers, according to the management's view. The ability to pay for raw material decreases the risk of raw material availability.

Currently, as part of UPM, the UPM Plywood business area sources all of its wood for its production units in Finland from UPM. Following the Demerger, WISA Group will initially secure access to wood raw material by sourcing wood for its production units in Finland from UPM pursuant to the Wood Supply Agreement with an initial term ending on 31 December 2030. The Wood Supply Agreement includes volume commitments and market-based pricing, and a possibility for WISA Group to reduce the quantities of wood it purchases from UPM as it develops its own sourcing capabilities (see also "*Summary of the Demerger – Related Arrangements – Wood Supply Agreement*" above). The wood sourcing for the Otepää production unit is supported by the Otepää wood sourcing organisation transferring to WISA Group from UPM, which includes a branch in Latvia. Longer-term, WISA Group may continue sourcing wood from one

[54] The Company's sales data comprising of approximately 100 key customers as well as customer satisfaction surveys commissioned by UPM.
[55] Source: Eurostat 2022.

or more suppliers or develop its own wood sourcing capabilities. All wood raw material is sourced in accordance with a chain-of-custody system meeting the requirements of FSC- and PEFC- standards and EUDR requirements.

In addition to wood raw materials, WISA Group procures adhesives, coatings and other production inputs from established suppliers, with the procurement strategy emphasising long-term supplier relationships, quality assurance, and security of supply.

WISA Group's distribution network comprises six strategically located warehouses near key markets with good logistics connections. Approximately 84 per cent of WISA Group's production volumes are exported from Finland and Estonia, primarily via breakbulk vessels and cargo ships, as well as by truck transport utilising RoRo (roll-on/roll-off) vessels to access key European logistics hubs. The remaining approximately 16 per cent of WISA Group's production volumes is delivered within Finland and Estonia and is primarily transported by truck from production units to customers or warehouses. The Pellos production units represent an exception, with rail transport used to connect the production units to the nearest warehouse. Currently, UPM manages the majority of logistics for the UPM Plywood business area. As a standalone business, WISA Group will need to establish its own logistics capabilities, including implementing a transportation management system, allocating resources to manage logistics and concluding new contracts with logistics providers and warehouse operators. WISA Group maintains an existing contract with VR-Group Plc for railway logistics and operates with operational independence from UPM in this respect. This warehousing and logistics infrastructure supports WISA Group's ability to provide reliable delivery times and product availability, differentiating it from lower-cost import competitors.

Following the completion of the Demerger, WISA Group will initially procure certain services from UPM, such as certain IT services, human resources and payroll services, electricity supply and balance management services, as well as sea freight and logistics system services, pursuant to the Transitional Services Agreement entered into between UPM and WISA Group. See also "*Risk Factors – Risks Relating to WISA Group's Business Operations and Strategy – Delivery, quality and availability of WISA Group's products is contingent on the capabilities of its suppliers, subcontractor and logistics network and raw materials procurement*" and "*Summary of the Demerger*".

The ten largest suppliers of WISA Group accounted for approximately 93 per cent of WISA Group's total raw material spend during the financial year 2025.

Research and Development

WISA Group has a long tradition in innovation that fuels growth with R&D investments and a portfolio of advanced products. The Company's focus on R&D and innovation enables it to maintain its market position and respond to evolving customer needs and regulatory requirements. WISA Group's R&D activities are supported by more than 40 active patent families across the value chain, covering sourcing, production and supply, with coverage across focus areas such as construction, vehicle flooring, LNG shipbuilding, and veneers. The patent portfolio includes 21 patents in production, 163 in existing products and 8 pending applications.

R&D activities are based on both centralised and production unit-based development environments. The centralised R&D laboratory located in Lahti, Finland, is responsible for larger-scale testing and analyses supporting product development, whilst laboratories operating in connection with production units support process quality management, product development and the assurance of production capability in close proximity to operational activities. This combined operating model enables efficient scalability of product development as well as a close connection to customer and production requirements.

The Company's research and development projects proceed in accordance with a pre-defined development roadmap, with focus areas including, among other things, the technical properties of products, such as durability and friction, visual properties and the functionality of production processes. The development process includes laboratory testing, production unit tests and full-scale customer pilots prior to making final product and production decisions.

As a result of the Company's R&D activities, new and updated products have been launched, combining improved technical performance, visual differentiation and production compatibility with existing and new production investments compared to their predecessors. In addition, R&D activities support the management and protection of the Company's intellectual property rights and enable the development of products to meet evolving customer requirements and market needs.

An example of the Company's R&D activities is the development project for the WISA-Trans product range. WISA-Trans was originally developed in the 1990s for floor solutions in heavy vehicles, where the key requirements were durability and friction properties. As the market environment evolved, the visual differentiation associated with the product's surface structure weakened as competitors adopted similar solutions, although the product's technical properties have remained competitive owing to the intellectual property rights relating to the overlay structure. As a result, the Company initiated a development project aimed at renewing the product's surface structure and visual appearance whilst maintaining at least the previous level of technical performance, renewing intellectual property protection, and supporting the modernisation of manufacturing technology at the Joensuu production unit. The project was implemented in accordance with the Company's established new product development process during the period 2020–2023 and led to the commercial launch of the product in May 2023.

R&D customer co-development process

WISA Group fosters strong customer relationships through a comprehensive R&D process, with initiatives co-developed with customers through a structured approach. Customer piloting is utilised alongside laboratory testing, including trial panels refined through customer feedback, ensuring that developed products meet real-world application requirements. Customer insights are utilised in product development to increase customer value, with the Company working closely with customers to understand their specific challenges and requirements. Expert support is provided to guide customer decision-making and risk assessment in their product development, with WISA Group's technical team assisting customers in selecting optimal solutions for their applications.

The comprehensive R&D process typically spans 12–36 months from concept to launch, with strategic projects potentially taking longer. The process includes concept development, prototype design and development, pilot testing, customer validation and commercial launch phases.

Ongoing R&D initiatives

WISA Group's ongoing R&D initiatives cover a wide range of important topics over the long term. The roadmap is a strategic tool that outlines how the organisation will develop the technologies, capabilities and products needed to achieve its long-term business goals. It also acts as an input for new product development processes.

WISA Group's R&D activities focus on selected strategic areas. The Company is developing products based on bio-based solutions with increased bio-based content, reduced carbon footprint and improved recyclability. Product performance enhancement efforts focus on continuous improvement of product properties such as strength, durability, moisture resistance and surface quality to meet evolving customer requirements as well as to respond to technologies and regulation that shape the future of plywood. The Company also invests in application-specific solutions, developing specialised products for strategic end uses such as improved vehicle flooring solutions, LNG-approved spruce plywood and optimised concrete forming products.

Process improvements represent another key focus area, with innovation in production processes to improve efficiency, reduce waste, and enhance product quality.

Operational Management and Governance Models of the Business

The Company's business is managed through a unified and systematic business management model, the key components of which are portfolio management, product management, pricing management and sales and operations planning. Through these components, the Company manages and optimises its extensive product portfolio of approximately 3,000 stock keeping units and its business performance. The objective of the management model is to support the implementation of the Company's strategy, improve operational efficiency and promote profitable long-term growth.

The Company's product and service portfolio is continuously developed to ensure that the Company maintains its position in its selected markets and customer groups. A clearly defined, transparent and strategically guided portfolio supports effective sales work and the appropriate allocation of resources. The structure, priorities and strategic direction of the portfolio are assessed on a regular basis in semi-annual portfolio reviews, the purpose of which is to ensure alignment of the portfolio with the Company's business strategy and the development of the market environment.

The Company has a comprehensive product management model aimed at ensuring the competitiveness of products throughout their lifecycle. Product management emphasises the systematic fulfilment of customer requirements and the maintenance of high product quality. Product ranges and the product portfolio are managed through active requirements reviews and audits. Product roadmap planning supports the incorporation of future customer and market requirements into product development as well as the development of new products and services.

The Company's pricing strategies focus on ensuring long-term profitability and value creation. Pricing is managed centrally in accordance with the Company's unified pricing model and framework, with the aim of preventing the erosion of margins and ensuring consistent pricing practices across different markets. Pricing performance is continuously monitored and forecast, enabling timely measures to respond to market changes and the systematic capture of pricing-related value.

The Company's sales and operations planning process ensures that the tactical plans of the business are aligned with the Company's strategic objectives. The commercial perspective plays a central role in balancing supply and demand. The advanced and systematic S&OP process supports the optimisation of inventory levels and the management of demand fluctuations and enables delivery reliability to be maintained in a cost-effective manner.

Investments

WISA Group's investments during the periods covered by the carve-out financial information contained in this Prospectus have consisted of tangible assets, such as machinery and equipment for production units, construction in progress, as well as investments in land. In addition, WISA Group has made investments in new processing technologies. WISA Group extensively uses specialised equipment in its business and thus continuous investments in machinery and equipment are key for WISA Group's business. The machinery and equipment of WISA Group are owned by itself, in addition to which it has leasing equipment and rented premises.

For the three months ended 31 March 2026, WISA Group's capital expenditure totalled EUR 1.0 million.

In 2025, WISA Group's capital expenditure totalled EUR 8.2 million.

In 2024, WISA Group's capital expenditure totalled EUR 16.5 million.

In 2023, WISA Group's capital expenditure totalled EUR 16.2 million.

A significant portion of capital expenditure in 2023–2025 and during the first three months of 2026 was related to maintenance and enhancement of the machinery and equipment used in the operations. Capital expenditure was funded from cash flow provided by operating activities.

As at the date of this Prospectus, WISA Group has no material investments in progress or investments for which firm commitments have been made.

Production Units and Premises

WISA Group is headquartered in Helsinki, Finland. In addition to its production units and warehouses, WISA Group operates seven sales offices across Europe (Finland, the United Kingdom, Germany, France, Denmark, Spain and the Netherlands) to provide localised customer service and specialised technical support. The sales and customer experience organisation consists of approximately 43 employees providing in-depth industry knowledge, technical proficiency and commercial execution capabilities and seamless and adaptive service to support customer experience across WISA Group's geographical areas. WISA Group's strategic positioning of production units, warehouses and sales offices near key markets enables the Company to combine efficient production with superior customer service, supporting its differentiated value proposition in premium plywood end uses. The wood sourcing of WISA Group's Otepää production unit in Estonia is supported by the Otepää wood sourcing organisation transferring from UPM to WISA Group, which includes a branch office in Latvia.

WISA Group has a total of seven production units across five different locations in Finland and Estonia, with a theoretical maximum production capacity of approximately 785,000 cubic metres per year. However, actual capacity utilisation varies according to the product mix. The production units are specialised by wood type and serve different end-market applications as follows:

In Finland, the Company operates in Mikkeli at Pellos where it has three softwood production units (Pellos 1, Pellos 2 and Pellos 3) with a theoretical maximum annual production capacity of 480,000 cubic metres and employing approximately 499 employees as at 31 March 2026. The Pellos production units serve diversified construction end uses, parquet applications, trailer side panels and packaging for heavy equipment transports. The Savonlinna production unit produces birch hardwood plywood with a theoretical maximum annual production capacity of 80,000 cubic metres and employed approximately 268 employees as at 31 March 2026, serving vehicle flooring and diversified construction end uses. The Joensuu production unit produces birch hardwood plywood with a theoretical maximum annual production capacity of 55,000 cubic metres and employed approximately 205 employees as at 31 March 2026, specialising in vehicle flooring and LNG shipbuilding end uses. The Kalso production unit produces spruce veneer with a theoretical maximum annual production capacity of 80,000 cubic metres and employed approximately 76 employees as at 31 March 2026, serving primarily parquet manufacturing applications. In Estonia, WISA Group operates the Otepää production unit, which produces birch hardwood plywood with a theoretical maximum annual production capacity of 90,000 cubic metres and employed approximately 253 employees as at 31 March 2026. The Otepää production unit serves vehicle flooring, LNG shipbuilding, construction, and other industrial end uses.

All production units are owned by WISA Group and benefit from regular modernisation investments. During 2015–2025, investments in production units totalled EUR 185 million, comprising EUR 46 million at Pellos, EUR 20 million at Savonlinna, EUR 47 million at Joensuu, EUR 10 million at Kalso, and EUR 62 million at Otepää. Selected investments in Pellos include a series of production process upgrades and automation measures implemented during 2016–2017; the commissioning of an automated liquid coating line in 2019–2020; investment to increase edge machining capacity in

2020–2021; and investment in 2023–2024 to enhance the capacity and reliability of the wastewater treatment plant. Selected investments in Savonlinna include the renovation of log yard in 2018 and portfolio upgrade in 2020–2021. Selected investments in Joensuu include the replacement of a boiler in 2018–2019; the commissioning of a new overlaying line in 2021–2023, including a building expansion; and the installation of a veneer patching line in 2023–2024. Selected investments in Kalso include the installation of a new peeling lathe and an industrial chipper for pulp chips in 2016–2017, and the commissioning of a wet veneer handling system in 2024–2025. Selected investments in Otepää include the expansion of factory and production capacity in 2015–2016, including the construction of a new bio power plant; the modernisation of the log infeed with noise reduction measures in 2023–2024; and the acquisition of a neighbouring industrial lot in 2024–2025 to improve log yard operations.

WISA Group maintains a strategic warehousing and logistics network to support its customer service proposition and ensure reliable product availability across key European markets. The Company has six warehouses strategically positioned near key markets with good logistics connections. This extensive warehousing network creates a competitive advantage that is difficult for competitors to replicate, enabling WISA Group to provide localised customer service, fast delivery times and high product availability. The warehouses are positioned to serve WISA Group's geographical sales areas: Central Europe, South-West Europe, Baltic area, and the United Kingdom market (served from the Overseas area[56]).

Group Structure

After the Effective Date, WISA Group Plc will be the parent company of WISA Group's group, and its principal operational activities will take place mainly within WISA Group's subsidiaries and production units. In accordance with the Demerger Plan, on the Effective Date, one subsidiary in Finland, and in each of Estonia, France, Germany, the Netherlands, the United Kingdom and Denmark, will transfer to WISA Group.

The following table sets forth the subsidiaries of WISA Group in accordance with the Demerger Plan and as at the date of this Prospectus:

Subsidiaries of WISA Group	**Consolidated shareholding and voting right (per cent)**	**Country of incorporation**
Subsidiaries		
UPM Plywood Ltd	100	Finland
UPM-Kymmene Otepää OÜ	100	Estonia
WISA Plywood SAS	100	France
WISA Plywood GmbH	100	Germany
WISA Plywood B.V.	100	Netherlands
WISA Plywood Limited	100	United Kingdom
WISA Plywood ApS	100	Denmark
Joint operations		
Järvi-Suomen Voima Oy	50	Finland

WISA Group's production operations are conducted through its Finnish and Estonian entities, while the parent company WISA Group Plc will primarily be responsible for group management, strategic direction, and certain centralised functions.

Employees

WISA Group employed 1,454 people on a carve-out basis as at 31 March 2026 and 1,451 people on a carve-out basis as at 31 December 2025. WISA Group employed 1,491 people on a carve-out basis as at 31 December 2024 and 1,518 people on a carve-out basis as at 31 December 2023.

The presented number of employees on a carve-out basis consists of employees of the production units and operations transferring to WISA Group in the Demerger, as well as a proportion of employees employed by UPM. The number of employees on a carve-out basis does not necessarily reflect WISA Group's number of employees after the Demerger, when WISA Group operates as a standalone company.

[56] Asia-Pacific, Americas, Middle East and Africa and the United Kingdom and parquet veneer customers.

The following table sets forth the breakdown of WISA Group's employees by geographical area as at the dates indicated:

	As at 31 March	As at 31 December		
	2026	**2025**	**2024**	**2023**
Finland	1,172	1,170	1,205	1,234
Estonia	256	256	258	257
Other	26	25	28	27
Total	**1,454**	**1,451**	**1,491**	**1,518**

The majority of WISA Group's employees are located in Finland, where six of the seven production units are located.

There have been no material changes in WISA Group's number of employees between 31 March 2026 and the date of this Prospectus.

WISA Group has global HR policies in place for ensuring equal and respectful treatment of its employees. The Company always prioritises safe and healthy working conditions and works towards eliminating accidents in all of its operations. WISA Group's operations are continuously assessed to identify and eliminate hazards, and the risks of injuries and ill health are proactively mitigated. WISA Group makes safety improvements based on these assessments and ensures that employees are properly trained to do their work safely.

WISA Group's shopfloor employees in Finland are covered by a company-specific collective agreement. In 2025, WISA Group and the Industrial Union signed a new collective labour agreement (valid until end of 2027), ending the strikes at the production units in Finland that had impacted operations in 2025. The new collective labour agreement provides stability for WISA Group's Finnish operations through the end of 2027, supporting operational continuity and workforce planning. The collective agreement covers terms and conditions of employment, including wages, working hours, and other employment conditions. WISA Group is committed to maintaining constructive relationships with employee representatives and labour unions.

Sustainability

WISA Group's sustainability work is integrated into its strategy and operations. WISA Group is not subject to sustainability reporting requirements for its first financial period. Should WISA Group become subject to sustainability reporting obligations in the future, it would report in accordance with the applicable obligations. WISA Group's Board of Directors defines, in connection with strategy decisions, the objectives and indicators of the sustainability work from which annual targets are derived. The Company delivers plywood and veneer solutions throughout the value chain, and in the view of the Company, its business model is fundamentally aligned with sustainable forestry practices and responsible resource management.

The Company's sustainability work is built on six core pillars:

- WISA Group sources its wood raw materials according to a chain-of-custody system that fulfils the requirements of the FSC- and PEFC-standards, also ensuring compliance with the EUDR.

- WISA Group improves energy and material efficiency and reduces environmental impact through comprehensive by-product management and energy-efficient production processes. Plywood production by-products are utilised for pulp production, industrial manufacturing and energy production through both own heat plants as well as the JSV joint venture with Suur-Savon Sähkö. In 2024, the production units used approximately 487 GWh of heat supplied to own operations across Finland and Estonia, with approximately 136 GWh of electricity procured externally. The Company continuously works to improve energy and material efficiency through ongoing initiatives including optimisation of heat and electricity consumption, yield improvement programmes to minimise raw material usage and deployment of the production unit data platform to enable real-time monitoring and optimisation of resource utilisation. In its operations, WISA Group aims to purchase only fossil-free electricity.

- WISA Group delivers high-quality products and services efficiently and on time through its strategic warehousing network, own sales organisation and robust customer service infrastructure. The Company operates six key warehouses strategically positioned near key markets with good logistics connections, enabling reliable and fast deliveries. WISA Group's sales organisation provides customers with in-depth industry knowledge and technical expertise through seven sales offices across Europe. The Company's extensive after-sales service and strong customer relationships support average customer retention rates of 99 per cent over the past 10 years.

- WISA Group fosters safe and inspiring workplace practices through comprehensive employee development programmes and commitment to occupational safety. The Company prioritises safe and healthy working conditions, continuously working towards zero accidents by identifying hazards, risk assessment and effective risk management measures, proactive mitigation of risks of injuries and ill health, and comprehensive employee training on safe work practices. WISA Group invests in employee development through, among other things, the PLY Leader Programme for all personnel in managerial roles, in which approximately 1,500 hours were invested in 2024, with 110 managers participating. The programme will continue in 2026. WISA Group also invests in personnel development through an apprenticeship training programme. The apprenticeship programme is an established model for workforce availability and competence development in all of WISA Group's production units in Finland. On an annual basis, as many as 27 per cent of programme participants have been women. The Company has implemented a multi-skilled operator model embedded in both salary and performance-based pay structures. WISA Group values diversity and equality at the workplace and maintains uniform HR policies for equal and respectful treatment of employees. The average tenure of employees is 14 years, ranging between 1 and 35 years, reflecting strong employee engagement and retention.

- WISA Group enables the use of renewable raw materials without sacrificing performance by delivering plywood solutions that meet demanding technical requirements across construction, vehicle flooring, LNG shipbuilding, and parquet manufacturing applications. The Company's products are made from wood mainly from European sources. They provide customers with high-performance alternatives to carbon-intensive materials, as wood naturally sequesters carbon during its growth phase and plywood acts as a carbon storage throughout its service life. The environmental performance of the products is documented through third-party verified environmental product declarations.

- WISA Group actively seeks new ways to improve and replace fossil-based raw materials in its products through its comprehensive R&D roadmap. The Company's innovation efforts focus on developing new products with more bio-based raw materials than before, a lower carbon footprint, and long lifespan. In doing so, WISA Group plays its part in supporting the transition beyond fossil-based materials in the plywood industry.

Machinery and Equipment

WISA Group utilises specialised machinery and equipment across all stages of the plywood and veneer manufacturing process. The production assets encompass equipment for log handling (including receiving, measuring and soaking systems, debarking and cutting as well as log sorting lines in Pellos and Otepää), veneer production machinery (veneer peeling, drying and sorting lines, as well as veneer jointing, patching, and scarf-jointing lines) and plywood manufacturing machinery (assembling lines, pre- and hot presses, filling, sawing and sanding lines as well as plywood packaging lines). The further processing equipment for plywood includes coating lines, machine tools and surface treatment lines, as well as a panel scarf-jointing line at Savonlinna. The equipment also includes material handling and logistics equipment, such as reach stackers, forklifts, and storage systems. The production assets also include power plants for steam production.

The Company maintains a continuous programme of equipment replacement and upgrade to maintain competitiveness and operational efficiency. The most recent investments include the Joensuu patching line and the Kalso wet veneer handling system.

Information Management (IT)

WISA Group relies on IT systems to support its business objectives, product management, and customer relationships. The most important IT systems for WISA Group's business are systems related to enterprise resource planning, customer relationship management, human resource management, production planning and control, quality management, and financial reporting. WISA Group's information management is responsible for the Company's IT systems, technical solutions, IT services, and cyber security.

In the first years following the completion of the Demerger, WISA Group aims to invest in IT systems and the technical solutions supporting them in order to replace the IT solutions previously provided by UPM and to optimise them for WISA Group's operations and company size. The following are the key activities that WISA Group intends to execute in the first years following the completion of the Demerger:

- *General re-evaluation of the IT system environment*: WISA Group intends to evaluate different IT systems with the aim of finding IT solutions suitable for WISA Group's business. Key areas are customer service, human resources, financial administration, supply chain, and typical IT platforms such as integration and data platforms.

- *Simplification of IT infrastructure*: WISA Group inherits UPM's current IT infrastructure. Key focus areas include re-evaluation of IT infrastructure, such as networks and servers. The target is to build a modern IT infrastructure serving WISA Group's needs.

- *Building information security and cyberattack management capabilities*: WISA Group inherits UPM's current information security environment. Key focus areas include the further development of capabilities related to information security and cyberattack management from the perspective of the Company's needs and risk management.

Intellectual Property Rights

WISA Group's intellectual property portfolio will consist of trademarks, patents, domain names, utility models, designs, trade secrets and know-how that are important to its operations and competitive positioning. Intellectual property rights protect WISA Group's products and services and ensure that WISA Group has the possibility to market, sell and develop them. Company names, trademarks and other intellectual property rights (including domain names) held by UPM that contain the word 'WISA' or derivative forms thereof, as well as all other intellectual property rights held by UPM that belong to the UPM Plywood business area, regardless of whether such rights can be registered or have been registered, will transfer to WISA Group on the Effective Date.

WISA Group has a significant patent portfolio supporting its innovation activities and competitive advantages. The Company holds more than 40 active patent families across the value chain. They cover sourcing, production and supply, as well as key focus areas (construction, vehicle flooring, LNG shipbuilding, veneers). The patent portfolio includes 21 patents in production processes, 163 patents in existing products, and eight pending patent applications for new innovations under development. Examples of patented technologies include bonded floor intellectual property rights that enhance automation in vehicle flooring applications and products for structural applications with improved hydrophobic properties as well as a product with fire retardant properties. The Company also has its own intellectual property rights related to the use of lignin phenol formaldehyde resin in the manufacturing of plywood.

In addition to registered intellectual property rights, WISA Group relies on trade secrets and know-how relating to its production processes, product formulations, quality control methods, and customer applications. The Company protects this confidential information through non-disclosure agreements with employees, suppliers and business partners, internal information security policies and procedures, restricted access to sensitive technical information, and employee training on confidentiality obligations. In general, WISA Group owns the intellectual property rights to its own products and production processes. The Company also enters into licensing agreements for certain technologies, materials or components supplied by third parties.

Material Agreements

Except for the agreements described above in the sections "*Summary of the Demerger – Related Arrangements – Transitional Services Agreement*", "*Summary of the Demerger – Related Arrangements – Wood Supply Agreement*", "*Summary of the Demerger – Related Arrangements – By-Products Supply Agreement*" and "*Summary of the Demerger – Related Arrangements – Energy By-Products Supply Agreement*", no agreements have been concluded on WISA Group's behalf outside of its ordinary course of business which (i) are material to WISA Group and which have been concluded during the two years immediately preceding the date of this Prospectus or (ii) contain obligations or rights which are material to WISA Group at the date of this Prospectus.

Insurance

WISA Group intends to maintain customary insurance coverage to cover damages, claims for damages and liabilities potentially arising from the business operated by WISA Group. WISA Group also intends to obtain, amongst other things, liability insurance, business interruption insurance, property insurance, transport insurance, credit risk insurance, and statutory employee insurance. In the view of UPM's management, WISA Group's intended insurance coverage will be adequate, both in terms of insurance amounts and terms, in order to cover the major risks related to WISA Group's business, taking into account the costs of the insurance coverage and the potential risks related to WISA Group's business operations. However, as is customary, the insurance coverage will include general limitations, which means that the insurances may not necessarily cover all damage suffered. See also "*Risk Factors – Risks Relating to WISA Group's Business Operations and Strategy – WISA Group's insurance coverage may not be sufficient*".

Litigation

WISA Group may from time to time become subject to various claims and legal proceedings arising in the ordinary course of its business. As at the date of this Prospectus, there are no administrative, legal or arbitration proceedings against or affecting WISA Group or any of its subsidiaries (and no such proceedings are pending or threatened of which UPM is aware) during a period covering the previous 12 months which have or may have had in the recent past significant effects on the financial position or profitability of WISA Group or of WISA Group and its subsidiaries taken as a whole.

Regulatory Environment

WISA Group is subject to a wide range of laws and regulations at both EU and national level, such as different environmental laws and regulations concerning, among other things, emissions, water quality, biodiversity loss, energy efficiency, as well as competition issues and corruption-related regulations, such as international trade regulations concerning, among others, trade sanctions and duties. WISA Group is also subject to labour, health and safety as well as corporate, securities markets and tax laws and regulations. See "*Risk Factors – Legal, Regulatory and Administrative Risks*". Set out below is a description of certain regulatory areas that are particularly relevant to WISA Group's operations.

Deforestation and wood sourcing regulation

The Company maintains a commitment to sustainable forest management by sourcing its wood raw materials in accordance with a chain-of-custody system meeting the requirements of FSC and PEFC standards, aiming to ensure that raw materials are sourced legally and in accordance with the principles of sustainable development. Wood raw materials are sourced from UPM's own forests, private forest owners or state-owned forests in Finland, Sweden, Latvia, and Estonia. In December 2025, the EU approved amendments to the EUDR (Regulation (EU) 2025/2650 amending Regulation (EU) 2023/1115). These changes affect compliance timelines and obligations for operators and traders across the supply chain. The EUDR application for medium and large companies is postponed by 12 months and the new date is 30 December 2026. Before the application of the EUDR commences, WISA Group's operations are i.a. subject to the EUTR, the aim of which is to prevent the entry and use of illegally harvested timber and products refined therefrom in the EU. The EUTR contains similar elements to the EUDR, in particular in relation to due diligence and supply chain traceability, but its scope and level of requirements are more limited. As a trader, WISA Group must maintain traceability information on suppliers and customers.

The EUDR aims to curb global deforestation by imposing strict due diligence obligations on commodities such as wood. The EUDR mandates that, among other things, wood and derived products, including plywood, placed on or exported from the EU market must be deforestation-free and comply with the legislation of the country of origin. As a downstream operator, WISA Group is not required to carry out due diligence under the EUDR or submit due diligence statements. The obligation to submit and communicate due diligence statements and reference numbers is limited to operators that place the relevant products on the Union market for the first time. Such operators must pass the reference numbers of the due diligence statements for the products to the first downstream operator. The first downstream operator has no obligation to pass reference numbers further down the supply chain. The Company will continue to ensure compliance with all EUDR requirements and keep customers informed of any further changes.

Regulation on construction products

As a plywood manufacturer, WISA Group's products are widely used in construction and industrial applications, and the Company's products therefore fall within the scope of, among others, the revised EU Construction Products Regulation ((EU) 2024/3110, "**CPR**").

A long transitional period will apply to the implementation of the CPR, as the old Construction Products Regulation ((EU) 2011/305) will continue to apply in parallel with the CPR in certain respects until 2040. The CPR will be implemented on a harmonized product standard by harmonized product standard basis as new standards are published. The CPR entered into force on 7 January 2025, with broader application commencing on 8 January 2026 when the key requirements of the Regulation became applicable. The CPR aims to harmonize requirements relating to the safety, sustainability and sustainability-related environmental performance as assessed through life cycle assessment of construction products across the EU. The Regulation also seeks to strengthen the traceability and transparency of products and to ensure that market operators have reliable information about products. One of the key changes compared to the previous regime is the declaration of performance relating to the technical performance and conformity of a construction product. CE marking of construction products remains mandatory, and under the CPR, the CE marking is affixed only where the manufacturer has drawn up a declaration of performance and conformity and thereby assumes responsibility for the conformity of the product with the declared performance and the applicable product requirements. Manufacturers will also be required, in the future, to make available, among other things, a digital product passport containing product-related information through the digital product passport system once the relevant delegated act enters into force. The CPR's more stringent requirements relating to sustainability, carbon footprint and safety, as well as harmonized technical standards, enhance comparability, but at the same time they raise the bar for technical documentation, testing and life cycle data management, once the applicable harmonised technical specifications for wood-based construction products have been published and become mandatory under the CPR.

The CPR impacts WISA Group's business primarily by raising the level of requirements for market access and compliance. Plywood intended for construction use requires a CE marking and a declaration of performance, linking commercial success to tested and documented properties as well as systematic quality management. The regulation increases fixed costs and manufacturer liability, but at the same time favours technically mature and scale-based operators, shifts competition from price to measurable performance and improves market transparency. The Company's management believes that, in the long term, the CPR could stabilise the market and create a competitive advantage for companies that are able to combine high technical performance, robust documentation and a regulation-compliant operating model.

Packaging and packaging waste regulation

WISA Group makes its packaged products available on the EU market. As such, the Company is subject to EU regulations governing packaging and packaging waste which impose requirements on manufacturers, importers and distributors of packaging as well as on suppliers of packaging material. The EU Packaging and Packaging Waste Regulation ((EU) 2025/40, the "**PPWR**") was published in the EU Official Journal in January 2025 to address concerns surrounding environmental sustainability and waste management in the EU. The PPWR entered into force on 11 February 2025, and its application will commence in phases on 12 August 2026 throughout all EU countries. The PPWR largely repeals the EU Packaging and Packaging Waste Directive (94/62/EC, as amended). The PPWR aims to standardise and optimise the management of packaging materials and their associated waste streams to reduce environmental impact, promote recycling, and foster a circular economy. Under the PPWR, packaging waste recycling targets have been raised, and by 31 December 2030 at the latest, at least 70 per cent of the weight of all packaging waste must be recycled, with material-specific recycling targets set for different packaging.

By implementing measures such as promoting the use of reusable and refillable packaging, optimising packaging design, and curbing excessive packaging, the PPWR aims to minimise the overall volume of packaging waste generated. The regulation sets targets for the recycling and recovery of packaging waste, encouraging EU member states to develop efficient collection, sorting, and recycling systems to divert packaging materials from landfills and incineration. The PPWR also validates and harmonises extended producer responsibility (EPR) schemes, where producers bear the financial and operational responsibility for managing the packaging waste generated by their products. This incentivises producers to design packaging that is easier to recycle and encourages the use of sustainable materials. By harmonising packaging regulations across EU member states, the PPWR aims to create a level playing field for businesses operating in the European market, facilitating trade and promoting innovation in sustainable packaging solutions. The PPWR targets for minimum recycled content in plastic packaging are expected to boost the market for secondary raw materials and reduce the need for fossil feedstock.

As a manufacturer, WISA Group is required to carry out the conformity assessment procedure and to draw up the related technical documentation. A manufacturer must also draw up an EU declaration of conformity, by which it assumes responsibility for the packaging's compliance with the PPWR. These documents must be retained for at least five years. Under the PPWR, WISA Group is, in certain markets, a "producer" and is subject to extended producer responsibility obligations. These include registering in the relevant Member State's national register of producers and contributing to covering the costs of packaging waste management.

OPERATING AND FINANCIAL REVIEW

The following review of WISA Group's results of operations and financial position should be read in conjunction with "Certain Matters – Presentation of Financial and Certain Other Information" and WISA Group's audited carve-out financial statements as at and for the years ended 31 December 2025, 2024 and 2023 and WISA Group's unaudited carve-out financial information as at and for the three months ended 31 March 2026, including unaudited comparative financial information as at and for the three months ended 31 March 2025, included in the F-pages to this Prospectus. Except where explicitly otherwise mentioned, the financial information presented below represents the historical results of operations and the financial position of WISA Group prepared on a carve-out basis from UPM's consolidated financial statements during the periods discussed without taking into consideration any arrangements made in relation to the Demerger.

The following review contains forward-looking statements, which are subject to risks and uncertainties. The actual results of WISA Group may deviate considerably from such forward-looking statements as a result of factors discussed below and elsewhere in this Prospectus, particularly in sections "Certain Matters – Forward-Looking Statements", "Risk Factors" and "Operating and Financial Review – Key Factors Affecting the Results of Operations".

Overview

WISA Group offers high-quality[57] plywood and veneer products, mainly for panel trading and construction, vehicle flooring, LNG shipbuilding and parquet manufacturing as well as other industrial applications. Theoretical maximum production capacity is approximately 785,000 cubic metres per year. However, the actual capacity utilisation rate varies according to the product mix. The Company's management estimates that WISA Group is one of the few manufacturers globally holding a certification for the production of LNG plywood and is one of the leading plywood producers in Europe in high- and medium-requirement end uses.

WISA Group's sales on a carve-out-basis amounted to EUR 119.1 million for the three months ended 31 March 2026 and EUR 409.1 million for the financial year ended 31 December 2025. The operating profit on a carve-out basis was EUR 10.9 million for the three months ended 31 March 2026 and EUR 26.9 million for the financial year ended 31 December 2025.

WISA Group is headquartered in Helsinki, Finland, and has seven production units in five locations. The production units in Finland are located in Mikkeli (three Pellos production units), Kouvola (Kalso production unit), as well as in Joensuu and Savonlinna. The production unit in Estonia is located in Otepää. The wood sourcing for the Otepää production unit is supported by the Otepää wood sourcing organisation transferring from UPM to WISA Group, and including a branch office in Latvia. WISA Group has six warehouses in Finland, Denmark, Germany, the Netherlands, France and the United Kingdom and seven sales offices in Finland, Denmark, Germany, the Netherlands, France, Spain and the United Kingdom. WISA Group had 1,454 employees on a carve-out basis as at 31 March 2026.

Key Factors Affecting the Results of Operations

Pursuant to the Demerger Plan, all assets and liabilities of UPM relating to the UPM Plywood business area or predominantly serving it, be transferred without liquidation to WISA Group to be incorporated in the Demerger as set out in the Demerger Plan. The results of operations of WISA Group have been and are expected to continue to be affected by a number of factors that are either mainly outside WISA Group's sphere of influence, i.e., external, or within WISA Group's sphere of influence, i.e., internal. A non-exhaustive list of key factors affecting WISA Group's results of operations has been included below. These factors may also affect WISA Group's results of operations in the future. The order of presentation of the factors is not intended to reflect the significance of each factor. Key factors affecting WISA Group's result of operations, include, but are not limited to, the following:

- general macroeconomic conditions and geopolitical factors;
- environmental and industry trends;
- demand for products;
- competitive environment;
- availability and prices of raw materials;
- availability of skilled workforce;

[57] Source: Customer satisfaction surveys commissioned by UPM.

- supply chain and distribution functionality;
- end use and customer mix;
- regulatory changes;
- innovations;
- operational improvements;
- acquisitions and other corporate arrangements;
- the Demerger.

General Macroeconomic Conditions and Geopolitical Factors

As a provider of plywood and veneer products, WISA Group's business, growth potential and results of operations are affected across multiple countries by changes in macroeconomic conditions and geopolitical developments. Economic recessions or depressions and uncertainty prevailing in the financial markets in the EU, the United States, China, the Korean peninsula and elsewhere in the world may adversely affect WISA Group's business in a number of ways, including its orders, order book, sales, results and cash flow. In particular, high inflation may cause an increase in WISA Group's raw material and personnel costs as well as other operational costs.

WISA Group's customers' purchasing behaviour is influenced by the general level of economic activity in its customers' industries and by other factors beyond WISA Group's control. For example, in a weakened economic situation, WISA Group's customers' economic activity tends to be lower, affecting the purchase amounts and sales of WISA Group's products. Customers also tend to delay new purchases and projects during economic downturns.

In addition, WISA Group is exposed to geopolitical risks and trade policy developments. Increasing protectionism, changes in tariff regimes or other trade measures affecting plywood imports into or exports from Europe may impact WISA Group's market access, supply chain arrangements and cost structure. WISA Group's strategic positioning near key European markets through its extensive sales and warehousing network provides some resilience against such developments, but geopolitical disruptions could have a material adverse effect on WISA Group's business, financial position and results of operations.

Environmental and Industry Trends

The plywood industry in which WISA Group operates is currently undergoing a transformation driven by sustainability trends. For example, the EUDR requires operators that place products covered by the EUDR on the Union market for the first time to demonstrate that the products are deforestation-free, comply with applicable local laws and due diligence has been exercised in relation to them, including with respect to origin information. Moreover, certain national laws, such as the Finnish Building Act (751/2023, as amended), also guide constructors to prioritise materials with lower carbon footprints to remain within the set carbon limits. In the view of the Company's management WISA Group's perceived position as a reliable partner, supported by publicly available data on product sustainability, enables WISA Group to capture additional value from its responsibility advantage.

WISA Group's sales is linked to the panel trading and construction end use, which represented on a carve-out basis approximately an estimated 60 per cent of plywood and veneer sales and an estimated 69 per cent of delivery volumes in 2025. The construction industry is expected to recover from the current weak economic cycle, which is expected to drive growth in plywood demand.[58] Europe and the United States are also facing housing deficits, supporting growth in residential construction.[59] An upturn in the construction industry could translate into higher plywood order volumes. However, should WISA Group be unable to utilise its competitive position in the market, or should the recovery of the construction industry be slower than anticipated, this could have an adverse effect on WISA Group's financial position and results of operations.

Due to reduced availability and rising costs of hardwood plywood, the hardwood plywood market is increasingly shifting towards substitute raw materials, such as eucalyptus plywood and mixed plywood, which are currently widely used in construction and furniture applications. Plywood substitutes can be used in both hardwood and softwood end uses, with Oriented Strand Board offering sufficient functionalities at a lower price compared to softwood plywood, and composite

[58] Source: EUROCONSTRUCT Summary Report, Winter 2025.

[59] Source: Congressional Research Service (CRS): Estimates of a "Housing Shortage" (https://www.congress.gov/crs_external_products/IN/PDF/IN12628/IN12628.1.pdf) and European Parliament: Housing crisis: why prices are rising and what the EU is doing about it (https://www.europarl.europa.eu/topics/en/article/20241014STO24542/housing-crisis-why-prices-are-rising-and-what-the-eu-is-doing-about-it, accessed on 7 May 2026).

materials increasing substitution risk for hardwood plywood. Possible price increases in plywood could further encourage substitution into the use of, for example, concrete and other materials, as such alternatives would become more attractive in terms of price.

Demand for Products

Changes in demand in WISA Group's customer industries may affect WISA Group's operations and market position. Such changes may result from, among other things, general economic conditions, changes in customer strategies, evolving product requirements, technological innovations and regulatory developments. The industry in which WISA Group operates is not immune to economic fluctuations, which may have a material effect on WISA Group's results of operations.

WISA Group is specialised in high-requirement and medium-requirement end uses of the European plywood market and global LNG market. It focuses on end uses with higher technical and service requirements. In these end uses, customers tend to be less price-sensitive, product value is higher and competition on price is less intense, as purchasing decisions are driven by customers' total costs.

Key purchasing factors for WISA Group's customers vary significantly across different end uses, and customers are increasingly influenced by sustainability-related regulations, accelerating a transition toward sustainably sourced and traceable wood. WISA Group is well positioned to address growing customer expectations for traceable and sustainably sourced raw materials.

WISA Group's customer base is highly engaged and currently consists of approximately 200 customers. By adopting a partnership model with customers across different end uses, WISA Group has been able to create long-term relationships with customers, acting as the key strategic supplier for certain customers. WISA Group's strategy focuses on engaging with high-value customers, allowing it to dedicate significant time and resources to fostering deeper relationships and delivering relevant and appealing solutions. Through focused customer-centricity, WISA Group enhances customer satisfaction and loyalty through consistent delivery of high-quality products and services. In addition to its product offering, WISA Group provides additional services, such as veneer moisture measurement for selected customers, customer tailored inventories, expedited delivery, technical consulting and simulations as well as custom packaging.

Competitive Environment

The plywood market is mature and dominated by long-established players, with limited new entrants. Market leaders specialise in specific grades and wood types, with limited overlap between hardwood and softwood plywood end uses. WISA Group is one of the largest European plywood producers and is regarded by its customers as one of the market leaders in terms of product properties and technical capabilities as well as customer and supply chain services[60]. WISA Group is specialised in high-requirement and medium-requirement end uses, where market entry for new players is challenging, such as vehicle flooring end uses, where advanced R&D and robust customer networks limit competition, and LNG shipbuilding end uses, where stringent certification requirements make market entry difficult. In such end uses where market entry for new players is challenging, it is essential that WISA Group maintains its competitive edge, especially in terms of product and service quality. The competitive environment as well as WISA Group's market position have been discussed in more detail in section "*Market and Industry Review*".

Europe is a net importer of plywood, consuming more than it produces, with large import volumes originating from Latin America, such as Brazil and Chile, and Asia, primarily China. Russia's share of European plywood imports declined from approximately 35 per cent in 2021 to approximately 0 per cent in 2025 as a result of the import ban on Russian plywood imposed in 2022 following the escalation of Russia's war in Ukraine, although Russian plywood continues to enter Europe illegally or through circumvention practices. China's share of European plywood imports was approximately 57 per cent in 2023. Latin America's share in 2024 was approximately 31 per cent.[61] WISA Group's high service levels, underpinned by an extensive sales and warehousing network in Europe that many competitors lack, provide a degree of competitive advantage, including from lower-cost imports from Latin America that struggle to match WISA Group's delivery reliability and delivery times.

Anti-dumping measures have been introduced or are under investigation by the European Commission to address unfair pricing practices in plywood imports into Europe. Such regulatory actions are expected to enhance the cost-competitiveness of European-based producers, including WISA Group, by imposing additional tariffs on imported products subject to anti-dumping investigations.[62]

[60] Source: Customer satisfaction surveys commissioned by UPM.
[61] Source: COMTRADE international trade flow database (https://comtradeplus.un.org/, accessed on 16 April 2026).
[62] Source: European commission Anti-dumping measures (https://policy.trade.ec.europa.eu/enforcement-and-protection/trade-defence/anti-dumping-measures_en, accessed on 20 April 2026).

Availability and Prices of Raw Materials

WISA Group's production and operations depend on the availability and timely supply of large quantities of raw materials. WISA Group maintains a diversified hardwood and softwood portfolio serving demanding applications, such as specialised vehicle flooring, LNG shipbuilding, parquet veneering and technical construction. According to the management's view, WISA Group's presence in both hardwood and softwood plywood end uses serves as risk mitigation against varying conditions in supply and demand. The cubic metre price of plywood is high relative to other wood-based products and, according to management's estimate, this supports the paying capability of plywood manufacturers in relation to other operators, thereby increasing competitiveness in wood sourcing. Prior to the Demerger, UPM acts as a supplier of essential inputs to UPM Plywood business area, such as wood, logistics, and energy, while a majority of other materials used in operations is sourced from external suppliers. Following the Demerger, WISA Group will continue to procure wood from UPM in Finland in accordance with the Wood Supply Agreement. See also "*Summary of the Demerger – Related Arrangements – Wood Supply Agreement*".

Over the long term, WISA Group has several options for organising wood sourcing, ranging from continuing full outsourcing to developing its own sourcing capabilities. Consequently, while WISA Group's product portfolio provides some protection against raw material fluctuations, its operations in Finland remain dependent on the wood supplied by UPM under the Wood Supply Agreement for a fixed term. For the Otepää production unit, the wood raw material is sourced from Estonian and Latvian state forests and private forest owners, sawmills and harvesting companies. The wood sourcing of WISA Group in the Baltics will be supported by the Otepää wood sourcing organisation transferring from UPM to WISA Group, and including a branch office in Latvia. Consequently, WISA Group's operations will continue to be affected by general market conditions, including fluctuations in the availability and prices of wood raw material. Hardwood plywood production capacity is already constrained, with limited opportunities to significantly increase volumes due to both facility capacity and raw material supply limitations. Any limitations or delays in key suppliers' capabilities to deliver necessary materials to WISA Group could also lead to delays in WISA Group's own deliveries or impair its ability to take on new orders. Any limitations, disruptions or pricing changes could have a material adverse effect on WISA Group's results of operations.

Availability of Skilled Workforce

As at 31 March 2026, WISA Group had 1,454 employees globally on a carve-out basis. WISA Group's business is dependent on the expertise of its senior management and key personnel as well as other skilled personnel and the continuation of their employment relationships. Operational performance also depends on the availability of skilled personnel and WISA Group's ability to identify, attract, develop, motivate and retain qualified and skilled personnel. WISA Group competes with other companies in recruiting and hiring from a limited pool of potential employees with the required skill set and industry experience. Challenges related to workforce availability and employee turnover could adversely affect WISA Group's production capacity and impede its ability to grow or develop its business.

Supply Chain and Distribution Functionality

Effective procurement of raw materials and the management of key supplier relationships are key means for managing risks related to potential delays and disruptions in the delivery of raw materials required for WISA Group's production. WISA Group currently sources all its wood in Finland from UPM as part of UPM, and also relies on UPM group companies for, among other things, logistics and energy. After the Demerger, WISA Group will continue to procure wood from UPM under the Wood Supply Agreement in Finland. Wood sourcing for WISA Group's operations in Estonia will be arranged independently through WISA Group's Estonian operations. See also "*Summary of the Demerger – Related Arrangements – Wood Supply Agreement*". Over the long term, WISA Group may continue sourcing externally from one or more suppliers or develop its own sourcing capabilities. Any disturbances or pricing changes in the supply chain could negatively impact WISA Group's operational and financial performance, whereas efficient and reliable supply chain management may positively affect WISA Group's sales and results of operations.

WISA Group has an extensive distribution network comprising seven sales offices and six warehouses across Europe, strategically located near key markets with good logistics connections. The Company has finished goods stocks in several locations near its customers, which enables it to make faster deliveries to these customers. WISA Group combines its broad sales office and agent network with the provision of localised customer service and specialised technical support, strengthening its competitive position, particularly against lower-cost importers that may struggle to provide the same delivery reliability and delivery times. UPM currently manages the majority of UPM Plywood business area's logistics, WISA Group will be required to develop its own logistics capabilities as a standalone company, including implementing a transportation management system, allocating resources to logistics management and concluding new contracts with logistics providers and warehouse operators. The successful establishment of standalone logistics capabilities will be essential for WISA Group to maintain, among other things, delivery reliability, customer satisfaction and service differentiation. Any failure or delay in establishing these capabilities could result in, among other things, increased logistics costs or service disruptions, which could have a material adverse effect on WISA Group's results of operations.

End use and customer mix

Plywood and veneer products broadly serve both high-requirement and medium-requirement end uses. WISA Group focuses on specialised end uses with higher technical and service requirements, where customers tend to prioritise quality and reliability over price, product value is higher and price competition is less intense. According to the Company's view, key purchasing factors for WISA Group's customers vary significantly across different end uses, with distributor customers valuing extensive service stocks and warehousing capabilities that enable reliable and constant availability of WISA Group's material. LNG shipbuilders, on the other hand, are willing to pay a premium for highly technical, high-quality products due to strict certification requirements. Vehicle flooring manufacturers demand high strength-to-weight ratios and customised products, while parquet customers require veneers with precise moisture content, thickness and technical uniformity. Consequently, changes in the mix of products and services sold by WISA Group, as well as the level of customisation of products sold, may have an effect on WISA Group's results of operations and profitability for any given period. Furthermore, plywood customers are increasingly influenced by sustainability-related regulation, driving a shift towards sustainably sourced and traceable wood. WISA Group is well positioned to address growing customer expectations for sustainability. However, failure to meet evolving requirements could adversely affect WISA Group's competitiveness and results of operations.

Regulatory Changes

Several green transition initiatives are underway within the EU, which, if implemented, would shift regulatory focus upstream in the value chain and impose product-specific requirements regarding, for example, carbon footprint, reliability, reusability, upgradability and reparability. However, at the same time, the changed geopolitical situation is emphasised in the European Commission's objectives and work programme, with the EU's competitiveness at the core of its economic agenda. Recent initiatives of the European Commission have included, among other things, the streamlining of sustainability reporting and due-diligence requirements. A decrease in political or public support for sustainability-related regulation and any resulting regulatory changes could lower regulatory requirements and weaken WISA Group's competitive position in sustainability matters, potentially adversely affecting WISA Group's competitiveness. Such regulatory changes could also reduce contractors' incentives to prioritise sustainable, carbon-storing materials, which may result in reduced demand for WISA Group's products and thereby have an adverse effect on WISA Group's sales and results of operations. Such changes may also occur faster or slower than WISA Group is able to respond to by, for example, adjusting its production capacity or product portfolio. Additional information is presented in "*Business of WISA Group – Regulatory Environment*".

Innovations

WISA Group's ability to anticipate and respond to evolving customer needs and demand is essential to its future growth and success. As a provider of high-quality products, it is critical for WISA Group that the Company is able to effectively identify and address customer needs during the increasing demand for more sustainable solutions.

In the view of the Company, WISA Group is a leading innovator in the plywood industry, and it drives growth through significant R&D investments and a portfolio of advanced products, supported by more than 40 active patent families across the value chain. WISA Group provides premium and innovative plywood for key industries. R&D initiatives are co-developed with customers, utilising customer piloting alongside laboratory testing. Customer insights are utilised in product development to increase customer value.

Ensuring sufficient development resources is essential for WISA Group to maintain competitiveness and respond to customers' evolving requirements and preferences. WISA Group is continuously advancing R&D efforts to sustain a competitive edge and deepen customer loyalty. The Company focuses, among other things, on product life-cycle management and makes targeted improvements to its existing product portfolio to ensure continuous competitiveness. Customer and end-use led product development, in turn, aims to secure product portfolio alignment with the evolving needs in the market. Production technology and process enhancements aim to maintain overall margin profile and cost efficiency. Failure to innovate or to allocate sufficient resources to R&D could lead to weakened competitiveness and profitability and, consequently, have a material adverse effect on WISA Group's results of operations.

Operational Improvements

Operational improvements in machinery, equipment and technology are fundamental to the operations of WISA Group. Process development is one of the Company's key focus areas. Production development is guided by WISA Group's continuous improvement roadmap, which aims to enhance key performance indicators such as product quality, raw material yield, operational efficiency and waste reduction. The Company leverages both its own innovations and continuously advancing commercial technologies to reduce process variation and improve the performance of its products.

The Company's digital development initiatives include building digital tools and marking systems that strengthen production monitoring and enable rapid response to deviations. These solutions also enhance product traceability, quality control and customer service.

Through these efforts, the Company aims to continuously improve its operations, achieve cost savings and increase its ability to adapt to market fluctuations.

Acquisitions and Other Corporate Arrangements

WISA Group may pursue inorganic growth in the future through various transactions, such as acquisitions of businesses, assets or products, strategic investments and other similar transactions. Through M&A, WISA Group may, among other things, seek to promote profitability growth, expand its product portfolio or its presence into new geographical regions. The market has seen some consolidation and changes among players in the plywood industry, which creates opportunities for WISA Group to grow, particularly with respect to high-requirement end uses. No acquisitions have been made in the UPM Plywood business area between 1 January 2023 and the date of this Prospectus.

WISA Group also regularly reviews its product portfolio and may, from time to time, pursue the divestment of certain businesses, joint ventures or assets in order to, for instance, streamline its operations, adapt to market trends or optimise its product portfolio.

The Demerger

WISA Group has not in the past formed a standalone legal group. The historical carve-out financial information of WISA Group does not fully reflect WISA Group's operations as a standalone entity. WISA Group's carve-out financial statements for the financial years ended 31 December 2025, 2024 and 2023 have been prepared on a carve-out basis from UPM's audited consolidated financial statements using the historical income and expenses, assets and liabilities and cash flows attributable to WISA Group's business. The carve-out financial information for the three months ended 31 March 2026 has been prepared on a carve-out basis from UPM's unaudited consolidated interim financial information using the historical income and expenses, assets and liabilities and cash flows attributable to WISA Group's business. The carve-out financial statements also include certain allocations and adjustments that involve management assumptions and estimates.

As described in note 1 to the carve-out financial statements included in the F-pages of this Prospectus, a portion of the shared costs of UPM's headquarter functions has been allocated to WISA Group for the purposes of the preparation of the carve-out financial statements and the carve-out financial information. The allocated shared costs relate to, among other things, group management, group finance, investor relations, internal audit, marketing, sustainability, communications and strategy. According to management's estimates, WISA Group may incur additional annual costs following the Effective Date from operating as an independent listed company and from organising the headquarter functions as compared to the costs allocated to WISA Group in the carve-out financial statements for the financial year ended 31 December 2025. However, WISA Group's management estimates that the amount of such additional costs will not differ significantly from the costs allocated in the carve-out financial statements. There can be no assurance that management's estimate of the additional costs will correspond to the actual costs incurred on an annual basis by WISA Group from operating as an independent listed company and from organising the headquarter functions following the Effective Date. Furthermore, WISA Group will continue to implement its efficiency measures to efficiently manage costs arising from operating as a standalone company following the Effective Date.

As a consequence of the Demerger, WISA Group's financing structure, presented in the carve-out financial information, will change from internal financing through UPM to external financing. WISA Group's net debt as at 31 March 2026 was EUR 93.0 million on a pro forma basis. See "*Unaudited Pro Forma Financial Information*" for further details on the effects of the Demerger. The Demerger is described in more detail in "*Summary of the Demerger*".

Recent Events

There has not been any significant change in the financial performance or position of WISA Group since 31 March 2026.

Future Outlook

This section, "− Future Outlook", contains forward-looking statements. These statements are not guarantees of WISA Group's financial performance in the future. WISA Group's actual result of operations and financial position could differ materially from those expressed in or implied by these forward-looking statements as a result of many factors, including, but not limited to, those described in "Risk Factors" and "Certain Matters – Forward-Looking Statements". Undue reliance should not be placed on these forward-looking statements.

Geopolitical uncertainties are reflected in, among other things, economic growth and raw material prices, which may have direct or indirect effects on WISA Group's operations. The Company's business has historically proved resilient even in volatile market conditions. However, should geopolitical uncertainty persist, it may have an effect on demand for plywood and veneer products as well as WISA Group's other operations.

Carve-out Financial Information and Factors Affecting Comparability

Basis of Preparation of Carve-out Financial Information

The carve-out financial statements have been prepared for inclusion in this Prospectus which is prepared by UPM on behalf of WISA Group for approval of the Demerger Plan by the General Meeting and for issuing the Demerger Consideration Shares to UPM's shareholders and listing the Shares on the regulated market of Nasdaq Helsinki. The carve-out financial information of WISA Group has been prepared by using historical book values for income and expenses, assets and liabilities and cash flows attributable to the UPM Plywood business area in WISA Group legal entities and business units attributable to WISA Group in UPM's historical consolidated financial statements. Therefore assets, liabilities, income, expenses and cash flows which are either directly attributable to or allocated to or which will transfer to WISA Group have been included in the carve-out financial information. The carve-out financial information also includes certain allocations from the remaining UPM, including the parent company UPM-Kymmene Corporation's income, expenses, assets, liabilities and cash flows which will either be transferred to WISA Group or which have been allocated to WISA Group for the purpose of preparation of the carve-out financial information.

The carve-out financial information has been prepared in accordance with the IFRS Accounting Standards and the interpretations issued by IFRS Interpretations Committee as adopted by the Commission of the European Communities in the EU by 31 December 2025 and in consideration of the principles described in note 1 to the audited WISA Group carve-out financial statements as at and for the years ended 31 December 2025, 2024 and 2023 included in the F-pages of this Prospectus and in section "*– Carve-out Principles Applied in Preparing WISA Group's Carve-out Financial Information*" for determining which assets and liabilities, income and expenses as well as cash flows are to be allocated to WISA Group's carve-out financial information.

IFRS Accounting Standards do not provide guidance for the preparation of carve-out financial statements and therefore, certain accounting conventions commonly used for the preparation of historical financial information have been applied in preparing the carve-out financial information for inclusion in this Prospectus. The application of these carve-out conventions has been described below and in note 1.3 to the carve-out financial statements included in the F-pages of this Prospectus. In addition to the application of the specific carve-out conventions impacting the presentation of the carve-out financial information, the areas involving a high degree of management judgement or estimates and assumptions are discussed in section "*– Estimates and Assumptions Requiring Management Judgement*" below.

The carve-out financial statements have been prepared on a going concern basis under the historical cost convention.

WISA Group's carve-out financial statements include the results of operations and financial position of the following legal entities ("**WISA Group legal entities**") and WISA Group business units included in UPM legal entities ("**WISA Group business units**") (together "**WISA Group companies**").

WISA Group companies included in the carve-out financial statements are presented below:

WISA Group companies	Country of incorporation
WISA Group legal entities	
UPM Plywood Oy	Finland
UPM-Kymmene Otepää OÜ	Estonia
Järvi-Suomen Voima Oy[1)]	Finland
WISA Group business units	
UPM Sales GmbH, Plywood Sales Germany	Germany
UPM Wood Materials SAS, Plywood Sales France	France
UPM Wood Materials (UK) Ltd, Plywood Sales UK	United Kingdom
UPM-Kymmene A/S, Plywood Sales Denmark	Denmark
UPM-Kymmene S.A., Plywood Sales Spain	Spain
UPM-Kymmene Japan KK, Plywood Sales Japan	Japan
UPM (China) Co, Ltd, Plywood Sales China	China
UPM-Kymmene B.V., Plywood Sales Netherlands	Netherlands
UPM NV, Plywood Sales Belgium	Belgium
UPM-Kymmene AB, Plywood Sales Sweden	Sweden
UPM-Kymmene Kagit Urunleri San. ve Tic.Ltd. Sti., Plywood Sales Turkey	Turkey

[1)] WISA Group owns 50 per cent of Järvi-Suomen Voima Oy. The results of operations and financial position of Järvi-Suomen Voima are included in the carve-out financial information only to the extent of WISA Group's ownership interest.

UPM Plywood business area has been managed by UPM as a single economic entity. Accordingly, WISA Group legal entities' historical financial information with regards to assets and liabilities, as well as sales and expenses and cash flows directly attributable to UPM Plywood business area, utilised in the preparation of the consolidated historical financial statements of UPM have been attributed to WISA Group directly without separate allocation and apportionment. In addition, the carve-out financial information includes certain allocations of assets and liabilities, as well as sales and expenses and cash flows from WISA Group business units which have historically operated as part of the remaining UPM legal entities.

The carve-out financial information may not be indicative of WISA Group's future performance and does not necessarily reflect what its combined income statement, balance sheet and cash flows would have been, had WISA Group operated as a standalone consolidated group and had it therefore presented standalone consolidated financial statements during the periods presented. In addition, the effects of the Demerger have not been reflected in the carve-out financial information. See "*Unaudited Pro Forma Financial Information*".

The carve-out financial information is presented in millions of euros (EUR million), which is WISA Group's reporting currency. All figures presented have been rounded which may cause the sum of individual figures to deviate from presented total sum.

Carve-out Principles Applied in Preparing WISA Group's Carve-out Financial Information

General

The carve-out financial information included in the F-pages of this Prospectus include the separate allocation of income, expenses, assets, liabilities and cash flows, which are based on management judgement, assumptions and estimates as described below. The most significant estimates, judgements and assumptions relate to the allocation of costs arising from certain centrally provided services, cash management and financing as well as invested equity. In addition to what has been described in this Prospectus regarding certain post-Demerger contractual arrangements, WISA Group does not have material recurring operational business relationships with the remaining UPM.

The management of WISA Group considers that the allocations made in the preparation of the carve-out financial information have been made on a reasonable basis, but they may not necessarily be indicative of the income and costs that would have been incurred had WISA Group operated as a standalone legal group and prepared its own consolidated financial statements for the periods presented.

Intercompany Transactions and Transactions with Related Parties

Intercompany transactions, including assets and liabilities between the WISA Group legal entities have been eliminated from the carve-out financial information included in the F-pages of this Prospectus. Intercompany transactions and balance sheet items between WISA Group and the remaining UPM Group, which were considered intercompany transactions in the consolidated reporting of UPM, have been reported as transactions with related parties in the carve-out financial information.

Receivables and liabilities of WISA Group legal entities due from or due to the remaining UPM Group are included in the carve-out financial information and presented as related party transactions, including the finance income and expenses relating to these receivables and liabilities.

Centrally Provided Services

UPM has been responsible for the management and general administration of UPM Group. Additionally, the parent company has provided different central services to subsidiaries. For the purposes of the preparation of the WISA Group carve-out financial information, income and costs that directly relate to the WISA Group business or a specific historical transaction have been allocated based on the attribution principle i.e., allocation follows the origin and nature of the cost.

UPM has historically recharged directly reporting entities for internal and external costs that have arisen from services conducted on behalf of these reporting legal entities or businesses. Such services consist of i.e. IT, finance, human resources and sourcing services. The aforementioned costs are included in the carve-out financial information based on the historically recharged amounts.

Certain costs related to public company status or corporate headquarter functions have been incurred by UPM. These costs include the costs of the group executive team, group treasury operations, investor relations, group finance, internal audit, legal, marketing, sustainability and communications and strategy. These costs related to public company status and corporate headquarter functions represent the historically unallocated or uncharged group level costs incurred by UPM. Part of these costs have been allocated in the carve-out financial information to WISA Group to reflect the cost of doing business by applying the same allocation key as historically used for the UPM Plywood business area, which management believes is the most appropriate allocation key to be used.

Management considers these allocations to be a reasonable reflection of the utilisation of these centrally provided services. These allocated expenses have been affected by the arrangements that existed in UPM and are not necessarily representative of the position that may prevail in the future for WISA Group.

For further information on the allocation of centrally provided service costs in the carve-out financial information, please refer to the notes to the carve-out financial statements included in the F-pages of this Prospectus.

Share-based Payments

WISA Group's key personnel have historically participated in UPM's share-based incentive programmes. For carve-out purposes, the expenses related to WISA Group's personnel are included in the carve-out financial information based on the actual number of employees over the cost recorded at WISA Group companies. The historical cost allocations may not be indicative of the future expenses that will arise through incentive schemes that will be established for WISA Group's key personnel in the future. Further information on share-based payments is presented in the carve-out financial statements included in the F-pages of this Prospectus under note 3.3.

Cash Management and Financing

Cash management has historically been centralised in UPM Group, and UPM has managed the liquidity needs of UPM's group companies through cash pool arrangements.

WISA Group's cash and cash equivalents primarily comprise cash and cash equivalents held in JSV, the use of which is only available to JSV. Cash pool receivables in WISA Group legal entities are presented on the line Cash pool receivables from UPM Group. Cash and cash equivalents and cash pool arrangements of WISA Group business units included in UPM legal entities were not included in the carve-out financial information as they have been shared with the remaining UPM and WISA Group's share cannot be reliably allocated to WISA Group.

In addition, for the WISA Group legal entities, the carve-out financial information includes cash pool receivables due from the remaining UPM, which will be transferred to WISA Group at the completion of the Demerger. These cash pool receivables and payables have been presented as short-term receivables from related parties. Following the Demerger, WISA Group will make its own cash pool arrangements to fund its working capital needs.

UPM's subsidiaries' working capital and capital expenditure have been funded mainly by cash pool arrangements, but also through intercompany loans. In recent years, WISA Group legal entities have been in a net cash position and have been able to finance their investments from cash generated by their operations. The external funding held by UPM has not historically been drawn or linked to specific UPM's group segments. Thus, none of the funding held by UPM can be reliably attributed to WISA Group for the purposes of the carve-out financial information.

Interest income and expenses from related parties have been determined based on the interest charges recorded directly by WISA Group legal entities.

In accordance with the Demerger Plan, a portion of UPM's interest-bearing liabilities, which are not included in the carve-out financial information, will be transferred to WISA Group, as they have not been earmarked or historically allocated to WISA Group. To the extent that such liabilities are not transferable, a corresponding intercompany debt relationship will be established between UPM and WISA Group. In connection with the Demerger process, UPM has also on 13 May 2026 agreed on long-term financing arrangements available for WISA Group on the Effective Date, which after the Demerger consist of a EUR 130 million term loan, and a EUR 50 million revolving credit facility. The financing arrangements will be used to set off the debts between UPM and WISA Group and for working capital needs of WISA Group.

No portion of UPM's cash and cash equivalents has been allocated to WISA Group. Any payments made by UPM on behalf of WISA Group companies are presented through equity transactions with the UPM Group. The loans to be drawn down for WISA Group in connection with the Demerger correspond to the amount of cash and cash equivalents required for WISA Group's operations and working capital needs on the Effective Date.

The financing presented in the carve-out financial information may differ significantly from the future financing requirements of WISA Group on a standalone basis.

Invested Equity

WISA Group has not in the past formed a standalone legal group nor prepared separate consolidated financial statements, and therefore it is not possible to present share capital separately from other equity balances including reserves. WISA Group's net assets represent UPM's interest in WISA Group and are shown in the carve-out financial information as "Invested Equity" consisting of invested equity and retained earnings. Invested equity and retained earnings consist of equity items allocated from the remaining UPM and WISA Group companies historical retained earnings balances.

Changes in net assets allocated to WISA Group are presented separately in the combined statement of changes in invested equity through line "Equity transactions with UPM Group" and in the cash flow statements through the line-item "Cash pool financing with UPM Group" reflecting the internal financing between the UPM Group and WISA Group during the presented periods. Invested equity is affected by net assets allocated to WISA Group, consisting of allocation of income, expenses, assets and liabilities of the UPM parent company and other UPM Group entities representing the UPM Plywood business area.

The capital structure attributed to WISA Group in connection with the preparation of the carve-out financial information, including the presented invested equity, is not indicative of the capital structure that WISA Group would have required had it been a standalone legal group during the periods presented.

The equity of WISA Group to be formed in the Demerger will be recorded in WISA Group's share capital, reserve for invested unrestricted equity and retained earnings.

Income Tax

During the periods presented in the carve-out financial statements, the legal entities in WISA Group have operated as standalone taxpayers. Therefore, tax charges as well as tax liabilities and receivables are based on actual taxation in the carve-out financial information.

WISA Group operations within UPM legal entities have been part of those legal entities. Tax charges for these WISA Group operations as well as for WISA Group legal entities have been determined based on the separate return method, as if they were separate taxpayers in the jurisdiction of their primary operations.

Transactions in Foreign Currency

The carve-out financial information is presented in euros, which is the reporting currency of WISA Group. WISA Group business units also have other functional currencies. At each reporting date, for the purposes of presenting the carve-out financial information, the income statements of foreign business units are translated at the average exchange rates for the reporting period and the balance sheets by using the European Central Bank's exchange rates prevailing on the reporting date. Foreign currency transactions are translated using the exchange rates prevailing at the dates of the transactions.

The carve-out financial information is based on WISA Group legal entities' reporting in euros and consequently no material translation differences arise.

Earnings per Share

The carve-out financial information is prepared on a carve-out basis and it is not possible to measure earnings per share for the periods presented. WISA Group has not had share capital during the presented periods and a portion of UPM's outstanding shares cannot be allocated to it. Therefore, WISA Group's management considers that an earnings per share ratio cannot be accurately calculated for WISA Group and the IAS 33, Earnings per share, disclosure requirements are therefore not complied with.

Adoption of New or Amended IFRS Accounting Standards and Interpretations

For information on the IFRS Accounting Standards adopted by WISA Group, see section 10.1 Forthcoming new standards, amendments and accounting policy changes in the notes to the carve-out financial statements as at and for the years ended 31 December 2025, 2024 and 2023 included in the F-pages of this Prospectus.

As at the date of this Prospectus, WISA Group is not aware of any new standards or amendments that are not yet effective and that would be expected to have a material impact on WISA Group in the current or future reporting periods and on foreseeable future transactions, except for the new IFRS 18 *Presentation and Disclosure in Financial Statements* (the "**IFRS 18 Standard**"). The IFRS 18 Standard issued by the International Accounting Standards Board on 9 April 2024 replaces IAS 1 *Presentation of Financial Statements* and it also introduces amendments to several other IFRS standards, such as IAS 7 *Statement of Cash Flows* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

WISA Group is currently analysing the requirements of the new IFRS 18 Standard and possible changes needed to information systems and charts of accounts.

The IFRS 18 Standard is effective for annual reporting periods beginning on or after 1 January 2027. Early application of the standard is also allowed. WISA Group will apply the IFRS 18 Standard from the annual reporting period beginning on 1 January 2027.

Results of Operations

General

The review below describes WISA Group's results of operations for the three months ended 31 March 2026 and 31 March 2025 as well as for the financial years ended 31 December 2025, 31 December 2024 and 31 December 2023.

The following tables present a summary of WISA Group's carve-out combined income statement:

Combined income statement	**1 January to 31 March**		**1 January to 31 December**		
In EUR million	**2026**	**2025**	**2025**	**2024**	**2023**
	(unaudited)			**(audited)**	
Sales	**119.1**	**103.3**	**409.1**	**429.9**	**421.8**
Other operating income	0.1	0.6	3.4	3.2	2.6
Costs and expenses	-103.6	-93.3	-366.2	-372.4	-357.7
Depreciation, amortisation and impairment charges	-4.7	-5.5	-19.4	-22.3	-20.1
Operating profit	**10.9**	**5.1**	**26.9**	**38.4**	**46.6**
Finance income	0.4	1.1	3.7	5.4	5.4
Finance expenses	-0.1	-0.1	-0.1	-0.3	-0.3
Profit before tax	**11.2**	**6.1**	**30.5**	**43.6**	**51.7**
Income taxes	-5.1	-1.1	-6.0	-9.3	-10.0
Profit for the period	**6.0**	**5.0**	**24.6**	**34.2**	**41.7**

Explanation of Key Income Statement Items

Sales

Sales include revenues from the sales of plywood and veneer products for panel trading and construction, vehicle flooring, LNG shipbuilding, parquet manufacturing and other industrial applications, as well as revenues from the sale of by-products, such as pulp chips, energy chips and heat, sold net of sales taxes, discounts and translation differences from foreign currency denominated revenues. Revenue from product sales is recognised when the performance obligation is satisfied, which takes place at a point in time when control of the good has been transferred to the customer.

Other Operating Income

Other operating income consists of income arising from WISA Group's ordinary business activities other than revenue from the sale of plywood and veneer products. The main components of other operating income include emission rights received, rental income, gains on the disposal of non-current assets, as well as foreign exchange gains and losses and derivative results relating to WISA Group's normal business operations.

Costs and Expenses

Costs and expenses comprise the operating costs incurred in WISA Group's business and include all expenses directly attributable to the production, delivery and sale of plywood and veneer products, as well as costs allocated from centrally provided services. The main cost categories include employee costs, raw materials and consumables, energy costs, delivery costs, maintenance and other operating expenses, rental and lease expenses, and losses on disposal of non-current assets where applicable.

Depreciation, Amortisation and Impairment Charges

Depreciation, amortisation and impairment charges mainly arise from the depreciation of WISA Group's property, plant and equipment, leased assets and the amortisation of its intangible assets over their estimated useful lives.

Finance Income

Finance income consists primarily of interest income on cash pool receivables.

Finance Expenses

Finance expenses consist of interest expenses, interest expenses on leases, exchange losses and other financial expenses.

Income Taxes

Income taxes include taxes based on taxable income, changes in deferred taxes and adjustments to taxes for previous periods.

Three months ended 31 March 2026 compared to three months ended 31 March 2025

	1 January to 31 March	
	2026	**2025**
In EUR million	**(unaudited)**	
Sales	**119.1**	**103.3**
Other operating income	0.1	0.6
Costs and expenses	-103.6	-93.3
Depreciation, amortisation and impairment charges	-4.7	-5.5
Operating profit	**10.9**	**5.1**
Finance income	0.4	1.1
Finance expenses	-0.1	-0.1
Profit before tax	**11.2**	**6.1**
Income taxes	-5.1	-1.1
Profit for the period	**6.0**	**5.0**

Sales

WISA Group's sales for the three months ended 31 March 2026 were EUR 119.1 million and they increased by EUR 15.8 million, or 15.3 per cent, as compared to the sales of EUR 103.3 million for the three months ended 31 March 2025. The increase in sales for the three months ended 31 March 2026 was mainly attributable to the negative impact of strikes on the operations and sales of the Finnish production units of WISA Group in the three months ended 31 March 2025 prior to the signing of the collective labour agreement between WISA Group and the Industrial Union.

Other Operating Income

WISA Group's other operating income for the three months ended 31 March 2026 was EUR 0.1 million and it decreased by EUR 0.5 million, or 81.9 per cent, as compared to the other operating income of EUR 0.6 million for the three months ended 31 March 2025. The decrease in other operating income for the three months ended 31 March 2026 was mainly attributable to the value of emission rights received.

Costs and Expenses

WISA Group's costs and expenses for the three months ended 31 March 2026 were EUR 103.6 million and they increased by EUR 10.3 million, or 11.0 per cent, as compared to the costs and expenses of EUR 93.3 million for the three months ended 31 March 2025. The increase in costs and expenses for the three months ended 31 March 2026 was mainly attributable to increase in employee costs, raw materials, consumables and goods due to the impact of the strikes at the Finnish production units on the costs and expenses of the comparison period.

Depreciation, Amortisation and Impairment Charges

WISA Group's depreciation, amortisation and impairment charges for the three months ended 31 March 2026 were EUR 4.7 million and they decreased by EUR 0.8 million, or 14.3 per cent, as compared to the depreciation, amortisation and impairment charges of EUR 5.5 million for the three months ended 31 March 2025. The decrease in depreciation, amortisation and impairment charges for the three months ended 31 March 2026 was mainly attributable to a decrease in property, plant and equipment as well as to a change in the estimated useful lives of JSV assets.

Operating Profit

WISA Group's operating profit for the three months ended 31 March 2026 was EUR 10.9 million and it increased by EUR 5.8 million, or 114.7 per cent, as compared to the operating profit of EUR 5.1 million for the three months ended 31 March 2025. The increase in operating profit for the three months ended 31 March 2026 was mainly attributable to an increase in sales. The increase was partly offset by an increase in costs and expenses.

WISA Group's operating profit for the three months ended 31 March 2026 included items affecting comparability of EUR 0.5 million. The items affecting comparability were other non-operation items.

Comparable EBIT

WISA Group's comparable EBIT for the three months ended 31 March 2026 was EUR 11.4 million and it increased by EUR 6.4 million, or 125.0 per cent, as compared to the comparable EBIT of EUR 5.1 million for the three months ended 31 March 2025. The increase in comparable EBIT for the three months ended 31 March 2026 was mainly attributable to an increase in sales. The increase was partly offset by an increase in costs and expenses.

Finance Income

WISA Group's finance income for the three months ended 31 March 2026 was EUR 0.4 million and it decreased by EUR 0.7 million, or 65.8 per cent, as compared to the finance income of EUR 1.1 million for the three months ended 31 March 2025. The decrease in finance income for the three months ended 31 March 2026 was mainly attributable to a decrease in interest income from UPM Group.

Finance Expenses

WISA Group's finance expenses for the three months ended 31 March 2026 and 31 March 2025 were EUR 0.1 million and EUR 0.1 million, respectively.

Profit Before Tax

WISA Group's profit before tax for the three months ended 31 March 2026 was EUR 11.2 million and it increased by EUR 5.1 million, or 82.8 per cent, as compared to the profit before tax of EUR 6.1 million for the three months ended 31 March 2025. The reasons for changes in profit before tax for periods presented are described above.

Income Taxes

WISA Group's income taxes for the three months ended 31 March 2026 was EUR 5.1 million and it increased by EUR 4.0 million, or 350.3 per cent, as compared to the income taxes of EUR 1.1 million for the three months ended 31 March 2025. The increase in income taxes for the three months ended 31 March 2026 was mainly attributable to higher profit before tax, for which reasons are described above, as well as taxes arising from UPM-Kymmene Otepää OÜ from previous financial years.

Profit for the Period

WISA Group's profit for the period for the three months ended 31 March 2026 was EUR 6.0 million and it increased by EUR 1.1 million, or 21.4 per cent, as compared to the profit for the period of EUR 5.0 million for the three months ended 31 March 2025. The reasons for changes in profit for the period for periods presented are described above.

Comparison of the financial years ended 31 December 2025, 2024 and 2023

Combined income statement	1 January to 31 December		
	2025	2024	2023
In EUR million		**(audited)**	
Sales	**409.1**	**429.9**	**421.8**
Other operating income	3.4	3.2	2.6
Costs and expenses	-366.2	-372.4	-357.7
Depreciation, amortisation and impairment charges	-19.4	-22.3	-20.1
Operating profit	**26.9**	**38.4**	**46.6**
Finance income	3.7	5.4	5.4
Finance expenses	-0.1	-0.3	-0.3
Profit before tax	**30.5**	**43.6**	**51.7**
Income taxes	-6.0	-9.3	-10.0
Profit for the period	**24.6**	**34.2**	**41.7**

Sales

WISA Group's sales for the financial years ended 31 December 2025, 2024 and 2023 amounted to EUR 409.1 million, EUR 429.9 million and EUR 421.8 million, respectively. For the financial year ended 31 December 2025, WISA Group's sales decreased by EUR 20.8 million, or 4.8 per cent, as compared to the financial year ended 31 December 2024, when sales increased by EUR 8.1 million, or 1.9 per cent, as compared to the financial year ended 31 December 2023.

The decrease in sales for the financial year ended 31 December 2025 compared to the financial year ended 31 December 2024 was mainly attributable to the impact of strikes on the operations of the Finnish production units of WISA Group in 2025 prior to the signing of the collective labour agreement between WISA Group and the Industrial Union. The increase in sales for the financial year ended 31 December 2024 compared to the financial year ended 31 December 2023 was mainly attributable to a recovery in market conditions that resulted in an increase in delivery volumes.

Other Operating Income

WISA Group's other operating income for the financial years ended 31 December 2025, 2024 and 2023 amounted to EUR 3.4 million, EUR 3.2 million and EUR 2.6 million, respectively. For the financial year ended 31 December 2025, WISA Group's other operating income increased by EUR 0.3 million, or 8.1 per cent, as compared to the financial year ended 31 December 2024, when other operating income increased by EUR 0.6 million, or 22.7 per cent, as compared to the year ended 31 December 2023.

The increase in other operating income for the financial year ended 31 December 2025 compared to the financial year ended 31 December 2024 was mainly attributable to the value of emission rights received. The increase in other operating income for the financial year ended 31 December 2024 compared to the financial year ended 31 December 2023 was mainly attributable to the exchange gains regarding trade receivables and trade payables. The increase was partly offset by the value of emission rights received.

Costs and Expenses

WISA Group's costs and expenses for the financial years ended 31 December 2025, 2024 and 2023 amounted to EUR 366.2 million, EUR 372.4 million and EUR 357.7 million, respectively. For the financial year ended 31 December 2025, WISA Group's costs and expenses decreased by EUR 6.1 million, or 1.7 per cent, as compared to the financial year ended 31 December 2024, when costs and expenses increased by EUR 14.7 million, or 4.1 per cent, as compared to the financial year ended 31 December 2023.

The decrease in costs and expenses for the financial year ended 31 December 2025 compared to the financial year ended 31 December 2024 was mainly attributable to a decrease in employee costs, raw materials, consumables and goods as well as delivery costs and other external charges that resulted from strikes at the Finnish production units. The decrease was partly offset by an increase in maintenance and other operating expenses. The increase in costs and expenses for the financial year ended 31 December 2024 compared to the financial year ended 31 December 2023 was mainly attributable to an increase in raw materials, consumables and goods, as well as delivery costs and other external charges, which was primarily driven by a recovery in market conditions that resulted in an increase in production volumes. The increase was partly offset by a loss on sale of non-current assets, which increased costs and expenses for the financial year ended 31 December 2023.

Depreciation, Amortisation and Impairment Charges

WISA Group's depreciation, amortisation and impairment charges for the financial years ended 31 December 2025, 2024 and 2023 amounted to EUR 19.4 million, EUR 22.3 million and EUR 20.1 million, respectively. For the financial year ended 31 December 2025, WISA Group's depreciation, amortisation and impairment charges decreased by EUR 2.9 million, or 13.0 per cent, as compared to the financial year ended 31 December 2024, when depreciation, amortisation and impairment charges increased by EUR 2.2 million, or 10.8 per cent, as compared to the financial year ended 31 December 2023.

The decrease in depreciation, amortisation and impairment charges for the financial year ended 31 December 2025 compared to the financial year ended 31 December 2024 was mainly attributable to a change in the estimated useful lives of JSV assets. The increase in depreciation, amortisation and impairment charges for the financial year ended 31 December 2024 compared to the financial year ended 31 December 2023 was mainly attributable to increased depreciation of buildings.

Operating Profit

WISA Group's operating profit for the financial years ended 31 December 2025, 2024 and 2023 amounted to EUR 26.9 million, EUR 38.4 million and EUR 46.6 million, respectively. For the financial year ended 31 December 2025, WISA Group's operating profit decreased by EUR 11.5 million, or 29.9 per cent, as compared to the financial year ended 31 December 2024, when operating profit decreased by EUR 8.2 million, or 17.5 per cent, as compared to the financial year ended 31 December 2023.

The decrease in operating profit for the financial year ended 31 December 2025 compared to the financial year ended 31 December 2024 was mainly attributable to a decrease in sales. The decrease was partly offset by a decrease in costs and expenses as well as depreciation, amortisation and impairment charges. Profitability for the financial year ended 31 December 2025 was negatively impacted by the strike occurring in the first half of the year, with the main effects materialising in the second quarter of 2025.

The decrease in operating profit for the financial year ended 31 December 2024 compared to the financial year ended 31 December 2023 was mainly attributable to an increase in costs and expenses. The decrease was partly offset by an increase in sales. This dynamic was driven by lower sales prices alongside increasing sales volumes.

Operating profit included items affecting comparability of EUR 4.4 million, EUR -0.1 million and EUR 6.3 million for the financial years ended 31 December 2025, 2024 and 2023, respectively. Items affecting comparability included restructuring charges of EUR 4.1 million for the financial year ended 31 December 2025 and EUR 1.4 million for the financial year ended 31 December 2023. In addition, for the financial year ended 31 December 2023, items affecting comparability included capital losses on sale of non-current assets of EUR 5.3 million relating to the sale of Russian operations.

Comparable EBIT

WISA Group's comparable EBIT for the financial years ended 31 December 2025, 2024 and 2023 amounted to EUR 31.3 million, EUR 38.4 million and EUR 52.8 million, respectively. For the financial year ended 31 December 2025, WISA Group's comparable EBIT decreased by EUR 7.1 million, or 18.4 per cent, as compared to the financial year ended 31 December 2024, when comparable EBIT decreased by EUR 14.5 million, or 27.4 per cent, as compared to the financial year ended 31 December 2023.

The decrease in comparable EBIT for the financial year ended 31 December 2025 compared to the financial year ended 31 December 2024 was mainly attributable to a decrease in sales. The decrease was partly offset by a decrease in costs and expenses as well as depreciation, amortisation and impairment charges. The decrease in comparable EBIT for the financial year ended 31 December 2024 compared to the financial year ended 31 December 2023 was mainly attributable to an increase in costs and expenses. The decrease was partly offset by an increase in sales.

Finance Income

WISA Group's finance income for the financial years ended 31 December 2025, 2024 and 2023 amounted to EUR 3.7 million, EUR 5.4 million and EUR 5.4 million, respectively. For the financial year ended 31 December 2025, WISA Group's finance income decreased by EUR 1.7 million, or 31.5 per cent, as compared to the financial year ended 31 December 2024.

The decrease in finance income for the financial year ended 31 December 2025 compared to the financial year ended 31 December 2024 was mainly attributable to a decrease in interest income from UPM Group.

Finance Expenses

WISA Group's finance expenses for the financial years ended 31 December 2025, 2024 and 2023 amounted to EUR 0.1 million, EUR 0.3 million and EUR 0.3 million, respectively. For the financial year ended 31 December 2025, WISA Group's finance expenses decreased by EUR 0.2 million, or 58.1 per cent, as compared to the financial year ended 31 December 2024.

Profit Before Tax

WISA Group's profit before tax for the financial years ended 31 December 2025, 2024 and 2023 amounted to EUR 30.5 million, EUR 43.6 million and EUR 51.7 million, respectively. For the financial year ended 31 December 2025, WISA Group's profit before tax decreased by EUR 13.0 million, or 29.9 per cent, as compared to the financial year ended 31 December 2024, when profit before tax decreased by EUR 8.1 million, or 15.7 per cent, as compared to the financial year ended 31 December 2023. The reasons for changes in profit before tax for all periods presented are described above.

Income Taxes

WISA Group's income taxes for the financial years ended 31 December 2025, 2024 and 2023 amounted to EUR 6.0 million, EUR 9.3 million and EUR 10.0 million, respectively. For the financial year ended 31 December 2025, WISA Group's income taxes decreased by EUR 3.4 million, or 36.0 per cent, as compared to the financial year ended 31 December 2024, when income taxes decreased by EUR 0.7 million, or 6.7 per cent, as compared to the financial year ended 31 December 2023.

The decrease in income taxes for the financial year ended 31 December 2025 compared to the financial year ended 31 December 2024 was mainly attributable to lower profit before tax, for which reasons are described above. The decrease in income taxes for the financial year ended 31 December 2024 compared to the financial year ended 31 December 2023 was mainly attributable to lower profit before tax, for which reasons are described above.

Profit for the Period

WISA Group's profit for the period for the financial years ended 31 December 2025, 2024 and 2023 amounted to EUR 24.6 million, EUR 34.2 million and EUR 41.7 million, respectively. For the financial year ended 31 December 2025, WISA Group's profit for the period decreased by EUR 9.7 million, or 28.2 per cent, as compared to the financial year ended 31 December 2024, when profit for the period decreased by EUR 7.5 million, or 17.9 per cent, as compared to the financial year ended 31 December 2023. The reasons for changes in profit for all periods presented are described above.

Liquidity and Capital Resources

General

Prior to the Effective Date, WISA Group has not operated as an independent company and, consequently, has not been capitalised or financed as such. UPM has managed its cash resources centrally and cash generated by WISA Group has been returned to UPM either as distributions, repayments of indebtedness, internal deposits or cash pools. WISA Group's historical cash flows described below are, therefore, not indicative of the cash flows to be expected from an independent entity following the Effective Date. As at the date of this Prospectus, the financing of WISA Group is being arranged through UPM's group treasury.

Following the Effective Date, WISA Group's operations are expected to be financed with cash flow from operating activities, as well as a separate term loan and long-term revolving credit facilities. WISA Group's liquidity requirements are primarily related to short- and long-term debt servicing costs, capital expenditure, dividend and tax payments, corporate acquisitions, investments and changes in working capital.

Cash Flows

The following table presents a summary of the combined cash flow statement for WISA Group for the three months ended 31 March 2026 and 2025 and the financial years ended 31 December 2025, 2024, and 2023:

Combined Cash Flows Data	**1 January to 31 March**		**1 January to 31 December**		
In EUR million	**2026**	**2025**	**2025**	**2024**	**2023**
	(unaudited)		**(audited)**		
Operating cash flow	0.8	4.8	44.3	68.0	48.8
Investing cash flow	-1.1	-1.0	-7.9	-16.5	-2.6
Financing cash flow	0.6	-2.7	-35.6	-50.3	-47.5
Change in cash and cash equivalents					
Cash and cash equivalents at the beginning of the period	2.5	1.8	1.8	0.6	1.9
Change in cash and cash equivalents	0.3	1.1	0.7	1.2	-1.3
Cash and cash equivalents at the end of the period	**2.8**	**2.9**	**2.5**	**1.8**	**0.6**

There have been no material changes in WISA Group's cash flows between 31 March 2026 and the date of this Prospectus.

Operating Cash Flow

WISA Group's operating cash flow for the three months ended 31 March 2026 was EUR 0.8 million and it decreased by EUR 4.0 million as compared to the operating cash flow of EUR 4.8 million for the three months ended 31 March 2025. The decrease in operating cash flow for the three months ended 31 March 2026 was mainly attributable to changes in working capital. The decrease was partly offset by an increase in the profit for the period and adjustments.

WISA Group's operating cash flow for the financial year ended 31 December 2025 was EUR 44.3 million and it decreased by EUR 23.7 million as compared to EUR 68.0 million for the financial year ended 31 December 2024. The decrease in operating cash flow for the financial year ended 31 December 2025 was mainly attributable to a decrease in profit for the period and changes in working capital. The decrease was partly offset by lower amount of income taxes paid.

WISA Group's operating cash flow for the financial year ended 31 December 2024 was EUR 68.0 million and it increased by EUR 19.2 million as compared to EUR 48.8 million for the financial year ended 31 December 2023. The increase in operating cash flow for the financial year ended 31 December 2024 was mainly attributable to changes in working capital. The increase was partly offset by a decrease in the profit for the period.

Investing Cash Flow

WISA Group's cash outflow used in investing activities for the three months ended 31 March 2026 was EUR 1.1 million, consisting mainly of capital expenditure.

WISA Group's cash outflow used in investing activities for the three months ended 31 March 2025 was EUR 1.0 million, consisting mainly of capital expenditure.

WISA Group's cash outflow used in investing activities for the financial year ended 31 December 2025 was EUR 7.9 million consisting mainly of capital expenditure.

WISA Group's cash outflow used in investing activities for the financial year ended 31 December 2024 was EUR 16.5 million consisting of capital expenditure.

WISA Group's cash outflow used in investing activities for the financial year ended 31 December 2023 was EUR 2.6 million. The cash outflow used in investing activities consisted of EUR 16.2 million investments in capital expenditure, which was partly offset by EUR 13.5 million proceeds received from the disposal of businesses and subsidiaries and advances received.

Financing Cash Flow

WISA Group's financing cash inflow for the three months ended 31 March 2026 was EUR 0.6 million and it increased by EUR 3.3 million as compared to the financing cash outflow of EUR 2.7 million for the three months ended 31 March 2025. The increase in financing cash flow for the three months ended 31 March 2026 was mainly attributable to positive cash flows from cash pool financing with UPM Group. The increase was partly offset by dividends paid to UPM Group.

WISA Group's financing cash outflow for the financial year ended 31 December 2025 was EUR 35.6 million, representing a decrease of EUR 14.7 million as compared to cash outflow of EUR 50.3 million for the financial year ended 31 December 2024. The decrease in financing cash outflow for the financial year ended 31 December 2025 was mainly attributable to positive cash flows from cash pool financing with the UPM Group. The decrease was partly offset by a significant increase in dividends paid to UPM Group.

WISA Group's financing cash outflow for the financial year ended 31 December 2024 was EUR 50.3 million, representing an increase of EUR 2.8 million as compared to cash outflow of EUR 47.5 million for the financial year ended 31 December 2023. The increase in financing cash outflow for the financial year ended 31 December 2024 was mainly attributable to a decrease in dividends paid to UPM Group. The increase was partly offset by negative cash flows from cash pool financing with UPM Group.

Liquidity

As at 31 March 2026, WISA Group's cash and cash equivalents on a carve-out basis in the balance sheet amounted to EUR 2.8 million, consisting of cash and cash equivalents held by the WISA Group legal entities. In connection with the Demerger process, UPM has also on 13 May 2026 agreed on long-term financing arrangements with variable interest rates available for WISA Group on the Effective Date, which after the Demerger consist of a EUR 130 million term loan, and a EUR 50 million revolving credit facility. The loan and revolving credit facility agreement contain a financial covenant according to which net debt to comparable EBITDA ratio shall be 3 or lower. A breach of the financial covenant could lead to premature acceleration of the loan and revolving credit facility agreement or pursuant to possible cross default clauses thereunder, of other financing arrangements of WISA Group. The financial covenant is tested at the end of each quarter.

Combined Balance Sheet Information

The balance sheet information presented below represents the financial position of WISA Group on a carve-out basis as at the dates indicated. The preparation of the carve-out financial information includes management estimates and assumptions which have an impact on reported assets and liabilities. WISA Group has not in the past formed a standalone legal group with its own equity structure and share capital. WISA Group's equity structure will be formed at the Effective Date of the Demerger in accordance with the Demerger Plan. WISA Group's historical carve-out financial information includes liabilities to and receivables from UPM Group, reflecting the historical debt financing of WISA Group as part of UPM Group. At the Effective Date of the Demerger, UPM's corresponding cash pool liabilities from the WISA Group companies, which have not been included in the carve-out financial information, will be transferred to WISA Group in the Demerger and these items will be fully eliminated from the consolidated financial statements of WISA Group after the Demerger.

As a result, the historical carve-out financial information presented below is not indicative of WISA Group's equity structure or financial position after the Demerger. For Unaudited Pro Forma Financial Information taking into account the effects of the Demerger, see section "*Unaudited Pro Forma Financial Information*".

Combined balance sheet data	**As at 31 March**	**As at 31 December**		
In EUR million	**2026**	**2025**	**2024**	**2023**
	(unaudited)		**(audited)**	
ASSETS				
Non-current assets	133.5	137.3	142.7	146.3
Current assets	190.4	187.2	280.1	267.6
Total assets	**323.9**	**324.4**	**422.9**	**413.9**
INVESTED EQUITY AND LIABILITIES				
Invested equity				
Total invested equity	228.1	231.8	332.1	335.4
Liabilities				
Non-current liabilities	29.2	28.7	22.6	18.5
Current liabilities	66.6	63.9	68.2	59.9
Total invested equity and liabilities	**323.9**	**324.4**	**422.9**	**413.9**

Assets

Non-current assets

The following table sets forth WISA Group's non-current assets as at the dates indicated:

In EUR million	As at 31 March 2026 (unaudited)	As at 31 December 2025	2024 (audited)	2023
Non-current assets				
Goodwill	13.1	13.1	13.1	13.1
Other intangible assets	7.8	8.2	5.8	7.3
Property, plant and equipment	106.2	109.0	119.1	123.2
Leased assets	6.4	7.0	4.8	2.7
Non-current assets	**133.5**	**137.3**	**142.7**	**146.3**

The total non-current assets in the carve-out balance sheet as at 31 March 2026 were EUR 133.5 million, a decrease of EUR 3.7 million as compared to EUR 137.3 million in the carve-out balance sheet as at 31 December 2025. The decrease was mainly due to a decrease in other intangible assets, property, plant and equipment, and leased assets.

The total non-current assets in the carve-out balance sheet as at 31 December 2025 were EUR 137.3 million, a decrease of EUR 5.5 million as compared to EUR 142.7 million in the carve-out balance sheet as at 31 December 2024. The decrease was mainly due to a decrease in property, plant and equipment. The decrease was partly offset by an increase in other intangible assets.

The total non-current assets in the carve-out balance sheet as at 31 December 2024 were EUR 142.7 million, a decrease of EUR 3.6 million as compared to EUR 146.3 million in the carve-out balance sheet as at 31 December 2023. The decrease was mainly due to a decrease in property, plant and equipment and other intangible assets. The decrease was partly offset by an increase in leased assets.

Current assets

The following table sets forth WISA Group's current assets as at the dates indicated:

In EUR million	As at 31 March 2026 (unaudited)	As at 31 December 2025	2024 (audited)	2023
Current assets				
Inventories	79.7	79.1	74.7	75.2
Trade and other receivables	48.1	34.5	42.1	39.6
Other current financial assets	-	-	-	0.1
Income tax receivables	0.1	0.2	-	-
Cash pool receivables from UPM Group	59.8	70.8	161.5	152.1
Cash and cash equivalents	2.8	2.5	1.8	0.6
Current assets	**190.4**	**187.2**	**280.1**	**267.6**

The total current assets in the carve-out balance sheet as at 31 March 2026 were EUR 190.4 million, an increase of EUR 3.2 million as compared to EUR 187.2 million in the carve-out balance sheet as at 31 December 2025. The increase was mainly due to an increase in trade and other receivables. The increase was offset by a decrease in cash pool receivables from UPM Group.

The total current assets in the carve-out balance sheet as at 31 December 2025 were EUR 187.2 million, a decrease of EUR 92.9 million as compared to EUR 280.1 million in the carve-out balance sheet as at 31 December 2024. The decrease was mainly due to a decrease in cash pool receivables from UPM Group as well as in trade and other receivables. The decrease was partly offset by an increase in inventories.

The total current assets in the carve-out balance sheet as at 31 December 2024 were EUR 280.1 million, an increase of EUR 12.6 million as compared to EUR 267.6 million in the carve-out balance sheet as at 31 December 2023. The increase was mainly due to an increase in cash pool receivables from UPM Group.

Invested Equity and Liabilities

Invested Equity

WISA Group's total invested equity in the carve-out balance sheet was EUR 228.1 million as at 31 March 2026, a decrease of EUR 3.7 million as compared to EUR 231.8 million as at 31 December 2025. The decrease in invested equity was mainly due to dividends paid. The decrease was offset by the profit for the period.

WISA Group's total invested equity in the carve-out balance sheet was EUR 231.8 million as at 31 December 2025, a decrease of EUR 100.2 million as compared to EUR 332.1 million as at 31 December 2024. The decrease in invested equity was mainly due to dividends paid. The decrease was offset by the profit for the period.

WISA Group's total invested equity in the carve-out balance sheet was EUR 332.1 million as at 31 December 2024, a decrease of EUR 3.4 million as compared to EUR 335.4 million as at 31 December 2023. The decrease in invested equity was mainly due to dividends paid. The decrease was offset by the profit for the period.

Non-current liabilities

WISA Group's non-current liabilities consist of the following items: deferred tax liabilities, provisions and non-current debt.

The total non-current liabilities in the carve-out balance sheet as at 31 March 2026 were EUR 29.2 million, an increase of EUR 0.5 million as compared to EUR 28.7 million in the carve-out balance sheet as at 31 December 2025. The increase was mainly due to an increase in deferred tax liabilities. The increase was partly offset by a decrease in non-current debt.

The total non-current liabilities in the carve-out balance sheet as at 31 December 2025 were EUR 28.7 million, an increase of EUR 6.1 million as compared to EUR 22.6 million in the carve-out balance sheet as at 31 December 2024. The increase was mainly due to an increase in provisions and non-current debt.

The total non-current liabilities in the carve-out balance sheet as at 31 December 2024 were EUR 22.6 million, an increase of EUR 4.1 million as compared to EUR 18.5 million in the carve-out balance sheet as at 31 December 2023. The increase was mainly due to an increase in deferred tax liabilities and non-current debt.

Current liabilities

WISA Group's current liabilities consist of the following items: current debt, provisions, trade and other payables and income tax payables.

The total current liabilities in the carve-out balance sheet as at 31 March 2026 were EUR 66.6 million, an increase of EUR 2.7 million as compared to EUR 63.9 million in the carve-out balance sheet as at 31 December 2025. The increase was mainly due to an increase in trade and other payables. The increase was partly offset by a decrease in current liabilities and provisions.

The total current liabilities in the carve-out balance sheet as at 31 December 2025 were EUR 63.9 million, a decrease of EUR 4.3 million as compared to EUR 68.2 million in the carve-out balance sheet as at 31 December 2024. The decrease was mainly due to a decrease in trade and other payables. The decrease was partly offset by an increase in current debt.

The total current liabilities in the carve-out balance sheet as at 31 December 2024 were EUR 68.2 million, an increase of EUR 8.3 million as compared to EUR 59.9 million in the carve-out balance sheet as at 31 December 2023. The increase was mainly due to an increase in trade and other payables.

Commitments and Contingencies

The following table sets forth WISA Group's commitments and contingencies that are not recognised in the balance sheet:

	As at 31 March	As at 31 December		
In EUR million	**2026**	**2025**	**2024**	**2023**
	(unaudited)		**(audited)**	
Other own commitments				
UPM Group on behalf of UPM Plywood	0.8	0.9	0.3	0.4
Leasing commitments for the next 12 months in accordance with IFRS 16	-	-	-	0.4
Other commitments	1.1	-	-	1.5
Total	**1.9**	**0.9**	**0.3**	**2.3**

The above breakdown of the maximum amount of future payments under WISA Group's commitments does not necessarily correspond to the commitments to be incurred by WISA Group in subsequent financial periods.

WISA Group is party to a few disputes related to its ordinary business operations. While the outcome of some of these matters cannot precisely be foreseen, they are not expected to have a material effect on WISA Group's financial position.

See also "*Risk Factors – Risks Relating to the Demerger – WISA Group may become liable for certain obligations of UPM following the Effective Date, and such obligations could have a material adverse effect on WISA Group's business, financial position and results of operations*".

Financial Risk Management

WISA Group has historically been part of UPM Group, and its financial risks have been managed centrally by UPM Group treasury function. The objectives and limits for financing activities are defined in the group treasury policy approved by the Board of Directors of UPM. The objective of financial risk management is to protect the group from unfavourable changes in financial markets and thus help to secure profitability. In connection with the Demerger, WISA Group will establish its own treasury function and develop its own financial risk management policy to maintain an effective risk management function.

For more information on WISA Group's financial risk management as part of UPM Group, see note 6.1 to the WISA Group carve-out financial statements as at and for the years ended 31 December 2025, 2024 and 2023 included in the F-pages of this Prospectus.

Estimates and Assumptions Requiring Management Judgement

In addition to the carve-out principles and related estimates and assumptions applied in WISA Group's carve-out financial information as described in section "*– Carve-out Financial Information and Factors Affecting Comparability – Carve-out Principles Applied in Preparing WISA Group's Carve-out Financial Information*" above and in note 1 to the WISA Group carve-out financial statements as at and for the years ended 31 December 2025, 2024 and 2023 included in the F-pages to this Prospectus, in preparing the IFRS financial statements, UPM's management is required to make estimates and assumptions about the future, the outcomes of which may differ from those estimates and assumptions. UPM's management must also exercise judgement when making decisions regarding the selection and application of accounting principles.

Judgement-based decisions particularly concern cases where the applicable IFRS Accounting Standards provide alternative methods for recognition, measurement, or presentation.

The preparation of financial statements requires management to use estimates and assumptions that affect the amounts of assets and liabilities at the balance sheet date, as well as the income and expenses for the financial period. The estimates and assumptions are based on management's best knowledge at the time of preparing the financial statements, and are underpinned by previous experience and the most probable assumptions regarding the future at the balance sheet date. The most important items in the WISA Group carve-out financial information, which require the management's estimates, and may include uncertainty, are presented in the notes to the carve-out financial statements as at and for the years ended 31 December 2025, 2024 and 2023 included in the F-pages of this Prospectus.

The following table sets forth the notes in which key assumptions and estimates used in the preparation of the carve-out financial information included in the F-pages to this Prospectus are disclosed:

Key estimates and judgements	Note
Allocation of costs of centrally provided services and headquarter function	1.3 Carve-out principles
Impairment of property, plant and equipment	4.1 Property, plant and equipment
Impairment of goodwill and other intangible assets	4.2 Goodwill and other intangible assets
Environmental provisions	4.3 Provisions
Income taxes	7 Income tax
Legal contingencies	9.2 Litigation

THE BOARD OF DIRECTORS, MANAGEMENT AND AUDITORS

General

Pursuant to the provisions of the Finnish Companies Act and the proposed Articles of Association of the Company, responsibility for the management and governance of WISA Group are divided between the shareholders, the Board of Directors and the President and CEO of WISA Group. In addition, the Group Leadership Team assists the President and CEO in the daily operations of WISA Group.

The shareholders of WISA Group exercise their decision-making power at WISA Group's general meeting. Pursuant to the Finnish Companies Act, the annual general meeting shall be held annually within six (6) months from the end of the financial period. The matters to be addressed at the annual general meeting are defined in the Finnish Companies Act and WISA Group's Articles of Association.

The shareholders participate in the administration and management of WISA Group through resolutions passed at the general meetings. The general meeting of WISA Group is convened upon notice given by the Board of Directors. In addition, a general meeting of WISA Group must be held when requested in writing by the auditor of WISA Group or by shareholders representing at least one-tenth of all the Shares of WISA Group in order to discuss a certain matter.

The address of the Board of Directors, President and CEO and Group Leadership Team is c/o UPM-Kymmene Oyj, Alvar Aallon katu 1, FI-00100 Helsinki, Finland.

Corporate Governance

In addition to applicable laws and regulations, the rules and recommendations of Nasdaq Helsinki and the Articles of Association, WISA Group will apply the Finnish Corporate Governance Code 2026 from the recommendations of which it does not intend to deviate. In its governance, WISA Group adheres to its Articles of Association and Finnish laws, particularly the Finnish Companies Act, the Finnish Accounting Act, securities market legislation and other rules and regulations applicable to the governance of a public limited liability company.

The Finnish Corporate Governance Code 2026 is issued by the Finnish Securities Market Association, and it is publicly available on the website of the Finnish Securities Market Association at https://cgfinland.fi/en/corporate-governance-code/. If WISA Group were to deviate from the recommendations of the Finnish Corporate Governance Code in the future, WISA Group would have to disclose such deviations together with explanatory notes.

Decision Making Prior to the Effective Date

Since WISA Group will not be incorporated until the Effective Date, the Board of Directors and the President and CEO of UPM have the right to make certain decisions concerning WISA Group within their respective competence, and take measures related to the preparation and implementation of the Demerger in accordance with the Demerger Plan until the Effective Date.

Board of Directors

Pursuant to the proposed Articles of Association of WISA Group, the Board of Directors shall consist of a minimum of four (4) and a maximum of eight (8) members. The term of office of a board member expires at the end of the annual general meeting following the election.

In the Demerger Plan, it is proposed that the General Meeting shall confirm the number of members of WISA Group's Board of Directors and elect such members. The Board of Directors of UPM has proposed to the General Meeting that Tapio Korpeinen be elected as Chair of the Board of Directors, and that Sakari Ahdekivi, Frank Herrmann, Nina Kiviranta, Mats Nordlander and Emmanuelle Picard be elected as other members of the Board of Directors of WISA Group. The Board of Directors may elect a Deputy Chair from among its members, and the proposed Chair has informed UPM that, should the persons in question be elected as members of the Board of Directors of WISA Group, Mats Nordlander will be elected as Deputy Chair.

The term of office of the members of the Board of Directors shall commence on the Effective Date and expire at the end of the annual general meeting of WISA Group following the Effective Date. The Board of Directors is responsible for WISA Group's administration and the appropriate organisation of its operations. The Board of Directors decides on company-wide significant matters, such as the strategy, key investments, organisation and financial affairs. The Board of Directors of UPM, on behalf of WISA Group, approves a written charter for its operations, defining the Board of Directors' key duties and operating principles. The Board of Directors of WISA Group will approve the charter of the Board of Directors following the completion of the Demerger. Furthermore, the Board of Directors appoints and dismisses the President and CEO, supervises their actions and decides on their remuneration and terms and conditions of the President and CEO's service.

The Board of Directors shall convene in accordance with a schedule agreed in advance and as needed. The Board of Directors constitutes a quorum when more than half of its members are present. When this proportion is calculated, disqualified members are excluded. Minutes are kept of all meetings of the Board of Directors.

UPM proposes to elect the following members to the Board of Directors of WISA Group:

	Position	Citizenship	Year of Birth
Tapio Korpeinen	Chair of the Board of Directors	Finnish	1963
Mats Nordlander	Deputy Chair of the Board of Directors	Swedish	1961
Sakari Ahdekivi	Member of the Board of Directors	Finnish	1963
Frank Herrmann	Member of the Board of Directors	German	1969
Nina Kiviranta	Member of the Board of Directors	Finnish	1964
Emmanuelle Picard	Member of the Board of Directors	French	1974

Name:	Background:
Tapio Korpeinen Born 1963, *Master of Science (Technology), Master of Business Administration* **Chair of the Board of Directors**	*UPM-Kymmene Corporation*, CFO (2010–2026), Executive Vice President, UPM Energy (2010–2026), President, Energy and Pulp Business Group (2008–2010), Vice President, Corporate Development (2005–2008), Senior Vice President, Strategy (2005–2008) *Jaakko Pöyry Consulting Oy*, Several management positions in Finland and North America (1991–1998 and 1999–2005) *Pöyry Forest Industry Consulting Oy*, CEO (2000–2005) **Memberships in other Boards of Directors and positions of trust** *Finnish Forest Industries (FFI)*, Chair of the Board of Directors (2024–) *Varma Mutual Pension Insurance Company*, Member of the Supervisory Board (2010–) *Pohjolan Voima Oy*, Chair of the Board of Directors (2008–) *Teollisuuden Voima Oyj*, Member of the Board of Directors (2008–) *Kemijoki Oy*, Member of the Board of Directors (2008–2024)
Mats Nordlander Born 1961, *Diplomas in Mechanical Engineering and Mathematics* **Deputy Chair of the Board of Directors**	*Tingstad Group AB*, CEO (2025–) *ASSEGAI AB*, Founder, Management consultancy and private equity investments (2014–) *SCA AB*, President, SCA Pulp and Containerboard (2015–2024) *Stora Enso Oyj*, Executive Vice President, Renewable Packaging Division (2009–2014), Regional President, Asia-Pacific (2010–2014), Managing Director, Stora Enso AB (Country Manager, Sweden) (2010–2014), Executive Vice President, Consumer Board (2007–2009), Vice President, Marketing & Sales, Fine Paper (2002–2003) *Papyrus AB*, CEO (2003–2008), Vice President, Marketing & Sales (1998–2002) **Memberships in other Boards of Directors and positions of trust** *Tingstad Group AB*, Chair of the Board of Directors, Advisor (2023–) *Timra IK (SHL)*, Vice Chair of the Board of Directors (2018–2025)
Sakari Ahdekivi Born 1963, *Master of Science (Economics)* **Member of the Board of Directors**	*Kalmar Corporation*, CFO (2024–) *Cargotec Finland Oy*, CFO of Kalmar (2023–2024) *Ahlstrom-Munksjö Corporation*, Deputy CEO and CFO (2019–2022), Deputy CEO and Executive Vice President, Corporate Development (2017–2019), CEO (interim) (2016–2017), Group CFO (2014–2017) *Tamro Corporation*, CEO, Tamro Finland and Baltics (2012–2013), Group CFO (2009–2012), Interim Managing Director, Tamro Estonia (2011–2012) *YIT Corporation*, Group CFO (2007–2009) *Huhtamaki Oyj*, Group CFO (2005–2007) *ABB Group*, financial management positions in Finland, the UK, Switzerland and the USA (1994–2005) **Memberships in other Boards of Directors and positions of trust** *Bruks Siwertell AB*, Member of the Board of Directors (2024–)

	Ahlstrom Tampere Oy, Chair of the Board of Directors (2017–2023) *Ahlstrom Glassfibre Oy*, Chair of the Board of Directors (2017–2023) *Helsinki Deaconess Institute Foundation sr*, Member of the Delegation (2014–2022)
Frank Herrmann Born 1969, *Doctor of Engineering, Master of Science in Business Administration and Mechanical Engineering* **Member of the Board of Directors**	*Pfleiderer Group B.V. & Co. KG*, CEO, Pfleiderer Group (2022–2025), Chief Operating Officer, Pfleiderer Group (2019–2025) *URSA Insulation S.A.*, Chief Operating Officer, URSA Group (2017–2018) *Braas Monier Building Group S.A.*, Member of the Group Executive Committee and Schiedel Segment President, Braas Monier Building Group (2012–2016), Chief Operating Officer/Deputy CEO, Schiedel Group (2012), Director, Business Line Steel Chimney Systems, Schiedel Group (2010–2012), Chief Program Officer/Restructuring Officer, Braas Monier Building Group (2008–2010) *Bain & Company Inc.*, Senior Manager (2000–2008) *Gemini Consulting GmbH*, Senior Consultant (1999–2000) **Memberships in other Boards of Directors and positions of trust** *Vita Global Limited*, Member of Advisory Board/Non-Executive Director (2021–2025) *Pfleiderer Deutschland GmbH*, Chair of the Supervisory Board (2019–2025) *Frankfurt Skyline Capital GmbH*, Managing Director (2020–) *Waldfried GmbH & Co. KG*, Limited Partner (2019–) *Frankfurt Skyline Immobilien GmbH & Co. KG*, Limited Partner (2011–) *Frankfurt Skyline Management GmbH*, Managing Director (2011–)
Nina Kiviranta Born 1964, *Master of Laws* **Member of the Board of Directors**	*Metso Corporation*, General Counsel (2023–) *Metso Outotec Corporation*, General Counsel (2020–2023) *Outotec Corporation*, General Counsel (2013–2020) *Nokia Solutions and Networks Oy*, Head of Corporate Legal and Chief Compliance Officer (2006–2013) *M-real Corporation/Metsä Group*, General Counsel (2000–2006), Senior Legal Counsel (1996–2000) **Memberships in other Boards of Directors and positions of trust** *Finavia Corporation*, Member of the Board of Directors (2016–2021)
Emmanuelle Picard Born 1974, *Master of Science (Engineering Management)* **Member of the Board of Directors**	*Portia Dynamics SAS*, CEO (2025–) *Ahlstrom Corporation*, Executive Vice President, Building Materials Division (2022–2024) *Wipak Oy*, Managing Director, Western Europe (2020–2022) *Imerys S.A.*, Imerys Performance Additives, General Manager, EMEA (2017–2019) *Saint-Gobain S.A.*, Saint-Gobain Adfors, General Manager, Industrial Fabrics Europe (2014–2016), Saint-Gobain Gypsum, Global Product Director, Profiles and Acoustic Ceilings (2008–2013), Saint-Gobain Technical Fabrics, General Manager, Grinding Wheels (2006–2008), Saint-Gobain Reinforcements, Strategic planning manager (2003–2005) *Business Interactive, Inc.*, New York City, USA Project Manager/Consultant (1999–2002) **Memberships in other Boards of Directors and positions of trust** *Mersen S.A.*, Independent Member of the Board of Directors and Audit Committee member (2023–2025) *Bpifrance Acceleration program for ETI*, Various Advisory Boards (2017–2022)

Committees of the Board of Directors

General

The Board of Directors may establish committees to assist the Board of Directors in the preparation and performance of its duties and responsibilities and determine their sizes, compositions and tasks. The proposed Chair of the Board of Directors of WISA Group has informed UPM that if the Board of Directors of WISA Group is elected in accordance with the proposal, the Board of Directors will establish an audit committee (the "**Audit Committee**"), a nomination and governance committee (the "**Nomination and Governance Committee**") and a remuneration committee (the

"**Remuneration Committee**"), and adopt written charters setting forth the purpose, composition, operation and duties of the committees. The Board of Directors would elect the members and the chairs for the committees from among its members annually. Members shall be elected for a term of office expiring at the end of the annual general meeting following the election.

In addition to the aforementioned committees, the Board of Directors may in individual cases appoint ad hoc committees for the preparation of specific matters. The Board of Directors does not generally approve charters for such committees, and does not release information on their term, composition, the number of meetings or the members' attendance rates.

The committees of the Board of Directors do not have independent decision-making authority in matters within the competence of the Board of Directors, but they assist the Board of Directors by preparing such matters. The committees of the Board of Directors shall regularly report on their work to the Board of Directors.

Audit Committee

The following description of the Audit Committee is based on the planned framework for the committee as defined by the proposed Chair of the Board of Directors. The Audit Committee shall comprise at least three (3) members appointed by the Board of Directors upon the recommendation of the Nomination and Governance Committee. The primary purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities of the Company's financial reporting processes and monitoring the audit of the Company, and to assist the Board in its oversight of matters pertaining to financial reporting, internal control, internal audit and risk management. The responsibilities of the Committee include monitoring and assessing the financial reporting processes and the statutory sustainability reporting processes, if WISA Group has a statutory obligation to prepare a sustainability report; monitoring and assessing the quality and integrity of the financial statements, other financial reports and statutory sustainability reports; monitoring the statutory audit as well as the assurance of the statutory sustainability reporting, if WISA Group has a statutory obligation to prepare a sustainability report; monitoring and assessing the effectiveness of internal control, internal audit, and risk management systems; evaluating the qualifications, performance and independence of the auditor and the statutory sustainability reporting assurer; preparing proposals for the election of the auditor and if necessary, the statutory sustainability reporting assurer; and monitoring compliance with legal and regulatory requirements and Company policies. The Audit Committee has the authority to take appropriate actions necessary to perform its duties. Such actions may include engagement of external advisers, information requests including full access to all Company books, records, facilities and personnel, and forming subcommittees. The Chair of the Committee shall report regularly to the Board of Directors and shall submit to the Board the minutes of its meetings. The Committee shall meet at least four times per year. The proposed Chair of the Board of Directors has informed UPM that, assuming certain persons are elected as members of the Board of Directors of WISA Group, the following members will form the Audit Committee: Sakari Ahdekivi (Chair), Frank Herrmann and Nina Kiviranta.

Nomination and Governance Committee

The following description of the Nomination and Governance Committee is based on the planned framework for the committee as defined by the proposed Chair of the Board of Directors. The Nomination and Governance Committee shall have at least three (3) members appointed by the Board of Directors upon the recommendation of the Committee. The primary purposes of the Committee are to identify individuals qualified to serve as directors and to prepare the proposal regarding nominees to the Board of Directors and their remuneration to be approved by the general meeting of shareholders; to identify individuals qualified to serve as the President and CEO of the Company; and to develop and recommend to the Board of Directors a set of corporate governance principles applicable to the Company, and review on a regular basis the overall corporate governance of the Company. The responsibilities of the Committee include preparing and reviewing at least annually the succession plan for the President and CEO; reviewing annually the structure, size, composition, diversity and successional needs of the Board of Directors; assisting the Board of Directors in the evaluation of director and director nominee independence; identifying candidates for election or re-election to the Board of Directors; recommending the appointment of the Chair of the Board of Directors for Board approval; and recommending annually nominees for each Board committee as well as chairs of the committees. The proposed Chair of the Board of Directors has informed UPM that, assuming certain persons are elected as members of the Board of Directors of WISA Group, the following members will form the Nomination and Governance Committee: Tapio Korpeinen (Chair), Mats Nordlander and Nina Kiviranta.

Remuneration Committee

The following description of the Remuneration Committee is based on the planned framework for the committee as defined by the proposed Chair of the Board of Directors. The Remuneration Committee shall have at least three (3) members appointed by the Board of Directors upon the recommendation of the Nomination and Governance Committee. The primary purposes of the Committee are to assist the Board of Directors with its responsibilities relating to the preparation of the Company's remuneration principles and practices including remuneration schemes and plans; to assist the Board of Directors in the preparation of the remuneration policy and annual remuneration reports together with the

Nomination and Governance Committee; and to assist the Board of Directors with its responsibilities relating to the performance and remuneration of the President and CEO and members of senior management; and to review appropriate succession planning procedures for senior management. The responsibilities of the Committee include preparing the remuneration policy for Board approval and reviewing its appropriateness at least annually, preparing the remuneration report for the Board approval annually, reviewing and making recommendations to the Board of Directors with respect to the Company's remuneration schemes and annually commencing plans, including short- and long-term incentive plans, and pension plans. In addition, the Committee evaluates at least annually the President and CEO's performance and recommends to the Board the remuneration of the President and CEO, oversees the administration of the Company's incentive plans approved by the Board of Directors, at least annually reviews the succession plans for senior level positions and oversees regulatory compliance with respect to remuneration matters. The proposed Chair of the Board of Directors has informed UPM that, assuming certain persons are elected as members of the Board of Directors of WISA Group, the following members will form the Remuneration Committee: Emmanuelle Picard (Chair), Sakari Ahdekivi and Tapio Korpeinen.

The President and CEO and the Group Leadership Team

In accordance with the Demerger Plan, the Board of Directors of UPM will, prior to the Effective Date, appoint the President and CEO of WISA Group. The Board of Directors of UPM has appointed Ms. Tuija Suur-Hamari as the President and CEO of WISA Group.

If the President and CEO of WISA Group resigns or is dismissed or must be otherwise replaced by another person prior to the Effective Date, the Board of Directors of UPM may appoint a new President and CEO of WISA Group up until the Effective Date. Thereafter, the Board of Directors of WISA Group appoints the President and CEO.

The President and CEO is responsible for the day-to-day management, supervision and administration of WISA Group's operations in the manner provided by the Finnish Companies Act, corporate governance principles and in accordance with the instructions and orders given by the Board of Directors. The President and CEO is responsible for organising the day-to-day administration of WISA Group and ensuring that the Company's accounting complies with applicable legislation and that the Company's financial management is reliably organised. The President and CEO prepares matters for decision by the Board of Directors, develops the Company in accordance with the goals agreed with the Board of Directors and ensures the proper implementation of the Board of Directors' decisions. The President and CEO is not a member of the Board of Directors but participates in board meetings and shall be heard at the meetings.

The Group Leadership Team of WISA Group assists the President and CEO in planning of the operations, operational management and decision making. Additionally, the Group Leadership Team prepares matters to be considered by the Company's Board of Directors and assists the President and CEO in implementing the resolutions of the Board of Directors as well as the Company's strategy. The Group Leadership Team considers, among other things, matters related to the business and development of operations as well as matters related to supervision.

The table below presents the members of WISA Group's Group Leadership Team, whose appointment is expected to take effect on the Effective Date:

	Position	**Citizenship**	**Year of Birth**
Tuija Suur-Hamari	President and CEO	Finnish	1969
Pia Helminen	Senior Vice President, HR	Finnish	1972
Saara-Maria Helminen	Senior Vice President, General Counsel	Finnish	1984
Kristiina Jaaranen	Senior Vice President, Marketing, Sustainability and Communications	Finnish	1975
Susanna Rinne	Senior Vice President, Sales	Finnish	1970
Juhani Tenhunen	Senior Vice President, Operations	Finnish	1977
Lasse von Hertzen	Senior Vice President, Chief Financial Officer (interim)	Finnish	1984

Name:	**Background:**
Tuija Suur-Hamari	*UPM-Kymmene Corporation*, Executive Vice President, UPM Plywood (2025–)
Born 1969, *Master of Science (Engineering)*	*Wipak Oy*, Managing Director (2016–2025), Managing Director, Wipak Health (2016–2025), Vice President, WiiCare Healthcare packaging business (2016–2025)
President and CEO	*Kotkamills Oy*, President and CEO (2010–2015)
	Stora Enso Oyj, Managing Director, Stora Enso Laminating Papers Oy (2004–2010), General Manager, Stora Enso Kotka mills (2006–2010)
	Memberships in other Boards of Directors and positions of trust
	Metsähallitus, Member of the Board of Directors, (2022–2025)

Name:	Background:
	Hämeen kauppakamari ry (Häme Chamber of Commerce), Vice Chair of the Board of Directors (2022–2025), Member of the Board of Directors (2019–2021), representative of Hämeen kauppakamari ry in the delegation of Keskuskauppakamari ry (Finland Chamber of Commerce) (2022–2025)
Pia Helminen Born 1972, *Master of Science in Economics and Business Administration (MBA)* **Senior Vice President, HR**	*UPM Plywood Ltd*, Vice President, HR (2020–) *UPM Raflatac Oy*, Director, HR, UPM Raflatac (2016–2020), HR Manager, Films & Specials Business and Tampere Factory (2014–2016), HR Manager, Tampere Factory (2010–2014), Employee Relations Manager, Tampere Factory (2009–2010), HR Specialist, Tampere Factory (2006–2009) *Nevil Oy*, Production Supervisor (1999–2005) **Memberships in other Boards of Directors and positions of trust** -
Saara-Maria Helminen Born 1984, *Master of Laws* **Senior Vice President, General Counsel**	*UPM-Kymmene Corporation*, Director, Legal Operations & Group Legal (2022–), Director, Governance & Securities Markets Compliance (2021–2022), Group Legal Counsel, Governance & Securities Markets Compliance (2018–2021) *Kesko Corporation*, Senior Corporate Counsel (2013–2018) *Ernst & Young Oy*, Legal Counsel (2008–2013) **Memberships in other Boards of Directors and positions of trust** *Securities Markets Association*, Member of the Finnish Market Practice Board (Markkinatapalautakunta) (2026–2028) *Securities Markets Association*, Member of the Finnish Corporate Governance Code renewal working group (2024–2025 and 2018–2019) *EcoDa*, Member of the Advocacy Committee (2023–2025) *Finnish Corporate Law Association*, Member of the Board of Directors (2020–) *Directors' Institute Finland*, Member and Senior Advisor, Secretary to the Policy Committee (2023–)
Kristiina Jaaranen Born 1975, *Master of Arts* **Senior Vice President, Marketing, Sustainability and Communications**	*UPM Plywood Ltd*, Vice President, Marketing, Sustainability and Communications, UPM Plywood (2025–) *UPM-Kymmene Corporation*, Director, Brand Communications (2022–2024), Senior Manager, Brand Communications (2016–2022) *UPM Raflatac Oy*, Manager, Marketing Communications, UPM Raflatac (2014–2016), Head of Marketing Communications (2011–2013), Specialist (Marketing) Communications (2008–2010) *Anticimex Oy*, Product Manager (2003–2008) **Memberships in other Boards of Directors and positions of trust** -
Susanna Rinne Born 1970, *Master of Science (Engineering)* **Senior Vice President, Sales**	*UPM Plywood Oy*, Vice President, Sales & Customer Experience, UPM Plywood (2025–), Executive Vice President, Interim, UPM Plywood (2025), VP, Strategy and Business Development, UPM Plywood (2016–2024), Director, Marketing and Sales Development (2014–2016), Manager, Marketing and Sales Development (2011–2013), Product Manager (2010–2011) *UPM Wood Products Oy*, Business Manager (2006–2009) **Memberships in other Boards of Directors and positions of trust** *Osuuskauppa Hämeenmaa*, Member of the Board of Directors (2026–) *Federation of the Finnish Woodworking Industries*, Member of the Board of Directors (2025–) *Lahti Industrial Society*, Member of the Board of Directors (2019–)
Juhani Tenhunen Born 1977, *Master of Science (Engineering)* **Senior Vice President, Operations**	*UPM Plywood Oy*, Vice President, Operations, UPM Plywood (2025–), Vice President, Production and Operations (2021–2024), Mill Director, Pellos Plywood mills (2016–2021), Mill Director, Savonlinna Plywood mill (2014–2016), Mill Manager, Savonlinna Plywood mill (2012–2014) *UPM-Kymmene Chudovo*, Mill Manager, Chudovo Plywood mill (2011–2012) *UPM-Kymmene Wood Oy*, Operation engineer, Pellos Plywood mills (2006–2010), Operation engineer, Jyväskylä Plywood mill (2004–2006)

Name:	Background:
	Schauman Wood Oy, Project engineer, Jyväskylä Plywood mill (2004) **Memberships in other Boards of Directors and positions of trust** *Järvi-Suomen Voima Oy,* Member of the Board of Directors (2022–)
Lasse von Hertzen Born 1984, *Master of Science (Economics)* **Senior Vice President, Chief Financial Officer (interim)**	*UPM Plywood Oy*, Vice President, Business Control and Finance Operations, UPM Plywood (2025–) *UPM Raflatac Oy*, Director, Business Control & Strategy, EMEIA region (Europe, Middle East, India and Africa), UPM Raflatac (2024–2025), Director, Business Control & Strategy, Paper Laminates SBU (2019–2024) *UPM-Kymmene Corporation*, Senior Manager, Business controller Biofuels SBU (2016–2019), Manager, M&A (2013–2016) *Summa Capital Oy*, Associate (2011–2013) *TransPacific Group LLC*, Associate (2007–2011) **Memberships in other Boards of Directors and positions of trust** *Järvi-Suomen Voima Oy,* Member of the Board of Directors (2025–)

Information on the Members of the Board of Directors and the Group Leadership Team

As at the date of this Prospectus, none of the members of WISA Group's Board of Directors or Group Leadership Team has in the previous five years:

- been convicted in relation to fraudulent offences or violations;
- held a managerial position, been in the executive management, been a member of the administrative, management or supervisory bodies of a company or acted as a general partner in a limited partnership at the time of bankruptcy, administration of an estate or liquidation of such company (excluding voluntary liquidation proceedings with a purpose of dissolving the company); or
- been subject to any official public incrimination and/or sanctions by any statutory or supervisory authorities (including any designated professional bodies) or been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company.

Conflicts of Interest

The provisions regarding the conflicts of interest of the Board of Directors and the President and CEO are set forth in the Finnish Companies Act. Pursuant to the Finnish Companies Act, the members of the Board of Directors or the President and CEO may not participate in the handling of a contract between them and the company. Pursuant to Chapter 6, Section 4(a) of the Finnish Companies Act, a member of the Board of Directors of a publicly listed company may not participate, in the Board of Directors of the company or of its subsidiary, in the handling of a matter pertaining to a contract between the company and a third party, should the member in question be in a related party relationship with such third party and the action in question does not fall within the ordinary course of business of the company or is not concluded on customary commercial terms. A decision concerning such a matter is valid if it is supported by the required majority of those members of the Board of Directors of the publicly listed company or its Finnish subsidiary who are not in a related party relationship with the matter at hand. The President and CEO is subject to the above-mentioned provisions related to the incapacity of a member of the Board of Directors of a public listed company also in the decision-making of the company's subsidiary. What is stated above regarding a contract is also applicable to other legal acts and legal proceedings and to the exercise of the right to speak. The Finnish Companies Act contains no provisions on the conflicts of interest of the members of the Group Leadership Team.

To the knowledge of UPM, notwithstanding any shares they hold directly or indirectly, the persons proposed as members of the Board of Directors, the President and CEO and the other members of the Group Leadership Team do not have any conflicts of interest between their duties in WISA Group and their private interests and/or their other duties. There are no family relationships between the persons proposed as members of WISA Group's Board of Directors, the President and CEO or the other members of the Group Leadership Team.

The persons proposed as members of the Board of Directors except Tapio Korpeinen are expected to be independent of WISA Group and its significant shareholders, once WISA Group has been registered. As at the date of this Prospectus, Tapio Korpeinen serves as UPM's CFO and is a member of its group executive team, and he therefore belongs to UPM's operative management. In assessing independence, it has been taken into account that UPM will be a significant raw material supplier to WISA Group under the Wood Supply Agreement. UPM has announced in its stock exchange release on 16 March 2026, that Tapio Korpeinen will step down from UPM's group executive team on 31 December 2026, upon reaching his contractual retirement age, and will thereafter no longer belong to the UPM's operative management. Accordingly, all persons proposed as members of the Board of Directors of WISA Group, including Tapio Korpeinen, are expected to be independent of WISA Group and its significant shareholders after 31 December 2026.

Management Remuneration

Compensation of the Members of the Board of Directors

Pursuant to the proposed Articles of Association and the applicable law, the general meeting decides on the remuneration payable to the members of the Board of Directors. WISA Group will be responsible for paying the remuneration of the Board of Directors of WISA Group and all other costs and liabilities related thereto, including also to the extent such remuneration, cost or liability relates to the period preceding the Effective Date.

The Board of Directors of UPM has proposed to the Extraordinary General Meeting that, for the term commencing on the Effective Date and ending at the conclusion of the Annual General Meeting of WISA Group in 2027, the Chair of the Board of Directors of WISA Group be paid a base fee of EUR 50,000, the possible Deputy Chair of the Board of Directors a base fee of EUR 35,000 and each of the other members of the Board of Directors a base fee of EUR 25,000. In addition, the Board of Directors of UPM has proposed that the Chair of the Board of Directors of WISA Group be paid an additional fee of EUR 30,000, the possible Deputy Chair of the Board of Directors an additional fee of EUR 20,000 and each of the other members of the Board of Directors an additional fee of EUR 15,000 as compensation for preparatory work carried out prior to the Effective Date in connection with the listing of WISA Group. This fee is a one-time compensation for work conducted prior to the listing.

The Board of Directors of UPM has further proposed that the members of WISA Group's Board committees be paid the committee fees for the term commencing on the Effective Date and ending at the conclusion of the Annual General Meeting of WISA Group in 2027 as follows:

- Audit Committee: Chair EUR 8,000 and each member EUR 4,000
- Remuneration Committee: Chair EUR 5,000 and each member EUR 4,000
- Nomination and Governance Committee: Chair EUR 5,000 and each member EUR 4,000.

The base fees and additional fees are proposed to be paid in WISA Group Shares and cash so that approximately 40 per cent will be payable in WISA Group Shares to be purchased on the Board members' behalf, and the rest in cash. WISA Group will pay any costs and transfer tax related to the purchase of the Company's Shares. Shares thus purchased may not be transferred within two years from the purchase date or until the director's membership of the Board has ended, whichever occurs first. The committee fees are proposed to be paid in cash. If the term of a member of the Board terminates before the Annual General Meeting of 2027, the Board has a right to resolve upon potential reclaim of the annual fees as it deems fit.

In addition, UPM's Board of Directors has proposed that the members of the Board of Directors and Board committees of WISA Group be paid, from the date of the Extraordinary General Meeting resolving on the election of members of the Board of Directors, a meeting fee of EUR 1,000 per meeting and that members of the Board of Directors are compensated for actual travel and accommodation expenses related to Board and Committee work against invoices.

Remuneration of the Members of the Group Leadership Team and the President and CEO

The Board of Directors will decide on the terms and conditions of the President and CEO's service, which are defined in a written President and CEO's service agreement. The Board of Directors decides on the remuneration of the President and CEO and the Group Leadership Team and the basis thereof.

A President and CEO's service agreement will be entered into with the President and CEO of WISA Group, Tuija Suur-Hamari, in accordance with customary practice. The remuneration and other benefits of Tuija Suur-Hamari are expected to consist of an annual base salary, customary fringe benefits, pension benefits and applicable incentives in force from time to time. The agreement, together with all rights and obligations thereunder, will transfer to WISA Group in the Demerger. WISA Group is responsible for the remuneration and other costs and liabilities related to the President and CEO in accordance with the President and CEO's service agreement, including also to the extent such remuneration, cost or liability relates to the period preceding the Effective Date.

If the President and CEO resigns or is dismissed or must be otherwise replaced by another person prior to the Effective Date, the Board of Directors of UPM may appoint a new President and CEO of WISA Group up until the Effective Date. Thereafter, the Board of Directors of WISA Group appoints the President and CEO.

Standard executive agreements will be entered into with the other members of the Group Leadership Team, and their remuneration and other benefits are expected to consist of a monthly salary, customary fringe benefits and applicable incentives in force from time to time.

Share-Based Incentive Plans

The Board of Directors of WISA Group will decide on the establishment of any share-based incentive plans after the Effective Date.

Management Holdings

Based on the shareholders' register of UPM, the members of WISA Group's Board of Directors, the President and CEO and the other members of the Group Leadership Team held, on 14 July 2026, 267,297 shares and votes in UPM, corresponding to approximately 0.05 per cent of the outstanding shares and votes in UPM. According to the Demerger Plan, the shareholders of UPM will receive as Demerger Consideration one (1) Demerger Consideration Share for each share held in UPM.

The following table sets forth the number of shares and votes in UPM held by the members of WISA Group's proposed Board of Directors and the Group Leadership Team as at 14 July 2026:

	Shares and votes	
Name	**No. of shares and votes**	**%**
Member of the Board of Directors		
Tapio Korpeinen	253,035	0.04
Mats Nordlander	-	-
Sakari Ahdekivi	-	-
Frank Herrmann	-	-
Nina Kiviranta	794	0.00
Emmanuelle Picard	-	-
Member of the Group Leadership Team		
Tuija Suur-Hamari	-	-
Pia Helminen	2,503	0.00
Saara-Maria Helminen	1,385	0.00
Kristiina Jaaranen	10	0.00
Susanna Rinne	5,467	0.00
Juhani Tenhunen	3,407	0.00
Lasse von Hertzen	696	0.00
Total	**267,297**	**0.05**

Auditors

The carve-out financial statements of WISA Group as at and for the financial years ended 31 December 2025, 31 December 2024 and 31 December 2023 have been audited by Ernst & Young Oy, Authorised Public Accountants, with Authorised Public Accountant Mikko Järventausta as the auditor with the principal responsibility. Mikko Järventausta is registered in the auditor register in accordance with Chapter 6, Section 9 of the Finnish Auditing Act (1141/2015, as amended).

Pursuant to Article 8 of WISA Group's proposed Articles of Association, an audit firm approved by the Finnish Patent and Registration Office shall be appointed as WISA Group's auditor. The term of office of the auditor expires at the end of the annual general meeting following the election.

The Board of Directors of UPM has proposed to the General Meeting that audit firm Ernst & Young Oy be elected as the auditor of WISA Group. Ernst & Young Oy has informed that Authorised Public Accountant (KHT) Kristina Sandin would act as the lead audit partner. Kristina Sandin is registered in the auditor register in accordance with Chapter 6, Section 9 of the Finnish Auditing Act (1141/2015, as amended).

Statutory Sustainability Reporting Assurer

Pursuant to Article 8 of WISA Group's proposed Articles of Association, an authorised sustainability audit firm approved by the Finnish Patent and Registration Office shall be appointed as the sustainability reporting assurer of WISA Group if

WISA Group has a statutory obligation to prepare a sustainability report. The term of office of the sustainability reporting assurer expires at the end of the annual general meeting following the election.

OWNERSHIP STRUCTURE

As at the date of this Prospectus, UPM has 527,735,699 shares. According to the Demerger Plan, the shareholders of UPM shall receive as Demerger Consideration one (1) Demerger Consideration Share for each share they hold in UPM; i.e., the Demerger Consideration Shares shall be issued to the shareholders of UPM in proportion to their shareholdings. No Demerger Consideration shall be issued to any treasury shares held by UPM. As at 14 July 2026, UPM held 411,653 treasury shares.

Pursuant to the notification of UPM under Chapter 9, Section 10 of the Finnish Securities Markets Act on 4 October 2024, the holdings of BlackRock, Inc. in UPM, through its controlled undertakings, comprising shares, American Depositary Receipts, securities lent and contracts for differences, amounted to a total of 34,350,132 shares, which at that time corresponded to approximately 6.43 per cent of the total number of shares and voting rights of UPM. To UPM's knowledge, no other shareholder holds more than 5 per cent of the shares or voting rights of UPM.

UPM is not aware that WISA Group will be directly or indirectly owned or controlled by any party, as control is defined in the Finnish Securities Markets Act. UPM is not aware of any arrangements or agreements concluded between its shareholders, which could affect the ownership or use of voting rights in the general meetings of WISA Group or of any other arrangements the operation of which could result in a change of control.

RELATED PARTY TRANSACTIONS

Prior to the Effective Date, WISA Group's related parties include the parent company UPM-Kymmene Corporation and its subsidiaries, associated companies and joint ventures. Related parties also include the members of the Board of Directors, the CEO and other members of the Group Leadership Team, their close family members and entities controlled directly or indirectly by them. WISA Group will establish a related party instruction, which defines the principles for identifying, declaring and publishing related party transactions.

The following table presents the management expenses of members of the Executive Team of the UPM Plywood business area as presented in the carve-out financial information for the financial years ended 31 December 2025, 2024 and 2023 and for the three months ended 31 March 2026 and 2025:

In EUR million	**31 March**		**31 December**		
	2026	**2025**	**2025**	**2024**	**2023**
	(unaudited)			**(audited)**	
Salaries	0.4	0.3	1.3	1.3	1.3
Short-term incentives	-	-	0.2	0.3	0.4
Share rewards	0.1	0.3	0.3	0.4	0.5
Benefits	0.0	0.0	0.0	0.1	0.1
Total	**0.5**	**0.6**	**1.8**	**2.0**	**2.3**

WISA Group has not operated as a separate public limited liability company during the previous financial years and the above numbers do not therefore give any indication on the future remuneration of the key employees belonging to WISA Group's management.

There have not been any material changes in the remuneration of the key employees belonging to the management of the UPM Plywood business area and in the principles applied to it since 31 March 2026.

The following table presents WISA Group's transactions with UPM and other related parties of WISA Group on a carve-out basis for the periods indicated:

In EUR million	**31 March**		**31 December**		
	2026	**2025**	**2025**	**2024**	**2023**
	(unaudited)			**(audited)**	
Sales to UPM Group	5.1	4.3	20.4	20.7	20.0
Purchases from UPM Group	-37.5	-27.6	-131.9	-133.3	-129.6
Interest income from UPM Group	0.4	1.1	3.7	5.4	4.7

The following table presents WISA Group's outstanding balances with UPM and other related parties of WISA Group on a carve-out basis as at the dates indicated:

In EUR million	**31 March**		**31 December**		
	2026	**2025**	**2025**	**2024**	**2023**
	(unaudited)			**(audited)**	
Trade receivables from UPM Group	2.0	2.2	2.7	3.9	5.7
Trade payables to UPM Group	-16.6	-3.5	-15.2	-13.7	-11.1
Cash pool receivables from UPM Group	59.8	163.9	70.8	161.5	152.1

Equity transactions made with UPM during the financial years ended 31 December 2025, 2024 and 2023 as well as for the three months ended 31 March 2026 and 2025 have been presented in the changes in invested equity in the combined balance sheet.

UPM and WISA Group intend to agree on a Transitional Services Agreement on certain services that UPM or its subsidiaries will provide either directly or through third-party service providers to WISA Group for a customary transition period after the completion of the Demerger. More information on the Transitional Services Agreement is presented in section "*Summary of the Demerger – Related Arrangements*".

SHARES AND SHARE CAPITAL

The following information is based on the Demerger Plan and information available as at the date of this Prospectus regarding WISA Group's business, as WISA Group will not be incorporated until the Effective Date. The Demerger Plan is attached to this Prospectus as Annex A.

General Information on WISA Group

All assets and liabilities of UPM relating to the UPM Plywood business area or mainly serving it will in the Demerger be transferred to a company which, according to the Demerger Plan, is proposed to adopt the company name WISA Group Oyj in Finnish and WISA Group Plc in English. WISA Group will be domiciled in Helsinki, Finland. WISA Group will become a public limited liability company incorporated in Finland and governed by the laws of Finland. WISA Group will be registered in the Finnish Trade Register with the business identity code 3621888-8, and its LEI code will be 636700YPKFQBT89PU933. The address of WISA Group will be c/o UPM-Kymmene Oyj, Alvar Aallon katu 1, FI-00100 Helsinki, Finland, and its telephone number is +358 20 415 113. The incorporation of WISA Group is expected to be registered in the Finnish Trade Register on the Effective Date.

According to Section 2 of the proposed Articles of Association of WISA Group, WISA Group's line of business is forestry, forest industry and energy industry, manufacturing and selling plywood and veneer products and providing related services, and conducting other related business activities, owning, managing and trading real estate, commodities, shares and other securities and conducting other investment activities.

Shares and Share Capital

WISA Group will have one (1) share class, and the Shares will not have a nominal value. The Shares in WISA Group will carry equal rights. The Shares will be issued in accordance with Finnish law and will be denominated in euros.

The share capital of WISA Group will be EUR 80,000.00. The shareholders of UPM will receive as Demerger Consideration one (1) Demerger Consideration Share for each share owned in UPM. Thus, all Shares in WISA Group will be issued to UPM's shareholders in proportion to their shareholdings in the Demerger. No Demerger Consideration will be issued to treasury shares in UPM's possession. As at the date of this Prospectus, UPM holds 411,653 treasury shares. The total number of Shares in WISA Group to be issued as Demerger Consideration would consequently be 527,324,046 Shares.

Each Share will carry one (1) vote at a General Meeting. WISA Group's Shares will be issued in the book-entry securities system maintained by Euroclear Finland and will be freely transferable. The ISIN code will be FI4000603345. Neither WISA Group nor any of its subsidiaries will hold WISA Group's Shares on the Effective Date.

Listing of the Shares in WISA Group

UPM intends to apply for admission to trading of the Shares of WISA Group on the regulated market of Nasdaq Helsinki at the latest on the business day preceding the first day of trading. The Shares will be denominated in euros on Nasdaq Helsinki. The trading code on Nasdaq Helsinki will be WISA. The trading in the Shares on Nasdaq Helsinki is expected to begin on 2 November 2026 or as soon as possible thereafter.

Authorisations

Authorisation to Issue WISA Group's Shares and Special Rights Entitling to Shares

It is proposed in the Demerger Plan that the Board of Directors of WISA Group be authorised to decide, following the completion of the Demerger, on the issuance of Shares, option rights and other special rights referred to in Chapter 10, Section 1 of the Finnish Companies Act entitling to Shares, as follows:

Under the authorisation, the Board of Directors of WISA Group may issue in one or more instalments new or treasury Shares in WISA Group or option rights or other special rights referred to in Chapter 10, Section 1 of the Finnish Companies Act entitling to Shares in WISA Group as so that, by virtue of the authorisation, a maximum of 25,000,000 Shares in WISA Group in total may be issued or transferred. Such total number of Shares corresponds to approximately 4.74 per cent of WISA Group's registered Shares at the time of the completion of the Demerger, assuming that the total number of WISA Group's Shares to be issued as Demerger Consideration would be as described in section "*– Shares and Share Capital*" above. The Board of Directors of WISA Group may use its authorisation so that the total number of Shares issued or transferred under the authorisation corresponds, at the time of the decision, to, at most, said percentage of WISA Group's registered Shares at the time.

The authorisation may be used for the financing or implementation of potential acquisitions or other arrangements or investments relating to WISA Group's business, the developing of the capital structure of WISA Group, the implementation of WISA Group's share-based incentive plans, or for other purposes as decided by the Board of Directors of WISA Group. The authorisation entitles the Board of Directors of WISA Group to decide on all terms and conditions of the share issue and the issuance of special rights. The authorisation includes the right, subject to the prerequisites of the Finnish Companies Act being fulfilled, to issue Shares in WISA Group also otherwise than in proportion to the shareholders' shareholdings in WISA Group, the right to issue Shares in WISA Group with or without payment, and the right to decide on a share issue without payment to WISA Group itself, subject to the provisions of the Finnish Companies Act concerning the maximum amount of treasury shares.

The authorisation is proposed to be valid until the conclusion of the first annual general meeting held by WISA Group.

Authorisation to Decide on the Acquisition of WISA Group's own Shares and on the Acceptance as Pledge of WISA Group's own Shares

It is proposed in the Demerger Plan that the Board of Directors of WISA Group be authorised to decide, following the completion of the Demerger, on the acquisition of WISA Group's own Shares and on the acceptance as pledge of WISA Group's own Shares as follows:

Under the authorisation, the Board of Directors may acquire or accept as pledge in one or more instalments a maximum of 50,000,000 Shares in WISA Group in total. Such total number of Shares corresponds to approximately 9.48 per cent of WISA Group's registered Shares at the time of completion of the Demerger, assuming that the total number of Shares in WISA Group to be issued as Demerger Consideration would be at the time of the completion of the Demerger as described in section "*– Shares and Share Capital*". The Board of Directors of WISA Group may use its authorisation so that the total number of Shares acquired or accepted as pledge under the authorisation corresponds, at the time of the decision, to, at most, said percentage of WISA Group's registered Shares at the time. Own Shares may only be acquired under the authorisation using WISA Group's unrestricted equity and in a manner resolved by the Board of Directors of WISA Group.

The consideration payable for Shares acquired under the authorisation shall be based on the price formed on the securities markets or otherwise in a competitive process. The authorisation includes the right, subject to the prerequisites of the Finnish Companies Act being fulfilled, to acquire Shares through a tender offer made to all shareholders on equal terms, but also otherwise than in proportion to WISA Group's shareholders' shareholdings (directed acquisition). Own Shares may be acquired to be cancelled, to be held by WISA Group, to be transferred further, or for other purposes determined by the Board of Directors of WISA Group, or they may be accepted as pledge. WISA Group may enter into derivative, Share lending or other arrangements customary in the capital markets as part of the acquisition of own Shares. The authorisation includes the right of the Board of Directors of WISA Group to decide on all other terms and conditions of the acquisition of own Shares or their acceptance as pledge.

The authorisation is proposed to be valid until the conclusion of the first annual general meeting held by WISA Group.

Dividends

The Board of Directors of WISA Group will adopt the Company's dividend policy following the completion of the Demerger. According to the planned dividend policy, WISA Group aims to distribute approximately 50 per cent of the profit for the financial year as dividend.

Under the Finnish Companies Act, the general meeting of shareholders decides on the distribution of dividends and other distributions of assets based on a proposal by the company's Board of Directors. Dividends are generally declared once every financial year and may be paid only after the general meeting of shareholders has approved the company's financial statements. There can be no assurance regarding any financial period as to the amount of dividends to be distributed or as to whether WISA Group will distribute dividends at all. The dividends paid by WISA Group for any financial period will not be indicative of the dividends to be paid after the said financial period. For a description of the restrictions applicable to dividend distributions and other distributions of assets, see section "*– Dividend and Distribution of Equity*" below.

Shareholder Rights

Shareholders' Pre-Emptive Subscription Right

Pursuant to the Finnish Companies Act, shareholders of a Finnish limited liability company have a pre-emptive right to subscribe for shares in such company in proportion to their shareholdings, unless the resolution of the general meeting of shareholders approving such issue or the Board of Directors resolving on such issue, provides otherwise. Pursuant to the Finnish Companies Act, a resolution by the general meeting that deviates from the shareholders' pre-emptive rights must be approved by at least two-thirds of all votes cast and shares represented at a general meeting of shareholders. Pursuant to the Finnish Companies Act, such resolution further requires that the company has a weighty financial reason to deviate from the pre-emptive right of shareholders. In addition, pursuant to the Finnish Companies Act, a resolution on a share issue without payment waiving the shareholders' pre-emptive rights requires that there is an especially weighty financial reason for the company and in regard to the interests of all shareholders in the company.

Certain shareholders resident in, or with a registered address in certain jurisdictions, other than Finland, may not be able to exercise pre-emptive rights in respect of their shareholdings unless a registration statement, or an equivalent thereof under the applicable securities laws of their respective jurisdictions, is effective or an exemption from any registration or similar requirements under the applicable laws of their respective jurisdictions is available. See also "*Risk Factors – Risks Relating to WISA Group's Shares – Certain foreign shareholders may be unable to exercise their right to vote*".

General Meetings

Pursuant to the Finnish Companies Act, shareholders exercise their decision-making power at the general meetings that must be held physically at the company's domicile unless the Articles of Association provide for another venue. The Board of Directors may also decide that a shareholder can participate in the aforementioned general meeting in such a way that the shareholder exercises their decision-making power in full and in real time during the meeting using a telecommunications connection and technical tool, unless the Articles of Association restrict or prohibit this. Under the Finnish Companies Act, the Board of Directors may also decide that the general meeting is held without a physical meeting venue, provided that shareholders can fully and in real time exercise their decision-making power during the meeting via a telecommunications connection and technical tool. This is permitted only if the Articles of Association state that the general meeting must or may be held in this manner. In extremely compelling circumstances, the general meeting may be held at another location.

According to the proposed Articles of Association of WISA Group, the Board of Directors may resolve that a general meeting of shareholders be held without a meeting venue so that shareholders exercise their decision-making power during the meeting in full and in real time with the help of a telecommunications connection and a technical tool.

Pursuant to the Finnish Companies Act and Articles of Association of WISA Group, the annual general meeting must resolve on, among other things, the following matters:

- adoption of the financial statements, which in the case of the parent company also includes the adoption of the consolidated financial statements,
- use of the profit shown on the balance sheet,
- election and remuneration of the members of the Board of Directors, the auditor and where necessary, the statutory sustainability reporting assurer, and
- discharging the members of the Board of Directors and the President and CEO from liability.

Furthermore, the authorisation for the Board of Directors to resolve on a share issue or issue of other special rights entitling to shares, the authorisation of the Board of Directors to resolve on the acquisition of the company's own shares, and amendments to the Articles of Association also require a resolution of the general meeting. In addition to annual general meetings, extraordinary general meetings may also be held if required. Depending on the nature of the matter to be resolved, the provisions of the Finnish Companies Act regarding qualified majority as described below, are applied.

The general meeting handles the matters required by the Finnish Companies Act or the Articles of Association or presented to it by the Board of Directors. As a general rule, the general meeting is convened by the Board of Directors. If a shareholder or shareholders of a company controlling at least one tenth (1/10) of all the shares or the company's auditor demands in writing that a certain matter be handled at the general meeting, the Board of Directors must convene the general meeting within one month from the arrival of the demand. Under the Finnish Companies Act, a shareholder may submit a written demand to the Board of Directors to include on the agenda for the next general meeting any matter falling within the competence of the general meeting, provided that the demand is submitted in good time so that it can be included in the notice to the meeting. In a listed company, a demand is always considered to be on time if it is submitted to the Board of Directors no later than four weeks prior to notice being given to a meeting. A proposal by the Nomination and Governance Committee for the composition of the Board of Directors is included in the notice to the general meeting. A proposal by the Board of Directors for the election of the auditor of the company is published in connection with the notice to the general meeting.

Pursuant to the proposed Articles of Association of WISA Group, the notice of a general meeting of shareholders shall be published on the Company's website no earlier than three (3) months prior to the Record Date (as defined below) of the general meeting, and no later than three (3) weeks prior to the general meeting of shareholders, however in any case at the latest nine (9) days before the Record Date of the general meeting of shareholders. To be eligible to participate in a general meeting of shareholders, a shareholder must register with the Company within the period specified in the notice of the meeting, which can be no earlier than ten (10) days prior to the meeting.

Pursuant to the Finnish Companies Act, only the shareholders who have been entered in the company's shareholders' register maintained by Euroclear Finland eight working days before a general meeting (the "**Record Date**") have the right to attend the general meeting. A holder of nominee-registered shares has the right to participate in the general meeting by virtue of such shares based on which they would, on the Record Date, be entitled to be registered in the shareholders' register of the company held by Euroclear Finland. The right of a holder of nominee registered shares to participate in the general meeting requires, in addition, that the shareholder has been registered on the basis of such shares in the temporary shareholders' register of the company held by Euroclear Finland. The notification of temporary entry into the shareholders' register must be submitted no later than on the date specified in the notice to the general meeting, which must be after the Record Date.

Pursuant to the Finnish Companies Act, a shareholder may participate in the general meeting in person or by way of proxy representation. A proxy representative must produce a dated proxy document or otherwise in a reliable manner demonstrate their right to represent a shareholder at the general meeting. When a shareholder participates in the general meeting by means of several proxy representatives representing the shareholder based on shares in different securities accounts, the shares based on which each proxy representative represents the shareholder must be identified in connection with the registration for the general meeting. In addition, each shareholder or proxy representative may have an assistant present at the general meeting.

Voting Rights

A shareholder may attend and vote at a general meeting personally or by using a proxy representative. At the general meeting of WISA Group, each Share of WISA Group entitles its holder to one vote. If a holder of a nominee-registered Share wishes to attend the general meeting and exercise the voting rights attached to such Share, the holder must register for entry in the Company's temporary shareholders' register. A notification for the temporary entry into the shareholders' register must be submitted no later than at the time specified in the notice to the general meeting, which must be after the Record Date of the general meeting. There are no quorum requirements for the general meetings in the Finnish Companies Act or in WISA Group's proposed Articles of Association.

At the general meeting, resolutions generally require the approval of the majority of the votes cast. However, certain resolutions, such as amending the Articles of Association, a directed share issue and, in certain cases, resolutions regarding a merger or demerger of the company, require a two-thirds majority of the votes cast and of the shares represented at the general meeting. However, a majority decision is sufficient for an amendment to the Articles of Association if, on the basis of the amendment, shareholders must be offered the opportunity to fully exercise their decision-making power by means of a telecommunications connection and technical tool during the meeting. In addition, certain resolutions, such as a mandatory redemption of the shares in deviation from the shareholdings of the shareholders, require the consent of all shareholders.

Dividend and Distribution of Equity

Under the Finnish Companies Act, dividends on shares of a Finnish company may only be paid after the general meeting has resolved on the distribution of dividend. As a general rule, the general meeting may not decide to distribute assets in excess of what the Board of Directors has proposed or approved. Pursuant to the Finnish Companies Act, the distribution of dividends must be based on the most recently adopted and audited financial statements. A company may also pay an interim dividend based on the earnings of the ongoing financial year if the extraordinary general meeting adopts new audited financial statements. The payment of dividends requires the approval of the majority of the votes cast at the general meeting. The general meeting may also authorise the Board of Directors to decide on the distribution of dividend.

Pursuant to the Finnish Companies Act, equity is divided into restricted and unrestricted equity. The division between restricted equity and unrestricted equity is relevant in the determination of distributable funds. Share capital and revaluation surplus, fair value reserve and revaluation reserve as defined in the Finnish Accounting Act are restricted equity. The share premium reserve and legal reserve established prior to the entry into force of the current Finnish Companies Act are restricted equity as provided by the Finnish Act on the Implementation of the Companies Act (625/2006, as amended, the "**Finnish Act on the Implementation of the Companies Act**"). Other reserves and the profit of the current and previous financial periods are unrestricted equity. The amount of any dividend or other distribution of assets is limited to the amount of distributable funds. However, no funds may be distributed if at the time of deciding on the distribution it is known or it should be known that the company is insolvent or that the distribution would result in insolvency. Distributable funds include the profit for the financial year, retained earnings from previous financial years and other unrestricted equity, less losses shown on the balance sheet and the amount required by the company's Articles of Association to be left undistributed. The distributable funds must be adjusted as appropriate by the amount of foundation, research and certain development costs capitalised in the balance sheet pursuant to the Finnish Act on the Implementation of the Companies Act (625/2006, as amended).

A dividend or other distribution of assets may not exceed the amount proposed or approved by the Board of Directors unless requested at the extraordinary general meeting by shareholders representing at least ten per cent of the issued shares of a company. If such a request is presented, and sufficient distributable funds are available as described above, the dividend paid must equal at least one half of a company's profit for the financial year, less the amount required by the company's Articles of Association to be left undistributed. The shareholders may request dividend for a maximum amount of eight per cent of the total equity of a company. The possible distributions of dividends for the financial period before the annual general meeting are subtracted from the amount to be distributed.

Dividends and other distributions are paid to shareholders or their nominees who are included in the shareholders' register on the record date of the dividend payment. The shareholders' register of a company whose shares have been entered into the book-entry system is maintained by Euroclear Finland through a relevant book-entry account operator. Under the Finnish book-entry securities system, dividends are paid by account transfers to the accounts of the shareholders appearing in the registry. The right to dividends usually lapses within three years from the payment date of the dividend. The Shares in WISA Group carry equal rights to dividend and other assets distributed by WISA Group (including the distribution of assets in connection with WISA Group's dissolution). In the event of the WISA Group's insolvency, the Shares in WISA Group would, in principle, rank last in the order of priority for payment in any insolvency proceedings.

Own Shares

Under the Finnish Companies Act, a company may acquire or redeem its own shares. Decisions on the acquisition or redemption of a company's own shares must be made by the general meeting and require at least a two-thirds majority of the votes cast and the shares represented at the meeting. The general meeting may also authorise the Board of Directors to decide on an acquisition of the company's own shares using unrestricted equity for a specific period of time, which cannot exceed 18 months. A company may acquire its own shares in a proportion other than that of the shares held by the shareholders only if there is a weighty financial reason for the company to do so. As a general rule, a company may redeem its own shares in a proportion other than that of the shares held by the shareholders only with the consent of all shareholders. A public company's decision to acquire or redeem its own shares or to accept them as pledge may not be made if the treasury shares in the possession of or held as pledges by the company and its subsidiaries exceed ten per cent of all shares. A share held by a company or its subsidiary does not entitle the holder to participate in the general meeting or to dividend distribution.

Mandatory Tender Offer and Redemption Obligation

Under the Finnish Securities Markets Act, a shareholder whose holding in a company exceeds three tenths (3/10) or one half (1/2) of the total voting rights attached to the shares of the company after the commencement of a public quotation of such shares must make a public tender offer for all the remaining shares and securities with an entitlement to the shares issued by the company at fair value. For more information, see section "*The Finnish Securities Market – Regulation of the Securities Market*" of this Prospectus.

Under the Finnish Companies Act, a party holding more than nine tenths (9/10) of all the shares and votes attached to the shares in a company has the right to redeem the shares of the other shareholders of the company at fair value. The Finnish Companies Act provides detailed provisions for the calculation of shares and votes attached thereto. In addition, any minority shareholder whose shares may be redeemed in the aforementioned manner has the right to require such majority shareholder to redeem its shares. If a shareholding constitutes the right and obligation for redemption, the company must immediately have this entered in the Finnish Trade Register. The Redemption Committee of the Finland Chamber of Commerce appoints a requisite number of arbitrators to resolve disputes related to the redemption right and the redemption price. The redemption price of the share must be determined according to the fair value at the time preceding the initiation of the arbitration proceedings.

Transfer Through the Finnish Book-Entry Securities System

When selling shares incorporated in the book-entry securities system, the shares are transferred by wire transfer from the seller's book-entry account to the buyer's book-entry account. For the purpose of the sale, allocation data is entered into Euroclear Finland's automated clearing and settlement system (Infinity T2S system) and, if necessary, a reservation regarding the book-entry securities is entered into the book-entry account. The transaction is recorded as a pre-trade until it has been cleared and the shares have been paid, after which the buyer is automatically entered into the company's shareholders' register. Trades are normally cleared in the Infinity T2S system on the second banking day after the trade date unless otherwise agreed by the parties. If the shares are nominee registered and the shares of both the seller and the buyer are held in the same custodial nominee account, the sale of shares does not cause any entries to the book-entry system unless the custodial nominee account holder changes or the shares are transferred from such custodial nominee account as a result of a sale.

Foreign Exchange Control

The shares of a Finnish limited liability company may be purchased by non-residents of Finland without any separate Finnish exchange control consent. Non-residents may also receive dividends without separate Finnish exchange control consent, but the Finnish limited liability company is generally required to withhold tax on the transfer of assets out of Finland unless an agreement for avoiding double taxation whose provisions prevent the withholding of tax on the transfer of assets applies. Non-residents who have acquired shares in a Finnish limited liability company may receive shares pursuant to a bonus issue or through participation in a rights issue without separate Finnish exchange control consent. The shares of a Finnish limited liability company may be sold in Finland by non-residents, and the proceeds of such sales may be transferred out of Finland in any convertible currency. There are no exchange control regulations in force in Finland restricting the sale of shares in a Finnish limited liability company by non-residents to other non-residents.

THE FINNISH SECURITIES MARKET

The following is an overview of the Finnish securities market, including a brief summary of certain Finnish laws and regulations in effect as at the date of this Prospectus, affecting WISA Group as a company listed on Nasdaq Helsinki. The summary is not intended to provide a comprehensive description of all laws and regulations affecting WISA Group and should not be considered exhaustive. Moreover, the laws, rules, regulations and procedures summarised below may be amended or reinterpreted.

Trading in Securities and Clearing on Nasdaq Helsinki

Trading in and clearing of securities on Nasdaq Helsinki take place in euro. The minimum price increment in which prices are quoted (tick size) depends on the tick size table of the share and is at a minimum of EUR 0.0001. Price information is produced and published only in euro.

Nasdaq Helsinki uses the automatic trading platform INET Nordic. INET Nordic is an order-based system in which orders are executed when price and volume information and other conditions match. INET Nordic continuously broadcasts trading information. The information is displayed in real time in the form of order books, concluded trades, index information and different kinds of reports, for instance. Nasdaq Helsinki has three principal trading sessions: pre-open session, continuous trading and post-trading session. The pre-open session for shares begins at 9:00 a.m. (all times in this section are stated in Finnish time) and ends at 9:45 a.m., during which orders may be placed, changed or cancelled. The opening call begins at 9:45 a.m. and ends at 10:00 a.m. Continuous trading begins immediately after the opening call ends at 10:00 a.m., and trading based on market demand continues until 6:25 p.m., when the closing call is initiated. Orders entered during the pre-open session and existing orders with several days' validity are automatically transferred into the opening call. The closing auction begins at 6:25 p.m. and ends at approximately 6:30 p.m. Post-trading, during which contract transactions for shares can be registered as after-hours trading in confirmed prices within the price limits based on the day's trading, and the cancellation of orders as well as their restricted amendments are permitted, takes place between 6:30 p.m. and 7:00 p.m.

Trades are normally cleared in Euroclear Finland's automated clearing and settlement system (Infinity T2S system) on the second banking day after the trade date (T + 2) unless otherwise agreed by the parties. Nasdaq Helsinki is a part of the Nasdaq, Inc. ("**Nasdaq**"). Nasdaq offers trading across multiple asset classes, and its technology supports the operations of over 90 marketplaces in 50 countries. Nasdaq also owns and maintains the stock exchanges in Stockholm, Copenhagen, Reykjavik, Tallinn, Riga and Vilnius. Each country has its own regulated market and country-specific listing requirements. Nasdaq's Nordic List (the "**Nordic List**") was launched in 2006 and consists of shares listed on the exchanges in Helsinki, Copenhagen, Stockholm and Reykjavik. Through the Nordic List, the listing requirements for companies and the way of presenting the listed companies have been harmonised. On the Nordic List, companies are presented first by their market capitalisation and then by their industry sector irrespective of the domicile of the issuer. The market capitalisation classification is divided into three categories: large companies (Large Cap), mid-sized companies (Mid Cap), and small companies (Small Cap). Within each market capitalisation segment, issuers are sorted by their industry sector according to the Industry Classification Benchmark (ICB). Issuers belonging to the same industry sector are placed in the same industry sector segment in alphabetical order.

Regulation of the Securities Market

The securities market in Finland is supervised by the FIN-FSA. The principal statutes governing the Finnish securities market are the Finnish Securities Markets Act, which contains regulations with respect to, among other things, company and shareholder disclosure obligations, such as the flagging obligation, prospectuses and public tender offers, and the Prospectus Regulation, which contains regulation relating to, among others, the duty to prepare a prospectus and its contents. Furthermore, the Market Abuse Regulation ((EU) No 596/2014, "**MAR**") regulates insider dealing, the unlawful disclosure of inside information, market manipulation and the public disclosure of inside information. MAR establishes a uniform regulatory framework for the market abuse regime in the EU. The FIN-FSA, the Finnish Ministry of Finance and Nasdaq Helsinki have issued more detailed regulations, rules and guidelines under the Finnish Securities Markets Act. The FIN-FSA monitors that operators in financial markets comply with applicable financial market rules, delegated regulations, the conditions of their licences and the rules governing their activities, and it can issue more detailed regulations and guidelines under the Finnish Securities Markets Act and other laws.

The Finnish Securities Markets Act and the Prospectus Regulation, jointly with the Commission Delegated Regulation (EU) 2019/980, specify the minimum disclosure requirements for companies applying to be listed on Nasdaq Helsinki or making a public offering of securities in Finland. The information provided must be sufficient to enable a potential investor to make an informed assessment of the securities offered, the issuer of the securities and the factors that may materially affect the value of the securities. An issuer of a security subject to public trading is obliged to provide financial information of the issuer regularly and, pursuant to the MAR, disclose to the public as soon as possible any inside information which directly concerns the issuer. The issuer may delay the disclosure of inside information to the public if all of the conditions set out in the MAR are met. Information disclosed must be sufficient to enable investors to make an informed assessment of the security and the issuer thereof.

The Finnish Criminal Code (39/1889, as amended) contains provisions relating to the misuse and unlawful disclosure of inside information, market manipulation and the breach of disclosure requirements. A breach of these provisions constitutes a criminal offence. Pursuant to the MAR, the Finnish Securities Markets Act and the Finnish Act on the Financial Supervisory Authority (878/2008, as amended), the FIN-FSA has the right to impose administrative sanctions to the extent the offence does not fall within the scope of the Finnish Criminal Code. The FIN-FSA may, for example, issue a public warning or impose an administrative fine or penalty payment for the breach of disclosure requirements or public tender offer, insider register or market abuse provisions. The disciplinary board of Nasdaq Helsinki may give a warning or note or impose a disciplinary fine or order a company to be removed from the regulated market.

A shareholder of a Finnish listed company is required, without undue delay, to notify said company and the FIN-FSA when its voting interest in or its percentage ownership of the total number of shares in said company, calculated in accordance with the Finnish Securities Markets Act, reaches, exceeds, or falls below 5 per cent, 10 per cent, 15 per cent, 20 per cent, 25 per cent, 30 per cent, 50 per cent, 66.67 per cent (2/3), or 90 per cent, or when it has on the basis of a financial instrument the right to receive an amount of shares that reaches, exceeds or falls below any such threshold. When a Finnish listed company receives information indicating that an ownership or voting interest has reached, exceeded or fallen below any of these thresholds, it must, without undue delay, publish such information and disclose it to Nasdaq Helsinki and to the main media. If a shareholder violates its obligation to notify the relevant parties of a voting interest or ownership, the FIN-FSA may, based on a weighty reason, prohibit the shareholder from using its right to vote and be represented at the general meeting for the shares to which the violation relates.

Pursuant to the Finnish Securities Markets Act, a shareholder whose proportion of voting rights in a listed company exceeds three tenths (3/10) or one half (1/2) of the total voting rights attached to the shares of the company, calculated in accordance with the Finnish Securities Markets Act, after the commencement of a public quotation of such shares must make a public tender offer for all the remaining shares and securities with an entitlement to its shares issued by the company at fair value. If the securities leading to the exceedance of the thresholds referred to above have been acquired through a public tender offer on all shares and securities entitling to the shares issued by the target company, the obligation to make a tender offer will not arise. If a company has two (2) or more shareholders whose holdings of voting rights exceed the above-mentioned limit, only the shareholder with the most voting rights is required to make a tender offer. If the proportion of votes described above is exceeded solely due to measures taken by the target company or other shareholders, the obligation to make a tender offer for the shareholder will not arise until they acquire or subscribe for more shares in the target company or otherwise increase their proportion of votes in the target company. If the above-mentioned limit is exceeded due to the shareholders acting in concert when making a voluntary tender offer, the obligation to make a tender offer is not triggered if the acting in concert is limited to such tender offer only. There is no obligation to make a tender offer if a shareholder or another party who is acting in concert with such shareholder gives up its voting rights in excess of the above-mentioned limit within one (1) month after such limit is exceeded, provided that the shareholder publishes its intention to give up such voting rights and does not use its voting rights during such time.

Under the Finnish Companies Act, a shareholder holding shares representing more than nine tenths (9/10) of all the shares in a company and of the votes conferred by the shares has the right to redeem the shares of the other shareholders of the company at fair value. In addition, any minority shareholder whose shares may be redeemed by the majority shareholder in the aforementioned manner has the right to require the shareholder entitled to redeem its shares. The Finnish Companies Act includes detailed rules that apply to the calculation of the specified proportions of shares and votes of a majority shareholder.

Under the Finnish Securities Markets Act, a Finnish listed company must directly or indirectly belong to an independent body established in Finland that broadly represents the business sector and has, in order to promote compliance with good securities markets practice, issued a recommendation which relates to the actions of the management of the target company regarding a public takeover bid (the "**Helsinki Takeover Code**"). Pursuant to the Finnish Securities Markets Act, a listed company must provide an explanation for not being committed to complying with the Helsinki Takeover Code.

Net short positions relating to shares tradable on Nasdaq Helsinki must be disclosed to the FIN-FSA in accordance with Regulation (EU) No 236/2012 of the European Parliament and of the Council of 14 March 2012 on short selling and certain aspects of credit default swaps and Commission Delegated Regulation (EU) 2022/27 of 27 September 2021 amending Regulation (EU) No 236/2012 of the European Parliament and of the Council as regards the adjustment of the relevant threshold for the notification of significant net short positions in shares. The obligation to notify net short positions applies to all investors and market participants. A net short position in relation to the shares of a company that has shares admitted to trading on a regulated market must be disclosed where the position reaches, exceeds or falls below the threshold of 0.1 per cent of the target company's issued share capital. A new notification must be submitted for each 0.1 percentage point above the threshold. The FIN-FSA publishes the notified net short positions on its website if the net short position reaches, exceeds or falls below 0.5 per cent of the issued share capital of the target company.

Book-Entry Securities System

General

Any issuer established in the EU that issues or has issued transferable securities that are admitted to trading or traded on trading venues must arrange for such securities to be represented in book-entry form. The issuer has the right to choose the central securities depository where the securities are admitted to trading. The central securities depository maintains the book-entry system. In Finland, the central securities depository is Euroclear Finland, which provides national clearing and registration services for securities. Euroclear Finland maintains a centralised book-entry securities system for both equity and debt securities. The visiting address of Euroclear Finland is Itämerenkatu 25, FI-00180, Helsinki, Finland.

Euroclear Finland maintains, on behalf of the issuers, issuer-specific shareholders' registers of companies entered into the book-entry system. The account operators consist, for instance, of credit institutions, investment service firms and other institutions licensed to act as clearing parties by the central securities depository. The account operators administer the book-entry accounts and are entitled to make entries in the book-entry accounts.

Registration Procedure

In order to hold entries in the book-entry system, all shareholders of companies that have joined the book-entry system or such holder's nominee must establish a book-entry account with an account operator or register their shares through a nominee registration process in order to effect share entries. Finnish shareholders are not allowed to hold their shares through nominee registration in Finland. Non-Finnish shareholders may deposit book-entries in a custodial nominee account, where the shares are registered in the name of a custodial account holder in the company's shareholders' register. A custodial nominee account must contain information on the custodial account holder instead of the beneficial owner and indicate that the account is a custodial nominee account. Book-entry securities owned by one or more beneficial owners may be registered in a custodial nominee account. In addition, shares owned by a non-Finnish foreigner, foreign entity or foreign trust may be registered in a book-entry account opened in the name of such foreigner, foreign entity or foreign trust, but the holding may be registered in the name of a nominee in the company's shareholders' register. For shareholders who have not transferred their shares into book-entries, a joint book-entry account is opened with the central securities depository, and the issuer is entered as the account holder. All transactions in securities registered with the book-entry securities system are executed as computerised book-entry transfers. The account operator confirms a book-entry transfer by sending notifications of all transactions to the holder of the respective book-entry account. Account holders also receive an annual statement of their holdings at the end of each calendar year.

Each book-entry account is required to contain specified information with respect to the account holder and other holders of rights to the book-entries entered into the account and information on the account operator administering the book-entry account. In addition to this, the book-entry account must contain information with respect to the type and number of book-entry securities registered and the rights and restrictions pertaining to the account and to the book-entry securities registered in the account. A nominee account is identified as such on the entry. Euroclear Finland and all account operators are bound by strict confidentiality requirements, although certain register-related information (for example the name and address of each account holder) is public, except in the case of nominee registration. The FIN-FSA is entitled to receive certain information on nominee registrations upon request. However, a company must keep the shareholders' register accessible to everyone at the head office of the company or, if the company's shares are incorporated in the book-entry system, at the registered office of the central securities depository in Finland, except in the case of nominee registration.

Each account operator is strictly liable for errors and omissions in the registers it maintains and for breach of the confidentiality obligation. If an account holder has suffered a loss as a result of a faulty registration or an amendment to or deletion of rights in respect of registered securities, and the relevant account operator is unable to compensate for such loss due to insolvency that is not temporary, such account holder is entitled to compensation from the statutory registration fund of Euroclear Finland. The capital of the registration fund must be at least 0.0048 per cent of the average of the total market value of the book-entries kept in the book-entry system during the last five calendar years and it must be at least EUR 20 million. The compensation to be paid to an injured party is equal to the amount of damages suffered from a single account operator subject to a maximum amount of EUR 25,000 per account operator. The liability of the registration fund to pay damages in relation to each individual incident is limited to EUR 10 million.

Custody of the Securities and Nominee Registration

A non-Finnish shareholder may appoint an account operator (or certain other Finnish or non-Finnish organisations approved by the central securities depository) to act as a custodial nominee account holder on its behalf. A custodial nominee account holder is entitled to receive dividends and to exercise all share subscription rights and other financial and administrative rights attached to the shares held in its name on behalf of the shareholder. A holder of nominee-registered shares wishing to attend and vote at general meetings must be notified for a temporary entry in the shareholders' register no later than the date set out in the notice to convene the meeting, which date must be subsequent to the Record Date of the relevant general meeting. A holder of nominee-registered shares temporarily registered in the shareholders' register will be deemed to have registered for the meeting and no further registration is required provided that such holder of nominee-registered shares would be entitled, by virtue of such shares, to be registered in the shareholders' register of the company held by Euroclear Finland on the Record Date. When the holder of nominee-registered shares is known, a custodial nominee account holder is required, on request, to disclose to the FIN-FSA and the relevant company the identity of the holder of the shares registered in its name and the number of shares owned by such holder of nominee-registered shares. If the identity of the holder of nominee-registered shares is not known, the custodial nominee account holder is required to disclose the identity of the representative acting on behalf of the holder of nominee-registered shares and the number of shares held and to submit a written declaration to the effect that the holder of the nominee-registered shares is not a Finnish natural person or legal entity.

Finnish depositories for both Euroclear Bank, S.A./N.V. – the operator of Euroclear Finland – and Clearstream have custodial accounts within the book-entry securities system, and, accordingly, non-Finnish shareholders may hold their shares listed on Nasdaq Helsinki in their accounts in Euroclear Bank, S.A./N.V. and in Clearstream.

Shareholders who wish to hold their shares in the book-entry securities system in their own name and who do not maintain a book-entry account in Finland are required to open a book-entry account through an authorised account operator in Finland and a convertible euro account at a bank.

Compensation Fund for Investors and Deposit Insurance Funds

The Finnish Act on Investment Services (747/2012, as amended, the "**Finnish Act on Investment Services**") sets forth a compensation fund for investors. Under the act, investors are divided into professional and non-professional investors. The fund does not cover losses incurred by professional investors. The definition of professional investor includes business enterprises and public entities, which can be deemed to be familiar with the securities markets and the associated risks. An investor may also provide a written notice that, on the basis of their professional skills and experience in investing, they are a professional investor; however, natural persons are presumed to be non-professional investors.

Investment firms and credit institutions must belong to the compensation fund. The compensation fund secures the payment of clear and indisputable claims in cases where an investment firm or credit institution has been declared bankrupt, undergoing corporate restructuring proceedings, or otherwise, for a reason other than temporary insolvency, is not able to pay claims within a determined period of time. For valid claims, the compensation fund will pay 90 per cent of the investor's claim against each investment firm or credit institution, up to a maximum of EUR 20,000. The compensation fund does not provide compensation for losses attributable to decreases in share value or bad investment decisions. Accordingly, investors continue to be liable for the consequences of their own investment decisions.

Pursuant to the Finnish Act on the Financial Stability Authority (1195/2014, as amended), depositary banks must belong to a deposit guarantee scheme, which is intended to safeguard payments of receivables in the depositary bank's account or receivables in the forwarding of payments that have not yet been entered into an account if the depositary bank becomes insolvent and the insolvency is not temporary. The customers of a depositary bank can be compensated by the deposit insurance fund up to a maximum of EUR 100,000. An investor's assets may be safeguarded either by the deposit insurance fund or the compensation fund. However, an investor's funds may not be safeguarded by both funds at the same time.

TAXATION

The following summary is based on the tax laws, case law and tax practice of Finland as in effect on the date of this Prospectus. Any changes in tax laws, case law and tax practice may affect taxation and they may also have a retroactive effect on tax consequences. The following summary is not exhaustive and does not take into account or deal with the tax laws, case law or tax practice of any country other than Finland. The following description does not address any tax consequences applicable to shareholders that may be subject to special tax rules, including, among others, different restructurings of corporations, controlled foreign corporations, non-business carrying entities, income tax-exempt entities, investment funds or general or limited partnerships. Furthermore, this description addresses neither Finnish inheritance nor gift tax consequences.

Prospective investors are advised to consult their own professional tax advisers as to the Finnish and foreign tax consequences of the Demerger and the purchase, ownership and disposition of the Demerger Consideration Shares. The tax legislation of prospective investors' state of tax residence may have an impact on the income received from the Demerger Consideration Shares. Prospective investors who may be affected by the tax laws of other jurisdictions are advised to consult their tax advisers with respect to the tax consequences applicable to their particular circumstances.

Finnish Taxation

The following is a general description of certain Finnish tax consequences that may be relevant with respect to the Demerger. The following description of Finnish domestic tax legislation relating to the Demerger, dividend distributions and capital gains arising from the sale of Demerger Consideration Shares is applicable to both Finnish resident and non-resident shareholders.

This description is based primarily on the following acts:

- The Finnish Income Tax Act (1535/1992, as amended);
- The Finnish Business Income Tax Act (360/1968, as amended);
- The Finnish Act on Taxation of Non-residents' Income (627/1978, as amended);
- The Finnish Tax Prepayment Act (1118/1996, as amended);
- The Finnish Value Added Tax Act (1501/1993, as amended);
- The Finnish Transfer Tax Act (931/1996, as amended); and
- The Finnish Act on Assessment Procedure (1558/1995, as amended).

In addition, relevant case law as well as decisions and statements made by the tax authorities in effect and available on the date of this Prospectus have been taken into account.

All of the foregoing is subject to change. The changes could affect the tax consequences described below and may also be applicable retroactively.

Finnish taxation is affected by international regulation. Member states of the EU have been required to implement global minimum tax rules in accordance with Directive (EU) 2022/2523 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union by 31 December 2023. In Finland, the Finnish Act on the Minimum Tax Rate for Large-Scale Corporate Groups (1308/2023) entered into force on 1 January 2024, and it is applied to fiscal years beginning on or after 31 December 2023 provided that the annual revenue according to the consolidated financial statements of the ultimate parent company within the meaning of the Act amounted to at least EUR 750,000,000 in at least two of the four fiscal years immediately preceding the fiscal year in question. The lack of specific dispute resolution procedures related to the global minimum taxation could increase the risk of long-standing tax disputes and double taxation. Furthermore, the OECD multilateral instrument, including the so-called principal purpose test, could increase uncertainty with respect to application of tax treaties. The OECD has made amendments to its guidance on the application of the arm's length principle (within the Pillar 1 project), which may cause changes to the application of transfer pricing regulations.

General

The scope of taxation in Finland is defined by the tax liability position of a taxpayer. Finnish residents are subject to Finnish taxation on their worldwide income (unlimited tax liability). Non-residents are taxed only on Finnish source income (limited tax liability). In addition, any income received by a non-resident from a permanent establishment located in Finland is subject to taxation in Finland. Tax treaties binding on Finland may restrict the applicability of Finnish domestic tax legislation and the taxation of non-resident's Finnish source income in Finland.

Generally, a natural person is deemed a resident of Finland for tax purposes if the person stays in Finland for more than six consecutive months or if the permanent home and abode of the person is in Finland. A Finnish citizen is deemed a resident of Finland for tax purposes during the year he or she has emigrated from Finland and three subsequent years unless he or she proves that no essential ties to Finland existed during the relevant tax year. Earned income is taxed at progressive tax rates. Capital income up to EUR 30,000 per calendar year is taxed at a rate of 30 per cent and, if the overall capital income exceeds EUR 30,000 during a calendar year, the tax rate for the exceeding amount is 34 per cent.

Corporate entities established under the laws of Finland and corporate entities established or registered abroad having their place of effective management in Finland are regarded as tax residents of Finland and thus subject to corporate income tax on their worldwide income. Non-resident corporate entities are subject to corporate income tax on the income attributable to their permanent establishments located in Finland. The current corporate income tax rate is 20 per cent. The Finnish Government intends to lower the corporate tax income rate to 18 per cent, potentially from 1 January 2027 onwards (Government's publication Growth measures of the mid-term policy review session, published 23 April 2025). As at the date of this Prospectus, however, no government proposal regarding this reduction has yet been submitted to the Parliament.

The following is a summary of certain Finnish tax consequences relating to the acquisition, ownership and disposal of the Demerger Consideration Shares by Finnish resident and non-resident shareholders, as well as of general tax consequences of the Demerger.

Tax Implications of the Demerger

A partial demerger is a corporate reorganisation in which a company transfers one or several business units to one or several companies and leaves at least one business unit in the demerging company. In accordance with Section 52 c of the Finnish Business Income Tax Act, such a partial demerger is tax neutral, which means that from a taxation viewpoint, the company does not dissolve. The shareholders of the demerging company will receive shares in the receiving company as demerger consideration, the number of which will be equal to their ownership in the demerging company.

UPM has received a binding advance tax ruling from the Finnish Tax Administration according to which the Demerger will be treated as an income tax neutral partial demerger as defined in Section 52 c of the Finnish Business Income Tax Act.

As a main rule, the acquisition cost of shares in a demerging company is allocated between the shares in the demerging company and shares in the receiving company in accordance with the net assets of the respective companies calculated in accordance with the Finnish Act on Valuation of Assets for Tax Purposes (1142/2005, as amended). The acquisition cost of shares in the demerging company is such portion of the acquisition costs that represents the portion of the net assets that remain with the demerging company. The acquisition cost of shares in the receiving company is such portion of the acquisition costs that represents the portion of the net assets that are transferred to the receiving company.

However, if it is apparent that the proportion of the net assets remaining with the demerging company and transferring to the receiving company materially deviates from the market value of the shares in the demerging company and the receiving company, respectively, the acquisition cost of the shares will be divided proportionally according to the market values of the shares in the demerging company and the receiving company. The Finnish tax authorities have considered a deviation of at least approximately 20 per cent to be material.

The allocation of the acquisition cost of shares in UPM and WISA Group, respectively, can be determined only after the calculations presenting the allocation of net assets between UPM and WISA Group as well as the weighted average price of the shares in UPM and WISA Group, respectively, on the first trading day and the corresponding weighted average price of the shares on the first five trading days are known. Trading of Shares on the regulated market of Nasdaq Helsinki is expected to commence on the first business day following the Effective Date or as soon as reasonably possible thereafter.

The Demerger should not affect the taxation of dividends, if any, to be paid to the shareholders of UPM.

A demerger that is considered tax neutral under Finnish tax legislation and that is carried out in accordance with Chapter 17 of the Finnish Companies Act will not cause any transfer tax consequences for the shareholders of the demerging or receiving company when the demerger consideration is paid in new shares of the receiving company.

The deductible expenses relating to the transferring business units will be deducted in the taxation of the receiving company as they would have been deducted in the taxation of the demerging company (principle of continuity).

Following a demerger, any possible tax losses that have been confirmed as deductible in the taxation of the demerging company will transfer to the receiving company to the extent that it is apparent that those losses have occurred in the business of the transferring units. Other carry forward tax losses will be transferred proportionally with the net assets of the companies. However, the receiving company's right to deduct the transferred losses in its taxation requires that the receiving company or its shareholders have owned more than half of the demerging company's shares since the beginning of the year during which the loss occurred. The Finnish Government intends to extend the right to deduct tax losses from the current 10 years to 25 years, starting from confirmed losses in the 2026 tax year. As at the date of this Prospectus, however, no government proposal regarding this extension has yet been submitted to the Parliament.

A demerger, as a general succession, is outside the scope of the Finnish Value Added Tax Act, which means that the Demerger will not have any immediate value added tax consequences.

Taxation of Dividends and Equity Returns

Finnish Resident Individuals

85 per cent of dividends received by a natural person resident in Finland from a listed company is taxable as capital income, whereas 15 per cent is tax-exempt income. The current applicable tax rate is 30 per cent for capital income of up to EUR 30,000 per calendar year and 34 per cent for any amount exceeding EUR 30,000 per calendar year.

When a listed company distributes dividends to individuals, the listed company is obligated to withhold tax prepayment on the dividend payments. As at the date of this Prospectus, the tax withholding is 25.5 per cent of the amount of the dividend. The tax prepayment withheld by the distributing company is credited against the final tax payable for the tax year by the recipient of the dividend. Dividends paid to nominee-registered shares are subject to 50 per cent tax withholding if the payor of the dividend or the registered custodian does not receive or cannot provide the Finnish Tax Administration with the identifying information on the dividend recipient, as specified in the Finnish Act on Assessment Procedure, if the dividend recipient is a Finnish tax resident (please see further information on the TRACE procedure in the section "*– Non-resident Individuals*" below).

Finnish tax resident individuals must check from their pre-completed tax return that the dividend information has been correctly reported, and, when necessary, correct the right amount of dividends and tax withholding into the tax return.

The dividends paid on the shares held on an equity savings account are considered profits of the equity savings account. Thus, the profits are treated as taxable capital income when the profits are withdrawn from the equity savings account in the taxation of the Finnish tax resident individual. Please see further information on the taxation of profits of the equity savings account in the section "*– Taxation of Capital Gains – Finnish Resident Individuals*" below.

Finnish Resident Corporations

The tax treatment of dividends distributed by a listed company varies depending on whether the Finnish company receiving the dividend is a listed company or a non-listed company.

Dividends received by a listed company from another listed company are generally exempt from tax. However, in case the underlying Finnish shares belong to the investment assets of such a shareholder, 75 per cent of the dividend received by the listed company is taxable income and 25 per cent is tax-exempt income. Only financial, insurance and pension institutions may have investment assets. The effective tax rate in these situations is 15 per cent.

If the recipient is a non-listed company, the dividends received by it are fully subject to corporate income tax if the shareholder does not directly own at least 10 per cent of the share capital of the distributing company. If the direct ownership is at least 10 per cent at the time the dividend is distributed, the dividend received on such shares is tax exempt. However, if a non-listed company receives a dividend from shares of a Finnish company included in its investment assets, 75 per cent of the dividend is taxable income and 25 per cent is tax exempt regardless of the ownership threshold.

Dividends paid to nominee-registered shares are subject to 50 per cent tax withholding if the payor of the dividend or the registered custodian does not receive or cannot provide the Finnish Tax Administration with the identifying information on the dividend recipient, as specified in the Finnish Act on Assessment Procedure, if the dividend recipient is a Finnish tax resident (please see further information on the TRACE procedure in the section "*– Non-resident Companies*").

Non-resident Individuals

Dividends paid by a Finnish company to non-residents are subject to Finnish withholding tax. The withholding tax as a final tax at source should be withheld by the company distributing the dividend at the time of dividend payment. The withholding tax rate for dividend received by a non-resident individual shareholder is 30 per cent, unless otherwise set forth in an applicable tax treaty. Any Finnish withholding tax withheld in excess can be applied to be refunded by the Finnish Tax Administration provided that the non-resident individual shareholder can prove to be entitled to a lower withholding tax rate under the applicable tax treaty. Any Finnish withholding tax will be taken into consideration in the state of residence of the individual in accordance with the local tax laws and applicable tax treaty, if any.

Finland has entered into double tax treaties with many countries pursuant to which the withholding tax rate is reduced on dividends paid to persons entitled to the benefits under such treaties. For example, in the case of tax treaties with the following countries, Finnish withholding tax regarding dividends of portfolio shares is generally reduced to the following rates: Austria: 10 per cent; Belgium: 15 per cent; Canada: 15 per cent; Denmark: 15 per cent; France: 0 per cent (rising to 15 per cent upon application of the new tax treaty); Germany: 15 per cent; Ireland: 0 per cent; Italy: 15 per cent; Japan: 15 per cent; the Netherlands: 15 per cent; Norway: 15 per cent; Spain: 15 per cent; Sweden: 15 per cent; Switzerland: 10 per cent; the United Kingdom: 0 per cent; and the United States: 15 per cent (0 per cent for certain pension funds). This list is not exhaustive. A further reduction in the withholding tax rate is usually available to corporate shareholders for dividend distributions on qualifying holdings (usually ownership of at least 10 or 25 per cent of the share capital or voting rights of the distributing company). The benefit of a reduced withholding rate in an applicable tax treaty will be available already at the time of dividend payment, however, only if the person beneficially entitled to the dividend has provided the payer of the dividend with the necessary details on the applicability of the tax treaty.

The withholding tax treatment of the dividends paid on nominee registered shares was amended on 1 January 2021 when Finland introduced a procedure based on the OECD's TRACE model (Treaty Relief and Compliance Enhancement). The register of Authorised Intermediaries has replaced the former foreign custodian register. Moreover, the former simplified procedure applied to the nominee-registered shares no longer applies to the dividends paid on the nominee-registered shares. Instead of the general Finnish tax rates (20 per cent or 30 per cent) or the reduced withholding tax rates under the tax treaty, a withholding tax at a rate of 35 per cent is levied on the dividends paid on the nominee-registered shares in case the payor of the dividend or the registered custodian does not receive the identifying information on the dividend recipient. Excess withholding tax may be refunded by the Finnish Tax Administration upon separate application, provided that the non-resident shareholder proves to be entitled to a lower withholding tax rate under the local Finnish tax laws, or an applicable tax treaty.

No withholding tax is levied on dividends paid for shares kept on a Finnish equity savings account. The dividends paid for shares kept on a Finnish equity savings account constitute proceeds of the equity savings account. The withholding tax may not be levied on the dividends paid to a foreign equity savings account of non-resident individual investors provided that the characteristics of the foreign equity savings account correspond adequately with the Finnish equity savings account. In such case, the dividends paid on the shares held on an equity savings account should be considered profits of the equity savings account. However, based on the current taxation praxis, the foreign equity savings accounts are rather rarely equated with the Finnish equity savings accounts. For the taxation of the proceeds of equity savings accounts, please see "– *Taxation of Capital Gains*" below.

Under certain conditions, non-resident individuals residing in a country within the EEA may request that the provisions of the Finnish Act on Assessment Procedure are applied instead of withholding a final dividend withholding tax at source. In such case, the dividend taxation is carried out through assessment in the same manner as set out in section "– *Finnish Resident Individuals*" above.

Non-resident Companies

As a general rule, non-residents of Finland are subject to Finnish withholding tax on dividends paid by a Finnish company. The withholding tax is withheld by the company distributing the dividend at the time of dividend payment and no other taxes on the dividend are payable in Finland. The withholding tax rate is 20 per cent for non-resident corporate entities as dividend income recipients. The withholding tax may be reduced or removed under an applicable tax treaty, as described in section "– *Non-resident Individuals*" above. Instead of the general withholding tax rate or the reduced withholding tax rate under the tax treaty, a withholding tax of 35 per cent is levied on dividends paid on the nominee-registered shares in case the payor of the dividend or the registered custodian does not receive the required identifying information on the dividend recipient.

No withholding tax shall be levied on dividends paid to non-resident corporate entities that reside, and are subject to corporate tax in their home state, in a member state of the EU, as defined in Article 2 of the Parent Subsidiary Directive (2011/96/EU, as amended), if the recipient company directly holds at least 10 per cent of the share capital of the dividend distributing Finnish company and further meets the other prerequisites set out in the Parent Subsidiary Directive.

Dividends paid to certain foreign corporate entities resident within the EEA may qualify for a complete exemption from Finnish withholding taxation or may be subject to withholding taxation at a reduced rate, depending on how the dividend would have been taxed, had it been paid to a corresponding Finnish entity. No withholding tax shall be levied in Finland on dividends distributed by a Finnish company to a non-resident entity if (i) the entity receiving dividend resides in the EEA; (ii) the Council Directive 2011/16/EU on administrative cooperation in the field of taxation and repealing Directive 77/799/EEC, as amended by the Council Directive (EU) 2015/2376 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation or an agreement on mutual assistance and information exchange in tax matters applies to the home state of the recipient of the dividend; (iii) the company receiving a dividend is equivalent to a Finnish entity defined in the Finnish Income Tax Act, Section 33 d, Subsection 4, or Section 6 a of the Finnish Business Income Tax Act; (iv) the dividend would be fully tax exempt if paid to a Finnish corresponding corporation or entity (see "*– Finnish Resident Corporations*" above); and (v) the entity establishes (with a certificate from the home member state's tax authority) that in accordance with the treaty on avoiding double taxation concluded between Finland and the home state of the recipient of dividends, the withholding tax cannot de facto be credited in full.

Rulings of the European Court of Justice (Joined Cases C-116/16 and C-117/16 and Joined Cases C-115/16, C-118/16, C-119/16, C-299/16) regarding the concept of beneficial owner for EU law purposes may have implications on Finnish tax legislation going forward, which may result in, inter alia, additional criteria being set to obtain a preferential dividend withholding tax rate.

Notwithstanding the aforementioned, the dividend is only partly tax exempt if the shares belong to the investment assets of the recipient corporate entity, and that corporate entity is not a corporate entity defined in the Parent Subsidiary Directive holding directly at least 10 per cent of the capital of the distributing company. In this case, the applicable withholding tax rate is generally 15 per cent. A prerequisite for this tax treatment is that the recipient corporate entity has its registered office in a state fulfilling the conditions (i) and (ii) above and that the entity fulfils the conditions set out under (iii) above. Depending on the applicable tax treaty on avoiding double taxation, the withholding tax rate may also be lower than 15 per cent.

Any Finnish withholding tax withheld in excess can be applied to be refunded by the Finnish Tax Administration provided that the non-resident corporate entities as income receivers can prove to be entitled to a lower withholding tax rate under the applicable tax treaty. Any Finnish withholding tax will be taken into consideration in the state of residency of the non-resident corporate entity in accordance with the local tax laws and applicable tax treaty, if any.

Taxation of Capital Gains

Finnish Resident Individuals

Capital gains arising from the sale of shares are taxed as capital income of the Finnish resident individual. The current tax rate applied to capital gains is 30 per cent for capital income of up to EUR 30,000 per calendar year and 34 per cent for any amount exceeding EUR 30,000 per calendar year. If the disposition of shares is connected to business activities (business income source) of the seller, any gain arising from the sale is deemed to be the seller's business income, which will be divided according to the Finnish Income Tax Act to be taxed as earned income at a progressive tax rate and capital income at a rate of 30 per cent (however, should the overall capital income exceed EUR 30,000 during a calendar year, the tax rate for the exceeding amount is 34 per cent).

Individuals may deduct capital losses arising from the sale of shares, such as the Demerger Consideration Shares, primarily from capital gains and secondarily from other capital income arising in the same tax year and the following five tax years. Capital losses will not be taken into account when calculating the capital income deficit for the tax year in question, and it does not hence entitle to a deficit credit.

Capital gains and losses are calculated as the difference between the sales price and the aggregate of the original acquisition cost and sales-related expenses. Alternatively, individuals may choose to apply the presumptive acquisition cost instead of the actual acquisition cost for the shares. As the presumptive acquisition cost, 20 per cent is deducted from the sales price but, if the shareholder has held the shares for at least 10 years, the presumptive acquisition cost is 40 per cent of the sales price. If the presumptive acquisition cost is applied instead of the actual acquisition cost, all expenses arising from acquiring the gains are deemed to be included in the presumptive acquisition cost and, therefore, cannot be deducted separately from the sales price.

Notwithstanding the above, capital gains arising from the sale of assets, such as the Demerger Consideration Shares, are exempt from tax, provided that proceeds of all assets sold by the resident individual during the calendar year do not, in the aggregate, exceed EUR 1,000 (not including proceeds of assets the sale of which is tax exempt pursuant to Finnish tax laws). Correspondingly, capital losses are not tax deductible if the acquisition cost of all assets sold during the calendar year does not, in the aggregate, exceed EUR 1,000, and proceeds of all assets sold by the resident individual during the same calendar year do not, in the aggregate, exceed EUR 1,000.

Any profit gained on a disposal of the assets kept on a Finnish equity savings account is not taxable income at the time of the disposal. The proceeds of an equity savings account are considered taxable capital income when the proceeds are withdrawn from the equity savings account. The current capital income tax rate is 30 per cent for capital income of up to EUR 30,000 per calendar year and 34 per cent for any amount in excess of EUR 30,000.

The loss resulting from the disposal of the assets kept on an equity savings account is not tax deductible at the time the funds are withdrawn from the equity savings account. The capital loss is only tax deductible from the taxable capital income in the year the equity savings account is closed. The loss incurred in the equity savings account is deducted from the net capital income after the capital losses and before other deductions are made from the capital income. To the extent the loss is not deducted from the taxable capital income in the relevant tax year, it will be taken into account when determining the capital-income loss. The loss of an equity savings account is not taken into account when calculating the capital income deficit for the tax year in question, and it does not hence entitle to a deficit credit. The capital-income loss of the equity savings account will be deducted from the capital income over the course of the subsequent 10 years as capital income is accumulated.

Natural persons resident in Finland must enter information regarding the sale of securities, such as the Demerger Consideration Shares, occurred during the relevant tax year on the pre-completed tax return.

Finnish Resident Corporations

Any capital gains from the sale of shares are generally regarded as taxable income of Finnish resident corporations. The assets of Finnish resident corporations which are taxed according to the Finnish Business Income Tax Act may be classified as fixed assets, current assets, investment assets, financial assets or other assets of a Finnish corporation (however, only financial, insurance and pension institutions may have investment assets as referred to in this context). The taxation of a disposal and value change of shares may vary according to the asset type for which the shares qualify.

The capital gains from the sale of the shares are taxed generally as the business income of Finnish resident corporations, and the acquisition cost of the shares sold is a deductible cost. However, capital gains based on the disposal of shares in a limited liability company may be tax exempt for corporate entities provided, among other things, that the seller company has owned at least 10 per cent of the company's share capital for at least one year continuously and that the shares belong to the seller's fixed assets attributable to business activities. Capital losses relating to the disposals of shares entitled to this tax exemption will not be tax deductible.

Capital losses arising from the disposal of shares, which belong to the seller's fixed assets but do not qualify for tax exemption, are deductible only from capital gains arising from the disposal of shares, which belong to the seller's fixed assets, in the same tax year and the subsequent five tax years. The capital losses arising from the disposal of shares which belong to the current, investment and financial assets of the seller may be deducted from the taxable income in the same tax year and the subsequent ten tax years in accordance with the general loss carry forward rules. In case the capital losses arise from disposal of shares belonging to other assets, the losses may generally be utilised only against capital gains arising from disposal of assets belonging to other assets and be carried forward only for the subsequent five tax years.

Non-resident Investors

Non-residents are generally not subject to Finnish tax on capital gains realised on sale of shares in a Finnish company. Such capital gains may be taxable for non-residents if, for example, the non-resident taxpayer is deemed to have a permanent establishment in Finland according to the Finnish Income Tax Act and the applicable tax treaty, and the shares are considered as assets of that permanent establishment, or more than 50 per cent of the assets of the company whose shares are sold comprises one or multiple real properties located in Finland. From 1 March 2023 onwards, pursuant to an amendment to the Finnish Income Tax Act, Finland is entitled to tax non-residents with or without the abovementioned permanent establishment in Finland on income arising from sale of shares, either in a Finnish or a non-Finnish entity, provided that more than 50 per cent of the value of such shares has derived directly or indirectly, on any day during the preceding 365 days, from real property located in Finland and that the shares are not listed on a stock exchange. In addition, however, tax treaties may limit Finland's right to tax capital gains.

If a non-resident investor has an equity savings account in Finland, the proceeds withdrawn from the equity savings account can, however, be taxed in Finland as the non-resident's taxable income, unless there is an applicable tax treaty preventing the taxation of such income in Finland. If there is no tax treaty in place preventing levying of the withholding tax, the proceeds withdrawn from the equity savings account will be subject to withholding tax at the rate of 30 per cent.

A loss resulting from the closing of an equity savings account cannot be deducted from a non-resident investor's income subject to withholding tax. The loss of an equity savings account can, however, be deducted from the capital income generated in Finland which is subject to taxation under the Finnish Act on Assessment Procedure, if the non-resident has such income. However, if the taxation of the proceeds withdrawn from an equity savings account is not possible in Finland because of the existence of a tax treaty, the loss cannot be deducted from the capital income, and it will not be taken into account when determining the capital-income loss.

Transfer Tax

Transfer tax is not payable in Finland on the issuance and subscription of new shares.

Transfer tax is also generally not payable in Finland on the transfer of shares in Finnish companies subject to public trading on a regularly functioning regulated market or multilateral trading facility against fixed cash consideration on the condition that the broker or other party to the transaction is an investment firm, a foreign investment firm or other investment services provider as defined in the Finnish Act on Investment Services (747/2012, as amended) or that the transferee has been approved as a trading party in the market where the transfer is executed. If the broker or other trading party is not a securities broker as defined in the Finnish Transfer Tax Act (i.e. the intermediary is a foreign broker that does not have a branch or office in Finland), the precondition for the tax exemption is that the transferee notifies the Finnish Tax Administration of the transfer within two months of the transfer or that the intermediary submits an annual notification to the Finnish Tax Administration pursuant to the Finnish Act on Assessment Procedure. If a non-resident transferee purchases shares through a foreign remote broker, no transfer tax is payable on such transfer of shares, nor is a transfer tax return or an annual notification required.

The exemption does not apply to certain specifically defined disposals, such as transfers of shares by means of a capital contribution, or distribution, or transfers of shares in which the consideration consists partially or completely of employment or work. On the grounds of relevant case law, if an incentive scheme remuneration of key persons is paid in money and the recipient of the remuneration is obliged to purchase shares of the listed company with a part of the remuneration, consideration of the share purchase comprises in full or in part of work contribution and is thus subject to transfer tax. Further, the exemption does not apply to transfers of shares where the consideration is determined by arbitration in accordance with the provisions of Chapter 18 of the Finnish Companies Act (squeeze-out rules) concerning the handling of redemption disputes. There are specific rules allowing the exemption to apply in the context of initial public offerings, subject to certain requirements, even though the exemption does not apply to a transfer of shares if it is based on an offer made after the public trading with the share in question has ended or before it has begun.

If the preconditions for transfer tax exemption are not fulfilled, the purchaser of the shares is generally liable to pay and declare transfer tax in the amount corresponding to 1.5 per cent of the share purchase price and other consideration (if any). However, if the purchaser is neither a tax resident in Finland nor a Finnish branch or office of a foreign credit institution, investment firm, fund management company or EEA alternative investment fund manager, the seller may be responsible for collecting the tax from the foreign purchaser. Notwithstanding aforesaid, the foreign purchaser often declares and pays the transfer tax on the transfer itself, in which case for declaring and paying the transfer tax, a foreign purchaser must register with the Finnish Tax Administration in order to obtain a taxpayer-specific transfer tax reference number. If the broker is a Finnish stockbroker or credit institution, or a Finnish branch or office of a foreign stockbroker or credit institution, it is liable to collect the transfer tax from the purchaser and remit the tax to the Finnish Tax Administration on behalf of the purchaser.

As a main rule, if neither party to the transfer is tax resident in Finland or a Finnish branch or office of a foreign credit institution, foreign investment firm, fund management company or EEA alternative investment fund manager, the transfer of shares will be exempt from Finnish transfer tax, unless shares in real estate companies are transferred. No transfer tax is collected if the amount of the tax is less than EUR 10.

Certain United States Federal Income Tax Considerations

The following discussion is a general summary based on the present law of certain US federal income tax considerations for US Holders (as defined below) relevant to the consequences of the Demerger and the ownership and disposition of the Demerger Consideration Shares received in the Demerger. It applies solely to US Holders that hold UPM shares on the Effective Date, and will hold their Demerger Consideration Shares received in the Demerger, as capital assets (generally, property held for investment) and who use the US dollar as their functional currency. In addition, this discussion does not describe all of the US federal income tax considerations that may be relevant in light of a US Holder's particular circumstances, including considerations relevant to US Holders subject to special rules, such as banks or other financial institutions, insurance companies, tax-exempt entities, dealers in securities or currencies, traders in securities that elect to mark-to-market, regulated investment companies, real estate investment trusts, partnerships and other pass-through entities (including S-corporations) and their equity investors, US expatriates and former US citizens and permanent residents, persons liable for an alternative minimum tax, persons that directly, indirectly or constructively own 10% or more of the total combined voting power or value of UPM's or the Company's equity interests, person that acquired UPM shares pursuant to the exercise of employee stock options or otherwise as compensation, persons holding UPM shares, or that will hold Shares, as part of a hedge, straddle, wash sale, conversion, constructive sale or other integrated financial transaction, or persons holding UPM shares, or that will hold Shares, in connection with a permanent establishment or fixed base outside of the United States. This summary also does not address US federal taxes other than the income tax (such as alternative minimum taxes, the Medicare contribution tax on "net investment income" or estate or gift taxes) or US state and local, or non-US tax laws or considerations. No ruling will be sought from the US Internal Revenue Service (the "**IRS**") with respect to any statement or conclusion in this discussion, and there can be no assurance that the IRS will not challenge such statement or conclusion in the following discussion or, if challenged, that a court will uphold such statement or conclusion.

As used in this discussion, "**US Holder**" is a beneficial owner of UPM shares and a beneficial owner of Shares after the Demerger, that is, for US federal income tax purposes, treated as: (i) a citizen or individual resident of the United States; (ii) a corporation, or other entity taxable as a corporation, created or organised in or under the laws of the United States, any state thereof or the District of Columbia; (iii) a trust that is subject to the primary supervision of a US court and the control of one or more US persons; or (iv) an estate the income of which is subject to US federal income taxation regardless of its source.

The US federal income tax treatment of a partner in a partnership (or other entity or arrangement treated as a partnership for US federal income tax purposes) that holds UPM shares or Shares generally will depend on the status of the partner and the activities of the partnership. UPM shareholders that are partnerships should consult their own tax advisers regarding the specific US federal income tax consequences for their partners of the partnership's receipt, ownership and disposal of Shares received in the Demerger.

Tax Consequences of the Demerger

UPM intends to treat the Demerger as a tax-free reorganization described in Section 368(a) of the United States Internal Revenue Code of 1986, as amended (the Code), and as a tax-free distribution under Section 355 of the Code. However, no ruling will be sought from the IRS with respect to this position or the qualification of the Demerger as a tax-free reorganization and distribution for US federal income tax purposes, and there can be no assurance that the IRS will not challenge such position or, if challenged, that a court will uphold such position. However, assuming that such treatment is correct:

- a US Holder will not recognize any income, gain or loss as a result of the receipt of Demerger Consideration Shares pursuant to the Demerger;
- a US Holder's holding period in the Demerger Consideration Shares received in the Demerger will include the period for which such US Holder's UPM shares were held (with a US Holder's holding period in separate blocks of UPM shares acquired at different times determined on a block-by-block basis);
- a US Holder's tax basis in the Demerger Consideration Shares received in the Demerger will be determined by allocating to such Shares, on the basis of the relative fair market values of UPM shares and Shares on the Effective Date, a portion of such US Holder's tax basis in its UPM shares (with a US Holder's tax basis in separate blocks of UPM shares acquired at different times or at different cost basis determined on a block-by-block basis) and such US Holder's tax basis in its UPM shares will be decreased by the portion allocated to the Demerger Consideration Shares received; and
- the Demerger will not be a taxable transaction to the Company or to UPM.

If the Demerger does not qualify for tax-free treatment for US federal income tax purposes, then, in general, each US Holder that receives Demerger Consideration Shares in the Demerger would be treated as if such US Holder had received a taxable distribution from UPM in a US dollar amount equal to the fair market value of the Demerger Consideration Shares received in the Demerger, which generally would be treated first as a taxable dividend to the extent of such US Holder's pro rata share of UPM's earnings and profits, then as a non-taxable return of capital to the extent of the US Holder's tax basis in its UPM shares, and thereafter as capital gain with respect to any remaining value. However, as UPM does not expect to calculate earnings and profits in accordance with US federal income tax principles, the distribution of Demerger Consideration Shares in the Demerger generally would be treated as a taxable dividend to US Shareholders. In such circumstances, a US Holder would take a tax basis in the Demerger Consideration Shares received in the Demerger equal to the US dollar amount treated as received as a distribution and would have a holding period in the Demerger Consideration Shares received that begins on the first day after the Effective Date. The dividend generally would be treated as from sources outside the United States for foreign tax credit purposes. Any amount included as a dividend should not be eligible for the dividends received deduction generally allowed to US corporations in respect of dividends received from other US corporations. Eligible non-corporate US Holders that satisfy a minimum holding period in the UPM shares and certain other requirements generally would be taxed at the preferential rate applicable to qualified dividend income if UPM qualifies for the benefits of the US-Finland income tax treaty (the "**US-Finland Treaty**") and UPM is not a PFIC as to the US Holder in the taxable year that includes the Effective Date or the preceding taxable year. The remainder of this discussion assumes that the Demerger will qualify for tax-free treatment.

US Treasury regulations require certain US Holders with significant ownership in UPM that receive Demerger Consideration Shares in the Demerger to attach to their US federal income tax return for the year in which such Demerger Consideration Shares are received a detailed statement setting forth such data as may be appropriate to show that the Demerger is tax-free under the Section 355 of the Code. Within a reasonable period of time after the Demerger, UPM will make available the information necessary to comply with such requirement by posting IRS Form 8937 (Report of Organizational Actions Affecting Basis of Securities) to the Company's and UPM's respective website investor relations tab.

The foregoing discussion of US federal income tax consequences of the Demerger assumes that UPM is not currently, and has not in any prior taxable year been, a passive foreign investment company ("**PFIC**"). If UPM is or has been a PFIC in any year in which a "US Holder", has held its UPM shares, adverse consequences could result for such US Holder upon the receipt of Demerger Consideration Shares in the Demerger. UPM believes that its shares are not and have never been stock of a PFIC for US federal income tax purposes, but this conclusion is based on a factual determination made annually and thus is subject to change. Because the determination whether a non-US corporation is a PFIC is primarily factual and there is little administrative or judicial authority on which to rely to make a determination, the IRS might not agree that is not and has never been a PFIC.

NOTHING IN THIS PROSPECTUS IS TO BE CONSTRUED AS LEGAL, BUSINESS OR TAX ADVICE. EACH UPM-KYMMENE CORPORATION SHAREHOLDER SHOULD CONSULT ITS OWN TAX ADVISER ABOUT THE PARTICULAR CONSEQUENCES OF THE DISTRIBUTION TO SUCH SHAREHOLDER, INCLUDING THE APPLICATION OF STATE, LOCAL AND FOREIGN TAX LAWS AND POSSIBLE CHANGES IN TAX LAW THAT MAY AFFECT THE TAX CONSEQUENCES DESCRIBED ABOVE.

Tax Consequences of Owning Shares

Taxation of Distributions

Subject to the discussion below under "– *PFIC Considerations*", the gross amount of any distribution of cash or property (including the amount of Finnish tax withheld, if any) paid out of the Company's current or accumulated earnings and profits (as determined for US federal income tax purposes) generally will be included in a US Holder's gross income as ordinary dividend income from foreign sources when actually or constructively received. To the extent that the amount of any distribution exceeds the Company's current and accumulated earnings and profits for a taxable year, the distribution will first be treated as a tax-free return of capital that will reduce the US Holder's tax basis in its Shares by the same amount, and to the extent the amount of the distribution exceeds such US Holder's tax basis, will be treated as capital gain recognized on a sale or exchange as described below. Because the Company does not maintain calculations of its earnings and profits as determined for US federal income tax purposes, US Holders generally should expect that any distribution on the Shares will be reported as ordinary dividend income.

Dividends will not be eligible for the dividends-received deduction generally allowed to US corporations in respect of dividends received from other US corporations. Eligible non-corporate US Holders that satisfy a minimum holding period and certain other requirements generally would be taxed at the preferential rate applicable to qualified dividend income if the Company qualifies for the benefits of the US-Finland Treaty and the Company is not a PFIC as to the US Holder in the taxable year the dividend is received or the preceding taxable year.

The amount of the dividend distribution that a US Holder must include in its income will be the US dollar value of the Euro payments received, determined at the spot Euro/US dollar exchange rate on the date the dividend actually or constructively received, regardless of whether or not the amount received is converted into US dollars on such date. If dividends received in Euro are converted into US dollars on the day they are received, the US Holder generally will not be required to recognize any foreign currency gain or loss in respect of the dividend income. Any gain or loss resulting from currency exchange fluctuations during the period from the date the dividend payment is received until the date such US Holder converts the payment into US dollars or otherwise disposes of the Euros received will be treated as ordinary income or loss and will not be eligible for the special tax rate applicable to qualified dividend income. The gain or loss generally will be income or loss from sources within the United States for foreign tax credit limitation purposes.

Subject to applicable limitations, a US Holder may claim a foreign tax credit or deduction for any tax withheld from dividends by Finland at the appropriate rate. US Holders are advised to review the discussion of the application of Finnish dividend withholding tax to non-Finnish-resident holders that do not have a permanent establishment in Finland under sections "– *Taxation of Dividends and Equity Returns – Non-resident Individuals*" and "– *Taxation of Dividends and Equity Returns – Non-resident Companies*". An election to deduct foreign taxes instead of claiming foreign tax credits must be applied to all foreign taxes paid or accrued in the US Holder's taxable year. For the purposes of the US foreign tax credit limitation, dividends received with respect to Shares generally will constitute "passive category income" or "general category income", depending on the US Holder's particular circumstances. The rules governing foreign tax credits or deductions are complex and each prospective investor is urged to consult its own tax adviser regarding the availability of foreign tax credits or deductions under its particular circumstances.

Sale or other taxable exchange of Shares

Subject to the discussion below under "– *PFIC Considerations*", a US Holder will recognize capital gain or loss on the sale, exchange or other taxable disposition of Shares equal to the difference between the US dollar value of the amount realized and the US Holder's adjusted tax basis in the Shares so disposed. Such gain or loss generally will be treated as arising from US sources for foreign tax credit limitation purposes and as long-term capital gain or loss if the US Holder has held the Shares for more than one year. Long-term capital gains of certain non-corporate US Holders are generally eligible for reduced rates of taxation. The deductibility of capital losses is subject to significant limitations.

If a US Holder sells or otherwise disposes of Shares in exchange for currency other than US dollars, the amount realized generally will be the US dollar value of the currency received at the spot rate on the date of sale or other disposition (or, if the Shares are traded on an "established securities market" at such time, in the case of cash basis and electing accrual basis US Holders, the settlement date). An accrual basis US older that does not elect to determine the amount realized using the spot exchange rate on the settlement date will recognize foreign currency gain or loss equal to the difference between the US dollar value of the amount received based on the spot exchange rates in effect on the date of the sale or other disposition and the settlement date. A US Holder will have a tax basis in the currency received equal to the US dollar amount realized on the settlement date. Any currency gain or loss realized on the subsequent sale, conversion, or other disposition of the non- currency received for a different US dollar amount generally will be US source ordinary income or loss and will not be eligible for the reduced tax rate applicable to long term capital gains. If an accrual basis US Holder makes the election described in the first sentence of this paragraph, it must be applied consistently from year to year and cannot be revoked without the consent of the IRS. A US Holder should consult its own tax advisers regarding the treatment of any foreign currency gain or loss realized with respect to any currency received in a sale or other disposition of the Shares.

PFIC Considerations

The Company believes that it should not be classified as a PFIC for US federal income tax purposes for the Company's current taxable year and does not expect to be so classified in the foreseeable future. In general, a non-US corporation is a PFIC for US federal income tax purposes for any taxable year in which at least: (i) 75% of its gross income consists of passive income; or (ii) 50% of the average quarterly value of its assets consists of assets that produce, or are held for the production of, passive income or which do not produce income. For the purposes of the above calculations, a non-US corporation that owns directly or indirectly at least 25% by value of the shares of another corporation is treated as if it held its proportionate share of the assets of such other corporation and directly received its proportionate share of the income of such other corporation. For this purpose, passive income generally includes, among other things and subject to various exceptions, dividends, interest, certain rents, royalties and gains from the disposal of passive assets. Whether the Company is a PFIC is a factual determination made annually, and the Company's status could change depending on, among other things, changes in the composition and relative value of its gross receipts and assets.

If the Company were a PFIC for any taxable year in which a US Holder holds Shares, such US Holder would be subject to additional taxes on any excess distributions and any gain realised from the sale or other taxable disposal of Shares (including certain pledges) regardless of whether the Company continues to be a PFIC. A US Holder will have an excess distribution to the extent that distributions on Shares during a taxable year exceed 125% of the average amount received during the three preceding taxable years (or, if shorter, the US Holder's holding period). To compute the tax on excess distributions or any gain: (i) the excess distribution or gain is allocated rateably over the US Holder's holding period; (ii) the amount allocated to the current taxable year and any year before the Company became a PFIC is taxed as ordinary income in the current year; and (iii) the amount allocated to other taxable years is taxed at the highest applicable marginal rate in effect for each year and an interest charge is imposed to recover the deemed benefit from the deferred payment of the tax attributable to each year.

A US Holder may be able to avoid some of the adverse impacts of the PFIC rules described above by electing to mark Shares to market annually. The election is available only if the Shares are considered "marketable stock," which generally includes stock that is regularly traded in more than de minimis quantities on a qualifying exchange. If a US Holder makes the mark-to-market election, any gain from marking Shares to market or from disposing of them would be ordinary income. Any loss from marking Shares to market would be recognised only to the extent of unreversed gains previously included in income. Loss from marking Shares to market would be ordinary, but loss on disposing of them would be capital loss except to the extent of mark-to-market gains previously included in income. No assurance can be given that the Shares will be traded in sufficient frequency and quantity to be considered "marketable stock" or whether Nasdaq Helsinki is or will continue to be considered a qualifying exchange for the purposes of the PFIC mark-to-market election. A valid mark-to-market election cannot be revoked without the consent of the IRS unless the Shares cease to be marketable stock.

Some of the adverse consequences of owning stock in a PFIC also could be mitigated if a US Holder makes a valid "qualified electing fund" election ("**QEF election**"), which, among other things, would require a US Holder to include currently in income its pro rata share of the PFIC's net capital gain and ordinary earnings, based on earnings and profits as determined for US federal income tax purposes. Because of the administrative burdens involved and because the Company does not expect to be a PFIC, the Company does not intend to provide information to its shareholders that would be required to make such election effective.

A US Holder that holds Shares during a period when the Company is a PFIC will be subject to the foregoing rules for that taxable year and all subsequent taxable years with respect to that US Holder's holding of Shares, even if the Company ceases to be a PFIC, subject to certain exceptions for US Holders that made a mark-to-market or QEF election. US Holders are strongly urged to consult their tax advisers regarding the PFIC rules, and the potential tax consequences to them if the Company were determined to be a PFIC.

Backup Withholding and Information Reporting

Dividends on the Shares and proceeds from the sale or other disposal of Shares that are made into the United States or through certain US-related financial intermediaries may be reported to the IRS unless the holder is a corporation or otherwise establishes a basis for exemption. Backup withholding may apply to reportable payments unless the holder makes the required certification, including providing its taxpayer identification number or otherwise establishes a basis for exemption. Any amount withheld may be credited against a US Holder's US federal income tax liability or refunded to the extent it exceeds the holder's liability, provided the required information is timely furnished to the IRS.

Certain non-corporate US Holders are required to report information with respect to Shares not held through an account with a US financial institution to the IRS. Investors who fail to report required information could become subject to potential penalties. Potential investors are encouraged to consult with their own tax advisers about these and any other reporting obligations arising from their investment in Shares.

DOCUMENTS ON DISPLAY

Copies of the following documents may be inspected during the validity period of this Prospectus within standard business hours at the registered office of UPM at Alvar Aallon katu 1, FIN-00100 Helsinki:

- this Prospectus;
- the Finnish Prospectus;
- the Articles of Association and the extract from the Finnish Trade Register of UPM as in force on the date of this Prospectus;
- WISA Group's audited carve-out financial statements as at and for the years ended 31 December 2025, 2024, and 2023 and the auditor's report thereto;
- WISA Group's unaudited interim carve-out financial information as at and for the three months ended 31 March 2026; and
- the independent practitioner's assurance report on the compilation of pro forma financial information included in this Prospectus.

The documents listed above and the Demerger Plan including appendices will be available on UPM's website at https://www.upm.com/investors/demerger/ on or about 16 July 2026. In addition, the Finnish Prospectus will be available on UPM's website at https://www.upm.com/fi/sijoittajat/jakautuminen/ on or about 16 July 2026.

CARVE-OUT FINANCIAL INFORMATION OF WISA GROUP

WISA Group carve-out financial statements as at and for the years ended December 31, 2025, 2024 and 2023

Carve-out financial statements

Combined income statement

€ million	Note	2025	2024	2023
Sales	2.2, 2.3	409.1	429.9	421.8
Other operating income	2.4	3.4	3.2	2.6
Costs and expenses	2.4	-366.2	-372.4	-357.7
Depreciation, amortization and impairment charges	2.4, 4.1, 4.2	-19.4	-22.3	-20.1
Operating profit		26.9	38.4	46.6
Finance income	5.4	3.7	5.4	5.4
Finance expenses	5.4	-0.1	-0.3	-0.3
Profit before tax		30.5	43.6	51.7
Income taxes	7.1	-6.0	-9.3	-10.0
Profit for the period		24.6	34.2	41.7
Attributable to:				
Owners of WISA Group		24.6	34.2	41.7
Non-controlling interests		—	—	—

Combined statement of comprehensive income

€ million	Note	2025	2024	2023
Profit for the period		24.6	34.2	41.7
Other comprehensive income for the period, net of tax				
Items that will not be reclassified to income statement:				
Actuarial gains and losses on defined benefit plans		—	—	—
Other comprehensive income for the period, net of tax		—	—	—
Total comprehensive income for the period		24.6	34.2	41.7
Attributable to:				
Owners of WISA Group		24.6	34.2	41.7
Non-controlling interests		—	—	—

The notes are integral part of these carve-out financial statements.

Combined balance sheet

€ million	Note	2025	2024	2023
ASSETS				
Goodwill	4.2	13.1	13.1	13.1
Other intangible assets	4.2	8.2	5.8	7.3
Property, plant and equipment	4.1	109.0	119.1	123.2
Leased assets	5.2	7.0	4.8	2.7
Deferred tax assets	7.2	—	—	—
Non-current assets		**137.3**	**142.7**	**146.3**
Inventories	4.4	79.1	74.7	75.2
Trade and other receivables	4.4	34.5	42.1	39.6
Other current financial assets		—	—	0.1
Income tax receivables		0.2	—	—
Cash pool receivables from UPM group	5.2	70.8	161.5	152.1
Cash and cash equivalents	5.2	2.5	1.8	0.6
Current assets		**187.2**	**280.1**	**267.6**
Total assets		**324.4**	**422.9**	**413.9**

€ million	Note	2025	2024	2023
INVESTED EQUITY AND LIABILITIES				
Total invested equity		**231.8**	**332.1**	**335.4**
Deferred tax liabilities	7.2	10.1	9.4	6.4
Provisions	4.3	13.9	10.0	10.5
Non-current debt	5.2	4.7	3.2	1.7
Non-current liabilities		**28.7**	**22.6**	**18.5**
Current debt	5.2	2.6	1.8	1.6
Provisions	4.3	0.5	0.5	0.6
Trade and other payables	4.4	60.8	64.8	55.9
Income tax payables		—	1.1	1.8
Current liabilities		**63.9**	**68.2**	**59.9**
Total liabilities		**92.6**	**90.8**	**78.4**
Total invested equity and liabilities		**324.4**	**422.9**	**413.9**

The notes are integral part of these carve-out financial statements.

Combined statement of changes in invested equity

€ million	Fair value reserve	Share-based payment reserve	Invested equity and retained earnings	Total invested equity
Invested equity at January 1, 2025	—	1.8	330.2	332.1
Profit for the period	—	—	24.6	24.6
Total comprehensive income for the period	—	—	24.6	24.6
Equity transactions with UPM Group	—	—	1.0	1.0
Dividend distribution	—	—	-125.0	-125.0
Share-based payments, net of tax	—	-0.8	—	-0.8
Transactions with owners of the company	—	-0.8	-124.0	-124.8
Invested equity at December 31, 2025	—	1.0	230.8	231.8
Invested equity at January 1, 2024	—	1.9	333.5	335.4
Profit for the period	—	—	34.2	34.2
Total comprehensive income for the period	—	—	34.2	34.2
Equity transactions with UPM Group	—	—	2.5	2.5
Dividend distribution	—	—	-40.0	-40.0
Share-based payments, net of tax	—	-0.1	—	-0.1
Transactions with owners of the company	—	-0.1	-37.5	-37.6
Invested equity at December 31, 2024	—	1.8	330.2	332.1
Invested equity at January 1, 2023	—	1.4	349.0	350.4
Profit for the period	—	—	41.7	41.7
Total comprehensive income for the period	—	—	41.7	41.7
Equity transactions with UPM Group	—	—	2.8	2.8
Dividend distribution	—	—	-60.0	-60.0
Share-based payments, net of tax	—	0.5	—	0.5
Transactions with owners of the company	—	0.5	-57.2	-56.7
Invested equity at December 31, 2023	—	1.9	333.5	335.4

For further information on invested equity please refer to ***Note 1.3 Carve-out principles***

Combined cash flow statement

€ million	2025	2024	2023
Cash flows from operating activities			
Profit for the period	24.6	34.2	41.7
Adjustments	23.7	29.0	21.9
Interest received	3.7	5.4	4.7
Interest paid	-0.2	-0.1	0.0
Income taxes paid	-6.9	-8.0	-7.0
Change in working capital	-0.7	7.4	-12.4
Operating cash flow	44.3	68.0	48.8
Cash flows from investing activities			
Capital expenditure	-8.2	-16.5	-16.2
Proceeds from disposal of businesses and subsidiaries and advances received	—	—	13.5
Change in other non-current assets	0.3	0.0	—
Investing cash flow	-7.9	-16.5	-2.6
Cash flows from financing activities			
Lease repayments	-1.3	-0.9	-1.0
Cash pool financing with UPM Group	90.7	-9.4	13.4
Dividends paid to UPM Group	-125.0	-40.0	-60.0
Financing cash flow	-35.6	-50.3	-47.5
Change in cash and cash equivalents			
Change in cash and cash equivalents	0.7	1.2	-1.3
Cash and cash equivalents at the beginning of the period	1.8	0.6	1.9
Cash and cash equivalents at the end of the period	2.5	1.8	0.6

The notes are integral part of these carve-out financial statements.

Notes to the carve-out financial statements

1. Basis for reporting

1.1 Background

UPM Corporation ("UPM parent company") with its subsidiaries ("UPM Group" or "UPM") is a global material solutions company and has extensive portfolio of renewable fibres, advanced materials, decarbonization solutions, and communication papers.

On April 29, 2026, the Board of Directors of UPM Group has approved the Demerger plan concerning the partial demerger of UPM Plywood business area ("the Demerger plan"). UPM's intention is to separate UPM Plywood as a new listed company by means of partial demerger from UPM ("the Demerger"). The new listed entity will be named as WISA Group Plc ("WISA Group"). The decision on separating UPM Plywood as a separate entity is based on the outcome of a review of different strategic options. WISA Group would comprise UPM Plywood business area which has been part of UPM Group's financial reporting and a separate reportable segment. The remaining UPM ("remaining UPM") from the Demerger would then comprise of other existing businesses except UPM Plywood business area.

Completion of the Demerger is subject to, among other things, approval by UPM’s shareholders in an Extraordinary General Meeting (the “EGM”). The EGM, which resolves on the Demerger and other proposals in relation thereto, is expected to be held in early September 2026 at the latest. The planned completion date of the Demerger pursuant to the demerger plan is October 31, 2026. Trading in the shares of WISA Group on Nasdaq Helsinki is currently expected to commence on or about November 2, 2026, or as soon as possible thereafter.

The shareholders of UPM will receive as demerger consideration one new share in WISA Group for each share they hold in UPM (the “Demerger Consideration”), that is, the Demerger Consideration will be issued to the shareholders of UPM in proportion to their existing shareholdings with a ratio of 1:1. In accordance with Chapter 17, Section 16, Subsection 3 of the Finnish Companies Act, no Demerger Consideration shall be issued to any treasury shares held by UPM.

WISA Group has not historically performed a legal sub-group within UPM Group, and it has not prepared consolidated group financial statements prior to the Demerger. In preparation to the proposed Demerger, UPM will carve out and transfer relevant entities' assets and liabilities to WISA Group. UPM has prepared a set of carve-out financial statements for the year ended December 31, 2025, December 31, 2024 and December 31, 2023 for WISA Group to illustrate WISA Group's result of operations, assets and liabilities and cash flows that will be carved out from UPM.

WISA Group's new parent company ("Wisa Group Plc") will be incorporated at the date of the registration of the execution of the Demerger with the trade register maintained by the Finnish Patent and Registration Office.

The carve-out financial statements have been prepared according to the basis of preparation and UPM accounting policies described in the following sections. The carve-out financial statements have been prepared for inclusion in WISA Group's Demerger and Demerger Prospectus which has been prepared by UPM for approval of the Demerger by the shareholder's meeting and for listing of the shares of WISA Group on Nasdaq Helsinki Stock Exchange. These carve-out financial statements have been approved by the Board of Directors of UPM on July 16,2026.

UPM Plywood is a reportable segment of UPM Group specialized in WISA branded plywood and veneer products. Its products primarily serve construction, vehicle flooring, LNG shipbuilding, and other industries. UPM Plywood currently operates seven mills in Finland and Estonia, supported by sales offices in Finland, Denmark, the Netherlands, France, Germany, Spain and the United Kingdom. UPM Plywood uses high-quality birch and spruce, modern production methods, and skilled staff to deliver reliable products that meet stringent industry standards.

1.2 Basis of preparation

The carve-out financial statements as at and for the years ended December 31, 2025, December 31, 2024 and December 31, 2023 have been prepared by using historical book values for income and expenses, assets and liabilities and cash flows attributable to UPM Plywood business area in WISA Group legal entities and business units attributable to WISA Group in UPM consolidated financial statements. Therefore assets, liabilities, income, expenses and cash flows which are either directly attributable to or allocated to or which will transfer to WISA Group have been included in the carve-out financial statements. The carve-out financial statements also include certain allocations from the remaining UPM, including the parent company UPM Corporation's income, expenses, assets, liabilities and cash flows which will either be transferred to WISA Group, or which have been allocated to WISA Group for the purpose of preparation of these carve-out financial statements.

The carve-out financial statements have been prepared in accordance with IFRS Accounting Standards and the interpretations issued by the IFRS Interpretations Committee as adopted by the Commission of the European Communities (EU) in the European Union by December 31, 2025, and in consideration of the principles described in subsection "Carve-out principles" for determining which assets and liabilities, income and expenses as well as cash flows are to be allocated to WISA Group's carve-out financial statements.

IFRS Accounting Standards do not provide guidance for the preparation of carve-out financial statements and therefore, certain accounting conventions commonly used for the preparation of historical financial information have been applied in preparing the carve-out financial statements for inclusion in Demerger and Listing Prospectus. The application of these carve-out conventions has been described in this section. In addition to the application of the specific carve-out conventions impacting the presentation of these carve-out financial statements, the areas involving a high degree of management judgment or estimates and assumptions are summarized at the end of this section.

The carve-out financial statements have been prepared on a going concern basis under the historical cost convention.

WISA Group carve-out financial statements include the results of operations and financial position of the following WISA Group legal entities ("WISA Group legal entities") and WISA Group business units included in UPM legal entities ("WISA Group business units") (together "WISA Group entities") forming the carve-out WISA Group business historically.

UPM entities, of which UPM Plywood business is included in the carve-out financial statements are presented below:

WISA Group legal entities:
- UPM Plywood Oy
- UPM Otepää OÜ
- Järvi-Suomen Voima Oy (50%)

WISA Group business units:
- UPM Sales GmbH, Plywood Sales Germany
- UPM Wood Materials SAS, Plywood Sales France
- UPM Wood Materials (UK) Ltd, Plywood Sales UK
- UPM-Kymmene A/S, Plywood Sales Denmark
- UPM-Kymmene S.A., Plywood Sales Spain
- UPM-Kymmene Japan KK, Plywood Sales Japan
- UPM (China) Co.,Ltd, Plywood Sales China
- UPM-Kymmene B.V., Plywood Sales Netherlands
- UPM NV, Plywood Sales Belgium
- UPM-Kymmene AB, Plywood Sales Sweden
- UPM-Kymmene Kagit Urunleri San. ve Tic.Ltd. Sti., Plywood Sales Turkey

WISA Group holds 50% of Järvi-Suomen Voima Oy (JSV), a Finnish Mankala company that supplies heat and electricity to Mikkeli and Savonlinna production units. Although JSV is a separate legal entity, it is jointly controlled by its owners and key decisions are made jointly. JSV is treated as a joint operations in these carve-out financial statements. The carve-out financial information includes Järvi-Suomen Voima's results and financial position only to the extent of the UPM's ownership interest.

WISA Group legal entities' historical financial information with regards to assets and liabilities, as well as sales and expenses and cash flows directly attributable to UPM Plywood business area, utilized in the preparation of the consolidated historical financial statements of UPM have been attributed to WISA Group directly without separate allocation and apportionment. In addition, the carve-out financial statements include certain allocations of assets and liabilities, as well as sales and expenses and cash flows from UPM Plywood business units which have historically operated as part of remaining UPM's legal entities.

The carve-out financial statements may not be indicative of WISA Group's future performance and do not necessarily reflect what its combined income statement, balance sheet and cash flows would have been, had WISA Group operated as a standalone consolidated group and had it therefore presented standalone consolidated financial information during the periods presented.

The carve-out financial statements are presented in millions of euros (€ million), which is WISA Group's reporting currency. All figures presented have been rounded which may cause, for example, the sum of individual figures to deviate from presented total sum.

1.3 Carve-out principles

The accounting policies applied to the carve-out financial statements as a whole are described in this section, while the remaining accounting policies are described in the notes to which they relate as WISA Group aims to provide enhanced understanding of each financial statement area. Further, to provide understanding, the accounting choices made within the framework of the prevailing IFRS Accounting Standards are described together with the policy.

The carve-out financial statements include the separate allocation of income, expense, assets, liabilities and cash flows which are based on management judgment, assumptions and estimates as described in the different subsections below. The most significant estimates, judgments and assumptions relate to the allocation of the costs of certain centrally provided shared services, cash management and financing and invested equity. WISA Group will have significant recurring operative business relationship with remaining UPM related to, among others, supply of raw materials, sale of by-products and supply of energy by-products.

WISA Group's management considers that the allocations described below have been made on a reasonable basis but may not necessarily be indicative of the income and costs that would have been incurred if WISA Group had been a standalone group preparing consolidated financial statements for the periods presented.

Key estimates and judgments

In addition to the carve-out principles and related estimates and assumptions applied in WISA Group carve-out financial statements, management makes a number of judgments and applied estimates that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Although these estimates are based on management's best knowledge, actual results and timing may ultimately differ from previously made estimates.

Key estimates and judgments in the WISA Group carve-out financial statements, which are material to the reported results and balance sheet are presented in the following notes:

KEY ESTIMATES AND JUDGMENTS	NOTE
Allocation of costs of centrally provided services and headquarter function	1.3 Carve-out principles
Impairment of property, plant and equipment	4.1. Property, plant and equipment
Impairment of goodwill and other intangible assets	4.2. Goodwill and other intangible assets
Environmental provisions	4.3 Provisions
Income taxes	7 Income tax
Legal contingencies	9.2 Litigation

Intercompany transactions and transactions with related parties

Intercompany transactions, including assets and liabilities between the WISA Group legal entities have been eliminated from these carve-out financial statements. Intercompany transactions and balance sheet items between the WISA Group business and the remaining UPM, previously considered as intercompany transactions in consolidated UPM group reporting, have been reported as transactions with related parties in the carve-out financial statements.

Receivables and liabilities in WISA Group entities due from or due to UPM Group are included in the carve-out financial statements and presented as related party transactions, including the financial income and expenses relating to these receivables and liabilities ***Note 8.2 Related party transactions***

Centrally provided services

UPM's parent company has been responsible for the management and general administration of UPM Group. Additionally, the parent company has provided different central services to group entities. For the purposes of the preparation of the WISA Group carve-out financial statements, income and costs that directly relate to WISA Group business, or WISA Group specific historical transactions, have been allocated based on attribution principle, meaning the allocation follows the origin and nature of the cost.

UPM has historically recharged group reporting entities for internal and external costs that have arisen from centralized services. Such services or costs have been part of centralized service charges which have been allocated to each business area. These central services include for example IT, finance, human resources and sourcing. The aforementioned costs are included in the carve-out financial statements based on the historically recharged amounts.

Certain costs related to public company status or corporate headquarter functions of UPM have been incurred by the parent company of UPM. These costs include for example costs relating to the group executive team, group treasury operations, investor relations, group finance, internal audit, legal, marketing, sustainability and communications and strategy. Historically, such group-level costs have not been allocated or recharged to the businesses nor legal entities. However, in preparing the carve-out financial statement, management has allocated a portion of these centrally incurred costs to the WISA Group in order to reflect proportionate costs incurred centrally on behalf of WISA Group. Such costs have been allocated to WISA Group using allocation keys historically applied to UPM Plywood business area for other cost allocation, generally based on the segment's revenue and headcount which management considers to be appropriate.

Management considers these allocations to be a reasonable reflection of the utilization of services provided. However, these allocations are based on existing group level arrangements and accordingly, are not necessarily representative of the position or costs that may prevail in the future for WISA Group.

Cash management and financing

Cash management has historically been centralized in UPM Group, and UPM has managed the Group's liquidity needs through cash pool arrangements.

WISA Group's cash and cash equivalents comprise of cash and short-term deposits in WISA Group legal entities. Cash and cash equivalents and cash pool arrangements at WISA Group business units included in UPM legal entities were not included in the carve-out financial statements as they have been shared with remaining UPM and WISA Group's share can not be reliably allocated to WISA Group.

In addition, for the WISA Group legal entities, the carve-out financial statements include cash pool receivable and payable balances due to or due from the remaining UPM. These cash pool receivables and payables have been presented as short-term receivables and payables from related parties on line item Cash pool receivables from UPM Group.

UPM's subsidiaries' working capital and capital expenditure have been funded mainly by cash pool arrangements. All intercompany receivables and liabilities held by WISA Group legal entities from the remaining UPM have been presented as transactions with related parties in the carve-out financial statements. The external funding held by UPM has not historically been drawn or linked to specific UPM Group's segments, including UPM Plywood. Thus, none of the funding held by UPM cannot be reliably attributed to WISA Group for the purposes of the carve-out financial statements.

Interest income and expenses from related parties have been determined based on the interest charges recorded directly by WISA Group legal entities for cash pool arrangements.

The cash management and financing arrangements presented in the carve-out financial statements reflect the historical funding model within the UPM Group and have been prepared solely for purposes of illustrating the financial position and performance of the WISA Group entities during the periods presented. These historical financing arrangements will not be indicative of, nor should they be interpreted as, the future cash management, capital structure or funding requirements of WISA Group.

No portion of UPM parent company's cash and cash equivalents has been allocated to WISA Group. WISA Group will arrange its funding separately with the creditors at the time of the Demerger.

The financing presented in the carve-out financial statements may differ significantly from the future financing requirements of WISA Group on a standalone basis.

Invested equity

WISA Group has not formed a separate legal group with its own share capital in the past, and accordingly, it is not possible to present share capital separately from other equity balances including reserves. WISA Group's net assets represent UPM's interest in WISA Group and are shown in these carve-out financial statements as "Invested Equity". Invested equity and retained earnings consist of equity items allocated from remaining UPM and WISA Group entities historical retained earnings balances.

Changes in net assets allocated to WISA Group are presented separately in the combined statement of changes in invested equity through line item "Equity transactions with UPM Group" and in the cash flow statements through the line item "Cash pool financing with UPM Group" reflecting the internal financing between UPM Group and WISA Group during the presented periods. Invested equity is affected by net assets allocated to WISA Group, consisting of allocation of income, expenses, assets and liabilities of UPM Group entities representing WISA Group business.

The capital structure attributed to WISA Group in connection with the preparation of these carve-out financial statements, the presented invested equity, is not indicative of the capital structure that WISA Group would have required had it been a standalone group during the periods presented.

The equity of WISA Group will be formed when the Demerger is consummated, and WISA Group Plc will have share capital and other reserves as described in the Demerger plan.

Earnings per share

The carve-out financial statements are prepared on a carve-out basis and it is not possible to measure earnings per share for the periods presented. WISA Group has not had share capital during the presented periods and a portion of UPM's outstanding shares cannot be allocated to it. Therefore, management considers that an earnings per share ratio cannot be accurately calculated for the WISA Group and the IAS 33, Earnings per share, disclosure requirements are therefore not complied with.

Employee rewards

Key personnel of WISA Group have historically participated in UPM's share-based incentive programs. For the carve-out financial statements, the expenses related to the WISA Group personnel are included based on the actual number of employees and the cost recorded at UPM Plywood.

Personnel costs, key management and share-based payment carve-out principles have been described in ***Note 3 Employee rewards***.

Income tax

During the reporting periods presented in these carve-out financial statements, legal entities in WISA Group have operated as standalone taxpayers. For these entities, tax charges as well as tax liabilities and receivables included in these carve-out financial statements are based on actual taxation. As for the WISA Group business operations within UPM legal entities, they have been historically included in those legal entities. Tax charges for these WISA Group business operations as well as for WISA Group legal entities, have been determined based on the separate return method, as if the WISA Group business units and legal entities were separate taxpayers in the jurisdiction of their primary operations. Current year income tax and deferred tax carve-out principles have been described in ***Note 7 Income Taxes***.

Foreign currency translation

The carve-out financial statements are presented in euros, which is the reporting currency of WISA Group. Some of WISA Group business units have other functional currencies. At each reporting date, for the purpose of presenting carve-out financial statements, the income statements of foreign business units are translated at the average exchange rates for the reporting period and the balance sheets by using the European Central Bank's exchange rates prevailing on the reporting date. Foreign currency transactions are translated using the exchange rates prevailing at the dates of the transactions. The carve-out financial statement is based on each WISA Group's legal and business unit's reporting in euros and consequently no material translation differences arise.

1.4 Changes in accounting policies

UPM has reviewed IFRS Accounting Standard amendments effective on periods starting January 1, 2025, January 1, 2024 and January 1, 2023. These assessments and conclusions are similarly applicable to this carve-out financial statement.

2025

The amendments as of January 1, 2025, did not have any impacts on UPM Group's financial statements.

Amendments to IAS 21 - Lack of Exchangeability

On January 1, 2025, UPM implemented the amendments to IAS 21 The effects of changes in foreign exchange rates. UPM Group has assessed the impact of implementation of amendments to IAS 21 and concluded that it has no effect on UPM Group financial statements as of January 1, 2025.

2024

UPM has reviewed IFRS Accounting Standard amendments effective on periods starting January 1, 2024.

Classification of liabilities

As of January 1, 2024, UPM has adopted the amendments to IAS 1. According to the amendments, for a liability to be classified as non-current, an entity must have the right to defer settlement of the liability for at least twelve months after the reporting period. The right must have substance and exist at the end of the reporting period and the classification of the liability must be unaffected by the likelihood that the company will exercise that right. The amendment did not have any impact on the group's financial statements.

Other interpretations and amendments effective as of January 1, 2024, did not have any impact on UPM Group's financial statements.

Income tax – OECD Pillar Two model rules

UPM is in the scope of the OECD Pillar Two model rules. Pillar Two legislation was enacted in Finland in 2023, the jurisdiction in which UPM is incorporated, and came into effect from January 1, 2024. UPM applies the IAS 12 exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. The entities in scope will be liable to pay a top-up tax for the difference between their GloBe effective tax rate per jurisdiction and the 15% minimum rate. The Pillar Two legislation had no impact on income taxes for the current reporting period.

2023

The amendments effective as of January 1, 2023, did not have any impact on UPM Group's financial statements.

IFRS 17 Insurance contracts

As of January 1, 2023, UPM implemented IFRS 17 Insurance contracts. UPM has assessed the impact of the implementation of IFRS 17 and concluded that it has no effect on UPM Group financial statements as of January 1, 2023.

Narrow-scope amendments to IAS 1

On January 1, 2023, UPM has implemented the narrow-scope amendments to IAS 1, which require entities to disclose their material accounting policy information, instead of significant accounting policies. UPM has reviewed its accounting policies and made minor amendments to the disclosures.

Reclassification of provisions in the balance sheet

Effective from the current reporting period, UPM has reclassified current provisions to the current liabilities section. Previously both current and non-current provisions were presented within the non-current liabilities section of the balance sheet. This adjustment ensures better alignment with IFRS Accounting Standards accounting and facilitates a clearer understanding of short-term obligations. The comparative periods have been restated according to the new reporting principles. The reporting change has no impact on UPM's financial result.

2. Financial performance

2.1 Market environment

2025

The global economy is estimated to have grown by a little over 3% in 2025. World trade in goods increased by 2.5% according to WTO. Global inflation continued its downward trajectory from the post-pandemic highs, settling at just over 4%.

The U.S. announced a new tariff regime in April 2025, imposing broad, double-digit tariffs on imports, with escalations toward China, the EU, and India. Sharp increases caused a supply shock in the U.S. and demand shocks elsewhere, slowing trade growth and disrupting supply chains. Uncertainty curbed investment, dampened consumption, and delayed business decisions.

Russia-Ukraine war continued into its fourth year with no durable resolution, sustaining energy and food price pressures and European energy security concerns. Conflicts in the Middle East caused regional instability, oil price volatility and concerns over shipping routes. Amid these headwinds, AI-related capital expenditure surged, contributing significantly to growth and preventing the worst predictions from coming true.

The EU economy showed resilience, achieving real GDP growth of 1.4% thanks to good early-year performance, front-loaded exports and investment. Spain and Poland outpaced the average growth, offsetting slower growth in Germany and Italy. Inflation eased to 2.5%, with unemployment stable at 6%.

The U.S. economy weathered severe trade and domestic policy tensions growing by over 2%, fuelled by solid consumer spending, robust investment, exports and government outlays. Inflation held steady at a moderate 2.7% year-end.

The Asia-Pacific (APAC) showed notable resilience as the world's fastest-growing area, contributing around 60% of global growth despite headwinds uncertainty over tariffs and subdued demand in subregions. Growth in broader APAC held steady at around 4.5%.

The COP30 conference held in November 2025 in Belém, Brazil, marked the tenth anniversary of the Paris Agreement. Amid geopolitical tensions, U.S. tariffs and surging energy demand, the focus shifted from ambition toward implementation, bridging the gap between pledges and action, as well as balancing energy security, affordability, and sustainability.

The outlook for electricity growth is strong, driven by AI data centers, electrification, cooling, and industrialization. In 2025, clean energy investment outpaced fossils, with solar and wind leading growth. The IEA's World Energy Outlook stressed this as a defining shift, with renewables expanding fast enough to meet new demand in some periods, but overall emissions still increasing.

Demand for spruce plywood in Europe was stable but at a relatively low level as the construction markets remained slow. Demand for birch plywood in panel trading and industrial end uses was good and demand for LNG end-use birch plywood very good.

2024

The global economy is indicating a modest but steady growth trajectory despite geopolitical tensions and economic policy shifts. The year began with inflation rates still elevated, but a downward trajectory set in, and by the end of the year global inflation stood at 5.8%. Global trade grew by 2.7% according to the WTO but was still below its peak in 2022. Trade in services was more robust than in goods, however.

Russia’s ongoing war in Ukraine continued to impact global politics. The concerted international effort to respond to Russia's actions in Ukraine continued. Both the number and intensity of sanctions increased, targeting key sectors, and preventing sanctions evasion. The escalation of the conflicts in the Middle East affected key shipping lanes, leading to increased costs, longer transit times and supply chain disruptions. The conflict affected the dynamics of global trade, led to volatility in energy prices and undermined economic confidence.

In 2024, the European economy is projected to have grown by around 1.0%, reflecting uneven growth across countries. Growth remained weak particularly in Germany. Energy prices stabilized and inflation declined but remained above the ECB's target.

The US economy grew robustly, with real GDP expansion surpassing 2.5%, driven by consumer spending and investment in technology and R&D. Inflation eased toward the Fed's target, prompting interest rate cuts. The presidential elections introduced policy uncertainty in the latter part of the year.

The Asia-Pacific region continued to grow, albeit at a slightly slower pace, with an average growth rate of about 4.6% through 2024. Domestic demand in East Asia and India was resilient. In China, consumer spending remained tepid and retail sales growth fell short of expectations.

Energy and climate change remained in international debate, with progress on the global transition to a low-carbon economy markedly lacking. 2024 was confirmed to be the hottest year on record, surpassing the previous record set in 2023. The UN Climate Change Conference (COP29) in Baku, Azerbaijan, underscored the importance of ambitious targets to achieve the goal of limiting global temperature rise to 1.5°C. Nearly 200 countries pledged to transition away from fossil fuels in energy systems.

COP29 reaffirmed the commitment to implement the Kunming-Montreal Global Biodiversity Framework agreed at the UN Biodiversity Conference (COP15) in 2022.

Both COP processes have an influence on global regulations. The European Union, for its part, formulated several significant new ESG-related regulations in 2024 that are expected to come into force soon and aim to promote sustainability, transparency, and accountability in business practices.

Demand for spruce plywood in the panel trade and construction continued to be weak. Demand for birch plywood in the panel trade and construction was solid, mitigating lower demand from industrial end-uses such as automotive flooring. Demand for birch plywood for LNG end-uses was robust.

2023

Global real GDP growth is projected at 2.7% in 2023. Rising interest rates and the war in Ukraine continued to weigh on economic activity. Global inflation fell to 5.6%, driven by the decline in food and energy prices. However, inflation was still above pre-pandemic levels and core inflation remained persistent, driven by the services sector and labor markets remaining relatively tight. Global trade in goods declined in 2023, while trade in services expanded.

The Russia-Ukraine conflict continued to pose a significant geopolitical risk in 2023 and the international community took proactive measures to prevent escalation. Furthermore, the conflict in the Middle East increased risks to supply chains and global commodity markets, though the impact of the conflict remained limited in 2023.

Following robust post-pandemic expansion in 2022, economic growth in Europe is projected at 0.6%. Weak external demand, monetary tightening by the European Central Bank, and inflation, though declining, limited economic growth. The euro area industry confidence indicator reflected the low levels of manufacturing activity since May. Nevertheless, production expectations improved slightly at the end of the year with signs of recovery in the unprecedented inventory cycle.

While a recession was expected at the beginning of the year in the United States, the US economy progressed at a significant pace over the course of 2023, driven by strong consumer spending, a resilient labor market and growing real wages. Manufacturing investment also reached historic highs. Economic growth in the US is projected at 2.4%. Inflation decelerated throughout the year mainly due to supply chains healing. The US dollar appreciated against the euro.

The Asia-Pacific region remained a key driver of global growth in 2023, in spite of tighter monetary policies and global demand rotating from goods to services. The Chinese economy was projected to grow by 5.4%, reflecting a post-pandemic rebound. The Chinese government continued to make investments to meet GDP growth targets and China's debt ratio increased further. The gradual recovery of consumer spending, the weakness in the property sector and subdued external demand continued to hinder growth to some extent.

Energy and climate change remained politically polarizing issues, with notably lacking progress being made globally regarding the climate transition. The UN Climate Conference (COP28) set out ambitious targets to keep the aim of limiting the rise in global temperature to 1.5°C within reach and made the historic decision to accelerate climate action with nearly 200 countries pledging to move away from fossil fuels in energy systems.

To enact the focus of halting and reversing biodiversity loss and promoting the recovery of nature by 2030, the UN Climate Conference affirmed the need to implement the Kunming-Montreal Global Biodiversity Framework, which was agreed at the UN Biodiversity Conference (COP15) in 2022.

Both COP processes are influencing regulations globally. Especially in EU also other ESG related regulations have been formulated lately or are expected to come in force in the near future.

The energy crisis in Europe eased in 2023. Electricity prices were still high in Europe and significant volatility in prices has become the new normal. Increased supply and lower industrial consumption led to lower power prices in Finland.

Demand for spruce plywood and veneer declined due to low activity in the renovation and construction industry. Demand for birch plywood in panel trading and industrial applications was good in H1 2023 but moderated towards the end of the year. Market prices increased.

2.2 Segment information

WISA Group has historically been a business area (segment) within UPM, i.e. UPM Plywood (reportable segment) within UPM.

As WISA Group has been managed and reported as a separate reporting segment within UPM, the presentation of WISA Group business as a single operating segment in the carve-out financial statements is therefore consistent with UPM's segment reporting and reflects the manner in which operating decisions have historically been made and performance has been assessed.

Accordingly, the carve-out financial statements of the WISA Group has been prepared on a carve-out basis and reflects the historical results of operations attributable to the UPM Plywood reporting segment.

WISA Group is a business which is specialized in WISA branded plywood and veneer products. Its products primarily serve construction, vehicle flooring, LNG shipbuilding, and other industries. WISA Group currently operates seven mills in Finland and Estonia, supported by sales offices in Finland, Denmark, the Netherlands, France, Germany, Spain and the United Kingdom. WISA Group uses high-quality birch and spruce, modern production methods, and skilled staff to deliver reliable products that meet stringent industry standards.

§ ***Accounting policies***

Operating segments are reported in a manner consistent with the internal reporting provided to UPM's President and CEO who is responsible for allocating resources and assessing performance of the business areas. Internal reports are prepared in accordance with IFRS Accounting Standards. Costs, revenues, assets and liabilities are allocated to business areas on a consistent basis.

Carve-out principles

WISA Group's operations and profitability is reported as a single operating segment, which is consistent with UPM's financial reporting and the way that operative decisions and assessment of performance have been made by UPM's President and CEO.

WISA Group's information as at and for the years ended December 31, 2025, 2024 and 2023 is presented in the following tables:

	2025	2024	2023
Sales, € million	409.1	429.9	421.8
EBITDA, € million	46.3	60.7	66.7
Comparable EBITDA, € million	50.7	60.6	73.4
% of sales	12.4	14.1	17.4
Depreciation, amortization and impairment charges, € million	-19.4	-22.3	-20.1
Operating profit, € million	26.9	38.4	46.6
% of sales	6.6	8.9	11.0
Items affecting comparability in operating profit, € million	-4.4	0.1	-6.3
Comparable EBIT, € million	31.3	38.4	52.8
% of sales	7.7	8.9	12.5
Capital employed at the end of the period, € million	207.4	217.4	226.1
Capital employed (average), € million	209.5	222.2	233.5
Return on capital employed (ROCE), %	12.9	17.3	20.0
Comparable ROCE, %	14.9	17.3	22.6
Plywood deliveries, 1,000 m3	458	482	429

Items affecting comparability

€ million	2025	2024	2023
In operating profit			
Impairment charges	—	—	0.4
Restructuring charges	-4.1	0.1	-1.4
Capital gains and losses on sale of non-current assets	—	—	-5.3
Other non-operational items	-0.3	—	—
Total in operating profit	-4.4	0.1	-6.3
In finance costs	—	—	—
Total in profit before tax	-4.4	0.1	-6.3
Total in income taxes	0.9	—	—
Total in profit for the period	-3.5	0.1	-6.3

In 2025, items affecting comparability relate to earlier restructuring measures and other non-operational items include charges related to strategic review of UPM Plywood Business Area. In 2024, items affecting comparability had no significant items. In 2023, items affecting comparability included €5.3 million capital loss resulting from sale of Russian operations and €1.4 million restructuring costs.

Total assets by country

€ million	2025	2024	2023
Finland	215.6	219.0	222.9
Estonia	36.8	40.1	39.4
Other countries	1.3	0.8	1.2
Goodwill	13.1	13.1	13.1
Total [1]	266.7	273.0	276.6

[1] Excluding financial assets (e.g. cash pool receivables). Goodwill has not been allocated to geographical areas.

Number of employees

	2025	2024	2023
Finland	1,170	1,205	1,234
Estonia	256	258	257
Other	25	28	27
Total	1,451	1,491	1,518

Sales by destination country

€ million	2025	2024	2023
Finland	40.2	38.3	32.8
Germany	82.9	87.2	79.7
Netherlands	46.5	49.1	42.7
United Kingdom	36.0	46.3	45.0
Other EU countries	103.8	109.9	126.4
Other European countries	25.4	27.6	25.8
South Korea	43.7	37.7	26.7
Rest of the world	10.2	13.4	22.6
Sales to UPM Group	20.4	20.7	20.0
Total	409.1	429.9	421.8

2.3 Sales

WISA Group generates revenue mainly from the sale of goods, i.e. WISA branded plywood and veneer products.

€ million	2025	2024	2023
External sales	388.8	409.3	401.8
Sales to UPM Group	20.4	20.7	20.0
Total	409.1	429.9	421.8

§ ***Accounting policies***

Sales of goods

Performance obligation in the contracts with customers consists of providing the goods specified in the contracts. Revenue from product sales is recognized when performance obligation is satisfied, which takes place at a point in time when control of the good has been transferred to the customer. In customer contracts the transfer of control and thus timing of revenue recognition is largely dependent on delivery terms. Terms of delivery are based on Incoterms 2020, the official rules for interpretation of trade terms issued by the International Chamber of Commerce. For sales transactions designated free of carriage (FCA), revenue is recorded at the time of shipment. For sales transactions designated as Carriage paid to (CPT) or Carriage and Insurance Paid to (CIP), the portion of revenue relating to goods is recorded at the time of loading and the portion of revenue relating to delivery services over time when the service has been performed. A part of the sales contracts is on delivery terms basis, whereby delivery is not a promised service to the customer, as the control of a good does not transfer to the customer before shipment. Revenue and the corresponding receivable are recorded at the point in time when the product is delivered to the destination point for terms designated Delivered Duty Paid (“DDP”) or Delivered at Place (“DAP”).

Revenue recognition

WISA Group recognizes revenue as an amount equal to the price specified in the customer contract net of any sales taxes, cash flow hedging results of sales in foreign currency and variable consideration, when applicable. Variable consideration is defined as any variability that may occur between the sales price and the amount WISA Group expects to receive. The variable consideration includes mainly cash discounts and volume rebates that encourage the customer to take specific volumes in a given timescale. In addition, WISA Group gives the customers the right for purchase price refund in case the products do not meet the quality as specified in the agreement. The amount of variable consideration is recognized as a refund liability when some of the amount received is expected to be refunded to the customer. Customer rebates payable to customers in relation to sales made until the end of the reporting period and expected quality claims are estimated using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A refund liability is included in trade and other payables.

Receivables are recognized when the goods are delivered, and the consideration is unconditional except for the passage of time. For most of WISA Group’s customer contracts the period between the transfer of goods or services to customers and the receipt of payment is less than 12 months. For these contracts WISA Group has elected to use the practical expedient not to adjust revenue for the effect of financing components.

Advance payments received from customers are recognized as contract liability. WISA Group does not have any contract assets arising from contracts with customers.

2.4 Other operating income and operating expenses

Other operating income

Other operating income mainly includes emission rights received.

€ million	2025	2024	2023
Emission rights received	3.4	2.2	3.4
Gains on sale of non-current assets	0.3	0.0	0.0
Rental income	0.1	0.1	0.1
Other operating income [1]	-0.4	0.8	-0.9
Total	3.4	3.2	2.6

[1] Other operating income includes mainly exchange gains and losses regarding trade receivables and trade payables.

Emission rights

€3.4 million (2.2 million in 2024 and 3.4 million in 2023) of emission income was recognized in Other operating income and €0.1 million of emission expense (0.0 million in 2024 and 0.7 million in 2023) was recognized under Other operating costs and expenses relating to CO_2 emissions. The liability to cover the obligation to return emission rights amounted to €0.0 million (0.2 million in 2024 and 0.4 million in 2023) and is recognized in provisions. The emission rights recognized in intangible assets are specified below:

€ million	2025	2024	2023
Carrying value, at January 1	4.6	5.5	5.6
Emission rights received and purchased	5.1	0.5	3.4
Deliveries and disposals	-2.7	-1.2	-3.5
Impairment	0.2	-0.2	—
Carrying value, at December 31	7.2	4.6	5.5
Accumulated costs	7.2	4.7	5.5
Accumulated impairments	—	—	—
Carrying value, at December 31	7.2	4.6	5.5

Operating expenses

Carve-out principles

UPM Group has historically provided central management and support services to WISA Group entities. Please see further details in ***Note 1.3 Carve-out principles***. Costs directly attributable to the business have been allocated based on the principle of causality and historically applied global service charges have been included. Certain parent company costs related to public company status and corporate headquarter functions were not historically recharged. For the purposes of the carve-out financial statements, a portion of these centrally incurred costs has been allocated to WISA Group based on the UPM Plywood segment's turnover and headcount. These allocations have been shown as part of Maintenance and other operating expenses in the table below and may not be representative of future cost structures.

€ million	2025	2024	2023
Costs and expenses			
Employee costs [1]	74.6	82.1	80.9
Raw materials, consumables and goods	176.9	178.8	166.6
Delivery costs and other external charges	55.0	58.4	52.2
Maintenance and other operating expenses [2]	58.8	52.3	52.4
Rents and lease expenses	0.8	0.8	0.5
Losses on sale of non-current assets	—	—	5.1
Credit losses	0.1	0.0	0.1
Total	366.2	372.4	357.7

[1] Refer to ***» Note 3 Employee rewards***, for further information.

[2] Other operating expenses include, among others, energy as well as expenses related to services and administration.

Research and development costs

The research and development costs included in operating expenses were €3.4 million in 2025 (3.5 million in 2024 and 2.2 million in 2023). The focus was on new technologies.

Government grants

In 2025, government grants recognized as deduction of operating expenses totaled to €0.3 million (0.3 million in 2024 and 0.3 million in 2023). In addition, WISA Group received emission rights from government amounting to €3.4 million (2.2million in 2024 and 3.4 million on 2023).

Accounting policies

Other operating income

Other operating income mainly includes emission rights received and gains on the disposal of non-current assets and rental income. Further, other operating income includes foreign exchange gains and losses in respect of normal business activities. Gains and losses on derivatives not qualifying hedge accounting are also recognized in other operating income.

Emission rights

Emission rights received from governments free of charge to emit a fixed tonnage of carbon dioxide in a fixed period of time give rise to an intangible asset for the emission rights, a government grant and a liability for the obligation to deliver emission rights equal to the emissions that have been made during the compliance period.

Emission rights are initially recognized as intangible assets based on market value at the date of initial recognition. Emission rights are not amortized. If the market price of emissions rights at the balance sheet date is less than the recognized costs, any surplus emission rights that are not required to cover actual and estimated emissions during the financial year, are impaired to the market price.

Government grants are recognized as deferred income in the balance sheet at the same time as emission rights and are recognized in other operating income in the income statement, systematically, over the compliance period to which the corresponding emission rights relate.

The liability to deliver emission rights is recognized based on actual emissions. The emissions realized are expensed under other operating costs and expenses in the income statement and presented as a provision in the balance sheet. The liability is settled using emission rights on hand, measured at the carrying amount of those emission rights. Emission rights and associated provisions are derecognized when disposed. Any profit or loss represents the costs of purchasing additional rights to cover excess emissions, the sale of unused rights in the case realized emission are under emission rights received free of charge or the impairment of unused emission rights.

Research and development costs

Research and development costs are expensed as incurred, except for certain development costs, which are capitalized as they generate future economic benefits, and the costs can be measured reliably. Capitalized development costs amortized on a systematic basis over their expected useful lives, usually not exceeding five years.

Government grants

Government grants are recognized at fair value where there is a reasonable assurance that the grant will be received and the group will comply with the attached conditions. Government grants relating to the purchase of property, plant and equipment are deducted from the acquisition cost of the asset and accordingly directly reduce the annual depreciation of the underlying asset. Other government grants are recognized in the income statement in the period necessary to match them with the costs they are intended to compensate. A government grant can also become receivable as compensation for expenses incurred in a previous period. Such a grant is recognized in profit or loss of the period in which it becomes receivable.

3. Employee rewards

3.1 Employee costs

Carve-out principles

The table below includes costs for personnel directly employed by current UPM Plywood entities and personnel not directly employed by UPM Plywood entities but allocated from UPM Plywood business units. The portion of historical remuneration of UPM Group Executive Team, which has been allocated to WISA Group for the purposes of the preparation of the carve-out financial statements, is not included in personnel expenses, but presented as a service charge in administration expenses as described in Centrally provided services ***Note 1.3 Carve-out principles***. This allocation may not be indicative of the expenses related to management remuneration that will incur in the following financial years.

€ million	2025	2024	2023
Salaries and fees	61.5	65.7	65.2
Share-based payments	-0.4	1.0	1.0
Pension costs, defined contribution plans	8.8	9.8	9.4
Other indirect employee costs [1]	4.6	5.6	5.4
Total	74.6	82.1	80.9

[1] Other indirect employee expenses primarily include other statutory social expenses, excluding pension expenses.

Retirement benefit obligations

Retirement benefits are employee benefits that are payable usually after the termination of employment, such as pensions and post-employment medical care. UPM Group operates various pension schemes in accordance with local conditions and practices in the countries of operations. However, no defined benefit plans are included in the carve-out financial statements as no such plans are being transferred to WISA Group entities.

In Finland, employers are obliged to insure their employees for statutory benefits, as determined in Employee's Pension Act (TyEL). TyEL provides the employee with insurance protection for old age, disability and deaths. The Finnish employees are mainly insured with an insurance company and these arrangements qualify as defined contributions plans.

3.2 Key management personnel

Carve-out principles

The table below includes expenses of UPM Plywood business area's management team which are included in WISA Group's employee expenses in the combined income statement. For the purpose of the preparation of the carve-out financial statements, the remuneration of UPM Plywood's management team has been allocated to WISA Group's notes to reflect the management's contribution to WISA Group's business. The remuneration of UPM Group Executive Team has not been included in this note for the carve-out financial statement as UPM Plywood business area has had its own management team. The remuneration of UPM's Group Executive Team is part of centrally provided services as described in the ***Note 1.3 Carve-out principles*** and the expenses are presented as a service charge in administrative services for WISA Group. The table below may not be indicative of the expenses related to management remuneration that will incur in the following financial years.

Accounting principles for share-based payments are stated in the Carve-out principles and accounting principles, in ***Note 3.3 Share-based payments***.

Salaries and benefits paid to the Executive Team

€ million	2025	2024	2023
Salaries	1.3	1.3	1.3
Short-term incentives	0.2	0.3	0.4
Share rewards	0.3	0.4	0.5
Benefits	0.0	0.1	0.1
Total	1.8	2.0	2.3

During the periods presented in the carve-out financial statements, WISA Group has not had a separate management team. The management remuneration presented in the carve-out financial statements consists of the UPM Plywood management team, which has changed during the years 2025, 2024 and 2023. On December 31, 2025, UPM Plywood's management team included 9-10 members (2024: 8-9 members, 2023: 8 members).

3.3 Share-based payments

UPM offers rewards and recognition with an emphasis on high performance. All UPM's employees belong to a unified annual Short- Term Incentive (STI) scheme. In addition, in 2025 and in 2024, UPM had three long-term incentive schemes: the Performance Share Plan (PSP) for senior executives, the Deferred Bonus Plan (DBP) for other key employees, Restricted Share Plan (RSP) for individually selected participants in specific recruitment and retention situations. In 2023, UPM had two long-term incentive schemes as the Restricted Share Plan was established in 2023 and the first plan was approved for the period 2024–2027.

Accounting policies

UPM Group's long-term share incentive plans are recognized as equity-settled or cash-settled share-based payment transactions depending on the settlement. The Group classifies the transactions with net settlement features for tax obligations as equity-settled in its entirety. Shares are valued using the market rate on the grant date. The settlement is a combination of shares and cash. The Group may obtain the necessary shares by using its treasury shares or may purchase shares from the market. Share deliveries are executed by using already existing shares and the plans, therefore, have no dilutive effect.

Carve-out principles

WISA Group's key personnel have historically participated in UPM's share-based incentive programs. For carve-out purposes, the expenses related to WISA Group's personnel are included in the carve-out financial statements based on the actual number of employees over the cost recorded at WISA Group entities.

The number of participants include only WISA Group personnel participating in the plans. The number of shares include shares related to WISA Group personnel participating in the plans. The tables include costs for personnel directly employed by current WISA Group entities. WISA Group employees were participating in the Performance Share Plan (PSP) and the Deferred Bonus Plan (DBP). Restricted Share Plan is not included in the carve-out financial statement as no participants from WISA Group entities is included in the RSP plans.

The remuneration of UPM's Group Executive Team is part of centrally provided services as described in the ***Note 1.3 Carve-out principles*** and the expenses are presented as a service charge in administrative services for WISA Group.

The historical cost allocations may not be indicative of the future expenses that will arise through incentive schemes that will be established for WISA Group's key personnel in the future.

Performance Share Plan

The Performance Share Plan (PSP) is targeted at the President and CEO and other Group Executive Team (GET) members as well as other selected members of the management. Under the PSP 2020-2022 and PSP 2021–2023 UPM shares are awarded based on total shareholder return during a three-year earning period. Total shareholder return takes into account share price appreciation and paid dividends. The performance measures for the PSP 2022–2024, PSP 2023–2025, PSP 2024-2026 and PSP 2025-2027 comprise the total shareholder return (80% weighting) and selected environmental, social and governance related (ESG) measures. In all plans, the earned shares are delivered after the earning period has ended.

Performance Share Plans for the year ended 2025

In 2025, there were no participants in Performance Share Plan from UPM Plywood's key personnel.

Performance Share Plans for the year ended 2024

Performance Share Plans	PSP 2021-2023	PSP 2022-2024	PSP 2023-2025	PSP 2024-2026
No. of participants at December 31, 2024	1	1	1	1
Actual achievement	35 %	—	—	—
Max no. of shares to be delivered [1]				
to other members of GET	5,020	27,000	26,000	24,000
to other selected members of management	0			
Total max no. of shares to be delivered	5,020	27,000	26,000	24,000
Share delivery (year)	2024	2025	2026	2027
Earning criteria (weighting)	Total shareholder return (100%)	Total shareholder return (80%) ESG (20%) [2]	Total shareholder return (80%) ESG (20%) [3]	Total shareholder return (80%) ESG (20%) [4]

[1] For PSP 2021–2023, the gross number of shares actually earned.

[2] ESG measures are reduction of fossil CO_2 emissions from UPM's own combustion and purchased electricity by 65% by 2030 from 2015 level (10% weighting), achievement of a net positive impact on biodiversity in the company's own forests in Finland (5% weighting) and achievement of gender pay equity (5% weighting).

[3] ESG measures are reduction of fossil CO_2 emissions from UPM's on-site combustion and purchased energy by 65% by 2030 from 2015 level (10% weighting), achievement of a net positive impact on biodiversity in the company's own forests in Finland (5% weighting) and achievement of gender pay equity (5% weighting).

[4] ESG measures are reduction of fossil CO_2 emissions from UPM's on-site combustion and purchased energy, the achievement of a net positive impact on biodiversity in the Company's own forests in Finland and the achievement of gender pay equity globally.

Performance Share Plans for the year ended 2023

Performance Share Plans	PSP 2020-2022	PSP 2021-2023	PSP 2022-2024	PSP 2023-2025
No. of participants at December 31, 2023	1	1	1	1
Actual achievement	100 %	35 %	—	—
Max no. of shares to be delivered [1]				
to other members of GET	11,300	5,020	27,000	26,000
to other selected members of management	0	0	0	0
Total max no. of shares to be delivered	11,300	5,020	27,000	26,000
Share delivery (year)	2023	2024	2025	2026
Earning criteria (weighting)	Total shareholder return (100%)	Total shareholder return (100%)	Total shareholder return (80%) ESG (20%) [2]	Total shareholder return (80%) ESG (20%) [3]

[1] For PSP 2020–2022 and 2021-2023, the gross number of shares actually earned.

[2] ESG measures are reduction of fossil CO_2 emissions from UPM's own combustion and purchased electricity by 65% by 2030 from 2015 level (10% weighting), achievement of a net positive impact on biodiversity in the company's own forests in Finland (5% weighting) and achievement of gender pay equity (5% weighting).

[3] ESG measures are reduction of fossil CO_2 emissions from UPM's on-site combustion and purchased energy by 65% by 2030 from 2015 level (10% weighting), achievement of a net positive impact on biodiversity in the company's own forests in Finland (5% weighting) and achievement of gender pay equity (5% weighting).

Deferred Bonus Plan

The Deferred Bonus Plan (DBP) is targeted at other selected key employees and it consists of annually commencing plans. Each plan consists of a one-year earning period and a two-year restriction period. UPM shares are awarded based on achievement of group or group and business area EBITDA targets. Prior to share delivery, the share rewards earned are adjusted with dividends and other capital distributions, if any, paid to all shareholders during the restriction period.

Deferred Bonus Plans for the year ended 2025

Deferred Bonus Plans	DBP 2022	DBP 2023	DBP 2024	DBP 2025
No. of participants (at grant)	37	39	41	23
No. of participants (at December 31, 2025)	33	31	36	23
Max no. of shares to be delivered (at grant)	28,632	30,196	39,637	31,160
Estimated no. of shares to be delivered at December 31, 2025 [1]	25,528	5,376	13,087	0
Share delivery (year)	2025	2026	2027	2028
Earning criteria	Group/Business Area EBITDA	Group/Business Area EBITDA	Group/Business Area EBITDA	Group/Business Area EBITDA

[1] For DBP 2022, the gross number of shares actually earned

Deferred Bonus Plans for the year ended 2024

Deferred Bonus Plans	DBP 2021	DBP 2022	DBP 2023	DBP 2024
No. of participants (at grant)	35	37	39	41
No. of participants (at December 31, 2024)	33	33	33	37
Max no. of shares to be delivered (at grant)	24,319	28,632	30,196	39,637
Estimated no. of shares to be delivered at December 31, 2024 [1]	23,768	25,528	5,363	13,211
Share delivery (year)	2024	2025	2026	2027
Earning criteria	Group/Business Area EBITDA	Group/Business Area EBITDA	Group/Business Area EBITDA	Group/Business Area EBITDA

[1] For DBP 2021, the gross number of shares actually earned

Deferred Bonus Plans for the year ended 2023

Deferred Bonus Plans	DBP 2020	DBP 2021	DBP 2022	DBP 2023
No. of participants (at grant)	33	35	37	39
No. of participants (at December 31, 2023)	31	33	36	37
Max no. of shares to be delivered (at grant)	22,980	24,319	28,632	30,196
Estimated no. of shares to be delivered at December 31, 2023 [1)]	10,844	23,768	25,800	4,922
Share delivery (year)	2023	2024	2025	2026
Earning criteria	Group/Business Area EBITDA	Group/Business Area EBITDA	Group/Business Area EBITDA	Group/Business Area EBITDA

[1)] For DBP 2020 and DBP 2021, the gross number of shares actually earned

4. Capital employed

WISA Group's capital employed primarily relates to its production facilities.

Capital employed

€ million	2025	2024	2023
Property, plant and equipment	109.0	119.1	123.2
Leased assets	7.0	4.8	2.7
Goodwill and other intangible assets	21.3	18.8	20.4
Operating working capital	70.2	74.7	79.8
Provisions	-14.4	-10.5	-11.1
Cash and cash equivalents	2.5	1.8	0.6
Other assets and liabilities	-2.3	-2.8	-3.4
Net deferred tax assets and liabilities	-10.1	-9.4	-6.4
Total	183.1	196.5	205.8

4.1 Property, plant and equipment

€ million	LAND AND WATER AREAS	BUILDINGS	MACHINERY AND EQUIPMENT	OTHER TANGIBLE ASSETS	CONSTRUCTION IN PROGRESS	TOTAL
2025						
Accumulated costs	2.9	90.9	380.9	17.5	1.2	493.4
Accumulated depreciation and impairments	—	-65.1	-304.2	-15.2	—	-384.5
Carrying value, at December 31	2.9	25.8	76.7	2.4	1.2	109.0
Carrying value, at January 1	2.9	28.4	82.2	2.8	2.9	119.1
Additions	0.0	—	—	—	7.8	7.8
Disposals	—	—	-0.2	—	—	-0.2
Depreciation	—	-3.3	-13.5	-0.6	—	-17.4
Reclassifications	—	0.8	8.3	0.2	-9.5	-0.3
Carrying value, at December 31	2.9	25.8	76.7	2.4	1.2	109.0
2024						
Accumulated costs	2.9	99.5	377.9	17.8	2.9	501.0
Accumulated depreciation and impairments	—	-71.2	-295.7	-15.0	—	-381.9
Carrying value, at December 31	2.9	28.4	82.2	2.8	2.9	119.1
Carrying value, at January 1	1.6	30.6	82.2	3.3	5.5	123.2
Additions	—	—	—	—	16.4	16.4
Disposals	—	—	-0.6	—	—	-0.6
Depreciation	—	-4.2	-15.2	-0.6	—	-20.0
Reclassifications	1.2	2.0	15.7	0.1	-19.0	0.0
Carrying value, at December 31	2.9	28.4	82.2	2.8	2.9	119.1
2023						
Accumulated costs	1.6	97.6	362.5	17.7	5.5	484.9
Accumulated depreciation and impairments	—	-67.0	-280.3	-14.3	—	-361.7
Carrying value, at December 31	1.6	30.6	82.2	3.3	5.5	123.2
Carrying value, at January 1	1.5	32.2	83.4	3.7	6.0	126.8
Additions	0.1	—	0.5	—	14.1	14.7
Depreciation	—	-2.5	-15.5	-0.6	—	-18.7
Impairment reversal	—	—	0.4	—	—	0.4
Reclassifications	—	0.9	13.4	0.3	-14.6	—
Carrying value, at December 31	1.6	30.6	82.2	3.3	5.5	123.2

Capital expenditure

Capital expenditure, excluding acquisitions and shares, amounted to €7.9 million in 2025 (€16.7 million in 2024 and €14.9 million in 2023).

Capitalized borrowing costs

There are no additions to capitalized borrowing costs in the balance sheet in 2025, 2024 or 2023.

Government grants

There are no government grants recognized as deduction of non-current assets in 2025, 2024 and 2023.

Impairment losses

In 2025, 2024 and 2023, property, plant and equipment does not include any impairment charges.

§ ***Accounting policies***

Property, plant and equipment

Property, plant and equipment is stated at historical cost. Costs of assets of acquired in business combinations are determined at fair value at the acquisition date. Depreciation is calculated on a straight line basis and the carrying value is adjusted for impairment charges, if any. The carrying value of property, plant and equipment on the balance sheet represents the cost less accumulated depreciation and any impairment charges.

Borrowing costs incurred for the construction of any qualifying assets are capitalized during the period of time required to complete and prepare the asset for its intended use. Other borrowing costs are expensed.

Major renovations are capitalized and depreciated over the useful lives of the related asset. Ordinary expenses for repairs and maintenance are expensed as incurred.

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in other operating income and other operating expenses, respectively.

Assessed useful lives	Number of years
Land, not subject to depreciation	-
Buildings	20-50
Power plants	20-30
Heavy machinery	15-20
Light machinery	10-15
Equipment	5

Impairment testing

Carrying values of individual items included in property, plant and equipment are reviewed at each closing date to determine whether there is any indication of impairment. The carrying value is written down immediately to the asset's recoverable amount if the carrying value exceeds the estimated recoverable amount. Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. The recoverable amount is determined as the higher of an asset's fair value less costs to sell and its value in use. Value in use is determined by discounting future cash flows expected to be generated by the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Non-financial assets, other than goodwill, that have suffered impairment are reviewed for possible reversal of the impairment at each reporting date. Where an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but the increased carrying amount will not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

Key estimates and judgments

The estimations of useful lives, residual value as well as depreciation and amortization methods require significant management judgment and are reviewed annually. Management makes estimates on the future cash flows expected to result from the use of the asset and its eventual disposal. While management believes that estimates of future cash flows are reasonable, different assumptions regarding such cash flows could materially affect valuations.

The long useful lives of assets, changes in estimated future sales prices of products, changes in product costs and changes in the discount rates used could lead to significant impairment charges.

Estimates are also made in an acquisition when determining the fair values and remaining useful lives of acquired intangible and tangible assets.

4.2 Goodwill and other intangible assets

Goodwill

Goodwill in 2025, 2024 and 2023 amounting to €13.1 million relates to historical merger and UPM Plywood acquisitions.

€ million	2025	2024	2023
Carrying value, at January 1	13.1	13.1	13.1
Companies acquired	—	—	—
Impairment charges	—	—	—
Carrying value, at December 31	13.1	13.1	13.1

Other intangible assets

€ million	Intangible rights	Software and other intangible assets	Total
2025			
Accumulated costs	3.0	17.9	20.8
Accumulated amortization and impairments	-2.8	-17.0	-19.8
Carrying value, at December 31	0.2	0.9	1.0
Carrying value, at January 1	0.2	1.0	1.1
Additions	0.1	—	0.1
Amortization	-0.1	-0.4	-0.5
Reclassifications	—	0.3	0.3
Carrying value, at December 31	0.2	0.9	1.0
Emission rights, carrying value [1]			7.2
Carrying value including emission rights, at December 31			8.2
2024			
Accumulated costs	3.1	17.3	20.3
Accumulated amortization and impairments	-2.9	-16.3	-19.2
Carrying value, at December 31	0.2	1.0	1.1
Carrying value, at January 1	0.2	1.6	1.8
Additions	0.1	0.2	0.3
Amortization	-0.1	-0.8	-0.9
Carrying value, at December 31	0.2	1.0	1.1
Emission rights, carrying value [1]			4.6
Carrying value including emission rights, at December 31			5.8
2023			
Accumulated costs	3.0	17.4	20.5
Accumulated amortization and impairments	-2.9	-15.8	-18.7
Carrying value, at December 31	0.2	1.6	1.8
Carrying value, at January 1	0.3	2.2	2.5
Additions	0.1	—	0.1
Amortization	-0.1	-0.8	-0.9
Reclassifications	—	0.2	0.2
Carrying value, at December 31	0.2	1.6	1.8
Emission rights, carrying value [1]			5.5
Carrying value including emission rights, at December 31			7.3

[1] Refer to *» Note 2.4 Operating expenses and other operating income*, for further information on emission rights.

Impairment testing

Goodwill impairment tests were carried out in the fourth quarter 2025, 2024 and 2023. The recoverable amount of CGUs was estimated based on value in use calculations.

Carve-out principles

As these financial statements have been prepared on a carve-out basis from historical UPM Group's consolidated financial statements, the goodwill impairment testing information presented below are based on the historical impairment tests performed by UPM Group for the UPM Plywood CGU.

The basis for valuation and key assumptions used in goodwill impairment testing are summarized in the below table:

Year	Basis of valuation	Period of forecast	Pre-tax discount rate	Key assumptions
2025	Value in use	10 years + terminal value	10.18 %	Product prices, cost development
2024	Value in use	10 years + terminal value	11.12 %	Product prices, cost development
2023	Value in use	10 years + terminal value	12.06 %	Product prices, cost development

Sensitivity analyses

The sensitivity analyses of goodwill impairment tests indicate that no reasonable change in key assumptions would result in recognition of impairment loss against goodwill.

Key estimates and judgments

The assessment of the carrying value of goodwill and indefinite life assets requires significant judgment.

While management believes that estimates of future cash flows are reasonable, different assumptions are subject to change as a result of changing economic and operational conditions. Actual cash flows could therefore vary from estimated discounted future cash flows and could result in changes in the recognition of impairment charges in future periods.

Future cash flows

The review of recoverable amount for goodwill is based on a calculation of value in use, using management projections of future cash flows. The most important assessments and assumptions needed in calculations are forecasts for future growth rates for the business in question, product prices, cost development and the discount rates applied. Ten-year forecast is used in calculations as the nature of the group's business is long term, due to its capital intensity, and is exposed to cyclical changes. In estimates of product prices and cost development, forecasts prepared by management for the next three years and estimates made for the following seven years are taken into consideration. In addition, consideration is given to the investment decisions made by the group as well as the profitability programs that the group has implemented and the views of knowledgeable industry experts on the long-term development of demand and prices. In the projection of cash flows, EBITDA adjusted with cash flows not captured within EBITDA, including working capital movements and capital expenditures, is used. An assumed terminal value is based on a EBITDA multiples six times.

Discount rate

The discount rate is estimated using the weighted average cost of capital (WACC) on the calculation date adjusted for risks specific to the business in question. The adjusted after-tax discount rate is translated to a pre-tax rate for each cash generating unit (CGU) based on the specific tax rate applicable to where the CGU operates.

Accounting policies

Goodwill

Goodwill arises in connection with business combinations where the consideration transferred exceeds the fair value of the acquired net assets. Goodwill is recognized at cost less accumulated impairment and is an intangible asset with an indefinite useful life. Goodwill is allocated to the cash generating units that are expected to benefit from the synergies from the business combination.

Intangible rights

Intangible rights include patents, licenses, intellectual property and similar rights. Intangible rights are recognized at cost less accumulated amortization and impairment. Amortization is calculated using the straight-line method over their estimated useful lives ranging from 5 to 10 years.

Software and other intangible assets

Research expenditure is recognized as an expense as incurred. Costs incurred in acquiring software that will contribute to future period financial benefit are capitalized to software and systems. Other intangible assets are recognized at cost less accumulated amortization and impairment. Amortization is calculated using the straight-line method over their estimated useful lives ranging from 3 to 5 years.

Impairment testing

Goodwill and other intangible assets that are deemed to have an indefinite life are tested at least annually for impairment. For goodwill impairment testing purposes, cash-generating units (CGUs) are identified as the smallest identifiable group of assets that generate cash inflows largely independent of the cash inflows of other assets or other groups of assets. For WISA Group, the CGU is a business area. The carrying amount for the CGU includes goodwill, non-current assets and working capital. If the balance sheet carrying amount of the CGU unit exceeds its recoverable amount, an impairment loss is recognized. Impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to other assets of the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period.

Other intangible assets with indefinite useful lives are impaired if the recoverable amount of the asset is less than the carrying amount. The carrying amount of the asset is then reduced to the recoverable amount which is the higher of the asset's net selling price and its value in use.

4.3 Provisions

€ million	Restructuring	Termination	Environmental	Emissions	Other	Total
2025						
Provisions at January 1	0.0	1.3	7.7	0.2	1.3	10.5
Provisions made during the year	0.3	0.1	4.1	0.0	0.0	4.6
Provisions utilized during the year	-0.3	-0.2	-0.1	-0.2	—	-0.7
Provisions at December 31	0.0	1.3	11.7	0.0	1.3	14.4
Non-current						13.9
Current						0.5
Total						14.4
2024						
Provisions at January 1	0.2	1.6	7.8	0.4	1.1	11.1
Provisions made during the year	—	0.1	—	0.2	0.2	0.4
Provisions utilized during the year	-0.1	-0.3	-0.1	-0.2	0.0	-0.7
Unused provisions reversed	-0.1	—	—	-0.2	0.0	-0.4
Provisions at December 31	0.0	1.3	7.7	0.2	1.3	10.5
Non-current						10.0
Current						0.5
Total						10.5
2023						
Provisions at January 1	—	1.6	8.0	0.3	1.1	11.0
Provisions made during the year	1.0	0.3	—	0.2	0.0	1.6
Provisions utilized during the year	-0.8	-0.4	-0.2	0.0	0.0	-1.4
Unused provisions reversed	-0.1	—	—	—	—	-0.1
Provisions at December 31	0.2	1.6	7.8	0.4	1.1	11.1
Non-current						10.5
Current						0.6
Total						11.1

Accounting policies

A provision is recognized when a present legal or constructive obligation exists as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are split between amounts expected to be settled within 12 months of the balance sheet date (current) and amounts expected to be settled later (non-current).

Restructuring and termination provisions

A restructuring provisions is recognized when a detailed plan for the implementation of the measures is complete and when the plan has been communicated to those who are affected. Employee termination provisions are recognized when the group has communicated the plan to the employees.

Emission provisions

Emission obligations are recognized in provisions based on realized emissions. The provision is measured at the carrying amounts of the corresponding emission rights held, which are recognized as intangible assets. In case of deficit in emission rights, the shortage is valued at the market value at the balance sheet date.

Environmental provisions

Environmental expenditures that relate to an existing condition caused by past operations that do not contribute to future earnings are expensed. The recognition of environmental provisions is based on current interpretations of environmental laws and regulations. Such provisions are recognized when there is an obligation to dismantle and remove a facility or an item of plant and to restore the site on which it is located. The amount recognized is the present value of the estimated future expenditure determined in accordance with local conditions and requirements. A corresponding item of property, plant and equipment of an amount equivalent to the provision is also recognized and subsequently depreciated as part of the asset. Provisions do not include any third-party recoveries.

Key estimates and judgments

Environmental provisions

The estimates used in determining the provisions are based on the expenses incurred for similar activities in the current reporting period taking into account the effect of inflation, cost-base development and discounting. Because actual outflows can differ from estimates due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are regularly reviewed and adjusted to take into account of any such changes. The discount rate applied is reviewed annually.

WISA Group aims to operate in compliance with regulations related to the treatment of waste water, air emissions and landfill sites. However, expected events during production processes and waste treatment could cause material losses and additional costs in the WISA Group's operations.

Legal contingencies

Management judgment is required in measurement and recognition of provisions related to pending litigation. Provisions are recorded when there is a present legal or constructive obligation as a result of past event, an unfavorable outcome is probable and the amount of loss can be reasonably estimated. Due to inherent uncertain nature of litigation, the actual losses may differ significantly from the originally estimated provision. In 2025, 2024 and 2023, WISA Group entities did not have such provisions.

Refer to ***» Note 9.2 Litigation*** for details of legal contingencies.

4.4 Working capital

Operating working capital includes inventories, trade receivables, trade payables and advances received which are presented separately below. The performance obligations related to advances received are typically fulfilled within 12 months of receipt of the advance.

Operating working capital

€ million	2025	2024	2023
Inventories	79.1	74.7	75.2
Trade receivables	25.1	30.1	28.2
Trade receivables from UPM Group	2.7	3.9	5.7
Trade payables	-21.3	-20.1	-18.1
Trade payables to UPM Group	-15.2	-13.7	-11.1
Advances received	-0.2	-0.2	0.0
Total	70.2	74.7	79.8

Inventories

€ million	2025	2024	2023
Raw materials and consumables	19.6	19.2	19.1
Work in progress	—	—	—
Finished products and goods	59.5	55.5	56.1
Advance payments	—	—	—
Total	79.1	74.7	75.2

Trade and other receivables

€ million	2025	2024	2023
Trade receivables			
Trade receivables	27.9	34.0	34.0
Loss allowance provision	-0.1	-0.1	-0.1
Total trade receivables	27.7	34.0	33.9
Prepayments and accrued income			
Prepayments and accrued income, emission rights	—	1.7	—
Prepayments and accrued income, UPM Group	0.1	0.1	0.1
Other items	1.1	0.9	1.0
Total prepayments and accrued income	1.2	2.6	1.1
Other receivables			
VAT and other indirect taxes receivable	5.6	5.5	4.3
Other receivables	0.1	0.1	0.3
Total other receivables	5.6	5.5	4.6
Total	34.5	42.1	39.6

Trade receivables aging

	2025			2024			2023		
€ million	Trade receivables	Loss allowance provision	Trade receivables, net of provision	Trade receivables	Loss allowance provision	Trade receivables, net of provision	Trade receivables	Loss allowance provision	Trade receivables, net of provision
Undue	26.0	-0.1	25.9	32.8	0.0	32.8	31.7	0.0	31.7
Past due up to 30 days	1.8	—	1.8	1.2	0.0	1.2	2.2	0.0	2.2
Past due 31–90 days	—	—	—	—	—	—	—	—	—
Past due over 90 days	—	—	—	—	—	—	—	—	—
Total	27.9	-0.1	27.7	34.0	-0.1	34.0	34.0	-0.1	33.9

Trade and other payables

€ million	2025	2024	2023
Accrued expenses and deferred income			
Personnel expenses	13.4	18.4	17.3
Customer rebates	5.8	7.7	5.6
Other items	0.5	0.4	0.6
Total accrued expenses and deferred income	19.7	26.6	23.5
Trade payables	36.5	33.8	29.3
VAT payables	1.5	2.3	1.2
Other current liabilities	2.9	1.9	1.9
Total	60.8	64.8	55.9

Operational credit risk

Operational credit risk is defined as the risk where the group is not able to collect the payments for its receivables. The UPM Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Outstanding trade receivables, days of sales outstanding (DSO) and overdue trade receivables are followed on monthly basis. Customer credit limits are established and monitored, and ongoing evaluations of their financial condition is performed. UPM Group has trade credit insurances to protect accounts receivables from significant credit losses. Maximum exposure to credit risk, without taking into account any credit enhancements, is the carrying amount of trade and other receivables.

In 2025, 2024 and 2023, WISA Group entities had no loss allowance provisions booked and no material aged trade receivables.

Accounting policies

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined by the method most appropriate to the particular nature of inventory, the first-in, first-out (FIFO) or weighted average cost. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. If the net realizable value is lower than cost, a valuation allowance is established for inventory obsolescence.

Trade and other receivables

Trade receivables arising from selling goods and services in the normal course of business are recognized initially at transaction price and subsequently at amortized cost less loss allowance provision. No element of financing is deemed present as the sales are made with a credit term of 14–60 days, which is consistent with market practice.

The IFRS 9 simplified approach is applied to measure expected credit losses, whereby a lifetime expected loss allowance for all trade receivables. Two types of provisions are recognised for trade receivables – a general provision for lifetime expected credit losses and a provision for specified individual trade receivables, both of which are charged to the income statement. A provision matrix is used for estimating lifetime expected credit losses where trade receivables are segregated by businesses. The provision matrix is based on historical observed default rates, adjusted by forward looking information. It takes into account trade credit insurances, payment profile of customers and the factor that as debts get older they are more likely not to be paid. In addition, a provision is recognized individually for outstanding trade receivables where specific debtor information is available. In these cases there must be objective evidence that not all amounts due will be collected in accordance with the original terms of the receivables.

Trade receivables are permanently written off when there is no reasonable expectation of recovery. The customer entering into bankruptcy or liquidation proceedings or finalizing such proceedings, or entering into debt-restructuring are considered indicators that the trade receivables are no longer expected to be recovered. Subsequent recoveries of amounts previously written off are credited to the income statement. The carrying amount of trade receivables approximates to their fair value due to the short-term nature of the receivables.

Other receivables consist mainly of VAT receivables.

Trade and other payables

Trade payables arise from purchase of inventories, fixed assets and goods and services in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if they are due to be settled within the normal operating cycle of the business or within 12 months from the balance sheet date. Trade payables are recognized initially at fair value and subsequently at amortized cost using the effective interest method. The carrying amount of trade payables approximates to their fair value due to the short-term nature of the payables.

A refund liability is recognised for expected volume and other discounts arising from contracts with customers. Customer rebates include mainly volume discounts and are recognized as equal to an amount which is most likely to be paid to the customer. The carrying amount of expected customer rebates is updated at each reporting date, using the latest forecast data available.

Customer claims relating to quality complaints are accounted for as revenue-related refund liability. Expected customer claims are estimated based on historical data and the amount of refund liability is updated at each reporting date. Customer claims and customer rebates are typically expected to realize within the next 12 months.

Advances received are recognized as contract liability until the performance obligation is fulfilled.

5. Capital structure

5.1 Capital management

Historically, WISA Group entities have been part of UPM Group, and its financing and financial risk management has been conducted centrally in accordance with group-level treasury policies, which define the principles, organization, responsibilities and reporting related to treasury activities and financial risk management across UPM Group.

The objectives of the central treasury function is to ensure sufficient funding for business operations, provide financial services to business units, manage and optimize liquidity and funding, minimize financing costs, and identify, manage and monitor financial risks. These risks include, among others, currency, interest rate, liquidity, funding, credit, counterparty and operational risks.

Historically, funding, liquidity management and the oversight of financial risks has been managed at UPM Group level. Legal entities included in WISA Group have operated within this centrally managed treasury framework and complied with Group treasury policies and instructions. Financial risk hedging activities are performed in accordance with these policies and under the guidance of the central treasury function.

At December 31, 2025, WISA Group entities' debt totaled €7.3 million (2024: €5.0 million, 2023: €3.3 million), of which majority were lease liabilities.

Liquidity and refinancing risk

WISA Group has had access to UPM Group liquidity through internal borrowing when needed. WISA Group has been having a negative net-debt and a strong liquidity which has been invested in UPM parent company with a short maturity ensuring needed access to cash when needed. Due to negative net debt, WISA Group has only had external leasing transaction as debt items.

5.2 Net debt

Net debt is defined as the total of current and non-current debt less cash and cash equivalents and interest-bearing current and non-current financial assets.

Net debt

€ million	2025	2024	2023
Lease liabilities	4.6	3.2	1.5
Other loans	0.1	0.1	0.1
Non-current debt	4.7	3.2	1.7
Repayments of lease liabilities	2.4	1.6	1.1
Other liabilities	0.2	0.2	0.5
Current debt	2.6	1.8	1.6
Total debt	7.3	5.0	3.3
Cash pool receivables from UPM Group	70.8	161.5	152.1
Cash and cash equivalents	2.5	1.8	0.6
Current interest-bearing assets	73.3	163.3	152.7
Net debt	-66.1	-158.3	-149.4

Accounting policies

Debt and other liabilities

For WISA Group entities, the carve-out financial statement comprises of only lease liabilities as presented in the table of Net debt. The accounting policy for leases is described in Leases section.

Change in net debt 2025

€ million	Lease liabilities	Other liabilities	Cash pool receivables from UPM Group	Cash and cash equivalents	Net debt
Carrying value, at January 1	4.7	0.3	-161.5	-1.8	-158.3
Change in net debt, cash					
Lease repayments	-1.3	—	—	—	-1.3
Change in current liabilities	—	—	—	—	—
Change in cash pool receivables	—	—	90.7	—	90.7
Change in cash and cash equivalents [1]	—	—	—	-0.7	-0.7
Change in net debt, non-cash					
New contracts and subsequent additions	3.6	—	—	—	3.6
Lease liability reassessments	—	—	—	—	—
Carrying value, at December 31	7.0	0.3	-70.8	-2.5	-66.1

Change in net debt 2024

€ million	Lease liabilities	Other liabilities	Cash pool receivables from UPM Group	Cash and cash equivalents	Net debt
Carrying value, at January 1	2.6	0.6	-152.1	-0.6	-149.4
Change in net debt, cash					
Lease repayments	-1.0	—	—	—	-1.0
Change in current liabilities	—	-0.4	—	—	-0.4
Change in cash pool receivables	—	—	-9.4	—	-9.4
Change in cash and cash equivalents [1]	—	—	—	-1.2	-1.2
Change in net debt, non-cash					
New contracts and subsequent additions	3.1	—	—	—	3.1
Lease liability reassessments	-0.1	—	—	—	-0.1
Carrying value, at December 31	4.7	0.3	-161.5	-1.8	-158.3

Change in net debt 2023

€ million	Lease liabilities	Other liabilities	Cash pool receivables from UPM Group	Cash and cash equivalents	Net debt
Carrying value, at January 1	2.0	0.5	-165.5	-1.8	-164.8
Change in net debt, cash					
Lease repayments	-0.7	—	—	—	-0.7
Change in current liabilities	—	0.1	—	—	0.1
Change in cash pool receivables	—	—	13.4	—	13.4
Change in cash and cash equivalents [1]	—	—	—	1.2	1.2
Change in net debt, non-cash					
New contracts and subsequent additions	1.4	—	—	—	1.4
Lease liability reassessments	-0.1	—	—	—	-0.1
Carrying value, at December 31	2.6	0.6	-152.1	-0.6	-149.4

Free cash flow

Free cash flow is primarily a liquidity measure. It is an important indicator of overall operational performance as it reflects the cash generated from operations after investing activities.

€ million	2025	2024	2023
Operating cash flow	44.3	68.0	48.8
Investing cash flow	-7.9	-16.5	-2.6
Free cash flow	**36.4**	**51.5**	**46.2**
Dividends paid to owners of the parent company	-125.0	-40.0	-60.0
Other financing cash flow	—	0.4	-0.3
Change in net debt, cash	88.6	-12.0	14.1
Change in net debt, non-cash	3.6	3.1	1.4
Change in net debt	92.2	-8.9	15.4
Opening net debt	-158.3	-149.4	-164.8
Closing net debt	-66.1	-158.3	-149.4

Leases

Leases of property, plant and equipment where WISA Group entities, as a lessee, obtains substantially all of the economic benefits from the use of the identified asset and where WISA Group has the right to direct the use of the identified asset, are classified as leases.

In 2025, additions to leased assets mainly relate office spaces, forklifts and car leases. In 2024 and in 2023, additions to leased assets mainly relate to forklifts and car leases.

The expenses related to short-term leases recognized in the income statement were not material in 2025, 2024 and in 2023.

Changes in leased assets

€ million	Buildings	Machinery and equipment	Total
2025			
Carrying value, at January 1	0.2	4.5	4.8
New contracts and subsequent additions	3.0	0.8	3.9
Reassessments and disposals	—	—	—
Depreciation	-0.3	-1.4	-1.6
Carrying value, at December 31	3.0	4.0	7.0
2024			
Carrying value, at January 1	0.2	2.4	2.7
New contracts and subsequent additions	0.2	3.1	3.3
Reassessments and disposals	—	—	—
Depreciation	-0.2	-1.0	-1.2
Carrying value, at December 31	0.2	4.5	4.8
2023			
Carrying value, at January 1	0.1	2.0	2.1
New contracts and subsequent additions	0.2	1.2	1.4
Reassessments and disposals	—	—	—
Depreciation	-0.1	-0.8	-0.9
Carrying value, at December 31	0.2	2.4	2.7

Accounting policies

Leases

WISA Group as a lessee

WISA Group assesses whether a contract is or contains a lease at inception of the contract. This assessment involves the exercise of judgment about whether it depends on a specified asset, whether WISA Group obtains substantially all the economic benefits from the use of that asset, and whether it has the right to direct the use of the asset.

WISA Group recognizes a leased asset and a lease liability at the lease commencement date, except for short-term leases. WISA Group applies this to all asset classes. Short-term leases are leases that, at the commencement date, have a lease term of 12 months or less. A lease that contains a purchase option is not a short-term lease. WISA Group recognizes lease payments of short-term leases as an expense on a straight-line basis over the lease term.

The lease term is determined as the non-cancellable period of the lease taking into consideration the options to extend and terminate if it is reasonably certain that WISA Group will exercise the extension option or will not exercise the termination option. If the contract is for an indefinite period of time and WISA Group and the lessor both have a right to terminate the contract within a short notice period (12 months or less) without a significant economic penalties and termination cash payments, the contract is considered to be a short-term contract.

The lease liability is recognized at the commencement date and measured at the present value of the lease payments to be paid during the lease term. WISA Group uses, as a basis, discount rate implicit in the lease and if that rate cannot be readily determined, WISA Group uses incremental borrowing rate which comprises of currency and lease term-based reference rate and specific credit spread as well as other specific terms and conditions of a lease. Lease payments can include fixed payments, variable payments that depend on an index or rate and extension option payments or purchase options if it is reasonably certain that WISA Group will exercise them. The lease liability is subsequently measured at amortized cost using the effective interest rate method and remeasured (with corresponding adjustment to the related leased asset) when there is a change in future lease payments due to renegotiation, changes of an index or rate or reassessment of options.

Leased asset comprises the initial lease liability, initial direct costs and the obligations to refurbish the asset, less any incentives granted by the lessors. The leased asset is subsequently valued at cost less accumulated depreciation and impairment losses. Remeasurement takes place in case lease liability is remeasured and change in cash flows is based on contract terms that have been included in the original contract. The leased asset is depreciated over the shorter of the asset's useful life and the lease term. The leased asset is subject to testing for impairment if there is an indicator for impairment, as for own assets.

WISA Group has elected to separate non-lease components such as service components and other variable components and account them for as expenses, if they can be separated from the leased asset. However, WISA Group does not separate non-lease components from the lease contracts of company cars.

WISA Group does not apply portfolio approach of leases with similar characteristics.

Leased assets are presented in the balance sheet as a separate financial statement line item. Lease liabilities are presented as part of non-current debt and current debt line items in the balance sheet. Lease liabilities are part of net debt calculation of WISA Group. Short-term lease payments are reported as rents and lease expenses. Variable lease payments are recognized within the operating costs and expenses based on the nature of the payment. The interest expense on the lease liability is recognized as a component of finance costs in income statement. In cash flow statement, payments for the principal portion of the lease liability are recognized as financing cash flow while payments for interest portion of lease liability, short-term leases, and variable amounts not included in the measurement of the lease liability, are classified within operating cash flow.

WISA Group as a lessor

At inception of a lease contract, WISA Group makes an assessment whether the lease is a finance lease or an operating lease. If the lease transfers substantially all of the risks and rewards incidental to ownership of the asset, it is considered to be a finance lease; if not, the lease is considered to be an operating lease. WISA Group has only a minor amount of operating lease contracts, whereby the lease payments are recognized on a straight-line basis over the term of the lease.

5.3 Financial assets and liabilities by category

Financial assets and liabilities recognized in the balance sheet include cash and cash equivalents, loans and other financial receivables, trade receivables, trade payables, lease liabilities and other payables.

Classification of financial assets into different measurement categories depends on the contractual cash flow characteristics and the business model for managing the financial asset. The measurement category of each financial asset is determined at inception. Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right in all circumstances to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred, and substantially all the risks and rewards of ownership have been transferred.

Carve-out principles

Financing transactions between UPM and its legal entities have historically been carried out through intercompany loans, cash pool arrangements and hedging arrangements.

The external funding held by UPM parent company has not historically been drawn or linked to UPM's segments. Thus, all external funding held by UPM parent company cannot be reliably attributed to WISA Group in the carve-out financial statements.

Finance lease liabilities will follow the related asset.

The financing presented in the carve-out financial statements may differ significantly from the future financing requirements of WISA Group on a standalone basis.

Financial assets and liabilities by category at the end of 2025

€ million	Equity instruments at fair value through OCI	Financial assets and liabilities at amortized cost	Total
Trade and other receivables	—	34.5	34.5
Cash pool receivables from UPM Group	—	70.8	70.8
Cash and cash equivalents	—	2.5	2.5
Total financial assets	—	107.9	107.9
Interest-bearing liabilities, non-current	—	4.7	4.7
Interest-bearing liabilities, current	—	2.6	2.6
Trade and other payables	—	60.8	60.8
Total financial liabilities	—	68.1	68.1

Financial assets and liabilities by category at the end of 2024

€ million	Equity instruments at fair value through OCI	Financial assets and liabilities at amortized cost	Total
Trade and other receivables	—	42.1	42.1
Cash pool receivables from UPM Group	—	161.5	161.5
Cash and cash equivalents	—	1.8	1.8
Total financial assets	—	205.4	205.4
Interest-bearing liabilities, non-current	—	3.2	3.2
Interest-bearing liabilities, current	—	1.8	1.8
Trade and other payables	—	64.8	64.8
Total financial liabilities	—	69.8	69.8

Financial assets and liabilities by category at the end of 2023

€ million	Equity instruments at fair value through OCI	Financial assets and liabilities at amortized cost	Total
Trade and other receivables	—	39.6	39.6
Cash pool receivables from UPM Group	—	152.1	152.1
Cash and cash equivalents	—	0.6	0.6
Total financial assets	—	192.3	192.3
Interest-bearing liabilities, non-current	—	1.7	1.7
Interest-bearing liabilities, current	—	1.6	1.6
Trade and other payables	—	55.9	55.9
Total financial liabilities	—	59.2	59.2

The carrying amounts of financial assets and financial liabilities approximate their fair value except for interest-bearing liabilities in non-current debt. For non-current debt in interest-bearing liabilities fair values are estimated using the expected contractual future payments discounted at market interest rates and are categorized within level 2 of the fair value hierarchy. Refer to ***» Note 5.2 Net debt,*** for further information on net debt.

According to IFRS7.29, further disclosures of fair value are not presented as the carrying amount is a reasonable approximation of fair value for example for trade receivables and payables and as the interest-bearing liabilities include only lease liabilities.

§ ***Accounting policies***

Financial assets at amortized cost

This category comprises loan receivables with fixed or determinable payments that are not quoted in an active market, as well as trade and other receivables, and cash and cash equivalents. They are included in non-current assets unless they mature within 12 months of the balance sheet date. Cash and cash equivalents are always classified as current assets. Loan receivables that have a fixed maturity are measured at amortized cost using the effective interest method. Loan receivables without fixed maturity date are measured at amortized cost. As soon as a loan receivables or cash and cash equivalents are originated or purchased, a loss allowance for 12-month expected credit losses are recognized in profit or loss. If credit risk increases significantly, full lifetime expected credit losses are recognized in profit or loss. The credit loss model applied to trade receivables is described in ***» Note 4.4 Working capital***.

Financial liabilities measured at amortized cost

This category includes debt, trade payables and other financial liabilities. Refer to ***» Note 5.2 Net debt,*** for further information.

5.4 Financial income and expenses

€ million	2025	2024	2023
Interest income from UPM Group	3.7	5.4	4.7
Interest income	—	—	—
Gains/losses on sale of shares	—	—	0.8
Financial income, total	3.7	5.4	5.4
Interest expenses	-0.2	-0.1	-0.1
Exchange gains and losses, net	0.1	-0.1	—
Other financial expenses	—	-0.1	-0.2
Financial expenses, total	-0.1	-0.3	-0.3

6. Risk management

6.1 Financial risk management

Historically, WISA Group has been part of UPM Group, and its Financing risk management has been conducted centrally in accordance with UPM Group-level Treasury policies. The objective of financial risk management is to protect UPM Group from unfavorable changes in financial markets and thus help to secure profitability. In financial risk management various financial instruments are used within the limits specified in the Group Treasury Policy. Only such instruments which market value and risk profile can be continuously and reliably monitored are used for this purpose.

Financing services are provided to the Group entities and financial risk management is carried out by the central treasury department, Treasury and Risk Management.

Foreign exchange risk

As a consequence of the global nature of its business, WISA Group is exposed to risks associated with changes in exchange rates, primarily with respect to USD, GBP and DKK. Foreign exchange risk arises from contracted and expected commercial future payment flows (transaction exposure) and changes in value of recognized assets and liabilities denominated in foreign currency (translation exposure). The objective of foreign exchange risk management is to limit the uncertainty created by changes in foreign exchange rates on the future value of cash flows earnings and in the balance sheet. Changing exchange rates can also have indirect effects, such as change in relative competitiveness between currency regions.

Transaction exposure

UPM Group hedges transaction exposure related to highly probable future commercial foreign currency cash flows on a rolling basis over the next 12-month period based on forecasts by the respective business areas including current UPM Plywood business area. Transaction risk arises from the changes in currency rates of highly probable transactions, which are expected to take place in currencies other than the functional currency of the entity. The Group's policy is to hedge an average of 50% of its estimated net risk currency cash flow. Some highly probable cash flows have been hedged with higher hedging ratio, while deviating from the risk neutral hedging level at the same time. At December 31, 2025, 68% (2024: 68%, 2023: 65%) of the WISA Group forecasted 12-month currency flow was hedged.

The Group enters into external forward contracts, which are designated at Group level as hedges of foreign exchange risk of specific future foreign currency flows. Cash flow hedge accounting is applied when possible. If hedge accounting is not possible, fair value changes of the hedging instrument are recognized through profit and loss immediately. Hedge accounting is implemented at parent company level and, at maturity, the realized result is allocated in management reporting to respective business, including WISA Group. Embedded derivatives are included in flow to be hedged but hedge accounting is not applied

At the end of 2025, UPM's estimated net risk currency flow for the next 12 months was €103 million (2024: €118 million, 2023:€88 million).

Translation exposure

WISA Group has minimal amount of non EUR denominated assets or liabilities on it's balance sheet. Any foreign currency assets, for example account balances, are converted into EUR through UPM internal bank.

At December 31, 2025, the unhedged balance sheet exposures in net of interest-bearing assets and liabilities amounted to €0 million (2024: 0 million, 2023: 0 million). Hedge accounting is not applied and all fair value changes of hedging instruments are recognized through profit and loss immediately.

WISA Group has some trade receivable and trade payable balances denominated in foreign currencies which are hedged centralized at UPM parent company level and hence not hedged at WISA Group.

Derivatives used by UPM Group to hedge translation risks consist of external forward contracts for which hedge accounting is not applied.

Foreign exchange risk sensitivity

The following table illustrates the effect to profit before tax due to recognized balance sheet items in foreign currency and the effect to equity arising mainly from foreign currency forwards used to hedge foreign currency flows.

	Profit before tax			Equity		
€ million	**2025**	**2024**	**2023**	**2025**	**2024**	**2023**
EUR strengthens by 10%						
USD	—	—	—	—	—	—
GBP	2.0	3.0	2.0	—	—	—
DKK	1.0	1.0	1.0	—	—	—
EUR weakens by 10%						
USD	—	—	—	—	—	—
GBP	-2.0	-3.0	-2.0	—	—	—
DKK	-1.0	-1.0	-1.0	—	—	—

The following assumptions were made when calculating the sensitivity to changes in the foreign exchange risk:

- A major part of non-derivative financial instruments (such as cash and cash equivalents, trade receivables, debt and trade payables) are either directly denominated in the functional currency or are transferred to the functional currency through the use of derivatives i.e. the balance sheet position is close to zero. Exchange rate fluctuations have therefore minor or no effects on profit or loss.
- The table includes effect of foreign currency forward contracts that hedge commercial flows and are implemented at parent company where hedge accounting is applied and only result allocated to WISA Group.
- The table includes also effect of foreign currency forward contracts that are not part of the effective cash flow hedge having an effect on profit.
- The table excludes effect of foreign currency denominated future cash flows.

Interest rate risk

The interest-bearing liabilities and assets expose the entities to interest rate risk, namely repricing and fair value interest rate risk caused by interest rate movements. WISA Group's interest risk has been limited to it's highly liquid and short-term deposit to UPM parent company.

Electricity price risk

WISA Group hedges the price of electricity with electricity price derivatives. WISA Group's sensitivity to electricity market price is dependent on the electricity consumption and hedging levels. The hedging objective is to reduce the earnings volatility that arises from electricity prices. WISA Group uses mainly Nordic electricity market futures and bilateral forwards in price hedging. Historically in UPM, the electricity price derivative transactions are carried out centrally by UPM Energy business area on behalf of WISA Group.

Cash flow hedge accounting is applied for hedging relationships when electricity price risk is being hedged.

6.2 Derivatives and hedge accounting

Financial derivatives is used to manage currency, interest rate and commodity price risks.

Refer to ***» Note 6.1 Financial risk management.***

Accounting policies

All derivatives have been executed by UPM parent company and initially and continuously recognized at fair value in the balance sheet of the parent company. The fair value gain or loss is recognized through the income statement or other comprehensive income depending on whether the derivative is designated as a hedging instrument, and on the nature of the item being hedged.

For hedge accounting purposes, UPM parent company has historically documented the relationship between the hedging instruments and hedged items, as well as the risk management objective and strategy for undertaking various hedge transactions at the inception date.

Certain derivatives, while considered to be economical hedges for financial risk management purposes, do not qualify for hedge accounting. Such derivatives are recognized at fair value through the income statement in other operating income or under financial items.

Only the realized result of the hedging has been allocated to WISA Group's result.

Financial counterparty risk

WISA Group has no external financial transactions, and its financial counter-party risk relates to cash deposits with the UPM parent company, which has a strong credit rating and good liquidity.

7. Income tax

7.1 Tax on profit for the year

Carve-out principles

During the reporting periods presented in these carve-out financial statements, legal entities in WISA Group have operated as standalone taxpayers. For these entities, tax charges as well as tax liabilities and receivables included in these carve-out financial statements are based on actual taxation. As for the WISA Group business operations within UPM legal entities, they have been historically included in those legal entities. Tax charges for these WISA Group business operations as well as for WISA Group legal entities, have been determined based on the separate return method, as if the WISA Group business units and legal entities were separate taxpayers in the jurisdiction of their primary operations.

The current tax expense and income is the amount of tax payable or refundable based on the WISA Group entity's hypothetical current year separate return and has been recorded as current income tax expense and as a transaction with the remaining UPM through invested equity. Deferred taxes have been recorded based on their full historical figures when relating to WISA Group legal entities, which have operated as stand-alone taxpayers. These deferred taxes are adjusted with elimination entries and carve-out adjustments between the entities.

Income tax

In 2025, tax on profit for the year amounted to €6.0 million (2024: 9.3 million, 2023: 10.0 million). The effective tax rate was 19.5% (2024: 21.4%; 2023: 19.3%). In 2025, 2024 and 2023, the effective tax rate was affected by the Estonian tax rate fluctuation where the income tax rate is dependent on the level of dividend distribution.

Income tax

€ million	2025	2024	2023
Current tax expense	5.2	6.3	10.8
Change in deferred taxes	0.8	3.0	-0.8
Total	6.0	9.3	10.0

Tax rate reconciliation

€ million	2025	2024	2023
Profit before tax	30.5	43.6	51.7
Computed tax at Finnish statutory rate of 20%	6.1	8.7	10.3
Difference between Finnish and foreign rates	0.3	0.3	-0.7
Tax-exempt income	-0.4	-1.4	-0.8
Non-deductible expenses	—	—	1.0
Other items	-0.1	1.7	0.2
Total income taxes	6.0	9.3	10.0
Effective tax rate, %	19.5 %	21.4 %	19.3 %

Accounting policies

The WISA Group's income tax expense comprises current tax and deferred tax. Current tax is calculated on the taxable result for the period based on the tax rules prevailing in the countries where WISA Group operates and includes tax adjustments for previous periods. Tax expense is recognized in the income statement, unless it relates to items that have been recognized in equity or as part of other comprehensive income. In these instances, the related tax expense is also recognized in equity or other comprehensive income, respectively.

Key estimates and judgments

The calculation of tax expense and income tax liabilities involves a degree of estimation and judgment. Tax balances reflect a current understanding and interpretation of existing tax laws. Management periodically evaluates positions taken in tax returns with respect of situations in which applicable tax regulation is subject to interpretation and adjusts income tax liabilities where appropriate.

OECD Pillar Two legislation was enacted in Finland in 2023 and came into effect from January 1, 2024. IAS 12 exception is applied to the recognition and disclosure of deferred tax assets and liabilities related to Pillar Two income taxes. The entities within the scope are required to pay a top-up tax for the difference between their GloBE effective tax rate per jurisdiction and the 15% minimum rate.

An assessment of the potential exposure to Pillar Two income taxes for years 2025 and 2024 has been performed based on the 2025 and 2024 financial information for the constituent entities. The assessment is based on currently available information and analysis regarding the interpretation of the rules, for which additional guidance is still being developed by the OECD.

For the current WISA Group entities, the Pillar Two legislation had no impact on income taxes for the current or prior reporting periods.

7.2 Deferred tax

€ million	2025	2024	2023
Deferred tax assets			
Provisions	2.9	2.1	2.1
Other temporary differences	1.3	1.0	0.4
Offset against liabilities	-4.2	-3.1	-2.6
Total	—	—	—
Deferred tax liabilities			
Intangible assets and property, plant and equipment	11.6	10.1	8.7
Other temporary differences	2.7	2.3	0.2
Offset against assets	-4.2	-3.1	-2.6
Total	10.1	9.4	6.4
Net deferred tax assets (liabilities)	-10.1	-9.4	-6.4

Key estimates and judgments

Recognized deferred tax assets

The recognition of deferred tax assets requires management judgment as to whether it is probable that such balances will be utilized and/or reversed in the foreseeable future. At December 2025, 2024 and 2023, WISA Group companies did not have any net operating loss carry-forwards and therefore there was no recognition of deferred tax assets for the losses. WISA Group expects sufficient future taxable income to be available for the utilization of deferred tax assets.

The assumptions regarding future realization of tax benefits, and therefore the recognition of deferred tax assets, may change due to future operating performance, as well as other factors, some of which are outside of the control of the entities.

Accounting policies

Deferred tax is calculated based on temporary differences between the carrying amounts and the taxable values of assets and liabilities and for tax loss carry-forwards to the extent that it is probable that these can be utilized against future taxable profits.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference is controlled by the entity and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets and liabilities are recognized net where there is a legal right to set-off and an intention to settle on a net basis.

Movements in deferred tax assets and liabilities

€ million	2025	2024	2023
Carrying value, at January 1	-9.4	-6.4	-7.2
Charged to income statement	-0.8	-3.0	0.8
Net deferred tax assets (liabilities)	-10.1	-9.4	-6.4

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

8. Group structure

8.1 Business acquisitions and disposals

In 2023, WISA Group sold all its business operations in Russia to Gungnir Wooden Products Trading. No other business disposals or acquisitions were carried out during the years 2023-2025.

Accounting policies

Acquired entities are consolidated at the acquisition date, which is when control is obtained, using the acquisition method. Consideration transferred is determined as the fair value of the assets transferred, the liabilities incurred and equity instruments issued including the fair value of a contingent consideration. Acquisition-related transaction costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed are measured initially at their fair values at the acquisition date. The group measures any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets of the subsidiary acquired is recorded as goodwill.

The assets, liabilities, income and expenses of subsidiaries with non-controlling interests are consolidated line by line into the UPM consolidated financial statements. The proportion of the profit for the period, as well as the accumulated share of total equity belonging to non-controlling interests are presented separately in the consolidated income statement and consolidated balance sheet.

Carve-out principles

The carve-out financial statements have been prepared by using historical book values for income and expenses, assets and liabilities and cash flows attributable to UPM Plywood business area in UPM Plywood legal entities and business units attributable to UPM Plywood in UPM consolidated financial statements. Historically, WISA Group has not prepared nor consolidated group financial statement. However, the entities and business units included in this carve-out financial statement are listed in the ***Note 1.2 Basis of preparation***.

8.2 Related party transactions

The related parties of WISA Group include UPM Corporation, its subsidiaries, associates and joint ventures. Related parties also include the members of the key management personnel of UPM Group, Board of Directors and WISA Group, their close family members, and entities controlled directly or indirectly by such persons.

There have not been any material transactions between WISA Group and its key management personnel or persons closely associated with these members or organizations in which these individuals, UPM Group Board of Directors or Group's management have control or significant influence.

Receivables and liabilities in WISA Group entities due from or due to UPM Group companies are included in the carve-out financial statements and presented as related party transactions, including the financial income and expenses relating to these receivables and liabilities, which are described in the table below.

€ million	2025	2024	2023
Sales to UPM Group	20.4	20.7	20.0
Purchases from UPM Group	-131.9	-133.3	-129.6
Interest income from UPM Group	3.7	5.4	4.7
Interest expenses to UPM Group	—	—	—
Trade receivables from UPM Group	2.7	3.9	5.7
Trade payables to UPM Group	-15.2	-13.7	-11.1
Cash pool receivables from UPM Group	70.8	161.5	152.1
Cash pool payables to UPM Group	—	—	—

9. Unrecognized items

9.1 Commitments and contingencies

Carve-out principles

The maximum amounts of future payments for which current UPM Plywood entities are liable are disclosed in the table below under "Other commitments". This allocation may not be indicative of the commitments related to WISA Group entities that will incur in the following financial years.

€ million	2025	2024	2023
Other own commitments			
UPM Group on behalf of UPM Plywood	0.9	0.3	0.4
Leasing commitments for the next 12 months in accordance with IFRS 16	—	—	0.4
Other commitments	—	—	1.5
Total	0.9	0.3	2.3

9.2 Litigation

Contingent liabilities

Management is not aware of any significant litigation at the end of 2023, 2024 or 2025.

9.3 Events after the balance sheet date

On April 29, 2026, UPM's Board of Directors has approved a demerger plan concerning the separation of UPM Plywood business area into a new independent listed company, to be named as WISA Group Plc. The demerger is subject to approval by UPM's Extraordinary General Meeting expected to be held in early September 2026 at the latest. The planned completion date of the demerger is October 31, 2026.

On April 29, 2026, UPM's Board of Directors has appointed Tuija Suur-Hamari, Executive Vice President, UPM Plywood, as Preseident and CEO of WISA Group effective as of the completion of the Demerger. The other members of WISA Group's management will be appointed prior to the completion of the Demerger.

10. Other notes

10.1 Forthcoming new standards, amendments and accounting policy changes

UPM has reviewed IFRS Accounting Standard amendments effective on periods starting after the reporting periods have ended. These assessments and conclusions are similarly applicable to this carve-out financial statement.

2025

Certain new accounting standard amendments and interpretations have been published that come into effect only after the reporting period started on January 1, 2026. These standards and amendments are not expected to have a material impact on the WISA Group in the current or future reporting periods and on foreseeable future transactions and have not been early adopted.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the UPM's consolidated financial statements. Although the adoption of IFRS 18 will have no impact on the UPM's net profit, UPM expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that UPM has performed, the following items might potentially impact operating profit:

- UPM currently recognizes some foreign exchange gains or losses in operating profit and others in financial income and expenses. There might be a change to where these gains or losses are recognized, and the group is currently evaluating the need for change.
- UPM currently recognizes some derivative gains or losses in operating profit and others in financial income and expenses. There might be a change to where these gains or losses are recognized, and UPM is currently evaluating the need for change.

The line items presented on the primary financial statements might change as a result of the application of the concept of ‘useful structured summary’ and the enhanced principles on aggregation and disaggregation.

UPM does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be new disclosures required for management-defined performance measures.

There will also be changes to how interest received and interest paid are presented in the consolidated cash flow statement. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

UPM will apply the new standard from its mandatory effective date of 1 January 1, 2027. Retrospective application is required, and the comparative information for the financial year ending December 31, 2026 will be restated in accordance with IFRS 18. For the first annual period of application of IFRS 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying IFRS 18 and the amounts previously presented applying IAS 1 is required.

2024

Certain new accounting standard amendments and interpretations have been published that come into effect only after the reporting period started on January 1, 2025. These standards and amendments are not expected to have a material impact on the WISA Group in the current or future reporting periods and on foreseeable future transactions and have not been early adopted.

IFRS 18 Presentation and Disclosure in Financial Statements

Please see further details in 2025 section.

2023

Certain new accounting standard amendments and interpretations have been published that come into effect only after the reporting period started on 1 January 2023. These standards and amendments are not expected to have a material impact on the UPM in the current or future reporting periods and on foreseeable future transactions and have not been early adopted.

Signatures of carve-out financial statements

Helsinki, July 16, 2026

Henrik Ehrnrooth Chair	Martin à Porta	Pia Aaltonen-Forsell
Magnus Groth	Jari Gustafsson	Piia Karhu
Melanie Maas-Brunner	Topi Manner	Marjan Oudeman
Massimo Reynaudo CEO		

Other financial information

Alternative performance measures

WISA Group presents certain performance measures of historical performance, financial position and cash flows, which in accordance with the "Alternative Performance Measures" guidance issued by the European Securities and Markets Authority (ESMA) are not accounting measures defined or specified in IFRS Accounting Standards and are therefore considered as alternative performance measures. These alternative performance measures are described below:

Alternative performance measure	Definition
Operating profit	Profit before income tax expense, finance expenses and finance income as presented on the face of the IFRS income statement.
Comparable EBIT	Operating profit adjusted for items affecting comparability.
Comparable EBITDA	Operating profit before depreciation, amortization and impairments, and items affecting comparability.
Comparable profit before tax	Profit before income tax expense excluding items affecting comparability.
Comparable profit for the period	Profit for the period excluding items affecting comparability and their tax impact.
Net debt	Total of current and non-current debt less cash and cash equivalents and interest-bearing current and non-current financial assets.
Items affecting comparability	Certain non-operational or non-cash valuation transactions with significant income statement impact are considered as items affecting comparability, if they arise from asset impairments, restructuring measures, asset sales or changes in legislation or legal proceedings. In addition, business acquisition costs are classified as items affecting comparability. Numerical threshold for items to be considered as significant is €1.0 million pre-tax.
Free cash flow	Cash generated from operations after cash used for investing activities.
Return on capital employed (ROCE), %	Profit before taxes, interest expenses and other financial expenses as a percentage of average capital employed.
Comparable ROCE, %	Operating profit adjusted for items affecting comparability as a percentage of average capital employed.
Capital employed	Operating assets less operating liabilities. Operating assets include goodwill, other intangible assets, property, plant and equipment, inventories and trade receivables. Operating liabilities include trade payables and advances received.
Capital expenditure	Capitalized investments in property, plant and equipment, intangible assets including goodwill arising from business combinations, other shares, associates and joint ventures.

Reconciliation of key figures to IFRS Carve-out information

€ million, or as indicated	2025	2024	2023
Items affecting comparability			
Impairment charges	—	—	0.4
Restructuring charges	-4.1	0.1	-1.4
Capital gains and losses on sale of non-current assets	—	—	-5.3
Other non-operation items	-0.3	—	—
Total items affecting comparability in operating profit	-4.4	0.1	-6.3
Items affecting comparability in financial items	—	—	—
Taxes relating to items affecting comparability	0.9	—	—
Items affecting comparability in taxes	0.9	—	—
Items affecting comparability, total	-3.5	0.1	-6.3
EBITDA			
Operating profit (loss)	26.9	38.4	46.6
Depreciation, amortization and impairment charges	19.4	22.3	20.1
EBITDA	46.3	60.7	66.7
Comparable EBITDA			
Operating profit (loss)	26.9	38.4	46.6
Depreciation, amortization and impairment charges excluding items affecting comparability	19.4	22.3	20.5
Items affecting comparability in operating profit	4.4	-0.1	6.3
Comparable EBITDA	50.7	60.6	73.4
% of sales	12.4	14.1	17.4
Comparable EBIT			
Operating profit (loss)	26.9	38.4	46.6
Items affecting comparability in operating profit	4.4	-0.1	6.3
Comparable EBIT	31.3	38.4	52.8
% of sales	7.7	8.9	12.5
Comparable profit before tax			
Profit (loss) before tax	30.5	43.6	51.7
Items affecting comparability in operating profit	4.4	-0.1	6.3
Items affecting comparability in financial items	—	—	—
Comparable profit before tax	34.9	43.5	57.9
Comparable ROCE, %			
Comparable profit before tax	34.9	43.5	57.9
Interest expenses and other financial expenses	-3.6	-5.1	-5.1
	31.3	38.4	52.8
Capital employed, average	209.5	222.2	233.5
Comparable ROCE, %	14.9	17.3	22.6
Comparable profit for the period			
Profit (loss) for the period	24.6	34.2	41.7
Items affecting comparability, total	3.5	-0.1	6.3
Comparable profit for the period	28.1	34.2	48.0

€ million, or as indicated	2025	2024	2023
Net debt			
Non-current debt	4.7	3.2	1.7
Current debt	2.6	1.8	1.6
Total debt	7.3	5.0	3.3
Cash pool receivables from UPM Group	70.8	161.5	152.1
Cash and cash equivalents	2.5	1.8	0.6
Total interest-bearing assets	73.3	163.3	152.7
Net debt	-66.1	-158.3	-149.4

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AUDITOR'S REPORT (Translation of the Finnish original)

To the Board of Directors of UPM-Kymmene Corporation

Report on the Audit of the Carve-out Financial Statements

Qualified Opinion

We have audited the carve-out financial statements of UPM Plywood business ("WISA Group") of UPM-Kymmene Corporation (business identity code 1041090-0) for the years ended 31 December 2025, 31 December 2024, and 31 December 2023. The carve-out financial statements comprise the combined balance sheets as of 31 December 2025, 31 December 2024, and 31 December 2023 and the combined income statements, statements of comprehensive income, statements of changes in equity, statements of cash flows and notes, including material accounting policy information. The WISA Group carve-out financial statements and this Auditor's report have been prepared only for the purpose of inclusion in the Prospectus prepared by UPM-Kymmene Corporation, as described in the notes to the carve-out financial statements.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the carve-out financial statements for the years ended 31 December 2025, 31 December 2024, and 31 December 2023 give a true and fair view of WISA Group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU and under consideration of the principles for determining which assets and liabilities, income and expenses as well as cash flows are to be assigned to WISA Group as described in the notes to the carve-out financial statements.

Basis for Qualified Opinion

We have been engaged as the auditor of the companies included in the carve-out financial statements from the financial year 2024, and therefore we did not observe the physical inventory at the beginning of 2023. We have not been able to obtain sufficient assurance regarding the inventory quantities as of 1 January 2023 through alternative procedures. As the opening balances of inventories as of 1 January 2023 affect the financial result and cash flows, we were unable to determine whether it would have been necessary to adjust the profit for the financial year presented in the income statement for 2023 and the net cash flow from operating activities presented in the cash flow statement.

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Carve-out Financial Statements* section of our report.

We are independent of UPM-Kymmene Corporation and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of the Board of Directors and the Managing Director for the Carve-out Financial Statements

The Board of Directors and the Managing Director of UPM-Kymmene Corporation are responsible for the preparation of carve-out financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and under consideration of the principles for determining which

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assets and liabilities, income and expenses as well as cash flows are to be assigned to WISA Group as described in the notes to the carve-out financial statements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of carve-out financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the carve-out financial statements, the Board of Directors and the Managing Director are responsible for assessing WISA Group's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The carve-out financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate WISA Group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Carve-out Financial Statements

Our objectives are to obtain reasonable assurance on whether the carve-out financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the carve-out financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the carve-out financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of WISA Group's internal control.
- Evaluate the appropriateness of carve-out accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on WISA Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the carve-out financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause WISA Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the carve-out financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the carve-out financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within WISA Group to express an opinion on the carve-out financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Emphasis of Matter

We draw attention to the fact that, as described in note 1.2 to the carve-out financial statements for the years ended 31 December 2025, 31 December 2024 and 31 December 2023, WISA Group has not formed a separate legal group of entities during the years ended. The carve-out financial statements are, therefore, not necessarily indicative of the financial performance, financial positions and cash flows of WISA Group that would have occurred if it had operated as a separate stand-alone group of entities during the years presented nor of WISA Group's future performance. Our opinion is not modified in respect of this matter.

Helsinki, 16 July 2026

Ernst & Young Oy
Authorized Public Accountant Firm

Mikko Järventausta
Authorized Public Accountant

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WISA Group unaudited carve-out financial information as at and for the three months period ended March 2026

Combined income statement

€ million	Q1/2026	Q1/2025	Q1-Q4/2025
Sales (Note 5)	119.1	103.3	409.1
Other operating income	0.1	0.6	3.4
Costs and expenses	-103.6	-93.3	-366.2
Depreciation, amortization and impairment charges	-4.7	-5.5	-19.4
Operating profit	10.9	5.1	26.9
Finance income	0.4	1.1	3.7
Finance expenses	-0.1	-0.1	-0.1
Profit before tax	11.2	6.1	30.5
Income taxes	-5.1	-1.1	-6.0
Profit for the period	6.0	5.0	24.6
Attributable to:			
Owners of WISA Group	6.0	5.0	24.6
Non-controlling interests	—	—	—

Combined statement of comprehensive income

€ million	Q1/2026	Q1/2025	Q1–Q4/2025
Profit for the period	6.0	5.0	24.6
Other comprehensive income for the period, net of tax			
Items that will not be reclassified to income statement:			
Actuarial gains and losses on defined benefit plans	—	—	—
Other comprehensive income for the period, net of tax	—	—	—
Total comprehensive income for the period	6.0	5.0	24.6
Attributable to:			
Owners of WISA Group	6.0	5.0	24.6
Non-controlling interests	—	—	—

Notes are an integral part of the carve-out financial information.

Combined balance sheet

€ million	MAR 31, 2026	MAR 31, 2025	DEC 31, 2025
ASSETS			
Goodwill	13.1	13.1	13.1
Other intangible assets	7.8	7.5	8.2
Property, plant and equipment (Note 6)	106.2	114.8	109.0
Leased assets	6.4	4.4	7.0
Deferred tax assets	—	—	—
Non-current assets	**133.5**	**139.9**	**137.3**
Inventories	79.7	64.1	79.1
Trade and other receivables	48.1	37.1	34.5
Other current financial assets	—	—	—
Income tax receivables	0.1	2.2	0.2
Cash pool receivables from UPM Group (Note 7, 10)	59.8	163.9	70.8
Cash and cash equivalents	2.8	2.9	2.5
Current assets	**190.4**	**270.2**	**187.2**
Total assets	**323.9**	**410.1**	**324.4**

€ million	MAR 31, 2026	MAR 31, 2025	DEC 31, 2025
INVESTED EQUITY AND LIABILITIES			
Total invested equity	**228.1**	**337.4**	**231.8**
Deferred tax liabilities	10.9	10.5	10.1
Provisions (Note 9)	14.0	9.9	13.9
Non-current debt	4.3	3.0	4.7
Non-current liabilities	**29.2**	**23.4**	**28.7**
Current debt	2.4	1.7	2.6
Provisions (Note 9)	0.3	0.3	0.5
Trade and other payables	63.7	47.3	60.8
Income tax payables	0.2	—	—
Current liabilities	**66.6**	**49.3**	**63.9**
Total liabilities	**95.8**	**72.7**	**92.6**
Total invested equity and liabilities	**323.9**	**410.1**	**324.4**

Notes are an integral part of the carve-out financial information.

Combined statement of changes in invested equity

€ million	Fair value reserve	Share-based payment reserve	Invested equity and retained earnings	Total invested equity
Invested equity at January 1, 2026	—	1.0	230.8	231.8
Profit for the period	—	—	6.0	6.0
Total comprehensive income for the period	—	—	6.0	6.0
Equity transactions with UPM Group	—	—	1.0	1.0
Dividend distribution	—	—	-10.0	-10.0
Share-based payments, net of tax	—	-0.7	—	-0.7
Transactions with owners of the company	—	-0.7	-9.0	-9.7
Invested equity at March 31, 2026	—	0.3	227.8	228.1
Invested equity at January 1, 2025	—	1.8	330.2	332.1
Profit for the period	—	—	5.0	5.0
Total comprehensive income for the period	—	—	5.0	5.0
Equity transactions with UPM Group	—	—	1.5	1.5
Dividend distribution	—	—	—	—
Share-based payments, net of tax	—	-1.2	—	-1.2
Transactions with owners of the company	—	-1.2	1.5	0.4
Invested equity at March 31, 2025	—	0.7	336.7	337.4

Notes are an integral part of the carve-out financial information.

Combined cash flow statement

€ million	Q1/2026	Q1/2025	Q1–Q4/2025
Cash flows from operating activities			
Profit for the period	6.0	5.0	24.6
Adjustments	9.6	3.9	23.7
Interest received	0.4	1.1	3.7
Interest paid	-0.1	-0.1	-0.2
Income taxes paid	-4.0	-3.6	-6.9
Change in working capital	-11.2	-1.5	-0.7
Operating cash flow	0.8	4.8	44.3
Cash flows from investing activities			
Capital expenditure	-1.0	-1.0	-8.2
Change in other non-current assets	0.0	—	0.3
Investing cash flow	-1.1	-1.0	-7.9
Cash flows from financing activities			
Lease repayments	-0.4	-0.3	-1.3
Cash pool financing with UPM Group	11.0	-2.4	90.7
Dividends paid to UPM Group	-10.0	—	-125.0
Financing cash flow	0.6	-2.7	-35.6
Change in cash and cash equivalents	0.3	1.1	0.7
Change in cash and cash equivalents	0.3	1.1	0.7
Cash and cash equivalents at the beginning of the period	2.5	1.8	1.8
Cash and cash equivalents at the end of the period	2.8	2.9	2.5

The notes are integral part of this carve-out financial information.

Notes to the carve-out financial information

1 Background

UPM Corporation ("UPM parent company") with its subsidiaries ("UPM Group" or "UPM") is a global material solutions company and has extensive portfolio of renewable fibres, advanced materials, decarbonization solutions, and communication papers.

On April 29, 2026, the Board of Directors of UPM Group approved the Demerger plan concerning the partial demerger of UPM Plywood business area ("the Demerger plan"). UPM's intention is to separate UPM Plywood as a new listed company by means of partial demerger from UPM ("the Demerger"). The new listed entity will be named as WISA Group Plc ("WISA Group"). The decision is based on the outcome of a review of different strategic options. WISA Group would comprise UPM Plywood business area which has been part of UPM Group's financial reporting and a separate reportable segment. The remaining UPM ("remaining UPM") from the Demerger would then comprise of other existing businesses except UPM Plywood business area.

Completion of the Demerger is subject to, among other things, approval by UPM's shareholders in an Extraordinary General Meeting (the "EGM"). The EGM, which resolves on the Demerger and other proposals in relation thereto, is expected to be held in early September 2026 at the latest. The planned completion date of the Demerger pursuant to the demerger plan is October 31, 2026. Trading in the shares of WISA Group on Nasdaq Helsinki is currently expected to commence on or about November 2, 2026, or as soon as possible thereafter.

The shareholders of UPM will receive as demerger consideration one new share in WISA Group for each share they hold in UPM (the "Demerger Consideration"), that is, the Demerger Consideration will be issued to the shareholders of UPM in proportion to their existing shareholdings with a ratio of 1:1. In accordance with Chapter 17, Section 16, Subsection 3 of the Finnish Companies Act, no Demerger Consideration shall be issued to any treasury shares held by UPM.

WISA Group has not historically performed a legal sub-group within UPM Group, and it has not prepared consolidated group financial statements prior to the Demerger. In preparation to the proposed Demerger, UPM will carve out and transfer relevant entities' assets and liabilities to WISA Group. UPM has prepared a set of carve-out financial statements for the year ended December 31, 2025, December 31, 2024 and December 31, 2023 for WISA Group to illustrate WISA Groups result of operations, assets and liabilities and cash flows that will be carved out from UPM.

WISA Group's new parent company ("Wisa Group Plc") will be incorporated at the date of the registration of the execution of the Demerger with the trade register maintained by the Finnish Patent and Registration Office.

The carve-out financial information for the three months period ended March 31, 2026, has been prepared according to the basis of preparation described in the following section and the carve-out principles and accounting policies included in the WISA Group carve-out financial statements as at and for the years ended December 31, 2025, 2024 and 2023. The carve-out financial information has been prepared for inclusion in WISA Group's Demerger and Demerger Prospectus which has been prepared by UPM for approval of the Demerger by the shareholder's meeting and for listing of the shares of WISA Group on Nasdaq Helsinki Stock Exchange. The carve-out financial information has been approved by the Board of Directors of UPM to be published on July 16, 2026.

2 Basis of preparation

The carve-out financial information for the three months period ended March 31, 2026, has been prepared in accordance with IAS 34 Interim Financial Reporting standard using the historical book values for income and expenses, assets and liabilities and cash flows attributable to UPM Plywood business area in WISA Group legal entities and business units attributable to WISA Group in UPM consolidated financial statements and interim reports. Therefore assets, liabilities, income, expenses and cash flows which are either directly attributable to or allocated to or which will transfer to WISA Group have been included in the carve-out financial information. The carve-out financial information also includes certain allocations from the remaining UPM, including the parent company UPM Corporation's income, expenses, assets, liabilities and cash flows which will either be transferred to WISA Group, or which have been allocated to WISA Group for the purpose of preparation of the carve-out financial information.

The carve-out financial information has been prepared in accordance with IFRS Accounting Standards and the interpretations issued by the IFRS Interpretations Committee as adopted by the Commission of the European Communities (EU) in the European Union by March 31, 2026. In addition, the carve-out financial information has been prepared in consideration of the principles applied as in the carve-out financial statements as at and for the years ended December 31, 2025, 2024 and 2023, for determining which assets, and liabilities, income and expenses as well as cash flows are to be allocated to WISA Group.

IFRS Accounting Standards do not provide guidance for the preparation of carve-out financial information and therefore, certain accounting conventions commonly used for the preparation of historical financial information have been applied in preparing the carve-out financial information for inclusion in Listing Prospectus have been applied as in the carve-out financial statements as at and for the years ended December 31, 2025, 2024 and 2023.

The carve-out financial information may not be indicative of WISA Group's future performance and do not necessarily reflect what its combined income statement, balance sheet and cash flows would have been, had WISA Group operated as a standalone consolidated group and had it therefore presented standalone consolidated financial information during the periods presented.

The carve-out financial information is presented in millions of euros (€ million), which is WISA Group's reporting currency. All figures presented have been rounded which may cause, for example, the sum of individual figures to deviate from presented total sum.

This interim report is unaudited.

Key estimates and judgments

The preparation of this carve-out financial information has required management to make estimates and judgments affecting the amounts reported in this carve-out financial information and the accompanying notes. These estimates and judgments have an impact on the carve-out principles and WISA Group's accounting principles applied to the carve-out financial information and on the reported amounts of assets, liabilities, income, expenses and cash flows. Although these estimates are based on management's best knowledge, actual results may differ from these estimates and assumptions.

Key estimates and judgments in the WISA Group carve-out financial information, which are material to the reported results and balance sheet, are: allocation of costs of centrally provided services and headquarter function, income tax, impairment of property, plant and equipment, impairment of goodwill and other intangible assets, environmental provisions and legal contingencies.

More detailed information of areas involving estimation and management judgment ins included in the note 1 Background and Basis of preparation of the audited carve-out financial statements as at and for the years ended December 31, 2025, 2024 and 2023.

3 Risks and near-term uncertainties

In the beginning of 2026, tensions and uncertainties related to geopolitics and trade relations continue.

Currently significant uncertainty in the global business environment relates to the conflict in the Middle East between the U.S., Israel and Iran. Significant part of global supply of oil, LNG and many other commodities has been disrupted, which has increased their global market prices. It is uncertain how long the conflict will last, what the outcome will be, and how long will it take for the global business environment to normalize.

Uncertainty has increased related to global logistics and supply chains. This may increase logistics costs, but it may also disrupt trade flows and supply chains and possibly impact the supply-demand dynamics of various globally traded products and commodities in different markets. Bottlenecks in global logistics could impact the delivery of WISA Group's products, the sourcing of raw materials for WISA Group's business and the delivery of equipment for WISA Group's investments projects.

On the global macro level, the situation may lead to decreased economic growth, increased inflation and potentially higher interest rates. This may indirectly impact demand for WISA Group products.

Russia's war in Ukraine continues, and political ambitions by the U.S. continue to cause uncertainty in the operating environment, which may impact economic growth, inflation and trade. The potential escalation in global geopolitical and trade tensions and the resulting impacts on the global economy may all affect WISA Group's operations and the supply chain, demand, supply and pricing of WISA Group's products, inputs or resources, or the progress of WISA Group's investment projects.

There continues to be significant uncertainty related to the trade tensions between major economies, particularly to the tariffs introduced by the U.S. on imports from nearly all countries in the world, and the potential countermeasures introduced by the other countries. Although tariff levels have now been announced for most regions, changes remain possible.

It is possible that widely applied tariffs could have indirect impacts on WISA Group, for example impacting demand and supply of various products or raw materials, or redirect trade flows between countries and regions, which could impact deliveries and pricing of WISA Group's products or cost of raw materials.

The halting of wood imports from Russia, combined with investments by competitors have impacted the wood markets in the Baltic Rim. It is possible that wood raw material costs in Finland could stay elevated even if product markets were slow to recover.

Fluctuations in monetary and fiscal policies and economic conditions can significantly impact the value of various currencies, which in turn may affect WISA Group. Additionally, the escalation of global trade tensions, or political pressure on key central banks could influence currency exchange rates. These currency changes could impact WISA Group's cash flow, earnings, or balance sheet, and may also affect the relative competitiveness between different currency regions.

WISA Group's business operations depend on the availability of supporting information systems and network services. Unplanned interruptions in critical information system services can cause disruptions to the continuity of operations. The information systems may be exposed to a cyber-intrusion that could cause leaks of sensitive information, violation of data privacy regulations, theft of intellectual property, AI-generated misinformation or disinformation, production outages or damage to reputation.

WISA Group's risks and opportunities are discussed in the note 2.1 Market environment and risk management in the note 6 Risk management of the carve-out financial statements for the years 2025, 2024 and 2023.

4 Segment information

WISA Group has historically been a business area within UPM, i.e. UPM Plywood reportable segment within UPM.

As WISA Group has been managed and reported as a separate reporting segment within UPM, the presentation of WISA Group business as a single operating segment in the carve-out financial information is therefore consistent with UPM's segment reporting and reflects the manner in which operating decisions have historically been made and performance has been assessed.

Accordingly, the carve-out financial information of the WISA Group has been prepared on a carve-out basis and reflects the historical results of operations attributable to the UPM Plywood reporting segment.

WISA Group is a business which is specialized in WISA branded plywood and veneer products. Its products primarily serve construction, vehicle flooring, LNG shipbuilding, and other industries. WISA Group currently operates seven mills in Finland and Estonia, supported by sales offices in Finland, Denmark, the Netherlands, France, Germany, Spain and the United Kingdom. WISA Group uses high-quality birch and spruce, modern production methods, and skilled staff to deliver reliable products that meet stringent industry standards.

	Q1/26	Q1/25	Q1–Q4/25
Sales, € million	119.1	103.3	409.1
EBITDA, € million	15.6	10.5	46.3
Comparable EBITDA, € million	16.1	10.5	50.7
% of sales	13.5	10.2	12.4
Depreciation, amortization and impairment charges, € million	-4.7	-5.5	-19.4
Operating profit, € million	10.9	5.1	26.9
% of sales	9.2	4.9	6.6
Items affecting comparability in operating profit, € million	-0.5	0.0	-4.4
Comparable EBIT, € million	11.4	5.1	31.3
% of sales	9.6	4.9	7.7
Capital employed at the end of the period, € million	218.5	217.4	207.4
Capital employed (average), € million	221.2	216.3	209.5
Return on capital employed (ROCE), %	19.7	9.4	12.9
Comparable ROCE, %	20.7	9.4	14.9
Net debt, € million	-55.9	-162.1	-66.1
Plywood deliveries, 1,000 m3	131	120	458

Items affecting comparability

Certain non-operational or non-cash valuation transactions with significant income statement impact are considered as items affecting comparability and reported separately to reflect the underlying business performance and to enhance comparability from period to period.

In Q1 2026, items affecting comparability relate to other non-operational items include charges related to strategic review of UPM Plywood Business Area. In 2025, items affecting comparability relate to earlier restructuring measures and other non-operational items include charges related to strategic review of UPM Plywood Business Area.

€ million	Q1/26	Q1/25	Q1–Q4/25
In operating profit			
Impairment charges	—	—	—
Restructuring charges	—	—	-4.1
Capital gains and losses on sale of non-current assets	—	—	—
Other non-operational items	-0.5	—	-0.3
Total in operating profit	-0.5	—	-4.4
In finance costs	—	—	—
Total in profit before tax	-0.5	—	-4.4
Total in income taxes	0.1	—	0.9
Total in profit for the period	-0.4	—	-3.5

Number of employees

	Q1/2026	Q1/2025	2025
Finland	1,172	1,220	1,170
Estonia	256	257	256
Other	26	27	25
Total	1,454	1,504	1,451

5 Sales

WISA Group generates revenue mainly from the sale of goods, i.e. WISA branded plywood and veneer products.

€ million	Q1/2026	Q1/2025	Q1–Q4/2025
External sales	114.0	99.0	388.8
Sales to UPM Group	5.1	4.3	20.4
Total	119.1	103.3	409.1

Sales by destination country

€ million	Q1/2026	Q1/2025	Q1–Q4/2025
Finland	13.0	9.8	40.2
Germany	24.1	22.0	82.9
Netherlands	12.7	11.6	46.5
Other EU countries	27.6	27.7	103.8
United Kingdom	9.6	8.5	36.0
Other European countries	6.7	6.6	25.4
South Korea	17.4	10.5	43.7
Rest of the world	2.8	2.2	10.2
Sales to UPM Group	5.1	4.3	20.4
Total	119.1	103.3	409.1

6 Changes in property, plant and equipment

€ million	Q1/2026	Q1/2025	Q1–Q4/2025
Book value at beginning of period	109.0	119.1	119.1
Capital expenditure	0.8	0.7	7.8
Decreases	—	-0.3	-0.2
Depreciation	-4.0	-4.7	-17.4
Reclassifications	0.4	—	-0.3
Translation difference and other changes	0.0	0.0	0.0
Book value at end of period	106.2	114.8	109.0

7 Financial assets and liabilities

Financial assets and liabilities by category

	Q1/2026			Q1/2025			Q1-Q4/2025		
€ million	Equity instruments at fair value through OCI	Financial assets and liabilities at amortized cost	Total	Equity instruments at fair value through OCI	Financial assets and liabilities at amortized cost	Total	Equity instruments at fair value through OCI	Financial assets and liabilities at amortized cost	Total
Trade and other receivables	—	48.1	48.1	—	37.1	37.1	—	34.5	34.5
Cash pool receivables from UPM Group	—	59.8	59.8	—	163.9	163.9	—	70.8	70.8
Cash and cash equivalents	—	2.8	2.8	—	2.9	2.9	—	2.5	2.5
Total financial assets	0.0	110.7	110.7	0.0	203.9	203.9	0.0	107.9	107.9
Interest-bearing liabilities, non-current	—	4.3	4.3	—	3.0	3.0	—	4.7	4.7
Interest-bearing liabilities, current	—	2.4	2.4	—	1.7	1.7	—	2.6	2.6
Trade and other payables	—	63.7	63.7	—	47.3	47.3	—	60.8	60.8
Total financial liabilities	—	70.4	70.4	—	51.9	51.9	—	68.1	68.1

8 Commitments and contingencies

Carve-out principles

The maximum amounts of future payments for which current UPM Plywood entities are liable are disclosed in the table below under "Other commitments". This allocation may not be indicative of the commitments related to WISA Group entities that will incur in the following financial years.

€ million	MAR 31, 2026	MAR 31, 2025	DEC 31, 2025
Other own commitments			
UPM Group on behalf of UPM Plywood	0.8	0.9	0.9
Leasing commitments for the next 12 months in accordance with IFRS 16	—	—	—
Other commitments	1.1	1.2	—
Total	1.9	2.1	0.9

9 Provisions

€ million	Restructuring	Termination	Environmental	Emissions	Other	Total
2026						
Value at January 1, 2026	—	1.3	11.7	0.0	1.3	14.4
Provisions made during the year	—	—	—	0.0	0.1	0.1
Provisions utilized during the year	—	-0.1	—	0.0	0.0	-0.2
Unused provisions reversed	—	—	—	0.0	—	0.0
Value at March 31, 2026	—	1.1	11.7	0.0	1.4	14.3
2025						
Value at January 1, 2025	—	1.3	7.7	0.2	1.3	10.5
Provisions made during the year	—	—	—	0.0	0.0	0.0
Provisions utilized during the year	—	-0.1	—	-0.2	0.0	-0.3
Unused provisions reversed	—	—	—	0.0	—	0.0
Value at March 31, 2025	—	1.3	7.7	0.0	1.3	10.2

10 Related party transactions

The related parties of WISA Group include UPM Corporation, its subsidiaries, associates and joint ventures. Related parties also include the members of the key management personnel of UPM Group, Board of Directors and WISA Group, their close family members, and entities controlled directly or indirectly by such persons.

There have not been any material transactions between WISA Group and its key management personnel or persons closely associated with these members or organizations in which these individuals have control or significant influence.

Receivables and liabilities in WISA Group entities due from or due to UPM Group companies are included in the carve-out financial information and presented as related party transactions, including the financial income and expenses relating to these receivables and liabilities, which are described in the table.

Transactions with UPM Group

€ million	Q1/2026	Q1/2025	Q1–Q4/2025
Sales to UPM Group	5.1	4.3	20.4
Purchases from UPM Group	-37.5	-27.6	-131.9
Interest income from UPM Group	0.4	1.1	3.7
Interest expenses to UPM Group	—	—	—
Trade receivables from UPM Group	2.0	2.2	2.7
Trade payables to UPM Group	-16.6	-3.5	-15.2
Cash pool receivables from UPM Group	59.8	163.9	70.8
Cash pool payables to UPM Group	—	—	—

Salaries and benefits paid to the Executive Team

€ million	Q1/2026	Q1/2025	Q1–Q4/2025
Salaries	0.4	0.3	1.3
Short-term incentives	—	—	0.2
Share rewards	0.1	0.3	0.3
Benefits	0.0	0.0	0.0
Total	0.5	0.6	1.8

During the periods presented in the carve-out financial information, WISA Group has not had a separate management team. The management remuneration presented in the carve-out financial information consists of the UPM Plywood management team, which has changed during the reporting periods.

Events after the balance sheet date

On April 29, 2026, UPM's Board of Directors has approved a demerger plan concerning the separation of UPM Plywood business area into a new independent listed company, to be named as WISA Group Plc. The demerger is subject to approval by UPM's Extraordinary General Meeting expected to be held in early September 2026 at the latest. The planned completion date of the demerger is October 31, 2026.

On April 29, 2026, UPM's Board of Directors has appointed Tuija Suur-Hamari, Executive Vice President, UPM Plywood, as President and CEO of WISA Group effective as of the completion of the Demerger. The other members of WISA Group's management will be appointed prior to the completion of the Demerger.

Alternative performance measures

Quarterly key figures

In addition to the conventional financial performance measures established by the IFRS, certain key figures (alternative performance measures) are presented to reflect the underlying business performance and enhance comparability from period to period.

	Q1/26	Q1/25	Q1–Q4/25
Sales, € million	119.1	103.3	409.1
Comparable EBITDA, € million	16.1	10.5	50.7
% of sales	13.5	10.2	12.4
Comparable EBIT, € million	11.4	5.1	31.3
% of sales	9.6	4.9	7.7
Comparable profit before tax, € million	11.7	6.1	34.9
Capital employed (average), € million	221.2	216.3	209.5
Comparable ROCE, %	20.7	9.4	14.9
Comparable profit for the period, € million	6.4	5.0	28.1
Items affecting comparability in operating profit, € million	-0.5	—	-4.4
Items affecting comparability in financial items, € million	—	—	—
Items affecting comparability in taxes, € million	0.1	0.0	0.9
Operating cash flow, € million	0.8	4.8	44.3
Net debt at the end of period, € million	-55.9	-162.1	-66.1
Capital expenditure, € million	0.8	0.7	7.9
Capital expenditure excluding acquisitions, € million	0.8	0.7	7.9
Personnel at the end of period	1,454	1,504	1,451

Other financial information

Alternative performance measures

WISA Group presents certain performance measures of historical performance, financial position and cash flows, which in accordance with the "Alternative Performance Measures" guidance issued by the European Securities and Markets Authority (ESMA) are not accounting measures defined or specified in IFRS Accounting Standards and are therefore considered as alternative performance measures. These alternative performance measures are described below:

Alternative performance measure	Definition
Operating profit	Profit before income tax expense, finance expenses and finance income as presented on the face of the IFRS income statement.
Comparable EBIT	Operating profit adjusted for items affecting comparability.
Comparable EBITDA	Operating profit before depreciation, amortization and impairments, and items affecting comparability.
Comparable profit before tax	Profit before income tax expense excluding items affecting comparability.
Comparable profit for the period	Profit for the period excluding items affecting comparability and their tax impact.
Net debt	Total of current and non-current debt less cash and cash equivalents and interest-bearing current and non-current financial assets.
Items affecting comparability	Certain non-operational or non-cash valuation transactions with significant income statement impact are considered as items affecting comparability, if they arise from asset impairments, restructuring measures, asset sales or changes in legislation or legal proceedings. In addition, business acquisition costs are classified as items affecting comparability. Numerical threshold for items to be considered as significant is €1.0 million pre-tax.
Free cash flow	Cash generated from operations after cash used for investing activities.
Return on capital employed (ROCE), %	Profit before taxes, interest expenses and other financial expenses as a percentage of average capital employed.
Comparable ROCE, %	Operating profit adjusted for items affecting comparability as a percentage of average capital employed.
Capital employed	Operating assets less operating liabilities. Operating assets include goodwill, other intangible assets, property, plant and equipment, inventories and trade receivables. Operating liabilities include trade payables and advances received.
Capital expenditure	Capitalized investments in property, plant and equipment, intangible assets including goodwill arising from business combinations, other shares, associates and joint ventures.

Reconciliation of key figures to IFRS

€ million, or as indicated	Q1/2026	Q1/2025	Q1-Q4/2025
Items affecting comparability			
Impairment charges	—	—	—
Restructuring charges	—	—	-4.1
Capital gains and losses on sale of non-current assets	—	—	—
Other non-operation items	-0.5	—	-0.3
Total items affecting comparability in operating profit	-0.5	—	-4.4
Items affecting comparability in financial items	—	—	—
Taxes relating to items affecting comparability	0.1	—	0.9
Items affecting comparability in taxes	0.1	—	0.9
Items affecting comparability, total	-0.4	—	-3.5
EBITDA			
Operating profit (loss)	10.9	5.1	26.9
Depreciation, amortization and impairment charges excluding items affecting comparability	4.7	5.5	19.4
EBITDA	15.6	10.5	46.3
Comparable EBITDA			
Operating profit (loss)	10.9	5.1	26.9
Depreciation, amortization and impairment charges excluding items affecting comparability	4.7	5.5	19.4
Items affecting comparability in operating profit	0.5	—	4.4
Comparable EBITDA	16.1	10.5	50.7
% of sales	13.5	10.2	12.4
Comparable EBIT			
Operating profit (loss)	10.9	5.1	26.9
Items affecting comparability in operating profit	0.5	—	4.4
Comparable EBIT	11.4	5.1	31.3
% of sales	9.6	4.9	7.7
Comparable profit before tax			
Profit (loss) before tax	11.2	6.1	30.5
Items affecting comparability in operating profit	0.5	—	4.4
Items affecting comparability in financial items	—	—	—
Comparable profit before tax	11.7	6.1	34.9
Comparable ROCE, %			
Comparable profit before tax	11.7	6.1	34.9
Interest expenses and other financial expenses	-0.2	-1.0	-3.6
	11.4	5.1	31.3
Capital employed, average	221.2	216.3	209.5
Comparable ROCE, %	20.7	9.4	14.9
Comparable profit for the period			
Profit (loss) for the period	6.0	5.0	24.6
Items affecting comparability, total	0.4	—	3.5
Comparable profit for the period	6.4	5.0	28.1

€ million, or as indicated	Q1/2026	Q1/2025	Q1-Q4/2025
Net debt			
Non-current debt	4.3	3.0	4.7
Current debt	2.4	1.7	2.6
Total debt	6.7	4.7	7.3
Cash pool receivables from UPM Group	59.8	163.9	70.8
Cash and cash equivalents	2.8	2.9	2.5
Total interest-bearing assets	62.6	166.8	73.3
Net debt	-55.9	-162.1	-66.1

ANNEX A – DEMERGER PLAN

Demerger Plan

The Board of Directors of UPM-Kymmene Corporation ("**UPM**") proposes to the General Meeting of UPM that the General Meeting would resolve upon the partial demerger of UPM so that all assets and liabilities of UPM relating to the UPM Plywood business area (the "**Plywood Business Area**") or predominantly serving it, as described in more detail below, be transferred without liquidation to WISA Group Plc to be incorporated in such partial demerger (the "**Receiving Company**"), as set out in this demerger plan (together with its schedules, the "**Demerger Plan**") (the "**Demerger**").

As demerger consideration, the shareholders of UPM will receive new shares in the Receiving Company in proportion to their shareholdings. UPM will not be dissolved as a result of the Demerger.

The planned date of registration of the completion of the Demerger (the "**Effective Date**") is on or about 31 October 2026, as set out in Section 20 of this Demerger Plan. The actual Effective Date may yet change.

The Demerger is carried out in accordance with Chapter 17 of the Finnish Companies Act (624/2006, as amended) (the "**Finnish Companies Act**") and Section 52 c of the Finnish Business Income Tax Act (360/1968, as amended) as a tax-neutral demerger, regarding which UPM has received an advance ruling from the Finnish Tax Administration.

1 Companies Participating in the Demerger

1.1 Demerging Company

Company name:	UPM-Kymmene Corporation
Business ID:	1041090-0
Postal address:	P.O. Box 380, 00101 Helsinki, Finland
Street address:	Alvar Aallon katu 1, 00100 Helsinki
Domicile:	Helsinki

UPM is a public limited liability company, and its shares are traded on the official list of Nasdaq Helsinki Ltd ("**Nasdaq Helsinki**").

1.2 Receiving Company

Future company name:	WISA Group Plc
Business ID:	To be issued after the registration of the Demerger Plan
Postal address:	c/o UPM-Kymmene Corporation, P.O. Box 380, 00101 Helsinki, Finland
Street address:	c/o UPM-Kymmene Corporation, Alvar Aallon katu 1, 00100 Helsinki
Domicile:	Helsinki

The Receiving Company is a public limited liability company to be incorporated as a result of the Demerger, and its shares are intended to be applied for listing primarily on the official list of Nasdaq Helsinki.

UPM and the Receiving Company are hereinafter jointly referred to as the "**Companies Participating in the Demerger**".

2 Purpose of the Demerger

The purpose of the Demerger is to separate the Plywood Business Area from UPM into a standalone company. The Receiving Company will be listed as a new publicly listed company as a part of the arrangement.

According to the assessment of the Board of Directors of UPM, the separation of the Plywood business area into a new publicly listed company would increase shareholder value by creating an integrated platform focused solely on pursuing the strategic priorities and growth opportunities of the Plywood business area. The separation will also simplify governance and decision-making structures, foster more direct accountability, and enhance UPM's focus on its core businesses. It will also provide increased visibility to investors into key value drivers specific to the Plywood business area, which can facilitate the fair valuation of the business and provide more flexibility for accessing external capital. The separation further allows the Plywood business area to attract new investors who are interested in investing directly in an independent company focused on high value-added end-use segments, including construction, LNG shipbuilding and vehicle flooring solutions. This also benefits the value creation for UPM's current shareholders.

3 Articles of Associations of the Companies Participating in the Demerger

3.1 Articles of Association of the Receiving Company

A proposal for the Articles of Association of the Receiving Company is enclosed as Appendix 1 of this Demerger Plan. The Articles of Association will enter into force on the Effective Date.

3.2 Articles of Association of UPM

No amendments are proposed to the Articles of Association of UPM due to the Demerger. The Demerger process does not limit the authority of the General Meeting of UPM to resolve on any amendments to the Articles of Association of UPM.

4 Proposals for the Appointment of Members of Administrative Bodies of the Receiving Company

4.1 Board of Directors and Auditor of the Receiving Company and their Remuneration

The Board of Directors of UPM will make proposals to the General Meeting of UPM resolving on the Demerger concerning the number of members of the Board of Directors, the election of the members of the Board of Directors and the auditor of the Receiving Company, as well as their remuneration. The above-mentioned proposals are not binding on the General Meeting of UPM resolving on the Demerger.

According to the proposed Articles of Association of the Receiving Company, the Receiving Company has a Board of Directors comprising of a minimum of four (4) and a maximum of eight (8) members. According to the Articles of Association of the Receiving Company, the term of office of the members of the Board of Directors expires at the end of the Annual General Meeting of the Receiving Company following the election.

The General Meeting of UPM resolving on the Demerger will confirm the number of the members of the Board of Directors of the Receiving Company and will elect the members of the Board of Directors. If necessary, the resolutions may be amended by a General Meeting of UPM to be held later prior to the Effective Date.

The term of office of the members of the Board of Directors of the Receiving Company commences on the Effective Date and expires at the end of the Annual General Meeting of the Receiving Company following the Effective Date.

According to the proposed Articles of Association of the Receiving Company, an audit firm approved by the Finnish Patent and Registration Office is appointed as the auditor of the Receiving Company. The Receiving Company's auditor is elected by the General Meeting of UPM resolving on the Demerger. The resolution may, if necessary, be amended by a later General Meeting of UPM prior to the Effective Date.

According to the proposed Articles of Association of the Receiving Company, if the Receiving Company has a statutory obligation to prepare a sustainability report, a sustainability audit firm approved by the Finnish Patent and Registration Office is appointed as the assurer of the Receiving Company's sustainability report. The Receiving Company's statutory sustainability reporting assurer is elected, if necessary, by the General

Meeting of UPM resolving on the Demerger. If necessary, the resolution may be amended by a General Meeting of UPM to be held later prior to the Effective Date.

The resolutions on the remuneration of the Board of Directors, auditor and possible statutory sustainability reporting assurer of the Receiving Company will be made by the General Meeting of UPM resolving on the Demerger. The Receiving Company is responsible for the remuneration of its Board of Directors, auditor and possible statutory sustainability reporting assurer and for all other costs and liabilities relating thereto, also to the extent such remuneration, cost or liability relates to the period preceding the Effective Date.

4.2 President and CEO of the Receiving Company

The Board of Directors UPM will, prior to the completion of the Demerger, appoint the President and CEO of the Receiving Company. The Board of Directors of UPM has appointed Ms. Tuija Suur-Hamari as the President and CEO of the Receiving Company.

A President and CEO's service agreement will be entered into with the President and CEO of the Receiving Company in accordance with customary practice. The agreement, together with all rights and obligations thereunder, will transfer to the Receiving Company in the Demerger. The Receiving Company is responsible for the remuneration and other costs and liabilities related to the President and CEO in accordance with the President and CEO's service agreement, including also to the extent such remuneration, costs or liability relates to the period preceding the Effective Date.

If the President and CEO of the Receiving Company resigns or is dismissed or must be otherwise replaced by another person prior to the Effective Date, the Board of Directors of UPM may appoint a new President and CEO of the Receiving Company up until the Effective Date. Thereafter, the Board of Directors of the Receiving Company appoints the President and CEO.

5 Demerger Consideration and Timing of its Issuance

5.1 Demerger Consideration

The shareholders of UPM will, as demerger consideration, receive one (1) new share in the Receiving Company for each share owned in UPM (the "**Demerger Consideration**"). So, all shares in the Receiving Company will be issued to UPM's shareholders in proportion to their shareholdings in the Demerger.

No Demerger Consideration will be issued to the treasury shares in UPM's possession in accordance with Chapter 17, Section 16, Subsection 3 of the Finnish Companies Act.

There is one (1) share class in the Receiving Company, and the shares in the Receiving Company do not have a nominal value.

5.2 Timing of Issuance of the Demerger Consideration

The Demerger Consideration will be issued to the shareholders of UPM on the Effective Date or as soon as possible thereafter. The Demerger Consideration will be issued through the book-entry securities system maintained by Euroclear Finland Oy based on the number of shares in UPM registered in the book-entry accounts of UPM's shareholders on the Effective Date in proportion set out in this Demerger Plan. The Demerger Consideration will be distributed automatically, and no action is required from the shareholders of UPM in relation thereto.

The final total number of shares in the Receiving Company issued as Demerger Consideration will be determined based on the number of shares in UPM held by others than UPM itself on the Effective Date. On the date of this Demerger Plan, UPM holds 411,653 treasury shares. On the date of this Demerger Plan, the total number of shares in the Receiving Company to be issued as Demerger Consideration would consequently be 527,324,046 shares. The final total number of shares in the Receiving Company issued as Demerger Consideration depends, among other things, on a possible change in the number of issued and outstanding shares in UPM caused, for example, by UPM issuing new shares or acquiring its own shares prior to the Effective Date.

6 Option Rights and Other Special Rights Entitling to Shares

UPM has not issued any option rights or other special rights referred to in Chapter 10, Section 1 of the Finnish Companies Act that would entitle their holder to subscribe for shares in UPM.

7 Other Consideration

Save for the Demerger Consideration to be issued in the form of new shares in the Receiving Company, as set out in Section 5, no other consideration will be distributed to the shareholders of UPM in the Demerger.

8 Share Capital of the Receiving Company

The share capital of the Receiving Company is EUR 80,000.00.

9 Assets, Debts and Equity of UPM and Circumstances Impacting Their Valuation

The assets, debts and equity of UPM as of 31 December 2025 are set out in the audited balance sheet of UPM as at 31 December 2025 enclosed as Appendix 2 to this Demerger Plan.

The assets and debts on the balance sheet of UPM have been booked and valued in compliance with the provisions of the Finnish Accounting Act (1336/1997, as amended) (the "**Finnish Accounting Act**") and the generally accepted accounting principles (*hyvä kirjanpitotapa*). There has not been any material changes in the financial position or the liabilities of UPM between the said date and the date of this Demerger Plan.

10 Allocation of UPM's Assets and Liabilities Between Companies Participating in the Demerger, Intended Effect of the Demerger on the Balance Sheet of Receiving Company and Accounting Methods Applied in the Demerger

10.1 Assets and Liabilities Transferring to the Receiving Company

In the Demerger, the Plywood Business Area, including any assets and rights of UPM related to or predominantly serving the Plywood Business Area and any debts, liabilities and possible provisions of UPM related thereto at the time of registration of the completion of the Demerger (the "**Effective Time**"), will transfer to the Receiving Company pursuant to this Demerger Plan.

The assets and rights and related debts, liabilities and provisions of UPM that relate to or serve both the Plywood Business Area and UPM's other businesses (all other businesses of UPM than the Plywood Business Area, collectively, the "**Other Businesses**") will be allocated between the Plywood Business Area and the Other Businesses based on whether the item predominately relates to or serves the Plywood Business Area or the Other Businesses. Section 21.6 applies to any agreements and commitments relating to or serving both the Plywood Business Area and the Other Businesses.

Furthermore, a certain portion of UPM's general assets, debts, liabilities and provisions will transfer to the Receiving Company in the Demerger pursuant to this Demerger Plan, as set out in more detail in this Demerger Plan below.

Appendix 2 sets out a preliminary balance sheet allocation between UPM and the Receiving Company illustrating the transfer of assets, debts, liabilities and provisions in the Demerger. The figures set out in

Appendix 2 are based on UPM's audited balance sheet as at 31 December 2025, as adjusted for the presumed situation on the Effective Date. The final impact of the Demerger on the balance sheets of the Companies Participating in the Demerger and the final figures will be determined based on UPM's assets, debts, liabilities and provisions at the Effective Time. In addition to the balance sheet items, the off-balance sheet items related to the Plywood Business Area, together with the associated rights and obligations, such as agreements, offers and requests for offer, as well as the competence and know-how of the personnel, will transfer to the Receiving Company pursuant to this Demerger Plan.

In accordance with the above principles, the following items of UPM, among other things, will transfer to the Receiving Company pursuant to this Demerger Plan to the extent they exist at the Effective Time (including also items that have replaced them or have arisen or become apparent after the date of this Demerger Plan):

(a) Any shares and participations in companies directly or indirectly owned by UPM and belonging to the Plywood Business Area (including also shares and participations in companies belonging to the Plywood Business Area that are to be established, registered or transferred to the Plywood Business Area after the date of this Demerger Plan) ("**Transferring Companies**"), including shares and participations in the following companies and their subsidiaries:

  (i) UPM Plywood Oy (Business ID 1839206-5);

  (ii) UPM-Kymmene Otepää OÜ (Estonia, registration number 10664333) (including the branch incorporated in Latvia with registration number is 40203731124);

  (iii) WISA Plywood SAS (France, registration number 103094686) (including a branch to be incorporated in Spain);

  (iv) WISA Plywood GmbH (Germany, under incorporation);

  (v) WISA Plywood B.V. (the Netherlands, registration number 868763755);

  (vi) WISA Plywood Limited (the United Kingdom, registration number 872174);

  (vii) WISA Plywood ApS (Denmark, registration number 46209354); and

  (viii) Järvi-Suomen Voima Oy (Business ID 1634373-7).

(b) Any movable and immovable fixed assets and any tangible and intangible assets owned by UPM related to the Plywood Business Area (including assets transferred to the Plywood Business Area after the date of this Demerger Plan) and any rights, obligations, liabilities and provisions of UPM related thereto;

(c) Any receivables of UPM from and any liabilities of UPM to the Transferring Companies related to the UPM group's cash pool arrangements;

(d) Any current receivables of UPM from the Transferring Companies, including trade receivables, accrued receivables and other current receivables related to the Plywood Business Area. To the extent that such current receivables are not transferable, a corresponding debt relationship will be created between UPM and the Receiving Company;

(e) A portion of UPM's cash that, according to UPM's estimate, corresponds to the amount required for the Receiving Company's operations and working capital needs on the Effective Date;

(f) Any current liabilities of UPM to the Transferring Companies, including UPM's trade payables, accrued liabilities and other current liabilities related to the Plywood Business Area. To the extent that such current debts are not transferable, a corresponding debt relationship will be created between UPM and the Receiving Company;

(g) Any financial debt and other long-term debt of UPM to the extent that they relate to the Plywood Business Area. To the extent that any such debts are not transferable, a corresponding debt relationship will be created between UPM and the Receiving Company, which debt the Receiving Company repays immediately after the completion of the Demerger;

(h) Any financing and security agreements and other agreements related to the financing of the Receiving Company entered into by UPM on behalf of and for the account of the Receiving Company, and any rights, obligations and liabilities related thereto, as well as UPM's receivable from the Receiving Company for fees and costs paid by UPM on behalf of and for the account of the Receiving Company in connection with the financing of the Receiving Company;

(i) Any intellectual property rights of UPM related to the Plywood Business Area, such as the auxiliary trade name WISA Group;

(j) Any employment and service agreements and other agreements of UPM related to employment and service relationships, and any rights, obligations and liabilities of UPM related thereto, concerning persons employed by UPM at the Effective Time, which persons belong to the Plywood Business Area or otherwise transfer to the Receiving Company in accordance with Section 21.2, and any pension and other liabilities of UPM related to such transferring persons or related to persons otherwise belonging to or having belonged to the Plywood Business Area;

(k) Any agreements of UPM concerning the Transferring Companies and any customer, supply and other commercial agreements of UPM exclusively related to the Plywood Business Area. Section 21.6 applies to any agreement that relates to or serves both the Plywood Business Area and the Other Businesses or that is not transferable;

(l) Any tax receivables, debts and liabilities of UPM related to the Plywood Business Area;

(m) Any losses confirmed in UPM's taxation in proportion to the net assets of UPM transferring to the Receiving Company in the Demerger;

(n) Any provisions of UPM related to the Plywood Business Area;

(o) Any liabilities of UPM relating to a prospectus or an exemption document to be prepared in connection with the Demerger pursuant to the Prospectus Regulation (EU) 2017/1129 and the European Commission's delegated regulations related thereto, or otherwise relating to the offering or admission to trading of the shares in the Receiving Company in connection with the Demerger; and

(p) Any other possible known and unknown assets and rights of UPM relating to or predominantly serving the Plywood Business Area and any possible debts, liabilities and provisions of UPM related thereto, which assets, rights, debts, liabilities or provisions are not specifically specified in this Demerger Plan. For clarity, the foregoing also applies to items that arise or become apparent after the Effective Time.

Under Chapter 17, Section 16, Subsection 6 of the Finnish Companies Act, UPM is liable for any known, unknown, and conditional debts and liabilities (including agreements, commitments, offers and requests for offers) transferring to the Receiving Company, unless it is agreed or will be agreed with a creditor to limit or exclude such liability, in which case such agreed limitation or exclusion of liability applies to UPM's liability towards the creditor in question. UPM is not liable under Chapter 17, Section 16, Subsection 6 of the Finnish

Companies Act for any guarantee obligation transferring to the Receiving Company unless such guarantee obligation is considered a debt or liability at the Effective Time pursuant to such provision.

10.2 Assets and Liabilities Remaining with UPM

In the Demerger, UPM will retain the Other Businesses, including any assets and rights of UPM related to or predominantly serving the Other Businesses and any debts, liabilities and possible provisions of UPM related thereto at the Effective Time.

In accordance with the above principles, UPM will retain the following items, among other things, to the extent they exist at the Effective Time (including items that have replaced them or have arisen or become apparent after the date of this Demerger Plan):

(a) Any shares and participations in companies directly or indirectly owned by UPM and belonging to the Other Businesses (including also shares and participations in companies belonging to the Other Businesses that are to be established, registered or transferred to the Other Businesses after the date of this Demerger Plan) ("**Remaining Companies**");

(b) Any movable and immovable fixed assets and any tangible and intangible assets owned by UPM related to the Other Businesses (including also assets transferred to the Other Businesses after the date of this Demerger Plan), and any rights, obligations, liabilities and provisions of UPM related thereto;

(c) Any receivables of UPM from and any liabilities of UPM to parties other than the Transferring Companies related to the UPM group's cash pool arrangements;

(d) Any current receivables of UPM from parties other than the Transferring Companies, including trade receivables, accrued receivables and other current receivables related to the Other Businesses;

(e) Any cash of UPM other than those referred to in Section 10.1(e);

(f) Any current liabilities of UPM to parties other than the Transferring Companies, including trade payables, accrued liabilities and other current liabilities related to the Other Businesses;

(g) Any financial liabilities and other long-term debts of UPM to the extent that they are not related to the Plywood Business Area, and any loan and financing agreements and collateral related thereto, as well as UPM's relationships with banks and other financiers;

(h) Any intellectual property rights of UPM related to the Other Businesses, such as the auxiliary trade names, domain names, trademarks, copyrights, patents, utility models, design rights and know-how;

(i) Any employment and service agreements and other agreements of UPM related to employment and service relationships, any rights, obligations and liabilities of UPM related thereto, concerning persons employed by UPM at the Effective Time other than the persons transferring to the service of the Receiving Company in accordance with Sections 10.1(j) and 21.2, and any pension and other liabilities of UPM related to such persons remaining with UPM or related to persons otherwise belonging to or having belonged to the Other Businesses;

(j) Any agreements of UPM concerning the Remaining Companies and any customer, supply and other commercial agreements of UPM related to the Other Businesses;

(k) Any tax receivables, debts, and liabilities of UPM related to the Other Businesses;

(l) Any losses confirmed in UPM's taxation that are not transferred to the Receiving Company in accordance with Section 10.1(m);

(m) Any provisions of UPM related to the Other Businesses;

(n) Any guarantees issued or possible pledges granted by UPM in relation to the Other Businesses;

(o) Any dividend debts and liabilities of UPM; and

(p) Any other possible known and unknown assets and rights of UPM relating to or predominantly serving the Other Businesses and any possible debts, liabilities and provisions of UPM related thereto, which assets, rights, debts, liabilities or provisions are not specifically specified in this Demerger Plan. For clarity, the foregoing also applies to items that arise or become apparent after the Effective Time.

Under Chapter 17, Section 16, Subsection 6 of the Finnish Companies Act, the Receiving Company is liable for any known, unknown, and conditional debts and liabilities (including agreements, commitments, offers and requests for offers) remaining with UPM, unless it is agreed or will be agreed with a creditor to limit or exclude such liability, in which case such agreed limitation or exclusion of liability applies to the Receiving Company's liability towards the creditor in question. The Receiving Company is not liable under Chapter 17, Section 16, Subsection 6 of the Finnish Companies Act for any guarantee obligation remaining with UPM unless such guarantee obligation is considered a debt or liability at the Effective Time pursuant to such provision.

10.3 Valuation of Assets and Debts in the Demerger

The assets and rights of UPM related to the Plywood Business Area and allocated to the Receiving Company in this Demerger Plan, together with the debts, liabilities and provisions of UPM related thereto, will transfer to the Receiving Company at the Effective Time. The assets and debts of UPM have been booked and valued in accordance with the Finnish Accounting Act and the generally accepted accounting principles (*hyvä kirjanpitotapa*). In the Demerger, the Receiving Company will record the transferring assets and debts in its balance sheet at the book values used by UPM on the Effective Date in compliance with the provisions of the Finnish Accounting Act and the generally accepted accounting principles.

11 UPM's Share Capital and Allocation of Equity Between UPM and the Receiving Company

On the date of this Demerger Plan, UPM's share capital is EUR 889,572,283.00. No reduction of UPM's share capital is proposed in connection with the Demerger. The equity of the Receiving Company to be formed in the Demerger will be recorded in the Receiving Company's share capital, reserve for invested unrestricted equity and retained earnings. Appendix 2 contains a preliminary balance sheet allocation illustrating the allocation of UPM's equity between UPM and the Receiving Company in the Demerger.

12 Matters Outside Ordinary Business Operations

The Demerger process does not limit UPM's right to decide on its matters and, until the Effective Date, also on matters of the Receiving Company (regardless of whether such matters are within the ordinary course of business or not, or whether they affect the amount of equity or number of shares), including, without limitation, the sale and purchase of shares and businesses, corporate transactions, distribution of dividend and other unrestricted equity, share issuances, acquisition or transfer of treasury shares, changes in share capital and number of shares, making re-evaluations, internal group transactions and reorganisations and the listing of the shares in the Receiving Company primarily on the official list of Nasdaq Helsinki, and other preparatory actions in relation to the Demerger as referred to in Section 21 of this Demerger Plan and other similar actions.

13 Capital Loans

UPM has not issued any capital loans as defined in Chapter 12, Section 1 of the Finnish Companies Act.

14 Cross-Ownership and Treasury Shares

On the date of this Demerger Plan, neither UPM or its subsidiaries hold any shares in the Receiving Company nor does the Receiving Company have any parent company because the Receiving Company will be incorporated on the Effective Date.

On the date of this Demerger Plan, UPM holds 411,653 treasury shares. UPM's subsidiaries do not own any shares in UPM and no shares in UPM will be transferred to the Receiving Company in the Demerger.

15 Account regarding the Payment of Receivables of the Creditors of the Companies Participating in the Demerger

The creditors of UPM (i) whose receivables have arisen before the registration of this Demerger Plan with the Finnish Trade Register in accordance with Chapter 17, Section 5 of the Finnish Companies Act, or (ii) whose receivables may be collected without a judgement or decision being required, as provided in the Finnish Act on the Enforcement of Taxes and Public Payments (706/2007, as amended) and whose receivable has arisen no later than on the Public Notice Due Date (as defined below) (the "**Creditors**"), have the right to object to the Demerger in accordance with Chapter 17, Section 6 of the Finnish Companies Act to the extent that such right has not been waived.

In accordance with Chapter 17, Section 6, Subsection 2 of the Finnish Companies Act, the registration authority must issue a public notice (the "**Public Notice**") to the Creditors based on UPM's application, setting out a Creditor's right to object to the Demerger by informing the registration authority in writing no later than on the due date set out in the Public Notice (the "**Public Notice Due Date**"). If UPM does not apply for the issuance of the Public Notice within one (1) month from the registration of this Demerger Plan with the Finnish Trade Register, the Demerger will lapse. The registration authority must publish the Public Notice in the Official Journal of Finland no later than three (3) months before the Public Notice Due Date and register the Public Notice *ex officio*.

In accordance with Chapter 17, Section 7 of the Finnish Companies Act, UPM must no later than one (1) month before the Public Notice Due Date send a written notification of the Public Notice to its known Creditors.

On the date of this Demerger Plan, the Receiving Company has no creditors because the Receiving Company will be incorporated on the Effective Date.

16 Business Mortgages

The assets of UPM are not subject to any business mortgages, as defined in the Finnish Act on Business Mortgages (634/1984, as amended). There are no business mortgages pertaining to the assets of the Receiving Company because the Receiving Company will be incorporated on the Effective Date.

17 Special Benefits and Rights in Connection with the Demerger

Except as set out in Section 4.1, no special benefits or rights within the meaning of the Finnish Companies Act will be granted to any members of the Board of Directors, the President and CEOs or the auditors of the Companies Participating in the Demerger in connection with the Demerger, or to the auditor issuing a statement on this Demerger Plan.

The remuneration of the auditor issuing a statement on this Demerger Plan is proposed to be paid in accordance with an invoice approved by the Board of Directors of UPM. The Companies Participating in the Demerger are responsible on a 50:50 basis for the fee payable for issuing the statement.

18 Authorisations to the Board of Directors of the Receiving Company Following the Completion of the Demerger

18.1 Authorisation to Decide on the Issuance of the Receiving Company's Shares and Special Rights Entitling to Shares

The Board of Directors of the Receiving Company is authorised pursuant to this Demerger Plan to decide, following the completion of the Demerger, on the issuance of shares, option rights and other special rights referred to in Chapter 10, Section 1 of the Finnish Companies Act entitling to shares in the Receiving Company, as follows:

(a) Under the authorisation, the Board of Directors may issue in one or more instalments new or treasury shares in the Receiving Company or option rights or other special rights referred to in Chapter 10, Section 1 of the Finnish Companies Act entitling to shares in the Receiving Company as so that, by virtue of the authorisation, a maximum of 25,000,000 shares in the Receiving Company in total may be issued or transferred. Such total number of shares corresponds to approximately 4.74 per cent of the Receiving Company's registered shares at the Effective Time, assuming that the total number of the Receiving Company's shares to be issued as Demerger Consideration is at the Effective Time as set out in Section 5.2, and the Board of Directors may use its authorisation so that the total number of shares issued or transferred under the authorisation corresponds, at the time of the decision, to, at most, said percentage of the Receiving Company's registered shares at the time.

(b) The authorisation may be used for the financing or implementation of potential acquisitions or other arrangements or investments relating to the Receiving Company's business, the developing of the capital structure of the Receiving Company, the implementation of the Receiving Company's share-based incentive plans, or for other purposes as decided by the Board of Directors. The authorisation entitles the Board of Directors to decide on all terms and conditions of the share issue and issuance of special rights. The authorisation includes the right, subject to the prerequisites of the Finnish Companies Act being fulfilled, to issue shares also otherwise than in proportion to the shareholders' shareholdings, the right to issue shares with or without payment, and the right to decide on a share issue without payment to the Receiving Company itself, considering the provisions of the Finnish Companies Act concerning the maximum amount of treasury shares.

(c) The authorisation is valid until the conclusion of the first Annual General Meeting held by the Receiving Company.

18.2 Authorisation to Decide on the Acquisition of the Receiving Company's own Shares and on the Acceptance as Pledge of the Receiving Company's own Shares

The Board of Directors of the Receiving Company is authorised pursuant to this Demerger Plan to decide, following the completion of the Demerger, on the acquisition of the Receiving Company's own shares and on the acceptance as pledge of the Receiving Company's own shares, as follows:

(a) Under the authorisation, the Board of Directors may acquire or accept as pledge in one or more instalments a maximum of 50,000,000 shares in the Receiving Company in total. Such total number of shares corresponds to approximately 9.48 per cent of the Receiving Company's registered shares at the Effective Time, assuming that the total number of shares in the Receiving Company to be issued as Demerger Consideration is at the Effective Time as set out in Section 5.2, and the Board of Directors may use its authorisation so that the total number of shares acquired or accepted as pledge under the authorisation corresponds, at the time of the decision, to, at most, said percentage of the Receiving Company's registered shares at the time. Own shares may only be acquired under the authorisation using the Receiving Company's unrestricted equity and in a manner resolved by the Board of Directors.

(b) The consideration payable for shares acquired under the authorisation shall be based on the price formed on the securities markets or otherwise in a competitive process. The authorisation includes the right, subject to the prerequisites of the Finnish Companies Act being fulfilled, to acquire shares through a tender offer made to all shareholders on equal terms, but also otherwise than in proportion to the shareholders' shareholdings (directed acquisition). Own shares may be acquired to be cancelled, to be held by the Receiving Company, to be transferred further, or for other purposes determined by the Board of Directors, or they may be accepted as pledge. The Receiving Company may enter into derivative, share lending or other arrangements customary in the capital markets as part of the acquisition of own shares. The authorisation includes the right of the Board of Directors to decide on all other terms and conditions of the acquisition of own shares or their acceptance as pledge.

(c) The authorisation is valid until the conclusion of the first Annual General Meeting held by the Receiving Company.

19 Possible Resolution not to Complete the Demerger

The Board of Directors of UPM may, at any time prior to the completion of the Demerger (also after the General Meeting resolving on the Demerger), resolve not to complete the Demerger if the Board of Directors of UPM concludes that the completion of the Demerger is no longer in the best interest of UPM and its shareholders due to a change in circumstances that has occurred or arisen after this Demerger Plan has been signed. In such case, the Demerger will lapse.

20 Planned Timeline and Registration Date of the Completion of the Demerger

The planned Effective Date of the Demerger is on or about 31 October 2026. The actual Effective Date may change from said planned date, for example, if the circumstances relating to the Demerger or otherwise require changes to the planned date or if the Board of Directors of UPM otherwise decides to apply for the completion of the Demerger to be registered earlier or later.

UPM intends to apply for the Public Notice to the Creditors in connection with the registration of the Demerger Plan, and in any event within one (1) month from the registration of the Demerger Plan with the Finnish Trade Register. After UPM has applied for the Public Notice, the registration authority sets the Public Notice Due Date *ex officio*. UPM will send written notifications of the Public Notice to its known Creditors no later than one (1) month before the Public Notice Due Date set by the registration authority.

The Board of Directors of UPM intends to propose that the Extraordinary General Meeting of UPM that resolves on the Demerger is held within four (4) months from the registration of the Demerger Plan with the Finnish Trade Register.

21 Other Matters

21.1 Listing of Shares of the Receiving Company

The Receiving Company will apply for the listing of all shares in the Receiving Company primarily on the official list of Nasdaq Helsinki. The trading in the Receiving Company's shares on Nasdaq Helsinki will begin on the Effective Date or as soon as possible thereafter.

The Board of Directors of UPM has the right to resolve on the listing of the Receiving Company's shares and take measures in preparation for the listing, including entering into agreements concerning the listing.

The Demerger will not affect the listing of, or trading in, the shares of UPM.

21.2 Transfer of Employees

Part of the personnel in the employment or service of UPM will transfer to the employment or service of the Receiving Company at the Effective Time pursuant to this Demerger Plan or agreements in accordance with decisions made by the Board of Directors or the President and CEO of UPM prior to the Effective Date and after possible legal obligations and duties relating to the implementation of the transfer have been satisfied.

The Receiving Company will assume any obligations and liabilities arising out of the employment and service relationships of the transferring personnel in force on the Effective Date and any obligations and liabilities related thereto. To the extent possible, the transferring personnel will transfer to the employment and service of the Receiving Company as so-called old employees.

To the extent possible, the obligations and liabilities under any group level agreements binding on UPM will transfer to the Receiving Company insofar as they concern the personnel of the Receiving Company or its direct or indirect subsidiaries. To the extent that it is not possible to transfer the obligations or liabilities under these agreements, a corresponding debt relationship will be established between UPM and the Receiving Company.

The Receiving Company is responsible for all obligations and liabilities relating to the personnel transferring to it (including, without limitation, any salaries, compensation, withholdings, holidays, daily allowances, pension contributions, pension liabilities and remunerations), also to the extent the basis for such obligation or liability has arisen wholly or partially prior to the Effective Time and such obligation or liability remains unfulfilled at the Effective Time.

21.3 Preparatory Actions

The Board of Directors and President and CEO of UPM may make any decisions concerning the Plywood Business Area and the Other Businesses within their respective competence under applicable law, and take any measures related to the preparation and implementation of the Demerger until the Effective Date.

21.4 Right of the Board of Directors and the President and CEO of UPM to Act on Behalf of the Receiving Company

As set out in Section 21.3, prior to the Effective Date, the Board of Directors and the President and CEO of UPM (or any persons authorised by them) may enter into any agreements or arrangements relating to the Plywood Business Area, facilitating the separation of the Plywood Business Area or the commencement of the Receiving Company's operations (such as financing, supply, service, licence and lease agreements, and transitional services agreements), and make any decisions and take any measures concerning the Plywood Business Area that fall within their respective competence. The Board of Directors and President and CEO of UPM (or any persons authorised by them) may enter into any such agreements, arrangements, decisions and other measures on behalf of and for the account of the Receiving Company as well.

Any rights, obligations and liabilities belonging to the Receiving Company based on the agreements, arrangements, resolutions and other measures entered into or taken on behalf of or for the account of the Receiving Company under this Section 21.4 will transfer to the Receiving Company pursuant to this Demerger Plan at the Effective Time.

21.5 Capacity and Competence of the Receiving Company's Board of Directors and President and CEO Prior to the Effective Date

Prior to the Effective Date, the Board of Directors or the President and CEO of the Receiving Company (or any persons authorised by them) may only take such decisions that are assigned to be made by the Board of

Directors and the President and CEO of the Receiving Company in this Demerger Plan or that the Board of Directors of UPM later designates to be made by them.

Prior to the Effective Date, the Board of Directors of the Receiving Company may, without separate direction from the Board of Directors of UPM, take decisions that concern the Receiving Company's representation rights (authorisations to sign for the company, rights of representation per procuration, and other authorisations), bank accounts and necessary agreements and documents relating to the administration of a listed company, such as the charter of the Board of Directors, disclosure policies and insider guidelines. The Board of Directors of UPM may also take such decisions concerning the Receiving Company prior to the Effective Date. The rights and obligations under these decisions will transfer from UPM to the Receiving Company pursuant to this Demerger Plan at the Effective Time.

21.6 Agreements and Undertakings and Cooperation in Transfer of Rights and Obligations; Intra-Group Arrangements

All agreements and undertakings, given and received offers and requests for offer, and any rights obligations and liabilities exclusively related to or serving the Plywood Business Area will transfer to the Receiving Company pursuant to this Demerger Plan at the Effective Time. To the extent that the transfer of a specific agreement or undertaking that exclusively relates to or serves the Plywood Business Area requires the consent of a contracting party or a third party notwithstanding the universal succession nature of the Demerger, the Companies Participating in the Demerger will endeavour to obtain the necessary consent prior to the Effective Date. If such consent has not been obtained by the Effective Date, UPM will remain in the contractual or similar relationship with the relevant contracting party or third party, and the Companies Participating in the Demerger will agree on a manner in which the Receiving Company will fulfil the obligations related to such agreement or undertaking for its own account (including ensuring that the fulfilment of obligations under the agreement or undertaking towards the contracting party or third party continues without interruption notwithstanding the completion of the Demerger) and at its own responsibility and risk (although in the name of UPM) and will correspondingly receive the related benefit from the agreement or undertaking.

To the extent that the transfer of assets, rights, debts or liabilities related to the Plywood Business Area, other than those described above, is not possible due to practical or legal reasons, for example, because only part of an agreement or undertaking or an intra-group function or arrangement relates to or serves the Plywood Business Area, or because the continuation of an intra-group arrangement is no longer possible after the group relationship has ended, the assets or rights attributable to the Plywood Business Area and any debts or liabilities (or part thereof) relate thereto will, if necessary, be transferred to the Receiving Company by way of an agreement between the Companies Participating in the Demerger.

21.7 Intellectual Property Rights

In the Demerger, UPM's auxiliary trade name WISA Group will transfer to the Receiving Company and will be registered as the trade name of the Receiving Company. No other auxiliary trade names of UPM will transfer to the Receiving Company in the Demerger.

The Receiving Company shall, as soon as possible and no later than within a transition period of three (3) months from the Effective Date, ensure that the Receiving Company and its direct or indirect subsidiaries (i) do not use any trade name, logo, trademark or other intellectual property right containing the words "UPM" or "Kymmene" or an image of a griffin or that otherwise may be confused with UPM's brand, and (ii) remove any such names, logos, trademarks and brand from use within said transition period. Notwithstanding the foregoing, the Receiving Company has the right to sell products manufactured prior to the Effective Date bearing the UPM brand even after the expiry of such transitional period.

21.8 Costs and Fees

Unless otherwise set out in this Demerger Plan (including Section 10) or agreed by the Companies Participating in the Demerger, the following will be applied to the allocation of the costs and fees relating to the Demerger between the Companies Participating in the Demerger, regardless of when such costs may arise or who has paid them:

(a) The Companies Participating in the Demerger are responsible on a 50:50 basis for any costs and fees relating directly to the Demerger process and completion of the Demerger, including but not limited to any fees payable to advisors;

(b) the Receiving Company is responsible for any costs and fees relating to the listing of the shares in the Receiving Company and the creation of the shares in the book-entry securities system, including but not limited to any costs and fees relating to due diligence or investigations required for the listing, the preparation of a securities prospectus, and the Finnish Financial Supervisory Authority, Nasdaq Helsinki and Euroclear Finland Oy, as well as any costs and fees payable to the advisors relating to the listing;

(c) the Receiving Company is responsible for any costs and fees relating to the establishment and commencement of its operations, the separation of the Plywood Business Area and the establishment and commencement of the Transferring Companies and the transfer of their shares and operations, including any fees payable to the advisors relating to these measures; and

(d) the Companies Participating in the Demerger are responsible on a 50:50 basis for any costs and fees that cannot be allocated based on Subsections (a) through (c) above, or that are not directly related to the operations of either of the Companies Participating in the Demerger.

21.9 Accounting Materials and Tax-Related Materials

UPM's accounting materials and tax-related materials remain in UPM's possession in the Demerger. The same applies to UPM's corporate law materials, such as the minutes of the Board of Directors and General Meetings, permits and authority approvals, and other materials that UPM is required to retain by law.

To the extent that such accounting materials and tax-related materials relate to the business of the Receiving Company from the period preceding the completion of the Demerger, the Receiving Company will, to the extent permitted by applicable law, have the right without separate compensation to access such materials during normal office hours and to take notes, copies and recordings of such materials.

21.10 Language Versions

This Demerger Plan is an unofficial English language translation of the original document, which has been prepared and executed in Finnish. This English language translation has been drafted for information purposes only, and the Finnish language version prevails in all circumstances.

21.11 Dispute Resolution

Any dispute, controversy or claim between the Companies Participating in the Demerger relating to this Demerger Plan, or the breach, termination or validity thereof, shall be finally settled by arbitration in accordance with the Arbitration Rules of the Finland Chamber of Commerce. The seat of arbitration shall be Helsinki, Finland. The language of the arbitration shall be English unless all parties to the dispute agree that the language of the arbitration shall be Finnish. For the sake of clarity, it is noted that this arbitration clause has been entered into also on behalf of, and shall be binding upon, the Receiving Company.

22 Other Issues

The Board of Directors of UPM is authorised to decide on technical amendments to this Demerger Plan as may be required by authorities or considered appropriate by the Board of Directors of UPM.

____

(*Signature page follows*)

This Demerger Plan has been made in three (3) identical counterparts, one (1) for UPM, one (1) for the Receiving Company, and one (1) for the registration authority.

Helsinki, 29 April 2026

UPM-KYMMENE CORPORATION

___________________________ Name: Henrik Ehrnrooth Chair of the Board of Directors	___________________________ Name: Martin à Porta Vice-Chair of the Board of Directors
___________________________ Name: Pia Aaltonen-Forsell Member of the Board of Directors	___________________________ Name: Magnus Groth Member of the Board of Directors
___________________________ Name: Jari Gustafsson Member of the Board of Directors	___________________________ Name: Piia Karhu Member of the Board of Directors
___________________________ Name: Melanie Maas-Brunner Member of the Board of Directors	___________________________ Name: Topi Manner Member of the Board of Directors
___________________________ Name: Marjan Oudeman Member of the Board of Directors	

Appendices to the Demerger Plan

Appendix 1	The proposal for the Articles of Association of the Receiving Company
Appendix 2	UPM's audited balance sheet as at 31 December 2025 and preliminary proposal for the allocation of the balance sheet between UPM and the Receiving Company
Appendix 3	The auditor's statement in accordance with Chapter 17, Section 4 of the Finnish Companies Act

APPENDIX 1: WISA Group Plc's Articles of Association

1 Business Name and Domicile

The name of the company is WISA Group Oyj, in English WISA Group Plc, and its domicile is Helsinki.

2 Line of Business

The company's line of business includes forestry, forest industry and energy industry, manufacturing and selling plywood and veneer products and providing related services, and conducting other related business activities, owning, managing and trading real estate, commodities, shares and other securities and conducting other investment activities.

3 Book-entry system

The company's shares have been registered in the book-entry system.

4 Board of Directors

The Board of Directors comprises a minimum of four (4) and a maximum of eight (8) members.

The term of office of the members of the Board of Directors expires at the end of the Annual General Meeting following the election.

5 President and Chief Executive Officer (CEO)

The company has a President and Chief Executive Officer (CEO) appointed by the Board of Directors.

6 Representation

The Chair of the Board of Directors and the President and CEO, each on their own, and two members of the Board of Directors together, represent the company.

The Board of Directors may grant a named person a procuration right or other right to represent the company.

7 Financial Period

The financial period of the company is a calendar year.

8 Auditor and Statutory Sustainability Reporting Assurer

An audit firm approved by the Finnish Patent and Registration Office shall be appointed as the auditor of the company.

An authorised sustainability audit firm approved by the Finnish Patent and Registration Office shall be appointed as the company's sustainability reporting assurer if the company has a statutory obligation to prepare a sustainability report.

The term of office of the auditor and, if applicable, of the statutory sustainability reporting assurer expires at the end of the Annual General Meeting following the election.

9 Notice to General Meeting and Organisation of General Meeting

Notice to a General Meeting shall be published on the company's website no earlier than three (3) months prior to the record date of the General Meeting and no later than three (3) weeks prior to the General Meeting, however, always at least nine (9) days prior to the record date of the General Meeting.

The Board of Directors may resolve that a General Meeting be held without a meeting venue so that the shareholders exercise their decision-making power during the meeting fully and in real time by using a telecommunications connection and technical means (remote meeting).

10 Registration for General Meeting

To attend a General Meeting, a shareholder shall register with the company no later than the date set out in the notice of meeting, which may be no earlier than ten (10) days prior to the meeting.

11 Annual General Meeting

The Annual General Meeting shall:

be presented with

1. the financial statements, the consolidated financial statements and the report of the Board of Directors; and
2. the auditor's report;

decide on

3. the adoption of the financial statements, which includes the adoption of the consolidated financial statements;
4. the use of the profit shown on the balance sheet;
5. discharge from liability to the members of the Board of Directors and the President and CEO;
6. the remuneration of the Board of Directors and the auditor;
7. the number of members of the Board of Directors;
8. the remuneration policy, when necessary; and
9. the approval of the remuneration report;

and elect

10. the members of the Board of Directors;
11. the auditor; and
12. the statutory sustainability reporting assurer, when necessary.

APPENDIX 2:

The preliminary presentation of the balance sheets of the UPM and the Receiving Company

31 December 2025

EURm	UPM-Kymmene Oyj 31 December 2025	Transactions prior to the Demerger	UPM-Kymmene Oyj balance sheet prior to the Demerger[1]	Wisa Group Plc (Receiving Company) after the Demerger	UPM-Kymmene Oyj after the Demerger
ASSETS					
Non-current assets					
Intangible assets	95.5	-	95.5	-	95.5
Tangible assets	1,276.5	0.8	1,277.3	-	1,277.3
Investments	7,451.7	104.5	7,556.3	145.2	7,411.1
Total non-current assets	**8,823.8**	**105.4**	**8,929.2**	**145.2**	**8,784.0**
Current assets					
Short-term receivables	2,310.4	-0.7	2,309.7	-	2,309.7
Cash and cash equivalents	594.1	283.0	877.1	-	877.1
Total current assets	**2,904.5**	**282.3**	**3,186.8**	**-**	**3,186.8**
Total assets	**11,728.3**	**387.7**	**12,116.0**	**145.2**	**11,970.8**
EQUITY & LIABILITIES					
Equity					
Share capital	889.6	-	889.6	0.1	889.6
Revaluation reserve	139.6	-	139.6	-	139.6
Reserve for invested unrestricted equity	1,272.9	-	1,272.9	47.6	1,225.3
Retained earnings	644.8	-397.0	247.8	44.5	203.3
Profit (Loss) for the period	1,148.3	754.9	1,903.2	-	1,903.2
Total equity	**4,095.2**	**357.9**	**4,453.1**	**92.1**	**4,360.9**
Accumulated depreciation difference	322.2	-	322.2	-	322.2
Provisions	145.8	10.5	156.3	-	156.3
Liabilities					
Non-current liabilities	3,345.8	-	3,345.8	53.0	3,292.7
Current liabilities	3,819.3	19.4	3,838.7	0.0	3,838.6
Total liabilities	**7,165.1**	**19.4**	**7,184.5**	**53.1**	**7,131.4**
Total equity and liabilities	**11,728.3**	**387.7**	**12,116.0**	**145.2**	**11,970.8**

1) The values of the assets and liabilities transferring from UPM to the Receiving Company are dependent on the balance sheet values as at the Effective Date.

The financial information presented in these unaudited preliminary and illustrative balance sheets of UPM and the Receiving Company (the "**Illustrative demerger balance sheet**") has been derived from the audited financial statements of UPM prepared in accordance with the Finnish Accounting Act for the year ended 31 December 2025. In the "Transactions prior to the Demerger" column of the Illustrative Demerger Balance Sheet above the following events among others have been illustrated which may have a significant impact on the final amounts of UPM's assets and liabilities before the execution of the Demerger based on the information and estimates as of the date of the Demerger Plan: the dividend payment for 2025 approved by UPM's General Meeting of Shareholders, the preliminary impact of the intra-group transactions required by the Demerger and their financing, the estimated preliminary financial position of the parent company taking into account the scheduled repayments of existing loans as well as the impact of transaction costs.

The equity of UPM and the Receiving Company following the Demerger has been illustrated in accordance with Sections 8, 10.3 and 11 of this Demerger Plan.

The non-current liabilities of the Illustrative demerger balance sheet present a preliminary allocation of interest-bearing liabilities of UPM to Receiving Company with a preliminary amount of approximately EUR 53 million. In the Demerger this interest-bearing liability gives rise to a receivable and payable relationship between UPM and the Receiving Company which has not been illustrated in the Illustrative demerger balance sheet.

Following the Effective Date the Receiving Company is intended to draw financing which will be used to repay to UPM the interest-bearing liability allocated to the Receiving Company in the Illustrative demerger balance sheet and to cover the Receiving Company's working capital needs. In addition, the Receiving Company will agree with the banks on a revolving credit facility for the Receiving Company's ordinary business financing needs.

The final Demerger will be implemented based on the balance sheet values as at the Effective Date of the Demerger. Accordingly, the unaudited illustrative balance sheet information described above is indicative only and subject to change.

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Appendix 3: Auditor's statement to the Extraordinary General Meeting of UPM-Kymmene Corporation (Unofficial translation of the Finnish original)

We have performed an engagement regarding the demerger plan, dated 29.4.2026, prepared by the Board of Directors of UPM-Kymmene Corporation (business identity code 1041090-0). The Board of Directors of UPM-Kymmene Corporation has decided to propose to the Extraordinary General Meeting, to be convened at a later stage, to resolve upon the partial demerger of UPM-Kymmene Corporation, so that part of the assets and liabilities of UPM-Kymmene Corporation shall be transferred to WISA Group Plc, a company to be incorporated in the demerger.

Responsibility of the Board of Directors

The Board of Directors of UPM-Kymmene Corporation is responsible for the preparation of demerger plan that give a true and fair view, as referred to in the Limited Liability Companies Act, of the grounds for setting the demerger consideration, as well as of the distribution of the consideration.

Auditor's independence and quality management

We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to the engagement we have performed, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The auditor applies International Standard on Quality Management (ISQM) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibilities

Our responsibility is to issue a statement regarding the demerger plan. We conducted the engagement in accordance with good auditing practice in Finland and in accordance with the Finnish Association of Authorised Public Accountants' recommendation 5/2024 on engagements on mergers and demergers (Sulautumisten ja jakautumisten tarkastus). The engagement includes procedures to obtain evidence as to whether a true and fair view has been provided, as referred to in the Limited Liability Companies Act, in the demerger plan of the grounds for setting the demerger consideration, as well as of the distribution of the demerger consideration.

Statement

Our statement pursuant to chapter 17, section 4 of the Limited Liability Companies Act is that a true and fair view has been provided, as referred to in the Limited Liability Companies Act, in the demerger plan of the grounds for setting the demerger consideration, as well as of the distribution of the consideration.

Helsinki, 29 April 2026

Ernst & Young Oy

Authorized Public Accountant Firm

Mikko Järventausta

Authorized Public Accountant

ANNEX B – INDEPENDENT PRACTITIONER'S ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION INCLUDED IN THE PROSPECTUS

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[Translation of the Finnish original]

Independent practitioner's assurance report on the compilation of pro forma financial information included in a prospectus

To the Board of Directors of UPM-Kymmene Corporation

We have completed an assurance engagement to report on the compilation of pro forma financial information of the Plywood business of UPM-Kymmene Corporation, compiled by the Board of Directors of UPM-Kymmene Corporation. The Plywood business will be transferred from UPM-Kymmene Corporation to WISA Group Plc ("WISA Group"), a company incorporated in a partial demerger (the "Demerger"). The pro forma financial information comprises pro forma balance sheet as of 31 March 2026, pro forma income statements for the three-month period ended 31 March 2026 and the financial year ended 31 December 2025, with related notes, and it is presented in the section "Unaudited Pro Forma Financial Information" of the demerger and listing prospectus issued by UPM-Kymmene Corporation. The applicable basis used by the Board of Directors of UPM-Kymmene Corporation in compiling the pro forma financial information is specified in Annex 20 of Commission Delegated Regulation (EU) 2019/980 and described in the section "Unaudited Pro Forma Financial Information" of the prospectus.

The pro forma financial information has been compiled by the Board of Directors of UPM-Kymmene Corporation, to illustrate the impact of the Demerger presented in the section "Unaudited Pro Forma Financial Information" on WISA Group's financial position as of 31 March 2026 and its financial performance for the periods ended 31 March 2026 and 31 December 2025, as if the demerger had taken place at 31 March 2026 for the pro forma balance sheet and at 1 January 2025 for the pro forma income statements. As part of this process, information about WISA Group's financial position and financial performance has been extracted by the Board of Directors of UPM-Kymmene Corporation from WISA Group carve-out financial statements for the period ended 31 December 2025, on which an audit report has been published and the WISA Group's Carve-out interim financial information for the period ended 31 March 2026, on which no review report has been published.

The Board of Director's responsibility for the pro forma financial information

The Board of Directors of UPM-Kymmene Corporation is responsible for compiling the pro forma financial information in accordance with Commission Delegated Regulation (EU) 2019/980.

The Practitioner's Independence and Quality Management

We are independent from the company according to the ethical requirements in Finland and we have complied with other ethical requirements, which apply to the engagement conducted.

The Practitioner applies International Standard on Quality Management (ISQM) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The Practitioner's responsibilities

Our responsibility is to express an opinion, as required by section 3 of Annex 20 of Commission Delegated Regulation (EU) 2019/980, as to whether the pro forma financial information has been compiled, in all

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material respects, by the Board of Directors of UPM-Kymmene Corporation on the basis stated and whether that basis is consistent with the accounting policies applied by the issuer.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE 3420) Assurance engagements to report on the compilation of pro forma financial information, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner plan and perform procedures to obtain reasonable assurance as to whether the pro forma financial information has been compiled by the Board of Directors of UPM-Kymmene Corporation, in all material respects, in accordance with Commission Delegated Regulation (EU) 2019/980.

For the purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of the pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the company as if the event had occurred or the transaction had been undertaken at an earlier date selected for the purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis stated and that basis is consistent with the accounting policies of the issuer involves performing procedures to assess whether the basis used by the Board of Directors of UPM-Kymmene Corporation in the compilation of the pro forma financial information provides a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

– the basis stated has been consistently applied in the pro forma adjustments; and

– the resulting pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the practitioner’s judgment, having regard to the practitioner’s understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion,

– the pro forma financial information has been properly compiled on the basis stated in section *“Unaudited Pro Forma Financial Information”* of the prospectus and

– the basis stated is consistent with the accounting policies applied by WISA Group in the carve-out financial statements.

Restriction to the distribution of the report

This report has been issued solely for the purposes of including in the prospectus prepared in accordance with Commission Delegated Regulation (EU) 2019/980.

Helsinki, 16 July 2026

Ernst & Young Oy
Authorized Public Accountant Firm

Mikko Järventausta
Authorized Public Accountant

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