

Q2
2020



INTERIM REPORT
JAN–JUN 2020

The pandemic puts pressure on the market, stable production in Rottneros

EBIT 2 MSEK

Annual maintenance
stop at Rottneros Mill

Strong balance sheet



ROTTNEROS

PURE POSSIBILITIES

The pandemic puts pressure on the market, stable production in Rottneros

Q2 2020 COMPARED WITH (Q2 2019)

- **THE LIST PRICE** was 19 % lower in USD and 17 % lower in SEK compared with the second quarter 2019.
- **NET TURNOVER** decreased by 12 % to 510 (582) MSEK in line with the decreasing market prices.
- **EBIT** for the second quarter 2020 was 2 (103) MSEK. The result was strongly influenced by developments in the pulp market.
- **THE PLANNED MAINTENANCE SHUTDOWN** at Rottneros Mill has a negativ effect of -23 (0) MSEK on the results. In 2019 the maintenance stop was in Q3.
- **PROFIT AFTER FINANCIAL ITEMS** the second quarter was -3 (98) MSEK. Earnings per share for the quarter was -0,02 (0,50) SEK.
- **A STRONG BALANCE SHEET** in uncertain times. The equity/assets ratio is 56 (60) %. Available liquidity amounts to 505 (519) MSEK.
- **THE PRODUCTION VOLUME** was impacted by the maintenance shutdown at Rottneros Mill and amounted to 97,7 (107,7) thousand tons. Sales volume decreased somewhat to 93,1 (95,2) thousand tons.
- **THE ANNUAL GENERAL MEETING** was held on 24 June 2020. The AGM resolved that no dividend shall be paid for 2019 and that the retained earnings and net income for the year, shall be carried forward.
- **THE CORONA PANDEMIC** has not had a negative effect on Rottneros' production. The pulp market, however, is under continued pressure, prices are negatively affected and demand is expected to decline by 4% for the full year.

THE QUARTER AND FIRST HALF-YEAR IN FIGURES	Apr-Jun 2020	Apr-Jun 2019	change %	Jan-Jun 2020	Jan-Jun 2019	change %	Rolling 12 mån	Jan-Dec 2019
Net turnover, MSEK	510	582	-12	1 095	1 212	-10	2 259	2 376
EBITDA, MSEK	31	131	-76	111	298	-63	187	374
EBIT, MSEK	2	103	-98	50	244	-80	74	268
Profit after financial items, MSEK	-3	98		40	234	-83	53	247
Net income, MSEK	-3	77		29	185	-84	38	194
Earnings per share, SEK	-0,02	0,50		0,19	1,21	-84	0,25	1,27
Cash flow from operating activities, MSEK	-23	92		25	239	-90	247	462
Return on capital employed (rolling 12 mounths), %				5,0	24,1		5,0	17,7
Production, thousand tons	97,7	107,7	-9	207,1	205,3	1	407,8	406,0
Deliveries, thousand tons	93,1	95,2	-2	203,1	194,3	5	417,1	408,3



Lennart Eberleh
President and CEO

Comments from the CEO

The effects and challenges of the corona pandemic weighed on our market and operations during the quarter. The underlying production rate was stable, adjusted for the maintenance shut-down at Rottneros Mill. Lower pulp prices squeezed net sales and earnings. Our committed employees, a strong balance sheet and high efficiency in the mills make us well equipped for the continued tough situation that the pandemic brings. Our strategic focus, to systematically create continuous improvements, remains.

The consequences of the corona pandemic continued to affect our operations during the second quarter. As always, the health of our employees comes first, and we have worked systematically to avoid the spread of infection among our staff and in our workplaces. The pandemic had no major impact on our operations during the quarter in terms of sick leave, but it affects the working environment and the possibilities to meet customers, both existing and new ones.

Net sales decreased by 12 per cent during the second quarter compared with the corresponding period last year. At the same time, the EBIT result decreased by just over 100 MSEK to 2 MSEK. The decline was mainly explained by lower sales prices due to the deteriorating market, but also by the annual maintenance shutdown at Rottneros Mill. Compared with the same quarter last year, the Group's production volume decreased by 9 per cent and the deliveries by 2 per cent. Adjusted for the planned, annual maintenance shutdown at Rottneros Mill during the quarter, however, the Group's underlying production volume was relatively stable. The corresponding shutdown last year occurred in Q3.

THE PANDEMIC SQUEEZED THE MARKET AND INCREASED VOLATILITY

The pulp market is under continued pressure due to the pandemic's far-reaching consequences on the global economy, and the negative development is likely to continue during the second half of the year.

Overall, supply during the second quarter was greater than demand. To match production volumes, we have sold a larger share on shorter contracts and as a consequence margins and profitability have decreased. However, the list price for NBSK rose during the quarter from 840 USD per ton to 858 USD per ton. After the end of the quarter, the price has declined slightly.

Consumption of printing and writing paper has declined and forecasts indicate that demand will decrease by more than 20 per cent for the full year. At the same time other important segments grew, mainly pulp for tissue. Manufacturers of filters and packaging are also showing healthy demand.

The supply of pulp wood remained good during the quarter. The supply balance between local wood and imports was at a normal and favorable level. A lower production rate in the pulp and paper industry at the same time as the bark beetle problem continues to push the supply of damaged timber benefits the balance in the market and means that prices fall.

When it comes to our large purchases of electricity in Rottneros Mill, it is worrying with the significant price differ-

ences between the area price we pay and the system price, which is a theoretical price for the whole of Sweden. The lack of transmission capacity between the different parts of the country has resulted in extremely high prices for us during shorter time periods, significantly higher than the system price.

ORGANIZATION: KEY APPOINTMENTS IN PLACE

During the quarter, several key appointments within our organization and group management were finalized. The recruitment of a new purchasing director, Arvid Svanborg, means that we have secured the succession in the best possible way after Ingemar Eliasson, who retires in early 2021. Arvid has a solid background in the timber market and most recently from the position as CEO of Väst kustens Skog AB.

Since 1st of June Jens Hallendorff is Site Manager at Rottneros Packaging in Sunne. He comes from the position as Head of Sales for high-yield pulp within Rottneros AB. Jens' task will be to lead the development of Packaging in the next phase as we have doubled our production capacity. Nils Hauri can now focus entirely on his area of responsibility, Innovation and strategic projects.

SYSTEMATIC WORK WITH CONTINUOUS IMPROVEMENTS

In parallel with dealing with the challenges of the corona pandemic, we place great focus on our long-term plan, to increase production through continuous improvements of our processes and routines. The medium-term goal is to reach the Group's production capacity, 440 thousand tons. This corresponds to an increase of 5 per cent from the current level.

Our strong balance sheet with significant liquidity makes us well prepared for the uncertainty that prevails in the pulp market. The equity/assets ratio at the end of the second quarter was 56 per cent. At the same time, the Group's cash and cash equivalents amounted to 323 MSEK and unutilized credits to 182 MSEK. The interest-bearing net debt was 88 MSEK.

In the current turbulent times, it is very satisfying to have a strong organization with highly motivated employees who handle the new circumstances with a systematic approach. I would like to thank all colleagues for their wholehearted efforts to take the Group to the next level and for standing up to the great challenges we face. We try to keep the corona effects as far away from the business as possible through our measures and focus on the systematic work to develop Rottneros further for increased production, efficiency, sustainability and cooperation with our customers.

To conclude, I would like to thank both customers and suppliers for working together with us to manage the corona situation in the best possible way and thus keeping the business going.

Pulp market

The economic turbulence and decline caused by the corona pandemic has also affected the pulp market with large fluctuations both geographically and for the various end-use areas. China, which accounts for just over a third of the world's market pulp consumption, was the first economy to shut down, which also resulted in lower demand at the beginning of the pandemic. At the same time, demand for pulp to the tissue market increased sharply. Other end use areas showing strong demand are filters and packaging.

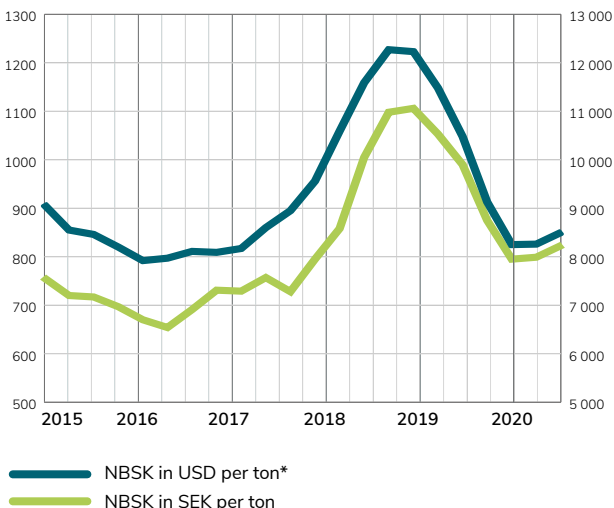
Printing and writing paper has had a weak development during the pandemic, and forecasts indicate that demand will fall by more than 20% for the full year. As a result, many paper mills have had and continue to have production curtailments. Some integrated paper mills have instead converted production to market pulp.

Closed economies in Asia has meant that demand for raw materials to the textile industry has also been low. Many pulp mills have therefore switched production from dissolving pulp to NBSK.

Closed economies have also reduced the supply of market pulp, as some pulp mills have been closed as a result of pandemic measures. Other mills have suffered as the supply of wood raw material has limited production.

Overall, supply during the second quarter was greater than demand. The oversupply is mainly of hardwood pulp, prices have come under pressure and the price gap between softwood and hardwood pulp has increased. The list price for hardwood pulp, BHKP, to Europe has been stable at 680 USD per ton since the end of 2019. The list price for NBSK Europe bottomed at 820 USD per ton in December and has since risen gradually.

NBSK QUARTERLY GROSS PRICES OVER THE PAST FIVE YEARS



* Average gross prices for softwood sulphate pulp deliveries in Europe.

Sales and results, Q2

Sales in the second quarter of 2020 amounted to 510 (582) MSEK, down 12 per cent. Turnover was negatively affected by lower sales prices. The lower sales prices are a direct result of lower market prices where NBSK in SEK fell by 17 per cent compared to the second quarter 2019. Turnover was positively affected by sales of other products than pulp and increased to 32 (16) MSEK. Pulp price hedges gave a positive result of 5 (0) MSEK.

Despite low electricity prices, the cost of electricity was higher than normal during the quarter due to the imbalance between system price and area price. Rottneros' electricity price hedges are linked to the system price. The average electricity price on the Nord Pool electricity exchange for area SE3 was 0,16 (0,35) SEK per kWh during the second quarter, while the system price was 0,06 (0,38) SEK per kWh. Realized loss on electricity price hedges was -11 (10) MSEK for the quarter.

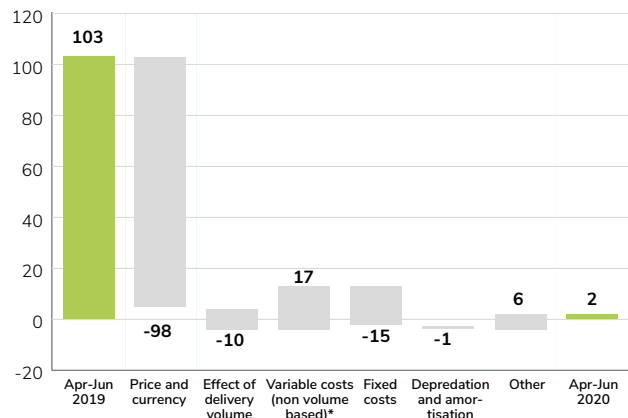
The supply of wood raw material was good during the quarter and prices were falling. The share of imports was at a normal level. In total, the variable costs (based on cost per ton) improved the result by 17 MSEK.

Fixed costs increased by 15 MSEK, mainly due to the annual maintenance shutdown at Rottneros Mill in May. In 2019 the shutdown was held in September. The expanded organization with Nykvist Skogs also contributes to higher fixed costs.

Depreciation according to plan amounted to 29 MSEK.

Other operating income includes a positive non-recurring item of 6 MSEK.

DIFFERENCE IN EBIT Q2 2020 COMPARED WITH Q2 2019 (MSEK)



* Variable costs are excluding costs that are related to higher or lower production and delivery volumes. Instead, such costs are included in the "volume effect", together with the volume increase/decrease in net turnover.

EBIT for the second quarter 2020 was 2 (103) MSEK. The quarterly result was mainly affected by lower pulp prices and the planned maintenance shutdown at Rottneros Mill.

Second quarter 2020 compared to second quarter 2019	Apr-Jun 2020	Apr-Jun 2019	change %
NBSK, USD	850	1 048	-19
SEK/USD	9,68	9,45	2
NBSK, SEK	8 226	9 900	-17
Net turnover, MSEK	510	582	-12
EBIT, MSEK	2	103	-98

Production and deliveries

Production volumes in the second quarter of 2020 were 97 700 (107 700) tons, a decline of 9 per cent compared with the same quarter previous year. The production of groundwood pulp and CTMP were affected by the annual maintenance shutdown at Rottneros Mill in May. Previous years it has been held in September. Due to high production during the first quarter production for the first six months increased by 1 per cent to 207 100 (205 300) tons.

Deliveries decrease by 2 per cent to 93 100 (95 200) tons during the second quarter, as a result of a weaker market. For the first six months deliveries increased by 5 per cent to 203 100 (194 300) tons.

PRODUCTION, TONS	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Rolling 12 months	Jan-Dec 2019
Sulphate pulp	59 500	61 300	121 600	114 300	234 900	227 600
Groundwood pulp	16 300	18 100	36 300	37 400	71 000	72 100
CTMP	21 900	28 300	49 200	53 600	101 900	106 300
TOTAL	97 700	107 700	207 100	205 300	407 800	406 000

DELIVERIES, TONS	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Rolling 12 months	Jan-Dec 2019
Sulphate pulp	57 400	51 900	119 500	103 400	245 700	229 600
Groundwood pulp	16 600	20 200	34 100	40 700	67 700	74 300
CTMP	19 100	23 100	49 500	50 200	103 700	104 400
TOTAL	93 100	95 200	203 100	194 300	417 100	408 300

MAINTENANCE SHUTDOWN AND SEASONAL VARIATIONS

In 2020 the annual maintenance shutdown at Rottneros Mill was held during the second quarter. Normally the mill has its maintenance shutdown in the third quarter. At Vallvik Mill the maintenance shutdown is planned for the fourth quarter, as in previous years.

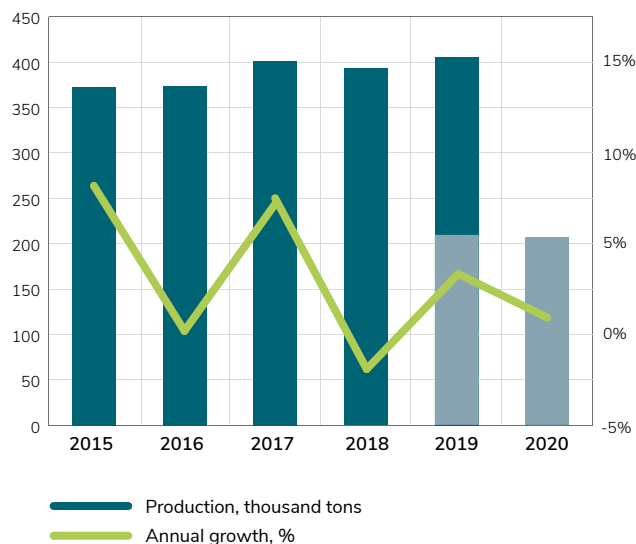
In accordance with generally accepted accounting practices, the direct costs relating to maintenance shutdowns are recognised in the period during which the shutdown takes place. The maintenance shutdown also involves a certain loss of production, affecting turnover and income for the quarter in which the shutdown takes place.

	Planned maintenance shutdown date		Estimated cost of shutdown
	2020	2019	2020 (MSEK)
Rottneros Mill	Q2	Q3	23
Vallviks Mill	Q4	Q4	67

The estimated cost of the shutdowns includes both direct costs and the indirect effect from the loss of production, and it represents an assessment of the impact of a typical annual maintenance shutdown on earnings in relation to a quarter without a maintenance shutdown.

Generally, the Rottneros Group is not substantially affected by seasonal variations.

ANNUAL VOLUMES AND ANNUAL GROWTH



Sales and results, first half-year

Sales during the first half of the year amounted to 1 095 (1 212) MSEK, a decline of 10 per cent. The list price of the NBSK market pulp fell by 21 per cent. Lower prices were partly offset by a 5 per cent increase in deliveries to 203 100 (194 300) tons. Turnover was positively affected by sales of other products than market pulp which amounted to 69 (38) MSEK. The realized gain for pulp price hedges was 8 (-2) MSEK.

Variable costs have been positively affected by falling raw material prices and an stable production with high material efficiency.

The average price of electricity on the Nord Pool electricity exchange (area SE3) was 0,18 (0,42) SEK per kWh, while the system price was 0,11 (0,43) SEK per kWh. The imbalance between area and system prices has had a negative effect on the total cost of electricity. The outcome for the electricity price hedging was -15 (27) MSEK for the first half of 2020.

In total variable costs (based on cost per ton) have had a positive impact on earnings of 30 MSEK.

Fixed costs have increased in the comparison period due to the maintenance shutdown at Rottneros Mill and the expansion of the organization with Nykvist Skogs. Otherwise, fixed costs are on level with the previous year.

First half-year 2020 compared with first half-year 2019

	Jan-Jun 2020	Jan-Jun 2019	change %
NBSK, USD	838	1 098	-24
SEK/USD	9,64	9,31	4
NBSK, SEK	9 945	10 216	-21
Net turnover, MSEK	1 095	1 212	-10
EBIT, MSEK	50	244	-80

OTHER INCOME STATEMENT ITEMS

Net financial expenses were 10 (10) MSEK for the first half-year and are related to the bond of 400 MSEK that Rottneros issued in August 2017.

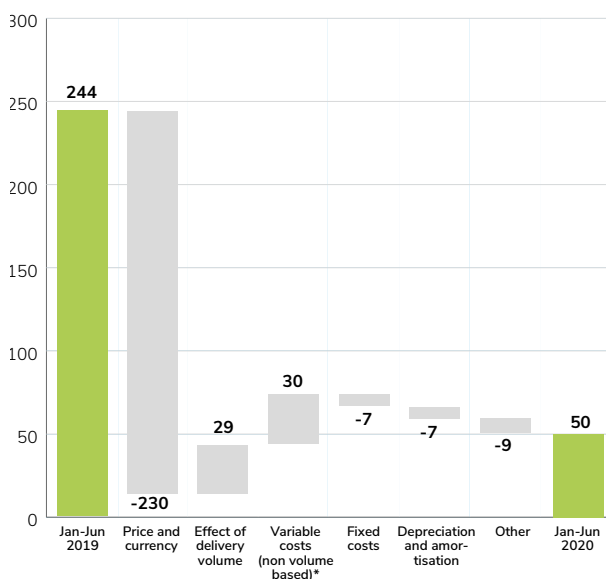
Profit after financial items for the Group decreased by 83 per cent to 40 (234) MSEK.

The income tax expense for the first half-year 2020 was 11 (49) MSEK.

Net income decreased to 29 (185) MSEK and earnings per share to 0,19 (1,21) SEK.

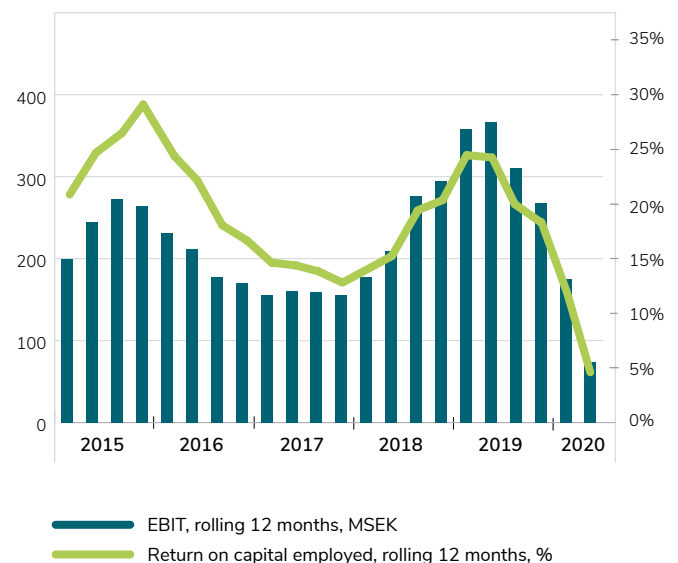
Return on capital employed, measured over a rolling 12-month period, was 4,9 (24,1) per cent. Return on equity, measured over a rolling 12-month period, was 2,7 (19,6) per cent.

DIFFERENCES IN EBIT FIRST HALF-YEAR 2020 COMPARED WITH FIRST HALF-YEAR 2019 (MSEK)



* Variable costs are excluding costs that are related to higher or lower production and delivery volumes. Instead, such costs are included in the "volume effect", together with the volume increase/decrease in net turnover.

EBIT, ROLLING 12 MONTHS



Rottneros Packaging

Rottneros Packaging focuses on high quality food packaging with properties that meet extremely high demands. Such properties are purity, barrier properties to achieve long shelf life, surface quality and traceability.

The investment in Rottneros Packaging continued as planned. An additional molding machine has been put into operation, and investments in, among other things, lamination steps and quality control are continuing.

Continuous development is aimed at improving both the products and the production process. The moulded packaging trays that Rottneros currently produces have a renewable raw material content of 80–95 per cent.

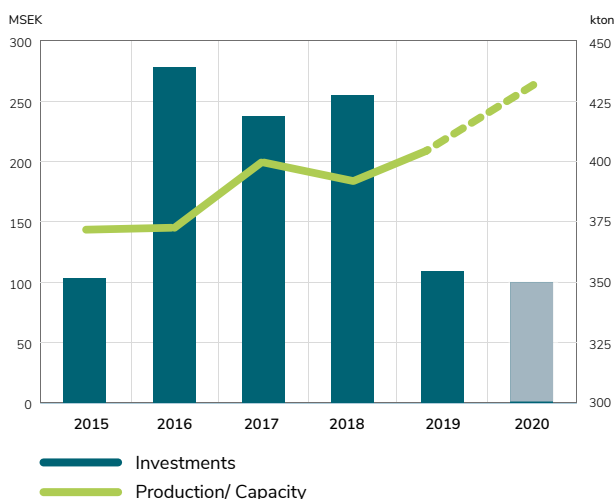
Rottneros participates in EU's innovation project "Pul-packtion" as the only Swedish industrial partner. The goal is to develop a completely renewable biobased packaging solution for a competitive price and thus contribute to a more sustainable development in the packaging industry. Rottneros is coordinating the project which ends in 2020.

Investments

The Group's investments in fixed assets January to June 2020 amounted to 61 (34) MSEK and relate mainly to re-investments to maintain the technical standard achieved through last years' major investments. The investments also include an environmental investment in a fossil-free heating system for Rottneros Mill, as well as investments linked to the annual maintenance shutdown of the mill.

The level of investments is expected to be some 100 MSEK per year going forward. In addition to replacement investments, the focus will be on eliminating bottlenecks and increasing efficiency.

ROTTNEROS INVESTERINGAR OCH KAPACITETSÖKNING



Financial position

Rottneros AB has an unsecured bond of 400 MSEK, issued in August 2017 to primarily Nordic institutional investors. The bond bears variable interest of STIBOR 3m + 4,15 per cent and shall be repaid in September 2022. The bond has a framework amount of 600 MSEK, which allows for an additional bond issue of 200 MSEK. The bond is listed on Nasdaq Stockholm. The bond terms contain the following standard covenants, and are so called incurrence covenants:

	Covenant	Outcome Q2 2020
Net debt to EBITDA ratio	Under 3,5	0,5
Equity/ Assets	Over 50 %	56 %
Divident/ Net income	Max 50 %	0 %

The Group's cash and cash equivalents amounted to 323 MSEK at the end of the second quarter 2020, compared with 376 MSEK at the end of 2019. Interest bearing liabilities amounted to 411 MSEK at the end of the quarter. Net debt amounted to 88 MSEK, compared with 35 MSEK at the end of 2019. Total granted and unused credit facilities amounted to 182 MSEK at the end of the second quarter 2020.

The equity/assets ratio per 30 June 2020 amounted to 56 (60) per cent. Equity per share amounted to 8,77 (9,78) SEK at the end of the second quarter.

Cash flow

Cash flow from operating activities for the first half-year 2020 amounted to 25 (239) MSEK affected by lower list prices on the pulp market and an uncertain world market in the wake of the corona pandemic. Cash flow after investments in non-current assets, excluding the acquisition of Nykvist Skogs AB, was -35 (205) MSEK.

Net cash flow for the period was -53 (99) MSEK.

Parent Company

Profit after financial items for the parent company for the first quarter of 2020 amounted to -30 (-6) MSEK. The result was negatively affected by electricity price hedges.

Changes in management

On 1 June 2020 Jens Hallendorff was appointed Site Manager for Rottneros Packaging in Sunne. He most recently comes from the position as Head of Sales for high-yield pulps at Rottneros AB.

Nils Hauri, who is responsible for Innovation and Strategic Projects, has also been Site Manager for Rottneros Packaging. He will now be focusing on innovation and strategic projects.

Arvid Svanborg has been recruited as new Purchasing Director at Rottneros and will take office 1 October 2020.

Average number of employees

The average number of employees was 313 (313).

Risk management

Operationally, the Company uses a number of measures and strategies – for example, focusing on niches and various specific customer segments – aimed at reducing the Group’s dependency on market pulp list prices and at moderating fluctuations in profitability over a business cycle. The factors that have the greatest impact on the Group’s results are linked to exchange rates and the price of pulp, wood and electricity.

CURRENCY EXPOSURE, USD AND EUR

Although Rottneros issues invoices in different currencies, the underlying currency for the pulp price is predominantly USD. The underlying exposure to USD is thus high. The direct inflow of USD (the real flow) represents approximately 50 per cent of the inflow, and of EUR approximately 40 per cent. However, the impact of exchange rate fluctuations on indirect exposure is delayed, as the normal term of a customer contract is between one and three months.

The average USD rate during January-June 2020 was 4 per cent higher than during the same period 2019.

PULP PRICE

The price of pulp (NBSK) is set in USD, while production costs are largely incurred in SEK. The Group had pulp hedges of 16 500 tons as of 30 June 2020, with due dates between July 2020 and June 2021 at an average price of 8 828 SEK per ton. The fair value of these unrealised price hedges totalled 9 MSEK as of 30 June 2020.

ELECTRICITY

All external electricity for the mills, approximately 300 GWh annually, is purchased directly via the Nord Pool electricity exchange. Electricity prices are quoted in EUR. At the end of the second quarter 2020, the Group had price hedges as shown in the following table. The table shows the hedged proportion of estimated total consumption and the average price in SEK/kWh. The fair value of the unrealised electricity price hedges was -43 MSEK as of 30 June 2020.

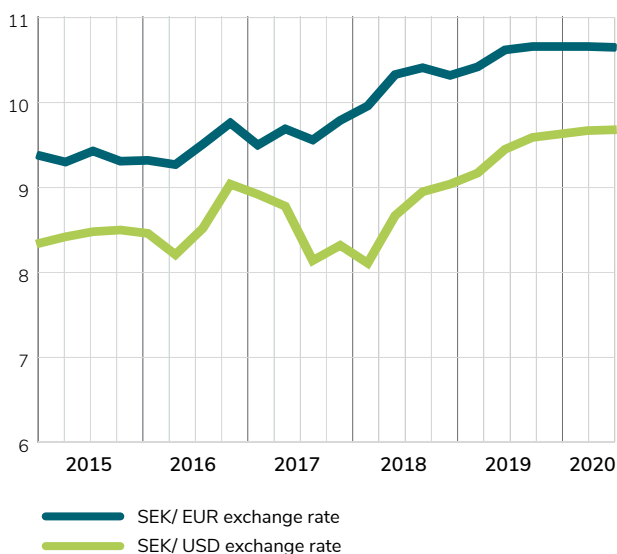
Electricity price hedges as of 30 June 2020:

Year	Proportion hedged	SEK/kWh
2020 Jul-Dec	100 %	0,215
2021	86 %	0,273
2022	77 %	0,327
2023	57 %	0,323
2024	57 %	0,323
2025	57 %	0,327

The high level of hedging protects Rottneros’ future electricity costs against severe price fluctuations. The average price level for electricity on the Nord Pool exchange (area SE3) was 0,18 (0,42) SEK per kWh for January-June 2020.

See pages 61-67 of the Annual Report for 2019 for further information on risks.

EXCHANGE RATE TREND OVER THE PAST FIVE YEARS



PRICE TREND FOR ROTTNEROS SHARES AND STOCKHOLM STOCK EXCHANGE, 2015-2020



Share information

NUMBER OF SHARES AND TREASURY SHARES

The number of shares in Rottneros totals 153 393 890. Rottneros holds 821 965 treasury shares. No change in treasury shares has occurred during 2020.

SHARE PRICE TREND DURING THE FIRST HALF-YEAR 2020

At the end of the second quarter 2020 the price of Rottneros shares was 8,62 SEK (11,40 at the end of 2019). The average price January-June was 9,75 (11,75) SEK.

TRANSACTIONS WITH RELATED PARTIES

During the first six months 2020 Rottneros sold pulp to the related party Arctic Paper S.A. Group in the amount of 36 (56) MSEK. Outstanding operating receivables from Arctic Paper totalled 5 (26) MSEK. The transactions took place at market conditions.

LARGEST SHAREHOLDERS ON 30 JUNE 2020

Shareholders	Number of shares (= votes)	Per cent of capital
Arctic Paper S.A.	78 230 883	51,0
PROAD AB	11 110 223	7,2
Försäkringsaktiefbolaget Avanza Pension	3 893 525	2,5
UBS Switzerland AG, W81MY	3 634 700	2,4
BNY Mellon NA (Former Mellon), W9	1 641 314	1,1
CBNY-DFA-INT SML CAP V	1 632 776	1,1
State Street Bank and Trust Co, W9	1 325 018	0,9
Caceis Bank, Switzerland Branch, W81MY	1 300 000	0,8
Santander Securities Services, S.A., W81MY	855 113	0,6
BNY Mellon SA/NA (Former BNY), W81MY	791 341	0,5
TOTAL For 10 largest owners - by size of holding	104 414 893	68,1
Other shareholders	48 157 032	31,4
Rottneros AB (treasury shares from buy-back)	821 965	0,5
TOTAL	153 393 890	100,0

Annual General Meeting

At the AGM was held on 24 June 2020 in Karlstad, the Meeting resolved that no dividend shall be paid for 2019 and that retained earnings and net income for the year shall be carried forward.

The AGM resolved that the number of board members should be five and re-elected Marie S. Arwidson, Ulf Carlsson, Per Lundeen, Roger Mattsson and Conny Mossberg. Per Lundeen was re-elected as chairman.

The AGM further resolved to elect the accounting firm KPMG as auditor for the period up to the 2021 AGM.

More information about the AGM can be found on Rottneros' website under corporate governance.

In addition, the employees have appointed Gun-Marie Nilsson and Mika Palmu to serve as employee representatives and Dan Karlsson and Jörgen Wasberg as deputies.

Subsequent events

There are no significant events after the closing date which affects the Group's position and earnings.

Forthcoming dates

22 October 2020 Interim Report, July-September

For further information, please visit the Rottneros website, rottneros.com.

The Board of Directors and the Chief Executive Officer certify that the half-year report gives a true and fair summary of the development of the Group's operations, financial position and results of operations and describes significant risks and uncertainties faced by the company and the companies included in the Group.

Vallvik den 21 July 2020

Per Lundeen
Chairman of the Board

Marie S. Arwidson
Board Member

Ulf Carlson
Board Member

Roger Mattsson
Board Member

Conny Mossberg
Board Member

Gun-Marie Nilsson
Employee Representative

Mika Palmu
Employee Representative

Lennart Eberleh
President and CEO

This information is information that Rottneros AB is obliged to publish under the EU Market Abuse Regulation and the Securities Market Act. The information was submitted via the contact person below for publication on 23 July 2020 at 8 a.m. CET. This report has been drawn up in both a Swedish and an English version. The Swedish version shall prevail in the event of differences between the two reports.

For further information, please contact:

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www.rottneros.com, info@rottneros.com



REVIEW REPORT

To the Board of Directors of Rottneros AB (publ)
Corp. id. 556013-5872

INTRODUCTION

We have reviewed the condensed interim financial information (interim report) of Rottneros AB (publ) as of 30 June 2020 and the six-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.
Stockholm 23 July 2020

KPMG AB

Sven Cristea

Authorized Public Accountant

CONSOLIDATED INCOME STATEMENT

AMOUNTS IN MSEK	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Rolling 12 months	Full year 2019
Net turnover	510	582	1 095	1 212	2 259	2 376
Change in inventories, finished goods	20	58	13	60	-55	-8
Other operating income	-3	-1	13	20	21	28
OPERATING INCOME, TOTAL	527	639	1 121	1 292	2 225	2 396
Raw materials and consumables	-297	-322	-622	-622	-1 223	-1 223
Other external expenses	-126	-113	-247	-232	-543	-528
Employee benefit expenses	-73	-73	-141	-140	-272	-271
EBITDA (operating profit before depreciation, amortisation and impairment)	31	131	111	298	187	374
Depreciation/amortisation and impairment	-29	-28	-61	-54	-113	-106
EBIT (operating profit)	2	103	50	244	74	268
Financial income	0	0	0	0	0	0
Financial expenses	-5	-5	-10	-10	-21	-21
TOTAL FINANCIAL ITEMS	-5	-5	-10	-10	-21	-21
PROFIT AFTER FINANCIAL ITEMS	-3	98	40	234	53	247
Tax on profit/loss for the period	0	-21	-11	-49	-15	-53
NET INCOME	-3	77	29	185	38	194
Average number of shares (thousand) ¹	152 572	152 572	152 572	152 572	152 572	152 572
EARNINGS PER SHARE (SEK) ¹	-0,02	0,50	0,19	1,21	0,25	1,27

¹ No share-based programmes exist that result in dilution.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

AMOUNTS IN MSEK	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Rolling 12 months	Full year 2019
NET TURNOVER	-3	77	29	185	38	194
OTHER COMPREHENSIVE INCOME						
Items that have been or may be transferred to profit or loss for the period						
Changes in fair value of cash flow hedges	53	11	-91	-58	-110	-77
Income tax effect on changes in fair value	-11	-3	19	12	24	17
Translation differences	0	0	1	0	1	
TOTAL OTHER COMPREHENSIVE INCOME	42	8	-71	-46	-85	-60
COMPREHENSIVE INCOME FOR THE PERIOD ²	39	85	-42	139	-47	134

² The entire comprehensive income is attributable to the parent company's shareholders.



CONSOLIDATED BALANCE SHEET, SUMMARY

AMOUNTS IN MSEK	30 Jun 2020	30 Jun 2019	31 Dec 2019
Intangible non-current assets	32	15	13
Property, plant and equipment	1 206	1 175	1 198
Financial assets	49	70	69
TOTAL NON-CURRENT ASSETS	1 287	1 260	1 280
Inventories	415	460	375
Current receivables	352	416	342
Cash and cash equivalents	323	337	376
TOTAL CURRENT ASSETS	1 090	1 213	1 093
TOTAL ASSETS	2 377	2 473	2 373
SHAREHOLDERS' EQUITY	1 338	1 492	1 380
Interest-bearing liabilities	411	411	411
Deferred tax liabilities	117	156	135
Other non-interest-bearing liabilities	78	19	41
TOTAL LONG-TERM LIABILITIES	606	586	587
Interest-bearing liabilities	-	-	-
Non-interest-bearing liabilities	433	395	406
TOTAL CURRENT LIABILITIES	433	395	406
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	2 377	2 473	2 373

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY, SUMMARY

AMOUNTS IN MSEK	Share capital	Other contributed capital	Treasury shares	Other reserves		Retained earnings, incl. profit for the year	Total
				Hedging reserve	Translation difference		
Opening balance 1 January 2019	153	730	-69	106	-8	548	1 460
Net income Jan-Mar						185	185
Other comprehensive income, Jan-Mar				-46	0		-46
Total comprehensive income, Jan-Mar				-46	0	185	139
Dividend to shareholders Jan-Jun						-107	-107
Closing balance 30 Jun 2019	153	730	-69	60	-8	626	1 492
Net income Jul-Dec						9	9
Other comprehensive income, Jul-Dec				-14	0		-14
Total comprehensive income for Jul-Dec				-14	0	9	-5
Dividend to shareholders Jul-Dec						-107	-107
Closing balance 31 December 2019	153	730	-69	46	-8	528	1 380
Net income Jan-Jun						29	29
Other comprehensive income, Jan-Jun				-72	1		-71
Total comprehensive income for Jan-Jun				-72	1	29	-42
Closing balance 30 June 2020	153	730	-69	-26	-7	557	1 338

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

AMOUNTS IN MSEK	Jan-Jun 2020	Jan-Jun 2019	Rolling 12 months	Jan-Dec 2019
EBIT	50	244	73	267
Adjustment for items not included in the cash flow			3	3
Depreciation/amortisation and impairment	60	54	112	106
EBIT adjusted for non-cash flow affecting items	110	298	188	376
Received/paid financial items	-10	-8	-23	-21
Received/paid tax	3	0	3	0
Cash flow from operating activities before changes in working capital	103	290	168	356
Change in working capital	-78	-51	79	106
Cash flow from operating activities	25	239	247	462
Investments in fixed assets	-77	-34	-152	-109
Sale of fixed assets	2	1	1	0
Change in current loan receivables	-	-	-	-
Cash flow from investing activities	-75	-33	-151	-109
Repayment of long-term loans	-3	-	-3	-
Dividend paid	-	-107	-107	-214
Cash flow from financing activities	-3	-107	-110	-214
PERIOD'S NET CASH FLOW	-53	99	-14	138
Cash and cash equivalents at the beginning of the period	376	238	337	238
Net cash flow for the period	-53	99	-14	138
Cash and cash equivalents at the end of the period	323	337	323	376

CHANGES IN INTEREST-BEARING LIABILITIES

AMOUNTS IN MSEK	Jan-Jun 2020	Jan-Jun 2019	Rolling 12 months	Jan-Dec 2019
Interest-bearing liabilities in the balance sheet at the beginning of the period	411	395	410	395
Changes that are included in cash flow from financing activities				
Repayment of long-term loans from banks	-2	-	-2	-
Total	-2	0	-2	0
Other changes				
Posting of interest-bearing leasing debt in accordance with IFRS 16	0	15	0	15
Through acquisitions	2		2	
Accrual of direct costs in connection with the issue of bond loans that are accrued over the loan period.	0	1	1	1
Interest-bearing liabilities in the balance sheet at the end of the period	411	411	411	411



PARENT COMPANY INCOME STATEMENT

AMOUNTS IN MSEK	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Net turnover	4	4	7
Other operating income	7	6	16
OPERATING INCOME, TOTAL	11	10	23
Results from hedging activities	-7	20	49
Other expenses	-8	-9	-18
Employee benefit expenses	-14	-15	-30
EBITDA (operating loss before depreciation, amortisation and impairment)	-18	6	24
Depreciation/amortisation and impairment	-2	-2	-4
EBIT (operating loss)	-20	4	20
Profit from participations in Group companies	0	0	96
Financial income	0	0	1
Financial expenses	-10	-10	-21
TOTAL FINANCIAL ITEMS	-10	-10	76
LOSS/ PROFIT AFTER FINANCIAL ITEMS	-30	-6	96
Tax on loss/ profit for the period	-1	1	-21
NET INCOME	-31	-5	75

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

AMOUNTS IN MSEK	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
NET TURNOVER	-31	-5	75
Other comprehensive income	-	-	-
TOTAL OTHER COMPREHENSIVE INCOME	-	-	-
COMPREHENSIVE INCOME FOR THE PERIOD	-31	-5	75

PARENT COMPANY BALANCE SHEET, SUMMARY

AMOUNTS IN MSEK	30 Jun 2020	30 Jun 2019	31 Dec 2019
Intangible non-current assets	9	12	10
Equipment	1	1	0
Financial assets ¹	518	293	438
TOTAL NON-CURRENT ASSETS	528	306	448
Current receivables ²	558	774	534
Cash and cash equivalents	314	293	362
TOTAL CURRENT ASSETS	872	1 067	896
TOTAL ASSETS	1 400	1 373	1 344
SHAREHOLDERS' EQUITY	748	805	779
Long-term liabilities – Interest-bearing	397	396	396
Long-term liabilities – Non-interest-bearing	44	19	42
TOTAL LONG-TERM LIABILITIES	441	415	438
Non-interest-bearing current liabilities ³	211	153	127
TOTAL CURRENT LIABILITIES	211	153	127
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1 400	1 373	1 344

¹ Includes claims against subsidiaries of 175 (0) MSEK.

² Includes claims against subsidiaries of 557 (746) MSEK.

³ Includes claims against subsidiaries of 175 (141) MSEK.

Supplementary disclosures and notes, summary

ACCOUNTING POLICIES

This report has been prepared in accordance with IAS 34 'Interim Financial Reporting', which complies with Swedish law through the application of the Swedish Financial Reporting Board's Recommendation RFR 1 'Supplementary Accounting Rules for Groups' together with RFR 2 'Accounting for Legal Entities', in respect of the parent company.

The accounting policies, definitions of key ratios and calculation methods are the same as those used in the last annual report.

Unless otherwise stated, all amounts in this report are in MSEK. Rounding-off differences may occur.

NET TURNOVER

The clear majority of Rottneros' revenues is derived from the sales of pulp. Control is passed at a point in time, which coincides with the actual delivery of the goods. Revenue is recognised at fair value of the consideration received or receivable. Net turnover in the income statement consists of revenues from the sale of goods and invoiced freight, net of returns, discounts, pulp price hedges and VAT.

FINANCIAL INSTRUMENTS

The valuation is based on directly observable price quotations on the reporting date that are classified at level 2 in the fair value hierarchy described in IFRS 13.

The full fair value of a derivative instrument that constitutes a hedging instrument is classified as a non-current asset or non-current liability if the remaining maturity of the hedged item exceeds twelve months, and as a current asset or current liability if the remaining maturity of the hedged item is less than twelve months. The maximum exposure for credit risk on the reporting date is the fair value of the derivative instruments recognised as assets in the balance sheet.

In August 2017, Rottneros AB issued an unsecured bond of 400 MSEK with a term of 5 year. The loan bears variable interest of STIBOR 3m + 4,15 per cent and must be repaid in September 2022. Direct costs in connection with the issue amounted to approximately 7 MSEK and will be reported as interest costs over the bond period. The bond, which has a framework amount of 600 MSEK, is listed on Nasdaq Stockholm. The bond terms contain standard covenants in the form of net debt to EBITDA of a maximum of 3,5, minimum equity/assets ratio of 50%, and a maximum dividend of 50 per cent of the previous year's net income. These covenants were fulfilled on the balance sheet day.

The nature of other financial assets and liabilities is in all essential respects the same as on 31 December 2019. The carrying amounts are deemed to be equal to fair values, which was also the case at the end of 2019, since the effect of discounting is not of material significance. Accounts receivable are covered by credit insurance, which reimburses most of any bad debt losses. The Company has long-term relationships with its customers and credit losses have historically been low.

ROTTNEROS' NET TURNOVER CONSISTS OF THE FOLLOWING:

Belopp i MSEK	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Rolling 12 months	Full year 2019
Sales of pulp	473	566	1 018	1 176	2 141	2 299
Results from pulp price hedging	5	0	8	-2	20	10
Sales of by-products and other	12	12	27	25	53	51
Sales of pulp wood	20	4	42	13	45	16
NET TURNOVER TOTAL	510	582	1 095	1 212	2 259	2 376

FAIR VALUE FOR DERIVATIVES ON 30 JUNI 2020

Hedging	Hedged volume	Maturity	Hedging level	Fair value (MSEK)
Pulp, forward sell	16 500 ton	Jul 2020 -Jun 2021	8 828 SEK/ton	9,2
Electricity, forward buy	1 179 960 MWh	2020-2025	0,299 SEK/kWh	-43
Total fair value				-34

FAIR VALUE FOR DERIVATIVES ON 31 DECEMBER 2019

Hedging	Hedged volume	Maturity	Hedging level	Fair value (MSEK)
Pulp, forward sell	12 000 ton	Jan-sep 2020	8 878 SEK/ton	6
Electricity, forward buy	756 480 MWh	2020-2025	0,274 SEK/kWh	50
Total fair value				56

GROUP PERFORMANCE IN SUMMARY

	Jan-Jun 2020	Jan-Jun 2019	Rolling 12 months	Full year 2019	2018	2017	2016	2015
Income statement MSEK								
Net turnover	1 095	1 212	2 259	2 376	2 260	1 912	1 730	1 795
EBITDA	111	298	187	374	394	247	221	321
Depreciation/amortisation and impairment	-61	-54	-113	-106	-99	-91	-51	-58
EBIT	50	244	74	268	295	156	170	263
Financial items (net financial items)	-10	-10	-21	-21	-19	-9	-7	-4
Profit/loss after financial items	40	234	53	247	276	147	163	259
Net income	29	185	38	194	221	114	128	223
Cash flow statement, MSEK								
Cash flow from operating activities	25	239	247	462	223	222	187	335
Investments in non-current assets	-75	-34	-152	-109	-255	-237	-278	-103
Cash flow after investments	-50	205	94	353	-32	-15	-91	232
Cash used in/provided by financing activities	-3	-107	-214	-214	-56	325	-62	-152
Net cash flow	-53	99	-119	138	-88	310	-153	80
Balance sheet items, MSEK								
Non-current assets	1 287	1 260	1 287	1 280	1 290	1 078	905	706
Inventories	415	460	415	375	389	279	278	267
Current receivables	352	416	352	342	484	324	290	244
Cash and cash equivalents	323	337	323	376	238	326	16	169
Net debt (+) / net cash (-)	88	74	88	35	157	68	-2	-169
Equity	1 338	1 492	1 338	1 380	1 460	1 207	1 151	1 058
Long-term interest-bearing liabilities	411	411	411	411	395	394	-	-
Long-term non-interest-bearing liabilities	195	175	195	176	137	52	14	18
Current interest-bearing liabilities	-	-	-	-	-	-	14	-
Current non-interest-bearing liabilities	433	395	433	406	409	354	310	310
Capital employed	1 426	1 566	1 426	1 415	1 617	1 275	1 149	889
Total equity and liabilities	2 377	2 473	2 377	2 373	2 401	2 007	1 489	1 386
Key ratios								
EBITDA-margin, %	10,1	24,6	8,3	15,7	17,4	12,9	12,8	17,9
EBIT-margin, %	4,6	20,1	3,3	11,3	13,1	8,2	9,8	14,7
Return on shareholders' equity (rolling 12 months), %	2,7	19,6	2,7	13,7	16,6	9,7	11,6	21,9
Return on capital employed (rolling 12 months), %	4,9	24,1	4,9	17,7	20,4	12,9	16,7	29,1
Equity ratio,%	56	60	56	58	61	60	77	76
Debt / equity ratio,%	7	5	7	3	11	6	0	-16
Others								
Average no. of employees	314	313	309	303	303	301	282	264
Pulp production, 1,000 tons	207,1	205,3	407,8	406,0	393,6	393,6	374,1	373,3
Pulp deliveries, 1,000 tons	203,1	194,3	417,1	408,3	382,5	393,8	374,1	372,2
List price of NBSK pulp, USD per ton ¹	850	1 098	917	984	1 167	882	802	857
SEK/USD ²	9,68	9,31	9,58	9,46	8,69	8,54	8,56	8,44
List price of NBSK pulp, SEK per ton	8 226	10 216	8 765	9 304	10 144	7 530	6 867	7 228

¹ Source: Market listing of gross prices once a week. Average for each period.

² Source: Riksbanken's daily quotations. Average for each period.

QUARTERLY DATA, GROUP

	2020		2019				2018			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Income statement, MSEK										
Net turnover	510	585	546	617	582	630	580	567	576	537
EBITDA	31	80	-5	81	131	167	39	136	118	101
Depreciation/amortisation and impairment	-29	-32	-25	-27	-28	-26	-27	-25	-24	-23
EBIT	2	48	-30	54	103	141	12	111	94	78
Financial items (net financial items)	-5	-5	-7	-5	-5	-5	-5	-5	-4	-5
Profit/loss after financial items	-3	43	-37	49	98	136	7	106	90	73
Tax on profit/loss for the period	0	-11	8	-10	-21	-28	2	-24	-17	-16
Net income	-3	32	-29	39	77	108	9	82	73	57
Per share										
Earnings per share SEK	0	0,21	-0,19	0,25	0,51	0,71	0,06	0,54	0,48	0,37
Other										
Pulp, production 1,000 tons	98	109,4	100,4	100,3	107,7	97,6	93,6	100,0	100,1	99,9
Pulp, deliveries 1,000 tons	93	110,0	103,2	110,8	95,2	99,1	94,3	92,5	97,5	98,2
List price of NBSK pulp SEK per ton	8 226	7 988	7 950	8 753	9 900	10 527	11 056	10 983	10 047	8 584

SHARE DATA ¹

		Jan-Jun 2020	Jan-Jun 2019	Rolling 12 months	Full year 2019	2018	2017	2016	2015
Shares outstanding, opening ²	Antal	152 572	152 572	152 572	152 572	152 572	152 572	152 572	152 572
Shares outstanding, closing ²	Antal	152 572	152 572	152 572	152 572	152 572	152 572	152 572	152 572
Average number of shares outstanding ²	Antal	152 572	152 572	152 572	152 572	152 572	152 572	152 572	152 572
Treasury shares ²	Antal	822	822	822	822	822	822	822	822
Earnings per share	SEK	0,19	1,21	0,25	1,27	1,45	0,75	0,84	1,46
Cash flow after investments/share ³	SEK	-0,33	1,34	0,63	2,30	-0,21	-0,10	-0,60	1,52
Equity per share	SEK	8,77	9,78	8,04	9,05	9,57	7,91	7,54	6,93
Dividend ⁴									
Ordinary dividend	SEK	-	-	-	-	0,40	0,30	0,30	0,30
Extra dividend	SEK	-	-	-	-	1,00	0,07	0,10	0,20
Total	SEK	-	-	-	-	1,40	0,37	0,40	0,50
Dividend/equity per share	%	-	-	-	-	14,6	4,7	5,3	7,2
Share price at end of period	SEK	8,68	11,60	8,68	11,40	8,24	7,15	8,05	8,15
Market price/equity/share	ggr	1,0	1,2	1,1	1,3	0,9	0,9	1,1	1,2
P/E ratio per share	ggr	46,1	6,4	35,0	9,0	5,7	9,5	9,6	5,6

¹ None of the key ratios are affected by any dilution effect.

² The number of shares is in thousands and excluding Rottneros' treasury shares.

³ Cash flow from operating activities less investments in non-current assets, divided by the average number of shares outstanding.



Alternative performance measures

Alternative performance measures (APM) are financial measures that are not defined in IFRS and are presented outside the financial statements. Rottneros uses the following APMs: Cash flow after investments, Net debt/net cash, Capital employed, Return on capital employed, Return on equity, Equity/assets ratio and Debt/equity ratio. The Company believes that these key ratios are useful for readers of the financial statements as a complement to

other key performance indicators to assess the Rottneros Group's financial position and profitability. Rottneros also uses the key indicators P/E ratio and Direct yield, which the Company believes are relevant for investors and other readers. APMs can be defined in different ways by other companies and therefore may not be comparable with similar measures used by other companies. som används av andra företag.

Definitions of IFRS key ratios and Alternative performance measures

EBITDA

Earnings before depreciation/amortisation and impairment, financial items and income taxes (operating profit before depreciation, amortisation and impairment).

EBIT

Earnings before financial items and income taxes (operating profit).

EBIT MARGIN

EBIT as a percentage of net turnover.

PROFIT MARGIN

Profit after financial items as a percentage of net turnover.

EARNINGS PER SHARE

Net income divided by the average number of shares outstanding.

SHAREHOLDERS' EQUITY PER SHARE

Shareholders' equity divided by number of shares.

CASH FLOW AFTER INVESTMENTS

Cash flow from operating activities less investments in non-current assets.

CAPITAL EMPLOYED

Shareholders' equity plus interest-bearing liabilities minus cash and cash equivalents.

NET DEBT/NET CASH

Interest-bearing liabilities minus cash and cash equivalents.

RETURN ON CAPITAL EMPLOYED (ROLLING 12 MONTHS)

EBIT for the past 12 months, as a percentage of average capital employed (average of capital employed at the beginning of the period and at the end of the period).

RETURN ON SHAREHOLDERS' EQUITY (ROLLING 12 MONTHS)

Net income for the past 12 months, as a percentage of average shareholders' equity (average of shareholders' equity at the beginning of the period and at the end of the period).

EQUITY/ASSETS RATIO

Equity as a percentage of the sum of shareholders' equity and liabilities.

DEBT/EQUITY RATIO

Net debt/cash as a percentage of shareholders' equity.

P/E RATIO

Share price at the end of the period in relation to earnings per share (rolling 12 months).

DIRECT YIELD

Dividend as a percentage of the share price at the end of the period.

GLOSSARY

Market pulp	Pulp sold on the market and transported to the customer. Market pulp accounts for about one third of pulp production worldwide. The remaining two thirds are produced at integrated paper and board mills, or used internally within a group.
BCTMP	Bleached Chemi-Thermo-Mechanical Pulp: bleached mechanical pulp where the raw material is impregnated with chemicals. Stronger than TMP. The term is common in North America and Asia (see CTMP).
BEK	Bleached Eucalyptus Kraft pulp.
CTMP	Chemi-Thermo-Mechanical Pulp. Development of TMP, where the mechanical pulp is impregnated with chemicals. Stronger than TMP. The term is used in Europe for both bleached and unbleached pulp.
ECF	Elemental Chlorine Free. Sulphate pulp bleached using chlorine dioxide, not chlorine.
High-yield pulp	Groundwood pulp, TMP and CTMP/BCTMP.
Chemical pulp	Pulp produced by boiling wood raw material with chemicals. The pulp can be bleached to a higher brightness and a higher strength than mechanical pulp. Chemical pulp is usually sulphate pulp, but can also be sulphite pulp.
Short-fibre pulp	Pulp where the raw material is hardwood, which has shorter cellulose fibre than softwood.
Long-fibre pulp	Pulp where the raw material is softwood, which has longer cellulose fibre than hardwood.
Mechanical pulp	Pulp produced using a mechanical process for fibre separation and processing. Has a higher level of bulk, stiffness and opacity than chemical pulp. Groundwood pulp, TMP and CTMP/BCTMP are types of mechanical pulp.
NBSK	Northern Bleached Softwood Kraft: bleached long-fibre sulphate pulp. The leading indicator of world market prices.
Groundwood pulp (SGP)	Mechanical pulp based on roundwood as a raw material.
TMP	Thermo-Mechanical Pulp: mechanical pulp produced using a technique in which the chips are preheated with steam, but without chemicals.
UKP	Unbleached Kraft Pulp, unbleached sulphate pulp.

Every care has been taken to ensure the accuracy of the information in this report, but Rottneros cannot accept any liability for any possible loss or damage as a consequence of using information in this report. The report was originally written in Swedish and translated into English.



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