


Q2
2021



INTERIM REPORT
JAN–JUN 2021



A strong market and stable production improved the result

EBIT 97 MSEK

Pulp prices at
record levels

Stable production,
109 kton



ROTTNEROS

PURE POSSIBILITIES

Rottneros interim report January-June 2021

A strong market and stable production improved the result

Q2 2021 COMPARED WITH (Q2 2020)

- **SOLD VOLUME** was 103,2 (93,1) thousand tons thanks to strong demand.
- **PRODUCED VOLUME** was at a high level, 109,2 (97,7) thousand tons. In 2020 a maintenance shutdown was held in May.
- **NET TURNOVER** increased by 16% to 593 (510) MSEK, driven by higher list prices and sales volumes.
- **THE LIST PRICE** of NBSK pulp in Europe was 40% higher in USD and 22% higher in SEK compared with the second quarter of 2020. The list price has risen from 880 USD to 1 300 USD in the first half of 2021.
- **EBIT** (operating profit) for the second quarter of 2021 amounted to 97 (2) MSEK. A strong pulp market, low variable costs and high production and sales volumes were the main reasons for the improvement in profitability. Fixed costs also contributed positively.
- **NET PROFIT** for the second quarter of 2021 was 74 (-3) MSEK. Earnings per share for the quarter were 0,49 (-0,02) SEK.
- **THE BALANCE SHEET** remains strong. Available liquidity totalled 568 (519) MSEK and the equity/assets ratio was 57 (56)%.
- **THE ANNUAL GENERAL MEETING** was held on April 28, 2021. The Meeting resolved that no dividend be paid for 2020.
- **THE CORONA PANDEMIC** entails continued measures to minimise the risk of the spread of infection in the Group's facilities. Production was not affected by the pandemic during the quarter.

THE QUARTER AND FIRST HALF-YEAR IN FIGURES

	Apr-Jun 2021	Apr-Jun 2020	change %	Jan-Jun 2021	Jan-Jun 2020	change %	Rolling 12 months	Jan-Dec 2020
Net turnover, MSEK	593	510	16	1 135	1 095	4	2 133	2 093
EBITDA, MSEK	127	31	310	167	111	50	133	77
EBIT, MSEK	97	2	4 750	108	50	116	16	-42
Profit after financial items, MSEK	93	-3	3 200	100	40	150	-1	-61
Net income, MSEK	74	-3	2 567	79	29	172	0	-50
Earnings per share, SEK	0,49	-0,02	2 550	0,52	0,19	174	0,00	-0,33
Cash flow from operating activities, MSEK	81	-23	452	94	25	276	154	85
Return on capital employed (rolling 12 months),%				1,2	5,0		1,2	-3,0
Production, thousand tons	109,2	97,7	12	211,7	207,1	2	417,2	412,6
Deliveries, thousand tons	103,2	93,1	11	215,2	203,1	6	428,6	416,5



Lennart Eberleh
President and CEO

Comments from the CEO

Production, sales and financial results were all at a good level in the second quarter. Our clear focus on continuous improvement in the areas we can influence has paid off, despite the challenges posed by the pandemic. The recovery in the European pulp market continued during the quarter, while China is now showing clear signs of a slowdown.

We had a good quarter with stable production in our mills. The volume increased by 12 percent compared with the same quarter last year, to just over 109 000 tons. The comparison was influenced by the fact that the maintenance shutdown at Rottneros Mill took place in second quarter last year, while it will take place in third quarter this year. Our deliveries increased by 11 percent, to over 103 000 tons.

HIGHER VOLUMES, INCREASED PRICES AND GOOD ACCESS TO WOODS

Net turnover grew by 16 percent, with higher prices in SEK as well as increase in deliveries contributing. The price increase in USD was clearly higher than the weakening of the USD against the SEK. The strong market enabled us to gradually increase our prices during the quarter, which is normally done with some delay compared with list prices.

The EBIT improvement from 2 MSEK to 97 MSEK was mainly explained by increased volumes and prices. The availability of pulp wood continues to be good, which benefits our purchasing costs. The price of electricity remained unusually high for the season during the quarter. The price trend is concerning and a clear sign of the inadequate electricity supply we have in Sweden, which is a threat to Swedish basic industries. Nevertheless, our electricity hedges effectively reduce the financial impact on our earnings.

CONTINUED SUCCESSFUL MANAGEMENT OF THE PANDEMIC

The safety and well-being of our employees always come first. We can still conclude that our systematic measures have kept the infection away from our facilities during the pandemic. Our efforts continued to minimise the psychosocial consequences that can arise when working from home. The fact that the pandemic has had no effect on production clearly demonstrates the successful efforts of our employees in dealing with the major challenges.

STRONG PRICE INCREASE BUT CHINA HAS SLOWED DOWN

The strong recovery in the pulp market, initially driven by strong demand in China, continued during the quarter. The list price per ton of NBSK in our home market in Europe increased during the second quarter by 270 USD to 1 300 USD at the end of June. The rise continued at the beginning of the third quarter, to approximately 1 340 USD at the present time. However, the price trend in China reversed in the second quarter and it is likely that the strong price trend in Europe will now slow down.

STRONG CASH FLOW FACILITATES NEW, LESS EXPENSIVE FINANCING

In July, we redeemed our outstanding bonds of 400 MSEK ahead of schedule and partially replaced them with bank financing for a total of 250 MSEK, of which we are initially utilizing 150 MSEK. With our strong cash flow we can reduce our debt burden by approximately 250 MSEK while maintaining good liquidity. Consequently, we will reduce our financing costs by around 13 MSEK per year. The new financing also paves the way for a potential dividend to our shareholders in the second half of the year.

CONTINUED FOCUS ON THE ENVIRONMENT

At the beginning of April, the Board of Directors decided to invest 40 MSEK in the biomass boiler at Rottneros Mill in order to increase availability and minimise the need for fossil fuels for drying the pulp. The investment is being made in conjunction with the maintenance shutdown in September and is part of our aim to continuously reduce our environmental impact and to achieve completely fossil-free production by 2030.

In conclusion, I would like to thank all employees for their great dedication and for the efforts that are constantly underway to strengthen and improve the Rottneros Group, despite the major challenges we have faced through the pandemic. I would also like to warmly thank both customers and suppliers for their good cooperation.

The pulp market

The world economy continues to be reshaped by the pandemic. Because of the irregularity of the restrictions and new virus mutations the recovery is still characterised by uncertainty. In addition, economic development is unevenly distributed across different countries and sectors. Contact intensive industries such as tourism and events are still far behind, while capital intensive industries such as the automotive industry have recovered well. Overall, the IMF forecasted in April that global GDP growth will be 0,8% higher than in its October 2020 report, 6% in 2021 and 4,4% in 2022.

The recovery in the pulp market that began at the end of 2020 continued in the first half of 2021. This has so far been one of the strongest recoveries through times and shows high demand for the forest industry's products in a time focusing on sustainability. During the period, demand was very high in Europe and the USA, where prices increased continuously every month. At the beginning of July, a gross of 1 340 USD was reached in Europe and 1 615 USD in the United States. At the same time, development in China slowed down, prices fell and then leveled off, just below the European prices.

China is the world's largest market for market pulp and thus price-setting. However, the market dynamics in China are different and to a greater extent characterized by speculation and greater stock fluctuation, which leads to greater price volatility compared with Europe and the United States.

Global deliveries of market pulp fell by -1.8% compared with 2020, divided into short-fiber pulp - 1.3% and long-fiber bleached pulp -4.7%. The supply of long-fiber pulp was partly affected by unplanned stops in the industry, which in turn created shortages. Demand for unbleached pulp shows a strong positive trend, + 22.9%.

It was driven by the lack of recycled fiber for the packaging producers as well as continued good growth in niche applications.

Demand for tissue paper is below last year's level, but the comparison is flawed since demand was at a record high at the start of the 2020 pandemic. For the first four months, tissue paper production was down -2,6% from last year's level. The high pulp prices create challenges for tissue producers in particular since their contracts with the retail sector have very limited potential for price adjustments. Tissue paper is the largest end use area for market pulp, with more than 40% of the market.

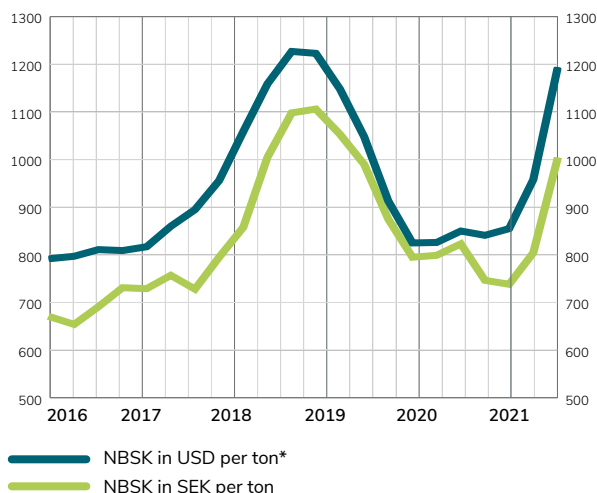
The market for graphic papers has been strong in Europe as imports from Asia have completely disappeared due to logistics problems. Official statistics show a decline of -7,6% for the first four months of the year, but this is a recovery from the extreme decline during the pandemic 2020 and as a result there have been a number of announcements for price increases.

Producers' global inventories were 37 days in May for both long- and short-fiber pulp. Although this is an increase of two days for each grade compared to April, this is an inventory level that shows a market in balance with a good price development as a result.

Sales and results, Q2

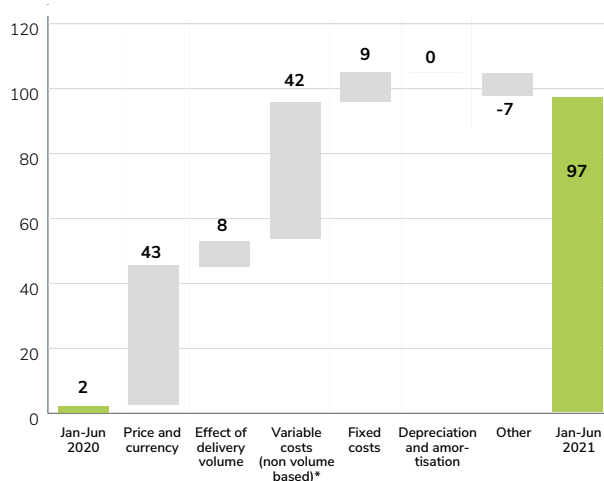
Turnover in the second quarter of 2021 amounted to 593 (510) MSEK, an increase of 16%. The increase was attributable to higher sales prices and volumes. The list price of NBSK rose during the quarter from 1 030 USD to 1 300 USD. Compared with the second quarter of 2020, NBSK was 40% higher in USD and 22% higher in SEK. Changes in list prices are reflected in invoiced prices with a certain delay. Pulp price hedging gave a negative outcome of -2 (5) MSEK.

NBSK QUARTERLY GROSS PRICES OVER THE PAST FIVE YEARS



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

DIFFERENCE IN EBIT Q2 2021 COMPARED WITH Q2 2020 (MSEK)



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

The supply of wood continued to be good during the quarter. The strong sawmill industry benefits the availability of woodchips and pulp wood for pulp producers.

Electricity prices have been unusually high for the season with a system price of 0,42 SEK/kWh for the quarter. In contrast, the system price in the second quarter of 2020 was only 0,06 SEK/kWh. Rottneros' consumption takes place primarily in electricity area SE3, where the price has been 0,39 (0,16) SEK/ kWh. Rottneros hedges most of its electricity consumption. Realised gain on electricity price hedges was 13 (-11) MSEK. The average price for the Group after the hedging result was 0,24 (0,29) SEK/kWh.

In all, the variable costs (based on cost per ton) had a positive impact on earnings of 42 MSEK.

Fixed costs for the second quarter were 9 MSEK lower than the second quarter of 2020. Rottneros Mill had its annual maintenance shutdown in the second quarter of 2020, while it will be held in September 2021.

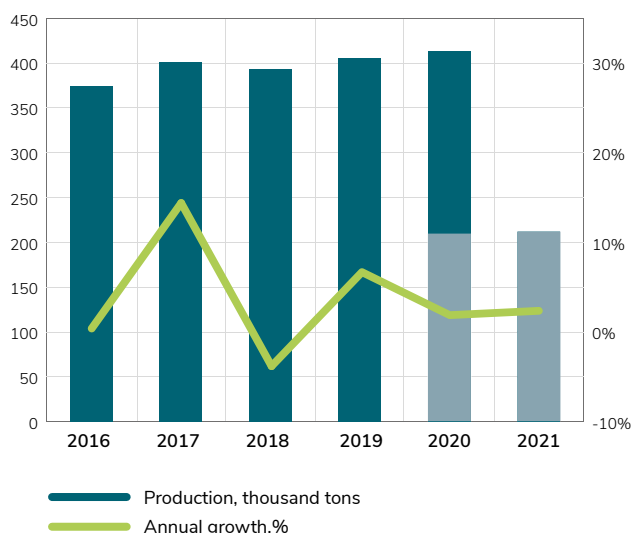
Depreciation according to plan amounted to 30 (29) MSEK.

EBIT for the second quarter of 2021 was 97 (2) MSEK. Earnings were positively impacted by higher invoiced prices, higher production and sales, and lower variable and fixed costs. The comparison is affected Rottneros Mill having its maintenance stop in Q2 2020.

Second quarter 2021 compared to second quarter 2020

	Apr-Jun 2021	Apr-Jun 2020	change %
NBSK, USD	1 191	850	40
SEK/USD	8,41	9,68	-13
NBSK, SEK	10 012	8 226	22
Net turnover, MSEK	593	510	16
EBIT, MSEK	97	2	4 750

ANNUAL VOLUMES AND ANNUAL GROWTH



Production and deliveries

Production volume for the first quarter of 2021 was 109 200 (97 700) tons, an increase of 12% compared with the corresponding quarter last year. Rottneros Mill's annual maintenance shutdown in May 2020 affected the production of CTMP and groundwood pulp for the comparison year. Production for the first half of the year was 211 700 (207 100) tons. The cold winter had a negative impact in the first quarter, but was offset by good and full production in the second quarter.

Customer deliveries increased by 11% to 103 200 (93 100) tons in the first quarter, thanks to strong demand for market pulp and stable production. For the first half of the year, deliveries increased by 6% to 215 200 (203 100) tons.

PRODUCTION, TONS	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Rolling 12 months	Jan-Dec 2020
Sulphate pulp	62 800	59 500	120 300	121 600	231 400	232 700
Groundwood pulp	17 800	16 300	34 300	36 300	70 700	72 700
CTMP	28 600	21 900	57 100	49 200	115 100	107 200
TOTAL	109 200	97 700	211 700	207 100	417 200	412 600

DELIVERIES, TONS	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Rolling 12 months	Jan-Dec 2020
Sulphate pulp	56 100	57 400	118 100	119 500	235 400	236 800
Groundwood pulp	15 700	16 600	36 400	34 100	74 000	71 700
CTMP	31 400	19 100	60 700	49 500	119 200	108 000
TOTAL	103 200	93 100	215 200	203 100	428 600	416 500

MAINTENANCE SHUTDOWNS, SEASONAL VARIATIONS

In 2021, the annual maintenance shutdown at Rottneros Mill is planned to be held in the third quarter. In 2020, the shutdown was held in the second quarter as an exception. At the Vallvik Mill, the maintenance shutdown is planned to be held in September/October.

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, which affects turnover and income for the quarter in which the shutdown takes place.

	Planned maintenance shutdown date		Estimated cost of shutdown
	2021	2020	2021 (MSEK)
Rottneros Mill	Q3	Q2	15
Vallvik Mill	Q3/Q4	Q4	61

The estimated cost of the shutdown includes both direct costs and the indirect effect of loss of production.

Otherwise, the Rottneros Group is not affected by seasonal variations to any appreciable extent.

Sales and results, H1

Turnover from January to June amounted to 1 135 (1 095) MSEK, an increase of 4%. The list price of NBSK market pulp rose by 28% during the period, while the USD weakened against the SEK by 13%. Translated to SEK, the list price rose by 11%. Both higher sales prices and delivery volumes contributed to the increase in sales, while currency and mix had a negative effect on earnings. Turnover for products other than market pulp rose to 77 (69) MSEK. The realised profit for pulp price hedges was 1 (8) MSEK.

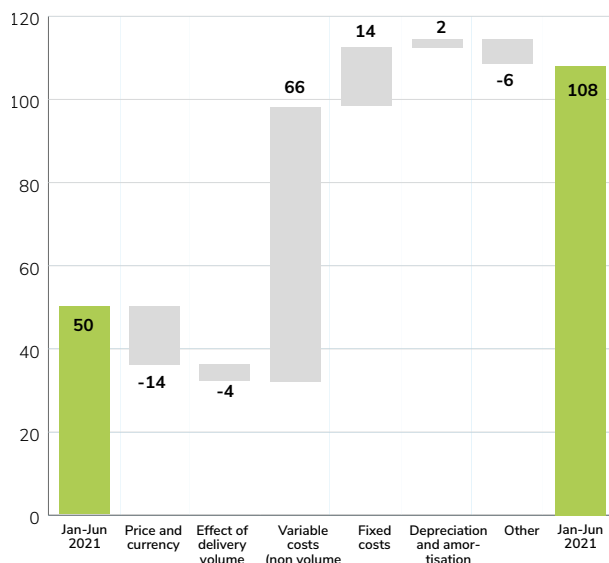
Lower raw material prices have had a positive impact on variable costs. The supply of pulp wood was good during the entire period.

The average price of electricity on the Nord Pool electricity exchange (area SE3) was 0,43 (0,18) SEK/kWh, at the same time the system price was 0,43 (0,11) SEK/kWh. Rottneros' electricity price hedges generated a positive outcome of 24 (-15) MSEK for January-June 2021. Rottneros' average price after hedging was 0,26 (0,30) SEK/kWh. Electricity costs were positively affected by lower average prices but negatively by higher electricity consumption in the beginning of the year.

Taken together, the variable costs (based on cost per ton) improved earnings by 66 MSEK compared with 2020.

Fixed costs are about 14 MSEK lower than the previous year, largely due to the Rottneros Mill maintenance shutdown in May 2020. Good cost control also contributes to the result.

DIFFERENCES IN EBIT FIRST HALF-YEAR 2021 COMPARED WITH FIRST HALF-YEAR 2020 (MSEK)



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

First half-year 2021 compared with first half-year 2020	Jan-Jun 2021	Jan-Jun 2020	change %
NBSK, USD	1 074	838	28
SEK/USD	8,40	9,68	-13
NBSK, SEK	9 027	8 107	11
Net turnover, MSEK	1 135	1 095	4
EBIT, MSEK	108	50	116

OTHER INCOME STATEMENT ITEMS

Net financial items totalled 10 (10) MSEK for January-June and mainly relate to the 400 MSEK bond that Rottneros issued in August 2017.

The Group's result after financial items increased to 100 (40) MSEK.

Income tax expense for January-June was 21 (11) MSEK.

Net income increased to 79 (29) MSEK and earnings per share to 0,52 (0,19) SEK.

Return on capital employed, measured over a rolling 12-month period, was 1,2 (5,0)%.

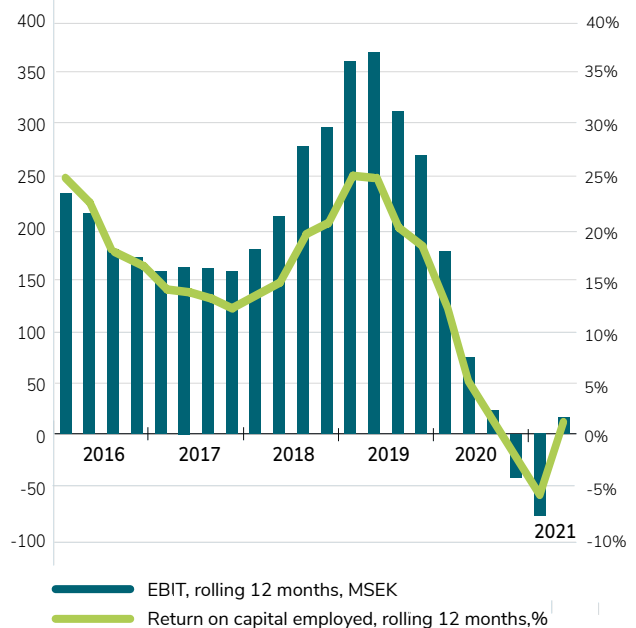
Return on equity, over a rolling 12-month period, was 0,0 (2,7)%.

Investments

The Group's investments in fixed assets during the period January-June 2021 amounted to 38 (77) MSEK, of which 38 (62) MSEK in property, plant and equipment mainly relate to reinvestments to maintain the technical standard that has been achieved through the major investments carried out in recent years.

Total investments in 2021 are expected to reach 140 MSEK. The investments include environmental investments in

EBIT, ROLLING 12 MONTHS



Vallvik Mill linked to the mill's recently updated environmental permit. The investment is primarily focused on reducing emissions to water by increasing the proportion that is treated in the factory's biological treatment plant, as well as on improving the efficiency of the pulp line and thereby minimising emissions from the bleaching process. This year's investments also include a rebuild of the biofuel boiler at Rottneros Mill in order to increase availability and thereby minimise the need for fossil fuels for drying pulp.

The normal level of reinvestment, bottleneck elimination, efficiency improvements and environmental improvements is around 100 MSEK annually.

Rottneros Packaging

In October 2020, moulded fresh fibre trays for ready meals with a long shelf life were launched. Rottneros now has regular deliveries and consumer products are available in grocery stores in Sweden and other countries in Europe.

The latest generation wet forming machine is installed and has doubled the capacity for tray production.

Rottneros is the only Swedish industry partner participating in the EU Pulpaction innovation project. The goal is to develop a completely renewable bio-based packaging solution at a competitive price in order to contribute to more sustainable development in the packaging industry. Rottneros is a coordinator for the project.

Financial position

Rottneros AB has an unsecured bond of 400 MSEK that was issued in August 2017 primarily to Nordic institutional investors. The bond bears variable interest of STIBOR 3m + 4,15% with repayment in September 2022. Rottneros confirmed on 8 July 2021 that it will redeem the bond early, which was also carried out on 19 July 2021.

On 14 July, Rottneros entered into a new loan agreement which provides for a term loan of 150 MSEK and a revolving credit facility of up to 100 MSEK. The loan agreement matures in two years with an option for a one year extension.

The Group's cash and cash equivalents at the end of the second quarter amounted to 386 MSEK, compared with 330 MSEK at the end of 2020. Interest-bearing liabilities were 411 MSEK at the end of the quarter. Net interest-bearing debt was 25 MSEK, compared with 81 MSEK at the end of 2020. Total granted and unutilized credits amounted to 182 MSEK at the end of the second quarter of 2021.

The equity/assets ratio amounted to 57 (56)% as of 30 June 2021. Equity per share amounted to 9,01 (8,77) SEK at the end of the first quarter.

Cash flow

Cash flow from operating activities January-June 2021 was 94 (25) MSEK. Cash flow after investments was 56 (-50) MSEK and was affected in 2020 by the maintenance stop in Rottneros Mill and the acquisition of Nykvist Skogs AB.

Net cash flow for the half year was 56 (-53) MSEK.

Parent Company

The result after financial items for the first half of 2021 in the Parent Company amounted to -10 (-30) MSEK.

Average number of employees

The average number of employees was 315 (313).

Long-term targets

Rottneros' vision is "Always make a difference". This has been translated into long-term goals for financial, social and climate-related sustainability. Follow-up is primarily carried out on an annual basis, but also quarterly.

LONG-TERM TARGETS AND FOLLOW-UP JUNE 2021

FINANCIAL TARGETS	Long-term target	Outcome June
Distribution of net profit	30-50%	N/A
Average growth, produced tons of pulp	3% /år	2% Jan-Jun
Share of revenue, not mass	Min 10% year 2023	7% Jan-Jun
Solidity	Min 50%	58%

SOCIAL TARGETS	Long-term target	Outcome June
Safety, accidents with sick leave	Annual improvement of LTIFR	16 (+1 against outcome 2020)
Proportion of female employees	Min 30% year 2025	17%

ENVIRONMENTAL TARGETS	Long-term target	Outcome June
Fossil-free production according to GHG scope 1 & 2	Year 2030	Annual follow-up
Emissions of COD / ton of pulp	Annual improvement	Annual follow-up

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.

IMPACT OF THE CORONA PANDEMIC

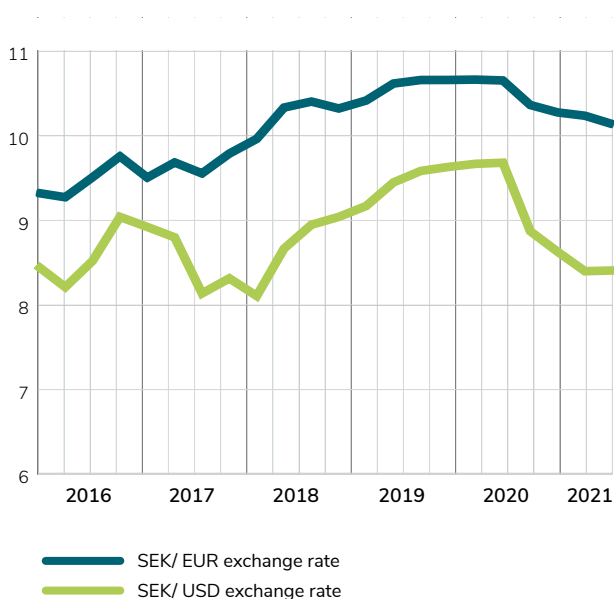
The corona pandemic and the subsequent economic slowdown impacted the market in 2020. The market recovered and has transitioned to high demand and rising prices in the first half of 2021. The Group’s production has not been affected by the pandemic. Nevertheless, uncertainty remains. Rottneros continuously monitors risks related to the corona pandemic and takes measures to minimize its impact on the Group.

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 corresponds to about 50% of the inflow and EUR to about 33%. However, the impact of exchange rate fluctuations on indirect exposure is delayed, as the normal duration of a customer contract is between one and three months.

The average USD exchange rate during January-June 2021 was 13% lower compared with the same period in 2020.

EXCHANGE RATE TREND OVER THE PAST FIVE YEARS



PULP PRICE

The price of pulp (NBSK) is set in USD, while production costs are largely incurred in SEK. As of 30 June 2021, the Group held pulp price hedges of 15 000 tons with a maturity between July 2021 and June 2022 at an average price of 9 476 SEK per ton. The fair value of these unrealized price hedges was -7 MSEK as of 30 June 2021.

ELECTRICITY

All external electricity for the mills, about 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 of 2021, electricity prices were hedged as specified in the following table. The table shows the hedged proportion of forecasted consumption and the average hedged price in SEK/kWh. The fair value of these unrealized electricity hedges was 19 MSEK as of 30 June 2021.

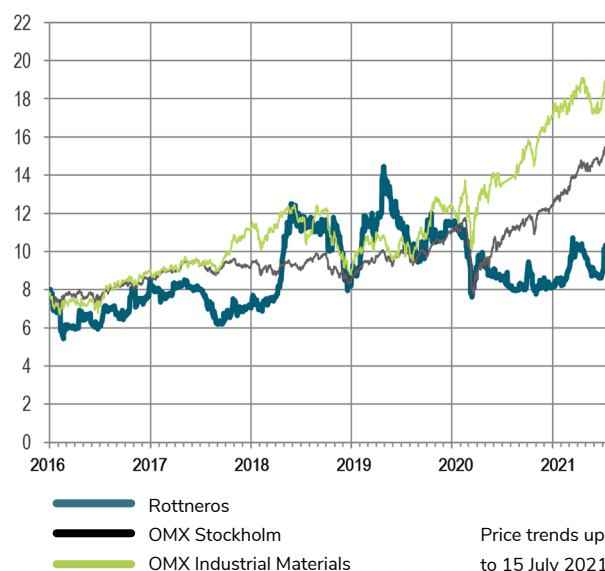
Electricity hedges 30 June 2021

Year	Proportion hedged	SEK/kWh
2021	100%	0,263
2022	91%	0,325
2023	100%	0,309
2024	86%	0,321
2025	57%	0,316

The high level of hedging protects Rottneros’ future electricity costs against sharp price fluctuations. Because of the large imbalance between electricity areas a certain percentage of the contracts are hedged against area SE3. The average price level for electricity at Nord Pool (area SE3) during the period January-June 2021 was 0,43 (0,18) SEK/kWh.

See pages 61-67 of the Annual Report for 2020 for further information on risks.

PRICE TREND FOR ROTTNEROS SHARES AND STOCKHOLM STOCK EXCHANGE, 2016-2021



Price trends up to 15 July 2021

Share information

NUMBER OF SHARES AND TREASURY SHARES

The number of shares in Rottneros totals 153 393 890. Rottneros' holding of treasury shares amounts to 821 965 shares. No change in treasury shares has occurred in 2021.

SHARE PRICE DEVELOPMENT OVER THE FIRST HALF OF 2021

At the end of the first half of 2021, the share price was 8,70 SEK (8,15 at the end of 2020). The average rate during the period was 9,25 SEK.

TRANSACTIONS WITH RELATED PARTIES

During the first quarter of 2021, Rottneros sold pulp to the related party Arctic Paper S.A. Group, for a value of 30 (36) MSEK. Outstanding operating receivables for Arctic Paper as of 30 June 2021 totalled 7 (5) MSEK. The transactions took place on market terms.

LARGEST SHAREHOLDERS AS OF 30 JUNE 2021

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
UBS Switzerland AG, W8IMY	5 198 772	3,4
Försäkringsaktiebolaget Avanza Pension	4 050 967	2,6
Caceis Bank, Switzerland Branch, W8IMY	2 500 000	1,6
Caceis Bank Spain SAU, W8IMY	1 155 113	0,8
CBNY-DFA-INT SML CAP V	1 111 727	0,7
Clearstream Banking S.A., W8IMY	1 097 818	0,7
Nordnet Pensionsförsäkring AB	1 033 087	0,7
BNY Mellon SA/NA (Former BNY), W8IMY	797 126	0,5
TOTAL For 10 largest owners - by size of holding	106 285 716	69,3
Other shareholders	46 286 209	30,2
Rottneros AB (treasury shares from buy-back)	821 965	0,5
TOTAL	153 393 890	100,0

2021 Annual General Meeting

At the Annual General Meeting on 28 April 2021, the meeting resolved that no dividend will be paid for 2020 and that the company's unrestricted profit will be carried forward.

The Annual General Meeting resolved that the number of Board members should be five and re-elected Marie S. Arwidson, Ulf Carlson, Per Lundeen, Roger Mattsson and Conny Mossberg. Per Lundeen was re-elected to serve as chairman.

The Annual General Meeting also resolved to elect the auditing firm KPMG to serve as auditor for the period until the Annual General Meeting 2022.

More information can be found on the Rottneros website under Corporate Governance.

In addition, the employees appointed Mika Palmu and Jerry Sohlberg to serve as ordinary employee representatives and Jimmy Thunander and Jörgen Wasberg as deputies.

Key events after the close of the financial year

On 8 July 2021, Rottneros confirmed the early redemption of outstanding bonds of 400 MSEK. Redemption took place on 19 July 2021.

On 14 July 2021, Rottneros announced that it had entered into a new loan agreement allowing for a term loan of 150 MSEK and revolving credit facilities of up to 100 MSEK. The loan agreement matures in two years with an option for a one year extension.

Forthcoming financial information

21 October 2021, Interim Report, January–September

For more information, please visit Rottneros' website, www.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, 22 July 2021

Per Lundeen
Chairman of the Board

Marie S. Arwidson
Board Member

Ulf Carlson
Board Member

Roger Mattsson
Board Member

Conny Mossberg
Board Member

Jerry Sohlberg
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 22 July 2022 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 2021 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 22 July 2021

KPMG AB

Sven Cristea

Authorized Public Accountant

CONSOLIDATED INCOME STATEMENT

AMOUNTS IN MSEK	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Rolling 12 months	Full year 2020
Net turnover	593	510	1 135	1 095	2 133	2 093
Change in inventories, finished goods	26	20	-15	13	-59	-31
Other operating income	-1	-3	13	13	14	14
OPERATING INCOME, TOTAL	618	527	1 133	1 121	2 088	2 076
Raw materials and consumables	-300	-297	-598	-622	-1 176	-1 200
Other external expenses	-110	-126	-218	-247	-484	-513
Employee benefit expenses	-81	-73	-150	-141	-276	-267
Other operating expenses	0	0	0	0	-19	-19
EBITDA (operating profit before depreciation, amortisation and impairment)	127	31	167	111	133	77
Depreciation/amortisation and impairment	-30	-29	-59	-61	-117	-119
EBIT (operating profit)	97	2	108	50	16	-42
Financial income	2	0	2	0	2	0
Financial expenses	-6	-5	-10	-10	-19	-19
TOTAL FINANCIAL ITEMS	-4	-5	-8	-10	-17	-19
PROFIT AFTER FINANCIAL ITEMS	93	-3	100	40	-1	-61
Tax on profit/loss for the period	-19	0	-21	-11	1	11
NET INCOME	74	-3	79	29	0	-50
Average number of shares (thousand) ¹	152 572	152 572	152 572	152 572	152 572	152 572
EARNINGS PER SHARE (SEK) ¹	0,49	-0,02	0,52	0,19	0,00	-0,33

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

AMOUNTS IN MSEK	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Rolling 12 months	Full year 2020
NET TURNOVER	74	-3	79	29	0	-50
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	35	53	-8	-91	47	-36
Income tax effect on changes in fair value	-7	-11	2	19	-9	8
Translation differences	0	0	0	1	-2	-1
TOTAL OTHER COMPREHENSIVE INCOME	28	42	-6	-71	36	-29
COMPREHENSIVE INCOME FOR THE PERIOD ²	102	39	73	-42	36	-79

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



CONSOLIDATED BALANCE SHEET, SUMMARY

AMOUNTS IN MSEK	30 Jun 2021	30 Jun 2020	31 Dec 2020
Intangible non-current assets	27	32	30
Property, plant and equipment	1 185	1 206	1 203
Financial assets	55	49	52
TOTAL NON-CURRENT ASSETS	1 267	1 287	1 285
Inventories	351	415	355
Current receivables	397	352	287
Cash and cash equivalents	386	323	330
TOTAL CURRENT ASSETS	1 134	1 090	972
TOTAL ASSETS	2 401	2 377	2 257
SHAREHOLDERS' EQUITY	1 374	1 338	1 301
Interest-bearing liabilities	411	411	411
Deferred tax liabilities	104	117	105
Other non-interest-bearing liabilities	57	78	45
TOTAL LONG-TERM LIABILITIES	572	606	561
Interest-bearing liabilities	-	-	-
Non-interest-bearing liabilities	455	433	395
TOTAL CURRENT LIABILITIES	455	433	395
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	2 401	2 377	2 257

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 2020	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, Jan-Jun				-72	1	29	-42
Closing balance 30 Jun 2020	153	730	-69	-26	-7	557	1 338
Net income Jul-Dec						-79	-79
Other comprehensive income, Jul-Dec				43	-1		42
Total comprehensive income for Jul-Dec				43	-1	-79	-37
Closing balance 31 December 2020	153	730	-69	17	-8	478	1 301
Net income Jan-Jun						79	79
Other comprehensive income, Jan-Jun				-6	0		-6
Total comprehensive income for Jan-Jun				-6	0	79	73
Closing balance 30 June 2021	153	730	-69	11	-8	557	1 374

CONSOLIDATED STATEMENT OF CASH FLOWS, SUMMARY

AMOUNTS IN MSEK	Jan-Jun 2021	Jan-Jun 2020	Rolling 12 months	Jan-Dec 2020
EBIT	108	50	16	-42
Adjustment for items not included in the cash flow			0	
Depreciation/amortisation and impairment	59	60	117	118
EBIT adjusted for non-cash flow affecting items	167	110	133	76
Received/paid financial items	-9	-10	-18	-19
Received/paid tax	-33	3	-34	2
Cash flow from operating activities before changes in working capital	125	103	81	59
Change in working capital	-31	-78	73	26
Cash flow from operating activities	94	25	154	85
Investments in fixed assets	-38	-77	-92	-131
Sale of fixed assets	-	2	1	3
Change in current loan receivables	-	-	-	-
Cash flow from investing activities	-38	-75	-91	-128
Repayment of long-term loans	-	-3	0	-3
Dividend paid	-	-	-	-
Cash flow from financing activities	0	-3	0	-3
PERIOD'S NET CASH FLOW	56	-53	63	-46
Cash and cash equivalents at the beginning of the period	330	376	323	376
Net cash flow for the period	56	-53	63	-46
Cash and cash equivalents at the end of the period	386	323	386	330

CHANGES IN INTEREST-BEARING LIABILITIES

AMOUNTS IN MSEK	Jan-Jun 2021	Jan-Jun 2020	Rolling 12 months	Jan-Dec 2020
Interest-bearing liabilities in the balance sheet at the beginning of the period	411	411	411	411
Changes that are included in cash flow from financing activities				
Repayment of long-term loans from banks	-	-2	-1	-3
Total	-	-2	-1	-3
Other changes				
Posting of interest-bearing leasing debt in accordance with IFRS 16	-	2	1	3
Through acquisitions	-	-	-	-
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 2021	Jan-Jun 2020	Jan-Dec 2020
Net turnover	4	4	8
Other operating income	9	7	16
OPERATING INCOME, TOTAL	13	11	24
Results from hedging activities	1	-7	-7
Other expenses	-8	-8	-17
Employee benefit expenses	-16	-14	-24
EBITDA (operating loss before depreciation, amortisation and impairment)	-10	-18	-24
Depreciation/amortisation and impairment	-2	-2	-4
EBIT (operating loss)	-12	-20	-28
Profit from participations in Group companies	0	0	87
Financial income	11	0	0
Financial expenses	-9	-10	-19
TOTAL FINANCIAL ITEMS	2	-10	68
LOSS/ PROFIT AFTER FINANCIAL ITEMS	-10	-30	40
Tax on loss/ profit for the period	0	-1	-11
NET INCOME	-10	-31	29

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

AMOUNTS IN MSEK	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020
NET TURNOVER	-10	-31	29
Other comprehensive income	-	-	-
TOTAL OTHER COMPREHENSIVE INCOME	-	-	-
COMPREHENSIVE INCOME FOR THE PERIOD	-10	-31	29

PARENT COMPANY BALANCE SHEET, SUMMARY

AMOUNTS IN MSEK	30 Jun 2021	30 Jun 2020	31 Dec 2020
Intangible non-current assets	6	9	8
Equipment	0	1	0
Financial assets ¹	657	518	652
TOTAL NON-CURRENT ASSETS	663	528	660
Current receivables ²	404	558	470
Cash and cash equivalents	376	314	317
TOTAL CURRENT ASSETS	780	872	787
TOTAL ASSETS	1 443	1 400	1 447
SHAREHOLDERS' EQUITY	798	748	809
Long-term liabilities – Interest-bearing	398	397	398
Long-term liabilities – Non-interest-bearing	50	44	45
TOTAL LONG-TERM LIABILITIES	448	441	443
Non-interest-bearing current liabilities ³	197	211	195
TOTAL CURRENT LIABILITIES	197	211	195
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1 443	1 400	1 447

¹ Includes claims against subsidiaries of 283 (283) MSEK

² Includes claims against subsidiaries of 390 (469) MSEK.

³ Includes claims against subsidiaries of 189 (158) 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, with the exception of government grants, which are accounted for in accordance with IAS 20.

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

NET TURNOVER

The vast 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 INSTRUMENT

The valuation is based on directly observable price quotations on the balance sheet 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.

Rottneros AB has an unsecured bond loan of 400 MSEK, which was issued in August 2017. The bond bears variable interest of STIBOR 3m + 4,15% and must be repaid in September 2022. Direct costs in connection with the issue amounted to approximately 7 MSEK and are reported as interest expense over the bond period. The loan, which has a principal amount of 600 MSEK, is listed on Nasdaq Stockholm. The loan 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% of the previous year's net profit. These covenants were fulfilled on the balance sheet day. The bond loan will be repaid early in July 2021 as previously described on page 9.

The nature of other financial assets and liabilities is in all essential respects the same as on 31 December 2020. The carrying amounts are deemed to be equal to actual values, which was also the case at the end of 2020, since the effect of discounting is not of material significance. Accounts receivables 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 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Rolling 12 months	Full year 2020
Sales of pulp	553	473	1 054	1 018	1 986	1 950
Results from pulp price hedging	-3	5	1	8	15	22
Sales of by-products and other	12	12	23	27	37	41
Sales of pulp wood	31	20	57	41	96	80
NET TURNOVER TOTAL	593	510	1 135	1 095	2 134	2 093

FAIR VALUE FOR DERIVATIVES ON 30 JUNE 2021

Hedging	Hedged volume	Maturity	Hedging level	Fair value (MSEK)
Pulp, forward sell	15 000 ton	Jul 2021-Jun 2022	9 476 SEK/ton	-7
Electricity, forward buy	1 180 200 MWh	2021-2025	0,311 SEK/kWh	19
Total fair value				12

FAIR VALUE FOR DERIVATIVES ON 31 DECEMBER 2020

Hedging	Hedged volume	Maturity	Hedging level	Fair value (MSEK)
Pulp, forward sell	6 000 ton	Jan 2021-Jun 2021	8 870 SEK/ton	8
Electricity, forward buy	1 200 600 MWh	2021-2025	0,308 SEK/kWh	13
Total fair value				21

GROUP PERFORMANCE IN SUMMARY

	Jan-Jun 2021	Jan-Jun 2020	Rolling 12 months	Full year 2020	2019	2018	2017	2016
Income statement MSEK								
Net turnover	1 135	1 095	2 133	2 093	2 376	2 260	1 912	1 730
EBITDA	167	111	133	77	374	394	247	221
Depreciation/amortisation and impairment	-59	-61	-117	-119	-106	-99	-91	-51
EBIT	108	50	16	-42	268	295	156	170
Financial items (net financial items)	-8	-10	-17	-19	-21	-19	-9	-7
Profit/loss after financial items	100	40	-1	-61	247	276	147	163
Net income	79	29	0	-50	194	221	114	128
Cash flow statement, MSEK								
Cash flow from operating activities	94	25	154	85	462	223	222	187
Investments in non-current assets	-38	-75	-91	-128	-109	-255	-237	-278
Cash flow after investments	56	-50	63	-43	353	-32	-15	-91
Cash used in/provided by financing activities	0	-3	0	-3	-214	-56	325	-62
Net cash flow	56	-53	63	-46	138	-88	310	-153
Balance sheet items, MSEK								
Non-current assets	1 267	1 287	1 265	1 285	1 280	1 290	1 078	905
Inventories	351	415	291	355	375	389	279	278
Current receivables	397	352	332	287	342	484	324	290
Cash and cash equivalents	386	323	393	330	376	238	326	16
Net debt (+) / net cash (-)	25	88	18	81	35	157	68	-2
Equity	1 374	1 338	1 337	1 301	1 380	1 460	1 207	1 151
Long-term interest-bearing liabilities	411	411	411	411	411	395	394	-
Long-term non-interest-bearing liabilities	161	195	116	150	176	137	52	14
Current interest-bearing liabilities	-	-	-	-	-	-	-	14
Current non-interest-bearing liabilities	455	433	417	395	406	409	354	310
Capital employed	1 399	1 426	1 355	1 382	1 415	1 617	1 275	1 149
Total equity and liabilities	2 401	2 377	2 281	2 257	2 373	2 401	2 007	1 489
Key ratios								
EBITDA-margin,%	14,7	10,1	8,3	3,7	15,7	17,4	12,9	12,8
EBIT-margin,%	9,5	4,6	2,9	-2,0	11,3	13,1	8,2	9,8
Return on shareholders' equity (rolling 12 months),%	0,0	2,7	0,0	-3,8	13,7	16,6	9,7	11,6
Return on capital employed (rolling 12 months),%	1,2	4,9	1,2	-3,0	17,7	20,4	12,9	16,7
Equity ratio,%	57	56	58	58	58	61	60	77
Debt / equity ratio,%	2	7	2	6	3	11	6	0
Others								
Average no. of employees	315	313	320	318	303	303	301	282
Pulp production, 1,000 tons	211,7	207,1	417,2	412,6	406,0	393,6	401,2	374,1
Pulp deliveries, 1,000 tons	215,2	203,1	428,6	416,5	408,3	382,5	395,9	374,1
List price of NBSK pulp, USD per ton ¹	1 074	838	1 079	843	984	1 167	882	802
SEK/USD ²	8,40	9,68	7,9	9,21	9,46	8,69	8,54	8,56
List price of NBSK pulp, SEK per ton	9 027	8 107	8 685	7 765	9 304	10 144	7 530	6 867

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

	2021		2020				2019			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Income statement, MSEK										
Net turnover	593	542	490	508	510	585	546	617	582	630
EBITDA	127	40	-65	31	31	80	-5	81	131	167
Depreciation/amortisation and impairment	-30	-29	-30	-28	-29	-32	-25	-27	-28	-26
EBIT	97	11	-95	3	2	48	-30	54	103	141
Financial items (net financial items)	-4	-4	-4	-5	-5	-5	-7	-5	-5	-5
Profit/loss after financial items	93	7	-99	-2	-3	43	-37	49	98	136
Tax on profit/loss for the period	-19	-2	22	0	0	-11	8	-10	-21	-28
Net income	74	5	-77	-2	-3	32	-29	39	77	108
Per share										
Earnings per share SEK	0,48	0,03	-0,51	-0,01	-0,02	0,21	-0,19	0,25	0,51	0,71
Other										
Pulp, production 1,000 tons	109,0	103,0	95,0	110,0	98,0	109,4	100,4	100,3	107,7	97,6
Pulp, deliveries 1,000 tons	103,0	112,0	107,0	107,0	93,0	110,0	103,2	110,8	95,2	99,1
List price of NBSK pulp SEK per ton	10 012	8 044	7 382	7 465	8 226	7 988	7 950	8 753	9 900	10 527

SHARE DATA ¹

		Jan-Jun 2021	Jan-Jun 2020	Rolling 12 months	Full year 2020	2019	2018	2017	2016
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	0,52	0,19	0,00	-0,33	1,27	1,45	0,75	0,84
Cash flow after investments/share ³	SEK	0,37	-0,33	0,40	-0,30	2,30	-0,21	-0,10	-0,60
Equity per share	SEK	9,01	8,77	8,76	8,53	9,05	9,57	7,91	7,54
Dividend ⁴									
Ordinary dividend	SEK	-	-	-	-	-	0,40	0,30	0,30
Extra dividend	SEK	-	-	-	-	-	1,00	0,07	0,10
Total	SEK	-	-	-	-	-	1,40	0,37	0,40
Dividend/equity per share	%	-	-	-	-	-	14,6	4,7	5,3
Share price at end of period	SEK	8,7	8,62	8,33	8,00	11,40	8,24	7,15	8,05
Market price/equity/share	ggr	1,0	1,0	1,0	1,0	1,3	0,9	0,9	1,1
P/E ratio per share	ggr	16,7	46,1	4 817,2	-24,7	9,0	5,7	9,5	9,6

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.

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.

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.

NET DEBT/NET CASH

Interest-bearing liabilities minus cash and cash equivalents.

CAPITAL EMPLOYED

Shareholders' equity plus 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.

LIQUIDITY

Cash, available balances with banks and corresponding institutions and short-term and liquid investments that can easily be converted into a known amount.

AVAILABLE LIQUIDITY

Cash and cash equivalents and available loans from banks and similar institutions.

P/E RATIO

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

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.
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.
COD	Chemical Oxygen Demand, chemical measurement method for oxygen-consuming substances.
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.
GHG Scope 1	Carbon dioxide emissions from fossil fuels during production in-house.
GHG Scope 2	Carbon dioxide emissions from electricity and other energy purchased for the business.
Groundwood pulp (SGP)	Mechanical pulp based on roundwood as a raw material.
High-yield pulp	Groundwood pulp, TMP and CTMP/BCTMP.
Long-fibre pulp	Pulp where the raw material is softwood, which has longer cellulose fibre than hardwood.
LTIFR	Lost Time Injury Frequency Rate indicates the number of accidents with sick leave per million hours worked.
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.
Short-fibre pulp	Pulp where the raw material is hardwood, which has shorter cellulose fibre than softwood.
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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