

INTERIM REPORT  
JAN - MAR 2022

Q1

Pulp prices  
at record levels

**EBIT 145 MSEK**

Dividend to  
shareholders

**High prices gave  
very strong earnings**



ROTTNEROS



# Strong pulp market and rising prices on input goods

## Q1 2022 COMPARED TO (Q1 2021)

**NET TURNOVER** increased by 22 percent to 660 (542) MSEK, driven by higher selling prices.

**THE LIST PRICE** of NBSK pulp in Europe was 35 percent higher in USD and 50 percent higher in SEK compared with the first quarter of 2021. The list price has risen from 958 USD in Q1 2021 to 1 291 USD in Q1 2022.

**VOLUME PRODUCED** amounted to 103,2 (102,5) thousand tonnes, affected by winter problems and limited production due to high electricity prices.

**SOLD VOLUME** amounted to 100,0 (112,0) thousand tonnes. Demand remained strong in Europe, but sales were held back by low opening stocks

**EBIT** (operating profit) for the first quarter of 2022 was 145 (11) MSEK. A strong pulp market was the main reason for the improvement in earnings. Profit was held back by rising variable costs.

**NET PROFIT** for the first quarter of 2022 was 114 (5) MSEK. Earnings per share for the quarter were 0,75 (0,03) SEK.

**THE BALANCE SHEET** has been further strengthened. The equity/assets ratio was 67 (57) percent and available liquidity totalled 416 (513) MSEK. Net debt was 2 MSEK.

THE QUARTER IN FIGURES	Jan-Mar 2022	Jan-Mar 2021	Change	rolling 12 months	2021
Net turnover, SEK m	660	542	118	2 421	2 303
EBITDA, MSEK	174	40	134	519	385
EBIT, MSEK	145	11	134	401	267
Profit/loss after financial items, SEK m	144	7	137	383	246
Net profit, SEK m	114	5	109	307	198
Earnings per share, SEK	0,75	0,03	0,72	2,01	1,3
Cash-flow from current operations, SEK m	-1	13	-14	274	288
Return on capital employed (rolling 12 months), %	23,7	-5,7		23,7	18,5
Production, thousand tonnes	103,2	102,5	0,7	396,0	395,3
Deliveries, thousand tonnes	100,0	112,0	-12,0	391,2	403,2

# Comments by the CEO

Lennart Eberleh

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The pulp market continues to be strong, providing us with ultra-strong quarterly earnings. At the same time, variable costs are rising as a result of the imbalances created by Russia's unprovoked attack on Ukraine. Our structured and long-term efforts to focus on safety, efficiency and productivity improvements continue.



Net turnover grew by 22 percent and EBIT improved by 134 MSEK to 145 MSEK. The rise in pulp prices and the weaker SEK were the main explanations. Production increased by 1 percent, while deliveries decreased by 11 percent. Cash flow from operating activities amounted to -1 MSEK and was negatively affected by increases in working capital.

## THE INVASION OF UKRAINE AND HOW IT AFFECTS ROTTNEROS

We strongly condemn Russia's invasion of Ukraine and are following developments with both concern and dismay. It is a tragedy and humanitarian catastrophe for the people of Ukraine. We contribute by donating to UNHCR and MSF.

Sales to Ukraine are of course negatively affected by the war, while all business contacts in Russia have been suspended. However, the Group has only limited exposure to these two countries. Before the invasion, the two countries together accounted for less than 1 percent of turnover. Our business is primarily affected by indirect effects, such as higher energy prices and shipping rates. Our solid balance sheet is important in a time of increased uncertainty. A strong balance sheet is also an important prerequisite for enabling stable dividends to shareholders.

## RISING INPUT SUPPLIES REQUIRE COST EFFICIENCY

It is clear that we have now entered a period of higher inflation on our input goods and thus higher variable costs. In particular, we have been in a favourable position for our raw material flows for a couple of years, but the external situation is now gradually leading to a tighter pulp wood market.

The electricity market continues to be a problem for the electricity-intensive production of Rottneros Mill, although our electricity hedges fully offset the negative impact on earnings. Because of the periodically very high spot price at which we buy electricity for production, we had to make some minor production shutdowns this quarter as well, corresponding to a production loss of about 900 tonnes.

In view of the changing energy market situation and rising prices for other input goods, the Board has initiated an in-depth strategic analysis to ensure that the Group's structure meets the requirements of sustainable profitability in line with our financial targets. Basically, we must always have an optimal structure to create long-term value with high cost-effectiveness.

## ROBUST PULP MARKET, PRICES REBOUNDED DURING THE QUARTER

The pulp market continues to be strong and the list price of NBSK rose during the quarter. It returned to the historic high of 1 340 USD in March and continued to rise into the beginning of April. Our largest market, Europe, is being driven in part by strong demand for pulp from European mills due to continued limited shipping opportunities from other regions. Demand for our unbleached sulphate pulp (UKP), which is important in terms of volume, also continues to be strong, driven in part by the rapidly growing interest in fossil-free packaging.

## PACKAGING INITIATIVE IN POLAND ON TRACK

In February, the Boards of Rottneros and Arctic Paper decided to jointly invest 15 MEUR in a moulded fibre trough mill at Arctic Paper's mill in Kostrzyn, Poland, as part of our 50/50 joint venture company. The facility will add significant capacity and is an important step in meeting the huge and growing demand in the market. Start-up is planned for the end of 2023. At the same time, we rapidly and successfully increased production at our Sunne plant.

Finally, I would like to thank all my colleagues for their great commitment to constantly developing and improving Rottneros. I would also like to thank our customers, suppliers and owners for their trust and cooperation.

# The pulp market

Global economic growth prospects have generally moderated since last autumn and weakened dramatically since the outbreak of the war in Ukraine. After a strong 2021, with growth of 6,1 percent, the April IMF forecast set global GDP growth at 3,8 percent for 2022, down 0,8 percent since the previous forecast in January.

The spread of the omicron variant led to new restrictions once again, and therefore lower economic activity during the winter. Although several countries have now lifted most restrictions, China continues its zero-tolerance approach to Covid, with recurring local shutdowns. Rising global inflation, supply chain disruptions, financial problems related to the real estate sector in China and a weaker recovery in private consumption are contributing factors to a downgrade of the global growth outlook for 2022.

The price of fossil fuels has doubled in the past year, driving up energy costs and thus inflation, most notably in Europe. Inflation is rising as a result of higher food prices, logistical problems and higher demand for goods. In the US, inflation reached an annual rate of 8,5 percent in March, the highest level since 1981, while in the Eurozone it is expected to be 7.5 percent in March. The war in Ukraine and concerns about shortages of gas and other critical commodities in Europe are pushing up inflation expectations. The full-year inflation forecast is 5,7 percent for developed economies and 8,7 percent for developing economies.

The pulp market has been characterised by high demand and low supply during the winter, although some regional differences can be discerned. Europe, North America and Asia have experienced a strong economy, while capacity utilisation has been lower in the Chinese paper industry. The low supply of pulp due to logistical problems in all modes of transportation, the strike in Finland, the raw material shortage in Canada, delays in the start-up of new pulp mills and production problems in Canada in particular, have resulted in a very tight market balance, with rising pulp prices in all markets.

The list price for NBSK in Europe rose from USD 1 260 to USD 1 340 in the first quarter. The net price of NBSK in China rose from USD 720 in December to USD 985 in the same period. The BCTMP price in Asia has risen sharply from USD 500 to USD 700 during the quarter. The short fibre market is generally even more strained, with strong price increases as a result. The Chinese market is not large for Rottneros, but as the largest buyer of market pulp, it also affects other markets. Regional price differences due to logistical problems have been greater during the coronavirus pandemic than in previous years.

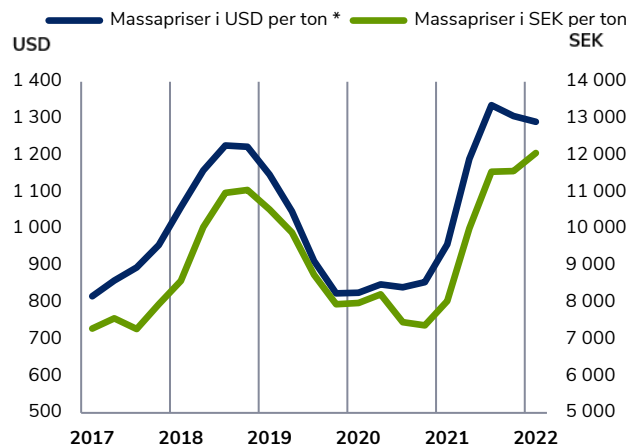
For the first two months of 2022, global demand for market pulp was up 0,6 percent compared with 2021, broken down into short-fibre pulp at +2,1 percent and long-fibre bleached pulp at -1,5 percent. Demand for unbleached pulp was essentially unchanged.

Deliveries of tissue paper were slightly below last year's level in January. Tissue manufacturers are under severe pressure from rising energy costs, while selling prices have not increased sufficiently to maintain margins. Tissue paper is not a large market for Rottneros, but it is the largest area of use for market pulp with more than 40 percent of the market.

Deliveries of printing and writing papers were slightly below last year's level in January. Capacity streamlining measures in the industry in recent years have created a good market balance, providing paper producers with good opportunities for price increases to compensate for cost increases and achieve healthy margins. European and North American producers have benefited in their domestic markets from the absence of Chinese competition because of the high shipping rates.

In February, manufacturers' global stocks of long-fibre pulp were 45 days and short-fibre pulp 40 days, a decrease of 1 day for long-fibre and 2 days for short-fibre pulp compared with November. Despite persistent logistics problems and pulp tied up in the transport chain, the levels are within a range that can be considered to be a market in balance.

## NBSK GROSS PRICES 2017-2022, QUARTERLY



\* Average quarterly gross prices of softwood sulphate pulp deliveries in Europe.

## Sales and results, Q1

Turnover in the first quarter of 2022 amounted to 660 (542) MSEK, an increase of 22 percent. Turnover was positively impacted by higher selling prices and currency effects. The list price of NBSK rose during the quarter from 1 260 to 1 342 USD/tonne. Compared with the first quarter of 2021, NBSK was 35 percent higher denominated in USD and 50 percent higher denominated in SEK. The higher list prices are reflected in invoiced prices with some delay. Invoiced volume fell by 11 percent as deliveries were negatively affected by low opening stocks.

Pulp price hedging gave a negative outcome of -11 (4) MSEK.

The supply of pulp wood continued to be good during the quarter. Announced increases in the price of wood raw materials have only had an impact on shipments in the first quarter.

Electricity prices remain at a very high level, still characterised by strong volatility over the day this quarter. The high electricity prices have led to production restrictions in Rottneros Mill of a total of 900 tonnes.

The system price for the quarter was 0,115 SEK per kWh, compared with only 0,43 SEK per kWh at the same period in 2021. Rottneros' consumption takes place primarily in electricity area SE3, where the price has been 0,104 (0,47) SEK per kWh. Rottneros hedges most of its electricity consumption. Realised gain on electricity price hedges was 52 (12) MSEK. The average price for the Group after the hedging result was 0,22 (0,29) SEK/kWh.

Overall, the variable costs (based on cost per tonne) negatively impacted earnings by 19 MSEK compared with the first quarter of 2021.

Fixed costs for the first quarter were SEK 11 MSEK higher than the first quarter of 2021.

Scheduled depreciation had a negative impact on income of 29 (29) MSEK.

EBIT for the first quarter of 2022 was 145 (11) MSEK. Earnings were positively impacted by higher invoiced prices and a stronger dollar.

Both variable and fixed costs had a negative impact on earnings compared to the first quarter of 2021.

Revaluation of the finished goods inventory affected the result by 0 (-1) MSEK.

First quarter 2022 compared with first quarter 2021	Jan-Mar 2022	Jan-Mar 2021	change %
NBSK, USD	1 291	958	35
SEK/USD	9,35	8,40	11
NBSK, SEK	12 063	8 044	50
Net turnover, MSEK	660	542	22
EBIT, MSEK	145	11	134

### OTHER INCOME STATEMENT ITEMS

Financial items (net) were -1 (-4) MSEK for January-March 2022. This item consists of interest on bank loans of 125 MSEK, compared with 2021, when interest was earned on bond loans of 400 MSEK.

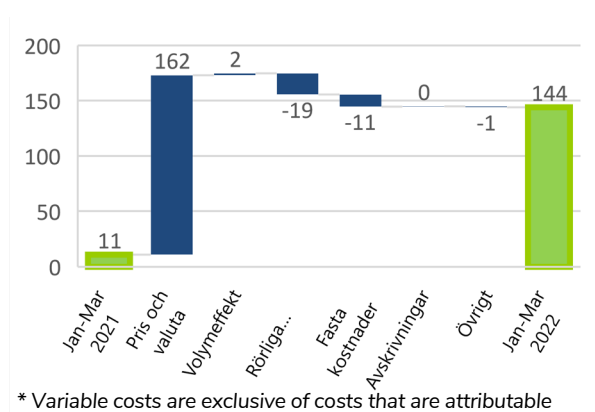
The Group's result after financial items increased to 144 (7) MSEK.

Income tax expense for January-March was 30 (2) MSEK. Net income increased to 114 (-5) MSEK and earnings per share to 0,75 (0,03) SEK.

Return on capital employed, measured over a rolling 12-month period, was 23,7 (-5.7) percent.

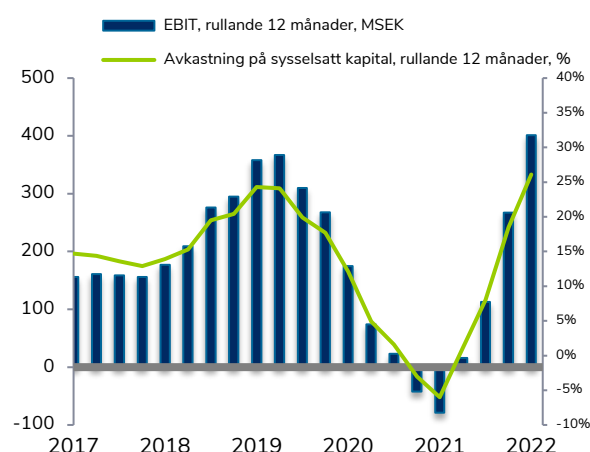
Return on equity, over a rolling 12-month period, was 17,6 (-6.0) percent.

### DIFFERENCE IN EBIT Q1 2022 COMPARED WITH Q1 2021 (MSEK)



\* Variable costs are exclusive of costs that are attributable to increased or decreased production and delivery volumes. Such costs are instead included in the "volume effect" together with volume increase / decrease in net sales.

### EBIT RULLANDE 12 MÅNADER



## Production and deliveries

Production volume for the first quarter of 2022 was 103 200 (102 500) tonnes, an increase of 1 percent compared with the corresponding quarter last year.

CTMP production continued to develop positively, and groundwood pulp production increased slightly despite some shutdowns due to high electricity prices. Sulphate pulp production has had some problems with the cold weather in the first few months and was down on last year's first quarter. The causes have been identified and are being continuously addressed.

Demand remained strong in the first quarter of the year, but deliveries were held back by lower incoming stocks than a year earlier. Deliveries decreased by 11 percent to 100 000 (112 000) tonnes.

PRODUKTION, TON	jan-mar 2022	jan-mar 2021	Rullande 12 månader	jan-dec 2020
Sulfatmassa	56 500	57 500	221 400	222 400
Slipmassa	16 900	16 500	64 400	64 000
CTMP	29 800	28 500	110 200	108 900
<b>SUMMA</b>	<b>103 200</b>	<b>102 500</b>	<b>396 000</b>	<b>395 300</b>

LEVERANSER, TON	jan-mar 2022	jan-mar 2021	Rullande 12 månader	jan-dec 2020
Sulfatmassa	54 500	62 000	215 900	223 400
Slipmassa	16 900	20 700	65 200	69 000
CTMP	28 600	29 300	110 100	110 800
<b>SUMMA</b>	<b>100 000</b>	<b>112 000</b>	<b>391 200</b>	<b>403 200</b>

### MAINTENANCE SHUTDOWNS AND SEASONAL VARIATIONS

In 2022, Vallvik's maintenance shutdown will be charged in its entirety to the fourth quarter. Rottneros Mill will suspend its maintenance during the third quarter, the same as last year.

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.

	Time of maintenance shutdown		Estimated shutdown cost
	2022	2021	2022 (MSEK)
Rottneros Mill	Q3	Q3	15
Vallvik Mill	Q4	Q3/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.

## Investments

The Group's investments in fixed assets during January-March 2022 amounted to 18 (12) MSEK, and primarily relate to reinvestments to maintain the technical standards achieved through the major investments of recent years.

Total investments in 2022 are expected to reach 105 MSEK. These investments include stability, availability and reliability at both mills and last year's investment in the environment will continue this year. Other areas of investment in focus at both mills include safety and the external environment. At Rottneros Packaging, investments will be made in production to improve the flow, but also to further increase the quality of the moulded fibre trays.

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

## Rottneros Packaging

Rottneros Packaging focuses on high quality food packaging with properties that meet extremely high demands. Such properties mainly concern purity, barrier properties to achieve long durability, surface quality and traceability. The moulded packaging trays that Rottneros produces have a renewable raw material rate of 80–95 percent.

In February 2022, the Boards of Rottneros and Arctic Paper decided to jointly invest 15 MEUR in a moulded fibre trough mill at Arctic Paper's Kostrzyn mill in Poland, as part of the previously announced 50/50 joint venture. Commissioning of the new factory is expected to occur at the end of 2023. Production capacity is estimated at 60–80 million packages annually, which can be compared with Rottneros Packaging's plant in Sunne, where the capacity is currently 15-20 million packages.

## Financial position

In July 2021, Rottneros AB entered into a new loan agreement including a loan of 150 MSEK with amortisation, as well as revolving credit facilities of up to 100 MSEK. The loan agreement matures in two years with an option for extension. The new loan agreement has reduced financial costs by approximately 14 MSEK per year.

The Group's cash and cash equivalents at the end of the first quarter amounted to 134 MSEK, compared with 161 MSEK at the end of 2021. Interest-bearing liabilities were 136 MSEK at the end of the quarter. Interest-bearing net debt was 2 MSEK, compared with net cash of 16 MSEK at the end of 2021. Total granted and unutilized credits amounted to 282 MSEK at the end of the first quarter of 2022.

The equity/assets ratio amounted to 67 (57) percent as of 31 March 2022. Equity per share totalled 11.21 (8.34) SEK at the end of the quarter.

## Cash flow

Cash flow from operating activities January-March 2022 was -1 (13) MSEK. Cash flow after investments fixed assets was 18 (-12) MSEK.

Net cash flow for the period was SEK -27 (1) MSEK, due to an increase in working capital, mainly in an increase in trade receivables not yet due, while a decrease in trade payables had a negative impact.

## Parent Company

Loss after financial items for January-March 2022 in the Parent Company amounted to -19 (-1) MSEK. This is largely due to the outcome of pulp price hedges.

## Changes in management

In June, Arvid Svanborg, Head of Purchasing, will end his employment. He will be replaced by Pär Skinnargård, who is already a member of the Group management.

## Average number of employees

The average number of employees was 320 (323).

## 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 GOALS AND TARGET ACHIEVEMENT MARCH 2022

FINANCIAL TARGETS		Objective	Outcome March
Distribution of net income		30-50%	Annual follow-up
Average growth, produced tonne pulp		3% / year	+1% Jan-Mar
Share of revenue, non-pulp		Min 10% 2023	7% Jan-Mar
Equity/assets ratio		Over 50%	67%

SOCIAL TARGETS		Objective	Outcome March
Safety, accidents with sick leave		Annual improvement of LTIFR	9 (-6 compared with outcome 2021)*
Proportion female employees		Min 30% 2025	17%

ENVIRONMENTAL TARGETS		Objective	Outcome March
Fossil-free production according to GHG Scope 1 & 2		by 2030	Annual follow-up
COD emissions/ tonne pulp		Annual improvement	Annual follow-up

\*Based on rolling 12 months

## 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, timber and electricity.

### IMPACT OF THE WAR IN UKRAINE

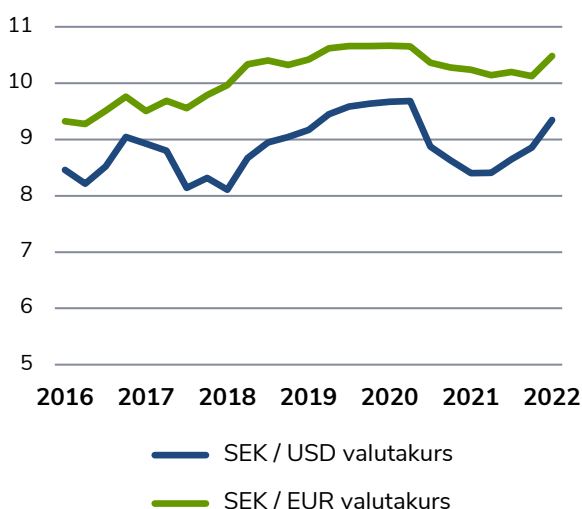
The impact of the war in Ukraine on the Group is indirect and is most evident in rising prices for input goods. The Group’s production has not been affected by the war.

### 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 with about 50 percent of the inflow and of EUR about 33 percent. 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 - March 2022 was 11 percent higher compared with the same period in 2021.

#### EXCHANGE RATE TREND 2017-2022



### PULP PRICE

The price of pulp (NBSK) is set in USD, while production costs are largely incurred in SEK. As of 31 March 2022, the Group held pulp price hedges of 7 500 tonnes with a maturity between April 2022 and December 2022 at an average price of 9 778 SEK per tonne. The fair value of these unrealised price hedges was -18 MSEK as of 31 March 2022.

### ELECTRICITY

All external electricity for the mills, about 300 GWh annually, is purchased directly via the Nord Pool electricity exchange. At the end of the first quarter of 2022, 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 246 MSEK as of 31 March 2022.

#### Electricity hedges as of 31 March 2022

Year	Proportion hedged	SEK/kWh
2022	91%	0,329
2023	100%	0,313
2024	86%	0,326
2025	57%	0,323

57 percent of the hedged volume is against the system price and 43 percent against the SE3 electricity area.

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 in relation to area SE3. The average price level for electricity at Nord Pool (area SE3) during the period January-March 2022 was 1,04 (0,47) SEK per kWh.

See pages 63-69 of the Annual Report for 2021 for further information on risks.



## Share information

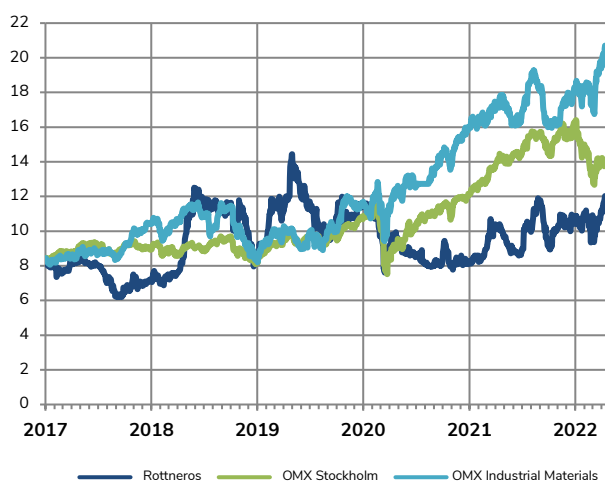
### NUMBER OF SHARES AND TREASURY SHARES

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 occurred in 2022.

### SHARE PRICE DEVELOPMENT JANUARY-MARCH 2022

At the end of the first quarter of 2022, the share price was 11,18 SEK (10,42 at the end of 2021). The average rate during the period was 10,49 SEK.

#### SHARE PRICE AND STOCKHOLM STOCK EXCHANGE PRICE TREND 2017-2022



### TRANSACTIONS WITH RELATED PARTIES

During January-March 2022, Rottneros sold pulp to the related party Arctic Paper S.A. Group amounting to 0 (18) MSEK. Outstanding operating receivables for Arctic Paper as of 31 March 2022 totalled 0 (8) MSEK. The transactions took place on market terms.

### LARGEST SHAREHOLDERS ON 31 MARCH 2022

Shareholders	Number of shares (= votes)	Percent of capital
Arctic Paper S.A.	78 230 883	51,0
PROAD AB	11 565 500	7,5
UBS Switzerland AG, W8IMY	6 353 434	4,1
Caceis Bank, Switzerland Branch, W8IMY	3 200 000	2,1
Försäkringsaktiebolaget Avanza Pension	3 135 412	2,0
CBNY-DFA-INT SML CAP V	1 476 125	1,0
KBC BANK NV, W-8IMY	1 171 170	0,8
Caceis Bank Spain SAU, W8IMY	1 155 113	0,8
STATE STREET BANK AND TRUST CO, W9	986 636	0,6
Handelsbanken Fonder	958 003	0,6
<b>Total 10 largest shareholders by holdings</b>	<b>108 232 276</b>	<b>70,6</b>
Other shareholders	44 339 649	28,9
Rottneros AB (treasury stock from buy-back)	821 965	0,5
<b>TOTAL</b>	<b>153 393 890</b>	<b>100,0</b>

## 2022 Annual General Meeting

The Annual General Meeting of Rottneros AB (publ) will be held on Thursday 28 April 2022 in Söderhamn.

## Key events after the close of the financial year

There are no significant events to report.

## Forthcoming financial information

22 July 2022      Interim Report January–July  
27 October 2022      Interim Report January–September

For more information, please visit Rottneros' website, [rottneros.com](http://rottneros.com)

The Board of Directors and the CEO certify that the interim report gives a true and fair summary of the Group's and parent company's operations, financial position and results and describes significant risks and uncertainties faced by the company and the companies included in the Group.

Vallvik, 28 April 2022

**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**  
CEO and President

This information is information that Rottneros AB is obliged to publish under the EU Market Abuse Regulation and the Securities Market Act. This information was submitted for publication, through the agency of the contact person set out below, on 28 April 2022 at 8:00 a.m. This report has been prepared 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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<b>SUMMARY CONSOLIDATED INCOME STATEMENT</b>				
AMOUNTS IN MSEK	Jan-Mar 2022	Jan-Mar 2021	Rolling 12 months	Full year 2021
Net turnover	660	542	2 421	2 303
Changes in finished goods	19	-41	31	-29
Other operating income	5	14	20	29
<b>TOTAL OPERATING INCOME</b>	<b>684</b>	<b>515</b>	<b>2 472</b>	<b>2 303</b>
Raw materials and consumables	-317	-298	-1 144	-1 125
Other external costs	-123	-108	-524	-509
Employee benefit expenses	-70	-69	-285	-284
Other operating expenses	0	0	0	0
<b>EBITDA (Operating profit/loss before depreciation/amortisation and impairment)</b>	<b>174</b>	<b>40</b>	<b>519</b>	<b>385</b>
Depreciation/amortisation and impairment losses	-29	-29	-118	-118
<b>EBIT (operating profit/loss)</b>	<b>145</b>	<b>11</b>	<b>401</b>	<b>267</b>
Financial income	0	0	1	1
Financial expenses	-1	-4	-19	-22
<b>TOTAL FINANCIAL ITEMS</b>	<b>-1</b>	<b>-4</b>	<b>-18</b>	<b>-21</b>
<b>PROFIT/LOSS AFTER FINANCIAL ITEMS</b>	<b>144</b>	<b>7</b>	<b>383</b>	<b>246</b>
Tax on profit for the period	-30	-2	-76	-48
<b>NET INCOME</b>	<b>114</b>	<b>5</b>	<b>307</b>	<b>198</b>
Average number of shares outstanding (thousands) <sup>1</sup>	152 572	152 572	152 572	152 572
<b>EARNINGS PER SHARE (SEK)<sup>1</sup></b>	<b>0,75</b>	<b>0,03</b>	<b>2,01</b>	<b>1,30</b>

<sup>1</sup> There are no share-based programmes that could cause dilution.

AMOUNTS IN MSEK	Jan-Mar 2022	Jan-Mar 2021	Rolling 12 months	Full year 2021
<b>NET INCOME</b>	<b>114</b>	<b>5</b>	<b>307</b>	<b>198</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items that have been or may be transferred to profit or loss for the period</b>				
Changes in value of cash flow hedges	87	-43	251	121
Income tax attributable to changes in value	-18	9	-52	-25
Translation differences	0	0	0	0
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>69</b>	<b>-34</b>	<b>199</b>	<b>96</b>
<b>COMPREHENSIVE INCOME FOR THE PERIOD <sup>2</sup></b>	<b>183</b>	<b>-29</b>	<b>506</b>	<b>294</b>

<sup>2</sup> The entire comprehensive income is attributable to the parent company's shareholders.

<b>CONSOLIDATED BALANCE SHEET, SUMMARY</b>			
AMOUNTS IN MSEK	31 March 2022	31 March 2021	31 Dec 2021
Intangible assets	24	29	25
Property, plant and equipment	1 203	1 187	1 213
Financial assets	183	50	101
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1 410</b>	<b>1 266</b>	<b>1 339</b>
Inventories	364	309	327
Current receivables	647	335	555
Cash and cash equivalents	134	331	161
<b>TOTAL CURRENT ASSETS</b>	<b>1 145</b>	<b>975</b>	<b>1 043</b>
<b>TOTAL ASSETS</b>	<b>2 555</b>	<b>2 241</b>	<b>2 382</b>
<b>EQUITY</b>	<b>1 710</b>	<b>1 272</b>	<b>1 527</b>
Interest-bearing liabilities	136	411	145
Deferred tax liability	170	97	153
Other non-interest-bearing liabilities	54	73	54
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>360</b>	<b>581</b>	<b>352</b>
Interest-bearing liabilities	-	-	-
Non-interest-bearing liabilities	485	388	503
<b>TOTAL CURRENT LIABILITIES</b>	<b>485</b>	<b>388</b>	<b>503</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>2 555</b>	<b>2 241</b>	<b>2 382</b>

<b>CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY, SUMMARY</b>							
AMOUNTS IN MSEK	Share capital	Other injected capital	Repurchased treasury shares	Other reserves		Retained earnings incl. net income for the year	Total shareholders equity
				Hedging reserve	Translation difference		
<b>Opening balance, 1 January 2021</b>	<b>153</b>	<b>730</b>	<b>-69</b>	<b>17</b>	<b>-8</b>	<b>478</b>	<b>1 301</b>
Net income Jan-Mar						5	5
Other comprehensive income, Jan-Mar				-34	-		-34
Total comprehensive income, Jan-Mar				-34	-	5	-29
<b>Closing balance, 31 March 2021</b>	<b>153</b>	<b>730</b>	<b>-69</b>	<b>-17</b>	<b>-8</b>	<b>483</b>	<b>1 272</b>
Net income Apr-Dec						193	193
Other comprehensive income, Apr-Dec				130	-		130
Total comprehensive income, Apr-Dec				130	-	193	323
Dividends to shareholders, Apr-Dec						-68	-68
<b>Closing balance, 31 December 2021</b>	<b>153</b>	<b>730</b>	<b>-69</b>	<b>113</b>	<b>-8</b>	<b>608</b>	<b>1 527</b>
Net income Jan-Mar						114	114
Other comprehensive income, Jan-Mar				69	0		69
Total comprehensive income, Jan-Mar				69	0	114	183
Dividends to shareholders, Jan-Mar						-	-
<b>Closing balance, 31 March 2022</b>	<b>153</b>	<b>730</b>	<b>-69</b>	<b>182</b>	<b>-8</b>	<b>722</b>	<b>1 710</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

AMOUNTS IN MSEK	Jan-Mar 2022	Jan-Mar 2021	Rolling 12 months	Jan-Dec 2021
<b>EBIT</b>	145	11	401	267
Adjustment for items not included in cash flow	-		1	1
Depreciation/amortisation and impairment losses	29	29	117	117
<b>EBIT adjusted for items not affecting cash flow</b>	<b>174</b>	<b>40</b>	<b>519</b>	<b>385</b>
Financial items received/paid	-1	-4	-18	-21
Received/paid tax	-15	-25	-32	-42
<b>Cash flow from operating activities before changes in working capital</b>	<b>158</b>	<b>11</b>	<b>469</b>	<b>322</b>
Change in working capital	-159	2	-195	-34
<b>Cash flow from operating activities</b>	<b>-1</b>	<b>13</b>	<b>274</b>	<b>288</b>
Investments in non-current assets	-18	-12	-131	-125
Sale of non-current assets	-	0	2	2
Change in current loan receivables	-	-	-	-
<b>Cash flow from investing activities</b>	<b>-18</b>	<b>-12</b>	<b>-129</b>	<b>-123</b>
Borrowings, non-current bank loans	-	-	150	150
Amortisation, non-current bank loans	-8	-	-424	-416
Dividend paid	-	-	-68	-68
<b>Cash flow from financing activities</b>	<b>-8</b>	<b>0</b>	<b>-342</b>	<b>-334</b>
<b>NET CASH FLOW FOR THE PERIOD</b>	<b>-27</b>	<b>1</b>	<b>-197</b>	<b>-169</b>
Cash and cash equivalents at the beginning of the period	161	330	331	330
Net cash flow for the period	-27	1	-197	-169
Cash and cash equivalents at the end of the period	134	331	134	161

## CHANGES IN INTEREST-BEARING LIABILITIES

AMOUNTS IN MSEK	Jan-Mar 2022	Jan-Mar 2021	Rolling 12 months	Jan-Dec 2021
<b>Interest-bearing liabilities on the balance sheet at the beginning of the period</b>	145	411	411	411
<b>Changes included in cash flow from financing activities</b>				
Long-term loans taken out from banks	-	-	150	150
Amortisation of long-term loans taken out from banks	-9	-	-425	-416
<b>Total</b>	<b>-9</b>	<b>-</b>	<b>-275</b>	<b>-266</b>
<b>Other changes</b>				
Via acquisition	-	-	-	-
<b>Interest-bearing liabilities on the balance sheet at the end of the period</b>	<b>136</b>	<b>411</b>	<b>136</b>	<b>145</b>

PARENT COMPANY INCOME STATEMENT			
AMOUNTS IN MSEK	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
NET TURNOVER	2	2	8
Other operating income	4	4	19
<b>TOTAL OPERATING INCOME</b>	<b>6</b>	<b>6</b>	<b>27</b>
Result from hedging activities	-11	4	-17
Other external costs	-8	-4	-19
Employee benefit expenses	-9	-7	-31
<b>EBITDA (OPERATING PROFIT/LOSS BEFORE EPRECIATION/AMORTISATION AND IMPAIRMENT LOSSES)</b>	<b>-22</b>	<b>-1</b>	<b>-40</b>
Depreciation/amortisation and impairment losses	-1	-1	-4
<b>EBIT (operating profit/loss)</b>	<b>-23</b>	<b>-2</b>	<b>-44</b>
Profit from participations in Group companies	0	0	162
Financial income	5	5	21
Financial expenses	-1	-4	-21
<b>TOTAL FINANCIAL ITEMS</b>	<b>4</b>	<b>1</b>	<b>162</b>
<b>PROFIT/LOSS AFTER FINANCIAL ITEMS</b>	<b>-19</b>	<b>-1</b>	<b>118</b>
Tax on profit for the period	0	0	-25
<b>NET INCOME</b>	<b>-19</b>	<b>-1</b>	<b>93</b>

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME			
AMOUNTS IN MSEK	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
<b>NET INCOME</b>	<b>-19</b>	<b>-1</b>	<b>93</b>
Other comprehensive income	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>-19</b>	<b>-1</b>	<b>93</b>

PARENT COMPANY BALANCE SHEET, SUMMARY			
AMOUNTS IN MSEK	31 Dec 2022	31 Dec 2021	31 Dec 2021
Intangible assets	3	7	4
Property, plant and equipment	0	0	0
Financial assets <sup>1</sup>	820	652	844
<b>TOTAL NON-CURRENT ASSETS</b>	<b>823</b>	<b>659</b>	<b>848</b>
Current receivables <sup>2</sup>	269	461	278
Cash and cash equivalents	122	320	143
<b>TOTAL CURRENT ASSETS</b>	<b>391</b>	<b>781</b>	<b>421</b>
<b>TOTAL ASSETS</b>	<b>1 214</b>	<b>1 440</b>	<b>1 269</b>
<b>EQUITY</b>	<b>814</b>	<b>808</b>	<b>833</b>
Interest-bearing long-term liabilities	125	398	133
Non-interest-bearing long-term liabilities	54	45	54
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>179</b>	<b>443</b>	<b>187</b>
Non-interest bearing current liabilities <sup>3</sup>	221	189	249
<b>TOTAL CURRENT LIABILITIES</b>	<b>221</b>	<b>189</b>	<b>249</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>1 214</b>	<b>1 440</b>	<b>1 269</b>

<sup>1</sup> Including receivables of 441 MSEK (466) from subsidiaries.

<sup>2</sup> Including receivables of 240 MSEK (236) from subsidiaries.

<sup>3</sup> Including liabilities of 207 (224) MSEK to subsidiaries.

# 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.

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. 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 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.

In July 2021, Rottneros AB entered into a loan agreement including a loan of 150 MSEK and revolving credit facilities of up to 100 MSEK. The loan agreement matures in two years with an option for extension. At the same time, the company repaid an unsecured bond loan of 400 MSEK, which was issued in August 2017. The loan had a maturity of 5 years and was repaid early.

The nature of other financial assets and liabilities is in all essential respects the same as on 31 December 2021. The carrying amounts are deemed to be equal to actual values, which was also the case at the end of 2021, 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.

## NET TURNOVER BROKEN DOWN BY GEOGRAPHIC MARKETS:

Amounts in MSEK	Jan-Mar 2022	Jan-Mar 2021	Rolling 12 months	Full year 2021
Sweden	140	91	516	467
Other Nordic countries	51	53	232	234
Germany	106	76	381	351
Italy	94	75	336	317
Rest of Europe	73	54	238	219
North America	59	57	221	219
Asia	137	135	497	495
Rest of world	0	1	0	1
<b>TOTAL NET TURNOVER</b>	<b>660</b>	<b>542</b>	<b>2 421</b>	<b>2 303</b>

## ROTTNEROS' NET TURNOVER CONSISTS OF THE FOLLOWING ITEMS:

Amounts in MSEK	Jan-Mar 2022	Jan-Mar 2021	Rolling 12 months	Full year 2021
Sales of pulp	615	501	2 269	2 155
Results from pulp price hedging	-11	4	-32	-17
Sales of by-products and other	18	11	54	47
Sales of wood	38	26	130	118
<b>TOTAL NET TURNOVER</b>	<b>660</b>	<b>542</b>	<b>2 421</b>	<b>2 303</b>

## BREAKDOWN OF PULP TURNOVER BY AREA OF USE

Amounts in MSEK	Jan-Mar 2022	Jan-Mar 2021	Rolling 12 months	Full year 2021
Board and packaging	199	117	633	551
Printing and writing papers	69	97	340	368
Filters	129	113	479	463
Electrotechnical applications	82	69	328	315
Tissue paper	24	35	111	122
Specialty paper	92	66	332	306
Other	20	4	46	30
<b>TOTAL NET TURNOVER</b>	<b>615</b>	<b>501</b>	<b>2 269</b>	<b>2 155</b>

## FAIR VALUE FÖR DERIVATIVES (MSEK), 31 MARCH 2022

Hedging	Hedged volume	Maturity	Hedging level	Fair value (MSEK)
Pulp price, forwardsell	7,500 tonnes	Apr 2022 -Dec 2022	9 778 SEK/tonne	-18
Electricity price, forward buy	956 520 MWh	2022-2025	0,322 SEK kWh	246
<b>Total fair value</b>				<b>228</b>

## FAIR VALUE FOR DERIVATIVES, 31 DECEMBER 2021

Hedging	Hedged volume	Maturity	Hedging level	Fair value (MSEK)
Pulp price, forwardsell	12,000 tonnes	Jan 2022 -Dec 2022	9 721 /tonne	-8
Electricity price, forward buy	1 025 640 MWh	2022-2025	0,320 SEK/kWh	149
<b>Total fair value</b>				<b>141</b>



## GROUP PERFORMANCE IN SUMMARY

	Jan-Mar 2022	Jan-Mar 2021	Rolling 12 months	2021	2020	2019	2018	2017
<b>Income statement, MSEK</b>								
Net turnover	660	542	2 421	2 303	2 093	2,376	2,260	1,912
EBITDA	174	40	519	385	77	374	394	247
Depreciation/amortisation and impairment losses	-29	-29	-118	-118	-119	-106	-99	-91
EBIT	145	11	401	267	-42	268	295	156
Financial items (net financial items)	-1	-4	-18	-21	-19	-21	-19	-9
Profit/loss after financial items	144	7	383	246	-61	247	276	147
Net income	114	5	307	198	-50	194	221	114
<b>Statement of cash flows, MSEK</b>								
Cash flow from operating activities	-1	13	274	288	85	462	223	222
Investments in non-current assets	-18	-12	-129	-123	-128	-109	-255	-237
Cash flow after investments in non-current assets	-19	1	145	165	-43	353	-32	-15
Cash flow from financing activities	-8	0	-342	-334	-3	-214	-56	325
Net cash flow	-27	1	-197	-169	-46	138	-88	310
<b>Balance sheet items, MSEK</b>								
Non-current assets	1 410	1 266	1 410	1 339	1 285	1,280	1,290	1 078
Inventories	364	309	364	327	355	375	389	279
Current receivables	647	335	647	555	287	342	484	324
Cash and cash equivalents	134	331	134	161	330	376	238	326
Net debt (+) / net cash (-)	2	80	2	-16	81	35	157	68
Shareholders' equity	1 710	1 272	1 710	1 527	1 301	1,380	1,460	1,207
Long-term interest-bearing liabilities	136	411	136	145	411	411	395	394
Long-term non-interest-bearing liabilities	224	170	224	207	150	176	137	52
Current interest-bearing liabilities	-	-	-	-	-	-	-	-
Current non-interest-bearing liabilities	485	388	485	503	395	406	409	354
Capital employed	1 712	1 352	1 712	1 511	1 382	1,415	1 617	1 275
Total shareholders' equity and liabilities	2 555	2 241	2 555	2 382	2,257	2,373	2,401	2 007
<b>Key ratios</b>								
EBITDA margin, %	26,4	7,4	35,7	16,7	3,7	15,7	17,4	12,9
EBIT margin, %	22,0	2,0	31,6	11,6	-2,0	11,3	13,1	8,2
Return on equity (rolling 12 months), %	17,6	-6,0	17,6	14,2	-3,8	13,7	16,6	9,7
Return on capital employed, (rolling 12 months), %	23,7	-5,7	23,7	18,5	-3,0	17,7	20,4	12,9
Equity/assets ratio, %	67	57	67	64	58	58	61	60
Debt/equity ratio, %	0	6	-7	-1	6	3	11	6
<b>Other</b>								
Average no. of employees	320	323	309	316	316	303	303	301
Pulp production, 1,000 tonnes	103,2	102,5	396,0	395,3	412,6	406,0	393,6	401,2
Pulp deliveries, 1 000 tonnes	100,0	112,0	391,2	403,2	416,5	408,3	382,5	395,9
List price of NBSK pulp, USD per tonne <sup>1</sup>	1 291	958	1 531	1,198	843	984	1,167	882
SEK/USD <sup>2</sup>	9,35	8,40	9,5	8,58	9,21	9,46	8,69	8,54
List price of NBSK pulp, SEK per tonne	12 063	8 044	14 299	10 280	7 765	9,304	10,144	7 530

<sup>1</sup> Source: Market quotation gross price once a week. Average for each period.

<sup>2</sup> Source: Riksbanken's daily listings. Average for each period.

## QUARTERLY DATA GROUP

	2022		2021				2020			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
<b>Income statement, MSEK</b>										
Net turnover	660	598	570	593	542	490	508	510	585	
EBITDA	174	88	130	127	40	-65	31	31	80	
Depreciation/amortisation and impairment losses	-29	-30	-29	-30	-29	-30	-28	-29	-32	
EBIT	145	58	101	97	11	-95	3	2	48	
Financial items (net financial items)	-1	-1	-11	-4	-4	-4	-5	-5	-5	
Profit/loss after financial items	144	57	90	93	7	-99	-2	-3	43	
Tax on profit for the period	-30	-8	-19	-19	-2	22	0	0	-11	
Net income	114	49	71	74	5	-77	-2	-3	32	
<b>Per share</b>										
Earnings per share, SEK	0,75	0,32	0,47	0,48	0,03	0,51	-0,01	0,02	0,21	
<b>Other</b>										
Pulp production, 1.000 tonnes	103	91	92	109	103	95	110	98	109,4	
Pulp deliveries, 1 000 tonnes	100,0	96	93	103	112	107	107	93	110,0	
List price of NBSK pulp, SEK per tonne	12 063	11 573	11 557	10 012	8 044	7 382	7 465	8 226	7 988	

## SHARE DATA <sup>1</sup>

		Jan-Mar 2022	Jan-Mar 2021	Rolling 12 months	2021	2020	2019	2018	2017	
Shares outstanding at the beginning of the period <sup>2</sup>	Number	152 572	152 572	152 572	152 572	152 572	152 572	152 572	152 572	
Shares outstanding at the end of the period <sup>2</sup>	Number	152 572	152 572	152 572	152 572	152 572	152 572	152 572	152 572	
Average number of shares outstanding <sup>2</sup>	Number	152 572	152 572	152 572	152 572	152 572	152 572	152 572	152 572	
Buy-back of treasury shares <sup>2</sup>	Number	822	822	822	822	822	822	822	822	
Earnings per share	SEK	0,75	0,03	0,39	1,28	-0,33	1,27	1,45	0,75	
Cash flow after investments/share <sup>3</sup>	SEK	-0,12	0,01	-0,43	1,07	-0,30	2,30	-0,21	-0,10	
Equity per share	SEK	11,21	8,34	11,39	9,99	8,53	9,05	9,57	7,91	
<b>Dividend</b>										
Ordinary dividend	SEK	-	-	-	0,40	-	-	0,40	0,30	
Extra dividend	SEK	-	-	0,45	0,20	0,45	-	1,00	0,07	
Total	SEK	-	-	0,45	0,60 <sup>4</sup>	0,45	-	1,40	0,37	
Dividend/equity per share	%	-	-	3,9	6,0	5,3	-	14,6	4,7	
Share price at end of period	SEK	11,18	10,28	9,05	10,42	8	11,40	8,24	7,15	
Market price/equity/share	times	1,0	1,2	0,8	1,0	1,0	1,3	0,9	0,9	
P/E ratio per share	times	14,9	301,2	23,2	8,1	-24,7	9,0	5,7	9,5	

<sup>1</sup> None of the key performance indicators are affected by any dilution effect.

<sup>2</sup> The number of shares is in thousands, excluding Rottneros' treasury shares.

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

<sup>4</sup> Dividends paid relating to financial years 2020 and 2019

## Alternative key performance indicators

Alternative performance measures (APM) are financial measures that are not defined in IFRS and are presented outside the financial statements. Rottneros uses the alternative ratios 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, Earnings per share and Operating profit/loss per share, which the Company believes are relevant for investors and other readers. Alternative key measures can be defined in different ways by other companies and therefore may not be comparable with similar measures used by other companies.

## Definitions for IFRS and alternative performance indicators

### **EBITDA**

Earnings before interest, taxes, depreciation, and amortization (Operating profit before depreciation/ amortisation and impairment losses).

### **EBIT**

Earnings before interest and taxes (operating profit/loss).

### **EBIT MARGIN**

EBIT as a percentage of net turnover.

### **PROFIT MARGIN**

Profit/loss after financial items in percent of net turnover.

### **SHAREHOLDERS' EQUITY PER SHARE**

Shareholders' equity divided by number of shares.

### **CASH FLOW AFTER INVESTMENTS**

Cash-flow from current operations, less investments in non-current assets.

### **NET DEBT/NET CASH**

Interest-bearing liabilities less cash and cash equivalents.

### **CAPITAL EMPLOYED**

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

### **RETURN ON CAPITAL EMPLOYED (ROLLING 12 MONTHS)**

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

### **RETURN ON EQUITY (ROLLING 12 MONTHS)**

The net result for the last 12 months, as a percentage of average equity (average of equity at the beginning and end of the period).

### **EQUITY/ASSETS RATIO**

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

### **LIQUIDITY**

Cash, deposits held at banks and similar institutions, as well as current and liquid investments readily convertible into a known amount.

### **AVAILABLE LIQUIDITY**

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

### **DEBT/EQUITY RATIO**

Net debt/cash as a percentage of equity.

### **P/E RATIO**

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

### **OPERATING PROFIT/LOSS PER SHARE**

Earnings before interest and taxes divided by average number of shares outstanding.

## GLOSSARY

<b>Market pulp</b>	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.
<b>BCTMP</b>	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).
<b>BEK</b>	Bleached Eucalyptus Kraft pulp.
<b>Chemical pulp</b>	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.
<b>COD</b>	Chemical Oxygen Demand, chemical measurement method for oxygen-consuming substances.
<b>CTMP</b>	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.
<b>ECF</b>	Elemental Chlorine Free. Sulphate pulp bleached using chlorine dioxide, not chlorine.
<b>GHG Scope 1</b>	Carbon dioxide emissions from fossil fuels during production in-house.
<b>GHG Scope 2</b>	Carbon dioxide emissions from electricity and other energy purchased for the business.
<b>Groundwood pulp (SGP)</b>	Mechanical pulp based on roundwood as a raw material.
<b>High-yield pulp</b>	Groundwood pulp, TMP and CTMP/BCTMP.
<b>Long-fibre pulp</b>	Pulp where the raw material is softwood, which has longer cellulose fibre than hardwood.
<b>LTIFR</b>	Lost Time Injury Frequency Rate indicates the number of accidents with sick leave per million hours worked.
<b>Mechanical pulp</b>	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.
<b>NBSK</b>	Northern Bleached Softwood Kraft: bleached long-fibre sulphate pulp. The leading indicator of world market prices.
<b>Short-fibre pulp</b>	Pulp where the raw material is hardwood, which has shorter cellulose fibre than softwood.
<b>TMP</b>	Thermo-Mechanical Pulp: mechanical pulp produced using a technique in which the chips are preheated with steam, but without chemicals.
<b>UKP</b>	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.



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