

INTERIM REPORT
JAN– SEP 2022

Q3

Closing of the
groundwood pulp line

Solid balance sheet

Turnover 806 MSEK,
EBIT 185 MSEK in Q3

Record turnover and strong earnings

Record turnover and strong earnings

Q3 2022 COMPARED WITH (Q3 2021)

NET TURNOVER increased by 41 percent to 806 (570) MSEK, which is a new quarterly record.

THE LIST PRICE of NBSK pulp in Europe was 11 percent higher in USD and 35 percent higher in SEK compared with the third quarter of 2021. At the end of the quarter, the list price was 1 497 USD.

PRODUCED VOLUME amounted to 96,2 (92,2) thousand tons. Production at Rottneros Mill was affected by the annual maintenance shutdown, as well as by the high electricity prices.

SOLD VOLUME amounted to 95,9 (92,5) thousand tons. Demand for Rottneros' products remained strong during the quarter.

THE GROUNDWOOD LINE at Rottneros Mill will be discontinued at the end of 2022. A closure cost of 62 MSEK has had a negative impact on operating profit for the third quarter of 2022.

ELECTRICITY PRICE HEDGES - The closure of the groundwood pulp line at Rottneros Mill means that the hedged volume exceeds the calculated consumption. The value of the position that exceeds calculated consumption amounts to 156 MSEK and is recognised under financial items in accordance with IFRS 9.

EBIT (operating profit/loss) for the third quarter of 2022 was 185 (101) MSEK. A strong pulp market and a favourable exchange rate were the main reasons for the improvement in earnings. The closure costs of the groundwood line had a negative impact on earnings. EBIT excluding closure costs was 247 MSEK.

NET PROFIT for the third quarter of 2022 was 270 (71) MSEK. Earnings per share for the quarter totalled 1,77 (0,47) SEK.

THE BALANCE SHEET has further strengthened. The equity/assets ratio was 68 (65) percent and available liquidity totalled 713 (415) MSEK. Net cash amounted to 311 (28) MSEK.

THE QUARTER IN FIGURES	Jul-Sep 2022	Jul-Sep 2021	Change	Jan-Sep 2022	Jan-Sep 2021	Change	Rolling 12 months	Jan-Dec 2021
Net turnover, MSEK	806	570	236	2 250	1 705	545	2 848	2 303
EBITDA, MSEK	233	130	103	660	297	363	748	385
EBIT, MSEK	185	101	84	549	209	340	607	267
Profit/loss after financial items, MSEK	341	90	251	703	190	513	759	246
Net profit, MSEK	270	71	199	556	150	406	604	198
Earnings per share, SEK	1,77	0,47		3,64	0,98	2,66	3,96	1,30
Cash-flow from current operations, MSEK	189	101	88	450	195	255	543	288
Return on capital employed (rolling 12 months), %				27,2	8,0		27,2	18,5
Production, thousand tons	96,2	92,2	4,0	309,9	303,9	6,0	401,3	395,3
Deliveries, thousand tons	95,9	92,5	3,4	301,9	307,7	-5,8	397,4	403,2

The picture on page 1 shows our employee Jacob Sjölander, Machine Operator at Rottneros Packaging.

Comments by the CEO

Lennart Eberleh



As a result of the favourable pulp market and a strong USD, we can now report another record quarter for both sales and underlying profit. We are dedicating considerable effort to efficiency improvements in response to general inflation-related pressures. The closure of the groundwood pulp line, which was decided in August, is proceeding according to plan. At the same time, feasibility studies are underway for the major investments we are planning in CTMP. Our very strong balance sheet gives us financial resilience in a continued uncertain environment.

Net sales grew by more than 40 percent during the quarter to 806 MSEK and EBIT increased by 84 MSEK to 185 MSEK. Adjusted for the closure costs of 62 MSEK, EBIT increased by 146 MSEK. Rising pulp prices and the strengthening USD drove the strong performance, while production and deliveries were held back by lower production volumes, mainly at Rottneros Mill, because of the effects of the turbulent electricity market. At the same time, our electricity hedges offset the impact of high electricity prices. Because of the occasionally very high spot price at which we buy electricity for production, we had to take some minor production shutdowns at Rottneros Mill, in addition to a four-week summer shutdown at the groundwood line.

The production of sulphite pulp has been stable and sales to board and packaging, filter and specialty papers have been strong during the year. Especially the unbleached chemical pulp that is used for example in electrotechnical applications continues to develop well.

CLOSURE OF THE GROUNDWOOD PULP LINE, BUT MAJOR INVESTMENT PLANS IN CTMP

After an in-depth and long-term strategic analysis, the Board decided in August to discontinue the production of groundwood pulp at Rottneros Mill, since conditions for long-term sustainable profitability have been radically altered by the sharp deterioration in the electricity market and the negative outlook for printing paper. As a result of the decision, around 40 people have been given notice of redundancy. Closure costs of 62 MSEK had a negative impact on our profit for the quarter. Naturally this process is associated with great sadness for us, given the employees affected and our long history in groundwood pulp.

At the same time, it is important to highlight our investment plans in CTMP, the largest business segment of Rottneros Mill. Given CTMP's long-term profitability prospects, we are planning investments to significantly increase production over the next three years. They are estimated to amount to a total of 160-200 MSEK.

Since our electricity consumption will decrease at the end of the year with the closure of the groundwood line, our electricity hedges do not correspond to future consumption. The excess hedged volume thus contributes with 156 MSEK to the result of the quarter. At the end of the quarter the total value of the hedges was 926 MSEK.

FOCUS ON SAFETY IS GIVING RESULTS

We always put the health of our employees at the top of our agenda. It is therefore gratifying that these efforts are giving results in the form of fewer incidents causing sick leave. In the period January-September, incidents fell from five to three compared with the same period last year.

It is also gratifying to note that Rottneros Packaging's major investment project in sustainable packaging solutions in Poland together with Arctic Paper is proceeding according to plan. Start-up is planned for the end of next year.

STRONG MARKET, BUT SIGNS OF LEVELLING OUT

The pulp market remained favourable and the average list price for NBSK climbed almost 100 USD, to 1480 USD, compared with the previous quarter. Demand for locally produced pulp in Europe is benefiting from limited shipping opportunities, mainly from Asia, although the situation is now gradually easing. There are also signs that the balance has started to shift in favour of pulp buyers because of the slowdown in the global economy. The list price of NBSK thus dropped with just under 20 USD at the beginning of the fourth quarter. High energy prices are also having an impact through lower production volumes among some pulp users.

REASSURING FINANCIAL BUFFER IN AN UNCERTAIN WORLD

Our solid balance sheet with significant liquidity provides a reassuring buffer if market conditions should deteriorate. Our equity/assets ratio at the end of the quarter was 68 percent, our cash and cash equivalents were 431 MSEK and available liquidity totalled 713 MSEK. At the same time, we had a net cash position of 311 MSEK, i.e. cash after deduction of interest-bearing liabilities. In early July, we also exercised an option to extend the maturity of our bank financing until mid 2024.

All in all, given the turbulent environment and uncertain macro outlook, we are very humble in face of the potential challenges that lie ahead. At the same time, it is important to underline that we are well prepared for hard times through our strong niche positions, professional organisation and financial resilience.

In conclusion, I would like to warmly thank all of my colleagues for their solid efforts, which enable us to meet any challenges that may arise from a position of strength.

The pulp market

The world economy faces an array of challenges. High inflation, rising interest rates, Russia's unprovoked war against Ukraine, fears of new Coronavirus outbreaks, the ongoing energy crisis in Europe and weak economic developments in China all have a negative impact on our prospects. Global growth is expected to slow from 6,0 percent in 2021 to 3,2 percent this year and 2,7 percent in 2023. This is the lowest growth rate for many years. GDP in the US is expected to grow by 1,6 percent this year and 1,0 percent next year, while the corresponding figures for the Eurozone are 3,1 percent and 0,5 percent. Demand for paper-based products has historically strongly correlated with macroeconomic development.

The situation for market pulp was characterised by relative strength in the third quarter, despite several signals of a weaker economy. The logistical disruptions that occurred during and after the pandemic showed signs of improvement, while the market continued to be in balance, with rising prices as a result. Inventory levels are still relatively low.

With a strong market during the year, paper manufacturers in Europe have successfully raised paper prices to offset increases in energy, transport, pulp and chemical costs. An expected lower demand in the wake of a coming recession and a likely increase in paper imports from China to Europe will put pressure on paper prices. A number of paper manufacturers in the graphic paper, tissue and special applications sectors have officially announced realised and future production limitations.

The market in China, which is the largest market for market pulp, but which represents only a small part of Rottneros' turnover, has had a weak development during the full year, including in the third quarter. Despite improved export prospects, domestic demand remains weak due to generally weak economic developments and the continued strict implementation of the zero-Covid policy.

The list price for NBSK in Europe rose from 1 430 USD to approximately 1 500 USD in the third quarter. At the same time, the spot market, which has been virtually absent for some time, has started up again. Here, average prices have fallen from 1 031 USD to 986 USD. Volumes are still small, but the net price trend will better reflect market developments in the future. Correspondingly, net prices in China fell from 980 USD to around 940 USD. Net prices for BCTMP in Asia have remained at the same high levels around 900 USD in some markets, although the price in China fell slightly during the quarter. At the beginning of the fourth quarter, list prices in Europe and the US were adjusted downwards by about 20 USD.

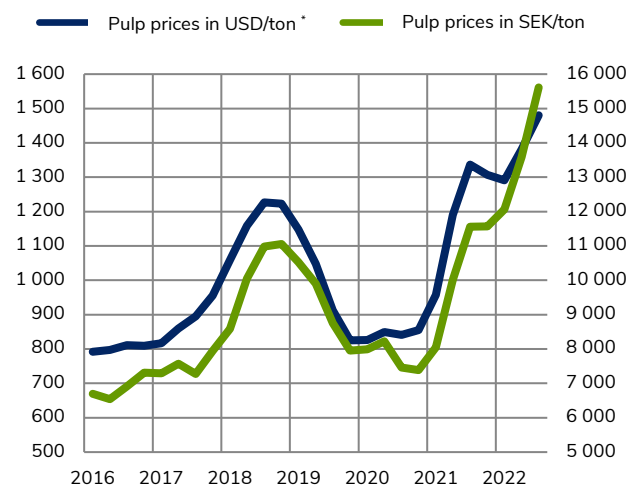
Deliveries of tissue paper in the main markets (excl. China) up to July show an increase of 1,8 percent compared with 2021. Tissue paper is not a large market for Rottneros, but it is the largest end-use area for market pulp with more than 40 percent of the market.

Deliveries of printing and writing paper have fallen by 6,1 percent up to July in the most important markets (excl. China) compared with 2021.

For the first eight months of 2022, demand for market pulp was up by 2,8 percent compared with 2021, split between short-fibre pulp which was up 5,3 percent and long-fibre pulp down -1,9 percent. Demand for unbleached pulp (UKP) continued to grow by 14,2 percent.

Manufacturers' global stocks in August of long-fibre pulp were 43 days and of short-fibre pulp 42 days, an increase of 3 days for long-fibre pulp and a 4-day decline in short-fibre pulp compared to May. Inventory levels of both grades indicate a market in good balance, although stocks of long-fibre pulp are slightly higher, and stocks of short-fibre pulp are lower than their historical averages. Customers' pulp stocks globally are currently relatively low. It is estimated that there is still about 1 million tons more pulp tied up in transports than before the pandemic

NBSK GROSS PRICES 2017-2022, QUARTERLY



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

Sales and results, Q3

Turnover in the third quarter of 2022 amounted to 806 (570) MSEK, an increase of 41 percent and a new quarterly record. Turnover was positively impacted by higher selling prices and currency effects. The list price of NBSK was 1 430 USD in the quarter, an increase of 50 USD from the second quarter. Compared with the third quarter of 2021, NBSK was 11 percent higher denominated in USD and 22 percent higher denominated in SEK. The higher list prices are reflected in invoiced prices with some delay. Invoiced volume rose by 4 percent.

Pulp price hedging gave a negative outcome of -14 (-9) MSEK.

The supply of pulp wood continued to be good during the quarter. The cost of pulp wood was higher than in 2021, but in particular prices for chemicals have increased in line with inflation and rising fuel prices.

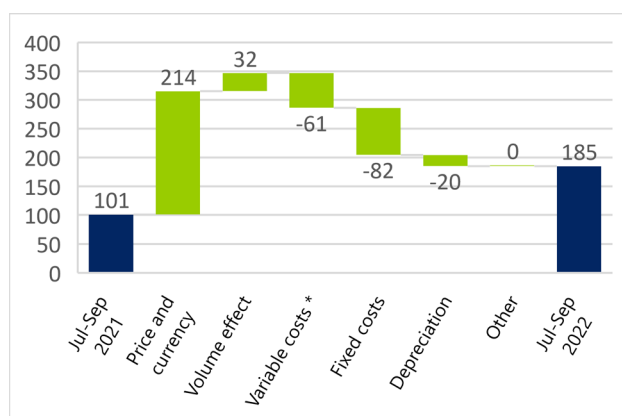
Electricity prices remained at a very high level and are also this quarter characterised by strong volatility over the day. The high electricity prices have led to production restrictions at Rottneros Mill. The groundwood line was also closed for four weeks during the summer.

The system price for the quarter was 1,88 SEK per kWh compared with 0,70 SEK per kWh for the same quarter in 2021. Rottneros' consumption of external electricity takes place primarily in electricity area SE3, where the price has been 1,79 (0,73) SEK per kWh. Rottneros hedges most of its electricity consumption. Realised gain on electricity hedges was 105 (34) MSEK. The total cost of electricity after hedging result was 0 (16) MSEK.

Overall, the variable costs (based on cost per ton) negatively impacted earnings by 60 MSEK compared with the third quarter of 2021.

Fixed costs for the third quarter were 82 MSEK higher than the third quarter of 2021. Of this, the cost of closing the groundwood pulp line amount to 52 MSEK.

DIFFERENCE IN EBIT THIRD QUARTER 2022 COMPARED WITH THIRD QUARTER 2021 (MSEK)



* Variable costs exclude costs attributable to increased or decreased production and delivery volumes. Such costs are instead included in the 'volume effect' along with the increase/decrease in volume of net turnover.

Profit was impacted by depreciation of 29 (29) MSEK and an impairment of the groundwood pulp line of 10 MSEK. The fixed assets of Rottneros Packaging were written down by 9 MSEK, as an adjustment to the scope of operations.

EBIT for the third quarter of 2022 was 185 (101) MSEK. Earnings were positively impacted by higher invoiced prices and a stronger USD, but were negatively impacted by closing costs for the groundwood pulp line of 62 MSEK.

Third quarter 2022 compared with third quarter 2021	Jul-Sep 2022	Jul-Sep 2021	change, %
NBSK, USD	1 480	1 336	11
SEK/USD	10,55	8,65	22
NBSK, SEK	15 613	11 557	35
Net turnover, MSEK	806	570	41
EBIT, MSEK	185	101	83

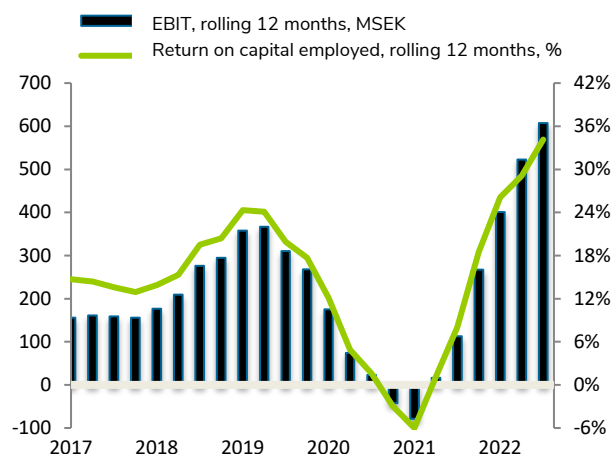
OTHER INCOME STATEMENT ITEMS

Financial items (net) were 156 (-11) MSEK for the third quarter of 2022. With the decision to close the groundwood line there are electricity hedges that exceed future cash flows. The value of these hedges was 156 MSEK at the end of the quarter. This item also includes interest on a long-term loan of -1 MSEK.

The Group's profit after financial items thereby increased to 341 (90) MSEK.

Income tax expense for July-September was 71 (19) MSEK. Net income increased to 270 (71) MSEK and earnings per share to 1,77 (0,47)

EBIT, ROLLING 12 MONTHS



Production and deliveries

Production volume for the third quarter of 2022 was 96 000 (92 200) tonnes, an increase of 4 percent compared with the corresponding quarter last year.

At Rottneros Mill, the production of CTMP and groundwood pulp was limited by high electricity prices. In addition to temporary production stops, the groundwood line was closed during the summer holiday period. Sulphate pulp production was higher than last year as this year's production was not affected by the maintenance shutdown, which is held in the fourth quarter this year.

Demand remained strong in the third quarter of the year. Deliveries were in line with production and increased by 4 percent to 95 900 (92 500) tonnes.

PRODUCTION TON	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Rolling 12 months	Jan-Dec 2021
Sulphate pulp	59 400	51 500	178 400	171 800	229 000	222 400
Groundwood pulp	10 100	14 900	43 300	49 200	58 100	64 000
CTMP	26 500	25 800	88 000	82 900	114 000	108 900
TOTAL	96 000	92 200	309 700	303 900	401 100	395 300

DELIVERIES TON	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Rolling 12 months	Jan-Dec 2021
Sulphate pulp	54 600	53 200	167 400	171 300	219 500	223 400
Groundwood pulp	9 800	12 600	43 600	49 000	63 600	69 000
CTMP	31 500	26 700	90 900	87 400	114 300	110 800
TOTAL	95 900	92 500	301 900	307 700	397 400	403 200

MAINTENANCE SHUTDOWNS AND SEASONAL VARIATIONS

In 2022, the entire maintenance shutdown at Vallvik will be charged to the fourth quarter. Rottneros Mill carried out its maintenance shutdown in the third quarter, as it did last year.

The direct costs relating to maintenance shutdowns are recognised in the period during which the shutdown takes place. A maintenance shutdown also entails 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.

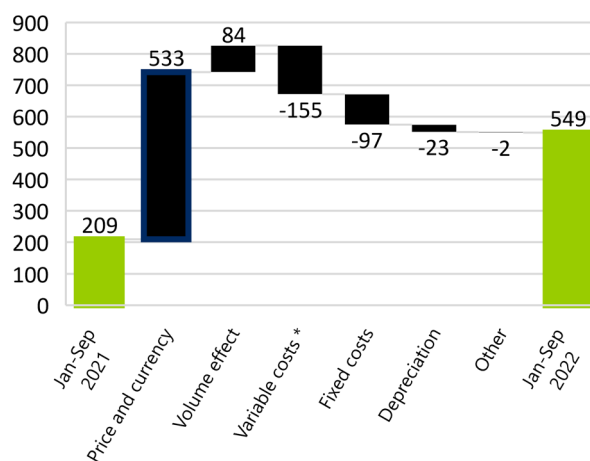
Sales and results, January-September

Turnover from January to September amounted to 2 250 (1 705) MSEK, an increase of 32 percent. The list price of NBSK market pulp rose during the period by 19 percent, while the USD strengthened against the SEK by 17 percent. Translated to SEK, the list price rose by 39 percent. This contributed to higher sales prices and turnover but was offset by lower shipment volumes. Turnover for products other than market pulp rose to 207 (115) MSEK and accounted for 9 percent of turnover. The realised loss for pulp price hedges was -43 (-8) MSEK.

Variable costs have been negatively affected by rising commodity prices, with the cost of chemicals and fuels in particular increasing. Nevertheless, the supply of pulp wood was adequate throughout the entire period. The average price of electricity on the Nord Pool electricity exchange (area SE3) was 1,30 (0,53) SEK per kWh, while the system price was 1,43 (0,52) SEK per kWh. Rottneros' electricity hedges generated a positive outcome of 214 (58) MSEK for Jan-Sept 2022. Rottneros' cost of electricity after hedging was 38 (60) MSEK, influenced by a high hedging ratio and lower electricity consumption.

Overall, variable costs (based on cost per ton) have reduced earnings by 155 MSEK compared to 2021. Fixed costs are 97 MSEK higher than last year, of which 52 MSEK is a provision for the closing of the groundwood line at Rottneros Mill. Depreciation is also higher than last year and is negatively impacted by impairments of 10 MSEK for the groundwood line and 9 MSEK in Rottneros Packaging.

DIFFERENCE IN EBIT JANUARY-SEPTEMBER 2022 COMPARED WITH JANUARY-SEPTEMBER 2021 (MSEK)



Jan-Sep 2022 compared to Jan-Sep 2021

	Jan-Sep 2022	Jan-Sep 2021	change %
NBSK, USD	1 384	1 162	19
SEK/USD	9,92	8,49	17
NBSK, SEK	13 731	9 861	39
Net turnover, MSEK	2 250	1 705	32
EBIT, MSEK	549	209	163

OTHER INCOME STATEMENT ITEMS

Financial items (net) were 154 (-19) MSEK for January-September. With the decision to close the groundwood line there are electricity hedges that exceed future cash flows. The value of these hedges was 156 MSEK at the end of the quarter. This item also includes interest on long-term loans of -3 MSEK.

The Group's result after financial items increased to 703 (190) MSEK. Adjusted for the effect of closing costs and the transfer from the hedging reserve, the profit after financial items was 609 MSEK.

Income tax expense for January-September was 147 (40) MSEK. Net profit increased to 556 (150) MSEK and earnings per share to 3,64 (0,98) SEK.

Return on capital employed, measured over a rolling 12-month period, was 27,2 (8,0) percent.

Return on equity, over a rolling 12-month period, was 23,3 (5,3) percent.

Investments

The Group's investments in fixed assets during January-September 2022 amounted to 64 (74) MSEK, and primarily relate to reinvestments to maintain the technical standards achieved through the major investments in recent years.

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

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

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. After exercising the extension option, the loan agreement will run until July 2024.

The Group's cash and cash equivalents at the end of the third quarter amounted to 431 MSEK, compared with 161 MSEK at the end of 2021. Interest-bearing liabilities were 120 MSEK at the end of the quarter. Interest-bearing net cash was 311 MSEK, compared with net cash of 16 MSEK at the end of 2021. Total granted and unutilised credits amounted to 282 MSEK at the end of the third quarter of 2022.

The equity/assets ratio amounted to 68 (65) percent as of 30 September 2022. Equity per share totalled 16,19 (9,33) SEK at the end of the quarter.

Cash flow

Cash flow from operating activities January-September 2022 was 450 (195) MSEK. Cash flow after investments in fixed assets was 386 (121) MSEK.

Net cash flow for the period was 270 (-197) MSEK, mainly due to a tightened result. During the period, a dividend of 91 MSEK was paid to shareholders.

Parent Company

Profit after financial items for the parent company amounted to -67 (-29) MSEK for January-September 2022. This is largely due to the outcome of pulp price hedges.

Changes in management

During the quarter, CFO Pia Ohlson terminated her employment, and Monica Pasanen became the new CFO.

Average number of employees

The average number of employees was 312 (314).

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 carried out on a quarterly or annual basis, depending on the target.

LONG-TERM TARGETS AND OUTCOME PER SEPTEMBER 2022

FINANCIAL TARGETS	Target	Outcome September 2022
Distribution of net income	30-50 %	46 %
Average growth, produced tonne pulp	3 % /year	+2 % Jan-Sep
Share of revenue, non-pulp	Min 10 % year 2023	9 % Jan-Sep
Equity/assets ratio	Min 50 %	67 %

SOCIAL TARGETS	Target	Outcome September 2022
Safety, accidents with sick leave	Annual improvement of LTIFR	7,5 (outcome 2021: 13,0)*
Proportion female employees	Min 30 % year 2025	17 %

ENVIRONMENTAL TARGETS	Target	
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 several 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 performance are linked to exchange rates, as well as pulp, timber and electricity prices.

IMPACT OF THE WAR IN UKRAINE

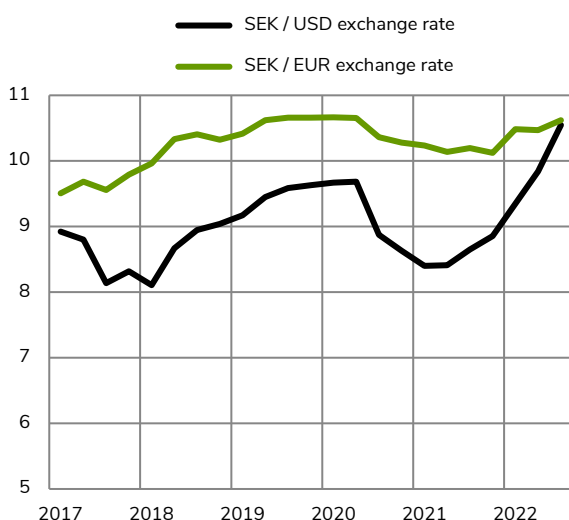
The impact of the war in Ukraine on the Group is indirect and is most evident in rising prices for input goods. The Group’s production has not been affected by the war.

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 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 for January–September 2022 was 17 percent higher compared with the same period in 2021.

EXCHANGE RATE TREND 2017-2022



PULP PRICE

The pulp price (NBSK) is set in USD while production costs are largely denominated in SEK. As at the end of September 2022, the Group held pulp price hedges of 16 000 tons, with maturity between October 2022 and December 2023, at an average price of 13 307 SEK per ton. The fair value of these unrealised price hedges was -16 MSEK as of 30 September 2022.

ELECTRICITY

All external electricity for the mills, about 300 GWh annually, is purchased directly via the Nord Pool electricity exchange. After the closure of the ground-wood line, electricity consumption is expected to decrease to just over 220 GWh in 2023 and then gradually increase with the planned investment in increased production of CTMP.

At the end of the third 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 per kWh. The fair value of these unrealised electricity hedges was 926 MSEK as of 30 September 2022. Of this amount 770 MSEK relates to cash flow hedges and 156 MSEK are classified as financial derivatives.

Electricity hedges as of 30 September 2022

Year	Proportion hedged	SEK/kWh
2022	91 %	0,342
2023	138 %	0,323
2024	108 %	0,338
2025	68 %	0,341

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 on the Nord Pool exchange (area SE3) was 1,30 (0,53) SEK per kWh for January–September 2022.

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

Share information

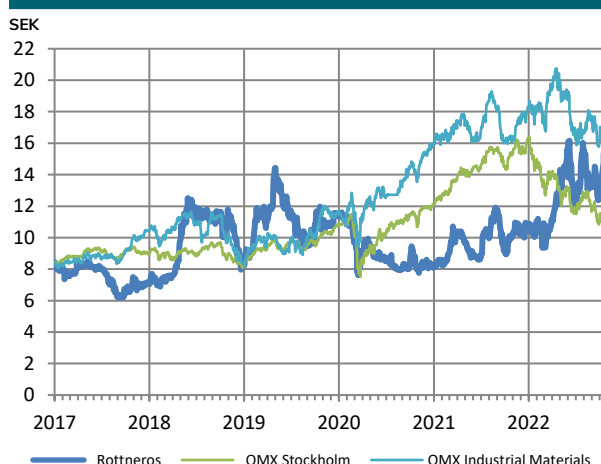
NUMBER OF SHARES AND TREASURY SHARES

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-SEPTEMBER 2022

At the end of the third quarter of 2022, the share price was 13,56 SEK (10,42 at the end of 2021). The average price during the period was 13,91 SEK.

SHARE PRICE AND STOCKHOLM STOCK EXCHANGE PRICE TREND 2017-2022



TRANSACTIONS WITH RELATED PARTIES

During the period January to September 2022, Rottneros sold pulp to the affiliated Arctic Paper S.A. group amounting to 0 (53) MSEK. Outstanding operating receivables from Arctic Paper amounted to 0 (10) MSEK as of 30 September 2022. The transactions took place on market terms.

LARGEST SHAREHOLDERS, 30 SEPTEMBER 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	6 552 234	4,3
Caceis Bank, Switzerland Branch, W8IMY	3 800 000	2,5
SEB AB, Luxembourg Branch, W8IMY	2 278 400	1,5
Avanza Pension	2 176 557	1,4
CBNY-DFA-INT SML CAP V	1 468 298	1,0
KBC BANK NV, W-8IMY	1 220 001	0,8
Caceis Bank Spain SAU, W8IMY	1 155 113	0,8
State Street Bank and Trust CO, W9	885 210	0,6
Total 10 largest shareholders by holdings	107 053 796	71,2
Other shareholders	45 518 129	29,7
Rottneros AB (treasury stock from buy-back)	821 965	0,5
TOTAL	153 393 890	100,0

Nomination Committee for the 2023 Annual General Meeting

The AGM will be held on Thursday 27 April 2023 in Sunne. In accordance with the guidelines decided at Rottneros' Annual General Meeting 2022, a Nominating Committee has been appointed for the AGM 2023.

The Nominating Committee shall consist of the Chairman of the Board and two additional members. The Chairman of the Board shall not chair the Committee. One of these two members, in addition to the Chairman of the Board, shall be appointed by the company's largest shareholder and one shall be elected by one of the company's other four largest shareholders. Neither of these two members may also be a Board member.

Nominating Committee members:

- Michal Jarczyński, appointed by Arctic Paper S.A.
- Stefan Sundh, appointed by PROAD AB
- Per Lundeen, Chairman of the Board Rottneros AB

The Nomination Committee has appointed Michal Jarczyński to serve as Chairman.

The tasks of the Nominating Committee are to prepare and submit proposals for the AGM 2023 regarding the election of the Chairman and other members of the Board, the Board's fees divided among the Chairman, other members and fees for committee work, election and fees for the auditor, election of the Chairman of the AGM and, where appropriate, changes to the instructions for the Nominating Committee.

Shareholders wishing to submit proposals to the Nomination Committee may do so by e-mail to rottneros@setterwalls.se or by letter no later than 13 January 2023 to: Valberedningen, Rottneros AB (publ), c/o Setterwalls Advokatbyrå AB, Box 11235, 404 25 Gothenburg, Sweden

Key events after the close of the financial year

During the annual maintenance shut down at Vallvik Mill, the need for an extended service of the turbine that supplies the mill with electricity emerged. It is estimated to be out of service for about six weeks, which means an increased consumption of external electricity in SE2 of about 20 GWh. The impact on pulp production is expected to be limited during the fourth quarter,

Forthcoming financial information

2 February 2023	Year-end report 2022
21 March 2023	Annual Report 2022
26 April 2023	Interim report January-March 2023
21 July 2023	Interim report January-June 2023
27 October 2023	Interim report January-September 2023

For more information, please visit Rottneros' website, 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

Roger Matsson
Board member

Conny Mossberg
Board member

Julia Onstad
Board member

Johanna Svanberg
Board member

Mika Palmu
Employee representative

Jerry Sohlberg
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 27 October 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:

Lennart Eberleh, CEO and President, Rottneros AB, +46 (0)270-622 65, Rottneros AB (publ), Corp. ID no. 556013-5872, Box 144, 826 23 Söderhamn, tel. +46 (0)270-622 00
rottneros.com / info@rottneros.com

SUMMARY CONSOLIDATED INCOME STATEMENT

AMOUNTS IN MSEK	Jul-Sep 2022	Jun-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Rolling 12 months	Full year 2021
Net turnover	806	570	2 250	1 705	2 848	2 303
Changes in finished goods	22	-6	61	-21	53	-29
Other operating income	28	8	56	21	64	29
TOTAL OPERATING INCOME	856	572	2 367	1 705	2 965	2 303
Raw materials and consumables	-337	-252	-1 009	-850	-1 284	-1 125
Other external costs	-168	-133	-426	-351	-584	-509
Employee benefit expenses	-118	-57	-272	-207	-349	-284
Other operating expenses	0	0	0	0	0	0
EBITDA (Operating profit/loss before depreciation/amortisation and impairment)	233	130	660	297	748	385
Depreciation/amortisation and impairment losses	-48	-29	-111	-88	-141	-118
EBIT (operating profit/loss)	185	101	549	209	607	267
Financial income	157	0	157	2	156	1
Financial expenses	-1	-11	-3	-21	-4	-22
TOTAL FINANCIAL ITEMS	156	-11	154	-19	152	-21
PROFIT/LOSS AFTER FINANCIAL ITEMS	341	90	703	190	759	246
Tax on profit for the period	-71	-19	-147	-40	-155	-48
NET INCOME	270	71	556	150	604	198
Average number of shares outstanding (thousands) ¹	152 572	152 572	152 572	152 572	152 572	152 572
EARNINGS PER SHARE (SEK)¹	1,77	0,47	3,64	0,98	3,96	1,30

GROUP'S REPORT ON TOTAL RESULTS

AMOUNTS IN MSEK	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Rolling 12 months	Full year 2021
NET INCOME	270	71	556	150	604	198
OTHER COMPREHENSIVE INCOME						
Items that have been or may be transferred to profit or loss for the period						
Changes in value of cash flow hedges ¹	116	58	612	50	683	121
Income tax attributable to changes in value	-24	-12	-126	-10	-141	-25
Translation differences	0	0	0	0	0	0
TOTAL OTHER COMPREHENSIVE INCOME	92	46	486	40	542	96
COMPREHENSIVE INCOME FOR THE PERIOD ²	362	117	1 042	190	1 146	294

¹ Includes reversal from the hedging reserve, see accounting principles.

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

CONSOLIDATED BALANCE SHEET, SUMMARY

AMOUNTS IN MSEK	30 Sep 2022	30 Sep 2021	31 Dec 2021
Intangible assets	22	26	25
Property, plant and equipment	1 169	1 193	1 213
Financial assets	400	109	101
TOTAL NON-CURRENT ASSETS	1 591	1 328	1 339
Inventories	375	336	327
Current receivables	1 232	407	555
Cash and cash equivalents	431	133	161
TOTAL CURRENT ASSETS	2 038	876	1 043
TOTAL ASSETS	3 629	2 204	2 382
EQUITY	2 479	1 423	1 527
Interest-bearing liabilities	120	161	145
Deferred tax liability	309	116	153
Other non-interest-bearing liabilities	57	50	54
TOTAL NON-CURRENT LIABILITIES	486	327	352
Interest-bearing liabilities	-	-	-
Non-interest-bearing liabilities	664	454	503
TOTAL CURRENT LIABILITIES	664	454	503
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	3 629	2 204	2 382

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY, SUMMARY

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		
Opening balance 1 January 2021	153	730	-69	17	-8	478	1 301
Net income, Jan-Sep						150	150
Other comprehensive income, Jan-Sep				40	-		40
Total comprehensive income, Jan-Sep				40	-	150	190
Dividends to shareholder,s Jan-Sep						-68	-68
Closing balance 30 September 2021	153	730	-69	57	-8	560	1 423
Net income Oct-Dec						48	48
Other comprehensive income, Oct-Dec				56	-		56
Total comprehensive income, Oct-Dec				56	-	48	104
Dividends to shareholders, Oct-Dec						0	0
Closing balance, 31 December 2021	153	730	-69	113	-8	608	1 527
Net income, Jan-Sep						556	556
Other comprehensive income, Jan-Sep				486	1		487
Total comprehensive income, Jan-Sep				486	1	556	1 043
Dividends to shareholders, Jan-Sep						-91	-91
Closing balance 30 September 2021	153	730	-69	599	-7	1 073	2 479

CONSOLIDATED STATEMENT OF CASH FLOWS

AMOUNTS IN MSEK	Jan-Sep 2022	Jan-Sep 2021	Rolling 12 months	Jan-Dec 2021
EBIT	549	209	607	267
Adjustment for items not included in cash flow	-	0	1	1
Depreciation/amortisation and impairment losses	111	88	140	117
EBIT adjusted for items not affecting cash flow	660	298	747	385
Financial items received/paid	-2	-20	-3	-21
Received/paid tax	-29	-40	-31	-42
Cash flow from operating activities before changes in working capital	629	238	713	322
Change in working capital	-179	-43	-170	-34
Cash flow from operating activities	450	195	543	288
Investments in non-current assets	-64	-74	-115	-125
Sale of non-current assets	-	0	2	2
Change in current loan receivables	-	-	-	-
Cash flow from investing activities	-64	-74	-113	-123
Borrowings, non-current bank loans	-	150	-	150
Amortisation, non-current bank loans	-25	-400	-41	-416
Dividend paid	-91	-	-91	-68
Cash flow from financing activities	-116	-318	-132	-334
NET CASH FLOW FOR THE PERIOD	270	-197	298	-169
Cash and cash equivalents at the beginning of the period	161	330	133	330
Net cash flow for the period	270	-197	298	-169
Cash and cash equivalents at the end of the period	431	133	431	161

CHANGES IN INTEREST-BEARING LIABILITIES

AMOUNTS IN MSEK	Jan-Sep 2022	Jan-Sep 2021	Rolling 12 months	Jan-Dec 2021
Interest-bearing liabilities on the balance sheet at the beginning of the period	145	411	411	411
Changes included in cash flow from financing activities				
Long-term loans taken out from banks	-	150	0	150
Amortisation of long-term loans taken out from banks	-25	-400	-41	-416
Total	-25	-250	-41	-266
Other changes				
Via acquisition	-	-	-	-
Interest-bearing liabilities on the balance sheet at the end of the period	120	161	370	145

PARENT COMPANY INCOME STATEMENT

AMOUNTS IN MSEK	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
NET TURNOVER	6	6	8
Other operating income	15	16	19
TOTAL OPERATING INCOME	21	22	27
Result from hedging activities	-43	-8	-17
Other external costs	-26	-14	-19
Employee benefit expenses	-30	-22	-31
EBITDA (OPERATING PROFIT/LOSS BEFORE EPRECIATION/AMORTISATION AND IMPAIRMENT LOSSES)	-78	-22	-40
Depreciation/amortisation and impairment losses	-3	-3	-4
EBIT (operating profit/loss)	-81	-25	-44
Profit from participations in Group companies	0	0	162
Financial income	17	16	21
Financial expenses	-3	-20	-21
TOTAL FINANCIAL ITEMS	14	-4	162
PROFIT/LOSS AFTER FINANCIAL ITEMS	-67	-29	118
Tax on profit for the period	0	0	-25
NET INCOME	-67	-29	93

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

AMOUNTS IN MSEK	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
NET INCOME	-67	-29	93
Other comprehensive income	-	-	-
Total other comprehensive income	-	-	-
COMPREHENSIVE INCOME FOR THE PERIOD	-67	-29	93

PARENT COMPANY BALANCE SHEET, SUMMARY

AMOUNTS IN MSEK	30 Sep 2022	30 Sep 2021	31 Dec 2021
Intangible assets	1	4	4
Property, plant and equipment	0	1	0
Financial assets ¹	823	657	844
TOTAL NON-CURRENT ASSETS	824	662	848
Current receivables ²	122	310	278
Cash and cash equivalents	416	125	143
TOTAL CURRENT ASSETS	538	435	421
TOTAL ASSETS	1 362	1 097	1 269
EQUITY	674	710	833
Interest-bearing long-term liabilities	109	149	133
Non-interest-bearing long-term liabilities	57	51	54
TOTAL NON-CURRENT LIABILITIES	166	200	187
Non-interest bearing current liabilities ³	522	187	249
TOTAL CURRENT LIABILITIES	522	187	249
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1 362	1 097	1 269

¹ Including receivables of 441 (283) from subsidiaries.

² Including receivables of 91 (390) from subsidiaries.

³ Including liabilities of 321 (189) from subsidiaries.

Supplementary disclosures and notes in 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 RFR 1, Supplementary Accounting Rules for Groups and 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.

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

Derivative instruments are valued using directly observable quoted prices at the balance sheet date, which are classified in level 2 of the fair value hierarchy under IFRS 13.

The entire fair value of a derivative instrument that is a hedging instrument is classified as a non-current asset or non-current liability if the remaining maturity of the hedged item is more than 12 months, and as a current asset or current liability if the remaining maturity of the hedged item is less than 12 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.

With the decision on 16 August 2022 to close the groundwood pulp line at Rottneros Mill, the Group has electricity hedges that exceed estimated consumption for the years 2023 and 2024. In accordance with IFRS 9, the part of the hedge that do not correspond to future cash flows is classified as financial items. In connection with the decision to close the groundwood line 152 MSEK was transferred from the hedging reserve in equity to net financial items. Changes in the value of the part that does not correspond to future cash flows are recognised after this date in net financial items and amounted to 4 MSEK for the period 16 August to 30 September 2022.

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. In July 2022, the loan agreement was extended to expire in July 2024.

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 PER GEOGRAPHICAL MARKET

Amounts in MSEK	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Rolling 12 months	Full year 2021
Sweden	158	146	455	354	568	467
Other Nordic countries	60	53	195	150	279	234
Germany	125	91	349	252	448	351
Italy	81	66	284	227	374	317
Rest of Europe	93	40	251	146	324	219
North America	73	55	201	171	249	219
Asia	216	120	515	405	605	495
Rest of world	0	0	0	1	0	1
TOTAL NET TURNOVER	806	570	2 250	1 705	2 848	2 303

ROTTNEROS' NET TURNOVER CONSISTS OF THE FOLLOWING ITEMS

Amounts in MSEK	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Rolling 12 months	Full year 2021
Sales of pulp	748	544	2 086	1 598	2 643	2 155
Results from pulp price hedging	-14	-9	-43	-8	-52	-17
Sales of by-products and other	26	11	71	34	84	47
Sales of wood	46	24	136	81	173	118
TOTAL NET TURNOVER	806	570	2 250	1 705	2 848	2 303

BREAKDOWN OF PULP TURNOVER BY AREA OF USE

Amounts in MSEK	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Rolling 12 months	Full year 2021
Board and packaging	279	147	691	427	815	551
Printing and writing papers	51	92	196	272	292	368
Filters	162	116	422	359	526	463
Electrotechnical applications	97	82	290	224	381	315
Tissue paper	31	29	87	92	117	122
Specialty paper	101	73	289	204	391	306
Other	27	5	111	20	121	30
TOTAL NET TURNOVER	748	544	2 086	1 598	2 643	2 155

FAIR VALUE FOR DERIVATIVES (MSEK), 30 SEPTEMBER 2022

Hedging	Hedged volume	Maturity	Hedging level	Fair value (MSEK)
Pulp price, forward sell	16 000 tons	Oct 2022 -Dec 2023	13 307 SEK/ton	-16
Electricity, term purchase - cash flow hedging	710 568 MWh	2022-2025	0,333 SEK/kWh	770
Electricity, forward purchase – financial derivative	105 168 MWh	2023-2024	0,334 SEK/kWh	156
Total fair value				910

FAIR VALUE FOR DERIVATIVES (MSEK), 31 DECEMBER 2021

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

GROUP PERFORMANCE IN SUMMARY

	Jul-Sep 2022	Jan-Sep 2021	Rolling 12 months	2021	2020	2019	2018	2017
Income statement, MSEK								
Net turnover	2 250	1 705	2 848	2 303	2 093	2 376	2 260	1 912
EBITDA	660	297	748	385	77	374	394	247
Depreciation/amortisation and impairment losses	-111	-88	-141	-118	-119	-106	-99	-91
EBIT	549	209	607	267	-42	268	295	156
Financial items (net financial items)	154	-19	152	-21	-19	-21	-19	-9
Profit/loss after financial items	703	190	759	246	-61	247	276	147
Net income	556	150	604	198	-50	194	221	114
Statement of cash flows, MSEK								
Cash flow from operating activities	450	195	543	288	85	462	223	222
Investments in non-current assets	-64	-74	-113	-123	-128	-109	-255	-237
Cash flow after investments in non-current assets	386	121	430	165	-43	353	-32	-15
Cash flow from financing activities	-116	-318	-132	-334	-3	-214	-56	325
Net cash flow	270	-197	298	-169	-46	138	-88	310
Balance sheet items, MSEK								
Non-current assets	1 591	1 328	1 602	1 339	1 285	1 280	1 290	1 078
Inventories	375	336	366	327	355	375	389	279
Current receivables	1 232	407	1 380	555	287	342	484	324
Cash and cash equivalents	431	133	459	161	330	376	238	326
Net debt (+) / net cash (-)	-311	28	-355	-16	81	35	157	68
Shareholders' equity	2 479	1 423	2 583	1 527	1 301	1 380	1 460	1 207
Long-term interest-bearing liabilities	120	161	120	145	411	411	395	394
Long-term non-interest-bearing liabilities	366	166	407	207	150	176	137	52
Current interest-bearing liabilities	-	-	-	-	-	-	-	-
Current non-interest-bearing liabilities	664	454	713	503	395	406	409	354
Capital employed	2 168	1 451	2 228	1 511	1 382	1 415	1 617	1 275
Total shareholders' equity and liabilities	3 629	2 204	3 807	2 382	2 257	2 373	2 401	2 007
Key ratios								
EBITDA margin, %	29,3	17,4	28,6	16,7	3,7	15,7	17,4	12,9
EBIT margin, %	24,4	12,3	23,7	11,6	-2,0	11,3	13,1	8,2
Return on equity (rolling 12 months), %	23,4	5,3	23,4	14,2	-3,8	13,7	16,6	9,7
Return on capital employed, (rolling 12 months), %	27,2	8,0	27,2	18,5	-3,0	17,7	20,4	12,9
Equity/assets ratio, %	68	65	68	64	58	58	61	60
Debt/equity ratio, %	-13	2	-14	-1	6	3	11	6
Other								
Average no. of employees	312	314	314	316	316	303	303	301
Pulp production, 1,000 tonnes	309,9	303,9	401,3	395,3	412,6	406,0	393,6	401,2
Pulp deliveries, 1 000 tonnes	301,9	307,7	397,4	403,2	416,5	408,3	382,5	395,9
List price of NBSK pulp, USD per tonne ¹	1 384	1 162	1 353	1 198	843	984	1 167	882
SEK/USD ²	9,92	8,49	9,55	8,58	9,21	9,46	8,69	8,54
List price of NBSK pulp, SEK per tonne	13 731	9 861	12 922	10 280	7 765	9 304	10 144	7 530

¹ Source: Market quotation gross price once a week. Average for each period.

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

QUARTERLY DATA GROUP

	2022			2021				2020			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Income statement, MSEK											
Net turnover	806	784	660	598	570	593	542	490	508	510	585
EBITDA	233	254	174	88	130	127	40	-65	31	31	80
Depreciation/amortisation and impairment losses	-49	-34	-29	-30	-29	-30	-29	-30	-28	-29	-32
EBIT	185	220	145	58	101	97	11	-95	3	2	48
Financial items (net financial items)	156	-1	-1	-1	-11	-4	-4	-4	-5	-5	-5
Profit/loss after financial items	341	219	144	57	90	93	7	-99	-2	-3	43
Tax on profit for the period	-71	-46	-30	-8	-19	-19	-2	22	0	0	-11
Net income	270	172	114	49	71	74	5	-77	-2	-3	32
Per share											
Earnings per share, SEK	1,77	1,13	0,75	0,32	0,47	0,48	0,03	-0,51	-0,01	-0,02	0,21
Other											
Pulp production, 1,000 tonnes	96,2	110,5	103,2	91,4	92,2	109,2	102,5	95,3	110,2	97,7	109,4
Pulp deliveries, 1 000 tonnes	95,9	106,0	100,0	95,5	92,5	103,2	112,0	106,5	106,9	93,1	110,0
List price of NBSK pulp, SEK per tonne	15 613	13 589	12 063	11 573	11 557	10 012	8 044	7 382	7 465	8 226	7 988

SHARE DATA ¹

		Jul-Sep 2022	Jan-Sep 2021	Rolling 12 months	2021	2020	2019	2018	2017
Shares outstanding at the beginning of the period ²	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 ²	Number	152 572	152 572	152 572	152 572	152 572	152 572	152 572	152 572
Average number of shares outstanding ²	Number	152 572	152 572	152 572	152 572	152 572	152 572	152 572	152 572
Buy-back of treasury shares ²	Number	822	822	822	822	822	822	822	822
Earnings per share	SEK	3,59	0,98	3,91	1,30	-0,33	1,27	1,45	0,75
Cash flow after investments/share ³	SEK	2,53	0,80	2,80	1,07	-0,30	2,30	-0,21	-0,10
Earnings per share	SEK	16,19	9,33	16,19	9,99	8,53	9,05	9,57	7,91
Dividend ⁴									
Ordinary dividend	SEK	-	-	0,40	0,40	-	-	0,40	0,30
Extra dividend	SEK	-	0,45	0,20	0,20	0,45	-	1,00	0,07
Total	SEK	-	0,45	0,60	0,60	0,45	-	1,40	0,37
Dividend/equity per share	%	-	4,82	0,9	6,0	5,3	-	14,6	4,7
Share price at end of period	SEK	13,56	9,20	13,56	10,42	8,15	11,40	8,24	7,15
Market price/equity/share	times	0,8	1,0	0,8	1,0	1,0	1,3	0,9	0,9
P/E ratio per share	times	3,8	9,4	3,5	8,0	-24,7	9,0	5,7	9,5

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

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

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

⁴ Dividends paid relating to financial years 2022 and 2021.

Alternative key performance indicators

Alternative ratios 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

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.

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