

INTERIM REPORT  
JAN – JUN 2022

Q2

A record quarter

EBIT 219 MSEK

Worrysome  
electricity prices

**Strong production  
and high pulp prices  
lead to record results**



ROTTNEROS



# Strong production and high pulp prices lead to record results

## Q2 2022 COMPARED WITH (Q2 2021)

**NET TURNOVER** increased by 32 percent to SEK 784 (593) million, driven by higher sales prices.

**THE LIST PRICE** of NBSK pulp in Europe was 16 percent higher in USD and 36 percent higher in SEK compared with the second quarter of 2021. At the end of the quarter, the list price reached 1 430 USD and continued to rise at the beginning of Q3.

**VOLUME PRODUCED** amounted to 110,5 (109,2) thousand tonnes, a record for production in the quarter.

**SOLD VOLUME** amounted to 106,0 (103,2) thousand tonnes. Demand was strong in Europe but logistics problems negatively impacted sales.

**EBIT** (operating profit) for the second quarter of 2022 was 219 (97) MSEK. A strong pulp market and a favourable exchange rate were the main reasons for the improvement in earnings.

**NET PROFIT** for the second quarter of 2022 was 172 (74) MSEK. Earnings per share for the quarter were 1,13 (0,49) SEK.

**THE BALANCE SHEET** has been further strengthened. The equity/assets ratio was 67 (57) percent and available liquidity totalled 553 (568) MSEK. Net cash amounted to 143 MSEK.

**A DIVIDEND** of 0,60 SEK per share, totalling 91 MSEK, was approved and paid to the shareholders.

THE QUARTER IN FIGURES	Apr-Jun 2022	Apr-Jun 2021	Change	Jan-Jun 2022	Jan-June 2021	Change	rolling 12 months	2021
Net turnover, MSEK	784	593	191	1 444	1 135	309	2 612	2 303
EBITDA, MSEK	253	127	126	427	167	260	645	385
EBIT, MSEK	219	97	122	364	108	256	523	267
Profit/loss after financial items, MSEK	218	93	125	362	100	262	508	246
Net profit, MSEK	172	74	98	286	79	207	405	198
Earnings per share, SEK	1,13	0,49	0,64	1,87	0,52	1,35	2,65	1,3
Cash-flow from current operations, MSEK	262	81	181	261	94	167	455	288
Return on capital employed (rolling 12 months), %				29,1	1,2		29,1	18,5
Production, thousand tonnes	110,5	109,2	1,3	213,7	211,7	2,0	397,3	395,3
Deliveries, thousand tonnes	106,0	103,2	2,8	206,0	215,2	-9,2	394,0	403,2

# Comments by the CEO

Lennart Eberleh

---

**Production at record levels, together with the continued strong pulp market, resulted in a record quarter in terms of profit. At the same time, our costs rose due to growing external imbalances and accompanying rising inflationary pressures. We have therefore intensified our long-term focus on profitability through continuous efficiency and productivity improvements.**

We had one of our best quarters for production in our mills. The volume increased by 1 percent to 110 500 tonnes, compared with the same quarter last year. Our deliveries increased by 3 percent, to over 106 000 tonnes.

Net sales grew by 32 percent during the quarter and EBIT more than doubled to SEK 219 million, which was a new record for a single quarter. In addition to the volume growth, the increase in pulp prices and a stronger USD were the main factors behind the improvement. We also benefited from steady flows of sawmill chips and pulpwood.

## **INFLATION MEANS INTENSIFIED FOCUS ON COSTS**

Efficiency measures are a top priority to address the clear cost inflation on our input goods and external services. The external situation is now gradually leading to a tighter pulp wood market after a few years of favourable balance with rising prices going forward. The supply of wood raw material for our mills takes place mainly from the local area and is based on long-term relationships with our suppliers, both in terms of pulpwood and sawmill chips. Through our raw material companies in Latvia, Rottneros Baltic and Nykvist Skogs AB in Värmland, we have a good structure that complements our industrial supplier relationships, secures supply and can handle changes in volume.

The tight electricity market continues to create significant challenges for the electricity-intensive production of Rottneros Mill, while electricity hedges continue to largely offset the negative impact on earnings. Because of the occasionally ultra-high spot price at which we buy electricity for production, we had to carry out some minor production shutdowns this quarter as well, corresponding to a production loss of about 800 tonnes. Electricity prices before hedging almost tripled in the second quarter compared with the second quarter of last year.

Because of the challenging electricity market, the grinding line is not in operation in July for the holiday period. Consequently, we will have a planned production reduction of more than 5 000 tonnes and a certain negative impact on earnings in the third quarter.

During the quarter, work continued on the in-depth strategic analysis to ensure that the Group's structure meets the requirements of sustainable profitability in line with our financial targets. The background is the changed situation on the energy market and the rising prices of other input goods.



## **MARKET REMAINED STRONG, PRICES ROSE FURTHER DURING THE QUARTER**

The pulp market continues to be solid and the list price of NBSK climbed almost USD 90 during the quarter, to USD 1 430. The European market continues to benefit from strong demand for regionally produced pulp due to continued limited shipping opportunities, mainly from Asia. The list price continued up at the beginning of the third quarter to USD 1,470.

In conclusion, I would like to note that Rottneros Packaging's extensive investment project in Poland, together with Arctic Paper, is progressing according to plan, with start-up scheduled for the end of 2023.

Last but not least, once again I would like to thank all of our employees for their dedicated efforts to achieve our overall goal of constantly developing and improving Rottneros. I would also like to take this opportunity to thank our customers, suppliers and owners for their outstanding cooperation.

## The pulp market

In the second quarter, the market for market pulp was characterised by continued production disruptions at several pulp mills, including in Canada, logistics disruptions and continued very high demand for paper and, by extension, pulp. This situation led to a strong market balance for pulp producers and consequently higher pulp prices. At the same time, there is considerable uncertainty about how the second half of the year will unfold, given high inflation, rising interest rates, recurring Covid shutdowns in China, concerns about energy shortages and Russia's war with Ukraine. As usual, the macroeconomic situation has a very strong impact on developments in the pulp market, but the persistent production and supply disruptions may cushion a possible downturn when it comes.

Inflation continued at a very high level in the second quarter, levels not seen for over 40 years in the Western world. Inflation reached 8.1 percent in Europe and 8.6 percent in the US in May, prompting central banks in both North America and Europe to act by raising interest rates and announcing further hikes. This has led to heightened fears of a recession in the US and debt crisis in Europe as government bond yield spreads have started to widen. Another concern in Europe is the availability of gas, which is vital for industry.

The market in China was characterised in the second quarter by continued low activity as a result of weak domestic demand, recurring Covid shutdowns and a weak export market for paper. Many estimate that GDP growth in China this year will barely reach 4 percent. Deliveries of market pulp to China up to May are down 11,3 percent compared with 2021. With an improvement in global supply chain problems and an increase in relative competitiveness, an eventual recovery in China later in 2022 is possible. Whether such an upturn could offset a possible recession in Europe remains to be seen. Although China is not a significant market for Rottneros, as the largest market for market pulp it is historically important for the overall assessment.

The list price for NBSK in Europe rose from USD 1 340 to USD 1 430 in the second quarter. The net price of NBSK in China remained unchanged at around USD 980 in the second quarter, despite the fact that the futures market price has fallen to around USD 850, in line with the decline in other commodities such as metals, cotton and timber. However, import and resale prices have not been affected. The BCTMP price in Asia continued to rise sharply in the second quarter, reaching levels around USD 800-900/t net towards the end of the quarter, depending on the market. This corresponds to an increase of 20 percent compared with the second quarter of 2021. The short fibre market is even more strained, with strong price increases as a result.

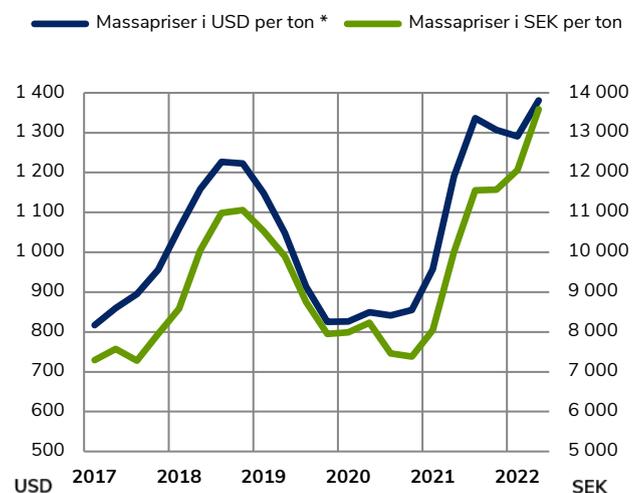
Shipments of tissue paper through April show a 0,7 percent increase compared with 2021. Tissue paper is not a large market for Rottneros, but it is the largest area of use for market pulp with more than 40 percent of the market.

Capacity rationalisation in the printing and writing papers industry in recent years and the absence of Chinese competition have benefitted European and North American producers, who have been able to pass on rising costs to their customers and have experienced generally good demand. Nevertheless, deliveries of printing and writing papers fell by 5,3 percent in the year to April in the most important markets (excl. China).

For the first five months of 2022, demand for market pulp was down by 0,8 percent compared with 2021, broken down into short-fibre pulp at -0,3 percent and long-fibre pulp at -2,6 percent. Demand for unbleached pulp (UKP) rose by 9,8 percent.

In May, manufacturers' global stocks of long-fibre pulp were 40 days and short-fibre pulp 46 days, a decrease of 5 days for long-fibre and an increase of 6 days for short-fibre pulp compared with February. Customers' global pulp stocks are now relatively low, but it is estimated that about 1 million tonnes more pulp are tied up in the transport chain than before the pandemic. The market can be considered to be in good balance.

### NBSK GROSS PRICES 2017-2022, QUARTERLY



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

## Sales and results, Q2

Turnover in the second quarter of 2022 amounted to 784 (593) MSEK, an increase of 32 percent. Turnover was positively impacted by higher selling prices and currency effects. The list price of NBSK rose during the quarter from 1 342 USD to 1 430 USD/tonne. Compared with the second quarter of 2021, NBSK was 16 percent higher denominated in USD and 36 percent higher denominated in SEK. The higher list prices are reflected in invoiced prices with some delay. Invoiced volume increased by 3 percent, although deliveries were negatively impacted by logistics problems.

Pulp price hedging gave a negative outcome of -18 (-2) MSEK.

The supply of pulp wood continued to be good during the quarter. The cost of pulp wood has increased during the quarter due to higher shipping rates and a price increase for pulp wood is expected in Q3.

Electricity prices remained at a very high level, still characterised by strong volatility over the day this quarter. The high electricity prices have led to production restrictions at Rottneros Mill of about 800 tonnes in total.

The system price for the quarter was 1.27 SEK/kWh compared with only 0,42 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 1,06 (0,39) SEK per kWh. Rottneros hedges most of its electricity consumption. Realised gain on electricity price hedges was 57 (13) MSEK. The average price for the Group after the hedging result was 0,19 (0,24) SEK/kWh.

Overall, the variable costs (based on cost per tonne) negatively impacted earnings by 76 MSEK compared with the second quarter of 2021. Shipping and energy price increases in particular have impacted wood and chemical costs.

Fixed costs for the second quarter were SEK 4 million higher than the second quarter of 2021.

Scheduled depreciation had a negative impact on income of 30 (30) MSEK.

EBIT for the second quarter of 2022 was 219 (97) 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 second quarter of 2021.

Second quarter 2022 compared with second quarter 2021	Apr-Jun 2022	Apr-Jun 2021	change, %
NBSK, USD	1 381	1 191	16%
SEK/USD	9,84	8,41	17%
NBSK, SEK	13 589	10 012	36%
<b>Net turnover, MSEK</b>	<b>784</b>	<b>593</b>	<b>32%</b>
<b>EBIT, MSEK</b>	<b>219</b>	<b>97</b>	<b>126%</b>

### OTHER INCOME STATEMENT ITEMS

Financial items (net) were SEK -1(-4) million for April-June 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.

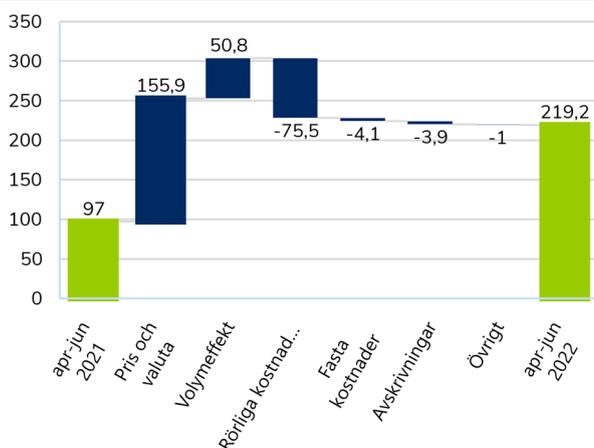
The Group's result after financial items increased to 218 (93) MSEK.

Income tax expense for April-June was 46 (19) MSEK. Net income increased to 172 (-74) MSEK and earnings per share to 1,13 (0,49) SEK.

Return on capital employed, measured over a rolling 12-month period, was 31,1 (-1,2) percent.

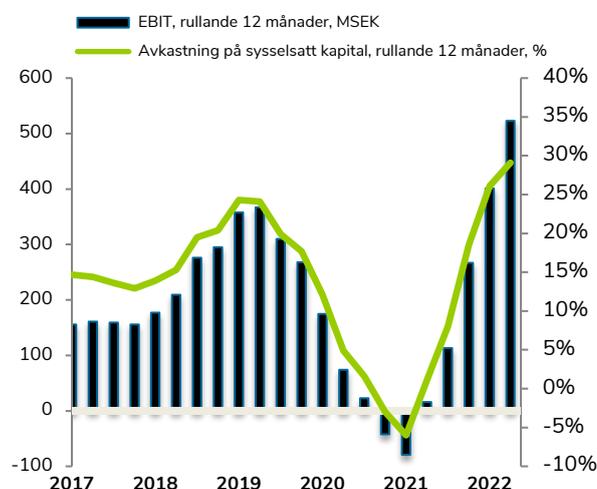
Return on equity, over a rolling 12-month period, was 23,3 (0,0) percent.

### DIFFERENCE IN EBIT SECOND QUARTER 2022 COMPARED WITH SECOND 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.

### EBIT, ROLLING 12 MONTHS



## Production and deliveries

Production volume for the second quarter of 2022 was 110 500 (109 200) tonnes, an increase of 1 percent compared with the corresponding quarter of the previous year, and a new production record.

CTMP production continued to develop positively, while production of groundwood pulp decreased slightly, mainly due to high electricity prices. Production of sulphate pulp continued to do well. The reason is that investments made in previous years are now having an impact.

Demand remained strong in the second quarter of the year, but deliveries were held back by logistics problems. Deliveries increased by 3 percent to 106 000 (103 200) tonnes.

PRODUCTION, TON	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Rolling 12 month	Jan-Dec 2021
Sulphate pulp	62 500	62 800	119 000	120 300	221 100	222 400
Groundwood pulp	16 300	17 800	33 200	34 300	62 900	64 000
CTMP	31 700	28 600	61 500	57 100	113 300	108 900
<b>TOTAL</b>	<b>110 500</b>	<b>109 200</b>	<b>213 700</b>	<b>211 700</b>	<b>397 300</b>	<b>395 300</b>

DELIVERIES, TON	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Rolling 12 month	Jan-Dec 2021
Sulphate pulp	58 300	56 100	112 800	118 100	218 100	223 400
Groundwood pulp	16 900	15 700	33 800	36 400	66 400	69 000
CTMP	30 800	31 400	59 400	60 700	109 500	110 800
<b>TOTAL</b>	<b>106 000</b>	<b>103 200</b>	<b>206 000</b>	<b>215 200</b>	<b>394 000</b>	<b>403 200</b>

## MAINTENANCE SHUTDOWNS AND SEASONAL VARIATIONS

In 2022, the entire maintenance shutdown at Vallvik will be charged to the fourth quarter. Rottneros Mill will carry 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

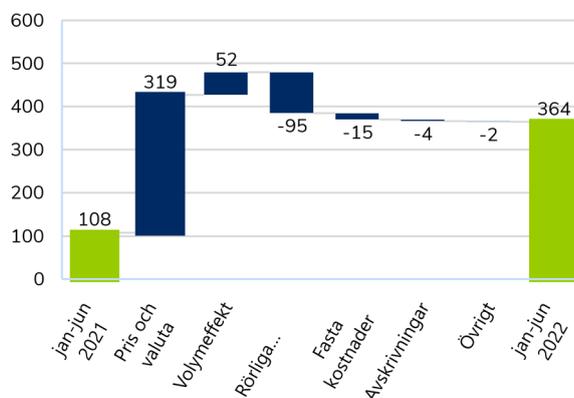
The estimated cost of the shutdown includes both direct costs and the indirect effect of loss of production. Otherwise, the Rottneros Group is not affected by seasonal variations to any appreciable extent.

## Sales and results, H1

Turnover from January to June amounted to 1 444 (1 135) MSEK, an increase of 27 percent. The list price of NBSK market pulp rose by 24 percent during the period, while the USD strengthened against the SEK by 14 percent. Translated to SEK, the list price rose by 42 percent. Both higher sales prices and delivery volumes contributed to the increase in turnover, while currency and mix had a positive impact on profit. Turnover for products other than market pulp rose to 135 (77) MSEK. The realised loss for pulp price hedges was -29 (1) MSEK.

Variable costs have been negatively affected by rising pulp prices. 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 1,05 (0,43) SEK per kWh, while the system price was 1,21 (0,43) SEK per kWh. Rottneros' electricity price hedges generated a positive outcome of 109 (-24) MSEK for January - June 2022. Rottneros' average price after hedging was 0,19 (0,26) SEK per kWh. Electricity costs were negatively affected by higher average prices but positively by lower electricity consumption in the beginning of the year. Overall, variable costs (based on cost per tonne) have reduced earnings by SEK 95 million compared to 2021. Fixed costs are approximately SEK 15 million higher than the previous year and mainly relate to higher one-off maintenance costs. During the first part of the year, we have focused on keeping our fixed costs down.

### DIFFERENCE IN EBIT H1 2022 COMPARED WITH H1 2021 (MSEK)



First half-year 2022 compared with first half-year 2021	Jan-Jun 2022	Jan-Jun 2021	change, %
NBSK, USD	1 336	1 074	24
SEK/USD	9,59	8,40	14
NBSK, SEK	12 826	9 027	42
Net turnover, MSEK	1 444	1 135	27
EBIT, MSEK	364	108	237

### OTHER INCOME STATEMENT ITEMS

Financial items (net) were -2 (-8) MSEK for January-June. The Group's result after financial items increased to 362 (100) MSEK. Income tax expense for January - June was 76 (21) MSEK. Net income increased to 286 (79) MSEK and earnings per share to 1,87 (0,52) SEK. Return on capital employed, measured over a rolling 12-month period, was 31,1 (-1,2) percent. Return on equity, over a rolling 12-month period, was 23,3 (0,0) percent.

## Investments

The Group's investments in fixed assets during January-June 2022 amounted to 43 (38) 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, while 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 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 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 second quarter amounted to 271 MSEK, compared with 161 MSEK at the end of 2021. Interest-bearing liabilities were 128 MSEK at the end of the quarter. Interest-bearing net debt was 143 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 second quarter of 2022.

The equity/assets ratio amounted to 67 (57) percent as of 30 June 2022. Equity per share totalled 13,88 (9,01) SEK at the end of the quarter.

## Cash flow

Cash flow from operating activities January-June 2022 was 261 (94) MSEK. Cash flow after investments fixed assets was 218 (-56) MSEK.

Net cash flow for the period was SEK 110 (56) million, mainly due to a strong performance, which contributed positively, and a dividend payment of SEK 91 million, which contributed negatively.

## Parent Company

Loss after financial items for January-June 2022 in the parent company amounted to -45 (-10) MSEK. This is largely due to the outcome of pulp price hedges.

## Changes in management

In June, Arvid Svanborg, Head of Purchasing, terminated his employment. He was replaced by Pär Skinnargård, who will have increased responsibility as President of Nykvist Skogs and Timber Director and who is already a member of Group Management.

## Average number of employees

The average number of employees was 328 (315). The number of employees increased, in terms of percentage, primarily in Rottneros Packaging.

## 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 GOALS AND TARGET ACHIEVEMENT JUNE 2022

FINANCIAL TARGETS	Objective	Outcome June
Distribution of net income	30-50%	46%
Average growth, produced tonne pulp	3%/year	+1% Jan-Jun
Share of revenue, non-pulp	Min 10% 2023	9% Jan-Jun
Equity/assets ratio	Over 50%	67%

SOCIAL TARGETS	Objective	Outcome June
Safety, accidents with sick leave	Annual improvement of LTIFR	7,5 (-5,5 compared with outcome 2021)*
Proportion female employees	Min 30% 2025	17%

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

\*Measured on a rolling 12-month basis

## 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 performance are linked to exchange rates, as well as pulp, timber and electricity prices.

### IMPACT OF THE WAR IN UKRAINE

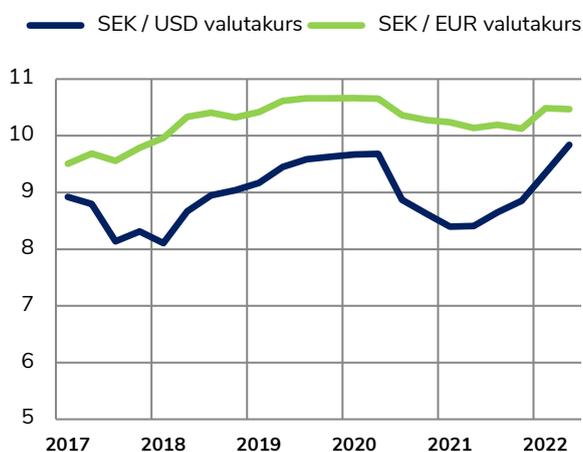
The impact of the war in Ukraine on the Group is indirect and is most evident in rising prices for input goods. The Group's production has not been affected by the war.

### 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 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 for January-June 2022 was 14 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 at the end of June 2022, the Group held pulp price hedges of 12,000 tonnes, with maturity between April 2022 and December 2023, at an average price of SEK 13,393 per tonne. The fair value of these unrealised price hedges was 11 MSEK as of 30 June 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 second 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 unrealised electricity hedges was 648 MSEK as of 30 June 2022.

#### Electricity hedges at 30 June 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 electricity area SE3.

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-June 2022 was 1,05 (0,43) SEK per kWh.

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

## Share information

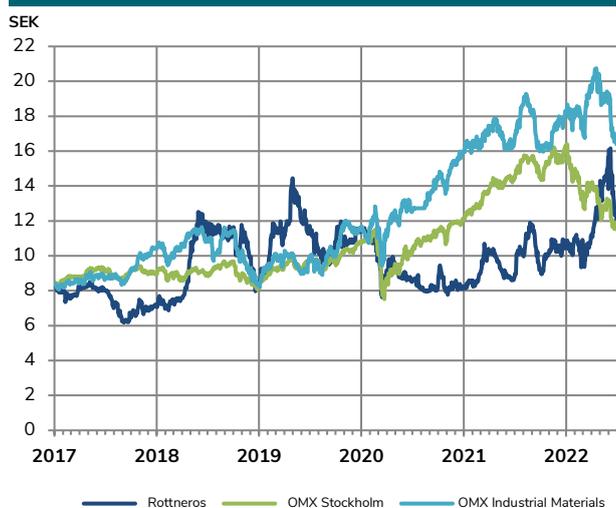
### NUMBER OF SHARES AND TREASURY SHARES

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-JUNE 2022

At the end of the second quarter of 2022, the share price was SEK 11,96 (10,42 at the end of 2021). The average price during the period was 13,47 SEK.

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



### TRANSACTIONS WITH RELATED PARTIES

During the period January-June 2022, Rottneros sold pulp to the affiliated Arctic Paper S.A. group amounting to 0 (30) MSEK. Outstanding operating receivables from Arctic Paper amounted to 0 (7) MSEK as of 30 June 2022. The transactions took place on market terms.

### LARGEST SHAREHOLDERS AT 30 JUNE 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	3 400 000	2,2
SEB AB, LUXEMBOURG BRANSCH, W8IMY	2 278 400	1,5
Försäkringsaktiebolaget Avanza Pension	2 210 320	1,4
CBNY-DFA-INT SML CAP V	1 476 125	1,0
KBC BANK NV, W-BIMY	1 272 420	0,8
Caceis Bank Spain SAU, W8IMY	1 155 113	0,8
STATE STREET BANK AND TRUST CO, W9	1 085 434	0,7
<b>Total 10 largest shareholders by holdings</b>	<b>97 100 041</b>	<b>71,2</b>
Other shareholders	55 471 884	36,2
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) was held on Thursday 28 April 2022 in Söderhamn. The AGM resolved to distribute 0,60 SEK per share for 2021. The AGM decided that the number of Board members shall be six. Marie S. Arwidson, Per Lundeen, Roger Mattsson and Conny Mossberg were re-elected and Julia Onstad and Johanna Svanberg were elected. The Board is now fully equal in terms of gender. Per Lundeen was re-elected to serve as chairman. The Annual General Meeting also resolved to elect the auditing firm KPMG to serve as auditor for the period until the Annual General Meeting 2023.

More information can be found on the Rottneros website under Corporate Governance. In addition, the employees appointed Mika Palmu and Jerry Sohlberg to serve as ordinary employee representatives and Jimmy Thunander and Jörgen Wasberg as deputies.

## Key events after the close of the financial year

There are no significant events to report.

## Forthcoming financial information

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 on 22 July 2022

**Per Lundeen**  
**Chairman of the Board**

**Marie S 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 22 July 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



## GRANSKNINGSRAPPORT

Till styrelsen i Rottneros AB

Org. nr 556013-5872

### INLEDNING

Vi har utfört en översiktlig granskning av den finansiella delårsinformationen i sammandrag (delårsrapporten) för Rottneros AB per den 30 juni 2022 och den sexmånadersperiod som slutade per detta datum. Det är styrelsen och verkställande direktören som har ansvaret för att upprätta och presentera denna delårsrapport i enlighet med IAS 34 och årsredovisningslagen. Vårt ansvar är att uttala en slutsats om denna delårsrapport grundad på vår översiktliga granskning.

### DEN ÖVERSIKTLIGA GRANSKNINGENS INRIKTNING OCH OMFATTNING

Vi har utfört vår översiktliga granskning i enlighet med International Standard on Review Engagements ISRE 2410 Översiktlig granskning av finansiell delårsinformation utförd av företagets valda revisor. En översiktlig granskning består av att göra förfrågningar, i första hand till personer som är ansvariga för finansiella frågor och redovisningsfrågor, att utföra analytisk granskning och att vidta andra översiktliga granskningsåtgärder. En översiktlig granskning har en annan inriktning och en betydligt mindre omfattning jämfört med den inriktning och omfattning som en revision enligt ISA och god revisionsred i övrigt har. De granskningsåtgärder som vidtas vid en översiktlig granskning gör det inte möjligt för oss att skaffa oss en sådan säkerhet att vi blir medvetna om alla viktiga omständigheter som skulle kunna ha blivit identifierade om en revision utförts. Den uttalade slutsatsen grundad på en översiktlig granskning har därför inte den säkerhet som en uttalad slutsats grundad på en revision har.

### SLUTSATS

Grundat på vår översiktliga granskning har det inte kommit fram några omständigheter som ger oss anledning att anse att delårsrapporten inte, i allt väsentligt, är upprättad för koncernens del i enlighet med IAS 34 och årsredovisningslagen samt för moderbolagets del i enlighet med årsredovisningslagen.

Karlstad den 22 juli 2022

KPMG AB

### Mattias Eriksson

Auktoriserad revisor

Huvudansvarig revisor

## SUMMARY CONSOLIDATED INCOME STATEMENT

AMOUNT IN MSEK	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Rolling 12 months	Full year 2021
Net turnover	784	593	1 444	1 135	2 612	2 303
Changes in finished goods	20	26	39	-15	25	-29
Other operating income	23	-1	28	13	44	29
<b>TOTAL OPERATING INCOME</b>	<b>827</b>	<b>618</b>	<b>1 511</b>	<b>1 133</b>	<b>2 681</b>	<b>2 303</b>
Raw materials and consumables	-355	-300	-672	-598	-1 199	-1 125
Other external costs	-135	-110	-258	-218	-549	-509
Employee benefit expenses	-84	-81	-154	-150	-288	-284
Other operating expenses	0	0	0	0	0	0
<b>EBITDA (Operating profit/loss before depreciation/amortisation and impairment)</b>	<b>253</b>	<b>127</b>	<b>427</b>	<b>167</b>	<b>645</b>	<b>385</b>
Depreciation/amortisation and impairment losses	-34	-30	-63	-59	-122	-118
<b>EBIT (operating profit/loss)</b>	<b>219</b>	<b>97</b>	<b>364</b>	<b>108</b>	<b>523</b>	<b>267</b>
Financial income	0	2	0	2	-1	1
Financial expenses	-1	-6	-2	-10	-14	-22
<b>TOTAL FINANCIAL ITEMS</b>	<b>-1</b>	<b>-4</b>	<b>-2</b>	<b>-8</b>	<b>-15</b>	<b>-21</b>
<b>PROFIT/LOSS AFTER FINANCIAL ITEMS</b>	<b>218</b>	<b>93</b>	<b>362</b>	<b>100</b>	<b>508</b>	<b>246</b>
Tax on profit for the period	-46	-19	-76	-21	-103	-48
<b>NET INCOME</b>	<b>172</b>	<b>74</b>	<b>286</b>	<b>79</b>	<b>405</b>	<b>198</b>
Average number of shares outstanding (thousands)	152 572	152 572	152 572	152 572	152 572	152 572
<b>EARNINGS PER SHARE (SEK)</b>	<b>1,13</b>	<b>0,49</b>	<b>1,87</b>	<b>0,52</b>	<b>2,65</b>	<b>1,30</b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

AMOUNT IN MSEK	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Rolling 12 months	Full year 2021
<b>NET INCOME</b>	<b>172</b>	<b>74</b>	<b>286</b>	<b>79</b>	<b>405</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	409	35	496	-8	625	121
Income tax attributable to changes in value	-84	-7	-102	2	-129	-25
Translation differences	0	0	0	0	0	0
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>325</b>	<b>28</b>	<b>394</b>	<b>-6</b>	<b>496</b>	<b>96</b>
<b>COMPREHENSIVE INCOME FOR THE PERIOD <sup>1</sup></b>	<b>497</b>	<b>102</b>	<b>680</b>	<b>73</b>	<b>901</b>	<b>294</b>

<sup>1</sup> The entire comprehensive income is attributable to the shareholders of the parent company.

CONSOLIDATED BALANCE SHEET, SUMMARY			
AMOUNT IN MSEK	30 Jun 2022	30 Jun 2021	31 Dec 2021
Intangible assets	23	27	25
Property, plant and equipment	1 196	1 185	1 213
Financial assets	510	55	101
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1 729</b>	<b>1 266</b>	<b>1 339</b>
Inventories	385	351	327
Current receivables	793	397	555
Cash and cash equivalents	271	386	161
<b>TOTAL CURRENT ASSETS</b>	<b>1 449</b>	<b>1 134</b>	<b>1 043</b>
<b>TOTAL ASSETS</b>	<b>3 178</b>	<b>2 401</b>	<b>2 382</b>
<b>EQUITY</b>	<b>2 117</b>	<b>1 374</b>	<b>1 527</b>
Interest-bearing liabilities	128	411	145
Deferred tax liability	253	104	153
Other non-interest-bearing liabilities	56	57	54
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>437</b>	<b>572</b>	<b>352</b>
Interest-bearing liabilities	-	-	-
Non-interest-bearing liabilities	624	455	503
<b>TOTAL CURRENT LIABILITIES</b>	<b>624</b>	<b>455</b>	<b>503</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>3 178</b>	<b>2 401</b>	<b>2 382</b>

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY, SUMMARY							
AMOUNT IN MSEK	Share capital	Other injected capital	Repurchased treasury shares	Other reserves		Retained earnings, incl. profit for the year	Total equity capital
				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-Jun						79	79
Other comprehensive income Jan-Jun				-6	-		-6
Total comprehensive income, Jan-Jun				-6	-	79	73
<b>Closing balance, 30 June 2021</b>	<b>153</b>	<b>730</b>	<b>-69</b>	<b>11</b>	<b>-8</b>	<b>557</b>	<b>1 374</b>
Net income Jul-Dec						119	119
Other comprehensive income Jul-Dec				102	-		102
Total comprehensive income Jul-Dec				102	-	119	221
Dividends to shareholders, Jul-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-Jun						286	286
Other comprehensive income Jan-Jun				394	1		395
<b>Total comprehensive income, Jan-Jun</b>				<b>394</b>	<b>1</b>	<b>286</b>	<b>681</b>
Dividends to shareholders, Jan-Jun						-91	-91
<b>Closing balance, 30 June 2022</b>	<b>153</b>	<b>730</b>	<b>-69</b>	<b>507</b>	<b>-7</b>	<b>803</b>	<b>2 117</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

AMOUNT IN MSEK	Jan-Jun 2022	Jan-Jun 2021	Rolling 12 months	Jan-Dec 2021
<b>EBIT</b>	364	108	523	267
Adjustment for items not included in cash flow	-		1	1
Depreciation/amortisation and impairment losses	62	59	120	117
<b>EBIT adjusted for items not affecting cash flow</b>	<b>426</b>	<b>167</b>	<b>644</b>	<b>385</b>
Financial items received/paid	-2	-9	-14	-21
Received/paid tax	-22	-33	-31	-42
<b>Cash flow from operating activities before changes in working capital</b>	<b>402</b>	<b>125</b>	<b>599</b>	<b>322</b>
Change in working capital	-141	-31	-144	-34
<b>Cash flow from operating activities</b>	<b>261</b>	<b>94</b>	<b>455</b>	<b>288</b>
Investments in non-current assets	-43	-38	-130	-125
Sale of non-current assets	-	0	2	2
Change in current loan receivables	-	-	-	-
<b>Cash flow from investing activities</b>	<b>-43</b>	<b>-38</b>	<b>-128</b>	<b>-123</b>
Borrowings, non-current loans	-	-	150	150
Amortisation, non-current bank loans	-17	-	-433	-416
Dividend paid	-91	-	-159	-68
<b>Cash flow from financing activities</b>	<b>-108</b>	<b>0</b>	<b>-442</b>	<b>-334</b>
<b>NET CASH FLOW FOR THE PERIOD</b>	<b>110</b>	<b>56</b>	<b>-115</b>	<b>-169</b>
Cash and cash equivalents at the beginning of the period	161	330	386	330
Net cash flow for the period	110	56	-115	-169
Cash and cash equivalents at the end of the period	271	386	271	161

## CHANGES IN INTEREST-BEARING LIABILITIES

AMOUNT IN MSEK	Jan-Jun 2022	Jan-Jun 2021	Rolling 12 months	Jan-Dec 2021
<b>Interest-bearing liabilities on the balance sheet at the beginning of the period</b>	<b>145</b>	<b>411</b>	<b>411</b>	<b>411</b>
<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	-17	-	-433	-416
<b>Total</b>	<b>-17</b>	<b>-</b>	<b>283</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>128</b>	<b>411</b>	<b>128</b>	<b>145</b>

## PARENT COMPANY INCOME STATEMENT

AMOUNT IN MSEK	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021
NET TURNOVER	4	4	8
Other operating income	8	9	19
<b>TOTAL OPERATING INCOME</b>	<b>12</b>	<b>13</b>	<b>27</b>
Result from hedging activities	-29	1	-17
Other external costs	-16	-8	-19
Employee benefit expenses	-18	-16	-31
<b>EBITDA (OPERATING PROFIT/LOSS BEFORE DEPRECIATION /AMORTISATION AND IMPAIRMENT LOSSES)</b>	<b>-51</b>	<b>-10</b>	<b>-40</b>
Depreciation/amortisation and impairment losses	-2	-2	-4
<b>EBIT (operating profit/loss)</b>	<b>-53</b>	<b>-12</b>	<b>-44</b>
Profit from participations in Group companies	0	0	162
Financial income	10	11	21
Financial expenses	-2	-9	-21
<b>TOTAL FINANCIAL ITEMS</b>	<b>8</b>	<b>2</b>	<b>162</b>
<b>PROFIT/LOSS AFTER FINANCIAL ITEMS</b>	<b>-45</b>	<b>-10</b>	<b>118</b>
Tax on profit for the period	0	0	-25
<b>NET INCOME</b>	<b>-45</b>	<b>-10</b>	<b>93</b>

## PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

AMOUNTS IN MSEK	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021
<b>NET INCOME</b>	<b>-45</b>	<b>-10</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>-45</b>	<b>-10</b>	<b>93</b>

## PARENT COMPANY BALANCE SHEET, SUMMARY

AMOUNT IN MSEK	30 June 2022	30 June 2021	31 Dec 2021
Intangible assets	2	6	4
Property, plant and equipment	0	0	0
Financial assets <sup>1</sup>	822	657	844
<b>TOTAL NON-CURRENT ASSETS</b>	<b>824</b>	<b>663</b>	<b>848</b>
Current receivables <sup>2</sup>	124	404	278
Cash and cash equivalents	261	376	143
<b>TOTAL CURRENT ASSETS</b>	<b>385</b>	<b>780</b>	<b>421</b>
<b>TOTAL ASSETS</b>	<b>1 209</b>	<b>1 443</b>	<b>1 269</b>
<b>EQUITY</b>	<b>696</b>	<b>798</b>	<b>833</b>
Interest-bearing long-term liabilities	117	398	133
Non-interest-bearing long-term liabilities	56	50	54
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>173</b>	<b>448</b>	<b>187</b>
Non-interest bearing current liabilities <sup>3</sup>	340	197	249
<b>TOTAL CURRENT LIABILITIES</b>	<b>340</b>	<b>197</b>	<b>249</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>1 209</b>	<b>1 443</b>	<b>1 269</b>

<sup>1</sup> Including receivables of 441 MSEK (283) from subsidiaries.

<sup>2</sup> Includes receivables from subsidiaries of SEK 91 (390) million.

<sup>3</sup> Includes liabilities to subsidiaries of SEK 321 (189) million.

# 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.

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	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Rolling 12 months	Full year 2021
Sweden	157	117	297	208	556	467
Other Nordic countries	84	44	135	97	272	234
Germany	118	85	224	161	414	351
Italy	109	86	203	161	359	317
Rest of Europe	85	52	158	106	271	219
North America	69	59	128	116	231	219
Asia	162	150	299	285	509	495
Rest of world	0	0	0	1	0	1
<b>TOTAL NET TURNOVER</b>	<b>784</b>	<b>593</b>	<b>1 444</b>	<b>1 135</b>	<b>2 612</b>	<b>2 303</b>

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

Amounts in MSEK	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Rolling 12 months	Full year 2021
Sales of pulp	723	553	1 338	1 054	2 439	2 155
Results from pulp price hedging	-18	-3	-29	1	-47	-17
Sales of by-products and other	27	12	45	23	69	47
Sales of wood	52	31	90	57	151	118
<b>TOTAL NET TURNOVER</b>	<b>784</b>	<b>593</b>	<b>1 444</b>	<b>1 135</b>	<b>2 612</b>	<b>2 303</b>

## BREAKDOWN OF PULP TURNOVER BY AREA OF USE

Amounts in MSEK	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Rolling 12 months	Full year 2021
Board and packaging	213	163	412	280	683	551
Printing and writing papers	76	83	145	180	333	368
Filters	131	130	260	243	480	463
Electrotechnical applications	111	73	193	142	366	315
Tissue paper	32	28	56	63	115	122
Specialty paper	96	65	188	131	363	306
Other	64	11	84	15	99	30
<b>TOTAL NET TURNOVER</b>	<b>723</b>	<b>553</b>	<b>1 338</b>	<b>1 054</b>	<b>2 439</b>	<b>2 155</b>

## FAIR VALUE OF DERIVATIVE INSTRUMENTS AT 30 JUNE 2022

Hedging	Hedged volume	Maturity	Hedging level	Fair value (MSEK)
Pulp price, forwardsell	12 000 tonnes	Jul 2022 -Dec 2023	13 393 SEK/tonne	-11
Electricity price, forward buy	886 632 MWh	2022-2025	0,318 SEK/kWh	648
<b>Total fair value</b>				<b>637</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-Jun 2022	Jan-Jun 2021	Rolling 12 months	2021	2020	2019	2018	2017
<b>Income statement, MSEK</b>								
Net turnover	1 444	1 135	2 612	2 303	2 093	2 376	2 260	1 912
EBITDA	427	167	645	385	77	374	394	247
Depreciation/amortisation and impairment losses	-63	-59	-122	-118	-119	-106	-99	-91
EBIT	364	108	523	267	-42	268	295	156
Financial items (net financial items)	-2	-8	-15	-21	-19	-21	-19	-9
Profit/loss after financial items	362	100	508	246	-61	247	276	147
Net income	286	79	405	198	-50	194	221	114
<b>Statement of cash flows, MSEK</b>								
Cash flow from operating activities	261	94	455	288	85	462	223	222
Investments in non-current assets	-43	-38	-128	-123	-128	-109	-255	-237
Cash flow after investments in non-current assets	218	56	327	165	-43	353	-32	-15
Cash flow from financing activities	-108	0	-442	-334	-3	-214	-56	325
Net cash flow	110	56	-115	-169	-46	138	-88	310
<b>Balance sheet items, MSEK</b>								
Non-current assets	1 729	1 267	1 801	1 339	1 285	1 280	1 290	1 078
Inventories	385	351	361	327	355	375	389	279
Current receivables	793	397	951	555	287	342	484	324
Cash and cash equivalents	271	386	46	161	330	376	238	326
Net debt (+) / net cash (-)	-143	25	-184	-16	81	35	157	68
Shareholders' equity	2 117	1 374	2 270	1 527	1 301	1 380	1 460	1 207
Long-term interest-bearing liabilities	128	411	-138	145	411	411	395	394
Long-term non-interest-bearing liabilities	309	161	355	207	150	176	137	52
Current interest-bearing liabilities	-	-	-	-	-	-	-	-
Current non-interest-bearing liabilities	624	455	672	503	395	406	409	354
Capital employed	1 974	1 399	2 086	1 511	1 382	1 415	1 617	1 275
Total shareholders' equity and liabilities	3 178	2 401	3 159	2 382	2 257	2 373	2 401	2 007
<b>Key ratios</b>								
EBITDA margin, %	29,6	14,7	31,6	16,7	3,7	15,7	17,4	12,9
EBIT margin, %	25,2	9,5	27,3	11,6	-2,0	11,3	13,1	8,2
Return on equity (rolling 12 months), %	23,3	0,0	23,3	14,2	-3,8	13,7	16,6	9,7
Return on capital employed, (rolling 12 months), %	31,1	1,2	31,1	18,5	-3,0	17,7	20,4	12,9
Equity/assets ratio, %	67	57	72	64	58	58	61	60
Debt/equity ratio, %	-7	2	-8	-1	6	3	11	6
<b>Other</b>								
Average no. of employees	328	315	322	316	316	303	303	301
Pulp production, 1 000 tonnes	213,7	211,7	397,3	395,3	412,6	406,0	393,6	401,2
Pulp deliveries, 1 000 tonnes	206,0	215,2	394,0	403,2	416,5	408,3	382,5	395,9
List price of NBSK pulp, USD per tonne <sup>1</sup>	1 381	1 074	1 505	1 198	843	984	1 167	882
SEK/USD <sup>2</sup>	9,59	8,40	10,0	8,58	9,21	9,46	8,69	8,54
List price of NBSK pulp, SEK per tonne	13 589	9 027	14 842	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			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Income statement, MSEK</b>										
Net turnover	784	660	598	570	593	542	490	508	510	585
EBITDA	254	174	88	130	127	40	-65	31	31	80
Depreciation/amortisation and impairment losses	-34	-29	-30	-29	-30	-29	-30	-28	-29	-32
EBIT	220	145	58	101	97	11	-95	3	2	48
Financial items (net financial items)	-1	-1	-1	-11	-4	-4	-4	-5	-5	-5
Profit/loss after financial items	219	144	57	90	93	7	-99	-2	-3	43
Tax on profit for the period	-46	-30	-8	-19	-19	-2	22	0	0	-11
Net income	172	114	49	71	74	5	-77	-2	-3	32
<b>Per share</b>										
Earnings per share, SEK	1,13	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	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	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	13 589	12 063	11 573	11 557	10 012	8 044	7 382	7 465	8 226	7 988

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

		Jan-Jun 2022	Jan-Jun 2021	Rolling 12months	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	1,87	0,52	2,65	1,30	-0,33	1,27	1,45	0,75	
Cash flow after investments/share <sup>3</sup>	SEK	1,43	0,37	2,13	1,07	-0,30	2,30	-0,21	-0,10	
Equity per share	SEK	13,88	9,01	13,88	9,99	8,53	9,05	9,57	7,91	
<b>Dividend <sup>4</sup></b>										
Ordinary dividend	SEK	-	-	0,40	0,40	-	-	0,40	0,30	
Extra dividend	SEK	-	-	0,20	0,20	0,45	-	1,00	0,07	
Total	SEK	-	-	0,60	0,60 <sup>4</sup>	0,45	-	1,40	0,37	
Dividend/equity per share	%	-	-	4,3	6,0	5,3	-	14,6	4,7	
Share price at end of period	SEK	11,96	8,70	11,96	10,42	8,15	11,40	8,24	7,15	
Market price/equity/share	times	0,9	1,0	0,9	1,0	1,0	1,3	0,9	0,9	
P/E ratio per share	times	6,4	16,7	4,5	8,1	-24,7	9,0	5,7	9,5	

<sup>1</sup> No key ratios were influenced by any dilution effect.

<sup>2</sup> The number of shares is given in thousands, excluding Rottneros' holdings of 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> Refers to dividends paid in 2022 based on financial year 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.

### **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)**

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

### **EQUITY/ASSETS RATIO**

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

### **LIQUIDITY**

Cash in hand, deposits with banks and similar institutions and short-term and liquid investments readily convertible into a known amount.

### **AVAILABLE LIQUIDITY**

Cash and cash equivalents and available credit from banks and equivalent 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.



Rottneros AB (publ)  
Box 144, SE-826 23 Söderhamn, Sweden Street  
address: Vallviks Bruk, SE-826 79 Vallvik, Sweden  
+46 (0)270 620 00 [info@rottneros.com](mailto:info@rottneros.com) [rottneros.com](http://rottneros.com) Corp. ID no.: 556013-5872