

INTERIM REPORT
JAN-JUNE 2023

Q2

Focus on improving competitiveness and financial stability

EBIT second quarter 2023 41 MSEK

Investments in increased capacity and renewable electricity

Refinancing, long-term loans



ROTTNEROS



Focus on improving competitiveness and financial stability

Q2 2023 COMPARED WITH (Q2 2022)

NET TURNOVER decreased by 13 percent to 681 (784) MSEK. Sold volume was impacted by the discontinuation of groundwood pulp sales. At the same time, the product mix was positively affected and the average selling price increased. Lower demand and a changed customer mix curbed invoicing in the quarter.

THE LIST PRICE of NBSK pulp was 5 percent lower in USD and 1 percent higher in SEK compared with the second quarter of 2022. The USD strengthened against the SEK by 7 percent during the same period.

PRODUCED VOLUME excluding groundwood pulp amounted to 93.2 (94.2) thousand tons, a decrease of 1 percent.

SOLD VOLUME of NBSK and CTMP totalled 82.8 (89.1) thousand tons. The volume of groundwood pulp was 0.1 (16.9) thousand tons.

EBIT (operating profit) was 41 (219) MSEK. The quarter was affected by a weaker economy, significantly higher variable costs, especially for pulp wood, and costs for the organizational review at Vallvik Mill.

NET PROFIT was 34 (172) MSEK. Earnings per share for the quarter totalled 0.22 (1.13) SEK.

THE BALANCE SHEET remains strong. The equity/assets ratio was 65 (67) percent and available liquidity totalled 714 (553) MSEK. Net cash amounted to 274 MSEK. The long-term loan facilities were refinanced with a maturity of two years and an option to extend.

DIVIDEND to shareholders in the quarter of 1.40 SEK per share, totalling 214 MSEK.

THE QUARTER IN FIGURES	Apr–Jun 2023	Apr–Jun 2022	Change	Jan–Jun 2023	Jan–Jun 2022	Change	Rolling 12 months	Jan–Dec 2022
Net turnover, MSEK	681	784	-103	1,425	1,444	-19	2,961	2,980
EBITDA, MSEK	71	253	-182	249	427	-178	513	691
EBIT, MSEK	41	219	-178	190	364	-174	376	550
Profit/loss after financial items, MSEK	44	218	-174	192	362	-170	544	714
Net profit, MSEK	34	172	-138	152	286	-134	431	565
Earnings per share, SEK	0.22	1.13	-0.91	1.00	1.87	-0.87	2.82	3.70
Cash-flow from current operations, MSEK	17	81	-64	121	260	-139	400	539
Return on capital employed (rolling 12 months), %	–	–	–	22.7	29.1	–	22.7	32.2
Production*, thousand tons	93.2	94.2	-1.0	182.8	180.5	2.3	343.2	340.9
Deliveries*, thousand tons	82.8	89.1	-6.3	165.4	172.2	-6.8	326.1	332.9

* Excluding groundwood pulp

Comments by the CEO

Lennart Eberleh



In the second quarter, we continued to deliver on our goal of continuous improvement and increased competitiveness. Based on our strong financial position we took a number of important decisions for the future. The pulp market was challenging, leading to further price declines. Our focus on cost-efficiency and long-term growth niches, along with our solid finances, give us significant resilience to potential challenges moving forward.

Our income statement was impacted by the weak market conditions that resulted in both lower deliveries and prices in USD. Net sales decreased by 13 percent during the quarter, to 681 MSEK. EBIT was 41 MSEK, including provisions totalling 16 MSEK for retirements and a new organisation at Vallvik. Production was according to plan and stable in terms of comparable units, while deliveries decreased mainly due to longer transit times between mill and customer as a result of the weaker market. In general, we were successful in finding outlets for our production volumes. The strong USD continued to benefit our margins.

FOCUS ON EFFICIENCY IMPROVEMENTS

We are taking appropriate measures to offset the negative margin effects of cost inflation combined with falling pulp prices. During the quarter, a new organisation for Vallvik Mill was negotiated that involves a reduction of 21 employees. Together with efficiency improvements and the closure of the groundwood line at Rottneros Mill last year, this meant that we reduced the number of full-time positions by almost 20 percent over the past year. We have endeavored to implement the cutbacks as respectfully as possible for our employees. We will also adjust maintenance activities at the mills in the coming year. Postponing certain less critical actions will favour the fixed cost base in the short term.

RAW MATERIAL MARKET BENEFITS FROM ECONOMIC SLOWDOWN

The signs of reduced inflation are reflected in a clearly improved balance and a good local supply of pulp wood. Lower demand in particular favors the balance. Import volumes from the Baltics will be reduced as a result, which will benefit our margins. Our chemical prices are also falling. They are normally relatively closely linked to energy prices.

PULP PRICES FALL

In the current weak economic climate, the balance of the pulp market is shifting to the detriment of sellers, resulting in price reductions. Stock levels on the market remain high. The list price for NBSK fell by 130 USD in Q2, to 1,240 USD at the end of June.

In China, the market is showing clear signs of bottoming out with announcements of price increases for hardwood chemical pulp. This gives hope for a stabilization of the global

market in the near future. In Europe, demand and prices continued to decline at the beginning of the third quarter.

STRONG INTEREST IN PACKAGING'S PRODUCTS

The Joint Venture in Poland together with Arctic Paper for molded fiber packaging is well timed. This was amply confirmed at Interpack in Düsseldorf, the world's largest packaging exhibition. Interest in our products was enormous.

SERIES OF IMPORTANT DEVELOPMENTS

We continue to maintain a high tempo in our work to develop Rottneros to the next level. In April, the Board decided to invest in expanded CTMP capacity and renewable energy production with associated energy storage at Rottneros Mill.

In June, we entered into a long-term agreement to secure access to long-term renewable energy with German EnBW through a Power Purchase Agreement (PPA). The company will provide us with over 30 GWh/year of clean wind energy over an 8.5-year period starting in 2025. The agreement is an important part of our efforts to reduce long-term exposure to electricity prices and our journey towards fossil free production.

OUR SIGNIFICANT BUFFERS GIVE US FINANCIAL RESILIENCE

At the end of June, we refinanced our long-term credit facilities totalling 250 MSEK. As before, the two-year financing agreement includes a sustainability link whereby the interest terms are linked to some of the environmental and work environment criteria in the Group's long-term targets.

We continue to prioritize our financial buffers given the potential challenges that the economic slowdown may bring. Our equity/assets ratio at the end of the quarter was 65 percent, our cash and cash equivalents were 382 MSEK and available liquidity totalled 714 MSEK. Net cash amounted to a robust 274 MSEK after we paid a record dividend of 214 MSEK during the quarter.

Finally, I would like to thank all of our colleagues who are constantly working to develop our business, as well as our customers, suppliers, owners and the Board of Directors, for a rewarding collaborative effort.

The pulp market

The global economy continues to be characterised by uncertainty. Inflation has clearly turned downwards but remains high. Inflation in the euro area was 6.1 percent in May and is expected to fall to 5.5 percent in June; inflation in the US has also slowed. The US and EU central banks continued to raise interest rates during the quarter and announced further increases. The Chinese economy remains weak, industrial production continued to fall and youth unemployment reached a new record high. China's central bank cut interest rates in June to stimulate the economy.

The correction in the market for market pulp continued unabated in the second quarter. Inventory levels throughout the value chain from pulp to converted end products built up gradually during and after the pandemic as a result of logistics bottlenecks and customer hedging. With normalized deliveries, this need no longer **entire** existed, and so order books have shrunk throughout the value chain. Meanwhile, the need for packaging and printing materials is decreasing as consumers and businesses are adjusting to the pressure of rising interest rates and costs. At the same time, the amount of market pulp has increased due to new capacity in South America, and some integrated paper mills have chosen to produce pulp instead of paper. Taken together, these factors lead to a large oversupply of market pulp and falling prices. Several pulp producers have announced production limits or closures due to poor profitability.

The downward trend in the paper market in Europe continued during the second quarter. Up to April, production was down by a total of 17 percent compared with the previous year. Tissue paper showed resilience with a decline of only 2 percent. Some of Rottneros' niche markets have also continued to enjoy healthy demand.

The market in China, the world's largest market for market pulp, though not significant for Rottneros, remained weak in the second quarter. However, low pulp prices in the quarter led to a buying impulse as pulp stocks of customers in China were and remain low. The low prices of imported market pulp also displaced some more expensive integrated pulp production in China during the quarter, a phenomenon that may continue in the future but depends on the price of imported woodchips as a raw material.

The list price for NBSK in Europe fell from 1,370 USD to 1,240 USD in the second quarter, while net prices fell from 770 USD to around 630 USD. Correspondingly, net prices for NBSK in China fell from 830 USD to 650 USD. Net prices for BCTMP in Asia fell from 600 USD to around 450 USD during the quarter and prices in the different countries are now similar. Prices in China are now estimated to be below marginal cost for several producers. The price of hardwood pulp in China rose towards the end of the quarter.

Deliveries of tissue paper in the main markets (excl. China) up to April show an increase of 1.3 percent com-

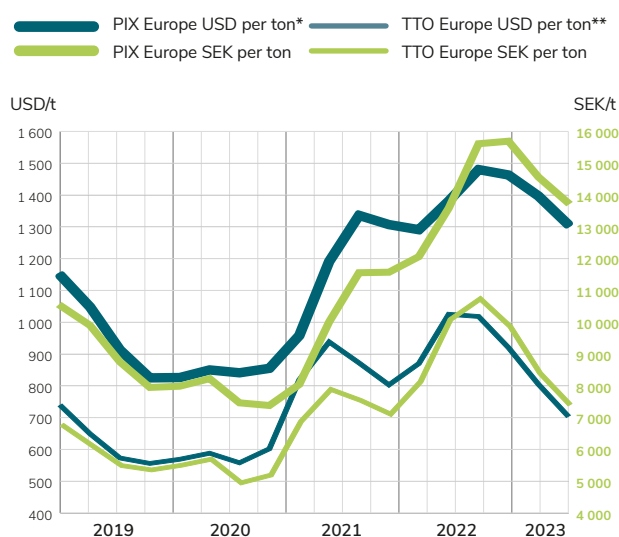
pared with 2022. Tissue paper is not a large market for Rottneros, but it is the largest area of use for market pulp with more than 40 percent of the market.

Deliveries of printing and writing papers continued in a very downward trend that began in the second half of 2022. In the year to April, deliveries fell by 20 percent in the main markets (excluding China) compared with 2022. Rottneros left the printing and writing papers segment in 2022, but it is the second largest use of market pulp globally.

Until May 2023, global demand for market pulp was down by 0.8 percent compared with 2022, split between hardwood pulp +2.0 percent and softwood pulp -4.0 percent. Demand for unbleached pulp (UKP) fell by 15 percent compared with a very strong 2022. This mainly refers to standard UKP, while our special grades are doing well.

In May, manufacturers' global stocks of softwood pulp were 52 days and hardwood pulp 59 days, up 5 days for softwood and 7 days for hardwood pulp compared with February 2023. Stock levels of both grades indicate a market with a clear oversupply.

NBSK PRICES 2019–2023, QUARTERLY



* Average gross prices per quarter for NBSK in Europe

** Average net prices per quarter for NBSK in Europe

Sales and results, Q2

Turnover amounted to 681 (784) MSEK, a decline of 13 percent. The main explanation is the discontinuation of groundwood pulp sales from the second quarter of 2023. Lower sales volumes of other products also reduced turnover. Excluding groundwood pulp, the sales volume was 82.8 (89.1) thousand tons, which is 7 percent lower than the previous year.

Compared with the second quarter of 2022, the list price of NBSK fell by 5 percent in USD, but rose by 1 percent in SEK. The average price of Rottneros' pulp rose by 7 percent because of a better product mix.

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

Sales of products other than pulp were 70 (79) MSEK, corresponding to 10 percent of turnover.

Variable costs remain at a high level. This cost, based on SEK per ton produced, increased by approximately 137 MSEK for the second quarter of 2023 compared with the same period in 2022. The increase is mainly attributable to higher pulp wood costs, though the cost of chemicals and fuels has also been high. The supply of wood chips and roundwood has been volatile during the quarter. From a strained situation at the beginning of the quarter, the supply of pulp wood and stock levels were both adequate at the end of the quarter. Imports of wood from the Baltics have been at a higher level than normal.

Electricity prices fell during the quarter to levels not seen since the summer of 2021. The system price for the quarter was 0.64 (1.27) SEK per kWh. Rottneros' consumption takes place primarily in electricity area SE3, where the price was 0.54 (1.06) SEK per kWh. Rottneros hedges most of its electricity consumption. Realised gain on electricity hedges was 11 (57) MSEK. The net cost of the Group's electricity consumption in the second quarter was 0.30 (0.16) SEK per kWh.

Underlying fixed costs were at a lower level than in the second quarter of 2022. The impact of inflation was offset by a lower cost level at Rottneros Mill due to the closure of the groundwood line. No major maintenance work was carried out during the quarter.

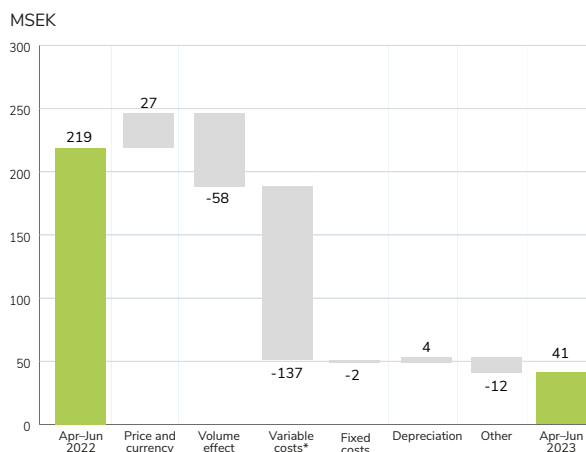
Scheduled depreciation had a negative impact on income of 30 (34) MSEK.

An organizational review of Vallvik Mill was conducted during the quarter. The negotiated staffing levels entail a reduction of 21 employees. A provision of 16 MSEK for pension solutions was recognised in the second quarter and is included in Other in the graph.

EBIT was 41 (219) MSEK. Income was affected by a weaker pulp market and continued high raw material prices.

Second quarter 2023 compared with second quarter 2022	Apr-Jun 2023	Apr-Jun 2022	Change, percent
NBSK, USD	1,307	1,381	-5
SEK/USD	10.52	9.84	7
NBSK, SEK	13,749	13,589	1
Net turnover, MSEK	681	784	-13
EBIT, MSEK	41	219	-81

DIFFERENCE IN EBIT SECOND QUARTER 2023 COMPARED WITH SECOND QUARTER 2022 (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.

Production and deliveries

Production was at an excellent and very good level. The volume was 93,200 tons, compared with 94,200 tons the year before when excluding groundwood pulp. Although a decrease of 1 percent, it is still the second best quarter with the current product mix. Production for the first half of the year was 182,900 (180,500) tons, a 1 percent increase. Systematic work on operational management and visualization of critical KPIs has increased availability and productivity.

Customer deliveries of sulphate pulp and CTMP decreased by 7 percent to 82,800 (89,100) tons. For the first half of the year, deliveries decreased by 4 percent to 165,400 (172,200) tons. Sales volumes were affected by the weak market. As a result, the customer mix has changed with modified logistics solutions, resulting in delayed deliveries.

PRODUCTION, TONS	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Jan-Dec 2022
Sulphate pulp	60,700	62,500	121,400	119,000	227,900	225,500
CTMP	32,500	31,700	61,400	61,500	115,300	115,400
TOTAL	93,200	94,200	182,800	180,500	343,200	340,900
Groundwood pulp	0	16,300	0	33,200	23,000	56,200

DELIVERIES, TONS	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Jan-Dec 2022
Sulphate pulp	57,000	58,300	111,700	112,800	218,600	219,700
CTMP	25,800	30,800	53,700	59,400	107,500	113,200
TOTAL	82,800	89,100	165,400	172,200	326,100	332,900
Groundwood pulp	100	16,900	4,700	33,800	26,400	55,500

Maintenance shutdown and seasonal variations

In 2023, the annual maintenance shutdown at Rottneros Mill is planned for the third quarter and at Vallvik Mill for the fourth quarter.

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

	Timing of maintenance shutdown		Estimated impact on income
	2023	2022	MSEK
Rottneros Mill	Q3	Q3	15–20
Vallvik Mill	Q4	Q4	60–70

The estimated cost of the shutdown includes both direct costs and the indirect effect of loss of production. It represents an assessment of the impact of a normal annual maintenance shutdown on income in relation to a quarter without any maintenance shutdown.

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

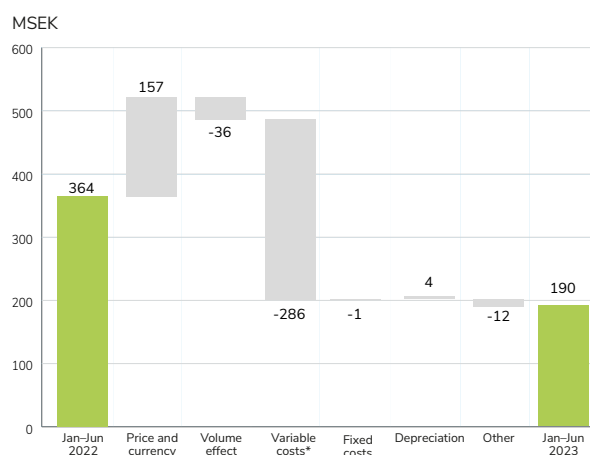
Sales and results, H1

Turnover was 1,425 (1,444) MSEK, a decline of 1 percent. The list price of NBSK market pulp rose by 1 percent during the period in USD and by 11 percent in SEK. The higher price levels offset the lower sales volume. Sales of groundwood pulp were discontinued during the period. Sales of sulphate pulp and CTMP were also lower, decreasing by 4 percent. Sales of products other than pulp increased to 145 (135) MSEK, corresponding to 10 percent of turnover. The realised loss for pulp price hedges was -8 (-29) MSEK.

Variable costs were significantly higher than the previous year. The cost, based on SEK per ton produced, increased by about 286 MSEK for the comparative period. The increase is mainly attributable to higher pulp wood costs, though the cost of chemicals has also been high. The supply of wood chips and roundwood has been volatile during the half-year, which has led to higher than normal imports of wood from the Baltics.

Jan-Jun 2023 compared with Jan-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Change, percent
NBSK, USD	1,352	1,336	1
SEK/USD	10.47	9.59	9
NBSK, SEK	14,156	12,805	11
Net turnover, MSEK	1,425	1,444	-1
EBIT, MSEK	190	364	-48

DIFFERENCE IN EBIT JANUARY-JUNE 2023 COMPARED WITH JANUARY-JUNE 2022 (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.

The average electricity price on the Nord Pool electricity exchange (electricity area SE3) was 0.69 (1.05) SEK per kWh. The system price for the period was 0.80 (1.21) SEK per kWh. Rottneros' consumption takes place primarily in electricity area SE3. Rottneros hedges most of its electricity consumption and the realised profit on electricity price hedges was 40 (109) MSEK. The net cost of the Group's electricity consumption in the first half-year was SEK 0.23 (0.21) per kWh.

Fixed costs increased by 1 MSEK compared with the first half of 2022. The impact of inflation was offset by a lower cost level at Rottneros Mill due to the closure of the groundwood line. When the organizational change at Rottneros Mill reaches full effect, the annual cost reduction is expected to amount to approximately 50 MSEK.

Scheduled depreciation had a negative impact on income of 59 (58) MSEK. Other costs include a provision of 16 MSEK for the organizational review at Vallvik Mill.

EBIT for the first half of 2023 was 190 (364) MSEK. Higher pulp prices and a stronger USD contributed positively, while higher variable costs and lower sales volumes had a negative impact.

OTHER INCOME STATEMENT ITEMS

Financial items (net) totalled 1 (-2) MSEK for the period. In addition to interest income and expenses, this item consists of the change in value of financial derivatives.

Since the groundwood line was closed, electricity price hedges for 2023 and 2024 exceed future cash flows and have now been classified as financial derivatives. Most of the value of the hedges is locked in through the sale of matching electricity price hedges. The change in value of the contracts that are not locked in is recognised under financial items.

The Group's profit after financial items decreased to 192 (362) MSEK.

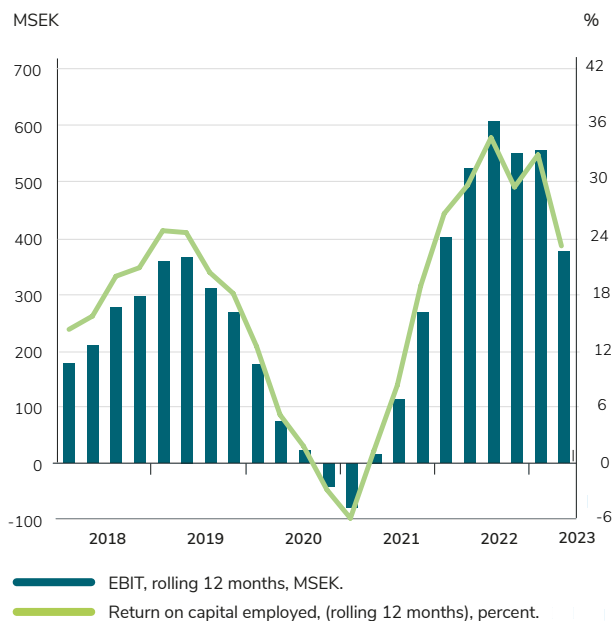
Income tax expense for the half year was -40 (-76) MSEK.

Net income decreased to 152 (286) MSEK and earnings per share to 1.00 (1.87) SEK.

Return on capital employed, measured over a rolling 12-month period, was 22.7 (29.1) percent.

Return on equity, over a rolling 12-month period, was 21.5 (23.3) percent.

EBIT, ROLLING 12 MONTHS



Investments

The Group's investments in property, plant and equipment during the first half of 2023 amounted to 53 (43) MSEK, and primarily relate to maintenance investments to maintain the technical standards achieved through the major investments of recent years. The investments include measures to improve quality and accessibility, as well as investments in safety and perimeter protection.

In addition to maintenance investments of around 100 MSEK for the year, there is also an investment in a new tall oil plant at Vallvik Mill. The total investment is estimated at 93 MSEK and runs over 2023 and 2024.

A tall oil plant is part of the chemical recovery process in a sulphate pulp mill, where soap is separated and refined into tall oil. Tall oil is a valuable by-product that can replace fossil fuels as raw material in other products.

During the second quarter, the Board has decided to invest 180 MSEK to significantly increase production of CTMP at Rottneros Mill from the current 125 thousand tons to about 165 thousand tons. The additional volume is mainly destined for the growing market segments of board and packaging, as well as tissue paper.

The Board has also decided to invest a total of 93 MSEK related to renewable energy at Rottneros Mill. The investments include a solar park and a battery storage facility and are part of a long-term effort to reduce exposure to the electricity market. Start-up is planned for 2024.

Rottneros Packaging focuses on developing and optimising the production of molded fibre trays. As part of this development, the Group has set up a joint venture in Poland. The Group's investments in financial assets included a capital contribution of SEK 12 million to the joint venture.

Rottneros Packaging

Together with Arctic Paper, Rottneros has formed a joint venture company for Packaging in Poland. The purpose of the company is to build and operate a factory for the production of molded fibre trays on a large industrial scale.

The investment in the factory is estimated to total the equivalent of approximately 230 MSEK and will largely be financed through long-term loans. Production capacity is expected to reach approximately 80 million packages per year, which is significantly more compared with the current plant in Sunne. The company is expected to have an annual turnover in the region of 140 MSEK when the factory reaches full capacity utilization.

Production will focus on high-barrier packaging, with extended shelf life of food, but also on packaging with simpler functional requirements. Rottneros' trays can withstand high heat and are excellent for frozen or chilled foods. The raw material is pulp from Rottneros Mill.

Financial position

In June 2023, Rottneros refinanced its existing long-term loan agreements. The new agreement includes a loan of 100 MSEK with 32 MSEK in annual amortisation, as well as revolving credits of up to 150 MSEK. The loan agreement has a term of 2 years with a 1-year extension option.

As before, the financing agreement includes a sustainability link whereby the interest terms are linked to some of the environmental and work environment criteria in the Group's long-term targets. The link is part of Rottneros' continuous focus on sustainable development.

The Group's cash and cash equivalents amounted to 382 MSEK at the end of the quarter, compared with 465 MSEK at the end of 2022. Interest-bearing liabilities were 108 MSEK at the end of the quarter. Net cash was 274 MSEK, compared with 354 MSEK at the end of 2022. Total granted and unused credit facilities amounted to 332 MSEK.

The equity/assets ratio amounted to 65 (67) percent as of 30 June 2023. Equity per share totalled 13.12 (13.88) SEK at the end of the period.

Cash flow

Cash flow from operating activities for the first half of 2023 was 121 (260) MSEK. Cash flow after investments in fixed assets was 56 (217) MSEK.

Cash flow from financial investments, 76 MSEK, relates to realised electricity price hedges classified as financial derivatives.

During the period, 214 (91) MSEK was distributed to shareholders.

Net cash flow for the period was -84 (109) MSEK.

Parent Company

The profit after financial items for January–June 2023 in the parent company amounted to 60 (loss: -45) MSEK. The electricity price hedges classified as financial derivatives and realised during the quarter are recognised as financial income in the parent company and amounted to 77 MSEK. The outcome does not affect the Group's profit or loss for the period.

Changes in management

There were no management changes during the quarter.

Average number of employees

The average number of employees was 284 (314) for the period January–June.

Long-term targets

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

LONG-TERM TARGETS AND TARGET ACHIEVEMENT JUNE 2023

FINANCIAL TARGETS		Target	Outcome June 2023
Distribution of net income		30–50 percent	Annual follow-up
Average growth, produced ton pulp*		3 percent/year	+1 percent
Revenue, non-pulp		At least 10 percent by 2023	10 percent
Equity/assets ratio		Over 50 percent	65 percent

SOCIAL TARGETS		Target	Outcome June 2023
Safety, accidents with sick leave		Annual improvement of LTIFR**	7.8 (outcome 2022: 7.4)
Proportion female employees		At least 30 percent by 2025	18 percent

ENVIRONMENTAL TARGETS		Target	Outcome
Fossil emissions according to GHG Scope 1		Fossil free production 2030	Annual follow-up
Fossil emissions according to GHG Scope 2		Fossil free production 2030	Annual follow-up
COD emissions/ton pulp		Annual improvement	Annual follow-up

* Excluding groundwood pulp

** LTIFR - Lost Time Injury Frequency Rate: Number of accidents with sick leave per 1 million hours worked, measured over a rolling 12-month period.

Risk management

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

IMPACT OF THE WAR IN UKRAINE

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

CURRENCY EXPOSURE, USD AND EUR

Although Rottneros issues invoices in different currencies, the underlying currency for the pulp price is predominantly USD. The underlying exposure to USD is thus high. The direct inflow of USD corresponds to just over 60 percent of the inflow and of EUR about 30 percent. However, the impact of exchange rate fluctuations on indirect exposure is delayed, as the normal duration of a customer contract is between one and three months.

The average USD exchange rate during January - June 2023 was 9 percent higher than during the same period in 2022.

PULP PRICE

The price of pulp (NBSK) is set in USD, while production costs are largely incurred in SEK. As of 30 June 2023, the Group held pulp price hedges for 9,000 tons with a maturity between July and December 2023 at an average price of 13,302 SEK per ton. The fair value of these unrealised price hedges was 9 MSEK as of 30 June 2023.

ELECTRICITY

All external electricity for the mills, about 220 GWh annually, is purchased directly via the Nord Pool electricity exchange. At the end of June 2023, electricity prices were hedged as shown 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 209 MSEK as of 30 June 2023. The amount excludes the volume in excess of electricity demand where the value is hedged by the sale of matching instruments. These hedges are classified as financial instruments.

Electricity hedges at 30 June 2023

Year	Proportion hedged, %	SEK/kWh
2023	100	36.2
2024	100	35.6
2025	80	36.8
2026	20	54.7
2027	20	54.4
2028	20	57.5

69 percent of the hedged volume is against the system price and 31 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 price 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 2023 was 0.69 (1.05) SEK per kWh.

In June 2023, Rottneros entered into a long-term agreement to purchase electricity in the form of a Power Purchase Agreement (PPA) including Guarantees of Origin (GOs). The agreement covers just over 30 GWh/year of clean wind energy that will be delivered over an 8.5-year period starting in 2025.

See pages 65–71 of the 2022 Annual Report 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 2023.

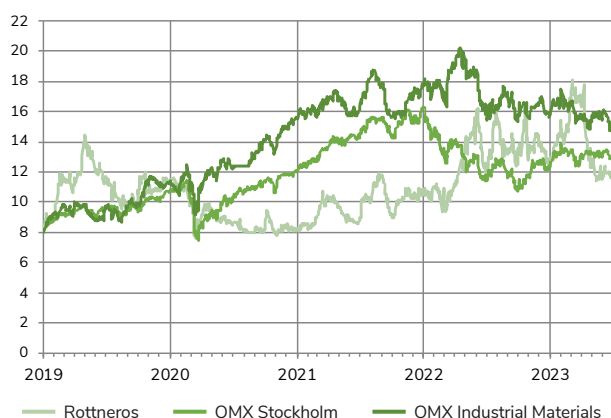
SHARE PRICE DEVELOPMENT JANUARY–JUNE 2023

At the end of the second quarter of 2023, the share price was SEK 11.58 (12.22 at the end of 2022). The average price during the period was 14.32 (13.40 in 2022) SEK.

LARGEST SHAREHOLDERS 30 JUNE 2023

Shareholders	Number of shares (= votes)	% of capital
Arctic Paper S.A.	78,230,883	51.0
PROAD AB	11,575,500	7.5
UBS Switzerland AG, W8IMY	7,085,133	4.6
Caceis Bank, Switzerland Branch, W8IMY	4,262,733	2.8
Avanza Pension	2,571,810	1.7
SEB AB, Luxembourg Branch, W8IMY	2,278,400	1.5
CBNY-DFA-INT SML CAP V	1,522,717	1.0
Caceis Bank Spain SAU, W8IMY	1,155,113	0.8
The Bank of New York Mellon SA/NA, W8IMY	965,893	0.6
SEB Investment Management	832,565	0.5
Total for ten largest owners - in terms of holding	110,480,747	72.0
Other shareholders	42,091,178	27.4
Rottneros AB (treasury stock from buy-back)	821,965	0.5
TOTAL	153,393,890	100.0

SHARE PRICE AND STOCKHOLM STOCK EXCHANGE PRICE TREND 2019–2023



2023 Annual General Meeting

The Annual General Meeting of Rottneros AB (publ) was held on Thursday 27 April 2023 in Sunne. The AGM resolved to distribute 1.40 SEK per share for 2022.

The AGM decided that the number of Board members shall be six with the re-election of Per Lundeen, Roger Mattsson, Conny Mossberg, Julia Onstad and Johanna Svanberg and the election of Magnus Wikström.

Per Lundeen was re-elected to serve as chairman. The Annual General Meeting also resolved to elect the auditing firm PricewaterhouseCoopers AB to serve as auditor for the period until the 2024 Annual General Meeting.

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.

Significant events after the balance sheet date

There are no significant events to report.

Forthcoming financial information

27 October 2023 Interim report January–September 2023

For more information, please visit Rottneros' website, www.rottneros.com

The Board of Directors and the CEO certify that the quarterly 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 21 July 2023

Per Lundeen
Chairman of the Board

Roger Mattsson
Board member

Conny Mossberg
Board member

Julia Onstad
Board member

Johanna Svanberg
Board member

Magnus Wikström
Board member

Mika Palmu
Employee representative

Jerry Sohlberg
Employee representative

Lennart Eberleh
President and CEO

This information is information that Rottneros AB is obliged to publish under the EU Market Abuse Regulation and the Securities Market Act. This information was submitted for publication, through the agency of the contact persons set out below, on 21 July 2023 at 8:00 a.m. A Swedish and an English version of this report have been drawn up. 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
www.rottneros.com

Auditor's review report

Rottneros AB (publ) 556013-5872

INTRODUCTION

We have reviewed the condensed interim financial information (interim report) of Rottneros AB (publ) as of 30 June 2023 and the six-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and

other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

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

Stockholm 21 July 2023

PricewaterhouseCoopers AB

Bo Karlsson

Responsible Authorized Public Accountant

Tomas Rahm

Authorised Public Accountant

GROUP PROFIT/LOSS

AMOUNTS IN MSEK	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Full year 2022
NET TURNOVER	681	784	1,425	1,444	2,961	2,980
Change in finished goods inventories	37	20	91	39	140	88
Other operating income	15	23	31	28	47	44
OPERATING INCOME, TOTAL	733	827	1,547	1,511	3,148	3,112
Raw materials and consumables	-441	-355	-878	-672	-1,621	-1,415
Other external costs	-127	-135	-253	-258	-644	-649
Employee benefit expenses	-94	-84	-166	-154	-369	-357
Other operating expenses	0	0	-1	0	-1	0
EBITDA (Operating profit/loss before depreciation/amortisation and impairment)	71	253	249	427	513	691
Depreciation/amortisation and impairment losses	-30	-34	-59	-63	-137	-141
EBIT (operating profit/loss)	41	219	190	364	376	550
Financial income	4	0	7	0	176	169
Financial expenses	-1	-1	-5	-2	-8	-5
TOTAL FINANCIAL ITEMS	3	-1	2	-2	168	164
PROFIT/LOSS AFTER FINANCIAL ITEMS	44	218	192	362	544	714
Tax on income for the period	-10	-46	-40	-76	-113	-149
NET INCOME	34	172	152	286	431	565
Average number of shares outstanding (thousands) ¹	152,572	152,572	152,572	152,572	152,572	152,572
EARNINGS PER SHARE (SEK) ¹	0.22	1.13	1.00	1.87	2.82	3.70

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

AMOUNTS IN MSEK	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Full year 2022
NET INCOME	34	172	152	286	431	565
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	-9	409	-243	496	-420	319
Income tax effect on changes in value	2	-84	50	-102	86	-66
Translation differences	0	0	0	0	0	0
TOTAL OTHER COMPREHENSIVE INCOME	-7	325	-193	394	-334	253
COMPREHENSIVE INCOME FOR THE PERIOD²	27	497	-41	680	97	818

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

CONSOLIDATED BALANCE SHEET, SUMMARY

AMOUNTS IN MSEK	30 June 2023	30 June 2022	31 Dec 2022
Intangible assets	21	23	21
Property, plant and equipment	1,186	1,196	1,190
Financial assets	243	510	290
TOTAL NON-CURRENT ASSETS	1,450	1,729	1,501
Inventories	583	385	436
Current receivables	678	793	1,020
Cash and cash equivalents	382	271	465
TOTAL CURRENT ASSETS	1,643	1,449	1,921
TOTAL ASSETS	3,093	3,178	3,422
SHAREHOLDERS' EQUITY	2,002	2,117	2,256
Long-term liabilities			
Interest-bearing liabilities	76	128	111
Deferred tax liability	201	253	268
Other non-interest-bearing liabilities	57	56	57
TOTAL LONG-TERM LIABILITIES	334	437	436
Current liabilities			
Interest-bearing liabilities	32	–	–
Non-interest-bearing liabilities	725	624	730
TOTAL CURRENT LIABILITIES	757	624	730
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	3,093	3,178	3,422

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 2022	153	730	-69	113	-8	608	1,527
Net income Jan–Jun	–	–	–	–	–	286	286
Other comprehensive income Jan–Jun	–	–	–	394	1	–	395
Total comprehensive income, Jan–Jun	–	–	–	394	1	286	681
Dividends to shareholders, Jan–Dec	–	–	–	–	–	-91	-91
Closing balance, 30 June 2022	153	730	-69	507	-7	803	2,117
Net income Jul–Dec	–	–	–	–	–	279	279
Other comprehensive income Jul–Dec	–	–	–	-141	1	–	-140
Total comprehensive income Jul–Dec	–	–	–	-141	1	279	139
Closing balance, 31 December 2022	153	730	-69	366	-6	1,082	2,256
Net income Jan–Jun	–	–	–	–	–	152	152
Other comprehensive income Jan–Jun	–	–	–	-193	0	–	-193
Total comprehensive income, Jan–Jun	–	–	–	-193	0	152	-41
Dividends to shareholders, Jan–Jun	–	–	–	–	–	-213	-213
Closing balance, 30 June 2023	153	730	-69	173	-6	1,021	2,002

CONSOLIDATED STATEMENT OF CASH FLOWS				
AMOUNTS IN MSEK	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Full year 2022
EBIT	190	364	376	550
Adjustment for items not included in cash flow	16	-	16	-
Depreciation/amortisation and impairment losses	59	62	137	140
EBIT adjusted for items not affecting cash flow	265	426	529	690
Received/paid financial items	2	-2	2	-2
Received/paid taxes	-24	-22	-34	-32
Cash flow from operating activities before changes in working capital	243	402	497	656
Change in working capital	-122	-142	-97	-117
Cash flow from operating activities	121	260	400	539
Investments in non-current assets	-65	-43	-134	-112
Sale of non-current assets	-	-	-	-
Change in current financial investments	76	-	76	-
Cash-flow from investing activities	11	-43	-58	-112
Borrowings, long-term loans	100	-	100	-
Amortisation, long-term bank loans	-103	-17	-120	-34
Dividend paid	-213	-91	-213	-91
Cash flow from financing activities	-216	-108	-233	-125
Net cash flow for the period	-84	109	109	302
Cash and cash equivalents at start of period	465	161	271	161
Net cash flow for the period	-84	109	109	302
Exchange rate difference in cash and cash equivalents	1	1	2	2
Closing cash and cash equivalents	382	271	382	465

CHANGES IN INTEREST-BEARING LIABILITIES				
AMOUNTS IN MSEK	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Full year 2022
Interest-bearing liabilities on the balance sheet at the beginning of the period	111	145	128	145
Changes included in cash flow from financing activities				
Long-term loans taken out from banks	100	-	100	-
Amortisation of long-term loans taken out from banks	-103	-17	-120	-34
Total	-3	-17	-20	-34
Other changes				
Via acquisition	-	-	0	-
Accrual of direct costs related to the issuance of bonds that are amortised over the term of the loan	-	-	-	-
Interest-bearing liabilities on the balance sheet at the end of the period	108	128	108	111

PARENT COMPANY INCOME STATEMENT			
AMOUNTS IN MSEK	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
NET TURNOVER	9	4	8
Other operating income	7	8	16
OPERATING INCOME, TOTAL	16	12	24
Result from hedging activities	-8	-29	-58
Other external costs	-17	-16	-36
Employee benefit expenses	-20	-18	-42
EBITDA (Operating profit/loss before depreciation/amortisation and impairment)	-29	-51	-112
Depreciation/amortisation and impairment losses	0	-2	-3
EBIT (operating profit/loss)	-29	-53	-115
Profit from participations in Group companies	0	0	534
Financial income	93	10	24
Financial expenses	-4	-2	-4
TOTAL FINANCIAL ITEMS	89	8	554
PROFIT/LOSS AFTER FINANCIAL ITEMS	60	-45	439
Tax on income for the period	0	0	-92
NET INCOME	60	-45	347

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME			
AMOUNTS IN MSEK	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
NET INCOME	60	-45	347
Other comprehensive income	-	-	-
TOTAL OTHER COMPREHENSIVE INCOME	-	-	-
COMPREHENSIVE INCOME FOR THE PERIOD	60	-45	347

BALANCE SHEET – PARENT COMPANY			
AMOUNTS IN MSEK	30 June 2023	30 June 2022	31 Dec 2022
Intangible assets	0	2	0
Property, plant and equipment	2	0	1
Financial assets ¹	678	822	664
TOTAL NON-CURRENT ASSETS	680	824	665
Current receivables ²	608	124	637
Cash and cash equivalents	323	261	428
TOTAL CURRENT ASSETS	931	385	1,065
TOTAL ASSETS	1,611	1,209	1,730
SHAREHOLDERS' EQUITY	934	696	1,088
Long-term liabilities			
Interest-bearing	67	117	102
Non-interest-bearing	56	56	57
TOTAL LONG-TERM LIABILITIES	123	173	159
Current liabilities			
Interest-bearing	32	-	-
Non-interest-bearing ³	521	340	483
TOTAL CURRENT LIABILITIES	553	340	483
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,610	1,209	1,730

¹ Including receivables of 283 (283) MSEK from subsidiaries.

² Includes receivables from subsidiaries of 585 (568) MSEK.

³ Includes liabilities to subsidiaries of 444 (443) MSEK.

Supplementary Disclosures and Notes, Summary

ACCOUNTING POLICIES

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

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

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

NET TURNOVER

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

FINANCIAL INSTRUMENTS

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

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

As a result of the 16 August 2022 decision to close the grinding line at Rottneros Mill, the Group has electricity hedges that exceed the estimated consumption for 2023 and 2024. In accordance with IFRS 9, the portion of the hedge that is not matched by future cash flows is classified as financial items. Changes in value of the part that does not correspond to future cash flows are recognised after this date in net financial items and amounted to -1 MSEK for the period January - June 2023.

The financial derivatives consist of a purchase position of 12 MW. To eliminate the risk in the financial derivatives, a sell position of 10 MW has been taken which hedged 154 MSEK of the 165 MSEK recognised as financial income in 2022. Cash flow from the financial derivatives amounted to 77 MSEK for January-June 2023.

In June 2023, Rottneros AB refinanced its existing long-term loan agreements. The new agreement includes a loan of 100 MSEK with 32 MSEK in annual amortisation, as well as revolving credits of up to 150 MSEK. The loan agreement has a term of 2 years with a 1-year extension option.

As before, the financing agreement includes a sustainability link whereby the interest terms are linked to some of the environmental and work environment criteria in the Group's long-term targets.

The nature of other financial assets and liabilities is in all essential respects the same as on 31 December 2022. The carrying amounts are deemed to be equal to actual values, which was also the case at the end of 2022, 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.

TRANSACTIONS WITH RELATED PARTIES

During the period January-June 2023, Rottneros sold pulp to the affiliated Arctic Paper S.A. group amounting to 7 (0) MSEK. Outstanding operating receivables for Arctic Paper amounted to 0 (0) MSEK as of 30 June 2023. The transactions took place on market terms.

ROTTNEROS' NET TURNOVER CONSISTS OF THE FOLLOWING ITEMS

Amounts in MSEK	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Full year 2022
Sales of pulp	612	723	1,287	1,338	2,711	2,762
Results from pulp price hedging	-2	-18	-8	-29	-37	-58
Sales of by-products and other	30	27	64	45	115	96
Sales of pulp wood	41	52	82	90	172	180
TOTAL NET TURNOVER	681	784	1,425	1,444	2,961	2,980

NET TURNOVER BY GEOGRAPHIC MARKET

Amounts in MSEK	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Full year 2022
Sweden	148	157	301	297	684	680
Other Nordic countries	88	84	167	135	306	274
Germany	88	118	205	224	438	457
Italy	34	109	87	203	275	391
Rest of Europe	94	85	193	158	306	271
North America	55	69	117	128	233	244
Asia	172	162	352	299	716	663
Rest of world	2	0	3	0	3	0
TOTAL NET TURNOVER	681	784	1,425	1,444	2,961	2,980

BREAKDOWN OF PULP TURNOVER BY USE

Amounts in MSEK	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Full year 2022
Board and packaging	175	213	373	412	841	880
Printing and writing papers	5	76	46	145	167	266
Filters	153	131	325	260	607	542
Electrotechnical applications	123	111	245	193	462	410
Tissue paper	56	32	98	56	156	114
Special applications	80	96	159	188	370	399
Fiber cement	15	0	23	0	88	65
Other	5	64	18	84	20	86
TOTAL PULP TURNOVER	612	723	1,287	1,338	2,711	2,762

FAIR VALUE OF DERIVATIVE INSTRUMENTS AT 30 JUNE 2023

Hedging	Hedged volume	Maturity	Hedging level	Fair value (SEK m)
Pulp, futures sold	9,000 tons	2023	13,302 SEK/ton	9
Electricity, forward purchase, cash flow hedge	663,120 MWh	2023–2028	.0398 SEK/kWh	209
Electricity, forward, financial	61,728 MWh	2023–2024	–	88
Total fair value				306

FAIR VALUE FOR DERIVATIVES, 31 DECEMBER 2022

Hedging	Hedged volume	Maturity	Hedging level	Fair value (SEK m)
Pulp, futures sold	12,000 tons	2023	13,638 SEK/ton	6
Electricity, forward purchase, cash flow hedge	640,200 MWh	2023–2025	0.345 SEK/kWh	454
Electricity, forward, financial	105,120 MWh	2023–2024	–	165
Total fair value				625

GROUP PERFORMANCE IN SUMMARY

	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	2022	2021	2020	2019
Income statement, MSEK							
Net turnover	1,425	1,444	2,961	2,980	2,303	2,093	2,376
EBITDA	249	427	513	691	385	77	374
Depreciation/amortisation and impairment losses	-59	-63	-137	-141	-118	-119	-106
EBIT	190	364	376	550	267	-42	268
Financial items (net financial items)	2	-2	168	164	-21	-19	-21
Profit/loss after financial items	192	362	544	714	246	-61	247
Net income	152	286	431	565	198	-50	194
Statement of cash flow, MSEK							
Cash flow from operating activities	122	261	386	541	288	85	462
Investments in non-current assets	11	-43	-58	-112	-123	-128	-109
Cash flow after investments in non-current assets	133	218	328	429	165	-43	353
Cash flow from financing activities	-216	-108	-238	-125	-334	-3	-214
Net cash flow	-83	110	90	304	-169	-46	138
Balance sheet items, MSEK							
Non-current assets	1,450	1,729	1,450	1,501	1,339	1,285	1,280
Inventories	583	385	583	436	327	355	375
Current receivables	678	793	678	1,020	555	287	342
Cash and cash equivalents	382	271	382	465	161	330	376
Net debt (+) / net cash (-)	-274	-143	-274	-354	-16	81	35
Shareholders' equity	2,002	2,117	2,002	2,256	1,527	1,301	1,380
Long-term interest-bearing liabilities	108	128	108	111	145	411	411
Long-term non-interest-bearing liabilities	258	309	258	325	207	150	176
Current interest-bearing liabilities	-	-	-	-	-	-	-
Current non-interest-bearing liabilities	725	624	725	730	503	395	406
Capital employed	1,728	1,974	1,656	1,902	1,511	1,382	1,415
Total shareholders' equity and liabilities	3,093	3,178	3,093	3,422	2,382	2,257	2,373
Key performance indicator							
EBITDA margin, %	17.5	29.6	11.1	23.2	16.7	3.7	15.7
EBIT-margin, %	13.3	25.2	6.6	18.5	11.6	-2.0	11.3
Profit margin, %	13.5	25.1	18.4	24.0	10.7	-2.9	10.4
Return on equity (rolling 12 months), %	21.5	23.3	21.5	29.9	14.0	-3.7	13.7
Return on capital employed (rolling 12 months), %	22.7	29.1	22.7	32.2	18.5	-3.0	17.7
Equity/assets ratio, %	65	67	65	66	64	58	58
Debt/equity ratio, %	-14	-7	-14	-16	-1	6	3
Other							
Average number of employees	284	314	304	319	316	318	303
Pulp production, 1,000 tons	182.8	213.7	366.2	397.1	395.3	412.6	406.0
Pulp deliveries, 1,000 tons	170.1	206.0	352.5	388.4	403.2	416.5	408.3
List price of NBSK pulp, USD per ton ¹	1,352	1,336	1,410	1,404	1,198	843	984
SEK/USD ²	10.47	9.59	10.55	10.12	8.58	9.21	9.46
List price of NBSK pulp, SEK per ton	14,156	12,805	14,879	14,213	10,280	7,765	9,304

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

	2023		2022				2021			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Income statement, MSEK										
Net turnover	681	744	730	806	784	660	598	570	593	542
EBITDA	71	178	31	233	254	174	88	130	127	40
Depreciation/amortisation and impairment losses	-30	-29	-30	-49	-34	-29	-30	-29	-30	-29
EBIT	41	149	1	185	220	145	58	101	97	11
Financial items (net financial items)	3	-1	10	156	-1	-1	-1	-11	-4	-4
Profit/loss after financial items	44	148	11	341	219	144	57	90	93	7
Tax on income for the period	-10	-30	-2	-71	-46	-30	-8	-19	-19	-2
Net income	34	118	9	270	172	114	49	71	74	5
Per share										
Earnings per share, SEK	0	1	0	2	1	1	0	0.47	0	0
Other										
Pulp production, 1,000 tons	93	90	87	96	111	103	91	92	109	103
Pulp deliveries, 1,000 tons	83	87	87	96	106.0	100.0	96	93	103	112.0
List price of NBSK pulp, SEK per ton	13,749	14,568	15,693	15,613	13,589	12,063	11,573	11,557	10,012	8,044

SHARE DATA¹

		Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	2022	2021	2020	2019
Shares outstanding at the beginning of the period ²	Number	152,572	152,572	152,572	152,571	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
Average number of shares outstanding ²	Number	152,572	152,572	152,572	152,572	152,572	152,572	152,572
Repurchased treasury shares ²	Number	822	822	822	822	822	822	822
Earnings per share	SEK	1.00	1.87	2.83	3.70	1.28	-0.33	1.27
Cash flow after investments/share ³	SEK	0.37	1.43	1.74	2.80	1.07	-0.30	2.30
Equity per share	SEK	13.12	13.88	13.12	14.78	9.99	8.53	9.05
Dividend⁴								
Ordinary dividend	SEK	0.50	0.40	0.50	0.40	-	-	0.40
Extra dividend	SEK	0.90	0.20	0.90	0.20	0.45	-	1.00
Total	SEK	1.40	0.60	1.40	0.60	0.45	-	1.40
Dividend/equity per share	%	10.7	4.3	10.7	4.1	4.5	-	15.5
Share price at end of period	SEK	11.58	11.96	11.58	12.22	10.42	8.15	11.40
Market price/equity/share	times	0.9	0.9	0.9	1.2	1.0	1.0	1.3
P/E ratio per share	times	11.6	6.4	26.9	3.3	8.0	-24.7	9.0

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

² Number of shares 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 Refers to dividends paid in each year.

Alternative key performance indicators

Alternative performance indicators are financial measures that are not defined in IFRS and are presented outside the financial statements. Rottneros uses the alternative performance indicators 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 ratios 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 key 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).

EBIT-MARGIN

EBIT as a percentage of net turnover.

PROFIT MARGIN

Profit/loss after financial items as a percentage of net turnover.

EQUITY PER SHARE

Shareholders' equity divided by number of shares.

CASH FLOW AFTER INVESTMENTS

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

NET DEBT/NET CASH

Interest-bearing liabilities 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 past 12 months, as a percentage of average capital employed (average of capital employed at the beginning and of the period 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 total 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 shareholders' 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

Profit before financial items and income taxes divided by the 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.
COD	Chemical Oxygen Demand, chemical method for measuring oxygen-demanding substances.
CTMP	Chemi-Thermo-Mechanical Pulp. Development of TMP, mechanical pulp where the raw material 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 own operations.
GHG Scope 2	Carbon dioxide emissions from electricity and other energy purchased for operations.
High-yield pulp	Groundwood pulp, TMP and CTMP/BCTMP.
Chemical pulp	Pulp produced by boiling raw timber 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.
Hardwood pulp	Pulp where the raw material is hardwood, which has shorter cellulose fibre than softwood.
LTIFR	Lost Time Injury Frequency Rate indicates the number of accidents with sick leave per million hours worked.
Softwood pulp	Pulp where the raw material is softwood, which has longer cellulose fibre than hardwood.
Mechanical pulp	Pulp produced using a mechanical process for fibre separation and processing. Has a higher level of bulk, stiffness and opacity than chemical pulp. Groundwood pulp, TMP and CTMP/BCTMP are types of mechanical pulp.
NBSK	Northern Bleached Softwood Kraft: bleached long-fibre sulphate pulp. The leading indicator of world market prices.
Groundwood pulp (SGP)	Mechanical pulp based on roundwood as a raw material.
TMP	Thermo-Mechanical Pulp: mechanical pulp produced using a technique in which the chips are preheated with steam, but without chemicals.
UKP	Unbleached Kraft Pulp, unbleached sulphate pulp.

Every care has been taken to ensure the accuracy of the information in this report, but Rottneros cannot accept any liability for any possible loss or damage as a consequence of using information in this report.



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