

Rottneros AB

Interim report January-March 2024

-6%

Lower production

5 MSEK

EBIT for Q1 2024



Strong demand and
rising prices



Annual General Meeting
and dividend
0.50 SEK per share



Good deliveries but production disruptions

Q1 2024 compared to (Q1 2023)

NET TURNOVER dropped by 8 percent to 688 (744) MSEK. Compared to the fourth quarter of 2023, sales rose by 8 percent due to higher market prices and increased delivery volumes.

THE LIST PRICE of NBSK pulp was 5 percent lower in both USD and SEK compared with the first quarter of 2023. Compared to the fourth quarter of 2023, the list price in USD rose by 12 percent and in SEK by 9 percent.

PRODUCED VOLUME amounted to 84.3 (89.6) thousand tonnes, which is 15 percent lower than in the same quarter of 2023. The outcome was affected by a cold winter and production disruptions in Vallvik.

VOLUME SOLD amounted to 89.8 (82.6) thousand tonnes, an increase of 9 percent.

EBIT (operating profit) was 5 (149) MSEK. Compared with the same quarter in 2023, pulp prices were lower, while wood costs were higher. Profit was also affected by lower production at Vallvik Mill.

NET PROFIT for the quarter amounted to -2 (118) MSEK. Earnings per share totalled -0.02 (0.77) SEK.

THE BALANCE SHEET remains strong. The equity/assets ratio was 65 (66) percent and available liquidity totalled 427 (860) MSEK. Net cash amounted to 12 MSEK.

DIVIDEND The AGM resolved, in accordance with the Board's proposal, to pay a dividend of 0.50 SEK per share, or 63 percent of net profit in 2023.

	Jan-Mar 2024	Jan-Mar 2023	Change	Oct-Dec 2023	Change Q1/24-Q4/23	Rolling 12 months	Jan-Dec 2023
Net turnover	688	744	-56	637	51	2,699	2,755
EBITDA, MSEK	35	178	-143	-76	111	109	252
EBIT, MSEK	5	149	-144	-100	105	-5	139
Profit/loss after financial items, MSEK	-3	148	-151	-81	78	2	153
Net profit, MSEK	-2	118	-120	-64	62	1	121
Earnings per share, SEK	-0.02	0.77	-0.79	-0.42	0.40	0.00	0.79
Cash-flow from current operations, MSEK	60	104	-44	-77	137	60	104
Return on capital employed (rolling 12 months), %	–	–	–	–	–	-0.3	7.9
Production, thousand tonnes	84.3	89.6	-5.3	80.1	4.2	346.4	351.7
Deliveries*, thousand tonnes	89.8	82.6	7.2	84.5	5.3	359.4	352.2

* Excluding groundwood pulp

688 MSEK

Net turnover decreased by 8 percent to 688 MSEK for the first quarter.

-5 %

The list price for market pulp dropped by 5 percent in both USD and SEK compared with the same quarter in 2023.

5 MSEK

EBIT for the first quarter of 2024 was 5 MSEK.

76 MSEK

Dividends to shareholders.

65 %

The equity/assets ratio was 65 percent and available liquidity totalled 427 MSEK.

+9 %

Deliveries increased by 9 percent to 89.8 thousand tonnes.



“Production-related challenges at Vallvik Mill resulted in disappointing first-quarter earnings.”

Comments by the CEO

Earnings negatively impacted by production disruptions at Vallvik Mill

Production-related challenges at Vallvik Mill resulted in disappointing first-quarter earnings. At the same time, production at Rottneros Mill continued to show strong growth and the CTMP line achieved a new record for a single quarter. Production at Vallvik was mainly hampered by the cold weather in January, along with some other isolated disruptions in the latter half of the quarter. Through our systematic approach and the great dedication of our personnel, we have addressed the sources of the disruptions, and production has been running smoothly at the start of the second quarter. The pulp market continues to strengthen with gradual price increases since the beginning of the year.

The production disruptions at Vallvik Mill combined with lower pulp prices led to a 3 percent drop in net sales for comparable units from the same quarter last year, down to 688 MSEK. EBIT fell to 5 MSEK as a result of the same factors combined with higher pulp wood prices. The weak production development at Vallvik Mill is estimated to have affected the result by approximately 30 MSEK. Compared to last year the mill's production decreased by 15 percent compared. At the same time, production at Rottneros Mill continued to develop strongly, +13 percent, setting a new record for the CTMP line. For the Group as a whole production fell by 6 percent.

In the coming 12–18 months, we will step up the pace of our continuing maintenance investments to secure high and stable production in our mills, as we build for the future through our

Comments by the CEO

688 MSEK
Net turnover

5 MSEK
EBIT

427 MSEK
Available liquidity

“Our solid balance sheet continues to give us the peace of mind to develop our business over the long term to create value while distributing a significant share of our net profit to our shareholders.”

major investment projects. These projects include expanded CTMP capacity and solar cells with associated battery storage at Rottneros Mill and the tall oil plant at Vallvik. The projects are proceeding according to plan, with start-ups scheduled for the summer and autumn. Consequently, we are in a more intensive phase, with the investments for the quarter totalling 82 MSEK.

Continued strong competition for pulp wood but we benefit from our close supplier relationships

Although competition for pulp wood remained intense, our pulp wood supply was favourable, with good availability of wood and chips during the quarter. Clearly, our emphasis on maintaining close and long-term relationships with our suppliers is yielding results. This is crucial in minimising the amount we import from

the Baltics at higher prices. While the rate of price increases for wood raw materials has slowed somewhat, the overall trend remains upward. Through Nykvist Skogs, we have deepened our relationships with a number of sawmills in recent years. This has been very successful and benefits our access to wood chips.

Favourable pulp market with positive price trend

The trend in the pulp market is positive. During the quarter, we saw gradual price increases, from around 1,250 USD per tonne for bleached chemical long-fibre pulp at the turn of the year to just over 1,450 USD in mid-April. As inventory levels have dropped and deliveries have risen, we are observing a distinct trend shift among our customers, who are now interested in increasingly larger volumes. Short fibre pulp prices are also on the rise, which could benefit the demand and pricing of CTMP in the future.

Strong and growing interest in our climate-friendly packaging solutions

We continue to notice considerable interest in our climate-friendly packaging solutions within Rottneros Packaging. Work on our investment in Poland together with Arctic Paper is progressing with production expected to begin in the third quarter.

Our robust finances are crucial to the Group's long-term development

Our solid balance sheet continues to give us the peace of mind to develop our business over the long term to create value while distributing a significant share of our net profit to our shareholders. Our well-attended Annual General Meeting in Sunne decided to pay a dividend of 0.50 SEK per share, which corresponds to just over 60 percent of earnings per share in 2023. At the same time,

the equity to asstes ratio at the end of the quarter was a robust 65 percent, while available liquidity was 427 MSEK.

In closing, I would like to express my warmest gratitude to all my colleagues for their wholehearted dedication, especially when we face tough challenges. I would also like to thank our customers, suppliers, owners and the Board for their close and fruitful co-operation.

Lennart Eberleh
President and CEO

Market overview – pulp market

Price increase for pulp in Europe and the US

Global economic growth is currently sluggish. GDP growth is expected to be unchanged in the first quarter in the EU and the US. Economic growth in China is also weak compared to the pace seen in recent decades. While the pace of inflation remains lower than the previous year, it continues to exceed the targets set by the central banks. Inflation in the US and EU is expected to be around 3%. Such conditions might postpone the interest rate cuts that analysts had expected this spring.

The market for market pulp was characterised by growing optimism in the first quarter. Production losses at northern hemisphere pulp mills, especially the Finnish strike reducing market pulp by 400,000 tonnes, along with relatively low pulp inventories and stronger than anticipated demand from European paper producers, have led to a shortage in Europe and consequent incremental increases in pulp prices. In contrast, the Chinese paper market was weak in the first quarter. Logistic problems stemming from the conflict in the Red Sea resulted in disruptions, causing the various markets to evolve differently once again.

The paper market in Europe improved in the first quarter. In January, total production was 2.4 percent higher than the previous year. All segments showed improvement with the exception of board and newsprint. Anecdotal information and personal experience suggests a continued favourable trend throughout the first quarter. However, the strikes in Finland may have negatively impacted the total production figures for paper.

Pulp deliveries to China, which began to increase last summer, continued on a strong trend at the start of the year. Despite a very weak paper market, deliveries of pulp to China have risen by 9.4 percent in the initial two months of the year. More than 40 million tonnes of new paper and board capacity were added in China between 2021 and 2023, which, while beneficial to market pulp in the short term, also raises issues of overcapacity.

The list price for NBSK in Europe climbed from 1,250 USD to 1,400 USD throughout the first quarter and proceeded to 1,450 USD at the start of April. During the quarter, net prices increased from 740 USD to approximately 770 USD. Meanwhile, net prices for NBSK in China stagnated around 730 USD. Global net prices for BCTMP fell from USD 540 to around USD 510 during the quarter. The global average price of BCTMP is heavily affected by China, where prices for BCTMP declined, while remaining steady or modestly rising in other markets. The price of BCTMP in China is affected more and more by domestically produced integrated APMP, which has rapidly expanded in scale in recent years.

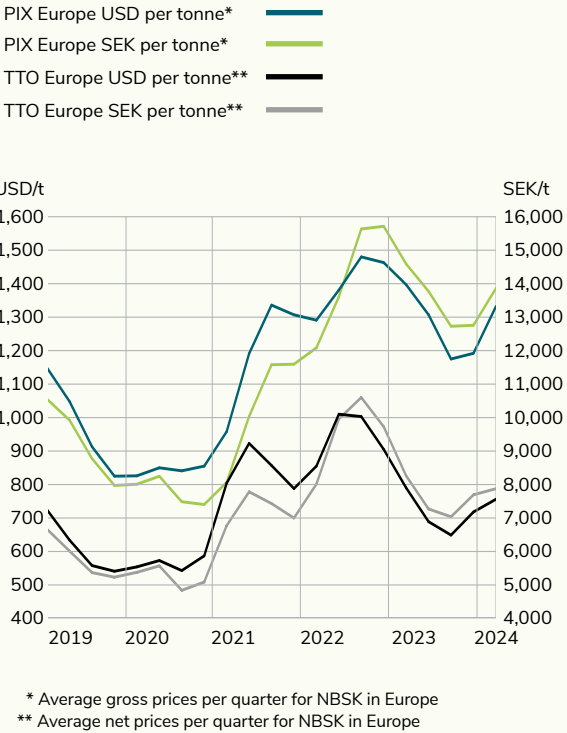
Tissue paper production in the main markets (excl. China) for January shows an upturn of 4.8 percent compared with 2023. Tissue paper is not a major market for Rottneros. Globally, tissue paper is the largest end use for market pulp with more than 40 percent of the market.

Deliveries of printing and writing papers continued in a very weak downward trend that began in the second half of 2022. In January, deliveries fell by 19,7 percent in the most important markets (excluding China) compared with 2023. Rottneros withdrew from the printing and writing papers segment in 2022, but it is still the second largest end use for market pulp globally.

Until February, global market pulp demand was up by 6.5 percent compared to 2023, with short-fibre pulp +8.9 percent and long-fibre pulp +5.1 percent. Demand for unbleached pulp (UKP) fell by 11,4 percent compared with 2023. The increase in global demand is largely attributable to China and the rest of Asia, though North America and Europe also reported increases.

Manufacturers' global stocks in February of long-fibre pulp were 36 days and of short-fibre pulp 42 days, essentially unchanged since November 2023. Stocks of both grades can now be characterised as within the range of a well-balanced market.

NBSK PRICES 2019–2024



Performance, January–March

Production problems hamper stronger market

-5 %

Lower list price for market pulp in SEK

-3 %

Lower turnover, adjusted for groundwood pulp

-27 MSEK

Higher variable costs

Turnover amounted to 688 (744) MSEK, a decline of 8 percent. Adjusted for groundwood pulp, which has not been included in the product portfolio since the second quarter of 2023, sales fell by 3 percent. Demand was robust and market prices continue to rise. Excluding groundwood pulp, sales volume increased by 9 percent to 89.8 (82.6) thousand tonnes. Sales volume also increased compared to the fourth quarter of 2023, resulting in an 8 percent increase in turnover.

Compared with the first quarter of 2023, the list price of NBSK fell by 5 percent in both USD and SEK. From the fourth quarter of 2023, the list price in USD rose by 12 percent and in SEK by 9 percent.

Pulp price hedging gave a negative outcome of -2 (-6) MSEK. Sales of products other than pulp were 87 (75) MSEK, corresponding to 13 percent of turnover.

Variable costs remain high, especially the cost of wood. The supply of pulpwood has been good while there is a shortage of timber for sawmills. This imbalance also affects the pricing of pulp and fuel wood.

The variable costs, based on SEK per tonne produced, increased by 27 MSEK for the first quarter of 2024 compared to the same period in 2023. In addition to higher wood costs, electricity and fuel costs were also high.

Electricity prices were seasonally high during the quarter. The system price was 0.66 (0.95) SEK per kWh. Rottneros' consumption takes place primarily in electricity area SE3, where the price has been 0.63 (0.85) SEK per kWh. Rottneros hedges most of its electricity consumption. The realised outcome for electricity price hedges was 12 (23) MSEK. The net cost of the Group's electricity consumption was 0.34 (0.17) SEK per kWh in the first quarter.

Fixed costs were slightly higher compared with the first quarter of 2023 and increased by 8 MSEK.

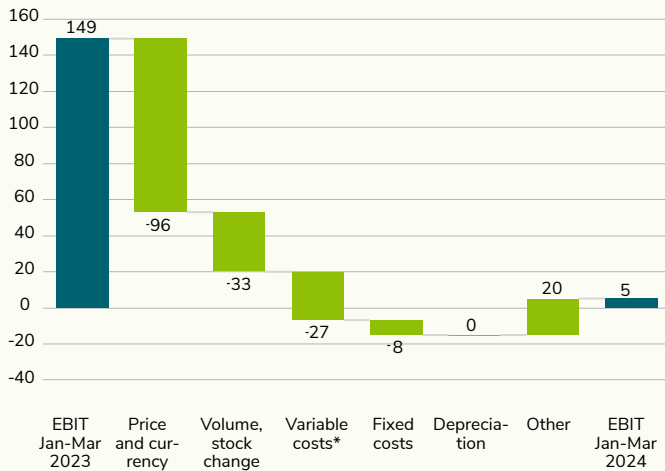
Scheduled depreciation for the quarter was 30 (30) MSEK.

EBIT was 5 (49) MSEK. The robust pulp market and rising prices had a positive effect, whereas high costs for raw materials adversely affected the situation. As a result of production problems at Vallvik Mill, its production for the quarter was 9.1 thousand tonnes lower than the previous year. In addition to the loss of revenue, the problems contributed to higher variable costs per tonne as well as higher fixed costs.

QUARTERLY COMPARISON

	Jan-Mar 2024	Jan-Mar 2023	Change, %	Oct-Dec 2023	Change, %
NBSK, USD	1,332	1,397	-5	1,192	12
SEK/USD	10.39	10.43	0	10.69	-3
NBSK, SEK	13,839	14,568	-5	12,706	9
Net turnover, MSEK	688	744	-8	637	8
EBIT, MSEK	5	149	-97	-100	-105

DIFFERENCE IN EBIT FIRST QUARTER 2024 COMPARED WITH SAME PERIOD 2023 (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

Rottneros Mill sets production record

Rottneros Mill continues to produce at a high level. CTMP production was 32,700 tonnes compared to 28,900 tonnes in the same quarter last year. This achievement represents a 13 percent increase, setting a new quarterly record. The cold weather at the beginning of the quarter had a negative impact on Vallvik Mill, as did some technical problems. The production volume of sulphate pulp at Vallvik Mill was 51,600 (60,700) tonnes. Total production for the group was 84,300 (89,600) tonnes, which is 6 percent lower than the previous year.

Customer deliveries of sulphate pulp and CTMP increased by 9 percent to 89,800 (82,600) tonnes. Demand has been robust during the period, with sales volume higher than the fourth quarter of 2023, when it was 84 500 tonnes.

The supply of market pulp was limited during the quarter, leading to lower stock levels among producers. Rottneros' finished goods inventory also decreased during the period.

Maintenance shutdowns and seasonal variations

In 2024, 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. 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.

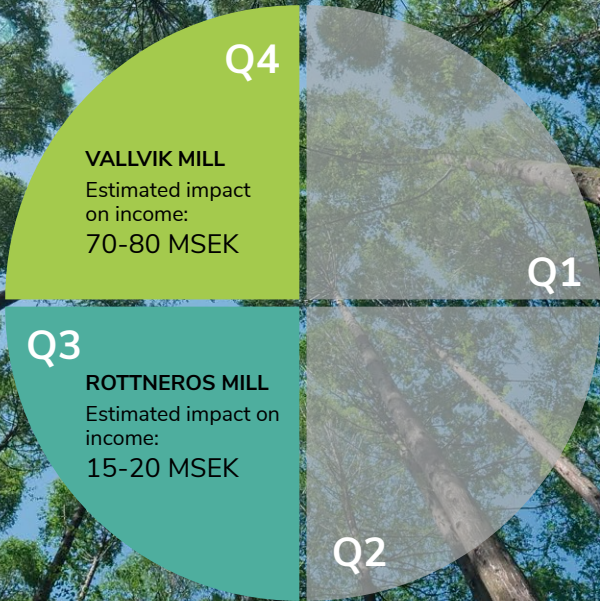
PRODUCTION

Production, tonnes	Jan-Mar 2024	Jan-Mar 2023	Oct-Dec 2023	Rolling 12 months	Jan-Dec 2023
Sulphate pulp	51,600	60,700	48,200	220,500	229,600
Groundwood pulp	–	–	–	–	–
CTMP	32,700	28,900	31,900	125,900	122,100
TOTAL	84,300	89,600	80,100	346,400	351,700

DELIVERIES

Production, tonnes	Jan-Mar 2024	Jan-Mar 2023	Oct-Dec 2023	Rolling 12 months	Jan-Dec 2023
Sulphate pulp	57,400	54,700	56,300	234,100	231,400
Groundwood pulp	–	4,600	–	100	4,700
CTMP	32,400	27,900	28,200	125,300	120,800
TOTAL	89,800	87,200	84,500	359,500	356,900

MAINTENANCE SHUTDOWN, 2024



Other items

Financial items in the income statement

Financial items (net) totalled -8 (-1) 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 in 2022, electricity price hedges for 2023 and 2024 exceed future cash flows and have now been classified as financial derivatives. The change in value of the contracts that are not locked in is recognised under financial items. The effect for the quarter was -8 MSEK.

Financing

In June 2023, Rottneros refinanced its existing long-term loan agreements. The 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 two years with a one-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 95 MSEK at the end of the quarter, compared with 196 MSEK at the end of 2023. Interest-bearing liabilities were 83 MSEK at the end of the quarter. Net cash was 12 MSEK, compared with 105 MSEK at the end of 2023. Total granted and unused credit facilities amounted to 332 MSEK.

The equity/assets ratio amounted to 65 (66) percent as of 31 March 2024. Equity per share totalled 11.33 (14.34) SEK at the end of the quarter.

Cash flow

Cash flow from operating activities for the first quarter amounted to 60 (104) MSEK.

Cash flow after investments in fixed assets was -22 (83) MSEK.

During the period, 76 (0) MSEK were distributed to shareholders.

Net cash flow for the period was -101 (113) MSEK.

Investments

Group investments in non-current assets amounted to 82 (21) MSEK in the first quarter of 2024. Most of the investments relate to major ongoing projects.

Vallvik Mill is investing in a new tall oil plant. 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 oils and be a raw material in other products.

An investment of 180 MSEK was made to significantly increase CTMP production at the Rottneros Mill from the current 125 thousand tonnes to approximately 165 thousand tonnes. The additional volume is mainly destined for the growing market segments of board and packaging, as well as tissue paper. The increased capacity will be commissioned in autumn 2024.

Rottneros Mill is investing 93 MSEK in renewable energy. The investments include a solar park and batteries for energy storage and are part of a long-term effort to reduce exposure to the electricity market. Start-up is planned for 2024.

Parent Company

Profit after financial items for the first quarter of 2024 was -6 (30) MSEK.

Long-term targets

Rottneros' vision is "Always make a difference". This has been translated into long-term targets 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 2024

FINANCIAL TARGETS	Target	Outcome March 2024
Distribution of net profit	30–50 percent	63 percent of net profit in 2023
Average growth, produced tonne pulp	3 percent/year	-6 percent
Revenue, non-pulp	At least 10 percent	13 percent
Equity/assets ratio	Over 50 percent	65 percent
SOCIAL TARGETS	Target	Outcome March 2024
Safety, accidents with sick leave	Annual improvement of LTIFR**	6.2 (outcome 2023: 10.2)
Proportion female employees	At least 30 percent by 2025	18 percent
ENVIRONMENTAL TARGETS	Target	Outcome 2023 (measured annually)
Fossil emissions, CO ₂ according to GHG Scope 1	Fossil free production 2030	8,972 tonnes** (outcome 2022: 8,982 tonnes)
Fossil emissions, CO ₂ according to GHG Scope 2	Fossil free production 2030	98,809 tonnes (outcome 2022: 114,383 tonnes)
COD emissions/tonne pulp	Annual improvement	14.9 kg/tonne (outcome 2022: 15.8 kg/tonne)

* LTIFR – Lost Time Injury Frequency Rate: Number of accidents with sick leave per 1 million hours worked, measured over a rolling 12-month period.
** The 2023 volume includes 1,752 tonnes for internal transport and company cars. These items are not included in the outcome for 2022.

Areas of development

Joint ventures

Rottneros Packaging's investment in Poland

As part of its development strategy, the Group has formed a jointly owned company in Packaging in Poland together with Arctic Paper. The purpose of the company is to build and operate a factory for the production of moulded 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 utilisation.

Blue Ocean Closures

Rottneros became a stakeholder of Blue Ocean Closures in December 2023. Blue Ocean Closures is developing a unique dry forming technology to produce fibre-based closures for consumer packaging on a large scale. The aim is to replace current plastic solutions in a global market. The innovative technology and material has the potential for many more high-volume and high-impact applications, effectively reducing plastic pollution and its climate impact.

Rottneros Packaging

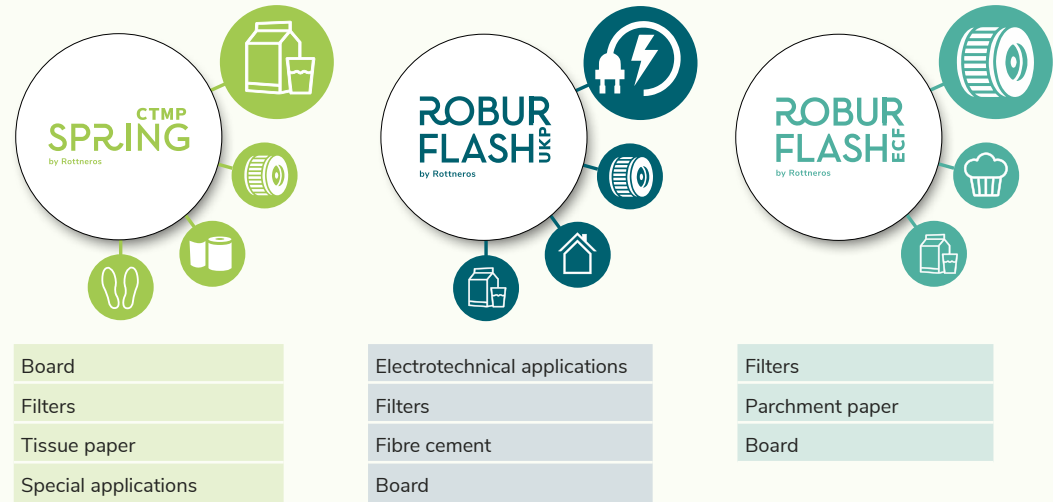
Rottneros Packaging focuses on developing and optimising the production of moulded fibre trays. One focus area is high-barrier packaging with extended shelf life for food. Packaging with simpler functional requirements is also under development. Rottneros trays can withstand high heat and are excellent for frozen or chilled foods. The raw material is pulp from Rottneros Mill.

New brand and clearer positioning for optimal customer value

In February, Rottneros added the established brands Robur Flash for chemical pulp and Nature for fibre-based trays. The new brand, Spring by Rottneros, represents our mechanical pulp from Rottneros Mill.

The launch of Spring coincided not only with the arrival of spring, but also with the expansion of new capacity for the production of CTMP, investments in renewable energy production at Rottneros Mill and the new business opportunities and products this facilitates.

In connection with the launch of the new brand, Rottneros has also initiated an external positioning strategy in niche markets where our products generate optimal customer value. Over the past five years, our sales have been concentrated with increasing precision on three application areas where we now boast world-leading positions: Robur Flash ECF for filter production, Robur Flash UKP for electrotechnical insulation materials and Spring for board production. It is worth noting that the excellent properties of our pulps naturally benefit a variety of other applications.



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.

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 SEK/USD exchange rate for January–March 2024 was 10.39, while in the same period in 2023 it was 10.43.

The Group has hedged SEK/USD in a risk reversal where the sale of USD takes place within an interval. At the end of the quarter, 43 MUSD was hedged with monthly maturities until April 2025 in the range of 9.94-10.98 SEK/USD.

Pulp price

The price of pulp (NBSK) is set in USD, while production costs are largely incurred in SEK. At the end of March 2024, the Group held pulp price hedges of 9,000 tonnes maturing between April and December 2024 at an average price of 13,284 SEK per tonne. The fair value of these unrealised price hedges was -7 MSEK as of 31 March 2024.

Electricity

All external electricity for the mills, about 200 GWh annually, is purchased directly via the Nord Pool electricity exchange. Electricity consumption will rise in line with increased CTMP production by about 40 GWh per year. Beginning in 2025, exposure to Nord Pool will be reduced by approximately 30 GWh per year as a result of the PPA agreement described below.

At the end of March 2024, electricity prices were hedged as shown in the following table. The table shows the hedged proportion of forecasted total consumption less the volume of the PPA agreement, as well as the average hedged price in SEK per kWh. The fair value of the unrealised electricity price hedges was 19 MSEK as at 31 March 2024. 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.

The high level of hedging protects Rottneros against sharp price fluctuations. Because of the 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-March 2024 was 0,63 (0,85) 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 over 30 GWh/year of clean wind energy that will be delivered over an 8.5-year period starting in 2025 at a fixed price in SE3.

For further information on risks, see 2023 Annual Report p. 51-58.

ELECTRICITY HEDGES AS OF 31 MARCH 2024

Year	Proportion hedged, %	SEK per kWh
2024	99	34.2
2025	81	34.6
2026	30	53.6
2027	26	52.1
2028	19	55.9

80 percent of the hedged volume is against the system price and 20 percent against electricity area SE3.

The share and shareholders

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 2024.

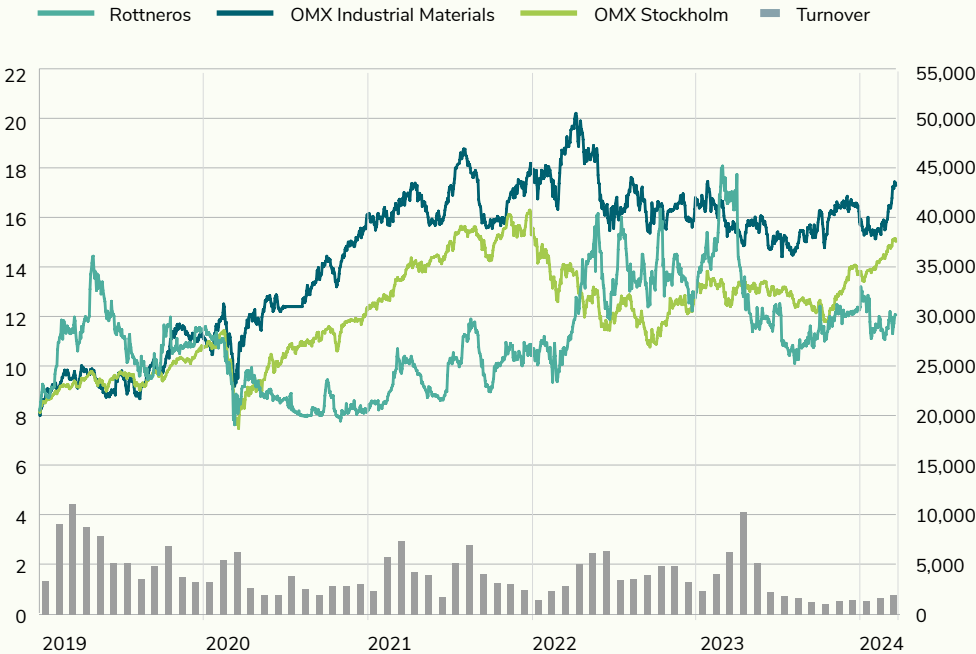
Share price development January–June 2024

At the end of the first quarter of 2024, the share price was 12.06 SEK (12.18 at the end of 2023). The average price during the period was 11.83 (13.71) SEK.

LARGEST SHAREHOLDERS ON 31 MARCH 2024

Shareholders	Number of shares (=votes)	Percent of capital
Arctic Paper S.A.	78,230,883	51.0
PROAD AB	11,713,249	7.6
UBS Switzerland AG, W8IMY	7,227,397	4.7
Caceis Bank, Switzerland Branch, W8IMY	5,600,000	3.7
Avanza Pension	2,574,298	1.7
SEB AB, Luxembourg Branch, W8IMY	2,204,000	1.4
CBNY-DFA-INT SML CAP V	1,516,578	1.0
Caceis Bank Spain SAU, W8IMY	1,155,113	0.8
The Bank of New York Mellon SA/NA, W8IMY	935,836	0.6
SEB Investment Management	832,565	0.5
Total 10 largest shareholders by holdings	111,989,919	73.0
Other shareholders	40,582,006	26.5
Rottneros AB (treasury stock from buy-back)	821,965	0.5
TOTAL	153,393,890	100.0

SHARE PRICE 2019 TO FIRST QUARTER 2024



2024 ANNUAL GENERAL MEETING

The Annual General Meeting of Rottneros AB (publ) was held on Thursday 20 March 2024 in Sunne. The AGM resolved to distribute 0.50 SEK per share for 2023. 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 Johanna Svanberg and 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 2025 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.

Forthcoming financial information

24 July 2024 Interim report January–June 2024
23 October 2024 Interim report January–September 2024
For more information, please visit www.rottneros.com.

Declaration

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 25 April 2024

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.

The company's auditors have not reviewed this report.

The information was submitted for publication, through the agency of the contact person set out below, at 8:00 am on 25 April 2024. 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.

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CONSOLIDATED INCOME STATEMENT

AMOUNTS IN MSEK	Jan-Mar 2024	Jan-Mar 2023	Rolling 12 months	Full year 2023
NET TURNOVER	688	744	2,699	2,755
Change in finished goods inventories	-28	54	-73	9
Other operating income	30	16	49	35
Operating income, total	690	814	2,675	2,799
Raw materials and consumables	-455	-437	-1,679	-1,661
Other external costs	-133	-126	-580	-573
Employee benefit expenses	-67	-72	-297	-302
Other operating expenses	0	-1	-10	-11
EBITDA (operating profit/loss before depreciation/amortisation and impairment)	35	178	109	252
Depreciation/amortisation and impairment losses	-30	-29	-114	-113
EBIT (operating profit/loss)	5	149	-5	139
Financial income	2	3	23	24
Financial expenses	-10	-4	-16	-10
Total financial items	-8	-1	7	14
PROFIT/LOSS AFTER FINANCIAL ITEMS	-3	148	2	153
Tax on income for the period	1	-30	-2	-32
Net income ¹	-2	118	1	121
Average number of shares outstanding (thousands)	152,572	152,572	152,572	152,572
Average number of shares outstanding after dilution (thousands)	152,572	152,572	152,572	152,572
Earnings per share (SEK)	-0.02	0.77	0.00	0.79
Earnings per share, diluted (SEK)	-0.02	0.77	0.00	0.79

¹ The entire net income is attributable to the shareholders of the parent company.

STATEMENT OF COMPREHENSIVE INCOME

AMOUNTS IN MSEK	Jan-Mar 2024	Jan-Mar 2023	Rolling 12 months	Full year 2023
NET INCOME	-2	118	1	121
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	-63	-234	-214	-385
Income tax effect on changes in value	13	48	44	79
Translation differences	0	0	0	0
TOTAL OTHER COMPREHENSIVE INCOME	-50	-186	-170	-306
COMPREHENSIVE INCOME FOR THE PERIOD ²	-52	-68	-170	-185

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

CONSOLIDATED BALANCE SHEET, SUMMARY

AMOUNTS IN MSEK	31 March 2024	31 March 2023	31 Dec 2023
Intangible assets	21	21	21
Property, plant and equipment	1,326	1,178	1,274
Financial assets	123	207	175
Total non-current assets	1,470	1,406	1,470
Inventories	459	524	493
Current receivables	626	815	658
Cash and cash equivalents	95	578	196
Total current assets	1,180	1,917	1,347
TOTAL ASSETS	2,650	3,323	2,817
Shareholders' equity	1,729	2,188	1,858
Long-term liabilities			
Interest-bearing liabilities	51	103	59
Deferred tax liability	143	220	158
Other non-interest-bearing liabilities	22	59	65
Total long-term liabilities	216	382	282
Current liabilities			
Interest-bearing liabilities	32	–	32
Non-interest-bearing liabilities	673	753	645
Total current liabilities	705	753	677
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	2,650	3,323	2,817
Shareholders' equity per share	11.33	14.34	12.18

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY, SUMMARY

AMOUNTS IN MSEK	Share capital	Other injected capital	Repurchased treasury shares	Other reserves		Retained earn- ings, incl. profit/ loss for the year	Total shareholders' equity
				Hedging reserve	Translation difference		
Opening balance, 1 January 2023	153	730	-69	366	-6	1,082	2,256
Net income Jan-Mar						118	118
Other comprehensive income, Jan-Mar				-186	–		-186
Total comprehensive income, Jan-Mar				-186	–	118	-68
Dividends to shareholders, Jan-Mar						–	–
Closing balance, 31 March 2023	153	730	-69	180	-6	1,200	2,188
Net income Apr-Dec						3	3
Other comprehensive income, Apr-Dec				-120	–		-120
Total comprehensive income, Apr-Dec				-120	–	3	-117
Dividends to shareholders, Apr-Dec						-213	-213
Closing balance, 31 December 2023	153	730	-69	60	-6	990	1,858
Net income Jan-Mar						-2	-2
Other comprehensive income, Jan-Mar				-50	-1		-51
Total comprehensive income, Jan-Mar				-50	-1	-2	-53
Dividends to shareholders, Jan-Mar						-76	-76
Closing balance, 31 March 2024	153	730	-69	10	-7	912	1,729

CONSOLIDATED STATEMENT OF CASH FLOWS

AMOUNTS IN MSEK	Jan-Mar 2024	Jan-Mar 2023	Rolling 12 months	Full year 2023
EBIT	5	149	-5	139
Adjustment for items not included in cash flow	0	-	-4	-4
Depreciation/amortisation and impairment losses	30	29	119	118
EBIT adjusted for items not affecting cash flow	35	178	110	253
Received/paid financial items	0	1	3	4
Received/paid taxes	-17	-15	-115	-113
Cash flow from operating activities before changes in working capital	18	164	-2	144
Change in working capital	42	-60	62	-40
Cash flow from operating activities	60	104	60	104
Investments in property, plant and equipment and intangible assets	-82	-21	-266	-205
Investments in financial assets	-	-	-96	-96
Sale of non-current assets	-	-	7	7
Change in current financial investments	6	38	122	154
Cash-flow from investing activities	-76	17	-233	-140
Borrowings, long-term loans	-	-	100	100
Amortisation, long-term bank loans	-9	-8	-121	-120
Dividend paid	-76	-	-289	-213
Cash flow from financing activities	-85	-8	-310	-233
NET CASH FLOW FOR THE PERIOD	-101	113	-483	-269
Cash and cash equivalents at start of period	196	465	578	465
Net cash flow for the period	-101	113	-483	-269
Exchange rate difference in cash and cash equivalents	0	0	0	0
Closing cash and cash equivalents	95	578	95	196

CHANGES IN INTEREST-BEARING LIABILITIES

AMOUNTS IN MSEK	Jan-Mar 2024	Jan-Mar 2023	Rolling 12 months	Full year 2023
Interest-bearing liabilities on the balance sheet at the beginning of the period	91	111	103	111
Changes included in cash flow from financing activities	-	-	-	-
Long-term loans taken out from banks	0	-	100	100
Amortisation of long-term loans taken out from banks	-8	-8	-120	-120
Total	-8	-8	-20	-20
Other changes:				
Via acquisition	-	-	-	-
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	83	103	83	91

PARENT COMPANY INCOME STATEMENT

AMOUNTS IN MSEK	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
NET TURNOVER	5	5	18
Other operating income	0	2	11
Operating income, total	5	7	29
Result from hedging activities	-2	-6	-2
Other external costs	-10	-7	-38
Employee benefit expenses	-10	-9	-40
EBITDA (operating profit/loss before depreciation/amortisation and impairment)	-17	-15	-51
Depreciation/amortisation and impairment losses	0	0	0
EBIT (operating profit/loss)	-17	-15	-51
Profit from participations in Group companies	0	0	133
Financial income	13	47	187
Financial expenses	-2	-2	-10
Total financial items	11	45	310
PROFIT/LOSS AFTER FINANCIAL ITEMS	-6	30	259
Tax on income for the period		-6	-53
NET INCOME	-6	24	206

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

AMOUNTS IN MSEK	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
NET INCOME	-6	24	206
Other comprehensive income	-	-	-
TOTAL OTHER COMPREHENSIVE INCOME	-	-	-
COMPREHENSIVE INCOME FOR THE PERIOD	-6	24	206

BALANCE SHEET – PARENT COMPANY

AMOUNTS IN MSEK	31 March 2024	31 March 2023	31 Dec 2023
Intangible assets	0	0	0
Property, plant and equipment	3	1	3
Financial assets ¹	704	664	758
Total non-current assets	707	665	761
Current receivables ²	790	598	825
Cash and cash equivalents	82	533	158
Total current assets	872	1,131	983
TOTAL ASSETS	1,579	1,796	1,744
Shareholders' equity	998	1,118	1,080
Long-term liabilities			
Interest-bearing	43	94	51
Non-interest-bearing	0	57	54
Total long-term liabilities	43	151	105
Current liabilities			
Interest-bearing	32	0	32
Non-interest-bearing ³	506	527	527
Total current liabilities	538	527	559
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,579	1,796	1,744

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

² Includes receivables from subsidiaries of 781 (568) MSEK.

³ Includes liabilities to subsidiaries of 481 (443) MSEK.

Supplementary disclosures, notes in summary and other information

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 closure of the groundwood line at Rottneros Mill, the Group has electricity hedges that exceed the estimated consumption for 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 in net financial items and amounted to -8 MSEK for the period January – March 2024.

The financial derivatives as of 31 December 2023 consist of a purchase position of 7 MW. Cash flow from the realised financial derivatives totalled -6 MSEK for the period January – March 2024.

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 two years with a one-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 2023. The carrying amounts are deemed to be equal to actual values, which was also the case at the end of 2023, 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.

AVERAGE NUMBER OF EMPLOYEES

The average number of employees was 283 (306) for the period January-March.

TRANSACTIONS WITH RELATED PARTIES

During January – March 2024, Rottneros sold pulp to the related party Arctic Paper S.A. Group amounting to 0 (7) MSEK. Outstanding operating receivables for Arctic Paper as of 31 March 2024 totalled 0 (3) MSEK. The transactions took place on market terms.

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

There are no significant events to report.

CHANGES IN GROUP MANAGEMENT

Anders Persson has been appointed Director of Strategic Development. He assumed the position on 12 April 2024 and is a member of the group management team.

ROTTNEROS' NET TURNOVER

AMOUNTS IN MSEK	Jan-Mar 2024	Jan-Mar 2023	Rolling 12 months	Full year 2023
Sales of pulp	603	675	2,420	2,492
Results from pulp price hedging	-2	-6	2	-2
Sales of by-products and other	36	34	122	120
Sales of wood	51	41	155	145
TOTAL NET TURNOVER	688	744	2,699	2,755

NET TURNOVER BY GEOGRAPHIC MARKET

AMOUNTS IN MSEK	Jan-Mar 2024	Jan-Mar 2023	Rolling 12 months	Full year 2023
Sweden	162	153	614	605
Other Nordic countries	72	79	278	285
Germany	102	117	355	370
Italy	29	53	126	150
Rest of Europe	109	99	402	392
North America	62	62	221	221
Asia	152	180	691	719
Rest of world	0	1	11	12
TOTAL NET TURNOVER	688	744	2,699	2,755

BREAKDOWN OF PULP TURNOVER BY USE

AMOUNTS IN MSEK	Jan-Mar 2024	Jan-Mar 2023	Rolling 12 months	Full year 2023
Board and packaging	160	198	691	729
Printing and writing papers	6	41	32	67
Filters	144	172	565	593
Electrotechnical applications	113	122	480	489
Tissue paper	65	42	252	229
Special applications	82	79	301	298
Fibre cement	15	8	47	40
Other	18	13	51	46
TOTAL PULP TURNOVER	603	675	2,420	2,492

FAIR VALUE FOR DERIVATIVES AS AT 31 DECEMBER 2023

Hedging	Hedged volume	Maturity	Hedging level	Fair value (SEK m)
Pulp, futures sold	12,000 tonnes	2024	13,284 SEK per tonne	7
Electricity, forward purchase, cash flow hedge	561,336 MWh	2024–2028	0.4010 SEK/kWh	68
Electricity, forward, financial	61,488 MWh	2024	–	20
TOTAL FAIR VALUE				95

FAIR VALUE OF DERIVATIVE INSTRUMENTS AS AT 31 MARCH 2024

Hedging	Hedged volume	Maturity	Hedging level	Fair value (SEK m)
Pulp, futures sold	9,000 tons	2024	13,284 SEK per tonne	-7
Currency, forward sell/buy (corridor)	43 MUSD	2024-03–2025-04	9.94-10.98 SEK/USD	0
Electricity, forward purchase, cash flow hedge	511 104 MWh	2024–2028	0.4152 SEK/kWh	19
Electricity, forward, financial	46,200 MWh	2024	–	7
TOTAL FAIR VALUE				19

GROUP PERFORMANCE IN SUMMARY

AMOUNTS IN MSEK	Jan-Mar 2024	Jan-Mar 2023	Rolling 12 months	2023	2022	2021	2020
Income statement							
Net turnover	688	744	2,699	2,755	2,980	2,303	2,093
EBITDA	35	178	109	252	691	385	77
Depreciation/amortisation and impairment losses	-30	-29	-114	-113	-141	-118	-119
EBIT	5	149	-5	139	550	267	-42
Financial items (net financial items)	-8	-1	7	14	164	-21	-19
Profit/loss after financial items	-3	148	2	153	714	246	-61
Net income	-2	118	1	121	565	198	-50
Statement of cash flow, MSEK							
Cash flow from operating activities	60	104	60	104	541	288	85
Investments in non-current assets	-76	17	-233	-140	-112	-123	-128
Cash flow after investments in non-current assets	-16	121	-173	-36	429	165	-43
Cash flow from financing activities	-85	-8	-310	-233	-125	-334	-3
Net cash flow	-101	113	-483	-269	304	-169	-46
Balance sheet items							
Non-current assets	1,470	1,406	1,470	1,470	1,501	1,339	1,285
Inventories	459	524	459	493	436	327	355
Current receivables	626	815	626	658	1,020	555	287
Cash and cash equivalents	95	578	95	196	465	161	330
Net debt (+) / net cash (-)	-12	-475	-12	-105	-354	-16	81
Shareholders' equity	1,729	2,188	1,729	1,858	2,256	1,527	1,301
Long-term interest-bearing liabilities	51	103	51	59	111	145	411
Long-term non-interest-bearing liabilities	165	279	165	223	325	207	150
Current interest-bearing liabilities	32	0	32	32	-	-	-
Current non-interest-bearing liabilities	673	753	673	645	730	503	395
Capital employed	1,717	1,713	1,717	1,753	1,902	1,511	1,382
Total shareholders' equity and liabilities	2,650	3,323	2,650	2,187	3,422	2,382	2,257

	Jan-Mar 2024	Jan-Mar 2023	Rolling 12 months	2023	2022	2021	2020
Key performance indicator							
EBITDA margin, %	5.1	23.9	4.0	9.1	23.2	16.7	3.7
EBIT margin, %	0.7	20.0	-0.2	5.0	18.5	11.6	-2.0
Profit margin, %	-0.4	19.9	0.1	5.6	24.0	10.7	-2.9
Return on equity (rolling 12 months), %	0.0	26.0	0.0	5.9	29.9	14.0	-3.7
Return on capital employed (rolling 12 months), %	-0.3	32.3	-0.3	7.6	32.2	18.5	-3.0
Equity/assets ratio, %	65	66	65	66	66	64	58
Debt/equity ratio, %	-1	-22	-1	-6	-16	-1	6
Other							
Average number of employees	288	306	296	293	319	316	318
Pulp production, 1,000 tonnes	84.3	89.6	346.4	351.7	397.1	395.3	412.6
Pulp deliveries, 1,000 tonnes	89.8	87.2	359.4	356.9	388.4	403.2	416.5
Pulp price of NBSK pulp, USD per tonne ¹	1,332	1,397	1,252	1,268	1,404	1,198	843
SEK/USD ²	10.39	10.43	10.60	10.61	10.12	8.58	9.21
Pulp price of NBSK pulp, SEK per tonne	13,839	14,568	13,267	13,455	14,213	10,280	7,765

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

	2024	2023				2022				2021			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Income statement, MSEK													
Net turnover	688	637	693	681	744	730	806	784	660	598	570	593	542
EBITDA	35	-76	79	71	178	31	233	254	174	88	130	127	40
Depreciation/amortisation and impairment losses	-30	-24	-30	-30	-29	-30	-49	-34	-29	-30	-29	-30	-29
EBIT	5	-100	49	41	149	1	185	220	145	58	101	97	11
Financial items (net financial items)	-8	19	-7	3	-1	10	156	-1	-1	-1	-11	-4	-4
Profit/loss after financial items	-3	-81	42	44	148	11	341	219	144	57	90	93	7
Tax on income for the period	1	17	-9	-10	-30	-2	-71	-46	-30	-8	-19	-19	-2
Net income	-2	-64	33	34	118	9	270	172	114	49	71	74	5
Per share													
Earnings per share, SEK	-0.02	-0.42	0.22	0.22	0.77	0.06	1.77	1.13	0.75	0.32	0.47	0.48	0.03
Other													
Pulp production, 1,000 tonnes	84.30	80.00	88.80	93.20	89.60	87.20	96.20	110.50	103.20	91.40	92.20	109.20	102.50
Pulp deliveries, 1,000 tonnes	89.80	84.50	102.30	82.90	87.20	86.50	95.90	106.00	100.00	95.50	92.50	103.20	112.00
Pulp price of NBSK pulp, SEK per tonne	13,839	12,736	12,706	13,749	14,568	15,693	15,613	13,589	12,063	11,573	11,557	10,012	8,044

SHARE DATA¹

		Jan-Mar 2024	Jan-Mar 2023	Rolling 12 months	2023	2022	2021	2020
Shares outstanding at the beginning of the period ²	Number	152,572	152,572	152,572	152,572	152,572	152,572	152,572
Shares outstanding at the end of the period ²	Number	152,572	152,572	152,572	152,572	152,572	152,572	152,572
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	-0.02	0.77	0.00	0.79	3.70	1.28	-0.33
Cash flow after investments/share ³	SEK	-0.14	0.54	-1.97	-1.29	2.80	1.07	-0.30
Equity per share	SEK	11.33	14.34	11.33	12.18	14.78	9.99	8.53
Dividend ⁴								
Ordinary dividend	SEK	0.50		1.00	0.50	0.40		–
Extra dividend	SEK			0.90	0.90	0.20	0.45	–
Total	SEK	0.50	–	1.90	1.40	0.60	0.45	–
Dividend/equity per share	%	4.4	–	16.8	11.5	4.1	4.5	–
Share price at end of period	SEK	12.06	16.30	12.06	12.18	12.22	10.42	8.15
Total return	%	2	33	-14	11	23	33	-29
Market price/equity/share	times	1.1	1.1	1.1	1.0	0.8	1.0	1.0
P/E ratio per share	times	N/A	21.2	0.0	15.4	3.3	8.1	-24.7

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 ratios 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.

Shareholders’ equity per share

Shareholders’ equity divided by number of shares.

Cash flow after investments

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

Net debt/net cash

Interest-bearing liabilities 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 income 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 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

BCTMP

Bleached Chemi-Thermo-Mechanical Pulp: bleached mechanical pulp where the raw material is impregnated with chemicals. Stronger than TMP. The term is common in North America and Asia (see CTMP).

BEK

Bleached Eucalyptus Kraft pulp.

Chemical pulp

Pulp produced by boiling pulp wood with chemicals. The pulp can be bleached to a higher brightness and a higher strength than mechanical pulp. Chemical pulp is usually sulphate pulp, but can also be sulphite pulp.

COD

Chemical Oxygen Demand, chemical 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.

Groundwood pulp (SGP)

Mechanical pulp based on roundwood as a raw material.

High-yield pulp

Groundwood pulp, TMP and CTMP/BCTMP.

LTIFR

Lost Time Injury Frequency Rate indicates the number of accidents with sick leave per million hours worked.

Long-fibre pulp

Pulp where the raw material is softwood, which has longer cellulose fibre than hardwood.

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.

Mechanical pulp

Pulp produced using a mechanical process for fibre separation and processing. Has a higher level of bulk, stiffness and opacity than chemical pulp. Groundwood pulp, TMP and CTMP/BCTMP are types of mechanical pulp.

NBSK

Northern Bleached Softwood Kraft: bleached long-fibre sulphate pulp. The leading indicator of world market prices.

Short-fibre pulp

Pulp where the raw material is hardwood, which has shorter cellulose fibre than softwood.

TMP

Thermo-Mechanical Pulp: mechanical pulp produced using a technique in which the chips are preheated with steam, but without chemicals.

UKP

Unbleached Kraft Pulp, unbleached sulphate pulp.

Rottneros is an independent producer of market pulp. The Group consists of the parent company Rottneros AB, listed on Nasdaq Stockholm, with the subsidiaries Rottneros Bruk AB and Vallviks Bruk AB, active in the production and sale of market pulp. The Group also includes Rottneros Packaging AB, which manufactures fibre trays, the raw material procurement company SIA Rottneros Baltic in Latvia and the forestry company Nykvist Skogs AB. The Group has approximately 290 employees and had sales of approximately SEK 2.8 billion.



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