

2025

ANNUAL AND
SUSTAINABILITY REPORT



ROTTNEROS

Rottneros is a global supplier of premium market pulp for selected niches. At Rottneros Packaging, we develop and sell climate-smart packaging. Through our products and our commitment, we can help shape a brighter tomorrow. Through our close customer relationships, technical excellence, and innovation, we continuously enhance our offering in alignment with market needs – all while prioritising environmental stewardship. Placing the employee at the core allows us to foster a secure, stimulating, and attractive workplace.



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Rottneros in brief

Rottneros has been developing and producing chemical and mechanical market pulp for more than 100 years. Our quality pulp is delivered to niche markets in Europe, Asia and North America. A significant part of the production goes to the growing market for board and packaging and our strongest positions are in pulp for filters and electrotechnical applications. A newer area for Rottneros is the development and production of fiber trays and packaging solutions.

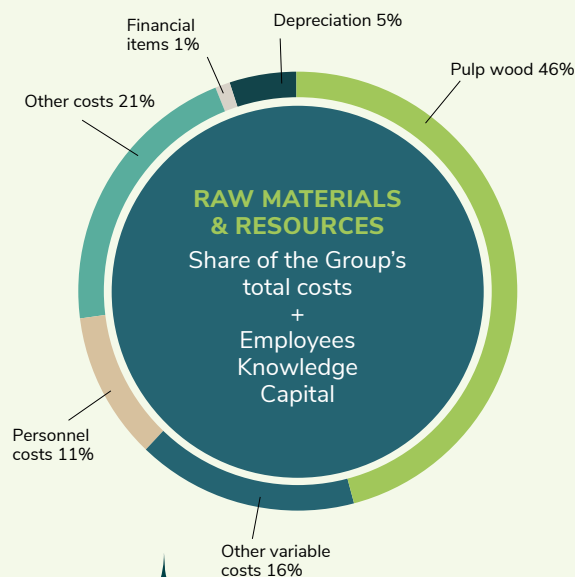
ROTTNEROS MILL produces the mechanical pulp CTMP, which has a very high yield from the wood raw material.

VALLVIK MILL produces an exceptionally pure chemical sulphate pulp.

ROTTNEROS PACKAGING produces and develops climate-smart fiber trays.

ROTTNEROS PACKAGING AB AND KOSTRZYN PACKAGING produce high-performance, recyclable molded fiber packaging.

NYKVIST SKOGS in Värmland, Sweden and **ROTTNEROS BALTIC** in Latvia supply the mills with pulp wood from certified and sustainable forestry.

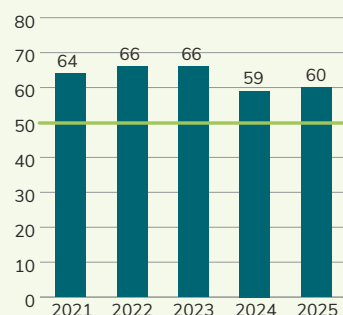


THE YEAR IN BRIEF

A challenging year

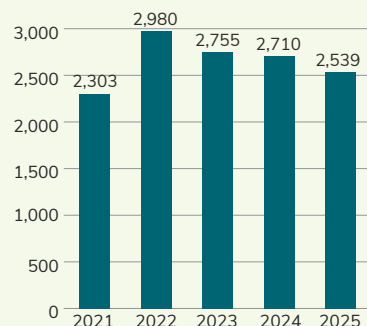
The year was characterised by a weak pulp market, high pulp wood prices and a weaker USD, putting pressure on both prices and margins. At the same time, operations maintained stable production, high availability and a consistent focus on costs. The successful rights issue during the year strengthened the balance sheet and the company's financial resilience. Market conditions towards the end of the year showed early signs of improvement.

EQUITY/ASSETS RATIO (%)



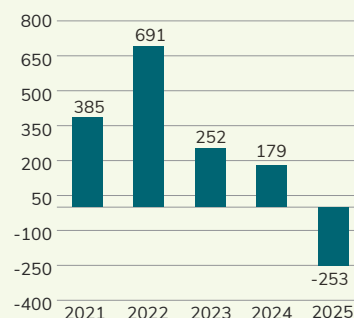
Target: over 50%. The balance sheet remains strong, with an equity ratio of 60%.

NET TURNOVER (MSEK)



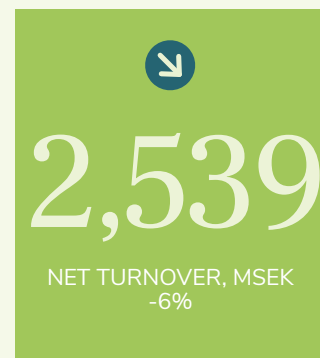
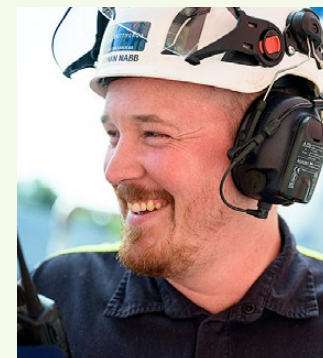
Net turnover amounted to 2,539 MSEK. Sales volumes were stable, but lower prices and a weaker USD had a negative impact.

EBITDA (MSEK)



Lower sales prices and increased cost for pulp wood had a negative impact on the result.

MSEK UNLESS OTHERWISE STATED	2025	2024	Change
EBITDA	-253	179	-432
Profit/loss after financial items	-565	27	-582
Net income	-452	20	-462
Earnings per share, SEK	-2.10	0.11	-2.21
Cash flow from operating activities	-71	15	-86
Production, thousand tonnes	331	341	-10
Deliveries, thousand tonnes	335	333	2



Challenging external environment, focus on cost efficiency, solid finances and profitable growth in our selected niches

The negative market trend, combined with higher wood prices and a weaker dollar, made 2025 a very challenging year in terms of earnings. Strong cost-cutting measures were implemented to offset the adverse external developments. The Group performed strongly in the areas the company can influence, primarily cost efficiency and high production availability.

The company's clear focus on improvements in factors that can be influenced internally continued successfully during 2025. Vallvik Mill produced at a high and stable level throughout the year. For the full year, the mill's volume increased by 6 percent to 233,000 tonnes, representing a new annual record. At Rottneros Mill, production remained limited by adjustments required in response to the weak market for mechanical pulp, with priority given to the more profitable European markets. At the same time, the investments in increased capacity met their targets, and the rate of production was very high when the mill operated at full capacity. This confirmed the mill's efficiency and strong competitiveness in mechanical pulp production. At the same time, several product development initiatives were launched to capture new markets and applications for mechanical pulp.

The extensive cost adjustments initiated in March 2025 to offset adverse external developments were largely completed by mid-year. Largely thanks to the organisation's strong commitment, the initial targets were surpassed. They total approximately 45 MSEK on an annual basis, with full effect in 2026, all else being equal.

“The company's clear focus on improving factors that can be influenced internally continued successfully during 2025.”



COMMENTS BY THE CEO

“I look forward to leading Rottneros’ long-term development journey with a clear focus on profitable growth in our selected niches.”



Weak market in 2025 but stable demand for chemical pulp in Rottneros’ niches

Market developments were weak in 2025, mainly as a result of the negative global consumption trend and therefore rising producer inventories of softwood sulphate pulp. At the same time, the Group recorded stable demand in its selected niches, with many customers continuing to increase their volumes. At the beginning of 2026 the general pulp price trend has been upward.

Continued high wood prices in 2025 – clear relief at the beginning of 2026

The growing competition for wood raw materials has for several years driven up raw material costs. In 2025, wood prices

remained at an unsatisfactorily high level and were one of the main reasons for the year's weak profit development. During the second half of the year, however, the market balance shifted in favour of Rottneros as a buyer. Increased supply combined with reduced demand caused prices to decline. The downward trend in wood prices has continued at the beginning of 2026.

Employee safety always at the top of the agenda

Employee safety is always at the top of the agenda, and it is very gratifying that the efforts are yielding results. The number of lost-time injuries decreased further in 2025: there were two, compared with three in 2024 and five in 2023. Daily work for employee safety will continue with a zero vision as the overall target.

Successful rights issue strengthened the balance sheet

The rights issue, which was successfully completed in July, strengthened the Group's ability to manage the challenging market climate. The issue raised approximately 290 MSEK, which was used for amortisation and to strengthen liquidity. The equity/assets ratio at year-end was 60 percent, comfortably exceeding the long-term target of at least 50 percent.

In March 2026, Rottneros entered into a new loan agreement with updated terms and conditions. The agreement is better adapted to Rottneros' financial situation and also means increased available borrowing capacity.

To further strengthen the capital structure, we are focusing on reducing tied-up capital. At the end of 2025, working capital totalled 375 MSEK, a decrease of just over 200 MSEK compared with the previous year-end. The company's well-invested facilities allowed the investment level to be significantly reduced compared with previous years. We will maintain our focus on both reducing capital and a lower investment rate going forward.

Rottneros Packaging's and Arctic Paper's factory in Poland producing on commercial scale

The joint venture with Arctic Paper in Poland for large-scale production of molded fiber trays gradually ramped up production during the year to commercial scale. As before, interest in sustainable food packaging continues to be strong.

I look forward to leading Rottneros' long-term development journey with a clear focus on profitable growth in our selected niches, cost efficiency, financial strength and sustainability.

Per Bjurbon

President and CEO

Per took up the position as President and CEO on 12 March 2026.

Rottneros as an investment

The Rottneros share has been listed on Nasdaq Stockholm since November 1987 and is classified as a company in the Basic Resources segment on the Small Cap list. Rottneros combines long-term profitability and sustainability with strong finances and innovative investments for the future. With a focus on pulp for attractive niches, a broadened revenue base, and stable returns to shareholders over time, Rottneros is well positioned to meet the growing global demand for sustainable solutions.

PART OF THE GREEN TRANSITION

Rottneros, together with the entire forest industry, is part of the green transition to a circular economy with solutions that have a positive impact on both the climate and the environment.

Pulp is replacing fossil-based raw materials and is used to manufacture renewable products. Rottneros' target is that production will not emit any fossil carbon dioxide by 2030.

LONG-TERM PROFITABILITY

Rottneros' strategy is to focus on applications where our products create added value. The share of sales to prioritised niches was 79 percent in 2025.

Increased volumes counteract cost inflation. The target is for production to amount to 345,000 tonnes in 2030. The outcome in 2025 was 333,000 tonnes.

HIGH EQUITY/ASSETS RATIO

The Group has a strong equity/assets ratio and a low debt/equity ratio. The equity/assets ratio for 2025 was 60 percent.

The company carried out a rights issue of 300 MSEK during the year, strengthening its financial position.

SHAREHOLDER RETURN

Rottneros' policy is to distribute 30–50 percent of net income to the shareholders.

For 2025, the Board proposes that no dividend be paid based on the year's financial performance. In recent years, Rottneros has distributed dividends in line with its dividend policy.

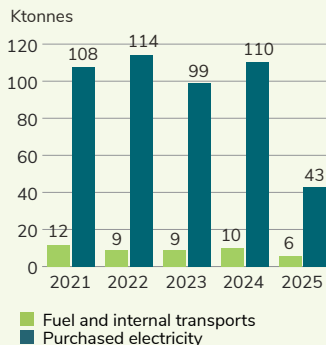
MARKET POISED FOR LONG-TERM GROWTH

Rottneros holds a strong position in the pulp market through production of both chemical and mechanical pulp. Our product quality and service ensure good, long-term customer relationships.

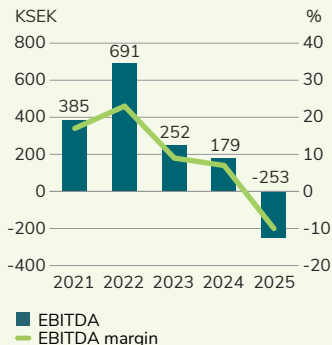
The pulp market is well positioned for long-term growth according to several global trends. One example is the transition from plastic to fiber-based packaging.

The potential for expansion in our selected niches is great and already today Rottneros is the world leader in E-pulp and filter pulp.

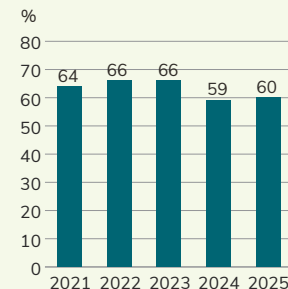
FOSSIL CO₂ EMISSIONS BY SOURCE



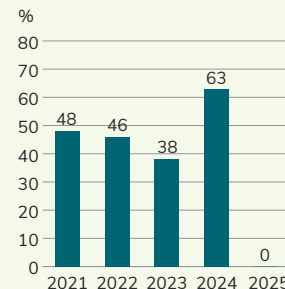
EBITDA AND EBITDA MARGIN



EQUITY/ASSETS RATIO



DISTRIBUTION OF NET INCOME*



This information is a general description of Rottneros as an investment and is not a recommendation to invest in Rottneros and should not be relied upon as a basis for an investment in Rottneros. Investing in shares is associated with risk. When assessing Rottneros' future development, it is important to consider the risk factors associated with Rottneros and its share. All investments in equities are associated with risks of both a general and more sector or company-specific nature. An investor considering investing in shares in Rottneros should read the relevant information about Rottneros carefully before making an investment. Rottneros does not accept any responsibility for an investor's decision to invest in Rottneros on the basis of the above information and therefore does not accept responsibility for any loss that an investor may suffer as a result of investing in Rottneros.

* Dividend paid in relation to the previous year's earnings. For 2021, the dividend is related to the combined earnings of 2020 and 2019.

TRENDS AND MARKETS

Subdued economic conditions weighed on the pulp market, while Rottneros' niches showed stable growth

2025 was characterised by weak developments in the global pulp market. However, demand for chemical pulp in Rottneros' market niches remained robust throughout the year. The CTMP market was weighed down by overcapacity, resulting in declining prices. Rottneros focuses on niches where the company has clear competitive advantages and close relationships with its customers.

Nearly half of global fiber demand is met by cellulose produced from fresh fibers

Global use of cellulose fiber for paper, cartonboard, textiles and hygiene products amounts to approximately 409 million tonnes per year. Just over half consists of recycled fiber, while around 187 million tonnes are fresh fiber from coniferous and deciduous trees. Around 57 percent is used in integrated paper and board mills, while the remaining approximately 80 million tonnes constitute market pulp. Chemical pulp dominates, of which about 38 percent, or 27 million tonnes, is softwood pulp. Rottneros operates within this segment and in mechanical pulp. The market for mechanical pulp is approximately 3 million tonnes.

Europe, Rottneros' main market, uses about 16 million tonnes of market pulp annually, corresponding to 22 percent of global consumption. Asia accounts for approximately 60 percent of usage, around 44 million tonnes, of which 30 million tonnes are in China. North America consumes roughly 8 million tonnes, mainly for hygiene products and specialty papers.

Asian engine for global growth

Rising living standards and population growth are driving a long-term increase in global pulp consumption. Growth is strongest in Asia, where demand for fresh fiber continues to rise, while it has levelled off or declined in mature Western markets. China is the world's largest pulp market and has increased its share from just over 20 percent in 2010 to around 40 percent.

Tissue is the largest application for market pulp

Pulp usage is increasing primarily in tissue, hygiene products, packaging and specialty papers. Tissue is the largest segment and accounts for approximately 45 percent of global consumption. China is the largest market, followed by the US. Production takes place mainly in non-integrated mills. For Rottneros, tissue represents around 12 percent of deliveries.

Demand for graphic papers, that is, printing and writing papers, is declining due to digitalisation. Over just ten years, the share of market pulp used for this purpose has fallen by more than half to around 18 percent. The shift towards other customer segments and product niches is expected to continue.

Uncertainty over tariffs and weaker growth weighed on the pulp market in 2025

After a modest rise early in the year in the price of bleached chemical softwood pulp (NBSK), Rottneros' main grade, prices declined through most of the year. Statements on US trade tariffs heightened uncertainty among consumers and companies, slowing economic activity and pulp consumption. Weak demand in



TRENDS AND MARKETS

Europe and the United States was a key factor behind the gradual price decline during the year, despite production limitations in the market. Softwood pulp inventories were therefore slightly above the historical average for much of 2025. The weakening USD further amplified the decline in prices in local currencies.

Price premium for long fiber pulp decreased compared to short fiber pulp

The price difference between long fiber chemical pulp and short fiber pulp decreased in 2025, but remained at levels that provided an incentive to replace long fiber with cheaper short fiber in some applications. This substitution contributed to dampening demand for long fiber pulp and putting pressure on prices. At the same time, the supply of long fiber pulp decreased somewhat due to capacity cuts, mainly linked to high raw material costs.

Global demand for market pulp rose by 3 percent in 2025. Demand for hardwood pulp rose by 5 percent, while demand for softwood pulp remained unchanged. Demand for unbleached pulp (UKP) increased by 5 percent. Deliveries to China increased by 8 percent during the year. The Chinese market is characterised by overcapacity in paper and cartonboard. This production is

increasingly integrated with in-house pulp manufacturing, a trend supported by low pulp wood prices.

Price pressure on pulp, declining CTMP market

Demand for CTMP declined by 2 percent. Despite a 14 percent recovery in Chinese demand, rising integrated pulp consumption in China continued to weigh on the global CTMP market. Capacity utilisation during the year was 68 percent.

Net prices for NBSK pulp in Europe declined from 810 USD per tonne in the first quarter to 690 USD in the final quarter of the year. China also saw a decline over the same period, from 790 USD to 680 USD. The global net price for BCTMP fell from 445 USD per tonne in the first quarter to 430 USD in the fourth quarter of the year.

Rottneros strong in niches where it has clear competitive advantages

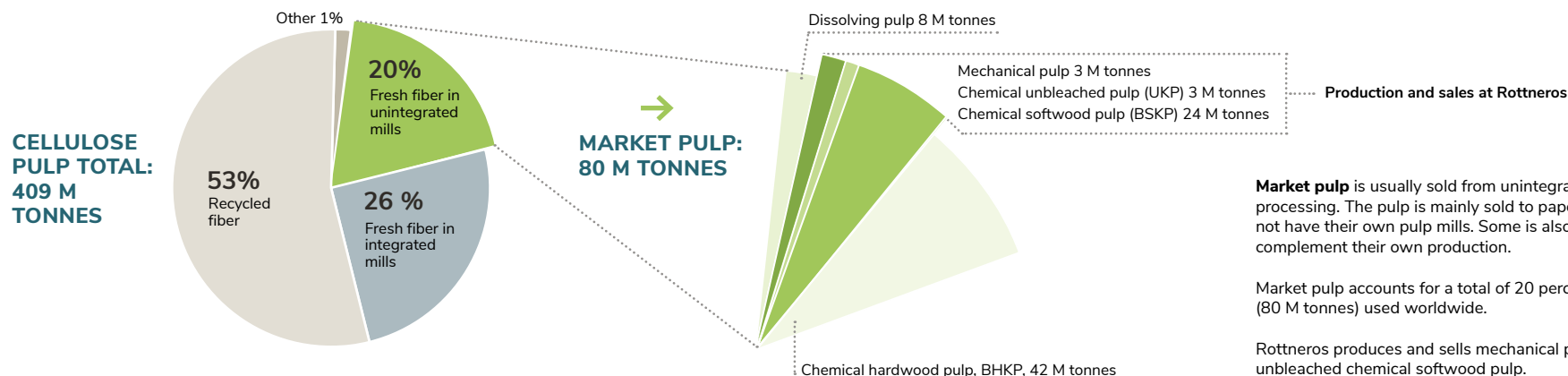
Demand within Rottneros' niche markets remained strong during 2025. The company's strategy includes achieving market leadership in several existing niches, as well as developing new ones. The share of sales to markets that demonstrate profitable growth will

continue to increase. The Group is strategically focused on identifying and establishing a market presence in new growing segments where it can leverage its competitive advantages. One prioritised growth area is pulp for board and packaging, where the company already holds a strong market position. The market for pulp for air and liquid filters is also expected to show stable demand, and Rottneros will further strengthen its global leading position.

E-pulp is another important product that is ideal for purposes such as electrical insulation in transformers. Here, the continued economic expansion in Asia and Latin America is a significant factor driving the growing demand. The transition to renewable energy sources is another important driver. This is driving rising demand for transformers and, in turn, a greater need for E-pulp. Wind turbines are often located far from electricity consumers. Consequently, completely new infrastructure must be built. The expansion of electric vehicles also requires new infrastructure to ensure access to charging on a broad scale.

Fiber cement is another niche the Group is developing. Rottneros' unbleached sulphate pulp is ideally suited as reinforcement material in cement-based building boards.

GLOBAL USE OF CELLULOSE PULP



Market pulp is usually sold from unintegrated pulp mills, with no in-house processing. The pulp is mainly sold to paper or board manufacturers that do not have their own pulp mills. Some is also purchased by integrated mills, to complement their own production.

Market pulp accounts for a total of 20 percent of cellulose fiber (80 M tonnes) used worldwide.

Rottneros produces and sells mechanical pulp, as well as bleached and unbleached chemical softwood pulp.

TRENDS AND MARKETS

The Group's pulp offers clear competitive advantages in food packaging

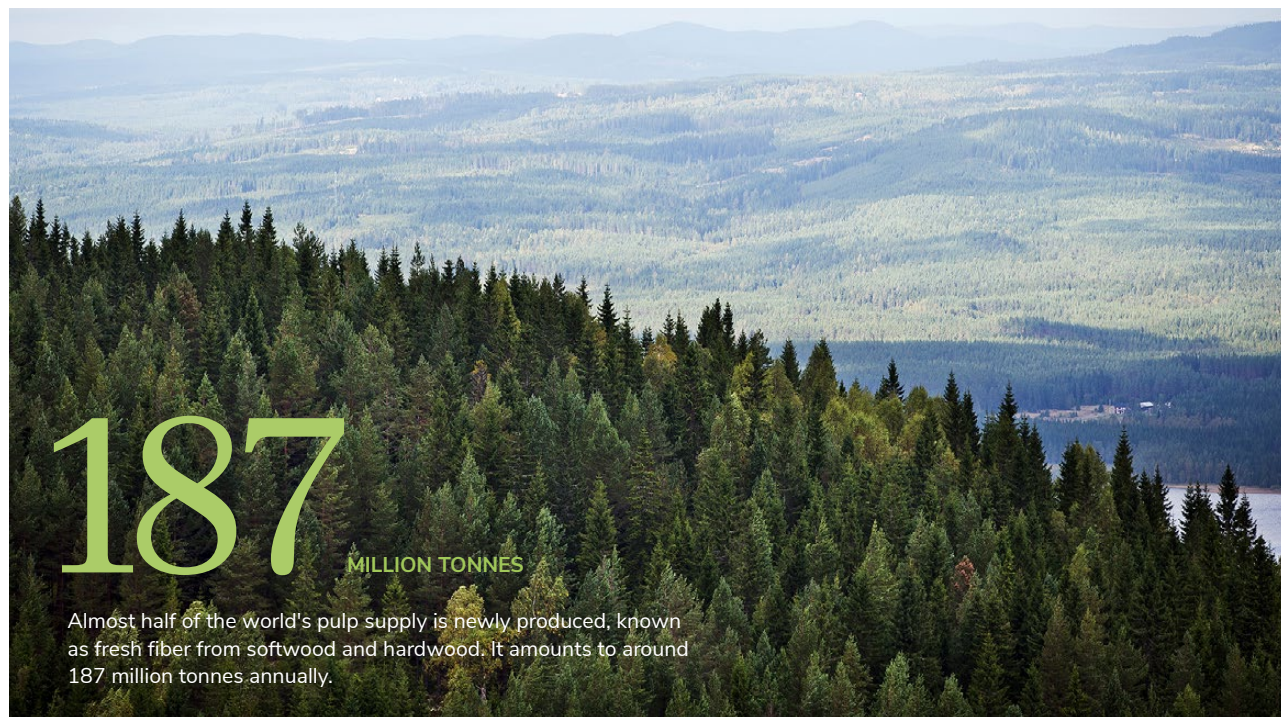
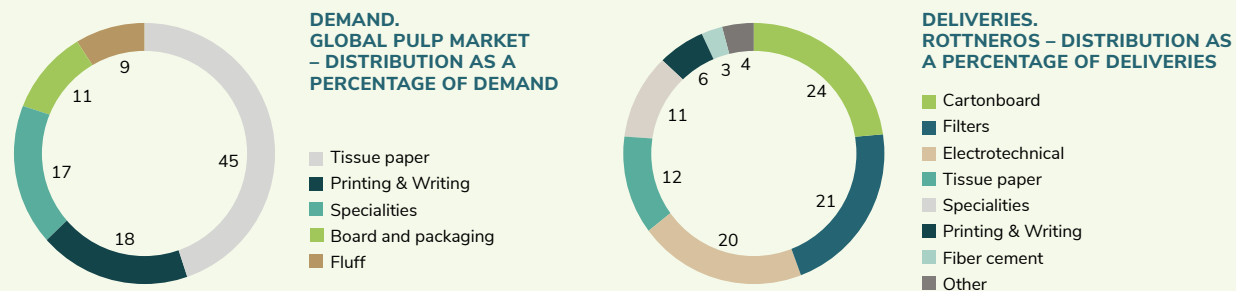
The Group's pulp is characterised by its superior quality with very high purity. For example, it does not affect the taste and odour of packaged goods, which makes it ideal for food and drink packaging. The unbleached sulphate pulp produced in Vallvik Mill is thus very well suited for the growing application of brown liquid packaging board. The mill's high washing capacity enables a very pure, unbleached pulp that provides important competitive advantages and thus a strong market position.

The fiber tray initiative within Rottneros Packaging is another important piece of the puzzle for the company's long-term development potential. Rottneros' main competitive advantages are its extensive experience and expertise in fiber trays for food, as well as its leading position in the market for mechanical pulp, the main raw material for the trays.

Focus on close customer relationships and deep knowledge of their products

The Group places great importance on consolidating and further developing its positions within the selected niches by leveraging its expertise in both technology and production. This requires close, long-term customer relationships and in-depth knowledge of their business and needs. Here, a strong sales organisation is crucial, especially in the primary market in Europe, to get as close to customers as possible and thus provide the best possible service. By leveraging its expertise in both technology and production, the Group works deliberately to develop and fortify its market positions in the selected niches.

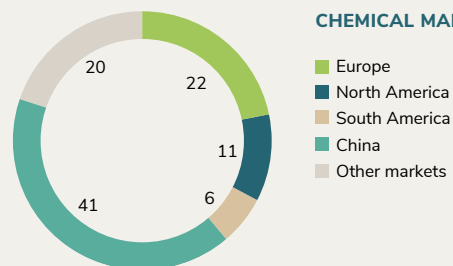
Around one third of the Group's sales are to markets outside Europe, mainly in Asia and the northeastern US. There is demand in North America for the chemical specialty pulps that Rottneros produces, despite significant domestic pulp production.

BREAKDOWN OF MARKET PULP BY END-USE

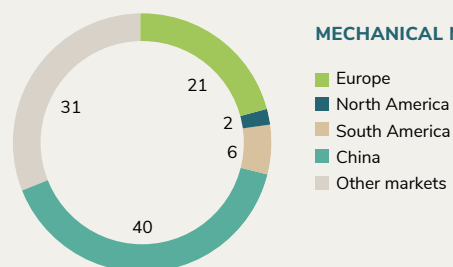
TRENDS AND MARKETS

GLOBAL DEMAND PER PULP QUALITY

CHEMICAL MARKET PULP, %

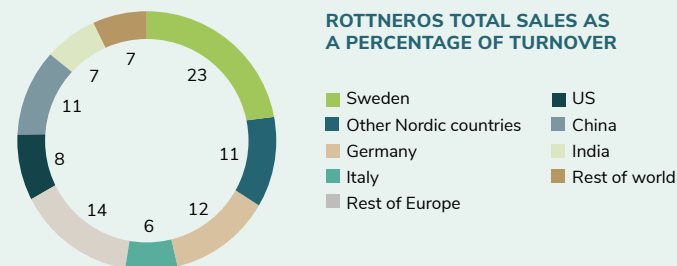


MECHANICAL MARKET PULP, %

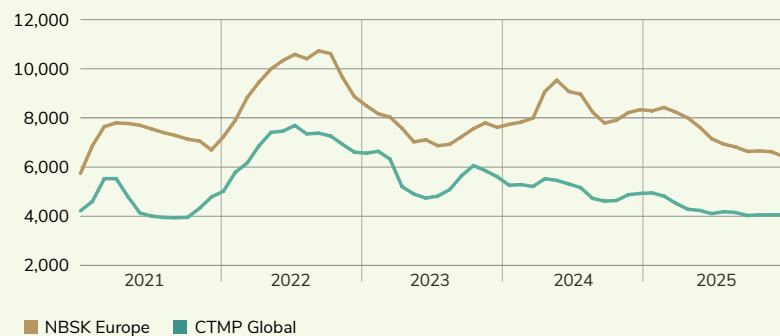


ROTTNEROS DELIVERIES BY GEOGRAPHIC MARKET

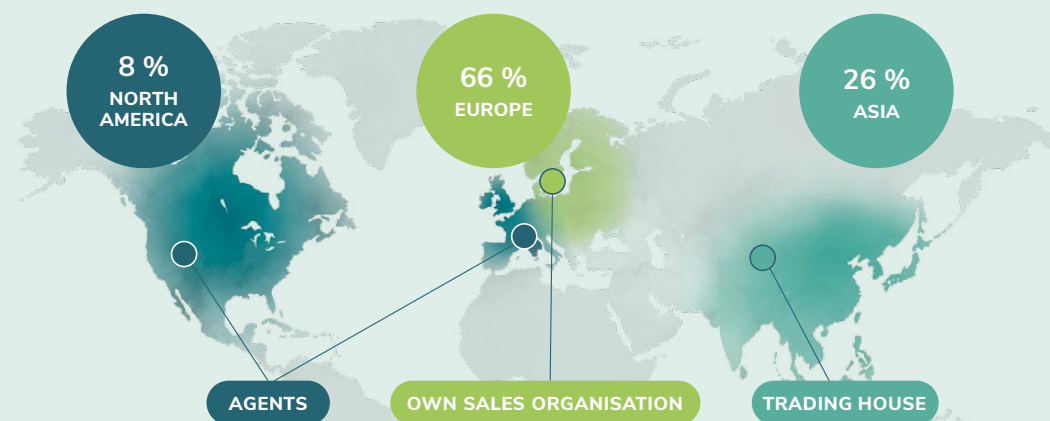
ROTTNEROS TOTAL SALES AS A PERCENTAGE OF TURNOVER



PULP PRICES, SEK/TONNE



ROTTNEROS' DELIVERIES AND SALES ORGANISATION, BASED ON TURNOVER



Sources for the market section: PPPC, Fastmarkets/FOEX, TTO/Brian McClay, Hawkins Wright, Riksbanken.

Rottneros' range of products

The Rottneros Group focuses on the development and production of market pulp for selected niches as well as sustainable food packaging. We are a world-leading supplier of pulp for the production of air and liquid filters, as well as pulp for electrotechnical applications. By maximising added value for customers through high-quality products combined with a high level of service and long-term, close customer relationships, we build strong market positions.

Customers' needs are constantly evolving in response to a changing world. Rottneros ensures growth within its existing niches by consistently monitoring the market and developing both proprietary and customised products.

We also work diligently to identify additional growing segments where the company can leverage its competitive advantages. Pulp for fiber cement is a good example and is an application that has emerged in recent years.

Development work and the high level of service are key elements in the Group's focus on a high proportion of specialised customers with unique needs. This also involves close collaboration with customers, where Rottneros offers tailored solutions to support their businesses. Long-term and strong business relationships are thus established, based on the company's offerings in both chemical and mechanical pulp, along with high technical expertise. A large and growing number of customers also want certified and traceable pulp for production of eco-labelled products, especially those that manufacture consumer products.

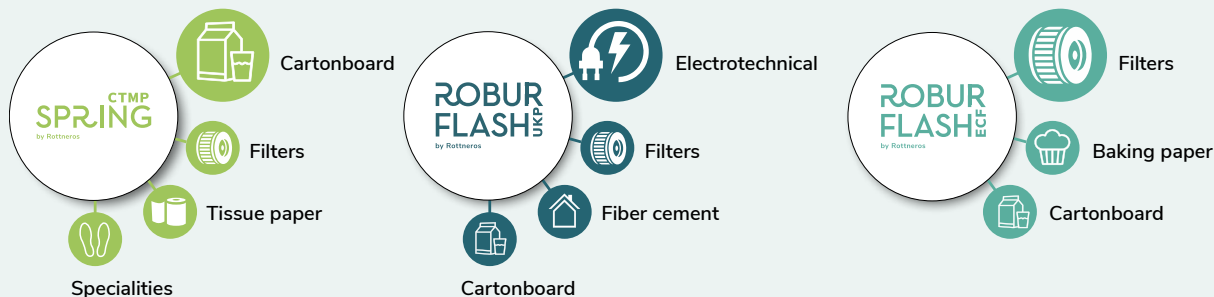
The renewable properties of pulp make it a natural and more sustainable alternative to plastic, which is often used in the production of food packaging. Packaging solutions therefore also represent an important and growing part of Rottneros' offering.

Our brands

Rottneros' established brands are Robur Flash for chemical pulp, Spring by Rottneros for mechanical pulp from Rottneros Mill, and Nature for fiber-based trays. Over the past five years, the share of sales has increased in the application areas where we hold world-leading positions: Robur Flash ECF for filter production, Robur Flash UKP for electrotechnical insulation materials and Spring for cartonboard production.

Nature by Rottneros is the brand for molded fiber packaging solutions. The product has been developed over 20 years and is renewable, recyclable, high-quality, safe and meets high performance requirements for various packaging solutions.

CHEMICAL AND MECHANICAL PULP



MOLDED PACKAGING



APPLICATIONS AND BRANDS

Range of applications



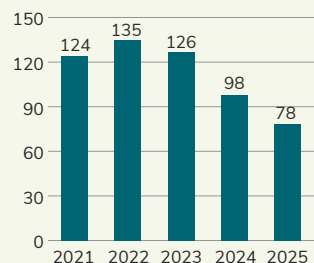
CARTONBOARD

High-quality pulp adapted for board and packaging is a long-term and clearly growing market. Both mills produce competitive grades of pulp with properties well suited to this area, which is also one of Rottneros' prioritised customer segments.

Rottneros Mill produces CTMP pulp optimised for the highest possible bending stiffness, an important property for packaging board. The Group's various grades of pulp are also characterised by a high degree of purity, which means that they do not affect the taste or smell of packaged goods. They therefore fulfil the high requirements for food packaging cartons, such as milk and juice cartons. Vallvik Mill produces bleached and unbleached sulphate pulp with high strength and convertibility. The large washing capacity of the mill allows it to produce a very pure pulp.

A number of different factors are driving growth in cartonboard, at the same time that there is a shortage of recycled fiber. Environmentally friendly and bio-based solutions are in global demand as replacements for fossil-based options, such as packaging for food or consumer products. The steady expansion of e-commerce is increasing the demand for cartonboard.

PULP DELIVERIES, KTONNES



SHARE OF TOTAL PULP DELIVERY

24%



FILTERS

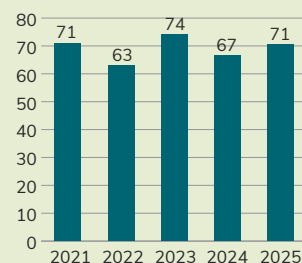
Rottneros is one of the global market leaders in pulp for the production of various types of filters. Several of the Group's pulp grades are characterised by high porosity and strength. This makes them ideal for air and liquid filters, both for the food and automotive industries. Specialised pulp grades for filters are produced at both Rottneros and Vallvik Mill.

The Group holds a competitive advantage over other pulp suppliers in the global automotive industry. The reason is that the company's filter pulps can be combined in various formulations, thereby providing a wide range of desired properties. Rottneros is also among the global market leaders in pulp for coffee filters, where the very high purity and filtration capability of the pulp play a crucial role in delivering a maximum flavor experience.

Filters continue to be in demand despite increased electrification

The need for filters in the automotive industry is expected to continue for at least another decade, despite the increase of electric vehicles. Moreover, the aftermarket will remain for up to 30 years as cars running on fossil fuels regularly need new filters. Heavy vehicles and gas turbines represent another market where demand for filters is expected to remain stable. The trend for our filter customers remained stable in 2025 despite the growing share of electric vehicles.

PULP DELIVERIES, KTONNES



SHARE OF TOTAL PULP DELIVERY

21%



ELECTROTECHNICAL APPLICATIONS

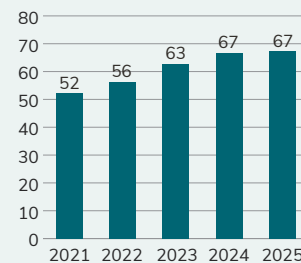
Rottneros is a global market leader in pulp for use in electrical insulation materials, transformer board, and condenser paper, often referred to as E-pulp.

The E-pulp produced by the Group is extremely pure and well-washed. It has been developed over more than 25 years to achieve today's uniquely low conductivity. E-pulp is available in various customised grades for use in the most demanding insulation materials such as condenser paper, insulation in transformers and high-voltage cables on the seabed.

Infrastructure development drives E-pulp growth

With the growth in the share of electric cars, new infrastructure must be installed to meet the need for charging. E-pulp is used as electrical insulation material, for example in charging posts. The transition to renewable energy sources is also driving demand. Wind turbines are often located far from electricity consumers, which means that a whole new infrastructure needs to be built, including new transformers. The market is otherwise characterised by stability and long-term customer relationships. There are only a few suppliers of E-pulp in the world.

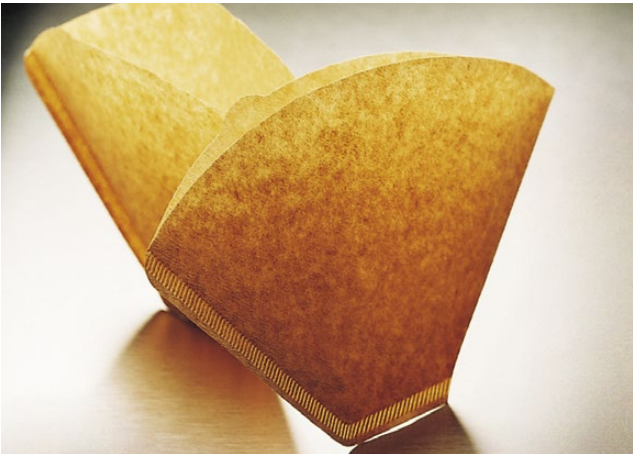
PULP DELIVERIES, KTONNES



SHARE OF TOTAL PULP DELIVERY

20%

APPLICATIONS AND BRANDS



TISSUE PAPER

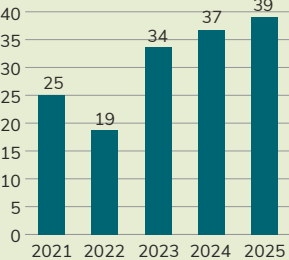
The demands on the properties of pulp for tissue are often numerous and set at a high standard. This includes factors such as appearance, absorbency, airiness, weight, stiffness and brightness. The fact that all pulp types produced by Rottneros can be used for the production of tissue is therefore a mark of quality.

Tissue is mainly used for napkins, paper towels and toilet paper.

Steadily expanding market

Tissue paper is the single largest area of use for market pulp, with more than 40 percent of the market. Demand is also relatively independent of fluctuations in the economy. Global economic growth with progressively higher living standards, especially in Asia, is driving growth.

PULP DELIVERIES, KTONNES



SHARE OF TOTAL PULP DELIVERY

12%



SPECIALITIES

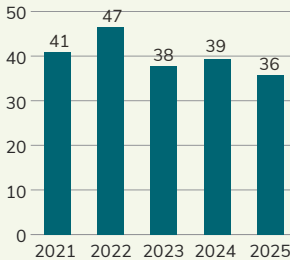
Rottneros pulps are used in many specialised applications. Through its access to many different grades of pulp, both mechanical and chemical, the Group can help customers find the right combination of grades to achieve the required properties.

As a result, Rottneros' pulps are used in a variety of specialised applications, such as jeans labels, shoe soles, wallpaper, laminate flooring, baking paper, thin specialty papers, and oil and pigment absorbent materials. Even the molded fiber applications, which are manufactured at Rottneros Packaging, can be considered a customised product.

High rate of innovation

Fiber-based products that can replace fossil-based options are characterised by a high rate of innovation. The specialties segment is therefore steadily growing. The market for thin specialty papers is also gradually expanding. The growing demand is being met by manufacturers who previously produced printing and writing papers and have shifted their production to various specialty applications.

PULP DELIVERIES, KTONNES



SHARE OF TOTAL PULP DELIVERY

11%

APPLICATIONS AND BRANDS



FIBER CEMENT

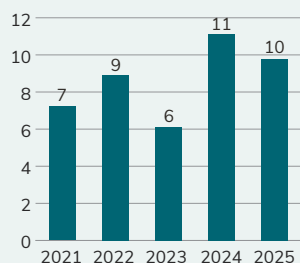
Rottneros' unbleached chemical pulp is perfect for the building material fiber cement. The pulp makes the material healthy, sustainable and environmentally friendly. It often replaces harmful materials such as asbestos.

Rottneros' unbleached sulphate pulp has high purity, the right lignin content or kappa number, which together make it very suitable for fiber cement. Fiber cement is a building material made from cement, cellulose fiber and water. It is used for cladding facades, roofs and interiors. Using unbleached pulp, building boards can be produced without the harmful substance asbestos. The fibers have a reinforcing function and the boards become light, strong and require minimal maintenance. They are also long-lasting, cost-effective, fire-resistant and have a low sensitivity to moisture.

Market for cellulose-based fiber cement is steadily growing

The use of fiber cement based on cellulose fiber is growing steadily due to its many attractive properties. Rottneros has been supplying unbleached chemical pulp from Vallvik Mill for the production of fiber cement for some years, mainly in Southeast Asia.

PULP DELIVERIES, KTONNES



SHARE OF TOTAL PULP DELIVERY

3%



PRINTING & WRITING

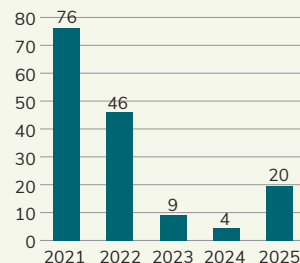
The printing and writing paper segment continues to undergo structural change as a result of increasing digitalisation. Nevertheless, the segment remains a relevant application for Rottneros, driven by its significant volume and the technical demands of paper where our products clearly excel.

Product development

During the year, Rottneros re-established its position in the printing and writing segment by developing new CTMP grades based on hardwood fiber, primarily aspen and birch. The new pulps have been developed to meet market demands for uniform formation, high brightness, high strength and attractive bulk, making them well suited to modern lightweight printing and writing papers.

With a flexible and adaptable production set-up, Rottneros can develop customised pulps that precisely meet customer and market needs. Our ability to quickly adjust raw material selection, process parameters and pulp characteristics enables us to offer optimised solutions for both standardised and more specialised applications within printing and writing.

PULP DELIVERIES, KTONNES



SHARE OF TOTAL PULP DELIVERY

6%



PACKAGING

Rottneros Packaging is a driving force in the transition towards a more circular packaging industry. With an innovative and proprietary technology platform, high-performance and recyclable molded fiber packaging is produced under the brand Nature by Rottneros. A new generation of trays.

Nature by Rottneros® trays offer a sustainable, high-performance alternative to traditional plastic trays. They are made from barrier-coated pure fiber and designed to run on existing packaging lines. Based on a commitment to innovation, Nature products are designed to meet the growing demand for environmentally friendly packaging – without compromising function or quality.

Environmental benefits with real impact

- Over 90 percent less plastic than standard trays. Plastic is used only where it adds value.
- Food waste is reduced through extended shelf life thanks to advanced barrier materials, providing a shelf life over 30 days.
- Designed for recycling.
- Free from PFAS and other harmful chemicals.
- Made from 100 percent fresh fiber from sustainably managed forests.

STRATEGIC PRIORITIES AND TARGETS

Strategic priorities and targets

To achieve its long-term targets, Rottneros has defined a number of strategic priorities in the areas of safety, sustainability, long-term profitability and its offering. The business is conducted in a responsible and sustainable manner.

Health and safety

Employee health and safety are central to Rottneros' daily operations. The aim of our systematic efforts is to create a safe, inclusive and attractive workplace where employees can feel secure – both physically and psychosocially.

Sustainability

Long-term sustainable value creation for our stakeholders forms the basis of the Group's strategic decisions and permeates the entire business – from raw materials and production to our renewable products that contribute to the transition to a less fossil-dependent society.

Long-term profitability

Sustainable growth, strong profitability, and solid finances are cornerstones of Rottneros' long-term development and strategy. At the same time, the business is capital intensive and dependent on both the state of the economy and exchange rates. Rottneros' targets therefore include gradually stepping up productivity along with other cost-saving initiatives, such as reducing exposure to the electricity market. Production volumes for prioritised products are increasing gradually through higher availability and steadily expanding capacity. Key elements include our focus on safety, preventive maintenance, clear structure, high degree of order, optimised procedures and continuous elimination of bottlenecks.

Offering and niche strategy

Rottneros offers products that provide clear quality advantages in selected niches. The long-term strategy is to focus on niches where Rottneros pulp can deliver added value in terms of product quality and service. Such niches include filters and electrotechnical applications. The share of pulp sold to prioritised niches is approximately 85 percent.

The focus is on areas where we see good market growth. Through Rottneros' strong technical support, extensive experience in customers' applications, and agile, flexible service, we build high customer satisfaction and long-term customer relationships.



STRATEGIC PRIORITIES AND TARGETS

Rottneros' targets and outcomes

Rottneros manages and monitors its operations in three areas – financial targets, social targets and environmental targets. Targets are formulated based on the key requirements of our stakeholders.

FINANCIAL TARGETS

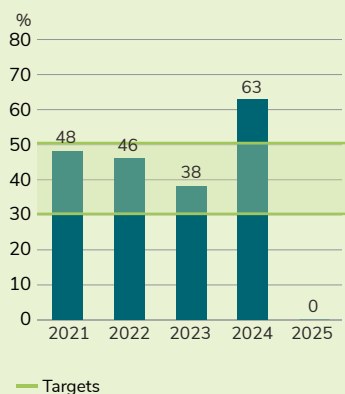
DISTRIBUTION OF NET INCOME

TARGET: 30–50%

The aim is a good return to shareholders, with a target of 30 to 50 percent of net income.

OUTCOME:

Based on the financial performance, the Board proposes that no dividend be paid for 2025.



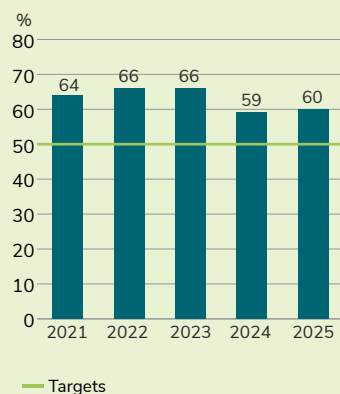
EQUITY/ASSETS RATIO

TARGET: >50%

Maintain the strong equity/assets ratio and low debt/equity ratio.

OUTCOME:

The balance sheet is strong, with an equity/assets ratio of 60 percent. During the year, a rights issue of 300 MSEK was carried out.



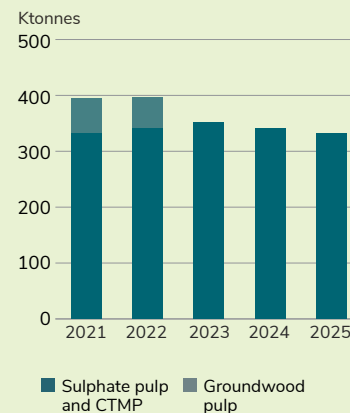
PULP PRODUCTION

TARGET: 415 ktonnes by 2030

Offset inflation in fixed costs through annual growth of production volume to 415,000 tonnes by 2030.

OUTCOME:

Production declined by 3 percent, driven by weak market conditions for CTMP.



TARGETS AND OUTCOMES

SOCIAL TARGETS

SAFETY – LTIFR

TARGET: LOWER THAN THE INDUSTRY AVERAGE

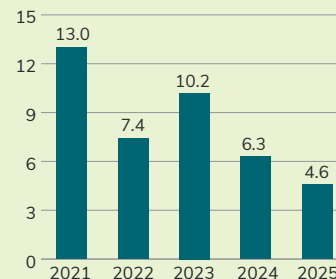
Rottneros has a zero vision for workplace lost-time injuries. The target is to have an LTIFR* lower than the industry average.

OUTCOME:

The number of lost-time injuries decreased from 3 to 2, and consequently the LTIFR also decreased to 4.6. The industry average for 2024 was 7.1.

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

LTIFR*, Group



ORGANISATIONAL AND SOCIAL WORK ENVIRONMENT – OSW

TARGET: HIGHER THAN THE INDUSTRY AVERAGE

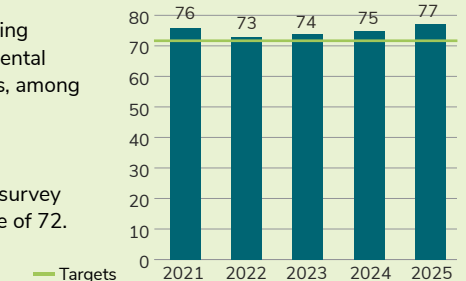
OSW is broader and describes the target of creating an inclusive and engaging culture. This is fundamental for increasing the proportion of female employees, among other things.

OUTCOME:

The index increased from 75 to 77 in the annual survey for 2025. This is higher than the industry average of 72.

*Organisational and social work environment

OSW*



ENVIRONMENTAL TARGETS

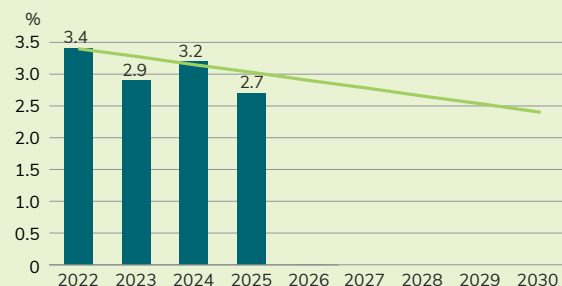
INCREASED CIRCULARITY

TARGET: ANNUAL REDUCTION

Reduce biogenic carbon emissions by 30 percent by 2030 compared with 2022.

OUTCOME:

The share of biogenic carbon that is not part of the end product or energy, such as waste and emissions to water, continues to decrease.



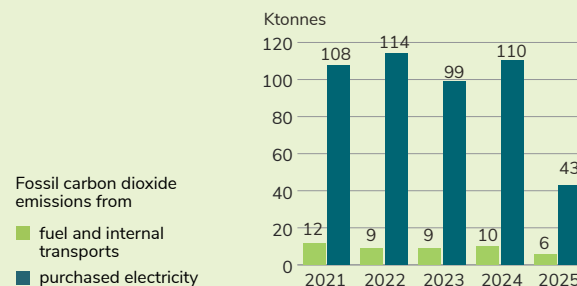
FOSSIL-FREE PRODUCTION

TARGET 2030: 0

Annually reduce fossil carbon dioxide emissions. The target is fossil-free production by 2030.

OUTCOME:

Fossil carbon dioxide emissions decreased by 60 percent. Production of CTMP was lower, thereby reducing the amount of purchased electricity. At the same time, the share of fossil-free electricity increased.



SELF-SUFFICIENCY RATE FOR ELECTRICITY

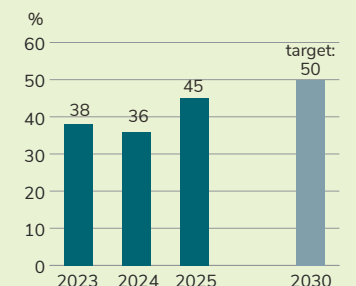
AMBITION: 50%

Over 50 percent by 2030.

OUTCOME:

The degree of self-sufficiency has increased through both reduced electricity consumption and higher electricity generation. Reduced electricity consumption is primarily due to lower CTMP production, but also efficiency improvements at both pulp mills.

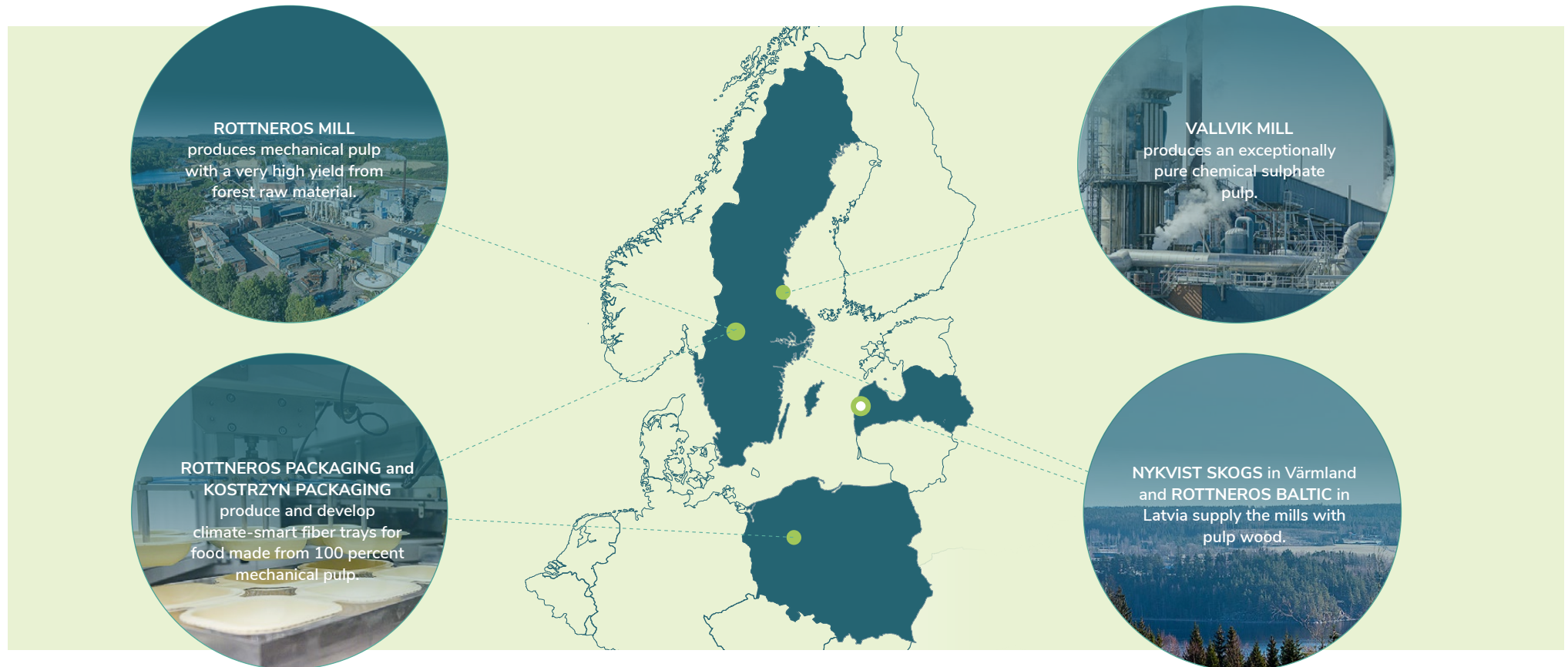
Electricity generation has increased through improved use of the turbine and the addition of the solar power facility (which has now been in operation for a full year).



OPERATIONS & RESOURCES

Several units – one company

The Group's core business is the production of high-quality market pulp for selected niches. Chemical sulphate pulp is produced at Vallvik Mill and mechanical pulp at Rottneros Mill. The subsidiaries Nykvist Skogs and Rottneros Baltic supply the mills with raw material from spruce and pine trees. Several functions are common to the Group, such as marketing, HR and finance. One growth area for the Group is the development and manufacture of wet-formed fiber packaging at its subsidiary Rottneros Packaging.



INPUT GOODS

An improved market balance for pulp wood during the year led to a downward price trend

The supply of pulp wood, the Group's most important input, proved favourable in 2025. Our close and long-term relationships with wood suppliers are a crucial success factor. After several years of rising prices, the market balance improved and the trend turned downward in the second half of the year. The company continues to work towards reducing its long-term exposure to electricity price movements.

Supply of pulp wood is critical

Rottneros has an agile and efficient organisation for wood procurement from sawmills and roundwood suppliers in close proximity to the respective mills. Short transport distances are of great importance for limiting transportation costs. Roundwood is mainly supplied by the forest owners' association Mellanskog and the state-owned Sveaskog. Additional volumes are supplied by Nykvist Skogs, which is part of the Rottneros Group.

Pulp wood is clearly the most important input for Rottneros, accounting for approximately 75 percent of the Group's variable costs. It is always traceability certified, thereby ensuring that the raw material has no controversial sources.

Improved pulp wood market balance

The pulp wood market balance improved in 2025, driven by higher supply and slightly lower demand. As a result, the price trend gradually turned downward during the year. For the year as a whole, however, the cost of pulp wood increased compared with the previous year. Rottneros' supply of pulp wood was good and benefited from the Group's close and long-term relationships with wood suppliers.

As in the previous year, the proportion of imported pulp wood was normal and amounted to approximately 12 percent. Imports are largely via ships from Rottneros Baltic in Latvia to the port at Vallvik Mill.

The Group used approximately 1.4 million cubic metres of pulp wood and chips at a total cost of about 1,260 MSEK.

Chemicals account for one-fifth of variable costs

Chemicals account for about 12 percent of Rottneros' variable costs. In the sulphate process, the chemicals are recycled to minimise environmental impact. The recovery rate is around 97 percent. In 2025, the chemicals market continued to be characterised by uncertainty due to the prevailing external situation. Prices for the chemicals used by the Group in production decreased slightly. Rottneros uses a number of major suppliers with sustainable production processes to ensure delivery, sustainability and competitive prices.

Electricity purchases represent a significant cost item

Electricity is the Group's third largest variable cost item. In 2025, all electricity obtained from external providers, around 160 GWh, was purchased at prevailing market rates through the Nord Pool electricity marketplace. Market prices continued to fall slightly. The company uses electricity hedges to reduce its exposure to electricity prices. The hedged price in 2025 was slightly higher than in 2024, so the Group's electricity cost increased. However, the impact on financial performance was minor.

To achieve stable electricity costs, future prices are hedged according to an adopted strategy. At the end of the 2025 financial year, Rottneros had hedged 25 percent of its electricity consumption for

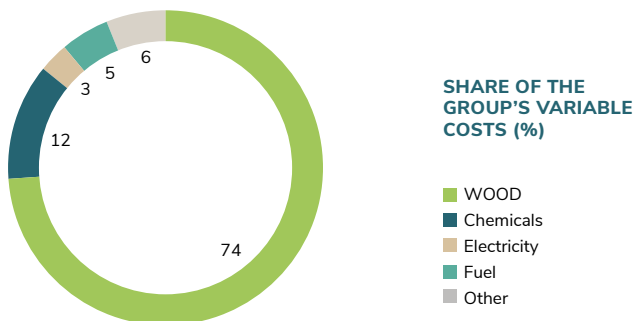


INPUT MATERIALS

2026–2033. The Group is actively working to reduce its long-term exposure to electricity price movements. The Group has therefore entered into a long-term agreement with the German company EnBW to secure access to renewable energy through a Power Purchase Agreement (PPA). The agreement covers just over 30 GWh per year of pure wind power energy, settled against a fixed price in electricity area SE3, and runs for an 8.5-year period starting in 2025. The agreement is also an important component of the effort towards fossil-free production in the long term.

Rottneros has its own solar power park with integrated energy storage. The solar cells generate almost 3 GWh annually. The main purpose of energy storage is to help improve the balance on the electricity market, which will also generate revenue from Svenska Kraftnät and thus provide a favourable return on investment.

RAW MATERIALS PURCHASED



Nykvist Skogs: The Rottneros Group's comprehensive and independent forest operator

Nykvist Skogs is a comprehensive and independent forestry operator that is part of the Rottneros Group. The operation is based in Värmland and contributes to securing Rottneros' pulp wood supply, primarily within the important group of private forest owners. It accounts for about half of all forest ownership in Sweden.

Nykvist Skogs supports a total of approximately 1,000 forest owners, many of whom return year after year. Proximity to customers, long-term business relationships, and high expertise comprise important competitive advantages for the operations. Private forest owners often value personal service characterised by a strong commitment, expertise, a holistic perspective and high flexibility.

It is also common for customers to focus on other values, beyond the purely financial, such as leaving behind a beautiful and viable forest.

Nykvist Skogs' customer offering is comprehensive, encompassing all conceivable services within forest management, harvesting, consulting and administration. Timber and wood trading accounts for approximately 95 percent of the company's turnover. Some of the deliveries go to the Group's two mills, in Rottneros and Vallvik. In addition, Nykvist Skogs delivers to sawmills and industries across most of Värmland, as well as to southern Sweden and Norway.



Vallvik Mill

PRODUCTION OF SOFTWOOD SULPHATE PULP

Spruce and pine wood from slow-growing forests in northern Scandinavia are heated in a digester together with white liquor to release the fibers and extract lignin and other substances from the wood. The pulp is then washed, sieved, bleached, purified and dried. Flash drying gives the fibers an open structure and other important properties for production of filters. The pulp is finally pressed into 200 kg pulp bales. The lignin is used as fuel and the chemicals are recycled.

PRODUCTS

ROBUR FLASH^{ECF}
by Rottneros

ROBUR FLASH ECF (ELEMENTARY CHLORINE FREE)

Bleached softwood sulphate pulp used for the manufacture of filters, light cartonboard products, printing and writing papers and special applications.

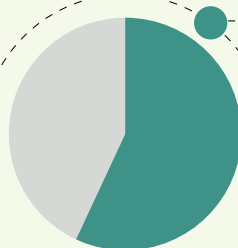
ROBUR FLASH^{UKP}
by Rottneros

ROBUR FLASH UKP (UNBLEACHED KRAFT PULP)

Unbleached softwood sulphate pulp is used for E-pulp. It is also ideal for the production of brown liquid packaging board, filters and for special applications.



Bleached (ECF) and unbleached (UKP) chemical sulphate pulp are produced alternately in the same production line. The proportion of ECF and UKP can be adjusted based on what is optimal under current market conditions. Through Vallvik Mill, Rottneros ranks among the global market leaders in pulp for manufacturing air and liquid filters.



Production for the year totalled 233 thousand tonnes, setting a new record for Vallvik Mill.

In 2025, 133,000 tonnes of ECF and 100,000 tonnes of UKP were produced.



A safe workplace is a top priority. In 2025, Vallvik Mill recorded zero lost-time injuries.

Investments during the year amounted to a total of 116 MSEK. The majority was for equipment upgrades.



Demand for E-pulp has grown substantially since 2020, primarily driven by the renovation and modernisation of electrical grids associated with the transition to renewable energy sources.

Demand for pulp in the prioritised niches was strong. Over 90 percent of the pulp is used for filters, electrotechnical applications, cartonboard, fiber cement and specialities.

Rottneros Mill

PRODUCTION OF MECHANICAL PULP

In the production of CTMP, wood chips are pretreated with chemicals at an elevated temperature. The chips then pass between rotating grinding discs to release the fibres. The pulp is then dried and packed into bales. Up to 95 percent of the wood can be used in the production of CTMP pulp.

Rottneros' CTMP pulp can be adapted to many different product variants. It is possible to optimise bulk in relation to other quality aspects and thus meet the requirements that are in demand. CTMP is used for purposes such as the middle layer of cartonboard to provide increased bulk (thickness) and stiffness.

PRODUCTS

**CTMP
SPRING**
by Rottneros

CTMP (Chemi-Thermo-Mechanical Pulp), bleached/unbleached, softwood/hardwood. Used for cartonboard, tissue, and printing and writing papers. A specially designed CTMP gives the right properties to filters. One growing end-use area is molded fiber products.



The production capacity of the mill is approximately 165,000 tonnes per year. The board market shows long-term market growth and is one of the areas in which Rottneros intends to continue to expand.



This year's production amounted to 98,000 tonnes, compared to 122,000 tonnes the year before. Production was held back by a weak market for CTMP.



The investment to expand capacity has delivered strong results, with a high production rate when the mill operates at full capacity. Rottneros Mill is now one of the most efficient production facilities in its segment.



The investment in a solar park and batteries for energy storage was commissioned during the year. The solar park is expected to generate just over 3 GWh annually, a figure that contrasts with the Group's annual purchased electricity needs of 220 GWh. The main purpose of energy storage is to help improve the balance on the electricity market, which will also generate revenue from Svenska Kraftnät.

Investments during the year amounted to 48 MSEK. The largest investment was a reactor tank for the anaerobic treatment of wastewater. The purpose of the investment was to improve treatment capacity.

Rottneros Packaging

MANUFACTURE OF MOLDED FIBER TRAY

Rottneros Packaging develops technology and sustainable packaging solutions based on the natural raw material cellulose. Together with partners across the value chain, Packaging meets the rapidly growing demand for sustainable packaging.

The business is in a highly expansive phase. In 2025, production began at Rottneros and Arctic Paper's joint factory for high-quality fiber trays in Poland. The raw material consists of 100 percent mechanical pulp from

sustainable and local forestry with high purity and without the addition of harmful chemicals. The dried pulp is transported from Rottneros Mill, dissolved and diluted. In a single process, the pulp is shaped and dewatered into a final customised product, approved for contact with food. Finally, the trays are barrier coated. During the process, the trays are inspected by an automated quality assurance system.



PRODUCTS

Mechanical pulp that is molded achieves high strength and stiffness at low weight, which are valuable properties for food packaging. Recyclability is a key property and is central to the product design. The products are therefore both recyclable and renewable. They also meet requirements ranging from quick service with minimal functional demands to gas-tight packaging with several weeks of shelf life in chilled format. The trays are suitable for food or industrial applications, hot or cold, wet or dry. They work well for freezing and defrosting in a microwave or traditional oven.

Rottneros Packaging develops and produces recyclable food packaging that meets very high standards and is undergoing rapid expansion. The original production unit is located in Sunne, near Rottneros Mill, where the CTMP pulp for the packaging is produced.



Demand for sustainable, high-quality packaging is rapidly growing.

Demand is partly driven by upcoming EU legislation that imposes increased pressure to reduce plastic usage in society. The legislation, which will be fully implemented by 2030 at the latest, requires that all packaging has a circular design that enables reuse or recycling and consists of recyclable material with a limited amount of plastic.

NATURE

by Rottneros

The established product concept Nature by Rottneros emphasises the origin of the raw material and the climate-smartness of the packaging, reflecting the core values and high quality that define Rottneros products as a whole.

Rottneros trays can withstand high heat and are ideally suited for frozen or chilled foods.



Large-scale factory in Poland

Rottneros Packaging is in a development and construction phase aimed at meeting strong, growing demand in the short and long term, in collaboration with partners across the entire value chain. The prospects for achieving a leading market position are deemed very good, given the company's extensive expertise. This also provides great opportunities for the Group to tailor pulp products for external molding producers.

In 2025, production began at the jointly owned company in Poland, where the Group and Arctic Paper have built a factory for molded fiber trays. Production is primarily focused on high-barrier food packaging with extended shelf life. In addition to providing the market with fossil-free packaging solutions, the purpose is to use the plant to demonstrate both the high quality and the scalable, efficient production.

SUSTAINABILITY REPORT

The Sustainability Report covers Rottneros AB and its subsidiaries for the financial year 1 January to 31 December 2025. The content is based on regularly updated analyses of key issues for stakeholders. The Board of Directors is responsible for the sustainability report. It has been reviewed by the Group's auditor and an opinion has been provided on page 93.

INTRODUCTION

Sustainability is a cornerstone that is fully integrated into Rottneros' strategy

As a pulp producer, Rottneros is part of the natural cycle that begins in the forest, which means that sustainability is a naturally integrated part of the company's strategy. Based on the double materiality assessment, Rottneros has identified four areas where the company can make a distinct and positive impact.

Sustainable processes and products are key success factors

The shift towards sustainable products, from fossil-based ones, is a high priority for society and is becoming more important every day. This trend reveals not only a growing need for competitive packaging solutions, but also that the pulp market is well positioned for long-term growth. At the same time, the potential for expansion within Rottneros' various market niches remains high.

Investments should always create value for customers, shareholders and the environment, both through a good potential return and through the sustainability values we can create. Ongoing investments are made to improve workplace safety and minimise negative impact on the surrounding environment.

Material matters

In 2025, Rottneros continued working on the future implementation of the Corporate Sustainability Reporting Directive (CSRD). A double materiality assessment was conducted in three steps: analysis (current state, benchmarking and value chain), stakeholder engagement, and identification of impacts, risks and opportunities. The purpose was to identify which sustainability matters are material for Rottneros based on their impact on the environment or people and/or their financial impact on Rottneros.

The materiality assessment mapped Rottneros' value chain, activities and business relationships. Several different stakeholders were interviewed, and Rottneros' actual and potential positive and negative impacts were identified through analysis of

internal and external information. The impacts were assessed and prioritised quantitatively. The significance of positive impacts was assessed based on scale and scope. The significance of negative impacts was assessed based on severity, combining scale, scope and whether or not the impact can be remediated. For potential impacts, likelihood was also taken into account. Material sustainability matters were identified through discussions with internal and external sustainability experts. Validation was carried out by Group Management and the sustainability function.

Rottneros' material sustainability matters are presented on the following pages, divided into the following areas:

- Own workforce
- Climate and energy
- Environment
- Resource flows

MATERIAL SUSTAINABILITY MATTERS

ENVIRONMENT

- Climate change mitigation
- Climate change adaptation
- Energy
- Pollution of air
- Pollution of water
- Resource outflows related to products and services
- Resource inflows, including resource use
- Direct impact drivers of biodiversity loss

SOCIAL

- Equal treatment and opportunities for own workforce
- Working conditions both internally and in the value chain
- Rights of indigenous peoples

BUSINESS CONDUCT

- Corporate culture
- Issues relating to corruption and bribery

How Rottneros minimises impact in the value chain

The forest as a renewable raw material is the starting point in the circular forestry industry, in which Rottneros is active. By analysing where in the value chain our impact occurs, we can clarify our responsibility. This helps us to take strategic decisions regarding investments or changes in working methods and procedures.



IMPACT: ▲ HIGH ○ MEDIUM ▼ LOW

1. Raw materials from the forest

Rottneros is traceability-certified to the FSC® and PEFC standards. This guarantees that the raw material used originates from responsible forest management, is free from controversial sources, and can be traced back through the supply chain.

2. Deliveries

Deliveries of raw materials, chemicals, machinery and equipment to our units all have an impact. Eliminating these indirect carbon emissions is a long-term target for Rottneros to achieve net zero emissions. Rottneros has identified sources of indirect emissions in order to minimise them. In procurement, we always try to choose suppliers close to our units to minimise emissions.

3. Production process

Carbon dioxide emissions from our own operations primarily come from fossil fuels and electricity purchases. Fossil fuels are mainly used during the start-up of production, such as after a maintenance shutdown. We constantly work to streamline our processes and to build internal purification and recycling ecocycles.

4. Employees

Workplace accidents still occur, but our 'zero vision' objective is a priority and we are working systematically to achieve it. In order to create a stimulating and pleasant workplace, we focus on gender equality, work related to our core values, a strong commitment and clear leadership.

5. Sales and customer service

Transports of our pulp have an impact on the climate. To reduce emissions, we are focusing on efficient logistics and sustainable means of transportation, such as ship and train. High-quality products and supply reliability, backed by top quality technical support and service, are key factors for customer satisfaction and our long-term customer relationships.

6. By-products, bioenergy and recycling

Chemicals are disposed of in compliance with legal requirements and recycled when that is an option. Chemical recovery in the sulphate process is essentially a closed system. Bark is used as an energy source to generate steam and electricity. By-products, such as tall oil and biofuels, are sold and used as fossil-free raw material in new products or processes.

7. Carbon dioxide

The biogenic carbon dioxide released is reabsorbed by growing trees. Because the carbon is sequestered in the forest, it does not contribute to the greenhouse effect in the atmosphere. By investing in long-term sustainable forest management, carbon stocks can continue to increase for many years to come as the forest grows.

8. Innovation

Rottneros is working on several innovative development projects to increase resource efficiency and refinement, such as utilisation of surplus low-grade heat from our mills. Product development is also a constant process; one current project entails further refinement of the pulp to achieve oil-absorbing properties.

9. Products

Rottneros' products often have the potential to replace fossil-based alternatives, with a high pace of innovation in this area and a rapidly growing demand for environmentally friendly products. Cutting food waste is crucial in reducing the global climate footprint. Our food trays can prolong shelf life and maintain the freshness of food throughout the entire supply chain.

OWN WORKFORCE

A safe and secure working environment is always the top priority, as is equal treatment of all employees

Employee health and safety is always a top priority. This means continuously working preventively to eliminate risks before they arise, something that permeates day-to-day operations. The overall goal is that no one should be injured in the workplace. Equal treatment and equal opportunities for employees are also important success factors for Rottneros' long-term development. To ensure access to talent, it is also crucial to be an attractive employer for everyone.

Health and safety are always a top priority

Several occupational groups at Rottneros may be exposed to the risk of workplace accidents. That is why health and safety will always be at the top of the agenda in daily operations, as well as in the long-term and strategic initiatives aimed at growing the company. Safety representatives play a key role in the company's safety work, not least by ensuring that safety is an integral part of every task performed by all employees. Preventive work is crucial for achieving the zero vision for lost-time injuries. Achieving this goal requires a strong culture of safety and awareness in all aspects of work, reinforced by clear leadership and systematic working methods.

Preventive safety

Safety inspections are carried out in daily operations to detect and remedy any risks. In addition, investment project teams always include a safety representative. Safety is always the first item on the agenda at production meetings, as at many other internal meetings. All risk observations, checklists for safety rounds, incidents and accidents are reported and entered in the industry-wide PIA system. The platform enables systematic investigation of accident causes and proactive work to eliminate risks.

Equal treatment and opportunities for employees

Equal treatment and opportunities for employees, including gender equality, are an important aspect of the organisation. The work includes active prevention of bullying and initiatives to create an inclusive and safe work environment. By promoting gender equality and equal opportunities, the company strives to ensure that all employees have the same access to development, influence and good working conditions.

Through a strong focus on its employees, Rottneros wants to create a stimulating and engaging workplace. Social sustainability is crucial to being an attractive employer. The overall goal is to create a safe, inclusive and attractive workplace. Therefore it is



MATERIAL SUSTAINABILITY MATTERS

- Equal treatment and opportunities for own workforce
- Internal working conditions

POLICIES AND GOVERNING DOCUMENTS

- Health and safety policy
- Alcohol and drug policy
- Crisis management policy
- Bullying policy
- Code of Conduct
- Whistle blower service



OWN WORKFORCE

crucial to clarify roles and responsibilities, so that each employee understands their individual role in the development of the company. Close leadership with open and continuous dialogue is a high priority in daily operations.

Diversity – an important and long-term success factor

In social sustainability efforts, it is important to be an inclusive workplace for everyone. Rottneros works continuously and long-term to create a safe and stimulating working environment where everyone thrives, regardless of age, gender, ethnicity, or sexual orientation. This creates a broader perspective on issues and a more dynamic working environment. Inclusion and diversity also strengthen the conditions for finding the right skills for each position and the possibility of reaching the entire potential labour force in the market in the locations where Rottneros has its operations, a critical factor for the company's long-term development.

There is zero tolerance for any form of violence, punishment, abuse, coercion or misuse of any kind and it is a given to fully respect the right of employees to organise, such as through trade unions. The Group complies with international human rights and labour standards. All forms of child labour are prohibited within Rottneros and the operations of our business partners. National and international laws on minimum age are respected. Similarly, corruption and bribery are strictly forbidden; employees may not give or accept gifts.

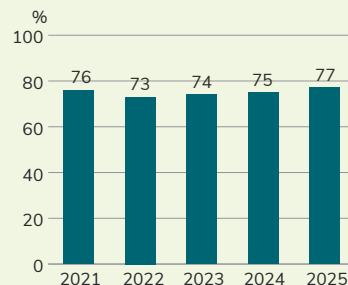
**WE ARE COMMITTED,
WE RESPECT EVERYONE,
WE ARE PROFESSIONALS**

Rottneros' fundamental values shape our company culture, the way we interact and how we build relationships with each other. It's through our behaviour and actions that we can make a difference.

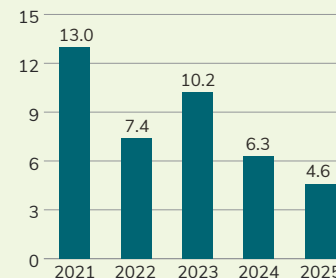
- We are committed to each other, to the community and to operating with the lowest impact on the environment that we can achieve.
- We respect all people and treat everyone equally. Diversity is encouraged.
- We place high demands on ourselves and each other. We always act to ensure our own safety and that of others.
- We love solutions that combine research, technological development and eco-friendly products.
- We want to understand, propose and implement in practice.

ORGANISATIONAL AND SOCIAL WORK ENVIRONMENT

The target is to achieve an OSW (Organisational and Social Work Environment) score above the industry average of 72.

**NUMBER OF ACCIDENTS WITH SICK LEAVE**

Lost Time Injury Frequency Rate (LTIFR), or the number of accidents with sick leave per million hours worked, was 4.6. The number of lost-time injuries decreased from 3 to 2.

**LIFE-SAVING RULES**

During the year, the safety organisation developed life-saving rules that apply to all employees and contractors. The ten high-risk areas that are most important to eliminate and crucial to a safe workplace are:

- Working at height
- Safe shutdowns
- Drugs and alcohol
- Safe lifting
- Report deviations
- Road safety
- Work permit
- My safety
- Enclosed spaces
- Chemical occupational hazards

CLIMATE AND ENERGY

Rottneros operates in an industry that is part of the solution to global warming

Rottneros operates in an industry that is part of the solution to global warming. Carbon dioxide is absorbed by the forest and is thereby stored in the products that are manufactured from it. New products that replace fossil-based raw materials with bio-based counterparts thus represent great potential for both Rottneros and the industry as a whole.

In 2025, Rottneros mapped its greenhouse gas (GHG) emissions in accordance with the Greenhouse Gas Protocol and developed a decarbonisation strategy in line with the Science Based Targets initiative (SBTi). This strategy entails reducing GHG emissions by at least 42 percent by 2030 for Scopes 1 and 2, and 25 percent for Scope 3, compared with the base year 2024.

Rottneros' strategy includes the Group's long-term target of achieving fossil-free production by 2030. Within this framework, what remains is to replace the fossil fuels used at start-up after a production stop, mainly for Vallvik Mill, but also to some extent for Rottneros Mill, as well as for internal transport. During the year, a plan outlining the measures required for a fossil-free process at Vallvik Mill was formulated. This includes both more efficient use of internally generated renewable fuels to reduce the need for oils, and the replacement of remaining fossil fuels with renewable alternatives.

The plan also includes ensuring that purchased electricity originates from fossil-free sources. This will be achieved by increasing the company's own production of fossil-free electricity in the back-pressure turbine at Vallvik and the solar park at Rottneros, improving the efficiency of electricity use, and purchasing guarantees of origin for purchased electricity. The solar park, which was commissioned in autumn 2024, generated approximately 2 MWh of fossil-free electricity in 2025.

Reducing indirect GHG emissions, Scope 3, will mainly focus on reducing emissions from transport and purchased inputs.

In 2025, work also began on an adaptation plan. The plan includes an assessment of how climate change may affect Rottneros' operations in the short and long term, with the aim of strengthening resilience and ensuring long-term sustainable operations.



MATERIAL SUSTAINABILITY MATTERS

- Climate change mitigation
- Climate change adaptation
- Energy

POLICIES AND GOVERNING DOCUMENTS

- Sustainability Policy
- Energy and Environmental Policy
- Energy certification



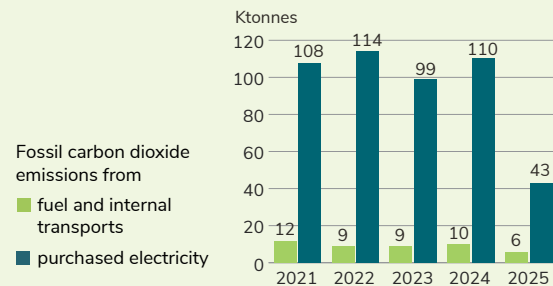
CLIMATE AND ENERGY

Rottneros works systematically to improve energy performance and is certified in accordance with the ISO 50001 energy management standard.

Investments made at Rottneros Mill in 2023–2024 resulted in more energy-efficient production in 2025. Electricity consumption per tonne under normal production conditions was 6 percent lower in 2025 compared with 2024. Further optimisation measures are underway and are expected to gradually improve the efficiency of both electricity and heat use over the coming years.

Rottneros Mill is also active in flexibility markets for electricity use, which supports the national grid and power generation when under strain, and provides Rottneros with new revenue streams and significant savings in electricity costs. Flexibility is achieved partly through the 8 MW battery storage facility, which has been in operation since the end of 2024 and participates in Svenska Kraftnät's ancillary services and arbitrage trading. Pulp production is also shut down during periods of high spot prices, and from the winter of 2025/2026, there will also be an option to reduce output to support the regional grid during peak demand.

FOSSIL CARBON DIOXIDE EMISSIONS



DECARBONISATION STRATEGY

Reduced greenhouse gas emissions by 2030.

GHG Scopes 1 and 2

-42%

GHG Scope 3

-25%



ENVIRONMENT

Environmental risks primarily associated with air and water pollution

The Group's production processes impact the environment through several factors, primarily emissions to air and water. A proactive approach to environmental matters is therefore fundamental to the Group's strategy, and the Board of Directors and senior management are provided with regular progress reports. The Group's work on potential environmental risks and related improvements is of particular interest to authorities, customers and the local community.

Environmental risks with air and water pollution

The Group's production processes impact the environment in several ways. Rottneros Mill has a mechanical production process where the greatest environmental risks are energy consumption and emissions to air and water. Energy consumption is substantial. It is therefore critical to minimise reliance on fossil-based energy sources by using high-efficiency equipment and sustainable production processes. At Vallvik Mill, where pulp is produced with chemical processes, the greatest environmental risks are posed by chemical handling and by emissions to water and air.

To protect the environment and to prevent possible violations of regulations and requirements regarding emissions, the mill has a continuous sampling system with alarm functions linked to the plant's control systems. In addition, manual sampling is carried out on an ongoing basis. Both of the Group's mills have environmental management systems and are certified according to ISO 14001. The environmental management system includes well-established routines for follow-up, taking samples and dealing with deviations. In 2025, an external audit was conducted for certification also at Group level, as well as for Nykvist Skogs and Rottneros Packaging. Rottneros Mill uses anaerobic treatment of wastewater to reduce emissions. During the year, the reactor vessel was rebuilt to improve its purification capacity. The plant also produces biogas that can be used in the drying process.

All relevant positions must have the necessary competence in environmental matters

It is the Group's policy that all relevant positions must have the necessary competence in environmental matters. Senior environmental staff within the Group undertake continuous professional training. Another aspect of the Group's sustainability efforts involves regular contacts with the surrounding community and the county administrative board at each production site to discuss potential desired improvements in the environment around the mills. Compliance consultation meetings are held with the county administrative board several times a year, which the municipal authority is also invited to attend.



MATERIAL SUSTAINABILITY MATTERS

- Pollution of air
- Pollution of water

POLICIES AND GOVERNING DOCUMENTS

- Sustainability Policy
- Energy and Environmental Policy
- Energy certification



The anaerobic treatment facility at Rottneros Mill.

RESOURCE INFLOWS/OUTFLOWS

The raw material comes from responsible forestry

The forest as a renewable raw material is the starting point in the circular forestry industry, in which Rottneros is active. The Group places great importance on ensuring that the raw material used originates from responsible forestry and is free from controversial sources. The corporate culture is characterised by long-term relationships with suppliers, customers and other stakeholders. The material matters encompass both resource flows, as well as social and ethical aspects within the operation.



MATERIAL SUSTAINABILITY MATTERS

- Resource outflows related to products and services
- Resource inflows, including resource use
- Factors driving biodiversity loss
- Working conditions in the value chain
- Rights of indigenous peoples
- Corporate culture
- Issues relating to corruption and bribery

POLICIES AND GOVERNING DOCUMENTS

- Raw material policy
- COC, FSC® and PEFC certificates
- Code of conduct for suppliers
- Code of conduct



The Group promotes and contributes to sustainable forestry in several ways. Raw materials and suppliers are carefully selected. The target is for as large a proportion as possible to be FSC® or PEFC Chain of Custody certified.

Resource outflows related to products and services

Rottneros focuses on offering sustainable products based on renewable raw material. Pulp is used in products that replace fossil-based materials and contribute to climate benefits by sequestering carbon dioxide in long-lived applications, such as transformers and subsea cables. Food trays based on cellulose are a sustainable alternative for packaging made from fossil-based materials. Wood for sawmills and pulp industries and fuel from sustainable forestry are key circular raw materials.

Resource inflows, including resource use

Pulp wood, which is by far Rottneros' most important input material, originates from the forest's circular ecosystem and forms part of the cellulose cycle, where it can ultimately also be used as an energy source. New forest is continuously planted and, during its growth, absorbs the biogenic carbon dioxide emitted by the industry, as well as additional carbon dioxide. At the same time, the consumption of wood raw material, chemicals, fuels and electrical energy entails a degree of extraction of the earth's resources, requiring responsible and efficient resource use. In 2025, Rottneros chose to reduce the proportion of certified pulp wood in order to partially mitigate the high timber prices. All wood purchased met the requirements of the FSC® Controlled Wood Standard, ensuring that consideration is given to ecosystems, natural values and biodiversity.

Rottneros Mill utilises about 95 percent of the raw material. At Vallvik Mill, about 50 percent of the raw material becomes pulp, while the remainder becomes by-products or is used as a renewable source of energy generation, which is thus fossil-free. The company's efficient use of raw materials in production provides advantages from both an environmental and economic perspective.

In sulphate pulp production, the chemicals are recovered in the process to minimise environmental impact. The recovery rate is around 97 percent. Bark and black liquor are used as energy sources to generate steam and electricity. By-products, such as tall oil, turpentine and biofuels, are sold and used as fossil-free raw material in new products or processes.

CERTIFICATIONS

Rottneros Group certifications and awards

Through our various certifications, stakeholders can trust that our approach and products are audited and meet the requirements of the specific certification standard.



Certified pulp production

Rottneros pulp production is certified according to international standards for quality, environmental and energy management systems (ISO9001:2015, ISO14001:2015 and ISO50001:2018). All of our pulps are also approved for production of paper and cartonboard intended for food contact and labelled with the Swan and EU Ecolabel.



Sustainable forest raw material

All wood used is traceable and all pulps are available as PEFC- or FSC®-certified.

Certified food trays

Rottneros food trays have food contact certificates and are available as FSC® certified.

Awards

Rottneros has held Group-wide certification for EcoVadis since 2024. The Group has been awarded a bronze rating.

FSC® Certificate

The Forest Stewardship Council (FSC) is an independent member-led organisation that assures environmentally appropriate, socially accountable and economically viable forest management of the world's forests. FSC-certified forest owners comply with national and local laws, as well as binding international agreements. FSC-certified forest managers also follow specific codes of conduct, such as promoting safe and healthy working conditions for those who work in the forest and protecting:

- Endangered animals and plants
- The ability of the soil to support forest growth moving forward
- Indigenous peoples' rights



PEFC Certificate

The Programme for the Endorsement of Forest Certification (PEFC) is the world's largest certification scheme for sustainable forest management, with a holistic approach to environmental, social and economic issues. The PEFC has its roots in family forestry and aims to suit the needs of both the many family forestry businesses and the larger companies.

The PEFC is based on local conditions and close cooperation with all those involved in forestry, including forest owners, trade unions and outdoor recreation enthusiasts, while complying with international regulations. In Sweden, 16.5 million hectares of forest land, approximately 49,000 property holdings and 3,650 forestry contractors are covered by PEFC certification.



EcoVadis

EcoVadis evaluates suppliers based on environmental, labour and human rights, business ethics and sustainable sourcing issues. The assessment is based on international standards and therefore becomes a valuable tool for us in our own sustainability work.



Link to Rottneros' page on EcoVadis



ANNUAL REPORT

This is a translation of the Swedish annual report which is the formal annual report and covers pages 36–48 and 50–89.

DIRECTORS REPORT

Directors report

The Board of Directors and the Chief Executive Officer of Rottneros AB (publ), corporate identity number 556013-5872, with its registered office in Sunne, hereby present the annual report and consolidated accounts for the financial year 2025.

OPERATIONS

The Rottneros Group is an independent and flexible producer of high-quality chemical and mechanical pulp. The Group operates in the market pulp segment, where the pulp produced is sold to customers throughout the world. The majority of Rottneros' sales take place in Europe, the United States and certain Asian markets.

Rottneros' principal activity takes place at two pulp mills: Vallvik Mill and Rottneros Mill. The company focuses on expanding in selected niches where the Group is among the leading manufacturers in the world, or areas where Rottneros Group's pulp has a clear competitive advantage. The Group is broadening its offering through Rottneros Packaging, which develops production technology to manufacture high-quality fossil-free packaging solutions.

Sustainability

As a pulp producer, Rottneros is part of the natural cycle that begins in the forest, which means that sustainability is a naturally integrated part of the company's strategy. Based on the double materiality assessment, Rottneros has identified four areas where the company can make a distinct and positive impact. The identified material sustainability matters are: own workforce, climate and energy, environment, and resource inflows/outflows.

In 2025, Rottneros continued working on the future implementation of the Corporate Sustainability Reporting Directive (CSRD). The sustainability report has been prepared in accordance with Chapter 6, Section 11 of the Swedish Annual Accounts Act. Read more about Rottneros' sustainability work on pages 26–34 and 105–108.

Market

2025 was characterised by weak developments in the global pulp market. However, demand for chemical pulp in Rottneros' market niches remained robust throughout the year. The CTMP market was weighed down by overcapacity, resulting in declining prices.

Rottneros focuses on niches where the company has clear competitive advantages and close relationships with its customers.

SALES AND RESULTS

Sales

Net turnover for the Group totalled 2,539 (2,710) MSEK, a decrease of 6 percent. Sold volume increased by 1 percent, while sales prices were significantly lower and the SEK strengthened. The price of sulphate pulp (NBSK) in SEK was 13 percent lower compared with 2024. The price of CTMP was 16 percent lower.

Sales of products other than pulp totalled 322 (344) MSEK, corresponding to 13 percent of turnover.

The Group's pulp production totalled 331 (341) thousand tonnes and sales 335 (333) thousand tonnes.

Operating profit

The Group's EBIT was -540 (47) MSEK. Variable costs increased to 1,875 MSEK (1,795). The increase in variable costs primarily relates to pulp wood, while the cost of other input goods has decreased.

Other external costs totalled 589 (621) MSEK and personnel costs 317 (294) MSEK. Rottneros has implemented a savings programme running throughout 2025, expected to reduce fixed costs by approximately 45 MSEK on an annual basis.

Depreciation and amortisation totalled 288 (133) MSEK. In addition to scheduled depreciation of 148 (120) MSEK, an impairment charge of 140 (13) MSEK was recognised for non-current assets due to a weak market for CTMP and, consequently, lower production at Rottneros Mill. Rottneros Mill produces CTMP and is regarded as a production line, and the impairment amount relates to machinery and technical equipment, see page 75.

SUMMARY CONSOLIDATED INCOME STATEMENT

MSEK	2025	2024
Net turnover	2,539	2,710
EBIT	-540	47
Profit/loss after financial items	-565	27
Net income	-452	20

DEVIATION ANALYSIS

MSEK	2025	2024
NBSK Europe, SEK/t	7,320	8,393
CTMP Global	4,294	8,085
SEK/USD	9.82	10.56

Other income statement items

Financial items (net) totalled -25 (20) MSEK for the year.

Profit/loss after financial items

The Group's profit after financial items amounted to 565 (27) MSEK.

Income taxes

Income tax was 113 (-7) MSEK. The applicable tax rate was 20.6 (20.6).

Net income

The Group's net income amounted to -452 (20) MSEK and earnings per share to -2.10 (0.11) SEK.

DIRECTORS REPORT**Investments**

The Group's investments in property, plant and equipment totalled 165 (450) MSEK and relate to investments to maintain the technical standard of the facilities and to improve environmental performance.

FINANCIAL POSITION

Non-current assets as at 31 December 2025 amounted to 1,567 (1,698) MSEK. Property, plant and equipment comprise 93 (93) percent of the Group's non-current assets. During the year, an impairment charge of 140 (13) MSEK was recognised in respect of non-current assets in accordance with the accounting policies.

Current assets, excluding cash and cash equivalents, amounted to 923 (1,129) MSEK on 31 December 2025 and comprise 52 (52) percent inventories and 48 (48) percent accounts receivable and other current receivables.

CONSOLIDATED BALANCE SHEET, SUMMARY

MSEK	2025	2024
Non-current assets	1,567	1,698
Current assets	923	1,129
Cash and cash equivalents	67	19
Total assets	2,558	2,846
Shareholders' equity	1,533	1,691
Interest-bearing liabilities	407	412
Non-interest-bearing liabilities	618	744
Total shareholders' equity and liabilities	2,558	2,846

Group cash and cash equivalents amounted to 67 (19) MSEK at the end of the year.

In December 2024, Rottneros refinanced the existing long-term loan agreements. The agreement includes a loan of 400 MSEK with 69 MSEK in annual amortization, as well as revolving credits of up to 150 MSEK. The loan agreement has a term of three years with a one-year extension option. In addition, Rottneros has bank overdraft facilities totalling 225 MSEK.

In July 2025, the loan agreement was updated to include, among other things, a liquidity covenant and a profitability target that replace the original debt-to-equity covenant through 30 September 2026. At the end of 2025, Rottneros did not meet the profitability target, and the company therefore received a waiver for the fourth quarter of 2025. The waiver limits how the company can draw on the 150 MSEK revolving credit facility, and thus this amount has not been included in available liquidity. At the same time, the non-current portion of the loans was reclassified as current. Fees for the waiver during the year amount to 0.5 MSEK.

In March 2026, Rottneros entered into an amendment and restatement agreement to the existing loan agreement with the lenders, in which, among other things, the temporary covenants for liquidity and profitability were adjusted. The amendment agreement extends until April 2027. With the agreement, 75 MSEK became available under the RCF facility.

Interest-bearing net debt at the end of the year was 339 (393) MSEK. Total granted but unused credit facilities amounted to 123 (373) MSEK. The equity/assets ratio at year-end was 60 (59) percent. Equity per share amounted to 5.74 (9.47) SEK.

CASH FLOW

Cash flow from operating activities totalled -275 (149) MSEK. Taxes paid were -9 (-35) MSEK. Cash flow after investments for the year was -237 (-435) MSEK. Cash flow from financing activities amounted to 285 (244) MSEK and includes a rights issue of 290 (0) MSEK after deduction of costs. Net cash flow for the year was 48 (-177) MSEK.

CONSOLIDATED STATEMENT OF CASH FLOWS, SUMMARY

MSEK	2025	2024
Cash flow from operating activities	-71	15
Cash flow from investing activities	-166	-437
Cash flow after investments	-237	-422
Change, interest-bearing liabilities	-5	321
Dividends paid, rights issue	290	-76
Net cash flow for the year	48	-177

Parent Company

The parent company's turnover for 2025 amounted to 32 (23) MSEK. The parent company's sales comprise intercompany revenue from administrative and operational management services. Profit after net financial items amounted to -7 (28) MSEK. This figure includes group contributions received/paid of 0 (108) MSEK.

Future trends

The Rottneros Group continues to pursue its core business using a structured and systematic approach, with continuous improvements in all regards. At the same time, Rottneros continues to develop new products that contribute to the fossil-free society. Demand for fiber-based packaging solutions is strong and Rottneros Packaging continues to pursue commercialisation.

Number of employees

The average number of employees amounted to 278 (285) in 2025. The average term of employment is about 9 (10) years, and the average age of employees is approximately 45 (46) years.

DIRECTORS REPORT

Significant events after the end of the financial year

On 25 March 2026, Rottneros entered into an amendment and restatement agreement to the existing loan agreement. The agreement includes, among other things, updated covenants valid until the end of April 2027. The updated covenants include targets regarding profitability and liquidity, which the company considers to be achievable based on current levels of the most significant factors affecting performance. In connection with the amendment and confirmation agreement, Rottneros has provided security in the form of a pledge of its entire holding in Vallviks Bruk AB and Nykvist Skogs AB.

PROPOSED APPROPRIATION OF PROFITS

The Board has considered the company's financial position, cash flows and future prospects in its proposed dividend. The consolidated income statement and balance sheet will be submitted to the AGM on 27 May 2026 for adoption.

The Board will propose to the Annual General Meeting that no dividend be distributed for the 2025 financial year.

Funds available for appropriation by the Annual General Meeting:

Retained earnings	607,995,795
Net profit for the year	-7,935,755
Total SEK	600,060,040

The Board of Directors Proposes:

To be distributed to shareholders ^{1,2}	–
To be carried forward	600,060,040
Total SEK	600,060,040

1) After adjustment for repurchased shares in treasury.

2) No dividend is proposed.

GUIDELINES FOR REMUNERATION OF SENIOR EXECUTIVES**SCOPE**

These guidelines apply to Board members and Group management, which includes the Chief Executive Officer and other senior executives at Rottneros. The guidelines are forward-looking and shall apply to remuneration agreed upon, and changes made to already agreed remuneration, after the guidelines have been adopted by the Annual General Meeting in 2024. Consequently the guidelines do not cover such remuneration as is decided by the Annual General Meeting.

PROMOTION OF THE COMPANY'S BUSINESS STRATEGY, LONG-TERM INTERESTS AND SUSTAINABILITY

Rottneros' overall objective is to create sustainable and long-term profitability, as well as to yield a good return for the Group's shareholders. To do so, Rottneros will offer products and services of the highest quality that create clear added value in growing niches. Rottneros is constantly working to develop new products and applications for both current and new customer groups. Employee safety, high productivity in the mills and first-class service to Rottneros' customers are top priorities.

A long-term successful and sustainable implementation of the company's business strategy presumes that the company can recruit and retain qualified employees. To this end, the company must offer competitive remuneration. These guidelines make it possible to offer senior executives a competitive remuneration package.

REMUNERATION OF SENIOR EXECUTIVES**Types of remuneration, etc.**

Rottneros shall offer a total compensation package that is in line with market practices, which enables recruitment and retention of qualified senior executives. Remuneration within Rottneros shall be based on the principles of performance, competitiveness and fairness. Remuneration to senior executives may consist of fixed remuneration, short-term and long-term variable remuneration, share and share-price related incentive programmes, pension and

other benefits. If local conditions justify variations in the remuneration principles, such variations may occur.

The fixed remuneration shall reflect the individual's responsibility and experience level. The fixed remuneration shall be reviewed annually. The short-term variable remuneration may amount to a maximum of 50 percent of the annual fixed salary for the CEO, and a maximum of 30 percent of the annual fixed salary for other senior executives. The long-term variable remuneration may amount to a maximum of 50 percent of the annual fixed salary for the CEO, and a maximum of 30 percent of the annual fixed salary for other senior executives. The variable cash remuneration covered by these guidelines shall aim at promoting the company's business strategy and long-term interests, including its sustainability, by being clearly linked to the business strategy, or by promoting the long-term development of the executive. The fulfilment of criteria for the payment of short-term variable cash remuneration shall be measurable over a period of one year, and the fulfilment of criteria for the payment of long-term variable cash remuneration shall be measurable over a period longer than one year. The extent to which the criteria for awarding variable cash remuneration have been met shall be evaluated/determined when the measurement period has ended. The Board of Directors is responsible for evaluating variable cash remuneration to the CEO. For variable cash remuneration to other executives, the remuneration committee is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by the company.

For the CEO and other senior executives, pension benefits shall be defined contribution and entitle the executives to pension from the age of 65. Variable cash remuneration is pensionable.

Other benefits may include life insurance, medical insurance (Sw. *sjukvårdsförsäkring*) and company cars. Such benefits shall not constitute a substantial part of the total remuneration.

Additional cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and only made on an individual basis, either for the purpose of recruiting or retaining executives, or as remuneration for extraordinary work performance beyond the individual's ordinary

DIRECTORS REPORT

tasks. Such cash remuneration shall be commercially justified, in proportion to the individual's fixed salary and not be paid more than once a year and per person. Resolutions on such remuneration shall be made by the Board of Directors based on a proposal from the Remuneration Committee.

In addition, general meetings may, if resolved, submit an offer of long-term incentive programmes such as share- or share-price-related remuneration or incentive programmes. Such long-term plans are to be resolved by the general meeting and are therefore excluded from these guidelines.

For employment governed by rules other than Swedish these guidelines may be duly adjusted for compliance with such mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Criteria for awarding variable cash remuneration, etc.

The variable cash remuneration and remuneration awarded under potential cash-based incentive programmes shall be linked to pre-determined and measurable criteria which can be financial or non-financial. Fulfilment of the criteria for awarding short-term variable cash-based remuneration shall be measured for a period of one year. They may also be individualised, quantitative or qualitative objectives. The criteria for short-term as well as long-term variable cash remuneration shall be designed so as to contribute to the company's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or promoting the executive's long-term development.

The extent to which the criteria for awarding variable cash remuneration have been met shall be determined when the measurement period has ended. The Remuneration Committee is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by the company.

The Board of Directors shall have the option, subject to the restrictions that may apply under law or contract, to in whole or in part reclaim variable remuneration paid on incorrect grounds.

Remuneration to Board members

Remuneration to Board members for their work in the Board of Directors of Rottneros shall be resolved upon by the general meeting. Board members are only entitled to remuneration resolved by the general meeting. However, they may receive additional remuneration for services they provide to Rottneros within their respective areas of expertise in addition to their duties as Board members. Such remuneration shall be on market terms and based in a consultancy agreement approved by the Board of Directors.

Employment conditions**Salary and employment conditions for employees**

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the remuneration committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

Termination of employment

In the event of termination by the company of the CEO's employment the notice period may not exceed eighteen months and for other members of the executive management the notice period may not exceed twelve months. When termination is made by the executive, the notice period may not exceed twelve months. When termination of the CEO's employment is made by the company, the CEO shall receive normal salary and other benefits during the notice period. In all other cases, no severance pay shall be paid.

DECISION-MAKING PROCESS, AMENDMENTS AND DEVIATIONS, ETC.**The decision-making process to determine, review and implement the policy**

The Board of Directors has established a remuneration committee. The committee's tasks include preparing the Board of Directors' decision to propose guidelines for executive remuneration. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the Annual General Meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The Remuneration Committee

shall also monitor and evaluate programs for variable remuneration for senior executives, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the company. The members of the Remuneration Committee are independent of the company and its executive management. The CEO and other members of the executive management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Derogation from the guidelines

In exceptional financial circumstances, the Board of Directors may impose conditions, restrict, or decline to pay the variable cash remuneration, if such a measure is deemed reasonable and a deviation is necessary to satisfy the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters, which includes any resolutions to derogate from the guidelines.

Remuneration 2025

Pay and remuneration for the company's senior executives in 2025 was compatible with the guidelines determined at the 2024 AGM. Pay and remuneration for the CEO and other senior executives in 2025 can be found in Note 7 of the annual report. Variable remuneration in 2025 has been dependent on the achievement of measurable targets, which are set annually.

RISKS

Financial and operational risks

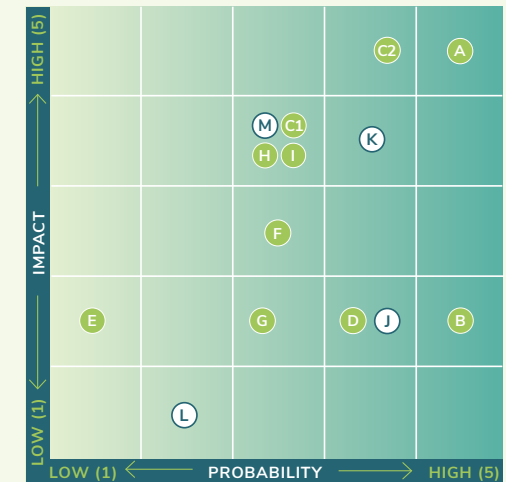
Rottneros is working to minimise risk through preventive work or, where this is not possible, by working with different kinds of hedging and insurance. Many of the risks shown below may have both a positive and negative impact on Rottneros. Work relating to risk is managed by the Board of Directors at an overall level and by the CEO and Group management at an operational level. The risk management process includes strategic business planning, conducting an ongoing risk inventory, preventive maintenance work and investments, as well as financial hedging activities.

SENSITIVITY ANALYSIS 2025

Type of risk	Change	Effect on profit/loss after financial items (MSEK)		Sensitivity
		2025	2024	
Pulp price (net)	50 USD/tonne	123	132	High
USD	0.50 SEK/USD	68	68	High
Timber prices	50 SEK/m ³	69	67	High
Electricity prices	0.10 SEK/kWh	21	19	Average
Other variable costs	2 percentage points	9	10	Average
Interest rate risk (financing)	1 percentage point	5	4	Low
Refinancing				Average
Credit risk				High

Sensitivity calculations for each type of risk do not take into account the fact that actual changes will also affect other items. The effects of any hedging or fixed price contracts have not been included in the calculations, either.

RISK AREAS



Operational risk areas

- A** Variations in pulp price
- B** Structural change
- C1** Access to raw material
- C2** Raw material prices
- D** Electricity price
- E** Customer structure and customer credit
- F** Facilities
- G** Political decisions
- H** Sustainability and accountability
- I** Environment

Financial risk areas

- J** Currency – balance exposure
- K** Currency – transaction exposure
- L** Interest
- M** Liquidity and refinancing

RISKS

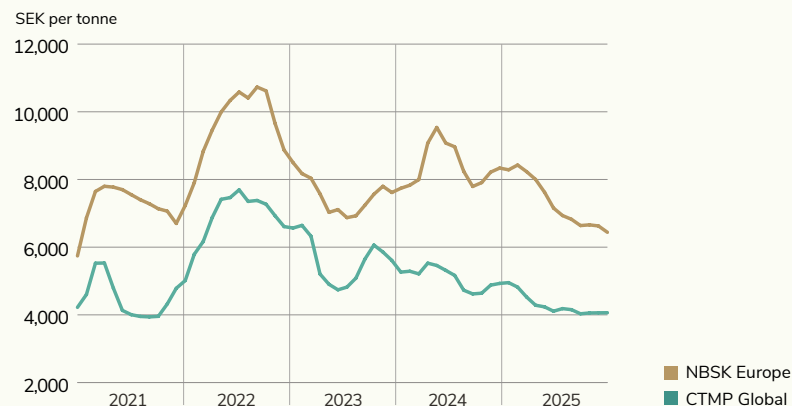
OPERATIONAL RISK AREAS

RISK AREA

A VARIATIONS IN PULP PRICE

Pulp price risk means the risk of changes in pulp prices having a negative impact on the consolidated income statement and balance sheet. The pulp price is set in a global market and the price of Rottneros' products is dependent on how global demand for pulp products can be matched with the industry's production volume. Variations in pulp price are seldom related to changes in Rottneros' costs and may thus generate major fluctuations in the result. A high pulp price is positive for the result but may have a negative impact on potential sales volumes.

PULP PRICES



RISK MANAGEMENT

PROBABILITY: 5 IMPACT: 5

The setting of prices in the pulp market is governed by international price levels that depend on demand and the global economy. Pulp price hedging is used when the price levels in long-term contracts are economically advantageous or when the market price is so low that further reductions may threaten the survival of the company. As a main rule, pulp prices are hedged in Swedish kronor.

Rottneros focuses on applications that provide greater added value and can replace volume products in the long term. The objective is to reduce dependency on the list price for market pulp and thereby mitigate fluctuations in profitability over a business cycle.

COMMENTS ON 2025 OUTCOMES

The price of NBSK declined by 6 percent compared with 2024. At the same time, the SEK strengthened against the USD, resulting in the price in SEK being 13 percent lower. The price of CTMP fell by 9 percent in USD and 16 percent in SEK.

The proportion of pulp sold to the priority applications remained stable at 79 (85) percent.

During the year, the Group had no pulp price hedges. As at 31 December 2025, the Group had pulp price hedges of 12,000 tonnes at an average price of 15,037 SEK for 2026.

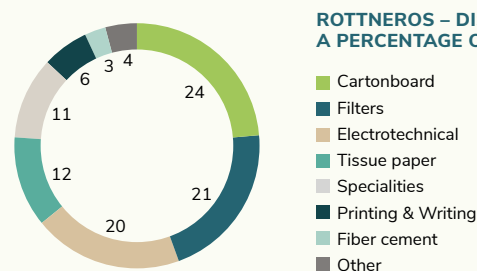
RISKS

OPERATIONAL RISK AREAS

RISK AREA

B STRUCTURAL CHANGE

Digitalisation, globalisation and increased trade reduce demand for certain types of pulp and effect structural changes in the industry. Demand for printing and writing papers is weakening, while demand for tissue, cartonboard and specialty paper is strengthening. In the long term, demand for market pulp is increasing in Asia, particularly in China, while it is stagnating or decreasing in mature markets such as Europe and North America.



RISK MANAGEMENT

PROBABILITY: **5** IMPACT: **2**

Rottneros has focused on growth in applications in which the company can add value through its knowledge and high-quality pulp, in order to manage structural change in the industry. The objective is to reduce dependency on the list price for market pulp and thereby mitigate fluctuations in profitability over a business cycle. Rottneros also has the goal of increasing sales of products other than pulp.

COMMENTS ON 2025 OUTCOMES

Europe, Rottneros' main market, accounts for 66 percent of deliveries. The European paper and cartonboard market was weak, and consequently demand for market pulp declined by 4 percent. At the same time, demand in China increased by 8 percent. Total demand for pulp increased by 3 percent.

Rottneros continued to focus on prioritised and long-term growing niches. Sales to the priority niches amounted to 79 percent. The demand for the less cyclical applications, filters and electrotechnical applications, was stable. Decreased demand for cartonboard primarily affected CTMP.

Sales of products other than pulp accounted for 13 percent of total turnover.

C1 ACCESS TO RAW MATERIAL

Pulp wood supplies are crucial for a pulp producer. Rottneros does not have any forests of its own and is therefore dependent on good relationships with suppliers and an optimal flow of pulp wood to its pulp mills. Rottneros Mill has limited ability to chip roundwood itself and is therefore dependent on external chips. Deliveries and customer relations would be in jeopardy if Rottneros were to be without pulp wood.

EU directives affect Swedish forestry and the availability of pulp wood. At the same time, competition for pulp wood is increasing as the green transition continues.

PROBABILITY: **3** IMPACT: **4**

The Group ensures that it has a good, long-term relationship with those stakeholders in the vicinity of each mill to safeguard access to pulp wood. Rottneros normally signs agreements with major pulp wood suppliers and sawmills for periods of six to twenty-four months. To increase flexibility, the Group has two companies in Sweden and Latvia for deliveries of pulp wood and woodchips. The goal is to carry an inventory of raw materials that is sufficient to cover two to three weeks of production.

COMMENTS ON 2025 OUTCOMES

The supply of pulp wood was good during 2025. Strong demand for sawlogs has been favourable for the availability of pulp wood.

C2 RAW MATERIAL PRICES

Price and price changes of pulp wood, chemicals and other input goods affect pulp producers. Increased prices have a negative impact on earnings and Rottneros has little opportunity to compensate for price increases on input goods.

External factors such as the economic cycle, globalisation and supply chains affect the price.

PROBABILITY: **4** IMPACT: **5**

The Group does not hedge against market price fluctuations, but long-term supply agreements provide some stability to prices. Pulp wood is the largest input cost item and accounts for about 75 percent of variable costs. A price change of 50 SEK per m3 affects the Group's earnings by approximately 69 MSEK on an annual basis.

COMMENTS ON 2025 OUTCOMES

The price of pulp wood continued to rise during the first half of the year. The upward trend began in 2022, and prices have roughly doubled since then. During the latter half of 2025, prices began to ease slightly. The price of chemicals and fuels decreased in line with lower energy prices. The Group's costs for raw materials amounted to 1,875 (1,795) MSEK, representing 74 (66) percent of net turnover.

RISKS

OPERATIONAL RISK AREAS

RISK AREA

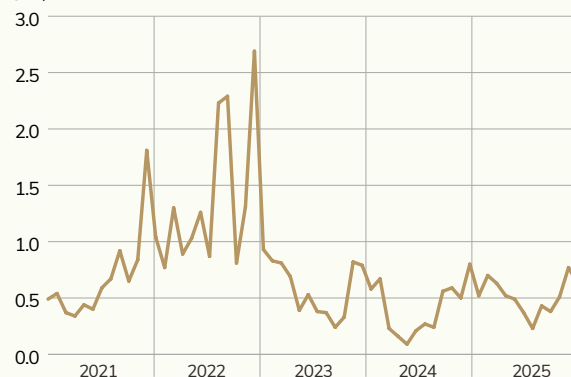
D ELECTRICITY PRICES

Rottneros normally consumes around 200 GWh of purchased electricity per year. Increased prices may lead to increased production costs and could have a negative impact on the Group's operating profit.

The availability of electricity and insufficient transmission capacity can lead to power shortages in the electricity system. Rottneros Mill buys all electricity consumed and can be affected by temporary imbalances.

NORDPOOL ELECTRICITY PRICE IN SE3

SEK/kWh



RISK MANAGEMENT

PROBABILITY: 4 IMPACT: 2

All external electricity for the mills is purchased directly via the Nord Pool electricity exchange. A price change of 0.10 SEK per kWh will affect the Group's annual profit by approximately 20 MSEK, in the absence of any electricity price hedges. Future electricity prices are hedged in advance according to a set strategy to protect Rottneros' future electricity costs against major fluctuations and achieve a predictable electricity price. The Board of Directors approves hedging levels based on proposals from senior management. The Board also approves new financial counterparties.

The electricity market is moving towards higher long-term prices and greater volatility. To reduce exposure, Rottneros has decided to invest in its own solar park and signed long-term contracts for the purchase of renewable electricity.

COMMENTS ON 2025 OUTCOMES

The average price level in electricity area SE3 was 0.51 (0.41) SEK per kWh, while the system price was 0.44 (0.41) SEK per kWh. Rottneros had hedged the price level at 0.39 SEK per kWh, resulting in a positive outcome for electricity price hedges of 18 MSEK.

Purchases of electricity decreased to 163 (192) GWh.

Rottneros Mill has invested in a solar park with an estimated annual production of approximately 2.6 GWh. Rottneros has entered into a long-term agreement to purchase electricity, including guarantees of origin, in the form of a Power Purchase Agreement (PPA) settled against a fixed price in SE3. The agreement covers just over 30 GWh per year of pure wind power energy and runs for an 8.5-year period until 2033.

Year	Proportion hedged, %	SEK per kWh
2026	80	49
2027	48	50
2028	40	53
2029–2033	11	47

The table shows the hedged proportion of forecasted consumption and the average hedged price in SEK/kWh.

E CUSTOMER STRUCTURE AND CUSTOMER CREDIT

A high dependency on a small number of major customers, industries or geographical markets may have a significant impact on revenue if a major customer or industry were to have problems.

The risk that the Group's customers will be unable to meet their payment obligations is a credit risk that could have a major negative impact if the credit is not insured or guaranteed.

PROBABILITY: 1 IMPACT: 2

Rottneros assesses that the Group has a good commercial risk diversification with approximately 200 customers, with no single customer accounting for more than 10 percent of revenue. A long-term structural change is underway, where the market for printing and writing papers is declining, while it is increasing for tissue paper, cartonboard and speciality applications. Rottneros' strategy is to increase the sale of pulp for profitable and growing applications. Geographically, the Rottneros Group is not dependent on the market in any particular country. Most of the Group's turnover is generated in Europe, where Sweden, Germany, Italy and Norway represent the largest markets.

Credit risk is managed at a Group level. Credit risk arises through cash and cash equivalents, derivative instruments and deposits at banks and financial institutions, and through credit exposures to customers. With few exceptions, business risk relating to accounts receivable is insured through credit insurance with a ten percent excess.

COMMENTS ON 2025 OUTCOMES

The Group has approximately 200 customers and historically, the Group has experienced small credit losses, with none occurring in 2025. Sales to prioritised applications amounted to 79 percent.

RISKS

OPERATIONAL RISK AREAS

RISK AREA	RISK MANAGEMENT
F FACILITIES Rottneros has two large production facilities that conduct continuous production. Industrial injuries, machinery breakdowns, fires and other accidents may result in extended production shutdowns, damage to the facility and delivery problems.	PROBABILITY: 3 IMPACT: 3 The management team conducts an annual review of the mills' maintenance needs for the coming years. This work includes identifying ongoing annual investments, investments in expansion and investments that aim to improve quality, safety and environmental performance. The Rottneros Group holds annual maintenance shutdowns to ensure a high and even rate of production. Maintenance shutdowns are carefully planned to minimise downtime. In addition, preventive maintenance is carried out regularly. Rottneros insures all of its facilities against property damage and business interruption and also has relevant liability insurance. The insurance companies conduct annual audits of the Group's facilities and make recommendations for improvements and reduction of risks. COMMENTS ON 2025 OUTCOMES During 2025, maintenance shutdowns were carried out in the third quarter at Rottneros Mill and in the fourth quarter at Vallvik Mill. The production of sulphate pulp and CTMP fell by 3 percent. Production of CTMP reached 98,400 tonnes, which is lower than the previous year due to a weak market. Production of sulphate pulp totalled 233,000 tonnes, a new annual record. Systematic work on operational management and visualisation of critical KPIs continued to improve availability and productivity. Insurance is reviewed and procured annually.
G POLITICAL DECISIONS AND RISKS Political decisions to change environmental legislation may have a negative impact on production at the Group's pulp mills, restrict access to pulp wood, or change various support systems such as trade with emission allowances and electricity certificates. Political risks are mainly linked to the political climate in other countries. Changes in domestic legislation may be imposed that affect trade, but the security situation may also raise concerns. Sanctions and embargoes targeting nations, companies, or individuals can also affect business at Rottneros.	PROBABILITY: 3 IMPACT: 3 Rottneros considers that there is always a risk of political decisions that raise the price or limit Rottneros' opportunities to produce pulp in some way. However, the company considers this risk to be limited. Rottneros works to constantly improve the production process and the goal is that all investments in the mills will also benefit the environment. The security situation in Eastern Europe remains unstable. The assessment is that the impact on Rottneros will be limited in terms of sales to customers. However, Rottneros could be affected by changes in the availability of input goods and changes in prices. Rottneros runs its production in Sweden and sells most of its products to Sweden and the rest of Europe. These markets are stable democracies, but the political risk of rapid legislative and regulatory change has increased. COMMENTS ON 2025 OUTCOMES Rottneros was affected by USA's trade policy as tariffs were temporarily imposed on sulphate pulp. CTMP still remain subject to tariffs. The uncertainty regarding future trade policies has increased.

RISKS

OPERATIONAL RISK AREAS

RISK AREA	RISK MANAGEMENT
H SUSTAINABILITY AND ACCOUNTABILITY Inadequate responsibility relating to sustainability matters could harm trust in the company and the brand, thereby having a negative impact on the company's profitability. To achieve sustained profitability and value creation, Rottneros must simultaneously create value for those stakeholders who are affected by the Group's operations. See also the sustainability report on pages 31–44.	PROBABILITY: 3 IMPACT: 4 Rottneros shall run its business responsibly with respect to the external and internal environment, society, our customers and suppliers, our shareholders and our employees. Trust in Rottneros as a responsible participant, supplier and employer strengthens our position in society and in the market, and promotes employee commitment. Rottneros communicates regularly with its stakeholders to maintain an open and positive relationship. Rottneros endeavours to make its products better, both from a quality and efficiency perspective, by understanding the customers' processes and product strategy. Environmental, social and economic factors are crucial to this success. The Group has a sustainability policy describing Rottneros' responsibility regarding shareholders, customers, suppliers, environment, society, personnel and the work environment, and human rights, as well as anti-corruption and competition law. The Group has a Code of Conduct describing how Rottneros and the Company's employees act in relation to the surrounding world and towards each other. The Code of Conduct defines Rottneros' social responsibility, ethical commitment and position in respect of gender equality and diversity issues, as well as the approach that Rottneros' employees should adopt on issues of principle importance. Employee well-being is an important part of Rottneros' success. The Group takes responsibility towards employees by promoting good health, environment and safety in the workplaces. Rottneros has a 'zero vision' approach with regard to workplace injuries leading to sick leave. COMMENTS ON 2025 OUTCOMES Rottneros continues to develop new areas of application for its products that contribute to more sustainable development in society. Rottneros Packaging produces recyclable and degradable fiber trays. Rottneros contributes to sustainable forestry through careful selection of suppliers and raw materials. In 2025, the share of wood certified under FSC® or PEFC was reduced to partially offset the high timber prices. Purchased raw material that is not certified meets the criteria for FSC® Controlled Wood. In 2025, lost-time injuries decreased from 6.3 to 4.6 measured as LTIFR. The Lost Time Injury Frequency Rate indicates the number of accidents causing lost-time injuries per million hours worked over a 12-month period. Rottneros is actively working to increase the number of proactive risk observations, which is an important aspect of preventive efforts to eliminate accident risks.
I ENVIRONMENT Rottneros' operations have an impact on the environment. Extensive environmental legislation governs Rottneros' operational area, and its activities require permits that need to be renewed periodically. There is a risk of permits granted being exceeded, which may not only entail production restrictions or the need for investments, but also criminal penalties or the revocation of permits. There is also a risk of environmental legislation being amended, which may affect Rottneros' activities. No such changes are known at the current time. See also the environment section on page 33.	PROBABILITY: 3 IMPACT: 4 Good management of environmental matters represents a fundamental and important issue for the Board of Directors and corporate management, for which reason regular progress reports are provided monthly, half-yearly and annually. Both of the Group's mills have environmental management systems and are certified according to ISO 14001. The environmental management system includes well-established routines for follow-up, taking samples and dealing with deviations. The Group has a continuous sampling system with alarm functions linked to the mills' control systems to detect and prevent any infringements of applicable provisions and requirements. Random manual samples are taken in addition to this. According to the Group's policy, all employees in relevant positions must have the necessary competence relating to environmental matters. Senior environmental staff within the Group undertake continuous professional training. Ongoing communications take place with county administrative boards and municipal authorities. Compliance consultation meetings are held with the county administrative board regularly during the year, to which the municipal authority is also invited. Rottneros has a long-term target of achieving completely fossil-free production by 2030. COMMENTS ON 2025 OUTCOMES Efforts to further reduce emissions to air and water have continued. A number of investments have been carried out in recent years to reduce emissions to water. Rottneros Mill has invested in anaerobic treatment to reduce emissions of oxygen-demanding substances into water. Fossil carbon dioxide emissions from fuels, internal transport and purchased electricity decreased by 60 percent, with purchased electricity accounting for most of the improvement. Environmental data for the year are presented on pages 95–97.

RISKS

FINANCIAL RISK AREAS

Below is a description of the Rottneros Group's guidelines for managing financial risks. Financial risks and other arrangements are described in Note 6 of the Annual Report. The factors that have the greatest impact on the Group's result are associated with the price of pulp in USD, exchange rates and pulp wood and electricity prices.

Financial risk is managed at a Group level in accordance with guidelines defined in the Group's Financial Policy and approved annually by the Board of Directors. The Board of Directors makes decisions on overall mandates and limits for restricting the Group's financial risk exposures and also makes decisions on all long-term financing. The Board of Directors approves hedging levels based on proposals from

senior management. The management continually assesses whether factors such as the USD exchange rate, pulp price or electricity price present attractive opportunities for strategic hedging. Financial hedging instruments are not used speculatively, but solely to hedge transactions and calculations in accordance with the approved financial policy.

RISK AREA	RISK MANAGEMENT
J CURRENCY – BALANCE EXPOSURE Currency risk means that currency rate changes may have a negative impact on the Group's future results, cash flows and values of assets and liabilities.	PROBABILITY: 4 IMPACT: 2 Rottneros' pulp mill and non-current assets are located in Sweden. Balance sheet exposure for them is very low. Balance sheet exposure attributable to current transactions consists primarily of accounts receivable and cash and cash equivalents in foreign currency. These items are subject to currency risk.
K CURRENCY – TRANSACTION EXPOSURE Transaction exposure is the risk of exchange rate fluctuations in export revenue and import costs having a negative impact on operating profit.	PROBABILITY: 4 IMPACT: 4 Most invoices are issued in USD, EUR and SEK. The Rottneros Group's assets and liabilities are valued in SEK. The central finance function is responsible for proactively monitoring and managing the Group's exchange rate exposure and ensuring that actual risk exposure is identified and managed. COMMENTS ON 2025 OUTCOMES The underlying exposure to USD is high and the direct inflow of USD corresponded to approximately 60 percent of turnover. The inflow denominated in EUR was about 25 percent, while the Group has expenses in EUR, which reduces the exposure. As at 31 December 2025, the Group held hedges amounting to 22 MUSD.
L INTEREST Interest rate risk comprises the exposure of the Group's financial assets and financial liabilities with a variable interest rate.	PROBABILITY: 2 IMPACT: 1 Rottneros has financing through a long-term loan agreement. Interest rate risk is mainly related to the variable interest rate of the bank loan and the return on cash and cash equivalents. COMMENTS ON 2025 OUTCOMES In 2024, Rottneros refinanced its existing long-term loan agreements. Bank loans amounted to 399 MSEK as at 31 December 2025 and carry a variable interest rate. A change of one percentage point in the interest rate will affect the Group's annual profit by 5 MSEK. Financial items totalled -25 MSEK during the year.

RISKS

FINANCIAL RISK AREAS

RISK AREA	RISK MANAGEMENT
M LIQUIDITY AND REFINANCING There is a risk that Rottneros will not have sufficient cash and cash equivalents to cover current expenses, or that the Group will not obtain credit.	PROBABILITY: 3 IMPACT: 4 Financing risk shall be minimised as far as possible by ensuring that the maturity of loans and other credit facilities is well diversified and evenly distributed over time. Outstanding credit facilities shall be refinanced no later than three months before they fall due. The Group's objective is for liquidity reserves to amount to at least ten percent of the Group's 12-month rolling turnover and be available within 30 days. The Group continuously produces liquidity forecasts. Rottneros' credit agreements are considered to be sufficient for normal operating and investment cash flow for the next few years. Both the liquidity and refinancing risks are therefore considered to be low at this time. The Group shall maintain an optimal capital structure to keep capital costs down while ensuring that it is able to continue its activities. COMMENTS ON 2025 OUTCOMES In June 2025, the existing long-term loan agreements were updated. The covenant net debt in relation to operating profit before depreciation was temporarily replaced with a profitability target and a liquidity covenant. At the end of 2025, Rottneros did not meet the profitability covenant and therefore obtained a waiver for the fourth quarter of 2025. At the end of the year, loans under the loan agreement amounted to 399 MSEK. In addition, Rottneros has bank overdraft facilities totalling 225 MSEK. Available liquidity amounted to 190 MSEK at the end of the year. The Group's liquidity reserve amounted to 7 (14) percent of turnover at the end of the year, where the target is "at least 10 percent". The Group's net debt at the end of 2025 was 339 (393) MSEK and the debt/equity ratio was 22 (23) percent. During the year, Rottneros carried out a rights issue of 300 MSEK.

LETTER FROM THE CHAIRMAN

Rights issue and significant cost reductions strengthen our resilience

The weak pulp market trend, combined with higher wood prices and an unfavourable USD exchange rate, meant that 2025 was a very weak earnings year for Rottneros. The significant cost reductions were largely completed by summer and exceeded our targets. At the same time, work continued on the company's strategic direction of sustainability, specialisation and growth in expanding segments.

The fact that the Group's products are an integral part of the solution to global warming is an important cornerstone for its long-term development potential. At the start of 2026, some of the negative external factors have started to turn around.

The long-term efforts to develop and streamline the mills, which have been ongoing for several years, continued throughout 2025. The Group's position as a sustainability-focused, financially strong and globally leading player within several niches has thereby been further strengthened.

Fully subscribed rights issue strengthened the balance sheet

To generate a good return at a balanced level of risk, it is important to maintain a high equity/assets ratio, which creates a buffer in tougher times. It also increases the company's ability to always think and act long-term, even in a weaker economic climate. The equity/assets ratio of 60 percent at the end of the year comfortably met the long-term target.

The rights issue completed in July was fully subscribed and strengthened the Group's ability to handle the challenging market conditions. I would like to take this opportunity to express my sincere thanks to our shareholders for their support and confidence in connection with the issue.

In March 2026, Rottneros entered into an amendment agreement with its lenders, providing the company with a solid base for future development.

Packaging tray joint venture with Arctic Paper in Poland achieves commercial scale

Consumer focus on replacing plastic with sustainable packaging solutions remains strong. Demand for environmentally friendly and competitive packaging solutions is therefore gradually increasing,

which also contributes to the long-term growth potential of the pulp market.

Our joint venture for large-scale production of molded fiber trays in Poland together with Arctic Paper continued to scale up during 2025, and production reached commercial scale towards the end of the year. Our fiber trays are superior to plastic-based products from an environmental perspective.

In March 2026, Per Bjurbom assumed the position as President and CEO. The Board considers that his experience within the industry provides a good foundation for the Group's current phase of development.

In conclusion, I would like to extend my warm thanks to our business partners – both customers and suppliers – Group management, employees and my fellow Board members for a rewarding and close collaboration during the year.

Per Lundeen
Chairman of the Board



Corporate governance report

Rottneros is a Swedish public limited company based in Sunne, Sweden and is listed in the Small Cap segment on NASDAQ Stockholm ("the Stock Exchange"). Rottneros' corporate governance is based on the Swedish Companies Act, the Annual Accounts Act, the Rules of the Stock Exchange and the Swedish Code of Corporate Governance ('the Code'). This Corporate Governance Report refers to both Rottneros AB, which is the parent company, and the Group.

PRINCIPLES FOR CORPORATE GOVERNANCE

Rottneros applies the rules prescribed by law or other enactment, and also the Code. Rottneros applied the Code without deviations in 2025.

STRUCTURE FOR CORPORATE GOVERNANCE

The shareholders at the AGM/general meeting make the appointments by election and lay down the guidelines which will form the basis for the corporate governance of Rottneros. The organisation chart below summarises how corporate governance is organised at Rottneros.

CONTROL INSTRUMENTS

The external control instruments that form the frameworks for corporate governance within Rottneros include the Swedish

Companies Act, the Annual Accounts Act, the rules of the Stock Exchange, the Code and other relevant laws. Foreign subsidiaries apply the laws and ordinances in force in the country in question, but also ensure that the Group's guidelines for governance and control are observed.

The Board of Directors is ultimately responsible for the organisation and administration of the company's affairs. The authorities and bodies appointed by the authorities exercise supervision through reports received from the company and through regular checks conducted by the authorities.

The internal control instruments include the Articles of Association as adopted by the AGM and similarly the Rules of Procedure for the Board and the Terms of Reference for the CEO, the Board's

committees and the financial reporting. In addition, there are, for example, financial and quantitative targets, budgets, reports, policies, valuations and codes of conduct. The policies resolved by the Board include the Code of Conduct, the Financial Policy, the Work Environment policy, the Sustainability Policy, the Environmental and Energy Policy, the Anti-Corruption Policy, the Competition Policy, the Insider Policy, the Communication Policy and the Board's Diversity Policy. The CEO decides on a customer credit policy, crisis management instructions, IT policy, ethical rules for suppliers, instructions for the whistle blower service and instructions for insider management, which are communicated to the Board. There are also other important steering documents decided by the CEO or the person appointed by the CEO.

ANNUAL GENERAL MEETING

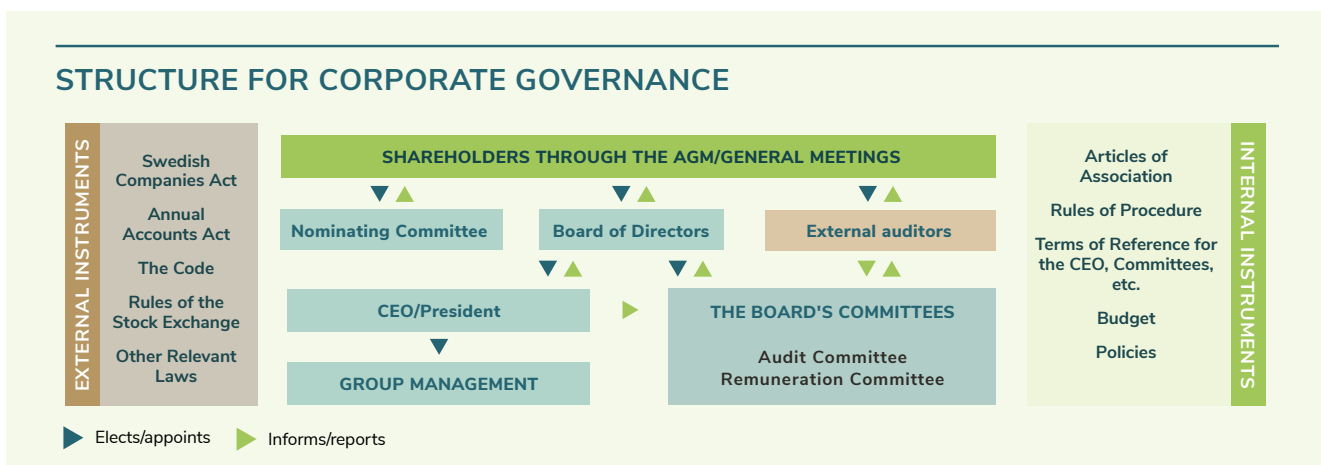
Rottneros' shareholders exercise their right to make decisions on the company's affairs at the AGM or, where applicable, an extraordinary general meeting. The AGM is Rottneros' highest decision-making body. The AGM makes decisions on the Articles of Association, appoints the Board of Directors and the Chairman of the Board, elects the auditors, adopts the income statement and balance sheet, makes decisions on the appropriation of profits and discharge from liability, and also makes decisions on nomination procedures, guidelines for the remuneration of senior executives, etc.

Rottneros' Articles of Association do not have any specific provisions on the appointment and dismissal of Board members or on amendments to the Articles of Association.

Each shareholder has the right to participate in the AGM, either in person or through an authorised proxy. Each shareholder has the right to raise issues to be addressed at the AGM. Notices of meetings and other information prior to AGMs/general meetings are available on the Rottneros website. Minutes, the CEO's statements, etc. from the latest meetings are also available on the website.

SHAREHOLDERS

The Rottneros share has been listed on Nasdaq Stockholm since 1987. According to the share register maintained by Euroclear Sweden, Rottneros had 13,102 shareholders as of 31 December 2025. The share capital amounted to 267,822,833 SEK, divided among 267,822,833 shares, each carrying equal voting rights and



CORPORATE GOVERNANCE REPORT

equal rights to the company's profit and capital. The Articles of Association contain no restrictions on the number of votes each shareholder can cast at a general meeting.

As at 31 December 2025, Arctic Paper S.A. had an ownership stake of 54.8 percent of the total number of shares and votes. Otherwise, none of the shareholders has a direct or indirect shareholding representing more than one tenth of the votes attached to all shares in Rottneros.

Rottneros' holdings of treasury shares amount to 821,965, corresponding to around 0.3 percent of the total number of shares. See pages 111–112 for additional information about the share, shareholders, etc. Information is also available on the company's website.

2025 ANNUAL GENERAL MEETING

Rottneros held its 2025 Annual General Meeting on 10 April 2025 in Sunne. The meeting was attended by 46 of the company's shareholders representing 54.8 percent of the company's votes and capital (excluding Rottneros' treasury shares). A majority of the Board members, including Chairman of the Board Per Lundeen, as well as the CEO, were present. The company's auditor also attended the meeting.

Among other things the AGM passed the following resolutions:

- The AGM resolved to discharge the Board of Directors and Chief Executive Officer from liability for the 2024 financial year.
- The AGM resolved in favour of the Board's proposal that no dividend be paid for 2024.
- The Board shall consist of seven ordinary members.
- Per Lundeen, Roger Mattsson, Julia Onstad, Conny Mossberg, Johanna Svanberg and Magnus Wikström were re-elected as members. Michal Jarczyński was elected as a new member.
- Per Lundeen was re-elected to serve as Chairman of the Board.
- A fee of 660,000 SEK shall be paid to the Chairman of the Board and 330,000 SEK to each of the other members. Additionally, a fee of 23,000 SEK shall be paid to each of the members of the Audit Committee and members of the Remuneration Committee. Each employee representative will be paid a fee of 33,000 SEK for the time needed to read materials prior to meetings. Auditors' fees are paid based on invoices approved by the CEO.
- The registered accounting firm Öhrlings PricewaterhouseCoopers AB was re-elected as the company's auditor until the end of the 2026 AGM, with Bo Karlsson as auditor in charge.
- The AGM resolved in accordance with the Board's proposal to approve the remuneration report for the 2024 financial year.

EXTRAORDINARY GENERAL MEETING

An extraordinary general meeting was held on 12 June 2025. The meeting approved a new share issue with preferential rights for existing shareholders. Through the rights issue Rottneros raised approximately 300 MSEK before transaction costs. The subscription price per share was SEK 2.65. The number of shares in Rottneros increased by 114,428,943 shares to 267,822,833 shares.

NOMINATING COMMITTEE

Rottneros' AGM makes decisions on the principles for the appointment of the Nominating Committee. The Nominating Committee shall comprise the Chairman of the Board and two additional members. The Chairman of the Board may not be Chairman of the Committee. One of these two members, in addition to the Chairman of the Board, must be appointed by the company's largest shareholder and the other shall be appointed by one of the company's other four largest shareholders. Neither of these two members may be a Board member at the same time. The Nominating Committee appoints a Chairman from within its ranks. It is the responsibility of the Chairman of the Board to ensure that members are appointed as stated above. The principles also include a procedure for replacing members who leave the Nominating Committee before the end of their mandate or when a member represents a shareholder that is no longer one of the five largest shareholders.

The names of members of the Nominating Committee shall be presented no later than six months prior to the 2026 AGM. The composition of the Nominating Committee at any given time will be published on the Rottneros website. A press release with information about the composition of the Nominating Committee and how shareholders may submit suggestions to the Nominating Committee was published on 16 October 2025 and has been made available on the Rottneros website. Fabian Langenskiöld, appointed by Arctic Paper S.A., was appointed Chairman of the Nominating Committee. Other members were Stefan Sundh, appointed by PROAD AB, and Per Lundeen, Chairman of the Board of Rottneros AB. Together, the Nominating Committee represents approximately 63 percent of the votes for all shares in Rottneros.

The Nominating Committee shall submit proposals for decisions to the 2026 Annual General Meeting regarding the election of the Chairman of the meeting, the number of Board members and deputies, the election of the Chairman and other members of the Board, Board fees and remuneration for committee work, the election and remuneration of auditors, and, where applicable, changes to the instructions for the Nominating Committee.

The Board has adopted a specific Diversity Policy concerning the composition of the Board of Directors. During the year, two of the seven members of the Board were women. This policy is available on the Rottneros website.

AUDITORS

Rottneros' auditors are elected at the AGM. At the 2025 AGM, Öhrlings PricewaterhouseCoopers AB was re-elected as the accountant firm for the period until the end of the 2026 AGM, with Bo Karlsson as auditor in charge. Rottneros' Articles of Association do not set out any term for the auditor. This means that auditors for Rottneros are elected annually at the AGM in accordance with the Swedish Companies Act.

AUDIT WORK

The auditors examine the parent company's and the Group's annual accounts and accounting records and the administration of the company by the Board of Directors and the CEO. The company's auditor attends at least one Board meeting each year. The auditors attended all meetings of the Audit Committee and the 2025 AGM. The auditor attends the AGM to present the audit report. Fees paid to the audit firm for 2025 are shown in Note 5 of the annual report.

BOARD OF DIRECTORS

Composition and fees of the Board

According to the Articles of Association, the Board of Directors of Rottneros shall comprise a minimum of three and a maximum of ten members elected by the AGM. In addition, the employees elect two representatives with two deputies. Rottneros' Board of Directors consists of seven members elected by the AGM without deputies, as well as two members and two deputies appointed by the employees. The CEO is not a member of the Board but is called in to all Board meetings, except when the agenda includes an evaluation of the work of the Board and the CEO. Other officials of the company are also called in when necessary to present matters. The table on page 62 shows the composition of the Board in 2025, as well as remuneration paid to Board members for 2025 and 2024, respectively. Additional information about the Board members is presented on page 65.

Evaluation of the Board's work

The Board regularly carries out systematic evaluations in which the members are given the opportunity to express their views on working methods, Board materials, and on their own and other members' contributions to the work of the Board. The purpose is to improve the work of the Board and also to furnish the Nominating Committee with relevant decision guidance documentation prior to the AGM.

CORPORATE GOVERNANCE REPORT

Independence

According to the Code, a majority of the members elected at the AGM must be independent in relation to the company and executive management; also, at least two of these members must be independent in relation to the company's major shareholders.

Rottneros' Board of Directors has been assessed to meet the Code's requirements regarding independence, as two of the directors elected at the AGM have been deemed independent in relation to the company's major shareholders. In 2025, all of the directors elected by the AGM have been independent in relation to the company and its management.

Board work and responsibilities

The Board of Directors oversees the work of the CEO and is responsible for ensuring that the organisation, management and guidelines for managing the company's funds are appropriate. The Board is also responsible for ensuring that the company is organised in such a way that its internal control is appropriate, that appropriate systems are monitoring the business and its risks, and that the company is in compliance with laws, rules and internal guidelines. Moreover, the Board is responsible for developing and monitoring the company's strategies through plans and objectives, decisions on acquisitions and divestments of activities, major investments, appointments of and remuneration for the management team as well as day-to-day monitoring during the year. The Board approves the budget and annual accounts.

Rules of Procedure for the Board

The work of the Board of Directors follows specific Rules of Procedure prescribing the distribution of responsibilities between the Board and the CEO, between the Board's various committees and within the Board, as well as instructions for financial reporting. The Board's Rules of Procedure contain special Terms of Reference for the CEO. A statutory Board meeting is held immediately after the AGM or immediately after extraordinary general meetings where a new Board has been elected. The statutory Board meeting was held on 10 April 2025 where among other things members of the Board committees were appointed and the above-mentioned Rules of Procedure were adopted.

In addition to the statutory meeting, the Board convenes eight scheduled meetings each year and additional meetings when the Chairman sees fit or within 14 days following a request for a meeting from a member of the Board or the CEO. In 2025, 14 Board meetings and three per capsulam meetings were held.

The work of the Board follows a schedule established in advance, which includes specific fixed items that require decisions during the financial year:

- The year-end report, the Board's recommendations with respect to dividends and any necessary additions to the budget and business plan are dealt with in January/February. The Board also evaluates its work arrangements and procedures for making decisions and considers improvements to these.
- The public annual report is dealt with in February/March. The company's auditors report any observations made when conducting their audit. Remuneration issues are also dealt with.
- Quarterly results are addressed in April, July and October.
- Investment plans for the coming financial year and a review of the Group's strategies are dealt with in June.
- Preparations for the annual accounts and approval of the business plan for the coming year are dealt with in December.

The Board also receives a monthly report on the company's performance and liquidity trends. Other business is dealt with as determined by the nature of each individual matter.

Financial Policy issues

The Board of Directors has the ultimate responsibility for the Group's financial activities. The Board is responsible for approving

the Group's Financial Policy, which is to be updated annually. The Board makes decisions on comprehensive mandates and limits for restricting financial risk-taking by the Group in accordance with the Financial Policy, and also makes decisions about long-term financing. The Board approves hedging levels based on proposals from the executive management. The Board has delegated the operational responsibility in line with the allocation of responsibility indicated by the Financial Policy laid down.

The Board's control of financial reporting

The Board of Directors monitors the quality of financial reporting by providing instructions for its execution and through the Terms of Reference for the CEO. One of the tasks of the CEO is to work with the CFO to review and ensure the quality of all external financial reporting, including year-end reports, interim reports, annual reports, press releases with economic content and presentation materials for meetings with the media, shareholders and financial institutions.

The Board's Audit Committee works to ensure that financial reporting is accurate and maintains a high quality, and also that it is given final approval by the Board and communicated. The Board receives monthly financial reports, and the financial position of the company and the Group is addressed at each Board meeting.

COMPOSITION OF THE BOARD AND ATTENDANCE 2025

Amounts in TSEK		Dependence ¹	Total fees 2025/26 ²	Total fees 2024/25 ²	Board meetings, %	Committee meetings, %
Per Lundeen	Chairman	x	706	680	100	100
Michal Jarczynski		x	0		100	
Roger Mattsson		x	353	340	100	100
Conny Mossberg		x	353	340	100	100
Julia Onstad		x	353	340	100	100
Johanna Svanberg			353	340	100	100
Magnus Wikström			353	340	92	100
Mika Palmu	Employee representative				77	
Jerry Sohlberg	Employee representative				100	
Jörgen Wasberg	Employee representative/deputy				100	
Jimmy Thunander	Employee representative/deputy				85	

1) Dependent in relation to the company's largest shareholder, Arctic Paper S.A.

2) For the period from one Annual General Meeting to the next Annual General Meeting. Including fees for committee work.

CORPORATE GOVERNANCE REPORT

The Board also reviews interim reports and the Annual Report. In order to ensure that the Board receives the information it needs, the company's auditors report to the Board every year on observations made during the audit and express an opinion on the company's internal control, in addition to reporting to the Audit Committee. At least once a year, the company's auditors report to the Board on whether the company has ensured that accounting, management and financial control are functioning properly.

THE BOARD'S COMMITTEES

The Governing Board appoints committees that work according to the established rules of procedure. During the year, work was carried out in two committees: the Audit Committee and the Remuneration Committee.

Audit Committee

This Committee comprises at least three representatives of the Board of Directors. Its tasks include:

- Preparatory work for decisions to be made by the Board to assure the quality of the company's financial reporting.
- Monitor and give recommendations and proposals to ensure the accuracy of the reporting concerning e.g. the efficiency of the company's internal controls and risk management.
- Assisting the Nominating Committee when procuring audit services and arranging for the election and payment of the auditors.
- Reviewing the scope and focus of audit assignments.
- Addressing audit issues and evaluating audit work.
- Establishing guidelines for the purchasing of permitted services other than auditing from the company's auditors, and if appropriate approving such services according to guidelines.
- Following up and assessing the application of current accounting principles and adopting these, and other accounting requirements as stipulated in legislation, generally accepted accounting principles, applicable Stock Exchange rules, etc.

The company's auditor in charge and representatives of the accounting firm are co-opted for most of the meetings. Senior executives are also co-opted for meetings when appropriate. Since the 2025 AGM, the Committee has consisted of Board members Per Lundeen, Roger Mattsson, Johanna Svanberg and Magnus Wikström. Johanna Svanberg is Chairwoman of the Committee.

The Audit Committee held six meetings in 2025, and the Board receives regular progress reports from these meetings. The auditors attended all of the meetings of the Audit Committee. During the year the Committee has met once with auditors without management being present.

Remuneration Committee

This Committee shall comprise at least two representatives of the Board of Directors. The main tasks of the Committee are to prepare the Board's decisions on issues concerning principles for remuneration, remuneration and other terms of employment for the executive management; monitor and evaluate programmes for variable remuneration for the executive management, both ongoing and those that have ended during the year; and monitor and evaluate the application of the guidelines for remuneration for senior executives that the AGM is legally obliged to establish, as well as current remuneration structures and levels at the company. The CEO's remuneration package and the principles for remunerating the executive management are determined by the Board. Remuneration for other senior executives is determined by the Remuneration Committee within frameworks established by the Board and AGM.

Since the 2025 AGM, the Remuneration Committee has consisted of Per Lundeen, Conny Mossberg and Julia Onstad. Per Lundeen is Chairman of the Committee.

The Committee held three meetings in 2025 and the Board was informed about the work carried out by the Remuneration Committee.

CEO/PRESIDENT

The CEO's responsibility as stipulated by the rules of the Swedish Companies Act and other legislation is to manage the company's day-to-day business according to the Board's guidelines and instructions and to take the measures necessary to ensure that the company's bookkeeping is managed in a satisfactory manner. The CEO also ensures that the Board receives the information it needs on an ongoing basis to monitor the company's and the Groups' financial situation, position and development in a satisfactory way and to otherwise fulfil its reporting obligations with respect to the company's finances.

The company's CEO manages the business within the frameworks established by the Board in the special Terms of Reference for the CEO. These Terms of Reference include the CEO's responsibility for day-to-day business and matters that always require Board decisions or that must be reported to the Board, as well as the CEO's responsibility for presenting financial reports to the Board. The CEO works with the Chairman to produce the materials required for information and decisions prior to Board meetings, presents matters and justifies proposed decisions. The Board evaluates the work of the CEO on an ongoing basis.

GROUP MANAGEMENT

The CEO leads the work of Group management and makes decisions in consultation with other members of the management team. In 2025, this team consisted of the CEO and seven other people. Information about the CEO and Group management is shown on page 66.

FURTHER INFORMATION IS AVAILABLE AT WWW.ROTTNEROS.COM

- Articles of Association
- Information from previous AGMs (notices, minutes, resolutions, CEO statements)
- Information about the Nominating Committee
- Corporate governance reports (included in the annual report)

ROTTNEROS' SYSTEM FOR INTERNAL CONTROL AND RISK MANAGEMENT IN CONJUNCTION WITH THE FINANCIAL REPORTING

The Board of Directors is responsible for internal control in accordance with the Swedish Companies Act and the Code. According to the Swedish Annual Accounts Act, the Corporate Governance Report shall include information about the most important elements of the company's system for internal control and risk management in conjunction with financial reporting.

Rottneros' internal control structure is predominantly based on the COSO model, according to which reviews and assessments are made in the following areas: control environment, information and communication, risk assessment, control activities and follow-up.

Control environment

The Board of Directors has drawn up a number of steering documents for the company's internal control and governance, including Rules of Procedure for the Board and Terms of Reference for the CEO and the Board's committees, reporting instructions and a Financial Policy, with the aim of ensuring a clear definition of roles and responsibilities. Financial information is reported through a Group-wide reporting system.

The CEO and Group management, who report to the Board in accordance with established procedures, are responsible for maintaining an effective control environment and the day-to-day internal control and risk management work. Managers at various levels within the company have the same responsibility within their respective areas of responsibility and in turn report to Group management.

CORPORATE GOVERNANCE REPORT

Information and communication

The information in Rottneros' important steering documents, including policies, guidelines and manuals, is primarily communicated through a Group-wide intranet.

Risk assessment

Rottneros continuously updates its risk analysis with respect to assessing the risks that may result in errors in the financial reporting. This is done mainly through contacts between Group management and the subsidiaries' management teams. Reviews are held during which Rottneros identifies areas where there is an increased risk of errors occurring.

Control activities

Monthly financial statements are prepared for all of the companies within the Group along with consolidated financial statements. A specific analysis is conducted of production, order status, cost follow-up, investments and cash flow. The CFO is also in regular contact with the subsidiaries. In addition, regularly scheduled

finance meetings are held and attended by the CFO, the Group Controller and the finance officers of the subsidiaries. At these meetings, particular emphasis is placed on following up any problems and ensuring the accuracy of financial reporting. Forecasts are updated every four months for all Group companies.

Through the Audit Committee, the Board of Directors monitors the reliability of the financial reporting, evaluates recommendations for improvement and discusses issues relating to the identified risks. The Audit Committee presents regular oral reports to the Board and makes recommendations on matters that require a decision from the Board. The control environment has been created through shared values, corporate culture, rules and policies, communication and follow-up, as well as the way in which the business is organised. The main tasks of Group staff are to implement, further develop and maintain the Group's control procedures and also to introduce internal control routines aimed at business-critical issues.

Rottneros' auditors examine the financial information for the half year and the annual accounts. Every year the auditors also examine a sample of controls and processes and report any areas for improvement to both Group management and also the management team for each subsidiary. The auditors also attend the meetings of the Audit Committee.

Rottneros' Group-wide finance functions are represented locally at each company and report via a Group-wide reporting system. The finance function has regular meetings and a close cooperation in matters concerning the annual accounts and reporting.

INTERNAL AUDIT FUNCTION

Rottneros has not had any reason to establish an internal audit function to date. The Board of Directors is of the opinion that the business does not need such a function. Instructions are available and an ongoing evaluation is conducted to ensure that officers at the organisation have the competence and support resources required to perform their work concerning the production of financial reports.

WHISTLE BLOWER SERVICE

Rottneros strives to maintain an open business climate and a high standard of business ethics. The whistle blower service is an "early warning system" and important for safeguarding good corporate governance, eliminating risks and ensuring that customers and the public continue to trust the Group.

The whistle blower service can be used anonymously to provide information about something that the person believes could seriously affect the organisation or someone's life or health. The service can also be contacted in cases of failure to comply with values and ethical principles. To ensure anonymity, the service is provided by an external party, through which the individual who reported the matter may also receive feedback. The channel is encrypted and password protected; all messages are treated with confidentiality.

The CFO and the HR Officer have been appointed by the President to serve as "Case Managers" for incoming cases. The cases are addressed without delay and reported to the President, or to the Chairman of the Board if the President is involved in the case. The number of incoming cases is reported to the Audit Committee on a quarterly basis. If the need arises and the privacy of all parties can be ensured, reporting can be more detailed.

SUMMARY OF THE BOARD'S WORK IN 2025

CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS

**PER LUNDEEN**

Chairman of the Remuneration Committee and member of the Audit Committee.

Education: M.Sc. (Engineering)

Born: 1955

Current board assignments: Chairman of the Board of Arctic Paper S.A., Nilsbyn Invest AB and Nordic Carton AB. Independent in relation to the company and its management, but not in relation to Arctic Paper S.A.

Previous positions: President and CEO Rottneros, President and CEO Å&R Packaging Group and Å&R Carton AB.

Shareholding: 437,500

**JOHANNA SVANBERG**

Board member since 2022, Chair of the Audit Committee.

Education: M.Sc. (Engineering)

Born: 1958

Current position: Consultant in sustainability and environment.

Current board assignments: Board member Vänerepressen AB and SOMAS Instrument AB. Independent in relation to the company and its management and in relation to the company's major shareholders.

Previous positions: Production Director Nordic Paper / Wermland Paper, Group Manager / Sales manager Kamyr AB / Kvaerner Pulpung Ltd.

Shareholding: 14,000

**ROGER MATTSOON**

Board member since 2016, member of the Audit Committee.

Education: MBA

Born: 1973

Current position: Finance Director, Nemus Holding AB.

Current board assignments: Chairman of the Board of Nemus Holding AB and Munkedal Skog AB. Board member of Arctic Paper S.A. Finance Director, Nemus Holding AB. Independent in relation to the company and management, but not independent in relation to Arctic Paper S.A.

Previous positions: Group Controller Arctic Paper S.A. CFO Talent Plastics Group.

Shareholding: 10,000

**CONNY MOSSBERG**

Board member since 2019, member of the Remuneration Committee.

Education: Forestry technician

Born: 1966

Current position: CEO of Munkedal Skog AB. Independent in relation to the company and management, but not independent in relation to Arctic Paper S.A.

Previous positions: CEO and Vice President of Moelven Skog AB, CEO Are Skog AB

Shareholding: 21,875

**JERRY SOHLBERG**

Employee representative since 2020.

Current position: Warehouse worker, Rottneros Bruk AB.

Born: 1989

Current board assignments: Chairman of Pappers.

Shareholding: 0

**JIMMY THUNANDER**

Employee representative since 2021.

Born: 1975

Current position: Operations manager, Rottneros Bruk AB.

Current board assignments: Chairman of Unionen Rottneros Mill.

Shareholding: 3,135

**MAGNUS WIKSTRÖM**

Board member since 2023, member of the Audit Committee.

Education: PhD and Associate Professor in Paper Technology, KTH Royal Institute of Technology.

Born: 1963

Current board assignments: Chairman of the Board of Cellfion AB. Board member of Nexam Chemicals AB, Cellcomb AB and Ligna Energy AB. Independent in relation to the company and its management and in relation to the company's major shareholders.

Previous positions: EVP Innovation and CTO BillerudKorsnäs AB.

Shareholding: 14,000

**JULIA ONSTAD**

Board member since 2022.

Education: Bachelor of Arts in design marketing.

Born: 1978

Current board assignments: Board member of Nemus Holding AB, Munkedal Skog AB and Håfreströms Företagspark AB. Independent in relation to the company and management, but not independent in relation to Arctic Paper S.A.

Shareholding: 0

**MICHAŁ JARCZYŃSKI**

Board member since 2025.

Independent in relation to the company and its management, but not independent in relation to Arctic Paper S.A.

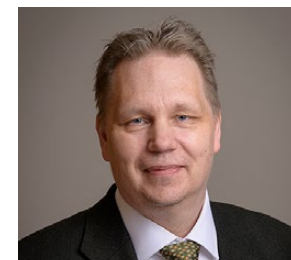
Education: Mechanical engineer

Born: 1968

Current position: CEO of Arctic Paper.

Previous positions: CEO of Radpol S.A., a listed Polish technology company, Enea Operator. Several senior positions in Polish industry.

Shareholding: 0

**MIKA PALMU**

Employee representative since 2016.

Current position: Production technician, Vallviks Bruk AB.

Born: 1975

Current board assignments: Chairman of Unionen branch 23 Vallvik Mill.

Shareholding: 0

**JÖRGEN WASBERG**

Employee representative since 2019.

Current position: Operator, Vallviks Bruk AB.

Born: 1975

Current board assignments: Chairman of Pappers branch 106 Vallvik Mill.

Shareholding: 0

AUDITORS Öhrlings PricewaterhouseCoopers AB
Bo Karlsson, Authorised Public Accountant, Partner in Charge
Daniel Körner Rask, Authorised Public Accountant

CORPORATE GOVERNANCE REPORT

SENIOR EXECUTIVES 2026

**PER BJURBOM**

President and CEO

Education: M.Sc. (Engineering)**Born:** 1961**Employed since:** 2026**Shareholding:** 0**MONICA PASANEN**

CFO

Education: Master's degree in economics, MBA**Born:** 1963**Employed since:** 2022**Current board assignments:**

Board member Oppboga Bruk AB.

Shareholding: 65,000**NILS HAURI**

CEO Rottneros Mill, Director of Innovation

Education: M.Sc. in Chemical Engineering**Born:** 1981**Employed since:** 2007**Shareholding:** 28,000**IDA MÖRTSELL**

MD Vallvik Mill, HR Director

Education: MBA**Born:** 1984**Employed since:** 2014**Shareholding:** 17,850**PÄR SKINNARGÅRD**

Director of Wood Procurement Rottneros MD Nykvist Skogs AB

Education: Forestry technician**Born:** 1967**Employed since:** 2020**Shareholding:** 9,937**KASPER SKUTHÄLLA**

Sales and Business Development Director

Education: Master's degree in economics**Born:** 1978**Employed since:** 2017**Shareholding:** 195,000**PETER SÆVELIN**

COO

Education: M.Sc. (Engineering) in chemical engineering**Born:** 1963**Employed since:** 2020**Shareholding:** 0**LENNART EBERLEH**

President and CEO from 2016 to February 2026.

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FINANCIAL REPORTING — GROUP

Consolidated statements of income

CONSOLIDATED INCOME STATEMENT 1 JANUARY – 31 DECEMBER

Amounts in MSEK	Note	2025	2024
NET TURNOVER	1, 2	2,539	2,710
Change in finished goods inventories		-14	58
Other operating income	3	36	133
TOTAL		2,561	2,901
Raw materials and consumables	4	-1,875	-1,795
Other external costs	5	-589	-621
Employee benefit expenses	7	-317	-294
Other operating expenses	3	-32	-12
EBITDA (operating profit/loss before depreciation/amortization and impairment)		-253	179
Depreciation/amortization and impairment losses	10, 11	-288	-133
EBIT (operating profit/loss)		-540	47
Financial income	8	3	4
Financial expenses	8	-29	-24
Total financial items		-25	-20
PROFIT/LOSS AFTER FINANCIAL ITEMS		-565	27
Tax on profit for the year	9	113	-7
NET INCOME ¹		-452	20
Average number of shares outstanding (thousands)		267,001	152,572
Average number of shares outstanding after dilution (thousands)		267,001	152,572
Earnings per share (SEK)		-2.10	0.11
Earnings per share, diluted (SEK)		-2.10	0.11

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 1 JANUARY – 31 DECEMBER

Amounts in MSEK	Note	2025	2024
NET INCOME		-452	20
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		6	-140
Income tax effect on changes in value		-1	29
Translation differences		-1	0
TOTAL OTHER COMPREHENSIVE INCOME		4	-111
TOTAL COMPREHENSIVE INCOME ²		-448	-91

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

FINANCIAL REPORTING — GROUP

Consolidated balance sheet

GROUP ASSETS AS AT 31 DECEMBER

Amounts in MSEK	Note	2025	2024
Non-current assets			
Intangible assets	10	22	21
Property, plant and equipment	11	1,457	1,579
Derivatives	6	0	0
Participations in associated companies	12	51	61
Other financial assets		37	37
Total non-current assets		1,567	1,698
Current assets			
Inventories	14	476	590
Accounts receivable	15	354	442
Current tax asset	9	7	0
Derivatives	6	0	5
Other current receivables	16	86	91
Cash and cash equivalents	17	67	19
Total current assets		991	1,148
TOTAL ASSETS		2,558	2,846

CONSOLIDATED SHAREHOLDERS' EQUITY AND LIABILITIES, 31 DECEMBER

Amounts in MSEK	Note	2025	2024
Shareholders' equity	18		
Share capital		268	153
Other injected capital		845	730
Repurchased treasury shares		-69	-69
Other reserves		-52	-57
Retained earnings, incl. net income for the year		541	934
Total shareholders' equity		1,533	1,691
Non-current liabilities			
Interest-bearing liabilities	19	7	341
Deferred tax liability	9	11	123
Other non-interest-bearing liabilities		58	74
Total non-current liabilities		77	537
Current liabilities			
Accounts payable	20	289	291
Interest-bearing liabilities	19	399	71
Derivatives	6	12	7
Current tax liability	9	0	1
Other non-interest-bearing liabilities	21	249	248
Total current liabilities		948	619
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		2,558	2,846

Consolidated statement of changes in shareholders' equity

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY 2025

Amounts in MSEK	Share capital	Other injected capital	Repurchased treasury shares	Other reserves		Retained earnings, incl. profit/loss for the year	TOTAL SHAREHOLDERS' EQUITY
				Hedging reserve	Translation difference		
Opening balance as at 1 January 2024	153	730	-69	60	-6	990	1,858
Net income						20	20
Other comprehensive income				-111	–		-111
Total comprehensive income				-111		20	-91
Dividends to shareholders						-76	-76
Closing balance as at 31 December 2024	153	730	-69	-51	-6	934	1,691
Opening balance as at 1 January 2025	153	730	-69	-51	-6	934	1,691
Net income						-452	-452
Other comprehensive income				5	-1		4
Total comprehensive income				5	-1	-452	-448
Transfer*		-60			1	59	–
New issue	115	175					290
Closing balance, 31 December 2025	268	845	-69	-46	-6	541	1,533

* Transfer refers to a reduction of restricted equity in Utansjö AB and the effect of reversing excess depreciation in Rottneros Bruk AB.

FINANCIAL REPORTING — GROUP

Consolidated statements of cash flows

CONSOLIDATED STATEMENT OF CASH FLOWS 1 JANUARY–31 DECEMBER

Amounts in MSEK	Note	2025	2024
EBIT		-540	47
Adjustment for items not included in cash flow			
Depreciation/amortization and impairment losses	10, 11	287	133
Other items not affecting cash flow		11	15
EBIT adjusted for items not affecting cash flow		-242	195
Interest received		3	4
Interest paid		-29	-15
Received/paid taxes		-9	-34
Cash flow from operating activities before changes in working capital		-276	149
Change in working capital			
Change in inventories		115	-97
Change in current receivables		93	48
Change in current liabilities (non-interest-bearing)		-2	-85
Total changes in working capital		205	-134
CASH FLOW FROM OPERATING ACTIVITIES		-71	15
Investments in intangible assets	10	-1	–
Investments in property, plant and equipment	11	-165	-450
Property, plant and equipment sold	11	0	1
Investment in financial assets	12	–	–
Disposal/repayment of financial assets		–	12
CASH FLOW FROM INVESTING ACTIVITIES		-166	-436

Amounts in MSEK	Note	2025	2024
Borrowings, non-current bank loans	19	0	409
Amortisation, non-current bank loans	19	-105	-91
Change in credit facilities	19	100	2
Dividend paid		0	-76
New issue		290	–
CASH FLOW FROM FINANCING ACTIVITIES		285	244
NET CASH FLOW		48	-177
Cash and cash equivalents at the beginning of the year		19	196
Cash and cash equivalents at year-end	17	67	19
Granted and unutilised credit facilities	19	190	373

Supplementary disclosures and Notes

MSEK unless otherwise stated

ACCOUNTING POLICIES AND VALUATION PRINCIPLES

BASIS OF THE REPORTS' PREPARATION

These consolidated accounts have been prepared in accordance with the Swedish Annual Accounts Act and the International Financial Reporting Standards (IFRS), in the form they have been adopted by the European Union. RFR 1 'Supplementary Accounting Rules for Groups' has also been applied.

PRECONDITIONS FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The parent company's functional currency is Swedish kronor, which is also the presentation currency for both the parent company and the Group. Unless otherwise indicated, all amounts shown are rounded to the nearest million. The consolidated accounts are prepared according to the cost method, except in the case of certain financial assets and liabilities which are measured at fair value.

The most important accounting policies applied when preparing the consolidated accounts are described below. These policies have been applied consistently for all years presented, unless otherwise indicated.

AMENDMENTS OF ACCOUNTING POLICIES AND DISCLOSURES Standards, amendments and interpretations that entered into force in 2025 and were applied by the Group

No standards, amendments or interpretations that entered into force in 2025 had any impact on the content of these financial statements.

Standards, amendments and interpretations that have not yet taken effect and that have not been applied in advance by the Group

Approved changes effective from 1 January 2024 or later are not expected to have any impact on the company's financial statements.

GROUP COMPANIES

The consolidated annual accounts include the annual accounts for the parent company and all subsidiaries for which Rottneros AB is entitled

to formulate financial and operational strategies in a way that is normally associated with a shareholding amounting to more than half of the voting rights.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include subsidiaries in which the Group has a controlling interest. The Group controls an entity when it is exposed to or has rights to variable returns from its involvement with the entity and can affect those returns through its control of the entity.

Companies acquired during the year are included in the consolidated financial statements from the date on which control is transferred to the Group. Divested companies are excluded from the consolidated accounts from the date on which control ceases. The Group applies the acquisition method to account for business combinations. The consideration for the acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the shares issued by the Group. The consideration also includes the fair value of any assets or liabilities resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred and are included in other external costs. Identifiable assets acquired and liabilities assumed in a business combination are initially measured at fair value at the acquisition date. For each acquisition, the Group determines whether all non-controlling interests in the acquiree are recognised at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the consideration transferred is less than the fair value of the net assets of the subsidiary, the difference is recognised directly in profit or loss.

Intra-Group transactions, balance sheet items, revenues and expenses for transactions between Group companies are eliminated. All subsidiaries are wholly-owned. In other words, there are no non-controlling interests in the subsidiaries.

UNTAXED RESERVES/APPROPRIATIONS

When preparing the consolidated accounts, untaxed reserves and appropriations recognised for the individual companies are split between deferred tax and shareholders' equity. The deferred tax liability has been calculated at the current tax rate. The estimated tax thus arrived at, which is attributable to the year's appropriations, is included in the Group's reported tax as 'deferred tax'. See also Note 9.

TRANSLATION OF FOREIGN SUBSIDIARIES

The local currency for all companies within the Group is the functional currency for the company. The Swedish krona, which is the parent company's functional and presentation currency, is the currency used in the consolidated accounts. Assets and liabilities are translated at closing rates. Items in the income statements are translated at the average rate for each month. Translation differences are not recognised in the income statement, but are instead posted directly to consolidated shareholders' equity via other comprehensive income. When a foreign subsidiary is no longer included in the consolidated accounts, the accumulated exchange difference is recycled into the consolidated income statement as part of the calculation for the transaction gain or loss.

REVENUE

All revenues from contracts with customers are recognised when the control of a good or service is transferred to the buyer. At the inception of a contract with the customer, each distinct performance obligation shall be identified and accounted for separately. Performance obligations that are not separately identifiable are combined with other such performance obligations. Elements of variable consideration in the contract are taken into account when determining the transaction price. Rottneros operates a relatively simple business model in terms of revenue recognition. The business model is traditional in nature.

Revenue is recognised either at a point in time or over time, depending on when the control of the good is passed to the buyer. Control is defined as the buyer's ability to direct the use and thereby obtain substantially all of the benefits from the asset.

NOTES — GROUP

To determine when the customer obtains control over a delivered good or service, the following is taken into account:

- The entity has a present right to payment for the asset
- The customer has legal title to the asset
- The entity has delivered the asset
- The customer has the significant risks and rewards related to the ownership of the asset
- The customer has accepted the asset

The vast majority of Rottneros revenue flows derives from sales of pulp, as well as by-product and wood. 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.

SEGMENT REPORTING

IFRS 8, Operating Segments, requires that an operating segment is reported on the same basis as is used in the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the function responsible for allocating resources and assessing the performance of the operating segment. In the Group this function was identified as the President. Rottneros does not report any segments in its internal reporting and consequently nor in its annual accounts.

TRANSACTIONS AND BALANCE SHEET ITEMS IN FOREIGN CURRENCIES

Transactions in foreign currencies are translated to the functional currency in accordance with the exchange rates applicable on the transaction day or the day on which the items are revalued. Exchange gains and losses that arise when paying for such transactions are recognised in the income statement. Receivables and liabilities in foreign currencies are valued at the closing rate. The difference between cost and the closing date value has been included in the profit/loss.

INVENTORIES

Inventories mainly comprise raw materials and consumables together with pulp. Inventories are measured at the lower of cost and net realisable value. The cost of raw materials and consumables is based on the purchase price and includes expenditure incurred in acquiring the inventories and transporting them to their present location and condition. The cost of finished goods (pulp) comprises raw materials, direct salaries, other direct costs and attributable indirect manufacturing costs (based on normal manufacturing capacity). Net realisable value is the estimated selling price in normal circumstances, less the costs required to complete the sale.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash and bank balances.

REPORTING OF LEASE AGREEMENTS

The Group's leases relate to premises and the leases are normally written for fixed periods of three to five years. There are options to extend certain agreements, as described below. The terms are negotiated separately for each agreement and contain a number of different contract terms.

A contract is, or contains, a lease under IFRS 16 if the contract transfers the right to control the use of an identified asset for a period of time in exchange for consideration. The standard requires an asset (the right of use) and a financial liability to be recognised for all contracts that meet the definition of a lease.

Leases are recognised as rights of use (property, plant and equipment) and a corresponding liability (non-current and current interest-bearing liabilities), on the date the leased asset is available for use by the Group. Each lease payment is allocated between amortization of the debt and financial cost. The financial cost shall be distributed over the lease period so that each accounting period is charged with an amount corresponding to a fixed interest rate for the liability reported during each period. The right of use is amortized on a straight-line basis over the shorter of the asset's economic life and the lease period. The lessee determines the contract period by assessing factors such as the importance of the property for the business, its own planned or completed investments in the leased property and the market situation for the property. Assets and liabilities arising from leasing agreements are initially recognized at present value. Leasing liabilities include the present value of the following lease payments:

- fixed charges (including charges that are fixed in substance), less incentive claims
- variable lease payments that depend on an index or a price

The lease payments are discounted at the incremental borrowing rate. Right-of-use assets are measured at cost and include the following:

- the initial measurement of the lease liability
- payments made at or before the time the leased asset is made available to the lessee

Low value leases are expensed on a straight-line basis in the income statement. Options to extend or terminate leases, rental agreements or premises contracts are included in the asset and liability when it is reasonably certain that they will be exercised. The conditions are used to maximise flexibility in the management of the contracts.

BUSINESS ACQUISITION

The acquisition method is used to account for the Group's business combinations, whether the acquisition consists of equity interests or other assets. The purchase price for the acquisition of a subsidiary consists of the fair values of:

- Assets transferred
- Liabilities incurred by the Group to former owners
- Assets or liabilities resulting from a contingent consideration agreement
- Previous equity share in the acquired company

With few exceptions, identifiable assets acquired, liabilities assumed and contingent liabilities assumed in a business combination are initially measured at fair value at the acquisition date. For each acquisition, the Group determines whether the non-controlling interest in the acquiree is recognised at fair value or at its proportionate share of the carrying amount of the acquiree's identifiable net assets. Acquisition-related expenses are carried as an expense when they arise.

If the business combination is achieved in stages, the previous equity interests in the acquiree are remeasured at their fair value at the acquisition date. Any gain or loss arising from the revaluation is recognised in profit or loss.

INTANGIBLE ASSETS

Acquired trademarks and licences are recognised at cost. Acquired software licences are capitalised on the basis of the costs incurred to bring the software into use. Intangible assets under development are recognised at cost. All intangible assets except goodwill have finite useful lives.

Development work is an integral part of production and refers to process and quality improvement measures that are expensed as incurred.

Goodwill

Goodwill is calculated according to the principles of business combinations. Goodwill arising on business combinations is included in intangible assets and represents the excess of the consideration transferred, non-controlling interests and the acquisition-date fair value of the previously held equity interest over the fair value of the identifiable net assets acquired. Goodwill is not amortised, but is tested for impairment annually or more frequently if events or changes in circumstances indicate possible impairment. Goodwill is recognised at cost less accumulated impairment losses. On disposal of an entity, the carrying amount of goodwill is included in the resulting gain/loss.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination.

Cash-generating units related to goodwill in the Group are the company Nykvist Skogs AB.

NOTES — GROUP

Management has determined the values of the key assumptions above as follows:

Sales volume: Average growth rate above the five-year forecast based on historical performance and management's assessment of market development.

Budgeted operating margin: Based on historical performance and management judgement about the future

Long-term growth rate: The average growth rate used to extrapolate cash flows beyond the forecast period. The growth rate is in line with forecasts in industry reports.

Pre-tax discount rate: Reflects specific risks in the relevant segments and in the geographical areas where the business is conducted.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment. Property, plant and equipment have been divided into major components when the components have substantially different useful lives. The depreciable amount is the cost less estimated residual value if this is material. Expenditures for repairs and maintenance are recognised as a cost in the period in which they arise.

Amortisation principles for property, plant and equipment, and intangible assets:

Scheduled depreciation/amortisation is based on the cost and estimated useful life of the assets. The straight-line method is used for all kinds of fixed assets. The residual value and useful life of the assets are assessed on each reporting date and adjusted if appropriate.

The following depreciation/amortisation periods have been applied:

Licences	10 years
Software	3–5 years
Buildings and land improvements	20–50 years
Plant and machinery	10–20 years
Equipment, tools, fixtures and fittings	5–10 years
Computers	3–5 years

IMPAIRMENT OF NON-FINANCIAL ASSETS

If, on an ongoing basis, there is a risk that the value of an asset has decreased, the asset is tested for impairment. For intangible assets that are not yet ready for use, the recoverable amount is calculated annually.

If it is not possible to identify substantially independent cash flows for an individual asset, the assets should be grouped for impairment testing to the lowest level at which significant dependent cash flows can be identified (a cash-generating unit). An impairment loss is recognised when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. An impairment charge is recognised in the income statement.

Impairment of assets is calculated in proportion to the assets included in the unit. The recoverable amount is the higher of the asset's net realisable value and its value in use. Value in use is the present value of future cash flows discounted at a rate based on the risk-free rate adjusted for the risk associated with the specific asset. For an asset that does not generate cash flows, the recoverable amount of the cash-generating unit to which the asset belongs is calculated.

At each reporting period it is determined whether there are indications that a previous impairment of an asset, wholly or partially, is no longer justified. If such indications are present the recoverable amount of the asset is calculated.

A previous impairment of an asset is reversed only if there has been a change in the assumptions that formed the basis for the determination of the recoverable amount when the most recent impairment was charged. If so, the carrying amount of the asset is increased to the recoverable amount. This increase is a reversal of an impairment.

PROVISIONS

A provision is recognised in the balance sheet where: there is a legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required in order to settle the obligation; and a reliable estimate can be made of the amount. Provisions for restructurings are made when there is a detailed formal plan for the restructuring and a valid expectation has been raised in those affected.

In cases where it is not expected that the provisions will be utilised within a twelve-month period, they are measured at the present value of the amount expected to be required to settle the obligation. A pre-tax discount rate is used in the calculations that reflects the current market assessment of the time value of money and those risks specific to the provision. The increase in the provision due to the passage of time is recognised as an interest expense.

TAXES

Income taxes recognised include tax that will be paid or received for the current period, adjustments for current tax for prior periods, as well as changes in deferred tax.

Tax assets/liabilities are measured at nominal amounts and in accordance with the tax provisions and tax rates established or where notice has been given and there is a high degree of certainty that they will be confirmed.

For items recognised in the income statement, any related tax effects are also recognised in the income statement. Tax effects of items credited directly to shareholders' equity are also recognised as equity. Tax relating to items reported in other comprehensive income is also reported in other comprehensive income.

Deferred tax is calculated and recognised according to the balance sheet liability method for all temporary differences arising between the tax base and the carrying amount of assets and liabilities, and also accumulated tax loss carryforwards. Deferred tax is calculated using the tax rates (and laws) that have been established or where notice has been given as of the reporting date and that are expected to apply when the relevant deferred tax asset is realised or the deferred tax liability is settled.

Estimated current tax liabilities are recognised in the balance sheet as current liabilities. Deferred tax liabilities/assets are recognised as non-current. Deferred tax assets are recognised as long-term receivables to the extent it is likely that a future tax surplus will be available.

REMUNERATION OF EMPLOYEES

With the exception of the ITP (supplementary pensions for salaried employees) plan, the Group only has defined contribution plans. The Group's payments in respect of defined contribution plans are recognised as a cost during the period when the employees performed the services to which the contribution relates.

The commitments for the retirement and family pensions of salaried office workers in Sweden are guaranteed through an insurance policy with Alecta, an ITP plan which according to a statement from the Swedish Financial Accounting Standard Council (UFR 3), is a defined benefit plan covering a number of employees. However, a disclosure in accordance with the provisions of Item 29 of IAS 19 cannot be made as the insurance provider is unable to provide the necessary information. Accordingly the ITP plan is recognised as a defined contribution plan in accordance with Item 30 of IAS 19. This year's pension insurance premiums according to ITP that are contracted with Alecta amount to 1 (2) MSEK. Alecta's surplus can be distributed to the policyholders and/or the insured parties. Alecta's surplus in the form of the collective consolidation level amounted to 163 percent (178 percent) at the end of 2024. The collective consolidation level comprises the market value of Alecta's assets as a percentage of the insurance commitments calculated according to Alecta's actuarial assumptions, which are not in line with IAS 19.

Rottneros has no share-related payment transactions with employees where the company receives services from employees as consideration for the Group's equity instrument.

EMISSION ALLOWANCES

Emission allowances received are recognised in accordance with the rules for government grants. Upon allocation, emission allowances are recognised as current receivables at cost, which are deemed to correspond to the market value of the emission allowances at the time of allocation. A corresponding amount is recognised as deferred income.

NOTES — GROUP

The deferred income is taken up as other operating income in pace with recorded receivables reducing and emissions being carried as an expense as raw materials and consumables. Revenue from emission allowances is recognised for emissions made at the value at which they were recognised on allocation. Any remaining emission allowances (not required to cover own emissions) are taken up as revenue when sold.

CASH FLOW STATEMENT

The cash flow statement is prepared in accordance with the indirect method. The reported cash flow only covers transactions involving cash receipts or payments. This means that there may be variances when compared with changes to individual items in the balance sheet.

FINANCIAL INSTRUMENTS

All financial instruments are initially measured at fair value plus transaction costs, except for those financial instruments that are measured at fair value through profit or loss for which the transaction costs are charged to expense when incurred. For these assets, transaction costs are expensed as incurred.

Financial assets are removed from the balance sheet when the right to receive cash flows from the asset has expired or been transferred and the Group has transferred substantially all risks and rewards associated with ownership.

Classification of financial assets

In accordance with IFRS 9, financial assets are classified and accounted for as either debt instruments, equity instruments or derivative instruments.

Financial assets and liabilities

The classification and measurement of financial assets and liabilities depends on the type of business model Rottneros applies regarding how the financial assets or liabilities are managed and administered. They are valued at either:

- Amortised cost
- Fair value through other comprehensive income
- Fair value through profit or loss

Accounts receivable

Accounts receivable are recognised initially at fair value and subsequently at amortised cost using the effective interest method.

Since the Group's accounts receivable are the significant financial assets that are liabilities to the counterparty and since the Group's business model for these is to receive principal, judgements of this type are normally not critical.

Equity instruments

All equity instruments are recognised at their respective fair values in the balance sheet and changes in fair value are recognised under financial income and expenses in the income statement. Holdings of instruments that represent equity for the counterparty (e.g. shareholdings) are classified at fair value through profit or loss if they are held for trading. Otherwise, an initial choice is made to recognise the instrument at fair value through profit or loss or through other comprehensive income.

Impairment of financial assets

The Group has no expected credit losses in all material respects on accounts receivable. The Group has no holdings in debt instruments recognised at fair value through other comprehensive income and for assets other than accounts receivable measured at amortised cost, potential expected credit losses are considered negligible. In the case of a loss allowance for trade receivables, they are always valued at an amount equal to the expected credit loss over the life of the receivable. Impaired accounts receivable are based on expected credit losses and consist of an individual assessment. The individual assessment takes into account the customer's current situation and other relevant circumstances such as credit insurance status, historical situation, geographical/political situation. An impairment loss is recognised as an expense in the income statement.

Accounts payable

Accounts payable are recognised initially at fair value and subsequently at amortised cost using the effective interest method.

Borrowing

Borrowing, including utilised credit facilities, is initially recognised at fair value, net after transaction costs. Borrowing is subsequently recognised at amortised cost, and any difference between the amount received (net after transactions costs) and the amount repaid is recognised in the income statement over the term of the loan applying the effective interest method.

Borrowing is classified as current liabilities unless the Group has an unconditional right to defer payment of the liability for at least twelve months after the reporting date.

Derivatives

Derivative instruments are recognised in the balance sheet on the contract date and are measured at fair value both initially and when they are subsequently revalued. The method for recording the gain or loss resulting from revaluation depends on whether the derivative has been designated as a hedging instrument. The Group uses derivatives to hedge the risk of exchange rate fluctuations and changes in pulp prices, and to hedge its exposure to changes in electricity prices.

All types of hedging are used from time to time to protect the value of future cash flows.

When the transaction is entered, the Group documents the relationship between the hedging instrument and the hedged item as well as the Group's risk management objectives and risk management strategy for such hedging. The Group also documents its assessment – both at the inception of the hedge and in subsequent periods – of whether the derivative instruments used in hedging transactions are effective as regards cash flows attributable to the hedged items.

A disclosure about a fair value for the various derivative instruments used for hedging purposes can be found in Note 6. The entire fair value of a derivative that constitutes a hedging instrument is classified as a fixed asset or long-term liability when the remaining term for the hedged item exceeds twelve months, and as a current asset or current liability when the remaining term for the hedged item is less than twelve months.

The effective portion of the changes in fair value of a derivative instrument that has been identified as a cash flow hedge and that meets the conditions for hedge accounting is recognised in other comprehensive income. Changes in the hedging reserve in shareholders' equity are shown in Note 18. The gain or loss relating to realised hedges is recognised in the income statement under the item "Net turnover" for pulp futures, "Other income" for currency futures and under the item "Raw materials and consumables" for electricity futures. The ineffective portion of a derivative instrument is recognised immediately in the income statement.

IMPORTANT ESTIMATES AND ASSUMPTIONS

When preparing financial statements, a number of important estimates must be made for accounting purposes, and the management team needs to make certain judgments when applying the Group's accounting policies. Estimates and judgments are evaluated on an ongoing basis and are based on historical experience and other factors, including expectations for future events that are deemed reasonable in the prevailing circumstances.

The Group makes estimates and assumptions about the future. The resulting estimates for accounting purposes, by definition, seldom correspond to the actual outcome. Valuation of property, plant and equipment and valuation of finished goods are areas that involve a high level of judgment on the part of Rottneros and where assumptions and estimates are of material importance for the consolidated accounts.

Valuation of property, plant and equipment

Significant assumptions and estimates related to property, plant and equipment include judgment of whether amounts are to be expensed

NOTES — GROUP

as maintenance or capitalised as an asset, assessment of the expected useful lives, the recoverable amount of the assets, identification of cash-generating units, the discount rate used in present value calculations, as well as assessing whether there is any indication that an asset may be impaired or that a previous impairment is no longer justified.

Valuation of finished goods

Inventories are measured at the lower of cost and net realisable value. The cost of finished goods also includes a reasonable share of indirect costs, based on normal production capacity. Incorrect assumptions in the calculation model would result in an incorrect cost allocation, affecting the valuation of finished goods and the recognised cost for goods sold.

NOTE 1. NET TURNOVER

Net turnover consists of the following:

	2025	2024
Sales of pulp	2,217	2,395
Results from pulp price hedging	0	-30
Sales of by-products and other	95	129
Sales of wood	227	216
Total	2,539	2,710

Revenue from the sales of Rottneros products is recognised at a specific point in time when control of the product is transferred to the customer. For each sales transaction there is only one performance obligation: delivery of the product in accordance with the terms of the sale.

Net turnover broken down by geographic markets:

	2025	%	2024	%
Sweden	594	23	632	23
Other Nordic countries	281	11	338	12
Germany	304	12	363	13
Italy	142	6	108	4
Rest of Europe	357	14	474	17
US	207	8	235	9
China	277	11	123	5
India	188	7	207	8
Rest of world	189	7	231	9
Total	2,539	100	2,710	100

In 2024, the Group's largest customer accounted for 7 (7) percent of turnover.

Breakdown of pulp turnover by end-use:

	2025	%	2024	%
Cartonboard	370	17	534	22
Printing & Writing	104	5	31	1
Filters	565	25	560	23
Electrotechnical	516	23	537	22
Tissue paper	255	12	261	11
Specialities	273	12	327	14
Fiber cement	62	3	78	3
Other	72	3	67	3
Total	2,217	100	2,395	100

NOTES — GROUP

NOTE 2. TRANSACTIONS WITH RELATED PARTIES

Arctic Paper S.A. (parent company of Rottneros AB) owned 55 percent of the shares in Rottneros AB at the end of the year. Arctic Paper S.A. is the parent company of the Arctic Paper S.A. group, of which Nemus Holding AB is the ultimate parent company. The following customers of Rottneros are part of the Arctic Paper S.A. Group and are recognised as related parties to Rottneros:

- Arctic Paper Grycksbo AB
- Arctic Paper Kostrzyn S.A.
- Arctic Paper Munkedals AB

The following table shows the total amount of transactions with the above-mentioned related parties that occurred in 2025 and 2024 respectively. Goods are sold on the same terms as for non-related parties.

Related party	Sales 2025	Sales 2024	Accounts receivable 31 Dec 2025	Accounts receivable 31 Dec 2024
Arctic Paper S.A. Group	40	11	7	0

Receivables for related parties derive in full from sales transactions, and no provisions have been made for doubtful receivables for related parties.

Transactions with persons discharging managerial responsibilities

Information on salaries, remuneration and other benefits to senior management can be found in note 7.

NOTE 3. OTHER OPERATING INCOME AND OTHER OPERATING EXPENSES

	2025	2024
Other operating income		
Licences	0	8
Currency return	0	26
Revenue from emission allowances	3	7
Insurance compensation	0	1
Electricity subsidy	0	0
Emission allowances sold	25	87
Other	8	5
Total	36	133
	2025	2024
Other operating expenses		
Currency return	-32	0
Profit/loss from non-current assets	0	-12
Total	-32	-12

NOTE 4. RAW MATERIALS AND CONSUMABLES

	2025	2024
Pulp wood	-1,384	-1,228
Chemicals	-223	-241
Electricity	-76	-93
Loss/gain from electricity price hedging contracts	16	10
Fuel	-97	-130
Other costs for raw materials and consumables	-111	-114
Total	-1,875	-1,795

NOTE 5. AUDIT EXPENSES

	2025	2024
Audit engagement, ÖPwC	1.7	1.6
Audit activities other than the audit assignment, ÖPwC	0.0	0.2
Other services, ÖPwC	0.5	0.5
Total	2.2	2.3

The accounting firm ÖPwC has been Rottneros' auditor since the Annual General Meeting on 27 April 2023. Rottneros has not purchased any material services beyond the audit engagement from the accounting firm elected by the AGM. Other services refer to tax related declaration services abroad.

NOTES — GROUP

NOTE 6. FINANCIAL INSTRUMENTS

Financial instruments for each category

	Fair value Hedge accounting		Fair value through other comprehensive income		Amortised cost		Total carrying amount		Fair value	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
MSEK										
Fair value hierarchy	Level 2		Level 3							
Other shares and participating interests	–	–	37	37	–	–	37	37	37	37
Non-current receivables	–	–	–	–	–	–	–	–	–	–
Derivatives	0	5			3	–	3	5	3	5
Accounts receivable	–	–	–	–	354	442	354	442	354	442
Other current receivables	–	–	–	–	0	3	0	3	0	3
Cash and cash equivalents	–	–	–	–	67	19	67	19	67	19
Total assets	0	5	37	37	424	465	461	507	461	507
Non-current interest-bearing liabilities	–	–	–	–	7	341	7	341	7	341
Current interest-bearing liabilities	–	–	–	–	399	71	399	71	399	71
Accounts payable	–	–	–	–	289	291	289	291	289	291
Derivatives	58	70	–	–	–	–	58	70	58	70
Other non-interest-bearing liabilities	–	–	–	–	–	4	–	4	–	4
Total liabilities	58	70	0	0	695	706	753	776	753	776

Financial instruments that are measured at fair value

The table above shows financial instruments measured at fair value, including the classification within the fair value hierarchy. The various levels are defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2).
- Inputs for assets or liabilities that are not based on observable market inputs (i.e., unobservable inputs) (Level 3).

Remeasurement is recognised through other comprehensive income.

Financial risks and risk management

The factors that have the greatest impact on the Group's result are associated with the price of pulp in USD, exchange rates and pulp wood and electricity prices.

Financial risk is managed at a Group level in accordance with guidelines defined in the Group's Financial Policy and approved annually by the Board of Directors. The Board of Directors makes decisions on overall mandates and limits for restricting the Group's financial risk exposures and also makes decisions on all long-term financing.

The Board of Directors approves hedging levels based on proposals from senior management. The management continually assesses whether factors such as the USD exchange rate, pulp price or electricity price present attractive opportunities for strategic hedging. Financial hedging instruments are not used speculatively, but solely to hedge transactions and calculations in accordance with the approved financial policy.

A more detailed description of opportunities and risks, together with a sensitivity analysis, can be found on pages 41–48.

Pulp price risk

The setting of prices in the pulp market is governed by international price levels that depend on demand and the global economy. Pulp price hedging is used when the price levels in long-term contracts are economically advantageous or when the market price is so low that further reductions may threaten the survival of the company. As a main rule, pulp prices are hedged in Swedish kronor. The company has no pulp price hedges as of the balance sheet date.

Foreign currency risk

Most invoices are issued in USD, EUR and SEK. The direct inflow of USD corresponds to just over 30 percent and of EUR about 10 percent of revenue. Because purchases are denominated in EUR, net exposure is very low. Minor hedging volumes of currency occurred in 2025, with conversions to SEK taking place continuously, and the exposure and exchange rate risk for balance sheet items in USD are assessed as low.

NOTES — GROUP

Credit risk

Credit risk arises through cash and cash equivalents, derivative instruments and deposits at banks and financial institutions. The Board of Directors also approves financial counterparties. Credit risk also arises through credit exposures in relation to customers. This risk is insured by credit insurance, with few exceptions. Rottneros' maximum credit risk exposure corresponds to the fair value of the financial assets according to the table "Financial instruments by category".

Pulp wood price risk

The Group does not hedge against market price fluctuations, but long-term supply agreements provide some stability to prices.

Electricity price risk

All external electricity for the mills is purchased directly via the Nord Pool electricity exchange. Electricity prices are quoted in EUR. In order to protect Rottneros' future electricity costs against sharp fluctuations and to achieve a predictable electricity price, future electricity prices are hedged in advance in Swedish kronor (SEK) according to a defined strategy.

Interest rate risk

In December 2024, Rottneros refinanced the existing long-term loan agreements. The agreement includes a loan of 400 MSEK with 69 MSEK in annual amortization, as well as revolving credits of up to 150 MSEK. The loan agreement has a term of three years with a one-year extension option. In addition, Rottneros has bank overdraft facilities totalling 225 MSEK. The Group's borrowing is shown in Note 19 on page 77. Interest rate risk is mainly related to the variable interest rate of the bank loan and the return on cash and cash equivalents. Assessment of interest rate risk is ongoing.

Liquidity and refinancing risk

The financing risk shall be minimised as far as possible by the due dates for loans and other credit facilities being well-diversified and evenly spread over time. Outstanding credit facilities shall be refinanced no later than three months before they fall due. The Group's target for the liquidity reserve is to be at least 10 percent of the Group's 12-month rolling turnover and to be available within 30 days. The Group continuously produces liquidity forecasts. In July 2025, the loan agreement was updated to include, among other things, a liquidity covenant and a profitability target that replace the original debt-to-equity covenant through 30 September 2026. At the end of 2025, Rottneros did not meet the profitability target, and the company therefore received a waiver for the fourth quarter of 2025. The waiver limits how the company can draw on the 150 MSEK revolving credit facility, and thus this amount has not been included in available liquidity.

At the same time, the non-current portion of the loans was reclassified as current. Due to the above, Rottneros does not meet the Group's target that the liquidity reserve shall amount to at least 10 percent of the Group's rolling 12-month net sales and be available within 30 days. Rottneros assesses that profitability will not recover to such an extent that the company fulfils the temporary covenant requirements during the coming quarters.

Against this background, the company is engaged in constructive dialogue with its lenders with the aim of strengthening its financial position and ensuring the long-term operations of the Group.

Derivatives

	2025		2024	
	Assets	Liabilities	Assets	Liabilities
MSEK				
Currency forwards	0	0	0	0
Pulp price forwards	0	0	–	–
Electricity price forwards	0	58	5	70
Total	0	58	5	70
Minus non-current portion:				
Electricity price forwards	0	-46	0	-63
Current portion	0	12	5	7

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.

Effects of derivatives in the income statement

MSEK	2025	2024
Cash flow hedges		
Currency hedges	0	0
Electricity hedges	18	10
Pulp price hedges	0	-30
Total	18	-20
Of which recognised against net turnover	0	-30
Of which recognised against raw material costs	18	10
Of which recognised against other income/expenses	0	0
Realised from equity through the income statement	18	-20
Inefficiency effects	0	0
Net effect in operating profit of cash flow hedges	18	-20

The ineffective portion, which is recognised in the income statement, was 0 (0) MSEK in respect of cash flow hedges. Regarding the PPA contracts, some ineffectiveness is assessed to exist, but it is not considered material and has not been recognised in accordance with IFRS 9 for 2025 or 2024.

Effects of financial hedges

MSEK	2025	2024
Electricity derivatives	0	-8
Net effect in financial items	0	-8

NOTES — GROUP

Cash flow hedging and reserve in equity 2025

MSEK	Opening balance	Recognised in other comprehensive income	Hedge transferred from equity to the income statement	Tax effect	Closing balance
Pulp price hedge	0	0	0	0	0
Electricity price hedge	-51	24	-18	-1	-46
Currency hedge	0	0	0	0	0
Total cash flow hedge reserve in equity	-51	24	-18	-1	-46

Cash flow hedging and reserve in equity 2024

MSEK	Opening balance	Recognised in other comprehensive income	Hedge transferred from equity to the income statement	Tax effect	Closing balance
Pulp price hedge	6	-37	30	1	0
Electricity price hedge	54	-123	-10	27	-51
Currency hedge	0	0	0	0	0
Total cash flow hedge reserve in equity	60	-159	20	28	-51

1) Electricity hedges reclassified from shareholders' equity to the income statement relate to -20 MSEK in hedges classified as financial in the 2024 income statement.

Derivative instruments, 31 December 2025

Hedging	Hedged volume	Maturity	Hedging level	Fair value, MSEK	Hedged share ¹
Currency, forward sell/buy (corridor)	22 MUSD	2026-01-2026-11	9.20–10.93 SEK/USD	0	–
Pulp price, forward sale, cash flow hedging	12,000 tonnes	2026	15,037 SEK/tonne	0	–
Electricity price, purchase cash flow hedging	504,207 MWh	2026-2033	0.505 SEK per kWh	-58	26%
Electricity price, financial	–	–	–	–	–
Total fair value				-58	

1) The hedged proportion refers to the hedged volume compared with the estimated volume for the same period.

Derivative instruments, 31 December 2024

Hedging	Hedged volume	Maturity	Hedging level	Fair value	Hedged share ¹
Currency, forward sell/buy (corridor)	31 MUSD	2025-01-2026-03	9.94–11.05 SEK/USD	0	–
Pulp price, forward sale, cash flow hedging	–	–	–	–	–
Electricity price, purchase cash flow hedging	714,011 MWh	2025-2033	0.496 SEK per kWh	-64	33%
Electricity price, financial	–	–	–	–	–
Total fair value				-64	

1) The hedged proportion refers to the hedged volume compared to the estimated volume for the same period.

The valuation is based on directly observable price quotations on 31 December that are classified at level 2 in the fair value hierarchy described in IFRS 13.

Liquidity risk, 31 December 2025

	Less than 3 months	3–12 months	1–5 years	Over 5 years
Interest-bearing liabilities	0	399	7	–
Accounts payable	289			
Total	289	399	7	0

Liquidity risk, as at 31 December 2024

	Less than 3 months	3–12 months	1–5 years	Over 5 years
Interest-bearing liabilities	17	52	341	–
Accounts payable	291			
Total	308	52	341	0

NOTES — GROUP

NOTE 7. PERSONNEL AND REMUNERATION

	2025		2024	
	Average no. of employees	of whom women %	Average no. of employees	of whom women %
Parent Company	19	42	23	44
Subsidiaries	259	15	262	16
Group, total	278	17	285	18
Of which				
Sweden	275	17	282	18
Latvia	3	67	3	67

Pay and other remuneration plus social security contributions:

	2025			2024		
	Pay and other remuneration	Social security contributions	(of which pension expenses)	Pay and other remuneration	Social security contributions	(of which pension expenses)
Parent Company	23	12	5	27	14	5
Subsidiaries	180	76	21	172	72	19
Group, total ¹	203	88	26	199	86	24

1) Of the Group's pension expenses, 4,4 (4,3) MSEK relate to CEOs and other senior executives.

Salaries and other remuneration broken down between the Board of Directors and CEOs, and other employees:

	2025			2024		
	Board of Directors, CEO and other senior executives	(of which variable remuneration)	Other employees	Board of Directors, CEO and other senior executives	(of which variable remuneration)	Other employees
Parent Company	12	0	12	15	1	12
Subsidiaries	6	1	174	2	0	170
Group, total	17	1	186	17	1	182

REMUNERATION OF SENIOR EXECUTIVES

Principles

The Chairman and members of the Board of Directors receive a fee as determined by the AGM. This fee is also for Board committee work. Employee representatives receive a fee as determined by the AGM for the time needed to read materials prior to meetings.

Remuneration for the CEO and other senior executives complies with the guidelines for the remuneration of senior executives adopted by the AGM. Remuneration consists of a fixed salary, any variable component of pay, other benefits and pension. The total remuneration package must be in line with market rates and competitive in the market in which the executives work. Fixed salary and variable remuneration are related to the responsibilities and powers held by each executive. "Other senior executives" currently means the eight people who make up Group management together with the CEO. See page 56 for the composition of Group management.

See page 39 in the Directors' Report for the "Guidelines for remuneration for senior executives".

Variable remuneration

The variable component of pay, which is cash, is based on outcomes in relation to defined and measurable targets and is capped in relation to fixed salary. These targets are broken down into specified quantitative objectives, mainly directed at financial objectives, results and cash flow of the Group, but also – in relation to Heads of Units – the respective business unit, as well as qualitative personal objectives, which mean that variable remuneration is related to the individual's efforts and performance.

Short term variable remuneration for the CEO is capped at 50 percent of fixed salary. Short term variable remuneration for other senior executives is capped at 30 percent of fixed salary.

The Board of Directors can impose conditions, restrict or decline to make variable remuneration payments in exceptional financial circumstances if the Board considers such measures to be reasonable and compatible with the duties of the company in relation to shareholders, employees and other stakeholders.

Pensions

The retirement age for the CEO is 65 years. Other senior executives are covered by current collective bargaining agreements between the Confederation of Swedish Enterprise and the Federation of Salaried Employees in Industry and Services (PTK) and have a retirement age of 65.

The CEO and certain other senior executives have chosen to take out a portion of their compensation in the form of capital pension through a so-called salary exchange. The consolidated and parent company balance sheets recognise a long-term receivable consisting of premiums paid to the insurance company and a corresponding non-interest bearing liability. The recognised liability is expected to fall due later than 5 years after the balance sheet date.

Termination of employment

In the event of termination by the company of the CEO's employment the notice period may not exceed eighteen months and for other members of the executive management the notice period may not exceed twelve months. When termination is made by the executive, the notice period may not exceed twelve months. When termination of the CEO's employment is made by the company, the CEO shall receive normal salary and other benefits during the notice period. In all other cases, no severance pay shall be paid.

Decision-making process

Issues related to executive remuneration are dealt with by the Remuneration Committee and, in the case of the CEO and the principles of executive remuneration, are decided by the Board of Directors. If the company in a particular case assigns an individual Board member tasks on behalf of the company over and above their regular board and committee duties, the Board shall determine the level of remuneration, which must be reasonable and in line with market rates.

NOTES — GROUP

Remuneration and other benefits in 2025 (MSEK)	Basic salary/ Directors' fees	Variable remuneration	Other benefits	Pension cost	Other remuneration	Total
Chairman of the Board Per Lundeen	0.7	–	–	–	–	0.7
Board members:						
Magnus Wikström	0.3	–	–	–	–	0.3
Roger Mattsson	0.3	–	–	–	–	0.3
Conny Mossberg	0.3	–	–	–	–	0.3
Johanna Svanberg	0.3	–	–	–	–	0.3
Julia Onstad	0.3	–	–	–	–	0.3
Chief Executive Officer Lennart Eberleh	3.7	–	0.1	1.3	0.1	5.2
Other senior executives (eight people)	10.8	0.7	0.6	3.1	0.5	15.7
Total	16.9	0.7	0.7	4.4	0.6	23.3

Remuneration and other benefits in 2024 (MSEK)	Basic salary/ Directors' fees	Variable remuneration	Other benefits	Pension cost	Other remuneration	Total
Chairman of the Board Per Lundeen	0.7	–	–	–	–	0.7
Board members:						
Magnus Wikström	0.3	–	–	–	–	0.3
Roger Mattsson	0.3	–	–	–	–	0.3
Conny Mossberg	0.3	–	–	–	–	0.3
Johanna Svanberg	0.3	–	–	–	–	0.3
Julia Onstad	0.3	–	–	–	–	0.3
Chief Executive Officer Lennart Eberleh	3.7	0.4	0.1	1.3	0.1	5.6
Other senior executives (eight people)	10.5	0.5	0.6	2.9	0.4	15.1
Total	16.5	0.9	0.7	4.3	0.5	23.0

Comments on the table

- Variable remuneration refers to what was charged to profit/loss for 2025 and 2024 respectively.
- Other benefits relate mainly to company cars and health insurance.
- There are two employee representatives and two deputies for the employees on the Board of Directors. The two representatives are Jerry Sohlberg and Mika Palmu and the two deputies are Jimmy Thunander and Jörgen Wasberg. The four representatives each received a fee of SEK 33,000 (32,000) per person for the time needed to read materials prior to meetings.
- The group of senior executives at the end of the year, totalling seven people, consisted of five men and two women. At the end of the year, the Board, with a total of nine members, consisted of seven men and two women.

NOTES — GROUP

NOTE 8. FINANCIAL INCOME AND EXPENSES

	2025	2024
Financial income		
External interest income	2	3
Dividends from external companies	1	1
Loss/gain from electricity price hedging	0	0
Total	3	4
Financial expenses		
Interest expenses	-25	-10
Impairment of financial assets	0	-1
Other financial items*	-4	-3
Change in value of financial derivatives	0	-8
Total	-29	-24

* Other financial items include a cost for a waiver relating to the company's covenants of 0.5 MSEK (0)

NOTE 9. INCOME TAXES

	2025	2024
Current tax	0	-13
Deferred tax	113	7
Tax attributable to previous years	0	0
Total	113	-7

Difference between reported tax expense and tax expense based on the applicable tax rate:

	2025	2024
Income for the year before tax	-565	27
Tax at applicable tax rate	114	-6
Tax effect of non-deductible items	-1	-1
Tax effect of non-taxable items	0	0
Tax attributable to previous years	0	0
Reported tax expense	113	-7

Tax rate

The applicable tax rate for 2025 was 20.6 percent (20.6).

Temporary differences

Temporary differences exist when the carrying amounts of assets or liabilities are different from their tax bases. Temporary differences relating to the following items have resulted in deferred tax assets (+) and deferred tax liabilities (-):

Group	Other temporary differences	Derivative instruments	Excess depreciation	Non-current liabilities	Total
As at 1 January 2024					
Recognised in income statement	0	4	2	0	6
Recognised in other comprehensive income	–	29	–	–	29
As at 31 December 2024	3	13	-139	0	-123
Recognised in income statement	-1	0	114	0	114
Recognised in other comprehensive income	–	-1	–	–	-1
As at 31 December 2025	2	12	-25	0	-11

The following table presents a summary of deferred tax assets and deferred tax liabilities. There are no current deferred tax assets or liabilities.

	2025	2024
Deferred tax assets, non-current	0	0
Deferred tax liabilities, long-term	-11	-123
Total	-11	-123

Deferred tax assets and tax liabilities are offset where there is a legal right to offset the tax assets and liabilities in question and when the deferred tax relates to the same tax authority. The following amounts resulted from such offset and have been recognised in the balance sheet:

	2025	2024
Deferred tax assets	6	6
Deferred tax liabilities	-17	-129
Total	-11	-123

The following table presents a summary of current tax assets and liabilities.

	2025	2024
Current tax assets	7	–
Current tax liabilities	0	-1
Total	7	-1

NOTES — GROUP

NOTE 10. INTANGIBLE ASSETS

	2025						2024					
Group	Software	Trademarks	Licences	Assets under development	Goodwill	Total	Software	Trademarks	Licences	Assets under development	Goodwill	Total
Opening cost	43	25	–	–	21	89	43	25	–	–	21	89
Acquisitions for the year	1	–	–	–	–	1	0	–	–	–	–	0
Acquisitions for the year ¹	–	–	–	–	–	–	–	–	–	–	–	–
Items transferred during the year	–	–	–	–	–	–	–	–	–	–	–	–
Closing accumulated cost	44	25	–	–	21	90	43	25	–	–	21	89
Opening depreciation/amortisation and impairment	-43	-25	–	–	–	-68	-43	-25	–	–	–	-68
Depreciation for the year	0	–	–	–	0	0	0	–	–	–	–	0
Items transferred during the year	–	–	–	–	–	–	–	–	–	–	–	–
Closing accumulated depreciation/amortisation and impairment losses	-43	-25	–	–	–	-68	-43	-25	–	–	–	-68
Closing residual value according to plan	1	–	–	–	21	22	0	–	–	–	21	21

1) Goodwill that is expected to be tax deductible amounts to 0.0 KSEK. No significant transaction costs have been incurred for this acquisition.

Impairment testing

Goodwill is tested annually for impairment. If an impairment loss is required, it is recognised in the amount by which the carrying amount exceeds the recoverable amount. The recoverable amount is the higher of net realisable value and value in use. Value in use is the present value of the estimated future cash flows. The cash flows have been based on financial plans established by Group management and approved by the Board of Directors, normally covering a period of five years. Cash flows beyond this period have been extrapolated using an estimated growth rate. Wherever possible, Rottneros uses external sources of information, however, the element of past experience is also significant as in some cases there are no external sources that can be used as a basis for assumptions and judgements without processing.

The calculation of the value in use is based on assumptions and judgements. The most significant assumptions relate to organic growth, operating margin development, the level of operating capital employed and the weighted average cost of capital (WACC), which is used to discount future cash flows. The discount rate used is pre-tax and reflects risks specific to the cash-generating unit.

The assumptions and judgements used in the impairment assessment are summarised below:

Percent	2025	2024
WACC	13.5	14
Estimated growth rate beyond the forecast period	2	2
Average growth rate over the forecast period	3.5	4
Operating margin over the forecast period	2.0 – 2.5	3.8 – 4.1

The result of the impairment assessment for goodwill indicates that there was no impairment of goodwill.

NOTES — GROUP

NOTE 11. PROPERTY, PLANT AND EQUIPMENT

Group	2025							2024						
	Land	Land improvements	Buildings	Machinery	Equipment	Const. in progress/ advances	Total	Land	Land improvements	Buildings	Machinery	Equipment	Const. in progress/ advances	Total
Opening cost	3	128	328	2,731	113	418	3,721	3	128	316	2,594	113	147	3,301
Acquisitions for the year	0	0	4	104	0	58	166	–	0	7	136	5	302	450
Sales/disposals	–	–	–	-2	-1	–	-3	–	–	0	-23	-7	–	-30
Through acquisitions	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Items transferred during the year	–	16	12	381	1	-410	0	–	0	5	24	2	-31	0
Closing accumulated cost	3	144	344	3,214	113	66	3,884	3	128	328	2,731	113	418	3,721
Opening depreciation	–	-49	-175	-1,801	-81	–	-2,106	–	-43	-162	-1,717	-81	–	-2,003
Sales/disposals	–	–	0	2	0	–	2	–	–	0	12	6	–	18
Depreciation for the year	–	-6	-13	-122	-5	–	-146	–	-6	-13	-96	-6	–	-121
Items transferred during the year	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Closing accumulated depreciation	–	-55	-188	-1,921	-86	–	-2,250	–	-49	-175	-1,801	-81	–	-2,106
Opening impairment losses	–	–	–	-26	-10	–	-36	–	–	–	-14	-10	–	-24
Impairment loss for the year	–	–	–	-140	–	–	-140	–	–	–	-12	–	–	-12
Sales/disposals	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Items transferred during the year	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Closing accumulated impairment losses, net	–	–	–	-166	-10	–	-176	–	–	–	-26	-10	–	-36
Closing residual value according to plan	3	89	156	1,126	17	65	1,457	3	79	153	904	22	418	1,579

1) As a result of a weak market for CTMP and consequently lower production at Rottneros Mill, the non-current assets at Rottneros Mill have been written down by 140 MSEK with the mill as a cash-generating unit and classified as Level 3 in the fair value hierarchy. Rottneros Mill produces CTMP and is regarded as a production line, and the impairment amount relates to machinery and technical equipment. No change has occurred in the definition of the cash-generating unit. The valuation was performed based on a discounted cash flow (DCF) model. Value in use has a discount rate of 11.4 (10.6) percent. During the forecast period, revenue growth is estimated at 16 percent per year and is based on third-party forecasts, the gross margin is projected to average 31.7 percent, and long-term growth amounts to 2 percent.

NOTES — GROUP

NOTE 12. PARTICIPATING INTERESTS IN ASSOCIATED COMPANIES

	2025	2024
Carrying amount at beginning of the year	61	66
Acquisition of associated companies	–	–
Share in associate's profit after tax	-10	-5
Carrying amount at year-end	51	61

Associated companies

2025	Country	Owned share, percent	Book value
Kostrzyn Packaging Spolka Z O.O	Poland	50	51
Total			51

2025	Revenue	Profit/loss	Assets	Liabilities	Shareholders' equity
Kostrzyn Packaging Spolka Z O.O	0	-20	168	62	106

2024	Country	Owned share, percent	Book value
Kostrzyn Packaging Spolka Z O.O	Poland	50	61
Total			61

2024	Revenue	Profit/loss	Assets	Liabilities	Shareholders' equity
Kostrzyn Packaging Spolka Z O.O	0	-9	168	39	129

NOTE 13. PLEDGED ASSETS

	2025	2024
Floating charges		
Pledged to Danske Bank	510	510
Shares in associated companies		
Pledged to Bank Polska Kasa Opieki S.A.	51	61
Deeds of trust		
Pledged to Danske Bank	379	–
Total	940	571

As at 31 December 2025, a part of the Group's and the parent company's mortgages were pledged to Danske Bank as security for the Group's credit facilities (225 MSEK and 150 MSEK), loans (296 MSEK) and for the Group's liabilities relating to derivative contracts for which Danske Bank is the counterparty. Shares in the associated company Kostrzyn Packaging Spolka Z O.O. have been pledged as collateral for loans with Bank Polska Kasa Opieki S.A.

As at 31 December 2024, a part of the Group's and the parent company's mortgages were pledged to Danske Bank as security for the Group's credit facilities (225 MSEK and 150 MSEK), loans (400 MSEK) and for the Group's liabilities relating to derivative contracts for which Danske Bank is the counterparty. Shares in the associated company Kostrzyn Packaging Spolka Z O.O. have been pledged as collateral for loans with Bank Polska Kasa Opieki S.A.

NOTE 14. INVENTORIES

	2025	2024
Raw materials and consumables	75	166
Spare parts, etc.	111	114
Finished goods inventories	371	347
Impairment, spare parts	-26	-24
Impairment, finished goods inventories	-55	-13
Total	476	590

NOTES — GROUP

NOTE 15. ACCOUNTS RECEIVABLE

	2025	2024
Accounts receivable, gross	354	442
Expected credit losses	–	–
Accounts receivable, net	354	442

Changes in the provision for expected credit losses are as follows:

	2025	2024
Opening balance	–	–
Receivables written off over the year as uncollectable	–	–
Closing balance	–	–

The carrying amounts of accounts receivable are the same as the fair values and correspond to nominal amounts. No receivables have been provided as collateral for liabilities or contingent liabilities.

As of 31 December 2025, accounts receivable amounting to 62 (66) MSEK were past due without any impairment being considered necessary. These refer to a number of independent customers that have previously not had any difficulties in meeting their payment obligations. These receivables are also covered by credit insurance, which recovers most of any bad debt losses. The ageing analysis of these accounts receivable is as follows:

	2025	2024
Accounts receivable that are not due	294	376
Less than 30 days from due date	48	66
2 to 3 months from due date	5	1
3 to 9 months from due date	6	-1
Total	354	442

Carrying amounts, by currency, for accounts receivable are as follows:

	2025	2024
USD	100	109
EUR	54	69
SEK	200	264
Other currencies	0	0
Total	354	442

NOTE 16. OTHER CURRENT RECEIVABLES

	2025	2024
Emission allowances	-3	5
VAT receivables	41	39
Receivables from suppliers	14	15
Other receivables	10	10
Prepaid expenses and accrued income:		
Prepaid insurance premiums	8	9
Other prepaid expenses	12	9
Accrued income	3	4
Total prepaid expenses and accrued income	23	22
Total	85	91

NOTE 17. CASH AND CASH EQUIVALENTS

	2025	2024
Cash and bank balances	67	19

None of the cash and cash equivalents were blocked or pledged at the end of the year.

NOTE 18. SHAREHOLDERS' EQUITY

Management of capital risk

Rottneros' objective in respect of capital structure is to ensure that the Group is able to continue its operation so that it can continue to generate returns for its shareholders while creating benefits for other stakeholders, and to maintain an optimal capital structure as a means of keeping the cost of capital down.

To maintain or adjust the capital structure, the Group may raise new debt, change the dividend paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

In the same way as other companies in the industry, the Group estimates its capital on the basis of its debt/equity ratio. This key ratio is defined as interest-bearing net debt/cash divided by shareholders' equity.

The Group's debt/equity ratio as of 31 December 2025 was 22 (23) percent.

NOTES — GROUP

NOTE 19. INTEREST-BEARING LIABILITIES

	2025	2024
Bank loans	402	406
Lease liability	5	6
Due for payment:		
Within one year	402	71
Later than one year but within five years	5	341
Later than five years	0	0

Changes in interest-bearing liabilities

	2025	2024
Opening balance	412	92
Changes included in cash flow from financing activities:		
Long-term loans taken out from banks	0	409
Amortization of long-term loans taken out from banks	-105	-91
Change in credit facilities	100	2
Total changes included in cash flow from financing activities	-5	320
Other changes:		
Lease liability	-2	-2
Accrual of direct costs	2	2
Total other changes	0	0
Closing balance	407	412

Bank loans

In July 2025, the loan agreement was updated to include, among other things, a liquidity covenant and a profitability target that replace the original debt-to-equity covenant through 30 September 2026. At the end of 2025, Rottneros did not meet the profitability target, and the company therefore received a waiver for the fourth quarter of 2025. The waiver limits how the company can draw on the 150 MSEK revolving credit facility, and thus this amount has not been included in available liquidity. At the same time, the non-current portion of the loans was reclassified as current.

The market value of the loan amounts to 407 MSEK at the balance sheet date.

Credit facilities

As at 31 December 2025, the Group utilised 103 (2) MSEK of its credit facilities. The unused overdraft facility amounted to 122 (223) MSEK as at 31 December 2025.

As at 31 December 2025, the parent company had utilised 48 (0) MSEK of its credit facilities. The unused overdraft facility amounted to 85 (133) MSEK as at 31 December 2025.

Bank overdraft facilities are available denominated in the currencies SEK, USD and EUR. Interest rate on balance sheet date was as follows:

	2025			2024		
Percent	SEK	USD	EUR	SEK	USD	EUR
Bank overdraft facilities	3.06	5.11	3.35	3.64	5.77	4.25

NOTE 20. ACCOUNTS PAYABLE

Carrying amounts, by currency, for accounts payable are as follows:

	2025	2024
SEK	245	242
EUR	38	40
USD	6	9
Total	289	291

The carrying amounts of accounts payable are the same as the fair values and correspond to nominal amounts.

NOTE 21. OTHER NON-INTEREST-BEARING LIABILITIES

	2025	2024
Other liabilities	22	23
Accrued expenses and deferred income:		
Holiday pay liability	33	31
Social security contributions	10	8
Payroll liability	8	9
Raw material cost and input goods	109	109
Emission allowances	-3	5
Other accrued expenses	69	56
Total accrued expenses and deferred income	227	219
Total	249	248

NOTE 22. CONTINGENT LIABILITIES

The Group has contingent liabilities for guarantees amounting to 138 (141) MSEK.

NOTE 23. EVENTS AFTER THE END OF THE PERIOD AND OTHER DISCLOSURES

No significant events after the end of the financial year have been noted that would affect the financial statements as at 31 December 2025.

See the "Opportunities and Risk" section on pages 41 to 48 for disclosures about risks faced by the company.

FINANCIAL REPORTING — PARENT COMPANY

Statements of income – parent company

PARENT COMPANY INCOME STATEMENT 1 JANUARY – 31 DECEMBER

Amounts in MSEK	Note	2025	2024
NET TURNOVER	24	32	23
Other operating income	25	1	1
Operating income, total		33	24
External costs	26	-29	-38
Employee benefit expenses	7	-38	-40
Other operating expenses	25	0	-49
EBITDA (operating profit/loss before depreciation/amortisation and impairment)		-34	-103
Depreciation/amortisation and impairment losses		-1	-1
EBIT (operating profit/loss)		-34	-104
Profit from participations in Group companies	27	31	108
Financial income	27	22	35
Financial expenses	27	-26	-12
Total financial items		27	132
PROFIT/LOSS AFTER FINANCIAL ITEMS		-7	28
Tax on profit for the year	28	-1	-7
NET INCOME		-8	21

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME 1 JANUARY – 31 DECEMBER

Amounts in MSEK	Note	2025	2024
NET INCOME		-8	21
Other comprehensive income			–
TOTAL COMPREHENSIVE INCOME		-8	21

FINANCIAL REPORTING — PARENT COMPANY

Balance sheet – parent company

PARENT COMPANY ASSETS, 31 DECEMBER

Amounts in MSEK	Note	2025	2024
Non-current assets			
Intangible assets	29	1	0
Property, plant and equipment		2	2
Other financial assets	30	1,305	704
Deferred tax		3	4
Total non-current assets		1,311	710
Current assets			
Current receivables	32	559	1,154
Cash and cash equivalents	33	58	2
Total current assets		616	1,156
TOTAL ASSETS		1,927	1,867

PARENT COMPANY SHAREHOLDERS' EQUITY AND LIABILITIES, 31 DECEMBER

Amounts in MSEK	Note	2025	2024
Shareholders' equity	34		
Share capital		268	153
Statutory reserve		440	440
Share premium reserve		444	268
Retained earnings, incl. net income for the year		156	164
Total shareholders' equity		1,307	1,025
Non-current liabilities			
Interest-bearing liabilities	35	297	331
Non-interest-bearing liabilities		11	20
Total non-current liabilities		307	351
Current liabilities			
Accounts payable	36	1	2
Interest-bearing liabilities	35	48	69
Current tax liability	28	0	12
Other non-interest-bearing liabilities	37	263	408
Total current liabilities		312	491
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		1,927	1,867

Statement of changes in shareholders' equity – parent company

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY – PARENT COMPANY, 2024

Amounts in MSEK	Share capital	Statutory reserve	Share premium reserve	Retained earnings, incl. profit/loss for the year	TOTAL SHAREHOLDERS' EQUITY
Opening balance as at 1 January 2024	153	440	268	219	1,080
Total comprehensive income				21	21
Dividends to shareholders				-76	-76
CLOSING BALANCE AS AT 31 DECEMBER 2024	153	440	268	164	1,025

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY – PARENT COMPANY, 2025

Amounts in MSEK	Share capital	Statutory reserve	Share premium reserve	Retained earnings, incl. profit/loss for the year	TOTAL SHAREHOLDERS' EQUITY
Opening balance as at 1 January 2025	153	440	268	164	1,025
Total comprehensive income				-8	-8
New issue	115		175		290
CLOSING BALANCE, 31 DECEMBER 2025	268	440	444	156	1,307

FINANCIAL REPORTING — PARENT COMPANY

Statements of cash flows – parent company

PARENT COMPANY STATEMENTS OF CASH FLOWS 1 JANUARY – 31 DECEMBER

Amounts in MSEK	Note	2025	2024
EBIT		-34	-104
Adjustment for items not included in cash flow			
Depreciation/amortization and impairment losses		1	1
Adjustment for other items not included in cash flow		-3	19
EBIT adjusted for items not affecting cash flow		-36	-84
Interest received		22	23
Interest paid		-26	-12
Received/paid taxes		-14	-31
Cash flow from operating activities before changes in working capital		-54	-104
Change in working capital			
Change in current receivables		599	-354
Change in current liabilities (non-interest-bearing)		-22	-85
Total changes in working capital		576	-439
CASH FLOW FROM OPERATING ACTIVITIES		522	-543

Amounts in MSEK	Note	2025	2024
Investments in intangible assets	29	-1	–
Investments in property, plant and equipment		0	0
Property, plant and equipment sold		0	1
Investments in financial assets	30	0	0
Group contributions received	27	0	133
Realised derivatives	27	0	12
Change in other non-current receivables		-271	–
Shareholder contributions to subsidiaries		-300	–
CASH FLOW FROM INVESTING ACTIVITIES		-572	146
Repayment of loans	35	-104	-91
Borrowings	35	0	408
Change in credit facilities		48	–
Dividend paid		–	-76
Group liabilities		-130	–
New issue		290	–
CASH FLOW FROM FINANCING ACTIVITIES		105	241
NET CASH FLOW		56	-156
Cash and cash equivalents at the beginning of the year		2	158
Cash and cash equivalents at year-end	33	58	2
Granted and unutilised credit facilities		143	283

Supplementary disclosures and notes – parent company

ACCOUNTING POLICIES AND VALUATION PRINCIPLES

The parent company applies the same accounting policies as the Group, with the following exceptions. Derivatives are recognised during the term of the contract at the lower of cost and fair value. Participating interests in subsidiaries are carried at cost less any impairment losses.

Group contributions that the parent company receives from a subsidiary are recognised in the parent company as ordinary dividends from subsidiaries in accordance with RFR 2. This means that the group contribution is recognised as financial income. Tax on group contributions is reported in the income statement in accordance with RFR 2.

Group contributions made by the parent company to subsidiaries are recognised according to the main approach in RFR 2 as an increase in participating interests in subsidiaries. At the same time, a review is conducted to determine whether a need for impairment is present relating to the participating interests in subsidiaries that have received group contributions. The tax effect is reported in accordance with IAS 12, i.e., in the income statement. All lease agreements are recognised as operating leases.

NOTE 24. NET TURNOVER

Net turnover consists of the following:

	2025	2024
Results from pulp price hedging	–	–
Management fees received	32	23
Total	32	23

NOTE 25. OTHER OPERATING INCOME AND EXPENSES

	2025	2024
Other operating income		
Exchange rate effects	0	0
Other income group companies	1	1
Other	0	0
Total	1	1

	2025	2024
Other operating expenses		
Currency return	-3	–
Revaluation of electricity hedging contracts	3	-19
Loss/gain from pulp price hedging contracts	0	-30
Total	0	-49

NOTES — PARENT COMPANY

NOTE 26. AUDIT EXPENSES

	2025	2024
Audit engagement, PwC	0.8	0.8
Audit activities other than the audit assignment, PwC	0.2	0.2
Total	1.0	1.0

The accounting firm PwC has been Rottneros' auditor since the Annual General Meeting on 27 April 2023. Rottneros has not purchased any material services beyond the audit engagement from the accounting firm elected by the AGM.

NOTE 27. FINANCIAL INCOME AND EXPENSES

	2025	2024
Financial income		
External interest income	1	2
Interest income from subsidiaries	21	21
Share of profit from subsidiaries	31	–
Loss/gain from electricity price hedging	–	12
Group contributions received/paid	–	108
Total	53	143
Financial expenses		
Interest expenses	-23	-12
	-3	–
Total	-26	-12

NOTE 28. INCOME TAXES

	2025	2024
Current tax	0	-10
Deferred tax	-1	4
Tax attributable to previous years	0	-1
Total	-1	-7

Difference between reported tax expense and tax expense based on the applicable tax rate:

	2025	2024
Income for the year before tax	-7	28
Tax at applicable tax rate	1	-6
Tax effect of non-deductible items	-1	-4
Tax effect of non-taxable items	7	0
Tax attributable to temporary differences	-1	4
Unrecognised deferred tax assets on tax loss carryforwards	-7	–
Reported tax expense	-1	-7

The following table presents a summary of current tax assets and liabilities.

	2025	2024
Current tax assets	2	–
Current tax liabilities	–	-12
Total	2	-12

NOTES — PARENT COMPANY

NOTE 29. INTANGIBLE ASSETS

	2025			2024		
	Software	Assets under development	Total	Software	Assets under development	Total
Opening cost	18	0	18	18	0	18
Acquisitions for the year	1	–	1	0	–	–
Items transferred during the year	–	–	–	–	–	–
Closing accumulated cost	19	0	19	18	0	18
Opening depreciation/amortisation and impairment losses	-18	0	-18	-18	0	-18
Depreciation for the year	0	–	0	0	–	0
Items transferred during the year	–	–	–	–	–	–
Closing accumulated depreciation/amortisation and impairment losses	-18	0	-18	-18	0	-18
Closing residual value according to plan	1	–	1	0	–	0

NOTES — PARENT COMPANY

NOTE 30. OTHER FINANCIAL ASSETS

	2025	2024
Participating interests in Group companies	548	327
Share of joint venture	66	66
Share in joint venture	28	28
Other non-current receivables	0	0
Receivables from Group companies	663	283
Closing residual value according to plan	1,305	704

Participating interests in Group companies are specified below for the parent company.

Parent company holdings	Corp. ID no.	Reg. office	No. of participating interests	Votes/share of equity %	Book value	
					2025	2024
Vallviks Bruk AB	556445-8163	Söderhamn	415,000	100	251	101
Rottneros Bruk AB	556014-4502	Sunne	2,100,000	100	239	89
Rottneros Packaging AB	556307-5356	Stockholm	10,000	100	26	26
Utansjö Bruk AB	556012-7994	Härnösand	500,000	100	0	79
SIA Rottneros Baltic	319 171	Latvia	100	100	6	6
Nykvist Skogs AB	556378-8735	Gräsmark	1,000	100	26	26
Total					548	327

	2025	2024
Participating interests in Group companies	872	872
Opening cost	300	–
Acquisitions and capital injections during the year	-79	
Closing accumulated cost	1,093	872
Opening impairment losses	-545	-545
Closing accumulated impairment losses, net	-545	-545
Closing book value	548	327

NOTES — PARENT COMPANY

NOTE 31. PLEDGED ASSETS

	2025	2024
Floating charges		
Pledged to Danske Bank	275	275
Shares in subsidiaries and associates		
Shares in K-pack – Pledged to Bank Polska Kasa Opieki S.A.	66	66
Shares in Vallviks Bruk AB (49%) – Pledged to Danske bank	123	–
Shares in Rottneros Bruk AB (100%) – Pledged to Danske bank	239	–
Deeds of trust		
Promissory note to Danske Bank	942	–
Held by the company	–	–
Total	1,645	341

NOTE 32. OTHER CURRENT RECEIVABLES

	2025	2024
Receivables from subsidiaries	550	1,139
Emission allowances	–	–
Other receivables	3	0
Prepaid expenses and accrued income:		
Prepaid insurance premiums	–	9
Other prepaid expenses	3	3
Accrued income	3	3
Total prepaid expenses and accrued income	6	15
Total	559	1,154

NOTE 33. CASH AND CASH EQUIVALENTS

	2025	2024
Cash and bank balances	58	2

NOTE 34. SHAREHOLDERS' EQUITY

Share capital and number of shares

Group and parent company	Number of shares ¹	Share capital
As at 31 December 2025	267,000,868	268
As at 31 December 2024	152,571,925	153

1) Excluding the parent company's holdings of treasury shares.

Average number of shares outstanding 2025	209,786,397
Average number of shares outstanding 2024	152,571,925

All shares are of the class 'ordinary shares' and have a quota value of 1 SEK per share. All shares are fully paid up.

The parent company's holdings of treasury shares amounts to 821,965 (821,965) ordinary shares, with a total nominal value of 822,000 SEK.

Share-related incentive programmes

There were no share-related incentive programmes for the Group on 31 December 2025 and 2024.

Dividend for financial year 2024

The Annual General Meeting of 10 April 2025 resolved that no dividend would be paid.

Proposed appropriation of profits

The Board will propose to the Annual General Meeting that no dividend be distributed for the 2025 financial year.

Funds available for appropriation by the Annual General Meeting:

Retained earnings	607,995,795
Net profit for the year	-7,935,755
Total SEK	600,060,040

The Board of Directors Proposes:

To be distributed to shareholders	0
To be carried forward	600,060,040
Total SEK	600,060,040

NOTES — PARENT COMPANY

NOTE 35 INTEREST-BEARING LIABILITIES

	2025	2024
Bank loans	0	400
Lease liability		
Due for payment:		
Within one year	296	69
Later than one year but within five years	0	331
Later than five years	–	–
Changes in interest-bearing liabilities		
	2025	2024
Opening balance	400	83
Changes included in cash flow from financing activities:		
Long-term loans taken out from banks	0	400
Amortization of long-term loans taken out from banks	-103	-83
Change in credit facilities	48	–
Total changes included in cash flow from financing activities	345	400
Other changes:		
Lease liability	–	–
Accrual of direct costs	–	–
Total other changes	0	0
Closing balance	345	400

NOTE 36. Accounts payable

Carrying amounts, by currency, for accounts payable are as follows:

	2025	2024
SEK	1	2
EUR	–	–
USD	–	–
Total	1	2

NOTE 37. OTHER NON-INTEREST-BEARING LIABILITIES

	2025	2024
Liabilities to subsidiaries	250	398
Other liabilities	7	1
Accrued expenses and deferred income:		
Holiday pay liability	3	6
Social security contributions	2	0
Payroll liabilities	1	–
Other accrued expenses	0	3
Total accrued expenses and deferred income	6	8
Total	263	408

FINANCIAL REPORTING

Declaration by the Board of Directors

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and give a true and fair view of the Group's financial position and performance. The Annual Report has been prepared in accordance with generally accepted accounting principles and gives a true and fair view of the parent company's financial position and results of operations. The Directors' Report for the Group and the Parent Company gives a true and fair view of the development of the Group's and the Parent Company's operations, financial position and results, and describes significant risks and uncertainties faced by the Parent Company and the companies included in the Group.

The Annual Report and consolidated financial statements have been signed and approved for publishing by the Board of Directors on 20 April 2026.

Sunne, 20 April 2026

Rottneros AB (publ) corporate identity number 556013-5872

Per Lundeen

Chairman of the Board

Michał Jarczyński,
Board member

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

Per Bjurbom,
President and CEO

Our audit report was issued on 20 April 2026
Öhrlings PricewaterhouseCoopers AB

Bo Karlsson
Authorised Public Accountant
Partner in Charge

Daniel Körner Rask
Authorised Public Accountant

AUDITOR'S REPORT

Auditor's report

To the general meeting of the shareholders of Rottneros AB (publ),
corporate identity number 556013-5872

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Rottneros AB (publ) for the year 2025 except for the corporate governance statement on pages 50–54. The annual accounts and consolidated accounts of the company are included on pages 36–48 and 50–89 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2025 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2025 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 50–54. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014/EU) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014/EU) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Audit approach

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where the Board of Directors and the Managing Director made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the group, the accounting processes and controls, and the industry in which the group operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

REVENUE RECOGNITION

KEY AUDIT MATTER

Rottneros' description and information regarding revenue recognition can be found in Note 1 Net sales and in Accounting and valuation principles. The Group's revenue for 2025 amounted to SEK 2,539 million. Revenue from the sale of goods is recognized in the income statement when control over significant risks and rewards associated with ownership of the goods has been transferred to the buyer, which occurs in connection with delivery in accordance with the applicable freight terms. Freight terms may differ between different customers, which is why ownership may be transferred before or after actual delivery of goods. Rottneros' main revenue streams arise from the sale of pulp and by-products and wood. Revenue is recognized at the fair value of what has been received or will be received. Revenue in the income statement refers to revenue from the sale of goods and invoiced freight and is recognized net of returns, discounts, pulp price hedges and value added tax. We therefore consider the accrual of revenue to be a particularly significant area in our audit.

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

Our audit has included the following elements, among others.

- We have mapped and assessed selected systems and processes for revenue recognition, including the recognition of accounts receivable and the controls in place to address the risk that revenue is recognized at the wrong time.
- We have evaluated whether the company's accounting principles are consistent with IFRS.
- We have also checked, through random sampling, whether reported revenue is recognized in accordance with the group's principles and is consistent with underlying documents such as invoices, shipping terms and conditions and waybills.
- We have conducted an analytical review of the company's revenue recognition in order to find abnormal fluctuations or unreasonable conditions.
- We have reviewed the information provided in the annual report against the accounting records and other accounting information.

AUDITOR'S REPORT

VALUATION OF FINISHED GOODS INVENTORIES

KEY AUDIT MATTER

Rottneros' description and information regarding the accounting of inventories can be found in Note 14 Inventories and in Accounting and valuation principles, and in particular under Important estimates and judgments. As stated in Note 14 of the annual report, inventories of finished goods are reported at SEK 371 million in the consolidated balance sheet as of December 31, 2025. Inventories are valued at the lower of acquisition value and Net realizable value. In 2025, an impairment of finished goods inventories was carried out by SEK 55 million. The acquisition value of finished goods inventories is reported at production cost less any obsolescence. Valuation at production cost is carried out using calculation models where direct and indirect production-related costs are attributed to manufactured products. An incorrect calculation of the production cost would affect the valuation of the inventory and the reported cost of products sold during the financial year. When determining whether the net realizable value is less than the acquisition value, Rottneros needs to make assessments of the price levels at which the reported inventory will be able to be sold. Accordingly, we consider the valuation of finished goods inventory to be a particularly significant area in our audit.

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

Our audit has included the following elements.

- Mapped and evaluated selected systems and processes for inventory accounting and tested a selection of key controls for determining inventory volumes and for determining book values. We have obtained an assessment of the inventory process as a whole with a focus on valuation principles and the company's controls to address valuation risk.
- On a sample basis, tested raw material inventories against actual purchase prices and evaluated the reasonableness of product calculations for the finished goods inventory.
- Participated in inventories at warehouse locations.
- We have reviewed the company's control over the application of the lower of cost principle.
- We reviewed the basis for the impairment carried out during the year, including an assessment of whether the impairment is complete, correctly calculated and correctly reported in accordance with applicable accounting principles.
- We have examined in detail, on a sample basis, that the inventory items have been sold at a value that is equal to or higher than the book value.
- We have also reviewed the manufacturing cost through sample checks against purchase invoices and production calculations.
- We have conducted an analytical review of the inventory in order to find abnormal fluctuations or unreasonable conditions.
- We have reviewed the information provided in the annual report against the accounting and other accounting information.

VALUATION OF TANGIBLE FIXED ASSETS

KEY AUDIT MATTER

Rottneros' description and information regarding the accounting of fixed assets can be found in Note 11 Tangible Fixed Assets and in Accounting and Valuation Principles, and in particular under Important estimates and judgments. As shown in Note 11 of the annual report, tangible fixed assets amount to SEK 1,457 million in the consolidated balance sheet as of December 31, 2025. Tangible fixed assets are reported at cost less accumulated depreciation and any impairment losses. During 2025, impairment losses of tangible fixed assets of SEK 140 million were carried out. If it is assessed on an ongoing basis that there is a risk that the value of an asset has decreased, the asset is tested to assess whether it needs to be written down. Valuation of tangible fixed assets is carried out via impairment testing where the assets are grouped to the lowest level where it is possible to identify significant dependent cash flows (a cash-generating unit). An incorrect assessment of the valuation of a tangible fixed asset affects the valuation of the asset and the cost in the income statement. Therefore, we consider the valuation of tangible fixed assets to be a particularly significant area in our audit.

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

Our audit has included the following elements, among others.

- Mapped and evaluated selected systems and processes for capitalization, depreciation and impairment testing of tangible fixed assets
- For impairment testing, we have assessed the calculation model used by the company
- We have reconciled and reviewed important assumptions against the company's forecasts and strategic plans per cash-generating unit that are included in the financial plan approved by the board of directors.
- We have analyzed how well previous years' assumptions have been achieved and analyzed any adjustments that have been made to assumptions from previous years, as a result of the development of the business and external factors
- We have tested the sensitivity of the most important assumptions to assess the risk that an impairment requirement would arise
- Random review of significant investments and verified against underlying documentation (supplier invoices, project reports and contracts)
- We have conducted an analytical review of fixed assets with the aim of finding abnormal fluctuations or unreasonable conditions.
- We have involved valuation specialists in the assessment of the suitability of valuation methods and relevant assumptions in impairment testing.
- We have reviewed the information provided in the annual report against the accounting records and other accounting information.

Other information than the annual accounts and the consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–35, 49, 94 and 98–104 and the statutory sustainability report on pages 26–35 and 95–97. The other information also consists of the Remuneration Report which we received before the issuance of this audit opinion. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Directors responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate,

AUDITOR'S REPORT

they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Swedish Inspectorate of Auditors' website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The auditor's examination of the administration of the company and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Rottneros AB (publ) for the year 2025 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group' equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures

that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Swedish Inspectorate of Auditors' website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

THE AUDITOR'S EXAMINATION OF THE ESEF REPORT

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Rottneros AB (publ) for the financial year 2025.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for Opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Rottneros AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors (and the Managing Director)

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts [and consolidated accounts]. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

AUDITOR'S REPORT**THE AUDITOR'S EXAMINATION OF
THE CORPORATE GOVERNANCE STATEMENT**

The Board of Directors is responsible for that the corporate governance statement on pages 50–54 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act

Öhrlings PricewaterhouseCoopers AB, 113 97 Stockholm, was appointed auditor of Rottneros AB (publ) by the general meeting of the shareholders on the 10 April 2025 and has been the company's auditor since the 27 April 2023.

Gothenburg 20 April 2026

Öhrlings PricewaterhouseCoopers AB

Bo Karlsson
Authorized Public Accountant
Partner In Charge

Daniel Körner Rask
Authorized Public Accountant

Auditor's report on the statutory sustainability report

To the annual meeting of the shareholders in Rottneros AB
(publ) corporate identity number 556013-5872

Engagement and responsibility

The Board of Directors is responsible for the sustainability report for the year 2025 on pages 26–35 and 95–97 and that it has been prepared in accordance with the Annual Accounts Act in accordance with the older wording that applied before 1 July 2024.

Scope of the audit

Our examination was conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinion

A statutory sustainability report has been prepared.

Gothenburg 20 April 2026

Öhrlings PricewaterhouseCoopers AB

Bo Karlsson
Authorized Public Accountant
Partner In Charge

Daniel Körner Rask
Authorized Public Accountant

OTHER

SUSTAINABILITY DATA

Environmental data

PRODUCTION						
		2025	2024	2023	2022	2021
Rottneros Mill	tonnes	98,400	121,900	122,100	171,600	172,900
Vallvik Mill	tonnes	233,000	218,800	229,600	225,600	222,400

EMISSIONS TO AIR						
		2025	2024	2023	2022	2021

SULPHUR						
Rottneros Mill	tonnes/year	3.0	2.6	2.4	2.2	1.6
Vallvik Mill	tonnes/year	52	41	50	44	51

NOX						
Rottneros Mill	tonnes/year	25	32	31	33	36
Vallvik Mill	tonnes/year	312	310	325	323	354

EMISSIONS TO WATER						
		2025	2024	2023	2022	2021

SUSPENDED SUBSTANCES						
Rottneros Mill	tonnes/year	103	129	122	148	148
Vallvik Mill	tonnes/year	452	408	388	321	421

COD						
Rottneros Mill	tonnes/year	2,494	2,047	2,418	3,678	2,936
Vallvik Mill	tonnes/year	2,921	2,772	2,592	3,063	3,054

AOX						
Vallvik Mill	tonnes/year	11	9	10	10	11

PHOSPHORUS						
Rottneros Mill	tonnes/year	0.3	0.3	0.4	0.4	0.7
Vallvik Mill	tonnes/year	6.3	5.8	6.3	5.7	6.4

NITROGEN						
Rottneros Mill	tonnes/year	16	16	17	23	22
Vallvik Mill	tonnes/year	24	23	22	19	26

CHLORATE						
Vallvik Mill, ECF	tonnes/year	26	36	37	76	48

SUSTAINABILITY DATA

ELECTRICITY CONSUMPTION						
		2025	2024	2023	2022	2021
ROTTNEROS MILL						
Electricity generated at mills	GWh	2	0			
– of which fossil-free electricity	GWh	2	0			
Electricity purchased	GWh	124	159	166	254	261
– of which fossil-free electricity	GWh	83	34	60	114	124
VALLVIK MILL						
Electricity generated at mills	GWh	135	118	130	118	134
– of which fossil-free electricity	GWh	134	117	129	117	132
Electricity purchased	GWh	39	52	45	54	39
– of which fossil-free electricity	GWh	18	11	16	24	18
PULP MILLS, TOTAL						
Electricity generated at mills	GWh	137	118	130	118	134
– of which fossil-free electricity	GWh	136	117	129	117	132
Electricity purchased	GWh	163	211	211	307	300
– of which fossil-free electricity	GWh	101	45	76	138	141
Total	GWh	300	328	341	425	434
– of which fossil-free electricity	%	79	49	60	60	63
– share produced in mill	%	46	36	38	28	31

ENERGY CONSUMPTION EXCL. ELECTRICITY						
		2025	2024	2023	2022	2021
ROTTNEROS MILL						
Biofuels	GWh	95	100	93	90	79
Fossil fuels	GWh	1	9	7	25	34
VALLVIK MILL						
Biofuels, incl. black liquor	GWh	1,586	1,538	1,623	1,615	1,635
Fossil fuels	GWh	14	23	21	14	17
GROUP						
Biofuels, incl. black liquor	GWh	1,681	1,638	1,716	1,705	1,714
Fossil fuels	GWh	15	32	28	39	51
Total	GWh	1,696	1,670	1,744	1,744	1,765
Proportion of biofuels	%	99	98	98	98	97

CARBON DIOXIDE EMISSIONS						
		2025	2024	2023	2022	2021
ROTTNEROS MILL						
Fossil fuels	tonnes/year	235	1,915	1,483	5,113	6,927
Biofuels	tonnes/year	38,507	40,135	40,466	35,348	30,875
– proportion of biofuels	%	99	95	96	87	81
VALLVIK MILL						
Fossil fuels	tonnes/year	3,713	6,128	5,737	3,826	4,679
Biofuels	tonnes/year	549,006	531,708	557,154	557,667	560,217
– proportion of biofuels	%	99	99	99	99	99
GROUP						
Fossil fuels	tonnes/year	3,948	8,043	7,220	8,982	11,606
Biofuels	tonnes/year	587,513	571,843	597,620	593,015	591,092
– proportion of biofuels	%	99	99	99	99	98
FOSSIL CARBON DIOXIDE EMISSIONS						
GHG Scope 1	tonnes/year	5,731	9,637	8,972	8,982	11,606
GHG Scope 2	tonnes/year	42,689	110,448	98,809	114,383	107,687

SUSTAINABILITY DATA

Other sustainability data

OTHER SUSTAINABILITY DATA						
SAFETY		2025	2024	2023	2022	2021
Own personnel						
Number of fatal accidents		0	0	0	0	0
Number of accidents with sick leave		2	3	5	4	7
Number of accidents without sick leave		21	25	31	38	32
LTIFR		4.6	6.3	10.2	7.4	13.0
Number of risk observations		267	346	487	323	223
Entrepreneurs						
Number of fatal accidents		0	0	0	0	0
Number of accidents with sick leave		1	2	1	0	0
Number of accidents without sick leave		5	8	5	1	11
SICKNESS ABSENCE		2025	2024	2023	2022	2021
Short-term absence	%	1.61	1.68	1.53	2.64	2.72
Long-term absence	%	1.10	1.61	1.03	1.85	1.80
GENDER EQUALITY		2025	2024	2023	2022	2021
Proportion of female managers	%	18	26	22	22	19
Proportion of male managers	%	82	74	78	78	81
TRADE UNION COLLABORATION		2025	2024	2023	2022	2021
Proportion of employees working in a division with a collective bargaining agreement	%	99	99	99	99	99
STAFF TURNOVER		2025	2024	2023	2022	
No. of employees who terminated their employment		43	31	52	61	
Staff turnover	%	14	15	9	18	
Number of new employees		20	52	25	29	
Number of voluntary resignations		17	10	21	16	
Number of retirements		4	11	12	32	
OTHER		2025	2024	2023	2022	
Proportion of employees earning below the minimum wage	%	0	0	0	0	
Wage gap *	%	-7	-9	-9	-18	
Employee survey response rate	%	88	89	77	71	

OTHER SUSTAINABILITY DATA						
BOARD OF DIRECTORS AND GROUP MANAGEMENT		Women	Men	< 30 yrs	30-50 yrs	> 50 yrs
Board of Directors	Number	2	5	0	1	6
Group management	Number	3	5	0	4	4
EMPLOYEES BY GENDER				Women	Men	Total
Number of employees				48	230	278
Number of permanent employees				46	224	270
Number of fixed-term employees				2	6	8
Number of full-time employees				48	228	276
Number of part-time employees				0	2	2
Collectively employed workers				14	150	164
Salaried employees				34	81	115
AGE DISTRIBUTION OF EMPLOYEES					Women	Men
Under 30 years	Number				6	18
30–50 years	Number				26	110
Over 50 years	Number				16	102
HUMAN RIGHTS		2025	2024	2023	2022	
Number of cases of discrimination		0	0	0	0	
Number of complaints made through channels for employees to express concerns **		0	1	4	3	
Number of serious human rights issues and incidents related to the company's workforce		0	0	0	0	
Number of serious human rights cases where the company played a role in securing remedies for victims		0	0	0	0	
Amount of significant fines, penalties, and compensation for serious human rights issues and incidents related to the company's workforce		0	0	0	0	
Amount of material penalties, fines, and compensation for harm caused by violations of social and human rights		0	0	0	0	

* A negative outcome indicates that female employees have a higher average salary than male employees.

** Complaints through the whistle blower function

FINANCIAL REPORTING – OTHER

Multi-year review

GROUP PERFORMANCE IN SUMMARY					
	2025	2024	2023	2022	2021
INCOME STATEMENT, MSEK					
Net turnover	2,539	2,710	2,755	2,980	2,303
EBITDA	-253	179	252	691	385
Depreciation/amortization and impairment losses	-288	-133	-113	-141	-118
EBIT	-540	47	139	550	267
Financial items (net financial items)	-25	-20	14	164	-21
Profit/loss after financial items	-565	28	153	714	246
Tax on income for the period	113	-8	-32	-149	-48
Net income	-452	20	121	565	198
STATEMENT OF CASH FLOW, MSEK					
Cash flow from operating activities	-71	15	104	541	288
Investments in non-current assets	-166	-450	-140	-112	-125
Cash flow after investments in non-current assets	-421	-421	-36	429	165
Sale of non-current assets	1	1	–	–	2
Cash flow from financing activities	285	244	-233	-125	-334
Net cash flow	48	-177	-269	304	-169
BALANCE SHEET ITEMS, MSEK					
Non-current assets	1,567	1,698	1,470	1,501	1,339
Inventories	476	590	493	436	327
Current receivables	448	538	658	1,020	555
Cash and cash equivalents	67	19	196	465	161
Net debt (+) / net cash (-)	339	393	-105	-354	-16
Shareholders' equity	1,533	1,691	1,858	2,256	1,527
Non-current interest-bearing liabilities	7	341	59	111	145
Long-term non-interest-bearing liabilities	69	219	223	323	207
Current interest-bearing liabilities	399	71	32	–	–
Current non-interest-bearing liabilities	549	547	645	732	503
Capital employed	1,872	2,083	1,753	1,902	1,511
Total shareholders' equity and liabilities	2,558	2,846	2,817	3,422	2,382

GROUP PERFORMANCE IN SUMMARY					
	2025	2024	2023	2022	2021
KEY RATIOS					
EBITDA margin, %	-9.9	6.6	9.1	23.2	16.7
EBIT margin, %	-21.3	1.8	5.0	18.5	11.6
Profit margin, %	-22.3	1.0	5.6	24.0	10.7
Return on equity, %	-28.1	1.1	5.9	29.9	14.0
Return on capital employed, %	-27.3	2.4	7.6	32.2	18.5
Equity/assets ratio, %	60	59	66	66	64
Debt/equity ratio, %	22	23	-6	-16	-1
OTHER					
Average number of employees	276	285	293	319	316
Pulp production, 1,000 tonnes	331	341	352	397	395
Pulp deliveries, 1,000 tonnes	335	333	357	389	403
SEK/USD ¹	10.56	10.56	10.61	10.12	8.58
Pulp price NBSK Europe, SEK per tonne ²	7,585	8,473	7,505	8,393	7,536
Pulp price CTMP Global, SEK per tonne ²	4,372	5,175	4,282	5,085	5,622

1) Source: The Riksbank's yearly average.

2) Source: TTO net prices converted to SEK

FINANCIAL REPORTING – OTHER

Quarterly data and alternative performance indicators

	2025				2024				2023				2022			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
INCOME STATEMENT, MSEK																
Net turnover	587	574	726	652	626	686	711	688	637	693	681	744	730	806	784	660
EBITDA	-190	-21	-15	-27	10	70	65	35	-76	79	71	178	31	233	254	174
Depreciation/amortization and impairment losses	-39	-37	-177	-35	-38	-30	-35	-30	-24	-30	-30	-29	-30	-49	-34	-29
EBIT	-228	-58	-191	-62	-28	40	30	5	-100	49	41	149	1	185	220	145
Financial items (net financial items)	-5	-7	-7	-7	-7	-4	0	-8	19	-7	3	-1	10	156	-1	-1
Profit/loss after financial items	-233	-65	-198	-69	-35	35	30	-3	-81	42	44	148	11	341	219	144
Tax on income for the period	48	13	40	13	7	-8	-8	1	17	-9	-10	-30	-2	-71	-46	-30
Net income	-186	-52	-158	-56	-27	28	22	-2	-64	33	34	118	9	270	172	114
PER SHARE																
Earnings per share, SEK	-0.86	-0.26	-0.89	-0.32	-0.15	0.15	0.13	-0.02	-0.36	0.19	0.19	0.66	0.05	1.51	0.97	0.64
OTHER																
Pulp production, 1,000 tonnes	82	73	90	86	75	91	91	84	80	89	93	90	87	96	111	103
Pulp deliveries, 1,000 tonnes	85	76	91	83	73	82	89	90	85	102	83	87	87	96	106	100
TTO pulp price net NBSK to Europe, SEK per tonne	6,575	6,848	7,593	8,315	8,154	8,333	9,230	7,855	7,659	7,012	7,238	8,236	9,714	10,574	9,930	7,988
TTO net CTMP pulp price globally, SEK per tonne	4,066	4,143	4,209	4,780	4,815	4,837	5,434	5,254	5,842	5,184	4,950	6,510	6,935	7,475	7,251	5,656

ALTERNATIVE KEY RATIOS

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 alternative indicators P/E ratio and Direct yield, 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 sales.

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

EARNINGS PER SHARE: Net profit/loss divided by the average number of shares outstanding.

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: EBIT as a percentage of average capital employed for the year (average of capital employed at the beginning and end of the year).

RETURN ON EQUITY (ROLLING 12 MONTHS): Net income as a percentage of average equity for the year (average of equity at the beginning and end of the year).

SOLIDITY: Equity as a percentage of total equity and liabilities.

DEBT/EQUITY RATIO: Net debt/cash as a percentage of equity.

P/E ratio: Share price at the end of the period in relation to earnings per share.

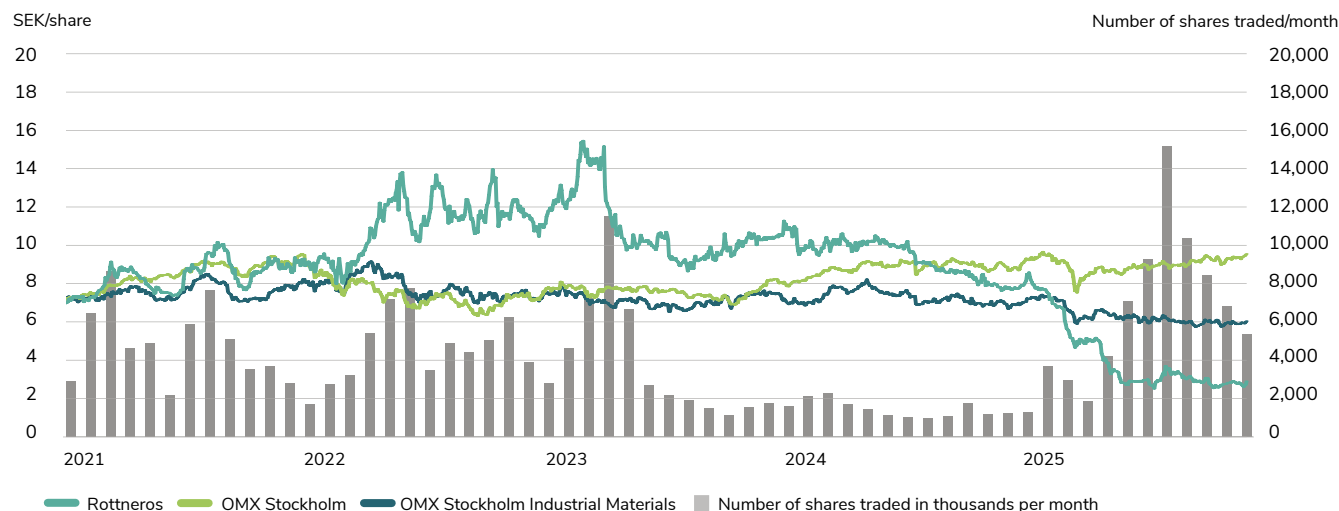
OPERATING PROFIT/LOSS PER SHARE: Profit before financial items and income taxes divided by the average number of shares outstanding.

The Rottneros share and shareholders

The Rottneros share is listed on Nasdaq Stockholm. At the end of 2025, Rottneros' market capitalisation was 830 (1,374) MSEK and Rottneros' share price was listed at 2.90 (8.96) SEK.

SHARE PERFORMANCE AND TURNOVER

Jan 2021 – Dec 2025



The Rottneros share has been listed on Nasdaq Stockholm since November 1987. Rottneros was included in the Mid Cap segment until November, 2025, after which it was included in the Small Cap segment. The company is included in the Basic Resources sector. Rottneros' market capitalisation at the end of the year was 830 (1,374) MSEK and the company had 13,103 (12,979) shareholders. Foreign shareholdings in Rottneros amounted to 65.7 (66.7) percent of capital.

Rottneros' share price was quoted at 2.90 (8.96) SEK as at 31 December 2025. The average price during the year was 3.61 (11.10) SEK.

Share turnover

A total of 76 (15) million shares were traded in 2025 at a value of 276 (166) MSEK. This represents a turnover velocity for shares of 10 (10) percent. An average of 229 (139) trades in Rottneros shares were made every day.

Share capital and holdings of treasury shares

The share capital at the end of the year was 267.8 (153.4) MSEK divided between 267,822,833 (153,393,890) shares. All shares carry equal voting rights and equal rights to the company's capital and profit. The company's holdings of treasury shares remained

the same as the previous year (821,965 shares), corresponding to 0.3 percent of the total number of shares.

Dividend

No dividend was paid for the financial year 2024. For the 2026 Annual General Meeting, the Board of Directors proposes that no dividend be paid for the year 2025.

Dividend policy

The dividend policy at Rottneros is to pay out 30–50 percent of net income, in accordance with the long-term financial targets.

Rights issue

Rottneros carried out a new share issue with preferential rights for existing shareholders in 2025. Through the rights issue Rottneros raised approximately 300 MSEK before transaction costs. The subscription price per share was 2.65 SEK and the number of shares increased by 114,428,943.

Shares held by the Board of Directors and senior executives

The holdings of the Board of Directors and senior executives, as well as those of related parties, amounted to 718,308 (718,308) shares in total in Rottneros AB as at 31 December 2025. No warrants were issued as at 31 December 2025.

Information for shareholders

Rottneros provides information for shareholders and the public through several channels. Information published in the form of annual reports, quarterly reports and press releases is regularly posted on www.rottneros.com. Presentations that were held in conjunction with the interim reports are also available. The website is the main channel for the Annual Report, for which reason the report is not sent to shareholders unless specifically requested.

FINANCIAL REPORTING – OTHER

LARGEST SHAREHOLDERS

As at 31 December 2025

SHAREHOLDERS	NUMBER OF SHARES (=VOTES)	% OF CAPITAL
Arctic Paper S.A.	146,904,045	54.9
PROAD AB	20,498,185	7.7
UBS Switzerland AG, W8IMY	6,313,276	2.4
Caceis Bank, Switzerland Branch, W8IMY	5,900,000	2.2
Försäkringsaktiebolaget Avanza Pension	4,817,305	1.8
Dimensional Fund Advisors	3,947,542	1.5
Caceis Bank Spain SAU, W8IMY	2,888,288	1.1
Borell Joakim	1,583,821	0.6
SEB Investment Management	1,552,947	0.6
KBC BANK NV, W-8IMY	1,205,947	0.5
Total for ten largest owners – in terms of holding	195,611,356	73
Other shareholders	71,389,512	26.7
Rottneros AB (treasury shares from buy-back)	821,965	0.3
TOTAL	267,822,833	100

SHARE DATA¹

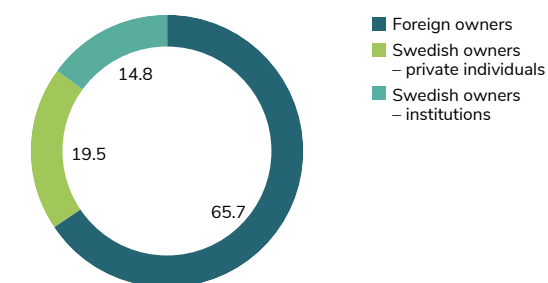
		2025	2024	2023	2022	2021
Shares, opening ²	Number	152,572	152,572	152,572	152,572	152,572
Shares, closing ²	Number	267,823	152,572	152,572	152,572	152,572
Holdings of treasury shares ²	Number	822	822	822	822	822
Earnings per share	SEK	-2.10	0.11	0.68	3.16	1.09
Cash flow after investments/share ³	SEK	-1.10	-2.44	-1.10	2.39	0.91
Equity per share	SEK	5.74	9.47	10.41	12.63	8.54
Dividend ⁴						
Ordinary dividend	SEK	–	0.43	0.43	0.34	–
Extra dividend	SEK	–	–	0.77	0.17	0.38
Total	SEK	–	0.43	1.20	0.51	0.38
Share price at end of period ⁵	SEK	2.90	7.66	10.41	10.45	8.91
Direct yield	%	–	4.1	11.5	5.8	5.5
Total return ⁶	%	-62.1	-22.3	11.1	23.0	33.4
Market price/equity/share	times	0.5	0.8	1.0	0.8	1.0
P/E ratio per share	times	-1.4	68.9	15.4	3.3	8.1

DISTRIBUTION OF SHARES

As at 31 December 2025

NUMBER OF SHARES	NUMBER OF SHAREHOLDERS	% OF CAPITAL
1 - 500	6,402	0.8
501 - 1,000	1,642	1.1
1,001 - 5,000	3,096	4.6
5,001 - 10,000	888	3.1
10,001 - 15,000	312	1.4
15,001 - 20,000	230	1.0
20,001 –	533	88.0
TOTAL	13,103	100.0

DISTRIBUTION BY CATEGORY OF OWNERSHIP, %



1) Earnings per share have been adjusted for the effect of the rights issue in accordance with IAS 33. Other key performance indicators per share have also been adjusted to reflect the effect of the rights issue. The adjustment factor for share-related key performance indicators has been calculated at 1.17.

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, adjusted for the rights issue.

4) Refers to dividend paid during the respective year, adjusted for the rights issue.

5) As a result of the rights issue, historical share prices have been adjusted to reflect the dilution effect.

6) Return in relation to the share price at the beginning of the period, adjusted for the rights issue.

Glossary

ANAEROBIC WATER TREATMENT: One of Rottneros Mill's four treatment stages for outgoing wastewater. In the anaerobic stage, materials in the wastewater are broken down and methane gas is produced by bacteria in an oxygen-free environment.

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.

BSKP: Bleached Softwood Kraft Pulp, bleached softwood sulphate pulp.

BULK: How thick a paper is in relation to its weight. Paper bulk is affected by whether the paper is glossy, coated, or uncoated and by the grammage.

BENDING STIFFNESS: The ability of the cartonboard to resist deformation when bending. Measured in mNm.

COD: Chemical Oxygen Demand, chemical method for measuring oxygen-demanding substances.

CIRCULAR FORESTRY INDUSTRY: Growing forests convert sunlight, carbon dioxide and water into wood. The carbon dioxide is bound in the growing trees. When the trees are fully grown, they are harvested. At least two new trees are planted for every tree that is harvested. A use is found for 100 percent of the tree. The highest possible added value determines what is made of the different parts of the tree. Rottneros' raw material consists of pulp wood from forestry and woodchips from different sawmills.

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.

E-PULP: Pulp used in electrotechnical applications. The Rottneros product name for E-pulp is Robur Flash UKP E-grade.

FSC®: Forest Stewardship Council®. Certification for sustainable forest management.

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 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.

HARDWOOD PULP: Pulp where the raw material is hardwood, which has shorter cellulose fibers than softwood.

LIGNIN: Polymer compound primarily composed of phenylpropane units, mainly binds the fibers in the wood. It accounts for about 1/3 of the wood.

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 fibers 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 fiber separation and processing. Has a higher level of bulk, stiffness and opacity than chemical pulp. Groundwood pulp, CTMP and CTMP/BCTMP are types of mechanical pulp.

NBSK: Northern Bleached Softwood Kraft, bleached softwood sulphate pulp.

NORD POOL: Nordic electricity exchange launched in 1996 by Sweden and Norway. Member countries now include Denmark, Finland and Estonia.

OPACITY: Lacking transparency.

PEFC: Programme for the Endorsement of Forest Certification. Certification for sustainable forest management.

PFAS: Collective name for fluorinated substances.

PIX: Pulp price index.

POROSITY: Measure of the permeability of gas or liquid through a material. Used as a measure of the filtering properties of the pulp.

RESIDUAL MIX: The mix of electricity produced, divided into renewable electricity, nuclear electricity and fossil-fuelled electricity remaining after sales of electricity with guarantees of origin. The environmental impact of the residual mix is measured as CO₂ per kWh.

GROUNDWOOD PULP (SGP): Stone Groundwood Pulp. Mechanical pulp based on roundwood as a raw material.

SHIVES CONTENT: Proportion of unseparated fibers found in the pulp.

SULPHATE: Method for producing chemical pulp.

SULPHITE: Like sulphate, but with different cooking techniques, different chemicals and different chemical recovery.

TCF: Totally Chlorine Free: totally chlorine-free bleached sulphate pulp.

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.

Our history

Rottneros has roots dating back to the 1630s when an iron hammer mill was established. In the late 1800s, the mill transitioned to paper production, and today the Rottneros Group consists of two pulp mills, a development unit for molded fiber, a forestry operator, and a timber purchasing company. We have a total of 400 years of experience in development and over 135 years of experience in utilising the forest to create sustainable solutions.

The first wood grinding mill is built in Rottnerosfallen. Thus, Rottneros initiates the transition from iron handling to the forestry industry.

1887

1887

Rockhammar Mill is acquired from the main owner, the Arel family, among others. In connection with the acquisition, Rottneros is listed on the stock exchange.

Vallvik Mill is acquired from AssiDomän.

1995

2006

A new business area, Rottneros Packaging, is established to produce food packaging.

In the autumn, a new share issue of 225 MSEK and a conversion of debts amounting to 200 MSEK into shares are carried out. Rockhammar Mill is sold to Korsnäs AB effective 1 April. Operations are discontinued at the Group's Spanish mill, Rottneros Miranda, S.A.

2009

2015

The investment programme Agenda 500 is initiated. A total of 1 billion SEK will be invested over a five-year period. Pulp production capacity increases from 370 to 440 thousand tonnes. The investment also includes environmental and energy measures, as well as Rottneros Packaging.

Nykvist Skogs AB is acquired to develop the Group's pulp wood supply.

2020

2022

The groundwood line at Rottneros Mill is shut down after 130 years of production due to long-term negative prospects for printing paper and deteriorating conditions in the electricity market.

2025

Rights issue of 300 MSEK.

Rottneros Mill increases CTMP capacity from 125 to 165 thousand tonnes. Vallvik Mill invests in a new tall oil plant. Focus on sustainability in the form of solar panels, batteries and wind energy.

2024

PRODUCTION: Sthlmkom & IR AB and Rottneros AB

PHOTO: Rottneros AB, Maria of Sweden

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