

PRESS RELEASE

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Rottneros acquires Nykvist Skogs AB

Rottneros develops the Group's raw material supply through the acquisition of Nykvist Skogs AB. The deal means that Rottneros will increase the long-term availability of forest raw materials offered by private forest owners, while Nykvist Skogs will continue to develop as an autonomous and independent raw material operator.

Nykvist Skogs acts as a comprehensive and independent forest operator in Värmland, including wood trade, forest management, felling and consultancy. The company supplies the local pulp and sawmill industry with raw material and reported sales of around 90 MSEK during the financial year 2018/19, an increase of some 37 percent compared to the previous year. During the same period, operations handled 140,000 cubic meters of wood, of which sawn timber and pulpwood accounted for about half each. Nykvist Skogs manages about 5,000 hectares of forest for its clients and has nine employees. The company will be consolidated in Rottneros' accounts as of January 1, 2020. However, it will not have a material impact on the Group's sales and earnings. The parties have decided not to disclose the purchase price.

"The acquisition of Nykvist Skogs means that Rottneros will further strengthen its raw material procurement possibilities. The acquisition increases the Group's access to raw material from private forest owners, which makes up about half of the forest ownership in Sweden. The company has long-standing business relationships with Rottneros and is very well managed with good growth historically. In order to ensure Nykvist Skogs' continued development, the business will continue as an independent subsidiary in the Group. The ambition is to expand the business and grow the timber flow through the organization", says Lennart Eberleh, President and CEO of Rottneros.

The sellers of Nykvist Skogs are Pär Skinnargård and Sven Nykvist. Nykvist Skogs' CEO, Pär Skinnargård, will continue to lead the business and all employees are intended to remain in the company.

"We are very pleased to become part of the Rottneros Group. The deal is a natural step in the continued development of Nykvist Skogs. We are an independent and flexible raw materials company that maximizes the value for both forest owners and timber customers through our comprehensive service offering. We have a strong relationship with forest owners with a clear focus of maximizing the growth of their asset values. The company also has a close relationship with the forest industry in order to provide fast and flexible solutions. The key to the success of Nykvist Skogs is our passion for the forest. There is a big forest heart in the entire organization", says Pär Skinnargård, CEO of Nykvists Skogs AB.



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Rottneros is an independent producer of market pulp. The Group comprises the parent company Rottneros AB, listed on Nasdaq Stockholm, and its subsidiaries Rottneros Bruk AB and Vallviks Bruk AB with operations involving the production and sale of market pulp. The Group also includes Rottneros Packaging AB, which manufactures fibre trays, and the wood procurement company SIA Rottneros Baltic in Latvia. The Group has about 300 employees and had a turnover of approximately SEK 2.3 billion in the 2018 financial year.

