

Rottneros AB

Interim report January-March 2025

-27 MSEK
EBITDA Q1 2025



High raw material costs

86 KTON
Stable production



Cost adjustment



Turbulent world, stable production

Q1 2025 compared to (Q1 2024)

NET TURNOVER dropped by 5 percent to 652 (688) MSEK. Higher selling prices for NBSK pulp were offset by lower sales volumes.

NET PRICE for NBSK in SEK was 6 percent higher compared with the first quarter of 2024. The price of CTMP fell by 9 percent for the same period. Compared with the fourth quarter of 2024 the price of NBSK rose by 2 percent, while the price of CTMP fell by 1 percent.

PRODUCED VOLUME amounted to 85,800 (84,300) tonnes, an increase of 2 percent. Production of sulphate pulp was at a high level and was 16 percent higher than the first quarter of 2024, which was marked by production disruptions.

SOLD VOLUME totalled 82,600 (89,800) tonnes. Demand at the beginning of the quarter was weak.

EBIT (operating profit) was -62 (5) MSEK. Exchange rate losses negatively affected the result. Wood costs continued to rise. Also fixed costs and depreciation were higher than in the same quarter of 2024.

NET INCOME for the quarter totalled -56 (-2) MSEK. Earnings per share were -0.37 (-0.02) SEK.

BALANCE SHEET: The equity/assets ratio was 56 (65) percent and available liquidity amounted to 208 (385) MSEK. Net debt totalled 558 (-12) MSEK.

CASH FLOW from operating activities after investments amounted to -165 MSEK. At the same time, financing activities contributed 184 MSEK.

THE ANNUAL GENERAL MEETING was held on 10 April 2025 and resolved in accordance with the Board's proposal that no dividend be paid for 2024.

	Jan-Mar 2025	Jan-Mar 2024	Change	Oct-Dec 2024	Change Q1/25-Q4/24	Rolling 12 months	Jan-Dec 2024
Net turnover	652	688	-36	626	27	2,674	2,710
EBITDA, MSEK	-27	34	-61	10	-37	118	179
EBIT, MSEK	-62	5	-67	-28	-34	-20	47
Profit/loss after financial items, MSEK	-69	-3	-66	-35	-34	-39	27
Net income, MSEK	-56	-2	-54	-27	-29	-34	20
Earnings per share, SEK	-0.37	-0.02	-0.35	-0.18	-0.19	-0.22	0.13
Cash-flow from current operations, MSEK	-128	60	-188	-65	-63	-173	15
Return on capital employed (rolling 12 months), %	-	-	-	-	-	-1.0	2.4
Production, thousand tonnes	85.8	84.3	1.5	74.8	11.0	342.3	340.7
Deliveries, thousand tonnes	82.6	89.8	-7.2	72.8	9.8	326.0	333.2

652 MSEK

Net turnover declined by 5 percent as a result of lower sales volumes.

+6%

The net price for NBSK increased by 6 percent denominated in SEK compared with the same quarter in 2024.

-62 MSEK

EBIT for the first quarter of 2025 compared with 5 MSEK the previous year.

56%

The equity/assets ratio was 56 percent.

+2%

Production rose by 2 percent to 85,800 tonnes.

-8%

Deliveries decreased by 8 percent to 82,600 tonnes.



Comments by the CEO

Focus on cost adjustments and a stable balance sheet

The first quarter was marked by weak results due to continued rising prices for pulp wood, the challenging market trend for CTMP pulp and the weaker USD. We are now working intensively on cost adjustments and further efficiency measures. Meanwhile, the chemical softwood pulp market is stable and many of our niche customers still wish to increase their volumes.

We are now rapidly implementing cost adjustments and efficiency measures on all fronts in response to worsening external conditions. We are therefore doing what is necessary, even if it is painful. At the end of March, 47 employees were given notice, mainly at Rottneros Mill where we produce mechanical CTMP pulp. Overall, we expect to reduce the Group's cost base by 35–40 MSEK on an annual basis, with full effect during the second half of 2025.

Profitability is primarily being squeezed in CTMP pulp due to the tough market situation. At present, several external factors are forcing us to scale back our production and limit deliveries to fewer markets. Prices are currently below our variable costs, particularly in the Asian market.

At the same time, we have made significant investments in Rottneros Mill over the past two years that demonstrate our

long-term confidence in the future of CTMP pulp. As recently as early April an inauguration was held for a solar park which will enhance the mill's self-sufficiency in eco-friendly electricity.

We continue to deliver at a high level with respect to the factors we can influence ourselves. Production at Vallvik increased by 16 percent compared with the same quarter last year. Although last year's production disruptions had an impact on the comparison, the outcome was strong. Volume in Rottneros Mill was affected by the production adjustments we had to make in response to the current weak market conditions. As a result, it decreased by just over 20 percent, while we see that the capacity investment is delivering on set targets.

“We are now implementing cost adjustments and efficiency measures in response to worsening external conditions.”

Comments by the CEO

652 MSEK

Net turnover January–March

56 %

Equity/assets ratio

208 MSEK

Available liquidity

Chemical pulp market remains stable

The chemical pulp market remains stable within our niches. The net price of NBSK rose by 7 percent denominated in USD between December and March. However, the increase was only 1 percent when converted to SEK, due to a weaker USD.

At the same time, the CTMP market remains under pressure, primarily due to weak performance in China. The net price for CTMP remained unchanged in USD between December and March, but decreased by 7 percent when converted to SEK.

Ongoing decline in pulp wood prices – but clear bright spots ahead

Wood prices continue to have a negative impact on our earnings. Our own supply of wood and wood chips remains strong, largely due to our long-term efforts to foster close relationships with our suppliers. We also see clear indications that the overall market balance is starting to shift in our favour as buyers. Supply has increased, while demand has weakened slightly. As a result, we have been able to lower our purchase prices from the second quarter onwards.

Our systematic safety work is yielding results

Employee safety remains our highest priority and is consistently at the top of our agenda. It is therefore highly rewarding to see that our systematic efforts are yielding results. No incidents resulting in sick leave occurred during the first quarter. The rolling 12-month result thus improved further from an already low level.

Production started at the Packaging project in Poland

During the quarter production began at our large-scale molded fiber tray manufacturing project in Poland, undertaken in partner-

ship with Arctic Paper. This will enable us to verify our premium product quality within the framework of a scalable and competitive production process operating at full industrial scale. Interest in our fossil-free and climate-friendly packaging solutions remains strong.

We safeguard a strong balance sheet

The Group’s financial position should be characterized by a strong equity ratio that provides good resilience in difficult times. Therefore, a constructive and positive dialogue is currently underway with our lenders regarding measures to ensure a long-term sustainable financing solution and leverage.

The equity/assets ratio at the end of the quarter was a reassuring 56 percent and available liquidity totalled 208 MSEK.

In closing, I would like to express my gratitude to all my colleagues for their excellent work and strong dedication to Rottneros in these challenging times. I would also like to thank our customers, suppliers, owners and the Board of Directors for their valuable and rewarding cooperation.

Lennart Eberleh
President and CEO

“The chemical pulp market remains stable in our niches.”

Market overview/Pulp market

High market uncertainty

Market situation

The global market landscape shifted rapidly after the US announced new punitive tariffs against several of its largest trading partners. With the new tariffs and rapidly shifting market conditions, there is now significantly greater uncertainty about the outlook for the global economy. The escalating trade war has heightened the risk of a global recession. The future impact on global trade and goods flows remains unclear.

The International Monetary Fund IMF lowered its global growth forecast to 2.8 percent in 2025 and 3.0 percent in 2026, a cumulative reduction of 0.8 percent compared to the previous forecast. At the same time, the inflation forecast was raised slightly, creating a challenge for central banks to curb inflation while stimulating the economy. Despite some uncertainty about the path forward, the European Central Bank is expected to continue its interest rate cut path, albeit at a slower pace than before.

The pulp market

During the first quarter of 2025, the chemical market pulp segment was relatively well balanced, resulting in a modest increase in list prices in both Europe and China. However, this upward trend has lost momentum as global uncertainty has increased. At the same time, the weakening of the US dollar has dampened price growth in local currencies.

Net prices for NBSK pulp rose during the quarter from USD 760 to USD 810 in Europe, and from USD 770 to USD 790 in China. Global net prices for BCTMP declined slightly to USD 445.

Pulp shipments to China rose by 12 percent through February compared with the same period in 2024, although the comparison is influenced by the very weak start to the previous year. At the same time, a minor dip was observed toward the end of 2024. The Chinese market still shows clear overcapacity in paper and board, increasingly combined with integrated hardwood pulp production – a development fuelled by low fiber prices.

Market developments for paper and board

Paper and board production in Europe rose by 5.2 percent in 2024 compared with 2023. Growth was strongest in the first half of the year, but slowed during the second.

Production of tissue – the largest application of market pulp globally, accounting for over 40 percent of the market – decreased by 0.3 percent through February 2025 compared with the previous year (excluding China). Although tissue is not yet a major segment for Rottneros its share of CTMP is growing.

Deliveries of printing and writing papers – a segment Rottneros exited in 2022 – declined by 7.8 percent through February across key markets outside China. Nonetheless, it continues to be the second-largest application for market pulp worldwide.

Demand and inventories

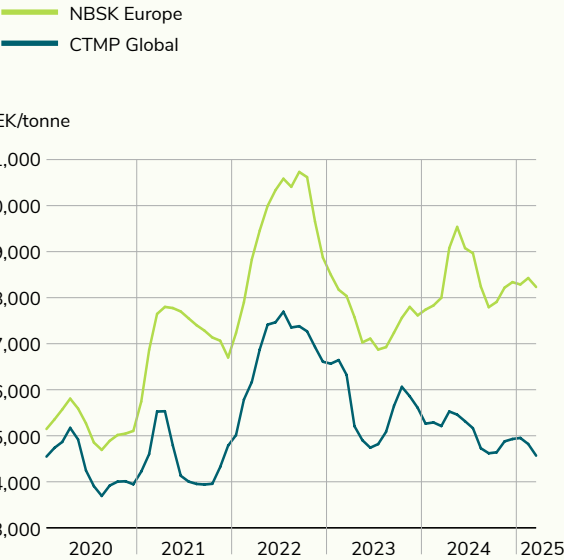
Global demand for market pulp rose by 4.7 percent through February 2025 compared with the same period in 2024. Hardwood pulp rose by 6.7 percent, while softwood pulp increased by 1.0 percent. Demand for unbleached pulp (UKP) rose by 10.6 percent, while demand for CTMP was 0.3 percent higher than the level a year earlier.

- Global producer inventories in February pointed to a relatively balanced market:
- Softwood pulp: 37 days (-1 day compared with the previous year)
 - Hardwood pulp: 41 days (+2 days)
 - CTMP: 41 days (+11 days), which is above a balanced level.

Rottneros' niche markets

Demand in Rottneros' niche markets has been stable at the start of 2025.

PULP PRICES* 2020–2025



* Net prices in USD published by TTO converted to SEK

Sales and results, January – March

Weaker margins impact results

+6 %

Higher price for sulphate pulp

-17 MSEK

Impact of sales prices and exchange rates

-37 MSEK

Higher variable costs

Turnover amounted to 652 (688) MSEK, a decline of 5 percent. Following a weak start to the quarter, demand for sulphate pulp was strong, particularly in Rottneros' prioritised niches. Demand for CTMP has remained weak, with price levels in Asia affecting sales volumes and pricing.

The average USD/SEK exchange rate was 3 percent higher in the first quarter of 2025 compared with the same quarter in 2024. However, earnings were negatively affected by the weakening of the USD during the quarter. Realised exchange rate losses and remeasurement of receivables totalled -23 MSEK.

Sales of products other than pulp were 88 (87) MSEK, corresponding to 13 percent of turnover. Turnover from pulp wood sales has risen in line with rising timber prices, while revenue from by-products and other items has declined.

Variable costs remain high, especially the cost of wood. Demand for sawmill timber remains high, putting upward pressure on pulp wood prices. Looking ahead, there are signs that the market balance for pulp wood has shifted in favour of buyers.

The system price for electricity (SYS) was lower than previous year, 0.51 (0.66) SEK per kWh. Rottneros' consumption takes place primarily in electricity area SE3, where the price has been 0.64 (0.63) SEK per kWh. Rottneros hedges most of its electricity consumption. The realised outcome for electricity price hedges was 9 (14) MSEK. The net cost of the Group's electricity consumption in the first quarter was 0.31 (0.34) SEK per kWh.

Fixed costs increased by 24 MSEK, mainly due to personnel expenses, but also to other non-recurring fixed costs. The Group has launched a cost-saving programme that is expected to reduce fixed costs by 35–40 MSEK per year.

Planned depreciation for the period amounted to 35 (30) MSEK.

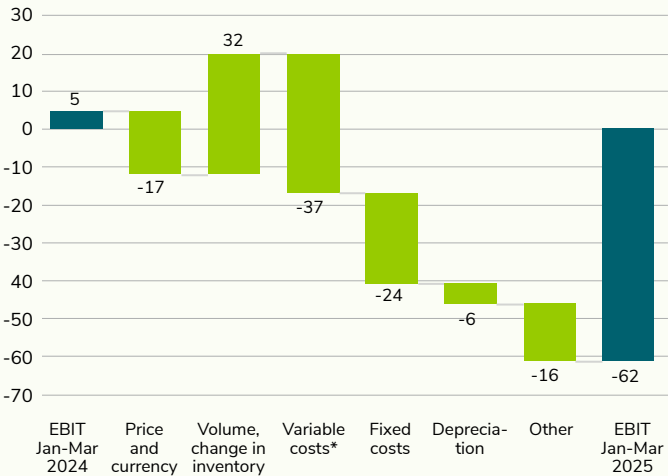
During the quarter, Rottneros sold emission allowances for 10 (0) MSEK. The amount is shown in the chart under "Other".

EBIT for the quarter was -62 (5) MSEK. Higher sales prices for sulphate pulp had a positive impact, while a weak CTMP market, elevated wood costs and an unfavourable USD exchange rate had a negative effect.

QUARTERLY COMPARISON

	Jan-Mar 2025	Jan-Mar 2024	change %	Oct-Dec 2024	change %
NBSK Europe, SEK	8,315	7,855	6	8,154	2
CTMP Global, SEK	4,780	5,254	-9	4,815	-1
USD/SEK	10.7	10.4	3	10.8	-1
Net turnover, MSEK	652	688	-5	626	4
EBIT, MSEK	-62	5	n.a.	-28	n.a.

DIFFERENCE IN EBIT
FIRST QUARTER 2025 COMPARED WITH
THE SAME PERIOD IN 2024 (MSEK)



* Variable costs exclude costs attributable to increased or decreased production and delivery volumes. Such costs are instead included in the 'volume effect' along with the increase/decrease in volume of net turnover.

Production and deliveries

Stable production

The production volume for the quarter was 85,800 tonnes compared with 84,300 tonnes the year before. Sulphate pulp production rose by 16 percent to 59,600 tonnes, matching current capacity levels. Last year’s production disruptions at Vallvik affected the comparison with 2024.

Rottneros Mill has invested in expanded production capacity for CTMP. Equipment commissioned at the end of 2024 has achieved the planned performance targets and higher daily capacity. However, production has been aligned with prevailing market conditions during the period and curtailments are expected to continue. As part of this, the mill will be closed for four weeks during the summer.

Customer deliveries of sulphate pulp and CTMP decreased by 8 percent to 82,600 (89,800) thousand tonnes in the fourth quarter. The quarter began with lower sales levels, but demand for sulphate pulp has since been strong. The CTMP market was weak.

PRODUCTION

Production, tonnes	Jan-Mar 2025	Jan-Mar 2024	Oct-Dec 2024	Roll-ing 12 months	Jan-Dec 2024
Sulphate pulp	59,600	51,600	49,300	226,800	218,800
CTMP	26,200	32,700	25,500	115,500	121,900
TOTAL	85,800	84,300	74,800	342,300	340,700

Maintenance shutdowns and seasonal variations

In 2025, the annual maintenance shutdown at Rottneros Mill is planned for the third quarter and at Vallvik Mill for the fourth quarter.

The direct costs relating to maintenance shutdowns are recognised in the period during which the shutdown takes place, in accordance with generally accepted accounting practice. The maintenance shutdown also results in some loss of production, which affects turnover and earnings for the quarter in which the shutdown takes place. The estimated shutdown cost includes both direct costs and the indirect effect of lost production. It represents an assessment of the impact of a normal annual maintenance shutdown on income in relation to a quarter without any maintenance shutdown.

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

DELIVERIES

Deliveries, tonnes	Jan-Mar 2025	Jan-Mar 2024	Oct-Dec 2024	Roll-ing 12 months	Jan-Dec 2024
Sulphate pulp	52,800	57,400	51,500	212,100	216,700
CTMP	29,800	32,400	21,300	113,900	116,500
TOTAL	82,600	89,800	72,800	326,000	333,200

MAINTENANCE SHUTDOWN, 2025

VALLVIK MILL
Estimated impact on income:
70–80 MSEK

ROTTNEROS MILL
Estimated impact on income:
10–20 MSEK

TIMING OF MAINTENANCE SHUTDOWN

	2025	2024
VALLVIK MILL	Q4	Q4
ROTTNEROS MILL	Q3	Q4



Other items

Financial items in the income statement

Financial items (net) totalled -7 (-8) MSEK for the first quarter and mainly relates to interest expenses for loan facilities. For the comparison year, a larger portion related to revaluation of financial derivatives.

Financing

In December 2024, Rottneros refinanced the existing long-term loan agreements. The new facilities comprise long-term loans totalling 400 MSEK with 69 MSEK in annual repayments, and revolving credit facilities 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 credit facility is subject to financial commitments linked to leverage. Unfavourable external factors have led to poor profitability and the leverage covenant not being met at the end of the quarter. In accordance with IFRS, long-term loans of 314 MSEK have therefore been reclassified as short-term. Against this background, Rottneros is conducting a constructive and positive dialogue with the lenders with the aim of strengthening the company's financial position and securing the group's future operations.

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

The Group's cash and cash equivalents amounted to 37 MSEK at the end of the quarter, compared with 19 MSEK at the end of 2024. Interest-bearing liabilities were 595 MSEK at the end of the quarter. Net debt was 558 MSEK, compared with 393 MSEK at the end of 2024. Total granted and unused credit facilities amounted to 171 MSEK.

The equity/assets ratio was 56 (65) percent as of 31 March 2025. Equity per share totalled 10.61 (11.33) SEK at the end of the year.

Cash flow

Cash flow from operating activities for January–March 2025 amounted to -128 (60) MSEK. Tax payments of 45 (17) MSEK are included in this item.

Cash flow after investments in fixed assets was -165 (-16) MSEK. During the period, 0 (76) MSEK were distributed to shareholders. Net cash flow for the period was 19 (-101) MSEK.

Investments

Group investments in property, plant and equipment for January–March 2025 amounted to 37 (82) MSEK and primarily relate to investments to maintain the technical standard of the facilities.

Total investments are expected to reach 165 MSEK for the year. The investments aim to strengthen production stability and availability, while also advancing environmental performance.

Parent Company

Profit/loss after financial items for January–March 2025 amounted to 6 (-6) MSEK. The result includes remeasurement of electricity price derivatives recognised as other operating expenses. The remeasurement relates to derivative contracts with negative values that are measured at the lower of cost or market. The valuation does not affect the Group's profit or loss.

Long-term targets

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

LONG-TERM TARGETS 2030 AND TARGET ACHIEVEMENT

FINANCIAL TARGETS	Target	Outcome Q1 2025
Distribution of net income	30–50 percent	No dividend for 2024
Equity/assets ratio	Over 50 percent	56 percent (outcome 2024: 59 percent)
Pulp production by 2030	415,000 tonnes or 2.5 percent per year	85 800 tonnes, +2 percent vs. Q1 2024
Revenue, non-pulp	Over 25 percent	13 percent (outcome 2024: 13 percent)
SOCIAL TARGETS	Target	Outcome Q1 2025
Safety, accidents with sick leave	LTIFR * lower than industry average	4.1 (outcome 2024: 6.3)
Social work environment	OSA ** higher than industry average	77 (industry average 76)
ENVIRONMENTAL TARGETS	Target	Outcome 2024
Fossil CO ₂ emissions according to GHG scope 1	Fossil-free production 2030	9,770 tonnes (outcome 2023: 8,972 tonnes)
Fossil CO ₂ emissions according to GHG scope 2	Fossil-free production 2030	110,448 tonnes (outcome 2023: 98,809 tonnes)
Increased circularity	Reduce biogenic carbon emissions by 30 percent compared with 2022	6 percent reduced emissions 2024 compared with 2022
Self-sufficiency rate for electricity	Over 50 percent	43.1 percent Q1 2025 (outcome 2024: 35.7 percent)
COD emissions/tonne pulp	Annual improvement	14.3 kg/tonne (outcome 2023: 14.9 kg/tonne)

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

** OSA – Organisational and social work environment has replaced the previous target "proportion of women". OSA is broader and describes the target of creating an inclusive and engaging culture. This is a fundamental for increasing the proportion of female employees, among other things.

Areas of development

Rottneros Packaging

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

Joint ventures

Rottneros Packaging's investment in Poland

As part of its development strategy, the Group has formed a jointly owned company in Packaging in Poland together with Arctic Paper. The purpose of the company is to build and operate a factory for the production of molded fiber trays on a large industrial scale.

The first phase of the investment project includes two forming lines with ancillary equipment. The machines were validated during the quarter and production has begun on the first line.

Blue Ocean Closures

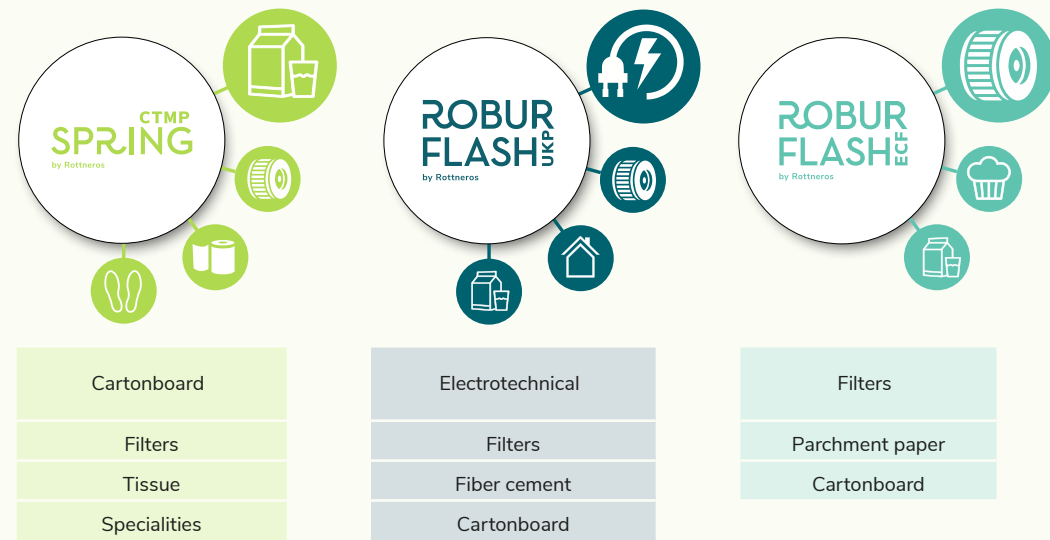
Rottneros became a stakeholder of Blue Ocean Closures in December 2023. Blue Ocean Closures is developing a unique dry forming technology to produce fiber-based closures for consumer packaging on a large scale. The aim is to replace current plastic solutions in a global market. The innovative technology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

Rottneros brand for clearer positioning and optimal customer value

Rottneros has complemented the established brands Robur Flash for chemical pulp and Nature for fiber-based trays. The new brand, Spring by Rottneros, represents our mechanical pulp from Rottneros Mill.

The launch of Spring coincided with the expansion of new CTMP manufacturing capacity, investments in renewable energy production at Rottneros Mill and the new business opportunities and products that this facilitates.

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



Risk management

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

Currency exposure, USD and EUR

Although Rottneros issues invoices in different currencies, the underlying currency for the pulp price is predominantly USD. The underlying exposure to USD is thus high. The direct inflow of USD corresponds to just over 65 percent of the inflow and of EUR about 25 percent. However, the impact of exchange rate fluctuations on indirect exposure is delayed, as the normal duration of a customer contract is between one and three months.

The average USD exchange rate for January-March 2025 was 10.7, while in the same period in 2024 it was 10.4.

The Group has hedged SEK/USD with a “Risk Reversal,” where the sale of USD takes place within an interval. At the end of the quarter, 19 MUSD was hedged with monthly maturities until March 2026 in the range of 10.25–11.05 SEK/USD.

Pulp price

The price of pulp (NBSK) is set in USD, while production costs are largely incurred in SEK. The Group has no hedges as at 31 March 2025.

Electricity

All external electricity for the mills, about 240 GWh annually at full capacity utilization, is purchased directly via the Nord Pool electricity exchange.

At the end of March 2025, electricity prices were hedged as shown in the following table. The table shows the hedged proportion of forecasted consumption and the average hedged price in SEK per kWh. The hedged share includes the PPA described below until 2029. The fair value of these unrealised electricity hedges was -82 MSEK as of 31 March 2025.

The high level of hedging protects Rottneros against sharp price fluctuations. Because of the large imbalance between electricity price areas a certain percentage of the contracts are hedged in relation to area SE3. The average price level for electricity at Nord Pool (area SE3) during January-March 2025 was 0.64 (0.63) SEK per kWh.

Rottneros has a long-term electricity contract in the form of a Power Purchase Agreement (PPA) including Guarantees of Origin (GOs). The agreement covers just over 30 GWh per year of clean wind energy with settlement against a fixed price in SE3. The agreement runs for an 8.5-year period starting in 2025.

See pages 51-58 of the Annual Report for 2024 for further information on risks.

ELECTRICITY HEDGES AS OF 31 MARCH 2025

Year	Proportion hedged, %	SEK per kWh
2025	100	36
2026	59	52
2027	51	50
2028	43	52
2029	14	51

56 percent of the hedged volume is against the system price and 44 percent against electricity area SE3.

The share and shareholders

Number of shares and treasury shares

The number of shares in Rottneros totals 153,393,890. Rottneros' holdings of treasury shares amount to 821,965 shares. No change in treasury shares occurred in 2025.

Share price performance January – March 2025

At the end of March 2025, the share price was 6.05 SEK (8.96 SEK at the end of 2024). The average price during the quarter was 8.53 (11.83) SEK.

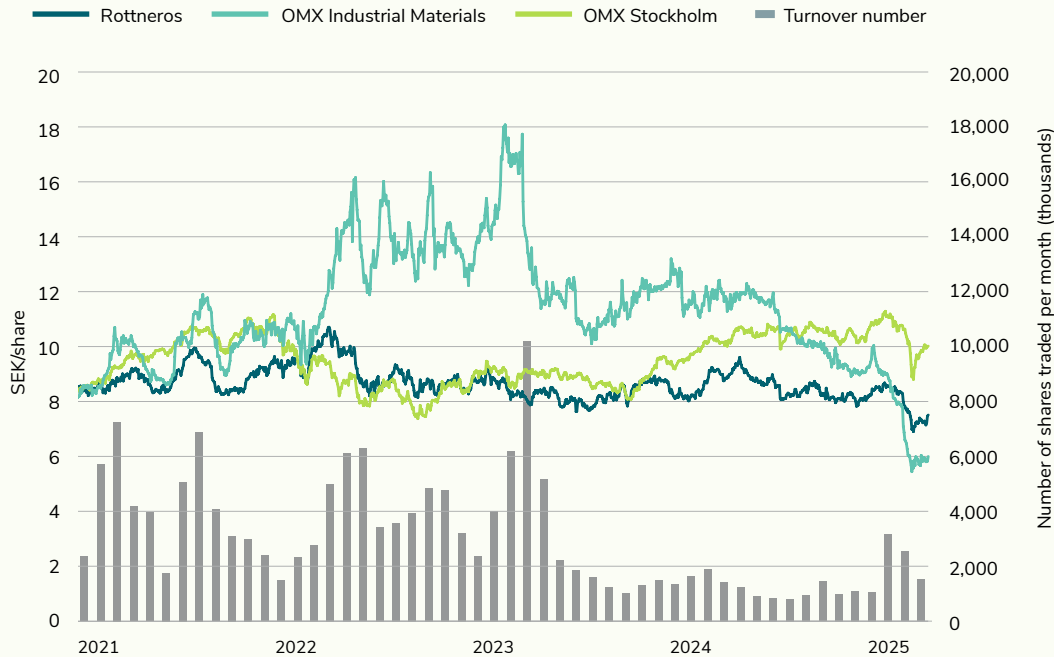
Forthcoming financial information

24 Jul 2025 Interim report January–June 2025
30 Oct 2025 Interim report January–September 2025

2025 Annual general meeting

The Annual General Meeting of Rottneros AB (publ) was held on 10 April 2025 in Sunne. The AGM resolved in accordance with the Board's proposal that no dividend be paid for 2024. Further the AGM decided that the number of Board members shall be seven with the re-election of Per Lundeen, Roger Mattsson, Conny Mossberg, Julia Onstad Johanna Svanberg and Magnus Wikström, and election of Michal Jarczyński. Per Lundeen was re-elected to serve as chairman. The AGM also resolved to elect the auditing firm PricewaterhouseCoopers AB to serve as auditor for the period until the 2026 Annual General Meeting. More information can be found on the Rottneros website under Corporate Governance. In addition, the employees appointed Mika Palmu and Jerry Sohlberg to serve as ordinary employee representatives and Jimmy Thunander and Jörgen Wasberg as deputies.

SHARE PRICE 2021 TO 10 MAY 2025



LARGEST SHAREHOLDERS ON 31 MARCH 2025

Shareholders	Number of shares (=votes)	Percent of capital
Arctic Paper S.A.	78,230,883	51.0
PROAD AB	11,713,249	7.6
UBS Switzerland AG, W8IMY	7,537,954	4.9
Caceis Bank, Switzerland Branch, W8IMY	5,900,000	3.8
Avanza Pension	4,428,183	2.9
Dimensional Fund Advisors	2,756,907	1.8
Caceis Bank Spain SAU, W8IMY	1,155,113	0.8
Handelsbanken Fonder	960,883	0.6
SEB Investment Management	832,565	0.5
KBC BANK NV, W-8IMY	689,531	0.4
Total for 10 largest owners – by size of holding	114,205,268	74.5
Other shareholders	38,366,657	25.0
Rottneros AB (treasury shares from buy-back)	821,965	0.5
TOTAL	153,393,890	100.0

Declaration

The Board of Directors and the CEO certify that the quarterly report gives a true and fair summary of the Group's and parent company's operations, financial position and results and describes significant risks and uncertainties faced by the company and the companies included in the Group.

Vallvik on 15 May 2025

Per Lundeen
Chairman of the Board

Michal Jarczynski
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

Lennart Eberleh
President and CEO

This information is information that Rottneros AB is obliged to publish under the EU Market Abuse Regulation and the Securities Market Act.

The company's auditors have not reviewed this report.

The information was submitted for publication, through the agency of the contact person set out below, at 7:30 am on 15 May 2025. A Swedish and an English version of this report have been prepared. The Swedish version shall prevail in the event of differences between the two reports.

For further information, please contact:
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CEO and President, Rottneros AB.

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CONSOLIDATED INCOME STATEMENT

AMOUNTS IN MSEK	Jan-Mar 2025	Jan-Mar 2024	Rolling 12 months	Full-year 2024
NET TURNOVER	652	688	2,674	2,710
Change in finished goods inventories	68	-28	155	58
Other operating income	11	30	114	133
Operating income, total	732	690	2943	2,901
Raw materials and consumables	-511	-455	-1,851	-1,795
Other external costs	-140	-133	-628	-621
Employee benefit expenses	-84	-67	-311	-294
Other operating expenses	-23	0	-35	-12
EBITDA (operating profit/loss before depreciation/amortisation and impairment)	-27	35	118	179
Depreciation/amortisation and impairment losses	-35	-30	-138	-133
EBIT (operating profit/loss)	-62	5	-20	47
Financial income	0	2	2	4
Financial expenses	-7	-10	-21	-24
Total financial items	-7	-8	-19	-20
PROFIT/LOSS AFTER FINANCIAL ITEMS	-69	-3	-39	27
Tax on income for the period	13	1	5	-7
NET INCOME ¹	-56	-2	-34	20
Average number of shares outstanding (thousands)	152,572	152,572	152,572	152,572
Average number of shares outstanding, diluted (thousands)	152,572	152,572	152,572	152,572
Earnings per share (SEK)	-0.37	-0.02	-0.22	0.13
Earnings per share, diluted (SEK)	-0.37	-0.02	-0.22	0.13

¹ There are no share-based programmes that could have a dilutive effect.

STATEMENT OF COMPREHENSIVE INCOME

AMOUNTS IN MSEK	Jan-Mar 2025	Jan-Mar 2024	Rolling 12 months	Full-year 2024
NET INCOME	-56	-2	-34	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	-18	-63	-95	-140
Income tax effect on changes in value	4	13	20	29
Translation differences	-1	0	-1	0
TOTAL OTHER COMPREHENSIVE INCOME	-15	-50	-76	-111
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ²	-71	-52	-110	-91

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

CONSOLIDATED BALANCE SHEET, SUMMARY

AMOUNTS IN MSEK	31 March 2025	31 March 2024	31 Dec 2024
Intangible assets	21	21	21
Property, plant and equipment	1,582	1,326	1,579
Financial assets	95	123	98
TOTAL NON-CURRENT ASSETS	1,698	1,470	1,698
Inventories	628	459	590
Current receivables	548	626	538
Cash and cash equivalents	37	95	19
TOTAL CURRENT ASSETS	1,214	1,180	1,148
TOTAL ASSETS	2,911	2,650	2,846
Shareholders' equity	1,619	1,729	1,691
Long-term liabilities			
Interest-bearing liabilities	9	51	341
Deferred tax liability	107	143	123
Other non-interest-bearing liabilities	82	22	74
TOTAL LONG-TERM LIABILITIES	198	216	537
Current liabilities			
Interest-bearing liabilities	586	32	71
Non-interest-bearing liabilities	508	673	547
TOTAL CURRENT LIABILITIES	1,094	705	619
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	2,911	2,650	2,846
Shareholders' equity per share	10.61	11.33	11.08

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY, SUMMARY

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, 1 January 2024	153	730	-69	60	-6	990	1,858
Net income, Jan-Mar						-2	-2
Other comprehensive income, Jan-Mar				-50	-		-50
Total comprehensive income, Jan-Mar				-50	-1	-2	-53
Dividends to shareholders, Jan-Mar						-76	-76
Closing balance, 31 March 2024	153	730	-69	10	-7	912	1,729
Net income, Apr-Dec						23	23
Other comprehensive income, Apr-Dec				-61	1		-60
Total comprehensive income, Apr-Dec				-61	1	23	-37
Dividends to shareholders, Apr-Dec						0	0
Closing balance, 31 December 2024	153	730	-69	-51	-6	934	1,691
Net income, Jan-Mar						-56	-56
Other comprehensive income, Jan-Mar				-14	-1		-15
Total comprehensive income, Jan-Mar				-14	-1	-56	-71
Dividends to shareholders, Jan-Mar						-	-
Other injected capital		-31				31	0
Closing balance, 31 March 2025	153	699	-69	-65	-7	909	1,619

CONSOLIDATED STATEMENT OF CASH FLOWS

AMOUNTS IN MSEK	Jan-Mar 2025	Jan-Mar 2024	Rolling 12 months	Full year 2024
EBIT	-62	5	-20	47
Adjustment for items not included in cash flow	3	0	18	15
Depreciation/amortisation and impairment losses	35	30	138	133
EBIT adjusted for items not affecting cash flow	-24	35	136	195
Received/paid financial items	-7	0	-18	-11
Received/paid taxes	-45	-17	-63	-35
Cash flow from operating activities before changes in working capital	-76	18	55	149
Change in working capital	-52	42	-228	-134
Cash flow from operating activities	-128	60	-173	15
Investments in property, plant and equipment and intangible assets	-37	-82	-405	-450
Investments in financial assets	–	–	0	0
Sale of non-current assets	0	–	2	1
Change in current financial investments	0	6	6	12
Cash-flow from investing activities	-37	-76	-397	-436
Borrowings, long-term loans	0	–	409	409
Amortisation, long-term bank loans	-17	-9	-99	-91
Change in current financial liabilities	201	–	203	2
Dividend paid	0	-76	0	-76
Cash flow from financing activities	184	-85	513	244
NET CASH FLOW FOR THE PERIOD	19	-101	-57	-177
Cash and cash equivalents at start of period	19	196	95	196
Net cash flow for the period	19	-101	-57	-177
Exchange rate difference in cash and cash equivalents	-1	0	-1	0
Closing cash and cash equivalents	37	95	37	19

CHANGES IN INTEREST-BEARING LIABILITIES

AMOUNTS IN MSEK	Jan-Mar 2025	Jan-Mar 2024	Rolling 12 months	Full year 2024
Interest-bearing liabilities on the balance sheet at the beginning of the period	412	91	83	91
Changes included in cash flow from financing activities		–		
Long-term loans taken out from banks	0	0	409	409
Change in current financial liabilities	201	0	204	3
Amortisation of long-term loans taken out from banks	-17	-8	-100	-91
Total	184	-8	513	320
Other changes:				
Via acquisition	–	–	–	–
Interest-bearing liabilities on the balance sheet at the end of the period	596	83	596	412

PARENT COMPANY INCOME STATEMENT

AMOUNTS IN MSEK	Jan-Mar 2025	Jan-Mar 2024	Jan-Dec 2024
NET TURNOVER	11	5	23
Other operating income	0	0	1
Operating income, total	10	5	24
Pulp price hedges	0	-2	-30
Other external costs	-9	-10	-38
Employee benefit expenses	-14	-10	-40
Other operating expenses	-12	0	-19
EBITDA (operating profit/loss before depreciation/amortisation and impairment)	-24	-17	-103
Depreciation/amortisation and impairment losses	0	0	-1
EBIT (operating profit/loss)	-24	-17	-104
Profit from participations in Group companies	31	0	108
Financial income	5	13	35
Financial expenses	-7	-2	-12
Total financial items	30	11	132
PROFIT/LOSS AFTER FINANCIAL ITEMS	6	-6	28
Tax on income for the period	2	0	-7
NET INCOME	8	-6	21

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

AMOUNTS IN MSEK	Jan-Mar 2025	Jan-Mar 2024	Jan-Dec 2024
NET INCOME	8	-6	21
Other comprehensive income	–	–	–
TOTAL OTHER COMPREHENSIVE INCOME	–	–	–
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	8	-6	21

BALANCE SHEET – PARENT COMPANY

AMOUNTS IN MSEK	31 March 2025	31 March 2024	31 Dec 2024
Intangible assets	0	0	0
Property, plant and equipment	2	3	2
Financial assets ¹	1,161	704	708
Total non-current assets	1,163	707	710
Current receivables ²	536	790	1,154
Cash and cash equivalents	-46	82	2
Total current assets	491	872	1,156
TOTAL ASSETS	1,654	1,579	1,867
Shareholders' equity	1,033	998	1,025
Long-term liabilities			
Interest-bearing	0	43	331
Non-interest-bearing	31	0	20
Total long-term liabilities	31	43	351
Current liabilities			
Interest-bearing	433	32	69
Non-interest-bearing ³	157	506	422
Total current liabilities	590	538	491
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,654	1,579	1,867

¹ Includes receivables of 813 (283) MSEK from subsidiaries.² Includes receivables from subsidiaries of 501 (1,139) MSEK.³ Includes liabilities to subsidiaries of 146 (398) MSEK.

Supplementary disclosures, notes in summary and other information

ACCOUNTING POLICIES

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

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

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

Net turnover

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

FINANCIAL INSTRUMENTS

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

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

Refinancing in December 2024 replaced previous debt with bank loans totalling 400 MSEK divided into three loans and revolving credit facilities of up to 150 MSEK. The maturity of the loans is three years with an option to extend for an additional year. As before, the financing agreement includes a sustainability link whereby the interest terms are linked to some of the environmental and work environment criteria in the Group's long-term targets.

The nature of other financial assets and liabilities is in all essential respects the same as on 31 December 2024. The carrying amounts are deemed to be equal to actual values, which was also the case at the end of 2024, since the effect of discounting is not of material significance. Accounts receivables are covered by credit insurance, which reimburses most of any bad debt losses. The Company has long-term relationships with its customers and credit losses have historically been low.

RELATED PARTY TRANSACTIONS

During the period January–March 2025, Rottneros had sales to the related party Arctic Paper S.A. group amounting to 1 (0) MSEK. Outstanding operating receivables for Arctic Paper as of 31 March 2025 totalled 1 (0) MSEK. The transactions took place on market terms.

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

At the end of the quarter, not all covenants in Rottneros' credit facility were met. A constructive dialogue is ongoing with the lenders to strengthen the company's financial position.

AVERAGE NUMBER OF EMPLOYEES

The average number of employees was 298 (288) for the period January–March.

CHANGES IN GROUP MANAGEMENT

Group management was reduced from ten to seven positions as part of the downsizing process. Nils Hauri was appointed CEO of Rottneros Mill with special responsibility for innovation. Ida Mörtzell was appointed CEO of Vallvik Mill with continued responsibility for strategic HR issues.

ROTTNEROS’ NET TURNOVER

AMOUNTS IN MSEK	Jan-Mar 2025	Jan-Mar 2024	Rolling 12 months	Full year 2024
Sales of pulp	564	603	2,357	2,395
Results from pulp price hedging	0	-2	-28	-30
Sales of by-products and other	25	36	118	129
Sales of wood	62	51	227	216
TOTAL NET TURNOVER	652	688	2,674	2,710

NET TURNOVER BY GEOGRAPHIC MARKET

AMOUNTS IN MSEK	Jan-Mar 2025	Jan-Mar 2024	Rolling 12 months	Full year 2024
Sweden	149	162	618	630
Other Nordic countries	79	72	345	338
Germany	75	102	336	363
Italy	33	29	111	108
Rest of Europe	93	109	458	474
US	60	62	233	235
China	60	35	148	123
India	48	69	187	207
Rest of world	55	48	239	232
TOTAL NET TURNOVER	652	688	2,674	2,710

BREAKDOWN OF PULP TURNOVER BY USE

AMOUNTS IN MSEK	Jan-Mar 2025	Jan-Mar 2024	Rolling 12 months	Full year 2024
Board and packaging	110	160	484	534
Printing and writing papers	9	6	34	31
Filters	144	144	560	560
Electrotechnical applications	137	113	561	537
Tissue	54	65	250	261
Special applications	65	82	310	327
Fiber cement	25	15	88	78
Other	20	18	69	67
TOTAL PULP TURNOVER	564	603	2,357	2,395

FAIR VALUE OF DERIVATIVE INSTRUMENTS AS AT 31 MARCH 2025

Hedging	Hedged volume	Maturity	Hedging level	Fair value (MSEK)
Pulp, futures sold	–	–	–	–
Currency, forward sell/buy (corridor)	19 MUSD	Apr 2025-Mar 2026	10.25-11.05 SEK/USD	0
Electricity, forward purchase, cash flow hedge	31 MUSD	2025-2033	512 SEK per kWh	-82
TOTAL FAIR VALUE				-82

FAIR VALUE FOR DERIVATIVES AS AT 31 DECEMBER 2024

Hedging	Hedged volume	Maturity	Hedging level	Fair value (MSEK)
Pulp, futures sold	–	–	–	–
Currency, forward sell/buy (corridor)	31 MUSD	Jan 2025-Mar 2026	9.94-11.05 SEK/USD	0
Electricity, forward purchase, cash flow hedge	714,011 MWh	2025-2033	496 SEK per kWh	-64
Electricity, forward, financial	–	–	–	–
TOTAL FAIR VALUE				-64

GROUP PERFORMANCE IN SUMMARY

AMOUNTS IN MSEK	Jan-Mar 2025	Jan-Mar 2024	Rolling 12 months	2024	2023	2022	2021
Income statement							
Net turnover	652	688	2,674	2,710	2,755	2,980	2,303
EBITDA	-27	35	118	179	252	691	385
Depreciation/amortisation and impairment losses	-35	-30	-138	-133	-113	-141	-118
EBIT	-62	5	-20	47	139	550	267
Financial items (net financial items)	-7	-8	-19	-20	14	164	-21
Profit/loss after financial items	-69	-3	-39	28	153	714	246
Net income	-56	-2	-34	20	121	565	198
Statement of cash flow							
Cash flow from operating activities	-128	60	-173	15	104	541	288
Investments in non-current assets	-37	-76	-397	-436	-140	-112	-123
Cash flow after investments in non-current assets	-165	-16	-570	-421	-36	429	165
Cash flow from financing activities	184	-85	513	244	-233	-125	-334
Net cash flow	19	-101	-57	-177	-269	304	-169
Balance sheet items							
Non-current assets	1,698	1,470	1,698	1,698	1,470	1,501	1,339
Inventories	628	459	628	590	493	436	327
Current receivables	548	626	548	538	658	1,020	555
Cash and cash equivalents	37	95	37	19	196	465	161
Net debt (+) / net cash (-)	558	-12	558	393	-105	-354	-16
Shareholders' equity	1,619	1,729	1,619	1,691	1,858	2,256	1,527
Long-term interest-bearing liabilities	9	51	323	341	59	111	145
Long-term non-interest-bearing liabilities	188	165	188	196	223	325	207
Current interest-bearing liabilities	596	32	272	71	32	–	–
Current non-interest-bearing liabilities	508	673	508	547	645	730	503
Capital employed	2,177	1,717	2,177	2,083	1,753	1,902	1,511
Total shareholders' equity and liabilities	2,911	2,650	2,911	2,846	2,187	3,422	2,382

	Jan-Mar 2025	Jan-Mar 2024	Rolling 12 months	2024	2023	2022	2021
Key performance indicator							
EBITDA margin, %	-4.1	5.1	4.4	6.6	9.1	23.2	16.7
EBIT margin, %	-9.5	0.7	-0.7	1.8	5.0	18.5	11.6
Profit margin, %	-10.6	-0.4	-1.4	1.0	5.6	24.0	10.7
Return on equity (rolling 12 months), %	-2.0	0.0	-2.0	1.1	5.9	29.9	14.0
Return on capital employed (rolling 12 months), %	-1.0	-0.3	-1.0	2.4	7.6	32.2	18.5
Equity/assets ratio, %	56	65	56	59	66	66	64
Debt/equity ratio, %	34	-1	34	23	-6	-16	-1
Other							
Average number of employees	298	288	276	285	293	319	316
Pulp production, 1,000 tonnes	86	84.3	342	341	351.7	397.1	395.3
Pulp deliveries, 1,000 tonnes	83	89.8	326	333	356.9	388.4	403.2
SEK/USD ¹	10.68	10.39	10.85	10.56	10.61	10.12	8.58
Pulp price NBSK Europe net, USD per tonne ²	779	756	800	794	712	943	843
Pulp price NBSK Europe net, SEK per tonne	8,315	7,855	8,508	8,393	7,536	9,552	7,222
Pulp price CTMP Global net, USD per tonne ²	448	506	467	481	531	675	523
Pulp price CTMP Global net, USD per tonne	4,780	5,254	4,966	5,085	5,622	6,829	4,480

¹ Source: Riksbanken's daily listings. Average for each period.² Source: TTO quotation of net price once per month. Average for each period.

QUARTERLY DATA GROUP

	2025	2024				2023				2022			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Income statement, MSEK													
Net turnover	652	626	686	711	688	637	693	681	744	730	806	784	660
EBITDA	-27	10	70	65	35	-76	79	71	178	31	233	254	174
Depreciation/amortisation and impairment losses	-35	-38	-30	-35	-30	-24	-30	-30	-29	-30	-49	-34	-29
EBIT	-62	-28	40	30	5	-100	49	41	149	1	185	220	145
Financial items (net financial items)	-7	-7	-4	0	-8	19	-7	3	-1	10	156	-1	-1
Profit/loss after financial items	-69	-35	35	30	-3	-81	42	44	148	11	341	219	144
Tax on income for the period	13	7	-8	-8	1	17	-9	-10	-30	-2	-71	-46	-30
Net income	-56	-27	28	22	-2	-64	33	34	118	9	270	172	114
Per share													
Earnings per share, SEK	-0.37	-0.18	0.18	0.15	-0.02	-0.42	0.22	0.22	0.77	0.06	1.77	1.13	0.75
Other													
Pulp production, 1,000 tonnes	86	75	91	91	84	80	89	93	90	87	96	111	103
Pulp deliveries, 1,000 tonnes	83	73	82	89	90	85	102	83	87	87	96	106	100
TTO NBSK pulp price net Europe, SEK per tonne	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 CTMP pulp price net Global, SEK per tonne	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

SHARE DATA¹

		Jan-Mar 2025	Jan-Mar 2024	Rolling 12 months	2024	2023	2022	2021
Shares outstanding at the beginning of the period ²	Number	152,572	152,572	152,572	152,572	152,572	152,572	152,572
Shares outstanding at the end of the period ²	Number	152,572	152,572	152,572	152,572	152,572	152,572	152,572
Average number of shares outstanding ²	Number	152,572	152,572	152,572	152,572	152,572	152,572	152,572
Repurchased treasury shares ²	Number	822	822	822	822	822	822	822
Earnings per share	SEK	-0.37	-0.02	0.00	0.13	0.79	3.70	1.28
Cash flow after investments/share ³	SEK	-1.08	-0.14	-1.97	-2.85	-1.29	2.80	1.07
Equity per share	SEK	10.61	11.33	10.61	11.08	12.18	14.78	9.99
Dividend⁴								
Ordinary dividend	SEK	–	0.50	–	0.50	0.50	0.40	–
Extra dividend	SEK	–	–	–	–	0.90	0.20	0.45
Total	SEK	–	0.50	–	0.50	1.40	0.60	0.45
Dividend/equity per share	%	–	4.4	–	8.96	11.5	4.1	4.5
Share price at end of period	SEK	6.05	12.06	6.05	4	12.18	12.22	10.42
Total return	%	-32	2	-50	-22	11	23	33
Market price/equity/share	Times	0.6	1.1	0.6	0.8	1.0	0.8	1.0
P/E ratio per share	Times	N/A	N/A	N/A	68.9	15.4	3.3	8.1

¹ None of the key performance indicators are affected by any dilution effect.
² Number of shares in thousands, excluding Rottneros' treasury shares.
³ Cash flow from operating activities less investments in non-current assets, divided by average number of shares outstanding.
⁴ Refers to dividends paid in each year.

Alternative key performance indicators

Alternative ratios are financial measures that are not defined in IFRS and are presented outside the financial statements. Rottneros uses the alternative performance indicators Cash flow after investments, Net debt/net cash, Capital employed, Return on capital employed, Return on equity, Equity/assets ratio and Debt/equity ratio. The Company believes that these key ratios are useful for readers of the financial statements as a complement to other key performance indicators to assess the Rottneros Group’s financial position and profitability.

Rottneros also uses the key indicators P/E ratio, Earnings per share and Operating profit/loss per share, which the Company believes are relevant for investors and other readers. Alternative key ratios can be defined in different ways by other companies and therefore may not be comparable with similar measures used by other companies.

DEFINITIONS FOR IFRS AND ALTERNATIVE KEY PERFORMANCE INDICATORS

EBITDA

Earnings before interest, taxes, depreciation, and amortisation (Operating profit before depreciation/amortisation and impairment losses).

EBIT

Earnings before interest and taxes (operating profit).

EBIT margin

EBIT as a percentage of net turnover.

Profit margin

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

Shareholders’ equity per share

Shareholders’ equity divided by number of shares.

Cash flow after investments

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

Net debt/net cash

Interest-bearing liabilities less cash and cash equivalents.

Capital employed

Shareholders’ equity plus interest-bearing liabilities less cash and cash equivalents.

Return on capital employed (rolling 12 months)

EBIT for the last 12 months, as a percentage of average capital employed (average of capital employed at the beginning and at the end of the period).

Return on equity (rolling 12 months)

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

Equity/assets ratio

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

Liquidity

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

Available liquidity

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

Debt/equity ratio

Net debt/cash as a percentage of shareholders’ equity.

P/E ratio

Share price at the end of the period in relation to earnings per share after tax (rolling 12 months).

Operating profit/loss per share

Profit before financial items and income taxes divided by the average number of shares outstanding.

Glossary

BCTMP

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

BEK

Bleached Eucalyptus Kraft pulp.

COD

Chemical Oxygen Demand, chemical method for measuring oxygen-demanding substances.

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.

CTMP

Chemi-Thermo-Mechanical Pulp. Development of TMP, mechanical pulp where the raw material is impregnated with chemicals. Stronger than TMP. The term is used in Europe for both bleached and unbleached pulp.

ECF

Elemental Chlorine Free. Sulphate pulp bleached using chlorine dioxide, not chlorine.

GHG Scope 1

Carbon dioxide emissions from fossil fuels during production in own operations.

GHG Scope 2

Carbon dioxide emissions from electricity and other energy purchased for operations.

Hardwood pulp

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

LTIFR

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

Market pulp

Pulp sold on the market and transported to the customer. Market pulp accounts for about one third of pulp production world-wide. 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, TMP and CTMP/BCTMP are types of mechanical pulp.

NBSK

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

OSA

Organisational and social work environment

PIX

Index for list prices of pulp provided by Fastmarkets.

TTO

Index for market prices of pulp provided by Trade Tree Online

UKP

Unbleached Kraft Pulp, unbleached sulphate pulp.

Rottneros is an independent producer of market pulp. The Group consists of the parent company Rottneros AB, listed on Nasdaq Stockholm, with the subsidiaries Rottneros Bruk AB and Vallviks Bruk AB, active in the production and sale of market pulp. The Group also includes Rottneros Packaging AB, which manufactures fiber trays, the raw material procurement company SIA Rottneros Baltic in Latvia and the forestry company Nykvist Skogs AB. The Group has approximately 285 employees and had sales of approximately 2.7 BSEK.



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