

Q4

2020

Year-end report January – December 2020

QUARTERLY RESULTS OCTOBER - DECEMBER

- Net sales decreased by 9% to SEK 670m (738), excluding currency effects the decrease was 3%
- EBITDA was SEK 144m (65), corresponding to an EBITDA margin of 21.4% (8.8)
- Maintenance stop in Bäckhammar affected the quarterly operating result negatively by SEK 9m (57)
- IPO costs in the quarter was SEK 2m (-)
- Operating profit was SEK 113m (40), corresponding to an operating margin of 16.8% (5.4)
- Net result for the period amounted to SEK 75m (32)
- Cash flow from operating activities was SEK 17m (14)
- Earnings per share were SEK 1.13 (0.48*)
- Return on operating capital was 26.9% (39.4)
- Nordic Paper was listed on Nasdaq Stockholm on 22 October
- The Board of Directors proposes a dividend of SEK 2.00 per share, corresponding to a total amount of SEK 134m

KEY FIGURES

SEKm	2020 Q4	2019 Q4	Δ, %	2020 Full year	2019 Full year	Δ, %
Net sales	670	738	-9	2,903	3,231	-10
EBITDA	144	65	119	458	629	-27
EBITDA margin, %	21.4	8.8		15.8	19.5	
Operating profit	113	40	182	348	530	-34
Operating margin, %	16.8	5.4		12.0	16.4	
Profit for the period	75	32	134	258	414	-38
Earnings per share, SEK	1.13	0.48*		3.85	6.19*	
Cash flow from operating activities,	17	14	24	352	451	-22
Return on operating capital 12m, %	26.9	39.4		26.9	39.4	
Net debt/EBITDA 12m, ratio**	1.6	-0.0		1.6	-0.0	
Sales volumes, ktonnes	64	61	4	267	272	-2

*Recalculated for the 1,400:1 split of the company's ordinary shares, which was decided by the extraordinary general meeting on 1 October 2020.

**Negative value because of net cash.

CEO COMMENT



GOOD VOLUMES AND STABLE MARKET

The fourth quarter has been characterised by stability, both in regards to the market situation and the production. The demand has been relatively unchanged. In Kraft Paper the market demand has remained good and the competition has declined somewhat, since the Asian market has started to recover. This has meant a stabilisation of the price level of kraft paper.

After the finished maintenance activities in the third quarter, the production in Kraft Paper has run in a good pace. The shutdowns in Natural Greaseproof's large markets following the pandemic, has continued to affect the demand negatively for products to the professional food industry. We have therefore intentionally decreased the production proactively in a few shorter periods.

LOWER COSTS SUPPORT GOOD MARGINS

The quarterly result adjusted for maintenance costs and listing costs has increased by 27 percent compared to last year. In 2020, Natural Greaseproof showed the highest EBITDA level ever, despite effects from COVID-19. Lower costs for raw materials and energy have had a positive effect on the group's earnings. The lower market prices for fibre have begun to have effect on earnings, as the agreements with our suppliers gradually expire and are renegotiated.

INITIATIVES TO MEET INCREASED DEMAND

The interest in replacing plastic with paper continues. We continuously receive requests from both new and existing customers and in joint projects we develop new solutions. In the fourth quarter, an example of this is a project where the end-customer replaced the plastic bags they previously packaged the grapes in with paper bags.

To be able to provide for the increased need for paper, we continue the work with the investment in Bäckhammar. The permit to increase the pulp and paper production by up to 20 and 10 percent respectively, that were submitted in the previous quarter has been supplemented with additional technical information. The preparatory work for the wood room progress according to plan and the set-up of the project organisation is on-going.

In the first quarter, we will move to our new headquarter in Karlstad, which means that central functions will be gathered under the same roof. Long-term it means that we will get better and closer cooperation in the company and will also increase the recruitment base for some of our positions.

SHORT-TERM STABLE MARKET SITUATION

The year 2020 has ended and it has been a both challenging and interesting year, with several highlights for Nordic Paper. We have taken the steps to become a listed company, we operate in a sector where the financial impact from COVID-19 is limited and our products benefit from the increased sustainability focus. When we now enter into 2021, we do not expect any major changes of the present market situation.

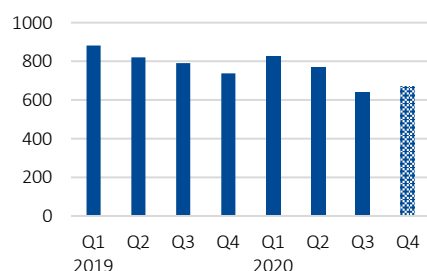
We will continue to work with the same enthusiasm and energy to provide products for a more sustainable everyday life and by that create long-term value to all Nordic Paper's stakeholders.

Anita Sjölander
CEO

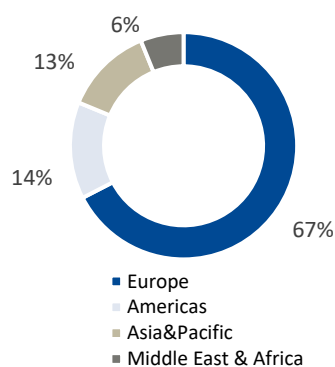
GROUP PERFORMANCE

OCTOBER - DECEMBER

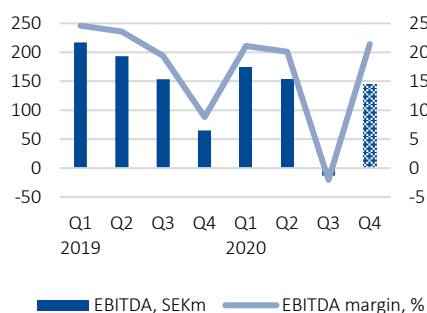
NET SALES, SEKm



NET SALES PER GEOGRAPHY



EBITDA



Q3 and Q4 2019 was affected by maintenance stops normally carried out in Q3 was moved to Q4. See information about seasonality on page 11.

MARKET AND SALES

In the fourth quarter no major changes of the market situation took place. It was still primarily the market for greaseproof paper to the professional market in the countries with the most extensive restrictions that were affected by the pandemic. The shift in demand from products in professional businesses to products towards retail remained. Prices were lower, in particular for sack paper, compared to a very strong market situation in 2019, but stable compared to the third quarter 2020. The market's increased interest in unbleached products has benefitted Nordic Paper.

Net sales in the fourth quarter declined by 9% to SEK 670m (738). Volumes increased by 3% compared with the same period last year. Lower price levels had a negative effect of 6%. The stronger SEK rate primarily against the USD gave a negative currency effect of 6%. Europe as well as Middle East and Africa had approximately unchanged net sales. America and Asia had negative net sales development.

CHANGE IN NET SALES

Q4 2019, SEKm		738
Sales volume and product mix		3%
Selling price		-6%
Currency		-6%
Q4 2020, SEKm		670

RESULTS

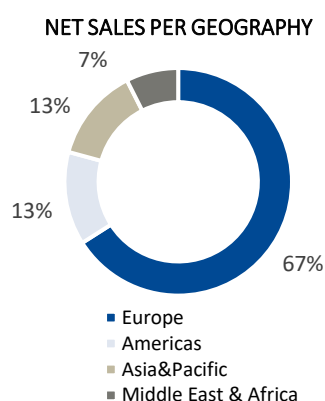
EBITDA for the fourth quarter increased to SEK 144m (65). The maintenance stop in Bäckhammar affected the result negatively by SEK 9m compared to SEK 57m in the same quarter last year. Costs related to the listing process was SEK 2m (-). Lower fibre and energy costs impacted the result positively. One-offs related to dissolution of reserves affected personnel costs positively by SEK 6m. The EBITDA margin improved to 21.4% compared to 8.8% the same period last year.

Operating result improved to SEK 113m (40) and the operating margin was 16.8% (5.4). Net profit for the period amounted to SEK 75m (32).

FINANCIAL NET AND TAX

Net financial items for the fourth quarter were SEK -19m (-11) of which interest net was -5 (-3) and otherwise explained by exchange rate differences on cash. Tax cost for the fourth quarter was SEK 19m (-3), corresponding to a tax rate of 20.2%.

JANUARY – DECEMBER



MARKET AND SALES

Net sales for the year declined by 10% to SEK 2,903m (3,231) compared to the same period 2019. The volumes remained on just about unchanged level. The decrease in net sales is mainly due to lower sales prices. The negative price effect in the year was 8%. The prices on sack paper have been on a significant lower level compared to last year. The market for sack paper in the cement and construction industry outside Europe have had a weak development in the main part of the year, which has increased the competition on Nordic Paper's main market Europe. In the latter part of the year, the Asian market started to recover, which decreased the competition on the European market. The prices on greaseproof paper have been somewhat lower too, mainly due to the weaker demand in general in certain segments due to COVID-19. Europe with 67% of net sales in the year was the largest market. Asia and Americas were standing for 13% each and Middle East & Africa for 7%.

CHANGE IN NET SALES

Jan-Dec 2019, SEKm	3,231
Sales volume and product mix	-1%
Selling price	-8%
Currency	-1%
Jan-Dec 2020, SEKm	2,903

RESULTS

EBITDA decreased by 27% to SEK 458m (629) and the EBITDA margin was 15.8% (19.5). The lower market prices in the period were partly offset by lower pulp and energy costs. Costs related to the listing process was SEK 24m (-) in the period.

This year's maintenance stop in Bäckhammar was followed by a slower ramp-up of the production than planned. In addition to that, an extensive unplanned stop in the pulp production took place in May in Bäckhammar. The aggregated negative effect on EBITDA as well as the operating result was SEK 48m (0).

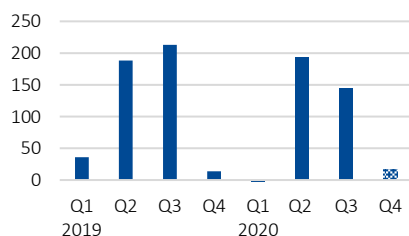
The operating result totalled SEK 348m (530). The profit for the year was SEK 258m (414) and earnings per share was SEK 3.85 (6.19).

FINANCIAL NET AND TAX

Net financial items for the full year were SEK -20m (-11) of which interest net was - 9 (-12). Tax cost for the period totalled SEK 70m (105), corresponding to a tax rate of 21.3% (19.6).

CASH FLOW AND FINANCIAL POSITION

CASH FLOW FROM OPERATING ACTIVITIES, SEKm

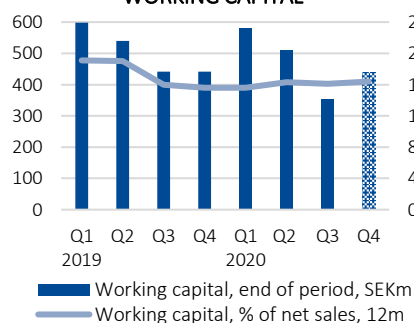


CASH FLOW AND WORKING CAPITAL

Cash flow from operating activities increased to SEK 17m (14) for the fourth quarter. The fourth quarter has as expected a low cash flow due to the increase in inventory that normally takes place in the end of December when the availability of shipping is limited. In the full year 2020 the cash flow from operating activities was SEK 352m (451).

Net working capital on 31 December was SEK 440m (442). Net working capital as a percentage of net sales for the last 12-month period was 16.4% (15.6).

WORKING CAPITAL



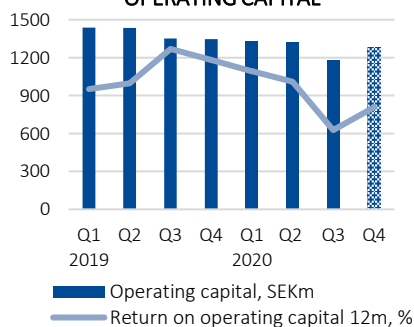
INVESTMENTS AND OPERATING CAPITAL

Investments in the quarter were SEK 32m (37) and were in the full year 2020 SEK 102m (100). Operating capital at the 31 December totalled SEK 1,278m (1,271). Return on operating capital for the last 12-month period was 26.9% (39.4).

FINANCING

At 31 December 2020, the group had a net debt of SEK 718m (-9). Interest-bearing debt amounted to SEK 1,134m (238). In October a bank credit facility of MSEK 950 was utilised to finance the decided dividend of SEK 950m to the previous parent company Sutriv Holding AB. Of the SEK 1,134m, SEK 19m are attributable to IFRS 16 leasing liabilities. The total cash position was SEK 415m (247). In addition, the company has available unutilised credit facilities of SEK 800m (200), whereof an overdraft facility of SEK 200m. The debt/equity ratio was 25.3% (57.6) and the net debt/EBITDA ratio was 1.6 (-0,0).

OPERATING CAPITAL



HEDGING OF EXCHANGE RATES

The Group hedges parts of future estimated net flows in foreign currencies according to the finance policy. 50-75% are hedged for the coming 6 months period and 25-50% for the subsequent 7-12 month period. EBITDA for the fourth quarter includes an earnings effect from currency hedges of SEK 11m (-13). For the coming 12 months the hedges are as follows.

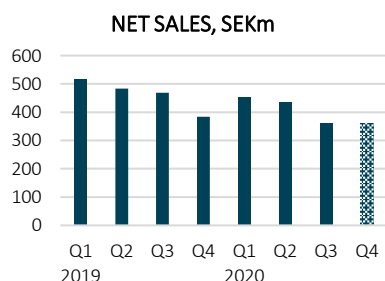
Currency	Average rate of derivatives	FX rate, 31 Dec	Total FX, m	Total, SEKm	Fair value, net, SEKm
EUR	10.42	10.04	50	526	19
USD	8.89	8.19	14	131	10
GBP	11.69	11.09	7.0	81	4
				739	34

SEGMENT KRAFT PAPER

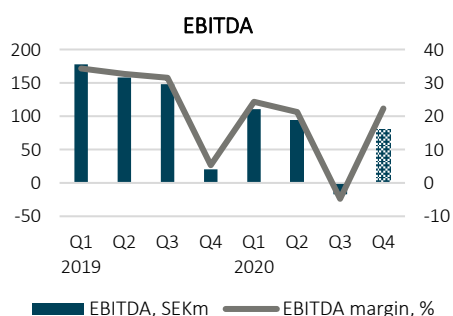
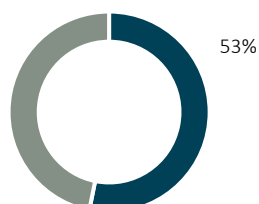
Segment Kraft Paper produces unbleached sack paper, MG paper and different kind of specialty paper of high quality for industrial usage. Examples of applications for the MG and sack paper are sacks and bags for food and construction materials, and masking and protection paper for different applications. The specialty papers can be used as components in production of laminates, in stainless steel production, and in electrical transformers. The mills in Bäckhammar and Åmotfors belongs to this segment. The segment also sells a certain amount of pulp.

Kraft Paper

SEKm	2020 Q4	2019 Q4	Δ, %	2020 Full year	2019 Full year	Δ, %
Net sales	361	383	-6	1,613	1,855	-13
EBITDA	80	20	297	266	504	-47
EBITDA margin, %	22.3	5.3		16.5	27.2	
Operating profit	67	8	745	214	455	-53
Operating margin, %	18.5	2.1		13.3	24.5	
Sales volumes, ktonnes	48	44	8	200	204	-2



SHARE OF GROUP'S NET SALES Q4 2020



Q3 and Q4 2019 was affected by maintenance stops normally carried out in Q3 was moved to Q4. See information about seasonality on page 11.

OCTOBER - DECEMBER

MARKET AND SALES

Demand for Nordic Paper's kraft paper continued to be healthy. The competition on the market has eased somewhat as the Asian market has started to recover. The price level of kraft paper has been stable in the quarter.

Net sales for the fourth quarter decreased by 6% to SEK 361m (383). Volume and mix had a positive effect on net sales by 9%. The lower prices had a negative effect of 9% and the currency development gave a negative effect of 6%. Europe and America had positive sales performance, while Asia as well as Middle East and Africa had a negative performance.

CHANGE IN NET SALES

Q4 2019, SEKm	383
Sales volume and product mix	9%
Selling price	-9%
Currency	-6%
Q4 2020, SEKm	361

RESULTS

EBITDA increased to SEK 80 (20). Lower raw materials and energy prices impacted the result positively. The negative effect of the maintenance stop in Bäckhammar in the quarter was SEK 9m (57). The EBITDA margin increased to 22.3% (5.3). The operating result was SEK 67m (8) and the operating margin was 18.5% (2.1).

JANUARY – DECEMBER

Net sales for the full year 2020 declined by 13% to SEK 1,613m (1,855), primarily due to a negative price development of 10%, due to a significantly lower market price in 2020 than in 2019. Sales volumes decreased by 2%, among others as a result of the unplanned stoppage in Bäckhammar in May and slower ramp-up in connection to the restart after the maintenance stop in September. Currency effects in the full year was negative by 1%.

CHANGE IN NET SALES

Jan-Dec 2019, SEKm	1,855
Sales volume and product mix	-2%
Selling price	-10%
Currency	-1%
Jan-Dec 2020, SEKm	1,613

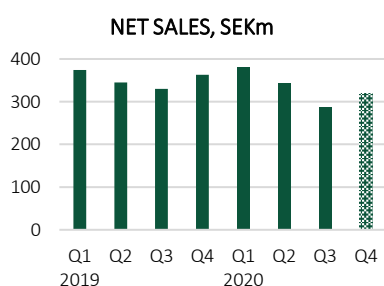
EBITDA decreased by 47% to SEK 266m (504). The decline is mainly due to lower sales prices. The effects on EBITDA as well as the operating result, of the unplanned stoppages totalled SEK 48m. The EBITDA margin declined to 16.5% (27.2).

The operating profit was SEK 214m (455) and the operating margin was 13.3% (24.5).

SEGMENT NATURAL GREASEPROOF

Segment Natural Greaseproof produces premium, natural greaseproof paper for the food industry. Greaseproof paper is used in the preparation, production, packaging and storage of food, for instance in baking cups, baking papers, food containers for ready meals, and barrier papers for wrapping meat, butter and other fatty foods. The mills in Greåker and Säffle belongs to this segment.

SEKm	2020 Q4	2019 Q4	Δ, %	2020 Full year	2019 Full year	Δ, %
Net sales	318	363	-12	1,327	1,412	-6
EBITDA	62	55	13	205	171	20
EBITDA margin, %	19.5	15.1		15.4	12.1	
Operating profit	47	45	5	164	136	21
Operating margin, %	14.9	12.5		12.4	9.6	
Sales volumes, ktonnes	16	17	-5	67	68	0



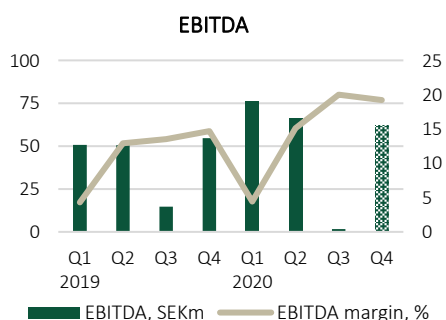
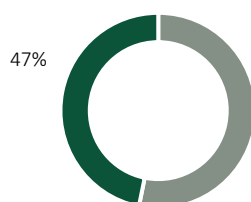
OCTOBER - DECEMBER

MARKET AND SALES

COVID-19 has primarily affected the demand for Natural Greaseproof's products negatively in countries with extensive shutdowns. The shift from products in professional businesses to products addressed toward retail that started in the first quarter, has remained. The market's increased interest in unbleached greaseproof paper has partly offset the decrease in demand following COVID-19.

Net sales for the fourth quarter decreased by 12% to SEK 318m (363). Volume and mix impacted the net sales negatively by 4% and price by 3%. The price decrease reflects that the market situation was very strong in the comparable period last year as well as a stronger competition due to the lower demand. Currency effects had a negative effect of 5%. Europe had a stable sales performance, while the other geographical areas had a negative performance.

SHARE OF GROUP'S NET SALES Q4 2020



CHANGE IN NET SALES

Q4 2019, SEKm	363
Sales volume and product mix	-4%
Selling price	-3%
Currency	-5%
Q4 2020, SEKm	318

RESULTS

EBITDA improved to SEK 62m (55). The lower pulp and energy prices had a positive impact. The EBITDA-margin increased to 19.5% (15.1). Operating result improved to SEK 47m (45) and the operating margin to 14.9% (12.5).

JANUARY – DECEMBER

Net sales in the full year were SEK 1,327m (1,412), a decrease by 6%. The sales volumes in the year have, in spite of the effects of COVID-19, stayed at about the same level as last year. The sales decline is mainly due to a negative price development of 4%, compared to a 2019 with a strong market situation.

CHANGE IN NET SALES

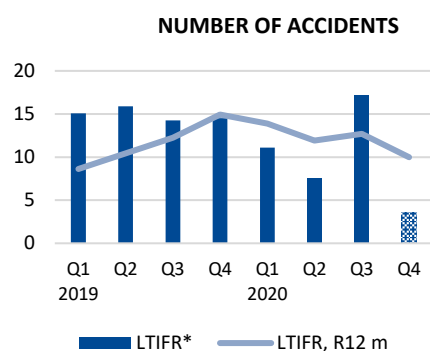
Jan-Dec 2019, SEKm	1,412
Sales volume and product mix	-1%
Selling price	-4%
Currency	-1%
Jan-Dec 2020, SEKm	1,327

EBITDA increased by 20% to SEK 205m (171), mainly due to lower raw material costs and a positive currency effect on the group's production costs due to a weaker NOK. The EBITDA margin increased to 15.4% (12.1). The operating profit improved to SEK 164m (136) and the operating margin to 12.4% (9.6).

SUSTAINABILITY

Nordic Paper strives to integrate sustainability as a natural part of the daily work. The company has chosen three focus areas, sustainable work environment, sustainable business behaviour and responsible production. Reporting related to these focus areas are included in the interim reports.

SUSTAINABLE WORK ENVIRONMENT



The overall target is to secure a healthy and safe work environment for the employees as well as for entrepreneurs, extra staff hired and visitors. The target for 2020 was to lower the number of LTI's (Lost time Incidents) to reach a level of LTIFR* of 10 injuries/million working hour. In the fourth quarter occurred one accident followed by sick leave. In 2020 the target of LTIFR 10 per million working hours was reached. The work to further lower the level of accidents continues and the target for 2021 is a LTIFR of 9 per million working hours. In the Greåker mill a positive milestone was passed in December when no accident with sick leave had taken place in 500 days.

*Lost Time Incident Frequency Rate, incidents with sick leave per 1 million working hours. Calculated as number of incidents with sick leave divided by actual working hours for the company's own employees.

SUSTAINABLE BUSINESS BEHAVIOUR

Nordic Paper has zero tolerance concerning corruption and bribes. In the quarter the scrutinization of the company's routines to ensure that no sales take place to countries and customers covered by corruption risks and sanctions continued. The goal was to finish this in 2020, but due to an increased level of ambition, the completion has been postponed.

RESPONSIBLE PRODUCTION

The work continues with the application for a new production permit in Bäckhammar. The permit expects to give the company ability to increase the annual pulp and paper production by up to 50,000 and 20,000 tonnes respectively. The application comprises among others the building of a new pipeline for clean and cleaned process water, which will give beneficial environmental effects. The company has conducted studies and proposed in the application how the purified process water can be returned. The authority feedback regarding any additions to the application is expected in the beginning of 2021.

The mill in Greåker has been granted an extended production permit from 42,000 to 55,000 tonnes/year, which is expected to lead to improved energy consumption per tonne produced paper.

OTHER

EVENTS AFTER THE QUARTER

No significant events have occurred after the quarter closed.

SEASONAL EFFECTS

Nordic Paper's has to a certain extent seasonal variation during the financial year. The business is impacted primarily by planned production shutdowns in the individual units when maintenance activities are carried out. The operating profit is negatively impacted by mainly external costs, but also by somewhat lower deliveries. Normally the inventory levels are increased in the second quarter to be able to deliver to the customers during the production shutdowns. Estimated effect on operating profit in a quarter with a planned production shutdown is an estimated result effect in relation to a quarter without production shutdown.

	Effect on operating profit, SEKm						Carried out, quarter		
	Kraft Paper			Natural Greaseproof			2021	2020	2019
	Estimated 2021	Actual 2020	Actual 2019	Estimated 2021	Actual 2020	Actual 2019			
Bäckhammar	~80	88	57				3	3/4	4
Åmotfors	~10	10	5				3	3	3
Säffle				~28	25	25	3	3	3
Greåker				~8	10	4	3	3	3

The total originally planned maintenance costs in 2020 amounted to SEK 105m. The ramp-up of the production rate in connection to the annual maintenance stop in Bäckhammar 2020 was slower than planned. The total negative impact on EBITDA as well as the operating profit related to the ordinary maintenance stops and the slower ramp-up in 2020 therefore was SEK 133, of which SEK 9m in the fourth quarter. The planned maintenance stop in Bäckhammar 2021 includes more expensive components than in recent years.

Sales in December is normally somewhat negatively affected as a consequence of lower access to transportations in connection to Christmas and New Year holiday. The effect is increased inventory levels at year-end and a postponing of sales to the first quarter the following year.

RISKS AND RISK MANAGEMENT

Nordic Paper is exposed to strategic, operative, financial and legal and regulatory risks that may significantly affect the company. Awareness of risks and mitigation of risks is a part of the daily activities and is reviewed and reported to the management, audit committee and to the Board. These risks include, inter alia, the following industry- and business-related risks:

- COVID-19 has so far not had any effect on Nordic Paper's production capabilities and no material effect on Nordic Paper's financial condition. Nordic Paper experiences that the pandemic has a negative impact on demand in countries where lockdown is implemented or has been implemented, such as the United States, United Kingdom and Italy. The company has therefore implemented certain production restrictions in the Natural Greaseproof segment and it cannot be ruled out that such measures may also need to be taken in the future. In regard to greaseproof paper, there has also been some shift in the demand, i.e. from the professional food service sector to the consumer driven retail sector. When viewing the operations as a whole, the experienced decrease in demand is limited and has thus not had a material effect on Nordic Paper's financial condition. Continued measures taken to combat the pandemic's spread, may though have an impact that proves to be materially adverse to Nordic Paper's financial condition and results of operations.
- Nordic Paper operates in competitive markets and is subject to competition regarding both the pricing and quality of its products, whereby it could fail to compete successfully.

- Macroeconomic factors and trends in various markets, such as food and industrial, could lead to variations in demand and pricing of Nordic Paper's products.
- Cost of input goods and services used by Nordic Paper for production vary over time and could adversely affect Nordic Paper's operations.
- If long term relationships with agents and customers face difficulties or if such relationships deteriorate it could have an impact on Nordic Paper's business and operating results.
- Damages to production equipment and other disruptions in production could lead to temporary cessation of one or several of Nordic Paper's production units.
- Nordic Paper is dependent on IT systems for its ongoing operations and disruptions or errors in critical systems could lead to disruptions in production and important business processes.
- An inefficient implementation of strategic plans, erroneous investment decisions, failure in establishing commitment for adopted strategies and risks relating to acquisitions and integration could adversely affect Nordic Paper's operations.
- Nordic Paper is exposed to currency risks due to transactions performed in currencies other than SEK and due to foreign subsidiaries in the Group.
- Nordic Paper's operations are exposed to environmental risks and must comply with various environmental regulations.
- Nordic Paper's operations are exposed to risks related to sanctions, corruption and competition.
- Nordic Paper's operations are exposed to health and safety risks and must comply with various work-related health and safety regulations.

A more comprehensive description of the risks is provided in Nordic Papers' Listing prospectus available on www.nordic-paper.com.

TRANSACTIONS WITH RELATED PARTIES

During the quarter Nordic Paper acquired services to an amount of SEK 0m (1) from Sutriv Holding and acquired energy to the amount of SEK 7m (10) and sold services and consumable to Åmotfors Energi AB to an amount of SEK 1m (1). The transactions were conducted on market conditions.

SHAREHOLDERS

Shareholders 31 Dec 2020	Votes and capital, %
Sutriv Holding AB	48.2%
AMF - Försäkring och Fonder	9.7%
Swedbank Robur Fonder	9.4%
Ålandsbanken	4.1%
UBS Switzerland AG	3.7%
Handelsbanken fonder	2.8%
Carnegie fonder	2.2%
Länsförsäkringar fondförvaltning AB	1.8%
Försäkringsbolaget Avanza Pension	1.5%
Nordea Livförsäkring Sverige AB	1.3%
Other	15.3%
Total	100%

DIVIDEND

For the fiscal year 2020, the Board of Directors proposes a dividend of SEK 2.00 per share, to be paid in one instalment. The proposal entails a total share dividend of SEK 134m, corresponding to 51.9% of the net profit for the year. The proposed record day is 24 May, which means that the final day for trading in Nordic Paper's shares including the right to a dividend is 20 May.

28 January 2021

Nordic Paper Holding AB

Anita Sjölander, CEO

The report has not been reviewed by the company's auditors.

The English report is only for translation purposes. The Swedish report is the valid report.

This information is inside information that Nordic Holding AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 7.30am CET on January 28, 2021.

Group

CONDENSED INCOME STATEMENT

SEKm	2020 Q4	2019 Q4	2020 Full year	2019 Full year
Net sales*	670	738	2,903	3,231
Change in inventories	38	19	-17	-30
Other operating income	22	4	39	21
Raw materials and consumables	-301	-336	-1,210	-1,368
Other external costs	-159	-214	-757	-713
Personnel costs	-120	-130	-479	-477
Depreciation and amortisation	-31	-25	-110	-99
Other operating costs	-7	-15	-19	-34
Operating profit	113	40	348	530
Financial income	0	0	5	3
Financial costs	-19	-11	-25	-14
	-19	-11	-20	-11
Profit before tax	94	29	328	519
Tax	-19	3	-70	-105
Profit for the period	75	32	258	414
Profit attributable to:				
Owners of the parent company	75	32	258	414
Non-controlling interests	-	-	-	-
Net profit for the period	75	32	258	414
Earnings per share, SEK	1.13	0.48**	3.85	6.19**

*Net sales consist in entirety of sales of goods.

**The number of shares and the amounts for all periods are recalculated for the 1,400:1 split of the company's ordinary shares, which was decided by the extraordinary general meeting on 1 October 2020.

CONDENSED COMPREHENSIVE INCOME

SEKm	2020 Q4	2019 Q4	2020 Full year	2019 Full year
Profit for the period	75	32	258	414
<i>Items that will be reclassified to profit or loss</i>				
Change in fair value of cash flow hedges	15	30	16	11
Exchange differences on translation of foreign operations	6	-2	-15	4
Tax attributable to items that have been or may be reclassified to profit or loss	-3	-6	-3	-2
<i>Items that will not be reclassified to profit or loss</i>				
Actuarial gains and losses on defined benefit plans	-	-	-	2
Other comprehensive income for the period	18	22	-2	14
Comprehensive income for the period	93	54	256	428
Comprehensive income attributable to:				
Parent company's shareholders	93	54	256	428

CONDENSED BALANCE SHEET

SEKm	2020 31 Dec	2019 31 Dec
Goodwill	343	343
Other intangible assets	1	2
Buildings and land	55	68
Machinery and plant	484	498
Equipment, tools, fixtures and fittings	4	6
Right of use assets	18	12
Construction in progress	83	62
Deferred tax assets	9	6
Total non-current assets	997	998
Inventories	445	470
Accounts receivables	365	402
Income tax receivables	-	14
Other operating receivables	68	74
Derivatives	34	17
Prepaid expenses and accrued revenue	24	15
Cash and cash equivalents	415	247
Total current assets	1,351	1,238
Total assets	2,349	2,236
Share capital	19	19
Reserves	-15	-13
Retained earnings including profit of the year	590	1,282
Total equity	594	1,288
Liabilities to credit institutions	950	-
Lease liabilities	9	7
Deferred tax liabilities	158	169
Other liabilities and provisions	18	24
Total non-current liabilities	1,135	200
Factoring credit-line	165	184
Liabilities to parent	-	41
Accounts payables	218	262
Liabilities to associated companies	3	3
Income tax liability	5	48
Lease liabilities	10	6
Derivatives	-	7
Other liabilities	12	14
Accrued expenses and deferred income	207	183
Total current liabilities	620	748
Total equity and liabilities	2,349	2,236

CONDENSED STATEMENT OF CHANGES IN EQUITY

SEKm	2020 31 Dec	2019 31 Dec
Opening balance	1,288	892
Comprehensive income for the period	258	414
Other comprehensive income for the period	-2	14
Transactions with the parent		
Group contribution	-	-32
Dividend	-950	-
Closing balance	594	1,288
Equity attributable to:		
Owners of the parent company	354	1,288

CONDENSED CASH FLOW

SEKm	2020 Q4	2019 Q4	2020 Full year	2019 Full year
Operating activities				
Operating profit	113	40	348	530
Interest income	0	0	0	1
Interest cost	-5	-2	-9	-12
Adjustments for non-cash items	12	39	87	121
Paid income tax	-10	-2	-110	-90
Cash flow from operating activities before changes in working capital	110	75	316	550
Cash flow from changes in working capital				
Changes in inventories	-35	-12	15	3
Change in operating receivables	11	76	26	73
Change in operating liabilities	-69	-125	-5	-175
Cash flow from operating activities	17	14	352	451
Investing activities				
Acquisitions of non-current tangible assets	-32	-37	-102	-100
Cash flow from investing activities	-32	-37	-102	-100
Financing activities				
Net change in factoring credit line	-12	-38	-19	-18
Net change of credit facility	-	-	-	-65
Group contribution paid out	0	-11	-41	-11
Payment related to amortisation of lease liabilities	-3	-2	-10	-8
New loan	950	-	950	-
Dividend paid out	-950	-	-950	-
Cash flow from financing activities	-15	-51	-70	-103
Cash flow for the period	-29	-74	179	247
Opening cash and cash equivalents	458	329	247	0
Currency translation in cash and cash equivalents	-14	-8	-11	0
Closing cash and cash equivalents	415	247	415	247
Adjustments for non-cash items				
Depreciations	31	25	110	99
Currency translation effects	15	37	12	20
Derivatives, changes in fair value	-25	-37	-24	-13
Others	-8	14	-11	15
Total	12	39	87	121

Accounting policies and other information

NOTE 1 ACCOUNTING POLICIES

The interim report is prepared in accordance to IAS 34 Interim Financial Reporting as well as applicable parts of the Annual Accounts Act. The interim report for the parent company is prepared in accordance to the Annual Accounts Act (1995:1554) and Swedish Financial Reporting Board RFR 2 Accounting rules for legal entities. The accounting principles applied when preparing the interim report are the same for all periods and corresponds to the accounting principles and conditions presented in Note 1 in the Annual report 2019.

NOTE 2 QUARTERLY DATA PER SEGMENT

NET SALES

SEKm	2019				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Segment Kraft Paper	518	484	469	383	455	436	361	361
Segment Natural Greaseproof	374	345	330	363	381	342	286	318
Eliminations	-11	-8	-8	-9	-9	-12	-8	-9
Total Group	881	821	791	738	827	767	639	670

EBITDA

SEKm	2019				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Segment Kraft Paper	178	158	148	20	111	93	-17	80
Segment Natural Greaseproof	51	51	15	55	76	66	2	62
Parent company and not distributed items	-14	-17	-11	0	-59	43	-10	20
Eliminations etc	2	2	2	-10	46	-48	13	-19
EBITDA total Group	217	193	153	65	174	154	-13	144
Depreciation and amortisation	-24	-25	-24	-25	-26	-26	-27	-31
Operating profit	193	169	129	40	148	128	-40	113
Financial income	3	0	5	0	10	0	2	0
Financial costs	-3	-2	-4	-11	-1	-10	-2	-19
Profit before tax	193	167	130	29	157	118	-41	94

EBITDA MARGIN

%	2019				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Segment Kraft Paper	34.3	32.7	31.5	5.3	24.3	21.2	-4.8	22.3
Segment Natural Greaseproof	13.5	14.7	4.4	15.1	20.0	19.2	0.6	19.5
Group	24.6	23.6	19.4	8.8	21.1	20.1	-2.0	21.4

OPERATING PROFIT

SEKm	2019				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Segment Kraft Paper	166	146	135	8	98	80	-31	67
Segment Natural Greaseproof	42	42	6	45	67	57	-7	47
Parent company and not distributed items	-14	-17	-11	0	-59	43	-10	20
Eliminations etc	-2	-2	-2	-14	42	-52	8	-22
Total Group	193	169	129	40	148	128	-40	113

OPERATING MARGIN

%	2019				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Segment Kraft Paper	32	30.1	28.9	2.1	21.6	18.3	-8.6	18.5
Segment Natural Greaseproof	11.3	12.2	1.9	12.5	17.5	16.5	-2.4	14.9
Group	21.9	20.6	16.3	5.4	17.9	16.7	-6.3	16.8

SALES VOLUMES

ktonnes	2019				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Segment Kraft Paper	55	52	54	44	54	52	46	48
Segment Natural Greaseproof	18	16	16	17	19	17	15	16
Total Group	73	68	69	61	73	69	61	64

NOTE 3 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

SEKm	2020 31 Dec		2019 31 Dec	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets valued at cost				
Accounts receivables	365	365	402	402
Other receivables	68	68	74	74
Cash at bank and on hand	415	415	247	247
Total	848	848	723	723
Financial liabilities valued at cost				
Factoring credit line	165	165	184	184
Lease liabilities	18	18	13	13
Liabilities to associated companies	3	3	3	3
Liabilities to parent company	0	0	41	41
Account payables	218	218	262	262
Non-current liabilities to credit institutions	950	950	-	-
Other liabilities	219	219	197	197
Total	1,573	1,573	700	700
Derivatives used for hedging				
Current assets				
Cash flow hedges	34	34	17	17
Current liabilities				
Cash flow hedges	0	0	7	7

CALCULATION OF FAIR VALUE

Nordic Paper Group has derivatives that is valued at fair value according to level 2 in the fair-value hierarchy. Other financial instruments have short duration and fair value is assessed to be equivalent to disclosed value. For further information, please see note 22 in the Annual report 2019.

NOTE 4 CURRENCY EFFECTS, FINANCIAL INCOME AND COSTS

SEKm	2020	2019	2020	2019
	Q4	Q4	Full year	Full year
Other operating income				
Compensation for CO2 tax	6	1	7	6
Translation effect, net from revaluation of derivatives	14	-	19	-
Sale of surplus energy, bi-products etc	2	4	10	15
Others	0	0	3	0
Total	22	4	39	21
Other operating costs				
Fair value, losses from cash flow hedges	0	-13	0	-49
Translation effect net from revaluation of operating receivables and liabilities	-7	-3	-21	15
Result from disposal of fixed assets	-	-	-	-
Total	-7	-15	-21	-34
Financial income				
Interest income	0	0	-	0
Foreign realised exchange rate profits	0	0	5	-
Foreign unrealised exchange rate profits	-	-	-	2
Total	-	0	5	3
Financial costs				
Interest costs	-5	-3	-9	-11
Foreign unrealised exchange rate losses	-14	-8	-16	-2
Total	-19	-11	-25	-14

NOTE 5 INCOME TAX AND DEFERRED TAX

SEKm	2020	2019
	Full year	Full year
Income tax receivable	-	14
Income tax liability	5	48
<i>Deferred tax assets regarding:</i>		
- Pensions	4	3
- Others	5	3
	9	6
<i>Deferred tax liabilities regarding:</i>		
- Intangible assets and Buildings and land	8	9
- Untaxed reserves	137	150
- Financial assets	6	2
- Temporary differences regarding foreign subsidiaries	7	8
	158	169

Key figures

	2020	2019	2020	2019
SEKm	Q4	Q4	Full year	Full year
Net sales growth, %	-9	2	-10	6
EBITDA margin, %	21.4	8.8	15.8	19.5
Operating margin, %	16.8	5.4	12.0	16.4
Cash flow from operating activities	17	14	352	451
Cash conversion, %			77.9	87.6
Return on operating capital, %			26.9	39.4
Return on equity, %			22.3	35.8
Working capital			439	442
Operating capital			1,278	1,271
Interest-bearing debts			1,134	238
Net debt /equity, %*			120.9	-0.7
Net debt / EBITDA, ratio*			1.6	-0.0
Equity ratio, %			25.3	57.6
Working capital % of net sales,			16.4	15.6
Investments	32	37	-102	100
Sales volumes, ktonnes	64	61	267	272
Average number of employees, FTE			632	619
Basic number of shares, end of period	66,908,800	66,908,800	66,908,800	66,908,800
Basic earnings per share, SEK	1.13	0.48**	3.85	6.19**

*Positive figure if net debt, negative figure if net cash.

**The number of shares and the amounts for all periods are recalculated for the 1,400:1 split of the company's ordinary shares, which was decided by the extraordinary general meeting on 1 October 2020.

ALTERNATIVE PERFORMANCE MEASURES

References are made in the financial reports to a number of financial performance measures which are not defined according to IFRS. These key figures provide complementary information and are used to help investors as well as group management analyse the company's operations. Since not all companies calculate financial performance measures in the same manner, these are not always comparable with measures used by other companies.

EBITDA	2020	2019	2020	2019
SEKm	Q4	Q4	Full year	Full year
Operating result	113	40	348	530
Depreciation, amortisation and impairment	31	25	110	99
EBITDA, SEKm	144	65	458	629

EBITDA MARGIN				
SEKm	Q4	Q4	Full year	Full year
EBITDA	144	65	458	629
Net sales	670	738	2,903	3,231
EBITDA margin, %	21.4	8.8	15.8	19.5

OPERATING MARGIN				
SEKm	Q4	Q4	Full year	Full year
Operating profit	113	40	348	530
Net sales	670	738	2,903	3,231
Operating margin, %	16.8	5.4	12.0	16.4

CASH CONVERSION				
SEKm			Full year	Full year
EBITDA 12m			458	629
Change in working capital, 12 m			1	22
Investments, 12 m			-102	-100
Total			357	551
EBITDA, 12m			458	629
Cash conversion %, 12m			77.9	87.6

WORKING CAPITAL				
SEKm			Full year	Full year
Inventories			445	470
Accounts receivables			365	402
Other operating receivables excl derivatives			92	103
Accounts payables			-218	-262
Other operating liabilities excl derivatives			-244	-270
Net working capital			440	442
Net working capital, 12m			476	506
Net sales, 12m			2,903	3,231
Working capital, % of net sales, 12m			16.4	15.6

OPERATING CAPITAL	2020	2019
SEKm	Full year	Full year
Net working capital	439	442
Intangible assets	344	345
Tangible assets	644	647
Deferred tax receivables/liabilities	-149	-163
Operating capital	1,278	1,271
Operating profit, 12m	348	530
Operating capital, 12m	1,295	1,346
Return on operating capital, % 12m	26.9	39.4
NET DEBT		
SEKm	Full year	Full year
Liabilities to credit institute	950	0
Lease liabilities, long term	9	7
Factoring credit line	165	184
Liabilities to group company	0	41
Lease liabilities, short term	10	6
Interest-bearing debt	1,134	238
Cash and cash equivalents	415	247
Net debt/net cash (+/-)	718	-9
EBITDA, 12m	458	629
Net debt/EBITDA 12m, ratio	1.6	-0.0
NET DEBT/EQUITY		
SEKm	Full year	Full year
Net debt/net cash (+/-)	718	-9
Equity	594	1,288
Net debt/Equity ratio	120.9	-0.7
EQUITY RATIO		
SEKm	Full year	Full year
Equity	594	1,288
Total assets	2,349	2,236
Net debt/Equity, %	25.3	57.6
RETURN ON EQUITY		
SEKm	Full year	2019
Equity	594	1,288
Equity, 12m	1,156	1,155
Profit after tax, 12m	258	414
Return on equity 12m, %	22.3	35.8

Definitions

Non-IFRS measures	Description	Reason for use
Sales volume	Sales of paper and pulp from segment or the group, disclosed in ktonnes	Shows if a business is expanding or contracting.
EBITDA	EBITDA (earnings before financial income and costs, taxes, depreciation and amortisation) is the operating profit plus depreciation, impairment and amortisation.	A measurement that eliminates the effects of non-cash expenses and shows how much cash the business can generate.
EBITDA margin	EBITDA as a percentage of net sales.	Shows how much cash the business can generate in relation to revenue.
Operating profit	Result before financial income, cost and tax.	Shows the result in the company's operational business.
Operating margin	Operating profit as a percentage of net sales.	Shows operating profit in relation to net sales and is a measurement of the profitability in the company's operational business
Cash flow from operating activities	Cash flow before acquisitions of intangible and tangible assets, amortisation of loans, new loans, group contribution and dividend to the owners.	Indicates the amount of cash company brings in from its ongoing, regular business activities.
Cash conversion*	The sum of EBITDA less change in net working capital minus investments, divided by EBITDA, disclosed as a percentage.	Cash conversion shows how efficient a company are in generating cash flow in relation to EBITDA.
Investments	Cash flow effects from acquisition of tangible and intangible assets.	Shows the acquisition of tangible and intangible assets, acquired to maintain and develop the business.
Net working capital	Total of inventories, trade receivables, trade payables, other operating assets and liabilities, excluding derivatives	Shows the net of current assets and current liabilities utilised in operations.
Change in net working capital	Net working capital for the reported period less the net working capital for the earlier period.	Shows the development of the net working capital
Net working capital as a percentage of net sales*	Net working capital divided with net sales	Indicates a company's effectiveness in using its working capital.
Operating capital	Net working capital added with intangible and tangible assets and deferred tax receivables and liabilities.	Shows the capital utilised to run the operations.
Return on operating capital*	Operating profit as a percentage of operating capital	Shows how efficiently the company generates profits from the capital utilised in the operations.
Return on equity*	Net profit for the period as a percentage of average equity.	Shows the return that is generated on the shareholders' capital that is invested in the company.
Interest-bearing debts	Interest-bearing liabilities, short term and long term plus interest-bearing provisions	Shows the total amount of the financing of the company.
Net debt	Interest-bearing liabilities, minus cash and cash equivalents	A measurement of the company's financial position. Shows how much cash would remain if all debts were paid off.
Net debt/EBITDA ratio*	Net debt in relation to EBITDA.	A measure of financial risk and is an indication of repayment capacity.
Debt/Equity ratio	Net debt divided by equity, disclosed as a percentage	Shows the relation between externally financed capital and equity.
Equity ratio	Equity divided with total assets, disclosed as a percentage.	Shows the part of the assets that is financed by equity

*Calculated based on the last 12 months value, calculated as an average of 12 months. The 12M value has not been adjusted for the effect of the transition to IFRS 16 as of January 1, 2019. The 12 months value provides comparison that reflect both current and seasonal variations, which improves the ability to make comparisons over time.

Parent company

INCOME STATEMENT

	2020	2019	2020	2019
SEKm	Q4	Q4	Full year	Full year
Net sales	1	9	34	33
Other operating income	36	2	36	-
Other external costs	-14	-10	-69	-35
Personnel costs	-2	-1	-8	-4
Other operating costs	-	-	-	-36
Operating profit	20	0	-6	-42
Profit/Loss from participations in associated companies	66	-	66	50
Financial income and similar items	16	10	34	5
Financial costs and similar items	-4	0	-6	-2
Pofit after net financial items	99	10	89	11
Appropriations	252	350	252	350
Profit before tax	351	360	342	361
Tax	-54	-78	-52	-67
Profit for the period and summarised comprehensive income	297	282	289	294

BALANCE SHEET

	2020	2019
SEKm	31 Dec	31 Dec
Shares in group companies	896	896
Deferred tax	0	1
Total non-current assets	896	897
Receivables from group companies	199	469
Income tax receivables	4	-
Derivatives	33	17
Other receivables	2	2
Prepaid expenses and accrued revenue	15	0
Cash and cash equivalents	621	227
Total current assets	874	715
Total assets	1,770	1,612
Share capital	19	19
Retained earnings	116	772
Result for the period	289	293
Total equity	424	1,085
Untaxed reserves	387	441
Liabilities to credit institutions	950	-
Total non-current liabilities	950	-
Accounts payables	7	2
Liabilities to group companies	-	41
Income tax liability	-	35
Derivatives	-	7
Other liabilities	-	1
Accrued expenses and prepaid revenue	1	1
Total current liabilities	9	87
Total equity and liabilities	1,770	1,612

CONFERENCE CALL

On the publication of the interim report, a telephone conference will be held Wednesday 28 October at 09:30 CET. Anita Sjölander, CEO together with Niclas Eriksson, CFO will present and comment on the report. The presentation will be held in English. The press and analyst conference will be audiocasted and may be followed via: www.nordic-paper.com. You may also participate in the conference by telephone on:

Sweden	0856618430
United States	19177200181
United Kingdom	08448228902
International Dial-In Number	+44 (0) 2071 928501

Pin code: 3226839#

FINANCIAL CALENDAR

Annual report 2020 – 23 April 2021
Interim report Q1 2021 – 28 April 2021
Interim report Q2 2021 – 20 July 2021
Interim report Q3 2021 – 28 October 2021

Annual general meeting

The annual general meeting 2021 will be held in Karlstad 20 May, 2021.

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NORDIC PAPER IN BRIEF

Nordic Paper is a Scandinavian specialty paper producer, manufacturing top-quality paper since the 19th century. We are a leading supplier of kraft and natural greaseproof paper. Our products are based on renewable raw material from local forests. From our four Scandinavian mills we supply customers in more than 70 countries. Nordic Paper had in 2020 net sales of SEK 2,900m, about 630 employees and is listed on Nasdaq Stockholm. www.nordic-paper.com