

Q3

2021

## Interim report January – September 2021

### QUARTERLY RESULTS JULY - SEPTEMBER

- Net sales increased by 11% to SEK 711m (639), excluding currency effects the increase was 12%
- EBITDA amounted to SEK 15m (-13), corresponding to an EBITDA margin of 2.1% (-2.0)
- Operating profit amounted to SEK -14m (-40), corresponding to an operating profit margin of -1.9% (-6.3%)
- Net result for the period was SEK -17m (-32)
- Cash flow from operating activities was SEK 153m (144)
- Earnings per share was SEK -0.25 (-0.49\*\*)
- Return on operating capital was 20.9% (20.9)
- Sales volume increased by 2% to 62 ktonnes (61)

### SIGNIFICANT EVENTS AFTER THE QUARTER

- The Board of Directors of Nordic Paper has, as communicated in yesterday's press release, decided to postpone a potential investment decision for the initial phase of the expansion of the production unit in Bäckhammar until a production permit for the entire expansion has been obtained and the conditions linked to this permit are known. The company estimates that a new production permit may be obtained earliest in the beginning of 2023.

### KEY FIGURES

SEKm	2021 Q3	2020 Q3	Δ, %	2021 Jan-Sep	2020 Jan-Sep	Δ, %	R 12 m	2020 Full year
Net sales	711	639	11	2,273	2,233	2	2,944	2,903
EBITDA	15	-13		234	314		377	458
Adjusted EBITDA*	15	-13		310	314		453	458
EBITDA-margin, %	2.1	-2.0		10.3	14.1		12.8	15.8
Adjusted EBITDA-margin, % *	2.1	-2.0		13.6	14.1		15.4	15.8
Operating profit	-14	-40		148	235		260	348
Adjusted operating profit*	-14	-40		224	235		336	348
Operating profit margin, %	-1.9	-6.3		6.5	10.5		8.8	12.0
Adjusted operating profit margin, % *	-1.9	-6.3		9.8	10.5		11.4	12.0
Profit for the period	-17	-32		100	182		175	258
Earnings per share, SEK	-0.25	-0.49**		1.49	2.73**		2.62	3.85
Cash flow from operating activities	153	144		333	334		360	352
Return on operating capital 12m, %	20.9	20.9		20.9	20.9		20.9	26.9
Net debt/EBITDA 12 m, ratio***	1.7	-0.3		1.7	-0.3		1.7	1.6
Sales volume, ktonnes	62	61	2	211	203	4	275	267

\* Adjusted for the SEK 76m provision that was made in Q2 2021 for remediation of buildings and land in Säffle

\*\*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 COMMENTS



### CONTINUED GOOD DEMAND FOR OUR PRODUCTS

The strong market situation we have seen this year continues more or less over all geographies and for all our products. The situation opens up opportunities for us to develop our product and customer structure which for example has resulted in an increase in our sales to the important European market. In this strong market situation we have over the last quarters implemented price increases that strike through with some delay due to the contract terms with our customers.

Nordic Paper has so far not experienced any significant impact from the imbalances within the markets for overseas transportation. This is due to that we have long agreement terms with our transportation suppliers and

that a large part of our business is in Europe. As our agreement are being renewed, we see that we will face cost increases during 2022 for our overseas transportation.

### ANNUAL MAINTENANCE SHUTDOWNS CARRIED OUT ACCORDING TO PLAN WITH FOCUS ON SAFETY

During the quarter, we carried out the annual maintenance stops at our four production units. The annual maintenance was carried out according to plan and with a lower negative operating profit impact than planned. During the production shutdowns, much work is done over a limited period of time and there are many people involved, both our employees as well as contractors. It is therefore rewarding to see that through planning and cooperation between all relevant parties, the work has been carried out in a safe and secure way.

### STRONG NEGATIVE IMPACT FROM INCREASED COSTS IN NATURAL GREASEPROOF

The historically high prices in Europe for market pulp have remained unchanged during the quarter despite the fact that we see prices have started declining already a couple of months ago in North America and in China. The high pulp prices, together with high prices for electricity, impact our Natural Greaseproof segment. The price increases we have implemented for our products and the good volume development have not compensated for the cost increases which result in decreased profitability. We are not satisfied with this outcome for the segment and we continue to work with price increases with expected impact during the coming quarters.

### OUR TWO SEGMENT STRUCTURE STABILIZES THE GROUP

The structure of Nordic Paper with its two segments with different development over a business cycle has a stabilizing effect on our results for the group. This pattern we see also for this quarter. At the same time as we face challenges within Natural Greaseproof, we see that the implemented price increases within Kraft Paper and the stable cost development for the segment results in a performance in line with the strongest that Nordic Paper has ever achieved.

### WE POSTPONE INVESTMENT DECISION FOR BÄCKHAMMAR

Over the past couple of months, we have been working intensively with the pre-project for the first part of the expansion plan for Bäckhammar, the investment in a new wood room. We have learned a lot during the journey and we now see that the profitability in an investment of a new wood room does not reach our previous estimations on profitability without higher production volumes, which requires that the production permit we have applied for the expansion is granted. This leads us to conclude that, the right conditions are today not present in order for us to make an investment decision for a new wood room.

We can now look back at one year as a listed company. We are glad to see that the number of shareholders has continuously grown over the year. One important topic in the dialogue with shareholders is sustainability and how Nordic Paper can further develop. Climate performance is already today a competitive advantage for us in our business and through a further development of our work on this, and on other sustainability aspects, we can become even better to the benefit for all stakeholders, including customers, employees and shareholders!

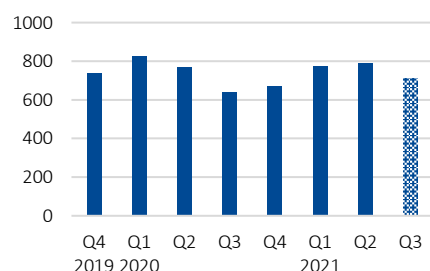
*Anita Sjölander*

CEO

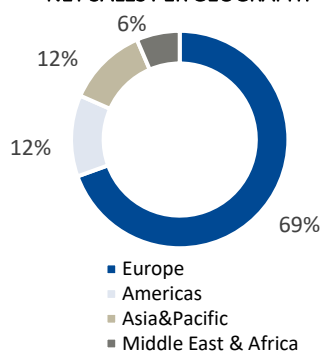
## GROUP PERFORMANCE

### JULY – SEPTEMBER

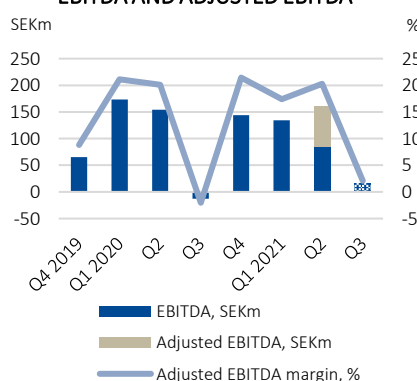
NET SALES, SEKm



NET SALES PER GEOGRAPHY



EBITDA AND ADJUSTED EBITDA



Q4 2019 was impacted by maintenance stops normally carried out in Q3 were moved to Q4. The production shutdown in Bäckhammar during Q3 2020 also impacted results in Q4 2020. See information about seasonal effects on page 11.

#### MARKET AND SALES

During the third quarter there continued to be good demand for Nordic Paper products within both Kraft Paper and Natural Greaseproof. Selling prices were higher compared to the same quarter 2020 as well as compared to the second quarter 2021.

Net sales for the third quarter increased by 11% to SEK 711m (639). Volume and product mix contributed positively with 7% compared to the same period last year and the higher product prices had a positive impact on net sales of 5%. Changes in currency rates had a negative effect on net sales of 1%.

The net sales development was positive for all geographies compared to the same quarter last year. The most important positive development, both in absolute terms as well as in percentage net sales growth rate, was shown in the sales to Europe, which is Nordic Paper's largest market.

#### CHANGE IN NET SALES

Q3 2020, SEKm		639
Sales volume and product mix		7%
Selling price		5%
Currency		-1%
Q3 2021, SEKm		711

#### RESULTS

EBITDA was SEK 15m (-13\*) for the third quarter. The operating profit effect of the production shutdowns carried out at all four production units during the quarter amounted to SEK 123m (124). Positive effects on EBITDA from selling price and volume were somewhat larger than the negative effect from higher costs for raw material compared to the same quarter last year. Within the group raw material, the costs for pulp and energy have increased strongly while the costs for wood and chemicals decreased somewhat. The negative currency effect on EBITDA was SEK 15m compared to the same quarter last year as positive effects from costs in foreign currency to some extent counteracted the negative currency effect in net sales. EBITDA marginal amounted to 2.1% compared to -2.0% during the same period last year.

Operating profit was SEK -14m (-40) corresponding to an operating profit margin of -1.9% (-6.3). Net profit for the period amounted to SEK -17m (-32).

#### FINANCIAL NET AND TAX

Net financial items for the third quarter were SEK -4m (0) of which interest net was SEK -6m (-1) and otherwise explained by exchange rate differences on cash. The third quarter impacts the accumulated tax cost positively by SEK 2m (8).

\* The third quarter 2020 included costs related to the IPO process of SEK 10m.

## JANUARY – SEPTEMBER

### MARKET AND SALES

Net sales for the first 9 months of the year amounted to SEK 2,273m (2,233). Positive effects from increased sales volume were counteracted by somewhat lower selling prices and negative currency effects compared to the same period last year.

### CHANGE IN NET SALES

<b>Jan-Sep 2020, SEKm</b>	<b>2,233</b>
Sales volume and product mix	7%
Selling price	-1%
Currency	-5%
<b>Jan-Sep 2021, SEKm</b>	<b>2,273</b>

### RESULTS

In connection to the decision to discontinue pulp production in Säffle \*, a SEK 76m provision was made during the second quarter of the year covering remediation of buildings and land. The cash flow effect of this remediation work is expected to impact gradually over the coming 5-7 years. Excluding this provision, adjusted EBITDA amounted to SEK 310m (314). The adjusted EBITDA margin amounted to 13.6% (14.1).

The negative currency effect on EBITDA amounted to SEK 49m. Increased costs for pulp and energy impacted EBITDA negatively while increased sales volumes impacted positively compared to the same period last year.

The adjusted operating profit amounted to SEK 224m (235) corresponding to an adjusted operating margin of 9.8% (10.5).

Net profit for the period amounted to SEK 100m (182).

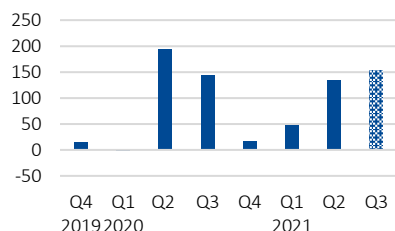
### FINANCIAL NET AND TAX

Net financial items for the first nine months of the year were SEK -18m (-1) of which interest net was SEK -19m (-4). Tax cost for the period was SEK 30m (51), corresponding to a tax rate of 23.1% (21.9).

\* See "Restructuring of the Säffle plant", page 11

## CASH FLOW AND FINANCIAL POSITION

**CASH FLOW FROM OPERATING ACTIVITIES, SEKm**



### CASH FLOW AND WORKING CAPITAL

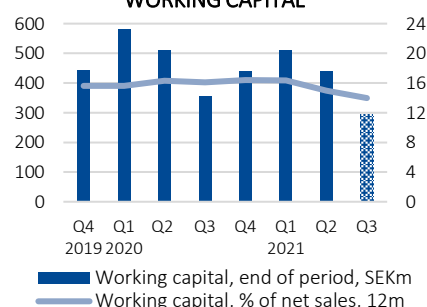
Cash flow from operating activities amounted to SEK 153m (144) for the third quarter.

Net working capital as of 30 September 2021 was SEK 305m (353) and 13.7% (16.1) as percentage of net sales for the last 12 month period.

### INVESTMENTS AND OPERATING CAPITAL

Investments in the quarter were SEK 54m (37). Among the investments in the quarter is a part of the investment of about SEK 70m at the production unit in Säffle decided during the second quarter aiming at increasing the efficiency of the handling of external pulp. Operating capital as of 30 September 2021 was SEK 1,182m (1,178) of which SEK 669m (639) were tangible fixed assets and SEK 350m (344) were intangible assets. Return on operating capital for the last 12 month period was 20.9% (20.9). The provision for remediation related to buildings and land in Säffle of SEK 76m impacts return on operating capital with 6.1 percentage points.

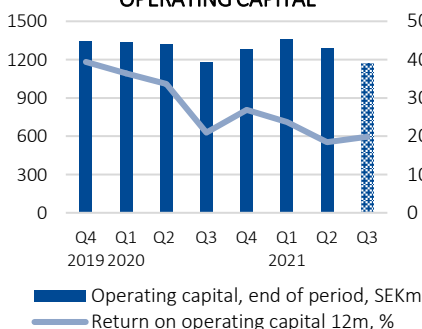
**WORKING CAPITAL**



### FINANCING

As of 30 September 2021 the group had a net debt of SEK 630m (-114). Interest bearing debt amounted to SEK 1,220m (344). Of the interest bearing debt, SEK 24m are attributable to IFRS 16 leasing liabilities. Cash and cash equivalents were SEK 590m (458). In addition, the company has available unutilized credit facilities of SEK 800m (200), whereof an overdraft facility of SEK 200m. During the quarter, the company extended the existing financing agreement with one additional year until 2024 through the utilization of an agreed option for extension. The agreement includes one more option for extension with an additional year. The company has also increased its factoring limit from SEK 238m to SEK 300m during the quarter. The equity ratio was 21.1% (55.5) and the net debt/EBITDA 12m ratio was 1.7 (-0.3).

**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 third quarter includes an earnings effect from currency hedges of SEK -1m (10). For the coming 12 months the hedges are as follows:

Currency	Average rate of derivatives	FX rate, 30 Sep	Total FX, m	Total, SEKm	Fair value net, SEKm	FX hedge as % of estimated net exposure, 1-6 months	FX hedge as % of estimated net exposure, 7-12 months
EUR	10.20	10.20	79	806	1	74%	46%
USD	8.42	8.79	8	63	-3	60%	15%
GBP	11.75	11.81	10	116	-1	85%	37%
				<b>985</b>	<b>-2</b>		

## 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.

SEKm	2021	2020	Δ, %	2021	2020	Δ, %	R 12 m	2020
	Q3	Q3		Jan-Sep	Jan-Sep			Full year
Net sales	401	361	11	1,304	1,252	4	1,657	1,613
EBITDA	44	-17		257	186		337	266
EBITDA margin, %	11.0	-4.7		19.7	14.9		20.3	16.5
Operating profit	32	-31		220	147		287	214
Operating margin, %	8.0	-8.6		17.0	11.7		17.3	13.3
Sales volumes *, ktonnes	48	48	0	167	160	4	217	209

\* Include sales volumes internally within the Group

## JULY – SEPTEMBER

### MARKET AND SALES

The demand for Nordic Paper kraft papers continued to be strong during the third quarter of the year. Price increases that have been implemented during the second and third quarters have resulted in that the prices in local currency are at a level of 8% above the same period last year.

Net sales during the third quarter increased by 11% compared to the same quarter last year to SEK 401m (361). Volume and mix impacted net sales positively by 4% compared to the same quarter last year. The currency rate development gave a negative effect on net sales of 1%. The increase in net sales has been to Europe, while other geographies had a negative net sales development.

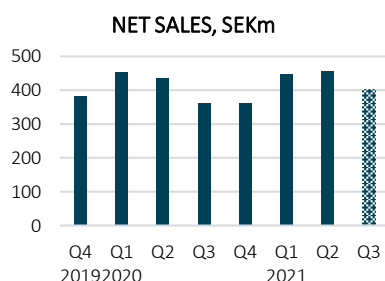
### CHANGE IN NET SALES

Q3 2020, SEKm	361
Sales volume and product mix	4%
Selling price	8%
Currency	-1%
Q3 2021, SEKm	401

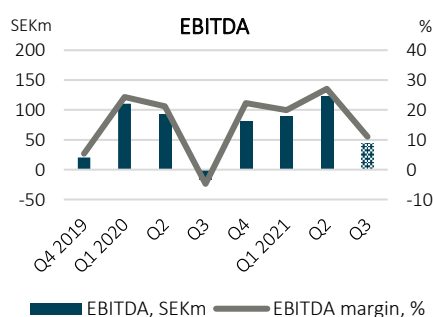
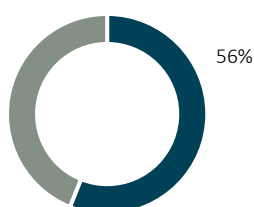
### RESULTS

EBITDA increased to SEK 44m (-17) primarily driven by increased selling prices but also from increased volume. During the quarter, the annual production shutdowns were carried out at the production units of the segment, Bäckhammar and Åmotfors, in total with a negative operating profit impact of SEK 88m (89).

Raw material costs impacted EBITDA positively compared to the same quarter last year. EBITDA marginal increased to 11.0% (-4.7). Operating profit was SEK 32m (-31) and operating profit margin was 8.0% (-8.6).



### SHARE OF GROUP'S NET SALES Q3 2021



Q4 2019 was impacted by maintenance stops normally carried out in Q3 were moved to Q4. The production shutdown in Bäckhammar during Q3 2020 also impacted results in Q4 2020. See information about seasonal effects on page 11.

## **JANUARY - SEPTEMBER**

During the first nine months of 2021, net sales increased by 4% to SEK 1,304m (1,252) compared to the first nine months last year. The increase is mainly explained by a strong volume development. Excluding currency effects, net sales increased by 8%. EBITDA increased to SEK 257m (186) and EBITDA margin increased to 19.7% (14.9). Operating profit amounted to SEK 220m (147) and operating profit margin was 17.0% (11.7).

## 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 belong to this segment.

SEKm	2021 Q3	2020 Q3	Δ, %	2021 Jan-Sep	2020 Jan-Sep	Δ, %	R 12 m	2020 Full year
Net sales	314	286	10	1,008	1,009	0	1,326	1,327
Adjusted EBITDA*	-28	2		43	143		105	205
Adj. EBITDA-margin, % *	-8.9	0.6		4.3	14.2		7.9	15.4
Adj. operating profit*	-40	-7		9	117		58	164
Adj. operating margin, % *	-12.6	-2.4		0.9	11.6		4.4	12.4
Sales volume, ktonnes	16	15	9	55	51	7	71	67

\* Adjusted for the SEK 76m provision that was made in Q2 2021 for remediation of buildings and land in Säffle

## JULY - SEPTEMBER

### MARKET AND SALES

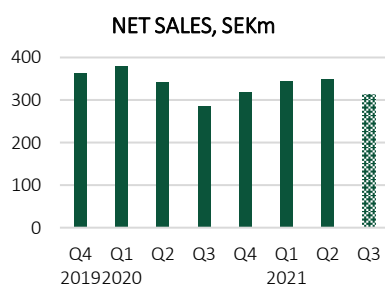
The demand for Nordic Paper greaseproof papers continued to be strong during the quarter. As a result of gradually lifted pandemic related restrictions around the world, the company has seen an increased demand from customers in the professional sector.

Sales volume increased by 9% compared to the same quarter last year. The increase can be explained in full by the pandemic related production adoptions that the company made during the autumn 2020.

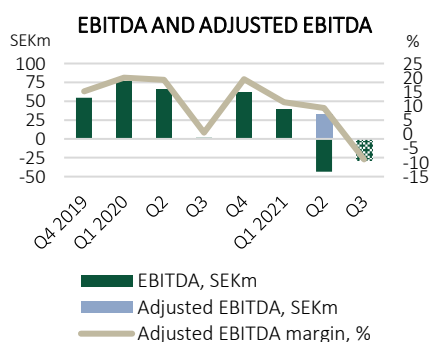
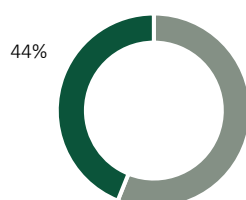
Net sales during the third quarter increased by 10% to SEK 314m (286) primarily driven by increased sales volume. Prices in local currency were back to the same level as in the third quarter last year and currency development impacted net sales negatively by 2%. The sales development continued to be positive for the largest market, Europe, as well as for North America and Asia. The net sales increase was largest in absolute terms for Europe and North America.

### CHANGE IN NET SALES

Q3 2020, SEKm	286
Sales volume and product mix	12%
Selling price	0%
Currency	-2%
Q3 2021, SEKm	314



### SHARE OF GROUP'S NET SALES Q3 2021



### RESULTS

EBITDA for the third quarter amounted to SEK -28m (2) corresponding to an EBITDA margin of -8.9% (0.6). The operating profit of the quarter was impacted by the maintenance shutdowns at the production units of the segment in Säffle and Greåker made in conjunction with the summer production stops. The operating profit impact of the maintenance stops was SEK 35m (35).



Costs for pulp and for energy increased strongly and impacted EBITDA negatively compared to the same period last year. Increased sales volume impacted EBITDA positively while selling prices were on the same level compared to the same quarter last year. Operating profit amounted to SEK -40m (-7) corresponding to an operating profit margin of -12.6% (-2.4).

## **JANUARY - SEPTEMBER**

During the first nine months of 2021, net sales amounted to SEK 1,008m (1,009). A positive development in sales volume was counteracted by negative effects from currency and price. Excluding currency effects, the net sales increased by 5%.

Adjusted EBITDA decreased to SEK 43m (143) corresponding to an adjusted EBITDA margin of 4.3% (14.2). Adjusted operating profit amounted to SEK 9m (117) and the adjusted operating profit margin was 0.9% (11.6).

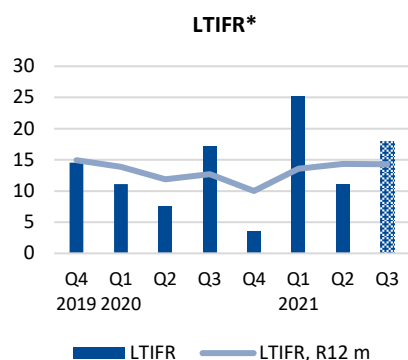
## SUSTAINABILITY

Nordic Paper strives to integrate sustainability as a natural part of the daily work. The company has chosen three focus areas for its sustainability work:

- Sustainable work environment
- Sustainable business behaviour
- 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 contractors, hired staff and other visitors. The current Nordic Paper target for the number of LTI's, lost time incidents, is to be below 9 per million working hours.

During the third quarter, there were 5 incidents followed by sick leave which is an increase from 3 incidents in the second quarter. The number of incidents corresponds to a LTIFR\* during the quarter of 17.1 and 14.3 for the last 12 month period. Both of these figures are above the target of the company. During the first quarter, a plan to intensify the preventive and structured work on occupational health and safety was established according to which the company is now working.

In relation to the annual maintenance shutdowns that were carried out at all production sites during the third quarter, specific attention was directed at cooperation and planning before and during the shutdowns in collaboration with contractors involved. This approach is based on a development work initiated last year.

\* 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

During the quarter, the work has been continued in the supply chain to implement the Nordic Paper code of conduct for suppliers. The target of the company is that at the end of the current year at least 90% of suppliers with written agreements and suppliers having an annual contract volume of greater than SEK 1m or with more than 24 orders per year have accepted the Nordic Paper code of conduct for suppliers in written or present a code of conduct of their own corresponding to Nordic Paper's. At the end of the third quarter, 83% of the total number of suppliers in this group had accepted the Nordic Paper code of conduct, which is an increase from 63% at the end of the first quarter.

### RESPONSIBLE PRODUCTION

Nordic Paper uses water in its production of pulp and paper. After waste water treatment processes, the used water is led back to a recipient nearby the production site. A part of the environmental impact of the company is linked to handling of water and so are also some of the conditions of the production permits held. At the Nordic Paper Åmotfors paper mill, water is extracted from the lake Askesjön and used for dissolving of paper pulp prior to the papermaking. After the process, the treated process water is continuously controlled among other for suspended solids and oxygen demanding substances. During the current year, a work has been carried out at Åmotfors to optimize the process conditions to minimize the impact on the recipient. The result of the work is that the load has clearly decreased and that the actual figures for the third quarter for the above mentioned substances correspond to only about 20-50% of the target values or the limits set by national environmental authorities.

## OTHER

### SEASONAL EFFECTS

Nordic Paper 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 from planned production shutdowns, SEKm						Carried out, quarter		
	Kraft Paper			Natural Greaseproof			2021	2020	2019
	Actual 2021	Actual 2020	Actual 2019	Actual 2021	Actual 2020	Actual 2019			
Bäckhammar	80	88	57				3	3/4	4
Åmotfors	8	10	5				3	3	3
Säffle				27	25	25	3	3	3
Greåker				8	10	4	3	3	3

The actual effect on operating profit for the production shutdowns carried out during the third quarter 2021 of SEK 123m in total was lower than the planned effect of SEK 126m. During 2020, the ramp-up of the production rate in connection to the annual maintenance stop in Bäckhammar 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 133m, of which SEK 9m in the fourth quarter 2020.

Sales in December are normally somewhat negatively affected as a consequence of low availability of transportation 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.

### RESTRUCTURING OF THE SÄFFLE PLANT

Nordic Paper decided during the second quarter to discontinue the production of pulp at the Säffle plant during the fourth quarter 2021 and to replace it with external purchased pulp. A decision was also made regarding an investment of SEK 70m aiming among other things to increase efficiency in the handling of external pulp. The measures lead to an increase of about 10% of the annual production capacity of greaseproof papers at the Säffle plant.

Nordic Paper estimates that the fixed costs, excluding depreciation, of the plant would be reduced by approximately SEK 30-40m on an annual basis at full utilisation of the production capacity. The staffing at the plant will be reduced by about 20 positions.

As a consequence of the decision, a provision of SEK 76m was made to cover remediation of buildings and land. The cash flow effect of this remediation work is estimated to impact gradually during the coming 5-7 years.

At the closure of the existing pulp line, estimated to the fourth quarter of 2021, a write-down of approximately SEK 30m will be made.

## RISKS AND RISK MANAGEMENT

COVID-19 has until today 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 where lockdown is implemented or has been implemented and has experienced a shift in the demand, i.e. from the professional food service sector to the consumer driven retail sector. Nordic Paper experiences that the demand from the professional food sector is recovering. 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.

In addition, Nordic Paper is exposed to other strategic, operational, financial, 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 continuously reviewed by the management and reported to the Board. These risks include, inter alia, the following:

- 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 Paper's Annual report 2020 available on [www.nordic-paper.com](http://www.nordic-paper.com).

## TRANSACTIONS WITH RELATED PARTIES

During the quarter Nordic Paper acquired services to an amount of SEK 0m (2) from Sutriv Holding. Nordic Paper purchased energy to the amount of SEK 15m (7) and sold services and consumables to Åmotfors Energi AB to an amount of SEK 3m (1). The transactions were conducted on market conditions.

## LONG TERM INCENTIVE PROGRAMME FOR SENIOR EXECUTIVES

At the Nordic Paper annual general meeting on 20 May 2021, it was resolved to introduce a long-term incentive programme in the form of warrants for senior executives, which encompass the CEO and the other members of the management team. The programme includes issue of not more than 300,000 warrants where each warrant entitles the holder to subscribe for one new share in Nordic Paper. The resolved incentive programme is a three-year programme and implies that senior executives is offered warrants at market price in accordance with Black-Scholes valuation model. The exercise price equal to 120 percent of the volume-weighted average price of the company's share during the period of ten trading days falling immediately before the offer for subscription of the warrants ("VWAP") however not lower than SEK 43 and in any case not less than the quota value of the share.

If the volume-weighted average price of the company's share during the period of ten trading days falling immediately before the exercise period (as described below) exceeds 170 percent of VWAP, the exercise price shall be increased with an amount corresponding to the exceeding amount. Thereby, the participant's maximum outcome in the programme is capped.

Each warrant shall entitle the holder to subscribe for one new share in Nordic Paper during the two-week period following publication of the fourth interim report of 2024, entailing a vesting period of at least three years.

## SHAREHOLDERS

Nordic Paper had 3,599 shareholders as of 30 September 2021.

Shareholders 30 September 2021	Votes and capital (%)
Sutriv Holding AB	48.2%
Swedbank Robur Fonder	9.4%
AMF - Försäkring och Fonder	9.4%
Handelsbanken fonder	5.1%
Ålandsbanken	3.9%
UBS Switzerland AG	3.7%
Varma Mutual Pension Insurance	1.7%
Ålandsbanken i ägares ställe	1.5%
BNY Mellon SA	1.5%
Nordea Investment Funds	1.5%
Other	14.2%
Total	100.0%

28 October 2021

Nordic Paper Holding AB (publ)

Anita Sjölander

CEO

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

*This is 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 in the press release for this report, at 7.30am CEST on 28 October 2021.*

## AUDITOR'S REPORT

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Nordic Paper Holding AB (publ) reg. no. 556914-1913

### INTRODUCTION

We have reviewed the condensed interim financial information (interim report) of Nordic Paper Holding AB(publ) as of 30 September 2021 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 28 October 2021

Öhrlings PricewaterhouseCoopers AB

*Martin Johansson*  
*Authorized Public Accountant*

## Group

## CONDENSED INCOME STATEMENT

SEKm	2021 Q3	2020 Q3	2021 Jan-Sep	2020 Jan-Sep	2020 Full year
Net sales*	711	639	2,273	2,233	2,903
Other operating income	1	13	34	13	-17
Change in inventories	-32	-50	-57	-55	39
Raw materials, energy and consumables	-318	-258	-1,005	-911	-1,210
Other external costs	-239	-249	-624	-599	-757
Personnel costs	-107	-107	-382	-359	-479
Depreciation and amortisation	-29	-27	-86	-79	-110
Other operating costs	0	-2	-6	-7	-21
<b>Operating profit</b>	<b>-14</b>	<b>-40</b>	<b>148</b>	<b>235</b>	<b>348</b>
Financial income	2	2	3	5	5
Financial costs	-7	-2	-21	-6	-25
	-4	0	-18	-1	-20
<b>Profit before tax</b>	<b>-18</b>	<b>-41</b>	<b>129</b>	<b>234</b>	<b>328</b>
Tax	2	8	-30	-51	-70
<b>Profit for the period</b>	<b>-17</b>	<b>-32</b>	<b>100</b>	<b>182</b>	<b>258</b>
Profit attributable to:					
Owners of the parent company	-17	-32	100	182	258
Non-controlling interests	-	-	-	-	-
<b>Net profit for the period</b>	<b>-17</b>	<b>-32</b>	<b>100</b>	<b>182</b>	<b>258</b>
Earnings per share, SEK	-0.25	-0.49**	1.49	2.73**	3.85

\* Net sales consist in entirety of sales of goods.

\*\* 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	2021 Q3	2020 Q3	2021 Jan-Sep	2020 Jan-Sep	2020 Full year
<b>Profit for the period</b>	<b>-17</b>	<b>-32</b>	<b>100</b>	<b>182</b>	<b>258</b>
<i>Items that will be reclassified to profit or loss</i>					
Change in fair value of cash flow hedges	-4	-7	-30	-1	16
Exchange differences on translation of foreign operations	3	-3	9	-18	-15
Tax attributable to items that have been or may be reclassified to profit or loss	1	-2	6	0	-3
<b>Other comprehensive income for the period</b>	<b>-1</b>	<b>-12</b>	<b>-15</b>	<b>-19</b>	<b>-2</b>
<b>Comprehensive income for the period</b>	<b>-17</b>	<b>-44</b>	<b>85</b>	<b>164</b>	<b>256</b>
<b>Comprehensive income attributable to:</b>					
Parent company's shareholders	-17	-44	85	164	256

## CONDENSED BALANCE SHEET

SEKm	2021 30 Sep	2020 30 Sep	2020 31 Dec
Goodwill	343	343	343
Other intangible assets	6	1	1
Buildings and land	47	58	55
Machinery and plant	468	479	484
Equipment, tools, fixtures and fittings	5	4	4
Right of use assets	25	17	18
Construction in progress	125	81	83
Deferred tax assets	6	7	9
<b>Total non-current assets</b>	<b>1,024</b>	<b>990</b>	<b>997</b>
Inventories	417	409	445
Accounts receivables	452	375	365
Income tax receivables	8	13	-
Other operating receivables	77	78	68
Derivatives	3	12	34
Prepaid expenses and accrued revenue	21	9	24
Cash and cash equivalents	590	458	415
<b>Total current assets</b>	<b>1,568</b>	<b>1,354</b>	<b>1,351</b>
<b>Total assets</b>	<b>2,592</b>	<b>2,344</b>	<b>2,349</b>
Share capital	19	19	19
Reserves	-30	-32	-15
Retained earnings including profit of the year	555	1,314	590
<b>Total equity</b>	<b>545</b>	<b>1,301</b>	<b>594</b>
Liabilities to credit institutions	950	-	950
Lease liabilities	15	8	9
Deferred tax liabilities	147	165	158
Other liabilities and provisions	96	24	18
<b>Total non-current liabilities</b>	<b>1,208</b>	<b>197</b>	<b>1,135</b>
Factoring credit-line	246	178	165
Liabilities to parent	-	150	-
Accounts payables	336	290	218
Liabilities to associated companies	6	1	3
Income tax liability	-	-	5
Lease liabilities	9	8	10
Derivatives	5	3	0
Other liabilities	11	11	12
Accrued expenses and deferred income	227	206	207
<b>Total current liabilities</b>	<b>839</b>	<b>846</b>	<b>620</b>
<b>Total equity and liabilities</b>	<b>2,592</b>	<b>2,344</b>	<b>2,349</b>

## CONDENSED STATEMENT OF CHANGES IN EQUITY

SEKm	2021 30 Sep	2020 30 Sep	2020 31 Dec
<b>Opening balance</b>	<b>594</b>	<b>1,288</b>	<b>1,288</b>
Comprehensive income for the period	100	182	258
Other comprehensive income for the period	-15	-19	-2
<i>Transactions with owners of the parent</i>			
Dividend	-134	-150	-950
<b>Closing balance</b>	<b>545</b>	<b>1,301</b>	<b>594</b>
<b>Equity attributable to:</b>			
Owners of the parent company	545	1,301	594



## CONDENSED CASH FLOW

SEKm	2021 Q3	2020 Q3	2021 Jan-Sep	2020 Jan-Sep	2020 Full year
<b>Operating activities</b>					
Operating profit	-14	-40	148	235	348
Interest income	0	0	0	0	0
Interest cost	-6	-1	-19	-4	-9
Adjustments for non-cash items	34	22	178	75	87
Paid income tax	15	-21	-54	-100	-110
<b>Cash flow from operating activities before changes in working capital</b>	<b>28</b>	<b>-41</b>	<b>253</b>	<b>205</b>	<b>316</b>
<b>Cash flow from changes in working capital</b>					
Changes in inventories	34	62	33	50	15
Change in operating receivables	2	75	-92	15	26
Change in operating liabilities	88	47	140	64	-5
<b>Cash flow from operating activities</b>	<b>153</b>	<b>144</b>	<b>333</b>	<b>334</b>	<b>352</b>
<b>Investing activities</b>					
Acquisitions of non-current tangible assets	-54	-37	-94	-71	-102
<b>Cash flow from investing activities</b>	<b>-54</b>	<b>-37</b>	<b>-94</b>	<b>-71</b>	<b>-102</b>
<b>Financing activities</b>					
Net change in factoring credit line	16	29	81	-7	-19
Group contribution paid out	-	-	-	-41	-41
Amortisation of lease liabilities	-3	-2	-10	-7	-10
New loan	-	-	-	-	950
Dividend paid out	-	-	-134	-	-950
<b>Cash flow from financing activities</b>	<b>13</b>	<b>26</b>	<b>-64</b>	<b>-55</b>	<b>-70</b>
<b>Cash flow for the period</b>	<b>112</b>	<b>133</b>	<b>176</b>	<b>209</b>	<b>179</b>
Opening cash and cash equivalents	480	324	415	247	247
Currency translation in cash and cash equivalents	-2	1	-1	3	-11
<b>Closing cash and cash equivalents</b>	<b>590</b>	<b>458</b>	<b>590</b>	<b>458</b>	<b>415</b>
<b>Adjustments for non-cash items</b>					
Depreciations	29	27	86	79	110
Currency translation effects	0	-9	1	-3	12
Derivatives, changes in fair value	3	7	13	1	-24
Provision for remediation of buildings and land in Säffle	-	-	76	-	-
Others	2	-4	2	-3	-11
<b>Total</b>	<b>34</b>	<b>22</b>	<b>178</b>	<b>75</b>	<b>87</b>

# 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. As of 1 January 2021, the parent company utilizes the RFR 2 exception related to accounting of derivatives, the “simplification method”. The time periods January-September 2020 and January-December 2020 used for comparison have been recalculated for the parent company in this report. 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 2 in the Annual report 2020.

All amounts are stated in SEK million (SEK m) unless otherwise stated. Rounding differences of SEK +/- 1m may occur in the sums of amounts. If an underlying amount adds up to SEK 0 million after rounding, the amount will be stated as 0. Amounts in parentheses refer to the corresponding period last year.

Information according to IAS 34.16A is in addition to in the financial reports and its related notes also presented in other parts of the interim report.

## NOTE 2 QUARTERLY DATA PER SEGMENT

### NET SALES

SEKm	2019		2020			2021		
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Segment Kraft Paper	383	455	436	361	361	448	455	401
Segment Natural Greaseproof	363	381	342	286	318	345	349	314
Eliminations	-9	-9	-12	-8	-9	-20	-14	-4
<b>Total Group</b>	<b>738</b>	<b>827</b>	<b>767</b>	<b>639</b>	<b>670</b>	<b>772</b>	<b>790</b>	<b>711</b>

### EBITDA

SEKm	2019		2020			2021		
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Segment Kraft Paper	20	111	93	-17	80	89	123	44
Segment Natural Greaseproof	55	76	66	2	62	39	-44	-28
Parent company and not distributed items	0	-59	43	-10	20	-27	3	-4
Eliminations etc	-10	46	-48	13	-19	34	2	2
<b>EBITDA total Group</b>	<b>65</b>	<b>174</b>	<b>153</b>	<b>-13</b>	<b>144</b>	<b>134</b>	<b>84</b>	<b>15</b>
Depreciation and amortisation	-25	-26	-26	-27	-31	-28	-29	-29
<b>Operating profit</b>	<b>40</b>	<b>148</b>	<b>127</b>	<b>-40</b>	<b>113</b>	<b>106</b>	<b>55</b>	<b>-14</b>
Financial income	0	10	0	2	0	5	-4	2
Financial costs	-11	-1	-10	-2	-19	-7	-7	-7
<b>Profit before tax</b>	<b>29</b>	<b>157</b>	<b>117</b>	<b>-41</b>	<b>94</b>	<b>104</b>	<b>44</b>	<b>-18</b>

### EBITDA MARGIN

%	2019		2020			2021		
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Segment Kraft Paper	5.3	24.3	21.2	-4.8	22.3	19.9	27.1	11.0
Segment Natural Greaseproof	15.1	20.0	19.2	0.6	19.5	11.3	-12.5	-8.9
<b>Group</b>	<b>8.8</b>	<b>21.1</b>	<b>20.1</b>	<b>-2.0</b>	<b>21.4</b>	<b>17.4</b>	<b>10.7</b>	<b>2.1</b>

### OPERATING PROFIT

SEKm	2019		2020			2021		
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Segment Kraft Paper	8	98	80	-31	67	77	111	32
Segment Natural Greaseproof	45	67	57	-7	47	28	-55	-40
Parent company and not distributed items	0	-59	43	-10	20	-27	3	-4
Eliminations etc	-14	42	-52	8	-22	28	-3	-3
<b>Total Group</b>	<b>40</b>	<b>148</b>	<b>128</b>	<b>-40</b>	<b>113</b>	<b>106</b>	<b>55</b>	<b>-14</b>

### OPERATING MARGIN

%	2019		2020			2021		
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Segment Kraft Paper	2.1	21.6	18.3	-8.6	18.5	17.2	24.8	8.0
Segment Natural Greaseproof	12.5	17.5	16.5	-2.4	14.9	8.1	-15.8	-12.6
<b>Group</b>	<b>5.4</b>	<b>17.9</b>	<b>16.7</b>	<b>-6.3</b>	<b>16.8</b>	<b>13.8</b>	<b>7.0</b>	<b>-1.9</b>

### SALES VOLUMES

ktonnes	2019		2020			2021		
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Segment Kraft Paper	46	57	55	48	50	60	58	48
Segment Natural Greaseproof	17	19	17	15	16	19	19	16
Eliminations	-2	-2	-3	-2	-2	-4	-3	-2
<b>Total Group</b>	<b>61</b>	<b>73</b>	<b>69</b>	<b>61</b>	<b>64</b>	<b>75</b>	<b>74</b>	<b>62</b>

## NOTE 3 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

SEKm	2021		2020		2020	
	30 Sep		30 Sep		31 Dec	
Financial assets: accrued acquisition value	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Accounts receivables	452	452	375	375	365	365
Other receivables	77	77	78	78	68	68
Cash at bank and on hand	590	590	458	458	415	415
<b>Total</b>	<b>1,119</b>	<b>1,119</b>	<b>911</b>	<b>911</b>	<b>848</b>	<b>848</b>
Financial liabilities: accrued acquisition value						
Factoring credit line	246	246	178	178	165	165
Lease liabilities	24	24	17	17	18	18
Liabilities to associated companies	6	6	1	1	3	3
Liabilities to owner company	-	-	150	150	-	-
Account payables	336	336	290	290	218	218
Non-current liabilities to credit institutions	950	950	-	-	950	950
Other liabilities	238	238	217	217	219	219
<b>Total</b>	<b>1,800</b>	<b>1,800</b>	<b>852</b>	<b>852</b>	<b>1,573</b>	<b>1,573</b>
Derivatives used for hedging						
Current assets						
Cash flow hedges	3	3	12	12	34	34
Current liabilities						
Cash flow hedges	5	5	3	3	0	0

### CALCULATION OF FAIR VALUE

Nordic Paper Group has derivatives that are 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 21 in the Annual report 2020.

## NOTE 4 OTHER PROVISIONS

Other provisions of SEK 96m relate to assessed remediation costs for buildings and land. The provision break-down includes SEK 76m costs for tearing down buildings and restoring of land related to the pulp mill in Säffle while the remaining are costs associated with remediation of a landfill site and for oil-contaminated soil that was found in 2019. For the costs related to the pulp mill and the oil contamination the cost has been assessed by a third party. The cash flow effect related to the pulp mill is estimated to occur gradually during the coming 5-7 years.

## Key figures

SEKm	2021 Q3	2020 ,Q3	2021 Jan-Sep	2020 Jan-Sep	2020 Full year
Net sales growth, %	11	-19	2	-10	-10
EBITDA margin, %	2.1	-2.0	10.3	14.1	15.8
Adjusted EBITDA-margin, % *	2.1	-2.0	13.6	14.1	
Operating margin, %	-1.9	-6.3	6.5	10.5	12.0
Adjusted operating margin, % *	-1.9	-6.3	9.8	10.5	
Cash flow from operating activities	153	144	333	334	352
Cash conversion, %	79.4	96.6			77.9
Return on operating capital, 12m, %	20.9	20.9			26.9
Return on equity, 12m, %	27.5	15.9			22.3
Working capital	305	353			439
Operating capital	1,182	1,178			1,278
Interest-bearing debts	1,220	344			1,134
Net debt /equity, %**	115.7	-8.8			120.9
Net debt/EBITDA 12m, ratio**	1.7	-0.3			1.6
Equity ratio, %	21.1	55.5			25.3
Working capital % of net sales, 12m	13.7	16.1			16.4
Investments	54	37	94	71	102
Sales volumes, ktonnes	62	61	211	203	267
Number of employees at end of period	632	635			632
Number of shares, end of period	66,908,800	66,908,800***			66,908,800
Earnings per share, SEK	-0.25	-0.49***	1.49	2.73***	3.85

\* Adjusted for the SEK 76m provision that was made in Q2 2021 for remediation of buildings and land in Säffle

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

\*\*\* 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 SEKm	2021 Q3	2020 Q3	2021 Jan-Sep	2020 Jan-Sep	2020 Full year
Operating result	-14	-40	148	235	348
Depreciation, amortisation and impairment	29	27	86	79	110
<b>EBITDA, SEKm</b>	<b>15</b>	<b>-13</b>	<b>234</b>	<b>314</b>	<b>458</b>
Significant items affecting comparability	-	-	76	-	-
<b>Adjusted EBITDA, SEKm</b>	<b>15</b>	<b>-13</b>	<b>310</b>	<b>314</b>	<b>458</b>
<b>EBITDA MARGIN SEKm</b>	<b>2021 Q3</b>	<b>2020 Q3</b>	<b>2021 Jan-Sep</b>	<b>2020 Jan-Sep</b>	<b>2020 Full year</b>
EBITDA	15	-13	234	314	458
Net sales	711	639	2,273	2,233	2,903
<b>EBITDA margin, %</b>	<b>2.1</b>	<b>-2.0</b>	<b>10.3</b>	<b>14.1</b>	<b>15.8</b>
Significant items affecting comparability	-	-	76	-	-
<b>Adjusted EBITDA margin, %</b>	<b>2.1</b>	<b>-2.0</b>	<b>13.6</b>	<b>14.1</b>	<b>15.8</b>
<b>OPERATING MARGIN SEKm</b>	<b>2021 Q3</b>	<b>2020 Q3</b>	<b>2021 Jan-Sep</b>	<b>2020 Jan-Sep</b>	<b>2020 Full year</b>
Operating profit	-14	-40	148	235	348
Net sales	711	639	2,273	2,233	2,903
<b>Operating margin, %</b>	<b>-1.9</b>	<b>-6.3</b>	<b>6.5</b>	<b>10.5</b>	<b>12.0</b>
Significant items affecting comparability	-	-	76	-	-
<b>Adjusted operating margin, %</b>	<b>-1.9</b>	<b>-6.3</b>	<b>9.8</b>	<b>10.5</b>	<b>12.0</b>
<b>CASH CONVERSION SEKm</b>	<b>2021 Q3</b>	<b>2020 Q3</b>	<b>2021 Jan-Sep</b>	<b>2020 Jan-Sep</b>	<b>2020 Full year</b>
EBITDA 12m	377	377			458
Change in working capital	48	88			1
Investments, 12 m	-126	-101			-102
<b>Total</b>	<b>299</b>	<b>364</b>			<b>357</b>
EBITDA, 12 m	377	377			458
<b>Cash conversion %, 12 m</b>	<b>79.4</b>	<b>96.6</b>			<b>77.9</b>
<b>WORKING CAPITAL SEKm</b>	<b>2021 Q3</b>	<b>2020 Q3</b>	<b>2021 Jan-Sep</b>	<b>2020 Jan-Sep</b>	<b>2020 Full year</b>
Inventories	417	409			445
Accounts receivables	452	375			365
Other operating receivables excl derivatives	106	99			92
Accounts payables	-336	-290			-218
Other operating liabilities excl derivatives	-334	-240			-244
<b>Net working capital</b>	<b>305</b>	<b>353</b>			<b>439</b>
Net working capital, 12 m	404	477			476
Net sales, 12 m	2,944	2,971			2,903
<b>Working capital, % of net sales, 12 m</b>	<b>13.7</b>	<b>16.1</b>			<b>16.4</b>

<b>OPERATING CAPITAL</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
<b>SEKm</b>	<b>Q3</b>	<b>Q3</b>	<b>Full year</b>
Net working capital	305	353	439
Intangible assets	350	344	344
Tangible assets	669	639	644
Deferred tax receivables/liabilities	-141	-158	-149
<b>Operating capital</b>	<b>1,182</b>	<b>1,178</b>	<b>1,278</b>
Operating profit, 12m	260	272	348
Operating capital, 12m	1,247	1,301	1,295
<b>Return on operating capital, % 12m</b>	<b>20.9</b>	<b>20.9</b>	<b>26.9</b>
<b>NET DEBT</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
<b>SEKm</b>	<b>Q3</b>	<b>Q3</b>	<b>Full year</b>
Liabilities to credit institute	950	-	950
Lease liabilities, long term	15	8	9
Factoring credit line	246	178	165
Liabilities to owner company	-	150	-
Lease liabilities, short term	9	8	10
<b>Interest-bearing debt</b>	<b>1,220</b>	<b>344</b>	<b>1,134</b>
Cash and cash equivalents	590	458	415
<b>Net debt/net cash (+/-)</b>	<b>630</b>	<b>-114</b>	<b>718</b>
EBITDA, 12m	377	377	458
<b>Net debt/EBITDA 12m, ratio</b>	<b>1.7</b>	<b>-0.3</b>	<b>1.6</b>
<b>NET DEBT/EQUITY</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
<b>SEKm</b>	<b>Q3</b>	<b>Q3</b>	<b>Full year</b>
Net debt/net cash (+/-)	630	-114	718
Equity	545	1,301	594
<b>Net debt/Equity ratio</b>	<b>115.7</b>	<b>-8.8</b>	<b>120.9</b>
<b>EQUITY RATIO</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
<b>SEKm</b>	<b>Q3</b>	<b>Q3</b>	<b>Full year</b>
Equity	545	1,301	594
Total assets	2,592	2,344	2,349
<b>Net debt/Equity, %</b>	<b>21.1</b>	<b>55.5</b>	<b>25.3</b>
<b>RETURN ON EQUITY</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
<b>SEKm</b>	<b>Q3</b>	<b>Q3</b>	<b>Full year</b>
Equity	545	1,301	594
Equity, 12m	636	1,338	1,156
Profit after tax, 12m	175	212	258
<b>Return on equity 12m, %</b>	<b>27.5</b>	<b>15.9</b>	<b>22.3</b>

# 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.
Significant items affecting comparability	Significant items affecting comparability can include effects of larger restructuring of production plants, write-downs, revaluations, specific effects of litigations or of strategic decisions of a non-recurring nature. Significant items affecting comparability are not a part of the underlying operative activity.	Increases understanding for the development over time of the operative activities.
Adjusted EBITDA	EBITDA adjusted for significant items affecting comparability.	Increases comparability of EBITDA between different periods in time and increases understanding of the operative development over time.
EBITDA margin	EBITDA as a percentage of net sales.	Shows how much cash the business can generate in relation to revenue.
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of net sales.	Increases comparability of EBITDA margin between different periods in time.
Operating profit	Result before financial income, cost and tax.	Shows the result in the company's operational business.
Adjusted operating profit	Operating profit adjusted for significant items affecting comparability.	Increases comparability of operating profit between different periods in time and increases understanding of the operative development over time.
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
Adjusted operating margin	Operating margin adjusted for significant items affecting comparability.	Increases comparability of operating margin between different periods in time.
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, and other liabilities and provisions (not interest-bearing).	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.
Net 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

## CONDENSED INCOME STATEMENT

SEKm	2021 Q3	2020 Q3	2021 Jan-Sep	2020 Jan-Sep	2020 Full year
Net sales	14	11	36	33	34
Other operating income	-1	2	18	-8	3
Other external costs	-13	-21	-38	-54	-69
Personnel costs	-4	-2	-11	-6	-8
Other operating costs	0	-	-34	0	-
<b>Operating profit</b>	<b>-4</b>	<b>-10</b>	<b>-28</b>	<b>-35</b>	<b>-40</b>
Profit/Loss from participations in associated companies	-	-	106	-	66
Financial income and similar items	1	7	0	19	34
Financial costs and similar items	0	0	-4	-2	-6
<b>Profit after net financial items</b>	<b>-2</b>	<b>-3</b>	<b>73</b>	<b>-18</b>	<b>56</b>
Appropriations	-	-	0	-	252
<b>Profit before tax</b>	<b>-2</b>	<b>-3</b>	<b>74</b>	<b>-18</b>	<b>308</b>
Tax	-2	-1	-3	1	-52
<b>Profit for the period and summarised comprehensive income</b>	<b>-4</b>	<b>-4</b>	<b>71</b>	<b>-17</b>	<b>256</b>

## CONDENSED BALANCE SHEET

SEKm	2021 30 Sep	2020 30 Sep	2020 31 Dec
Shares in group companies	896	896	896
Deferred tax	0	-	0
<b>Total non-current assets</b>	<b>896</b>	<b>896</b>	<b>896</b>
Receivables from group companies	3	-	199
Income tax receivables	37	40	4
Derivatives	-	-	-
Other receivables	-	2	2
Prepaid expenses and accrued revenue	3	0	15
Cash and cash equivalents	766	579	621
<b>Total current assets</b>	<b>809</b>	<b>622</b>	<b>841</b>
<b>Total assets</b>	<b>1,705</b>	<b>1,518</b>	<b>1,737</b>
Share capital	19	19	19
Retained earnings	272	915	116
Result for the period	71	-17	256
<b>Total equity</b>	<b>362</b>	<b>917</b>	<b>391</b>
<b>Untaxed reserves</b>	<b>387</b>	<b>441</b>	<b>387</b>
Liabilities to credit institutions	950	-	950
<b>Total non-current liabilities</b>	<b>950</b>	<b>-</b>	<b>950</b>
Accounts payables	0	1	7
Liabilities to group companies	0	150	-
Derivatives	-	-	-
Other liabilities	0	0	-
Accrued expenses and prepaid revenue	6	9	2
<b>Total current liabilities</b>	<b>7</b>	<b>160</b>	<b>9</b>
<b>Total equity and liabilities</b>	<b>1,705</b>	<b>1,518</b>	<b>1,737</b>

## CONFERENCE CALL

On the publication of the interim report, a telephone conference will be held Thursday 28 October at 9:30 CEST. 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](http://www.nordic-paper.com). You may also participate in the conference by telephone on

Sweden	08-566 184 30
United States	19177200181
United Kingdom	08448228902
International dial-in number	+44 (0) 2071 928501

PIN code 9564807#

## FINANCIAL CALENDAR

Year-end report 2021 – 28 January 2022

Annual report 2021 – 25 April 2022

Interim report Q1 2022 – 28 April 2022

Interim report Q2 2022 – 20 July 2022

Interim report Q3 2022 – 28 October 2022

### Annual General Meeting

The Annual General Meeting will be held 19 May 2022 in Karlstad.

### For further information, please contact:

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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](http://www.nordic-paper.com)