

Interim report January – June 2022

QUARTERLY RESULTS APRIL - JUNE

- Net sales increased by 45% to SEK 1,144m (790). The Canadian operations acquired on 31 December 2021 contributed with a net sales of SEK 80m.
- EBITDA increased to SEK 247m (84) corresponding to an EBITDA margin of 21.6% (10.7).
- Operating profit was SEK 211m (55), corresponding to an operating margin of 18.4% (7.0%).
- Net result for the period amounted to SEK 164m (35) and earnings per share were SEK 2.44 (0.53).
- Cash flow from operating activities was SEK 118m (134).
- Return on operating capital was 27.3% (18.4).
- Net debt/EBITDA 12 m amounted to 2.2 (2.1).
- Sales volumes increased by 5% to 77.6 ktonnes (74.1) out of which 3.3 ktonnes were from acquired operations.
- A dividend of SEK 2.00 per share was paid during the quarter, in total worth SEK 134m.

KEY FIGURES

SEKm	2022 Q2	2021 Q2	Δ, %	2022 Jan-Jun	2021 Jan-Jun	Δ, %	R 12 m	2021 Full year
Net sales	1,144	790	45	2,196	1,562	41	3,717	3,083
EBITDA	247	84	193	484	219	121	623	358
Adjusted EBITDA ¹	247	160	54	484	295	64	623	434
EBITDA-margin, %	21.6	10.7		22.0	14.0		16.8	11.6
Adjusted EBITDA-margin, % ¹	21.6	20.3		22.0	18.9		16.8	14.1
Operating profit	211	55	282	413	161	156	459	208
Adjusted operating profit ^{1,2}	211	131	61	413	237	74	491	316
Operating margin, %	18.4	7.0		18.8	10.3		12.4	6.8
Adjusted operating margin, % ^{1,2}	18.4	16.6		18.8	15.2		13.2	10.3
Profit for the period	164	35	361	325	116	180	353	144
Earnings per share, SEK ³	2.44	0.53		4.86	1.74		5.28	2.15
Cash flow from operating activities	118	134	-12	170	180	-6	398	408
Return on operating capital 12m, %	27.3	18.4		27.3	18.4		27.3	15.9
Net debt/EBITDA 12 m, ratio	2.2	2.1		2.2	2.1		2.2	3.7
Sales volume, ktonnes	77.6	74.1	5	154.4	149.3	3	285.7	280.6

¹ Q2 2021, Jan-Jun 2021 and full year 2021 adjusted for the SEK 76m provision that was made in Q2 2021 for remediation of buildings and land in Säffle

² Full year 2021 and R 12 m adjusted for the SEK 32m write-down of the pulp production in Säffle that was made in Q4 2021

³ Before and after dilution

CEO COMMENTS



ANOTHER QUARTER ON RECORD LEVELS

The strong development for Nordic Paper is continuing and the second quarter of this year exceeded the record levels from the first quarter in several aspects. Net sales of the company increased by 9% compared to last quarter and is now 45% higher than in the same period last year. EBITDA reached a new quarterly record level of SEK 247m which is an increase from previous quarter by 4%.

CONTINUED PRODUCT PRICE INCREASES IN A STRONG MARKET

The market continued to be strong in the quarter. The European demand for unbleached kraft paper was further strengthened by the ban on import of Russian kraft paper approved by the EU as a part of the sanctions after the Russian invasion of Ukraine. Russian unbleached sack paper made up about 10% of the total supply on the European market last year. The

demand for greaseproof papers was also strong in the quarter. In this market situation, we have continued to increase product prices in both our segments. The EBITDA impact from higher product prices was larger than the negative impact from cost inflation in the quarter. We will implement further product price increases within both our segments during the third quarter which is important with the background of continued cost inflation.

INCREASING COSTS FOR INPUT MATERIALS

Costs have continued to increase during the quarter for many items, most notably for pulp, transportation, wood and chemicals. After being stable for a longer period of time, the price for wood has increased somewhat during the quarter and is assumed to continue to increase also during the second half of the year. Contributing to this is the increased competition for wood material in the Baltic Sea region as Finnish imports of Russian pulpwood have been stopped as a consequence of sanctions against Russian interests. Nordic Paper sources its wood raw material in long term relations with local suppliers in an area surrounding the Bäckhammar mill which gives us stability and security of supply even though we are impacted by increased international competition for wood. After having increased sharply over the past 12 month period, energy costs have been stable on high levels in the quarter.

NET DEBT TO EBITDA RATIO WITHIN FINANCIAL TARGET AGAIN

The net debt of Nordic Paper increased after the Canadian acquisition at year end 2021 and the net debt to EBITDA ratio exceeded the financial target. Already a half year after the acquisition, the net debt to EBITDA 12 m ratio has decreased from 3.7 to 2.2 and we are again within the target. This is sign of the strength of our business.

The integration of the acquired business in Canada is continuing. We are now developing opportunities to open up new markets for the acquired business through the global sales network of Nordic Paper.

CONTINUOUS PRODUCT DEVELOPMENT EXPANDS THE MARKET

We continuously work with improving the performance of our specialty paper products. Within Natural Greaseproof, we have during the quarter initiated a cooperation with a French research institute with leading competence in surface treatment of materials. The cooperation aims at further development of barrier properties of natural greaseproof papers. One application area targeted for development of more sustainable solutions is packaging for direct contact with frozen foods, for example lasagna. Currently, much of the market consists of packaging solutions based on plastics or aluminum.

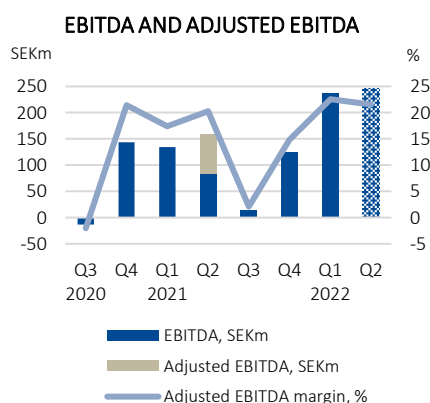
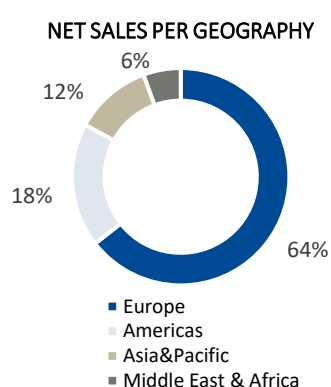
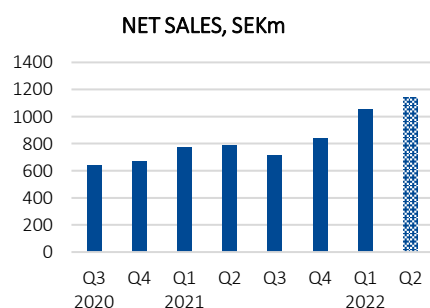
During the third quarter, we perform annual maintenance stops at all our production units. Safety for Nordic Paper employees and for all contractors involved is, as always, in focus.

After this record level second quarter, I would like to thank Nordic Paper employees for work well performed and wish all of you, shareholders, customers, suppliers and employees, a nice summer.

Anita Sjölander, CEO

GROUP PERFORMANCE

APRIL – JUNE



The production shutdown in Bäckhammar during Q3 2020 also impacted results in Q4 2020.

MARKET AND SALES

During the quarter, the demand continued to be strong for Nordic Paper products within Kraft Paper as well as within Natural Greaseproof. The company increased its product prices from the record levels achieved during the first quarter in SEK as well as in local currency.

Net sales for the second quarter increased by 45% to SEK 1,144m (790). Increased sales prices had a positive impact of 26% while the acquired business in Canada contributed with 10% to net sales. Currency development impacted net sales positively by 7%.

Net sales increased in all geographies. The increase was larger in absolute terms in Europe compared to all other geographies together. The largest increase in percentage terms was in North America as a result of the acquired Canadian business with its net sales almost entirely to North America.

CHANGE IN NET SALES

Q2 2021, SEKm		790
Sales volume and product mix		2%
Selling price		26%
Currency		7%
Acquired operations		10%
Q2 2022, SEKm		1,144

RESULTS

EBITDA increased by 193% to SEK 247m (84¹) for the second quarter corresponding to an EBITDA margin of 21.6% (10.7¹).

The impact on EBITDA from higher product prices was larger than the negative impact from higher costs for pulp and energy. The results were positively impacted by the acquired business in Canada. After a period of stable prices for wood, the prices started to increase during the quarter with a negative impact to EBITDA as a consequence. Currency development had a small positive impact on EBITDA compared to the same quarter last year.

Operating profit amounted to SEK 211m (55¹) corresponding to an operating margin of 18.4% (7.0¹). Net profit for the period amounted to SEK 164m (35).

FINANCIAL NET AND TAX

Net financial items for the second quarter were SEK -5m (-11) of which interest net was SEK -8m (-16) and otherwise explained by positive exchange rate differences on cash. Tax cost for the second quarter amounted to SEK 42m (9), corresponding to a tax rate of 20.6%.

¹ The figure used for comparison for the second quarter 2021 was impacted by a provision of SEK 76m for remediation of buildings and land in connection to the decision to discontinue pulp production in Säffle. Adjusted for this provision the EBITDA for the second quarter increased to SEK 247m (160). Adjusted EBITDA margin was 21.6% (20.3).

JANUARY – JUNE

MARKET AND SALES

Net sales for the first half of the year increased by 41% to SEK 2,196m (1,562). Increased product prices were the largest contributor to the increase. The acquired business in Canada contributed with net sales of SEK 153m during the first half year.

CHANGE IN NET SALES

Jan-Jun 2021, SEKm	1,562
Sales volume and product mix	1%
Selling price	24%
Currency	6%
Acquired operations	10%
Jan-Jun 2022, SEKm	2,196

RESULTS

EBITDA for the first half of the year amounted to SEK 484m (219¹) corresponding to an EBITDA margin of 22.0% (14.0¹). The positive impact on EBITDA from higher product prices was larger than the negative impact from increased costs for input material, primarily for pulp and energy, compared to the same period last year.

Operating profit was SEK 413m (161) corresponding to an operating margin of 18.8% (10.3).

Net profit for the period was SEK 325m (116).

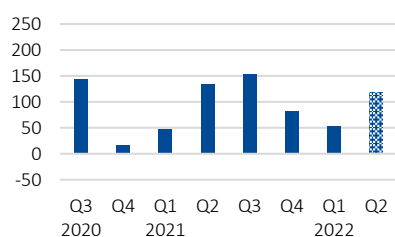
FINANCIAL NET AND TAX

Net financial items for the first half of the year were SEK -4m (-14) of which interest net was SEK -16m (-13). Tax cost for the period amounted to SEK 84m (31), corresponding to a tax rate of 20.5% (20.6).

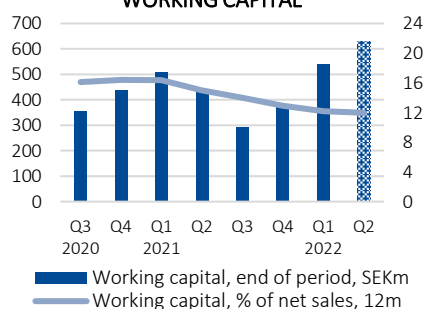
¹ The figure used for comparison for the first half of last year was impacted by a provision of SEK 76m for remediation of buildings and land in connection to the decision to discontinue pulp production in Säffle. Adjusted for this provision the EBITDA for the first half of the year increased to SEK 484m (295). Adjusted EBITDA margin was 22.0% (18.9).

CASH FLOW AND FINANCIAL POSITION

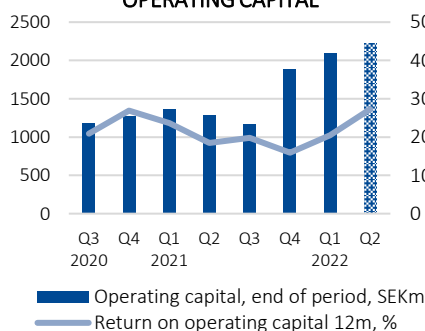
CASH FLOW FROM OPERATING ACTIVITIES, SEKm



WORKING CAPITAL



OPERATING CAPITAL



CASH FLOW AND WORKING CAPITAL

Cash flow from operating activities amounted to SEK 118m (134) for the second quarter of the year. The cash flow of the quarter was impacted by increased accounts receivables as a result of the increase in net sales. Net working capital as of 30 June 2022 was SEK 623m (441) and 12.0% (15.0) as percentage of net sales for the last 12 month period.

INVESTMENTS AND OPERATING CAPITAL

Investments during the quarter amounted to SEK 32m (26). Operating capital as of 30 June 2022 was SEK 2,219m (1,286) out of which SEK 756m (637) was tangible fixed assets. Intangible assets were SEK 1,024m (350) and the increase is explained by goodwill and other intangible assets from the acquisition of the Canadian operations on 31 December 2021. Return on operating capital for the last 12 month period was 27.3% (18.4).

FINANCING

During the second quarter, SEK 200m were amortized from the credit facility. Per 30 June 2022, net debt of the Group amounted to SEK 1,349m (721). Interest bearing debt was SEK 1,519 (1,201). Of the interest bearing debt, SEK 39m (22) are attributable to IFRS 16 leasing liabilities. Cash and cash equivalents were SEK 170m (480). In addition, the company has available unutilized credit facilities of SEK 600m (800), whereof an overdraft facility of SEK 200m.

The equity ratio was 23.3% (22.5) and the net debt/EBITDA 12 m ratio was 2.2 (2.1).

HEDGING OF EXCHANGE RATES

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

Currency	Average rate of derivatives	FX rate, 30 Jun	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	10.38	10.68	80	827	-29	56%	45%
USD	10.10	10.22	4	36	-9	47%	27%
GBP	12.12	12.41	12	150	-4	69%	44%
				1,013	-42		

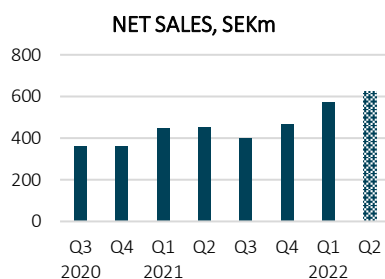
SEGMENT KRAFT PAPER

Segment Kraft Paper produces unbleached sack paper, MG paper and different kinds 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 belong to this segment. The segment also sells a certain amount of pulp.

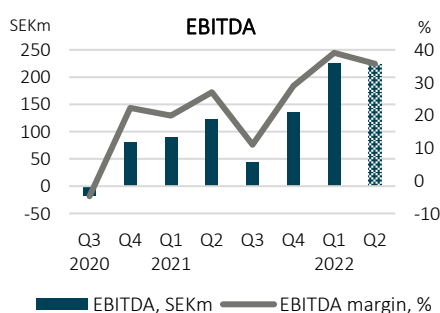
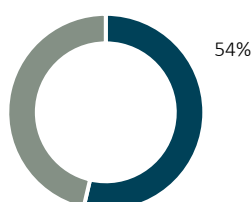
SEKm	2022	2021	Δ, %	2022	2021	Δ, %	R 12 m	2021
	Q2	Q2		Jan-Jun	Jan-Jun			Full year
Net sales	624	455	37	1,199	903	33	2,069	1,772
EBITDA	223	123	81	448	212	111	628	392
EBITDA margin, %	35.8	27.1	-	37.4	23.5	-	30.4	22.2
Operating profit	209	111	88	420	188	123	572	340
Operating margin, %	33.5	24.8	-	35.0	21.0	-	27.7	19.3
Sales volumes ¹ , ktonnes	58.5	58.4	0	116.8	118.8	-2	218.9	220.9

¹ Include sales volumes internally within the Group

APRIL – JUNE



**SHARE OF GROUP'S NET SALES
Q2 2022**



The production shutdown in Bäckhammar during Q3 2020 also impacted results in Q4 2020.

MARKET AND SALES

Demand for Nordic Paper kraft papers continued to be strong during the second quarter of the year. Demand strengthened following an EU ban on imports of Russian unbleached kraft paper in the quarter. Last year, Russian paper accounted for about 10% of the total supply on the European market. In the strong market, price increases were implemented during the quarter. After the implemented increases, the product prices are 30% higher than in the same quarter last year.

Net sales during the second quarter increased by 37% compared to the same period last year to SEK 624m (455). The largest increase in net sales was in Europe, the most important market for the segment. The increase in net sales in Europe was driven both by price and volume. As costs for oversea transportation have increased and as demand remains strong in Europe, Nordic Paper has shifted some oversea volumes from the North American market to Europe.

CHANGE IN NET SALES

Q2 2021, SEKm	455
Sales volume and product mix	1%
Selling price	30%
Currency	6%
Q2 2022, SEKm	624

RESULTS

EBITDA increased by 81% to SEK 223m (123) driven by larger product price increases than the increase in costs. The EBITDA margin increased to 35.8% (27.1). Operating profit was SEK 209m (111) and operating margin was 33.5% (24.8).

JANUARY - JUNE

The net sales for the first half of the year increased by 33% to SEK 1,199m (903) compared to the first half of last year. The most important contribution to the development was increased product prices but also currency impacted net sales positively compared to the same period last year. Excluding currency effects, the net sales increased by 28%. EBITDA increased by 111% to SEK 448m (212) and EBITDA margin increased to 37.4% (23.5). Operating profit amounted to SEK 420m (188) and operating margin was 35.0% (21.0).

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, Säffle and the per 31 December 2021 acquired mill in Québec belong to this segment.

	2022	2021		2022	2021			2021
SEKm	Q2	Q2	Δ, %	Jan-Jun	Jan-Jun	Δ, %	R 12 m	Full year
Net sales	539	349	54	1,033	694	49	1,716	1,377
Adjusted EBITDA ¹	37	32	14	73	71	2	43	42
Adj. EBITDA-margin, % ¹	6.8	9.3		7.1	10.3		2.5	3.0
Adj. operating profit ^{1,2}	18	21	-11	37	49	-25	-16	-4
Adj. operating margin, % ^{1,2}	3.4	5.9		3.5	7.0		-0.9	-0.3
Sales volume, ktonnes	22.4	18.9	18	44.3	38.2	16	79.4	73.3

¹ Q2 2021 and full year 2021 adjusted for the SEK 76m provision that was made in Q2 2021 for remediation of buildings and land in Säffle

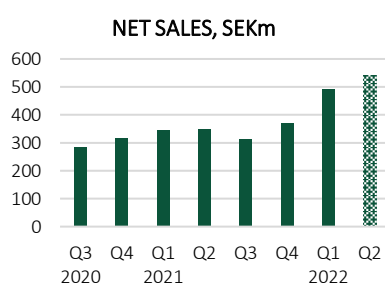
² Full year 2021 and R 12 m adjusted for the SEK 32m write-down of the pulp production in Säffle that was made in Q4 2021

APRIL – JUNE

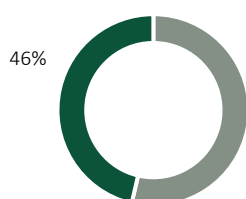
MARKET AND SALES

Demand for Nordic Paper greaseproof papers continued to be strong during the quarter and further product price increases were implemented.

Net sales during the second quarter increased by 54% to SEK 539m (349). The acquired business in Canada contributed with a net sales of SEK 80m. Product prices in local currency were 20% higher than in the same period last year and currency impacted net sales positively by 9%. The development of net sales was positive for all geographies and particularly strong in percentage terms in Asia and Middle East & Africa where the impact from reopening after corona restrictions was somewhat later than in the rest of the world.



SHARE OF GROUP'S NET SALES Q2 2022



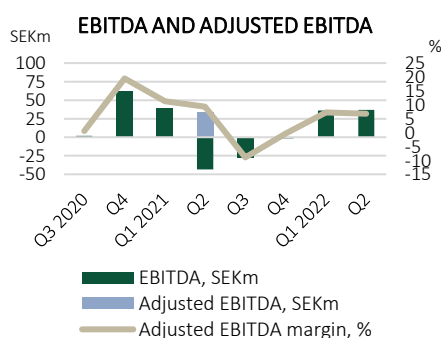
CHANGE IN NET SALES

Q2 2021, SEKm	349
Sales volume and product mix	2%
Selling price	20%
Currency	9%
Acquired operations	23%
Q2 2022, SEKm	539

RESULTS

EBITDA for the second quarter increased to SEK 37m (-44 ¹) corresponding to an EBITDA margin of 6.8% (-12.5).

The acquired operations in Canada contributed positively to EBITDA and EBITDA margin of the segment. The historically high prices for pulp and energy impacted EBITDA strongly negatively compared to the same period last year. Operating profit amounted to SEK 18m (-55) corresponding to an operating margin of 3.4% (-15.8).



¹ The figure used for comparison for the second quarter 2021 was impacted by a provision of SEK 76m for remediation of buildings and land in connection to the decision to discontinue pulp production in Säffle. Adjusted for this provision the EBITDA for the second quarter increased to SEK 37m (32). Adjusted EBITDA margin was 6.8% (9.3).

JANUARY - JUNE

Net sales for the first half of the year increased by 49% to SEK 1,033m (694) compared to the first half of last year. The acquired business in Canada contributed with a net sales of SEK 153m during the first half of the year. Implemented price increases contributed positively to the increase in net sales as well as positive currency effects. Excluding currency effects, net sales increased by 41%.

EBITDA increased to SEK 73m (-5¹) corresponding to an EBITDA margin of 7.1% (-0.7¹). Operating profit was SEK 37m (-27¹) and operating margin was 3.5% (-3.9¹).

¹ The figure used for comparison for the first half of last year was impacted by a provision of SEK 76m for remediation of buildings and land in connection to the decision to discontinue pulp production in Säffle.

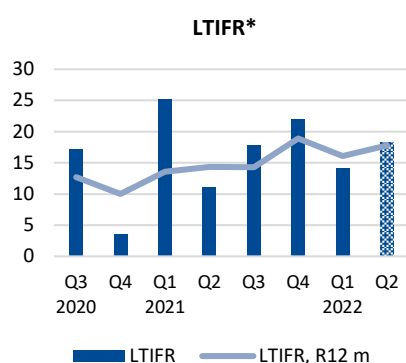
SUSTAINABILITY

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 target is to reduce the number of incidents with sick leave below 9 per million working hours.

During the second quarter, there were 5 incidents followed by sick leave compared to 4 during the first quarter. In the numbers for the second quarter, also the acquired operation in Canada is included. The number of incidents corresponds to a LTIFR* during the quarter of 18.3 and 17.8 for the last 12 month period. Both of these figures are above the target of the company.

* 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.

RESPONSIBLE PRODUCTION

The emissions of fossil greenhouse gases from the operations of the company and from purchased electricity and steam amounted to about 16,000 tonnes of carbon dioxide, which is a decrease by 6.5% from the first quarter. Of the emissions in the quarter, 6,000 tonnes are in scope 1, ie from the own operation of the company, and 10,000 tonnes in scope 2, from purchased electricity and steam. Emissions from the acquired operation in Canada are included in the figures since the first quarter this year. Excluding the emissions from the acquired operations, the total emissions in scope 1 and 2 decreased by 20% compared to an average quarter last year despite increased production output. The decrease is mainly explained by the restructuring at the plant in Säffle during last year where the need for fossil fuel has been reduced.

SUSTAINABLE BUSINESS BEHAVIOUR

On the background of the continuation of Russian aggression towards the Ukraine, Nordic Paper is continuously following the development regarding sanctions against Russia and Russian interests. The company works according to updated routines for screening of business against current and relevant sanction lists. Screening of customer databases is made on a daily basis against updated sanction lists. No counterpart under sanction has been identified among the business partners of Nordic Paper during the quarter.

OTHER

SEASONAL EFFECTS

Nordic Paper is to a certain extent impacted by seasonal variation during the financial year, primarily due to planned production stops. The production plants of the company in Åmotfors and Greåker both have production stops during 3 to 4 weeks during the summer vacations in the third quarter. During these stops much of the annual maintenance work is carried out. Also the production plant in Säffle had this way of operating until 2021 but for 2022 the Säffle production plant has changed to production also during the summer weeks and will instead have a shorter maintenance stop during the third quarter of less than two weeks. The production plant in Bäckhammar operates continuously and has an annual maintenance stop, most often in the third quarter. The Bäckhammar annual maintenance stop is typically less than two weeks. The acquired business within Glassine Canada operates continuously at the paper production plant in Québec with an annual maintenance stop during the third quarter of about a week.

During maintenance stops as well as during summer vacation stops, the production is standing still and the operating profit is impacted negatively by lower contribution and by somewhat lower sales volumes. At the plants having production stops during summer vacations, the third quarter is impacted by lower personnel costs.

	Direct costs for maintenance at planned maintenance stops, SEKm						Implementation, quarter		
	Kraft Paper			Natural Greaseproof			2022	2021	2020
	Estimated 2022	Actual 2021	Actual 2020	Estimated 2022	Actual 2021	Actual 2020			
Bäckhammar	65	64	60				3	3	3/4
Åmotfors	8	6	8				3	3	3
Säffle				12	23	23	3	3	3
Greåker				6	4	4	3	3	3
Québec				3-4	-	-	3	-	-

Net sales in December are normally somewhat negatively affected as a consequence of low availability of transportation in connection to Christmas and New Year holidays. The effect can be an increased inventory levels at year-end and a postponing of sales to the first quarter the following year. Nordic Paper works actively with developing its way of working to minimize these effects through planning and preparatory work together with suppliers of transportation services. The result of this work was that these effects were not detected in the fourth quarter 2021.

RISKS AND RISK MANAGEMENT

Russia's war against the Ukraine is continuing. Before the invasion, Nordic Paper had limited commercial relations to Russia or to the Ukraine. The direct impact for Nordic Paper has so far, consequently, not been financially significant. Nordic Paper is indirectly impacted, for example by the ban on imports of Russian unbleached kraft paper that the EU has applied that strengthens the demand for Nordic Paper products and by an increased competition for wood in the Baltic Sea region as Russian exports of pulpwood to Finland has been stopped. There may be future indirect effects for Nordic Paper of the geopolitical situation after Russia's invasion of Ukraine, of the sanctions imposed and of the effects of the sanctions on the global economy.

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. Continued measures taken to combat the pandemic's spread, may though have an impact that proves to be 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 2021 available on www.nordic-paper.com.

TRANSACTIONS WITH RELATED PARTIES

During the quarter, Nordic Paper purchased energy to an amount of SEK 23m (13) and sold services and consumables to Åmotfors Energi AB to an amount of SEK 5m (3). The transactions were conducted on market conditions.

At the Annual General Meeting on 19 May 2022 it was resolved according to the proposal from the Board of Directors, to approve emission of a maximum of 600,000 warrants within the scope of a long term incentive program for senior executives within Nordic Paper. The incentive program is a three-year program and encompasses not more than 9 individuals.

During the quarter, warrants to a total value of SEK 1m has been acquired by senior executives. The value of each warrant was established at SEK 1.55.

Category	Number of acquired warrants
CEO	140,000
Other senior executives	444,000
Total	584,000

SHAREHOLDERS

Nordic Paper had 3,918 shareholders as of 30 June 2022.

Shareholders 30 June 2022	Votes and capital (%)
Sutriv Holding AB	48.2%
Swedbank Robur Fonder	9.4%
AMF - Försäkring och Fonder	9.3%
Handelsbanken fonder	4.7%
UBS Switzerland AG	3.0%
CBNY – Norges Bank	2.6%
Ålandsbanken	2.1%
BNY Mellon SA	1.5%
Ålandsbanken ABP (Finland)	1.4%
Nordea Norwegian Stars Fund	1.2%
Other	16.5%
Total	100.0%

The undersigned hereby confirm that this mid-year report provides a true and fair view of the parent company's and group's operations, position and performance, and describes material risks and uncertainties faced by the parent company and group companies.

20 July 2022

Nordic Paper Holding AB (publ)

Per Bjurbom
Chairman of the Board

Ying Che
Board member

Karin Eliasson
Board member

Stefan Lundin
Board member

Arne Wallin
Board member

Helene Willberg
Board member

Per Gustafsson
Employee member

Tom Rød
Employee member

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 is information that Nordic Holding AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. 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 20 July 2022.

Group

CONDENSED INCOME STATEMENT

SEKm	2022 Q2	2021 Q2	2022 Jan-Jun	2021 Jan-Jun	2021 Full year
Net sales ¹	1,144	790	2,196	1,562	3,083
Other operating income	5	8	11	33	45
Raw materials, energy and consumables	-500	-347	-1,000	-686	-1,431
Change in inventories	-5	9	32	-25	-11
Other external costs	-222	-236	-423	-385	-801
Personnel costs	-155	-138	-299	-275	-519
Other operating costs	-20	-1	-34	-5	-7
EBITDA	247	84	484	219	358
Depreciation and amortisation	-36	-29	-71	-57	-150
Operating profit	211	55	413	161	208
Financial income	8	0	19	0	1
Financial costs	-13	-11	-23	-14	-28
	-5	-11	-4	-14	-27
Profit before tax	206	44	409	148	182
Tax	-42	-9	-84	-31	-37
Profit for the period	164	35	325	116	144
Profit attributable to:					
Owners of the parent company	164	35	325	116	144
Non-controlling interests	-	-	-	-	-
Net profit for the period	164	35	325	116	144
Earnings per share, SEK ²	2.44	0.53	4.86	1.74	2.15

¹ Net sales consist in entirety of sales of goods

² Before and after dilution

CONDENSED COMPREHENSIVE INCOME

SEKm	2022 Q2	2021 Q2	2022 Jan-Jun	2021 Jan-Jun	2021 Full year
Profit for the period	164	35	325	116	144
<i>Items that will be reclassified to profit or loss</i>					
Change in fair value of cash flow hedges	-26	9	-27	-26	-37
Exchange differences on translation of foreign operations	17	-4	33	8	12
Tax attributable to items that have been or may be reclassified to profit or loss	6	-2	6	5	8
Other comprehensive income for the period	-3	4	13	-13	-18
Comprehensive income for the period	160	39	338	103	126
Comprehensive income attributable to:					
Parent company's shareholders	160	39	338	103	126

CONDENSED BALANCE SHEET

SEKm	2022 30 Jun	2021 30 Jun	2021 31 Dec
Trademark	35	-	31
Customer relations	232	-	219
Goodwill	750	343	726
Other intangible assets	7	7	6
Buildings and land	44	50	55
Machinery and plant	479	485	466
Equipment, tools and installations	8	5	4
Construction in progress	186	74	176
Right of use assets	39	23	23
Deferred tax assets	25	6	18
Total non-current assets	1,805	993	1,724
Inventories	546	450	472
Accounts receivables	741	467	546
Income tax receivables	3	23	7
Other operating receivables	98	74	114
Derivatives	1	6	1
Prepaid expenses and accrued revenue	25	11	28
Cash and cash equivalents	170	480	360
Total current assets	1,584	1,511	1,528
Total assets	3,389	2,504	3,252
Share capital	19	19	19
Reserves	-20	-27	-33
Retained earnings including profit of the year	790	572	598
Total equity	789	564	584
Liabilities to credit institutions	1,150	950	1,350
Lease liabilities	27	12	14
Provisions for pension	36	-	31
Deferred tax liabilities	209	148	206
Other liabilities and provisions	99	96	97
Total non-current liabilities	1,521	1,204	1,698
Factoring credit-line	295	229	273
Accounts payables	348	245	382
Liabilities to associated companies	10	4	14
Income tax liability	18	-	-
Lease liabilities	12	10	10
Derivatives	82	4	15
Other liabilities	15	13	14
Accrued expenses and deferred income	301	230	263
Total current liabilities	1,079	736	970
Total equity and liabilities	3,389	2,504	3,252

CONDENSED STATEMENT OF CHANGES IN EQUITY

SEKm	2022 30 Jun	2021 30 Jun	2021 31 Dec
Opening balance	584	594	594
Comprehensive income for the period	325	116	144
Emission of warrants	1	-	-
Other comprehensive income for the period	13	-13	-18
Transactions with owners of the parent			
Dividend	-134	-134	-134
Closing balance	789	564	584
Equity attributable to:			
Owners of the parent company	789	564	584

CONDENSED CASH FLOW

SEKm	2022 Q2	2021 Q2	2022 Jan-Jun	2021 Jan-Jun	2021 Full year
Operating activities					
Operating profit	211	55	413	161	208
Interest income	0	0	0	0	0
Interest cost	-8	-6	-17	-13	-26
Adjustments for non-cash items	80	105	144	145	256
Paid income tax	-50	-20	-78	-69	-14
Cash flow from operating activities before changes in working capital	233	134	462	225	425
Cash flow from changes in working capital					
Changes in inventories	-15	-30	-71	-1	-19
Changes in accounts receivables	-108	-25	-191	-102	-181
Change in operating receivables	-16	4	18	7	-49
Change in accounts payables	35	28	-37	25	173
Change in operating liabilities	-11	23	-11	26	60
Cash flow from operating activities	118	134	170	180	408
Investing activities					
Acquisitions of tangible assets	-32	-26	-69	-40	-180
Acquisition value subsidiary	21	-	21	-	-644
Cash flow from investing activities	-11	-26	-48	-40	-824
Financing activities					
Change in liability to credit institution	-200	-	-200	-	400
Amortisation of lease liabilities	-3	-3	-5	-7	-13
Net change in factoring credit line	9	26	22	64	108
Dividend paid out	-134	-134	-134	-134	-134
Cash flow from financing activities	-328	-111	-317	-77	361
Cash flow for the period	-221	-3	-195	63	-55
Opening cash and cash equivalents	384	486	360	415	415
Currency translation in cash and cash equivalents	7	-3	4	1	0
Closing cash and cash equivalents	170	480	170	480	360
Adjustments for non-cash items					
Depreciations	36	29	71	57	150
Currency translation effects	6	5	6	1	-5
Derivatives, changes in fair value	30	0	47	10	21
Provision for remediation of buildings and land in Säffle	-	76	-	-	76
Others	8	-5	20	76	14
Total	80	105	144	145	256

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 2 in the Annual report 2021.

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.

At the Annual General Meeting on 19 May 2022 it was resolved according to the proposal from the Board of Directors, to approve emission of a maximum of 600,000 warrants within the scope of a long term incentive program for senior executives within Nordic Paper. Reporting of the incentive program is according to IFRS 2 and IAS 19.

NOTE 2 QUARTERLY DATA PER SEGMENT

NET SALES

	2020		2021			2022		
	Q3	Q2	Q1	Q2	Q3	Q4	Q1	
SEKm								
Segment Kraft Paper	361	361	448	455	401	469	575	624
Segment Natural Greaseproof	286	318	345	349	314	369	494	539
Eliminations	-8	-9	-20	-14	-4	-28	-17	-19
Total Group	639	670	772	790	711	810	1,052	1,144

EBITDA

	2020		2021			2022		
	Q3	Q2	Q1	Q2	Q3	Q4	Q1	
SEKm								
Segment Kraft Paper	-17	80	89	123	44	136	225	223
Segment Natural Greaseproof	2	62	39	-44	-28	-2	36	37
Parent company and not distributed items	-10	20	-27	3	-4	-23	-29	-40
Eliminations etc	13	-19	34	2	2	13	6	27
EBITDA total Group	-13	144	134	84	15	124	237	247
Depreciation and amortisation	-27	-31	-28	-29	-29	-64	-35	-36
Operating profit	-40	113	106	55	-14	61	202	211
Financial income	2	0	5	-4	2	-1	11	8
Financial costs	-2	-19	-7	-7	-7	-7	-11	-13
Profit before tax	-41	94	104	44	-18	52	203	206

EBITDA-MARGIN

	2020		2021			2022		
	Q3	Q2	Q1	Q2	Q3	Q4	Q1	
%								
Segment Kraft Paper	-4.8	22.3	19.9	27.1	11.0	29.0	39.1	35.8
Segment Natural Greaseproof	0.6	19.5	11.3	-12.5	-8.9	-0.4	7.3	6.8
Group	-2.0	21.4	17.4	10.7	2.1	15.4	22.6	21.6

OPERATING PROFIT

	2020		2021			2022		
	Q3	Q2	Q1	Q2	Q3	Q4	Q1	
SEKm								
Segment Kraft Paper	-31	67	77	111	32	120	212	209
Segment Natural Greaseproof	-7	47	28	-55	-40	-45	18	18
Parent company and not distributed items	-10	20	-27	3	-4	-23	-29	-40
Eliminations etc	8	-22	28	-3	-3	9	2	23
Total Group	-40	113	106	55	-14	61	202	211

OPERATING MARGIN

	2020		2021			2022		
	Q3	Q2	Q1	Q2	Q3	Q4	Q1	
%								
Segment Kraft Paper	-8.6	18.5	17.2	24.8	8.0	25.6	36.8	33.5
Segment Natural Greaseproof	-2.4	14.9	8.1	-15.8	-12.6	-12.2	3.7	3.4
Group	-6.3	16.8	13.8	7.0	-1.9	7.5	19.2	18.4

SALES VOLUMES

	2020		2021			2022		
	Q3	Q2	Q1	Q2	Q3	Q4	Q1	
ktonnes								
Segment Kraft Paper	47.8	49.5	60.4	58.4	48.0	54.1	58.3	58.5
Segment Natural Greaseproof	15.0	16.5	19.3	18.9	16.4	18.7	21.9	22.4
Eliminations	-2.1	-2.1	-4.4	-3.3	-2.4	-3.6	-3.3	-3.4
Total Group	60.6	64.0	75.2	74.1	62.0	69.3	76.9	77.6

NOTE 3 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

SEKm	2022		2021		2021	
	30 Jun		30 Jun		31 Dec	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Financial assets: accrued acquisition value						
Accounts receivables	741	741	467	467	546	546
Other receivables	98	98	74	74	114	114
Cash at bank and on hand	170	170	480	480	360	360
Total	1,009	1,009	1,021	1,021	1,021	1,021
Financial liabilities: accrued acquisition value						
Factoring credit line	295	295	229	229	273	273
Lease liabilities	38	38	22	22	24	24
Liabilities to associated companies	10	10	4	4	14	14
Account payables	348	348	245	245	382	382
Non-current liabilities to credit institutions	1,150	1,150	950	950	1,350	1,350
Other liabilities	316	316	243	243	279	279
Total	2,156	2,156	1,693	1,693	2,320	2,320
Derivatives used for hedging						
Current assets						
Cash flow hedges	1	1	6	6	1	1
Current liabilities						
Cash flow hedges	43	43	4	4	12	12
Other derivatives						
Current assets						
Cash flow hedges						
Current liabilities						
Cash flow hedges	39	39	-	-	3	3

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 23 in the Annual report 2021.

NOTE 4 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. 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 future remediation of buildings and land. The cash flow effect of this remediation work is expected to impact gradually over the coming 5-7 years.

At the closure of the existing pulp line in the fourth quarter of 2021, a write-down of SEK 32m was made.

NOTE 5 OTHER PROVISIONS

Other provisions of SEK 99m relate to assessed future remediation costs for buildings and land. The provision break-down includes SEK 76m costs for future 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. For the costs related to the pulp mill, the cost has been assessed by a third party.

NOTE 6 ACQUISITION OF GLASSINE CANADA INC.

On 31 December 2021 Nordic Paper acquired the Canadian specialty paper producer Glassine Canada Inc. The balance sheet of the acquired company is included in the Group's balance sheet per 31 December while the sales and profit of the acquired company is included in the income statement from 1 January 2022.

The acquired company had the below (un-audited) net sales and results for the full year January – December 2021:

Glassine Canada Inc. SEKm	2021 Full year
Net sales	265
EBITDA	60
EBITDA margin, %	22.5
Operating profit	56
Operating margin, %	21.0

As previously reported, the preliminary purchase price on a cash and debt free basis amounted to SEK 644m and the preliminary transferred compensation was SEK 670m. During the second quarter, the final purchase price was established. The purchase price was adjusted downwards from the preliminary level and transferred compensation amounts to SEK 649m.

Effects from acquisitions, SEKm	Preliminary disclosed values		Final disclosed values after establishment of final purchase price during Q2 2022		
	Book value	Fair value adjustment	Fair value	Fair value adjustment	Fair value
Disclosed values on identified net assets					
Trademark	-	31	31	-	31
Customer relations	0	218	218	-	218
Buildings and land	10	-	10	-	10
Machinery and plant	19	-	19	-	19
Deferred tax assets	0	8	8	-	8
Total non-recurrent assets	30	258	287	-	287
Inventories	24	-	24	-	24
Accounts receivable	30	-	30	-	30
Income tax receivables	5	-	5	-	5
Cash and cash equivalents	58	-	58	-	58
Total current assets	116	-	116	-	116
Total assets	146	258	404	-	404
Provisions for pension	-	-31	-31	-	-31
Deferred tax liabilities	-4	-66	-70	-	-70
Total non-current liabilities	-4	-97	-102	-	-102
Accounts payables and other current liabilities	-16	-	-16	-	-16
Total current liabilities	-16	-	-16	-	-16
Net identified assets and liabilities	126	160	286	.	286
Goodwill		384	384	-21	363
Transferred compensation			670	-21	649

Depreciation of intangible assets will be made in relation to customer relations. These will be depreciated linear over the useful life of the items of 10 years.

NOTE 7 LONG TERM INCENTIVE PROGRAM

At the Annual General Meeting on 19 May 2022 it was resolved according to the proposal from the Board of Directors, to approve emission of a maximum of 600,000 warrants within the scope of a long term incentive program for senior executives within Nordic Paper.

The rationale for the incentive program is to create opportunities to motivate and retain senior executives within Nordic Paper.

The warrants are offered at market price. Each warrant entitles the holder to subscribe for one new share in the company. The exercise price is 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, in any case not less than the quota value of the share. Final price for the warrants was SEK 1.55. The price has been calculated based on the Black-Scholes valuation model.

The company will partly subsidize the participant's acquisition of warrants. The subsidy shall be paid at the end of the program. The subsidy to each participant shall correspond to 50 percent of the participant's investment net after taxes. The total cost for the subsidy, based on a warrant value of SEK 1.55 and an estimated marginal tax of 55 percent, is calculated to amount up to approximately SEK 1.3m, including social security contributions.

In order to be eligible for the subsidy, with some exceptions, the participant shall, at the time of the payment of the bonus, be employed by the company and remain employed in the company until the warrants can be exercised and not have transferred the participants' warrants prior to when the warrants can be exercised.

Based on the number of shares in Nordic Paper of the date of the notice to the annual general meeting, the dilution effect of the warrant program will amount to approximately 0.89 percent. The company does not have previous outstanding incentive programs.

Key figures

SEKm	2022	2021	2022	2021	2021
	Q2	Q2	Jan-Jun	Jan-Jun	Full year
Net sales growth, %	45	3	41	-2	6
EBITDA margin, %	21.6	10.7	22.0	14.0	11.6
Adjusted EBITDA-margin, % ¹	21.6	20.3	22.0	18.9	14.1
Operating margin, %	18.4	7.0	18.8	10.3	6.8
Adjusted operating margin, % ^{1, 2}	18.4	16.6	18.8	15.2	10.3
Cash flow from operating activities	118	134	170	180	408
Cash conversion, %	37.2	88.7			67.5
Return on operating capital, 12m, %	27.3	18.4			15.9
Return on equity, 12m, %	54.7	19.4			24.6
Working capital	623	441			378
Operating capital	2,219	1,286			1,891
Interest-bearing debts	1,519	1,201			1,678
Net debt /equity, %	170.9	127.9			225.3
Net debt/EBITDA 12m, ratio	2.2	2.1			3.7
Equity ratio, %	23.3	22.5			18.0
Working capital % of net sales, 12m	12.0	15.0			13.1
Investments	32	26	69	40	180
Sales volumes, ktonnes	77.6	74.1	154.4	149.3	280.6
Number of employees at end of period	681	631			688
Number of shares, end of period	66,908,800	66,908,800			66,908,800
Earnings per share, SEK ³	2.44	0.53	4.86	1.74	2.15

¹ Q2 2021, Jan-Jun 2021 and full year 2021 adjusted for the SEK 76m provision that was made in Q2 2021 for remediation of buildings and land in Säffle

² Full year 2021 adjusted for the SEK 32m write-down of the pulp production in Säffle that was made in Q4 2021

³ Before and after dilution

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	2022 Q2	2021 Q2	2022 Jan-Jun	2021 Jan-Jun	2021 Full year
Operating result	211	55	413	161	208
Depreciation, amortisation and impairment	36	29	71	57	150
EBITDA, SEKm	247	84	484	219	358
Significant items affecting comparability	-	76	-	76	76
Adjusted EBITDA, SEKm	247	160	484	295	434
EBITDA MARGIN SEKm	2022 Q2	2021 Q2	2022 Jan-Jun	2021 Jan-Jun	2021 Full year
EBITDA	247	84	484	219	358
Net sales	1,144	790	2,196	1,562	3,083
EBITDA margin, %	21.6	10.7	22.0	14.0	11.6
Significant items affecting comparability	-	76	-	76	76
Adjusted EBITDA margin, %	21.6	20.3	22.0	18.9	14.1
OPERATING MARGIN SEKm	2022 Q2	2021 Q2	2022 Jan-Jun	2021 Jan-Jun	2021 Full year
Operating profit	211	55	413	161	208
Net sales	1,144	790	2,196	1,562	3,083
Operating margin, %	18.4	7.0	18.8	10.3	6.8
Significant items affecting comparability	-	76	-	76	108
Adjusted operating margin, %	18.4	16.6	18.8	15.2	10.3
CASH CONVERSION SEKm	2022 Q2	2021 Q2	2022 Jan-Jun	2021 Jan-Jun	2021 Full year
EBITDA 12m	623	348			358
Change in working capital	-182	70			64
Investments, 12 m *	-209	-109			-180
Total	232	309			242
EBITDA, 12 m	623	348			358
Cash conversion %, 12 m	37.2	88.7			67.5
WORKING CAPITAL SEKm	2022 Q2	2021 Q2	2022 Jan-Jun	2021 Jan-Jun	2021 Full year
Inventories	546	450			472
Accounts receivables	741	467			546
Other operating receivables excl derivatives	126	108			149
Accounts payables	-348	-245			-382
Other operating liabilities excl derivatives	-442	-339			-406
Net working capital	623	441			378
Net working capital, 12 m	444	430			402
Net sales, 12 m	3,717	2,872			3,083
Working capital, % of net sales, 12 m	12.0	15.0			13.1

* The acquisition of Glassine Canada Inc is not included

OPERATING CAPITAL	2022	2021	2021
SEKm	Q2	Q2	Full year
Net working capital	623	441	378
Intangible assets	1,024	350	981
Tangible assets	756	637	719
Deferred tax receivables/liabilities	-184	-142	-187
Operating capital	2,219	1,286	1,891
Operating profit, 12m	459	233	208
Operating capital, 12m	1,683	1,263	1,308
Return on operating capital, % 12m	27.3	18.4	15.9
NET DEBT	2022	2021	2021
SEKm	Q2	Q2	Full year
Net working capital	1,150	950	1,350
Intangible assets	27	12	14
Tangible assets	36	-	31
Deferred tax receivables/liabilities	295	229	273
Lease liabilities, short term	12	10	10
Interest-bearing debt	1,519	1,201	1,678
Cash and cash equivalents	170	480	360
Net debt/net cash (+/-)	1,349	721	1,317
EBITDA, 12m	623	348	358
Net debt/EBITDA 12m, ratio	2.2	2.1	3.7
NET DEBT/EQUITY	2022	2021	2021
SEKm	Q2	Q2	Full year
Net debt/net cash (+/-)	1,349	721	1,317
Equity	789	564	584
Net debt/Equity ratio	170.9	127.9	225.3
EQUITY RATIO	2022	2021	2021
SEKm	Q2	Q2	Full year
Equity	789	564	584
Total assets	3,389	2,504	3,252
Net debt/Equity, %	23.3	22.5	18.0
RETURN ON EQUITY	2022	2021	2021
SEKm	Q2	Q2	Full year
Profit after tax, 12m	353	159	144
Equity	789	564	584
Equity, 12m	645	819	587
Return on equity 12m, %	54.7	19.4	24.6

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 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	2022 Q2	2021 Q2	2022 Jan-Jun	2021 Jan-Jun	2021 Full year
Net sales	17	14	29	23	49
Other operating income	0	7	0	19	18
Other external costs	-17	-15	-30	-25	-57
Personnel costs	-3	-3	-11	-7	-15
Other operating costs	-37	0	-56	-34	-46
Operating profit	-40	3	-69	-25	-51
Profit/Loss from participations in associated companies	-	106	-	106	106
Financial income and similar items	8	0	21	0	0
Financial costs and similar items	-12	-2	-21	-6	-12
Profit after net financial items	-44	107	-69	76	42
Appropriations	-	0	-	-	221
Profit before tax	-44	107	-69	76	263
Tax	7	0	15	-1	-41
Profit for the period and summarised comprehensive income	-37	107	-54	75	222

CONDENSED BALANCE SHEET

SEKm	2022 30 Jun	2021 30 Jun	2021 31 Dec
Shares in group companies	1,165	896	1,165
Receivables from group companies	421	-	401
Deferred tax	9	0	3
Total non-current assets	1,594	896	1,568
Receivables from group companies	269	5	242
Income tax receivables	38	46	1
Prepaid expenses and accrued revenue	0	0	11
Cash and cash equivalents	74	763	479
Total current assets	380	814	733
Total assets	1,974	1,710	2,302
Share capital	19	19	19
Retained earnings	361	272	272
Result for the period	-54	75	222
Total equity	326	365	513
Untaxed reserves	398	387	398
Liabilities to credit institutions	1,150	950	1,350
Total non-current liabilities	1,150	950	1,350
Liabilities to group companies	-	-	2
Accounts payables	0	1	13
Derivatives	82	-	15
Other liabilities	2	2	0
Accrued expenses and prepaid revenue	15	6	10
Total current liabilities	99	9	40
Total equity and liabilities	1,974	1,710	2,302

CONFERENCE CALL

On the publication of the report, a telephone conference will be held on Wednesday 20 July at 10:00 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. You may also participate in the conference by telephone on

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FINANCIAL CALENDAR

Interim report Q3 2022 – 28 October 2022

Year-end report 2022 – 27 January 2023

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NORDIC PAPER IN BRIEF

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