



Q4
2022

Year-end report January – December 2022

QUARTERLY RESULTS OCTOBER - DECEMBER

- Net sales increased by 49% to SEK 1,206m (810m). The Canadian operations acquired on 31 December 2021 contributed with SEK 93m to net sales.
- EBITDA increased to SEK 260m (124m), corresponding to an EBITDA margin of 21.5% (15.4%).
- Operating profit amounted to SEK 223m (61m), corresponding to an operating margin of 18.5% (7.5%).
- Net profit for the period was SEK 202m (45m) and earnings per share amounted to SEK 3.03 (0.67).
- Cash flow from operating activities was SEK 132m (75m).
- Return on operating capital 12 m was 32.5% (15.9%).
- Net debt/EBITDA 12 m amounted to 1.2 (3.7).
- Sales volumes amounted to 68.2 ktonnes (69.3), of which 3.3 ktonnes were from acquired operations.
- During the quarter, Nordic Paper sold its 37.6% minority shareholding in Åmotfors Energi AB. The results for the quarter include a capital gain in net financial items and a positive cash flow effect from investing activities of SEK 42m as a result of the transaction.
- The Board of Directors is proposing a dividend of SEK 4.65 per share, corresponding to a total dividend of SEK 311m.

KEY FIGURES

SEKm	2022 Q4	2021 Q4	Δ, %	2022 Full year	2021 Full year	Δ, %
Net sales	1,206	810	49	4,440	3,083	44
EBITDA	260	124	109	821	358	129
Adjusted EBITDA ¹	260	124	109	821	434	89
EBITDA margin, %	21.5	15,4		18.5	11.6	
Adjusted EBITDA margin, % ¹	21.5	15,4		18.5	14.1	
Operating profit	223	61	268	676	208	225
Adjusted operating profit ^{1,2}	223	93	141	676	316	114
Operating margin, %	18.5	7.5		15.2	6.8	
Adjusted operating margin, % ^{1,2}	18.5	11.4		15.2	10.3	
Net profit for the period	202	45	354	566	144	293
Earnings per share, SEK ³	3.03	0.67		8.46	2.15	
Cash flow from operating activities	132	75	76	560	408	37
Return on operating capital, 12 m, %	32.5	15.9		32.5	15.9	
Net debt/EBITDA, 12 m, multiple	1.2	3.7		1.2	3.7	
Sales volume, ktonnes	68.2	69.3	-2	284.5	280.6	1

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

² For Q4 2021 and for full year 2021 adjusted for the impairment loss of SEK 32m recognised in Q4 2021 in respect of pulp production in Säffle

³ Net profit for the period includes a capital gain in net financial items of SEK 42m from the sale of the minority shareholding in Åmotfors Energi AB.

⁴ Before and after dilution

CEO COMMENTS



A FANTASTIC END TO A STRONG YEAR

It is incredibly pleasing to be able to end 2022 with another strong quarter, in which we are once again delivering a new EBITDA record for a single quarter of SEK 260m. Net sales in the fourth quarter also hit new record of SEK 1,206m, an increase of 49% compared with the same quarter last year. The increase in net sales is driven largely by the product price increases that we implemented. Total figures for full year 2022 also show that the previous annual records for both EBITDA and net sales have been far exceeded. Overall we are very proud of the results of our efforts.

Just as in earlier quarters this year, the Kraft Paper segment acted as an engine for the Group's results and delivered an EBITDA margin of 33.5% in the fourth quarter, more than a percentage point higher than the full-year margin for the segment.

IMPROVED PROFITABILITY FOR NATURAL GREASEPROOF FOLLOWING PRICE INCREASES AND ENERGY SURCHARGES

For the Natural Greaseproof segment we can confirm that our focus on product price increases to compensate for the cost increases during the year has shown result. Part of the segment's improvement in earnings, however, is due to lower energy costs during the quarter. The costs of the external pulp that the segment uses remain at a level that is historically high.

We are now also able to sum up the first year with Nordic Paper Québec in the Group. We are very pleased to see the acquired business delivering a higher EBITDA than before the acquisition and to see how well the unit complements the offering to our North American customers.

SOMEWHAT LOWER RATE OF PRODUCTION LED TO LOW SALES VOLUMES

2022 was a fantastic year, but nonetheless there is still potential for improvement. Our full-year result for sales volume is one percent higher than last year, but 2022 also includes the volumes from the acquired operations in Canada. A somewhat lower rate of production within Kraft Paper in the second half of 2022 meant that the sales volume for comparable operations was lower than the record set in 2021. The difference is not large, but with our attitude of continuous improvement every day we see potential in this.

SUCCESSFUL WORK TO REDUCE OUR CLIMATE IMPACT

Sustainability is at the heart of Nordic Paper and of our customer offering and our work to reduce climate impact has shown results. Our direct emissions of fossil greenhouse gases in 2022 have decreased by a full 25% and including indirect emissions from purchases of energy, we saw a decrease of 4% – despite the addition of the business in Canada. To make our engagement even clearer, we committed during the quarter to comply with the UN Global Compact and its ten principles in the areas of human rights, labour, environment and anti-corruption.

SIGNALS OF SOFTER DEMAND GOING FORWARD

2023 has started and we are seeing signs of softer demand following the super strong business cycle of the past year. There are, however, geographical differences as the North American market is currently stronger than the European, something which we can benefit from – not least in view of our operations in Canada.

We are now waiting for an answer within short regarding our application for permit for expanded production at Bäckhammar. Once received, we hope to be able to return during the year with a proposal to the Board of Directors of the company on the development of the Bäckhammar plant.

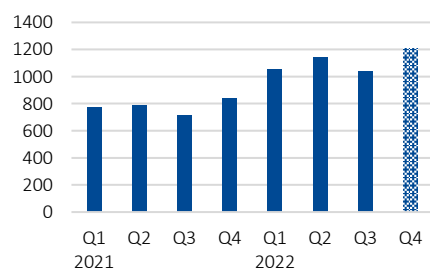
Finally, I would like to thank all employees of Nordic Paper for their strong efforts creating value for our customers, shareholders and other stakeholders during 2022.

Anita Sjölander, CEO

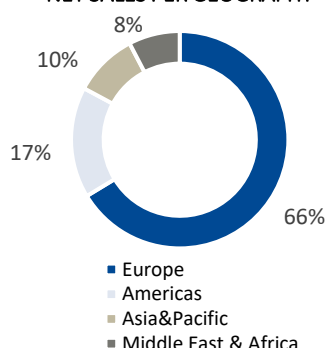
GROUP PERFORMANCE

OCTOBER – DECEMBER

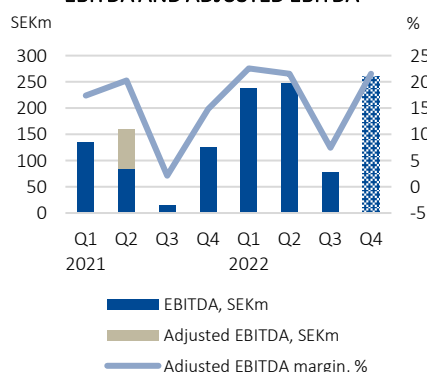
NET SALES, SEKm



NET SALES PER GEOGRAPHY



EBITDA AND ADJUSTED EBITDA



MARKET AND SALES

In the fourth quarter of the year demand for Nordic Paper’s products was healthy within both the Kraft Paper and Natural Greaseproof segments, although growing signals of a future weakening of demand could be seen as the quarter progressed. Selling prices for the company’s Kraft Paper products were stable during the quarter, while prices for Natural Greaseproof were increased further – partly as a result of the energy surcharges introduced on product prices.

Net sales in the fourth quarter increased by 49% compared with the same period last year, to SEK 1,206m (810m). Higher selling prices had a positive effect of 32%, while the acquired operations in Canada contributed 12%. Currency effects impacted net sales positively by 11%. The sales volume and product mix impacted net sales negatively by 6% compared to the same period last year. The decrease was a result of somewhat lower production volumes within Kraft Paper in the second half of the year, as well as of an accrual effect in Natural Greaseproof from a change in delivery terms for certain business transactions within the segment, see note 1.

Net sales increased in all geographies. In absolute figures the increase in Europe was greater than the increase in all other geographies combined, while in percentage terms the Middle East and Africa accounted for a somewhat greater increase in net sales.

CHANGE IN NET SALES

Q4 2021, SEKm	810
Sales volume and product mix	-6%
Selling price	32%
Currency	11%
Acquired operations	12%
Q4 2022, SEKm	1,206

RESULTS

EBITDA more than doubled to SEK 260m (124m) for the fourth quarter compared to the same period last year. The EBITDA margin was 21.5% (15.4%).

The impact on EBITDA of higher product prices was considerably greater than the negative effects of higher costs – mainly for pulp and energy, but also for wood. Earnings in the quarter were positively impacted by the acquired operations in Canada. Currency effects had a positive impact on EBITDA of SEK 28m compared to the same quarter last year.

Operating profit amounted to SEK 223m (61), corresponding to an operating margin of 18.5% (7.5%). Net profit for the period was SEK 202m (45m), which includes a capital gain of SEK 42m from the sale of a minority shareholding in Åmotfors Energi AB during the quarter.

NET FINANCIAL ITEMS AND TAX

Net financial items for the fourth quarter, excluding the capital gain from the sale of the minority shareholding in Åmotfors Energi AB, amounted to SEK -16m (-8m); this included net interest of SEK -15m (-7m), while the remaining was due to exchange rate differences on cash and cash equivalents. Tax expense for the fourth quarter was SEK 46m (8m), corresponding to a tax rate of 18.6% (14.5%).

JANUARY – DECEMBER

MARKET AND SALES

Net sales during the year increased by 44% to SEK 4,440m (3,083m). Higher product prices were the largest contributor to the increase. The acquired business in Canada contributed with SEK 332m to net sales.

CHANGE IN NET SALES

Jan–Dec 2021, SEKm	3,083
Sales volume and product mix	-3%
Selling price	28%
Currency	8%
Acquired operations	11%
Jan–Dec 2022, SEKm	4,440

RESULTS

EBITDA amounted to SEK 821m (434m¹) for the year, corresponding to an EBITDA margin of 18.5% (14.1%¹). The positive impact on EBITDA of higher product prices was considerably greater than the negative effects of increased costs for input materials, particularly pulp and energy, compared to last year.

Operating profit amounted to SEK 676m (316m^{1,2}), corresponding to an operating margin of 15.2% (10.3%^{1,2}).

Net profit for the year was SEK 566m (144m).

NET FINANCIAL ITEMS AND TAX

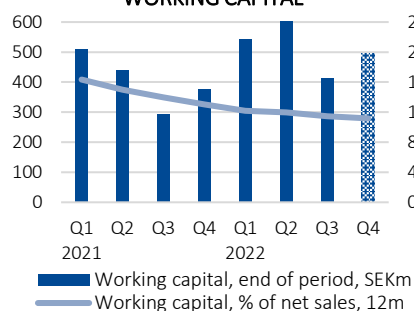
Net financial items for full year 2022, excluding the capital gain from the sale of the minority shareholding in Åmotfors Energi AB, were SEK -9m (-27m), of which net interest was SEK -46m (-26m). Tax expense for the year amounted to SEK 143m (37m), corresponding to a tax rate of 20.1% (20.6%).

¹Adjusted for the SEK 76m provision made in Q2 2021 for remediation of buildings and land in Säffle

² Adjusted for the impairment loss of SEK 32m recognised in Q4 2021 in respect of pulp production in Säffle

CASH FLOW AND FINANCIAL POSITION

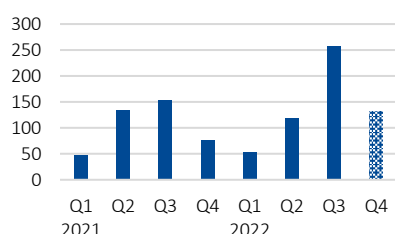
WORKING CAPITAL



WORKING CAPITAL AND CASH FLOW

Working capital as of 31 December 2022 was SEK 497m (378m) and 11.2% (13.1%) as a percentage of net sales for the last 12-month period. Cash flow from operating activities amounted to SEK 132m (75m) for the fourth quarter of the year. The improvement in cash flow compared with the same quarter last year is due to increased earnings.

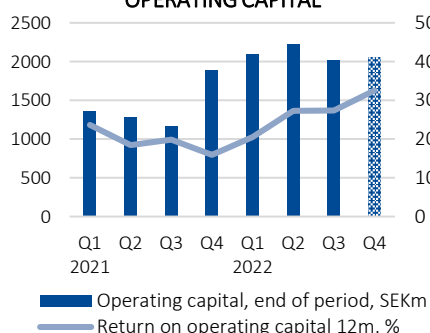
CASH FLOW FROM OPERATING ACTIVITIES, SEKm



INVESTMENTS AND OPERATING CAPITAL

Investments during the quarter amounted to SEK 32m (86m). Operating capital as of 31 December 2022 was SEK 2,065m (1,891m), of which SEK 773m (719m) consisted of property, plant and equipment. Intangible assets amounted to SEK 995m (981m) out of which a goodwill of SEK 740m (726m) and customer relations of SEK 214m (219m). The return on operating capital for the past 12-month period was 32.5% (15.9%).

OPERATING CAPITAL



FINANCING

As of 31 December 2022 the Group's net debt amounted to SEK 956m (1,317m). Interest-bearing debt was SEK 1,281m (1,678m), of which SEK 31m (24m) is attributable to IFRS 16 lease liabilities. Cash and cash equivalents were SEK 325m (360m). In addition, the company has access to undrawn credit facilities of SEK 800m (400m), including an overdraft facility of SEK 200m. During the quarter a drawn credit facility of SEK 200m was repaid. The equity ratio was 28.7% (18.0%) and the net debt/EBITDA 12 m ratio was 1.2 (3.7).

HEDGING OF EXCHANGE RATES

The Group hedges future net flows in foreign currencies where the exposure is material. Typically, 50–75% of the net flows are hedged for the coming six-month period and 25–50% for the subsequent 7–12 months. EBITDA for the fourth quarter includes an earnings effect from realised currency hedges of SEK -19m (-0m). For the coming 12-month period the hedges are as follows:

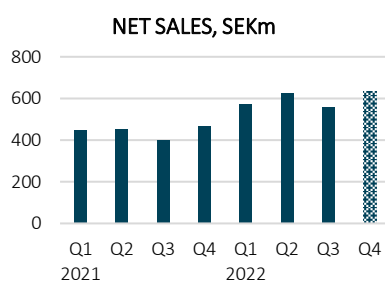
Currency	Average rate for FX hedges	FX rate, 31 Dec	Total FX, m	Total, SEKm	Fair value, net, SEKm	FX hedge as % of estimated net exposure, 1–6 months	FX hedge as % of estimated net exposure, 7–12 months
EUR	10.77	11.13	105	1,131	-38	77%	48%
USD	9.95	10.44	6	57	-2	66%	48%
GBP	12.26	12.58	12	147	-3	66%	42%
				1,335	-43		

KRAFT PAPER SEGMENT

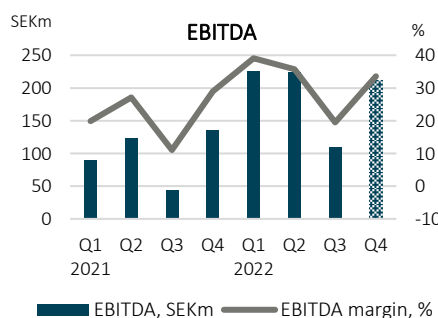
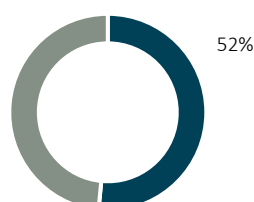
The Kraft Paper segment produces unbleached sack paper, MG paper and various kinds of high-quality speciality paper for industrial use. Examples of applications for MG and sack paper are sacks and bags for food and construction materials, and masking and protection paper for various applications. The speciality papers are used in the manufacture of products such as laminates, in stainless steel production and in electrical transformers. The paper 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, %
	Q4	Q4		Full year	Full year	
Net sales	631	469	35	2,388	1,772	35
EBITDA	212	136	56	768	392	96
EBITDA margin, %	33.5	29.0		32.2	22.2	
Operating profit	197	120	65	712	340	109
Operating margin, %	31.3	25.6		29.8	19.3	
Sales volume ¹ , ktonnes	50.4	54.1	-7	213.3	220.9	-3

¹Includes intra-group deliveries



**SHARE OF GROUP'S NET SALES
Q4 2022**



OCTOBER – DECEMBER

MARKET AND SALES

In the fourth quarter of the year demand for Nordic Paper's kraft paper was healthy, although growing signals of a future weakening of demand could be seen as the quarter progressed. Product prices were stable during the quarter, but price increases implemented in the previous quarter meant that prices in local currency were 32% higher in the fourth quarter than in the same quarter last year.

Net sales during the fourth quarter increased by 35% year on year to SEK 631m (469m), largely driven by the higher product prices. Sales volume and product mix had a negative impact on net sales of 6% due to a somewhat lower rate of production in the second half of 2022. Currency effects had a positive impact on net sales of 9%. The largest increase in sales in absolute figures was in Europe, the segment's most important market. Sales to the Middle East and Africa also increased, while sales to Asia and North America decreased slightly compared with the same quarter last year.

CHANGE IN NET SALES

Q4 2021, SEKm	469
Sales volume and product mix	-6%
Selling price	32%
Currency	9%
Q4 2022, SEKm	631

RESULTS

EBITDA increased by 56% to SEK 212m (136m), driven by larger product price increases than the increase in costs.

The EBITDA margin increased to 33.5% (29.0%). Operating profit was SEK 197m (120m) and the operating margin was 31.3% (25.6%).

JANUARY – DECEMBER

Net sales increased during the year to SEK 2,388m (1,772m), up 35% on the previous year. The increase is mainly explained by product price increases of 30% compared with the previous year. Positive currency effects increased net sales by 7%, while sales volume and product mix had a negative impact of 2%.

CHANGE IN NET SALES

Jan–Dec 2021, SEKm	1,772
Sales volume and product mix	-2%
Selling price	30%
Currency	7%
Jan–Dec 2022, SEKm	2,388

EBITDA increased to SEK 768m (392m) and the EBITDA margin increased to 32.2% (22.2%). Operating profit amounted to SEK 712m (340m) and the operating margin was 29.8% (19.3%).

NATURAL GREASEPROOF SEGMENT

The Natural Greaseproof segment 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, as does the mill in Québec that was acquired as of 31 December 2021.

SEKm	2022	2021	Δ, %	2022	2021	Δ, %
	Q4	Q4		Full year	Full year	
Net sales	594	369	61	2,124	1,377	54
Adjusted EBITDA ¹	76	-2		126	42	201
Adjusted EBITDA margin, % ¹	12.8	-0.4		5.9	3.0	
Adjusted operating profit ^{1,2}	58	-13		52	-4	
Adjusted operating margin, % ^{1,2}	9.7	-3.5		2.5	-0.3	
Sales volume, ktonnes	21.0	18.7	12	84.0	73.3	15

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

² For Q4 2021 and full year 2021 adjusted for the impairment loss of SEK 32m recognised in Q4 2021 in respect of pulp production in Säffle

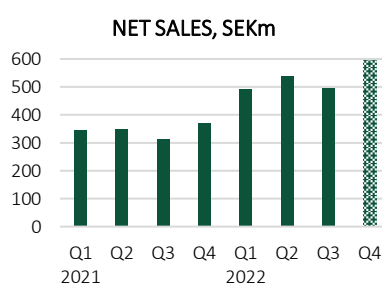
OCTOBER – DECEMBER

MARKET AND SALES

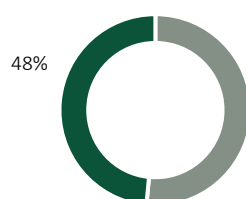
Demand during the quarter for Nordic Paper's greaseproof papers was healthy, although growing signals of a future weakening of demand could be seen as the quarter progressed. Further price increases have been implemented. In view of the increasing energy costs in Europe, Nordic Paper has also introduced separate energy surcharges on top of product prices within the segment.

Net sales during the fourth quarter increased by 61% to SEK 594m (369m) compared to the same period last year. The acquired business in Canada contributed net sales of SEK 93m in the quarter. Product prices in local currency – including energy surcharges – were 30% higher than in the same quarter last year, while currency effects impacted net sales positively by 12%, mainly due to the segment's sales in USD. The sales volume and product mix, excluding effects of the Canadian acquisition, impacted net sales negatively by 6% compared to the same period last year. The decrease is explained by an effect from a change in delivery terms for certain business within the segment resulting in a delaying in time of net sales for this business, see note 1.

Net sales developed positively for all geographies.

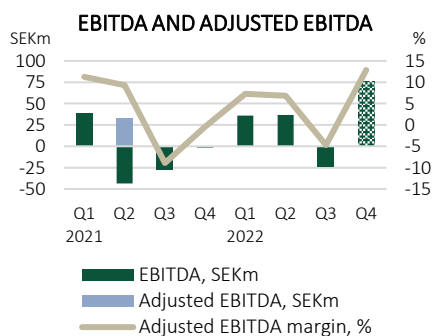


SHARE OF GROUP'S NET SALES Q4 2022



CHANGE IN NET SALES

Q4 2021, SEKm	369
Sales volume and product mix	-6%
Selling price	30%
Currency	12%
Acquired operations	25%
Q4 2022, SEKm	594



RESULTS

EBITDA for the fourth quarter amounted to SEK 76m (-2m), corresponding to an EBITDA margin of 12.8% (-0.4%). The price increases implemented and the introduction of special energy surcharges meant a strong improvement in earnings compared with the same quarter in the previous year. Earnings were also positively impacted by the acquired operations in Canada.

Operating profit amounted to SEK 58m (-13m¹), corresponding to an operating margin of 9.7% (-3.5%¹).

JANUARY – DECEMBER

Net sales increased during the year to SEK 2,124m (1,377m), up 54% on the previous year. The acquired operations in Canada contributed net sales of SEK 332m, corresponding to an additional 24% of Group net sales for full year 2021. Other than the acquired operations, the increase in net sales is mainly due to implemented price increases of 23%.

CHANGE IN NET SALES

Jan–Dec 2021, SEKm	1,377
Sales volume and product mix	-2%
Selling price	23%
Currency	9%
Acquired operations	24%
Jan–Dec 2022, SEKm	2,124

EBITDA increased to SEK 126m (42m²) and the EBITDA margin increased to 5.9% (3.0%²). Nordic Paper Québec, acquired as of 31 December 2021, made a positive contribution to EBITDA and the EBITDA margin. Operating profit amounted to SEK 52m (-4m^{1,2}) and the operating margin was 2.5% (-0.3%^{1,2}).

¹Adjusted for the impairment loss of SEK 32m recognised in Q4 2021 in respect of pulp production in Säffle

²Adjusted for the SEK 76m provision made in Q2 2021 for remediation of buildings and land in Säffle

SUSTAINABILITY

Nordic Paper strives to integrate sustainability as a natural part of its daily work. During the quarter the company updated its sustainability strategy and selected three focus areas for future work:

- Sustainable work environment
- Reduce climate impact
- Products supporting sustainability

Effective from this report, the interim reports will include reporting on these three focus areas.

SUSTAINABLE WORK ENVIRONMENT

The overall goal is to ensure that a healthy and safe workplace is provided for the company’s employees as well as for contractors, temporary personnel and visitors. The vision is to have no injuries within Nordic Paper’s operations. For the short term, an interim target has been set to reduce the Lost Time Injury Frequency Rate (LTIFR) to below 9 per million hours worked.

During the fourth quarter there were five incidents resulting in sick leave, compared to four in the third quarter. The number of incidents corresponds to an LTIFR of 18.3 for the quarter and 16.6 for full year 2022. Both these figures are above the company’s target. The company is working according to a plan to boost systematic health and safety efforts; among other things, resources have been allocated to drive this work within the company.

*Lost Time Injury Frequency Rate – incidents with sick leave per 1 million hours worked. Calculated as the number of incidents involving sick leave divided by actual hours worked by the company’s own employees.

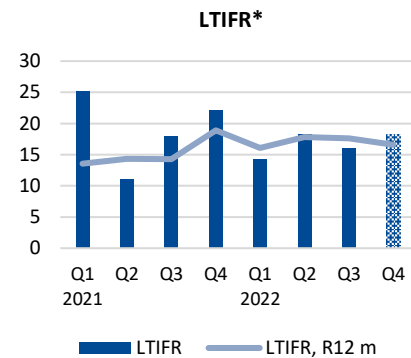
REDUCE CLIMATE IMPACT

The company’s emissions of fossil greenhouse gases from its own operations (scope 1) amounted to 8 ktonnes fossil carbon dioxide for the fourth quarter and 26 ktonnes for full year 2022, a decrease of 25% compared with the previous year. The decrease for full year 2022 is largely explained by successful work in Säffle to reduce the use of fossil fuels in the plant.

The company’s indirect emissions of fossil greenhouse gases from purchases of energy (scope 2) amounted to 21 ktonnes for the fourth quarter and 80 ktonnes for full year 2022, an increase of 6% – but for 2022 this also includes scope 2 emissions from the acquired plant in Québec. Excluding Québec, scope 2 emissions decreased by 7%.

PRODUCTS SUPPORTING SUSTAINABILITY

Many of the company’s products can replace existing packaging solutions made from fossil-based plastics, for example within the food sector or as transport packaging. Many brand owners are currently carrying out development work to adapt their logistics systems to paper-based solutions instead of today’s plastic-based ones. During the quarter Nordic Paper launched a product family within Kraft Paper specially adapted for e-commerce packaging, iamkraft ePack. Nordic Paper’s paper can be used by brand owners to replace some of the plastic bags in their current e-commerce transport packaging solutions for consumers.



OTHER

SEASONAL EFFECTS

Nordic Paper is to a certain extent impacted by seasonal variation during the financial year, primarily due to planned production shutdowns. The company's plants in Åmotfors and Greåker both have summer holiday shutdowns lasting three to four weeks which fall in the third quarter. Much of the annual maintenance work at the plants is also carried out during these shutdowns. The production plant in Säffle also operated this way until 2021, but as from 2022, the Säffle plant has changed to continuing production during the summer weeks and having a shorter maintenance shutdown lasting less than two weeks in the third quarter. The production plants in Bäckhammar operate all year round and therefore have an annual maintenance shutdown which generally falls in the third quarter. The Bäckhammar maintenance shutdown is typically less than two weeks. The business in Québec also operates all year round, with an annual maintenance shutdown in the third quarter of about a week.

During shutdowns, whether for maintenance or for summer holidays, production comes to a standstill and operating profit is negatively impacted by direct maintenance costs as well as lower contribution margins and somewhat lower sales volumes. At the plants which shut down production for the summer holidays the third quarter is also impacted by lower personnel costs.

SEKm	Direct costs of maintenance during planned maintenance shutdowns in Q3		
	Estimated 2023	Actual 2022	Actual 2021
Kraft Paper	70–80	75	70
Natural Greaseproof	15–25	21	27
Total	85–105	96	97

Net sales in December are often somewhat negatively affected as a consequence of low availability of transportation in connection with the Christmas and New Year holidays. This can result in increased inventory levels at year-end and net sales being postponed to the first quarter of the following year. Nordic Paper works actively to develop its way of working to minimise these effects through planning and preparatory work together with suppliers of transportation services, with the result that this seasonal variation did not arise in the fourth quarter 2022.

RISKS AND RISK MANAGEMENT

Russia's war against Ukraine is continuing. Prior to the invasion Nordic Paper's commercial relations with both Russia and Ukraine were limited, and consequently the direct impact from the outbreak of war on the company was not financially significant. Indirectly Nordic Paper is impacted by, for example, the ban that the EU has imposed on imports of Russian unbleached kraft paper, which strengthens demand for Nordic Paper's products, and by increased competition for wood in the Baltic region as Russian exports of pulpwood to Finland have been stopped. Nordic Paper could be impacted by further indirect effects of the geopolitical situation following Russia's invasion of Ukraine, by the sanctions imposed on Russian interests and by the effects of the sanctions on the global economy.

In 2022 prices on the spot market for electricity increased substantially, which had a negative impact on the company's results. Nordic Paper partly generates its own electricity from a turbine in Bäckhammar, and the share of electricity consumption purchased externally is largely procured under fixed-price contracts. The company's hedging strategy means that around 70% of electricity requirements in the near future are purchased under contracts in which prices are fully or partly fixed, after which the proportion gradually declines to zero over five years. In the second half of 2022 the company introduced energy surcharges on its product prices in the Natural Greaseproof segment to compensate for the cost increases.

To date Covid-19 has had no impact on Nordic Paper's production capacity and no material effect on Nordic Paper's financial position. However, continued measures to combat the spread of the pandemic could have a negative impact on Nordic Paper's financial position and earnings.

Nordic Paper is also exposed to other strategic, operational, financial, legal and regulatory risks that could significantly affect the company. Risk management is a normal part of business operations and is regularly reviewed by Group management and reported to the Board. These material risks include the following:

- Nordic Paper operates in markets that compete on both pricing and product quality, and the company could fail to compete effectively.
- Macroeconomic factors and trends in various markets, such as for food and industrial goods, could lead to variations in the demand for and pricing of Nordic Paper's products.
- The cost of other input goods and services used by Nordic Paper in production varies over time and could adversely affect Nordic Paper's operations. Besides energy, the company's main variable cost items are wood, pulp and chemicals.
- If customers or agents were to run into difficulties or if relationships with customers or agents were to deteriorate, this could have an impact on Nordic Paper's business and operating results.
- Damage to production equipment and other disruptions in production could lead to temporary stoppages at one or more of Nordic Paper's production plants.
- Nordic Paper is dependent on IT systems for its ongoing operations and interruptions or errors in critical systems could disrupt production and important business processes.
- Failure to effectively implement strategic plans, erroneous investment decisions, failure to establish commitment to adopted strategies, and risks relating to acquisitions and the integration of acquired operations could adversely affect Nordic Paper's business.
- Nordic Paper is exposed to currency risks through transactions in currencies other than SEK and through the 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 regulations on 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, which is available at www.nordic-paper.com

TRANSACTIONS WITH RELATED PARTIES

During the year Nordic Paper sold its minority shareholding in the former associated company Åmotfors Energi AB. There were no transactions with related parties during the quarter.

SHAREHOLDERS

Nordic Paper had 4,969 shareholders as of 31 December 2022.

Shareholders at 31 December 2022	Votes and capital (%)
Sutriv Holding AB	48.2%
AMF Försäkring & Fonder	8.8%
Swedbank Robur Fonder	6.7%
Handelsbanken Fonder	3.2%
Third Swedish National Pension Fund (AP3)	3.0%
CBNY – Norges Bank	2.9%
UBS Switzerland AG	2.2%
BNY Mellon SA	1.5%
Ålandsbanken	1.5%
Ålandsbanken ABP (Finland)	1.3%
Other	20.7%
Total	100.0%

DIVIDEND

For the 2022 financial year the Board is proposing a dividend of SEK 4.65 per share, to be distributed on one occasion. Under this proposal the total dividend will be SEK 311m, corresponding to 55% of 2022 results. The record date for the proposed dividend is 26 May. The last day for trading in Nordic Paper's shares with rights to the proposed dividend is 24 May.

27 January 2023

Nordic Paper Holding AB (publ)

Anita Sjölander

CEO

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

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

This is information that Nordic Paper 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 CET on 27 January 2023.

Group

CONDENSED INCOME STATEMENT

SEKm	2022 Q4	2021 Q4	2022 Full year	2021 Full year
Net sales ¹	1,206	810	4,440	3,083
Other operating income	26	11	41	45
Raw materials, energy and consumables	-634	-427	-2,139	-1,431
Change in inventories of work-in-progress and finished goods	77	46	87	-11
Other external costs	-244	-178	-954	-801
Personnel costs	-155	-137	-588	-519
Other operating expenses	-16	-1	-66	-7
EBITDA	260	124	821	358
Depreciation and amortisation	-37	-64	-145	-150
Operating profit	223	61	676	208
Divestment of associated companies	42	-	42	-
Financial income	0	0	41	1
Financial expense	-16	-8	-50	-28
	26	-8	33	-27
Profit before tax	249	52	709	182
Tax	-46	-8	-143	-37
Net profit for the period	202	45	566	144
Profit attributable to:				
Parent company shareholders	202	45	566	144
Non-controlling interests	-	-	-	-
Net profit for the period	202	45	566	144
Earnings per share, SEK ²	3.03	0.67	8.46	2.15

¹Net sales consist entirely of sales of goods

² Before and after dilution

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

SEKm	2022 Q4	2021 Q4	2022 Full year	2021 Full year
Net profit for the period	202	45	566	144
<i>Items that will be reclassified to profit or loss</i>				
Changes in the fair value of cash flow hedges	-1	-8	-26	-37
Exchange differences on translation of foreign operations	-17	4	28	12
Change in provisions for pension	15	-	15	-
Exchange differences on translation of provisions for pension of foreign companies	6	-	6	-
Tax attributable to items that will be reclassified to profit or loss	-5	2	0	8
Other comprehensive income for the period	-2	-1	24	-18
Comprehensive income for the period	201	43	590	126
Comprehensive income for the period attributable to:				
Parent company shareholders	201	43	590	126

CONDENSED BALANCE SHEET

SEKm	2022 31 Dec	2021 31 Dec
Trademark	34	31
Customer relations	214	219
Goodwill	740	726
Other intangible assets	7	6
Buildings and land	40	55
Machinery and plant	544	466
Equipment, tools and installations	7	4
Construction in progress	151	176
Right-of-use assets	32	23
Deferred tax assets	18	18
Long term receivables	10	-
Total non-current assets	1,796	1,724
Inventories	625	472
Accounts receivable	769	546
Income tax receivables	-	7
Other operating receivables	85	114
Derivatives	2	1
Prepaid expenses and accrued revenue	24	28
Cash and cash equivalents	325	360
Total current assets	1,830	1,528
Total assets	3,626	3,252
Share capital	19	19
Reserves	-23	-33
Retained earnings including profit for the year	1,045	598
Total equity	1,041	584
Liabilities to credit institutions	950	1,350
Lease liabilities	20	14
Provisions for pension	16	31
Deferred tax liabilities	228	206
Derivatives	25	-
Other liabilities and provisions	101	97
Total non-current liabilities	1,341	1,698
Factoring credit line	284	273
Accounts payables	419	382
Liabilities to associated companies	-	14
Income tax liability	43	-
Lease liabilities	11	10
Derivatives	45	15
Other liabilities	17	14
Accrued expenses and deferred income	426	263
Total current liabilities	1,245	970
Total equity and liabilities	3,626	3,252

CONDENSED STATEMENT OF CHANGES IN EQUITY

SEKm	2022 31 Dec	2021 31 Dec
Equity, opening balance	584	594
Net profit for the period	566	144
Issue of warrants	1	-
Other comprehensive income for the period	24	-18
Transactions with owners of the parent:		
Dividend	-134	-134
Equity, closing balance	1 041	584
Equity attributable to:		
Parent company shareholders	1 041	584

CONDENSED CASH FLOW STATEMENT

SEKm	2022 Q4	2021 Q4	2022 Full year	2021 Full year
Operating activities				
Operating profit	223	61	676	208
Interest received	0	0	0	0
Interest paid	-13	-7	-40	-26
Adjustments, cash flow	5	78	188	256
Paid income tax	-1	40	-73	-14
Cash flow from operating activities before changes in working capital	213	171	750	425
Cash flow from changes in working capital				
Change in inventories	-82	-52	-148	-19
Change in accounts receivable	-107	-94	-220	-181
Change in current receivables	24	-43	32	-49
Change in accounts payable	-28	43	32	173
Change in current liabilities	112	50	113	60
Cash flow from operating activities	132	75	560	408
Investing activities				
Acquisition of tangible assets	-32	-86	-145	-180
Acquisition of subsidiaries	-	-644	21	-644
Divestment of associated companies	42	-	42	-
Change in financial assets	-10	-	-10	-
Cash flow from investing activities	0	-731	-92	-824
Financing activities				
Change in non-current liabilities to credit institutions	-200	400	-400	400
Repayment of lease liabilities	-3	-3	-11	-13
Net change in factoring credit line	-9	27	11	108
Dividend paid	-	-	-134	-134
Cash flow from financing activities	-211	424	-534	361
Cash flow for the period	-80	-231	-66	-55
Cash and cash equivalents at beginning of period	405	590	360	415
Exchange rate difference in cash and cash equivalents	0	1	30	0
Cash and cash equivalents at end of period	325	360	325	360
Adjustments for non-cash items				
Depreciation and amortisation	37	64	145	150
Changes in exchange rates	-5	-6	-28	-5
Change in fair value of derivatives	-18	8	35	21
Provisions for remediation of buildings and land in Säffle	-	-	-	76
Other	-8	12	35	14
Total	5	78	188	256

Accounting policies and other information

NOTE 1 ACCOUNTING POLICIES

The Group's interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and with applicable parts of the Swedish Annual Accounts Act. The parent company has prepared its interim report in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities. The accounting policies applied when preparing the interim report are the same for all periods and accord with the accounting policies presented in Note 2 in the Annual Report 2021.

All amounts are stated in SEK million (SEKm) unless otherwise stated. Rounding differences of SEK +/- 1m may occur in the totals of amounts. In cases where an underlying amount is SEK 0m after rounding, the amount is stated as 0. Amounts in parentheses refer to the corresponding period in the previous year.

Information according to IAS 34.16A is also presented in other parts of the interim report, as well as in the financial statements and related notes.

In accordance with a proposal from the Board of Directors, the Annual General Meeting on 19 May 2022 approved the issue of a maximum of 600,000 warrants as part of a long-term incentive programme for senior executives. The incentive programme is reported in accordance with IFRS 2 and IAS 19.

The Group applies IFRS 15 for the accounting of revenue which means that revenue is being accounted for when the control for the goods is being transferred to the customer. Compliance is being secured through analysis of the applied terms of delivery. Volumes that at the end of an accounting period cannot be accounted for as revenue, will be transferred to the next accounting period and will remain in finished goods inventory. During the fourth quarter, delivery terms for a group of customers within Natural Greaseproof has changed whereby an accrual effect has occurred that is larger than what it typically is. The difference in effect in the fourth quarter compared to the same quarter last year corresponds to a decreased net sales of SEK 90m and a negative EBITDA impact of about SEK 27m.

NOTE 2 QUARTERLY DATA BY SEGMENT

NET SALES

SEKm	2021				2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Kraft Paper segment	448	455	401	469	575	624	557	631
Natural Greaseproof segment	345	349	314	369	494	539	497	594
Eliminations	-20	-14	-4	-28	-17	-19	-17	-19
Total Group	772	790	711	810	1,052	1,144	1,037	1,206

EBITDA

SEKm	2021				2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Kraft Paper segment	89	123	44	136	225	223	109	212
Natural Greaseproof segment	39	-44	-28	-2	36	37	-23	76
Parent company and undistributed items	-27	3	-4	-23	-29	-40	-11	-31
Eliminations etc.	34	2	2	13	6	27	3	3
EBITDA Group	134	84	15	124	237	247	77	260
Depreciation and amortisation	-28	-29	-29	-64	-35	-36	-37	-37
Operating profit	106	55	-14	61	202	211	40	223
Divestment associated companies	-	-	-	-	-	-	-	42
Financial income	5	0	2	0	11	8	24	0
Financial expense	-7	-11	-7	-8	-11	-13	-13	-16
Profit before tax	104	44	-18	52	203	206	51	249

EBITDA MARGIN

%	2021				2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Kraft Paper segment	19.9	27.1	11.0	29.0	39.1	35.8	19.5	33.5
Natural Greaseproof segment	11.3	-12.5	-8.9	-0.4	7.3	6.8	-4.7	12.8
Group	17.4	10.7	2.1	15.4	22.6	21.6	7.4	21.5

OPERATING PROFIT

SEKm	2021				2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Kraft Paper segment	77	111	32	120	212	209	94	197
Natural Greaseproof segment	28	-55	-40	-45	18	18	-42	58
Parent company and undistributed items	-27	3	-4	-23	-29	-40	-11	-31
Eliminations etc.	28	-3	-3	9	2	23	-1	-1
Total Group	106	55	-14	61	202	211	40	223

OPERATING MARGIN

%	2021				2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Kraft Paper segment	17.2	24.8	8.0	25.6	36.8	33.5	16.9	31.3
Natural Greaseproof segment	8.1	-15.8	-12.6	-12.2	3.7	3.4	-8.5	9.7
Group	13.8	7.0	-1.9	7.5	19.2	18.4	3.9	18.5

SALES VOLUMES

Ktonnes	2021				2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Kraft Paper segment	60.4	58.4	48.0	54.1	58.3	58.5	46.1	50.4
Natural Greaseproof segment	19.3	18.9	16.4	18.7	21.9	22.4	18.7	21.0
Eliminations	-4.4	-3.3	-2.4	-3.6	-3.3	-3.4	-2.9	-3.3
Total Group	75.2	74.1	62.0	69.3	76.9	77.6	61.9	68.2

NOTE 3 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

SEKm	2022		2021	
	31 Dec		31 Dec	
Financial assets measured at amortised cost	Carrying amount	Fair value	Carrying amount	Fair value
Accounts receivable	769	769	546	546
Other receivables	85	85	114	114
Cash and cash equivalents	325	325	360	360
Total	1,179	1,179	1,021	1,021
Financial liabilities measured at amortised cost				
Factoring liabilities	284	284	273	273
Lease liabilities	31	31	24	24
Liabilities to associated companies	-	-	14	14
Accounts payable	419	419	382	382
Non-current liabilities to credit institutions	950	950	1,350	1,350
Other liabilities	443	443	279	279
Total	2,127	2,127	2,320	2,320
Derivatives used for hedging				
Current assets				
Cash flow hedges	2	2	1	1
Current liabilities				
Cash flow hedges	45	45	15	15
Other derivatives				
Non-current liabilities				
Cash flow hedges	25	25	-	-

CALCULATION OF FAIR VALUE

The Group has derivatives that are measured at fair value according to level 2 of the fair value hierarchy. Other financial instruments have short maturities and for these, fair value is equivalent to the carrying amount. For further information please see note 23 in the Annual Report 2021.

NOTE 4 RESTRUCTURING OF THE SÄFFLE PLANT

In the second quarter of 2021 Nordic Paper decided to discontinue paper pulp production at the company's mill in Säffle in the fourth quarter of 2021 and replace it with pulp purchased externally. A decision was also made to invest SEK 70m to streamline the handling of external pulp. These measures have increased annual paper production capacity at the Säffle plant by around 10%.

In connection with the decision, a provision of SEK 76m was made to cover the future remediation of buildings and land at the site. The effect on cash flow of this remediation work is expected to be felt gradually over the next five to seven years.

In connection with the pulp line closure in the fourth quarter of 2021 an impairment loss of SEK 32m was recognised for property, plant and equipment.

NOTE 5 OTHER PROVISIONS

Other provisions of SEK 101m relate to assessed future remediation costs for buildings and land. The provision breakdown includes SEK 76m for future demolition of buildings and remediation of land related to the discontinuation of pulp production in Säffle, while the remaining amount is associated with remediation of a landfill site. The costs associated with ending of pulp production have been estimated by a third party.

NOTE 6 ACQUISITION OF GLASSINE CANADA INC.

The Canadian speciality paper company Glassine Canada Inc. was acquired on 31 December 2021. The acquired company's balance sheet was included in the consolidated balance sheet as of 31 December 2021, while net sales and profits have been included in the income statement since 1 January 2022.

For the full year January – December 2021 the acquired company had net sales and results as shown below (unaudited):

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

The purchase price on a cash- and debt-free basis was SEK 623m and the compensation transferred was SEK 649m. The effects of the acquisition are shown below, applying the CAD exchange rate as at the acquisition date of 31 December 2021.

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

Depreciation will be applied to intangible assets in respect of customer relationships. The depreciation is on a straight-line basis over an estimated useful life of 10 years.

NOTE 7 LONG-TERM INCENTIVE PROGRAMME

In accordance with a proposal from the Board of Directors, the Annual General Meeting on 19 May 2022 approved the issue of a maximum of 600,000 warrants as part of a long-term incentive programme for senior executives of the Nordic Paper Group. The rationale for the incentive programme is to create opportunities to motivate and retain senior executives within the Nordic Paper Group.

The warrants were offered at market price. Each warrant entitled the holder to subscribe for one new share in the company. The exercise price was 120% of the volume-weighted average price of the company's share during the period of 10 trading days falling immediately prior to the offer to subscribe for the warrants, but no less than the quota value of the share. The final price of the warrants was SEK 1.55. The value of the warrants has been calculated according to the Black-Scholes model.

The company is partly subsidising the participants' acquisitions of warrants. The subsidy is paid out at the end of the programme. The subsidy to the participants is equal to 50% of the participants' investment net after tax. The total cost of the subsidy, based on a warrant value of SEK 1.55 and an estimated marginal tax rate of 55%, amounts to SEK 1.3m including social security contributions. With some exceptions, in order to be eligible for the subsidy the participant must be employed by the company at the time of payment of the bonus, must remain employed until the warrants can be exercised and must not have transferred their warrants prior to this.

Based on the number of shares in Nordic Paper as at the date of the annual general meeting, the maximum dilution effect of the warrant programme will be approximately 0.89%. The company has no previous incentive programmes outstanding.

Key figures

SEKm	2022	2021	2022	2021
	Q4	Q4	Full year	Full year
Net sales growth, %	49	21	44	6
EBITDA margin, %	21.5	15.4	18.5	11.6
Adjusted EBITDA margin, % ¹	21.5	15.4	18.5	14.1
Operating margin, %	18.5	7.5	15.2	6.8
Adjusted operating margin, % ^{1,2}	18.5	11.4	15.2	10.3
Cash flow from operating activities	132	75	560	408
Cash conversion, %	70.5	67.5		
Return on operating capital, 12 m, %	32.5	15.9		
Return on equity, 12 m, %	69.5	24.6		
Working capital	497	378		
Operating capital	2,065	1,891		
Interest-bearing liabilities	1,281	1,678		
Net debt/equity ratio, %	91.8	225.3		
Net debt/EBITDA, 12 m, multiple	1.2	3.7		
Equity/assets ratio, %	28.7	18.0		
Working capital, % of net sales, 12 m	11.2	13.1		
Investments	32	86	145	180
Sales volume, ktonnes	68.2	69.3	284.5	280.6
Number of employees at end of period	672	688	672	688
Number of shares, end of period	66,908,800	66,908,800	66,908,800	66,908,800
Earnings per share, SEK ³	3.03	0.67	8.46	2.15

¹ For full year 2021 adjusted for the SEK 76m provision recognised in Q2 2021 for remediation of buildings and land in Säffle

² For Q4 2021 and full year 2021 adjusted for the impairment loss of SEK 32m recognised in Q4 2021 in respect of pulp production in Säffle

³ Before and after dilution

ALTERNATIVE PERFORMANCE MEASURES

Reference is made in the financial report to a number of financial performance measures that are not defined according to IFRS or the Swedish Annual Accounts Act. These performance measures provide supplementary information and are used to help investors as well as group management to analyse the company's operations. Since not all companies calculate financial performance measures in the same way, these are not always comparable with measures used by other companies.

EBITDA SEKm	2022 Q4	2021 Q4	2022 Full year	2021 Full year
Operating profit	223	61	676	208
Depreciation/amortisation	37	64	145	150
EBITDA, SEKm	260	124	821	358
Significant items affecting comparability	-	-	-	76
Adjusted EBITDA, SEKm	260	124	821	434
EBITDA MARGIN SEKm	2022 Q4	2021 Q4	2022 Full year	2021 Full year
EBITDA	260	124	821	358
Net sales	1,206	810	4,440	3,083
EBITDA margin, %	21.5	15.4	18.5	11.6
Significant items affecting comparability	-	-	-	76
Adjusted EBITDA margin, %	21.5	15.4	18.5	14.1
OPERATING MARGIN SEKm	2022 Q4	2021 Q4	2022 Full year	2021 Full year
Operating profit	223	61	676	208
Net sales	1,206	810	4,440	3,083
Operating margin, %	18.5	7.5	15.2	6.8
Significant items affecting comparability	-	32	-	108
Adjusted operating margin, %	18.5	11.4	15.2	10.3
CASH CONVERSION SEKm	2022 Q4	2021 Q4	2022 Full year	2021 Full year
EBITDA, 12 m	821	358		
Change in working capital	-97	64		
Investments, 12 m*	-145	-180		
Total	579	242		
EBITDA, 12 m	821	358		
Cash conversion %, 12 m	70.5	67.5		
WORKING CAPITAL SEKm	2022 Q4	2021 Q4	2022 Full year	2021 Full year
Inventories	625	472		
Accounts receivable	769	546		
Other operating receivables excl. derivatives	109	149		
Accounts payable	-419	-382		
Other operating liabilities excl. derivatives	-587	-406		
Working capital	497	378		
Working capital, 12 m	496	402		
Net sales, 12 m	4,440	3,083		
Working capital, % of net sales, 12 m	11.2	13.1		

*The acquisition of Glassine Canada Inc. is not included

OPERATING CAPITAL	2022	2021
SEKm	Q4	Q4
Working capital	497	378
Intangible assets	995	981
Property, plant and equipment	773	719
Long term receivables	10	-
Deferred tax assets/liabilities	-211	-187
Operating capital	2,065	1,891
Operating profit, 12 m	676	208
Operating capital, 12 m	2,077	1,308
Return on operating capital, %, 12 m	32.5	15.9
NET DEBT	2022	2021
SEKm	Q4	Q4
Non-current liabilities to credit institutions	950	1,350
Lease liabilities, non-current	20	14
Provisions for employee benefits	16	31
Factoring credit line	284	273
Lease liabilities, current	11	10
Interest-bearing liabilities	1,281	1,678
Cash and cash equivalents	325	360
Net debt/net cash (+/-)	956	1,317
EBITDA, 12 m	821	358
Net debt/EBITDA, 12 m, multiple	1.2	3.7
NET DEBT/EQUITY RATIO	2022	2021
SEKm	Q4	Q4
Net debt/net cash (+/-)	956	1,317
Equity	1,041	584
Net debt/equity ratio, %	91.8	225.3
EQUITY/ASSETS RATIO	2022	2021
SEKm	Q4	Q4
Equity	1,041	584
Total assets	3,626	3,252
Equity/assets ratio, %	28.7	18.0
RETURN ON EQUITY	2022	2021
SEKm	Q4	Q4
Net profit for the period, 12 m	566	144
Equity	1,041	584
Equity, 12 m	814	587
Return on equity, 12 m, %	69.5	24.6

Definitions

Non-IFRS performance measures	Description	Reasons for use
Sales volume	Sales of paper and pulp by the segment and the Group respectively, expressed in ktonnes.	Shows if the business is expanding or contracting.
EBITDA	EBITDA (earnings before interest, taxes, depreciation and amortisation) consists of operating profit plus depreciation, amortisation and impairment losses.	A measure that eliminates costs that do not affect cash flow and indicates the ability of a business to generate cash flow.
Significant items affecting comparability	Significant items affecting comparability may include effects of substantial restructuring of production plants, impairment losses, revaluation, specific effects of disputes or strategic decisions of a non-recurring nature. Significant items affecting comparability are not part of the underlying operating activities.	Provides a better understanding of the development of operating activities over time.
Adjusted EBITDA	EBITDA adjusted for significant items affecting comparability.	Increases comparability of EBITDA between different periods and provides a better understanding of the development of operating activities 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 the EBITDA margin between different periods.
Operating profit	Profit before financial income, financial expense and tax.	Shows the result of the company's operating activities.
Adjusted operating profit	Operating profit adjusted for significant items affecting comparability.	Increases comparability of operating profit between different periods and provides a better understanding of the development of operating activities over time.
Operating margin	Operating profit as a percentage of net sales.	Shows operating profit in relation to net sales and is a measure of the profitability of the company's operating activities.
Adjusted operating margin	Adjusted operating profit as a percentage of net sales.	Increases comparability of the operating margin between different periods.
Cash flow from operating activities	Cash flow before acquisitions of intangible non-current assets and property, plant and equipment and financial non-current assets, and before loan repayments, Group contributions and dividends to shareholders.	Indicates how much liquidity an entity generates through its operating activities.
Cash conversion*	Total EBITDA minus change in working capital minus investments, divided by EBITDA, expressed as a percentage.	Cash conversion shows how effective an entity is at generating cash flow in relation to EBITDA.
Investments	The effect of acquisitions of property, plant and equipment and intangible non-current assets on cash flow.	Shows the amount of property, plant and equipment and intangible assets acquired to maintain and develop operations.
Working capital	Total inventories, accounts receivable, other operating assets and operating liabilities, excluding derivatives, and other provisions (non-interest-bearing).	Shows the net of current assets and current liabilities used in operating activities.
Change in working capital	Working capital for the current period minus working capital for the previous period.	Shows development of the company's working capital.
Working capital as a percentage of net sales*	Working capital divided by net sales.	Indicates how effectively the company is using working capital.
Operating capital	Working capital plus intangible non-current assets and property, plant and equipment, long term receivables, deferred tax assets and tax liabilities.	Shows the total capital used in operating activities.
Return on operating capital*	Operating profit as a percentage of operating capital.	Shows the company's performance in generating profit from the capital used in operating activities.
Return on equity*	Profit for the period as a percentage of equity.	Shows the return generated on equity invested in the business.
Interest-bearing liabilities	Interest-bearing liabilities, current and non-current, plus interest-bearing provisions.	Shows the extent of the company's financing in the form of interest-bearing liabilities.
Net debt	Interest-bearing liabilities less cash and cash equivalents.	A measure of the company's financial position. Shows how much liquidity would remain if all liabilities were to be settled.
Net debt/EBITDA ratio*	Net debt in relation to EBITDA, expressed as a multiple.	A measure of financial risk and an indication of repayment capacity.
Net debt/equity ratio	Net debt divided by equity, expressed as a percentage.	Shows the relationship between externally financed capital and equity.
Equity/assets ratio	Equity divided by total assets, expressed as a percentage.	Shows what proportion of the assets are financed through equity.

*Calculated on the basis of the last 12-month period, as an average of 12 months. The 12-month figure enables comparisons that reflect both current and seasonal variations, which improves the ability to make comparisons over time.

Parent company

CONDENSED INCOME STATEMENT

SEKm	2022	2021	2022	2021
	Q4	Q4	Full year	Full year
Net sales	12	13	57	49
Other operating income	0	0	0	18
Other external costs	-19	-19	-66	-57
Personnel costs	-3	-5	-13	-15
Other operating expenses	-20	-12	-90	-46
Operating profit	-31	-23	-111	-51
Profit from participations in Group companies	-	-	19	106
Financial income and similar items	5	0	21	15
Financial expense and similar items	-29	-8	-43	-28
Profit after financial items	-55	-31	-114	42
Appropriations	610	221	610	221
Profit before tax	555	190	496	263
Tax	-115	-38	-100	-41
Net profit for the period	440	151	396	222

CONDENSED BALANCE SHEET

SEKm	2022	2021
	31 Dec	31 Dec
Shares in Group companies	1,165	1,165
Receivables from Group companies	345	401
Deferred tax assets	10	3
Total non-current assets	1,519	1,568
Receivables from Group companies	720	242
Current tax assets	-	1
Prepaid expenses and accrued income	11	11
Cash and bank balances	109	479
Total current assets	840	733
Total assets	2,360	2,302
Share capital	19	19
Retained earnings	361	272
Net profit for the period	396	222
Total equity	776	513
Untaxed reserves	508	398
Non-current liabilities to credit institutions	950	1,350
Derivatives	25	-
Total non-current liabilities	975	1,350
Liabilities to Group companies	1	2
Accounts payable	2	13
Derivatives	45	15
Other liabilities	1	0
Income tax liability	48	-
Accrued expenses and deferred income	5	10
Total current liabilities	101	40
Total equity and liabilities	2,360	2,302

CONFERENCE CALL

On the publication of the interim report a telephone conference will be held on Friday 27 January at 11.00 CET, CEO Anita Sjölander and CFO Niclas Eriksson will present and comment on the report. The presentation will be in English. The press and analyst conference will be streamed and the webcast can be accessed at www.nordic-paper.com. It is also possible to participate in the conference by telephone.

- Link to watch webcast: <https://fronto.vancastvideo.com/event/Q69hFGK3/3550?lang=2957>
- Link to register to participate by telephone: <https://services.choruscall.it/DiamondPassRegistration/register?confirmationNumber=2374283&linkSecurityString=2da3c01b8>

FINANCIAL CALENDAR

Annual Report 2022 – 25 April 2023

Interim Report Q1 2023 – 28 April 2023

Interim Report Q2 2023 – 20 July 2023

Interim Report Q3 2023 – 31 October 2023

Annual General Meeting

The Annual General Meeting will be held in Karlstad on 24 May 2023.

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NORDIC PAPER IN BRIEF

Nordic Paper is a leading speciality paper producer based in Scandinavia. We have been manufacturing top-quality kraft papers and natural greaseproof papers since the 19th century. Our products are based on renewable raw material from local forests. From our five paper mills, four in Scandinavia and one in Canada, we supply customers in about 80 countries. In 2022 Nordic Paper had revenue of approximately SEK 4,400m and around 670 employees. The company is listed on Nasdaq Stockholm. www.nordic-paper.com