

Interim report January – March 2022

QUARTERLY RESULTS JANUARY - MARCH

- Net sales increased by 36% to SEK 1,052m (772). The Canadian operations that were acquired on 31 December 2021 contributed in the quarter with a net sales of SEK 73m.
- EBITDA amounted to SEK 237m (134) corresponding to an EBITDA margin of 22.6% (17.4).
- Operating profit was SEK 202 (106), corresponding to an operating margin of 19.2% (13.8%).
- Net result for the period amounted to SEK 162m (81) and earnings per share was SEK 2.42 (1.21).
- Cash flow from operating activities was SEK 53m (47).
- Return on operating profit was 20.5% (23.7).
- Sales volumes increased by 2% to 77 ktonnes (75) out of which 3 ktonnes was from the acquired operations in Canada.

KEY FIGURES

SEKm	2022 Q1	2021 Q1	Δ, %	R 12 m	2021 Full year
Net sales	1,052	772	36	3,363	3,083
EBITDA	237	134	77	461	358
Adjusted EBITDA ¹	237	134	77	537	434
EBITDA-margin, %	22.6	17.4		13.7	11,6
Adjusted EBITDA-margin, % ¹	22.6	17.4		16.0	14.1
Operating profit	202	106	90	304	208
Adjusted operating profit ^{1,2}	202	106	90	412	316
Operating margin, %	19.2	13.8		9.0	6.8
Adjusted operating margin, % ^{1,2}	19.2	13.8		12.3	10.3
Profit for the period	162	81	100	225	144
Earnings per share, SEK	2.42	1.21		3.36	2.15
Cash flow from operating activities	53	47	13	444	408
Return on operating capital 12m, %	20.5	23.7		20.5	15.9
Net debt/EBITDA 12 m, ratio	2.8	1.7		2.8	3.7
Sales volume, ktonnes	77	75	2	282	281

¹ Full year 2021 and R 12 m 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

CEO COMMENTS



STRONG START OF THE NEW YEAR

This is the strongest quarter Nordic Paper has ever delivered with net sales as well as EBITDA on new record levels. As we now add the recent acquisition in Canada, also sales volumes are higher than in any previous quarter of our more than 150 years of history.

We are glad to see that our profitability increases and EBITDA margin for the quarter amounted to 22.6%. The adjusted EBITDA margin for the last rolling twelve months now amounts to 16.0% and the work to reach our target of 20% EBITDA margin over the medium term continues.

The segment Natural Greaseproof increased its EBITDA margin compared to the fourth quarter 2021 after price increases in the quarter and was strengthened by the addition of the acquired Canadian operations. More price increases are needed as the segment as a whole is negatively impacted by high costs for pulp and energy. Within our

other segment, Kraft Paper, we increased EBITDA margin to 39.1% in the quarter to compare with 27.9% for the last twelve month period. The development within Kraft Paper is mainly driven by implemented product price increases.

Demand for our products is still very strong in all our markets and product price increases have compensated for the cost inflation of the quarter and also increased profitability. As transportation costs increase, primarily for overseas freights, we work actively with the geographical distribution of our sales. We have reduced our deliveries to North America from our production in Scandinavia and instead increased volumes to the very strong European market.

To secure that we meet customer demand for our kraft and greaseproof papers without disturbances, we are increasingly focussing on our own purchasing work and on our freight planning.

We are deeply sad over the war in Ukraine and over the human suffering it brings. Before the war, Nordic Paper had no direct commercial relation to the Ukraine and less than 2% of our net sales were to Russia. We have actively stopped sales to Russian customers and we have successfully redirected these volumes to other markets. We have also updated our routines to secure alignment with sanctions.

INTEGRATION OF THE ACQUIRED CANADIAN BUSINESS PROGRESSING ACCORDING TO PLAN

This quarter is the first where the acquired operations in Canada form part of Nordic Paper. The integration is proceeding according to plan and we now work intensively with the combined product and customer portfolio in the important American market. The operations are well run and there are opportunities to a continued profitable growth together with our customers.

SIGNIFICANT IMPROVEMENT IN CLIMATE PERFORMANCE AFTER SÄFFLE RESTRUCTURING

During last year, we carried out an extensive restructuring of the production unit in Säffle that this year allows us to increase paper production by about 10% at the unit. Already during the first quarter of this year we see positive climate effects of the measures as we have been able to reduce our consumption of fossil fuels at the plant. The restructuring has made it possible for us to reduce emissions by 2,500 tonnes carbon dioxide only in the quarter, or 10,000 tonnes on an annual basis. This corresponds to 70% of the total greenhouse gas emissions last year in scope 1 and 2 for the unit.

We are glad to see that we, through our focussed efforts, delivered on our plans during the first quarter. For the coming quarter we see opportunities for further strengthening of margins through product price increases despite some continued cost inflation.

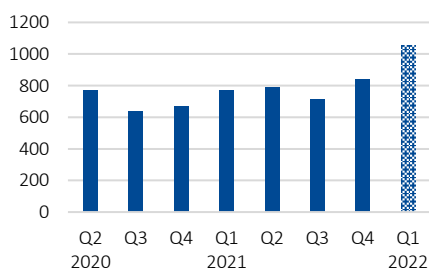
The Annual General Meeting of Nordic Paper will this year be held as a physical meeting but with possibility for postal voting for those of you that will not be able to attend. The meeting will be held in Karlstad on 19 May and we look forward to the opportunity to seeing you all!

Anita Sjölander, CEO

GROUP PERFORMANCE

JANUARY – MARCH

NET SALES, SEKm



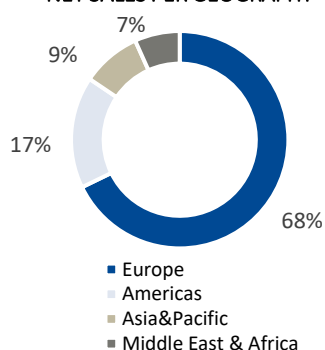
MARKET AND SALES

The demand for Nordic Paper products continued to be good during the first quarter within Kraft Paper as well as Natural Greaseproof segments. The sales prices were increased to new record levels in SEK as well as in local currency.

Net sales during the first quarter increased by 36% to SEK 1,052m (772). Higher selling prices had a positive effect of 22% while the acquired operations in Canada contributed by 9%. Currency impacted net sales positively by 6%.

The net sales increased the most in absolute terms in Europe. Net sales to North America increased the most in percentage terms as the acquired operations in Canada were included for the first quarter. Net sales increased to Middle East and Africa while net sales to Asia were stable.

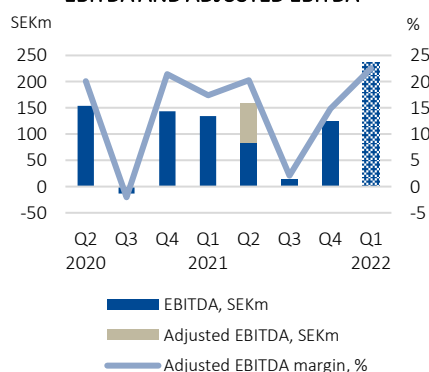
NET SALES PER GEOGRAPHY



CHANGE IN NET SALES

Q1 2021, SEKm		772
Sales volume and product mix		-1%
Selling price		22%
Currency		6%
Acquired operations		9%
Q1 2022, SEKm		1,052

EBITDA AND ADJUSTED EBITDA



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

RESULTS

EBITDA increased by 77% to SEK 237m (134) for the first quarter. The positive impact on EBITDA from increased selling prices was significantly larger than the negative impact from continued high costs for pulp and energy. Results in the quarter were positively impacted by the acquired operations in Canada. Prices for wood were stable compared to the same quarter last year but due to lower consumption during the first quarter as a consequence of the discontinuation of the Säfte pulp line, the total cost for wood was slightly lower than in the same period last year. Currency had marginal impact on EBITDA compared to the same quarter last year. EBITDA margin amounted to 22.6%, an increase compared to 17.4% in the same quarter last year.

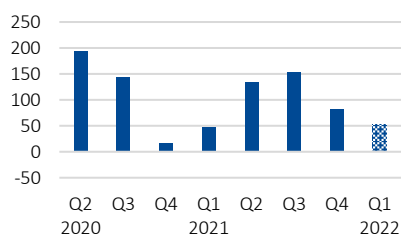
Operating profit amounted to SEK 202m (106) corresponding to an operating margin of 19.2% (13.8). Net profit for the period was SEK 162m (81).

FINANCIAL NET AND TAX

Net financial items for the fourth quarter were SEK 1m (-3) of which interest net was SEK -8m (-7) and otherwise explained by positive exchange rate differences on cash. Tax cost for the first quarter amounted to SEK 41m (23), corresponding to a tax rate of 20.3%.

CASH FLOW AND FINANCIAL POSITION

CASH FLOW FROM OPERATING ACTIVITIES, SEKm

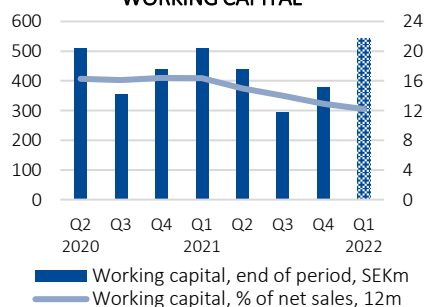


CASH FLOW AND WORKING CAPITAL

Cash flow from operating activities amounted to SEK 53m (47) for the first 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, of decreased accounts payables after investment projects carried out last year and of increase in inventory.

Net working capital as of 31 March 2022 was SEK 542m (509) and 12.2% (16.3) as percentage of net sales for the last 12 month period.

WORKING CAPITAL

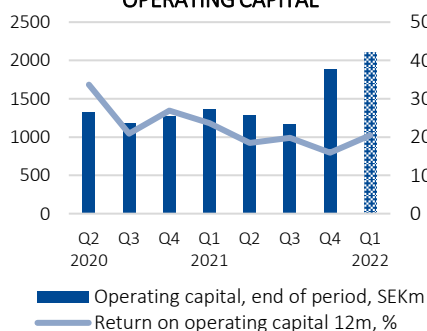


INVESTMENTS AND OPERATING CAPITAL

Investments during the quarter amounted to SEK 37m (14). Out of the investments of the quarter, SEK 12m relate to the investment in Säffle aiming at increasing efficiency of the handling of purchased pulp.

Operating capital as of 31 March 2022 was SEK 2,098m (1,359) out of which SEK 738m (645) was tangible fixed assets. Intangible assets were SEK 1,008m (348) and the increase is in its entirety explained by effects from the acquisition of the Canadian operations per 31 December 2021. Return on operating capital for the last 12 month period was 20.5% (23.7). The provision and the write-down made last year relating to the restructuring in Säffle impact return on operating capital with 7.3 percentage points, see note 4.

OPERATING CAPITAL



FINANCING

In connection to the acquisition of Glassine Canada Inc. on 31 December 2021, SEK 400m of existing credit facilities were used. Per 31 March 2022, net debt of the Group increased to SEK 1,305m (692). Interest bearing debt amounted to SEK 1,689m (1,179). Of the interest-bearing debt, SEK 20m (25) are attributable to IFRS 16 leasing liabilities. Cash and cash equivalents were SEK 384m (486). In addition, the company has available unutilized credit facilities of SEK 400m (800), whereof an overdraft facility of SEK 200m.

The equity ratio was 22.2% (26.9) and the net debt/EBITDA 12m ratio was 2.8 (1.7).

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. The net exposure to USD increased somewhat with the acquisition of Glassine Canada Inc per 31 December 2021. The hedging has been reviewed to cover the increased exposure.

EBITDA for the first quarter includes an earnings effect from currency hedges of SEK -15m (12). For the coming 12 months the hedges are as follows:

Currency	Average rate of derivatives	FX rate, 31 Mar	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	10.28	10.34	82	834	-7	58%	46%
USD	8.99	9.26	12	104	-3	68%	48%
GBP	12.00	12.17	12	149	-2	72%	46%
				1,087	-13		

SEGMENT KRAFT PAPER

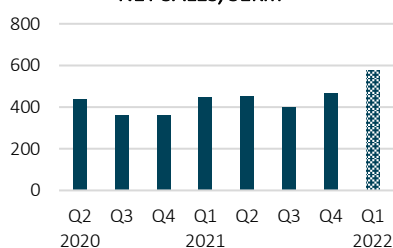
Segment Kraft Paper produces unbleached sack paper, MG paper and different kind of specialty paper of high quality for industrial usage. Examples of applications for the MG and sack paper are sacks and bags for food and construction materials, and masking and protection paper for different applications.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

SEKm	2022 Q1	2021 Q1	Δ, %	R 12 m	2021 Full year
Net sales	575	448	28	1,893	1,772
EBITDA	225	89	152	528	392
EBITDA margin, %	39.1	19.9		27,9	22,2
Operating profit	212	77	175	474	340
Operating margin, %	36.8	17.2		25.1	19.3
Sales volumes ¹ , ktonnes	58	60	-4	219	221

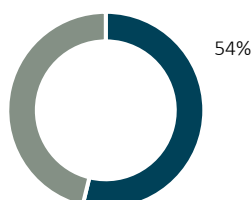
¹ Include sales volumes internally within the Group

JANUARY – MARCH

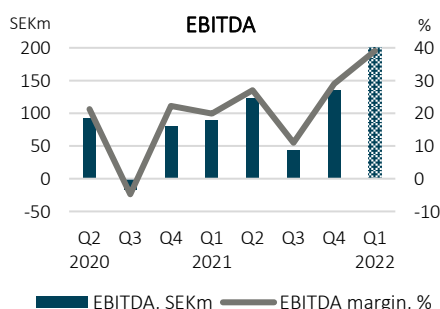
NET SALES, SEKm



SHARE OF GROUP'S NET SALES
Q1 2022



EBITDA



MARKET AND SALES

The demand for Nordic Paper kraft papers continued to be strong during the first quarter of the year and price increases could be implemented also this quarter. A smaller part of Nordic Paper kraft paper sales is under annual contracts, primarily within the product group interleaving papers. Many of these customer agreements were renewed with new terms during the first quarter of 2022 with higher product prices as a consequence. Implemented price changes made prices in local currency increase by 26% compared to the same quarter last year.

Net sales during the first quarter increased by 28% compared to the same quarter last year to SEK 575m (448). The most positive net sales development in absolute terms was for Europe, the most important market for the segment. The net sales development in Europe was driven by higher selling price as well as higher volume. To mitigate increasing costs for oversea transportation and as a result of strong demand in Europe, Nordic Paper has transferred volumes from the North American market to Europe.

CHANGE IN NET SALES

Q1 2021, SEKm	448
Sales volume and product mix	-3%
Selling price	26%
Currency	5%
Q1 2022, SEKm	575

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

RESULTAT

EBITDA increased to SEK 225m (89) primarily driven by increased selling prices. Sales volume impacted results negatively while costs were stable compared to the same quarter last year.

EBITDA margin increased to 39.1% (19.9). Operating profit amounted to SEK 212m (77) and operating margin to 36.8% (17.2).

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.

SEKm	2022	2021	Δ, %	R 12 m	2021
	Q1	Q1			Full year
Net sales	494	345	43	1,526	1,377
Adjusted EBITDA ¹	36	39	-7	39	42
Adj. EBITDA-margin, % ¹	7.3	11.3		2.6	3.0
Adj. operating profit ^{1,2}	18	28	-35	-14	-4
Adj. operating margin, % ^{1,2}	3.7	8.1		-0.9	-0.3
Sales volume, ktonnes	22	19	14	76	73

¹ Full year 2021 and R 12 m 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

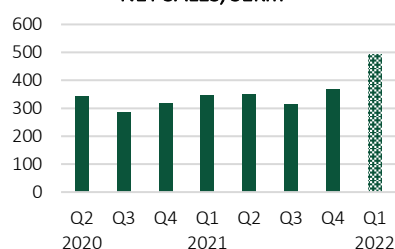
JANUARY - MARCH

MARKET AND SALES

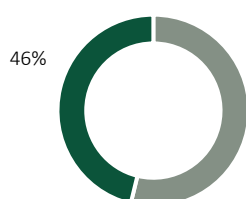
The demand for Nordic Paper greaseproof papers continued to be good during the quarter. Price increases were implemented during the quarter and several annual contracts with customers in consumer segments expired.

Net sales for the first quarter increased by 43% to SEK 494m (345). The acquired business in Canada added net sales of SEK 73m in the quarter. Selling prices in local currency were 17% higher than in the same quarter last year and currency impacted net sales positively by 7%. The net sales development was positive in all geographies. As a result of the acquisition in Canada, net sales to North America amounts to about 20% of the net sales of the segment.

NET SALES, SEKm



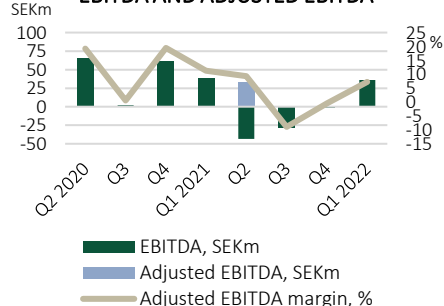
SHARE OF GROUP'S NET SALES Q1 2022



CHANGE IN NET SALES

Q1 2021, SEKm	345
Sales volume and product mix	-1%
Selling price	16%
Currency	7%
Acquired operation	21%
Q1 2022, SEKm	494

EBITDA AND ADJUSTED EBITDA



RESULTAT

EBITDA for the first quarter amounted to SEK 36m (39) corresponding to an EBITDA margin of 7.3% (11.3). The acquired operation in Canada added positively to EBITDA. The historically high prices for pulp impacted EBITDA strongly negatively compared to the same period last year. Also historically high prices for electricity impacted EBITDA significantly negatively compared to the same period last year.

Operating profit was SEK 18m (28) corresponding to an operating margin of 3.7% (8.1).

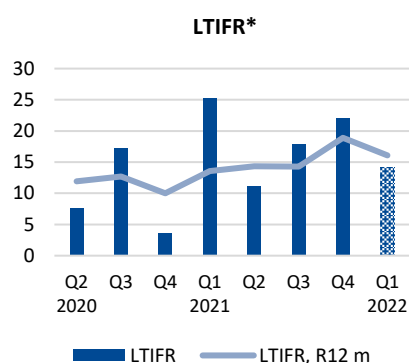
SUSTAINABILITY

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 first quarter, there were 4 incidents followed by sick leave which is an increase from 6 incidents in the fourth quarter. In the numbers for the first quarter, also the acquired operation in Canada is included. The number of incidents corresponds to a LTIFR* during the quarter of 14.2 and 16.1 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 17,000 tonnes carbon dioxide. Of these emissions, 6,000 tonnes are in scope 1, ie from the own operation of the company, and 11,000 tonnes in scope 2, from purchased electricity and steam. Emissions from the acquired operation in Canada are included in the figures for the first quarter. Excluding the emissions from the acquired operations, the total emissions in scope 1 and 2 decreased by 13% 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 requirement for fossil fuel has been reduced. The plant in Bäckhammar has also successfully reduced its emissions in scope 1.

SUSTAINABLE BUSINESS BEHAVIOUR

An important part of a sustainable business behaviour is to secure compliance to sanctions in relevant jurisdictions. Following the Russian invasion of the Ukraine during the quarter, many countries have imposed new extensive sanctions against Russia and against Russian interests. Against the background of the increase in number of sanctions, Nordic Paper has during the quarter updated its routines for compliance to sanctions and carries out daily screenings of its customer database against relevant sanctions. The Nordic Paper supplier database has also been screened against current relevant sanctions lists. No entity under sanction has been identified in these screenings 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

During the first quarter, Russia invaded Ukraine. Before the invasion, Nordic Paper had limited commercial relations to Russia and the Ukraine. The direct impact for Nordic Paper has so far, consequently, not been financially significant. There may be future indirect effects 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. Nordic Paper experiences that the pandemic has a negative impact on demand where lockdown is implemented or has been implemented and has experienced a shift in the demand, i.e. from the professional food service sector to the consumer driven retail sector. Nordic Paper experiences that the demand from the professional food sector is recovering. Continued measures taken to combat the pandemic's spread, may though have an impact that proves to be 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 24m (13) and sold services and consumables to Åmotfors Energi AB to an amount of SEK 4m (5). The transactions were conducted on market conditions.

SHAREHOLDERS

Nordic Paper had 3,911 shareholders as of 31 March 2022.

Shareholders 31 March 2022	Votes and capital(%)
Sutriv Holding AB	48.2%
Swedbank Robur Fonder	9.4%
AMF - Försäkring och Fonder	9.4%
Handelsbanken fonder	5.3%
Ålandsbanken	3.3%
UBS Switzerland AG	3.1%
CBNY – Norges Bank	2.1%
Ålandsbanken ABP (Finland)	1.4%
BNY Mellon SA	1.3%
Nordea Norwegian Stars Fund	1.1%
Other	15.5%
Total	100.0%

ANNUAL GENERAL MEETING

The annual general meeting will be held in Karlstad on 19 May 2022.

DIVIDEND

For the fiscal year 2021, the Board of Directors proposes a dividend of SEK 2.00 per share, to be paid in one instalment. The proposal entails a total share dividend of SEK 134m. At the determination of the proposed dividend, the SEK 108m significant items affecting comparability in the year have been taken into account and the proposal is thereby in line with the dividend policy of the company. The record day for the proposed dividend is 23 May. The final day for trading in Nordic Paper's shares including the right to a dividend is 19 May.

28 April 2022

Nordic Paper Holding AB (publ)

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. The information was submitted for publication, through the agency of the contact person set out in the press release for this report, at 7.30am CEST on 28 April 2022.

Group

CONDENSED INCOME STATEMENT

SEKm	2022	2021	2021
	Q1	Q1	Full year
Net sales*	1,052	772	3,083
Other operating income	6	25	45
Raw materials, energy and consumables	-499	-340	-1,431
Change in inventories	38	-34	-11
Other external costs	-200	-149	-801
Personnel costs	-144	-137	-519
Other operating costs	-15	-4	-7
EBITDA	237	134	358
Depreciation and amortisation	-35	-28	-150
Operating profit	202	106	208
Financial income	11	5	1
Financial costs	-11	-7	-28
	1	-3	-27
Profit before tax	203	104	182
Tax	-41	-23	-37
Profit for the period	162	81	144
Profit attributable to:			
Owners of the parent company	162	81	144
Non-controlling interests	-	-	-
Net profit for the period	162	81	144
Earnings per share, SEK	2.42	1.21	2.15

* Net sales consist in entirety of sales of goods.

CONDENSED COMPREHENSIVE INCOME

SEKm	2022	2021	2021
	Q1	Q1	Full year
Profit for the period	162	81	144
<i>Items that will be reclassified to profit or loss</i>			
Change in fair value of cash flow hedges	-1	-35	-37
Exchange differences on translation of foreign operations	16	11	12
Tax attributable to items that have been or may be reclassified to profit or loss	0	7	8
Other comprehensive income for the period	16	-16	-18
Comprehensive income for the period	177	64	126
Comprehensive income attributable to:			
Parent company's shareholders	177	64	126

CONDENSED BALANCE SHEET

SEKm	2022 31 Mar	2021 31 Mar	2021 31 Dec
Trademark	32	-	31
Customer relations	223	-	219
Goodwill	745	343	726
Other intangible assets	8	5	6
Buildings and land	47	53	55
Machinery and plant	485	488	466
Equipment, tools and installations	8	5	4
Right of use assets	21	26	23
Construction in progress	177	73	176
Deferred tax assets	19	7	18
Total non-current assets	1,765	999	1,724
Inventories	535	422	472
Accounts receivables	630	442	546
Income tax receivables	2	11	7
Other operating receivables	84	74	114
Derivatives	3	7	1
Prepaid expenses and accrued revenue	25	16	28
Cash and cash equivalents	384	486	360
Total current assets	1,664	1,459	1,528
Total assets	3,429	2,458	3,252
Share capital	19	19	19
Reserves	-16	-31	-33
Retained earnings including profit of the year	760	671	598
Total equity	762	659	584
Liabilities to credit institutions	1,350	950	1,350
Lease liabilities	12	14	14
Provisions for pension	33	-	31
Deferred tax liabilities	209	149	206
Other liabilities and provisions	98	19	97
Total non-current liabilities	1,702	1,130	1,698
Factoring credit-line	286	203	273
Accounts payables	317	220	382
Liabilities to associated companies	10	4	14
Income tax liability	8	-	-
Lease liabilities	8	11	10
Derivatives	34	11	15
Other liabilities	15	12	14
Accrued expenses and deferred income	287	206	263
Total current liabilities	964	669	970
Total equity and liabilities	3,429	2,458	3,252

CONDENSED STATEMENT OF CHANGES IN EQUITY

SEKm	2022 31 Mar	2021 31 Mar	2021 31 Dec
Opening balance	584	594	594
Comprehensive income for the period	162	81	144
Other comprehensive income for the period	16	-16	-18
Transactions with owners of the parent			
Dividend	-	-	-134
Closing balance	762	659	584
Equity attributable to:			
Owners of the parent company	762	659	584

CONDENSED CASH FLOW

SEKm	2022 Q1	2021 Q1	2021 Full year
Operating activities			
Operating profit	202	106	208
Interest income	0	0	0
Interest cost	-8	-7	-26
Adjustments for non-cash items	64	40	256
Paid income tax	-29	-48	-14
Cash flow from operating activities before changes in working capital	229	91	425
Cash flow from changes in working capital			
Changes in inventories	-57	30	-19
Changes in accounts receivables	-83	-77	-181
Change in operating receivables	34	3	-49
Change in accounts payables	-72	2	173
Change in operating liabilities	1	-1	60
Cash flow from operating activities	53	47	408
Investing activities			
Acquisitions of tangible assets	-37	-14	-180
Acquisition value subsidiary	-	-	-644
Cash flow from investing activities	-37	-14	-824
Financing activities			
New loan	-	-	400
Amortisation of lease liabilities	-3	-4	-13
Net change in factoring credit line	13	38	108
Dividend paid out	-	-	-134
Cash flow from financing activities	10	34	361
Cash flow for the period	26	66	-55
Opening cash and cash equivalents	360	415	415
Currency translation in cash and cash equivalents	-3	4	0
Closing cash and cash equivalents	384	486	360
Adjustments for non-cash items			
Depreciations	35	28	150
Currency translation effects	0	3	-5
Derivatives, changes in fair value	16	10	21
Provision for remediation of buildings and land in Säffle	-	-	76
Others	12	-1	14
Total	64	40	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.

NOTE 2 QUARTERLY DATA PER SEGMENT

NET SALES

	2020			2021				2022
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
SEKM								
Segment Kraft Paper	436	361	361	448	455	401	469	575
Segment Natural Greaseproof	342	286	318	345	349	314	369	494
Eliminations	-12	-8	-9	-20	-14	-4	-28	-17
Total Group	767	639	670	772	790	711	810	1,052

EBITDA

	2020			2021				2022
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
SEKm								
Segment Kraft Paper	93	-17	80	89	123	44	136	225
Segment Natural Greaseproof	66	2	62	39	-44	-28	-2	36
Parent company and not distributed items	43	-10	20	-27	3	-4	-23	-29
Eliminations etc	-48	13	-19	34	2	2	13	6
EBITDA total Group	153	-13	144	134	84	15	124	237
Depreciation and amortisation	-26	-27	-31	-28	-29	-29	-64	-35
Operating profit	127	-40	113	106	55	-14	61	202
Financial income	0	2	0	5	-4	2	-1	11
Financial costs	-10	-2	-19	-7	-7	-7	-7	-11
Profit before tax	117	-41	94	104	44	-18	52	203

EBITDA-MARGIN

	2020			2021				2022
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
%								
Segment Kraft Paper	21.2	-4.8	22.3	19.9	27.1	11.0	29.0	39.1
Segment Natural Greaseproof	19.2	0.6	19.5	11.3	-12.5	-8.9	-0.4	7.3
Group	20.1	-2.0	21.4	17.4	10.7	2.1	15.4	22.6

OPERATING PROFIT

	2020			2021				2022
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
SEKm								
Segment Kraft Paper	80	-31	67	77	111	32	120	212
Segment Natural Greaseproof	57	-7	47	28	-55	-40	-45	18
Parent company and not distributed items	43	-10	20	-27	3	-4	-23	-29
Eliminations etc	-52	8	-22	28	-3	-3	9	2
Total Group	128	-40	113	106	55	-14	61	202

OPERATING MARGIN

	2020			2021				2022
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
%								
Segment Kraft Paper	18.3	-8.6	18.5	17.2	24.8	8.0	25.6	36.8
Segment Natural Greaseproof	16.5	-2.4	14.9	8.1	-15.8	-12.6	-12.2	3.7
Group	16.7	-6.3	16.8	13.8	7.0	-1.9	7.5	19.2

SALES VOLUMES

	2020			2021				2022
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Ktonnes								
Segment Kraft Paper	55	48	50	60	58	48	54	58
Segment Natural Greaseproof	17	15	16	19	19	16	19	22
Eliminations	-3	-2	-2	-4	-3	-2	-4	-3
Total Group	69	61	64	75	74	62	69	77

NOTE 3 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

SEKm	2022		2021		2021	
	31 Mar		31 Mar		31 Dec	
Financial assets: accrued acquisition value	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Accounts receivables	630	630	442	442	546	546
Other receivables	84	84	74	74	114	114
Cash at bank and on hand	384	384	486	486	360	360
Total	1,098	1,098	1,003	1,003	1,021	1,021
Financial liabilities: accrued acquisition value						
Factoring credit line	286	286	203	203	273	273
Lease liabilities	20	20	25	25	24	24
Liabilities to associated companies	10	10	4	4	14	14
Account payables	317	317	220	220	382	382
Non-current liabilities to credit institutions	1,350	1,350	950	950	1,350	1,350
Other liabilities	335	335	218	218	310	310
Total	2,318	2,318	1,620	1,620	2,351	2,351
Derivatives used for hedging						
Current assets						
Cash flow hedges	3	3	7	7	1	1
Current liabilities						
Cash flow hedges	16	16	11	11	12	12
Other derivatives						
Current assets						
Cash flow hedges						
Current liabilities						
Cash flow hedges	17	17	-	-	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 98m 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

The preliminary purchase price on a cash and debt free basis amounted to SEK 654m on the acquisition date. Included in the preliminary purchase price was an estimation of the value of the net cash of the acquired company. After the acquisition date, the valuation of this net cash position has been adjusted to SEK 26m and the preliminary purchase price to SEK 644m. Transferred compensation amounts to SEK 670m. Final purchase price will be determined during the first half of 2022.

Effects from acquisitions, SEKm			
Preliminary disclosed values on identified net assets	Book value	Fair value adjustment	Fair value
Trademark	-	31	31
Customer relations	0	218	219
Buildings and land	10	-	10
Machinery and plant	19	-	19
Deferred tax assets	0	8	8
Total non-recurrent assets	30	258	287
Inventories	20	-	20
Accounts receivable	35	-	35
Income tax receivables	5	-	5
Cash and cash equivalents	58	-	58
Total current assets	117	-	117
Total assets	147	258	405
Provisions for pension	-	-31	-31
Deferred tax liabilities	-4	-66	-70
Total non-current liabilities	-4	-97	-102
Accounts payables and other current liabilities	-16	-	-16
Total current liabilities	-16	-	-16
Net identified assets and liabilities	127	160	287
Goodwill		382	382
Transferred compensation			670

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.

Key figures

SEKm	2022	2021	2021
	Q1	Q1	Full year
Net sales growth, %	36	-7	6
EBITDA margin, %	22.6	17.4	11.6
Adjusted EBITDA-margin, % ¹	22.6	17.4	14.1
Operating margin, %	19.2	13.8	6.8
Adjusted operating margin, % ^{1, 2}	19.2	13.8	10.3
Cash flow from operating activities	53	47	408
Cash conversion, %	48.8	92.5	67.5
Return on operating capital, 12m, %	20.5	23.7	15.9
Return on equity, 12m, %	37.1	21.4	24.6
Working capital	542	509	378
Operating capital	2,098	1,359	1,891
Interest-bearing debts	1,689	1,179	1,678
Net debt /equity, %	171.2	105.1	225.3
Net debt/EBITDA 12m, ratio	2.8	1.7	3.7
Equity ratio, %	22.2	26.9	18.0
Working capital % of net sales, 12m	12.2	16,3	13.1
Investments	37	14	180
Sales volumes, ktonnes	77	75	281
Number of employees at end of period	675	636	688
Number of shares, end of period	66,908,800	66,908,800	66,908,800
Earnings per share, SEK	2.42	1.21	2.15

¹ 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

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 Q1	2021 Q1	2021 Full year
Operating result	202	106	208
Depreciation, amortisation and impairment	35	28	150
EBITDA, SEKm	237	134	358
Significant items affecting comparability	-	-	76
Adjusted EBITDA, SEKm	237	134	434
EBITDA MARGIN SEKm	2022 Q1	2021 Q1	2021 Full year
EBITDA	237	134	358
Net sales	1,052	772	3,083
EBITDA margin, %	22.6	17.4	11.6
Significant items affecting comparability	-	-	76
Adjusted EBITDA margin, %	22.6	17.4	14.1
OPERATING MARGIN SEKm	2022 Q1	2021 Q1	2021 Full year
Operating profit	202	106	208
Net sales	1,052	772	3,083
Operating margin, %	19.2	13.8	6.8
Significant items affecting comparability	-	-	108
Adjusted operating margin, %	19.2	13.8	10.3
CASH CONVERSION SEKm	2022 Q1	2021 Q1	2021 Full year
EBITDA 12m	461	418	358
Change in working capital	-33	73	64
Investments, 12 m *	-203	-104	-180
Total	225	387	242
EBITDA, 12 m	461	418	358
Cash conversion %, 12 m	48.8	92.5	67.5
WORKING CAPITAL SEKm	2022 Q1	2021 Q1	2021 Full year
Inventories	535	422	472
Accounts receivables	630	442	546
Other operating receivables excl derivatives	111	101	149
Accounts payables	-317	-220	-382
Other operating liabilities excl derivatives	-418	-237	-406
Net working capital	542	509	378
Net working capital, 12 m	410	466	402
Net sales, 12 m	3,363	2,849	3,083
Working capital, % of net sales, 12 m	12.2	16.3	13.1

* The acquisition of Glassine Canada Inc is not included

OPERATING CAPITAL	2022	2021	2021
SEKm	Q1	Q1	Full year
Net working capital	542	509	378
Intangible assets	1,008	348	981
Tangible assets	738	645	719
Deferred tax receivables/liabilities	-190	-142	-187
Operating capital	2,098	1,359	1,891
Operating profit, 12m	304	306	208
Operating capital, 12m	1,480	1,291	1,308
Return on operating capital, % 12m	20.5	23.7	15.9
NETTOSKULD	2022	2021	2021
MSEK	Q1	Q1	Full year
Net working capital	1,350	950	1,350
Intangible assets	12	14	14
Tangible assets	33	-	31
Deferred tax receivables/liabilities	286	203	273
Lease liabilities, short term	8	11	10
Interest-bearing debt	1,689	1,179	1,678
Cash and cash equivalents	384	486	360
Net debt/net cash (+/-)	1,305	692	1,317
EBITDA, 12m	461	418	358
Net debt/EBITDA 12m, ratio	2.8	1.7	3.7
NET DEBT/EQUITY	2022	2021	2021
SEKm	Q1	Q1	Full year
Net debt/net cash (+/-)	1,305	692	1,317
Equity	762	659	585
Net debt/Equity ratio	171.2	105.1	225.3
EQUITY RATIO	2022	2021	2021
SEKm	Q1	Q1	Full year
Equity	762	659	585
Total assets	3,429	2,447	3,252
Net debt/Equity, %	22.2	26.9	18.0
RETURN ON EQUITY	2022	2021	2021
SEKm	Q1	Q1	Full year
Equity	762	659	585
Equity, 12m	607	1,010	587
Profit after tax, 12m	225	216	144
Return on equity 12m, %	37.1	21.4	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 12M value has not been adjusted for the effect of the transition to IFRS 16 as of January 1, 2019. The 12 months value provides comparison that reflect both current and seasonal variations, which improves the ability to make comparisons over time.

Parent company

CONDENSED INCOME STATEMENT

SEKm	2022	2021	2021
	Q1	Q1	Full year
Net sales	11	9	49
Other operating income	0	12	18
Other external costs	-13	-10	-57
Personnel costs	-8	-4	-15
Other operating costs	-19	-34	-46
Operating profit	-29	-27	-51
Profit/Loss from participations in associated companies	-	-	106
Financial income and similar items	13	0	0
Financial costs and similar items	-9	-4	-12
Profit after net financial items	-25	-31	42
Appropriations	-	0	221
Profit before tax	-25	-31	263
Tax	8	-1	-41
Profit for the period and summarised comprehensive income	-17	-32	222

CONDENSED BALANCE SHEET

SEKm	2022	2021	2021
	31 Mar	31 Mar	31 Dec
Shares in group companies	1,165	896	1,165
Receivables from group companies	421	-	401
Deferred tax	4	0	3
Total non-current assets	1,589	896	1,568
Receivables from group companies	236	200	242
Income tax receivables	21	27	1
Prepaid expenses and accrued revenue	0	-5	11
Cash and cash equivalents	457	616	479
Total current assets	714	838	733
Total assets	2,302	1,734	2,302
Share capital	19	19	19
Retained earnings	494	405	272
Result for the period	-17	-32	222
Total equity	496	392	513
Untaxed reserves	398	386	399
Liabilities to credit institutions	1,350	950	1,350
Total non-current liabilities	1,350	950	1,350
Liabilities to group companies	-	-	2
Accounts payables	1	0	13
Derivatives	34	-	15
Other liabilities	0	0	0
Accrued expenses and prepaid revenue	23	4	10
Total current liabilities	58	5	40
Total equity and liabilities	2,302	1,734	2,302

CONFERENCE CALL

On the publication of the report, a telephone conference will be held on Thursday 28 April at 11:00 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

Sweden	08-506 921 85
United States	19177200178
United Kingdom	08003767425
International dial-in number	+44 (0) 203 0095710

PIN code 8352257#

FINANCIAL CALENDAR

Annual general meeting 2022 – 19 May 2022

Interim report Q2 2022 – 20 July 2022

Interim report Q3 2022 – 28 October 2022

Year-end report 2022 – 27 January 2023

For further information, please contact:

Niclas Eriksson, CFO

Tel: +46 705 654 257

E-mail: niclas.eriksson@nordic-paper.com

Henrik Essén, Head of Strategy and IR

Tel: +46 730 573 801

E-mail: henrik.essen@nordic-paper.com

NORDIC PAPER IN BRIEF

Nordic Paper is a leading specialty paper producer with its base 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. Nordic Paper had in 2021 net sales of approximately SEK 3,100m, about 690 employees and is listed on Nasdaq Stockholm. www.nordic-paper.com