

*Denna kallelse till obligationsinnehavarna är endast utformad på engelska.*

Stockholm, 16 September 2019

**To the Noteholders in:**

**ISIN: SE0010297804 – Rottneros AB (publ) - up to SEK 600,000,000 (with an aggregate amount outstanding of SEK 400,000,000) senior unsecured floating rate notes (the "Notes")**

**NOTICE OF WRITTEN PROCEDURE – REQUEST TO WAIVE A PROVISION IN THE TERMS AND CONDITIONS**

**This voting request for procedure in writing (the "Written Procedure") has been sent on 16 September 2019 to Noteholders directly registered in the debt register (Sw. *skuldbok*) kept by Euroclear Sweden AB (the "CSD") on 9 September 2019. If you are an authorised nominee under the Swedish Financial Instruments Accounts Act (Sw. *lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*) or if you otherwise are holding Notes on behalf of someone else on a Securities Account (as defined below), please forward this notice to the holder you represent as soon as possible. For further information, please see below under Section 5.3 (*Voting rights and authorisation*).**

Nordic Trustee & Agency AB (publ) acts as agent (the "**Agent**") for the noteholders of the Notes (the "**Noteholders**") in the above mentioned notes issue ISIN SE0010297804 (with an aggregated amount outstanding of SEK 400,000,000) issued by Rottneros AB (publ), Reg. No. 556013-5872, (the "**Issuer**" or "**Rottneros**"). In its capacity as Agent, and as requested by the Issuer, the Agent hereby initiates a procedure in writing, whereby Noteholders can vote for or against the Issuer's requests.

All capitalised terms used herein and not otherwise defined in this notice (the "**Notice**") shall have the meanings assigned to them in the terms and conditions of the Notes (the "**Terms and Conditions**").

Noteholders participate by completing and sending the voting form, attached hereto as Schedule 1 (the "**Voting Form**"), and, if applicable, the power of attorney/authorisation, attached hereto as Schedule 2 (the "**Power of Attorney**") or other sufficient evidence, if the Notes are held in custody other than by the CSD, to the Agent. Please contact the securities firm you hold your Notes through if you do not know how your Notes are registered or if you need authorisation or other assistance to participate.

The Agent must receive the Voting Form no later than **14:00 (CET) on 10 October 2019** either by mail, courier or email to the Agent using the contact details set out in Section 5.7 (*Address for sending replies*) below. Votes received thereafter may be disregarded.

To be eligible to participate in the Written Procedure, a person must meet the criteria for being a Noteholder on 23 September 2019 (the "**Record Date**"). This means that the person must be registered on a Securities Account (as defined in the Terms and Conditions) with the CSD, as a direct registered

owner (Sw. *direktregistrerad ägare*) or authorised nominee (Sw. *förvaltare*) with respect to one or several Notes.

The Issuer has appointed Swedbank AB (publ) as solicitation agent (the "**Solicitation Agent**") for the purpose of the Written Procedure. The Solicitation Agent is agent of the Issuer and owes no duty to any Noteholder or person authorised by a Noteholder. Nothing herein shall constitute a recommendation to the Noteholders by the Solicitation Agent. The Request (as defined below) is made solely by the Issuer and is presented to the Noteholders without any evaluation, advice or recommendations from the Solicitation Agent. The Noteholders must independently evaluate whether the Request is acceptable for such Noteholder and vote accordingly.

## **1. Indicative Timetable**

<b>16 September 2019</b>	Announcement of the Written Procedure.
<b>23 September 2019</b>	Record Date for the Noteholders to be eligible to vote.
<b>1 October 2019</b>	Deadline for receipt by the Agent of a valid vote from Noteholders to be eligible for Early Bird Fee (as defined below).
<b>10 October 2019 (at the latest)</b>	Deadline for receipt by the Agent of a valid vote from Noteholders to participate in the Written Procedure.
<b>10 October 2019 (at the latest)</b>	Day for announcement of result of the Written Procedure.
<b>4 November 2019 (at the latest)</b>	Extraordinary general meeting of shareholders ("EGM").
<b>5 November 2019 (Business Day after EGM)</b>	Record date for the Base Fee (as defined below).
<b>12 November 2019</b>	Expected date for payment of Base Fee and Early Bird Fee.

## **2. Background**

Rottneros' operational development has improved positively since its inaugural bond issue in August 2017. As a result, sales have increased and margins improved. The proceeds from the issue of the Notes were mainly used toward investments within the investment programme Agenda 500. The investment programme Agenda 500 (with total investments in production facilities of SEK 800m) was finalized in end of 2018. The purpose of the investments was to increase capacity, to achieve a better product quality and improve the environmental performance. Rottneros has since the completion of Agenda 500 increased its capacity, achieving a new quarterly production record in Q2 2019. Total production in 2018 amounted to c. 400,000 tonnes and the estimated installed capacity amounts as of today to c. 440,000 tonnes. Between 2016 and 2018 the pulp market has been strong and Rottneros has acknowledged high pulp prices. Rottneros follows its strategy to focus on selected niches in the market. As a result, sales have increased and reached SEK 2.4bn (rolling 12 months) as of 30 June 2019. As a consequence of the global economic slowdown, the pulp market has decreased since autumn

2018. There are however global macro trends such as an increased population, a larger middle class and a continued urbanization which will increase demand for textiles, packaging solutions and tissues/other soft paper

All the above products can be produced from pulp in order to meet global demand and help sustainable development. At the same time, as Rottneros sees a continued increasing demand, capacity is not developed to the same extent going forward as historically – a fact that should lead to a continued balanced market. The expected investments going forward are estimated to c. SEK 100m per year, in order to continue to further fine tune the facilities and to reach a higher capacity utilization and to uphold technical status at the production facilities.

To summarize, Rottneros has built a strong balance sheet with a low leverage and low gearing and has since the completion of Agenda 500 accumulated a strong excess cash position (SEK 337m as of 30 June 2019). The current status of Rottneros production facilities in combination with continued positive forecasts for its products should imply strong continued cash flows.

As a result of the excess cash position, Rottneros seeks to create additional shareholder value via one extra cash dividend payment of 0.70 SEK/share, being approximately SEK 107m in total, to be paid to the shareholders of Rottneros during the financial year 2019 (the "**Dividend**"). The total amount of shares in Rottneros as of the date hereof is 153,393,890 whereof Rottneros holds 821,965.

### **3. Waiver Request**

#### **3.1 Waiver**

During the second quarter of 2019, the Issuer made a Distribution of approximately SEK 107m, which corresponded to approximately 48 per cent of the Issuer's consolidated net profit after taxes based on the audited annual accounts for 2018. As a result, the Issuer has made the assessment that paying the Dividend to the holders of ordinary shares in the Issuer as described in Section 2 above is likely to constitute a breach of Clause 11.8.1 of the Terms and Conditions as it would entail that the limit for Distributions of 50 per cent. of the Issuer's consolidated net profit after taxes based on the audited annual accounts for 2018, as set out in the Terms and Conditions, would be exceeded. The Issuer therefore kindly proposes and requests that, in accordance with Clause 16 (*Decisions by Noteholders*) of the Terms and Conditions, the Noteholders consent to waive any breach of Clause 11.8.1 of the Terms and Conditions that would result from the payment of the Dividend (the "**Request**").

Provided that (i) a requisite majority, being more than fifty (50) per cent of the Adjusted Nominal Amount for which Noteholders reply in the Written Procedure, has voted in favour of the Request (ii) and the conditions set out below in Section 3.2 are satisfied, Clause 11.8.1 of the Terms and Conditions shall be deemed waived in relation to the Dividend.

#### **3.2 Effective Date**

The Request shall be deemed to be approved immediately upon expiry of the voting period and receipt of the required quorum and majority as set forth in Section 5.5 and 5.6 below or if earlier, when a requisite majority of consents of the Adjusted Nominal Amount have been received by the Agent.

The Issuer and the Agent shall in accordance with Clause 16.15 of the Terms and Conditions publish information about the decision in relation to the Request on their respective websites.

Please note that although the Issuer intends pay the Dividend, it has no obligation to do so even if the Request is approved by the Noteholders.

#### **4. Risks and other Considerations**

For the avoidance of doubt, the above risk assessments and considerations are provided by the Issuer.

##### **4.1 Trading in the Notes**

If the Request is approved, the trading in the Notes may be adversely affected during a limited period of time until the Base Fee and Early Bird Fee has been distributed to the Noteholders.

##### **4.2 Responsibility for complying with the procedures of the Request**

Noteholders are responsible for complying with all of the procedures for submitting a Voting Form. None of the Issuer, the Agent or the Solicitation Agent assumes any responsibility for informing any Noteholder of irregularities with respect to such Noteholder's participation in the Written Procedure (including any errors or other irregularities, manifest or otherwise, in any Voting Form).

##### **4.3 Responsibility to consult advisors**

Each Noteholder is solely responsible for making its own independent evaluation of all matters as such Noteholder deems appropriate (including those relating to the Request and the Issuer), and each Noteholder must make its own decision as to whether to participate in the Request. Noteholders should consult their own tax, accounting, financial and legal adviser regarding the impact to themselves of voting in favour for or against the Request. None of the Issuer or the Solicitation Agent nor any director, officer, employee, agent or affiliate of any such person, is acting for any Noteholder or will be responsible for providing any protections which would be afforded to its clients to any such Noteholder or for providing advice in relation to the Request. None of the Issuer, the Agent or the Solicitation Agent, nor any director, officer, employee, agent or affiliate of any such person, makes any recommendation as to whether such Noteholders should vote in favour for or against the Request.

#### **5. Written Procedure**

The following instructions need to be adhered to under the Written Procedure.

##### **5.1 Final date to participate in the Written Procedure**

The Agent must have received the votes by mail, courier or email to the address indicated below no later than **14:00 hours (CET), 10 October 2019**. Votes received thereafter as well as incomplete or inaccurate voting forms may be disregarded.

Please note that Noteholders voting in favour of the Request by submitting a valid Voting Form no later than by **14:00 (CET) on 1 October 2019** are eligible to receive an Early Bird Fee (as defined below).

Please refer to Section 6 (*Fees*) for further information about the deadline and conditions in order to be eligible for the Base Fee (as defined below) and the Early Bird Fee.

##### **5.2 Decision procedure**

The Agent will determine if received replies are eligible to participate under the Written Procedure as valid votes.

When a requisite quorum and majority of consents of the total Adjusted Nominal Amount have been received by the Agent, the Request shall be deemed to be accepted, even if the time period for replies in the Written Procedure has not yet expired.

Information about the decision taken under the Written Procedure will: (a) be sent by notice to the Noteholders and (b) be published on the websites of (i) the Issuer and (ii) the Agent.

A matter decided under the Written Procedure will be binding for all Noteholders, irrespective of them responding in the Written Procedure.

### **5.3 Voting rights and authorisation**

Anyone who wishes to participate in the Written Procedure must on the Record Date:

- (a) be registered as a direct registered owner of one or several Notes on a Securities Account in the debt register; or
- (b) be registered as an authorised nominee on a Securities Account, with respect to one or several Notes in the debt register.

### **5.4 Notes registered with a nominee**

If you are not registered as a direct registered owner, but your Notes are held through a registered authorised nominee or another intermediary, you may have two different options to influence the voting for the Notes.

1. You can ask the authorised nominee or other intermediary that holds the Notes on your behalf to vote in its own name as instructed by you; or
2. you can obtain a Power of Attorney (Schedule 2) from the authorised nominee or other intermediary and send in your own Voting Form based on the authorisation. If you hold your Notes through several intermediaries, you need to obtain authorisation directly from the intermediary that is registered in the debt register as noteholder of the Securities Account, or from each intermediary in the chain of noteholders, starting with the intermediary that is registered in the debt register as a Noteholder of the Securities Account as authorised nominee or direct registered owner.

Whether one or both of these options are available to you depends on the agreement between you and the authorised nominee or other intermediary that holds the Notes on your behalf (and the agreement between the intermediaries, if there are more than one).

The Agent recommends that you contact the securities firm that holds the Notes on your behalf for assistance, if you wish to participate in the Written Procedure and do not know how your Notes are registered or need authorisation or other assistance to participate.

Notes owned by the Issuer, another Group Company or an Affiliate do not entitle to any voting rights.

### **5.5 Quorum**

To approve the Request, Noteholders representing at least twenty (20) per cent of the Adjusted Nominal Amount must reply to the request under the Written Procedure in order to form a quorum.

If a quorum does not exist, the Agent shall initiate a second Written Procedure, provided that the relevant Request has not been withdrawn by the Issuer. No quorum requirement will, in

accordance with Clause 16.8 of the Terms and Conditions apply to such second Written Procedure.

## **5.6 Majority**

More than fifty (50) per cent of the Adjusted Nominal Amount for which Noteholders reply under the Written Procedure must consent to the Request.

## **5.7 Address for sending replies**

Return the Voting Form, as set out in Schedule 1, and, if applicable, the Power of Attorney/Authorisation set out in Schedule 2 or other sufficient evidence, if the Notes are held in custody other than by Euroclear Sweden, by regular mail, scanned copy by e-mail, or by courier to:

### **By regular mail:**

Nordic Trustee & Agency AB (publ)  
Attn: Written Procedure / Rottneros AB (publ)  
P.O. Box 7329  
S-103 90 Stockholm

### **By courier:**

Nordic Trustee & Agency AB  
Attn: Written Procedure / Rottneros AB (publ)  
Norrländsgatan 23  
111 43 Stockholm

### **By email:**

E-mail: [voting.sweden@nordictrustee.com](mailto:voting.sweden@nordictrustee.com)

## **6. Fees**

### **6.1 Base Fee and Early Bird Fee**

Subject to satisfaction of the conditions set forth below in Section 6.2, the Issuer will pay a base fee (the "**Base Fee**") to all Noteholders if the Request is approved under the Written Procedure. The Base Fee, which will be an amount equal to 0.1 per cent of the Nominal Amount of each Note, shall be calculated based on the aggregate principal amount held by the relevant Noteholder on the Record Date for Noteholders to be eligible to receive the Base Fee. Please note that this means that a Noteholder that has voted in the Written Procedure but is not registered in the debt register as a direct registered owner (Sw. *direktregistrerad ägare*) or nominee (Sw. *förvaltare*) with respect to one or several Notes on 5 November 2019 will not be entitled to the Base Fee.

Subject to satisfaction of the conditions set forth below in Section 6.2, Noteholders voting in favour of the Request by submitting a valid Voting Form no later than by **14:00 (CET) on 1 October 2019** are eligible to receive an early bird fee (the "**Early Bird Fee**") in an amount of 0.2 per cent of the Nominal Amount of each Note voted for.

The Agent does not administer the Base Fee or the Early Bird Fee and is not involved in or in any way responsible for the Base Fee or the Early Bird Fee.

## 6.2 Fee conditions

Payment of the Base Fee and the Early Bird Fee as stated above is conditional upon:

- (a) the quorum and majority requirements being satisfied such that the Request is approved in this Written Procedure; and
- (b) the shareholders of the Issuer resolving at an extraordinary general meeting of the Issuer to distribute the Dividend to the holders of ordinary shares in the Issuer.

Further, in order to be eligible to receive the Early Bird Fee, the latest time and date for receipt by the Agent of a duly completed Voting Form from the Noteholder in favour of the Request is at **14.00 (CET) on 1 October 2019** either by regular mail, courier or email using the contact details set out in Section 5.7 (*Address for sending replies*) above. Noteholders whose votes are received after such date and time or that do not vote in favour of the Request will not be eligible to receive the Early Bird Fee but can still receive the Base Fee if the other conditions above are fulfilled.

## 6.3 Payment of fees

Any payment of the Base Fee will be effected to Noteholders through Euroclear Sweden AB, which will credit the income account (Sw. *avkastningskonto*) to which interest payments on the Notes are made to the relevant Noteholder.

Any payment of the Early Bird Fee will be effected by Swedbank AB (publ) acting as paying agent (the "**Paying Agent**"). Payment will be made to the account stated by the Noteholder in the completed Voting Form in the designated format set out in Schedule 1 (*Voting Form*). Noteholders who wish to receive the Early Bird Fee must provide their account details in the Voting Form. By submitting a Voting Form, Noteholders consent to that the Agent may share copies of the Voting Form with the Paying Agent in order for the Paying Agent to administer payment of any Early Bird Fee which the Noteholder may be entitled to in accordance with this Notice.

The expected settlement date for payment of fees is 12 November 2019. Payments are expected to be made without withholding or deduction for any applicable taxes and each Noteholder must make its own determination as to whether or not it is required to pay tax on any amounts it receives in connection with the Request.

Please note that a Noteholder will only be eligible to receive the Base Fee if (i) the Noteholder has submitted a duly completed Voting Form in favour of the Request by no later than **14:00 hours (CET), 10 October 2019** (ii) and the Noteholder is registered in the debt register as a direct registered owner or nominee with respect to one or several Notes on **5 November 2019**.

## 6.4 General

The Issuer may, at its option and in its sole discretion, at any time amend, extend, re-open or terminate the Written Procedure or the terms of the Written Procedure in accordance with the terms and conditions of the Notes.

## 7. Role of the Agent

The role of the Agent under this written procedure is solely mechanical and administrative in nature. The information set out herein is presented to the Noteholders without any evaluation, advice or recommendations from the Agent whatsoever. The Agent is not an adviser to any party and has not reviewed or assessed the information set out herein from a legal or commercial

perspective of the Noteholders and the Agent expressly disclaims any liability whatsoever related to the content of this Notice (or the effect(s) of the Request, should it be adopted).

## **8. Further Information**

For further questions to the Issuer, regarding the request, please contact CFO Monica Pasanen at [monica.pasanen@rottneros.com](mailto:monica.pasanen@rottneros.com) or + 46 70 581 40 19.

For further questions to the Agent, regarding the administration of the Written Procedure, please contact the Agent at [sweden@nordictrustee.com](mailto:sweden@nordictrustee.com) or +46 8 783 79 00.

For further questions to the Solicitation Agent or the Paying Agent please contact the Solicitation Agent or Paying Agent (as applicable) at [Syndicate@swedbank.se](mailto:Syndicate@swedbank.se).

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Stockholm, 16 September 2019

NORDIC TRUSTEE & AGENCY AB (PUBL)

As Agent

Enclosed:

<b>Schedule 1</b>	Voting Form
<b>Schedule 2</b>	Power of Attorney/Authorisation



# VOTING FORM

## Schedule 1

**For the Written Procedure in Rottneros AB (publ) up to SEK 600,000,000 (with an aggregate amount outstanding of SEK 400,000,000) senior unsecured floating rate notes, ISIN: SE0010297804**

The undersigned Noteholder or authorised person/entity (the “**Voting Person**”), votes either Yes or No to the Request by marking the applicable box below.

*NOTE: If the Voting Person is not directly registered as Noteholder on the relevant Securities Account held with Euroclear Sweden (as defined in the Terms and Conditions), the Voting Person must enclose a Power of Attorney/Authorisation, see Schedule 2. Noteholders should note that a Voting Form given in respect of the Written Procedure shall remain valid for any second Written Procedure initiated, should the quorum requirement not be met.*

☐ **Yes**, I am voting for the Request (and confirming that the Agent may share copies of this Voting Form with the Paying Agent in order for the Paying Agent to administer payment of any Early Bird Fee which the Voting Person may be entitled to in accordance with the notice of the Written Procedure)

☐ **No**, I am voting against the Request

The undersigned hereby confirms (by putting a cross in the appropriate box above) that this Voting Form shall constitute a vote also for a second Written Procedure (if any) pursuant to the Terms and Conditions with respect to the Request.

Name of the Voting Person: \_\_\_\_\_

Capacity of the Voting Person:                      Noteholder: ☐ <sup>1</sup>      authorised person: ☐ <sup>2</sup>

Voting Person's reg.no/id.no

and country of incorporation/domicile: \_\_\_\_\_

Securities Account number at Euroclear Sweden:

(if applicable) \_\_\_\_\_

Name and Securities Account number of custodian(s):

(if applicable) \_\_\_\_\_

Nominal Amount voted for (in SEK): \_\_\_\_\_

Bank account for payment of potential Early Bird Fee: \_\_\_\_\_

Day time telephone number, e-mail address and contact person: \_\_\_\_\_

\_\_\_\_\_  
Authorised signature and Name <sup>3</sup>

\_\_\_\_\_  
Place, date:

<sup>1</sup> When voting in this capacity, no further evidence is required.

<sup>2</sup> When voting in this capacity, the person/entity voting must also enclose Power of Attorney/Authorisation (Schedule 2) from the Noteholder or other proof of authorisation showing the number of votes held on the Record Date.

<sup>3</sup> If the undersigned is not a Noteholder according to the Terms and Condition and has marked the box "authorised person", the undersigned – by signing this document – confirms that the Noteholder has been instructed to refrain from voting for the number of votes cast with this Voting Form.

## POWER OF ATTORNEY/AUTHORISATION

### *Schedule 2*

**For the Written Procedure in Rottneros AB (publ) up to SEK 600,000,000 (with an aggregate amount outstanding of SEK 400,000,000) senior unsecured floating rate notes, ISIN: SE0010297804**

*NOTE: This Power of Attorney/Authorisation document shall be filled out if the Voting Person is not directly registered as a Noteholder on the Securities Account, held with Euroclear Sweden. There must always be a coherent chain of powers of attorney derived from the Noteholder. In essence, if the person/entity filling out this Power of Attorney/Authorisation in its capacity as "other intermediary", the person/entity must enclose its Power of Attorney/Authorisation from the Noteholder.*

Name of person/entity that is given authorisation (Sw. *Befullmäktigad*) to vote as per the Record Date:

\_\_\_\_\_

Nominal Amount (in SEK) the person/entity is authorised to vote for as per the Record Date:

\_\_\_\_\_

Name of Noteholder or other intermediary giving the authorisation (Sw. *Fullmaktsgivaren*):

\_\_\_\_\_

We hereby confirm that the person/entity specified above (Sw. *Befullmäktigad*) has the right to vote for the Nominal Amount set out above.

We represent an aggregate Nominal Amount of: SEK \_\_\_\_\_

We are:

☐ Registered as Noteholder on the Securities Account

☐ Other intermediary and holds the Notes through (specify below):

\_\_\_\_\_

Place, date: \_\_\_\_\_

\_\_\_\_\_  
Name:

Authorised signature of Noteholder / other intermediary (Sw. *Fullmaktsgivaren*)

# Supplement to Notice of Written Procedure

*16 September 2019*





# Important information

**Acceptance of limitations:** The information in this presentation (the "Material") is furnished by Rottneros AB (publ), Reg. No. 556013-5872 ("Rottneros" or "the Company") solely for the recipient's information. The intended recipients are the noteholders of the Company's outstanding SEK 400,000,000 senior unsecured bond (ISIN SE0010297804) in relation to a written procedure ("the Written Procedure"). By attending a meeting where the Material is presented, or by reading the Material, you agree to be bound by the terms, conditions, limitations and notifications described below.

**Use of the Material:** This Material does neither constitute an offer to sell nor a solicitation of an offer to buy any securities, and it does not constitute any form of commitment or recommendation in relation thereto or in relation to the Written Procedure. No representation or warranty (expressed or implied) is made as to, and no reliance should be placed on, the fairness, accuracy or completeness of the information in the Material.

**No financial advice:** Swedbank AB (publ) (the "Solicitation Agent") is not giving and is not intending to give financial advice to any existing or potential investor, and this Material shall not be deemed to be financial advice from the Solicitation Agent to any existing or potential investor. Investors should not subscribe for, purchase any financial instruments or securities or make any decisions with respect to the Written Procedure only on the basis of the information provided herein. Investors are encouraged to request from the Company and other sources such additional information as they require to enable them to make informed decisions, to seek advice from their own legal, tax and financial advisors and to exercise an independent analysis and judgment of the merits of the Company and the request set out in the Written Procedure.

**No liability:** Neither the Company nor the Solicitation Agent can be held liable for any loss or damage of any kind arising from the use of the Material.

**Information sources:** The information in this Material is presented by the Company or constitutes publicly available material and has been produced by the Company assisted by the Solicitation Agent exclusively for information purposes. This Material may contain forward-looking statements that reflect the Company's current views with respect to certain future events and potential financial performance. Such statements are only forecasts and no guarantee can be given that such expectations are correct. An investment involves a high level of risk and several factors could cause the actual results or performance of the Company to be different from what may be expressed or implied by statements contained in this Material. No information in this Material has been independently verified by the Solicitation Agent or its advisors and the Solicitation Agent and its advisors assume no responsibility for, and no warranty (express or implied) or representation is made as to, the accuracy, completeness or verification of the information contained in this Material. The information relating to the Company does not constitute a complete overview of the Company and must be supplemented by the reader wishing such completeness.

**Actuality:** The Material is dated 13 September 2019. Neither the Company nor the Solicitation Agent can guarantee that there has been no change in the affairs of the Company since such date, nor do they intend to, and assume no obligation to, update or correct any information included in the Material. The Material may however be changed, supplemented or corrected without notification.

**Conflicts of interest:** The Solicitation Agent and the Solicitation Agent's clients and/or employees may hold shares, options or other securities of any issuer referred to in this report and may, as principal or agent, buy or sell such securities and have, or may in the future, engage in other financing transactions with the Company.

**Prospectus:** The Material is not a prospectus and has not been prepared in accordance with the prospectus requirements in Regulation (EU) 2017/1129. Accordingly, the Material has not been, and will not be, examined, approved or registered by any supervisory authority.

**Distribution:** The information in this Material is not for release, publication or distribution, directly or indirectly, in or into the United States or any other jurisdiction in which such distribution would be unlawful or would require registration or other measures. No securities referred to in this Material have been or will be registered by the Company under the U.S. Securities Act of 1933, as amended (the "Securities Act") or the securities laws of any state of the United States. This Material may not be distributed into or in the United States or to any "US person" (as defined in Rule 902 of Regulation S under the Securities Act).

**Applicable law:** The Material is subject to Swedish law, and any dispute arising in respect of the Material is subject to the exclusive jurisdiction of Swedish courts (with District court of Stockholm as court of first instance).

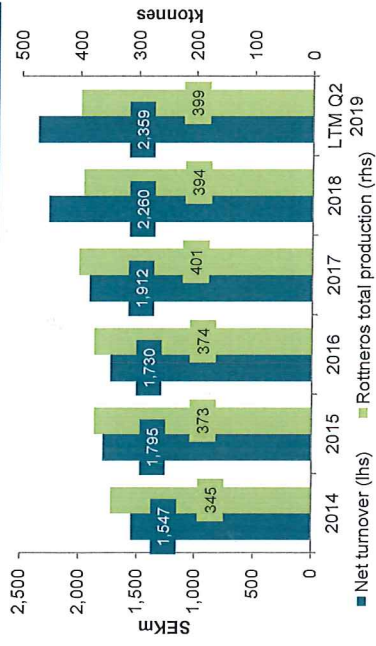


# Background and rationale

- Rottneros operational development has improved positively since its inaugural bond issue in August 2017. As a result, sales have increased and margins improved
  - Rottneros has since its inaugural bond issue in August 2017 experienced a positive operational development with increased sales under improved margins
    - The proceeds from the bond issue were mainly used toward investments within the investment programme Agenda 500
  - The investment programme Agenda 500 (with total investments in production facilities of SEK 800m) was finalized in end of 2018
    - The purpose of the investments was to increase capacity, to achieve a better product quality and improve the environmental performance
  - Rottneros has since the completion of Agenda 500 increased its capacity, achieving a new quarterly production record in Q2 2019
    - Total production in 2018 amounted to c. 400,000 tonnes and the estimated installed capacity amounts as of today to c. 440,000 tonnes
  - Between 2016 and 2018 the pulp market has been strong and Rottneros has acknowledged high pulp prices
    - Rottneros follows its strategy to focus on selected niches in the market
    - As a result, sales have increased and reached SEK 2.4bn (rolling 12 months) as of 30 June 2019
  - As a consequence of the global economic slowdown, the pulp market has decreased since autumn 2018. There are however global macro trends such as an increased population, a larger middle class and a continued urbanization which will increase demand for textiles, packaging solutions and tissues/other soft paper
    - All the above products can be produced from pulp in order to meet global demand and help sustainable development. At the same time, as Rottneros sees a continued increasing demand, capacity is not developed to the same extent going forward as historically – a fact that should lead to a continued balanced market
  - The expected investments going forward is estimated to c. SEK 100m per year, in order to continue to further fine tune the facilities and to reach a higher capacity utilization and to uphold technical status at the production facilities
- 
- To summarize, Rottneros has built a strong balance sheet with a low leverage and low gearing (see figures on next page) and has since the completion of Agenda 500 accumulated a strong excess cash position (SEK 337m as of 30 June 2019)
    - The current status of Rottneros production facilities in combination with continued positive forecasts for its products should imply strong continued cash flows
  - As a result of the excess cash position, Rottneros seeks to create additional shareholder value via an extra dividend payment of 0.70 SEK/share, c. SEK 107m in total
    - Hence, Rottneros seeks approval from its bondholders for such payment

# Key credit metrics

## Net turnover & total production



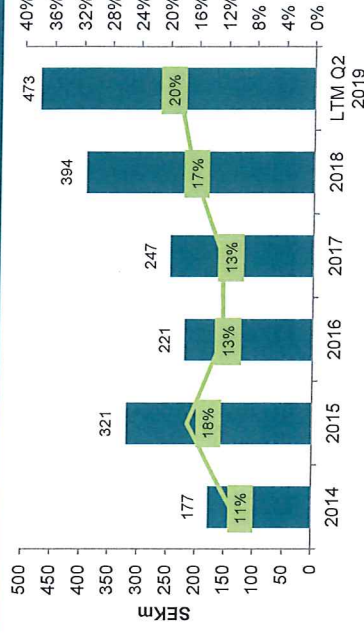
- Increased net turnover during the last years
- Stable production of c. 400,000 tonnes

## Net interest-bearing debt



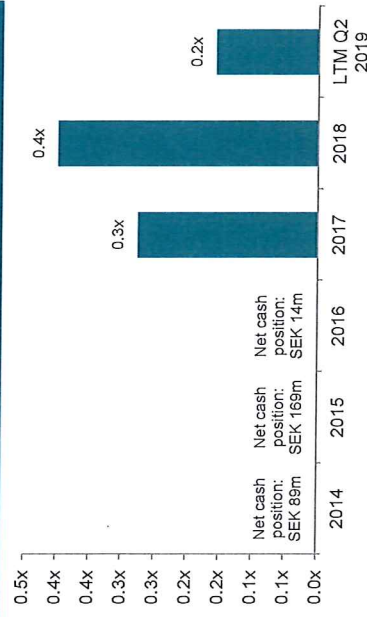
- Strong cash position of SEK 337m and low net interest-debt of SEK 74m as of 30 June 2019

## EBITDA & EBITDA margin



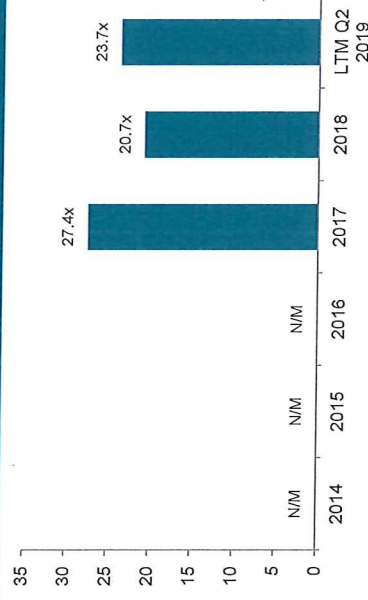
- Strong growth in annual EBITDA
- EBITDA margin nearly doubled since 2014

## Net debt / EBITDA



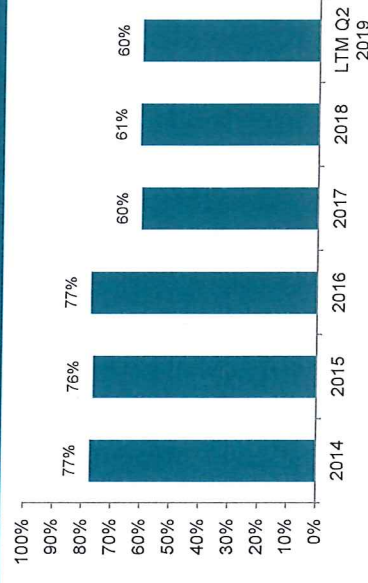
- Low interest-bearing debt to EBITDA of 0.2x and 0.4x after dividend payment of SEK 107m

## EBITDA to net financial expenses



- Very strong interest coverage ratio

## Equity ratio

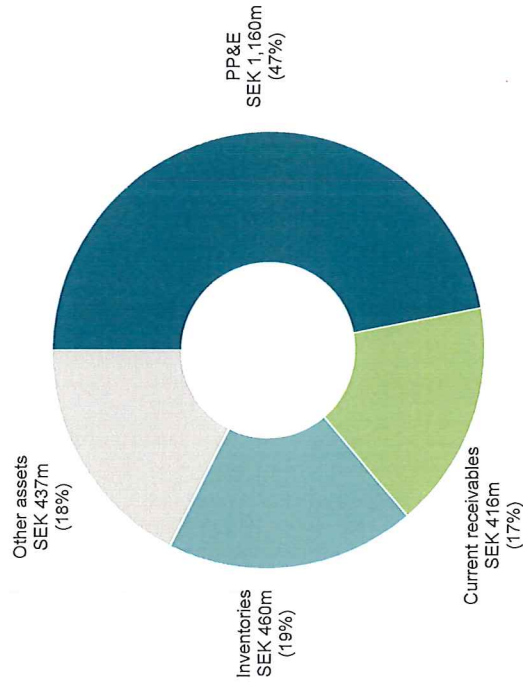


- Stable equity ratio of c. 60% and 59% after dividend payment of SEK 107m



# Balance sheet overview as of 30 June 2019

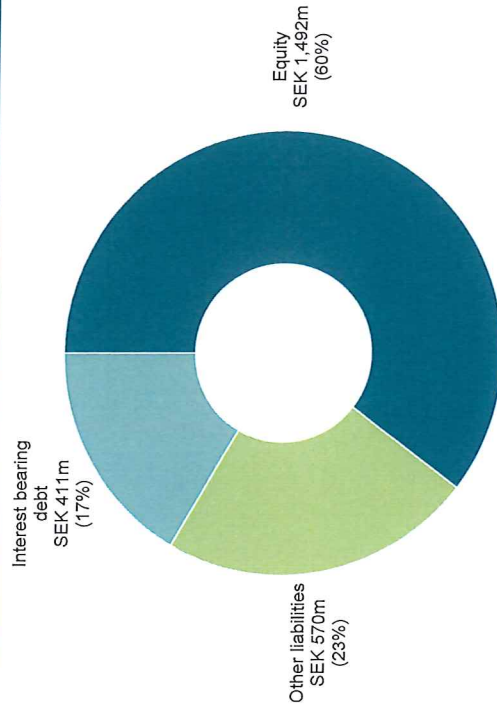
## Assets



## Comments on assets

- The asset base of Rottneros comprises mainly of property, plant and equipment (92% of the non-current assets)
- Inventories amounts to SEK 460m and consists mainly of raw materials & consumables and pulp
- Cash and cash equivalents amounted to SEK 337m

## Equity and Liabilities

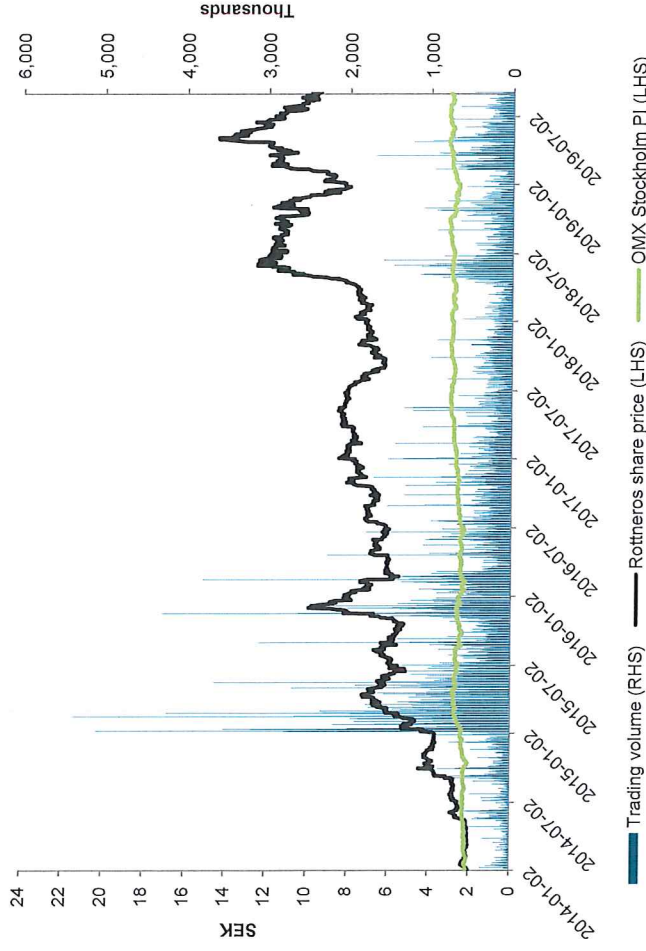


## Comments on equity & liabilities

- Equity of SEK 1,492m, implying an equity ratio of 60% and interest-bearing debt to equity of 0.3x
- Rottneros interest-bearing debt comprises mainly of a senior unsecured bond of SEK 400million (issued in August 2017) with maturity in September 2022. The bonds carries an interest of STIBOR 3m + 415 bps
- Other liabilities consist mainly of account payables and accrued expenses

# Share price development and largest shareholders

## Share price development



## Share information as of 12 September 2019

- Closing share price: SEK 9.6
- Shares outstanding: 153,393,890, whereof Rottneros holds 821,965
- Market capitalization: SEK 1.47bn



## Largest shareholders as of 30 June 2019

Shareholders	Number of shares	% of capital and votes
Arctic Paper S.A	78,230,883	51.0
PROAD AB	9,665,660	6.3
Försäkringsbolaget Avanza Pension	4,353,704	2.8
UBS Switzerland AG, W8IMY	3,127,700	2.0
BNY MELLON SA/NV (Former BNY), W8IMY	2,085,192	1.4
CBNY-DFA-INT SML CAP V	1,512,779	1.0
SEB Investment Management	1,508,415	1.0
BNY MELLON NA (Former MELLON), W9	1,470,305	1.0
Credit Agricole (Suisse) SA, W8IMY without P.R.	1,200,000	0.8
State Street Bank and Trust Co. W9	1,119,275	0.7
<b>Total 10 largest owners, by size of holding</b>	<b>104,273,913</b>	<b>68.0</b>
Other shareholders	48,298,012	31.5
Rottneros AB (treasury stock from buy-back)	821,965	0.5
<b>TOTAL</b>	<b>153,393,890</b>	<b>100.0</b>



# Important dates

- 16 September 2019 \_\_\_\_\_ Announcement of the Written Procedure
- 23 September 2019 \_\_\_\_\_ Record Date for the Noteholders to be eligible to vote
- 1 October 2019 \_\_\_\_\_ Deadline for receipt by the Agent of a valid vote from Noteholders to be eligible for Early Bird Fee
- 10 October 2019 \_\_\_\_\_ Deadline for receipt by the Agent of a valid vote from Noteholders to participate in the Written Procedure
- 10 October 2019 (at the latest) \_\_\_\_\_ Day for announcement of result of the Written Procedure
- 4 November 2019 (at the latest) \_\_\_\_\_ Extraordinary general meeting of shareholders ("EGM")
- 5 November 2019 (the business day after EGM) \_\_\_\_\_ Record date for the Base Fee
- 12 November 2019 (at the latest) \_\_\_\_\_ Expected date for payment of Base Fee and Early Bird Fee



ROTTNEROS

PURE POSSIBILITIES