



PRESS RELEASE

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UPM SIGNED MARITIME TRANSPORT CONTRACT WITH SAGA WELCO AS FOR PULP DELIVERIES FROM URUGUAY

UPM signed a long-term maritime transport agreement for the transportation of its UPM Euca eucalyptus pulp production from the Fray Bentos mill and the new Paso de los Toros pulp mill under construction. UPM pulp will be shipped from the ports of Nueva Palmira and Montevideo to customers around the world.

UPM and Saga Welco AS, which has since 2013 provided sea transport services for UPM delivering the annual 1.3 million tonnes production capacity of the Fray Bentos pulp mill, agreed a new long-term contract which allows positive synergies between the two loading ports used by the company in Uruguay.

New pulp mill to boost UPM Euca deliveries from Uruguay

In summer 2019 UPM started construction of its second pulp mill in Uruguay – a 2.1 million annual tonne greenfield eucalyptus pulp mill near Paso de los Toros in the central part of the country. Simultaneously UPM started building modern port operations specialized in global pulp logistics in the deep seaport of Montevideo and other works to strengthen local infrastructure related to the pulp mill. The project has proceeded according to plans – both pulp production and port operations are scheduled to start in the second half of 2022.

The new pulp mill will grow UPM's current eucalyptus pulp production capacity by more than 50% resulting in a step change in the scale of UPM Euca pulp deliveries and supplies from two mills to global customers in Europe, Asia, and other markets.

UPM Euca is a bleached eucalyptus kraft pulp made from eucalyptus from sustainably managed plantations. The versatile fibre holds the main product certificates and labels as proof of its safe and sustainable origins. UPM Euca is valued for its stable quality and used to manufacture papers for diverse end uses, especially tissue and hygiene products, specialty papers as well as printing and writing papers.

Saga Welco AS

Saga Welco AS is an international shipping company that offers high quality solutions for the transport of forest products and bulk cargoes. The company has its headquarters in Norway and several regional offices in strategic locations around the world. Saga Welco operates the world's largest fleet of open hatch vessels with travelling gantry cranes tailor made for carriage of unitized wood pulp.

The contract with Saga Welco AS guarantees UPM safe and reliable operations, cost competitiveness and operational efficiency in the long term while meeting the highest safety and environmental standards.

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Saga Welco AS is a major operator of "open hatch" bulk carriers. The present fleet consists of 51 sophisticated vessels, all equipped with travelling gantry cranes. The company offers worldwide services through regional offices in Savannah, Vancouver BC, Rio de Janeiro, São Paulo, Antwerp, Livorno, Tokyo, Seoul, Shanghai and Bergen. The head office is located in Tønsberg, Norway.

