

# Press release

29 August 2023

## Nordic Paper decides on strategic investments for Bäckhammar

The Board of Directors of Nordic Paper has today decided to invest approximately SEK 850 m at the Bäckhammar mill. The investment will further improve sustainability performance and strengthen the competitiveness of the plant. An important component of the investment is a new wood room providing for both strategic flexibility in raw material sourcing and efficiency gains in the production. The emissions of dust to air will be reduced by more than two thirds through an installation of a new electrostatic filter. The investments are expected to add about SEK 100 m annually to Nordic Paper EBITDA. Further, the investments set the foundation for future growth in production output.

The investments of today's decision are approved under the current, existing, production permit. A new production permit was granted for the Bäckhammar mill on 31 January 2023. The new production permit was appealed by a third party and has as of today not gained legal force.

- Bäckhammar is a highly competitive production unit. It is also one of the most climate efficient production plants in the global kraft paper industry. With these investments, we further strengthen the competitiveness of the plant at the same time as we improve our environmental performance. The investment decision has been made considering our strong balance sheet and opportunities for organic growth in Bäckhammar in the future, says Nordic Paper CEO Anita Sjölander.

The investments will be carried out 2023-2025 and will be financed through existing credit facilities. The main cash flow effect from these investments will occur in 2024 and 2025 with more than SEK 300 m each year. There will also be a cash flow effect in 2023 most of which in Q4, as well as a minor effect in 2026. The additional EBITDA of about SEK 100 m from the investments will have full effect from 2026.

At Bäckhammar, Nordic Paper manufactures unbleached kraft papers of different qualities primarily for packaging end-uses. The raw material is pulpwood from sustainably managed forests in mid-Sweden as well as sawmill chips. Products made from paper from Bäckhammar include for example sacks for flour, carrier bags and bread pouches. The main market is in Europe but the papers are shipped all over the world.

### Invitation to webcast

Anita Sjölander, CEO of Nordic Paper, and CFO Niclas Eriksson will hold a webcasted telephone presentation followed by a Q&A session tomorrow, Wednesday 30 August, at 9.00 CEST. The presentation will be held in English.

The presentation can be followed on <https://fronto.vancastvideo.com/event/9S2XMblv/8697/?lang=8024>

To participate via telephone and thereby be able to ask questions, please register at <https://services.choruscall.it/DiamondPassRegistration/register?confirmationNumber=9538444&linkSecurityString=126928eb98>

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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 85 countries. Nordic Paper had in 2022 net sales of SEK 4,440m, about 670 employees and is listed on Nasdaq Stockholm. [www.nordic-paper.com](http://www.nordic-paper.com)