

Nordic Paper decides on strategic investments for Bäckhammar

**Webcast presentation
August 30, 2023**

Anita Sjölander, CEO
Niclas Eriksson, CFO
Henrik Essén, Head of IR



Nordic Paper decides on strategic investments for Bäckhammar

- ✓ New wood room providing for strategic flexibility in raw material sourcing and efficiency gains in the production.
- ✓ New electrostatic filter system for substantially improved sustainability performance.
- ✓ Investments of approximately SEK 850 m, to be carried out 2023-2025.
- ✓ Benefits adding about SEK 100 m to EBITDA annually.

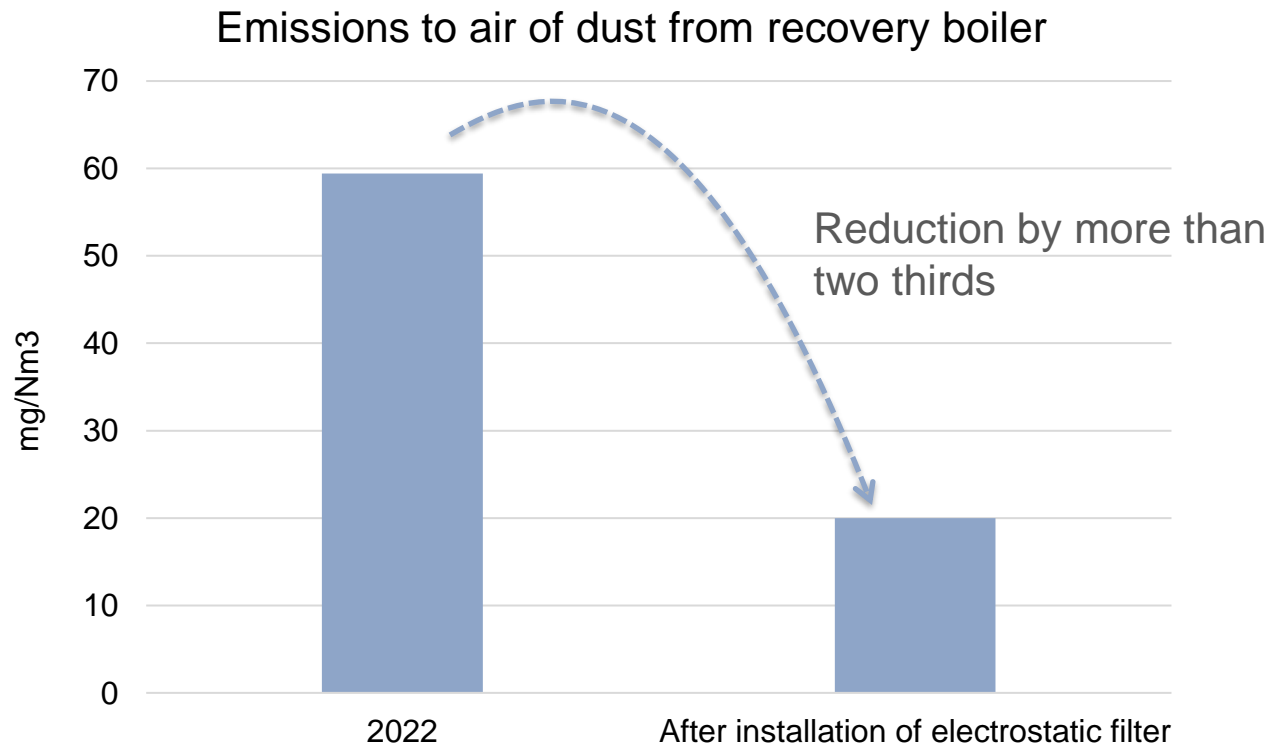


Strategic flexibility in raw material sourcing

- ✓ A wood room separates the bark from the pulpwood and processes the debarked logs to chips.
- ✓ The current wood room operates at full capacity but is not enough for the need of the pulp mill. The gap is currently filled with purchased sawmill chips.
- ✓ The new wood room will have higher capacity than the current and will provide Nordic Paper with flexibility in raw material sourcing.



Substantial improvement in sustainability performance



Investments of today's decision approved under current production permit

- ✓ The Land and Environment Court decided on a new production permit for Bäckhammar on Jan 31 2023.
- ✓ The decision was appealed and Nordic Paper is now waiting for the legal process to proceed before the decision can gain legal force.
- ✓ The investments now decided are approved under the current permit. They set the foundation for future growth in production output once the new production permit gains legal force.

Financing, timing of investment cash flow and EBITDA effect

- ✓ Financed through existing credit facilities
- ✓ Starting point for cash flow for the investments will be in 2023.
- ✓ The largest cash flow will be in 2024 and 2025 with an estimate of more than SEK 300 m each year. There will also be a minor part in 2026.
- ✓ The additional EBITDA from the investments of around SEK 100m from the investments will have full effect from 2026.

Q&A