

## Press release

11 October 2024

### Statement from the Board of Directors on SVP's Public Offer and the Transition to a New Main Owner

*This statement is made by the independent members of the Board of Directors of Nordic Paper Holding AB (publ) ("Nordic Paper" or the "Company") pursuant to Section II.19 of the Swedish Stock Market Self-Regulation Committee's Takeover rules for Nasdaq Stockholm and Nordic Growth Market NGM (the "Takeover Rules").*

The public offer from investment funds managed by Strategic Value Partners LLC and its affiliates, through Coniferous Bidco AB ("Coniferous Bidco" and jointly, "SVP") (the "Offer") marks the conclusion of the process initiated by the Board of Directors to explore interest in a sale of the Company and represents an orderly transition to a new main shareholder.

The Board of Directors unanimously recommends shareholders not to accept the Offer. However, the Board of Directors welcomes SVP, a global investment firm, as a new main owner and notes that the Offer is conditional upon SVP becoming the owner of shares representing at least 48 per cent of the total number of shares in Nordic Paper, being lower than the number of shares that are subject to an irrevocable undertaking from the Company's largest shareholder.

#### **Summary**

On 11 October 2024, Coniferous BidCo, an entity wholly-owned and controlled by SVP, announced a voluntary public offer for all shares in Nordic Paper at a cash consideration of SEK 50 per share (the "Offer Price").

The Offer Price represents:

- A discount of 0.5 per cent compared to the closing price of the Company's shares on 10 October 2024, being the last trading day before the announcement of the Offer.
- A discount of 7.3 per cent compared to the volume-weighted average trading price of SEK 53.93, for the three months ending on 10 October 2024.

In addition, the Board of Directors wishes to highlight the following:

- Shanying International Holding Co. Ltd, ("Shanying"), via its wholly owned subsidiary SUTRIV Holding AB ("SUTRIV"), has entered into an irrevocable undertaking with SVP to accept the Offer, representing 48.16 per cent of the Company's shares, irrespective of whether or not a higher competing offer is announced (the "Irrevocable Commitment"). Consequently, the Offer successfully resolves Shanying's stated intention to divest all or part of its holding in Nordic Paper.
- The Offer has only limited conditionality and, *inter alia*, has an acceptance condition of SVP becoming the owner of shares representing at least 48 per cent of the total number of shares in Nordic Paper, being lower than the number of shares that are subject to the Irrevocable Commitment.

- The Board of Directors' view is that the Offer Price does not reflect the value of the Company and therefore unanimously recommends shareholders not to accept the Offer. This view is supported by a fairness opinion from Ernst & Young AB ("EY") dated 10 October 2024.
- Subject to completion, the Offer will entail a new main shareholder for Nordic Paper, in the form of an international investment firm that could contribute to the future development of the Company.

*"The Board of Directors initiated a process to explore a potential sale of the Company as a result of Shanying's stated intention to divest its stake. We have explored various alternatives, and although the Board of Directors unanimously recommends shareholders not to accept the Offer, we are pleased with today's announcement. This represents an orderly transition to a new main owner, who we believe can contribute to the Company's future development."* – says Thomas Körmeni, Chairman of the independent committee of the Board of Directors.

#### ***Further details on the Offer***

The total value of the Offer is SEK 3,345 million, based on 66,908,800 shares in the Company.

SVP has made statements which, pursuant to the Takeover Rules, means that SVP may not increase the Offer Price.

The acceptance period for the Offer is expected to commence on or around 6 November 2024 and end at or around 11 December 2024. SVP has reserved the right to extend the acceptance period for the Offer, as well as to postpone the settlement date. If all relevant clearances, approvals and decisions are obtained in such time that the acceptance period can be closed before 11 December 2024, SVP may announce an earlier end date of the acceptance period, provided that such announcement can be made not less than two weeks prior to the new date of expiry of the acceptance period.

Shanying, via SUTRIV, has entered into the Irrevocable Commitment with SVP, whereby Shanying has irrevocably committed to accept the Offer for all their shares, even if a higher competing offer is announced. The Irrevocable Commitment is conditional upon Coniferous Bidco (i) complying in all material respects with the Takeover Rules and the Swedish Securities Council's (Sw. *Aktiemarknadsnämnden*) rulings regarding interpretation and application of the Takeover Rules and (ii) declaring the Offer unconditional no later than 11 February 2025.

The completion of the Offer is conditional upon:

1. the Offer being accepted to such an extent that SVP becomes the owner of shares in Nordic Paper representing at least 48 per cent of the total number of shares in Nordic Paper;
2. with respect to the Offer and completion of the acquisition of Nordic Paper, all necessary clearances, approvals, decisions and other actions from authorities or similar, including approvals from competition authorities and foreign direct investment approvals, being obtained, in each case on terms which, in SVP's opinion, are acceptable;
3. neither the Offer nor the acquisition of Nordic Paper being rendered wholly or partially impossible or significantly impeded as a result of legislation or other regulation, any decision

of court or public authority, or any similar circumstance, which is actual or can reasonably be anticipated, and which SVP could not reasonably have foreseen at the time of announcement of the Offer;

4. no circumstances having occurred which have or could reasonably be expected to have a material adverse effect on Nordic Paper's financial position or operation, including Nordic Paper's sales, results, liquidity, equity ratio, equity or assets, and Nordic Paper being subject to bankruptcy, reorganization or similar proceedings;

5. no information made public by Nordic Paper or otherwise made available to SVP by Nordic Paper being inaccurate, incomplete or misleading, and Nordic Paper having made public all information which should have been made public; and

6. Nordic Paper not taking any measures that are likely to impair the prerequisites for making or implementing the Offer.

SVP reserves the right to withdraw the Offer in the event that it is clear that any of the above conditions is not satisfied or cannot be satisfied. However, with regard to conditions 2-6 above, the Offer may only be withdrawn provided that the non-satisfaction of such condition is of material importance to Coniferous Bidco's acquisition of Nordic Paper or if otherwise approved by the Swedish Securities Council (Sw. *Aktiemarknadsnämnden*).

SVP reserves the right to waive, in whole or in part, one, several or all of the conditions set out above, including with respect to condition 1 above, to complete the Offer at a lower level of acceptance.

### ***Background to the Offer***

On 12 March 2024, the Board of Directors of Nordic Paper announced that it had decided to initiate a process to explore potential interest from third parties for all shares in the Company. The purpose of the process was to seek the best possible value and outcome for all shareholders in Nordic Paper in the context of Shanying's stated intention to divest all or part of its stake.

One of the factors for the Board of Directors' decision to initiate a process was the potential consequences a sale of Shanying's stake could have for other shareholders of the Company, including, but not limited to the negative share price impact for Nordic Paper given the so called potential "overhang" given Shanying's intention to divest the stake as well as the potential negative share price impact of a disorderly sale.

Since the announcement on 12 March 2024, the Board of Directors has engaged with potential buyers and received expressions of interest from several parties. The merits of the relevant expressions of interest were assessed based on a number of considerations including, as relevant, price, deliverability, transaction certainty and timing.

As a part of the process, the Board of Directors of Nordic Paper facilitated a period of limited confirmatory due diligence for SVP. The Company has not disclosed any inside information relating to the Company to SVP during the due diligence review. Before the confirmatory due diligence commenced, the Board of Directors formed an independent committee consisting of Thomas Körmendi (Chairman), Karin Eliasson, Stefan Lundin, Helene Willberg, Per

Gustafsson and Tom Rød to facilitate, handle and decide upon all relevant matters relating to the process.

Per Bjurbom and Ying Che are members of the Board of Directors of Nordic Paper and representatives of Shanying. Due to the Irrevocable Commitment from SUTRIV, a wholly-owned subsidiary of Shanying, Per Bjurbom and Ying Che are deemed to have a conflict of interest pursuant to Section II.18 of the Takeover Rules and have as such not participated in the issuance of this statement and will not participate in the Company's handling or decisions regarding the Offer.

***The Board of Directors' evaluation of the Offer***

When evaluating the Offer, the Board of Directors has taken into consideration a number of factors it deemed relevant, including, but not limited to:

- Nordic Paper's strong position in its markets, its financial track-record of growth, profitability and resilience, and attractive future potential, as well as the related risks.
- The discount compared to the Company's recent share price, as well as the premia compared to the Company's share price before the sale process was announced on 12 March 2024.
- The valuation of other listed companies and precedent transactions in Nordic Paper's broader market.
- An opinion with respect to the fairness of the Offer Price provided by EY and dated 10 October 2024, stating that the Offer Price is not fair from a financial point of view. EY's statement is attached to this press release.
- The fact that Shanying has a stated intention to sell part or all of its stake in the Company, which, given its large size, could have had a material negative impact for all shareholders.
- That the Offer has, in the view of the Board of Directors, limited conditions and the fact that Shanying, via SUTRIV, has irrevocably committed to sell its share into the Offer and that Nordic Paper thereby will have SVP as the new main shareholder if SUTRIV tenders its shares and the Offer is completed.
- The optionality offered to Nordic Paper's shareholders where, in light of the limited offer conditions, shareholders will have the choice to either (i) sell shares in the market or with full liquidity into the Offer, or (ii) remain shareholders in the Company with a new main owner, subject to the Offer closing and to Coniferous Bidco, whether in connection with the Offer or otherwise, not acquiring shares representing more than 90 per cent of the total number of shares in Nordic Paper, and commences compulsory redemption proceedings.

The Board of Directors notes that SVP has expressed a view that Nordic Paper would benefit from a more long-term view and patience from investors. In this context, SVP has also stated that in order to maintain and grow its market position and capitalise on emerging opportunities in a constantly evolving market, significant investments will be required. SVP has further stated that they see it necessary to review the Company's capital allocation focusing on increasing capital expenditures and leverage, while also reviewing dividend payouts. These potential adjustments may, according to SVP, affect growth, margins, cash flows and could lead to greater fluctuations in earnings in the short to medium-term, but are

according to SVP intended to help the business thrive over the long-term. Furthermore, the Board of Directors recognises that the future liquidity of the Company's shares may be negatively impacted, depending on the acceptance rate in the Offer.

### ***The Board of Directors' recommendation***

Taking into account the above, among other factors and considerations, the Board of Directors unanimously recommends shareholders not to accept the Offer since the Offer Price, in the view of the Board of Directors, is not reflective of the value of the Company. However, the Board of Directors welcomes the transition to a new main owner and notes that the acceptance condition of SVP becoming the owner of shares representing at least 48 per cent of the total number of shares in Nordic Paper will be fulfilled if the shares subject to the Irrevocable Commitment are submitted into the Offer.

### ***Effects on Nordic Paper and its employees***

Under the Takeover Rules, the Board of Directors is required to, based on SVP's statements in its announcement of the Offer, present its opinion regarding the impact that the implementation of the Offer will have on Nordic Paper, particularly in terms of employment, and its opinion regarding SVP's strategic plans for the Company and the effects that these may be expected to have on employment and on the locations where Nordic Paper conducts its operations.

In this regard SVP has stated: "*Coniferous Bidco does not currently foresee any material changes with regard to Nordic Paper's operations including operational sites, its management or employees (including their terms of employment). In addition, there are no employees in Coniferous Bidco, implying that the Offer will not entail any changes for the management and employees in Coniferous Bidco (including their terms of employment) or Coniferous Bidco's operational sites.*"

The Board of Directors assumes that this description is correct and has in relevant respects no reason to take a different view.

### ***Debt facilities***

The Board of Directors notes that the Company's existing debt facilities (the "**Facilities**") are subject to so called "change of control" provisions, that will be triggered if the Offer is closed. The Board of Directors has received confirmations that sufficient financing is in place both for the Offer and the Facilities, if needed.

### ***Applicable law and disputes***

This statement shall in all respects be governed by and construed in accordance with Swedish law. Any dispute arising out of or in connection with this statement shall be settled exclusively by Swedish courts.

### ***Advisors***

BofA Securities acted as financial advisor and Advokatfirman Vinge acted as legal counsel to the Board of Directors of Nordic Paper.

### ***For more information***

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*This information is inside information that Nordic Paper Holding AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Takeover Rules. The information was submitted for publication, through the agency of the contact persons set out above, at 8.40 CEST on 11 October 2024.*

*Bank of America Europe DAC, Stockholm branch ("**BofA Securities**"), a subsidiary of Bank of America Corporation, is acting exclusively for Nordic Paper and for no one else in connection with the matters set out in this announcement and will not be responsible to anyone other than Nordic Paper for providing the protections afforded to its clients or for providing advice in relation to the subject matter of this announcement or any other matters referred to in this announcement. Neither BofA Securities, nor any of its affiliates, owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of BofA Securities in connection with this announcement, any statement contained herein, any transaction or arrangement referred to herein, or otherwise.*

### **About Nordic Paper**

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 2023 net sales of SEK 4,472m, about 680 employees and is listed on Nasdaq Stockholm. [www.nordic-paper.com](http://www.nordic-paper.com)