

CORPORATE GOVERNANCE REPORT

Nordic Paper's vision is to be the natural leader in speciality paper, with our work being based on the core values of responsibility, respect, cooperation and development. The company offers effective and environmentally responsible products and solutions within the Kraft Paper and Natural Greaseproof segments. The company works towards clear growth, profitability and return targets and there are also explicit requirements for Nordic Paper to act in a way that is sustainable over the long term for shareholders, as well as for employees, customers, suppliers and other stakeholders.

THE FRAMEWORK FOR THE COMPANY'S ACTIONS is set out in laws and regulations such as the Swedish Companies Act, the Swedish Annual Accounts Act, stock exchange rules and the Swedish Corporate Governance Code (hereinafter referred to as the Code). Furthermore, the company's own governance follows internal rules and guidelines in governing documents such as the Board's and CEO's rules of procedure and policies, as well as processes for, for example, control and risk management.

This Corporate Governance Report aims to describe the framework in place, the distribution of responsibilities as well as interactions between the Annual General Meeting, the Board of Directors and the CEO. The report is reviewed by the company's auditors. Preparing a corporate governance report is required under the Swedish Annual Accounts Act. The Corporate Governance Report follows the rules and instructions set out in the Code.

Nordic Paper Holding AB is a public Swedish limited liability company that has been listed on the Stockholm stock exchange, Nasdaq Stockholm, since October 2020. Nordic Paper has applied the Code since the Annual General Meeting on 12 March 2020.

This Corporate Governance Report has been prepared observing the company's application of the Code in 2022. Nordic Paper has no deviations from the Code to report for the period. No violations of applicable stock exchange rules or of good practice in the stock market have been reported regarding Nordic Paper by Nasdaq Stockholm's Disciplinary Committee or the Swedish Securities Council in 2022.

SHAREHOLDERS

At the end of 2022 Nordic Paper Holding AB had 4,969 shareholders. Swedish individuals were the largest category with just over 4,700 shareholders.

The largest shareholder at the end of the year, with 48.16 percent of the votes and capital, was Sutriv Holding AB (corp. reg. no. 556056-8817) with its registered office in Stockholm. Shanying International Holding Co. Ltd., which is listed on the Shanghai Stock Exchange, owns 100 percent of Sutriv Holding AB.

The three next largest shareholders were AMF Försäkring & Fonder with 8.82 percent, Swedbank Robur with 6.71 percent and Handelsbanken Fonder with 3.17 percent.

The employees have no shares in Nordic Paper Holding through pension funds or any similar investments. There is no limit on the number of votes each shareholder may cast at the Annual General Meeting.

More information about the share and the ownership structure is presented on page 131.

SHAREHOLDERS' MEETING

Notice of the Annual General Meeting is issued no earlier than six weeks and no later than four weeks before the planned meeting date. The notice contains:

- a) information about registration and the right to vote and attend the meeting;
- b) a numbered agenda with the matters to be dealt with;
- c) information on the proposed dividend and the main content of the other proposals.

Shareholders or proxies can vote for the full number of owned or represented shares. Shareholders may register for the meeting by letter or at nordic-paper.com.

As announced on 28 October 2022, the 2023 Annual General Meeting will take place on 24 May 2023.

Nomination Committee

At the Annual General Meeting on 19 May 2022 instructions were adopted for the company's Nomination Committee, according to which the Nomination Committee will consist of one representative for each of the company's four largest shareholders in terms of votes as of 31 August 2022. The composition of the Nomination Committee for the 2023 Annual General Meeting is Andreas Kihlblom for Sutriv Holding AB (chair), Caroline Sjösten for Swedbank Robur, Patricia Hedeius for AMF and Suzanne Sandler for Handelsbanken Fonder.

The Nomination Committee's task is to submit proposals regarding the election of board members, the Board Chair, board fees and audit fees, as well as for the election of an auditor. The proposals are presented in the notice of the Annual General Meeting.

The Nomination Committee will apply Rule 4.1 of the Code as a diversity policy when preparing its proposal for the Board. This means that the Board must have an appropriate composition that takes into account the company's operations, stage of development and other circumstances, and that is characterised by diversity and breadth with respect to the expertise, experience and background of the members elected by the Annual General Meeting. Attaining gender balance is a priority. The Nomination Committee will take this policy into account

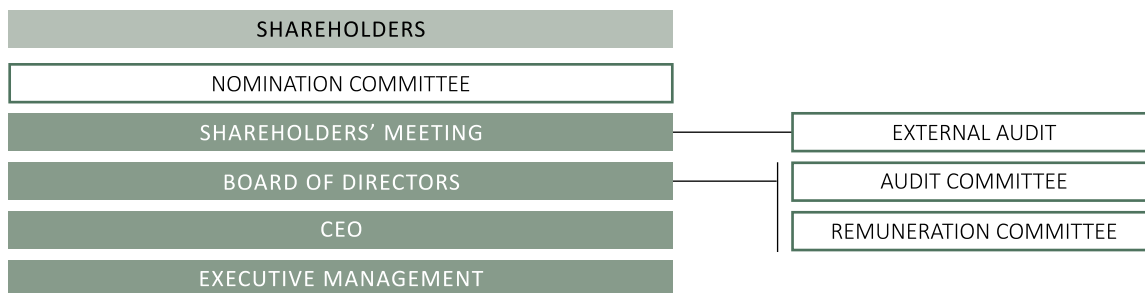
when making proposals for the Board. Further information on the Nomination Committee's work will be provided at the 2023 Annual General Meeting. The Nomination Committee will publish its proposal at the Annual General Meeting.

BOARD MEETINGS

In 2022 the Board held 13 meetings, four of which were held in connection with the company presenting a quarterly report.

One meeting was devoted to the company's long-term strategic plan and to the group's budget. In addition, the Board has paid special attention to sustainability as well as financial and accounting matters, monitoring operations and the planned programme for expansion of the plant in Bäckhammar and other major investments. The Board has also addressed risk and matters concerning the company's internal control.

The company's auditor has reported to the Board on the review of the accounts and internal control.



Nordic Paper's corporate governance structure

WORK OF THE BOARD OF DIRECTORS

The Board of Directors is the company's second highest decision-making body, after the shareholders' meeting. According to the Swedish Companies Act the Board of Directors is responsible for the administration and organisational structure of the company. This means that the Board is responsible for, among other things, establishing targets and strategies, ensuring that routines and systems are in place to evaluate performance in relation to established targets, and ongoing evaluation of the company's financial performance and position as well as its operational management.

The Board's work follows a plan which, among other things, is to ensure that the board members receive all necessary information. The Board decides annually on the written rules of procedure and issues written instructions regarding the division of work between the Board and the CEO, as well as information that the Board must receive on an ongoing basis on current financial developments and other important events. Company officials report on company matters at board meetings.

In order to develop the Board's procedures, an annual evaluation is carried out where each member answers a questionnaire with relevant questions concerning the Board's work and is given the opportunity to submit proposals on how the Board's procedures can be

further developed. The results are presented and discussed at a board meeting. The results of the 2022 evaluation form the basis for the planning of the Board's work over the coming years.

The Chair of the Board has presented the results of the evaluation to the Nomination Committee. An annual evaluation of the CEO is also carried out by the Board.

Chair of the Board

The Chair leads the Board's work so that it is carried out in line with applicable laws and regulations, the Code and the Board's own rules of procedure. The Chair ensures that the work is well organised, conducted efficiently and that the Board fulfils its tasks.

In dialogue with the company's CEO, the Chair monitors the development of the business and is responsible for ensuring that other members receive on an ongoing basis the information required for the Board's work to be conducted in the best possible manner. Together with the company's CEO, the Chair of the Board also approves a proposed agenda for the Board's meetings. The Chair is responsible for the evaluation of the Board's work and checks that board decisions are implemented, and is also the company's representative in matters relating to ownership.

Composition of the Board of Directors

The members of the Board are elected annually by the Annual General Meeting for the period lasting until the next AGM is held. According to the Articles of Association, the Board is to consist of three to ten AGM-elected members, without deputies. The Articles of Association do not contain any other provisions on the appointment or dismissal of board members, changes to the Articles of Association or restrictions on how long a member can be a member of the Board.

The 2022 Annual General Meeting resolved to re-elect the board members Per Bjurbom, Ying Che, Stefan Lundin, Karin Eliasson, Helene

Willberg and Arne Wallin. Per Bjurbom was re-elected as Chair of the Board.

In addition to the six members elected by the Annual General Meeting, local workers' organisations have the right to appoint two members and two deputies. Of the six members elected by the AGM, five are deemed to be independent in relation to the company and four members to be independent in relation to the owner as per the Code's definition. None of the board members, other than the employee representatives, work operationally within the company. More information about the board members is presented on page 83.

BOARD MEMBERS ELECTED AT THE 2022 ANNUAL GENERAL MEETING

Member	Elected	Position	Independent in relation to			Remuneration Committee
			Company and management	Major shareholders	Audit Committee	
Per Bjurbom	2019	Chair of the Board	No ²	No ³	–	–
Karin Eliasson	2020	Board member	Yes	Yes	–	Chair
Helene Willberg	2020	Board member	Yes	Yes	Chair	–
Arne Wallin	2020	Board member	Yes	Yes	–	Member
Ying Che	2019	Board member	Yes	No ³	– ⁴	–
Stefan Lundin	2019	Board member	Yes	Yes	Member	–
Per Gustafsson ¹	2013	Board member	–	–	–	–
Tom Röd ¹	2019	Board member	–	–	–	–
Niclas Backelin ¹	2013	Deputy board member	–	–	–	–
Ann-Charlotte Kullander ¹	2022	Deputy board member	–	–	–	–

1) Employee representative

2) Chief Executive Officer of Nordic Paper until the end of March 2019

3) Employed by Sutriv Holding AB

4) Member of the Audit Committee until end of March 2022

BOARD COMMITTEES

The Board has established two board committees – a Remuneration Committee and an Audit Committee – so as to streamline and deepen the Board's work on certain issues. Members of the committees are appointed for one year at a time at the statutory board meeting and their work, as well as the committees' decision-making powers, are regulated by annually established committee instructions, which are reviewed and adopted each year.

The committees have preparatory and administrative roles. Matters addressed at committee meetings are documented in the meeting minutes and reported at the subsequent board meeting, where decisions are made in applicable cases.

Audit Committee

Nordic Paper has an Audit Committee with two members: Helene Willberg (chair) and Stefan Lundin.*

The Audit Committee's duties, which are not to affect the Board's general responsibilities and duties, consist of overseeing the company's financial reporting and the efficiency of the company's internal

*Also Ying Che until the end of March 2022

control and risk management, and of staying informed about the audit of the annual accounts and consolidated accounts, reviewing and monitoring the auditor's impartiality and independence, and paying particular attention if the auditor is providing the company with services other than audit services, and assisting in the preparation of proposals for the election of auditors at the AGM.

Work of the Audit Committee in 2022

In 2022 the Audit Committee held 12 meetings. During the year the committee dealt with various accounting matters, external audit planning for 2022, enterprise risk management (ERM), internal control, financing, currency hedging, tax and external reporting.

The chair of the Audit Committee regularly reported to the Board on issues addressed at the Committee's meetings.

Remuneration Committee

The main task of the Remuneration Committee is to prepare for Board decisions on remuneration principles, remuneration packages and other remuneration-related employment terms for executive management.

The committee is to monitor and evaluate the application of guidelines for remuneration to senior executives, remuneration structures and remuneration levels. The committee proposes to the Board an overall policy regarding salaries, other remuneration and employment benefits in general at Nordic Paper and guidelines for remuneration to senior executives. The committee also prepares for the CEO's proposal for salaries and other remuneration for executive management. The committee also submits proposals to the Board, which decides on the salary and remuneration for the CEO. The Remuneration Committee consists of the members Karin Eliasson (chair) and Arne Wallin.

The work of the Remuneration Committee in 2022

In 2022, the Remuneration Committee held 14 meetings. Throughout the year the Remuneration Committee made preparations for decisions on remuneration and other employment terms for the CEO and other senior executives.

The Remuneration Committee evaluated the application of both the policy and the guidelines established by the Annual General Meeting for remuneration to senior executives.

More information on remuneration within the group can be found in the *Remuneration Report* and in Note 9 on pages 106–108, and also on the company's website under *AGM Documentation*.

EXECUTIVE MANAGEMENT

The Board has delegated operational responsibility for the company's and the group's management to the company's CEO. Instructions regarding the division of work between the Board and the CEO are approved annually by the Board. Nordic Paper Holding's executive management consists of the company's CEO and seven other members. Information about the CEO and other members of executive management can be found on page 84.

ATTENDANCE AND FEES

Member	Elect-ed	Position	Audit Com-mit-tee	Remu-neration Committee	Attendance at meetings			Annual fee adopted at AGM, SEK 000	
					Board of Directors	Audit Com-mit-tee	Remu-neration Committee		Committee work
Per Bjurbom	2019	Chair of the Board			13/13			550	
Karin Eliasson	2020	Board member		Chair	13/13		14/14	300	70
Helene Willberg	2020	Board member	Chair		13/13	12/12		300	170
Arne Wallin	2020	Board member		Member	13/13		14/14	300	35
Ying Che	2019	Board member	Member		13/13	5/5 ²		300	
Stefan Lundin	2019	Board member	Member		13/13	12/12		300	85
Per Gustafsson ¹	2013	Board member			13/13				
Tom Röd ^{1,3}	2019	Board member			9/13				
Tommy Hedlund ^{1,4}	2015	Board member			4/4				

1) Employee representative

2) Member of the Audit Committee until end of March 2022

3) Board member from beginning of May 2022, formerly deputy board member

4) Board member until end of April 2022

EXTERNAL AUDIT

The external auditor's task is to review the group's annual and sustainability reports and accounts, the consolidated and parent company's accounts, as well as the Board's and the CEO's administration of the company. After each financial year, the auditor is to submit an audit report to the Annual General Meeting.

The principal auditor participates in meetings with the Audit Committee and presents the annual audit to the Board. The Board also meets with the auditor without management being present.

At the 2022 Annual General Meeting, the accounting firm of PricewaterhouseCoopers (PwC) was elected as external auditor until the 2023 Annual General Meeting in accordance with a proposal from the Nomination Committee. The principal auditor is Martin Johansson. PricewaterhouseCoopers has been the company's auditors since 2017.

Since its listing on Nasdaq, other than the audit assignment Nordic Paper Holding has only consulted PwC to a limited extent. The amount of the fees and compensation paid to PwC for 2022 is set out in Note 8 on page 106.

INTERNAL CONTROL PROCESSES

An annual review of the strategy of each business segment is carried out, including objectives for the business. The strategy is presented to the Board and forms the basis for the expectations set out in each area.

Based on the expectations, each unit sets targets and identifies success factors to achieve the targets. Key performance indicators (KPIs) are linked to these success factors to measure and show development. The strategy review also forms the basis for the budget, where decisions on resource allocation are made and goals for the



coming year are set. Through internal reporting for continuous monitoring, it is ensured that the entire organisation sets relevant priorities so as to achieve the targets set.

Code of Conduct

Nordic Paper's Code of Conduct provides guidance to apply in day-to-day work and explains what is expected of the employees. Responsible behaviour towards both internal and external stakeholders is paramount in all of Nordic Paper's operations.

All employees must have the same rights, obligations and opportunities regardless of gender, transgender identity or expression, ethnic affiliation, religion or other belief system, disability, sexual orientation and age.

The Supplier Code of Conduct covers business ethics, anti-corruption, human rights, health and safety, work environment and the environment. With respect for human rights, Nordic Paper strives for a work environment based on the equal value of all people.

Policies

Nordic Paper uses policies adopted by the Board, guidelines and instructions for the group to clarify how employees should act in basic and critical areas.

The group's 14 policies address, among other things, expectations of employeeship and leadership, setting frameworks for goal management, talent supply and succession planning, cooperation with trade unions, equal treatment and terms of employment. In addition, ensuring a good work environment is addressed based on safety and health aspects, anti-corruption and competition issues and how good business practice is maintained in relationships with external contacts in the various markets.

Employees in roles where they are at risk of being exposed to illicit

behaviour receive special training in business ethics. The policies state that raw materials must be used efficiently and environmental impact limited, and that continuous improvements are to be prioritised. Financial risks are managed centrally with an emphasis on a low level of risk.

The policies are also there to ensure that the company's assets are managed in accordance with the group's rules, the risk of errors in financial reporting is minimised and irregularities are prevented. The group's purchasing transactions are to contribute to long-term profitability. Sustainable consumption of raw materials, products and services must be ensured in both the short and long term. Communication is to be accurate, transparent and easily accessible, and take into account legal requirements and commercial confidentiality.

THE GROUP'S 14 POLICIES:

- Corporate Governance Policy
- Financial Policy
- Insider Policy
- Communication Policy
- Operational Health and Safety Policy
- Environmental Policy
- HR Policy
- Information Security Policy
- IT and Digitalisation Policy
- Related Party Transactions Policy
- Electricity Price Hedging Policy
- Risk Management Guidelines
- Code of Conduct
- Governing Document Guidelines

Compliance

Nordic Paper's Code of Conduct, policies and values are included in each employee's orientation and are communicated to them by managers at employee meetings. Compliance is monitored through, among other things, employee surveys and performance and career development reviews, salary surveys and safety statistics. Where violations or a deficient corporate culture are discovered, the issue is to be handled in a manner suited to the context and situation.

Whistleblower service

Nordic Paper has a whistleblower service to which employees and external stakeholders can anonymously report any suspected serious irregularities, such as breach of the company's Code of Conduct or other policies/guidelines, or any behaviour not consistent with the company's values.

The service, which is provided by an external party, is available through Nordic Paper's intranet and on the company's website. Reports can be made online or by phone.

THE BOARD'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

This section has been prepared in accordance with the Swedish Corporate Governance Code and the Swedish Annual Accounts Act, and describes the company's internal control and risk management with respect to financial reporting. The purpose is to give owners and other stakeholders an insight into how internal control in financial reporting is organised at Nordic Paper.

Internal control over financial reporting

The Board's responsibility for internal control and financial reporting is regulated in the Swedish Companies Act and in the Code. According to the Code, it is also the Board's responsibility to ensure that the company is managed sustainably and responsibly. Ongoing responsibility for all of these issues has been delegated to the CEO.

Purpose and structure

The purpose of internal control is to ensure that Nordic Paper maintains reliable and accurate financial reporting, that the company's and group's financial reports are prepared in accordance with laws and applicable accounting standards, that the company's assets are protected and that other requirements are complied with. The system for internal control is also intended to monitor that company and group policies, principles and instructions are being complied with. Internal control also includes risk analysis. The group identifies, assesses and manages risk based on the group's vision and goals.

The finance department coordinates and monitors the process for internal control in financial reporting. The company's framework is based on the framework for internal governance and control developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Internal control work mainly follows COSO's framework for internal control in financial reporting. The framework consists of five basic elements: control environment, risk assessment, control activities, information and communication, and monitoring and evaluation. The framework has been adapted to Nordic Paper's various operations.

NORDIC PAPER'S FRAMEWORK FOR INTERNAL GOVERNANCE AND CONTROL HAS FIVE FUNDAMENTAL ELEMENTS:

- Control environment
- Risk assessment
- Control activities
- Information and communication
- Monitoring and evaluation

CONTROL ENVIRONMENT A good control environment lays the foundation for efficiency in a company's internal control systems. It helps build an organisation where there are clear decision paths and where powers and responsibilities are distributed through governing documents, and where there is a corporate culture with a common set of values.

The Board's rules of procedure and instructions for the CEO establish the division of roles and responsibilities to ensure effective control and management of the company's risks. The Board has also established a number of basic policies and governing documents that are important for maintaining effective control, such as Finance Policy, IT Policy and Communication Policy. In addition, management has established guidelines and instructions that help to make individuals aware of their role in maintaining good internal control.

These documents must also ensure that financial reporting complies with the laws and regulations that apply to companies listed on Nasdaq Stockholm, as well as any local rules where operations are carried out.

RISK ASSESSMENT An assessment of the financial reporting risks takes place annually, and control activities are strengthened or introduced. The risk assessment process aims to identify and evaluate risks that may lead to the group's goals for financial reporting not being met.

The results of risk management work are compiled and evaluated under the direction of the finance department and are reported to the Audit Committee and the Board in its entirety. For a description of the group's risk and risk management, see the section *Risk and risk management* on page 73.

CONTROL ACTIVITIES To ensure that Nordic Paper's objectives for financial reporting are met, control requirements are built into the processes that are deemed relevant: sales, purchasing, investment, HR, annual accounts, payments and IT. Control activities aim to prevent, detect and correct errors and deviations.

Control activities are performed at all levels within Nordic Paper and at different stages of business processes.

INFORMATION AND COMMUNICATION Nordic Paper regularly provides financial information through annual reports, interim reports, press releases and announcements on the company's website. Efficient and correct dissemination of information, both internally and externally, is central to ensuring complete, correct and timely financial reporting.

The company's rules, guidelines and manuals are communicated through several internal channels.

The group's finance department has direct operational responsibility for current financial reporting and for the application of the group's guidelines, principles and instructions for financial reporting. Operating units regularly submit financial and operational reports to executive management, which in turn reports to the Board through the CEO. The communication policy and associated guidelines aim to ensure that external communication is accurate, relevant, transparent and reliable, and otherwise lives up to the requirements set out for Nordic Paper as a Nasdaq Stockholm listed company.

MONITORING AND EVALUATION All of the group's units carry out self-evaluations adapted for their specific operations, indicating which control requirements apply to each process in order to ensure that the controls are effective and appropriate.

The results of the self-evaluations are monitored on an ongoing basis and deviations are reported quarterly to executive management. Tests are carried out on the accuracy of the self-evaluations.

A report on the self-evaluation of internal control, including of financial reporting, is submitted to executive management once a year. This report shows any identified shortcomings in internal control as well as action plans decided on in order to deal with these shortcomings. Reports are prepared annually for the Audit Committee and the Board as well.

Monitoring is an important tool to identify any shortcomings within the group and to manage them by drawing up new control requirements.

Internal audit statement

There is currently no established internal control function within Nordic Paper. The Board examined the issue during the year and concluded that existing structures for monitoring and evaluation provide a satisfactory basis for internal control, and nothing within the organisation, or other conditions in the company, justifies implementation of a special internal audit function. The group's existing internal control processes are considered to be sufficient.

AUDITOR'S REPORT

Unofficial translation

To the general meeting of the shareholders of Nordic Paper Holding AB (publ), corporate identity number 556914-1913

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

OPINIONS

We have audited the annual accounts and consolidated accounts of Nordic Paper Holding AB (publ) for the year 2022 except for the corporate governance statement on pages 66-72. The annual accounts and consolidated accounts of the company are included on pages 63-65 and 73-124 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 66-72. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

BASIS FOR OPINIONS

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section.

We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit

Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

OUR AUDIT APPROACH

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

Nordic Paper Group manufactures and sells various types of paper goods and comprises the Parent Company and its five subsidiaries. As of 31 December 2021, Glassine Inc, Canada was acquired and the acquired company's balance sheet has been consolidated from the same date. Two operating segments have been identified in Nordic Paper's business- Kraft Paper and Natural Greaseproof. For the Group audit, we have selected the Parent Company and three subsidiaries, which represent two operating segments with 100% coverage of the Group's sales.

In addition to the above, our audit of Nordic Paper's financial statements contained a review of the company's procedures, processes and internal controls of the financial reporting, analytical review of financial information and a detailed examination of the accounting documentation.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgment, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole. These, together with qualitative considerations, helped us to deter-

mine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

KEY AUDIT MATTERS

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

KEY AUDIT MATTER

Cut-off in revenue recognition

Reporting in the correct periods are of core importance in terms of revenue. The manner in which correctness and allocation of amounts are addressed in the Group's revenue recognition comprised a key audit matter in our audit due to many different types of freight terms being applied within the Group, entailing that revenue recognition may differ between various transactions depending on the underlying freight terms for delivery.

For this reason, a special follow up is required of sales transactions with freight terms that entail that delivery is determined as occurring at a different time than in connection with the outbound delivery from the plant or warehouse.

Given the large volume of transactions conducted and that automatic bookkeeping occurs for the outbound delivery of goods, this can have a major impact on revenue recognition, which requires particular attention from the company's management.

See also Note 2, *Accounting policies*

How our audit addressed the key audit matter

The most significant areas of focus in our audit comprised, though not limited to, the following:

- Detailed reviews together with management aimed at understanding the market, customers and business model.
- Auditing of procedures and processes to assess the application of policies for the recognition of sales transactions with different freight terms.
- Auditing of the automatic management of the company's revenue recognition that occurs in connection with outbound delivery from the system.
- Automatic auditing methods to ensure the correctness of the revenue recognition from delivery to invoicing. Testing of internal control in relation to the recognition and follow-up of the cut-off of sales revenues.
- Review and follow-up of material contracts.
- Review of notes and assessment of accounting policies concerning revenue recognition.

IMPAIRMENT TEST OF GOODWILL, BRANDS AND CUSTOMER RELATIONS

As of December 31, 2022, goodwill, brands and customer relations amount to SEK 988 million. According to IFRS, an annual impairment test must take place.

This impairment test is based on judgments and assumptions that are complex and contain a high degree of material judgments by management. Note 18 shows how the management made its assessment. No need for impairment has been identified based on the assumptions made. Impairment test takes place for individual segments such as cash-generating units.

See also Note 2, *Accounting policies* and Note 18, *Intangible assets*

In our audit, we have assessed the management's assumptions and assessments. This has taken place, for example, through analysis of how well previous year's assumptions have been achieved. Analysis has also taken place of any adjustments that have been made to assumptions from previous years as a result of the development of the business as well as external factors. We have challenged the management in the assessments made regarding future cash flows and assessed the WACC used in the impairment test. We have performed our own sensitivity analysis to test the safety margins. We have tested the impact changes in essential assumptions such as growth rate and WACC have on the safety margins and based on these tests assessed the risk that a need for impairment would arise.

We have also assessed the accuracy of the information that appears in the annual report.

OTHER INFORMATION THAN THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

This document also contains other information than the annual accounts and consolidated accounts. Such other information is found on pages 1-10, 12-15, 18-32 and 130-134. This other information also contains the *Remuneration report* that has been published on the company's website the date as this report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE BOARD OF DIRECTOR'S AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

AUDITOR'S RESPONSIBILITY

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered

material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OPINIONS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of Nordic Paper Holding AB (publ) for the year 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Director's and the Managing Director be discharged from liability for the financial year.

BASIS FOR OPINIONS

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

RESPONSIBILITIES OF THE BOARD OF DIRECTOR'S AND THE MANAGING DIRECTOR

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

AUDITOR'S RESPONSIBILITY

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

THE AUDITOR'S EXAMINATION OF THE ESEF REPORT**OPINION**

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Nordic Paper Holding AB (publ) for the financial year 2022.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

BASIS FOR OPINIONS

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Nordic Paper Holding AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RESPONSIBILITIES OF THE BOARD OF DIRECTOR'S AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director are responsible for ensuring that the Esef report has been prepared in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report has been marked with iXBRL in accordance with what follows from the Esef regulation.

THE AUDITOR'S EXAMINATION OF THE CORPORATE GOVERNANCE STATEMENT

The Board of Directors is responsible for that the corporate governance statement on pages 66-72 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act/ the Annual Accounts Act for Credit Institutions and Securities Companies/ the Annual Accounts Act for Insurance Companies.

Öhrlings PricewaterhouseCoopers AB, Torsgatan 21, 113 97 Stockholm, Sweden, with Martin Johansson as auditor in charge was appointed auditor of Nordic Paper Holding AB (publ) by the general meeting of the shareholders on the 19 May 2022 and has been the company's auditor since the company was listed in 2020.

Stockholm 13 April 2023
Öhrlings PricewaterhouseCoopers AB

Martin Johansson
Authorized Public Accountant