Securing BillerudKorsnäs profitable and sustainable growth

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- The acquisition will immediately be accretive to EPS and create significant shareholder value over time with a more profitable product mix.
North America is a growing market with attractive characteristics

Source: AFRY & internal estimates
Verso has large surplus of low-cost fibre with excellent properties.

**Net Annual Increment (NAI), Removal and Surplus**

- **Michigan Upper Peninsula & WI Northeast**
  - **Verso**
    - Accessible NAI: 4.3 million m³/a
    - Removal: 2.1 million m³/a
    - Surplus: 1.2 million m³/a
  - **BK**
    - Accessible NAI: 6.3 million m³/a
    - Removal: 5.1 million m³/a
    - Surplus: 1.2 million m³/a

**Pulpwood Delivered Cost (2020) – Verso vs BK**

- **HW pulpwood**
  - Verso, average: $29% lower
  - BK, average: $30% lower
- **SW pulpwood**
  - Verso, average: $29% lower
  - BK, average: $30% lower
Overview of Verso

Key highlights
- Leading American producer of graphic and speciality paper and market pulp
- Well positioned production facilities in close proximity to wood supply and customers
- Cost and quality leader with streamlined operations
- 100% pulp integration and procures wood only from sustainable managed forests

Facility overview
- **Escanaba mill**
  - Three paper machines with annual capacity of ~700 ktonnes paper
  - Graphic, speciality paper and packaging
  - ~830 employees

- **Quinnnesec mill**
  - One paper machine with annual capacity of ~400 ktonnes of paper and one pulp dryer with annual capacity of ~200 ktonnes of market pulp
  - Graphic, speciality paper and market pulp
  - ~420 employees

Key figures
2020 revenues by product area
- Net sales Q3 ‘21 LTM
  - USD 1 264 m
- Adj. EBITDA margin Q3 ‘21 LTM
  - 12.5%

In addition, **Wisconsin Rapids converting facility** (paper production idled) where own manufactured rolls are converted to sheets, and a hydroelectric power company
BillerudKorsnäs will be #2 in virgin fibre products with a quality and cost advantage

<table>
<thead>
<tr>
<th>Company</th>
<th>Capacity (m tonnes)</th>
<th>Market share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company 1 USA</td>
<td>6.1</td>
<td>Conversion</td>
</tr>
<tr>
<td>BillerudKorsnäs</td>
<td>2.9</td>
<td></td>
</tr>
<tr>
<td>Company 3 Asia</td>
<td>3.7</td>
<td></td>
</tr>
<tr>
<td>Company 4 Europe</td>
<td>3.6</td>
<td></td>
</tr>
<tr>
<td>Company 5 Asia</td>
<td>2.8</td>
<td></td>
</tr>
<tr>
<td>Company 6 USA</td>
<td>2.6</td>
<td></td>
</tr>
<tr>
<td>Company 7 Europe</td>
<td>2.3</td>
<td></td>
</tr>
<tr>
<td>Company 8 Europe</td>
<td>2.0</td>
<td></td>
</tr>
<tr>
<td>Company 9 Asia</td>
<td>2.0</td>
<td></td>
</tr>
<tr>
<td>Company 10 USA</td>
<td>1.8</td>
<td></td>
</tr>
</tbody>
</table>

Source: AFRY & internal estimates
BillerudKorsnäs plans to convert the Escanaba mill into a world-class, sustainable, integrated paperboard production facility by 2029.

The conversion will involve rebuilding two paper machines. The 1st machine is planned to be converted by 2025 and the 2nd machine by 2029. Conversions will yield around 400K tons of incremental volume.

BillerudKorsnäs estimates that the investment for the conversion project will be up to SEK 9 billion, whereof around two thirds to be invested up to 2025 and the remainder up to 2029.
Combined financials and business split

**Combined key financials**
SEK bn, Q3 21 LTM pro forma

- **Volume (k tonne)**
  - BillerudKorsnäs: 2,877
  - Verso: 1,323
  - Combined: 4,200

- **Net Sales**
  - BillerudKorsnäs: 25.3
  - Verso: 11.4
  - Combined: 36.7

- **Adj. EBITDA margin**
  - BillerudKorsnäs: 14.1%
  - Verso: 12.5%
  - Combined: 13.6%

Source: Company filings. FX rate 9.04 SEK/USD

1) Short tonnes converted to metric tonnes

**Combined revenues by region and category**
Combined revenues, 2020 pro forma

- **Europe**: 50%
- **America**: 33%
- **Asia**: 14%
- **Others**: 4%

- **Revenue by category**
  - **LPB**
    - BillerudKorsnäs: 21%
    - Verso: 15%
  - **Paperboard**
    - BillerudKorsnäs: 16%
    - Verso: 16%
  - **Sack & Kraft**
    - BillerudKorsnäs: 31%
    - Verso: 8%
  - **Graphical & Specialty**
    - BillerudKorsnäs: 15%
    - Verso: 8%
  - **Market pulp**
    - BillerudKorsnäs: 8%
    - Verso: 8%
  - **Others**
    - BillerudKorsnäs: 14%
    - Verso: 12%

Source: Company filings.
Transaction details

Agreement and consideration

- The acquisition will be effected pursuant to a merger agreement under which Verso will merge with a wholly-owned subsidiary of BillerudKorsnäs
- BillerudKorsnäs will acquire Verso for a purchase price of approx. USD 825 million in cash, corresponding to USD 27.00 per share
- The consideration corresponds to a premium of 35% compared to the closing price of Verso’s share on 17 December
- Enterprise value of approx. USD 970 million inclusive of Verso’s cash, net debt and other debt-like items as of 30 September 2021
- Enterprise value / adjusted EBITDA for LTM Q3’21 multiple of approx. 6x

Shareholder and regulatory approval

- Verso’s Board of Directors, acting upon the recommendation of a special Board committee, has unanimously approved and resolved to recommend the transaction to Verso’s shareholders
- The completion of the transaction is subject to shareholder approval in Verso, as well as customary regulatory approvals from competition and energy authorities
Financing of the acquisition and the conversion

Additional debt, a rights issue and operating cash flow

 Debt

- BillerudKorsnäs will utilize a new credit facility of SEK 6.0 billion and cash for the acquisition. This bridge loan is planned to be refinanced by issuance of debt instruments and an equity rights issue.
- The net debt / EBITDA ratio after the transaction will be around 2.7x, temporarily higher than the target level of 2.5x.

 Rights issue

- The Board of Directors intends to propose to be authorized to resolve upon a rights issue of up to SEK 3.5 billion. The rights issue is planned to be conducted in 2022 following completion of the transaction.
- The four largest shareholders, controlling 37.7% of the share capital, support the acquisition and have expressed their intention to subscribe for their pro rata share in the rights issue.
- Together with an underwriting from Danske Bank and SEB (subject to certain conditions) the rights issue will be fully covered.
Financial implications

Shareholder value through:
- EPS accretive immediately
- Around 400 ktonnes of incremental volume
- EBITDA % boost with more profitable product mix after conversion

Acquisition and transformation will be financed through a combination of a rights issue (up to SEK 3.5 billion), additional debt and operating cash flow

Financial targets are maintained
- Net sales growth between 3-4%
- EBITDA margin >17%
- Net debt/EBITDA < 2.5x
- Dividend >50% of net profit

Acquisition costs of around SEK 135 million will be reported as item affecting comparability in Q4'21 results
## Estimated time schedule

<table>
<thead>
<tr>
<th>Time Frame</th>
<th>Event Description</th>
</tr>
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<tbody>
<tr>
<td>Early March 2022</td>
<td>Approval of Verso’s shareholders at a special shareholder meeting</td>
</tr>
<tr>
<td>Q1-Q2 2022</td>
<td>Receipt of regulatory approvals</td>
</tr>
<tr>
<td>Q2 2022</td>
<td>General meeting in BillerudKorsnäs to resolve on rights issue</td>
</tr>
<tr>
<td>Q2 2022</td>
<td>Acquisition expected to be completed</td>
</tr>
<tr>
<td>Q2-Q3 2022</td>
<td>Rights issue expected to be completed</td>
</tr>
</tbody>
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Use of Non-IFRS Financial Metrics
This presentation includes certain non-IFRS financial measures. These non-IFRS measures are an addition, and not a substitute for or superior to, measures of financial performance prepared in accordance with IFRS and should not be considered as an alternative to performance measures derived in accordance with IFRS.

Forward-looking statements
This presentation contains forward-looking statements that reflect BillerudKorsnäs' current expectations and views of future events and developments. Some of these forward-looking statements can be identified by terms and phrases such as "may", "expects", "anticipates", "plans", "projects", "estimates" and the negatives thereof and analogues or similar expressions. The forward-looking statements include statements relating to the expected characteristics and financial results of the combined company; expected growth of our paperboard business; expected financing; expected benefits of the proposed transaction; expected EBITDA of the combined entity; BillerudKorsnäs' plans with respect to Verso; its assets, including the timing and cost of the conversion; and expected timing of closing of the proposed transaction and satisfaction of closing conditions, including receipt of applicable regulatory approvals. The forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from such statements.

IMPORTANT ADDITIONAL INFORMATION
In connection with the proposed transaction, Verso expects to file with the SEC and furnish to its stockholders a proxy statement on Schedule 14A, as well as other relevant documents regarding the proposed transaction. Promptly after filing its definitive proxy statement with the SEC, Verso will mail its definitive proxy statement and a proxy card to Verso's stockholders entitled to vote at a special meeting relating to the proposed transaction, seeking their approval of the respective transaction-related proposals. The proxy statement will contain important information about the proposed transaction and related matters. STOCKHOLDERS AND SECURITY HOLDERS OF VERSO ARE URGED TO READ THESE MATERIALS (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THERETO) AND ANY OTHER RELEVANT DOCUMENTS IN CONNECTION WITH THE TRANSACTION THAT VERSO OR BILLERUDKORSNAS WILL FILE WITH THE SEC WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT VERSO, THE TRANSACTION AND THE OTHER TRANSACTIONS CONTEMPLATED BY THE MERGER AGREEMENT THAT HOLDERS OF VERSO’S SECURITIES SHOULD CONSIDER BEFORE MAKING ANY DECISION REGARDING VOTING. This presentation is not a substitute for the proxy statement or for any other document that Verso or BillerudKorsnäs may file with the SEC and send to Verso’s stockholders in connection with the proposed transaction. The proposed transaction will be submitted to Verso’s stockholders for their consideration. Investors and security holders may obtain copies of these documents and any other documents filed with or furnished to the SEC by Verso or BillerudKorsnäs free of charge through the website maintained by the SEC at www.sec.gov, or on Verso’s investor website, https://investor.versoco.com/.

BillerudKorsnäs and its directors and certain of its executive officers and employees may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction under the rules of the SEC. Information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the proxy statement and other relevant materials to be filed with the SEC regarding the proposed transaction when they become available. Investors should read the proxy statement carefully when it becomes available before making any voting or investment decisions. You may obtain free copies of these documents from Verso using the sources indicated above.

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