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## INTRODUCTION

Norske Skog is a world leading producer of publication paper with strong market positions in Europe and Australasia. Publication paper includes newsprint and magazine paper. Norske Skog operates five mills in four countries. Four of the mills are in Europe and one in Australia. Norske Skog has an annual publication paper production capacity of 1.7 million tonnes. Newsprint and magazine paper are sold through sales offices and agents to over 80 countries. The group has approximately 2 100 employees. Norske Skog Bruck has started production of recycled containerboard and Norske Skog Golbey will

start in fourth quarter 2023. In addition to the traditional publication paper business and the new packaging paper business, Norske Skog aims to further diversify its operations and continue its transformation into a growing and high-margin business through a range of exciting bio products and energy projects.

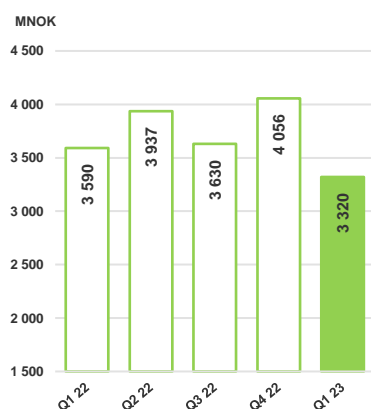
The parent company, Norske Skog ASA, is incorporated in Norway and has its head office at Skøyen in Oslo. The company is listed on Oslo Stock Exchange with the ticker NSKOG.

## KEY FIGURES

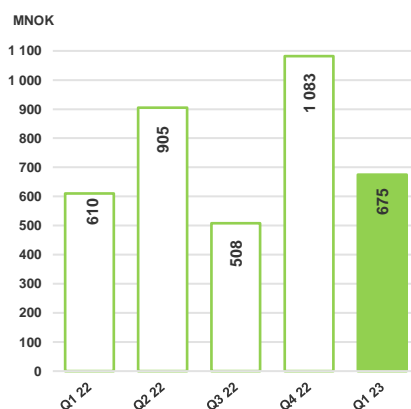
NOK MILLION	Q1 2023	Q4 2022	Q1 2022	YTD 2023	YTD 2022
<b>INCOME STATEMENT</b>					
Total operating income	3 320	4 056	3 590	3 320	3 590
EBITDA*	675	1 083	610	675	610
Operating earnings	85	944	593	85	593
Profit/loss for the period	-181	1 065	583	-181	583
Earnings per share (NOK)	-1.91	11.30	6.18	-1.91	6.18
<b>CASH FLOW</b>					
Net cash flow from operating activities	430	745	196	430	196
Net cash flow from operating activities per share (NOK)	4.56	7.90	2.08	4.56	2.08
Net cash flow from investing activities	-367	-872	-112	-367	-112
<b>OPERATING MARGIN AND PROFITABILITY (%)</b>					
EBITDA margin*	20.3	26.7	17.0	20.3	17.0
Return on capital employed (annualised)*	5.6	12.1	17.6	5.6	17.6
<b>PRODUCTION / DELIVERIES / CAPACITY UTILISATION</b>					
Production (1 000 tonnes)	332	369	474	332	474
Deliveries (1 000 tonnes)	301	363	468	301	468
Production / capacity (%)	78	78	94	78	94

\* As defined in Alternative Performance Measures

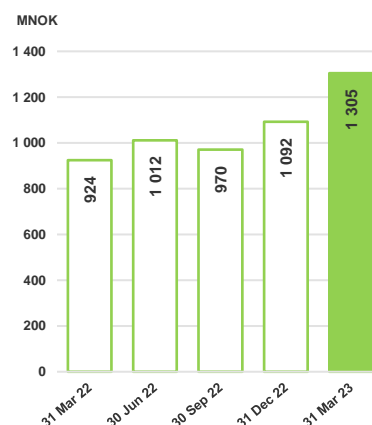
### TOTAL OPERATING INCOME



### EBITDA



### NET INTEREST-BEARING DEBT



NOK MILLION	31 MAR 2023	31 DEC 2022	31 MAR 2022
<b>BALANCE SHEET</b>			
Non-current assets	7 498	7 069	4 520
Current assets	7 003	6 539	5 474
Total assets	14 502	13 609	9 994
Equity	6 045	5 909	3 660
Net interest-bearing debt	1 305	1 092	924

# REPORT OF THE BOARD OF DIRECTORS FOR THE FIRST QUARTER OF 2023

- Strong profitability in the first quarter of 2023 with EBITDA of NOK 675 million
  - EBITDA declined from fourth quarter 2022 due to lower volumes and less income from sale of excess energy
  - Operating cash flow in the quarter of NOK 430 million
- Paper prices declining on back of lower input costs and soft demand
  - Raw materials prices declining, but energy costs, fresh fibre and chemicals remain at elevated levels
  - Paper prices reflect lower industrial cash cost and increased competition as demand softens
- Soft demand into 2023 for all grades
  - Weak demand for publication paper, additional capacity closures announced
  - Containerboard demand affected by destocking and macro trends
- Start-up of containerboard production at Norske Skog Bruck PM3
  - Packaging Paper segment introduced to reflect Bruck PM3 from the first quarter of 2023 and Norske Skog Golbey PM1 from the fourth quarter of 2023
  - First tonnes to be delivered to customers during second quarter of 2023

## PROFIT/LOSS FOR THE PERIOD

NOK MILLION	Q1 2023	Q4 2022	Q1 2022	YTD 2023	YTD 2022
Operating revenue	3 171	3 848	3 326	3 171	3 326
Other operating income	149	208	264	149	264
<b>Total operating income</b>	<b>3 320</b>	<b>4 056</b>	<b>3 590</b>	<b>3 320</b>	<b>3 590</b>
Distribution cost	-246	-273	-299	-246	-299
Cost of materials	-1 635	-1 843	-2 020	-1 635	-2 020
Fixed cost	-765	-858	-660	-765	-660
<b>EBITDA</b>	<b>675</b>	<b>1 083</b>	<b>610</b>	<b>675</b>	<b>610</b>

Lower operating revenue in the first quarter compared to the previous quarter driven by lower deliveries and reduction in sale of excess energy mainly in France. The quarter saw lower deliveries due to full effect from closure of Golbey PM1 during the previous quarter as well as weaker demand. Underlying publication paper prices were lower compared to the previous quarter, but Norwegian mill remained competitive due to weaker NOK.

Cost of materials decreased on an absolute basis due to lower volumes but were slightly higher on a per tonne basis compared to the previous quarter. Recovered paper (RCP) prices decreased slightly from previous quarter but were more than offset by increasing pulpwod prices.

Fixed costs (including employee benefit expenses) decreased compared to the previous quarter, mainly due to lower accrual of the long-term share incentive programme compared to the previous quarter.

EBITDA decreased quarter-over-quarter, mainly driven by lower deliveries and reduced sale of excess energy.

The publication paper market balance has weakened into 2023 for all grades, but especially for magazine grades. Utilisation was 78% for Norske Skog in the first quarter of 2023, mainly due to weaker demand compared to previous quarter.

NOK MILLION	Q1 2023	Q4 2022	Q1 2022	YTD 2023	YTD 2022
Restructuring expenses	-1	-11	0	-1	0
Depreciation	-115	-190	-114	-115	-114
Impairments	0	-164	0	0	0
Derivatives and other fair value adjustments	-474	227	97	-474	97
<b>Operating earnings</b>	<b>85</b>	<b>944</b>	<b>593</b>	<b>85</b>	<b>593</b>

Depreciation of NOK 115 million is a decrease compared with the previous quarter, due to extraordinary high depreciation of old machinery and equipment related to newsprint production at Norske Skog Golbey PM1 in the fourth quarter, but in line with historical levels.

The fair value of energy contracts in Norway decreased compared to the previous quarter due to decreased difference between future market prices for electricity and contract electricity prices.

## NORSKE SKOG QUARTERLY REPORT – FIRST QUARTER 2023 (UNAUDITED)

NOK MILLION	Q1 2023	Q4 2022	Q1 2022	YTD 2023	YTD 2022
Share of profit in associated companies and joint ventures	-3	198	-1	-3	-1
Financial items	-230	-45	1	-230	1
Income taxes	-32	-32	-10	-32	-10
<b>Profit/loss for the period</b>	<b>-181</b>	<b>1 065</b>	<b>583</b>	<b>-181</b>	<b>583</b>

Share of profit in associated companies and joint ventures of NOK -3 million is down from the previous quarter since the previous quarter recognised the sale of high school facilities to Viken county municipality.

Financial items were negative by NOK 230 million in the first quarter, mainly because of unrealised currency losses on euro denominated

debt. Interest cost and other financial costs were in line with the previous quarter.

The income tax expense in the quarter relates mainly to the operations of Norske Skog Golbey offset by deferred tax assets recognised for the operations in Norway and Austria

## DIVERSIFICATION BEYOND PUBLICATION PAPER

Commercial development of CEBINA and CEBICO continued during the first quarter together with partners.

Norske Skog holds an approximately 26% ownership stake in Circa Group AS, listed under the ticker code CIRCA at Euronext Growth Oslo.

The group continuously works to develop several other bio product and energy related growth projects, both on a stand-alone basis and in partnerships.

## SEGMENT INFORMATION

### PUBLICATION PAPER EUROPE

NOK MILLION	Q1 2023	Q4 2022	Q1 2022	YTD 2023	YTD 2022
Total operating income	2 864	3 551	2 968	2 864	2 968
<b>EBITDA</b>	<b>763</b>	<b>1 131</b>	<b>439</b>	<b>763</b>	<b>439</b>
EBITDA margin (%)	26.6	31.8	14.8	26.6	14.8
Return on capital employed (%) (annualised)	15.8	14.2	3.6	15.8	3.6
Production (1 000 tonnes)	277	305	415	277	415
Deliveries (1 000 tonnes)	245	300	407	245	407
Production / capacity (%)	77	74	94	77	94

The segment consists of Norske Skog's European operations in the publication paper market with industrial sites in Norway, France, and Austria. Annual production capacity is approximately 1.4 million tonnes.

Operating income decreased from the previous quarter due to lower delivered volumes following weaker demand and the full effect of the closure in previous quarter of Norske Skog Golbey PM1 for conversion. Underlying publication paper prices declined compared to the previous quarter, but partly mitigated by the weaker NOK which in addition increased the competitiveness of the Norwegian mills.

Distribution costs decreased from the previous quarter on an absolute level but increased on a per tonne basis, driven by lower volumes and longer freight distances. Cost of materials decreased in total but were slightly up on a per tonne basis. Recovered paper prices decreased in the quarter but were offset by increasing pulpwood prices. Employee

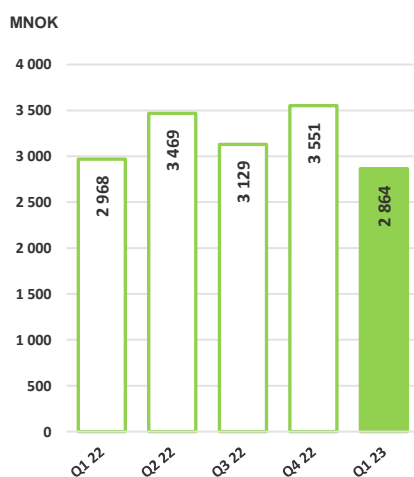
benefit expenses decreased on an absolute level but increased on a per tonne basis due to lower deliveries.

EBITDA decreased compared to the previous quarter because of lower deliveries and reduction in sale of excess energy.

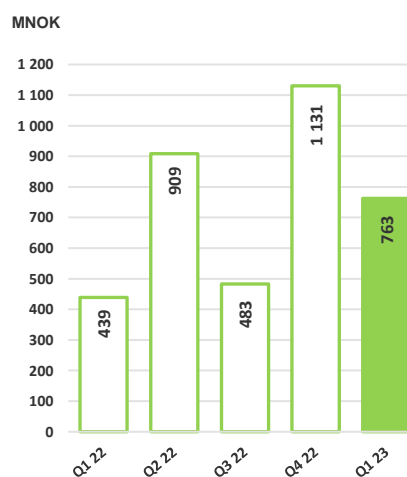
Demand for standard newsprint in Europe decreased by 21% as of February 2023 compared to the same period last year. Magazine paper demand decreased by 28%, with super calendared paper decreasing 27% and lightweight coated paper decreasing 30%. (Source: Eurograph).

Capacity utilisation was 77% in the period mainly driven by weak demand, an increase compared with the previous quarter of 74%, which included Golbey PM1. Golbey PM1 has as of this quarter been excluded from the publication paper capacity.

EUROPE  
TOTAL OPERATING INCOME



EUROPE  
EBITDA



### PUBLICATION PAPER AUSTRALASIA

NOK MILLION	Q1 2023	Q4 2022	Q1 2022	YTD 2023	YTD 2022
Total operating income	434	508	429	434	429
<b>EBITDA</b>	<b>-23</b>	<b>33</b>	<b>40</b>	<b>-23</b>	<b>40</b>
EBITDA margin (%)	-5.2	6.5	9.2	-5.2	9.2
Return on capital employed (%) (annualised)	-20.0	14.8	38.0	-20.0	38.0
Production (1 000 tonnes)	55	64	59	55	59
Deliveries (1 000 tonnes)	56	63	61	56	61
Production / capacity (%)	83	98	91	83	91

The segment consists of Norske Skog Boyer's publication paper operations in Australasia, the only domestic publication paper producer in the region. The annual production capacity is approximately 0.3 million tonnes.

Operating income decreased compared to previous quarter due to lower deliveries and slightly lower prices.

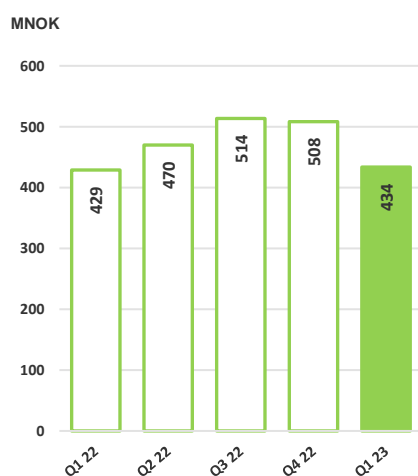
Distribution costs were lower compared to the previous quarter on an absolute level but increased on a per tonne basis due to longer freight distances. Cost of materials were lower on an absolute basis but increased on a per tonne basis due to total mill shut for maintenance and subsequent operational challenges during start up. Employee

benefit expenses increased on an absolute basis and on a per tonne basis.

EBITDA was lower compared to the previous quarter, mainly due to lower production and deliveries combined with higher production costs.

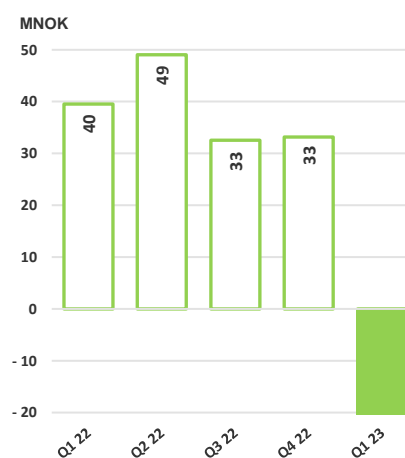
According to PPPC, demand for newsprint and coated mechanical increased by 5% and 16%, respectively, through February 2023 compared to the same period last year. Capacity utilisation was 83% in the period, a decrease compared to the previous quarter of 98%, mainly because of the total mill shut and some subsequent production issues in the quarter.

**AUSTRALASIA**  
**TOTAL OPERATING INCOME**



**AUSTRALASIA**

**EBITDA**



## PACKAGING PAPER

NOK MILLION	Q1 2023	Q4 2022	Q1 2022	YTD 2023	YTD 2022
Total operating income	24	0	0	24	0
<b>EBITDA</b>	<b>-38</b>	<b>0</b>	<b>0</b>	<b>-38</b>	<b>0</b>
EBITDA margin (%)	-158.1	0.0	0	-158.1	0
Return on capital employed (%) (annualised)	-70.7	0.0	0	-70.7	0

The segment consists of Norske Skog's packaging paper operations in Europe. At Norske Skog Bruck the production of recycled containerboard started at the end of the first quarter. Norske Skog Bruck will deliver its first tonnes to customers during the second quarter of 2023. When full capacity is reached, Norske Skog Bruck will have a production capacity of 0.2 million tonnes of recycled containerboard.

Norske Skog Golbey in France is currently converting PM1 for production of packaging paper and will start production in the fourth

quarter 2023. When full capacity is reached Norske Skog Golbey will have a production capacity of 0.6 million tonnes.

The machines are expected to operate at 60-70% utilisation in the first year of operation and reach full utilisation during the third year of production. Once at full utilisation, the machines are expected to generate annual EBITDA of EUR 70-80 million, based on historical prices and margins seen in the market.

Operating income for first quarter consists of gate fees more than offset by variable and fixed cost in the period.

## OTHER ACTIVITIES

NOK MILLION	Q1 2023	Q4 2022	Q1 2022	YTD 2023	YTD 2022
Total operating income	61	61	314	61	314
<b>EBITDA</b>	<b>-27</b>	<b>-81</b>	<b>131</b>	<b>-27</b>	<b>131</b>

Operating income in other activities mainly consist of sourcing solutions and non-paper related operations.

EBITDA in the quarter was negatively impacted by increased accrual related to the long-term incentive programme which in part was exercised in the quarter.

Other activities include unallocated headquarter costs. The unallocated headquarter costs are estimated to be EBITDA negative by approximately NOK 40 million annually but are not uniformly distributed throughout the quarters of the year.

## CASH FLOW

NOK MILLION	Q1 2023	Q4 2022	Q1 2022	YTD 2023	YTD 2022
EBITDA	675	1 083	610	675	610
Change in working capital	-188	-208	-172	-188	-172
Restructuring payments	-2	-7	-10	-2	-10
Gain and losses from divestments	2	-8	-177	2	-177
Net financial items	-35	-45	-40	-35	-40
Taxes paid	-16	-45	-12	-16	-12
Other items	-7	-24	-2	-7	-2
<b>Net cash flow from operating activities</b>	<b>430</b>	<b>745</b>	<b>196</b>	<b>430</b>	<b>196</b>
<b>Purchases of property, plant and equipment and intangible assets</b>	<b>-570</b>	<b>-881</b>	<b>-391</b>	<b>-570</b>	<b>-391</b>
-whereof maintenance capex	-63	-121	-23	-63	-23

Net cash flow from operating activities was NOK 430 million in the first quarter.

The operating cash flow was negatively impacted by change in working capital of NOK 188 million, mainly driven by an increase in inventories and slight decrease in trade and other payables, partly offset by a slight decrease in trade and other receivables.

Taxes paid in the first quarter relates to tax on the operations of Norske Skog Golbey.

Maintenance capex of NOK 63 million relates to ordinary maintenance in the quarter, a decrease from the previous quarter.

Remaining purchases of property, plant and equipment and intangible assets mainly relate to investments in the packaging paper projects at Norske Skog Bruck and Norske Skog Golbey.

## BALANCE SHEET

NOK MILLION	31 MAR 2023	31 DEC 2022	31 MAR 2022
Non-current assets	7 498	7 069	4 520
<b>Cash and cash equivalents</b>	<b>2 894</b>	<b>2 650</b>	<b>1 676</b>
Inventories, trade and other receivables and other current assets	4 109	3 889	3 797
<b>Total assets</b>	<b>14 502</b>	<b>13 609</b>	<b>9 994</b>
<b>Equity</b>	<b>6 045</b>	<b>5 909</b>	<b>3 660</b>
Non-current liabilities	5 058	4 422	3 515
Current liabilities	3 399	3 278	2 819
<b>Net interest-bearing debt</b>	<b>1 305</b>	<b>1 092</b>	<b>924</b>

Total assets increased in the first quarter mainly due to an increase in property, plant, and equipment due to the investment into recycled containerboard, and cash and cash equivalents.

Cash and cash equivalents increased to NOK 2 894 million from NOK 2 650 million at previous quarter end. The increase is a result of positive operating cash flows in the quarter and proceeds from sale of the high school facilities in Halden, reduced by investments in property, plant and equipment offset by draw down on loans.

Non-current liabilities increased from previous quarter driven by an increase in interest-bearing non-current liabilities.

Local debt to finance the packaging paper projects at Norske Skog Bruck and Norske Skog Golbey was drawn with approximately EUR 153 million at quarter end, compared to EUR 136 million at previous quarter end.

Net interest-bearing debt increased from NOK 1 092 million to NOK 1 305 million in the quarter, partly due to the weaker NOK at the end of the quarter.

## OUTLOOK


The development in the global economy is of vital importance for consumer spending, and will impact the publication paper and packaging industry, and thus Norske Skog's operations.

There is still some uncertainty to how the global economy will perform in 2023 especially in the raw material- and energy markets. Raw material and energy prices are below the record levels experienced in 2022, but are still far above historical average levels. The decrease in energy prices and decreased demand for publication and packaging paper have resulted in lower sales prices. It is expected that the

development of costs and paper demand will influence paper sales prices in Europe. The decreased demand for publication paper has initiated further announcements of capacity closures in the industry to improve the imbalance in demand and supply for publication paper.

Norske Skog's European operations are cost-competitive, and the group will temporarily adjust production to customer demand. Simultaneously, Norske Skog will continue to develop the industrial sites, including further conversions and new initiatives within renewable energy and bioproducts.

SKØYEN, 26 APRIL 2023  
THE BOARD OF DIRECTORS OF NORSKE SKOG ASA



Geir Drangslund  
Chair



Arvid Grundekjøn  
Board member



Trine-Marie Hagen  
Board member



Christoffer Bull  
Board member



Johanna Lindén  
Board member



Sven Ombudstvedt  
CEO



## INTERIM FINANCIAL STATEMENTS, FIRST QUARTER OF 2023

### CONDENSED CONSOLIDATED INCOME STATEMENT

NOK MILLION	NOTE	Q1 2023	Q4 2022	Q1 2022	YTD 2023	YTD 2022
Operating revenue		3 171	3 848	3 326	3 171	3 326
Other operating income		149	208	264	149	264
<b>Total operating income</b>	4	<b>3 320</b>	<b>4 056</b>	<b>3 590</b>	<b>3 320</b>	<b>3 590</b>
Distribution costs		-246	-273	-299	-246	-299
Cost of materials		-1 635	-1 843	-2 020	-1 635	-2 020
Employee benefit expenses		-502	-571	-479	-502	-479
Other operating expenses		-263	-287	-181	-263	-181
Restructuring expenses		-1	-11	0	-1	0
Depreciation	5	-115	-190	-114	-115	-114
Impairments	5	0	-164	0	0	0
Derivatives and other fair value adjustments	6	-474	227	97	-474	97
<b>Operating earnings</b>		<b>85</b>	<b>944</b>	<b>593</b>	<b>85</b>	<b>593</b>
Share of profit in associated companies and joint ventures	7	-3	198	-1	-3	-1
Financial items	8	-230	-45	1	-230	1
<b>Profit/loss before income taxes</b>		<b>-148</b>	<b>1 097</b>	<b>593</b>	<b>-148</b>	<b>593</b>
Income taxes		-32	-32	-10	-32	-10
<b>Profit/loss for the period</b>		<b>-181</b>	<b>1 065</b>	<b>583</b>	<b>-181</b>	<b>583</b>
Basic earnings per share (NOK)		-1.91	11.30	6.18	-1.91	6.18
Diluted earnings per share (NOK)		-1.91	11.30	6.18	-1.91	6.18

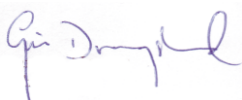
## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

NOK MILLION	Q1 2023	Q4 2022	Q1 2022	YTD 2023	YTD 2022
<b>Profit/loss for the period</b>	<b>-181</b>	<b>1 065</b>	<b>583</b>	<b>-181</b>	<b>583</b>
<b>Items that may be reclassified subsequently to profit or loss</b>					
Currency translation differences	312	-29	-57	312	-57
Tax expense on translation differences	0	0	0	0	0
Reclassified translation differences upon divestment of foreign operations	5	0	1	5	1
<b>Total</b>	<b>316</b>	<b>-29</b>	<b>-56</b>	<b>316</b>	<b>-56</b>
<b>Items that will not be reclassified subsequently to profit or loss</b>					
Remeasurements of post-employment benefit obligations	0	14	0	0	0
Tax effect on remeasurements of employment benefit obligations	0	2	0	0	0
<b>Total</b>	<b>0</b>	<b>16</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other comprehensive income for the period</b>	<b>316</b>	<b>-15</b>	<b>-56</b>	<b>316</b>	<b>-56</b>
<b>Total comprehensive income for the period</b>	<b>136</b>	<b>1 050</b>	<b>527</b>	<b>136</b>	<b>527</b>

## CONDENSED CONSOLIDATED BALANCE SHEET

NOK MILLION	NOTE	31 MAR 2023	31 DEC 2022	31 MAR 2022
Deferred tax asset		186	137	23
Intangible assets	5	13	14	18
Property, plant and equipment	5	6 618	5 852	4 245
Investments in associated companies and joint ventures	7	97	299	107
Other non-current assets	6	584	768	127
<b>Total non-current assets</b>		<b>7 498</b>	<b>7 069</b>	<b>4 520</b>
Inventories		1 786	1 464	1 206
Trade and other receivables		1 886	1 944	1 724
Other current assets	6	437	481	868
Cash and cash equivalents		2 894	2 650	1 676
<b>Total current assets</b>		<b>7 003</b>	<b>6 539</b>	<b>5 474</b>
<b>Total assets</b>		<b>14 502</b>	<b>13 609</b>	<b>9 994</b>
Paid-in equity	9	8 898	8 898	8 898
Retained earnings		-2 854	-2 989	-5 238
<b>Total equity</b>		<b>6 045</b>	<b>5 909</b>	<b>3 660</b>
Employee benefit obligations		297	278	302
Deferred tax liability		229	208	244
Interest-bearing non-current liabilities	8	3 866	3 432	2 456
Other non-current liabilities	6	665	504	512
<b>Total non-current liabilities</b>		<b>5 058</b>	<b>4 422</b>	<b>3 515</b>
Trade and other payables		2 161	2 245	2 081
Tax payable		453	358	71
Interest-bearing current liabilities	8	333	310	144
Other current liabilities	6	452	364	523
<b>Total current liabilities</b>		<b>3 399</b>	<b>3 278</b>	<b>2 819</b>
<b>Total liabilities</b>		<b>8 457</b>	<b>7 700</b>	<b>6 334</b>
<b>Total equity and liabilities</b>		<b>14 502</b>	<b>13 609</b>	<b>9 994</b>

SKØYEN, 26 APRIL 2023  
THE BOARD OF DIRECTORS OF NORSKE SKOG ASA



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Board member



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Board member



Sven Ombudstvedt  
CEO

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

NOK MILLION	Q1 2023	Q4 2022	Q1 2022	YTD 2023	YTD 2022
Cash generated from operations	3 369	4 135	2 985	3 369	2 985
Cash used in operations	-2 888	-3 300	-2 736	-2 888	-2 736
Cash flow from currency hedges and financial items	-13	-26	-17	-13	-17
Interest payments received	19	16	4	19	4
Interest payments made	-41	-35	-27	-41	-27
Taxes paid	-16	-45	-12	-16	-12
<b>Net cash flow from operating activities <sup>1)</sup></b>	<b>430</b>	<b>745</b>	<b>196</b>	<b>430</b>	<b>196</b>
Purchases of property, plant and equipment and intangible assets	-570	-881	-391	-570	-391
Sales of property, plant and equipment and intangible assets	2	9	2	2	2
Dividend proceeds from joint venture	200	0	0	200	0
Purchase of shares in companies and other financial payments	0	-2	0	0	0
Sales of shares in companies and other financial instruments	0	3	276	0	276
<b>Net cash flow from investing activities</b>	<b>-367</b>	<b>-872</b>	<b>-112</b>	<b>-367</b>	<b>-112</b>
New loans raised	185	817	254	185	254
Repayments of loans	-49	-85	-133	-49	-133
<b>Net cash flow from financing activities</b>	<b>136</b>	<b>733</b>	<b>121</b>	<b>136</b>	<b>121</b>
Foreign currency effects on cash and cash equivalents	45	-2	-17	45	-17
<b>Total change in cash and cash equivalents</b>	<b>244</b>	<b>604</b>	<b>187</b>	<b>244</b>	<b>187</b>
<b>Cash and cash equivalents at start of period</b>	<b>2 650</b>	<b>2 047</b>	<b>1 489</b>	<b>2 650</b>	<b>1 489</b>
<b>Cash and cash equivalents at end of period</b>	<b>2 894</b>	<b>2 650</b>	<b>1 676</b>	<b>2 894</b>	<b>1 676</b>
<b><sup>1)</sup> Reconciliation of net cash flow from operating activities</b>					
Profit/loss before income taxes	-148	1 097	593	-148	593
Change in working capital	-188	-208	-172	-188	-172
Change in restructuring provisions	0	4	-10	0	-10
Depreciation and impairments	115	354	114	115	114
Derivatives and other fair value adjustments	474	-227	-97	474	-97
Gain and losses from divestment of business activities and PPE	2	-8	-177	2	-177
Net financial items without cash effect	198	-198	-40	198	-40
Taxes paid	-16	-45	-12	-16	-12
Change in pension obligations and other employee benefits	-6	-21	-2	-6	-2
Adjustment for other items	0	-4	0	0	0
<b>Net cash flow from operating activities</b>	<b>430</b>	<b>745</b>	<b>196</b>	<b>430</b>	<b>196</b>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN GROUP EQUITY

NOK MILLION	PAID-IN EQUITY	OTHER PAID-IN EQUITY	RETAINED EARNINGS	TOTAL EQUITY
<b>Equity 1 January 2022</b>	<b>6 649</b>	<b>2 249</b>	<b>-5 765</b>	<b>3 133</b>
Profit/loss for the period	0	0	583	583
Other comprehensive income for the period	0	0	-56	-56
<b>Equity 31 March 2022</b>	<b>6 649</b>	<b>2 249</b>	<b>-5 238</b>	<b>3 660</b>
Profit/loss for the period	0	0	924	924
Other comprehensive income for the period	0	0	275	275
<b>Equity 30 September 2022</b>	<b>6 649</b>	<b>2 249</b>	<b>-4 039</b>	<b>4 859</b>
Profit/loss for the period	0	0	1 065	1 065
Other comprehensive income for the period	0	0	-15	-15
<b>Equity 31 December 2022</b>	<b>6 649</b>	<b>2 249</b>	<b>-2 989</b>	<b>5 909</b>
Profit/loss for the period	0	0	-181	-181
Other comprehensive income for the period	0	0	316	316
<b>Equity 31 March 2023</b>	<b>6 649</b>	<b>2 249</b>	<b>-2 854</b>	<b>6 045</b>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

Norske Skog ASA (“the company”) and its subsidiaries (“the group” or “Norske Skog”) produce, distribute and sell publication paper. This includes newsprint and magazine paper.

All amounts in the interim financial statements are presented in NOK million unless otherwise stated. Due to rounding, there may be differences in the summation of columns and rows.

The table below shows the applied average (un-weighted monthly) foreign exchange rates per quarter and the closing exchange rate at month ends for the most important currencies for the group.

	Q1 2023	Q4 2022	31 MAR 2023	31 DEC 2022	31 MAR 2022
AUD	7.00	6.69	7.00	6.70	6.55
EUR	10.98	10.39	11.39	10.51	9.71
GBP	12.44	11.95	12.96	11.85	11.48
NZD	6.45	6.14	6.55	6.26	6.06
USD	10.24	10.19	10.48	9.86	8.75

## 2. ACCOUNTING POLICIES

The interim financial statements of Norske Skog have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim financial statements do not include all information required for full annual financial statements and should be read in conjunction with the consolidated financial statements for 2022. The interim financial statements are unaudited.

The accounting policies applied in the preparation of the interim financial statements are consistent with those applied in the preparation of the consolidated financial statements for the year ended

31 December 2022, except for the adaptation of amended standards and new interpretations, which are mandatory from 1 January 2023. These changes are described in the consolidated financial statements for 2022.

The group has not early adopted any standard, interpretation or amendment that has been issued but is not yet mandatory.

## 3. ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

Preparation of interim financial statements in accordance with IFRS implies use of estimates, which are based on judgements and assumptions that affect the application of accounting principles and the reported amounts of assets, liabilities, revenues and expenses. Actual amounts might differ from such estimates.

### *Recoverable amount of intangible assets and property, plant and equipment*

Property, plant and equipment are tested for possible impairment charges whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. A prolonged decrease in prices or demand beyond the historical level could be an indicator of impairment and an impairment test will be prepared. The recoverable amount is the higher of an asset's fair value less sales costs or its value in use. Value in use is the present value of the future cash flows expected to be derived from a cash-generating unit. The key drivers of profitability in the industry and thus asset values for Norske Skog are product prices relative to production costs.

### *Accounting treatment of physical energy contracts and other financial instruments*

Norske Skog's portfolio of commodity contracts consist mainly of physical contracts that are settled through physical delivery. Embedded derivatives in commodity contracts are measured at fair value and embedded derivatives that are not traded in an active market, are assessed through valuation techniques. The fair value of embedded derivatives in physical contracts vary depending on changes in currency and price indexes.

Commodity contracts that fail to meet the “own-use exemption” criteria in IFRS 9 *Financial instruments* – recognition and measurement are recognised in the balance sheet and valued at fair value.

The group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at each balance sheet date. See Note 18 in the consolidated financial statements for 2022 for more information regarding the calculation of fair value of derivatives.

See Note 3 in the consolidated financial statements for 2022 for a more thorough description of important accounting estimates and assumptions impacting the preparation of financial statements.

## 4. OPERATING SEGMENTS

The activities of the Norske Skog group are separated into three operating segments which is in line with how the group is managed internally. Norske Skog's chief operating decision maker is corporate management, who distribute resources and assess performance of the group's operating segments. Norske Skog has an integrated strategy across the three segments to maximise profits. The optimisation is carried out through coordinated sales and operational planning. The regional planning, in combination with structured sales and operational processes, ensures maximisation of profit.

Operating revenue in the first quarter of 2023 will mainly consist of sale of goods from both Publication Paper Europe and Publication Paper Australasia. Operating revenue from Packaging Paper will start from the second quarter of 2023, and the production is expected to reach full capacity in the period 2025 to 2026.

Publication paper includes newsprint and magazine paper. Newsprint includes standard newsprint and improved newsprint used in newspapers, inserts, catalogues etc. Magazine paper includes the paper qualities supercalendered (SC) and lightweight coated (LWC). Magazine paper is used in magazines, catalogues, and advertising materials.

The Publication Paper Europe segment encompasses production and sale of newsprint and magazine paper in Europe. All the four European

industrial sites and the regional sales organisation are included in the operating segment publication paper Europe.

The Publication Paper Australasia segment encompasses production and sale of newsprint and magazine paper in Australasia. Norske Skog Boyer, the only producer of newsprint and magazine grade in the region, and the regional sales organisation is included in the operating segment publication paper Australasia.

Packaging Paper has been established as a new reporting segment. The segment includes Norske Skog's production of recycled containerboard, mainly the grades testliner 3 and fluting. Testliner 3 and fluting are used by corrugators as outer and inner layers of packaging material. From the first quarter of 2023, the segment only comprises one machine, PM3, at Norske Skog Bruck. From the fourth quarter, Norske Skog Golbey PM1 will also be included in the segment.

Activities in the group that do not fall into the operating segments are presented under other activities. This includes corporate functions, Green Energy business and other holding company activities. From the first quarter of 2023 sourcing solutions are also included in the segment other activities. The sale of the pellets operations of Nature's Flame was completed in March 2022 and is included in Green Energy for historical segment information and up to the completion in first quarter.

Q1 2023	PUBLICATION PAPER EUROPE	PUBLICATION PAPER AUSTRALASIA	PACKAGING PAPER	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
Operating revenue	2 735	436	0	61	-61	3 171
Other operating income	129	-3	24	0	-2	149
<b>Total operating income</b>	<b>2 864</b>	<b>434</b>	<b>24</b>	<b>61</b>	<b>-63</b>	<b>3 320</b>
Distribution costs	-186	-59	0	0	0	-246
Cost of materials	-1 355	-266	-11	-25	22	-1 635
Employee benefit expenses	-345	-82	-35	-41	2	-502
Other operating expenses	-215	-49	-17	-22	39	-263
<b>EBITDA</b>	<b>763</b>	<b>-23</b>	<b>-38</b>	<b>-27</b>	<b>0</b>	<b>675</b>
Restructuring expenses	0	-1	0	0	0	-1
Depreciation	-93	-11	-8	-2	0	-115
Derivatives and other fair value adjustments	-474	0	0	0	0	-474
<b>Operating earnings</b>	<b>195</b>	<b>-35</b>	<b>-46</b>	<b>-29</b>	<b>0</b>	<b>85</b>
Share of operating revenue from external parties (%)	100	100	0	3		100

Q1 2022	PUBLICATION PAPER EUROPE	PUBLICATION PAPER AUSTRALASIA	PACKAGING PAPER	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
Operating revenue	2 885	421	0	139	-119	3 326
Other operating income	83	7	0	175	-2	264
<b>Total operating income</b>	<b>2 968</b>	<b>429</b>	<b>0</b>	<b>314</b>	<b>-121</b>	<b>3 590</b>
Distribution costs	-237	-58	0	-4	0	-299
Cost of materials	-1 797	-223	0	-92	92	-2 020
Employee benefit expenses	-343	-73	0	-65	1	-479
Other operating expenses	-152	-34	0	-23	27	-181
<b>EBITDA</b>	<b>439</b>	<b>40</b>	<b>0</b>	<b>131</b>	<b>0</b>	<b>610</b>
Depreciation	-100	-10	0	-4	0	-114
Derivatives and other fair value adjustments	97	0	0	0	0	97
<b>Operating earnings</b>	<b>436</b>	<b>30</b>	<b>0</b>	<b>127</b>	<b>0</b>	<b>593</b>
Share of operating revenue from external parties (%)	100	100	0	15		100

Q4 2022	PUBLICATION PAPER EUROPE	PUBLICATION PAPER AUSTRALASIA	PACKAGING PAPER	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
Operating revenue	3 354	497	0	60	-64	3 848
Other operating income	197	11	0	1	-1	208
<b>Total operating income</b>	<b>3 551</b>	<b>508</b>	<b>0</b>	<b>61</b>	<b>-64</b>	<b>4 056</b>
Distribution costs	-210	-63	0	0	0	-273
Cost of materials	-1 553	-294	0	-29	33	-1 843
Employee benefit expenses	-413	-67	0	-92	1	-571
Other operating expenses	-245	-51	0	-22	31	-287
<b>EBITDA</b>	<b>1 131</b>	<b>33</b>	<b>0</b>	<b>-81</b>	<b>0</b>	<b>1 083</b>
Restructuring expenses	0	-11	0	0	0	-11
Depreciation	-177	-11	0	-2	0	-190
Impairments	-164	0	0	0	0	-164
Derivatives and other fair value adjustments	227	0	0	0	0	227
<b>Operating earnings</b>	<b>1 016</b>	<b>11</b>	<b>0</b>	<b>-84</b>	<b>0</b>	<b>944</b>
Share of operating revenue from external parties (%)	100	100	0	5		100

INCOME STATEMENT	Q1 2023	Q4 2022	Q1 2022	YTD 2023	YTD 2022
<b>OTHER OPERATING REVENUE</b>					
Corporate functions	33	27	26	33	26
Sourcing solutions	28	34	92	28	92
Green energy and other	0	0	196	0	196
<b>Total</b>	<b>61</b>	<b>61</b>	<b>314</b>	<b>61</b>	<b>314</b>
<b>EBITDA</b>					
Corporate functions	-29	-80	-46	-29	-46
Sourcing solutions	2	-2	2	2	2
Green energy and other	0	0	176	0	176
<b>Total</b>	<b>-27</b>	<b>-81</b>	<b>131</b>	<b>-27</b>	<b>131</b>

## 5. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

JAN-MAR 2023	PROPERTY, PLANT AND EQUIPMENT	RIGHT-OF-USE ASSETS	TOTAL PROPERTY PLANT AND EQUIPMENT	INTANGIBLE ASSETS
Carrying value at start of period	5 784	68	5 852	14
Additions*	449	8	457	0
Depreciation	-104	-10	-113	-1
Disposals	0	0	0	0
Currency translation differences	418	4	422	1
<b>Carrying value at end of period</b>	<b>6 548</b>	<b>70</b>	<b>6 618</b>	<b>13</b>

\*The difference between additions and the line Purchases of property, plant and equipment and intangible assets in the condensed consolidated statement of cash flows is due to right-of-use assets, accruals for payments and other additions with no cash impact.

### PER OPERATING SEGMENTS

31 MAR 2023	TOTAL PROPERTY PLANT AND EQUIPMENT	INTANGIBLE ASSETS
Publication paper Europe	3 995	4
Publication paper Australasia	254	0
Packaging paper	2 361	3
Other activities	8	7
<b>Total</b>	<b>6 618</b>	<b>13</b>

## 6. ENERGY CONTRACTS, DERIVATIVES AND FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE

31 MAR 2023	ASSETS		LIABILITIES	
	CURRENT	NON-CURRENT	CURRENT	NON-CURRENT
Energy contracts and embedded derivatives in energy contracts (level 3)	250	396	193	465
Other derivatives and financial instruments carried at fair value (level 2)	0	0	0	0
<b>Total</b>	<b>250</b>	<b>396</b>	<b>193</b>	<b>465</b>

Norske Skog's portfolio of commodity contracts consists mainly of physical energy contracts. Certain of the energy contracts are measured at fair value. The fair value of commodity contracts is especially sensitive to future changes in energy prices in the region they cover.

The contract prices for energy in Norway are sensitive to change in paper and pulpwood prices. Externally forecasted price increases for paper increases the cost of energy. Market prices for energy have developed in opposite directions in the relevant energy areas in Norway, giving a net negative impact on the fair value of the contracts in the quarter of NOK 474 million.

Changes in the value of energy contracts, commodity contracts and embedded derivatives in contracts are presented in the income

statement line Derivatives and other fair value adjustments. A sensitivity analysis of the impact on profit after tax of fluctuations in energy prices, currency and price indices is given in Note 4 in the consolidated financial statements for 2022.

Financial derivative contracts are accounted for at fair value and changes in contracts are presented in the income statement under financial items. A sensitivity analysis of the impact on profit after tax of fluctuations in currency is given in Note 4 in the consolidated financial statements for 2022.

The valuation techniques used are described in Note 18 in the consolidated financial statement for 2022.

## 7. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES

Investments in associated companies and joint ventures are accounted for in accordance with the equity method. The carrying value is NOK 97 million on 31 March 2023.

Norske Skog holds a 50% share of Porsnes Utvikling AS, an equal ownership joint venture between Ringstad Næringsutvikling AS and Norske Skog Saugbrugs AS. At 31 March 2023 this has a carrying value of NOK 13 million. The net proceeds of NOK 200 million from the

sale of the high school in fourth quarter 2022 was received in first quarter as dividend.

At 31 March 2023 Norske Skog holds a 26% share of Circa Group AS, with a carrying value of NOK 77 million. Loss is included in the quarter with NOK 3 million. Circa Group AS is listed on Euronext Growth.

Due to later reporting dates than Norske Skog, the share of results from Circa Group is included with a three months lag.



## 8. FINANCIAL ITEMS AND DEBT REPAYMENTS

### FINANCIAL ITEMS

NOK MILLION	Q1 2023	Q4 2022	Q1 2022	YTD 2023	YTD 2022
Net interest expenses	-25	-22	-25	-25	-25
Currency gains/losses*	-189	5	36	-189	36
Other financial items	-16	-28	-10	-16	-10
<b>Total financial items</b>	<b>-230</b>	<b>-45</b>	<b>1</b>	<b>-230</b>	<b>1</b>

\*Currency gains and losses on trade receivables and trade payables are reported as Operating revenue and Cost of materials respectively.

### FINANCING

In 2021 Norske Skog entered into credit facility agreements in an aggregate amount of EUR 265 million to finance its investment in the conversion projects to recycled containerboard.

EUR 193 million was for the project at Norske Skog Golbey and EUR 72 million for the project at Norske Skog Bruck.

The borrowing entities are Norske Skog Bruck GmbH and Norske Skog Golbey SAS, and the facilities are fully guaranteed by Norske Skog ASA.

The facilities will be drawn as capital expenditures are incurred, and repayment is scheduled to commence approximately upon completion of each respective project with average maturity towards the end of 2030. As of 31 March 2023, the credit facilities had been drawn by approximately EUR 153 million.

Norske Skog has a EUR 150 million senior secured bond. The bond matures in March 2026 and has an interest rate of EURIBOR (zero floor) +5.5% with quarterly interest payments.

As of 31 March 2023, the outstanding amount under the EUR 150 million senior secured bond, net of bought back bonds, was EUR 138.9 million.

Norske Skog has an EUR 31 million Revolving Credit Facility with a tenor of five years. As of 31 March 2023, the revolving credit facility was undrawn.

The EUR 54 million credit facility for the waste-to-energy plant in Norske Skog Bruck was fully drawn as of 30 September 2022, and quarterly repayments commenced during the fourth quarter of 2022. As of March 2023, the outstanding amount was EUR 49.7 million. The final maturity date is in 2028.

The remaining financing arrangements for the group includes leasing, factoring, and other credit facilities on mill level.

The financing covenants applicable to Norske Skog on a consolidated basis are (i) freely available and unrestricted cash and cash equivalents of minimum NOK 100 million, (ii) EBITDA\* to net interest costs of minimum 2.0:1, and (iii) book equity to total assets of minimum 25% and (iv) minimum LTM EBITDA\* of NOK 400 million. In addition, there are various company specific financial covenants applicable to the subsidiaries acting as borrowers under the respective credit facilities.

\*The EBITDA used in the financial covenants' calculations may differ from the EBITDA shown in the financial reporting due to adjustment requirements in the financing agreements.

### BONDS

EUR MILLION	MATURITY	CURRENCY	INTEREST RATE	NOMINAL VALUE	AMOUNT OUTSTANDING 31 MAR 2023
NSKOG02	March 2026	EUR	EURIBOR +5.5%	150	139

### DEBT REPAYMENT SCHEDULE\*

NOK MILLION	2023	2024	2025	2026	2027-
Bonds	0	0	0	1 583	0
Debt to credit institutions	255	818	480	375	629
<b>Total</b>	<b>255</b>	<b>818</b>	<b>480</b>	<b>1 958</b>	<b>629</b>

\*Not including items relating to leases.

Total debt listed in the repayment schedule differ from the carrying value in the balance sheet. This is due to the amortized cost principle.

Financed amounts from securitisation arrangements is classified as interest-bearing current liabilities. This amounts to NOK 58 million in debt repayment in the second quarter of 2023. The financed amount represents a group of individual loans, which are settled individually at maturity of the trade receivable.

New loans are initiated on a consecutive basis based on new trade receivables included under the securitization agreement. The liability is in its nature current and Norske Skog does not have an unconditional right to defer settlement beyond twelve months. The liabilities are liabilities that are settled through its normal operating cycle. The corresponding trade receivable is derecognised when the customer pays it.

## 9. PRINCIPAL SHAREHOLDERS

	NUMBER OF SHARES	OWNERSHIP %
BYGGMA ASA	16 930 431	17.96
DRANGSLAND KAPITAL AS	5 316 148	5.64
UBS Europe SE	4 694 000	4.98
VERDIPAPIRFONDET ALFRED BERG GAMBA	3 098 790	3.29
INTERTRADE SHIPPING AS	2 700 000	2.86
The Bank of New York Mellon SA/NV	2 157 307	2.29
VERDIPAPIRFONDET HOLBERG NORGE	1 650 000	1.75
MP PENSJON PK	1 411 015	1.50
RBC Investor services bank S.A.	1 134 617	1.20
VERDIPAPIRFONDET NORDEA AVKASTNING	1 132 596	1.20
Skandinaviska Enskilda Banken AB	1 100 000	1.17
VERDIPAPIRFONDET FONDSFINANS NORGE	900 000	0.95
The Bank of New York Mellon SA/NV	851 403	0.90
The Bank of New York Mellon SA/NV	822 786	0.87
CARUCEL FINANCE AS	774 624	0.82
State Street Bank and Trust Comp	720 243	0.76
Pershing Securities Limited	691 435	0.73
CLEARSTREAM BANKING S.A.	678 083	0.72
NORDNET LIVSFORSIKRING AS	616 219	0.65
VERDIPAPIRFONDET STOREBRAND NORGE	581 250	0.62
Other shareholders	46 303 758	49.12
<b>Total</b>	<b>94 264 705</b>	<b>100.00</b>

The data is extracted from VPS 26 April 2023. Whilst every reasonable effort is made to verify all data, VPS cannot guarantee the accuracy of the analysis.

## 10. THE NORSKE SKOG SHARE

	31 MAR 2023	31 DEC 2022
Share price (NOK)	57.70	67.25
Book value of equity per share (NOK)	64.13	62.68

## 11. RELATED PARTIES

Investor AS and subsidiaries Drangslund Kapital AS and Byggma AS are related parties to Norske Skog through the ownership in Norske Skog ASA and the chair of the board being a representative for these companies.

There have not been any transactions with related parties in 2023.

## 12. EVENTS AFTER THE BALANCE SHEET DATE

There have been no events after the balance sheet date with significant impact on the interim financial statements for the first quarter of 2023.

## 13. HISTORICAL FIGURES

INCOME STATEMENT	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
<b>Total operating income</b>	<b>3 320</b>	<b>4 056</b>	<b>3 630</b>	<b>3 937</b>	<b>3 590</b>
Variable costs	-1 880	-2 116	-2 430	-2 298	-2 320
Fixed costs	-765	-858	-692	-735	-660
<b>EBITDA</b>	<b>675</b>	<b>1 083</b>	<b>508</b>	<b>905</b>	<b>610</b>
Restructuring expenses	-1	-11	0	0	0
Depreciation	-115	-190	-122	-120	-114
Impairments	0	-164	0	0	0
Derivatives and other fair value adjustment	-474	227	-273	411	97
<b>Operating earnings</b>	<b>85</b>	<b>944</b>	<b>113</b>	<b>1 195</b>	<b>593</b>
Share of profit in associated companies and joint ventures	-3	198	-5	-3	-1
Financial items	-230	-45	-84	-127	1
<b>Profit/loss before income taxes</b>	<b>-148</b>	<b>1 097</b>	<b>23</b>	<b>1 065</b>	<b>593</b>
Income taxes	-32	-32	-34	-130	-10
<b>Profit/loss for the period</b>	<b>-181</b>	<b>1 065</b>	<b>-11</b>	<b>935</b>	<b>583</b>

SEGMENT INFORMATION	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
<b>Publication paper Europe</b>					
Total operating income	2 864	3 551	3 129	3 469	2 968
EBITDA	763	1 131	483	909	439
Deliveries (1 000 tonnes)	245	300	347	407	407
<b>Publication paper Australasia</b>					
Total operating income	434	508	514	470	429
EBITDA	-23	33	33	49	40
Deliveries (1 000 tonnes)	56	63	66	63	61
<b>Packaging paper</b>					
Total operating income	24	0	0	0	0
EBITDA	-38	0	0	0	0
Deliveries (1 000 tonnes)	0	0	0	0	0
<b>Other activities</b>					
Total operating income	61	61	71	133	314
EBITDA	-27	-81	-8	-54	131

BALANCE SHEET	31 MAR 2023	31 DEC 2022	30 SEP 2022	30 JUN 2022	31 MAR 2022
<b>Total non-current assets</b>	<b>7 498</b>	<b>7 069</b>	<b>5 692</b>	<b>5 319</b>	<b>4 520</b>
Inventories	1 786	1 464	1 487	1 357	1 206
Trade and other receivables	1 886	1 944	2 039	2 090	1 724
Cash and cash equivalents	2 894	2 650	2 047	1 728	1 676
Other current assets	437	481	1 483	871	868
<b>Total current assets</b>	<b>7 003</b>	<b>6 539</b>	<b>7 055</b>	<b>6 046</b>	<b>5 474</b>
<b>Total assets</b>	<b>14 502</b>	<b>13 609</b>	<b>12 747</b>	<b>11 365</b>	<b>9 994</b>
<b>Total equity</b>	<b>6 045</b>	<b>5 909</b>	<b>4 859</b>	<b>4 787</b>	<b>3 660</b>
<b>Total non-current liabilities</b>	<b>5 058</b>	<b>4 422</b>	<b>4 371</b>	<b>3 601</b>	<b>3 515</b>
Trade and other payables	2 161	2 245	2 429	2 171	2 081
Other current liabilities	1 238	1 033	1 088	805	738
<b>Total current liabilities</b>	<b>3 399</b>	<b>3 278</b>	<b>3 517</b>	<b>2 976</b>	<b>2 819</b>
<b>Total liabilities</b>	<b>8 457</b>	<b>7 700</b>	<b>7 888</b>	<b>6 578</b>	<b>6 334</b>
<b>Total equity and liabilities</b>	<b>14 502</b>	<b>13 609</b>	<b>12 747</b>	<b>11 365</b>	<b>9 994</b>

## NORSKE SKOG QUARTERLY REPORT – FIRST QUARTER 2023 (UNAUDITED)

CASH FLOW	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
<b>Reconciliation of net cash flow from operating activities</b>					
EBITDA	675	1 083	508	905	610
Change in working capital	-188	-208	188	-352	-172
Payments made relating to restructuring activities	-2	-7	-5	-10	-10
Gain and losses from divestment	2	-8	2	-8	-177
Cash flow from net financial items	-35	-45	-32	-33	-40
Taxes paid	-16	-45	-27	-17	-12
Other	-7	-24	-6	-12	-2
<b>Net cash flow from operating activities</b>	<b>430</b>	<b>745</b>	<b>627</b>	<b>473</b>	<b>196</b>
Purchases of property, plant and equipment and intangible assets	-570	-881	-519	-437	-391
Net divestments	202	9	-1	-14	278
<b>Net cash flow from investing activities</b>	<b>-367</b>	<b>-872</b>	<b>-520</b>	<b>-451</b>	<b>-112</b>
<b>Net cash flow from financing activities</b>	<b>136</b>	<b>733</b>	<b>206</b>	<b>-26</b>	<b>121</b>
Foreign currency effects on cash and cash equivalents	45	-2	7	55	-17
<b>Total change in cash and cash equivalents</b>	<b>244</b>	<b>604</b>	<b>319</b>	<b>51</b>	<b>187</b>

## ALTERNATIVE PERFORMANCE MEASURES

The European Securities and Markets Authority's (ESMA) has defined new guidelines for alternative performance measures (APM). An APM is defined as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specific in the applicable financial reporting framework (IFRS). The company uses EBITDA, EBITDA margin and return on capital employed (annualized) to measure operating performance on Group level. It is the company's view that the APMs provides the investors relevant and specific operating figures which may enhance their understanding of the performance.

EBITDA, EBITDA margin, variable costs, fixed costs, return on capital employed and net interest-bearing debt are defined by the company below.

**EBITDA:** Operating earnings for the period, before restructuring expenses, depreciation and amortization and impairment charges, derivatives, and other fair value adjustments, determined on an entity, combined or consolidated basis. EBITDA is used for providing consisting information of operating performance and cash generating which is relative to other companies and frequently used by other stakeholders.

NOK MILLION	Q1 2023	Q4 2022	Q1 2022	YTD 2023	YTD 2022
Operating earnings	85	944	593	85	593
Restructuring expenses	1	11	0	1	0
Depreciation	115	190	114	115	114
Impairments	0	164	0	0	0
Derivatives and other fair value adjustments	474	-227	-97	474	-97
<b>EBITDA</b>	<b>675</b>	<b>1 083</b>	<b>610</b>	<b>675</b>	<b>610</b>

**EBITDA margin:** EBITDA/total operating income. EBITDA margin assist in providing a more comprehensive analysis of operating performance relative to other companies.

NOK MILLION	Q1 2023	Q4 2022	Q1 2022	YTD 2023	YTD 2022
EBITDA	675	1 083	610	675	610
Total operating income	3 320	4 056	3 590	3 320	3 590
<b>EBITDA margin</b>	<b>20.3 %</b>	<b>26.7 %</b>	<b>17.0 %</b>	<b>20.3 %</b>	<b>17.0 %</b>

**Variable costs:** Distribution costs + cost of materials

NOK MILLION	Q1 2023	Q4 2022	Q1 2022	YTD 2023	YTD 2022
Distribution costs	246	273	299	246	299
Cost of materials	1 635	1 843	2 020	1 635	2 020
<b>Variable costs</b>	<b>1 880</b>	<b>2 116</b>	<b>2 320</b>	<b>1 880</b>	<b>2 320</b>

**Fixed costs:** Employee benefit expenses + other operating expenses.

NOK MILLION	Q1 2023	Q4 2022	Q1 2022	YTD 2023	YTD 2022
Employee benefit expenses	502	571	479	502	479
Other operating expenses	263	287	181	263	181
<b>Fixed costs</b>	<b>765</b>	<b>858</b>	<b>660</b>	<b>765</b>	<b>660</b>

NORSKE SKOG QUARTERLY REPORT – FIRST QUARTER 2023 (UNAUDITED)

**Return on capital employed (annualised):** (Annualised EBITDA – Annualised Capital expenditure)/Capital employed (average).

NOK MILLION	Q1 2023	Q4 2022	Q1 2022	YTD 2023	YTD 2022
EBITDA	675	1 083	610	675	610
Capital expenditure	570	881	391	570	391
Average capital employed	7 585	6 687	4 970	7 585	4 970
<b>Return on capital employed (annualised)</b>	<b>5.6 %</b>	<b>12.1 %</b>	<b>17.6 %</b>	<b>5.6 %</b>	<b>17.6 %</b>

NOK MILLION	31 MAR 2023	31 DEC 2022	31 MAR 2022
Intangible assets	13	14	18
Property, plant and equipment	6 618	5 852	4 245
Inventory	1 786	1 464	1 206
Trade and other receivables	1 886	1 944	1 724
Trade and other payables	-2 161	-2 245	-2 081
<b>Capital employed</b>	<b>8 142</b>	<b>7 028</b>	<b>5 112</b>

**Net interest-bearing debt:** Net interest-bearing debt consist of bond issued and other interest-bearing liabilities (current and non-current) reduced by cash and cash equivalent.

NOK MILLION	31 MAR 2023	31 DEC 2022	31 MAR 2022
Interest-bearing non-current liabilities	3 866	3 432	2 456
Interest-bearing current liabilities	333	310	144
Cash and cash equivalents	-2 894	-2 650	-1 676
<b>Net interest-bearing debt</b>	<b>1 305</b>	<b>1 092</b>	<b>924</b>

**Capital expenditure (Capex):** Purchases of property, plant and equipment and intangible assets.

**Maintenance capex:** Capex required to maintain the Group's current business.