



FOURTH QUARTER 2020

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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 six mills in five countries. Norske Skog has closed PM5 at the Saugbrugs mill (capacity of 100 000 tonnes SC magazine paper) and will cease newsprint production at the Tasman mill (capacity of 150 000 tonnes) in first quarter 2021 and will then produce converting grade paper. Following these changes, Norske Skog will have an annual publication paper production capacity of 2.1 million tonnes and 200 000 tonnes of converting grade paper. Four of the mills are in Europe, one in Australia and one in New Zealand. The group also operates a wood pellet facility in New Zealand producing 90 000 tonnes.

Newsprint and magazine paper is sold through sales offices and agents to over 80 countries. The group has approximately 2 300 employees. Of the four mills in Europe two will produce recycled containerboard following planned conversion projects. In addition to the traditional publication 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 fibre 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.

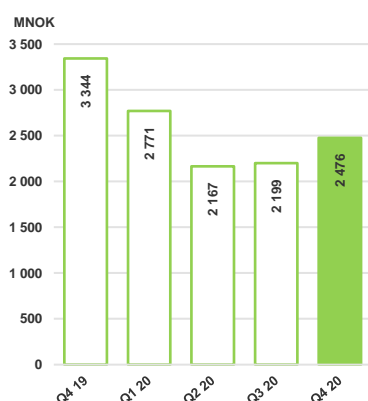
KEY FIGURES

NOK MILLION	Q4 2020	Q3 2020	Q4 2019	2020	2019
INCOME STATEMENT					
Total operating income	2 476	2 199	3 344	9 612	12 954
EBITDA*	146	73	560	736	1 938
Operating earnings	-1 276	-31	-117	-1 339	2 398
Profit/loss for the period	-1 363	-89	-158	-1 884	2 044
Earnings per share (NOK)**	-16.52	-1.08	-1.92	-22.84	24.77
CASH FLOW					
Net cash flow from operating activities	73	115	-78	549	602
Net cash flow from operating activities per share (NOK)**	0.88	1.39	-0.95	6.65	7.30
Net cash flow from investing activities	-217	-131	0	302	-180
OPERATING MARGIN AND PROFITABILITY (%)					
EBITDA margin*	5.9	3.3	16.8	7.7	15.0
Return on capital employed (annualised)*	-8.6	-7.3	30.0	2.1	28.5
PRODUCTION / DELIVERIES / CAPACITY UTILISATION					
Production (1 000 tonnes)	476	417	560	1 800	2 310
Deliveries (1 000 tonnes)	500	441	573	1 825	2 285
Production / capacity (%)	81	71	88	77	89

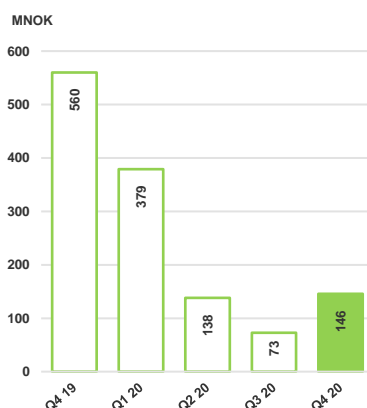
* As defined in Alternative Performance Measures

**Adjusted for the share split on 18 September 2019 pursuant to which the number of shares was increased from 30 000 to 82 500 000

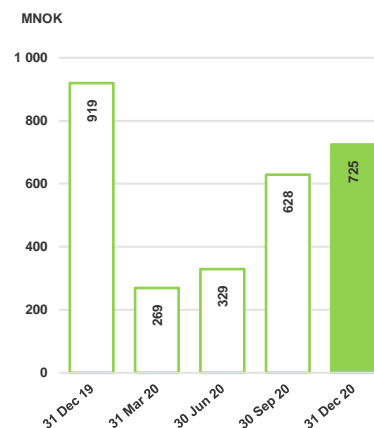
TOTAL OPERATING INCOME



EBITDA



NET INTEREST-BEARING DEBT



NOK MILLION	31 DEC 2020	30 SEP 2020	31 DEC 2019
BALANCE SHEET			
Non-current assets	4 084	5 356	5 248
Assets held for sale	0	0	631
Current assets	3 703	3 956	4 360
Total assets	7 787	9 311	10 240
Equity	3 219	4 715	5 493
Net interest-bearing debt	725	628	919

REPORT OF THE BOARD OF DIRECTORS FOR THE FOURTH QUARTER OF 2020

- Q4 2020 EBITDA of NOK 146 million up from NOK 73 million in the previous quarter
 - Improvement resulting from increased sales volume and favourable cost development
 - Europe contributing NOK 171 million up from NOK 84 million in the previous quarter, with Australasia remaining marginally EBITDA negative
- Maintaining a robust balance sheet with net interest-bearing debt of NOK 725 million
 - Cash position of NOK 980 million and cash flow from operations of NOK 73 million in the quarter
 - On 14 January 2021, Norske Skog successfully raising NOK 400 million in equity to finance upcoming growth projects
- Green growth projects seeing significant traction and progressing according to plan
 - On track for containerboard production start-up in 2023 as e-commerce and sustainability drive demand to outpace 2020 supply additions
 - Circa contemplating Q1 2021 capital raise to finance the world's first large scale production facility for multiple high value biochemicals
- Production capacity in Australasia and Europe adjusted to match supply demand
- Impairment charge of NOK 258 million in the quarter due to COVID-19 market impact
 - Impairment in Australasia of NOK 96 million and in Europe of NOK 161 million

PROFIT/LOSS FOR THE PERIOD

NOK MILLION	Q4 2020	Q3 2020	Q4 2019	2020	2019
Operating revenue	2 402	2 174	3 022	9 173	12 200
Other operating income	74	25	322	439	754
Total operating income	2 476	2 199	3 344	9 612	12 954
Distribution cost	-312	-268	-315	-1 159	-1 242
Cost of materials	-1 351	-1 243	-1 670	-5 093	-6 861
Fixed cost	-668	-615	-799	-2 625	-2 914
EBITDA	146	73	560	736	1 938

COVID-19 restrictions were gradually being lifted going into the fourth quarter, however following a rebound in the number of infections and hospitalisations large parts of the world re-introduced restrictions. In general, the publication paper market remained uncertain through the fourth quarter and the uncertainty has continued into 2021. Western European demand is likely to be down in the region of 20% for the full year 2020 versus 2019. However, Norske Skog experienced increasing sales volume in the fourth quarter with deliveries increasing approximately 13% from the previous quarter. Publication paper prices are expected to be 5-10% lower for the first half of 2021 versus the second half of 2020. The market will remain imbalanced until industry capacity closures executed during the second half of 2020 are fully taken out of the market.

Throughout the quarter, the health and safety of the group's employees has remained a top priority.

Higher operating revenue in the fourth quarter compared to the previous quarter was mainly driven by an increase in deliveries (sales volume), and to some extent mitigated by lower selling prices as a result of weakened publication paper market towards the end of the quarter, change in products mix and change in geographical mix.

Cost of materials (mainly fibre and energy) increased compared to the previous quarter, mostly driven by higher sales volumes. Cost of materials was slightly lower on a per tonne basis in the quarter.

Fixed costs (including employee benefit expenses) increased compared to the previous quarter as a result of higher activity.

EBITDA increased quarter-over-quarter due to higher sales volumes and favourable cost development.

NOK MILLION	Q4 2020	Q3 2020	Q4 2019	2020	2019
Restructuring expenses	-47	-12	-198	-75	-223
Depreciation	-112	-108	-112	-438	-456
Impairments	-258	0	-247	-451	-209
Derivatives and other fair value adjustments	-1 006	16	-120	-1 112	1 348
Operating earnings	-1 276	-31	-117	-1 339	2 398

Restructuring expenses recognised in the quarter of NOK 47 million relates to the closure of Saugbrugs PM5.

Depreciation of NOK 112 million is slightly above previous quarter. In addition, Norske Skog recognised an impairment charge in the quarter of NOK 258 million.

Derivatives and other fair value adjustments mainly reflects the change in accounting treatment for the energy contracts in Norway where they

are valued at fair value. This has led to a derecognition of the embedded derivatives.

The mark-to-market valuation of embedded derivatives related to energy contracts in New Zealand increased materially compared to the previous quarter as local energy prices increased in the quarter.

NOK MILLION	Q4 2020	Q3 2020	Q4 2019	2020	2019
Share of profit in associated companies	6	4	-36	-10	-36
Financial items	50	-56	-22	-349	-170
Income taxes	-142	-7	17	-186	-149
Profit/loss for the period	-1 363	-89	-158	-1 884	2 044

Norske Skog holds 27.7% of Circa Group Limited. This company represents the majority of the financial impact under share of profit in associated companies.

Financial items were positive by NOK 50 million mainly due to unrealised currency gains on debt denominated in other currencies than NOK. NOK weakened at the end of the fourth quarter compared to the third quarter.

Net interest expenses were in line with previous quarter.

Following the adverse market conditions in 2020 and negative impact on profitability deferred tax assets of NOK 137 million was impaired. The remaining income taxes in the quarter relate mainly to the operations in Golbey.

Due to the on-going strategic shift of the company, the board of directors has decided not to propose to the general meeting any dividend for 2020.

DIVERSIFICATION BEYOND PUBLICATION PAPER

On 17 June, Norske Skog announced its planned entry into the packaging market with recycled containerboard projects at both Golbey and Bruck. The projects involve converting from production of newsprint to production of recycled containerboard at a total investment cost of approximately EUR 350 million. The investment is expected to be financed with 70-80% debt, of which 50-60% is expected to be guaranteed by Export Credit Agencies.

Production of containerboard is expected to start in the first half of 2023, with full utilisation reached by the end of 2025. The converted machines are expected to generate an EBITDA of NOK 700-800 million once at full utilisation. Both projects are on track for supplier selection, financing and final investment decisions in the first half of 2021.

At the Bruck paper mill, the EUR 72 million investment in a waste-to-energy facility is progressing in accordance with the timetable. The boiler is expected to start operating in the first half of 2022 and will provide additional revenue and cost savings of approximately NOK 200 million annually.

In the quarter, Norske Skog achieved a key milestone in its efforts to develop CEBINA into a widely acknowledged commercial product. The first commercial sales within epoxy application provided a product proof-of-concept and a solid foundation for continued international market work. Norske Skog has the ambition to secure an international distribution agreement during 2021, which might require further expansion of production capacities.

In the quarter, Norske Skog received a grant from Innovation Norway of NOK 15 million for the continued development of its Bio Composites products. The grant will be used to partly fund an investment into a NOK 20-25 million extruder plant, enabling a significant increase in the ability and quality of qualification testing with potential customers.

Norske Skog has worked closely with Circa during the fourth quarter to facilitate for a capital raise process and potential Initial Public Offering in Europe. As part of this Norske Skog received approval from the Australian Foreign Investment Review Board on its 27.7% ownership in Circa Group Limited in January. Once the restructuring is complete Norske Skog will have a 32% ownership in Circa prior to the IPO.

Circa has over the past 10-15 years, and through five pilot plants, developed and patented a scalable production process for highly valuable and environmental biochemicals. Extensive market and commercial work coupled with regulatory tailwinds has yielded a significant market opportunity. Circa, and the ReSolute consortium which it leads, has received strong support from the EU and global chemical distributors in its pursuit to build a 1 000 tonnes production facility in France.

Beyond the above-mentioned initiatives, the group continuously works to develop several other fibre and energy growth projects, both on a stand-alone basis and in partnerships. One example includes the carbon capture and utilisation project by OceanGeoLoop, where Norske Skog Skogn will be an important contributor.

SEGMENT INFORMATION

PUBLICATION PAPER EUROPE

NOK MILLION	Q4 2020	Q3 2020	Q4 2019	2020	2019
Total operating income	1 899	1 727	2 368	7 412	9 583
EBITDA	171	84	318	659	1 533
EBITDA margin (%)	9.0	4.9	13.4	8.9	16.0
Return on capital employed (%) (annualised)	-5.0	-5.3	19.6	1.9	28.2
Production (1 000 tonnes)	382	341	426	1 468	1 739
Deliveries (1 000 tonnes)	403	362	441	1 482	1 724
Production / capacity (%)	80	72	88	77	90

The segment consists Norske Skog's European operations in the publication paper market with mills in Norway, France and Austria. Annual production capacity is 1.8 million tonnes after the closure of Norske Skog Saugbrugs PM5 at year-end 2020.

Operating income increased from the previous quarter with higher sales volumes, but a modest decrease in sales prices relating to a weaker publication paper market towards the end of the quarter, and a change in product mix and geographic mix.

Distribution costs were higher in the quarter both in total and on a per tonne basis, due to higher sales volume and slight increase in export volumes. Cost of materials increased due to higher sales volumes but saw a modest decrease on a per tonne basis due to reduction in cost for pulpwood, recovered paper and energy in the quarter. Employee benefit expenses saw a slight decrease in the quarter, both in total and on a per tonne basis.

In the fourth quarter, the European operations has received limited governmental support.

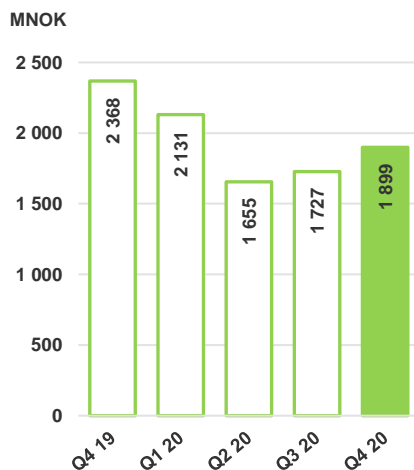
EBITDA increased significantly from the previous period due to improved sales volume and favourable cost development. However, the European segment is still heavily impact by the challenging operating environment.

Norske Skog recognised an impairment charge in the quarter of NOK 161 million of which NOK 38 related newsprint and NOK 123 related to super calendared. This is due to the significant drop in demand for publication paper in the region beyond the structural decline following the COVID-19 pandemic thereby reducing the volumes.

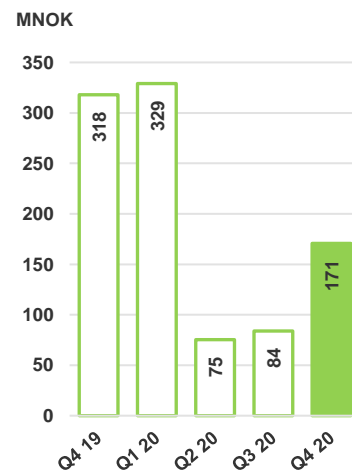
Demand for standard newsprint in Europe decreased by 22% in November 2020 compared to the same period last year. Similarly, magazine paper demand declined with super calendared paper decreasing 13% and lightweight coated paper decreasing 22%. (Source: Eurograph).

Capacity utilisation was 80% in the period, a significant improvement from the previous quarter which reflected less market related downtime.

EUROPE
TOTAL OPERATING INCOME



EUROPE
EBITDA



PUBLICATION PAPER AUSTRALASIA

NOK MILLION	Q4 2020	Q3 2020	Q4 2019	2020	2019
Total operating income	526	447	955	2 106	3 328
EBITDA	-13	-7	283	106	459
EBITDA margin (%)	-2.5	-1.6	29.6	5.0	13.8
Return on capital employed (%) (annualised)	-45.6	-57.1	172.7	16.6	40.7
Production (1 000 tonnes)	94	75	134	332	570
Deliveries (1 000 tonnes)	97	79	132	343	561
Production / capacity (%)	87	69	86	76	84

The segment consists of Norske Skog's operations in Australasia with mills in Australia and New Zealand. The annual production capacity was 0.4 million tonnes prior to the cessation of newsprint production at the Tasman mill, reducing the production capacity to 0.3 million tonnes. From Q1 2021, the Tasman mill will produce converting grade paper. The Norske Skog Boyer mill is the only remaining publication paper producer in the region.

Operating revenue and operating income increased from the previous quarter, driven by increased sales volumes and slightly mitigated by lower prices.

Distribution costs were higher in the quarter, but slightly lower on a per tonne basis due to a reduction in export volumes. Cost of materials increased in the quarter due to an increase in sales volumes but were lower on a per tonne basis. Employee benefit expenses were higher in the quarter as a result of less government support.

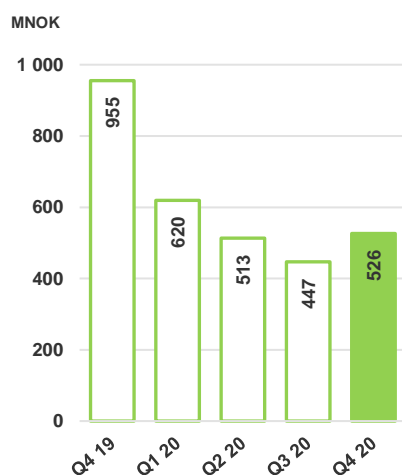
EBITDA decreased slightly compared to the previous quarter, mainly as a result of reduced government support.

Norske Skog recognised an impairment charge in the quarter of NOK 96 million. This is due to the significant drop in demand for publication paper and particularly for magazine paper in the region following the COVID-19 pandemic thereby reducing the demand in coming years.

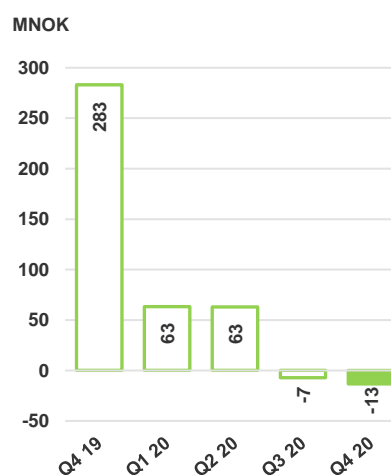
Demand for newsprint in Australasia declined by 22% through December 2020 compared to the same period last year but improved in the fourth quarter compared to third quarter 2020. Demand for magazine paper decreased by 26%. (Source: official statistics).

Capacity utilisation was 87% in the period, a significant improvement from the previous quarter which reflected less market related downtime.

AUSTRALASIA
TOTAL OPERATING INCOME



AUSTRALASIA
EBITDA



OTHER ACTIVITIES

NOK MILLION	Q4 2020	Q3 2020	Q4 2019	2020	2019
Total operating income	68	50	48	204	170
EBITDA	-12	-4	-41	-29	-54

Operating income in other activities mainly consist of non-paper related operations defined as Green Energy which includes pellets and biogas.

Other activities also include unallocated headquarter costs. The unallocated headquarter costs are estimated to be EBITDA negative

by approximately NOK 40 million per annum but are not uniformly distributed throughout the quarters of the year. In fourth quarter operating revenue from pellets production impacted the segment positively, while revaluation of the LTI program had a negative impact.

CASH FLOW

NOK MILLION	Q4 2020	Q3 2020	Q4 2019	2020	2019
EBITDA	146	73	560	736	1 938
Change in working capital	33	127	-43	393	-263
Restructuring payments	-27	-15	-140	-69	-167
Gain and losses from divestments	-1	1	-236	-153	-414
Net financial items	-31	-32	-48	-180	-151
Taxes paid	-20	-17	-143	-102	-251
Other items	-27	-21	-30	-76	-89
Net cash flow from operating activities	73	115	-78	549	602
Purchases of property, plant and equipment and intangible assets	-244	-160	-132	-632	-369
-whereof maintenance capex	-103	-57	-84	-264	-254

Net cash flow from operating activities was NOK 73 million in the quarter. Change in working capital (decrease) reflects reduced inventory in the period and an increase in payables but is somewhat mitigated by accrual of CO2 compensation recognised during the year. CO2 compensation recognised in 2020 but that will be paid in 2021 is approximately NOK 270 million.

Restructuring relates mainly to payments of redundancy and transaction costs at Albury. Taxes paid in fourth quarter relate to Golbey.

Maintenance capex of NOK 103 million relate ordinary maintenance, but with certain larger maintenance stops which have been carried out in the fourth quarter. Remaining purchases of property, plant and equipment and intangible assets relate to the energy efficiency initiatives at Saugbrugs and the construction of the boiler at the Bruck mill.

BALANCE SHEET

NOK MILLION	31 DEC 2020	30 SEP 2020	31 DEC 2019
Non-current assets	4 084	5 356	5 248
Assets held for sale	0	0	631
Cash and cash equivalents	980	1 093	970
Inventories, trade and other receivables and other current assets	2 723	2 862	3 390
Total assets	7 787	9 311	10 240
Equity	3 219	4 715	5 493
Non-current liabilities	2 496	2 650	2 393
Current liabilities	2 073	1 946	2 354
Net interest-bearing debt	725	628	919

Total assets decreased in the fourth quarter mainly due to the derecognition of the embedded derivatives in energy contracts following the change in accounting treatment.

There was also a reduction in property, plant and equipment in the fourth quarter. The reduction was mainly a result of an impairment charge in the quarter, and depreciation.

Cash and cash equivalents decreased by NOK 113 million to NOK 980 million at quarter end.

Non-current and current liabilities were mainly impacted in the quarter by a stronger NOK at the end of the quarter, affecting the value of non-NOK denominated debt, mitigated by a slight increase in trade and other payables.

Net interest-bearing debt increased from NOK 628 million to NOK 725 million in the quarter mainly due to a decrease in cash and cash equivalents.

OUTLOOK

Although the publication market has recaptured some of the lost sales volumes during the initial COVID-19 restrictions in April and May of 2020, the publication paper market is still uncertain and imbalanced. The current COVID-19 restrictions in Europe provides uncertainty for the short-term market development. On the other hand, the significant capacity closures announced in 2020, which were mostly effectuated by the year-end, are expected to positively impact the market balance from the second half of 2021.

In Continental Europe, the pricing environment will remain challenging in the first half of 2021. In North America and Asia, sales price increases for the first half of 2021 have been announced. Traditionally, this is a leading indicator for the price development in Europe.

In the fourth quarter of 2020, Norske Skog announced a strategic review of the New Zealand operations. Norske Skog has received significant attention from potential investors for both the Tasman mill

and Nature's Flame pellets facility. The ambition is to conclude these processes during the first half of 2021.

The repositioning of the Tasman mill into production of converting grade paper is expected to provide further balance to the Australasian publication paper market, as Boyer will be the only publication paper producer in the region. The Boyer mill will mainly supply Australia and New Zealand, and thus, reduce exposure to lower margin export markets.

Norske Skog will continue its work to improve the core business and has initiated margin protection programs throughout the group with cost saving initiatives of approximately NOK 200-250 million, which consist of announced capacity closures, efficiency investments and cost reduction programs. Norske Skog aims to make a final investment decision regarding the containerboard projects in the first half of 2021.

SKØYEN, 3 FEBRUARY 2021
THE BOARD OF DIRECTORS OF NORSKE SKOG ASA



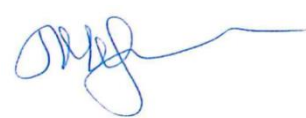
John Chiang
Chair



Arvid Grundekjøn
Board member



Anneli Finsrud Nesteng
Board member



Trine-Marie Hagen
Board member



Idunn Gangaune Finnanger
Board member



Svein Erik Veie
Board member



Paul Kristiansen
Board member



Sven Ombudstvedt
CEO

INTERIM FINANCIAL STATEMENTS, FOURTH QUARTER OF 2020 CONDENSED CONSOLIDATED INCOME STATEMENT

NOK MILLION	NOTE	Q4 2020	Q3 2020	Q4 2019	2020	2019
Operating revenue		2 402	2 174	3 022	9 173	12 200
Other operating income		74	25	322	439	754
Total operating income	5	2 476	2 199	3 344	9 612	12 954
Distribution costs		-312	-268	-315	-1 159	-1 242
Cost of materials		-1 351	-1 243	-1 670	-5 093	-6 861
Employee benefit expenses		-439	-417	-524	-1 760	-1 938
Other operating expenses		-228	-198	-275	-865	-977
Restructuring expenses		-47	-12	-198	-75	-223
Depreciation	4	-112	-108	-112	-438	-456
Impairments	4	-258	0	-247	-451	-209
Derivatives and other fair value adjustments	7	-1 006	16	-120	-1 112	1 348
Operating earnings		-1 276	-31	-117	-1 339	2 398
Share of profit in associated companies		6	4	-36	-10	-36
Financial items	6	50	-56	-22	-349	-170
Profit/loss before income taxes		-1 221	-82	-175	-1 698	2 192
Income taxes		-142	-7	17	-186	-149
Profit/loss for the period		-1 363	-89	-158	-1 884	2 044
Basic earnings per share (NOK)		-16.52	-1.08	-1.92	-22.84	24.77
Diluted earnings per share (NOK)		-16.52	-1.08	-1.92	-22.84	24.77

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

NOK MILLION	Q4 2020	Q3 2020	Q4 2019	2020	2019
Profit/loss for the period	-1 363	-89	-158	-1 884	2 044
Items that may be reclassified subsequently to profit or loss					
Currency translation differences	-143	35	26	183	6
Tax expense on translation differences	0	0	0	-4	0
Reclassified translation differences upon divestment of foreign operations	0	0	0	-62	0
Total	-143	35	26	117	6
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of post-employment benefit obligations	11	0	-29	11	-29
Tax effect on remeasurements of employment benefit obligations	-2	0	5	-2	5
Total	9	0	-24	9	-24
Other comprehensive income for the period	-134	35	2	126	-18
Total comprehensive income for the period	-1 497	-54	-156	-1 758	2 026

CONDENSED CONSOLIDATED BALANCE SHEET

NOK MILLION	NOTE	31 DEC 2020	30 SEP 2020	31 DEC 2019
Deferred tax asset		0	137	137
Intangible assets	4	55	47	38
Property, plant and equipment	4	3 586	3 853	3 685
Investments in associated companies		43	65	1
Other non-current assets	7	401	1 253	1 387
Total non-current assets		4 084	5 356	5 248
Assets held for sale		0	0	631
Inventories		1 194	1 386	1 427
Trade and other receivables		1 288	1 095	1 573
Cash and cash equivalents		980	1 093	970
Other current assets	7	241	382	390
Total current assets		3 703	3 956	4 360
Total assets		7 787	9 311	10 240
Paid-in equity	8	8 510	8 510	8 510
Retained earnings		-5 292	-3 795	-3 018
Total equity		3 219	4 715	5 493
Pension obligations		297	325	295
Deferred tax liability		308	336	316
Interest-bearing non-current liabilities	6	1 613	1 657	1 470
Other non-current liabilities	7	277	331	312
Total non-current liabilities		2 496	2 650	2 393
Interest-bearing current liabilities	6	92	65	419
Trade and other payables		1 728	1 651	1 685
Tax payable		54	53	62
Other current liabilities	7	199	177	188
Total current liabilities		2 073	1 946	2 354
Total liabilities		4 568	4 596	4 747
Total equity and liabilities		7 787	9 311	10 240

SKØYEN, 3 FEBRUARY 2021
THE BOARD OF DIRECTORS OF NORSKE SKOG ASA



John Chiang
Chair



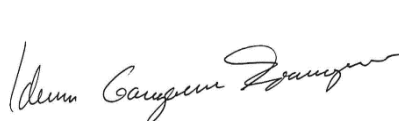
Arvid Grundekjøn
Board member



Anneli Finsrud Nesteng
Board member



Trine-Marie Hagen
Board member



Idunn Gangaune Finnanger
Board member



Svein Erik Veie
Board member



Paul Kristiansen
Board member



Sven Ombudstvedt
CEO

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

NOK MILLION	Q4 2020	Q3 2020	Q4 2019	2020	2019
Cash generated from operations	2 254	2 108	2 975	9 617	12 563
Cash used in operations	-2 130	-1 944	-2 862	-8 786	-11 558
Cash flow from currency hedges and financial items	-5	-4	-14	-77	-38
Interest payments received	1	-2	4	5	12
Interest payments made	-26	-26	-38	-109	-126
Taxes paid	-20	-17	-143	-102	-251
Net cash flow from operating activities ¹⁾	73	115	-78	549	602
Purchases of property, plant and equipment and intangible assets	-244	-160	-132	-632	-369
Sales of property, plant and equipment and intangible assets	1	-1	131	933	223
Purchase of shares in companies and other financial payments	-2	-7	-8	-79	-48
Sales of shares in companies and other financial instruments	29	37	10	80	14
Net cash flow from investing activities	-217	-131	0	302	-180
New loans raised	134	30	147	472	1 438
Repayments of loans	-76	-169	-12	-811	-1 782
Dividends paid	0	-248	0	-516	0
Net cash flow from financing activities	58	-387	135	-855	-344
Foreign currency effects on cash and cash equivalents	-28	9	3	16	-21
Total change in cash and cash equivalents	-113	-394	61	11	57
Cash and cash equivalents at start of period	1 093	1 487	909	970	912
Cash and cash equivalents at end of period	980	1 093	970	980	970
^{1) Reconciliation of net cash flow from operating activities}					
Profit/loss before income taxes	-1 221	-82	-175	-1 698	2 192
Change in working capital	33	127	-43	393	-263
Change in restructuring provisions	20	-3	58	6	56
Depreciation and impairments	370	108	359	888	664
Derivatives and other fair value adjustments	987	-29	94	1 055	-1 412
Gain and losses from divestment of business activities and PPE	-1	1	-236	-153	-414
Net financial items without cash effect	-87	19	10	179	55
Taxes paid	-20	-17	-143	-102	-251
Change in pension obligations and other employee benefits	-2	-3	3	-7	-7
Adjustment for other items	-7	-6	-7	-12	-19
Net cash flow from operating activities	73	115	-78	549	602

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN GROUP EQUITY

NOK MILLION	Paid-in equity	Other paid-in equity	Retained earnings	Total equity
Equity 1 January 2019	5 160	2 249	-5 044	2 365
Profit/loss for the period	0	0	2 202	2 202
Other comprehensive income for the period	0	0	-20	-20
Increase share capital	1 102	0	0	1 102
Equity 30 September 2019	6 261	2 249	-2 862	5 649
Profit/loss for the period	0	0	-158	-158
Other comprehensive income for the period	0	0	2	2
Equity 31 December 2019	6 261	2 249	-3 018	5 493
Profit/loss for the period	0	0	-522	-522
Other comprehensive income for the period	0	0	260	260
Dividends paid	0	0	-516	-516
Equity 30 September 2020	6 261	2 249	-3 795	4 715
Profit/loss for the period	0	0	-1 363	-1 363
Other comprehensive income for the period	0	0	-134	-134
Equity 31 December 2020	6 261	2 249	-5 292	3 219

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.

	Q4 2020	Q3 2020	31 DEC 2020	30 SEP 2020	31 DEC 2019
AUD	6.59	6.53	6.59	6.75	6.17
EUR	10.76	10.67	10.47	11.10	9.86
GBP	11.91	11.79	11.65	12.17	11.59
NZD	6.19	6.04	6.16	6.24	5.92
USD	9.02	9.13	8.53	9.48	8.78

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 2019. 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 annual financial statements for the year ended

31 December 2019, except for as the changed described below and the adaptation of amended standards and new interpretations, which are mandatory from 1 January 2020. These changes are described in the annual financial statements for 2019.

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

Change in accounting treatment

Norske Skog has until now held its energy contracts in Norway for own consumption and used the “own use exemption” in IFRS 9 as the Norwegian paper mills have been expected to use the full volume. However, following Covid-19 and the significant decrease in demand Norske Skog has reassessed the expected power consumption over the period of the contracts, and determined that the criteria for the “own use exemption” no longer is satisfied. Therefore, the contracts in whole will be treated as financial derivatives in the scope of IFRS 9 and measured at fair value true profit or loss. The change in accounting treatment takes effect from the fourth quarter 2020. Following this the company will derecognize the assets related to the embedded derivatives and recognized the asset related to the fair value of the contracts in whole. This will impact the financial statements by NOK 1.2 million for fourth quarter and full year and is presented in the line Derivatives and other fair value adjustments.

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.

Estimated decline in value of property, plant and equipment, and investments in associated companies

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. Contracted prices/costs are reflected when applicable. Given that the actual impact of the Covid-19 situation on global economy and impact on future demand for

publication paper is unclear there remains uncertainty and circumstances may require further impairment testing.

Commodity contracts

Norske Skog’s portfolio of commodity contracts consist mainly of 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. Norske Skog has one long-term financial energy contract in New Zealand. The long-term electricity prices in New Zealand are not directly observable in the market for the whole contract length. Price forecasts from acknowledged external sources are used in the estimation of 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 9 in the consolidated financial statements for 2019 for more information regarding the calculation of fair value of derivatives.

Provisions

Provisions for environmental restoration, dismantling costs, restructuring activities and legal claims are recognised when the group has a present legal or constructive obligation as a result of past events, an outflow of resources is more likely than not to be required to settle the obligation and the amount can be reliably estimated.

Provisions for future environmental and dismantling liabilities are based on a number of assumptions made using management's best judgment. See Note 2 in the consolidated financial statements for 2019 for a more thorough description of important accounting estimates and assumptions impacting the preparation of financial statements.

Contingent liabilities

Norske Skog is an international company that, through its ongoing business operations, will be exposed to litigation and claims from public authorities and contracting parties as well as assessments from public authorities in each country it operates

4. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

JAN-DEC 2020	PROPERTY, PLANT AND EQUIPMENT	RIGHT-OF-USE ASSETS	TOTAL PROPERTY PLANT AND EQUIPMENT	INTANGIBLE ASSETS
Carrying value at start of period	3 567	118	3 685	38
Additions*	657	34	691	74
Reverse dismantling	-35	0	-35	0
Depreciation	-392	-37	-429	-9
Impairments	-449	-2	-451	0
Value changes	-6	0	-6	0
Disposals	-19	0	-19	-52
Currency translation differences	144	5	149	3
Carrying value at end of period	3 469	117	3 586	55

*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 allocated emission allowances, accruals for payments and other additions with no cash impact.

PER OPERATING SEGMENTS

31 DEC 2020	TOTAL PROPERTY PLANT AND EQUIPMENT	INTANGIBLE ASSETS
Publication paper Europe	3 244	38
Publication paper Australasia	267	3
Other activities	75	14
Total	3 586	55

5. OPERATING SEGMENTS

The activities of the Norske Skog group are focused on two business segments, namely Europe and Australasia. The segment structure 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 in Europe and Australasia to maximise the profit in each region. 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.

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 super calendered (SC) and light weight coated (LWC). Magazine paper is used in magazines, catalogues and advertising materials.

Operating revenue consist mainly of sale of goods for both Publication Paper Europe and Publication Paper Australasia.

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

mills and the regional sales organization 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. Both mills in Australasia and the regional sales organization are included in the operating segment publication paper Australasia for 2020. Comparables for 2019 includes Albury which ceased production on 5 December 2019. From Q1 2021 Norske Skog Tasman will cease producing newsprint and produce converting grade paper. Norske Skog Boyer will be the only producer of newsprint and magazine in the region.

Activities in the group that do not fall into the operating segments are presented under other activities. This includes corporate functions, energy (commodity contracts and embedded derivatives in commodity contracts), Green Energy business and other holding company activities.

The pellets operation of Natures Flame is included in Green Energy under other activities.

Q4 2020	PUBLICATION PAPER EUROPE	PUBLICATION PAPER AUSTRALASIA	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
Operating revenue	1 834	520	65	-17	2 402
Other operating income	65	6	3	0	74
Total operating income	1 899	526	68	-17	2 476
Distribution costs	-229	-74	-9	0	-312
Cost of materials	-1 008	-325	-17	0	-1 351
Employee benefit expenses	-308	-93	-39	1	-439
Other operating expenses	-184	-47	-15	16	-228
EBITDA	171	-13	-12	0	146
Restructuring expenses	-47	1	0	0	-47
Depreciation	-96	-13	-3	0	-112
Impairments	-161	-96	0	0	-258
Derivatives and other fair value adjustments	0	-7	-998	0	-1 006
Operating earnings	-134	-130	-1 013	0	-1 276
Share of operating revenue from external parties (%)	100	100	78	0	100

Q3 2020	PUBLICATION PAPER EUROPE	PUBLICATION PAPER AUSTRALASIA	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
Operating revenue	1 702	448	49	-26	2 174
Other operating income	25	-1	1	0	25
Total operating income	1 727	447	50	-26	2 199
Distribution costs	-201	-62	-5	0	-268
Cost of materials	-942	-286	-15	0	-1 243
Employee benefit expenses	-339	-62	-17	1	-417
Other operating expenses	-161	-45	-18	25	-198
EBITDA	84	-7	-4	0	73
Restructuring expenses	0	-12	0	0	-12
Depreciation	-93	-13	-3	0	-108
Derivatives and other fair value adjustments	0	-7	23	0	16
Operating earnings	-9	-39	16	0	-31
Share of operating revenue from external parties (%)	100	100	52	0	100

Q4 2019	PUBLICATION PAPER EUROPE	PUBLICATION PAPER AUSTRALASIA	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
Operating revenue	2 307	695	48	-27	3 022
Other operating income	61	260	0	0	322
Total operating income	2 368	955	48	-27	3 344
Distribution costs	-226	-84	-4	0	-315
Cost of materials	-1 260	-399	-11	0	-1 670
Employee benefit expenses	-353	-127	-44	0	-524
Other operating expenses	-210	-62	-30	27	-275
EBITDA	318	283	-41	0	560
Restructuring expenses	-3	-192	-2	0	-198
Depreciation	-87	-22	-3	0	-112
Impairments	0	-247	0	0	-247
Derivatives and other fair value adjustments	0	-10	-110	0	-120
Operating earnings	227	-189	-156	0	-117
Share of operating revenue from external parties (%)	100	100	47	0	100

2020	PUBLICATION PAPER EUROPE	PUBLICATION PAPER AUSTRALASIA	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
Operating revenue	7 153	1 932	199	-110	9 173
Other operating income	259	175	5	0	439
Total operating income	7 412	2 106	204	-110	9 612
Distribution costs	-875	-260	-23	0	-1 159
Cost of materials	-3 870	-1 191	-45	13	-5 093
Employee benefit expenses	-1 327	-342	-94	3	-1 760
Other operating expenses	-681	-208	-70	94	-865
EBITDA	659	106	-29	0	736
Restructuring expenses	-47	-27	-1	0	-75
Depreciation	-371	-55	-11	0	-438
Impairments	-283	-167	0	0	-451
Derivatives and other fair value adjustments	0	-29	-1 082	0	-1 112
Operating earnings	-43	-173	-1 124	0	-1 339
Share of operating revenue from external parties (%)	100	100	57	0	100

2019	PUBLICATION PAPER EUROPE	PUBLICATION PAPER AUSTRALASIA	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
Operating revenue	9 213	2 956	158	-127	12 200
Other operating income	370	372	11	0	754
Total operating income	9 583	3 328	170	-127	12 954
Distribution costs	-874	-355	-13	0	-1 242
Cost of materials	-5 113	-1 750	-23	25	-6 861
Employee benefit expenses	-1 329	-509	-100	0	-1 938
Other operating expenses	-735	-256	-88	102	-977
EBITDA	1 533	459	-54	0	1 938
Restructuring expenses	-6	-205	-12	0	-223
Depreciation	-337	-107	-11	0	-456
Impairments	0	-209	0	0	-209
Derivatives and other fair value adjustments	0	-40	1 389	0	1 348
Operating earnings	1 189	-102	1 311	0	2 398
Share of operating revenue from external parties (%)	100	100	43	0	100

INCOME STATEMENT	Q4 2020	Q3 2020	Q4 2019	2020	2019
OTHER OPERATING REVENUE					
Corporate functions	17	24	26	91	98
Green energy and other	50	26	23	112	72
Total	68	50	48	204	170
EBITDA					
Corporate functions	-26	-8	-43	-54	-70
Green energy and other	14	4	2	25	16
Total	-12	-4	-41	-29	-54

6. FINANCIAL ITEMS AND DEBT REPAYMENTS

FINANCIAL ITEMS

NOK MILLION	Q4 2020	Q3 2020	Q4 2019	2020	2019
Net interest expenses	-28	-31	-29	-113	-153
Currency gains/losses*	98	-19	20	-185	26
Other financial items	-20	-6	-13	-50	-43
Total financial items	50	-56	-22	-349	-170

*Currency gains and losses on accounts receivable and accounts payable are reported as Operating revenue and Cost of materials respectively.

FINANCING

In 2019 Norske Skog issued a EUR 125 million senior secured bond. The bond matures in June 2022 and has an interest rate of EURIBOR (zero floor) + 6% with quarterly interest payments. The proceeds were mainly used to refinance existing debt. The outstanding amount of bonds, excluding repurchased bonds, was EUR 104.5 million per 31 December 2020.

In 2019, Norske Skog established a revolving credit facility of EUR 31 million. EUR 20 million had been utilised per 31 December 2020. The facility has a tenor of three years.

During the first quarter of 2020 Norske Skog entered into a EUR 54 million credit facility to finance the construction of an incineration boiler on the Bruck mill. The facility will be utilised incrementally as expenditures incur during the construction phase,

after which it will be repaid by quarterly installments up until the final maturity date in 2028. The borrower under the facility is Norske Skog Bruck GmbH and Norske Skog ASA has provided a guarantee of EUR 20 million. As of 31 December 2020 the loan has been drawn by EUR 9.8 million.

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

Norske Skog shall in accordance with its financial covenants have (i) unrestricted cash and cash equivalents of minimum NOK 100 million, and (ii) net interest-bearing debt to EBITDA* less than 2.75x, on a consolidated basis.

*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

MATURITY	CURRENCY	INTEREST RATE	NOMINAL VALUE*	AMOUNT OUTSTANDING 31 DEC 2020
June 2022	EUR	EURIBOR + 6%	125	105

*Excluding repurchased bonds

DEBT REPAYMENT SCHEDULE*

NOK MILLION	2021	2022	2023	2024	2025-
Bonds	0	1 094	0	0	0
Debt to credit institutions	56	246	56	114	491
Total	56	1 340	56	114	491

*Not including items relating to IFRS 16.

**Includes scheduled repayments for the EUR 54 million facility

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 22.5 million in debt repayment in 2021. The financed amount represents a group of individual loans, which are settled individually at maturity of the accounts receivable.

New loans are initiated on a consecutive basis based on new accounts receivable 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 accounts receivable is derecognised when the customer pays it.

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

31 DEC 2020	ASSETS		LIABILITIES	
	CURRENT	NON-CURRENT	CURRENT	NON-CURRENT
Energy contracts and embedded derivatives in energy contracts (level 3)	219	286	-19	-12
Energy contracts (level 2)	0	0	-53	-3
Other derivatives and financial instruments carried at fair value (level 2)	1	0	0	0
Total	220	286	-72	-15

Norske Skog's portfolio of commodity contracts consists primarily of contracts that are settled through physical delivery. The fair value of financial energy contracts is particularly sensitive to fluctuations in energy prices, currency and price indexes.

Energy prices in New Zealand have increased in the short and the long end of the price curve compared to previous quarter. Higher energy prices have a positive impact on fair value.

The fair value of certain embedded derivatives in physical contracts depends on price index. A decrease in estimates of consumer price indices has a positive impact on fair value. Consumer price indices, which affect the fair value, show only small changes compared with the previous quarter.

In the fourth quarter the accounting treatment for energy contracts have been changed. See Note 2 for additional description and accountings effects. Gains and losses on level 3 financial instruments recognised in the income statement, line item Derivatives and other fair value adjustments, amounted to NOK - 991 million in the fourth quarter (NOK -3 million in the third quarter), including the change of accounting treatment. Changes in the fair value of energy-/commodity contracts and embedded derivatives in contracts are presented in the income statement line Derivatives and other fair value adjustments. See Note 8 in consolidated financial statements for 2019 for more information including sensitivity analyses regarding the calculation of fair value of commodity contracts and derivatives.

8. PRINCIPAL SHAREHOLDERS

	NUMBER OF SHARES	OWNERSHIP %
NS NORWAY HOLDING AS	28 631 976	34.71
J.P. Morgan Bank Luxembourg S.A.	2 761 058	3.35
The Bank of New York Mellon SA/NV	2 699 682	3.27
The Bank of New York Mellon SA/NV	2 655 337	3.22
VERDIPAPIRFONDET FIRST GENERATOR	2 173 450	2.63
VERDIPAPIRFONDET HOLBERG NORGE	1 900 000	2.30
VERDIPAPIRFONDET EIKA SPAR	1 701 608	2.06
RBC INVESTOR SERVICES BANK S.A	1 361 111	1.65
VERDIPAPIRFONDET EIKA NORGE	1 255 073	1.52
MP PENSJON PK	1 206 015	1.46
DNB Markets Aksjehandel/-analyse	1 161 992	1.41
CARUCEL FINANCE AS	1 155 243	1.40
Morgan Stanley & Co. Int. Plc	884 993	1.07
FRAM REALINVEST AS	850 000	1.03
TVECO AS	850 000	1.03
VERDIPAPIRFONDET FONDSFINANS NORGE	793 548	0.96
Goldman Sachs & Co. LLC	781 798	0.95
M25 INDUSTRIER AS	752 621	0.91
PERSHING SECURITIES LIMITED	676 882	0.82
VERDIPAPIRFONDET FIRST GLOBALT	667 062	0.81
Other shareholders	27 580 551	33.43
Total	82 500 000	100.00

The data is extracted from VPS 3 February 2021. Whilst every reasonable effort is made to verify all data, VPS cannot guarantee the accuracy of the analysis.

9. THE NORSKE SKOG SHARE

	31 DEC 2020	30 SEP 2020	31 DEC 2019
Share price (NOK)	38.70	26.95	43.70
Book value of equity per share (NOK)	39.01	57.15	66.58

10. RELATED PARTIES

Oceanwood is a related party to Norske Skog through the ownership in NS Norway Holding AS (parent company).

There have not been any transactions with related parties in 2020.

11. 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 fourth quarter of 2020.

On 14 January 2021, Norske Skog announced that a private placement had been successfully completed with a total transaction size of NOK 800 million through the allocation of 23 529 410 shares (the "offer shares") in the company at a price of NOK 34 per share.

The private placement consisted of a primary offering of 11 764 705 new shares offered by the company. The net proceeds from the sale of such new shares will be used to finance the company's green growth projects.

In private placement consisted of a secondary offering of 11 764 705 existing shares offered by the company's largest shareholder, NS Norway Holding AS (the "selling shareholder").

Settlement of the private placement will be on a delivery versus payment basis. For new shares allocated in the private placement, delivery versus payment settlement will be facilitated by existing and

unencumbered shares in the company being borrowed by the managers of the private placement from the selling shareholder pursuant to a share lending agreement entered into between the selling shareholder, the company and the managers. The offer shares will thus be tradable from allocation. The managers will settle the share loan with new shares in the company to be issued by resolutions of the extraordinary general meeting to be held on 5 February 2021 (the "EGM"). If the EGM does not resolve to issue new shares, the redelivery of the borrowed shares will instead be settled in cash by way of transfer to the selling shareholder of the net proceeds from the sale of the borrowed shares. The company will in that case not receive any proceeds from the private placement. The selling shareholder and investors who have been allocated offer shares in the private placement have undertaken to vote in favour of the issue of new shares at the EGM.

If the EGM resolves to issue new share the shareholding of NS Norway Holding will be approximately 43% after completion.

12. HISTORICAL FIGURES

INCOME STATEMENT	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Total operating income	2 476	2 199	2 167	2 771	3 344
Variable costs	-1 663	-1 511	-1 375	-1 703	-1 985
Fixed costs	-668	-615	-653	-689	-799
EBITDA	146	73	138	379	560
Restructuring expenses	-47	-12	-5	-12	-198
Depreciation	-112	-108	-111	-107	-112
Impairments	-258	0	-193	0	-247
Derivatives and other fair value adjustment	-1 006	16	49	-170	-120
Operating earnings	-1 276	-31	-122	90	-117
Share of profit in associated companies	6	4	-16	-4	-36
Financial items	50	-56	86	-429	-22
Profit/loss before income taxes	-1 221	-82	-52	-343	-175
Income taxes	-142	-7	-7	-30	17
Profit/loss for the period	-1 363	-89	-59	-374	-158

SEGMENT INFORMATION	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Publication paper Europe					
Total operating income	1 899	1 727	1 655	2 131	2 368
EBITDA	171	84	75	329	318
Deliveries (1 000 tonnes)	403	362	322	396	441
Publication paper Australasia					
Total operating income	526	447	513	620	955
EBITDA	-13	-7	63	63	283
Deliveries (1 000 tonnes)	97	79	67	99	132
Other activities					
Total operating income	68	50	38	48	48
EBITDA	-12	-4	0	-13	-41

BALANCE SHEET	31 DEC 2020	30 SEP 2020	30 JUN 2020	31 MAR 2020	31 DEC 2019
Total non-current assets	4 084	5 356	5 228	5 620	5 248
Assets held for sale	0	0	0	307	631
Inventories	1 194	1 386	1 492	1 410	1 427
Trade and other receivables	1 288	1 095	990	1 329	1 573
Cash and cash equivalents	980	1 093	1 487	1 659	970
Other current assets	241	382	424	307	390
Total current assets	3 703	3 956	4 393	4 705	4 360
Total assets	7 787	9 311	9 621	10 633	10 240
Total equity	3 219	4 715	5 017	5 439	5 493
Total non-current liabilities	2 496	2 650	2 611	2 730	2 393
Trade and other payables	1 728	1 651	1 528	1 802	1 685
Other current liabilities	345	295	466	662	669
Total current liabilities	2 073	1 946	1 993	2 464	2 354
Total liabilities	4 568	4 596	4 605	5 194	4 747
Total equity and liabilities	7 787	9 311	9 621	10 633	10 240

CASH FLOW	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Reconciliation of net cash flow from operating activities					
EBITDA	146	73	138	379	560
Change in working capital	33	127	12	222	-43
Payments made relating to restructuring activities	-27	-15	-21	-6	-140
Gain and losses from divestment	-1	1	-92	-62	-236
Cash flow from net financial items	-31	-32	-52	-65	-48
Taxes paid	-20	-17	-81	17	-143
Other	-27	-21	-13	-14	-30
Net cash flow from operating activities	73	115	-109	470	-78
Purchases of property, plant and equipment and intangible assets	-244	-160	-128	-100	-132
Net divestments	27	29	368	509	133
Net cash flow from investing activities	-217	-131	241	408	0
Net cash flow from financing activities	58	-387	-297	-229	135
Foreign currency effects on cash and cash equivalents	-28	9	-6	40	3
Total change in cash and cash equivalents	-113	-394	-172	689	61

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	Q4 2020	Q3 2020	Q4 2019	2020	2019
Operating earnings	-1 276	-31	-117	-1 339	2 398
Restructuring expenses	47	12	198	75	223
Depreciation	112	108	112	438	456
Impairments	258	0	247	451	209
Derivatives and other fair value adjustments	1 006	-16	120	1 112	-1 348
EBITDA	146	73	560	736	1 938

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

NOK MILLION	Q4 2020	Q3 2020	Q4 2019	2020	2019
EBITDA	146	73	560	736	1 938
Total operating income	2 476	2 199	3 344	9 612	12 954
EBITDA margin	5.9 %	3.3 %	16.8 %	7.7 %	15.0 %

Variable costs: Distribution costs + cost of materials

NOK MILLION	Q4 2020	Q3 2020	Q4 2019	2020	2019
Distribution costs	312	268	315	1 159	1 242
Cost of materials	1 351	1 243	1 670	5 093	6 861
Variable costs	1 663	1 511	1 985	6 252	8 102

Fixed costs: Employee benefit expenses + other operating expenses.

NOK MILLION	Q4 2020	Q3 2020	Q4 2019	2020	2019
Employee benefit expenses	439	417	524	1 760	1 938
Other operating expenses	228	198	275	865	977
Fixed costs	668	615	799	2 625	2 914

Return on capital employed (annualised): (Annualised EBITDA – Annualised Capital expenditure) / Capital employed (average). Return on capital employed assist in providing a more comprehensive analysis of returns relative to other companies.

NOK MILLION	Q4 2020	Q3 2020	Q4 2019	2020	2019
EBITDA	146	73	560	736	1 938
Capital expenditure	244	160	132	632	369
Average capital employed	4 562	4 584	5 704	5 032	5 513
Return on capital employed (annualised)	-8.6 %	-7.3 %	30.0 %	2.1 %	28.5 %

NOK MILLION	31 DEC 2020	30 SEP 2020	31 DEC 2019
Intangible assets	55	47	38
Tangible assets	3 586	3 853	3 685
Assets held for sale	0	0	631
Inventory	1 194	1 386	1 427
Trade and other receivables	1 288	1 095	1 573
Trade and other payables	-1 728	-1 651	-1 685
Capital employed	4 395	4 730	5 670

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 DEC 2020	30 SEP 2020	31 DEC 2019
Interest-bearing non-current liabilities	1 613	1 657	1 470
Interest-bearing current liabilities	92	65	419
Cash and cash equivalents	-980	-1 093	-970
Net interest-bearing debt	725	628	919

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

Maintenance capex: Capex required to maintain the Group's current business in accordance with GAAP according to the latest annual financial statements (but excluding any capex for the development of new business).