

THIRD QUARTER 2022

Quarterly report

Presentation

Press releases



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 2.0 million tonnes. Newsprint and magazine paper are sold through sales offices and agents to over 80 countries. The group has approximately 2 100 employees. Of the four mills in Europe, two will produce recycled containerboard following 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 bio products and energy projects.

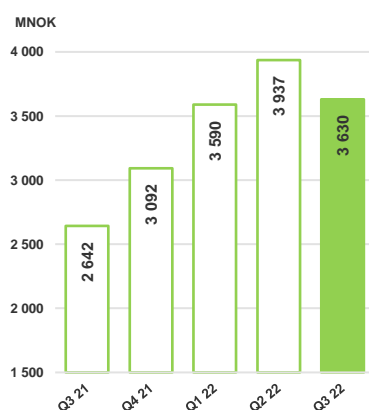
The parent company, Norske Skog ASA, is incorporated in Norway and has its head office at Skøyen in Oslo. The company is listed on Oslo Stock Exchange with the ticker NSKOG.

KEY FIGURES

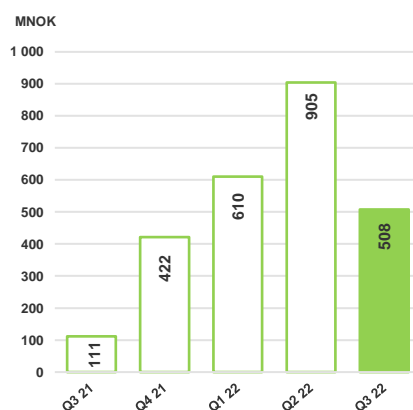
NOK MILLION	Q3 2022	Q2 2022	Q3 2021	YTD 2022	YTD 2021
INCOME STATEMENT					
Total operating income	3 630	3 937	2 642	11 157	7 222
EBITDA*	508	905	111	2 022	240
Operating earnings	113	1 195	-565	1 901	-638
Profit/loss for the period	-11	935	-602	1 507	-763
Earnings per share (NOK)	-0.12	9.92	-6.38	15.98	-8.10
CASH FLOW					
Net cash flow from operating activities	627	473	-99	1 295	-126
Net cash flow from operating activities per share (NOK)	6.65	5.01	-1.05	13.74	-1.34
Net cash flow from investing activities	-520	-451	-168	-1 084	-565
OPERATING MARGIN AND PROFITABILITY (%)					
EBITDA margin*	14.0	23.0	4.2	18.1	3.3
Return on capital employed (annualised)*	-0.7	33.8	-20.8	16.2	-13.4
PRODUCTION / DELIVERIES / CAPACITY UTILISATION					
Production (1 000 tonnes)	407	463	490	1 344	1 431
Deliveries (1 000 tonnes)	413	470	501	1 351	1 464
Production / capacity (%)	85	91	95	90	88

* As defined in Alternative Performance Measures

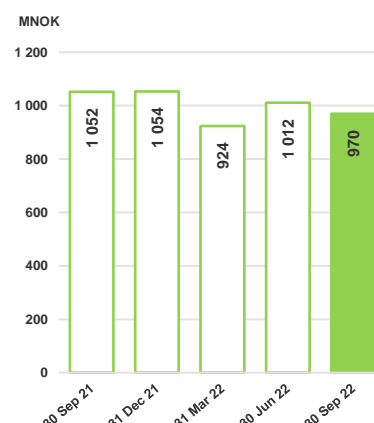
TOTAL OPERATING INCOME



EBITDA



NET INTEREST-BEARING DEBT



NOK MILLION	30 SEP 2022	30 JUN 2022	31 DEC 2021	30 SEP 2021
BALANCE SHEET				
Non-current assets	5 692	5 319	4 538	4 154
Current assets	7 055	6 046	4 587	3 827
Total assets	12 747	11 365	9 125	7 982
Equity	4 859	4 787	3 133	2 767
Net interest-bearing debt	970	1 012	1 054	1 052

REPORT OF THE BOARD OF DIRECTORS FOR THE THIRD QUARTER OF 2022

- Good quarter in turbulent operating environment
 - EBITDA of NOK 508 million, impacted by reduction in CO2 compensation, reduced volumes, and higher fixed costs per tonne
 - Adjusted EBITDA of approximately NOK 580 million when adjusting for impact of reduction in CO2 compensation for the first half of 2022
- Energy and raw material markets impact production
 - Quarter impacted by high and some extraordinary costs for energy
 - Production downtime in challenging energy and raw materials markets
- Publication paper capacity reductions from 2022 to 2024
 - Norske Skog Bruck PM3 stopped production in the third quarter of 2022 to facilitate conversion
 - Industry closures announced in Western Europe support market balance
- Solid balance sheet and liquidity
 - Cash and cash equivalents of NOK 2 047 million and leverage ratio of 0.4x
 - Remaining containerboard capex of EUR 235 million vs. total available liquidity of EUR 460 million

PROFIT/LOSS FOR THE PERIOD

NOK MILLION	Q3 2022	Q2 2022	Q3 2021	YTD 2022	YTD 2021
Operating revenue	3 541	3 822	2 532	10 688	6 868
Other operating income	89	116	110	469	354
Total operating income	3 630	3 937	2 642	11 157	7 222
Distribution cost	-327	-327	-307	-953	-896
Cost of materials	-2 103	-1 971	-1 615	-6 095	-4 255
Fixed cost	-692	-735	-608	-2 087	-1 830
EBITDA	508	905	111	2 022	240

Lower operating revenue in the third quarter compared to the previous quarter was driven by reduced production following the closure for conversion of PM3 at Bruck. Publication paper prices were increased further in the third quarter, which was necessary to mitigate the effect of significantly higher input costs. Delivered volumes were lower than the previous quarter due to stop of Bruck PM3.

Cost of materials increased significantly compared to the previous quarter, both in total and on a per tonne basis. Driven by reduced CO2 compensation, significantly higher energy (electricity and gas), and higher raw material prices. Recovered paper (RCP) prices have increased further from previous quarters. In addition, pulpwood prices, chemical prices, and other items impacting cost of materials negatively in the quarter. This has resulted in continued cost pressure upwards. High energy prices and to some extent limitations in availability of raw

materials, especially recovered paper, necessitated some down time in the quarter.

Fixed costs (including employee benefit expenses) decreased slightly compared to the previous quarter, due to less accrual for the long-term share incentive programme. On a per tonne basis there was increase, mainly due to lower production volumes because of the Bruck PM3 closure.

EBITDA decreased quarter-over-quarter, mainly driven by reduced CO2 compensation and reduced volumes.

The publication paper market balance remains tight following significant capacity closures in 2021, and further closures in the second half of 2022. Utilisation was 85% for Norske Skog in the third quarter of 2022, mainly as a result of down time necessitated by high energy prices and partly raw material availability.

NOK MILLION	Q3 2022	Q2 2022	Q3 2021	YTD 2022	YTD 2021
Restructuring expenses	0	0	-17	0	-180
Depreciation	-122	-120	-109	-356	-318
Derivatives and other fair value adjustments	-273	411	-551	235	-381
Operating earnings	113	1 195	-565	1 901	-638

Depreciation of NOK 122 million is a slight increase compared with previous quarters due to depreciation of new assets.

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

NOK MILLION	Q3 2022	Q2 2022	Q3 2021	YTD 2022	YTD 2021
Share of profit in associated companies	-5	-3	-4	-10	-13
Financial items	-84	-127	-45	-211	-123
Income taxes	-34	-130	12	-174	11
Profit/loss for the period	-11	935	-602	1 507	-763

Financial items were negative by NOK 84 million in the third quarter. Interest cost and other financial costs were in line with the previous quarter. The currency loss in the quarter was lower than the previous quarter since NOK weakened relatively less during the third quarter,

the resulting foreign exchange loss was NOK 46 million on debt denominated in EUR.

The income taxes in the quarter relates mainly to the operations in Norske Skog Golbey and were lower than the previous quarter.

DIVERSIFICATION BEYOND PUBLICATION PAPER

The conversion to production of containerboard is progressing at Norske Skog Bruck and Norske Skog Golbey. The paper machine PM3 at Norske Skog Bruck ceased production of newsprint on 10 July. Norske Skog Bruck will enter the recycled containerboard market during the first quarter of 2023 and will put Norske Skog on the path to become a leading European independent producer of recycled containerboard. The preparatory work and ordering of equipment for conversion to containerboard at Norske Skog Golbey is also underway, with production expected to start during the fourth quarter of 2023.

The machines are expected to operate at 60-70% utilisation in the first year 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.

Commercial development of CEBINA and CEBICO continued during the third 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	Q3 2022	Q2 2022	Q3 2021	YTD 2022	YTD 2021
Total operating income	3 131	3 469	2 183	9 567	5 765
EBITDA	484	910	113	1 836	233
EBITDA margin (%)	15.5	26.2	5.2	19.2	4.0
Return on capital employed (%) (annualised)	-1.9	29.5	-18.9	10.5	-12.2
Production (1 000 tonnes)	345	398	428	1 159	1 201
Deliveries (1 000 tonnes)	347	407	433	1 161	1 218
Production / capacity (%)	83	90	96	89	90

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 1.7 million tonnes.

Operating income decreased from the previous quarter due to lower deliveries following the closure for conversion of Bruck PM3, partly mitigated by higher sales prices. In addition, high energy prices and to some extent limited raw material availability, in particular recovered paper, necessitated some production down time. The price increases for publication paper in the quarter were necessitated by increasing cost of materials.

Distribution costs were similar to the previous quarter on an absolute level but increased on a per tonne basis driven by higher freight rates and reduced volumes. Cost of materials increased significantly in total and on a per tonne basis, mainly due to reduced CO2 compensation, higher energy, recovered paper, and pulpwood prices in the quarter. Employee benefit expenses were slightly lower compared to the

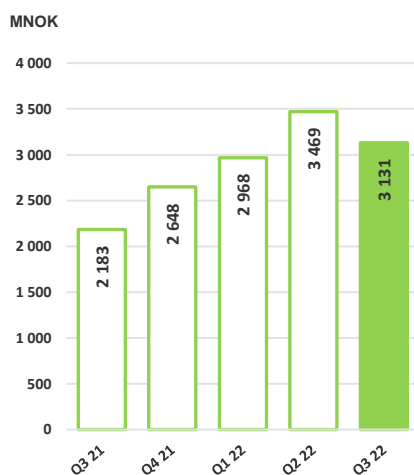
previous quarter on an absolute basis but increased on a per tonne basis due to lower deliveries.

EBITDA decreased compared to the previous quarter because of reduced CO2 compensation, higher energy prices, and higher recovered paper and pulpwood prices.

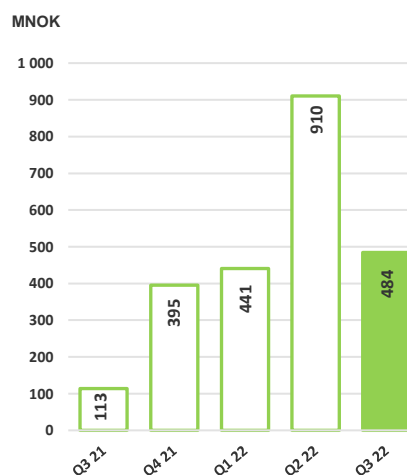
Demand for standard newsprint in Europe decreased by 3% as of August 2022 compared to the same period last year. Magazine paper demand decreased by 12%, with super calendared paper decreasing 10% and lightweight coated paper decreasing 14%. (Source: Eurograph).

Capacity utilisation was 83% in the period, a decrease compared with the previous quarter of 90%, mainly driven by down time as a result of high energy prices and to some extent limited raw material availability.

EUROPE
TOTAL OPERATING INCOME



EUROPE
EBITDA



PUBLICATION PAPER AUSTRALASIA

NOK MILLION	Q3 2022	Q2 2022	Q3 2021	YTD 2022	YTD 2021
Total operating income	514	470	426	1 412	1 397
EBITDA	33	49	0	121	-2
EBITDA margin (%)	6.3	10.4	0.0	8.6	-0.1
Return on capital employed (%) (annualised)	26.4	43.2	-41.0	40.1	-40.5
Production (1 000 tonnes)	62	64	62	185	230
Deliveries (1 000 tonnes)	66	63	68	189	246
Production / capacity (%)	94	98	87	95	77

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 increased compared to previous quarter due to higher prices and deliveries.

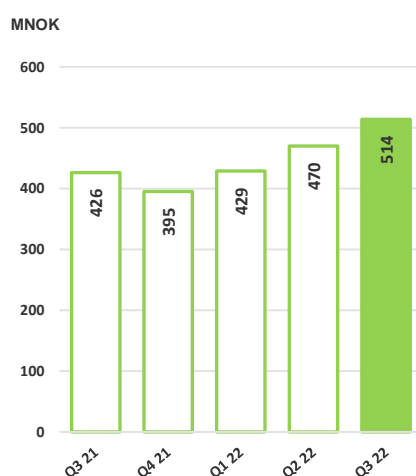
Distribution costs were similar to the previous quarter on an absolute level and on a per tonne basis. Cost of materials increased in the quarter on an absolute and a per tonne basis due to higher energy costs and energy cost accruals recognised in the quarter. Employee benefit expenses increased on an absolute basis and on a per tonne basis.

EBITDA decreased compared to the previous quarter, mainly driven by higher energy prices and accruals in the quarter.

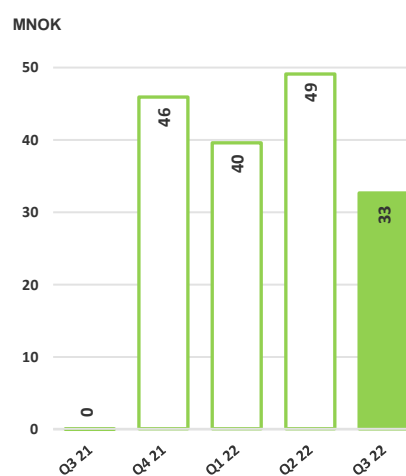
Demand for newsprint in Australasia decreased by 5% as of September 2022, compared to the same period last year. (Source: official statistics).

Capacity utilisation was 94% in the period, a decrease compared to the previous quarter of 98%, mainly as a result of some production issues resolved towards the end of the quarter.

AUSTRALASIA
TOTAL OPERATING INCOME



AUSTRALASIA
EBITDA



OTHER ACTIVITIES

NOK MILLION	Q3 2022	Q2 2022	Q3 2021	YTD 2022	YTD 2021
Total operating income	22	23	61	267	157
EBITDA	-9	-55	-2	66	9

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

EBITDA in the quarter increased compared to the previous quarter, mainly because of no accruals relating to the long-term incentive programme recognised in the quarter.

Other activities include unallocated headquarter costs. The unallocated headquarter costs are estimated to be EBITDA negative by approximately NOK 35 million annually but are not uniformly distributed throughout the quarters of the year.

CASH FLOW

NOK MILLION	Q3 2022	Q2 2022	Q3 2021	YTD 2022	YTD 2021
EBITDA	508	905	111	2 022	240
Change in working capital	188	-352	-22	-337	3
Restructuring payments	-5	-10	-129	-26	-167
Gain and losses from divestments	2	-8	-9	-183	-16
Net financial items	-32	-33	-42	-105	-110
Taxes paid	-27	-17	-43	-56	-74
Other items	-6	-12	34	-21	-2
Net cash flow from operating activities	627	473	-99	1 295	-126
Purchases of property, plant and equipment and intangible assets	-519	-437	-347	-1 347	-695
-whereof maintenance capex	-29	-48	-24	-100	-87

Net cash flow from operating activities was positive NOK 627 million in the third quarter.

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

Taxes paid in the third quarter relate to tax on the operations in Norske Skog Golbey and the Italian sales office.

Maintenance capex of NOK 29 million relates to ordinary maintenance in the quarter, a slight decrease from the second 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	30 SEP 2022	30 JUN 2022	31 DEC 2021	30 SEP 2021
Non-current assets	5 692	5 319	4 538	4 154
Cash and cash equivalents	2 047	1 728	1 489	1 163
Inventories, trade and other receivables and other current assets	5 009	4 318	3 098	2 664
Total assets	12 747	11 365	9 125	7 982
Equity	4 859	4 787	3 133	2 767
Non-current liabilities	4 371	3 601	3 391	3 259
Current liabilities	3 517	2 976	2 600	1 956
Net interest-bearing debt	970	1 012	1 054	1 052

Total assets increased in the third quarter mainly due to an increase in property, plant and equipment, inventory and other current assets.

In total, cash and cash equivalents increased to NOK 2 047 million from NOK 1 728 million at previous quarter end. The increase is a result of positive operating cash flows in the quarter, reduced by investments in property, plant and equipment offset by draw down on loans.

Non-current liabilities increased from previous quarter driven by increase in Interest-bearing non-current liabilities and other non-current liabilities.

Debt to finance the Norske Skog Bruck waste-to-energy facility is fully drawn at EUR 54 million.

Debt to finance the packaging paper projects at Norske Skog Bruck and Norske Skog Golbey was drawn with approximately EUR 57 million at quarter end, compared to EUR 35 million at previous quarter end.

Net interest-bearing debt decreased from NOK 1 012 million to NOK 970 million in the quarter.

OUTLOOK

The development in the global economy, especially within the raw material and energy markets, are of vital importance for the publication paper industry, and thus for Norske Skog's operations. The general high level of uncertainty remains. Raw material and energy prices are expected to remain high and volatile during the winter and will impact the publication paper prices in Europe. The high energy prices and the lack of availability of raw materials may cause some production curtailments. Under these circumstances, Norske Skog will actively manage its energy exposure through the coming quarters.

Executed and planned capacity closures in the industry have resulted in a tight publication paper market. The favourable market balance is expected to remain into 2023. The turbulent operating environment, especially within energy, may result in further temporary or permanent closures in the industry.

The waste-to-energy facility at Bruck has been operating since Q2 2022 and is in its final phase of commissioning with Valmet to reach its full capacity utilisation. The facility significantly reduces the gas consumption, and thus CO2 emissions for Norske Skog Bruck.

Norske Skog continues to develop business opportunities for CEBINA and CEBICO. This includes evaluating a potential capacity increase for CEBICO bio composites materials beyond the existing 300-800 tonnes annual pilot-scale capacity. The review of a potential capacity increase comes at the back of Norske Skog Saugbrugs, BEWI and BE Form entering a partnership to commercialise CEBICO.

SKØYEN, 20 OCTOBER 2022
THE BOARD OF DIRECTORS OF NORSKE SKOG ASA



John Chiang
Chair



Arvid Grundekjøn
Board member



Trine-Marie Hagen
Board member



Nikolai Johns
Board member



Johanna Lindén
Board member



Sven Ombudstvedt
CEO

INTERIM FINANCIAL STATEMENTS, THIRD QUARTER OF 2022

CONDENSED CONSOLIDATED INCOME STATEMENT

NOK MILLION	NOTE	Q3 2022	Q2 2022	Q3 2021	YTD 2022	YTD 2021
Operating revenue		3 541	3 822	2 532	10 688	6 868
Other operating income		89	116	110	469	354
Total operating income	4	3 630	3 937	2 642	11 157	7 222
Distribution costs		-327	-327	-307	-953	-896
Cost of materials		-2 103	-1 971	-1 615	-6 095	-4 255
Employee benefit expenses		-475	-499	-436	-1 453	-1 295
Other operating expenses		-217	-235	-173	-634	-535
Restructuring expenses		0	0	-17	0	-180
Depreciation	5	-122	-120	-109	-356	-318
Derivatives and other fair value adjustments	6	-273	411	-551	235	-381
Operating earnings		113	1 195	-565	1 901	-638
Share of profit in associated companies	7	-5	-3	-4	-10	-13
Financial items	8	-84	-127	-45	-211	-123
Profit/loss before income taxes		23	1 065	-614	1 681	-774
Income taxes		-34	-130	12	-174	11
Profit/loss for the period		-11	935	-602	1 507	-763
Basic earnings per share (NOK)		-0.12	9.92	-6.38	15.98	-8.10
Diluted earnings per share (NOK)		-0.12	9.92	-6.38	15.98	-8.10

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

NOK MILLION	Q3 2022	Q2 2022	Q3 2021	YTD 2022	YTD 2021
Profit/loss for the period	-11	935	-602	1 507	-763
Items that may be reclassified subsequently to profit or loss					
Currency translation differences	83	192	3	217	-77
Tax expense on translation differences	0	0	0	0	0
Reclassified translation differences upon divestment of foreign operations	0	0	0	1	0
Other comprehensive income for the period	83	192	3	219	-77
Total comprehensive income for the period	72	1 127	-598	1 726	-840

CONDENSED CONSOLIDATED BALANCE SHEET

NOK MILLION	NOTE	30 SEP 2022	30 JUN 2022	31 DEC 2021	30 SEP 2021
Deferred tax asset		15	0	0	0
Intangible assets	5	15	17	21	19
Property, plant and equipment	5	5 235	4 726	4 103	3 892
Investments in associated companies and joint ventures	7	102	107	108	113
Other non-current assets	6	325	470	305	131
Total non-current assets		5 692	5 319	4 538	4 154
Inventories		1 487	1 357	1 203	1 134
Trade and other receivables		2 039	2 090	1 411	1 317
Other current assets	6	1 483	871	484	213
Cash and cash equivalents		2 047	1 728	1 489	1 163
Total current assets		7 055	6 046	4 587	3 827
Total assets		12 747	11 365	9 125	7 982
Paid-in equity	9	8 898	8 898	8 898	8 898
Retained earnings		-4 039	-4 111	-5 765	-6 132
Total equity		4 859	4 787	3 133	2 767
Employee benefit obligations		324	322	312	329
Deferred tax liability		252	254	260	259
Interest-bearing non-current liabilities	8	2 855	2 622	2 356	2 136
Other non-current liabilities	6	939	404	463	535
Total non-current liabilities		4 371	3 601	3 391	3 259
Trade and other payables		2 467	2 208	1 941	1 698
Tax payable		208	172	50	14
Interest-bearing current liabilities	8	162	118	187	79
Other current liabilities	6	680	478	422	165
Total current liabilities		3 517	2 976	2 600	1 956
Total liabilities		7 888	6 578	5 991	5 215
Total equity and liabilities		12 747	11 365	9 125	7 982

SKØYEN, 20 OCTOBER 2022
THE BOARD OF DIRECTORS OF NORSKE SKOG ASA



John Chiang
Chair



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Board member




Trine-Marie Hagen
Board member



Nikolai Johns
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Johanna Lindén
Board member



Sven Ombudstvedt
CEO

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

NOK MILLION	Q3 2022	Q2 2022	Q3 2021	YTD 2022	YTD 2021
Cash generated from operations	3 707	3 797	2 494	10 489	7 117
Cash used in operations	-3 022	-3 275	-2 508	-9 033	-7 059
Cash flow from currency hedges and financial items	-7	-9	-12	-33	-29
Interest payments received	7	4	1	15	2
Interest payments made	-32	-29	-31	-88	-83
Taxes paid	-27	-17	-43	-56	-74
Net cash flow from operating activities ¹⁾	627	473	-99	1 295	-126
Purchases of property, plant and equipment and intangible assets	-519	-437	-347	-1 347	-695
Sales of property, plant and equipment and intangible assets	3	14	9	19	17
Purchase of shares in companies and other financial payments	0	-28	-25	-28	-94
Sales of shares in companies and other financial instruments	-4	0	195	272	207
Net cash flow from investing activities	-520	-451	-168	-1 084	-565
New loans raised	219	63	144	537	830
Repayments of loans	-14	-89	-36	-236	-340
New equity	0	0	0	0	388
Net cash flow from financing activities	206	-26	109	301	878
Foreign currency effects on cash and cash equivalents	7	55	-2	45	-4
Total change in cash and cash equivalents	319	51	-161	558	183
Cash and cash equivalents at start of period	1 728	1 676	1 324	1 489	980
Cash and cash equivalents at end of period	2 047	1 728	1 163	2 047	1 163
¹⁾ Reconciliation of net cash flow from operating activities					
Profit/loss before income taxes	23	1 065	-614	1 681	-774
Change in working capital	188	-352	-22	-337	3
Change in restructuring provisions	-5	-10	-112	-25	13
Depreciation and impairments	122	120	109	356	318
Derivatives and other fair value adjustments	273	-411	589	-235	389
Gain and losses from divestment of business activities and PPE	2	-8	-9	-183	-16
Net financial items without cash effect	58	98	7	115	26
Taxes paid	-27	-17	-43	-56	-74
Change in pension obligations and other employee benefits	-6	-2	-4	-10	-14
Adjustment for other items	0	-10	0	-10	3
Net cash flow from operating activities	627	473	-99	1 295	-126

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN GROUP EQUITY

NOK MILLION	PAID-IN EQUITY	OTHER PAID-IN EQUITY	RETAINED EARNINGS	TOTAL EQUITY
Equity 1 January 2021	6 261	2 249	-5 292	3 219
Increase share capital	388	0	0	388
Profit/loss for the period	0	0	-161	-161
Other comprehensive income for the period	0	0	-80	-80
Equity 30 June 2021	6 649	2 249	-5 533	3 365
Profit/loss for the period	0	0	-602	-602
Other comprehensive income for the period	0	0	3	3
Equity 30 September 2021	6 649	2 249	-6 132	2 767
Profit/loss for the period	0	0	400	400
Other comprehensive income for the period	0	0	-33	-33
Equity 31 December 2021	6 649	2 249	-5 765	3 133
Profit/loss for the period	0	0	583	583
Other comprehensive income for the period	0	0	-56	-56
Equity 31 March 2022	6 649	2 249	-5 238	3 660
Profit/loss for the period	0	0	935	935
Other comprehensive income for the period	0	0	192	192
Equity 30 June 2022	6 649	2 249	-4 111	4 787
Profit/loss for the period	0	0	-11	-11
Other comprehensive income for the period	0	0	83	83
Equity 30 September 2022	6 649	2 249	-4 039	4 859

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.

	Q3 2022	Q2 2022	30 SEP 2022	30 JUN 2022	31 DEC 2021
AUD	6.82	6.72	7.02	6.85	6.40
EUR	10.06	10.02	10.58	10.35	9.99
GBP	11.75	11.81	11.99	12.06	11.89
NZD	6.12	6.12	6.16	6.19	6.03
USD	9.99	9.42	10.86	9.96	8.82

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 2021. 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 2021, except for the adaptation of amended standards and new interpretations, which are mandatory from 1 January 2022. These changes are described in the consolidated financial statements for 2021.

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.

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.

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.

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 17 in the consolidated financial statements for 2021 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 3 in the consolidated financial statements for 2021 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. OPERATING SEGMENTS

The activities of the Norske Skog group are focused on two business segments, 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 calendared (SC) and lightweight 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 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. Mills in Australasia and the regional sales organisation are included in the operating segment publication paper Australasia. The Norske Skog Boyer mill is the only mill in the Australasian operating segment.

Activities in the group that do not fall into the operating segments are presented under other activities. This includes corporate functions and Green Energy business.

The pellets operation of Nature's Flame is included in Green Energy under other activities up to first quarter 2022 when it was sold.

Q3 2022	PUBLICATION PAPER EUROPE	PUBLICATION PAPER AUSTRALASIA	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
Operating revenue	3 041	513	22	-36	3 541
Other operating income	89	0	0	-1	89
Total operating income	3 131	514	22	-36	3 630
Distribution costs	-257	-70	0	0	-327
Cost of materials	-1 823	-295	3	12	-2 103
Employee benefit expenses	-375	-79	-21	1	-475
Other operating expenses	-191	-37	-13	23	-217
EBITDA	484	33	-9	0	508
Depreciation	-109	-11	-2	0	-122
Derivatives and other fair value adjustments	-273	0	0	0	-273
Operating earnings	103	21	-11	0	113
Share of operating revenue from external parties (%)	100	100	0		100

Q2 2022	PUBLICATION PAPER EUROPE	PUBLICATION PAPER AUSTRALASIA	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
Operating revenue	3 362	461	22	-24	3 822
Other operating income	107	9	0	-1	116
Total operating income	3 469	470	23	-24	3 937
Distribution costs	-258	-69	0	0	-327
Cost of materials	-1 719	-239	-14	0	-1 971
Employee benefit expenses	-378	-73	-48	1	-499
Other operating expenses	-204	-40	-16	24	-235
EBITDA	910	49	-55	0	905
Depreciation	-107	-11	-2	0	-120
Derivatives and other fair value adjustments	411	0	0	0	411
Operating earnings	1 215	38	-57	0	1 195
Share of operating revenue from external parties (%)	100	100	0		100

Q3 2021	PUBLICATION PAPER EUROPE	PUBLICATION PAPER AUSTRALASIA	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
Operating revenue	2 099	400	59	-26	2 532
Other operating income	84	26	2	-1	110
Total operating income	2 183	426	61	-27	2 642
Distribution costs	-252	-50	-6	0	-307
Cost of materials	-1 341	-260	-17	3	-1 615
Employee benefit expenses	-330	-81	-26	1	-436
Other operating expenses	-146	-36	-14	23	-173
EBITDA	113	0	-2	0	111
Restructuring expenses	-4	-13	0	0	-17
Depreciation	-96	-10	-4	0	-109
Derivatives and other fair value adjustments	-551	0	0	0	-551
Operating earnings	-537	-22	-5	0	-565
Share of operating revenue from external parties (%)	100	100	63		100

YTD 2022	PUBLICATION PAPER EUROPE	PUBLICATION PAPER AUSTRALASIA	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
Operating revenue	9 288	1 395	91	-86	10 688
Other operating income	279	17	176	-3	469
Total operating income	9 567	1 412	267	-89	11 157
Distribution costs	-752	-198	-4	0	-953
Cost of materials	-5 333	-757	-17	12	-6 095
Employee benefit expenses	-1 099	-226	-131	3	-1 453
Other operating expenses	-547	-111	-50	74	-634
EBITDA	1 836	121	66	0	2 022
Depreciation	-316	-32	-8	0	-356
Derivatives and other fair value adjustments	235	0	0	0	235
Operating earnings	1 755	89	58	0	1 901
Share of operating revenue from external parties (%)	100	100	24		100

YTD 2021	PUBLICATION PAPER EUROPE	PUBLICATION PAPER AUSTRALASIA	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
Operating revenue	5 447	1 370	146	-94	6 868
Other operating income	318	27	11	-2	354
Total operating income	5 765	1 397	157	-97	7 222
Distribution costs	-707	-175	-14	0	-896
Cost of materials	-3 424	-830	-28	28	-4 255
Employee benefit expenses	-966	-272	-59	2	-1 295
Other operating expenses	-434	-121	-46	67	-535
EBITDA	233	-2	9	0	240
Restructuring expenses	-4	-173	-3	0	-180
Depreciation	-280	-29	-10	0	-318
Derivatives and other fair value adjustments	-313	-67	0	0	-381
Operating earnings	-364	-271	-4	0	-638
Share of operating revenue from external parties (%)	99	100	57		100

NORSKE SKOG QUARTERLY REPORT – THIRD QUARTER 2022 (UNAUDITED)

INCOME STATEMENT	Q3 2022	Q2 2022	Q3 2021	YTD 2022	YTD 2021
OTHER OPERATING REVENUE					
Corporate functions	22	23	24	71	75
Green energy and other	0	0	37	196	82
Total	22	23	61	267	157
EBITDA					
Corporate functions	-9	-55	-12	-110	-9
Green energy and other	0	0	10	176	17
Total	-9	-55	-2	66	9

5. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

JAN-SEP 2022	PROPERTY, PLANT AND EQUIPMENT	RIGHT-OF-USE ASSETS	TOTAL PROPERTY PLANT AND EQUIPMENT	INTANGIBLE ASSETS
Carrying value at start of period	3 999	104	4 103	21
Additions*	1 365	10	1 375	0
Depreciation	-319	-30	-349	-6
Disposals	-132	-10	-143	0
Currency translation differences	244	5	249	0
Carrying value at end of period	5 157	78	5 235	15

*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

30 SEP 2022	TOTAL PROPERTY PLANT AND EQUIPMENT	INTANGIBLE ASSETS
Publication paper Europe	4 973	6
Publication paper Australasia	255	1
Other activities	7	8
Total	5 235	15

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

30 SEP 2022	ASSETS		LIABILITIES	
	CURRENT	NON-CURRENT	CURRENT	NON-CURRENT
Energy contracts and embedded derivatives in energy contracts (level 3)	1 379	139	544	741
Other derivatives and financial instruments carried at fair value (level 2)	0	0	0	0
Total	1 379	139	544	741

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 273 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 2021.

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 2021.

The valuation techniques used are described in Note 17 in the consolidated financial statement for 2021.

7. INVESTMENTS IN ASSOCIATED COMPANIES

Investments in associated companies are accounted for in accordance with the equity method. The carrying value of associated companies are NOK 99 million at 30 September 2022.

At 30 September 2022 Norske Skog holds a 26% share of Circa Group AS, with a carrying value of NOK 84 million. Loss is included in the

quarter with NOK 5 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	Q3 2022	Q2 2022	Q3 2021	YTD 2022	YTD 2021
Net interest expenses	-27	-26	-31	-78	-90
Currency gains/losses*	-46	-91	-6	-102	37
Other financial items	-10	-10	-8	-31	-70
Total financial items	-84	-127	-45	-211	-123

*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 30 September 2022, the credit facilities had been drawn by approximately EUR 57 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.

During the third quarter of 2022, Norske Skog bought back bonds in a nominal amount of EUR 3.4 million. As of 30 September 2022, the

outstanding amount under the EUR 150 million senior secured bond, net of bought back bonds, was EUR 142.2 million.

Norske Skog has EUR 31 million Revolving Credit Facility agreements with a tenor of five years. As of 30 September 2022, 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 June 2022. It will be repaid in quarterly installments up until the final maturity date in 2028, starting in fourth quarter 2022.

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

NOK MILLION	MATURITY	CURRENCY	INTEREST RATE	NOMINAL VALUE	AMOUNT OUTSTANDING 30 SEP 2022
NSKOG02	March 2026	EUR	EURIBOR +5.50%	150	142

DEBT REPAYMENT SCHEDULE*

NOK MILLION	2022	2023	2024	2025	2026-
Bonds	0	0	0	0	1 505
Debt to credit institutions	105	265	241	243	593
Total	105	265	241	243	2 098

*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 63 million in debt repayment in the fourth quarter of 2022. 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 %
NS NORWAY HOLDING AS	15 896 681	16.86
BYGGMA ASA	12 462 422	13.22
DRANGSLAND KAPITAL AS	5 515 837	5.85
UBS Europe SE	4 185 000	4.44
VERDIPAPIRFONDET ALFRED BERG GAMBA	2 501 411	2.65
The Bank of New York Mellon SA/NV	2 307 857	2.45
The Bank of New York Mellon SA/NV	2 258 320	2.40
INTERTRADE SHIPPING AS	2 100 000	2.23
The Bank of New York Mellon SA/NV	1 996 361	2.12
UBS Europe SE	1 493 982	1.58
The Bank of New York Mellon SA/NV	1 489 485	1.58
CLEARSTREAM BANKING S.A.	1 313 556	1.39
VERDIPAPIRFONDET HOLBERG NORGE	1 200 000	1.27
MP PENSJON PK	1 198 015	1.27
RBC Investor services bank S.A.	1 009 617	1.07
Skandinaviska Enskilda Banken AB	1 000 000	1.06
J.P. Morgan SE	859 900	0.91
CARUCEL FINANCE AS	837 124	0.89
J.P. Morgan SE	764 509	0.81
VERDIPAPIRFONDET NORDEA AVKASTNING	748 340	0.79
Other shareholders	33 126 288	35.14
Total	94 264 705	100.00

The data is extracted from VPS 19 October 2022. Whilst every reasonable effort is made to verify all data, VPS cannot guarantee the accuracy of the analysis.

10. THE NORSKE SKOG SHARE

	30 SEP 2022	30 JUN 2022	31 DEC 2021	30 SEP 2021
Share price (NOK)	55.25	54.70	38.40	37.10
Book value of equity per share (NOK)	51.55	50.79	33.24	29.35

11. RELATED PARTIES

Oceanwood is a related party to Norske Skog through the ownership in NS Norway Holding AS (shareholder in Norske Skog ASA) and the chair of the board being a representative for Oceanwood.

There have not been any transactions with related parties in 2022.

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 third quarter of 2022.

13. HISTORICAL FIGURES

INCOME STATEMENT	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Total operating income	3 630	3 937	3 590	3 092	2 642
Variable costs	-2 430	-2 298	-2 320	-2 091	-1 923
Fixed costs	-692	-735	-660	-580	-608
EBITDA	508	905	610	422	111
Restructuring expenses	0	0	0	-12	-17
Depreciation	-122	-120	-114	-115	-109
Impairments	0	0	0	22	0
Derivatives and other fair value adjustment	-273	411	97	163	-551
Operating earnings	113	1 195	593	479	-565
Share of profit in associated companies	-5	-3	-1	-5	-4
Financial items	-84	-127	1	5	-45
Profit/loss before income taxes	23	1 065	593	480	-614
Income taxes	-34	-130	-10	-80	12
Profit/loss for the period	-11	935	583	400	-602

SEGMENT INFORMATION	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Publication paper Europe					
Total operating income	3 131	3 469	2 968	2 648	2 183
EBITDA	484	910	441	395	113
Deliveries (1 000 tonnes)	347	407	407	427	433
Publication paper Australasia					
Total operating income	514	470	429	395	426
EBITDA	33	49	40	46	0
Deliveries (1 000 tonnes)	66	63	61	62	68
Other activities					
Total operating income	22	23	222	71	61
EBITDA	-9	-55	130	-19	-2

BALANCE SHEET	30 SEP 2022	30 JUN 2022	31 MAR 2022	31 DEC 2021	30 SEP 2021
Total non-current assets	5 692	5 319	4 520	4 538	4 154
Inventories	1 487	1 357	1 206	1 203	1 134
Trade and other receivables	2 039	2 090	1 724	1 411	1 317
Cash and cash equivalents	2 047	1 728	1 676	1 489	1 163
Other current assets	1 483	871	868	484	213
Total current assets	7 055	6 046	5 474	4 587	3 827
Total assets	12 747	11 365	9 994	9 125	7 982
Total equity	4 859	4 787	3 660	3 133	2 767
Total non-current liabilities	4 371	3 601	3 515	3 391	3 259
Trade and other payables	2 467	2 208	2 115	1 941	1 698
Other current liabilities	1 050	768	704	659	258
Total current liabilities	3 517	2 976	2 819	2 600	1 956
Total liabilities	7 888	6 578	6 334	5 991	5 215
Total equity and liabilities	12 747	11 365	9 994	9 125	7 982

NORSKE SKOG QUARTERLY REPORT – THIRD QUARTER 2022 (UNAUDITED)

CASH FLOW	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Reconciliation of net cash flow from operating activities					
EBITDA	508	905	610	422	111
Change in working capital	188	-352	-172	54	-22
Payments made relating to restructuring activities	-5	-10	-10	-53	-129
Gain and losses from divestment	2	-8	-177	0	-9
Cash flow from net financial items	-32	-33	-40	-32	-42
Taxes paid	-27	-17	-12	-32	-43
Other	-6	-12	-2	-42	34
Net cash flow from operating activities	627	473	196	317	-99
Purchases of property, plant and equipment and intangible assets	-519	-437	-391	-326	-347
Net divestments	-1	-14	278	0	179
Net cash flow from investing activities	-520	-451	-112	-326	-168
Net cash flow from financing activities	206	-26	121	329	109
Foreign currency effects on cash and cash equivalents	7	55	-17	6	-2
Total change in cash and cash equivalents	319	51	187	326	-161

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	Q3 2022	Q2 2022	Q3 2021	YTD 2022	YTD 2021
Operating earnings	113	1 195	-565	1 901	-638
Restructuring expenses	0	0	17	0	180
Depreciation	122	120	109	356	318
Impairments	0	0	0	0	0
Derivatives and other fair value adjustments	273	-411	551	-235	381
EBITDA	508	905	111	2 022	240

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

NOK MILLION	Q3 2022	Q2 2022	Q3 2021	YTD 2022	YTD 2021
EBITDA	508	905	111	2 022	240
Total operating income	3 630	3 937	2 642	11 157	7 222
EBITDA margin	14.0 %	23.0 %	4.2 %	18.1 %	3.3 %

Variable costs: Distribution costs + cost of materials

NOK MILLION	Q3 2022	Q2 2022	Q3 2021	YTD 2022	YTD 2021
Distribution costs	327	327	307	953	896
Cost of materials	2 103	1 971	1 615	6 095	4 255
Variable costs	2 430	2 298	1 923	7 048	5 151

Fixed costs: Employee benefit expenses + other operating expenses.

NOK MILLION	Q3 2022	Q2 2022	Q3 2021	YTD 2022	YTD 2021
Employee benefit expenses	475	499	436	1 453	1 295
Other operating expenses	217	235	173	634	535
Fixed costs	692	735	608	2 087	1 830

NORSKE SKOG QUARTERLY REPORT – THIRD QUARTER 2022 (UNAUDITED)

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	Q3 2022	Q2 2022	Q3 2021	YTD 2022	YTD 2021
EBITDA	508	905	111	2 022	240
Capital expenditure	519	437	347	1 347	695
Average capital employed	6 144	5 530	4 527	5 552	4 529
Return on capital employed (annualised)	-0.7 %	33.8 %	-20.8 %	16.2 %	-13.4 %

NOK MILLION	30 SEP 2022	30 JUN 2022	31 DEC 2021	30 SEP 2021
Intangible assets	15	17	21	19
Property, plant and equipment	5 235	4 726	4 103	3 892
Inventory	1 487	1 357	1 203	1 134
Trade and other receivables	2 039	2 090	1 411	1 317
Trade and other payables	-2 467	-2 208	-1 941	-1 698
Capital employed	6 308	5 981	4 797	4 663

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	30 SEP 2022	30 JUN 2022	31 DEC 2021	30 SEP 2021
Interest-bearing non-current liabilities	2 855	2 622	2 356	2 136
Interest-bearing current liabilities	162	118	187	79
Cash and cash equivalents	-2 047	-1 728	-1 489	-1 163
Net interest-bearing debt	970	1 012	1 054	1 052

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.



Norske Skog

Q3 2022 presentation

21 October 2022



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Sustainable and innovative industry



Publication
paper



Packaging
paper



Energy



Bio products



Third quarter in brief

Good quarter in turbulent operating environment

- EBITDA of NOK 508m, impacted by reduction in CO₂ compensation, reduced volumes, and higher fixed costs per tonne
- Adjusted EBITDA of NOK ~580m when adjusting for impact of reduction in CO₂ compensation for H1 2022

Energy and raw material markets impact production

- Quarter impacted by high and some extraordinary costs for energy
- Production down time in challenging energy and raw material markets

Publication paper capacity reductions from 2022 to 2024

- Norske Skog Bruck PM3 stopped production in Q3 2022 to facilitate conversion
- Industry closures announced in Western Europe support market balance

Solid balance sheet and liquidity

- Cash and cash equivalents of NOK 2 047m and leverage ratio of 0.4x
- Remaining containerboard capex of EUR 235m vs. total available liquidity of EUR 460m

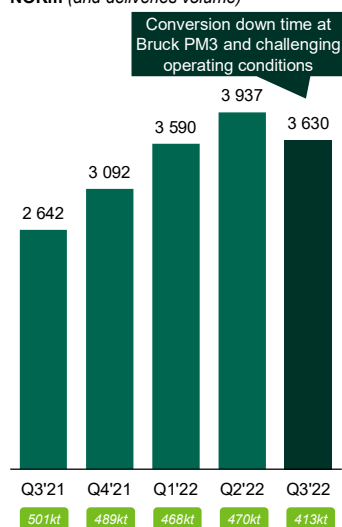
3



Good quarter despite unpredictable operating conditions and ongoing mill conversion

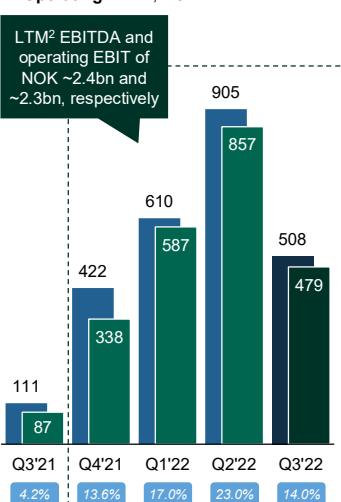
Revenue

NOKm (and deliveries volume)



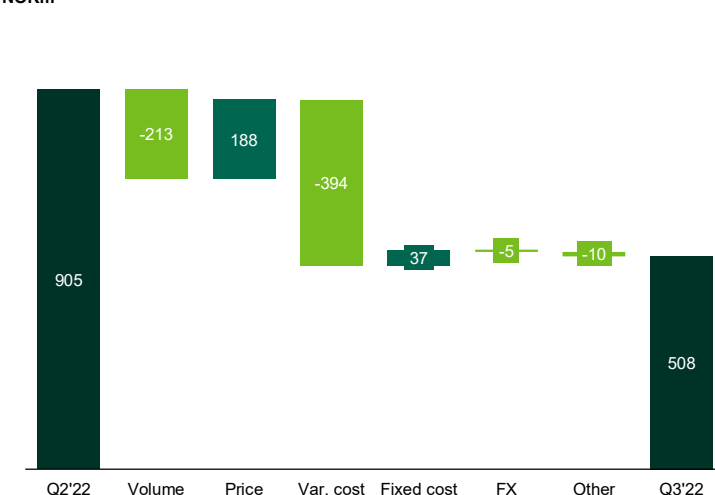
EBITDA and operating EBIT

■ EBITDA, NOKm (and margin)
■ Operating EBIT¹, NOKm



EBITDA bridge Q2 2022 to Q3 2022

NOKm



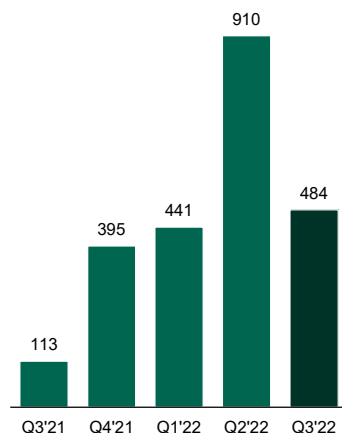
4

1) Operating EBIT defined as EBITDA less maintenance capex; 2) LTM = Last Twelve Months, i.e., the last four quarters

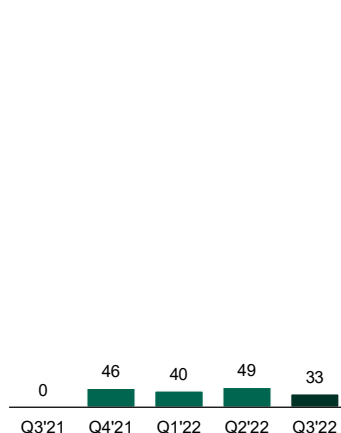


Continued good performance in both segments

EBITDA Europe NOKm



EBITDA Australasia NOKm



Segment financials NOKm

Europe	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22
Operating rate, %	96%	96%	94%	90%	83%
Deliveries, thousand tonnes	433	427	407	407	347
Total operating income	2 183	2 648	2 968	3 469	3 131
EBITDA	113	395	441	910	484
EBITDA margin, %	5.2%	14.9%	14.9%	26.2%	15.5%

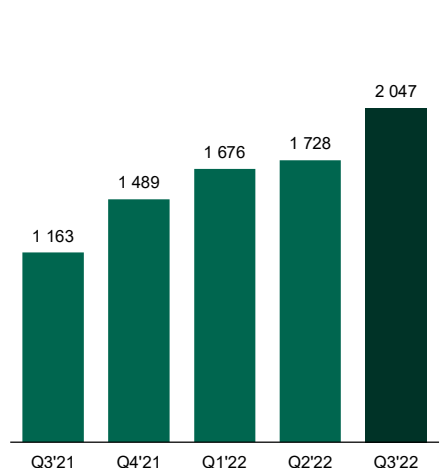
Australasia	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22
Operating rate, %	87%	87%	91%	98%	94%
Deliveries, thousand tonnes	68	62	61	63	66
Total operating income	426	395	429	470	514
EBITDA	0	46	40	49	33
EBITDA margin, %	0.0%	11.6%	9.2%	10.4%	6.3%

Other activities	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22
Total operating income	61	71	222	23	22
EBITDA	-2	-19	130	-55	-9

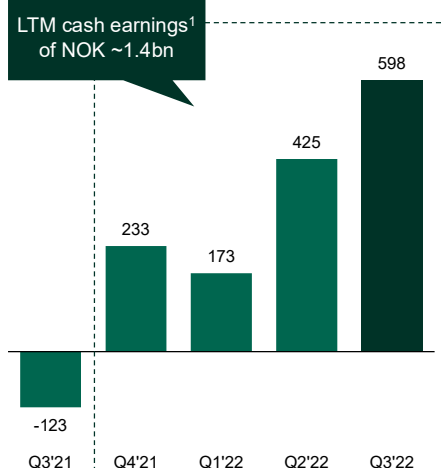
5

Solid balance sheet and liquidity

Cash and cash equivalents NOKm



Cash earnings NOKm



Net debt of NOK 970m

- Net debt / LTM reported EBITDA of 0.4x
- Repurchased EUR 7.8m of EUR 150m bond

Total available liquidity of EUR ~460m

- Cash of NOK 2 047m (EUR ~195m)
- 2021 CO₂ comp. of NOK ~290m (EUR ~30m)
- Undrawn project debt of EUR ~205m
- Undrawn RCF of EUR 31m

Remaining capex of EUR ~235m

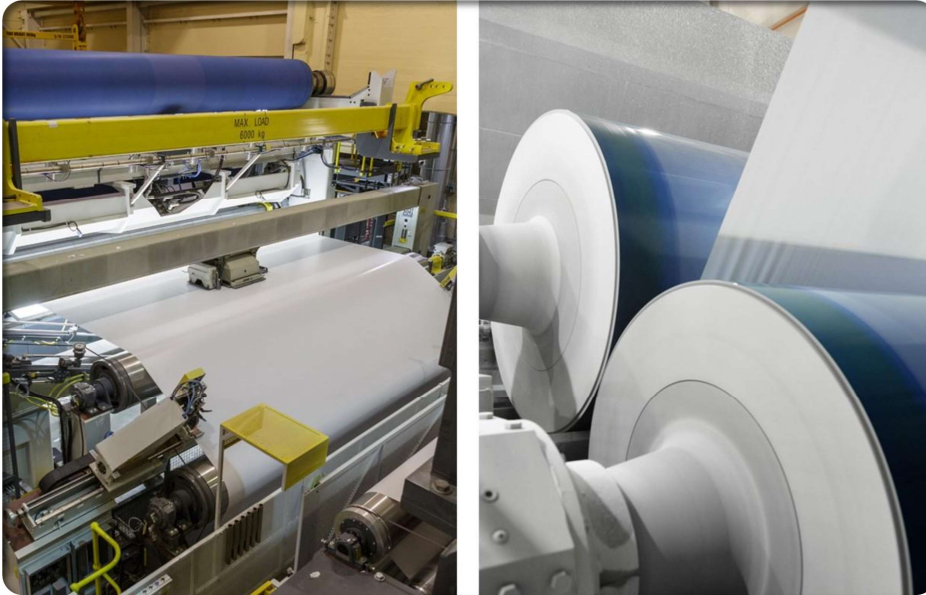
- EUR ~200m of growth investments to date, EBITDA impact over next 1-2 years²

6

¹) Cash earnings defined as cash flow from operations less maintenance capex; ²) Includes investments in waste-to-energy facility and packaging paper projects at the Bruck and Golbey industrial sites



Optimising publication paper cash flows and operations



Publication paper capacity

- Four sites in Europe, one in Australia
- In total, 10 publication paper machines
- 1 225k tonnes newsprint
 - Golbey PM1 (235kt) closing for conversion end of Q4'22
- 400k tonnes LWC magazine
- 360k tonnes SC magazine

Targets

- ✓ Operating rate of +90%
- ✓ EBITDA margin of +10%

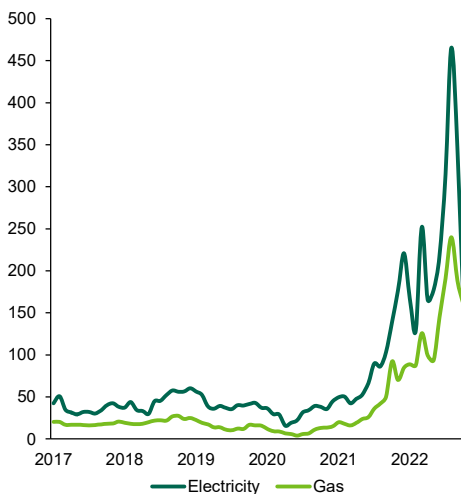


7

Energy and raw material market volatility expected to remain through winter months

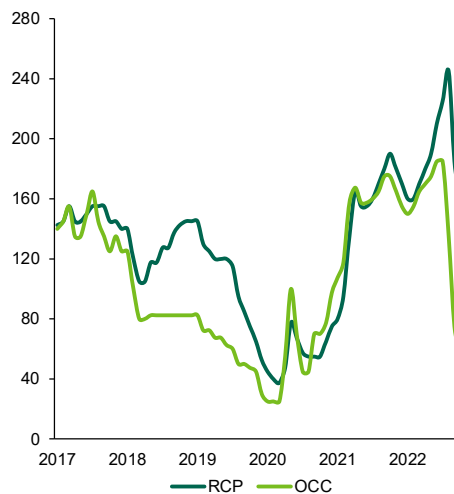
Energy prices Germany

EUR per MWh



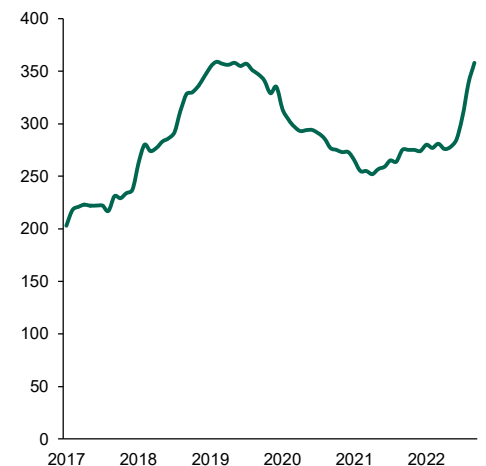
Recovered paper prices Germany

EUR per tonne



Spruce pulpwood prices Norway

NOK per solid cubic metre



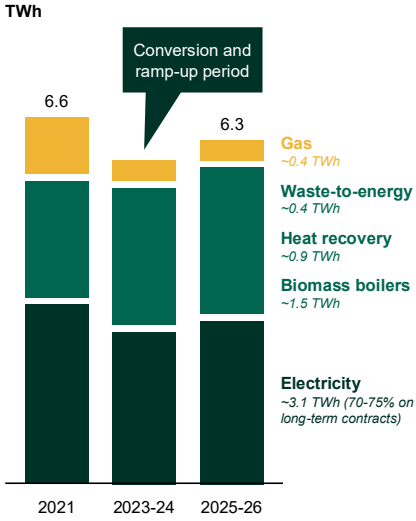
8

Source: Nord Pool, European Energy Exchange (EEX), Dutch Title Transfer Facility (TTF), RISI, Miljødirektoratet

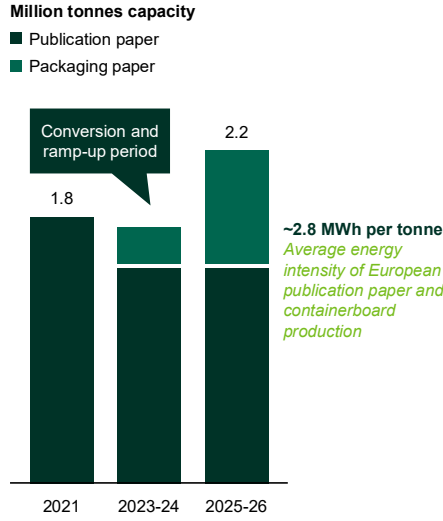


Managing European energy exposure in the short and long term

Approximate European energy exposure



European production capacity

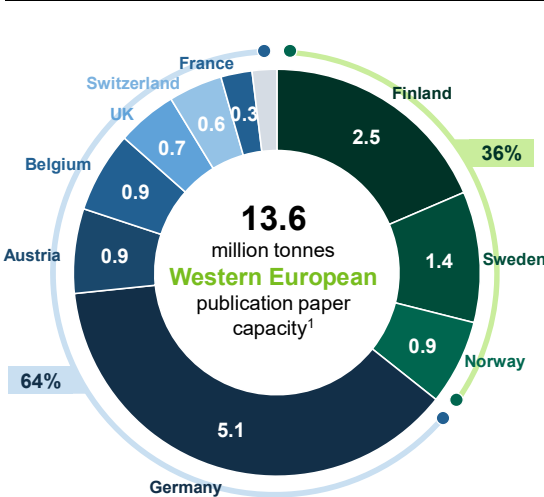


- Waste-to-energy boiler reducing gas with ~0.7 TWh and increasing electricity with <0.2 TWh (annually)
- GVE biomass boiler to supply ~0.7 TWh of cost efficient steam to Golbey from H2'24
- Bruck and Golbey manage production to avoid peak energy prices, and shift maintenance from Q3'22 to Q4'22 due to exceptionally high winter energy prices
- Further cost surcharges implemented from Q4'22 due to unprecedented energy and other costs
- At Golbey, stop PM1 for conversion and permanently stop TMP¹ production in Q4'22 (originally Q2'23), and manage potential surplus contracted energy
- Actively work with energy portfolio, production optimisation, and contracts to navigate unprecedented volatility in energy markets

9 1) TMP = Thermomechanical pulp

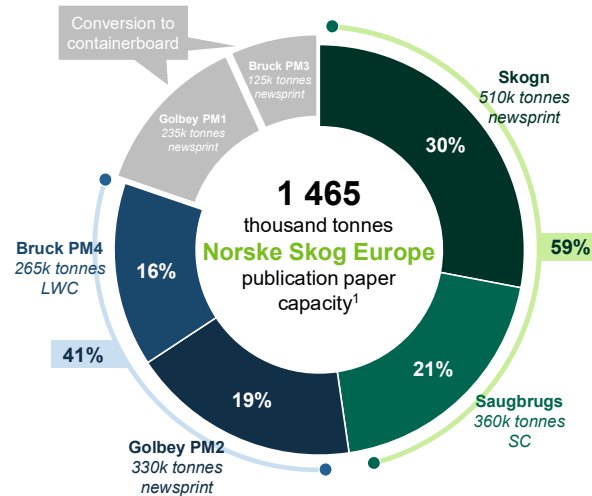
Nordic market conditions generally favourable versus European environment

Western European publication paper industry capacity



Norske Skog Europe publication paper capacity

Percentages exclude Bruck PM3 and Golbey PM1

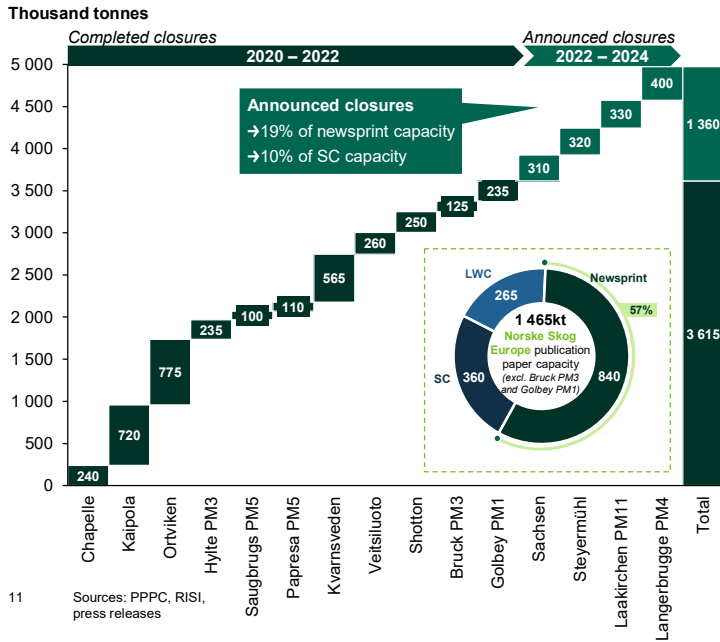


- Conversion to containerboard allow temporary reduced exposure to European operating environment
- Norske Skog publication paper capacity increasingly skewed towards Norway, with favourable energy position
- European operations now highly covered by energy contracts and internal supply

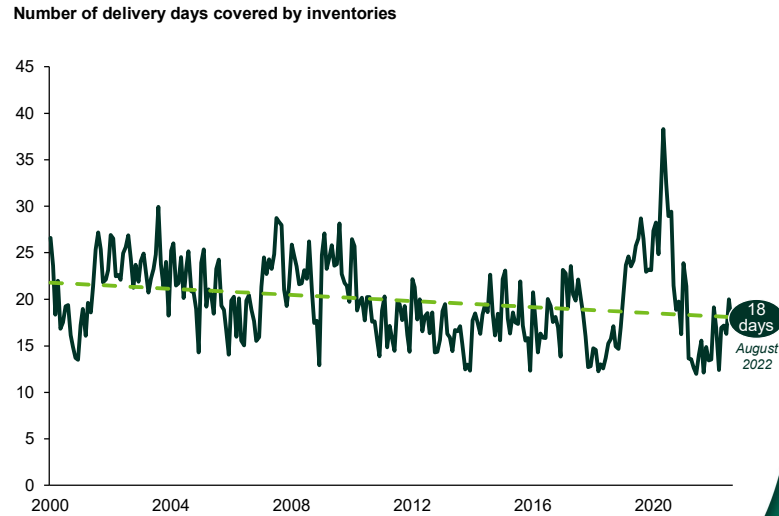
10 Source: RISI
1) Excludes Bruck PM3 (125kt) and Golbey PM1 (235kt)

Tough operating conditions and announced closures expected to keep the publication paper market tight

Publication paper industry capacity closures in Western Europe

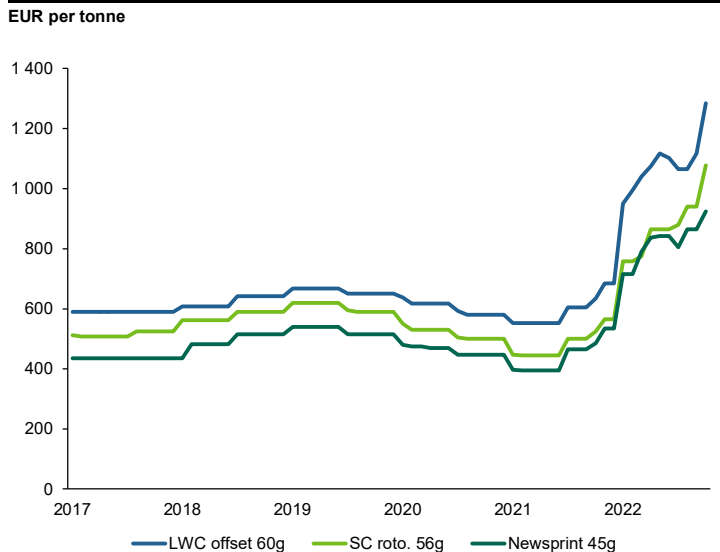


Publication paper stock volumes Western Europe

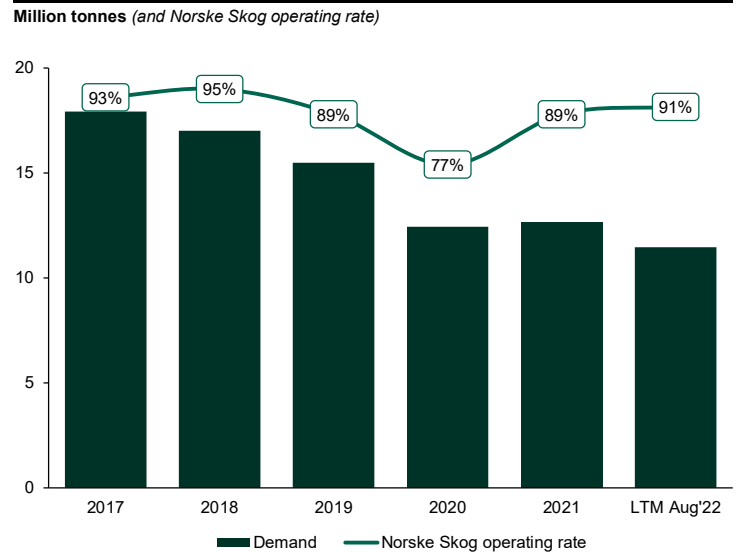


Publication paper price increases necessary to address unprecedented raw material and energy prices

Newsprint and magazine paper prices Germany



Western European publication paper operating rate and demand



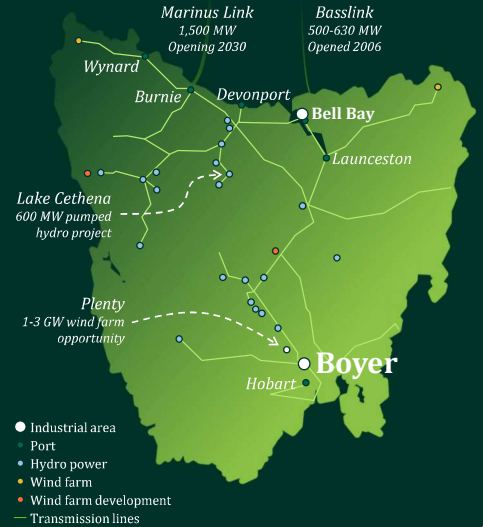
Boyer well equipped to remain a cornerstone of Tasmanian industry

- 
Sole Australasian publication paper mill
 Sole domestic supplier with well invested newsprint (150kt) and LWC magazine (135kt) capacity providing 80% market share. Fully covered on domestic sales
- 
EBITDA normalising based on contracts
 Improving cash flow visibility through contracts with leading publishers and printers, as well as electricity and fibre contracts
- 
Established industrial grade infrastructure
 Challenging, time-consuming and capital intensive to establish industrial sites of similar scale as Boyer, due to permitting, lead-times and lack of suitable land
- 
Green energy and industrial manufacturing opportunities
 Access to significant land areas, energy, grid capacity, water and fibre supports investments into renewable energy development and industrial manufacturing
- 
Tasmanian Government with renewable energy ambitions
 Tasmania fully supplied with renewable energy and to double capacity by 2040 (adding 10.5 TWh) to enable ambition of becoming a leading hydrogen exporter

Tasmania

Australia's renewable energy powerhouse

- 100% self-sufficiency in renewable electricity (hydro, wind)
- 2x increase (10.5 TWh) in renewable energy output by 2040
- 2030 ambition to be global green hydrogen exporter



Entering the market for recycled containerboard in four months



Bruck



Golbey

Packaging paper capacity

- 760k tonnes recycled containerboard
- In the market from Q1 2023

Targets

- Operating rate of ~95% from 2025-26
- EBITDA margin of +20%
- ✓ Competitive steam supply
- ✓ Centrally located with low transport costs
- ✓ Established raw materials access
- ✓ Ideal machine scale, trim and speed



Green Valley Energie CHP plant will support Golbey cost competitiveness



15 1) CHP = Combined Heat & Power; 2) The Green Valley Energie joint venture

Biomass energy

- Biomass energy JV² between Pearl (80%), Veolia (10%) and Norske Skog (10%)
- The JV will sell electricity to the French grid and steam to Norske Skog until 2043
- ~0.7 TWh of cost competitive steam for Golbey's packaging paper operations
- Project is fully financed and construction is ongoing, completion expected in H2 2024



Waste-to-energy facility reducing Bruck cash-cost



16

Waste-to-energy

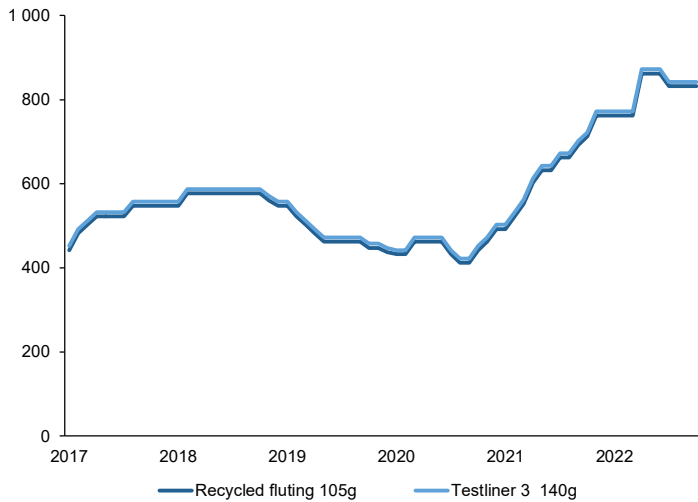
- Under commissioning with Valmet
- Reduces gas consumption by ~0.7 TWh and increases electricity by <0.2 TWh
- Enables very competitive steam supply for drying of paper and containerboard



Containerboard market softening, but still attractive for low cash-cost producers

Recycled containerboard prices Germany

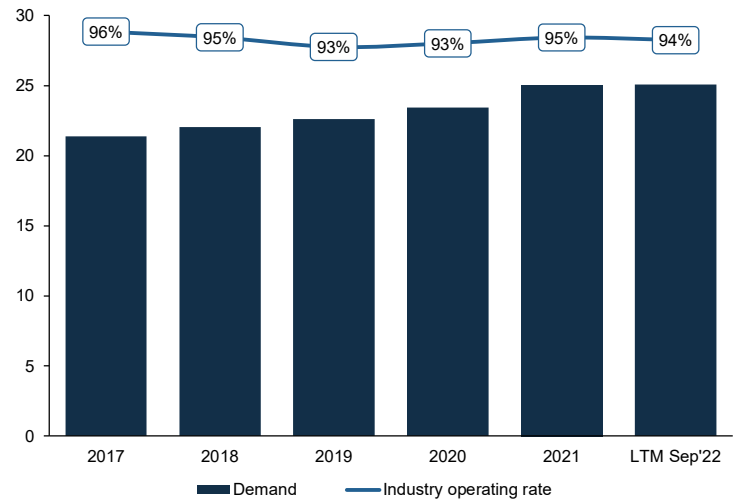
EUR per tonne



17 Source: RISI

Western European recycled containerboard operating rate and demand

Million tonnes (and industry operating rate)



Proud to develop a top-notch upper secondary school in Halden



18

Welcomed 450 students and teachers in August

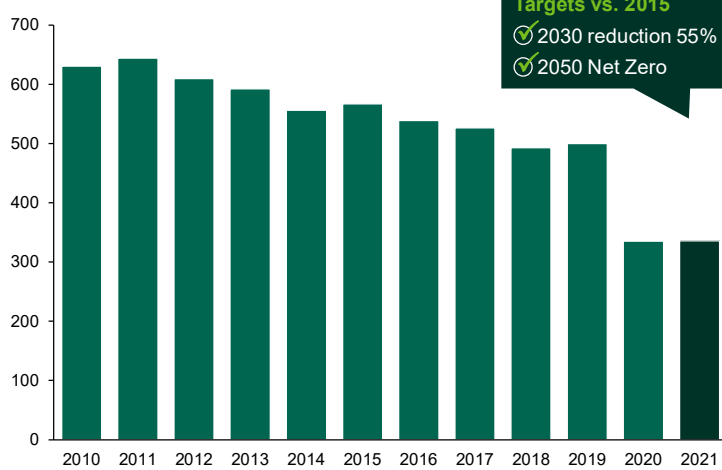
- Former Saugbrugs paper storage facilities transformed to a modern high school
- Wide spectre of amenities for vocational education, including music studios, concert halls, and wood and mechanic workshops
- 35 year municipality lease (plus extensions) of NOK ~30m annually (100% CPI adjusted), project debt of NOK ~280m
- Norske Skog and Ringstad Gruppen with equal ownership participation in the project



Green energy production and energy efficient operations enable annual surplus of CO₂ allowances

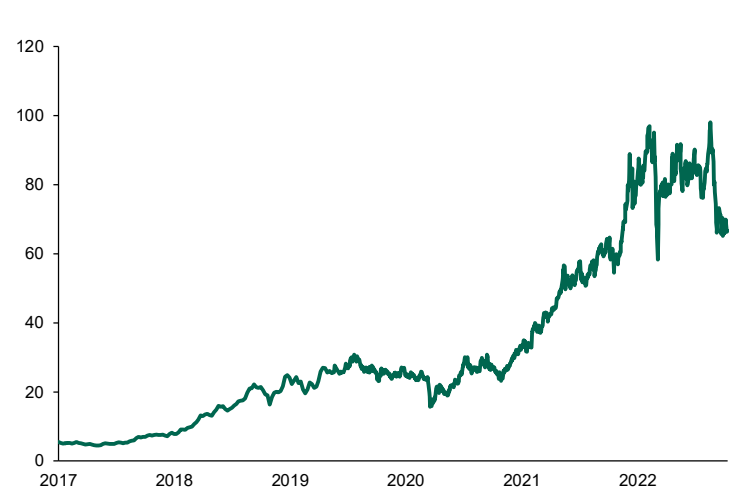
Continue to reduce fossil CO₂ emissions from production

Kg fossil CO₂ direct and indirect (scope 1 and 2) emissions per tonne produced



European Union Allowance (EUA) price development

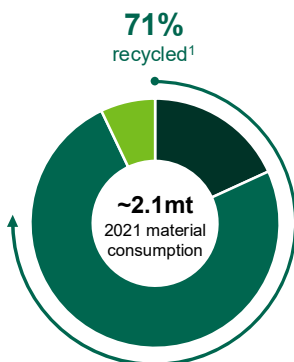
EUR / allowance



Enabling the circular economy

End-products recycled

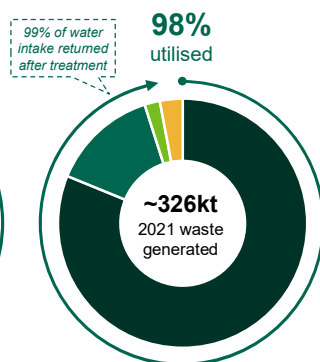
Europe & Australasia



- Recycled paper
- Pulpwood
- Filler & pulp

Waste utilised

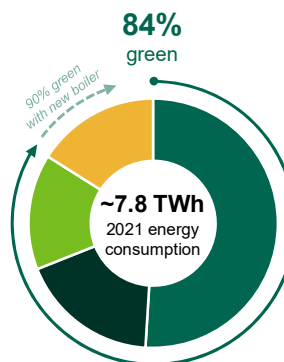
Europe & Australasia



- Bio boilers
- Agriculture
- Other uses
- Landfill

Green energy focused

Europe & Australasia



- Electricity
- Bio boilers
- Recovery
- Fossil

Developing climate solutions

- Participating in Borg CO₂ industry cluster to develop CCUS² technologies with ambition to capture ~630k tonnes
- Supporting Ocean GeoLoop to develop and pilot its CCUS² technologies to capture close to 100% of CO₂ from flue gas
- Exploring a range of opportunities within advanced e-fuels, bio-carbon, -chemicals, -additives and -materials



Outlook

- Publication paper market expected to remain tight due to industry capacity closures
- Volatile energy and raw material markets continues to cause operational challenges
- Actively manage energy exposure through Q4 2022 and Q1 2023
- Publication paper price increases for Q4 2022 implemented to address cost increases
- Starting containerboard production at Bruck PM3 in four months (Q1 2023)
- Continued development of existing and potential energy and bio product projects

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This presentation contains statements regarding the future in connection with Norske Skog's growth initiatives, profit figures, outlook, strategies and objectives. All statements regarding the future are subject to inherent risks and uncertainties, and many factors can lead to actual profits and developments deviating substantially from what has been expressed or implied in such statements.

Press release

Good quarter despite turbulent operating conditions

Norske Skog's EBITDA in the third quarter of 2022 was NOK 508 million, a decrease from NOK 905 million in the second quarter of 2022. The third quarter EBITDA was impacted negatively by reduced volumes and higher fixed costs per tonnes following the closure for conversion of PM3 to containerboard production at Norske Skog Bruck, reduced CO2 compensation in Norway and significant increases in energy and raw materials, which more than offset the increase in sales prices for all grades. The containerboard conversion projects are progressing as planned.

"Despite the turbulence in the energy and raw material markets, we have been able to sustain satisfactory margins on our publication paper products. Our conversion projects at Bruck and Golbey are progressing as planned, and will contribute to a long-term sustainable industrial platform," says Sven Ombudstvedt, CEO of Norske Skog.

Cash flow from operations was NOK 627 million in the quarter compared to NOK 473 million in the previous quarter, positively impacted by the operating results and change in working capital. Operating earnings in the third quarter of 2022 were NOK 113 million compared to operating earnings in the second quarter of 2022 of NOK 1 195 million. The quarter was negatively affected by non-cash changes in fair value of energy contracts in Norway amounting to NOK 273 million. The Norwegian 2023 national budget proposal introduced a NOK 200 floor per tonne CO2 deduction in the CO2 compensation with retroactive effect for 2022. This will annually increase the energy costs for the Norwegian mills with NOK 140 million. Net loss in the quarter was NOK 11 million compared to a net profit of NOK 935 million in the previous quarter. Net interest-bearing debt was NOK 970 million at the end of the third quarter, with an equity ratio of 38%.

Status projects

The conversion of newsprint machines at Norske Skog Bruck and Norske Skog Golbey will add 760 000 tonnes of cost-competitive and low-emission containerboard capacity. The containerboard production will be fully based on recycled fibre, and will utilise green energy generated from the waste-to-energy facility at the Bruck industrial site and the biomass plant under construction at the Golbey industrial site (Green Valley Energie). The containerboard investments are financed by debt facility agreements with an aggregate amount of EUR 265 million, having an average maturity towards the end of 2030.

"We are well prepared to soon serve both the publication paper and the packaging paper markets in a sustainable and profitable manner. We are now fine tuning our entire organisation to be prepared for entering a new era of opportunities within the containerboard markets," says Ombudstvedt.

Bruck ceased newsprint production (PM3) in the quarter to enable the conversion of the machine to recycled containerboard production. Staff will remain on site until Bruck enters the packaging paper market in the first quarter of 2023. At Golbey, the conversion of one newsprint machine (PM1) into recycled containerboard production is progressing as planned with expected start-up in the fourth quarter of 2023.

The Green Valley Energie (GVE) joint venture, in which Norske Skog Golbey has a 10% stake, has started the construction of the largest biomass boiler of its kind in France at the mill site of Golbey. The biomass boiler will produce about 200 GWh of electricity and about 700 GWh of renewable heat, thus generating CO2 savings of 210 000 tonnes per year and providing electricity equivalent to the consumption of more than 13 000 homes.

Norske Skog ASA

Sjølyst plass 2
P.O. Box 294 Skøyen, 0213 Oslo
Norway

"The Green Valley Energie project represents the transition of Norske Skog towards new growth markets and sustainable energy. The biomass boiler will ensure a stable, long-term supply of cost-competitive and renewable steam as an alternative to fossil energy sources, shielding us from the volatile energy markets," says Ombudstvedt.

Norske Skog actively works to realise value from its industrial sites by developing existing infrastructure and industry competence. Norske Skog Saugbrugs has entered into a partnership with BEWI and BE Form to scale up production and commercialise the biocomposite product CEBICO. The microfibrillar cellulose product CEBINA has successfully been applied in various materials such as epoxy and spray filler. Through the partnerships with Ocean GeoLoop at Norske Skog Skogn and Borg CO2 at Norske Skog Saugbrugs, Norske Skog aims to pursue the opportunity to become CO2 net negative or climate positive, and Norske Skog explores economically viable models for utilisation of biogenic CO2.

Operations

Total annual publication paper production capacity for the group is 2.0 million tonnes, with 1.7 million tonnes in Europe and 0.3 million tonnes in Australia. Norske Skog has numerous ongoing bio products and energy activities at all industrial sites.

Despite higher sales prices, operating revenue decreased from the previous quarter due to reduced production and delivered volumes as a result of the ongoing conversion of Bruck PM3. The sales price increases were driven by higher energy and other raw material costs. Variable cost per tonne increased mainly due to reduced CO2 compensation in Norway, higher energy and raw material prices in the quarter. Fixed costs per tonne increased somewhat due to lower production volumes. Group capacity utilisation was 85% in the quarter, 83% in Europe and 94% in Australasia respectively. High peak energy prices and limited availability of high priced recovered paper in Europe caused some operational down-time in the quarter impacting the capacity utilisation.

According to Eurograph, demand for standard newsprint in Europe decreased by 3% through August compared to the same period last year. SC magazine demand decreased by around 10%; whereas, LWC paper demand decreased by around 14% through August compared to the same period last year. According to official Australian trade statistics, demand for newsprint in the third quarter in Australasia decreased by 5% compared to the same period last year.

Key figures, third quarter of 2022

NOK million (unless otherwise stated)	Q3 2022	Q2 2022	Q3 2021	YTD 22	YTD 21
Income statement					
Total operating income	3 630	3 937	2 642	11 157	7 222
EBITDA	508	905	111	2 022	240
Operating earnings	113	1 195	-565	1 901	-638
Profit/loss for the period	-11	935	-602	1 507	-763
Cash flow					
Net cash flow from operating activities	627	473	-99	1 295	-126
Net cash flow from investing activities	-520	-451	-168	-1 084	-565
Operating margin and profitability (%)					
EBITDA margin	14.0	23.0	4.2	18.1	3.3
Return on capital employed (annualised)	-0.7	33.8	-20.8	16.2	-13.4
Capacity utilisation (Production / capacity %)	85	91	95	90	88

Outlook

The development in the global economy, especially within the raw material and energy markets, are of vital importance for the publication paper industry, and thus for Norske Skog's operations. The general high level of uncertainty remains. Raw material and energy prices are expected to remain high and volatile during the winter and will impact the publication paper prices in Europe. The high energy prices and the lack of availability of raw materials may cause some production curtailments. Under these circumstances, Norske Skog will actively manage its energy exposure through the coming quarters.

Executed and planned capacity closures in the industry have resulted in a tight publication paper market. The favorable market balance is expected to remain into 2023. The turbulent operating environment, especially within energy, may result in further temporary or permanent closures in the industry.

The waste-to-energy facility at Bruck has been operating since Q2 2022, and is in its final phase of commissioning with Valmet to reach its full capacity utilisation. The facility significantly reduces the gas consumption, and thus CO2 emissions for Norske Skog Bruck.

Norske Skog continues to develop business opportunities for CEBINA and CEBICO. This includes evaluating a potential capacity increase for CEBICO bio composites materials beyond the existing 300-800 tonnes annual pilot-scale capacity. The review of a potential capacity increase comes at the back of Norske Skog Saugbrugs, BEWI and BE Form entering a partnership to commercialise CEBICO.

About Norske Skog

Norske Skog is a world leading producer of publication paper with strong market positions and customer relations in Europe and Australasia. The Norske Skog Group operates four mills in Europe, two of which will produce recycled containerboard following ongoing conversion projects. In addition, the Group operates one paper mill in Australia. Norske Skog aims to further diversify its operations and continue its transformation into a growing and high-margin business through a range of promising energy and bio product development projects. The Group has approximately 2 100 employees, is headquartered in Norway and listed on the Oslo Stock Exchange under the ticker NSKOG.

Presentation and quarterly material

The company will not hold a live presentation, but will arrange a webinar today at 08:30 CEST for pre-registered participants. The quarterly recording, the presentation, the financial statements and the press releases are available on www.norskeskog.com and published on www.newsweb.no under the ticker NSKOG. If you want to receive future Norske Skog press releases, please subscribe through the website of the Oslo Stock Exchange www.newsweb.no.

Norske Skog
Communications and Public Affairs

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Pressemelding

Godt kvartal tross turbulente driftsforhold

Norske Skogs EBITDA i tredje kvartal 2022 var NOK 508 millioner, en nedgang fra NOK 905 millioner i andre kvartal 2022. EBITDA i tredje kvartal ble negativt påvirket av reduserte volumer og høyere faste kostnader per tonn etter stengningen av avispapirmaskinen ved Norske Skog Bruck for konvertering til emballasjeproduksjon, redusert CO2-kompensasjon i Norge samt betydelige økninger i energi og råvarer, som mer enn oppveide økningen i salgspriser for alle kvaliteter. Maskinkonverteringene til emballasje utvikler seg som planlagt.

«Til tross for turbulente råvare- og energimarkeder i kvartalet, har vi klart å opprettholde tilfredsstillende marginer på papirproduktene våre. Våre konverteringsprosjekter på Bruck og Golbey går som planlagt, og vil bidra til en langsiktig, bærekraftig industriell plattform,» sier Sven Ombudstvedt, konsernsjef i Norske Skog.

Kontantstrøm fra driften var NOK 627 millioner i kvartalet sammenlignet med NOK 473 millioner kroner i forrige kvartal, og var positivt påvirket av driftsresultatet og endringer i arbeidskapitalen. Driftsresultatet i tredje kvartal 2022 var på NOK 113 millioner sammenlignet med et driftsresultat på NOK 1 195 millioner i andre kvartal 2022. Kvartalet ble negativt påvirket av endringer, uten kontanteffekter, i verdsettelsen av energikontrakter i Norge på NOK 273 millioner. Forslaget til det norske statsbudsjettet for 2023 introduserte et NOK 200 gulv per tonn CO2 som fradrag i CO2-kompensasjonen med tilbakevirkende kraft for 2022. Dette vil øke de årlige energikostnadene for de norske fabrikkene med NOK 140 mill. Underskuddet i kvartalet var NOK 11 millioner mot et overskudd på NOK 935 millioner i forrige kvartal. Netto rentebærende gjeld var NOK 970 millioner ved utgangen av tredje kvartal, med en egenkapitalandel på 38%.

Status prosjekter

Konvertering av avispapirmaskiner ved Norske Skog Bruck og Norske Skog Golbey vil gi 760 000 tonn med konkurransedyktig og lavutslipps emballasjekapasitet. Emballasjeproduksjonen vil være fullt ut basert på resirkulert fiber og bruke grønn energi generert fra forbrenningsanlegget for avfall i Bruck og fra biomasseanlegg under konstruksjon på fabrikkområdet i Golbey (Green Valley Energie). Disse investeringene er finansiert med låneavtaler til et samlet beløp på EUR 265 millioner, med en gjennomsnittlig løpetid frem til slutten av 2030.

«Vi er godt forberedt til snart å betjene både publikasjons- og emballasjepapirmarkedet på en bærekraftig og lønnsom måte. Vi forbereder nå hele vår organisasjon til en ny æra av muligheter innenfor emballasjemarkedene,» sier Ombudstvedt.

Bruck stanset avispapirproduksjonen (PM3) i kvartalet, som en forberedelse til maskinombygging til resirkulert emballasjepapir. De ansatte vil drive med forberedende aktiviteter frem til Bruck går inn i emballasjepapirmarkedet i første kvartal 2023. Ved Golbey går ombyggingen av én avispapirmaskin (PM1) til produksjon av resirkulert emballasje som planlagt med forventet oppstart i fjerde kvartal 2023.

Green Valley Energie (GVE) joint venture, der Norske Skog Golbey har en 10% eierandel, vil starte byggingen av den største biomassekjelen av sitt slag i Frankrike på fabrikkområdet til Golbey. Bioenergianlegget vil produsere rundt 200 GWh elektrisitet og rundt 700 GWh fornybar damp, og dermed generere CO2-besparelser på 210 000 tonn per år og produsere elektrisitet tilsvarende forbruket til mer enn 13 000 boliger.

«Dette energiprojektet representerer transformasjonen av Norske Skog mot nye vekstmarkeder og bærekraftig energi. Bioenergianlegget vil sikre stabil, langsiktig forsyning av konkurransedyktig fornybar damp, som et alternativ til fossile energikilder, og vil skjerme oss fra volatile energimarkeder,» sier Ombudstvedt.

Norske Skog ASA

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Norske Skog arbeider aktivt for å realisere verdier fra industrianleggene ved å utvikle eksisterende infrastruktur og bransjekompetanse. Saugbrugs har inngått et samarbeid med BEWI og BE Form for å skalere opp produksjonen og kommersialisere biokomposittproduktet CEBICO. Det mikrofibrillære celluloseproduktet CEBINA har med suksess blitt innblandet i ulike materialer som epoksy og sprøytesparkel. Gjennom partnerskapene med Ocean GeoLoop på Norske Skog Skogn og Borg CO2 på Saugbrugs, har Norske Skog som mål å utnytte mulighetene til å bli CO2 netto negative eller klimapositiv, samt å utforske økonomisk levedyktige metoder for bruk av biogent CO2.

Drift

Samlet årlig produksjonskapasitet for publikasjonspapir for konsernet er 2,0 millioner tonn. I Europa er konsernets kapasitet 1,7 millioner tonn, mens i Australia er kapasiteten 0,3 millioner tonn. Norske Skog har en rekke pågående bioprodukt- og energiaktiviteter ved alle industrianlegg.

Til tross for høyere salgspriser gikk driftsinntektene ned fra forrige kvartal på grunn av reduserte produksjons- og salgsvolumer som følge av den pågående ombyggingen av Bruck PM3. Salgsprisene ble påvirket av høyere energi- og andre råvarekostnader. Variabel kostnad per tonn økte hovedsakelig på grunn av redusert CO2-kompensasjon i Norge, høyere energi- og råvarepriser i kvartalet. Faste kostnader per tonn økte noe på grunn av lavere produksjonsvolum. Konsernets kapasitetsutnyttelse var 85 % i kvartalet, 83 % i Europa og 94 % i Australasia. Høye topper på energiprisene samtidig med begrenset tilgjengelighet og høye priser på returpapir i Europa forårsaket noe driftsstanser i kvartalet, som påvirket kapasitetsutnyttelsesgraden.

Ifølge Eurograph falt etterspørselen etter standard avisepapir i Europa med 3% til og med august sammenlignet med samme periode ifjor. Etterspørselen etter superkalandret magasinpapir (SC) falt med rundt 10%, og LWC magasinpapir falt med rundt 14% til og med august sammenlignet med samme periode ifjor. I følge offisiell australsk handelsstatistikk falt etterspørselen etter avisepapir i tredje kvartal i Australasia med 5% sammenlignet med samme periode i fjor.

Nøkkeltall, tredje kvartal 2022

NOK millioner (om ikke annet er oppgitt)	Q3 2022	Q2 2022	Q3 2021	YTD 22	YTD 21
Resultatregnskap					
Totale inntekter	3 630	3 937	2 642	11 157	7 222
EBITDA	508	905	111	2 022	240
Driftsresultat	113	1 195	-565	1 901	-638
Resultat for perioden	-11	935	-602	1 507	-763
Kontantstrøm					
Netto kontantstrøm fra operasjonelle aktiviteter	627	473	-99	1 295	-126
Netto kontantstrøm fra investeringsaktiviteter	-520	-451	-168	-1 084	-565
Driftsmargin og lønnsomhet (%)					
EBITDA margin	14.0	23.0	4.2	18.1	3.3
Avkastning på investert kapital (annualisert)	-0.7	33.8	-20.8	16.2	-13.4
Kapasitetsutnyttelse (produksjon/kapasitet %)	85	91	95	90	88

Utsikter

Utviklingen i den globale økonomien, spesielt for råvare- og energimarkedene, er vitale for publikasjonspapirindustrien, og dermed for Norske Skogs virksomheter. Det høye usikkerhetsnivået forventes å gjelde fremover. Råvare- og energiprisene forventes å forbli høye og volatile gjennom vinteren, og vil påvirke prisene på publikasjonspapir i Europa. De høye energiprisene og manglende tilgjengelighet av råvarer kan føre til noe produksjonsbegrensninger. Under disse forholdene vil Norske Skog aktivt håndtere energieksposeringen fremover.

De allerede gjennomførte og planlagte kapasitetsstengningene i industrien har resultert i et stramt papirmarked. Den fordelaktige markedsbalansen forventes å eksistere inn i 2023. Turbulente driftsforhold, spesielt på energisiden, kan resultere i ytterligere midlertidige eller permanente stengninger i bransjen.

Energianlegget ved Bruck har vært i drift siden 2. kvartal 2022 og Valmet er i sluttfasen av igangkjøringen for å oppnå full kapasitetsutnyttelse. Anlegget vil redusere gassforbruket, og dermed CO2-utslippene for Norske Skog Bruck betydelig.

Norske Skog fortsetter å utvikle forretningsmuligheter for CEBINA og CEBICO. Dette betyr blant annet å evaluere en potensiell kapasitetsøkning for CEBICO utover den eksisterende pilotanleggskapasiteten på 300-800 tonn årlig. Vurderinger rundt kapasitetsøkninger er et resultat av partnerskapet mellom Norske Skog Saugbrugs, BEWI og BE Form for å kommersialisere CEBICO.

Om Norske Skog

Norske Skog er en verdensledende produsent av publikasjonspapir med sterke markedsposisjoner og kundeforhold i Europa og Australasia. Norske Skog konsernet driver fire fabrikker i Europa, hvorav to vil produsere resirkulert emballasje etter gjennomføringen av de planlagte konverteringsprosjektene. I tillegg driver konsernet en papirfabrikk i Australia. Norske Skog tar sikte på å diversifisere virksomheten ytterligere og fortsette omstillingen til en voksende og høy-margins virksomhet gjennom en rekke spennende energi- og bioproduktprosjekter. Konsernet har cirka 2 100 ansatte, hovedkontor i Norge og er notert på Oslo Børs under tickeren NSKOG.

Presentasjon og kvartalsmateriell

Selskapet vil ikke holde en live presentasjon, men vil arrangere et webinar idag klokken 08:30 for forhåndsregistrerte deltakere. Liveopptak, presentasjon, kvartalsregnskapet og pressemeldinger er tilgjengelig på www.norskeskog.com og publisert på www.newsweb.no under tickeren NSKOG. Hvis du ønsker å motta Norske Skogs pressemeldinger på publiseringstidspunktet, kan du abonnere på dette gjennom www.newsweb.no.

Norske Skog
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