

2023

THIRD QUARTER

Quarterly report

Presentation

Press releases



Norske Skog

INTRODUCTION

Norske Skog is a producer of packaging paper and publication paper across five mills in Europe and Australasia. Packaging paper includes testliner and fluting and publication paper includes newsprint and magazine paper. The annual production capacity of packaging paper will be 0.8 million tonnes during 2026 and the annual publication paper production capacity is 1.5 million tonnes. Packaging paper and publication paper are sold through sales offices and agents.

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

Norske Skog has approximately 2 100 employees and 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.

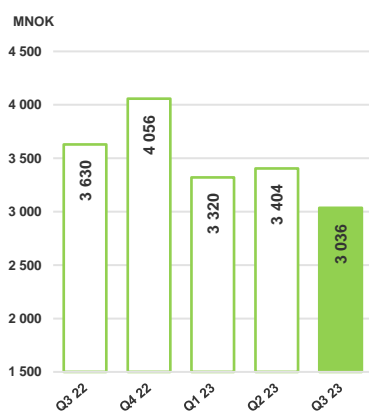
KEY FIGURES

NOK MILLION	Q3 2023	Q2 2023	Q3 2022	YTD 2023	YTD 2022
INCOME STATEMENT					
Total operating income	3 036	3 404	3 630	9 760	11 157
EBITDA*	327	380	508	1 382	2 022
Operating earnings	36	146	113	267	1 901
Profit/loss for the period	134	45	-11	-1	1 507
Earnings per share (NOK)**	1.45	0.48	-0.12	-0.01	15.98
CASH FLOW					
Net cash flow from operating activities	173	353	627	956	1 295
Net cash flow from operating activities per share (NOK)**	1.87	3.74	6.65	10.24	13.74
Net cash flow from investing activities	-949	-695	-520	-2 012	-1 084
OPERATING MARGIN AND PROFITABILITY (%)					
EBITDA margin*	10.8	11.2	14.0	14.2	18.1
Return on capital employed (annualised)*	-31.5	-15.3	-0.7	-14.9	16.1

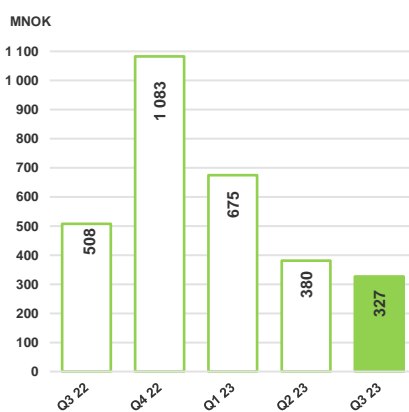
* As defined in Alternative Performance Measures

** Third quarter 2023 adjusted for purchase of treasury shares in the period pursuant to which the number of shares was decreased from 94 264 705 to 87 832 424

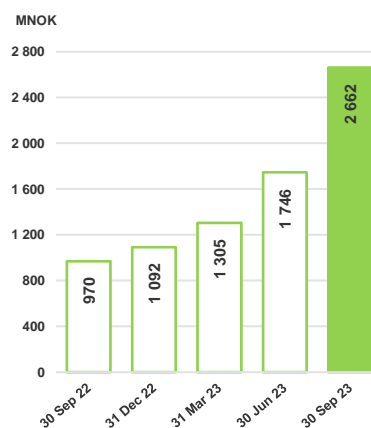
TOTAL OPERATING INCOME



EBITDA



NET INTEREST-BEARING DEBT



NOK MILLION	30 SEP 2023	30 JUN 2023	31 DEC 2022	30 SEP 2022
BALANCE SHEET				
Non-current assets	8 790	8 691	7 069	5 692
Current assets	5 109	5 998	6 539	7 055
Total assets	13 898	14 689	13 609	12 747
Equity	5 880	6 208	5 909	4 859
Net interest-bearing debt	2 662	1 746	1 092	970

REPORT OF THE BOARD OF DIRECTORS FOR THE THIRD QUARTER OF 2023

- Earnings negatively impacted by weak markets
 - EBITDA in the quarter of NOK 327 million, including property damage insurance of NOK 67 million, reimbursement of power payments of NOK 77 million, and negative impact of NOK 55 million related to change in CO2 compensation scheme
 - Higher net interest-bearing debt of NOK 2 662 million mainly due to investments at Norske Skog Golbey and share repurchases in the quarter
- Paper and containerboard prices levelling out
 - Publication paper markets weak, further capacity closures needed
 - Signs of containerboard demand stabilising, but market still characterised by excess capacity
- Bruck PM3 ramp-up on plan in challenging market
 - Production and product quality at Bruck PM3 in line with plan, expect full utilisation in second half of 2025
 - Golbey PM1 progressing towards start-up in the second quarter of 2024
- Preparations for restart of Saugbrugs PM5
 - Paper machine 6 likely closed through the first half of 2024, full extent of damages yet to be determined,
 - The mill is insured for property damages and business interruption for up to 18 months
- Share repurchase programme
 - 6.4 million shares repurchased as of 30 September 2023 at a total consideration of NOK 286 million
 - Repurchase programme likely to be completed by early November

PROFIT/LOSS FOR THE PERIOD

NOK MILLION	Q3 2023	Q2 2023	Q3 2022	YTD 2023	YTD 2022
Operating revenue	2 643	3 118	3 541	8 932	10 688
Other operating income	393	287	89	829	469
Total operating income	3 036	3 404	3 630	9 760	11 157
Distribution cost	-270	-289	-327	-804	-953
Cost of materials	-1 611	-1 948	-2 103	-5 194	-6 095
Fixed cost	-828	-787	-692	-2 380	-2 087
EBITDA	327	380	508	1 382	2 022

Lower operating revenue in the quarter compared to the previous quarter mainly driven by lower publication paper prices. Deliveries of publication paper decreased slightly in the quarter, mainly as a result of Norske Skog Saugbrugs PM6 not producing in the quarter. Deliveries of packaging paper increased as ramp-up proceeds as planned. The continued weak NOK supported the competitiveness of the Norwegian mills.

Cost of materials decreased significantly on an absolute basis and on a per tonne basis compared to the previous quarter, mainly due to lower contract electricity prices in Norway and no production at Norske Skog Saugbrugs PM6. In addition, the previous quarter saw higher cost of materials as fixed costs were allocated to the quarter as volumes were drawn from the inventory.

Fixed costs (including employee benefit expenses) increased compared to the previous quarter both on absolute and per tonne

basis, mainly due to higher other operating expenses at Norske Skog Saugbrugs due to ongoing work at PM6 which are covered by insurance compensation recognised in the quarter.

EBITDA decreased quarter-over-quarter, mainly driven by lower prices. Norske Skog Saugbrugs recognised NOK 135 million in business interruption insurance. In addition, the quarter was impacted by Norske Skog Saugbrugs recognising net NOK 67 million in property damage insurance compensation, Norske Skog Golbey was reimbursed power payments of NOK 77 million, The Norwegian mills adjusted CO2 compensation by NOK 55 million for first half of 2023 following the Norwegian State Budget for 2024 proposal to increase the CO2 compensation quota floor price from NOK 200 to NOK 375 per European Union Allowance.

NORSKE SKOG QUARTERLY REPORT – THIRD QUARTER 2023 (UNAUDITED)

NOK MILLION	Q3 2023	Q2 2023	Q3 2022	YTD 2023	YTD 2022
Restructuring expenses	-18	-10	0	-29	0
Depreciation	-141	-128	-122	-384	-356
Derivatives and other fair value adjustments	-131	-96	-273	-701	235
Operating earnings	36	146	113	267	1 901

Depreciation of NOK 141 million is a slight increase compared with the previous quarter as new assets in Norske Skog Bruck has started being depreciated. Restructuring cost of NOK 18 million relates to demanning at the headquarter in the quarter.

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

NOK MILLION	Q3 2023	Q2 2023	Q3 2022	YTD 2023	YTD 2022
Share of profit in associated companies and joint ventures	-3	-4	-5	-10	-10
Financial items	79	-101	-84	-253	-211
Income taxes	22	5	-34	-6	-174
Profit/loss for the period	134	45	-11	-1	1 507

Share of profit in associated companies and joint ventures of NOK -3 million is up from the previous quarter and reflects the result from Circa Group.

NOK was stronger at end of the third quarter. Interest cost and other financial costs were in line with the previous quarter.

Financial items were positive by NOK 79 million in the third quarter, mainly due to unrealised currency gains on euro denominated debt as

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

DIVERSIFICATION BEYOND PUBLICATION PAPER

Norske Skog has now entered the market for packaging paper, with the successful start-up of Norske Skog Bruck PM3. Delivered volumes of recycled containerboard increased during the third quarter as ramp-up continues at Bruck. Simultaneously, Norske Skog Golbey in France is currently converting PM1 for production of packaging paper and will start production in the second quarter of 2024. When full capacity is reached at both Norske Skog Bruck PM3 and Norske Skog Golbey PM1, Norske Skog will have a production capacity of 0.8 million tonnes of recycled containerboard.

Commercial development of CEBINA and CEBICO continues 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 2023	Q2 2023	Q3 2022	YTD 2023	YTD 2022
Total operating income	2 405	2 843	3 129	8 112	9 566
EBITDA	335	429	483	1 527	1 831
EBITDA margin (%)	13.9	15.1	15.4	18.8	19.1
Return on capital employed (%) (annualised)	-36.0	-7.3	-1.9	-7.8	10.5
Production (1 000 tonnes)	260	232	345	769	1 159
Deliveries (1 000 tonnes)	258	267	347	770	1 161
Production / capacity (%)	87	74	83	79	89

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 currently approximately 1.2 million tonnes as Norske Skog Saugbrugs PM6 is temporarily idled.

Operating income decreased from the previous quarter mainly due to lower paper prices, but also slight decrease in deliveries. An amount of NOK 135 million has been recognised in the quarter in relation to business interruption for Norske Skog Saugbrugs. In addition, Norske Skog Saugbrugs recognised NOK 138 million related to property damage insurance, covering operating expenses of NOK 71 million and the remainder investments.

Distribution costs decreased slightly from the previous quarter on an absolute basis but were flat on a per tonne basis. Freight rates were slightly down, but destination mix increased costs, on both an absolute level and on a per tonne basis, driven by higher volumes and longer freight distances. Cost of materials decreased significantly in total and on a per tonne basis, mainly due to lower contract electricity prices in Norway, but also as the previous quarter saw high cost of materials due to allocation of fixed costs as volumes were drawn from inventory. Employee benefit expenses increased slightly on an absolute level and on a per tonne basis. Other operating expenses increased significantly,

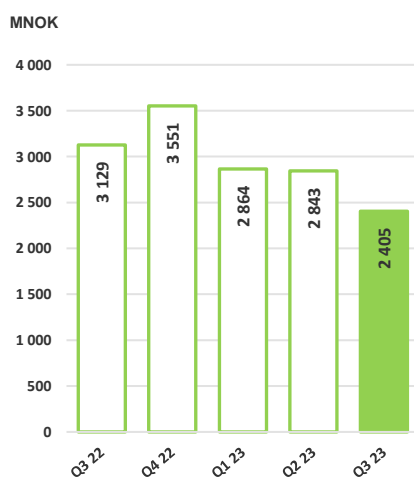
mainly due to work ongoing at Saugbrugs PM6 which will be reimbursed under insurance coverage.

EBITDA decreased compared to the previous quarter mainly due to reduced sales prices but partly offset by lower cost of materials. Norske Skog Golbey was reimbursed NOK 77 million related to payments for power. As a consequence of the proposal in the Norwegian State budget for 2024 to increase the CO2 compensation quota price floor from NOK 200 to NOK 375 the Norwegian mills had to reverse CO2 compensation of NOK 55 million related to previous periods.

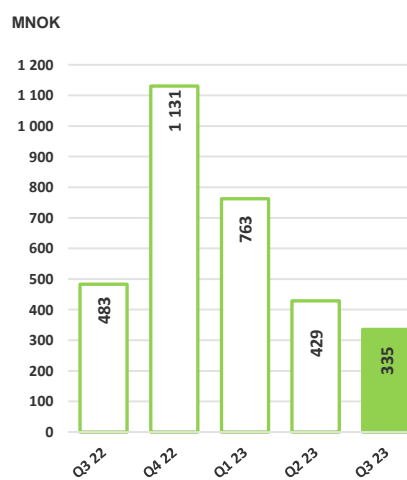
Demand for standard newsprint in Europe decreased by 22% as of August 2023 compared to the same period last year. Magazine paper demand decreased by 27%, with super calendared paper decreasing 28% and lightweight coated paper decreasing 29%. (Source: Eurograph).

Capacity utilisation was 87% in the period mainly driven by weak demand, an increase compared with the previous quarter. Norske Skog Saugbrugs PM6 has been excluded from the publication paper capacity following the production stop on 27 April 2023.

EUROPE
TOTAL OPERATING INCOME



EUROPE
EBITDA



PUBLICATION PAPER AUSTRALASIA

NOK MILLION	Q3 2023	Q2 2023	Q3 2022	YTD 2023	YTD 2022
Total operating income	476	489	514	1 399	1 412
EBITDA	27	-5	33	-1	121
EBITDA margin (%)	5.7	-1.1	6.3	-0.1	8.6
Return on capital employed (%) (annualised)	10.3	-14.5	24.5	-8.2	36.8
Production (1 000 tonnes)	64	61	62	180	185
Deliveries (1 000 tonnes)	60	63	66	179	189
Production / capacity (%)	97	92	94	91	95

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

Operating income decreased slightly compared to the previous quarter due to lower deliveries, partly offset by higher prices.

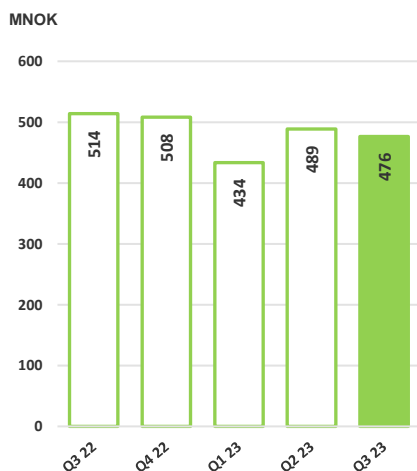
Distribution costs were significantly lower compared to the previous quarter on an absolute level and on a per tonne basis due to lower freight rates due to favorable change in destination mix. Cost of materials were slightly lower on an absolute basis, but slightly higher on a per tonne basis. Employee benefit expenses decreased slightly on an absolute basis but increased slightly on a per tonne basis. Other

operating expenses were significantly lower on an absolute and per tonne basis.

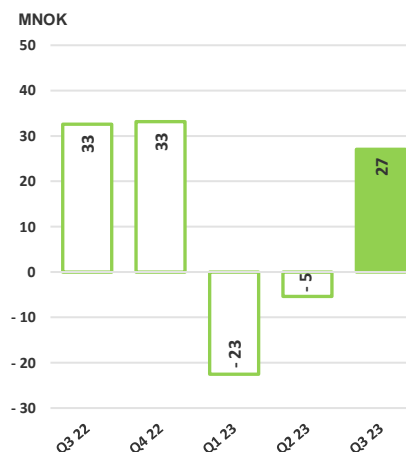
EBITDA was improved significantly compared to the previous quarter, mainly due to slightly lower cost of materials, and also lower distribution and other operating expenses.

According to PPPC, demand for newsprint and coated mechanical decreased by 15% and 14%, respectively, through August 2023 compared to the same period last year. Capacity utilisation was 97% in the period, an increase compared to the previous quarter of 92%.

AUSTRALASIA
TOTAL OPERATING INCOME



AUSTRALASIA
EBITDA



PACKAGING PAPER

NOK MILLION	Q3 2023	Q2 2023	Q3 2022	YTD 2023	YTD 2022
Total operating income	128	75	-	227	-
EBITDA	-31	-40	-	-109	-
EBITDA margin (%)	-24.2	-53.9	-	-48.3	-
Return on capital employed (%) (annualised)	-18.7	-36.2	-	-61.2	-
Production (1 000 tonnes)	24	20	-	44	-
Deliveries (1 000 tonnes)	26	10	-	36	-
Production / capacity (%)	67	71	-	69	-

The segment consists of Norske Skog's packaging paper operations in Europe. Norske Skog Bruck PM3 started producing in first quarter and the production is following the ramp-up curve with higher production and increased deliveries compared to previous quarter.

Delivered volumes are expected to increase gradually during the coming quarters as ramp-up continues. When full capacity is reached, Norske Skog Bruck will have a production capacity of 0.2 million tonnes of recycled containerboard.

Norske Skog Golbey in France is currently converting PM1 for production of packaging paper and will start production in the second quarter of 2024. When full capacity is reached Norske Skog Golbey will have a production capacity of 0.6 million tonnes of recycled containerboard.

The machines are expected to operate at 60-70% utilisation in the first year of operation and reach full utilisation during the third year of

production. Once at full utilisation, the machines are expected to generate annual EBITDA of EUR 70-80 million, based on historical prices and margins seen in the market.

Operating income for third quarter consists of revenue from deliveries of packaging paper and gate fees from waste incineration. EBITDA in the period was negative due to variable and fixed cost being higher relative to production volumes during ramp up.

OTHER ACTIVITIES

NOK MILLION	Q3 2023	Q2 2023	Q3 2022	YTD 2023	YTD 2022
Total operating income	133	89	71	282	518
EBITDA	-5	-2	-8	-35	70

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

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

CASH FLOW

NOK MILLION	Q3 2023	Q2 2023	Q3 2022	YTD 2023	YTD 2022
EBITDA	327	380	508	1 382	2 022
Change in working capital	-153	541	188	201	-337
Restructuring payments	-13	-29	-5	-44	-26
Gain and losses from divestments	-1	-1	2	1	-183
Insurance compensation from property damage	-67	0	0	-67	0
Net financial items	-19	-36	-32	-90	-105
Taxes paid	-25	-553	-27	-594	-56
Other items	124	50	-6	168	-21
Net cash flow from operating activities	173	353	627	956	1 295
Purchases of property, plant and equipment and intangible assets	-1 018	-697	-519	-2 284	-1 347
-whereof maintenance capex	-89	-87	-29	-239	-100

Net cash flow from operating activities was NOK 173 million in the third quarter.

The operating cash flow was impacted by NOK 67 million received in the quarter related to property damage for Norske Skog Saugbrugs PM6.

Restructuring payments in the quarter are mainly related to settlement of restructuring costs in Australasia and at headquarter.

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

Maintenance capex of NOK 89 million relate to ordinary maintenance in the quarter, a slight increase from the previous quarter.

Remaining purchases of property, plant and equipment and intangible assets mainly relate to investments in the packaging paper projects at Norske Skog Golbey, as well as the TMP capacity expansion project at Norske Skog Skogn.

BALANCE SHEET

NOK MILLION	30 SEP 2023	30 JUN 2023	31 DEC 2022	30 SEP 2022
Non-current assets	8 790	8 691	7 069	5 692
Cash and cash equivalents	2 036	2 673	2 650	2 047
Inventories, trade and other receivables and other current assets	3 073	3 325	3 889	5 009
Total assets	13 898	14 689	13 609	12 747
Equity	5 880	6 208	5 909	4 859
Non-current liabilities	5 607	5 378	4 422	4 371
Current liabilities	2 411	3 104	3 278	3 517
Net interest-bearing debt	2 662	1 746	1 092	970

Total assets decreased in the third quarter, mainly due to a decrease in cash and cash equivalents, and in inventories, partly offset by an increase in property, plant, and equipment.

The decrease in cash and cash equivalents is due to repurchase of own shares, and investments in property, plant, and equipment offset by draw down on loans. Property, plant, and equipment also saw an increase in the quarter mainly due to investments related to the PM1 conversion at Golbey.

Non-current liabilities increased from previous quarter driven by an increase in interest-bearing non-current liabilities due to draw down on

loans, slightly offset by a stronger NOK impacting EUR denominated debt.

Local debt to finance the packaging paper projects at Norske Skog Bruck and Norske Skog Golbey was drawn with approximately EUR 214 million at quarter end, compared to EUR 169 million at previous quarter end.

Net interest-bearing debt increased from NOK 1 746 million to NOK 2 662 million in the quarter, mainly due to further debt being drawn in line with investments into the packaging conversion at Norske Skog Golbey and reduced cash and cash equivalents.

OUTLOOK

The development in the global economy is of vital importance for consumer spending, and this impacts the publication paper and packaging industry, and thus Norske Skog's operations and results. The global economy is expected to remain weak for the remainder of 2023 and into 2024.

The raw material and energy markets, which are important for both publication paper and packaging paper production, are expected to remain uncertain. Development of raw material and energy prices are expected to be lower than the record levels experienced in 2022 but still above historical average levels and uncertainty remains on how the energy markets will develop in the coming periods.

The level of input costs and demand for paper will continue to influence paper sales prices in Europe. The decreased demand for publication paper and packaging paper has initiated further announcements of capacity closures in the industry to improve the imbalance in demand and supply for both publication paper and packaging paper, but capacity utilisation is expected to remain weak in the coming periods

as further closures are required. Norske Skog's European operations are cost-competitive, and the group will continue to temporarily adjust production to customer demand.

Norske Skog Saugbrugs PM6 will remain out of the SC market for the first half of 2024. PM5 will be restarted in the fourth quarter to serve some customers previously served by PM6. Production of recycled containerboard in Bruck is expected to development in the coming periods in line with a normal ramp-up curve.

In Australasia, price increases have been implemented impacting the coming periods, but reduced demand in the region may require increased exposure through higher export volumes.

Norske Skog will continue to develop its industrial sites, among others within bio products and renewable energy, both on a stand-alone basis and in partnerships.

SKØYEN, 19 OCTOBER 2023
THE BOARD OF DIRECTORS OF NORSKE SKOG ASA

Arvid Grundekjøn
Chair

Trine-Marie Hagen
Board member

Christoffer Bull
Board member

Johanna Lindén
Board member

Geir Drangslund
CEO

INTERIM FINANCIAL STATEMENTS, THIRD QUARTER OF 2023

CONDENSED CONSOLIDATED INCOME STATEMENT

NOK MILLION	NOTE	Q3 2023	Q2 2023	Q3 2022	YTD 2023	YTD 2022
Operating revenue		2 643	3 118	3 541	8 932	10 688
Other operating income	9	393	287	89	829	469
Total operating income	4	3 036	3 404	3 630	9 760	11 157
Distribution costs		-270	-289	-327	-804	-953
Cost of materials		-1 611	-1 948	-2 103	-5 194	-6 095
Employee benefit expenses		-538	-523	-475	-1 562	-1 453
Other operating expenses		-291	-264	-217	-818	-634
Restructuring expenses		-18	-10	0	-29	0
Depreciation	5	-141	-128	-122	-384	-356
Derivatives and other fair value adjustments	6	-131	-96	-273	-701	235
Operating earnings		36	146	113	267	1 901
Share of profit in associated companies and joint ventures	7	-3	-4	-5	-10	-10
Financial items	8	79	-101	-84	-253	-211
Profit/loss before income taxes		112	41	23	5	1 681
Income taxes		22	5	-34	-6	-174
Profit/loss for the period		134	45	-11	-1	1 507
Basic earnings per share (NOK)		1.45	0.48	-0.12	-0.01	15.98
Diluted earnings per share (NOK)		1.45	0.48	-0.12	-0.01	15.98

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

NOK MILLION	Q3 2023	Q2 2023	Q3 2022	YTD 2023	YTD 2022
Profit/loss for the period	134	45	-11	-1	1 507
Items that may be reclassified subsequently to profit or loss					
Currency translation differences	-176	118	83	254	217
Tax expense on translation differences	0	0	0	0	0
Reclassified translation differences upon divestment of foreign operations	0	0	0	5	1
Other comprehensive income for the period	-176	118	83	258	219
Total comprehensive income for the period	-42	163	72	257	1 726

CONDENSED CONSOLIDATED BALANCE SHEET

NOK MILLION	NOTE	30 SEP 2023	30 JUN 2023	31 DEC 2022	30 SEP 2022
Deferred tax asset		270	215	137	15
Intangible assets	5	13	13	14	15
Property, plant and equipment	5	7 982	7 839	5 852	5 235
Investments in associated companies and joint ventures	7	90	93	299	102
Other non-current assets	6	434	531	768	325
Total non-current assets		8 790	8 691	7 069	5 692
Inventories		1 521	1 635	1 464	1 487
Trade and other receivables		1 433	1 419	1 944	2 039
Other current assets	6	120	271	481	1 483
Cash and cash equivalents		2 036	2 673	2 650	2 047
Total current assets		5 109	5 998	6 539	7 055
Total assets		13 898	14 689	13 609	12 747
Paid-in equity	10	8 872	8 898	8 898	8 898
Retained earnings		-2 992	-2 690	-2 989	-4 039
Total equity		5 880	6 208	5 909	4 859
Employee benefit obligations		290	305	278	324
Deferred tax liability		206	228	208	252
Interest-bearing non-current liabilities	8	4 395	4 080	3 432	2 855
Other non-current liabilities	6	716	765	504	939
Total non-current liabilities		5 607	5 378	4 422	4 371
Trade and other payables		1 804	2 498	2 245	2 429
Tax payable		9	9	358	208
Interest-bearing current liabilities	8	303	340	310	162
Other current liabilities	6	296	257	364	718
Total current liabilities		2 411	3 104	3 278	3 517
Total liabilities		8 018	8 481	7 700	7 888
Total equity and liabilities		13 898	14 689	13 609	12 747

SKØYEN, 19 OCTOBER 2023
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Board member



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Board member



Geir Drangslund
CEO

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

NOK MILLION	Q3 2023	Q2 2023	Q3 2022	YTD 2023	YTD 2022
Cash generated from operations	2 892	4 119	3 707	10 381	10 489
Cash used in operations	-2 676	-3 178	-3 022	-8 741	-9 033
Cash flow from currency hedges and financial items	11	-12	-7	-14	-33
Interest payments received	29	23	7	72	15
Interest payments made	-59	-48	-32	-148	-88
Taxes paid	-25	-553	-27	-594	-56
Net cash flow from operating activities ¹⁾	173	353	627	956	1 295
Purchases of property, plant and equipment and intangible assets	-1 018	-697	-519	-2 284	-1 347
Sales of property, plant and equipment and intangible assets	2	1	3	6	19
Proceeds from property damage insurance	67	0	0	67	0
Dividend proceeds from joint venture	0	0	0	200	0
Purchase of shares in companies and other financial payments	0	0	0	0	-28
Sales of shares in companies and other financial instruments	0	0	-4	0	272
Net cash flow from investing activities	-949	-695	-520	-2 012	-1 084
New loans raised	506	210	219	902	537
Repayments of loans	-75	-106	-14	-231	-236
Purchase treasury shares	-277	0	0	-277	0
Net cash flow from financing activities	154	104	206	394	301
Foreign currency effects on cash and cash equivalents	-15	17	7	47	45
Total change in cash and cash equivalents	-637	-221	319	-615	558
Cash and cash equivalents at start of period	2 673	2 894	1 728	2 650	1 489
Cash and cash equivalents at end of period	2 036	2 673	2 047	2 036	2 047
¹⁾ Reconciliation of net cash flow from operating activities					
Profit/loss before income taxes	112	41	23	5	1 681
Change in working capital	-153	541	188	201	-337
Change in restructuring provisions	5	-20	-5	-15	-25
Depreciation and impairments	141	128	122	384	356
Derivatives and other fair value adjustments	131	96	273	701	-235
Gain and losses from divestment of business activities and PPE	-1	-1	2	1	-183
Insurance compensation from property damage	-67	0	0	-67	0
Net financial items without cash effect	-95	70	58	173	115
Taxes paid	-25	-553	-27	-594	-56
Change in pension obligations and other employee benefits	-6	-3	-6	-15	-10
Adjustment for other items	130	53	0	183	-10
Net cash flow from operating activities	173	353	627	956	1 295

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN GROUP EQUITY

NOK MILLION	PAID-IN EQUITY	OTHER PAID-IN EQUITY	RETAINED EARNINGS	TOTAL EQUITY
Equity 1 January 2022	6 649	2 249	-5 765	3 133
Profit/loss for the period	0	0	1 518	1 518
Other comprehensive income for the period	0	0	136	136
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
Profit/loss for the period	0	0	1 065	1 065
Other comprehensive income for the period	0	0	-15	-15
Equity 31 December 2022	6 649	2 249	-2 989	5 909
Profit/loss for the period	0	0	-181	-181
Other comprehensive income for the period	0	0	316	316
Equity 31 March 2023	6 649	2 249	-2 854	6 045
Profit/loss for the period	0	0	45	45
Other comprehensive income for the period	0	0	118	118
Equity 30 June 2023	6 649	2 249	-2 690	6 208
Treasury shares	-26	0	-260	-286
Profit/loss for the period	0	0	134	134
Other comprehensive income for the period	0	0	-176	-176
Equity 30 September 2023	6 623	2 249	-2 992	5 880

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 and packaging paper. This includes newsprint, magazine paper and recycled containerboard.

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 2023	Q2 2023	30 SEP 2023	30 JUN 2023	31 DEC 2022
AUD	6.86	7.15	6.89	7.14	6.70
EUR	11.40	11.66	11.25	11.70	10.51
GBP	13.27	13.40	13.02	13.64	11.85
NZD	6.34	6.61	6.40	6.55	6.26
USD	10.48	10.70	10.62	10.77	9.86

2. ACCOUNTING POLICIES

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

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

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

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

3. ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

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

Recoverable amount of intangible assets and property, plant and equipment

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

Accounting treatment of physical energy contracts and other financial instruments

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

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

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

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

4. OPERATING SEGMENTS

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

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

Publication Paper Europe segment encompasses production and sale of newsprint and magazine paper in Europe. All the four European industrial sites and the regional sales organisation are included in the operating segment publication paper Europe.

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

Packaging Paper has been established as a new reporting segment. The segment includes Norske Skog's production of recycled containerboard, mainly the grades testliner 3 and fluting. Testliner 3 and fluting are used by corrugators as outer and inner layers of packaging material. In the first nine months of 2023, the segment only comprises one machine, PM3, at Norske Skog Bruck. From the second quarter 2024, Norske Skog Golbey PM1 will also be included in the segment. Production is expected to reach full capacity in the period 2025 to 2026.

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

Q3 2023	PUBLICATION PAPER EUROPE	PUBLICATION PAPER AUSTRALASIA	PACKAGING PAPER	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
Operating revenue	2 047	471	99	130	-103	2 643
Other operating income	358	6	29	2	-2	393
Total operating income	2 405	476	128	133	-106	3 036
Distribution costs	-201	-53	-16	0	0	-270
Cost of materials	-1 217	-286	-87	-96	75	-1 611
Employee benefit expenses	-393	-79	-41	-27	2	-538
Other operating expenses	-258	-32	-15	-15	29	-291
EBITDA	335	27	-31	-5	0	327
Restructuring expenses	-2	0	0	-16	0	-18
Depreciation	-96	-16	-27	-2	0	-141
Derivatives and other fair value adjustments	-131	0	0	0	0	-131
Operating earnings	106	11	-58	-23	0	36
Share of operating revenue from external parties (%)	100	100	100	23		100

Q2 2023	PUBLICATION PAPER EUROPE	PUBLICATION PAPER AUSTRALASIA	PACKAGING PAPER	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
Operating revenue	2 592	490	37	88	-90	3 118
Other operating income	251	-2	38	1	-1	287
Total operating income	2 843	489	75	89	-91	3 404
Distribution costs	-208	-75	-7	0	0	-289
Cost of materials	-1 609	-297	-53	-50	62	-1 948
Employee benefit expenses	-384	-80	-40	-20	1	-523
Other operating expenses	-214	-43	-15	-21	29	-264
EBITDA	429	-5	-40	-2	0	380
Restructuring expenses	0	0	0	-10	0	-10
Depreciation	-106	-11	-9	-2	0	-128
Derivatives and other fair value adjustments	-96	0	0	0	0	-96
Operating earnings	227	-17	-49	-14	0	146
Share of operating revenue from external parties (%)	100	100	99	0		100

NORSKE SKOG QUARTERLY REPORT – THIRD QUARTER 2023 (UNAUDITED)

Q3 2022	PUBLICATION PAPER EUROPE	PUBLICATION PAPER AUSTRALASIA	PACKAGING PAPER	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
Operating revenue	3 039	513	-	71	-83	3 541
Other operating income	89	0	-	0	-1	89
Total operating income	3 129	514	-	71	-84	3 630
Distribution costs	-257	-70	-	0	0	-327
Cost of materials	-1 825	-295	-	-41	58	-2 103
Employee benefit expenses	-373	-79	-	-24	1	-475
Other operating expenses	-191	-37	-	-14	24	-217
EBITDA	483	33	-	-8	0	508
Depreciation	-108	-11	-	-3	0	-122
Derivatives and other fair value adjustments	-273	0	-	0	0	-273
Operating earnings	102	21	-	-11	0	113
Share of operating revenue from external parties (%)	100	100	-	3		100

YTD 2023	PUBLICATION PAPER EUROPE	PUBLICATION PAPER AUSTRALASIA	PACKAGING PAPER	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
Operating revenue	7 374	1 397	137	279	-255	8 932
Other operating income	738	2	90	4	-5	829
Total operating income	8 112	1 399	227	282	-260	9 760
Distribution costs	-595	-187	-23	0	0	-804
Cost of materials	-4 181	-849	-151	-171	158	-5 194
Employee benefit expenses	-1 122	-241	-116	-88	5	-1 562
Other operating expenses	-687	-123	-46	-57	96	-818
EBITDA	1 527	-1	-109	-35	0	1 382
Restructuring expenses	-2	-1	0	-26	0	-29
Depreciation	-295	-38	-44	-6	0	-384
Derivatives and other fair value adjustments	-701	0	0	0	0	-701
Operating earnings	528	-40	-154	-67	0	267
Share of operating revenue from external parties (%)	100	100	99	11		100

YTD 2022	PUBLICATION PAPER EUROPE	PUBLICATION PAPER AUSTRALASIA	PACKAGING PAPER	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
Operating revenue	9 287	1 395	-	342	-336	10 688
Other operating income	279	17	-	176	-3	469
Total operating income	9 566	1 412	-	518	-339	11 157
Distribution costs	-752	-198	-	-4	0	-953
Cost of materials	-5 347	-757	-	-250	260	-6 095
Employee benefit expenses	-1 090	-226	-	-140	3	-1 453
Other operating expenses	-545	-111	-	-55	76	-634
EBITDA	1 831	121	-	70	0	2 022
Depreciation	-314	-32	-	-10	0	-356
Derivatives and other fair value adjustments	235	0	-	0	0	235
Operating earnings	1 752	89	-	60	0	1 901
Share of operating revenue from external parties (%)	100	100	-	7		100

SEGMENT OTHER ACTIVITIES	Q3 2023	Q2 2023	Q3 2022	YTD 2023	YTD 2022
OTHER OPERATING REVENUE					
Corporate functions	28	27	22	88	71
Sourcing solutions	104	62	49	194	251
Green energy and other	0	0	0	0	196
Total	133	89	71	282	518
EBITDA					
Corporate functions	-5	-4	-9	-37	-110
Sourcing solutions	0	1	1	3	4
Green energy and other	0	0	0	0	176
Total	-5	-2	-8	-35	70

5. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

JAN-SEP 2023	PROPERTY, PLANT AND EQUIPMENT	RIGHT-OF-USE ASSETS	TOTAL PROPERTY PLANT AND EQUIPMENT	INTANGIBLE ASSETS
Carrying value at start of period	5 784	68	5 852	14
Additions*	2 180	22	2 203	3
Depreciation	-350	-29	-380	-4
Disposals	-2	0	-2	0
Currency translation differences	306	3	309	0
Carrying value at end of period	7 918	64	7 982	13

*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 2023	TOTAL PROPERTY PLANT AND EQUIPMENT	INTANGIBLE ASSETS
Publication paper Europe	5 254	3
Publication paper Australasia	249	1
Packaging paper	2 471	2
Other activities	9	7
Total	7 982	13

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

30 SEP 2023	ASSETS		LIABILITIES	
	CURRENT	NON-CURRENT	CURRENT	NON-CURRENT
Energy contracts and embedded derivatives in energy contracts (level 3)	53	248	203	339
Other derivatives and financial instruments carried at fair value (level 2)	30	0	0	0
Total	83	248	203	339

Norske Skog's portfolio of commodity contracts consists mainly of physical energy contracts some of which contain embedded derivatives related to currency. 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 publication paper prices and pulpwood prices. Externally forecasted price increases/decreases for paper increases/decreases the cost of energy. Contract prices vs market prices for energy have developed in opposite directions in the relevant energy areas in Norway, while a stronger NOK has impacted embedded derivatives positively. There has been a net negative change in the fair value of the contracts and embedded derivatives in the quarter of NOK 131 million.

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

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

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

7. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES

Investments in associated companies and joint ventures are accounted for in accordance with the equity method. The carrying value is NOK 90 million on 30 September 2023.

Norske Skog holds a 50% share of Porsnes Utvikling AS, an equal ownership joint venture between Ringstad Næringsutvikling AS and Norske Skog Saugbrugs AS. On 30 September 2023 this has a carrying value of NOK 12 million.

On 30 September 2023 Norske Skog holds a 26% share of Circa Group AS, with a carrying value of NOK 70 million. Loss is included in the quarter with NOK 3 million. Circa Group AS is listed on Euronext Growth.

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

8. FINANCIAL ITEMS AND DEBT REPAYMENTS

FINANCIAL ITEMS

NOK MILLION	Q3 2023	Q2 2023	Q3 2022	YTD 2023	YTD 2022
Net interest expenses	-30	-27	-27	-82	-78
Currency gains/losses*	127	-54	-46	-117	-102
Other financial items	-17	-20	-10	-54	-31
Total financial items	79	-101	-84	-253	-211

*Currency gains/losses on trade receivables and trade payables are reported as operating revenue and cost of materials respectively.

FINANCING

Norske Skog has 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 is 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 are 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 2023, the credit facilities had been drawn by approximately EUR 214 million.

Norske Skog has a EUR 150 million senior secured bond. The bond matures in March 2026 and has an interest rate of EURIBOR (zero floor) +5.5% with quarterly interest payments. As of 30 September 2023, the outstanding amount under the EUR 150 million senior secured bond, net of bought back bonds, was EUR 138.1 million.

Norske Skog has an EUR 31 million Revolving Credit Facility with a tenor of five years. As of 30 September 2023, the revolving credit facility was undrawn.

The EUR 54 million credit facility for the waste-to-energy plant in Norske Skog Bruck was fully drawn as of 30 September 2022, and quarterly repayments commenced during the fourth quarter of 2022. As of 30 September 2023, the outstanding amount was EUR 45 million. The final maturity date is in 2028.

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

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

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

BONDS

EUR MILLION	MATURITY	CURRENCY	INTEREST RATE	NOMINAL VALUE	AMOUNT OUTSTANDING 30 SEP 2023
NSKOG02	March 2026	EUR	EURIBOR +5.5%	150	138

DEBT REPAYMENT SCHEDULE*

NOK MILLION	2023	2024	2025	2026	2027-
Bonds	0	0	0	1 554	0
Debt to credit institutions	92	644	450	436	1 466
Total	92	644	450	1 990	1 466

*Not including items relating to leases.

Total debt listed in the repayment schedule differs 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 0 million in debt repayment in the fourth quarter of 2023. The financed amount represents a group of individual loans, which are settled individually at maturity of the trade receivable.

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

9. NORSKE SKOG SAUGBRUGS ROCKSLIDE

On 27 April 2023 Norske Skog Saugbrugs was impacted by a rockslide that destroyed parts of the building and damaged machinery and equipment related to PM6. The damages were extensive and PM6 has been stopped from the time of the impact.

Focus so far has primarily been to secure the site from further rockslide and secure the building in preparation for and startup of the necessary clean-up at the site. For the time being there remains significant uncertainty in relation to timeline for cleaning the site and a full assessment of the damaged building, machinery and equipment. PM6 is likely to remain closed through first half of 2024.

Norske Skog Saugbrugs is covered for both property damage and business interruption as part of its group insurance program.

Property damage was mainly related to assets that were largely depreciated to low values. A write down of NOK 10 million related to destroyed assets was recognised in the second quarter of 2023.

Amounts related to property damage coverage will be accounted as other operating income when they are virtually certain to be received. The amounts recognised in each period may therefore vary dependent on progress. In the third quarter 2023 NOK 138 million have been recognised related to property damage. As part of this clean-up costs of NOK 71 million has been expensed in other operating expenses in the third quarter. Expenses needed to bring the asset to its operating state will be capitalized as property, plant and equipment. As at 30 September 2023 NOK 70 million has been capitalized related to property plant and equipments.

Amounts related to business interruption coverage will be accounted for in other operating income and based on the company's conservative estimate of the loss incurred as a consequence of the business interruption in the period. In the third quarter 2023 NOK 135 million have been recognised in relation to business interruption.

It is emphasised that these are preliminary assessments and estimates and may be changed in later periods.

10. PRINCIPAL SHAREHOLDERS

	NUMBER OF SHARES	OWNERSHIP %
BYGGMA ASA	17 430 431	18.49
NORSKE SKOG ASA	7 716 267	8.19
DRANGSLAND KAPITAL AS	5 316 148	5.64
UBS Europe SE	4 819 000	5.11
INTERTRADE SHIPPING AS	2 700 000	2.86
VERDIPAPIRFONDET HOLBERG NORGE	2 050 000	2.17
VERDIPAPIRFONDET FONDSFINANS NORGE	1 625 000	1.72
VERDIPAPIRFONDET NORDEA AVKASTNING	1 320 117	1.40
MP PENSJON PK	1 292 615	1.37
CACEIS Investor Services Bank S.A.	1 134 617	1.20
VOLDSTAD EIENDOM AS	1 100 000	1.17
VERDIPAPIRFONDET FIRST GENERATOR	1 012 259	1.07
The Bank of New York Mellon SA/NV	891 552	0.95
CACEIS Investor Services Bank S.A.	753 731	0.80
VERDIPAPIRFONDET NORDEA NORGE PLUS	744 978	0.79
Pershing Securities Limited	694 285	0.74
VERDIPAPIRFONDET NORDEA NORGE VERD	652 862	0.69
NORDNET LIVSFORSIKRING AS	652 616	0.69
VERDIPAPIRFONDET NORDEA KAPITAL	649 909	0.69
Nordnet Bank AB	645 425	0.68
Other shareholders	41 062 893	43.56
Total	94 264 705	100.00

The data is extracted from VPS 19 October 2023. Whilst every reasonable effort is made to verify all data, VPS cannot guarantee the accuracy of the analysis.

11. THE NORSKE SKOG SHARE

	30 SEP 2023	30 JUN 2023	31 DEC 2022	30 SEP 2022
Share price (NOK)	46.44	42.22	67.25	55.25
Book value of equity per share (NOK)	66.95	65.86	62.68	51.55

At 30 September 2023 Norske Skog ASA has purchased 6 432 281 of its own shares.

12. RELATED PARTIES

Investor AS and subsidiaries Drangslund Kapital AS and Byggma ASA are related parties to Norske Skog through the ownership in Norske Skog ASA and the CEO Geir Drangslund being the ultimate owner for these companies.

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

13. EVENTS AFTER THE BALANCE SHEET DATE

On 10 October 2023 Norske Skog announced that it had completed the transaction for the sale of the Tasman mill industrial site and remaining mill assets to the Australasian pulp, paper, and packaging group Oji Fibre Solutions for approximately NOK 70 million (NZD 10.9 million). The sale of the mill site and realisation of certain other related assets, including buildings, electricity equipment, piping, water, and other

infrastructure, will generate a total financial gain on sale of approximately NOK 57 million (NZD 8.8 million).

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

14. HISTORICAL FIGURES

INCOME STATEMENT	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Total operating income	3 036	3 404	3 320	4 056	3 630
Variable costs*	-1 881	-2 237	-1 880	-2 116	-2 430
Fixed costs*	-828	-787	-765	-858	-692
EBITDA	327	380	675	1 083	508
Restructuring expenses	-18	-10	-1	-11	0
Depreciation	-141	-128	-115	-190	-122
Impairments	0	0	0	-164	0
Derivatives and other fair value adjustment	-131	-96	-474	227	-273
Operating earnings	36	146	85	944	113
Share of profit in associated companies and joint ventures	-3	-4	-3	198	-5
Financial items	79	-101	-230	-45	-84
Profit/loss before income taxes	112	41	-148	1 097	23
Income taxes	22	5	-32	-32	-34
Profit/loss for the period	134	45	-181	1 065	-11

* As defined in Alternative Performance Measures

SEGMENT INFORMATION	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Publication paper Europe					
Total operating income	2 405	2 843	2 864	3 551	3 129
EBITDA	335	429	763	1 131	483
Deliveries (1 000 tonnes)	258	267	245	300	347
Publication paper Australasia					
Total operating income	476	489	434	508	514
EBITDA	27	-5	-23	33	33
Deliveries (1 000 tonnes)	60	63	56	63	66
Packaging paper					
Total operating income	128	75	24	-	-
EBITDA	-31	-40	(38)	-	-
Deliveries (1 000 tonnes)	26	10	-	-	-
Other activities					
Total operating income	133	89	61	61	71
EBITDA	-5	-2	-27	-81	-8

BALANCE SHEET	30 SEP 2023	30 JUN 2023	31 MAR 2023	31 DEC 2022	30 SEP 2022
Total non-current assets	8 790	8 691	7 498	7 069	5 692
Inventories	1 521	1 635	1 786	1 464	1 487
Trade and other receivables	1 433	1 419	1 886	1 944	2 039
Cash and cash equivalents	2 036	2 673	2 894	2 650	2 047
Other current assets	120	271	437	481	1 483
Total current assets	5 109	5 998	7 003	6 539	7 055
Total assets	13 898	14 689	14 502	13 609	12 747
Total equity	5 880	6 208	6 045	5 909	4 859
Total non-current liabilities	5 607	5 378	5 058	4 422	4 371
Trade and other payables	1 804	2 498	2 161	2 245	2 429
Other current liabilities	607	606	1 238	1 033	1 088
Total current liabilities	2 411	3 104	3 399	3 278	3 517
Total liabilities	8 018	8 481	8 457	7 700	7 888
Total equity and liabilities	13 898	14 689	14 502	13 609	12 747

CASH FLOW	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Reconciliation of net cash flow from operating activities					
EBITDA	327	380	675	1 083	508
Change in working capital	-153	541	-188	-208	188
Payments made relating to restructuring activities	-13	-29	-2	-7	-5
Gain and losses from divestment	-1	-1	2	-8	2
Insurance compensation from property damage	-67	0	0	0	0
Cash flow from net financial items	-19	-36	-35	-45	-32
Taxes paid	-25	-553	-16	-45	-27
Other	124	50	-7	-24	-6
Net cash flow from operating activities	173	353	430	745	627
Purchases of property, plant and equipment and intangible assets	-1 018	-697	-570	-881	-519
Net divestments	2	1	202	9	-1
Net cash flow from investing activities	-949	-695	-367	-872	-520
Net cash flow from financing activities	154	104	136	733	206
Foreign currency effects on cash and cash equivalents	-15	17	45	-2	7
Total change in cash and cash equivalents	-637	-221	244	604	319

ALTERNATIVE PERFORMANCE MEASURES

The European Securities and Markets Authority's (ESMA) has defined 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 2023	Q2 2023	Q3 2022	YTD 2023	YTD 2022
Operating earnings	36	146	113	267	1 901
Restructuring expenses	18	10	0	29	0
Depreciation	141	128	122	384	356
Derivatives and other fair value adjustments	131	96	273	701	-235
EBITDA	327	380	508	1 382	2 022

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 2023	Q2 2023	Q3 2022	YTD 2023	YTD 2022
EBITDA	327	380	508	1 382	2 022
Total operating income	3 036	3 404	3 630	9 760	11 157
EBITDA margin	10.8 %	11.2 %	14.0 %	14.2 %	18.1 %

Variable costs: Distribution costs + cost of materials

NOK MILLION	Q3 2023	Q2 2023	Q3 2022	YTD 2023	YTD 2022
Distribution costs	270	289	327	804	953
Cost of materials	1 611	1 948	2 103	5 194	6 095
Variable costs	1 881	2 237	2 430	5 998	7 048

Fixed costs: Employee benefit expenses + other operating expenses.

NOK MILLION	Q3 2023	Q2 2023	Q3 2022	YTD 2023	YTD 2022
Employee benefit expenses	538	523	475	1 562	1 453
Other operating expenses	291	264	217	818	634
Fixed costs	828	787	692	2 380	2 087

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

NOK MILLION	Q3 2023	Q2 2023	Q3 2022	YTD 2023	YTD 2022
EBITDA	327	380	508	1 382	2 022
Capital expenditure	1 018	697	519	2 284	1 347
Average capital employed	8 776	8 275	6 182	8 086	5 587
Return on capital employed (annualised)	-31.5 %	-15.3 %	-0.7 %	-14.9 %	16.1 %

NOK MILLION	30 SEP 2023	30 JUN 2023	30 SEP 2022
Intangible assets	13	13	15
Property, plant and equipment	7 982	7 839	5 235
Inventory	1 521	1 635	1 487
Trade and other receivables	1 433	1 419	2 039
Trade and other payables	-1 804	-2 498	-2 429
Capital employed	9 144	8 408	6 347

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 2023	30 JUN 2023	30 SEP 2022
Interest-bearing non-current liabilities	4 395	4 080	2 855
Interest-bearing current liabilities	303	340	162
Cash and cash equivalents	-2 036	-2 673	-2 047
Net interest-bearing debt	2 662	1 746	970

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

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



Norske Skog

Q3 2023 presentation

20 October 2023

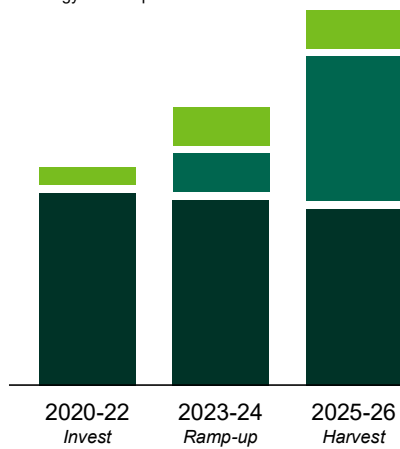


We create green value

Sustainable and innovative industry

Strategic transition

- Publication paper
- Packaging paper
- Energy and bio products



- Cost leading producer of publication paper
 - Capacity: 1 490kt (excl. Saugbrugs PM6)
 - Utilisation target: +90%
 - EBITDA margin target: +10%
- Ramping up production of packaging paper
 - Capacity: 760kt (from Q2 2024)
 - Utilisation target: +95% (2025-26)
 - EBITDA margin target: +20%
- Net debt of NOK 2.7bn
- Gross expansion capex since 2020 NOK 5.3bn
- Remaining net expansion capex NOK 0.9bn
- Cash NOK 2.0bn and liquidity NOK 3.1bn

Five high quality industrial sites

Eleven paper machines with supporting infrastructure for energy, fibre and water



Third quarter in brief

Earnings negatively impacted by weak markets

- EBITDA in the quarter of NOK 327m, including property damage insurance of NOK 67m, reimbursement of power payments of NOK 77m, and negative impact of NOK 55m related to change in CO₂ compensation scheme
- Higher NIBD of NOK 2 662m mainly due to investments at Norske Skog Golbey and share repurchases in the quarter

Paper and containerboard prices levelling out

- Publication paper markets weak, further capacity closures needed
- Signs of containerboard demand stabilising, but market still characterised by excess capacity

Bruck PM3 ramp-up on plan in challenging market

- Production and product quality at Bruck PM3 in line with plan, expect full utilisation in H2 2025
- Golbey PM1 progressing towards start-up in Q2 2024

Preparations for restart of Saugbrugs PM5

- PM6 likely closed through H1 2024, full extent of damages yet to be determined
- The mill is insured for property damages and business interruption for up to 18 months

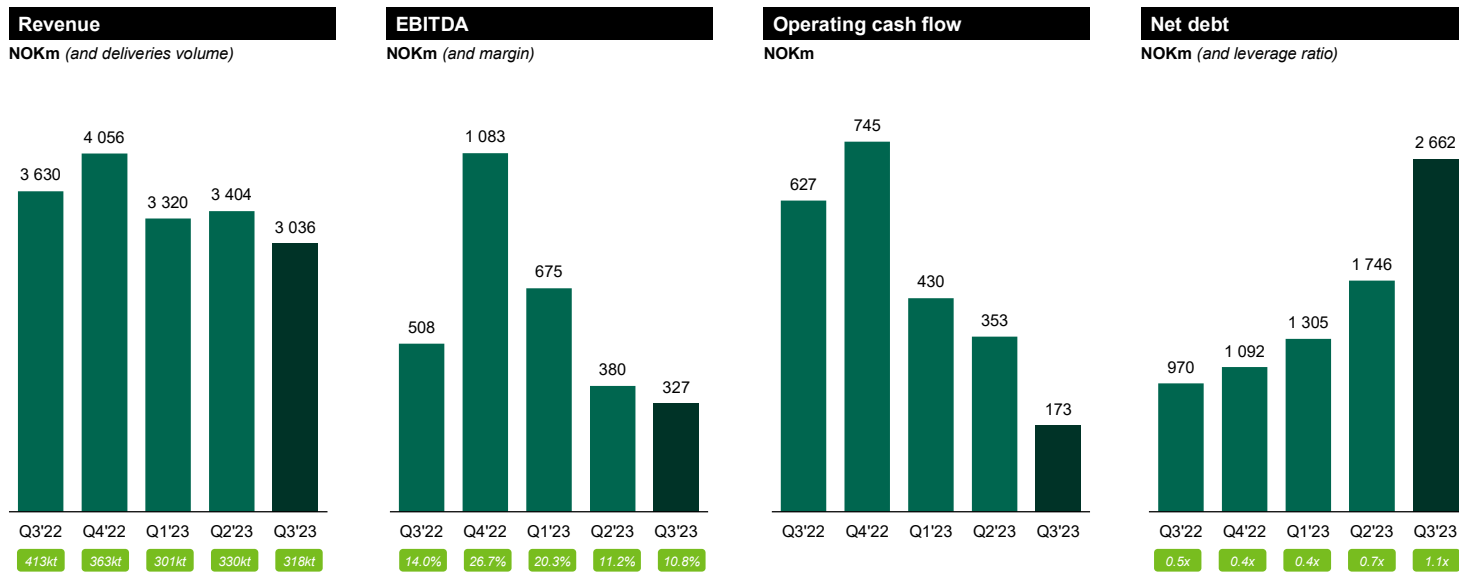
Share repurchase programme

- 6.4m shares repurchased as of 30 September 2023 at a total consideration of NOK 286m
- Repurchase programme likely to be completed by early November

3



Group financials



4



Segment financials

Publication Paper Europe	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23
Operating rate, %	83%	74%	77%	74%	87%
Deliveries, thousand tonnes	347	300	245	267	258
Total operating income	3 129	3 551	2 864	2 843	2 405
EBITDA	483	1 131	763	429	335
EBITDA margin, %	15.4%	31.8%	26.6%	15.1%	13.9%

Publication Paper Australasia	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23
Operating rate, %	94%	98%	83%	92%	97%
Deliveries, thousand tonnes	66	63	56	63	60
Total operating income	514	508	434	489	476
EBITDA	33	33	-23	-5	27
EBITDA margin, %	6.3%	6.5%	-5.2%	-1.1%	5.7%

Packaging Paper	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23
Deliveries, thousand tonnes			0	10	26
Total operating income			24	75	128
EBITDA			-38	-40	-31
EBITDA margin, %			n.a.	-53.9%	-24.2%

Other activities	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23
Total operating income	71	61	61	89	133
EBITDA	-8	-81	-27	-2	-5

Publication Paper Europe

- Pressure on prices and profitability
- EBITDA influenced by:
 - Saugbrugs business interruption and property damage insurance of NOK 135m and NOK 67m, respectively
 - Golbey power payment of NOK 77m
 - Reversal of CO₂ compensation for H1 2023 for Norwegian mills of NOK 55m

Publication Paper Australasia

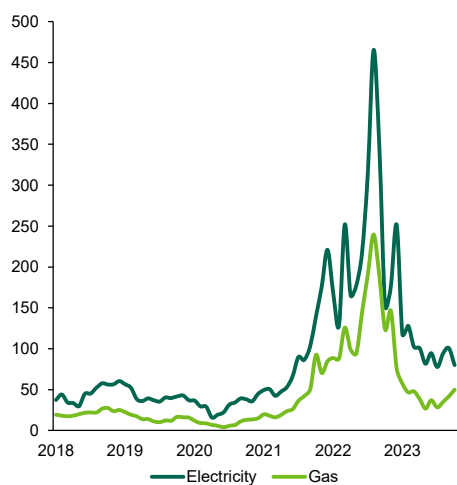
- Price increases implemented for H2 2023
- Lower distribution and other operating expenses in the quarter

Packaging Paper

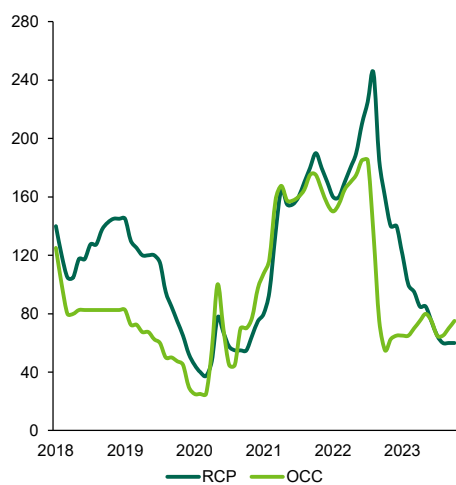
- Production ramp-up according to plan in challenging markets

Input costs down from peak, but remain at high levels

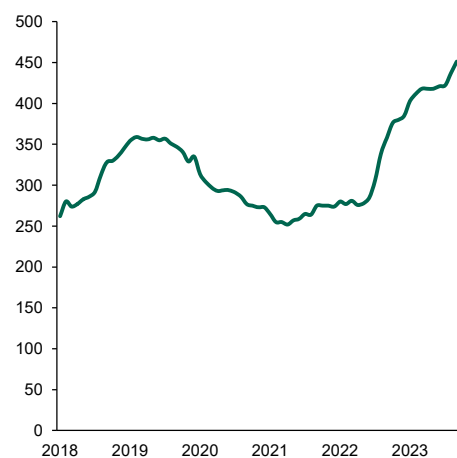
Energy prices Germany
EUR per MWh



Recycled paper prices Germany
EUR per tonne



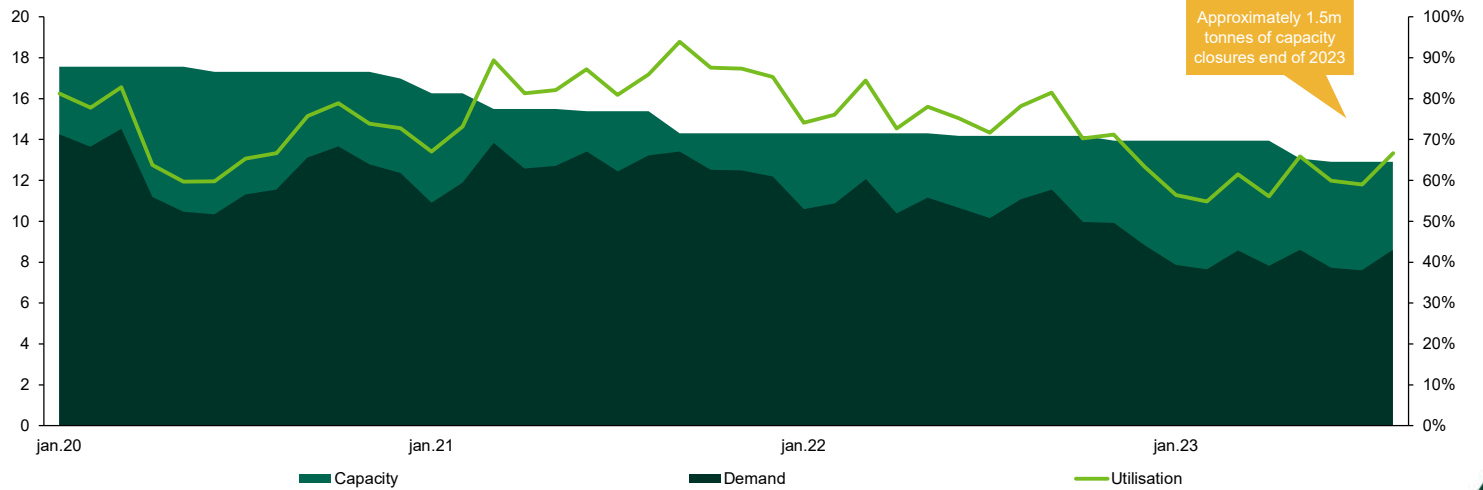
Spruce pulpwood prices Norway
NOK per solid cubic metre



Signs of stabilising demand, but still significant excess capacity especially within magazine grades

Western European publication paper market balance

Annualised monthly demand and capacity, million tonnes

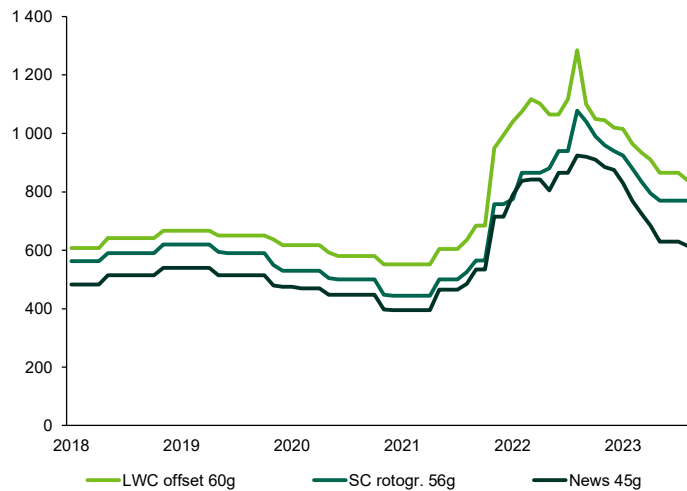


7 Source: PPPC

Publication prices lower due to easing costs and soft demand

Publication paper prices Germany

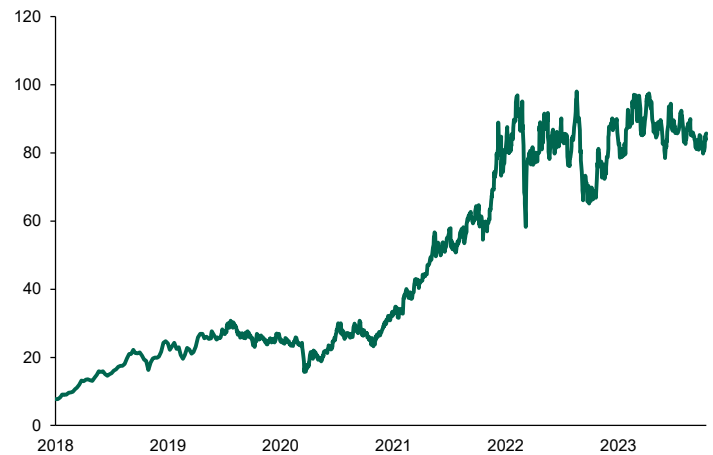
EUR per tonne



8 Source: RISI, ICE

European Union Allowance (EUA) price development

EUR per allowance



Net containerboard market prices at very low levels

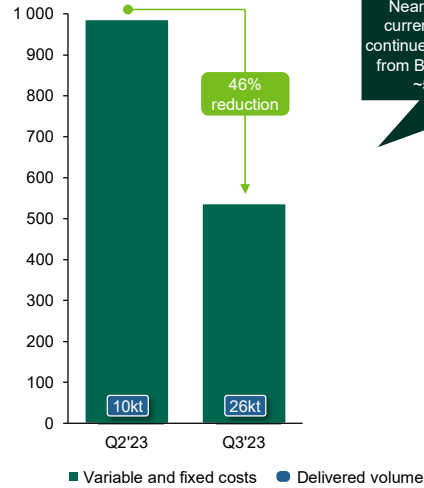
Recycled containerboard prices Germany

EUR per tonne



Bruck PM3 containerboard cost per tonne

EUR per tonne



Continued growth and progress into the containerboard market



Bruck PM3

- Continued ramp-up of containerboard production at Bruck PM3
- Improving production cost as utilisation and optimisation increases

Golbey PM1

- Containerboard production and commissioning of Green Valley Energie boiler on track for start-up in Q2 2024

Good progress at Saugbrugs with significant effort from all stakeholders



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- Rockslide on 27 April damaging PM6, no one was physically harmed. Saugbrugs is insured for business interruption and property damages
- In Q3 2023, insurance coverage had the following financial impacts:
 - Business interruption insurance of NOK 135m recognised under other operating income (NOK 90m in Q2). Payment of NOK 202m was received (NOK 65m in Q2)
 - Property damage insurance of NOK 138m recognised under other operating income and NOK 71m recognised under other operating expenses (nothing recognised in Q2). Payment of NOK 88m was received (no payment in Q2)
- Saugbrugs continues the effort to secure surrounding rock formations, evaluate the extent of damages, and work with insurance coverage, suppliers and consultants



Outlook

- Raw material and energy costs stabilising, but development remains uncertain
- Paper prices influenced by lower input costs and weak market balance
- Containerboard prices stabilising, but still a challenging market
- Further capacity closures and industry consolidation required in all markets
- Expect negative EBITDA from packaging paper segment in 2023 as production ramps up
- Maintaining a healthy balance sheet, strong liquidity position, and low production costs
- **Capital Markets Day at Hotel Continental in Oslo on 16 November from 09:00-12:00 CET**

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Press release

Continued growth in challenging containerboard markets

Norske Skog's EBITDA in the third quarter of 2023 was NOK 327 million, a decrease from NOK 380 million in the second quarter of 2023. The main driver for the lower third quarter EBITDA was lower publication paper sales prices. The cash flow from operations in the quarter was NOK 173 million. Deliveries of packaging paper increased according to ramp-up plans, and Norske Skog Bruck received favourable quality feedback from customers. The Norwegian government proposed to increase the quota price floor for receiving CO2-compensation.

"We are very pleased by the positive feedback from our containerboard customers, and that we are well underway to become one of the leading independent supplier of recycled containerboard in Europe. At the same time, we are maneuvering our mills to be as cost effective as possible. By the end of the fourth quarter 2023, Saugbrugs PM5, in addition to PM4, will produce and deliver quality SC magazine paper to our customers," says Geir Drangslund, CEO of Norske Skog.

Cash flow from operations was NOK 173 million in the quarter compared to NOK 353 million in the previous quarter, mainly due to lower EBITDA, receivable insurance compensation, and increased working capital. Operating earnings in the third quarter of 2023 were NOK 36 million compared to operating earnings in the second quarter of 2023 of NOK 146 million. The operating earnings in the quarter were negatively affected by non-cash changes in fair value of energy contracts in Norway amounting to NOK 131 million. Profit in the quarter was NOK 134 million compared to NOK 45 million in the previous quarter. The net profit was affected by unrealized currency gain on euro denominated debt as NOK strengthened in the period. Net interest-bearing debt increased from NOK 1 746 to 2 662 million at the end of the quarter, mainly debt related to the packaging conversion at Norske Skog Golbey, and buy-back of own shares. The equity ratio was unchanged at 42%.

Operations

Total annual publication paper production capacity for the group is 1.5 million tonnes after the temporary idling of Norske Skog Saugbrugs PM6, with 1.2 million tonnes in Europe and 0.3 million tonnes in Australia. Bruck (PM3) started production of recycled containerboard paper in the first quarter, and Golbey (PM1) plans to start in the second quarter of 2024. Norske Skog will after the ramp-up of Bruck and Golbey have an annual capacity of 760 000 tonnes of packaging paper production.

According to Euro Graph, demand for standard newsprint in Europe decreased by 22% through August 2023 compared to the same period last year. SC magazine demand decreased by around 27%. LWC paper demand decreased by around 28% through August compared to the same period last year. According to PPPC trade statistics for Australia, demand for newsprint and coated mechanical decreased by 15% and 14%, respectively, through August 2023 compared to the same period last year.

Publication paper

Lower publication paper sales prices and lower delivered sales volume reduced the operating income compared to the previous period. The sales price decrease was driven by weak demand and a market imbalance for publication paper. In its national budget for 2024, the Norwegian government has proposed to increase the quota price floor for CO2 compensation, reducing the annual compensation by approximately NOK 100 million, which negatively affects the EBITDA in the third quarter by approximately NOK 80 million of which NOK 55 million relate to a reversal of CO2

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Norway

compensation recognised in the first half of 2023. In the third quarter, Norske Skog recognised business interruption and property damage insurance of respectively, NOK 135 million and NOK 67 million.

Variable costs per tonne decreased in the quarter, mainly due to lower contract electricity prices in Norway and due to cost of materials in the second quarter being extraordinarily high as a result of inventory draws. Fixed costs per tonne increased due to higher operating expenses at Saugbrugs PM6, which will be reimbursed by insurance coverage. Group capacity utilisation was 89% in the quarter, 87% in Europe and 97% in Australasia. Saugbrugs PM6 is excluded from the calculation from 27 April. The weak publication paper demand caused some operational downtime in the quarter, which impacted the capacity utilisation in Europe.

Packaging paper

The packaging paper machine at Bruck is expected to operate at 60-70% utilisation in the second year of operation and reach full utilisation during the third year of production. The operating income for third quarter consists of revenue from deliveries and gate fees from waste incineration, which were lower than the variable and fixed costs in the period.

Key figures, third quarter of 2023

NOK million (unless otherwise stated)	Q3 2023	Q2 2023	Q3 2022	YTD 23	YTD 22
Income statement					
Total operating income	3 036	3 404	3 630	9 760	11 157
EBITDA	327	380	508	1 382	2 022
Operating earnings	36	146	113	267	1 901
Profit/loss for the period	134	45	-11	-1	1 507
EBITDA margin %	10.8	11.2	14.0	14.2	18.1
Capacity utilisation publication paper %	89	77	85	81	90
Cash flow					
Net cash flow from operating activities	173	353	627	956	1 295
Net cash flow from investing activities	-949	-695	-520	-2 012	-1 084
Balance					
	30.09.23	31.06.23	31.03.23	31.12.22	30.09.22
Total assets	13 898	14 689	14 502	13 609	12 747
Equity	5 880	6 208	6 045	5 909	4 859
Equity %	42	42	42	43	38

Status projects

«I want Norske Skog to strengthen its position as one of the leading European wood processing companies. Our strategy is to improve the competitiveness of the existing publication paper machines, to become a leading player within the containerboard market in Europe, and to develop new revenue streams within wood processing,» says Geir Drangslund, CEO of Norske Skog.

Norske Skog Golbey conversion projects

At Norske Skog Golbey, the conversion of the newsprint paper machine (PM1) into recycled containerboard paper production is progressing with full strength. However, due to a revised plan for installation tasks, the start-up is expected at the end of the second quarter of 2024.

Norske Skog Golbey will eventually add 550 000 tonnes of new low-emission packaging paper capacity after ramp-up completion in 2026, which will be fully based on recycled fibre. Golbey PM1 will utilise renewable energy generated from the biomass plant under construction at the Golbey industrial site (Green Valley Energie).

Norske Skog Skogn new TMP-line

Norske Skog Skogn has started ordering necessary refiners and equipment for the net NOK 180 million new thermo-mechanical pulp (TMP) line, which substitutes recovered paper with fresh fibre. The expected start-up will be in the

second quarter of 2024. The project proceeds according to budget and timeline. The new TMP line will reduce variable costs, in addition to reducing NOx emissions, fossil CO2-emissions and waste sent to landfill. As of the third quarter, approximately NOK 45 million had been invested in the TMP-line.

Norske Skog Saugbrugs rockslide

The rockslide at Norske Skog Saugbrugs on 27 April caused material damage to building structures, cranes, machinery, and equipment relating to paper machine PM6. As a result, production at PM6 has been stopped and will likely remain out of production for large parts of 2024. Norske Skog has property damage and business interruption insurance in line with good market and industry practice. Coverage and self-retention are in line with Saugbrug's defined and adopted risk strategy to create predictability and to limit the financial impact of unforeseen incidents.

Outlook

The development in the global economy is of vital importance for consumer spending, and this impacts the publication paper and packaging industry, and thus Norske Skog's operations and results. The global economy is expected to remain weak for the remainder of 2023 and into 2024. The raw material and energy markets, which are important for both publication paper and packaging paper production, are expected to remain uncertain. Development of raw material and energy prices are expected to be lower than the record levels experienced in 2022, but still above historical average levels, and uncertainty remains on how the energy markets will develop in the coming periods.

The level of input costs and demand for paper will continue to influence paper sales prices in Europe. The decreased demand for publication paper and packaging paper has initiated further announcements of capacity closures in the industry to improve the imbalance in demand and supply for both publication paper and packaging paper, but capacity utilisation is expected to remain weak in the coming periods as further closures are required. Norske Skog's European operations are cost-competitive, and the group will continue to temporarily adjust production to customer demand.

Norske Skog Saugbrugs PM6 will remain out of the SC market for large parts of 2024. PM5 will be restarted in the fourth quarter to serve some customers previously served by PM6. Production of recycled containerboard in Bruck is expected to development in the coming periods in line with a normal ramp-up curve. In Australasia, price increases have been implemented impacting the coming periods, but reduced demand in the region may require increased exposure through higher export volumes.

Norske Skog will continue to develop its industrial sites, among others within bio products and renewable energy, both on a stand-alone basis and in partnerships.

About Norske Skog

Norske Skog is a 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, which produce publication paper, recycled packaging paper, energy and bioproducts. 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.

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Pressemelding

Fortsatt vekst i utfordrende emballasjemarkeder

Norske Skogs EBITDA i tredje kvartal 2023 var NOK 327 millioner, en nedgang fra NOK 380 millioner i andre kvartal 2023. Hovedårsaken til lavere EBITDA i tredje kvartal var lavere salgspriser for publikasjonspapir. Kontantstrøm fra driften var NOK 173 millioner i kvartalet. Leveransene av emballasjepapir økte som forutsatt i opptrappingsplanene, samtidig fikk Norske Skog Bruck gode tilbakemeldinger på kvaliteten fra kundene. Den norske regjeringen foreslo å øke kvoteprisgulvet for å motta CO2-kompensasjon.

«Vi er svært fornøyde med de positive tilbakemeldingene fra våre emballasjekunder, og at vi er god rute til å bli en av de ledende uavhengige leverandører av resirkulert emballasjepapir i Europa. Samtidig manøvrerer vi våre fabrikker til å være så kostnadseffektive som mulig. Innen utgangen av fjerde kvartal vil Saugbrugs PM5 i tillegg til PM4 produsere og levere kvalitets SC-magasinpapir til våre kunder,» sier Geir Drangslund, konsernsjef i Norske Skog.

Kontantstrøm fra driften var NOK 173 millioner i kvartalet sammenlignet med NOK 353 millioner i forrige kvartal, hovedsakelig på grunn av lavere EBITDA, forsikringskompensasjon og økt arbeidskapital. Driftsresultatet i tredje kvartal 2023 var NOK 36 millioner sammenlignet med driftsresultatet i andre kvartal 2023 på NOK 146 millioner. Kvartalet ble negativt påvirket av endringer, uten kontanteffekter, i verdsettelsen av energikontrakter i Norge på NOK 131 millioner. Overskuddet i kvartalet ble NOK 134 millioner mot NOK 45 millioner i forrige kvartal. Netto rentebærende gjeld økte fra NOK 1 746 til 2 662 millioner ved utgangen av kvartalet, hovedsakelig gjeld knyttet til emballasjekonverteringen ved Norske Skog Golbey og ilbakekjøp av egne aksjer. Egenkapitalandelen var uendret på 42 %.

Drift

Samlet årlig produksjonskapasitet for publikasjonspapir for konsernet er 1,5 millioner tonn etter den midlertidige stengningen av Saugbrugs PM6, med 1,2 millioner tonn i Europa og 0,3 millioner tonn i Australia. Bruck (PM3) startet produksjon av resirkulert emballasjepapir i slutten av første kvartal, mens Golbey (PM1) vil starte i slutten av andre kvartal 2024. Etter igangskjøringsperioden av Bruck og Golbey, vil Norske Skog ha en årlig kapasitet på 760 000 tonn av emballasjepapir.

Ifølge Euro Graph falt etterspørselen etter standard avisepapir i Europa med 22% til og med august sammenlignet med samme periode ifjor. Etterspørselen etter magasinpapir fra henholdsvis SC og LWC falt med rundt 27% og rundt 28% til og med august sammenlignet med samme periode ifjor. I følge PPPCs australske handelsstatistikk falt etterspørselen etter avisepapir og LWC med henholdsvis 15% og 14% til og med august 2023 sammenlignet med samme periode i fjor.

Publikasjonspapir

Lavere salgspriser og leveranser av publikasjonspapir reduserte driftsinntektene sammenlignet med forrige periode. Salgsprisedgangen ble påvirket av svakere etterspørsel og markedsubalanse for publikasjonspapir. Den norske regjeringen har i statsbudsjettet for 2024 foreslått å øke kvoteprisgulvet for CO2-kompensasjon, noe som reduserer den årlige kompensasjonen med om lag NOK 100 millioner. Dette reduserer EBITDA-resultatet i tredje kvartal med om lag NOK 80 millioner, men hvor NOK 55 millioner gjelder en reversering av CO2-kompensasjon bokført i første halvår 2023. I tredje kvartal bokførte Norske Skog driftsavbrudds- og tingskadeforsikring på henholdsvis NOK 135 og 67 millioner.

Variable kostnader per tonn gikk ned i kvartalet, hovedsakelig på grunn av lavere kraftpriser i Norge og ekstra høye materialkostnader i andre kvartal som følge av lagernedbygging. Faste kostnader per tonn økte på grunn av høyere driftskostnader ved Saugbrugs PM6, som vil bli dekket av forsikringer. Kapasitetsutnyttelse for konsernet var 89% i

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kvartalet, henholdsvis 87% i Europa og 97% i Australasia. Saugbrugs PM6 er ikke medregnet i kapasitetstallene etter 27. april. Svakere etterspørsel etter publikasjonspapir resulterte i noe driftstilpasninger gjennom kvartalet, som påvirket kapasitetsutnyttelsen i Europa.

Emballasjepapir

Pakkepapirmaskinen på Bruck forventes å kjøre med 60-70 % kapasitetsutnyttelse det første driftsåret og vil nå full utnyttelse i løpet av det tredje produksjonsåret. Driftsinntektene for tredje kvartal består av salgsinntekter fra produktleveranser og inntekter fra avfallsleveranser til energianlegget, som var mindre enn de variable- og faste kostnadene i perioden.

Nøkkeltall, tredje kvartal 2023

NOK millioner (om ikke annet er oppgitt)	Q3 2023	Q2 2023	Q3 2022	YTD 23	YTD 22
Resultatregnskap					
Totale inntekter	3 036	3 404	3 630	9 760	11 157
EBITDA	327	380	508	1 382	2 022
Driftsresultat	36	146	113	267	1 901
Resultat for perioden	134	45	-11	-1	1 507
EBITDA margin %	10.8	11.2	14.0	14.2	18.1
Kapasitetsutnyttelse publikasjonspapir %	89	77	85	81	90
Kontantstrøm					
Netto kontantstrøm fra operasjonelle aktiviteter	173	353	627	956	1 295
Netto kontantstrøm fra investeringsaktiviteter	-949	-695	-520	-2 012	-1 084
Balanse	30.09.23	31.06.23	31.03.23	31.12.22	30.09.22
Totale eiendeler	13 898	14 689	14 502	13 609	12 747
Egenkapital	5 880	6 208	6 045	5 909	4 859
Egenkapital %	42	42	42	43	38

Status prosjekter

Jeg ønsker at Norske Skog skal styrke sin posisjon som et av de ledende europeiske treforedlingsbedriftene. Vår strategi er å forbedre konkurranseevnen til de eksisterende papirmaskinene, bli en ledende aktør innen emballasjemarkedet i Europa, og utvikle nye inntektstrømmer innen treforedling,» sier Geir Drangland, konsernsjef i Norske Skog.

Norske Skog Golbey konverteringsprosjekter

Ved Norske Skog Golbey gjennomføres ombyggingen av avispapirmaskinen (PM1) til produksjon av resirkulert emballasjepapir med fullt trykk. Forventet oppstart er i slutten av andre kvartal 2024 på grunn av reviderte planer for utstyrsinstallasjoner.

Norske Skog Golbey vil med tiden tilføre 550 000 tonn lavutslipps emballasjepapirkapasitet etter opptrappingsfasen i 2026. Produksjonen av emballasjepapir vil være fullt ut basert på resirkulert fiber. Golbey PM1 vil bruke fornybar energi generert fra biomasseanlegget, som er under utbygging på industriområdet til Golbey (Green Valley Energie).

Norske Skog Skogn nye TMP-linje

Norske Skog Skogn har startet bestillinger av nødvendige raffinører og utstyr til netto NOK 180 millioner til den termomekaniske-masselinjen (TMP), som vil erstatte returpapir med fersk fiber. Prosjektet utvikler seg i henhold til budsjett og tidsplan. Forventet oppstart vil være i andre kvartal av 2024. Den nye TMP-linjen vil redusere variable kostnader, i tillegg til å redusere NOx-utslipp, fossilt CO2-utslipp og avfall som sendes til deponi. Ved utgangen av tredje kvartal var det investert om lag NOK 45 millioner i TMP-linjen.

Steinras ved Norske Skog Saugbrugs

Steinraset ved Norske Skog Saugbrugs den 27. april forårsaket vesentlige skader på bygningskonstruksjoner, kraner, maskiner og utstyr knyttet til papirmaskin PM6. Som en følge av dette har produksjonen ved PM6 blitt stanset, og PM6 vil mest sannsynlig forbli ute av produksjon gjennom store deler av 2024. Norske Skog har skade- og driftsavbruddsforsikringer i tråd med god praksis i markedet og bransjen. Forsikringsdekning og egenandeler er i tråd med Saugbrugs sin definerte og vedtatte risikostrategi for å skape forutsigbarhet og begrense den økonomiske eksponeringen til uforutsette hendelser.

Utsikter

Utviklingen i den globale økonomien er av vital betydning for forbruket, og vil påvirke treforedlingsindustrien, og dermed Norske Skogs virksomheter og resultater. Den globale økonomien forventes å forbli svak ut 2023 og inn i 2024. Råvare- og energimarkedene, som er sentrale for både publikasjons- og emballasjepapir, forventes å forbli usikre. Råvare- og energiprisene forventes å være lavere fra rekordnivåene i 2022, men de er fortsatt over historiske gjennomsnittsnivåer, og det er fortsatt usikkerhet hvordan energimarkedet vil utvikle seg i de kommende periodene.

Utvikling av innsatskostnader og etterspørsel etter papir vil fortsatt påvirke papirsalgprisene i Europa. Den reduserte etterspørselen etter publikasjons- og emballasjepapir har initiert ytterligere kunngjøringer om kapasitetsstenginger i industrien for å forbedre ubalansen i etterspørsel og tilbud for både publikasjons- og emballasjepapir. Kapasitetsutnyttelsen forventes å forbli svak i den kommende perioden ettersom ytterligere stenginger er nødvendig. Norske Skogs europeiske virksomheter er konkurransedyktige på kostnader. Konsernet vil midlertidig tilpasse produksjonen etter kundenes etterspørsel.

Norske Skog Saugbrugs PM6 vil forbli utenfor SC-markedet i store deler av 2024. PM5 vil bli startet på nytt i fjerde kvartal for å betjene tidligere PM6 kunder. Produksjonen av resirkulert containerboard i Bruck forventes å øke i tråd med normal oppstartskurve. I Australasia har det vært gjennomført prisøkninger som vil påvirke de kommende periodene, men redusert etterspørsel i regionen kan påvirke eksportvolumer.

Norske Skog vil fortsette å utvikle de industrielle anleggene, blant annet innen bioprodukter og fornybar energi, både på egenhånd og i partnerskap med andre.

Om Norske Skog

Norske Skog er en ledende produsent av publikasjonspapir med sterke markedsposisjoner og kundeforhold i Europa og Australasia. Norske Skog-konsernet driver fire fabrikker i Europa som produserer trykkpapir, resirkulert emballasjepapir, energi og bioprodukter. 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 kvartalsmaterieill

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.

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