



Norske Skog

New strategic leg within containerboard

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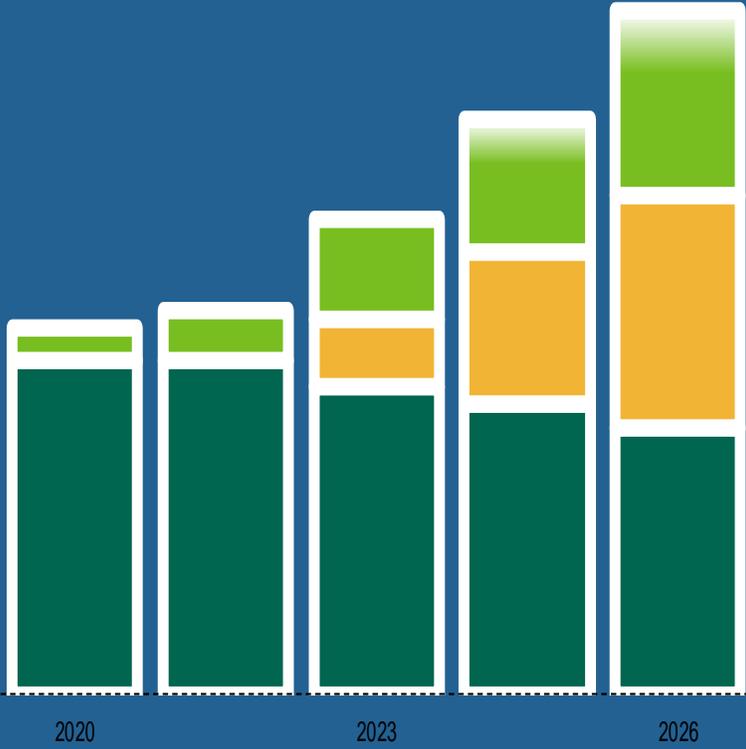
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Strategy: create green growth in synergy with existing business

Illustrative over-the-cycle EBITDA



■ Publication paper ■ Renewable packaging ■ Fibre and energy

Diversify and innovate within fibre and energy

Become a leading producer of renewable packaging

Improve and optimise publication paper cash flows



World-class assets and fibre competence enable unique green growth opportunities

Saugbrugs, Norway



Capacity, tonnes
 PM4: 100,000 SC
 PM6: 260,000 SC
 Pilot: Up to 500 CEBINA
 Pilot: Up to 300 CEBICO (Q4 2021)

Skogn, Norway



Capacity, tonnes
 PM1: 145,000 news
 PM2: 145,000 news
 PM3: 220,000 news

Circa (~26% stake)



Capacity, tonnes
 FC5: 20 Cyrene
 ReSolute: 1,000 Cyrene (2023)
 FC6: 5,000 Cyrene (study)

Boyer, Australia



Capacity, tonnes
 PM2: 150,000 news
 PM3: 135,000 LWC

Golbey, France



Capacity, tonnes
 PM1: 235,000 news (conversion 2023)
 -> 550,000 containerboard (Q4 2023)
 PM2: 330,000 news

Bruck, Austria



Capacity, tonnes
 PM3: 125,000 news (conversion 2022)
 -> 210,000 containerboard (Q4 2022)
 PM4: 265,000 LWC
 WtE: 400 GWh energy plant (Q2 2022)

Nature's Flame, New Zealand



Capacity, tonnes
 Pellets: 90,000

- Europe
- Australasia
- Other

Our ambitious SDG goals are an integral part of our strategy and daily operations



- To reach zero personal injuries (H1 and H2).
- To share knowledge through relevant professional forums and industry organisations.



- To achieve at least 75 % of new hired skilled workers to be recruited from apprentices programs by 2025.
- To establish three knowledge networks to capture critical competence and facilitate knowledge transfer throughout the group.



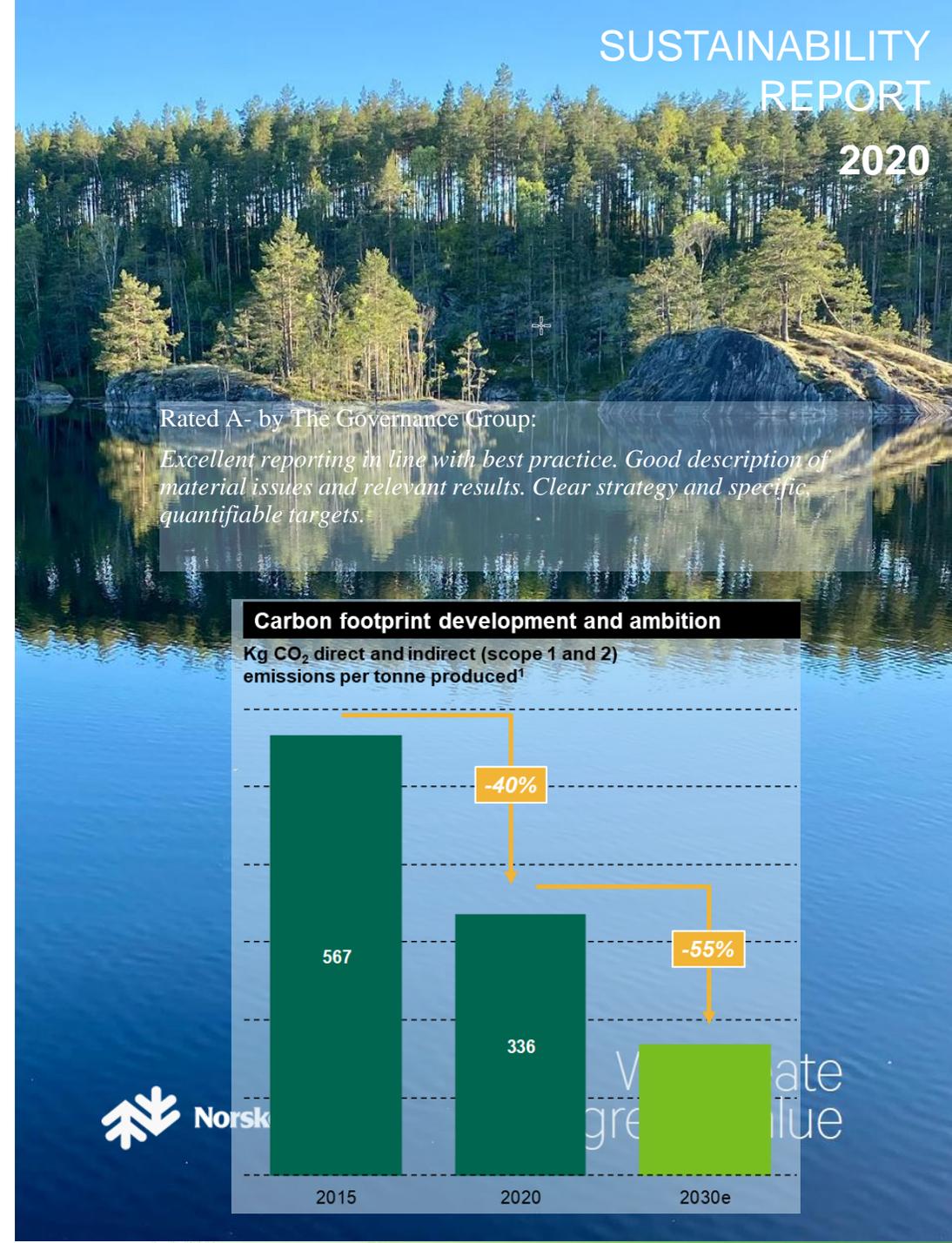
- To achieve 50 % of revenue from new business areas by 2030.
- To achieve at minimum an IRR of 10% on new investment projects.



- To have no ash delivered to landfill in 2030.
- To achieve 100% certification of all wood used for our products.
- To ensure supplier adherence to Norske Skog code of conduct within 2023.



- To reduce CO2 emission kg/ton paper (baseline 2015) by 55% in 2030 (Scope 1 & 2).
 - Waste-to-energy boiler reducing CO2 footprint with 150 000 tonnes from H1 2022
 - Reduced electricity consumption and steam from new biomass boiler in Golbey following conversion project
- To have net zero CO2 emission kg/ton paper in 2050.
- To reduce Scope 3 GHG emissions by collaborating with external parties.



Rated A- by The Governance Group:

Excellent reporting in line with best practice. Good description of material issues and relevant results. Clear strategy and specific, quantifiable targets.

Carbon footprint development and ambition

Kg CO₂ direct and indirect (scope 1 and 2) emissions per tonne produced¹



Value
green
ate
value

Sustainable and innovative industry

- Leading publication paper producer with **five industrial sites globally**
- Ongoing transition into **higher growth** and **higher value** markets
- Becoming the leading independent European **recycled containerboard company in 2023**
- **High return waste-to-energy project** improving green energy mix in Q2 2022
- Promising biochemicals and materials projects **spearheaded by Circa**
- Industrial sites portfolio provide foundation for **further industrial development**



1) Norske Skog is the largest shareholder with ~26% ownership position in Circa;
 2) Installed capacity for biofuel and waste from recycled paper of 230 MW

Moving forward with the containerboard business

Final Investment Decisions

Golbey and Bruck investments approved by the board of directors

EUR 350m

Project investment

EUR ~245m debt financing

ECA¹-backed debt financing of ~70%, subject to final documentation

Q4 2022 first production

Stepwise commercial introduction

760 000 tonnes

Recycled containerboard production capacity



Norske Skog - a leading independent producer of recycled containerboard

Paper production experience highly relevant



Raw material collection

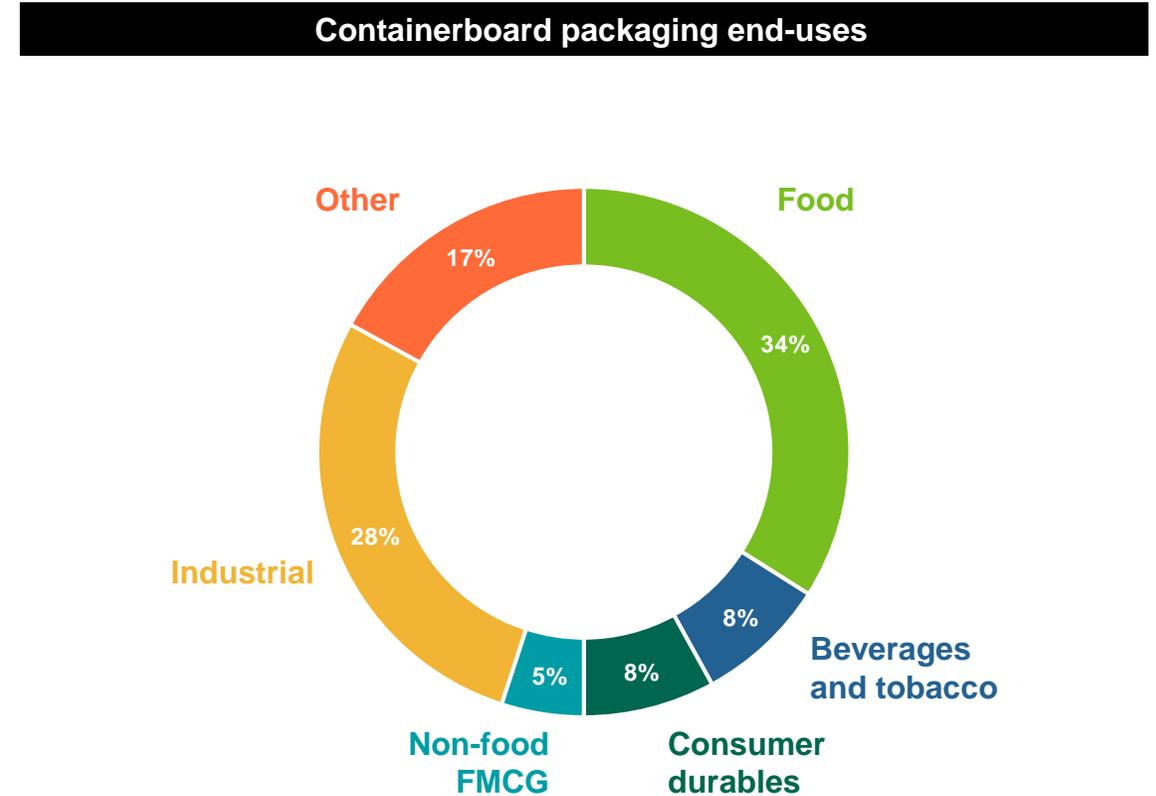
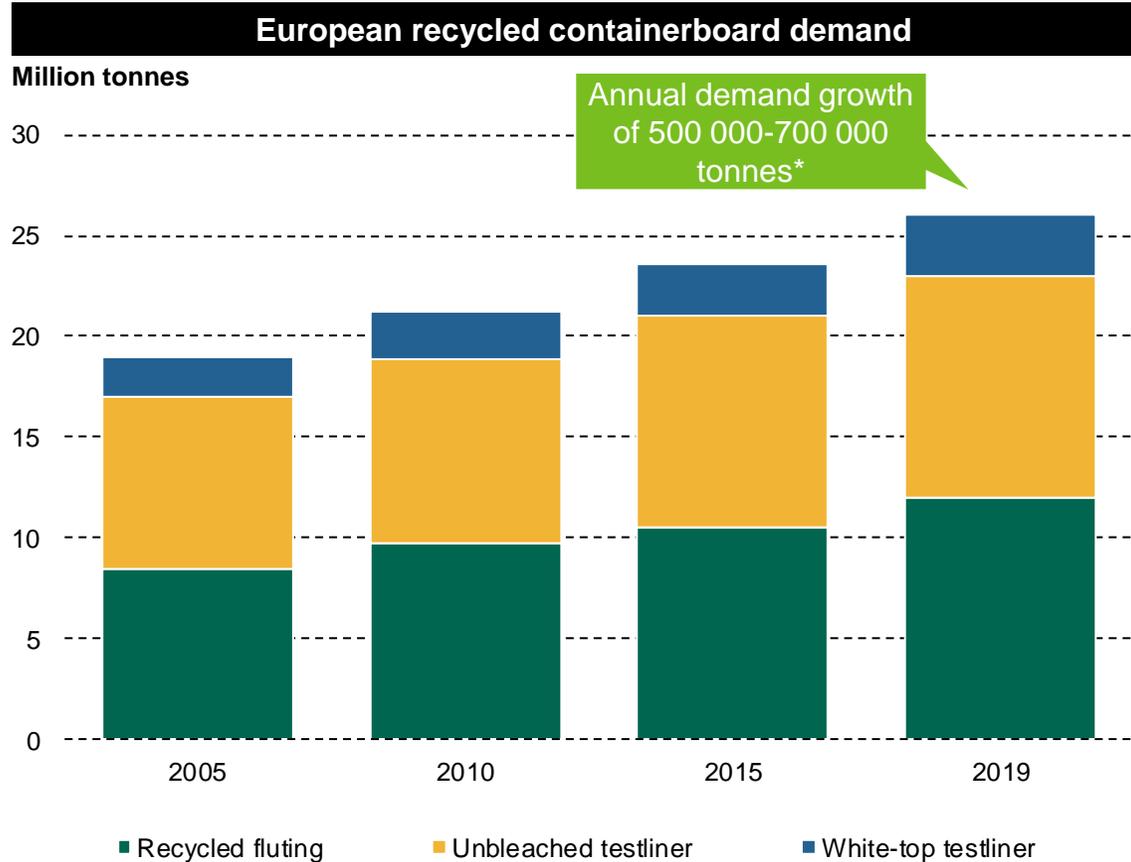
Containerboard
producers

Corrugators
and printers

Box makers

Brand owners
and retailers

Large and growing recycled containerboard market



Containerboard used in a wide range of products

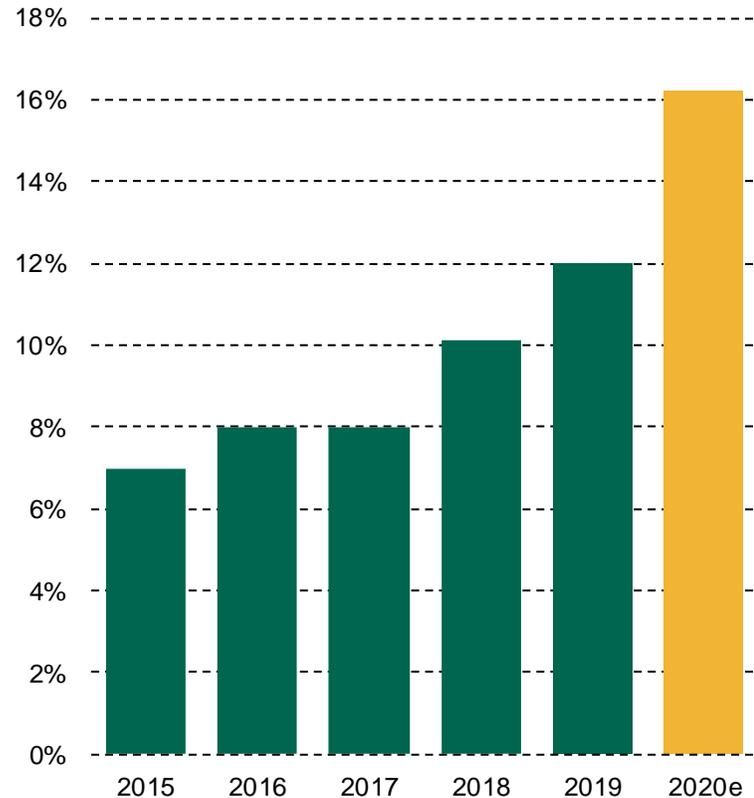


E-commerce trend favouring demand for recycled containerboard

Norske Skog will be well suited to produce lightweight containerboard

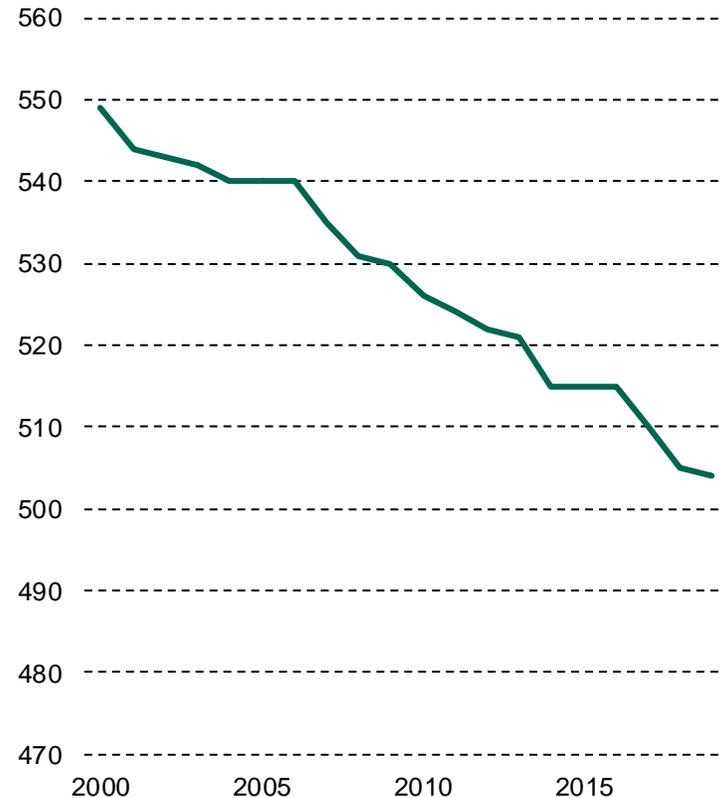
European e-commerce boom

E-commerce share of retail sales in Western Europe



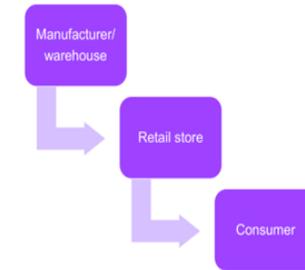
High demand for light weight board in Europe

Avg. weight of corrugated board¹, grams per square metre

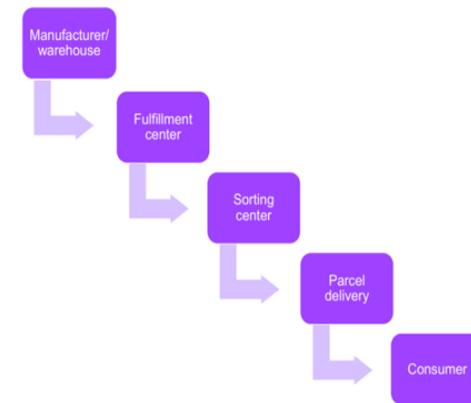


E-commerce logistics boost demand of corrugated material

BRICK-AND-MORTAR LOGISTICS



E-COMMERCE LOGISTICS



Strength
Size
Volume
Leightweighting

More handling, transport
Smaller units
More units
Sustainability and cost

Leading independent European containerboard business



Norske Skog Golbey – France

PM1 (FID completed)

- 235k tonnes newsprint capacity
- Convert to 550k tonnes containerboard
- Start-up in Q4 2023
- Capex estimate of EUR ~250m

PM2 (future conversion candidate)

- 330k tonnes newsprint capacity
- Ongoing production during PM1 conversion
- Strong candidate for future conversion
- Feasibility studies concluded



Norske Skog Bruck – Austria

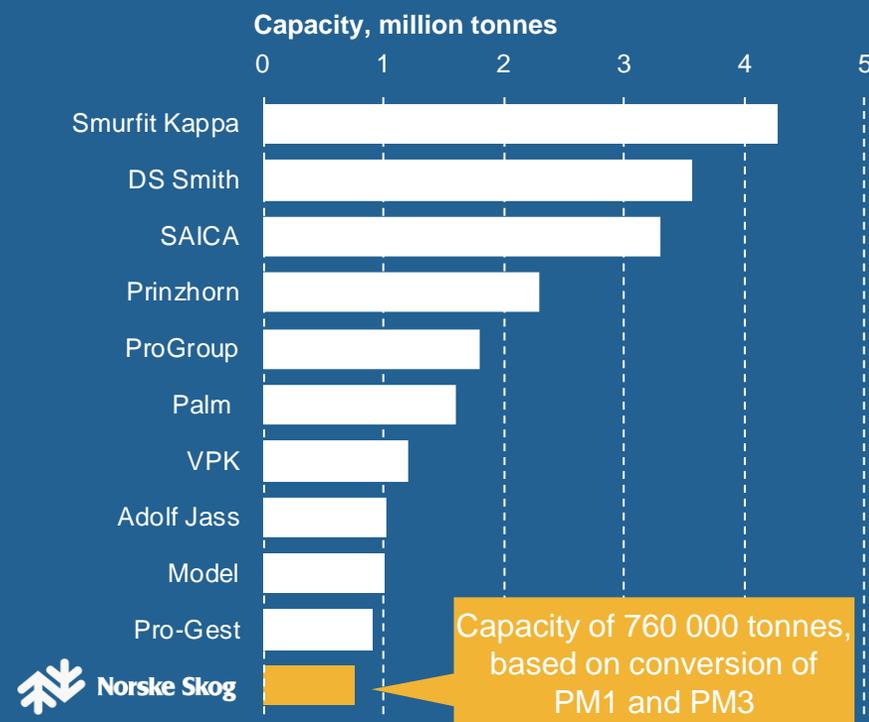
PM3 (FID completed)

- 125k tonnes newsprint capacity
- Convert to 210k tonnes containerboard
- Start-up in Q4 2022
- Capex estimate of EUR ~100m

PM4 (future conversion candidate)

- 265k tonnes LWC magazine capacity
- Ongoing production during PM3 conversion
- Strong candidate for future conversion
- Feasibility studies concluded

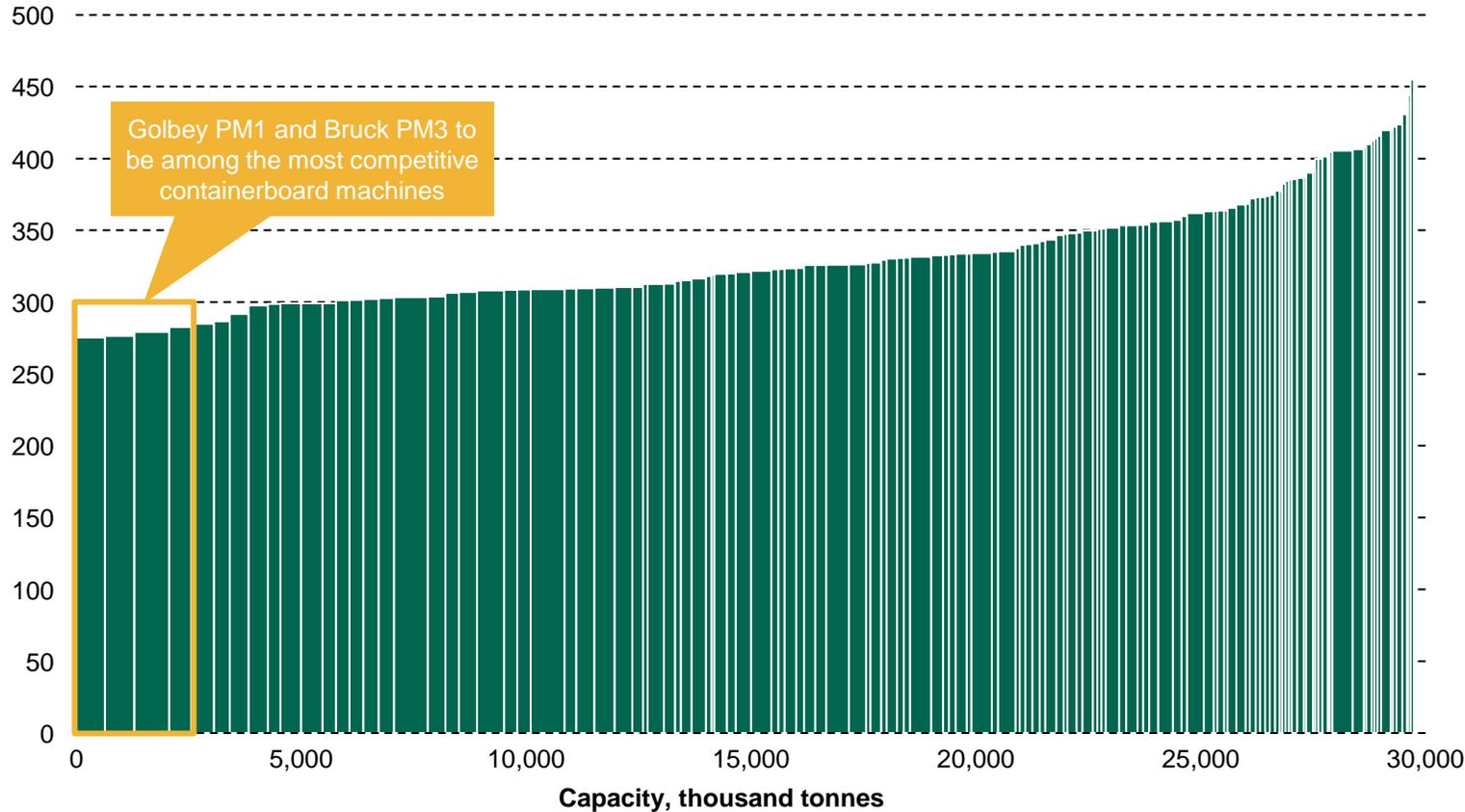
Top recycled containerboard suppliers in Europe



Norske Skog will enter the recycled containerboard market with first-quartile capacity

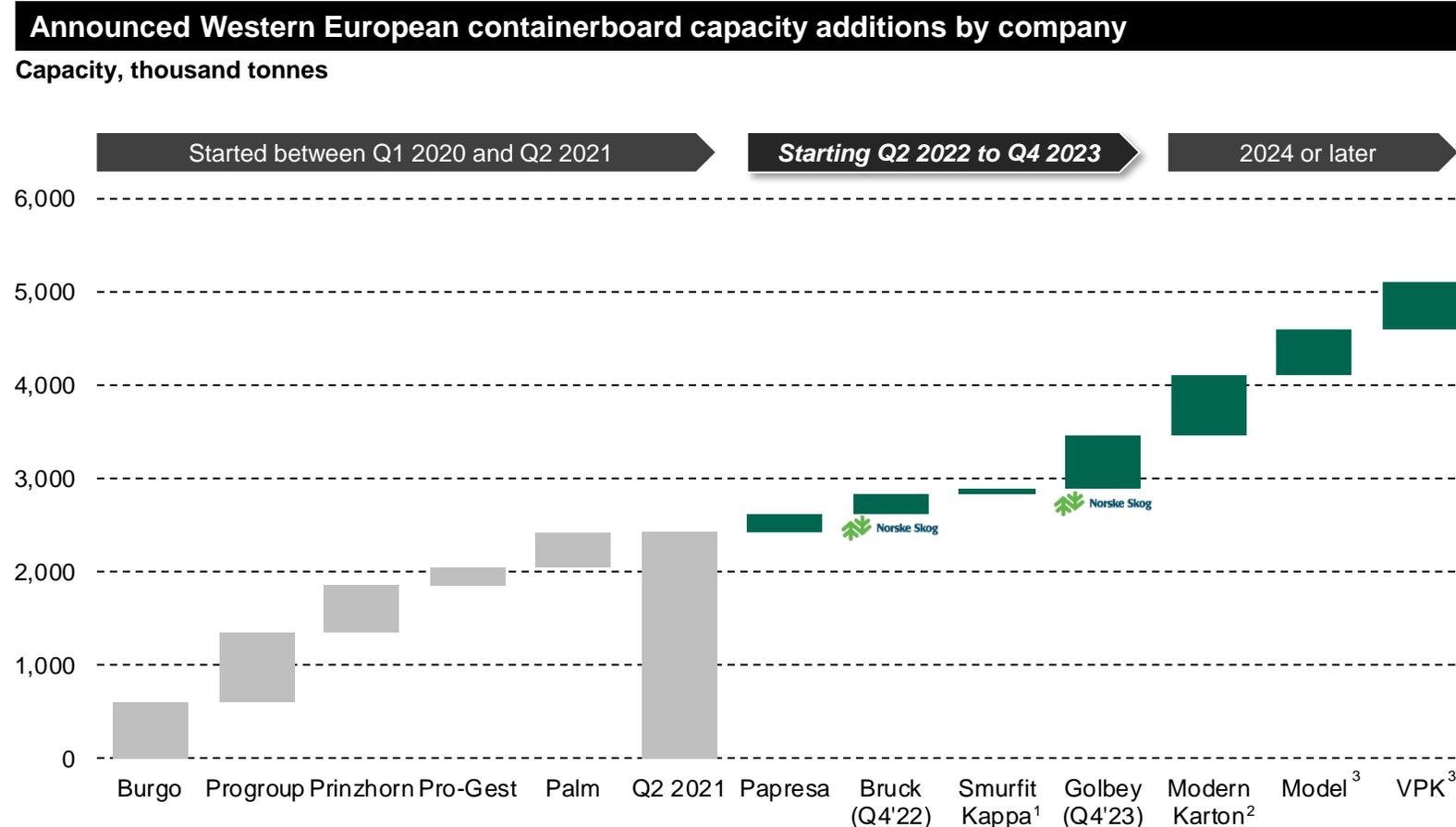
Cash cost delivered Frankfurt for all recycled containerboard machines in Europe¹

EUR per tonne



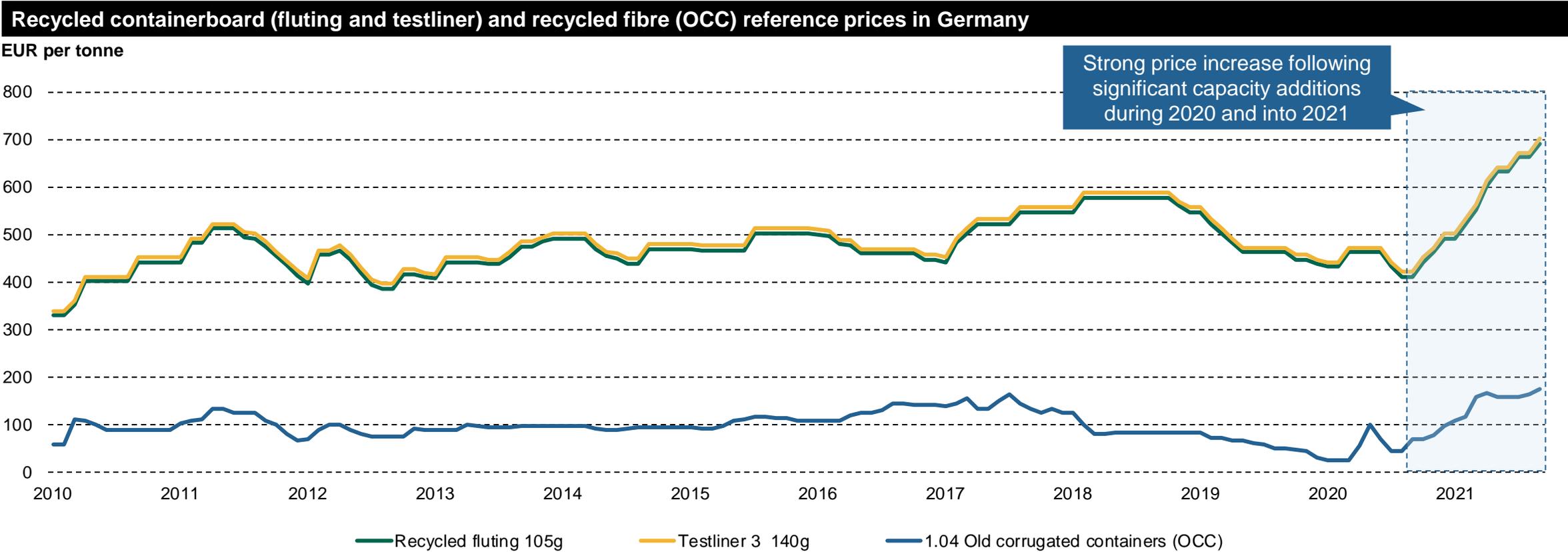
- Centrally located in continental Europe
- Established presence in recycled fibre markets
- Among the top brownfield opportunities in Europe
- Large industrial sites with scale advantages
- Boilers secure sustainable and competitive steam supply
- Machine specifications enable cost-leadership position

High visibility on capacity additions for coming years

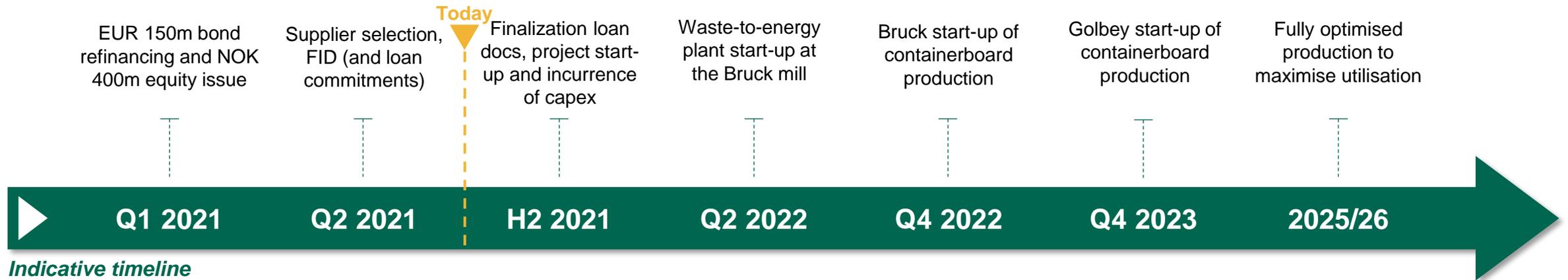


- Market absorbing ~2.4m tonnes of capacity additions over last 18 months
- Strong price hikes over the past 12 months as new capacity has entered
- ~ 1m tonnes of new capacity to be installed up to 2023, including Norske Skog's two machines of 760 000 tonnes
- Machinery and equipment suppliers are fully booked for next 2-4 years
- Capacity closures have historically reduced the net capacity growth

Containerboard prices continue to increase in spite of new capacity being introduced



Time line and financing structure



Selected details on financing of upcoming capex

- **Q2 2021** debt comprise of a EUR 150m bond , EUR 24m Bruck WtE facility (total EUR 54m), and EUR 36m in various other facilities / leasing
- **Containerboard** EUR 245m debt-financing of EUR 350m capex amount (~70%) with ECAs guaranteeing 50-60% of debt amount
 - Expected debt tenor of 7-11 years with linear amortisation to zero commencing after construction period
 - Security in Golbey and Bruck mills, and parent company guarantees from Norske Skog
 - Remaining capex of EUR 105m to be financed with cash on balance and cash flows, Q2 2021 cash position of EUR 130m

Strategic shift into new markets

- First containerboard production to start in Q4 2022
- Bruck boiler start-up Q2 2022, expected EBITDA of NOK ~200m
- Enter into international sales arrangements for CEBINA in H2 2021
- Semi-industrial CEBICO pilot of 300 tonnes starting in Q4 2021



Norske Skog

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