

2023

FOURTH QUARTER

Quarterly report

Presentation

Press releases

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 1.6 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.

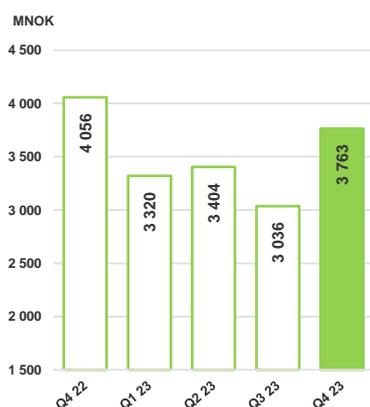
KEY FIGURES

NOK MILLION	Q4 2023	Q3 2023	Q4 2022	2023	2022
INCOME STATEMENT					
Total operating income	3 763	3 036	4 056	13 524	15 214
EBITDA*	760	327	1 083	2 142	3 105
Operating earnings	629	36	944	896	2 845
Profit/loss for the period	482	134	1 065	481	2 572
Earnings per share (NOK)**	5.65	1.45	11.30	5.27	27.28
CASH FLOW					
Net cash flow from operating activities	973	173	745	1 928	2 040
Net cash flow from operating activities per share (NOK)**	11.39	1.87	7.90	21.11	21.65
Net cash flow from investing activities	-677	-949	-872	-2 689	-1 956
OPERATING MARGIN AND PROFITABILITY (%)					
EBITDA margin*	20.2	10.8	26.7	15.8	20.4
Return on capital employed (annualised)*	-1.7	-31.5	12.1	-11.5	14.8

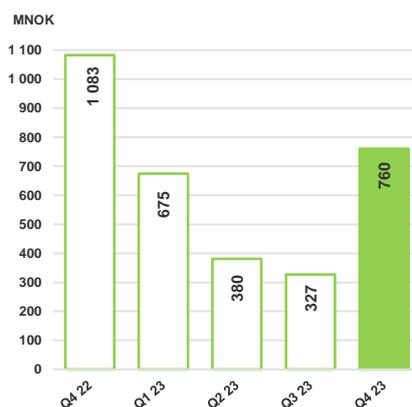
* As defined in Alternative Performance Measures

** Third and fourth 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 84 838 235

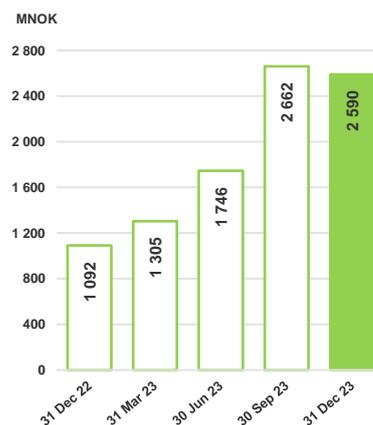
TOTAL OPERATING INCOME



EBITDA



NET INTEREST-BEARING DEBT



NOK MILLION	31 DEC 2023	30 SEP 2023	31 DEC 2022
BALANCE SHEET			
Non-current assets	9 068	8 790	7 069
Current assets	5 687	5 109	6 539
Total assets	14 755	13 898	13 609
Equity	6 161	5 880	5 909
Net interest-bearing debt	2 590	2 662	1 092

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

- Earnings positively impacted by insurance settlement
 - EBITDA in the quarter of NOK 760 million, including business interruption insurance of NOK 625 million and gain of NOK 57 million from sale of industrial site at Norske Skog Tasman
 - Improved financial position and liquidity due to receipt of NOK 720 million in insurance proceeds in the quarter
- Paper and containerboard prices stabilise
 - Publication paper markets remain weak and further capacity closures are required
 - Containerboard demand returning, but market still experiencing excess capacity
- Norske Skog Bruck PM3 ramp-up on plan in challenging market
 - Containerboard deliveries from Bruck PM3 impacted by weak market in the quarter, increased deliveries in January 2024
 - Golbey PM1 progressing towards start-up in the second half of 2024
- Norske Skog Saugbrugs PM5 restarted end of the fourth quarter 2023
 - Start-up costs of NOK 22 million and expect close to normal production and deliveries from PM5 during the first quarter of 2024
 - Progressing with evaluation of opportunities for PM6 and related infrastructure
- Shareholder distribution
 - Completed NOK 415 million share repurchase programme
 - Paid dividend of NOK 0.67 per share, equivalent to NOK 57million

PROFIT/LOSS FOR THE PERIOD

NOK MILLION	Q4 2023	Q3 2023	Q4 2022	2023	2022
Operating revenue	2 854	2 643	3 848	11 786	14 537
Other operating income	909	393	208	1 738	677
Total operating income	3 763	3 036	4 056	13 524	15 214
Distribution cost	-293	-270	-273	-1 098	-1 227
Cost of materials	-1 822	-1 611	-1 843	-7 015	-7 937
Fixed cost	-888	-828	-858	-3 269	-2 945
EBITDA	760	327	1 083	2 142	3 105

Higher operating revenue in the quarter compared to the previous quarter mainly driven by larger delivery volumes and increased sale of excess energy and inclusion of business interruption settlement. Publication paper prices were slightly lower in the quarter but more than offset by a weaker NOK. Production of packaging paper increased as ramp-up continued as planned, packaging paper prices were slightly lower in the quarter, but offset by a weak NOK.

Cost of materials per tonne increased in the quarter, mainly driven by higher cost of purchasing excess energy for resale, underlying cost of materials per tonne were in line with the previous quarter. In the quarter, energy costs were lower mainly due to long-term contracts, whereas recycled paper prices remained low and pulpwood prices continued to increase.

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 relating to ongoing work at PM6 which are covered by

insurance compensation recognised in the quarter, as well as start-up costs related to Saugbrugs PM5.

EBITDA increased quarter-over-quarter, mainly driven by business interruption insurance and gain of NOK 57 million on sale of the Tasman industrial site. Norske Skog Saugbrugs recognised NOK 625 million in business interruption.

NORSKE SKOG QUARTERLY REPORT – FOURTH QUARTER 2023 (UNAUDITED)

NOK MILLION	Q4 2023	Q3 2023	Q4 2022	2023	2022
Restructuring expenses	-9	-18	-11	-39	-11
Depreciation	-130	-141	-190	-514	-546
Impairments	-88	0	-164	-88	-164
Derivatives and other fair value adjustments	97	-131	227	-605	462
Operating earnings	629	36	944	896	2 845

Depreciation of NOK 130 million is a slight decrease compared with the previous quarter. An impairment of NOK 88 million was recognised on in the quarter related to assets in publication paper Europe and publication paper Australasia. Restructuring cost of NOK 9 million is lower than the previous quarter and relates mainly to organisational changes at Australasia and the headquarter.

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

NOK MILLION	Q4 2023	Q3 2023	Q4 2022	2023	2022
Share of profit in associated companies and joint ventures	-5	-3	198	-15	188
Financial items	-38	79	-45	-291	-256
Income taxes	-104	22	-32	-110	-206
Profit/loss for the period	482	134	1 065	481	2 572

Share of profit in associated companies and joint ventures was negative by NOK 5 million, down from the previous quarter and reflects the result from Circa Group.

Financial items were negative by NOK 38 million in the fourth quarter, mainly due to net interest expenses and value change on investments, partly offset by unrealised currency gains on euro denominated debt.

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.

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 fourth quarter as ramp-up continues at Bruck. Simultaneously, Norske Skog Golbey in France is converting PM1 for production of packaging paper and will start production in the second half 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	Q4 2023	Q3 2023	Q4 2022	2023	2022
Total operating income	3 028	2 405	3 551	11 140	13 117
EBITDA	723	335	1 131	2 250	2 962
EBITDA margin (%)	23.9	13.9	31.8	20.2	22.6
Return on capital employed (%) (annualised)	-1.3	-36.0	14.2	-5.7	11.2
Production (1 000 tonnes)	255	260	305	1 024	1 464
Deliveries (1 000 tonnes)	270	258	300	1 040	1 462
Production / capacity (%)	83	87	74	80	86

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 1.3 million tonnes as Norske Skog Saugbrugs PM6 is temporarily idled due to damages from the rockslide on 27 April 2023, while PM5 at Saugbrugs was restarted in fourth quarter 2023.

Operating income increased from the previous quarter mainly due to recognition of NOK 625 million in compensation for business interruption, sale of excess energy, as well as higher delivery volumes. Publication paper prices were slightly lower in the quarter on an underlying basis but more than offset by a weaker NOK.

Distribution costs increased slightly from the previous quarter on an absolute basis but were slightly lower on a per tonne basis. Cost of materials increased in total and on a per tonne basis, mainly due to larger purchases of excess energy for resale. Underlying, cost of materials was down on a per tonne basis. The quarter saw lower contract electricity prices, but higher pulpwood costs in Norway, and higher natural gas costs in Europe. Recovered paper was largely unchanged compared to the previous quarter.

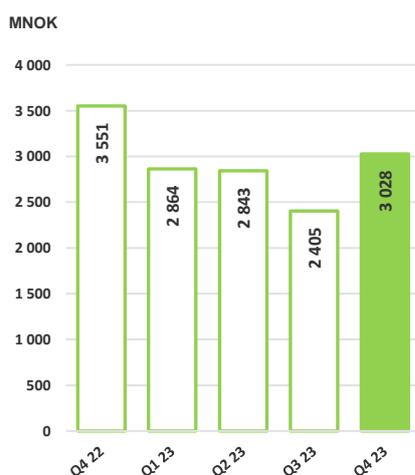
Employee benefit expenses decreased on an absolute level and on a per tonne basis. Other operating expenses increased significantly, mainly due to work ongoing at Norske Skog Saugbrugs PM6 and costs related to the restart of Norske Skog Saugbrugs PM5.

EBITDA increased compared to the previous quarter mainly due to recognition of business interruption insurance and sale of excess energy. In addition, the previous quarter EBITDA was negatively impacted by a reversal of CO2 compensation income recognised during the first half of 2023.

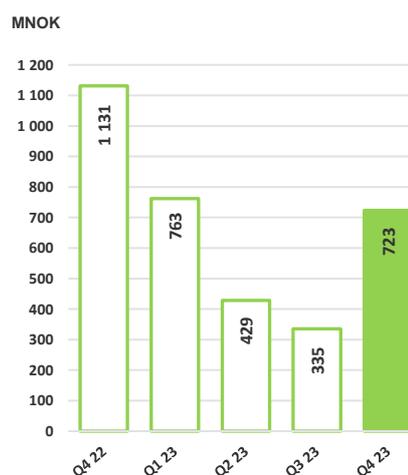
Demand for standard newsprint in Europe decreased by 21% as of November 2023 compared to the same period last year. Magazine paper demand decreased by 25%, with super calendared paper decreasing 24% and lightweight coated paper decreasing 26%. (Source: Eurograph).

Capacity utilisation was 83% in the period mainly driven by weak demand, a slight decrease compared with the previous quarter. Norske Skog Saugbrugs PM6 has been excluded from the publication paper capacity following the production stop caused by the rockslide.

EUROPE
TOTAL OPERATING INCOME



EUROPE
EBITDA



PUBLICATION PAPER AUSTRALASIA

NOK MILLION	Q4 2023	Q3 2023	Q4 2022	2023	2022
Total operating income	568	476	508	1 967	1 920
EBITDA	80	27	33	80	154
EBITDA margin (%)	14.2	5.7	6.5	4.0	8.0
Return on capital employed (%) (annualised)	54.8	10.3	14.8	7.9	33.7
Production (1 000 tonnes)	61	64	64	241	249
Deliveries (1 000 tonnes)	63	60	63	242	252
Production / capacity (%)	92	97	98	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 increased compared to the previous quarter due to gain from the sale of the Tasman industrial site, as well as higher deliveries. Prices were slightly lower in the quarter but offset by a weaker NOK.

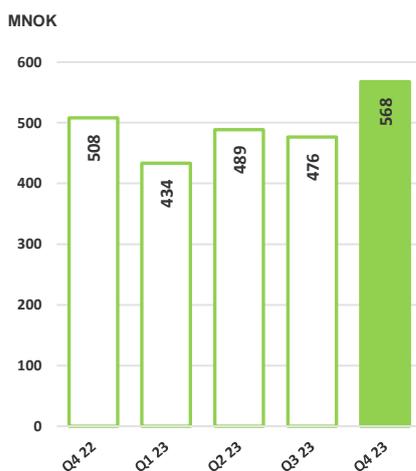
Distribution costs were higher compared to the previous quarter on an absolute level, and higher on a per tonne basis due to unfavourable change in destination mix. Cost of materials were higher on an absolute basis, and slightly higher on a per tonne basis. Employee benefit

expenses were flat on an absolute basis and slightly down on a per tonne basis. Other operating expenses were higher on an absolute and a per tonne basis.

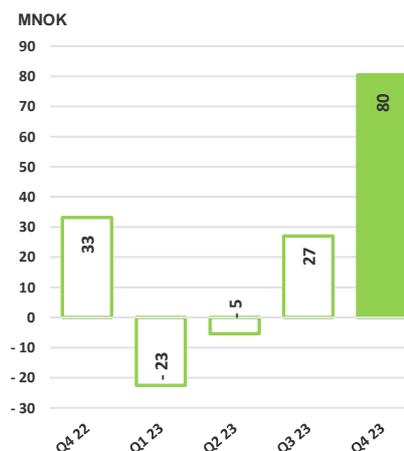
EBITDA improved compared to the previous quarter, mainly due to gain on sale of the Tasman industrial site.

According to PPPC, demand for newsprint and coated mechanical decreased by 20% and 17%, respectively, through November 2023 compared to the same period last year. Capacity utilisation was 92% in the period, a decrease compared to the previous quarter of 97%.

AUSTRALASIA
TOTAL OPERATING INCOME



AUSTRALASIA
EBITDA



PACKAGING PAPER

NOK MILLION	Q4 2023	Q3 2023	Q4 2022	2023	2022
Total operating income	135	128	-	362	-
EBITDA	-38	-31	-	-147	-
EBITDA margin (%)	-27.8	-24.2	-	-40.6	-
Return on capital employed (%) (annualised)	-18.2	-18.7	-	-53.6	-
Production (1 000 tonnes)	28	24	-	73	-
Deliveries (1 000 tonnes)	29	26	-	65	-
Production / capacity (%)	72	67	-	70	-

The segment consists of Norske Skog's packaging paper operations in Europe. Norske Skog Bruck PM3 started producing in the first quarter of 2023 and the production is following the ramp-up curve with higher production and increased deliveries compared to previous quarter. Delivered volumes is 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

half 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 the fourth 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	Q4 2023	Q3 2023	Q4 2022	2023	2022
Total operating income	152	133	61	434	580
EBITDA	-6	-5	-81	-41	-12

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	Q4 2023	Q3 2023	Q4 2022	2023	2022
EBITDA	760	327	1 083	2 142	3 105
Change in working capital	399	-153	-208	599	-545
Restructuring payments	-11	-13	-7	-55	-33
Gain and losses from divestments	-58	-1	-8	-57	-191
Insurance compensation from property damage	-55	-67	0	-122	0
Net financial items	-48	-19	-45	-138	-150
Taxes paid	-4	-25	-45	-598	-101
Other items	-11	124	-24	156	-45
Net cash flow from operating activities	973	173	745	1 928	2 040
Purchases of property, plant and equipment and intangible assets	-800	-1 018	-881	-3 084	-2 228
-whereof maintenance capex	-124	-89	-121	-363	-221

Net cash flow from operating activities was NOK 973 million in the fourth quarter.

The operating cash flow was positively impacted by NOK 720 million received in the quarter related to property damage and business interruption for Norske Skog Saugbrugs PM6. These payments are reflected in both the EBITDA and the change in working capital.

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

Net financial items in the fourth quarter relate mainly to interest payments.

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

Maintenance capex of NOK 124 million relate to ordinary maintenance in the quarter, an increase from the previous quarter as the fourth quarter generally has higher maintenance capex.

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	31 DEC 2023	30 SEP 2023	31 DEC 2022
Non-current assets	9 068	8 790	7 069
Cash and cash equivalents	2 463	2 036	2 650
Inventories, trade and other receivables and other current assets	3 223	3 073	3 889
Total assets	14 755	13 898	13 609
Equity	6 161	5 880	5 909
Non-current liabilities	5 680	5 607	4 422
Current liabilities	2 914	2 411	3 278
Net interest-bearing debt	2 590	2 662	1 092

Total assets increased in the fourth quarter, mainly due to an increase in cash and cash equivalents and property, plant, and equipment.

The increase in cash and cash equivalents is due to receipt of insurance proceeds following the rockslide at Norske Skog Saugbrugs in April 2023, offset by completion of the share repurchase programme and dividend payment, as well as capex related to the PM1 conversion at Norske Skog Golbey PM1 and expansion of TMP capacity at Norske Skog Skogn.

Non-current liabilities were largely unchanged from the previous quarter. Current liabilities increased from the previous quarter due to higher trade and other payables.

Local debt to finance the packaging paper projects at Norske Skog Bruck and Norske Skog Golbey was drawn with EUR 250 million at quarter end, compared to EUR 214 million at previous quarter end.

Net interest-bearing debt decreased from NOK 2 662 million to NOK 2 590 million in the quarter, mainly due to receipt of insurance proceeds partly offset by further debt being drawn in line with investments into the packaging conversion at Norske Skog Golbey.

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. Demand for Norske Skog's products have started to improve but is expected to remain at a low level for 2024.

The raw material and energy markets, which are important for both publication paper and packaging paper production, are expected to remain uncertain, although prices have come down closer to historical levels. Cost of recycled paper has become closer to trend prices, but the quality and availability has deteriorated. This trend is expected to persist through 2024. Pulpwood prices increased steadily through 2023 and is expected to remain at higher levels for 2024.

The level of input costs and demand for paper will continue to influence paper sales prices in Europe. Following demand declines through 2023, both publication and packaging markets are characterised by excess capacity and capacity reductions are required to balance the markets. Utilisation is expected to remain weak until the capacity is

reduced. 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 entire 2024. PM5 was restarted in the fourth quarter of 2023 to serve some customers previously served by PM6. Production of recycled containerboard in Norske Skog Bruck is expected to develop 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 increase 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, 7 FEBRUARY 2024
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, FOURTH QUARTER OF 2023

CONDENSED CONSOLIDATED INCOME STATEMENT

NOK MILLION	NOTE	Q4 2023	Q3 2023	Q4 2022	2023	2022
Operating revenue		2 854	2 643	3 848	11 786	14 537
Other operating income	9	909	393	208	1 738	677
Total operating income	4	3 763	3 036	4 056	13 524	15 214
Distribution costs		-293	-270	-273	-1 098	-1 227
Cost of materials		-1 822	-1 611	-1 843	-7 015	-7 937
Employee benefit expenses		-526	-538	-571	-2 088	-2 024
Other operating expenses		-363	-291	-287	-1 181	-921
Restructuring expenses		-9	-18	-11	-39	-11
Depreciation	5	-130	-141	-190	-514	-546
Impairments	5	-88	0	-164	-88	-164
Derivatives and other fair value adjustments	6	97	-131	227	-605	462
Operating earnings		629	36	944	896	2 845
Share of profit in associated companies and joint ventures	7	-5	-3	198	-15	188
Financial items	8	-38	79	-45	-291	-256
Profit/loss before income taxes		586	112	1 097	591	2 778
Income taxes		-104	22	-32	-110	-206
Profit/loss for the period		482	134	1 065	481	2 572
Basic earnings per share (NOK)		5.65	1.45	11.30	5.27	27.28
Diluted earnings per share (NOK)		5.65	1.45	11.30	5.27	27.28

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

NOK MILLION	Q4 2023	Q3 2023	Q4 2022	2023	2022
Profit/loss for the period	482	134	1 065	481	2 572
Items that may be reclassified subsequently to profit or loss					
Currency translation differences	-10	-176	-29	243	187
Tax expense on translation differences	0	0	0	0	0
Reclassified translation differences upon divestment of foreign operations	1	0	0	6	1
Total	-9	-176	-29	249	188
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of post-employment benefit obligations	-8	0	14	-8	14
Tax effect on remeasurements of employment benefit obligations	1	0	2	1	2
Total	-6	0	16	-6	16
Other comprehensive income for the period	-16	-176	-14	243	204
Total comprehensive income for the period	467	-42	1 050	724	2 775

CONDENSED CONSOLIDATED BALANCE SHEET

NOK MILLION	NOTE	31 DEC 2023	30 SEP 2023	31 DEC 2022
Deferred tax asset		206	270	137
Intangible assets	5	12	13	14
Property, plant and equipment	5	8 567	7 982	5 852
Investments in associated companies and joint ventures	7	80	90	299
Other non-current assets	6	203	434	768
Total non-current assets		9 068	8 790	7 069
Inventories		1 360	1 521	1 464
Trade and other receivables		1 635	1 433	1 944
Other current assets	6	229	120	481
Cash and cash equivalents		2 463	2 036	2 650
Total current assets		5 687	5 109	6 539
Total assets		14 755	13 898	13 609
Paid-in equity	10	8 860	8 872	8 898
Retained earnings		-2 700	-2 992	-2 989
Total equity		6 161	5 880	5 909
Employee benefit obligations		294	290	278
Deferred tax liability		202	206	208
Interest-bearing non-current liabilities	8	4 536	4 395	3 432
Other non-current liabilities	6	647	716	504
Total non-current liabilities		5 680	5 607	4 422
Trade and other payables		2 256	1 804	2 245
Tax payable		11	9	358
Interest-bearing current liabilities	8	517	303	310
Other current liabilities	6	130	296	364
Total current liabilities		2 914	2 411	3 278
Total liabilities		8 594	8 018	7 700
Total equity and liabilities		14 755	13 898	13 609

SKØYEN, 7 FEBRUARY 2024
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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

NOK MILLION	Q4 2023	Q3 2023	Q4 2022	2023	2022
Cash generated from operations	3 438	2 892	4 135	13 819	14 624
Cash used in operations	-2 414	-2 676	-3 300	-11 156	-12 333
Cash flow from currency hedges and financial items	-11	11	-26	-25	-59
Interest payments received	26	29	16	98	31
Interest payments made	-64	-59	-35	-211	-122
Taxes paid	-4	-25	-45	-598	-101
Net cash flow from operating activities ¹⁾	973	173	745	1 928	2 040
Purchases of property, plant and equipment and intangible assets	-800	-1 018	-881	-3 084	-2 228
Sales of property, plant and equipment and intangible assets	63	2	9	69	28
Proceeds from property damage insurance	55	67	0	122	0
Dividend proceeds from joint venture	5	0	0	205	0
Purchase of shares in companies and other financial payments	0	0	-2	0	-30
Sales of shares in companies and other financial instruments	0	0	3	0	275
Net cash flow from investing activities	-677	-949	-872	-2 689	-1 956
New loans raised	464	506	817	1 366	1 354
Repayments of loans	-115	-75	-85	-346	-321
Dividends paid	-57	0	0	-57	0
Purchase treasury shares	-138	-277	0	-415	0
Net cash flow from financing activities	155	154	733	549	1 033
Foreign currency effects on cash and cash equivalents	-22	-15	-2	25	43
Total change in cash and cash equivalents	427	-637	604	-187	1 161
Cash and cash equivalents at start of period	2 036	2 673	2 047	2 650	1 489
Cash and cash equivalents at end of period	2 463	2 036	2 650	2 463	2 650
¹⁾ Reconciliation of net cash flow from operating activities					
Profit/loss before income taxes	586	112	1 097	591	2 778
Change in working capital	399	-153	-208	599	-545
Change in restructuring provisions	-1	5	4	-16	-22
Depreciation and impairments	219	141	354	602	710
Derivatives and other fair value adjustments	-97	131	-227	605	-462
Gain and losses from divestment of business activities and PPE	-58	-1	-8	-57	-191
Insurance compensation from property damage	-55	-67	0	-122	0
Net financial items without cash effect	-5	-95	-198	168	-82
Taxes paid	-4	-25	-45	-598	-101
Change in pension obligations and other employee benefits	-4	-6	-21	-19	-31
Adjustment for other items	-8	130	-4	175	-14
Net cash flow from operating activities	972	173	745	1 928	2 040

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	1 507	1 507
Other comprehensive income for the period	0	0	219	219
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	-135	-135
Other comprehensive income for the period	0	0	434	434
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
Treasury shares	-12	0	-117	-129
Profit/loss for the period	0	0	482	482
Other comprehensive income for the period	0	0	-16	-16
Dividends paid	0	0	-57	-57
Equity 31 December 2023	6 611	2 249	-2 700	6 161

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.

	Q4 2023	Q3 2023	31 DEC 2023	30 SEP 2023	31 DEC 2022
AUD	7.05	6.86	6.91	6.89	6.70
EUR	11.65	11.40	11.24	11.25	10.51
GBP	13.44	13.27	12.93	13.02	11.85
NZD	6.53	6.34	6.42	6.40	6.26
USD	10.84	10.48	10.17	10.62	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 half of 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.

Q4 2023	PUBLICATION PAPER EUROPE	PUBLICATION PAPER AUSTRALASIA	PACKAGING PAPER	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
Operating revenue	2 216	497	109	149	-119	2 854
Other operating income	811	71	26	2	-1	909
Total operating income	3 028	568	135	152	-119	3 763
Distribution costs	-209	-66	-18	0	0	-293
Cost of materials	-1 398	-304	-96	-110	86	-1 822
Employee benefit expenses	-378	-79	-41	-28	1	-526
Other operating expenses	-319	-39	-18	-19	32	-363
EBITDA	723	80	-38	-6	0	760
Restructuring expenses	-3	-5	0	-2	0	-9
Depreciation	-83	-12	-33	-3	0	-130
Impairments	-30	-62	3	0	0	-88
Derivatives and other fair value adjustments	97	0	0	0	0	97
Operating earnings	704	2	-67	-10	0	629
Share of operating revenue from external parties (%)	100	100	99	23		100

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

NORSKE SKOG QUARTERLY REPORT – FOURTH QUARTER 2023 (UNAUDITED)

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

2023	PUBLICATION PAPER EUROPE	PUBLICATION PAPER AUSTRALASIA	PACKAGING PAPER	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
Operating revenue	9 591	1 894	246	428	-373	11 786
Other operating income	1 550	72	116	6	-6	1 738
Total operating income	11 140	1 967	362	434	-379	13 524
Distribution costs	-804	-253	-40	0	0	-1 098
Cost of materials	-5 579	-1 152	-248	-281	245	-7 015
Employee benefit expenses	-1 500	-320	-157	-117	6	-2 088
Other operating expenses	-1 006	-162	-64	-77	129	-1 181
EBITDA	2 250	80	-147	-41	0	2 142
Restructuring expenses	-5	-6	0	-28	0	-39
Depreciation	-379	-50	-77	-9	0	-514
Impairments	-30	-62	3	0	0	-88
Derivatives and other fair value adjustments	-605	0	0	0	0	-605
Operating earnings	1 232	-38	-221	-77	0	896
Share of operating revenue from external parties (%)	100	100	99	15		100

2022	PUBLICATION PAPER EUROPE	PUBLICATION PAPER AUSTRALASIA	PACKAGING PAPER	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
Operating revenue	12 641	1 893	-	402	-400	14 537
Other operating income	476	28	-	177	-4	677
Total operating income	13 117	1 920	-	580	-404	15 214
Distribution costs	-963	-261	-	-4	0	-1 227
Cost of materials	-6 900	-1 051	-	-279	293	-7 937
Employee benefit expenses	-1 503	-293	-	-232	3	-2 024
Other operating expenses	-790	-161	-	-77	107	-921
EBITDA	2 962	154	-	-12	0	3 105
Restructuring expenses	0	-11	-	0	0	-11
Depreciation	-491	-43	-	-12	0	-546
Impairments	-164	0	-	0	0	-164
Derivatives and other fair value adjustments	462	0	-	0	0	462
Operating earnings	2 769	100	-	-24	0	2 845
Share of operating revenue from external parties (%)	100	100	-	7		100

SEGMENT OTHER ACTIVITIES	Q4 2023	Q3 2023	Q4 2022	2023	2022
OTHER OPERATING REVENUE					
Corporate functions	28	28	27	116	97
Sourcing solutions	123	104	34	317	286
Green energy and other	0	0	0	0	196
Total	152	133	61	434	580
EBITDA					
Corporate functions	-6	-5	-80	-43	-190
Sourcing solutions	0	0	-2	2	3
Green energy and other	0	0	0	0	176
Total	-6	-5	-81	-41	-12

5. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

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*	2 981	55	3 037	3
Depreciation	-467	-42	-509	-5
Impairments	-88	0	-88	0
Disposals	-8	0	-8	0
Currency translation differences	280	3	284	0
Carrying value at end of period	8 483	84	8 567	12

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

PER OPERATING SEGMENTS

31 DEC 2023	TOTAL PROPERTY PLANT AND EQUIPMENT	INTANGIBLE ASSETS
Publication paper Europe	5 896	3
Publication paper Australasia	182	1
Packaging paper	2 480	2
Other activities	9	6
Total	8 567	12

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

31 DEC 2023	ASSETS		LIABILITIES	
	CURRENT	NON-CURRENT	CURRENT	NON-CURRENT
Energy contracts and embedded derivatives in energy contracts (level 3)	153	30	56	273
Other derivatives and financial instruments carried at fair value (level 2)	63	0	0	0
Total	216	30	56	273

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 positive change in the fair value of the contracts and embedded derivatives in the quarter of NOK 97 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 80 million on 31 December 2023.

Norske Skog holds a 50% share of Porsnes Utvikling AS, an equal ownership joint venture between Ringstad Næringsutvikling AS and Norske Skog Saugbrugs AS. At 31 December 2023 this has a carrying value of NOK 7 million.

At 31 December 2023 Norske Skog holds a 26% share of Circa Group AS, with a carrying value of NOK 65 million. Loss is included in the quarter with NOK 5 million. Circa Group AS is listed on Euronext Growth. Due to later reporting dates than Norske Skog, the share of results from Circa Group is included with a three months lag.

8. FINANCIAL ITEMS AND DEBT REPAYMENTS

FINANCIAL ITEMS

NOK MILLION	Q4 2023	Q3 2023	Q4 2022	2023	2022
Net interest expenses	-39	-30	-22	-121	-100
Currency gains/losses*	41	127	5	-76	-97
Other financial items	-40	-17	-28	-94	-59
Total financial items	-38	79	-45	-291	-256

*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 31 December 2023, the credit facilities had been drawn by EUR 250 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. On 31 December 2023, the outstanding amount under the EUR 150 million senior secured bond, net of bought back bonds, was EUR 136.1 million.

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

The EUR 54 million credit facility for the waste-to-energy plant in Norske Skog Bruck commenced repayments in the fourth quarter of 2022. As of 31 December 2023, the outstanding amount was EUR 43 million. The final maturity date is in 2028.

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

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

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

BONDS

EUR MILLION	MATURITY	CURRENCY	INTEREST RATE	NOMINAL VALUE	AMOUNT OUTSTANDING 31 DEC 2023
NSKOG02	March 2026	EUR	EURIBOR +5.5%	150	136

DEBT REPAYMENT SCHEDULE*

NOK MILLION	2024	2025	2026	2027	2028-
Bonds	0	0	0	1 530	0
Debt to credit institutions	483	561	528	520	1 357
Total	483	561	528	2 050	1 357

*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 11 million in debt repayment in the first quarter of 2024. 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 to the building and infrastructure were extensive and PM6 has been stopped from the time of the impact.

Work has continued 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 some uncertainty in relation to timeline for completion of 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.

On 2 November 2023 Norske Skog announced that it has agreed a settlement with the insurers in relation to both business interruption and property damage.

In relation to business interruption for the coverage period of 18 months from the date of the incident an amount of NOK 850 million was agreed. This has been recognised in full in 2023 of which NOK 625 million was recognised in the fourth quarter 2023.

The property damage to building structures and cost of reinstatement of these as well as costs to secure rock formations will be covered by Norske Skog Saugbrugs, but fully reimbursed by the insurers. In fourth quarter NOK 103 million has been recognised of which NOK 51 million has been expensed and the remainder of NOK 52 million has been capitalized as property plant and equipment.

In addition, a settlement of NOK 1 billion was agreed for future investments in production equipment. Of this NOK 385 million has been paid in 2023, while the remaining amount of NOK 615 million will be paid as investment costs accrue and contingent of the amount of NOK 385 million being invested at Norske Skog Saugbrugs.

10. PRINCIPAL SHAREHOLDERS

	NUMBER OF SHARES	OWNERSHIP %
BYGGMA ASA	17 430 431	18.49
NORSKE SKOG ASA	9 426 470	8.19
UBS Europe SE	5 369 000	5.64
DRANGSLAND KAPITAL AS	5 316 148	5.11
INTERTRADE SHIPPING AS	2 775 000	2.86
VERDIPAPIRFONDET HOLBERG NORGE	2 050 000	2.17
VERDIPAPIRFONDET FONDSFINANS NORGE	1 650 000	1.72
VOLDSTAD EIENDOM AS	1 590 943	1.40
VERDIPAPIRFONDET NORDEA NORGE VERD	1 519 422	1.37
VERDIPAPIRFONDET NORDEA AVKASTNING	1 320 117	1.20
CACEIS Investor Services Bank S.A.	1 134 617	1.17
State Street Bank and Trust Comp	850 836	1.07
VERDIPAPIRFONDET NORDEA NORGE PLUS	744 978	0.95
Nordnet Bank AB	722 681	0.80
Pershing Securities Limited	694 285	0.79
NORDNET LIVSFORSIKRING AS	661 415	0.74
J.P. Morgan SE	655 889	0.69
Saxo Bank A/S	610 305	0.69
HSBC Continental Europe	475 000	0.69
PENSJONSORDNINGEN	465 400	0.68
Other shareholders	38 801 768	43.56
Total	94 264 705	100.00

The data is extracted from VPS 7 February 2024. Whilst every reasonable effort is made to verify all data, VPS cannot guarantee the accuracy of the analysis.

11. THE NORSKE SKOG SHARE

	31 DEC 2023	30 SEP 2023	31 DEC 2022
Share price (NOK)	41.40	46.44	67.25
Book value of equity per share (NOK)	72.62	66.95	62.68

On 31 December 2024 Norske Skog ASA holds 9 426 470 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

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

14. HISTORICAL FIGURES

INCOME STATEMENT	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Total operating income	3 763	3 036	3 404	3 320	4 056
Variable costs*	-2 115	-1 881	-2 237	-1 880	-2 116
Fixed costs*	-888	-828	-787	-765	-858
EBITDA	760	327	380	675	1 083
Restructuring expenses	-9	-18	-10	-1	-11
Depreciation	-130	-141	-128	-115	-190
Impairments	-88	0	0	0	-164
Derivatives and other fair value adjustment	97	-131	-96	-474	227
Operating earnings	629	36	146	85	944
Share of profit in associated companies and joint ventures	-5	-3	-4	-3	198
Financial items	-38	79	-101	-230	-45
Profit/loss before income taxes	586	112	41	-148	1 097
Income taxes	-104	22	5	-32	-32
Profit/loss for the period	482	134	45	-181	1 065

* As defined in Alternative Performance Measures

SEGMENT INFORMATION	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Publication paper Europe					
Total operating income	3 028	2 405	2 843	2 864	3 551
EBITDA	723	335	429	763	1 131
Deliveries (1 000 tonnes)	270	258	267	245	300
Publication paper Australasia					
Total operating income	568	476	489	434	508
EBITDA	80	27	-5	-23	33
Deliveries (1 000 tonnes)	63	60	63	56	63
Packaging paper					
Total operating income	135	128	75	24	-
EBITDA	-38	-31	-40	-38	-
Deliveries (1 000 tonnes)	29	26	10	-	-
Other activities					
Total operating income	152	133	89	61	61
EBITDA	-6	-5	-2	-27	-81

BALANCE SHEET	31 DEC 2023	30 SEP 2023	30 JUN 2023	31 MAR 2023	31 DEC 2022
Total non-current assets	9 068	8 790	8 691	7 498	7 069
Inventories	1 360	1 521	1 635	1 786	1 464
Trade and other receivables	1 635	1 433	1 419	1 886	1 944
Cash and cash equivalents	2 463	2 036	2 673	2 894	2 650
Other current assets	229	120	271	437	481
Total current assets	5 687	5 109	5 998	7 003	6 539
Total assets	14 755	13 898	14 689	14 502	13 609
Total equity	6 161	5 880	6 208	6 045	5 909
Total non-current liabilities	5 680	5 607	5 378	5 058	4 422
Trade and other payables	2 256	1 804	2 498	2 161	2 245
Other current liabilities	658	607	606	1 238	1 033
Total current liabilities	2 914	2 411	3 104	3 399	3 278
Total liabilities	8 594	8 018	8 481	8 457	7 700
Total equity and liabilities	14 755	13 898	14 689	14 502	13 609

CASH FLOW	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Reconciliation of net cash flow from operating activities					
EBITDA	760	327	380	675	1 083
Change in working capital	399	-153	541	-188	-208
Payments made relating to restructuring activities	-11	-13	-29	-2	-7
Gain and losses from divestment	-58	-1	-1	2	-8
Insurance compensation from property damage	-55	-67	0	0	0
Cash flow from net financial items	-48	-19	-36	-35	-45
Taxes paid	-4	-25	-553	-16	-45
Other	-11	124	50	-7	-24
Net cash flow from operating activities	973	173	353	430	745
Purchases of property, plant and equipment and intangible assets	-800	-1 018	-697	-570	-881
Proceeds from property damage insurance	55	67	0	0	0
Net divestments	68	2	1	202	9
Net cash flow from investing activities	-677	-949	-695	-367	-872
Net cash flow from financing activities	155	154	104	136	733
Foreign currency effects on cash and cash equivalents	-22	-15	17	45	-2
Total change in cash and cash equivalents	427	-637	-221	244	604

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	Q4 2023	Q3 2023	Q4 2022	2023	2022
Operating earnings	629	36	944	896	2 845
Restructuring expenses	9	18	11	39	11
Depreciation	130	141	190	514	546
Impairments	88	0	164	88	164
Derivatives and other fair value adjustments	-97	131	-227	605	-462
EBITDA	760	327	1 083	2 142	3 105

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

NOK MILLION	Q4 2023	Q3 2023	Q4 2022	2023	2022
EBITDA	760	327	1 083	2 142	3 105
Total operating income	3 763	3 036	4 056	13 524	15 214
EBITDA margin	20.2 %	10.8 %	26.7 %	15.8 %	20.4 %

Variable costs: Distribution costs + cost of materials

NOK MILLION	Q4 2023	Q3 2023	Q4 2022	2023	2022
Distribution costs	293	270	273	1 098	1 227
Cost of materials	1 822	1 611	1 843	7 015	7 937
Variable costs	2 115	1 881	2 116	8 113	9 164

Fixed costs: Employee benefit expenses + other operating expenses.

NOK MILLION	Q4 2023	Q3 2023	Q4 2022	2023	2022
Employee benefit expenses	526	538	571	2 088	2 024
Other operating expenses	363	291	287	1 181	921
Fixed costs	888	828	858	3 269	2 945

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

NOK MILLION	Q4 2023	Q3 2023	Q4 2022	2023	2022
EBITDA	760	327	1 083	2 142	3 105
Capital expenditure	800	1 018	881	3 084	2 228
Average capital employed	9 231	8 776	6 687	8 172	5 928
Return on capital employed (annualised)	-1.7 %	-31.5 %	12.1 %	-11.5 %	14.8 %

NOK MILLION	31 DEC 2023	30 SEP 2023	31 DEC 2022
Intangible assets	12	13	14
Property, plant and equipment	8 567	7 982	5 852
Inventory	1 360	1 521	1 464
Trade and other receivables	1 635	1 433	1 944
Trade and other payables	-2 256	-1 804	-2 245
Capital employed	9 317	9 144	7 028

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

NOK MILLION	31 DEC 2023	30 SEP 2023	31 DEC 2022
Interest-bearing non-current liabilities	4 536	4 395	3 432
Interest-bearing current liabilities	517	303	310
Cash and cash equivalents	-2 463	-2 036	-2 650
Net interest-bearing debt	2 590	2 662	1 092

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

Q4 2023 presentation

8 February 2024

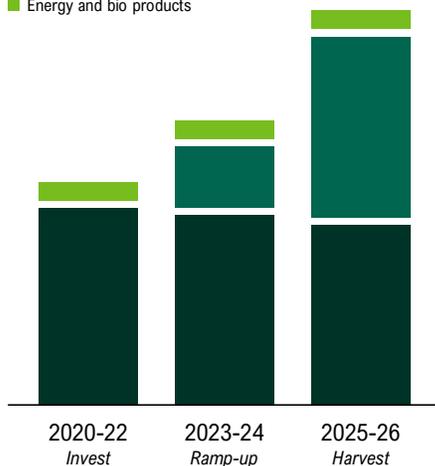
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green value*

Norske Skog

Fibre processing industry

Strategic transition

- Publication paper
- Packaging paper
- Energy and bio products



→ Publication paper

- Capacity: 1 590kt
- Utilisation target: 90%
- EBITDA margin target: 10%

→ Packaging paper

- Capacity: 760kt (2025-26)
- Utilisation target: 95% (2025-26)
- EBITDA margin target: 20% (2025-26)

- Net debt NOK 2.6bn (1.5x leverage ratio¹)
- Remaining net expansion capex NOK 0.6bn
- Cash NOK 2.5bn and liquidity NOK 2.9bn
- 2023 CDP Climate Change Score "A-"

Five high quality industrial sites

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



Quarter highlights

Fourth quarter 2023

Earnings positively impacted by insurance settlement

- Quarterly EBITDA of NOK 760m, incl. extraordinary net positive impact of NOK 655m from Saugbrugs and NOK 57m gain from Tasman sale
- Improved financial position and liquidity due to receipt of NOK 720m in insurance proceeds in the quarter

Paper and containerboard prices stabilise

- Publication paper markets remain weak and further capacity closures are required
- Containerboard demand returning, but market still experiencing excess capacity

Bruck PM3 ramp-up on plan in challenging market

- Positive customer feedback on containerboard deliveries from Bruck PM3, increased deliveries in January 2024
- Golbey PM1 progressing towards start-up in H2 2024

Saugbrugs PM5 restarted end of Q4 2023

- Successful start-up of PM5 and expect close to normal production and on-time deliveries during Q1 2024
- Progressing with evaluation of opportunities for PM6 and related infrastructure

Maintained good balance sheet following shareholder distributions

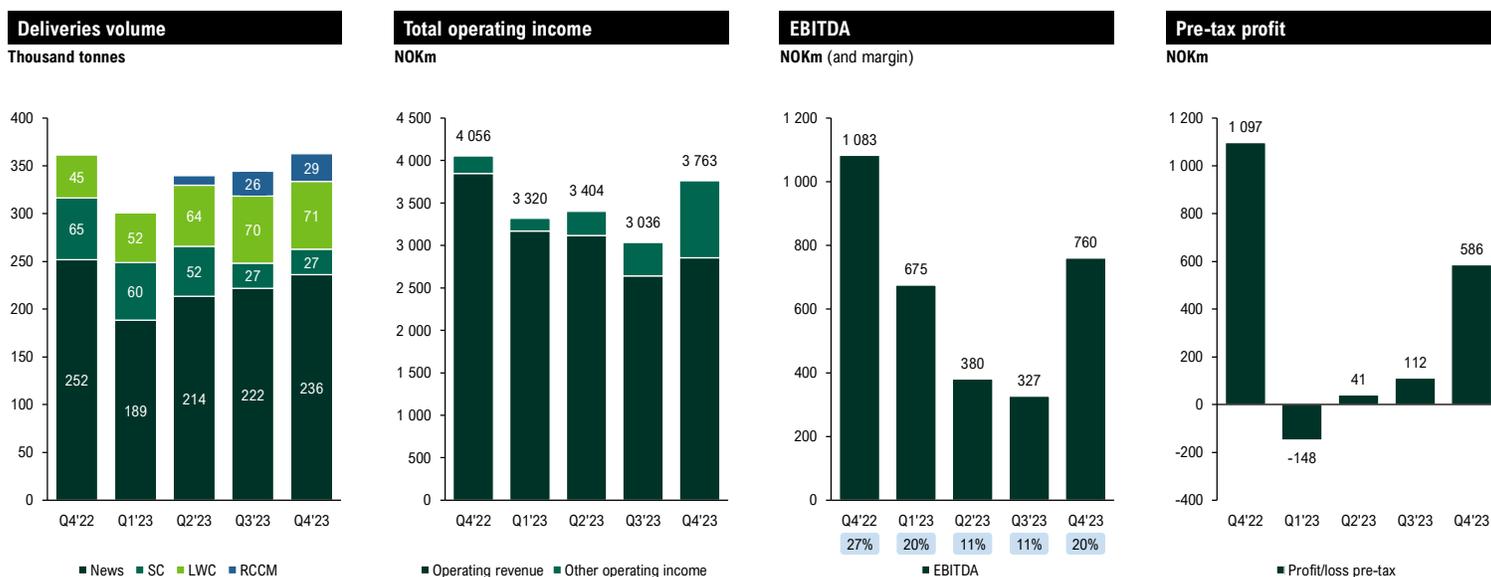
- Equity ratio of 42% and interest coverage ratio of 18.4x
- Completed NOK 415m share repurchase programme and paid dividend of NOK 0.67 per share, equivalent to NOK 57m

3



Key figures

Fourth quarter 2023



4

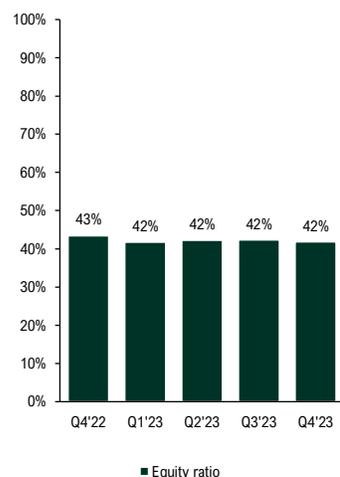


Financial position

Fourth quarter 2023

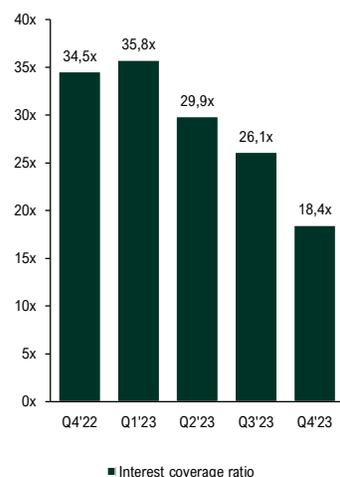
Equity ratio

Book equity to total assets
group covenant of min. 25%



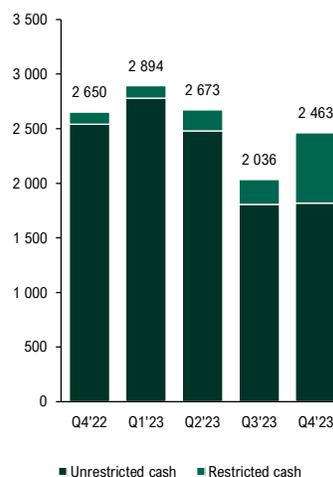
Interest coverage ratio

EBITDA to net cash interest cost
group covenant of min. 2.0x



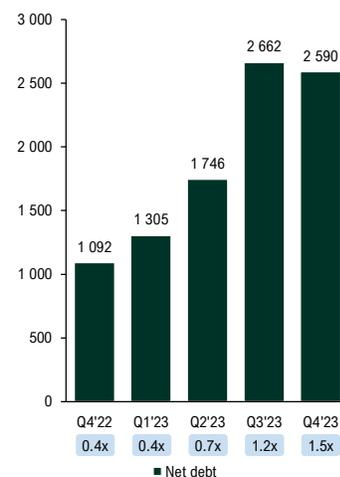
Cash

NOKm
group covenant of min. NOK 100m unrestricted



Net debt

NOKm (and leverage ratio)
no group maintenance covenant



5 Note: Figures according to definitions in loan agreements

Segment financials

Results driven by insurance and gain on sale

NOK million	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	QoQ	YoY	YTD Q4'22	YTD Q4'23	Chg.
Publication Paper Europe										
Deliveries, kt	300	245	267	258	270	5%	-10%	1 462	1 040	-29%
Total operating inc.	3 551	2 864	2 843	2 405	3 028	26%	-15%	13 117	11 140	-15%
EBITDA	1 131	763	429	335	723	116%	-36%	2 962	2 250	-24%
EBITDA margin	32%	27%	15%	14%	24%			23%	20%	
Publication Paper Australasia										
Deliveries, kt	63	56	63	60	63	5%	0%	252	242	-4%
Total operating inc.	508	434	489	476	568	19%	12%	1 920	1 967	2%
EBITDA	33	-23	-5	27	80	197%	143%	154	80	-48%
EBITDA margin	7%	-5%	-1%	6%	14%			8%	4%	
Packaging Paper										
Deliveries, kt	0	0	10	26	29	11%	n.m.	0	65	n.m.
Total operating inc.	0	24	75	128	135	6%	n.m.	0	362	n.m.
EBITDA	0	-38	-40	-31	-38	22%	n.m.	0	-147	n.m.
EBITDA margin	n.m.	-158%	-54%	-24%	-28%			n.m.	-41%	
Other										
Total operating inc.	61	61	89	133	152	14%	147%	580	434	-25%
EBITDA	-81	-27	-2	-5	-6	17%	-93%	-12	-41	251%

6

Q4 2023

Publication Paper Europe

- EBITDA positively impacted by business interruption insurance at Saugbrugs of NOK 625m
- Seasonally higher deliveries
- Prices stabilising, pressure from lower energy prices
- Margin pressure from high pulpwood prices for producers based in the Nordics

Publication Paper Australasia

- EBITDA positively impacted from gain on sale of assets from Tasman of NOK 57m
- Slight improvement in deliveries and improved market share in domestic markets
- Improved price terms in new contracts

Packaging Paper

- Production ramp-up continues in challenging markets
- Deliveries slow in the quarter, Bruck participating in annual contracts from January 2024 resulting in improved deliveries volume
- Market prices remain at depressed levels

Containerboard projects

Continued increase in delivery volumes



7

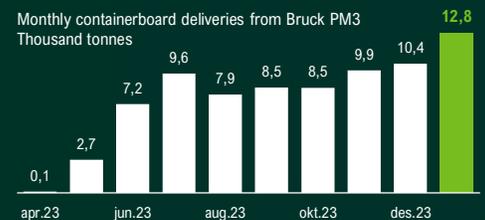
Golbey PM1

- Containerboard production start-up in H2 2024
- Close to all deliveries completed, with main exception being piping and electrical work

Bruck PM3

- Participating in annual delivery contracts starting from January 2024, improving delivery volumes
- Technical ramp-up performing in line with plan, excellent product quality and customer feedback
- Improving production cost as utilisation and process optimisation increases

Monthly containerboard deliveries from Bruck PM3
Thousand tonnes



Saugbrugs insurance settlement

Ongoing process to determine future opportunities for Saugbrugs PM6



8

Insurance coverage Q4 2023

- Business interruption insurance: Recognised NOK 625m in other operating income
- Property damage insurance: Recognised NOK 103m in other operating income and NOK 51m in other operating expenses. Start-up costs for Saugbrugs PM5 of NOK 22m in other operating expenses
- Payment of NOK 720m received in Q4 2023

Insurance coverage 2024

- Property damage insurance: Expect to recognise NOK 264m in other operating income and NOK 34m in other operating expenses
- Final payment of NOK 215m for business interruption to be received in Q1 2024. Further NOK 615m to be received if and as investment costs accrue

Revenues from PM4 and PM5 developing as planned, continue to explore future opportunities for PM6

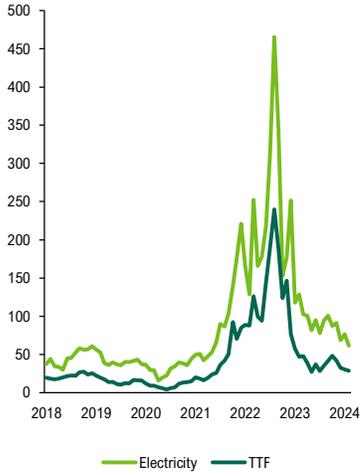


Raw materials

Spruce pulpwood prices at elevated levels and EUA price significantly down

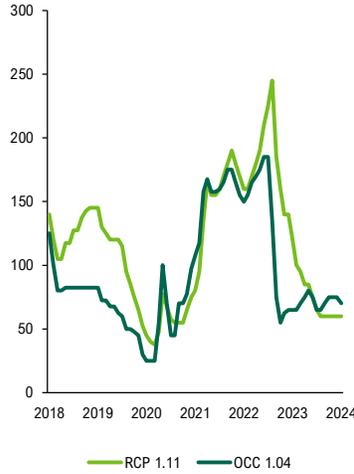
Energy prices Germany

EUR per MWh



Recycled paper prices Germany

EUR per tonne



Spruce pulpwood prices Norway

NOK per solid cubic metre



European Union Allowance (EUA) price

EUR per allowance



9 Source: Nordpool, Trading Economics, RISI, Miljødirektoratet

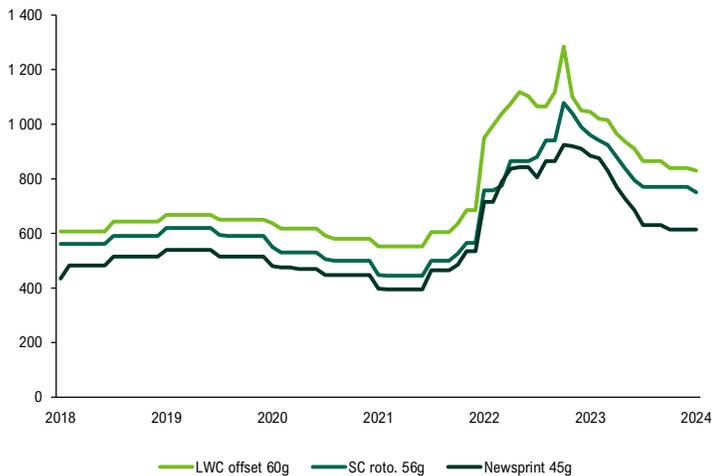


Publication paper market

Publication paper prices under continued pressure in oversupplied market

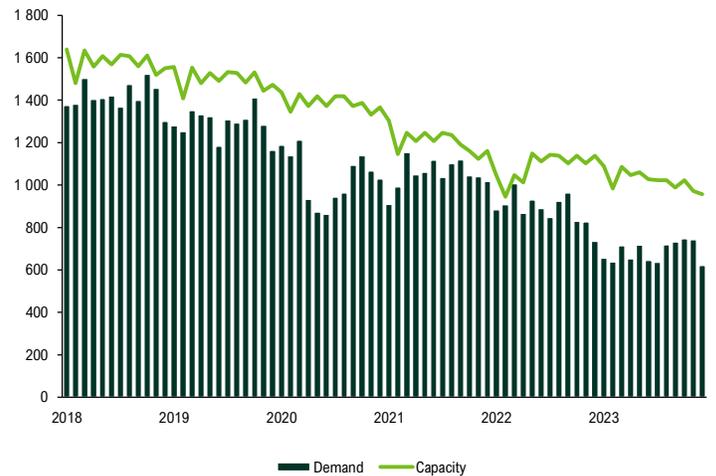
Publication paper prices Germany

EUR per tonne



Monthly publication paper demand and capacity Western Europe

Thousand tonnes



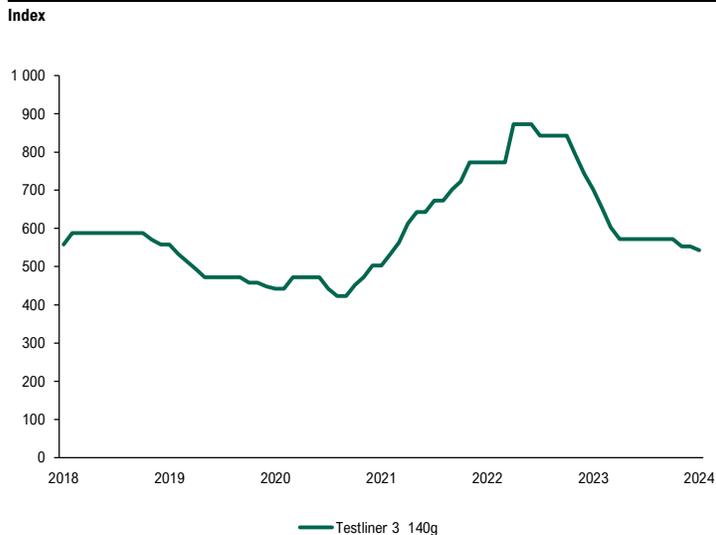
10 Source: RISI, PPPC



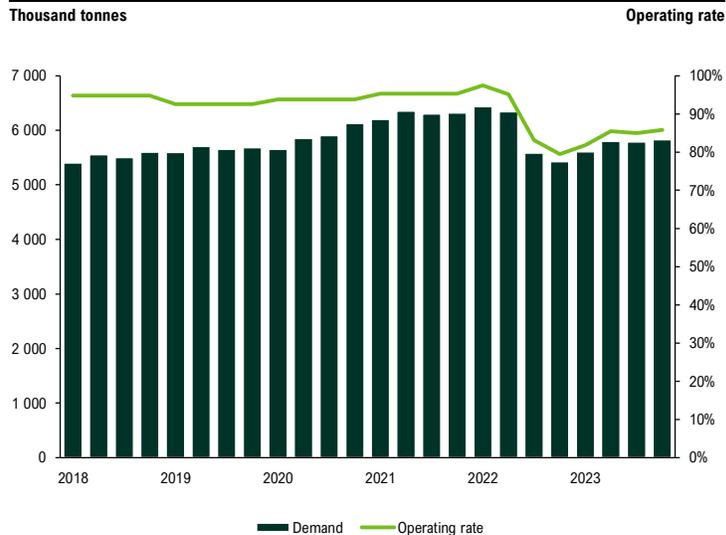
Packaging paper market

Demand growth returning, but industry operating rate remain low

Recycled containerboard index Germany



Quarterly recycled containerboard demand and operating rate Western Europe



Outlook

Concluding remarks

- Recycled fibre and energy costs stabilising at lower levels, but pulpwood costs remain high
- Publication paper prices under continued pressure from weak market balance and lower input costs
- Containerboard prices stabilising at production cost in a challenging market with excess capacity
- Expect negative EBITDA from packaging paper segment in 2024 due to Golbey PM1 start-up in H2 2024
- Maintaining a strong liquidity position as investments near completion and debt repayments increase
- Significant focus on reducing production cost and working capital to maintain competitive position





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

*We create
green value*

Press release

Still weak markets

Norske Skog's EBITDA in the fourth quarter of 2023 was NOK 760 million, an increase from NOK 327 million in the third quarter of 2023. The fourth quarter EBITDA was influenced by business interruption insurance of NOK 625 million, also covering 10 months in 2024 of NOK 460 million at Norske Skog Saugbrugs. In addition, EBITDA in the quarter was influenced by a NOK 57 million gain from sale of the Norske Skog Tasman mill site. The cash flow from operations in the quarter was NOK 973 million, improving the financial position and liquidity due to receipt of NOK 720 million in insurance proceeds in the quarter. The publication paper markets remain weak, and further capacity closures are required. Containerboard demand increases, but this market still experiences excess capacity.

"We are very satisfied with the NOK 2.4 billion insurance settlement agreed in the fourth quarter for business interruption and property damage related to the rockslide at Norske Skog Saugbrugs in April 2023. This provides us with an opportunity to assess options for development of Norske Skog Saugbrugs. However, lower production and carrying of fixed costs at Bruck, Golbey and Saugbrugs while the mills are transformed, impacts our operating earnings negatively during the quarter. During the ramp-up of production of containerboard at Bruck, and the conversion and ensuing ramp-up at Golbey, we will continue to experience relatively higher cost per tonne produced," says Geir Drangslund, CEO of Norske Skog.

Cash flow from operations was NOK 973 million in the quarter compared to NOK 173 million in the previous quarter, mainly due to insurance proceeds related to property damage and business interruption at Norske Skog Saugbrugs of NOK 720 million, proceeds from the sale of Tasman of NOK 70 million, and NOK 399 million in reduced working capital. Operating earnings in the fourth quarter of 2023 were NOK 629 million compared to operating earnings in the third quarter of 2023 of NOK 36 million. The operating earnings in the quarter were positively affected by non-cash changes in fair value of energy contracts in Norway amounting to NOK 97 million, and negatively affected by NOK 88 million in impairments.

Profit before taxes in the quarter was NOK 586 million compared to NOK 112 million in the previous quarter. The net profit was negatively affected by increased interest expense and lower evaluation of financial investments. Net interest-bearing debt decreased from NOK 2 662 to 2 590 million at the end of the quarter. The equity ratio was unchanged at 42%.

Operations

Total annual publication paper production capacity for the group is 1.6 million tonnes after the temporary idling of PM6 and restart of PM5 at Norske Skog Saugbrugs, with 1.3 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 half 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 21% through November 2023 compared to the same period last year. SC magazine demand decreased by around 24%. LWC paper demand decreased by around 26% through November compared to the same period last year. According to PPC trade statistics for Australia, demand for newsprint and coated mechanical decreased by 20% and 17%, respectively, through November 2023 compared to the same period last year.

Norske Skog ASA

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Norway

Publication paper

Operating income increased from the previous quarter mainly due to recognition of business interruption at Norske Skog Saugbrugs, gain on sale of Tasman industrial site and sale of excess energy at Norske Skog Golbey and Saugbrugs. Slightly lower publication paper sales prices were offset by higher delivered sales volume compared to the previous period. The sales price decrease was driven by weak demand and a market imbalance for publication paper. In the fourth quarter, Norske Skog recognised all remaining business interruption of NOK 625 million covering both the fourth quarter of 2023 and the first 10 months of 2024 and property damage insurance of NOK 52 million.

Variable costs per tonne increased in the quarter, both in absolute terms and per tonne for cost of materials and distribution costs caused respectively by higher pulpwood cost and longer customer destination routes. Fixed costs per tonne increased due to higher operating expenses related to the clean-up from the rockslide at Norske Skog Saugbrugs, which is offset by insurance coverage. Group capacity utilisation was 85% in the quarter, 83% in Europe and 92% in Australasia. Norske Skog Saugbrugs PM6 is excluded from the calculation from 27 April 2023. The weak publication paper demand caused some operational down-time in the quarter, which impacted the capacity utilisation in Europe.

Packaging paper

The packaging paper machine at Bruck is operating at 72% capacity utilisation, which is in line with the ramp-up plan. The containerboard production will reach full capacity utilisation during the fourth year of production. The operating income for fourth 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, fourth quarter of 2023

NOK million (unless otherwise stated)	Q4 2023	Q3 2023	Q4 2022	YTD 23	YTD 22
Income statement					
Total operating income	3 763	3 036	4 056	13 524	15 214
EBITDA	760	327	1 083	2 142	3 105
Operating earnings	629	36	944	896	2 845
Profit before tax	586	112	1 097	591	2 778
EBITDA margin %	20.2	10.8	26.7	15.8	20.4
Capacity utilisation publication paper %	85	89	78	82	87
Cash flow					
Net cash flow from operating activities	973	173	745	1 928	2 040
Net cash flow from investing activities	-677	-949	-872	-2 689	-1 956
Balance	31.12.23	30.09.23	31.12.22	31.12.23	31.12.22
Total assets	14 755	13 898	13 609	14 755	13 609
Equity	6 161	5 880	5 909	6 161	5 909
Equity %	42	42	43	42	43

Status projects

Norske Skog Golbey conversion projects

At Norske Skog Golbey, the conversion of the newsprint paper machine (PM1) into recycled containerboard paper production is progressing towards start-up in the second half 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 will in the second quarter of 2024 complete the construction of a net NOK 180 million new thermo-mechanical pulp (TMP) line, which substitutes recovered paper with fresh fibre. 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 fourth quarter, approximately NOK 121 million had been invested in the TMP-line.

Norske Skog Saugbrugs rockslide

The rockslide at Norske Skog Saugbrugs on 27 April 2023 caused material damage to building structures, machinery, and equipment relating to paper machine PM6, which will remain idled for the entire 2024. Norske Skog has signed an insurance settlement worth up to NOK 2.4 billion to cover business interruption, site restoration, and machinery and equipment investments. Norske Skog continues to explore options for future production at the Norske Skog Saugbrugs site.

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. Demand for Norske Skog's products have started to improve, but it is expected to remain at a low level for 2024.

The raw material and energy markets, which are important for both publication paper and packaging paper production, are expected to remain uncertain, although prices have come down close to historical levels. Cost of recycled paper has become close to trend prices, but the quality and availability are worsening. This trend is expected to persist through 2024. Pulpwood prices increased steadily through 2023 and is expected to remain at elevated levels for 2024.

The level of input costs and demand for paper will continue to influence paper sales prices in Europe. Following demand declines through 2023, both publication and packaging paper markets are characterised by excess capacity and capacity reductions are required to balance the markets. Utilisation is expected to remain weak until the capacity is reduced. 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 entire 2024. PM5 was restarted in the fourth quarter of 2023 to serve customers previously served by PM6. Production of recycled containerboard in Bruck is expected to develop 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.

Norske Skog
Communications and Public Affairs

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Pressemelding

Fortsatt svake markeder

Norske Skogs EBITDA i fjerde kvartal 2023 var NOK 760 millioner, en økning fra NOK 327 millioner i tredje kvartal 2023. EBITDA for fjerde kvartal ble påvirket av driftssavbruddsforsikring på NOK 625 millioner, som også dekker 10 måneder i 2024 på NOK 460 millioner ved Norske Skog Saugbrugs. I tillegg ble EBITDA påvirket av NOK 57 millioner i gevinst ved salg av fabrikkområdet til Norske Skog Tasman. Kontantstrømmen fra driften i kvartalet var NOK 973 millioner, som forbedret den finansielle situasjon og likviditeten som følge av forsikringsoppkjøret på NOK 720 millioner i kvartalet. Markedene for publikasjonspapir er fortsatt svakt, og ytterligere kapasitetsstengninger vil være nødvendige. Etterspørselen etter emballasjepapir øker, men dette markedet opplever fortsatt overskuddskapasitet.

"Vi er veldig tilfredse med NOK 2,4 milliarder i forsikringsoppkjøp for driftsavbrudd og tingskader knyttet til steinraset ved Norske Skog Saugbrugs i april 2023. Dette gir oss en mulighet til å vurdere alternativer for utvikling av Norske Skog Saugbrugs. Lavere produksjon gir relativt høyere faste kostnader i Bruck, Golbey og Saugbrugs mens fabrikkene transformeres, og påvirker driftsresultatet negativt i kvartalet. Så lenge opptrappingen av emballasjeproduksjon ved Bruck, og konverteringen med påfølgende produksjonsopptrapping på Golbey pågår, vil vi fortsette å ha relativt høyere kostnader per produsert tonn," sier Geir Drangslund, konsernsjef i Norske Skog.

Kontantstrømmen fra driften var NOK 973 millioner i kvartalet sammenlignet med 173 millioner i forrige kvartal, hovedsakelig på grunn av forsikringsproveny knyttet til tingskader og driftsavbrudd ved Norske Skog Saugbrugs på NOK 720 millioner, salgspaveny for Tasman på NOK 70 millioner og NOK 399 millioner i redusert arbeidskapital. Driftsresultatet i fjerde kvartal 2023 var NOK 629 millioner sammenlignet med driftsresultatet i tredje kvartal 2023 på NOK 36 millioner. Kvartalet ble positivt påvirket av endringer, uten kontanteffekter, i verdsettelsen av energikontrakter i Norge på NOK 97 millioner og negativt påvirket av nedskrivninger på NOK 88 millioner.

I kvartalet var resultat før skatt NOK 586 millioner sammenlignet med NOK 112 millioner i forrige kvartal. Nettoresultatet ble negativt påvirket av økte rentekostnader og lavere vurdering av finansielle investeringer. Netto rentebærende gjeld falt fra 2 662 til 2 590 millioner ved utgangen av kvartalet. Egenkapitalandelen var uendret på 42%.

Drift

Samlet årlig produksjonskapasitet for publikasjonspapir for konsernet er 1,6 millioner tonn etter den midlertidige stengningen av Saugbrugs PM6, med 1,3 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 løpet av andre halvår 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 21% til og med november sammenlignet med samme periode ifjor. Etterspørselen etter magasinpapir fra henholdsvis SC og LWC falt med rundt 24% og rundt 26% til og med november sammenlignet med samme periode ifjor. I følge PPPCs australske handelsstatistikk falt etterspørselen etter avisepapir og LWC med henholdsvis 20% og 17% til og med november 2023 sammenlignet med samme periode i fjor.

Publikasjonspapir

Økte driftsinntekter sammenlignet forrige kvartal skyldes i hovedsak bokføringen av forsikringsoppkjøret knyttet til driftsavbrudd ved Norske Skog Saugbrugs, gevinsten ved salg av Tasman industriområde og salg av overskuddsenergi ved Norske Skog Golbey og Norske Skog Saugbrugs. Noe lavere salgspriser for publikasjonspapir ble oppveid av

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høyere levert salgsvolum sammenlignet med forrige periode. Prisen nedgangen skyldtes svak etterspørsel og en ubalanse i markedet for publikasjonspapir. I fjerde kvartal bokførte Norske Skog de resterende NOK 625 millioner i driftsavbruddsforsikring som dekker fjerde kvartal i 2023 og de første ti månedene av 2024, samt NOK 52 millioner i tingskadeforsikring.

Variable kostnader per tonn økte i kvartalet, både i absolutte verdi og per tonn for råvare- og distribusjonskostnader, som følge av relativt høyere kostnader for tømmer og lengre transportavstander til kunder. Faste kostnader per tonn økte på grunn av høyere driftskostnader knyttet til oppryddingen etter steinraset ved Norske Skog Saugbrugs, noe som blir dekket av forsikringene.

Kapasitetsutnyttelsen for konsernet var 85% i kvartalet, henholdsvis 83% i Europa og 92% i Australasia. Saugbrugs PM6 er ikke medregnet i kapasitetstallene etter 27. april 2023. Svakere etterspørsel etter publikasjonspapir resulterte i noe driftstilpasninger gjennom kvartalet, som påvirket kapasitetsutnyttelsen i Europa.

Emballasjepapir

Emballasjepapirmaskinen ved Bruck opererer med 72% kapasitetsutnyttelse, noe som er i samsvar med opptrappingsplanen. Emballasjepapirproduksjonen vil nå full kapasitetsutnyttelse i løpet av det fjerde driftsåret. 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, fjerde kvartal 2023

NOK millioner (om ikke annet er oppgitt)	Q4 2023	Q3 2023	Q4 2022	YTD 23	YTD 22
Resultatregnskap					
Totale inntekter	3 763	3 036	4 056	13 524	15 214
EBITDA	760	327	1 083	2 142	3 105
Driftsresultat	629	36	944	896	2 845
Resultat før skatt	586	112	1 097	591	2 778
EBITDA margin %	20.2	10.8	26.7	15.8	20.4
Kapasitetsutnyttelse publikasjonspapir %	85	89	78	82	87
Kontantstrøm					
Netto kontantstrøm fra operasjonelle aktiviteter	973	173	745	1 928	2 040
Netto kontantstrøm fra investeringsaktiviteter	-677	-949	-872	-2 689	-1 956
Balanse	31.12.23	30.09.23	31.12.22	31.12.23	31.12.22
Totale eiendeler	14 755	13 898	13 609	14 755	13 609
Egenkapital	6 161	5 880	5 909	6 161	5 909
Egenkapital %	42	42	43	42	43

Status prosjekter

Norske Skog Golbey konverteringsprosjekter

Ved Norske Skog Golbey gjennomføres ombyggingen av avisapapirmaskinen (PM1) til produksjon av resirkulert emballasjepapir mot oppstart i andre halvår av 2024. 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 vil i andre kvartal 2024 fullføre byggingen av en ny termomekanisk tremasse (TMP)-linje til netto NOK 180 millioner, 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 fjerde kvartal var det investert om lag NOK 121 millioner i TMP-linjen.

Steinras ved Norske Skog Saugbrugs

Steinraset ved Norske Skog Saugbrugs den 27. april 2023 forårsaket vesentlige skader på bygningskonstruksjoner, kraner, maskiner og utstyr knyttet til papirmaskin PM6, som vil forbli ute av produksjon i hele 2024. Norske Skog Saugbrugs har avtalt et forsikringsoppgjør på inntil NOK 2,4 milliarder som dekker driftsavbrudd og tingskader. Norske Skog vil fortsette å vurdere alternativer for fremtidig produksjon på Norske Skog Saugbrugs-anlegget.

Utsikter

Utviklingen i den globale økonomien er av vital betydning for forbruket, og vil påvirke treforedlingsindustrien, og dermed Norske Skogs virksomheter og resultater. Etterspørselen etter Norske Skogs produkter har begynt å bli bedre men forventes å holde seg lav i 2024.

Råvare- og energimarkedene, som er viktige for både publikasjons- og emballasjepapir, forventes å forbli usikre selv om prisene har kommet nær historiske nivåer. Kostnadene for resirkulert papir har nærmet seg trendpriser, men både kvaliteten og tilgjengeligheten er dårligere. Denne trenden forventes å vedvare gjennom 2024. Massevirkeprisene økte jevnt gjennom 2023 og forventes å holde seg på høye nivåer i 2024.

Utvikling av innsatskostnader og etterspørsel etter papir vil fortsatt påvirke papirsalgprisene i Europa. Den reduserte etterspørselen gjennom 2023, har skapt overskuddskapasitet i både publikasjons- og emballasjepapirmarkedet, og kapasitetsstenginger i industrien er nødvendig for å bedre markedsbalansen. 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 hele 2024. PM5 ble 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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