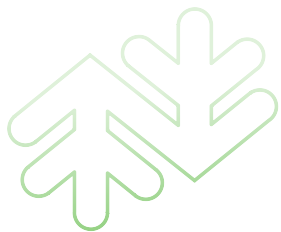
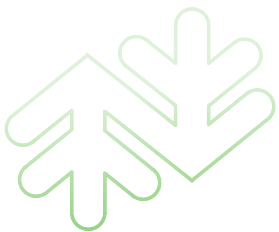
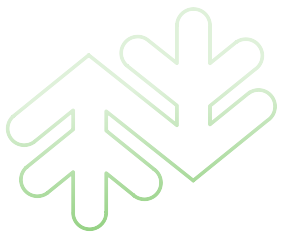


Norske Skog

Q2 2023 presentation

14 July 2023

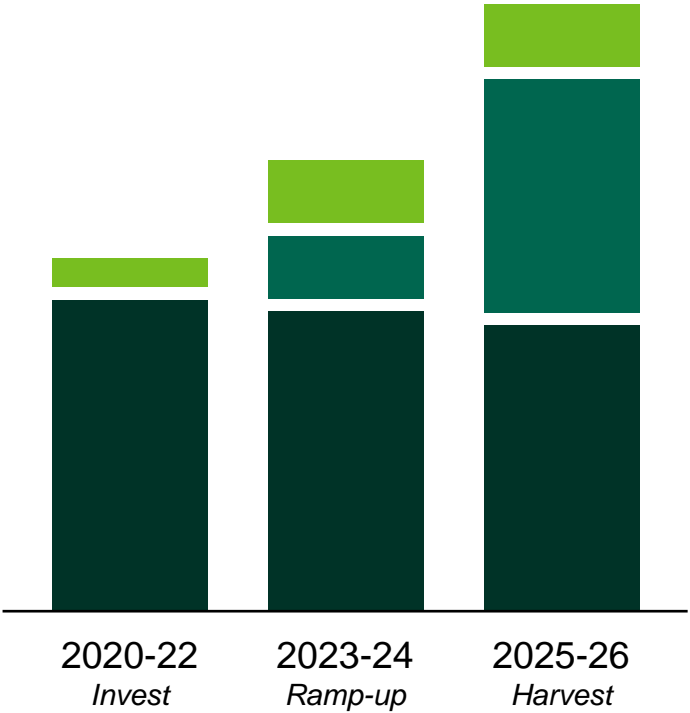


*We create
green value*

Sustainable and innovative industry

Strategic transition

- Publication paper
- Packaging paper
- Energy and bio products



- Cost leading producer of publication paper
 - Capacity: 1 750kt
 - Utilisation target: +90%
 - EBITDA margin target: +10%
- Ramping up production of packaging paper
 - Capacity: 760kt
 - Utilisation target: +95% (2025-26)
 - EBITDA margin target: +20%
- Net debt of NOK 1.7bn
- Remaining net expansion capex NOK 1.4bn
- Cash NOK 2.7bn and liquidity NOK 4.0bn

Five high quality industrial sites

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



Second quarter in brief

Strong financial position and reduced earnings into market downturn

- EBITDA in the quarter of NOK 380m including business interruption at Saugbrugs of NOK 90m covering May and June
- Net debt of NOK 1 746m and leverage ratio of 0.7x, cash of NOK 2 673m

Markets remain challenging with price and profitability pressure

- Publication paper prices lower due to continued demand decline and lower raw material costs, further closures required
- Containerboard prices stabilising, but additional capacity closures required

Saugbrugs PM6 temporary stopped since 27 April due to rockslide, covered by insurance

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

Bruck PM3 ramp-up according to plan, Golbey PM1 start-up delayed

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

Board resolves to initiate a share repurchase programme

- The board resolved on 13 July to repurchase up to 10% of the share capital in line with AGM authorisation
- Repurchase programme commences on 14 July until earlier of 31 December 2023 or when repurchase amount is reached



Update on rockslide at Saugbrugs



- Rockslide on 27 April damaging buildings, machinery and equipment
- No one was physically harmed
- Main work in Q2 has been to secure the site, remove rocks and debris to get access to the paper machine
- PM6 (260kt SC capacity) will likely remain closed through H1 2024
- Saugbrugs has insurance coverage for property damages and business interruption for up to 18 months
- For May and June, Norske Skog has recognised business interruption of NOK 90m in other revenue and EBITDA



Bruck PM3 ramp-up according to plan and update on Golbey PM1



Bruck PM3

- Ramp-up of containerboard production at Bruck PM3 according to plan. Deliveries of ~10kt in Q2 expected to more than double for Q3
- Improving production cost as utilisation and optimisation increases

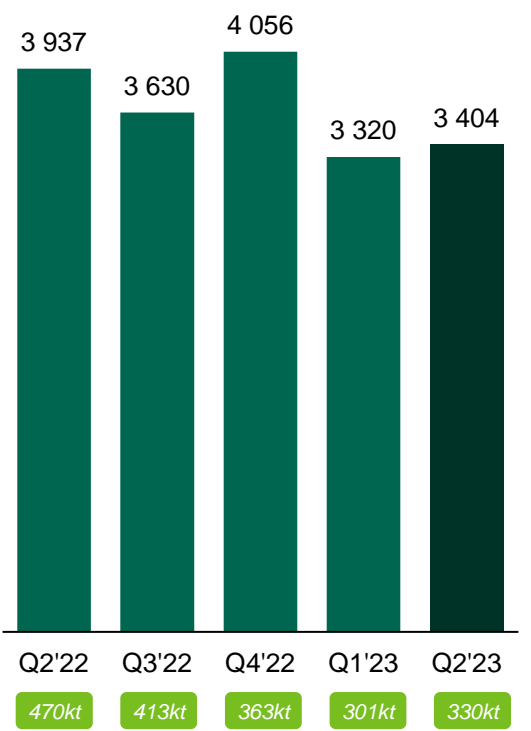
Golbey PM1

- Start-up of Golbey PM1 moved to Q2 2024 to reflect revised time plan for installation work. Start-up aligned with commissioning of new biomass boiler from Green Valley Energie
- Net investment increase from EUR 250m (June 2020 budget) to EUR 265m, including energy related grants and certificates paid in 2023-27

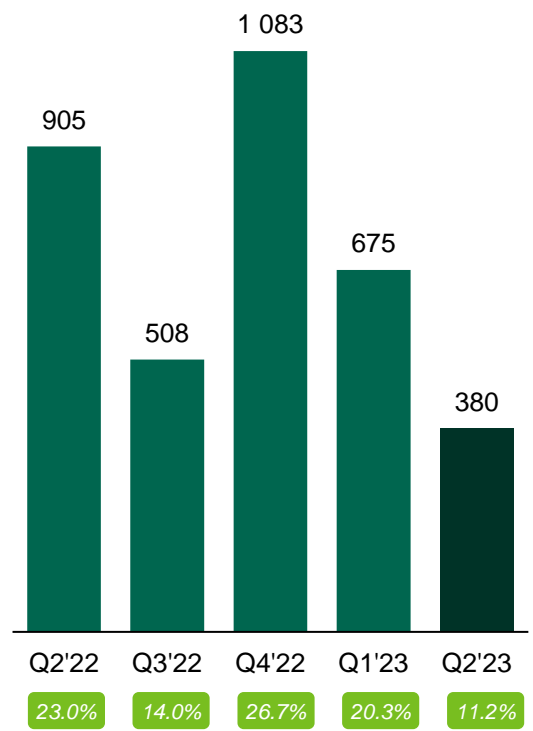


Group financials

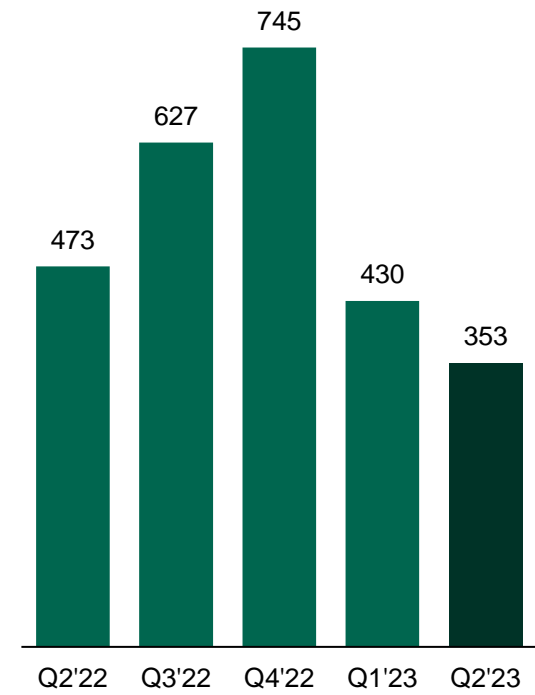
Revenue
NOKm (and deliveries volume)



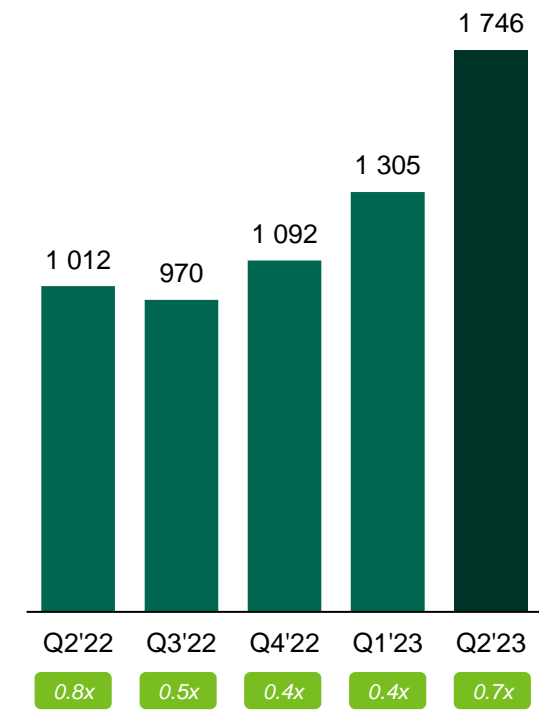
EBITDA
NOKm (and margin)



Operating cash flow
NOKm



Net debt
NOKm (and leverage ratio)



Segment financials

Publication Paper Europe	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23
Operating rate, %	90%	83%	74%	77%	74%
Deliveries, thousand tonnes	407	347	300	245	267
Total operating income	3 469	3 129	3 551	2 864	2 843
EBITDA	909	483	1 131	763	429
EBITDA margin, %	26.2%	15.4%	31.8%	26.6%	15.1%
Publication Paper Australasia	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23
Operating rate, %	98%	94%	98%	83%	92%
Deliveries, thousand tonnes	63	66	63	56	63
Total operating income	470	514	508	434	489
EBITDA	49	33	33	-23	-5
EBITDA margin, %	10.4%	6.3%	6.5%	-5.2%	-1.1%
Packaging Paper	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23
Operating rate, %				0%	71%
Deliveries, thousand tonnes				0	10
Total operating income				24	75
EBITDA				-38	-40
EBITDA margin, %				n.a.	-53.9%
Other activities	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23
Total operating income	133	71	61	61	89
EBITDA	-54	-8	-81	-27	-2

Publication Paper Europe

- Pressure on prices and profitability
- Business interruption for May and June of NOK 90m included in other revenue and EBITDA
- Austria approved CO₂ compensation for 2022 to be paid in 2023, the amount of EUR 4.7m has been recognised in Q2 2023

Publication Paper Australasia

- Improving operations, but challenging profitability due to raw material prices
- Price increases implemented for H2 2023

Packaging Paper

- Production ramp-up according to plan in challenging markets

Other activities

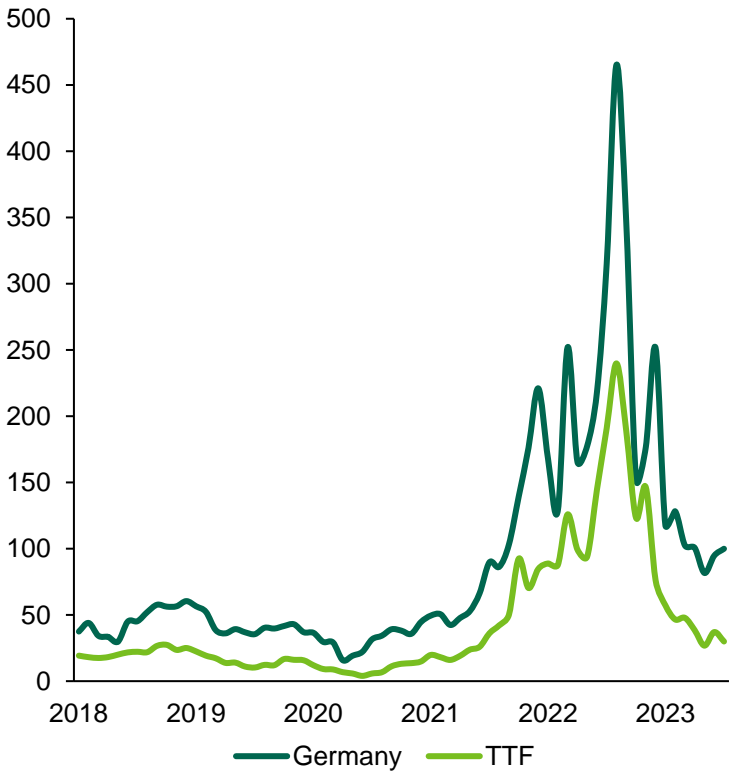
- Reduced valuation of LTI programme



Input costs down from peak, but remain at high levels

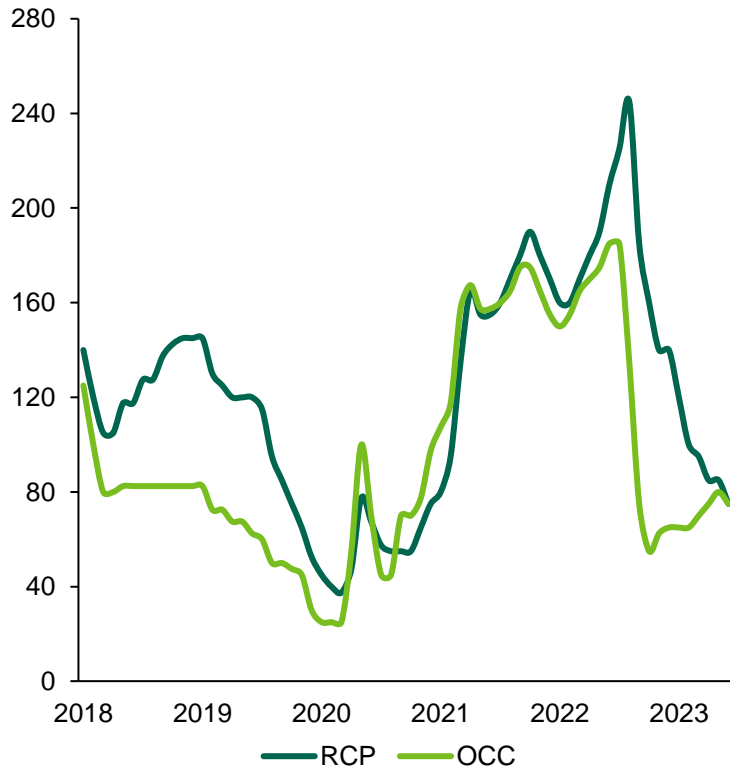
Energy prices Germany

EUR per MWh



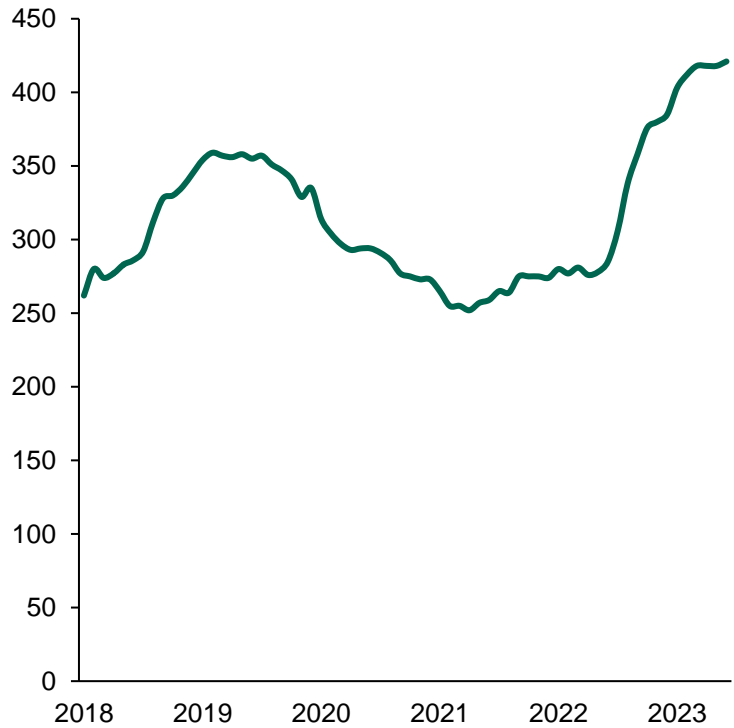
Recycled paper prices Germany

EUR per tonne



Spruce pulpwood prices Norway

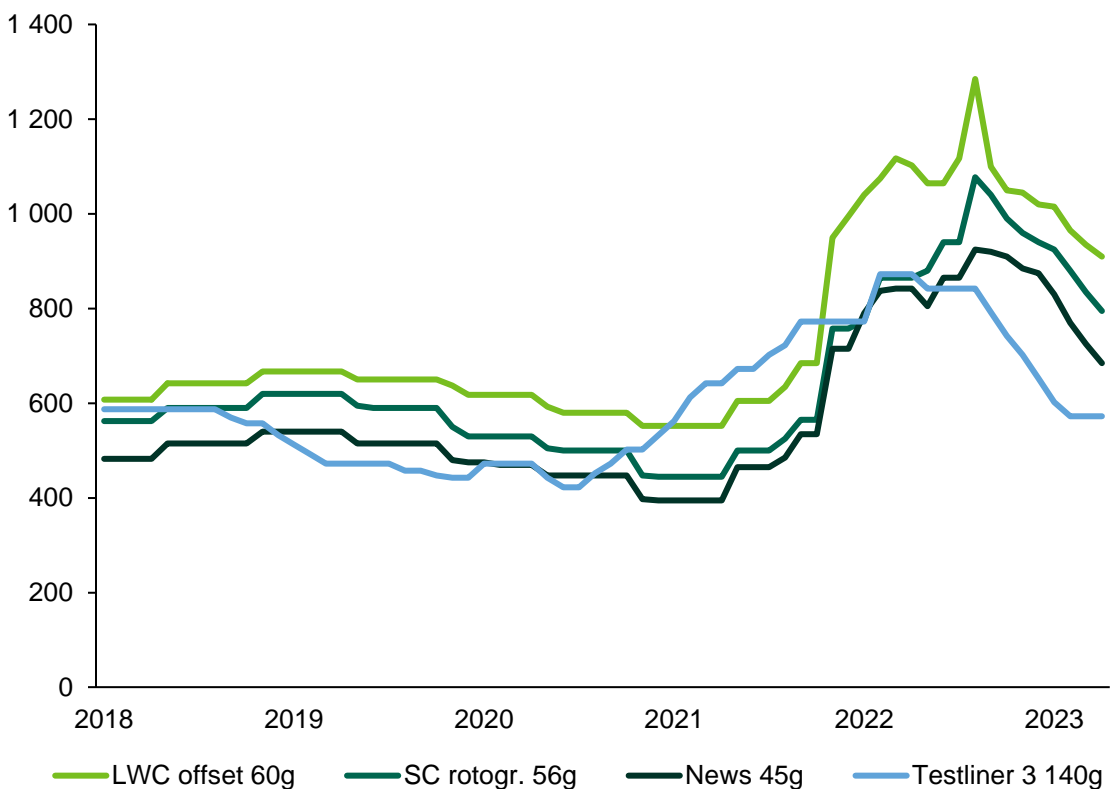
NOK per solid cubic metre



Prices lower due to easing costs and soft demand

Publication paper and recycled containerboard prices Germany

EUR per tonne

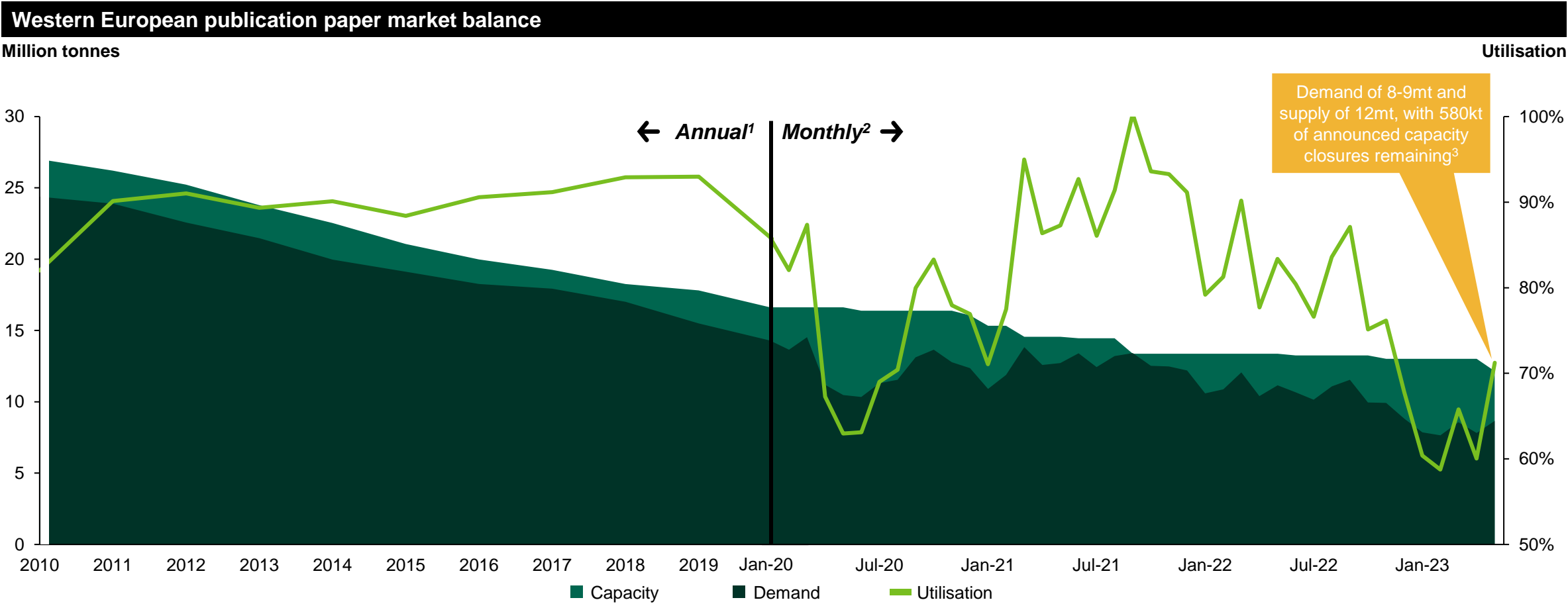


European Union Allowance (EUA) price development

EUR per allowance



Challenging market balance



Initiating share repurchase programme

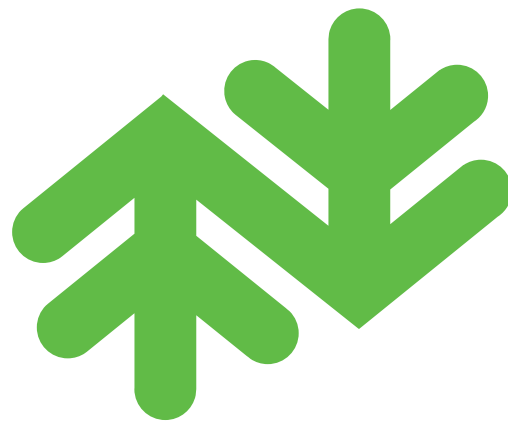
- The board has decided to initiate a share repurchase programme in accordance with the authorisation granted by the AGM on 20 April 2023
- The maximum number of shares that can be repurchased is 9 426 470 shares (10% of the share capital)
- The maximum consideration is NOK 472 million
- The minimum price is NOK 1 and maximum price is NOK 100
- The number of shares acquired per day shall not exceed 116 726 shares
- The programme commences on 14 July 2023 until earlier of 31 December 2023 or when maximum number of shares have been repurchased
- Repurchase programme may be discontinued at any time and further announcements will be made if and when appropriate
- The purpose is to return excess capital to shareholders and shares repurchased will be cancelled subject to approval by AGM in 2024
- The share repurchase programme will be carried out by way of repurchases in the market and transactions will be reported weekly



Outlook

- Raw material and energy costs stabilising, but development remains uncertain
- Paper prices influenced by lower input costs and weak market balance
- Containerboard prices with signs of stabilising, but still a challenging market
- Further capacity closures and industry consolidation required in all markets
- Introduction of Norske Skog Bruck in the recycled containerboard market well underway, but expect negative EBITDA from packaging paper segment in 2023 as production ramps up
- Maintaining a healthy balance sheet, strong liquidity position, and low production costs
- **Capital Markets Day in Oslo on 16 November, details to be provided**





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*We create
green value*