

Norske Skog ASA – Announcement of terms for the initial public offering

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Oslo, 7 October 2019. Reference is made to the announcement on 23 September 2019 regarding the intention to list the shares of Norske Skog ASA ("Norske Skog" or the "Company", OSE ticker code "NSKOG") on the Oslo Stock Exchange and the contemplated initial public offering (the "IPO" or the "Offering").

The offering

The Offer Shares (as defined below) are expected to be sold at a price between NOK 35 and NOK 45 per Offer Share, corresponding to an equity value of Norske Skog of between NOK 2.9 billion and NOK 3.7 billion. The final price per Offer Share may, however, be set above or below the indicative price range.

28,875,000 to 41,250,000 existing shares (the "Sale Shares") will be offered by Oceanwood Special Situations Malta Limited through NS Norway Holding AS (the "Selling Shareholder"). In addition, the Managers (as defined below) may elect to over-allot a number of additional shares equalling up to 15% of the final number of Sale Shares sold in the Offering (the "Additional Shares" and, together with the Sale Shares, the "Offer Shares"). The Selling Shareholder will grant ABG Sundal Collier ASA ("ABGSC"), on behalf of the Managers, an option to borrow a number of shares in the Company equalling the number of Additional Shares to facilitate such over-allotment, as well as an option to purchase from the Selling Shareholder at the final offer price in the IPO a number of shares equalling up to the number of Additional Shares to cover any over-allotments made in connection with the Offering (the "Greenshoe Option"). The Greenshoe Option may be exercised, in whole or in part, within a 30-day period commencing at the time at which trading in the Company's shares commences on the Oslo Stock Exchange.

The Selling Shareholder will receive the proceeds from the sale of the Sale Shares and any shares sold under the Greenshoe Option.

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Following completion of the Offering, it is expected that the Selling Shareholder will hold 42.5% of the shares in the Company, assuming that (i) all the Sale Shares are sold in the Offering and (ii) the Greenshoe Option is exercised in full. Based on the assumption set forth in (i), it is expected that the free float of the Company's Shares following completion of the Offering, will be approximately 50% of the shares in the Company if the Greenshoe Option is not exercised, and approximately 57.5% of the shares in the Company if the Greenshoe Option is exercised in full.

The Selling Shareholder, the Company and members of the Company's board of directors, executive management and other primary insiders who purchase shares in the Offering, will enter into customary lock-up agreements with the Managers which will restrict their ability to issue, sell, pledge or dispose of shares in the Company. The Selling Shareholder will undertake a lock-up for a period up to and including the date falling 180 days from the first day of trading of the Company's shares on the Oslo Stock Exchange, while the Company, members of the Company's board of directors, executive management and other primary insiders who purchase shares in the Offering, will be subject to a lock-up period of 12 months from the first day of trading of the Company's shares on the Oslo Stock Exchange. These lock-up agreements will be subject to certain exceptions and may only be waived with the consent of the Global Coordinators. Eligible Employees (as defined below) allocated shares in the Offering will not be subject to lock-up, unless they are members of the Company's board of directors, executive management or a primary insider.

Offering details

The terms and conditions for the Offering comprise of:

- An institutional offering, in which Offer Shares are being offered to (a) institutional and professional investors in Norway, (b) investors outside Norway and the United States, subject to applicable exemptions from the prospectus and registration requirements, and (c) investors in the United States who are QIBs in transactions exempt from registration requirements under the U.S. Securities Act. The institutional offering is subject to a lower limit per application of NOK 2,000,000.
- A Retail Offering, in which Offer Shares are being offered to the public in Norway subject to a lower limit per application of NOK 10,500 and an upper limit per application of NOK 1,999,999 for each investor. Investors who intend to place an order in excess of NOK 1,999,999 must do so in the institutional offering. Multiple applications by one applicant in the retail offering will be treated as one application with respect to the maximum application limit.
- An employee offering, in which Offer Shares are being offered to, subject to applicable laws, all of the employees of the Norske Skog group employed by a Norwegian entity as of the last day of the application period ("Eligible Employees") and sold at the final price per Offer Share, provided, however, that each Eligible Employee will receive a fixed cash discount of NOK 3,000 on the aggregate amount payable for the Offer Shares allocated to such employee. The employee offering is subject to a lower limit per application of NOK 15,000 and an upper limit per application of NOK 1,999,999 for each Eligible Employee. Eligible Employees participating in the employee offering will receive full allocation for any application up to and including the relevant application amounts, for which the discount described above will be applied (rounded down to the nearest whole

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share). Multiple applications by one applicant in the employee offering will be treated as one application with respect to the maximum application limit and the guaranteed allocation and the discount.

Prospectus

The further details of the Offering and the terms thereof are set out in the prospectus prepared by the Company in connection with the Offering which is expected to be dated and approved on 7 October 2019. The Prospectus and the application forms for the retail offering and the employee offering will, subject to regulatory restrictions in certain jurisdictions, be available at www.norskeskog.com, www.abgsc.no, www.dnb.no/emisjon and www.carnegie.no from the start of the bookbuilding period and the application period. Hard copies of the Prospectus may be obtained free of charge at the offices of Norske Skog at Sjølyst plass 2, 0278 Oslo, Norway, or by contacting one of the Managers.

Timeline and offer period

The bookbuilding period for the institutional offering is expected to commence on 8 October 2019 at 09:00 hours (CEST) and run until 14:00 hours (CEST) on 16 October 2019. The application period for the retail offering and the employee offering is expected to commence on 8 October 2019 at 09:00 hours (CEST) and run until 12:00 hours (CEST) on 16 October 2019. The bookbuilding period and the application period may be shortened or extended at any time. The bookbuilding period and the application period may in no event expire prior to 16:30 hours (CEST) on 15 October 2019 or extended beyond 14:00 hours (CEST) on 5 November 2019. In the event of a shortening or an extension of the bookbuilding period and the application period, the allocation date, the payment due date and the date of delivery of Offer Shares will be changed accordingly, but the date of the listing and commencement of trading on the Oslo Stock Exchange may not necessarily be changed.

The final number of Offer Shares and the final price per Offer Share will be set by the Selling Shareholder, in consultation with the Company and the Managers following the bookbuilding process.

Conditions for the Offering

Completion of the Offering is conditional upon the board of directors of the Oslo Stock Exchange, in a meeting expected to be held on 11 October 2019, approving the application for listing of the shares in the Company and the satisfaction of the conditions for admission to trading set by the Oslo Stock Exchange, which are expected to be that (a) Norske Skog will have in excess of 500 shareholders, each holding shares with a value more than NOK 10,000 and (b) there will be a minimum free float of the shares of 25%.

Further, completion of the Offering is conditional upon (i) the Selling Shareholder, in consultation with the Company's board of directors and the Managers, resolving to proceed with the Offering, (ii) the Selling Shareholder, in consultation with the Company and the Managers, having approved the final offer price and the allocation of the Offer Shares to eligible investors following the bookbuilding process, and (iii) the Managers, the Company and the Selling Shareholder having entered into a placing agreement regarding the placement of the Offer Shares. There can be no assurance that these conditions will be satisfied. If the conditions are not satisfied, the Offering may be revoked or suspended.

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Advisors

ABG Sundal Collier ASA and DNB Markets, a part of DNB Bank ASA, are acting as Joint Global Coordinators and Joint Bookrunners (the "Global Coordinators") and Carnegie AS is acting as Joint Bookrunner, in connection with the listing and Offering (together referred to as the "Managers").

Advokatfirmaet Thommessen AS is acting as legal advisor to the Company while Wikborg Rein Advokatfirma AS is acting as legal advisor to the Managers.

About Norske Skog

Norske Skog is a leading producer of publication paper with strong market positions in Europe, where it occupies a top-tier publication paper position, and Australasia, where Norske Skog is a leading producer of publication paper in a concentrated market.

Norske Skog operates a total of seven paper mills strategically located close to attractive markets and with total paper production capacity of 2.6 million tons, comprising 1.7 million tons of newsprint and 0.9 million tons of magazine paper (super-calendered and coated mechanical). Norske Skog's Albury mill, with a production capacity of 265,000 tons of newsprint, is expected to cease production by end of 2019. The Norske Skog Group has approximately 2,400 employees, and had in 2018 annual revenue and EBITDA of approximately NOK 12.6 billion and NOK 1.0 billion, respectively.

For further queries, please contact:**Norske Skog Investor Relations:**

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The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Company's shares.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Company's shares and determining appropriate distribution channels.

Matters discussed in this announcement may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as "anticipate", "believe", "continue", "estimate", "expect", "intends", "may", "should", "will" and similar expressions. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The information, opinions and forward-looking statements contained in this announcement speak only as at its date, and are subject to change without notice.

This announcement is made by and, and is the responsibility of, the Company. The Managers are acting exclusively for the Company and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients, or for advice in relation to the contents of this announcement or any of the matters referred to herein.

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