

Norske Skog ASA: NOK 800 million private placement successfully completed

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Oslo, 14 January 2021: Reference is made to the press release from Norske Skog ASA ("Norske Skog" or the "Company", OSE ticker code "NSKOG") published on 13 January 2021 regarding a contemplated private placement (the "Private Placement").

Norske Skog is pleased to announce that the Private Placement has been successfully completed with a total transaction size of NOK 800 million through the allocation of 23,529,410 shares in the Company at a price of NOK 34 per share. The Company intends to use the net proceeds from the sale of new shares in the Private Placement to finance the Company's green growth projects including entry into containerboard production, further commercialisation of CEBINA™, continued qualification testing of bio composites, continued support of Circa Group and for general corporate purposes.

The Private Placement attracted strong support and interest from Norwegian and international high-quality investors and was oversubscribed.

The Private Placement consisted of a primary offering of 11,764,705 new shares offered by the Company and 11,764,705 existing shares (jointly, the "Offer Shares") offered by the Company's largest shareholder, NS Norway Holding AS (the "Selling Shareholder").

The sale of existing shares will enhance free float and share overhang, addressing specific feedback regarding ownership in order to facilitate the Private Placement. The Company and the Selling Shareholder have agreed to customary lock-up arrangements with the Managers (as defined below) that will restrict, subject to certain exceptions, their ability to, without the prior written consent of the Managers, issue, sell or dispose of shares, as applicable, for a period of 6 months from completion of the Private Placement, subject to certain customary exemptions.

Allocation of the Offer Shares is expected to be communicated to investors on or about 14 January 2021. Investors having access to investor services through their VPS manager will be able to check the number of shares allocated to them from about 09:00 hours (CEST) on 14 January 2021. The Managers may also be contacted for information regarding allocations.

Settlement of the Private Placement will be on a delivery versus payment basis. For new shares allocated in the Private Placement, delivery versus payment settlement will be facilitated by existing and unencumbered shares in the Company being borrowed by the Managers from the Selling Shareholder pursuant to a share lending agreement entered into between the Selling Shareholder, the Company and the Managers. The Offer Shares will thus be tradable from allocation. The Managers will settle the share loan with new shares in the Company to be issued by resolutions of the extraordinary general meeting to be held on or about 5 February 2021 (the "EGM"). If the EGM does not resolve to issue new shares, the redelivery of the borrowed shares will instead be settled in cash by way of transfer to the Selling Shareholder of the net proceeds from the sale of the borrowed shares. The Company will in that case not receive any proceeds from the Private Placement. The Selling Shareholder and investors who have been allocated Offer Shares in the Private Placement have undertaken to vote in favour of the issue of new shares at the EGM.

The Private Placement implies a deviation from the shareholders' preferential right to the new shares under the Norwegian Public Limited Companies Act. The board of directors has considered this and is of the view that it would be in the best interest of the Company and its shareholders to deviate from the shareholders' preferential right to the new shares in the Private Placement and that this would also be in compliance with the provisions of the Norwegian Public Limited Companies Act, the rules of equal treatment under the Norwegian Securities Trading Act and Oslo Rule Book II for companies listed on the Oslo Stock Exchange, and the Oslo Stock Exchange's Guidelines on the rule of equal treatment.

In reaching this conclusion, the board of directors inter alia emphasized that:

- A share issue in the form of a private placement enables the company to capitalise on current market conditions which are deemed beneficial to the interest of the company and its shareholders. Alternative transaction structures would imply a longer lead time and could imply significant discounts.
- The proposed subscription price of NOK 34 per share is based on the results of a bookbuilding process and that the price is considered to represent professional investor's view of the market price for the shares for a share offering of this size.
- The shares in the Company are liquid, so shares will be available in the market for shareholders whose ownership percentage is diluted by the Private Placement and who do not wish to be diluted.
- To reduce the effect of the private placement, the board of directors will consider carrying out a subsequent offering at the same subscription price as in the Private Placement unless the Company's shares trade below the subscription price following the announced completion of the Private Placement, enabling the shareholders to compensate for the dilutive effect as a result of the Private Placement.

The Company may, subject to the EGM resolving to issue new shares and the board of directors being granted an authorisation to this effect at the EGM, carry out a subsequent offering of new shares in the Company (the "Subsequent Offering") towards existing shareholders in the Company as of 13 January 2021 (as registered in the Norwegian Central Securities Depository ("VPS") as of 15 January 2021), who (i) were not allocated Offer Shares, and (ii) are not resident in a jurisdiction where such offering would be unlawful or, would (in jurisdictions other than Norway) require a prospectus, a registration or similar action. Whether a Subsequent Offering will be carried out will inter alia depend on the subsequent development of the Company's shares price.

Advisors

DNB Markets, a part of DNB Bank ASA, and Pareto Securities AS (jointly, the "Managers") are acting as Joint Bookrunners in connection with the Private Placement.

Advokatfirmaet Thommessen AS is legal advisor to the Company and Wikborg Rein & Co is acting as legal advisor to the Joint Bookrunners in connection with the Private Placement.

For further queries, please contact:

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About Norske Skog

Norske Skog is a world 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, of which two will produce recycled containerboard following planned conversion projects. In addition, the Group operates two publication paper mills and a pellets facility in Australasia. Norske Skog aims to further diversify its operations and continue its transformation into a growing and high-margin business through a range of promising fibre projects. The Group has approximately 2,300 employees in five countries, is headquartered in Norway and listed on the Oslo Stock Exchange under the ticker NSKOG.

IMPORTANT INFORMATION

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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.

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