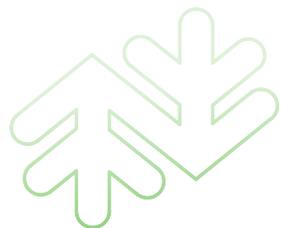
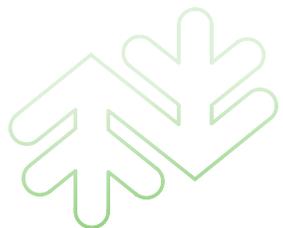


Norske Skog

Q1 2023 presentation

27 April 2023

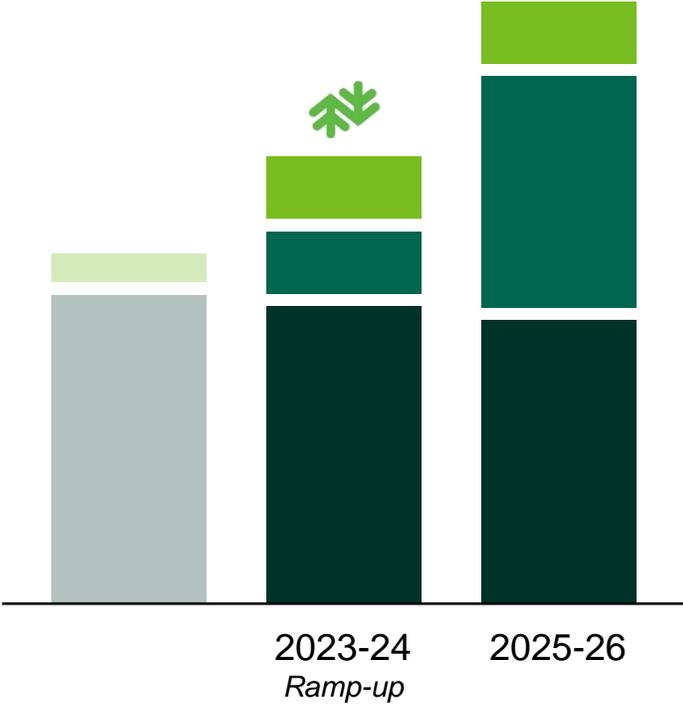


*We create
green value*

Sustainable and innovative industry

Strategic transition on track

- Publication paper
- Packaging paper
- Energy and bio products



- Started packaging paper production
- Initiatives to improve cash cost position
- Secured +85% of energy needs to end 2026
- Ranked “Leader” with “A-” score by CDP
- Cash NOK 2.9bn and liquidity NOK 4.7bn



First quarter in brief

Strong profitability in Q1 2023 with EBITDA of NOK 675m

- EBITDA decline from Q4 2022 from lower volumes and less income from sale of excess energy
- Operating cash flow in the quarter of NOK 430m

Paper prices declining on back of lower input costs and soft demand

- Raw materials prices declining, but energy costs, fresh fibre and chemicals remain at elevated levels
- Paper prices reflect lower industrial cash cost and increased competition as demand softens

Soft demand into 2023 for all grades

- Weak demand for publication paper, additional capacity closures announced
- Containerboard demand affected by destocking and macro trends

Start-up of containerboard production at Bruck PM3

- Packaging Paper segment introduced to reflect Bruck PM3 from Q1 2023 and Golbey PM1 from Q4 2023
- First tonnes to be delivered to customers during Q2 2023



Bruck started production of packaging paper based on recycled fibre and steam from waste-to-energy facility

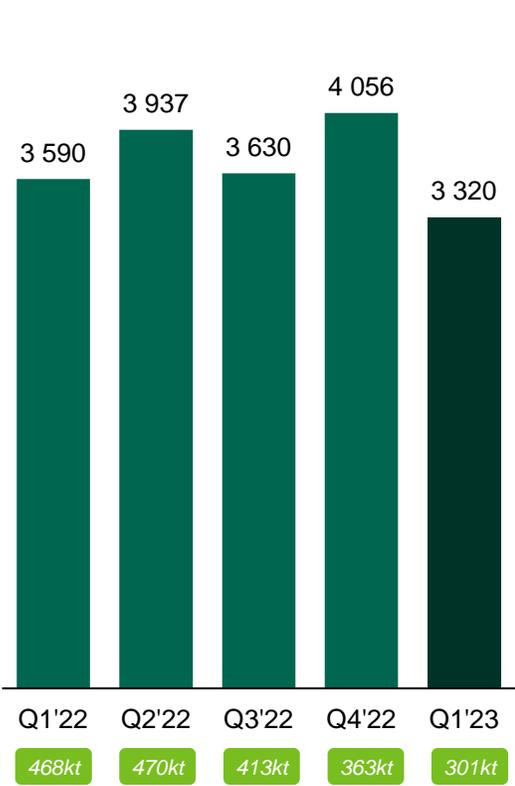
Ceremony on 22 June for interested parties



Group financials

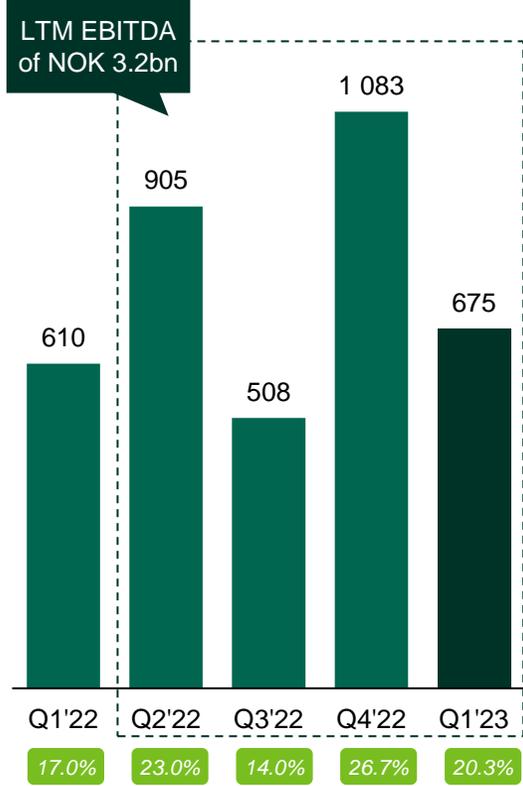
Revenue

NOKm (and deliveries volume)



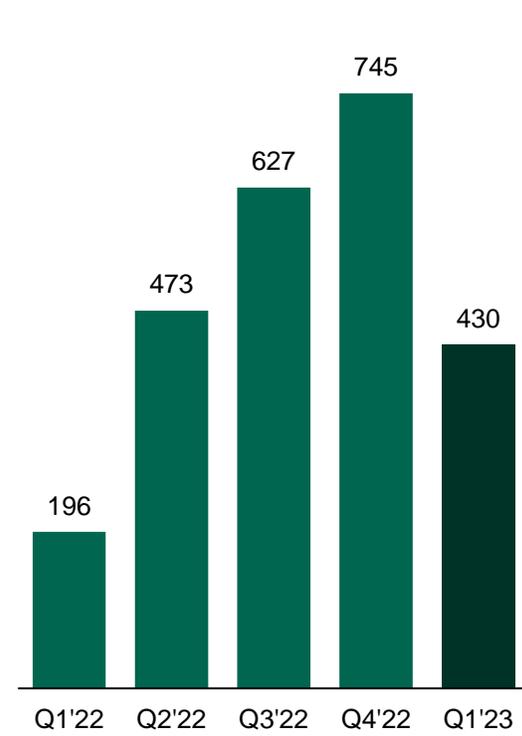
EBITDA

NOKm (and margin)



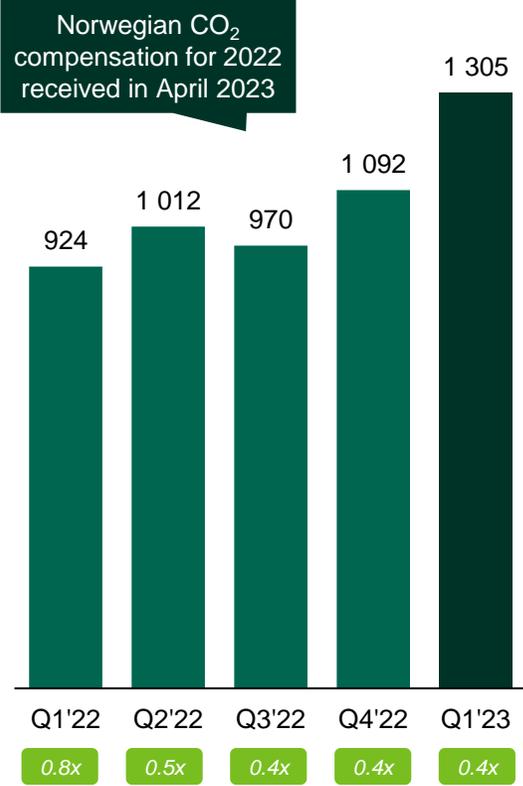
Operating cash flow

NOKm



Net debt

NOKm (and leverage ratio)



Segment financials

Publication Paper Europe	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23
Operating rate, %	94%	90%	83%	74%	77%
Deliveries, thousand tonnes	407	407	347	300	245
Total operating income	2 968	3 469	3 129	3 551	2 864
EBITDA	439	909	483	1 131	763
EBITDA margin, %	14.8%	26.2%	15.4%	31.8%	26.6%

Publication Paper Australasia	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23
Operating rate, %	91%	98%	94%	98%	83%
Deliveries, thousand tonnes	61	63	66	63	56
Total operating income	429	470	514	508	434
EBITDA	40	49	33	33	-23
EBITDA margin, %	9.2%	10.4%	6.3%	6.5%	-5.2%

Packaging Paper	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23
Operating rate, %					0%
Deliveries, thousand tonnes					0
Total operating income					24
EBITDA					-38
EBITDA margin, %					n.a.

Other activities	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23
Total operating income	314	133	71	61	61
EBITDA	131	-54	-8	-81	-27

Publication Paper Europe

→ Lower deliveries due to Golbey PM1 closure and weaker demand

Publication Paper Australasia

→ Lower operating rate caused by mill maintenance shut

Packaging Paper

→ Production start end Q1 2023, first customer deliveries and revenues during Q2 2023

→ Income in quarter relate to gate fees and CO₂ allowances. Fixed costs of NOK 52m

Other

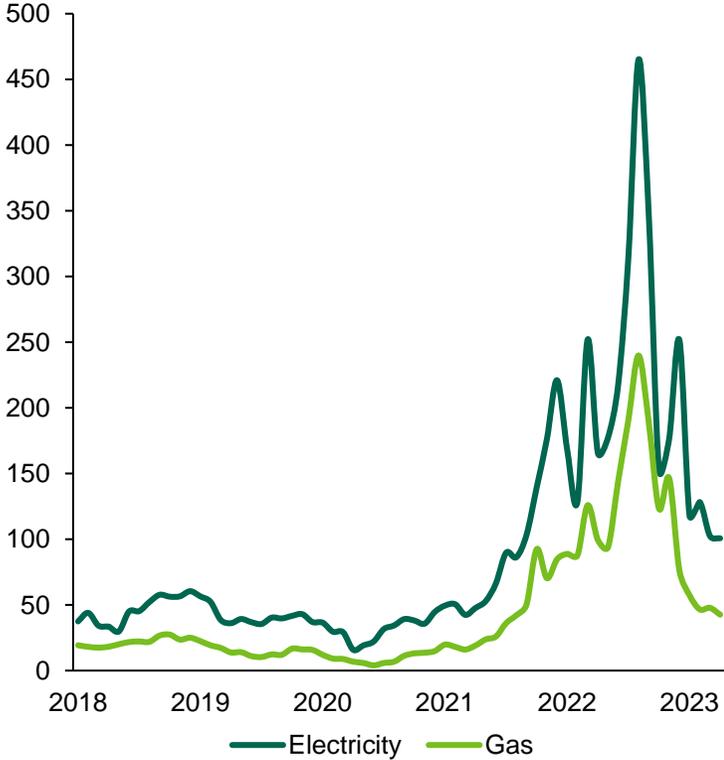
→ Negative EBITDA of NOK 27m impacted by LTI programme



Input costs declining, but remain at high levels

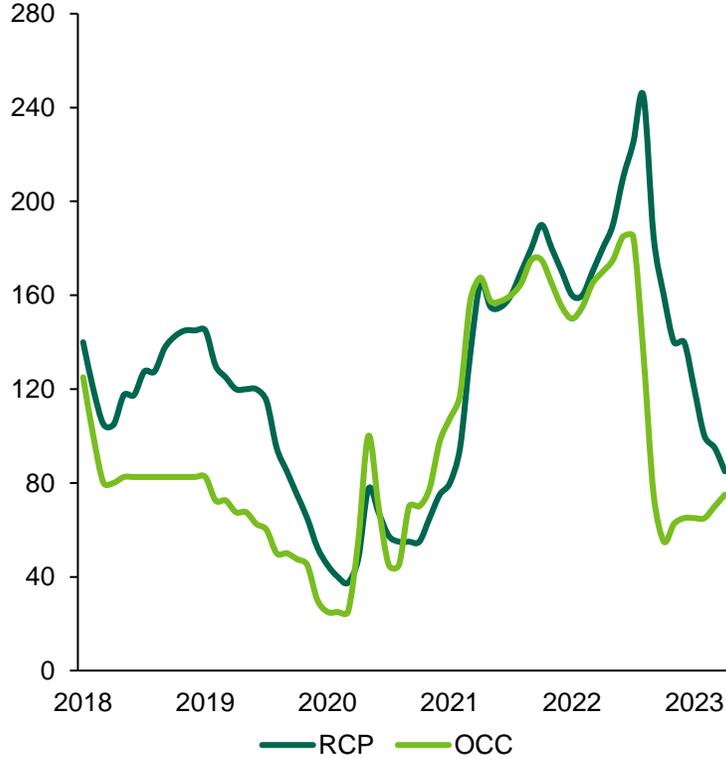
Energy prices Germany

EUR per MWh



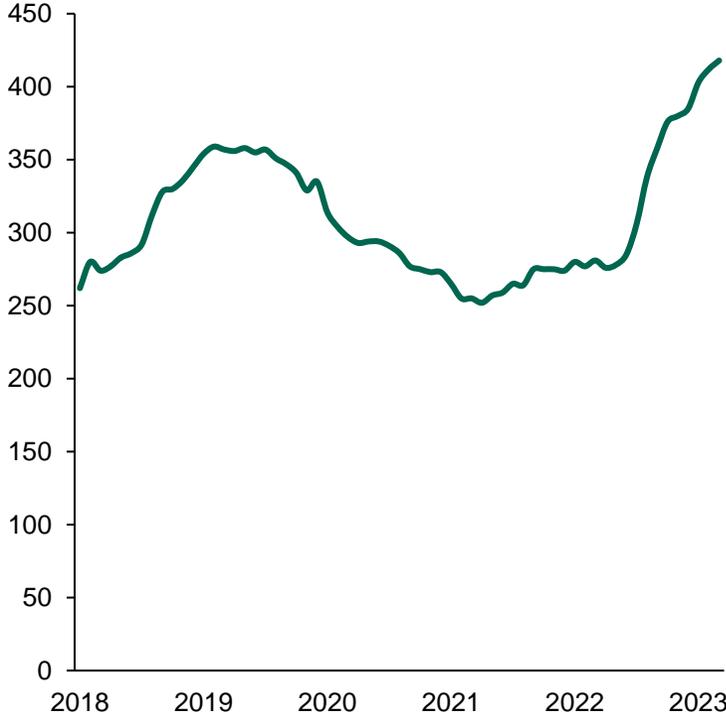
Recycled paper prices Germany

EUR per tonne



Spruce pulpwood prices Norway

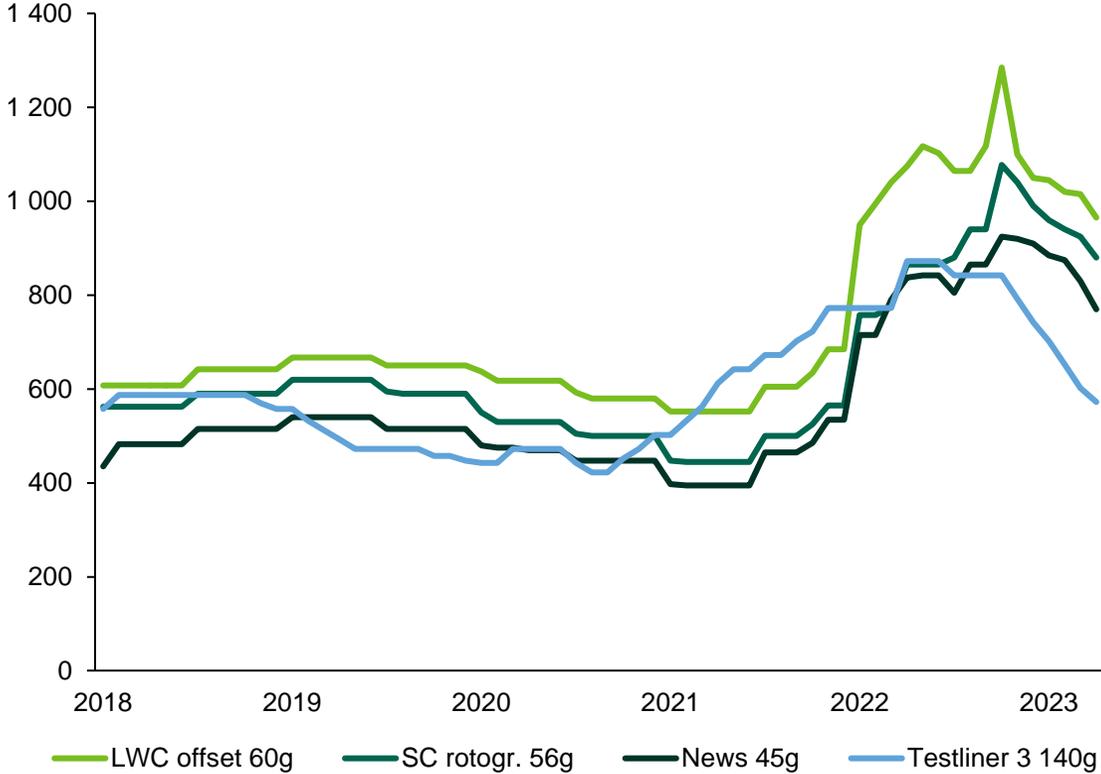
NOK per solid cubic metre



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

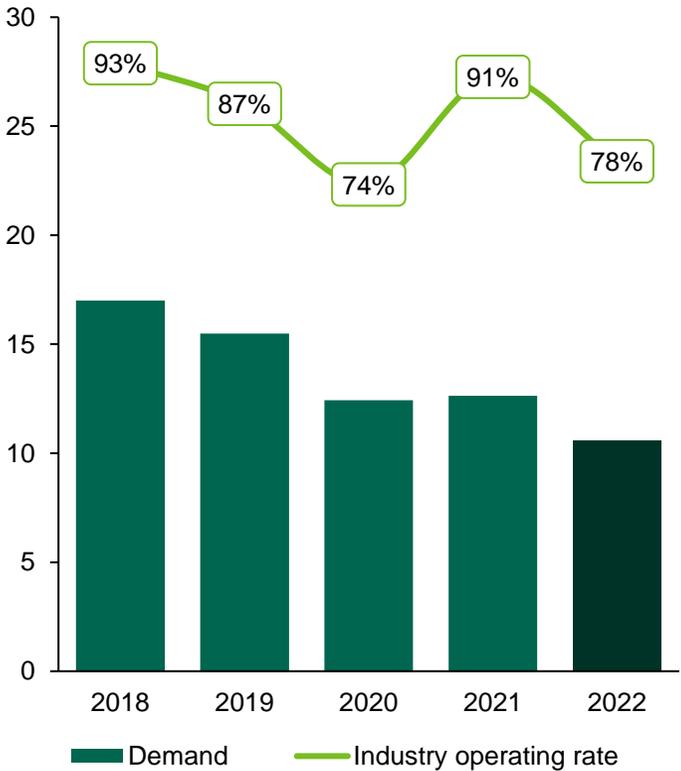
EUR per allowance



Soft demand development

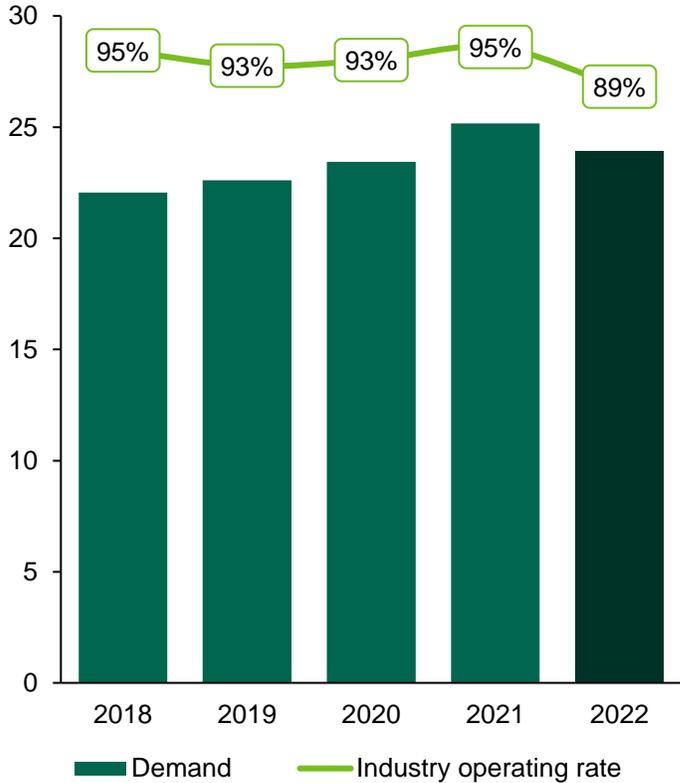
Publication paper Western Europe

Million tonnes



Recycled containerboard Western Europe

Million tonnes



- Soft demand development for publication paper and containerboard in H2 2022
- Weak market balance into 2023, capacity reductions required in all markets
- Announced standard and improved newsprint closures of +1 000kt¹ in 2023
- Further newsprint closures of 400kt and SC closures of 350kt during 2024-25

Source: RISI, PPPC
 1) Schongau PM6 (165kt), Steyermühl (300kt), Sachsen (310kt), Anjala PM3 (250kt)



Outlook

- Raw material and energy costs expected lower, development remains uncertain
- Paper prices influenced by lower input costs and soft demand increasing competitive pressure
- Negative demand development expected from continued destocking and weak economic trends
- Further capacity closures and industry consolidation required in all markets
- Conversion projects on time and budget
- Expect negative EBITDA from Packaging Paper segment for FY 2023 as production ramps up



Tore Hansesætre appointed as CEO from 1 June 2023



- Tore Hansesætre started his career in Norske Skog in 2009
- He currently holds the position Senior Vice President Strategic Projects
- During his time, he has also held the following positions:
 - *Chief Operating Officer (COO)*
 - *Vice President Operations*
 - *Manager Operation Support*
 - *Senior Advisor Business Performance*
 - *Corporate Strategy Analyst*
- Hansesætre will enter into his new role as Chief Executive Officer (CEO) on 1 June 2023

Hansesætre holds a Master's degree in Industrial Economics and Technology Management from the Norwegian University of Science and Technology (NTNU)





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