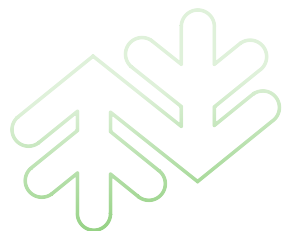
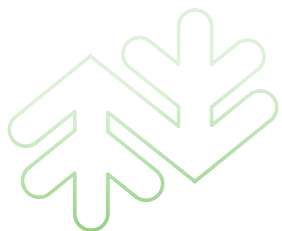
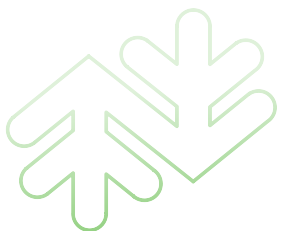


Norske Skog

Capital Markets Day

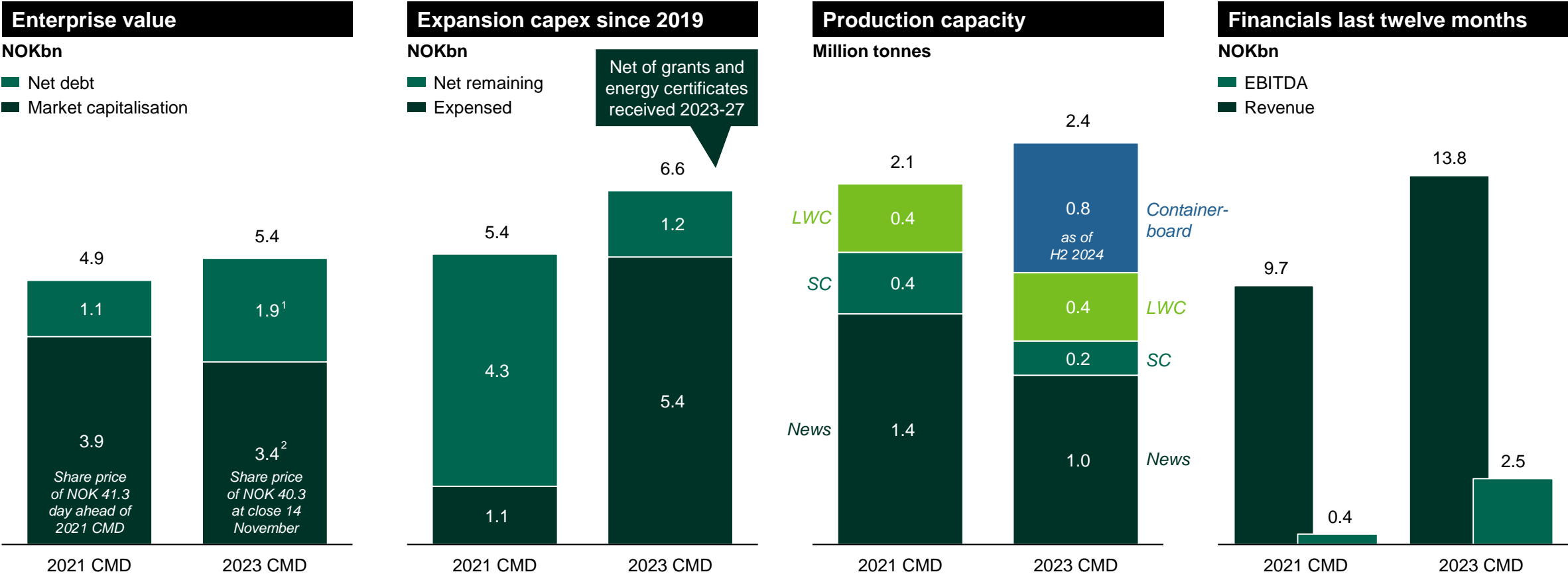
16 November 2023



*We create
green value*

Significant progress since CMD in 2021

Strategic transition nearing completion with earnings uplift ahead



2

1) Based on net debt as of Q3 2023 of NOK 2 662m adjusted for impact from insurance payments of NOK 694m to be received in Q4 2023 and NOK 215m to be received in Q1 2024, less payments made to repurchase shares in the period from 1 October 2023 to 6 November 2023 (completing the share repurchase programme) of NOK 129m, and dividend of NOK 57m to be paid on or about 28 November 2023; 2) Based on a share price of NOK 40.3 (at close on 14 November 2023) and 84 838 235 shares which excludes 9 426 470 shares held in treasury by Norske Skog ASA



Today's agenda

09:10

Fibre processing industry

Geir Drangslund (CEO)

09:30

Industrial sites

Amund Saxrud (COO) and mill directors

10:15

----- Snack / Break / Q&A -----

10:30

Markets

*Amund Saxrud (COO), Robert Wood (SVP Commercial),
and Marleen van den Berg (VP Containerboard Sales)*

11:10

Financials

Rune Sollie (CFO)

11:30

Concluding remarks

Geir Drangslund (CEO)

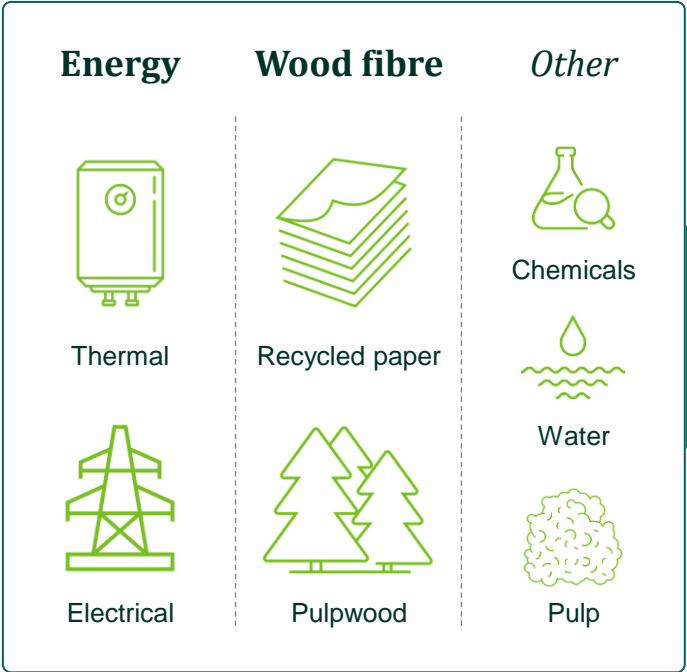


Fibre processing industry



Creating value from fibre

Make more out of wood



Production process



Products

Publication paper
Packaging paper

Sources of cost competitiveness

- ✓ Long-term, competitive, and green electricity contracts
- ✓ Internal heat production through biomass and waste-to-energy boilers
- ✓ Evenly balanced exposure to recycled paper and fresh fibre
- ✓ Focus on short in- and outbound transportation and efficient logistics
- ✓ Large industrial sites and paper machines yielding fixed cost efficiency

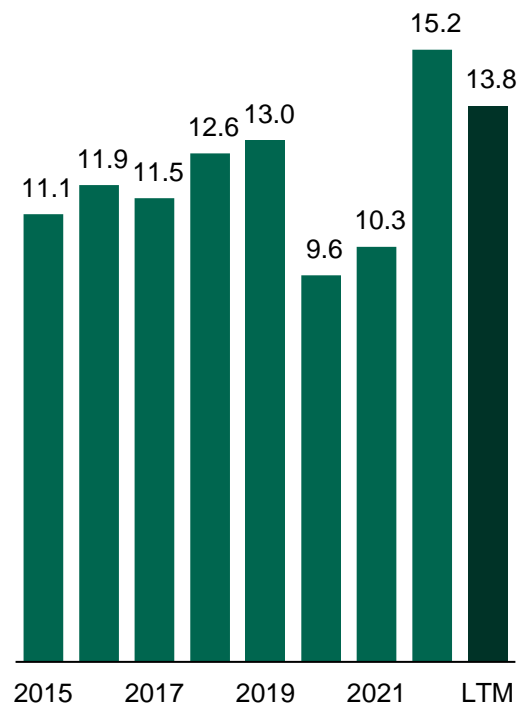


Positive cash flows through the cycle

Enabled by competitive industrial sites

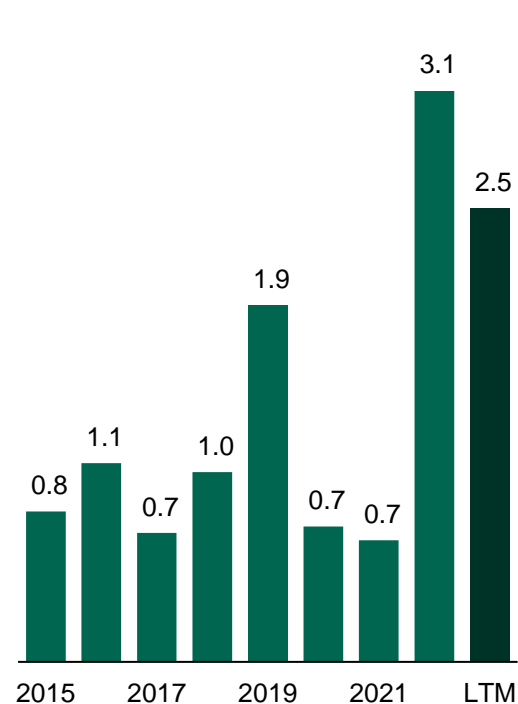
Revenue

NOKbn



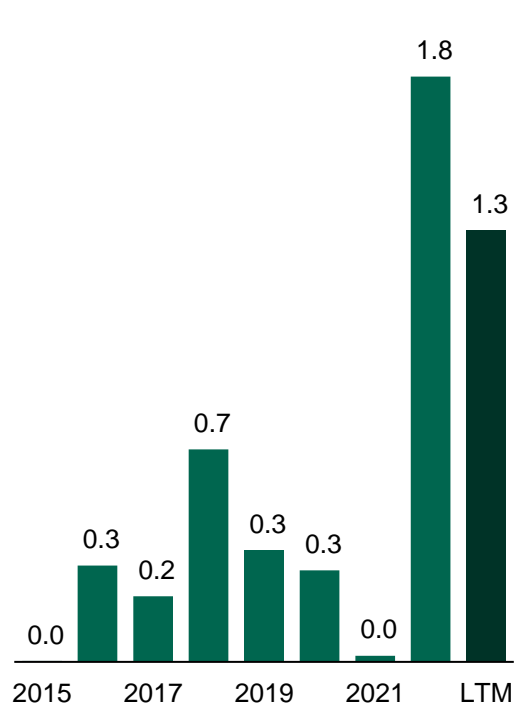
EBITDA

NOKbn



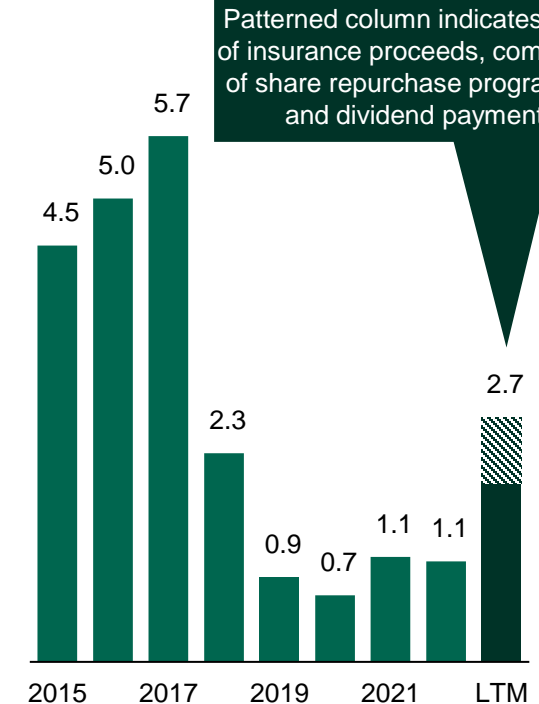
Cash earnings¹

NOKbn



Net debt

NOKbn



1) Cash earnings defined as cash flow from operations less maintenance capex; 2) Based on net debt as of Q3 2023 of NOK 2 662m adjusted for impact from insurance payments of NOK 694m to be received in Q4 2023 and NOK 215m to be received in Q1 2024, less payments made to repurchase shares in the period from 1 October 2023 to 6 November 2023 (completing the share repurchase programme) of NOK 129m, and dividend of NOK 57m to be paid on or about 28 November 2023



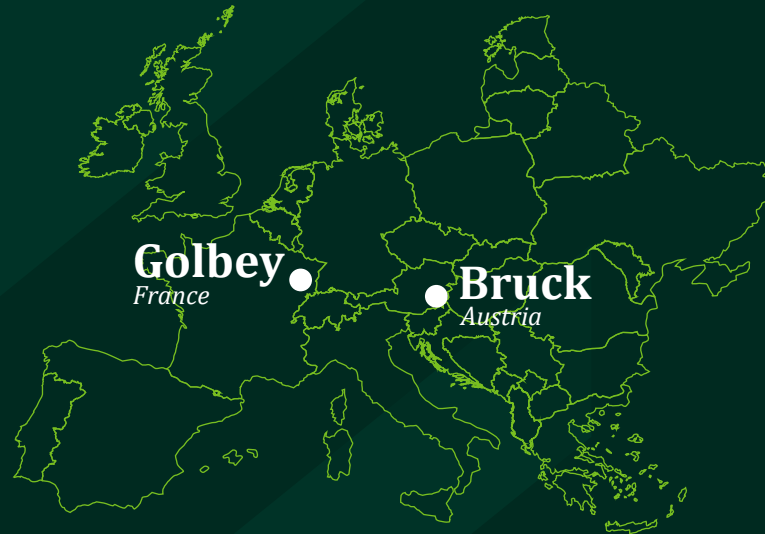
Five high quality industrial sites

Industrial sites with supporting infrastructure for energy, fibre and water



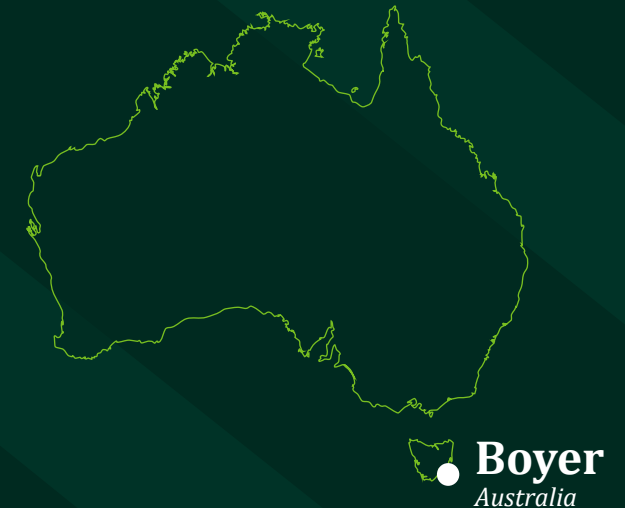
Five paper machines

Competitive publication paper machines with excellent infrastructure



Four paper machines

Packaging strategy underway with conversion of two paper machines from publication paper to containerboard



Two paper machines

Gradual regional exit with sale of Albury, Tasman, Nature's Flame and forest assets



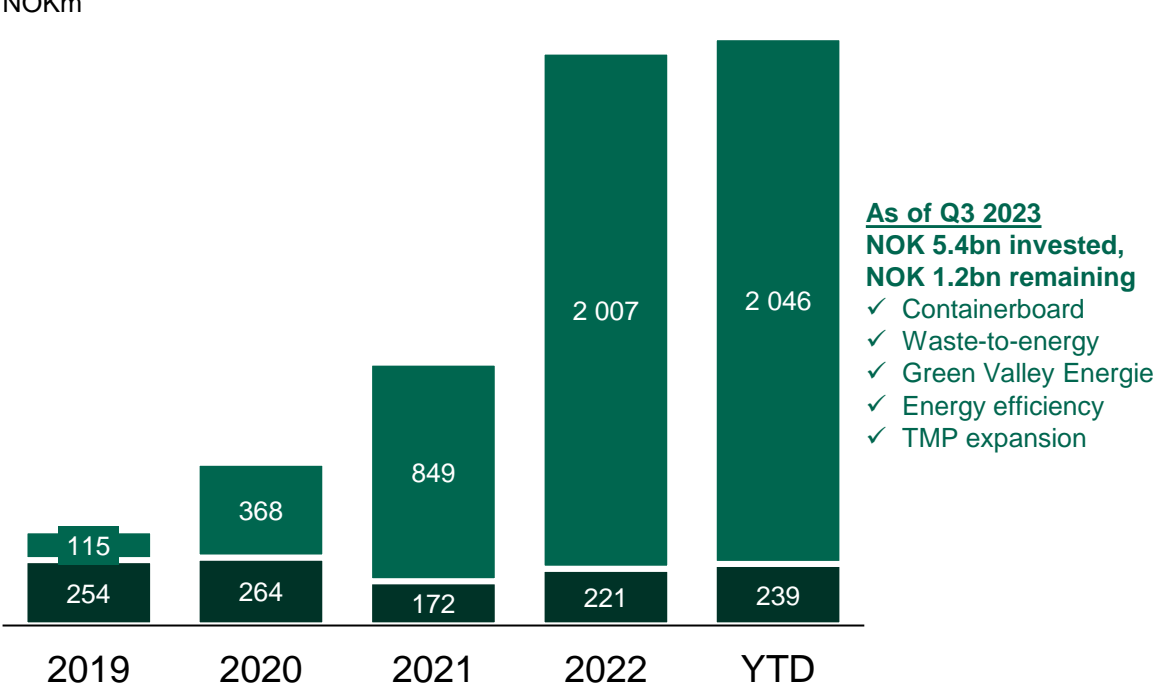
Significant investments since 2019

Announced investment programmes near completion

Significant annual growth investments executed since 2019...

- Maintenance capex
- Expansion capex

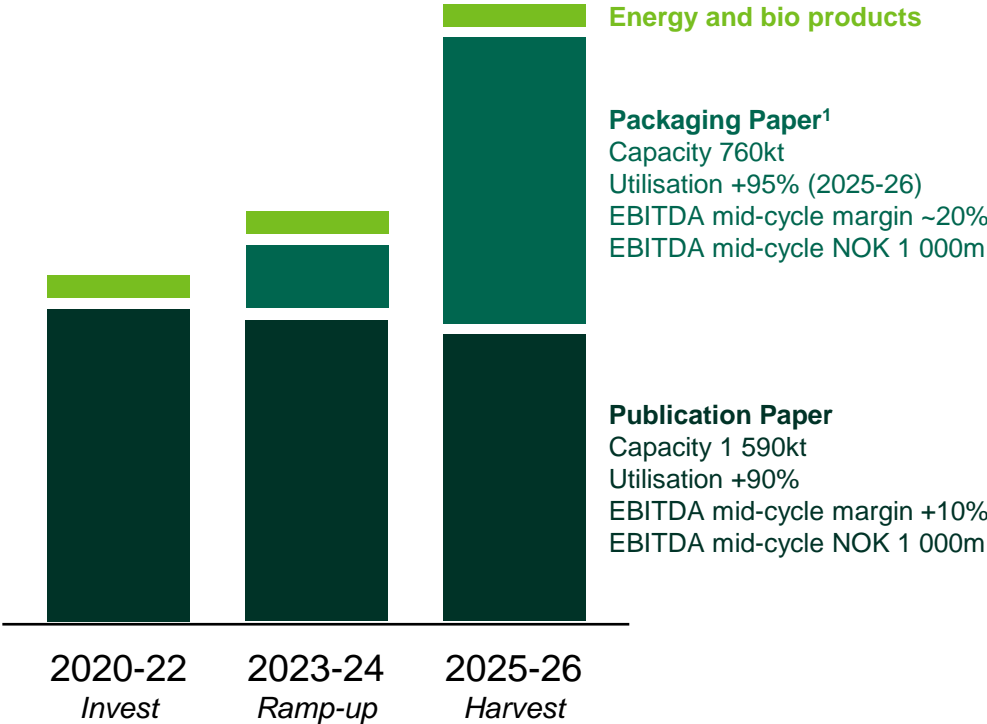
NOKm



As of Q3 2023
NOK 5.4bn invested,
NOK 1.2bn remaining

- ✓ Containerboard
- ✓ Waste-to-energy
- ✓ Green Valley Energie
- ✓ Energy efficiency
- ✓ TMP expansion

... with earnings uplift ahead



Energy and bio products

Packaging Paper¹
 Capacity 760kt
 Utilisation +95% (2025-26)
 EBITDA mid-cycle margin ~20%
 EBITDA mid-cycle NOK 1 000m

Publication Paper
 Capacity 1 590kt
 Utilisation +90%
 EBITDA mid-cycle margin +10%
 EBITDA mid-cycle NOK 1 000m

1) Includes the Bruck waste-to-energy facility



Investments driving shift into packaging

Strategic shift into packaging paper underpinned by energy investments



Projects at **Norske Skog Bruck** completed



Containerboard production

- Started Q1 2023
- Net capex EUR 120m
- Capacity 210kt

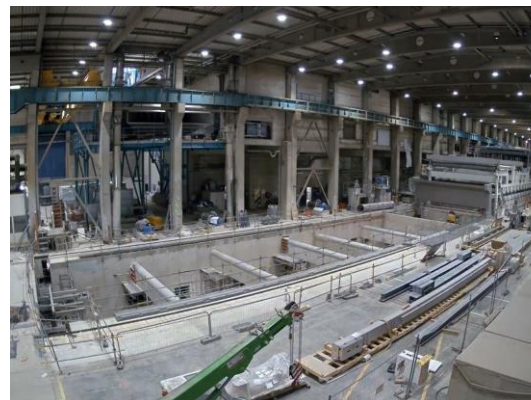


Waste-to-energy boiler

- Started Q2 2022
- Net capex EUR 72m
- Capacity 50 MW (heat)



Projects at **Norske Skog Golbey** completed during H2 2024



Containerboard production

- Starting H2 2024
- Net capex EUR 300m
- Capacity 550kt



Biomass boiler JV

- Starting Q2 2024
- Equity share EUR 5m
- Capacity 125 MW

Green Valley Energie is a JV between Norske Skog (10%), Veolia (10%) and Pearl Infrastructure (80%), where Norske Skog will be sole offtaker of steam under a competitive long-term contract



Opportunities at Saugbrugs

Insurance settlement offers flexibility



- Rockslide on 27 April damaging buildings and machinery, no one physically harmed
- Excellent effort from personnel and other stakeholders to the mill, following up a wide range of tasks after the rockslide
- Insurance settlement of NOK 0.9bn to be received during Q4 2023 and Q1 2024, and NOK 0.6bn to be received as investments are made
- Flexibility to rebuild to SC magazine paper production at PM6 and to explore other product alternatives
- Continue to build upon the significant expertise and competence of the mill organisation, as well as highly efficient TMP and energy assets
- Saugbrugs will remain a cornerstone business and important employer in Halden



Eleven well invested paper machines

Paper machine portfolio diversified across grades and markets

Country	Mill	PM	Built	Width, mm	Speed, m/min	News, kt	SC, kt	LWC, kt	RCCM, kt	Sum, kt
Norway	Skogn	PM1	1966	6 670	950 - 1 150	150				510
		PM2	1967	6 670	1 100 - 1 300	150				
		PM3	1981	8 540	1 300 - 1 420	210				
	Saugbrugs	PM4	1963	4 600	1 100 - 1 250		100			200
		PM5	1968	6 180	900 - 1 000		100			
Austria	Bruck	PM3	2023	5 300	500 - 1 000				210	475
		PM4	1989	6 260	1 100 - 1 450			265		
France	Golbey	PM1	2024	8 650	1 000 - 1 600				550	880
		PM2	1992	9 760	1 600 - 1 800	330				
Australia	Boyer	PM2	1952	5 660	800 - 1 100			135		285
		PM3	1969	6 600	800 - 1 150	150				
Publication Paper Europe						840	200	265		1 305
Publication Paper Australasia						150		135		285
Packaging Paper									760	760
Group						990	200	400	760	2 350

Start-up
H2 2024



Introduction to the industrial sites



Norske Skog Bruck

Industrial site integrated with the local community

Containerboard capacity of 210kt (PM3) started Q1 2023

50 MW_{th} waste-to-energy boiler started in Q2 2022

Well invested LWC machine (PM4) with 265kt capacity

25ha industrial site with all permits and certifications

Central European location with excellent road and rail access

Electric grid of 100 MW directly to the site

Gas turbine of 40 MW_{el} enabling energy flexibility

Zero waste from paper production (scope 1)

Balancing energy supplier to stabilise European power grid

Regional player for industrial district heating

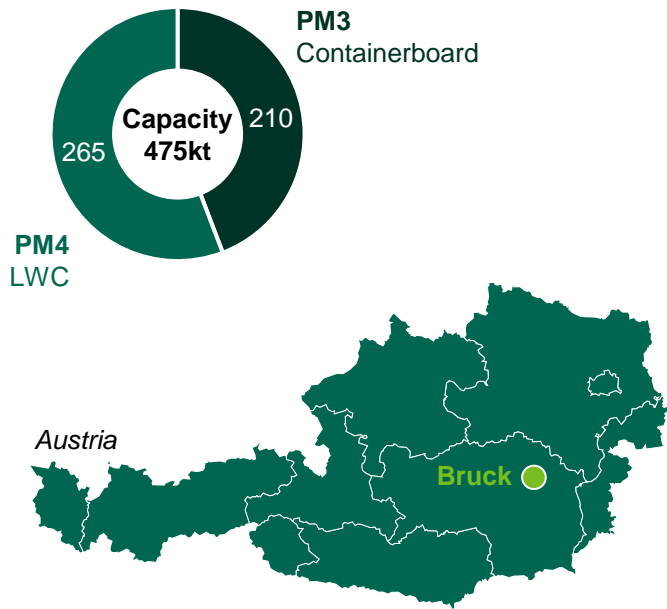
Low fossil CO₂ emissions with waste-to-energy boiler

450 experienced employees and independent organisation

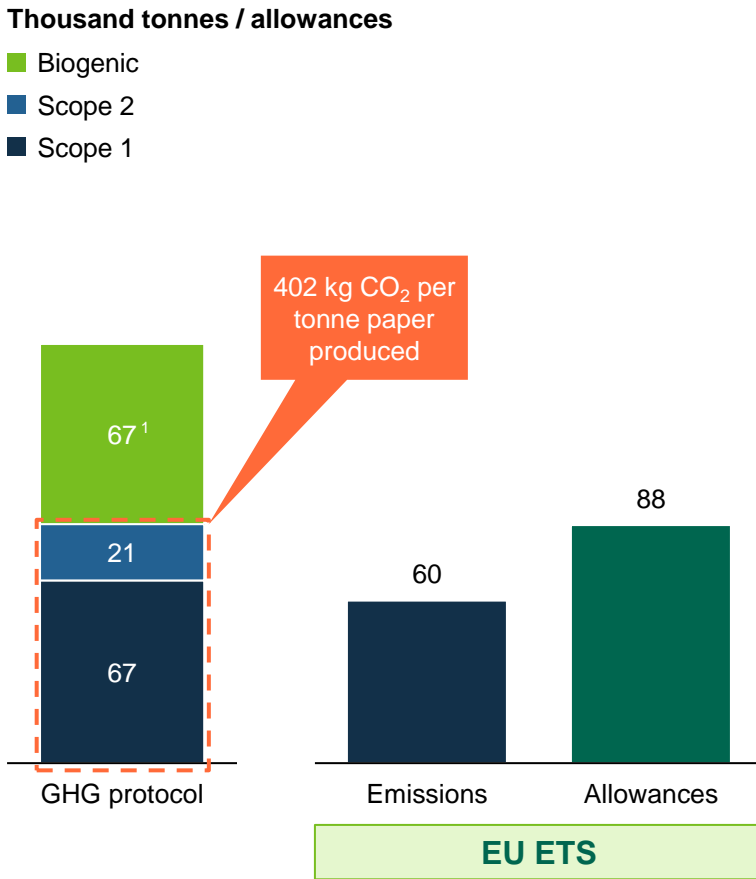


Production levels returning at Bruck following start-up of containerboard production backed by waste-to-energy

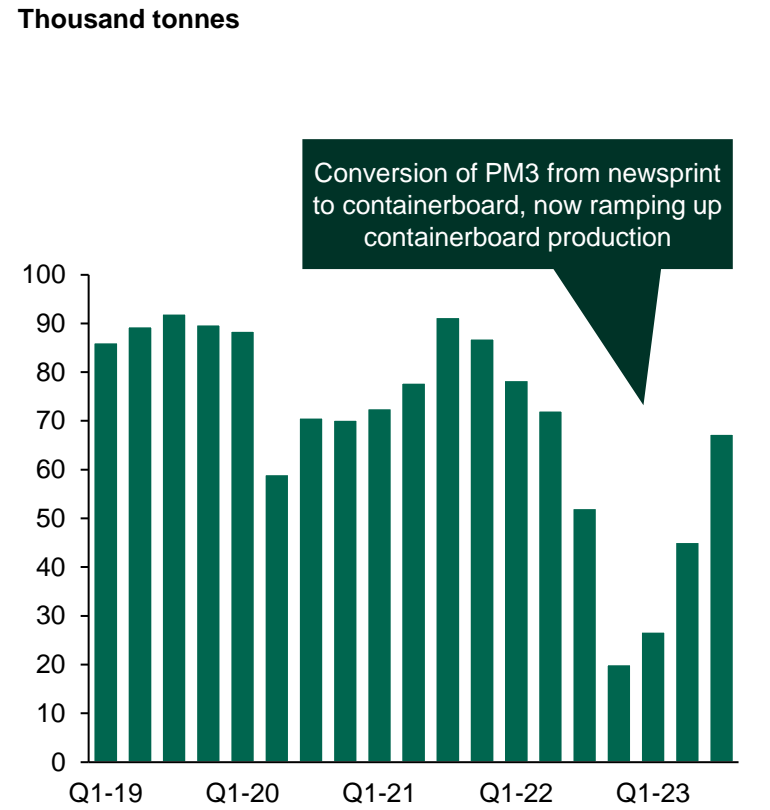
Mill location and capacity



Fossil and biogenic CO₂ emissions 2022



Quarterly deliveries volume



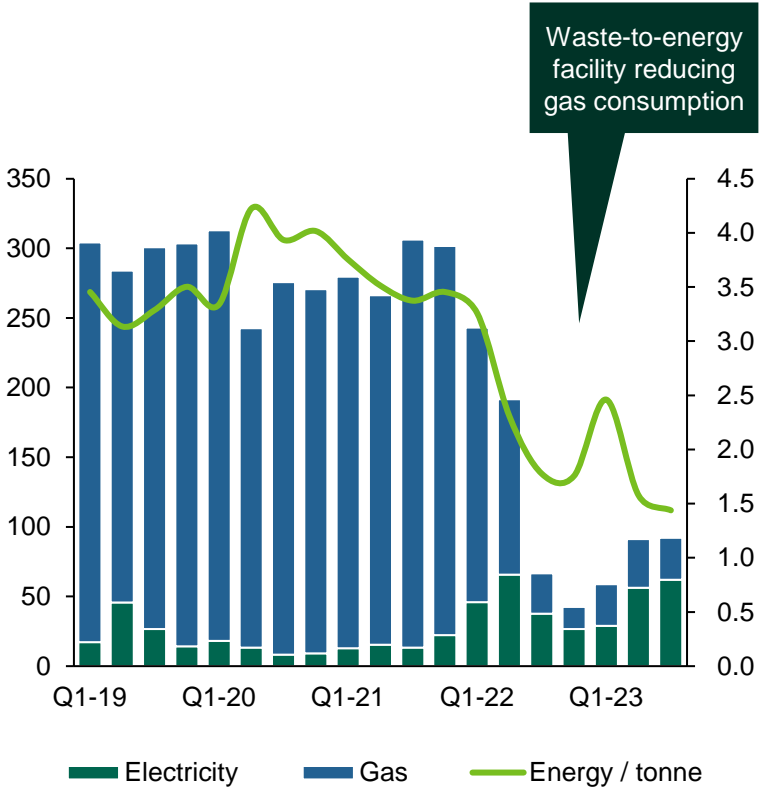
1) Based on CEPI ten toes methodology



Significant reduction in gas consumption and increasing efficiency as containerboard production ramps-up

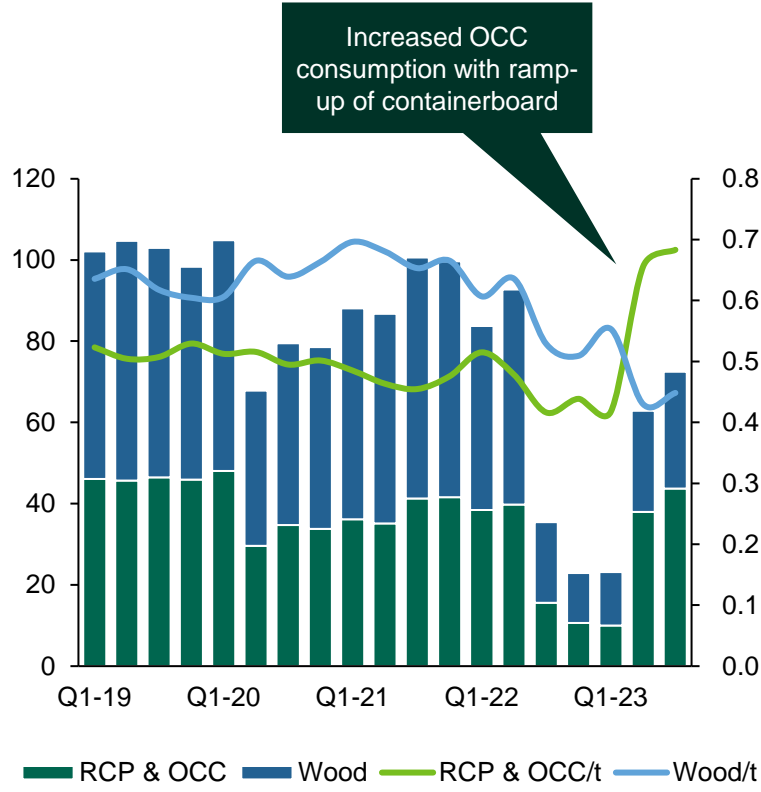
Quarterly external energy consumption

GWh MWh per tonne



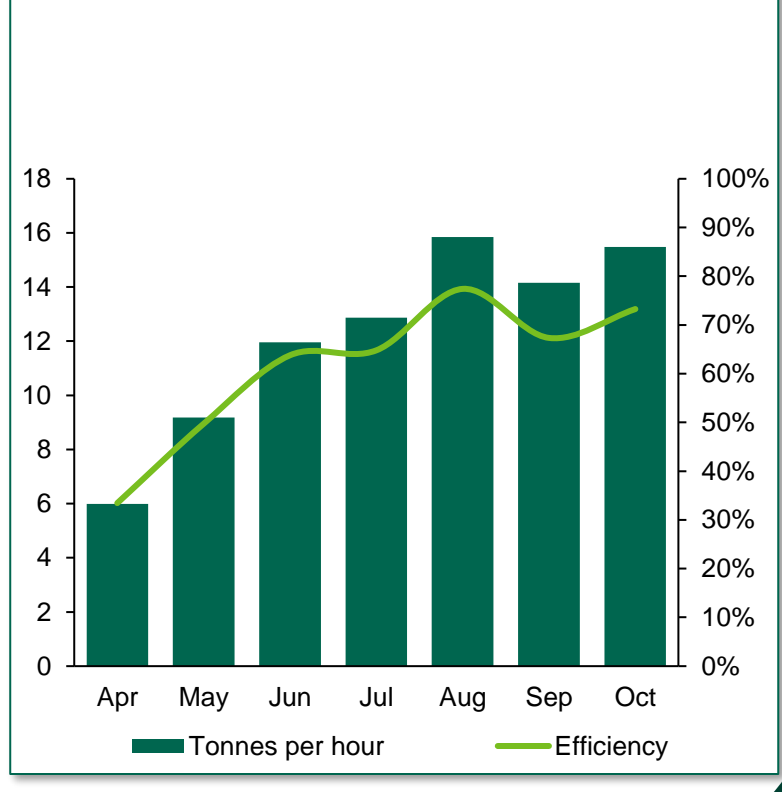
Quarterly external fibre consumption

Thousand tonnes (RCP and OCC) and thousand cubic metres (wood) Tonnes or cubic metres per tonne



Bruck PM3 containerboard production ramp-up

Tonnes produced per hour Operating efficiency



Waste-to-energy with 430 GWh of very cost-efficient thermal energy



- Start Q2 2022 with full utilisation Q1 2023, taken over from Valmet in October 2023
- Produces 430 GWh (50 MW) thermal energy with Bruck as sole offtaker
- Provides access to highly cost competitive thermal energy for Bruck's containerboard production
- CO₂ emissions from waste-to-energy mainly classified as biogenic



Continued growth and progress into the containerboard market



Bruck PM3

- Continued ramp-up of containerboard production at Bruck PM3
- Improving production cost as utilisation and optimisation increases
- Expect full utilisation during H2 2025



Norske Skog Golbey

Cost leading production of newsprint, and containerboard from H2 2024

70ha site with large scale industrial activity

Containerboard capacity of 550kt (PM1) starting H2 2024

Cost leading newsprint (PM2) production of 330kt

Biomass boiler JV (GVE) of 125 MW_{th} starting Q2 2024

Expanded and upgraded de-inking (DIP) capacity

Fully based on established supply recovered paper

Gas boilers of 95 MW_{th} providing back-up

Well connected for both road and rail transport

Low cost ARENH and Exeltium PPAs to 2030

390 skilled employees and independent organisation

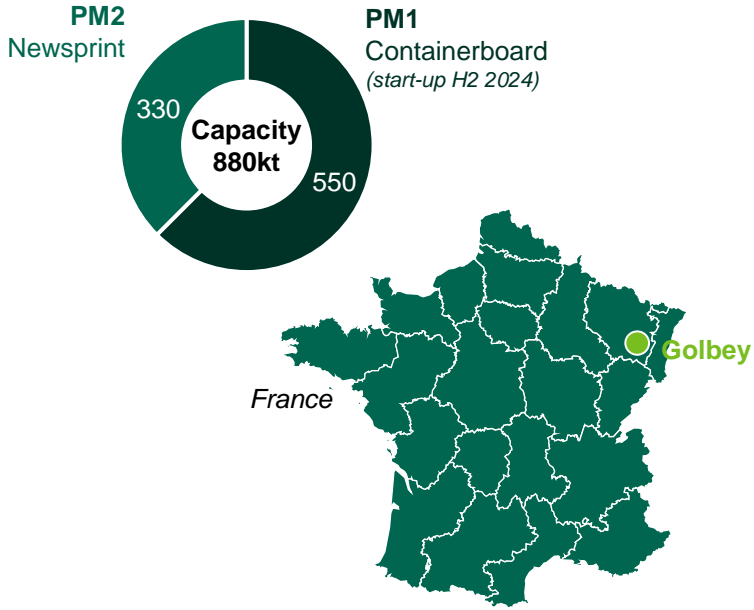
Surplus of ETS allowances and limited fossil emissions

Expanded water treatment and warehouse facilities

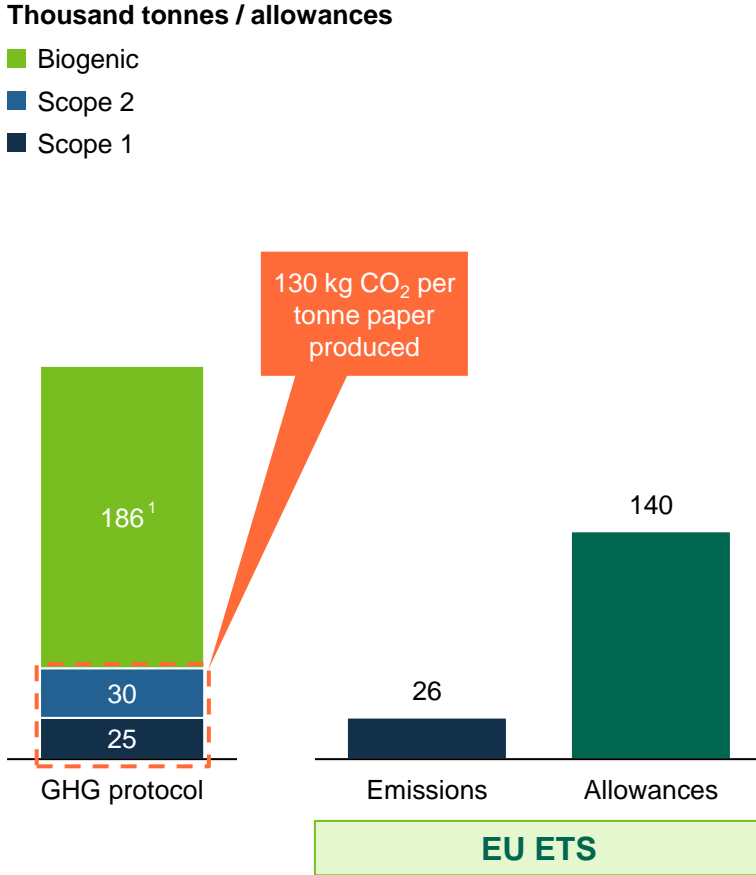


Golbey is a cost-efficient and low emission paper mill positioned for the future

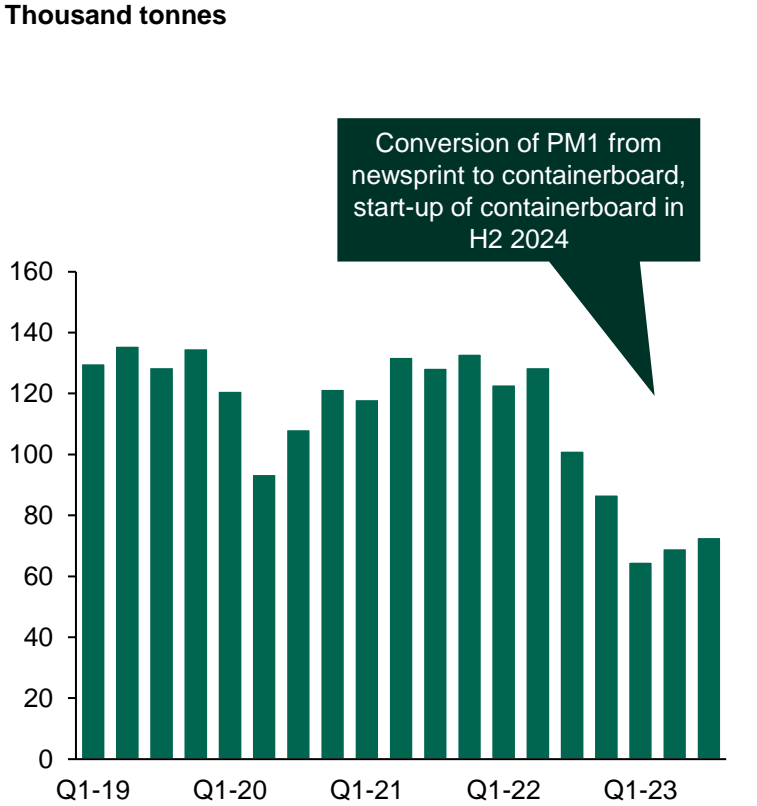
Mill location and capacity



Fossil and biogenic CO₂ emissions 2022



Quarterly deliveries volume



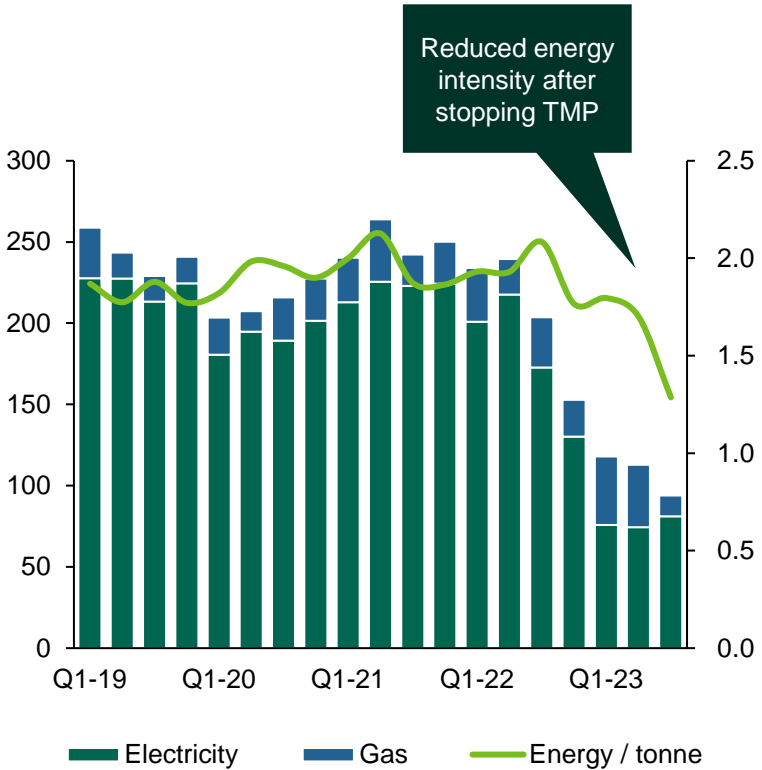
1) Based on CEPI ten toes methodology



Reduced energy consumption and fully based on recycled paper strengthens sustainability profile

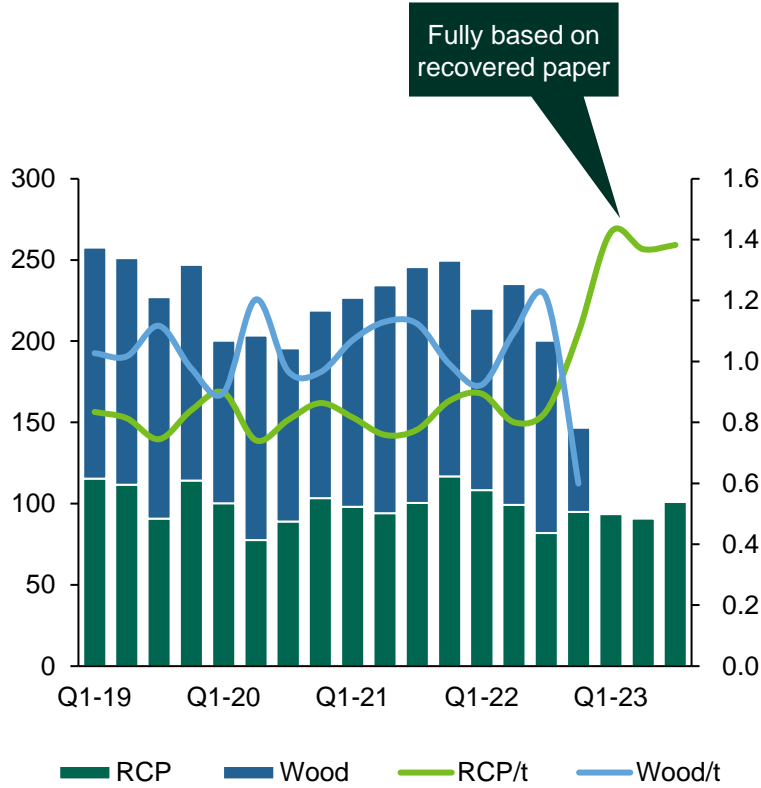
Quarterly external energy consumption

GWh MWh per tonne



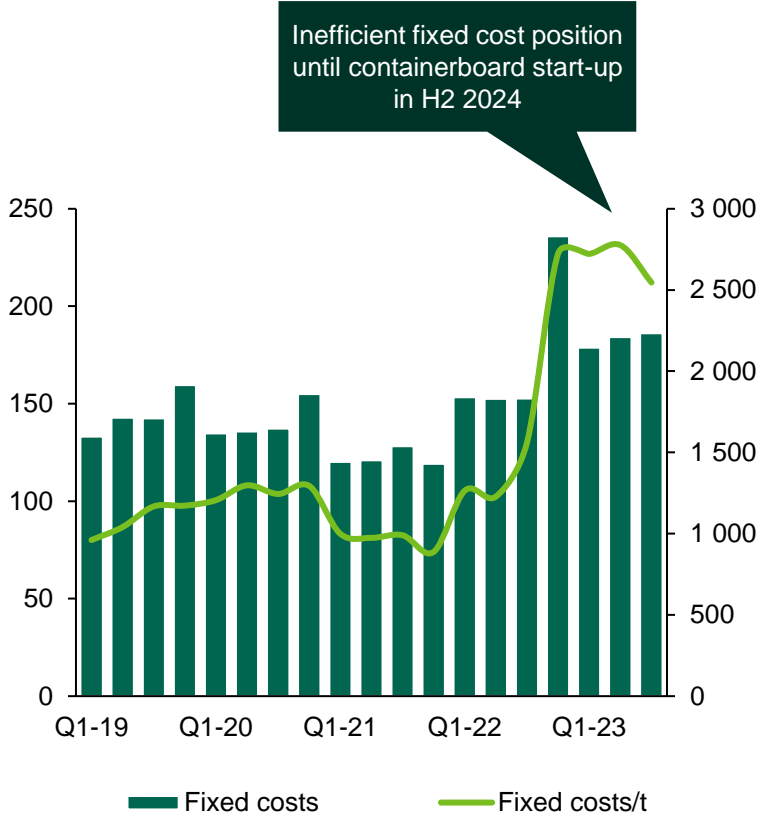
Quarterly external fibre consumption

Thousand tonnes (RCP) and thousand cubic metres (wood) Tonnes or cubic metres per tonne

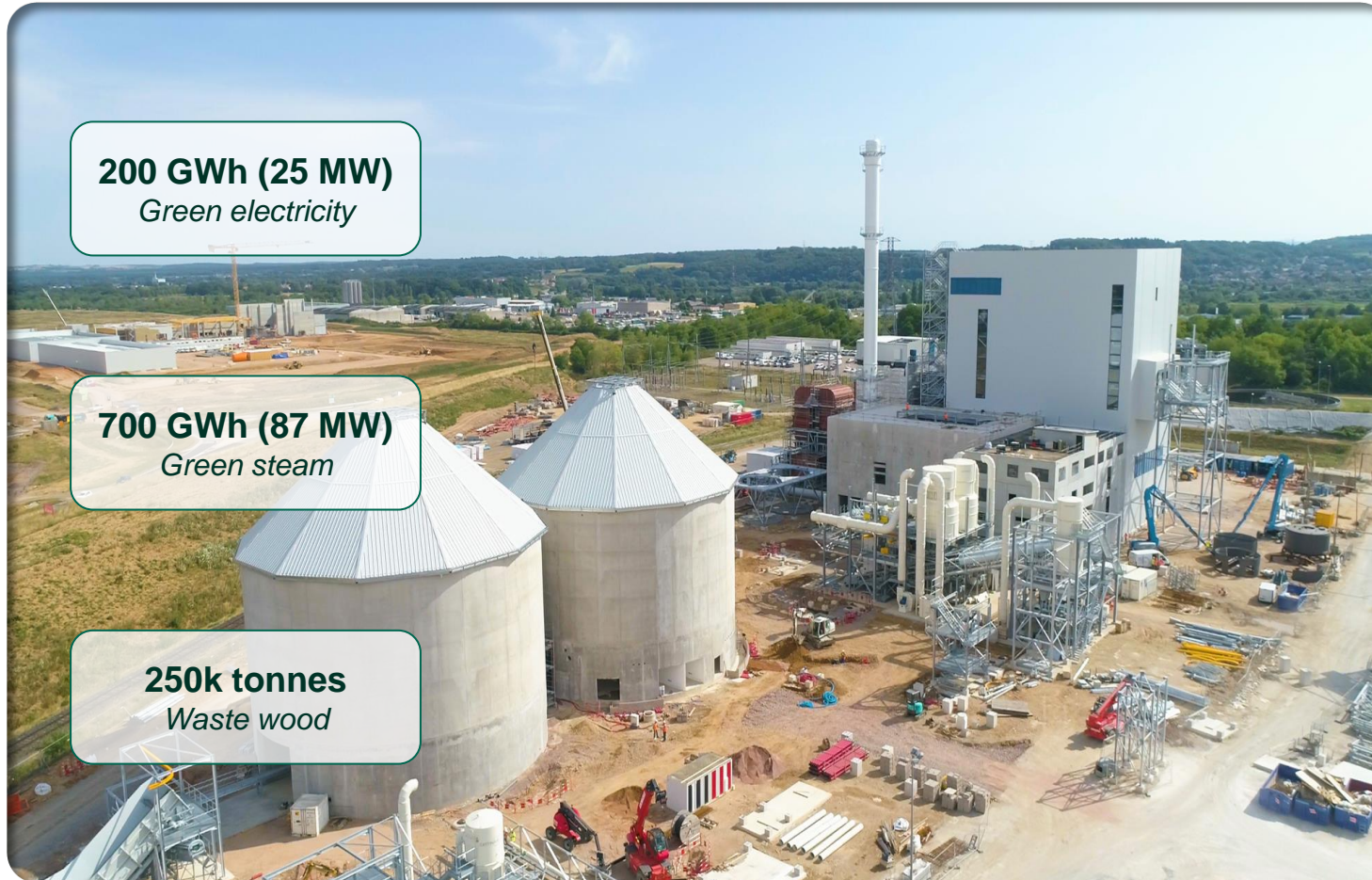


Quarterly fixed costs

NOKm NOK per tonne



Green Valley Energie providing 700 GWh green thermal energy



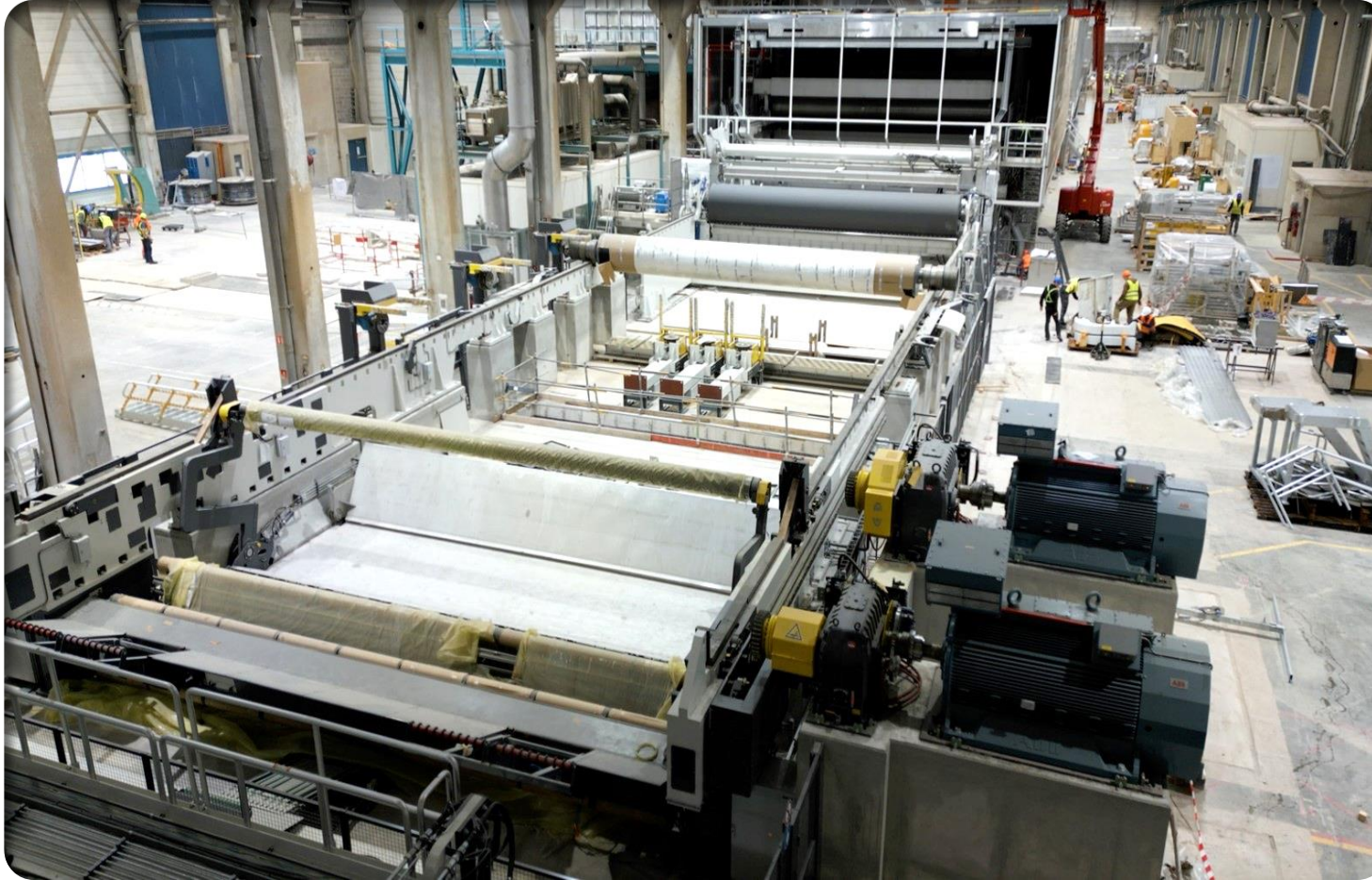
- Green Valley Energie (GVE) biomass plant start-up in Q2 2024
- Sell green electricity to the French grid and green steam to Golbey under long contracts, replacing fossil natural gas
- Provides access to highly cost competitive thermal energy for Golbey's containerboard
- Efficient and environmental use of waste wood and high overall energy efficiency

GVE partners

- Norske Skog (10%): Offtaker of all steam production and responsible for sourcing biomass feedstock
- Pearl Infrastructure Capital (80%): Private equity fund specialised in environmental infrastructure projects
- Veolia (10%): Responsible for O&M activities, guarantee electricity and steam supply



Brand new containerboard machine from Voith being installed



Golbey PM1

- Start-up moved to H2 2024
- Increases Norske Skog containerboard production capacity from 210kt to 760kt
- Expect to reach 90% of full capacity during early 2026
- Capex of EUR 300m, net of grants and energy certificates received 2023-27



Golbey PM1 containerboard conversion video



Norske Skog Saugbrugs

Industrial site with multiple opportunities based on fresh fibre and green energy

40ha site and large surrounding real estate

Low cost TMP capacity of 450kt with heat recovery

Two operating SC machines with 200kt capacity

Norway's largest biomass boiler of 70 MW_{th}

Infrastructure for road, rail and sea transport

Well established access to significant pulpwood supply

Developing the CEBINA and CEBICO bio products

280 MW electric grid capacity directly to site

Low price PPA with Statkraft of 100 MW_{el} to end of 2026

440 skilled employees and independent organisation

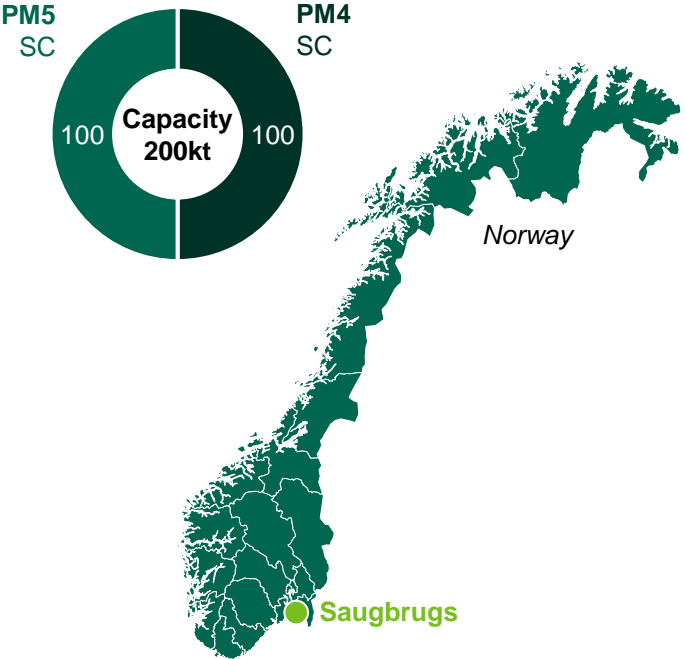
ETS allowance surplus and almost zero fossil emissions

Abundant fresh water supply and effluent treatment

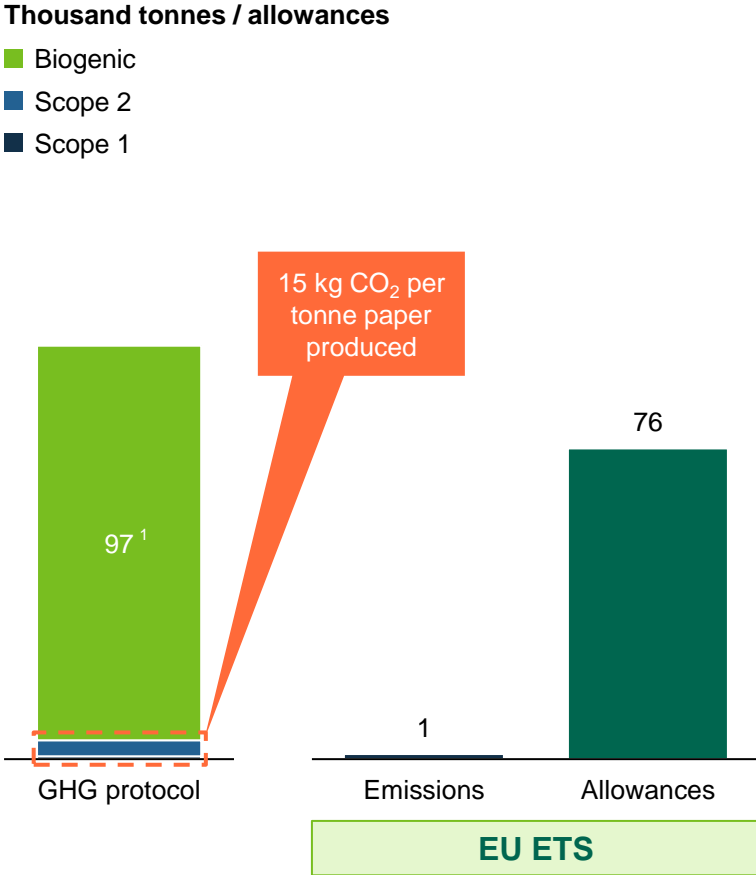


Saugbrugs is a leading SC producer, but temporarily impacted by rockslide reducing production capacity

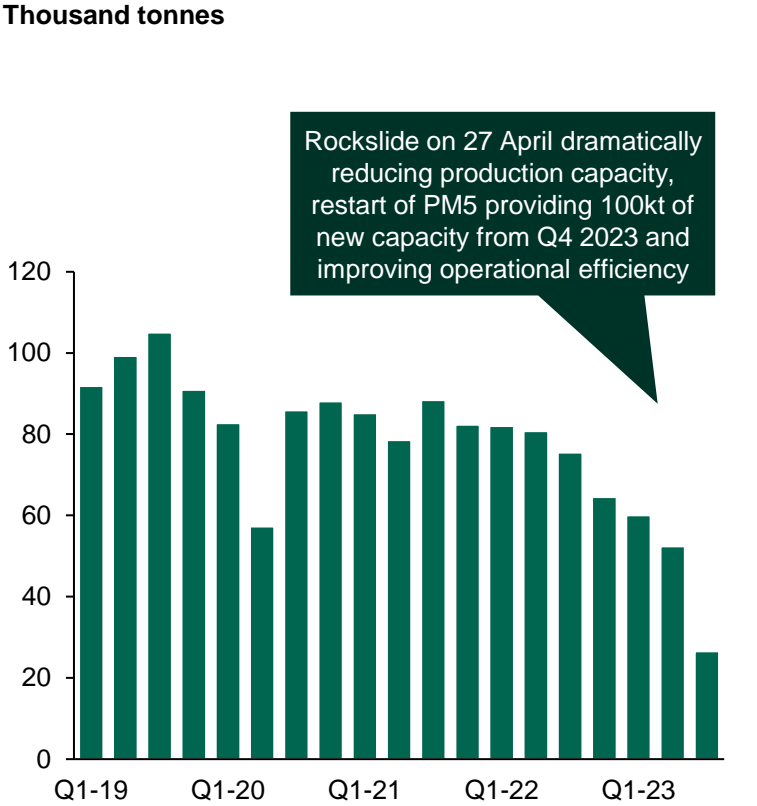
Mill location and capacity



Fossil and biogenic CO₂ emissions 2022



Quarterly deliveries volume



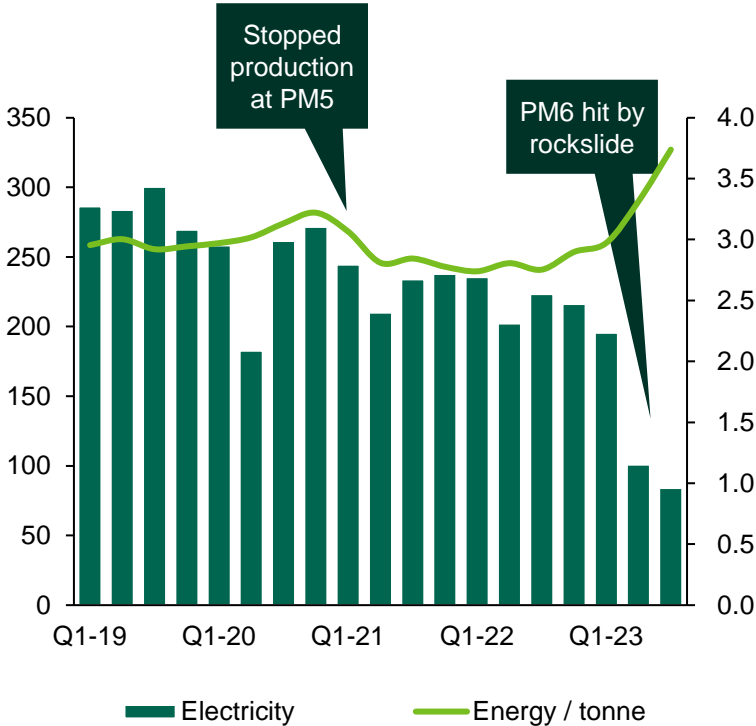
1) Based on CEPI ten toes methodology



Production capacity and operational efficiency reduced following rockslide, but will improve with PM5 restart

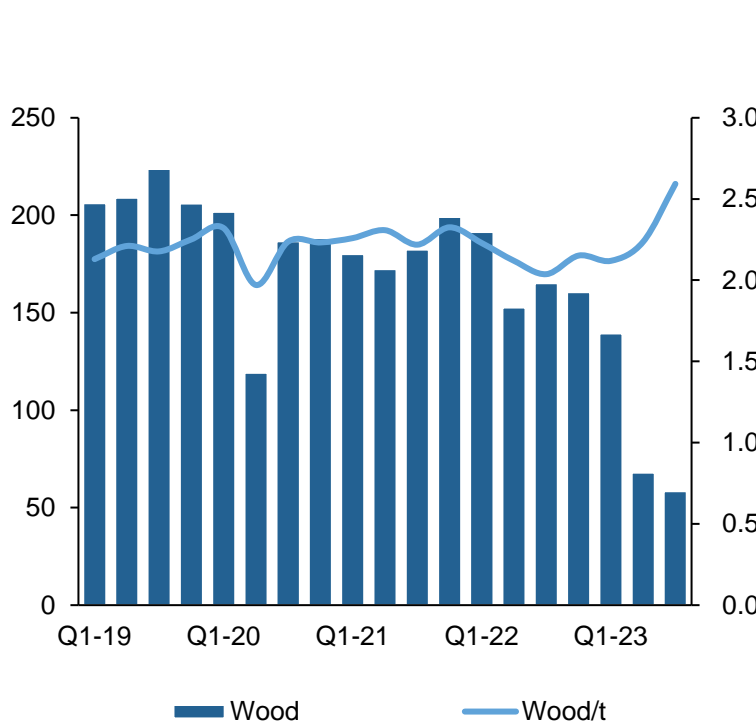
Quarterly external energy consumption

GWh MWh per tonne



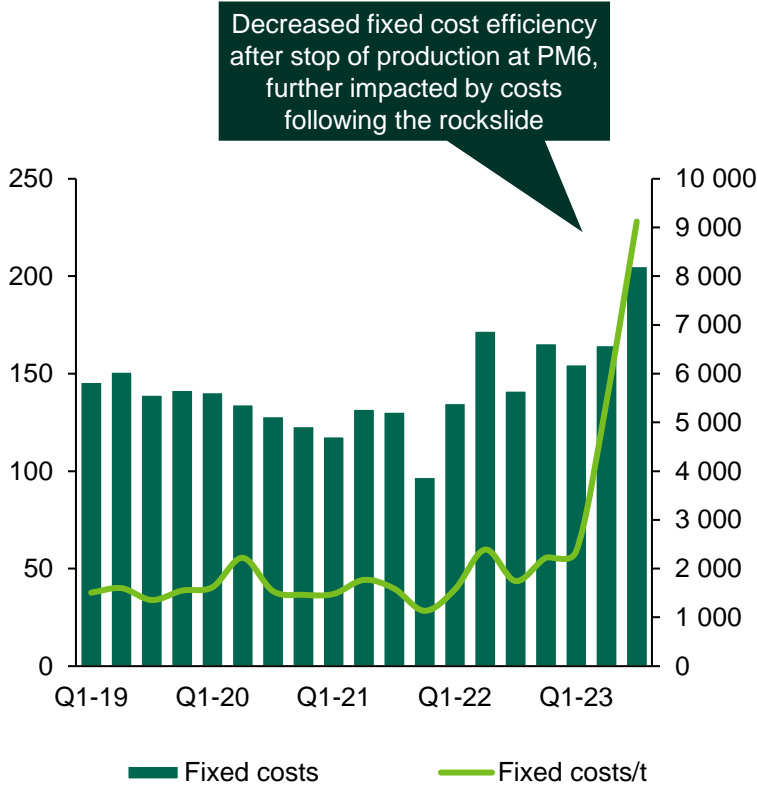
Quarterly external fibre consumption

Thousand cubic metres (wood) Cubic metres per tonne



Quarterly fixed costs

NOKm NOK per tonne



Attractive investment propositions using existing infrastructure

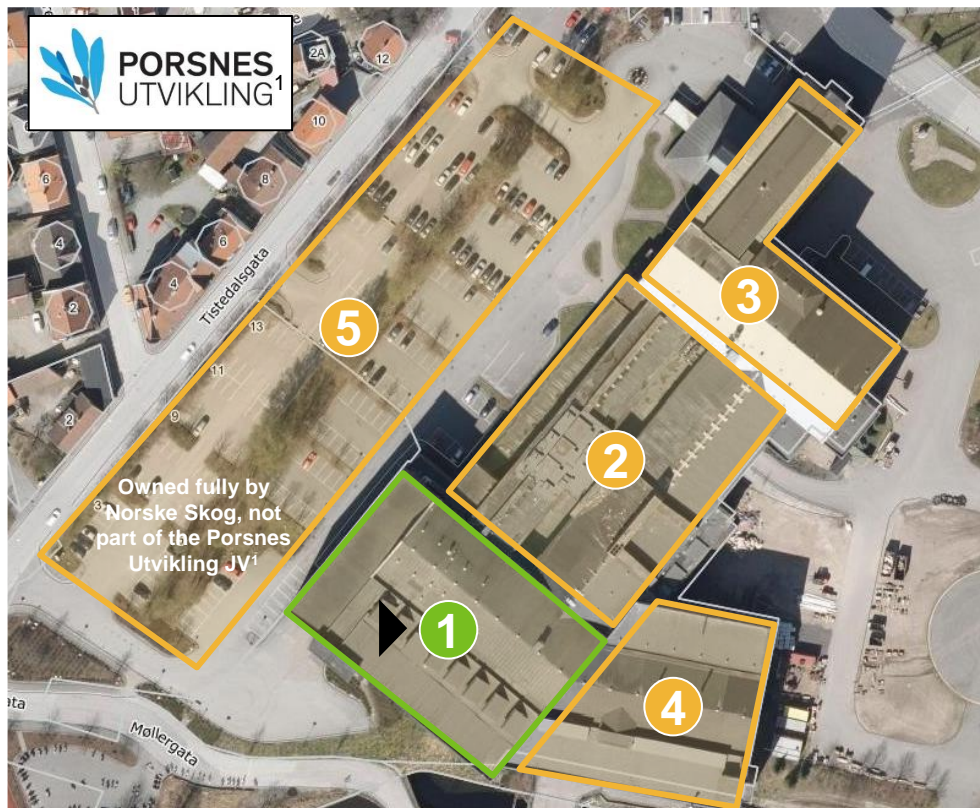


- Rockslide on 27 April damaging buildings and machinery, no one physically harmed. Insurance settlement announced 2 November
- Remaining business interruption insurance proceeds of NOK 368m and NOK 216m to be paid in Q4 2023 and Q1 2024, respectively
- Remaining property damage insurance proceeds of NOK 326m to be paid in Q4 2023, and additional NOK 615m as investments accrue
- In addition, an estimated amount of NOK 550m will be used to cover costs of securing rock formations and rebuilding building structures
- PM6 has sustained damage, but surrounding and valuable infrastructure remains intact
- Property damage insurance for new machinery can be used to rebuild PM6 to SC production or other products
- Significant potential investment savings from reusing infrastructure



Saugbrugs holds a large property portfolio with several development opportunities currently in process

Overview of Saugbrugs administration buildings



Overview of Sauøya



- 1 High school sold to Viken in Q4 2022 for gross property value of NOK 730m
- 2 Cleared ground area of ~4k sqm prepared for new property developments
- 3 Considering refurbishing current Saugbrugs administration offices for new tenants (ground area of ~3k sqm)
- 4 Buildings remain in place and exploring property development opportunities (ground area of ~3k sqm)
- 5 Existing parking area (~6.5k sqm) attractive for surrounding suburbs and businesses
- 6 Sauøya used for logistics operations by Saugbrugs and industrial activity by external parties, partial re-regulation for housing purposes in process



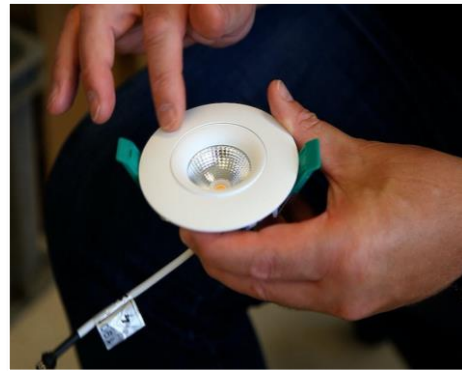
Continued commercialisation of CEBINA and CEBICO

CEBINA: Nano cellulose adds strength and rheology to materials



- Product development together with Hunton for fibreboard application
- Exploring several new directions such as biobased furniture foam
- Established production capacity for coating applications

CEBICO: Partners showcasing innovative uses of bio composites



- Letter of intent with Høiax for use of bio composite in hot water tanks
- CTM Lyng designed a simpler and lighter downlight using CEBICO bio composite
- 3D printed bench applying 100% biobased and degradable composite



Norske Skog Skogn

Ideally suited for low cost and low fossil emission production of fibre products

High activity industrial park
(Fiborgtangen) of 100ha

Production based on 100%
TMP from H1 2024

Three newsprint machines
with combined 510kt capacity

Two biomass boilers 80 MW_{th}

Deep-sea, ice free,
Atlantic port

Low price PPAs with Statkraft
of ~125 MW_{el} to 2026-28

Among Nordic areas with
lowest priced electricity

+200 MW own electric grid
from central grid to site

Abundant fresh water supply

375 skilled employees and
independent organisation

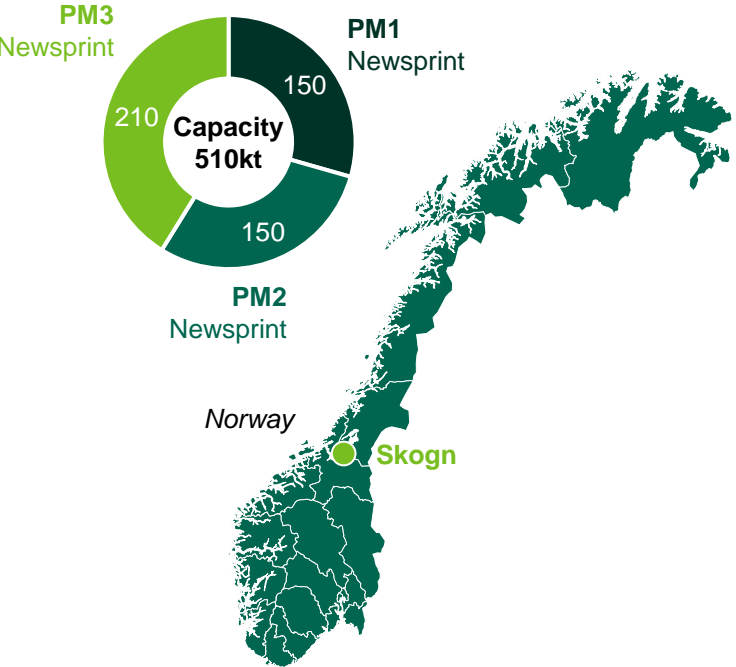
Surplus of ETS allowances
and limited fossil emissions

Well connected to highways
for road transport

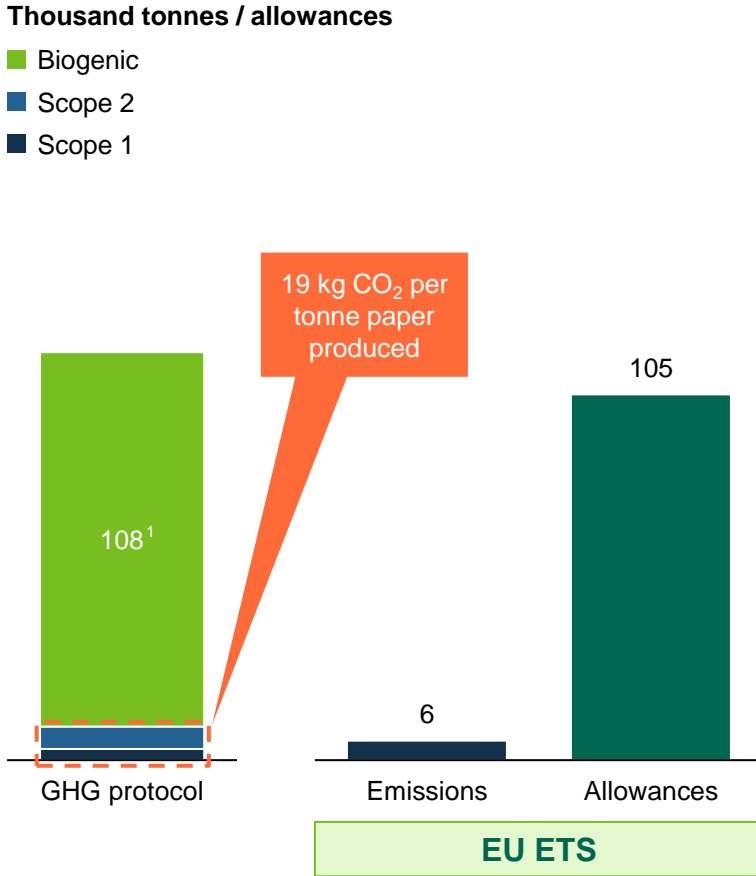


Skogn is a cost-efficient and low CO₂ newsprint producer with excellent infrastructure and raw material access

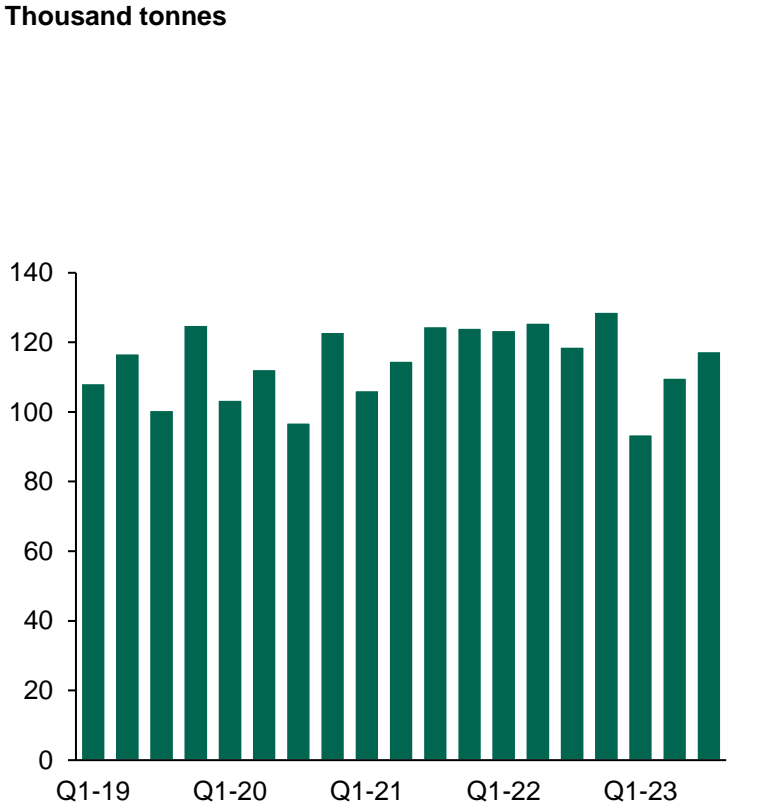
Mill location and capacity



Fossil and biogenic CO₂ emissions 2022



Quarterly deliveries volume



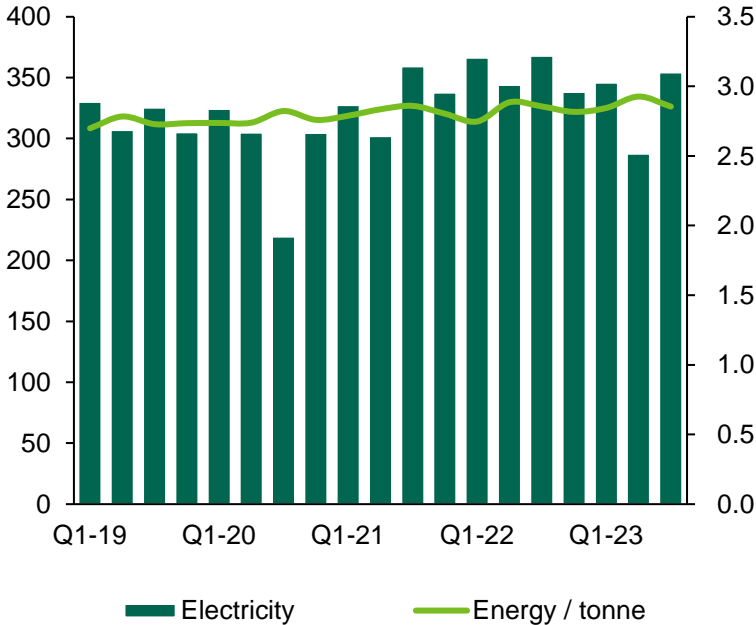
31 1) Based on CEPI ten toes methodology, actual measurements provide biogenic CO₂ emissions of 172k tonnes



Stable and efficient operations, shifting to fully based on pulpwood from H1 2024

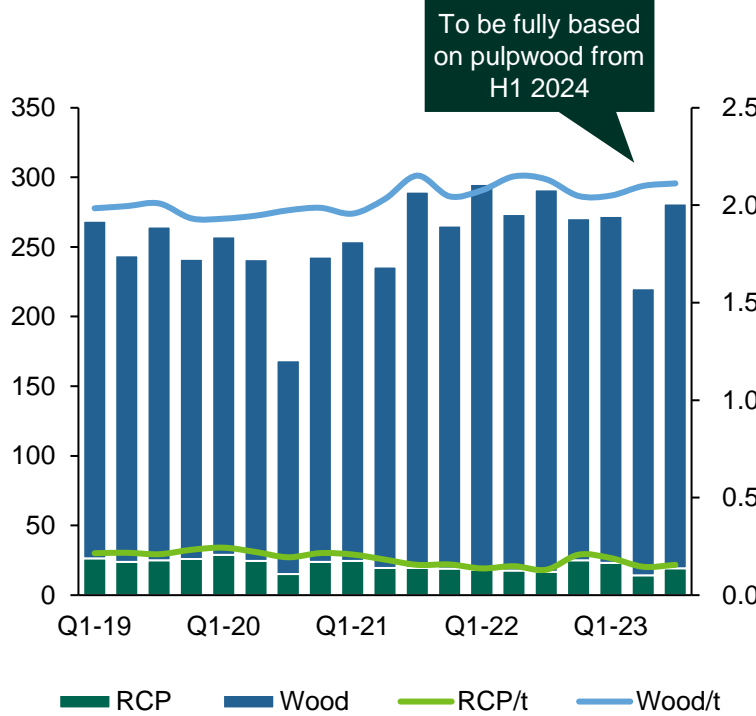
Quarterly external energy consumption

GWh MWh per tonne



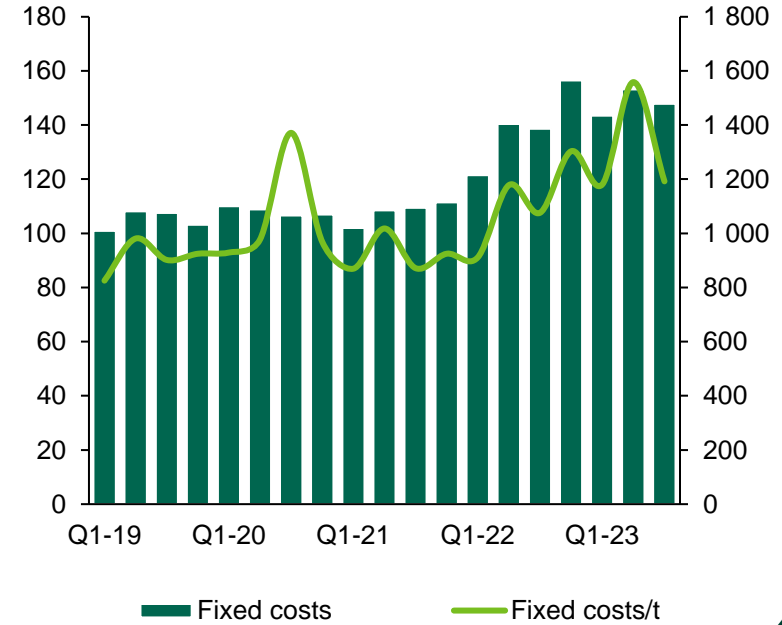
Quarterly external fibre consumption

Thousand tonnes (RCP) and thousand cubic metres (wood) Tonnes or cubic metres per tonne



Quarterly fixed costs

NOKm NOK per tonne



Norske Skog Boyer

Last mill standing in Australasia

565ha site partially zoned
for industrial activity

Newsprint production
capacity of 150kt (PM3)

LWC magazine production
capacity of 135kt (PM2)

TMP capacity of 250kt

Access by rail to Bell Bay
port for sea transport

Significant wood
chipping capacity

On site rail connection and
truck access with weigh bridge

155 MW electric grid
capacity directly to site

Long-term and low price PPA
with TasHydro of 100 MW_{el}

275 skilled employees and
independent organisation

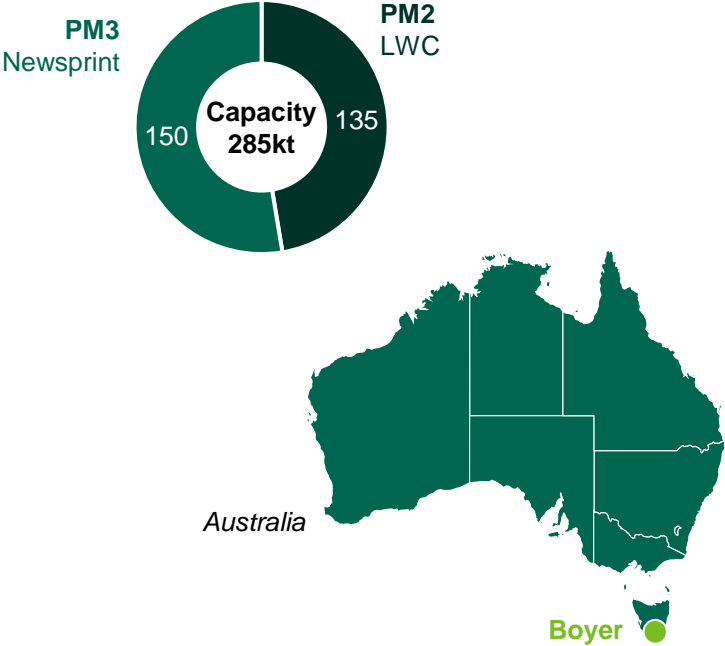
Coal boiler capacity 75 MW_{th}
(exploring alternatives)

Abundant fresh water supply



Boyer is the last domestic supplier of publication paper in Australasia

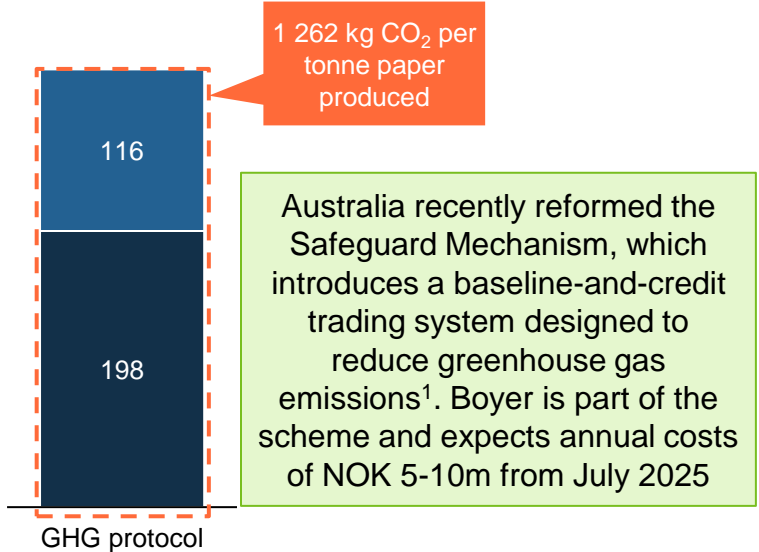
Mill location and capacity



Fossil CO₂ emissions 2022

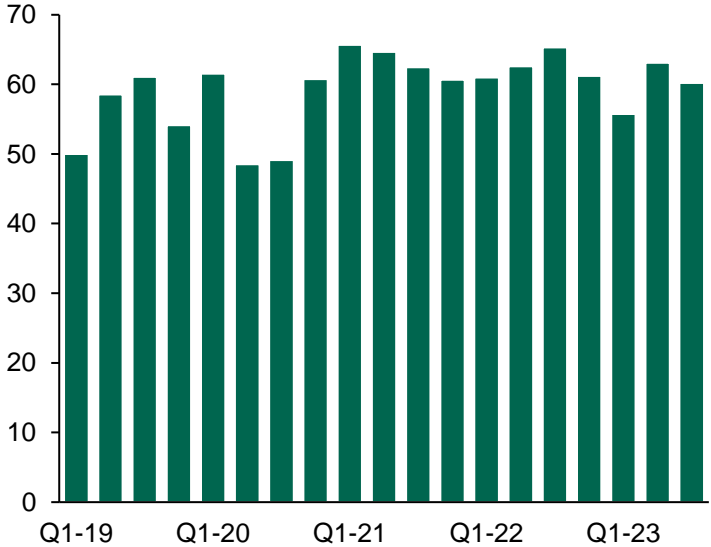
Thousand tonnes

- Scope 2
- Scope 1



Quarterly deliveries volume

Thousand tonnes



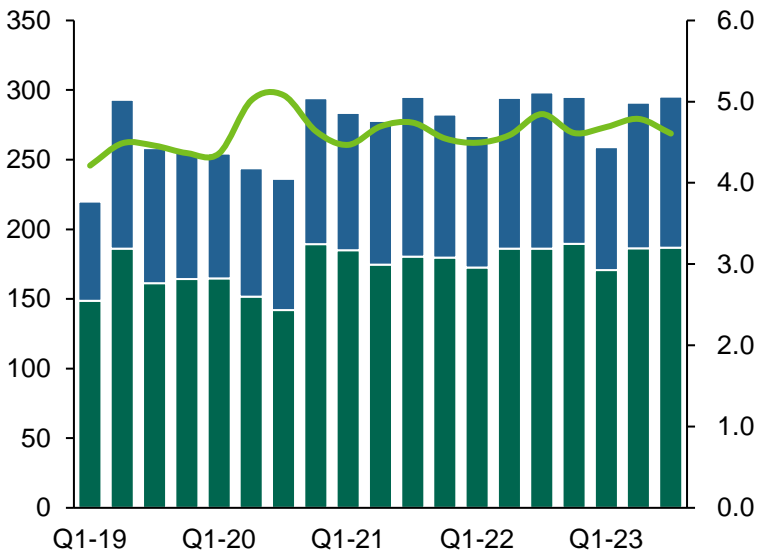
1) Under the Safeguard Mechanism, designated large facilities (covered facilities) are those, which emit more than 100,000 tonnes of CO₂ each financial year, and includes mining, gas production and processing, manufacturing, and transport facilities. There are presently 215 covered facilities, accounting for approximately 28% of Australia's greenhouse gas emissions. The covered facilities are required to keep their net scope 1 (i.e., direct) emissions of greenhouse gases at or below their emissions baseline, or limit. The baseline decline rate is set at 4.9% per year from 1 July 2023



Secured electricity and wood under long-term contracts

Quarterly external energy consumption

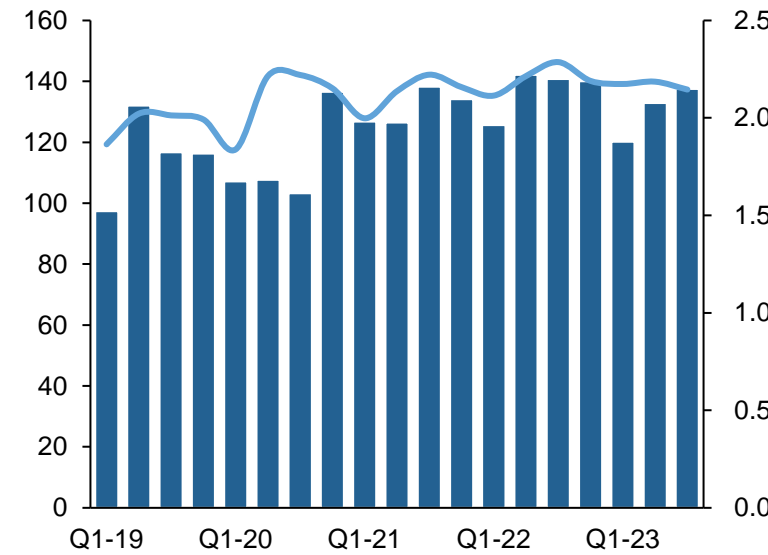
GWh MWh per tonne



Electricity Coal Energy / tonne

Quarterly external fibre consumption

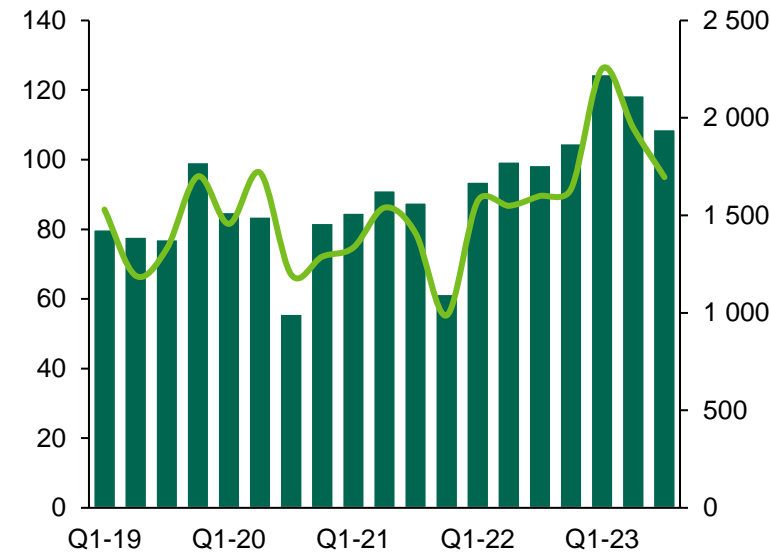
Thousand cubic metres (wood) Cubic metres per tonne



Wood Wood/t

Quarterly fixed costs

NOKm NOK per tonne



Fixed costs Fixed costs/t



Packaging paper market



Fibre packaging market overview

Three main segments of fibre-based packaging products

Containerboard

Regional and bulky commodity product



End-product example



- Packaging mainly for industrial and transit packaging, FMCG, e-commerce, retail and logistics
- Commodity product, albeit there can be large variation in strength and weight specifications
- Mainly based on recycled fibres (old corrugated containers) for both brown and white grades

Cartonboard



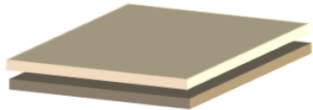
- Primarily consumer goods packaging (i.e., cosmetics, foods, pharma, beverages, etc.)
- Commodity product, however, great variation within weight, thickness, printability, smoothness etc.
- Almost exclusively based on virgin fibres, and large use of chemicals for specific grade variations

Other packaging paper products



- Bags, pouches and paper labels for a wide range of end applications represent the majority of demand
- Commodity product, but wide variation in customer specifications for various end-uses
- Based on both virgin and recycled fibre depending on the customer's requirement

Focus on recycled containerboard



STRATO|Liner
Testliner 3

Weight range: 90-160g per sqm
Fibre: 100% recycled fibre
Use: Liner in corrugated sheets



STRATO|Fluting

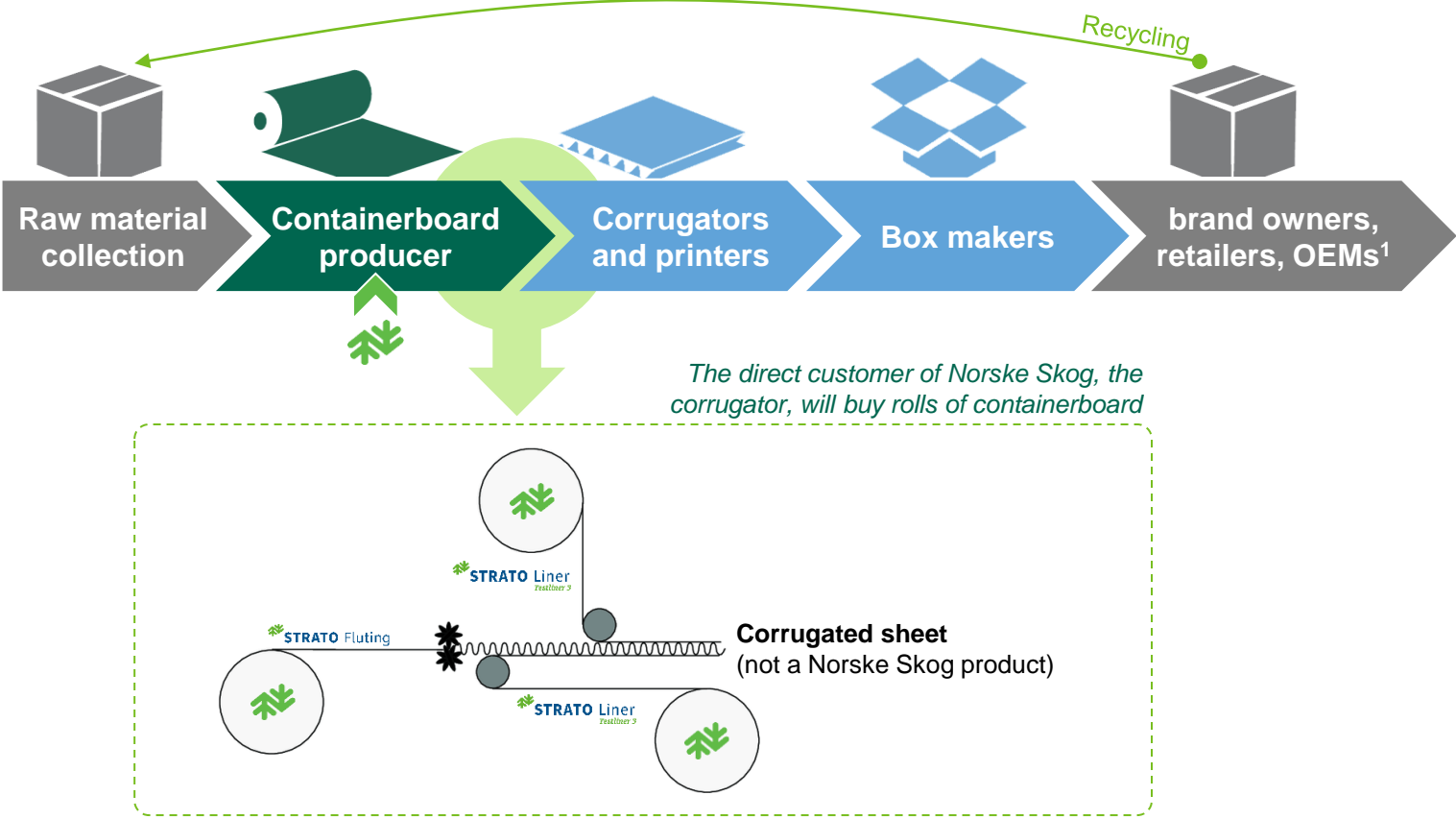
Weight range: 70-160g per sqm
Fibre: 100% recycled fibre
Use: Fluting in corrugated sheets

- ✓ Lightweight and strong testliner and fluting paper
- ✓ Produced 100% from recovered paper
- ✓ Large share of green energy



Norske Skog is an independent producer of packaging paper

Containerboard value chain



- Independent producers are attractive suppliers for integrated and independent corrugators due to no competing downstream capacity
- Norske Skog's customers will be a mix of integrated and independent corrugators
- Integrated producers present in containerboard production, corrugating and box making, and working to develop demand through close interaction with the end-customer
- High degree of open market trading to minimise transportation distance and get correct grades
- Majority of corrugating machines with width of 2,500-2,800mm, requires 90-125k tonnes of containerboard per year per machine
- Currently 650-700 corrugating machines in Europe, distributed across 350-400 corrugating companies
- Customer base typically comprise 60-80 unique customers, meaning about 120 production sites
- Large customers 4-5% of volume

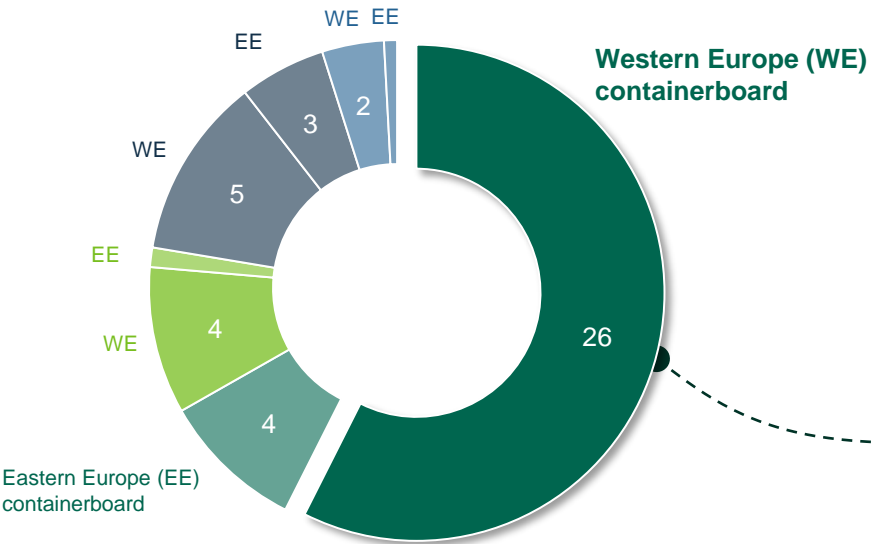
1) OEM = Original Equipment Manufacturer (automotive, electronics, machinery, equipment, etc.)



Western European capacity for recycled containerboard expected to grow going forward

Containerboard capacity Western Europe as of Q2 2023

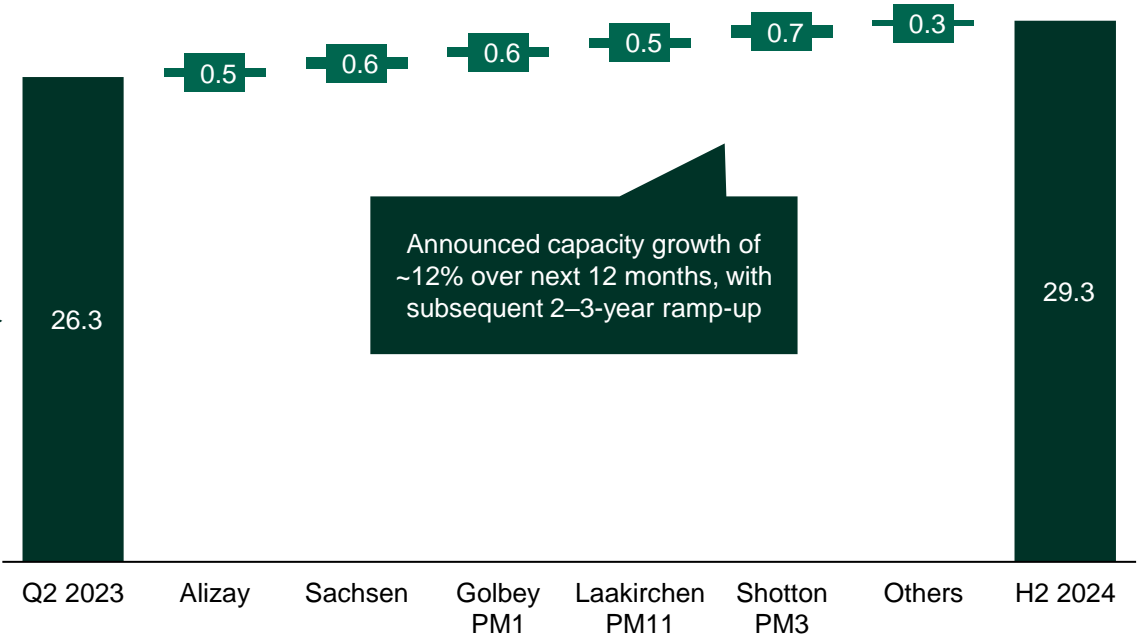
Million tonnes



- Containerboard
- White-top containerboard
- Kraft
- White-top kraft

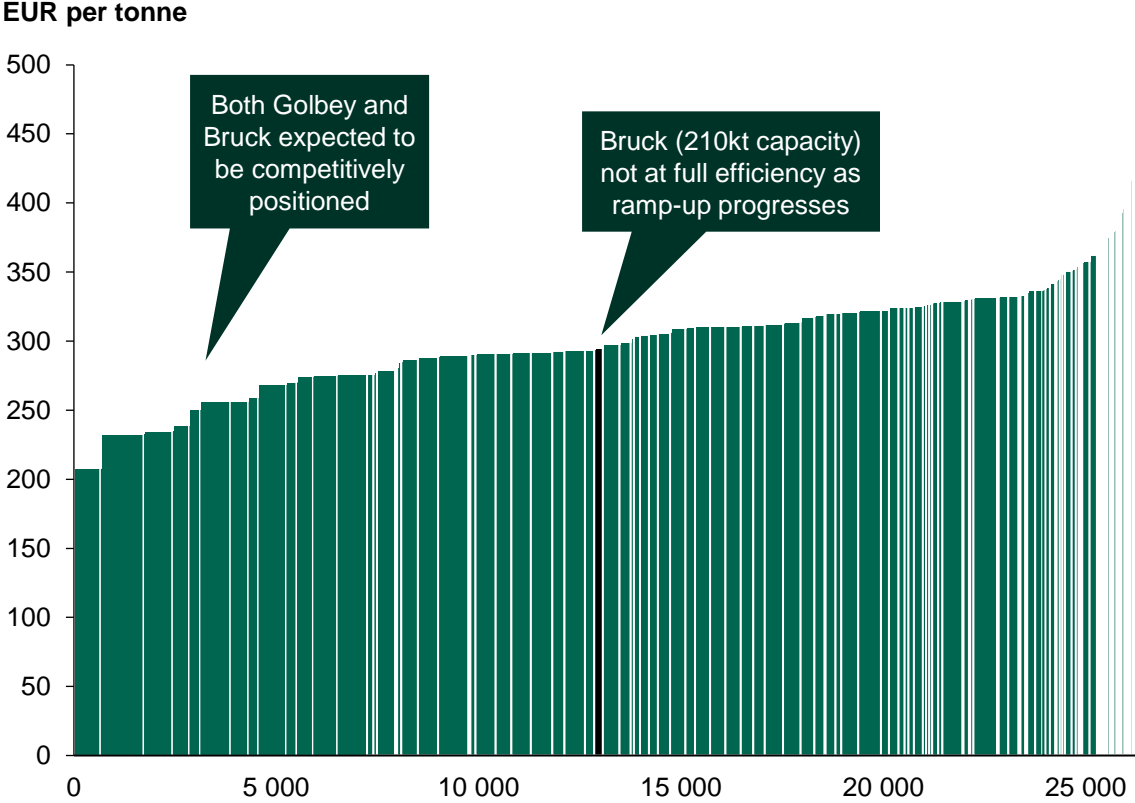
Western Europe new capacity announcements

Million tonnes



Increasingly important to be a cost-efficient producer to manage current low-price environment

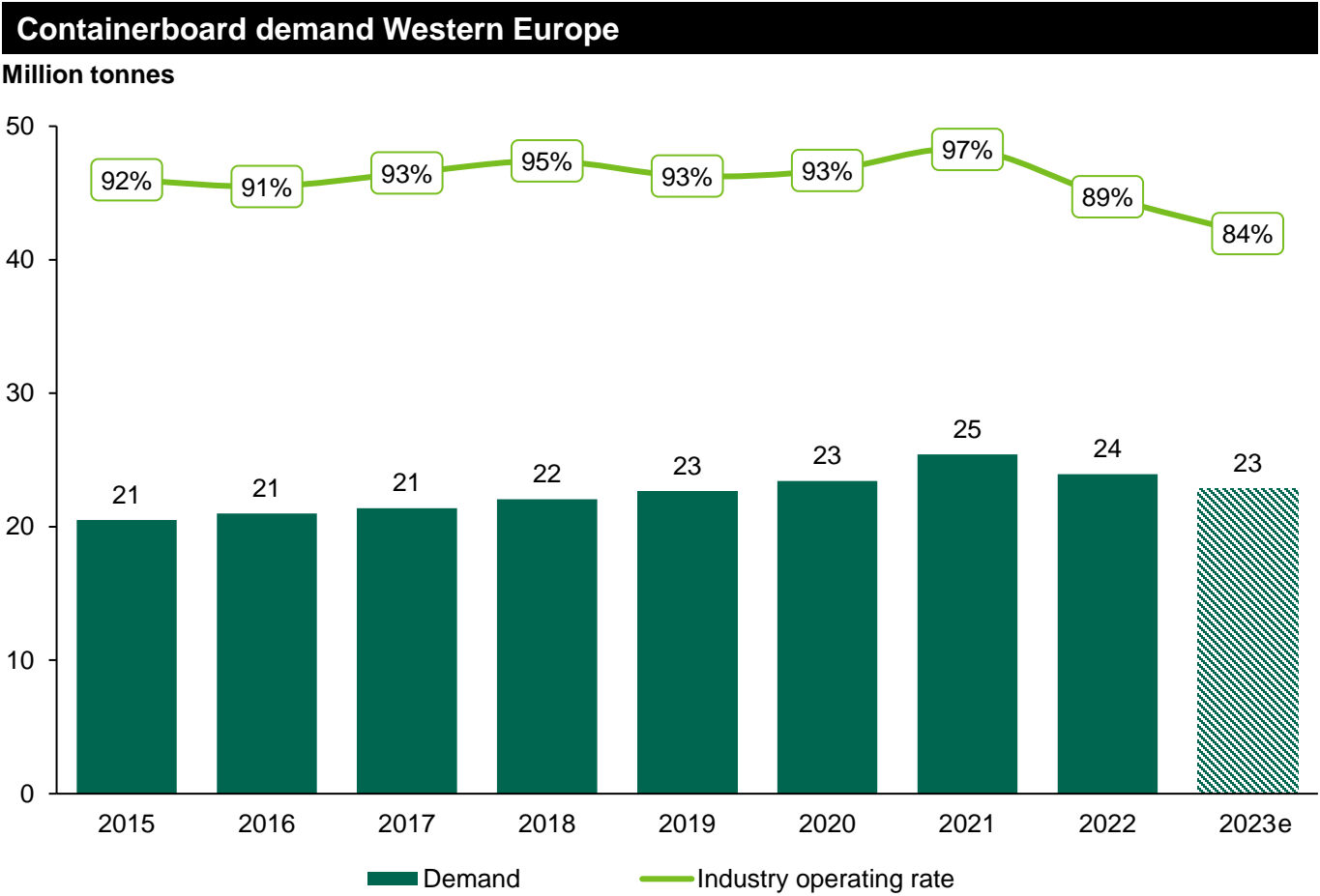
Containerboard cash cost curve Western Europe



Recycled containerboard index Germany



Long-term growth trends remain intact although current market is challenging



Long-term growth trends

- 
 Switching to sustainable and renewable packaging
- 
 Increasing presence of eCommerce
- 
 Global GDP growth and international trade

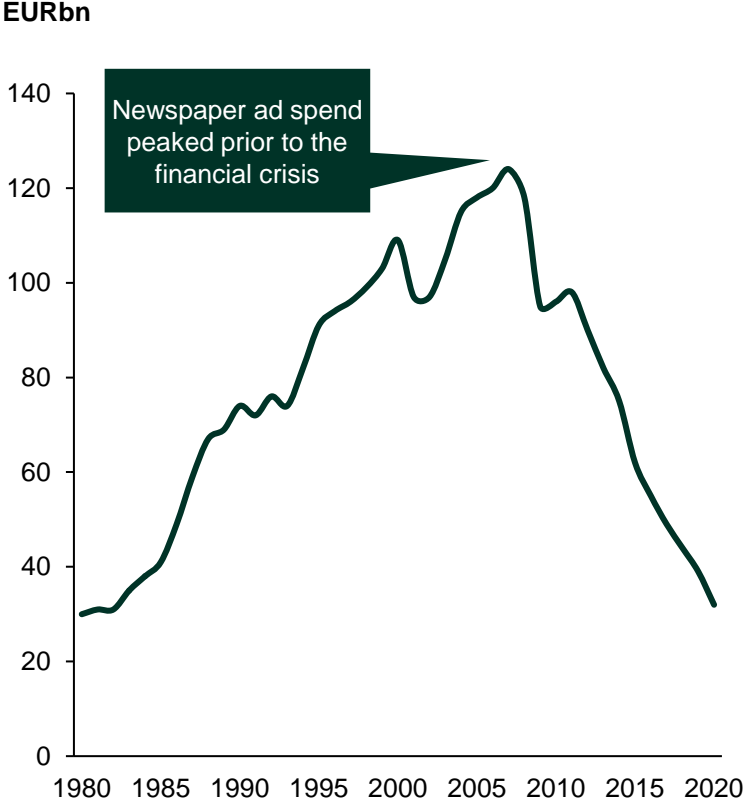


Publication paper market



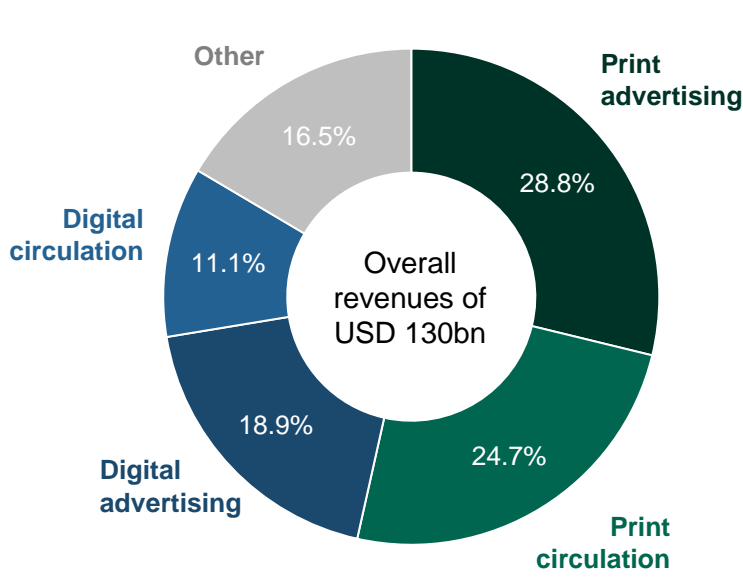
Print still represents majority of publisher revenues and paper is a small share of costs

Global newspaper ad spend



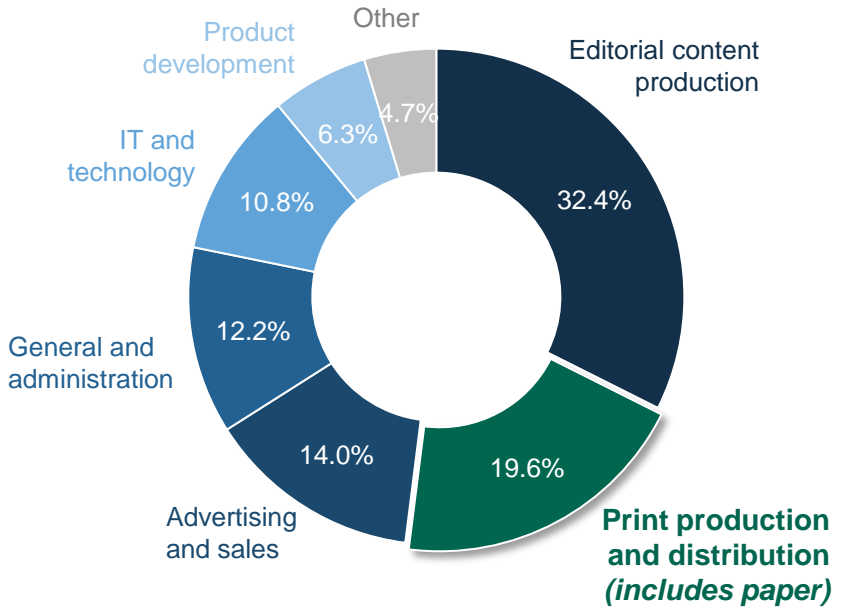
Print represents 54% of publisher revenues

What percentage of your total revenue comes from the following sources?



Paper is a small share of publisher costs

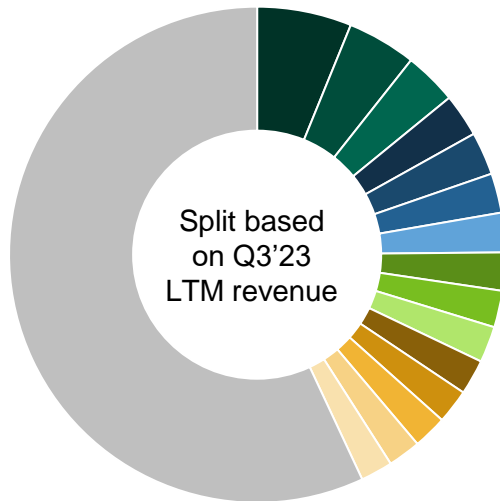
What are your current costs across the following functions?



Trusted and long-term supplier to more than 400 customers across the world

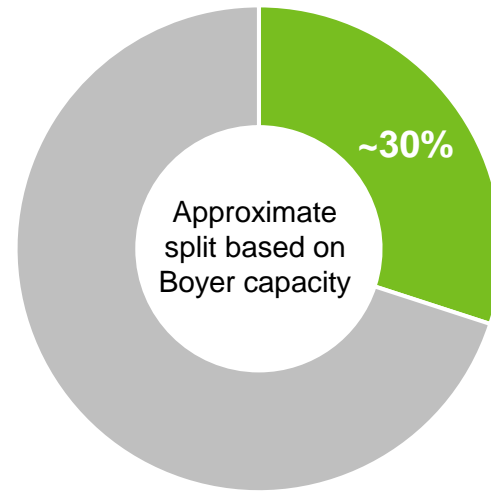
Diversified customer base in Europe

43% of European sales to top 15 customers



Boyer is last domestic supplier in Australasia

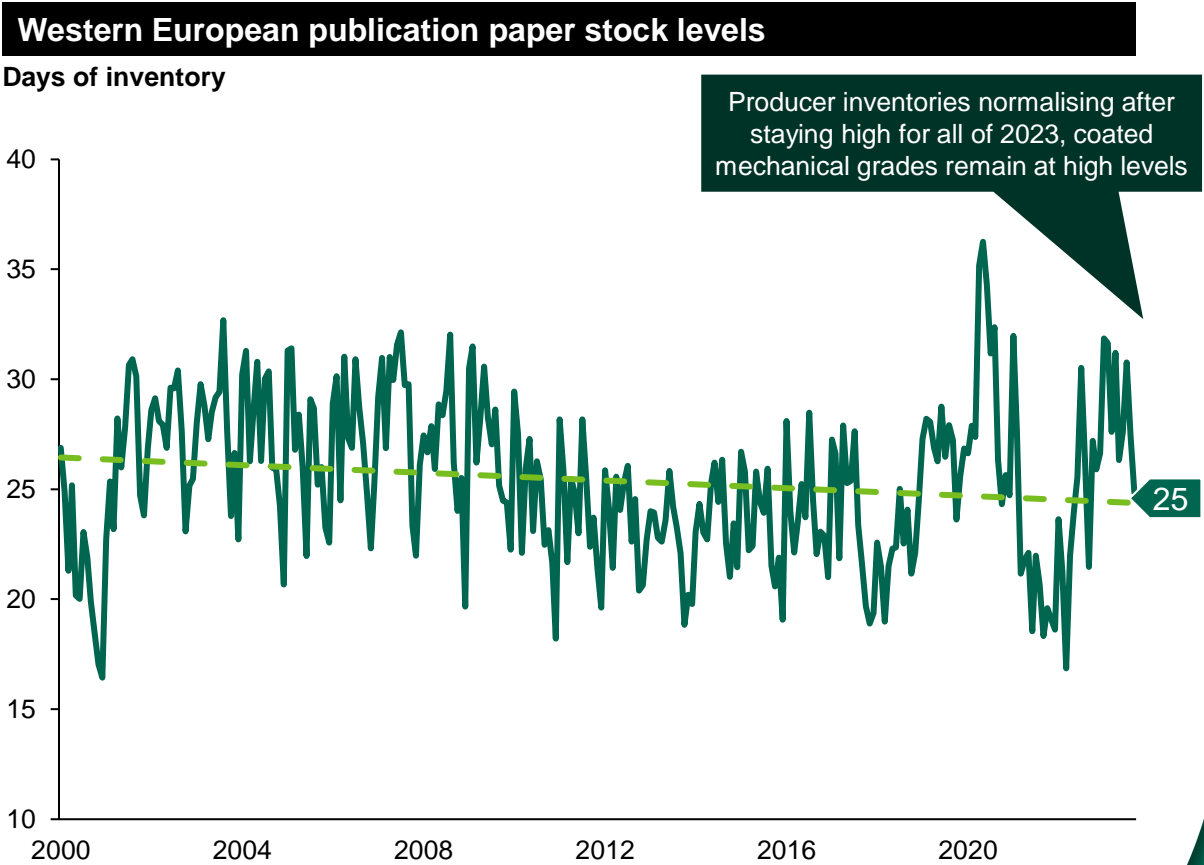
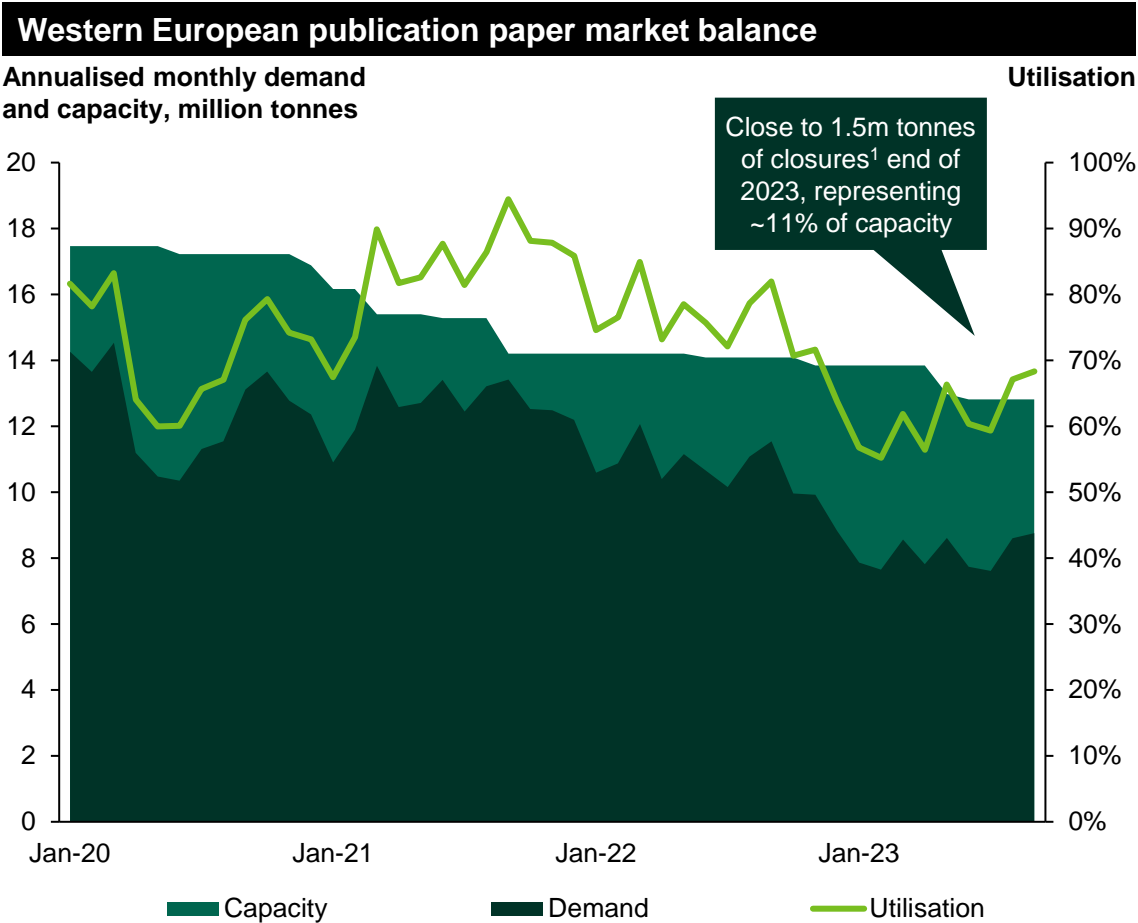
~30% of Australasian sales to two long-relationship customers



- Norske Skog has more than 400 publication paper customers across the world
- Sales are split between Europe ~70%, Oceania ~15%, Asia ~10% and other 5%
- Diversified customer base in Europe with top 15 customers representing ~43% of sales
- Contract duration in Europe now 1-3 months, down from 6-12 months historically
- Higher customer concentration in Australasia with longer contracts



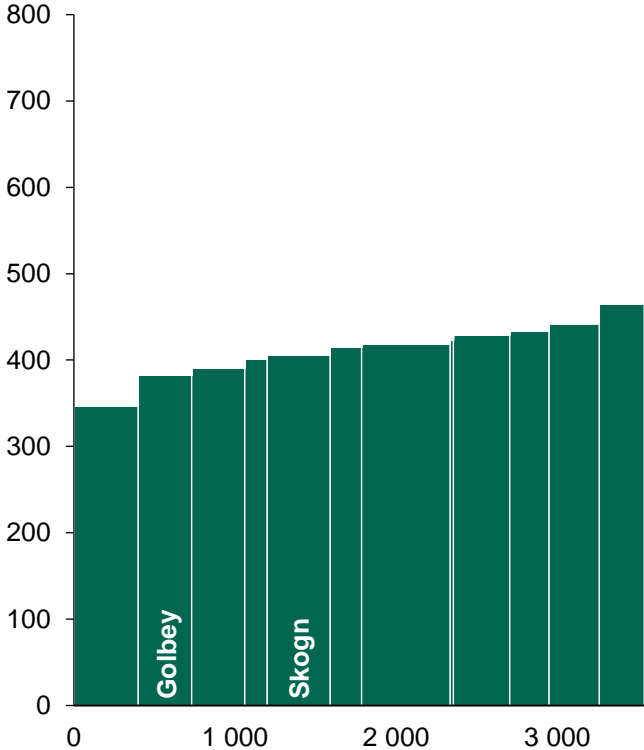
Signs of stabilising demand and normalising inventories, but still significant excess capacity



Norske Skog well situated on cash cost curves for all grades, and particularly within newsprint

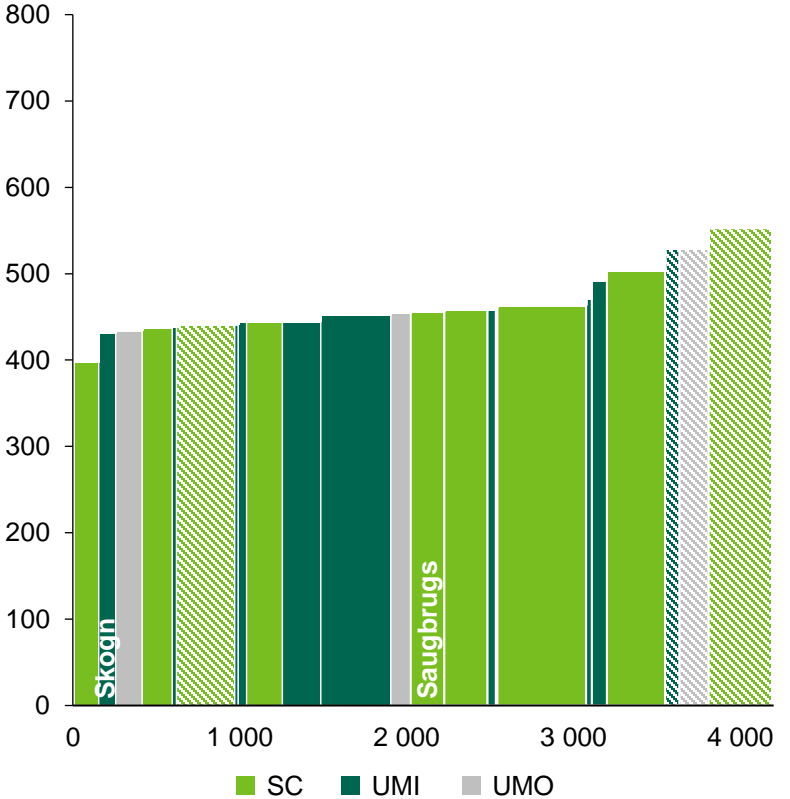
Newsprint cash cost Western Europe

EUR per tonne



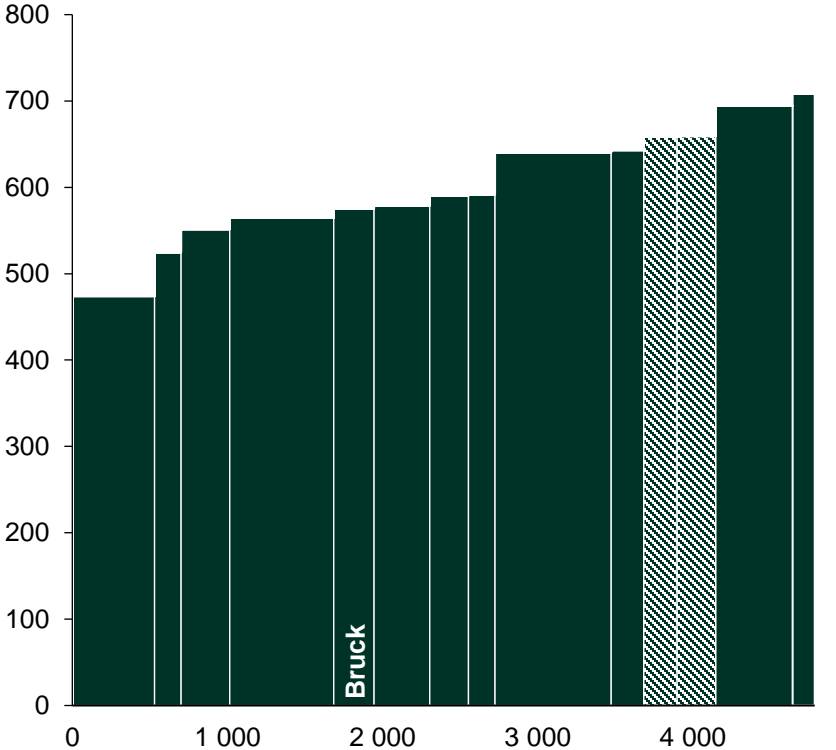
Uncoated mechanical cash cost Western Europe

EUR per tonne



Coated mechanical cash cost Western Europe

EUR per tonne



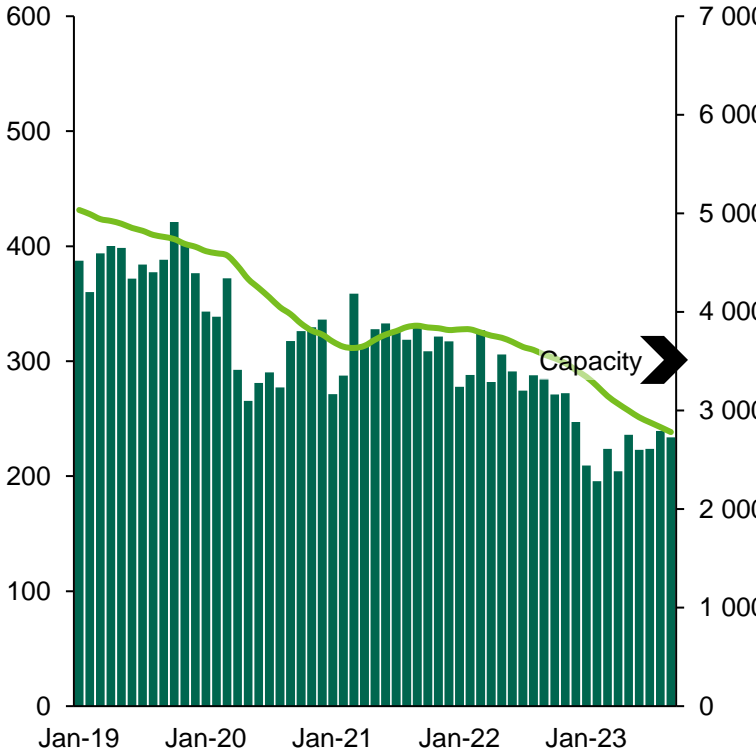
Source: RISI mill asset database as of Q2 2023
 Note: Columns with striped pattern indicate announced capacity closures by end of 2023



Newsprint market with signs of improving, but weakness and excess capacity remains within all grades

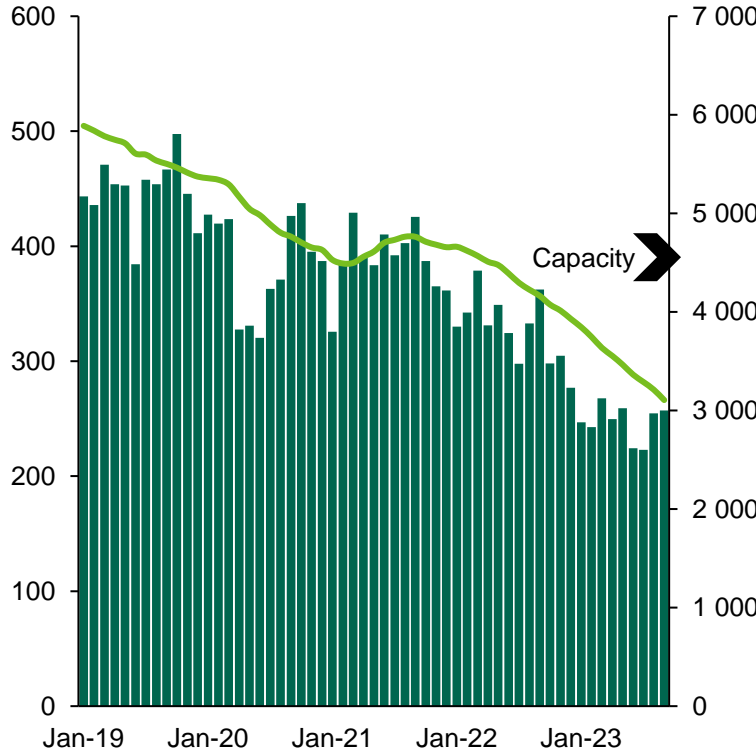
Newsprint demand, thousand tonnes

Monthly demand LTM rolling demand



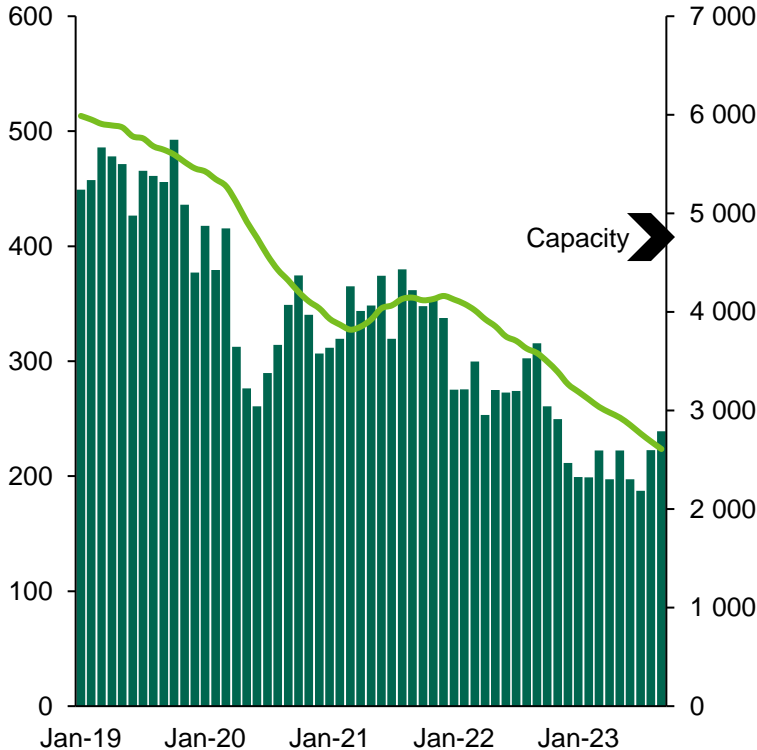
Uncoated mechanical demand, thousand tonnes

Monthly demand LTM rolling demand



Coated mechanical demand, thousand tonnes

Monthly demand LTM rolling demand

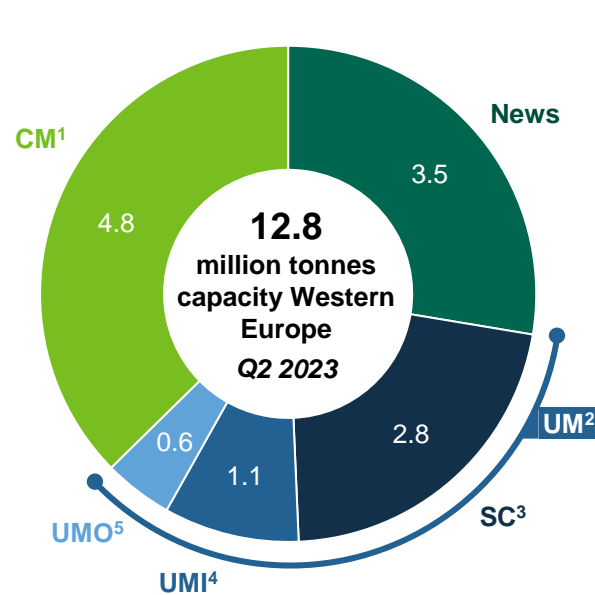


■ Monthly demand ■ Rolling LTM demand

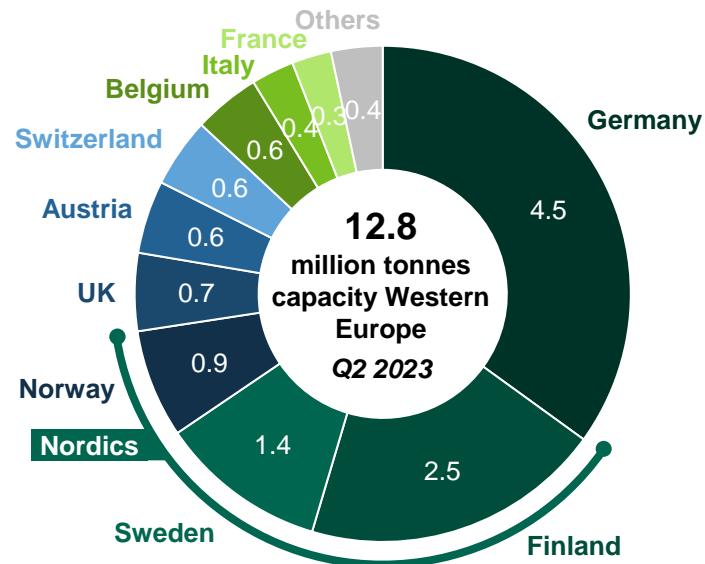


Announced Western European publication paper capacity closures all within magazine paper grades

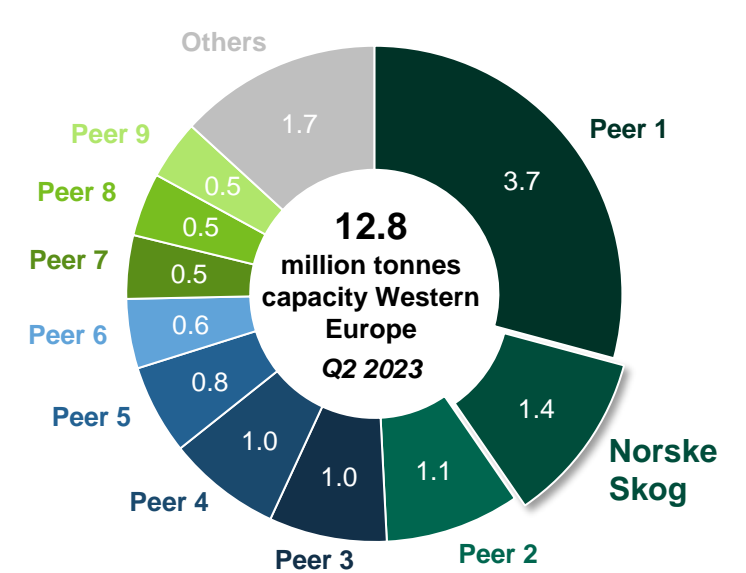
Publication paper capacity by grade



Publication paper capacity by country



Publication paper capacity by company



Closures during Q4 2023

- CM: 465kt (10%)
 - SC: 730kt (26%)
 - UMI: 85kt (8%)
 - UMO: 175kt (30%)
 - **Sum: 1 455kt (11%)**
- } 22% of UM

Closures during Q4 2023

- Germany: 630kt (14%)
- Austria: 350kt (57%)
- Finland: 260kt (10%)
- Italy: 215kt (60%)
- **Sum: 1 455kt (11%)**

Closures during Q4 2023

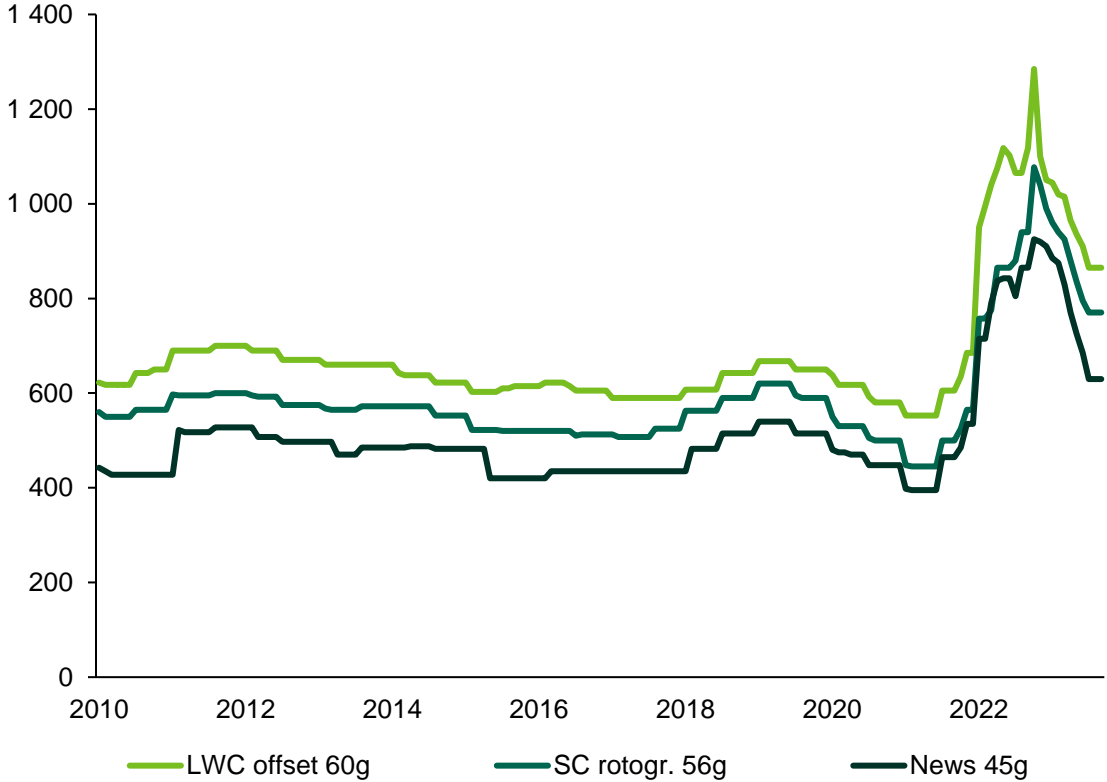
- Peer 1: 630kt
- Peer 3: 260kt
- Others: 565kt
- **Sum: 1 455kt (11%)**



Publication paper prices stabilising at low levels given current high raw materials price environment

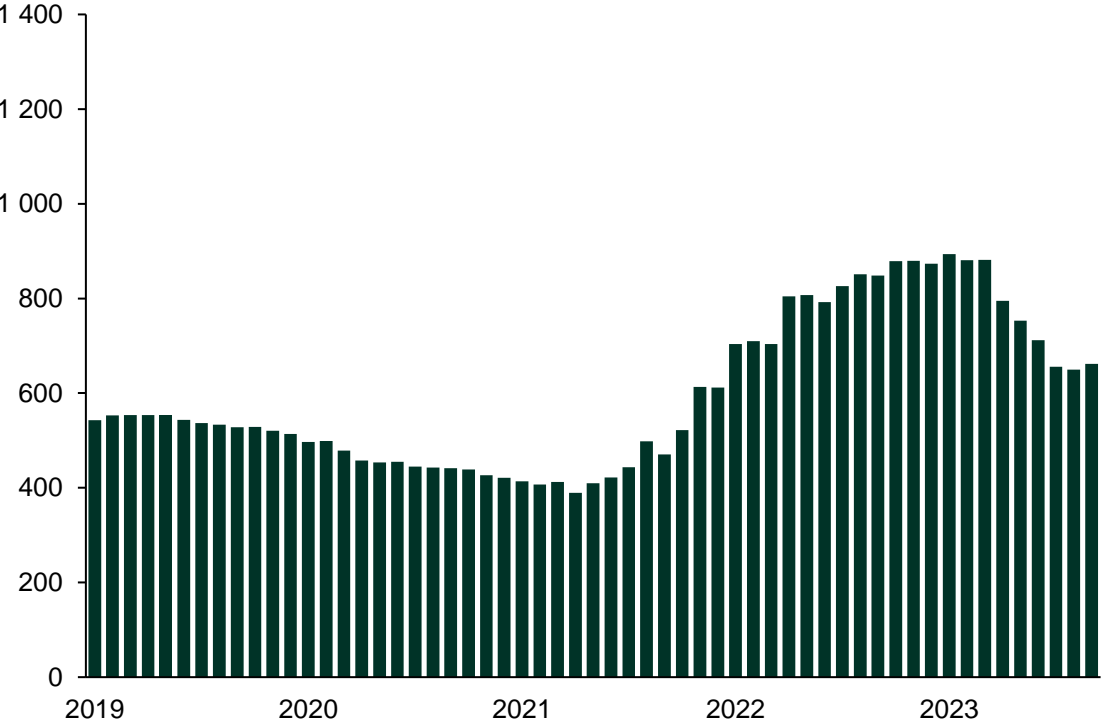
Publication paper prices Germany

EUR per tonne



Norske Skog Publication Paper Europe average monthly realised price

EUR per tonne



Raw materials

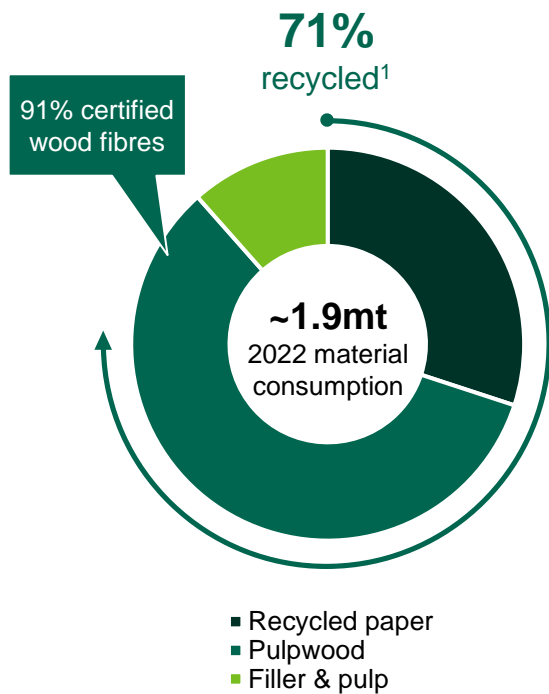


Enabling the circular economy

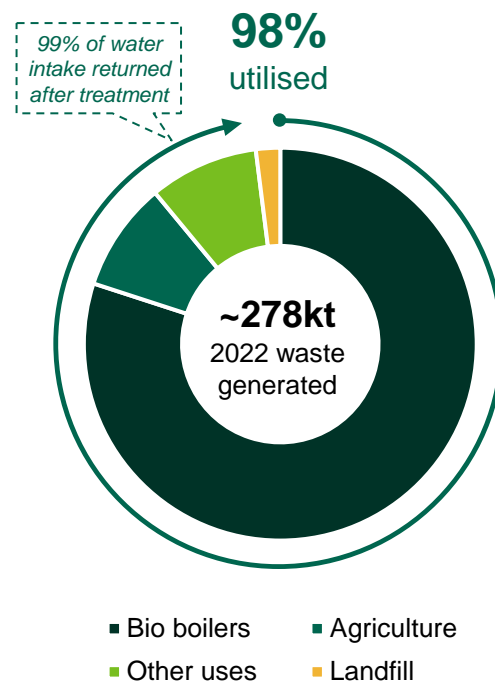
Continuously improving environmental reporting and footprint



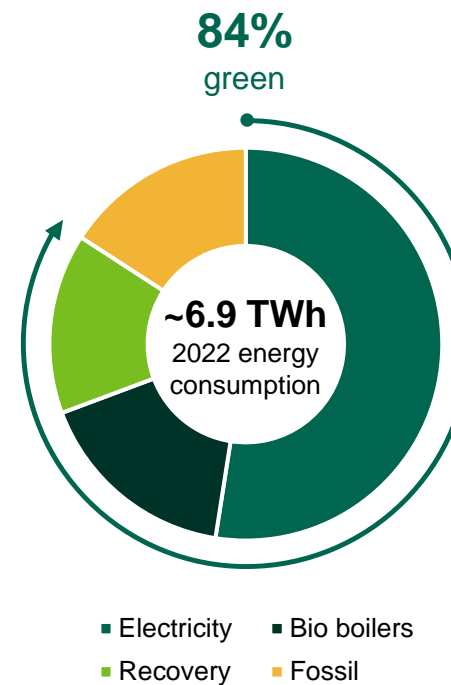
End-products recycled



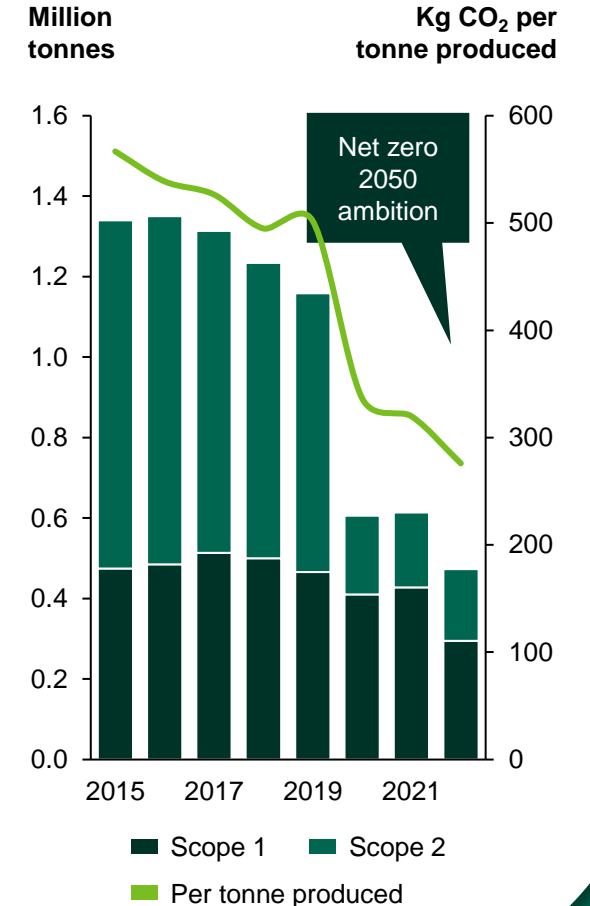
Waste utilised



Green energy focused



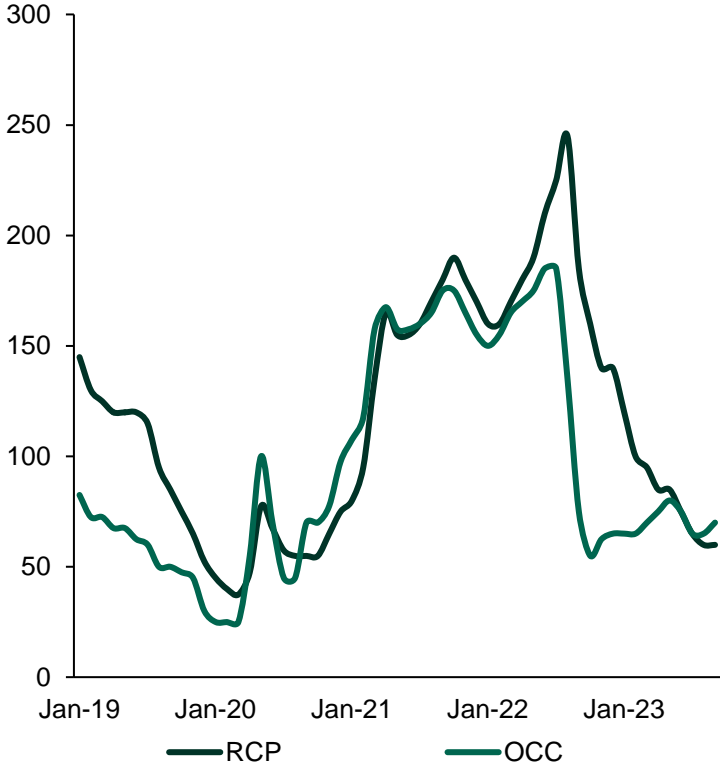
Scope 1 and 2 CO₂



Recycled paper is the main source of fibre in Bruck and Golbey

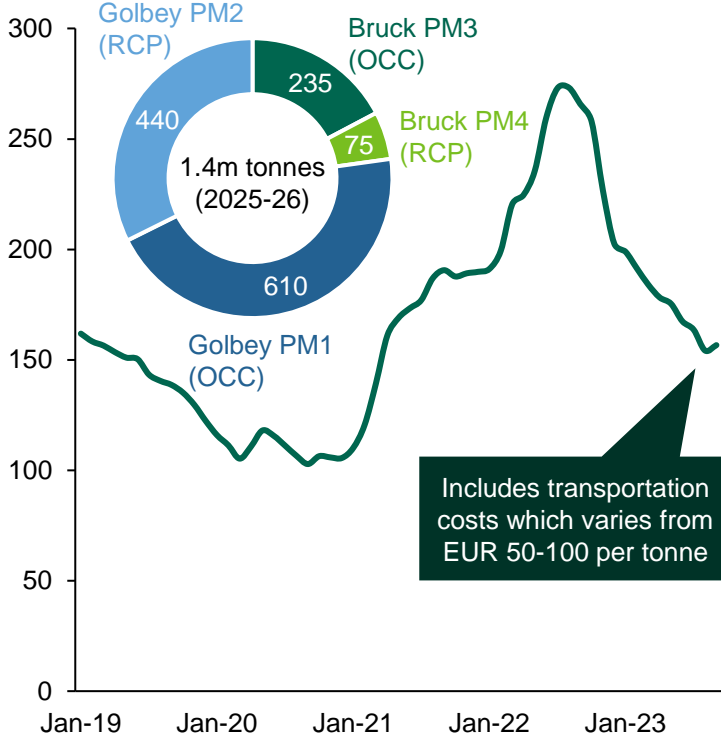
Recycled paper prices Germany

EUR per tonne



RCP and transportation cost¹

EUR per tonne



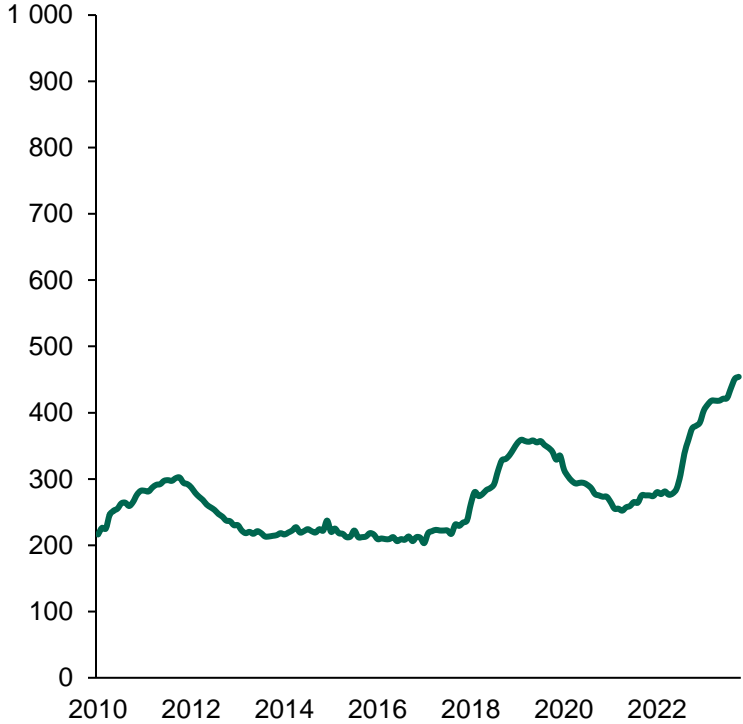
- One tonne of paper production requires ~1.2 tonnes of RCP or OCC
- Recycled paper represent 50-60% of Norske Skog total fibre consumption, and all the fibre consumption in Golbey and close to all in Bruck
- No upstream integration for sourcing of RCP or OCC, but enter volume contracts of 1-3 months which vary less in price than the spot market
- Transportation costs varies from EUR 50-100 per tonne depending on distance to the paper mill and freight rates (road, rail, sea)



Norwegian mills fully based on fresh fibre from H1 2024

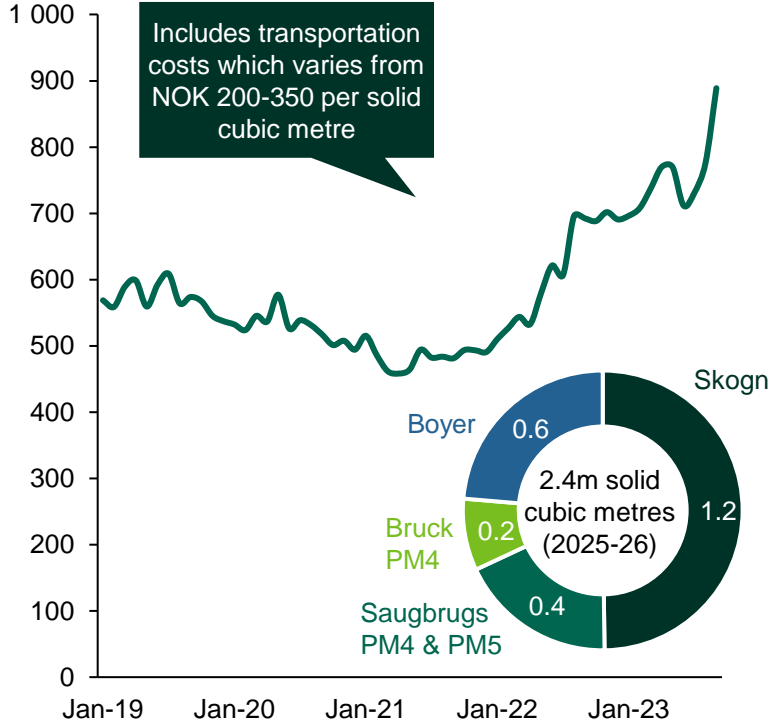
Spruce pulpwood price Norway

NOK per solid cubic metre



Fresh fibre and transportation cost¹

NOK per solid cubic metre



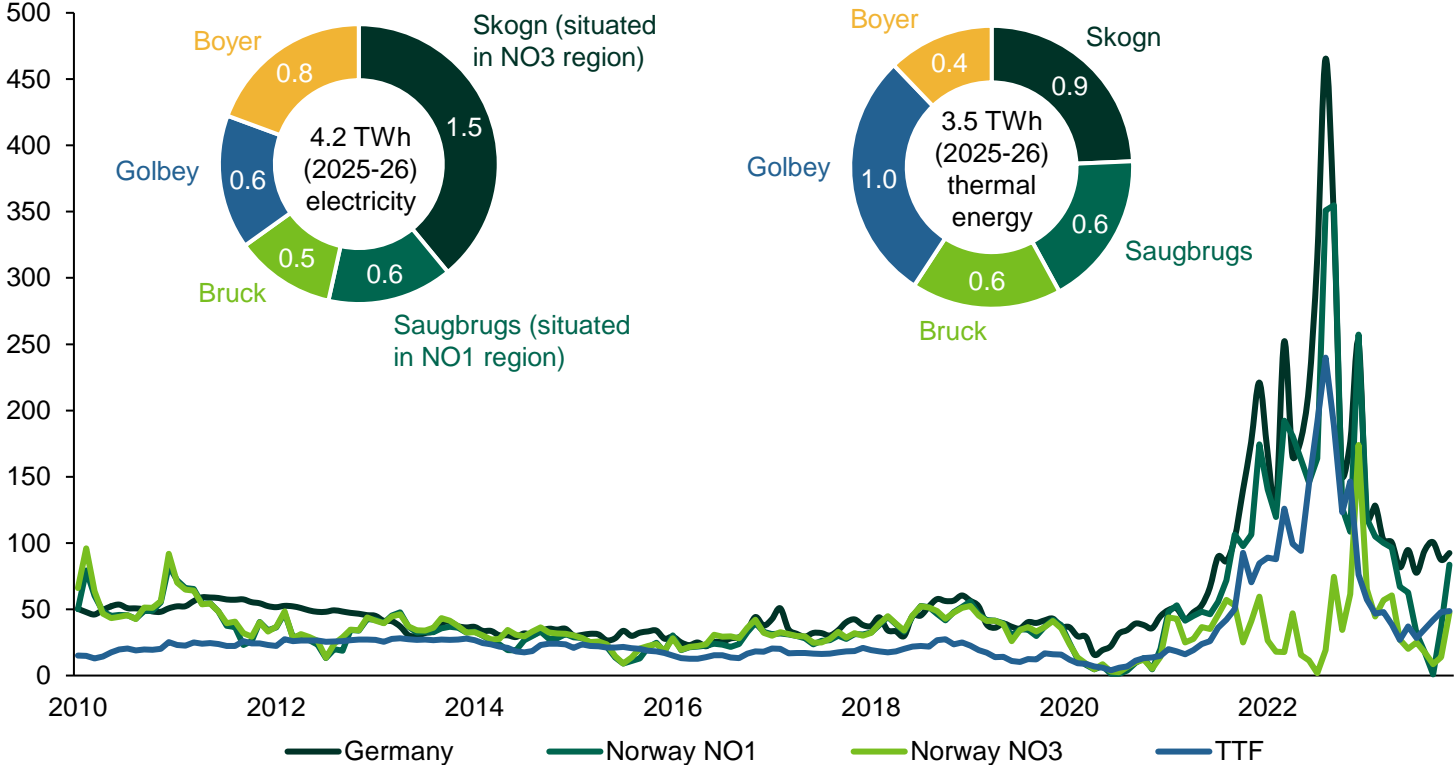
- One tonne of paper production requires 2.0-2.5 solid cubic metres of fresh fibre
- Fresh fibre represents 40-50% of Norske Skog total fibre consumption, and all fibre consumption in Skogn and Saugbrugs as of H1 2024
- No forest ownership for sourcing
- Transportation costs varies from NOK 200-350 per solid cubic metre depending on distance to the paper mill and freight rates (road, rail, sea)



Electricity and thermal energy are critical input factors

Electricity and gas prices (fossil natural gas is a common source of thermal energy)

EUR per MWh



Electricity

- Processing recycled paper requires 0.5-1.0 MWh of electricity per tonne of paper
- Processing fresh fibre requires 2.5-3.0 MWh of electricity per tonne of paper production
- Electricity represents slightly more than half of Norske Skog's total energy consumption, and close to all is purchased externally
- Competitive electricity contracts lasting until 2026-30 currently covers 85-90% of requirement

Thermal energy

- Drying paper requires 1.0-2.0 MWh of thermal energy (heat/steam) per tonne
- Thermal energy represents slightly below half of Norske Skog total energy consumption
- Large share (85-90%) of European thermal energy requirement from internal sources
 - Skogn: Biomass boilers and TMP recovery
 - Saugbrugs: Biomass boiler and TMP recovery
 - Golbey: GVE and own biomass boilers
 - Bruck: Waste-to-energy boiler



Norske Skog is a net receiver of CO₂ allowances in Europe

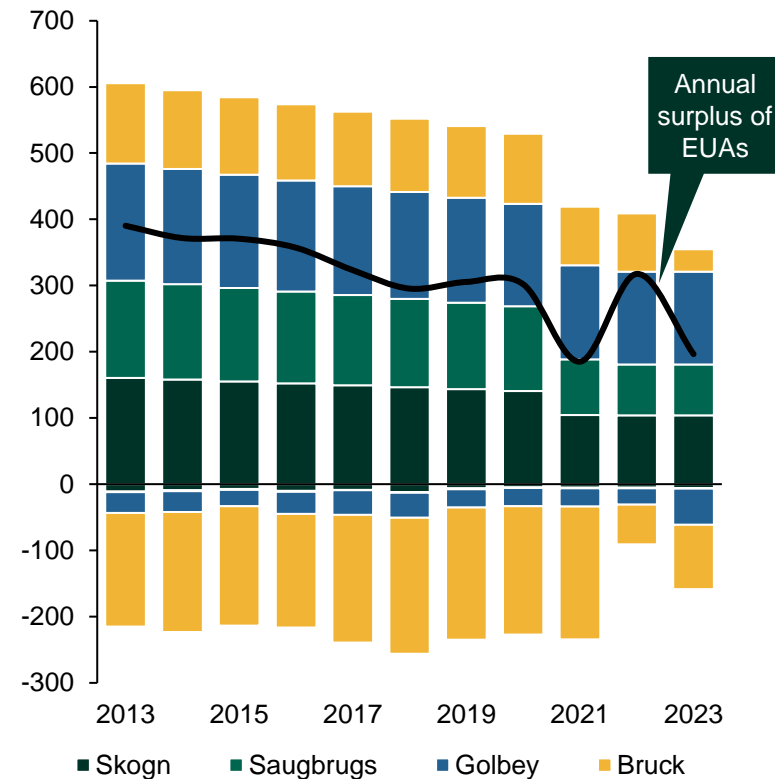
European Union Allowance (EUA) price

EUR per EUA



Received and consumed EUAs

Received (+) and consumed (-) allowances per mill, thousand



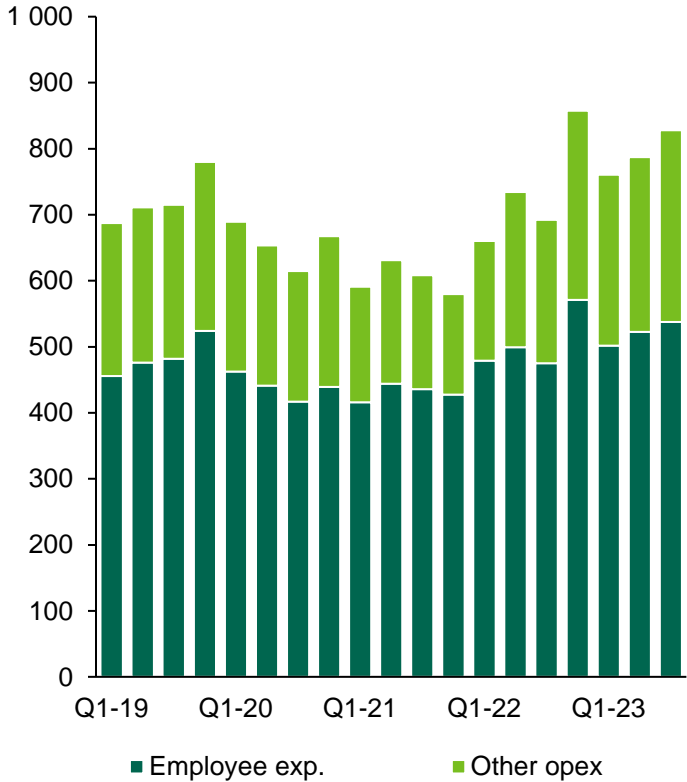
- EU ETS¹ imposes a carbon tax on industrial installations of one EUA per tonne CO₂ emitted
- Certain industries subject to international competition exempted through Carbon Leakage mechanism, whereby several companies are allocated EUAs for free each year and a compensation payment is received to cover higher electricity costs under national regulation
- The ETS and Carbon Leakage are currently in the first stage of Phase 4 (2021-25), and both are expected to be tightened in the second stage (2026-2030), both by i) reducing free EUA allocation and electricity compensation for some industries, and ii) by replacing Carbon Leakage with CBAM for certain industries. Pulp and paper not expected to be part of CBAM from 2026
- Norway has reduced CO₂ compensation by introducing a NOK 375 per EUA price regulation
- France has fully implemented CO₂ compensation under EU regulation
- Austria introduced a one-time CO₂ compensation payment for 2022, and is considering further implementation for future years



Fixed cost efficiency to improve as production volume increases

Fixed costs development

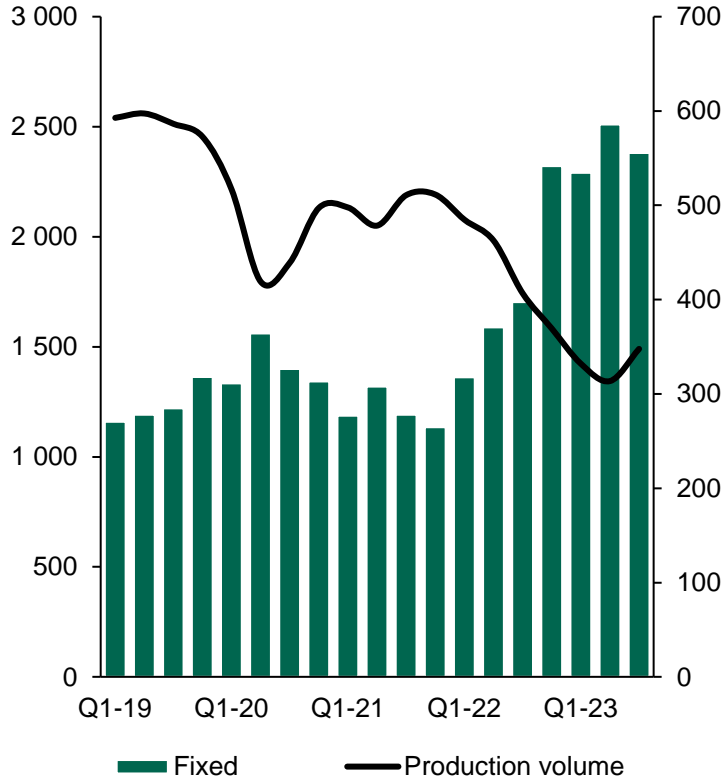
Fixed costs, NOKm



Fixed cost efficiency and production

Fixed costs per tonne, NOK

Production, thousand tonnes



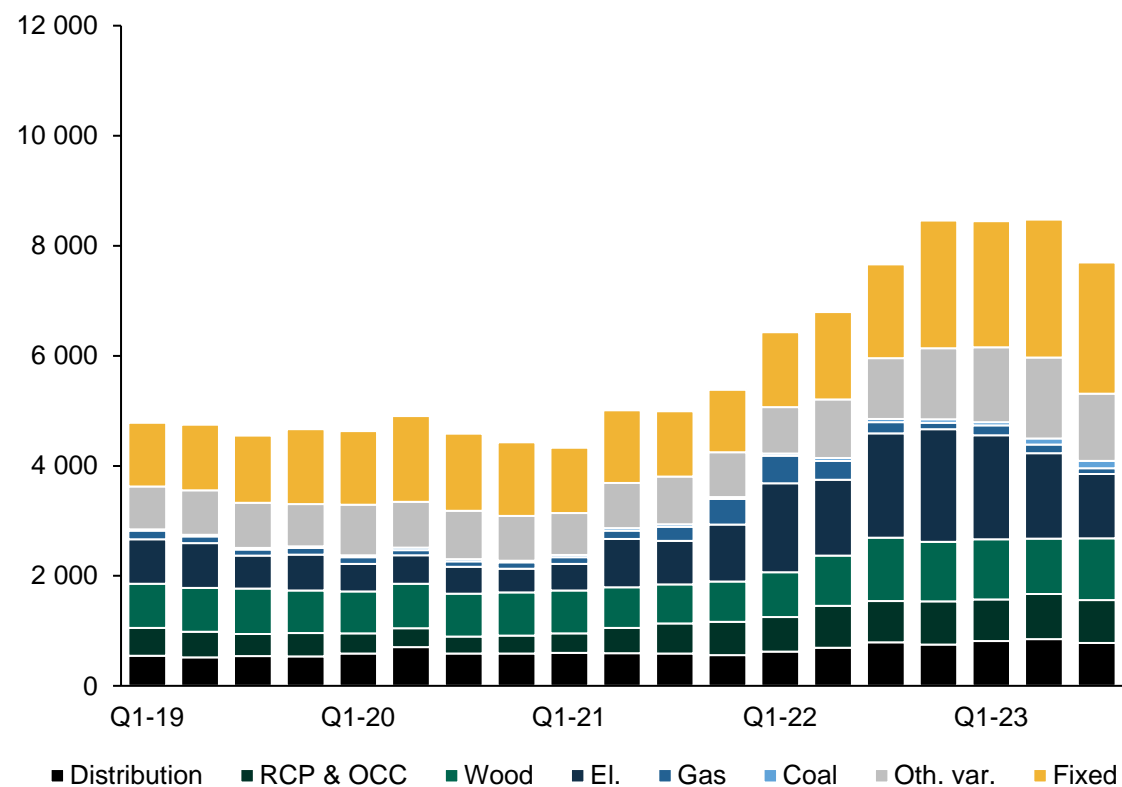
- Employee benefit expenses increasing slightly due to wage inflation
- Other opex mainly comprising maintenance costs have increased due to inflation
- Fixed costs per tonne increased significantly due to lower production volume because of ongoing conversion of Golbey PM1 (no production), landslide at Saugbrugs PM6 (no production) and ramp-up Bruck PM3 (small production) with full staff remaining in employment
- Fixed cost efficiency to gradually improve as production volume increases in 2024-26



Volatile but declining production costs as raw material and energy prices come down from peak levels

Underlying¹ total production and distribution cost for Norske Skog

NOK per tonne



- Recycled paper costs down from recent highs, but transportation costs have remained elevated
- Pulpwood costs and transportation close to all time high
- Electricity and natural gas costs the main drivers of price increases for paper seen 2021-22
 - Increase for Norske Skog limited due to 85-90% of electricity requirement covered under long-term contracts
 - Norske Skog is also 85-90% covered on thermal energy from own biomass and waste-to-energy boilers
- Other variable costs, comprising mainly coating and other chemicals, early signs of easing from high levels
- Fixed cost per tonne up significantly due to conversion projects at Bruck and Golbey, and rockslide at Saugbrugs. Improved competitiveness once all machines are back in full production

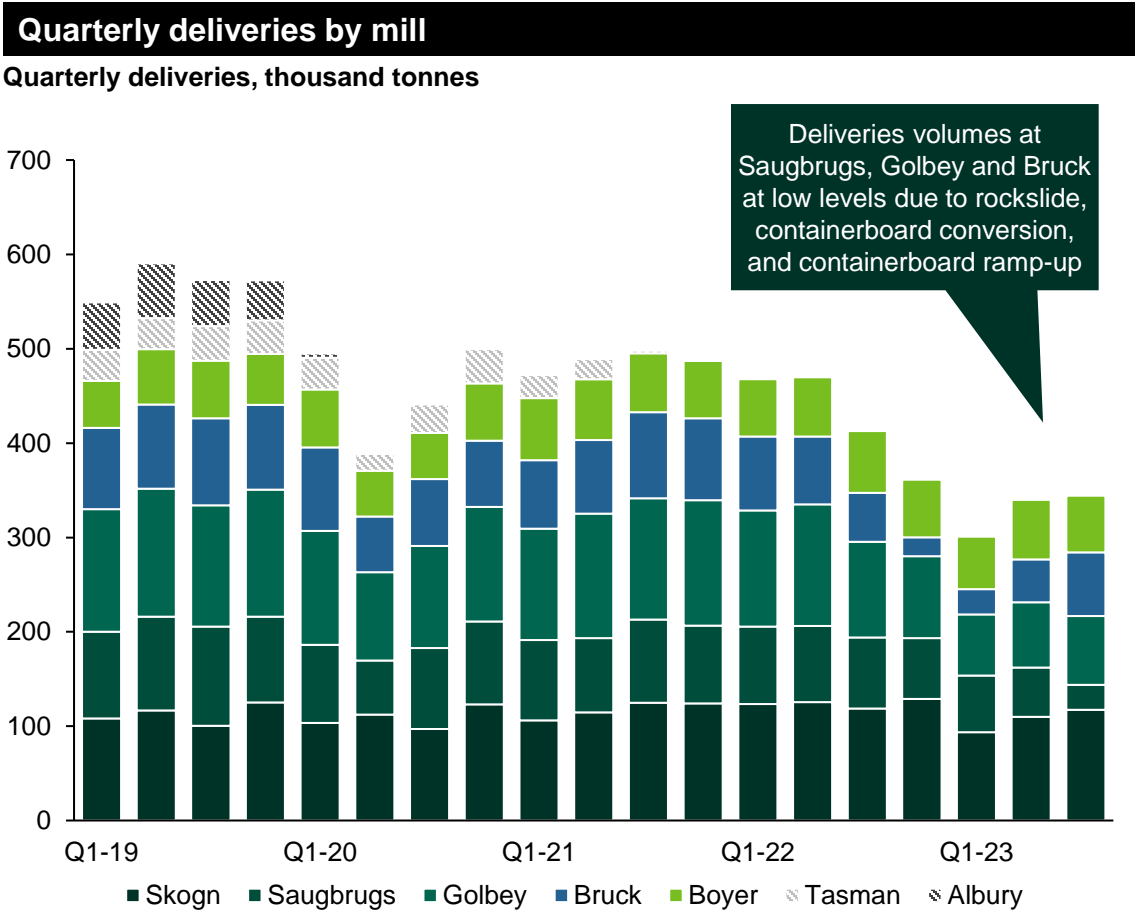
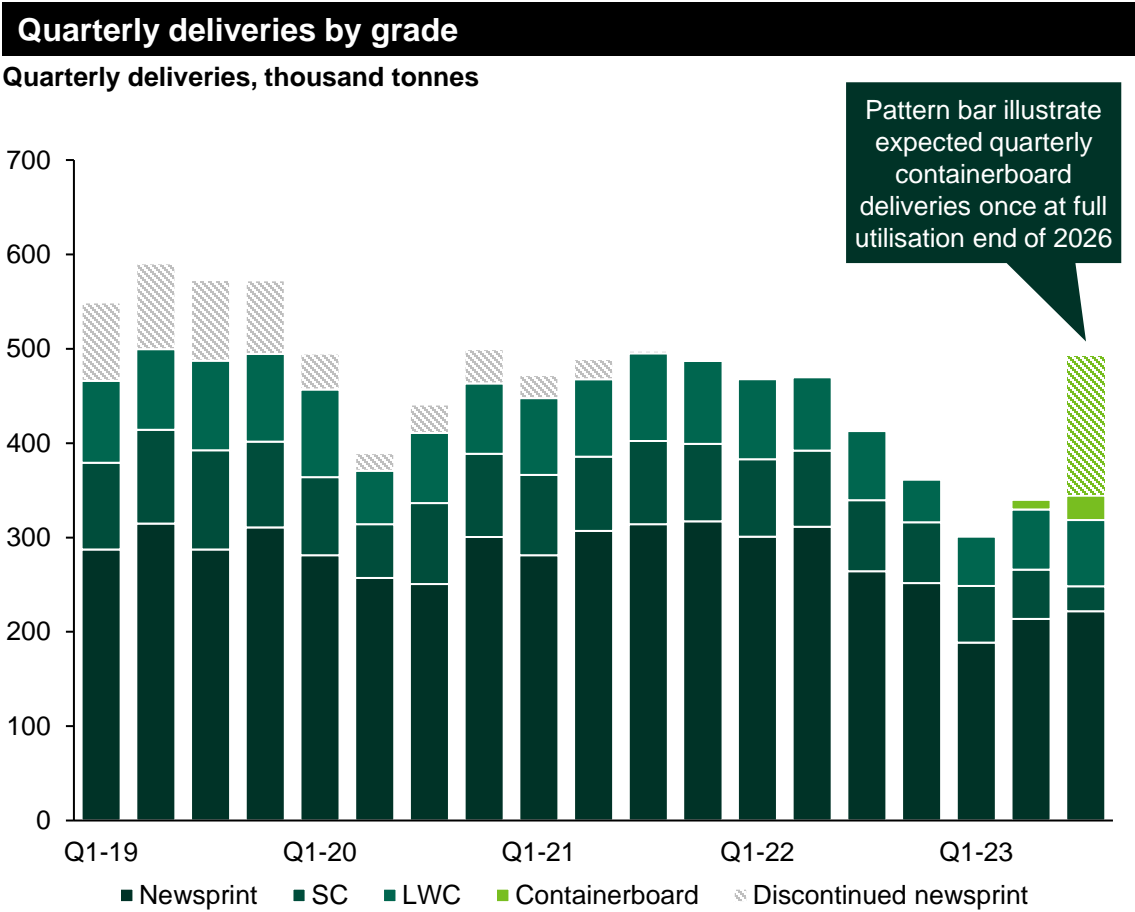


Financials



Deliveries volume set to grow

Deliveries growth from containerboard over next three years



Revenue generation across all segments

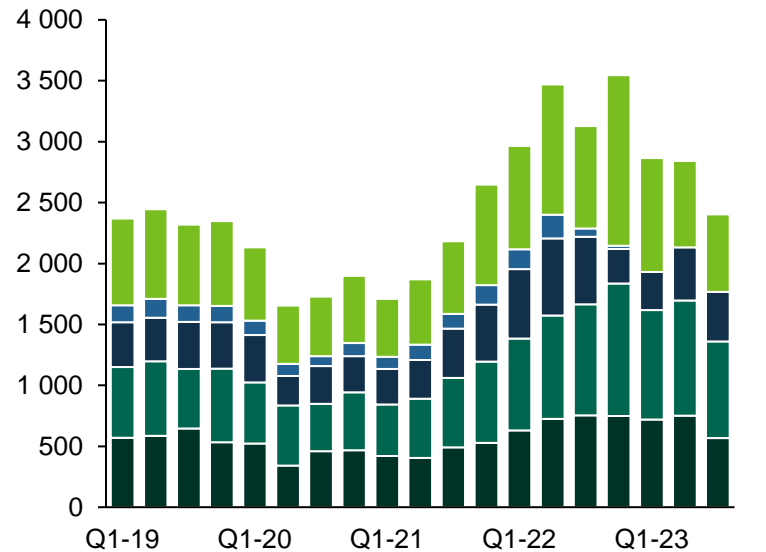
Ramp-up of containerboard at Bruck and Golbey to provide revenue growth

Publication Paper Europe

Quarterly total operating income, NOKm

+10%

EBITDA
margin target
mid-cycle

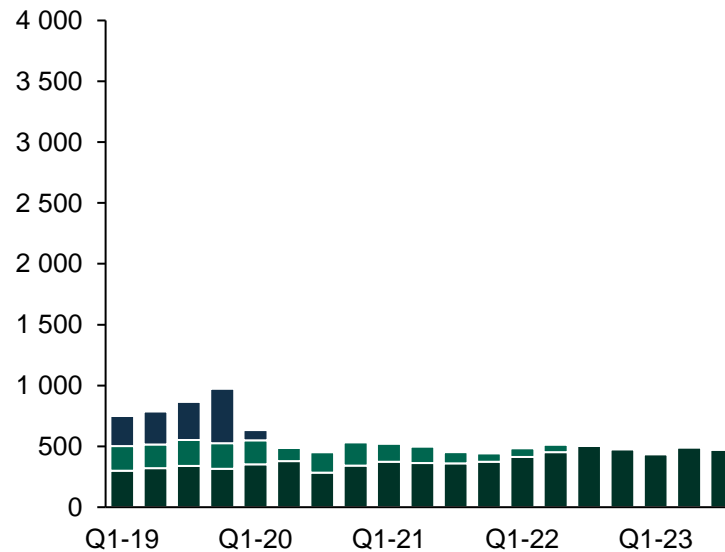


Publication Paper Australasia

Quarterly total operating income, NOKm

+10%

EBITDA
margin target
mid-cycle

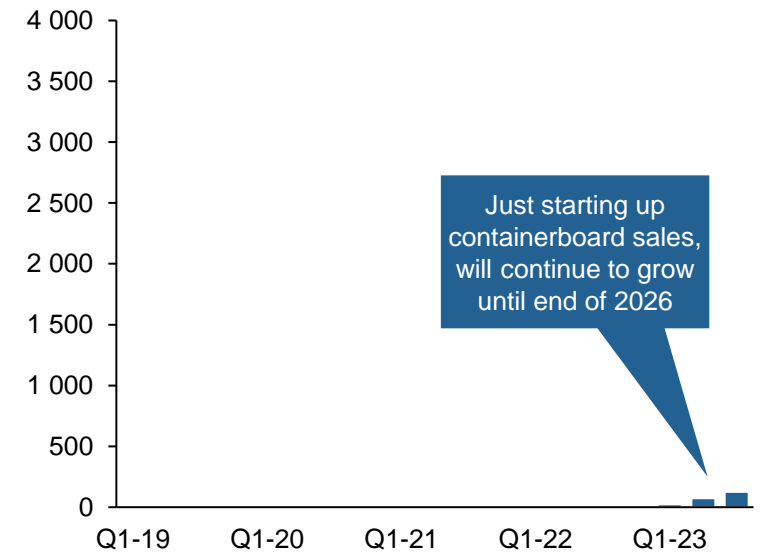


Packaging Paper

Quarterly total operating income, NOKm

~20%

EBITDA
margin target
mid-cycle¹



■ Saugbrugs ■ Skogn ■ Bruck LWC ■ Bruck newspaper ■ Golbey

■ Boyer ■ Tasman ■ Albury

■ Bruck containerboard



Targets, covenants and policies

Strong earnings capacity and financial position



Operating targets

- Publication Paper: Utilisation +90% and EBITDA mid-cycle margin +10%
- Packaging Paper: Utilisation +95% and EBITDA mid-cycle margin ~20% (2025-26)

Maintenance covenants

- Equity ratio above 25%
- Interest coverage ratio above 2.0x
- Minimum cash above NOK 100m

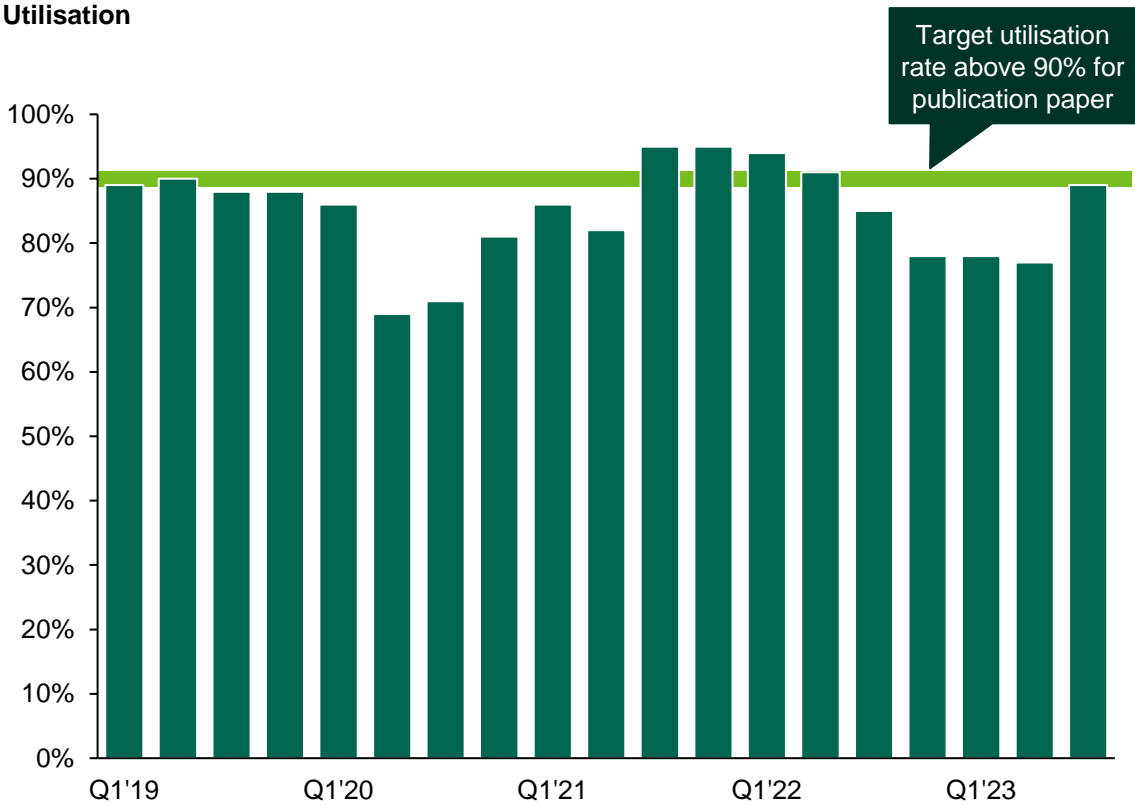
Financial policies

- Aim to have a leverage ratio less than 2.0x in the longer term
- Financial flexibility to fund short and long-term capital requirements
- Maintain a capital structure that suits the group's strategy
- Access to a diversified range of capital sources
- Keep maturity profile on financing arrangements spread out

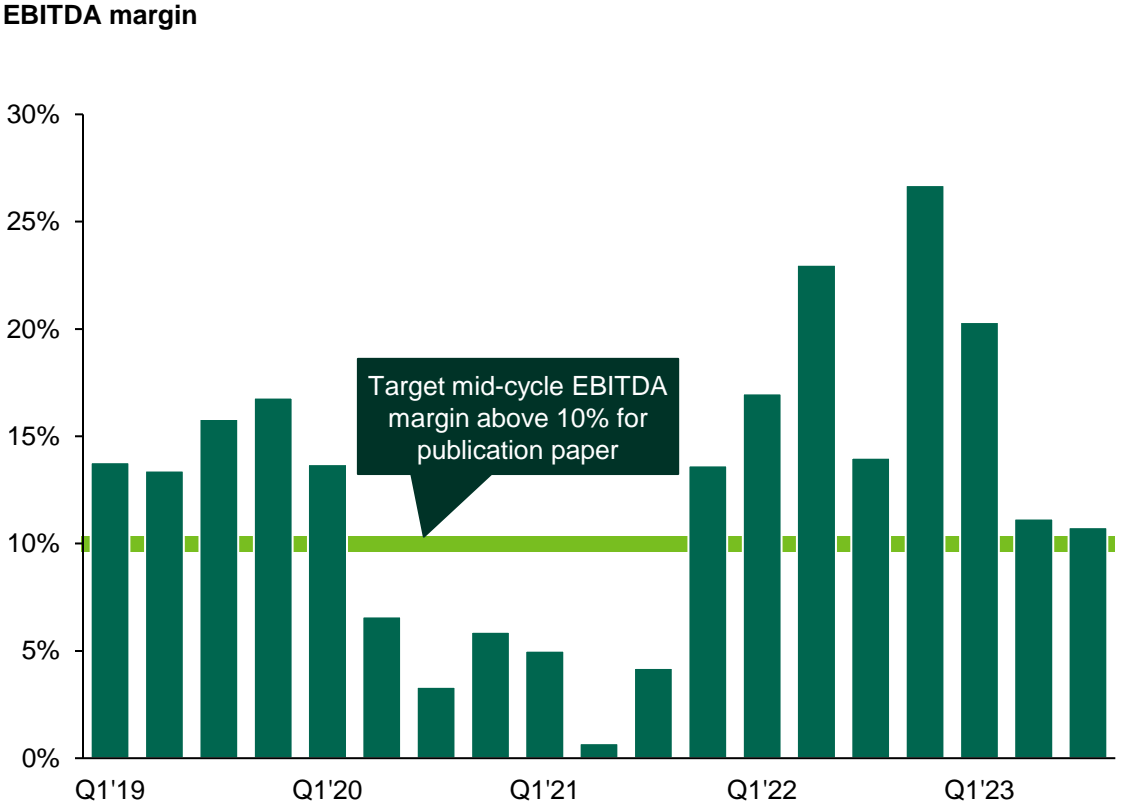


Operations in line with targets over time

Publication paper utilisation rate

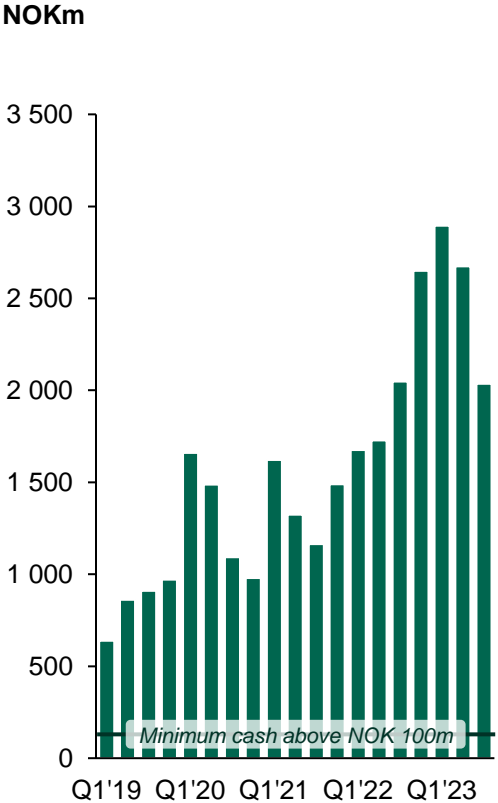


Publication paper EBITDA margin

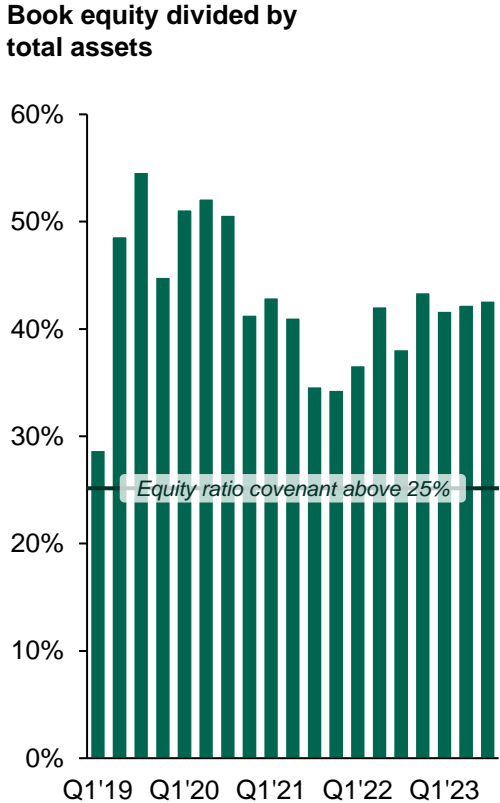


Financial position well within covenants and policies

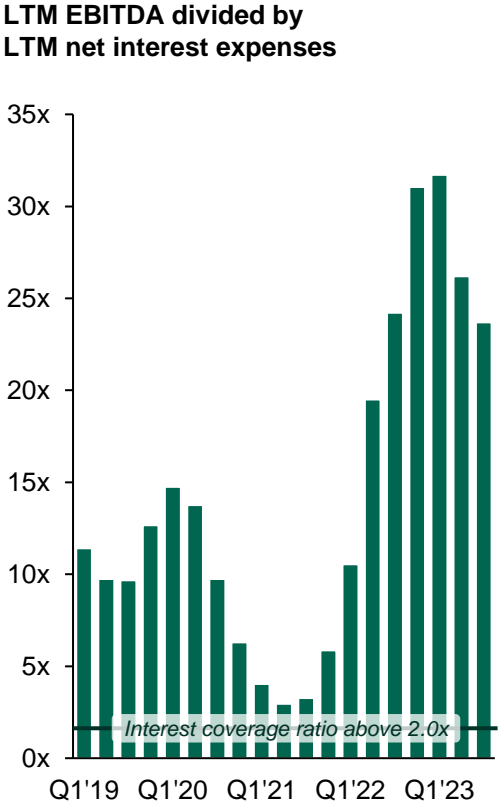
Covenant: Cash position



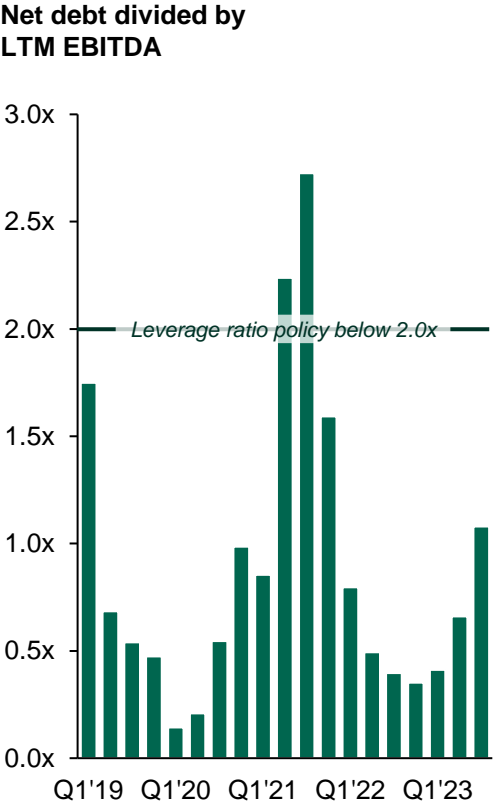
Covenant: Equity ratio



Covenant: Interest coverage ratio

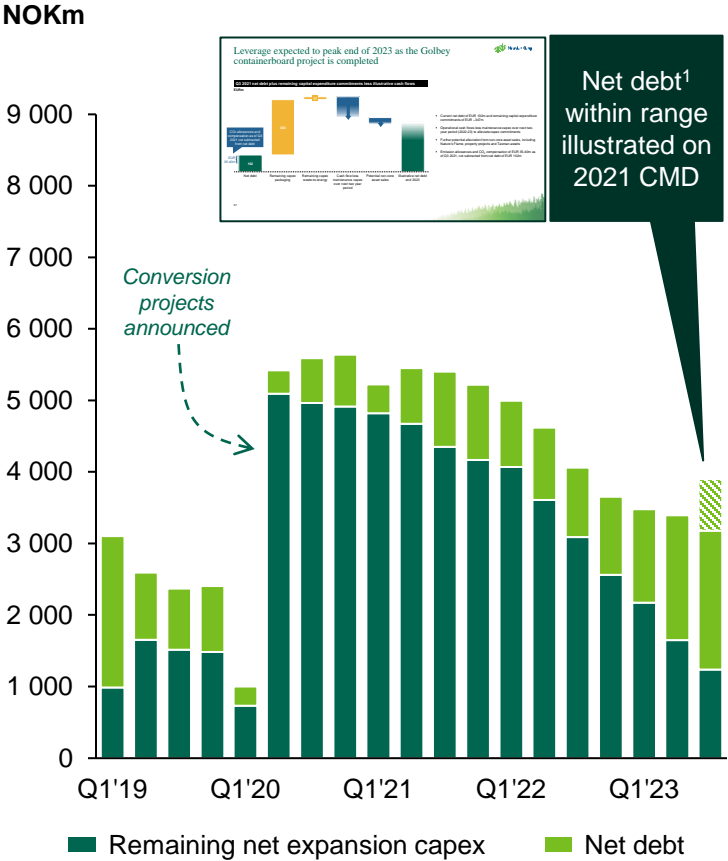


Policy: Leverage ratio

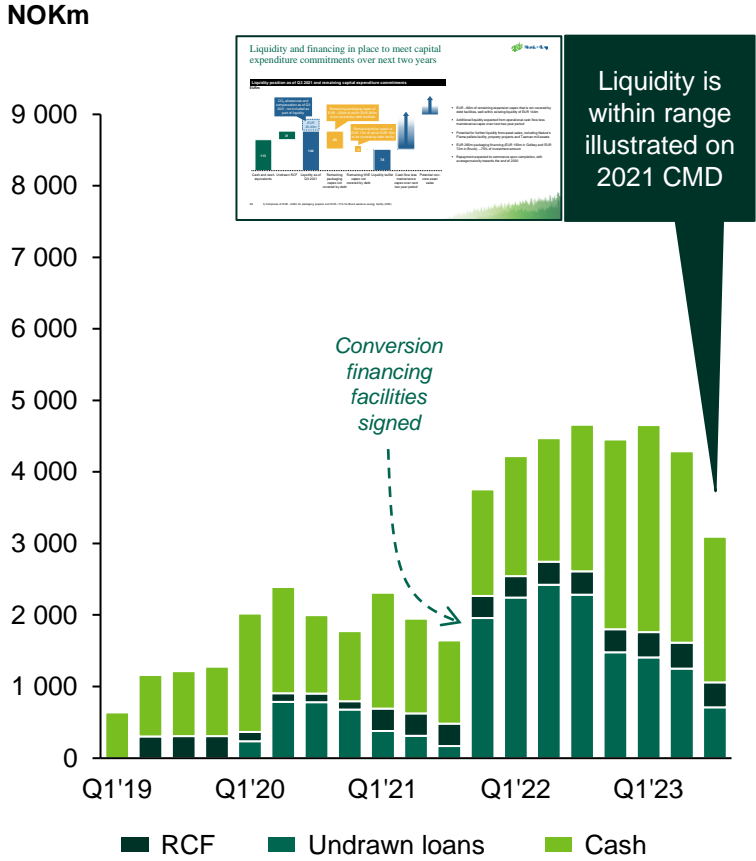


Liquidity position well beyond remaining net expansion capex

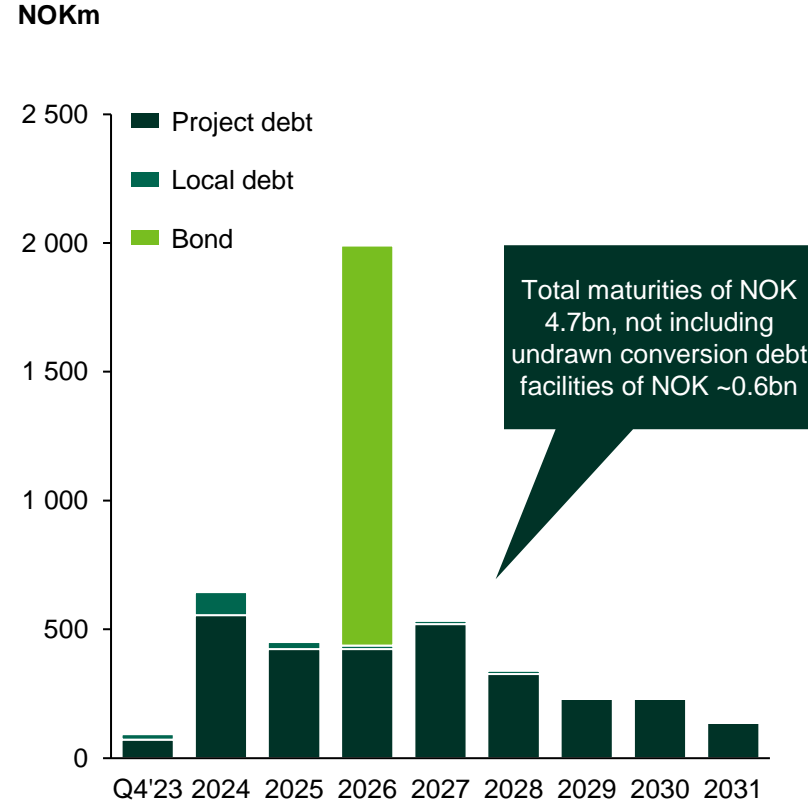
Remaining net expansion capex and net debt



Liquidity position



Maturity profile

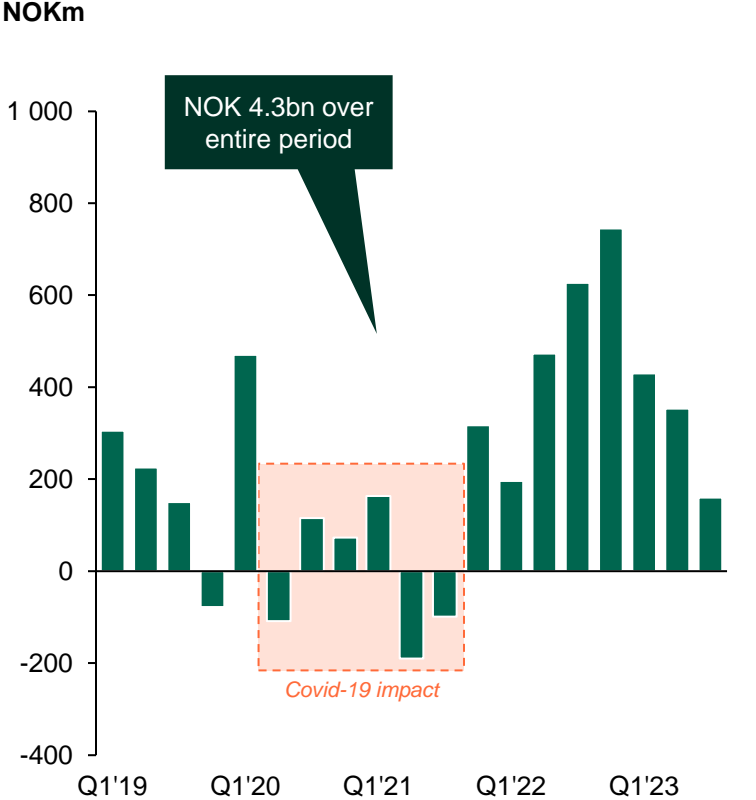


1) Based on net debt as of Q3 2023 of NOK 2 662m adjusted for impact from insurance payments of NOK 694m to be received in Q4 2023 and NOK 215m to be received in Q1 2024, less payments made to repurchase shares in the period from 1 October 2023 to 6 November 2023 (completing the share repurchase programme) of NOK 129m, and dividend of NOK 57m to be paid on or about 28 November 2023

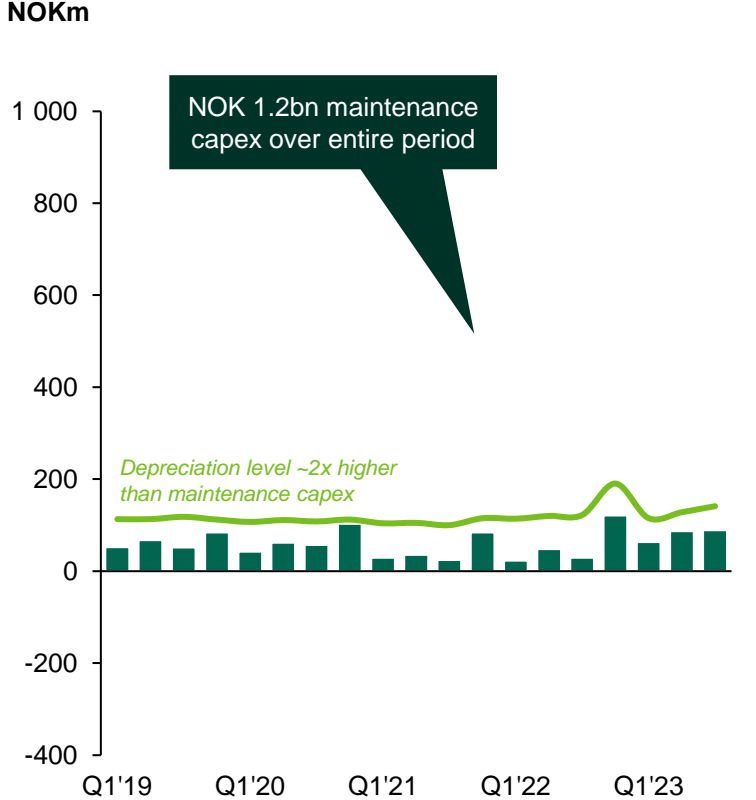


Significant share of net expansion capex has been covered by operating cash flows after maintenance capex

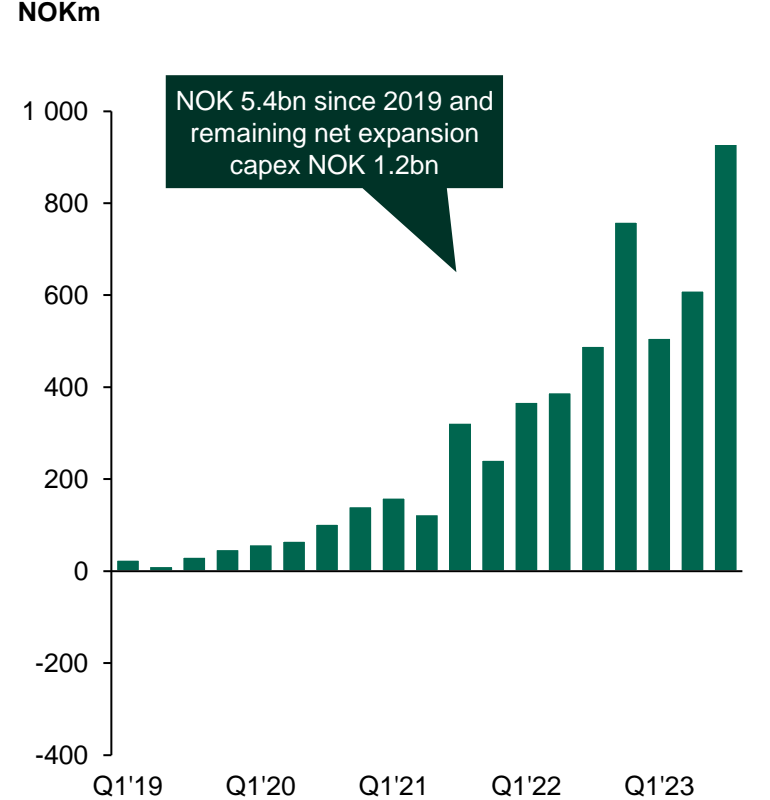
Cash flow from operations



Maintenance capex and depreciation

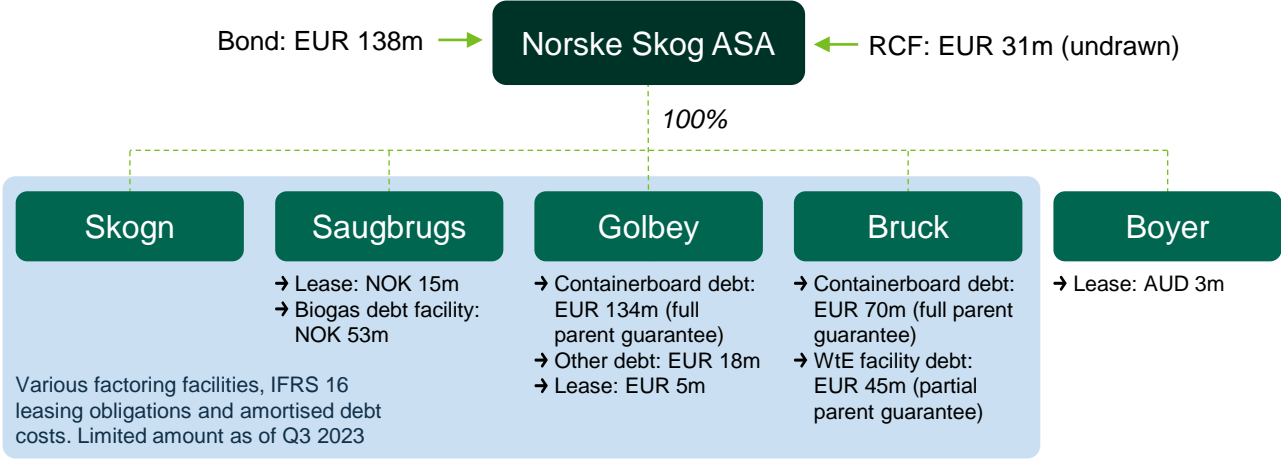


Expansion capex



Majority of debt financing at the mill level, with outstanding bond main financing source at parent level

Overview of main financing facilities as of Q3 2023



Bond: EUR 150m (EUR 138m outstanding)

- Bullet amortisation Q1 2026 (first call Q1 2024)
- Floating rate: EURIBOR 3m + 550bps

RCF: EUR 31m (undrawn)

- Maturity Q1 2026
- Floating rate: EURIBOR 3m + spread

Golbey containerboard debt: EUR 192m (drawn EUR 134m)

- First amortisation Q1 2024, last amortisation 2031
- Floating rate: EURIBOR 3m + spread

Bruck containerboard debt: EUR 70m

- First amortisation Q3 2023, last amortisation 2031
- Floating rate: EURIBOR 3m + spread

Bruck WtE facility debt: EUR 45m

- First amortisation Q3 2022, last amortisation 2027
- Fixed rate

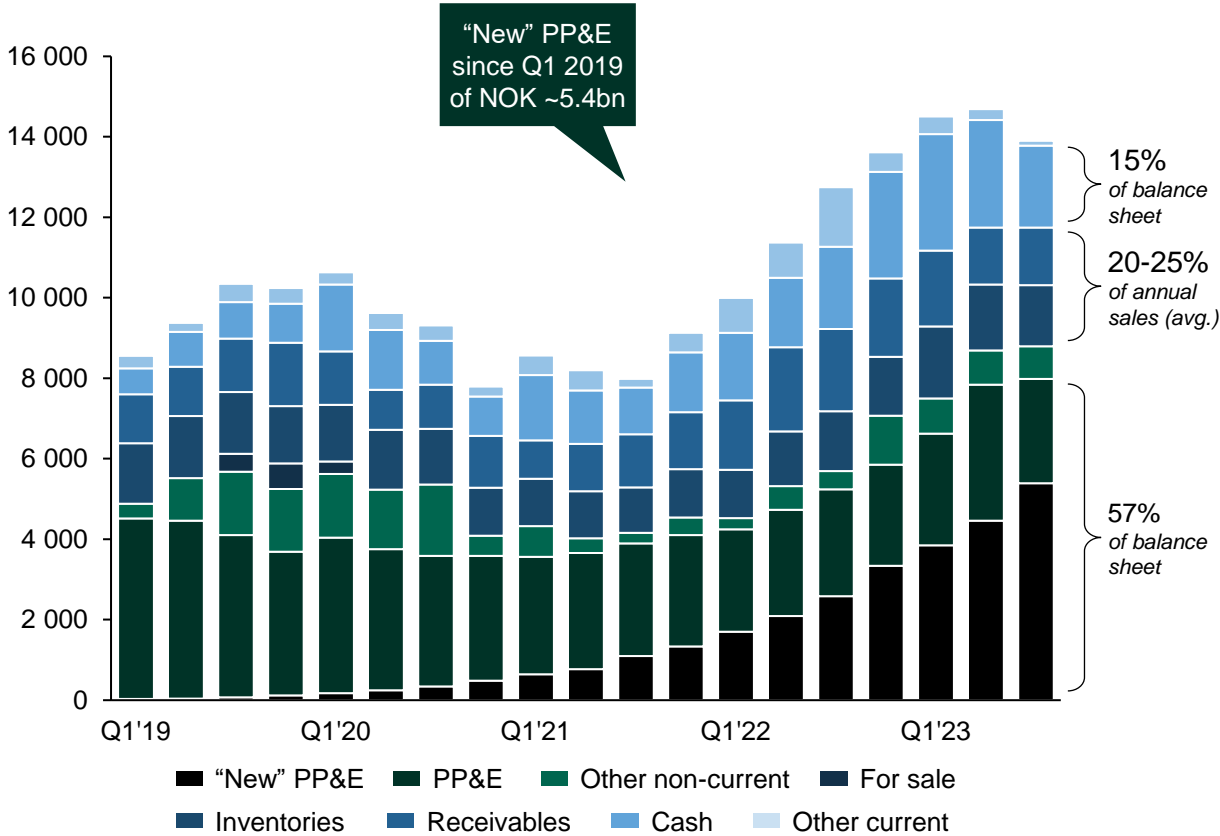
Leases and factoring at competitive terms



Moving forward with a newly invested asset base and a large cash position

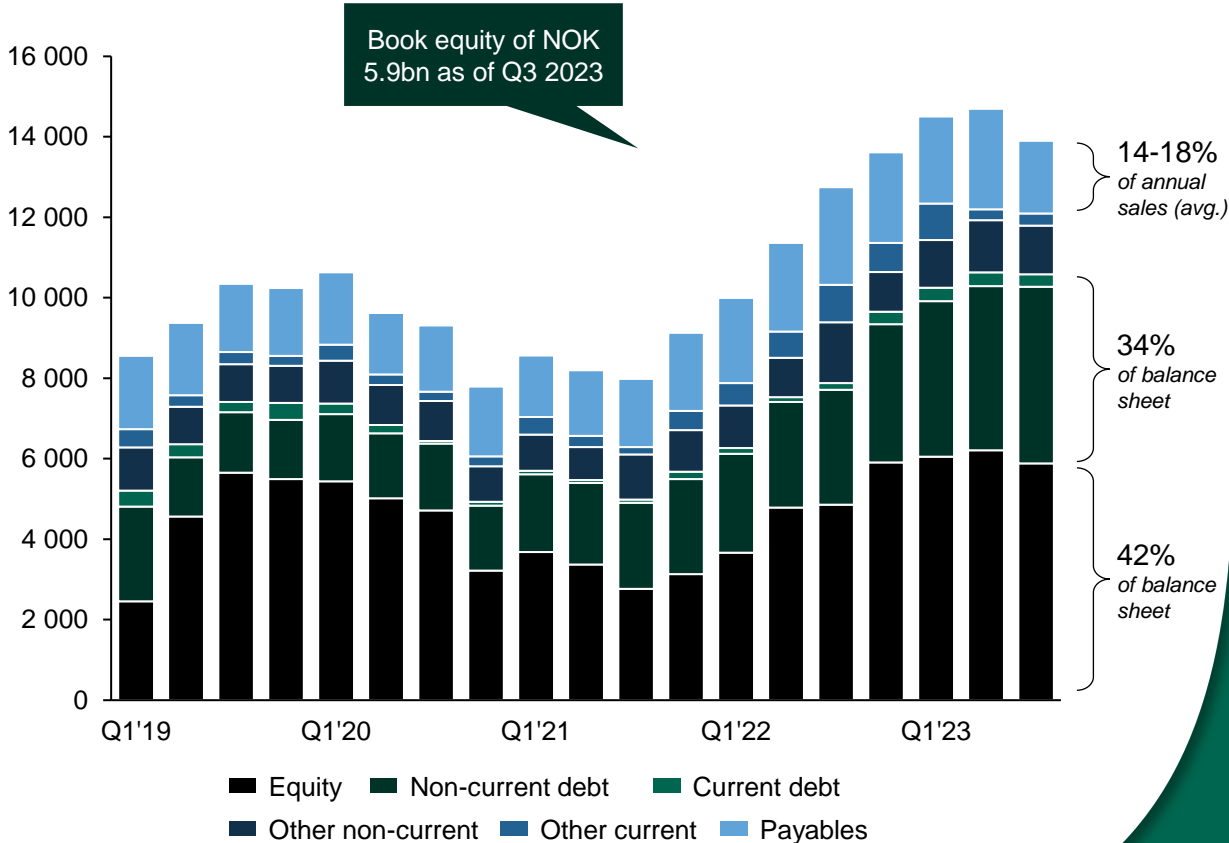
Assets

NOKm



Equity and liabilities

NOKm



Concluding remarks



Outlook

Creating value from fibre

- Optimise cash flows from **publication paper** production across all mills
- Continue to increase production of **packaging paper** over next three years
- Further exploration of new products based on **fibre processing**
- Significant focus on **project execution** and **cost efficiency** going forward

Earnings from **investment projects** starting to take effect, and expected to **grow over the next three years**





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