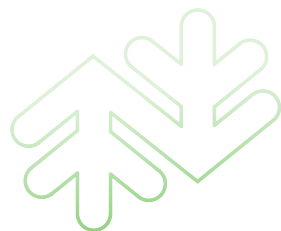
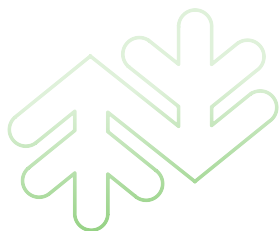
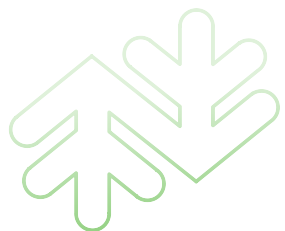


Norske Skog

Q3 2023 presentation

20 October 2023

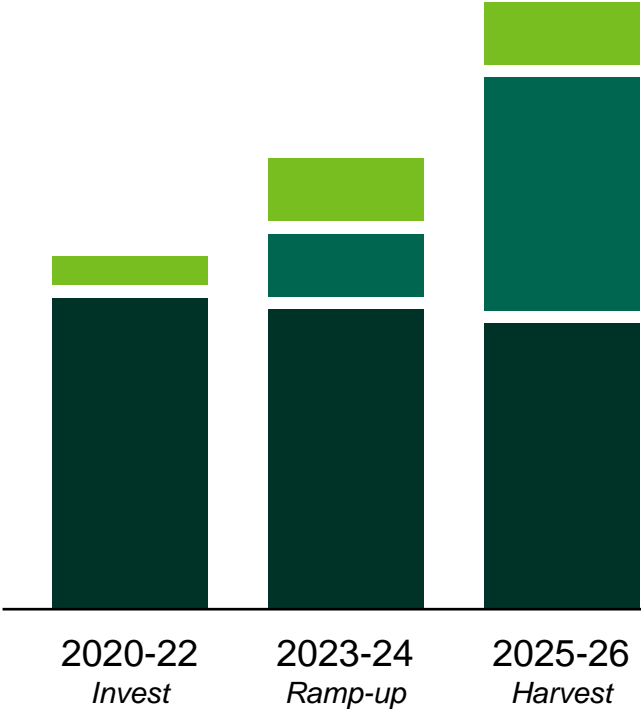


*We create
green value*

Sustainable and innovative industry

Strategic transition

- Publication paper
- Packaging paper
- Energy and bio products



- Cost leading producer of publication paper
 - Capacity: 1 490kt (excl. Saugbrugs PM6)
 - Utilisation target: +90%
 - EBITDA margin target: +10%
- Ramping up production of packaging paper
 - Capacity: 760kt (from Q2 2024)
 - Utilisation target: +95% (2025-26)
 - EBITDA margin target: +20%
- Net debt of NOK 2.7bn
- Gross expansion capex since 2020 NOK 5.3bn
- Remaining net expansion capex NOK 0.9bn
- Cash NOK 2.0bn and liquidity NOK 3.1bn

Five high quality industrial sites

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



Third quarter in brief

Earnings negatively impacted by weak markets

- EBITDA in the quarter of NOK 327m, including property damage insurance of NOK 67m, reimbursement of power payments of NOK 77m, and negative impact of NOK 55m related to change in CO₂ compensation scheme
- Higher NIBD of NOK 2 662m mainly due to investments at Norske Skog Golbey and share repurchases in the quarter

Paper and containerboard prices levelling out

- Publication paper markets weak, further capacity closures needed
- Signs of containerboard demand stabilising, but market still characterised by excess capacity

Bruck PM3 ramp-up on plan in challenging market

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

Preparations for restart of Saugbrugs PM5

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

Share repurchase programme

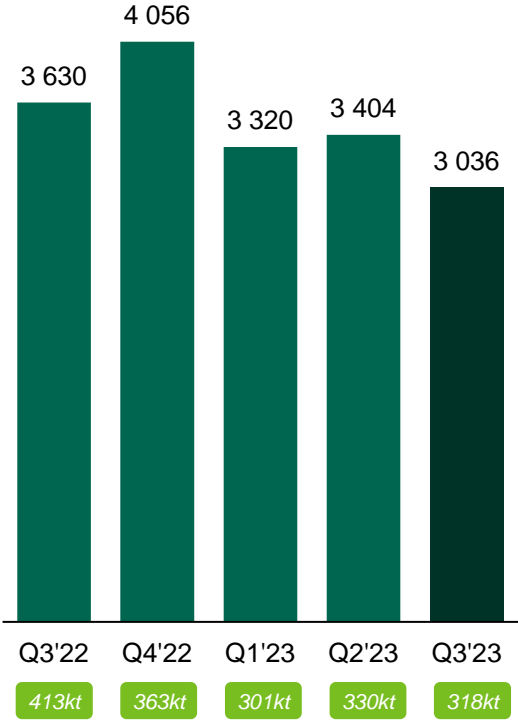
- 6.4m shares repurchased as of 30 September 2023 at a total consideration of NOK 286m
- Repurchase programme likely to be completed by early November



Group financials

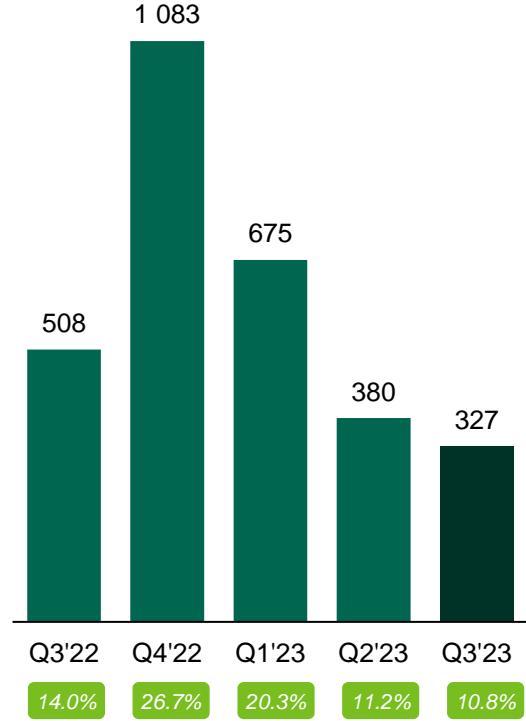
Revenue

NOKm (and deliveries volume)



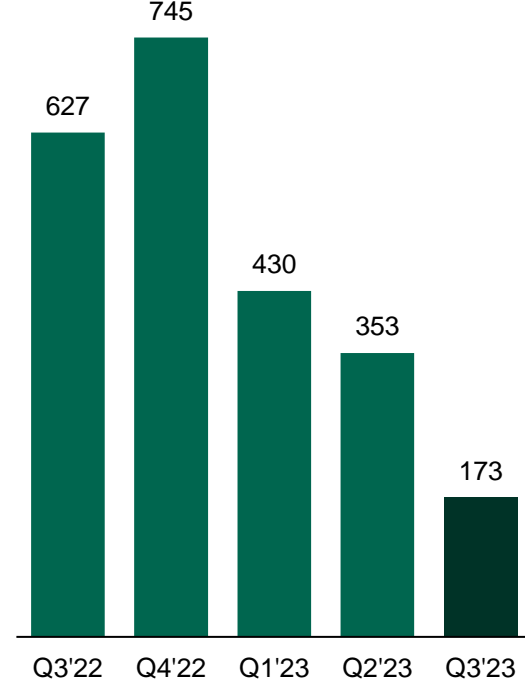
EBITDA

NOKm (and margin)



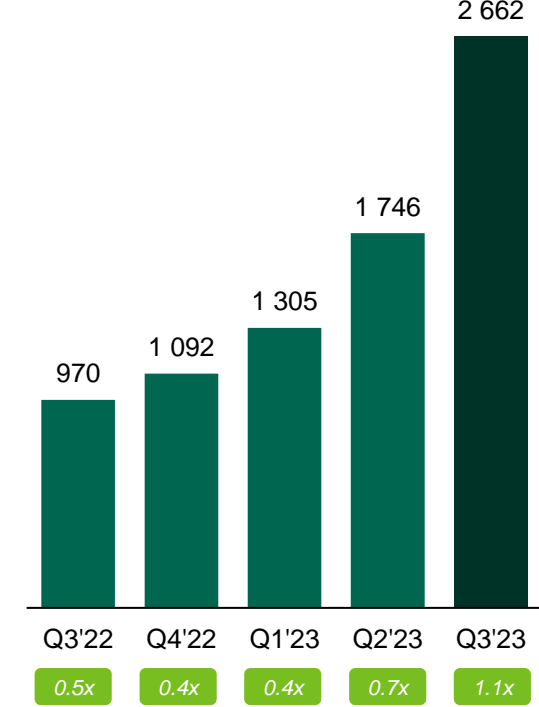
Operating cash flow

NOKm



Net debt

NOKm (and leverage ratio)



Segment financials

Publication Paper Europe	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23
Operating rate, %	83%	74%	77%	74%	87%
Deliveries, thousand tonnes	347	300	245	267	258
Total operating income	3 129	3 551	2 864	2 843	2 405
EBITDA	483	1 131	763	429	335
EBITDA margin, %	15.4%	31.8%	26.6%	15.1%	13.9%

Publication Paper Australasia	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23
Operating rate, %	94%	98%	83%	92%	97%
Deliveries, thousand tonnes	66	63	56	63	60
Total operating income	514	508	434	489	476
EBITDA	33	33	-23	-5	27
EBITDA margin, %	6.3%	6.5%	-5.2%	-1.1%	5.7%

Packaging Paper	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23
Deliveries, thousand tonnes			0	10	26
Total operating income			24	75	128
EBITDA			-38	-40	-31
EBITDA margin, %			n.a.	-53.9%	-24.2%

Other activities	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23
Total operating income	71	61	61	89	133
EBITDA	-8	-81	-27	-2	-5

Publication Paper Europe

- Pressure on prices and profitability
- EBITDA influenced by:
 - Saugbrugs business interruption and property damage insurance of NOK 135m and NOK 67m, respectively
 - Golbey power payment of NOK 77m
 - Reversal of CO₂ compensation for H1 2023 for Norwegian mills of NOK 55m

Publication Paper Australasia

- Price increases implemented for H2 2023
- Lower distribution and other operating expenses in the quarter

Packaging Paper

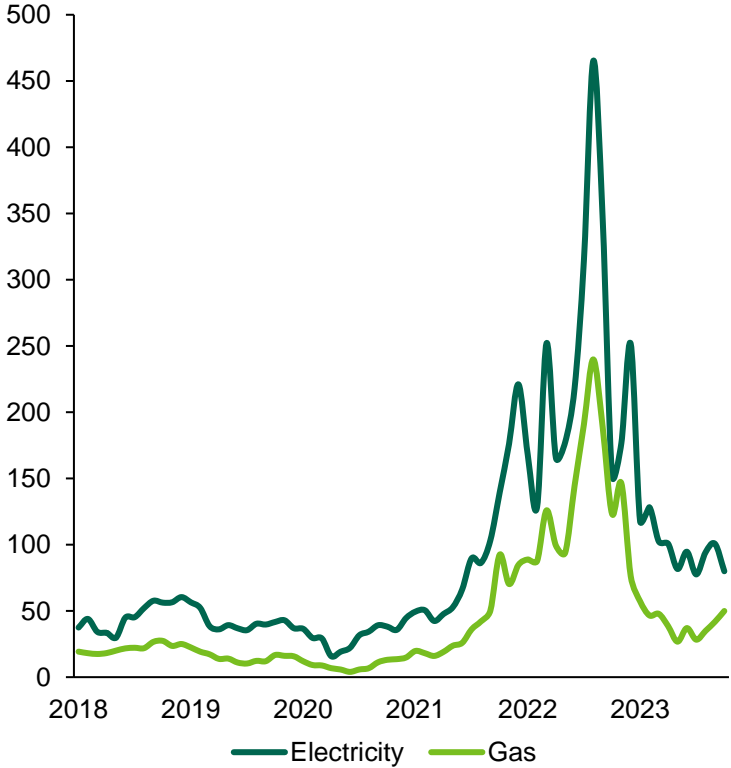
- Production ramp-up according to plan in challenging markets



Input costs down from peak, but remain at high levels

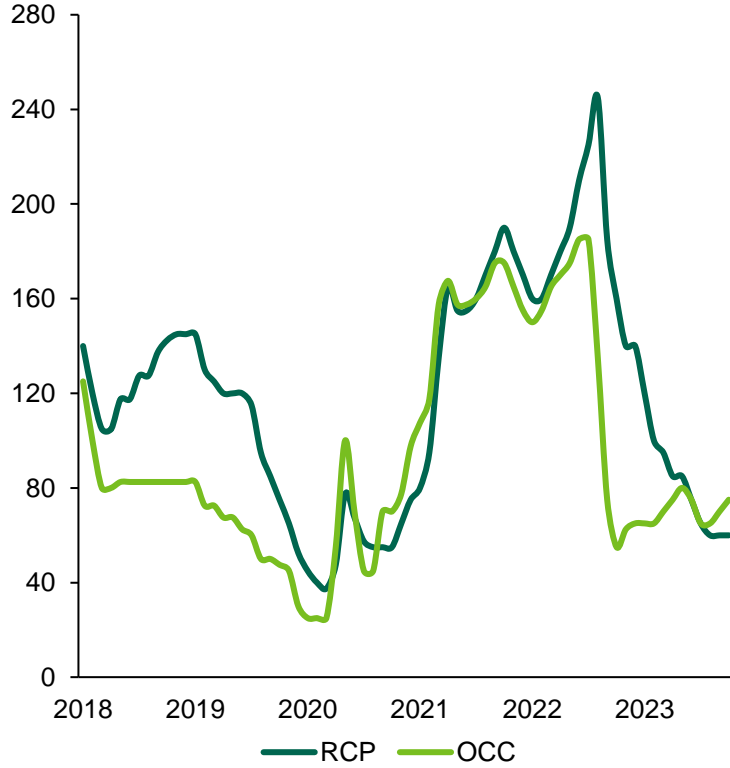
Energy prices Germany

EUR per MWh



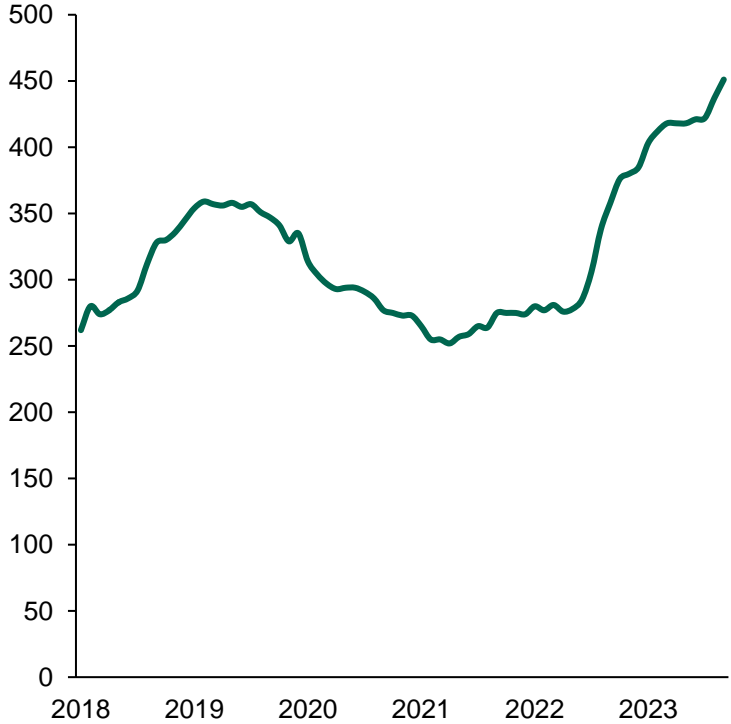
Recycled paper prices Germany

EUR per tonne

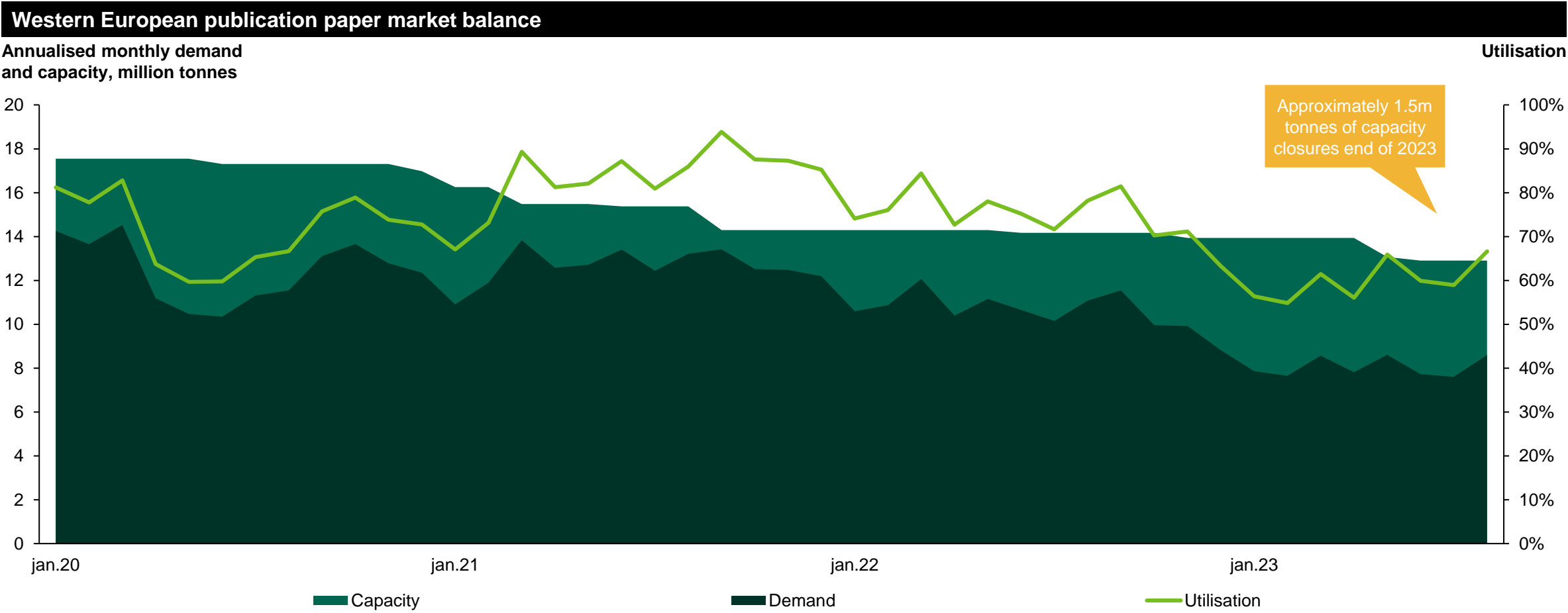


Spruce pulpwood prices Norway

NOK per solid cubic metre



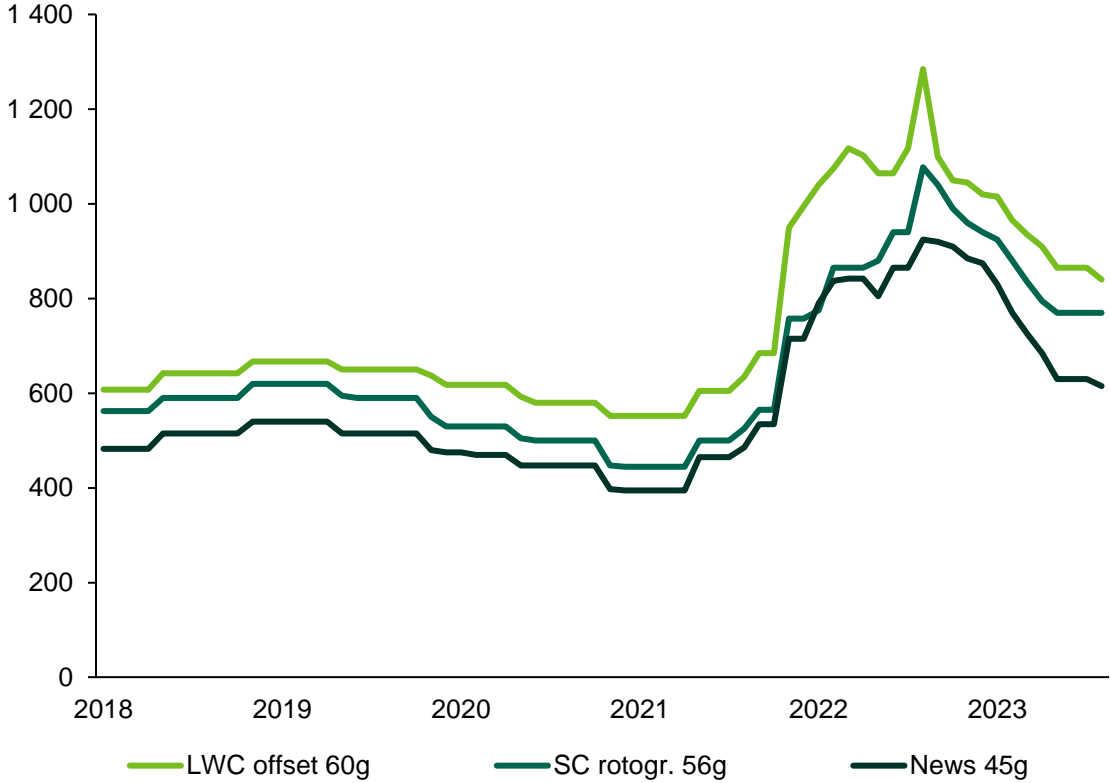
Signs of stabilising demand, but still significant excess capacity especially within magazine grades



Publication prices lower due to easing costs and soft demand

Publication paper prices Germany

EUR per tonne



European Union Allowance (EUA) price development

EUR per allowance



Net containerboard market prices at very low levels

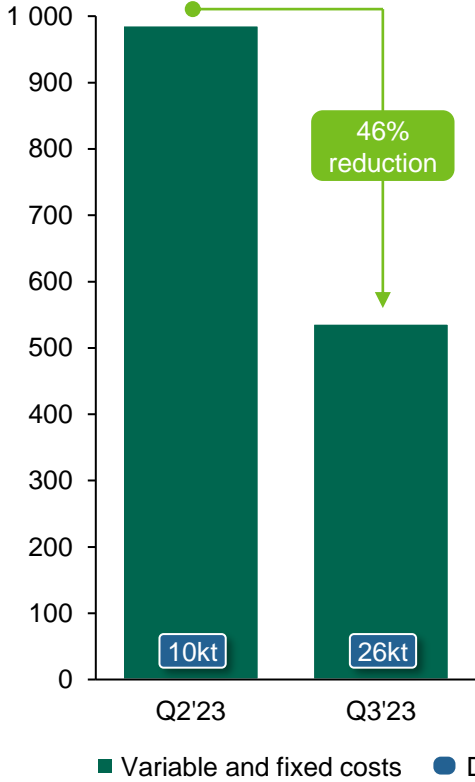
Recycled containerboard prices Germany

EUR per tonne



Bruck PM3 containerboard cost per tonne

EUR per tonne



Nearing gross margin break-even (at the current low market price level) and expect continued cost reduction as quarterly deliveries from Bruck PM3 move from 26kt in Q3'23 to ~50kt (95% utilisation) in H2 2025



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

Golbey PM1

- Containerboard production and commissioning of Green Valley Energie boiler on track for start-up in Q2 2024



Good progress at Saugbrugs with significant effort from all stakeholders



- Rockslide on 27 April damaging PM6, no one was physically harmed. Saugbrugs is insured for business interruption and property damages
- In Q3 2023, insurance coverage had the following financial impacts:
 - Business interruption insurance of NOK 135m recognised under other operating income (NOK 90m in Q2). Payment of NOK 202m was received (NOK 65m in Q2)
 - Property damage insurance of NOK 138m recognised under other operating income and NOK 71m recognised under other operating expenses (nothing recognised in Q2). Payment of NOK 88m was received (no payment in Q2)
- Saugbrugs continues the effort to secure surrounding rock formations, evaluate the extent of damages, and work with insurance coverage, suppliers and consultants



Outlook

- Raw material and energy costs stabilising, but development remains uncertain
- Paper prices influenced by lower input costs and weak market balance
- Containerboard prices stabilising, but still a challenging market
- Further capacity closures and industry consolidation required in all markets
- 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 at Hotel Continental in Oslo on 16 November from 09:00-12:00 CET**





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green value*