

Press release

Increased packaging paper deliveries

Norske Skog reported an EBITDA of NOK 612 million in the first quarter of 2025 up from NOK 33 million in the previous quarter, mainly due to the final insurance settlement of NOK 560 million at Norske Skog Saugbrugs. Norske Skog continued to increase the market share for both publication paper and packaging paper in the quarter, despite continued pressure on utilisation rates and profitability in the industry.

“Containerboard production at Norske Skog Golbey will start in about one week, marking the completion of a significant investment project for the group. This EUR 320 million investment will be a major milestone in the group’s transformation from a pure publication paper producer to also become a packaging paper supplier. With this large and modern production line, fully based on recycled fibre, we will increase our total delivery capacity by more than 35% and vastly enhance our ability to serve the growing demand for containerboard,” says Geir Drangslund, CEO of Norske Skog.

In the first quarter of 2025, Norske Skog had total operating income of NOK 3 101 million up from NOK 2 666 million in the previous quarter. Operating earnings of NOK 489 million up from NOK -353 million in the previous quarter, and profit/loss before income taxes of NOK 442 million up from NOK -470 million in the previous quarter. Equity increased from NOK 5 384 million in the previous quarter to NOK 5 646 million in the current quarter. This resulted in the equity ratio increasing from 37% to 39%. Net interest-bearing debt decreased from NOK 4 119 million in the previous quarter to NOK 4 087 million in the current quarter.

During the quarter, Norske Skog Saugbrugs reached a final insurance settlement following the rockslide in April 2023. The settlement resulted in a payment of NOK 540 million and EBITDA recognition of NOK 560 million in the quarter, which is also the main reason for the increase in operating income and operating earnings.

In addition, Norske Skog signed a share sale agreement with Boyer Capital for the sale of the Australasian operations for approximately NOK 190 million. The transaction was completed on 16 April and cash proceeds of approximately NOK 150 million, net of transaction costs and working capital, was received in the second quarter of 2025. At Norske Skog Saugbrugs, studies for production of bleached chemi-thermomechanical pulp (BCTMP) and restart of PM6 are under review for final decision.

The Norwegian Environment Agency has issued a decision to exclude Norske Skog Skogn and Norske Skog Saugbrugs from the EU Emissions Trading System (EU ETS) for the period 2026 to 2030 due to revised qualification criteria. Facilities exceeding 95% of emissions deriving from sustainable biomass will no longer qualify for free CO₂ allowances. Norske Skog will appeal the decision to the Ministry of Climate and Environment.

Outlook

Uncertainty and profitability pressure in both the market for publication paper and packaging paper are due to raw material price volatility, excess production capacity, and constantly changing operating conditions. This situation is expected to persist going forward. Norske Skog maintains significant emphasis on reducing the production costs and working capital to maintain the competitive position in this environment.

Norske Skog continues to increase the production of recycled containerboard at Norske Skog Bruck (PM3) and expects full utilisation during the second half of 2025. Production of recycled containerboard at Norske Skog Golbey (PM1) is expected to reach full utilisation during the first half of 2027. The remaining gross investment at Norske

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Skog Golbey is expected to be EUR 35-40 million, and the mill is expected to receive additional EUR 50 million in investment grants and energy certificates during 2026 and 2027. Norske Skog monitors the capital and liquidity position closely and has several ongoing initiatives to secure the financial performance and competitive position going forward.

About Norske Skog

Norske Skog is a leading producer of publication paper with strong market positions and customer relations in Europe. The Norske Skog group operates four mills in Europe, which produce publication paper, recycled packaging paper, energy and bioproducts. The annual publication paper production capacity is 1.2 million tonnes. The annual production capacity of packaging paper will be 0.8 million tonnes following the start-up of containerboard production at Golbey in 2025. Norske Skog aims to further diversify the operations and continue the transformation into a growing and high-margin business through a range of promising energy and bio product development projects. The Group has approximately 1 700 employees, is headquartered in Norway and listed on the Oslo Stock Exchange under the ticker NSKOG.

Presentation and quarterly material

The company will arrange a Teams-webinar today at 08:30 CEST, which can be attended by clicking the webinar link on the front page of the www.norskeskog.com.

The quarterly board of directors report, the presentation, the financial statements and the press releases are available on www.norskeskog.com, and published on www.newsweb.no under the ticker NSKOG. If you want to receive future Norske Skog press releases, please subscribe through the website of the Oslo Stock Exchange www.newsweb.no.

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