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## **Norske Skog intends to launch initial public offering and listing on Oslo Stock Exchange (Oslo Børs)**

*Oslo, 23 September 2019:* Norske Skog ASA ("**Norske Skog**" or the "**Company**") today announces its intention to launch an initial public offering of its shares and to apply for a listing on Oslo Børs (the "**IPO**").

### **Norske Skog highlights**

- Norske Skog is a major news and magazine paper producer with ~70 years industry experience, operating in the substantial ~40m tonnes p.a. publication paper industry.
- Global footprint with seven publication paper mills with a total capacity of ~2.6m tonnes p.a. of which ~1.9m tonnes in Europe and ~0.7m tonnes in Australasia. This ensures sustainable competitive strengths such as economies of scale, production flexibility, cost optimisation and proximity to customers in important markets.
- Diversified customer base with longstanding and globally recognised publishers, commercial printers and retailers worldwide.
- Attractive growth projects within bio energy, bio chemical products and fibre products, including possibilities to convert paper machines to production of packaging material.
- For the twelve-month period ending 30 June 2019, the Company had revenue and EBITDA of NOK ~13.1 billion and NOK ~1.4 billion, respectively. Following a successful bond issue of EUR 125m in June 2019, Norske Skog had a net leverage ratio of 0.8x EBITDA as of 30 June 2019.
- Strong cash conversion and intention to pay a high and attractive dividend to its shareholders following the IPO
- Norske Skog is headquartered in Oslo, Norway and is currently 100% owned by funds managed by Oceanwood Capital Management ("**Oceanwood**").

*"Norske Skog is committed to creating value for its stakeholders in a responsible way while maintaining focus on the environment and a sustainable use of natural resources. We are proud of the position that we have developed for Norske Skog over the recent years and we look forward to inviting new shareholders to participate in the company's future development through the contemplated IPO", says Mr Sven Ombudstvedt, President and CEO of Norske Skog.*

*"Oceanwood is very excited to continue the process of bringing Norske Skog back to the capital markets following the successful bond issuance in June 2019. The management and employees have done a tremendous job since Oceanwood acquired the company, and we now welcome domestic and international investors to take part in the journey ahead. We share the ambition to see Norske Skog succeed and realise the potential we believe is inherent in the operation as it continues to transform and grow", says Mr John Chiang, Senior Partner and Portfolio Advisor of Oceanwood.*

Norske Skog has a clear ambition to maintain its position within the publication paper market by launching new paper products in line with customer expectation. In addition, the Company will pay strong attention to operational efficiency, capacity utilisation and customer satisfaction to ensure healthy margins. Norske Skog has a clear growth strategy in place, targeting further expansion into new revenue streams including bio energy projects, bio chemical products and fibre products.

*"Although our employees are committed to deliver quality publication paper every day, Norske Skog is actively developing new revenue streams in synergy with existing production. Our biogas facilities contribute positively to our EBITDA, but more impressively have reduced our carbon footprint substantially. We are proud to be a global forerunner in the circular economy", says Ombudstvedt.*

For the twelve-month period ending 30 June 2019, Norske Skog's European business accounted for 75% of revenue and 88% of EBITDA, with the Australasian business comprising the balance.

### Financial highlights

	2016	2017	2018	LTM Q2'19
<b>NOK million</b>	(audited)	(audited)	(audited)	(unaudited)
<b>Total operating income</b>	11,852	11,527	12,641	13,064
<b>EBITDA</b>	1,097	702	1,031	1,375
<b>Operating earnings</b>	(947)	(1,702)	926	1,978
<b>Profit/loss</b>	(972)	(3,551)	1,525	2,500

Norske Skog had total assets of NOK 9,372 million as of 30 June 2019 (unaudited).

### IPO highlights

The Company sees significant advantages in having access to both the equity and debt capital markets. Furthermore, the IPO is expected to enhance Norske Skog's profile with customers, business partners and employees.

The IPO will comprise a public offering to investors in Norway and a private placement to certain institutional and other professional investors internationally, in which the current sole shareholder in the Company, NS Norway Holding AS, a subsidiary of funds managed by Oceanwood, intends to reduce its ownership in the Company.

Subject to receiving the relevant approvals from Oslo Børs as well as the prevailing equity capital market conditions, the IPO is expected to price in Q4 2019.

ABG Sundal Collier ASA and DNB Markets, a part of DNB Bank ASA, are acting as joint global coordinators and joint bookrunners, and Carnegie AS is acting as joint bookrunner, in connection with the IPO (collectively, the "**Managers**").

Advokatfirmaet Thommessen AS is acting as legal counsel to Norske Skog and Oceanwood. Wikborg Rein Advokatfirma AS is acting as legal counsel to the Managers.

The Company's management consists of:

- Sven Ombudstvedt, President and CEO
- Rune Sollie, CFO
- Amund Saxrud, COO (from 15 October 2019, currently Managing Director of Skogn mill)
- Robert Wood, SVP Commercial
- Lars P. S. Sperre, SVP Corporate Strategy
- Tore Hansesætre, SVP Strategic Projects (from 15 October 2019, currently COO)

From the time of listing on Oslo Børs, the Company's board of directors will consist of:

- John Chiang, Chairman
- Arvid Grundekjøn
- Anneli Finsrud Nesteng
- Idunn Gangaune Finnanger
- Trine-Marie Hagen
- Paul Kristiansen (shareholder elected employee representative, Saugbrugs mill)
- Svein Erik Veie (shareholder elected employee representative, Skogn mill)

Further announcements relating to the IPO will be made in due course.

## **ABOUT NORSKE SKOG**

Norske Skog was founded in 1962 by the Norwegian forest owner's association and commenced production of newsprint at the Skogn paper mill in 1966. Today, Norske Skog is a major producer of newsprint and magazine paper, with seven mills in Europe and Australasia. The Company engages in R&D activities to provide a solid basis for further growth and expansion into new revenue streams. Norske Skog is headquartered in Oslo and has approximately 2,500 employees. In September 2018, following a financial restructuring process, Oceanwood acquired 100% of the share capital in Norske Skog ASA.

## **ABOUT OCEANWOOD**

Oceanwood is an independent investment management firm founded in 2006. Located in London and Malta, the firm manages over US\$2 billion of capital, primarily for public pension plans and other institutional investors. Oceanwood is dedicated to investing in companies across Europe and employs a deep, fundamental approach to investing. The firm focuses on balance sheet sustainability and employs a constructive approach to working with management teams aiming to achieve positive results for all stakeholders.

## **Enquiries**

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*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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