

Operational update and annual report 2019

Norske Skog ASA closely monitors the coronavirus (COVID-19) outbreak and continuously implements new measures to reduce the risk for the employees and to ensure continuity of operations. Norske Skog operates seven business units in five countries. Each country has imposed different measures in connection to the outbreak of the coronavirus. Norske Skog has and will adhere to the individual recommendations and measures taken by the different national authorities.

Ensuring the health and safety of our employees and their families is the top priority for Norske Skog. Under the current circumstances, Norske Skog will do the utmost to maintain the continuity of business operations also including home offices and video-meetings.

So far, Norske Skog's business units operate as normal except for Golbey, which has ceased production at PM2 due to one confirmed case of coronavirus at the PM2 line requiring a 14 day quarantine for co-workers. The length and financial consequences of this stop is currently uncertain. The Skogn mill has already given 50 employees notice of temporary layoff due to reduced operational capacity as a result of local restrictions due to the corona situation.

The challenge in the forthcoming weeks will be to secure both in- and outbound logistics of raw materials and finished goods under the current cross border transportation restrictions. For the time being, the scarce availability of recovered paper both in Austria and France may cause further business interruptions. In addition, some customers have in the last days requested accelerated delivery of orders, whereas some French printing houses have signaled temporary stops in production.

Norske Skog will closely monitor the development of the coronavirus, and corresponding effects on our supply chains and markets. As the situation may evolve rapidly, several factors could impact our operations and production resulting in necessary operational and financial adjustments including temporary layoffs.

Sven Ombudstvedt, CEO of Norske Skog, comments: *"Our top priority is to take care of the health and safety for our employees. Taking into consideration our complex value chain, we will do our utmost to secure raw material supply and maintain production to secure stable deliveries to our customers. We monitor the situation day-to-day and will over the coming weeks communicate closely with suppliers, customers, other stakeholders and the financial market."*

The Albury closure

The Albury transaction closed on 20 March. The net cash proceeds of NOK 700 million for the sale of the Albury mill and realisation of certain other related assets has now been received.

Annual report 2019

The 2019 annual report, which also comprises the sustainability report, for Norske Skog ASA is available on our website www.norskeskog.com and as an attachment to this stock exchange announcement. The annual report is only published in English. A printed copy of the annual report can be obtained by contacting: info@norskeskog.com

About Norske Skog

Norske Skog ASA

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Norske Skog is a world leading producer of publication paper with a strong market position in Europe and Australasia. Publication paper includes newsprint and magazine paper. The Norske Skog group operates six mills and a pellets business in five countries, with an annual production capacity of 2.3 million tonnes. Newsprint and magazine paper is sold through sales offices and agents to over 80 countries. The group has approximately 2,300 employees. In addition to the traditional publication paper business, new growth initiatives related to renewable energy, bio chemical products and fibre products have been launched.

Norske Skog
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