

Operational update

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

Sven Ombudstvedt, CEO of Norske Skog, comments: *"Our top priority is to ensure the health and safety for our employees. We are now registering some effects on our operations because of lower economic activity and restrictive measures taken by national authorities due to the coronavirus. We will do our utmost to secure raw material supply and maintain production to secure customer deliveries. We continue to monitor the situation day-to-day and will over the coming weeks communicate closely with suppliers, customers, other stakeholders and the financial market."*

Under the current circumstances, Norske Skog will do the utmost to maintain the continuity of business operations. 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. However, Norske Skog is confident that we will meet customer needs and expectations also in this situation.

Norske Skog has and will closely monitor the development of the coronavirus, and corresponding effects on our supply chains and markets. As earlier communicated, Norske Skog will adjust operational activity to market response, and will therefore implement the following necessary actions as a result of the corona virus situation:

- In France, the Golbey mill has temporary ceased production at one paper machine (PM2) due to one confirmed case of coronavirus at the PM2 line, which required a 14 day quarantine for co-workers. The PM2 is planned to start production again on 1 April. The scarce availability of recovered paper in Central Europe may cause further business interruptions.
- In Norway, Saugbrugs will cease production on one paper machine due to negative market developments as a result of the corona virus restrictions. As a result of this, there will be given notice of temporary layoffs. In addition, administrative personnel at headquarters has been temporarily laid off as a result of the corona situation. The Skogn mill will delay temporary layoffs as earlier announced.
- In Australasia, the production at the Tasman mill in New-Zealand has been deemed an essential industry by the national government for a limited period of 9 days production, out of the current period of four weeks with lock down restrictions. Nature's Flame pellets production has been deemed essential for domestic, industrial and public heating. However, there may be uncertainty about supplies of raw materials as local saw mills ceased their operations. We are currently rearranging our supply chain in the entire Australasian region to reflect the situation.

In general, the corona situation will not affect our strategy and the on-going tasks to improve the core business, convert certain of the group's paper machines and diversify the business within bioenergy, fibre and biochemicals.

Norske Skog ASA

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About Norske Skog

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 publication paper production capacity of 2.3 million tonnes and pellets capacity of 85,000 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 and pellets business, new growth initiatives related to renewable energy, bio chemical products and fibre products have been launched.

Norske Skog

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