Press release

Norske Skog Saugbrugs awarded research funding for nanocellulose and biocomposite investment

Norske Skog Saugbrugs, together with its research and industry partners, has been granted NOK 60 million in research funding from the Research Council of Norway and Innovation Norway under the Green Platform Programme. The portfolio of products to be developed aims to remove or greatly reduce the use of petroleum-based raw materials and harmful materials, as well as to contribute to increased recycling of plastics.

«It is through research and innovation that we create tomorrow's sustainable society. Green platform is an important measure to ensure profitable green transition, and will help us become more skilled at scaling up and linking research to the market», says Jan Christian Vestre, Minister of Trade and Industry (Labour Party).

CEO of Norske Skog, Sven Ombudstvedt, says: *«Norske Skog will connect strong professional R&D environments to develop unique and sustainable nanocellulose and biocomposite products that the world will demand more of in the future. Our unique fibre expertise will be a valuable contribution in creating sustainable commercial value chains by utilising recycled and renewable raw materials».*

Through the Green Platform Programme, the Norwegian Government wants research and technology development to create green and sustainable solutions and products, and stimulate to more investment from Norwegian companies. The government prioritises collaborative relationships that utilise synergies from several R&D environments and business value chains. The purpose is to create green jobs and a more sustainable future. The Government's investment programme is managed through the Research Council of Norway, Innovation Norway, Siva and ENOVA.

«It is very positive that Norwegian forestry can be utilised as a high-quality raw material to create new materials that the world demands. We create value in Norway by selling a processed product, but we also contribute to more sustainable recycling of plastics and reduce the use of fossil raw materials», says Minister of Agriculture and Food, Sandra Borch (Centre Party).

Through established companies and product brands CEBINA (nanocellulose) and CEBICO (biocomposite), Norske Skog Saugbrugs has conducted a number of successful research and test studies that have already resulted in new product applications with a number of customers.

«*I am very proud of the new, sustainable products we have managed to develop at Norske Skog so far. The support from the Research Council and Innovation Norway will strengthen and accelerate this activity considerably going forward*», says Hugo Harstad, Director of Business Development at Norske Skog Saugbrugs.

The nanocellulose product CEBINA has been developed during the past ten years at Norske Skog Saugbrugs. CEBINA is a natural product of fibrillated cellulose that provides improved flow properties for liquids and reinforcement in solid materials. The use of CEBINA ranges

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from strength gains in paper and glue to anti-drip effect in paints and fillers. After extensive marketing work, CEBINA products are now sold to several external customers in Norway and internationally.

Norske Skog Saugbrugs is also working to find solutions to the world's plastics problem, through the development and testing of biocomposites under the product name CEBICO. Norske Skog Saugbrugs has previously received support of NOK 15 million from Innovation Norway to build a demonstration plant with a production capacity of 300 tonnes. The plant was completed during December last year.

The partners under the Green Platform Programme are broadly composed of participants from raw material producers and suppliers, such as Brenntag, Quantafuel, Replast and Norske Skog Saugbrugs, as well as conversion companies that process thermosetting and thermoplastics in a wide range of applications and industries, such as Gjøco, PipeLife, NCP, Katoplast, Hallingplast and Arkeoplan. The research institutions SINTEF, RISE PFI and IFE will contribute with high competence in fibre technology, nanocellulose, composites, polymers and plastics knowledge.

«*Norske Skog Saugbrugs has significant R&D competence that has the potential to make a large contribution to the green shift by materially reducing CO2 emissions as a result of this project. The use of nanocellulose, the use of recycled plastics and the development of recyclable biocomposites will be important measures in the green shift and to reach a more circular economy* ", says Per Ivar Berg, CEO of Norske Skog Saugbrugs.

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About Norske Skog Saugbrugs
Norske Skog Saugbrugs has 400 employees and a turnover of NOK 2.0 billion as well as a production capacity of 360,000 tonnes of magazine paper with main markets in Europe and North-America. Saugbrugs produces annually 2.0 million cubic metres of biogas. Norske Skog Saugbrugs has established the companies CEBINA and CEBICO to facilitate the new commercial areas within nanocellulose and biocomposites, respectively.

About Norske Skog
Norske Skog is a world leading producer of publication paper with strong market positions and customer relations in Europe and Australasia. The Norske Skog Group operates four mills in Europe, two of which will produce recycled containerboard following ongoing conversion projects. In addition, the Group operates one paper mill in Australia. Norske Skog aims to further diversify its operations and continue its transformation into a growing and high-margin business through a range of promising energy and fibre development projects. The Group has approximately 2 150 employees , is headquartered in Norway and listed on the Oslo Stock Exchange under the ticker NSKOG.