

FOURTH QUARTER 2022

Quarterly report

Presentation

Press releases



Norske Skog

LAUNCH
INTO
A NEW
SPHERE

INTRODUCTION

Norske Skog is a world leading producer of publication paper with strong market positions in Europe and Australasia. Publication paper includes newsprint and magazine paper. Norske Skog operates five mills in four countries. Four of the mills are in Europe and one in Australia. Norske Skog has an annual publication paper production capacity of 1.7 million tonnes. Newsprint and magazine paper are sold through sales offices and agents to over 80 countries. The group has approximately 2 100 employees. Of the four mills in Europe, two will produce recycled containerboard following conversion projects. In

addition to the traditional publication paper business, Norske Skog aims to further diversify its operations and continue its transformation into a growing and high-margin business through a range of exciting bio products and energy projects.

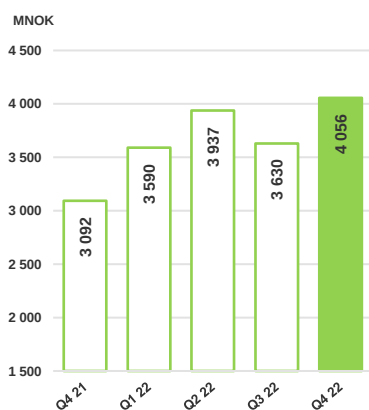
The parent company, Norske Skog ASA, is incorporated in Norway and has its head office at Skøyen in Oslo. The company is listed on Oslo Stock Exchange with the ticker NSKOG.

KEY FIGURES

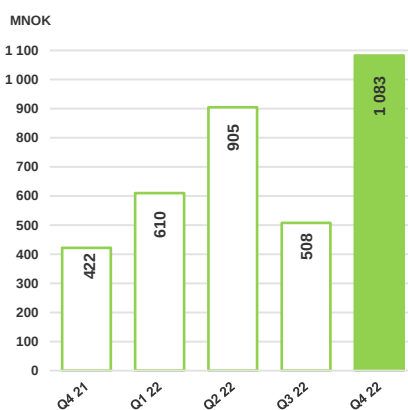
NOK MILLION	Q4 2022	Q3 2022	Q4 2021	2022	2021
INCOME STATEMENT					
Total operating income	4 056	3 630	3 092	15 214	10 315
EBITDA*	1 083	508	422	3 105	662
Operating earnings	944	113	479	2 845	-160
Profit/loss for the period	1 065	-11	400	2 572	-363
Earnings per share (NOK)	11.30	-0.12	4.24	27.28	-3.85
CASH FLOW					
Net cash flow from operating activities	745	627	317	2 040	191
Net cash flow from operating activities per share (NOK)	7.90	6.65	3.36	21.65	2.02
Net cash flow from investing activities	-872	-520	-326	-1 956	-891
OPERATING MARGIN AND PROFITABILITY (%)					
EBITDA margin*	26.7	14.0	13.6	20.4	6.4
Return on capital employed (annualised)*	12.1	-0.7	8.1	14.8	-7.8
PRODUCTION / DELIVERIES / CAPACITY UTILISATION					
Production (1 000 tonnes)	369	407	490	1 713	1 921
Deliveries (1 000 tonnes)	363	413	489	1 714	1 952
Production / capacity (%)	78	85	95	87	89

* As defined in Alternative Performance Measures

TOTAL OPERATING INCOME



EBITDA



NET INTEREST-BEARING DEBT



NOK MILLION	31 DEC 2022	30 SEP 2022	31 DEC 2021
BALANCE SHEET			
Non-current assets	7 069	5 692	4 538
Current assets	6 539	7 055	4 587
Total assets	13 609	12 747	9 125
Equity	5 909	4 859	3 133
Net interest-bearing debt	1 092	970	1 054

REPORT OF THE BOARD OF DIRECTORS FOR THE FOURTH QUARTER OF 2022

- Strong results in uncertain times
 - EBITDA of NOK 1 083 million and operating cash flow of NOK 745 million in the quarter
 - Full year 2022 EBITDA of NOK 3 105 million
- Turbulent energy and raw material markets
 - Energy exposure actively managed, allowing sale of excess energy after closure of Norske Skog Golbey PM1
 - Input costs remain at significant levels despite coming down from record highs impacting production
- Publication paper capacity reductions from 2023 to 2024
 - Newsprint market remains balanced, while markets for magazine grades are softening particularly lightweight coated
 - Recognised impairment of NOK 164 million related to Norske Skog Bruck PM4
- Sale of high school facilities in Halden
 - Gain of NOK 200 million and cash proceeds of NOK 200 million received in 2023
- The board of directors proposes to the annual general meeting the authority to pay dividend up to NOK 5.00 per share
 - Subject to lenders waiving certain shareholder distribution restrictions

PROFIT/LOSS FOR THE PERIOD

NOK MILLION	Q4 2022	Q3 2022	Q4 2021	2022	2021
Operating revenue	3 848	3 541	2 980	14 537	9 848
Other operating income	208	89	113	677	466
Total operating income	4 056	3 630	3 092	15 214	10 315
Distribution cost	-273	-327	-291	-1 227	-1 187
Cost of materials	-1 843	-2 103	-1 800	-7 937	-6 055
Fixed cost	-858	-692	-580	-2 945	-2 410
EBITDA	1 083	508	422	3 105	662

Higher operating revenue in the fourth quarter compared to the previous quarter driven by sale of excess energy mainly in France included in operating revenue which more than offset lower volumes. Underlying, the quarter saw higher paper prices and lower production and delivered volumes because of maintenance and closing of Norske Skog Golbey PM1 for conversion during the quarter.

Cost of materials decreased on an absolute basis due to lower volumes but were flat on a per tonne basis compared to the previous quarter. Recovered paper (RCP) prices have decreased from previous quarters but offset by increasing pulpwood prices.

Fixed costs (including employee benefit expenses) increased compared to the previous quarter, mainly due to accrual for the long-term share incentive programme as well as general cost inflation.

EBITDA increased quarter-over-quarter, mainly driven by sale of excess energy and higher publication paper prices.

The publication paper market balance remains balanced for newsprint grades, and somewhat softer for the super calendared and particularly lightweight coated magazine paper grades. Utilisation was 78% for Norske Skog in the fourth quarter of 2022, mainly because of closure of Norske Skog Golbey PM1 maintenance and energy price related down time.

NOK MILLION	Q4 2022	Q3 2022	Q4 2021	2022	2021
Restructuring expenses	-11	0	-12	-11	-192
Depreciation	-190	-122	-115	-546	-433
Impairments	-164	0	22	-164	22
Derivatives and other fair value adjustments	227	-273	163	462	-218
Operating earnings	944	113	479	2 845	-160

Depreciation of NOK 190 million is an increase compared with previous quarters due to depreciation of old machinery and equipment related

to newsprint production at Norske Skog Golbey PM1 made obsolete by conversion to containerboard production.

NORSKE SKOG QUARTERLY REPORT – FOURTH QUARTER 2022 (UNAUDITED)

An impairment of NOK 164 million was recognised in relation to Norske Skog Bruck PM4 producing lightweight coated which has been impacted in particular by the high energy prices in Austria.

The fair value of energy contracts in Norway increased compared to the previous quarter due to increased difference between future market prices for electricity and contract electricity prices.

NOK MILLION	Q4 2022	Q3 2022	Q4 2021	2022	2021
Share of profit in associated companies and joint ventures	198	-5	-5	188	-18
Financial items	-45	-84	5	-256	-118
Income taxes	-32	-34	-80	-206	-68
Profit/loss for the period	1 065	-11	400	2 572	-363

Share of profit in associated companies and joint ventures of NOK 198 million mainly relates to the sale of high school facilities to Viken country municipality. The sale was made by Porsnes Utvikling AS, a company in which the Norske Skog group holds 50%.

Financial items were negative by NOK 45 million in the fourth quarter. Interest cost and other financial costs were in line with the previous quarter.

The income tax expense in the quarter relates mainly to the operations of Norske Skog Golbey offset by deferred tax assets recognised for the operations in Norway.

DIVERSIFICATION BEYOND PUBLICATION PAPER

The conversion to production of recycled containerboard is progressing at Norske Skog Bruck and Norske Skog Golbey. The paper machine PM3 at Norske Skog Bruck ceased production of newsprint on 10 July. Norske Skog Bruck will enter the recycled containerboard market during the first quarter of 2023 and will put Norske Skog on the path to become a leading European independent producer of recycled containerboard.

The paper machine PM1 at Norske Skog Golbey ceased production on 1 November, with production of recycled containerboard expected to start during the fourth quarter of 2023.

The machines are expected to operate at 60-70% utilisation in the first year and reach full utilisation during the third year of production. Once at full utilisation, the machines are expected to generate annual

EBITDA of EUR 70-80 million, based on historical prices and margins seen in the market.

Commercial development of CEBINA and CEBICO continued during the fourth quarter together with partners.

Norske Skog holds an approximately 26% ownership stake in Circa Group AS, listed under the ticker code CIRCA at Euronext Growth Oslo.

The group continuously works to develop several other bio product and energy related growth projects, both on a stand-alone basis and in partnerships.

SEGMENT INFORMATION

PUBLICATION PAPER EUROPE

NOK MILLION	Q4 2022	Q3 2022	Q4 2021	2022	2021
Total operating income	3 555	3 131	2 648	13 122	8 412
EBITDA	1 129	484	395	2 965	628
EBITDA margin (%)	31.8	15.5	14.9	22.6	7.5
Return on capital employed (%) (annualised)	14.0	-1.9	6.0	11.2	-7.0
Production (1 000 tonnes)	305	345	428	1 464	1 628
Deliveries (1 000 tonnes)	300	347	427	1 462	1 645
Production / capacity (%)	74	83	96	86	91

The segment consists of Norske Skog's European operations in the publication paper market with industrial sites in Norway, France, and Austria. Annual production capacity is approximately 1.4 million tonnes following the closure of Norske Skog Golbey PM1.

Operating income increased from the previous quarter due to higher publication paper prices and sale of excess energy, partly offset by lower deliveries following the closure for conversion of Norske Skog Golbey PM1.

Distribution costs decreased from the previous quarter on an absolute and per tonne basis, driven by lower volumes and lower freight rates. Cost of materials decreased in total, but were more or less unchanged on a per tonne basis. Recovered paper prices decreased in the quarter, but pulpwood prices increased. Employee benefit expenses increased

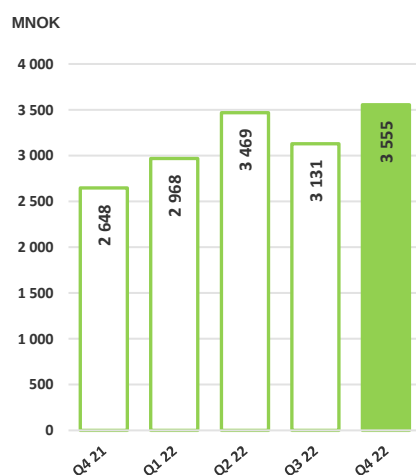
both on an absolute level and on a per tonne basis, mainly driven by general cost inflation.

EBITDA increased compared to the previous quarter because of higher publication paper prices and excess energy sales.

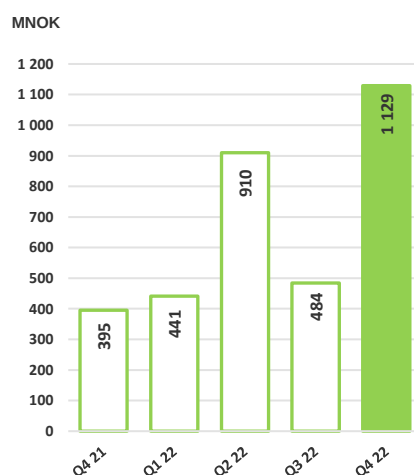
Demand for standard newsprint in Europe decreased by 5% as of November 2022 compared to the same period last year. Magazine paper demand decreased by 16%, with super calendered paper decreasing 13% and lightweight coated paper decreasing 18%. (Source: Eurograph).

Capacity utilisation was 74% in the period, a decrease compared with the previous quarter of 83%, mainly driven by down time because of maintenance and high energy prices and earlier closure of Golbey PM1.

EUROPE
TOTAL OPERATING INCOME



EUROPE
EBITDA



PUBLICATION PAPER AUSTRALASIA

NOK MILLION	Q4 2022	Q3 2022	Q4 2021	2022	2021
Total operating income	508	514	395	1 920	1 792
EBITDA	33	33	46	154	44
EBITDA margin (%)	6.5	6.3	11.6	8.0	2.5
Return on capital employed (%) (annualised)	14.8	24.5	104.8	33.7	8.4
Production (1 000 tonnes)	64	62	62	249	292
Deliveries (1 000 tonnes)	63	66	62	252	308
Production / capacity (%)	98	94	87	95	79

NORSKE SKOG QUARTERLY REPORT – FOURTH QUARTER 2022 (UNAUDITED)

The segment consists of Norske Skog Boyer's publication paper operations in Australasia, the only domestic publication paper producer in the region. The annual production capacity is approximately 0.3 million tonnes.

Operating income decreased compared to previous quarter due to lower deliveries, partly offset by slightly higher prices.

Distribution costs were lower compared to the previous quarter on an absolute level and on a per tonne basis. Cost of materials were similar on an absolute basis but increased on a per tonne basis due to higher

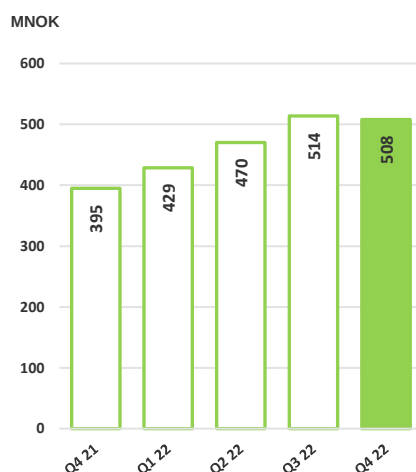
energy and fibre costs. Employee benefit expenses decreased on an absolute basis and on a per tonne basis.

EBITDA was similar compared to the previous quarter.

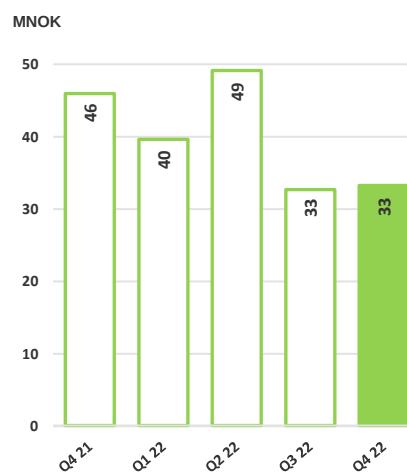
Demand for newsprint in Australasia decreased by 8% as of December 2022, compared to the same period last year. (Source: official statistics).

Capacity utilisation was 98% in the period, an increase compared to the previous quarter of 94%, mainly because of some production issues in the previous quarter.

AUSTRALASIA
TOTAL OPERATING INCOME



AUSTRALASIA
EBITDA



OTHER ACTIVITIES

NOK MILLION	Q4 2022	Q3 2022	Q4 2021	2022	2021
Total operating income	27	22	71	294	228
EBITDA	-80	-9	-19	-14	-11

Operating income in other activities mainly consist of non-paper related operations.

EBITDA in the quarter decreased compared to the previous quarter, mainly because of accruals relating to the long-term incentive programme recognised in the quarter.

Other activities include unallocated headquarter costs. The unallocated headquarter costs are estimated to be EBITDA negative by approximately NOK 40 million annually but are not uniformly distributed throughout the quarters of the year.

CASH FLOW

NOK MILLION	Q4 2022	Q3 2022	Q4 2021	2022	2021
EBITDA	1 083	508	422	3 105	662
Change in working capital	-208	188	54	-545	57
Restructuring payments	-7	-5	-53	-33	-220
Gain and losses from divestments	-8	2	0	-191	-16
Net financial items	-45	-32	-32	-150	-142
Taxes paid	-45	-27	-32	-101	-106
Other items	-24	-6	-42	-45	-44
Net cash flow from operating activities	745	627	317	2 040	191
Purchases of property, plant and equipment and intangible assets	-881	-519	-326	-2 228	-1 021
-whereof maintenance capex	-121	-29	-84	-221	-172

Net cash flow from operating activities was positive NOK 745 million in the fourth quarter.

The operating cash flow was negatively impacted by change in working capital of NOK 208 million, mainly driven by a decrease in trade and other payables and partly offset by a decrease in trade and other receivables.

Taxes paid in the fourth quarter relates to tax on the operations of Norske Skog Golbey.

Maintenance capex of NOK 121 million relates to ordinary maintenance in the quarter, an increase from the previous quarter, due to more maintenance being carried out in the fourth quarter.

Remaining purchases of property, plant and equipment and intangible assets mainly relate to investments in the packaging paper projects at Norske Skog Bruck and Norske Skog Golbey.

BALANCE SHEET

NOK MILLION	31 DEC 2022	30 SEP 2022	31 DEC 2021
Non-current assets	7 069	5 692	4 538
Cash and cash equivalents	2 650	2 047	1 489
Inventories, trade and other receivables and other current assets	3 889	5 009	3 098
Total assets	13 609	12 747	9 125
Equity	5 909	4 859	3 133
Non-current liabilities	4 422	4 371	3 391
Current liabilities	3 278	3 517	2 600
Net interest-bearing debt	1 092	970	1 054

Total assets increased in the fourth quarter mainly due to an increase in property, plant and equipment, and cash and cash equivalents, partly offset by a decrease in other current assets.

Cash and cash equivalents increased to NOK 2 650 million from NOK 2 047 million at previous quarter end. The increase is a result of positive operating cash flows in the quarter, reduced by investments in property, plant and equipment offset by draw down on loans.

Non-current liabilities increased from previous quarter driven by increase in interest-bearing non-current liabilities and offset by a decrease in other non-current liabilities.

Repayment of debt to finance the Norske Skog Bruck waste-to-energy facility has commenced, and EUR 2.2 million of the EUR 54 million principal has been repaid.

Debt to finance the packaging paper projects at Norske Skog Bruck and Norske Skog Golbey was drawn with approximately EUR 136 million at quarter end, compared to EUR 57 million at previous quarter end.

Net interest-bearing debt increased from NOK 970 million to NOK 1 092 million in the quarter.

OUTLOOK

The development in the global economy, especially within the raw material and energy markets, but also consumer spending, are of vital importance for the publication paper and packaging industry, and thus for Norske Skog's operations. The general high level of uncertainty on how the global economy will develop in 2023 remains. Raw material and energy prices have come down from record highs but are still at significant levels. Under these circumstances, Norske Skog will actively manage its energy exposure through the coming quarters.

Volatility and uncertainty remain, and development of costs and demand will continue to influence publication and packaging paper prices in Europe.

Executed and planned capacity closures in the industry are expected to maintain a balanced newsprint paper market, whereas the markets for super calendared magazine grades and in particular lightweight coated magazine grades are softening. The turbulent operating environment, especially within energy, may result in further temporary or permanent downtime and closures in the industry.

The waste-to-energy facility at Bruck has been operating since second quarter 2022 on approximately 80% of its design capacity. Together with Valmet, the supplier, modification and optimization work is done in the first half of first quarter 2023 to bring the energy plant to its full design capacity. The facility significantly reduces the gas consumption, and thus CO2 emissions for Norske Skog Bruck.

Norske Skog expect to commence production of recycled containerboard during the first quarter of 2023 at Norske Skog Bruck PM3, and during the fourth quarter of 2023 at Norske Skog Golbey PM1. From the first quarter of 2023, Norske Skog will establish packaging paper as a new operating segment.

Norske Skog will continue working to develop other options based on the current industrial platform and site-specific opportunities. This includes further conversions and several other new initiatives within renewable energy and bioproducts

SKØYEN, 26 JANUARY 2023
THE BOARD OF DIRECTORS OF NORSKE SKOG ASA



John Chiang
Chair



Arvid Grundekjøn
Board member



Trine-Marie Hagen
Board member



Nikolai Johns
Board member



Johanna Lindén
Board member



Sven Ombudstvedt
CEO

INTERIM FINANCIAL STATEMENTS, FOURTH QUARTER OF 2022

CONDENSED CONSOLIDATED INCOME STATEMENT

NOK MILLION	NOTE	Q4 2022	Q3 2022	Q4 2021	2022	2021
Operating revenue		3 848	3 541	2 980	14 537	9 848
Other operating income		208	89	113	677	466
Total operating income	4	4 056	3 630	3 092	15 214	10 315
Distribution costs		-273	-327	-291	-1 227	-1 187
Cost of materials		-1 843	-2 103	-1 800	-7 937	-6 055
Employee benefit expenses		-571	-475	-428	-2 024	-1 723
Other operating expenses		-287	-217	-152	-921	-687
Restructuring expenses		-11	0	-12	-11	-192
Depreciation	5	-190	-122	-115	-546	-433
Impairments	5	-164	0	22	-164	22
Derivatives and other fair value adjustments	6	227	-273	163	462	-218
Operating earnings		944	113	479	2 845	-160
Share of profit in associated companies and joint ventures	7	198	-5	-5	188	-18
Financial items	8	-45	-84	5	-256	-118
Profit/loss before income taxes		1 097	23	480	2 778	-295
Income taxes		-32	-34	-80	-206	-68
Profit/loss for the period		1 065	-11	400	2 572	-363
Basic earnings per share (NOK)		11.30	-0.12	4.24	27.28	-3.85
Diluted earnings per share (NOK)		11.30	-0.12	4.24	27.28	-3.85

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

NOK MILLION	Q4 2022	Q3 2022	Q4 2021	2022	2021
Profit/loss for the period	1 065	-11	400	2 572	-363
Items that may be reclassified subsequently to profit or loss					
Currency translation differences	-29	82	-46	187	-122
Tax expense on translation differences	0	0	0	0	0
Reclassified translation differences upon divestment of foreign operations	0	0	0	1	0
Total	-29	82	-46	188	-122
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of post-employment benefit obligations	14	0	14	14	14
Tax effect on remeasurements of employment benefit obligations	2	0	-2	2	-2
Total	16	0	12	16	12
Other comprehensive income for the period	-14	83	-33	204	-110
Total comprehensive income for the period	1 050	72	367	2 775	-473

CONDENSED CONSOLIDATED BALANCE SHEET

NOK MILLION	NOTE	31 DEC 2022	30 SEP 2022	31 DEC 2021
Deferred tax asset		137	15	0
Intangible assets	5	14	15	21
Property, plant and equipment	5	5 852	5 235	4 103
Investments in associated companies and joint ventures	7	299	102	108
Other non-current assets	6	768	325	305
Total non-current assets		7 069	5 692	4 538
Inventories		1 464	1 487	1 203
Trade and other receivables		1 944	2 039	1 411
Other current assets	6	481	1 483	484
Cash and cash equivalents		2 650	2 047	1 489
Total current assets		6 539	7 055	4 587
Total assets		13 609	12 747	9 125
Paid-in equity	9	8 898	8 898	8 898
Retained earnings		-2 989	-4 039	-5 765
Total equity		5 909	4 859	3 133
Employee benefit obligations		278	324	312
Deferred tax liability		208	252	260
Interest-bearing non-current liabilities	8	3 432	2 855	2 356
Other non-current liabilities	6	504	939	463
Total non-current liabilities		4 422	4 371	3 391
Trade and other payables		2 245	2 429	1 910
Tax payable		358	208	50
Interest-bearing current liabilities	8	310	162	187
Other current liabilities	6	364	718	454
Total current liabilities		3 278	3 517	2 600
Total liabilities		7 700	7 888	5 991
Total equity and liabilities		13 609	12 747	9 125

SKØYEN, 26 JANUARY 2023
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Nikolai Johns
Board member



Johanna Lindén
Board member



Sven Ombudstvedt
CEO

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

NOK MILLION	Q4 2022	Q3 2022	Q4 2021	2022	2021
Cash generated from operations	4 135	3 707	2 886	14 624	10 003
Cash used in operations	-3 300	-3 022	-2 505	-12 333	-9 564
Cash flow from currency hedges and financial items	-26	-7	-10	-59	-39
Interest payments received	16	7	2	31	4
Interest payments made	-35	-32	-23	-122	-107
Taxes paid	-45	-27	-32	-101	-106
Net cash flow from operating activities ¹⁾	745	627	317	2 040	191
Purchases of property, plant and equipment and intangible assets	-881	-519	-326	-2 228	-1 021
Sales of property, plant and equipment and intangible assets	9	3	0	28	17
Purchase of shares in companies and other financial payments	-2	0	0	-30	-95
Sales of shares in companies and other financial instruments	3	-4	0	275	207
Net cash flow from investing activities	-872	-520	-326	-1 956	-891
New loans raised	817	219	372	1 354	1 202
Repayments of loans	-85	-14	-43	-321	-383
New equity	0	0	0	0	388
Net cash flow from financing activities	733	206	329	1 033	1 207
Foreign currency effects on cash and cash equivalents	-2	7	6	43	2
Total change in cash and cash equivalents	604	319	326	1 161	509
Cash and cash equivalents at start of period	2 047	1 728	1 163	1 489	980
Cash and cash equivalents at end of period	2 650	2 047	1 489	2 650	1 489
¹⁾ Reconciliation of net cash flow from operating activities					
Profit/loss before income taxes	1 097	23	480	2 778	-295
Change in working capital	-208	188	54	-545	57
Change in restructuring provisions	4	-5	-41	-22	-28
Depreciation and impairments	354	122	93	710	411
Derivatives and other fair value adjustments	-227	273	-165	-462	223
Gain and losses from divestment of business activities and PPE	-8	2	0	-191	-16
Net financial items without cash effect	-198	58	-33	-82	-7
Taxes paid	-45	-27	-32	-101	-106
Change in pension obligations and other employee benefits	-21	-6	1	-31	-13
Adjustment for other items	-4	0	-41	-14	-37
Net cash flow from operating activities	745	627	317	2 040	191

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN GROUP EQUITY

NOK MILLION	PAID-IN EQUITY	OTHER PAID-IN EQUITY	RETAINED EARNINGS	TOTAL EQUITY
Equity 1 January 2021	6 261	2 249	-5 292	3 219
Increase share capital	388	0	0	388
Profit/loss for the period	0	0	-763	-763
Other comprehensive income for the period	0	0	-77	-77
Equity 30 September 2021	6 649	2 249	-6 132	2 767
Profit/loss for the period	0	0	400	400
Other comprehensive income for the period	0	0	-33	-33
Equity 31 December 2021	6 649	2 249	-5 765	3 133
Profit/loss for the period	0	0	1 518	1 518
Other comprehensive income for the period	0	0	136	136
Equity 30 June 2022	6 649	2 249	-4 111	4 787
Profit/loss for the period	0	0	-11	-11
Other comprehensive income for the period	0	0	83	83
Equity 30 September 2022	6 649	2 249	-4 039	4 859
Profit/loss for the period	0	0	1 065	1 065
Other comprehensive income for the period	0	0	-14	-14
Equity 31 December 2022	6 649	2 249	-2 989	5 909

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Norske Skog ASA ("the company") and its subsidiaries ("the group" or "Norske Skog") produce, distribute and sell publication paper. This includes newsprint and magazine paper.

All amounts in the interim financial statements are presented in NOK million unless otherwise stated. Due to rounding, there may be differences in the summation of columns and rows.

The table below shows the applied average (un-weighted monthly) foreign exchange rates per quarter and the closing exchange rate at month ends for the most important currencies for the group.

	Q4 2022	Q3 2022	31 DEC 2022	30 SEP 2022	31 DEC 2021
AUD	6.69	6.82	6.70	7.02	6.40
EUR	10.39	10.06	10.51	10.58	9.99
GBP	11.95	11.75	11.85	11.99	11.89
NZD	6.14	6.12	6.26	6.16	6.03
USD	10.19	9.99	9.86	10.86	8.82

2. ACCOUNTING POLICIES

The interim financial statements of Norske Skog have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim financial statements do not include all information required for full annual financial statements and should be read in conjunction with the consolidated financial statements for 2021. The interim financial statements are unaudited.

The accounting policies applied in the preparation of the interim financial statements are consistent with those applied in the preparation of the consolidated financial statements for the year ended

31 December 2021, except for the adaptation of amended standards and new interpretations, which are mandatory from 1 January 2022. These changes are described in the consolidated financial statements for 2021.

The group has not early adopted any standard, interpretation or amendment that has been issued but is not yet mandatory.

3. ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

Preparation of interim financial statements in accordance with IFRS implies use of estimates, which are based on judgements and assumptions that affect the application of accounting principles and the reported amounts of assets, liabilities, revenues and expenses. Actual amounts might differ from such estimates.

Estimated decline in value of property, plant and equipment, and investments in associated companies

Property, plant and equipment are tested for possible impairment charges whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. A prolonged decrease in prices or demand beyond the historical level could be an indicator of impairment and an impairment test will be prepared. The recoverable amount is the higher of an asset's fair value less sales costs or its value in use. Value in use is the present value of the future cash flows expected to be derived from a cash-generating unit. The key drivers of profitability in the industry and thus asset values for Norske Skog are product prices relative to production costs.

Commodity contracts

Norske Skog's portfolio of commodity contracts consist mainly of contracts that are settled through physical delivery. Embedded derivatives in commodity contracts are measured at fair value and embedded derivatives that are not traded in an active market, are assessed through valuation techniques.

The fair value of embedded derivatives in physical contracts vary depending on changes in currency and price indexes.

Commodity contracts that fail to meet the own-use exemption criteria in IFRS 9 *Financial instruments* – recognition and measurement are recognised in the balance sheet and valued at fair value.

The group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at each balance sheet date. See Note 17 in the consolidated financial statements for 2021 for more information regarding the calculation of fair value of derivatives.

Provisions

Provisions for environmental restoration, dismantling costs, restructuring activities and legal claims are recognised when the group has a present legal or constructive obligation as a result of past events, an outflow of resources is more likely than not to be required to settle the obligation and the amount can be reliably estimated.

Provisions for future environmental and dismantling liabilities are based on a number of assumptions made using management's best judgment. See Note 3 in the consolidated financial statements for 2021 for a more thorough description of important accounting estimates and assumptions impacting the preparation of financial statements.

Contingent liabilities

Norske Skog is an international company that, through its ongoing business operations, will be exposed to litigation and claims from public authorities and contracting parties as well as assessments from public authorities in each country it operates.

4. OPERATING SEGMENTS

The activities of the Norske Skog group are focused on two business segments, Europe and Australasia. The segment structure is in line with how the group is managed internally. Norske Skog's chief operating decision maker is corporate management, who distribute resources and assess performance of the group's operating segments. Norske Skog has an integrated strategy in Europe and Australasia to maximise the profit in each region. The optimisation is carried out through coordinated sales and operational planning. The regional planning, in combination with structured sales and operational processes, ensures maximisation of profit.

Publication paper includes newsprint and magazine paper. Newsprint includes standard newsprint and improved newsprint used in newspapers, inserts, catalogues etc. Magazine paper includes the paper qualities super calendered (SC) and lightweight coated (LWC). Magazine paper is used in magazines, catalogues, and advertising materials.

Operating revenue consist mainly of sale of goods for both Publication Paper Europe and Publication Paper Australasia.

The publication paper Europe segment encompasses production and sale of newsprint and magazine paper in Europe. All the four European mills and the regional sales organisation are included in the operating segment publication paper Europe.

The publication paper Australasia segment encompasses production and sale of newsprint and magazine paper in Australasia. Mills in Australasia and the regional sales organisation are included in the operating segment publication paper Australasia. The Norske Skog Boyer mill is the only mill in the Australasian operating segment.

Activities in the group that do not fall into the operating segments are presented under other activities. This includes corporate functions and Green Energy business.

The pellets operation of Nature's Flame is included in Green Energy under other activities up to first quarter 2022 when it was sold.

Q4 2022	PUBLICATION PAPER EUROPE	PUBLICATION PAPER AUSTRALASIA	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
Operating revenue	3 357	497	26	-32	3 848
Other operating income	198	11	1	-1	208
Total operating income	3 555	508	27	-33	4 056
Distribution costs	-210	-63	0	0	-273
Cost of materials	-1 556	-294	3	4	-1 843
Employee benefit expenses	-416	-67	-89	1	-571
Other operating expenses	-244	-51	-21	28	-287
EBITDA	1 129	33	-80	0	1 083
Restructuring expenses	0	-11	0	0	-11
Depreciation	-177	-11	-2	0	-190
Impairments	-164	0	0	0	-164
Derivatives and other fair value adjustments	227	0	0	0	227
Operating earnings	1 014	11	-82	0	944
Share of operating revenue from external parties (%)	100	100	0		100

Q3 2022	PUBLICATION PAPER EUROPE	PUBLICATION PAPER AUSTRALASIA	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
Operating revenue	3 041	513	22	-36	3 541
Other operating income	89	0	0	-1	89
Total operating income	3 131	514	22	-36	3 630
Distribution costs	-257	-70	0	0	-327
Cost of materials	-1 823	-295	3	12	-2 103
Employee benefit expenses	-375	-79	-21	1	-475
Other operating expenses	-191	-37	-13	23	-217
EBITDA	484	33	-9	0	508
Depreciation	-109	-11	-2	0	-122
Derivatives and other fair value adjustments	-273	0	0	0	-273
Operating earnings	103	21	-11	0	113
Share of operating revenue from external parties (%)	100	100	0		100

Q4 2021	PUBLICATION PAPER EUROPE	PUBLICATION PAPER AUSTRALASIA	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
Operating revenue	2 543	389	69	-20	2 980
Other operating income	105	6	2	-1	113
Total operating income	2 648	395	71	-21	3 092
Distribution costs	-230	-52	-10	0	-291
Cost of materials	-1 562	-215	-23	0	-1 800
Employee benefit expenses	-329	-68	-31	1	-428
Other operating expenses	-131	-15	-26	20	-152
EBITDA	395	46	-19	0	422
Restructuring expenses	-12	-1	0	0	-12
Depreciation	-100	-11	-4	0	-115
Impairments	8	14	0	0	22
Derivatives and other fair value adjustments	165	-2	0	0	163
Operating earnings	456	45	-23	0	479
Share of operating revenue from external parties (%)	100	100	73		100

2022	PUBLICATION PAPER EUROPE	PUBLICATION PAPER AUSTRALASIA	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
Operating revenue	12 645	1 893	117	-119	14 537
Other operating income	477	28	177	-4	677
Total operating income	13 122	1 920	294	-122	15 214
Distribution costs	-963	-261	-4	0	-1 227
Cost of materials	-6 889	-1 051	-13	16	-7 937
Employee benefit expenses	-1 515	-293	-220	3	-2 024
Other operating expenses	-791	-161	-71	102	-921
EBITDA	2 965	154	-14	0	3 105
Restructuring expenses	0	-11	0	0	-11
Depreciation	-493	-43	-10	0	-546
Impairments	-164	0	0	0	-164
Derivatives and other fair value adjustments	462	0	0	0	462
Operating earnings	2 769	100	-24	0	2 845
Share of operating revenue from external parties (%)	100	100	18		100

2021	PUBLICATION PAPER EUROPE	PUBLICATION PAPER AUSTRALASIA	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
Operating revenue	7 990	1 759	214	-115	9 848
Other operating income	422	33	13	-3	466
Total operating income	8 412	1 792	228	-117	10 315
Distribution costs	-937	-226	-24	0	-1 187
Cost of materials	-4 986	-1 045	-51	28	-6 055
Employee benefit expenses	-1 296	-340	-91	3	-1 723
Other operating expenses	-565	-137	-72	87	-687
EBITDA	628	44	-11	0	662
Restructuring expenses	-16	-174	-3	0	-192
Depreciation	-380	-40	-13	0	-433
Impairments	8	14	0	0	22
Derivatives and other fair value adjustments	-148	-69	0	0	-218
Operating earnings	92	-225	-26	0	-160
Share of operating revenue from external parties (%)	100	100	62		100

NORSKE SKOG QUARTERLY REPORT – FOURTH QUARTER 2022 (UNAUDITED)

INCOME STATEMENT	Q4 2022	Q3 2022	Q4 2021	2022	2021
OTHER OPERATING REVENUE					
Corporate functions	27	22	21	97	95
Green energy and other	0	0	50	196	132
Total	27	22	71	294	228
EBITDA					
Corporate functions	-80	-9	-28	-190	-37
Green energy and other	0	0	9	176	27
Total	-80	-9	-19	-14	-11

5. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

2022	PROPERTY, PLANT AND EQUIPMENT	RIGHT-OF-USE ASSETS	TOTAL PROPERTY PLANT AND EQUIPMENT	INTANGIBLE ASSETS
Carrying value at start of period	3 999	104	4 103	21
Additions*	2 363	16	2 379	1
Depreciation	-497	-40	-537	-8
Disposals	-133	-18	-151	0
Currency translation differences	217	3	220	0
Carrying value at end of period	5 784	68	5 852	14

*The difference between additions and the line Purchases of property, plant and equipment and intangible assets in the condensed consolidated statement of cash flows is due to right-of-use assets, accruals for payments and other additions with no cash impact.

PER OPERATING SEGMENTS

31 DEC 2022	TOTAL PROPERTY PLANT AND EQUIPMENT	INTANGIBLE ASSETS
Publication paper Europe	5 597	6
Publication paper Australasia	249	0
Other activities	6	7
Total	5 852	14

6. ENERGY CONTRACTS, DERIVATIVES AND FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE

31 DEC 2022	ASSETS		LIABILITIES	
	CURRENT	NON-CURRENT	CURRENT	NON-CURRENT
Energy contracts and embedded derivatives in energy contracts (level 3)	392	592	210	313
Other derivatives and financial instruments carried at fair value (level 2)	0	0	0	0
Total	392	592	210	313

Norske Skog's portfolio of commodity contracts consists mainly of physical energy contracts. Certain of the energy contracts are measured at fair value. The fair value of commodity contracts is especially sensitive to future changes in energy prices in the region they cover.

The contract prices for energy in Norway are sensitive to change in paper and pulpwood prices. Externally forecasted price increases for paper increases the cost of energy. Market prices for energy have developed in opposite directions in the relevant energy areas in Norway, giving a net positive impact on the fair value of the contracts in the quarter of NOK 227 million.

Changes in the value of energy contracts, commodity contracts and embedded derivatives in contracts are presented in the income

statement line Derivatives and other fair value adjustments. A sensitivity analysis of the impact on profit after tax of fluctuations in energy prices, currency and price indices is given in Note 4 in the consolidated financial statements for 2021.

Financial derivative contracts are accounted for at fair value and changes in contracts are presented in the income statement under financial items. A sensitivity analysis of the impact on profit after tax of fluctuations in currency is given in Note 4 in the consolidated financial statements for 2021.

The valuation techniques used are described in Note 17 in the consolidated financial statement for 2021.

7. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES

Investments in associated companies and joint ventures are accounted for in accordance with the equity method. The carrying value is NOK 299 million at 31 December 2022.

Norske Skog holds a 50% share of Porsnes Utvikling AS, an equal ownership joint venture between Ringstad Næringsutvikling AS and Norske Skog Saugbrugs AS. At 31 December 2022 this has a carrying value of NOK 212 million.

During the fourth quarter of 2022, Porsnes Utvikling AS sold the shares in a holding company for high school facilities in Halden to Viken county municipality for a gross property value of NOK 730 million. This resulted in a capital gain included in the financial statements of Norske Skog of

NOK 200 million. The cash proceeds were received as a dividend in January 2023.

At 31 December 2022 Norske Skog holds a 26% share of Circa Group AS, with a carrying value of NOK 80 million. Loss is included in the quarter with NOK 4 million. Circa Group AS is listed on Euronext Growth.

Due to later reporting dates than Norske Skog, the share of results from Circa Group is included with a three months lag.

8. FINANCIAL ITEMS AND DEBT REPAYMENTS

FINANCIAL ITEMS

NOK MILLION	Q4 2022	Q3 2022	Q4 2021	2022	2021
Net interest expenses	-22	-27	-23	-100	-113
Currency gains/losses*	5	-46	41	-97	78
Other financial items	-28	-10	-12	-59	-82
Total financial items	-45	-84	5	-256	-118

*Currency gains and losses on trade receivables and trade payables are reported as Operating revenue and Cost of materials respectively.

FINANCING

In 2021 Norske Skog entered into credit facility agreements in an aggregate amount of EUR 265 million to finance its investment in the conversion projects to recycled containerboard.

EUR 193 million was for the project at Norske Skog Golbey and EUR 72 million for the project at Norske Skog Bruck.

The borrowing entities are Norske Skog Bruck GmbH and Norske Skog Golbey SAS, and the facilities are fully guaranteed by Norske Skog ASA.

The facilities will be drawn as capital expenditures are incurred, and repayment is scheduled to commence approximately upon completion of each respective project with average maturity towards the end of 2030. As of 31 December 2022, the credit facilities had been drawn by approximately EUR 136 million.

Norske Skog has a EUR 150 million senior secured bond. The bond matures in March 2026 and has an interest rate of EURIBOR (zero floor) +5.5% with quarterly interest payments.

During the fourth quarter of 2022, Norske Skog bought back bonds in a nominal amount of EUR 3.3 million. As of 31 December 2022, the outstanding amount under the EUR 150 million senior secured bond, net of bought back bonds, was EUR 138.9 million.

Norske Skog has an EUR 31 million Revolving Credit Facility with a tenor of five years. As of 31 December 2022, the revolving credit facility was undrawn.

The EUR 54 million credit facility for the waste-to-energy plant in Norske Skog Bruck was fully drawn as of 30 September 2022, and during the fourth quarter the first quarterly installments were made reducing the outstanding principal to EUR 51.8 million. The final maturity date is in 2028.

The remaining financing arrangements for the group includes leasing, factoring, and other credit facilities on mill level.

The financing covenants applicable to Norske Skog on a consolidated basis are (i) freely available and unrestricted cash and cash equivalents of minimum NOK 100 million, (ii) EBITDA* to net interest costs of minimum 2.0:1, and (iii) book equity to total assets of minimum 25% and (iv) minimum LTM EBITDA* of NOK 400 million. In addition, there are various company specific financial covenants applicable to the subsidiaries acting as borrowers under the respective credit facilities.

*The EBITDA used in the financial covenants' calculations may differ from the EBITDA shown in the financial reporting due to adjustment requirements in the financing agreements.

BONDS

EUR MILLION	MATURITY	CURRENCY	INTEREST RATE	NOMINAL VALUE	AMOUNT OUTSTANDING 31 DEC 2022
NSKOG02	March 2026	EUR	EURIBOR +5.5%	150	139

DEBT REPAYMENT SCHEDULE*

NOK MILLION	2023	2024	2025	2026	2027-
Bonds	0	0	0	1 460	0
Debt to credit institutions	277	379	520	391	659
Total	277	379	520	1 851	659

*Not including items relating to leases.

Total debt listed in the repayment schedule differ from the carrying value in the balance sheet. This is due to the amortized cost principle.

Financed amounts from securitisation arrangements is classified as interest-bearing current liabilities. This amounts to NOK 56 million in debt repayment in the first quarter of 2023. The financed amount represents a group of individual loans, which are settled individually at maturity of the trade receivable.

New loans are initiated on a consecutive basis based on new trade receivables included under the securitization agreement. The liability is in its nature current and Norske Skog does not have an unconditional right to defer settlement beyond twelve months. The liabilities are liabilities that are settled through its normal operating cycle. The corresponding trade receivable is derecognised when the customer pays it.

9. PRINCIPAL SHAREHOLDERS

	NUMBER OF SHARES	OWNERSHIP %
BYGGMA ASA	16 030 431	17.01
NS NORWAY HOLDING AS	15 896 681	16.86
DRANGSLAND KAPITAL AS	4 716 148	5.00
UBS Europe SE	3 867 099	4.10
VERDIPAPIRFONDET ALFRED BERG GAMBA	2 797 812	2.97
The Bank of New York Mellon SA/NV	2 154 407	2.29
INTERTRADE SHIPPING AS	2 100 000	2.23
VERDIPAPIRFONDET HOLBERG NORGE	1 400 000	1.49
The Bank of New York Mellon SA/NV	1 230 635	1.31
UBS Europe SE	1 227 840	1.30
MP PENSJON PK	1 198 015	1.27
J.P. Morgan SE	1 102 660	1.17
RBC Investor services bank S.A.	1 009 617	1.07
Skandinaviska Enskilda Banken AB	955 913	1.01
CLEARSTREAM BANKING S.A.	954 620	1.01
VERDIPAPIRFONDET NORDEA AVKASTNING	868 340	0.92
State Street Bank and Trust Comp	726 949	0.77
RBC Investor services bank S.A.	713 343	0.76
VERDIPAPIRFONDET FONDSFINANS NORGE	700 000	0.74
PERSHING NOMINEES LIMITED	691 435	0.73
Other shareholders	33 922 760	35.99
Total	94 264 705	100.00

The data is extracted from VPS 25 January 2023. Whilst every reasonable effort is made to verify all data, VPS cannot guarantee the accuracy of the analysis.

10. THE NORSKE SKOG SHARE

	31 DEC 2022	30 SEP 2022	31 DEC 2021
Share price (NOK)	67.25	55.25	38.40
Book value of equity per share (NOK)	62.68	51.55	33.24

11. RELATED PARTIES

Oceanwood is a related party to Norske Skog through the ownership in NS Norway Holding AS (shareholder in Norske Skog ASA) and the chair of the board being a representative for Oceanwood.

There have not been any transactions with related parties in 2022.

12. EVENTS AFTER THE BALANCE SHEET DATE

There have been no events after the balance sheet date with significant impact on the interim financial statements for the fourth quarter of 2022.

13. HISTORICAL FIGURES

INCOME STATEMENT	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Total operating income	4 056	3 630	3 937	3 590	3 092
Variable costs	-2 116	-2 430	-2 298	-2 320	-2 091
Fixed costs	-858	-692	-735	-660	-580
EBITDA	1 083	508	905	610	422
Restructuring expenses	-11	0	0	0	-12
Depreciation	-190	-122	-120	-114	-115
Impairments	-164	0	0	0	22
Derivatives and other fair value adjustment	227	-273	411	97	163
Operating earnings	944	113	1 195	593	479
Share of profit in associated companies and joint ventures	198	-5	-3	-1	-5
Financial items	-45	-84	-127	1	5
Profit/loss before income taxes	1 097	23	1 065	593	480
Income taxes	-32	-34	-130	-10	-80
Profit/loss for the period	1 065	-11	935	583	400

SEGMENT INFORMATION	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Publication paper Europe					
Total operating income	3 555	3 131	3 469	2 968	2 648
EBITDA	1 129	484	910	441	395
Deliveries (1 000 tonnes)	300	347	407	407	427
Publication paper Australasia					
Total operating income	508	514	470	429	395
EBITDA	33	33	49	40	46
Deliveries (1 000 tonnes)	63	66	63	61	62
Other activities					
Total operating income	27	22	23	222	71
EBITDA	-80	-9	-55	130	-19

BALANCE SHEET	31 DEC 2022	30 SEP 2022	30 JUN 2022	31 MAR 2022	31 DEC 2021
Total non-current assets	7 069	5 692	5 319	4 520	4 538
Inventories	1 464	1 487	1 357	1 206	1 203
Trade and other receivables	1 944	2 039	2 090	1 724	1 411
Cash and cash equivalents	2 650	2 047	1 728	1 676	1 489
Other current assets	481	1 483	871	868	484
Total current assets	6 539	7 055	6 046	5 474	4 587
Total assets	13 609	12 747	11 365	9 994	9 125
Total equity	5 909	4 859	4 787	3 660	3 133
Total non-current liabilities	4 422	4 371	3 601	3 515	3 391
Trade and other payables	2 245	2 429	2 171	2 081	1 910
Other current liabilities	1 033	1 088	805	738	691
Total current liabilities	3 278	3 517	2 976	2 819	2 600
Total liabilities	7 700	7 888	6 578	6 334	5 991
Total equity and liabilities	13 609	12 747	11 365	9 994	9 125

NORSKE SKOG QUARTERLY REPORT – FOURTH QUARTER 2022 (UNAUDITED)

CASH FLOW	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Reconciliation of net cash flow from operating activities					
EBITDA	1 083	508	905	610	422
Change in working capital	-208	188	-352	-172	54
Payments made relating to restructuring activities	-7	-5	-10	-10	-53
Gain and losses from divestment	-8	2	-8	-177	0
Cash flow from net financial items	-45	-32	-33	-40	-32
Taxes paid	-45	-27	-17	-12	-32
Other	-24	-6	-12	-2	-42
Net cash flow from operating activities	745	627	473	196	317
Net cash flow from investing activities					
Purchases of property, plant and equipment and intangible assets	-881	-519	-437	-391	-326
Net divestments	9	-1	-14	278	0
Net cash flow from investing activities	-872	-520	-451	-112	-326
Net cash flow from financing activities					
	733	206	-26	121	329
Foreign currency effects on cash and cash equivalents	-2	7	55	-17	6
Total change in cash and cash equivalents	604	319	51	187	326

ALTERNATIVE PERFORMANCE MEASURES

The European Securities and Markets Authority's (ESMA) has defined new guidelines for alternative performance measures (APM). An APM is defined as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specific in the applicable financial reporting framework (IFRS). The company uses EBITDA, EBITDA margin and return on capital employed (annualized) to measure operating performance on Group level. It is the company's view that the APMs provides the investors relevant and specific operating figures which may enhance their understanding of the performance.

EBITDA, EBITDA margin, variable costs, fixed costs, return on capital employed and net interest-bearing debt are defined by the company below.

EBITDA: Operating earnings for the period, before restructuring expenses, depreciation and amortization and impairment charges, derivatives, and other fair value adjustments, determined on an entity, combined, or consolidated basis. EBITDA is used for providing consisting information of operating performance and cash generating which is relative to other companies and frequently used by other stakeholders.

NOK MILLION	Q4 2022	Q3 2022	Q4 2021	2022	2021
Operating earnings	944	113	479	2 845	-160
Restructuring expenses	11	0	12	11	192
Depreciation	190	122	115	546	433
Impairments	164	0	-22	164	-22
Derivatives and other fair value adjustments	-227	273	-163	-462	218
EBITDA	1 083	508	422	3 105	662

EBITDA margin: EBITDA/total operating income. EBITDA margin assist in providing a more comprehensive analysis of operating performance relative to other companies.

NOK MILLION	Q4 2022	Q3 2022	Q4 2021	2022	2021
EBITDA	1 083	508	422	3 105	662
Total operating income	4 056	3 630	3 092	15 214	10 315
EBITDA margin	26.7 %	14.0 %	13.6 %	20.4 %	6.4 %

Variable costs: Distribution costs + cost of materials

NOK MILLION	Q4 2022	Q3 2022	Q4 2021	2022	2021
Distribution costs	273	327	291	1 227	1 187
Cost of materials	1 843	2 103	1 800	7 937	6 055
Variable costs	2 116	2 430	2 091	9 164	7 242

Fixed costs: Employee benefit expenses + other operating expenses.

NOK MILLION	Q4 2022	Q3 2022	Q4 2021	2022	2021
Employee benefit expenses	571	475	428	2 024	1 723
Other operating expenses	287	217	152	921	687
Fixed costs	858	692	580	2 945	2 410

NORSKE SKOG QUARTERLY REPORT – FOURTH QUARTER 2022 (UNAUDITED)

Return on capital employed (annualised): (Annualised EBITDA – Annualised Capital expenditure)/Capital employed (average). Return on capital employed assist in providing a more comprehensive analysis of returns relative to other companies.

NOK MILLION	Q4 2022	Q3 2022	Q4 2021	2022	2021
EBITDA	1 083	508	422	3 105	662
Capital expenditure	881	519	326	2 228	1 021
Average capital employed	6 687	6 182	4 746	5 928	4 611
Return on capital employed (annualised)	12.1 %	-0.7 %	8.1 %	14.8 %	-7.8 %

NOK MILLION	31 DEC 2022	30 SEP 2022	31 DEC 2021
Intangible assets	14	15	21
Property, plant and equipment	5 852	5 235	4 103
Inventory	1 464	1 487	1 203
Trade and other receivables	1 944	2 039	1 411
Trade and other payables	-2 245	-2 429	-1 910
Capital employed	7 028	6 347	4 828

Net interest-bearing debt: Net interest-bearing debt consist of bond issued and other interest-bearing liabilities (current and non-current) reduced by cash and cash equivalent.

NOK MILLION	31 DEC 2022	30 SEP 2022	31 DEC 2021
Interest-bearing non-current liabilities	3 432	2 855	2 356
Interest-bearing current liabilities	310	162	187
Cash and cash equivalents	-2 650	-2 047	-1 489
Net interest-bearing debt	1 092	970	1 054

Capital expenditure (Capex): Purchases of property, plant and equipment and intangible assets.

Maintenance capex: Capex required to maintain the Group's current business in accordance with GAAP according to the latest annual financial statements.



Norske Skog

Q4 2022 presentation

27 January 2023

We create green value

[Website](#)

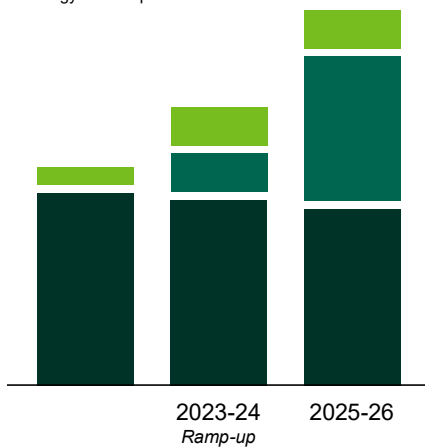
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Sustainable and innovative industry

Strategic transition

- Publication paper
- Packaging paper
- Energy and bio products



- Become a leading independent producer of **Packaging Paper**, starting Q1 2023
- Improve and optimise cash flows from **Publication Paper**
- Diversify and innovate within **bio products and energy**
- Focussing on European operations and **divesting non-core assets**



Norske Skog ranked as Leader in the CDP Climate Change programme

- **Norske Skog received “A-” score** on the company's first Carbon Disclosure Project (CDP) submission since 2011
- This is higher than the Europe regional average of “B”, and higher than the Paper products & packaging average of “B”

Selected initiatives over coming years to achieve “A”

- Improve / complete Scope 3 reporting
- Increase use of renewable energy

Current reporting within CDP Climate Change, but ambition to expand reporting to also encompass CDP Forest and CDP Water over coming years

A-



3

Fourth quarter in brief

Strong results in uncertain times

- EBITDA of NOK 1 083m and operating cash flow of NOK 745m in the quarter
- FY2022 EBITDA of NOK 3 105m

Turbulent energy and raw material markets

- Energy exposure actively managed, allowing sale of excess energy after closure of Golbey PM1
- Input costs remain at significant levels despite coming down from record highs impacting production

Publication paper capacity reductions from 2023 to 2024

- Newsprint market remains balanced, while markets for magazine grades are softening particularly lightweight coated
- Recognised impairment of NOK 164m related to Bruck PM4

Sale of high school facilities in Halden

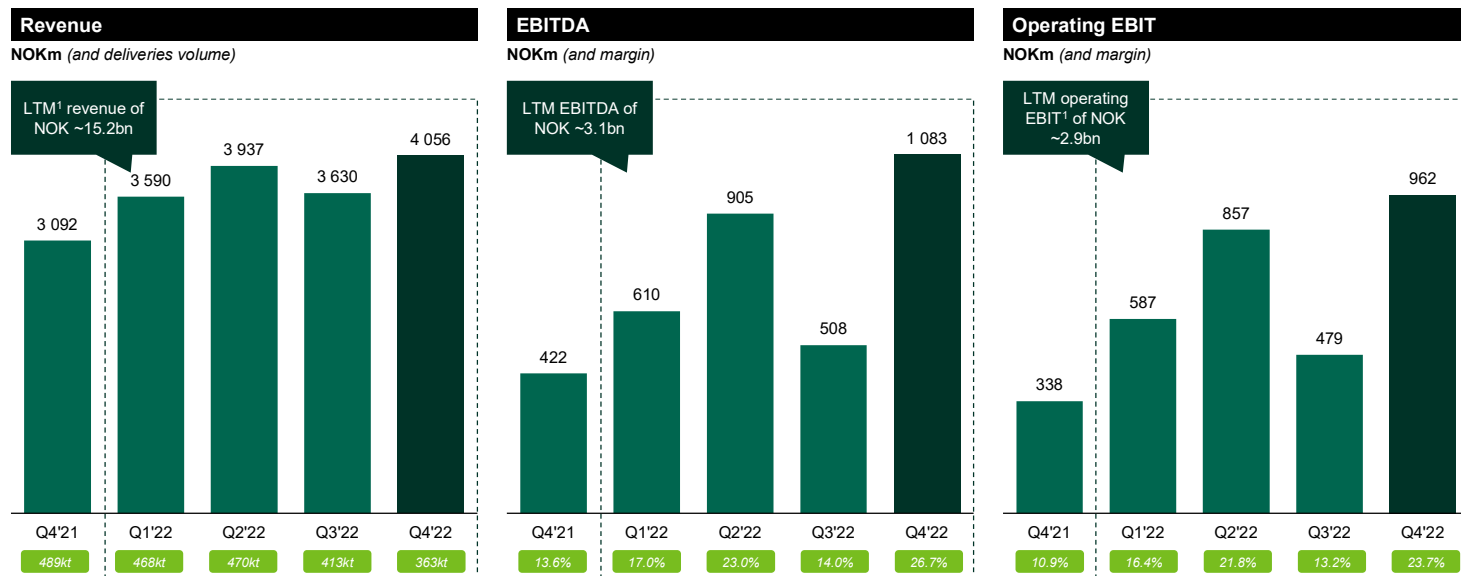
- Gain of NOK 200m in Q4 2022 and cash proceeds of NOK 200m received in 2023

The board proposes to the AGM the authority to pay NOK 5.00 dividend per share

- Subject to lenders waiving certain shareholder distribution restrictions

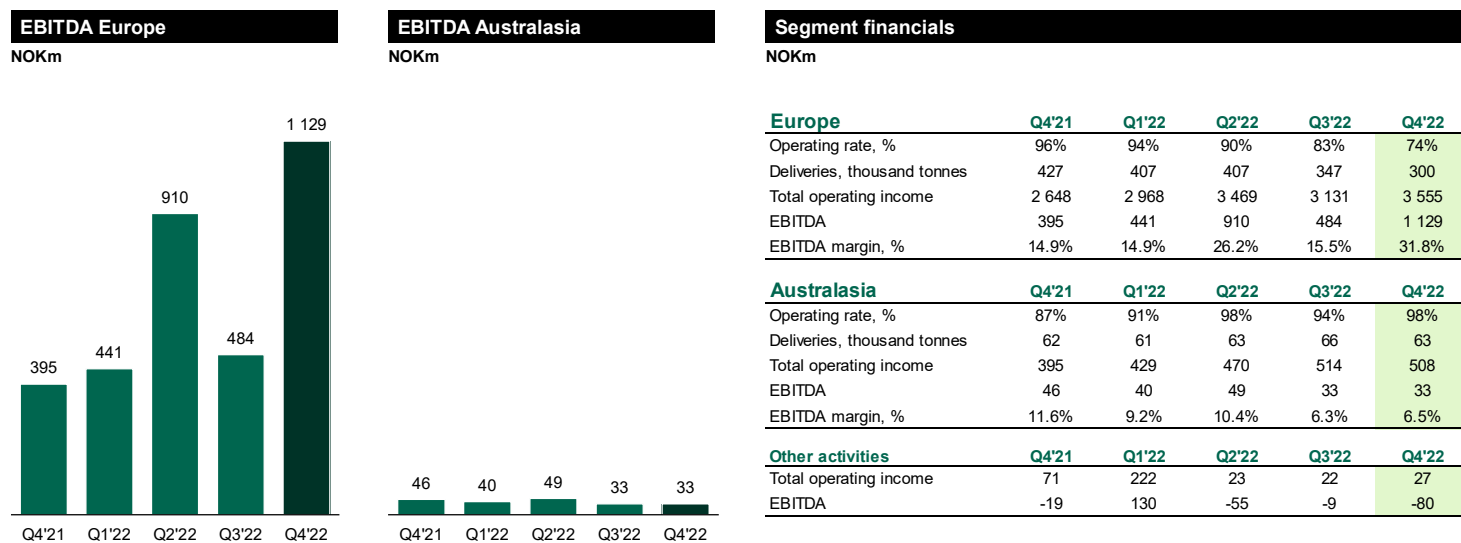
4

Navigating turbulent and uncertain markets



5 1) LTM = Last Twelve Months, i.e., the last four quarters; 2) Operating EBIT defined as EBITDA less maintenance capex

Continued good performance

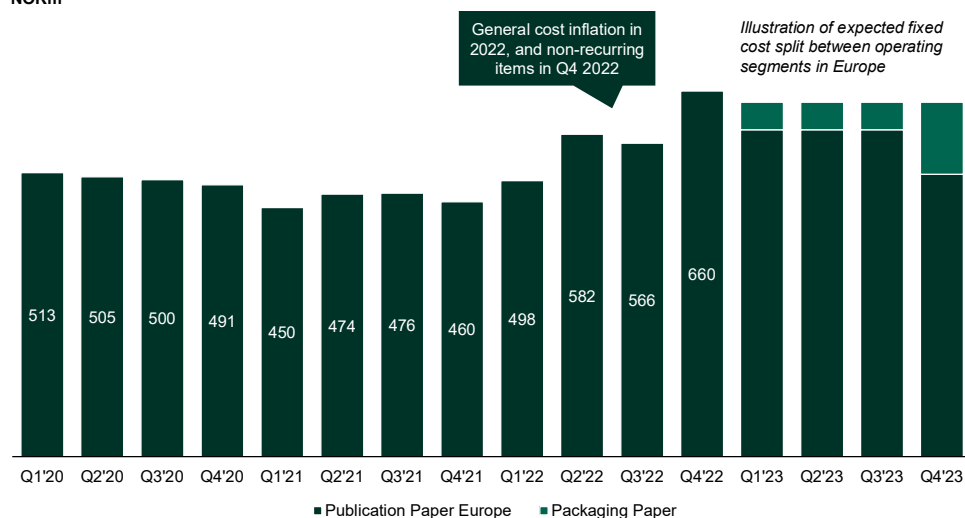


6

Introducing Packaging Paper as new operating segment from Q1 2023

European¹ fixed costs per quarter (employee benefit expenses and other operating expenses)

NOKm



7

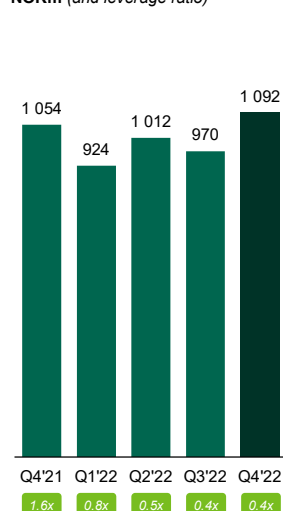
1) Operating segment Publication Paper Europe in the period 2020 to 2022

- From Q1 2023, part of the fixed costs currently in Publication Paper Europe will be allocated to Packaging Paper
- For Q1-Q3 2023, Packaging Paper includes Bruck PM3. From Q4 2023, the segment will also include Golbey PM1
- Norske Skog has nine PMs in Europe, and each represents approximately one ninth of European fixed costs
- Expect positive Packaging Paper gross margin in 2023, but insufficient volumes to cover fixed costs in first operating year

Prudent cash balance management

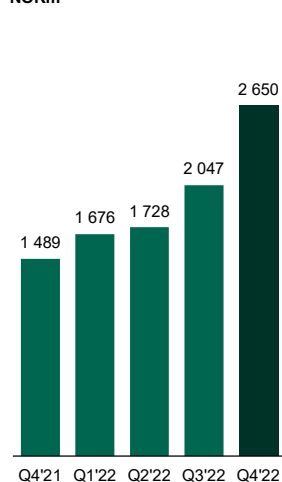
Net debt

NOKm (and leverage ratio)



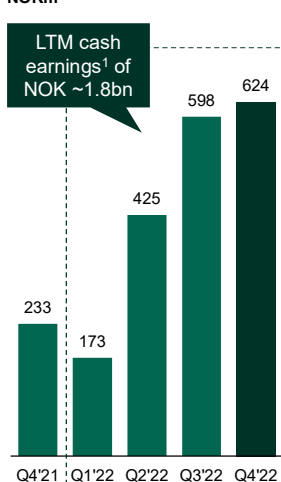
Cash and cash equivalents

NOKm



Cash earnings

NOKm



8

1) Cash earnings defined as cash flow from operations less maintenance capex; 2) Includes investments in packaging paper projects at the Bruck and Golbey industrial sites, and expansion of thermomechanical pulp capacity at Skogn; 3) ETS = Emission Trading Scheme; 4) EUA = European Union Allowance

- Net debt of NOK 1 092m
- Net debt / LTM reported EBITDA of 0.4x
- Repurchased EUR 11.1m of EUR 150m bond
- Average deposit rate of 3.0-3.5%
- Remaining capex of EUR ~170m² covered multiple times by available liquidity
- Cash proceeds of NOK 200m from sale of high school received in January
- NOK ~250m of 2022 EU ETS³ related cash proceeds, mainly relating to EUAs⁴ sold forward, to be received during H1 2023

High school facilities sold to Viken



9

Viken county municipality purchased high school facilities for NOK 730m

- Former Saugbrugs paper storage facilities transformed to a modern high school
- Wide spectre of amenities for vocational education, including music studios, concert halls, and wood and mechanic workshops



TMP capacity expansion and process optimisation at Skogn



10

1) TMP = Thermomechanical Pulp; 2) ADT = Air Dry Tonnes

Increasing TMP¹ production capacity with 100 000 ADT²

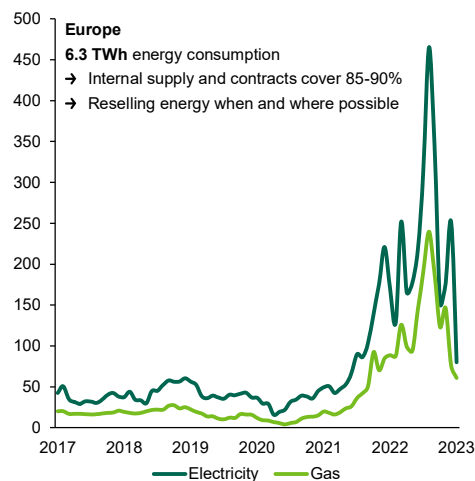
- Skogn to become fully based on fresh fibre, total annual volume of 1.2m cubic metres
- Reduces annual imports of recycled paper with 70-80kt
- De-inking facility for recycled paper to remain as back-up alternative if required
- TMP applicable for use in graphic papers, packaging papers, and pulp for exports
- Investment of NOK 180m, net of NOK 40-50m grant from NOx Fund
- Start-up expected in H1 2024



Volatile raw material markets

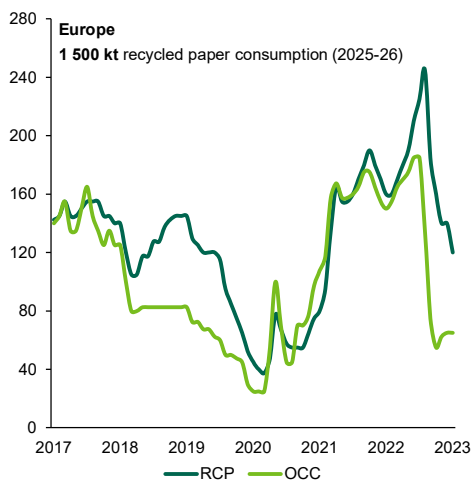
Energy prices Germany

EUR per MWh



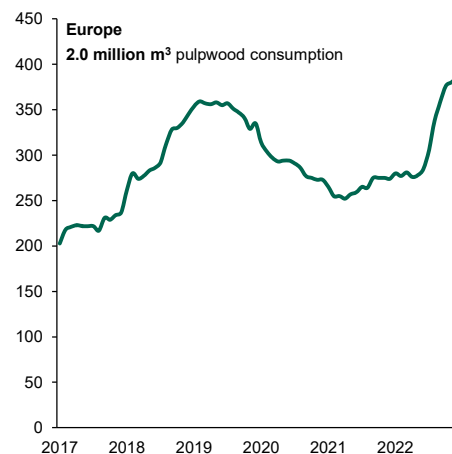
Recycled paper prices Germany

EUR per tonne



Spruce pulpwood prices Norway

NOK per solid cubic metre

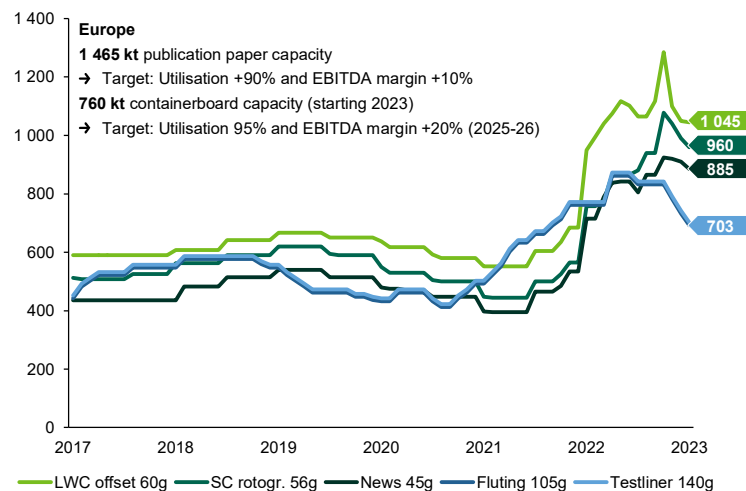


11 Source: Nord Pool, European Energy Exchange (EEX), Dutch Title Transfer Facility (TTF), RISI, Miljødirektoratet

Product prices track input cost development

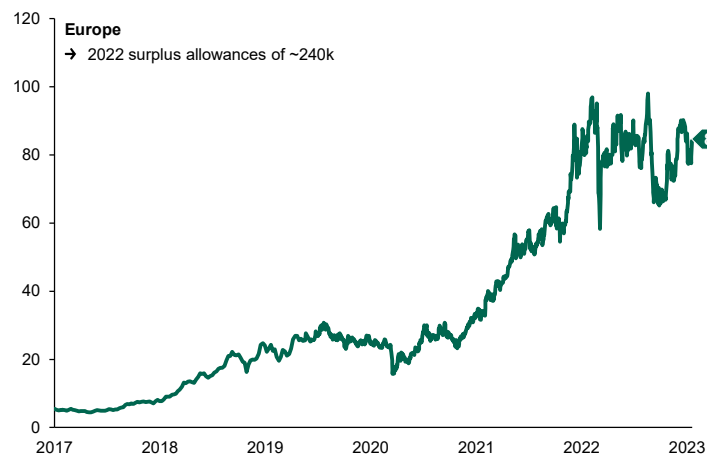
Publication paper and recycled containerboard prices Germany

EUR per tonne



European Union Allowance (EUA) price development

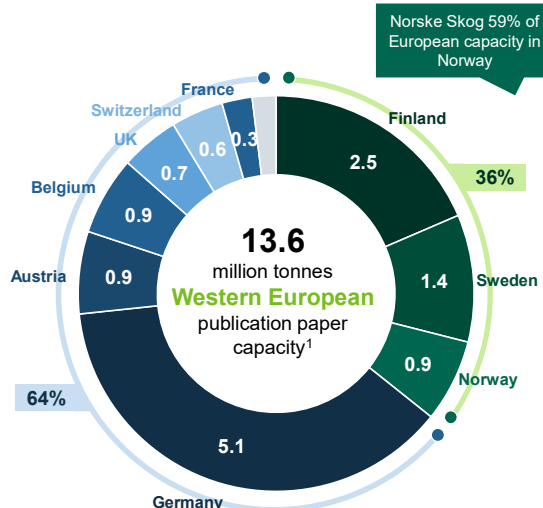
EUR per allowance



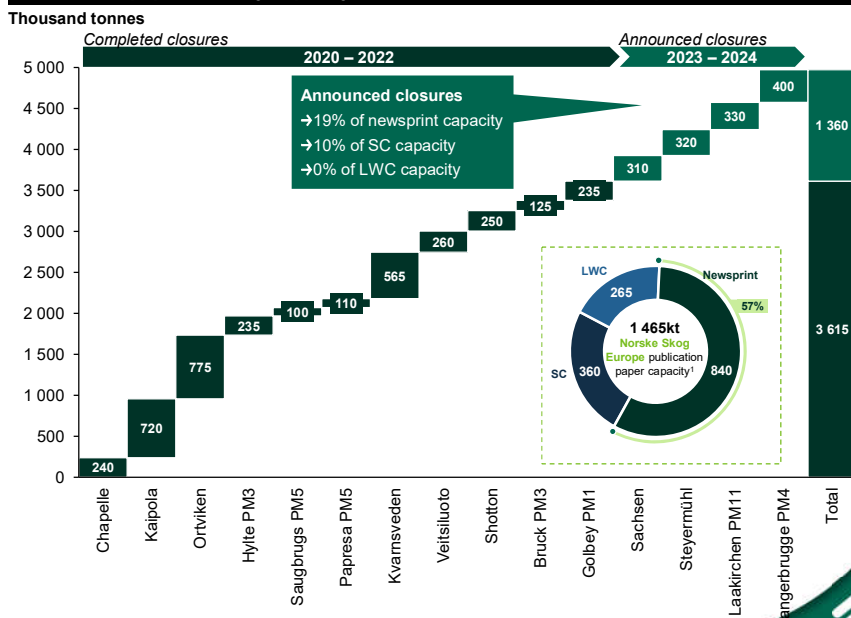
12 Source: RISI

Nordic newsprint production is favourably positioned

Western European publication paper industry capacity



Publication paper industry capacity closures in Western Europe



13 Sources: PPPC, RISI, press releases
1) Excludes Bruck PM3 (125kt) and Golbey PM1 (235kt)

2023 will be a milestone year in the transformation of Norske Skog



Q1 2023: Bruck



Q4 2023: Golbey

Packaging paper capacity

- Projects remain on time and budget
- 760k tonnes recycled containerboard
- Bruck PM3 in the market from Q1 2023

Targets

- Operating rate of ~95% (2025-26)
- EBITDA margin of +20% (2025-26)
- ✓ Competitive steam supply
- ✓ Centrally located with low transport costs
- ✓ Established raw materials access
- ✓ Ideal machine scale, trim and speed

Works at Golbey progressing to plan for start-up Q4 2023

Norske Skog Golbey: **May 2022**

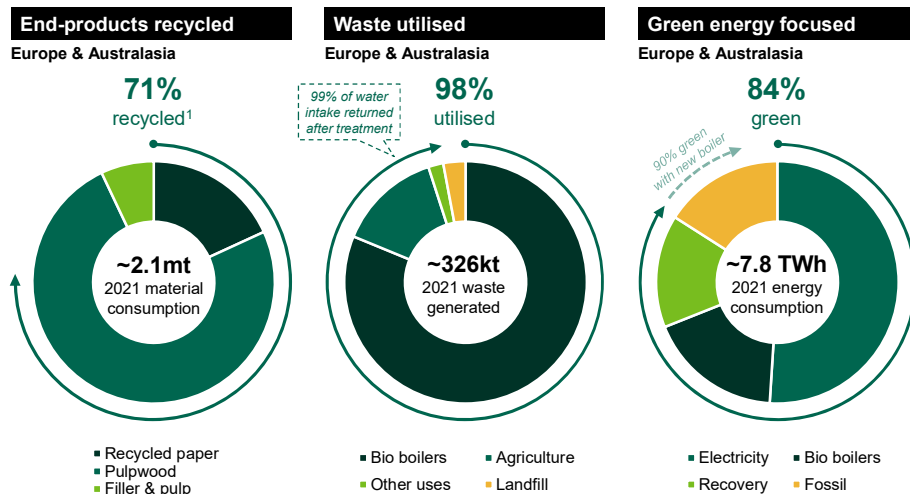


Norske Skog Golbey: **January 2023**



15

Enabling the circular economy



16

1) Industry recycling rate (CEPI); 2) CCUS = Carbon capture, utilisation and storage

Developing climate solutions

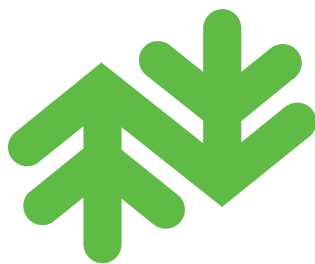
- Participating in Borg CO2 industry cluster to develop CCUS² technologies with ambition to capture ~630k tonnes
- Supporting Ocean GeoLoop to develop and pilot its CCUS² technologies to capture close to 100% of CO₂ from flue gas
- Exploring a range of opportunities within advanced e-fuels, bio-carbon, -chemicals, -additives and -materials



Outlook

- Newsprint market expected to remain balanced due to industry capacity closures
- Volatile energy and raw material markets continues to cause operational challenges
- Continue to actively manage energy exposure through 2023
- Newsprint prices stable into 2023, but softer development for magazine paper grades
- Starting containerboard production at Bruck PM3 during Q1 2023 and Golbey PM1 in Q4 2023
- Continued development of renewable energy and bio product projects

17



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This presentation contains statements regarding the future in connection with Norske Skog's growth initiatives, profit figures, outlook, strategies and objectives. All statements regarding the future are subject to inherent risks and uncertainties, and many factors can lead to actual profits and developments deviating substantially from what has been expressed or implied in such statements.

We create green value

Press release

Strong performance

Norske Skog's EBITDA in the fourth quarter of 2022 was NOK 1 083 million, an increase from NOK 508 million in the third quarter of 2022. The fourth quarter EBITDA was impacted positively by higher publication paper sales prices, and significant energy revenues from excess energy sale in France. Lower sales volumes were more than offset by increases in publication paper prices. The packaging paper conversion projects are progressing according to budget and timeline. Norske Skog Bruck will commence packaging paper production in the first quarter, while Norske Skog Golbey will start in the fourth quarter of 2023.

"Our commercial and mill teams have utilized fluctuations in the energy market while matching a reasonable demand for publication paper to reach a strong result. At the same time, our strategic project groups are on track to fulfil our strategy to become an independent European packaging paper player. This year, both the commercial and technical teams at Bruck and Golbey, will start delivering packaging paper to the market. The group will eventually have an annual capacity of 760,000 tonnes of recycled containerboard," says Sven Ombudstvedt, CEO of Norske Skog.

Cash flow from operations was NOK 745 million in the quarter compared to NOK 627 million in the previous quarter, positively impacted by the strong operating results, but somewhat negatively impacted by change in working capital. Operating earnings in the fourth quarter of 2022 were NOK 944 million compared to operating earnings in the third quarter of 2022 of NOK 113 million. The operating earnings in the quarter positively affected by non-cash changes in fair value of energy contracts in Norway amounting to NOK 227 million, and negatively impacted by NOK 164 million impairment entirely related to write-down of the light weight coated paper machine (PM4) at Bruck. Profit in the quarter was NOK 1 065 million compared to a loss of NOK 11 million in the previous quarter. The net profit in the quarter was positively affected by NOK 200 million in gain of sale of high school facilities in Halden through Porsnes Utvikling AS. The board of directors proposes that the annual general meeting adopts an authorisation to pay NOK 5.00 per share in dividend. A dividend payment would be subject to lenders waiving certain shareholder distribution restrictions. Net interest-bearing debt was NOK 1 092 million at the year end, with an equity ratio of 43%.

Status projects

The conversion of newsprint machines at Norske Skog Bruck and Norske Skog Golbey will add 760 000 tonnes of new cost-competitive and low-emission packaging paper capacity. The packaging paper production will be fully based on recycled fibre, and will utilise green energy generated from the waste-to-energy facility at the Bruck industrial site and the biomass plant under construction at the Golbey industrial site (Green Valley Energie).

"We are well prepared to soon serve both the publication paper and the packaging paper markets in a sustainable and profitable manner. In 2023, we will complete a large-scale transformation of Norske Skog when it comes to product portfolio changes. Our entire organisation is tuned in to enter a new era of opportunities within the packaging paper markets," says Ombudstvedt.

Bruck ceased newsprint production (PM3) in the third quarter, and will commence recycled packaging paper production in the first quarter of 2023. The Bruck team has already entered into sales agreements with packaging paper customers. At Golbey, the newsprint paper machine (PM1) was closed in the fourth quarter of 2022 for conversion into recycled packaging paper production resulting in the sale of excess energy. The timeline and total budget is in line with the project plan assumptions, with expected start-up in the fourth quarter of 2023.

The construction of the biomass boiler at the Golbey industrial site is progressing according to original plans. The biomass boiler will produce about 200 GWh of electricity and about 700 GWh of renewable heat, thus generating

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CO2 savings of 210 000 tonnes per year. The Green Valley Energie (GVE) is a joint venture, in which Norske Skog Golbey has a 10% equity stake.

"The biomass boiler will ensure a stable, long-term supply of cost-competitive and renewable steam as an alternative to fossil energy sources, shielding us from volatile energy markets," says Ombudstvedt.

Norske Skog Skogn will invest about NOK 180 million, net of NOK 40-50 million in grant financing from the industrial partnership NOx Fund, in a new thermo-mechanical pulp (TMP) line, substituting expensive recovered paper with fresh fibre. The new TMP line will reduce variable costs, significantly reduce NOx and fossil CO2 emissions, and reduce waste sent to landfill. The start-up is expected to be in the first half of 2024. Norske Skog actively works to realise value from its industrial sites by developing existing infrastructure and industry competence. Both the biocomposite product CEBICO, and microfibrillar cellulose product CEBINA produced at Norske Skog Saugbrugs have established regular commercial operations. The products have successfully been applied in various processes and materials. Norske Skog aims to pursue the opportunity to become CO2 net negative or climate positive, and Norske Skog explores economically viable models for utilisation of biogenic CO2.

Operations

Total annual publication paper production capacity for the group is 1.7 million tonnes, with 1.4 million tonnes in Europe and 0.3 million tonnes in Australia. Following the machine conversions at Bruck (PM3) and Golbey (PM1) during 2023, Norske Skog will have an annual capacity of 760 000 tonnes of packaging paper production. Norske Skog has several ongoing bio products and energy activities at all industrial sites.

Despite lower sales volume in 2022, the operating revenues increased substantially due to sales price increases, and sale of excess energy during the year, especially following the newsprint machine closure at Golbey in connection with the machine conversion into packaging paper grades. The sales price increases were driven by higher energy and other raw material costs, and a tight market situation for publication paper. Variable cost per tonne was unchanged in the quarter, with lower distribution and recovered paper prices, and higher pulpwood prices. Fixed costs per tonne increased somewhat due to lower production volumes and increased inflation driven by employee benefit expenses. Group capacity utilisation was 78% in the quarter, respectively 74% in Europe and 98% in Australasia. The newsprint machine closure at Golbey and high peak energy prices caused some operational down-time in the quarter, which impacted the capacity utilization in Europe.

According to Eurograph, demand for standard newsprint in Europe decreased by 5% through November compared to the same period last year. SC magazine demand decreased by around 13%; whereas, LWC paper demand decreased by around 18% through November compared to the same period last year. According to official Australian trade statistics, demand for newsprint in the fourth quarter in Australasia decreased by 8% compared to the same period last year.

Key figures, fourth quarter of 2022

NOK million (unless otherwise stated)	Q4 2022	Q3 2022	Q4 2021	YTD 22	YTD 21
Income statement					
Total operating income	4 056	3 630	3 092	15 214	10 315
EBITDA	1 083	508	422	3 105	662
Operating earnings	944	113	479	2 845	-160
Profit/loss for the period	1 065	-11	400	2 572	-363
Cash flow					
Net cash flow from operating activities	745	627	317	2 040	191
Net cash flow from investing activities	-872	-520	-326	-1 956	-891
Operating margin and profitability (%)					
EBITDA margin	26.7	14.0	13.6	20.4	6.4
Return on capital employed (annualised)	12.1	-0.7	8.1	14.8	-7.8
Capacity utilisation (Production / capacity %)	78	85	95	87	89

Outlook

The developments in the global economy, especially within the raw material and energy markets, but also consumer spending, are of vital importance for the pulp and paper industry, and thus for Norske Skog's operations. Uncertainty in global economic performance will remain during 2023. Raw material and energy prices have fallen from peak levels, but are still at significant levels. Under these circumstances, Norske Skog will actively manage its energy exposure through the coming quarters.

The uncertainty in the cost and demand development will influence the publication and packaging paper prices in Europe. Executed and planned capacity closures in the industry are expected to maintain a balanced newsprint paper market, whereas the markets for supercalendered magazine grades and in particular lightweight coated magazine grades are softening. The turbulent operating environment, especially within energy, may result in further downtime and closures in the industry.

The waste-to-energy facility at Bruck has been operating since the second quarter of 2022 on approximately 80% of its designed capacity. Together with the supplier Valmet, optimization and modifications will be carried out in the first quarter to bring the energy plant to its full design capacity. The energy facility significantly reduces the gas consumption, and thus CO2 emissions for Norske Skog Bruck.

Norske Skog expects to commence production of recycled packaging paper during the first quarter of 2023 at Bruck PM3, and during the fourth quarter of 2023 at Golbey PM1. From the first quarter of 2023, Norske Skog will establish Packaging Paper as a new operating segment. Norske Skog will continue to develop other industrial opportunities, which include further conversions and several new initiatives within renewable energy and bioproducts.

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 packaging paper 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 bio product development projects. The Group has approximately 2 100 employees, is headquartered in Norway and listed on the Oslo Stock Exchange under the ticker NSKOG.

Presentation and quarterly material

The company will not hold a live presentation, but will arrange a webinar today at 08:30 CEST for pre-registered participants. The quarterly recording, 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.

Norske Skog
Communications and Public Affairs

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Pressemelding

Sterkt resultat

Norske Skogs EBITDA i fjerde kvartal 2022 var NOK 1 083 millioner, en økning fra NOK 508 millioner i tredje kvartal 2022. EBITDA i fjerde kvartal ble positivt påvirket av høyere salgspriser på publikasjonspapir og betydelige inntekter fra salg av overskuddsenergi i Frankrike. Lavere salgsvolum ble mer enn oppveid av prisstigninger på publikasjonspapir. Konverteringsprosjektene for emballasje utvikler seg i henhold til budsjett og tidsplan. Norske Skog Bruck vil starte produksjon av emballasje i første kvartal, mens Norske Skog Golbey starter i fjerde kvartal 2023.

"Våre salgs- og fabrikkteam har oppnådd et sterkt resultat gjennom å utnytte fluktasjoner i energimarkedet samt å matche en tilfredsstillende etterspørsel etter publikasjonspapir. Samtidig er vi på vei til å gjennomføre vår strategi om å bli en uavhengig europeisk emballasjeaktør. I år begynner både salgs- og produksjonsteamene i Bruck og Golbey å levere emballasje til markedet. Konsernet vil etter hvert ha en årlig kapasitet på 760 000 tonn resirkulert emballasje, sier Sven Ombudstvedt, administrerende direktør i Norske Skog.

Kontantstrøm fra driften var NOK 745 millioner i kvartalet sammenlignet med NOK 627 millioner i forrige kvartal, og var positivt påvirket av det sterke driftsresultatet, men negativt påvirket av endringer i arbeidskapitalen. Driftsresultatet i fjerde kvartal 2022 var NOK 944 millioner sammenlignet med driftsresultatet i tredje kvartal 2022 på NOK 113 millioner. Kvartalet ble positivt påvirket av endringer, uten kontanteffekter, i verdsettelsen av energikontrakter i Norge på NOK 227 millioner, og negativt påvirket av NOK 164 millioner i nedskrivningen av LWC-maskinen (Light weight coated, PM4) på Bruck. Overskudd etter skatt ble NOK 1 065 millioner i kvartalet sammenlignet med et underskudd på NOK 11 millioner i forrige kvartal. Resultatet inneholder en gevinst på NOK 200 millioner ved salg av bygningsmassen til den videregående skole i Halden gjennom Porsnes Utvikling AS.

Styret foreslår at generalforsamlingen vedtar en fullmakt til å utbetale NOK 5,00 per aksje i utbytte. En utbyttebetaling er avhengig av samtykke fra enkelte långivere om unntak fra bestemmelsene i de aktuelle låneavtalene som begrenser adgang til utbytte og tilbakekjøp av egne aksjer. Netto rentebærende gjeld var NOK 1 092 millioner kroner ved årsskiftet, med en egenkapitalandel på 43 %.

Status prosjekter

Konvertering av avisapirmaskiner ved Norske Skog Bruck og Norske Skog Golbey vil gi 760 000 tonn med konkurransedyktig og lavutslipps emballasjekapasitet. Emballasjeproduksjonen vil være fullt ut basert på resirkulert fiber og bruke grønn energi generert fra forbrenningsanlegget for avfall i Bruck og fra biomasseanlegg under konstruksjon på fabrikkområdet i Golbey (Green Valley Energie).

«Vi er godt forberedt til snart å betjene både publikasjonspapir- og emballasjemarkedet på en bærekraftig og lønnsom måte. I løpet av 2023 vil vi fullføre en omfattende transformasjon av produktporteføljen i Norske Skog. Hele organisasjonen er nå forberedt på å gå inn i en ny æra av muligheter innenfor emballasjemarkedene,» sier Ombudstvedt.

Bruck avviklet avisapirproduksjonen (PM3) i tredje kvartal, og vil starte produksjon av resirkulert emballasjepapir i første kvartal av 2023. Bruck har allerede inngått salgssavtaler med emballasjekunder. På Golbey ble avisapirmaskinen (PM1) stengt i fjerde kvartal for konvertering til produksjon av resirkulert emballasje, som medførte salg av overskuddsenergi. Tidsplan og totalbudsjett er i tråd med forutsetningene i ombyggingsprosjektet, med forventet oppstart i fjerde kvartal 2023.

Byggingen av biomasseanlegget på fabrikkområdet til Golbey utvikler seg som opprinnelige planlagt. Biomasseanlegget vil produsere rundt 200 GWh i elektrisitet og rundt 700 GWh i fornybar damp, og dermed gi

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210 000 tonn i CO2-besparelser per år. Green Valley Energie (GVE) er et joint venture der Norske Skog Golbey har en 10% eierandel.

«Bioenergianlegget vil sikre stabil, langsiktig forsyning av konkurransedyktig fornybar damp, som et alternativ til fossile energikilder, og vil skjerme oss fra volatile energimarkeder,» sier Ombudstvedt.

Norske Skog Skogn vil investere om lag NOK 180 millioner netto, etter 40-50 millioner kroner i tilskuddsfinansiering fra NOx-fondet, i en ny termomekanisk produksjonslinje (TMP), som erstatter dyrt returpapir med fersk fiber. Den nye TMP-linjen vil redusere variable kostnader, betydelig redusere NOx- og fossile CO2-utslipp, og redusere deponert avfall. Oppstart forventes å være i første halvdel av 2024.

Norske Skog arbeider aktivt for å realisere verdier fra industrianleggene ved å utvikle eksisterende infrastruktur og bransjekompetanse. Både biokomposittproduktet CEBICO, og det mikrofibrillære celluloseproduktet CEBINA, som produseres ved Norske Skog Saugbrugs, har etablert ordinære kommersielle virksomheter. Produktene blir brukt i ulike prosesser og materialer. Norske Skog har som målsetting å utnytte mulighetene til å bli netto CO2 negativ eller klimapositiv, samt å utforske bærekraftige modeller for bruk av biogent CO2.

Drift

Samlet årlig produksjonskapasitet for publikasjonspapir for konsernet er 1,7 millioner tonn. I Europa er konsernets kapasitet 1,4 millioner tonn, mens i Australia er kapasiteten 0,3 millioner tonn. Etter maskinkonverteringene ved Bruck (PM3) og Golbey (PM1) i løpet av 2023, vil Norske Skog ha en årlig kapasitet på 760 000 tonn i emballasjeproduksjon. Norske Skog har en rekke pågående bioprodukt- og energiaktiviteter ved alle industrianlegg.

Til tross for lavere salgsvolum i 2022, økte driftsinntektene betydelig på grunn av salgsprisøkninger og salg av overskuddsenergi i løpet av året, spesielt etter stengningen av avisapirmaskinen (PM1) ved Golbey, som følge av ombyggingen til emballasje. Salgsprisøkningene ble påvirket av høyere energi- og andre råvarekostnader, og en stram markedssituasjon for publikasjonspapir. Variabel kostnad per tonn var uendret i kvartalet, med lavere distribusjons- og returpapirpriser, men høyere massevirkepriser. Faste kostnader per tonn økte noe som følge av lavere produksjonsvolum og økt inflasjon hovedsaklig knyttet til lønn. Konsernets kapasitetsutnyttelse var 78 % i kvartalet, henholdsvis 74 % i Europa og 98 % i Australasia. Stengningen av avisapirmaskinen på Golbey og høye energipriser forårsaket noen driftsstanser i kvartalet, som påvirket kapasitetsutnyttelsen i Europa.

Ifølge Eurograph falt etterspørselen etter standard avisapir i Europa med 5% til og med november sammenlignet med samme periode ifjor. Etterspørselen etter superkaltredjert magasinpapir (SC) falt med rundt 13%, og LWC magasinpapir falt med rundt 18% til og med november sammenlignet med samme periode ifjor. I følge offisiell australsk handelsstatistikk falt etterspørselen etter avisapir i fjerde kvartal i Australasia med 8% sammenlignet med samme periode i fjor.

Nøkkeltall, fjerde kvartal 2022

NOK millioner (om ikke annet er oppgitt)	Q4 2022	Q3 2022	Q4 2021	YTD 22	YTD 21
Resultatregnskap					
Totale inntekter	4 056	3 630	3 092	15 214	10 315
EBITDA	1 083	508	422	3 105	662
Driftsresultat	944	113	479	2 845	-160
Resultat for perioden	1 065	-11	400	2 572	-363
Kontantstrøm					
Netto kontantstrøm fra operasjonelle aktiviteter	745	627	317	2 040	191
Netto kontantstrøm fra investeringsaktiviteter	-872	-520	-326	-1 956	-891
Driftsmargin og lønnsomhet (%)					
EBITDA margin	26.7	14.0	13.6	20.4	6.4
Avkastning på investert kapital (annualisert)	12.1	-0.7	8.1	14.8	-7.8
Kapasitetsutnyttelse (produksjon/kapasitet %)	78	85	95	87	89

Utsikter

Utviklingen i den globale økonomien, spesielt for råvare- og energimarkedene, men også konsumet, er av vital betydning for treforedlingsindustrien, og dermed for Norske Skogs virksomheter. Usikkerheten i den globale økonomiske utviklingen forventes å fortsette i 2023. Råvare- og energiprisene er noe lavere enn toppnoteringene, men er forventet å forbli på betydelige nivåer. Under disse forholdene vil Norske Skog aktivt håndtere energieksposeringen fremover.

Usikkerheten i kostnads- og etterspørselsutviklingen vil påvirke publikasjonspapir- og emballasjeprisene i Europa. Gjennomførte og planlagte kapasitetsstenginger i industrien forventes å opprettholde et balansert avispapirmarked, mens markedene for SC-kvaliteter og spesielt LWC-kvaliteter forventes å bli svakere. Turbulente driftsforhold, spesielt på energisiden, kan medføre ytterligere midlertidige eller permanente stengninger i bransjen.

Energianlegget ved Bruck har vært i drift siden 2. kvartal 2022 med en kapasitetsutnyttelse på rundt 80%. Sammen med leverandøren Valmet vil det i første kvartal bli gjennomført optimaliseringer og modifikasjoner for å nå full designkapasitet. Energianlegget reduserer gassforbruket, og dermed CO2-utslippene for Norske Skog Bruck betydelig.

Norske Skog forventer å starte produksjon av resirkulert emballasje i løpet av første kvartal 2023 på Bruck (PM3), og i løpet av fjerde kvartal 2023 på Golbey (PM1). Fra første kvartal 2023 vil Norske Skog etablere Packaging Paper som et nytt driftssegment. Norske Skog vil fortsette å utvikle andre industrielle muligheter, som inkluderer ytterligere ombygginger og flere nye initiativ innen fornybar energi og bioprodukter.

Om Norske Skog

Norske Skog er en verdensledende produsent av publikasjonspapir med sterke markedsposisjoner og kundeforhold i Europa og Australasia. Norske Skog konsernet driver fire fabrikker i Europa, hvorav to vil produsere resirkulert emballasje etter gjennomføringen av de planlagte konverteringsprosjektene. I tillegg driver konsernet en papirfabrikk i Australia. Norske Skog tar sikte på å diversifisere virksomheten ytterligere og fortsette omstillingen til en voksende og høy-margins virksomhet gjennom en rekke spennende energi- og bioproduktprosjekter. Konsernet har cirka 2 100 ansatte, hovedkontor i Norge og er notert på Oslo Børs under tickeren NSKOG.

Presentasjon og kvartalsmaterieil

Selskapet vil ikke holde en live presentasjon, men vil arrangere et webinar idag klokken 08:30 for forhåndsregistrerte deltakere. Liveopptak, presentasjon, kvartalsregnskapet og pressemeldinger er tilgjengelig på www.norskeskog.com og publisert på www.newsweb.no under tickeren NSKOG. Hvis du ønsker å motta Norske Skogs pressemeldinger på publiseringstidspunktet, kan du abonnere på dette gjennom www.newsweb.no.

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