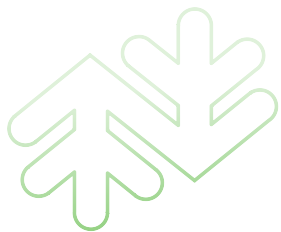
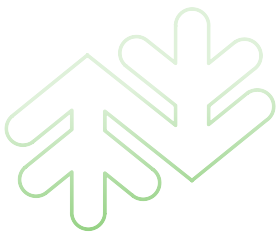
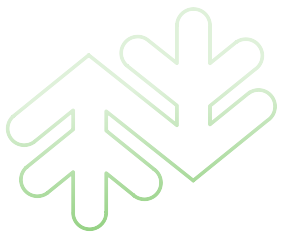


**Norske Skog**

Carnegie Forest Seminar

19 September 2023



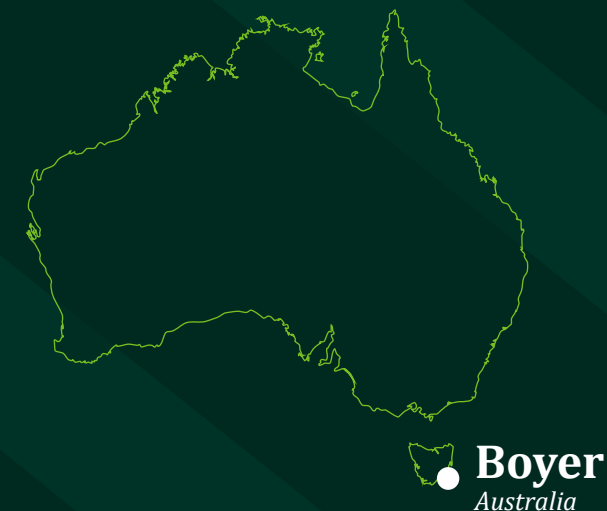
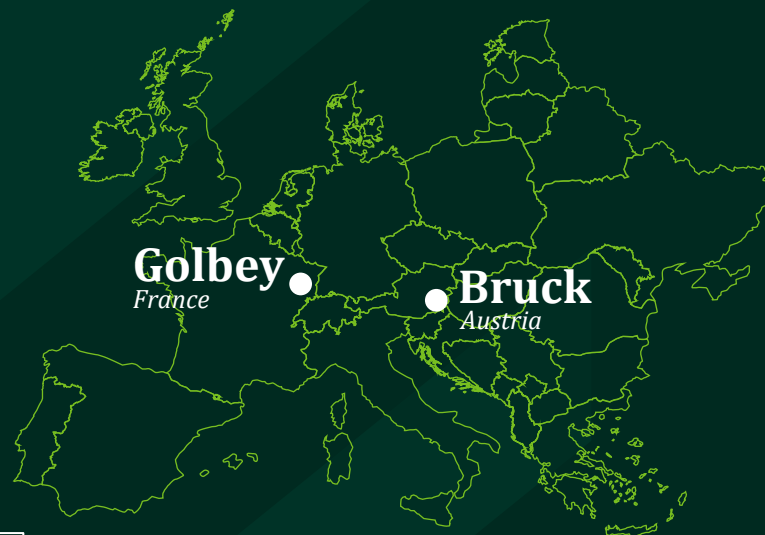
*We create  
green value*

# Five high quality industrial sites

*Eleven paper machines with supporting infrastructure for energy, fibre and water*



Saugbrugs PM6 temporarily idled following rockslide on 27 April



## Five paper machines

*Pure-play publication paper machines and exploring future alternatives*

## Four paper machines

*Packaging strategy underway with conversion of two paper machines from publication paper to containerboard*

## Two paper machines

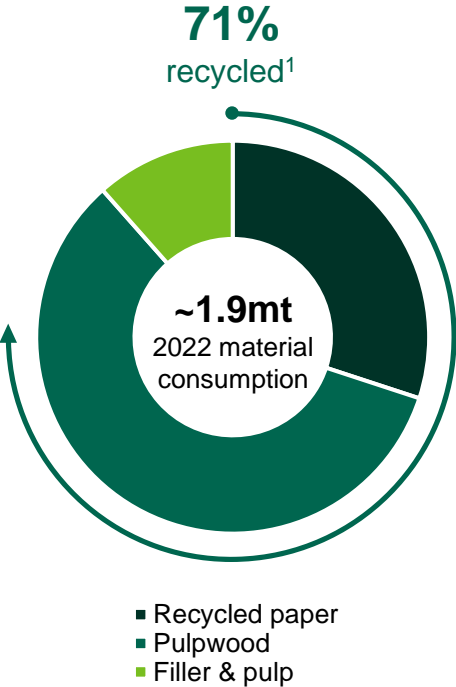
*Gradual regional exit with sale of Albury, Tasman, Nature's Flame and forest assets*



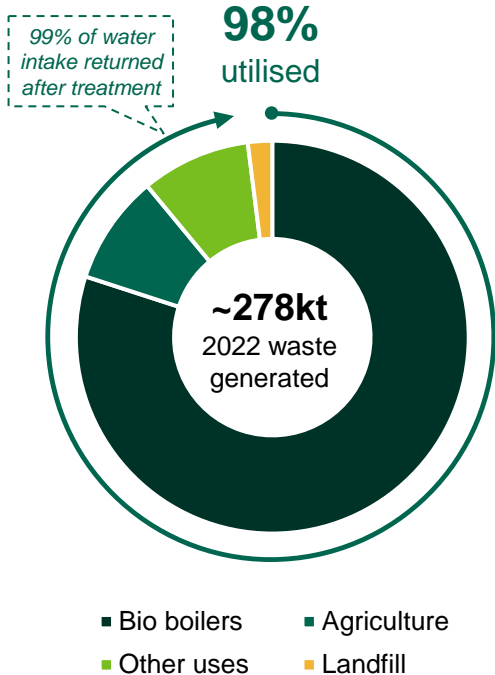
# Enabling the circular economy

Continuous work to improve environmental reporting and footprint

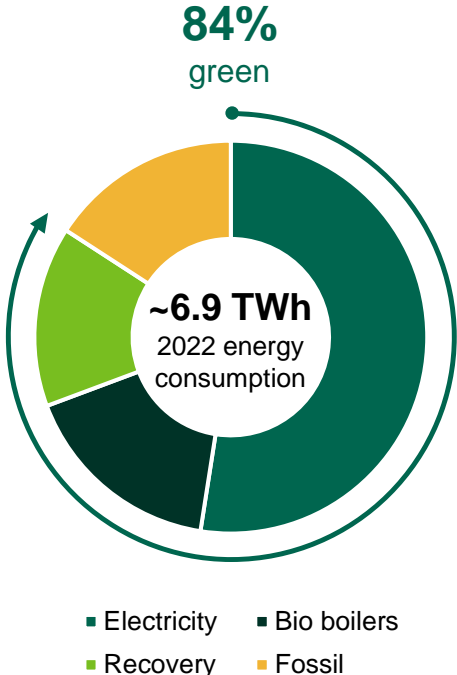
## End-products recycled



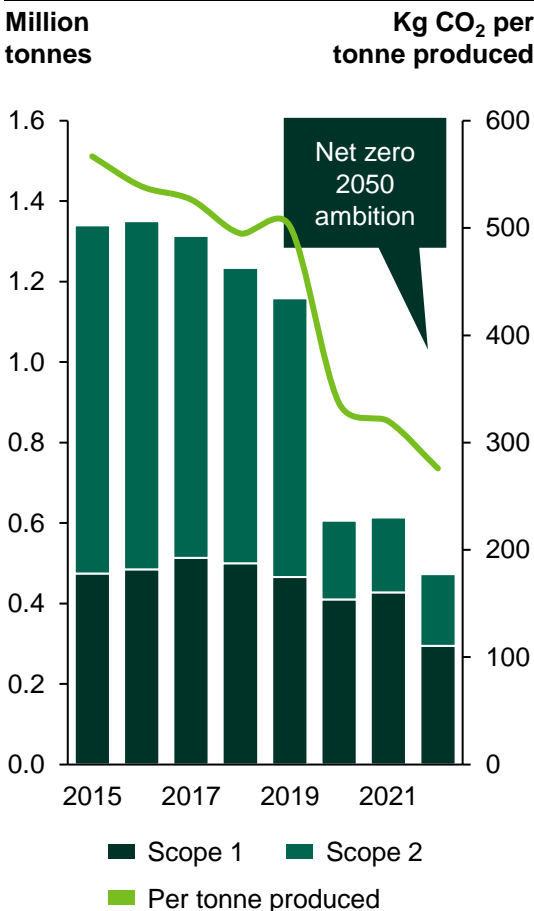
## Waste utilised



## Green energy focused



## Scope 1 and 2 CO<sub>2</sub>



1) Industry recycling rate in 2022 (CEPI)

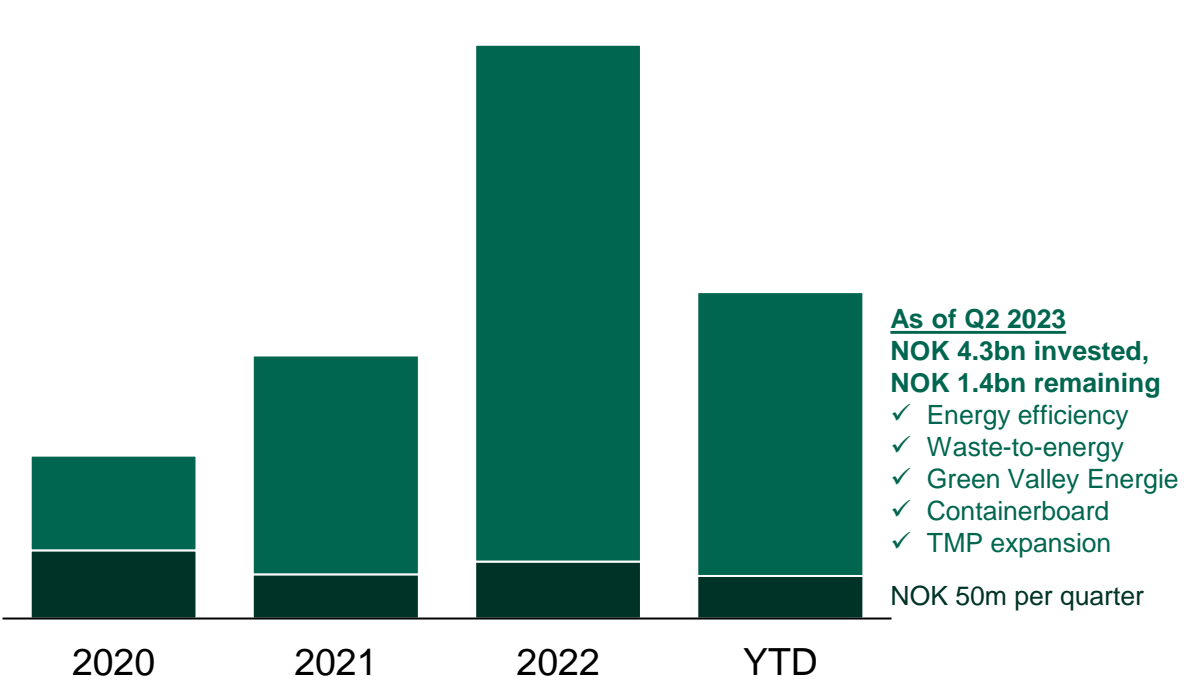


# Investing for growth

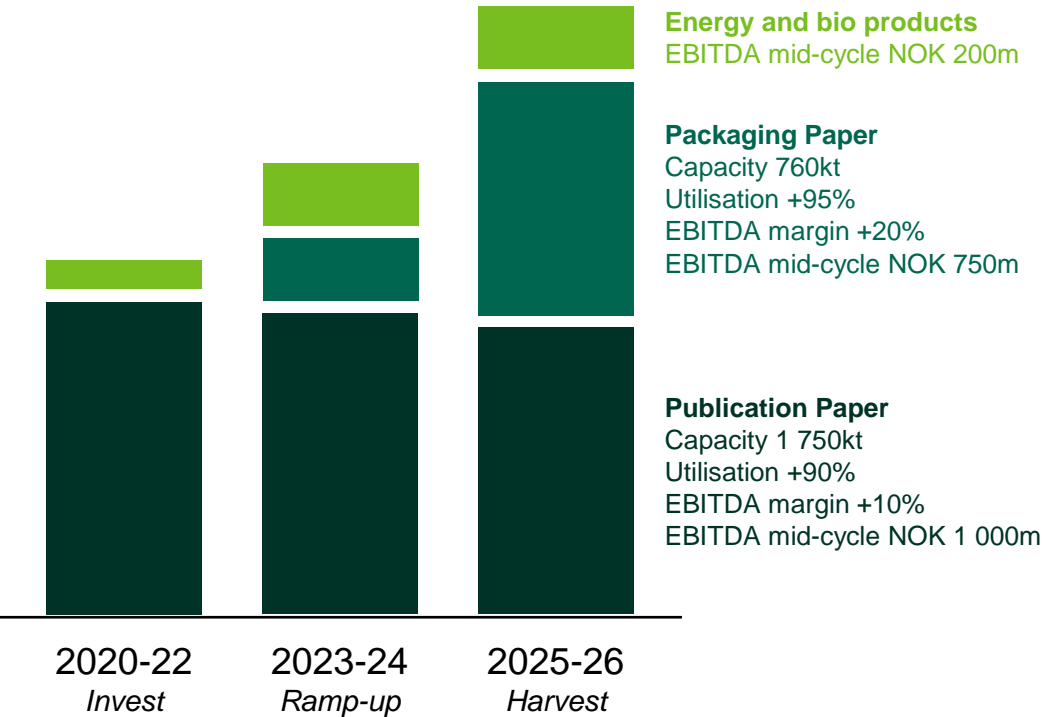
## Energy and containerboard investment programmes near completion

Significant growth investments executed since 2020...

■ Maintenance capex  
■ Expansion capex



... with earnings uplift ahead





# European shift into packaging

*Strategic shift into packaging paper underpinned by energy investments*



Projects at **Norske Skog Bruck** completed



## Waste-to-energy boiler

- Started Q2 2022
- Net capex EUR 72m
- Capacity 50 MW (heat)



## Containerboard conversion

- Started Q1 2023
- Net capex EUR 120m
- Capacity 210kt



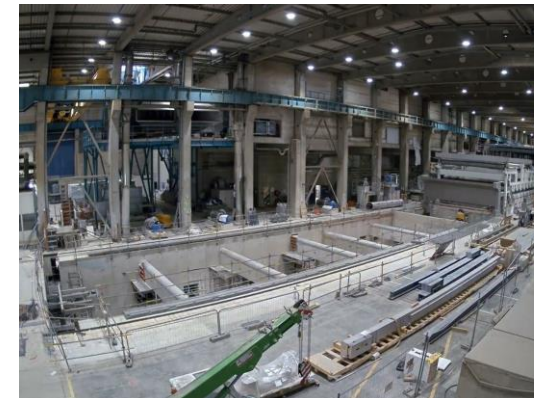
Projects at **Norske Skog Golbey** completed during Q2 2024



## Biomass boiler JV

- Starting Q2 2024
- Equity share EUR 7m
- Capacity 125 MW

*Green Valley Energie is a JV between Norske Skog (10%), Veolia (10%) and Pearl Infrastructure (80%), where Norske Skog will be sole offtake of steam under a competitive long-term contract*



## Containerboard conversion

- Starting Q2 2024
- Net capex EUR 265m
- Capacity 550kt

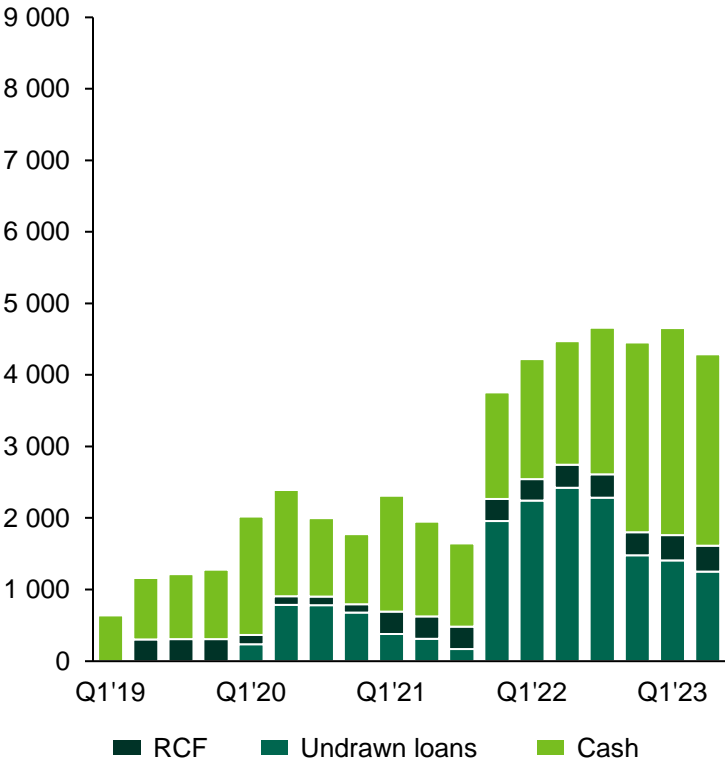


# Comfortable financial position

*Liquidity position well beyond remaining net capex requirements*

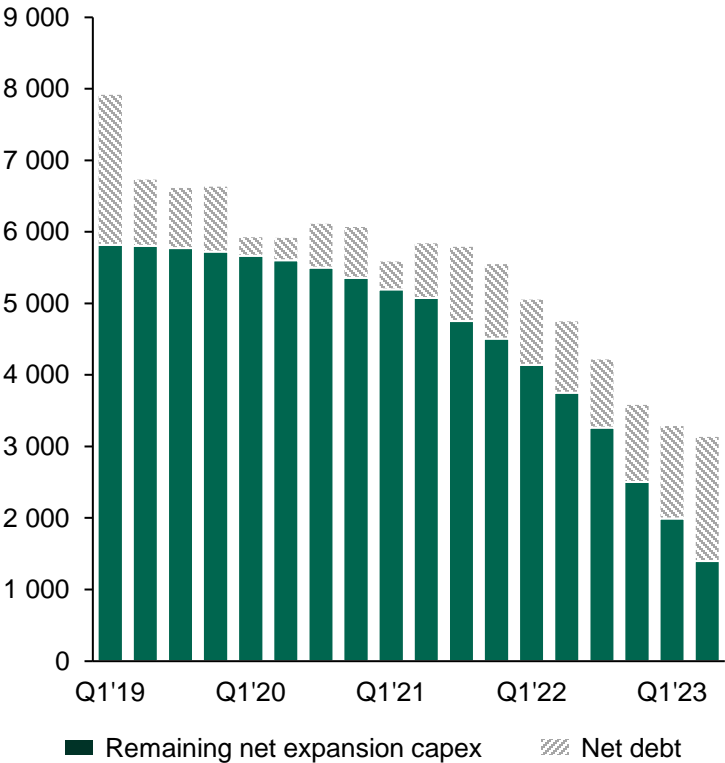
Liquidity position

NOKm



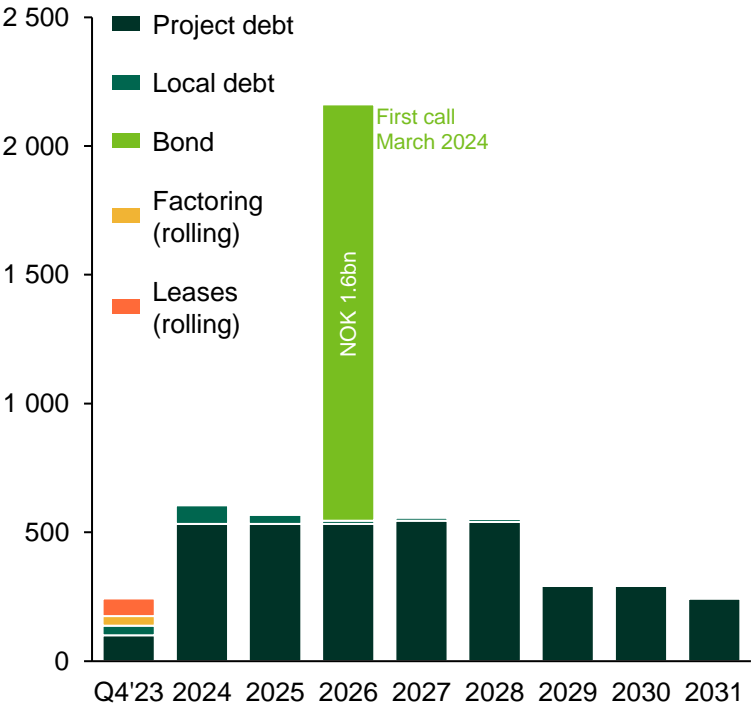
Remaining net expansion capex and net debt

NOKm



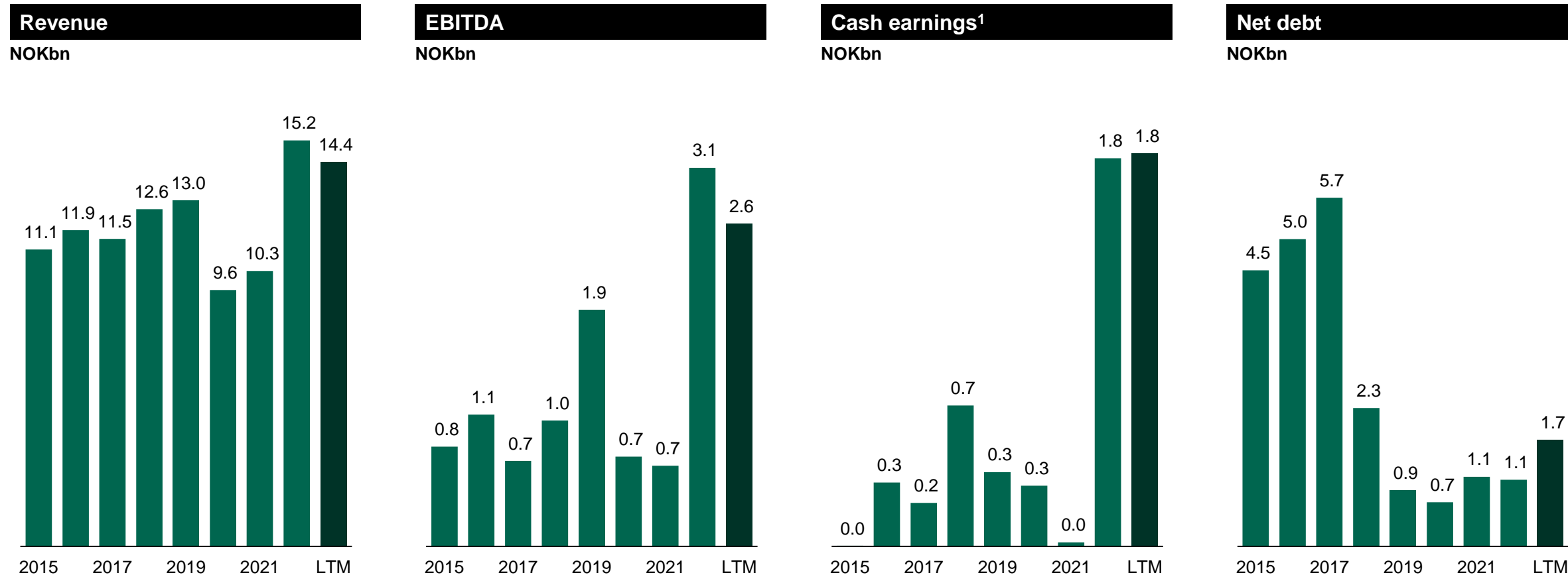
Maturity profile

NOKm



# Positive cash flows

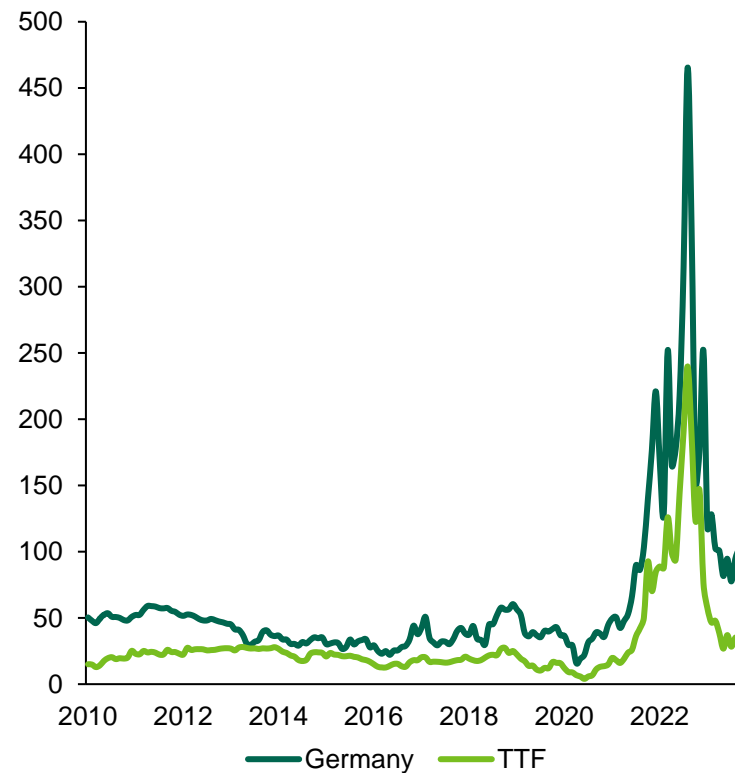
*Maintaining positive cash flows through the cycles*



# Volatile and uncertain energy and raw material costs

**Energy prices Germany**

EUR per MWh



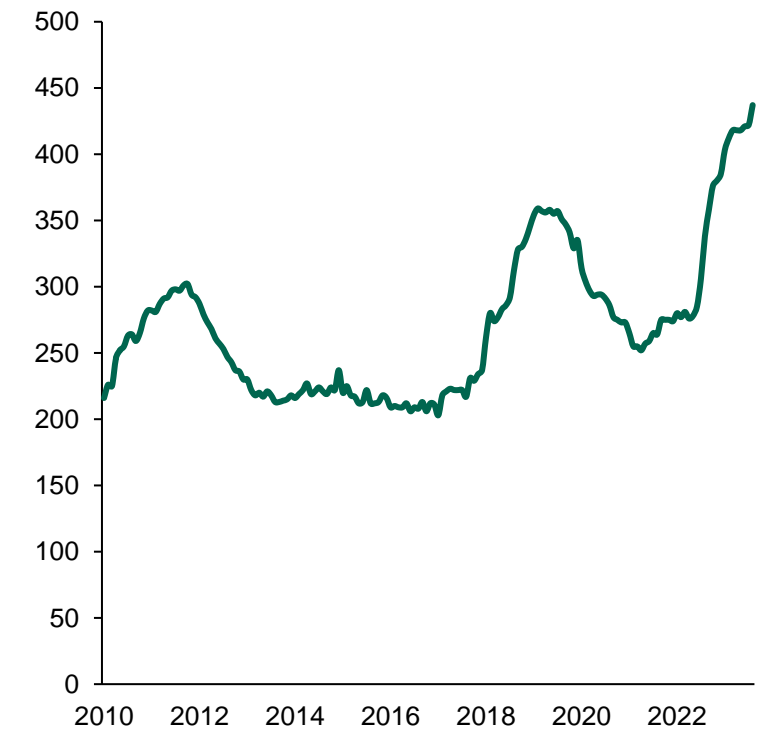
**Recycled paper prices Germany**

EUR per tonne



**Spruce pulpwood prices Norway**

NOK per solid cubic metre

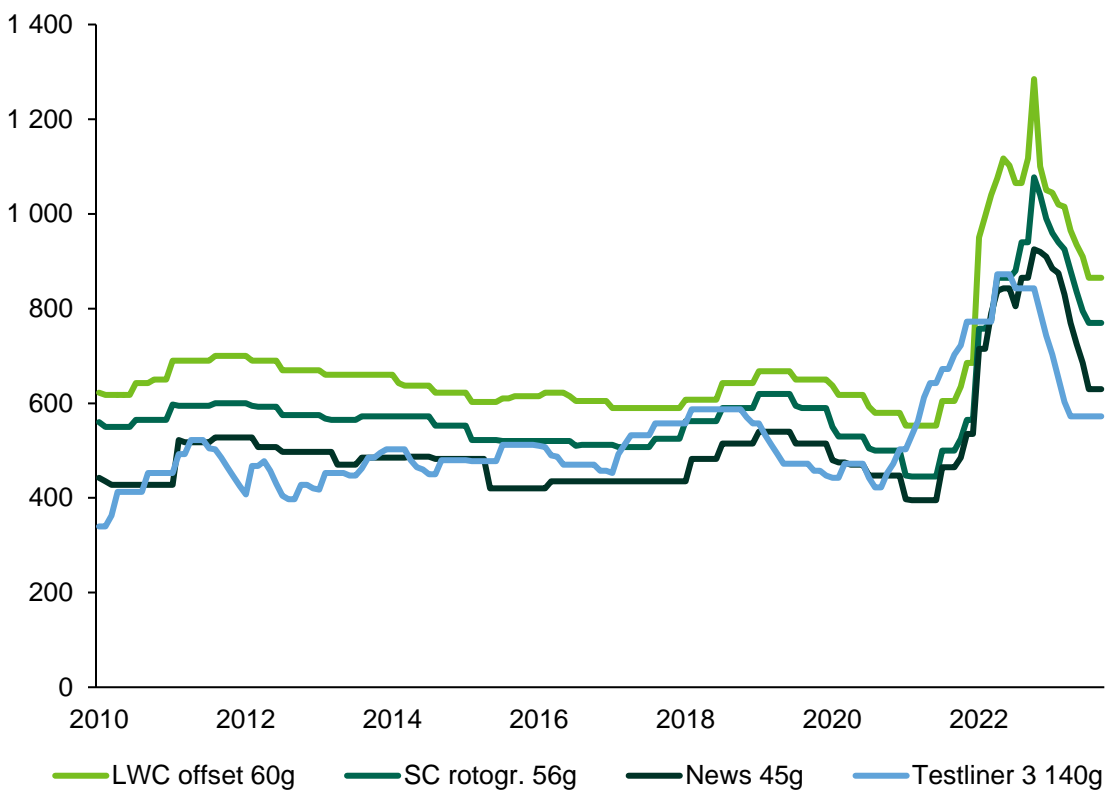




# Paper prices follow input cost development

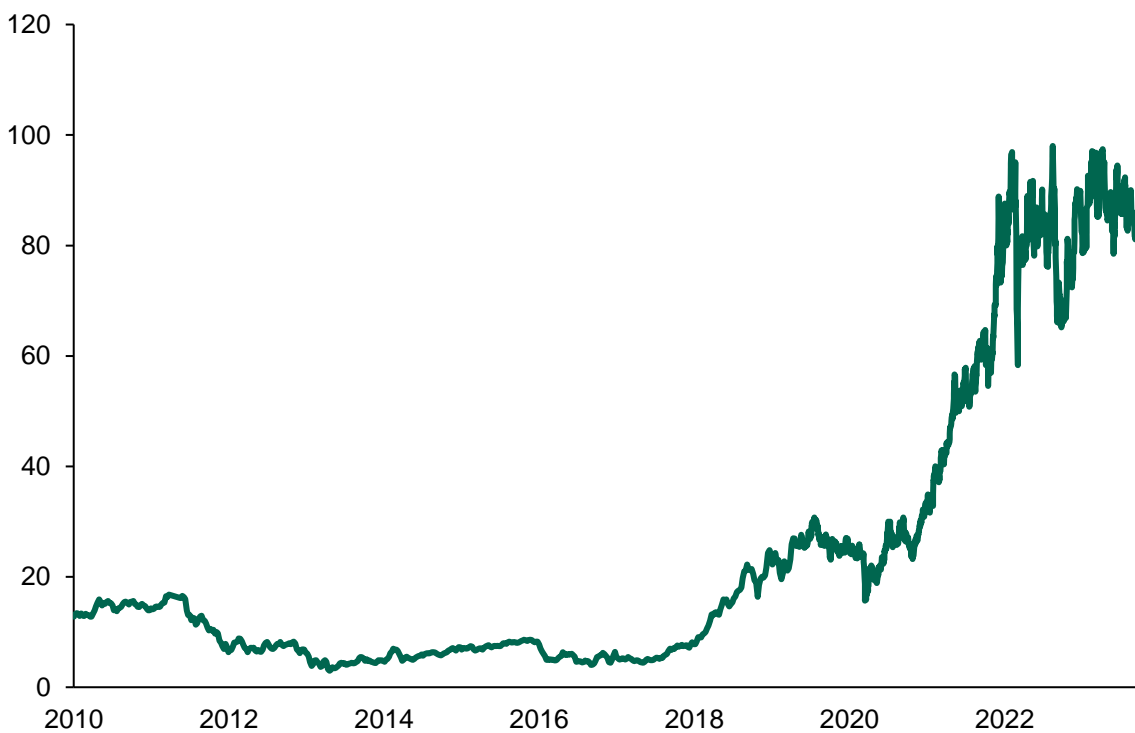
Publication paper and recycled containerboard prices Germany

EUR per tonne



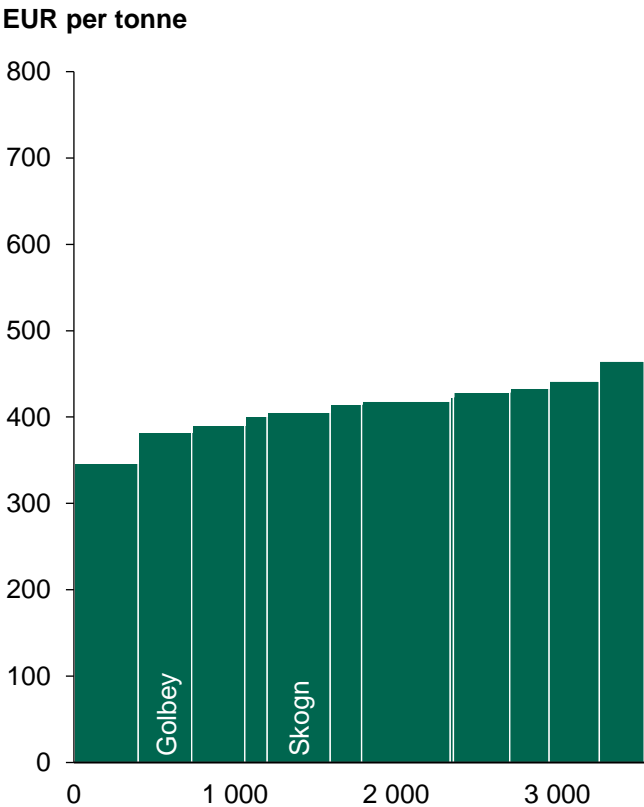
European Union Allowance (EUA) price development

EUR per allowance

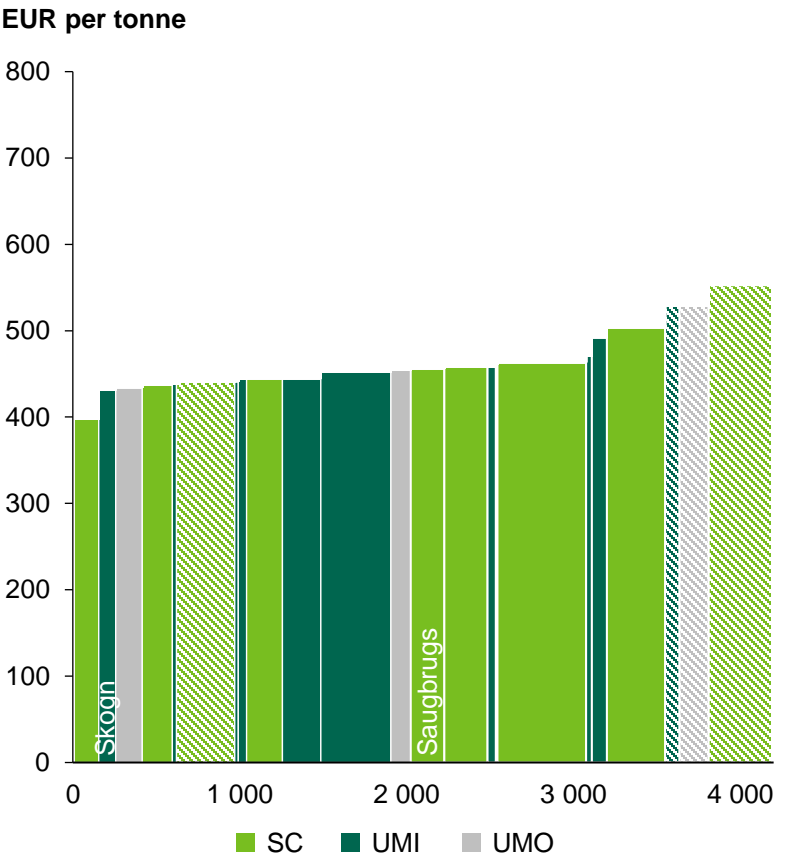


# Norske Skog well positioned on the cash cost curve

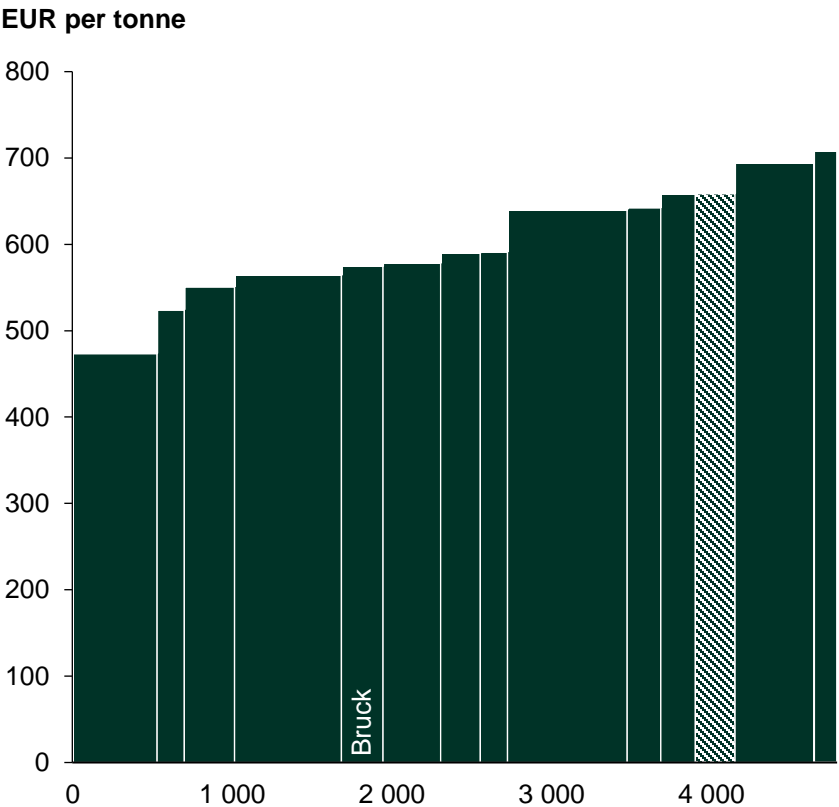
**Newsprint Western Europe**



**Uncoated mechanical Western Europe**



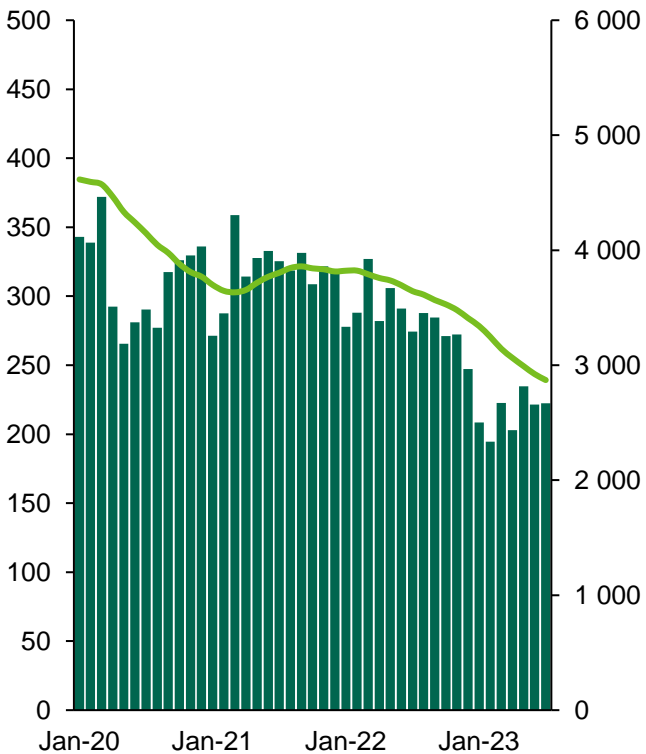
**Coated mechanical Western Europe**



# Demand stabilising following significant recent decline

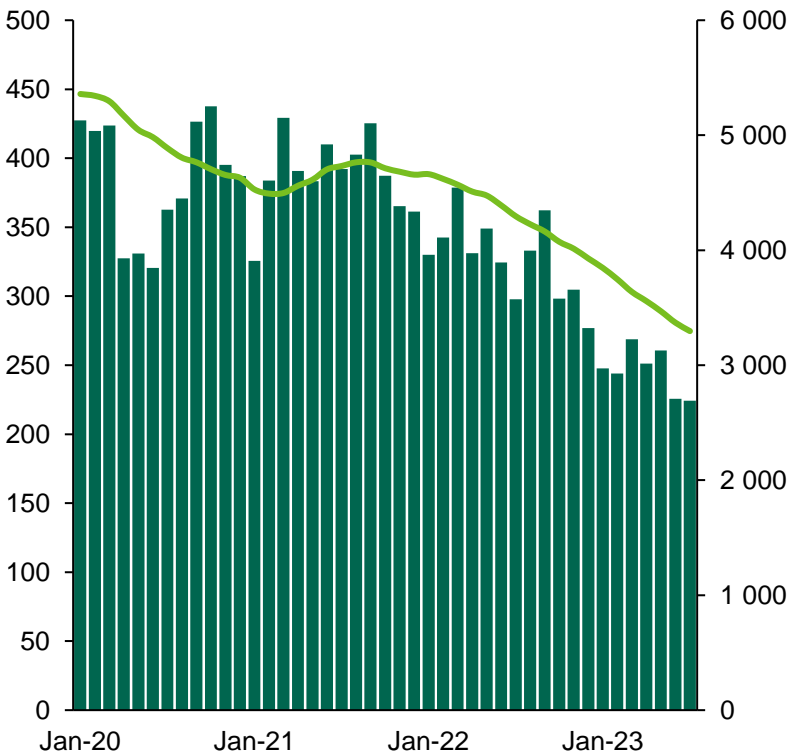
**Newsprint demand, thousand tonnes**

Monthly demand      LTM rolling demand



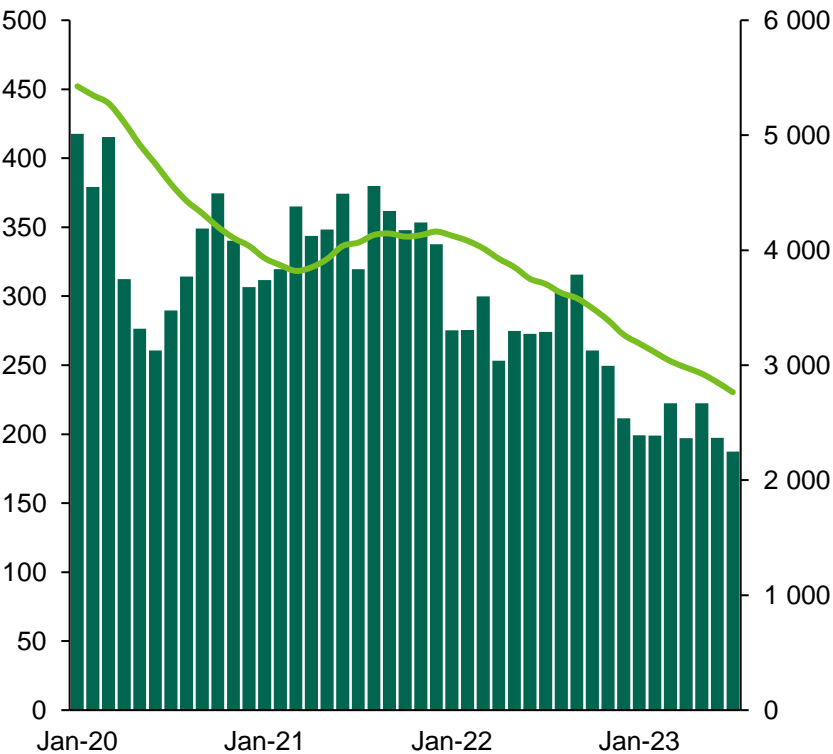
**Uncoated mechanical demand, thousand tonnes**

Monthly demand      LTM rolling demand



**Coated mechanical demand, thousand tonnes**

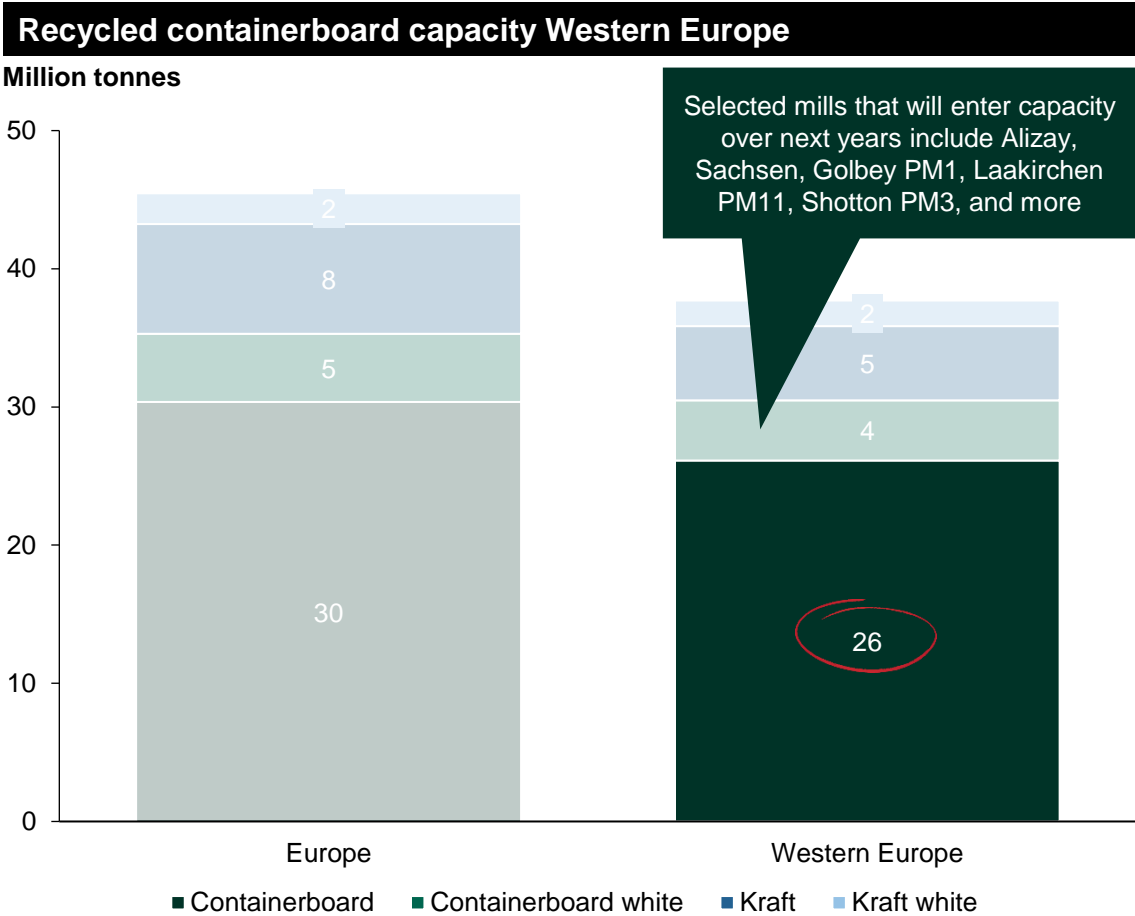
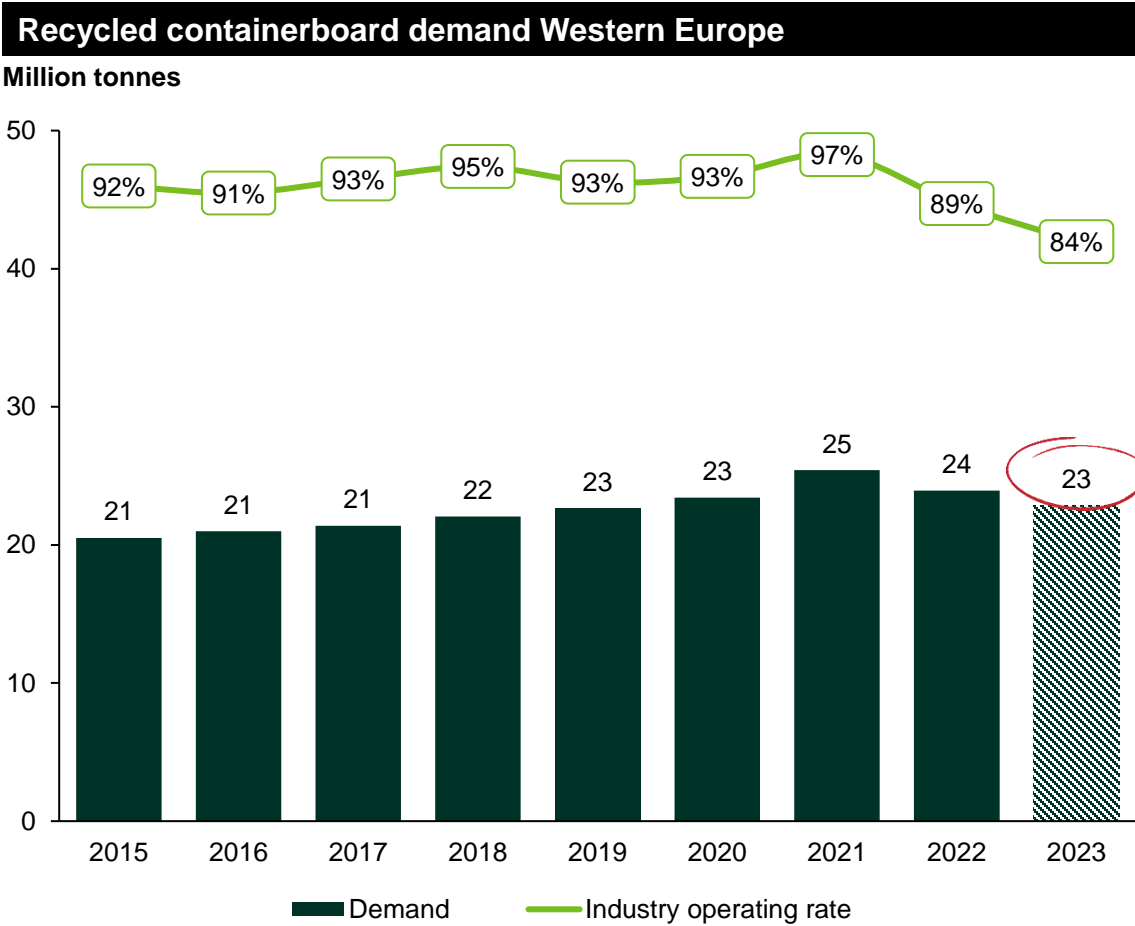
Monthly demand      LTM rolling demand



■ Monthly demand      ■ Rolling LTM demand



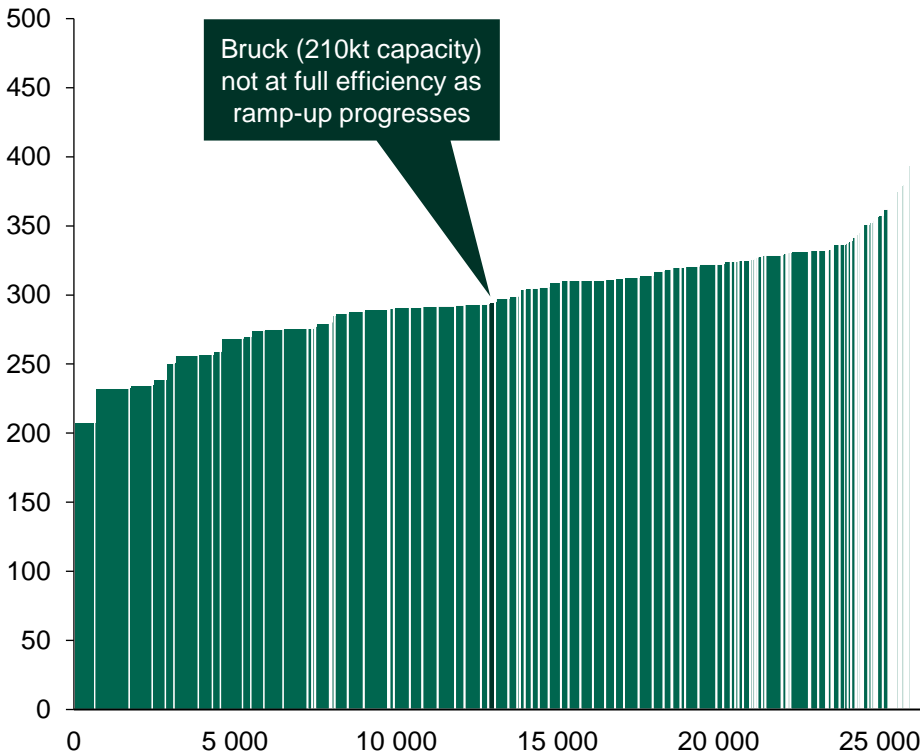
# Weak containerboard market as a result of low demand and excess capacity



# Bruck containerboard production cost to improve as machine is ramping up

Containerboard Western Europe

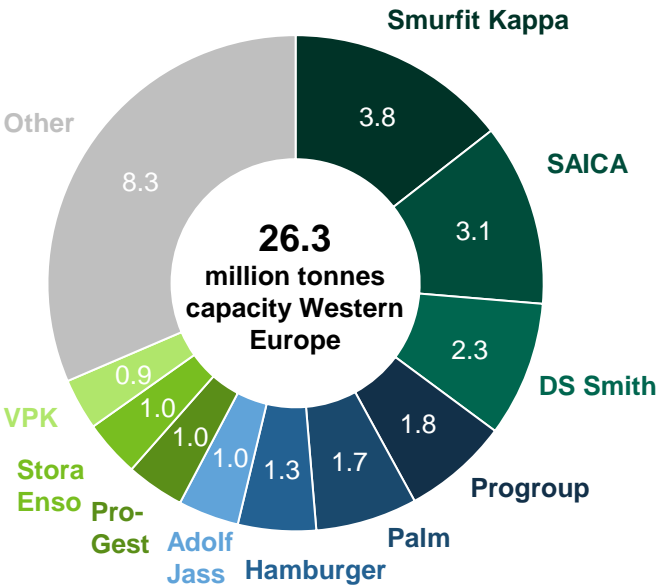
EUR per tonne



- Machine scale (60% of mills are below 200kt capacity)
- Transportation cost (centrally located in Europe)
- Thermal energy (Golbey biomass boiler and Bruck waste-to-energy)
- Electrical energy (long-term power contracts at competitive prices)
- CO<sub>2</sub> footprint (energy supply from sustainable sources)

Western Europe capacity by company

Million tonnes

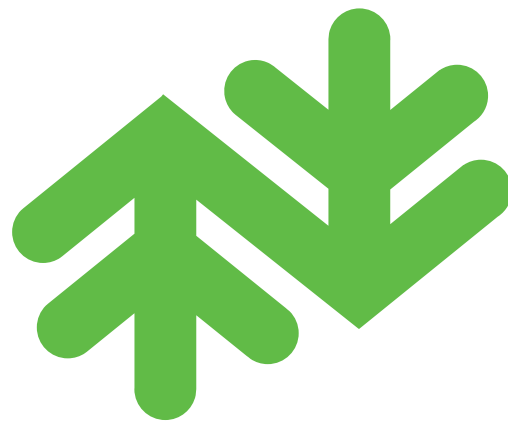




# Outlook

- Raw material and energy costs stabilising, but development remains uncertain
- Paper prices influenced by lower input costs and weak market balance
- Containerboard prices with signs of stabilising, but still a challenging market
- Further capacity closures and industry consolidation required in all markets
- Introduction of Norske Skog Bruck in the recycled containerboard market well underway, but expect negative EBITDA from packaging paper segment in 2023 as production ramps up
- Maintaining a healthy balance sheet, strong liquidity position, and low production costs





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*We create  
green value*