Norske Skog

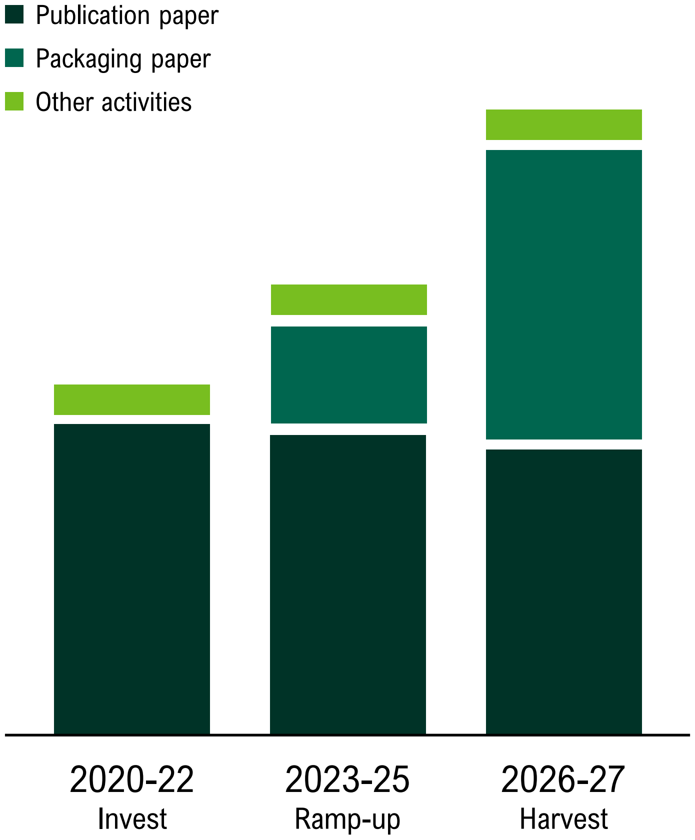
Q2 2025 presentation

15 July 2025

Transformation journey

Creating valuable products from wood fibre

Strategic transition



- → **Growing packaging paper producer**
  - → RCCM capacity: 760kt (ramp-up)
- → **Leading publication paper producer**
  - → Newsprint capacity: 840kt
  - → LWC magazine capacity: 265kt
  - → SC magazine capacity: 200kt
- → **2024 CDP Climate Change Score "A-"**

CDP Discloser 2024

Four high quality industrial sites

Nine paper machines with supporting infrastructure for energy, fibre, and water

LWC = Light Weight Coated; SC = Supercalendered; RCCM = Recycled Corrugating Casing Materials

Quarter highlights

Second quarter 2025

EBITDA of NOK 106m in the quarter

- → Increasing market share despite challenging markets and low industry utilisation rates
- → Better than expected contribution from energy refund and energy contract mechanisms in the quarter

Maintaining capital and liquidity position

- → Proceeds from sale of Boyer, CO2 allowances, and energy refund received in the quarter
- → Agreement with lenders to revise loan repayment schedules and release restricted cash accounts

Start of containerboard production at Golbey PM1

- → Paper on reel successfully achieved and first volumes delivered to customers
- → Expect to achieve full utilisation during H1 2027

Implementing profitability improvement initiatives

- → Optimising fibre mix at Bruck PM4 to enhance product quality and reduce cost
- → Upgrade Skogn PM1 to enable switching between newsprint and book paper during 2026

Reviewing future opportunities at Saugbrugs

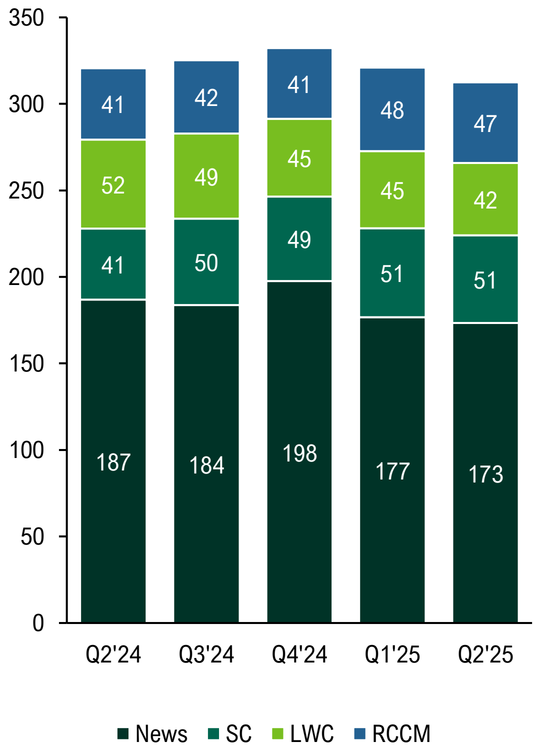
- → BCTMP project put on hold due to challenging markets and size of investment
- → Decision on potential Saugbrugs PM6 restart to be taken during H2 2025

Key figures

Second quarter 2025

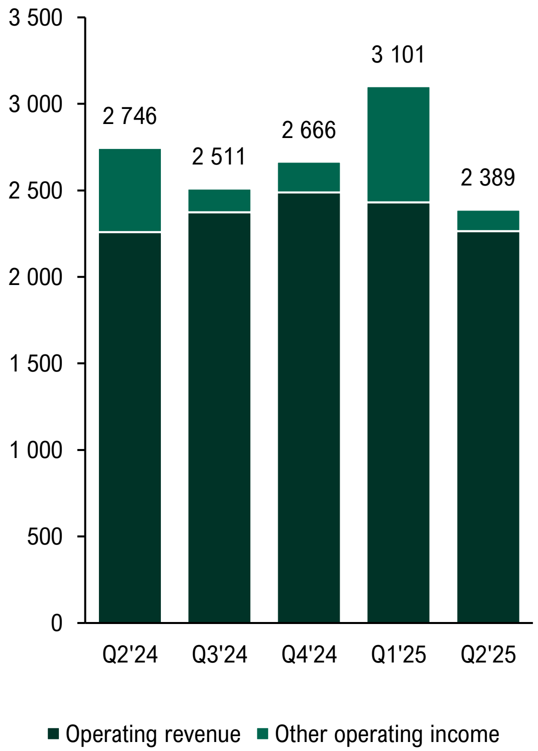
Deliveries volume

Thousand tonnes



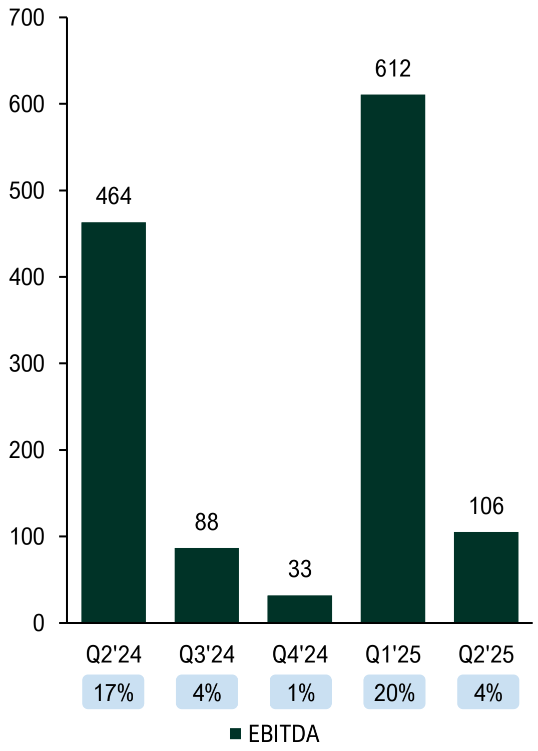
Total operating income

NOKm



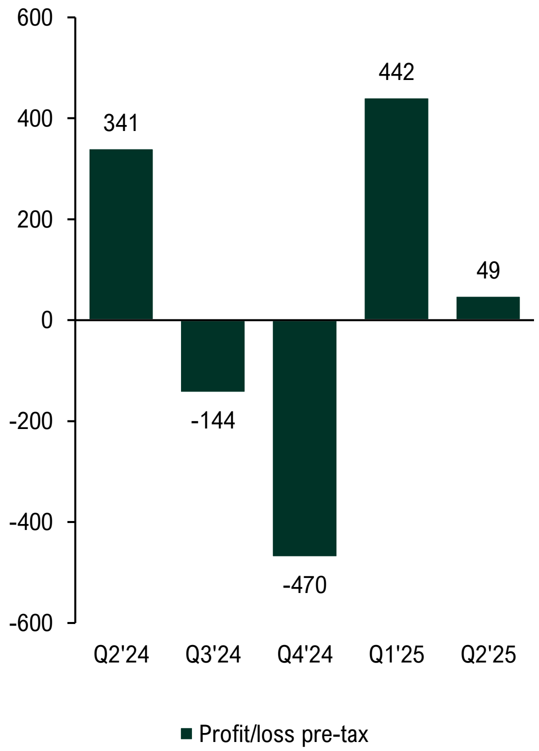
EBITDA

NOKm (and margin)
group covenant of min. NOK 400m LTM[1]



Pre-tax profit

NOKm



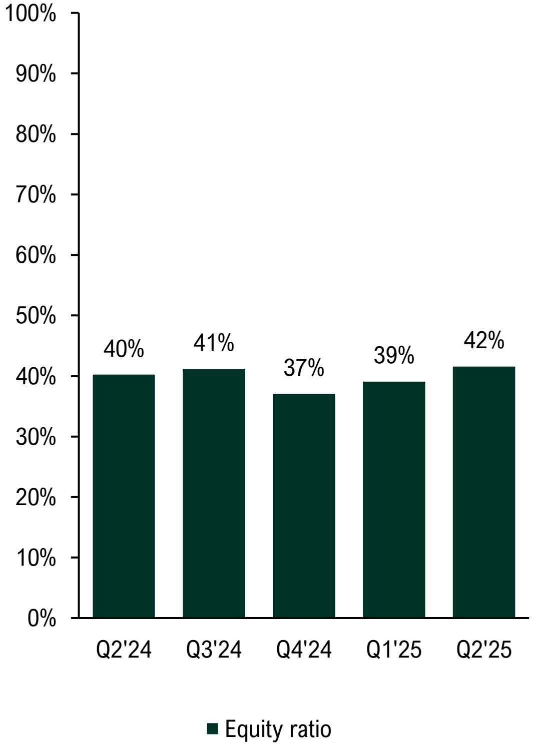
1) LTM = Last Twelve Months. Note that the covenant adjusts for restructuring expenses and divestments

Financial position

Second quarter 2025

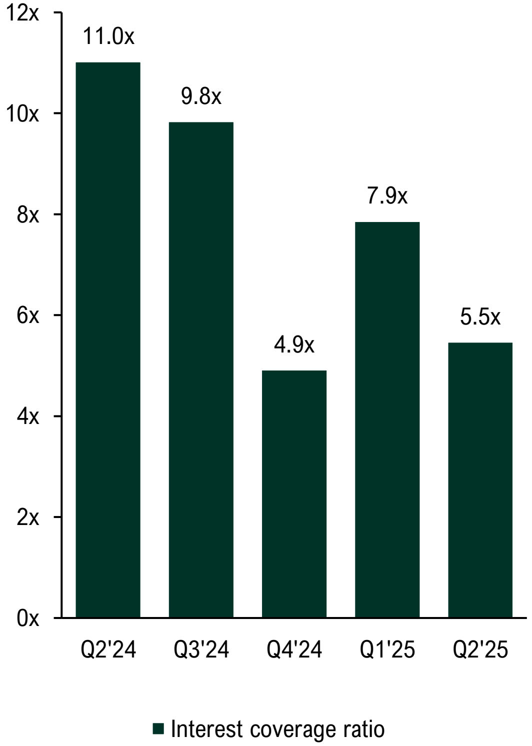
Equity ratio

Book equity to total assets
group covenant of min. 25%



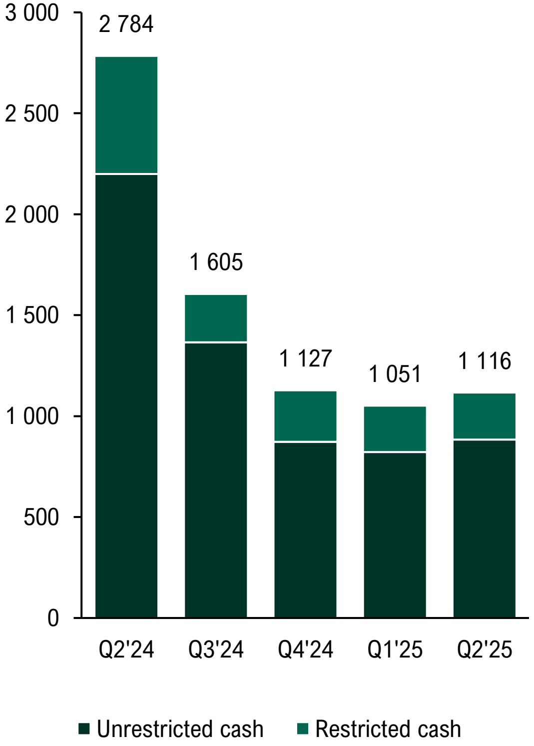
Interest coverage ratio

EBITDA to net cash interest cost
group covenant of min. 2.0x



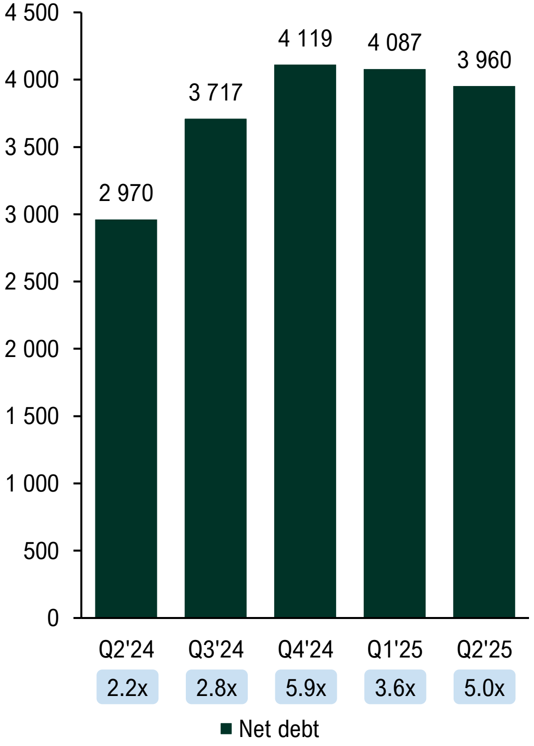
Cash[1]

NOKm
group covenant of min. NOK 100m unrestricted



Net debt

NOKm (and leverage ratio)
no group maintenance covenant



Note: Covenants calculated according to definitions in loan agreements
1) For Q2 2024, note that NOK 977m (NOK 1 005m including call premium and accumulated interest) was repaid following end of quarter as part of the bond refinancing. Pro forma, in Q2 2024 the cash position was NOK 1 779m of which NOK 584m was restricted

Segment financials

Second quarter 2025

	NOK million	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25
Publication paper	**Deliveries, kt**	**279**	**283**	**291**	**273**	**266**
	Operating revenue	2 053	2 124	2 226	2 152	1 950
	Other operating income	461	100	143	626	79
	Total operating income	**2 514**	**2 224**	**2 369**	**2 778**	**2 029**
	Distribution costs	222	234	235	228	212
	Cost of materials	1 271	1 357	1 498	1 415	1 152
	Employee benefit expenses	367	356	367	312	330
	Other operating expenses	192	178	229	175	163
	EBITDA	**464**	**99**	**40**	**649**	**172**
	EBITDA margin	18%	4%	2%	23%	8%
Packaging paper	**Deliveries, kt**	**41**	**42**	**41**	**48**	**47**
	Operating revenue	182	212	187	210	224
	Other operating income	26	37	31	44	45
	Total operating income	**207**	**249**	**218**	**255**	**269**
	Distribution costs	25	27	26	29	29
	Cost of materials	124	154	143	143	184
	Employee benefit expenses	41	45	31	76	61
	Other operating expenses	15	15	16	42	47
	EBITDA	**2**	**8**	**3**	**-35**	**-52**
	EBITDA margin	1%	3%	1%	-14%	-19%
Other activities	Total operating income	189	225	233	208	239
	EBITDA	**-1**	**-19**	**-10**	**-2**	**-14**

Publication paper

- Lower deliveries due to both planned and unplanned stops
- Slightly lower achieved prices
- Lower cost of materials due to (i) higher recognised contribution from energy refund and energy contract mechanisms of approximately NOK 85m, (ii) seasonally lower energy prices, (iii) improved operational efficiency. Partly offset by higher fibre prices

Packaging paper

- Bruck PM3 with positive EBITDA of NOK 26m in the quarter. Higher containerboard prices mitigated by increased cost of recycled paper
- Golbey PM1 production of approximately 4 000 tonnes and first customer deliveries of approximately 300 tonnes following start-up end of May. Expect utilisation of 20-30% in Q3 2025 and full utilisation in H1 2027
- First deliveries from Golbey PM1 expected to receive a lower average sales price in initial months due to trial deliveries and exports
- Some fixed costs capitalised in the quarter prior to start-up of Golbey PM1

Loan facility agreements

Close relations to all lenders with shared understanding of fundamental growth journey

Agreement with lenders to revise repayment schedules to align with containerboard ramp-up

NOK million	H2 2025	2026	2027	2028	2029	2030	2031	2032+
Scheduled loan installments per 31 March 2025	-342	-600	-946	-625	-1 684	-281	-256	-79
Scheduled loan installments per 30 June 2025	-150	-547	-712	-1 134	-1 734	-330	-303	-89
Change	**191**	**53**	**233**	**-509**	**-50**	**-50**	**-47**	**-11**

Change in EURNOK has increased the NOK amount to be repaid per 30 June 2025 vs. 31 March 2025

Aligning repayment terms

- → Repayment schedules better aligned with production ramp-up at Golbey PM1
- → Revised repayment schedules improving liquidity for next 30 months (end of 2027)
- → Option to extend loan facility maturity date from 2028 to 2029 (NOK 350m)

Main financing facilities as of Q2 2025

Golbey	**Containerboard loans: EUR 163m (full parent guarantee)** → Maturities in Q3 2028 and Q1 2032 → Floating rate: EURIBOR 6M + margins
Bruck	**Containerboard loans: EUR 53m (full parent guarantee)** → Maturities in Q2 2031 and Q4 2031 → Floating rate: EURIBOR 6M + margins **Waste-to-energy loan: EUR 30m (EUR 20m parent guarantee)** → Maturity in Q4 2028 → Fixed rate
Skogn	**Green term loan: NOK 500m (no parent guarantee)** → Maturity in Q3 2028 (potential for extension to Q1 2029) → Floating rate: NIBOR 3M + margin
Parent (Norske Skog ASA)	**Senior unsecured bond: NOK 1 400m (maximum NOK 1 600m)** → Maturity in Q2 2029 → Floating rate: NIBOR 3M + 450 bps
Other	Other loans, leases, and factoring of EUR ~22m across Norske Skog

Transformation through strategic projects

Strategic projects completed and production ramp-up on plan

Projects at Norske Skog Bruck completed

Containerboard production

- ➜ Started Q1 2023
- ➜ Full utilisation H2 2025
- ➜ Net capex EUR 120m
- ➜ Project debt EUR 53m
- ➜ Capacity 210kt

Waste-to-energy boiler

- ➜ Started Q2 2022
- ➜ Full utilisation Q2 2023
- ➜ Net capex EUR 72m
- ➜ Project debt EUR 30m
- ➜ Capacity 50 MW

Projects at Norske Skog Golbey completed

Containerboard production

- ➜ Started Q2 2025
- ➜ Full utilisation H1 2027
- ➜ Net capex EUR 320m
  - ➜ Remaining capex EUR 20-25m
  - ➜ Remaining grants: EUR 52m
    - ➜ H2 2025: EUR 8m
    - ➜ H1 2026: EUR 16m
    - ➜ H1 2027: EUR 28m
- ➜ Project debt EUR 163m
- ➜ Capacity 550kt

Biomass boiler JV

- ➜ Started Q4 2024
- ➜ Full utilisation H1 2025
- ➜ Equity share EUR 5m
- ➜ 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 offtaker of steam under a competitive long-term contract

Reviewing future opportunities at Saugbrugs

Decision on potential restart of PM6 in H2 2025

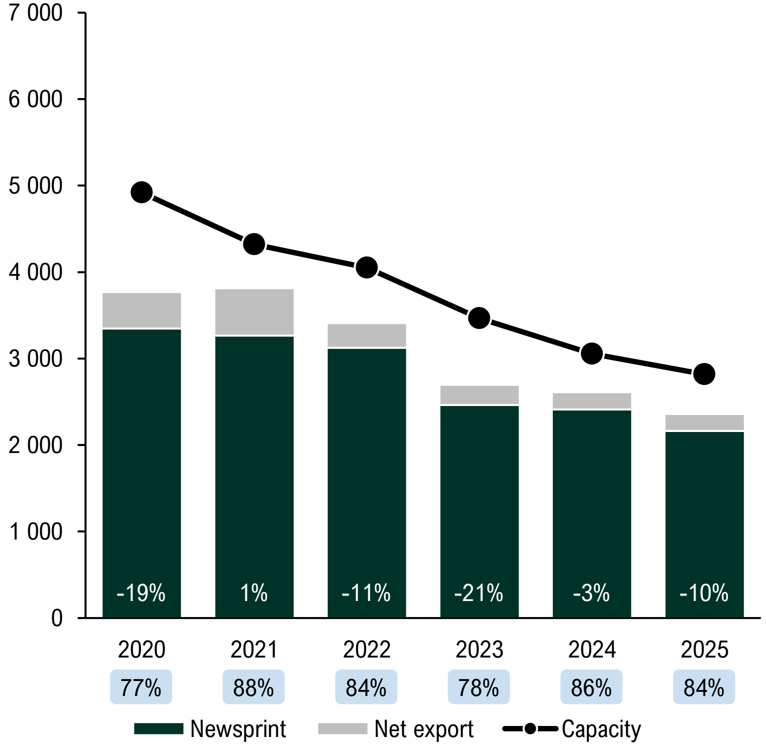
- Decision on potential restart of PM6, and closure of PM4 and PM5, to be taken during H2 2025. Increasing production capacity from 200kt to 240kt
- Expected net investment of NOK 300m and project period of 12-18 months
- PM6 expected to be a cost leading producer of uncoated mechanical paper (SC magazine paper)
- BCTMP project on hold due to investment size and challenging pulp markets

Publication paper market balance

Newsprint utilisation rates at manageable levels

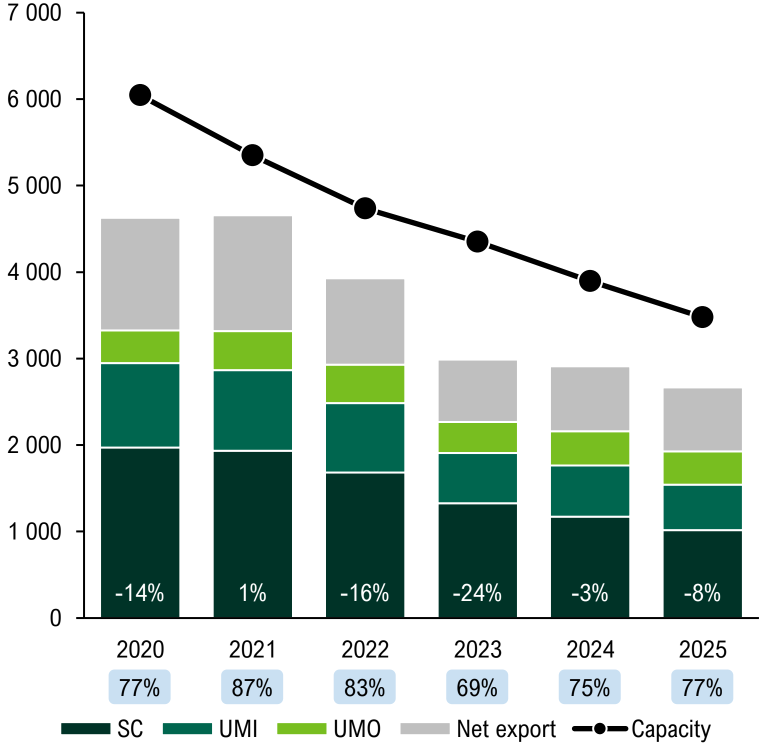
Newsprint market balance Western Europe

Thousand tonnes and change in demand (and utilisation rate)



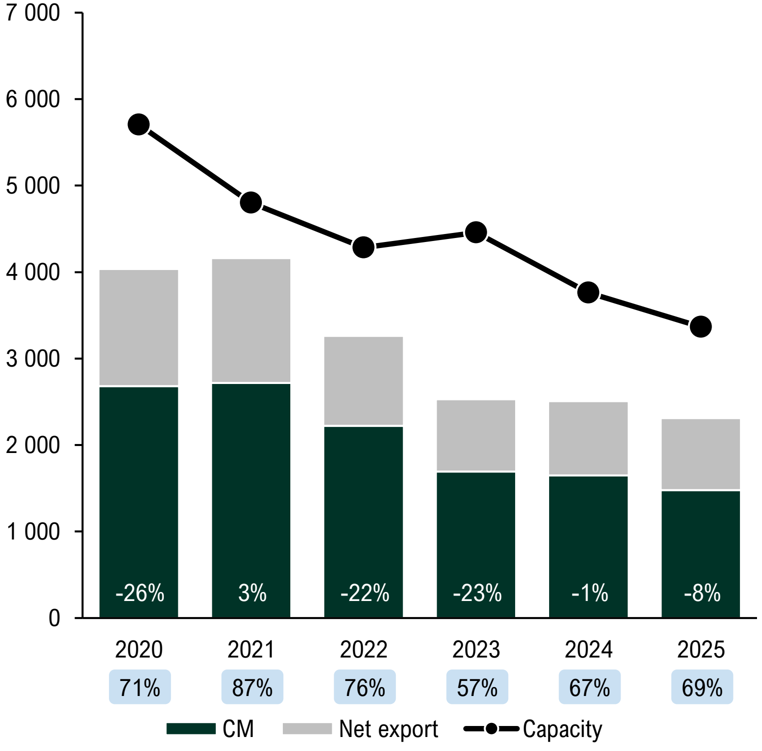
Uncoated mechanical market balance Western Europe

Thousand tonnes and change in demand (and utilisation rate)



Coated mechanical market balance Western Europe

Thousand tonnes and change in demand (and utilisation rate)



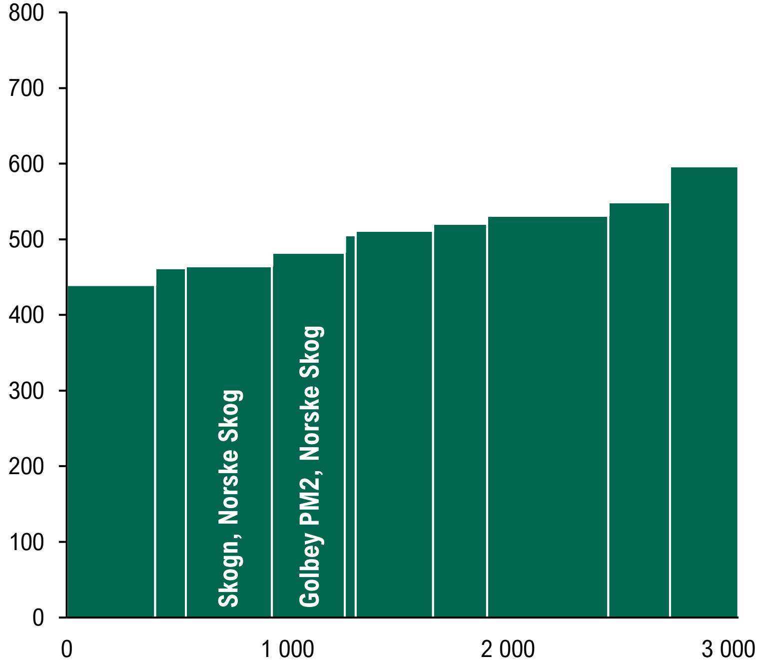
Source: Numera
UMI = Uncoated Mechanical Improved; UMO = Uncoated Mechanical Other

Publication paper cost curves

Norske Skog newsprint machines competitively positioned

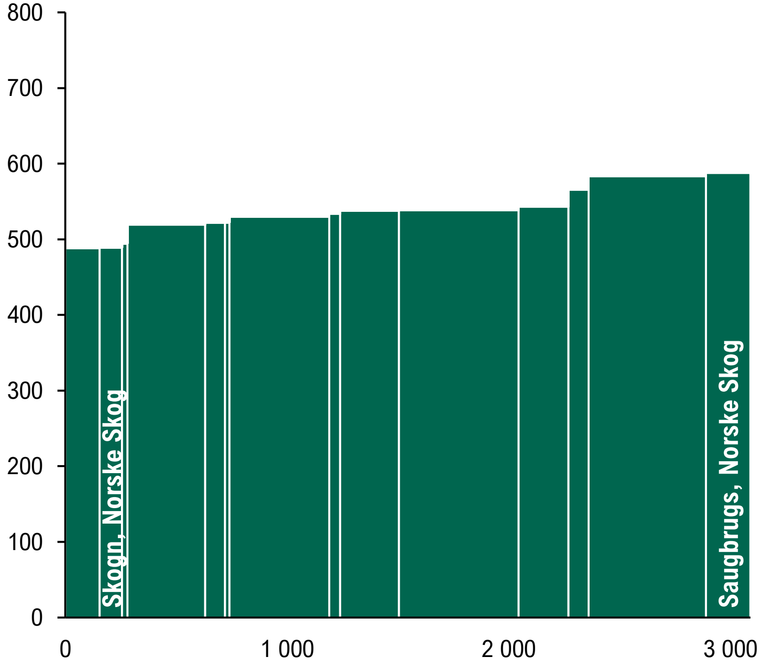
Newsprint cash cost Western Europe

EUR per tonne



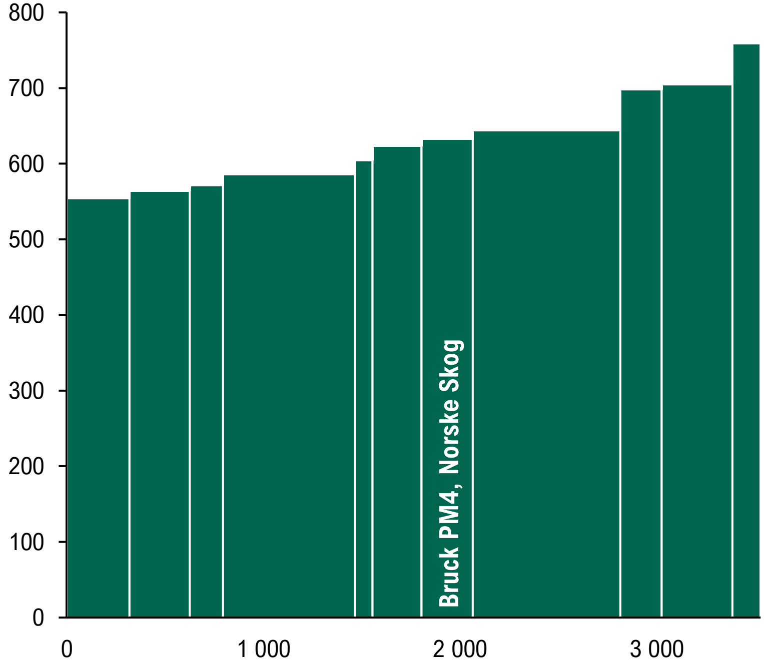
Uncoated mechanical cash cost Western Europe[1]

EUR per tonne



Coated mechanical cash cost Western Europe

EUR per tonne



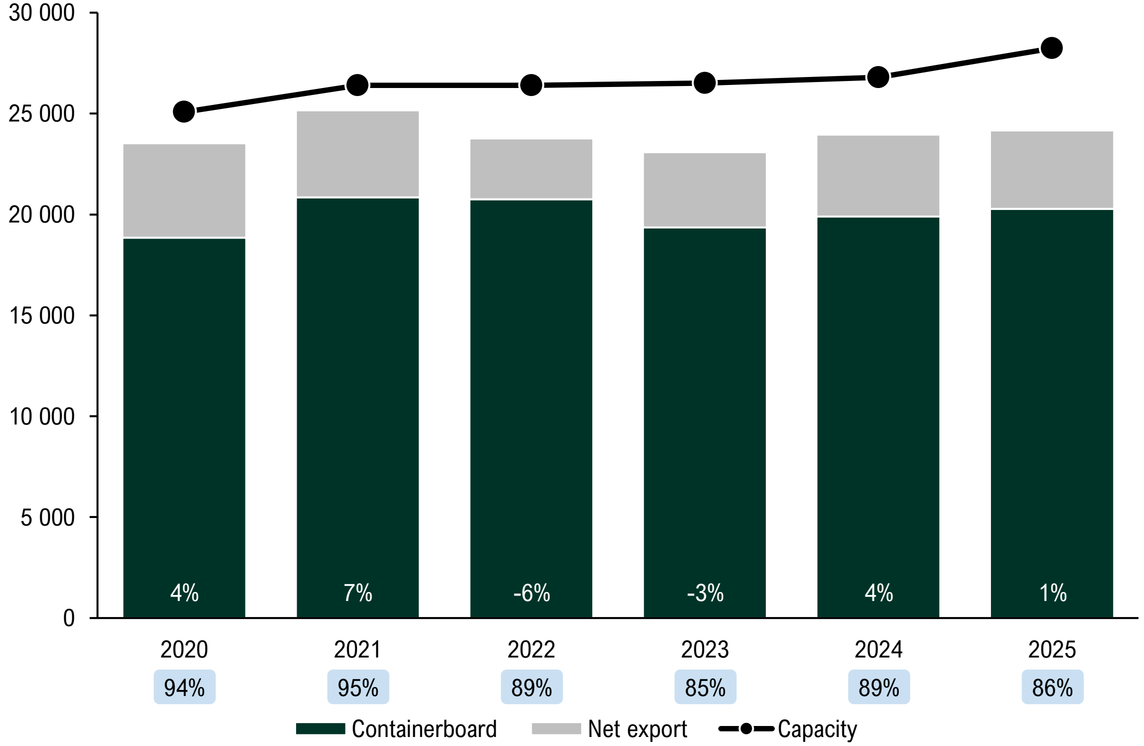
Source: Fastmarkets
1) Excluding UMO grades

Packaging paper market

Norske Skog increasing market share despite excess capacity in the industry

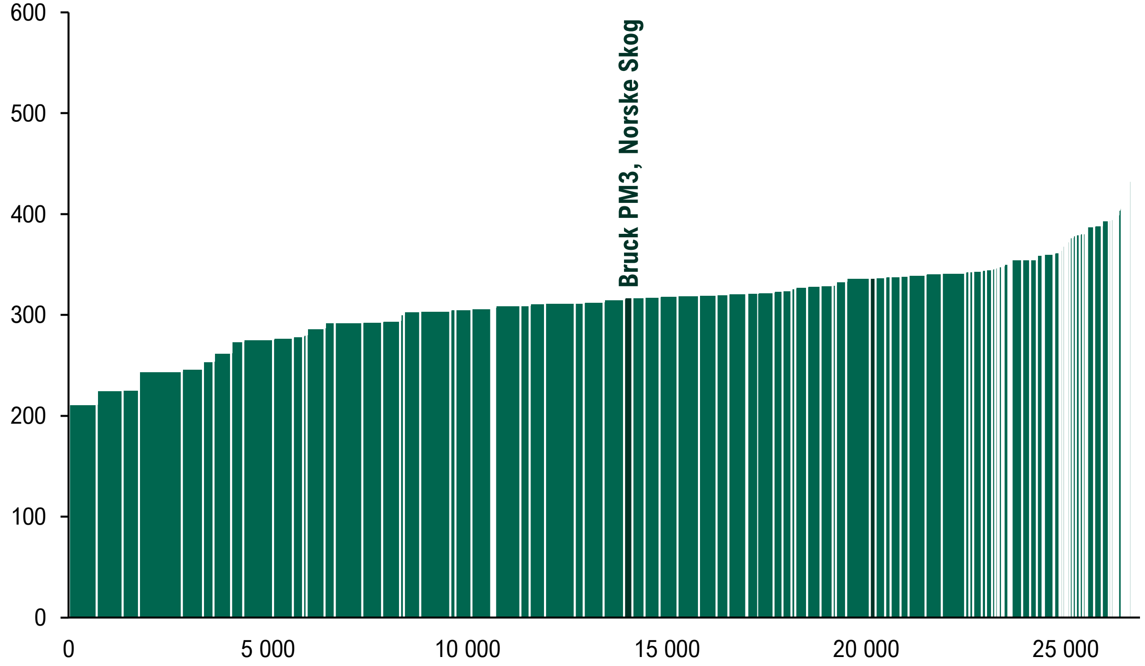
RCCM market balance Western Europe

Thousand tonnes and change in demand (and utilisation rate)



RCCM cash cost Western Europe

EUR per tonne



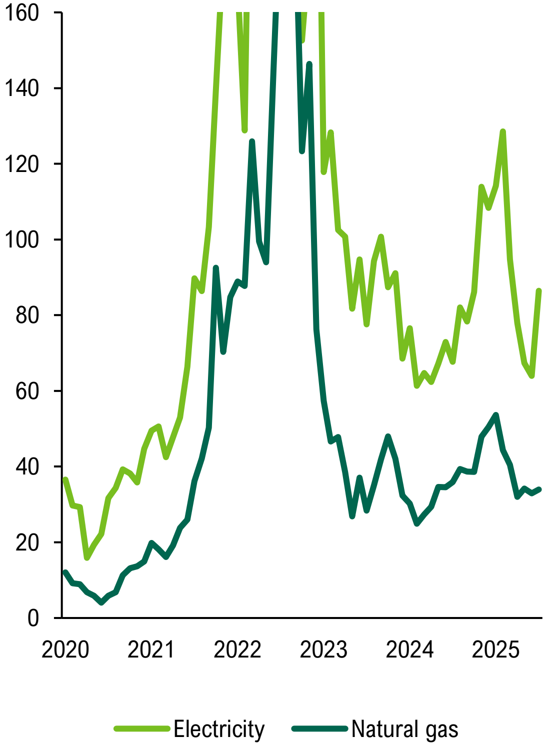
Source: Fastmarkets

Raw materials

Continued high costs for raw materials impacting profitability

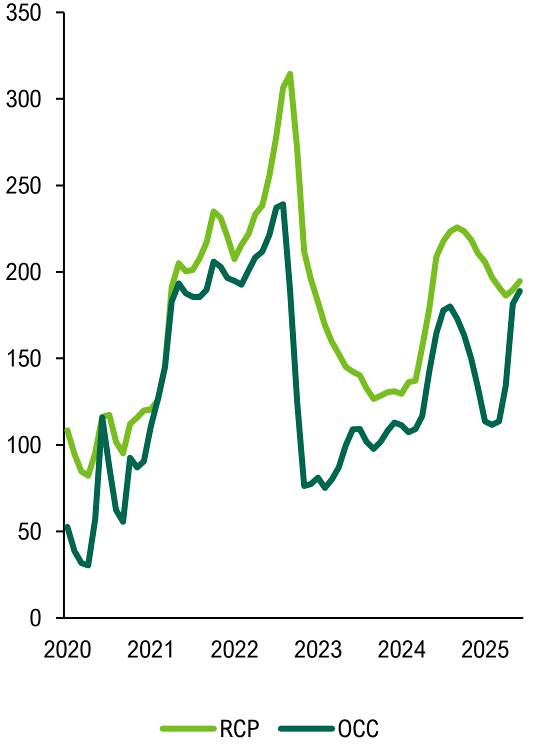
Energy prices Germany

EUR per MWh



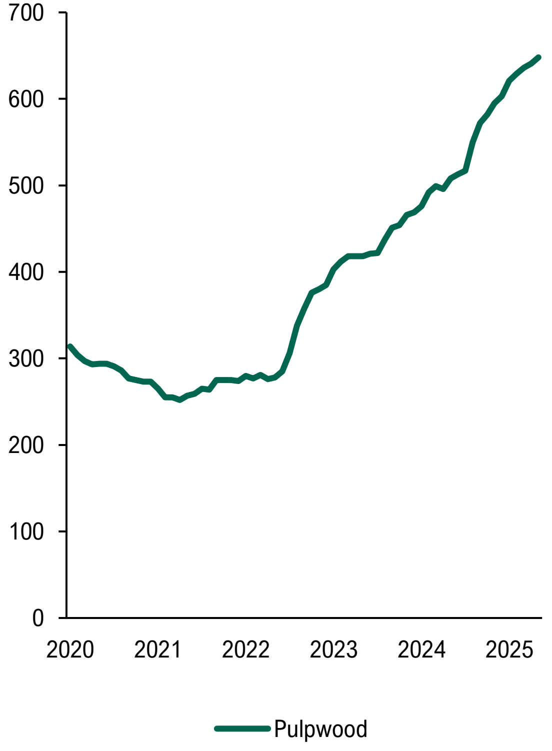
Recycled paper prices Germany

EUR per tonne



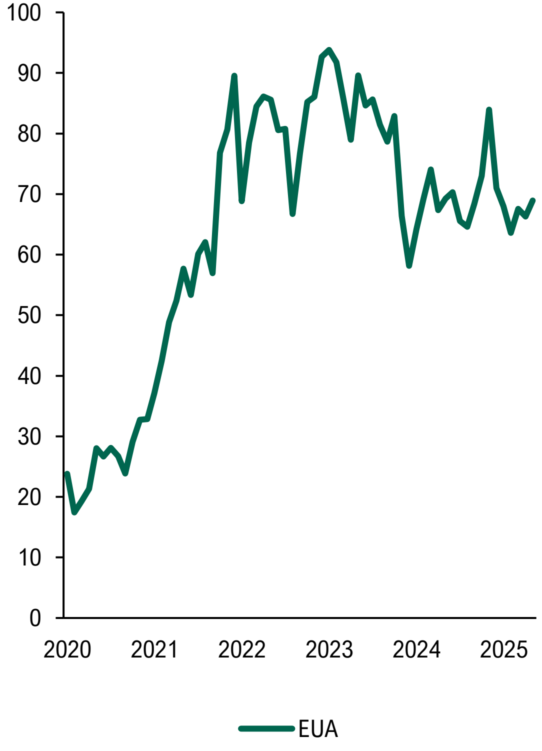
Spruce pulpwood prices Norway

NOK per solid cubic metre



EUA price

EUR per allowance



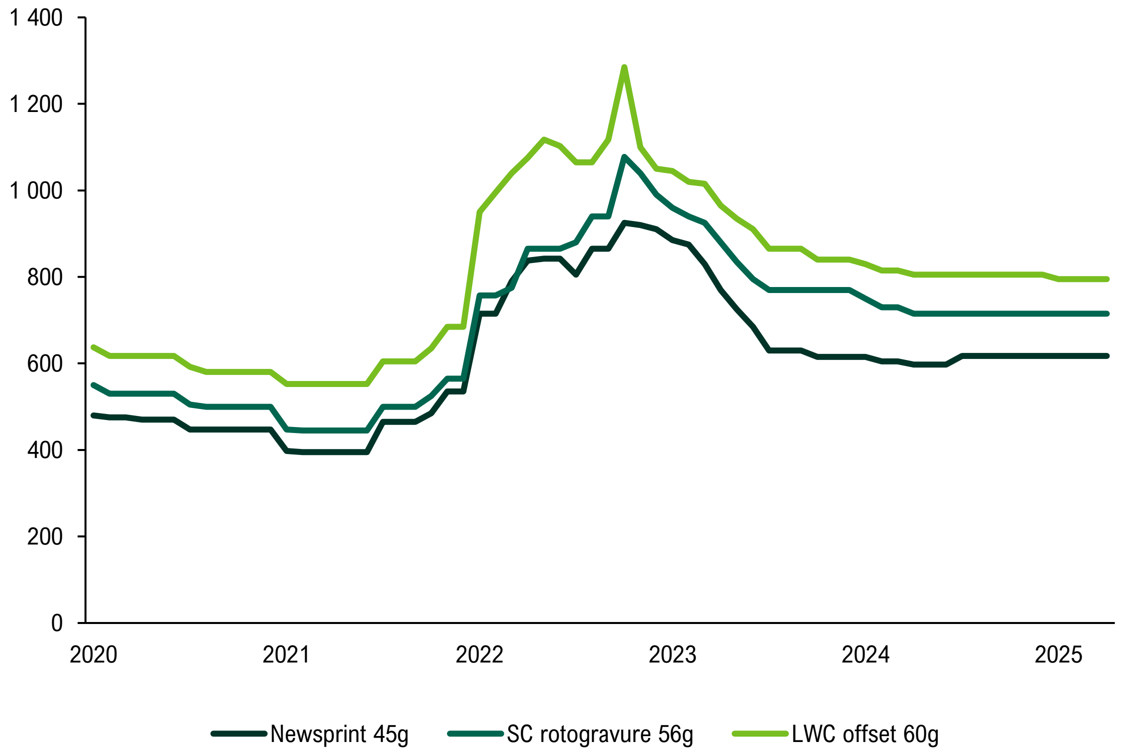
Source: Nord Pool, Trading Economics, Fastmarkets, Landbruksdirektoratet
RCP = Recovered Paper; OCC = Old Corrugated Containers; EUA = European Union Allowance

Paper prices

Prices track marginal producer cash cost, increases required for all grades

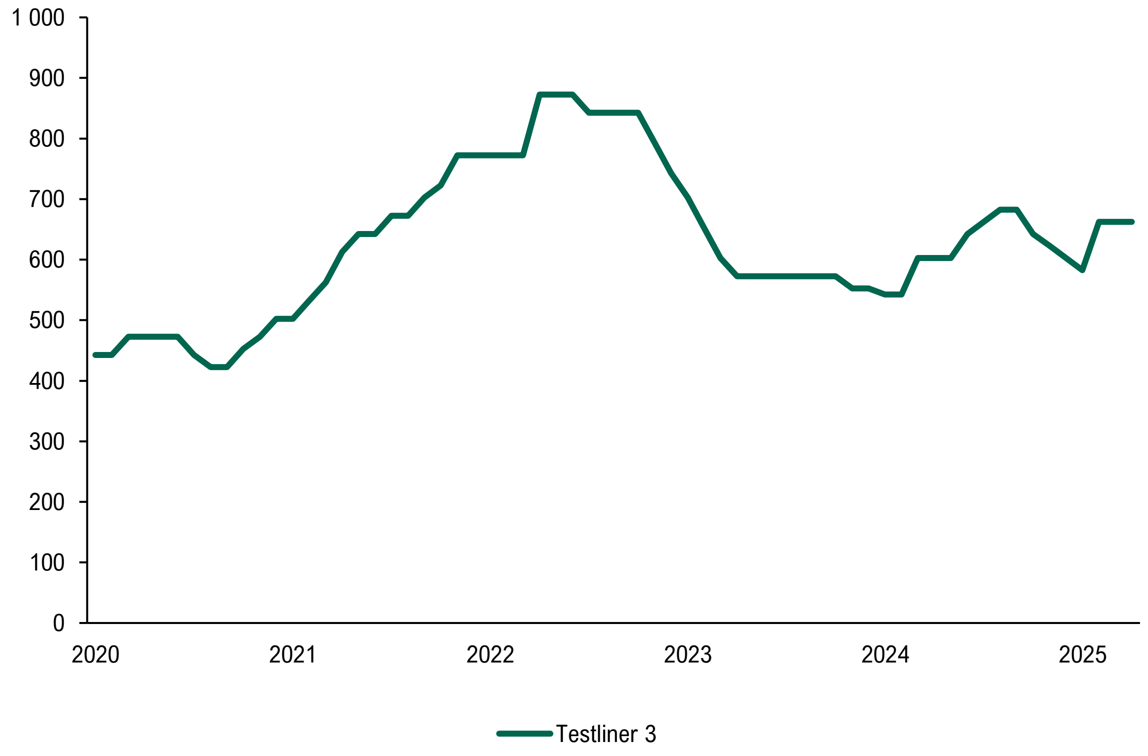
Publication paper prices Germany

EUR per tonne



Recycled containerboard index Germany

Index



Source: Fastmarkets

Outlook

Concluding remarks

- Uncertain and volatile operating environment with continued pressure on profitability
- Significant emphasis on reducing production cost and working capital to maintain competitive position
- Golbey PM1 expected to reach full utilisation in H1 2027
- Expect EUR 20-25m of remaining gross capex at Golbey PM1 to be paid in H2 2025, and expect to receive EUR 52m in energy certificates and investment grants during 2025-27
- Monitoring capital and liquidity position closely with ongoing initiatives to secure financial performance and competitive position going forward

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