

Press release

Record deliveries and improved profitability for packaging paper in first quarter for Norske Skog

Norske Skog delivered a profit before income taxes of NOK 236 million and an EBITDA of NOK 451 million in the first quarter of 2026. Recycled containerboard deliveries reached a record 106 thousand tonnes in the quarter. Improved profitability, strong operational execution and continued progress in strategic projects characterised the quarter. Significant liquidity inflows after the end of the quarter further strengthened the financial position.

“We achieved record containerboard deliveries and significantly improved profitability in the first quarter,” says Geir Drangslund, CEO of Norske Skog. “Operational performance continues to improve across our packaging paper business, while publication paper profitability benefited from lower raw material costs and the recognised gain related to the Saugbrugs transaction. We are also seeing clear effects from our ongoing cost and working capital initiatives. Cash generation was strong, working capital remained efficient, and significant liquidity inflows after quarter-end further strengthened our balance sheet.

In the first quarter of 2026, total operating income increased to NOK 2 877 million, up from NOK 2 589 million in the previous quarter. Norske Skog reported total operating earnings of NOK 407 million and a profit before income taxes of NOK 236 million, compared with a loss before income taxes of NOK 256 million in the fourth quarter of 2025. Equity increased from NOK 5 819 million to NOK 5 927 million, increasing the equity ratio from 39.6% to 41.7% in the quarter. Total assets decreased from NOK 14 707 million to NOK 14 221 million, whereof cash and cash equivalents decreased from NOK 1 082 million to NOK 653 million. Net interest-bearing debt increased from NOK 4 295 million to NOK 4 502 million.

Subsequent to the quarter, Norske Skog received approximately NOK 370 million in energy refunds in April and expects additional energy refunds of approximately EUR 10 million during the second quarter of 2026. The company also expects NOK 770 million in net proceeds in the second quarter of 2026 from the transaction with NND (Norwegian Nuclear Decommissioning) related to the Saugbrugs site, of which approximately NOK 50 million will be used for dismantling costs.

Market segments

Norske Skog’s publication paper segment experienced seasonally lower deliveries and a strengthened NOK, resulting in reduced operating revenue in the quarter. However, profitability improved due to lower costs of materials, reflecting reduced pulpwood prices, reduced manning, higher market shares in all publication paper segments, and the recognition of a NOK 320 million gain from the transaction with NND at Saugbrugs. Further raw material price reductions are expected through 2026. Further capacity closures are required across all publication paper grades to maintain market balance.

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The packaging paper segment delivered strong operational progress with record recycled containerboard deliveries of 106 thousand tonnes in the quarter. Improved operating efficiency, stable prices and a higher share of European deliveries supported profitability. Bruck PM3 delivered a positive EBITDA of NOK 15 million, while losses at Golbey PM1 were significantly reduced to an EBITDA of NOK -43 million, compared with NOK -124 million in the previous quarter. Full utilisation at Golbey PM1 remains targeted for the first half of 2027.

Projects and other initiatives

Norske Skog Skogn expects to complete the book paper project at PM1 in April 2026, enabling delivery of market-standard book paper under the NOR Book brand with an annual capacity of up to 140 000 tonnes. The net investment amounts to approximately NOK 40 million, with customer qualification and trial deliveries planned during the second quarter of 2026.

At Skogn, Norske Skog continues to advance the PulpFlex project, which aims to reduce energy consumption, improve fibre quality and enhance power grid flexibility. The first stage of the project is expected to be completed during 2026.

Norske Skog continues to evaluate strategic options for Saugbrugs following the property transaction with NND. Studies related to alternative industrial activities, including a potential data centre collaboration and a possible rebuild of PM6 for a switch between SC magazine paper and TMP-based kraftliner, a packaging paper product, are expected to conclude during the second quarter of 2026.

Norske Skog is reviewing an expansion of its Golbey biogas project to increase green biogas deliveries to the national grid from 16 GWh to 70–90 GWh annually, with potential additional revenues of around EUR 8 million and commissioning targeted for 2028.

Norske Skog is reviewing a Battery Energy Storage System at Bruck to reduce electricity costs and provide grid services, with a planned 20 MW battery expected to generate annual profits of EUR 2–3 million and start operations in 2027.

The appeal regarding the decision to exclude Norske Skog Skogn and Norske Skog Saugbrugs from the EU Emissions Trading System (EU ETS) for the period 2026 to 2030 is currently being handled by the Ministry of Climate and Environment. The exclusion is based on revised qualification criteria under which facilities with more than 95% of emissions originating from sustainable biomass no longer qualify for free CO₂ allowances. Norske Skog is actively engaging with the authorities to seek a reversal of this decision.

Outlook

Norske Skog aims to continue increasing market share despite an uncertain operating environment and challenging markets. The company expects continued volatility in raw material prices, excess production capacity, and frequently changing operating conditions. To remain competitive, Norske Skog places strong emphasis on reducing production costs and working capital. Published price increases for publication paper are expected to strengthen profitability going forward. At the same time, higher energy prices will affect many players in the industry, while Norske Skog is expected to be less impacted due to its high share of biomass-based energy.

Norske Skog will continue to progress with development projects across all of its mills, including the book paper project and PulpFlex project at Norske Skog Skogn, the data centre project and rebuild of paper machine 6 to TMP-

based kraftliner project at Norske Skog Saugbrugs, the battery energy storage system project at Norske Skog Bruck, and the biogas project at Norske Skog Golbey. Norske Skog monitors the capital and liquidity position closely and has several ongoing initiatives to secure the financial performance and competitive position going forward.

About Norske Skog

Norske Skog is a producer of packaging paper and publication paper across four mills in Europe. Packaging paper includes testliner and fluting and publication paper includes newsprint and magazine paper. The annual production capacity of packaging paper is 0.8 million tonnes, and the annual production capacity of publication paper is 1.2 million tonnes. Packaging paper and publication paper are sold through sales offices and agents. Norske Skog has approximately 1 650 employees and the parent company, Norske Skog ASA, a public limited liability company, is incorporated in Norway and has its head office in Oslo. The company is listed on Oslo Stock Exchange with the ticker NSKOG.

Presentation and quarterly material

The company will arrange a Teams-webinar today at 08:30 CET, which can be attended by clicking the webinar link on the front page of the www.norskeskog.com.

The quarterly board of directors report, 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.

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