

Press release

Record deliveries for packaging paper

Norske Skog delivered EBITDA of NOK 73 million and a loss before income taxes of NOK 163 million in the second quarter of 2026. Recycled containerboard deliveries reached a new record of 122 000 tonnes, and for the first time the packaging paper segment, with Norske Skog Bruck and Norske Skog Golbey combined, achieved a positive EBITDA margin. The quarter was characterised by continued operational progress, cost reduction initiatives across the mills, and a financial position expected to strengthen further during the third quarter.

“The second quarter confirms the steady progress in our packaging paper ramp-up, with record containerboard deliveries and the first positive EBITDA margin for the segment. While the stronger NOK and lower other operating income weighed on reported results, we maintained solid liquidity discipline and strengthened cash during the quarter. With energy refunds received in the second quarter and the NND proceeds expected in the third quarter, we are well positioned to continue the operational improvement programs and develop profitable opportunities across the mills.” says Geir Drangslund, CEO of Norske Skog.

In the second quarter of 2026, total operating income was NOK 2 584 million, compared with NOK 2 877 million in the previous quarter. Norske Skog reported EBITDA of NOK 73 million and a loss before income taxes of NOK 163 million, compared with EBITDA of NOK 451 million and a profit before income taxes of NOK 236 million in the first quarter of 2026. Equity ratio was 41%, cash was NOK 723 million and net interest-bearing debt decreased from NOK 4 502 to 4 361 million during the quarter.

Norske Skog received approximately NOK 470 million in energy refunds during the quarter. The company expects cash proceeds of approximately NOK 780 million from the transaction with Norwegian Nuclear Decommissioning (NND) in the third quarter of 2026, of which approximately NOK 50 million will be used for dismantling costs. The gain of approximately NOK 330 million will be recognised at completion in the third quarter of 2026, rather than in the second quarter as previously communicated, and will positively influence other operating income and EBITDA in the third quarter.

Market segments

Norske Skog's publication paper segment maintained profitability and market share in a challenging market. A stronger NOK reduced operating revenue in the quarter, partly offset by higher prices and deliveries. Other operating income decreased compared with the previous quarter due to the recognition of the NOK 320 million gain from the NND transaction in the first quarter. Cost of materials remained lower due to reduced pulpwood prices, with further reductions expected during the second half of 2026, while employee benefit expenses increased following salary adjustments across the mills.

The packaging paper segment delivered continued operational progress, with recycled containerboard deliveries increasing to a record 122 000 tonnes. Higher deliveries and implemented price increases supported operating revenue, while improved operating efficiency and active energy market management reduced cost of materials per tonne. Bruck PM3 delivered 52 000 tonnes and EBITDA of NOK 25 million, while Golbey PM1 delivered 70 000 tonnes and EBITDA of NOK -24 million. Full utilisation at Golbey PM1 remains targeted for the first half of 2027.

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Projects and other initiatives

At Saugbrugs, the transaction with NND is expected to be completed at the beginning of the third quarter of 2026. NND will acquire Saugbrugs properties and assets to support decommissioning of the Halden nuclear facility, while Saugbrugs will continue to produce SC magazine paper by leasing PM4 and PM5 until handover expected in the second half of 2028. Studies with Green Mountain to evaluate a potential data centre establishment and studies relating to a possible rebuild of PM6 for production of SC magazine paper and TMP-based kraftliner are expected to conclude during the second half of 2026.

At Skogn, the rebuild of PM1 for book paper production was successfully completed in April, with positive feedback from customer trials. Commercial deliveries under the NOR Book brand are expected to increase during the second half of 2026. The project enables switching between newsprint and book paper at PM1, which has an annual capacity of 140 000 tonnes, and is expected to reduce exports of newsprint to lower-margin markets. The investment budget is NOK 40 million, of which NOK 7 million remains.

At Bruck, Norske Skog is reviewing a Battery Energy Storage System to reduce electricity costs and offer grid services. A 20 MW battery park with 40 MWh capacity is estimated to enable project profit of about EUR 2–3 million per year. Final decision and authority approval are expected during the third quarter of 2026, with delivery, installation and start-up planned for the second quarter of 2027.

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.

The Ministry of Climate and Environment has decided to exclude Norske Skog Skogn and Norske Skog Saugbrugs from the EU Emissions Trading System (EU ETS1) for the period 2026 to 2030. 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

Changes of mill directors

Norske Skog has announced two mill director changes. At Norske Skog Golbey, Yves Bailly stepped down as President after more than 30 years with the Group and 20 years leading the mill. Geir Drangslund, principal shareholder and CEO of Norske Skog, assumed leadership of Golbey on an interim basis from 2 July 2026 until December 2026, supported by Christoffer Bull, Senior Vice President Business Development. The strengthened Group presence will support the ongoing ramp-up of Golbey PM1 and the mill's role as the Group's largest business unit by capital investment and production capacity.

At Norske Skog Skogn, Mads Eikeland has been appointed Managing Director effective 1 September 2026 after Håvard Busklein. Eikeland currently serves as Chief Financial Officer at Norske Skog Skogn AS, following his previous role as Finance Manager at the same mill. He brings extensive experience from the business and strong insight into both operations and the organisation.

Outlook

Norske Skog aims to continue increasing market share in an uncertain operating environment and challenging markets. The company maintains a strong emphasis on cost reductions and working capital discipline to preserve competitiveness. Profitable projects are being explored across all mills to diversify revenue streams, with significant emphasis on the Golbey PM1 ramp-up and expected full utilisation during the first half of 2027. The future direction for Saugbrugs is planned to be decided during the second half of 2026.

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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