



Borregaard

INTERIM REPORT

2ND QUARTER 2024

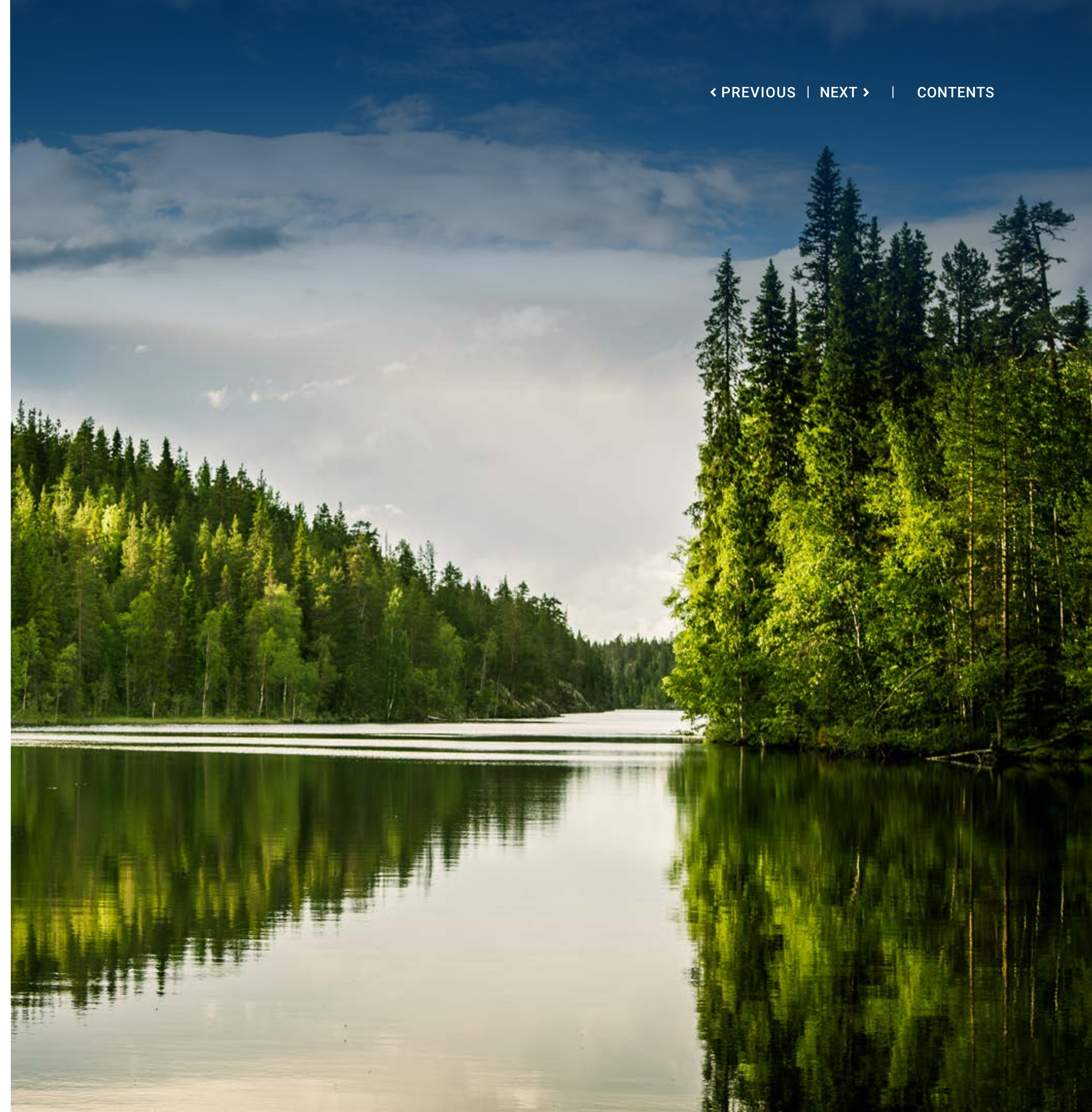


2ND QUARTER IN BRIEF

- EBITDA¹ NOK 510 million (NOK 537 million)²
- Improved product mix and strong result in BioSolutions
- Lower sales prices and higher wood costs for BioMaterials
- Solid result in Fine Chemicals
- Negative net currency effects
- Strong cash flow

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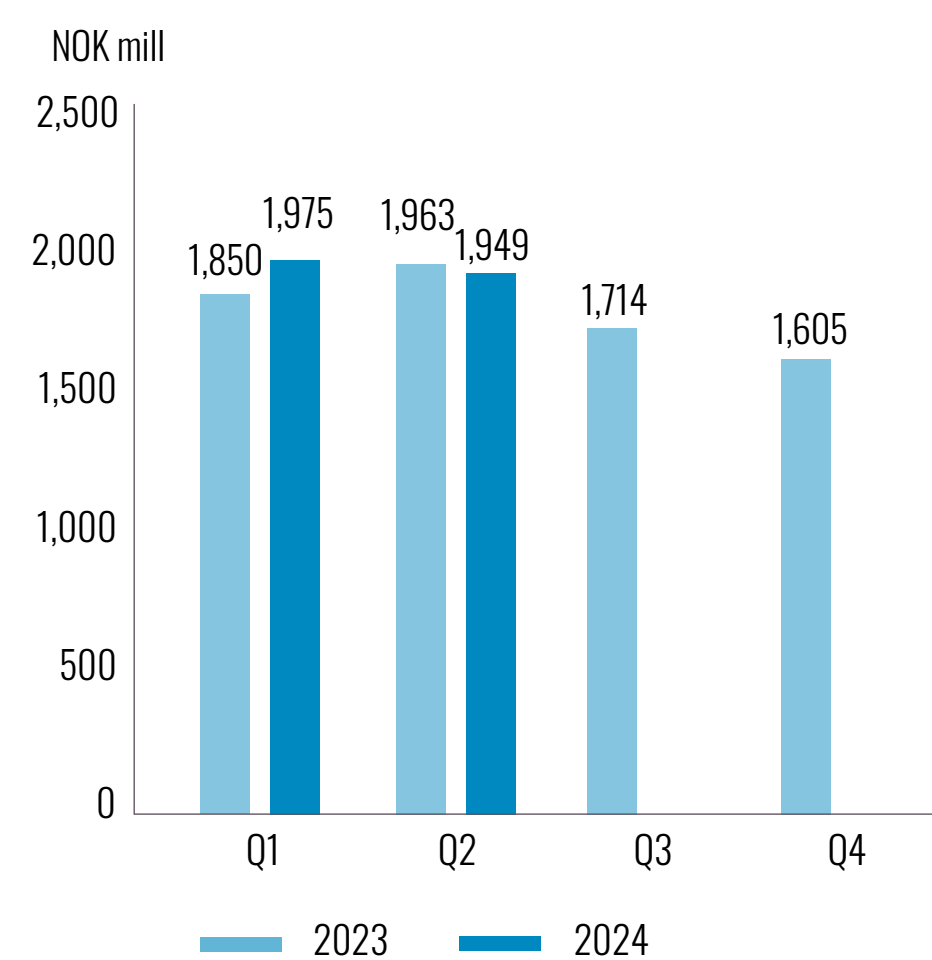
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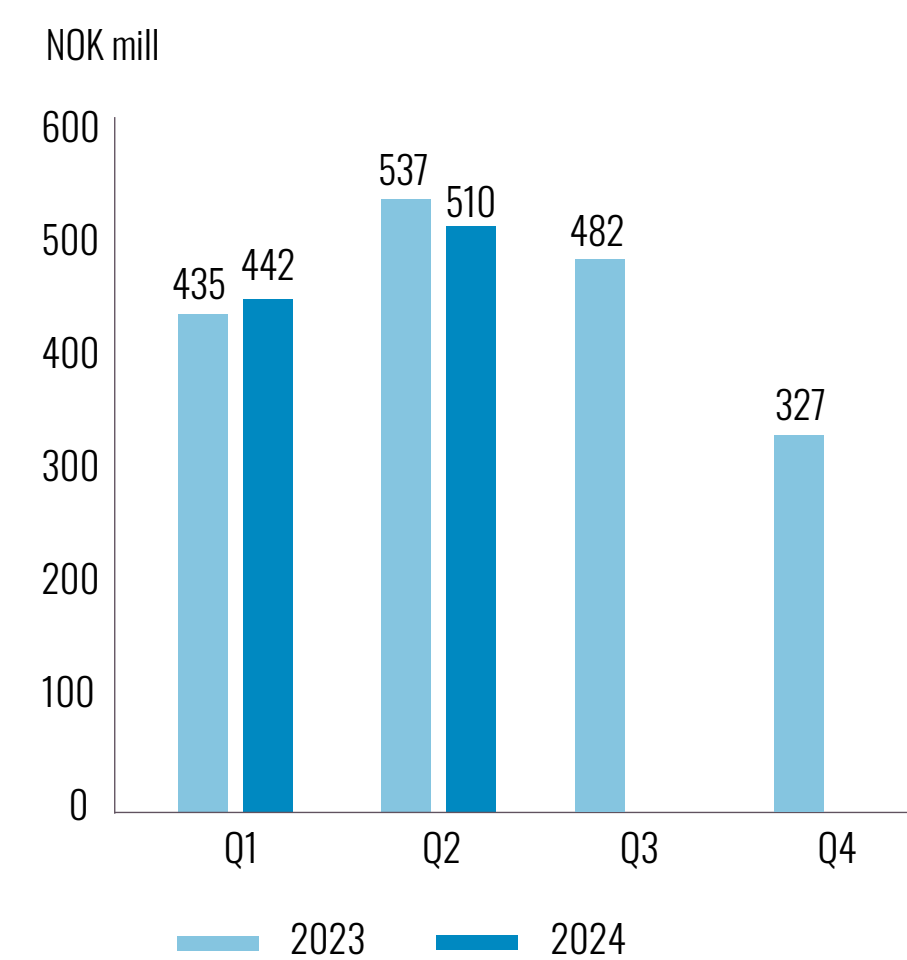
THE GROUP

Amounts in NOK million	Note	1.4 - 30.6		1.1 - 30.6		1.1 - 31.12
		2024	2023	2024	2023	2023
Operating revenues	2	1,949	1,963	3,924	3,813	7,132
EBITDA ¹		510	537	952	972	1,781
Operating profit		374	419	682	739	1,291
Profit/loss before taxes	2	322	379	583	671	1,124
Earnings per share (NOK)		2.45	2.84	4.45	5.16	8.73
Net interest-bearing debt ¹	10	2,170	2,218	2,170	2,218	1,791
Equity ratio ¹ (%)		53.9	47.4	53.9	47.4	53.7
Leverage ratio ¹		1.23	1.25	1.23	1.25	1.01
Return on capital employed ¹ (%)		16.8	18.8	16.8	18.8	18.3

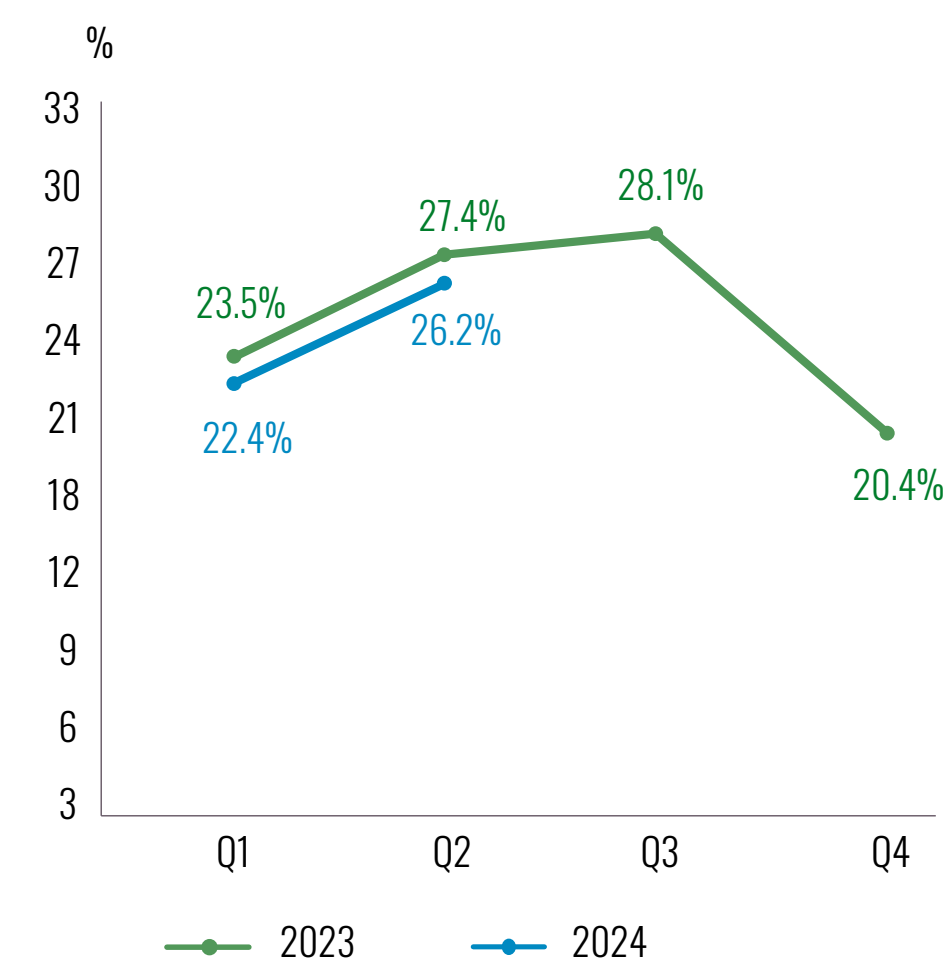
OPERATING REVENUES



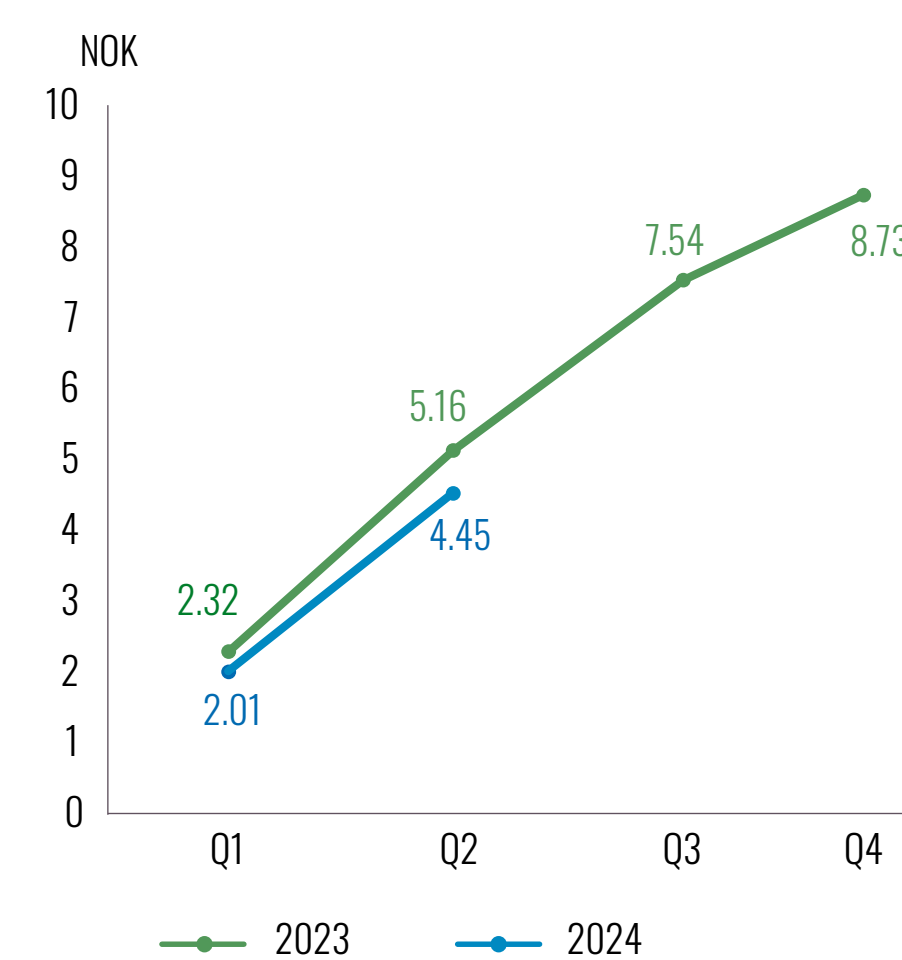
EBITDA¹



EBITDA MARGIN¹



EARNINGS PER SHARE CUMULATIVE



¹ Alternative performance measure, see page 23 for definition.

SECOND QUARTER

Operating revenues were NOK 1,949 million (NOK 1,963 million)² in the 2nd quarter of 2024. EBITDA¹ was NOK 510 million (NOK 537 million). The result in BioSolutions increased while the result in BioMaterials was lower compared with the 2nd quarter of 2023. Fine Chemicals delivered a strong result slightly below the same quarter last year.

Improved product mix and reduced energy costs were the main reasons for a strong result in BioSolutions. In BioMaterials, the result was affected by lower sales prices, higher wood costs and an increase in other operating expenses, mainly due to cost inflation. Fine Chemicals had a solid result in the quarter. High deliveries and stable prices for bioethanol and a favourable product mix for fine chemical intermediates contributed positively to the result. The net currency effects were negative for the Group.

Operating profit was NOK 374 million (NOK 419 million). Net financial items were NOK -52 million (NOK -40 million). Profit before tax was NOK 322 million (NOK 379 million). Tax expense of NOK -77 million (NOK -91 million) gave a tax rate of 24% (24%) in the quarter.

Earnings per share were NOK 2.45 (NOK 2.84).

Cash flow from operating activities was NOK 546 million (NOK 411 million). The cash flow was positively affected by

a significant decrease in net working capital, mainly due to a reduction in accounts receivable.

FIRST HALF

Borregaard's operating revenues increased to NOK 3,924 million (NOK 3,813 million) in the 1st half of 2024. EBITDA¹ was NOK 952 million (NOK 972 million). The result increased in BioSolutions while BioMaterials and Fine Chemicals had a decrease compared with the 1st half of 2023.

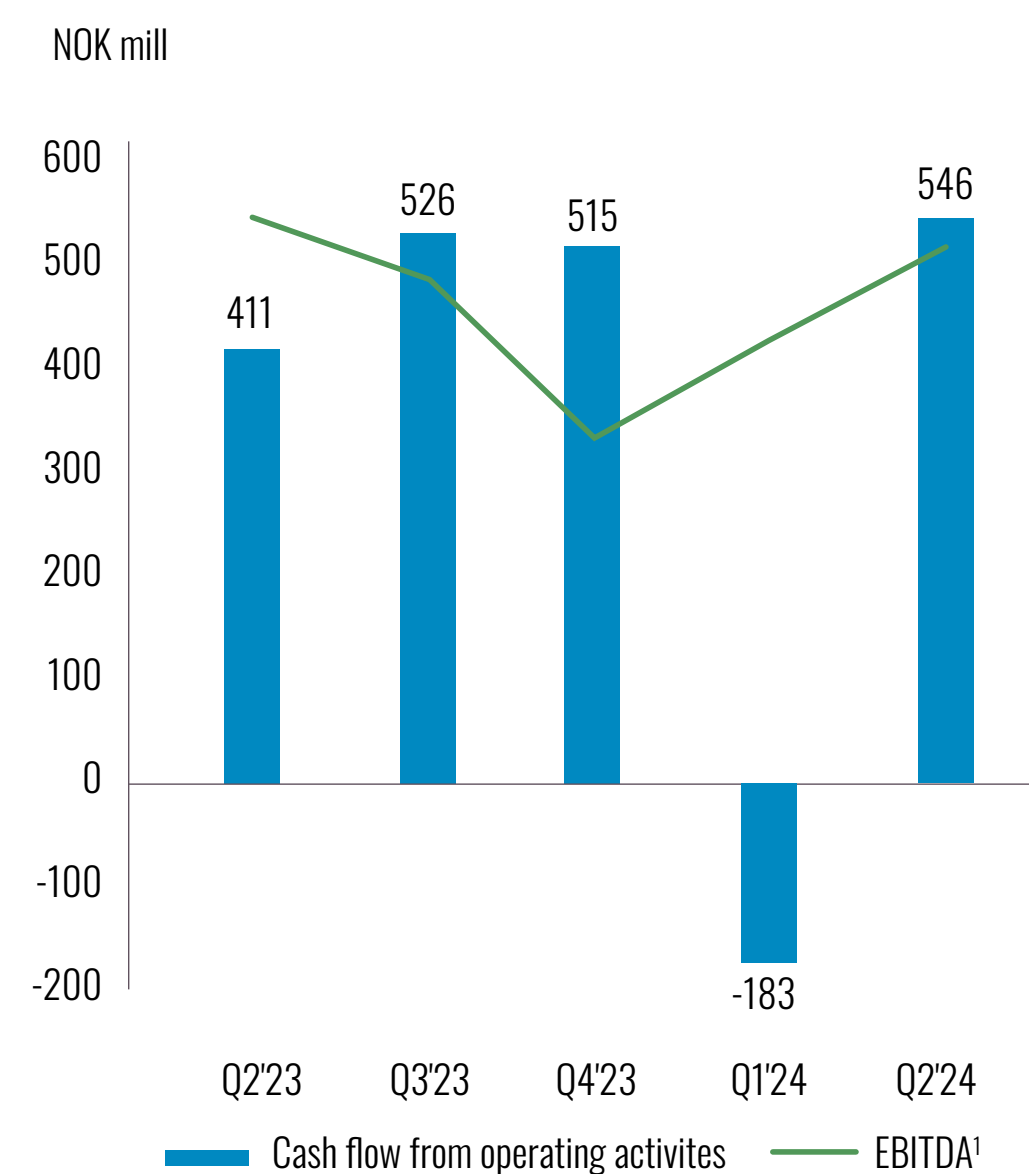
The increased result in BioSolutions was due to higher sales volume, improved product mix and reduced energy costs. In BioMaterials, total sales volume was 8% higher than the 1st half of 2023. However, lower sales prices, higher wood costs and an increase in other operating expenses were the main reasons for the reduced EBITDA¹. The result in Fine Chemicals was impacted by higher costs for both fine chemical intermediates and bioethanol. Deliveries increased for fine chemical intermediates. The net currency effects were negative for the Group.

Operating profit was NOK 682 million (NOK 739 million). Net financial items amounted to NOK -99 million (NOK -68 million). Profit before tax was NOK 583 million (NOK 671 million). Tax expense was NOK -138 million (NOK -162 million), giving a tax rate of 24% (24%).

Earnings per share were NOK 4.45 (NOK 5.16).

In the 1st half of 2024, cash flow from operating activities was NOK 363 million (NOK 522 million). The decline compared with the 1st half of 2023 was mainly due to an increase in net working capital. Tax payments and net financial costs were higher compared with the 1st half of 2023. In addition, the cash effect from a lower EBITDA¹ was negative.

CASH FLOW FROM OPERATING ACTIVITIES



¹Alternative performance measure, see page 23 for definition.

²Figures in parentheses are for the corresponding period in the previous year.

BUSINESS AREAS

BIOSOLUTIONS

Amounts in NOK million	1.4 - 30.6		1.1 - 30.6		1.1 - 31.12
	2024	2023	2024	2023	2023
Operating revenues	1,117	1,087	2,205	2,082	3,944
EBITDA ¹	318	284	582	508	915
EBITDA margin ¹ (%)	28.5	26.1	26.4	24.4	23.2

SECOND QUARTER

Operating revenues in BioSolutions reached NOK 1,117 million (NOK 1,087 million). EBITDA¹ increased to NOK 318 million (NOK 284 million).

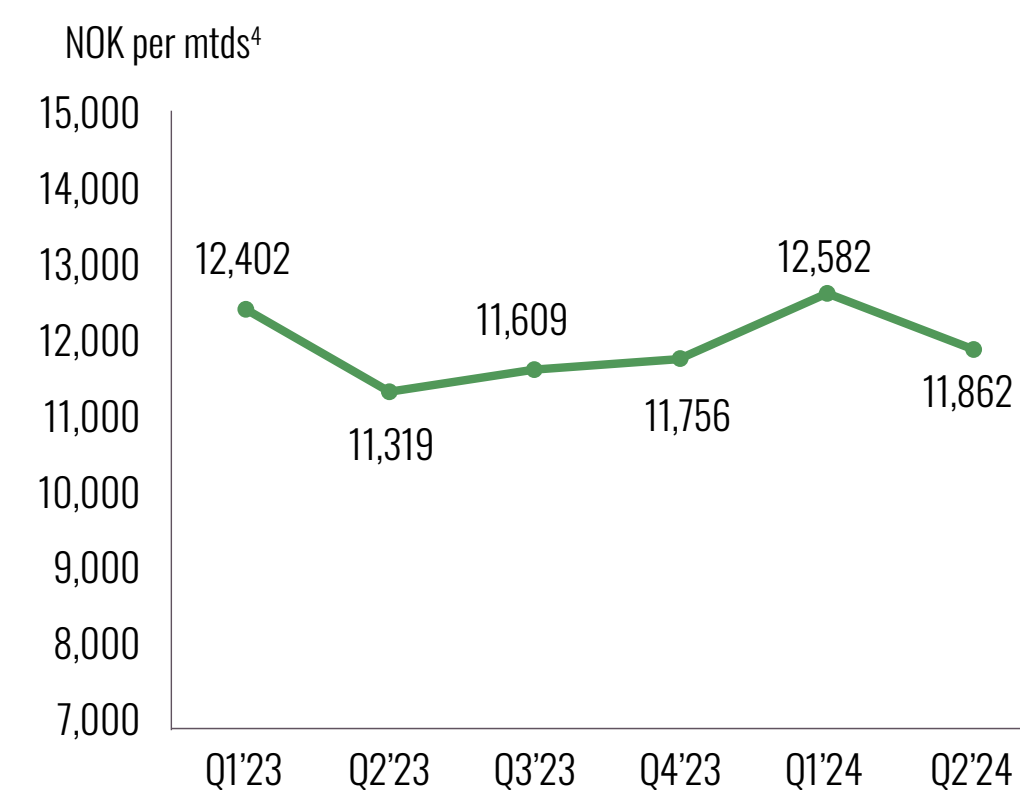
Improved product mix and reduced energy costs were the main reasons for a strong result. These effects were partly offset by cost inflation and a negative net currency impact.

The average price in sales currency was 5% above the same quarter in 2023 due to the improved product mix. The development in sales to agriculture and batteries was strong.

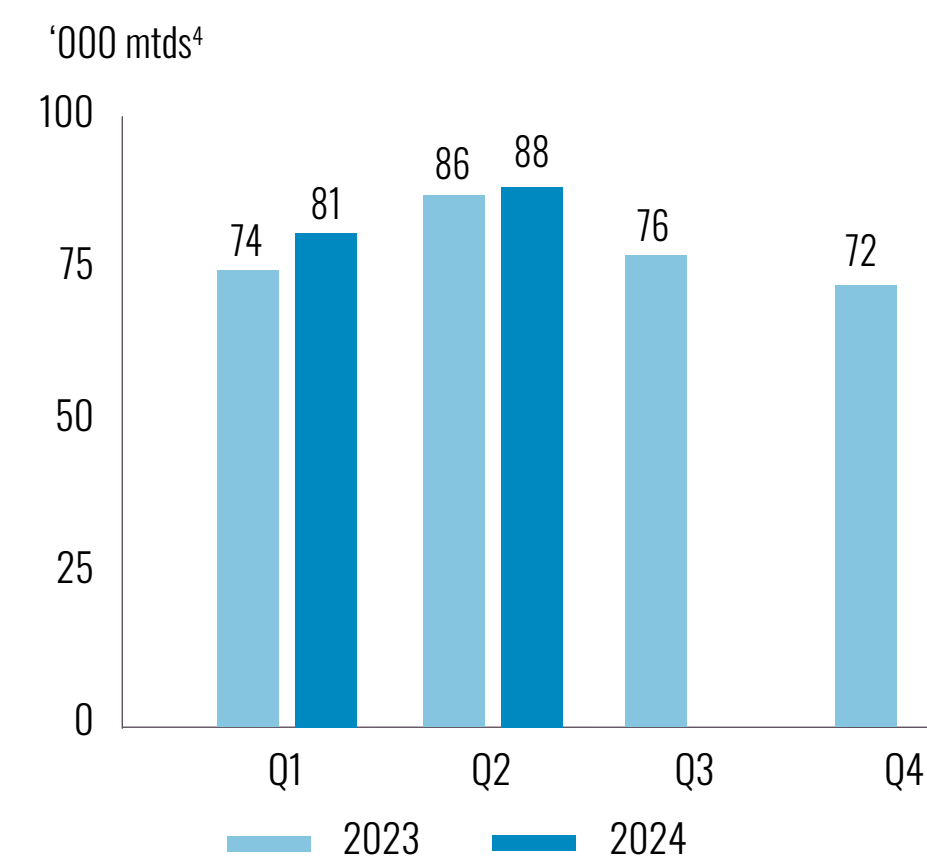
The total sales volume was 2% higher than in the corresponding quarter in 2023, positively affected by increased sales of specialities.

The biovanillin market continued to be impacted by the high global supply of synthetic vanillin products.

AVERAGE GROSS SALES PRICE³



SALES VOLUME



Sales price and sales volume include lignin-based biopolymers and biovanillin.

³Average sales price is calculated using actual FX rates, excluding hedging impact.

⁴Metric tonne dry solid.

FIRST HALF

In the 1st half of 2024, BioSolutions' operating revenues increased to NOK 2,205 million (NOK 2,082 million). EBITDA¹ reached NOK 582 million (NOK 508 million).

The increased result was due to higher sales volume, improved product mix and reduced energy costs. These effects were partly offset by cost inflation and a negative net currency impact.

The average price in sales currency was 2% higher than in the 1st half of 2023 due to the improved product mix with strong development in sales to agriculture and batteries.

Total sales volume was 6% higher than in the 1st half of 2023 with a strong development in sales of specialities.

The biovanillin market was impacted by the high global supply of synthetic vanillin products.

¹ Alternative performance measure, see page 23 for definition.

² Figures in parentheses are for the corresponding period in the previous year.



BIOMATERIALS

Amounts in NOK million	1.4 - 30.6		1.1 - 30.6		1.1 - 31.12
	2024	2023	2024	2023	2023
Operating revenues	622	661	1,326	1,345	2,439
EBITDA ¹	90	143	201	270	534
EBITDA margin ¹ (%)	14.5	21.6	15.2	20.1	21.9

SECOND QUARTER

Operating revenues in BioMaterials were NOK 622 million (NOK 661 million). EBITDA¹ was NOK 90 million (NOK 143 million).

The result was affected by lower sales prices, higher wood costs and an increase in other operating expenses, mainly due to cost inflation. These effects were partly offset by a higher sales volume. Net currency effects were negative.

The average price in sales currency was in line with the 1st quarter of 2024 and was 8% lower than in the 2nd quarter of 2023.

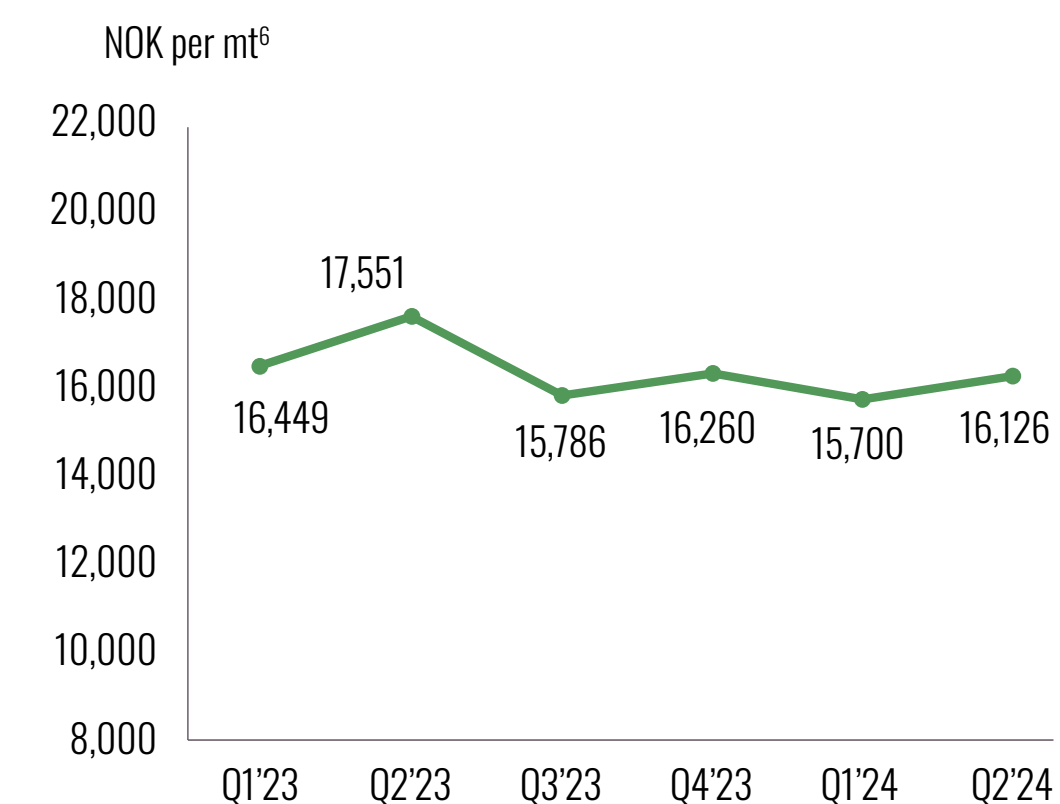
FIRST HALF

Operating revenues were NOK 1,326 million (NOK 1,345 million). EBITDA¹ was NOK 201 million (NOK 270 million).

Total sales volume was 8% higher than the first half of 2023. However, lower sales prices, higher wood costs and an increase in other operating expenses were the main reasons for the reduced EBITDA¹. Net currency effects were negative.

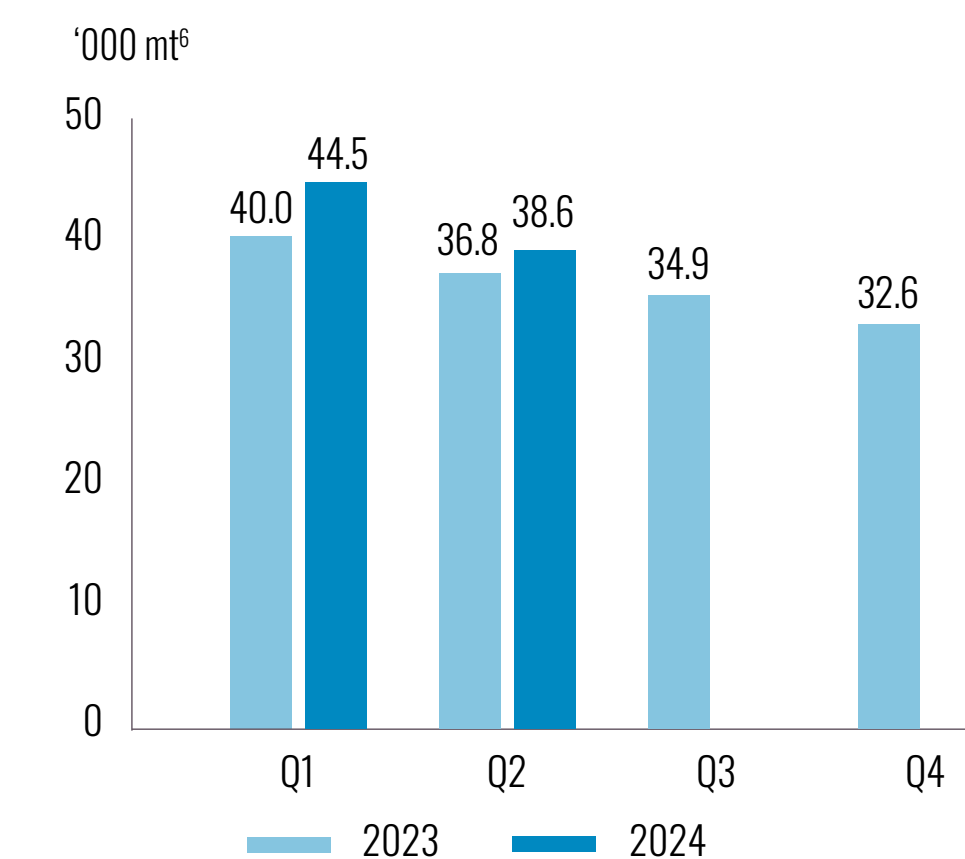
The average price in sales currency was 8% lower than in the same period last year.

AVERAGE GROSS SALES PRICE⁵



Sales price include speciality cellulose and cellulose fibrils.

SALES VOLUME



Sales volume include speciality cellulose and cellulose fibrils

¹ Alternative performance measure, see page 23 for definition.

² Figures in parentheses are for the corresponding period in the previous year.

⁵ Average sales price is calculated using actual FX rates, excluding hedging impact.

⁶ Metric tonne.

FINE CHEMICALS

Amounts in NOK million	1.4 - 30.6		1.1 - 30.6		1.1 - 31.12
	2024	2023	2024	2023	2023
Operating revenues	223	227	415	407	786
EBITDA ¹	102	110	169	194	332
EBITDA margin ¹ (%)	45.7	48.5	40.7	47.7	42.2

SECOND QUARTER

Fine Chemicals' operating revenues were NOK 223 million (NOK 227 million). EBITDA¹ was NOK 102 million (NOK 110 million).

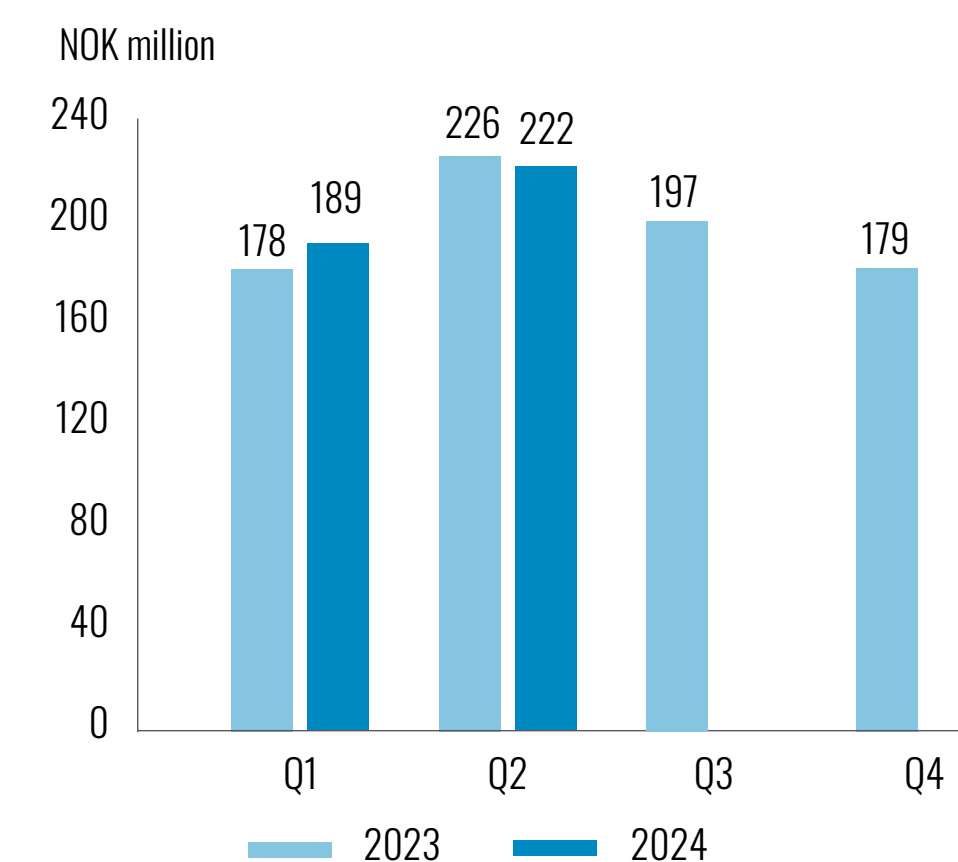
Fine Chemicals had a solid result in the quarter. High deliveries and stable prices for bioethanol and a favourable product mix for fine chemical intermediates contributed positively to the result. Higher costs and slightly lower deliveries for bioethanol were the main reasons for a lower result compared with the 2nd quarter of 2023. The net currency impact was slightly negative.

FIRST HALF

Operating revenues in Fine Chemicals increased to NOK 415 million (NOK 407 million). EBITDA¹ was NOK 169 million (NOK 194 million).

The results for both fine chemical intermediates and bioethanol were reduced compared with the 1st half of 2023. For fine chemical intermediates, deliveries increased whereas sales prices were reduced as a result of price reduction for the main raw material. Other costs increased. For bioethanol, the result was impacted by higher costs. The net currency impact was negative.

FINE CHEMICALS – SALES REVENUES



Sales revenues include fine chemical intermediates and bioethanol.

¹ Alternative performance measure, see page 23 for definition.

FOREIGN EXCHANGE AND HEDGING

Borregaard has a significant currency exposure which is hedged according to the company's hedging strategy. The impact of currency rate fluctuations will be delayed as a result of the currency hedging strategy. Compared with the 2nd quarter of 2023, the net impact of foreign exchange on EBITDA¹, including hedging effects, was NOK -30 million. Hedging effects were NOK -97 million (NOK -65 million) in the quarter.

Compared with the 1st half of 2023, the net impact of foreign exchange on EBITDA¹, including hedging effects, was NOK -35 million. Hedging effects were NOK -186 million (NOK -113 million) in the 1st half.

Assuming currency rates as of 16 July 2024 (USD 10.81 and EUR 11.78) and based on currency exposure forecasts, Borregaard

expects a net impact of foreign exchange on EBITDA¹ of approximately NOK 15 million in the 3rd quarter of 2024 and NOK -15 million for the full year of 2024, compared with the corresponding periods last year.

CASH FLOW AND FINANCIAL SITUATION

SECOND QUARTER

Cash flow from operating activities in the 2nd quarter was NOK 546 million (NOK 411 million). The cash flow was positively affected by a significant decrease in net working capital, mainly due to a reduction in accounts receivable. Net financial costs and tax payments were higher compared with the same quarter last year.

FIRST HALF

In the 1st half of 2024, cash flow from operating activities was NOK 363 million (NOK 522 million). The decline compared with the 1st half of 2023 was mainly due to an increase in net working capital. Tax payments and net financial costs were higher

compared with the 1st half of 2023. In addition, the cash effect from a lower EBITDA¹ was negative.

Investments amounted to NOK 287 million (NOK 368 million). Replacement investments were NOK 232 million (NOK 190 million), where the largest expenditure was related to the investment to reduce CO₂ emissions, improve energy efficiency and increase energy flexibility at the biorefinery in Norway. Expansion investments¹ totalled NOK 55 million (NOK 178 million), where the largest expenditure was related to specialisation projects within BioSolutions.

Dividend of NOK 374 million (NOK 324 million) was paid out in the 2nd quarter. In the 1st half of 2024, the Group has sold and repurchased treasury shares with net proceeds of NOK -6 million (NOK -4 million). Realised effect of hedging of net investments in subsidiaries was NOK -40 million (NOK -88 million).

On 30 June 2024, the Group had net interest-bearing debt¹ totalling NOK 2,170 million (NOK 2,218 million), an increase of NOK 379 million from year-end 2023.

At the end of June, the Group was well capitalised with an equity ratio¹ of 53.9% (47.4%) and a leverage ratio¹ of 1.23 (1.25).

¹Alternative performance measure, see page 23 for definition.

SUSTAINABILITY

Environment, health and safety (EHS) are integral parts of Borregaard’s business model.

Greenhouse gas emissions (scope 1 and 2) have decreased by 8% due to lower use of fossil fuel for heat energy. The electrification of the spray driers in Sarpsborg contributed positively. Rolling 12 months emissions of COD are stable. 2nd half of 2023 had

all-time-low emissions due to process improvements. However, 1st half of 2024 had a higher level due to lower performance in the purification processes.

There were no fatal or high consequence work-related injuries in the 1st half of 2024. The total recordable injuries per million hours worked (TRIF, rolling 12 months) were 7.1 (4.4). The number of

lost time injuries was one in the 1st half of 2024 (one in 2023). Sick leave was 3.9% (4.1%).

The table below shows key sustainability measures and targets. For further details on parameters and targets, see Borregaard’s [Annual Report 2023](#).

All figures are rolling 12 months	30.6.2024	30.6.2023	31.12.2023	Target 2024	Target 2030
Greenhouse gas emissions (Scope 1 and 2, `000 tonnes)	192	212	197	< 197	42% reduction from 2020
COD (organic material) in process water discharged	49 t/day	49 t/day	46 t/day	49 t/day	40 t/day
Total recordable injuries per million hours worked	7.1	4.4	5.3	< 3,5	-
Sick leave %	3.9 %	4.1 %	3.9 %	< 4%	< 3%

* Emission figures as of 30.6.2024 are based on best estimate at the time of reporting.

SHARE INFORMATION

During the 2nd quarter, 150,000 share options were exercised at a strike price of NOK 87.60 per share and 6,000 share options were exercised at a strike price of NOK 168.70 per share.

In the 2nd quarter of 2024, Borregaard repurchased a total of 146,922 treasury shares at an average price of NOK 193.96.

Total number of shares outstanding on 30 June 2024 was 100 million, including 250,200 treasury shares. Total number of shareholders was 8,541. Borregaard ASA's share price was NOK 192.40 at the end of the 2nd quarter (NOK 171.40 at the end of 2023).

OTHER MATTERS AND SUBSEQUENT EVENTS

BORREGAARD INVESTS FURTHER INTO ALGINOR

Borregaard has participated with its fully diluted pro-rata share (35%) in the NOK 400 million capital raise in the marine biotech company Alginor to fund the next step of its biorefinery expansion. The funds from Borregaard were pre-committed. See notice to Oslo Stock Exchange on 19 June 2024.

Alginor has carried out a repair offering towards existing and new shareholders and a subsequent offering towards Borregaard to ensure that Borregaard retains its 35% fully diluted ownership in Alginor.

After these transactions, which were executed in July, Borregaard's investment in Alginor amounts to NOK 419 million.

ANTI-DUMPING INVESTIGATIONS – CHINESE VANILLIN

Both in EU and the US, anti-dumping investigations have been initiated for all grades of vanillin produced in China, including synthetic vanillin, ethyl vanillin, natural vanillin and biobased vanillin. This may lead to a positive price and demand impact for biovanillin from Borregaard, depending on the outcome and timeline of the investigations.

OUTLOOK

In 2024, the total sales volume for BioSolutions is forecast to be approximately 330,000 tonnes. The total sales volume in the 3rd quarter is expected to be 80-85,000 tonnes. For biovanillin, the market will continue to be impacted by the high global supply of synthetic vanillin products.

For BioMaterials, the total sales volume is forecast to be higher than the production output. Sales volume of highly specialised grades is expected to be higher than in 2023. In the 3rd quarter of 2024, sales volume is expected to be 42-44,000 tonnes. Sales price increases have been implemented for certain cellulose grades in the 2nd half with a positive impact of 1-2% on the total sales volume.

Sales volume for fine chemical intermediates is expected to increase compared with 2023. In bioethanol, sales prices and volume are expected to be largely in line with 2023. The market conditions for advanced bioethanol continue to be favourable in several European countries.

Wood costs will increase by approximately 8% in the 2nd half of 2024 compared with the 1st half of 2024. In the 3rd quarter of 2024, lower energy and other raw material costs are expected to partly compensate for the increased wood costs compared with the 3rd quarter of 2023. In the 2nd half of 2024, Borregaard will benefit from the investment to reduce CO₂ emissions, improve energy efficiency and increase flexibility to switch between alternative energy sources.

War and conflicts in Ukraine and the Middle East as well as uncertainty in the global economy may impact Borregaard's markets and costs. Borregaard will continue to closely monitor markets and costs development and implement relevant measures if required.

Sarpsborg, 16 July 2024
The Board of Directors of Borregaard ASA



STATEMENT BY THE BOARD OF DIRECTORS

We confirm that, to the best of our knowledge, the unaudited interim condensed financial statements for the period 1 January to 30 June 2024, have been prepared in accordance with IAS 34 Interim Financial Reporting, and that the information in the financial statements gives a true and fair view of the business

of the Group and the Group's assets, liabilities, financial position and overall results, and that the half year report provides a fair overview of the information set out in the Norwegian Securities Trading Act section 5-6, fourth paragraph.

Sarpsborg, 16 July 2024
The Board of Directors of Borregaard ASA

Signed
HELGE AASEN
Chair

Signed
TERJE ANDERSEN

Signed
TOVE ANDERSEN

Signed
MARGRETHE HAUGE

Signed
JOHN ARNE ULVAN

Signed
RAGNHILD ANKER EIDE

Signed
ARUNDEL KRISTIANSEN

Signed
PER A. SØRLIE
President and CEO



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THE GROUP'S INTERIM CONDENSED INCOME STATEMENT

Amounts in NOK million	Note	1.4 - 30.6		1.1 - 30.6		1.1 - 31.12
		2024	2023	2024	2023	2023
Operating revenues	2	1,949	1,963	3,924	3,813	7,132
Operating expenses		-1,439	-1,426	-2,972	-2,841	-5,351
Depreciation property, plant and equipment		-134	-116	-267	-230	-485
Amortisation intangible assets		-2	-2	-3	-3	-5
Operating profit		374	419	682	739	1,291
Financial items, net	3	-52	-40	-99	-68	-167
Profit before taxes		322	379	583	671	1,124
Income tax expense	4	-77	-91	-138	-162	-268
Profit for the period		245	288	445	509	856
Profit attributable to non-controlling interests		1	5	1	-5	-14
Profit attributable to owners of the parent		244	283	444	514	870
EBITDA¹		510	537	952	972	1,781

INTERIM EARNINGS PER SHARE

Amounts in NOK		1.4 - 30.6		1.1 - 30.6		1.1-31.12
		2024	2023	2024	2023	2023
Earnings per share (100 mill. shares)	5	2.45	2.84	4.45	5.16	8.73
Diluted earnings per share	5	2.44	2.83	4.45	5.14	8.71

¹Alternative performance measure, see page 23 for definition.

THE GROUP'S INTERIM CONDENSED COMPREHENSIVE INCOME STATEMENT

Amounts in NOK million	Note	1.4 - 30.6		1.1 - 30.6		1.1 - 31.12
		2024	2023	2024	2023	2023
Profit for the period		245	288	445	509	856
Items not to be reclassified to P&L		-	-	-	-	-
Actuarial gains and losses (after tax)		-	-	-	-	46
Total		-	-	-	-	46
Items to be reclassified to P&L		-	-	-	-	-
Change in hedging-reserve after tax (cash flow)	7	227	-151	-32	-557	-129
Change in hedging-reserve after tax (net investment in subsidiaries)	7	14	-22	-35	-69	-25
Translation effects		-30	40	44	122	45
Total		211	-133	-23	-504	-109
The Group's comprehensive income		456	155	422	5	793
Comprehensive income non-controlling interests		0	7	3	-	-12
Comprehensive income owners of the parent		456	148	419	5	805

THE GROUP'S INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

Amounts in NOK million	Note	30.6.2024	31.12.2023
Intangible assets	12	76	84
Property, plant and equipment	12	4,782	4,661
Right-of-use assets		497	527
Other assets	8	390	437
Investments in joint venture/associate companies	3	278	289
Non-current assets		6,023	5,998
Inventories		1,356	1,447
Receivables	8	1,494	1,201
Cash and cash deposits	10	311	469
Current assets		3,161	3,117
Total assets		9,184	9,115
Group equity	9	4,907	4,855
Non-controlling interests		42	39
Equity		4,949	4,894
Provisions and other liabilities		366	401
Interest-bearing liabilities	8, 10	2,005	2,016
Non-current liabilities		2,371	2,417
Interest-bearing liabilities	8, 10	478	246
Other current liabilities	8	1,386	1,558
Current liabilities		1,864	1,804
Equity and liabilities		9,184	9,115
Equity ratio ¹		53.9 %	53.7 %

INTERIM CONDENSED CHANGES IN EQUITY

Amounts in NOK million	Note	1.1 - 30.6.2024			1.1 - 31.12.2023		
		Controlling interests	Non-controlling interests	Total equity	Controlling interests	Non-controlling interests	Total equity
Equity 1 January		4,855	39	4,894	4,394	51	4,445
Profit/loss for the period		444	1	445	870	-14	856
Items in Comprehensive Income	7	-25	2	-23	-65	2	-63
The Group's Comprehensive income	7	419	3	422	805	-12	793
Paid dividend		-374	-	-374	-324	-	-324
Buy-back of treasury shares		-56	-	-56	-92	-	-92
Exercise of share options		29	-	29	32	-	32
Shares to employees		28	-	28	30	-	30
Option costs (share based payment)		6	-	6	10	-	10
Transactions with non-controlling interests		-	-	-	-	-	-
Equity at the end of the period		4,907	42	4,949	4,855	39	4,894

¹ Alternative performance measure, see page 23 for definition.

THE GROUP'S INTERIM CONDENSED CASH FLOW STATEMENT

Amounts in NOK million	Note	1.4 - 30.6		1.1 - 30.6		1.1 - 31.12
		2024	2023	2024	2023	2023
Profit before taxes		322	379	583	671	1,124
Amortisation, depreciation and impairment charges		136	118	270	233	490
Changes in net working capital, etc.		194	19	-272	-174	205
Dividend/share of profit from JV & associate company	3	7	2	10	8	9
Taxes paid		-113	-107	-228	-216	-265
Cash flow from operating activities		546	411	363	522	1,563
Investments property, plant and equipment and intangible assets *		-172	-137	-287	-244	-667
Investments in associate companies* and bio-based start-ups	3	-	-124	-	-124	-171
Other capital transactions		4	3	7	5	9
Cash flow from investing activities		-168	-258	-280	-363	-829
Dividends		-374	-324	-374	-324	-324
Proceeds from exercise of options/shares to employees	9	15	4	50	45	49
Buy-back of treasury shares	6	-28	-8	-56	-49	-92
Gain/(loss) on hedges for net investments in subsidiaries		10	-30	-40	-88	-38
Net paid to/from shareholders		-377	-358	-420	-416	-405
Proceeds from interest-bearing liabilities	10	500	800	500	800	800
Repayment from interest-bearing liabilities	10	-357	-446	424	-460	-843
Change in interest-bearing liabilities/other instruments	10	-6	19	30	60	33
Change in net interest-bearing liabilities		137	373	106	400	-10
Cash flow from financing activities		-240	15	-314	-16	-415
Change in cash and cash equivalents		138	168	-231	143	319

THE GROUP'S INTERIM CONDENSED CASH FLOW STATEMENT cont.

Amounts in NOK million	Note	1.4 - 30.6		1.1 - 30.6		1.1 - 31.12
		2024	2023	2024	2023	2023
Cash and cash equivalents at beginning of period		81	105	429	111	111
Change in cash and cash equivalents		138	168	-231	143	319
Currency effects cash and cash equivalents		-7	5	14	24	-1
Cash and cash equivalents at the close of the period	10	212	278	212	278	429

*Investment by category

Replacement investments		137	103	232	190	550
Expansion investments ¹ including investment in associate companies and bio-based start-ups		35	158	55	178	288
Total investments including investment in associate companies and bio-based start-ups		172	261	287	368	838

¹Alternative performance measure, see page 23 for definition.

NOTES

NOTE 01 Organisation and basis for preparation

GENERAL INFORMATION

Borregaard ASA is incorporated and domiciled in Norway. The address of its registered office is Hjalmar Wessels vei 6, Sarpsborg.

Basis for preparation

These unaudited Interim Condensed Consolidated Financial Statements are prepared in accordance with IAS 34 Interim Financial Reporting. Borregaard ASA is the parent company of the Borregaard Group presented in these Interim Condensed Consolidated Financial Statements.

The same accounting principles and methods of calculation have been applied as in the Consolidated Financial Statements for 2023 for the Borregaard Group.

Use of estimates

The same use of estimates has been applied as in the Consolidated Financial Statements for 2023.

NOTE 02 Segments

OPERATING REVENUES

Amounts in NOK million	1.4 - 30.6		1.1 - 30.6		1.1 - 31.12
	2024	2023	2024	2023	2023
Borregaard	1,949	1,963	3,924	3,813	7,132
BioSolutions	1,117	1,087	2,205	2,082	3,944
BioMaterials	622	661	1,326	1,345	2,439
Fine Chemicals	223	227	415	407	786
Eliminations	-13	-12	-22	-21	-37

There is limited intercompany sales between the different segments and eliminations consist essentially of allocations from the corporate headquarter.

¹ Alternative performance measure, see page 23 for definition.

EBITDA¹

Amounts in NOK million	1.4 - 30.6		1.1 - 30.6		1.1 - 31.12
	2024	2023	2024	2023	2023
Borregaard	510	537	952	972	1,781
BioSolutions	318	284	582	508	915
BioMaterials	90	143	201	270	534
Fine Chemicals	102	110	169	194	332
Reconciliation against operating profit & profit before tax					
EBITDA¹	510	537	952	972	1,781
Depreciations and write downs	-134	-116	-267	-230	-485
Amortization intangible assets	-2	-2	-3	-3	-5
Operating profit	374	419	682	739	1,291
Financial items, net	-52	-40	-99	-68	-167
Profit before taxes	322	379	583	671	1,124

SALES REVENUES

Amounts in NOK million	1.4 - 30.6		1.1 - 30.6		1.1 - 31.12
	2024	2023	2024	2023	2023
Borregaard	1,923	1,937	3,871	3,762	7,024
BioSolutions	1,090	1,062	2,156	2,035	3,849
BioMaterials	611	649	1,304	1,323	2,395
Fine Chemicals	222	226	411	404	780
Eliminations	-	-	-	-	-

Operating revenues consist of sales revenues and other revenues such as commissions, revenues from waste received for incineration etc.

NOTE 03 Financial items**NET FINANCIAL ITEMS**

Amounts in NOK million	1.4 - 30.6		1.1 - 30.6		1.1 - 31.12
	2024	2023	2024	2023	2023
Net interest expenses	-42	-35	-81	-64	-141
Currency gain/loss	-2	-1	-2	5	-15
Share of profit/-loss from an associate	-7	-1	-10	-3	-9
Other financial items, net	-1	-3	-6	-6	-2
Net financial items	-52	-40	-99	-68	-167

Borregaard holds 35% of the shares in Alginor ASA on a fully diluted basis, see Note 13. Borregaard also holds 12% of the shares in Kaffe Bueno ApS as of 30 June 2024.

Other financial items, net includes changes in committed return on the Group's unfunded pension plan.

NOTE 04 Income tax expense

The tax rate of 23.7% (24.1%) for the first six months of 2024 is a compilation of the tax rates in the various countries in which Borregaard operates and has taxable income. The corporate income tax rate in Norway is 22%.

In addition to the compilation of the tax rates in the various countries in which Borregaard operates and has taxable income, the income tax rate for the Group is also impacted by the following: LignoTech Florida is a limited liability company (LLC) which is taxed on the owners' hand. Profit before tax is 100% consolidated in

the Borregaard Group, whereas the tax expense is calculated based on Borregaard's 55% ownership. Consequently, profit attributable to non-controlling interests for LignoTech Florida (45%) is calculated on profit before tax. Share of profit after tax from the associated companies, Alginor ASA and Kaffe Bueno ApS, is accounted for as part of operating profit and profit before tax. There are carry forward losses in the Group which will not be recognised as deferred tax assets, and hence increase the Group's tax rate.

NOTE 05 Earnings per share (EPS)

The share capital consists of 100 million shares. The company holds 250,200 treasury shares. As of 30 June 2024, there are 99,823,309 diluted shares

(99,753,4595 as of 31 December 2023). Earnings per diluted share were NOK 2.44 in the 2nd quarter (NOK 2.83 in the 2nd quarter of 2023).

¹ Alternative performance measure, see page 23 for definition.

NOTE 06 Stock options

During the 2nd quarter, 150,000 share options at a strike price of NOK 87.60 per share and 6,000 share options at a strike price of NOK 168.70 per share were exercised.

The Group Executive Management and other key employees hold a total of 1,144,000 stock options in five different share option programmes in Borregaard.

Stock options	Issued 2020	Issued 2021	Issued 2022	Issued 2023	Issued 2024
Number of stock options	80,000	243,000	200,000	250,000	371,000
Strike price (NOK)*	87.60	167.70	216.75	187.00	195.35
Vesting period	3 years	3 years	3 years	3 years	3 years
Expiry date	13 February 2025	16 February 2026	17 February 2027	1 March 2028	27 February 2029

* Strike prices as at 30 June 2024 have been adjusted for dividend paid since issuance of stock options.

NOTE 07 Statement of comprehensive income

The statement of comprehensive income shows changes in the value of hedging instruments, both cash flow hedges and hedges of net investments in subsidiaries (hedging reserve).

These figures are presented after tax.

Amounts in NOK million	30.6.2024		30.6.2023		31.12.2023	
	Cash flow hedges	Hedges of net investments in subsidiaries	Cash flow hedges	Hedges of net investments in subsidiaries	Cash flow hedges	Hedges of net investments in subsidiaries
Tax effect year-to-date	-78	-82	-190	-84	-69	-72
Hedging reserve after tax	-277	-256	-673	-265	-245	-221

NOTE 08 Fair value hierarchy

For financial instruments that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

The following measurement levels are used for determining the fair value of financial instruments:

- **Level 1** – Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities
- **Level 2** – Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable)
- **Level 3** – Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable)

There were transfer of financial instruments from level 1 to level 2 from 2023 to the 1st quarter of 2024. There have been no transfers from the 1st to the 2nd quarter of 2024. Borregaard consequently has no items defined as level 1. The bond is determined as measurement level 3. The fair value of the bond is deemed to equal its book value.

Set out below is a comparison of the carrying amount and the fair value of financial instruments as of 30 June 2024:

FINANCIAL ASSETS

Amounts in NOK million	Level	30.6.2024		31.12.2023	
		Carrying amount	Fair value	Carrying amount	Fair value
Non-current financial receivables	2	186	186	185	185
Non-current derivatives	2	44	44	93	93
Share investments	1	-	-	28	28
Share investments	2	28	28	-	-
Current derivatives	2	15	15	31	31
Total financial assets		273	273	337	337

FINANCIAL LIABILITIES

Non-current financial liabilities	2, 3	2,007	2,007	2,018	2,018
Non-current derivatives	2	143	143	176	176
Current financial liabilities	2	478	478	246	246
Current derivatives	2	274	274	255	255
Total financial liabilities		2,902	2,902	2,695	2,695

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

Amounts in NOK million	Level 1	Level 2	Level 3
Financial instruments 30.6.2024	-2,629	-	-500
Financial instruments 31.12.2023	28	-1,886	-500

The financial instruments are measured based on observable spot exchange rates, the yield curves of the respective currencies as well as the currency basis spreads between the respective currencies.

NOTE 9 Compilation of Equity

Amounts in NOK million	30.6.2024	31.12.2023
Share capital	100	100
Treasury shares	-	-
Share premium	1,346	1,346
Other paid-in capital	1,016	953
Translation effects	293	251
Hedging reserve (after tax)	-533	-466
Actuarial gains/Losses	88	88
Retained earnings	2,597	2,583
Group equity (controlling interests)	4,907	4,855

As of 30 June 2024, the company held 250,200 treasury shares at an average cost of NOK 189.01.

NOTE 10 Net interest-bearing debt¹

The various elements of net interest-bearing debt are shown in the following table:

Amounts in NOK million	30.6.2024	31.12.2023
Non-current interest-bearing liabilities	2,005	2,016
Current interest-bearing liabilities including overdraft of cashpool	478	246
Non-current interest-bearing receivables (included in "Other Assets")	-2	-2
Cash and cash deposits	-311	-469
Net interest-bearing debt¹	2,170	1,791
- of which impact of IFRS 16 Leases	539	563

¹Alternative performance measure, see page 23 for definition.

NOTE 11 Related parties

The members of the Group Executive Management of Borregaard held a total of 522,000 stock options in the Company as of 30 June 2024.

NOTE 12 Assessments relating to impairment

No impairment indicators have been identified in the Borregaard Group's property, plant and equipment or intangible assets in the 2nd quarter of 2024.

NOTE 13 Other matters and subsequent events**Borregaard invests further into Alginor**

Borregaard has participated with its fully diluted pro-rata share (35%) in the NOK 400 million capital raise in the marine biotech company Alginor to fund the next step of its biorefinery expansion. The funds from Borregaard were pre-committed. See notice to Oslo Stock Exchange on 19 June 2024.

Alginor has carried out a repair offering towards existing and new shareholders and a subsequent offering towards Borregaard to ensure that Borregaard retains its 35% fully diluted ownership in Alginor.

After these transactions, which were executed in July, Borregaard's investment in Alginor amounts to NOK 419 million.

There have been no other events after the balance sheet date that would have had a material impact on the financial statements, or the assessments carried out.

ALTERNATIVE PERFORMANCE MEASURES

In the discussion of the reported operating results, financial position and cash flows, Borregaard refers to certain measures which are not defined by generally accepted accounting principles (GAAP) such as IFRS. Borregaard management makes regular use of these Alternative Performance Measures and is of the opinion that this information, along with comparable GAAP

measures, is useful to investors who wish to evaluate the company's operating performance, ability to repay debt and capability to pursue new business opportunities. Such Alternative Performance Measures should not be viewed in isolation or as an alternative to the equivalent GAAP measure.



EBITDA

Description

EBITDA is defined by Borregaard as operating profit before depreciation, amortisation and other income and expenses.

Reason for including

Shows performance regardless of capital structure, tax situation and adjusted for income and expenses related transactions and events not considered by management to be part of operating activities. Management believes the measure enables an evaluation of operating performance.

EBITDA	1.4 - 30.6		1.1 - 30.6		1.1 - 31.12
	2024	2023	2024	2023	2023
Operating profit	374	419	682	739	1,291
Other income and expenses	-	-	-	-	-
Amortisation intangible assets	2	2	3	3	5
Depreciation and impairment property, plant and equipment	134	116	267	230	485
EBITDA	510	537	952	972	1,781

EBITDA MARGIN

Description

EBITDA margin is defined by Borregaard as EBITDA divided by operating revenues.

Reason for including

Shows the operations' performance regardless of capital structure and tax situation as a ratio to operating revenue.

EBITDA MARGIN	1.4 - 30.6		1.1 - 30.6		1.1 - 31.12
	2024	2023	2024	2023	2023
EBITDA	510	537	952	972	1,781
Operating revenues	1,949	1,963	3,924	3,813	7,132
EBITDA margin (%) (EBITDA/operating revenues)	26.2	27.4	24.3	25.5	25.0

EQUITY RATIO

Description

Equity ratio is defined by Borregaard as equity (including non-controlling interests) divided by equity and liabilities.

Reason for including

Equity ratio is an important measure in describing the capital structure.

EQUITY RATIO	30.6.2024	30.6.2023	31.12.2023
Total equity	4,949	4,134	4,894
Equity & liabilities	9,184	8,728	9,115
Equity ratio (%) (total equity/equity & liabilities)	53.9	47.4	53.7

EXPANSION INVESTMENTS

Description

Borregaard's investments are either categorised as replacement or expansion. Expansion investments is defined by Borregaard as investments made in order to expand production capacity, produce new products or to improve the performance of existing products. Such investments include business acquisitions, investments in bio-based start-ups, pilot plants, capitalised research and development costs and new distribution set-ups.

Reason for including

Borregaard's strategic priorities are specialisation and diversification, increase value added from the biorefinery, develop business areas and to continue emphasis on ESG along the entire value chain. To be able to deliver on those priorities, expansion investments are needed. As such, expansion investments are important information for investors. One of Borregaard's financial objectives is to have an internal rate of return >15% pre-tax for expansion investments.

	1.4 - 30.6		1.1 - 30.6		1.1 - 31.12
EXPANSION INVESTMENTS	2024	2023	2024	2023	2023
Total investments including investment in associate companies and bio-based start-ups	172	261	287	368	838
Replacement investments	-137	-103	-232	-190	-550
Expansion investments including investment in associate companies and bio-based start-ups	35	158	55	178	288

OTHER INCOME AND EXPENSES

Description

Other income and expenses are defined by Borregaard as non-recurring items or items related to other periods or to a discontinued business or activity. These items are not viewed as reliable indicators of future earnings based on the business areas' normal operations. These items will be included in the Group's operating profit.

Reason for including

To be able to compare the EBITDA of different reporting periods, significant non-recurring items not directly related to operating activities, are included in Other income and expenses.

	1.4 - 30.6		1.1 - 30.6		1.1 - 31.12
OTHER INCOME & EXPENCES	2024	2023	2024	2023	2023
Other income & expences	-	-	-	-	-

NET INTEREST-BEARING DEBT

Description	Reason for including	NET INTEREST-BEARING DEBT		
		30.6.2024	30.6.2023	31.12.2023
Net interest-bearing debt is defined by Borregaard as interest-bearing liabilities minus interest-bearing assets.	Net interest-bearing debt provides an indicator of the net indebtedness and an indicator of the overall strength of the statement of financial position. Net interest-bearing debt is part of Borregaard's financial covenants (leverage ratio) and is important in understanding the capital structure.			
		2,005	2,038	2,016
		478	547	246
		-2	-2	-2
		-311	-365	-469
		2,170	2,218	1,791

LEVERAGE RATIO

Description	Reason for including	LEVERAGE RATIO		
		30.6.2024	30.6.2023	31.12.2023
Leverage ratio is defined by Borregaard as net interest bearing debt divided by last twelve months' (LTM) EBITDA.	Leverage ratio is an indicator of the overall strength of the statement of financial position. Borregaard has a targeted leverage ratio between 1.0 and 2.25 over time. Leverage ratio is Borregaard's financial covenant on long-term credit facilities.			
		2,170	2,218	1,791
		1,761	1,770	1,781
		1.23	1.25	1.01

CAPITAL EMPLOYED

Description	Reason for including	CAPITAL EMPLOYED (END OF PERIOD)		
		30.6.2024	30.6.2023	31.12.2023
Capital employed is defined by Borregaard as the total of net working capital, intangible assets, property, plant and equipment, right-of-use assets minus net pension liabilities.	Borregaard uses capital employed as basis for calculating ROCE.			
		7,582	7,216	7,142

RETURN ON CAPITAL EMPLOYED (ROCE)

Description

Return on capital employed (ROCE) is defined by Borregaard as last twelve months' (LTM) capital contribution (operating profit before amortisation and other income and expenses) divided by average capital employed based on the ending balance of the last five quarters.

Reason for including

ROCE is an important financial ratio to assess Borregaard's profitability and capital efficiency. One of Borregaard's financial objectives is to have ROCE >15% pre-tax over a business cycle.

RETURN ON CAPITAL EMPLOYED (ROCE)	30.6.2024	30.6.2023	31.12.2023
Capital employed end of:			
Q2, 2022	-	6,779	-
Q3, 2022	-	7,015	-
Q4, 2022	-	6,802	6,802
Q1, 2023	-	7,142	7,142
Q2, 2023	7,216	7,216	7,216
Q3, 2023	7,191	-	7,191
Q4, 2023	7,142	-	7,142
Q1, 2024	7,789	-	-
Q2, 2024	7,582	-	-
Average capital employed	7,384	6,991	7,099
CAPITAL CONTRIBUTION	30.6.2024	30.6.2023	31.12.2023
Operating profit	1,234	1,288	1,291
Other income and expenses	-	20	-
Amortisation intangible assets	5	6	5
Capital contribution	1,239	1,314	1,296
RETURN ON CAPITAL EMPLOYED (ROCE)	30.6.2024	30.6.2023	31.12.2023
Capital contribution	1,239	1,314	1,296
Average capital employed	7,384	6,991	7,099
Return on capital employed (ROCE) (%) (capital contribution/average capital employed)	16.8	18.8	18.3



Q2 2024



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