

Oslo, 18 September 2024

Welcome to Borregaard's Capital Markets Day

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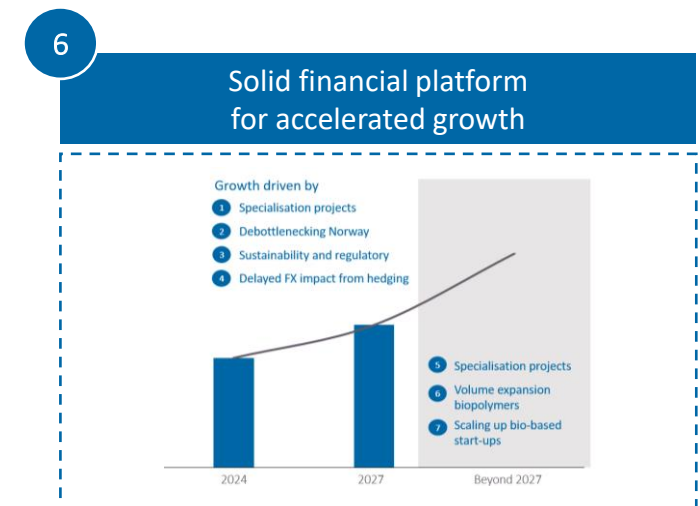
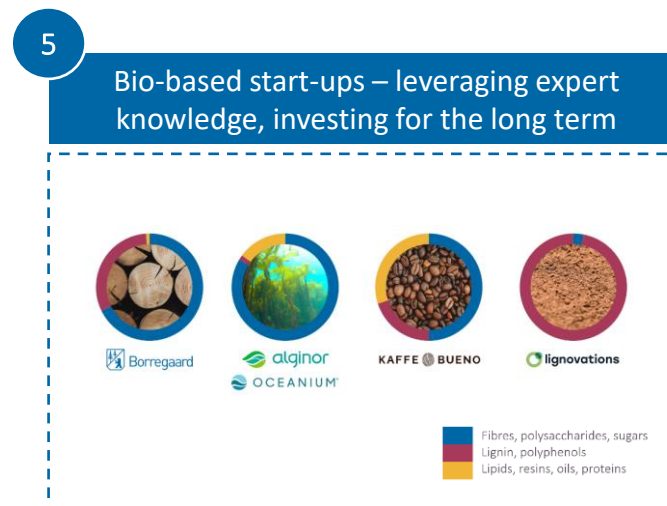
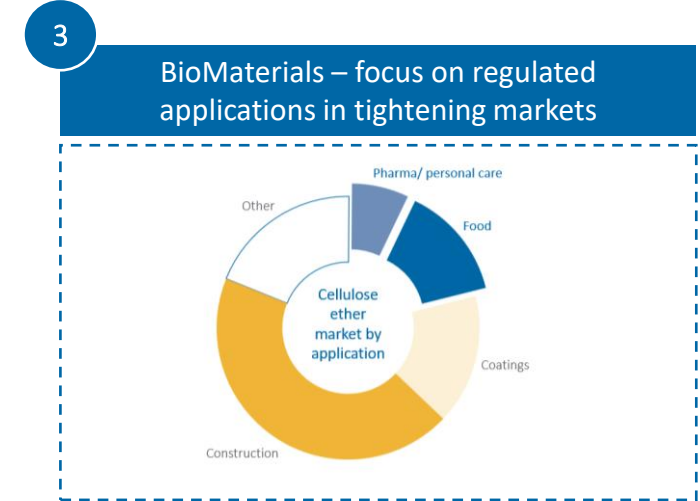
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Key take-aways | Borregaard Capital Markets Day 2024



Agenda

0900 – 1030 PART I

Borregaard and the dawn of specialisation

President & CEO Per A. Sørli

Numerous niches, big shifts

EVP BioSolutions Tom Erik Foss-Jacobsen

- **Sustainability and regulatory offering new opportunities**

VP Sales Biopolymers Anders Sjöde

CTO Biopolymers Guro Elise Fredheim

Q&A

1030 – 1100 BREAK

1100 – 1230 PART II

Stronger positions, focused strategy

EVP Speciality Cellulose Gisle Løhre Johansen

- **Ice Bear: Reaping the benefits of new technology**

Technical Service and Sustainability Manager Ali Moosavifar

Organic growth and bio-based investments

SVP R&D and Business development Kristin Misund

- **Leveraging competence, investing for the long term**

CTO Business development Martin Lersch

Financial performance and targets

CFO Per Bjarne Lyngstad

Q&A

1230 – 1330 LUNCH

Borregaard and the dawn of specialisation

Per Arthur Sørliie
President & CEO



Borregaard investor message

Biorefinery business model

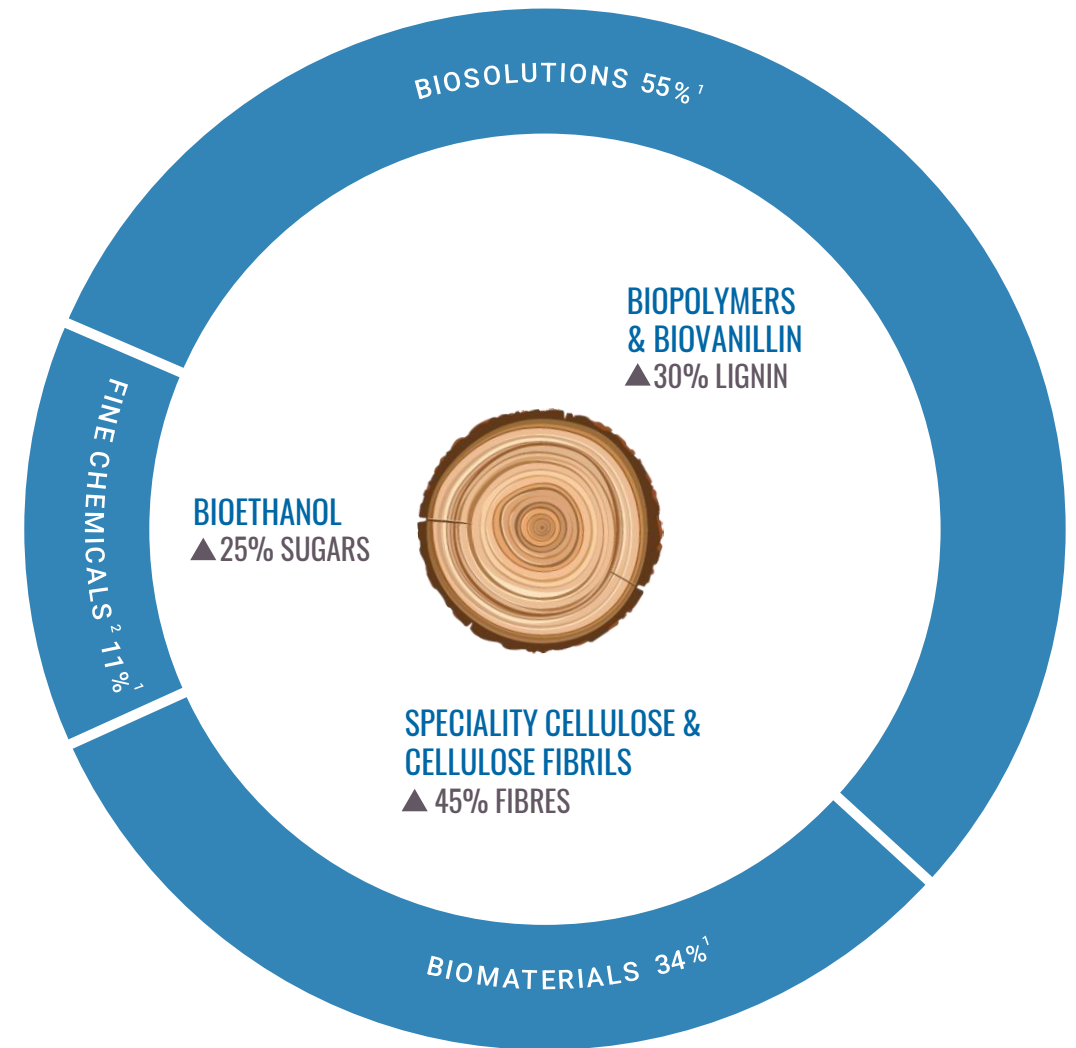
- Biochemicals vs. petrochemicals
- High value added through full raw material utilisation
- A diversified market strategy (800 products) takes risk out of the integrated operations

Specialisation strategy

- Global niche player in markets with high barriers to entry
- Leading market positions through application knowledge and proximity to markets
- Strong innovation efforts and continuous improvement
- Competence is the main competitive advantage

Strategic priorities

- Key actions next 3–5 years to execute specialisation strategy



¹ Segment revenue as a % of sales revenue 2023

² Leading producer of fine chemical intermediates for contrast agents, significant producer of 2nd generation bioethanol. Only the latter is made from wood.

Strategic priorities | CMD 2022 update

Increased specialisation and value growth

- Specialisation through innovation and market development
Continued high innovation rate and geographic market penetration
- Leverage high-value lignin raw material base in biopolymers and biovanillin
Specialities = 60% of revenues/CM
- Enhance product mix in speciality cellulose
100% of volume to speciality cellulose market
- Development of the cellulose fibrils business
In progress
- Targeted investments to support increased specialisation, capacity needs and new initiatives
Specialisation investment and new green technology in BioSolutions, Sarpsborg biorefinery capacity increase in progress



Strategic priorities | CMD 2022 update cont.

Sustainability as a value driver

- Exploit full market potential of biochemicals product portfolio
Innovation efforts focused on sustainability and increased specialisation
- Delivery of environmental targets strengthens competitive edge
Spray dryer electrification, electricity transformation upgrade
- Sustainability – a key decision criterion in relation to innovation and new initiatives
Alginor, Kaffe Bueno, product development portfolio



Our specialisation strategy



Specialisation in global niches

- Markets with high barriers to entry
- Leading market positions through application knowledge and proximity to markets
- Diversified market strategy and global market positions secure maximum flexibility



Strong innovation efforts and continuous improvement

- Business driven innovation model that involves the entire organisation
- Continuous productivity improvement through more efficient organisation, competence development and smart use of technology



Competence is the main competitive advantage

- Competence differentiates Borregaard from the competitors
- Combination of competences in sales & marketing, R&D and production
- Leverage expert knowledge to grow organically and through acquisitions



Sustainability – key decision criterion to innovation and new initiatives



The Borregaard Way – our corporate culture and core values

Our corporate culture | Supporting the specialisation strategy



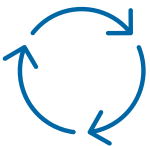
Market-oriented

- Good understanding of customer needs
- Knowledge of the value-in-use of our products
- A high share of our employees works in sales and marketing and technical customer service



Innovative

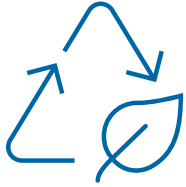
- World-class research team
- Innovation is market-driven and involves collaboration between different parts of the organisation
- Significant share of revenues from innovation



Change-oriented

- Continuous improvement through technology, competence development and a flexible organisation
- Ability to implement changes through good collaboration and strong involvement from employees

Our core values | Supporting the specialisation strategy



Sustainability

- Climate-friendly products with good environmental accountability
- Environment, health and safety are a top priority
- Profitability is a prerequisite for sustainability



Long-term perspective

- Consistent strategy over time
- Long-term perspective on innovation, market development and investments
- Competence is our main competitive advantage
- Systematically work to further develop the company's expertise



Integrity

- Act responsibly in relation to our stakeholders
- Exercise corporate responsibility
- Strive for high credibility through transparency, honesty and predictability
- Demonstrate respect for individuals and cultures
- Maintain our own integrity and adhere to our code of conduct

Our transition plan | Supporting the specialisation strategy

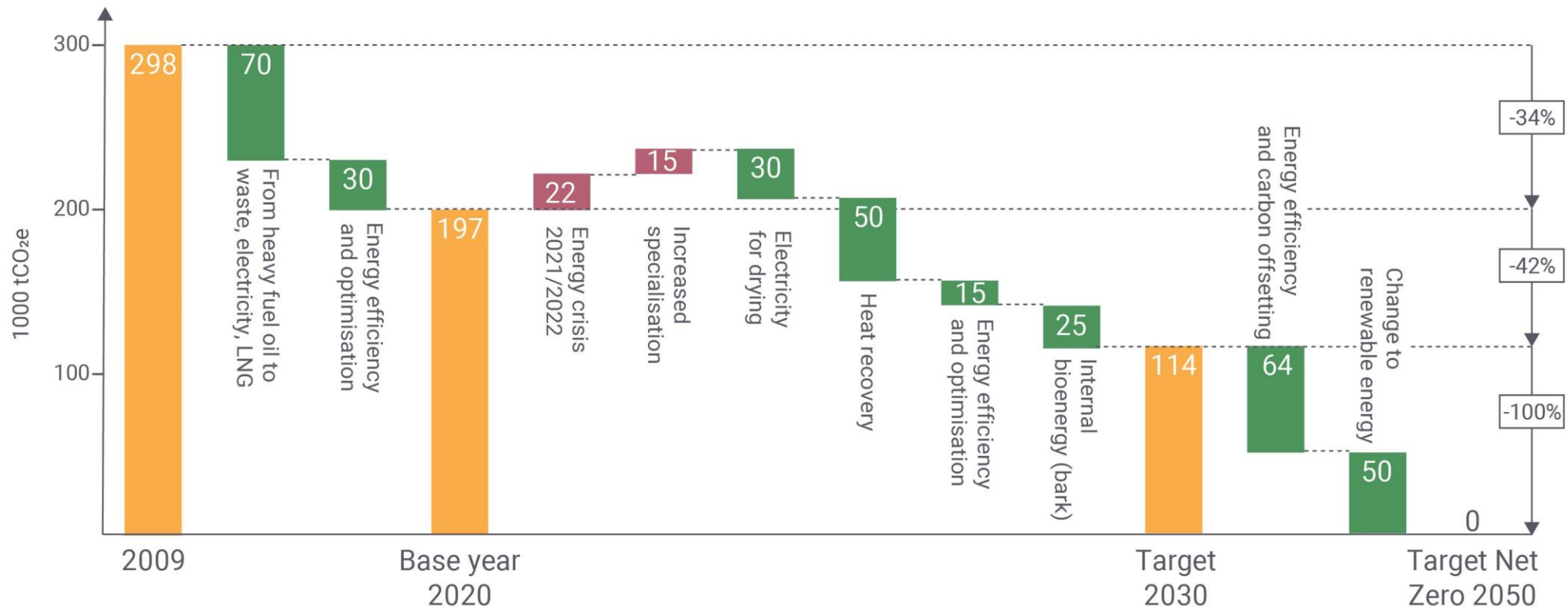
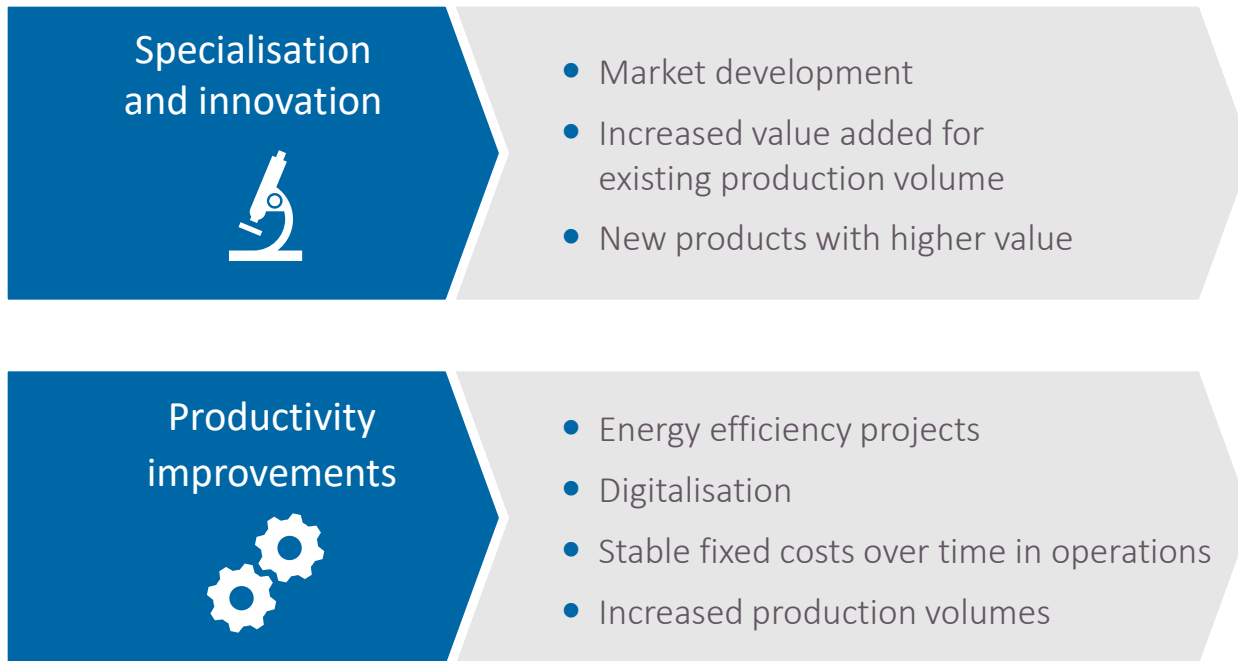


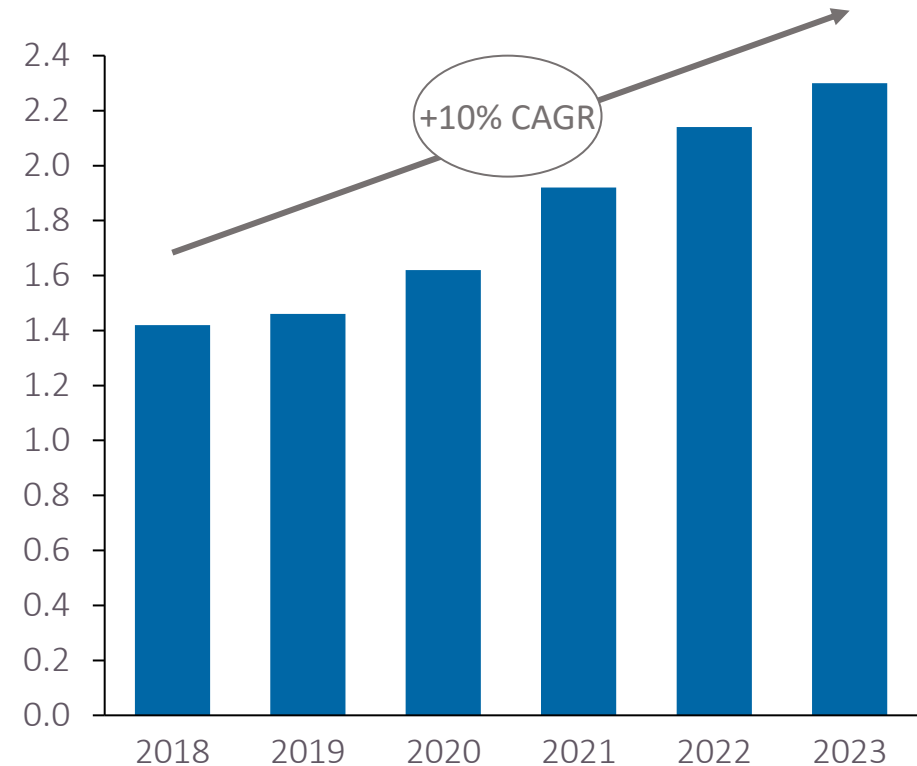
Figure showing Borregard transition plan for scope 1 and 2 GHG emissions

Increased value creation | A key driver in the specialisation strategy

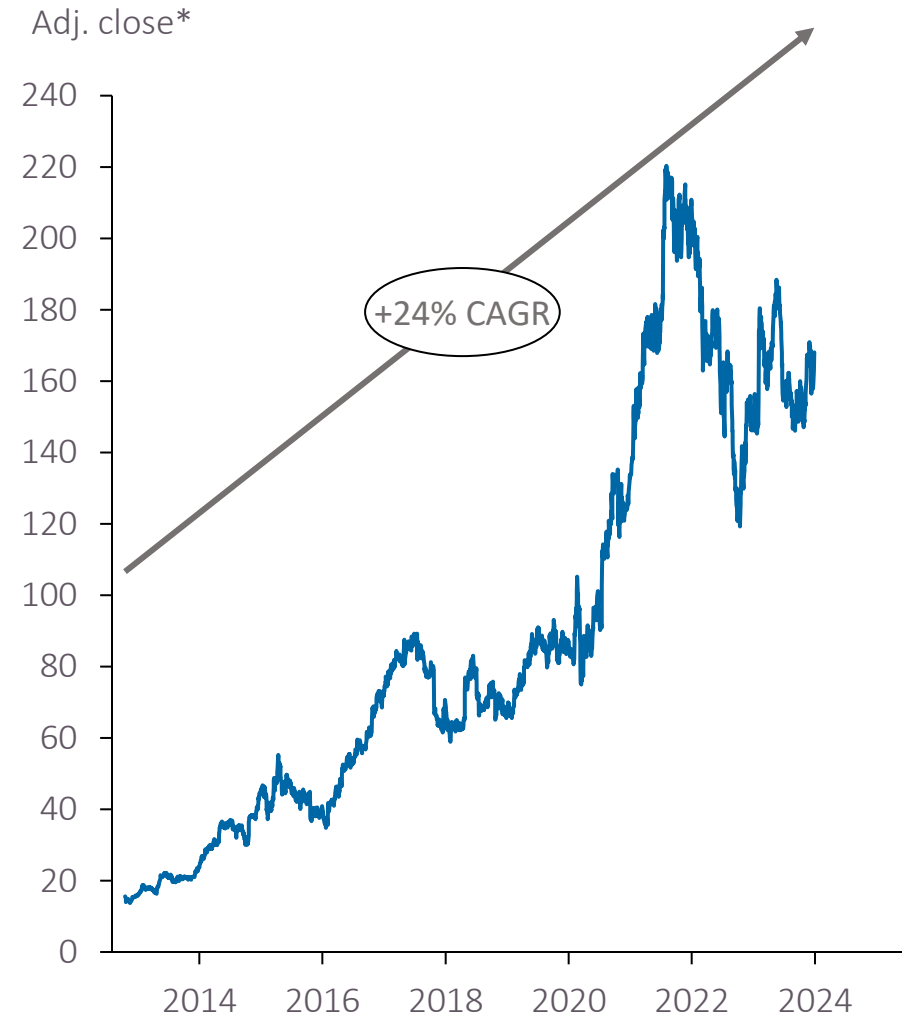
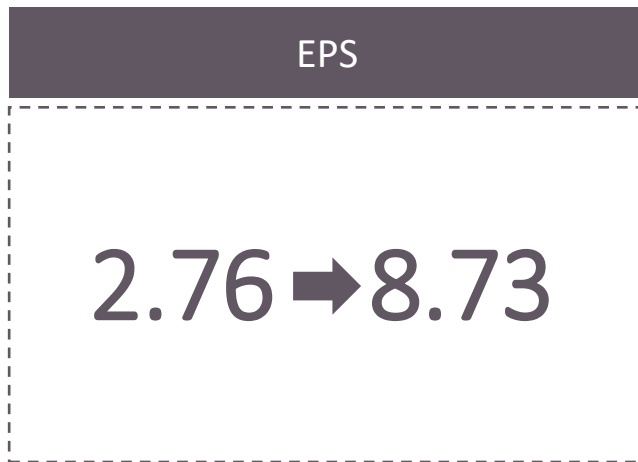
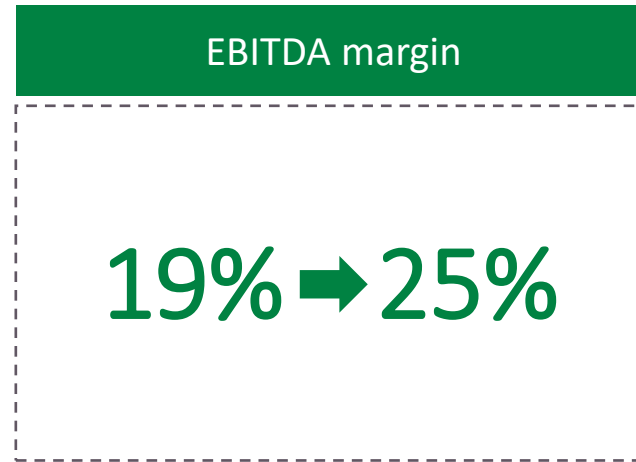
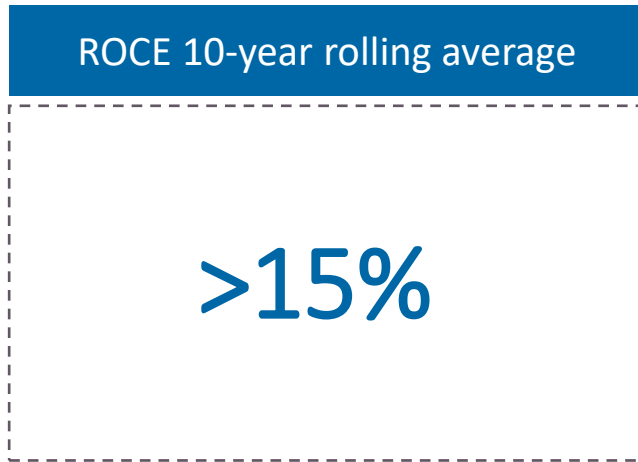
The dual strategic focus...



...drives value creation¹ per full-time employee

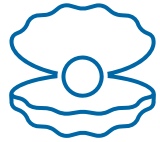


The specialisation journey | Since IPO (2012 – 2023)



Key strategic considerations

Increasing momentum for bio-based products – considerable potential for further specialisation and value growth



Unique combination of high-value raw material base, biorefinery assets and expert knowledge

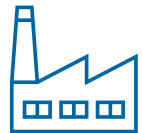
Considerable potential for further specialisation and value growth

- 800 products with multiple applications in many markets combined
- The Borregaard specialisation journey is a continuous process towards full specialisation



Specialisation and value growth will take priority

- Significant potential for upgrade of product portfolios in BioSolutions and BioMaterials
- Well positioned in attractive markets with high expected growth rates
- Significant potential for geographic market penetration
- Increased specialisation is the cumulative effect of numerous innovation projects



Explore expansion and debottlenecking opportunities at the Sarpsborg biorefinery

- Low-risk investment raising barriers to entry



Consumer and investor attention drives demand for greener solutions

- EU Green Deal
- Taxonomy
- Science Based Targets initiative

Strategic priorities

Increased specialisation and value growth

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Sustainability as a value driver

- Exploit full market potential of biochemicals product portfolio
- Delivery of environmental targets strengthens competitive edge
- Sustainability a key decision criterion in relation to innovation and new initiatives

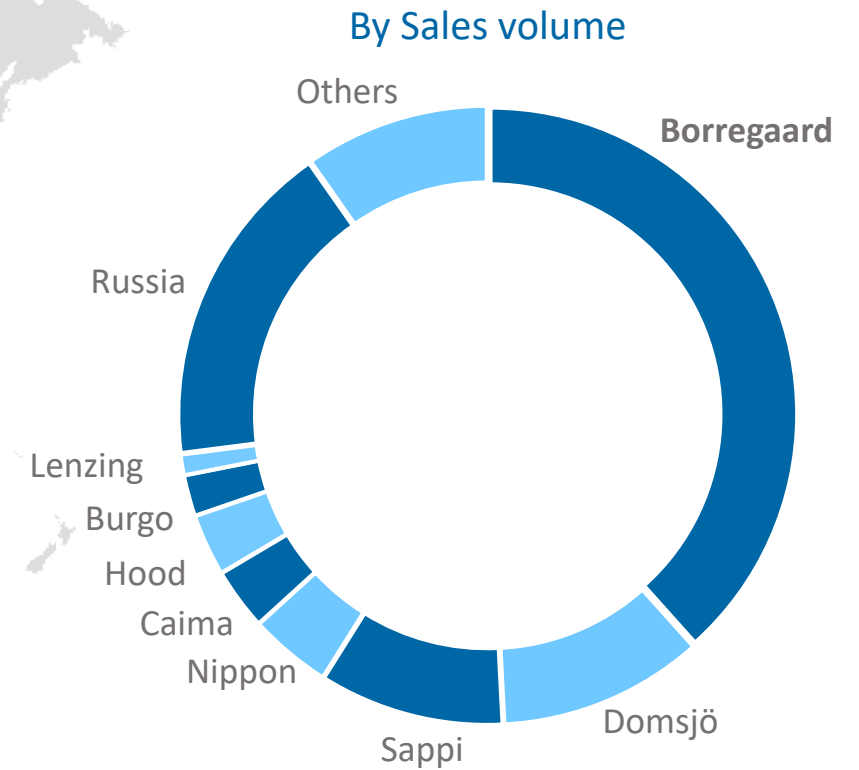
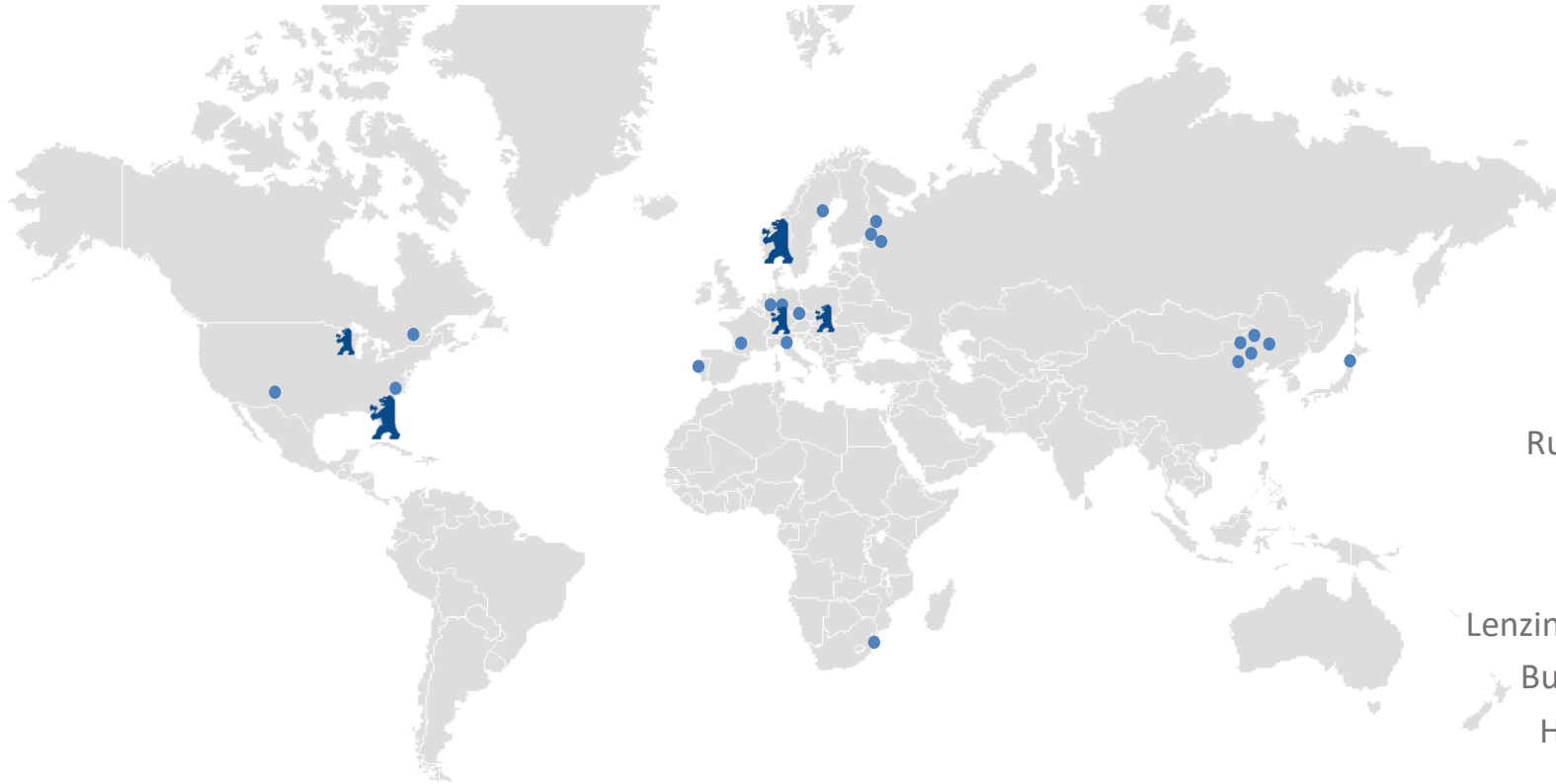


BioSolutions
Numerous
niches,
big shifts

Tom Erik Foss-Jacobsen
EVP BioSolutions

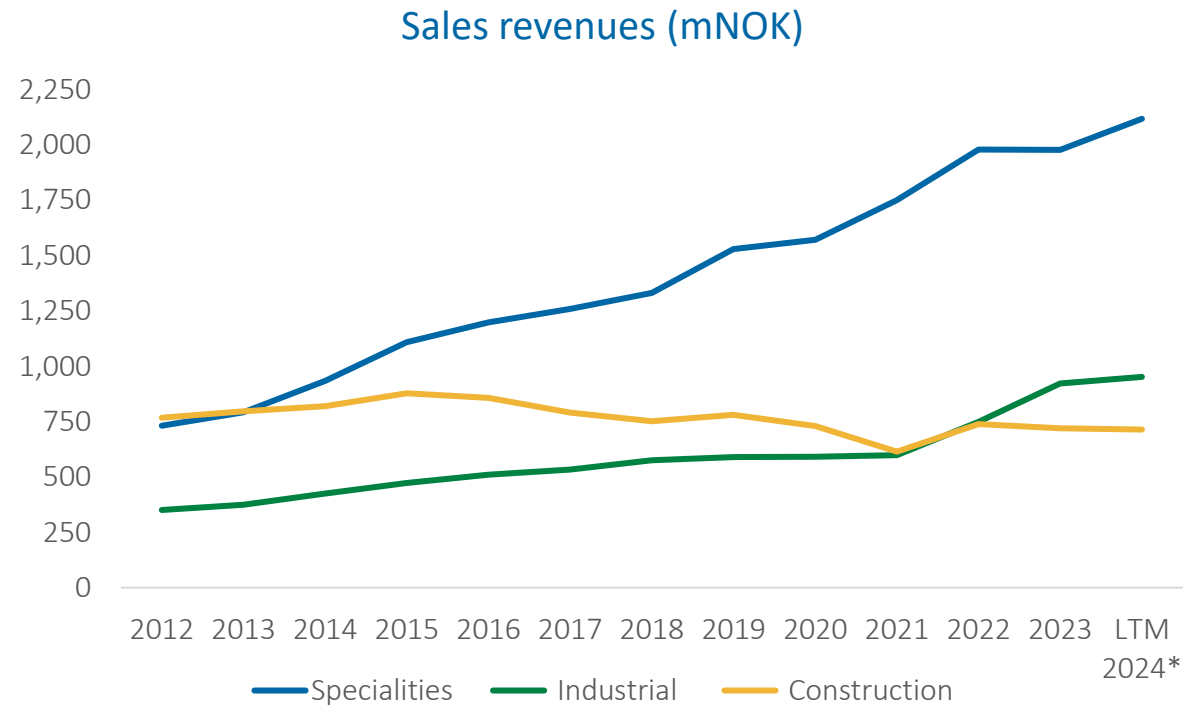


Global lignin supply | 2023



Global lignin supply ~900 – 950,000 mtds

Significant specialisation and value growth over time



- Strong development in sales to Specialities
- Gross sales trebled in Specialities and nearly trebled in Industrial from 2012
- Significant portfolio optimisation
 - Optimised value
 - Reduced exposure to low-value markets
 - Less cyclicality

Sustainability and regulatory | Offering new opportunities

Sustainability and regulatory trends – key driver for new business and innovation

- Customer GHG reduction initiatives – alternatives to fossil-based solutions
- Formaldehyde/microplastics/single-use plastics bans
- Antibiotics bans/restrictions and product authorisations

Well-documented competitive edge in sustainability

- Life Cycle Assessments (LCAs) and Environmental Product Declarations (EPDs)
- Innovative digital solution tracking Borregaard's scope 3 impact on customer's GHG emissions (*in progress*)

Proactive and tailored market communication

- Geographical market, application and customer specific



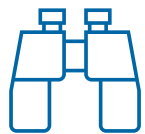
Attractive growth opportunities in Asia

Fastest growing region and sustainability trends

- ~60% of world population (4.8 billion)
- Solid growth across the region and in key application areas

Increased market presence in multiple countries

- More technical and commercial resources
- Increased R&D capability in India

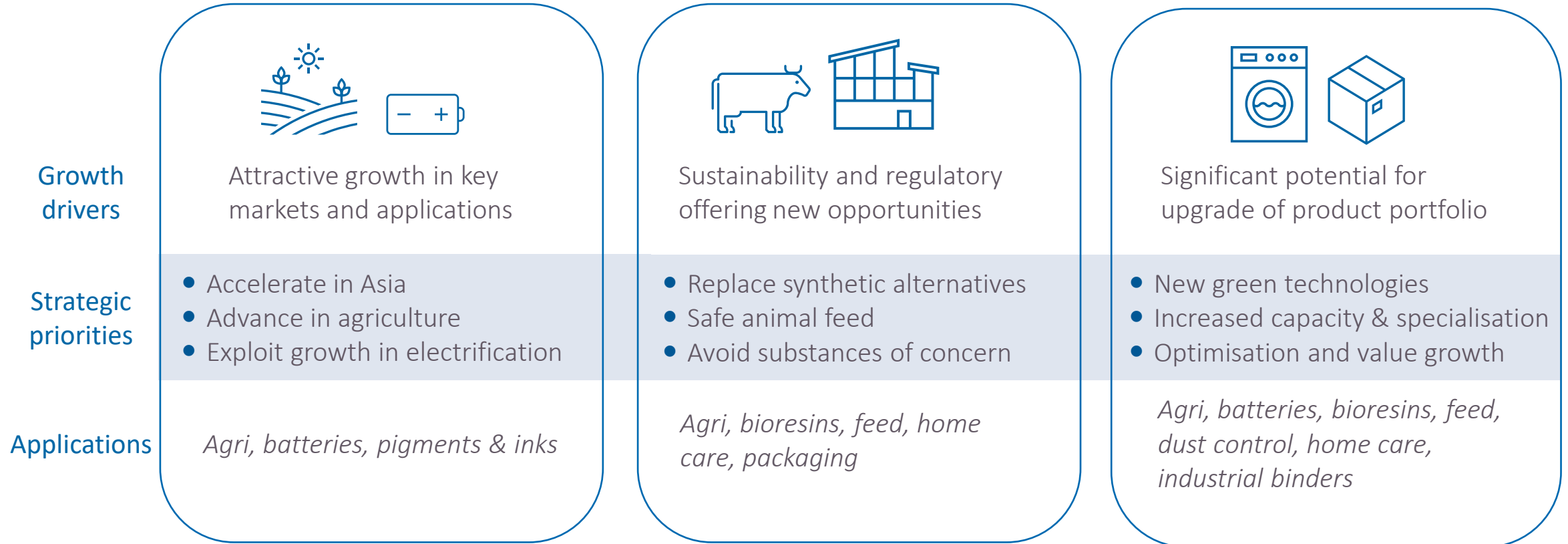


Significant growth opportunities within agriculture and industrial applications



Key strategic priorities | 2025-2027

Specialisation and value growth

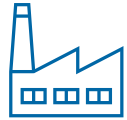


BioSolutions Sustainability and regulatory offering new opportunities

Anders Sjöde, PhD
VP Sales Biopolymers



New green technology | New opportunities in high-end markets



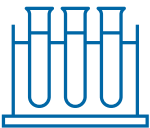
Demonstration plant

100 mNOK investment, first step operational Q3 2024, completion mid-2025



Natural polymer backbone

Modified lignin-based polymer from sustainably managed Norway spruce



Unique features

Enables Borregaard to compete with advanced fossil-based polymers like e.g. polyacrylates

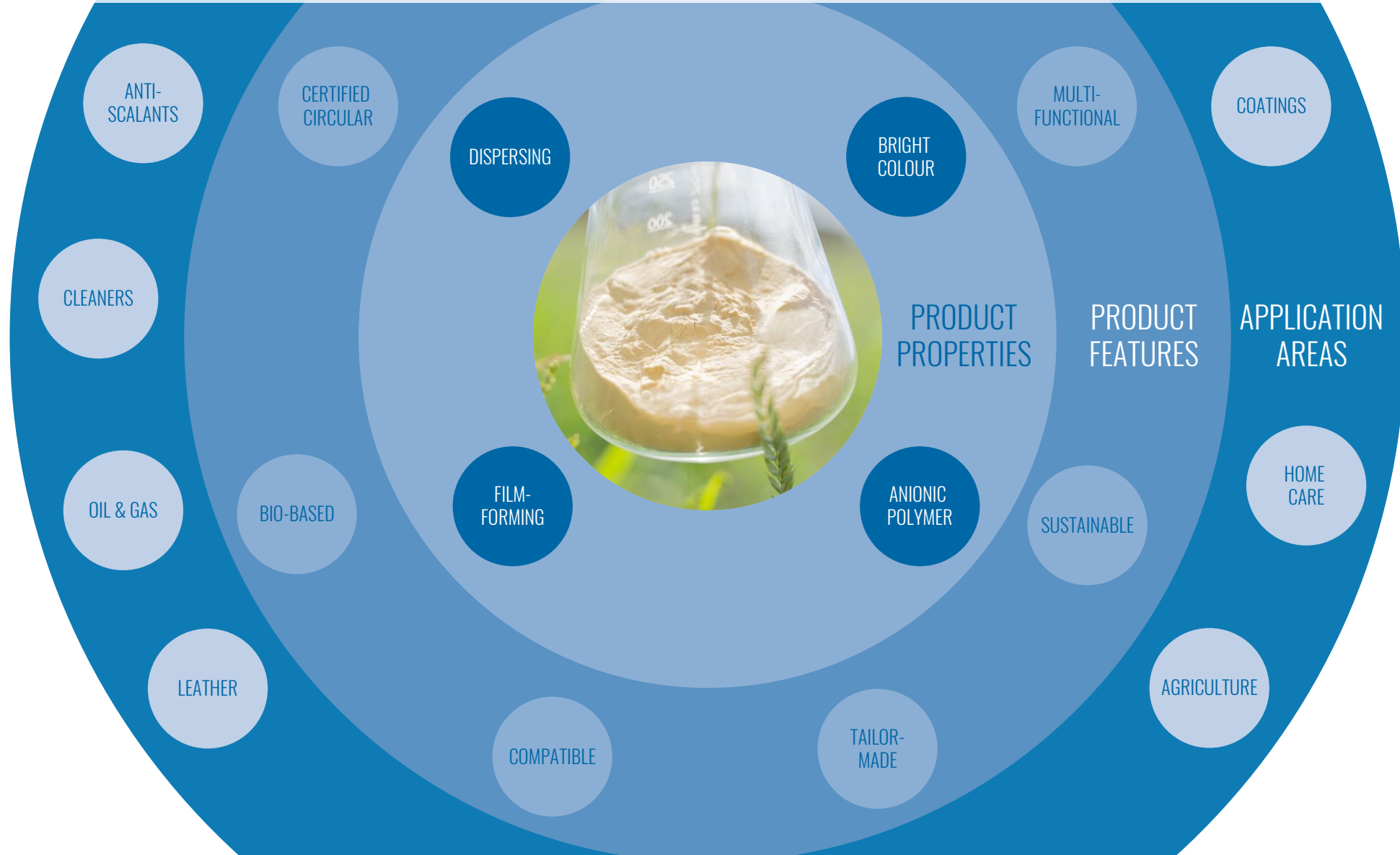


Market opportunities

Home care, industrial cleaners, water treatment, coatings, agriculture, leather tanning, oil field chemicals



New green technology | Properties, features and applications



New green technology | Entering the home care market



Sustainable formulation

5–8% dosage in dishwasher tablet or powder



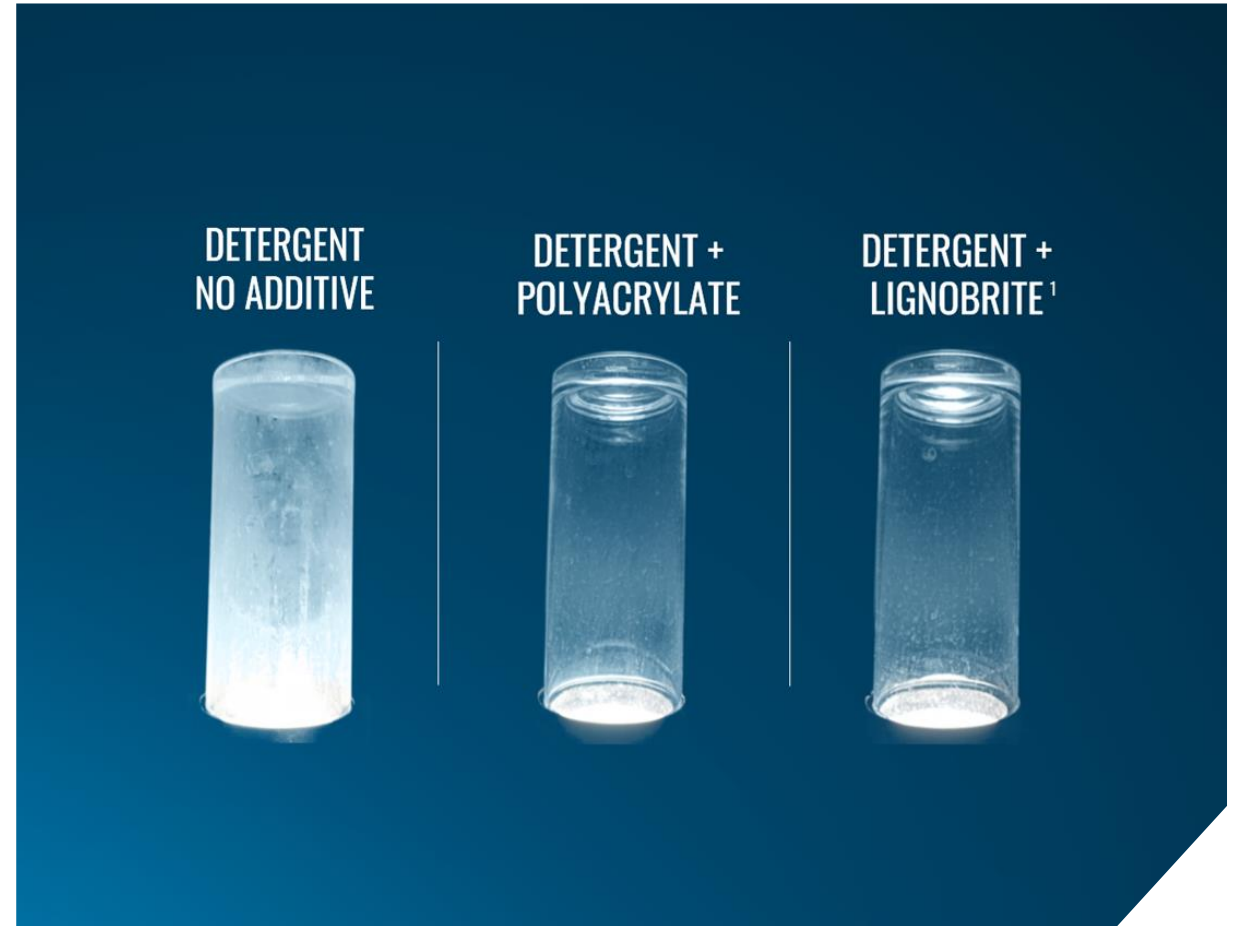
Effect

Less film on glass, plastic and ceramic



Customer value

Excellent replacement for polyacrylate
Effective and sustainable anti-filming agent in auto dishwasher detergents



New green technology | Entering the coatings market



Sustainable alternative

Novel bio-based high-performance dispersant for coatings



Effect

Improved dispersion of pigments
Better scrub resistance and hiding power
No colour variation

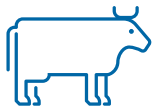


Customer value

Enables replacement of advanced fossil-based dispersants in coatings
Product launch in 2024



Sustainability and regulatory opportunities | Animal feed



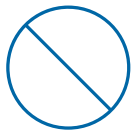
Multitude of applications

Borregaard's products used as pelleting aids, emulsion stabilisers, bypass protein, acidifiers



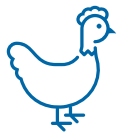
Trends

Increasing demand for high-quality and sustainable products
CAGR 2–3% for animal-based food



Regulated market

Compliance and certifications required to serve the market



Customer value

Improved productivity and product quality, bio-based, no animal origin, non-GMO, safe to use, global availability



Animal feed | Regulatory driving change

PELLETING AIDS



Benefits

Better pellet consistency and durability
Improved production rates
Decreased energy consumption



Regulatory

Borregaard's lignin re-authorized for use in animal feed within EU – February 2024



Outlook

Consumption of meat per capita expected to increase towards 2030
Strong trends towards bio-based and efficient products

BYPASS PROTEIN



Benefits

Feed protein content is key in milk production
Bypass technologies prevent loss of protein
Borregaard offers cost-efficient and sustainable solutions



Regulatory

Formaldehyde ban in dairy production within EU



Outlook

Modest growth for dairy products in coming years
Expect other regions to follow EU's formaldehyde ban, will offer opportunities to Borregaard

Animal feed | New feed binder for the aqua culture industry



Background

90% of shrimp feed contain binders
Dominating synthetic binders (urea formaldehyde) will be banned
Strong demand for non-synthetic sustainable binders



Effect

New binder formulation developed and tested by customer
Similar performance as synthetic binders
New binder formulation patented (pending)



Outlook

Currently in the scale-up stage
Product launched in 2024
First commercial sale in 2025



BioSolutions

Properties and customer value of lignin biopolymers









Guro Fredheim, PhD
CTO Biopolymers



Lignin biopolymers | Properties, advantages and applications



Biopolymers in agriculture

Plant nutrition			Crop protection			Seed coating	Feed
							
Micronutrients	Soil conditioners /biostimulants	Granulated limestone and fertilizers	Pesticides	Biological pest control	Adjuvants	Encrusted and pelleted seeds	Animal feed
<ul style="list-style-type: none"> • Ready-to-use micronutrients • Complexing agents • Rheology modifiers for suspensions 	<ul style="list-style-type: none"> • Nutrient use efficiency • Resistance to abiotic stress • Organic carbon source 	<ul style="list-style-type: none"> • Binder • Dedusting agent 	<ul style="list-style-type: none"> • Dispersant • Binder • Rheology modifiers 	<ul style="list-style-type: none"> • Dispersant • UV protection • Rheology modifiers 	<ul style="list-style-type: none"> • Compatibility agent • Uptake enhancer 	<ul style="list-style-type: none"> • Binder • Microplastic-free film formers 	<ul style="list-style-type: none"> • Binder • Antioxidant
8–9% CAGR	7–12% CAGR	7–12% CAGR	2–3% CAGR	11–12% CAGR	6–7% CAGR	8–9% CAGR	2–3% CAGR

Plant nutrition | Sustainable soil conditioners and biostimulants



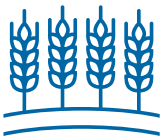
Plant nutrition market

- CAGR 12%¹



Sustainable plant nutrition

- Maximises use of nutrients present in the soil or added during fertilization
- High internal competence and global R&D capabilities



Soil conditioners and biostimulants increase crop yield

- Products with solubility, compatibility and agronomic performance
- Improves nutrient use efficiency, soil fertility and plant resistance to harsh conditions



Crop protection | New opportunities within biological pest control



Biocontrol market

- CAGR 12%¹



Sustainability as a driver

- Market pull for more sustainable crop protection
- Biopesticides – pest control derived from natural source



Bio-based formulation aids needed

- High internal competence and R&D capabilities
- Borregaard's biopolymers offer viability and efficacy



Lead batteries | Borregaard products as industry standard



Lead batteries - essential battery technology

- Close to 45% of the world's rechargeable power¹
- Low cost, safe and reliable



Sustainable technology

- Most sustainable battery technology (99% recycling rate)
- Well suited for Energy Storage Systems (ESS)
- 70 mNOK expansion investment to meet future demand



Indispensable for lead battery performance

- Improved battery life, capacity and cold temperature performance
- High internal competence and R&D capabilities
- Cooperation with industry on new products for ESS and auxiliary batteries for electric vehicles (EVs)



Lithium-ion batteries | Opportunities within emerging technologies



Fastest growing battery technology

- Main battery technology for EV and ESS
- CAGR 27% towards 2030¹



Leveraging competence and technology

- High internal competence and global R&D capabilities
- New battery test lab in US



New products launched

- Improved battery properties and cost reduction
- Sustainable and non-toxic
- Ongoing trials with key global players



Q&A | Borregaard Capital Markets Day 2024

The Q&A session will be moderated by

- Magnus Rasmussen, Analyst, SEB
- Marcus Gavelli, Analyst, Pareto Securities Research

Participants from management

- Per A. Sørli, President & CEO
- Tom Erik Foss-Jacobsen, EVP BioSolutions



Agenda

0900 – 1030 PART I

Borregaard and the dawn of specialisation

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Numerous niches, big shifts

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- **Sustainability and regulatory offering new opportunities**

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Q&A

1030 – 1100 BREAK

1100 – 1230 PART II

Stronger positions, focused strategy

EVP Speciality Cellulose Gisle Løhre Johansen

- **Ice Bear: Reaping the benefits of new technology**

Technical Service and Sustainability Manager Ali Moosavifar

Organic growth and bio-based investments

SVP R&D and Business development Kristin Misund

- **Leveraging competence, investing for the long term**

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Financial performance and targets

CFO Per Bjarne Lyngstad

Q&A

1230 – 1330 LUNCH

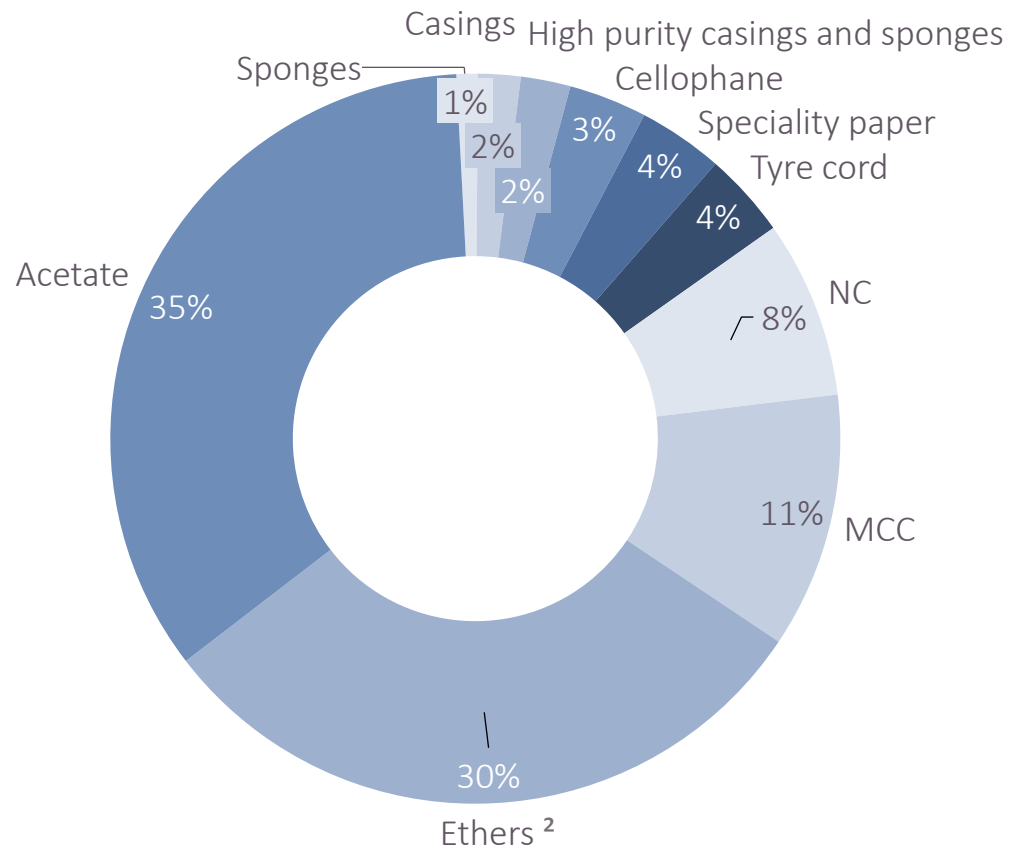
Speciality Cellulose
Stronger
positions,
focused strategy

Gisle Løhre Johansen
EVP Speciality Cellulose



Speciality cellulose | Market overview and Borregaard focus areas

Speciality cellulose demand ≈1.6 million mt¹



Target segments in highly specialised applications

Segments	Applications	CAGR 2024-2027
Acetate	Cigarette filters, plastics, LCD, yarn	0–2%
Ethers	Construction, coatings, food, pharma, personal care	3–4%
Tyre cord	High-performance tyre cords	2–3%
High purity casings and sponges	Sausage casings, sponge cloths	0–1%

Borregaard focus areas

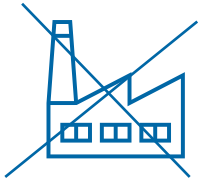
- Growth in non-filter tow applications in acetate
- Regulated segments in ethers
- Entering high-purity casings

Source: Celco market reports, RISI and Borregaard estimates

¹ Metric tonne

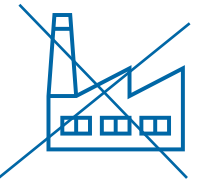
² Cellulose ether capacity excl. technical grade CMC

Speciality cellulose | Recent announcements of plant closures



September 2023:

Georgia-Pacific to close Foley cellulose facility²

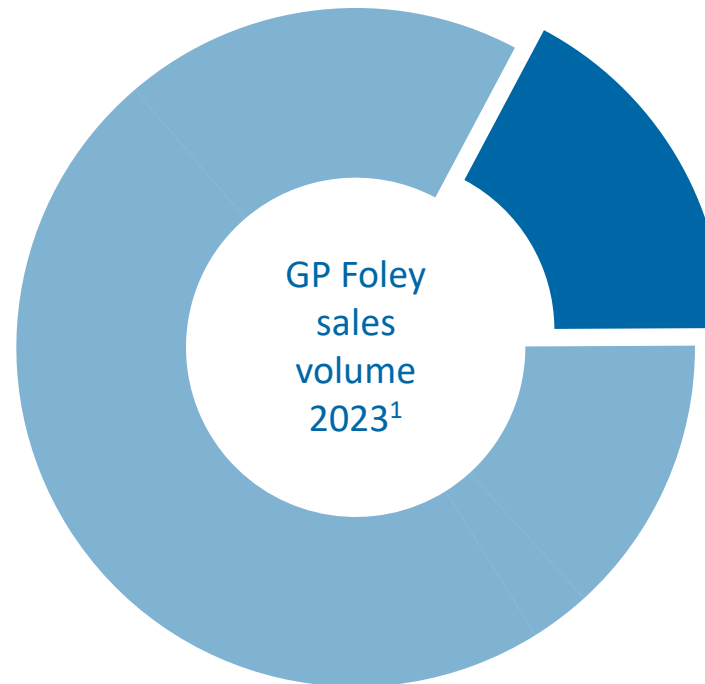


April 2024:

RYAM to suspend Temiscaming High Purity Cellulose plant operations for an indefinite period³

- Significant supply of softwood speciality cellulose removed from the market
- Some customers are using cotton linter pulp (CLP) to counter the effect of these plant closures

Expected volume effects of GP Foley closure



Borregaard potential:
15,000 – 20,000 mt,
primarily within
high-purity grades

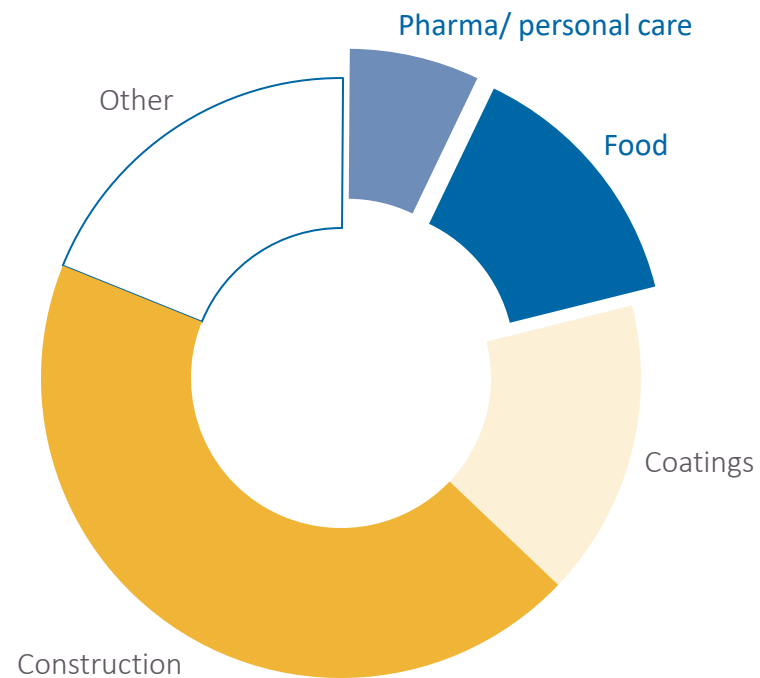
¹ Borregaard estimates

² Georgia-Pacific to close Foley cellulose facility

³ RYAM to suspend Temiscaming High Purity Cellulose plant operations for an indefinite period

Cellulose ethers | Targeted growth in regulated applications

Cellulose ether market by application

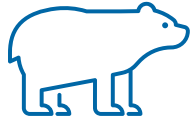


Borregaard's ether strategy

Focus on regulated applications like food, pharma and personal care

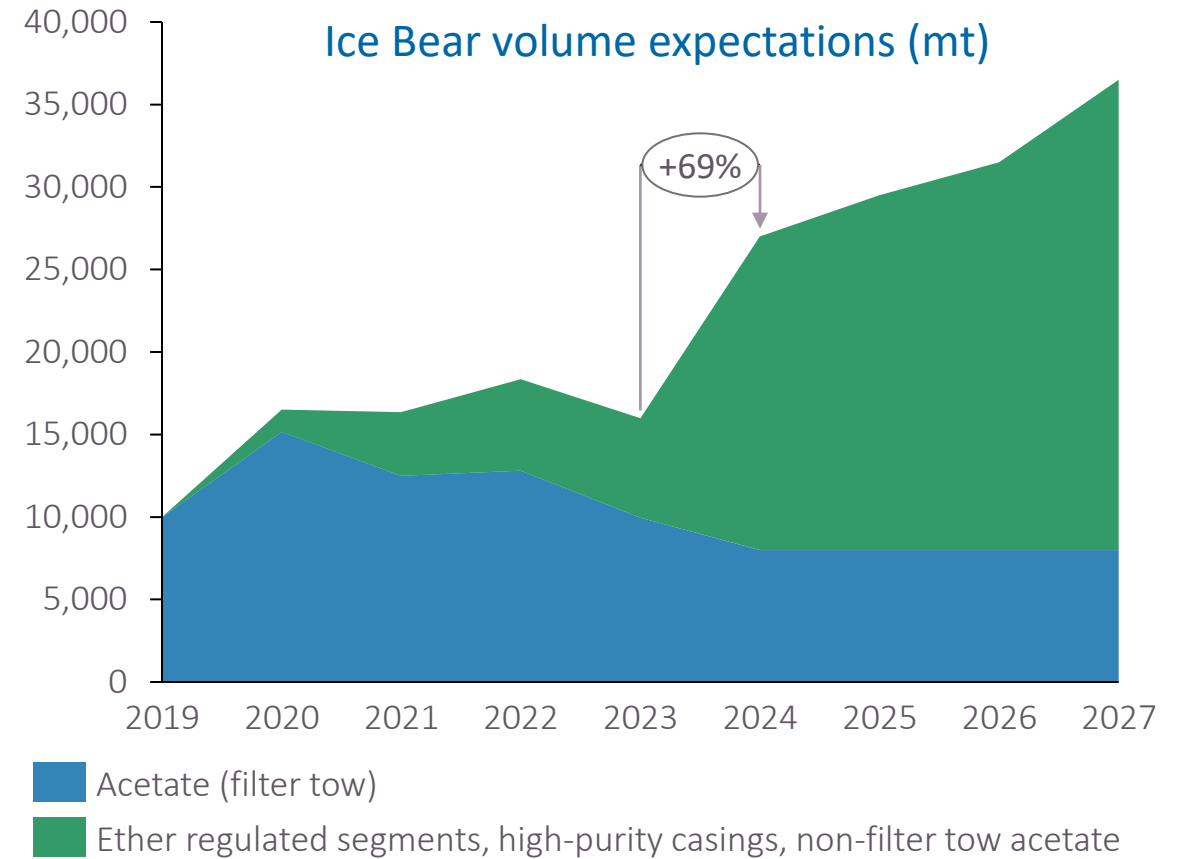
- Substantial growth expected in the 2024–2027 period
- High viscosity industrial applications (such as paints and car catalyst applications) with barriers to entry will remain a profitable and growing focus area
- Gradual reduction of share within industrial applications by reducing exposure to low-value grades in construction

Ice Bear technology | Driving high-value product portfolio



Market and ambitions for Ice Bear

- Enabler for ambitions within ether regulated applications
- Rapid growth in high-purity casings after GP's Foley closure
- Significant market share growth within non-filter tow
 - Acetate producers developing products within non-filter tow
- Ramp-up of Ice Bear production based on market demand

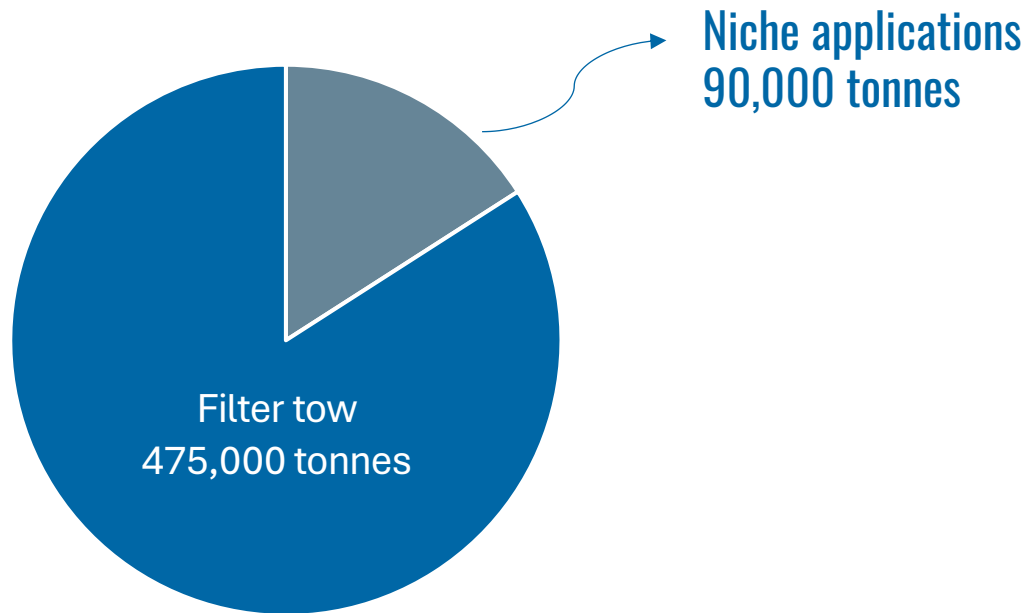


Ice Bear Reaping the benefits of new technology

Ali Moosavifar, PhD
Technical Service and Sustainability Manager



Ice Bear in bio-based plastics



- Big change in product mix – from cigarette filter tow to niches
- Entering already established niche markets
- Customers are developing biodegradable plastics for future applications



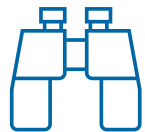
Ice Bear in bio-based plastics

Challenges

- Significantly higher price vs. fossil-based plastics
- Technical requirement of bio-based plastics

Current status

- Implementation of microplastic regulations
- Substantial rise in demand for biodegradable plastics
- More than 10,000 tonnes Ice Bear contracted for 2024



Long-term potential of 50,000 tonnes



Organic growth and bio-based investments

Kristin Misund, PhD
SVP R&D and Business development



Our corporate culture | Supporting the specialisation strategy



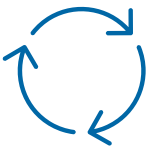
Market-oriented

- Good understanding of customer needs
- Knowledge of the value-in-use of our products
- A high share of our employees works in sales and marketing and technical customer service



Innovative

- World-class research team
- Innovation is market-driven and involves collaboration between different parts of the organisation
- Significant share of revenues from innovation



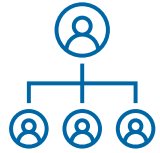
Change-oriented

- Continuous improvement through technology, competence development and a flexible organisation
- Ability to implement changes through good collaboration and strong involvement from employees

2023 | 16% of Borregaard's revenues came from innovations¹



Market-driven innovation



Innovation Management Teams (IMT)

- Interdisciplinary team
- Strategic projects
- Resource use
- Programmes over several years



Interdisciplinary project groups

- Technical project managers
- Commercial project owners
- Value creation/customer focus
- Support and challenge each other

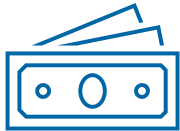


Strong innovation efforts



97 employees in R&D and innovation

- R&D centres in Norway, USA and India
- 28 PhDs



Significant R&D and innovation efforts

- 2023: NOK 211 million
- Equals about 3% of revenues



Application-oriented innovation



Crop protection, plant nutrition, feed



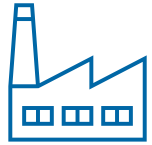
Batteries, pigments, inks, home care and resins



Concrete, coatings, packaging



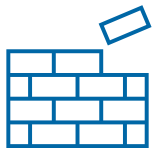
Process-oriented innovation



Process improvements
Capacity, quality, sustainability



Cellulose Acetate
Purity



Cellulose ethers
Viscosity



Business development



Disruptive innovation
New processes and products



Bio-based investments
Investing for the long term



Bio-based investments
**Leveraging
competence,
investing for the
long term**

Martin Lersch, PhD
CTO Business Development



Borregaard investing in bio-based start-ups

Selection criteria

- Conversion of bio-based raw materials to chemicals and materials
- Strong ESG profile
- Specialisation potential
- Synergies with Borregaard's existing business and competence
- Significant revenue potential
- Time to market < 5 years
- Geography: Nordics > Europe > Global



Borregaard's offer beyond capital



Market

Application know-how from 130+ years of market presence



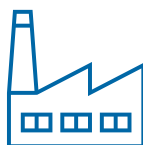
Competence

Strong R&D, experience from internal start-ups



Sustainability

A strong sustainability track record



Industrial experience

Organisational support functions



Network

A global network of customers and collaboration partners



Culture

Continuous improvement (organisation and process)

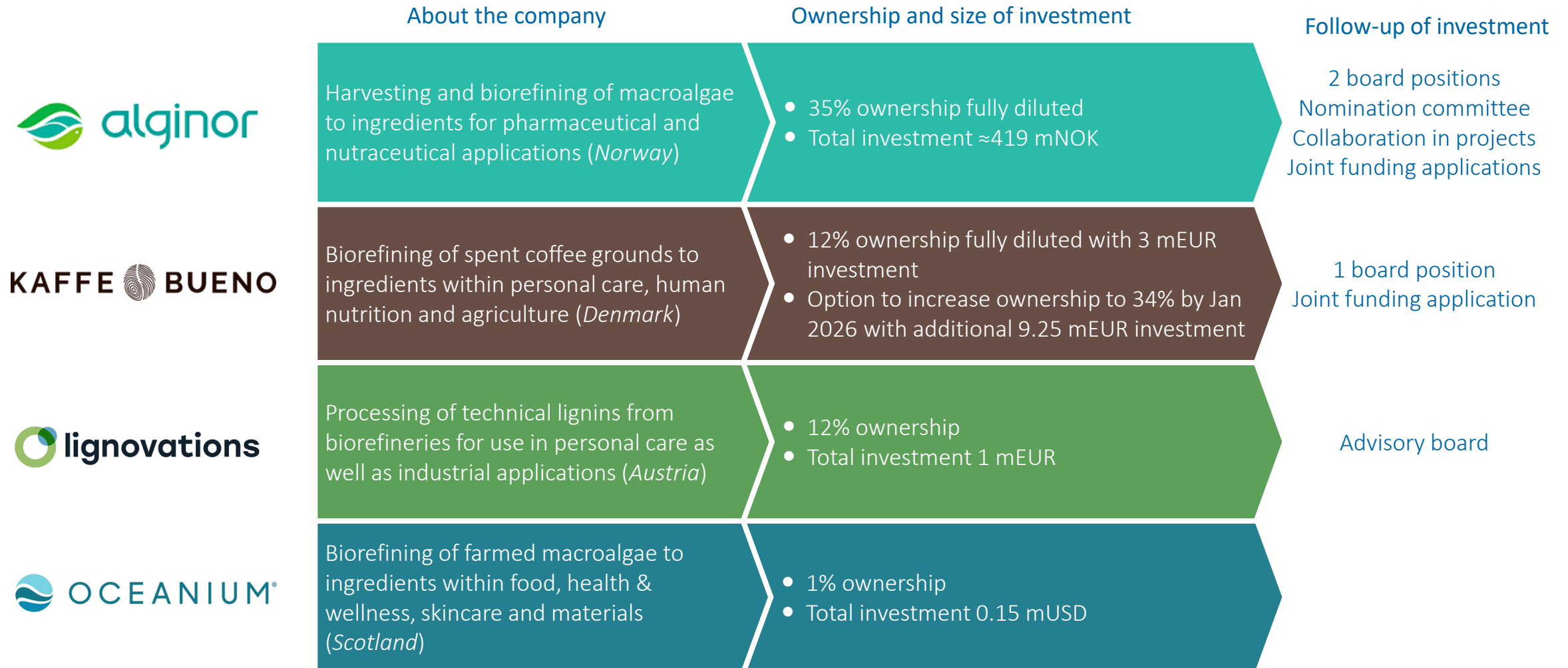


Scale-up

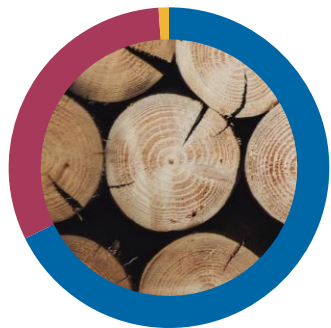
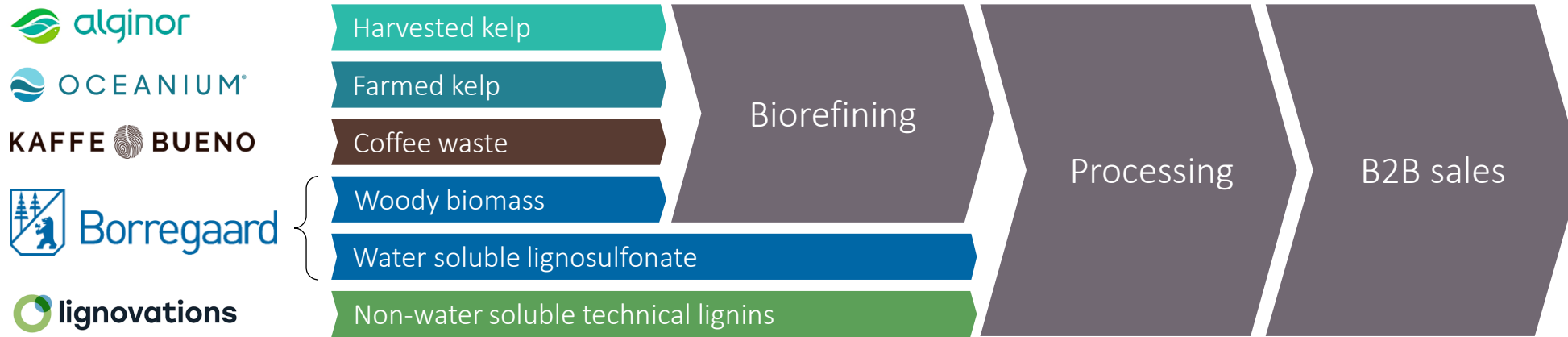
Access to pilot/demo plants

Extent of offering linked to stake in company

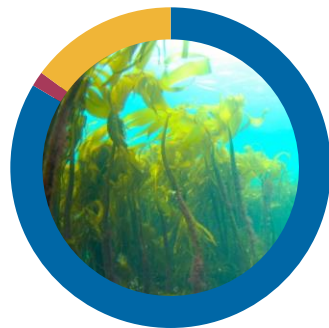
Investments in bio-based start-ups



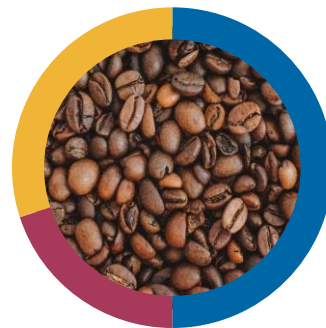
Strategic fit of bio-based investments



Borregaard



alginor
OCEANIUM



KAFFE BUENO



lignovations

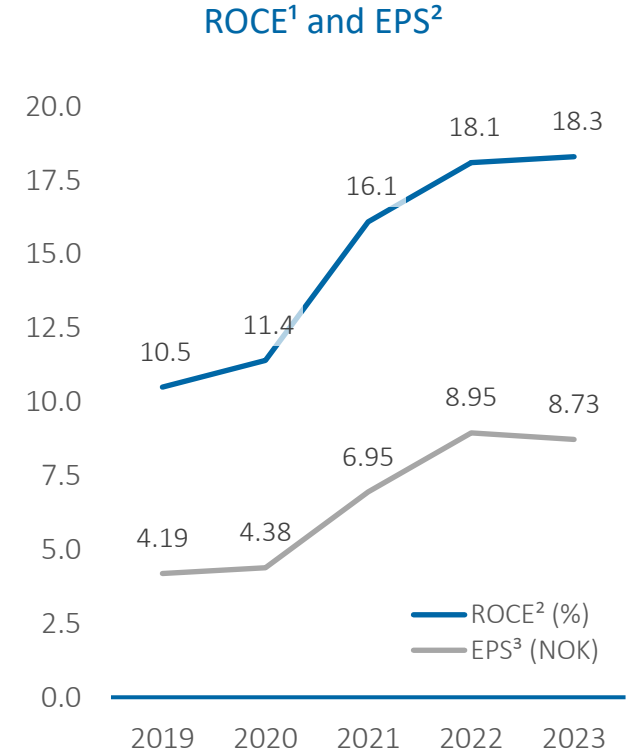
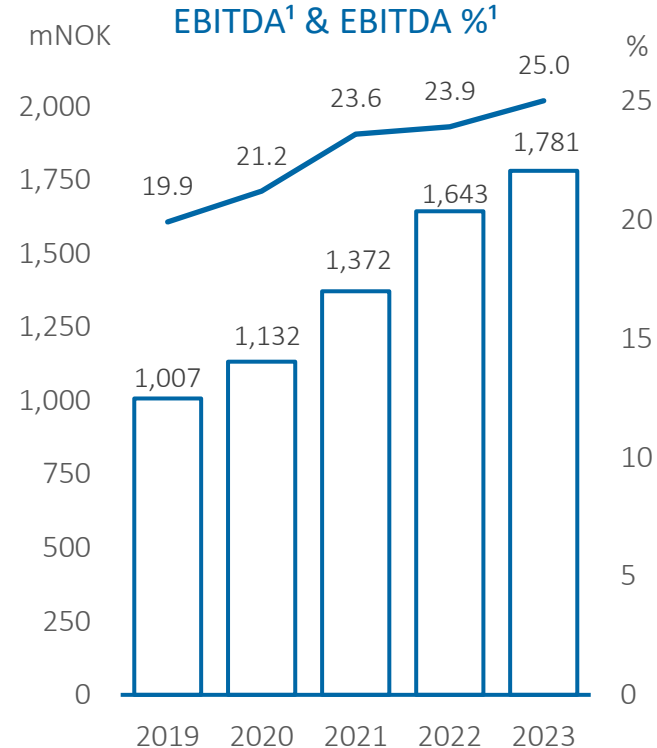
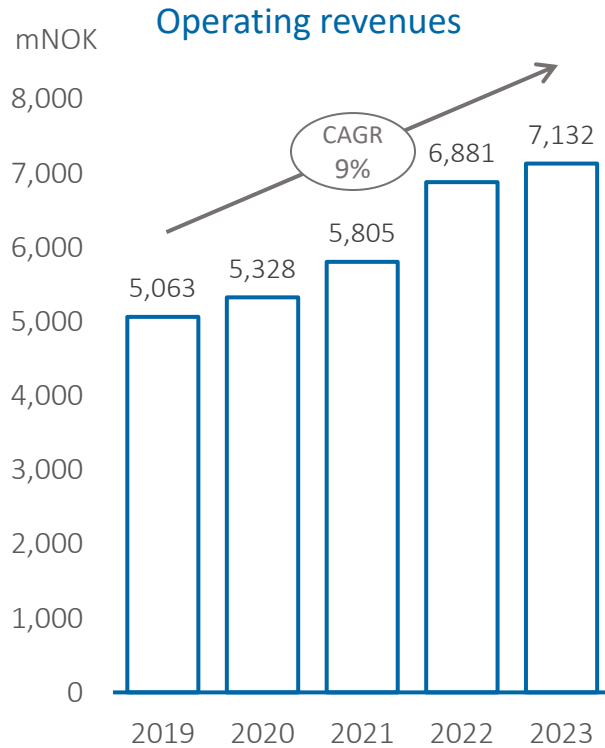
■ Fibres, polysaccharides, sugars
■ Lignin, polyphenols
■ Lipids, resins, oils, proteins

Financial performance and targets

Per Bjarne Lyngstad
CFO



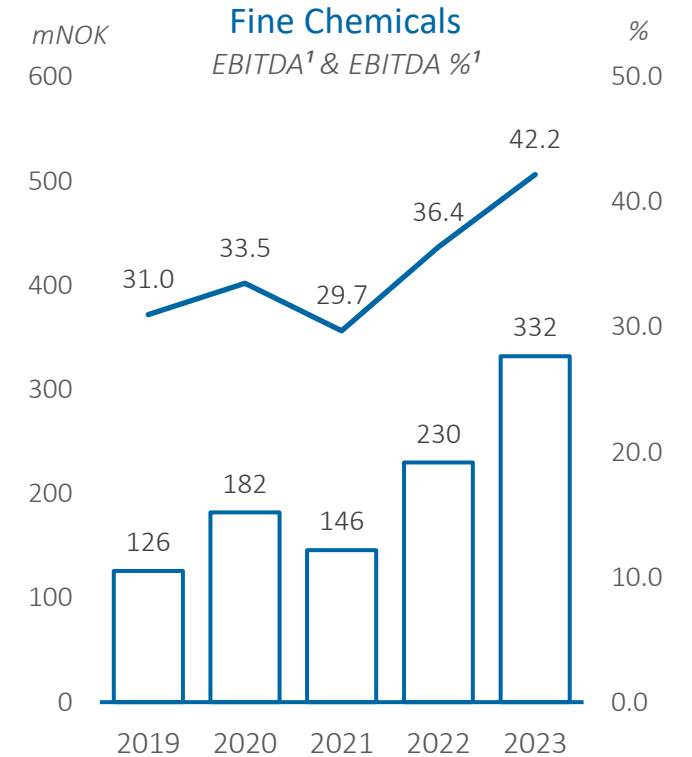
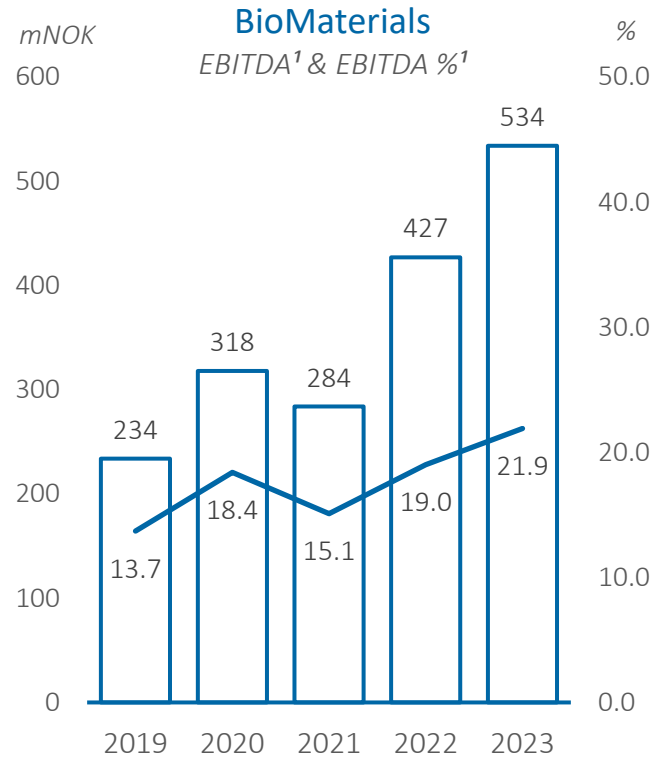
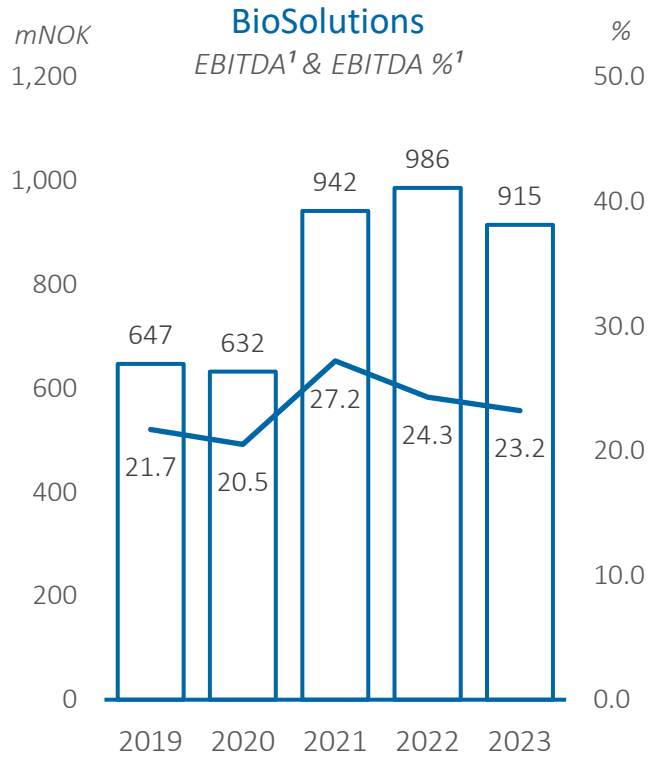
Improved performance during a period with uncertainty



1 Alternative performance measures – see Appendix

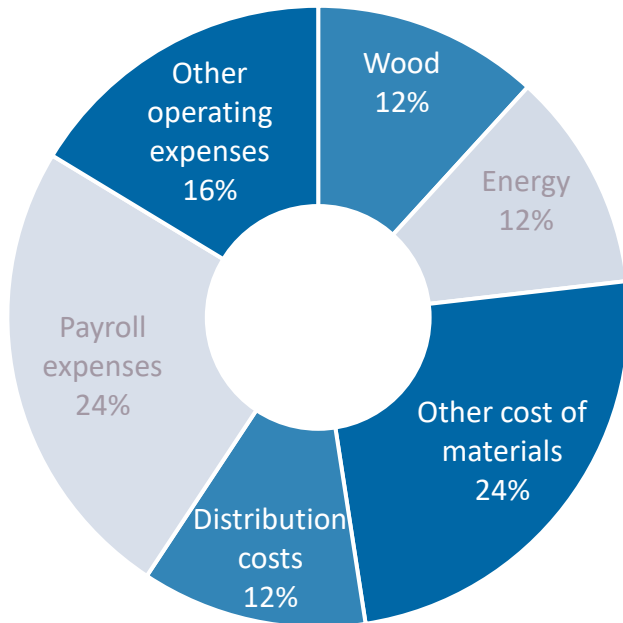
2 Earnings per share

Strong results in all business segments

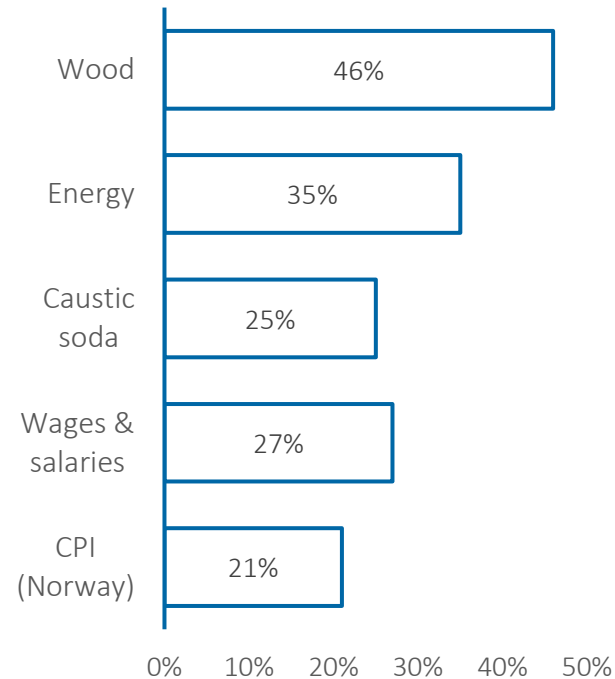


Significant cost increases have been mitigated

Share of operating expenses 2023



Cost increases 2019 – E2024



Significant cost increases over the last five years



- Wood costs impacted by energy prices, a weak NOK (favouring exports) and reduced supply

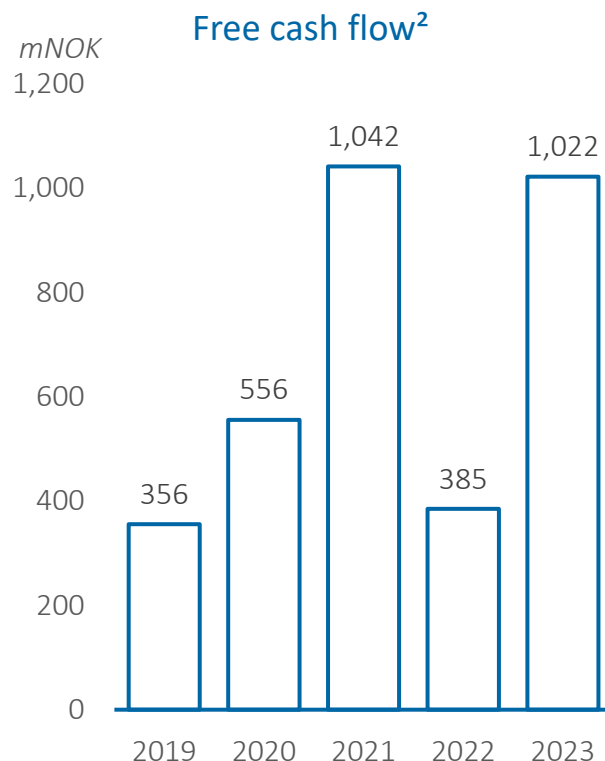
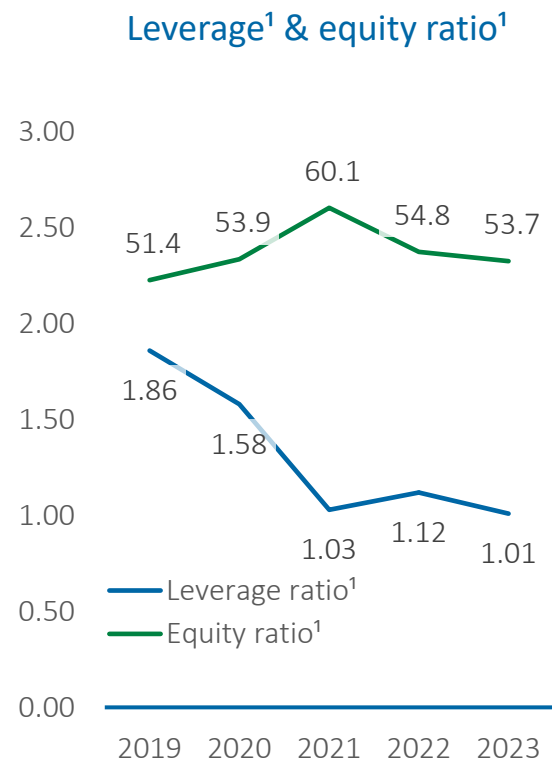


- Energy costs peaked in 2022, reduced in 2023 and 2024



- Caustic soda impacted by energy prices and weak chlorine market (PVC)
- More specialised work force, tight labour market
- Higher inflation

Solid financial position and strong cash flow



Solid financial position

- Leverage ratio¹ 1.23 and equity ratio¹ 54% (Q2-24)
 - Maintain key financial ratios corresponding to an investment grade rated company
 - Issuer rating of A-/Stable from Scope ratings
 - Leverage ratio target: Between 1.0 and 2.25
- Substantial undrawn credit facilities

Strong cash generation

- Variations between years, mainly due to changes in net working capital

1 Alternative performance measures – see Appendix

2 Free cash flow defined as cash flow from operating and investing activities, excluding expansion investments

Investments to reduce CO₂ emissions in line with transition plan

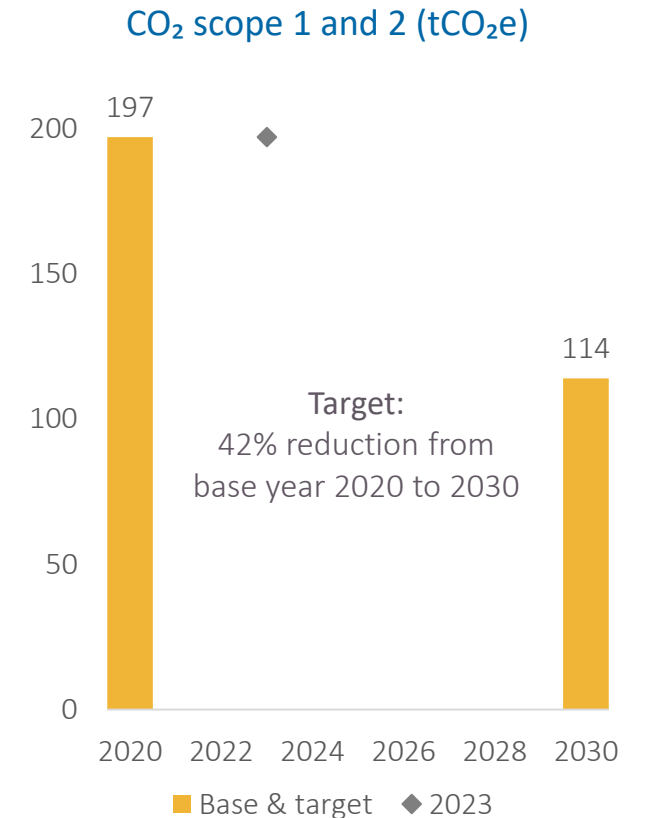
Completed and on-going investment projects

- Investments forecast to give higher than expected reduction in CO₂ emissions and energy savings
- So far, investment spending below initial transition plan forecast

	Reduced CO ₂ (tCO ₂ e)	Saved energy (GWh)	Investment (mNOK)	Completed
Increased utilisation of residuals from production processes as bioenergy	10,800	53	90	2022 (2023 impact)
Investment to reduce CO ₂ emissions and increase flexibility at the biorefinery in Norway	30,000	40–50	230	Q3 2024, full effect 2025
Investment to upgrade electricity transformation capacity at the biorefinery in Norway	Facilitates CO ₂ and energy savings in future projects		275	2028

Additional projects to reduce CO₂ emissions and COD¹ effluents

- Increase electric boiler capacity for heat energy production
- Produce more biofuel from residuals and process improvements
- Wastewater incineration technology, innovative heat recovery



1 COD: Chemical Oxygen Demand

Capital allocation priorities



Expansion investments

Increased specialisation and capacity



Acquisitions and other investments

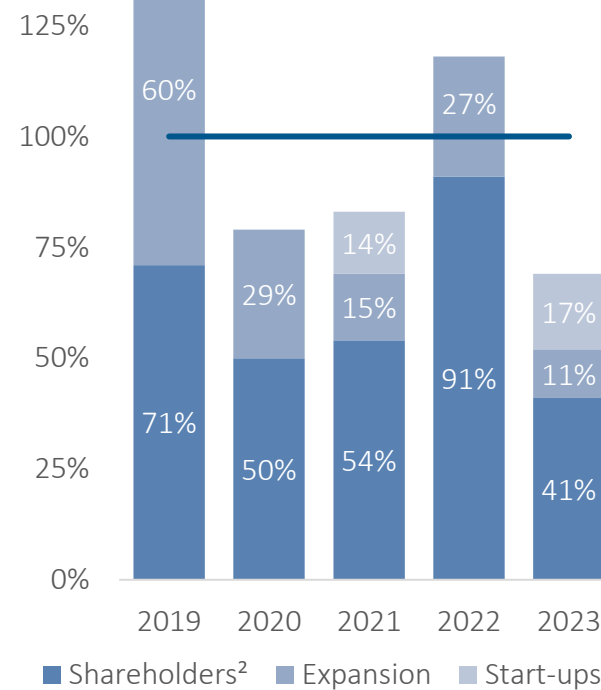
Bio-based start-ups and complementary value-adding businesses



Shareholders

Dividends and net buy-backs

Allocation of FCF¹



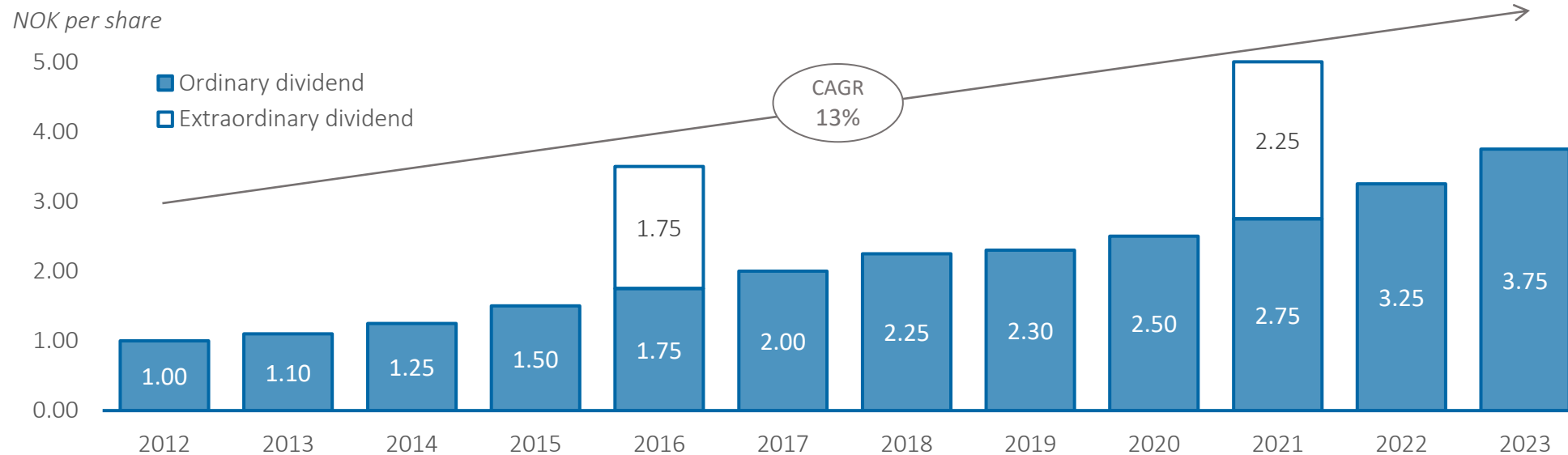
Priorities will be set in line with financial targets and dividend policy

- ROCE above 15% pre-tax over a business cycle
- Leverage ratio well within targeted level (1.0–2.25)
- Regular and progressive dividends

¹ FCF: Free cash flow defined as cash flow from operating and investing activities, excluding expansion investments

² Shareholders: Proposed dividends and net buy-back of treasury shares

Progressive dividends over time



Borregaard's dividend policy

- To pay regular and progressive dividends reflecting Borregaard's expected long-term earnings, free cash flows and expansion investments
- Annual dividend is targeted between 30% and 50% of net profit for the preceding fiscal year

Dividend reflects improved profitability and cash flow over time

- Ordinary dividend for 2023 close to four times higher than 2012 (IPO)
- Extraordinary dividend for 2016 and 2021
 - Strong earnings, cash flow, leverage ratio and outlook

Value growth through expansion investments

On-going projects in BioSolutions

- Specialisation investment
 - Main target is batteries, also targeting oilfield chemicals, agrochemicals, pigments and dyes
 - Investment 70 mNOK, operational Q4-24
- New green technology platform
 - Commercial scale demonstration plant
 - Investment 100 mNOK, first step operational Q3-24

Significant impact from earlier expansion investments

- BioSolutions
 - Upgrade of biopolymers facility in Norway, Florida expansion, capacity increase for biovanillin
- BioMaterials and Fine Chemicals
 - Ice Bear project, capacity increase bioethanol, debottlenecking fine chemical intermediates



Expansion projects 2024 to 2027



Debottlenecking Sarpsborg biorefinery

- Two-step capacity increase
 - Decision first step expected in Q4-24
- Expected total capacity increase 5–10%
 - Production output expected to increase gradually from H2-26
- Other benefits
 - Reduced costs and volume of residuals
 - Energy savings and reduced caustic soda consumption
 - Reduced COD effluents



Several smaller and medium sized expansion investments

- Further specialisation of lignin-based biopolymers, including upgrade further specialisation of Wisconsin facility
- Ramp-up of Ice Bear production and further improvement of quality
- Removing capacity restraints in bioethanol and fine chemical intermediates

Bio-based start-ups

- Support existing investments
- Seek new opportunities

Investment forecast¹ 2024-2027

Replacement investments

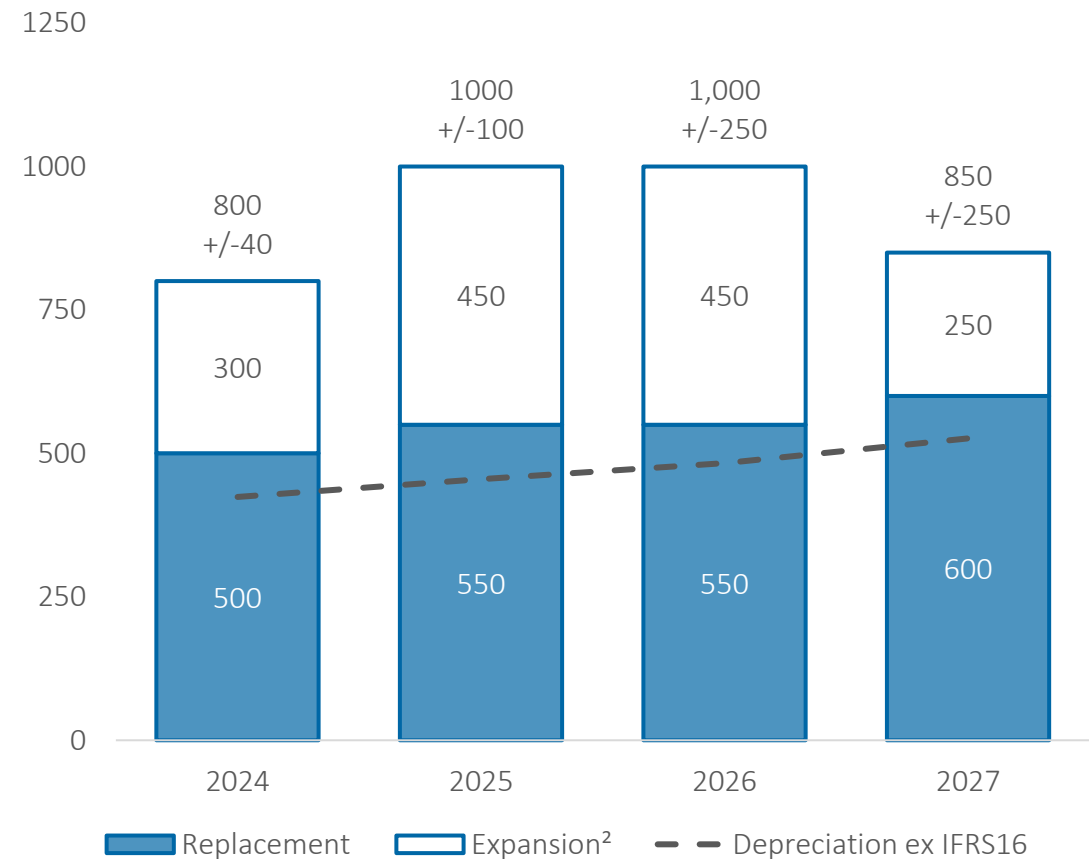
- Targeted CO₂ and COD reductions and general cost increases explain above target level investments
 - Target: Replacement investments at depreciation level
- Supporting specialisation and value growth investments

Expansion investments²

- Increased specialisation
- Debottlenecking at the Sarpsborg site

New projects may lead to additional investments

- Future investments in bio-based start-ups are not included
 - Share of Alginor's capital raise in 2024 included (150 mNOK)



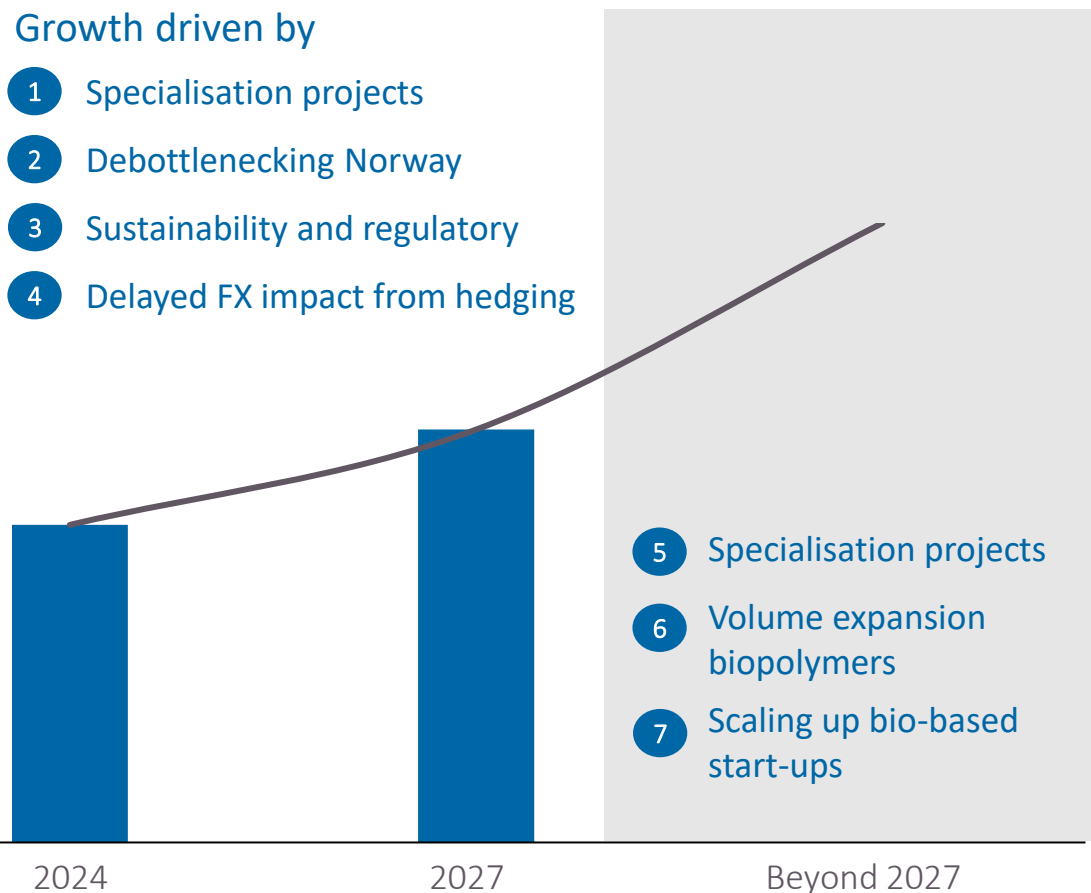
¹ Uncertainty is related to final investment decisions, timing of investment payments, execution time and risk and unexpected events

² Alternative performance measures - see Appendix

Borregaard positioned for accelerated growth

Growth driven by

- 1 Specialisation projects
- 2 Debottlenecking Norway
- 3 Sustainability and regulatory
- 4 Delayed FX impact from hedging

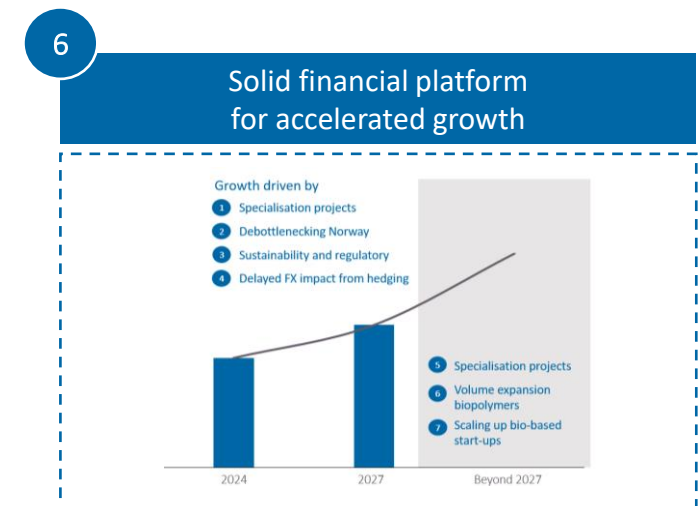
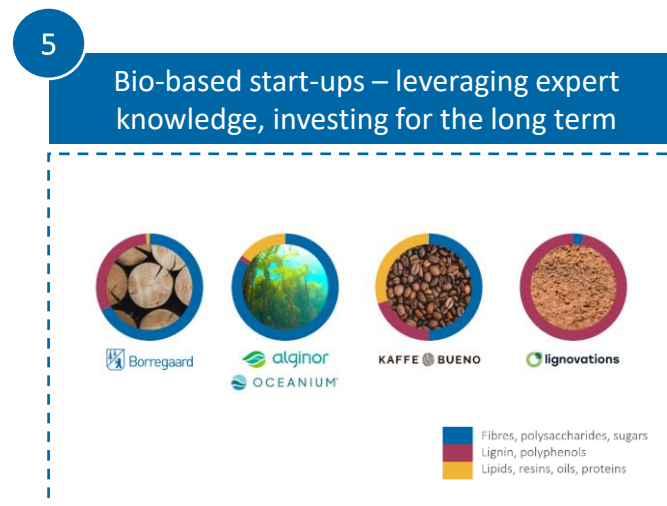
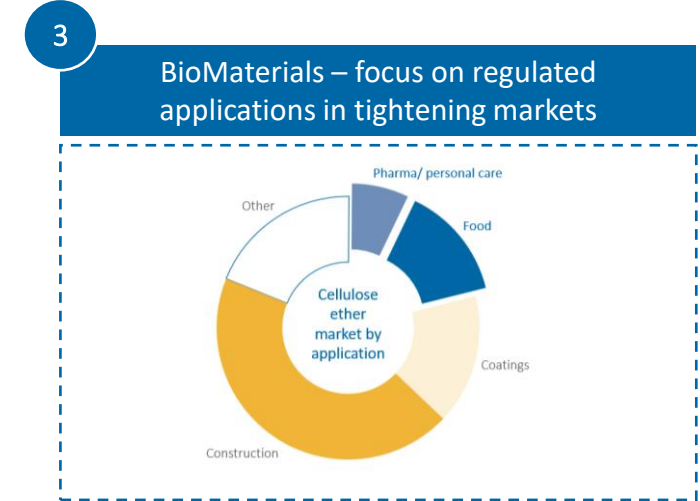


Details on growth drivers, applications and effects

- 1 Investments in agri, home care, batteries and Asia strategy in BioSolutions, Ice Bear in BioMaterials
- 2 Debottlenecking Sarpsborg, 5–10% more volume, above IRR target of 15%
- 3 Environmental investments mitigating cost risks, regulatory tailwinds in feed, strengthened sustainability profile
- 4 Significant delayed FX impact from hedging over next three years assuming constant FX rates
- 5 Further specialisation and value growth in BioSolutions, targeting regulated markets in BioMaterials
- 6 Option to grow volumes at Florida plant +50,000 tonnes, alternatively build BALI plant
- 7 Scaling up bio-based start-ups (Alginor, Kaffe Bueno etc), cellulose fibrils expansion

Illustrative figure

Key take-aways | Borregaard Capital Markets Day 2024



Q&A | Borregaard Capital Markets Day 2024

The Q&A session will be moderated by

- Magnus Rasmussen, Analyst, SEB
- Marcus Gavelli, Analyst, Pareto Securities Research

Participants from management

- Per A. Sørli, President & CEO
- Tom Erik Foss-Jacobsen, EVP BioSolutions
- Gisle Løhre Johansen, EVP Speciality cellulose
- Kristin Misund, SVP R&D and Business development
- Per Bjarne Lyngstad, CFO



Appendix – 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:** Operating profit before depreciation, amortisation and other income and expenses.
 - **EBITDA margin:** EBITDA divided by operating revenues.
 - **Equity ratio:** Equity (including non-controlling interests) divided by equity and liabilities.
 - **Expansion investments:** 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 R&D costs and new distribution set-ups.
 - **Other income and expenses:** 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.
 - **Leverage ratio:** Net interest-bearing debt divided by last twelve months' (LTM) EBITDA.
 - **Net interest-bearing debt (NIBD):** Interest-bearing liabilities minus interest-bearing assets.
 - **Return on capital employed (ROCE):** 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. 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.