

1st Quarter 2025

Oslo, 30 April 2025



Agenda

Per A Sørli, President & CEO

- Highlights
- Business segments
- Tariffs
- Alginor capital raise
- Outlook

Per Bjarne Lyngstad, CFO

- Financial performance



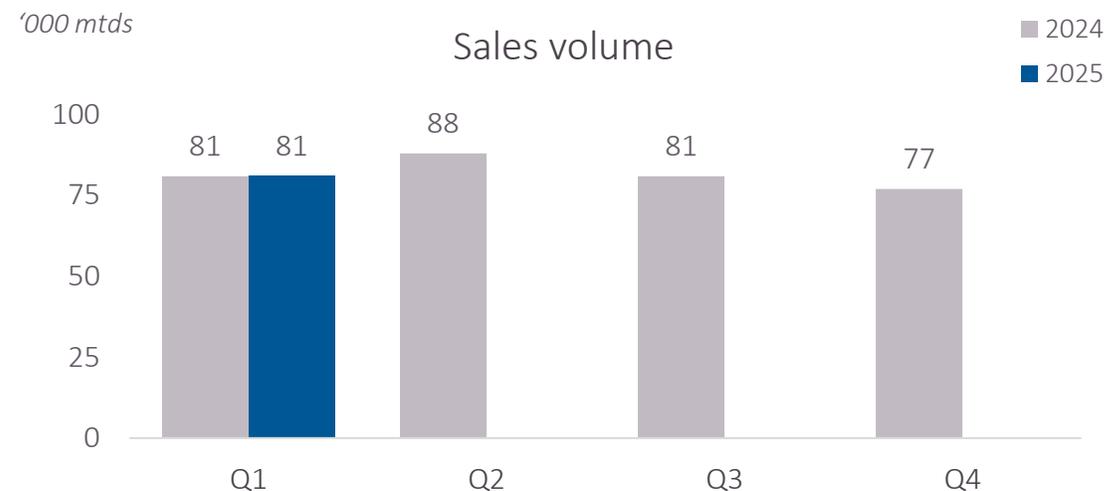
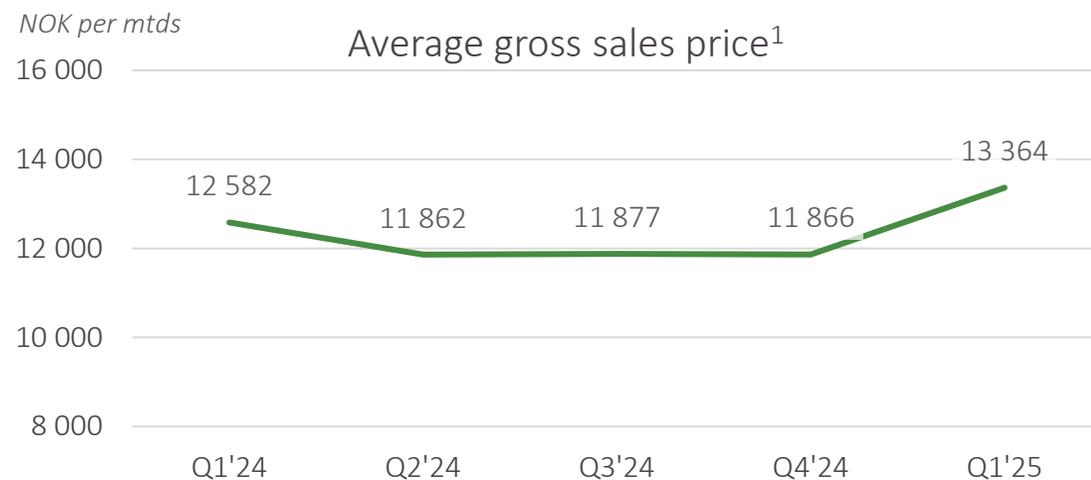
Highlights – 1st quarter 2025

- EBITDA¹ NOK 511 million (NOK 442 million)
- Strong sales to agriculture and all-time high result in BioSolutions
- Higher sales prices, offset by lower sales volume and increased wood costs in BioMaterials
- Lower sales prices for bioethanol in Fine Chemicals
- Positive net currency effects



¹ Alternative performance measure, see Appendix for definition

BioSolutions markets – Q1



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

Sales volume in line with Q1-24

- Strong sales to agriculture

Average price in sales currency 2% above Q1-24

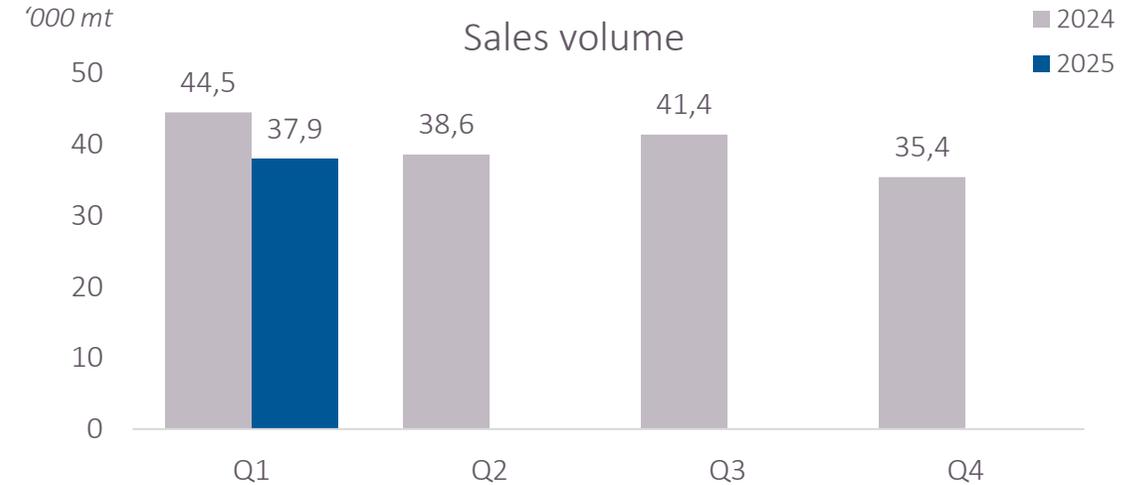
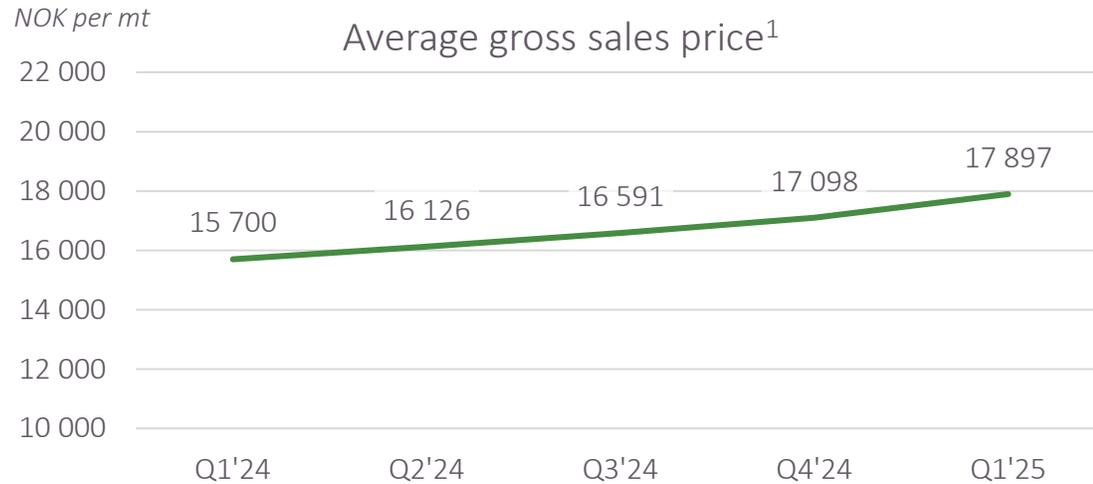
- Average price supported by seasonally strong sales to agriculture

Positive but limited impact for Borregaard's vanillin products from US antidumping duties on vanillin from China

Positive net FX impact

¹ Average sales price is calculated using actual FX rates, excluding hedging impact

BioMaterials markets – Q1



Sales price and sales volume include speciality cellulose and cellulose fibrils

Average price in sales currency 10% above Q1-24

- Higher average price primarily due to price increases
- Share of highly specialised grades at the same level as Q1-24

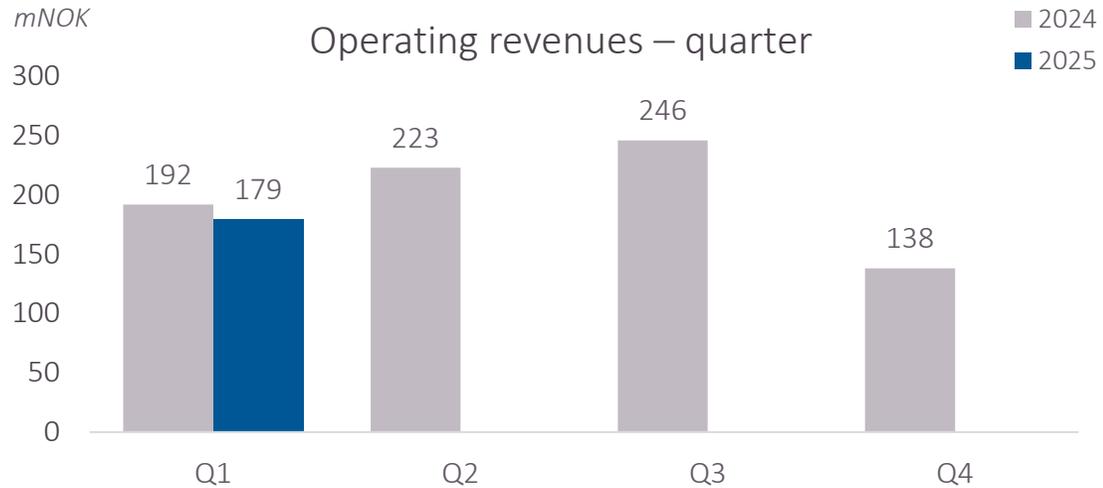
Lower sales volume vs Q1-24

- Sales from inventory in Q1-24

Positive FX impact

¹ Average sales price is calculated using actual FX rates, excluding hedging impact

Fine Chemicals markets – Q1



Sales revenues include fine chemical intermediates and bioethanol

Fine chemical intermediates

- Increased sales prices

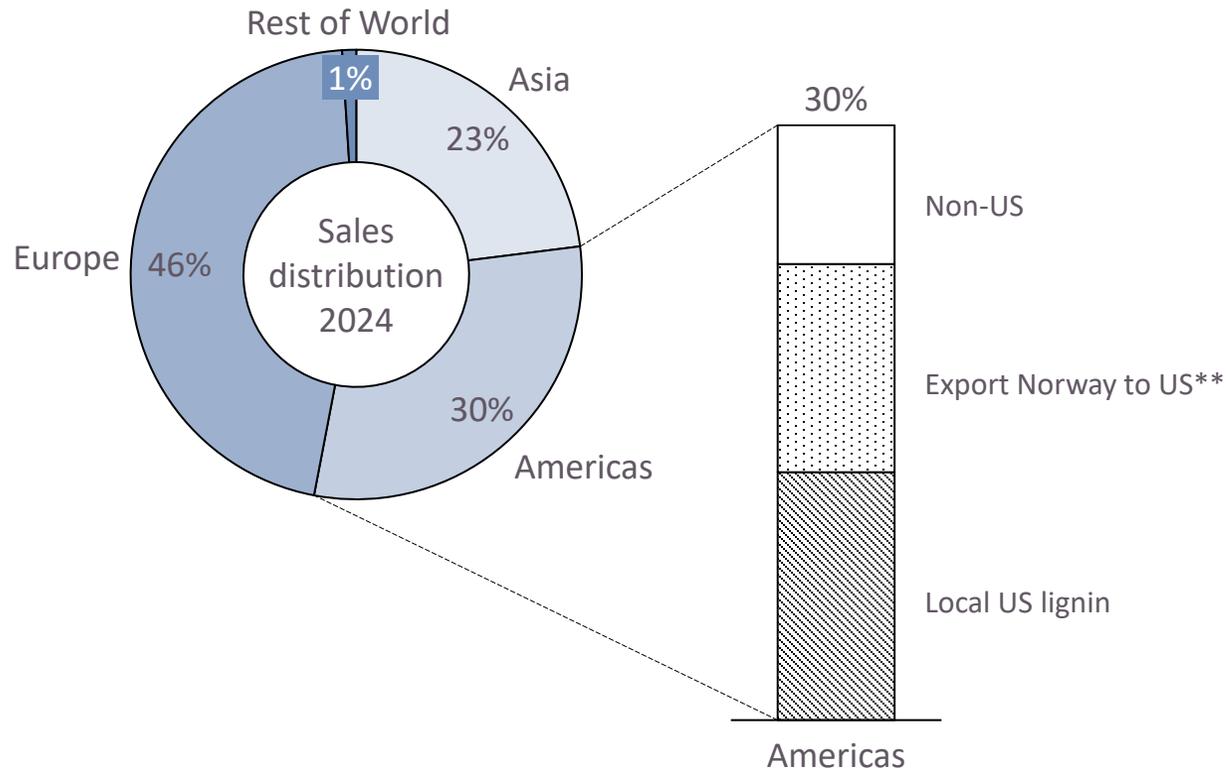
Bioethanol

- Lower sales prices, partly offset by higher sales volume
- Significant increase in supply of advanced bioethanol in Europe from agricultural waste and other sources

Positive net FX impact

Tariffs – possible first and second order effects on Borregaard

1 *First order effects: Balanced direct effects expected, specialisation strategy and local US sites support**



2 *Second order effects: Uncertain, diversification and hedging mitigate indirect effects**

FX

Borregaard's revenues are primarily in USD or EUR, while costs are mainly in NOK. A currency hedging strategy is in place to delay the effects.

Customers' customers

While most of Borregaard's sales are to Europe, these customers are typically global. However, the number of alternative suppliers may be limited.

GDP growth

Due to the diversified end-market exposure, Borregaard possesses flexibility both geographically and across various markets. However, a slowdown in GDP growth could potentially impact the overall end markets.

* Based on what is known about tariffs and potential trade war as of 29 April 2025. As of the time of writing, the tariff on US imports from Norway is set at 10%.

** Including speciality cellulose, biovanillin and other lignin specialities produced in Sarpsborg

Alginor capital raise

150 mNOK capital raise

Borregaard, Must Invest, and Hatteland Group have invested 100 mNOK in Alginor and will underwrite a 50 mNOK rights issue.

Ownership

Borregaard's contribution will be 55 to 83 mNOK, resulting in a 36% to 43% ownership in Alginor.

Total investment

Borregaard's total investment in Alginor will increase to 474 to 502 mNOK.



Outlook

BioSolutions

- Sales volume in 2025 forecast to be ≈330,000 tonnes with continued strong sales to agriculture
- Sales volume in Q2 expected to be ≈85,000 tonnes with a less favourable product mix vs Q1-25
- US antidumping duties on vanillin from China expected to have a positive but limited impact for Borregaard

BioMaterials

- Sales volume in 2025 forecast to be approximately 150,000 tonnes
- Share of highly specialised grades expected to be higher than in 2024
- The average price in sales currency expected to be 8-10% higher in H1-25 vs H1-24
- Sales volume in Q2 expected to be largely in line with Q2-24

Fine Chemicals

- Favourable incentives for advanced bioethanol in Europe have triggered substantial new supply from agricultural waste and other sources
- Sales prices for Borregaard's bioethanol expected to be significantly lower than in 2024, and lower than prices achieved in 2022
- Sales volume for fine chemical intermediates expected to increase vs 2024

Costs

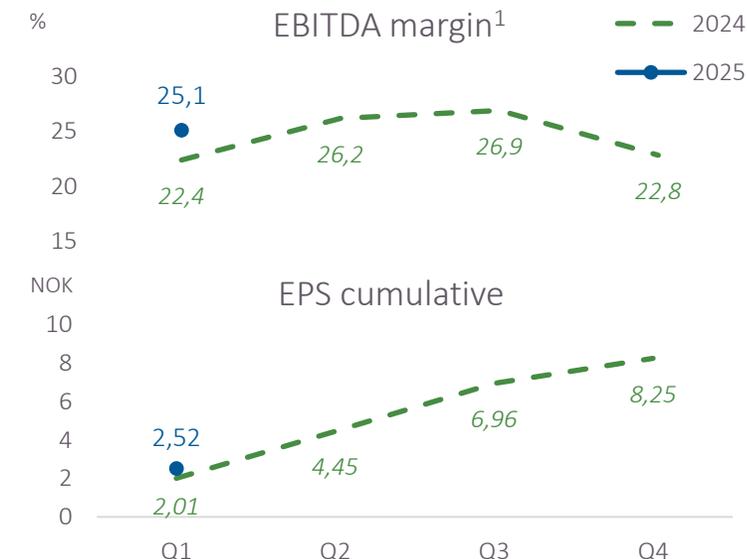
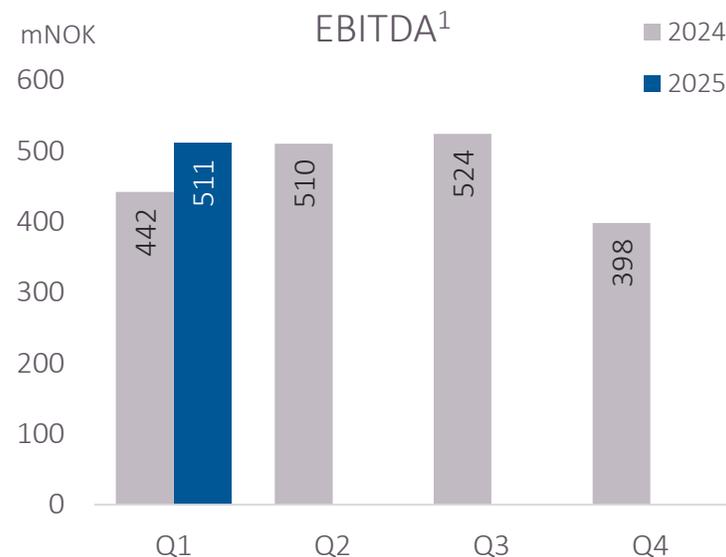
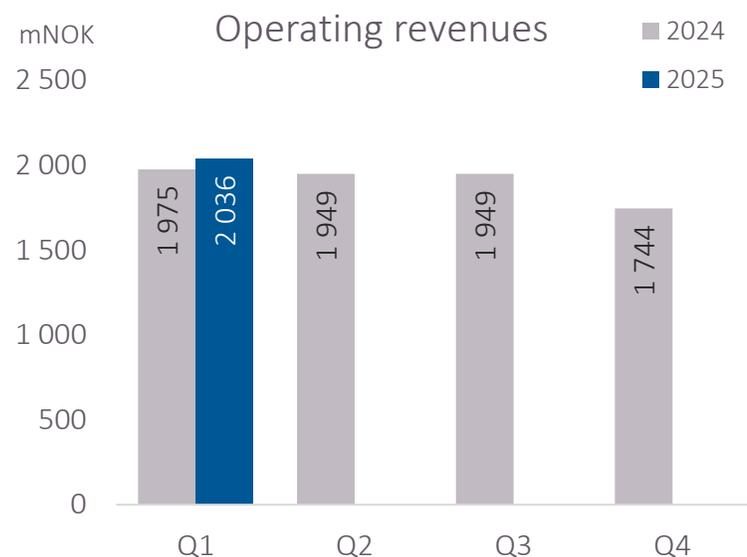
- Wood costs in Q2 expected to be largely in line with Q1-25
- Full year impact from recent investments will reduce energy costs and CO₂ emissions in Sarpsborg

Uncertainty in the global economy related to tariffs, war and conflicts may impact Borregaard's markets and costs

Financial performance Q1-25



Borregaard key figures – Q1



Revenues 3% above Q1-24

EBITDA¹ 511 mNOK for the Group

- Increased result in BioSolutions, BioMaterials at the same level, lower result in Fine Chemicals

Earnings per share (EPS) NOK 2.52 (NOK 2.01)

¹ Alternative performance measure, see Appendix for definition

BioSolutions key figures – Q1



- Revenues 8% above Q1-24



- All-time high result
- Strong sales to agriculture
- Positive but limited impact from US antidumping duties on vanillin from China
- Positive net currency



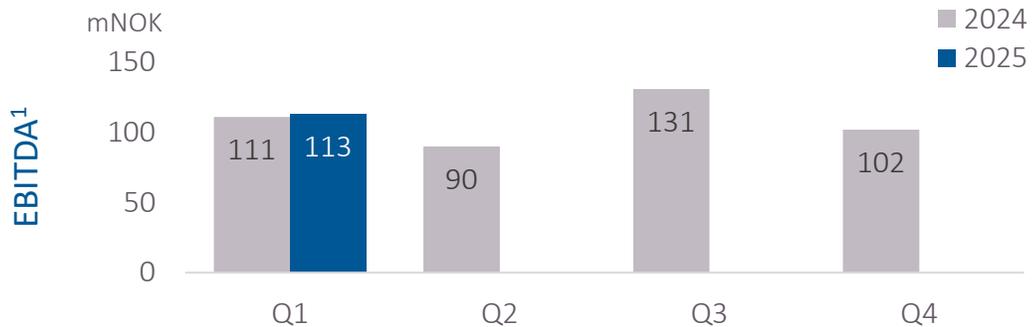
- Strong EBITDA margin¹

¹ Alternative performance measure, see Appendix for definition

BioMaterials key figures – Q1



- Revenues 2% below Q1-24
- Lower sales volume partly offset by increased prices



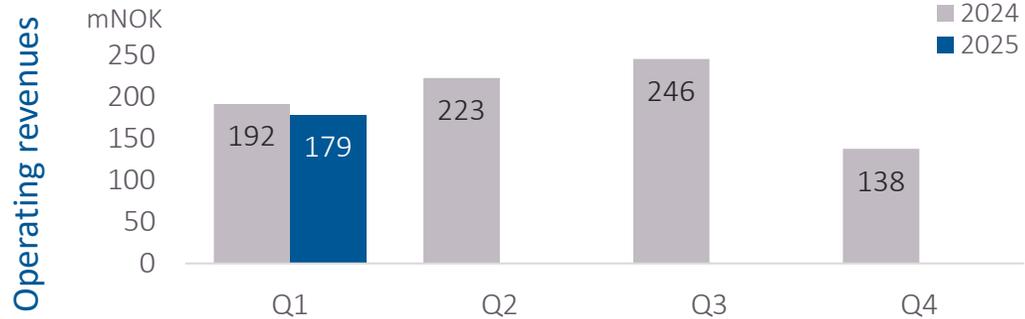
- Higher sales prices partly offset by lower sales volume
- Increased wood costs and cost increases in general
- Positive net FX effects



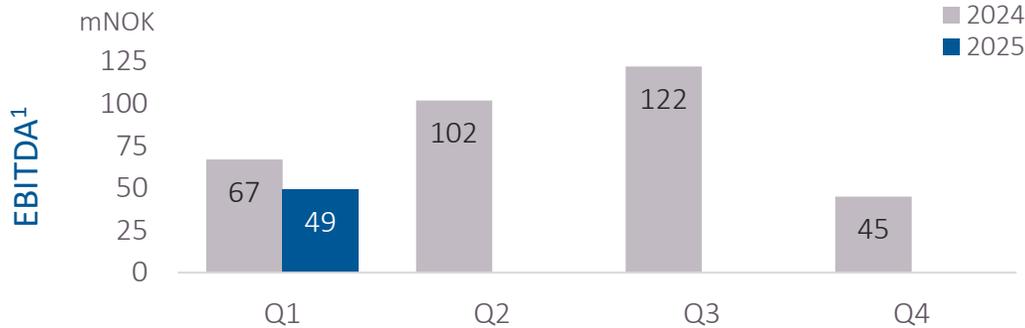
- EBITDA margin¹ above Q1-24

¹ Alternative performance measure, see Appendix for definition

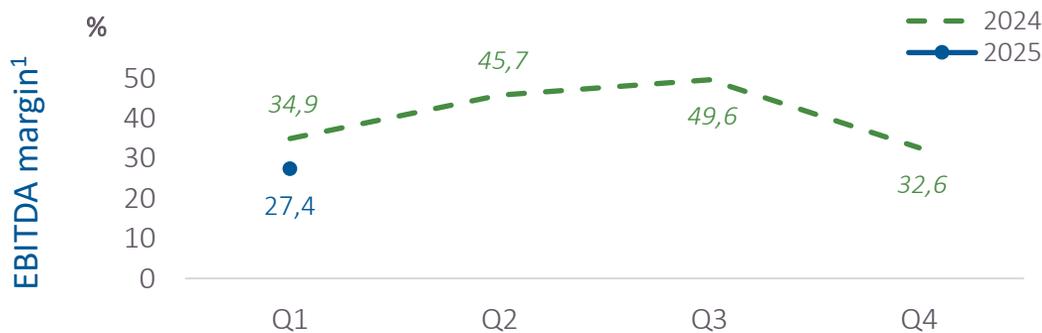
Fine Chemicals key figures – Q1



- Revenues 7% below Q1-24
- Lower sales prices for bioethanol



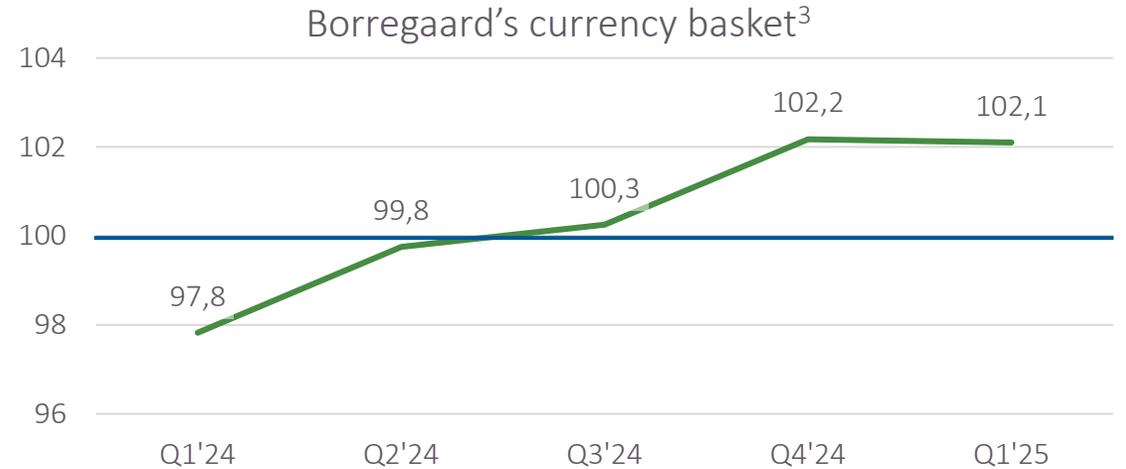
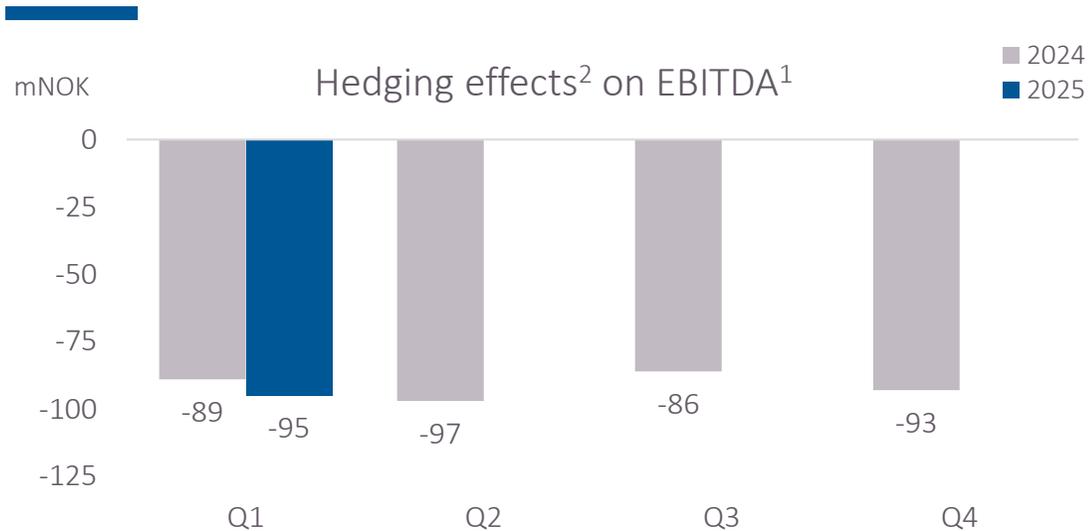
- *Fine chemical intermediates*: Increased sales prices
- *Bioethanol*: Lower sales prices partly offset by higher sales volume
- Positive net FX effects



- EBITDA margin¹ below Q1-24

¹ Alternative performance measure, see Appendix for definition

Currency impact



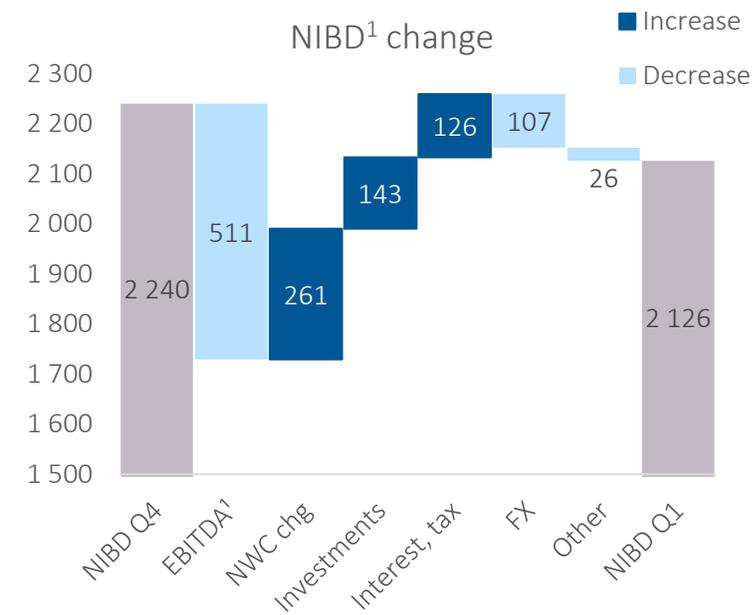
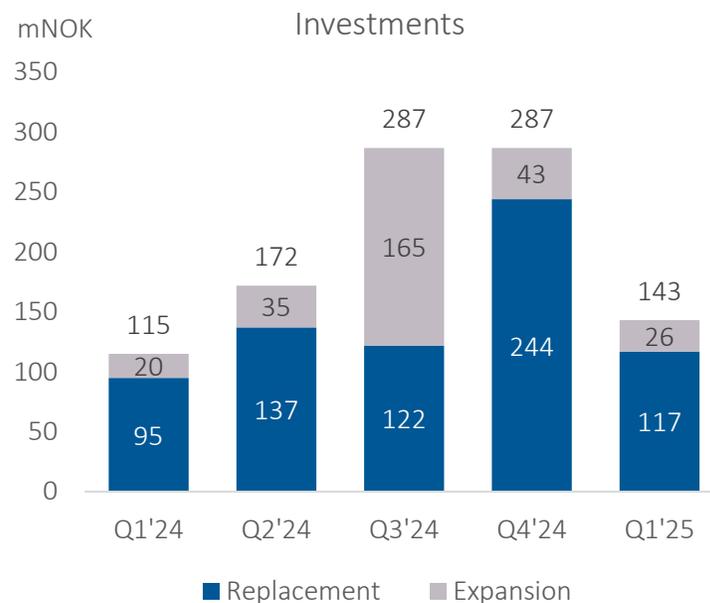
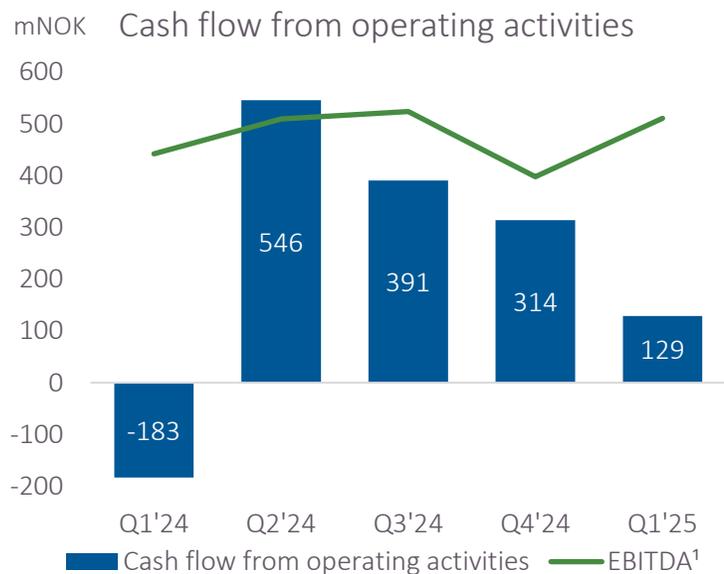
- Net FX EBITDA¹ impact \approx +45 mNOK vs Q1-24
 - Includes change in hedging effects and based on estimated FX exposure
- Net FX EBITDA¹ impact in 2025 estimated to be \approx +125 mNOK vs 2024
 - Assuming rates as of 29 April (USD 10.38 and EUR 11.80) on expected FX exposure
 - Net FX EBITDA¹ impact in Q2 estimated to be \approx +40 mNOK vs Q2-24
- Significant FX exposure, but delayed impact of FX rate fluctuations due to hedging policy

¹ Alternative performance measure, see Appendix for definition

² See Appendix for currency hedging strategy, future hedges and hedging effects by segment

³ Currency basket based on Borregaard's net exposure on EBITDA¹ in 2024 (=100): USD 65% (\approx 276 mUSD), EUR 36% (\approx 145 mEUR), Other -1% (GBP, BRL, SGD, SEK)

Cash flow, investments and NIBD



Positive cash flow in Q1

- Cash effect from a high EBITDA¹ partly offset by a negative development in net working capital and tax payments

Total investments 143 mNOK

NIBD¹ decreased 114 mNOK in Q1

- Leverage ratio¹ 1.09 (1.21)

Equity ratio¹ 58% (53%)

¹ Alternative performance measure, see Appendix for definition

Questions?

Per A Sørli, President & CEO

Per Bjarne Lyngstad, CFO

Please note that you can submit questions online during the webcast



Appendix



Borregaard – key figures

Amounts in NOK million	Q1-25	Q1-24	Change
Operating revenues	2 036	1 975	3 %
EBITDA¹	511	442	16 %
Depreciation property, plant and equipment	-143	-133	
Amortisation intangible assets	-1	-1	
Other income and expenses ¹	0	0	
Operating profit	367	308	19 %
Financial items, net	-48	-47	
Profit before taxes	319	261	22 %
Income tax expenses	-75	-61	
Profit for the period	244	200	22 %
Profit attributable to non-controlling interests	-7	0	
Profit attributable to owners of the parent	251	200	
Cash flow from operating activities (IFRS)	129	-183	
Earnings per share	2,52	2,01	25 %
EBITDA margin ¹	25,1 %	22,4 %	

¹ Alternative performance measure, see Appendix for definition

Operating revenues and EBITDA¹ per segment

Amounts in NOK million

Operating revenues	Q1-25	Q1-24	Change
Borregaard	2 036	1 975	3 %
BioSolutions	1 179	1 088	8 %
BioMaterials	689	704	-2 %
Fine Chemicals	179	192	-7 %
Eliminations	-11	-9	

Amounts in NOK million

EBITDA ¹	Q1-25	Q1-24	Change
Borregaard	511	442	16 %
BioSolutions	349	264	32 %
BioMaterials	113	111	2 %
Fine Chemicals	49	67	-27 %

¹ Alternative performance measure, see Appendix for definition

Balance sheet

Amounts in NOK million	31.3.2025	31.12.2024
Assets:		
Intangible assets	85	88
Property, plant and equipment	4 992	5 026
Right-of-use assets	483	508
Other assets	598	524
Investments in joint venture/associate companies	400	417
Non-current assets	6 558	6 563
Inventories	1 474	1 498
Receivables	1 694	1 441
Cash and cash deposits	191	82
Current assets	3 359	3 021
Total assets	9 917	9 584
Equity and liabilities:		
Group equity	5 733	5 041
Non-controlling interests	39	49
Equity	5 772	5 090
Provisions and other liabilities	454	591
Interest-bearing liabilities	1 898	2 035
Non-current liabilities	2 352	2 626
Interest-bearing liabilities	420	288
Other current liabilities	1 373	1 580
Current liabilities	1 793	1 868
Equity and liabilities	9 917	9 584
Equity ratio ¹ (%):	58,2 %	53,1 %

¹ Alternative performance measure, see Appendix for definition

Cash flow

Amounts in NOK million	Q1-25	Q1-24	FY-2024
Amounts in NOK million			
Profit before taxes	319	261	1 079
Amortisation, depreciation and impairment charges	144	134	561
Change in net working capital, etc	-261	-466	-326
Dividend/share of profit from JV & associate companies	17	3	22
Taxes paid	-90	-115	-268
Cash flow from operating activities	129	-183	1 068
Investments property, plant and equipment and intangible assets *	-143	-115	-711
Investment in associate companies & bio-based start-ups*	-	-	-150
Other capital transactions	4	3	19
Cash flow from Investing activities	-139	-112	-842
Dividends	-	-	-374
Proceeds from exercise of options/shares to employees	30	35	52
Buy-back of treasury shares	-10	-28	-98
Gain/(loss) on hedges for net investments in subsidiaries	72	-50	-109
Net paid to/from shareholders	92	-43	-529
Proceeds from interest-bearing liabilities	100	-	500
Repayment from interest-bearing liabilities	-71	-67	-724
Change in interest-bearing liabilities/other instruments	-37	36	74
Change in net interest-bearing liabilities	-8	-31	-150
Cash flow from financing activities	84	-74	-679
Change in cash and cash equivalents	74	-369	-453
Cash and cash equivalents at beginning of period	-3	429	429
Change in cash and cash equivalents	74	-369	-453
Currency effects cash and cash equivalents	-6	21	21
Cash and cash equivalents at the close of the period	65	81	-3
* Investment by category			
Replacement Investments	117	95	598
Expansion investments including investment in associate companies and bio-based start-ups	26	20	263
Total investments including investment in associate companies and bio-based start-ups	143	115	861

¹ Alternative performance measure, see Appendix for definition

Net financial items & net interest-bearing debt¹

Amounts in NOK million

Net financial items	Q1-25	Q1-24
Net interest expenses	-36	-39
Currency gain/loss	-7	0
Share of profit/-loss from an associate	-17	-3
Other financial items, net	12	-5
Net financial items	-48	-47

Amounts in NOK million

Net interest-bearing debt ¹ (NIBD)	31.3.2025	31.12.2024
Non-current interest-bearing liabilities	1 898	2 035
Current interest-bearing liabilities including overdraft	420	288
Non-current interest-bearing receivables (included in "Other Assets")	-1	-1
Cash and cash deposits	-191	-82
Net interest-bearing debt¹ (NIBD)	2 126	2 240
- of which impact from IFRS 16 leases	530	554

¹ Alternative performance measure, see Appendix for definition

Currency hedging strategy

Purpose is to delay effects of currency fluctuations and secure competitiveness

Hedging based on expected EBITDA¹ impact²

- Base hedge: 75%/50% on a rolling basis for 6/9 months for major currencies
- Extended hedge: 75%/50% of the next 24/36 months if USD and EUR are above defined levels
 EUR; gradually increased at effective rates from 10.50 to 11.00
 USD; gradually increased at effective rates from 9.50 to 10.00
- Contracts³: 100% hedged

Balance sheet exposure hedged 100%

Net investments in subsidiaries hedged up to 90% of book value in major currencies

Contracted FX hedges with EBITDA impact (as of 29.04.25)

	USD million	USD rate	EUR million	EUR rate
Q2-2025	40	9.97	32	11.05
Q3-2025	40	10.18	31	10.93
Q4-2025	40	10.14	30	10.93
2025	120	10.10	93	10.97
2026	152	10.45	119	11.72
2027	117	10.64	96	12.03
2028	31	10.95	26	12.33

Hedging effects by segment

NOK million	Q1-25	Q1-24
BioSolutions	-45	-44
BioMaterials	-40	-34
Fine Chemicals	-10	-11
Borregaard	-95	-89

¹ Alternative performance measure, see Appendix for definition

² Hedging done mainly in the Norwegian company

³ Strict definition of contracts applied for 100% hedging (mutually binding agreement in which price, currency, volume and time are defined)

Credit facilities, solidity and debt

Long-term credit facilities

- 1,500 mNOK revolving credit facilities, maturity 2027, margin linked to sustainability targets
- 500 mNOK 5-year green bonds, maturity 2028 (issued June 2023)
- 50 mUSD 10-year loan, maturity 2032
- 60 mUSD term loan for LT Florida, maturity 2027

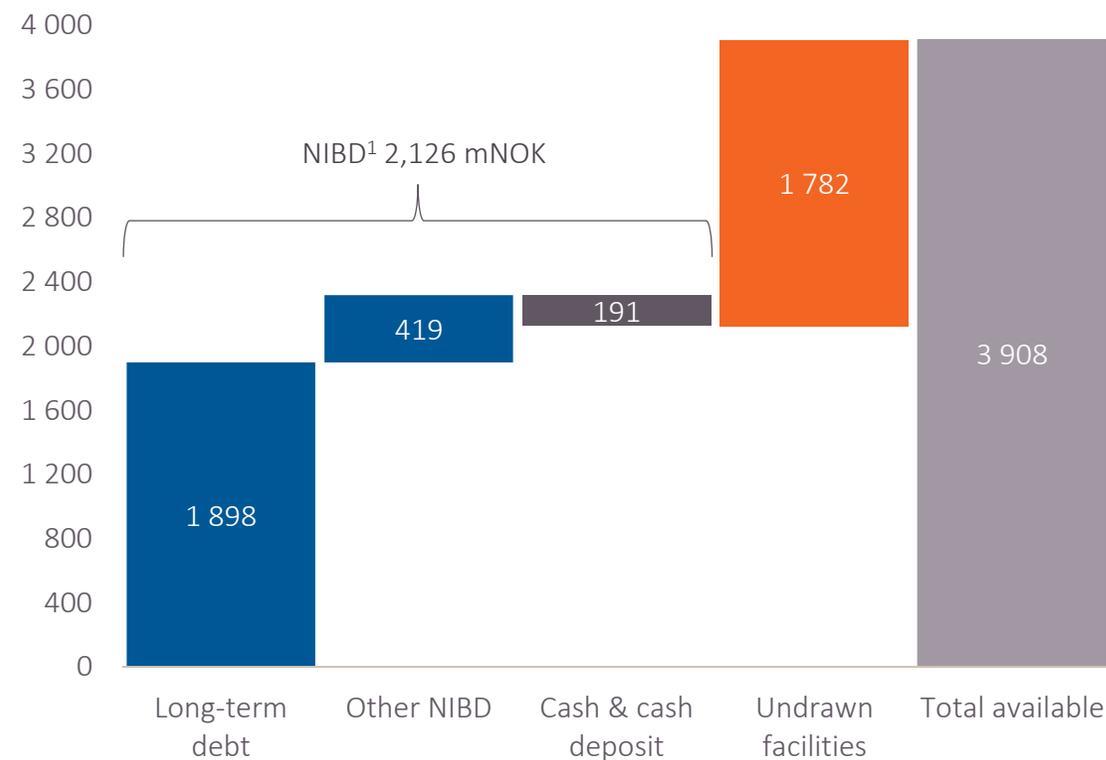
Short-term credit facilities

- 250 mNOK overdraft facilities
- 15 mUSD overdraft facility in LignoTech Florida
- 100 mNOK commercial paper (maturity April 2025)

Solidity

- Equity ratio¹ 58.2%
- Leverage ratio¹ LTM 1.09 (covenant < 3.50)

Debt and undrawn facilities
31.3.2025



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.

Important notice

This presentation is being made only to, and is only directed at, persons to whom such presentation may lawfully be communicated ('relevant persons'). Any person who is not a relevant person should not act or rely on this presentation or any of its contents.

This presentation does not constitute an offering of securities or otherwise constitute an invitation or inducement to any person to underwrite, subscribe for or otherwise acquire securities in any company within the Borregaard Group. The release, publication or distribution of this presentation in certain jurisdictions may be restricted by law, and therefore persons in such jurisdictions into which this presentation is released, published or distributed should inform themselves about, and observe, such restrictions.

This presentation includes and is based, inter alia, on forward-looking information and contains statements regarding the future in connection with the Borregaard Group's growth initiatives, profit figures, outlook, strategies and objectives. All forward-looking information and statements in this presentation are based on current expectations, estimates and projections about global economic conditions, the economic conditions of the regions and industries that are major markets for the Borregaard Group and its lines of business. These expectations, estimates and projections are generally identifiable by statements containing words such as "expects", "believes", "estimates" or similar expressions.

Important factors may lead to actual profits, results and developments deviating substantially from what has been expressed or implied in such statements. Although Borregaard believes that its expectations and the presentation are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved or that the actual results will be as set out in the presentation.

Borregaard is making no representation or warranty, expressed or implied, as to the accuracy, reliability or completeness of the presentation, and neither Borregaard nor any of its directors, officers or employees will have any liability to you or any other persons resulting from your use.

This presentation was prepared for the interim results presentation for the first quarter of 2025, held on 30 April 2025. Information contained herein will not be updated. The slides should also be read and considered in connection with the information given orally during the presentation.