



2nd Quarter 2025

Sarpsborg, 16 July 2025

Agenda

Per A Sørlie, President & CEO

- Highlights
- Business segments
- Environmental investment
- Outlook

Per Bjarne Lyngstad, CFO

- Financial performance



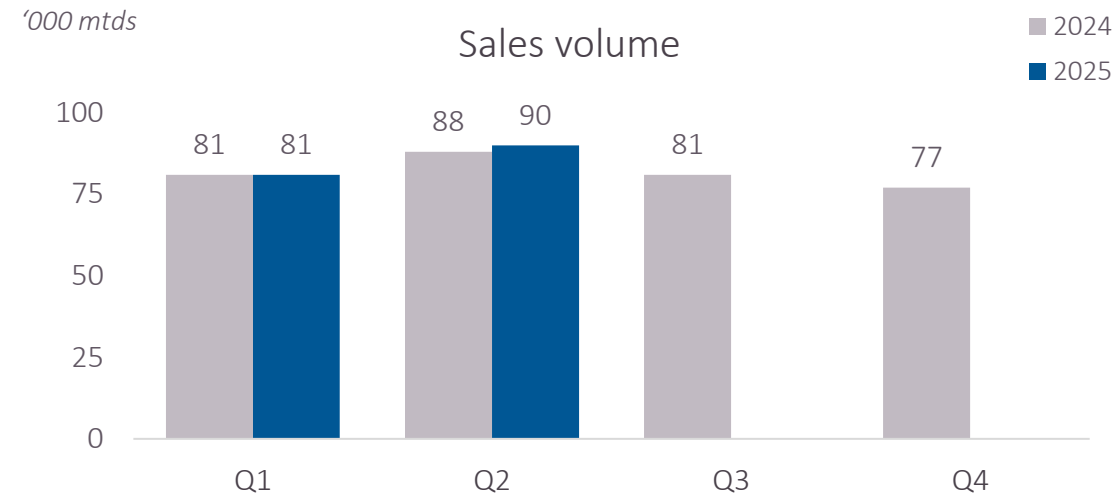
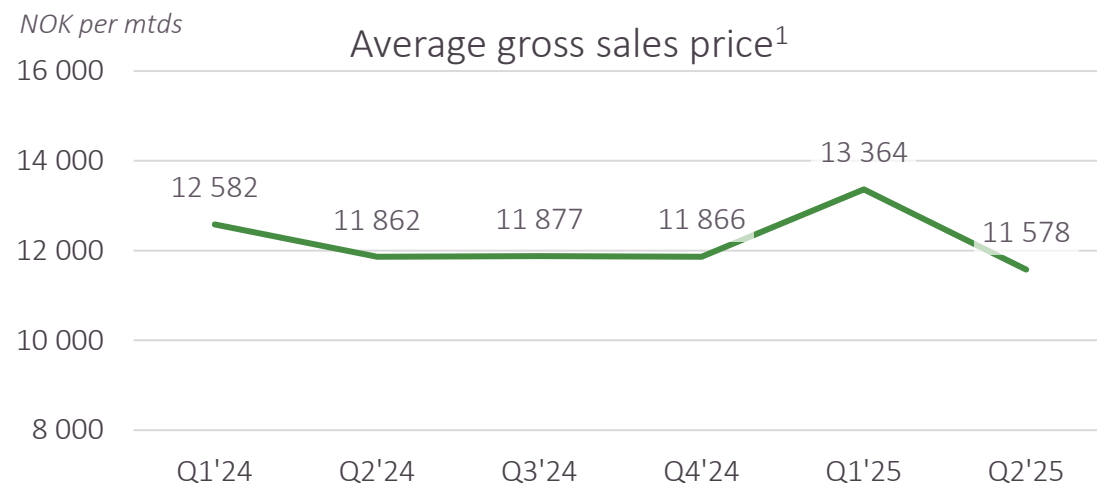
Highlights – 2nd quarter 2025

- EBITDA¹ NOK 522 million (NOK 510 million)
- Continued growth in sales to agriculture in BioSolutions
- Higher prices, improved mix and increased volume in BioMaterials, partly offset by increased wood costs
- Lower sales prices for bioethanol in Fine Chemicals
- Positive net currency effects



¹ Alternative performance measure, see Appendix for definition

BioSolutions markets – Q2



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

Sales volume 2% higher vs Q2-24

- Continued growth in sales to agriculture

Average price in sales currency in line with Q2-24

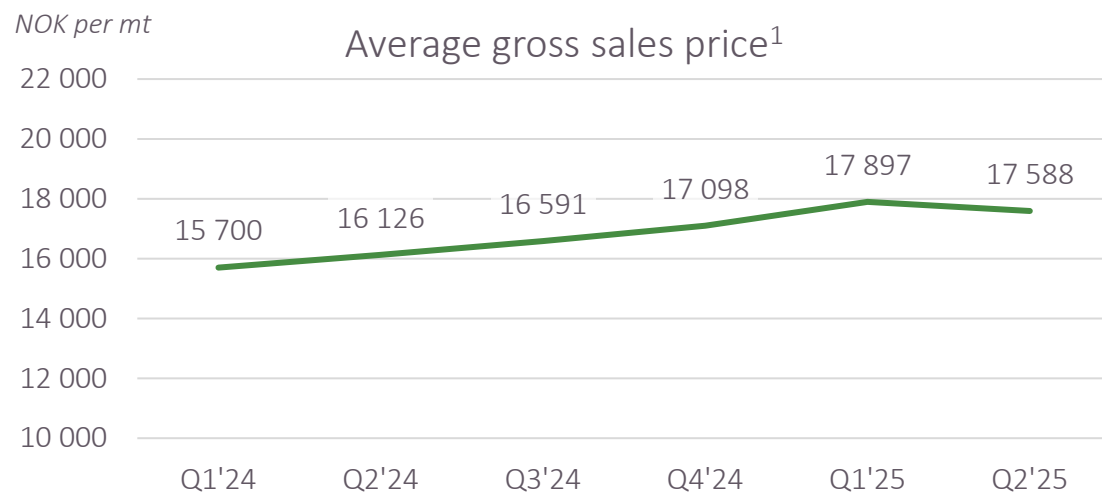
- Product mix seasonally less favourable than in Q1

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

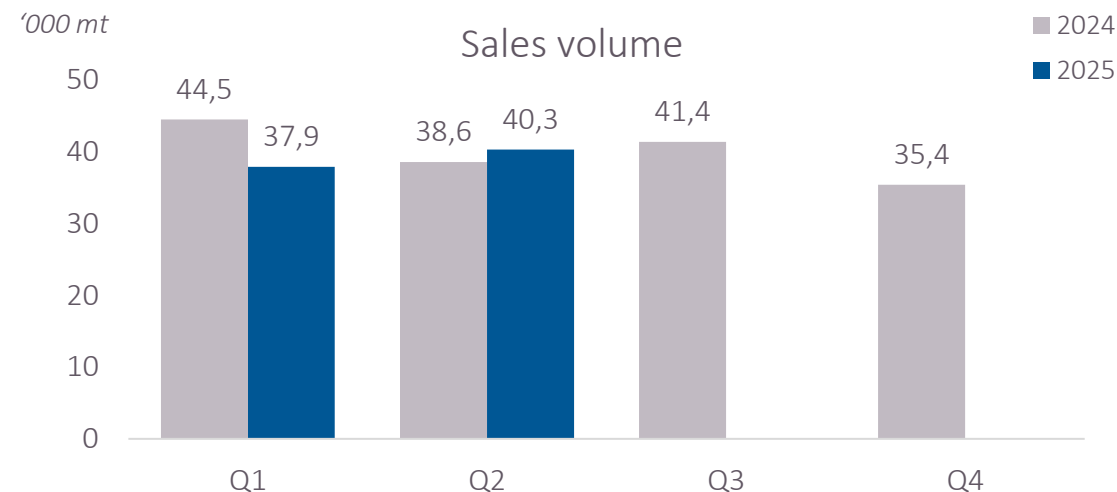
Positive net FX impact

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

BioMaterials markets – Q2



Sales price and sales volume include speciality cellulose and cellulose fibrils



Average price in sales currency 10% above Q2-24

- Higher average price primarily due to price increases

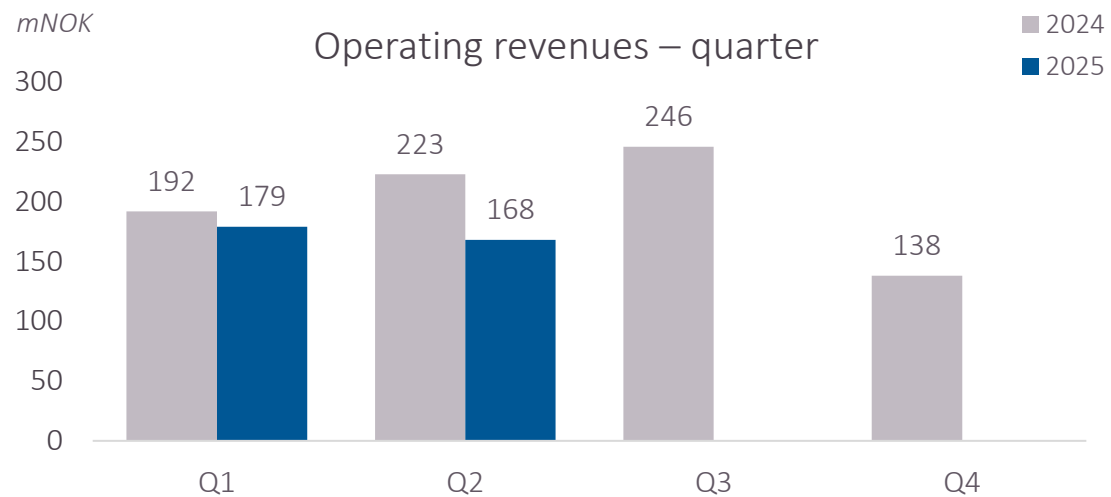
Sales volume 4% higher vs Q2-24

- Share of highly specialised grades higher than in Q2-24

Positive FX impact

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

Fine Chemicals markets – Q2



Operating revenues include fine chemical intermediates and bioethanol

Bioethanol

- Continued lower sales prices for bioethanol

Fine chemical intermediates

- Slightly weaker product mix vs Q2-24

Positive net FX impact

Environmental investment at the Sarpsborg biorefinery



Environmental investment of 138 mNOK

- Installation of 30 MW electric boiler
- Reduced fossil CO₂ emissions and increased renewable energy share
- Part of transition plan to meet 2030 climate targets



Financially sound investment

- Lower energy costs
- Reduced EU ETS exposure (CO₂ quotas)



Expected reduction in CO₂ emissions up to 18,000 tonnes p.a.

- First phase operational from 2027, full effect by 2030



Outlook

BioSolutions

- Sales volume in 2025 forecast to be ≈330,000 tonnes
- Sales volume in Q3-25 expected to be largely in line with Q3-24
- Anti-dumping 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
- In H2-25, the average price in sales currency is expected to be largely in line with H1-25
- Sales volume in Q3 expected to be 35,000-38,000 tonnes

Fine Chemicals

- In H2-25, sales prices and volume for bioethanol are expected to be largely in line with H1-25
- Sales volume for fine chemical intermediates expected to increase vs 2024

Costs

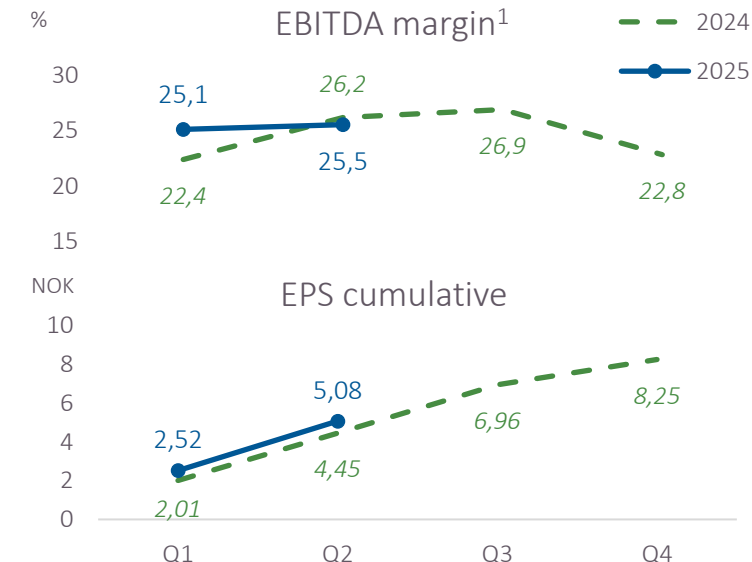
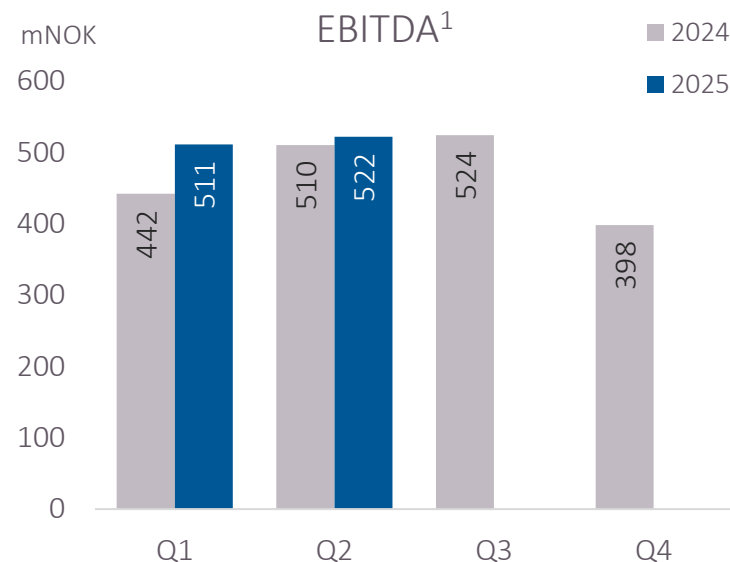
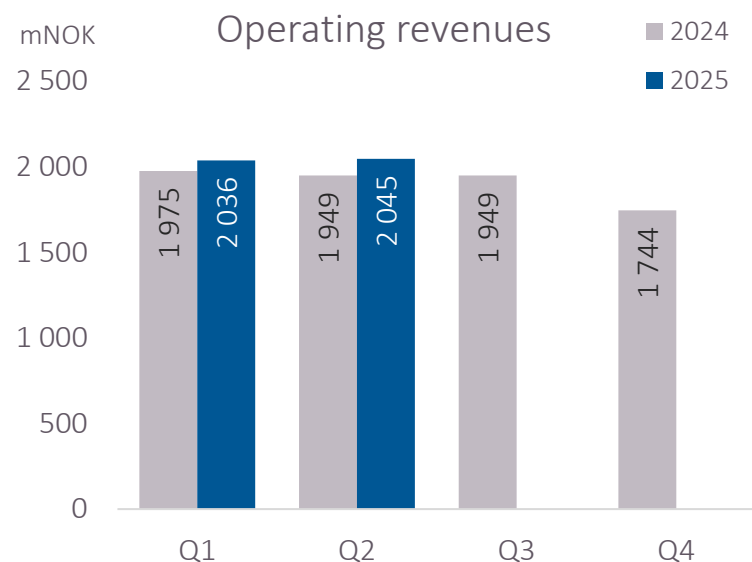
- Wood costs in H2-25 will be approximately 5% lower than H1-25
- Full year impact from recent investments will reduce energy costs and CO₂ emissions in Sarpsborg

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

Financial performance Q2-25



Borregaard key figures – Q2



Revenues 5% above Q2-24

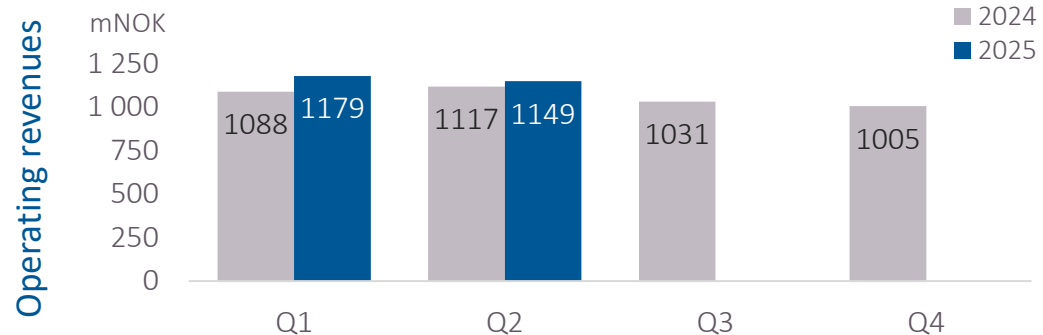
EBITDA¹ 522 mNOK for the Group

- Increased result in BioSolutions and BioMaterials, lower result in Fine Chemicals

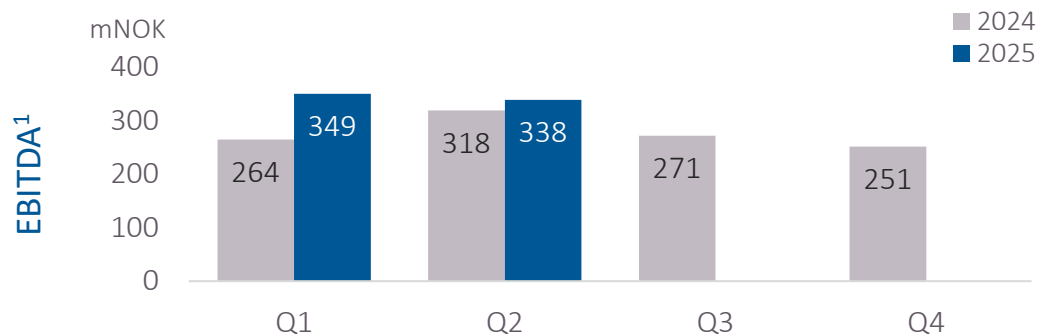
Earnings per share (EPS) NOK 2.56 (NOK 2.45)

¹ Alternative performance measure, see Appendix for definition

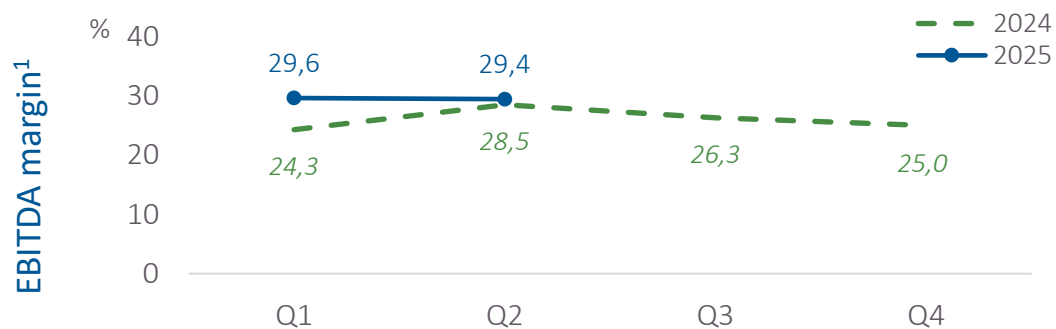
BioSolutions key figures – Q2



- Revenues 3% above Q2-24



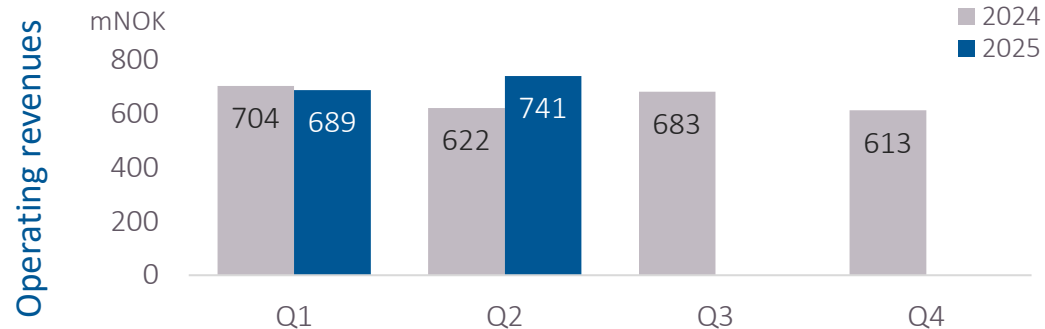
- Continued growth in sales to agriculture
- Positive but limited impact from US anti-dumping duties on vanillin from China
- Positive net FX impact



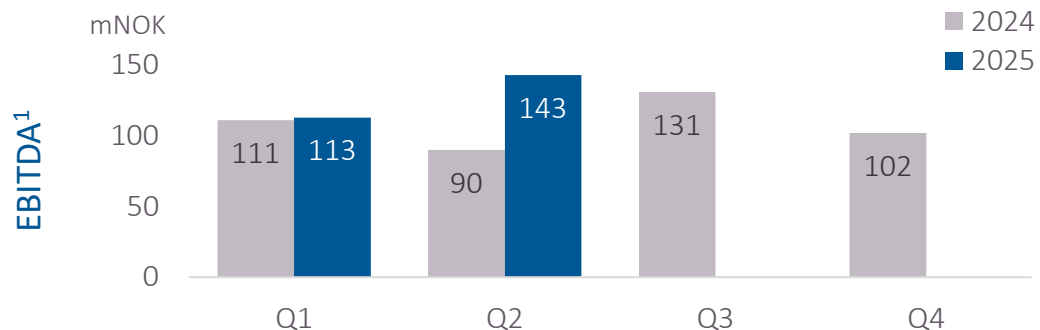
- Strong EBITDA margin¹ also in Q2

¹ Alternative performance measure, see Appendix for definition

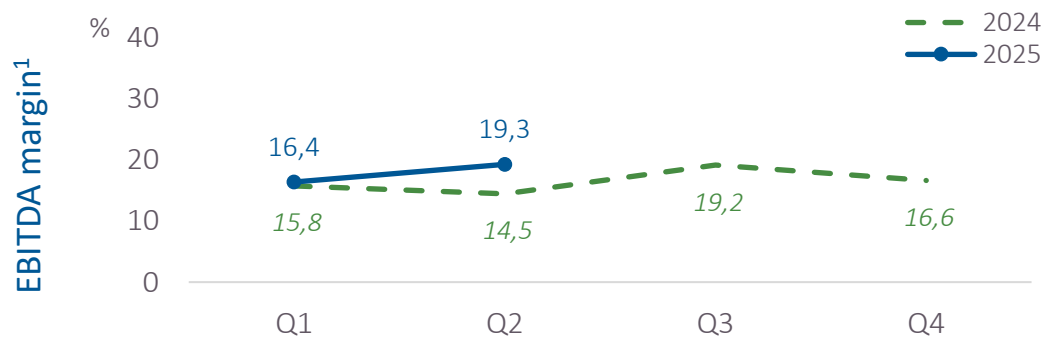
BioMaterials key figures – Q2



- Revenues 19% above Q2-24



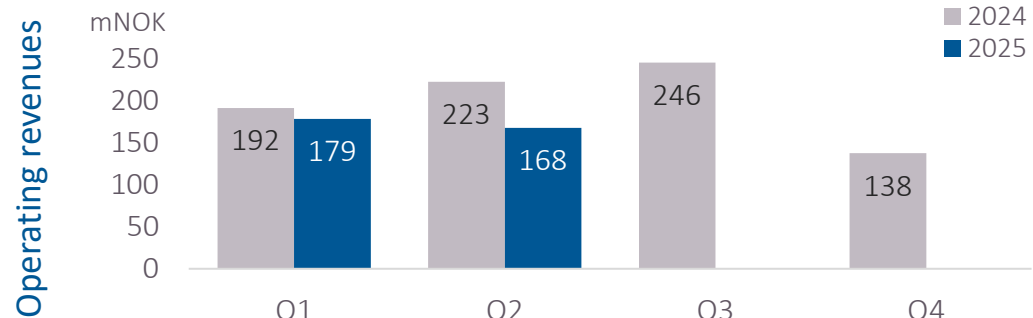
- Higher prices, improved mix and increased volume
- Higher wood costs
- Positive net FX effects



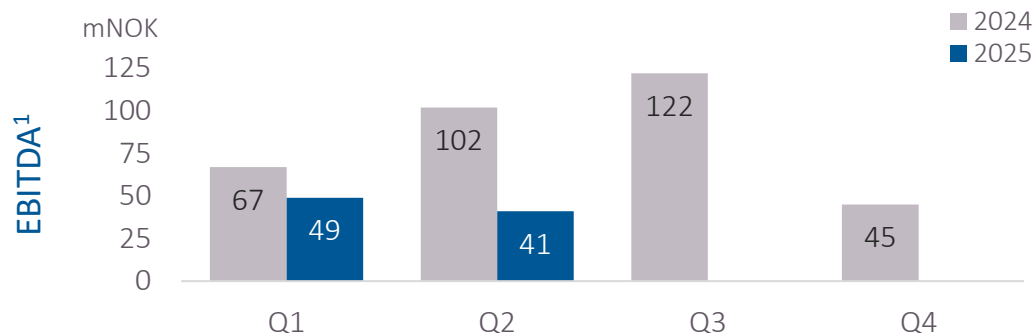
- EBITDA margin¹ above Q2-24

¹ Alternative performance measure, see Appendix for definition

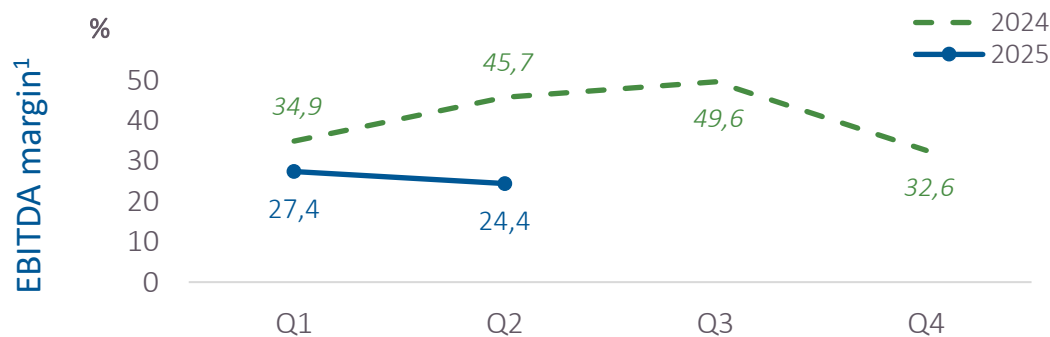
Fine Chemicals key figures – Q2



- Revenues 25% below Q2-24
- Lower sales prices for bioethanol



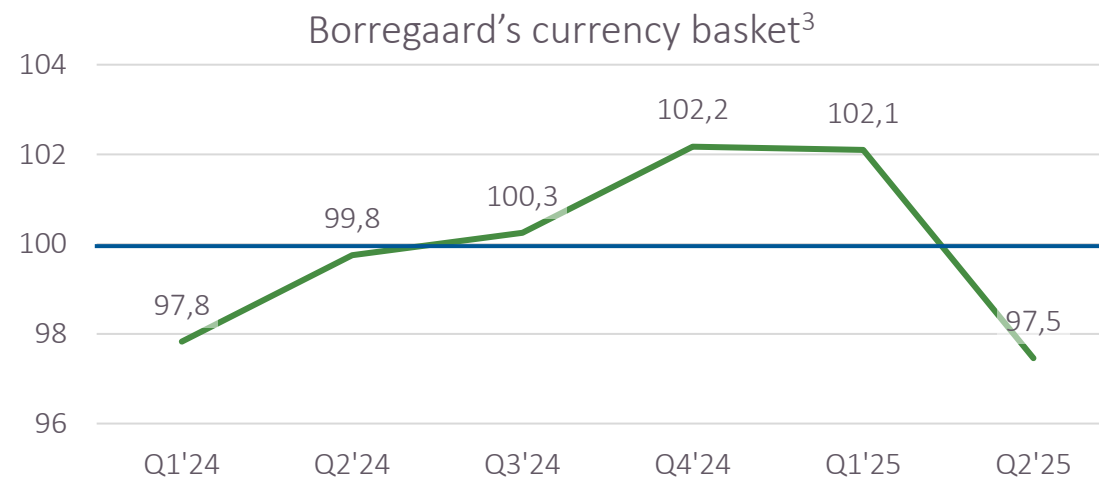
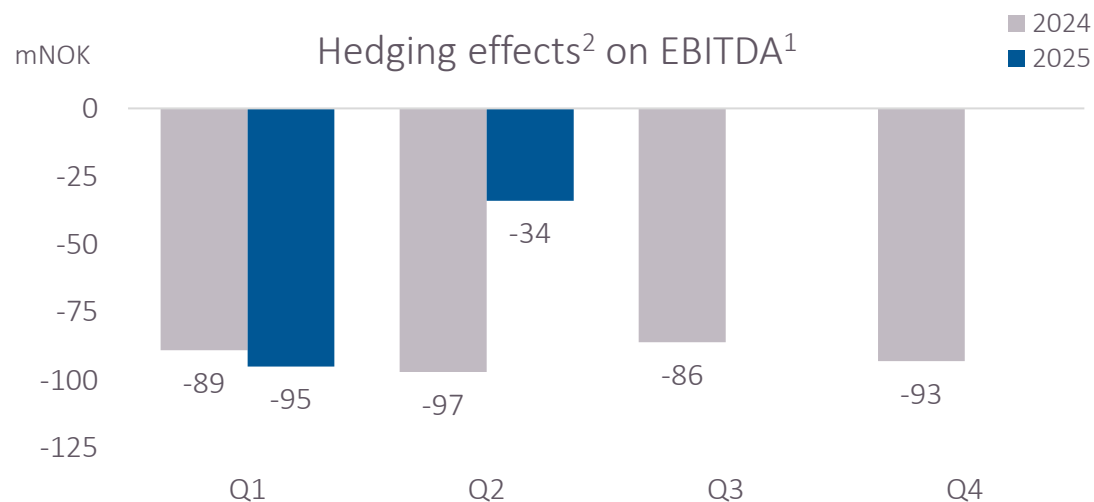
- *Bioethanol*: Continued lower sales prices for bioethanol
- *Fine chemical intermediates*: Result impacted by a slightly weaker product mix vs Q2-24
- Positive net FX effects



- EBITDA margin¹ significantly below Q2-24

¹ Alternative performance measure, see Appendix for definition

Currency impact



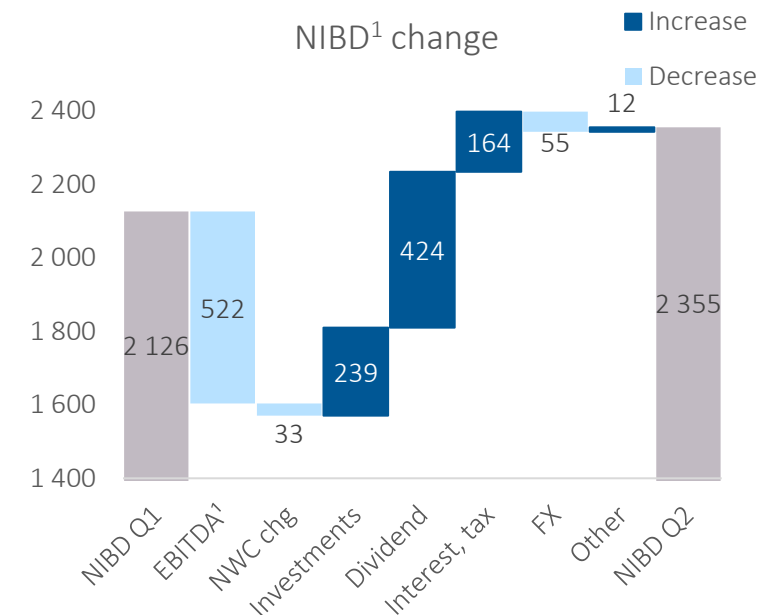
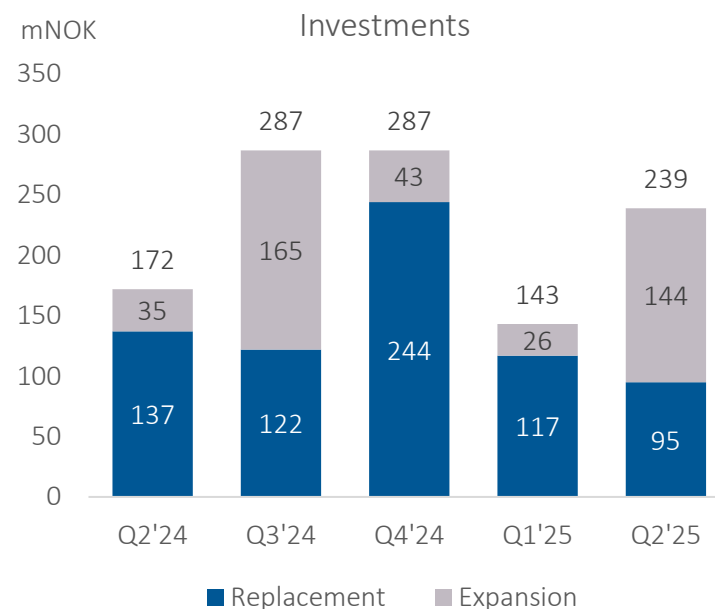
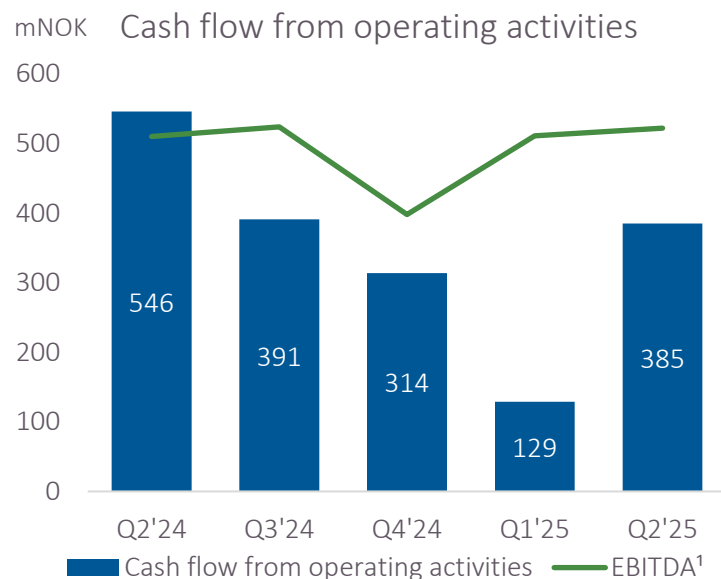
- Net FX EBITDA¹ impact ≈ +35 mNOK vs Q2-24
 - Includes change in hedging effects and based on estimated FX exposure
- Net FX EBITDA¹ impact in 2025 estimated to be ≈ +105 mNOK vs 2024
 - Assuming rates as of 15 July (USD 10.18 and EUR 11.87) on expected FX exposure
 - Net FX EBITDA¹ impact in Q3 estimated to be ≈ +20 mNOK vs Q3-24
- 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% (≈276 mUSD), EUR 36% (≈145 mEUR), Other -1% (GBP, BRL, SGD, SEK)

Cash flow, investments and NIBD



Cash flow in Q2 positively impacted by a slight reduction in net working capital

Total investments 239 mNOK

- Largest expenditures related to environmental investments, debottlenecking, specialisation and capital raise in Alginor
- In July, Borregaard's commitment in a repair offering in Alginor resulted in an additional investment of 23 mNOK

NIBD¹ increased 229 mNOK in Q2, mainly due to dividend payment (424 mNOK)

- Leverage ratio¹ 1.20 (1.23)

Equity ratio¹ 57% (54%)

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	Q2-25	Q2-24	Change	YTD-25	YTD-24	Change
Operating revenues	2 045	1 949	5 %	4 081	3 924	4 %
EBITDA ¹	522	510	2 %	1 033	952	9 %
Depreciation property, plant and equipment	-142	-134		-285	-267	
Amortisation intangible assets	-2	-2		-3	-3	
Other income and expenses ¹	0	0		0	0	
Operating profit	378	374	1 %	745	682	9 %
Financial items, net	-52	-52		-100	-99	
Profit before taxes	326	322	1 %	645	583	11 %
Income tax expenses	-75	-77		-150	-138	
Profit for the period	251	245	2 %	495	445	11 %
Profit attributable to non-controlling interests	-4	1		-11	1	
Profit attributable to owners of the parent	255	244		506	444	
Cash flow from operating activities (IFRS)	385	546		514	363	
Earnings per share	2,56	2,45	4 %	5,08	4,45	14 %
EBITDA margin ¹	25,5 %	26,2 %		25,3 %	24,3 %	

¹ Alternative performance measure, see Appendix for definition

Operating revenues and EBITDA¹ per segment

Amounts in NOK million

Operating revenues	Q2-25	Q2-24	Change
Borregaard	2 045	1 949	5 %
BioSolutions	1 149	1 117	3 %
BioMaterials	741	622	19 %
Fine Chemicals	168	223	-25 %
Eliminations	-13	-13	

Amounts in NOK million

EBITDA ¹	Q2-25	Q2-24	Change
Borregaard	522	510	2 %
BioSolutions	338	318	6 %
BioMaterials	143	90	59 %
Fine Chemicals	41	102	-60 %

Amounts in NOK million

Operating revenues	YTD-25	YTD-24	Change
Borregaard	4 081	3 924	4 %
BioSolutions	2 328	2 205	6 %
BioMaterials	1 430	1 326	8 %
Fine Chemicals	347	415	-16 %
Eliminations	-24	-22	

Amounts in NOK million

EBITDA ¹	YTD-25	YTD-24	Change
Borregaard	1 033	952	9 %
BioSolutions	687	582	18 %
BioMaterials	256	201	27 %
Fine Chemicals	90	169	-47 %

¹ Alternative performance measure, see Appendix for definition

Balance sheet

Amounts in NOK million	30.6.2025	31.3.2025	31.12.2024
Assets:			
Intangible assets	81	85	88
Property, plant and equipment	5 033	4 992	5 026
Right-of-use assets	462	483	508
Other assets	637	598	524
Investments in joint venture/associate companies	446	400	417
Non-current assets	6 659	6 558	6 563
Inventories	1 464	1 474	1 498
Receivables	1 744	1 694	1 441
Cash and cash deposits	96	191	82
Current assets	3 304	3 359	3 021
Total assets	9 963	9 917	9 584
Equity and liabilities:			
Group equity	5 644	5 733	5 041
Non-controlling interests	34	39	49
Equity	5 678	5 772	5 090
Provisions and other liabilities	504	454	591
Interest-bearing liabilities	1 765	1 898	2 035
Non-current liabilities	2 269	2 352	2 626
Interest-bearing liabilities	687	420	288
Other current liabilities	1 329	1 373	1 580
Current liabilities	2 016	1 793	1 868
Equity and liabilities	9 963	9 917	9 584
Equity ratio ¹ (%):	57,0 %	58,2 %	53,1 %

¹ Alternative performance measure, see Appendix for definition

Cash flow

Amounts in NOK million	Q2-25	Q2-24	YTD-25	YTD-24	FY-2024
Amounts in NOK million					
Profit before taxes	326	322	645	583	1 079
Amortisation, depreciation and impairment charges	144	136	288	270	561
Change in net working capital, etc	33	194	-228	-272	-326
Dividend/share of profit from JV & associate company	9	7	26	10	22
Taxes paid	-127	-113	-217	-228	-268
Cash flow from operating activities	385	546	514	363	1 068
Investments property, plant and equipment and intangible assets *	-184	-172	-327	-287	-711
Investment in associate companies & bio-based start-ups*	-55	-	-55	-	-150
Other capital transactions	5	4	9	7	19
Cash flow from Investing activities	-234	-168	-373	-280	-842
Dividends	-424	-374	-424	-374	-374
Proceeds from exercise of options/shares to employees	2	15	32	50	52
Buy-back of treasury shares	-2	-28	-12	-56	-98
Gain/(loss) on hedges for net investments in subsidiaries	28	10	100	-40	-109
Net paid to/from shareholders	-396	-377	-304	-420	-529
Proceeds from interest-bearing liabilities	650	500	750	500	500
Repayment from interest-bearing liabilities	-479	-357	-550	-424	-724
Change in interest-bearing liabilities/other instruments	-19	-6	-56	30	74
Change in net interest-bearing liabilities	152	137	144	106	-150
Cash flow from financing activities	-244	-240	-160	-314	-679
Change in cash and cash equivalents	-93	138	-19	-231	-453
Cash and cash equivalents at beginning of period	65	81	-3	429	429
Change in cash and cash equivalents	-93	138	-19	-231	-453
Currency effects cash and cash equivalents	1	-7	-5	14	21
Cash and cash equivalents at the close of the period	-27	212	-27	212	-3
* Investment by category					
Replacement Investments	95	137	212	232	598
Expansion investments including investment in associate companies and bio-based start-ups	144	35	170	55	263
Total investments including investment in associate companies and bio-based start-ups	239	172	382	287	861

¹ Alternative performance measure, see Appendix for definition

Net financial items & net interest-bearing debt¹

Amounts in NOK million

Net financial items	Q2-25	Q2-24	YTD-25	YTD-24
Net interest expenses	-37	-42	-73	-81
Currency gain/loss	-2	-2	-9	-2
Share of profit/-loss from an associate	-9	-7	-26	-10
Other financial items, net	-4	-1	8	-6
Net financial items	-52	-52	-100	-99

Amounts in NOK million

Net interest-bearing debt ¹ (NIBD)	30.6.2025	31.3.2025	31.12.2024
Non-current interest-bearing liabilities	1 765	1 898	2 035
Current interest-bearing liabilities including overdraft of cashpool	687	420	288
Non-current interest-bearing receivables (included in "Other Assets")	-1	-1	-2
Cash and cash deposits	-96	-191	-82
Net interest-bearing debt¹ (NIBD)	2 355	2 126	2 239
- of which impact from IFRS 16 leases	511	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 15.07.25)

	USD million	USD rate	EUR million	EUR rate
Q3-2025	40	10.18	31	10.93
Q4-2025	40	10.14	30	10.93
2025 (RoY)	80	10.16	61	10.93
2026	153	10.45	119	11.72
2027	126	10.60	101	12.04
2028	55	10.58	45	12.31

Hedging effects by segment

NOK million	YTD-25	YTD-24	Q2-25	Q2-24
BioSolutions	-59	-91	-14	-47
BioMaterials	-55	-72	-15	-38
Fine Chemicals	-15	-23	-5	-12
Borregaard	-129	-186	-34	-97

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

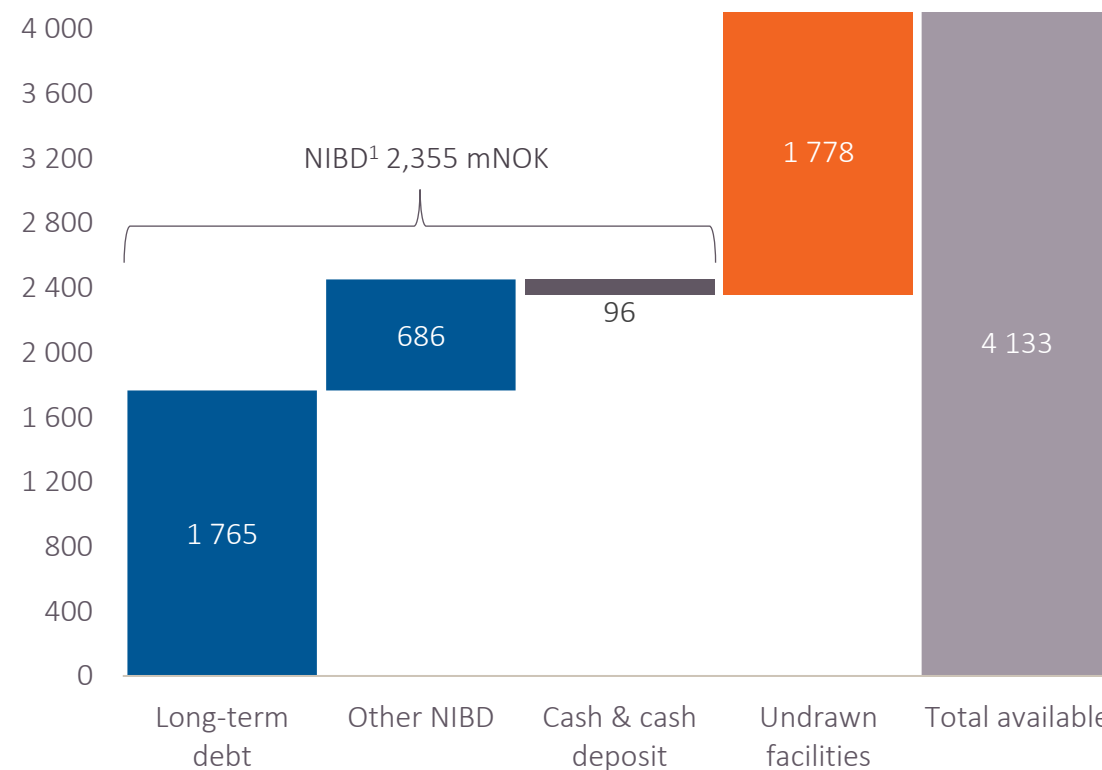
- 250 mNOK overdraft facilities
- 15 mUSD overdraft facility in LignoTech Florida
- 300 mNOK commercial papers, maturity September/October 2025

Solidity

- Equity ratio¹ 57.0%
- Leverage ratio¹ LTM 1.20 (covenant < 3.50)

Debt and undrawn facilities

30.6.2025



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.

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