

An aerial photograph of a winding asphalt road through a lush green valley. The sun is low on the horizon, creating a bright lens flare effect across the center of the image. The landscape features rolling hills and rocky outcrops. The sky is a clear, pale blue.

Welcome to Borregaard's Capital Markets Day

21 September 2022
Oslo

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AGENDA

08:30	09:00	Registration
09:00	10:20	Opening and welcome by Finance Society Norway (FFN) Corporate strategy - review, update and priorities <i>Per A. Sørli, President & CEO</i> Specialisation, value growth and sustainability <i>Tom Erik Foss-Jacobsen, EVP BioSolutions</i> Q&A
10:20	10:40	Break
10:40	12:00	Attractive growth opportunities with high barriers to entry <i>Gisle Løhre Johansen, EVP Speciality cellulose</i> Financial performance and targets <i>Per Bjarne Lyngstad, CFO</i> Q&A
12:00	13:00	Lunch





Corporate strategy Review, update and priorities

Per A. Sørliie
President & Chief Executive Officer

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



Strategic priorities (CMD 2020) update

Specialisation and diversification within BioSolutions

- ✓ • Specialisation through innovation and market development
- ✓ • Balance market risk through diversification of market portfolio
- Timing of further volume expansion guided by demand development and profitability
Optimisation, specialisation and diversification have taken priority

Increased value added from the unique Sarpsborg biorefinery

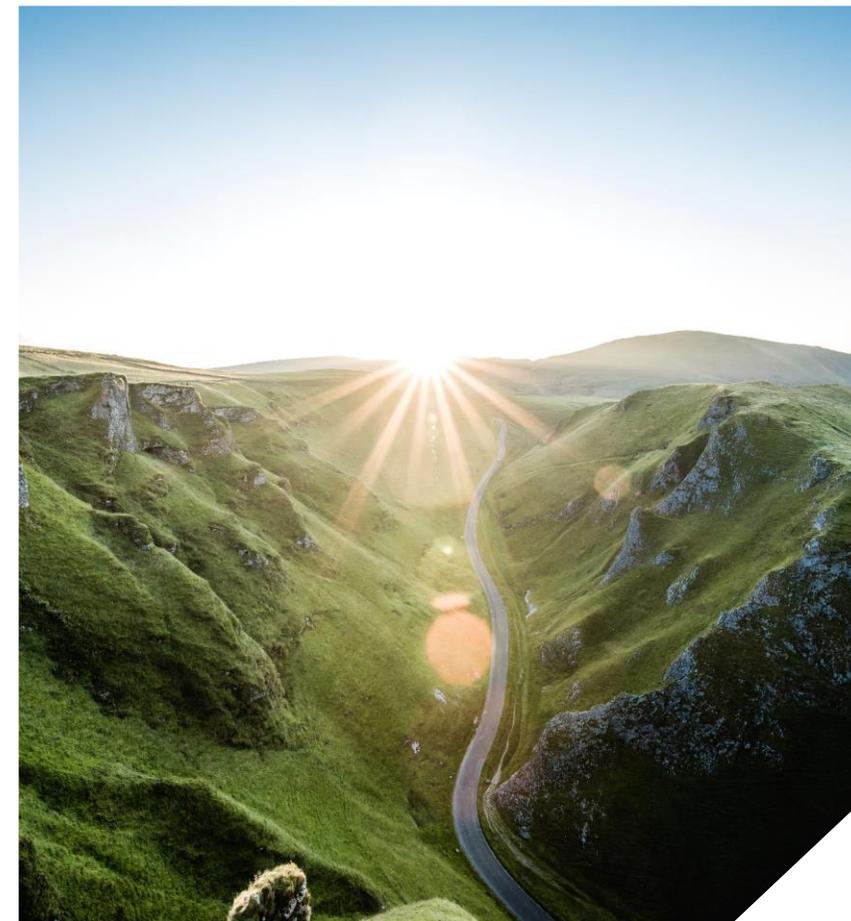
- ✓ • Leverage high-value lignin raw material base in biopolymers and biovanillin
- ✓ • Enhance product mix in speciality cellulose and bioethanol
- ✓ • Strong focus on innovation and productivity efforts

Development of the cellulose fibrils business

- Continued market development across multiple applications and geographies
Positive pipeline and sales volume development from a modest level
- Timing of second step expansion guided by demand development
Pending

Sustainability

- ✓ • Continued emphasis on ESG aspects across entire value chain



Sustainability – integral part of market offering

RAW MATERIALS



Natural, renewable, sustainable raw materials

Sustainable and certified wood

- Documentation
- PEFC¹⁾ and FSC¹⁾ standards
- Lignin raw materials from certified or controlled forests
- Non-GMO raw material

PROCESSES



Efficient and sustainable production and value chain

Reduced emissions improve LCA²⁾

- Target based CO₂ reductions
 - Energy conservations
 - New/green energy sources
- Reduced emissions to water and air
- “Greener” logistical solutions

PRODUCTS



Sustainable biochemicals

Products add sustainability value to customers

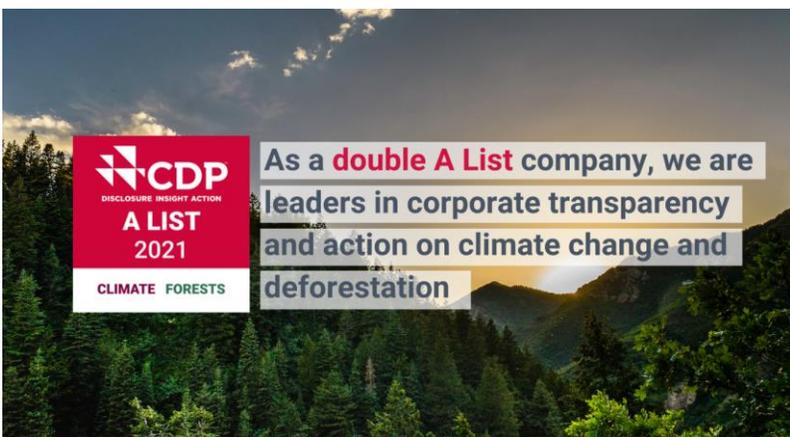
- Climate: LCA²⁾ shows favourable GHG footprint
- Biobased: Natural raw materials preferred
- EHS³⁾: Non-toxic, harmless products

1) PEFC: Programme for the Endorsement of Forest Certification, FSC: Forest Stewardship Council

2) Life Cycle Analysis

3) Environment, Health and Safety

Climate change and the environment – targets and ratings



Science Based Targets for GHG emissions approved by SBTi

- Targeted reductions in GHG emissions (scope 1 and 2):
 - 42% absolute reduction by 2030 (Base year = 2020)
 - Net-zero target, 90% absolute reduction by 2050
- Targets in line with 1.5°C goal in Paris Agreement and Norwegian Climate Law

Highlighted as a global leader in corporate climate action by CDP

- Borregaard among top 20 companies out of 13,000 reporting
 - A score within Climate Change (4 years in a row) and Forests
 - A- score within Water security

Platinum status in EcoVadis Supply Chain

- Top 1% of 90,000 reporting companies



Borregaard actively seeking to invest in biobased start-ups

Selection criteria

- Conversion of biobased raw materials to chemicals/materials
- Strong ESG/sustainability profile
- Specialisation potential
- Synergies with Borregaard's existing business/competence
- Significant revenue potential (10-100 mEUR)
- Time to market < 5 years



Investment in Alginor – a «blue» biorefinery concept

Alginor

- Marine biotech company in development phase based in Haugesund, Norway
- Core technology: Sustainable harvesting and biorefining of kelp
- High-value ingredients to global markets for pharmaceutical and nutraceutical applications

Borregaard's engagement in Alginor

- Borregaard will acquire shares corresponding to 35% ownership until end of April 2024
- Total investment ≈270 mNOK in four transactions
 - *A break fee of 6 mNOK will apply if the last tranche is not fully subscribed*
- Current ownership 25%



Cellulose fibrils – growing pipeline and customer base

110 regular customers

- Promising development within selected applications
 - *Corrugated board*
 - *Coatings*
 - *Agrochemicals*

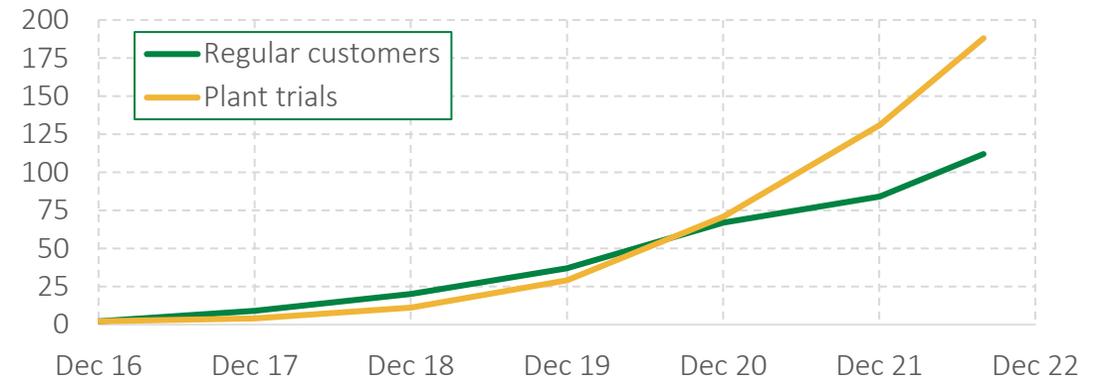
190 potential customers in plant trial phase

- Increasing trend in plant trials

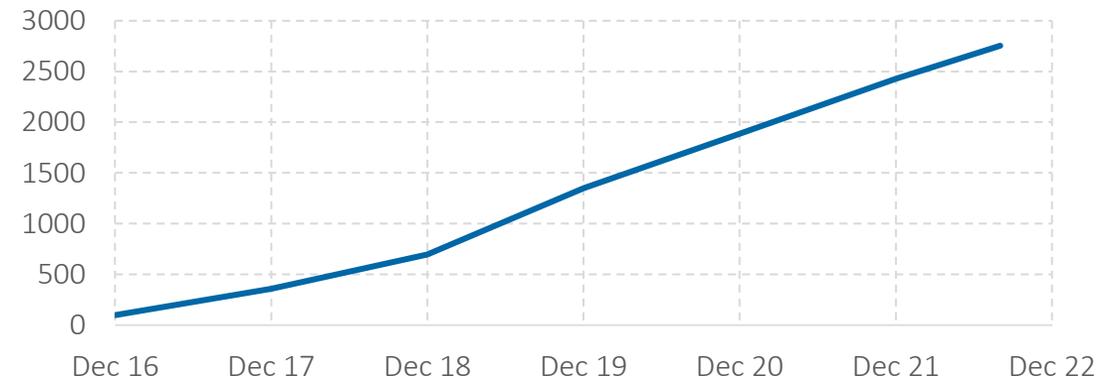
2750 active prospects¹⁾

- Stable growth in number of active prospects
 - *>700 new prospects sampled last 12 months*

Customers and plant trials (YTD 2022)



Active prospects (YTD 2022)



1) Classified as a prospect when a sample is sent

The 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

Dual strategic focus secures high value creation

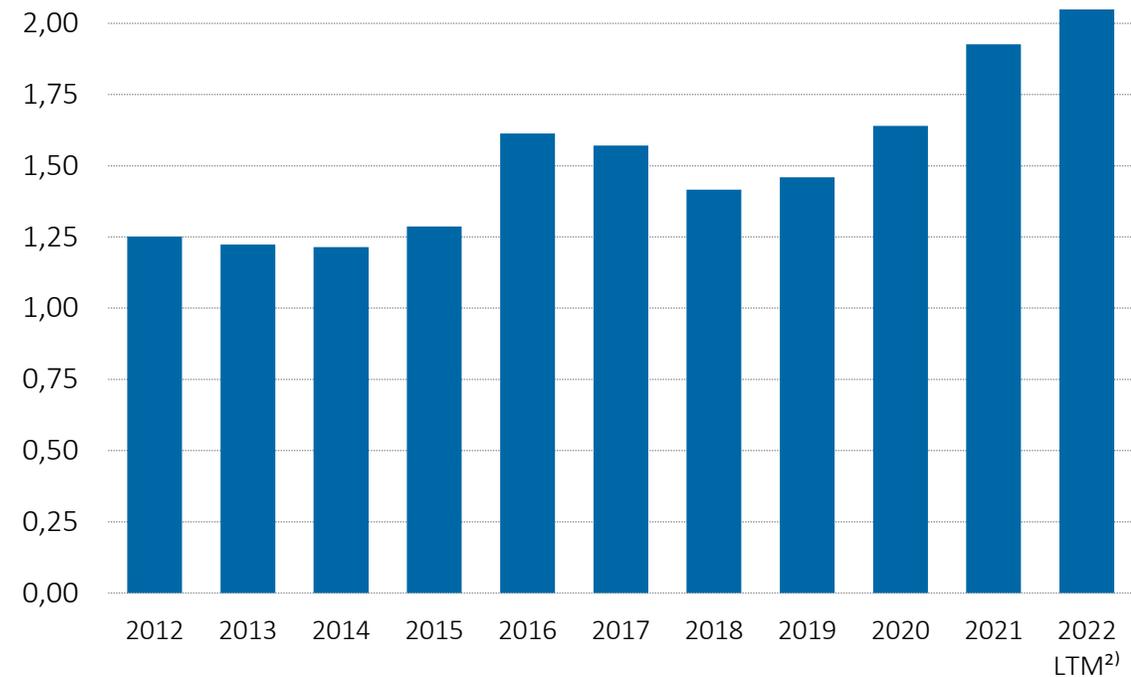
Specialisation and innovation

- Increased value added for existing production volume
- New products with higher value

Productivity improvements

- Reduced work force
- Stable fixed costs over time in operations
- Increased production volumes

Value creation¹⁾ per full-time employee (mNOK)



1) Value creation is defined as the value of products sold minus the cost of materials, services and depreciation

2) Last twelve months as per June 2022

Competitive position

Global niche player with high barriers to entry

- Leading market positions ensure critical mass in core markets
- High-value raw materials and superior know-how in lignin-based biopolymers
- Leader in plant-based vanillin; only player with wood-based vanillin technology
- “Softwood strategy” and strong technology toolbox in speciality cellulose
- Innovative technology and product patent in cellulose fibrils
- Market leader in intermediates for contrast agents

Economies of scale in operations

- Biorefinery business model with co-products secures high value-added
- Competitive fixed cost position with integrated biorefinery
- Several manufacturing units in biopolymers with designated production
- Cost competitive technology for production of plant-based vanillin
- Innovation costs in line with speciality chemicals peer group (3%-5%)



Key strategic considerations

Considerable potential for further specialisation and value growth

- The Borregaard specialisation journey is a continuous process towards full specialisation
- Portfolio of 800 products with multiple applications in many markets
- Unique combination of high-value raw material base, biorefinery assets and expert knowledge

Specialisation and value growth will take priority

- Significant potential for upgrade of product portfolios in BioSolutions and Speciality Cellulose
- Cellulose fibrils represent a captive use of speciality cellulose with high value added
- Explore expansion and debottlenecking opportunities at Sarpsborg biorefinery
 - *Further development of the Sarpsborg biorefinery is a low-risk investment and raises barriers to entry*

Increasing momentum for bio-based products

- Increasing consumer and investor attention drives demand for greener solutions
- EU Green Deal and Taxonomy
- Science Based Targets initiative's Business Ambition for 1.5°C campaign
- Environmental investments strengthen competitive edge

Strategic priorities

Increased specialisation and value growth

- Specialisation through innovation and market development
- Leverage high-value lignin raw material base in biopolymers and biovanillin
- Enhance product mix in speciality cellulose
- Development of the cellulose fibrils business
- Targeted investments to support increased specialisation, capacity needs and new initiatives

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

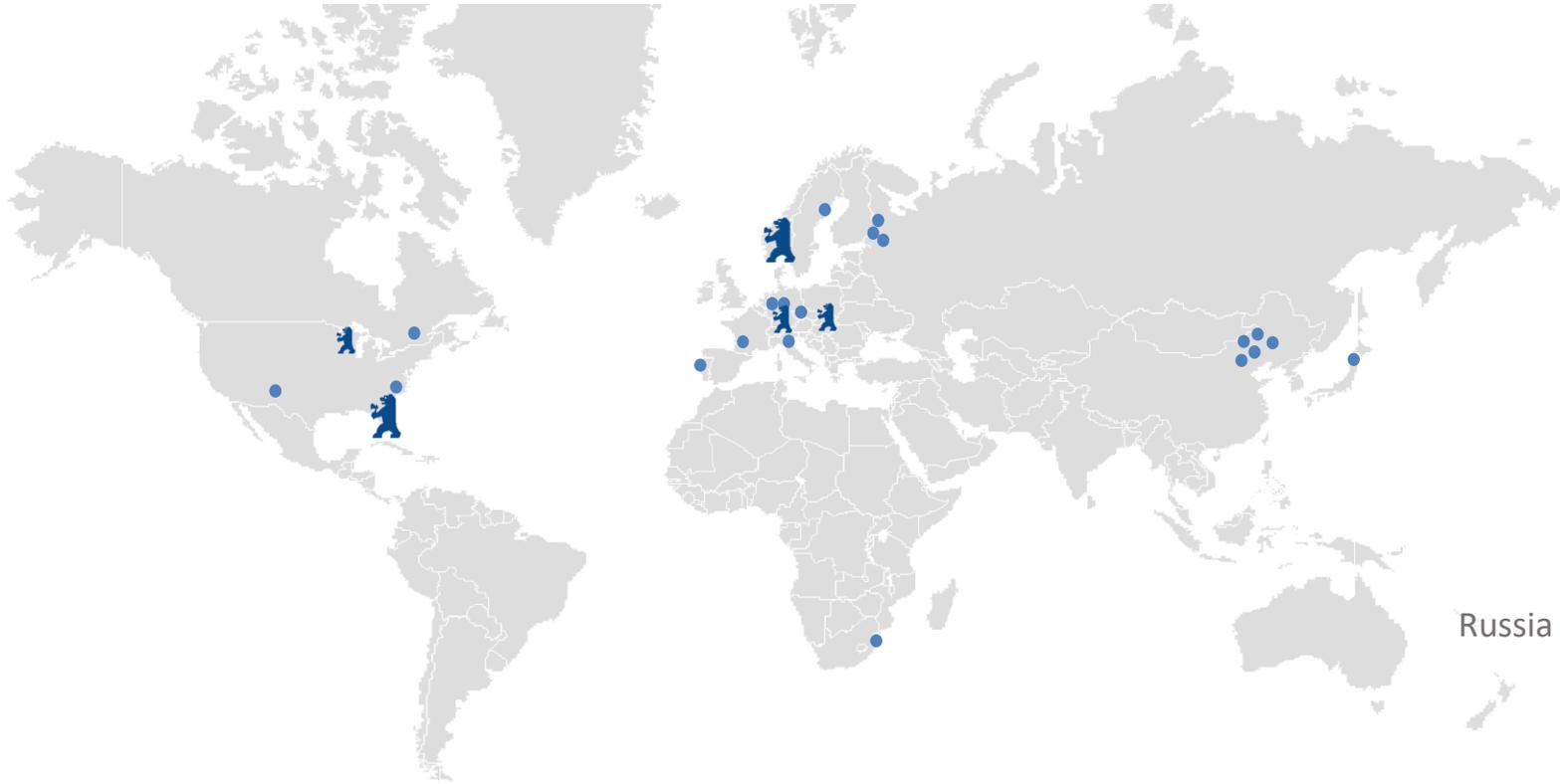


A close-up photograph of several green leaves with numerous water droplets of various sizes. The droplets are clear and reflect the surrounding greenery. The leaves are vibrant green and have a visible vein structure. The background is softly blurred, showing more green foliage.

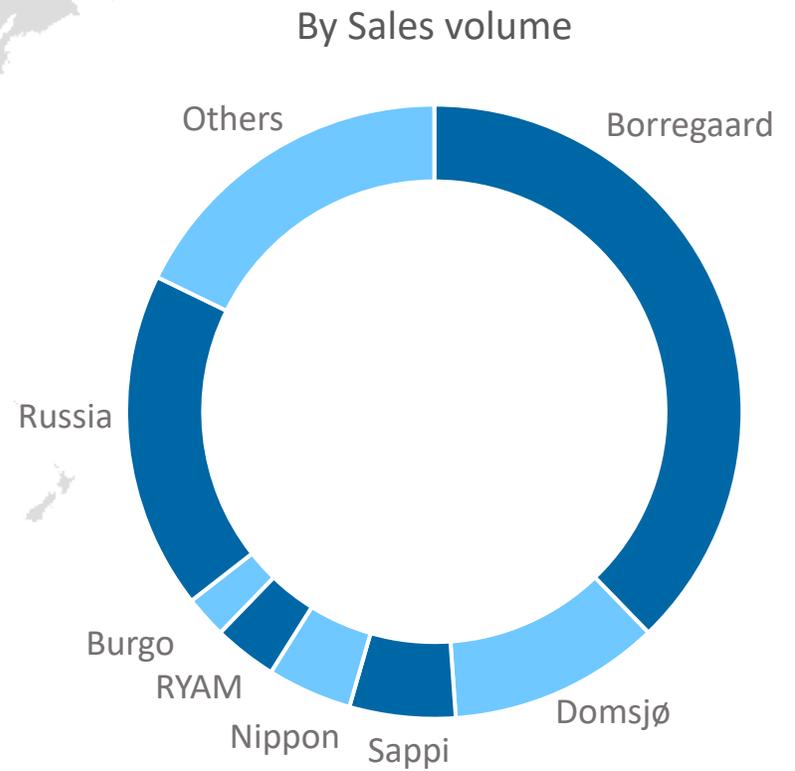
BioSolutions Specialisation, value growth and sustainability

Tom Erik Foss-Jacobsen
Executive Vice President BioSolutions

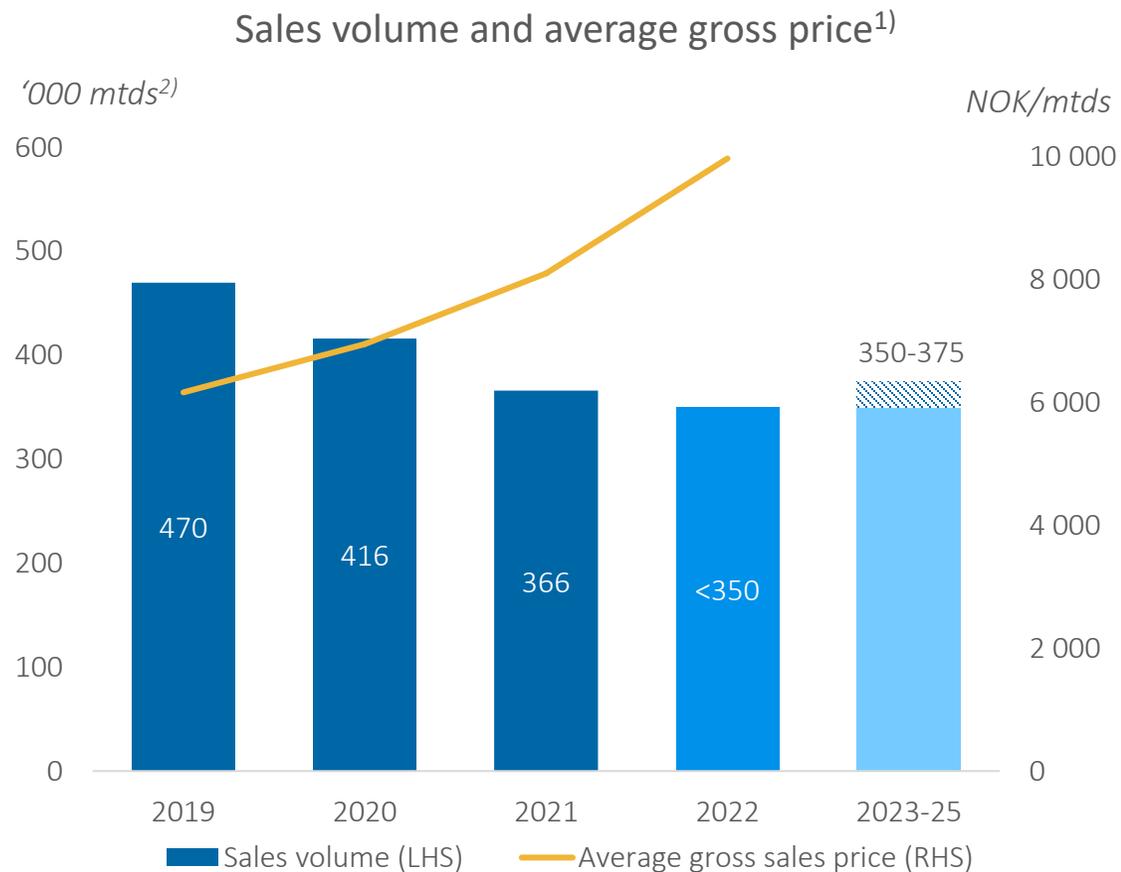
Current global lignin supply



Global lignin supply
~900-950 kmtds



Successful adjustment to reduced lignin raw material supply

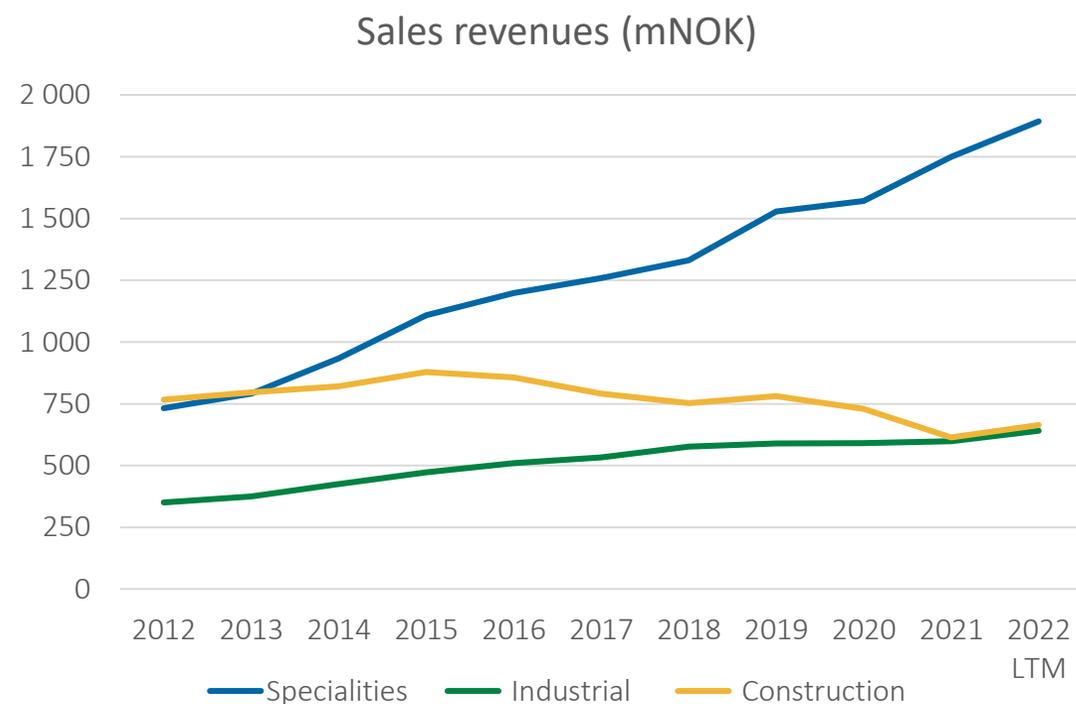
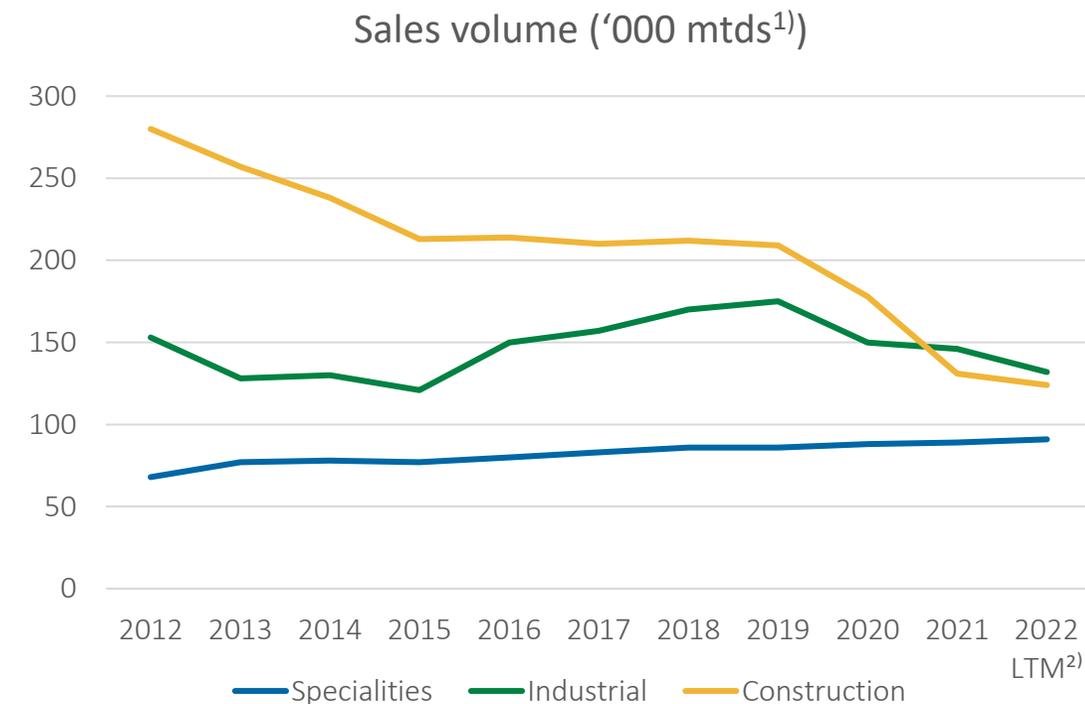


- Focus on specialisation and value growth
- Significant portfolio optimisation
 - Reduced sales volume to low-value markets
 - Less cyclicality
- Reduced raw material supply (hardwood-based) partly offset by increased softwood volume from Florida
 - Ongoing broadening of portfolio in Florida

1) Average gross price for 2022 is year-to-date as per June

2) Metric tonne dry solid

Significant specialisation and value growth over time



- Gross sales doubled in Industrial and more than doubled in Specialities from 2012
- Reduced exposure to low-value applications, less cyclicity
- New supply situation in 2020 – sharpened focus on value and significant portfolio optimisation

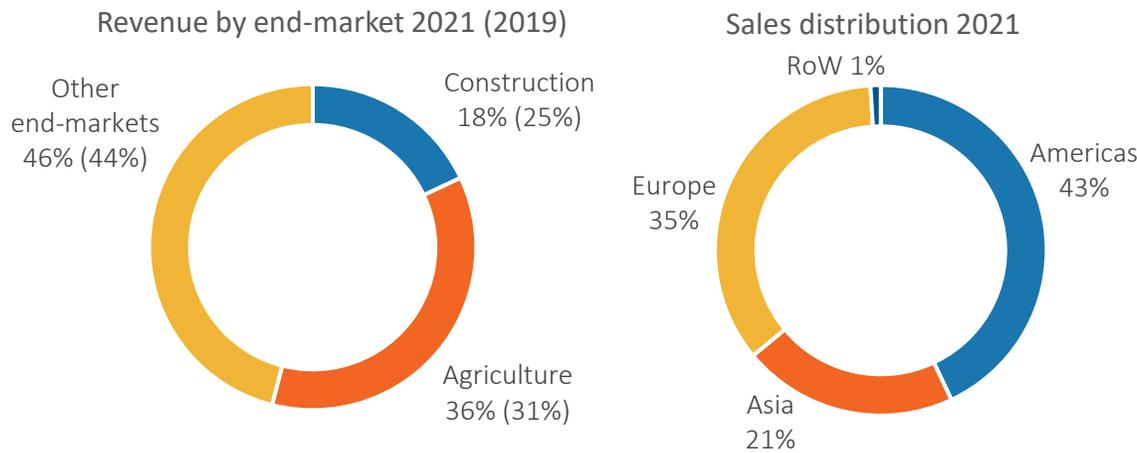
1) Metric tonne dry solid
 2) Last twelve months as per June 2022

Diversification: 600 products to 3,000 customers

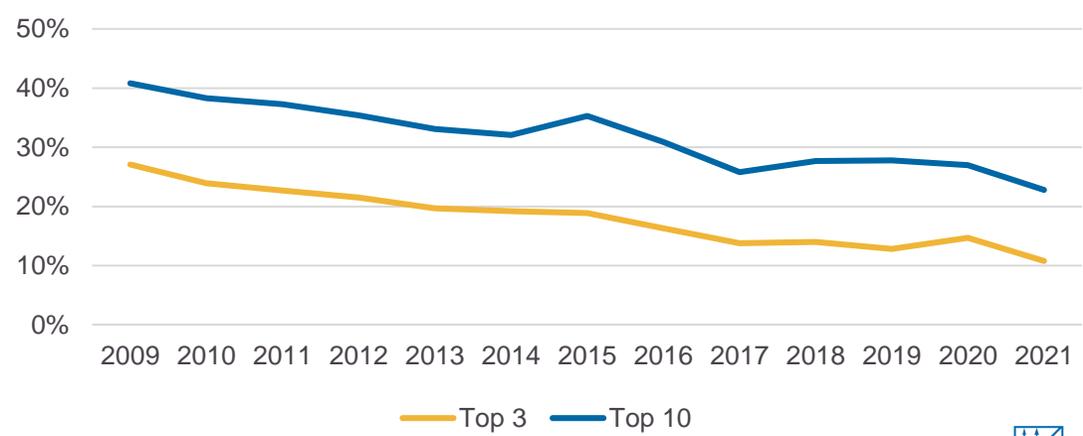
BioSolutions properties and applications

Binding agent	<ul style="list-style-type: none"> • Ceramics • Dust solutions • Feed • Granulated limestone
Dispersing agent/ rheology control	<ul style="list-style-type: none"> • Carbon black and pigments • Concrete admixtures • Dyestuffs • Metals and minerals • Micronutrients • Pesticides and biological pest control
Crystal growth control	<ul style="list-style-type: none"> • Batteries • Oil field chemicals • Water treatment
Flavours and fragrances	<ul style="list-style-type: none"> • Food • Fragrances • Personal care
Chemical building blocks	<ul style="list-style-type: none"> • Agrochemicals • Pharmaceuticals • Resins
Additional properties	<ul style="list-style-type: none"> • Antioxidant • Anti-microbial • Biostimulant • Complexing agent • Corrosion inhibitor • Emulsion stabiliser • Soil conditioner • UV protection

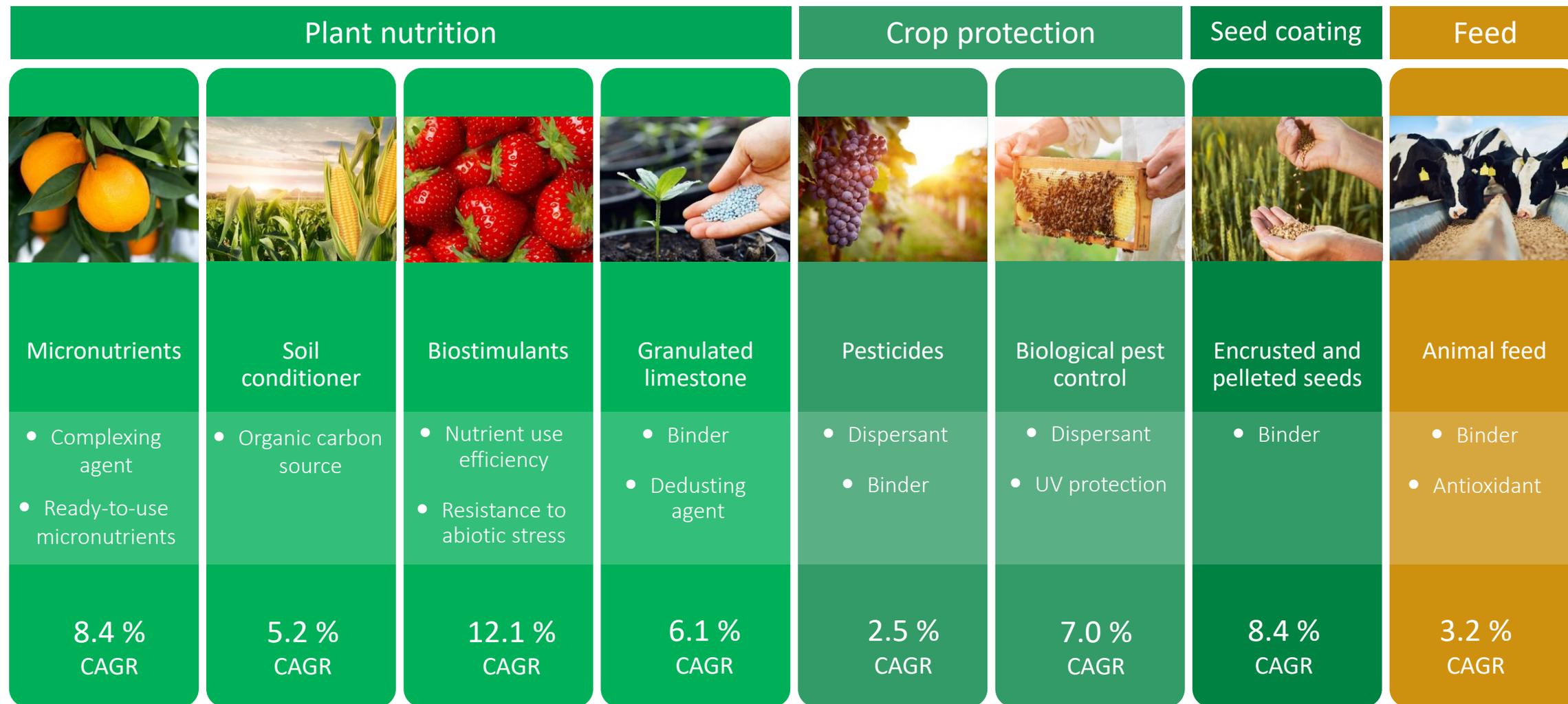
Revenues by end-market and region



Top 10 and top 3 customers in % of revenues



Biopolymers in agriculture



CAGR - Expected market growth (value)

Sources: Report & Data, Market study report, biostimulant.com/agropages, IHS Markit, Transparency Market Research, Knowledge Sourcing Intelligence

Innovation strategy

Priorities

- Specialisation and value growth
- High-value and advanced applications
- Unique and tailor-made solutions
- Increase value of Florida product portfolio

Competitive edge

- Unique competence base
- Softwood raw material base and advanced technology
- Well documented sustainability profile
- Strong innovation portfolio



Sustainability – a competitive edge offering new opportunities

Supplier of green alternatives to fossil-based products

World leader in sustainable lignin-based biopolymers and biovanillin

Well-documented competitive edge in sustainability

- Life Cycle Assessments (LCA) and Environmental Product Declarations (EPD)
- GHG footprint benchmarks vs fossil-based alternatives
- Wood from certified forests

2 ZERO HUNGER



8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



15 LIFE ON LAND



Agriculture – suspension concentrates

- Suspension concentrates is the largest and fastest growing segment in liquid crop protection products
- Lignin-based biopolymers traditionally used in granulated products
- Customers' perception of the biopolymer colour prevented use in aqueous formulations despite performance similar to advanced fossil-based dispersants
- Borregaard biopolymer dispersant has 70% lower CO₂ footprint compared with fossil-based alternative

Sustainability offering new opportunities
Borregaard's favorable climate footprint enabled new high-value business



Agriculture – suspension concentrates and water dispersible granules

- Novel product range for crop protection
- High performance binders and dispersants for liquid and granulated formulations based on proprietary technology
- Superior performance in formulations with high electrolyte (salt) content
- Improved compatibility with fertilisers in liquid solutions
- Established business with strong pipeline

Sustainability offering new opportunities
Green alternatives to fossil-based products



Vegetable leather tanning

Chrome used in leather tanning since 1800's

- Poor environmental profile

Leather tanning industry gradually changing to a greener technology

- Returning to vegetable tanning

Sustainability offering new opportunities

Borregaard biopolymers part of the sustainable solution



Textile industry - Pigments and inks

Challenging sustainability profile

- Fossil-based dispersants widely used

Industry changing to new and environmentally friendly technologies and dispersants

- Focus on water reduction and green additives
- Growing trend towards digital textile printing

Sustainability offering new opportunities
Borregaard high-quality dyestuff dispersants,
a greener solution for the textile industry



Lead batteries – energy storage systems

Batteries play a crucial role in decarbonisation

- Electrification of the transportation sector
- Energy storage systems (ESS) for renewable energy
 - *+200%¹⁾ growth in period 2020-2030*

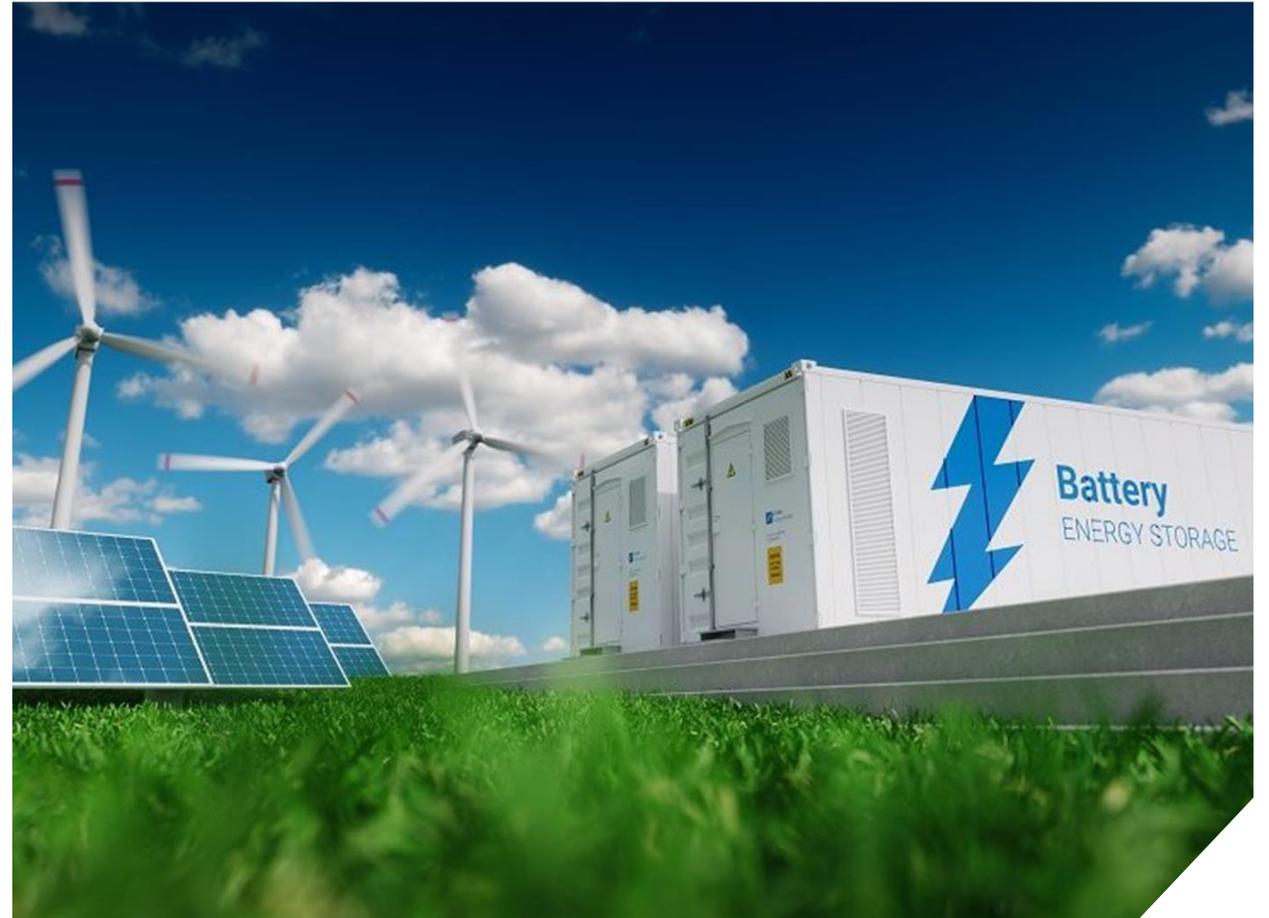
ESS – a growth opportunity for lead batteries

- Need for alternative technologies to Li-ion
- Lead batteries well suited for ESS
 - *High degree of safety, low cost, high recycling rate (99%)*
- Significant industry efforts to meet ESS requirements for energy density and life

Sustainability offering new opportunities

Borregaard lignin-based expanders

– key enabler for lead batteries in ESS



Biovanillin – well positioned for growth

Strong demand growth for bio-based vanillin

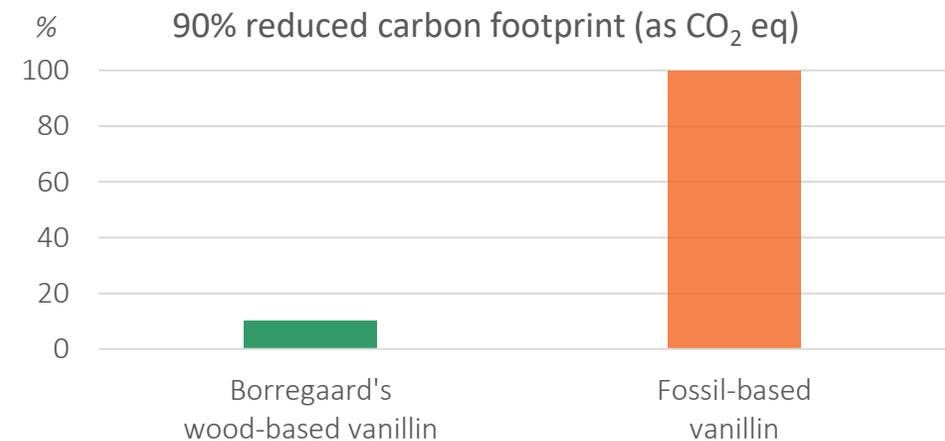
- Consumer preferences
- Sustainability

Competitive edge

- Global market leader in bio-based vanillin
- Advanced and attractive flavour profile
- >90% reduced carbon footprint vs fossil-based vanillin
- Certified spruce wood, sustainable forestry
- Cost competitive technology

Outlook

- Capacity expansion well above the +20% target
- Continued gradual introduction
- Significant expansion of fossil-based capacity



Strategic priorities

Specialisation and value growth

- Focus on value, not volume
- Attractive market growth in high-value applications
- Gradual introduction of new biovanillin capacity

Capitalise on sustainability trend

- Commercial and innovation leads driven by sustainability
- Focus on documented facts (LCA/EPD)

Exploit potential for further upgrade of product portfolio

- Increased specialisation and debottlenecking in Norway
- Optimisation and value growth in Florida
- Strong innovation and business development portfolio



Q&A

The Q&A session will be moderated by:

- Martin Melbye, Analyst, ABG Sundal Collier
- Fabian Jørgensen, Analyst, Carnegie AS

Participants from management:

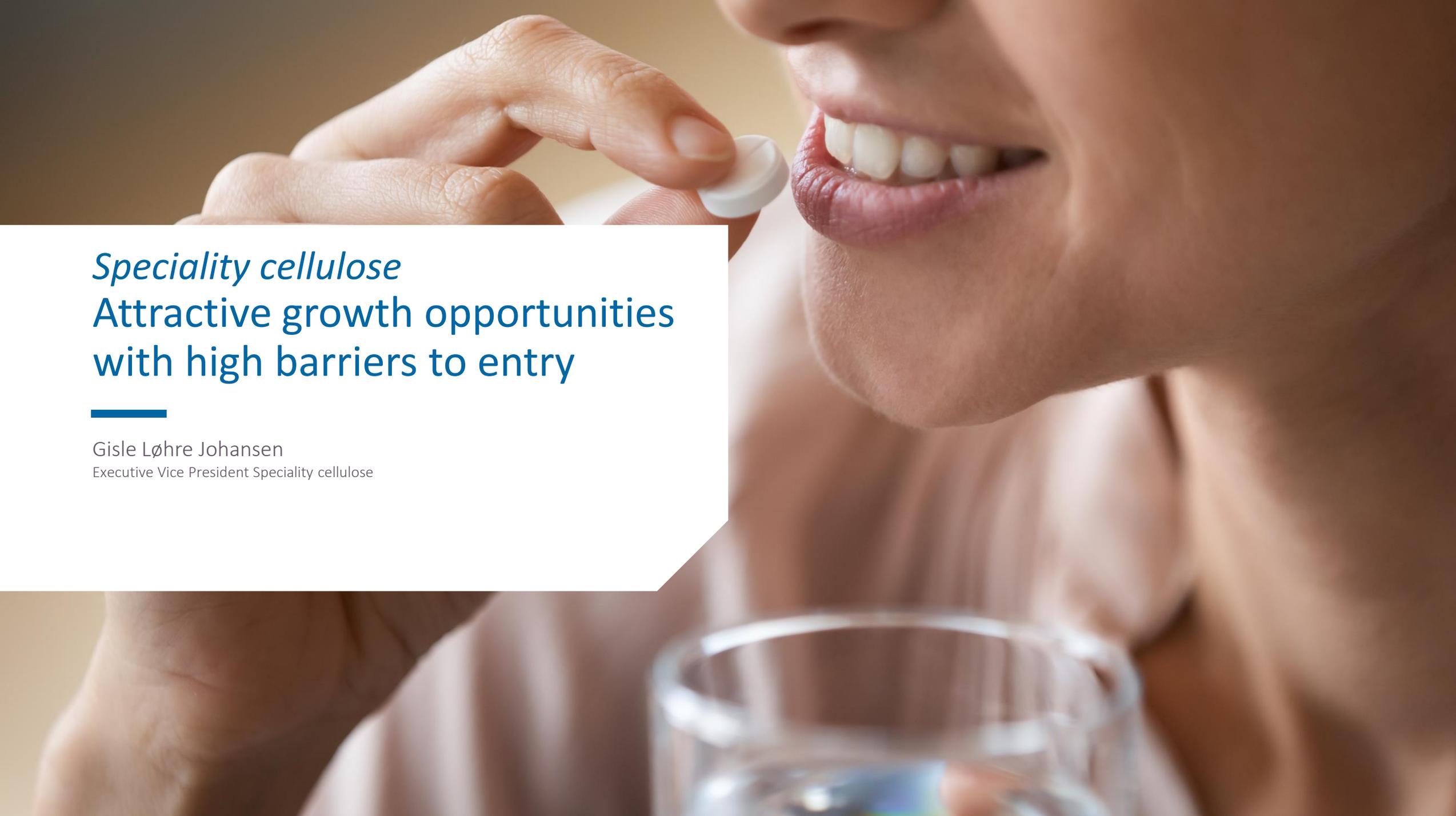
- Per A. Sørli, President & CEO
- Tom Erik Foss-Jacobsen, EVP BioSolutions



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12:00	13:00	Lunch





Speciality cellulose
Attractive growth opportunities
with high barriers to entry

Gisle Løhre Johansen
Executive Vice President Speciality cellulose

The speciality cellulose industry

The speciality cellulose market is ≈1.6 million tonnes¹⁾

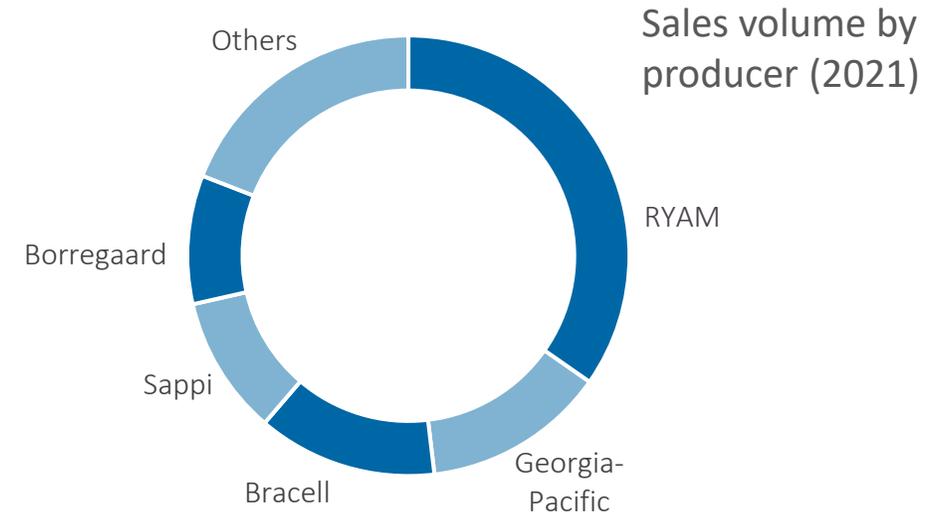
- Top 5 producers have ≈80% market share
- Kraft or sulphite pulping process
- Hardwood and softwood raw material
- Some cotton linter pulp (CLP) producers

Limited volumes from textile cellulose producers

- High barriers to entry
- Mainly targeting acetate, nitrocellulose and casings

Borregaard production capacity is ≈160,000 tonnes

- Softwood and sulphite process
- Strong market positions in high-end niches in Europe and Asia



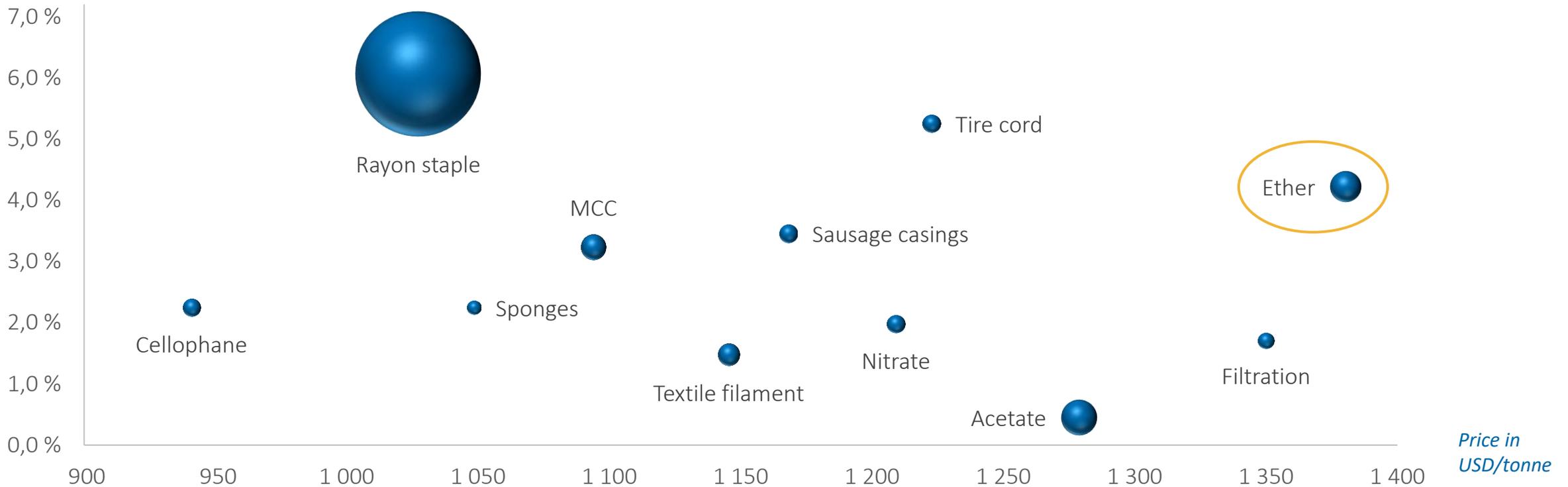
Top 5 speciality producers by wood species and pulping process

	Hardwood/ kraft	Softwood/ kraft	Hardwood/ sulphite	Softwood/ sulphite
RYAM	✓	✓		✓
Georgia-Pacific		✓		
Bracell	✓			
Sappi			✓	
Borregaard				✓

Growth and market price for speciality and textile cellulose markets (2021)

2021-2025 yearly growth rate

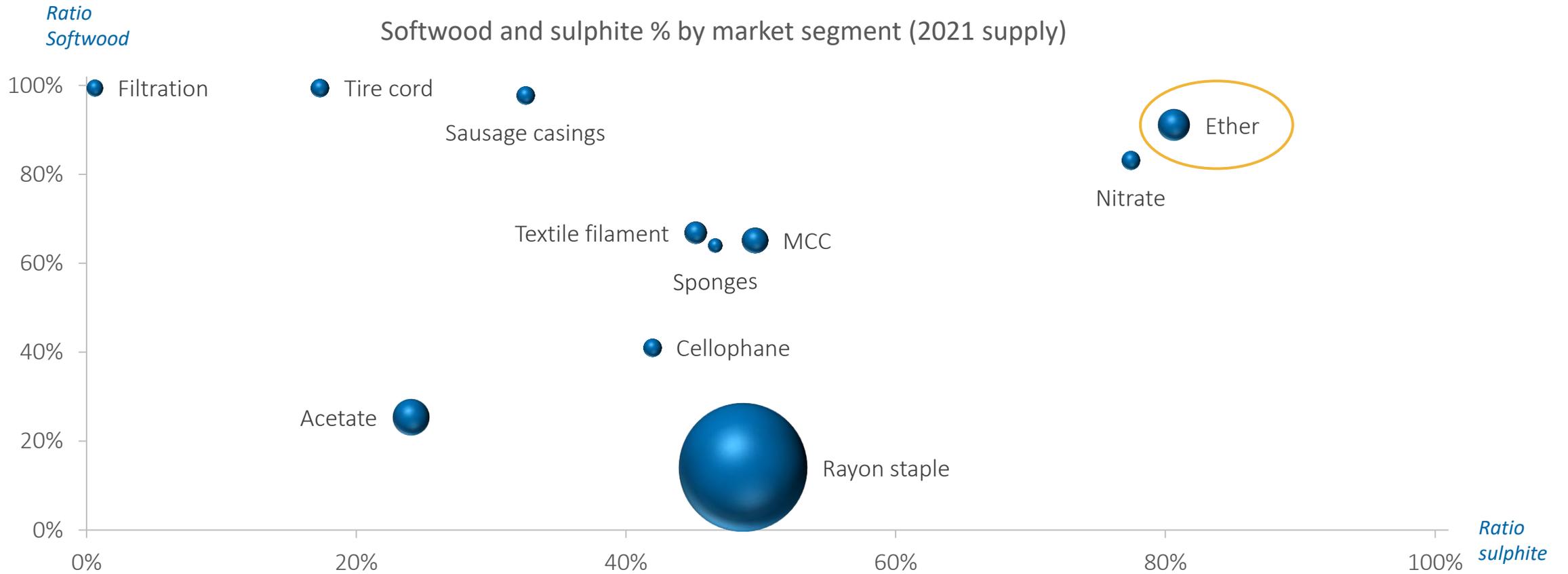
The star remains the ether markets



Source: CelCo

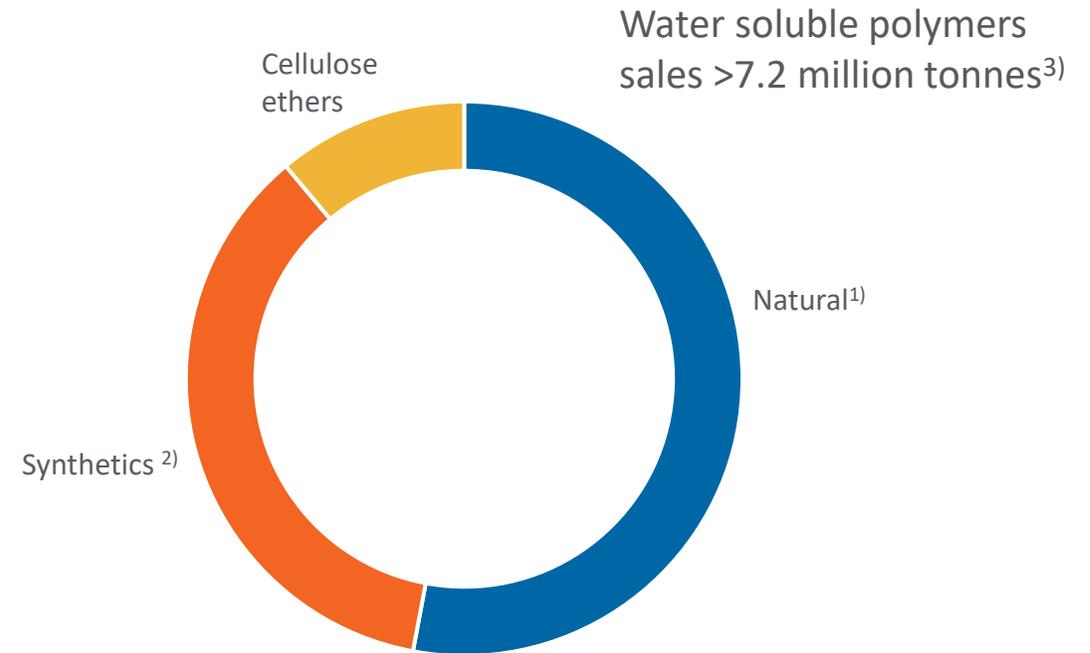
Relative position of market segments in terms of growth and pricing
Prices have increased proportionally and significantly in 2022

Cellulose for ethers mainly from softwood/sulphite process



Cellulose ethers – water soluble polymers with high barriers to entry

- The market for water soluble polymers consists of cellulose ethers, natural and synthetic products
- Cellulose ethers have no direct substitutes with comparable multi-functionality
- Mostly used as an additive to modify rheological properties of water-based formulations
- Reformulation and qualification require 1-5 years
- Cellulose ethers differentiated by a price premium based on function and application



1) Natural = Products extracted and refined from natural sources

2) Synthetic = Products created from petrochemicals

3) Source: Borregaard internal data, IMR International (2021)

Cellulose ethers – solid growth and attractive opportunities

Current demand for cellulose for ethers is 480,000 tonnes

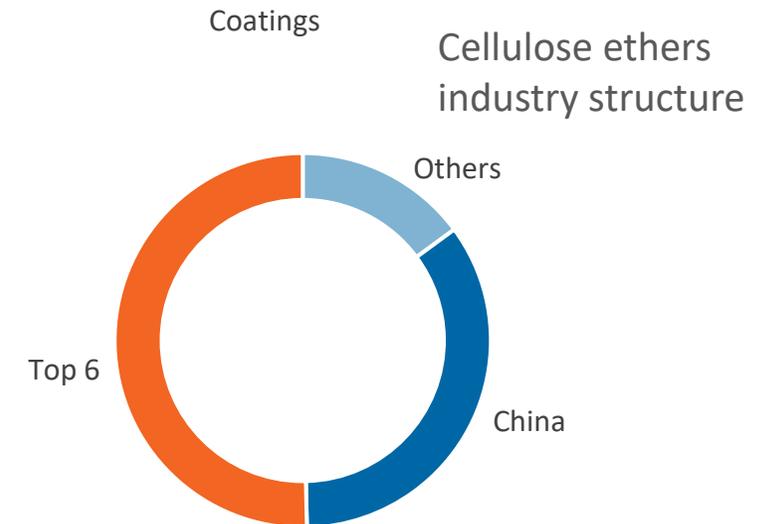
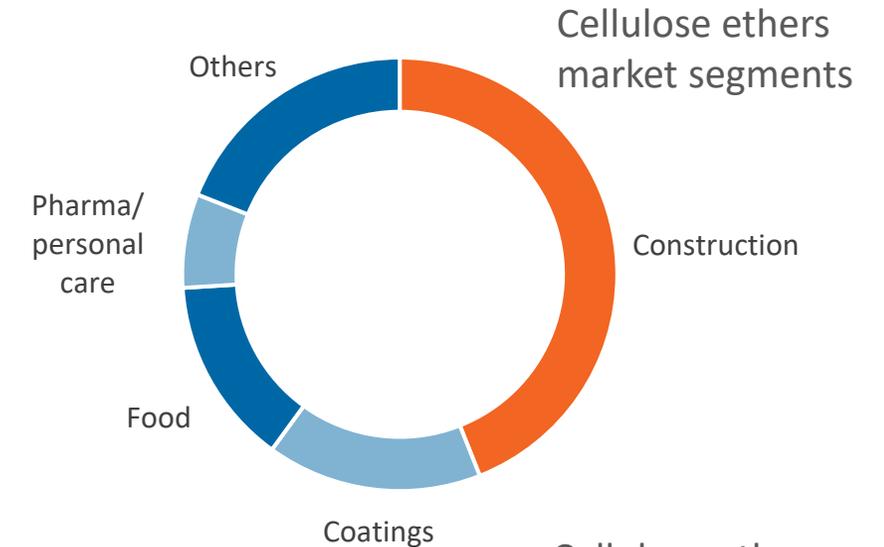
- Projected annual growth $\approx 4\%$
- Highest growth in segments requiring high viscosity pulp
- The alternative to wood pulp is cotton linters pulp (CLP) or CLP/fluff pulp blend
- A high degree of differentiation and tailored end products

Requirement for sustainable raw materials increasingly important

- Speciality cellulose from wood has better sustainability profile than CLP
- Increasing demand for sustainability certification and reporting

Top 6 cellulose ether producers represent $\approx 50\%$ of global capacity

- Ashland, Dow, IFF, Shin-Etsu, Lotte and Nouryon
- High concentration of producers in Europe and Asia
- New capacity commissioned or under construction in Europe, Asia and USA



Borregaard well positioned for growth and further specialisation

Borregaard position

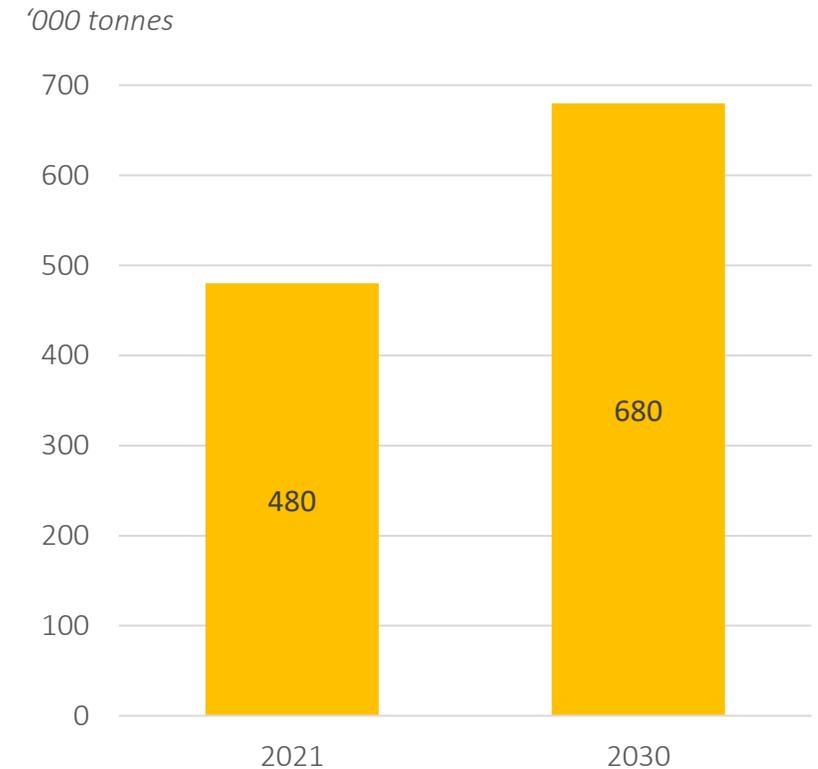
- A major and growing share of Borregaard's cellulose sold to cellulose ethers producers
- Complete portfolio of ether cellulose grades with a high degree of tailor-making
- Most regulated segments require GMO-free raw material which excludes CLP
- Industry leader in sustainability documentation and certification

Borregaard ambition

- Grow with the cellulose ether market
- Continue to innovate and meet future needs of the cellulose ether industry

Borregaard will continue to support the cellulose ether industry

- Develop and debottleneck sustainable production processes further
- Phase out non-core speciality cellulose applications
- An increasing share of ether portfolio to regulated applications (food & pharma)



Projected growth for cellulose for ethers

Ice Bear – continued growth and new applications

Strategic initiative for high purity cellulose in all market segments

- Maintain existing market positions in cellulose acetate
- Enable further specialisation in all target segments

Sustainability trends create opportunities for Ice Bear

- Stricter regulations and issues with fossil-based plastics
- Cellulose acetate plastics are derived from bio-based raw material
- All major cellulose acetate producers focus on non-filter tow end uses
- End products can be tailored for biodegradability
- Joint product development with key customers

Ramp-up based on market demand and customer qualification

- Increasing sales to new speciality applications
- Further growth projected within several speciality applications



Strategic priorities

Further development of current strong market positions

- Leading supplier to cellulose ethers
- Key supplier to other speciality cellulose segments

Increased specialisation and innovation

- Growth within ethers in regulated market segments
- Development of high purity Ice Bear qualities for non-filter tow applications in acetate
- Utilisation of Ice Bear technology to develop new high purity applications within ethers and other grades
- “Niches within niches” – target high value vs volume products

Pursue opportunities from growing markets and green consumer trends

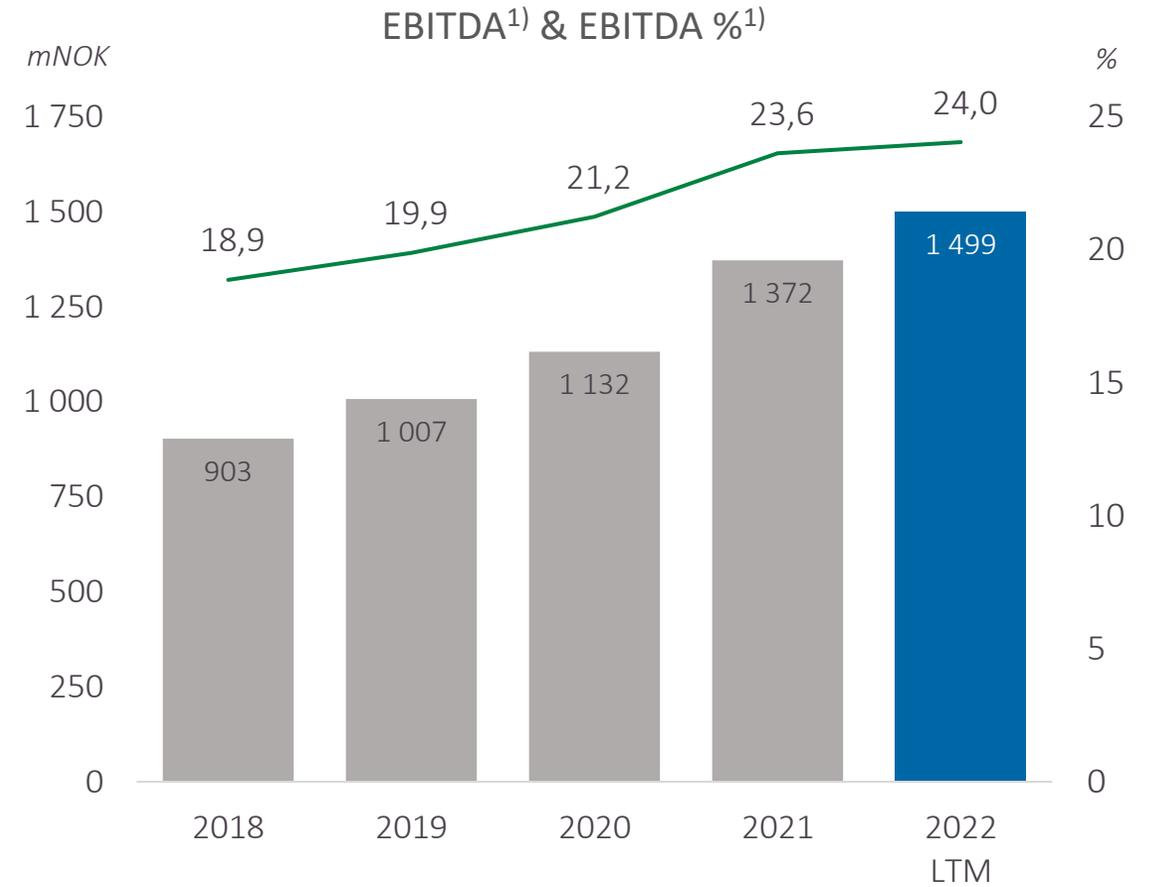
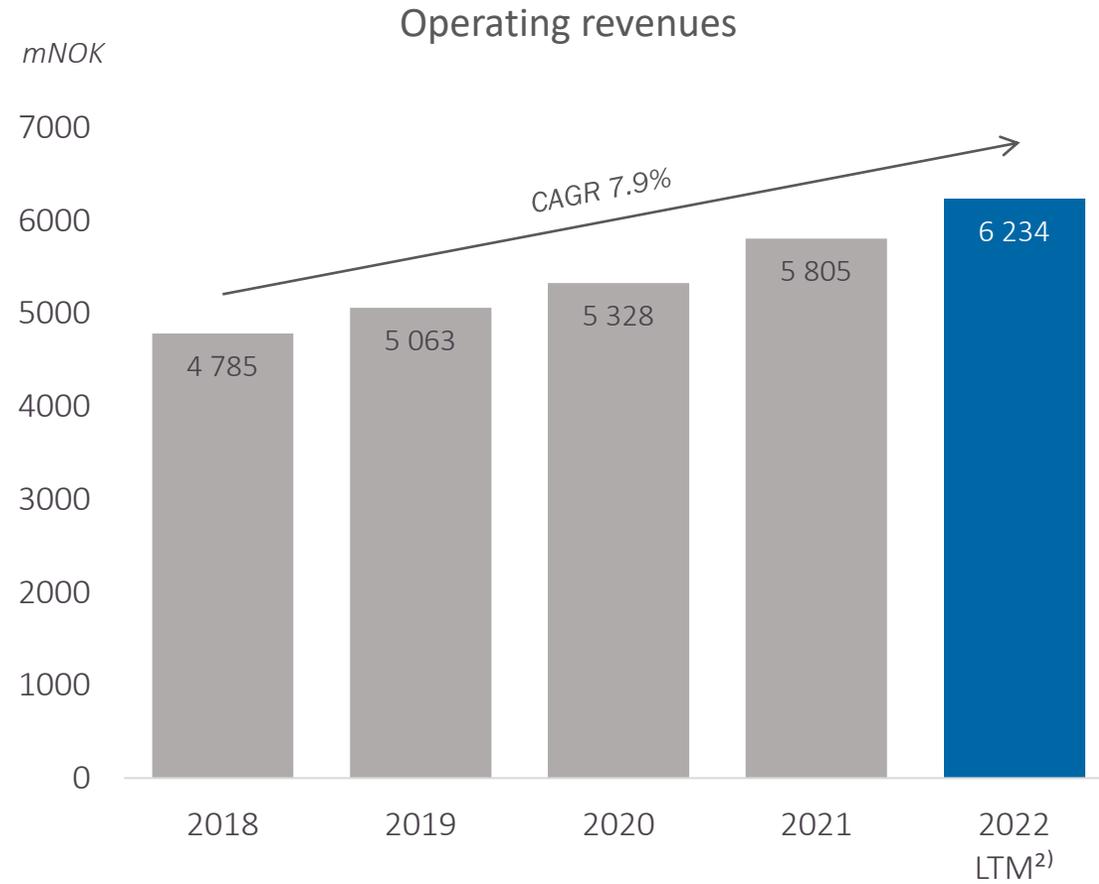
- Investments in debottlenecking, smarter production and improved environmental footprint
- Preferred supplier and development partner of sustainable products
- GMO-free raw material

Financial performance and targets

Per Bjarne Lyngstad
Chief Financial Officer



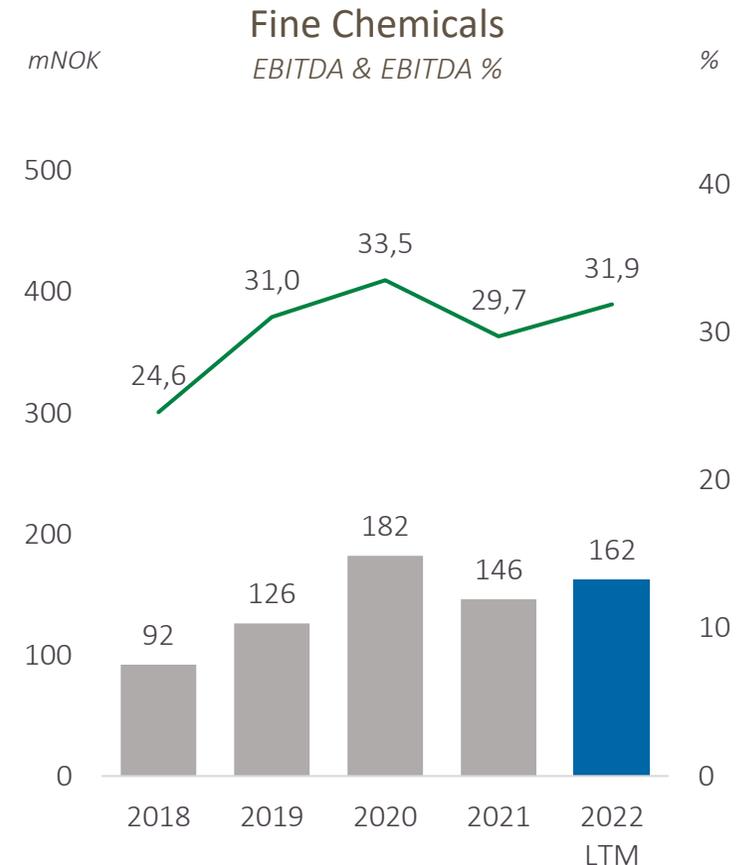
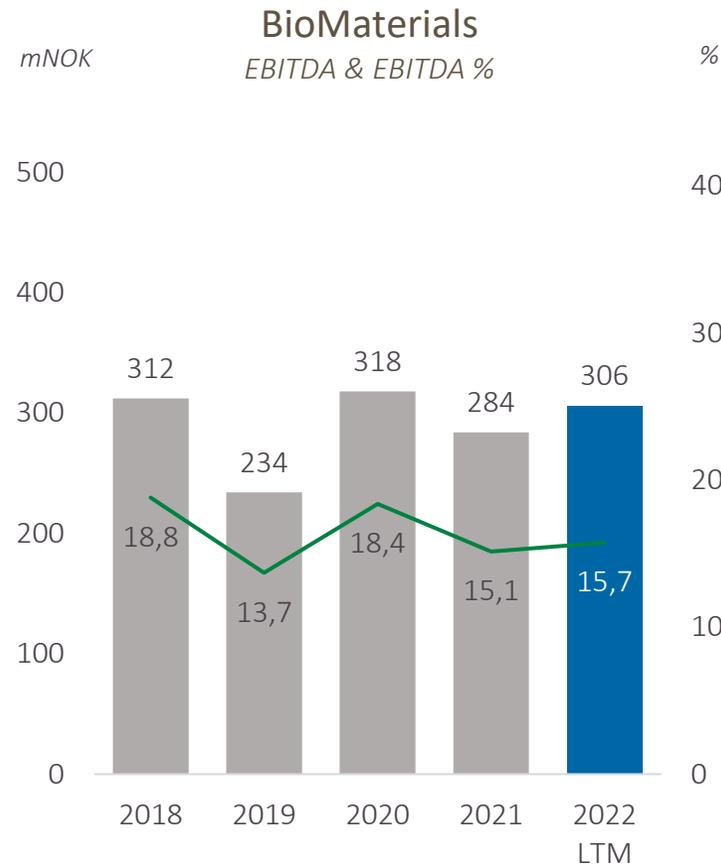
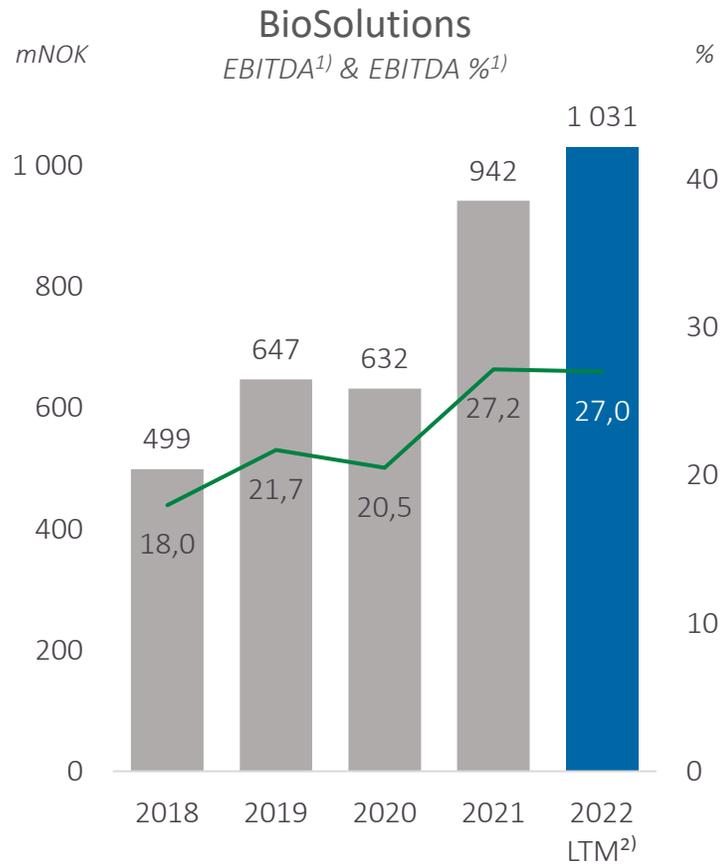
Substantial growth under challenging conditions



1) Alternative performance measures - see Appendix

2) Last twelve months as per June 2022

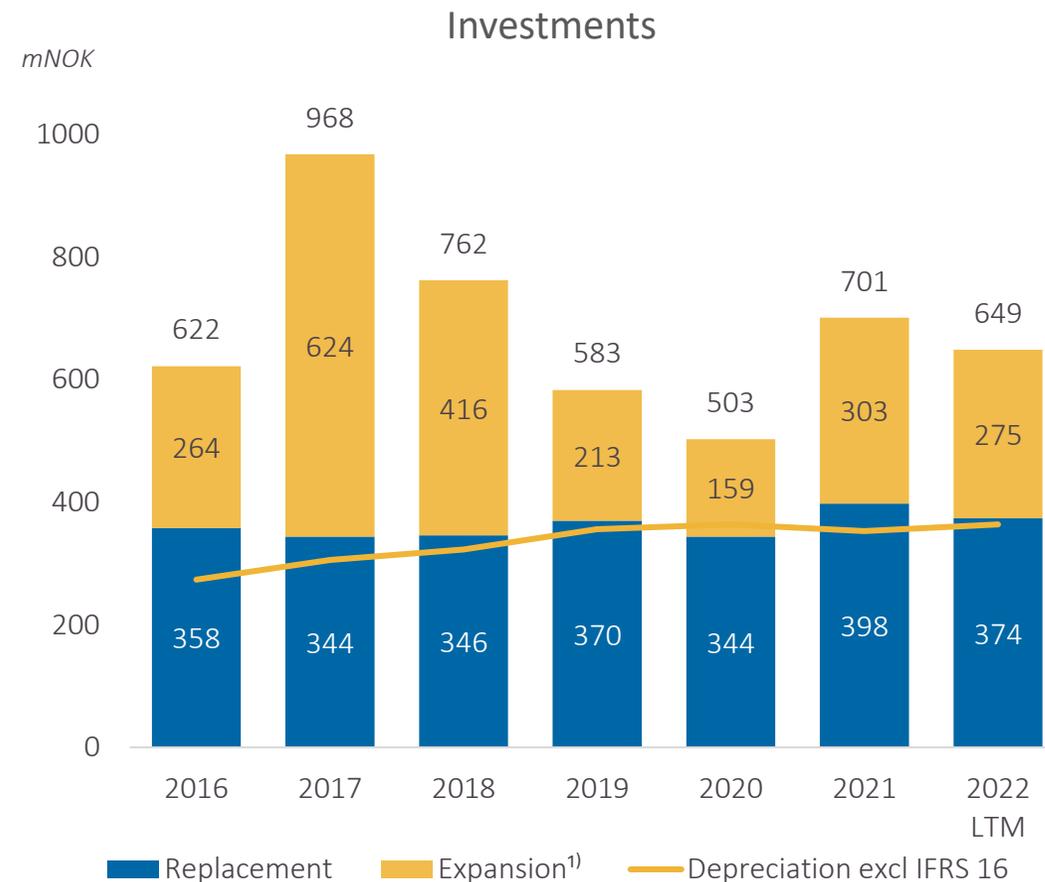
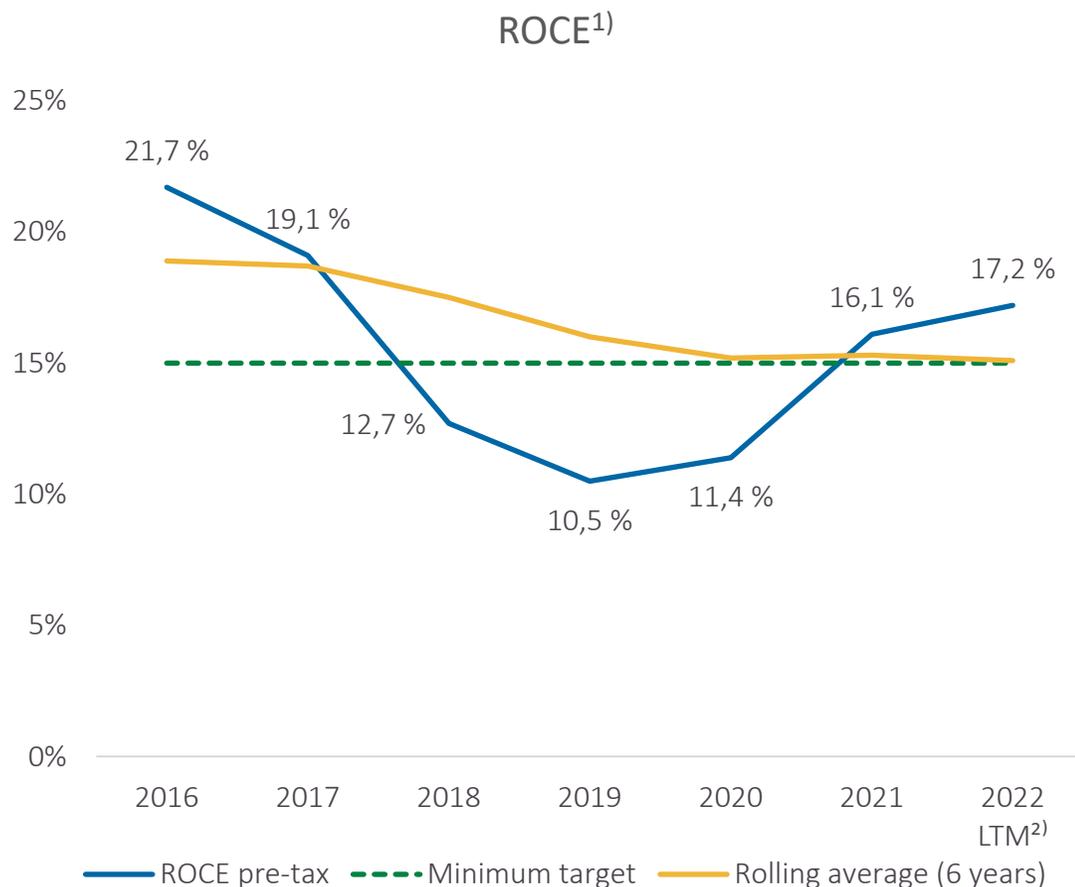
Increased specialisation and value growth



1) Alternative performance measures - see Appendix

2) Last twelve months as per June 2022

ROCE and replacement investments in line with targets



ROCE target: >15% pre-tax over a business cycle

Cash flow target: Replacement investments at depreciation level

1) Alternative performance measures - see Appendix

2) Last twelve months as per June 2022

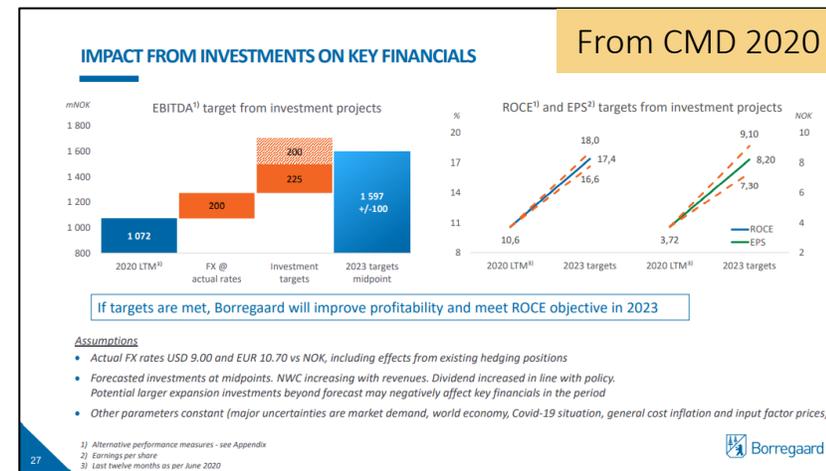
Impact from expansion investments on track

Runrate LTM¹⁾

- Significant improvement from lignin upgrade in Norway
- Biovanillin, Ice Bear and Fine Chemicals slightly ahead of targets
- Improvement in Florida and cellulose fibrils, but still below targets
- Weaker FX rates

EBITDA²⁾ impact on track in total

Significant additional potential from these investments



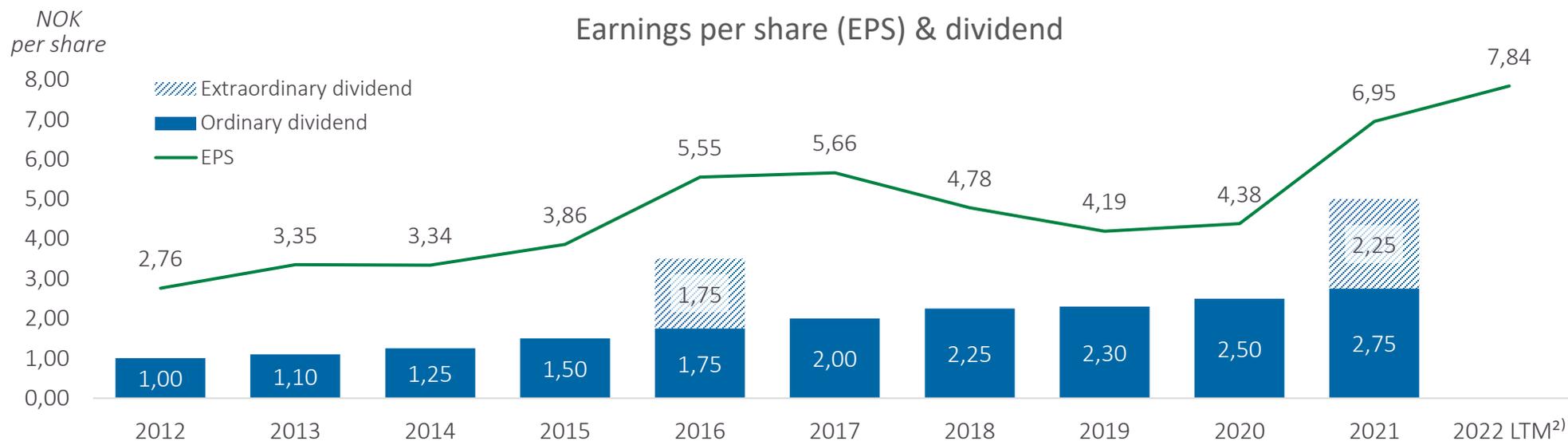
mNOK	2023 targets	Runrate LTM ¹⁾
Investments	225-425	≈175
FX	200	75
EBITDA impact	425-625	≈250
Actual EBITDA	1,072	1,499
FX rates	USD 9.00, EUR 10.70	USD 8.94, EUR 10.06

1) Last twelve months as per June 2022

2) Alternative performance measures - see Appendix

3) The contribution from the investments has been impacted by changes in demand and supply, Covid-19, the war in Ukraine, general cost inflation and input factor prices. Such effects are difficult to single out and have therefore not been eliminated in the estimate. However, the runrate is solely based on products affected by the investments.

Increasing EPS, progressive dividends and solid financial position



Increasing EPS and dividend

- 11.6% average annual growth in EPS from 2012
- Dividend
 - Target: Regular and progressive dividends, between 30% and 50% of net profit
 - Extraordinary dividend for 2016 and 2021

Solid capital structure

- Leverage ratio¹⁾ 1.40 and equity ratio¹⁾ 51.8% (Q2-22)
 - Maintain key financial ratios corresponding to an investment grade rated company
 - Leverage ratio target: Between 1.0 and 2.25
- Substantial undrawn credit facilities

1) Alternative performance measures - see Appendix

2) Last twelve months as per June 2022

Mitigation of significant cost inflation

Significant cost inflation mainly driven by energy prices

- >20% cost increase in H1-22 vs H1-21, excluding volume impact
- Energy and raw material costs will increase further in H2-22
- Energy spot prices the largest uncertainty

Measures to mitigate the effect of additional cost increases

- Further price increases and surcharges
- Positive effect from recently completed energy conservation investment and capacity increase for sodium hydroxide
- Exploit flexibility in heat energy production (electricity, LNG or light oil)



Resilient specialisation strategy in the face of a potential recession

Specialised products less exposed to cyclicity

Reduced exposure to cyclical markets over time

- Sales to concrete admixtures reduced by >50%
- Fully specialised cellulose business

A recession will affect demand in general

Diversified market strategy

- 800 products to numerous applications
- Global presence
- Takes risk out of integrated operations



Continuous reduction of emissions and effluents

2030 environmental targets

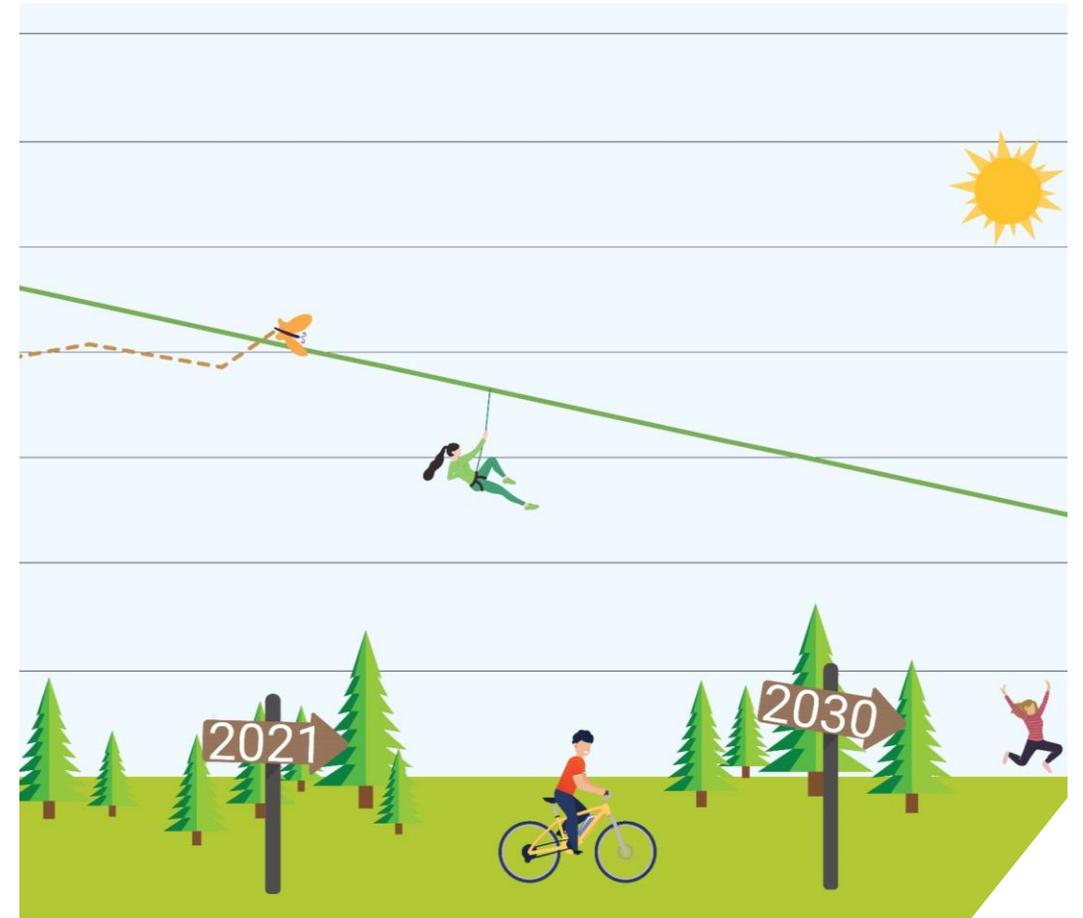
- 42% reduction in CO₂ emissions from 2020
 - *Electrification, energy conservation, innovative heat recovery*
- 30-50% reduction in effluents to water (COD) from 2020
 - *Process improvements and wastewater incineration technology*

Financial consequences and strategic considerations

- Preliminary investment estimate 650-850 mNOK for 2023 to 2025
- Supporting specialisation and value growth investments
- Increased flexibility between energy sources
- Improved environmental footprint
- Increased barriers to entry and strengthened competitive position

Sustainability offering new opportunities

Environmental investments will improve competitive position



Significant potential for further specialisation and value growth

- Continuous specialisation and product mix improvements
- Innovation portfolio and sustainability offering new opportunities
- Exploit full potential of previously completed expansion investments
- Additional expansion opportunities at the Sarpsborg biorefinery
 - Further specialisation of lignin-based biopolymers
 - Increased flexibility in the integrated production
 - Volume expansion through debottlenecking for speciality cellulose, lignin-based biopolymers and bioethanol
 - Preliminary investment estimate 650-900 mNOK for 2023 to 2025, mainly medium size projects
- Further development of the Sarpsborg site is a low-risk investment and raises barriers to entry



Investment forecast 2022-2025

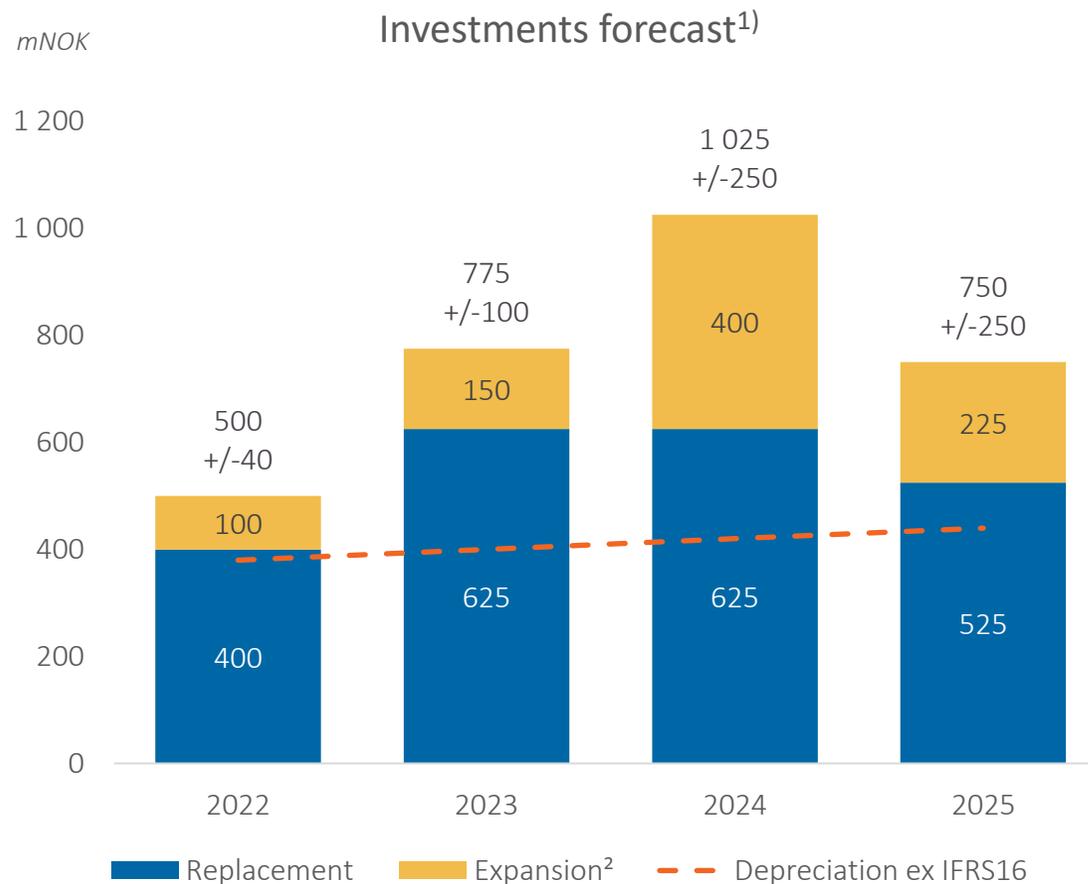
Replacement investments

- Targeted CO₂ and COD reductions explain above target level investments
- Supporting specialisation and value growth investments

Expansion investments

- Further specialisation, increased flexibility and debottlenecking at the Sarpsborg site
- Increased ownership in Alginor (2024)

New projects may lead to additional investments



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

Key financial targets maintained during investment period

Investments will strengthen Borregaard's position in the markets and as a sustainable biorefinery

Maintain financial targets during the investment period

- ROCE above 15% pre-tax over a business cycle
- Leverage ratio well within targeted level (1.0 - 2.25)
- Dividend in line with dividend policy
- >15% IRR pre-tax on expansion investments



Q&A

The Q&A session will be moderated by:

- Martin Melbye, Analyst, ABG Sundal Collier
- Fabian Jørgensen, Analyst, Carnegie AS

Participants from management:

- Per A. Sørli, President & CEO
- Tom Erik Foss-Jacobsen, EVP BioSolutions
- Gisle Løhre Johansen, EVP Speciality cellulose
- 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, 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 and investment in joint venture minus net pension liabilities.