



Borregaard

INTERIM REPORT

1ST QUARTER 2021



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Q1 2021

1ST QUARTER IN BRIEF

- EBITDA¹ NOK 302 million (NOK 242 million)²
- Improved result and product mix in all business areas
- Increased sales prices for biopolymers
- High deliveries of speciality cellulose
- Negative net currency impact

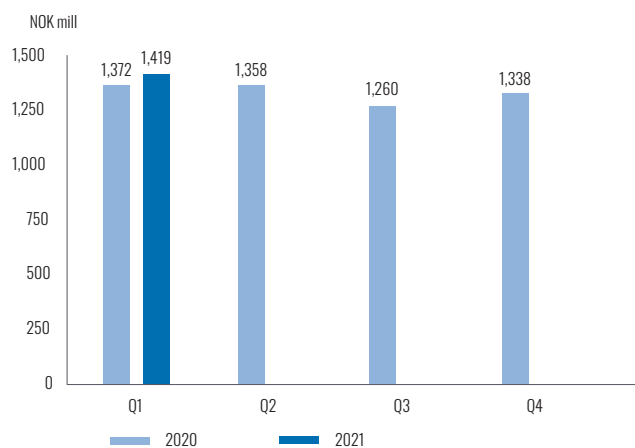
¹ Alternative performance measure, see page 21 for definition.

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

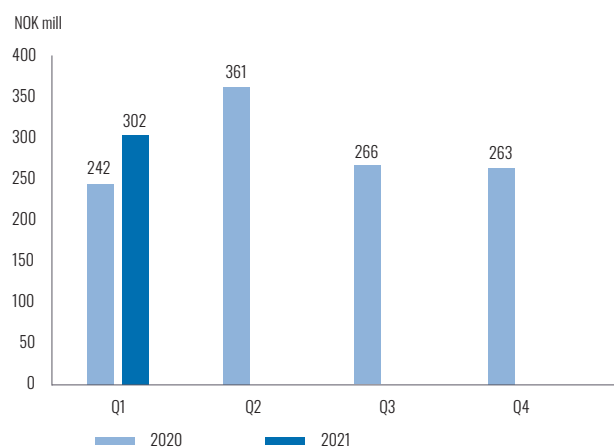
THE GROUP

Amounts in NOK million	Note	First quarter		Full year
		2021	2020	2020
Operating revenues	2	1,419	1,372	5,328
EBITDA ¹		302	242	1,132
Operating profit		195	132	568
Profit/loss before taxes	2	176	111	496
Earnings per share (NOK)		1.47	1.02	4.36
Net interest-bearing debt ¹	11	1,675	2,373	1,794
Equity ratio ¹ (%)		56.9	38.3	53.9
Leverage ratio ¹		1.41	2.39	1.58
Return on capital employed ¹ (%)		12.4	9.6	11.4

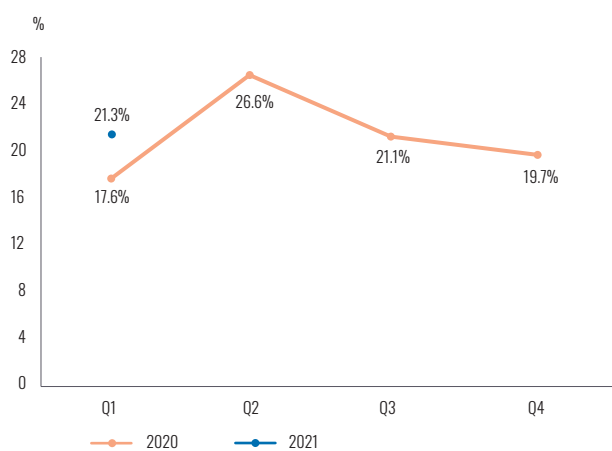
OPERATING REVENUES



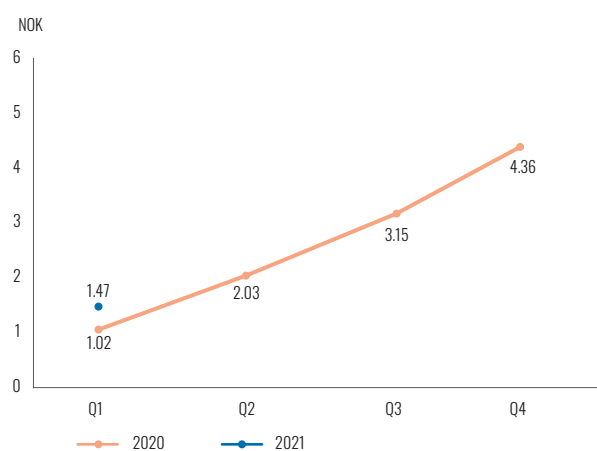
EBITDA¹



EBITDA MARGIN¹



EARNINGS PER SHARE CUMULATIVE



¹ Alternative performance measure, see page 21 for definition.

FIRST QUARTER

Borregaard's operating revenues reached NOK 1,419 million (NOK 1,372 million)² in the 1st quarter of 2021. EBITDA¹ increased to NOK 302 million (NOK 242 million). All business areas improved their results compared with the corresponding quarter in 2020. The net currency impact on EBITDA¹ was negative compared with the 1st quarter of 2020.

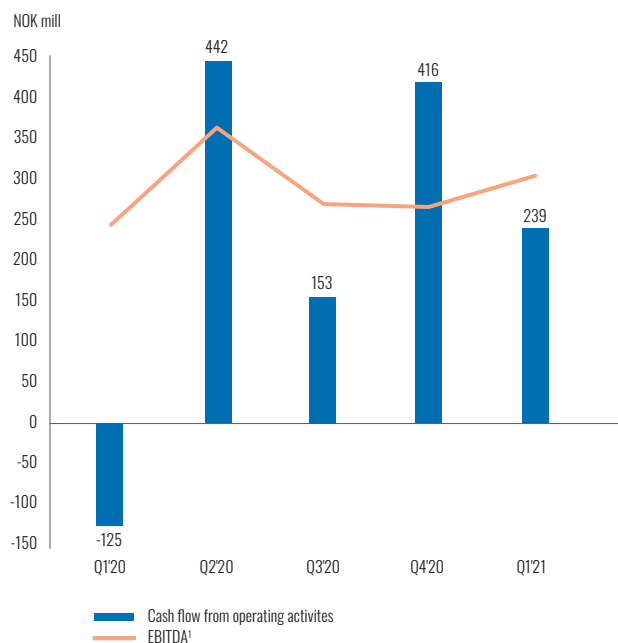
EBITDA¹ in BioSolutions improved as a result of price increases for certain biopolymer applications and reduced costs. The BioMaterials result improved due to high deliveries of speciality cellulose and a favourable product mix which more than compensated for lower sales prices. In Fine Chemicals, the effect of low deliveries was more than offset by a favourable product mix for fine chemical intermediates and a high production volume of bioethanol.

Operating profit was NOK 195 million (NOK 132 million). Net financial items were NOK -19 million (NOK -21 million). Profit before tax was NOK 176 million (NOK 111 million). Tax expense was NOK -43 million (NOK -27 million), giving a tax rate of 24% (24%) in the quarter.

Earnings per share was NOK 1.47 (NOK 1.02).

Cash flow from operating activities in the 1st quarter was NOK 239 million (NOK -125 million). The improved cash flow was due to a more favourable development in net working capital compared with the 1st quarter of 2020 and the cash effect from an increased EBITDA¹.

CASH FLOW FROM OPERATING ACTIVITIES



¹ Alternative performance measure, see page 21 for definition.

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

BUSINESS AREAS

BIOSOLUTIONS

Amounts in NOK million	First quarter		Full year
	2021	2020	2020
Operating revenues	812	797	3,082
EBITDA ¹	205	170	632
EBITDA margin ¹ (%)	25.2	21.3	20.5

FIRST QUARTER

BioSolutions' operating revenues were NOK 812 million (NOK 797 million). EBITDA¹ increased to NOK 205 million (NOK 170 million).

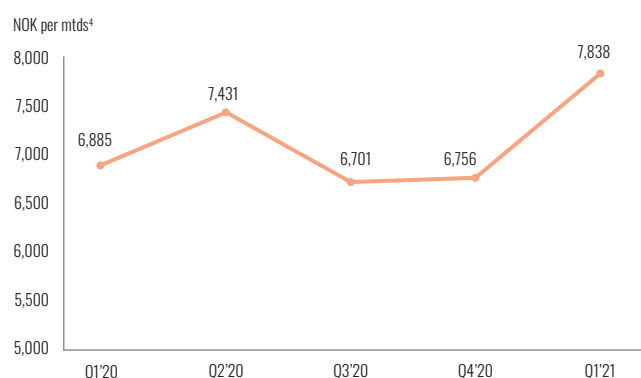
The EBITDA¹ increase was mainly due to price increases for certain biopolymer applications and reduced costs, partly offset by negative net currency effects.

Discontinued raw material supply from Sappi Saiccor (South Africa) and Sniace (Spain), partly offset by increased sales volume from the Florida plant, was

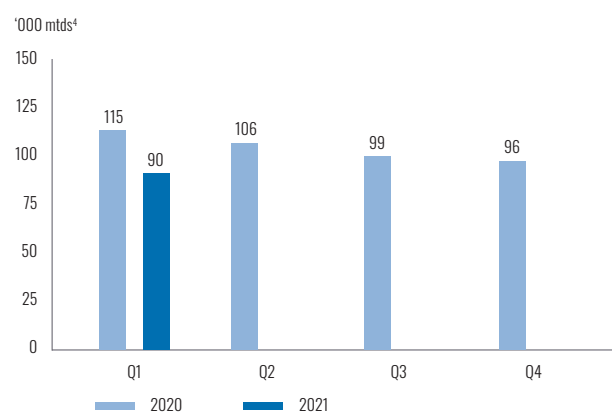
the main reason for a 22% reduction in sales volume. Deliveries from Park Falls were below expectations in the quarter. Sales of biopolymers to concrete admixtures and low-value industrial applications were particularly affected by the reduced supply.

The average price in sales currency for BioSolutions was 22% higher than in the 1st quarter of 2020 due to the effect of lower sales volume and price increases for products to concrete admixtures and low-value industrial applications.

AVERAGE GROSS SALES PRICE³



SALES VOLUME³



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

¹ Alternative performance measure, see page 21 for definition.

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

³ Includes 100% of sales volume from the J/V in South Africa for the two first quarters of 2020. Average sales price is calculated using actual FX rates, excluding hedging impact.

⁴ Metric tonne dry solid.

BIOMATERIALS

Amounts in NOK million	First quarter		Full year
	2021	2020	2020
Operating revenues	523	454	1,732
EBITDA ¹	64	46	318
EBITDA margin ¹ (%)	12.2	10.1	18.4

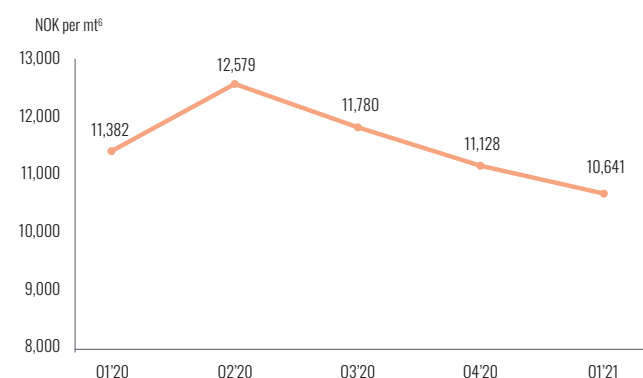
FIRST QUARTER

Operating revenues in BioMaterials were NOK 523 million (NOK 454 million). EBITDA¹ increased to NOK 64 million (NOK 46 million).

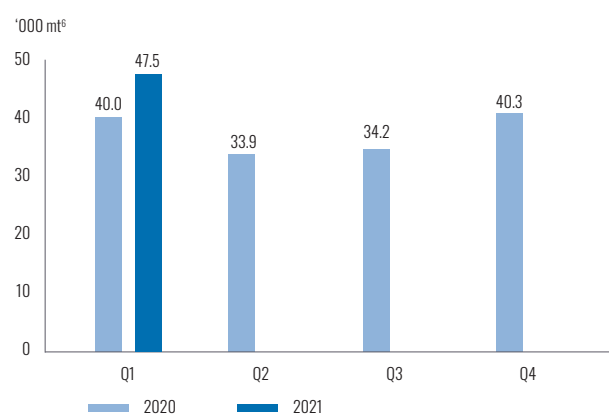
The improved EBITDA¹ was mainly due to high deliveries of speciality cellulose and a favourable product mix which more than compensated for a 1%

lower average price in sales currency compared with the 1st quarter of 2020. Speciality cellulose inventory was significantly reduced. The effect of lower wood costs was largely offset by higher energy costs and increased freight rates. The net currency impact for BioMaterials was negative.

AVERAGE GROSS SALES PRICE⁵



SALES VOLUME



Sales price and sales volume include speciality cellulose and cellulose fibrils.

¹ Alternative performance measure, see page 21 for definition.

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

⁶ Metric tonne.

FINE CHEMICALS

Amounts in NOK million	First quarter		Full year
	2021	2020	2020
Operating revenues	90	128	543
EBITDA ¹	33	26	182
EBITDA margin ¹ (%)	36.7	20.3	33.5

FIRST QUARTER

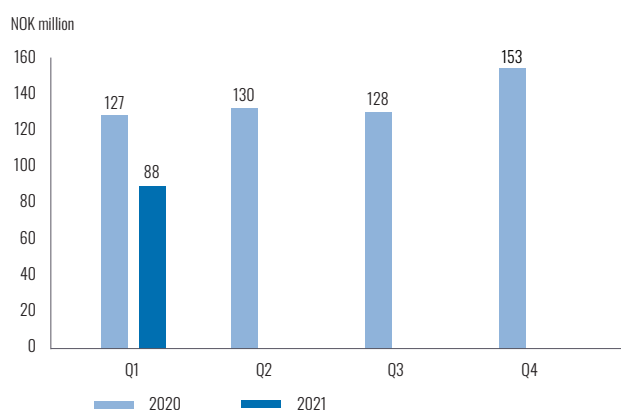
Fine Chemicals' operating revenues were NOK 90 million (NOK 128 million). EBITDA¹ increased to NOK 33 million (NOK 26 million).

The EBITDA¹ improvement was due to a favourable product mix for fine chemical intermediates and a high production volume of bioethanol with improved yield

and lower costs. Both fine chemical intermediates and bioethanol had lower deliveries compared with the corresponding quarter in 2020.

The net currency impact in Fine Chemicals was negligible.

FINE CHEMICALS – SALES REVENUES



Sales revenues include pharma intermediates and bioethanol.

¹ Alternative performance measure, see page 21 for definition.

FOREIGN EXCHANGE AND HEDGING

Borregaard has a significant currency exposure which is hedged according to the company's hedging strategy. The impact of currency rate fluctuations will be delayed as a result of the currency hedging strategy. Compared with the 1st quarter of 2020, the net impact of foreign exchange on EBITDA¹, including hedging effects, was NOK -25 million. Hedging effects were NOK -15 million (NOK -62 million) in the quarter.

Assuming currency rates as of 27 April 2021 (USD 8.28 and EUR 10.01) and based on currency exposure forecasts, Borregaard expects a net impact of foreign exchange on EBITDA¹ of approximately NOK -25 million in the 2nd quarter of 2021 and NOK -45 million for the full year of 2021.

CASH FLOW AND FINANCIAL SITUATION

FIRST QUARTER

Cash flow from operating activities in the 1st quarter was NOK 239 million (NOK -125 million). The improved cash flow was due to a more favourable development in net working capital compared with the 1st quarter of 2020 and the cash effect from an increased EBITDA¹.

Investments amounted to NOK 95 million (NOK 58 million). Expansion investments¹ totalled NOK 36 million (NOK 23 million), where the largest expenditure was related to the biovanillin capacity expansion.

The Group has sold and repurchased treasury shares with a net payment of NOK 27 million (NOK 22 million).

Realised effect of hedging of net investments in subsidiaries was NOK 9 million (NOK -160 million) in the quarter.

On 31 March 2021, the Group had net interest-bearing debt¹ totalling NOK 1,675 million (NOK 2,373 million), a decrease of NOK 119 million from year-end 2020.

At the end of March, the Group was well capitalised with an equity ratio¹ of 56.9% and a leverage ratio¹ of 1.41.

¹ Alternative performance measure, see page 21 for definition.

SHARE INFORMATION

In February, 249,000 share options at a strike price of NOK 183.20 were granted under the long-term incentive programme. The options will expire after five years, the vesting period is three years and the options may be exercised during the last two years. For more details, see notification to Oslo Stock Exchange on 16 February 2021.

As part of the employee share programme, Borregaard sold a total of 173,383 shares to employees in February 2021. The net price was NOK 121.71 per share after deduction of a 25% discount. For more details, see notifications to Oslo Stock Exchange on 8, 15 and 24 February 2021.

In the 1st quarter of 2021, Borregaard repurchased a total of 329,907 treasury shares at an average price of NOK 169.78.

During the 1st quarter, 56,000 share options were exercised at a strike price of NOK 94.06 per share and 31,000 share options were exercised at a strike price of NOK 73.45.

Total number of shares outstanding on 31 March 2021 was 100 million, including 454,202 treasury shares. Total number of shareholders was 7,798. Borregaard ASA's share price was NOK 186.20 at the end of the quarter (NOK 141.80 at the end of 2020).

OTHER MATTERS AND SUBSEQUENT EVENTS

Annual General Meeting

Borregaard ASA held its General Meeting on 14 April 2021. The financial statements of Borregaard ASA and the Group, including the proposal to pay an ordinary dividend of NOK 2.50 per share were approved. The dividend was paid out on 23 April 2021 with a total amount of NOK 249 million.

The General Meeting elected Helge Aasen as the chair of the Board of Directors. Terje Andersen, Tove Andersen and Margrethe Hauge were re-elected as members of the Board and John Arne Ulvan was elected as new member of the Board. See notice to the Oslo Stock Exchange as of 14 April 2021.

OUTLOOK

Total sales volume for BioSolutions in 2021 is forecast to decrease by 10-15%, mainly depending on raw material supply. This will have a positive effect on product mix and average price in sales currency. The market conditions for biovanillin are expected to be unchanged, and the ongoing biovanillin capacity expansion will be completed mid-2021.

In BioMaterials, the average price in sales currency is expected to be 2-3% below the 2020 level. Full year sales volume is expected to increase from 2020, with high deliveries in the 1st half of the year. The share of highly specialised grades will be higher than last year. However, a more specialised product mix implies a higher manufacturing cost. In the 2nd quarter, wood costs will be lower, whereas energy costs and freight rates are expected to increase compared with the same quarter last year. Sales growth will continue for

cellulose fibrils, but the Covid-19 pandemic slows down new business development and customer plant trials.

No major changes are expected in the market conditions for Fine Chemicals. Bioethanol sales are mainly expected to be for the biofuel segment in 2021, whereas in the 2nd quarter of 2020 the bioethanol result was significantly affected by non-recurring sales to disinfectants.

As a global player, Borregaard may be affected by possible further consequences of the Covid-19 pandemic. Borregaard continues to focus on maintaining sufficient financial capacity to responsibly manage and mitigate any potential effects from the Covid-19 pandemic.

Sarpsborg, 27 April 2021
The Board of Directors of Borregaard ASA

THE GROUP'S INTERIM CONDENSED INCOME STATEMENT

Amounts in NOK million	Note	1.1 - 31.3		1.1 - 31.12
		2021	2020	2020
Operating revenues	2	1,419	1,372	5,328
Operating expenses		-1,117	-1,130	-4,196
Depreciation property, plant and equipment		-106	-109	-443
Amortisation intangible assets		-1	-1	-5
Other income and expenses ¹	3	-	-	-116
Operating profit		195	132	568
Financial items, net	4	-19	-21	-72
Profit before taxes		176	111	496
Income tax expense	5	-43	-27	-117
Profit for the period		133	84	379
Profit attributable to non-controlling interests		-13	-18	-57
Profit attributable to owners of the parent		146	102	436
EBITDA¹		302	242	1,132

INTERIM EARNINGS PER SHARE

Amounts in NOK		1.1 - 31.3		1.1 - 31.12
		2021	2020	2020
Earnings per share (100 mill. shares)	6	1.47	1.02	4.36
Diluted earnings per share	6	1.46	1.02	4.37

THE GROUP'S INTERIM CONDENSED COMPREHENSIVE INCOME STATEMENT

Amounts in NOK million	Note	1.1 - 31.3		1.1 - 31.12
		2021	2020	2020
Profit for the period		133	84	379
Items not to be reclassified to P&L				
Actuarial gains and losses (after tax)		-	-	7
Total		-	-	7
Items to be reclassified to P&L				
Change in hedging-reserve after tax (cash flow)	8	136	-783	180
Change in hedging-reserve after tax (net investment in subsidiaries)	8	5	-100	5
Translation effects		-9	159	-24
Total		132	-724	161
The Group's comprehensive income		265	-640	547
Comprehensive income non-controlling interests		-12	11	-56
Comprehensive income owners of the parent		277	-651	603

¹ Alternative performance measure, see page 21 for definition.

THE GROUP'S INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

Amounts in NOK million	Note	31.3.2021	31.12.2020
Intangible assets	13	81	86
Property, plant and equipment	13	3,978	3,973
Right-of-use assets		377	381
Other assets	9	440	380
Investments in joint venture		38	38
Non-current assets		4,914	4,858
Inventories		822	887
Receivables	9	1,131	1,051
Cash and cash deposits	11	213	207
Current assets		2,166	2,145
Total assets		7,080	7,003
Group equity	10	3,927	3,668
Non-controlling interests		100	110
Equity		4,027	3,778
Provisions and other liabilities		315	291
Interest-bearing liabilities	9, 11	1,374	1,381
Non-current liabilities		1,689	1,672
Interest-bearing liabilities	9, 11	517	623
Other current liabilities	9	847	930
Current liabilities		1,364	1,553
Equity and liabilities		7,080	7,003
Equity ratio ¹		56.9%	53.9%

INTERIM CONDENSED CHANGES IN EQUITY

Amounts in NOK million	Note	1.1 - 31.3.2021			1.1 - 31.12.2020		
		Controlling interests	Non-controlling interests	Total equity	Controlling interests	Non-controlling interests	Total equity
Equity 1 January		3,668	110	3,778	3,306	158	3,464
Profit/loss for the period		146	-13	133	436	-57	379
Items in Comprehensive Income	8	131	1	132	167	1	168
The Group's Comprehensive income	8	277	-12	265	603	-56	547
Paid dividend		-	-	-	-229	-	-229
Buy-back of treasury shares		-56	-	-56	-62	-	-62
Exercise of share options		8	-	8	16	-	16
Reduced tax payable of exercised share options		-	-	0	-	-	-
Shares to employees		28	-	28	25	-	25
Option costs (share based payment)		2	-	2	9	-	9
Transactions with non-controlling interests		-	2	2	-	8	8
Equity at the end of the period		3,927	100	4,027	3,668	110	3,778

¹ Alternative performance measure, see page 21 for definition.

THE GROUP'S INTERIM CONDENSED CASH FLOW STATEMENT

Amounts in NOK million	Note	1.1 - 31.3		1.1 - 31.12
		2021	2020	2020
Profit before taxes		176	111	496
Amortisation, depreciation and impairment charges		107	110	449
Changes in net working capital, etc.		5	-298	-21
Dividend (share of profit) from JV		-	-1	51
Taxes paid		-49	-47	-89
Cash flow from operating activities		239	-125	886
Investments property, plant and equipment and intangible assets *		-95	-58	-503
Other capital transactions		4	2	14
Cash flow from investing activities		-91	-56	-489
Dividends		-	-	-229
Proceeds from exercise of options/shares to employees	10	29	28	35
Buy-back of shares	7	-56	-50	-62
Gain/(loss) on hedges for net investments in subsidiaries		9	-160	10
Net paid to/from shareholders		-18	-182	-246
Proceeds from interest-bearing liabilities	11	100	650	1,550
Repayment from interest-bearing liabilities	11	-217	-585	-1,703
Change in interest-bearing receivables/other liabilities	11	-8	40	18
Change in net interest-bearing liabilities		-125	105	-135
Cash flow from financing activities		-143	-77	-381
Change in cash and cash equivalents		5	-258	16
Cash and cash equivalents at beginning of period		96	81	81
Change in cash and cash equivalents		5	-258	16
Currency effects cash and cash equivalents		-1	6	-1
Cash and cash equivalents at the close of the period	11	100	-171	96
*Investment by category				
Replacement investments		59	35	344
Expansion investments ¹		36	23	159

¹ Alternative performance measure, see page 21 for definition.

NOTES

NOTE 01 Organisation and basis for preparation

GENERAL INFORMATION

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

Basis for preparation

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

The same accounting principles and methods of calculation have been applied as in the Consolidated Financial Statements for 2020 for the Borregaard Group.

Use of estimates

The same use of estimates has been applied as in the Consolidated Financial Statements for 2020.

NOTE 02 Segments

OPERATING REVENUES

Amounts in NOK million	1.1 - 31.3		1.1 - 31.12
	2021	2020	2020
Borregaard	1,419	1,372	5,328
BioSolutions	812	797	3,082
BioMaterials	523	454	1,732
Fine Chemicals	90	128	543
Eliminations	-6	-7	-29

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

cont. next page

cont. NOTE 02 Segments**EBITDA¹**

Amounts in NOK million	1.1 - 31.3		1.1 - 31.12
	2021	2020	2020
Borregaard	302	242	1,132
BioSolutions	205	170	632
BioMaterials	64	46	318
Fine Chemicals	33	26	182
Reconciliation against operating profit & profit before tax			
EBITDA¹	302	242	1,132
Depreciations and write downs	-106	-109	-443
Amortisation intangible assets	-1	-1	-5
Other income and expenses	-	-	-116
Operating profit	195	132	568
Financial items, net	-19	-21	-72
Profit before taxes	176	111	496

SALES REVENUES

Amounts in NOK million	1.1 - 31.3		1.1 - 31.12
	2021	2020	2020
Borregaard	1,394	1,347	5,227
BioSolutions	793	775	2,995
BioMaterials	513	445	1,695
Fine Chemicals	88	127	538
Eliminations	-	-	-1

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

NOTE 03 Other income and expenses¹

There are no Other income and expenses in the 1st quarter of 2021.

NOTE 04 Financial items**NET FINANCIAL ITEMS**

Amounts in NOK million	1.1 - 31.3		1.1 - 31.12
	2021	2020	2020
Net interest expenses	-16	-20	-76
Currency gain/loss	1	-	7
Other financial items, net	-4	-1	-3
Net financial items	-19	-21	-72

¹ Alternative performance measure, see page 21 for definition.

NOTE 05 Income tax expense

The tax rate of 24.4% (24.3%) for the first three months of 2021 is a compilation of the tax rates in the various countries in which Borregaard operates and has taxable income. The corporate income tax rate in Norway is 22%.

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

in the Borregaard Group, whereas the tax expense is calculated based on Borregaard's 55% ownership. Consequently, profit attributable to non-controlling interests for LignoTech Florida (45%) is calculated on profit before tax. Share of profit after tax from the joint venture, LignoTech South Africa, is accounted for as part of operating profit and profit before tax (due to IFRS 11). As such, the additional costs related to the discontinued operation does not reduce the tax expense and tax rate. There are carry forward losses in the Group which will not be recognised as deferred tax assets, and hence increase the Group's tax rate.

NOTE 06 Earnings per share (EPS)

The share capital consists of 100 million shares. The company holds 454,202 treasury shares. As of 31 March 2021, there are 99,865,877 diluted shares

(99,712,283 as of 31 December 2020). Earnings per diluted share was NOK 1.46 in the 1st quarter (NOK 1.02 in the 1st quarter of 2020).

NOTE 07 Stock options

During the 1st quarter of 2021, 56,000 share options were exercised at a strike price of NOK 94.06 and 31,000 share options were exercised at a strike price of NOK 73.45.

The Group Executive Management and other key employees hold a total of 1,590,000 stock options in five different share option programmes in Borregaard.

Stock options	Issued 2017	Issued 2018	Issued 2019	Issued 2020	Issued 2021
Number of stock options	232,000	339,000	370,000	400,000	249,000
Strike price (NOK)*	94.06	73.45	77.8	102.10	183.20
Vesting period	3 years	3 years	3 years	3 years	3 years
Expiry date	17 February 2022	7 February 2023	6 February 2024	13 February 2025	16 February 2026

* Strike prices have been adjusted for dividend paid since issuance of stock options and as at 31 March 2021.

NOTE 08 Statement of comprehensive income

The statement of comprehensive income shows changes in the value of hedging instruments, both cash flow

hedges and hedges of net investments in subsidiaries (hedging reserve). These figures are presented after tax.

Amounts in NOK million	31.3.2021		31.3.2020		31.12.2020	
	Cash flow hedges	Hedges of net investments in subsidiaries	Cash flow hedges	Hedges of net investments in subsidiaries	Cash flow hedges	Hedges of net investments in subsidiaries
Tax effect year-to-date	53	-41	-259	-72	15	-40
Hedging reserve after tax	187	-112	-912	-222	51	-117

NOTE 09 Fair value hierarchy

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

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

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

- Level 3 – Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable)

There were no transfers from one level to another in the measurement hierarchy from 2020 to the 1st quarter of 2021. Borregaard has no items defined as level 1. The bond is determined as measurement level 3. The fair value of the bond is deemed to equal its book value.

Set out below is a comparison of the carrying amount and the fair value of financial instruments as of 31 March 2021:

FINANCIAL ASSETS

Amounts in NOK million	Level	31.3.2021		31.12.2020	
		Carrying amount	Fair value	Carrying amount	Fair value
Non-current financial receivables	2	193	193	195	195
Non-current derivatives	2	228	228	165	165
Current derivatives	2	80	80	35	35
Total financial assets		501	501	395	395

FINANCIAL LIABILITIES

Non-current financial liabilities	2, 3	1,376	1,376	1,383	1,383
Non-current derivatives	2	9	9	29	29
Current financial liabilities	2	517	517	623	623
Current derivatives	2	48	48	93	93
Total financial liabilities		1,950	1,950	2,128	2,128

cont. NOTE 09 Fair value hierarchy**FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE**

Amounts in NOK million		Level 1	Level 2	Level 3
Financial instruments 31.3.2021	-1,449	-	-1,049	-400
Financial instruments 31.12.2020	-1,733	-	-1,333	-400

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

NOTE 10 Compilation of Equity

Amounts in NOK million	31.3.2021	31.12.2020
Share capital	100	100
Treasury shares	-	-
Share premium	1,346	1,346
Other paid-in capital	784	746
Translation effects	67	77
Hedging reserve (after tax)	75	-66
Actuarial gains/Losses	-14	-14
Retained earnings	1,569	1,479
Group equity (controlling interests)	3,927	3,668

As of 31 March 2021, the company held 454,202 treasury shares at an average cost of NOK 156.07.

NOTE 11 Net interest-bearing debt¹

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

Amounts in NOK million	31.3.2021	31.12.2020
Non-current interest-bearing liabilities	1,374	1,381
Current interest-bearing liabilities including overdraft of cashpool	517	623
Non-current interest-bearing receivables (included in "Other Assets")	-3	-3
Cash and cash deposits	-213	-207
Net interest-bearing debt¹	1,675	1,794
- of which impact of IFRS 16 Leases	393	396

¹ Alternative performance measure, see page 21 for definition.

NOTE 12 Related parties

The members of the Group Executive Management of Borregaard held a total of 816,000 stock options in the Company as of 31 March 2021.

NOTE 13 Assessments relating to impairment

No impairment indicators have been identified in the Borregaard Group's property, plant and equipment or intangible assets in the 1st quarter of 2021.

NOTE 14 Other matters and subsequent events

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

ALTERNATIVE PERFORMANCE MEASURES

In the discussion of the reported operating results, financial position and cash flows, Borregaard refers to certain measures which are not defined by generally accepted accounting principles (GAAP) such as IFRS. Borregaard management makes regular use of these Alternative Performance Measures and is of the opinion that this information, along with comparable GAAP measures, is useful to investors who wish to evaluate the company's operating performance, ability to repay debt and capability to pursue new business opportunities. Such Alternative Performance Measures should not be viewed in isolation or as an alternative to the equivalent GAAP measure.

EBITDA

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

EBITDA MARGIN

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

EQUITY RATIO

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

EXPANSION INVESTMENTS

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

OTHER INCOME AND EXPENSES

Other income and expenses is defined by Borregaard as non-recurring items or items related to other periods or to a discontinued business or activity. These items are not viewed as reliable indicators of

future earnings based on the business areas' normal operations. These items will be included in the Group's operating profit.

LEVERAGE RATIO

Leverage ratio is defined by Borregaard as net interest bearing debt (see note 11) divided by last twelve months' (LTM) EBITDA.

NET INTEREST-BEARING DEBT (NIBD)

Net interest-bearing debt is defined by Borregaard as interest-bearing liabilities minus interest-bearing assets (see Note 11).

CAPITAL EMPLOYED

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.

RETURN ON CAPITAL EMPLOYED (ROCE)

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

	1.1 - 31.3		1.1 - 31.12
	2021	2020	2020
Capital employed end of			
Q1, 2019		5,498	
Q2, 2019		5,817	
Q3, 2019		5,938	
Q4, 2019		5,815	5,815
Q1, 2020	6,371	6,371	6,371
Q2, 2020	6,091		6,091
Q3, 2020	6,103		6,103
Q4, 2020	5,904		5,904
Q1, 2021	5,884		
Average	6,071	5,888	6,057
Capital contribution (LTM)	752	565	689
ROCE (%)	12.4	9.6	11.4



Q1 2021



Borregaard

Borregaard ASA
P.O. Box 162, NO-1701 Sarpsborg, Norway
Telephone: (+47) 69 11 80 00 Fax: (+47) 69 11 87 70
E-mail: borregaard@borregaard.com www.borregaard.com