

Summary

Borregaard ASA FRN senior unsecured NOK 700,000,000
open green bonds 2023/2028

NO0012943838



Borregaard

Joint Lead Managers and Green Bond Advisors:

DNB Markets



Summary

Summaries are made up of disclosure requirements due to Article 7 in the REGULATION (EU) 2017/1129 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 14 June 2017.

A - INTRODUCTION AND WARNINGS

| | |
|---|--|
| Warning | This summary should be read as introduction to the Prospectus. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor. The investor could lose all or part of the invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities. |
| The Bonds | ISIN: NO0012943838 - Borregaard ASA FRN senior unsecured NOK 700,000,000 open green bonds 2023/2028. |
| The Issuer | Borregaard ASA is a public limited liability company domiciled in Norway and organized and existing under the laws of Norway pursuant to the Norwegian Companies Act. The Company was incorporated in Norway on 22 nd August 2012. On 17 th September 2012, The Company was inserted as a holding company of Borregaard AS. The organisation number in the Norwegian Register of Business Enterprises is 998 753 562 and LEI-code 5967007LIEEXZXGYXC05. The Company's registered and commercial name is Borregaard ASA. The Company's registered address is Hjalmar Wessels vei 6, 1721 Sarpsborg, Norway, and the mailing address is PO Box 162, 1701 Sarpsborg, Norway. The telephone number is +47 69 11 80 00. |
| The Offeror | Not applicable. There is no offeror, the Prospectus has been produced in connection with listing of the bonds at Oslo Børs. The Issuer is going to ask for admission to trading on a regulated market. |
| Competent Authority Approving the Prospectus. | The Financial Supervisory Authority of Norway (Norwegian: <i>Finanstilsynet</i>), with registration number 840 747 972 and registered address at Revierstredet 3, 0151 Oslo, Norway, and with telephone number +47 22 93 98 00 has reviewed and on 21.06.2024, approved the Prospectus. |

B - KEY INFORMATION ON THE ISSUER

| Who is the issuer of the securities? | | | | | | | | | |
|---|---|------|----------|--------------|---|---------------------|-------------------------------|------------------------|--|
| Corporate Information | Borregaard ASA is a public limited liability company domiciled in Norway and organized and existing under the laws of Norway pursuant to the Norwegian Companies Act. The Company was incorporated in Norway on 22 nd August 2012, and the organisation number in the Norwegian Register of Business Enterprises is 998 753 562 and LEI-code 5967007LIEEXZXGYXC05. Website: www.borregaard.com | | | | | | | | |
| Principal activities | Borregaard develops, produces and markets specialised biochemicals and biomaterials to a wide range of customers in global niches. Borregaard's business model is linked to biorefinery that utilises the different components in the biomass to produce products that to a large extent can substitute fossil-based alternatives. Borregaard is an international company with production units and sales offices in the world's most important industrial markets. | | | | | | | | |
| Major Shareholders | The Borregaard ASA shares are listed on Euronext Oslo Børs. The largest shareholder is Folketrygdfondet. | | | | | | | | |
| Key managing directors | <table border="1"> <thead> <tr> <th>Name</th> <th>Position</th> </tr> </thead> <tbody> <tr> <td>Per A. Sørli</td> <td>President and Chief Executive Officer (CEO)</td> </tr> <tr> <td>Per Bjarne Lyngstad</td> <td>Chief Financial Officer (CFO)</td> </tr> <tr> <td>Tom Erik Foss-Jacobsen</td> <td>Executive Vice President (EVP), BioSolutions</td> </tr> </tbody> </table> | Name | Position | Per A. Sørli | President and Chief Executive Officer (CEO) | Per Bjarne Lyngstad | Chief Financial Officer (CFO) | Tom Erik Foss-Jacobsen | Executive Vice President (EVP), BioSolutions |
| Name | Position | | | | | | | | |
| Per A. Sørli | President and Chief Executive Officer (CEO) | | | | | | | | |
| Per Bjarne Lyngstad | Chief Financial Officer (CFO) | | | | | | | | |
| Tom Erik Foss-Jacobsen | Executive Vice President (EVP), BioSolutions | | | | | | | | |

Summary

| | | |
|-------------------|--|--|
| | Gisle Løhre Johansen | Executive Vice President (EVP) Speciality Cellulose and Fine Chemicals |
| | Ole Gunnar Jakobsen | Plant Director of Borregaard's Sarpsborg Site (Norway) |
| | Kristin Misund | Senior Vice President (SVP), R&D and Business development |
| | Liv Longva | Senior Vice President (SVP), Procurement and Strategic Sourcing |
| | Dag Arthur Aasbø | Senior Vice President (SVP), Organisation and Public Affairs |
| | Sveinung Heggen | General Counsel |
| Statutory auditor | The Company's auditor is Ernst & Young AS with registered address at Dronning Eufemias gate 6a, 0191 Oslo, Norway. Ernst & Young AS is member of the Norwegian Institute of Public Accountants (No: "Den Norske Revisorforeningen"). | |

What is the key financial information regarding the Issuer?**Borregaard ASA**

| | Group 2023 audited | Parent 2023 audited | Group Q1 2024 unaudited |
|---|--------------------------|---------------------------|-------------------------------|
| INCOME STATEMENT (Amounts in NOK million) | | | |
| Operating profit | 1 291 | (0,01) | 308 |
| Profit for the year | 856 | 386,9 | 200 |

BALANCE SHEET

| | | | |
|---|-------|-----------|-------|
| Net financial debt (long term debt plus short term debt minus cash) | 1 791 | (1 135,4) | 2 171 |
|---|-------|-----------|-------|

CASH FLOW STATEMENT

| | | | |
|-------------------------------------|-------|---------|-------|
| Cash flow from operating activities | 1 563 | 509,8 | (183) |
| Cash flow from investing activities | (829) | - | (112) |
| Cash flow from financing activities | (415) | (497,3) | (74) |

What are the key risk factors that are specific to the Issuer?

| | |
|--------------------------------|--|
| Most material key risk factors | Lack of cash contributions from the Group companies. Cash contributions from the Group companies will depend on the risk factors listed under the Guarantor Borregaard AS (see below). |
|--------------------------------|--|

C - KEY INFORMATION ON THE SECURITIES**What are the main features of the securities?**

| | |
|---|--|
| Description of the securities, including ISIN | ISIN: NO0012943838. Senior unsecured open green bonds with floating rate. Issue Date: 20 June 2023. Maturity Date: 20 June 2028. Initial Bond Issue is NOK 500 000 000, and Initial Nominal Amount of each Bond is NOK 1 000 000 each and among themselves pari passu ranking. Issue Price: 100% of par value. The Bonds are floating rate bonds; 3 months NIBOR + 1.25 per cent. |
| Rights attached to the securities | <p>The Bond Terms have been entered into between the Issuer and the Bond Trustee. The Bond Terms regulate the Bondholder's rights and obligations in relation to the issue. The Bond Trustee enters into the Bond Terms on behalf of the Bondholders and is granted authority to act on behalf of the Bondholders to the extent provided for in the Bond Terms.</p> <p>The Bond Terms include descriptions of rights and any limitations of those rights, such as:</p> <ul style="list-style-type: none"> • Mandatory repurchase due to a Put Option Event • Early redemption option due to a tax event • Events of default and acceleration of the Bonds |

Summary

| | | |
|---|---|----------------|
| Status of the bonds and security | The Bonds shall constitute senior debt obligations of the Issuer. The Bonds will rank pari passu between themselves and at least pari passu with all other senior obligations of the Issuer and the Guarantor (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application). The Bonds are unsecured. | |
| Where will the securities be traded? | | |
| Admission to trading | An application for listing will be sent to Oslo Børs. Listing will take place as soon as possible after the Prospectus has been approved by the Norwegian FSA. | |
| Is there a guarantee attached to the securities? | | |
| The Guarantee | Means the guarantee and indemnity granted pursuant to the Bond Terms Clause 9 (<i>Guarantee</i>) and any other guarantee given by a Guarantor in relation to the Finance Document. | |
| The Guarantor | <p><u><i>Borregaard AS</i></u> Borregaard AS is a private limited liability company domiciled in Norway and organized and existing under the laws of Norway pursuant to the Norwegian Companies Act. The company was incorporated in Norway on 6th July 2010. The organisation number in the Norwegian Register of Business Enterprises is 895 623 032 and LEI-code 493007KUCQRPX10K761.</p> | |
| Key financial information | | |
| <u>Borregaard AS</u> | | |
| INCOME STATEMENT | | |
| | 2023 | 2022 |
| <i>(Amounts in NOK million)</i> | <i>audited</i> | <i>audited</i> |
| Operating profit | 1 030 | 1 020 |
| Net profit/loss for period/year | 712 | 775 |
| BALANCE SHEET | | |
| Net financial debt (long term debt plus short term debt minus cash) | 2 721 | 2 555 |
| CASH FLOW STATEMENT | | |
| Net cash flow from operations | 1 491 | 676 |
| Net cash flow from investments | (883) | (405) |
| Net cash flow from financing | (395) | (171) |
| Most material key risk factors | <p><i>Market dynamics</i> Future downturns in general economic conditions or in specific markets or end-uses may have a material adverse effect on Borregaard's business.</p> <p><i>Raw material prices</i> Borregaard's main raw material is wood which is purchased from 3rd parties. There has been a significant increase in wood prices since mid-2022. Supply of lignin raw material depends partly on external resources where disruptions could occur. Caustic soda is an important basic chemical for Borregaard with historically substantial price fluctuations.</p> <p><i>Energy costs</i> Energy spot prices have fluctuated significantly over the last three years and are the main reason behind Borregaard's increasing energy costs.</p> <p><i>Production reliability</i> Production unreliability and irregularities may result in lost volumes, increased cost, poor quality performance and reduced contribution.</p> | |

Summary

| | |
|--|---|
| | <p><i>Competition</i> Borregaard faces competition within all of the markets in which it operates.</p> <p><i>Currency risk</i> Borregaard is financially exposed to currency risk for most of its sales, primarily in USD and EUR.</p> <p><i>Environmental risks towards air, water or soil</i> Borregaard is subject to the risk of substantial environmental liability and limitations on its operations brought about by the requirements of environmental laws and regulations. The Group is also subject to the risk of substantial costs and liabilities relating to investigation and remediation of environmental contamination.</p> <p><i>Health and safety</i> Some of Borregaard's raw materials and chemicals used in the production processes are classified as substances dangerous to health and or environment.</p> |
| What are the key risks that are specific to the securities? | |
| Most material key risks | <p><i>Market risk</i> is the risk that the value of the Bonds will decrease due to changes in relevant market risk factors.</p> <p><i>Credit risk</i> is the risk that the Issuer fails to make the required payments under the Bonds (either principal or interest) pursuant to the obligations in the Bond Terms.</p> <p><i>Interest rate risk</i> is the risk borne by the Bonds due to variability of the NIBOR interest rate.</p> <p><i>Green Bonds</i> - In respect of the Bonds issued as "Green Bonds" there can be no assurance that the relevant use of proceeds will be suitable for the investment criteria of an investor. A failure to comply with the Green Financing Framework shall not constitute an event of default.</p> |

D - KEY INFORMATION ON THE ADMISSION TO TRADING ON A REGULATED MARKED

| | |
|--|--|
| Under which conditions and timetable can I invest in this security? | |
| Terms and conditions for the offer | Not applicable. The Bonds have not been subject to a public offer, the Bonds are already issued and settled. |
| Why is the Prospectus being produced? | |
| Admission to trading | The Prospectus is produced in connection with application for listing of the Bonds on the Oslo Børs. |
| Use of proceeds | The Issuer will use the Net Proceeds – approx. MNOK 499 from the Initial Bond Issue and the issuance of any Additional Bonds for the financing and refinancing of "Eligible Projects" as defined in and otherwise in accordance with the Issuer's Green Finance Framework. |
| Material conflicts of interest | There is no interest, nor conflicting interests that is material to the issue. |