

# Registration Document

Borregaard ASA



04.09.2018

**Important notice**

This Registration Document is valid for a period of up to 12 months following its approval by the Financial Supervisory Authority of Norway (the "Norwegian FSA") (*Finanstilsynet*). This Registration Document was approved by the Norwegian FSA on 4<sup>th</sup> September 2018. The prospectus for issuance of new bonds or other securities may for a period of up to 12 months from the date of the approval consist of this Registration Document and a Securities Note applicable to each issue and subject to a separate approval.

The Registration Document is based on sources such as annual reports and publicly available information and forward-looking information based on current expectations, estimates and projections about global economic conditions, the economic conditions of the regions and industries that are major markets for the Company and Guarantor's lines of business.

A prospective investor should consider carefully the factors set forth in chapter 1 Risk factors, and elsewhere in the Prospectus, and should consult his or her own expert advisers as to the suitability of an investment in bonds, including any legal requirements, exchange control regulations and tax consequences within the country of residence and domicile for the acquisition, holding and disposal of bonds relevant to such prospective investor.

The manager and/or affiliated companies and/or officers, directors and employees may be a market maker or hold a position in any instrument or related instrument discussed in this Registration Document, and may perform or seek to perform financial advisory or banking services related to such instruments. The managers corporate finance department may act as manager or co-manager for this Company and/or Guarantor in private and/or public placement and/or resale not publicly available or commonly known. Copies of this Registration Document are not being mailed or otherwise distributed or sent in or into or made available in the United States. Persons receiving this document (including custodians, nominees and trustees) must not distribute or send such documents or any related documents in or into the United States.

Other than in compliance with applicable United States securities laws, no solicitations are being made or will be made, directly or indirectly, in the United States. Securities will not be registered under the United States Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

The distribution of the Registration Document may be limited by law also in other jurisdictions, for example in Canada, Japan, Australia and in the United Kingdom. Verification and approval of the Registration Document by the Norwegian FSA implies that the Registration Document may be used in any EEA country. No other measures have been taken to obtain authorisation to distribute the Registration Document in any jurisdiction where such action is required, and any information contained herein or in any other sales document relating to bonds does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation.

The Norwegian FSA has controlled and approved the Registration Document pursuant to the Norwegian Securities Trading Act, § 7-7. The Norwegian FSA has not controlled and approved the accuracy or completeness of the information given in the Registration Document. The control and approval performed by the Norwegian FSA relates solely to descriptions included by the Company according to a pre-defined list of content requirements. The Norwegian FSA has not undertaken any kind of control or approval of corporate matters described in or otherwise covered by the Registration Document.

The content of the Prospectus does not constitute legal, financial or tax advice and potential investors should seek legal, financial and/or tax advice.

Unless otherwise stated, the Prospectus is subject to Norwegian law. In the event of any dispute regarding the Prospectus, Norwegian law will apply.

**Table of contents**

- 1. Risk factors..... 4
- 2. Persons responsible ..... 8
- 3. Definitions ..... 9
- 4. Statutory auditors .....10
- 5. Information about the Issuer and the Guarantor.....11
- 6. Business overview .....13
- 7. Administrative, management and supervisory bodies .....16
- 8. Major shareholders .....21
- 9. Financial information.....22
- 10. Documents on display .....24
- 11. Cross reference list .....25
- 12. Attachments .....26

## 1. Risk factors

*Investing in bonds issued by Borregaard ASA involves inherent risks.*

*The risk factors for Borregaard ASA and the Group are deemed to be equivalent for the purpose of this Registration Document.*

*The risks and uncertainties described in the Prospectus are risks of which the Group is aware and that the Group considers to be material to its business. If any of these risks were to occur, the Group's business, financial position, operating results or cash flows could be materially adversely affected, and the Group could be unable to pay interest, principal or other amounts on or in connection with the bonds.*

*An investment in bonds is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or a part of the investment. A prospective investor should carefully consider the factors set forth below, and elsewhere in the Prospectus, and should consult his or her own expert advisor as to the suitability of an investment in bonds.*

### **Strategic risks**

#### *Market dynamics*

Borregaard operates internationally and the Group's business, financial conditions and results of operations are linked to general economic conditions and industry-specific factors in targeted end-market applications. Future downturns in general economic conditions or in specific markets or end-uses may have a material adverse effect on Borregaard's business.

#### *Competition*

Borregaard faces competition within all of the markets in which it operates. If Borregaard is unable to compete on the basis of price, product performance, quality or other factors, its results could be adversely affected. Borregaard cannot exclude the possibility that new technologies or novel production processes may emerge and that existing technologies may be further developed in the fields in which it operates.

#### *Intellectual property*

Borregaard relies upon intellectual property, trade secret laws and contractual restrictions to protect important proprietary rights and, if these rights are not sufficiently protected, its ability to compete and generate revenue could suffer. Third parties may claim that Borregaard's products or processes infringe their intellectual property rights, thereby incurring significant costs or prevent the Group from selling its products or services.

#### *Raw material prices and availability*

Borregaard's main raw material is wood which is purchased from 3<sup>rd</sup> parties. There has been a significant increase in wood prices since the beginning of 2018. Supply of lignin raw material depends partly on external sources where disruptions could occur. Borregaard is also exposed to price risk for energy (heat energy and electric power) and caustic soda among others.

#### *Regulatory framework*

Borregaard's operations are subject to stringent environmental laws, regulations and permit conditions which may restrict Borregaard's production, limit its ability to increase production, and cause Borregaard to incur significant costs, monetary fines, penalties or liabilities with respect to environmental compliance and/or potential clean-up obligations.

#### *Investments and integration*

Borregaard has an ambition to grow both its top line and profitably, both organically and structurally. The profitability of future growth initiatives relies on long-term market assumptions and opera-

Registration Document

---

tional performance. Integration of new businesses pose a risk of not being able to capture operational and financial synergies.

*Political risk*

Borregaard's investments and operations may be affected as a result of changes in political leadership, policies and regulations as well as political and social instability in a country or a region. Such changes could represent threats as well as opportunities for Borregaard.

**Operational risks***Production reliability*

Production unreliability and irregularities may result in lost volumes and contribution. Increased plant reliability is a key driver of organic growth in Borregaard's production system.

*Disruptions or major incidents in operations*

Disruptions or major incidents in one of Borregaard's operations could result in injuries, loss of life or extensive damage to property and the environment. The impacts on Borregaard could include suspension of operations, major claims, the imposition of civil or criminal fines, penalties and other sanctions, and clean-up and remediation costs, as well as significant damage to Borregaard's reputation. Any of these events could have a material adverse effect on Borregaard's business.

*Innovation and specialization*

Innovation and specialization are key drivers of organic growth in Borregaard. Lack of successful innovation projects and initiatives may result in lost market opportunities and insufficient renewal of the product portfolio.

*Human capital*

Borregaard's ability to meet market demands and compete effectively depends heavily on the competence, experience and performance of its employees. The competence of a qualified, diverse and skilled staff is essential for Borregaard's business to be successful.

*Supply chain*

Borregaard faces internal and external risks in the production, storage and transportation part of the supply chain. Bottlenecks and inefficiencies in the planning, procurement, transport, handling or delivery of products may affect Borregaard's ability to honor its commitments and could negatively impact Borregaard's performance.

*Cyber risk/Information security*

Unauthorized remote access to digital industrial control systems, to confidential or strictly confidential data or unintended changes and/or unavailability of business critical data can negatively impact Borregaard's operations causing significant environmental, health and safety, financial and reputational damage.

**Financial risks***Financing risk*

Refinancing of maturing loans or establishment of new financing may be difficult or costly to arrange. Adverse financial market conditions could lead to higher funding costs and postponement of projects.

*Credit risk*

Credit risk is related to accounts receivable and other operating receivables. There is no significant concentration of credit risk in respect of single counterparts.

Registration Document

---

*Currency risk*

Borregaard is financially exposed to currency risk for most of its sales, primarily in USD and EUR. As NOK is the presentation currency for the Group, Borregaard is exposed to currency translation risk for net investments in foreign operations.

*Interest rate risk*

Borregaard's interest rate risk is mainly related to the Group's interest-bearing liabilities and assets.

*Liquidity risk*

Liquidity risk is the risk that Borregaard is not able to meet its payment obligations.

*Insurance risk*

Borregaard may not have adequate insurance coverage for potential liabilities or other losses.

**Environmental, health and safety and compliance risks***Environmental risks*

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. One such risk is related to the fact that Borregaard historically used mercury-based technology for chlor-alkali production at the site in Sarpsborg. This process led to pollution of the soil in the area surrounding the plant. Measures have been undertaken to improve the ground water barriers in order to prevent mercury leakage from the discontinued operations.

Future greenhouse gas/carbon legislation or regulations could increase Borregaard's costs of compliance with environmental laws and regulations

*Health and safety*

Borregaard's main production sites are large industrial plants and many of Borregaard's raw materials and commodities are classified as substances dangerous to health. Such a working environment contains various potential occupational health and safety risks to employees and contractors working on site. While Borregaard's raw material and commodities are often dangerous chemicals, the final products are not classified as hazardous, and the occupational health and safety risk at the use phase is minor.

Hazards associated with chemical manufacturing could result in substantial claims, fines or significant damage to Borregaard's reputation. Handling SO<sub>2</sub> at its plant in Sarpsborg is a significant such hazard. Risk analysis shows that a major SO<sub>2</sub> incident could have fatal consequences for a third party.

*Personnel security risk*

Borregaard's global activity may be exposed to threats from; criminals, terrorists, activists, local population, competitors and states which could harm Borregaard's operations and activity, and pose security risks to our personnel, the environment Borregaard works in, Borregaard's assets and its reputation.

*Natural disasters*

Borregaard's production and logistics operations could be directly or indirectly affected by natural disasters.

*Compliance risk*

If any of Borregaard's employees or representatives fail to act in accordance with applicable law or internal policies and procedures in areas like anti-corruption, competition, trade regulations, re-

Registration Document

---

sponsible sourcing or other procedures or ethical principles, Borregaard's business may be negatively affected.

Individual executives, employees, agents or other representatives may act inconsistent with the Group's policies and either inadvertently or deliberately violate applicable law, including anti-corruption laws, competition law, trade regulations, responsible sourcing policies and regulations. Operational responsibilities are delegated to subsidiaries, and local managers have substantial autonomy regarding the management of the operations in their markets. Therefore, there may be an increased likelihood of some or all of the risks described above occurring. The Group's corporate governance, contractual and organizational structure, control procedures, reporting, codes of conduct, policies or other measures may prove to be not wholly effective and, even if they are effective, there can be no assurance that there will be no irregularities, unintended misstatements or the risks described above. In addition, failure to abide by the ethical principles and comply with international standards, including in matters of labor relations, human rights and environmental footprint, may harm Borregaard's reputation and brand and its relationship with current and future business partners. If Borregaard is held responsible, the resulting fines and other sanctions could be substantial. Any of these developments could have a material adverse effect on the business, results of operations or financial condition.

## 2. Persons responsible

### **Persons responsible for the information**

Persons responsible for the information given in the Registration Document are as follows:

Borregaard ASA, Hjalmar Wessels vei 6, PO Box 162, 1701 Sarpsborg, Norway.

### **Declaration by persons responsible**

Borregaard ASA confirms that, having taken all reasonable care to ensure that such is the case, the information contained in the registration document is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

04.09.2018

Borregaard ASA

### 3. Definitions

"Company" / "Issuer"	- Borregaard ASA – with registration number 998 753 562.
"EBITA adj."	- EBITA adj. is defined by Borregaard as operating profit before amortisation and other income and expenses.
"EUR"	- Euro, the official currency of the European Union (EU).
"Group" / "Borregaard"	- The Issuer, and its directly or indirectly owned subsidiaries.
"Guarantor"	- Borregaard AS – with registration number 895 623 032.
"Lignin"	- Binding material in trees and plants.
"NOK"	- Norwegian krone, the lawful currency of Norway.
"Prospectus"	- The Registration Document together with the Securities Note.
"Registration Document"	- This registration document dated 04.09.2018.
"Securities Note"	- Document to be prepared for each new issue of bonds under the Prospectus.
"USD"	- United States dollar, the official currency of The United States.

## 4. Statutory auditors

### **ISSUER:**

The Company's independent auditor, which has covered the historical financial information in this Registration Document, has been Ernst & Young AS, Dronning Eufemias gate 6, NO-0191 Oslo, Norway.

Ernst & Young AS is a member of the professional body of accountants in Norway.

### **GUARANTOR:**

The Guarantor's independent auditor, which has covered the historical financial information in this Registration Document, has been Ernst & Young AS, Dronning Eufemias gate 6, NO-0191 Oslo, Norway.

Ernst & Young AS is a member of the professional body of accountants in Norway.

## 5. Information about the Issuer and the Guarantor

### **ISSUER:**

The Company, Borregaard ASA, was incorporated as a public limited liability company on 22 August 2012. The Company is regulated by the Norwegian Companies Act and supplementing Norwegian laws and regulations and registered with the Norwegian Register of Business Enterprises with registration number 998 753 562.

The commercial name of the Company and Group is Borregaard and legal name is Borregaard ASA.

Head office: Hjalmar Wessels vei 6,  
1721 Sarpsborg,  
Norway.

Postal Address: PO Box 162  
1701 Sarpsborg  
Norway

Telephone: +47 69 11 80 00  
Email: [borregaard@borregaard.com](mailto:borregaard@borregaard.com)  
Website: [www.borregaard.com](http://www.borregaard.com)

Borregaard develops, produces and markets specialised biomaterials, biochemicals and biofuels to a wide range of customers in global niches. Borregaard's business model is linked to its advanced biorefinery that utilises the different components in the biomass to produce high value-added products that to a large extent can substitute petrochemical alternatives. Borregaard is an international company with production units and sales offices in the world's most important industrial markets.

Borregaard ASA is the parent company of the Group and a holding company for Borregaard AS. The Company receives group contribution from Borregaard AS to cover costs and debt payment and is therefore dependent on other entities within the Group.

At the end of 2017, the Group employed 1,065 man-years in 16 countries. The Group has production plants in Norway, UK, Germany, Spain, Czech Republic, USA and a 50/50 joint venture in South Africa. Borregaard ASA has no employees. The Company's management is employed in Borregaard AS.

### **GUARANTOR:**

Borregaard AS was founded on 6 July 2010 and is a private company with limited liability. The Guarantor is regulated by the Norwegian Companies Act and supplementing Norwegian laws and regulations. Borregaard AS is registered with the Norwegian Register of Business Enterprises with registration number 895 623 032.

The commercial name of the company is Borregaard and the legal name is Borregaard AS.

Registered Address: Hjalmar Wessels vei 6,  
1721 Sarpsborg,  
Norway.

## Registration Document

Postal Address: PO Box 162  
1701 Sarpsborg  
Norway

Telephone: +47 69 11 80 00

Email: [borregaard@borregaard.com](mailto:borregaard@borregaard.com)

Website: [www.borregaard.com](http://www.borregaard.com)

Borregaard AS provides services to the companies in the Group and charges them for these services.

### Organizational structure

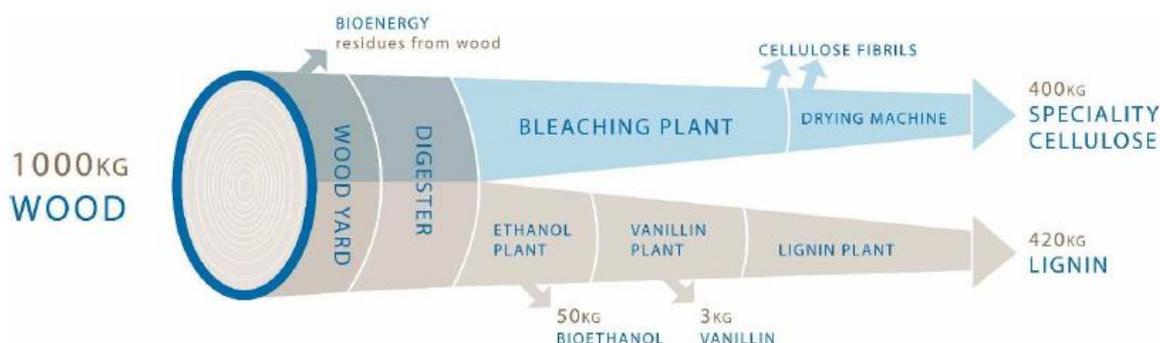
The Borregaard Group includes subsidiaries and a joint venture directly and indirectly owned by Borregaard ASA:

<b>Company</b>	<b>Group's share of capital</b>
<i><u>Directly owned subsidiaries</u></i>	
Borregaard AS	100%
<i><u>Indirectly owned subsidiaries</u></i>	
Borregaard, Inc.	100%
Nutrancell AS	100%
Borregaard Austria GmbH	100%
Borregaard Czech s.r.o.	100%
Borregaard UK Ltd.	100%
Borregaard Deutschland GmbH	100%
Borregaard S.E.A. Pte. Ltd	100%
Borregaard Poland sp. z.o.o.	100%
Borregaard France SarL	100%
Borregaard Ibérica, S.L.	60%
LignoTech Ibérica SA	100%
Borregaard Middle East FZE	100%
Borregaard Synthesis Inc.	100%
LignoTech USA, Inc.	100%
Borregaard North America, Inc.	100%
LignoTech Brasil Produtos de Lignina Ltda	100%
Borregaard South Asia Pvt. Ltd	100%
Borregaard Shanghai Company Limited	100%
SenseFi Inc.	100%
LignoTech Florida LLC	55%
<i><u>Indirectly owned joint ventures</u></i>	
Umkomaas Lignin (Pte) Ltd	50%

## 6. Business overview

The source of the information contained herein is Borregaard ASA, and the illustrations are from Borregaard's company presentation in July.

Borregaard is a supplier of biochemicals and operates one of the world's most advanced biorefineries located in Sarpsborg in Norway. The Group produces advanced and environmentally friendly biochemicals that can replace oil-based products, by using natural, sustainable raw materials. The biorefinery utilizes the three key components of wood (cellulose fibers, lignin and sugars), to produce a diversified portfolio of products. The biorefinery utilizes more than 85 percent of the feedstock to make biochemicals, while most of the remaining biomass is used to produce energy for its production processes.



In addition to its biorefinery in Sarpsborg, Borregaard has seven production sites outside Norway dedicated to producing lignin-based products. Borregaard also has sales offices in 16 countries in Europe, Asia, Africa and the Americas serving its global customer base.

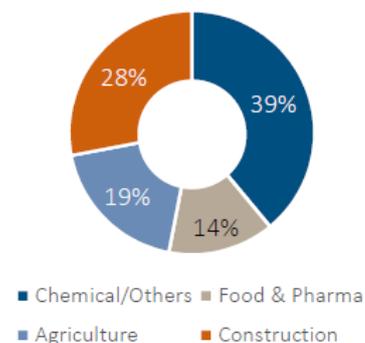
The Group is a supplier of specialized biochemicals to a global customer base. The Group's main products are lignin-based products and speciality cellulose, but the product portfolio also includes vanillin, second generation bioethanol, fine chemicals and cellulose fibrils.

Boregaard's niche products serve applications in a wide range of end-markets including construction, agriculture, food and beverages, transportation and pharmaceuticals. Borregaard's market positions have been developed through in-depth understanding of its markets, production of advanced and specialised products and local presence in the form of a global sales and marketing organisation.

More detailed information regarding Borregaard's products and solutions can be found here: <https://www.borregaard.com/Products-Solutions>

In the 1<sup>st</sup> half of 2018, Borregaard's operating revenues increased to NOK 2,416 million (NOK 2,392 million). EBITA adj. was NOK 341 million (NOK 443 million). Other Businesses' result improved, whereas Performance Chemicals and Speciality Cellulose had a decline. Higher wood and caustic soda prices, increased lignin distribution costs and ramp-up costs for the new Florida plant have in total had a negative impact on EBITA adj. of about NOK 80 million compared with the 1<sup>st</sup> half of 2017. Lower sales of acetate cellulose also contributed to the weaker result. High sales in Ingredients and a positive market trend for wood-based vanillin have contributed to an improved result in Other Businesses. The net currency impact was in total slightly positive.

End markets 2017



Registration Document

---

Net financial items amounted to NOK -11 million (NOK -5 million). Profit before tax was NOK 328 million (NOK 436 million). Tax expense was NOK -73 million (NOK -108 million), giving a tax rate of 22% (25%).

**Borregaard's three business segments**

Borregaard is organised in three business segments; *Performance Chemicals*, *Speciality Cellulose* and *Other Businesses*.

*Performance Chemicals* develops, produces and sells lignin-based products used as binding and dispersing agents in a wide range of end-market applications, such as construction, industrial binders, agrochemicals and batteries. In addition, Performance Chemicals includes trading of chemicals which are either linked to lignin-based products or have previously been produced by Borregaard.

On June 26 2018, LignoTech Florida's new lignin plant in Fernandina Beach was officially opened. The USD 110 million investment represents a production capacity of 100,000 metric tonnes lignin measured as dry substance. In a planned second phase, the capacity can later be expanded by 50,000 tonnes. LignoTech Florida is owned by Borregaard (55%) and Rayonier Advanced Materials (45%), and employs 51 persons in Fernandina Beach. For more information regarding Performance Chemicals, please see: <https://www.lignotech.com/>

In the 1<sup>st</sup> half of 2018, Performance Chemicals had operating revenues of NOK 1,126 million (NOK 1,132 million). EBITA adj. was NOK 217 million (NOK 273 million). Increased sales of specialities and improved product mix compensated partly for the negative impact from strong price competition in regional construction markets. Total sales volume increased by 2%. Increased costs related to the Florida plant, higher distribution costs and unfavourable net currency effects had a negative impact compared with the 1<sup>st</sup> half of 2017.

*Speciality Cellulose* develops, produces and sells speciality cellulose mainly for use in the production of cellulose ethers, cellulose acetate and other speciality grades. The production and sale of second generation bioethanol are also part of the Speciality Cellulose segment. For more information regarding Speciality Cellulose, please see: <https://www.borregaard.com/Business-Areas/Speciality-Cellulose>

Operating revenues in the 1<sup>st</sup> half of 2018 were NOK 861 million (NOK 880 million). EBITA adj. was NOK 131 million (NOK 192 million). Increased wood and caustic soda prices and weaker product mix as a result of lower sales of acetate cellulose were the main reasons for the EBITA adj. decline. Net currency effects were positive.

The Bioethanol result improved due to increased sale of fuel grade bioethanol and cost savings from the investment in the new dehydration plant, which started up in the 1<sup>st</sup> quarter of 2018.

*Other Businesses* consists of Ingredients, Fine Chemicals and Cellulose Fibrils. Borregaard supplies vanillin products to flavour and fragrance companies, as well as to the food and beverage industry. Borregaard is the only producer of wood-based vanillin in the world. For more information about Ingredients, please see: <https://www.vanillin.com/>

Borregaard supplies fine chemicals to the pharmaceutical industry and is a supplier of intermediates for non-ionic X-ray contrast media. For more information regarding Fine Chemicals, please see: <https://www.borregaard.com/Business-Areas/Borregaard-Synthesis>

Cellulose Fibrils consists of two product ranges. Exilva microfibrillar cellulose for industrial applications is in the market introduction phase, whereas SenseFi advanced texture systems for the food industry is still in the pilot stage. For more information regarding Cellulose Fibrils, please see: <https://www.borregaard.com/content/view/full/110238>

Registration Document

---

Other Businesses also includes sales of basic chemicals from the chlor-alkali production in Sarpsborg and unallocated corporate costs.

Operating revenues in Other Businesses reached NOK 451 million (NOK 396 million) in the 1<sup>st</sup> half of 2018. EBITA adj. was NOK -7 million (NOK -22 million). A positive market trend for wood-based vanillin and higher sales volume were the main reasons for the increase both in operating revenues and EBITA adj.. Fine Chemicals had lower deliveries of a key product and Cellulose Fibrils had higher production and marketing costs, resulting in a weaker performance for both businesses. Net currency effects in Other Businesses were marginally negative.

## 7. Administrative, management and supervisory bodies

### ISSUER:

#### Board of Directors:

Name	Position	Businesss adress
Jan Anders Oksum	Chair	PO Box 162, 1701 Sarpsborg, Norway
Terje Andersen	Member	PO Box 162, 1701 Sarpsborg, Norway
Tove Andersen	Member	PO Box 162, 1701 Sarpsborg, Norway
Margrethe Hauge	Member	PO Box 162, 1701 Sarpsborg, Norway
Helge Aasen	Member	PO Box 162, 1701 Sarpsborg, Norway
Åsmund Dybedahl	Employee representative	PO Box 162, 1701 Sarpsborg, Norway
Ragnhild Anker Eide	Employee representative	PO Box 162, 1701 Sarpsborg, Norway
Bente Seljebakken Klausen	Observer	PO Box 162, 1701 Sarpsborg, Norway
Roy Kåre Appelgren	Observer	PO Box 162, 1701 Sarpsborg, Norway

#### Management:

Name	Position	Businesss adress
Per A. Sørli	President and CEO	PO Box 162, 1701 Sarpsborg, Norway
Tom Erik Foss-Jacobsen	Executive Vice President, Specialty Cellulose	PO Box 162, 1701 Sarpsborg, Norway
Morten Harlem	Executive Vice President, Borregaard LignoTech	PO Box 162, 1701 Sarpsborg, Norway
Dag Arthur Aasbø	Senior Vice President HR & Communication	PO Box 162, 1701 Sarpsborg, Norway
Gisle L. Johansen	Senior Vice President, R&D, Business Development and Fine Chemicals	PO Box 162, 1701 Sarpsborg, Norway
Per Bjarne Lyngstad	Senior Vice President & CFO	PO Box 162, 1701 Sarpsborg, Norway
Tuva Barnholt	Senior Vice President, Sourcing and Purchasing	PO Box 162, 1701 Sarpsborg, Norway
Ole Gunnar Jakobsen	Plant Director, Sarpsborg Site	PO Box 162, 1701 Sarpsborg, Norway
Sveinung Heggen	General Counsel, Borregaard	PO Box 162, 1701 Sarpsborg, Norway

### GUARANTOR:

#### Board of Directors:

Since November 2012, the Boards of Borregaard ASA and Borregaard AS have had identical board members.

#### Management:

The management of the Company is employed in the Guarantor and constitutes also the management of the Guarantor.

Registration Document

---

*Set out below are brief biographies of the members of the Board of Directors and Management of the Company and Guarantor in alphabetical order:*

**Terje Andersen – Member**

Member of the Board of Borregaard Industries Limited 2005-2012. Member of the Board of Borregaard ASA from October 2012. Mr. Andersen is CEO of Orkla Investments. He has held various positions within the Orkla group including CFO of Orkla ASA. Mr. Andersen holds a number of positions in various boards, such as Saudafaldene AS (chair) and Jotun AS. He holds a degree in Business Administration (siviløkonom) from the Norwegian School of Economics and Business Administration in Bergen.

**Tove Andersen – Member**

Master's degree in Applied Physics and Mathematics from the Norwegian University of Science and Technology, Trondheim, Norway. MBA, BI-Norwegian Business School. Tove Andersen is EVP Production at Yara International ASA and a member of the group management team. Since 1997, Ms. Andersen has held a number of different positions at Norsk Hydro/Yara, including EVP Supply Chain, VP Business Development/Alliances, VP Specialities and Retail Marketing, Managing Director of the fertiliser business in the UK and Ireland and VP Marketing and New Business. Ms. Andersen has also held positions at Norwegian Computing Center and as a researcher. Ms. Andersen is a board member of Cambi ASA and Posten Norge AS. Other previous board memberships include AgGateway Global Network, Globalrange Ltd. and the Agricultural Industries Confederation.

**Roy Kåre Appelgren – Observer**

Observer of the Board in Borregaard Industries Limited 2010-2012. Observer of the Board in Borregaard ASA from October 2012. Mr. Appelgren works as a Senior Engineer in Mechanical Maintenance at Borregaard Sarpsborg. He is Chair of The Norwegian Society of Engineers and Technologists (NITO) at Borregaard and a member of the Joint Union for Officials and Engineers at Borregaard Sarpsborg.

**Tuva Barnholt – Senior Vice President (SVP), Strategic Sourcing**

Tuva Barnholt has been SVP Purchasing and Strategic Sourcing since 2005. Since joining Borregaard in 1998, she has assumed various positions in Borregaard including Project Manager, Energy and Production Manager and Technical Director at the Sarpsborg site. Previously, Ms. Barnholt held positions in engineering management and energy systems development at Nexans, ABB and Oslo Energi. Ms. Barnholt holds a Master of Science Degree from the Norwegian University of Science and Technology (NTNU) in Trondheim, Norway.

**Åsmund Dybedahl – Employee representative**

Member of the Board since April 2013. Mr. Dybedahl is Leader of The Norwegian United Federation of Trade Unions at Borregaard Sarpsborg (Fellesforbundet Borregaard Fagforening), as well as Chair of the Board of the Norwegian Confederation of Trade Unions (LO) at Borregaard Sarpsborg.

**Ragnhild Anker Eide – Employee representative**

Member of the Board since October 2012. Ms. Eide works as Logistics Manager at Borregaard Sarpsborg. She is Chair of The Norwegian Society of Graduate Technical and Scientific Professionals (Tekna) at Borregaard and chair of the Board of the Joint Union for officials and Engineers at Borregaard Sarpsborg.

**Tom Erik Foss-Jacobsen – Executive Vice President (EVP), Speciality Cellulose**

Tom Erik Foss-Jacobsen has served as EVP of Speciality Cellulose since 2007. Since joining Borregaard in 1996, he has assumed various roles in sales and marketing. Previously, Mr. Foss-Jacobsen worked as a Business Development Manager EMEA at Infocus Corp. Prior to that, he worked as Assistant Product Manager Soft Drinks at Borg Bryggerier. Mr. Foss-Jacobsen holds a Master's Degree in International Marketing and Strategy from the Norwegian Business School (BI) and a Bachelor's Degree in Civil Engineering.

**Morten Harlem – Executive Vice President (EVP), Performance Chemicals**

Morten Harlem has served as EVP of Borregaard LignoTech (Performance Chemicals business) since 2003. Since joining Borregaard in 1994, he has assumed different roles in sales and marketing. Previously, Mr. Harlem held positions in various marketing roles with Nutreco. Mr. Harlem holds a Master of Science Degree in Business Administration from the University of Colorado in Boulder, USA.

**Margrethe Hauge – Member**

MSc. Economics & Business Administration, University of Mannheim, Germany. Margrethe Hauge is a Partner at H & O Industrier AS, a company engaged in strategic business development and restructuring management in international companies. Until 2017, Ms. Hauge was Regional Managing Director - Nordic & Germany at MRC Global Inc. Prior to this, she was Managing Director of MRC Solberg & Andersen AS and EVP Services at TTS Group ASA. She has also held several positions at Kverneland Group ASA, including VP Business Area Crop Care in Amsterdam, Business Area Spare Parts as well as Programme VP for strategic improvement areas and General Manager of three Group businesses in Australia. Ms. Hauge has also been a trainee at Norsk Hydro ASA. Ms. Hauge is a board member of Salmar ASA and GIEK. Other previous board memberships include Bjørge ASA, AFF Stiftelsen/Konsulent AS and Codfarmers ASA.

**Sveinung Heggen – General Counsel**

Sveinung Heggen was appointed General Counsel of Borregaard 1 January 2013. Before joining Borregaard, he served as attorney-at-law at Orkla ASA, Legal Department (from 1992). Prior to that, he held different positions in the Ministry of Finance, Tax Law Department (1985-1992). Mr. Heggen holds a Cand. Jur. Degree from the University of Oslo.

**Ole Gunnar Jakobsen – Plant Director of Borregaard's Sarpsborg Site (Norway)**

Ole Gunnar Jakobsen has served as Plant Director of Borregaard's Sarpsborg production site since 2006. Since joining Borregaard in 1995, he has assumed various positions in production management in various plants at the site in Sarpsborg. Mr. Jakobsen holds a Bachelor's Degree in Mechanical Engineering and a Master's Degree in Process Engineering from Telemark University College (HiT) in Porsgrunn, Norway.

**Gisle L. Johansen – Senior Vice President (SVP), R&D, Business Development and EVP Fine Chemicals**

Gisle Løhre Johansen has served as SVP of Business Development/R&D since 2007 and EVP of Fine Chemicals since 2013. Since joining Borregaard in 1991, he has assumed various positions including Site Manager in Sarpsborg (1999-2007) and Site Director of Borregaard Schweiz (2006-2007). Mr. Johansen holds a Master's Degree in Organic Chemistry from the Norwegian University of Science and Technology (NTNU) in Trondheim, Norway.

**Bente Sekjebakken Klausen – Observer**

Observer of the Board since October 2012. Ms. Seljebakken Klausen works as a Laboratory Technician at Borregaard R&D, Sarpsborg. She is Chair of the Norwegian Engineers and Managers Association (FLT) at Borregaard Sarpsborg, Treasurer for the Norwegian Engineers and Managers Association (FLT) at the Sarpsborg branch and secretary of the Board of the Norwegian Confederation of Trade Unions (LO) at Borregaard Sarpsborg.

**Per Bjarne Lyngstad - Chief Financial Officer (CFO)**

Per Bjarne Lyngstad has been with Borregaard since 1988. He was appointed CFO in 1998 and prior to that, he assumed various finance and administrative positions in Borregaard and LignoTech USA. Mr. Lyngstad has a Graduate Programme in Economics and Business Administration (siviløkonom HAE) from the Norwegian School of Economics and Business Administration in Bergen, Norway.

**Jan Anders Oksum – Chair**

Member of the Board in Borregaard Industries Limited (BIL) 2007-2012. Member of the Board in Borregaard ASA from October 2012. Mr. Oksum is an independent consultant within organisational development and strategy. He has worked in various positions at Norske Skogindustrier ASA including the position as CEO. Mr. Oksum has served as chair and director of various national and international companies, such as Norconsult AS, Elopak AS and Södra Cell AB. He holds a degree in pulp and paper chemistry from the Norwegian University of Science and Technology in Trondheim.

**Per A. Sørliie – President and Chief Executive Officer (CEO)**

Per A. Sørliie has been with Borregaard since 1990 and was appointed President and CEO in 1999. He has served Borregaard as CFO (1990-1993) and Executive Vice President of the Fine Chemicals division (1993-1999). Previously, Mr. Sørliie held positions as CFO at Bjølsen Valsemølle and Hafslund's US operations. Mr. Sørliie holds a Degree in Business Administration (siviløkonom) from the Norwegian School of Economics and Business Administration in Bergen, Norway.

**Dag Arthur Aasbø – Senior Vice President (SVP), Organisation and Public Affairs**

Dag Arthur Aasbø has been SVP of Organisation and Public Affairs since 2008. Since joining Borregaard in 1993, he has assumed positions in Borregaard relating to communications and public affairs. Mr. Aasbø also has experience as editor and in communication management roles in various organisations. Mr. Aasbø holds a Bachelor's Degree in Business Administration from the Norwegian Business School (BI) and has also studied Communications/Journalism and Religion/Ethics.

**Helge Aasen – Member**

Master's degree in Metallurgy from the Norwegian University of Science and Technology, Trondheim, Norway. Leadership program, IMD, Switzerland. Helge Aasen is CEO of Elkem ASA, a post he has held since 2009. He has held a number of positions in the Elkem Group since 1990, including experience from various divisions in the Group as well as sales, marketing and commercial positions. Mr. Aasen has previously held engineering positions at Norsk Ferro AS, a part of Norsk Jern Holding. Mr. Aasen is a board member of China National Bluestar Company (Elkem is biggest shareholder) and chair of the board of REC Solar Holdings AS. He is also chair of the board of the Federation of Norwegian Industries (a national association in NHO - Confederation of Norwegian Enterprise).

**Nomination committee**

Members of the nomination committee of Borregaard ASA:

- Mimi K. Berdal (chair)
- Erik Must (member)
- Rune Selmar (member)
- Ola Wessel-Aas (member)

The members shall be independent of the Board and the management. The members of the nomination committee, including the chair, are elected by the general meeting for a term of one year at a time.

The nomination committee shall give recommendations for the election of shareholder elected members to the board of directors and members to the nomination committee. The remuneration for the members of the nomination committee is determined by the general meeting. The general meeting may adopt instructions for the nomination committee.

**Compensation committee**

The Compensation Committee makes recommendations to the Board regarding the President and CEO's salary and terms, and supervises the general conditions for other executive personnel within

## Registration Document

---

the Group. It is chaired by Jan Oksum. Margrethe Hauge and Ragnhild Anker Eide are also members. Borregaard's SVP Organisation and Public Affairs serves as its secretary.

The mandate of the Committee has been incorporated in the Instructions for the Board. The Committee will additionally deal with any specific questions relating to compensation for employees of the Group.

### **Audit committee**

The Audit Committee supports the Board in fulfilling its responsibilities with respect to financial reporting, internal accounting controls and auditing matters. It is chaired by Terje Andersen. Tove Andersen, Helge Aasen and Åsmund Dybedahl are members, and the Vice President Finance serves as its secretary.

### **Potential conflicts of interest**

To the extent known to the Company and Guarantor and at the date of this Registration Document, there are currently no potential conflicts of interests between any duties to the issuing entity of the persons referred to in this section and their private interests or other duties.

Information regarding related parties is described in the Borregaard's annual report 2017 – note 33 and note 9 and Borregaard's Q2 2018 report – note 11. Please also see the cross reference list in section 11 in this Registration Document.

## 8. Major shareholders

### **ISSUER:**

The Company's share capital is NOK 100,000,000 fully paid, divided into 100,000,000 shares each with a nominal value of NOK 1. Borregaard ASA has one class of shares, and each share entitles the holder to one vote. All of Borregaard's shares confer equal rights and are freely negotiable. There are no provisions in the Articles of Association restricting the free negotiability of shares. The shares are registered in VPS under ISIN NO0010657505.

Borregaard ASA has been listed on the Oslo Stock Exchange (OSE) since October 2012 under the ticker BRG.

### **The 20 largest shareholders in Borregaard ASA per August 2018:**

<b>Shareholder</b>	<b>Number of shares</b>	<b>% of capital</b>
NAT-NED LEVENSER MA	6 680 770	6,68077
MUST INVEST AS	5 300 000	5,30000
ODIN NORGE	5 122 334	5,12233
MORGAN STANLEY & CO	3 985 558	3,98556
FOLKETRYGDFONDET	3 454 514	3,45451
STATE STREET BANK AN	2 738 180	2,73818
FONDSAVANSE AS	1 757 016	1,75702
ALLIANZ GLOVAL INVES	1 596 915	1,59692
STATE STREET BANK AN	1 545 529	1,54553
NORDEA NORDIC SMALL	1 516 411	1,51641
VERDIPAPIRFONDET ALF	1 489 092	1,48909
STOREBRAND NORGE I V	1 423 866	1,42387
JPMORGAN CHASE BANK.	1 393 814	1,39381
PARETO AKSJE NORGE V	1 393 729	1,39373
BANQUE DEGROOF PETER	1 375 000	1,37500
ARCTIC FUNDS PLC	1 315 095	1,31510
JPMORGAN CHASE BANK.	1 121 107	1,12111
VPF NORDEA NORGE VER	1 089 453	1,08945
BNP PARIBAS SECURITI	1 049 258	1,04926
MUSTAD INDUSTRIER AS	1 037 422	1,03742
<b>Total number of shares</b>	<b>46 385 063</b>	<b>46,38507</b>

### **GUARANTOR:**

The issued share capital of the Guarantor amounts to NOK 200 000 000 divided into one ordinary share of NOK 200 000 000.

Borregaard AS is owned 100% by Borregaard ASA.

There are no arrangements, known to the Company or Guarantor, that the operation of which may at a subsequent date result in a change in control of the Company or Guarantor.

## 9. Financial information

### ISSUER:

The financial statements of the Group have been prepared and presented in full compliance with the International Financial Reporting Standards (IFRS), as adopted by the EU. The unaudited Interim Condensed Consolidated Financial Statements are prepared in accordance with IAS 34 Interim Financial Reporting.

The financial information is incorporated by reference to Borregaard ASA financial reports. Please also see the cross reference list in section 11 in this Registration Document:

<b>Borregaard ASA</b> <i>Consolidated</i>	<b>Annual reports</b>		<b>Quarterly reports</b>	
	<b>2017</b>	<b>2016</b>	<b>Q2 2018</b>	<b>Q2 2017</b>
Income statement	Page 54	Page 48	Page 13	Page 13
Balance sheet	Page 55	Page 49	Page 14	Page 14
Cash flow statement	Page 56	Page 50	Page 15	Page 15
Notes	Page 60 - 95	Page 54 - 88	Page 16 - 21	Page 16 - 20
Accounting principles	Page 60 - 63	Page 54 - 59	Page 16	Page 16
Auditors report	Page 106 - 109	Page 98 - 101	-	-

<b>Borregaard ASA</b> <i>Issuer</i>	<b>2017</b>	<b>2016</b>
Income statement	Page 98	Page 90
Balance sheet	Page 98	Page 90
Cash flow statement	Page 99	Page 91
Notes	Page 100 - 103	Page 92 - 95
Accounting principles	Page 100	Page 92
Auditors report	Page 106-109	Page 98 - 101

The historical annual financial information for the Issuer has been audited. The historical financial information for the interim reports have not been audited.

### GUARANTOR:

The financial statements of the Guarantor have been prepared in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway. The financial information set out below is derived from these reports and are attached to this Registration Document:

<b>Borregaard AS</b> <i>Guarantor</i>	<b>2017</b>	<b>2016</b>
Income statement	Page 8 - 9	Page 8 - 9
Balance sheet	Page 10 - 11	Page 10 - 11
Cash flow statement	Page 12	Page 12
Notes	Page 13 - 34	Page 13 - 33
Accounting principles	Page 13 - 16	Page 13 - 16
Auditors report	Att: 2	Att: 4

The historical annual financial information for the Guarantor has been audited.

**Other statements for the Group**

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Group is aware of), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the Group's financial position or profitability.

There is no significant change in the financial or trading position of the Group, which has occurred since the end of the last financial period for which unaudited interim financial information has been published. Furthermore, there has been no material adverse change in the prospects of the Group since the date of its last published audited financial statements, and there are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Group's prospects.

There are no recent events particular to the Group that are to a material extent relevant to the evaluation of the Group's solvency.

There are no material contracts that are not entered into in the ordinary course of the Group's business, which could result in any Group member being under an obligation or entitlement that is material to the Group's ability to meet its obligations to security holders in respect of the securities being issued.

## 10. Documents on display

For the life of the Registration Document the following documents (or copies thereof) may be inspected:

- The Issuer and Guarantor's memorandum and articles of association, and any document included or referred to in this Registration Document.
- The Issuer and Guarantor's 2016 and 2017 audited annual financial statements.
- The Issuer's unaudited quarterly financial statements.

The documents are either attached to this Registration Document or may be inspected at Borregaard's registered office during normal business hours from Monday to Friday each week (except public holidays).

## 11. Cross reference list

In section 7 in the Registration Document information regarding related parties is incorporated by reference to Borregaard's annual report 2017 – note 33 and note 9 and Borregaard's Q2 2018 report – note 11.

In section 9 in the Registration Document the Company's financial information is incorporated by reference to as follow:

<b>Borregaard ASA</b> <i>Consolidated</i>	<b>Annual reports</b>		<b>Quarterly reports</b>	
	<b>2017</b>	<b>2016</b>	<b>Q2 2018</b>	<b>Q2 2017</b>
Income statement	Page 54	Page 48	Page 13	Page 13
Balance sheet	Page 55	Page 49	Page 14	Page 14
Cash flow statement	Page 56	Page 50	Page 15	Page 15
Notes	Page 60 - 95	Page 54 - 88	Page 16 - 21	Page 16 - 20
Accounting principles	Page 60 - 63	Page 54 - 59	Page 16	Page 16
Auditors report	Page 106 - 109	Page 98 -101	-	-

<b>Borregaard ASA</b> <i>Issuer</i>	<b>2017</b>	<b>2016</b>
Income statement	Page 98	Page 90
Balance sheet	Page 98	Page 90
Cash flow statement	Page 99	Page 91
Notes	Page 100 - 103	Page 92 - 95
Accounting principles	Page 100	Page 92
Auditors report	Page 106-109	Page 98 - 101

The financial reports are available at:

**2017:** <http://hugin.info/155892/R/2178036/840448.pdf>

**2016:** <http://hugin.info/155892/R/2091994/790507.pdf>

**Q2 2018:** <http://hugin.info/155892/R/2205528/856899.pdf>

**Q2 2017:** <http://hugin.info/155892/R/2120928/808091.pdf>

In section 9 of the Registration Document, the financial information referred to the Guarantor's financial statements are attached to this Registration Document as follows:

<b>Borregaard AS</b> <i>Guarantor</i>	<b>2017</b>	<b>2016</b>
Income statement	Att: 1	Att: 3
Balance sheet	Att: 1	Att: 3
Cash flow statement	Att: 1	Att: 3
Notes	Att: 1	Att: 3
Accounting principles	Att: 1	Att: 3
Auditors report	Att: 2	Att: 4

## 12. Attachments

1. Borregaard AS –Årsberetning og årsregnskap (*Eng: Annual report*) 2017
2. Borregaard AS –Revisjonsberetning (*Eng: Auditors report*)2017
3. Borregaard AS –Årsberetning og årsregnskap (*Eng: Annual report*) 2016
4. Borregaard AS –Revisjonsberetning (*Eng: Auditors report*)2016