



Q2 2023 presentation

August 2023



BORGESTAD ASA

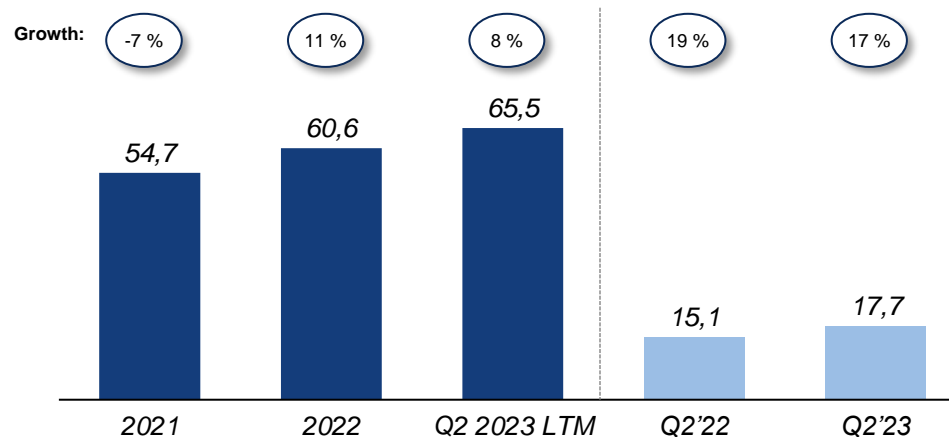


Continued increase of activity in Agora Bytom

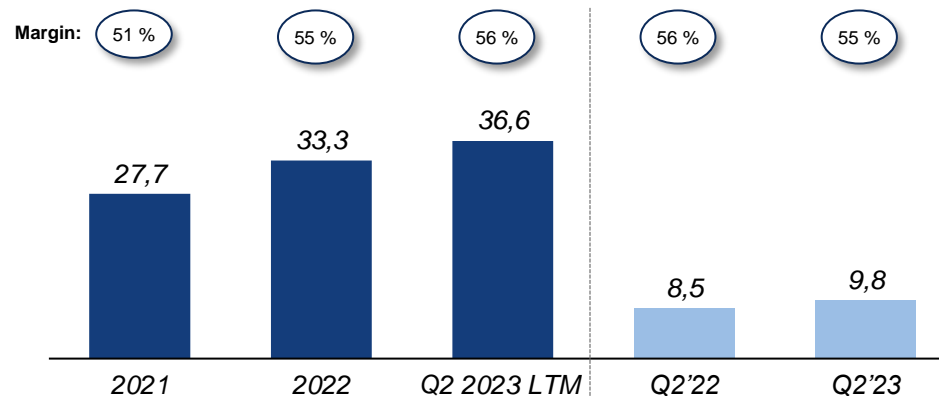
Latest trends and developments

- Turnover among the tenants in Agora Bytom increased with 7.1% in H1 2023 compared to H1 2022
- Number of visitors in H1 2023 increased with 5.4% compared to H1 2022, in the last twelve months c. 4.8 million visitors has visited Agora Bytom
- Agora Bytom has a good position in the local market with high occupancy
 - Agora Bytom is consistently working to further develop the shopping centre, despite challenges in relation to reduced purchased power and high inflation
 - The rental market is still active, and Agora Bytom has several ongoing negotiations with potential tenants
- During Q2 2023, as previously communicated, leased areas of several tenants have been changed
 - Thus, several larger tenants has been temporarily closed, around 25% of the areas opened in mid-July, 50% of the areas opened in August, while the remaining 25% are expected to open in November 2023
- Borgestad estimates that revenue and EBITDA going forward will be relatively stable

Revenue development (NOKm)¹



EBITDA development (NOKm)¹



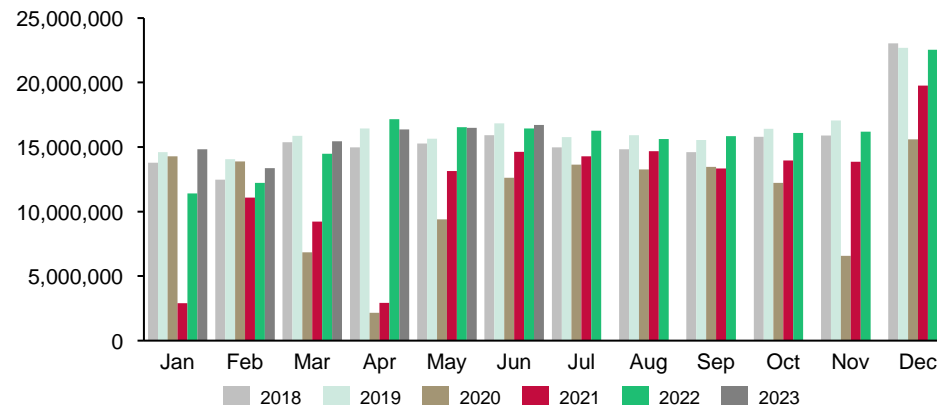
Note: 1) Figures excluding sale of Borgestad Næringspark in 2021 figures

Continued improvement in retail sales and footfall

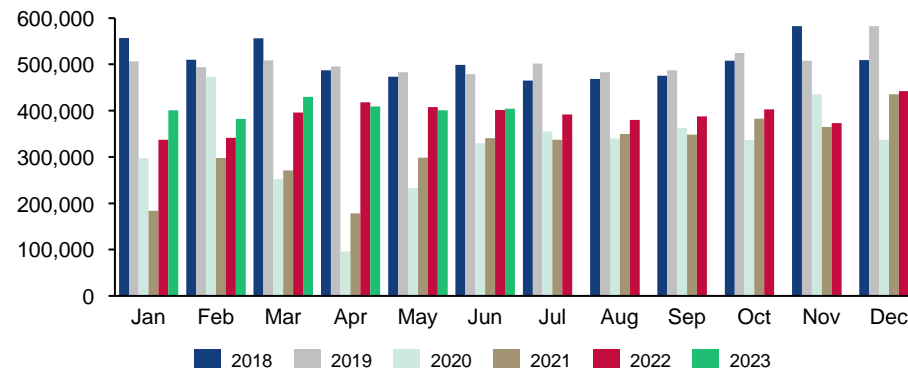
Latest trends and developments

- Turnover at Agora Bytom were up 10.6 % LTM end of June 2023 compared to LTM end of June 2022
- By June-end 2023, footfall improved by ~0.9% year-on-year, while LTM end of June 2023 footfall increased by 6.3 % compared to LTM end of June 2022.
- The Polish economy has slowed down a little
 - GDP decreased with 0.2% in March 2023 (YoY)
 - Registered unemployment at 5.1% as of May 2023, which is the same as in May 2022
 - Inflation decreased to 11.5 % for June 2023 (YoY), compared to peak at 18.4 % in February 2023 (YoY).
 - Consumer confidence increased to -28 points in June 2023, after falling to -44 points in June 2022

Retail sales (turnover '18-'23)



Footfall (Agora monthly footfall '18-'23)



1) As on 25 June 2023, compared with 26 June 2022

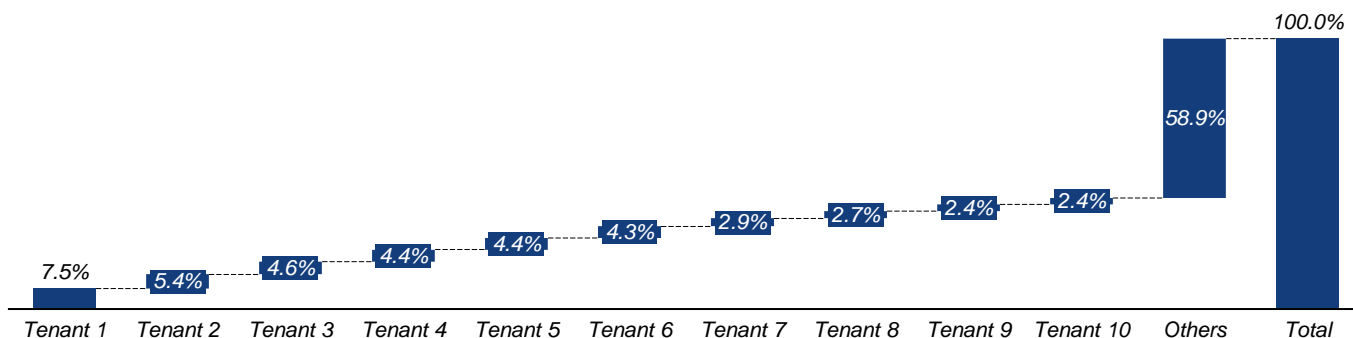
Diversified tenant base

Comments

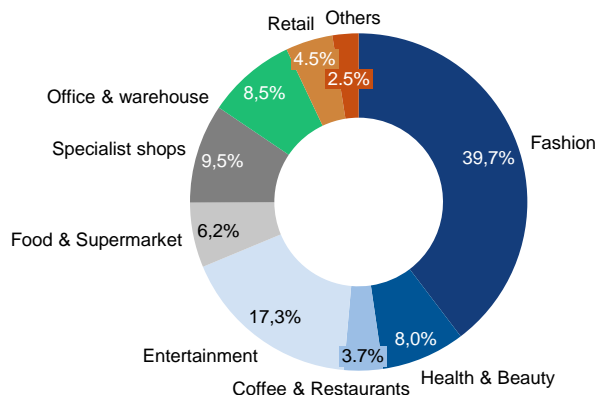
- Wault by area = 3.33 years
- Wault by income = 3.36 years
- Due date for top ten tenants are spread, first due date in 2024, then next in 2027
- Several ongoing negotiations with potential new leases
- Contract duration risk has decreased heavily after Covid

Highly diversified tenant base

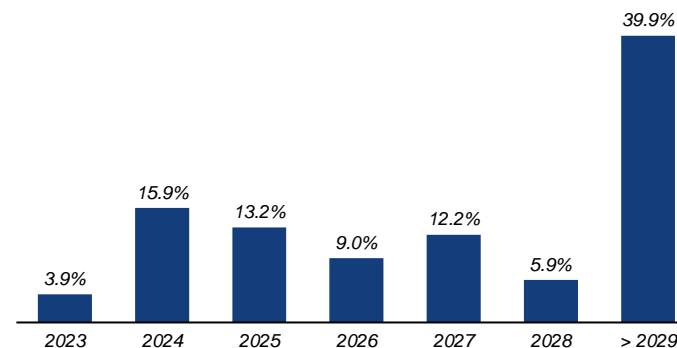
Lettable area per tenant



Tenant mix



Contract duration (sq.m)¹⁾



1) As per original lease end date, i.e. without considering option to extend the lease period

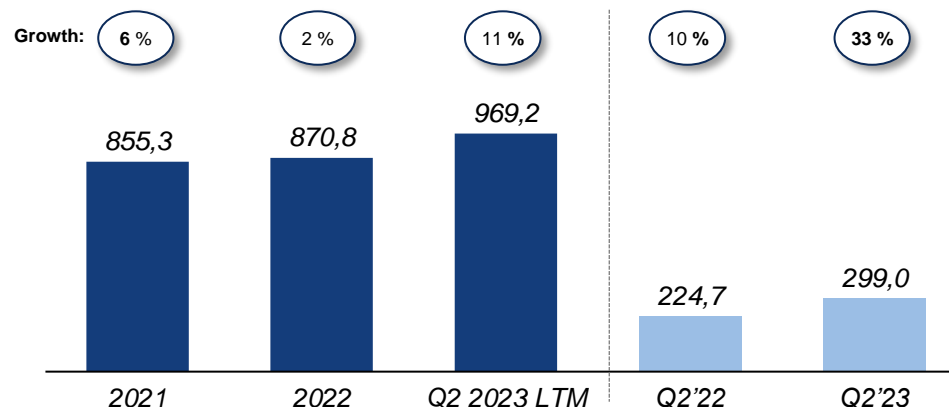
Industry segment with continued growth in both revenues and EBITDA



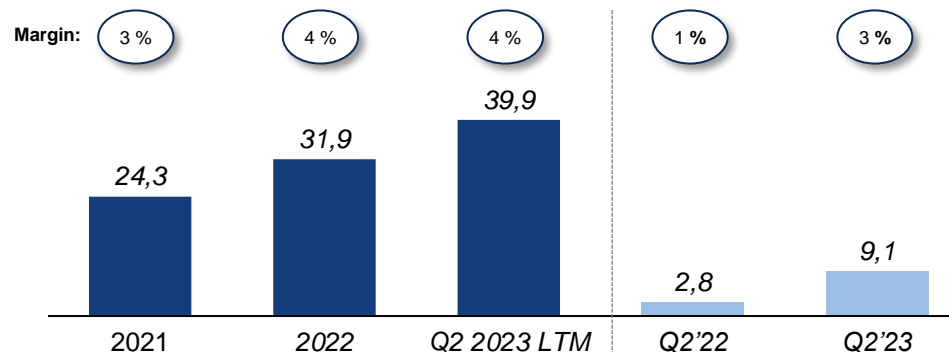
Recent trends and developments

- In Q2 2023, the refractory segment had a turnover of NOK 299.0m
 - EBITDA for Q2 2023 increased by NOK 6.3m compared to Q2 2022
 - In 2022, refractory products were significantly impacted by increased prices for raw materials and energy costs. So far in 2023, the price development of raw materials have been relatively stable
 - Going forward, Höganäs Borgestad expects that the prices of the input factors and refractory products will slightly decrease because of reduced demand, which is due to lower activity in the steel industry
 - Höganäs Borgestad decreased stock levels with NOK 14.9m in Q2 2023 compared to Q1 2023, and estimate a continuing decrease before 2023 year end
- Several of Höganäs Borgestad's customers has reduced their production due to lower demand and lower prices to customers
 - At the same time, several of the customers will utilize the coming period to upgrade and maintain their applications, which will increase revenue within installations
- Höganäs Borgestad has a good order backlog both within installation business and service assignment
- Höganäs Borgestad expects activity in Q3 2023 to remain at the same level as in Q3 2022
- On 1 August 2023, Frode Martinussen started as the new CEO of Höganäs Borgestad
- On 7 July 2023 the Court of Arbitration in Wien informed Macon AB, a subsidiary of Borgestad ASA, that the customer must pay EUR 5.8m to Macon AB

Revenue development (NOKm)



EBITDA development (NOKm)

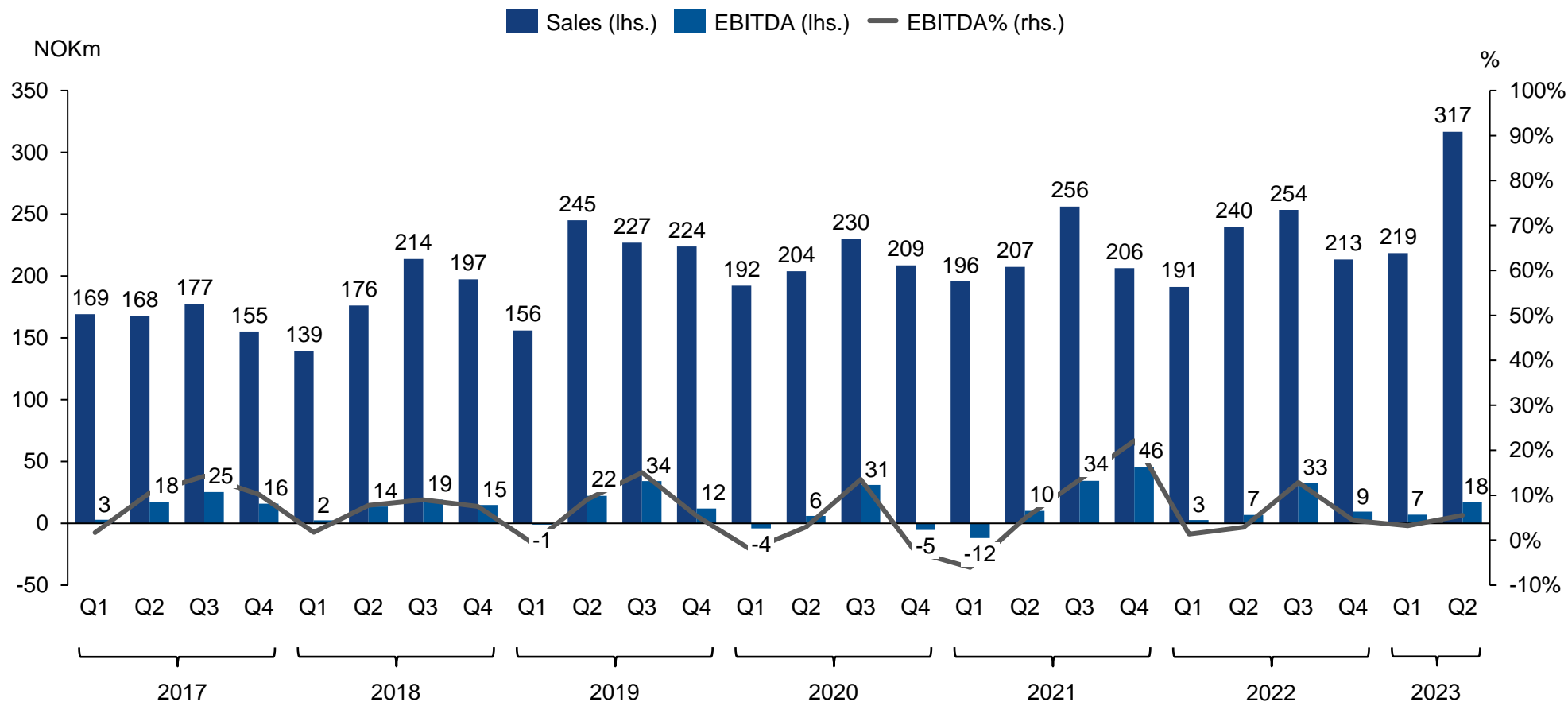


Quarterly revenue and EBITDA development for the Group



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Revenue, EBITDA and EBITDA-margin



Key P&L items



Income statement

<i>(NOK 1,000)</i>	2023	2022
	01.04- 30.06	01.04- 30.06
Revenue	316 745	239 855
COGS	-239 024	-118 391
Personnel	-34 527	-83 663
Other OPEX	-25 561	-30 896
EBITDA	17 633	6 905
D&A	-4 150	-7 085
EBIT	13 483	-180
Net finance	-11 156	-8 729
Pre-tax income	2 327	-8 909
Tax	3 948	-658
Net income	6 275	-9 567
Other comprehensive income	12 459	14 690
Comprehensive net income	18 734	5 123

Key balance sheet items



Balance sheet

	2023	2022		2023	2022
(NOK 1,000)	30.06	31.12	(NOK 1,000)	30.06	31.12
			Equity	562 342	507 873
Intangible assets	113 038	104 788	Provisions / reserve for liabilities	5 503	5 987
Buildings	39 594	28 515	Secured debt	56 844	480 258
Investment properties	826 121	745 008	Bond	0	96 581
Other financial assets	40 540	39 424	Lease commitments	26 349	29 008
Other non-current assets	89 024	93 391	Other long-term debt	61 446	2 134
Non-current assets	1 108 316	1 011 126	Non-current debt	150 142	613 967
			Revolving credit facilities	50 013	58 537
Inventory	155 779	147 280	Secured debt	489 500	30 533
Receivables	284 951	202 585	Bond	97 095	0
Other short-term receivables	9 971	14 508	Payables	120 462	83 631
Cash & cash equivalents	64 063	91 059	Lease commitments	8 610	8 869
Current assets	514 763	455 432	Other short-term debt	144 915	163 148
			Current debt	910 595	344 718
Total assets	1 623 079	1 466 558	Total equity and liabilities	1 623 079	1 466 558

Cash flow statement



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Cash flow

<i>(NOK 1,000)</i>	2023	2022
	01.01-30.06	01.01-30.06
Cash flow from operating activities before balance changes	16 859	-16 432
+/- Balance changes	-7 044	-43 542
Cash flow from operating activities	9 815	-59 974
Payments to other investments	-9 826	-7 471
Inflows from other investments	927	8 700
Cash flow from investing activities	-8 899	1 229
Net change in financial liabilities	-19 389	-219 896
Receipts by rights issue	0	263 797
Net change in bank overdraft	-8 524	48 436
Cash flow from financial activities	-27 913	92 337
Cash flow for the period	-26 997	33 592
Bank and cash balances per start of period	91 059	48 337
Bank and cash balances per end of period	64 063	84 929
Available liquidity per end of period	71 183	97 124

Summary: Positive development in the second quarter of 2023



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Strong operations in Q2 2023

- The group increased revenues with 32.1% in Q2 2023 compared to Q2 2022, mainly driven by increased activity within Höganäs Borgestad.
- EBITDA improved with NOK 10.7m in Q2 2023

Reclassification of debt

- Long-term debt of NOK 150.1m and short-term debt of NOK 910.6m as of Q2 2023, compared to NOK 614.0m and NOK 344.7m respectively in Q2 2022. The increase in short-term debt is due to reclassification of long-term debt to short-term debt with maturity in January and June 2024

Cash flow and liquidity as per 30 June 2023

- Operational cash flow of NOK 9.8m
- Cash flow from investment activities of NOK -8.9m
- Cash flow from financial activities of NOK -27.9m, due to paydown of revolver credit and secured debt
- Net cash flow for the quarter was NOK -27.0m
- Available liquidity end of period was NOK 71.2m

Outlook and priorities

- New CEO and CFO in Höganäs Borgestad during the last 9 months. Operational improvements are key focus and Borgestad expects gradual improvement of profitability and cash flow within its refractory business
- Borgestad estimates revenue and EBITDA going forward for Agora Bytom will be relatively stable
- A key focus for Borgestad is refinancing and improving the groups financial position





BORGESTAD

Gunnar Knudsensveg 144
3712 Skien
Norway

+47 35 54 24 00
post@borgestad.no
borgestad.no



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