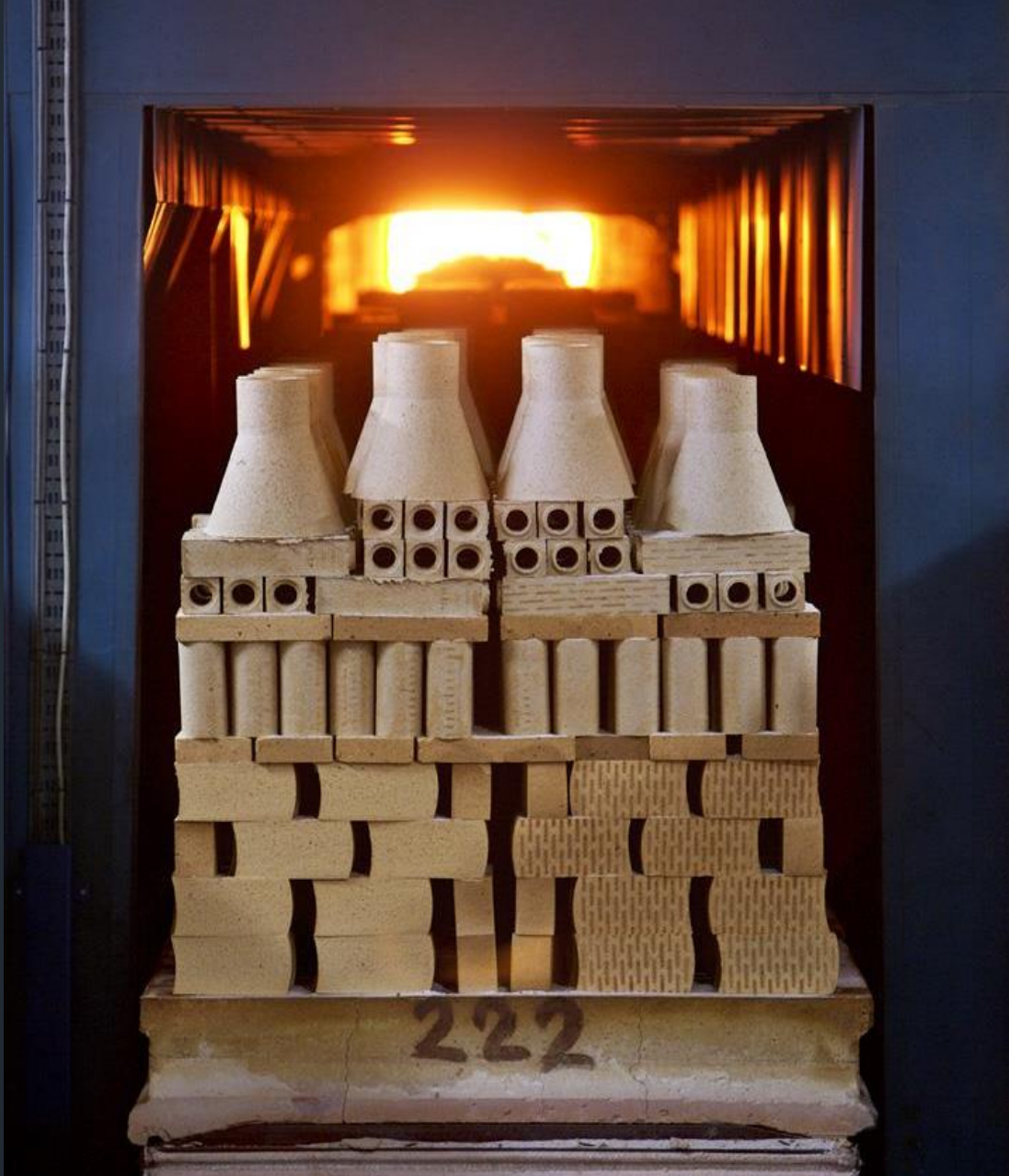


Fourth Quarter 2023 Presentation

16. February 2024



BORGESTAD ASA



Agenda

Highlights and key figures

In brief

Segment review

Financials

Summary and outlook

Highlights and key figures

Highlights

- 1 Cashflow from operations improved by MNOK 210 in 2023, from negative MNOK 52 in 2022 to positive MNOK 158 in 2023. Significant improved capital efficiency in Höganäs Borgestad during 2023, NWC¹ reduction of MNOK 28,3.
- 2 New equity, after transaction costs, of MNOK 296.7.
- 3 Gross interest-bearing debt reduced from MNOK 689 at 31.12.22 to MNOK 293 at 31.12.23. After closing of sale leaseback transaction in Bjuv (expected in 2024) net interest-bearing debt estimated at MNOK 152
- 4 Agora Bytom refinanced with new maturity date 31.12.28

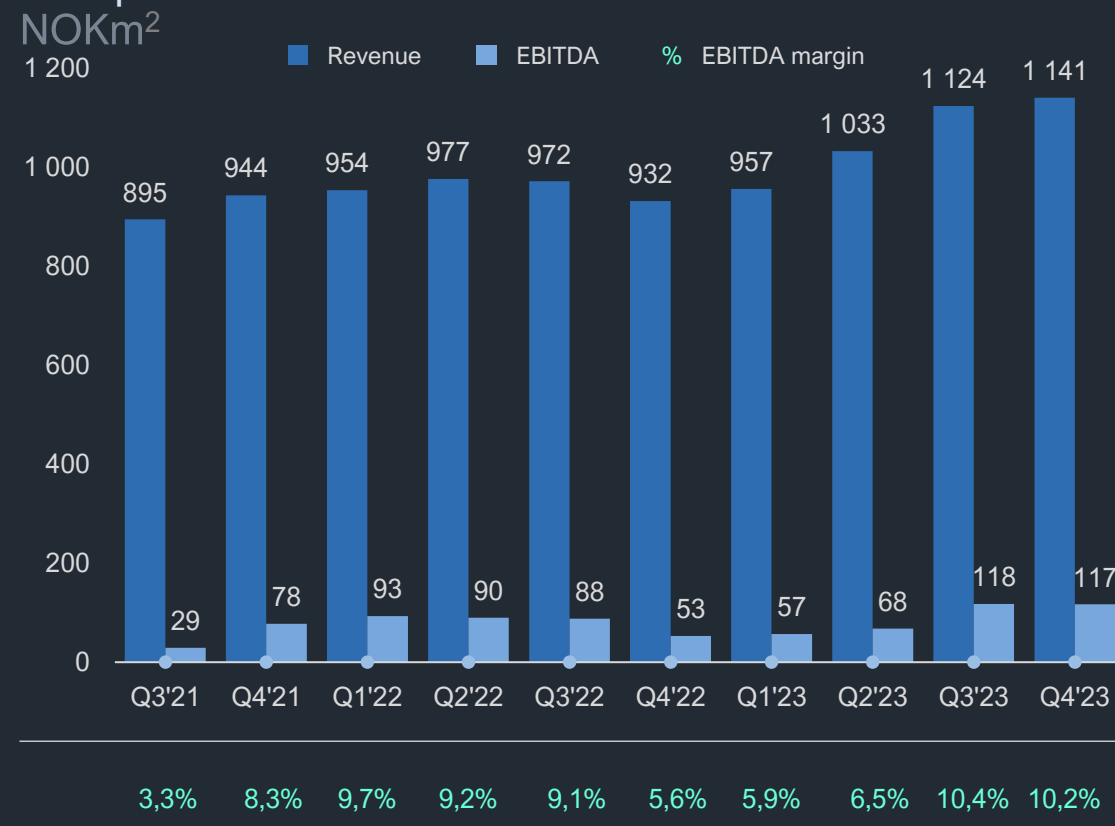
Key figures

	Q4		Q1-Q4	
MNOK	2023	2022	2023	2022
Operating income	229	212	1,141	932
EBITDA	9	10	117	52
Operating profit (EBIT)	3	-90	30	-71
Profit before tax	2	-110	9	-124

Note: 1) NWC = Net working capital

Note: 2) Q3 and Q4 2023 figures incl. the gain from Arbitration Court case

Rolling quarterly revenue and EBITDA development for the Group



Borgestad is an investment company focused on real estate and refractory



Real Estate



Agora Bytom shopping center in Poland is the largest investment of the Group, accounting for over half of the balance sheet

Agora Bytom is centrally located in the Silesian region of Poland and holds a strong market position in its primary catchment area

Parking spaces

820

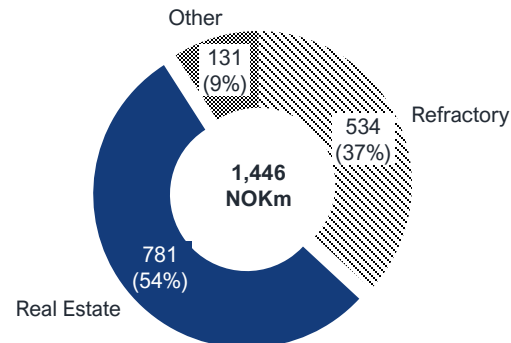
Gross area

52,000 m²

Rental area

30,000 m²

Share of capital employed (NOKm)



Refractory



Höganäs Borgestad is a manufacturer and supplier of refractory quality products, installations, systems, and solutions that are essential for industrial high-temperature processes exceeding 1,200°C in various industries such as steel, cement, and aluminum

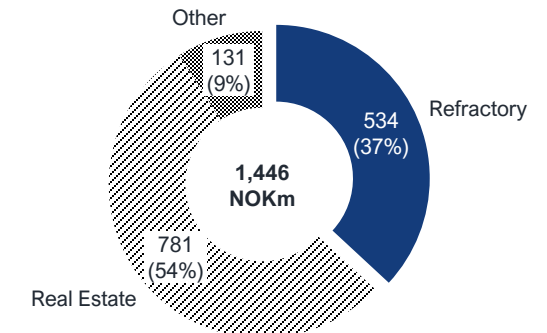
Founded

1797

Refractory production since

1825

Share of capital employed (NOKm)



Borgestad to be an industrial investment company with significant operational improvement potential

Strategy

- Borgestad ASA stands as a powerhouse of investment, where **Real Estate** and **Refractory** constitute the two most significant areas of operation
- Continually improve operations in current investments
- Mid- to long term investment opportunities:
 - Niche segments with consolidation opportunities
 - Leverage on the company's network, know how and experience

Key tools



The right team



Effective use of capital



Measure everything and develop KPI's



M&A

Note: 1) Return on invested capital

Segment property/ Agora Bytom

Continued increase of activity in Agora Bytom and new long-term financing secured



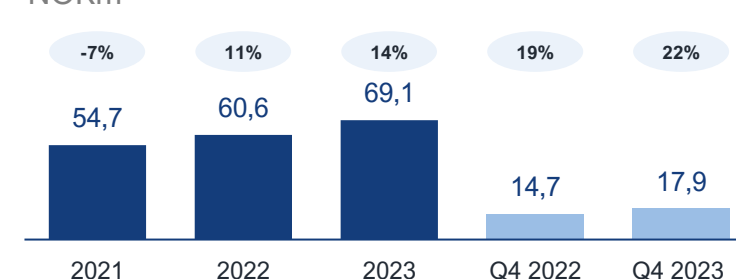
Agora Bytom is refinanced and **secure stable financing** for the project until 31.12.28

Latest trends and developments

- 2023 has been a year for further stabilization after Covid, with focus on prolongations and secure future rents.
- Agora Bytom is the leading scheme in the local market with high occupancy, with renewal of LPP contracts in 2023 the position is further strengthened
- Agora Bytom has extended the loan facility with Bank Pekao for five years and have secure stable financing for the project, maturity 31.12.2028
- Debt per 31.12.23 at MEUR 29.9, and an LTV at ~46 %² are at sustainable level
- Borgestad estimates that revenue and EBITDA going forward will be relatively stable

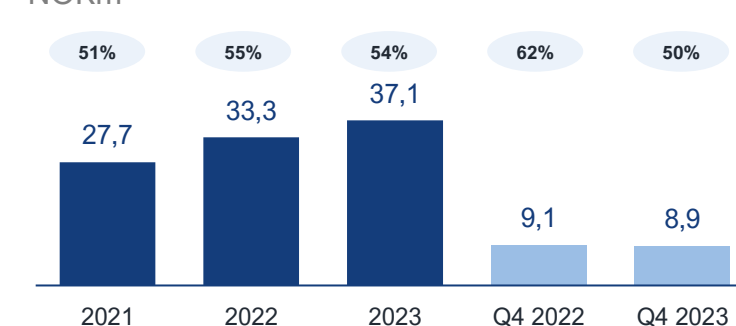
Revenue development

NOKm¹



EBITDA development

NOKm¹

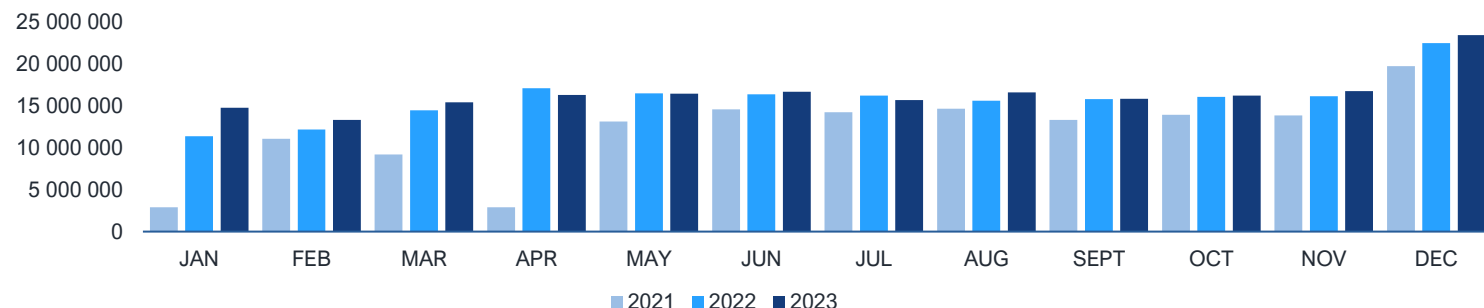


Notes: 1) Figures excluding sale of Borgestad Næringspark in 2021 figures. 2) Calculated based on middle value from Norne valuation per 31.12.2023

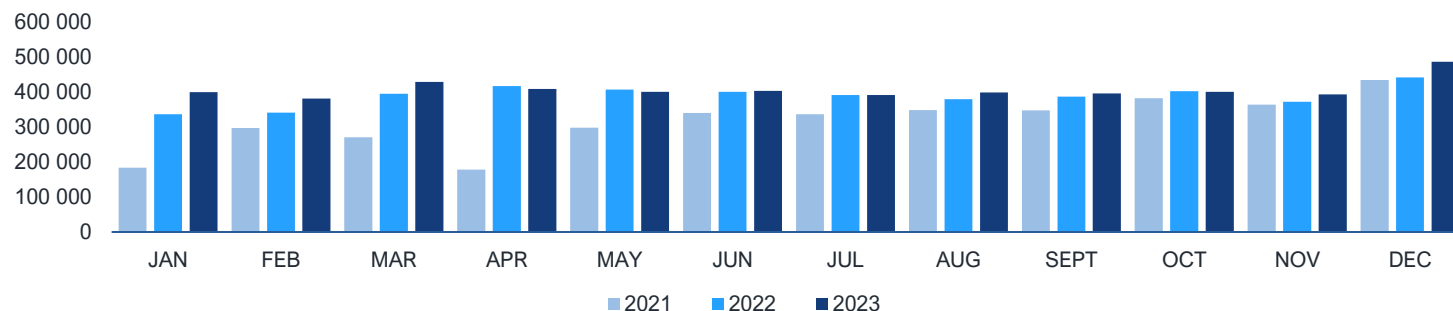
Continued improvement in retail sales and footfall and the Polish economy has a positive trend

Retail sales (turnover 2021-2023)

PLN



Footfall (Agora monthly footfall 2021-2023)

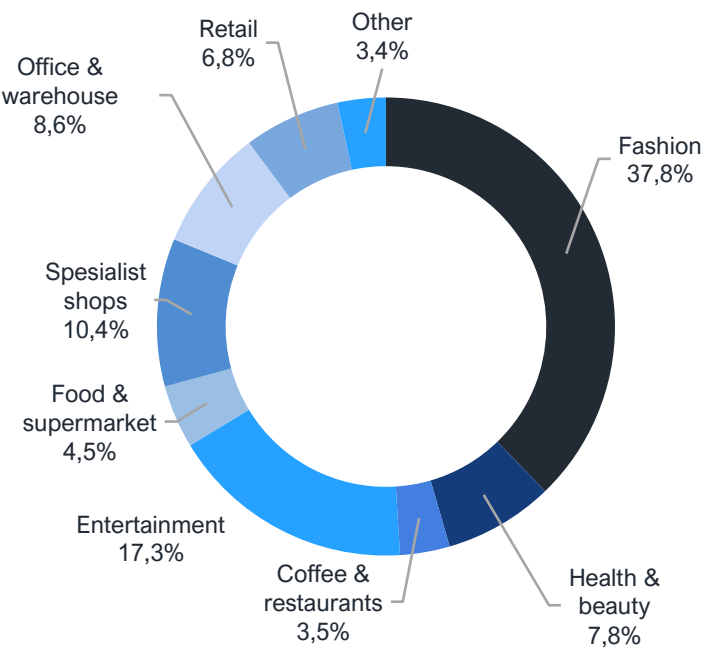


Comments

- Turnover among the tenants increased with 3.7% in 2023 compared to 2022.
- With 4.9 million visitors in 2023, the number of visitors increased with 4.7% compared to 2022.
- Polish reference interest rate is at 5.75 % in end of December 2023, decrease from 6.75%
- GDP increased with 0.2% in December 2023 (YoY)
- Registered unemployment at 5.1% as of December 2023
- Inflation decreased to 6,2 % for December 2023 (YoY), compared to peak at 18.4 % in February 2023 (YoY).
- Consumer confidence increased to -15,2 points in December 2023, compared to -41.9 points in December 2022

Diversified tenant base

Highly diversified tenant base
Lettable area per tenant



Comments



WAULT by area: 3.49 years



WAULT by income: 3.19 years



Due date for top ten tenants are spread, first due date in 2024, then next in 2027

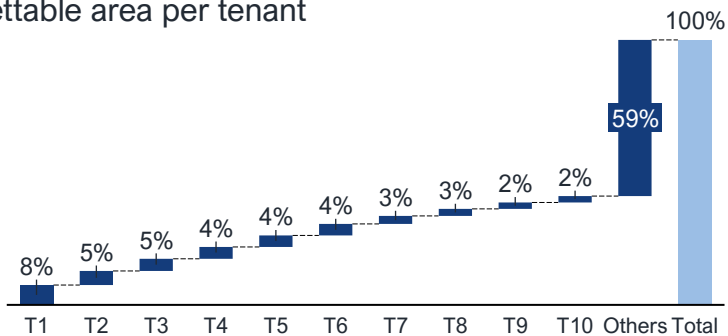


Several ongoing negotiations with potential new tenants

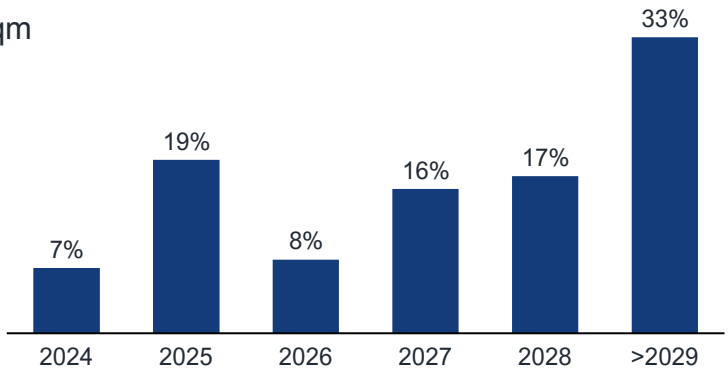


Contract duration risk has decreased and is at a good level

Highly diversified tenant base
Lettable area per tenant



Contract duration
sqm



Höganäs Borgestad

Continued growth in revenues and EBITDA

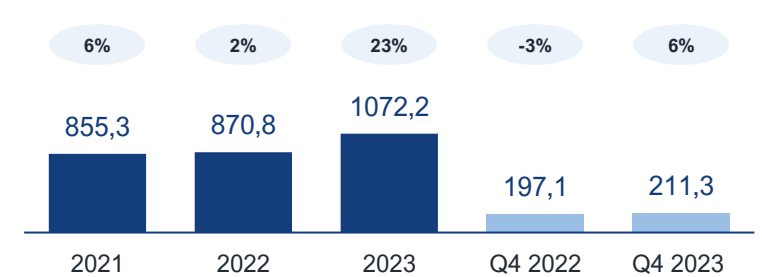
The refractory segment **increased its revenues by 23.2%** in 2023 compared with 2022.

Latest trends and developments

- In Q4 2023, the refractory segment had a turnover of MNOK 211.3.
- Normal order backlog both within installation business and service assignment.
- Höganäs Borgestad, voluntarily, repaid the outstanding Tax debt, of MSEK 75,4 in addition to interest and fees to Swedish Government in Q4 2023.
- In Q3 2023 Court of Arbitration in Wien informed Macon AB, a subsidiary of Borgestad ASA, that the customer must pay EUR 5.8m to Macon AB. Payment received in December 2023. Total EBITDA effect is MNOK 46.4.
- Sale leaseback transaction, approved by BoD of Bjuv Municipality in December 2023, a complaint was received. Transaction expect to be completed in 2024.

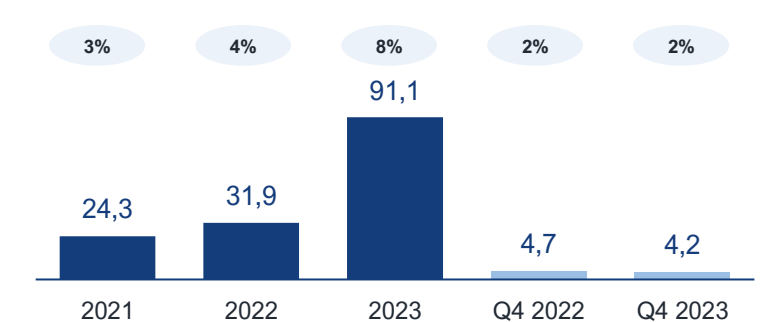
Revenue development

NOKm¹



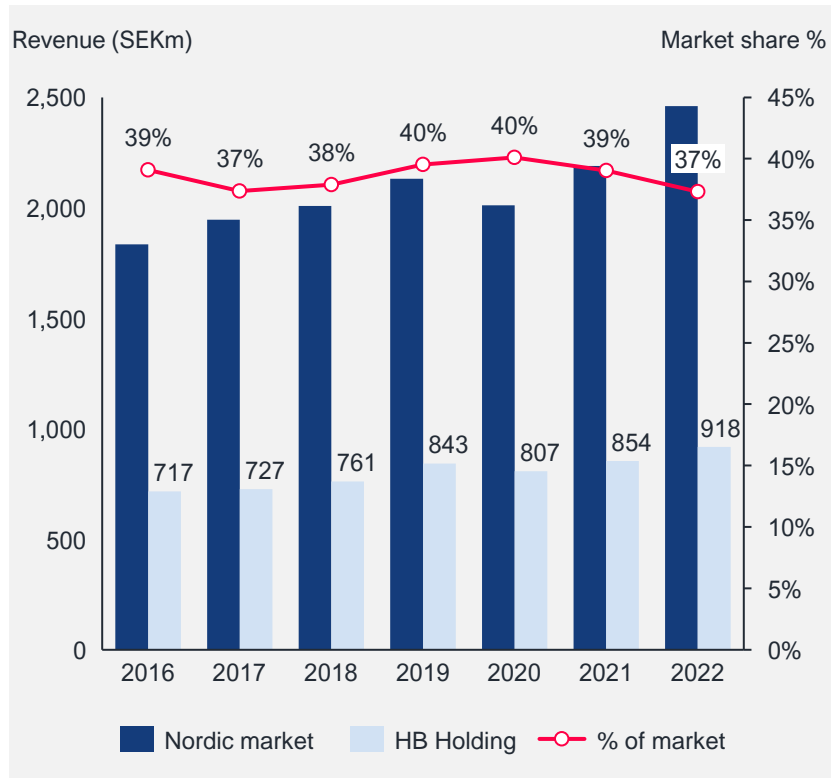
EBITDA development

NOKm¹

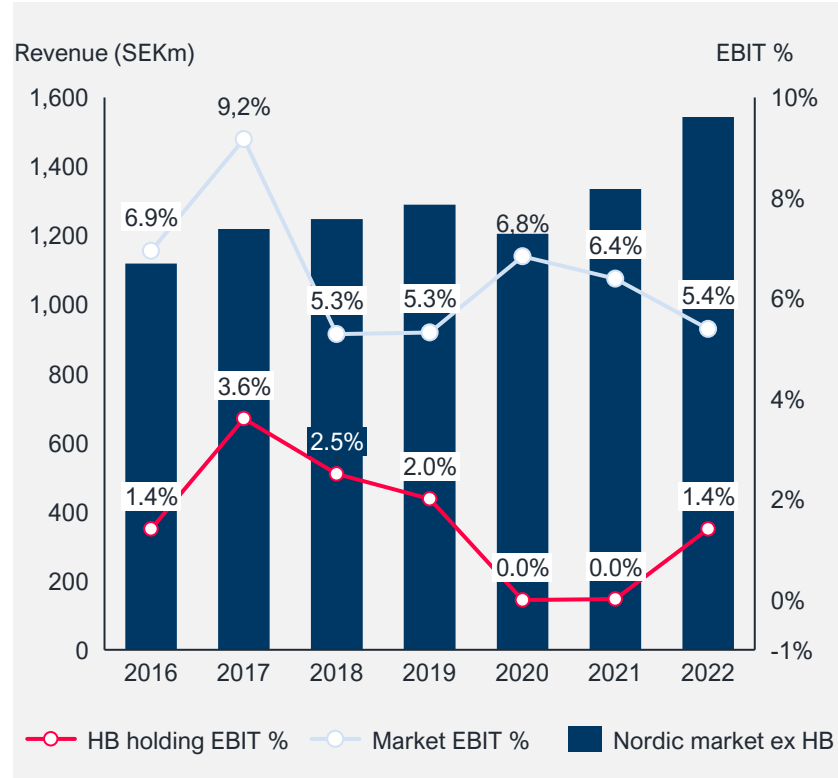


Höganäs Borgestad's position in the Nordics – significant market share – underperforming on profitability, but trend is good:

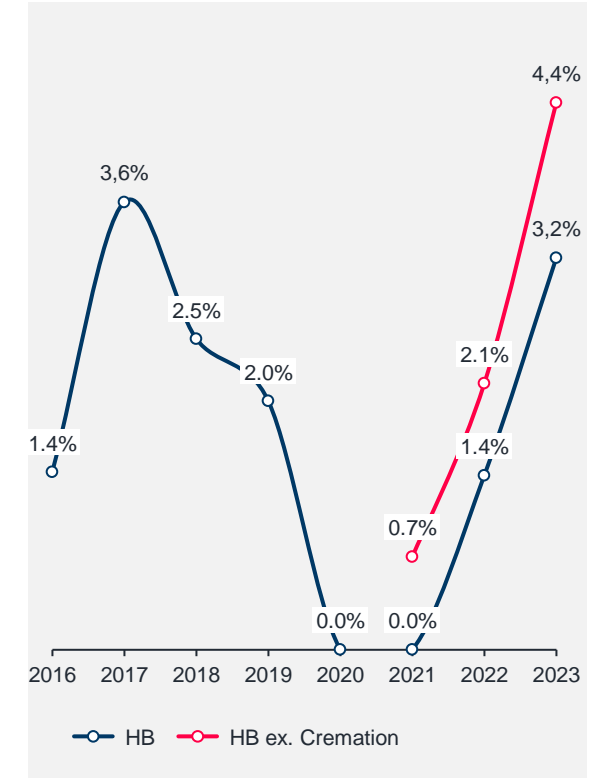
Position in the Nordics



Historical performance below Nordic peers



Höganäs Borgestad EBIT margin trend is good:¹

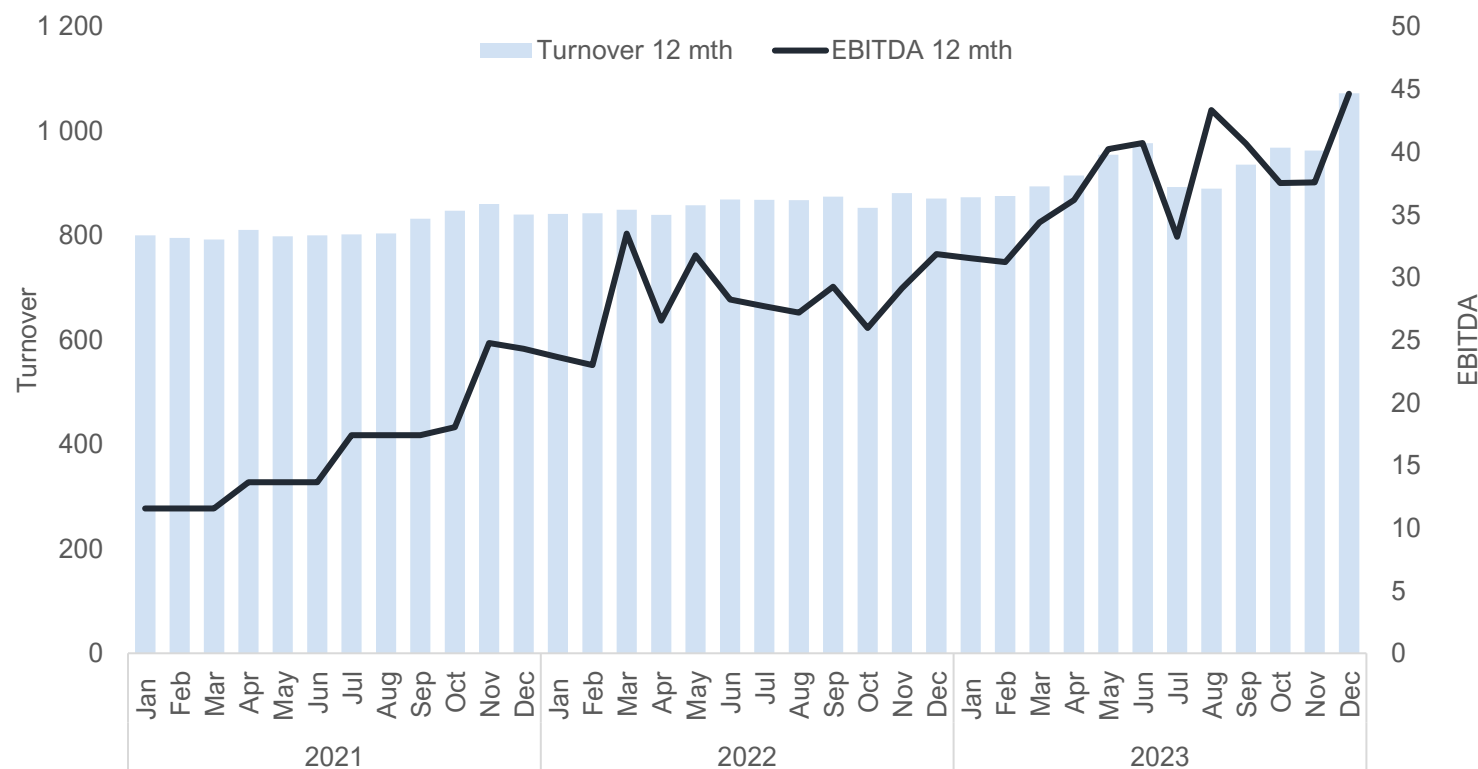


Sources: Proff, Factset, Company information.
Note: 1) Excluding Arbitration Court Case

Development turnover and EBITDA last three years, excluding positive Arbitration effect on EBITDA in 2023, show a positive trend

Rolling 12-month turnover and EBITDA

NOKm



Focus forward:

- Focus on increasing profitability and cash flow
- Strengthen team
- Streamline and improve operations

Cremation business status and future prospects:

- Cremation has charged EBITDA with MNOK ~29,9 in total in the period 2021 – 2023. Decision to exit cremation business taken. Estimate that last negative effect from cremation is taken in 2023 and that cremation will not affect P&L in 2024

Borgestad – Group P&L, balance sheet and cash flow

Income statement

NOK 1,000	01.10- 31.12.2023	01.10- 31.12.2022	YTD 2023	YTD 2022
Revenue	229 246	211 808	1 141 366	931 726
COGS	-105 079	- 83 954	-587 570	-260 555
Personnel	-88 772	-66 583	-347 108	-292 525
Other OPEX	-26 727	-51 125	-90 132	-326 352
EBITDA	8 668	10 146	116 556	52 293
Depreciation	-5 642	-8 647	-23 000	-31 799
Impairment of non-current assets	0	-91 343	-63 453	-91 343
EBIT	3 026	-89 844	30 104	-70 848
Foreign currency gain/(-) loss	9 422	-9 616	23 437	-6 839
Interest expenses	-13 013	-11 411	-47 340	-47 429
Other financial income/(-) expenses	2 817	1 019	2 664	796
Pre-tax income	2 253	-109 853	8 864	-124 320
Tax	-12 593	7 181	-29 645	-1 789
Net income	-10 341	-102 672	-20 781	-126 109
Other comprehensive income	-8 927	12 039	13 739	30 887
Comprehensive net income	-19 268	-90 633	-7 042	-95 222

Balance sheet

NOK 1,000	31.12.2023	31.12.2022
Intangible assets	118 607	121 689
Buildings, fixtures, machinery and vehicles	88 850	87 382
Investment properties	731 756	745 008
Other financial assets	6 855	39 424
Deferred tax asset	10 431	17 623
Non-current assets	956 498	1 011 126
Inventory	118 733	147 280
Receivables	184 567	202 585
Other short-term receivables	7 763	14 508
Cash & cash equivalents	165 387	91 059
Current assets	476 451	455 432
Non-current assets classified as held for sale	13 165	
Total assets	1 446 115	1 466 558

NOK 1,000	31.12.2023	31.12.2022
Equity	784 521	507 873
Provisions / reserve for liabilities	6 369	5 987
Secured debt	335 742	480 258
Bond		96 581
Lease commitments	28 965	29 008
Other long-term debt	7 988	2 134
Non-current debt	379 064	613 967
Revolving credit facilities	24 098	58 537
Secured debt	7 620	30 533
Payables	64 070	83 631
Lease commitments	9 151	8 869
Other short-term debt	112 130	163 148
Current debt	217 069	344 718
Liabilities classified as held for sale	52 423	
Total equity and liabilities	1 446 115	1 466 558

Cash flow statement

NOK 1,000	01.01-31.12.2023	01.01-31.12.2022
Cash flow from operating activities before balance changes ¹	94 992	-13 963
+/- Balance changes	63 662	-36 624
Cash flow from operating activities	158 654	-50 588
Payments to other investments	-15 616	-19 133
Inflows from other investments	1 305	10 985
Cash flow from investing activities	-14 311	-8 148
Net change in financial liabilities	-332 305	-172 098
Receipts by rights issue	296 729	215 019
Net change in bank overdraft	-34 439	58 537
Cash flow from financial activities	-70 016	101 458
Cash flow for the period	74 328	42 722
Bank and cash balances per start of period	91 059	48 337
Bank and cash balances per end of period	165 387	91 059
Available liquidity per end of period	198 785	85 501

Notes: 1) Figures include cash flow from Arbitration Court case in 2023.

Summary



Strong operations in Q4 2023

- The group's revenue increased by 8.5 percent in the fourth quarter of 2023 compared to the same period in 2022.
- EBITDA ended at MNOK 8.7.



Strengthened balance and liquidity situation

New equity, after transaction costs, of MNOK 296.7.

Gross interest-bearing debt reduced from MNOK 780 at 31.12.22 to MNOK 458 at 31.12.23.

Agora Bytom refinanced with a five-year agreement, securing the project with a stable financing.

Borgestad expect the sale leaseback transaction to be completed in 2024, transaction value of MSEK 145. Settlement with cash in three instalments; 60 percent will be payable upon completion of the transaction, 20 percent after 12 months and 20 percent after 24 months after completion.



Cash flow and liquidity as per 31 December 2023

- Operational cash flow of MNOK 158.7
- Cash flow from investment activities of NOK -14.3
- Cash flow from financial activities of NOK -70
- Available liquidity end of period was MNOK 198.8



Outlook and priorities



Operational improvements are key focus and Borgestad expects gradual further improvement of profitability capital efficiency and cash flow within its refractory business



Borgestad estimates revenue and EBITDA going forward for Agora Bytom will be relatively stable



Review and investigate the possibilities for exits and/or transformational M&A and other liquidity events for Agora Bytom



Alternative performance measures

In order to enhance investors' understanding of the Group's performance the Company presents in this Presentation certain alternative performance measures ("APMs") as defined by the European Securities and Markets Authority its Guidelines on Alternative Performance Measures 2015/1057. The APMs used by the Group, and relevant reconciliations, are set out in the Company's Q4 2023 financial statements on page 27-29.



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