



BORGESTAD ASA

First Quarter 2024 Report

May 15, 2024

Table of Contents

Highlights and Key Figures	3
About Borgestad ASA	4
CEO Letter	5
Operational and Financial Review	6
Condensed consolidated interim statement of income	10
Notes to the Condensed Interim Financial Statements.....	16
Alternative Performance Measures (APMs).....	21



Highlights and Key Figures

Highlights

- 1 Significant improved capital efficiency in the Group over the last twelve months with NWC¹ reduction of MNOK 52.6.
- 2 Höganäs Borgestad Group has increased its adjusted EBIT margin with 1.7 percent over the last twelve months.
- 3 Net interest-bearing debt further decreased in the first quarter from MNOK 307 at 31.12.23 to MNOK 293 at 31.03.24. After closing of sale leaseback transaction in Bjuv (expected in 2024), the net interest-bearing debt is estimated at MNOK 152.
- 4 In first quarter Höganäs Borgestad Group has entered into three maintenance contracts with a total estimated contract value of MNOK 140 – 185.

Key Figures

MNOK	Q1		
	2024	2023	2023
Operating income	223	219	1 141
EBITDA	8	7	127
Depreciation & Impairment of non-current assets	8	7	126
Operating profit (EBIT)	0	0	1
Profit before tax	-4	-8	-37

MNOK	31.03.2024	31.03.2023	31.12.2023
	Cash	147	80
Available liquidity at end of period	209	89	186
IBD	440	787	460
NIBD	293	706	307
NIBD/EBITDA LTM	2,3	12,5	2,4
Equity ratio	54 %	34 %	38 %

¹ NWC = Net working capital

About Borgestad ASA

Borgestad ASA is an investment company based in Skien, Norway. Our portfolio primarily covers two main business areas: real estate and refractory.

The Group's focus areas are real estate and refractory industry. Within these segments, it is the shopping mall Agora Bytom and the refractory production and installation company Höganäs Borgestad, that have the biggest impact on the Group's performance. Real estate is the largest segment measured by the balance sheet, while refractory industry is the largest by revenue.



Agora Bytom

Agora Bytom shopping center in Poland is the largest investment of the Group, accounting for over half of the balance sheet. The shopping center has a gross area of 52,000 sqm and more than 30,000 sqm of rental area. Agora Bytom also owns a parking garage with 820 parking spaces that is conveniently connected to the center. Agora Bytom is centrally located in the Silesian region of Poland and holds a strong market position in its primary catchment area. Agora offers spaces to a wide range of tenants, including large international chains and important Polish brands, 8 cinema halls, a fitness center, and a rich selection of cafes.



Höganäs Borgestad

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. Refractory materials are stones or masses produced in many different variants depending on their intended use. Refractory materials are primarily used to protect production industries and contribute to energy savings.

CEO Letter

First quarter of 2024 is left behind and the Group is entering into high season for Höganäs Borgestad. First quarter 2024 has been a further step on the positive trend for Höganäs Borgestad, with continued increase for EBIT margin. First quarter for the refractory business, with the setup of Höganäs Borgestad, is always the quarter with the lowest turnover and margins, due to the season variation in the service and maintenance business in the Nordics.

When comparing adjusted EBIT and net working capital last twelve months per March 31, 2024 and 2023 the development for Höganäs Borgestad has been transformative for the business, an increase in EBIT margin of 1.7 percent and a decrease in net working capital of MNOK 52.6. We expect further increase in relation to the EBIT margin in the coming periods and review the situation for Höganäs Borgestad as good for further development in 2024.

After a year that saw generally high inflation both in Europe and specifically in Poland, coupled with historically low consumer confidence at the beginning of 2023, sentiment has significantly improved in early 2024. In March 2024, inflation has moderated to 2.0 percent from the high of 16.1 percent recorded in March 2023. Consumer confidence is witnessing a notable uptrend in Poland, reaching its highest point in the past three years. This positive trend aligns with the overall strengthening across all retail sectors and economic fundamentals in Poland, as evidenced by turnover figures in Agora Bytom.

We will work hard to further implement the development strategy within both Höganäs Borgestad and Agora Bytom going forward. Both assets have a good position in their local markets, as local market leaders. The work that has started and always will be the goal, is increasing the trend related to profitability and results. The underlying trends seem good for both assets at the moment.

To summarize, Borgestad has a good underlying start of the year, and we are expecting Höganäs Borgestad to continue its positive EBIT trajectory further in 2024.

Pål Feen Larsen
CEO

Operational and Financial Review

Group Results

(MNOK)	2024	2023	2023
	1st quarter	1st quarter	31.12
Revenue	223	219	1 141
Total operating cost	215	212	1 014
EBITDA	8	7	127
Depreciation	8	7	32
Earnings before financial items and tax (EBIT)	0	0	1
Financial items	-4	-8	-39
Profit before taxes	-4	-8	-37

Borgestad Group has shown positive developments in revenue and EBITDA in 2024. For the refractory segment there is an improvement in both revenue and EBITDA, while for real estate there is an increase in revenue but a minor decrease in EBITDA.

Net financials for the Group for first quarter 2024 improved compared to first quarter 2023. The improvement of MNOK 3.9 is based on lower interests and due to materially reduced debt level compared to first quarter 2023.

There is a normal order intake and order backlog for refractory segment at the end of the first quarter of 2024.

Balance Sheet

Numbers in parenthesis are as of December 31, 2023.

As of March 31, 2024, the Group had total assets of MNOK 1,428.8 (1,406.4). Equity amounted to MNOK 765.6 (755.8), representing an equity ratio of 53.5 percent as of March 31, 2024.

The Group's current assets amounted to MNOK 463.9 (463.8). Non-current liabilities was MNOK 383.9 (377.6), while current liabilities amounted

to MNOK 279.3 (273.0), including debt connected with assets held for sale.

The Groups net working capital amounted to MNOK 220.7, compared to MNOK 273.2 per March 31, 2023.

As of March 31, 2024, the Group's total interest-bearing debt is MNOK 440.4 (460.0) and net interest-bearing debt is MNOK 293.2 (307.3). The Group has per March 31, 2024, a sustainable balance sheet, a good cash situation, and are fully financed.

Cash Flow, Investments, and Liquidity

Numbers in parenthesis are as of March 31, 2023.

The Group's cash flow from operating activities was positive at MNOK 27.5 (positive 11.4) in first quarter of 2024.

Cash flow from investing activities was negative at MNOK 0.3 (negative MNOK 8.3), and cash flow from financial activities was negative at MNOK 32.8 (negative MNOK 13.9). As a result, the cash flow for first quarter 2024 was negative at MNOK 5.6 (negative MNOK 10.9).

Available liquidity as of March 31 2024, was MNOK 208.5 (MNOK 88.6).

Real Estate

	2024	2023	2023
(MNOK)	1st quarter	1st quarter	31.12
Revenue	19	17	69
EBITDA	9	10	37
Earnings before financial items and tax (EBIT)	7	8	-66

Following a year marked by high inflation and historically low consumer confidence at the outset of 2023, the sentiment and optimism appear to have improved notably in Poland as we enter 2024.

In March 2024, inflation has moderated to 2.0 percent from the high of 16.1 percent recorded in March 2023. Consumer confidence is witnessing a notable uptrend, reaching its highest point in the past three years. This positive trend aligns with the overall strengthening of economic fundamentals in Poland, as evidenced by turnover figures, both in Agora Bytom and across the country.

Tenants of Agora Bytom have increased revenues by 10.7 % in first quarter of 2024 compared with same period 2023.

The turnover among the tenants in Agora Bytom increased with 10.7 percent in first quarter of 2024 compared to same period 2023. The number of visitors has no change in percentage in first quarter of 2024 compared to same period in 2023. Agora Bytom has had approximately 4.9 million visitors in the center last twelve months.

In first quarter, the property segment achieved rental income and EBITDA of MNOK 18.9 and MNOK 9.5, respectively, compared to MNOK 17.6 and MNOK 10.3 in 2023. In first quarter

2024 Agora Bytom has higher costs of energy than estimated, due to a colder winter than normal in Poland.

Agora Bytom maintains a robust presence in the local market, consistently with high occupancy rates. The center is dedicated to ongoing improvements and actively engages in the rental market. Currently, Agora Bytom is in negotiations with several potential new tenants, demonstrating its commitment to expansion and development.

The number of visitors to Agora Bytom is 4.9 million visitors last twelve months.

The WAULT² by area and income are as of March 31, 2024, 3.46 years and 3.30 years respectively.

Borgestad expects revenue and EBITDA to remain stable in the coming periods.

Following the completion of a five-year bank refinancing with Bank Pekao in December 2023, the Group now has ample time to explore transformative M&A opportunities and other liquidity events for Agora Bytom. Given the Group's current financial situation, there is no urgency to rush into a transaction. Instead, the Group will take the necessary time to identify the best strategy for both the Group and its shareholders.

² Weighted average unexpired lease term.

Refractory

	2024	2023	2023
(MNOK)	1st quarter	1st quarter	31.12
Revenue	204	201	1 072
EBITDA	3	-0	102
Earnings before financial items and tax (EBIT)	-2	-5	80

In first quarter of 2024 the refractory segment achieved a revenue of MNOK 203.9 which is an increase of 1.3 percent compared to same period in 2023.

Adjusted EBIT margin increased with 1.2 percent last twelve months.

In the first quarter of 2024 a negative EBIT of MNOK 2.2 was achieved compared to a negative EBIT of MNOK 4.8 in 2023. The refractory segment has the last twelve months increased revenue with 20.4 percentage, and in the same period increased adjusted last twelve months EBIT³ margin from 1.7 percentage to 3.3 percentage last twelve months March 2024.

The focus, ambition and expected development is that the EBIT margin for the refractory segment will continue to grow steadily and continue the development going forward. The mid-term ambition for the segment is an EBIT level of 7 percent.

The refractory segment has a normal order intake and order backlog for the upcoming period.

In the first quarter the refractory segment has entered into three maintenance contracts with a total estimated contract value of MNOK 140 – 185. The contract periods vary among the three contracts, ranging from full delivery by 2024 to a duration of up to six years. Total estimated turnover from the three contracts in 2024 are between MNOK 50 – 55, with delivery in third and fourth quarter.

The Group has reduced its inventory by MNOK 27.3 compared to March 31, 2023 and will continue work for reduced inventory and working capital level in general going forward. Due to the seasonal fluctuations in the business it can be expected an increase in inventory level in second quarter of 2024 to provide materials and products for installation and delivery in high season in third quarter.

Over the past twelve months, there has been a significant decrease in net interest-bearing debt within the segment. As of March 31, 2024, the ratio of net interest-bearing debt to adjusted last twelve months EBITDA stands at 1.3, a substantial improvement from the ratio of 6.1 reported on March 31, 2023. The financial position for the refractory segment is reviewed as good at the end of the first quarter 2024.

³ Adjusted last twelve months EBIT are EBIT excluding the positive EBIT from Vienna Arbitration, review APM for more information.

Other Activities Included in the Group

	2024	2023	2023
(MNOK)	1st quarter	1st quarter	31.12
EBITDA	-5	-3	-12
Earnings before financial items and tax (EBIT)	-5	-3	-13

Other activities primarily include the group company Borgestad ASA.

In first quarter of 2024 Borgestad ASA have higher costs than normal for the company. The costs are expected to stabilize at normalised levels going forward.

In 2023, Borgestad ASA entered into a mandate agreement with Q4 Næringsmegling AS for the

sale of the head office located at Gunnar Knudsens veg 144 in Skien, Norway.

The head office was introduced to the market for sale in February 2023, with an asking price of MNOK 16. The building is to date not sold.

Subsequent events

No significant events have occurred between 31.03.24 and the date of this report.

Outlook

The Board of Directors expect that the Group will improve results and cash flow going forward. The Group expects that the margin development for the refractory segment will continue its positive development trajectory.

In addition, Borgestad ASA will continue exploring the possibilities for transformational M&A and other liquidity events for Agora Bytom.

Condensed consolidated interim statement of income

(NOK 1 000) (Unaudited)	Note	2024	2023	2023
		1st quarter	1st quarter	
Revenue and other income	2	222 759	218 594	1 141 417
Materials, supplies and subcontracting	1	102 225	114 113	582 570
Salary and personnel expenses	1	86 334	71 789	347 108
Other expenses		26 044	25 686	84 262
Total operating expenses		214 603	211 588	1 013 939
EBITDA		8 156	7 006	127 478
Depreciation	6	7 903	6 987	31 750
Impairment of non-current assets	6	-	-	94 298
Operating profit (EBIT)	2	253	19	1 430
Financial items				
Foreign currency gain/(loss)		161	440	10 534
Interest expenses		5 206	8 835	51 910
Other financial income/(expenses)		551	16	2 664
Net financial items		-4 494	-8 379	-38 712
Profit before taxes	2	-4 241	-8 359	-37 283
Income tax		721	1 709	26 309
Profit/(loss) for the periode		-4 962	-10 069	-63 592
Allocated as follows:				
Non-controlling interest's share of the profit		-2 196	-3 277	14 690
Controlling interest's share of the profit		-2 766	-6 792	-78 281
Basic and diluted earnings per share		0,00	-0,04	-0,23

Condensed consolidated interim statement of comprehensive Income

	2024	2023	2023
	1st quarter	1st quarter	
Profit/(loss) for the periode	-4 962	-10 069	-63 592
Other comprehensive income			
<i>Other income and expenses that will not be reclassified to profit:</i>			
Net actuarial gain/(loss) on defined benefit pension plans net of tax	-	-	-1 819
<i>Other income and expenses that may be reclassified to profit or loss:</i>			
Translation differences	17 293	36 147	24 058
Change in fair value of cash flow hedging net of tax	-2 554	-1 206	-7 406
change in other equity transactions	-	-20	-1
Net other comprehensive income	14 738	34 921	14 832
Total comprehensive income for the periode	9 776	24 852	-48 760
Non-controlling interest's share of total comprehensive income	-2 030	475	18 605
Controlling interest's share of total comprehensive income	11 806	24 377	-67 365

Condensed consolidated interim statement of financial position

(NOK 1 000) (Unaudited)	Note	2024 31.3.	2023 31.3.	2023 31.12.
Assets				
Investment property	6	727 085	805 501	701 407
Land, buildings		19 935	50 283	17 890
Fixtures, machinery and vehicles		35 938	30 518	37 066
Right-of-use assets		32 843	30 579	28 499
Licences, trade marks and similar rights		27 969	18 035	33 902
Goodwill		89 513	90 078	90 108
Other financial assets		3 829	40 133	6 679
Other shares		182	1 897	176
Deferred tax asset		14 426	19 290	13 734
Total non-current assets		951 719	1 086 314	929 461
Inventories		143 338	170 636	118 733
Trade receivables		164 242	213 887	184 567
Other receivables		9 230	9 797	7 763
Cash and cash equivalents		147 106	80 205	152 688
Total current assets		463 917	474 526	463 752
Non-current assets classified as held for sale	5	13 195	-	13 165
Total assets		1 428 831	1 560 840	1 406 378

Consolidated Balance Sheet, continued

(NOK 1 000) (Unaudited)	Note	2024	2023	2023
		31.3.	31.3.	31.12.
Equity and liabilities				
Share capital		350 621	152 491	350 621
Treasury shares		-	-80	-
Share premium and other paid-in capital		326 121	335 382	326 121
Total paid-in capital		676 741	487 793	676 741
Other reserves		168 497	158 612	153 759
Other equity		-150 862	-168 820	-147 929
Retained earnings		17 636	-10 208	5 830
Non-controlling interest		71 240	55 140	73 270
Total equity		765 617	532 725	755 842
Interest-bearing debt	4	343 323	510 630	335 742
Other non-current liabilities		-	60 763	-
Lease liability		26 202	26 246	27 453
Pension liabilities		6 480	6 152	6 369
Deferred tax		7 890	1 685	7 988
Total non-current liabilities		383 894	605 476	377 552
Bond-loan		-	96 833	-
Interest-bearing debt	4	58 005	32 588	60 043
Lease liability		12 811	8 785	12 641
Bank overdraft		-	50 668	24 098
Trade payables		86 900	111 292	64 017
Tax payables		10 356	3 694	12 147
Public duties payable		30 515	23 675	27 560
Other short-term liabilities		80 732	95 104	72 479
Total current liabilities		279 320	422 638	272 984
Total equity and liabilities		1 428 831	1 560 839	1 406 378

Borgestad, May 15 2024

Board of Directors, Borgestad ASA

Glen Ole Rødland
Chairman

Helene Bryde Steen
Board Member

Jacob Andreas Møller
Board Member

Wenche Kjølås
Board Member

Jan Erik Sivertsen
Board Member

Pål Feen Larsen
CEO

The document is electronically signed.

Consolidated Statement of Cash Flows

	2024	2023	2023
(NOK 1 000) (Unaudited)	1st quarter	1st quarter	
Cash flow from operating activities before balance changes	625	-3 053	88 390
+/- Balance changes	26 855	14 424	78 523
Net cash flow from operating activities	27 480	11 371	166 913
Investment in fixed tangible and intangible assets	-267	-8 328	-37 912
Sale of fixed assets		-	1 328
Net cash flow from investing activities	-267	-8 328	-36 584
Proceeds from issuing new shares	-	-	296 729
Repayment of borrowings	-4 245	-2 978	-312 498
Net change bank overdraft	-24 098	-7 869	-34 439
Payment of lease liabilities	-4 452	-3 050	-18 492
Net cash flow from financial activities	-32 794	-13 897	-68 700
Cash flow for the period	-5 582	-10 854	61 629
Cash and cash equivalent at beginning of period	152 688	91 059	91 059
Cash and cash equivalent at end of period	147 106	80 205	152 687
Available liquidity at end of period	208 528	88 550	186 085

Statement of Change in Equity

(NOK 1 000)	Share capital	Share premium reserve	Other paid-in capital	Fair value reserve of debt instruments at FVOCI	Translation differences	Total other equity	Non-controlling interests	Total equity
Equity as at 01.01.2023	152 491	335 382		13 560	123 546	-171 691	54 665	507 873
Share capital decrease by transfer to other paid-in capital	-114 362		114 362					-
Issue of share capital	312 500	-15 771						296 729
Other change	-8	-72						-
Profit/(loss) for the year		-106 391				28 110	14 690	-63 592
Net other comprehensive income		-1 388		-7 406	24 059	-4 347	3 915	14 832
Equity as at 31.12.2023	350 621	211 759	114 362	6 154	147 605	-147 929	73 270	755 842
Equity as at 01.01.2024	350 621	211 759	114 362	6 154	147 605	-147 929	73 270	755 842
Profit/(loss) for the periode						-2 766	-2 196	-4 962
Net other comprehensive income				-2 554	17 293	-167	166	14 737
Equity as at 31.03.2024	350 621	211 759	114 362	3 599	164 898	-150 861	71 240	765 617

Share Information

Number of shares	Ordinary shares issued	Treasury shares	Ordinary shares outstanding
01.01.2023	152 490 851	-8 010	152 482 841
Change 2023	1 249 991 990	8 010	1 250 000 000
31.12.2023	1 402 482 841	-	1 402 482 841
Change 2024	-	-	-
31.03.2024	1 402 482 841	-	1 402 482 841

Notes to the Condensed Interim Financial Statements

Note 1 Accounting Principles and Comparable Numbers

All reported figures in the financial statements are based on International Financial Reporting Standards (IFRS). Borgestad's accounting principles are presented in Borgestad's Financial Statements - 2023.

The interim financial statements are presented in accordance with IAS 34 Interim Financial Reporting. The condensed consolidated interim financial information should be read in conjunction with Borgestad's *Financial Statements – 2023* that are a part of *Borgestad's Annual Report – 2023*.

The interim financial information has not been subject to audit or review.

Use of estimates

The management has used estimates and assumptions that have affected assets, liabilities, revenues, expenses, and disclosure of potential obligations. This applies in particular to depreciation of fixed assets, impairment of goodwill, valuations related to acquisitions, and pension obligations. Future events may cause the estimates to change. Estimates and their underlying assumptions are assessed on an ongoing basis and are based on best judgment and historical experience. Changes in accounting estimates are recognized in the period in which the changes occur. If the changes also relate to future periods, the effect is distributed over the current and future periods.

Correction of agio and cash and cash equivalents in first quarter of 2023

Agio, income tax cash and cash equivalents was wrongly reported in first quarter of 2023 with MNOK 13.4. In the report for first quarter of 2024 the mistake is corrected and agio, income tax and cash and cash equivalents are corrected with MNOK 13.4, MNOK 2.6 and MNOK 13.4 respectively. As a result of the changes profit/(loss) for the period is MNOK 10.9 lower at end of first quarter 2023, and also the total equity is decreased with MNOK 10.9 per 31.03.2023.

Correction of classification error in first, second and third quarter of 2023

Salary and personnel expenses related to projects in the refractory segment have by mistake been presented as materials, supplies and subcontracting in the first, second and third quarter reporting of 2023. In the attached tables, the classification mistakes are shown and reclassified from materials, supplies and subcontracting to salary and personnel expenses. The change is presented for each quarter that has been wrongly classified. The exchange rates used to convert the deviation are the average exchange rates for the respective periods.

Reported 2023 figures in 2024				
(NOK 1 000) (Unaudited)	1st quarter	2nd quarter	3rd quarter	1st-3rd quarter
Revenue and other income	218 594	316 745	381 120	916 458
Materials, supplies and subcontracting	114 113	180 636	187 742	482 491
Salary and personnel expenses	71 789	92 915	93 632	258 336
Other expenses	25 686	25 561	16 497	67 744
Total operating expenses	211 588	299 111	297 871	808 570
EBITDA	7 006	17 633	83 249	107 888

Changes				
(NOK 1 000) (Unaudited)	1st quarter	2nd quarter	3rd quarter	1st-3rd quarter
Revenue and other income			-4 338	-4 338
Materials, supplies and subcontracting	31 855	58 388	60 506	150 749
Salary and personnel expenses	-31 855	-58 388	-60 506	-150 749
Other expenses			4 338	4 338
Total operating expenses	-	-	4 338	4 338
EBITDA	-	-	-	-

Reported figures in 2023				
(NOK 1 000) (Unaudited)	1st quarter	2nd quarter	3rd quarter	1st-3rd quarter
Revenue and other income	218 594	316 745	376 782	912 120
Materials, supplies and subcontracting	145 968	239 024	248 248	633 240
Salary and personnel expenses	39 934	34 527	33 126	107 587
Other expenses	25 686	25 561	12 159	63 405
Total operating expenses	211 588	299 111	293 533	804 232
EBITDA	7 006	17 633	83 249	107 888

Note 2 Operating Segment Information

Group	2024	2023	2023
(NOK 1 000)	1st quarter	1st quarter	
Revenue	222 759	218 594	1 141 417
EBITDA	8 156	7 006	127 478
Depreciation	7 903	6 987	31 750
Impairment of non-current assets	-	-	94 298
Operating profit (EBIT)	253	19	1 430
Financial items	-4 494	-8 379	-38 712
Profit before tax	-4 241	-8 359	-37 283

Segment Real Estate	2024	2023	2023
(NOK 1 000)	1st quarter	1st quarter	
Revenue	18 875	17 356	69 169
EBITDA	9 486	10 308	37 088
Depreciation	2 120	2 042	8 458
Impairment of non-current assets	-	-	94 298
Operating profit (EBIT)	7 365	8 266	-65 668
Financial items	-2 878	-4 162	-15 882
Profit before tax	4 488	4 104	-81 549

Segment Refractory	2024	2023	2023
(NOK 1 000)	1st quarter	1st quarter	
Revenue	203 873	201 201	1 072 165
EBITDA	3 334	-360	101 986
Depreciation	5 543	4 475	22 365
Operating profit (EBIT)	-2 210	-4 836	79 621
Financial items	-3 255	-2 650	-21 621
Profit before tax	-5 464	-7 485	58 000

Segment other and eliminations:	2024	2023	2023
(NOK 1 000)	1st quarter	1st quarter	
EBITDA	-4 663	-2 942	-11 596
Depreciation	239	469	927
Operating profit (EBIT)	-4 903	-3 411	-12 523
Financial items	1 638	-1 567	-1 209
Profit before tax	-3 264	-4 978	-13 734

Note 3 Significant Events in 2024

None significant events has incurred in 2024.

Note 4 Interest-Bearing Debt

Agora Bytom Sp. z o.o. has a loan of MEUR 29.5 in Bank Pekao in Poland as of March 31, 2024, after a decrease in the outstanding loan of MEUR 0,4 in first quarter of 2024. The loan is booked at amortized cost and matures on December 31, 2028. Until June 30, 2024, 100 percent of the loan commitment is interest-secured with a fixed interest rate of 0.3 percent beyond the interest margin of 2.80 per cent until maturity. Agora Bytom has an obligation to enter into an interest hedging of minimum 70 percent of the outstanding loan amount before June 30, 2024 and until maturity.

Höganäs Borgestad has mortgage debt of MNOK 61,3 in Nordea as of March 31, 2024. Loan maturity is June 30, 2025 or later. Part of the loan, MNOK 50,2, are reclassified as short term interest bearing debt in connection to assets held for sale on March 31, 2024. In addition, the Group has MSEK 70 in credit facilities for ongoing financing of working capital. The credit facility was unutilized March 31, 2024.

Note 5 Assets and Liabilities Classified as Held for Sale

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through sale rather than continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less cost to sell and presented separately as assets held for sale and liabilities held for sale in the statement of financial position.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan to sell will be withdrawn. In addition, management must be committed to the plan, and it is expected that the sale will be completed within a year.

Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale.

Höganäs Bjuv Fastighets AB, an indirect subsidiary of Borgestad ASA, entered on 27 October 2023, into a conditional agreement with Bjuv municipality in Sweden for a sale and leaseback transaction for two properties in Sweden where the Group's production plant and other production facilities for refractory products are located.

Borgestad Group will sell the two properties, including the production facilities, to Bjuv municipality and then lease the production facilities back to continue its production of refractory products in line with previous practice. Prior to completion of the transaction, the two properties will be transferred to a new wholly owned subsidiary of Höganäs Bjuv Fastighet AB, and the transaction will be structured as a sale by Höganäs Bjuv Fastighet AB of the shares in such subsidiary.

The transaction was approved by the Municipal Council of Bjuv on 11 December 2023, but the Group has been informed that a complaint regarding the approval from Bjuv municipality has been received prior to the expiration of the appeal period. The complaint relates to the purchase price in the transaction and that this, in the claimant's opinion, significantly exceeds the market value of the two properties. The complaint will be handled by the Administrative Court in Malmö (the Administrative Court").

The approval of the transaction by Bjuv municipality will only become binding once the complaint has been finally resolved in the claimant's disfavor, and the completion of the transaction is conditional upon such binding approval. The Group estimate that the transaction is completed during 2024.

In connection with the sale the Group has outstanding interest bearing debt to Nordea that will be repaid upon completion of the transaction. The total loan amount that needs to be repaid at completion is MNOK 50.2 per March 31, 2024. The loan amount is classified as interest bearing debt, current liabilities.

Asset	2024	2023	2023
(NOK 1 000)	31.3.	31.3.	
Buildings and plant	13 195	-	13 165
Total assets classified as held for sal	13 195	-	13 165

Note 6 Investment property

	2024	2023	2023
(NOK 1 000)	1st quarter	1st quarter	
Opening balance as at 1st of January	701 407	745 008	745 008
Additions	267	241	5 647
Depreciation	2 120	2 042	8 458
Write downs	-	-	94 298
Translation differences	27 531	62 295	53 508
As at period end	727 085	805 502	701 407

During the first quarter of 2024, management has not identified any indicators of impairment for Agora Bytom.

Alternative Performance Measures (APMs)

Alternative performance measures, i.e., financial targets that are not defined or stated in the relevant regulations for reporting historical financial information, are used by Borgestad in order to be able to provide supplementary information by excluding items which, in Borgestad's assessment, do not give a good indication of periodic operating profit or cash flow. Financial alternative performance measures are intended to provide better comparability of results and cash flows from period to period, and it is Borgestad's experience that these are often used by analysts, investors, and other actors. Borgestad uses the same performance targets internally in the work to further improve results and profitability in the business by setting long-term financial targets. Borgestad's alternative performance measures are defined based on adjusted IFRS concepts and are defined, calculated, and used in a consistent and transparent manner over time where it is relevant in all business areas and in the Group as a whole. Financial alternative performance measures must not be considered a substitute for reported results in accordance with IFRS.

Borgestad's financial alternative performance measures:

EBITDA: EBIT + depreciation, amortization and write-downs.

EBIT: Profit before financial items and tax.

Return on equity: Profit before tax expense, minus payable tax, minus unrealized premium, as a percentage of average equity.

Return on total capital: Profit before tax plus interest costs as a percentage of average total capital.

Liquidity ratio: Current assets as a percentage of short-term debt.

Equity share: Booked equity including minority interests as a percentage of total capital.

Bank deposits and securities: Bank and short-term financial investments.

Interest-bearing debt: Long-term and short-term loans, including financial leasing obligations.

Profit: Net profit divided by the average number of shares.

Cash flow: Cash flow divided by the average number of shares.

³⁾ EBIT adjusted segment refractory	2024	2023	2023
	1st quarter	1st quarter	
EBIT LTM	82 247	14 817	79 621
Gain resulting from the arbitration case	-46 400	-	-46 400
EBIT adjusted	35 847	14 817	33 221

³⁾ EBIT adjusted segment refractory	2024	2023	2023
	1st quarter	1st quarter	
Revenue and other income LTM	1 074 837	893 392	1 072 165
EBIT adjusted LTM	35 847	14 817	33 221
EBIT adjusted	3,3 %	1,7 %	3,1 %

4) EBITDA adjusted	2024	2023	2023	2022
	1st quarter	1st quarter	31.12.	31.12.
EBITDA LTM	128 628	56 685	127 478	52 293
Gain resulting from the arbitration case	-46 400	-	-46 400	-
EBITDA adjusted	82 227	56 685	81 078	52 293
Return on equity	2024	2023	2023	2022
	1st quarter	1st quarter	31.12.	31.12.
Total equity	765 617	532 725	755 842	507 873
Average equity LTM	649 171	520 299	631 857	423 585
Profit before taxes	-4 241	-8 359	-37 283	-124 320
Foreign currency gain/(-) loss	161	440	10 534	-6 839
Return on equity in %	-0,6 %	-1,5 %	-4,2 %	-31,0 %
Return on total capital	2024	2023	2023	2022
	1st quarter	1st quarter	31.12.	31.12.
Total capital	1 428 831	1 560 839	1 406 378	1 466 558
Average capital	1 417 605	1 513 699	1 436 468	1 449 093
Profit before taxes	-4 241	-8 359	-37 283	-124 320
Interest expenses	161	440	51 910	47 429
Return on total capital in %	-0,3 %	-0,5 %	1,0 %	-5,3 %
Liquidity ratio	2024	2023	2023	2022
	1st quarter	1st quarter	31.12.	31.12.
Current assets	477 112	474 526	463 752	455 432
Current liabilities	279 320	422 638	272 984	344 718
Liquidity ratio in %	170,8 %	112,3 %	169,9 %	132,1 %
Equity ratio	2024	2023	2023	2022
	1st quarter	1st quarter	31.12.	31.12.
Total equity	765 617	532 725	755 842	507 873
Total capital	1 428 831	1 560 839	1 406 378	1 466 558
Equity ratio in %	53,6 %	34,1 %	53,7 %	34,6 %
IBD (Interest-bearing debt)	2024	2023	2023	2022
	1st quarter	1st quarter	31.12.	31.12.
Other non-current liabilities	-	60 763	-	76 031
Mortgage debt	401 328	543 218	395 785	510 791
Bond loan	-	96 833	-	96 581
Lease liability	39 013	35 031	40 093	37 877
Bank overdraft	-	50 668	24 098	58 537
Total interest-bearing debt	440 341	786 514	459 976	779 816
NIBD (Net Interest-bearing debt)	2024	2023	2023	2022
	1st quarter	1st quarter	31.12.	31.12.
IBD (Interest-bearing debt)	440 341	786 514	459 976	779 816
Cash	147 106	80 205	152 688	91 059
Total	293 235	706 308	307 289	688 757

NIBD/EBITDA	2024	2023	2023	2022
	1st quarter	1st quarter		
	LTM	LTM		
NIBD (Net Interest-bearing debt)	293 235	706 308	307 289	688 757
EBITDA	128 628	56 684	127 478	52 293
NIBD/EBITDA	2,3	12,5	2,4	13,2
Profit per share	2024	2024	2023	2022
	1st quarter	1st quarter	31.12.	31.12.
Controlling interest's share of the profit	-2 766 -	6 792	-78 281	-124 805
Average no of shares	1 402 483	152 483	339 983	112 144
Profit per share in %	-0,002	-0,045	-0,230	-1,113
Cash per share	2024	2023	2023	2022
	1st quarter	1st quarter	31.12.	31.12.
Cash flow	147 106	80 205	152 688	91 059
Average no of shares	1 402 483	152 483	339 983	112 144
Cash per share in %	0,10	0,53	0,45	0,81
Working capital	2024	2023	2023	2022
	1st quarter	1st quarter	31.12.	31.12.
Current assets	477 112	474 526	463 752	455 432
Current liabilities	279 320	422 638	272 984	344 718
Working capital	197 792	51 887	190 767	110 714
Available liquidity at end of period	2024	2023	2023	
	31.03.2024	31.03.2023	31.12.2023	
Drawn on the overdraft facility	-	-50 668	-24 098	
Overdraft facility 70 MSEK	73 710	70 707	70 910	
Restricted deposits	-12 288	-11 694	-13 415	
Cash	147 106	80 205	152 688	
Available liquidity at end of period	208 528	88 550	186 085	



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