



BORGESTAD ASA

Second Quarter 2024 Report

August 22, 2024

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Highlights and Key Figures

Highlights

- 1 Borgestad Groups profit before tax at MNOK 32.7 for second quarter 2024 compared to MNOK 2.2 in second quarter 2023.
- 2 EBIT margin at 6.0 percent for Höganäs Borgestad Group YTD'24¹ compared to 0.4 percent YTD'23.
- 3 Borgestad ASA has entered into a binding agreement for sale of Gunnar Knudsens veg 144 in second quarter. Completion of the sale is estimated to be finalized in October 2024.
- 4 Borgestad increased its shareholdings with 5.5 percent in Höganäs Borgestad Group in the quarter, currently owning 69.7 percent.

Key Figures

MNOK	Q1-Q2		
	2024	2023	2023
Operating income	559	535	1 141
EBITDA	53	25	127
Depreciation & Impairment of non-current assets	16	11	126
Operating profit (EBIT)	37	14	1
Profit before tax	28	-6	-37

MNOK	30.06.2024	30.06.2023	31.12.2023
	Cash	130	51
Available liquidity at end of period	143	60	186
IBD	486	788	460
NIBD	355	738	307
NIBD/EBITDA LTM	2,3	9,9	2,4
Equity ratio	52 %	34 %	38 %

¹ YTD = year to date

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

Second quarter is the start of the high season for Höganäs Borgestad Group. When comparing first quarter turnover for Höganäs Borgestad with second and third quarter the rise in activity and turnover is normally 50 percent or above for each quarter. Also this year the increase is reflected in the activity for Höganäs Borgestad, however the differens so far in 2024 is that the EBIT margins are improving as well.

Höganäs Borgestad has increased EBIT margin for each month and each quarter when comparing year on year. The increase in EBIT margin is due to increased focus on profitability and project execution that has proven positive for the EBIT margin. The margin improvement year to date and specifically in the second quarter, is not a coincidence, but hard work over time.

Höganäs Borgestad has year to date an EBIT margin of 6.0 percent compared to 0.4 percent in the same period 2023. Borgestad has guided

that in the medium term, Höganäs Borgestad should have an stabilized EBIT margin of 7 percent or above. Höganäs Borgestad has started the journey to increase EBIT, but it's still a lot of development and improvements to be implemented going forward.

Borgestad expect further increase in relation to EBIT margin in the coming periods and review the situation for Höganäs Borgestad as good for further development in 2024.

Borgestad will continue to implement the communicated 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.

To summarize, Borgestad has a good underlying start of the year, and we expect to continue the positive developement in 2024.

Pål Feen Larsen
CEO

Operational and Financial Review

Group Results

(MNOK)	2024	2023	2024	2023
	2nd quarter	2nd quarter	1st-2nd quarter	1st-2nd quarter
Revenue	337	317	559	535
Total operating cost	292	299	506	511
EBITDA	45	18	53	25
Depreciation	9	4	16	11
Earnings before financial items and tax (EBIT)	37	13	37	14
Financial items	-4	-11	-8	-20
Profit before taxes	33	2	28	-6

Borgestad Group has shown positive developments in revenue and EBITDA in second quarter of 2024, for both refractory and property segment. The Group are increasing the EBITDA from MNOK 17.6 in second quarter 2023 to MNOK 45.2 in second quarter 2024, mainly due to increased margins within the refractory business.

Net financials for the Group for second quarter 2024 improved compared to second quarter 2023. The improvement of MNOK 4,5 in second quarter is based on lower interests payments, due to materially reduced debt level compared to second quarter 2023.

The order intake and order backlog for the refractory segment at the end of the second quarter of 2024 is at normalized levels.

Balance Sheet

Numbers in parenthesis are as of December 31, 2023.

As of June 30, 2024, the Group had total assets of MNOK 1,480.2 (1,406.4). Equity amounted to MNOK 762.5 (755.8), representing an equity ratio of 51.5 percent as of June 30, 2024.

The Group's current assets amounted to MNOK 533.8 (463.8). Non-current liabilities were MNOK 381.6 (377.6), while current liabilities amounted to MNOK 336.1 (273.0).

The Groups working capital amounted to MNOK 312.5, compared to MNOK 320.3 per June 30, 2023.

As of June 30, 2024, the Group's total interest-bearing debt is MNOK 485.7 (460.0), and net interest-bearing debt is MNOK 355.4 (307.3).

The Group has per June 30, 2024, a sustainable balance sheet, a good cash position, and are fully financed.

Cash Flow, Investments, and Liquidity

Numbers in parenthesis are as of June 30, 2023.

The Group's cash flow from operating activities was negative with MNOK 22.9 (negative MNOK 3.7) in first half of 2024. The cash flow from operating activities is negative in first half mainly due to increased working capital as a consequence of the increased activity within refractory segment.

Cash flow from investing activities was negative at MNOK 13.7 (negative MNOK 8.9), and cash flow from financial activities was negative at MNOK 14.4 (negative MNOK 27.9). As a result, the cash flow for first half 2024 was negative at MNOK 22.4 (negative MNOK 40.5).

Available liquidity as of June 30, 2024, was MNOK 142.8 (MNOK 59.5).

Real Estate

(MNOK)	2024	2023	2024	2023
	2nd quarter	2nd quarter	1st-2nd quarter	1st-2nd quarter
Revenue	19	18	38	35
EBITDA	11	10	20	20
Earnings before financial items and tax (EBIT)	9	8	16	16

The last months the inflation in Poland has been stable between 2.0 and 3.0 percentage. For June 2024, inflation ended at 2.6 percent. 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 7.1 % year to date 2024 compared with same period 2023.

The turnover among the tenants in Agora Bytom increased with 4.0 percent in second quarter of 2024 compared to same period 2023. Year to date 2024 the turnover among tenants in Agora Bytom increased by 7.1 percentage compared to same period in 2023.

The number of visitors has a decrease in second quarter of 2024 and 4.2 percentage compared to same period in 2023. Agora Bytom has had approximately 4.8 million visitors in the center last twelve months.

In second quarter, the property segment achieved rental income and EBITDA of MNOK 18.8 and MNOK 10.7, respectively, compared to MNOK 17.7 and MNOK 9.8 in 2023.

Agora Bytom maintains a robust presence in the local market, consistently with high occupancy rate. 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 4.8 million visitors last twelve months.

The WAULT² by area and income are as of June 30, 2024, 3.41 years and 3.22 years respectively.

Borgestad expects revenue and EBITDA to remain stable in the coming periods. Agora Bytom fulfilled the obligation to enter into an interest hedging before end of June 2024, the hedging of 70 percent of the outstanding loan at any time was completed at a rate of 3.17 percent above the interest margin of 2.80 percent until maturity. Due to the new hedging the cost of financing will increase going forward for Agora Bytom compared to first half of 2024.

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

(MNOK)	2024	2023	2024	2023	2023
	2nd quarter	2nd quarter	First half	First half	31.12
Revenue	318	299	522	500	1 072
EBITDA	40	9	43	9	102
Earnings before financial items and tax (EBIT)	33	7	31	2	80
EBIT in percent	10 %	2 %	6 %	0 %	7 %

In second quarter of 2024 the refractory segment achieved a revenue of MNOK 318.0 which is an increase of 6.3 percent compared to same period in 2023.

Adjusted EBIT margin increased with 2.9 percent last twelve months.

In second quarter of 2024 an EBIT of MNOK 33.3 was achieved compared to an EBIT of MNOK 6.9 in 2023. For first half of 2024 an EBIT of MNOK 31.1 was achieved, an EBIT margin of 6.0 percent.

The refractory segment has the last twelve months increased revenue with 11.3 percent, and in the same period increased adjusted last twelve months EBIT³ margin with 2.9 percent to 5.7 percent. The increase in EBIT in second quarter and last twelve months is due to the better operational performance within installation

projects in Sweden and Finland, including announced exit from green field projects within cremation.

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

The refractory segment has a normal order intake and order backlog for the upcoming period, the order backlog per June 30, 2024, are at MNOK 256.0.

Over the past twelve months, there has been a significant decrease in net interest-bearing debt within the segment. As of June 30, 2024, the ratio of net interest-bearing debt to adjusted last twelve months EBITDA stands at 1.5, a substantial improvement from the ratio of 5.3 reported on June 30, 2023. The financial position for the refractory segment is reviewed as good at the end of the second 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

(MNOK)	2024	2023	2024	2023
	2nd quarter	2nd quarter	1st-2nd quarter	1st-2nd quarter
EBITDA	-5	-1	-10	-4
Earnings before financial items and tax (EBIT)	-5	-1	-10	-5

Other activities primarily include the group company Borgestad ASA.

In second quarter of 2024 Borgestad ASA has higher costs than normal for the company. The costs are expected to stabilize at reduced levels going forward.

In second quarter of 2024, Borgestad ASA has entered into a purchase agreement for the sale of the head office located at Gunnar Knudsens veg 144 in Skien, Norway.

The agreed head of terms for the sale of the office building is MNOK 10, where 50 percent is agreed as vendor credit. The vendor credit has a duration of maximum three years. The agreed date for completion of the transaction is October 1st, 2024.

The accounting gain associated with the sale will be recorded upon completion of the transaction but is estimated to be approximately MNOK 7.0.

Subsequent events

No significant events have occurred between 30.06.24 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 positive margin development for the refractory segment will continue.

In addition, Borgestad ASA will explore 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	2024	2023	2023
		2nd quarter	2nd quarter	First half	First half	
Revenue and other income	2	336 727	316 745	559 487	535 339	1 141 417
Materials, supplies and subcontracting	1	152 089	180 637	254 314	294 749	582 570
Salary and personnel expenses	1	109 960	92 915	196 294	164 704	347 108
Other expenses		29 483	25 560	55 527	51 246	84 262
Total operating expenses		291 532	299 111	506 135	510 699	1 013 939
EBITDA		45 195	17 633	53 351	24 640	127 478
Depreciation	6	8 575	4 150	16 478	11 137	31 750
Impairment of non-current assets	6	-	-	-	-	94 298
Operating profit (EBIT)	2	36 620	13 483	36 873	13 503	1 430
Financial items		-	-	-	-	-
Foreign currency gain/(loss)		243	1 025	403	1 465	10 534
Interest expenses		5 439	12 144	10 645	20 979	51 910
Other financial income/(expenses)		1 235	-121	1 786	-104	2 664
Net financial items		-3 962	-11 240	-8 456	-19 618	-38 712
Profit before taxes	2	32 658	2 244	28 417	-6 116	-37 283
Income tax		2 309	-3 964	3 030	-2 255	26 309
Profit/(loss) for the period		30 350	6 208	25 388	-3 861	-63 592
Allocated as follows:						
Non-controlling interest's share of the profit		8 548	91	6 352	-3 186	14 690
Controlling interest's share of the profit		21 802	6 117	19 036	-675	-78 281
Basic and diluted earnings per share		0,54	0,04	0,54	0,00	-0,23

Condensed consolidated interim statement of comprehensive Income

	2024	2023	2024	2023	2023
	2nd quarter	2nd quarter	First half	First half	
Profit/(loss) for the periode	30 350	6 208	25 388	-3 861	-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	-14 186	13 194	3 107	49 341	24 058
Change in fair value of cash flow hedging net of tax	-6 014	-754	-8 569	-1 960	-7 406
change in other equity transactions	-126	18	-126	-2	-1
Net other comprehensive income	-20 326	12 458	-5 588	47 379	14 832
Total comprehensive income for the periode	10 023	18 666	19 799	43 518	-48 760
Non-controlling interest's share of total comprehensive income	7 783	-995	5 753	-520	18 605
Controlling interest's share of total comprehensive income	2 240	19 661	14 046	44 038	-67 365

Condensed consolidated interim statement of financial position

(NOK 1 000) (Unaudited)	Note	2024 30.6.	2023 30.6.	2023 31.12.
Assets				
Investment property	6	707 417	826 121	701 407
Land, buildings		19 315	39 594	17 890
Fixtures, machinery and vehicles		35 341	29 008	37 066
Right-of-use assets		36 007	30 626	28 499
Licences, trade marks and similar rights		26 828	29 390	33 902
Goodwill		88 910	89 576	90 108
Other financial assets		859	40 540	6 855
Deferred tax asset		15 787	26 031	13 734
Total non-current assets		930 464	1 110 884	929 461
Inventories		144 224	155 779	118 733
Trade receivables		249 501	284 951	184 567
Other receivables		9 780	9 971	7 763
Cash and cash equivalents		130 263	50 544	152 688
Total current assets		533 768	501 244	463 752
Non-current assets classified as held for sale	5	15 947	-	13 165
Total assets		1 480 178	1 612 128	1 406 378

Consolidated Balance Sheet, continued

(NOK 1 000) (Unaudited)	Note	2024 30.6.	2023 30.6.	2023 31.12.
Equity and liabilities				
Share capital		35 062	152 491	350 621
Treasury shares		-	-80	-
Share premium and other paid-in capital		641 679	335 382	326 121
Total paid-in capital		676 741	487 793	676 741
Other reserves		148 297	170 969	153 759
Other equity		-130 812	-161 516	-147 929
Retained earnings		17 486	9 453	5 830
Non-controlling interest		68 280	54 146	73 270
Total equity		762 507	551 392	755 842
Interest-bearing debt	4	333 519	56 844	335 742
Other non-current liabilities		4 531	59 816	-
Lease liability		30 439	26 349	27 453
Pension liabilities		6 584	5 503	6 369
Deferred tax		6 514	1 630	7 988
Total non-current liabilities		381 587	150 142	377 552
Bond-loan		-	97 095	-
Interest-bearing debt	4	55 475	489 500	60 043
Lease liability		12 811	8 610	12 641
Bank overdraft		48 926	50 013	24 098
Trade payables		81 237	120 462	64 017
Tax payables		13 775	2 149	12 147
Public duties payable		43 823	44 042	27 560
Other short-term liabilities		80 037	98 724	72 479
Total current liabilities		336 085	910 594	272 984
Total equity and liabilities		1 480 178	1 612 128	1 406 378

Borgestad, August 22 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

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Consolidated Statement of Cash Flows

	2024	2023	2023
(NOK 1 000) (Unaudited)	First half	First half	
Cash flow from operating activities before balance changes	38 822	3 340	88 390
+/- Balance changes	-61 687	-7 044	78 523
Net cash flow from operating activities	-22 865	-3 704	166 913
Investment in fixed tangible and intangible assets	-506	-9 826	-37 912
Investments in shares in subsidiaries	-13 169	-	-
Sale of fixed assets	-	927	1 328
Net cash flow from investing activities	-13 675	-8 899	-36 584
Proceeds from issuing new shares	-	-	296 729
Repayment of borrowings	-10 713	-19 389	-312 498
Net change bank overdraft	24 828	-8 524	-34 439
Payment of lease liabilities	-	-	-18 492
Net cash flow from financial activities	14 115	-27 913	-68 700
Cash flow for the period	-22 425	-40 515	61 629
Cash and cash equivalent at beginning of period	152 688	91 059	91 059
Cash and cash equivalent at end of period	130 263	50 544	152 687

Statement of Change in Equity

(NOK 1 000)	Share capital	Share premium reserve	Other paid-in capital	Treasury shares	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		-80	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		80					-
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
Issue of share capital	-								-
Share capital decrease by transfer to other paid-in capital	-315 559		315 559						-
Purchase of shares in subsidiaries							-2 392	-10 743	-13 135
Profit/(loss) for the periode							19 036	6 352	25 388
Net other comprehensive income					-8 569	3 107	473	-599	-5 588
Equity as at 30.06.2024	35 062	211 759	429 921		-2 415	150 712	-130 812	68 280	762 507

Share Information

Number of shares	Ordinary shares issued	Treasury shares	Ordinary shares outstanding
01.01.2023	152 490 851	-8 010	152 482 841
Rights issue 2023	1 249 991 990	8 010	1 250 000 000
31.12.2023	1 402 482 841	-	1 402 482 841
Rights issue 03.06.24*	39		39
Share reverse split 03.06.24	-1 367 420 808		-1 367 420 808
30.06.2024	35 062 072	-	35 062 072

*Borgestad increased the share capital by NOK 9.75 through the issue of 39 new shares, each with a nominal value of NOK 0.25, in order to facilitate for a reverse share split in the ratio 40:1.

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

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

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.

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 half of 2023

Agio, income tax cash and cash equivalents were wrongly reported in second quarter of 2023 with MNOK 13.5. In the report for first half of 2024 the mistake is corrected for the 2023 figures. Agio, income tax and cash and cash equivalents are corrected with MNOK 13.5,

MNOK 2.6 and MNOK 13.5 respectively. As a result of the changes profit/(loss) for the period is MNOK 11 lower at end of first half 2023 than reported in 2023 first half. The total equity is decreased with MNOK 11 per 30.06.2023 compared to reported figures in 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	2024	2023	2023
(NOK 1 000)	2nd quarter	2nd quarter	First half	First half	
Revenue	336 727	316 745	559 487	535 339	1 141 417
EBITDA	45 195	17 633	53 351	24 640	127 478
Depreciation	8 575	4 150	16 478	11 137	31 750
Impairment of non-current assets	-	-	-	-	94 298
Operating profit (EBIT)	36 620	13 483	36 873	13 503	1 430
Financial items	-3 962	-11 240	-8 456	-19 618	-38 712
Profit before tax	32 658	2 244	28 417	-6 116	-37 283

Segment Real Estate	2024	2023	2024	2023	2023
(NOK 1 000)	2nd quarter	2nd quarter	First half	First half	
Revenue	18 762	17 715	37 637	35 072	69 169
EBITDA	10 695	9 831	20 181	20 140	37 088
Depreciation	2 145	2 157	4 265	4 199	8 458
Impairment of non-current assets	-	-	-	-	94 298
Operating profit (EBIT)	8 550	7 674	15 916	15 940	-65 668
Financial items	-3 004	-4 926	-5 882	-9 087	-15 882
Profit before tax	5 546	2 749	10 034	6 853	-81 549

Segment Refractory	2024	2023	2024	2023	2023
(NOK 1 000)	2nd quarter	2nd quarter	First half	First half	
Revenue	317 953	298 988	521 826	500 189	1 072 165
EBITDA	39 845	9 115	43 178	8 755	101 986
Depreciation	6 525	2 166	12 068	6 642	22 365
Operating profit (EBIT)	33 320	6 949	31 110	2 113	79 621
Financial items	-2 776	-4 098	-6 030	-6 747	-21 621
Profit before tax	30 544	2 851	25 079	-4 634	58 000

Segment other and eliminations	2024	2023	2024	2023	2023
(NOK 1 000)	2nd quarter	2nd quarter	First half	First half	
EBITDA	-5 345	-1 313	-10 008	-4 255	-11 596
Depreciation	-95	-173	145	296	927
Operating profit (EBIT)	-5 250	-1 140	-10 153	-4 551	-12 523
Financial items	1 819	-2 216	3 457	-3 784	-1 209
Profit before tax	-3 431	-3 356	-6 696	-8 335	-13 734

Note 3 Significant Events in 2024

Non-significant events have incurred in 2024.

Note 4 Interest-Bearing Debt

Agora Bytom Sp. z o.o. has a MEUR 29.4/ MNOK 331.1 loan in Bank Pekao in Poland as of June 30, 2024, after a decrease in the outstanding loan of MEUR 0,5 in the first half of 2024. The loan is booked at amortized cost and matures on maturity.

Agora Bytom has entered into an interest hedging of 70 percent of the outstanding loan amount valid from July 1, 2024, until maturity. The secured interest is fixed at a rate of 3.17 percent above the interest margin of 2.80 percent until maturity. Until June 30, 2024, 100 percent of the loan commitment was fixed at a

rate of 0.3 percent above the interest margin of 2.80 percent.

Höganäs Borgestad has mortgage debt of MNOK 57.9 in Nordea as of June 30, 2024. Loan maturity is June 30, 2025, or later.

Part of the loan, MNOK 47.4, are reclassified as short-term interest-bearing debt in connection to assets held for sale on June 30, 2024.

In addition, the Group has MSEK 70 in credit facilities for ongoing financing of working capital. The credit facility was drawn with MNOK 48.9 on June 30, 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 Bjuf Fastighets AB, an indirect subsidiary of Borgestad ASA, entered on

October 27, 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 Bjuf Fastighet AB, and the transaction will be structured as a sale by Höganäs Bjuf Fastighet AB of the shares in such subsidiary.

The transaction was approved by the Municipal Council of Bjuv on December 11, 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 47.4 per June 30, 2024. The loan amount is classified as interest bearing debt, current liabilities.

Asset	2024	2023	2023
(NOK 1 000)	30.6.	30.6.	
Höganäs Bjuv Fastighet	13 039	-	13 165
Office Gunnar Knudsens veg, Skien	2 907	-	-
Total assets classified as held for sale	15 947	-	13 165

Note 6 Investment property

	2024	2023	2023
(NOK 1 000)	30.6.	30.6.	31.12.
Opening balance as at 1st of January	701 407	745 008	745 008
Additions	506	1 117	5 647
Depreciation	4 265	4 199	8 458
Write downs	-	-	94 298
Translation differences	9 769	84 195	53 508
As at period end	707 416	826 121	701 407

During the second 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.

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

Net interest-bearing debt (NIBD): IBD minus Cash.

Working capital: Inventories, trade receivables minus trade payables.

Available liquidity at end of period	2024	2023	2023
	30.6.	30.6.	31.12.
Drawn on the overdraft facility	-48 926	-50 013	-24 098
Overdraft facility 70 MSEK	73 710	70 707	70 910
Restricted deposits	-12 288	-11 694	-13 415
Cash	130 263	50 544	152 688
Available liquidity at end of period	142 759	59 544	186 085
IBD (Interest-bearing debt)	2024	2023	2023
	30.6.	30.6.	31.12.
Other non-current liabilities	4 531	59 816	-
Mortgage debt	388 994	546 344	395 785
Bond loan	-	97 095	-
Lease liability	43 250	34 959	40 093
Bank overdraft	48 926	50 013	24 098
Total interest-bearing debt	485 702	788 227	459 976

NIBD (Net Interest-bearing debt)	2024	2023	2023
	30.6.	30.6.	31.12.
IBD (Interest-bearing debt)	485 702	788 227	459 976
Cash	130 263	50 544	152 688
Total	355 438	737 683	307 289

NIBD/EBITDA LTM	2024	2023	2023
	30.06	30.06	
	LTM	LTM	
NIBD (Net Interest-bearing debt)	355 438	737 683	307 289
EBITDA	156 189	74 318	127 478
NIBD/EBITDA	2,3	9,9	2,4

Equity ratio	2024	2023	2023
	30.6.	30.6.	31.12.
Total equity	762 507	551 392	755 842
Total capital	1 480 178	1 612 128	1 406 378
Equity ratio in %	51,5 %	34,2 %	53,7 %

Working capital	2024	2023	2023
	30.6.	30.6.	31.12.
Inventories and trade receivables	393 725	440 729	303 301
Trade payables	81 237	120 462	64 017
Working capital	312 488	320 268	239 284

³⁾ EBIT adjusted segment refractory	2024	2023	2023
	30.6.	30.6.	
EBIT LTM	108 618	23 062	79 621
Gain resulting from the arbitration case	-46 400	-	-46 400
EBIT adjusted	62 218	23 062	33 221

³⁾ EBIT adjusted segment refractory	2024	2023	2023
	30.6.	30.6.	
Revenue and other income LTM	1 093 802	967 703	1 072 165
EBIT adjusted LTM	62 218	23 062	33 221
EBIT adjusted	5,7 %	2,4 %	3,1 %

Statement from the Board and the CEO of Borgestad ASA

We confirm to the best of our knowledge that the condensed set of financial statements at June 30 2024 and for the six-month period January 1, 2024, to June 30, 2024, have been prepared in accordance with IAS 34 - Interim Financial Reporting, and gives a true and fair view of the Group's assets, liabilities, financial position and result for the period. We also confirm to the best

of our knowledge that the financial review includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the financial statements, any major related parties transactions, and a description of the principal risks and uncertainties for the remaining six months of the financial year.

Borgestad, August 22 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.



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