



BORGESTAD ASA

# Third Quarter 2024 Report

November 12, 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).....	22



# Highlights and Key Figures

## Highlights

- 1 Borgestad Groups profit before tax at MNOK 44.1 for Q3'24 compared to MNOK -29.4 in Q3'23.
- 2 EBIT margin at 7.4 percent for Höganäs Borgestad Group LTM'24<sup>1</sup> compared to adjusted EBIT at 3.2 percent LTM'23.
- 3 Agora Bytom delivered an EBITDA of MNOK 10.3 in Q3'24 compared to an EBITDA of MNOK 8.0 in Q3'23.
- 4 Borgestad ASA strengthened its team with the addition of Bendik Persch Andersen as Head of M&A, Corporate Development, and Investor Relations.

## Key Figures

MNOK	Q1-Q3		
	2024	2023	2023
Operating income	919	908	1 141
EBITDA	117	108	127
Depreciation & Impairment of non-current assets	28	111	122
Operating profit (EBIT)	89	-3	6
Profit before tax	73	-35	-37

  

MNOK	30.09.2024	30.09.2023	31.12.2023
	Cash	132	40
Available liquidity at end of period	162	97	186
IBD	485	730	460
NIBD	352	690	307
NIBD/EBITDA LTM	2,6	5,8	2,4
Equity ratio	53 %	34 %	54 %

<sup>1</sup> LTM = Last Twelve Months

# About Borgestad ASA

Borgestad ASA is an investment company headquartered in Lysaker, Norway, with a focused portfolio in two core sectors: real estate and refractory solutions.

The Group's key assets are the Agora Bytom shopping mall and the refractory production and installation company Höganäs Borgestad, both of which play a crucial role in the group's overall performance. Real estate represents the largest segment by asset value, while the refractory industry drives the highest revenue.



## Agora Bytom

Agora Bytom shopping center in Poland is the Group's largest investment, accounting for more than half of its total asset values. The center features a gross area of 52,000 sqm, with more than 30,000 sqm dedicated to rental space. It also includes a parking garage with 820 spaces, conveniently connected to the main facility.

Centrally located in the Silesian region, Agora Bytom holds a strong market position within its primary catchment area. The center hosts a diverse range of tenants, including major international chains and prominent Polish brands, along with eight cinema halls, a fitness center, and an extensive selection of cafés.



## Höganäs Borgestad

Höganäs Borgestad manufactures and supplies high-quality refractory products, systems, and installation services, essential for industrial processes exceeding 1,200°C in industries such as steel, cement, and aluminum. Refractory materials, available in various forms depending on their application, are designed to withstand extreme temperatures and protect industrial equipment. They play a critical role in safeguarding production processes and contribute significantly to energy efficiency.

# CEO Letter

Höganäs Borgestad continued its positive trajectory in the Q3'24, reporting a record-high EBIT margin both for the quarter and year-to-date, compared to the adjusted EBIT<sup>2</sup> margin for the same periods in 2023.

As previously communicated, Höganäs Borgestad has improved its EBIT margin by focusing on profitability and enhancing project execution, which has proven successful. Year-to-date, Höganäs Borgestad achieved an LTM<sup>3</sup> EBIT margin of 7.4 percent, up from adjusted EBIT margin of 3.2 percent in the same period in 2023. While progress has been made, there is still significant potential for further development and improvement in medium term.

Borgestad expects continued long-term improvements in EBIT margin and views Höganäs Borgestad as well-positioned for further advancements in 2025. These improvements, influenced by seasonal variations in the refractory business, are anticipated to be reflected in the profit and loss statement in Q2 and Q3 of 2025.

**Pål Feen Larsen**  
CEO

The decreasing inflation and interest rates in the eurozone are expected to benefit the Agora Bytom investment, improving property valuations and revitalizing the transaction market. Emerging signs of a revival in the transactional market in Poland are being closely monitored by the Group's management, aligning with previously communicated ambition for a future divestment of Agora Bytom.

Borgestad will stay focused on executing its strategy for both Höganäs Borgestad and Agora Bytom, which hold strong positions as market leaders in their respective regions. The ongoing efforts remain centered on driving profitability and improving results.

In summary, Borgestad is experiencing a solid underlying operational trend, and we anticipate continued positive momentum moving forward.

<sup>2</sup> Adjusted EBIT is EBIT excluding the positive EBIT effect from Vienna Arbitration, review APM for more information.

<sup>3</sup> LTM = Last Twelve Months

# Operational and Financial Review

## Group Results

(MNOK)	2024	2023	2024	2023	2023
	3rd quarter	<sup>4)</sup> Adjusted 3rd quarter	First 9 months	<sup>4)</sup> Adjusted first 9 months	Year
Revenue	360	372	919	908	1 141
Total operating cost	296	336	803	846	1 014
EBITDA	63	37	117	61	127
Depreciation	11	10	28	21	32
Impairment of non-current assets	-	90	-	90	90
Earnings before financial items and tax (EBIT)	52	-63	89	-50	6
Financial items	-8	-13	-17	-32	-43
Profit before taxes	44	-76	73	-82	-37

### Profit and Loss

Numbers in parenthesis are as of September 30, 2023.

Borgestad Group continues to show positive development in adjusted EBITDA<sup>4</sup> across both the refractory and property segments, despite a decrease in revenue in Q3'24. Adjusted EBITDA increased from MNOK 36.8 in Q3'23 to MNOK 63.3 in Q3'24, primarily driven by improved margins within the refractory business.

Net financials for the Group also saw improvement in the Q3'24 compared to the same period last year. The enhancement of MNOK 4.4 is attributed to lower interest payments resulting from a significantly reduced debt level compared to Q3'23.

End of Q3'24 order intake and order backlog for the refractory segment are at normalized seasonal levels.

### Balance Sheet

Numbers in parenthesis are as of December 31, 2023.

As of September 30, 2024, the Group had total assets of MNOK 1,525.7 (1,406.4). Equity amounted to MNOK 806.8 (755.8), representing an equity ratio of 52.9 percent as of September 30, 2024.

The Group's current assets amounted to MNOK 549.4 (463.8). Non-current liabilities were MNOK 401.7 (377.6), while current liabilities amounted to MNOK 317,1 (273.0).

The Groups working capital amounted to MNOK 334,8, compared to MNOK 293.4 per September 30, 2023.

As of September 30, 2024, the Group's total interest-bearing debt is MNOK 484.6 (460.0), and net interest-bearing debt is MNOK 352.3 (307.3).

As of September 30, 2024, the Group boasts a sustainable balance sheet, a strong cash position, and is fully financed.

### Cash Flow, Investments, and Liquidity

Numbers in parenthesis are as of September 30, 2023.

The Group's year-to-date cash flow from operating activities was positive with MNOK 23.0 (positive MNOK 67.6) in first three quarters of 2024. The reduction in operational cash flow compared to the same period last year is primarily attributed to increased working capital, driven by higher accounts receivable, due to season variations, along with a modest increase in inventory levels.

<sup>4</sup> Adjusted EBITDA are EBITDA excluding the positive EBITDA effect from Vienna Arbitration, review APM for more information.

Cash flow from investing activities was negative at MNOK 21.3 (negative MNOK 12.9). The previously announced share purchase, which increased the Group's stake in Höganäs Borgestad Holding AB, accounted for approximately MNOK 13.2 of the negative cash flow from investing activities.

Cash flow from financing activities was negative at MNOK 22.0, compared to a negative MNOK

105.4 in the previous year. The net cash flow for the first three quarters of 2024 was negative MNOK 20.3, an improvement from a negative MNOK 50.8 in the same period last year.

Available liquidity as of September 30, 2024, was MNOK 161.6 (MNOK 97.0), which includes MNOK 43.9 of undrawn credit facilities.

## Real Estate

(MNOK)	2024	2023	2024	2023	2023
	3rd quarter	3rd quarter	First 9 months	First 9 months	Year
Revenue	19	16	57	51	69
EBITDA	10	8	31	28	37
Earnings before financial items and tax (EBIT)	8	-88	24	-72	-61

In Q3'24, tenant turnover at Agora Bytom rise by 3.4 percent compared to the same period in 2023, with year-to-date turnover increasing by 5.8 percent over the previous year.

As of September 30, 2024, the WAULT<sup>5</sup> by area and income stands at 3.33 years.

**Tenants at Agora Bytom have increased their revenues by 5.8% year-to-date in 2024 compared to the same period in 2023.**

**The number of visitors to Agora Bytom over the last twelve months stands at 4.7 million.**

Conversely, visitor numbers declined by 4.6 percent during the Q3'24 compared to the prior year, totaling approximately 4.7 million visitors over the last twelve months.

During this quarter, the property segment generated rental income and EBITDA of MNOK 19.4 and MNOK 10.3, respectively, compared to MNOK 16.2 and MNOK 8.0 in 2023.

Agora Bytom continues to maintain a robust presence in the local market, boasting a consistently high occupancy rate. The center is dedicated to ongoing improvements and actively engages in the rental market, currently negotiating with several potential new tenants, reflecting its commitment to expansion and development.

Borgestad anticipates that revenue and EBITDA will remain stable in the upcoming periods. Inflation in Poland and Europe has been gradually decreasing and is reported by the European Central Bank to be under control. This decline in inflation, along with other factors, has led to falling interest rates, which should positively impact yields and the number of transactions moving forward.

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 position, there is no urgency to expedite a transaction. Instead, the Group will take the necessary time to identify the best strategy for both itself and its shareholders.

<sup>5</sup> Weighted average unexpired lease term.

## Refractory

(MNOK)	2024	2023	2024	2023	2023
	3rd quarter	<sup>2)</sup> Adjusted 3rd quarter	First 9 months	<sup>2)</sup> Adjusted first 9 months	Year
Revenue	340	361	862	861	1 072
EBITDA	54	32	97	40	102
Earnings before financial items and tax (EBIT)	46	28	77	30	80
EBIT in percent	13 %	8 %	9 %	4 %	7 %

In Q3'24, the refractory segment recorded a record high EBIT margin at 13.4 percent compared to adjusted EBIT margin of 7.8 percent in Q3'23, despite a revenue decrease of 5.6 percent compared to the same period in 2023.

**EBIT margin YTD'24 at 8.9 percent compared to adjusted 3.5 percent YTD'23.**

EBIT amounted to MNOK 45.5, compared to an adjusted EBIT of MNOK 28.3 in 2023. Year-to-date for 2024, EBIT reached MNOK 76.6, resulting in an EBIT margin of 8.9 percent.

Over the last twelve months, the refractory segment has maintained stable revenue, while the adjusted EBIT margin has increased by 4.2 percent, rising to 7.4 percent. This improvement in adjusted EBIT for both the third quarter and the last twelve months is attributed to enhanced operational performance within installation projects in Sweden and Finland, including the announced exit from greenfield projects related to cremation.

The focus and ambition for the refractory segment are to continue steadily increasing the EBIT margin moving forward. Borgestad estimate that Höganäs Borgestad will reach a EBIT margin around 7 percent for fiscal year 2024. Borgestad review that there is still significant potential for further development and improvement in medium term for Höganäs Borgestad and based on this a new mid-term target is set at EBIT level of 10 percent or higher.

The segment is experiencing normal order intake and maintains a healthy order backlog for the upcoming period, which stood at MNOK 99.1 as of September 30, 2024.

Over the past twelve months, there has been a significant reduction in net interest-bearing debt within the segment. As of September 30, 2024, the ratio of net interest-bearing debt to adjusted last twelve months EBITDA is 1.4, a substantial improvement from the ratio of 5.9 reported on September 30, 2023. The financial position of the refractory segment is considered solid at the end of the Q3'24.

<sup>2</sup> Adjusted EBIT is EBIT excluding the positive EBIT effect from Vienna Arbitration, review APM for more information.



## Other Activities Included in the Group

(MNOK)	2024	2023	2024	2023	2023
	3rd quarter	3rd quarter	First 9 months	First 9 months	Year
EBITDA	-1	-3	-11	-7	-12
Earnings before financial items and tax (EBIT)	-1	-3	-12	-8	-13

*Other activities primarily include the group company Borgestad ASA.*

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

The agreed terms for the sale of the office building totaled MNOK 10, with 50 percent structured as vendor credit, which has a

maximum duration of three years. The transaction was completed in early October 2024.

The accounting gain associated with the sale will be recognized in Q4'24 for the transaction and is estimated to be approximately MNOK 5.6.

## Subsequent events

On 7. November Höganäs Borgestad agreed with Bjuv municipality to postpone the longstop date for completion of the sale leaseback

transaction from 31 December 2024 to 31 December 2025, as it is still uncertain when the Administrative Court will process the complaint.

## 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
		3rd quarter	3rd quarter	First 9 months	First 9 months	Year
Revenue and other income	2	359 830	372 443	919 316	907 782	1 141 417
Materials, supplies and subcontracting	1	175 637	187 742	429 951	482 491	582 570
Salary and personnel expenses	1	99 304	93 632	295 598	258 336	347 108
Other expenses		21 557	7 821	77 084	59 067	84 262
Total operating expenses		296 498	289 195	802 633	799 894	1 013 939
<b>EBITDA</b>		<b>63 332</b>	<b>83 248</b>	<b>116 683</b>	<b>107 888</b>	<b>127 478</b>
Depreciation	6	11 110	9 932	27 588	21 069	31 750
Impairment of non-current assets	6	-	90 126	-	90 126	90 126
Operating profit (EBIT)	2	52 222	-16 810	89 095	-3 307	5 601
<b>Financial items</b>						
Foreign currency gain/(loss)	1	168	839	571	2 304	6 362
Interest expenses		9 219	13 348	19 864	34 327	51 910
Other financial income/(expenses)		927	-50	2 713	-154	2 664
Net financial items		-8 124	-12 559	-16 580	-32 177	-42 884
<b>Profit before taxes</b>	2	<b>44 098</b>	<b>-29 369</b>	<b>72 515</b>	<b>-35 484</b>	<b>-37 283</b>
Income tax	1	11 612	17 149	14 641	14 895	26 309
<b>Profit/(loss) for the period</b>		<b>32 486</b>	<b>-46 518</b>	<b>57 874</b>	<b>-50 379</b>	<b>-63 592</b>
<b>Allocated as follows:</b>						
Non-controlling interest's share of the profit		9 223	19 598	15 574	16 412	14 690
Controlling interest's share of the profit		23 264	-66 116	42 299	-66 791	-78 281
Basic and diluted earnings per share		0,66	-0,43	1,21	-0,44	-0,23

## Condensed consolidated interim statement of comprehensive Income

	2024	2023	2024	2023	2023
	3rd quarter	3rd quarter	First 9 months	First 9 months	Year
Profit/(loss) for the periode	32 486	-46 518	57 874	-50 379	-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	16 713	-22 333	19 819	27 008	24 058
Change in fair value of cash flow hedging net of tax	-5 037	-2 382	-13 606	-4 342	-7 406
change in other equity transactions	126	1	-	-1	-1
<b>Net other comprehensive income</b>	<b>11 802</b>	<b>-24 714</b>	<b>6 214</b>	<b>22 665</b>	<b>14 832</b>
<b>Total comprehensive income for the periode</b>	<b>44 288</b>	<b>-71 232</b>	<b>64 087</b>	<b>-27 714</b>	<b>-48 760</b>
Non-controlling interest's share of total comprehensive income	11 556	18 696	17 309	18 176	18 605
Controlling interest's share of total comprehensive income	32 732	-89 928	46 779	-45 890	-67 365

## Condensed consolidated interim statement of financial position

(NOK 1 000) (Unaudited)	Note	2024 30.9.	2023 30.9.	2023 31.12.
<b>Assets</b>				
Investment property	6	729 419	702 218	701 407
Land, buildings		18 926	24 857	17 890
Fixtures, machinery and vehicles		35 434	27 592	37 066
Right-of-use assets		40 153	33 003	28 499
Licences, trade marks and similar rights		26 993	28 197	33 902
Goodwill		90 487	88 732	90 108
Other financial assets		757	11 870	6 855
Deferred tax asset		17 311	21 316	13 734
<b>Total non-current assets</b>		<b>959 478</b>	<b>937 785</b>	<b>929 461</b>
Inventories		137 172	116 828	118 733
Trade receivables		269 472	252 846	184 567
Other receivables		10 405	70 976	7 763
Cash and cash equivalents		132 342	40 309	152 688
<b>Total current assets</b>		<b>549 390</b>	<b>480 959</b>	<b>463 752</b>
Non-current assets classified as held for sale	5	16 782	12 682	13 165
<b>Total assets</b>		<b>1 525 650</b>	<b>1 431 425</b>	<b>1 406 378</b>

## Consolidated Balance Sheet, continued

(NOK 1 000) (Unaudited)	Note	2024	2023	2023
		30.9.	30.9.	31.12.
<b>Equity and liabilities</b>				
Share capital		35 062	152 491	350 621
Treasury shares		-	-8	-
Share premium and other paid-in capital		641 679	335 310	326 121
<b>Total paid-in capital</b>		<b>676 741</b>	<b>487 793</b>	<b>676 741</b>
Other reserves		159 973	140 160	153 759
Other equity		-109 755	-220 634	-147 929
Retained earnings		<b>50 218</b>	<b>-80 474</b>	<b>5 830</b>
Non-controlling interest		79 836	72 841	73 270
<b>Total equity</b>		<b>806 795</b>	<b>480 160</b>	<b>755 842</b>
Interest-bearing debt	4	345 895	62 693	335 742
Other non-current liabilities		10 510	50 488	-
Lease liability		28 545	28 882	27 453
Pension liabilities		6 040	5 186	6 369
Deferred tax		10 727	2 775	7 988
<b>Total non-current liabilities</b>		<b>401 718</b>	<b>150 024</b>	<b>377 552</b>
Bond-loan		-	97 365	-
Interest-bearing debt	4	52 233	456 866	60 043
Lease liability		18 424	8 461	12 641
Bank overdraft		28 992	44	24 098
Trade payables		71 809	76 312	64 017
Tax payables		24 754	16 436	12 147
Public duties payable		48 064	39 319	27 560
Other short-term liabilities		72 861	106 440	72 479
<b>Total current liabilities</b>		<b>317 137</b>	<b>801 241</b>	<b>272 984</b>
<b>Total equity and liabilities</b>		<b>1 525 650</b>	<b>1 431 425</b>	<b>1 406 378</b>

Borgestad, November 12 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

(NOK 1 000) (Unaudited)	2024	2023	2023
	First 9 months	First 9 months	Year
Cash flow from operating activities before balance changes	90 873	74 030	88 390
+/- Balance changes	-67 910	-6 449	78 523
<b>Net cash flow from operating activities</b>	<b>22 963</b>	<b>67 581</b>	<b>166 913</b>
Investment in fixed tangible and intangible assets	-8 415	-13 840	-37 912
Investments in shares in subsidiaries	-13 169	-	-
Sale of fixed assets	253	927	1 328
<b>Net cash flow from investing activities</b>	<b>-21 331</b>	<b>-12 913</b>	<b>-36 584</b>
Proceeds from issuing new shares	-	-	296 729
Repayment of borrowings	-14 410	-39 848	-312 498
Net change bank overdraft	4 894	-58 493	-34 439
Payment of lease liabilities	-12 462	-7 077	-18 492
<b>Net cash flow from financial activities</b>	<b>-21 978</b>	<b>-105 418</b>	<b>-68 700</b>
Cash flow for the period	-20 347	-50 751	61 629
Cash and cash equivalent at beginning of period	152 688	91 059	91 059
<b>Cash and cash equivalent at end of period</b>	<b>132 342</b>	<b>40 309</b>	<b>152 687</b>

## 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
<b>Equity as at 01.01.2023</b>	<b>152 491</b>	<b>335 382</b>		<b>-80</b>	<b>13 560</b>	<b>123 546</b>	<b>-171 691</b>	<b>54 665</b>	<b>507 873</b>
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
<b>Equity as at 31.12.2023</b>	<b>350 621</b>	<b>211 759</b>	<b>114 362</b>	<b>-</b>	<b>6 154</b>	<b>147 605</b>	<b>-147 929</b>	<b>73 270</b>	<b>755 842</b>
<b>Equity as at 01.01.2024</b>	<b>350 621</b>	<b>211 759</b>	<b>114 362</b>		<b>6 154</b>	<b>147 605</b>	<b>-147 929</b>	<b>73 270</b>	<b>755 842</b>
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 period							42 299	15 574	57 874
Net other comprehensive income					-13 606	19 819	-1 733	1 735	6 214
<b>Equity as at 30.09.2024</b>	<b>35 062</b>	<b>211 759</b>	<b>429 921</b>		<b>-7 452</b>	<b>167 425</b>	<b>-109 755</b>	<b>79 836</b>	<b>806 795</b>

## 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
<b>30.09.2024</b>	<b>35 062 072</b>	<b>-</b>	<b>35 062 072</b>

\*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

### Correction of reported figures in financial statements for the first three quarters of 2023

The Group has identified errors in the reported financial statements for the first three quarters of 2023. Corrections are presented for each quarter and for each affected accounting line.

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.

The exchange rates used to adjust these deviations are the average 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	372 443	907 782
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	7 821	59 067
Total operating expenses	211 588	299 111	289 195	799 894
<b>EBITDA</b>	<b>7 006</b>	<b>17 633</b>	<b>83 249</b>	<b>107 888</b>
Depreciation	6 987	4 150	9 931	21 069
Impairment of non-current assets	-	-	90 126	90 126
Operating profit	19	13 483	-16 809	-3 307
Net financial items	-8 379	-11 240	-12 559	-32 177
<b>Profit before taxes</b>	<b>-8 360</b>	<b>2 243</b>	<b>-29 368</b>	<b>-35 484</b>
Income tax	1 709	-3 964	17 149	14 895
<b>Profit/(loss) for the period</b>	<b>-10 069</b>	<b>6 207</b>	<b>-46 517</b>	<b>-50 379</b>

Changes					
(NOK 1 000) (Unaudited)		1st quarter	2nd quarter	3rd quarter	1st-3rd quarter
Revenue and other income	1			-4 338	-4 338
Materials, supplies and subcontracting	2	-31 855	-58 388	-60 506	-150 749
Salary and personnel expenses	2	31 855	58 388	60 506	150 749
Other expenses	1			-4 338	-4 338
Total operating expenses		-	-	-4 338	-4 338
<b>EBITDA</b>		-	-	-	-
Depreciation		-	-	-	-
Impairment of non-current assets	4	-	-	30 385	30 385
Operating profit		-	-	-30 385	-30 385
Net financial items	3	-13 435	-84	1 808	-11 710
<b>Profit before taxes</b>		<b>-13 435</b>	<b>-84</b>	<b>-28 576</b>	<b>-42 095</b>
Income tax	3	-2 553	-16	411	-2 157
<b>Profit/(loss) for the period</b>		<b>-10 882</b>	<b>-68</b>	<b>-28 987</b>	<b>-39 938</b>

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
<b>EBITDA</b>		<b>7 006</b>	<b>17 633</b>	<b>83 249</b>	<b>107 888</b>
Depreciation		6 987	4 150	9 931	21 069
Impairment of non-current assets		-	-	59 742	59 742
Operating profit		19	13 483	13 575	27 078
Net financial items		5 056	-11 156	-14 367	-20 467
<b>Profit before taxes</b>		<b>5 076</b>	<b>2 328</b>	<b>-792</b>	<b>6 611</b>
Income tax		4 262	-3 948	16 738	17 052
<b>Profit/(loss) for the period</b>		<b>814</b>	<b>6 276</b>	<b>-17 530</b>	<b>-10 441</b>

### 1 Settlement for Vienna Arbitration

Final settlement after the Arbitration Court case was received in December 2023. Compared to Q3'23 report, MNOK 4.4 has been reclassified from income to a reduction in costs. As a result of these changes, the total settlement amount of MNOK 46.4 is now classified as MNOK 30.9 in increased income and MNOK 15.5 in reduced costs.

### 2 Correction of classification error

As stated in earlier distributed reports, salary and personnel expenses related to projects in the refractory segment were mistakenly reported under materials, supplies, and subcontracting in the first, second, and third quarters of 2023. Compared to Q3'23 report, MNOK 150.7 has now been reclassified from materials, supplies, and subcontracting to salary and personnel expenses.

Additionally, liabilities previously classified as held for sale, totaling MNOK 52.7, have been reclassified to interest-bearing debt.

### 3 Correction of agio and cash and cash equivalents

As stated in earlier distributed reports, agio, cash, and cash equivalents were incorrectly reported in Q3'23 by MNOK 11.7, with an associated income tax adjustment of MNOK 2.2. In the report for the first nine months of 2024, these figures have been corrected for the 2023 reporting. Aagio and cash have been adjusted by MNOK 11.7, and income tax by a positive MNOK 2.2. As a result, profit/(loss) for the period is

MNOK 9.6 lower as of the end of the first three quarters.

### 4 Correction of value for investment property in Q3'23

During the financial year 2023, management identified indicators of impairment for Agora Bytom, primarily due to the economic environment, marked by rising inflation and interest rates. These macroeconomic factors have reduced consumer purchasing power, adversely impacting tenant revenues in the shopping mall. Additionally, higher interest rates have negatively influenced the property valuation by increasing the cost of capital used in valuation models.

In response, management conducted an additional impairment test after Q4'23. This test resulted in an additional impairment of NOK 30.4 million beyond the MNOK 59.7 presented in the Q3'23, bringing the total impairment to MNOK 90.1. The updated impairment was based on factors that should have been included in Q3'23 impairment assessment. Consequently, Borgestad has increased the impairment for Q3'23 figures, as presented in 2024.

## Note 2 Operating Segment Information

Group	2024	2023	2024	2023	2023
(NOK 1 000)	3rd quarter	3rd quarter	First 9 months	First 9 months	Year
Revenue	359 830	372 443	919 316	907 782	1 141 417
<b>EBITDA</b>	<b>63 332</b>	<b>83 248</b>	<b>116 683</b>	<b>107 888</b>	<b>127 478</b>
Depreciation	11 110	9 932	27 588	21 069	31 750
Impairment of non-current assets	-	90 126	-	90 126	90 126
Operating profit (EBIT)	<b>52 222</b>	<b>-16 810</b>	<b>89 095</b>	<b>-3 307</b>	<b>5 601</b>
Financial items	-8 124	-12 559	-16 580	-32 177	-42 884
<b>Profit before tax</b>	<b>44 098</b>	<b>-29 369</b>	<b>72 515</b>	<b>-35 484</b>	<b>-37 283</b>

Segment Real Estate	2024	2023	2024	2023	2023
(NOK 1 000)	3rd quarter	3rd quarter	First 9 months	First 9 months	Year
Revenue	19 408	16 154	57 044	51 226	69 169
<b>EBITDA</b>	<b>10 333</b>	<b>8 021</b>	<b>30 514</b>	<b>28 161</b>	<b>37 088</b>
Depreciation	2 144	6 096	6 409	10 295	8 458
Impairment of non-current assets	-	90 126	-	90 126	90 126
Operating profit (EBIT)	<b>8 189</b>	<b>-88 201</b>	<b>24 105</b>	<b>-72 260</b>	<b>-61 496</b>
Financial items	-8 200	-5 137	-14 082	-14 224	-20 054
<b>Profit before tax</b>	<b>-11</b>	<b>-93 338</b>	<b>10 023</b>	<b>-86 485</b>	<b>-81 550</b>

Segment Refractory	2024	2023	2024	2023	2023
(NOK 1 000)	3rd quarter	3rd quarter	First 9 months	First 9 months	Year
Revenue	340 410	360 653	862 236	860 842	1 072 165
<b>EBITDA</b>	<b>53 876</b>	<b>78 091</b>	<b>97 054</b>	<b>86 846</b>	<b>101 986</b>
Depreciation	8 368	3 440	20 436	10 082	22 365
Operating profit (EBIT)	<b>45 509</b>	<b>74 651</b>	<b>76 618</b>	<b>76 764</b>	<b>79 621</b>
Financial items	-3 612	-7 357	-9 642	-14 104	-21 621
<b>Profit before tax</b>	<b>41 897</b>	<b>67 294</b>	<b>66 976</b>	<b>62 660</b>	<b>58 000</b>

Segment other and eliminations	2024	2023	2024	2023	2023
(NOK 1 000)	3rd quarter	3rd quarter	First 9 months	First 9 months	Year
<b>EBITDA</b>	<b>-878</b>	<b>-2 863</b>	<b>-10 886</b>	<b>-7 118</b>	<b>-11 596</b>
Depreciation	598	396	742	692	927
Operating profit (EBIT)	<b>-1 476</b>	<b>-3 259</b>	<b>-11 628</b>	<b>-7 810</b>	<b>-12 523</b>
Financial items	3 688	-65	7 145	-3 849	-1 209
<b>Profit before tax</b>	<b>2 212</b>	<b>-3 325</b>	<b>-4 483</b>	<b>-11 660</b>	<b>-13 733</b>

## 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 341.8 loan in Bank Pekao in Poland as of September 30, 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 until maturity. The secured interest is fixed at a rate of 3.17 percent above the interest margin of 2.80 percent until maturity.

Höganäs Borgestad has mortgage debt of MNOK 56.4 in Nordea as of September 30, 2024. Loan maturity is June 30, 2025, or later.

Part of the loan, MNOK 44.4, are reclassified as short-term interest-bearing debt in connection to assets held for sale on September 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 29.0 on September 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 Administrative Court in Malmö has recently updated the expected processing time for this type of complaint related to this transaction. The estimated processing time has increased significantly since the complaint was submitted and is now expected to be between 12 and 14

months. Given this new information, the Group estimates that the transaction will not be completed until 2025.

In light of this updated processing time, Bjuv Municipality and Höganäs Bjuv Fastighet have entered into an amendment of the agreement regarding the long stop date. The original long stop date was set for December 31, 2024, but has been extended until 31.12.2025.

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 44.4 per September 30, 2024. The loan amount is classified as interest bearing debt, current liabilities.

<b>Asset</b>	<b>2024</b>	<b>2023</b>	<b>2023</b>
<b>(NOK 1 000)</b>	<b>30.9.</b>	<b>30.9.</b>	<b>Year</b>
Höganäs Bjuv Fastighet	13 875	12 682	13 165
Office Gunnar Knudsens veg, Skien	2 907	-	-
<b>Total assets classified as held for sale</b>	<b>16 782</b>	<b>12 682</b>	<b>13 165</b>

## Note 6 Investment property

	<b>2024</b>	<b>2023</b>	<b>2023</b>
<b>(NOK 1 000)</b>	<b>30.9.</b>	<b>30.9.</b>	<b>31.12.</b>
Opening balance as at 1st of January	701 408	745 008	745 008
Additions	1 825	5 131	5 647
Depreciation	6 409	10 295	8 458
Write downs	-	90 126	90 126
Translation differences	32 596	52 501	49 336
<b>As at period end</b>	<b>729 419</b>	<b>702 219</b>	<b>701 408</b>

During Q3'24, 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
	<b>30.9.</b>	<b>30.9.</b>	<b>31.12.</b>
Drawn on the overdraft facility	-28 992	-44	-24 098
Overdraft facility 70 MSEK	72 877	68 306	70 910
Restricted deposits	-14 588	-11 539	-13 415
Cash	132 342	40 309	152 688
<b>Available liquidity at end of period</b>	<b>161 639</b>	<b>97 032</b>	<b>186 085</b>

IBD (Interest-bearing debt)	2024	2023	2023
	<b>30.9.</b>	<b>30.9.</b>	<b>31.12.</b>
Other non-current liabilities	10 510	75 707	-
Mortgage debt	398 128	519 559	395 785
Bond loan	-	97 365	-
Lease liability	46 969	37 342	40 093
Bank overdraft	28 992	44	24 098
<b>Total interest-bearing debt</b>	<b>484 599</b>	<b>730 017</b>	<b>459 976</b>

NIBD (Net Interest-bearing debt)	2024	2023	2023
	<b>30.9.</b>	<b>30.9.</b>	<b>31.12.</b>
IBD (Interest-bearing debt)	484 599	730 017	459 976
Cash	132 342	40 309	152 688
<b>Total</b>	<b>352 258</b>	<b>689 708</b>	<b>307 289</b>

<b>NIBD/EBITDA LTM</b>	<b>2024</b>	<b>2023</b>	<b>2023</b>
	<b>30.09</b>	<b>30.09</b>	
	<b>LTM</b>	<b>LTM</b>	
NIBD (Net Interest-bearing debt)	352 258	689 708	307 289
EBITDA LTM	136 273	118 033	127 478
<b>NIBD/EBITDA</b>	<b>2,6</b>	<b>5,8</b>	<b>2,4</b>
<b>Equity ratio</b>	<b>2024</b>	<b>2023</b>	<b>2023</b>
	<b>30.9.</b>	<b>30.9.</b>	<b>31.12.</b>
Total equity	806 795	480 160	755 842
Total capital	1 525 650	1 431 425	1 406 378
<b>Equity ratio in %</b>	<b>52,9 %</b>	<b>33,5 %</b>	<b>53,7 %</b>
<b>Working capital</b>	<b>2024</b>	<b>2023</b>	<b>2023</b>
	<b>30.9.</b>	<b>30.9.</b>	<b>31.12.</b>
Inventories and trade receivables	406 643	369 674	303 301
Trade payables	71 809	76 312	64 017
<b>Working capital</b>	<b>334 835</b>	<b>293 363</b>	<b>239 284</b>

<b>4) Adjusted Group</b>	<b>2023</b>	<b>2023</b>
<b>(MNOK)</b>	<b>Adjusted 3rd quarter</b>	<b>Adjusted first 9 months</b>
Revenue	372	908
Total operating cost	336	846
EBITDA	37	61
Depreciation	10	21
Impairment of non-current assets	90	90
Earnings before financial items and	-63	-50
Financial items	-13	-32
Profit before taxes	-76	-82

<b>Changes Group</b>	<b>2023</b>	<b>2023</b>
<b>(MNOK)</b>	<b>3rd quarter</b>	<b>First 9 months</b>
Revenue	-4	-4
Total operating cost	42	42
EBITDA	-46	-46
Depreciation	-	-
Impairment of non-current assets	30	30
Earnings before financial items and	-77	-77
Financial items	2	-12
Profit before taxes	-75	-88

<b>Reported figures in 2023</b>	<b>2023</b>	<b>2023</b>
<b>(MNOK)</b>	<b>3rd quarter</b>	<b>First 9 months</b>
Revenue	377	912
Total operating cost	294	804
EBITDA	83	108
Depreciation	10	21
Impairment of non-current assets	60	60
Earnings before financial items and	14	27
Financial items	-14	-20
Profit before taxes	-1	7

Excluding the positive effect from Vienna Arbitration and the correction in the figures described in note 1.



<b>2) Adjusted Refractory</b>	<b>2023</b>	<b>2023</b>
<b>(MNOK)</b>	<b>Adjusted 3rd quarter</b>	<b>Adjusted first 9 months</b>
Revenue	361	861
EBITDA	32	40
Earnings before financial items and	28	30
EBIT in percent	8 %	4 %

<b>Changes Refractory</b>	<b>2023</b>	<b>2023</b>
<b>(MNOK)</b>	<b>3rd quarter</b>	<b>First 9 months</b>
Revenue	-	-
EBITDA	-46	-46
Earnings before financial items and	-46	-46
EBIT in percent	-13 %	-5 %

<b>Reported figures in 2023</b>	<b>2023</b>	<b>2023</b>
<b>(MNOK)</b>	<b>3rd quarter</b>	<b>First 9 months</b>
Revenue	361	861
EBITDA	78	87
Earnings before financial items and	75	77
EBIT in percent	21 %	9 %

Excluding the positive effect from Vienna Arbitration.

<b>2) EBIT segment refractory</b>	<b>2024</b>	<b>2023</b>	<b>2023</b>
	<b>30.9.</b>	<b>30.9.</b>	<b>31.12.</b>
EBIT LTM	79 475	80 247	79 621
Gain resulting from the arbitration case	-	-46 400	-46 400
<b>EBIT adjusted</b>	<b>79 475</b>	<b>33 847</b>	<b>33 221</b>

<b>2) EBIT segment refractory</b>	<b>2024</b>	<b>2023</b>	<b>2023</b>
	<b>30.9.</b>	<b>30.9.</b>	<b>31.12.</b>
Revenue and other income LTM	1 073 559	1 057 948	1 072 165
EBIT adjusted LTM	79 475	33 847	33 221
<b>EBIT adjusted</b>	<b>7,4 %</b>	<b>3,2 %</b>	<b>3,1 %</b>

2023 adjusted with the positive effect from Vienna Arbitration.



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