



BORGESTAD ASA

Fourth Quarter 2024 Report

February 27, 2025

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Highlights and Key Figures

Highlights

- 1 2024 was a transformational year for Borgestad, marked by continued positive operational development across the two business segments.
- 2 Borgestad Group reports a FY2024¹ profit before tax of MNOK 82.3, up from MNOK -37.3 in 2023.
- 3 Höganäs Borgestad Group achieved an EBIT margin of 2.0 percent in Q4'24, up from 1.4 percent in Q4'23 – a solid performance given the seasonal slowdown in Q4.
- 4 Agora Bytom continued its positive momentum, posting an EBITDA of MNOK 10.8 in Q4'24, an improvement from MNOK 8.9 in Q4'23.
- 5 In light of the strong results, Borgestad's Board of Directors will propose to the Annual General Meeting an ordinary dividend of NOK 0.80 per share for 2024.

Key Figures

Q4 MNOK	Q1-Q4	
	2024	2023
Operating income	1 169	1 141
EBITDA	139	127
Depreciation & Impairment of non-current assets	35	122
Operating profit (EBIT)	104	6
Profit before tax	82	-37

MNOK	31.12.2024	31.12.2023
	Cash	220
Available liquidity at end of period	276	186
IBD	448	460
NIBD	227	307
NIBD/EBITDA LTM	1,6	2,4
Equity ratio	55 %	54 %

¹ FY = Full Year

About Borgestad ASA

Borgestad ASA is an investment company headquartered at 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

2024 was a transformational year for Borgestad, marked by continued positive operational development across our two business segments. The Borgestad Group reports a record-high EBIT for FY2024 and a record-low net interest-bearing debt of MNOK 227.5 as of December 31, 2024, underscoring our robust financial position. As a result, the board of directors will propose to the general assembly in May 2025 a dividend distribution of NOK 0.80 per share.

Looking ahead, Borgestad remains committed to delivering high and stable dividends to its shareholders. These dividends will be based on net operational cash flow and proceeds from asset or investment sales, while being carefully balanced with liquidity forecasts, financial health, and prospects for future investments.

Höganäs Borgestad experienced a strong positive trajectory in 2024, achieving a record-high EBIT margin, 7.5 percent, compared to the adjusted EBIT² margin for 2023 at 3.1 percent. Notably, Höganäs Borgestad reached its announced EBIT margin target for 2025 a full year ahead of schedule. While this marks significant progress, there remains substantial potential for further development and improvement in the medium term.

In Q4 2023, Höganäs Borgestad announced a sale-leaseback agreement for the production facility in Bjuv, Sweden, with the local municipality. However, a complaint filed by a local resident has delayed the process, requiring a review by the Administrative Court in Malmö.

In Q4 2024, Höganäs Borgestad and Bjuv Municipality agreed to extend the longstop date for completing the transaction to December 31, 2025. Höganäs Borgestad is currently awaiting the court's decision, with the Administrative Court indicating general processing times of 12–14 months. Bjuv Municipality has expressed confidence that the complaint will be rejected, and the transaction finalized.

For Agora Bytom, 2024 has been a year of stabilization, optimization, and preparation for improved future results and cash flow. The local management has implemented cost-cutting measures and signed new leases, the effects of which will become visible in the financial figures during 2025 and beyond. Net positive cash flow from Agora Bytom will be utilized to repay debt, in line with bank covenants, further strengthening the financial position of the group.

At the end of 2024, Agora Bytom's occupancy, based on signed leases and a total lettable area of 33,606 sqm., stood at 95.2 percent. In 2025, development efforts will continue with a focus on further increasing rent levels and EBITDA.

Borgestad remains focused on executing its strategy for both Höganäs Borgestad and Agora Bytom, which hold strong positions as market leaders in their respective regions. Ongoing efforts are concentrated on driving profitability and delivering improved results.

In summary, Borgestad is experiencing a solid underlying operational trend, and we expect this positive momentum to continue.

Pål Feen Larsen
CEO

Operational and Financial Review

Group Results

(MNOK)	2024	2023	2024	2023
	Q4	Q4	Year	Year
Revenue	250	234	1 169	1 141
Total operating cost	228	214	1 030	1 014
EBITDA	22	20	139	127
Depreciation	7	7	35	32
Impairment of non-current assets	0	0	0	90
Earnings before financial items and tax (EBIT)	15	13	104	6
Financial items	-5	-11	-22	-43
Profit before taxes	10	2	82	-37

Profit and Loss

Numbers in parenthesis are as of December 31, 2023.

Borgestad Group continued its positive momentum in the fourth quarter, with revenue increasing by 7.1 percent compared to Q4'23. For the quarter, the Group's EBITDA reached MNOK 22.4, up from MNOK 20.0 in Q4'23.

For the full year 2024, Borgestad Group increased revenue by 2.5 percent, while adjusted² EBITDA rose by MNOK 58.0 compared to 2023, mainly driven by improvements in the refractory business.

Net financials also strengthened in Q4'24 compared to the same period last year, with an improvement of MNOK 5.2 due to lower interest payments following a significant reduction in debt.

At the end of Q4'24, order intake and order backlog for the refractory segment were at normalized seasonal levels.

Balance Sheet

Numbers in parenthesis are as of December 31, 2023.

As of December 31, 2024, the Group had total assets of MNOK 1,461.4 (1,406.4), with equity amounting to MNOK 809.0 (755.8), corresponding to an equity ratio of 55.4 percent.

Current assets totalled MNOK 495.7 (463.8), while non-current liabilities stood at MNOK 393.1 (377.6) and current liabilities at MNOK 259.2 (273.0).

Working capital amounted to MNOK 197.0, down from MNOK 239.3 as of December 31, 2023. The reduction was primarily driven by lower trade receivables due to more efficient invoicing.

The Group's total interest-bearing debt as of December 31, 2024, was MNOK 447.9 (460.0), with net interest-bearing debt at MNOK 227.5 (307.3).

² Adjusted EBITDA are EBITDA excluding the positive EBITDA effect from Vienna Arbitration, review APM for more information.

Cash Flow, Investments, and Liquidity

Numbers in parenthesis are as of December 31, 2023.

The Group's year-to-date cash flow from operating activities was positive with MNOK 146.0 (positive MNOK 166.9³) in 2024.

Cash flow from investing activities was negative MNOK 16.1 (negative MNOK 36.6). 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 62.2, compared to a negative MNOK 68.7 in the previous year. The net cash flow for

2024 was positive with MNOK 67.8, an improvement from MNOK 61.6 in the same period last year.

Available liquidity as of December 31, 2024, was MNOK 276.0 (MNOK 186.1), which includes MNOK 72.1 of undrawn credit facilities.

As of December 31, 2024, the Group boasts a sustainable balance sheet, a strong cash position, and is fully financed. Due to the strong overall position for Borgestad, the Board of Directors will propose to the Annual General Meeting that a dividend of NOK 0.80 per share is distributed for 2024. Conditional of approval by the Annual General Meeting dividend will be distributed as repayment of paid-in capital.

Real Estate

(MNOK)	2024	2023	2024	2023
	Q4	Q4	Year	Year
Revenue	20	18	77	69
EBITDA	11	9	41	37
Earnings before financial items and tax (EBIT)	9	7	33	-61

In Q4'24, tenant turnover at Agora Bytom increased by 3.9 percent compared to the same period in 2023, while full-year 2024 turnover grew by 5.1 percent year-over-year.

Tenants at Agora Bytom have increased their revenues by 5.1% in 2024 compared to the same period in 2023.

In Q4'24, visitor numbers declined by 1.0 percent compared to the same period in the

previous year, with a total of approximately 4.8 million visitors over the last twelve months.

During the quarter, the property segment generated rental income of MNOK 19.6 and EBITDA of MNOK 10.8, compared to MNOK 17.9 and MNOK 8.9 in 2023.

Agora Bytom continues to maintain a strong position in the local market, with a consistently high occupancy rate. The center remains committed to ongoing improvements and actively engages in the rental market, currently negotiating with several potential tenants,

³ 2023 cash flow figures include positive cash flow effect from Vienna Arbitration, amounting to MNOK 75.4. Review APM for more information.

underscoring its focus on expansion and development.

As of December 31, 2024, the WAULT⁴ stands at 3.97 years by area and 3.89 years by income.

In 2024, Agora Bytom increased its leasable area by integrating portions of common areas into existing units or shops. As of December 31, 2024, the total leasable area stands at 33,605 sqm. The occupancy rate for open shops is 92.0 percent, while occupancy based on signed leases is 95.2 percent.

The number of visitors to Agora Bytom over the last twelve months stands at 4.8 million.

Borgestad expects revenue and EBITDA to increase moderate in the coming periods.

Inflation in Poland and Europe has been gradually declining and, according to the European Central Bank, is now under control. This downward trend, combined with other factors, has contributed to falling interest rates, which are expected to

positively impact yields and transaction volumes going forward.

With the completion of a five-year bank refinancing agreement with Bank Pekao in December 2023, the Group now has the flexibility to explore strategic M&A opportunities and other liquidity options for Agora Bytom. Given its strong financial position, there is no urgency to expedite a transaction. Instead, the Group will take the necessary time to assess the best course of action for both the company and its shareholders.

Refractory

(MNOK)	2024	2023	2024	2023	2023
	Q4	Q4	Year	Adj. year ²	Year
Revenue	225	211	1087	1072	1072
EBITDA	9	15	106	56	102
Earnings before financial items and tax (EBIT)	5	3	81	33	80
EBIT in percent	2 %	1 %	7 %	3 %	7 %

Höganäs Borgestad saw a year-on-year revenue increase of 6.5 percent in Q4'24 and continued its positive EBIT margin trend, ending the quarter at 2.0 percent compared to 1.4 percent in Q4'23. EBIT for the quarter amounted to MNOK 4.5, up from MNOK 2.9 in Q4'23.

EBIT margin FY'2024 at 7.5 percent compared to adjusted 3.1 percent FY'23.

For the full year 2024, EBIT reached MNOK 81.1, resulting in an EBIT margin of 7.5 percent, compared to an adjusted EBIT of MNOK 33.2 and an adjusted EBIT margin of 3.1 percent in 2023. This improvement in both Q4 and the full year is primarily driven by stronger operational performance in installation projects in Sweden

and Finland, increased sales in the Norwegian market, and the previously announced exit from greenfield projects related to cremation.

⁴ Weighted average unexpired lease term.

² Adjusted figures are excluding the positive EBIT effect from Vienna Arbitration, review APM for more information.

The refractory segment remains focused on steadily increasing its EBIT margin. Borgestad sees significant potential for further development and improvement in Höganäs Borgestad over the medium term and has set a new mid-term EBIT target of 10 percent or higher.

Order intake remains at normal levels, and the segment maintains a healthy order backlog of MNOK 133.2 as of December 31, 2024.

As of the same date, Höganäs Borgestad had no net interest-bearing debt and held a net cash position, reflecting a strong financial standing.

Other Activities Included in the Group

(MNOK)	2024	2024	2023	2024	2024	2023
	Q4	Q4 Adj. ⁵	Q4	Year	Adj. year ⁵	Year
EBITDA	3	-3	-4	-8	-14	-12
Earnings before financial items and tax (EBIT)	2	-3	-5	-9	-15	-13

Other activities primarily include the group company Borgestad ASA.

In Q4'24, Borgestad ASA completed the sale of Gunnar Knudsens veg 144 in Skien, Norway.

carrying a maximum duration of three years. The transaction was finalized in October 2024.

The office building was sold for a total of MNOK 10, with 50 percent structured as vendor credit,

The accounting gain from the sale, amounting to MNOK 5.5, is recognized in Q4'24.

Subsequent events

The Board of Directors will propose to the Annual General Meeting an ordinary dividend of

NOK 0.80 per share for 2024. The dividend amounts to MNOK 28.0.

Outlook

The Board of Directors expects the Group to deliver improved results and cash flow going forward, with continued positive margin development in the refractory segment.

Additionally, Borgestad ASA will explore opportunities for transformational M&A and other liquidity events for Agora Bytom.

⁵ Adjusted figures exclude the positive effect of the sale of Gunnar Knudsens veg 144, amounting to MNOK 5.5.

Condensed consolidated interim statement of income

(NOK 1 000) (Unaudited)	Note	2024	2023	2024	2023
		Q4	Q4	Year	Year
Revenue and other income	2	250 112	233 635	1 169 428	1 141 417
Materials, supplies and subcontracting		98 994	100 079	528 946	582 570
Salary and personnel expenses		99 257	88 772	394 855	347 108
Other expenses		29 474	25 195	106 558	84 262
Total operating expenses		227 726	214 046	1 030 359	1 013 939
EBITDA		22 386	19 590	139 069	127 478
Depreciation	6	7 145	10 681	34 733	31 750
Impairment of non-current assets	1, 6	-	-	-	90 126
Operating profit (EBIT)	2	15 241	8 909	104 336	5 601
Financial items					
Foreign currency gain/(loss)	1	815	4 058	1 386	6 362
Interest expenses		7 540	17 583	27 403	51 910
Other financial income/(expenses)		1 254	2 817	3 967	2 664
Net financial items		-5 471	-10 707	-22 051	-42 884
Profit before taxes	2	9 770	-1 799	82 286	-37 283
Income tax	1	5 880	11 414	20 521	26 309
Profit/(loss) for the period		3 891	-13 213	61 764	-63 592
Allocated as follows:					
Non-controlling interest's share of the profit		961	-1 722	16 535	14 690
Controlling interest's share of the profit		2 930	-11 490	45 229	-78 281
Basic and diluted earnings per share		0,08	0,21	1,29	-0,23

Condensed consolidated interim statement of comprehensive income

	2024	2023	2024	2023
(NOK 1 000) (Unaudited)	Q4	Q4	Year	Year
Profit/(loss) for the period	3 891	-13 213	61 764	-63 592
Other comprehensive income				
<i>Other income and expenses that will not be reclassified to profit:</i>				
Net act. gain/(loss) on defined benefit pension plans net tax	-664	-1 819	-664	-1 819
<i>Other income and expenses that may be reclassified to profit or loss:</i>				
Translation differences	-1 417	-2 950	18 403	24 058
Change in fair value of cash flow hedging net of tax	428	-3 064	-13 178	-7 406
Change in other equity transactions	-	-	-	-1
Net other comprehensive income	-1 653	-7 832	4 560	14 832
Total comprehensive income for the period	2 237	-21 045	66 325	-48 760
Non-controlling interest's share of total comprehensive income	199	429	17 508	18 605
Controlling interest's share of total comprehensive income	2 038	-21 475	48 817	-67 365

Condensed consolidated interim statement of financial position

		2024	2023
(NOK 1 000) (Unaudited)	Note	31.12.	31.12.
Assets			
Investment property	6	729 553	701 407
Land, buildings		12 502	17 890
Fixtures, machinery and vehicles		42 667	37 066
Right-of-use assets		35 751	28 499
Licences, trade marks and similar rights		26 032	33 902
Goodwill		90 082	90 108
Other financial assets		6 248	6 855
Deferred tax asset		8 941	13 734
Total non-current assets		951 777	929 461
Inventories		126 254	118 733
Trade receivables		139 214	184 567
Other receivables		9 771	7 763
Cash and cash equivalents		220 462	152 688
Total current assets		495 701	463 752
Non-current assets classified as held for sale	5	13 907	13 165
Total assets		1 461 385	1 406 378

Consolidated Balance Sheet, continued

(NOK 1 000) (Unaudited)	Note	2024 31.12.	2023 31.12.
Equity and liabilities			
Share capital		35 062	350 621
Share premium and other paid-in capital		641 679	326 121
Total paid-in capital		676 741	676 741
Other reserves		158 983	153 759
Other equity		-106 894	-147 929
Retained earnings		52 089	5 830
Non-controlling interest		80 202	73 270
Total equity		809 032	755 842
Interest-bearing debt	4	343 600	335 742
Other non-current liabilities		10 713	-
Lease liability		24 730	27 453
Pension liabilities		5 813	6 369
Deferred tax		8 288	7 988
Total non-current liabilities		393 144	377 552
Interest-bearing debt	4	51 900	60 043
Lease liability		16 986	12 641
Bank overdraft		-	24 098
Trade payables		68 489	64 017
Tax payables		11 928	12 147
Public duties payable		28 991	27 560
Other short-term liabilities		80 917	72 479
Total current liabilities		259 209	272 984
Total equity and liabilities		1 461 385	1 406 378

Lysaker, February 27 2025

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

(NOK 1 000) (Unaudited)	Note	2024 Year	2023 Year
Cash flow from operating activities before balance changes		99 405	88 390
+/- Balance changes		46 622	78 523
Net cash flow from operating activities		146 027	166 913
Investment in fixed tangible and intangible assets		-8 144	-37 912
Investments in shares in subsidiaries		-13 169	-
Sale of fixed assets		5 253	1 328
Net cash flow from investing activities		-16 060	-36 584
Proceeds from issuing new shares		-	296 729
Repayment of borrowings		-17 161	-312 498
Net change bank overdraft		-24 098	-34 439
Payment of lease liabilities		-20 933	-18 492
Net cash flow from financial activities		-62 192	-68 700
Cash flow for the period		67 775	61 629
Cash and cash equivalent at beginning of period		152 687	91 059
Cash and cash equivalent at end of year		220 462	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 year							45 229	16 535	61 764
Net other comprehensive income					-13 178	18 403	-1 803	1 140	4 560
Equity as at 31.12.2024	35 062	211 759	429 921		-7 025	166 008	-106 895	80 202	809 032

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
31.12.2024	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 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

Correction of reported figures in financial statements for Q4'23

The Group has identified errors in the reported financial statements for the fourth quarter of 2023.

The exchange rates used to adjust these deviations are the average rates for the respective periods.

Correction of agio and cash and cash equivalents

In the report for the fourth quarter of 2024, agio, cash, and cash equivalents figures have been corrected for the 2023 reporting. Aagio and cash have been adjusted by MNOK 13.1, and income tax by a positive MNOK 2. As a result, profit/(loss) for the period is MNOK 11.1 lower as of the fourth quarter 2023.

Correction of value for investment property in Q3'23

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.

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.

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
(NOK 1 000)	Q4	Q4	Year	Year
Revenue	250 112	233 635	1 169 428	1 141 417
EBITDA	22 386	19 590	139 069	127 478
Depreciation	7 145	6 970	34 733	31 750
Impairment of non-current assets	-	-	-	90 126
Operating profit (EBIT)	15 241	8 909	104 336	5 601
Financial items	-5 471	-10 707	-22 051	-42 884
Profit before tax	9 770	-1 799	82 286	-37 283

Segment Real Estate	2024	2023	2024	2023
(NOK 1 000)	Q4	Q4	Year	Year
Revenue	19 578	17 943	76 622	69 169
EBITDA	10 778	8 927	41 293	37 088
Depreciation	2 249	1 874	8 658	8 458
Impairment of non-current assets	-	-	-	90 126
Operating profit (EBIT)	8 529	7 053	32 634	-61 496
Financial items	-13 048	-2 119	-27 130	-20 054
Profit before tax	-4 519	4 934	5 504	-81 550

Segment Refractory	2024	2023	2024	2023
(NOK 1 000)	Q4	Q4	Year	Year
Revenue	225 128	211 323	1 087 363	1 072 165
EBITDA	9 091	15 140	106 145	101 986
Depreciation	4 588	12 283	25 024	22 365
Operating profit (EBIT)	4 503	2 857	81 121	79 621
Financial items	-1 751	-7 517	-11 393	-21 621
Profit before tax	2 752	-4 660	69 728	58 000

Segment other and eliminations	2024	2023	2024	2023
(NOK 1 000)	Q4	Q4	Year	Year
EBITDA	2 518	-4 478	-8 368	-11 596
Depreciation	308	235	1 051	927
Operating profit (EBIT)	2 209	-4 713	-9 419	-12 523
Financial items	9 327	2 640	16 472	-1 209
Profit before tax	11 537	-2 073	7 053	-13 733

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 342.5 loan in Bank Pekao in Poland as of December 31, 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 53.0 in Nordea as of December 31, 2024. Loan maturity is June 30, 2025, or later.

Part of the loan, MNOK 44.2, are reclassified as short-term interest-bearing debt in connection to assets held for sale on December 31, 2024.

In addition, the Group has MSEK 70 in credit facilities for ongoing financing of working capital. The credit facility was not drawn per December 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 costs 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 are 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 into a conditional agreement with Bjuv municipality in Sweden on October 27, 2023, 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 the completion of the transaction, the two properties will be transferred to a new wholly owned subsidiary of Höganäs Bjuf Fastighets AB, and the transaction will be structured as a sale by Höganäs Bjuf Fastighets AB of the shares in this 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 alleges that this 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 favor, 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 complaints of this type 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.

In light of this updated processing time, Bjuv municipality and Höganäs Bjuv Fastighets AB entered into an amendment of the agreement regarding the long stop date in November 2024. The original long stop date was set for December 31, 2024, but has been extended until December 31, 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 44.2 as of December 31, 2024. The loan amount is classified as interest-bearing debt under current liabilities.

Asset	2024	2023
(NOK 1 000)	31.12.	31.12.
Höganäs Bjuv Fastighet	13 907	13 165
Total assets classified as held for sale	13 907	13 165

Note 6 Investment property

	2024	2023
(NOK 1 000)	31.12.	31.12.
Opening balance as at 1st of January	701 408	745 008
Additions	2 330	5 647
Depreciation	8 658	8 458
Write downs	-	90 126
Translation differences	34 474	49 336
As at period end	729 553	701 408

Investment Property

During Q4'24, Management did not identify any indicators of impairment for Agora Bytom.

The recoverable amount of Agora Bytom has been determined based on the higher of its fair value less costs of disposal and its value in use, and the recoverable amount used in the Group's quarterly report is based on value in use. The value in use was calculated using discounted cash flow projections from financial forecasts

approved by Management covering a ten-year period.

The accounting standard suggests using a five-year cash flow projection period for these tests. However, Management considers that using a longer projection period better reflects the business cycle, providing a more realistic estimate of the asset's value. The assessment is supported by the Company's track record of extending or re-leasing the area to other tenants.

Furthermore, Management believes that utilizing longer periods aligns with market practice.

Management acknowledges that a longer projection period introduces more uncertainty into the cash flow estimates; however, they believe that the reliability of the Group's data and robust forecasting methods support a ten-year cash flow projection.

The value in use is estimated based on significant unobservable inputs. These inputs include:

Discount Rate

The present value of future cash flows was calculated using a pre-tax discount rate of 8.6% and a post-tax discount rate of 7.4%. These rates reflect current market assessments of the time value of money and the risks specific to Agora Bytom. The discount rate is calculated based on an applicable market WACC.

Rent per sqm

The rent level is estimated to be EUR 15.25 per sqm per month in 2025 and is forecasted to increase at a steady growth rate of 2%. The estimated rent of EUR 15.25 per sqm is based on signed leases at EUR 16.81 per sqm, with deductions for tenant discounts.

Vacancy

Estimated vacancy rates are based on current

and expected future market conditions, in line with the average market vacancy in the Polish region where Agora Bytom operates. The estimated vacancy rate in the terminal period is 4%. Vacancy as of 31.12.2025 is 8.0%, based on a total leasable area of 33,606 sqm in Agora Bytom.

Capitalization expenses

Capitalization rates are based on the specific location in Poland, as well as the size and quality of the properties, while taking into account market data as of the valuation date.

Management anticipates a rise in capital expenditure towards the conclusion of the projected timeline, attributable to climate risk considerations, to ensure adherence to regulatory standards.

Terminal value

Cash flows beyond the ten-year period were extrapolated using a steady growth rate of 2%, which is consistent with the long-term average growth rate for the industry.

Sensitivities

The below sensitivity tables are showing the calculated value in use, valued in euro, for the investment property given changes in the different assumptions.

Terminal growth

WACC	Terminal growth						
	0,5%	1,0%	1,5%	2,0%	2,5%	3,0%	3,5%
	-1,5%	-1,0%	-0,5%	-	0,5%	1,0%	1,5%
5,9%	70 578	75 313	81 131	88 453	97 948	110 752	128 961
6,4%	64 496	68 270	72 818	78 408	85 443	94 565	106 866
6,9%	59 373	62 430	66 056	70 427	75 798	82 558	91 324
7,4%	55 000	57 510	60 448	63 933	68 134	73 296	79 793
7,9%	51 223	53 309	55 722	58 546	61 896	65 934	70 897
8,4%	47 929	49 680	51 685	54 005	56 720	59 941	63 824
8,9%	45 032	46 514	48 197	50 125	52 356	54 968	58 065

Vacancy in terminal

WACC	Vacancy in terminal						
	7,0%	6,0%	5,0%	4,0%	3,0%	2,0%	1,0%
	3,0%	2,0%	1,0%	-	-1,0%	-2,0%	-3,0%
5,9%	85 611	86 558	87 505	88 453	89 400	90 347	91 294
6,4%	75 990	76 796	77 602	78 408	79 214	80 020	80 826
6,9%	68 342	69 037	69 732	70 427	71 122	71 817	72 512
7,4%	62 116	62 722	63 327	63 933	64 539	65 144	65 750
7,9%	56 948	57 480	58 013	58 546	59 078	59 611	60 144
8,4%	52 589	53 061	53 533	54 005	54 477	54 949	55 421
8,9%	48 863	49 284	49 705	50 125	50 546	50 967	51 388

Capex in terminal

WACC	Capex in terminal						
	680 000	630 000	580 000	530 000	480 000	430 000	380 000
	-150 000	-100 000	-50 000	-	50 000	100 000	150 000
5,9%	86 065	86 861	87 657	88 453	89 249	90 044	90 840
6,4%	76 377	77 054	77 731	78 408	79 085	79 762	80 439
6,9%	68 676	69 259	69 843	70 427	71 011	71 595	72 178
7,4%	62 406	62 915	63 424	63 933	64 442	64 951	65 459
7,9%	57 203	57 651	58 098	58 546	58 993	59 441	59 888
8,4%	52 816	53 212	53 608	54 005	54 401	54 798	55 194
8,9%	49 065	49 418	49 772	50 125	50 479	50 832	51 186

Rent / sqm

WACC	Rent / sqm							
	EUR / Sqm->	14,8	14,9	15,1	15,3	15,4	15,6	15,7
	%-change ->	(3,0%)	(2,0%)	(1,0%)	0,0%	1,0%	2,0%	3,0%
5,9%		85 662	86 592	87 522	88 453	89 383	90 313	91 243
6,4%		75 934	76 759	77 583	78 408	79 233	80 057	80 882
6,9%		68 205	68 945	69 686	70 427	71 168	71 909	72 649
7,4%		61 915	62 588	63 260	63 933	64 605	65 278	65 950
7,9%		56 698	57 314	57 930	58 546	59 162	59 778	60 393
8,4%		52 300	52 869	53 437	54 005	54 573	55 141	55 709
8,9%		48 543	49 071	49 598	50 125	50 653	51 180	51 708

Note 7 Subsequent events

Dividends

The Board of Directors will propose to the Annual General Meeting an ordinary dividend of NOK 0.80 per share for 2024. The dividend amounts to MNOK 28.0. Conditional of approval by the Annual General Meeting dividend will be distributed as repayment of paid-in capital.

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 to provide supplementary information by excluding items that, 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 Borgestad's experience shows that these measures are often used by analysts, investors,

and other stakeholders. Borgestad uses the same performance targets internally to further improve results and profitability by setting long-term financial targets.

Borgestad's alternative performance measures are defined based on adjusted IFRS concepts and are consistently defined, calculated, and applied in a transparent manner across all business areas and 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 (NOK 1000)	2024	2023
Drawn on the overdraft facility	-	-24 098
Overdraft facility 70 MSEK	72 051	70 910
Restricted deposits	-16 487	-13 415
Cash	220 462	152 688
Available liquidity at end of period	276 026	186 085

Liquidity ratio (NOK 1000)	2024	2023
Current assets	509 608	463 752
Current liabilities	259 209	272 984
Liquidity ratio in %	196,6 %	169,9 %

IBD (Interest-bearing debt)	2024	2023
(NOK 1000)	31.12.	31.12.
Other non-current liabilities	10 713	-
Mortgage debt	395 500	395 785
Bond loan	-	-
Lease liability	41 716	40 093
Bank overdraft	-	24 098
Total interest-bearing debt	447 928	459 976

NIBD (Net Interest-bearing debt)	2024	2023
(NOK 1000)	31.12.	31.12.
IBD (Interest-bearing debt)	447 928	459 976
Cash	220 462	152 688
Total	227 466	307 289

NIBD/EBITDA LTM	2024	2023
(NOK 1000)	31.12.	31.12.12
NIBD (Net Interest-bearing debt)	227 466	307 289
EBITDA LTM	139 069	127 478
NIBD/EBITDA	1,6	2,4

Equity ratio	2024	2023
(NOK 1000)	31.12.	31.12.
Total equity	809 032	755 842
Total capital	1 461 385	1 406 378
Equity ratio in %	55,4 %	53,7 %

Working capital	2024	2023
(NOK 1000)	31.12.	31.12.
Inventories and trade receivables	265 468	303 301
Trade payables	68 489	64 017
Working capital	196 979	239 284

⁴⁾ EBITDA adjusted group	2024	2023
(NOK 1000)	31.12.	31.12.
EBITDA LTM	139 069	127 478
Gain resulting from the arbitration case	-	-46 400
Gain on sale of asset	-5 463	-
EBITDA adjusted	133 606	81 078

Excluding the positive effect from Vienna Arbitration, sale of Gunnar Knudsens veg 144 and the correction in the figures described in note 1.

2) EBIT segment refractory	2024	2023
(NOK 1000)	31.12.	31.12.
EBIT LTM	81 121	79 621
Gain resulting from the arbitration case		-46 400
EBIT adjusted	81 121	33 221

2) EBIT segment refractory	2024	2023
(NOK 1000)	31.12.	31.12.
Revenue and other income LTM	1 087 363	1 072 165
EBIT adjusted LTM	81 121	33 221
EBIT adjusted	7,5 %	3,1 %

5) EBITDA segment other activities	2024	2023
(NOK 1000)	31.12.	31.12.
EBITDA LTM	-8 368	-11 596
Gain from sale of asset	5 436	
EBITDA adjusted	-13 804	-11 596



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