

BORGESTAD ASA



Executive
Remuneration Report

2024

Borgestad Group

Executive Remuneration Report 2024

Background

Pursuant to the Public Limited Liability Companies Act § 6-16 b), the board of Borgestad ASA ("Borgestad ASA" or the "Company", and together with its subsidiaries "the Group") must each financial year prepare a report which provides an overall overview of paid and outstanding salaries and remuneration to leading persons who are covered by the guidelines defined in section 6-16 a). This report meets the requirements set out in the "Regulations on guidelines and reports on remuneration for senior executives".

Purpose

The purpose of the report is to ensure transparency related to Borgestad's remuneration policy to confirm compliance with the guideline for remuneration to executive management, as well as to ensure that the remuneration scheme is in accordance with Borgestad's results, as well as long and short term objectives. The aim of these guidelines is to ensure the Company's competitiveness as an employer, however, the Company does not want to be a salary leader. Borgestad's principles for remuneration shall ensure responsible and sustainable decisions which are in line with the Company's business strategy, long-term interests and financial sustainability. The incentives and objectives set for each senior employee must also reflect the long-term interests of the Company's shareholders. In order to achieve this, both remuneration and other terms of employment must enable the Company to recruit, develop and retain skilled senior staff with relevant experience and expertise. Remuneration must be competitive, on market terms, and reflect the responsibility of the individual senior employee.



Overall company development in 2024

2024 was a transformational year for Borgestad Group with material operational development in refractory segment, Höganäs Borgestad Group, and further improvements for Agora Bytom. Borgestad has shown positive developments in revenue and EBITDA in 2024. Both the real estate and refractory segments increased their revenue and improved EBITDA compared to 2023. Borgestad had a total revenue and other income in 2024 of MNOK 1,169.4, up from MNOK 1,141.4 in 2023.

The refractory segment increased revenue with 1.4 percent while adjusted¹ EBITDA improved by MNOK 50.6 in 2024 compared to 2023. The refractory segment achieved an EBIT margin of 7.5 percent, compared to an adjusted EBIT margin for 2023 of 3.1 percent. The material improvement is primarily driven by stronger operational performance in installation projects in Sweden and Finland, increased sales in the Norwegian market, and the announced exit from greenfield projects related to cremation.

For the real estate segment, revenue improved by 10.8 percent from 2023 to 2024. Agora Bytom has focused on cost cutting to improve profitability and as a result, EBITDA increased from MNOK 37.1 in 2023 to MNOK 41.3 in 2024.

The Group achieved an EBITDA of MNOK 139.1 in 2024 compared to an EBITDA of MNOK 127.5 and an adjusted EBITDA of MNOK 81.1 in 2023. The result before tax for 2024 was positive with MNOK 82.3, compared to a loss of MNOK 37.3 in 2023. The Group had a write-down of MNOK 90.1 in 2023 related to the property value of the Agora Bytom shopping centre.

At the end of 2024, Borgestad Group had a sustainable balance sheet both in terms of debt level and liquidity reserves.

At the balance sheet date, the available liquidity was MNOK 220.5 and the interest-bearing debt MNOK 447.9. The net interest-bearing debt was MNOK 227.5, compared to MNOK 307.3 as of December 31, 2023.

Feedback from shareholders

The general meeting took note of the guidelines for executive management in June 2024 without any input or comments. 72.93 percent of the votes casted were for the guidelines and 27.07 percent against.

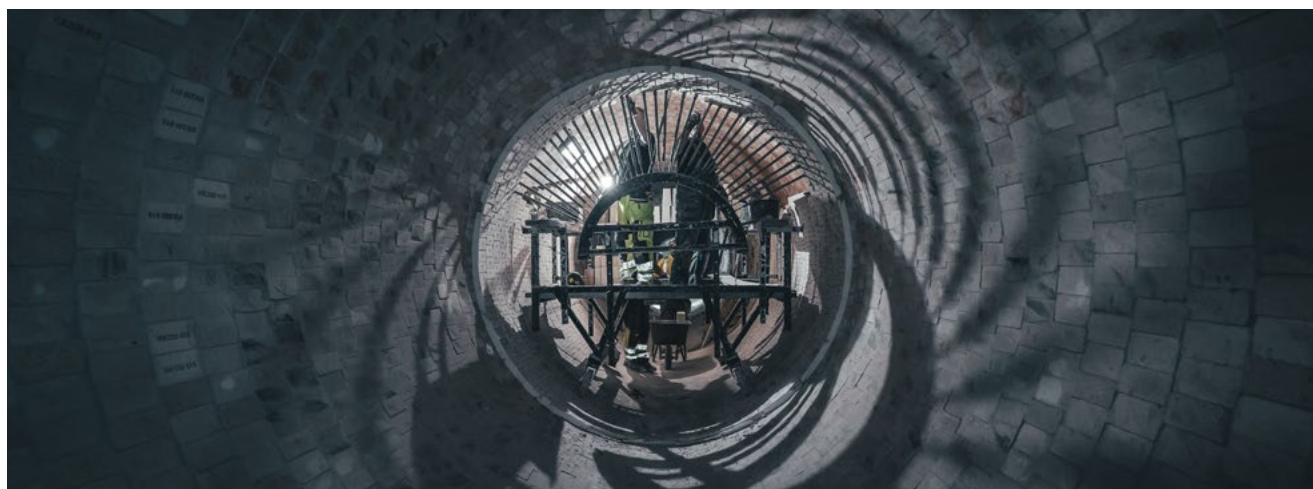
The Borgestad executive remuneration report for 2023 was presented to the 2024 annual general meeting for advisory vote. 68.51 percent of the votes cast were for the report and 31.49 percent of the votes were against. The Company or the board of directors received no comments from the shareholders that voted against the report.

Remuneration to the board

The board's remuneration was approved at the ordinary general meeting in June 2024, and there have been no deviations from these principles in 2024. The board's remuneration is decided each year by the general meeting. The remuneration consists only of a fixed fee, with the addition of a fixed fee for participation in the audit or remuneration committee. For 2024/2025, board fees for Borgestad ASA amounted to NOK 225,000 for board members and NOK 450,000 for the chair. Fees for participation in audit committee amounted to NOK 32,500 for members and NOK 110,000 for the chair. Fees for participation in remuneration committee amounted to NOK 25,000 for member and NOK 30,000 for the chair.

The Company changed principle and timing related to payment of the board remuneration in 2023, from a yearly payment after the full board period to payment each quarter. The change of principle related to remuneration to the board in 2023 affected the board members Jan Erik Sivertsen, Jacob Møller and Helene Steen which have been paid board remuneration for full year of 2022/2023 and two quarters for 2023/2024 remuneration. For 2023/2024, board fees for Borgestad ASA amounted to NOK 200,000 for board members and NOK 400,000 for the chairman.

1) Adjusted EBITDA and EBIT are EBITDA and EBIT excluding the positive EBITDA and EBIT effect from Vienna Arbitration



Remuneration paid to board members in 2024	Board remuneration	Audit committee	Remuneration committee	Total
Glen Ole Rødland, Chair of the board ²	639	-	15	654
Jacob Møller, board member	210	-	15	225
Jan Erik Sivertsen, board member ³	320	31	-	351
Helene Steen, board member ³	320	31	-	351
Wenche Kjølås, board member	213	105	-	318
Total	1 701	168	30	1 899

Table 1: Benefits paid to the board in 2024

Remuneration paid to board members in 2023	Board remuneration	Audit committee	Total
Glen Ole Rødland, Chair of the board from June 2023	200	0	200
Jacob Møller Chairman of the board until June 2023, board member from June 2023 ⁴	564	15	579
Jan Erik Sivertsen, board member	275	15	290
Helene Steen, board member	275	15	290
Wenche Kjølås, board member from June 2023	100	50	150
Gudmund Bratrud, deputy member until June 2023	175	0	175
Anne Sofie Tønseth Markman, board member until June 2023	175	15	190
Odd Rune Austgulen, board member until June 2023	175	0	175
Total	1 939	110	2 049

Table 2: Benefits paid to the board in 2023

2) Corona Maritime AS, which is controlled by Glen Ole Rødland, has a consultancy agreement with Borgestad ASA. In 2024 and 2023, NOK 1,528,437 and, NOK 824,662 was invoiced respectively. Rødland was elected chairman of Höganäs Borgestad Holding AB in June 2023, where a board fee of SEK 200,000 has been paid in 2024 for the period 2023/2024.

3) Jan Erik Sivertsen and Helene Steen was both elected board members of Höganäs Borgestad Holding AB in June 2023, where a board fee of SEK 100,000 has been paid in 2024 for the period 2023/2024.

4) Ploot Invest AS, which is controlled by Jacob Møller, had a consultancy agreement with Borgestad ASA. In 2023, NOK 27,853 was invoiced. The agreement is terminated by both parties in 2023. Jacob Møller was elected chairman of Höganäs Borgestad Holding AB until June 2023, where a board fee of SEK 150,000 has been paid in 2023 for the period 2022/2023.

Remuneration to management

The remuneration to the group management in 2024 has followed the guidelines for remuneration adopted by the general meeting in 2024. The guidelines for remuneration are available at www.borgestad.no as part of the notice to the ordinary general meeting in 2024.

The remuneration to the management consists of a fixed salary, variable remuneration, pension contributions and other benefits. The remuneration scheme must be linked to the achievement of the group's expressed strategic and financial goals and value base. Fixed salary shall be the main element of the overall remuneration and shall be determined according to criteria such as the nature of the position, competence and personal suitability. The fixed salary is assessed annually and determined on the basis of salary developments in society.

Remuneration for executive management must be competitive, but not salary-leading, so that the company attracts, retains and engages staff to help achieve

targets, as well as secure operations and high quality. Moderation in remuneration must be ensured by showing a balance in remuneration towards other employees. Gender, orientation or cultural background are not given weight when determining wages or other remuneration. There must be a clear connection between the criteria for performance-based remuneration and the company's goals and strategies. The principles for remuneration must be clear and simple, so that there is no need for interpretation, and it must be designed so that compliance and reporting are intuitive.

Variable remuneration to CEO Borgestad ASA in 2024 is remuneration in connection with the achievement of strategic goals as increased financial results and by successful finalization of improving the Group's financial carrying capacity in 2023.

Borgestad's executive management is not entitled to any amounts at the end of the year beyond normal holiday pay.

Remuneration paid to executive management in 2024	Fixed remuneration			Variable remuneration	Total	Share of fixed and variable remuneration	
	Salary	Other remuneration	Pension	Bonus		Fixed	Variable
Pål Feen Larsen, CEO	2 833	189	135	600	3 757	84,03 %	15,97 %
Bendik Persch Andersen, Head of M&A, IR and Corporate Governance, from September 15, 2024	529	2	35	-	566	100,00 %	0,00 %
Frode Martinussen, CEO Refractory segment	1 978	14	50	-	2 042	100,00 %	0,00 %
Total	5 340	205	220	600	6 365		

Table 3: Benefits paid to executive management in 2024

Remuneration paid to executive management in 2023	Fixed remuneration			Variable remuneration	Total	Share of fixed and variable remuneration	
	Salary	Other remuneration	Pension	Bonus		Fixed	Variable
Pål Feen Larsen, CEO	2 800	184	125	-	3 109	100,00 %	0,00 %
Frode Martinussen, CEO Refractory segment from 1st of August 2023	875	7	20	-	902	100,00 %	0,00 %
Total	3 675	191	145	0	4 011		

Table 4: Benefits paid to executive management in 2023

Remuneration for executive management	2020 vs 2019	2021 vs 2020	2022 vs 2021	2023 vs 2022	2024 vs 2023
Pål Feen Larsen, CEO	2 611	3 197	3 537	3 109	3 757
<i>Change in total remuneration</i>	7,9 %	22,5 %	10,6 %	-12,1 %	20,8 %
Bendik Perch Andersen, Head of M&A, Corporate Development and Investor Relations from 16. September 2024	-	-	-	-	566
<i>Change in total remuneration</i>	-	-	-	-	N/A
Niclas Sjöberg, CEO Refractory segment until 6. October 2022	3 743	3 410	3 056	-	-
<i>Change in total remuneration</i>	26,5 %	-8,9 %	-10,4 %	0,0 %	-
Frode Martinussen, CEO Refractory segment from 1. August 2023	-	-	-	902	2 042
<i>Change in total remuneration</i>	-	-	-	-	-
Total remuneration for executive management	6 354	6 607	6 594	4 011	6 365

Table 5: Annual change in remuneration for executive management

Group results	2020	2021	2022	2023	2024
Profit after tax	-175 006	-23 598	-126 109	-63 592	61 764
Average remuneration divided by the number of man-years					
Average remuneration	533	702	604	687	689
Average change in %	-7,9 %	31,6 %	-14,0 %	13,8 %	0,2 %
Number of full-time employees in the group	422	319	353	371	407

Table 6: Remuneration and company profit 2020 – 2024

Board statement

On April 25, 2025, the board processed and approved the remuneration report for Borgestad ASA for the financial year 2024. The remuneration report has been prepared in accordance with section 6-16 b) of the Public Limited Liability Companies Act and regulations issued pursuant to this provision. In our opinion, the Remuneration Report is in accordance with the Remuneration Policy adopted at the Annual General Meeting, and is free from material misstatement and omissions, whether due to fraud or error. The remuneration report will be presented to the General Meeting on May 28, 2025 for final approval.

Lysaker, April 25 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.

To the General Meeting of Borgestad ASA

INDEPENDENT AUDITOR'S ASSURANCE REPORT ON REPORT ON SALARY AND OTHER REMUNERATION TO DIRECTORS

Opinion

We have performed an assurance engagement to obtain reasonable assurance that Borgestad ASA's report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31. December 2024 has been prepared in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

In our opinion, the remuneration report has been prepared, in all material respects, in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

Board of directors' responsibilities

The board of directors is responsible for the preparation of the remuneration report and that it contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and for such internal control as the board of directors determines is necessary for the preparation of a remuneration report that is free from material misstatements, whether due to fraud or error.

Our independence and quality control

We are independent of the company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. The firm applies International Standard on Quality Management, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibilities

Our responsibility is to express an opinion on whether the remuneration report contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and that the information in the remuneration report is free from material misstatements. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information".

We obtained an understanding of the remuneration policy approved by the general meeting. Our procedures included obtaining an understanding of the internal control relevant to the preparation of the remuneration report in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. Further we performed procedures to ensure completeness and accuracy of the information provided in the remuneration report, including whether it contains the information required by the law and accompanying regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Skien, 25 April 2025
Deloitte AS

Hilde S. Bruseth Knudsen
State Authorised Public Accountant
(This document is signed electronically)

Independent auditors assu...emuneration to directo

Name

Date

Knudsen, Hilde Synnøve

2025-04-25

Bruseth

Identification



Knudsen, Hilde Synnøve

Bruseth



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