



BORGESTAD ASA

Second Quarter 2025 Report

August 20, 2025

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Highlights and Key Figures

Highlights

- 1 In Q2'25, Borgestad Group delivered an adjusted¹ result before tax of MNOK 20.9.
- 2 Agora Bytom continued its positive momentum, posting an EBITDA of MNOK 12.1 in Q2'25, up from MNOK 10.7 in Q2'24.
- 3 Höganäs Borgestad delivered a weaker quarter compared to Q2'24, reporting revenues of MNOK 296.4 and an adjusted¹ EBITDA of MNOK 27.5, down from MNOK 318.0 and MNOK 39.8, respectively.
- 4 Höganäs Borgestad acquired 100 percent of Emcotech AB, a Sweden-based company specializing in industrial flue gas cleaning.
- 5 Höganäs Borgestad refinanced its existing loan facilities with Nordea Bank, extending maturity to June 30, 2028 and securing a 0.8 percent margin reduction.

Key Figures

MNOK	First half Adj. 2025	First half		Year 2024
		2025	2024	
Operating income	523	523	559	1 169
EBITDA	38	29	53	139
Depreciation & impa. of intangible assets	18	32	16	35
Operating profit (EBIT)	20	-3	37	104
Profit before tax	2	-21	28	82

MNOK	30.06.2025	30.06.2024	31.12.2024
Cash	117	130	220
Available liquidity at end of period	127	143	276
IBD	509	481	437
NIBD	392	351	217
NIBD/EBITDA LTM	3,1	2,2	1,6
Equity ratio	49 %*	52 %	55 %

¹ Adjusted EBITDA, EBIT and result before tax exclude accrued cost for lay-off compensations and write down of ERP system in Q2'25, total adjustments at EBIT level of MNOK 19.8 in Q2'25 and MNOK 22.5 YTD.

* Equity ratio has decreased after distribution of dividend for fiscal year 2024 in Q2'25.

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

Overall, Borgestad continues to demonstrate a solid underlying operational trend, and the underlying operational development is expected to continue.

Agora Bytom continued the positive trend with increasing rental income and EBITDA. Cost reductions implemented in 2024, along with a high occupancy rate, are reflected in the second quarter results.

The occupancy rate as of June 30 showed a slight decrease compared to March 31, due to ongoing positioning for new leases that were signed in the third quarter before the reporting date. These leases are expected to further increase rental income and EBITDA from fourth quarter of 2025, with full effect from 2026 onwards.

Agora Bytom has shown strong development in recent periods, both operationally and financially. Based on signed leases, Borgestad expects the occupancy rate to exceed 97.0 percent by the end of the year.

Höganäs Borgestad reported a year-on-year decline in both revenue and adjusted EBIT. With an adjusted EBIT margin of 7.5 percent, the decline was primarily driven by reduced market share in Sweden and the postponement of customer projects. Although the global environment remains volatile, with ongoing conflicts and rising geopolitical tensions, the direct impact of trade restrictions on Höganäs Borgestad's operations is currently assessed as limited. The orderbook as end June'25 is at the

same level as end of June'24, supporting an expected good development for second half of 2025 for Höganäs Borgestad Group.

It is worth noting that the global refractory market continues to face challenges, including deferred investment decisions and increased price sensitivity among customers. In response, Höganäs Borgestad has implemented measures to reduce its cost base while preserving the capacity needed to capture the expected increase in sales over the coming quarters.

The Administrative Court of Malmö issued its verdict in the first quarter regarding the sale and leaseback transaction in Bjuv, ruling against both Bjuv Municipality and Höganäs Borgestad. The Court concluded that the municipality had not provided sufficient documentation to support the property valuations and therefore revoked its approval of the transaction. In response, Bjuv Municipality appealed the decision and submitted updated valuation documentation as part of the process.

A positive development occurred before the summer when the Court formally accepted the appeal for review. Both Bjuv Municipality and Höganäs Borgestad expect the appeal to ultimately result in a favourable outcome for both parties. A final verdict is expected by the end of 2025 or early 2026.

Borgestad remains committed to executing its strategy for both Höganäs Borgestad and Agora Bytom, which hold strong market positions in their respective markets. The Group's ongoing focus is on improving profitability and strengthening operational performance.

Pål Feen Larsen
CEO

Operational and Financial Review

Group Results

(MNOK)	2025	2024	2025	2024	2024
	Adjusted 2nd quarter	2nd quarter	Adjusted first half	First half	Year
Revenue	316	337	523	559	1 169
Total operating cost	279	292	485	506	1 030
EBITDA	37	45	38	53	139
Depreciation	9	9	18	16	35
Impairment of intangible assets	-	-	-	-	-
Earnings before financial items and tax (EBIT)	28	37	20	37	104
Financial items	-7	-4	-18	-8	-22
Profit before tax	21	33	2	28	82

Profit and Loss

Numbers in parenthesis are as of December 31, 2024.

Over the last twelve months Borgestad Group has a revenue of MNOK 1,134.9 and an adjusted² EBITDA of MNOK 120.3

Borgestad Group saw a decrease in revenue in Q2'25 of 6.5 percent compared to Q2'24. For the quarter, the Group's adjusted EBITDA was MNOK 36.9, down from MNOK 45.2 in Q2'24. The decrease in revenue and EBITDA was due to decreased activity within refractory segment in the quarter.

Net financials were weaker compared to the same period last year, mainly due to increased cost of hedging from June 30, 2024 and onwards for the mortgage debt in Agora Bytom. The hedging is influencing both the increase in interest expenses and other financial expenses within the quarter.

At the end of Q2'25, order intake and order backlog for the refractory segment were at normal seasonal levels.

Balance Sheet

Numbers in parenthesis are as of December 31, 2024.

As of June 30, 2025, the Group had total assets of MNOK 1,524 (MNOK 1,463), with equity amounting to MNOK 752 (MNOK 809), corresponding to an equity ratio of 49 % (55 %). The decrease in equity in first half of 2025 is mainly due to the distributed dividend for fiscal year 2024 recognised in second quarter of 2025.

Current assets totalled MNOK 544 (MNOK 497), while non-current liabilities stood at MNOK 408 (MNOK 393) and current liabilities at MNOK 364 (MNOK 261).

Working capital amounted to MNOK 321 (MNOK 197), up from MNOK 312 as of June 30, 2024. The increase year-on-year is mainly driven by increase in inventory.

The Group's total interest-bearing debt as of June 30, 2025, was MNOK 509 (MNOK 437), with net interest-bearing debt at MNOK 392 (MNOK 217).

² Adjusted EBITDA, EBIT and result before tax exclude accrued cost for lay-off compensations in and write down of ERP system.

Cash Flow, Investments, and Liquidity

Numbers in parenthesis are as of December 31, 2024.

The Group's year-to-date cash flow from operating activities was negative with MNOK 92.7 (positive MNOK 149).

Cash flow from investing activities was negative MNOK 25.5 (negative MNOK 19.3). In Q2'25 the Group closed the acquisition of 100 percent of the shares in Emcothech AB. The acquisition a total of MNOK 16.0 was paid. The transaction was settled with a payment of MNOK 11.0 for the shares at closing, subject to adjustment for

deviations from historically seasonal working capital levels and net debt as of closing.

Cash flow from financing activities was positive with MNOK 14.7 year-to-date (negative MNOK 62.2). The Group has in Q2'25 distributed dividend of MNOK 34.6 to shareholders of Borgestad ASA and minority shareholders of Höganäs Borgestad Holding AB.

Net cash flow year-to-date was negative with MNOK 103.5.

Available liquidity as of June 30, 2025, was MNOK 127 (MNOK 276), which includes MNOK 24 of undrawn credit facilities.

Real Estate

(MNOK)	2025	2024	2025	2024	2024
	2nd quarter	2nd quarter	First half	First half	Year
Revenue	21	19	40	38	77
EBITDA	12	11	22	20	41
Earnings before financial items and tax (EBIT)	9	9	16	16	33

In Q2'25, tenant turnover at Agora Bytom increased by 7.8 percent compared to the same period in 2025, while last twelve months turnover grew by 3.1 percent year-over-year.

Tenants at Agora Bytom have increased their revenues by 7.8 percent in Q2'25 compared to the same period in 2024.

In Q2'25, visitor numbers increased by 1.6 percent compared to the same period last year. The last twelve months number of visitors declined with 1.9 percent year-over-year.

In second quarter, the property segment generated rental income of MNOK 21.0 and EBITDA of MNOK 12.1, compared to MNOK 18.8 and MNOK 10.7 in same period in 2024.

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

As of June 30, 2025, the WAULT³ stands at 4.07 years by area and 3.57 years by income.

As of June 30, 2025, occupancy based on signed leases was at 94.8 percent, a decrease of 0.04 percent since March 31. Per June 30, 2025 the total leasable area stands at 33,630 sqm.

³ Weighted average unexpired lease term.

The occupancy rate for Agora Bytom is estimated to stand at 96.6 percent per of the date of this report.

Agora Bytom has from June 30, to the date of this report had an active period for finalizing new lease agreements. At the date of this report the estimated occupancy based on signed leases stands at 96.6 percent, and leasable area of 33.630 sqm. The signed leases are estimated to open during autumn 2025 and is expected to improve the commercial attractiveness of Agora Bytom.

Agora Bytom has over recent periods shown good development in increasing the occupancy rate and has now nearly fully leased out the centre. With this strong occupancy as a foundation, the focus is shifting toward renegotiating or replacing lower leases to increase the actual rent per sqm per month, while continuing efforts to enhance the centre's commercial attractiveness. A combination of

high occupancy, improved rent levels, and increased attractiveness is critical for any potential future increase in the value of the property.

Borgestad expects revenue and EBITDA to increase moderately compared to previous year in the coming periods. Inflation in Poland and Europe has been gradually declining and, according to the European Central Bank, is now considered under control. This downward trend, together with other factors, has contributed to falling interest rates, which are expected to positively impact yields and transaction volumes going forward.

The Group remains in a strong financial position and has the flexibility to explore strategic M&A opportunities and other liquidity options for Agora Bytom. There is no urgency to proceed with a transaction, and the Group will take the necessary time to carefully evaluate the best path forward for the company and its shareholders.

Refractory

(MNOK)	2025	2024	2025	2024	2024
	Adjusted 2nd quarter	2nd quarter	Adjusted first half	First half	Year
Revenue	296	318	482	522	1 087
EBITDA	28	40	22	43	106
Earnings before financial items and tax (EBIT)	22	33	11	31	81
EBIT in percent	7,5 %	10,5 %	2,2 %	6,0 %	7,5 %

Höganäs Borgestad recorded a year-over-year revenue decline of 6.8 percent in Q2'25. The decrease is primarily attributable to reduced activity in the Swedish service and maintenance market, as well as the postponement of certain projects. Given the Group's high operational leverage, this has had a negative impact on profitability for the quarter. Adjusted EBIT⁴ for

Q2'25 ended at MNOK 22.1, down from MNOK 33.3 in Q2'24.

Over the last twelve months, Höganäs Borgestad Group reported revenue of MNOK 1,049.4 and adjusted EBIT of MNOK 60.7, corresponding to an adjusted EBIT margin of 5.8 percent.

⁴ Adjustments for accrued costs related to lay-off compensations and extraordinary write-offs

Adjusted LTM EBIT margin as of Q2'25 stands at 5.8 percent, up from 5.7 percent as of Q2'24.

In Q2'25, Höganäs Borgestad implemented a cost-saving program in parts of the Group, including staff reductions. The estimated full-year effect is a cost reduction of MNOK 7.3, expected to be fully realized from October 2025 onwards. A total restructuring cost of MNOK 6.2 was recognized in Q2'25 as a provision for personnel who will leave before the end of their lay-off period. These costs are excluded from the adjusted figures. Additional operational improvement measures are planned for implementation during the second half of 2025.

Borgestad remains optimistic about the revenue and profitability outlook for Höganäs Borgestad for the remainder of the year, supported by an order backlog of MNOK 263.2⁵ as of June 30, 2025, compared to MNOK 256.0 as of June 30, 2024.

Höganäs Borgestad continues to focus on steadily improving its EBIT margin, and the group sees clear potential for further improvements in the years ahead. The mid-term EBIT target of 10 percent remains unchanged, with key priorities including revenue growth, particularly in the low-season months of Q1 and Q4, and maintaining strict cost discipline to ensure a healthy cost base.

On June 30, 2025, Höganäs Borgestad acquired 100 percent of Emcotech AB, a Sweden-based company specializing in industrial flue gas cleaning.

The acquisition of Emcotech was driven by Höganäs Borgestad Energi & Ugnsteknik AB's ("HBEU") dual setup, which combines industrial mechanics and filter services. As part of the same group, the target is for Emcotech and HBEU to establish a stronger position in the industrial filter market.

Immediate synergies across the companies include the sharing of technical expertise, resources, and equipment, improving both sales and operational efficiency. With each company already present at various customer sites – either individually or jointly – there are clear opportunities to broaden service offerings and increase market share. For more detailed information the Board of Directors refers to the stock exchange communication published on Oslo stock exchange June 17, 2025.

Höganäs Borgestad finalized the refinancing of its existing loan facilities with Nordea Bank in June, extending the maturity date to June 30, 2028. The new agreement includes a reduction in the interest margin of 0.80 percentage points compared to the previous facility. Other terms and conditions remain largely unchanged from the former loan agreement with Nordea.

Other Activities Included in the Group

(MNOK)	2025	2024	2025	2024	2024
	2nd quarter	2nd quarter	First half	First half	Year
EBITDA	-3	-5	-6	-10	-8
Earnings before financial items and tax (EBIT)	-3	-5	-7	-10	-9

⁵ Order book does not include the newly acquired company, Emcotech AB

Other activities primarily include the group company Borgestad ASA.

In Q2'25 Borgestad ASA has had a normal quarter in terms of costs and EBITDA.

Subsequent Events

No subsequent events have occurred between June 30, 2025 and the date of this report.

Outlook

The Board of Directors recognizes the ongoing uncertainty in the global landscape, driven by multiple conflicts and the risk of escalating trade tensions between countries and regions. While the direct impact of potential trade barriers on Borgestad is considered limited, there could be indirect effects – particularly if customers of Höganäs Borgestad Group face challenges due to reduced demand or unfavourable tariffs. This, in turn, could temporarily dampen demand for refractory products, services, and installations. However, the refractory industry has historically shown resilience during such fluctuations, often followed by catch-up effects after periods of slowdown. The Board and management continue to monitor developments closely and are prepared to take necessary measures if required.

Looking ahead, the Board expects the Group to deliver improved underlying results and stronger cash flow, with continued positive margin development in both the refractory and property segments over time. However, progress may

vary quarter by quarter due to seasonality, cyclical swings, one-off items, and variations in project activity.

The Höganäs Borgestad Group is in the final stages of liquidating its subsidiary, Höganäs Borgestad Asian Pacific Ltd. (“HBAP”). This liquidation marks the concluding step in the shutdown of standard brick production in Bjuv, completed in 2021. The final outcome of the liquidation is expected to have a negative impact of MNOK 44.9 on EBITDA, EBIT, and profit before tax. However, the effect is purely accounting-related and will have no impact on the Group’s equity or cash flow. The result will be recognized in the Group’s financial statements in the second half of 2025, effectively removing the last legacy element from the discontinued operations.

Borgestad ASA will continue to explore strategic opportunities, including transformational M&A and potential liquidity events related to Agora Bytom.

Condensed Consolidated Interim Statement of Income

(NOK 1 000) (Unaudited)	Note	2025	2024	2025	2024	2024
		2nd quarter	2nd quarter	First half	First half	Year
Revenue and other income	2	316 173	336 728	522 636	559 487	1 169 428
Materials, supplies and subcontracting		146 731	152 089	241 811	254 314	528 946
Salary and personnel expenses		105 056	109 960	192 157	196 294	394 855
Other expenses		33 711	29 483	59 597	55 527	106 558
Depreciation	6	9 067	8 575	18 438	16 478	34 733
Impairment of intangible assets	3	13 595	-	13 595	-	-
Operating cost and expenses		308 161	300 108	525 598	522 614	1 065 092
Operating income/(loss)	2	8 012	36 620	-2 962	36 873	104 336
Financial items		-	-			
Foreign currency gain/(loss)		-174	242	-61	403	1 386
Interest expenses		8 024	5 439	15 106	10 645	27 403
Other financial income/(expenses)		1 278	1 235	-2 410	1 786	3 966
Net financial items		-6 920	-3 962	-17 577	-8 456	-22 051
Profit before tax	2	1 092	32 658	-20 539	28 417	82 285
Income tax		4 076	2 309	5 490	3 030	20 521
Profit/(loss) for the period		-2 984	30 350	-26 029	25 388	61 764
Allocated as follows:		-	-			
Non-controlling interest's share of the profit		-1 399	8 548	-6 859	6 352	16 535
Controlling interest's share of the profit		-1 585	21 802	-19 170	19 036	45 229
Basic and diluted earnings per share		-0,05	0,54	-0,55	0,54	1,29

Condensed Consolidated Interim Statement of Comprehensive Income

	2025	2024	2025	2024	2024
	2nd quarter	2nd quarter	First half	First half	Year
Profit/(loss) for the period	-2 984	30 350	-26 029	25 388	61 764
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	-	-	-	-	-664
<i>Other income and expenses that may be reclassified to profit or loss:</i>					
Translation differences	17 969	-14 186	10 341	3 107	18 403
Change in fair value of cash flow hedging net of tax	-345	-6 015	167	-8 569	-13 178
Change in other equity transactions	-	-126	-42	-126	-
Net other comprehensive income	17 623	-20 326	10 467	-5 588	4 560
Total comprehensive income for the period	14 640	10 023	-15 562	19 799	66 325
Non-controlling interest's share of total comprehensive income	-643	7 783	-4 334	5 753	17 714
Controlling interest's share of total comprehensive income	15 282	2 240	-11 228	14 046	48 611

Condensed Consolidated Interim Statement of Financial Position

(NOK 1 000) (Unaudited)	Note	2025 30.6.	2024 30.6.	2024 31.12.
Assets				
Investment property	6	727 469	707 417	729 553
Land, buildings		14 627	19 315	12 502
Fixtures, machinery and vehicles		45 069	35 341	42 667
Licences, trade marks and similar rights	3	12 144	36 007	26 032
Right-of-use assets		40 652	26 828	35 751
Goodwill		101 893	88 910	90 082
Other financial assets		5 588	859	6 248
Deferred tax asset		18 329	15 787	8 941
Total non-current assets		965 771	930 464	951 777
Inventories		155 793	144 224	126 254
Trade receivables		250 497	249 501	139 214
Other receivables		20 478	9 780	11 185
Cash and cash equivalents		117 009	130 263	220 462
Total current assets		543 778	533 768	497 115
Non-current assets classified as held for sale	5	14 345	15 947	13 907
Total assets		1 523 894	1 480 178	1 462 799

Consolidated Balance Sheet, continued

(NOK 1 000) (Unaudited)	Note	2025 30.6.	2024 30.6.	2024 31.12.
Equity and liabilities				
Share capital		35 062	35 062	35 062
Share premium and other paid-in capital	7	613 630	641 679	641 679
Total paid-in capital		648 692	676 741	676 741
Other reserves		169 492	148 297	158 983
Other equity		-128 630	-130 812	-106 894
Retained earnings		40 861	17 486	52 089
Non-controlling interest		62 709	68 280	80 202
Total equity		752 262	762 507	809 032
Interest-bearing debt	3, 4	346 042	333 519	343 600
Other non-current liabilities		10 547	4 531	10 713
Lease liability		29 575	30 439	24 730
Pension liabilities		5 858	6 584	5 813
Deferred tax		15 812	6 514	8 288
Total non-current liabilities		407 834	381 587	393 144
Interest-bearing debt	4	55 458	55 475	51 900
Lease liability		16 918	12 811	16 986
Bank overdraft		60 583	48 926	-
Trade payables		85 217	81 237	68 489
Tax payables		6 283	13 775	11 928
Public duties payable		38 052	43 823	28 991
Other short-term liabilities		101 288	80 037	82 330
Total current liabilities		363 798	336 085	260 623
Total equity and liabilities		1 523 894	1 480 178	1 462 799

Lysaker, August 20, 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)	2025	2024	2024
	First half	First half	Year
Cash flow from operating activities before balance changes	6 739	38 822	104 871
+/- Balance changes	-99 473	-52 474	44 430
Net cash flow from operating activities	-92 734	-13 652	149 301
Acquisitions of property, equipment and intangible assets	-9 559	-506	-12 220
Acquisitions of subsidiaries	-16 027	-13 169	-13 194
Sale of fixed assets	142	-	6 079
Net cash flow from investing activities	-25 445	-13 675	-19 335
Proceeds from borrowings	9 555	-	-
Repayment of borrowings	-10 089	-10 713	-17 161
Net change bank overdraft	60 583	24 828	-24 098
Dividend paid to equity holders of the parent	-28 050	-	-
Dividend paid to minority interests	-6 579	-	-
Payment of principal portion of lease liabilities	-10 695	-9 213	-20 933
Net cash flow from financial activities	14 725	4 902	-62 192
Cash flow for the period	-103 453	-22 425	67 774
Cash and cash equivalent at beginning of period	220 462	152 688	152 688
Cash and cash equivalent at the end of the period	117 009	130 263	220 462

Statement of Change in Equity

(NOK 1 000)	Share capital	Share premium reserve	Other paid-in capital	Fair value reserve of debt instruments at FVOCI	Translation differences	Total other equity	Non-controlling interests	Total equity
Equity as at 01.01.2024	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	-106 894	80 202	809 032
Equity as at 01.01.2025	35 062	211 759	429 921	-7 025	166 008	-106 894	80 202	809 032
Dividends			-28 050				-13 158	-41 208
Profit/(loss) for the period						-19 170	-6 859	-26 029
Net other comprehensive income				167	10 343	-2 567	2 525	10 467
Equity as at 30.06.2025	35 062	211 759	401 871	-6 859	176 351	-128 631	62 709	752 262

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 - 2024.

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

Reporting. The condensed consolidated interim financial information should be read in conjunction with Borgestad's *Financial Statements – 2024* that are a part of *Borgestad's Annual Report – 2024*.

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.

Note 2 Operating Segment Information

Group	2025	2025	2024	2025	2025	2024	2024
(NOK 1 000)	2nd quarter	Adjusted 2nd quarter	2nd quarter	First half	Adjusted first half	First half	Year
Revenue	316 173	316 173	336 727	522 636	522 636	559 487	1 169 428
EBITDA	30 675	36 858	45 195	29 071	37 954	53 351	139 069
Depreciation	9 067	9 067	8 575	18 438	18 438	16 478	34 733
Impairment of intangible assets	13 595	-	-	13 595	-	-	-
Operating profit (EBIT)	8 012	27 790	36 620	-2 962	19 516	36 873	104 336
Financial items	-6 920	-6 920	-3 962	-17 577	-17 577	-8 456	-22 051
Profit before tax	1 092	20 870	32 658	-20 539	1 940	28 417	82 285

Segment Real Estate	2025	2024	2025	2024	2024
(NOK 1 000)	2nd quarter	2nd quarter	First half	First half	Year
Revenue	21 036	18 762	40 327	37 637	76 622
EBITDA	12 087	10 695	22 427	20 181	41 293
Depreciation	3 341	2 145	6 686	4 265	8 658
Operating profit (EBIT)	8 746	8 550	15 741	15 916	32 634
Financial items	-6 723	-3 004	-17 368	-5 882	-27 130
Profit before tax	2 023	5 546	-1 627	10 034	5 504

Segment Refractory	2025	2025	2024	2025	2025	2024	2024
(NOK 1 000)	2nd quarter	Adjusted 2nd quarter	2nd quarter	First half	Adjusted first half	First half	Year
Revenue	296 372	296 372	317 953	482 331	482 331	521 826	1 087 363
EBITDA	21 357	27 541	39 845	12 862	21 745	43 178	106 146
Depreciation	5 444	5 444	6 525	11 190	11 190	12 068	25 024
Impairment of intangible assets	13 595	-	-	13 595	-	-	-
Operating profit (EBIT)	2 319	22 097	33 320	-11 923	10 555	31 110	81 122
Financial items	-2 906	-2 906	-2 776	-5 307	-5 307	-6 030	-11 393
Profit before tax	-588	19 191	30 544	-17 231	5 248	25 079	69 728

Segment other and eliminations	2025	2024	2025	2024	2024
(NOK 1 000)	2nd quarter	2nd quarter	First half	First half	Year
EBITDA	-2 770	-5 345	-6 218	-10 008	-8 370
Depreciation	283	-95	562	145	1 051
Operating profit (EBIT)	-3 053	-5 250	-6 780	-10 153	-9 420
Financial items	2 709	1 819	5 099	3 457	16 472
Profit before tax	-344	-3 431	-1 682	-6 696	7 053

Note 3 Significant Events in 2025

Impairment of intangible assets

Segment refractory has written down the ERP system with MNOK 13.6.

Höganäs Borgestad acquires Emcotech AB

In Q2'25 the Group closed the acquisition of 100 percent of the shares in Emcotech AB. The transaction of MNOK 16 (MSEK 15.1) was settled with a payment of MNOK 11.0 for the shares at closing, subject to adjustment for deviations from historically seasonal working capital levels and net debt as of closing. In addition, a contingent performance-based earn-out, capped at MSEK 10, will be payable 18 months after closing, subject to fulfilment of the relevant conditions.

The purchase was financed with an increase in bank financing of MSEK 9 and cash.

Note 4 Interest-Bearing Debt

Agora Bytom Sp. z o.o. has a MEUR 28.9/ MNOK 342.0 loan in Bank Pekao in Poland as of June 30, 2025. The loan is recognized at amortized cost and matures on maturity.

Agora Bytom entered in 2024 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 59.5 in Nordea as of June 30, 2025. Loan maturity date is June 30, 2028.

Part of the loan, MNOK 51.2, is reclassified as short-term interest-bearing debt in connection to assets held for sale on June 30, 2025.

In addition, the Group has MSEK 80 in credit facilities for ongoing financing of working capital.

Note 5 Assets 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 of sales, 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 Bjuv 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 Bjuv Fastighets AB, and the transaction will be structured as a sale by Höganäs Bjuv Fastighets AB of the shares in this subsidiary.

The transaction was approved by the Municipal Council of Bjuv December 11, 2023, but 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 Administrative Court in Malmö (the "Administrative Court") has processed the

complaint. According to the Administrative Court, Bjuv municipality has not provided sufficient documentation regarding the valuation of the two properties. As a result, the Administrative Court decided to revoke Bjuv municipality's approval of the Transaction.

In March 2025, Bjuv municipality appealed the Administrative Court's ruling.

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.

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 that 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 51.2 as of June 30, 2025. The loan amount is classified as interest-bearing debt under current liabilities.

Asset	2025	2024	2024
(NOK 1 000)	30.6.	30.6.	31.12.
Höganäs Bjuv Fastighet	14 345	15 947	13 907
Total assets classified as held for sale	14 345	15 947	13 907

Note 6 Investment Property

	2025	2024	2024
(NOK 1 000)	30.6.	30.6.	31.12.
Opening balance as at 1st of January	729 553	701 408	701 408
Additions	4 394	506	2 330
Depreciation	6 686	4 265	8 658
Write downs	-	-	-
Translation differences	208	9 768	34 474
As at period end	727 469	707 417	729 553

Investment Property

During first half of 2025, 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. 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 9.1% and a post-tax discount rate of 7.2%. 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 15.42 per sqm per month in 2025 and is forecasted to increase at a steady growth rate of 2%. The estimated rent of EUR 15.42 per sqm is based on signed leases at EUR 16.33 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 30.06.2025 is 5.2%, based on a total leasable area of 33,580 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						
		0,5%	1,0%	1,5%	2,0%	2,5%	3,0%	3,5%
WACC	%-change ->	-1,5%	-1,0%	-0,5%	0,0%	0,5%	1,0%	1,5%
	5,7%	75 717	81 097	87 748	96 181	107 223	122 306	144 144
	6,2%	69 077	73 354	78 535	84 939	93 060	103 693	118 217
	6,7%	63 506	66 964	71 083	76 073	82 242	90 063	100 304
	7,2%	58 765	61 601	64 933	68 901	73 708	79 650	87 184
	7,7%	54 682	57 038	59 771	62 980	66 804	71 435	77 160
	8,2%	51 131	53 107	55 376	58 010	61 103	64 787	69 250
	8,7%	48 012	49 686	51 590	53 777	56 316	59 297	62 848

		Vacancy in terminal						
		7,0%	6,0%	5,0%	4,0%	3,0%	2,0%	1,0%
WACC	%-change ->	3,0%	2,0%	1,0%	0,0%	-1,0%	-2,0%	-3,0%
	5,7%	93 087	94 119	95 150	96 181	97 213	98 244	99 276
	6,2%	82 312	83 188	84 064	84 939	85 815	86 691	87 567
	6,7%	73 810	74 564	75 319	76 073	76 827	77 582	78 336
	7,2%	66 929	67 586	68 244	68 901	69 558	70 216	70 873
	7,7%	61 246	61 824	62 402	62 980	63 558	64 137	64 715
	8,2%	56 473	56 985	57 497	58 010	58 522	59 034	59 547
	8,7%	52 406	52 863	53 320	53 777	54 235	54 692	55 149

		Capex in terminal						
		680 000	630 000	580 000	530 000	480 000	430 000	380 000
WACC	-change ->	-150 000	-100 000	-50 000	-	50 000	100 000	150 000
	5,7%	93 609	94 466	95 324	96 181	97 039	97 897	98 754
	6,2%	82 755	83 483	84 211	84 939	85 668	86 396	87 124
	6,7%	74 191	74 818	75 446	76 073	76 700	77 328	77 955
	7,2%	67 261	67 808	68 355	68 901	69 448	69 994	70 541
	7,7%	61 538	62 019	62 500	62 980	63 461	63 942	64 422
	8,2%	56 732	57 158	57 584	58 010	58 436	58 862	59 288
	8,7%	52 637	53 017	53 397	53 777	54 157	54 538	54 918

		Rent / sqm						
		15,0	15,1	15,3	15,4	15,6	15,7	15,9
WACC	EUR / Sqm->	15,0	15,1	15,3	15,4	15,6	15,7	15,9
	%-change ->	-3,0%	-2,0%	-1,0%	0,0%	1,0%	2,0%	3,0%
	5,7%	93 223	94 209	95 195	96 181	97 168	98 154	99 140
	6,2%	82 327	83 198	84 069	84 939	85 810	86 681	87 552
	6,7%	73 733	74 513	75 293	76 073	76 853	77 633	78 413
	7,2%	66 782	67 488	68 195	68 901	69 607	70 314	71 020
	7,7%	61 043	61 689	62 335	62 980	63 626	64 272	64 917
	8,2%	56 226	56 820	57 415	58 010	58 604	59 199	59 794
8,7%	52 124	52 675	53 226	53 777	54 329	54 880	55 431	

Note 7 Share Information

Number of shares	Ordinary shares outstanding
01.01.2024	1 402 482 841
Rights issue 03.06.24*	39
Share reverse split 03.06.24	-1 367 420 808
31.12.2024	35 062 072
30.06.2025	35 062 072

*Borgestad increased the share capital by NOK 9.75 through the issue of 39 new shares in 2024, each with a nominal value of NOK 0.25, in order to facilitate for a reverse share split in the ratio 40:1

Total number of shares outstanding on 30 June 2025 is 35,062,072. Borgestad has not held any own shares throughout 2024 and 2025.

The Annual General Meeting on 28 May 2025 approved a dividend for 2024 of NOK 0.80 per share. This amounted to a total of MNOK 28.1. The dividend was paid out during second quarter 2025.

Note 8 Subsequent Events

No material subsequent events has occurred since June 30, 2025 and the date of this report.

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)	2025	2024	2024
	30.6.	30.6.	31.12.
Drawn on the overdraft facility	-60 583	-48 926	-
Overdraft facility 80 MSEK	84 936	73 710	72 051
Restricted deposits	-14 506	-12 288	-16 487
Cash	117 009	130 263	220 462
Available liquidity at end of period	126 857	142 759	276 026

IBD (Interest-bearing debt)	2025	2024	2024
(NOK 1000)	30.6.	30.6.	31.12.
Mortgage debt	401 500	388 994	395 500
Lease liability	46 493	43 250	41 716
Bank overdraft	60 583	48 926	-
Total interest-bearing debt	508 575	481 170	437 216

NIBD (Net Interest-bearing debt)	2025	2024	2024
(NOK 1000)	30.6.	30.6.	31.12.
IBD (Interest-bearing debt)	508 575	481 170	437 216
Cash	117 009	130 263	220 462
Total	391 566	350 907	216 754

NIBD/EBITDA LTM	2025	2024	2024
(NOK 1000)	30.6.	30.6.	31.12.
NIBD (Net Interest-bearing debt)	391 566	350 907	216 754
EBITDA LTM	124 548	156 189	139 069
NIBD/EBITDA	3,1	2,2	1,6

Equity ratio	2025	2024	2024
(NOK 1000)	30.6.	30.6.	31.12.
Total equity	752 262	762 507	809 032
Total capital	1 523 894	1 480 178	1 461 385
Equity ratio in %	49,4 %	51,5 %	55,4 %

Working capital	2025	2024	2024
(NOK 1000)	30.6.	30.6.	31.12.
Inventories and trade receivables	406 290	393 725	265 468
Trade payables	85 217	81 237	68 489
Working capital	321 074	312 488	196 979

EBITDA group	2025	2024	2024
(NOK 1000)	30.6.	30.6.	31.12.
Operating income/(loss)	-2 962	36 873	104 336
Impairment of non-current assets	13 595	-	-
Depreciation	18 438	16 478	34 733
EBITDA	29 071	53 351	139 069

1) Adjusted group 2025	2025	2025
(NOK 1000)	2nd quarter	First half
EBIT	8 012	-2 962
Accrued cost for lay-off compensations	-6 183	-8 883
Write down ERP system	-13 595	-13 595
EBIT adjusted	27 790	19 516
Financial items	-6 920	-17 577
Profit before tax	20 870	1 940

4) Adjusted segment refractory 2025	2025	2025
(NOK 1000)	2nd quarter	First half
EBIT	2 319	-11 923
Accrued cost for lay-off compensations	-6 183	-8 883
Write down ERP system	-13 595	-13 595
EBIT adjusted	22 097	10 555
Financial items	-2 906	-5 307
Profit before tax	19 191	5 248

Statement from the Board and the CEO of Borgestad ASA

We confirm to the best of our knowledge that the condensed set of financial statements at June 30 2025 and for the six-month period January 1, 2025, to June 30, 2025, have been prepared in accordance with IAS 34 - Interim Financial Reporting, and gives a true and fair view of the Group's assets, liabilities, financial position and result for the period. We also confirm to the best

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

Borgestad, August 20 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.



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