

Quarter Presentation Q2 2025

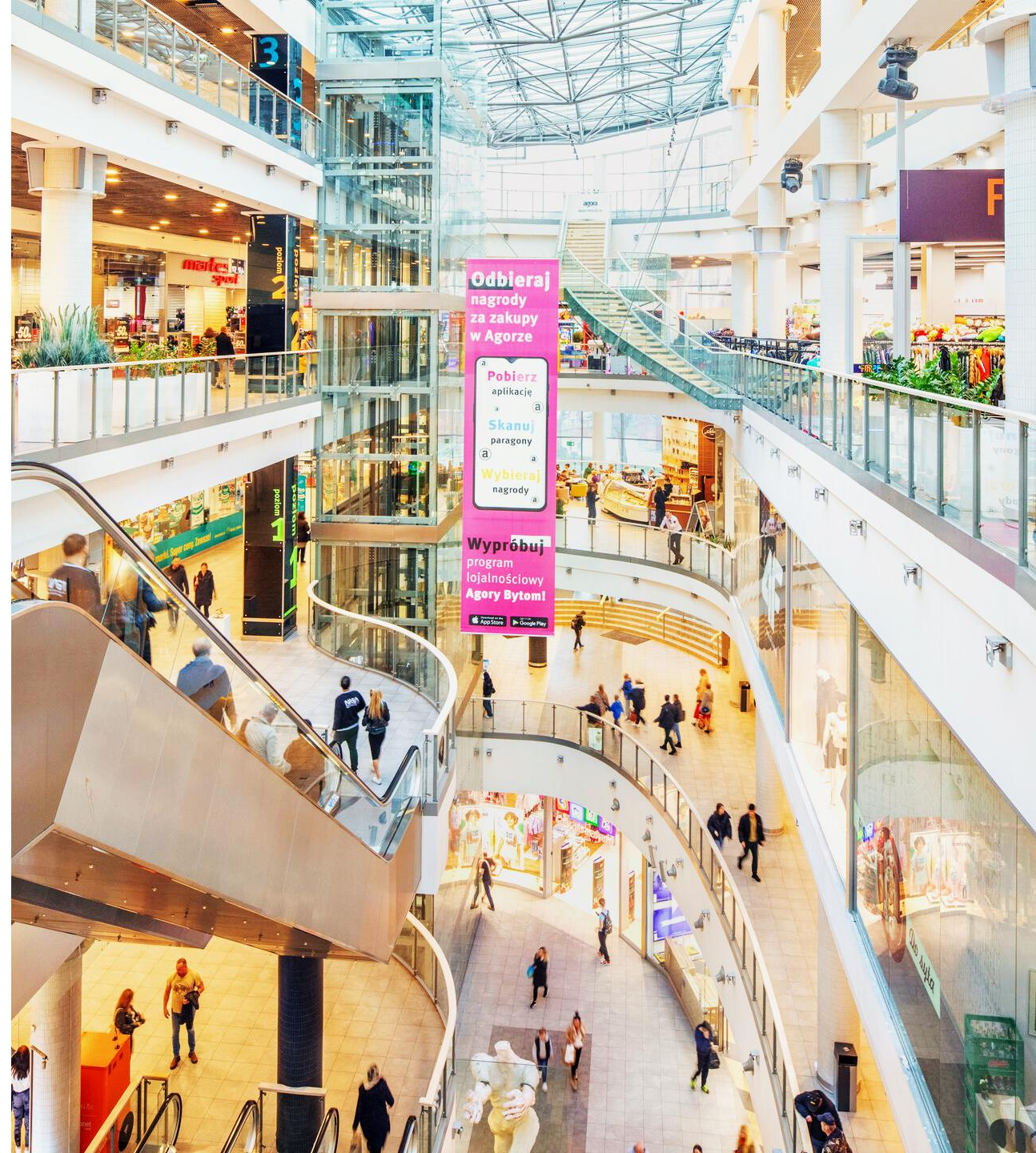
21. August 2025



BORGESTAD ASA

Agenda

- 1 **Highlights and Key Figures**
- 2 Introduction
- 3 Real Estate Segment Review
- 4 Industry Segment Review
- 5 Financials
- 6 Outlook



Highlights and Key Figures

Highlights

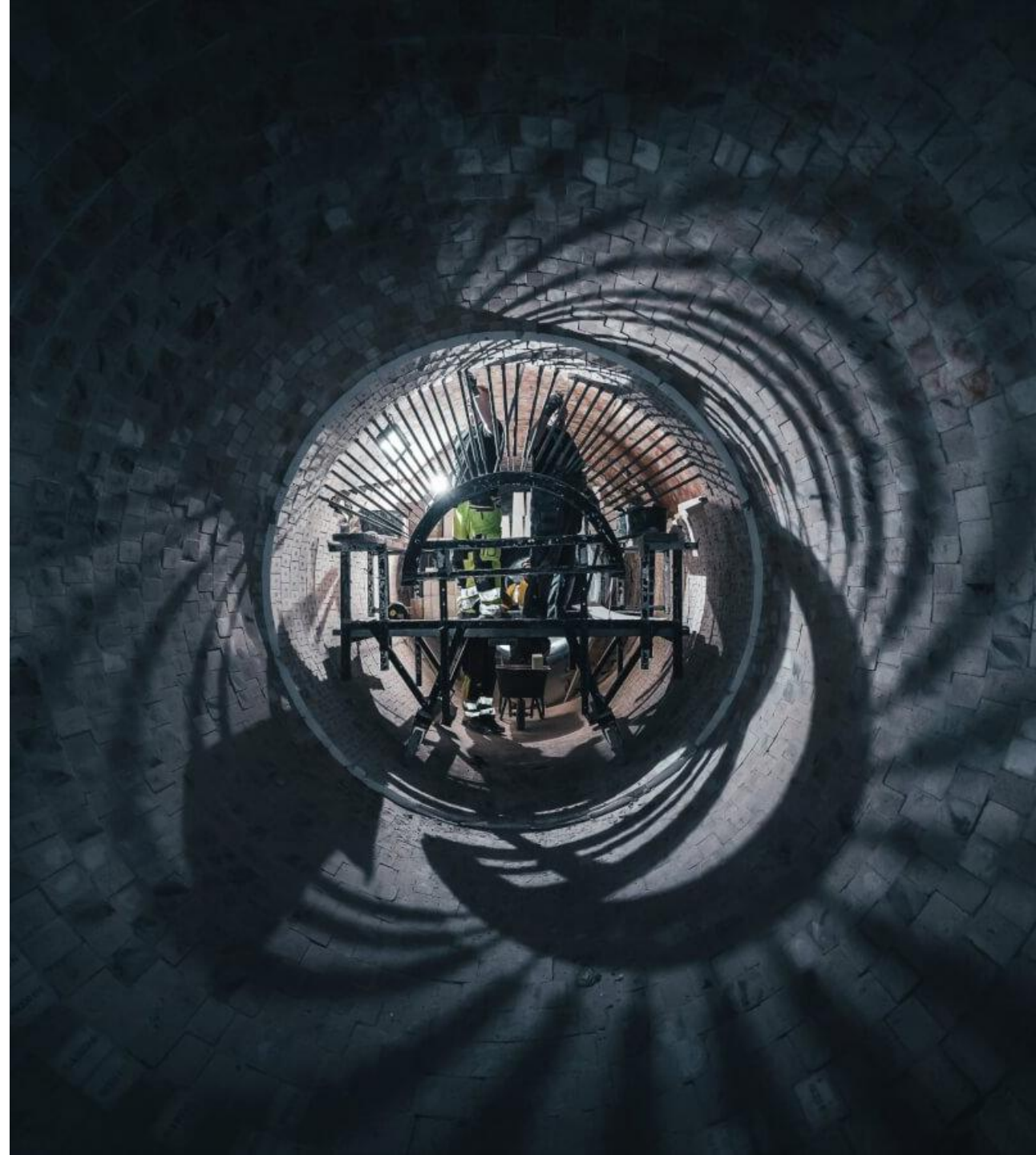
- 1 In Q2'25, Borgestad Group delivered an adjusted¹ result before tax of MNOK 20.9.
- 2 Agora Bytom continued its positive momentum, posting an EBITDA of MNOK 12.1 in Q2'25, up from MNOK 10.7 in Q2'24.
- 3 Höganäs Borgestad delivered a weaker quarter compared to Q2'24, reporting revenues of MNOK 296.4 and an adjusted 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 date to June 30, 2028 and reducing the margin by 0.8%.

Key Figures

	First half		Full year
	Adj. 2025	2024	2024
MNOK			
Operating income	523	559	1,169
EBITDA	38	53	139
Depreciation & impa. of intangible assets	18	16	35
Operating profit (EBIT)	20	37	104
Profit before tax	2	28	82
	30.06.2025	30.06.2024	31.12.2024
MNOK			
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%

Agenda

-
- 1 Highlights and Key Figures
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 - 6 Outlook
-



Borgestad ASA is an industrial investment company focused on real estate and refractory, aiming to expand into niche segments in the future

Strategy

- Operate as a publicly listed investment company, currently focused on real estate and the refractory industry
- Strengthen existing investments through operational improvements
- Expand into niche segments with consolidation potential
- Leverage the networks and expertise of management and the Board to unlock new opportunities

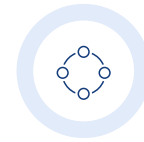
Key tools



The right team



Effective use of capital



Measure everything and develop KPI's



M&A

Our portfolio includes the shopping center Agora Bytom and the refractory company Höganäs Borgestad, both dominant in their respective markets



Real Estate

Agora Bytom shopping center in Poland is the largest investment of the Group, accounting for over half of the balance sheet. Agora Bytom is centrally located in the Silesian region of Poland and holds a strong market position in its primary catchment area

Gross area
52,000 m²

Parking spaces
820

BOR share
100%

Lettable area
33,630 m²

Annual visitors
4.8 million



Refractory

Höganäs Borgestad is a manufacturer and supplier of refractory quality products, installations and solutions that are essential for industrial high-temperature processes exceeding 1,200°C in various industries such as steel, cement, and aluminum

Refractory production since
1825

Presence
NOR, SWE, FIN

Employees
350+

BOR share
69.7%

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- 6 Summary and outlook



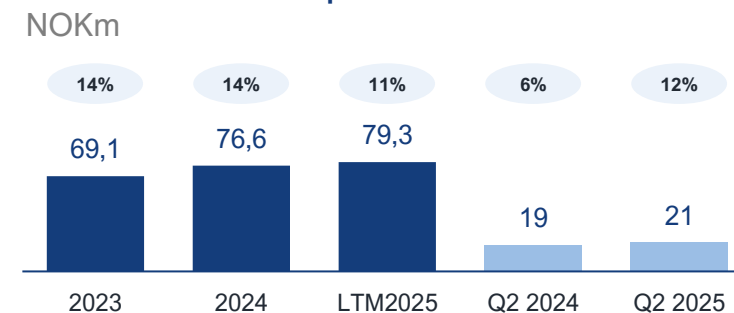
Agora Bytom delivers increased revenue and EBITDA



Latest trends and developments

- Margin improvements through revenue growth and cost reductions increased EBITDA from MNOK 41.3 in 2024 to MNOK 43.5 in Q2 LTM'25.
- 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
- At the date of this report the estimated occupancy based on signed leases stands at 96.6 percent.
- Occupancy rate is estimated to increase further during FY2025, based on signed leases. Focus is shifting toward renegotiating or replacing lower leases to increase the actual rent per sqm per month
- Borgestad expects revenue and EBITDA to increase slightly in the years to come.

Revenue development



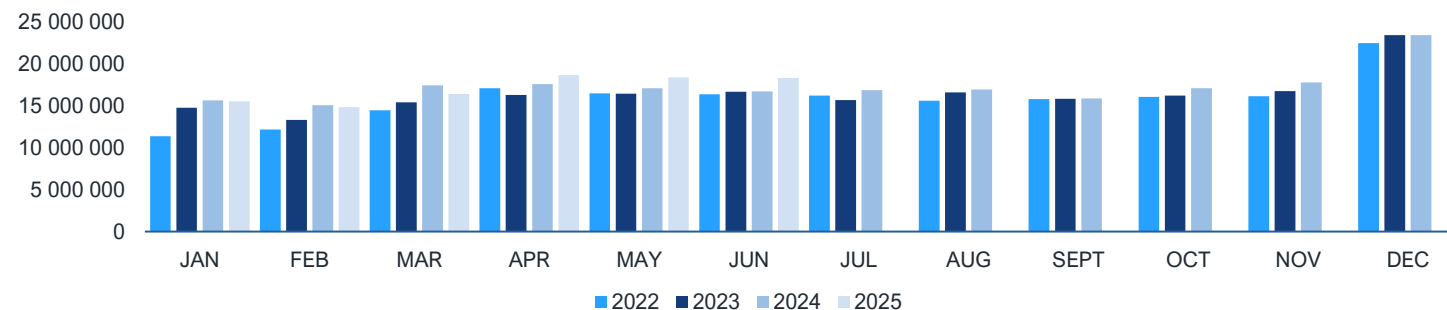
EBITDA development



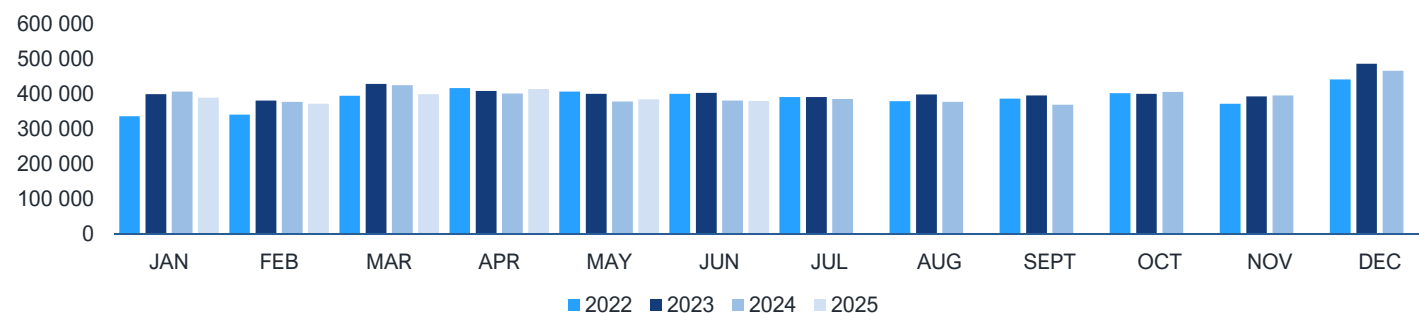
Continued improvement in retail sales and basket, and the Polish economy shows a positive trend

Retail sales (Agora Bytom's tenants' turnover 2022-2025)

PLN



Footfall (Agora Bytom's monthly footfall 2022-2025)



Comments

- Tenant turnover increased by 7.8 % in Q2'25 compared to Q2'24, and has increased with 3.1 percent LTM.
- Agora Bytom recorded 4.8 million visitors LTM Q2'25, same as in 2024.

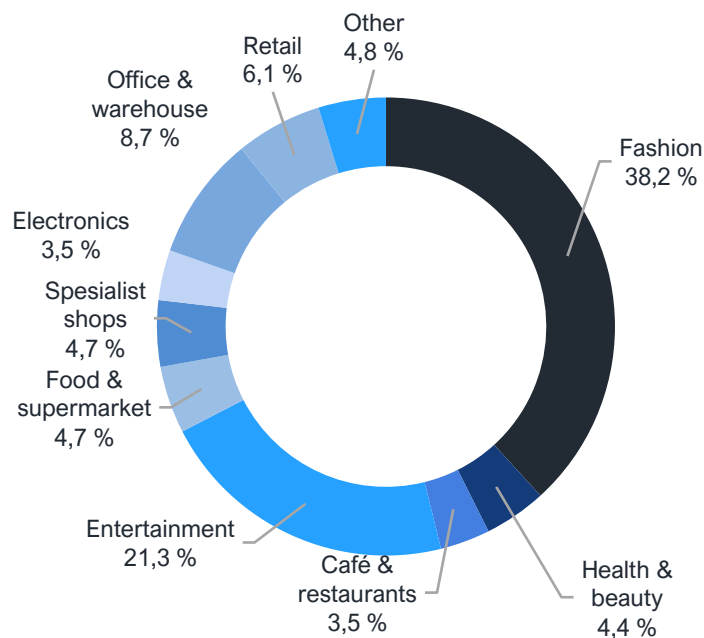
Macroeconomic environment

- Poland's reference interest rate was decreased to 5.0% as of July 2025, a decrease of 75 bps. Since 31.12.24.
- GDP grew by 3.2% YoY in March 2024.
- Registered unemployment stood at 5.0% in June 2025.
- Inflation relatively stable at 4.1% YoY in June 2025, down from 4.7% in December 2024.
- Consumer confidence increased to -9.3 points in June 2025, compared to -16.7 points in December 2024.

Agora Bytom has a diverse tenant base and a healthy weighted average unexpired lease term, ensuring low contract duration risk

Highly diversified tenant base

Lettable area per tenant

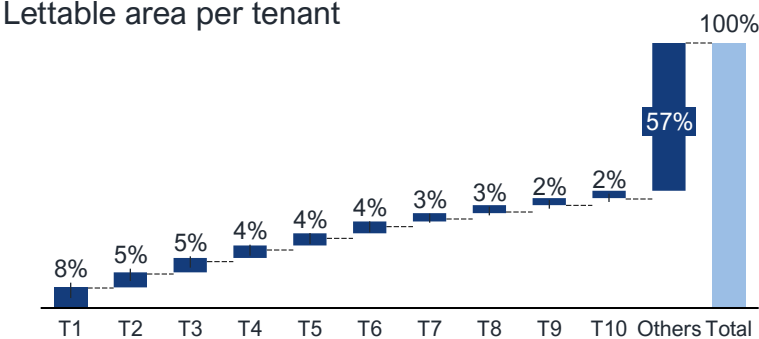


Comments

-  WAULT by area: 4.07 years
-  WAULT by income: 3.57 years
-  Due date for top ten tenants are spread, first due date in Q4 2027
-  Several ongoing negotiations with potential new tenants
-  Expect to enhance space utilization in the coming quarters to drive income growth

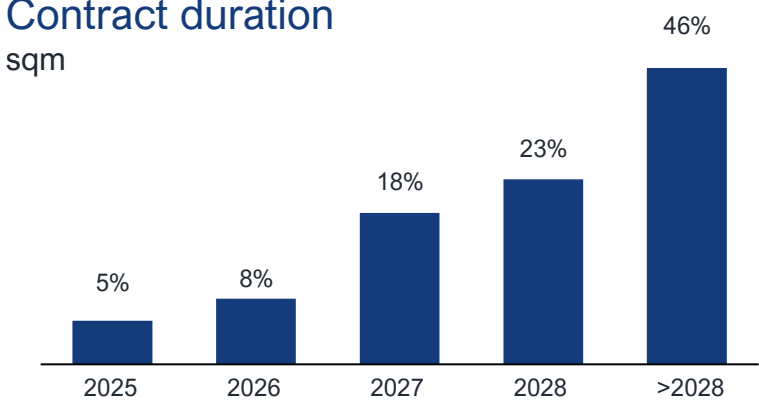
Highly diversified tenant base

Lettable area per tenant



Contract duration

sqm



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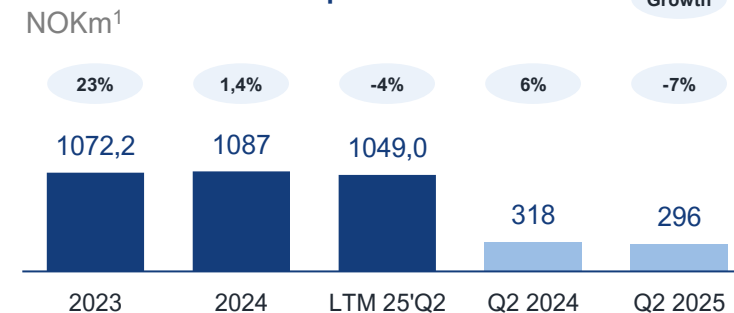
Revenue declined year-over-year, but outlook remains positive with expected profitability growth supported by backlog and implemented improvement measures

Höganäs Borgestad maintains a positive outlook for the remainder of 2025 and beyond

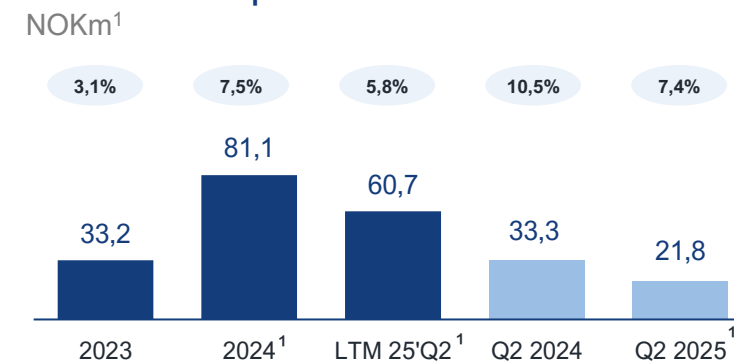
Latest trends and developments

- Q2 2025 revenue declined 7% YoY, reflecting a broader slowdown in the refractory market with rising price sensitivity and project delays
- Strong performance continues in Norway and Finland, while lost market share and low profitability in Sweden remains a key challenge
- New Managing Directors for both our production and service companies in Sweden have been appointed, effective September 1
- Cost-reduction measures will take effect from September 2025, with further actions under active consideration
- Outlook for the second half of 2025 and 2026 remains good, with a good order backlog and planned activities to increase profitability

Revenue development



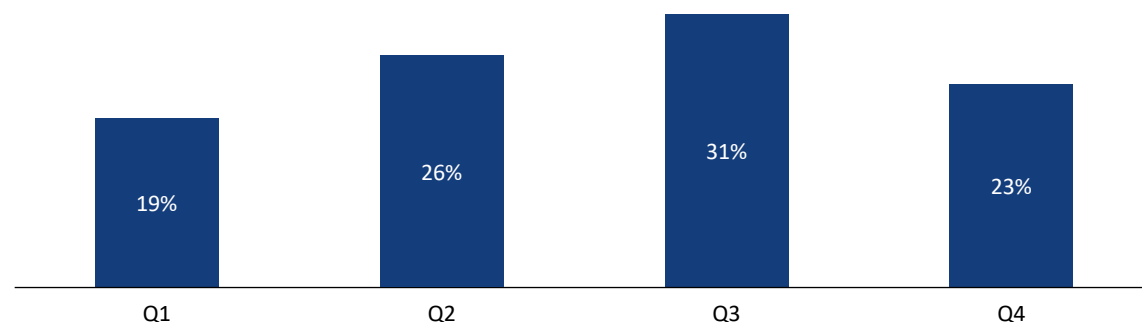
EBIT development



The Nordic refractory market is highly seasonal, and while activity picked up through Q2, it remained below the mid-term target for the second quarter

Historical quarterly average revenue share (2021-2024)

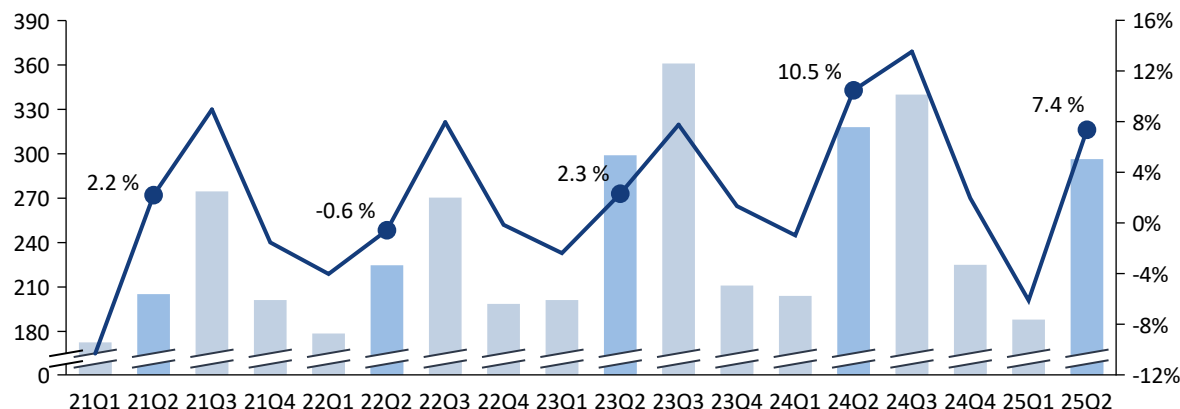
Revenue share (% of annual rev.)



Quarterly development of revenue and EBIT¹

Revenue (MNOK)

EBIT-MARGIN (%)

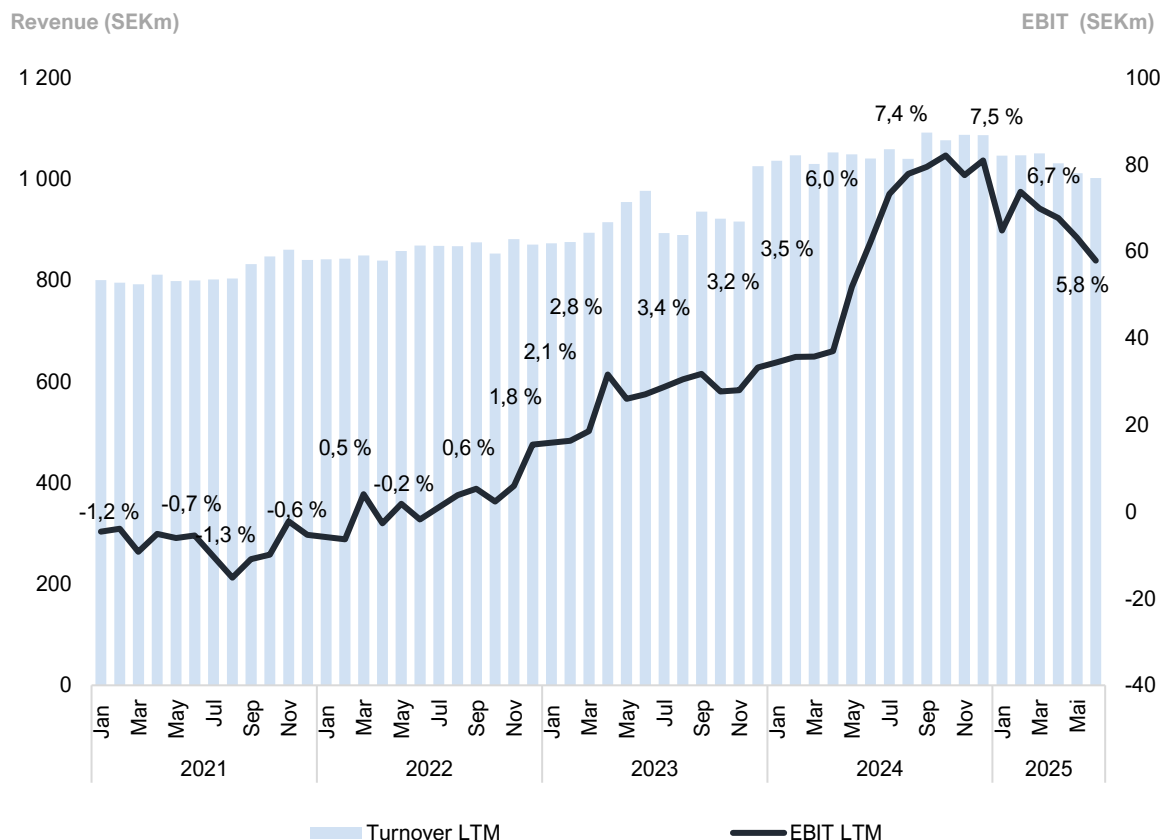


Comments

- The Nordic refractory market is highly seasonal, with low activity in Q1 and Q4 due to cold weather, and peak demand in Q3 as customers schedule maintenance during the holiday season
- Seasonality is partly mitigated by using subcontractors and temporary resources during peak periods, helping to manage fixed costs
- After a weak Q1, activity improved in Q2 as expected, but remained below target levels, with an adjusted EBIT margin of 7.4% for the quarter
- With project lead times of 6–12 months, the impact of current initiatives is expected to materialize through 2026, supported by ongoing cost-reduction efforts to lower operational leverage

Renewed commercial focus, cost-saving measures, and stronger cross-group cooperation position the group for profitable growth and improved efficiency

LTM turnover and EBIT development¹



Comments

- LTM figures declined in H1'25 due to insufficient sales activity in Sweden and postponed refractory projects across Europe
- Structured commercial efforts are underway in Sweden, Finland, and Norway to secure high utilization in the 2025/2026 low season
- Cost-saving initiatives have been implemented to support profitability, and increased focus on cost efficiency will be maintained going forward

Focus going forward

- Drive revenue and profitability with a mid-term EBIT target of 10% or higher through revenue growth and cost cutting measures
- Optimize operational working capital to improve capital efficiency
- Enhance operations by strengthening cross-group cooperation and synergies, while capturing the benefits of recently implemented organizational changes

The municipality's previously announced appeal has been formally accepted for review by the Court, with a decision expected around year-end



Backdrop

- In Q4 2023, Höganäs Borgestad agreed to sell two properties housing the Group's refractory production to Bjuv Municipality, with an option to lease them back for up to five years
- The transaction was later delayed following a complaint claiming the purchase price was too high, leading to a review by the Administrative Court in Malmö
- In March 2025, the Administrative Court ruled to revoke Bjuv Municipality's approval of the transaction, citing insufficient documentation to support the valuation of the two properties

Status

- Bjuv Municipality appealed the Administrative Court's ruling in March, submitting updated documentation in early April
- Initial feedback was received prior to the summer, confirming that the appeal has been accepted for review with an estimated processing time of 9–10 months from the date of submission

Höganäs Borgestad has acquired Emcotech AB to strengthen its industrial filter offering, with the transaction financed through loan commitments from Nordea



Comments

- On 17 June 2025, Höganäs Borgestad announced the acquisition of 100 percent of the shares in Emcotech AB, a Swedish company specializing in industrial flue gas cleaning
- Emcotech, serving industries such as pulp and paper steel, generated MSEK 45.4 in revenue and MSEK 6.4 in EBITDA in 2024
- The acquisition strengthens the group's industrial filter offering, with synergies in sales, operations, and technical capabilities
- The purchase price included MSEK 10.5 at closing, plus a performance-based earn-out of up to MSEK 10
- The transaction was financed through Nordea loan commitments, including a MSEK 9 mortgage facility and a MSEK 10 overdraft facility

Agenda

- 1 Highlights and Key Figures
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- 3 Real Estate Segment Review
- 4 Industry Segment Review
- 5 Financials**
- 6 Outlook



Profit declined in Q2'25 compared to Q2'24, driven by lower revenue in Höganäs Borgestad and negative effects from financial items

Comments

- Over the last twelve months Borgestad Group has had a revenue of MNOK 1,135 and an adjusted EBITDA of MNOK 120.3
- Borgestad Group has a decrease in revenue in second quarter by 6.5 percent compared to Q2'24, due to decrease in Höganäs Borgestad
- Net financials were lower than same period last year, mainly due to increased cost of hedging for Agora Bytom

(NOK 1 000) (Unaudited)	Q2'25 adj.	Q2'24	H1'25 adj.	H1'24
Revenue and other income	316,173	336,728	522,636	559,487
Materials, supplies and subcontracting	146,731	152,089	241,811	254,314
Salary and personnel expenses	98,873	109,960	183,274	196,294
Other expenses	33,711	29,483	59,597	55,527
Depreciation	9,067	8,575	18,438	16,478
Impairment of intangible assets	-0	-	-0	-
Operating cost and expenses	288,382	300,108	503,120	522,614
Operating income/(loss)	27,790	36,620	19,516	36,873
Financial items	-	-	-	-
Foreign currency gain/(loss)	-174	242	-61	403
Interest expenses	8,024	5,439	15,106	10,645
Other financial income/(expenses)	1,278	1,235	-2,410	1,786
Net financial items	-6,920	-3,962	-17,577	-8,456
Profit before tax	20,870	32,658	1,940	28,417
Income tax	4,076	2,309	5,490	3,030
Profit/(loss) for the period	16,795	30,350	-3,551	25,388

Working capital increased ahead of high season, mortgage debt in Höganäs Borgestad refinanced during Q2'25 on better terms

Comments

- Booked value of investment property increased due to a weaker NOK against Euro.
- Working capital increased to MNOK 321.1 compared to MNOK 312.5 as of June 30, 2024, mainly due to increase in inventory.
- Total interest-bearing debt stood at MNOK 508.6 (437.2) as of June 30, 2025, with net interest-bearing debt at MNOK 391.6 (216.8).
- Mortgage debt in Höganäs Borgestad was refinanced in June 2025, with a 0.8 percent margin reduction.
- Total dividend of MNOK 34.6 distributed to shareholders in first half of 2025 decreases equity.
- The property in Bjuv remains classified as held for sale, pending expected court decision.

(NOK 1 000) (Unaudited)	Q2'25	Q2'24	Q4'24
Investment property	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	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	14,345	15,947	13,907
Total assets	1,523,894	1,480,178	1,462,799

(NOK 1 000) (Unaudited)	Q2'25	Q2'24	Q4'24
Total equity	752,262	762,507	809,032
Interest-bearing debt	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	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

Negative cash flow from operations, investments, and financing reduced the cash position, which remains solid going into high season

Comments

- The Group's year-to-date cash flow from operating activities was negative with MNOK 92.7 compared to negative MNOK 13.6 in 2024
- Cash flow from investing activities was negative MNOK 25.5 compared to negative MNOK 13.7
- 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 (positive MNOK 4.9). 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.
- Available liquidity as of June 30, 2025, was MNOK 126.9 (MNOK 142.8), which includes MNOK 24 of undrawn credit facilities.

(NOK 1 000) (Unaudited)	H1'25	H1'24	FY24
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

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- 1 Highlights and key figures
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- 3 Real estate segment review
- 4 Industry segment review
- 5 Financials
- 6 **Outlook**



Outlook and Priorities



Höganäs Borgestad remains focused on operational improvements, capital efficiency, and cash flow gains in 2025



Revenue and EBITDA for Agora Bytom are expected to increase slightly in the years ahead, with the impact of cost-cutting and increased occupancy rate. Focus is shifting toward renegotiating or replacing lower leases to increase the actual rent per sqm per month



Borgestad will continuously review strategic M&A opportunities and other liquidity events for Agora Bytom while also exploring add-on acquisitions to further strengthen Höganäs Borgestad's position in the Nordic refractory market



Alternative Performance Measures

In order to enhance investors' understanding of the Group's performance the Company presents in this Presentation certain alternative performance measures ("APMs") as defined by the European Securities and Markets Authority its Guidelines on Alternative Performance Measures 2015/1057. The APMs used by the Group, and relevant reconciliations, are set out in the Company's Q2 2025 financial statements on page 24-26.

Disclaimer

Certain statements in this presentation are forward-looking and reflect the Company's current views on future events, financial performance, and operations. These statements can be identified by terms such as "anticipates," "believes," "expects," "intends," "may," "plans," "will," and similar expressions, including negatives or variations thereof.

Forward-looking statements cover the Company's financial position, backlog, pipeline, operating results, liquidity, strategic initiatives, market expansion, and overall business development. They are not guarantees of future performance, and actual outcomes may differ materially due to various risks, uncertainties, and assumptions.

The Company cannot ensure that its expectations will materialize, as forward-looking statements are subject to known and unknown risks, changing circumstances, and external factors beyond its control.



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