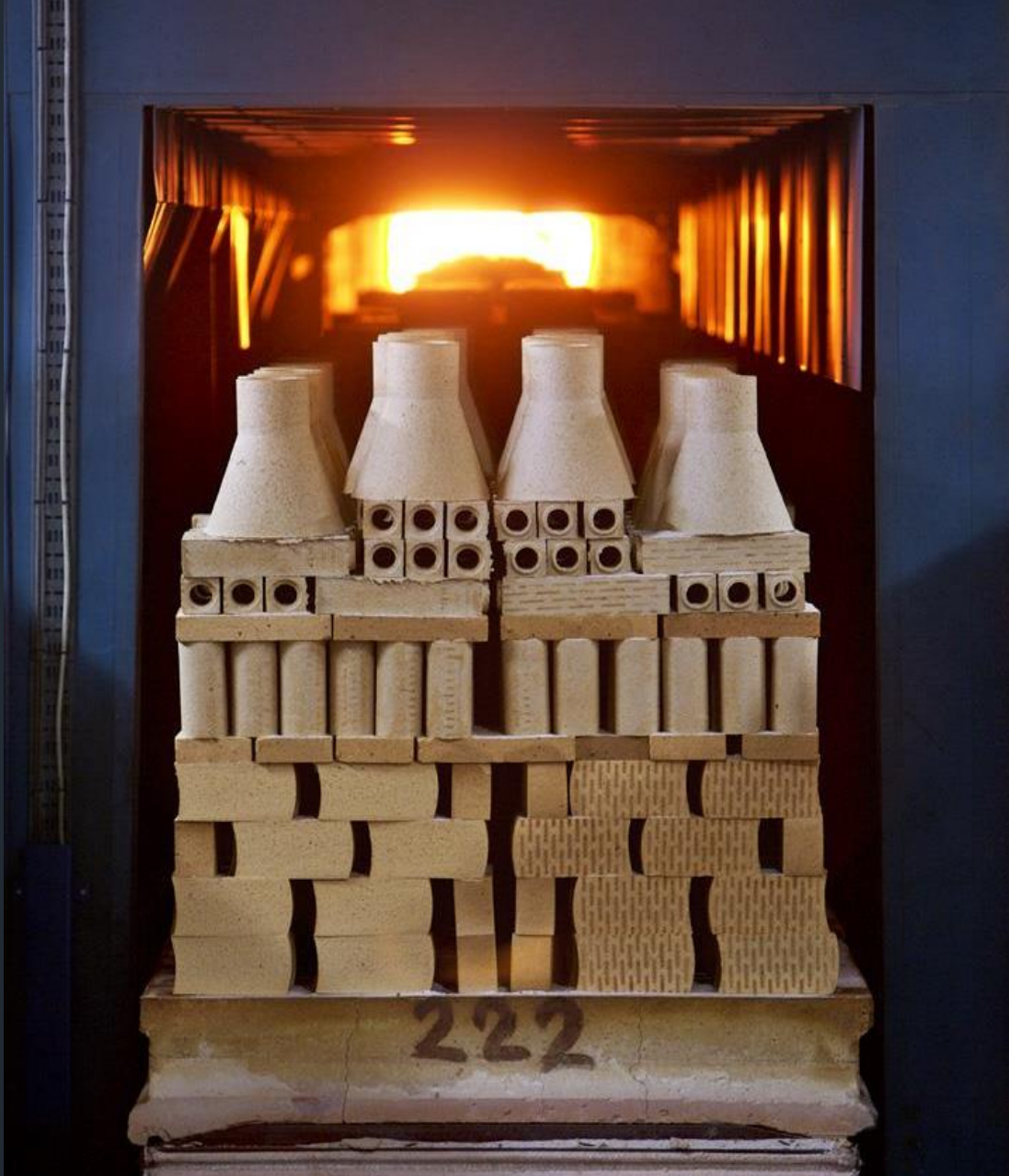


First Quarter 2024 Presentation

16. May 2024



BORGESTAD ASA



Agenda

Highlights and key figures

In brief

Segment review

Financials

Summary and outlook

Highlights and key figures

Highlights

- 1 Significant improved capital efficiency in the Group over the last twelve months with NWC reduction of MNOK 52.6.
- 2 Höganäs Borgestad Group has increased its adjusted EBIT margin with 1.7 percent last twelve months
- 3 Net interest-bearing debt further decreased in the first quarter from MNOK 307 at 31.12.23 to MNOK 293 at 31.03.24. After closing of sale leaseback transaction in Bjuv (expected in 2024), the net interest-bearing debt is estimated at MNOK 152
- 4 In first quarter Höganäs Borgestad Group has entered three maintenance contracts with a total estimated contract value of MNOK 140 – 185

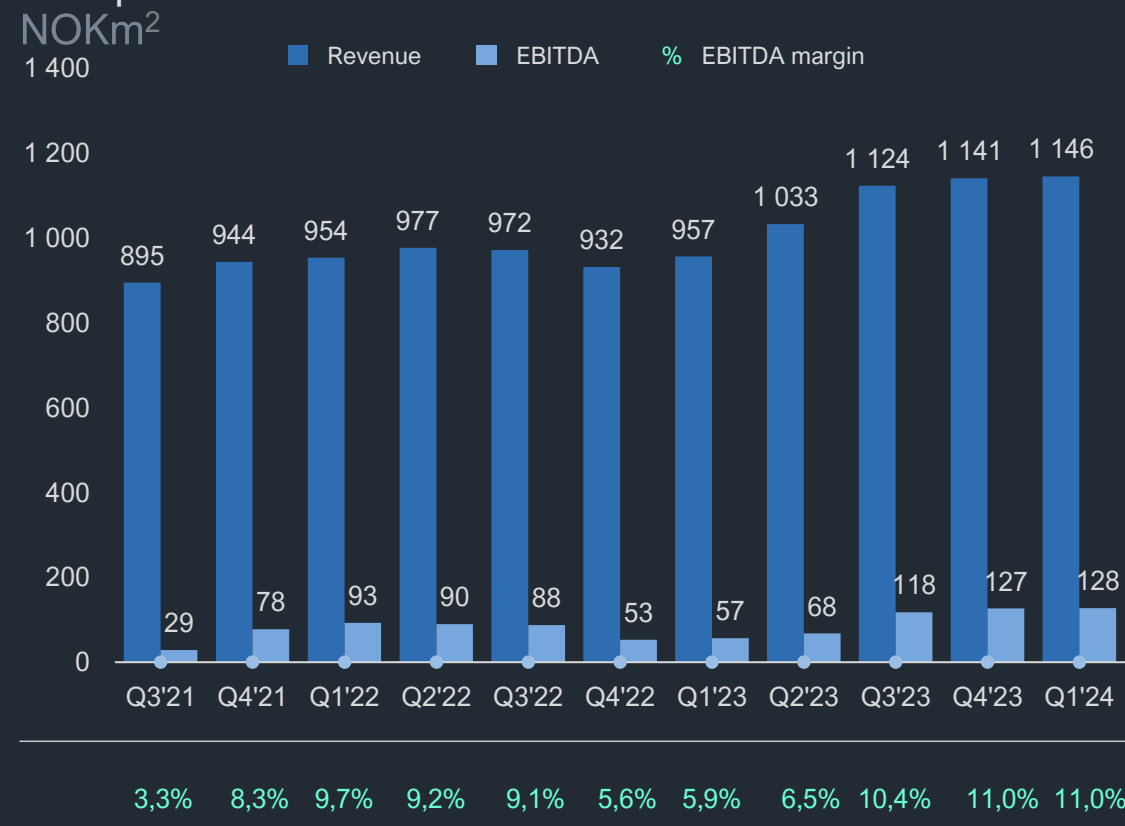
Key figures

MNOK	Q1		LTM	
	2024	2023	2024	2023
Operating income	223	219	1,146	957
EBITDA	8	7	128	57
Operating profit (EBIT)	0	0	1	-76
Profit before tax	-5	-8	-41	-113

Note: 1) NWC = Net working capital

Note: 2) LTM = Last Twelve Months

Rolling quarterly revenue and EBITDA development for the Group



Borgestad is an investment company focused on real estate and refractory



Real Estate



Agora Bytom shopping center in Poland is the largest investment of the Group, accounting for over half of the balance sheet

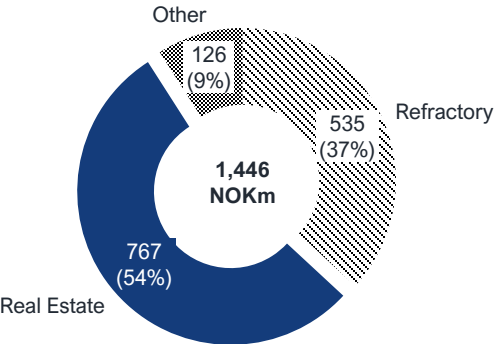
Agora Bytom is centrally located in the Silesian region of Poland and holds a strong market position in its primary catchment area

Parking spaces
820

Gross area
52,000 m²

Rental area
30,000 m²

Share of capital employed (NOKm)



Refractory

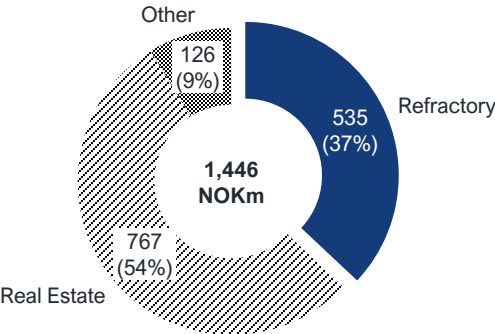


Höganäs Borgestad is a manufacturer and supplier of refractory quality products, installations, systems, and solutions that are essential for industrial high-temperature processes exceeding 1,200°C in various industries such as steel, cement, and aluminum

Founded
1797

Refractory production since
1825

Share of capital employed (NOKm)



Borgestad to be an industrial investment company with significant operational improvement potential

Strategy

- Borgestad ASA stands as a powerhouse of investment, where **Real Estate** and **Refractory** constitute the two most significant areas of operation
- Continually improve operations in current investments
- Mid- to long term investment opportunities:
 - Niche segments with consolidation opportunities
 - Leverage on the company's network, know how and experience

Key tools



The right team



Effective use of capital



Measure everything and develop KPI's



M&A

Note: 1) Return on invested capital

Segment property/ Agora Bytom

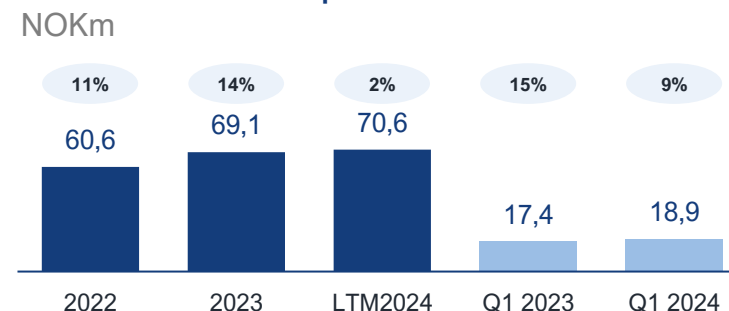
Agora Bytom deliver stability



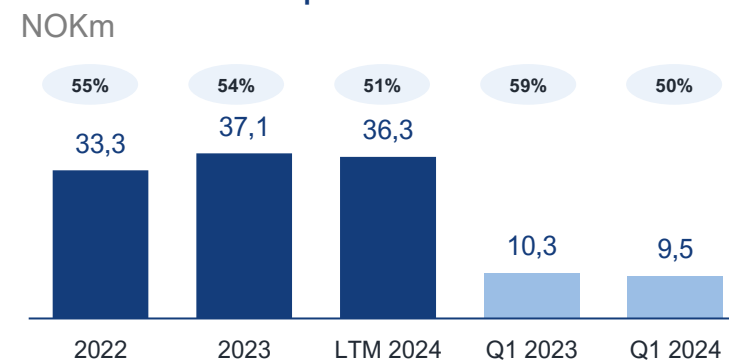
Latest trends and developments

- Stabilized operations after a year with many upgrades by tenants.
- Focus on increasing margins, by turnover increase and cost cutting.
- Debt per 31.03.24 at MEUR 29.5, and an LTV at ~47 % are at sustainable level
- Borgestad estimates that revenue and EBITDA going forward will be relatively stable

Revenue development



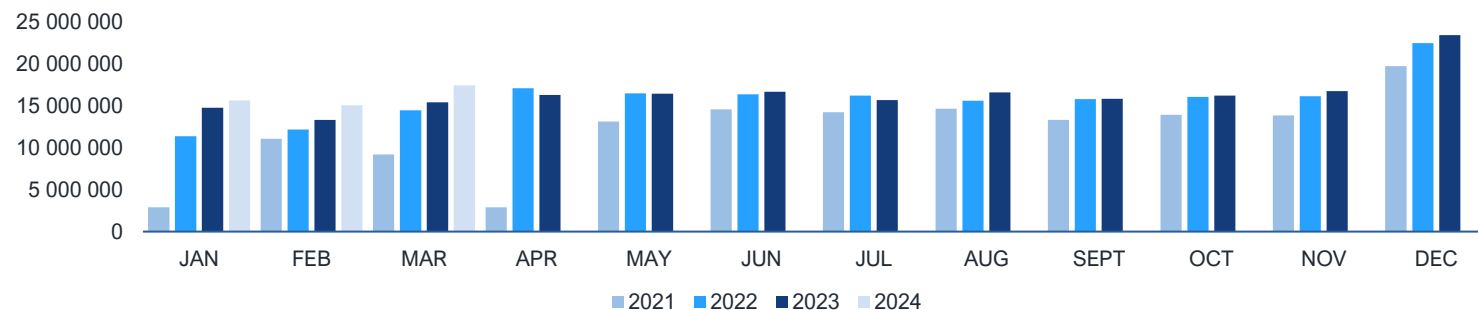
EBITDA development



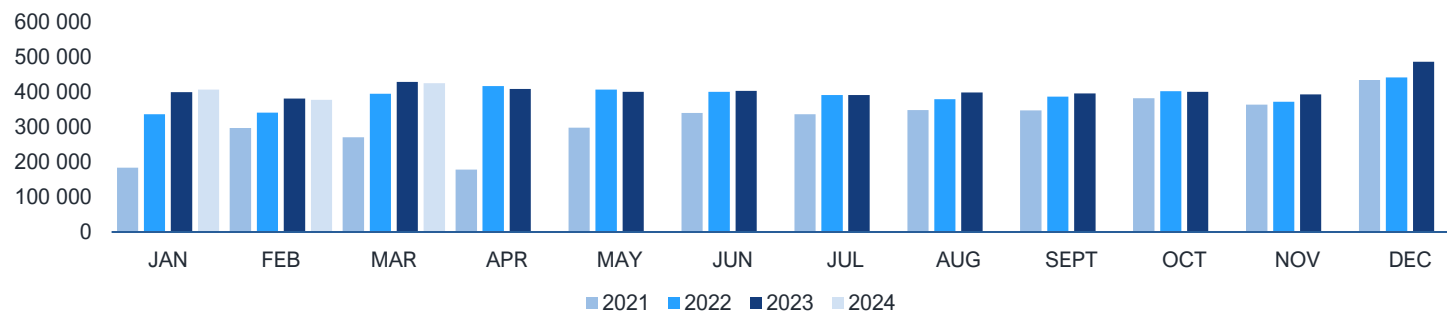
Continued improvement in retail sales and footfall and the Polish economy has a positive trend

Retail sales (turnover 2021-2024)

PLN



Footfall (Agora monthly footfall 2021-2024)



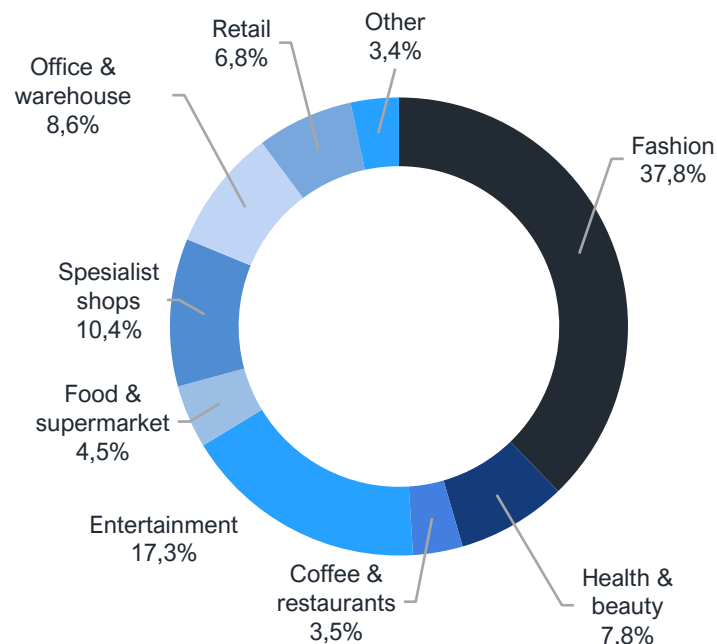
Comments

- Turnover among the tenants increased with 10.7 % in Q1'24 compared to Q1'23.
- With 4.9 million visitors the LTM, the number of visitors is stable compared to 2023.
- Polish reference interest rate is at 5.75 % in end of March 2024, the same level as end of 2023.
- GDP increased with 0.2% in December 2023 (YoY)
- Registered unemployment at 5.4% as of March 2024
- Inflation decreased to 2.0 % for March 2024 (YoY), compared to 16.1 % in March 2023 (YoY).
- Consumer confidence increased to -12.3 points in March 2024, compared to -35.6 points in March 2023

Diversified tenant base

Highly diversified tenant base

Lettable area per tenant



Comments



WAULT by area: 3.46 years



WAULT by income: 3.30 years



Due date for top ten tenants are spread, first due date in 2024, then next in 2027



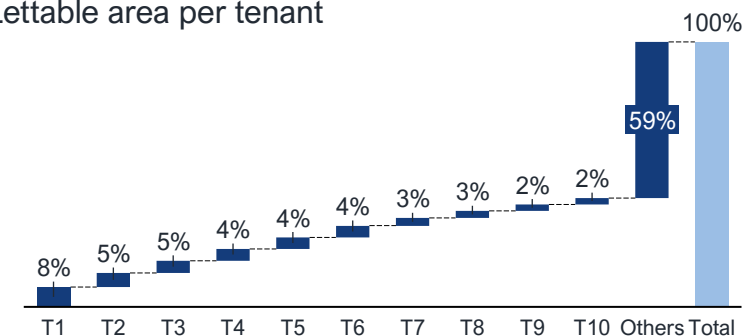
Several ongoing negotiations with potential new tenants



Contract duration risk spread out over several years

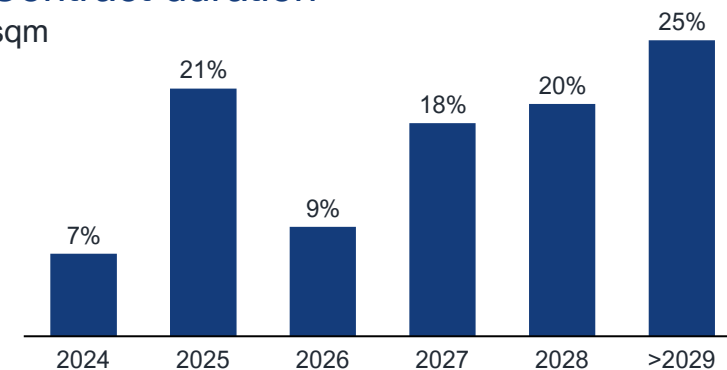
Highly diversified tenant base

Lettable area per tenant



Contract duration

sqm



Höganäs Borgestad

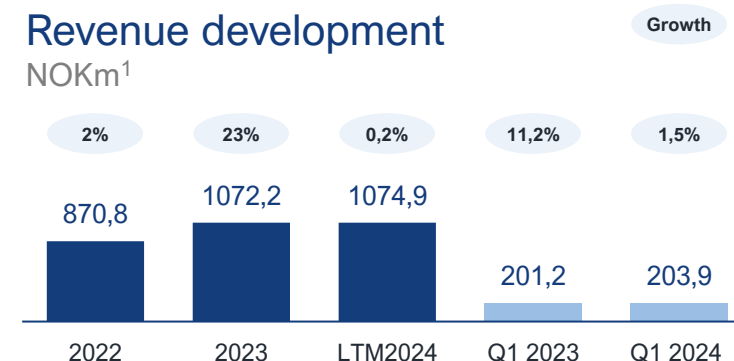
Continued EBIT/ EBITDA increase

The refractory segment has **increased EBIT margin with 1,7%** last 12 months

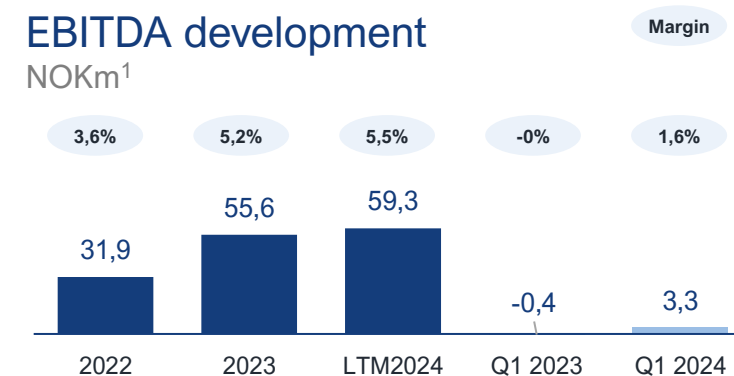
Latest trends and developments

- In Q1 2024, the refractory segment had a turnover of MNOK 203.9, with an increased margin compared to Q1 2023.
- Adjusted last twelve months EBIT margin from 1.7 percentage to 3.3 percentage last twelve months March 2024 Adjusted last twelve months EBIT are EBIT excluding the positive EBIT from Vienna Arbitration, review APM for more information.
- Normal order backlog both within installation business and service assignment.
- In first quarter 2024 Höganäs Borgestad has entered three maintenance contracts with a total estimated contract value of NOK 140 – 185 million.
- Sale leaseback transaction, approved by BoD of Bjuv Municipality in December 2023, a complaint was received. Transaction expect to be completed in 2024.

Revenue development

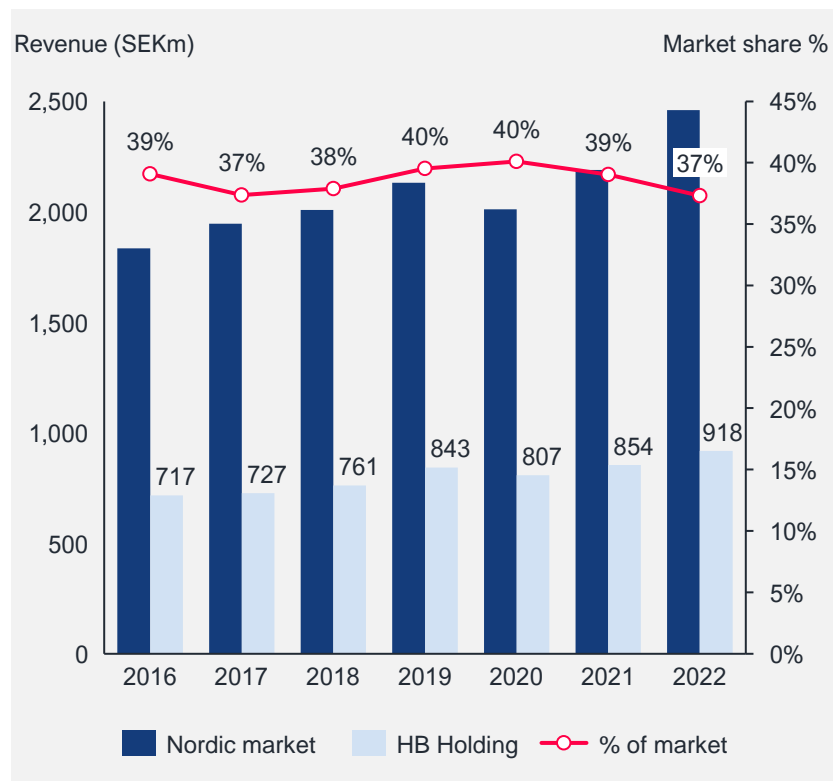
NOKm¹

EBITDA development

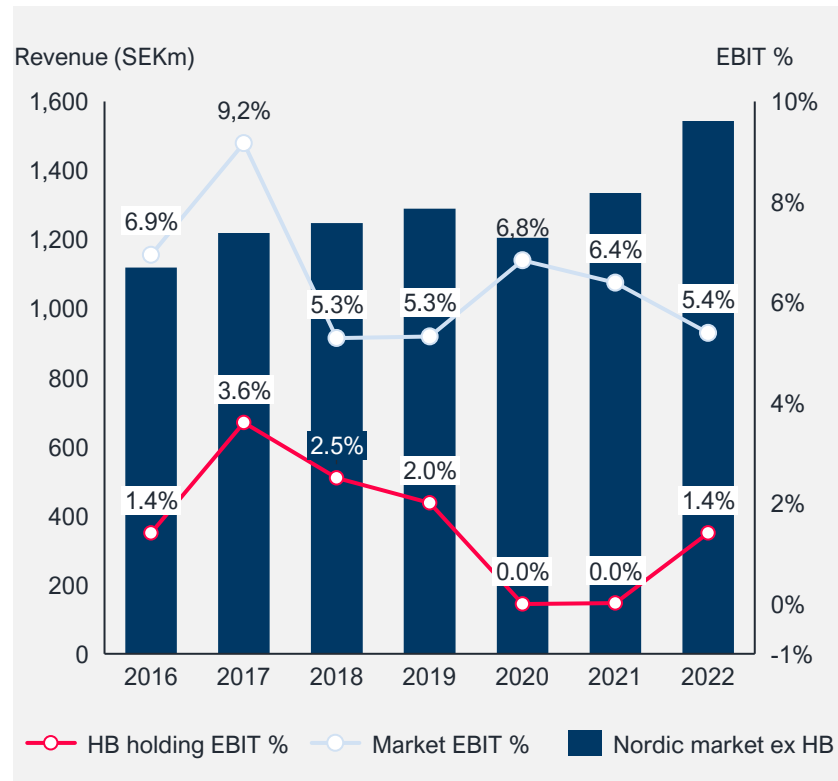
NOKm¹

Höganäs Borgestad's position in the Nordics – significant market share – underperforming on profitability, but trend is good:

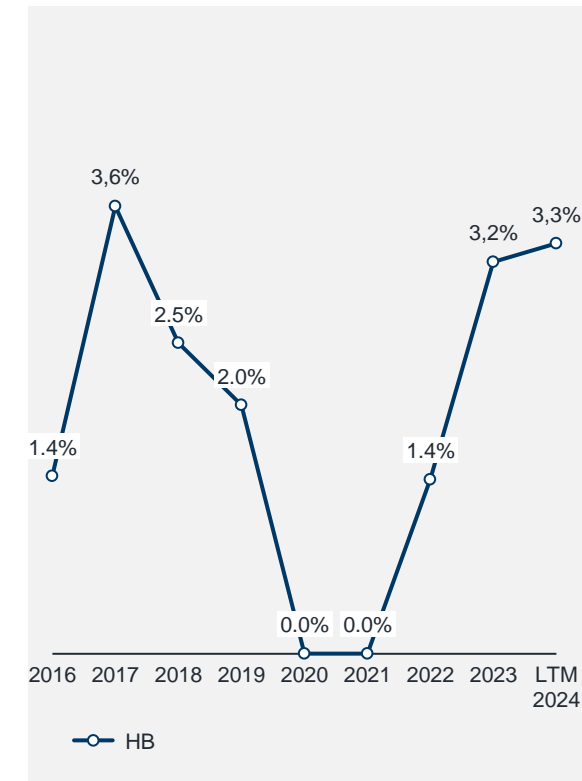
Position in the Nordics



Historical performance below Nordic peers



Höganäs Borgestad EBIT margin trend is good:¹

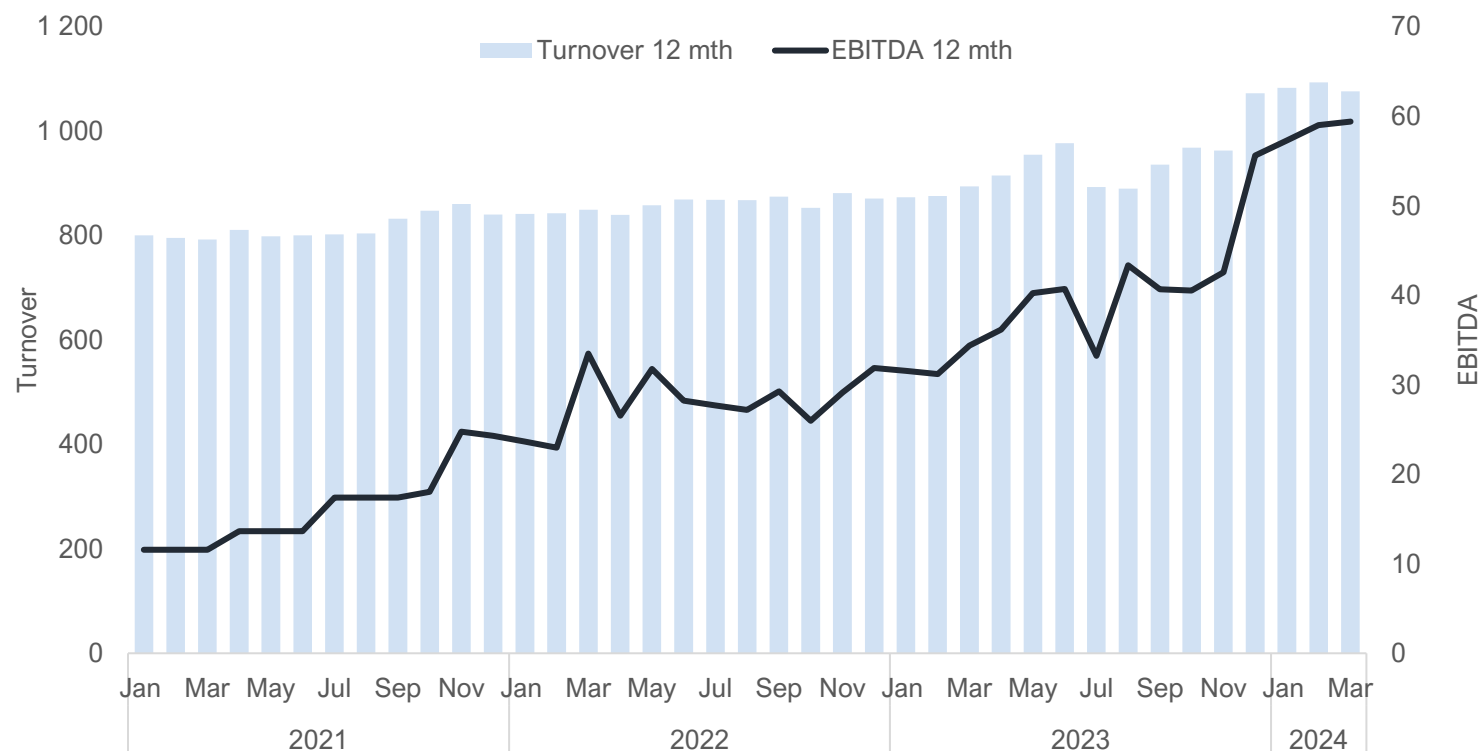


Sources: Proff, Factset, Company information.
Note: 1) Excluding Arbitration Court Case

Development turnover and EBITDA last three years, excluding positive Arbitration effect on EBITDA, show a positive trend

Rolling 12-month turnover and EBITDA

NOKm



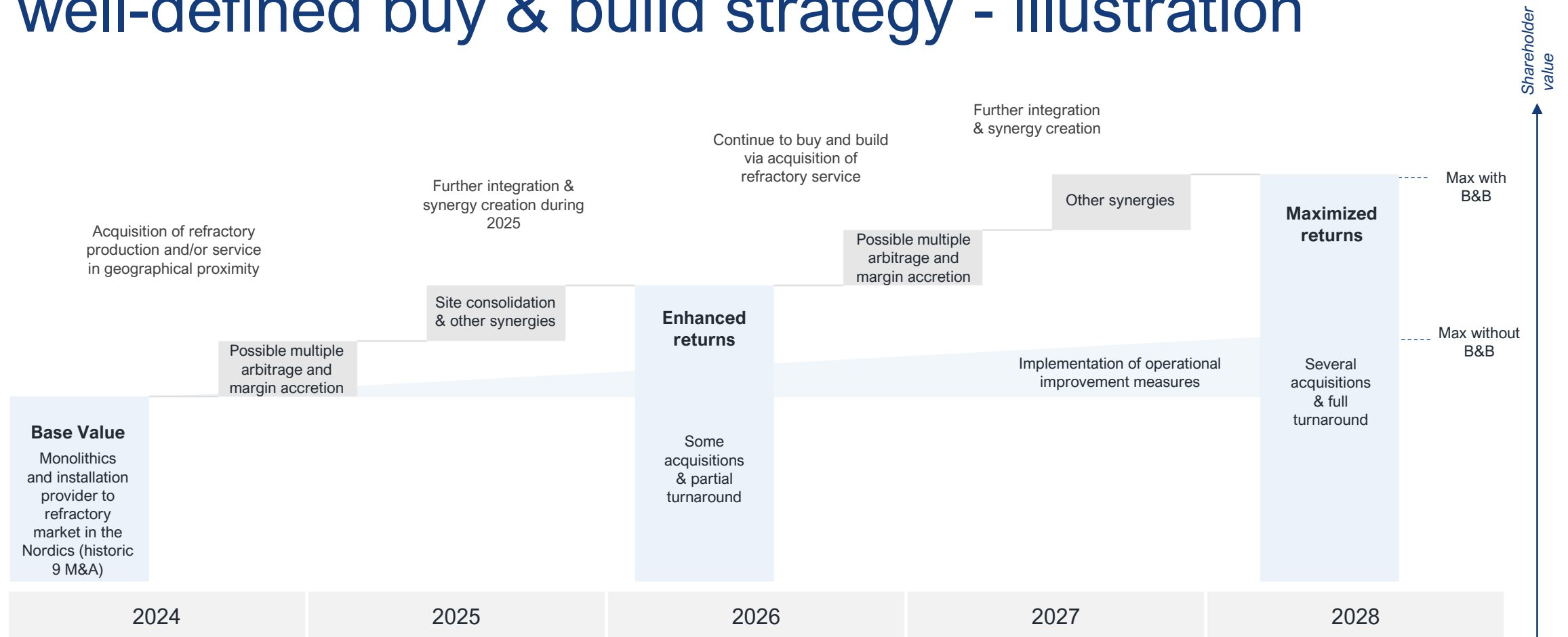
Focus forward:

- Focus on increasing profitability and cash flow
- Strengthen team
- Streamline and improve operations

Increase in EBITDA and decrease in debt level:

- As of March 31, 2024, the ratio of net interest-bearing debt to adjusted last twelve months EBITDA stands at 1.3, a substantial improvement from the ratio of 6.1 reported on March 31, 2023.

Targeting to maximize shareholder returns by realizing a well-defined buy & build strategy - illustration



Borgestad – Group P&L, balance sheet and cash flow

Income statement

NOK 1,000	01.01- 31.03.2024	01.01- 31.03.2023	LTM 2024	2023
Revenue	222 759	218 594	1 145 582	1 141 366
COGS	-102 225	- 114 113	-570 682	-285 570
Personnel	-86 334	-71 789	-361 653	-347 108
Other OPEX	-26 044	-25 686	-84 620	-84 262
EBITDA	8 156	7 006	128 628	127 478
Depreciation	-7 903	-6 987	-32 666	-31 750
Impairment of non-current assets	-	-	-94 298	-94 298
EBIT	253	19	1 663	1 430
Foreign currency gain/(-) loss	161	440	10 355	10 534
Interest expenses	-5 206	-8 835	-48 281	-51 910
Other financial income/(-) expenses	551	16	3 198	2 664
Pre-tax income	-4 241	-8 539	-33 164	-37 283
Tax	-721	-1 709	-25 321	-26 309
Net income	-4 962	-10 069	-58 481	-63 592
Other comprehensive income	14 738	-3 277	-5 350	14 832
Comprehensive net income	9 776	-6 792	-63 836	-48 760

Balance sheet

NOK 1,000	31.03.2024	31.03.2023
Intangible assets	150 325	152 509
Buildings, fixtures, machinery and vehicles	55 872	54 956
Investment properties	727 085	701 407
Other financial assets	4 011	6 854
Deferred tax asset	14 426	13 734
Non-current assets	951 719	926 461
Inventory	143 338	118 733
Receivables	164 242	184 567
Other short-term receivables	9 230	7 763
Cash & cash equivalents	147 106	152 688
Current assets	463 917	463 752
Non-current assets classified as held for sale	13 195	13 165
Total assets	1 428 831	1 406 378

NOK 1,000	31.03.2024	31.12.2023
Equity	765 617	755 842
Provisions / reserve for liabilities	6 480	6 369
Secured debt	343 323	335 742
Lease commitments	26 202	27 453
Other long-term debt	7 890	7 988
Non-current debt	379 064	377 552
Revolving credit facilities	-	24 098
Secured debt	58 005	60 043
Payables	86 900	64 017
Lease commitments	12 811	12 641
Other short-term debt	121 603	100 039
Current debt	279 320	272 984
Total equity and liabilities	1 428 831	1 406 378

Cash flow statement

NOK 1,000	01.01-31.03.2024	01.01-31.03.2023
Cash flow from operating activities before balance changes ¹	625	-3 053
+/- Balance changes	26 855	14 424
Cash flow from operating activities	27 480	11 371
Payments to other investments	-267	-8 328
Inflows from other investments	-	-
Cash flow from investing activities	-267	-8 328
Net change in financial liabilities	-8 697	-6 028
Net change in bank overdraft	-24 098	-7 869
Cash flow from financial activities	-32 794	-13 897
Cash flow for the period	-5 582	-10 854
Bank and cash balances per start of period	152 688	91 059
Bank and cash balances per end of period	147 106	80 205
Available liquidity per end of period	208 528	88 550

Notes: 1) Figures include cash flow from Arbitration Court case in 2023.

Summary



Strong operations in Q1 2024

- Höganäs Borgestad Group has increased its adjusted EBIT margin with 1.7 percent last twelve months.
- EBITDA ended at MNOK 8.7.



Strengthened balance and liquidity situation

- Significant improved capital efficiency in the Group over the last twelve months with NWC reduction of MNOK 52.6.
- Strong cash position per end of period MNOK 147.1.
- Net interest-bearing debt reduced from MNOK 307.3 at 31.12.23 to MNOK 293.2 at 31.03.24.
- Borgestad expect the sale leaseback transaction to be completed in 2024, transaction value of MSEK 145.



Cash flow and liquidity as per 31 March 2024

- Operational cash flow positive with MNOK 27.4 in the quarter
- Cash flow from investment activities of MNOK -0.3
- Cash flow from financial activities of MNOK -32.8
- Available liquidity end of period was MNOK 208.5 compared to MNOK 88.6 per 31.03.23



Outlook and priorities



Operational improvements are key focus and Borgestad expects gradual further improvement of profitability, capital efficiency and cash flow within its refractory business



Borgestad estimates revenue and EBITDA stable going forward for Agora Bytom



Review and investigate the possibilities for transformational M&A and other liquidity events for Agora Bytom



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 Q1 2024 financial statements on page 22-23.



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