



BORGESTAD ASA

First Quarter 2025 Report

May 21, 2025

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Highlights and Key Figures

Highlights

- 1 First quarter'25, Borgestad Group delivered a result before tax of MNOK -23.0, due to low season in Höganäs Borgestad. Borgestad Group has over the last twelve months delivered a profit before tax of, MNOK 64.9.
- 2 Agora Bytom continued its positive momentum, posting an EBITDA of MNOK 10.3 in Q1'25, an improvement from MNOK 9.5 in Q1'24.
- 3 Höganäs Borgestad delivered a weaker quarter compared to the same period last year, reporting revenues of MNOK 186 and a EBITDA of MNOK -8.5 for Q1'25 respectively MNOK 203.9 and MNOK 3.3 in Q1'24.
- 4 Höganäs Borgestad has a healthy order backlog and prospects for the remaining year as of March 31, 2025

Key Figures

MNOK	1st quarter		YEAR
	2025	2024	2024
Operating income	206	223	1 141
EBITDA	-2	8	139
Depreciation & Impairment of non-current assets	9	8	35
Operating profit (EBIT)	-11	0	104
Profit before tax	-22	-4	82

MNOK	31.03.2025	31.03.2024	31.12.2024
Cash	175	147	220
Available liquidity at end of period	235	209	276
IBD	424	440	437
NIBD	249	293	217
NIBD/EBITDA LTM	1,9	2,3	1,6
Equity ratio	54 %	54 %	55 %

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

Borgestad's first quarter 2025 developed in line with seasonal patterns but with a weaker result from Höganäs Borgestad, both compared to the strong start in 2024 and to the levels expected for first quarters going forward. At Agora Bytom, the positive trend continued with increasing rental income and EBITDA.

First quarter 2025 has developed in line with typical seasonal patterns for Höganäs Borgestad Group, but with lower activity compared to the strong first quarter of 2024. As seen across the European refractory industry, the first quarter is traditionally marked by lower activity and margins. The results are also negatively affected by some one-off costs incurred during the quarter. Looking ahead, the rest of the year looks promising with a solid order backlog. High season kicks off with increased activity in April and May, with our subsidiaries in Finland and Sweden expected to be at full capacity from May onwards.

The Administrative Court of Malmö published 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 valuation of the two properties involved. As a result, the Court decided to revoke Bjuv Municipality's approval of the transaction. Bjuv Municipality has appealed the decision and submitted updated valuation documentation as part of the appeal.

Both Bjuv Municipality and Borgestad expect the appeal to move forward and ultimately result in a

favorable outcome for both parties. Initial feedback on the appeal process is expected before the summer. Should the appeal be accepted for review, a final verdict is anticipated by the end of 2025.

Agora Bytom implemented cost reductions and achieved a higher occupancy rate in 2024, with the full effect expected to be reflected throughout 2025. Already in the first quarter, the positive trend is evident, with continued growth in rental income and EBITDA.

As of the end of March 2025, Agora Bytom's occupancy rate stood at 95.8 percent, based on signed leases and a total lettable area of 33,630 sqm. Given the number of advanced negotiations with potential new tenants, occupancy is expected to increase further over the course of the year.

Like most businesses, Borgestad recognizes the continued uncertainty in the global landscape, with several ongoing wars and the risk of escalating trade conflicts between countries and regions. For Borgestad, the direct impact of potential trade restrictions is currently assessed to be limited. However, the Group continues to monitor developments closely and is prepared to take necessary measures if required.

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

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

Pål Feen Larsen
CEO

Operational and Financial Review

Group Results

	2025	2024	2024
(MNOK)	1st quarter	1st quarter	Year
Revenue	206	223	1 141
Total operating cost	208	215	1 002
EBITDA	-2	8	139
Depreciation	9	8	35
Impairment of non-current assets	-	-	-
Earnings before financial items and tax (EBIT)	-11	-	104
Financial items	-11	-4	-22
Profit before tax	-22	-4	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 1,125 and an EBITDA of MNOK 129.3

Borgestad Group has a decrease in revenue in first quarter by 7.6 percent compared to Q1'24. For the quarter, the Group's EBITDA is negative with MNOK 1.6, down from MNOK 8.2 in Q1'24. The decrease in revenue and EBITDA is due to low season within refractory segment, especially for the Swedish market within service and installation.

Net financials were weaker compared to 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 with in the quarter.

At the end of Q1'25, order intake and order backlog for the refractory segment were at normalized seasonal levels.

Balance Sheet

Numbers in parenthesis are as of December 31, 2024.

As of March 31, 2025, the Group had total assets of MNOK 1,445 (MNOK 1,463), with

equity amounting to MNOK 779 (MNOK 809), corresponding to an equity ratio of 54 % (55 %).

Current assets totalled MNOK 497 (MNOK 497), while non-current liabilities stood at MNOK 384 (MNOK 393) and current liabilities at MNOK 283 (MNOK 261).

Working capital amounted to MNOK 217, up from MNOK 197 as of December 31, 2024. The increase is mainly driven by stocking before high season.

The Group's total interest-bearing debt as of March 31, 2025, was MNOK 424 (MNOK 437), with net interest-bearing debt at MNOK 249 (MNOK 217).

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 30 (positive MNOK 149).

Cash flow from investing activities was negative MNOK 5.7 (negative MNOK 19.3).

Cash flow from financing activities was negative with MNOK 9.8 in Q1'25, compared to negative MNOK 32.8 in Q1'24. Net cash flow for Q1'25 was negative with MNOK 45.2.

Available liquidity as of March 31, 2025, was MNOK 235 (MNOK 276), which includes MNOK 74 of undrawn credit facilities.

Real Estate

	2025	2024	2024
(MNOK)	1st quarter	1st quarter	Year
Revenue	19	19	77
EBITDA	10	9	41
Earnings before financial items and tax (EBIT)	7	7	33

In Q1'25, tenant turnover at Agora Bytom decreased by 2.8 percent compared to the same period in 2024, while last twelve months turnover grew by 2.2 percent year-over-year.

Tenants at Agora Bytom have increased their revenues by 2.2 percent LTM Q1'25 compared to the same period in 2024.

In Q1'25, visitor numbers declined by 3.9 percent compared to the same period last year, partly explained by change in counting system during Q1'24, with a total of approximately 4.7 million visitors over the last twelve months.

During the quarter, the property segment generated rental income of MNOK 19.3 and EBITDA of MNOK 10.3, compared to MNOK 18.9 and MNOK 9.5 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 March 31, 2025, the WAULT¹ stands at 3.84 years by area and 3.99 years by income.

Agora Bytom has over the last periods increased occupancy rate of the centre and, as of March 31, 2025, occupancy based on signed leases is at 95.8 percent. Per March 31, 2025 the total leasable area stands at 33,630 sqm.

The occupancy rate at Agora Bytom stands at 95.8 percent per March 31, 2025.

Borgestad expects revenue and EBITDA to increase moderately 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.

¹ Weighted average unexpired lease term.

Refractory

	2025	2024	2024
(MNOK)	1st quarter	1st quarter	Year
Revenue	186	204	1 087
EBITDA	-8	3	106
Earnings before financial items and tax (EBIT)	-14	-2	81
EBIT in percent	-8 %	-1 %	7 %

Bendik Persch Andersen was appointed as the new CEO of Höganäs Borgestad Group effective April 2025. Bendik will lead the next phase of the Group's development, with a clear focus on improving profitability and driving long-term growth.

Höganäs Borgestad has a year-over-year decrease in revenue in Q1'25 with 8.8 percent. The decline in revenue is primarily due to reduced activity in the Swedish service and maintenance market. Combined with the Group's high operational leverage, this has had a negative impact on profitability for the quarter. Adjusted² EBIT for Q1'25 end at MNOK -11.5, down from MNOK -2.2 in Q1'24.

Adjusted EBIT margin LTM Q1'25 at 6.7 percent compared to 3.3 percent LTM Q1'24.

Last twelve months Höganäs Borgestad Group has a revenue of MNOK 1,071.0 and an adjusted

EBIT of MNOK 71.8, or an adjusted EBIT margin of 6.7 percent.

Borgestad remains optimistic about the revenue and profitability outlook for Höganäs Borgestad for the remainder of the year, supported by a solid order backlog and good prospects of as of March 31, 2025, and activity levels that are increasing in line with expectations.

The refractory segment continues to focus on steadily improving its EBIT margin, and Borgestad sees significant potential for further development in the years ahead. A new mid-term EBIT target of 10 percent or higher has been set, with key priorities including growing revenue particularly in the low-season months of Q1 and Q4, while maintaining strict cost discipline to bring the fixed cost base to a sustainable level.

² Adjust for accrued costs related to lay-off compensation

Other Activities Included in the Group

	2025	2024	2024
(MNOK)	1st quarter	1st quarter	Year
EBITDA	-3	-5	-8
Earnings before financial items and tax (EBIT)	-4	-5	-9

Other activities primarily include the group company Borgestad ASA.

In Q1'25 Borgestad ASA has had a normalized quarter in terms of costs and EBITDA.

Subsequent Events

No subsequent events have occurred between March 31, 2025 and the date of this report.

Outlook

The Board of Directors, like many others, 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 in selling their products due to reduced consumption or rising raw material costs. This, in turn, could temporarily dampen demand for refractory products, services, and installations. However, the refractory industry has historically demonstrated resilience through such fluctuations. 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.

In addition, 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	2024
		1st quarter	1st quarter	Year
Revenue and other income	2	206 463	222 759	1 169 428
Materials, supplies and subcontracting		95 080	102 225	528 946
Salary and personnel expenses		87 101	86 334	394 855
Other expenses		25 886	26 044	106 558
Depreciation	6	9 370	7 903	34 733
Impairment of non-current assets		-	-	-
Operating cost and expenses		217 437	222 506	1 065 092
Operating income/(loss)	2	-10 974	253	104 336
Financial items				
Foreign currency gain/(loss)		113	161	1 386
Interest expenses		7 082	5 206	27 403
Other financial income/(expenses)		-3 687	551	3 966
Net financial items		-10 656	-4 494	-22 051
Profit before tax	2	-21 631	-4 241	82 285
Income tax		1 415	721	20 521
Profit/(loss) for the period		-23 045	-4 962	61 764
Allocated as follows:				
Non-controlling interest's share of the profit		-5 460	-2 196	16 535
Controlling interest's share of the profit		-17 585	-2 766	45 229
Basic and diluted earnings per share		-0,50	0,00	1,29

Condensed Consolidated Interim Statement of Comprehensive Income

	2025	2024	2024
	1st quarter	1st quarter	Year
Profit/(loss) for the period	-23 045	-4 962	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	-	-	-664
<i>Other income and expenses that may be reclassified to profit or loss:</i>			
Translation differences	-7 628	17 293	18 403
Change in fair value of cash flow hedging net of tax	512	-2 554	-13 178
Change in other equity transactions	-41	-	-
Net other comprehensive income	-7 157	14 738	4 560
Total comprehensive income for the period	-30 202	9 776	66 325
Non-controlling interest's share of total comprehensive income	-3 692	-2 030	17 714
Controlling interest's share of total comprehensive income	-26 510	11 806	48 611

Condensed Consolidated Interim Statement of Financial Position

		2025	2024	2024
(NOK 1 000) (Unaudited)	Note	31.3.	31.3.	31.12.
Assets				
Investment property	6	704 721	727 085	729 553
Land, buildings		13 251	19 935	12 502
Fixtures, machinery and vehicles		44 640	35 938	42 667
Licences, trade marks and similar rights		26 433	27 969	26 032
Right-of-use assets		33 326	32 843	35 751
Goodwill		90 667	89 513	90 082
Other financial assets		5 042	4 011	6 248
Deferred tax asset		15 684	14 426	8 941
Total non-current assets		933 764	951 719	951 777
Inventories		146 093	143 338	126 254
Trade receivables		158 741	164 242	139 214
Other receivables		17 000	9 230	11 185
Cash and cash equivalents		175 238	147 106	220 462
Total current assets		497 072	463 917	497 115
Non-current assets classified as held for sale	5	14 214	13 195	13 907
Total assets		1 445 050	1 428 831	1 462 799

Consolidated Balance Sheet, continued

		2025	2024	2024
(NOK 1 000) (Unaudited)	Note	31.3.	31.3.	31.12.
Equity and liabilities				
Share capital		35 062	350 621	35 062
Share premium and other paid-in capital		641 679	326 121	641 679
Total paid-in capital		676 741	676 741	676 741
Other reserves		151 866	168 497	158 983
Other equity		-126 289	-150 862	-106 894
Retained earnings		25 577	17 635	52 089
Non-controlling interest		76 510	71 240	80 202
Total equity		778 828	765 616	809 032
Interest-bearing debt	4	336 335	343 323	343 600
Other non-current liabilities		9 684	-	10 713
Lease liability		23 401	26 202	24 730
Pension liabilities		5 836	6 480	5 813
Deferred tax		8 496	7 890	8 288
Total non-current liabilities		383 752	383 895	393 144
Interest-bearing debt	4	48 738	58 005	51 900
Lease liability		15 726	12 811	16 986
Bank overdraft		-	-	-
Trade payables		88 254	86 900	68 489
Tax payables		3 925	10 356	11 928
Public duties payable		29 474	30 515	28 991
Other short-term liabilities		96 353	80 732	82 330
Total current liabilities		282 469	279 320	260 623
Total equity and liabilities		1 445 050	1 428 831	1 462 799

Lysaker, May 21 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

	2025	2024	2024
(NOK 1 000) (Unaudited)	Q1'25	Q1'24	FY2024
Cash flow from operating activities before balance changes	-17 013	625	104 871
+/- Balance changes	-12 786	26 855	44 430
Net cash flow from operating activities	-29 799	27 480	149 301
Investment in fixed tangible and intangible assets	-5 794	-267	-12 220
Investments in shares in subsidiaries	-	-	-13 194
Sale of fixed assets	142	-	6 079
Net cash flow from investing activities	-5 652	-267	-19 335
Repayment of borrowings	-4 442	-4 245	-17 161
Net change bank overdraft	-	-24 098	-24 098
Payment of lease liabilities	-5 330	-4 452	-20 933
Net cash flow from financial activities	-9 772	-32 795	-62 192
Cash flow for the period	-45 222	-5 582	67 774
Cash and cash equivalent at beginning of period	220 461	152 688	152 688
Cash and cash equivalent at the end of the period	175 238	147 106	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
Profit/(loss) for the period						-17 585	-5 460	-23 045
Net other comprehensive income				512	-7 628	-1 810	1 769	-7 157
Equity as at 31.03.2025	35 062	211 759	429 921	-6 514	158 380	-126 289	76 510	778 828

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

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.

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

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	2024	2024
(NOK 1 000)	1st quarter	1st quarter	Year
Revenue	206 463	222 759	1 141 417
EBITDA	-1 604	8 156	139 069
Depreciation	9 370	7 903	34 733
Impairment of non-current assets	-	-	-
Operating profit (EBIT)	-10 974	253	104 336
Financial items	-10 656	-4 494	-22 051
Profit before tax	-21 631	-4 241	82 285

Segment Real Estate	2025	2024	2024
(NOK 1 000)	1st quarter	1st quarter	Year
Revenue	19 291	18 875	76 622
EBITDA	10 340	9 486	41 293
Depreciation	3 345	2 120	8 658
Impairment of non-current assets	-	-	-
Operating profit (EBIT)	6 995	7 365	32 634
Financial items	-10 645	-2 878	-27 130
Profit before tax	-3 650	4 488	5 504
	53,6 %	50,3 %	
Segment Refractory	2025	2024	2024
(NOK 1 000)	1st quarter	1st quarter	Year
Revenue	185 960	203 873	1 087 363
EBITDA	-8 496	3 334	106 146
Depreciation	5 746	5 543	25 024
Operating profit (EBIT)	-14 242	-2 210	81 122
Financial items	-2 401	-3 255	-11 393
Profit before tax	-16 643	-5 464	69 728
	-7,7 %	-1,1 %	
Segment other and eliminations	2025	2024	2024
(NOK 1 000)	1st quarter	1st quarter	Year
EBITDA	-3 448	-4 663	-8 370
Depreciation	279	239	1 051
Operating profit (EBIT)	-3 728	-4 903	-9 420
Financial items	2 390	1 638	16 472
Profit before tax	-1 338	-3 264	7 053

Note 3 Significant Events in 2025

No significant events have incurred in 2025.

Note 4 Interest-Bearing Debt

Agora Bytom Sp. z o.o. has a MEUR 29.3/ MNOK 334.0 loan in Bank Pekao in Poland as of March 31, 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 51.1 in Nordea as of March 31, 2025. Loan maturity is June 30, 2025, or later.

Part of the loan, MNOK 42.6, are reclassified as short-term interest-bearing debt in connection to assets held for sale on March 31, 2025.

In addition, the Group has MSEK 70 in credit facilities for ongoing financing of working capital.

The credit facility was not drawn per March 31, 2025.

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 costs to sell and presented separately as assets held for sale and liabilities held for sale in the statement of financial position.

The criteria for held-for-sale classification are regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan to sell will be withdrawn. In addition, management must be committed to the plan, and it is expected that the sale will be completed within a year.

Property, plant, and equipment and intangible assets are not depreciated or amortized once classified as held for sale.

Höganäs Bjuf Fastighets AB, an indirect subsidiary of Borgestad ASA, entered into a conditional agreement with Bjuv municipality in Sweden on October 27, 2023, for a sale and leaseback transaction for two properties in Sweden where the Group's production plant and other production facilities for refractory products are located.

Borgestad Group will sell the two properties, including the production facilities, to Bjuv municipality and then lease the production facilities back to continue its production of refractory products in line with previous practice. Prior to the completion of the transaction, the two properties will be

transferred to a new wholly owned subsidiary of Höganäs Bjuf Fastighets AB, and the transaction will be structured as a sale by Höganäs Bjuf Fastighets AB of the shares in this subsidiary.

The transaction was approved by the Municipal Council of Bjuv 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 Bjuf 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 42.6 as of March 31, 2025. The loan amount is classified as interest-bearing debt under current liabilities.

Asset	2025	2024	2024
(NOK 1 000)	31.3.	31.3.	31.12.
Höganäs Bjuf Fastighet	14 214	13 195	13 907
Total assets classified as held for sale	14 214	13 195	13 907

Note 6 Investment Property

	2025	2024	2024
(NOK 1 000)	31.3.	31.3.	31.12.
Opening balance as at 1st of January	729 553	701 408	701 408
Additions	2 073	267	2 330
Depreciation	3 345	2 120	8 658
Write downs	-	-	-
Translation differences	-23 560	27 531	34 474
As at period end	704 721	727 085	729 553

Investment Property

During Q1'25, Management did not identify any indicators of impairment for Agora Bytom.

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

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

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

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

Discount Rate

The present value of future cash flows was calculated using a pre-tax discount rate of 9.0% and a post-tax discount rate of 7.4%. These rates reflect current market assessments of the time value of money and the risks specific to Agora Bytom. The discount rate is calculated based on an applicable market WACC.

Rent per sqm

The rent level is estimated to be EUR 15.53 per sqm per month in 2025 and is forecasted to increase at a steady growth rate of 2%. The estimated rent of EUR 15.53 per sqm is based on signed leases at EUR 16.30 per sqm, with deductions for tenant discounts.

Vacancy

Estimated vacancy rates are based on current and expected future market conditions, in line with the average market vacancy in the Polish region where Agora Bytom operates. The estimated vacancy rate in the terminal period is 4%. Vacancy as of 31.03.2025 is 4.2%, based on a total leasable area of 33,630 sqm in Agora Bytom.

Capitalization expenses

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

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

Terminal value

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

Sensitivities

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

		Terminal growth						
WACC		0,5%	1,0%	1,5%	2,0%	2,5%	3,0%	3,5%
		-1,5%	-1,0%	-0,5%	-	0,5%	1,0%	1,5%
	5,9%	72 381	77 281	83 302	90 880	100 706	113 958	132 803
	6,4%	66 165	70 075	74 788	80 580	87 868	97 320	110 066
	6,9%	60 928	64 099	67 861	72 395	77 967	84 979	94 072
	7,4%	56 457	59 064	62 116	65 735	70 098	75 460	82 207
	7,9%	52 596	54 765	57 274	60 211	63 694	67 893	73 053
	8,4%	49 229	51 051	53 138	55 553	58 380	61 733	65 775
	8,9%	46 266	47 811	49 565	51 575	53 900	56 621	59 849

		Vacancy in terminal						
WACC		7,0%	6,0%	5,0%	4,0%	3,0%	2,0%	1,0%
		3,0%	2,0%	1,0%	-	-1,0%	-2,0%	-3,0%
	5,9%	87 945	88 924	89 902	90 880	91 858	92 836	93 814
	6,4%	78 080	78 913	79 746	80 580	81 413	82 246	83 079
	6,9%	70 237	70 957	71 676	72 395	73 114	73 833	74 553
	7,4%	63 852	64 480	65 108	65 735	66 363	66 990	67 618
	7,9%	58 553	59 105	59 658	60 211	60 763	61 316	61 868
	8,4%	54 083	54 573	55 063	55 553	56 044	56 534	57 024
	8,9%	50 262	50 700	51 137	51 575	52 012	52 450	52 887

		Capex in terminal						
WACC		680 000	630 000	580 000	530 000	480 000	430 000	380 000
		-150 000	-100 000	-50 000	-	50 000	100 000	150 000
	5,9%	88 458	89 265	90 073	90 880	91 687	92 494	93 301
	6,4%	78 517	79 204	79 892	80 580	81 267	81 955	82 642
	6,9%	70 614	71 208	71 801	72 395	72 989	73 582	74 176
	7,4%	64 181	64 699	65 217	65 735	66 253	66 771	67 289
	7,9%	58 842	59 298	59 754	60 211	60 667	61 123	61 579
	8,4%	54 340	54 744	55 149	55 553	55 958	56 362	56 767
	8,9%	50 491	50 852	51 214	51 575	51 936	52 297	52 658

		Rent / sqm						
WACC	EUR / Sqm->	15,1	15,2	15,4	15,5	15,7	15,8	16,0
	%-change ->	(3,0%)	(2,0%)	(1,0%)	0,0%	1,0%	2,0%	3,0%
	5,9%	88 020	88 973	89 926	90 880	91 833	92 787	93 740
	6,4%	78 043	78 889	79 734	80 580	81 425	82 270	83 116
	6,9%	70 116	70 876	71 636	72 395	73 155	73 914	74 674
	7,4%	63 666	64 356	65 046	65 735	66 425	67 115	67 804
	7,9%	58 315	58 947	59 579	60 211	60 842	61 474	62 106
	8,4%	53 805	54 388	54 971	55 553	56 136	56 719	57 302
	8,9%	49 951	50 492	51 033	51 575	52 116	52 657	53 198

Note 7 Share Information

Number of shares	Ordinary shares outstanding
01.01.2024	35 062 072
Rights issue 03.06.24*	39
Share reverse split 03.06.24	-1 367 420 808
31.12.2024	35 062 111
31.03.2025	35 062 111

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

Note 8 Subsequent Events

No material subsequent events has occurred since March 31, 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	2025	2024	2024
(NOK 1000)	31.3.	31.3.	31.12.
Drawn on the overdraft facility	-	-	-
Overdraft facility 70 MSEK	73 640	73 710	72 051
Restricted deposits	-13 999	-12 288	-16 487
Cash	175 238	147 106	220 462
Available liquidity at end of period	234 879	208 528	276 026

IBD (Interest-bearing debt)	2025	2024	2024
(NOK 1000)	31.3.	31.3.	31.12.
Mortgage debt	385 072	401 328	395 500
Lease liability	39 127	39 013	41 716
Bank overdraft	-	-	-
Total interest-bearing debt	424 199	440 341	437 216

NIBD (Net Interest-bearing debt)	2025	2024	2024
(NOK 1000)	31.3.	31.3.	31.12.
IBD (Interest-bearing debt)	424 199	440 341	437 216
Cash	175 238	147 106	220 462
Total	248 961	293 235	216 754

NIBD/EBITDA LTM	2025	2024	2024
(NOK 1000)	31.3.	31.3.	31.12.
NIBD (Net Interest-bearing debt)	248 961	293 235	216 754
EBITDA LTM	129 309	128 628	139 069
NIBD/EBITDA	1,9	2,3	1,6

Equity ratio	2025	2023	2024
(NOK 1000)	31.3.	31.3.	31.12.
Total equity	778 828	765 616	809 032
Total capital	1 445 050	1 428 831	1 461 385
Equity ratio in %	53,9 %	53,6 %	55,4 %

Working capital	2025	2024	2024
(NOK 1000)	31.3.	31.3.	31.12.
Inventories and trade receivables	304 834	307 580	265 468
Trade payables	88 254	86 900	68 489
Working capital	216 580	220 680	196 979

EBITDA	2025	2024	2024
(NOK 1000)	31.3.	31.3.	31.12.
Operating income/(loss)	-10 974	253	104 336
Impairment of non-current assets	-	-	-
Depreciation	9 370	7 903	34 733
EBITDA	-1 604	8 156	139 069

⁴⁾ EBITDA adjusted group	2025	2024	2024
(NOK 1000)	31.3.	31.3.	31.12.
EBITDA LTM	129 309	128 628	139 069
Gain resulting from the arbitration case	-	-46 400	-
Gain on sale of asset	-5 463	-	-5 463
EBITDA adjusted	123 846	82 228	133 606

Excluding the positive effect from Vienna Arbitration, and the sale of Gunnar Knudsens veg 144.

²⁾ EBIT segment refractory	2025	2024	2024
(NOK 1000)	31.3.	31.3.	31.12.
EBIT	-14 242	-2 210	81 122
Costs for compensating former CEO	2 700	-	-
EBIT adjusted	-11 542	-2 210	81 122



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