

Quarter Presentation Q1 2025

22. May 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 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 an EBITDA of MNOK -8.5 for Q1'25, compared to MNOK 203.9 and MNOK 3.3 in Q1'24.
- 4 Höganäs Borgestad has a healthy order backlog and prospects for the remainder of the year, as of March 31, 2025

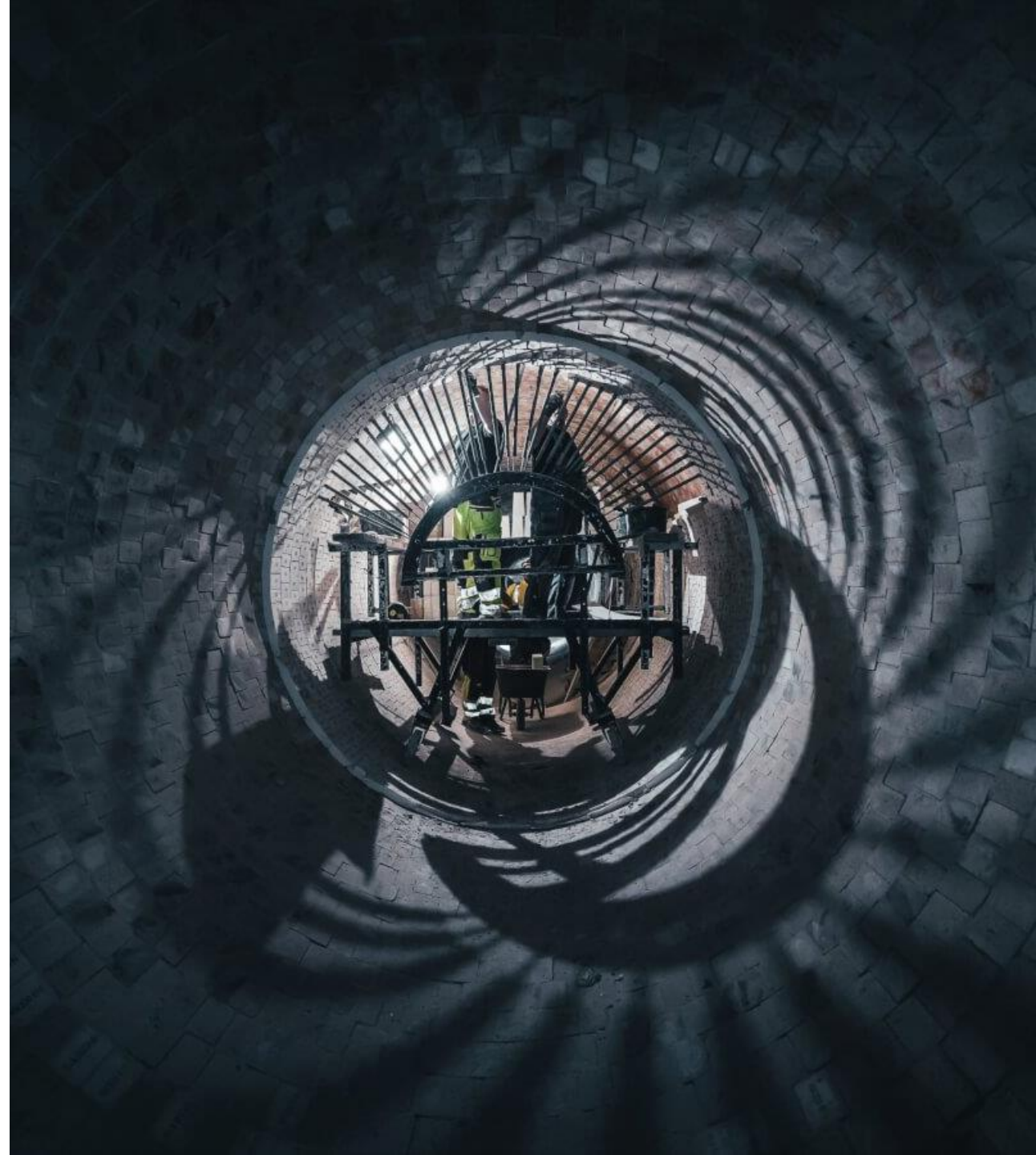
Key Figures

	1st Quarter		FULL YEAR
MNOK	2025	2024	2024
Operating income	206	223	1,169
EBITDA	-2	8	139
Depreciation & Imp. 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%

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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
4.7 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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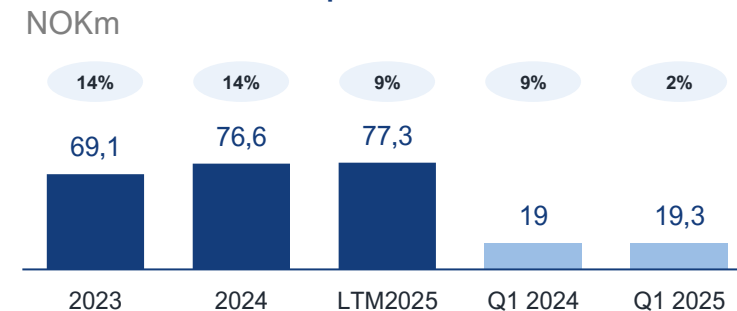
Agora Bytom delivers increased revenue and EBITDA



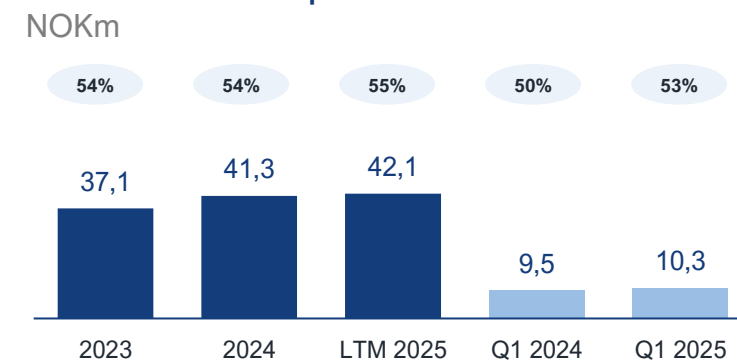
Latest trends and developments

- Agora Bytom maintains a strong local market position with a consistently high occupancy rate.
- Margin improvements through revenue growth and cost reductions increased EBITDA from MNOK 41.3 in 2024 to MNOK 42.1 in Q1LTM'25.
- Agora Bytom has over the last periods increased occupancy rate of the centre, as of March 31, 2025, occupancy based on signed leases is at 95.8 percent.
- Occupancy rate is estimated to increase further during FY2025, based on signed leases.
- Debt as of 31.03.25 stands at MEUR 29.3, with an LTV of ~47%, remaining at a sustainable level.
- Borgestad expects revenue and EBITDA to increase slightly in the years to come.

Revenue development



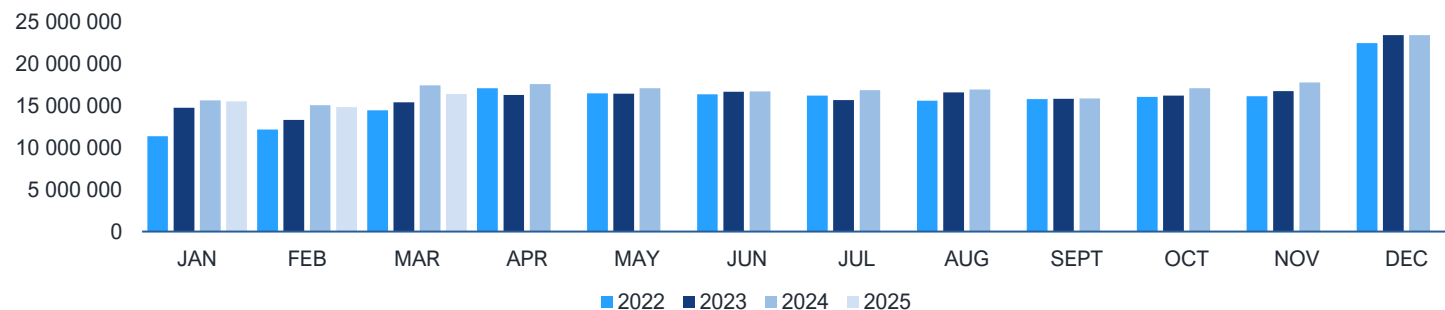
EBITDA development



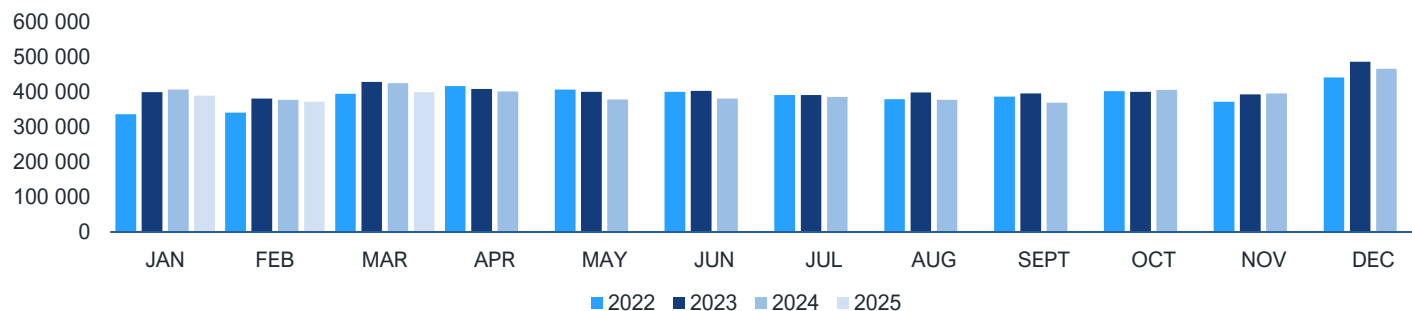
Continued improvement in retail sales and basket, and the Polish economy shows a positive trend

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

PLN



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



Comments

- Tenant turnover decreased by 2.8% in Q1'25 compared to Q1'24, but has increased with 2.2 percent LTM.
- Agora Bytom recorded 4.7 million visitors LTM Q1'25, a slight decline of 0.1 million from 2024.

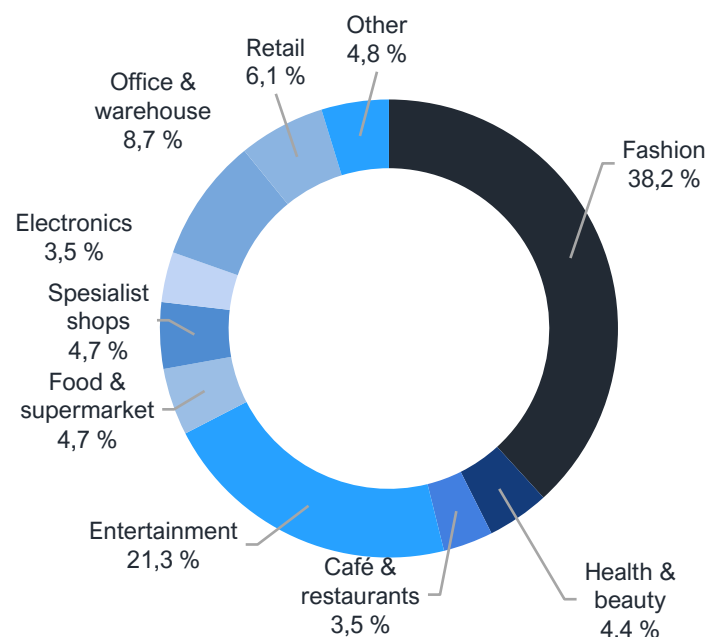
Macroeconomic environment

- Poland's reference interest rate was decreased to 5.25% as of May 2025, a decrease of 50 bps.
- GDP grew by 3.2% YoY in December 2024.
- Registered unemployment stood at 5.3% in March 2025.
- Inflation relatively stable at 4.9% YoY in March 2025, up from 4.7% in December 2024.
- Consumer confidence increased to -15.2 points in March 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: 3.84 years



WAULT by income: 3.99 years



Due date for top ten tenants are spread, first due date in Q4 2026



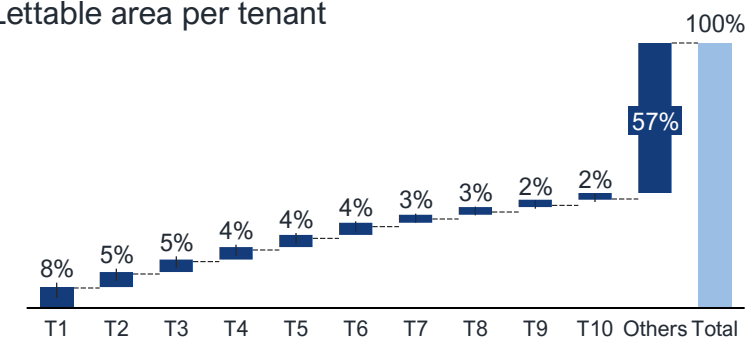
Several ongoing negotiations with potential new tenants



Expect to further increase occupancy rate next quarters

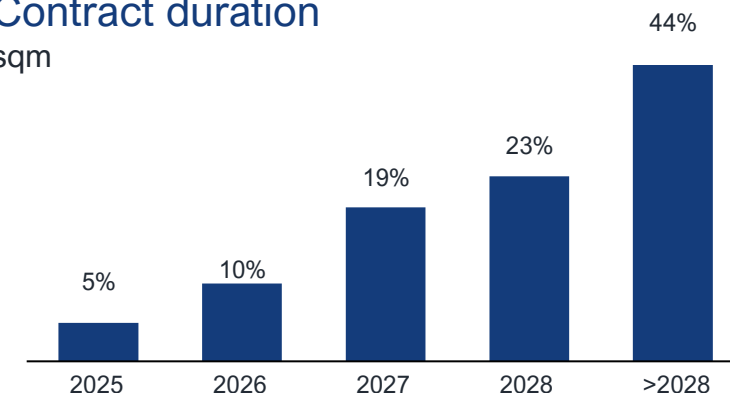
Highly diversified tenant base

Lettable area per tenant



Contract duration

sqm



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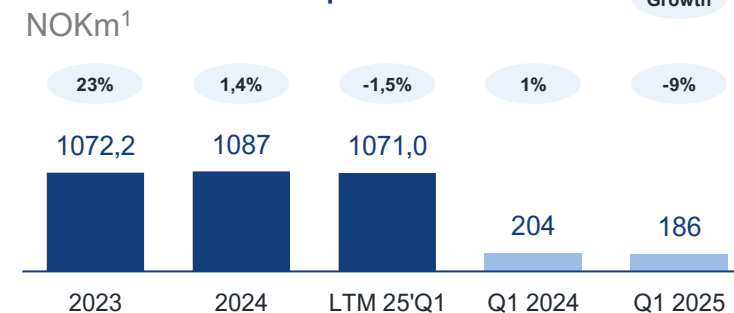
Revenue declined year-over-year, but outlook remains positive with expected profitability growth supported by backlog and planned improvement measures

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

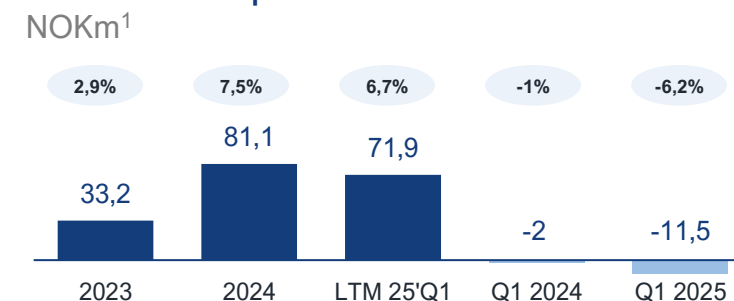
Latest trends and developments

- Bendik Persch Andersen appointed as CEO of Höganäs Borgestad Group, effective April 2025
- Q1 2025 revenue down 8.8% year-over-year, driven by lower service activity in Sweden, impacting profitability
- Order backlog at a normal seasonal level for installation and service assignments, in addition to promising prospects for both 2025 and 2026
- Focus remains on increasing revenue, especially in the next low season, and reducing fixed costs to reach the 10% mid-term EBIT target

Revenue development



EBIT development

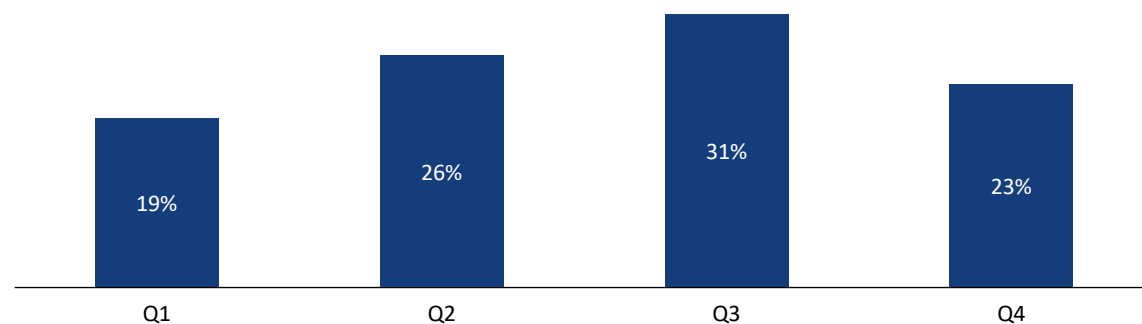


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The Nordic refractory market is highly seasonal, with a general slowdown in Q1 and Q4, hampering profitability

Historical quarterly average revenue share (2021-2024)

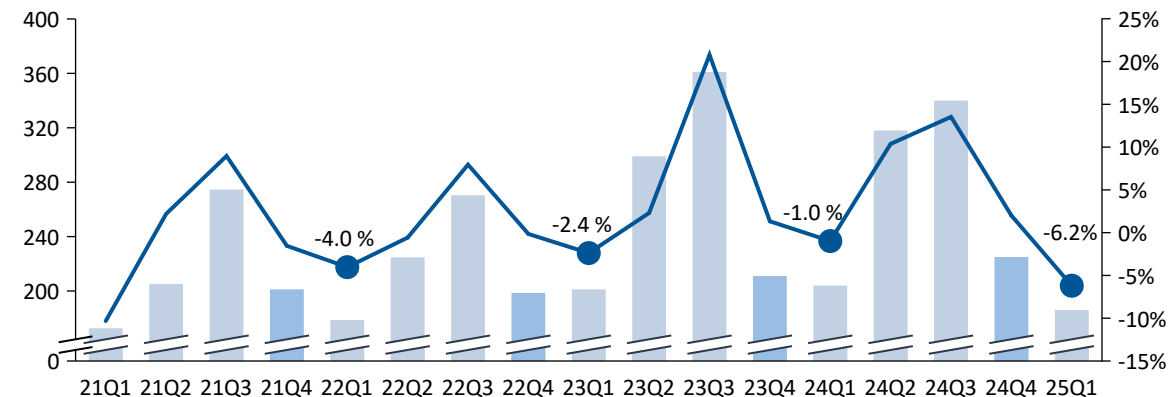
Revenue share (% of annual rev.)



Quarterly development of revenue and EBIT¹

Revenue (MNOK)

EBIT-MARGIN (%)

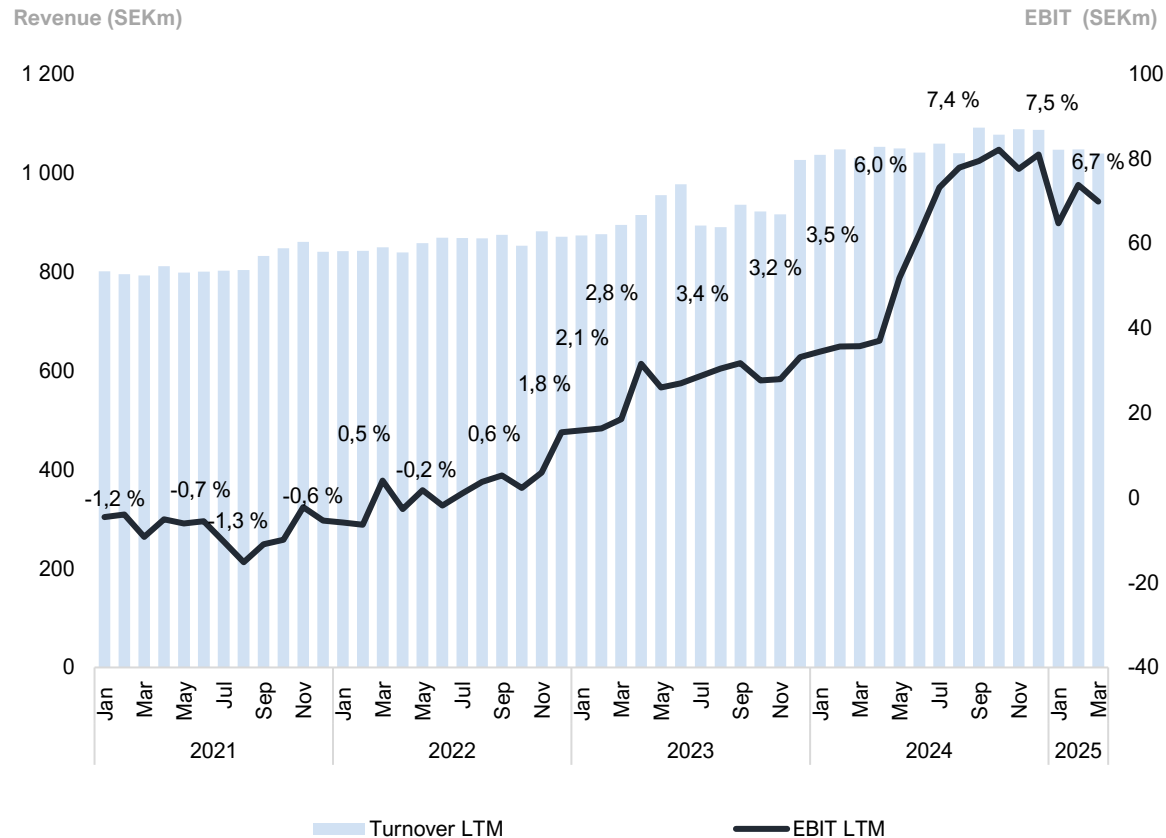


Comments

- The Nordic refractory market is highly seasonal, with low activity in Q1 and Q4 due to cold weather and peak demand in Q3 when customers schedule maintenance during the holiday season
- Seasonality is partly managed by using subcontractors and in-hired resources during peak periods, helping to control fixed operational costs
- While we are not satisfied with the low activity and profit levels in Q1'25, we do not see it as a sign of broader slowdown or loss of momentum
- With project lead times of six to twelve months, we expect to see the effects of our current efforts in Q1 2026, alongside ongoing cost-cutting to reduce operational leverage

Despite a slower start in Q1, Höganäs Borgestad remains well positioned to build on its positive momentum going forward

LTM turnover and EBIT development¹



Comments

- With a good order backlog and prospects, the Group is well-positioned to maintain a positive development through 2025 and beyond
- Structured commercial efforts are underway in Sweden, Finland, and Norway to secure high utilization in the 2025/2026 low season
- Ongoing and planned cost-saving initiatives are being implemented to strengthen profitability

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

The previously announced court decision on the sale-leaseback with Bjuv municipality is appealed by the municipality



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, with updated documentation submitted in early April
- Initial feedback on whether the appeal will be heard is expected before the summer. If accepted for review, the estimated processing time is 9–10 months from the date of the appeal

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Profit declined in Q1'25 compared to Q1'24, 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 1,153 and an EBITDA of MNOK 129.3
- Borgestad Group has a decrease in revenue in first quarter by 7.3 percent compared to Q1'24, 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)	Q1'25	Q1'24	FY2024
Revenue and other income	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	9,370	7,903	34,733
Operating cost and expenses	217,437	222,506	1,065,092
Operating income/(loss)	-10,974	253	104,336
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 taxes	-21,631	-4,241	82,285
Income tax	1,415	721	20,521
Profit/(loss) for the period	-23,045	-4,962	61,764
Net other comprehensive income	-7,157	14,738	4,560
Total comprehensive income for the period	-30,202	9,776	66,325

Working capital increased ahead of high season, debt levels remains stable, and mortgage to be refinanced before maturity in June

Comments

- The booked value of investment property decreased due to a stronger NOK against Euro.
- Working capital increased to MNOK 216.6 up from MNOK 197.0 as of December 31, 2024, mainly due to increase in inventory before high season.
- Total interest-bearing debt stood at MNOK 424.2 (437.2) as of March 31, 2025, with net interest-bearing debt at MNOK 249.0 (216.8).
- Mortgage debt in Höganäs Borgestad falls due June 30, 2025. Expect to close refinancing with Nordea before due date.
- The property in Bjuv remains classified as held for sale, pending soon expected court decision.

(NOK 1 000) (Unaudited)	Q1'25	Q1'24	FY2024
Investment property	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	14,214	13,195	13,907
Total assets	1,445,050	1,428,831	1,462,799

(NOK 1 000) (Unaudited)	Q1'25	Q1'24	FY2024
Total equity	778,828	765,616	809,032
Interest-bearing debt	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	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

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 29.8 (positive MNOK 27.48).
- Cash flow from investing activities was negative MNOK 5.7 (negative MNOK 19.3).
- Available liquidity as of March 31, 2025, was MNOK 234.0 (MNOK 276.0), including MNOK 73.6 in undrawn credit facilities.
- Positive cash flow from Agora Bytom is allocated to debt amortization, in line with financial covenants, further strengthening the balance sheet.

(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

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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



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 Q1 2025 financial statements on page 22-24.

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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