

**BORGESTAD ASA**

Annual report

2025



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# About Borgestad

Borgestad ASA is an investment company headquartered at Lysaker, Norway Borgestad's portfolio is centered around two core business areas: real estate and refractory.

Within these segments, the assets with the greatest impact on Group performance are:

- ◆ **Agora Bytom**, our shopping mall in Poland, representing the Group's real estate value.
- ◆ **Höganäs Borgestad**, our refractory production and installation group, which is market leader in the Nordic region.

While real estate is the largest segment measured by total assets, the refractory industry is the largest measured by revenue. Together, these two pillars form the strategic foundation of Borgestad ASA.



## 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 aluminium. 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.

# Highlights and key figures

- ◆ For 2025, Borgestad Group delivered an ordinary and adjusted<sup>1)</sup> result before tax of MNOK 23.9 and MNOK 50.7 respectively, compared to MNOK 82.3 and adjusted MNOK 76.8 respectively in 2024.
- ◆ Höganäs Borgestad Group closed two acquisitions in 2025, Emcotech AB and Norsk Ildfast Gjenvinning Drift AS.
- ◆ As of December 31, 2025, Agora Bytom had an occupancy rate of 96.2 percent based on signed leases, an increase of 1.7 percentage points since December 31, 2024.
- ◆ In light of developments in recent years, Borgestad has distributed a dividend of MNOK 28.0 in June 2025 and a dividend of MNOK 17.5 in March 2026.

*1) Adjusted EBITDA, EBIT and result before tax exclude accrued cost for lay-off compensations and write down of ERP system and goodwill, total adjustments at EBIT level of MNOK 26.8 for full year 2025. Alternative performance measures (APMs) are described in the appendices [Alternative performance measures](#).*



# Key figures

NOK 1 000	2025	2024	2023	2022
<b>Income statement</b>				
Revenue and other income	1 125 972	1 169 428	1 141 417	931 726
EBITDA	107 290	139 069	127 478	52 293
Depreciation & Impairment of non-current assets	54 684	34 733	121 876	123 142
Operating profit (EBIT)	52 606	104 336	5 601	-70 848
Financial items excl. foreign currency	-28 391	-23 437	-49 246	-46 633
Net foreign currency gain/(loss)	-342	1 386	6 362	-6 839
<b>Profit before taxes</b>	<b>23 873</b>	<b>82 285</b>	<b>-37 283</b>	<b>-124 320</b>
Profit/(loss) for the year	20 335	61 764	-63 592	-126 109
<b>Balance</b>				
Non-current assets	989 412	965 684	942 626	1 011 126
Current assets	477 439	497 115	463 752	455 432
<b>Total assets</b>	<b>1 466 851</b>	<b>1 462 799</b>	<b>1 406 378</b>	<b>1 466 558</b>
Total equity	802 909	809 032	755 842	507 873
Non-current liabilities	393 930	393 144	377 552	613 967
Current liabilities	270 012	260 623	272 984	344 718
<b>Total equity and liabilities</b>	<b>1 466 851</b>	<b>1 462 799</b>	<b>1 406 378</b>	<b>1 466 558</b>

Alternative performance measures (APMs) are described in the appendices [Alternative performance measures](#).

NOK 1 000	2025	2024	2023	2022
<b>Profit</b>				
Return on equity	2.9 %	10.7 %	-4.9 %	-31.0 %
Return on total capital	3.7 %	7.6 %	1.0 %	-5.3 %
<b>Liquidity</b>				
Cash flow	-67 886	67 774	61 629	42 722
Liquidity ratio	177 %	191 %	170 %	132 %
Cash and cash equivalents	152 576	220 462	152 688	91 059
Available liquidity at end of period	212 642	276 026	186 086	85 501
<b>Financial figures</b>				
Share capital	35 062	35 062	350 621	152 491
Average no of shares	35 062	35 062	339 983	112 144
Equity ratio	54.7 %	55.3 %	53.7 %	34.6 %
Price/Book	0.8	0.9	0.6	0.4
Interest-bearing debt	457 510	437 216	459 976	779 816
Net interest-bearing debt	304 934	216 754	307 289	688 757
<b>Key figures per share</b>				
Profit per share	0.44	1.29	0.23	-1.11
Cash per share	4.35	6.29	0.45	0.81
Dividend paid per share	0.80	0.00	0.00	0.00
Dividend proposed per share	0.50	0.80	0.00	0.00

# Board of Directors



**Glen Ole Rødland**  
**Chair of the Board**

Rødland was elected chairman in 2023. Rødland holds an MBA and Postgraduate Studies in Finance at the Norwegian School of Economics (NHH) and UCLA.

Rødland has 30 years' experience in shipping, oil and gas service, finance and investment management. He has extensive experience as an analyst and in corporate finance from investment banking, private office and private equity. Rødland also has considerable experience as a board member and chairman of several Norwegian public and private companies, as well as international companies. As of today, he is chairman of BlueNord ASA and ABL-Group ASA. Rødland has previously been a board member of Spectrum ASA (merged into TGS ASA) for more than ten years, of which seven years as chairman. He has also extensive experience with financial restructuring from serving as chairman of the board of Seadrill Ltd and Prosafe SE.



**Wenche Kjølås**  
**Board member**

Kjølås was elected board member in 2023. Kjølås holds, among other things, a Master of Economics and Business Administration from the Norwegian School of Economics (NHH), and Executive Management Program, Strategic Management and Innovation, INSEAD, Paris, France.

Kjølås is an experienced chair and board member with wide sector experience across listed, private, family owned and private equity firms, having served in various leadership roles throughout her career, including COO ,CFO and CEO of the Grieg Group's holding company, Grieg Maturitas AS. Kjølås has been CEO in Kavli Norway and CFO in Kavli Holding, served on the board in Grieg Seafood ASA, Cermaq ASA, PGS ASA, DOF ASA, and chaired Magseis Fairfield ASA, Keolis Norway and Flytoget AS. Currently on the Board of DeepOcean Group Holding AS, Alginor ASA, Avarn Security Group Holding AS and Western Norway University.

## Board of Directors continued



**Jacob Møller**  
**Board member**

Møller has been a board member since 2009, and was Chairman in the period 2021 - 2024. He has a degree in law from the University of Oslo and a master's in law from the University of Cambridge. Møller has a background as a lawyer at BÅHR and head of Schibsted's M&A department. Møller is currently a Partner and Head of the technology department at BÅHR. He has extensive experience with board work.



**Jan Erik Sivertsen**  
**Board member**

Sivertsen was elected as a board member in 2022. He is a qualified auditor from the University of Agder. He is chairman and board member of a number of boards through active ownership under the Kontrari umbrella. Sivertsen currently works as managing director of Kontrari AS, a holding company with significant investments in several listed and unlisted companies. Sivertsen has previously been employed as finance director at B&G Group and as an authorized auditor at Iversen Revisjon AS.



**Helene Steen**  
**Board member**

Steen was elected as a board member in 2022. She has a master's degree in shipping and finance from Bayes Business School in London (formerly Cass Business School) and a bachelor's degree from BI Business School. Over several years, she has held various positions in DNB Bank's large corporates division within shipping and offshore and DNB Asset Management. Steen currently works as principal/CFO in Ses AS, a holding company with significant investments in several listed and unlisted companies.

# Group Management



**Pål Feen Larsen**  
**CEO**

Feen Larsen has held the position as CEO since 2019. He was employed in 2013 and from 2015 to 2019 was CFO in the Group.

Feen Larsen has a master's degree in accounting and auditing at BI Business School and is a state authorized auditor.

He has experience from auditing and consulting from several listed companies and other international groups before he joined the Company.



**Bendik Persch Andersen**  
**CEO Höganäs Borgestad Group**

Persch Andersen was appointed CEO of Höganäs Borgestad Group in April 2025. Prior to this appointment, he served as Head of M&A at Borgestad ASA

Persch Andersen holds a Master of Science in Industrial Economics from NTNU and the University of Queensland.

He has advisory experience from management consulting and corporate finance firm. Additionally, he has served as interim CFO and later as interim Director of Strategy at Elaway, Europe's largest charge point operator for EV charging in housing association.

# CEO letter

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

The sustained operational and financial progress of the Borgestad Group in recent years is further reflected in the Board of Directors' decision to declare a dividend of NOK 0.50 per share for the 2025 financial year.

This marks the second consecutive year of dividend distribution and represents a clear indication of Borgestad's robust and sustainable financial development.

Agora Bytom continued its strong operational and financial performance in 2025. Based on currently signed leases, the occupancy rate reached 96.2% as of 31.12.2025, an increase of 1.7 percentage points from 31.12.2024.

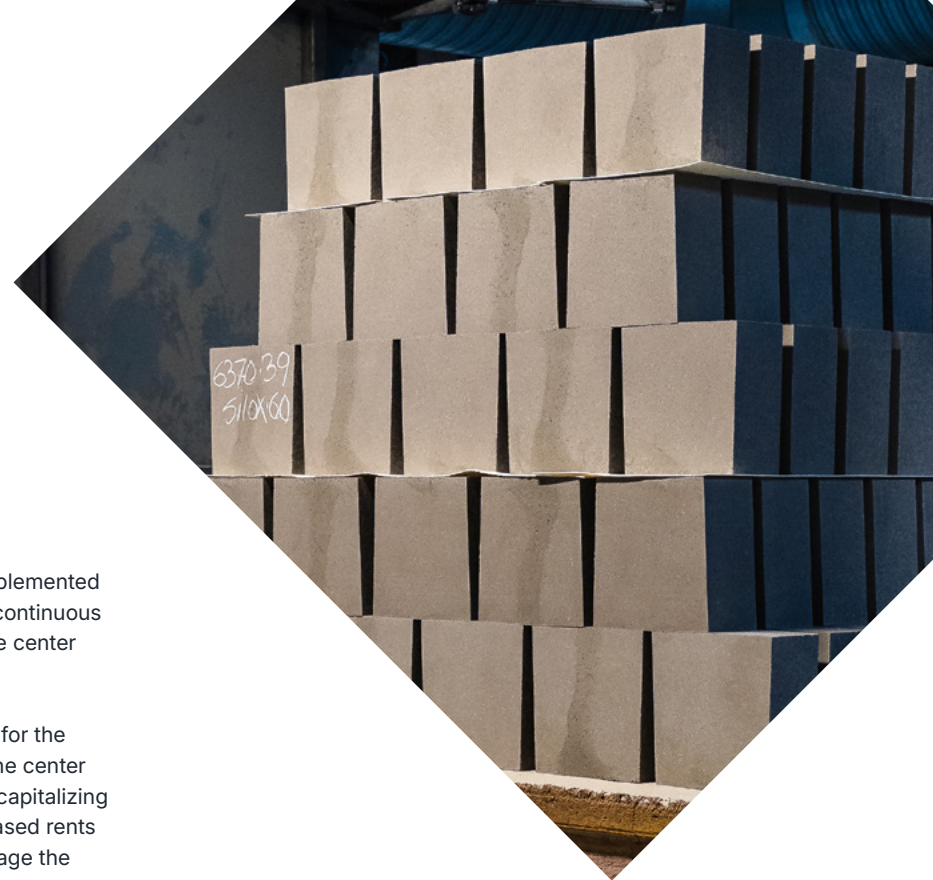
The center has successfully utilized areas on floors that have historically been challenging to lease. This progress reflects

the long term strategic approach Borgestad has implemented for Agora Bytom; local in-house management and continuous efforts to strengthen the tenant mix and develop the center floor by floor.

The same strategic approach forms the foundation for the next phase of development at Agora Bytom. With the center now almost fully leased, the focus will shift toward capitalizing on this strong position of occupancy through increased rents and improved profitability. This phase aims to leverage the center's strengthened market position, stable tenant base, and enhanced attractiveness to drive further value creation.

Höganäs Borgestad implemented cost cutting measures and organizational adjustments during 2025, establishing a stronger foundation for future development and profitability. The underlying performance of the business remains solid, even as market conditions continue to be somewhat challenging, with several industrial customers delaying investment projects due to general uncertainty.

In the Swedish market, Höganäs Borgestad has seen a slowdown across several industrial segments in 2025, with multiple projects postponed or scaled down. In the Norwegian Ferro Alloy market, recently introduced tariff barriers between



“ *Borgestad remains committed to execute its strategy for both Höganäs Borgestad and Agora Bytom, which hold strong market positions in their respective markets.* ”

the European Union and Norway have added uncertainty to the broader ferro market, which is expected to have short term negative implications for Höganäs Borgestad.

Despite these uncertainties, the Group continues to invest for the future. During 2025, Höganäs Borgestad completed two acquisitions: Emcotech AB and Norsk Ildfast Drift Gjenvinning AS (“NIGD”). Both transactions are expected to generate long term shareholder value.

Emcotech AB is a Sweden based company specializing in industrial flue gas cleaning. Höganäs Borgestad has identified immediate synergies between Emcotech and the Höganäs Borgestad Group, including shared technical expertise, resource pooling, and equipment utilization, all of which enhance both sales and operational efficiency. With both parties already active at various customer sites—either individually or jointly—there are clear opportunities to expand the service offering and strengthen market presence, both in Sweden and across the wider Nordic region.

NIGD has been recycling refractory materials for more than 30 years and operates a full scale recycling facility with crushing and mixing capabilities. The plant is strategically located in the Mo i Rana industrial park, close to several of Höganäs Borgestad’s existing customers. The acquisition creates new opportunities for recycling materials in collaboration with both current and potential customers. It is particularly important for the company’s ambition to further develop its monolithic product range, enabling Höganäs Borgestad to meet increasing customer demand and improve profitability.

In December 2025, the Administrative Court of Appeal in Gothenburg (“the Administrative Court of Appeal”) overturned the earlier ruling from the Administrative Court. The Court of Appeal concluded that the purchase price agreed between Bjuv Municipality and Höganäs Borgestad had been sufficiently documented, and that there were no grounds to revoke Bjuv Municipality’s approval of the transaction.

Borgestad Group has been informed that an appeal against the Administrative Court of Appeal’s ruling was filed within the extended deadline granted to the complainant. The case will now be handled by the Supreme Administrative Court, which will decide whether to accept the appeal for further review.

Based on Borgestad’s assessment of the submitted appeal, it is not considered probable that the Supreme Administrative Court will grant leave to review the case. The Court’s decision on whether to accept the appeal may take up to six months, starting from end of January 2026.

Borgestad remains committed to execute 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

# Corporate governance

This statement of corporate governance has been prepared in accordance with the Norwegian Code of Practice for Corporate Governance (NUES), last updated on August 28, 2025, and is intended to form an integral part of the annual report of Borgestad ASA.

The statement complies with the requirements of section 3-3b of the Norwegian Accounting Act and describes how the company applies the Code, including any deviations and explanations for such deviations (the “comply or explain” principle).

## Item 1 – Statement of corporate governance

Borgestad ASA aims to ensure sound corporate governance that supports long-term value creation, confidence in the capital markets and responsible business conduct. The Board of Directors bases its work on the principles set out in NUES 2025, including requirements for transparency, equal treatment of shareholders, a clear division of roles and responsibilities, and sound risk management.

The company largely complies with the Code. The following deviations apply:

- ◆ NUES item 6 Independent chairing of the general meeting: In accordance with the company’s Articles of Association, the general meeting is chaired by the Chair of the Board or a person appointed by the Board.
- ◆ NUES item 7 Guidelines for the work of the nomination committee adopted by the general meeting: The mandate of the nomination committee follows from the Articles of Association and is not separately adopted by the general meeting.

## Item 2 – Business

The Board prepares targets, strategies and risk profiles that support value creation for shareholders in a sustainable way. The company’s activities are defined in § 3 of the articles of association, where the company’s purpose is to carry out investment and management activities, including participation in other companies, acquisition of shares and other company shares, as well as acquisition and operation of real estate, as well as all associated activities.

In line with NUES 2025, the Board has established overall objectives and strategies that support long-term value creation, including considerations related to sustainability, financial robustness and risk profile.

## Item 3 – Company capital and dividend

The Board must ensure that the company has a capital structure that is adapted to the company’s goals, strategy and risk profile. Borgestad strives to be financed with both equity and debt. The equity share in the parent company was 95.9 per cent as of December 31, 2025. The company’s equity appears in Note 11 in the parent company’s accounts.



The Board has established guidelines for dividends that form the basis for proposals submitted to the General Meeting. The Board was granted an authorisation by the General Meeting in 2025 to resolve the distribution of additional dividends. Part of this authorisation was exercised in February 2026, when a dividend of NOK 0.50 per share was distributed, with payment on March 6, 2026.

#### Item 4 – Equal treatment of shareholders

The company has no restrictions related to ownership, purchase, sale or voting rights. All shares carry equal rights, and the company practices the principle of equal treatment of shareholders in all material matters. This includes equal rights in connection with any share capital increases, unless the Board has been granted an authority by the General Meeting to increase the share capital and elects to make use of such authority. Any deviation from the pre-emptive rights of existing shareholders will be justified and explained in accordance with applicable legislation and the principles of good corporate governance.

The Board places great emphasis on maintaining transparent and fair processes for all shareholders. The company publishes all share price sensitive information through the Oslo Stock Exchange's news distribution system and simultaneously on the company's website, ensuring equal access to relevant information for all market participants. Borgestad seeks to maintain an open and predictable dialogue with the financial markets, and the company strives to ensure that information disclosed is accurate, timely and consistent.

The company has established guidelines for handling transactions with related parties to safeguard the interests of all shareholders. The Board and management will exercise particular care in transactions between the company and shareholders, or other parties with special interests, to avoid conflicts of interest and to ensure that such transactions are conducted on market terms and in a transparent manner. These

principles support the overarching objective of protecting shareholder value and maintaining confidence in the company's governance practices.

#### Item 5 – Shares and tradeability

The company has no restrictions on the right to own, trade or exercise voting rights for shares in the company. All shares carry equal rights, and the company practices equal treatment of shareholders in accordance with applicable laws and the principles of good corporate governance. The company seeks to ensure that all shareholders have equal access to information and opportunities, and that no limitations or discriminatory practices are applied with regard to ownership structure or participation in the company's decision making processes.

#### Item 6 – General Meeting

The Board makes arrangements for shareholders to participate in the company's general meeting. In accordance with § 6 of the articles of association, the General Meeting is chaired by the Chairman of the Board or the person he appoints. The recommendation on independent meeting management of the General Meeting is therefore not relevant because it conflicts with the company's articles of association.

The Board ensures:

- a. The documents are detailed and precise enough for the shareholders to take a position on all matters to be processed.
- b. The registration deadline is set as close to the meeting as possible.
- c. The Board and Chairman of the Election Committee can participate in the General Meeting.

Documents relating to matters to be dealt with at the General Meeting, including documents which according to law must be included in or attached to the notice, do not need to be sent to the shareholders if the documents are made available on the company's website. A shareholder can still demand to be sent documents that relate to matters for the General Meeting.

Shareholders who wish to attend the General Meeting must notify the company of this within a specific deadline which cannot expire earlier than two days before the General Meeting is held.

Shareholders can cast their vote digital in a period before the General Meeting, in accordance with NUES 2025. The shareholders are able to vote in each individual matter, including voting for individual candidates in elections.

#### Item 7 – Election Committee

The company has its own Election Committee, as stipulated in §8 of the Articles of Association. The Election Committee represents a deviation from the NUES recommendations, as the Election Committee members must be shareholders and the General Meeting does not provide specific guidelines or limitations for the Committee's work. The General Meeting elects the Committee's chair and member and determines the Committee's remuneration.

Neither members of the Board nor members of the executive management serve on the Election Committee, ensuring independence and avoiding conflicts of interest. The Committee's mandate is to propose candidates for the Board and the Election Committee, as well as to recommend remuneration levels. In carrying out its work, the Committee seeks to secure a Board composition that reflects relevant competence, experience, and diversity, and that supports the company's long term strategy and sound corporate governance practices.

#### Item 8 – The Board, composition and independence

The Board currently consists of five shareholder-elected board members. The Board is elected for a period of one year. According to § 5 of the articles of association, the number of board members can vary between three and six, in addition up to two deputy members can be elected. The board chooses its own leader. The Board's composition and shareholdings appear in Note 5. It is a goal that the Board should have a balanced composition that takes into account competence, experience



and relevant background for the company's operations. It is also desirable that the composition of the Board reflects both the company's ownership structure and the need for neutral, independent representatives without specific ownership affiliations.

The Company is committed to promoting equality and diversity in the composition of the Board, executive management, and control bodies. The objective is to ensure that these bodies collectively possess a broad range of competencies, experience, perspectives, and backgrounds that support sound decision-making and effective corporate governance.

In the nomination and appointment process, emphasis is placed on relevant professional qualifications, experience, and personal integrity. Diversity considerations, including gender balance, age, international experience, and professional background, are taken into account to the extent possible, with the aim of achieving a well-balanced and competent composition.

The Company complies with applicable legal requirements relating to gender representation on boards and strives to promote equal opportunities across all governing bodies. Appointments are made based on merit, and no individual is discriminated against on the basis of gender, age, ethnicity, nationality, or other personal characteristic

All board members are independent of the day-to-day management. Chairman Glen Ole Rødland, through the company Corona Maritime AS, has a consultancy agreement with the company for ongoing assistance and as discussion partner for the CEO. None of the other board members have business relations with the company.

### Item 9 – The Board's work

The instructions for the Board and the day-to-day management have a particular emphasis on a clear internal distribution of responsibilities and tasks, as well to outline how the Board and the day-to-day management shall process agreements with related parties. In 2025, there were no transactions with related parties, apart from payment of salaries, consultancy fees, board fees and dividend.

The Board evaluates its work and expertise annually. The Board ensures that the board members and senior employees make the company aware of any significant interests they may have in matters that the Board must deal with. An Audit Committee consisting of three board members has been established, in accordance with NUES 2025.

It has been assessed and concluded that the audit committee fulfils recommendations and legal requirements regarding the independence of the company. According to policy for the Audit Committee, the Committee is a preparatory and advisory body to the Board of Directors and assists the Board in its oversight of financial reporting, internal control, and risk management. The Committee monitors the process for financial reporting and reviews significant accounting matters, key accounting estimates, and changes in accounting principles. It also oversees the effectiveness of the Company's internal control and risk management systems.

Furthermore, the Audit Committee maintains close dialogue with the external auditor, including assessing the auditor's independence, reviewing the scope and results of the statutory audit, and evaluating the provision of non-audit services. The Committee prepares recommendations to the Board regarding the appointment and remuneration of the external auditor and regularly reports to the Board on its work and key findings.

The Board has established a Remuneration Committee, established in 2024. The Remuneration Committee consist of two board members. The Remuneration Committee is a preparatory and advisory body to the Board of Directors and assists the Board in matters relating to remuneration and incentive schemes for senior executives. The Committee's main objective is to ensure that remuneration structures support the Company's strategy, long-term value creation, and sustainable performance and alignment with shareholder interests.

The committee prepares and reviews the Company's guidelines for executive remuneration, including fixed and variable remuneration, pension arrangements, and other benefits, and ensures compliance with applicable legislation and best

practice. It evaluates the total remuneration package of senior executives, including the Chief Executive Officer, and assesses whether performance-based remuneration is appropriately linked to predefined and measurable performance criteria.

The Board receives ongoing reports that describe developments in the group, such as rental and monthly reports for Agora Bytom, as well as accounting and profit reports with an overview of the short-term and long-term order backlog for the refractory segment. In 2025, ten board meetings have been held in the company, corresponding to seven meetings in 2024. Information about the various board members' attendance at meetings can be found in the minutes from each board meeting.

#### **Item 10 – Risk management and internal control**

The company has established internal control procedures and appropriate systems for risk management that are tailored to the scope and nature of its operations. These systems are designed to ensure reliable financial reporting, compliance with applicable laws and regulations, and effective management of operational and strategic risks. The Board regularly reviews the company's most significant risk areas and the effectiveness of internal control measures. This includes an assessment of financial risk, operational risk, market risk and other factors that may influence the company's performance or financial position.

Further information on financial risk management is provided in the Board of Directors' Report and in Note 21 to the consolidated financial statements. Additional references to operational and strategic risk factors can be found throughout the annual report. The Board considers the company's risk management and internal control systems to be appropriate for the company's activities and will continue to monitor and further develop these processes to support sustainable value creation.

#### **Item 11 – Remuneration to the Board**

The remuneration to the Board reflects the board's responsibility, expertise, time spent and the complexity of the business. The Board fees and shareholdings appear in Note 5 in the consolidated accounts. Performance-based remuneration is not used. The board members have no option schemes and do not carry out special tasks for the company unless otherwise separately agreed. Such remuneration will be approved by the general meeting. Board members are encouraged to own shares in the company.

#### **Item 12 – Salary and other remuneration to leading persons**

The Board prepares guidelines for the remuneration of senior management in accordance with applicable legislation. The Board's statement on executive remuneration is presented as a separate document to the General Meeting and is available on the company's website. The Board determines the CEO's remuneration in a Board meeting. Historically, adjustments to the CEO's remuneration have reflected general wage developments in Norway as well as the company's performance.

The CEO does not participate in option schemes but may be eligible for a bonus. Any bonus scheme must include a clear link between the performance based criteria and the company's goals and strategies. As a general principle, the bonus is capped at a maximum of 80 percent of annual basic salary. Further details on executive remuneration are provided in Note 5 of the consolidated financial statements.

#### **Item 13 – Information and communication**

The Board establishes guidelines for the company's reporting of financial and other information based on transparency and considering the requirement for equal treatment of the participants in the securities market. The company reports information and financial figures in accordance with the Oslo Stock Exchange regulations. Responsibility for Investor Relations and reporting of regulatory information is assigned to the managing director, who has the opportunity to delegate this responsibility. The Board has established guidelines for the company's contact with shareholders outside the General Meeting.

#### **Item 14 – Takeover**

The Board has a pragmatic attitude in relation to a possible take-over situation. The Board's main responsibility in such a case will be to maximize shareholder value for all shareholders and at the same time look after the interests of the employees, and other stakeholders.

#### **Item 15 – Auditor**

The Board ensures that each year the auditor presents the main features for carrying out the audit work, reviews any significant changes in the company's accounting principles, key aspects of the audit, assessment of significant accounting estimates and all significant matters where there has been disagreement between the auditor and the administration. BDO AS, through partner and auditor Yngve Gjethammer, receives a copy of all board documents. The auditor's remuneration divided between audit and other services is explained as a separate item at the general meeting and in Note 5 in the consolidated accounts. The Board and the Audit Committee have several meetings with the auditor throughout the year. In the meetings between the Board and or the Audit Committee and the auditor, the company's internal control is discussed, as well as other significant accounting items.

# Board of Directors' report 2025



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 center and the refractory production and installation group 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.

On behalf of the Board and the management team, Borgestad would like to extend our sincere gratitude to all employees across the Borgestad Group. Your dedication, professionalism, and resilience have been essential to our progress throughout 2025. Whether in our real estate operations, our refractory business, your contributions have strengthened our company and enabled us to deliver solid results in a demanding market. We deeply appreciate the commitment you show every day and thank you for the important role you play in shaping the Groups future.

## Refractory

The refractory segment constitutes the Group's largest business area measured by revenue and remains core to Borgestad ASA's long term industrial profile. The segment is operated through Höganäs Borgestad, a well established refractory producer and installation partner with a strong presence in the Nordic region and selected international markets. The company supplies high quality refractory products and turnkey installation services to a broad industrial customer base.

Höganäs Borgestad delivers a comprehensive range of refractory materials, solutions and services for high temperature industrial processes. The offer includes monolithic, bricks, precast shapes, insulation materials and customized refractory solutions, supported by engineering, technical advisory services and installation expertise. The company serves key industries such as cement and lime, steel, aluminium, ferroalloys, energy, and waste to energy.

The combination of production competence, application know-how and a dedicated installation operation provides customers with integrated solutions that cover the full lifecycle of refractory use, from design and material selection to installation, maintenance and follow up.

The Group operates its monolithic production facility in Bjuv, Sweden. Capacity utilization and production efficiency remained important priorities in 2025, supported by continuous improvement initiatives and close cooperation between sales, engineering and operations teams.

Höganäs Borgestad maintains a well-established supply chain and distribution network, ensuring reliable delivery of materials to customers in the Nordics. Höganäs Borgestad balances in house production with strategic sourcing of complementary materials from long term partners.

Market conditions in 2025 varied across industries, influenced by global economic uncertainty, energy prices and fluctuations in industrial production. While some customer segments experienced lower activity, Höganäs Borgestad maintained a stable order intake through long-standing customer relationships, a diversified customer portfolio and strong service offerings.

The refractory segment is essential to Borgestad's industrial footprint and represents a robust platform for future value creation. Höganäs Borgestad's strong market position, technical expertise and integrated service model provides competitive advantages that support stable revenue generation and long term strategic potential. The company will continue to prioritize operational excellence, customer focused innovation and disciplined cost management to strengthen its position in the years ahead.

## Real estate

Agora Bytom shopping center in Poland is the Group's largest investment, representing more than half of the Group's total asset value. The center has a gross area of 52,000 sqm, and on December 31 the total leasable area stood at 33,870 sqm. The property also includes a stand alone parking facility with 820 spaces, conveniently connected to the main building.

Centrally located in the Silesian region, Agora Bytom maintains a strong market position within its primary catchment area. The center offers a broad and balanced tenant mix, comprising major international retail chains as well as established Polish brands. In addition, the center features eight cinema halls, a fitness center, and a wide selection of cafés and food outlets, strengthening its role as both a commercial and social hub in the region.

Agora Bytom is operated by an in house management team employed directly by the Group. The internal organization ensures high operational stability and effective coordination across leasing, tenant relations, marketing, facility management and strategic development initiatives. The in-house model provides strong local presence, close market insight, and increased agility in responding to changing consumer patterns and tenant needs.

The team has continued to strengthen the center's operating performance through proactive leasing efforts, targeted marketing activities, strong cost control and efficient cooperation with tenants. Maintaining high occupancy levels and ensuring an attractive tenant mix remain key priorities.

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 December 31, 2025, the WAULT<sup>1)</sup> stood at 4.03 years by area and 3.79 years by income. As of December 31, 2025, occupancy based on signed leases was at 96.2 percent, an increase of 1.7 percent since December 31, 2024.

Agora Bytom in 2025 had an active period of closing new lease agreements. During 2025, activity in the center has been extensive, particularly in relation to changes of tenants. Some of these changes have not yet been completed and are expected to be finalized during the first quarter of 2026. The new tenants are expected to improve the commercial attractiveness of Agora Bytom

Agora Bytom has over recent periods shown strong development in increasing the occupancy rate and has now nearly fully leased out the centre. With this solid occupancy as a foundation, the focus is shifting toward renegotiating or replacing lower yielding leases to increase the actual rent per square metre per month, while continuing ongoing efforts to enhance the centre's commercial attractiveness. A combination of high occupancy, improved rent levels, and increased attractiveness is considered critical for any potential future increase in the value of the property.

The retail market in Poland has remained dynamic, influenced by evolving consumer behaviour, economic trends and competitive pressure from both physical retail and online channels. Despite this, Agora Bytom has maintained a stable market position thanks to its central location, strong tenant offering and role as a multi purpose destination.

The Group monitors market developments closely and assesses opportunities for value-enhancing measures, including upgrades, concept renewals and improved customer experiences.

1) Weighted average unexpired lease term.

## Key figures, Borgestad ASA

### Financial highlights

#### Profit and loss statement

The Group reported total revenue and other income of MNOK 1 126.0 in 2025, compared to MNOK 1 169.4 in 2024. The decline mainly reflects weaker market conditions in the refractory segment, where several customer industries postponed projects and reduced activity levels. Despite these headwinds, the underlying operational performance of the Group remained solid, supported by stable results from the real estate segment. Höganäs Borgestad experienced a softer year compared to 2024, due to challenging market conditions, postponed customer investments and increased price sensitivity in key industries. Nevertheless, the company maintained a stable order intake and executed cost measures and organizational adjustments aimed at strengthening long term competitiveness and profitability.

The Group achieved an EBITDA of MNOK 107.3 in 2025 and an adjusted EBITDA of MNOK 119.2, compared to an adjusted EBITDA of MNOK 133.6 in 2024. Result before tax expense for 2025 was positive with MNOK 23.9, compared to MNOK 82.3 in 2024. In 2025, the Group recognized write downs totalling MNOK 14.9 related to goodwill and the ERP system in Höganäs Borgestad. In addition, depreciation for Agora Bytom increased by approximately 57 percent year on year, due to changed depreciation period. Management or Board has not identified indicators of impairment for Agora Bytom during the 2025 financial year.

#### Balance sheet and financial risk

At the end of 2025, Borgestad Group had a sustainable balance sheet both in terms of debt level and liquidity reserve.

At the balance sheet date, the cash was MNOK 152.6 and the interest-bearing debt MNOK 457.5. The net interest-bearing debt was MNOK 304.9, compared to MNOK 216.7 as per December 31, 2024.

MNOK	2025	2024
Revenue and other income	1 126	1 169
EBITDA	107	139
Depreciation & Impairment of non-current assets	55	35
Operating profit (EBIT)	53	104
Profit before tax	24	82

MNOK	31.12.2025	31.12.2024
Cash	153	220
Available liquidity at end of period	213	276
IBD	458	437
NIBD	305	217
NIBD/EBITDA	2.8	1.6
Equity ratio	55 %	55 %

The company has classified the production buildings and land placed in Bjuv municipality, as held for sale on December 31, 2025. The book value of assets held for sale was MNOK 14.8, the connected mortgage debt was MNOK 45.4. The reason for the re-classification is that Höganäs Bjuv Fastighets AB, an indirect subsidiary of Borgestad ASA, on October 27, 2023 entered into a conditional agreement with Bjuv municipality in Sweden for a sale and leaseback transaction for two properties in Sweden where the production plant and other production facilities for refractory products are located.

Borgestad will sell the two properties, including the production facilities, to Bjuv municipality and then lease the production facilities needed. The company will after the completion of the transaction still be the owner of all machinery and equipment used in the production.

The two properties are in the transaction valued at MSEK 145 and the purchase price will be approximately MSEK 139.3 after adjustment for stamp duty. The purchase price shall be settled with cash in three instalments; 60 percent will be payable upon completion of the transaction, 20 percent will be payable 12 months after completion, and the remaining 20 percent will be payable 24 months after completion.

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.

In December 2025, the Administrative Court of Appeal in Gothenburg (the "Administrative Court of Appeal") set aside the ruling from the Administrative Court, concluding that the purchase price had been sufficiently substantiated and that there were no grounds to revoke Bjuv municipality's approval of the transaction.

Borgestad Group has been informed that an appeal against the Administrative Court of Appeal's decision has been filed within the extend deadline granted to the complainant.

The matter will be handled by the Supreme Administrative Court, which will determine whether to admit the appeal for review.

The approval of the Transaction by Bjuv municipality will only become binding once the pending appeal has been finally resolved in the claimants' disfavour, and the completion of the Transaction remains conditional upon such binding approval.

Considering 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, 2026.

It is currently unknown when and if the appeal will be processed by the Court of Appeal, and it cannot be ruled out when a decision will be reached. If the Court of Appeal rules in favour of the claimant, the transaction cannot be completed.

Conditional of completion of the sale leaseback transaction is an additional reduction of the interest-bearing debt, with MNOK 45.4, and improved liquidity.

Several factors can have an unfavourable impact on Borgestad's operations and future value development. These factors include financial risk, including interest rate, currency and credit risk, risk related to operations, other market risks, environmental and legal risk, as well as risk related to the individual projects in which the Group has investments. The Group's largest financial risk is linked to Agora Bytom where the Group has an investment property that is exposed to value fluctuations in the Polish property market. In recent years, Agora Bytom has reduced its debt significantly and currently has the lowest debt in the centre's history, which reduces the Group's overall risk. In addition, Agora Bytom maintains interest rate hedging arrangements that cover approximately 70 percent of the outstanding loan balance on a continuous basis. The purpose of Agora Bytom's interest rate hedging is to mitigate interest rate risk and limit volatility in financing costs. Hedging approximately 70 percent of the outstanding loan balance provides a balanced risk profile, supporting stable cash flows and safeguarding the Group's financial position.

Liquidity risk refers to the risk that the Group will be unable to meet its financial obligations as they fall due. The Board and Group management assess the Group's liquidity position as sound and consider the Group to be well positioned to service its debt obligations as they mature. The Group has no mortgage debt falling due in 2026, other than normal amortization and the financing related to assets classified as held for sale. The Group monitors liquidity developments closely, ensuring that available cash, expected cash flows and credit facilities are sufficient to meet both operational needs and financial commitments.

In the board of directors and managements view the company has per December 31, 2025, a sustainable balance sheet and cash situation and is fully financed.

Borgestad ASA has entered a liability insurance for the board and management with a liability limit of MNOK 100. The insurance covers the board's legal personal liability for financial damage caused by the performance of their duties and associated expenses with a court case or similar. The coverage also includes boards and management in subsidiaries of Borgestad ASA (with an ownership stake of over 50 percent) and employees who represent Borgestad ASA at external boards of directors.

#### Cash flow, investments, and liquidity

The company's cash flow from operating activities was MNOK 33.8, compared to MNOK 149.3 in 2024.

Cash flow from investing activities was negative MNOK 49.1, compared to negative MNOK 19.3 in 2024, and cash flow from financial activities was negative with MNOK 52.5, compared to negative MNOK 62.2 in 2024. As a result, the cash flow for 2025 was negative with MNOK 67.9, compared to positive cash flow of MNOK 67.8.

The available liquidity as of December 31, 2025 was MNOK 212.6, decreased from MNOK 276.0 in 2024. As of December 31, 2025, the Group boasts a sustainable balance sheet, a strong cash position, and is fully financed.

The company's R&D activity takes place under the auspices of Höganäs Borgestad Production AB and ended at MNOK 7.2 and MNOK 7.0 in 2025 and 2024 respectively.

#### Conditions for going concern

In accordance with § 2-2 (8) of the Norwegian Accounting Act, the annual report, the consolidated financial statements and the financial statements of the parent company have been prepared based on the going concern assumption. The Company confirms that it is appropriate to make that assumption. The Board refers to the mention of financial risk in the annual report.



## Borgestad ASA, the parent company's, accounts and disposition of the annual profit

The parent company Borgestad ASA had a negative result after tax costs of MNOK 13.3 in 2025 compared to a positive result of MNOK 39.2 in 2024. The negative result for Borgestad ASA is primarily attributable to a write down of the shares in Borgestad Properties AS amounting to MNOK 38.7.

The company's equity as of December 31, 2025, was MNOK 655.9 compared to MNOK 676.7 in 2024.

As of December 31, 2025, Borgestad ASA maintains a solid and sustainable balance sheet, a strong cash position, and is fully financed. The Group's financial robustness continues to reflect the operational and strategic progress made in recent years. This development is further underlined by the Board of Directors' decision to declare a dividend of NOK 0.50 per share for the 2025 financial year. The dividend was distributed on March 6, 2026, as a repayment of paid in capital.

The negative profit of TNOK 13 258 will be allocated as follows:

◆ Proposed dividend	TNOK 17 531
◆ Transfer from other equity	TNOK -30 789

## Corporate Governance

The board of directors' annual statement on corporate governance on page 11 is an integral part of the annual report and prepared in line with the Norwegian Code of Practice for Corporate Governance.

## Sustainability statement

The sustainability statement on page 20 is an integral component of the board of directors' report.

## Outlook

The Board of Directors recognizes the ongoing uncertainty in the global landscape, driven by multiple conflicts and the risk of trade tensions between countries and regions. While the direct impact of potential trade barriers for 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.

The Polish economic growth has been resilient and above the EU average growth despite the trade turmoil and the ongoing war in neighbouring Ukraine. The Board of Directors expects continued positive development in consumer spending in Poland, and this should lead to better performance for the shopping center in Poland.

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.

Borgestad ASA will continue to evaluate strategic opportunities, including transformational M&A initiatives and potential liquidity events. During 2025, Höganäs Borgestad completed the acquisitions of Emcotech AB in Sweden and Norsk Ildfast Gjenvinning Drift AS in Norway.

# Sustainability statement

Borgestad Group integrates sustainability and circularity into its strategy to ensure long-term profitability and strengthen market position. The Group works to reduce risks and capture opportunities through measures such as lowering its carbon footprint, improving resource efficiency, developing greener products, engaging stakeholders, and deepening its understanding of environmental and social impacts. This report outlines Borgestad Group's approach to sustainability governance and covers the Group's material ESG topics.

## Basis for preparation

Borgestad Group's 2025 Sustainability Statement has been prepared in accordance with both the basic and comprehensive modules of EFRAG's voluntary reporting standard for non-listed SMEs (VSME) and the Norwegian Accounting Act.

The Group's sustainability work extends beyond the formal requirements of the VSME standard. In addition to the core elements, Borgestad Group has carried out a double materiality assessment, a climate risk assessment, and a nature risk assessment. Findings from these assessments have been incorporated into the report where relevant.

Certain VSME disclosures, such as water and remuneration, were omitted as they are assessed as non-material in the double materiality assessment. Additionally, Borgestad Group has not included information on its material impacts regarding local communities as VSME does not require reporting on

this topic. Conversely, some sections have been expanded beyond the VSME for added transparency, drawing on ESRS\* guidance for governance, strategy, double materiality, and topics including climate change, biodiversity, resource use and circular economy, own workforce, and value chain workers.

The report follows the time horizons defined in ESRS: short-term refers to the reporting period, medium-term to one to five years, and long-term to more than five years. The sustainability report is prepared on the same consolidated basis as the financial statements, and a complete list of reporting entities is provided in the appendix.

*\*European Sustainability Reporting Standards*



## Governance

### The Board

The Board of Directors serves as Borgestad Group's highest governing and supervisory body. Its key responsibilities include ensuring long-term sustainable growth, overseeing risk management and internal controls, developing and implementing the company's strategy, monitoring performance and safeguarding and strengthening the Borgestad Group brand.

The Board holds the ultimate responsibility for sustainability-related reporting in line with applicable legislation. It addresses sustainability impacts, risks, and opportunities as an integral part of the company's strategy, operations, and risk management framework.

Borgestad Group's Board of Directors consists of five members – three men and two women. The Board's competence in sustainability matters is strengthened through continuous training and professional experience. One member has completed the Norwegian Institute of Public Accountants' Academy for Sustainability Reporting, while several members also serve on boards of listed companies, providing them with valuable experience in managing sustainability issues at board level.

### Audit committee

The Committee plays a key role in promoting sound corporate governance through its involvement in risk assessments, internal control, corporate reporting, and the audit process. It reviews significant financial reporting issues and judgements made in connection with the preparation of the Group's financial statements, interim reports, and related formal disclosures, including sustainability reporting.



The Audit Committee oversees and evaluates specific sustainability-related issues and prepare matters for discussion and decision in Board meetings. The Audit Committee comprises three Board members, including two women.

### Remuneration committee

The Board has established a Remuneration Committee which is responsible for salaries and other forms of compensation for the Group's executives, including the CEO of Borgestad ASA and the senior management team. The Remuneration Committee consists of two of the members of the Board of Directors.

### Management

Borgestad ASA is an investment company with two core verticals: Agora Bytom and Höganäs Borgestad. Höganäs Borgestad has its own management group which, together with the CEO of Borgestad ASA, is responsible for the day-to-day operations and for executing the business plans derived from the overall strategy established by the Board of Directors. The management group oversees key operational and strategic areas, including monitoring financial and

operational performance, budgeting, evaluating new business opportunities, marketing, technology development, and the recruitment and retention of employees.

For Agora Bytom, Borgestad ASA exercises oversight and strategic follow-up through direct involvement by the CEO of Borgestad ASA. The CEO maintains close and continuous dialogue with the local operational representative responsible for the property's daily follow-up. This structure ensures effective monitoring, alignment with the Group's strategic priorities, and consistent operational execution, while reflecting the asset's organizational structure.

The management further handles matters related to remuneration, prioritisation and allocation of resources, as well as investment decisions and the management of the companies' risk profile. The management is also responsible for implementing the decisions and directives issued by the Board of Directors. The management consists of nine members, including one woman. The CEO of Borgestad ASA is the highest responsible for sustainability-related matters under the Board of Directors.

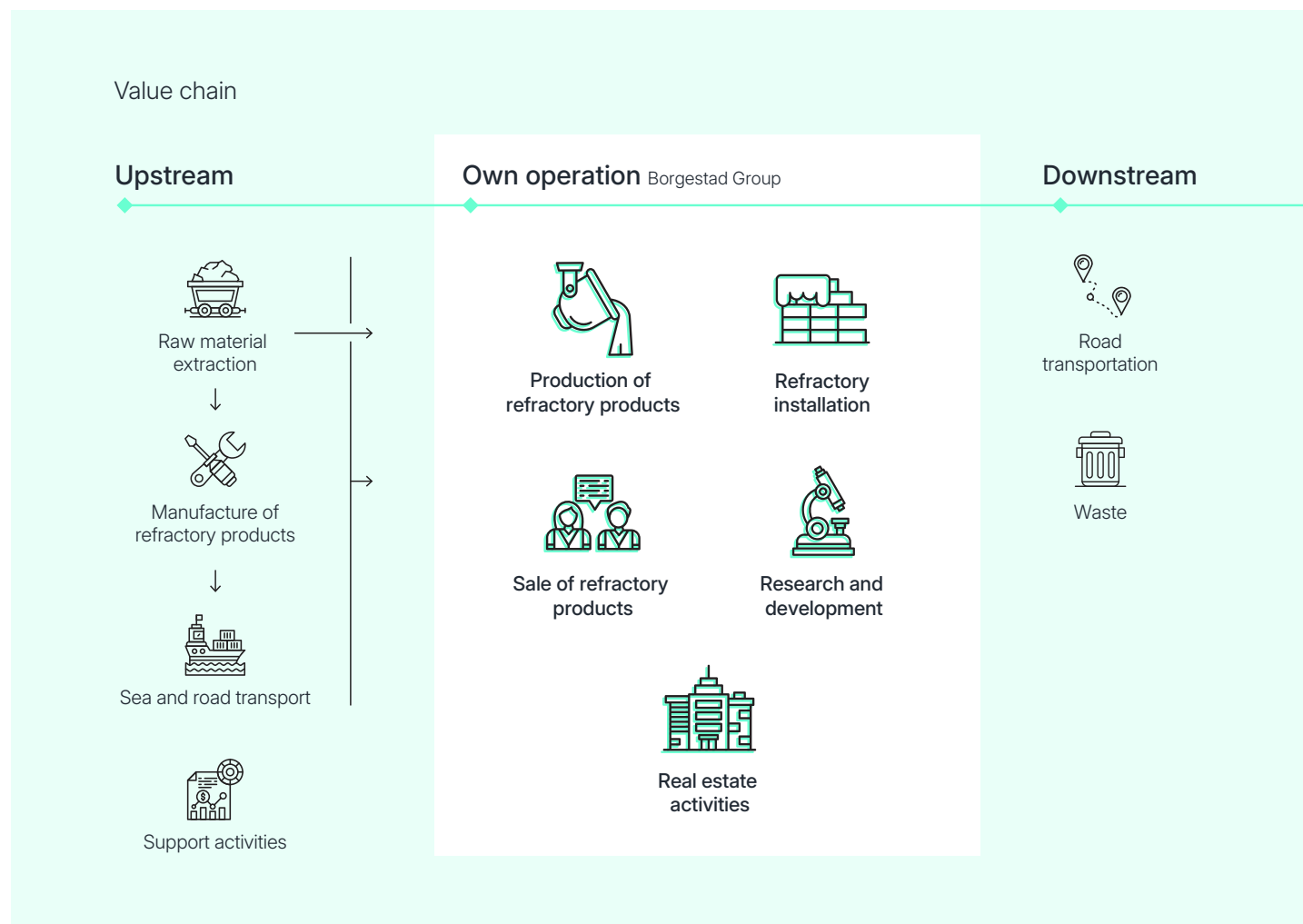
## Strategy: Business model and sustainability

Borgestad Group's key operations include the Agora Bytom shopping center in Poland, which serves a broad consumer base, and Höganäs Borgestad, a provider of refractory products and services essential to high-temperature industrial processes across the Nordic region.

The Group's strategy, through Höganäs Borgestad, is to deliver effective high-temperature solutions that enhance customer productivity and competitiveness in key industries, while positioning itself as a supplier of high-quality products that contribute to reducing end users' energy consumption. At the same time, the Group aims to strengthen its market presence, improve profitability, and optimize operational efficiency.

Borgestad Group's value chain encompasses a range of activities, including the extraction of raw materials such as bauxite, andalusite, and chamotte, manufacturing of refractory traded goods, road and sea transportation, support functions such as maintenance, cleaning, and IT, refractory production, installation, and repairs, real estate activities, and waste management.

Although Höganäs Borgestad is a relatively small player in the global refractory industry and does not own or operate any mining or quarrying sites where raw materials are sourced, the Borgestad Group recognizes that many of its most significant sustainability impacts and risks are linked to its upstream refractory value chain.



## Interests and views of stakeholder

The objective of Borgestad Group's stakeholder dialogue is to map the direct and indirect impact the Group has on the stakeholder groups or other sustainability-related areas that the stakeholders have knowledge about, whether it be climate, nature, customers or suppliers. Borgestad Group also wants to map the risks and opportunities internal and external stakeholders believe are material to manage.

Borgestad Group's stakeholder groups are employees, customers, suppliers, workers in the value chain, local communities, nature, loan providers, investors, and the Board. The Group engages with its stakeholders through several different channels such as worker representatives, employee satisfaction surveys, supplier due diligence assessments, project collaborations, and meetings.

## Impact, risk and opportunity management

During 2024 and the beginning of 2025, the Group conducted a double materiality assessment ("DMA") following EFRAG's guidelines to identify impacts, risks and opportunities (IROs). The results show that Borgestad Group's material IROs relate to climate change and resource use, own workforce, workers in the value chain, affected communities and business conduct. The Group has established targets to manage most of these topics, and details can be found in the chapters [Climate change](#), [Resource use and circular economy](#), [Own workforce](#), [Workers in the value chain](#) and [Governance](#).

To operationalise the work to map material IROs, Borgestad Group has used the four-step process explained below.

### 1. Understand

Borgestad Group mapped its activities, operations, and business relationships to better understand its context. This included describing the value chain, identifying stakeholders, and defining the scope of analysis. These insights clarified which activities and operations are most relevant for assessing actual or potential impacts on climate, environment, social, and governance topics.

### 2. Identify

To identify, Borgestad Group mapped concrete IROs related to climate and environment, social and governance topics. The goal of this step was to reach a long-list of IROs which indicate how these originate from the Group's own operations and business relationships.

Borgestad Group engaged stakeholders and performed internal and external interviews. Thirteen stakeholders were interviewed, of which eleven internal spanning the board, management, procurement and employees. Additionally, one client and one bank, with which Höganäs Borgestad and Borgestad ASA have a professional relationship, were interviewed. The interviews were structured around questions regarding the stakeholders' perception of how Borgestad Group creates ESG-related positive and negative impacts,

risks and opportunities through its products and services. The interviews were adjusted according to each stakeholder, and they provided perspectives from directly affected parties such as own employees.

In addition to stakeholder dialogue, internal policies and reports were examined, and media searches and benchmarking exercises were conducted. Relevant industry reports and credible proxy sources were also examined to identify relevant IROs. This was particularly important to gain insights into nature, workers in the value chain and local communities which Borgestad Group did not directly engage with. Insights from the Group's climate risk assessment were also incorporated into the assessment.

### 3. Assess

The third step of the DMA entailed assessing the materiality of the identified IROs through a scoring system. The goal of this step was to prioritize IROs and conclude on a shortlist illustrating Borgestad Group's most material IROs across climate and environment, social and governance topics. This work followed the EFRAG recommendations and assessed impact materiality through severity and likelihood, and financial materiality through magnitude of financial effects and likelihood. Borgestad Group considered a five-point scale





to assess each relevant parameter for each IRO. Specific assessments of potentially negative impacts on human rights have been conducted to ensure that severity takes precedence over likelihood in such cases.

To prioritize material IROs, multiple workshops with a diverse group of internal stakeholders were conducted to ensure commitment and adjust quantitative scoring where needed. After the workshops, an overall qualitative assessment of the preliminary shortlist was conducted to ensure that the list reflected the Group's business activities.

#### 4. Validate

The fourth step entailed validating the results from the DMA. This included a final decision on threshold values concluding that IROs with a materiality score of 3.2 or above would be considered material. The final list of material IROs was approved by the board.

Table 1 illustrates Borgestad Group's material sustainability topics.

In 2025, Borgestad Group also completed its nature risk assessment, providing deeper insight into its impacts, dependencies, risks, and opportunities related to nature. As a result, the initial IROs for Biodiversity and Ecosystems were refined to better capture the Group's most significant interactions with nature. Consequently, Pollution is no longer a standalone material topic, as its IROs are now fully integrated into Biodiversity and Ecosystems.

Sustainability topic	Impact/Risk/Opportunity	Description	Value chain location	Time horizon
Climate change	Actual negative impact	Direct emissions from natural gas combustion, heating, vehicles and machinery in production.	Own operations	Short, medium and long
		Indirect emissions from electricity and district heating.	Own operations	Short, medium and long
		Indirect emissions from mining, transportation and production of refractory traded goods	Upstream	Short, medium and long
		Non-renewable energy consumption from natural gas in Bjuv.	Upstream and own operations	Short, medium and long
	Potential positive impact	By supplying high-quality refractory products, Höganäs Borgestad can help improve customers' energy efficiency.	Downstream	Short, medium and long
	Physical risk	Heat stress can lead to water shortage and adverse working conditions causing delays in extraction of raw materials, potentially increasing raw material prices.	Upstream	Medium and long
		Heavy rain can cause production disruptions at mining sites, potentially increase raw material prices, and cause production disruptions and/or damage to assets in the Bjuv factory.	Upstream and own operations	Medium and long
		Low water levels in critical areas of transportation routes can increase transportation costs and lead times.	Upstream	Long
	Transition risk	Carbon pricing mechanisms such as EU ETS and CBAM can increase operational costs and costs of purchased goods and services	Upstream and own operations	Medium and long
		Increased demand for critical raw materials due to the clean energy transition can increase prices.	Upstream	Long
Opportunity	Installation of solar panels at Agora Bytom can make the mall energy self-sufficient	Own operations	Long	
Biodiversity	Potential negative impact	Mining emits non-GHG air pollutants that can harm ecosystems, damage soil and plants, and potentially harm animals.	Upstream	Long
		Mining operations release toxic pollutants that can contaminate soil and water, degrading ecosystems and harming biodiversity and wildlife.	Upstream	Long
		Sourcing refractory raw materials can negatively affect nature and biodiversity, reducing ecosystem services essential to Höganäs Borgestad's indirect mining and quarrying activities.	Upstream	Long
	Risk	Increased landslide risk from resource extraction may degrade habitats and reduce soil retention, causing production stoppages, raw material shortages, higher costs, and project delays.	Upstream	Long
		Emissions and contamination from mining can degrade local ecosystems, potentially leading to production halts or costly investments by mine operators, driving up raw material prices and delaying supply.	Upstream	Long
		Ecosystem degradation reducing water flow regulation - combined with extreme weather - may cause mine flooding, resulting in stoppages, shortages, higher costs, and delayed customer orders.	Upstream	Long
Resource use and circular economy	Potential negative impact	Dependence on critical non-renewable raw minerals may impact global reserves and access to resources.	Upstream	Long
		Handling waste from refractory production can impact climate and nature.	Downstream	Short, medium and long
	Opportunity	Circular economy practices such as using recycled input materials in refractory products reduce emission costs and meet increasing demand for lower carbon products.	Upstream and own operations	Long
		Höganäs Borgestad can capitalize on demand for low-carbon products by taking back refractory products from customers and use them again	Upstream, own operations and downstream	Long

Table 1: Borgestad Group's material impacts, risks and opportunities

Sustainability topic	Impact/Risk/Opportunity	Description	Value chain location	Time horizon
Own workforce	Potential negative impact	If there are inadequate HSE procedures it can lead to serious accidents and injuries.	Own operations	Short, medium and long
		Hard physical labour can have a long-term negative impact on worker's health	Own operations	Long
		If there is occurrence of violence and harassment it can impact on the company reputation and perception of workplace safety.	Own operations	Short, medium and long
		If there is insufficient trade union or works council representation it can limit employee protection in negotiations	Own operations	Medium and long
		If there is interference with union activities and there is limited time for representatives it can impact employee representation	Own operations	Medium and long
		If there is inadequate collective bargaining it can affect workers' compensation and benefits	Own operations	Medium and long
	Potential positive impact	Training programs can make employees attractive in fields with few skilled workers.	Own operations	Short, medium and long
		A diverse workforce enhances integration, inclusion, and diverse perspectives, benefiting team dynamics.	Own operations	Short, medium and long
Workers in the value chain	Potential negative impact	Harassment and disregard for workers' rights may occur in less regulated mining areas	Upstream	Short, medium and long
		Child labour may occur, with higher risk in small-scale mining in areas with high poverty and weaker law enforcement.	Upstream	Short, medium and long
		Forced labour may occur in mining and transport sectors with weak oversight.	Upstream	Short, medium and long
		If there is inadequate clean water access in remote mining production areas it can cause health issues for workers and locals.	Upstream	Short, medium and long
		Informal mining and transport jobs can lead to unstable employment, financial insecurity, and vulnerability to exploitation and layoffs.	Upstream	Short, medium and long
		Limited social dialogue can marginalize workers' voices.	Upstream	Short, medium and long
		Suppressed unionisation can undermine collective bargaining and workers' rights.	Upstream	Short, medium and long
Affected communities	Potential negative impact	Mining can displace communities, disrupt livelihoods, and cause environmental degradation.	Upstream	Short, medium and long
		Free, prior and informed consent violations in mining can cause unrest, with companies bypassing consent, displacing communities and causing environmental degradation.	Upstream	Short, medium and long
		Governmental suppression of mining opposition may lead to violence against land and human rights defenders.	Upstream	Short, medium and long
Governance	Potential negative impact	Corruption and bribery can affect economic systems and lead to fines and criminal prosecution.	Upstream, own operations and downstream	Short, medium and long
		Insufficient whistleblower protection can harm whistleblowers and deter incident reporting.	Own operations	Short, medium and long

Table 1: Borgestad Group's material impacts, risks and opportunities

# Environmental information

## Climate change

Reducing greenhouse gas (GHG) emissions across Borgestad Group's operations and value chain is a central element of the Group's strategy. Borgestad Group, through Höganäs Borgestad, continuously pursues energy-efficient solutions and explores innovative methods for producing refractory products. Nevertheless, as indicated by the results of the double materiality assessment, the Group's activities - both direct and indirect - have material impacts on climate change.

Borgestad Group conducted a comprehensive climate risk assessment to understand physical and transition risks linked to climate change and the shift to a low-carbon economy. The assessment covered Borgestad Group's own operations and the value chain, focusing on production sites, transport routes, and raw material sourcing, given Höganäs Borgestad's reliance on few global suppliers.

Two IPCC AR6<sup>1)</sup>-based scenarios guided the analysis, reflecting both sustainable development and growing geopolitical tensions. SSP1-2.6 (Sustainable Development) was chosen as the low-emission scenario, as this was considered the most realistic pathway for a low-carbon future despite global temperatures nearing 1.5°C above pre-industrial levels. SSP3-7.0 (Regional Rivalry) served as the high-emission scenario, as it is viewed to be increasingly relevant given weakened international cooperation following events such as the COVID-19 pandemic, the war in Ukraine, and ongoing trade tensions.

1) Intergovernmental Panel on Climate Change's Sixth Assessment Report  
 2) Task Force on Climate-related Financial Disclosures

Impact	Description	Value chain location	Time horizon
<b>Actual negative impact</b>	Direct emissions from natural gas combustion, heating, vehicles and machinery in production.	Own operations	Short, medium and long
	Indirect emissions from electricity and district heating.	Own operations	Short, medium and long
	Indirect emissions from mining, transportation and production of refractory traded goods.	Upstream	Short, medium and long
	Non-renewable energy consumption from natural gas in Bjuv.	Upstream and own operations	Short, medium and long
<b>Potential positive impact</b>	By supplying high-quality refractory products, Höganäs Borgestad can help improve customers' energy efficiency.	Downstream	Short, medium and long

Climate-related risks and opportunities were identified using the TCFD<sup>2)</sup> framework. A combination of benchmarking, research, and stakeholder interviews was conducted, supplemented by using Climcycle, a system-based solution for identifying site-specific hazards across short-, medium and long-term time-horizons.

Following the initial identification phase, workshops were held to deepen the understanding of potential consequences and to evaluate each identified risk and opportunity in terms of likelihood and expected financial impact. Likelihood was classified as low, medium, or high, while financial magnitude was assessed as low (1–3% of EBITDA), medium (3–6% of EBITDA), or high (above 6% of EBITDA).

Results show exposure to physical and transition risks in operations and upstream supply chain, plus one energy-related opportunity. Additional opportunities for recycled materials are addressed under Resource Use and Circular Economy.

### Policies related to climate change mitigation and adaptation

Höganäs Borgestad's Ethical Code of Conduct indirectly addresses climate change through a general commitment to protect the environment and minimize negative impacts. Further, Höganäs Borgestad's environmental policy emphasizes continuous improvement in resource and energy efficiency across operations.

The Borgestad Group complies with all applicable national and international environmental laws and regulations and ensures that relevant emission permits are obtained. Höganäs Borgestad's management systems are certified according to ISO 9001, ISO 14001, and ISO 45001, providing a structured framework for environmental and climate-related performance. Höganäs Borgestad's Norwegian operations in Skien are also certified as an Eco-Lighthouse, further supporting systematic environmental management and improvement.

### Practices related to climate change mitigation and adaptation

Borgestad Group does not yet have a formal transition plan for climate change mitigation. However, the Group has implemented, and will continue to implement, several measures to reduce emissions, mitigate risks, and capture opportunities related to the low-carbon transition

#### Energy management

In its own operations, Borgestad Group, through Höganäs Borgestad, focuses on improving energy efficiency and reducing fossil fuel use. At Höganäs Borgestad's refractory plant in Bjuv, energy management efforts include operating the smaller, more energy-efficient kiln more frequently than

the larger one, updating shut-down routines for press and crush and switching to LED lighting. Höganäs Borgestad will also explore the potential to replace diesel with HVO fuel in its vehicle fleet, and switch to electric vehicles when current vehicles have reached end-of-life.

To prepare for the implementation of the revised Energy Efficiency Directive<sup>1)</sup> in Sweden, Höganäs Borgestad is also taking a structured approach to deepen its understanding of energy consumption. Höganäs Borgestad maps areas where energy use can be measured to prioritize the most relevant metrics. This approach will enable Höganäs Borgestad to collect accurate data and identify opportunities for improvement.

Within the value chain, Höganäs Borgestad works continuously to select transport suppliers that can use rail where feasible. A recent example is the transportation of refractory bricks for a large customer from Spain to Kiruna, where a significant portion of the transport is carried out by train - resulting in lower emissions compared to equivalent road transport.

Höganäs Borgestad has invested in a new drying unit<sup>2)</sup> to be installed and operational in Bjuv in early 2026. This will enable

Höganäs Borgestad to increase the share of recycled materials in its products as secondary materials can be dried directly on-site. As part of this initiative, Höganäs Borgestad conducted a project in 2025 to map and calculate the emission intensity<sup>2)</sup> of all products produced in Bjuv. This provides a solid foundation for assessing how material composition and rate of recycled material impact the environmental footprint of the different products.

#### Risk mitigation

Following the climate risk assessment, Höganäs Borgestad has integrated climate-related considerations into its supplier screening and selection processes. Höganäs Borgestad also seeks to diversify its supplier portfolio to reduce exposure to physical climate risks and strengthen overall supply chain resilience. Increasing the use of recycled materials is another key measure that mitigates vulnerability to value chain disruptions identified in the climate risk assessment.

Going forward, Höganäs Borgestad will further explore additional risk mitigation measures, including broadening its supplier base, evaluating alternative raw materials for refractory production, and establishing access to credible embedded emissions data for its CBAM-related goods.

Risk or opportunity	Description	Value chain location	Time horizon
Physical risk	Heat stress can lead to water shortage and adverse working conditions causing delays in extraction of raw materials, potentially increasing raw material prices.	Upstream	Medium and long
	Heavy rain can cause production disruptions at mining sites, potentially increase raw material prices, and cause production disruptions and/or damages to assets in the Bjuv factory.	Upstream and own operations	Medium and long
	Low water levels in critical areas of transportation routes can increase transportation costs and lead times.	Upstream	Long
Transition risk	Carbon pricing mechanisms such as EU ETS and CBAM can increase operational costs and costs of purchased goods and services	Upstream and own operations	Medium and long
	Increased demand for critical raw materials due to the clean energy transition can increase prices.	Upstream	Long
Opportunity	Installation of solar panels at Agora Bytom can make the mall energy self-sufficient	Own operations	Long

1) EU/2023/1791

2) Read more in 'Circular economy and resource use' on page 32.

## Targets related to climate mitigation and adaptation

Borgestad Group has not yet implemented an overarching science-based emission reduction target and is not excluded from any EU reference benchmarks that are aligned with the Paris Agreement. During 2026, Höganäs Borgestad will set an absolute emission reduction target related to its scope 1 and 2 emissions, as well as transportation, and set a separate target for the emission intensity from produced products in Bjuv.

Höganäs Borgestad has developed a set of targets related to its energy management plan. These targets are summarized in the table on the right.

## Greenhouse gas emissions

For the 2024 and 2025 climate accounts, Borgestad Group used the SaaS platform Morescope to calculate greenhouse gas emissions. The calculations are based on a combination of primary activity data and transaction data retrieved from group accounting systems. Transaction-based emissions are calculated using an environmentally extended multi-regional input-output (EE-MRIO) model, which estimates cradle-to-gate emissions across global supply chains based on sector and geographic location. The platform ensures that emissions are calculated using either activity data or transaction data, preventing double counting.

Emissions are consolidated according to the financial consolidation approach and reported in line with the GHG Protocol, covering scope 1, scope 2, and scope 3 emissions, and all gases included in the Kyoto Protocol. Conversion factors are primarily sourced from Defra (2025), EPA (2024), NVE (2024), Nowtricity (2024), and OECD datasets for transaction-based calculations.

Total emissions have increased by 2.6% from 2024 to 2025. The primary reasons for this are that gas consumption has increased for both Höganäs Borgestad AS and Höganäs Borgestad Production AB and there is improved data quality for activities such as fuel consumption, waste and business travel for most companies in the Group. Further, there have been updates and changes to the Morescope model, impacting Borgestad Group's spend-based emissions related to purchased goods and services, capital goods and upstream leased assets. Compared to 2024, the model is now able to distinguish between operating expenses and capital expenses when transaction data is imported into Morescope, resulting in an improved allocation for emissions related to purchased goods and services, capital goods and upstream leased assets. The model can also more accurately identify the most appropriate sector for each supplier, resulting in higher emissions for some suppliers. These changes have thus resulted in a new allocation between scope 3.1, 3.2 and 3.8 and higher total emissions for the categories even though the transaction amounts have not increased from 2024 to 2025.



Target	Target year	Indicator	Progress
75% of purchased freight transport to customers must be environmentally classified (EURO 5.6)	2025	Share of purchased freight transport to customers (%)	Achieved
50% of purchased freight transport from suppliers must be environmentally classified (EURO 5.6)	2025	Share of purchased freight transport from suppliers (%)	Achieved
Höganäs Borgestad must create the conditions for interested employees to participate and contribute to the work of reducing energy use per ton of material produced each year compared to the previous year.	2023-2026	<ol style="list-style-type: none"> <li>Share of personnel in Bjuv who have undergone internal energy efficiency training (%)</li> <li>Share of personnel in Bjuv who have undergone internal energy efficiency training (%)</li> </ol>	In progress

### Scope 1 and 2

Emissions in scope 1 originate from fuel consumption in Group vehicles and stationary combustion of natural gas and LPG for production purposes. Emissions in scope 2 originate from electricity and district heating consumption in all Borgestad Group locations. 98.1% of the emissions are based on activity data.

### Scope 3

9.1% of emissions in scope 3 are based on activity data, an increase from 6.6% in 2024. The main reason for this is that Höganäs Borgestad AS has collected activity data for several of the companies it purchases transportation services from, and more data will be collected 2026. Other categories that mainly consist of activity data are fuel- and energy-related activities, waste, and business travel.

Borgestad Group's largest source of emissions is related to purchased goods and services and capital goods. The Group purchases raw materials and refractory products for millions of NOK each year which results in high emissions.

### Relevant categories not included in the climate account

For the scope 3 categories where Borgestad Group has emission activities, but no transactions or activity data have been retrieved due to lack of data availability, the Group will work to make solid estimates in coming reporting periods to ensure a more complete climate account.

	2024	2025	Change (%)
<b>SCOPE 1 GHG EMISSIONS</b>			
Gross Scope 1 GHG emissions (tCO <sub>2</sub> e)	1 104	1 455	31.8 %
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	73.8 %	46.3 %	
<b>SCOPE 2 GHG EMISSIONS</b>			
Gross location-based Scope 2 GHG emissions (tCO <sub>2</sub> e)	4 090	4 024	-1.6 %
Gross market-based Scope 2 GHG emissions (tCO <sub>2</sub> e)	4 978	5 606	12.6 %
<b>SCOPE 3 GHG EMISSIONS</b>			
<b>Total gross indirect (Scope 3) GHG emissions (tCO<sub>2</sub>e)</b>	<b>21 984</b>	<b>22 412</b>	<b>1.9 %</b>
1 Purchased goods and services	18 967	14 828	-21.8 %
2 Capital goods	7	4 385	62542.9 %
3 Fuel and energy-related activities (not included in Scope 1 or 2)	1 243	1 347	8.4 %
4 Upstream transportation and distribution	1 371	1 060	-22.7 %
5 Waste generated in operations	23	50	117.4 %
6 Business travel	307	640	108.5 %
7 Employee commuting	No information	No information	
8 Upstream leased assets	66	102	54.5 %
9 Downstream transportation and distribution	No information	No information	
12 End-of-life treatment of sold products	No information	No information	
<b>TOTAL GHG EMISSIONS</b>			
<b>Total GHG emissions (location-based) (tCO<sub>2</sub>e)</b>	<b>27 178</b>	<b>27 891</b>	<b>2.6 %</b>
<b>Total GHG emissions (market-based) (tCO<sub>2</sub>e)</b>	<b>28 066</b>	<b>29 473</b>	<b>5.0 %</b>

Table 2: Climate account 2024-2025

### GHG intensity

Table 3 shows Borgestad Group's GHG emission intensity based on total emissions per turnover. The reasons for the increase from 2024 to 2025 are that emissions have slightly increased while the turnover is reduced by approx. 3.7%.

### Energy consumption

Table 4 shows the consumption of different energy sources originating from Borgestad Group's direct scope 1 and indirect scope 2 energy-related activities in 2024 and 2025. Electricity consumption per energy source is calculated based on the location-based grid mixes in the different countries where Borgestad Group operates. The increase in energy consumption is the result of increased production of energy intensive products from 2024 to 2025.

GHG intensity per net revenue	2024	2025	Change (%)
Total GHG emissions (location-based) per net revenue (tCO2e/mNOK)	23.25	24.77	6.5 %
Total GHG emissions (market-based) per net revenue (tCO2e/mNOK)	24.01	26.18	9.0 %

Table 3: Energy intensity 2024-2025

Energy consumption and mix	2024	2025	Change (%)
Fuel consumption from coal and coal products (MWh)	-	-	-
Fuel consumption from crude oil and petroleum products (MWh)	2 063	2 445	18.5 %
Fuel consumption from natural gas (MWh)	2 730	3 555	30.2 %
Fuel consumption from other fossil sources (MWh)	-	-	-
Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources (MWh)	4 406	4 339	-1.5 %
<b>Total fossil energy consumption (MWh)</b>	<b>9 199</b>	<b>10 339</b>	<b>12.4 %</b>
Share of fossil sources in total energy consumption	55 %	55 %	
<b>Consumption from nuclear sources (MWh)</b>	<b>1 029</b>	<b>1 126</b>	<b>9.4 %</b>
Share of consumption from nuclear sources in total energy consumption (%)	6 %	6 %	
Fuel consumption from renewable sources (MWh)	305	350	14.7 %
Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources (MWh)	6 183	6 946	12.3 %
Consumption of self-generated non-fuel renewable energy (MWh)	59	94	59.3 %
<b>Total renewable energy consumption (MWh)</b>	<b>6 547</b>	<b>73 90</b>	<b>12.9 %</b>
Share of renewable sources in total energy consumption (%)	39 %	39 %	
<b>Total energy consumption (MWh)</b>	<b>16 774</b>	<b>18 854</b>	<b>12.4 %</b>

Table 4: Energy consumption and mix 2024-2025

## Biodiversity and ecosystems

During the first half of 2025, Borgestad Group conducted its first nature risk assessment following the LEAP (Locate, Evaluate, Assess, Prepare) approach recommended by the TNFD<sup>1)</sup>. The results indicate that the Group, through Höganäs Borgestad, has potential negative impacts on nature and biodiversity, is dependent on ecosystem services and is exposed to nature-related risks.

The LEAP approach provided the Group with a structured framework to identify, assess and respond to nature-related issues. The focus of the assessment was on the Locate, Evaluate and Assess phases. The Prepare phase is still in development as Höganäs Borgestad is yet to develop clear actions, targets and KPIs for nature and biodiversity.

### Locate – Identify interfaces with nature

Borgestad Group started the assessment by mapping business activities across the value chain to identify activities with significant impact or dependency on nature using the ENCORE tool developed by Global Canopy and the UN Environment Programme. Further, the Group prioritized geographies and activities. The outcome provided a clear scope of priority locations and activities for further analysis.

### Evaluate – Understand dependencies and impacts

In the Evaluate phase, each of the impacts and dependencies for the prioritized activities were measured using a set of quantitative indicators and thresholds. The indicators used were retrieved from open sources such as WWF's Water and Biodiversity Risk Filters and through additional desktop research where relevant indicators were not available. The outcome was a quantitative rating of impacts, dependencies and geographic locations, where the material impacts and dependencies were used as input for the Assess phase.

1) Taskforce on Nature-related Financial Disclosures

Impact, risk or opportunity	Description	Value chain location	Time horizon
Potential negative impact	Mining emits non-GHG air pollutants that can harm ecosystems, damage soil and plants, and potentially harm animals.	Upstream	Long
	Mining operations release toxic pollutants that can contaminate soil and water, degrading ecosystems and harming biodiversity and wildlife.	Upstream	Long
	Sourcing refractory raw materials can negatively affect nature and biodiversity, reducing ecosystem services essential to Borgestad's mining and quarrying activities	Upstream	Long
Risk	Increased landslide risk from resource extraction may degrade habitats and reduce soil retention, causing production stoppages, raw material shortages, higher costs, and project delays.	Upstream	Long
	Emissions and contamination from mining can degrade local ecosystems, potentially leading to production halts or costly investments by mine operators, driving up raw material prices and delaying supply.	Upstream	Long
	Ecosystem degradation reducing water flow regulation - combined with extreme weather - may cause mine flooding, resulting in stoppages, shortages, higher costs, and delayed customer orders.	Upstream	Long

### Assess – Identify risks and opportunities

Building on the prior phase, Borgestad Group assessed how the material impacts and dependencies translate into risks and opportunities. As recommended by TNFD, the Group used two scenarios to understand potential future states. The Group decided to explore the Ahead of the game and Sand in the gears scenarios as they are sufficiently diverse and are comparable to the climate scenarios used in the climate risk

assessment. Through interviews, workshops and desktop research, a long list of nature-related risks and opportunities was identified. Each nature-related issue was scored across likelihood and financial magnitude, and the outcome of the assessment was a shortlist of material risks that could significantly affect Borgestad Group's, through Höganäs Borgestad, business performance.

## Resource use and circular economy

### Policies, practices and targets related to biodiversity

Höganäs Borgestad is in the early stages of developing a structured approach to biodiversity. A key finding is that nature-related risks largely overlap with climate risks, especially regarding raw material production stoppages relevant to Höganäs Borgestad. Measures already in place, such as integrating climate considerations into supplier screening, will consequently also help mitigate nature-related risks.

Borgestad Group aims to strengthen governance on nature by continuing to develop supplier policies, especially for raw material producers. Over time, this will include integrating nature-related considerations into procurement requirements and establishing more formalized practices and targets to manage biodiversity-related risks and opportunities.

### Sites in or near biodiversity-sensitive areas

Borgestad Group has screened all sites owned, leased or managed through the World Database on Protected Areas to identify any sites located in or near biodiversity-sensitive areas. As per VSME, near is defined as an area that is (partially) overlapping or adjacent to a biodiversity sensitive area. Höganäs Borgestad's warehouse in Luleå, measuring 0,2 hectares, is located adjacent to the Kallaxheden Nature Reserve, which is a forest area with rich wildlife. No other sites are located in or near biodiversity-sensitive areas as defined by the World Database on Protected Areas.

Impact, risk or opportunity	Description	Value chain location	Time horizon
Potential negative impact	Dependence on critical non-renewable raw minerals may impact global reserves and access to resources.	Upstream	Long
	Handling waste from refractory production can impact climate and nature.	Downstream	Short, medium and long
Opportunity	Circular economy practices such as using recycled input materials in refractory products reduce emission costs and meet increasing demand for lower carbon products.	Upstream and own operations	Long
	Borgestad can capitalize on demand for low-carbon products by taking back refractory products from customers and use them again	Upstream, own operations and downstream	Long

Borgestad Group, through Höganäs Borgestad, has identified negative impacts from upstream extraction of non-renewable raw materials and downstream waste handling. At the same time, opportunities exist to reduce emission costs and capitalizing the demand for low-carbon products.

### Policies related to resource use and circular economy

Höganäs Borgestad's Ethical Code of Conduct addresses resource use and circular economy indirectly through a general commitment to protect the environment and reduce negative impacts. The environmental policy further states that Höganäs Borgestad work continuously with increasing resource efficiency.

### Practices related to resource use and circular economy

Borgestad Group, through Höganäs Borgestad, has developed three key actions intended to manage negative impacts related to resource use and circular economy whilst capitalizing on

the identified opportunities. These actions will contribute to decreasing dependency on non-renewable raw materials, reduce waste and take advantage of market demand for environmentally friendly products.

### Develop recycled products

Höganäs Borgestad aims to develop a range of products based on recycled materials to meet growing customer demand. This effort will refine existing products to meet the high standards of virgin-material alternatives, which are often pre-qualified and trusted.

In 2025, Höganäs Borgestad invested in a new drying unit that significantly improves the ability to reuse and recycle materials in production, thereby supporting its mission to develop a range of products based on recycled materials. Previously, Höganäs Borgestad relied on sourcing pre-dried materials from external suppliers, which limited flexibility and increased dependency on third parties. With the new installation, Höganäs Borgestad can process and dry materials internally, thereby broadening access

to a wider range of recycled inputs and reducing exposure to market fluctuations in the availability of recycled materials.

This investment delivers both environmental and economic benefits. By facilitating greater integration of recycled materials into production, Höganäs Borgestad reduces its dependence on virgin resources, contributing to a lower carbon footprint and improved resource efficiency. At the same time, internal drying capabilities help reduce costs and strengthen resilience in a market where demand for recycled materials continues to grow. Furthermore, companies that supply materials for recycling through Höganäs Borgestad will benefit from reduced Scope 3 emissions, reinforcing shared sustainability objectives across the value chain.

#### Norsk Ildfast Gjenvinning

As a further step in increasing Höganäs Borgestad's focus on circular production, Höganäs Borgestad acquired Norsk Ildfast Gjenvinning - a company with over 30 years of experience in recycling refractory materials. The company is located in Mo i Rana, Norway, and will strengthen Höganäs Borgestad's opportunities for improving the lifecycle impact of its products. With Norsk Ildfast Gjenvinning's well-established setup, Höganäs Borgestad gains the capability to recycle short-travelled refractory materials in the northern parts of the Nordic. This will bring Höganäs Borgestad closer to achieving its sustainability goals and strengthen its circular offering.

#### Mapping of product composition

In 2025, Höganäs Borgestad launched a project to map the environmental footprint of its products by analysing material composition and related emissions. This includes detailed data on raw materials, transportation, and manufacturing processes, supplemented by third-party databases where supplier data is unavailable. By applying this mapping to all raw materials over one metric ton per product, and kiln-processed products, the company gains precise climate data at the product level.

Target	Target year	Indicator	Progress
10% of recycled materials in production	2030	Share of recycled materials in production	In progress

These insights open opportunities to redesign products for greater circularity, such as substituting virgin materials with recycled alternatives, optimizing material compositions to reduce emissions, and improving durability for extended product life. Over time, this supports principles like resource efficiency, waste reduction, and closed-loop material flows. At the same time, this knowledge strengthens Höganäs Borgestad's competitiveness in a market driven by transparency and sustainability, guiding strategic decisions, reinforcing its position in the circular economy, and meeting growing stakeholder expectations for climate accountability.

#### Partnerships for recycled materials

Höganäs Borgestad targets the establishment of multiple small scale production facilities for recycled products, strategically located at or near customer facilities to minimize transportation costs and environmental impact. These units, especially requested by several steel industry players, will handle specific volumes and product ranges, supported by the main production site. This approach offers low investment with solid returns and potential for installation services. Höganäs Borgestad will continue targeting new partnerships in 2026 and 2027.

#### Targets related to resource use and circular economy

Aligned with growing market demand for environmentally responsible products, Borgestad Group, through Höganäs Borgestad, is committed to increase its share of recycled materials in production. Per 2025, Höganäs Borgestad has achieved approximately 7.5 percent of recycled materials in production.

Reusing materials not only supports sustainability but can also be more cost-efficient, provided the recycled materials maintain the necessary product quality. This strategy offers both environmental and economic benefits, reinforcing Borgestad Group's commitment to the circular economy while meeting customer expectations and regulatory pressures.

#### Resource inflows

Höganäs Borgestad's own operations and upstream value chain utilise various resources, including raw materials essential for the refractory production processes. Höganäs Borgestad primarily uses andalusite, bauxite, mullite, chamotte and clay in its production process. The inflow of these materials is listed in table 5. The table does not include finished products for refractory operations or other types of products.

Resource category	Total weight (tonnes)
<b>Total</b>	<b>11 112</b>
<b>Technical materials</b>	<b>5 867</b>
<i>Andalusite</i>	984
<i>Bauxite</i>	1 539
<i>Mullite</i>	1 311
<i>Chamotte</i>	1 497
<i>Clay</i>	536
<b>Biological material</b>	<b>228</b>
<b>Recycled material</b>	<b>833</b>

Table 5: Resource inflow 2025

Of the 228 tonnes of biological materials used during the reporting period, Höganäs Borgestad sourced 213 tonnes - corresponding to 93.4 percent - from verified sustainable sources. All wooden pallets used for manufactured products are procured in accordance with recognized international forestry standards, including the Programme for the Endorsement of Forest Certification (PEFC) and the Forest Stewardship Council (FSC).

### Resource outflows

Borgestad Group, through Höganäs Borgestad, produces refractory products, including refractory bricks which can be recycled. The process of recycling refractory bricks involves sorting and cleaning, crushing and grinding, stabilization and passivation, and processing to final specifications. The recycled material can be used in refractory monolithic and bricks.

In the design of refractory products, durability, longer product life and increased use of recycled raw materials are in focus. For refractory bricks, efforts also target lowering firing temperatures and reducing energy consumption in production

Refractory products cannot be repaired, but the design of the refractory lining and the quality used can make the lining last longer. Reducing the wear of the refractory lining reduces the need for changing it, which in turn results in a decrease in raw materials consumed.

### Waste

For 2025, Borgestad Group collected waste management data reports for operations in Bjuv, Skien, Mosjøen, Tampere, Rajamäki, Trollhättan, Gävle, Luleå and Agora Bytom. Some waste management companies provide information about waste treatment, while for others, the Group has made assumption about the waste treatment methods.

Table 6 outlines the types of waste generated, along with details on diversion, recovery operations, and disposal methods, highlighting both hazardous and non-hazardous waste categories. The waste directed to disposal is mostly for energy recovery.



Category	Total (tonnes)	Hazardous	Non-hazardous
<b>Total waste generated</b>	<b>1 042.79</b>	<b>25.32</b>	<b>1 017.47</b>
<b>Diverted to recycle or reuse</b>	<b>595.56</b>	<b>0.82</b>	<b>594.74</b>
<i>Preparation for reuse</i>	-	-	-
<i>Recycling</i>	595.56	0.82	594.74
<b>Directed to disposal</b>	<b>447.23</b>	<b>24.49</b>	<b>422.74</b>

Table 6: Waste

# Social information

## Own workforce

The people of Borgestad Group are the foundation of the Group's success and the ones who deliver on customer promises. Borgestad Group's ambition is to ensure that people thrive at work by providing a safe and inspiring workplace. This is underpinned by a commitment to respecting human rights and labour rights.

Borgestad Group employs hundreds of people across Europe. The team includes office-based professionals, and production and installation workers. In addition to own employees, the Group also relies on an extended workforce of third-party contracted labour who are not directly employed by Borgestad Group but work on installation projects.

### Policies related to own workforce

Höganäs Borgestad's Ethical Code of Conduct specifies relevant human and labour rights. It upholds the principles of the UN's Universal Declaration of Human Rights and the ILO Convention relating to child labour, freely chosen employment, freedom of association and working time, wages, and benefits. The objective of the Ethical Code of Conduct is to provide a safe, fair, and inclusive working environment free from any form of discrimination and abuse and to support employees to develop their potential. Borgestad Group shall comply with the highest standards and laws related to human rights and health and safety in the countries where the Group operates.

### Practices related to own workforce

Borgestad Group has developed three actions which aim to manage the Group's material impacts on its own workforce. Strict safety measures as well as internal training are put in

Impact, risk or opportunity	Description	Value chain location	Time horizon
<b>Potential negative impact</b>	If there are inadequate HSE procedures it can lead to serious accidents and injuries.	Own operations	Short, medium and long
	Hard physical labour can have a long-term negative impact on worker's health	Own operations	Long
	If there is occurrence of violence and harassment it can impact on the company reputation and perception of workplace safety.	Own operations	Short, medium and long
	If there is insufficient trade union or works council representation it can limit employee protection in negotiations	Own operations	Medium and long
	If there is interference with union activities and there is limited time for representatives it can impact employee representation	Own operations	Medium and long
	If there is inadequate collective bargaining it can affect workers' compensation and benefits	Own operations	Medium and long
<b>Potential positive impact</b>	Training programs can make employees attractive in fields with few skilled workers.	Own operations	Short, medium and long
	A diverse workforce enhances integration, inclusion, and diverse perspectives, benefiting team dynamics.	Own operations	Short, medium and long

place to reduce the chance and severity of accidents at Group sites, and the Höganäs Borgestad has implemented targeted actions to reduce overall sick leave.

Höganäs Borgestad has further identified a need to strengthen its HR governance, and through 2025 the Höganäs Borgestad

has continued its assessment of appropriate solutions. No timeline has been set for appointing HR lead, and different options are still being explored. A collaboration with an HR consultant is in place in Norway, and similar support is being considered for the Swedish operations. The long-term goal is to ensure adequate HR capacity aligned with organizational needs.

### Accident prevention

There are injury and accident risks related to Höganäs Borgestad's production and installation operations. The preventive work is structured and carried out by the management, administration, and workers in cooperation with trade unions and regulatory authorities. At Höganäs Borgestad, safety rounds and internal courses are held throughout the year, and employees are responsible for following safety regulations and minimizing the risk of injuries to themselves and their colleagues. Any risks identified must be reported. Höganäs Borgestad also operates in an industry where physical overload and subsequent wear-and-tear injuries are a risk. In the event of injuries, employees receive follow-up with a doctor and physiotherapy. The manager responsible follows up with the employees in accordance with standards and requirements from the relevant authority.

### Reduce sick leave

From 2024 onwards, Höganäs Borgestad initiated targeted efforts to reduce sick leave, particularly in areas with historically high absence rates. Actions included closer collaboration with public health services, improved follow-up of affected employees, and increased use of adapted work agreements. These measures have contributed to a downward trend in overall sick leave. Additionally, Höganäs Borgestad facilities accommodations for employees with long-term health challenges.

### Whistleblower channel

Borgestad Group has a channel for raising concerns through Höganäs Borgestad's independent whistle-blower channel that is available for own workers and external stakeholders. When a concern is raised through the whistle-blower channel, the whistle-blower can stay anonymous. The concern is sent to the CEO for handling and is further reported to the chairman of the board.

### Targets related to own workforce

Sick leave rates saw a significant rise during the COVID-19 pandemic and have yet to return to pre-pandemic levels. In

2023, the sick leave rate was 6.0 percent, whereas in 2019, the last year before the pandemic, the sick leave rate was 2.1 percent. As a result of targeted efforts to reduce sick leave, the Group is experiencing a downward trend and is on track to stabilize sick leave rates at approximately 3 percent.

### Ensure zero injuries

Borgestad Group is committed to ensuring zero workplace injuries. The number of injuries recorded has remained stable in recent years, with six injuries with absence, none of which defined as serious incidents, recorded in Norway, Sweden and Finland in 2025.

### Characteristics of own workforce

The majority of the Borgestad Group's employees are in Sweden, with smaller operations in Norway, Finland and Poland as well as an office in Malaysia which is currently undergoing dissolution proceedings. The Group employs significantly more men than women, and this is common in the refractory industry. All metrics related to number of employees are compiled on a head-count basis unless otherwise stated.



Target	Progress
≤ 3 % sick leave rate	3,1 %

Gender	Number of employees 2024	Number of employees 2025
Male	563	537
Female	82	71
<b>Total</b>	<b>645</b>	<b>608</b>

Table 7: Employee headcount by gender

Country	Number of employees 2024	Number of employees 2025
Norway	138	162
Sweden	397	359
Finland	76	67
Poland	24	20
Malaysia	10	N/A

Table 8: Employee headcount by country

In 2025, 37 permanent employees left the Group, representing a turnover rate of 14.9 percent.

## Health and safety

Borgestad Group, through Höganäs Borgestad, has identified potential negative impacts where inadequate HSE procedures can lead to serious accidents and injuries and hard physical labour can impact workers' health. For 2025, Höganäs Borgestad has collected data from its operations in Norway, Sweden and Finland which accounts for the majority of the Borgestad Group's employees. A total of six work-related injuries with absence, accounting for 1.01 injuries per 100 employees, were recorded in 2025. No work-related fatalities were recorded. Table 10 illustrates the complete statistics, with comparative numbers from 2024.

## Collective bargaining

In 2025, approximately 75 percent of Borgestad Group's total workforce were covered by a collective bargaining agreement. Table 11 illustrates the split between the Group's employees across countries. Comparative figures for 2024 cannot be disclosed due to incomplete historical numbers. The Borgestad Group will start reporting comparative figures from 2025 onwards.

## Training

Höganäs Borgestad employees, both workers and non-employee workers, go through different trainings and certifications related to refractory production and installations. Many customers set strict certification requirements for installation workers to be allowed on the premises. For Höganäs Borgestad to provide such projects to customers, it must ensure that the project employees receive the necessary training and certification before project start up. The more training and certifications the employees have, the more attractive they are for other installation projects in a market where the supply of refractory installation workers is limited.

In 2025, Borgestad Group improved its processes for tracking and monitoring metrics for training and skills development across the Group. During the reporting period, female

Type of contract	Number of employees 2024	Number of employees 2025
Permanent employees	324	314.75
Temporary employees	112	293.25
Non-guaranteed hours employees	209	276.25
Full-time employees	267	294.75
Part-time employees	378	37
<b>Total employees</b>	<b>645</b>	<b>608</b>

Table 9: Employee headcount by contract type

Health and safety	2024	2025
Number of fatalities as a result of work-related injuries and work-related ill health	0	0
Number of recordable work-related injuries with absence	8	6
Rate of recordable work-related injuries with absence per 100 full-time workers per year	3.5	1.01
Number of days lost to work-related injuries and fatalities from work-related accidents and work-related ill health	85*	53

Table 10: Health and safety metrics. \*Only data from Norway available.

Country	Coverage of collective bargaining 2025 (percent)
Norway	41
Sweden	99
Finland	100
Poland	0

Table 11: Collective bargaining coverage across countries

employees completed an average of 6.7 hours of training, while male employees completed an average of 0.95 hours of training. Borgestad Group's overall average training hours per employee is 1.6 hours of training.

## Human rights

Höganäs Borgestad has an Ethical Code of Conduct which covers child labour, forced labour and human trafficking, but does not explicitly cover discrimination or accident prevention. A whistle-blower channel is available for reporting breaches of

the Ethical Code of Conduct. However, there were no confirmed incidents of child labour, forced labour, human trafficking, discrimination, or harassment recorded in 2025 and Borgestad Group did not receive any fines or penalties for human rights incidents during the reporting period.

Borgestad Group is not aware of confirmed human rights incidents involving workers in the value chain, affected communities, consumers or end-users.

## Workers in the value chain

Borgestad Group's value chain includes mining and extraction of raw materials such as bauxite, andalusite and chamotte, manufacturing of refractory traded goods, road and sea transportation, support functions such as maintenance, cleaning and IT, refractory production, installations and repairs, real estate activities and waste management. Through its double materiality assessment, supplemented by ongoing due diligence processes, Borgestad Group has identified potential negative impacts on value chain workers. These impacts especially relate to vulnerable groups like migrant workers, women, young workers and minorities.

### Policies related to workers in the value chain

As reflected in Höganäs Borgestad's Ethical Code of Conduct, suppliers shall have high integrity and ethical conduct in all aspects of its business. This includes identifying, preventing, mitigating, and accounting for adverse environmental, human rights and governance impacts in own operations.

In Borgestad Group's business endeavour's, the Group strives to uphold the UN's Universal Declaration of Human Rights. This includes treating employees fairly, with dignity and respect, and avoiding causing or contributing to abuse of human and labour rights. Suppliers must work to prevent child labour and forced labour, respect employees' freedom of association, and comply with relevant legal requirements for working time, wages and benefits. Suppliers shall further make adequate provision for the health and safety of their employees.

Any minerals supplied to Höganäs Borgestad shall not directly or indirectly contribute to conflicts or human rights violations, and suppliers shall ensure that products supplied to Höganäs Borgestad do not contain minerals originating from Conflict Affected and High-Risk Areas (CAHRAs) that directly or indirectly finance or benefit armed groups and cause or foster human rights abuses.

Impact, risk or opportunity	Description	Value chain location	Time horizon
Potential negative impact	Harassment and disregard for workers' rights may occur in less regulated mining areas	Upstream	Short, medium and long
	Child labour may occur, with higher risk in small-scale mining in areas with high poverty and weaker law enforcement.	Upstream	Short, medium and long
	Forced labour may occur in mining and transport sectors with weak oversight.	Upstream	Short, medium and long
	If there is inadequate clean water access in remote mining production areas, it can cause health issues for workers and locals.	Upstream	Short, medium and long
	Informal mining and transport jobs can lead to unstable employment, financial insecurity, and vulnerability to exploitation and layoffs.	Upstream	Short, medium and long
	Limited social dialogue can marginalize workers' voices.	Upstream	Short, medium and long
	Suppressed unionisation can undermine collective bargaining and workers' rights.	Upstream	Short, medium and long

### Practices related to workers in the value chain

For several years, Borgestad Group has been following the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct to integrate due diligence into procurement and to guide risk assessments of Group activities. Through a risk-based approach, suppliers operating in high-impact or risk areas are prioritized. Such prioritization allows Borgestad Group to implement mitigating actions where they have the most effect. This supports the Group's commitment to responsible business practices and sustainable growth.

Through Höganäs Borgestad, Borgestad Group operates in a sector dependent on raw materials extracted from mines in e.g. South America, South Africa, China and other areas in southern Asia. Through these activities, the Group is exposed to several human rights risks throughout its value chain.

Höganäs Borgestad, and the rest of the refractory industry, are dependent on this supply chain and a market dominated by few actors. For certain raw materials in particular, the industry has limited alternatives to choose from. Therefore, it is a key priority for Höganäs Borgestad to uphold the continuous work of obtaining additional documentation from suppliers and partners to ensure that informed decisions are made with regard to responsible purchasing practices.

When Höganäs Borgestad assesses whether to engage a new supplier, the process begins with an assessment of the relevant raw materials to ensure that the supplier can provide Höganäs Borgestad with qualified material. In this initial phase, Höganäs Borgestad focuses on the broader context in which the suppliers operate, considering geopolitical and strategic factors such as political stability, potential trade conflicts,



tariffs, transportation routes and climate risk. Availability of raw materials and ease of access are also key considerations. Once a supplier passes the initial screening, Höganäs Borgestad collects more detailed information through a supplier questionnaire. This questionnaire includes confirmation of ISO-certifications and other standards related to workforce practices. Suppliers must also commit to Höganäs Borgestad Supplier Code of Conduct or provide an equivalent policy that meets the same requirements. The supplier must also consent to audits by Höganäs Borgestad or third-party.

Höganäs Borgestad continues its risk management processes after onboarding suppliers by logging any deviations for each supplier. These observations feed into an annual review process, where each supplier is evaluated to determine whether to prolong the relationship. Corrective actions are implemented whenever non-conformities are identified, ensuring that suppliers align with Höganäs Borgestad's standards for reliability, sustainability, and ethical practices.

Through 2025, Höganäs Borgestad has executed two supplier audits in Italy to follow up on their responses to the Supplier Questionnaire. No remarks or deviations were identified through the audit. Höganäs Borgestad is planning a similar audit for one Spanish raw material supplier in 2026.

In line with the Höganäs Borgestad's commitment to uphold the highest standards of ethical conduct and integrity across operations and supply chains, open communication regarding compliance with the Supplier Code of Conduct and the Ethical Code of Conduct is encouraged, and any concerns can be raised through Höganäs Borgestad's whistleblower channel.

To further ensure supply chain transparency for own operations, Höganäs Borgestad reports to the sustainability reporting Company Ecovadis and was awarded a silver rating in 2025.

### Targets related to workers in the value chain

Target	Target year	Indicator	Progress
Investigate high-risk suppliers' systems for following up Höganäs Borgestad's Supplier Code of Conduct	2027	Number of high-risk suppliers subject to a formal assessment	In progress

# Governance information

Borgestad Group operates in a complex environment that relies on global supply chains and has identified material potential negative impacts related to corruption and bribery through the double materiality assessment. The Group works to ensure compliance with relevant laws, regulations, and responsible business conduct, with a heightened focus in countries and jurisdictions with greater exposure to ethical business and human rights breaches.

## Policies related to governance

Borgestad Group is committed to the highest standards of ethical conduct and integrity. This commitment is embodied in Höganäs Borgestad's Ethical Code of Conduct, which applies to all employees and Board of Directors. The business operations adhere to applicable laws and regulations, and they are underpinned by a dedication to ethical, sustainable, and socially responsible practices.

## Practices related to corruption and bribery

Borgestad Group's actions related to governance are intended to manage its potential negative impacts. These particularly focus on measures to avoid incidents of corruption and bribery, as well as ensuring sufficient whistleblower protection.

Trainings and controls have been implemented to prevent and detect corruption and bribery throughout Group operations. Every individual representing Borgestad Group is entrusted with the responsibility to ensure that their actions are in full compliance with both legal standards and internal ethical requirements as detailed in the Ethical Code of Conduct. Non-compliance is treated as a serious violation and disciplinary matter.

Impact	Description	Value chain location	Time horizon
Potential negative impact	Corruption and bribery can affect economic systems and lead to fines and criminal prosecution.	Upstream, own operations and downstream	Short, medium and long
	Insufficient whistleblower protection can harm whistleblowers and deter incident reporting.	Own operations	Short, medium and long

Borgestad Group, through Höganäs Borgestad, relies on several suppliers of critical raw materials, many of whom operate in countries where the risk of corruption and bribery incidents is high. Höganäs Borgestad has a whistle-blower channel, and all employees have a right and duty to report any violations of the principles of the Ethical Code of Conduct. Employees are encouraged to express concerns or draw attention to actions with possible ethical implications.

## Targets related to corruption and bribery

Borgestad Group has zero tolerance for any form of corruption and bribery, without exception, and there were no such incidents reported during 2025.

## Transparency Act

Borgestad ASA's Transparency Act statement for 2025 will be published on [www.borgestad.no](http://www.borgestad.no) on April 30, 2026.





## Board signatures

Lysaker, April 29, 2026  
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 financial statements

Borgestad Group

# Consolidated statement of income and comprehensive income

NOK 1 000	Note	2025	2024
Revenue	3,4	1 105 704	1 140 253
Other income	4	20 269	29 175
<b>Total revenue and other income</b>	<b>3,4</b>	<b>1 125 972</b>	<b>1 169 428</b>
Materials, supplies and subcontracting	3,15	504 079	528 946
Salary and personnel expenses	5,6	390 477	394 855
Other expenses	5	124 127	106 558
Depreciation and amortisation	12,13	39 827	34 733
Impairment of non-current assets	10	14 857	-
Operating cost and expenses		1 073 366	1 065 092
<b>Operating income/(loss)</b>		<b>52 606</b>	<b>104 336</b>
Finance income	7	9 138	12 190
Finance cost	7	37 872	34 241
Net financial items		-28 733	-22 051
<b>Profit before tax</b>		<b>23 873</b>	<b>82 285</b>
Income tax	8	3 538	20 521
<b>Profit/(loss) for the year</b>		<b>20 335</b>	<b>61 764</b>
<i>Allocated as follows:</i>			
Attributable to the shareholders of the company		15 310	45 229
Attributable to non-controlling interests		5 024	16 535
Basic and diluted earnings per share	9	0.44	1.29

NOK 1 000	Note	2025	2024
<b>Profit/(loss) for the year</b>		<b>20 335</b>	<b>61 764</b>
<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		-1 136	-664
<i>Other income and expenses that may be reclassified to profit or loss:</i>			
Translation differences		13 591	18 403
Change in fair value of cash flow hedging net of tax		2 453	-13 178
Change in other equity transactions		-42	-
<b>Net other comprehensive income</b>		<b>14 866</b>	<b>4 560</b>
<b>Total comprehensive income for the year</b>		<b>35 201</b>	<b>66 325</b>
Attributable to the shareholders of the company		40 121	48 611
Attributable to non-controlling interests		-4 920	17 714

# Consolidated statement of financial position

NOK 1 000	Note	31.12.2025	31.12.2024
<b>Assets</b>			
Investment property	10.12	726 858	729 553
Land, buildings and asset under construction	12	17 526	12 502
Fixtures, plant, machinery and vehicles	12	46 563	42 667
License, trade marks and similar rights	12	11 305	26 032
Right-of-use assets	13	40 668	35 751
Goodwill	14	110 785	90 082
Other financial assets		5 330	6 248
Deferred tax asset	8	15 590	8 941
<b>Total non-current assets</b>		<b>974 626</b>	<b>951 777</b>
Inventories	15	138 061	126 254
Receivables and contract assets	19	186 801	150 399
Cash and cash equivalents	16	152 576	220 462
<b>Total current assets</b>		<b>477 439</b>	<b>497 115</b>
Non-current assets classified as held for sale	11	14 786	13 907
<b>Total assets</b>		<b>1 466 851</b>	<b>1 462 799</b>

Lysaker, April 29, 2026

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

NOK 1 000	Note	31.12.2025	31.12.2024
<b>Equity and liabilities</b>			
Shareholders' equity	17	715 139	728 831
Non-controlling interest	17	87 770	80 202
<b>Total equity</b>		<b>802 909</b>	<b>809 032</b>
Interest-bearing debt	18,20	339 416	343 600
Other non-current liabilities	18,20	17 533	10 713
Lease liability	13	30 475	24 730
Pension liabilities	6	6 506	5 813
Deferred tax	8	-	8 288
<b>Total non-current liabilities</b>		<b>393 930</b>	<b>393 144</b>
Interest-bearing debt	18,20	60 047	51 900
Lease liability	13	15 738	16 986
Bank overdraft	16.18	11 835	-
Trade payables	20	55 471	68 489
Liabilities for current tax	8	7 151	11 928
Public duties payable	20	29 038	28 991
Other short-term liabilities	20,22	90 733	82 330
<b>Total current liabilities</b>		<b>270 012</b>	<b>260 623</b>
<b>Total equity and liabilities</b>		<b>1 466 851</b>	<b>1 462 799</b>

The document is electronically signed.

# Consolidated statement of cash flows

NOK 1 000	Note	2025	2024
Profit before taxes and minority interest		23 873	82 285
Income taxes paid		-4 755	-12 147
Depreciation	12,13	39 827	34 733
Impairment of non-current assets	12	14 857	-
Sales loss/(gain) non-current assets		-25	-5 484
Change in short term receivables, liabilities and inventories		-39 999	49 914
<b>Cash flow from operating activities</b>		<b>33 778</b>	<b>149 301</b>
Investment in fixed tangible and intangible assets	12	-23 332	-12 220
Investments in shares		-26 028	-13 194
Sale of fixed assets		192	6 079
<b>Cash flow from investment activities</b>		<b>-49 168</b>	<b>-19 335</b>
Proceeds from borrowings		14 997	-
Repayment of borrowings	18	-16 290	-17 161
Dividend paid to equity holders of the parent		-28 050	-
Dividend paid to minority interests		-13 274	-
Net change bank overdraft	18	11 835	-24 098
Payment of lease liabilities	13	-21 715	-20 933
<b>Cash flow from financial activities</b>		<b>-52 496</b>	<b>-62 192</b>
<b>Net cash flow this year</b>		<b>-67 886</b>	<b>67 774</b>
Liquidity at beginning of the period		220 462	152 688
<b>Liquidity at the end of the period</b>	<b>16</b>	<b>152 576</b>	<b>220 462</b>

# Consolidated statement of changes in equity

NOK 1 000	Share capital	Share premium reserve	Other paid-in capital	Hedge reserve	Translation differences	Other equity	Shareholders' equity	Non-controlling interests	Total equity
<b>Equity as at 01.01.2024</b>	<b>350 621</b>	<b>211 759</b>	<b>114 362</b>	<b>6 154</b>	<b>147 605</b>	<b>-147 929</b>	<b>682 572</b>	<b>73 270</b>	<b>755 842</b>
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	-2 392	-10 743	-13 135
Profit/(loss) for the period	-	-	-	-	-	45 229	45 229	16 535	61 764
Net other comprehensive income	-	-	-	-13 178	18 403	-1 803	3 421	1 140	4 560
<b>Equity as at 31.12.2024</b>	<b>35 062</b>	<b>211 759</b>	<b>429 921</b>	<b>-7 025</b>	<b>166 008</b>	<b>-106 894</b>	<b>728 831</b>	<b>80 202</b>	<b>809 032</b>
<b>Equity as at 01.01.2025</b>	<b>35 062</b>	<b>211 759</b>	<b>429 921</b>	<b>-7 025</b>	<b>166 008</b>	<b>-106 894</b>	<b>728 831</b>	<b>80 202</b>	<b>809 032</b>
Dividends	-	-	-28 050	-	-	-	-28 050	-13 274	-41 324
Reclassification between equity attributable to owners of the parent and non-controlling interests	-	-	-	-	-	-25 763	-25 763	25 763	-
Profit/(loss) for the period	-	-	-	-	-	15 310	15 310	5 024	20 335
Net other comprehensive income	-	-	-	2 453	13 591	8 767	24 811	-9 944	14 866
<b>Equity as at 31.12.2025</b>	<b>35 062</b>	<b>211 759</b>	<b>401 871</b>	<b>-4 572</b>	<b>179 599</b>	<b>-108 581</b>	<b>715 139</b>	<b>87 770</b>	<b>802 909</b>

# Notes to the consolidated financial statements

## Note 1 Corporate information

Borgestad ASA is an investment company focused on real estate and refractory.

Borgestad ASA is a public listed company on the Oslo Stock Exchange with the ticker "BOR" and are domiciled in Norway. The office address is Fornebuveien 1, 1366 Lysaker, Norway.

The consolidated accounts as of December 31, 2025, have been approved by the company's board on April 29, 2026, and will be presented for approval at the ordinary general meeting on May 22, 2026.

## Note 2 Basis for preparation and estimates and other accounting policies

### Basis for preparation

Borgestad has prepared its consolidated financial statements in accordance with IFRS<sup>®</sup> Accounting Standards as adopted by the EU as of December 31, 2025, and Norwegian disclosure requirements pursuant to the Norwegian accounting act as of December 31, 2025.

The consolidated financial statements have been prepared under the historical cost convention, except for certain financial instruments measured at fair value. The preparation of financial statements in accordance with IFRS requires the use of estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

### Consolidation principles

The Group's consolidated financial statements comprise the parent company and its subsidiaries as of 31 December 2025. An entity is considered a subsidiary when the Group has control, which is achieved when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Group reassesses control if facts and circumstances indicate changes in one or more of the elements of control.

Business combinations are accounted for using the acquisition method. Consolidation begins when the Group obtains control and ceases when control is lost. When necessary, the financial statements of subsidiaries are adjusted to align with the Group's accounting policies. All intra-Group transactions, balances, income and expenses are eliminated in full.

Non-controlling interests are presented separately within equity in the consolidated balance sheet.

## Currency

### Functional currency and presentation currency

The consolidated financial statements are presented in Norwegian kroner (NOK), which is the Group's presentation currency. Each Group entity records its transactions in the currency of the primary economic environment in which it operates (its functional currency). Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

For consolidation purposes, the financial statements of foreign operations are translated into NOK. Assets and liabilities are translated at the closing exchange rate at the reporting date, while income and expenses are translated at average exchange rates for the period, provided that these rates approximate the exchange rates at the dates of the transactions. Exchange differences arising on translation are recognised in other comprehensive income and accumulated in equity.

### Classification of items in the balance sheet

An asset or liability is presented as current if it is expected to be realized or settled within 12 months after the balance sheet date, or if it forms part of the Group's normal operating cycle, if this cycle extends beyond one year.

Current assets therefore include assets expected to be realized within twelve months after the balance sheet date, as well as assets related to the operating cycle. All other assets are classified as non-current assets.

Current liabilities include obligations that fall due within one year, as well as the current portion of long-term debt. The portion of long-term borrowings that is due within twelve months after the balance sheet date is reclassified to current liabilities

## Related parties

Parties are considered to be closely related if one party has the opportunity to directly or indirectly control the other party or has significant influence over the other party with regard to financial and operational decisions. Parties are also closely related if they are subject to joint control or are under joint significant influence. All transactions between related parties are based on the arm's length principle (assumed market value).

## Segments

For management reporting purposes, the Group is organized into business units based on its activities and has three reportable segments. The financial information relating to segments is presented in Note 3 Segment information.

## Changes in accounting principles and note information

No changes in IFRS with effect for the 2025 accounts have been relevant or implemented in 2025.

### New accounting standards, but not yet effective

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for the presentation of the statement of profit or loss, including specified totals and subtotals. Entities are also required to classify all income and expenses into one of five categories: operating, investing, financing, income taxes and discontinued operations. IFRS 18 was endorsed by the EU on 13 February 2026.

IFRS 18 further introduces disclosure requirements for management-defined performance measures, newly defined subtotals of income and expenses, and enhanced requirements for aggregation and disaggregation of financial information, based on the identified 'roles' of the primary financial statements and the notes.

Narrow-scope amendments to IAS 7 Statement of Cash Flows have also been issued, together with consequential amendments to other standards. These amendments are effective for annual reporting periods beginning on or after 1 January 2027.

## Accounting judgements and estimates

Management applies estimates and assumptions that affect the carrying amounts of assets, liabilities, income, expenses and disclosures of contingent liabilities. This particularly applies to the valuation of investment properties, impairment testing of goodwill and the assessment of deferred tax assets. Future events may cause these estimates to change. Estimates and underlying assumptions are reviewed regularly and are based on the best information available and historical experience. Changes in accounting estimates are recognised in the period in which the change occurs. If the change also affects future periods, the effect is allocated between the current and future periods.

The main areas involving significant judgement and estimation uncertainty at the balance sheet date are described below:

	Note	Estimate/assumptions	2025	2024
Investment properties	10,12	Recoverable amount for impairment assessment and estimation of remaining useful life and scrap value	726 858	729 553
Goodwill	14	Recoverable amount for impairment assessment	110 785	90 082
Deferred tax asset/ Deferred tax	8	Assessment of the ability to exploit tax positions in the future	3 607	50 485

All figures in the notes are presented in NOK thousands, unless otherwise stated.

## Note 3 Segment Information

### Real estate

The Group's largest real estate investment is the Agora Bytom shopping center with a gross area of 52,000 sqm, and a letting area over 30,000 sqm in Bytom in Poland. The center was opened on November 15, 2010. As of December 31, 2025, there are 108 (112) open shops in the center and an occupancy based on signed lease agreements of 96.2 percent.

### Refractory

The refractory segment develops, manufactures and delivers refractory products, installations and concept solutions to industrial customers through the Höganäs Borgestad Group. Products that can withstand heat above 1,250 °C are defined as refractory. Refractory materials can be defined

as bricks or monolithic and are produced in many different varieties depending on the area of use. Refractory materials are mainly used to protect production equipment in process industries with high temperatures. The products also contribute to efficient utilization of energy. The business has a leading position within the refractory industry in the Nordics, and the segment has a global presence within selected refractory application areas.

### Other activities

The segment mainly consists of operations in the parent company Borgestad ASA and the holding companies Borgestad Industries AS and Borgestad Industries AB.

Operating segments	Real Estate		Refractory		Other activities		Eliminations		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Revenue - external	66 441	62 420	1 039 262	1 077 809	-	24	-	-	1 105 704	1 140 253
Revenue - within the group	-	-	226	45	4 083	2 950	-4 309	-2 995	-	-
Other income	15 208	14 203	4 434	9 509	626	5 463			20 269	29 175
<b>Total revenue and other income</b>	<b>81 649</b>	<b>76 622</b>	<b>1 043 922</b>	<b>1 087 363</b>	<b>4 709</b>	<b>8 438</b>	<b>-4 309</b>	<b>-2 995</b>	<b>1 125 972</b>	<b>1 169 428</b>
Supplies and subcontracting	-	-	302 437	349 958	-	0	-	-	302 437	349 958
Materials	653	608	200 988	178 379	-	0	-	-	201 642	178 987
<b>Total supplies, subcontracting and materials</b>	<b>653</b>	<b>608</b>	<b>503 425</b>	<b>528 338</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>504 079</b>	<b>528 946</b>
Salaries and management payment	4 475	4 320	265 359	274 800	7 707	7 519	-	-	277 541	286 639
Social security contributions	632	690	62 919	63 098	1 267	1 245	-	-	64 818	65 032
Pension costs	-	-	28 228	21 403	277	308	-	-	28 505	21 711
Other personnel costs	33	32	19 457	21 385	124	55	-	-	19 614	21 473
<b>Total salaries and personnel expense</b>	<b>5 139</b>	<b>5 041</b>	<b>375 962</b>	<b>380 687</b>	<b>9 376</b>	<b>9 127</b>	<b>-</b>	<b>-</b>	<b>390 477</b>	<b>394 855</b>
Consultancy fees and external personnel	9 230	8 497	8 822	8 711	7 293	7 078	-	-	25 345	24 286
Travel costs	123	148	22 435	21 648	397	371	-	-	22 955	22 167
Other operating costs	24 174	21 035	55 453	41 834	2 133	1 856	-5 934	-4 620	75 827	60 105
<b>Total other expenses</b>	<b>33 526</b>	<b>29 680</b>	<b>86 710</b>	<b>72 193</b>	<b>9 824</b>	<b>9 304</b>	<b>-5 934</b>	<b>-4 620</b>	<b>124 127</b>	<b>106 558</b>
<b>EBITDA</b>	<b>42 331</b>	<b>41 293</b>	<b>77 825</b>	<b>106 146</b>	<b>-14 491</b>	<b>-9 994</b>	<b>1 625</b>	<b>1 625</b>	<b>107 290</b>	<b>139 070</b>

Table continues on next page

Operating segments	Real Estate		Refractory		Other activities		Eliminations		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Depreciation and amortisation	13 572	8 658	25 113	25 024	471	380	671	671	39 827	34 733
Impairments	-	-	19 615	-	-	-	-4 759	-	14 857	-
<b>Operating income/(loss)</b>	<b>28 758</b>	<b>32 634</b>	<b>33 097</b>	<b>81 122</b>	<b>-14 962</b>	<b>-10 374</b>	<b>5 713</b>	<b>954</b>	<b>52 606</b>	<b>104 336</b>
Group contribution received	-	-	-	-	56 282	29 991	-56 282	-29 991	-	-
Net agio/disagio	-274	1 330	-	-	2 514	8 899	-2 583	-8 843	-342	1 386
Impairment of financial assets	-	-	-	-	-39 754	-1 287	38 754	1 287	-1 000	-
Net other financial items	-27 658	-28 460	-10 163	-11 393	10 482	19 183	-52	-2 767	-27 391	-23 437
<b>Profit before tax</b>	<b>827</b>	<b>5 504</b>	<b>22 934</b>	<b>69 728</b>	<b>14 562</b>	<b>46 413</b>	<b>-14 449</b>	<b>-39 360</b>	<b>23 873</b>	<b>82 286</b>

Total assets and liabilities into segments	Real Estate		Refractory		Other activities		Eliminations		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Total assets	786 574	774 847	643 672	635 738	735 023	749 801	-698 417	-697 588	1 466 851	1 462 798
Total liabilities	592 325	559 403	284 391	269 296	10 624	10 258	-223 397	-185 191	663 942	653 766

Total assets and liabilities by location	Norway		Poland		Sweden		Other		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Total assets	234 774	305 528	784 940	774 567	386 954	316 389	60 182	66 315	1 466 851	1 462 799
Total liabilities	55 276	78 457	368 991	371 973	199 908	165 191	39 766	38 145	663 942	653 766

Other information about the business area	Real Estate		Refractory		Other activities		Eliminations		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Additions	10 175	1 785	13 156	10 435	-	-	-	-	23 332	12 220
Depreciation	13 572	8 658	25 113	25 024	471	380	671	671	39 827	34 733
Guarantees	-	-	6 806	14 261	-	-	-	-	6 806	14 261

## Note 4 Revenues and geographical breakdown

### Accounting Policies for Revenue Recognition

The Group generates revenue from three distinct sources:

- ◆ Sale of refractory products (IFRS 15)
- ◆ Installation and maintenance services (IFRS 15)
- ◆ Rental income from real estate (IFRS 16)

Revenue is recognised when (or as) the Group satisfies a performance obligation by transferring control of a good or service to a customer.

### Revenue from Sale of Goods (IFRS 15)

#### Performance obligations

The sale of refractory products constitutes a distinct performance obligation. The Group's delivery obligation is fulfilled at the point in time when control of the goods transfers to the customer. Each delivery of goods is treated as a separate performance obligation.

#### Timing of revenue recognition

Revenue is recognised at the point in time when control transfers to the customer.

For most deliveries, this occurs upon handover to the carrier, as this is when:

- ◆ the customer obtains physical possession,
- ◆ the customer assumes the significant risks and rewards, and
- ◆ the Group has a present right to payment.

#### Payment terms

Customers are typically invoiced upon delivery, with payment due according to standard credit terms. Contracts do not include significant financing components, as the period between delivery and payment is short.

#### Determination of the transaction price

Transaction prices for refractory materials are contractually agreed, typically as a fixed price per ton. Since both price and volume are agreed in advance, contracts do not contain variable consideration, significant financing components, or non cash consideration.

### Installation and Maintenance Services (IFRS 15)

#### Performance obligations

Installation and maintenance services represent a separate performance obligation from the sale of goods. These services are typically short-term, clearly scoped, and separately priced.

#### Timing of revenue recognition – over time

Revenue from installation and maintenance services is recognised over time because the customer simultaneously receives and consumes the benefits as the Group performs the service. The Group's work does not create an asset with an alternative use, and the Group has an enforceable right to payment for performance completed to date.

#### Measurement of progress

Given the short duration and clearly defined scope of the services, revenue is recognised in line with the amount the Group has a right to invoice. This method faithfully depicts the value of the services transferred to the customer as work is performed.

Projects may be invoiced on a continuous basis in line with project progress and/or upon completion and are subject to standard credit terms.

#### Determination of the transaction price

Transaction prices for installation and maintenance services are contractually agreed in project-specific delivery agreements. Contracts do not typically include variable consideration beyond minor adjustments for scope changes.

#### Warranty Obligations

The Group supplies refractory products and performs installation and maintenance services for industrial furnaces and production facilities. In connection with these deliveries, the Group provides assurance-type warranties under IFRS 15 that cover defects in materials and workmanship within the agreed warranty period.

The warranties ensure that the products meet contractual specifications, that installation work is performed according to technical requirements, and that any defects arising within the warranty period are remedied at no cost to the customer. The warranty period varies by product type and begins upon completion for installation projects.

As of December 31, the provision recognized for warranty obligations amounts to MNOK 7.5.

## Rental Income (IFRS 16 – Lessor Accounting)

The Group owns investment properties that are leased out to tenants under operating leases. As the Group retains substantially all risks and rewards incidental to ownership of the underlying assets, the leases are classified as operating leases.

Lease income comprises the following components:

- ◆ Fixed lease payments are recognised on a straight line basis over the lease term, reflecting the pattern in which benefits from the leased assets are consumed.
- ◆ Variable lease payments (turnover based rent) are recognised in the period in which the related tenant turnover occurs, as these payments are not based on an index or rate and are therefore excluded from the straight line allocation.

- ◆ Service charges represent recharges of actual costs related to the operation of common areas and are recognised in line with the costs incurred.

Revenue by category	2025	2024
Installation and maintenance services	694 660	756 176
Sale of goods	344 602	321 657
Rental income	66 441	62 420
<b>Total</b>	<b>1 105 704</b>	<b>1 140 253</b>

Geographical revenue by segment	Real Estate		Refractory		Other activities		Eliminations		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Norway	-	-	306 166	343 427	4 083	2 975	-4 309	-2 995	305 940	343 406
Poland	66 441	62 420	154	-	-	-	-	-	66 595	62 420
Sweden	-	-	471 344	411 468	-	-	-	-	471 344	411 468
Finland	-	-	193 156	193 301	-	-	-	-	193 156	193 301
Scandinavia, others	-	-	2 605	6 534	-	-	-	-	2 605	6 534
Europe, others	-	-	47 951	108 093	-	-	-	-	47 951	108 093
Asia	-	-	14 594	10 694	-	-	-	-	14 594	10 694
Africa	-	-	1 937	3 876	-	-	-	-	1 937	3 876
Other	-	-	1 581	461	-	-	-	-	1 581	461
<b>Total</b>	<b>66 441</b>	<b>62 420</b>	<b>1 039 488</b>	<b>1 077 854</b>	<b>4 083</b>	<b>2 975</b>	<b>-4 309</b>	<b>-2 995</b>	<b>1 105 704</b>	<b>1 140 254</b>

None of the company's customers individually account for more than 10 percent of the turnover. This applies to both 2025 and 2024.

Other income	2025	2024
Profit from the sale of operating assets	626	5 466
Commission and joint costs when renting out property	15 208	14 200
Other incomes	4 434	9 509
<b>Total other income</b>	<b>20 269</b>	<b>29 175</b>

## Note 5 Salaries, personnel expenses and shares owned by the board of the directors

Salaries and personnel expenses	2025	2024
Salaries	277 541	286 639
Social security costs	64 818	65 032
Pension costs	28 505	21 711
Other personnel costs	19 614	21 473
<b>Total expenses</b>	<b>390 477</b>	<b>394 855</b>
Average number of employees	360	410

### Management remuneration

The guidelines for management remuneration are available on Borgestad ASA's website. A more detailed description of remuneration to executive management, including the Restricted Share Units (RSU) program, as well as remuneration to the Board, is provided in the Executive Remuneration Report published on Borgestad ASA's website.

The remuneration to the Group Executive Operational Management Team and Board of Directors is disclosed below.

During the financial years 2025 and 2024, no loans or guarantees have been given to senior employees or board members in the Group.

Remuneration paid to board member and executive management in 2025	Board remuneration	Audit Committee	Remuneration committee	Salary	Other remuneration	Pension	Bonus	Total
Pål Feen Larsen, CEO	-	-	-	3 032	185	141	739	4 097
Frode Martinussen, CEO Refractory segment, until 31. March 2025*	-	-	-	411	6	16	400	833
Bendik Persch Andersen, Head of M&A in Borgestad until 31.March and CEO Refractory segment from 1. April 2025	-	-	-	1 373	11	74	-	1 458
Glen Ole Rødland, Chairman of the board**	687	-	30	-	-	-	-	717
Jacob Møller, board member	235	-	33	-	-	-	-	268
Jan Erik Sivertsen, board member***	341	39	-	-	-	-	-	380
Helene Steen, board member***	341	39	-	-	-	-	-	380
Wenche Kjølås, board member	235	115	-	-	-	-	-	350
<b>Total</b>	<b>1 839</b>	<b>193</b>	<b>63</b>	<b>4 817</b>	<b>202</b>	<b>231</b>	<b>1 139</b>	<b>8 483</b>

\*Frode Martinussen had a contractual termination period of six months, as well as an agreed severance package corresponding to an additional six months, effective from 1 April 2025. In accordance with these agreements, Martinussen will receive payments from Höganäs Borgestad Holding AB until March 2026. The salary presented in the table above reflects the period during which Frode Martinussen served as acting CEO.

\*\*Corona Maritime AS, which is controlled by Glen Ole Rødland, has a consultancy agreement with Borgestad ASA. In 2025 and 2024, NOK 1,522,125 and NOK 1,528,437 were invoiced respectively. Rødland was elected chairman of Höganäs Borgestad Holding AB in June 2023, where a board fee of SEK 200,000 has been paid in 2024 and June 2025 for the period 2023/2024 and for 2024/2025.

\*\*\*Jan Erik Sivertsen and Helene Steen was both elected board members of Höganäs Borgestad Holding AB in June 2023, where a board fee of SEK100,000 has been paid in 2024 for the period 2023/2024 and in 2025 for the period for 2024/2025.

Remuneration paid to board member and executive management in 2024	Board remuneration	Audit Committee	Remuneration committee	Salary	Other remuneration	Pension	Bonus	Total
Pål Feen Larsen, CEO	-	-	-	2 833	189	135	600	3 757
Frode Martinussen, CEO segment Refractory*	-	-	-	1 978	14	50	-	2 042
Bendik Persch Andersen, Head of M&A, IR and Corporate Governance, from September 15, 2024	-	-	-	529	2	35	-	566
Glen Ole Rødland, Chairman of the board**	639	-	15	-	-	-	-	654
Jacob Møller, board member	210	-	15	-	-	-	-	225
Jan Erik Sivertsen, board member***	320	31	-	-	-	-	-	351
Helene Steen, board member***	320	31	-	-	-	-	-	351
Wenche Kjøllås, board member	213	105	-	-	-	-	-	318
<b>Total</b>	<b>1 701</b>	<b>168</b>	<b>30</b>	<b>5 340</b>	<b>205</b>	<b>220</b>	<b>600</b>	<b>8 264</b>

\*Frode Martinussen had a contractual termination period of six months, as well as an agreed severance package corresponding to an additional six months, effective from 1 April 2025. In accordance with these agreements, Martinussen will receive payments from Höganäs Borgestad Holding AB until March 2026. The salary presented in the table above reflects the period during which Frode Martinussen served as acting CEO.

\*\*Corona Maritime AS, which is controlled by Glen Ole Rødland, has a consultancy agreement with Borgestad ASA. In 2025 and 2024, NOK 1,522,125 and NOK 1,528,437 were invoiced respectively. Rødland was elected chairman of Höganäs Borgestad Holding AB in June 2023, where a board fee of SEK 200,000 has been paid in 2024 and June 2025 for the period 2023/2024 and for 2024/2025.

\*\*\*Jan Erik Sivertsen and Helene Steen was both elected board members of Höganäs Borgestad Holding AB in June 2023, where a board fee of SEK100,000 has been paid in 2024 for the period 2023/2024 and in 2025 for the period for 2024/2025.

Shares owned or controlled by the company's management, the board of directors and their related parties	Number of shares	Percent
Jan Erik Sivertsen <sup>1)</sup> board member	10 462 736	29.84 %
Helene Steen <sup>2)</sup> board member	5 750 000	16.40 %
Glen Ole Rødland <sup>3)</sup> Chairman of the board	1 707 759	4.87 %
Jacob Møller <sup>4)</sup> board member	1 217 994	3.47 %
Pål Feen Larsen, CEO	158 786	0.45 %
Wenche Kjøllås <sup>5)</sup> board member	100 000	0.29 %
Bendik Persch Andersen, Head of M&A, Corp. dev. and IR	57 000	0.16 %
<b>Total</b>	<b>19 454 275</b>	<b>55.48 %</b>

1) Applies to the company Kontrari AS, where Jan Erik Sivertsen is general manager

2) Applies to the company SES AS, where Helene Steen is principal/CFO

3) Applies to the company Gross Management AS, where Glen Ole Rødland and close relatives controls 100 % of the shares

4) Applies to the companies Ploot Invest AS and Dione AS, both controlled by Jacob Møller

5) Applies to the company Jawendel AS, where Wenche Kjøllås and close relatives controls 100 % of the shares

Auditor's remuneration	2025	2024
Audit	4 071	3 650
Audit related services	32	121
Tax related services	-	186
Other services	-	-
<b>Total</b>	<b>4 103</b>	<b>3 957</b>

## Note 6 Pension expenses and pension liabilities

All employees in the Norwegian companies are covered by a collective defined contribution pension plan. The schemes comply with applicable pension legislation in Norway, Sweden, Finland and Poland. Contributions range from 2 to 8 per cent of salary, are expensed as incurred, and the Group has no further obligations once the contributions have been paid.

The Norwegian companies participate in the joint AFP scheme. The AFP obligation is not recognised, as the scheme is a multi-employer arrangement and the Group's participation is limited and not considered material.

Certain companies offer a closed early retirement scheme with a limited number of participants. The Group's pension obligations mainly relate to a closed early retirement scheme and a closed defined benefit plan in Borgestad ASA.

In 2025, the Group paid a total of TNOK 27,345 in pension premiums and TNOK 800 in current pension over operations. For 2025, it is estimated that the Group will pay TNOK 28,986 in pension premiums and TNOK 840 in ongoing pensions over operations.

Number of people in the agreement at the end of the year	Secured	Unsecured
Number of active	5	1
Number of retired	1	3

The average age of the active employees included in the collective benefit-based scheme is relatively high, as the scheme closed in 2012. The high average age means that changed assumptions in connection with the discount rate, wage growth and pension adjustment become relatively insignificant for profit and the gross pension obligation. Sensitivity analysis has therefore not been prepared.

Total pension expense recognised in profit and loss	2025	2024
Pension expense recognised from defined benefit plans	360	374
Contributions to defined contribution plans	28 145	21 337
<b>Total pension expense recognised in profit and loss</b>	<b>28 505</b>	<b>21 711</b>
<b>a) Secured:</b>		
Plan assets	5 961	5 792
Defined benefit obligation	-6 122	-5 667
Net defined benefit asset / (-)liability	-161	125
<b>b) Unsecured:</b>		
Pension liabilities	-6 506	-5 813
<b>Prepaid pension asset / (-)liability</b>	<b>-161</b>	<b>125</b>
<b>Pension liabilities including social security tax</b>	<b>-6 506</b>	<b>-5 813</b>
<b>Actuarial gains and losses on defined benefit pension plans</b>		
Encountered actuarial gains and losses on pension liabilities secured schemes (negative sign is losses)	-242	-343
Encountered actuarial gains and losses on pension liabilities unsecured schemes (negative sign is losses)	-893	-321
<b>Total actuarial gains and losses on defined benefit pension plans recognised over OCI</b>	<b>-1 136</b>	<b>-664</b>

## Note 7 Financial income and financial cost

Finance income and finance cost	2025	2024
Interest income	5 778	6 412
Foreign currency gains	9	1 398
Other financial income	3 352	4 379
<b>Financial income</b>	<b>9 138</b>	<b>12 190</b>
Interest cost	-25 574	-22 697
Interest cost leases	-4 878	-4 707
Foreign currency loss	-350	-12
Write down on financial asset	-1 000	-
Other financial cost	-6 070	-6 825
<b>Financial cost</b>	<b>-37 872</b>	<b>-34 241</b>
<b>Net other financial income/(-) cost</b>	<b>-28 733</b>	<b>-22 051</b>

## Note 8 Tax

### Accounting policy

Tax expense includes current tax and deferred tax. Deferred tax is recognised for temporary differences between the carrying amounts and tax bases of assets and liabilities, except for non deductible goodwill and temporary differences related to investments where reversal is not expected in the foreseeable future.

Deferred tax assets are recognised only when it is probable that future taxable profits will be available to utilise them. Deferred tax is measured using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are presented net when the Group has a legally enforceable right to offset.

Tax effects related to items recognised in other comprehensive income (OCI), such as cash flow hedges, are also recognised in OCI. In 2025, the tax effect recognised in OCI was TNOK 566.

Tax losses may be carried forward indefinitely in Norway and Sweden, and for up to five years in Poland.

Income tax expense	2025	2024
Current income tax expense	14 032	14 482
Changes in deferred tax	-10 493	6 039
<b>Tax expense</b>	<b>3 538</b>	<b>20 521</b>

Reconciliation of statutory tax rate to effective tax rate	2025	2024
<b>Income (loss) before tax</b>	<b>23 873</b>	<b>82 285</b>
Expected income taxes at statutory tax rate	5 861	10 459
Non deductible expenses	3 363	17 581
Non-taxable income	-23 628	-
Correction of previous years deferred tax liabilities*	14 841	-
Changes in unrecognised deferred tax asset	3 102	-7 519
<b>Tax expense</b>	<b>3 538</b>	<b>20 521</b>

\*During the review of this year's tax calculation, errors were identified in the basis for temporary differences used in the calculation of deferred tax previous years. This has been corrected through the current year's tax expense and amounts to TNOK 14,841.

The weighted average statutory tax rate was 24.6% in 2025 (12.7% in 2024), reflecting the mix of tax rates and earnings across jurisdictions. Non-taxable income mainly relates to foreign exchange differences on long-term intragroup loans. Under applicable tax legislation, such currency differences are not taxable until the underlying investment is disposed of.

<b>Tax effects of temporary differences and tax loss carryforwards giving rise to deferred tax assets and liabilities</b>	<b>2025</b>	<b>2024</b>
Current asset	848	-63 480
Property, plant and equipment	-5 396	2 122
Revaluation account currency	26 227	48 211
Pensions	-1 330	-1 221
Other non-current liabilities	-345	670
Long term debt	-1 327	-1 893
Recapture account (Norwegian tax rules for deferred taxation of gains)	3 736	4 670
Accrual Fund Sweden	-	4 645
Tax loss carryforwards	-41 609	-44 864
Of which not recognized as tax asset	3 607	50 485
<b>Net deferred tax (-) assets/liabilities</b>	<b>-15 590</b>	<b>-654</b>
Deferred tax assets	-15 590	-8 941
Deferred tax liabilities	-	8 288

Net deferred tax asset at year end amounted to a TNOK 15 590 (2024: net asset of TNOK 654). Movements mainly relate to deferred tax recognised in profit or loss, OCI, and adjustments to the Swedish accrual fund.

<b>Changes in net deferred tax liability during the year were as follows</b>	<b>2025</b>	<b>2024</b>
<b>Net deferred tax (-) assets / liabilities 1 January</b>	<b>-654</b>	<b>-5 746</b>
Charged/(credited) to the Consolidated statement of income	-10 493	6 039
Charged/(credited) to Other comprehensive income	-566	3 022
Adjustment related to the Swedish accrual fund	-4 645	-
Foreign currency translation effects and other effects	768	-3 969
<b>Net deferred tax (-) assets / liabilities at 31 December</b>	<b>-15 590</b>	<b>-654</b>

## Deferred tax asset

Deferred tax assets are calculated based on temporary differences which are assumed to be reversed in the foreseeable future. When entering the deferred tax asset in the balance sheet, the Group has assessed whether it is likely that the Group can make use of the calculated deferred tax asset through future earnings. When it has not been proven that the calculated tax asset can be utilized against future earnings, a limitation has been made in the balance sheet entry of the deferred tax asset.

<b>Unrecognised deferred tax assets</b>	<b>2025</b>		<b>2024</b>	
	<b>Basis</b>	<b>Tax</b>	<b>Basis</b>	<b>Tax</b>
Norway (22 %)	16 395	3 607	229 478	50 485

Unrecognised deferred tax assets relate to Norwegian tax losses that are not expected to be utilised in the foreseeable future.

## Note 9 Earnings per share

Earnings per share are calculated by dividing the majority's earnings related to ordinary shareholders in the parent company by a weighted average number of outstanding shares in the financial year.

Diluted earnings per share are calculated by dividing the majority's earnings related to ordinary shareholders in the parent company by the average number of outstanding shares in the financial year plus a weighted average of the shares, conversion rights or options that can potentially be converted into ordinary shares. As of December 31, 2025, and 2024, there was no difference between earnings per share and diluted earnings per share in Borgestad.

Basis of calculation	2025	2024
Weighted average number of ordinary shares	35 062	35 062
<b>Weighted average number of shares</b>	<b>35 062</b>	<b>35 062</b>
<b>Result per share</b>		
Total profit attributable to equity holders of the parent	15 310	45 229
<b>Basic and diluted earnings per share</b>	<b>0.44</b>	<b>1.29</b>

## Note 10 Investment property

The Group's investment property is recognised at acquisition cost, less accumulated depreciation and impairment. Acquisition cost includes transaction costs and other directly attributable costs related to construction or development. Expenditures are capitalised when they are expected to generate future economic benefits and can be measured reliably. Other repair and maintenance costs are recognised in profit or loss as incurred. The investment property is depreciated on a straight-line basis over its estimated useful life

	2025	2024
Carrying amount shopping Center, Poland	726 858	729 553

See note 12 for specification for changes in the carrying amount.

Carrying amount for Agora Bytom is MNOK 726.9 while the estimated fair value is MNOK 744.6 or MEUR 62.9.

Specification	2025	2024
Rental income and other services	80 893	76 325
Direct operating expenses generating rental income	36 370	31 930
Depreciation	13 572	8 658
Write downs	-	-
Depreciation method: Linear		
Economic life	67 years	100 years

### Investment property

In 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 8.4 percent and a post-tax discount rate of 7.2 percent. 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 15.03 per sqm per month in 2026 and is forecasted to increase at a steady growth rate of 2 percent. The estimated rent of EUR 15.03 per sqm is based on signed leases at EUR 16.60 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 percent. Vacancy as of 31.12.2025 is 3.8 percent, based on a total leasable area of 33,870 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 considering 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 percent, 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%
%-change →	-1.5%	-1.0%	-0.5%	0.0%	0.5%	1.0%	1.5%
5.7%	69 280	73 885	79 582	86 811	96 284	109 242	128 038
6.2%	63 404	67 055	71 479	76 952	83 896	92 997	105 446
6.7%	58 469	61 412	64 920	69 171	74 430	81 103	89 848
7.2%	54 264	56 672	59 502	<b>62 873</b>	66 958	72 012	78 425
7.7%	50 639	52 633	54 948	57 667	60 908	64 835	69 693
8.2%	47 481	49 150	51 067	53 292	55 907	59 022	62 798
8.7%	44 705	46 114	47 719	49 562	51 702	54 216	57 212

### Vacancy in terminal

	7.0%	6.0%	5.0%	4.0%	3.0%	2.0%	1.0%
%-change →	3.0%	2.0%	1.0%	0.0%	-1.0%	-2.0%	-3.0%
6.2%	74 434	75 274	76 113	76 952	77 791	78 630	79 469
6.7%	67 009	67 730	68 451	69 171	69 892	70 613	71 334
7.2%	60 993	61 620	62 246	<b>62 873</b>	63 499	64 126	64 752
7.7%	56 019	56 569	57 118	57 667	58 217	58 766	59 316
8.2%	51 835	52 321	52 806	53 292	53 778	54 264	54 750
8.7%	48 265	48 697	49 130	49 562	49 995	50 427	50 859
8.7%	44 705	46 114	47 719	49 562	51 702	54 216	57 212

### Capex in terminal

	1 123 617	1 073 617	1 023 617	973 617	923 617	873 617	823 617
%-change →	-150 000	-100 000	-50 000	-	50 000	100 000	150 000
5.7%	84 297	85 135	85 973	86 811	87 648	88 486	89 324
6.7%	67 343	67 952	68 562	69 171	69 781	70 391	71 000
7.2%	61 284	61 813	62 343	<b>62 873</b>	63 402	63 932	64 462
7.7%	56 274	56 738	57 203	57 667	58 132	58 597	59 061
8.2%	52 060	52 471	52 881	53 292	53 703	54 114	54 525
8.7%	48 465	48 831	49 197	49 562	49 928	50 293	50 659

## Rent / sqm

	14.6	14.7	14.9	15.0	15.2	15.3	15.5
%-change →	-3.0%	-2.0%	-1.0%	0.0%	1.0%	2.0%	3.0%
5.7%	83 905	84 874	85 842	86 811	87 779	88 748	89 716
6.2%	74 385	75 241	76 096	76 952	77 807	78 663	79 518
7.2%	60 790	61 484	62 178	62 873	63 567	64 262	64 956
7.7%	55 763	56 398	57 032	57 667	58 302	58 937	59 572
8.2%	51 537	52 122	52 707	53 292	53 877	54 462	55 048
8.7%	47 934	48 477	49 020	49 562	50 105	50 647	51 190

## Depreciation and write-downs

The Group's operating assets are depreciated and assessed in terms of write-down according to the principles described in the introduction. Depreciation is calculated using the straight-line method over the following useful life.

In 2025, Agora Bytom reassessed the useful lives of certain assets as part of its regular review of accounting estimates. The reassessment was based on updated information regarding the expected economic life of the assets, considering actual usage, maintenance standards, and long term operating plans. As a result, the depreciation period was adjusted to better reflect the pattern in which the future economic benefits of the assets are expected to be consumed. Management considers the revised depreciation periods to provide a more appropriate and reliable representation of the assets' economic reality. The reassessment carried out in 2025 resulted in an increase in depreciation of MNOK 4.9, which was recognized in the profit and loss statement.

## Estimate uncertainty related to depreciation

When calculating depreciation for the operating assets, the economic lifetime and the residual value at the end of their useful life are based on estimates.

## Lease contracts

The Group enters contracts for the rental of real estate classified as investment property. For non-cancellable lease agreements, the table below presents future minimum lease payments receivable under existing lease contracts for the Group's consolidated investment properties, based on annual contractual rent and grouped by maturity:

Lease contracts at 31.12 have the following maturity structure measured in annual rent	2025	2024
Within 1 year	68 478	57 215
Between 1 and 5 years	165 230	127 476
More than 5 years	37 232	36 373
<b>Total</b>	<b>270 940</b>	<b>221 063</b>

When converting from EUR to NOK for future rental income for Agora Bytom Sp. z o.o. an exchange rate of NOK/EUR of 11.7174 for the 2025 figures and NOK/EUR of 11.6249 for 2024 figures has been used.

## Note 11 Assets classified as 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.

In December 2025, the Administrative Court of Appeal in Gothenburg (the "Administrative Court of Appeal") set aside the ruling from the Administrative Court, concluding that the purchase price had been sufficiently substantiated and that there were no grounds to revoke Bjuv municipality's approval of the transaction.

Borgestad Group has been informed that an appeal against the Administrative Court of Appeal's decision has been filed within the extend deadline granted to the complainant.

The matter will be handled by the Supreme Administrative Court, which will determine whether to admit the appeal for review.

The approval of the Transaction by Bjuv municipality will only become binding once the pending appeal has been finally resolved in the claimants' disfavour, and the completion of the Transaction remains conditional upon such binding approval.

Considering 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, 2026.

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 45.4 as of December 31, 2025. The loan amount is classified as interest-bearing debt under current liabilities.

Asset	31.12.2025	31.01.2024
Buildings and plant	14 786	13 907
<b>Total assets classified as held for sale</b>	<b>14 786</b>	<b>13 907</b>

## Note 12 Property, plant and equipment, Intangible assets and Investment property

Fixed assets are entered into the balance sheet at acquisition cost less accumulated depreciation and write-downs. When assets are sold or disposed of, the balance sheet value is deducted, and any loss or gain is recognized in profit or loss.

Depreciation is calculated using the straight-line method based on the assumed useful life and residual value at the end of the useful life. The depreciation period and method are assessed annually to ensure that the method and period used correspond to the financial realities of the fixed asset. The same applies to residual value.

Acquisition cost for fixed assets is the purchase price, including fees/taxes and costs directly related to putting the fixed asset in condition for use. Expenses incurred after the asset has been put into use, such as ongoing maintenance, are recognized in the income statement, while other expenses that are expected to provide future financial benefits are recognized in the balance sheet.

Gains on disposal of fixed assets, investment properties and development projects are presented as other income.

2025	Investment property	Land and buildings	Assets under construction	Machinery and vehicles	Licences, software and other intangible assets	Total
Cost at 1 January	1 235 057	14 772	192	274 083	32 326	1 556 430
Additions	7 842	2 817	3 060	8 810	802	23 332
Additions from acquisition of companies	-	-	-	880	-	880
Disposals	-	-	-205	-549	-4 563	-5 317
Reclassification	-	-	-	-	-	-
Effects of changes in foreign exchange rates	5 238	244	12	16 366	2 009	23 869
<b>Cost at 31 December</b>	<b>1 248 138</b>	<b>17 833</b>	<b>3 060</b>	<b>299 590</b>	<b>30 574</b>	<b>1 599 195</b>
Accumulated depreciation and impairment at 1 January	505 505	2 462	-	231 416	6 294	745 677
Additions from acquisition of companies	-	-	-	113	-	113
Disposals	-	-	-	-189	-4 108	-4 297
Depreciation	13 572	797	-	6 384	2 926	23 679
Impairments	-	-	-	-	13 958	13 958
Effects of changes in foreign exchange rates and other changes	2 203	108	-	15 302	199	17 813
<b>Accumulated depreciation and impairment at 31 December</b>	<b>521 280</b>	<b>3 367</b>	<b>-</b>	<b>253 026</b>	<b>19 269</b>	<b>796 942</b>
<b>Carrying amount at 31 December</b>	<b>726 858</b>	<b>14 466</b>	<b>3 060</b>	<b>46 563</b>	<b>11 305</b>	<b>802 252</b>

The group has written down the ERP system by MNOK 14 in 2025.

2024	Investment property	Land and buildings	Assets under construction	Machinery and vehicles	Licences, software and other intangible assets	Total
Cost at 1 January	1 176 723	18 670	4 616	267 184	31 395	1 498 588
Additions	1 838	2 490	541	6 945	407	12 220
Disposals, and assets classified as held for sale	-1 897	-6 420	-	-9 568	-	-17 885
Reclassification	-	-	-5 039	5 039	-	-
Effects of changes in foreign exchange rates	58 393	31	74	4 483	524	63 506
<b>Cost at 31 December</b>	<b>1 235 057</b>	<b>14 772</b>	<b>192</b>	<b>274 083</b>	<b>32 326</b>	<b>1 556 430</b>
						0
Accumulated depreciation and impairment at 1 January	475 316	5 396	-	230 118	2 897	713 727
Disposals, and assets classified as held for sale	-1 748	-3 533	-	-9 104	-	-14 385
Depreciation	8 658	573	-	6 452	3 298	18 981
Impairments	-	-	-	-	-	-
Effects of changes in foreign exchange rates	23 279	26	-	3 950	100	27 354
<b>Accumulated depreciation and impairment at 31 December</b>	<b>505 505</b>	<b>2 462</b>	<b>-</b>	<b>231 416</b>	<b>6 294</b>	<b>745 677</b>
<b>Carrying amount at 31 December</b>	<b>729 553</b>	<b>12 310</b>	<b>192</b>	<b>42 666</b>	<b>26 032</b>	<b>810 754</b>

Fixed asset	Economic life	Depreciation method
Investment property	67 year	Linear
Buildings	20 – 50 year	Linear
License, trademark	10 year	Linear
Machinery and vehicles	3 – 20 year	Linear
Land	Not depreciated	Not depreciated

Research and development	2025	2024
Expenses, incl. salaries	7 194	6 992

The criteria for recognition of intangible assets in accordance with IAS 38 have not been met and all costs for research and development have been expensed.

## Research and development

Expenses related to research activities are recognized in the income statement when incurred. Expenditures related to development activities are recognized in the balance sheet to the extent that the product or process is technically and commercially feasible and the Group has sufficient resources to complete the development. In this accounting period, the Group has no development activities that satisfy the criteria for balance sheet entry.

## Note 13 Leases

The Group mainly enters into lease agreements for office premises, warehouses and vehicles. At the commencement date, the Group recognises a lease liability and a corresponding right-of-use asset for all leases, except for short-term leases and leases of low-value assets, which are expensed as incurred.

Lease liabilities are measured at the present value of future lease payments. As the Group's lease contracts generally do not include an implicit interest rate, the Group uses its incremental borrowing rate as the discount rate. The lease term includes non-cancellable periods together with extension options when it is reasonably certain that such options will be exercised.

Right-of-use assets are measured at cost, comprising the initial measurement of the lease liability and any directly attributable costs. The assets are depreciated on a straight-line basis over the lease term. Impairment is assessed when indicators of impairment exist.

Right-of-use-assets	Machinery and equipment	Vehicles	Buildings/Property	Total
Balance at 1 January 2024	3 362	9 209	21 330	33 902
Additions	548	10 324	2 295	13 167
Depreciation	1 997	7 268	6 488	15 753
Effects of changes in foreign exchange rates and other changes	691	798	2 947	4 437
<b>Balance at 31 December 2024</b>	<b>2 604</b>	<b>13 063</b>	<b>20 085</b>	<b>35 751</b>
Additions	1 381	3 451	11 482	16 314
Disposals	-53	-131	-44	-228
Depreciation	1 666	6 666	7 810	16 142
Effects of changes in foreign exchange rates and other changes	234	-285	5 025	4 973
<b>Balance at 31 December 2025</b>	<b>2 500</b>	<b>9 432</b>	<b>28 737</b>	<b>40 668</b>

Vehicles usually have a lease period of 3-5 years, machinery 3-10 years and buildings 10 years.

### Maturity analysis of contractual undiscounted cash flows

Undiscounted liabilities	2025	2024
Less than one year	16 335	18 252
One to two years	12 130	12 315
Two to three years	9 588	8 841
Three to four years	6 312	6 983
Four to five years	3 189	4 316
More than five years	7 551	1 543
<b>Total undiscounted liabilities at 31 December</b>	<b>55 104</b>	<b>52 251</b>

Summary of the lease liabilities	2025	2024
At initial application 1 January 2025	41 715	40 094
New lease liabilities recognised in the year	16 439	13 167
Lease payments of the lease liability	-21 715	-20 933
Interest expense on lease liabilities	4 878	4 707
Effects of changes in foreign exchange rates and other changes	4 895	4 681
<b>Total lease liabilities at 31 December 2025</b>	<b>46 212</b>	<b>41 715</b>

Interest rates used in Norway are between 9.00 and 11.25 per cent, in Sweden between 6.75 and 9 per cent and in Finland between 7.15 and 9.4 per cent. For the calculation of interest, the policy rate in the various countries has been adjusted with a risk supplement for the duration of the lease.

Summary of other lease expenses recognised in profit or loss	2025	2024
Operating expenses in the period related to short-term leases (including short-term low value assets)	1 416	870
Operating expenses in the period related to low value assets (excluding short-term leases included above)	104	197
<b>Total lease expenses included in other operating expenses</b>	<b>1 520</b>	<b>1 067</b>

## Note 14 Goodwill

When purchasing a business, all acquired assets and liabilities are assessed for classification and assignment in accordance with contract terms, financial circumstances and relevant conditions at the time of acquisition. The difference between the consideration for acquisition and the fair value of net identifiable assets and liabilities at the time of acquisition is classified as goodwill.

Goodwill is entered into the balance sheet at acquisition cost, less any accumulated write-downs. Goodwill is not written off but is tested at least annually for impairment or when indicators of impairment exist. In connection with this, goodwill is allocated to cash-flow-generating units that are expected to benefit from the synergy effects of the business combination.

Goodwill	2025	2024
Cost at 1 January	90 082	90 108
Additions from acquisition	19 294	-
Impairment loss	-899	-
Effects of changes in foreign exchange rates	2 307	-26
<b>Carrying amount at 31 December</b>	<b>110 785</b>	<b>90 082</b>

Allocated as follows	Cash Flow Generating Units							Total
	Höganäs Borgestad AS	Norsk Ildfast Gjenvinning Drift AS	Emcotech AB	Höganäs Borgestad Production AB	Höganäs Borgestad Eldfast Service AB	Höganäs Borgestad Oy		
Acquisition year	2006, 2007 and 2028	2025	2025	2011	2011		2015 and 2018	
<b>Net carrying value</b>	<b>46 071</b>	<b>5 868</b>	<b>13 427</b>	<b>15 578</b>	<b>22 721</b>	<b>7 121</b>	<b>110 785</b>	

Höganäs Borgestad AS, Höganäs Borgestad Eldfast Service AB, Höganäs Borgestad Production AB, Norsk Ildfast Gjenvinning Drift AS, Emcotech AB and Höganäs Borgestad Oy are all included in the Refractory segment.

Goodwill allocated to Höganäs Borgestad Production AB, Höganäs Borgestad Eldfast Service AB, Höganäs Borgestad Energi & Ugnsteknik AB, Emcotech AB and Höganäs Borgestad Oy is exposed to currency fluctuations.

Recoverable amount is the cash flow-generating unit's value in use. When assessing whether there is a need to write down goodwill, the recoverable amount is assessed against net assets, including goodwill on the balance sheet date. If the recoverable amount exceeds net assets, there is no need for impairment.

Recoverable amount is based on value in use and calculated per cash flow generating unit/company. Assumptions used when calculating value in use are cash flow forecasts which are again based on budgets and business plans for each cash flow generating unit for a five-year period (defined period). Growth in the period is assessed by the cash flow generating unit. An increase of 2 percent is included for turnover growth, both in the period before terminal period and for terminal period. There are estimated improvements in EBIT margins in the five-year period according to the business plan that is prepared by management and approved by the Board of Directors. Growth of 2 (2) percent is assumed for the terminal period for all companies.

Historically, the EBIT development of Höganäs Borgestad and each cash flow generating unit has been broadly aligned with the assumptions applied in the goodwill impairment assessments. This consistency supports management's view that the long term EBIT projections used in the valuation reflect a reasonable and balanced assessment of the business' earnings potential.

Prerequisites for investments in the five-year period and the terminal period are approximately the same or like today's depreciation for all cash flow-generating units. For all cash flow-generating units working capital follows a percentage of revenue according to achieved percentage of working capital achieved in 2025.

The cash flows are calculated based on the expected cash flow and the discount rate is based on a required return before tax of 11.7 (12.3) percent for the Norwegian entity, 9.8 (10.3) percent for Swedish entities and 9.9 (10.5) percent for the Finnish entity. The discount rate considers debt premium, market risk premium, debt ratio, tax rate and asset beta.

Based on calculations carried out and the assumptions made, an impairment of goodwill has been made as of December 31, 2025. The impairment is recognized in the Consolidated statement of income and is connected to the cash flow generating unit Höganäs Borgestad Energi & Ugnsteknik AB. The impairment is because the result of the calculations shows that the recoverable amount of the cash flow generating unit (the company) is below the balance sheet value of assets/liabilities, and thus an impairment is implemented.

For all other cash flow generating units to which goodwill is allocated, the impairment tests show that the recoverable amount exceeds the carrying amount of the respective net assets, including goodwill. Accordingly, no impairment has been identified for these units. The determination of the recoverable amount is subject to estimation uncertainty, as it is based on management's assumptions and judgements, including forecast EBIT, growth rates and discount rates. Management has assessed reasonably possible changes in the key assumptions applied in the 2025 impairment test for these units and concluded that such changes would not alter the outcome of the impairment assessment.

## Acquisitions in 2025

### Emcotech AB

In Q2 2025, the Group acquired 100% of the shares in Emcotech AB, a company specializing in refractory installation services and technical support. The acquisition strengthens the Group's service offering in Sweden and provides access to an established customer base in the Scandinavian market.

The total consideration amounted to MNOK 16 (MSEK 15.1), of which MNOK 11.0 was paid in cash at closing. The consideration is subject to adjustment for deviations from normalized working capital and net debt at the acquisition date. In addition, a contingent performance-based earn-out with a maximum value of MSEK 10, as of acquisition date, has been estimated at MSEK 0 may become payable 18 months after closing, subject to the fulfilment of agreed performance targets.

The acquisition was financed through an increase in bank financing of MSEK 9, with the remainder settled in cash.

The purchase price allocation identified customer relationships, order backlog and other identifiable intangible assets. The residual amount has been recognized as goodwill, reflecting expected synergies, workforce competence and the strengthening of the Group's market position in Sweden. The recognized goodwill of the acquisition date amounted to MNOK 13.4 and excludes any amounts related to the potential earn out.

### Norsk Ildfast Gjenvinning Drift AS

In Q4 2025, the Group acquired 100% of the shares in Norsk Ildfast Gjenvinning Drift AS for MNOK 6. The recognized goodwill amounted to MNOK 5.9.

NIGD operates a full-scale recycling facility for refractory materials, including crushing and mixing capabilities, and has more than 30 years of experience in the industry. The plant is strategically located in the Mo i Rana industrial park, close to several of the Group's existing customers.

The acquisition supports the Group's circular economic strategy and is expected to unlock new opportunities with both existing and potential customers. The Group plans to invest an additional MNOK 1 in upgrades to the facility.

The acquisition was financed through an acquisition loan of MNOK 5 from Nordea Bank, with the remainder settled in cash.

## Note 15 Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value (NRV) is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Cost is assigned using the FIFO method and includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. For in-house produced goods, cost includes both variable and fixed production overheads allocated based on normal capacity utilisation.

Inventory	2025	2024
Raw materials	39 147	24 936
Work in progress	-	5
Finished goods own produced products	50 497	52 982
Goods purchased for resale	48 418	48 331
<b>Total</b>	<b>138 061</b>	<b>126 254</b>

The specification above is net book value after deduction for impairment. The provision for impairment amounted to TNOK 9,503 (8,484) as of December 31, 2025.

Write down	2025	2024
Balance at 1 January	-8 484	-8 642
Write-downs reversed, other	1 212	1 315
New write-downs recognized during the year	-1 769	-1 212
Foreign currency translation gain/(loss)	-462	55
<b>Balance at 31 December</b>	<b>-9 503</b>	<b>-8 484</b>

The amount of inventories recognised as an expense during the year is included in Materials, supplies and subcontracting, which amounted to TNOK 200,988 in 2025 (2024: TNOK 178,379). This amount includes the consumption of inventories during the period as well as any write-downs to net realisable value and reversals of previous write-downs.

## Note 16 Cash and cash equivalents

Cash and cash equivalents include cash balances and bank deposits. Cash and cash equivalents are booked at nominal values in the balance sheet. Restricted funds are included in cash and cash equivalents.

Cash	2025	2024
Unrestricted cash	136 925	203 975
Restricted cash	15 651	16 487
<b>Total cash</b>	<b>152 576</b>	<b>220 462</b>
Overdraft facility	75 717	72 051
Restricted deposits	-15 651	-16 487
<b>Total available liquidity</b>	<b>212 642</b>	<b>276 026</b>

Restricted funds consist of tax deductions of TNOK 3,808 (4,692) and TNOK 11,843 (11,795) which are restricted funds in Agora Bytom. Tied up funds in Agora Bytom are a liquidity reserve of MEUR 1 in accordance with the company's loan agreement. Restricted funds in Agora Bytom are for security related to the outstanding debt towards Bank Pekao.

## Note 17 Share capital and shareholder 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
<b>31.12.2025</b>	<b>35 062 072</b>

\*In June 2024 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, to facilitate for a reverse share split in the ratio 40:1.

### Information related to shares

The company's share capital on December 31, 2025, is NOK 35 062 072 divided into 35 062 072 shares with a nominal value of NOK 1 per share. All shares have equal voting rights. There are no preferential rights or restrictions on the shares.

### Own shares

The company has no own shares per December 31, 2025.

### The 20 main shareholders at 31.12.25 are:

Shareholder	Number of shares	Ownership interest
Kontrari AS	10 462 736	29.84 %
Ses AS	5 750 000	16.40 %
Auris AS	1 968 727	5.61 %
Intertrade Shipping AS	1 750 000	4.99 %
Gross Management AS	1 707 759	4.87 %
Jakob Hatteland Holding AS	1 270 522	3.62 %
Dione AS	1 097 137	3.13 %
Regent AS	828 487	2.36 %
Suveren AS	637 808	1.82 %
Christiansen, Lars Aage Haaland	626 437	1.79 %
North Sea Group AS	507 204	1.45 %
Tohatt AS	400 000	1.14 %
Hausta Investor AS	391 018	1.12 %
Bratrud, Gudmund Joar	334 467	0.95 %
Auberg Invest AS	285 510	0.81 %
Torhus Andreas	255 000	0.73 %
Babaco Invest AS	250 000	0.71 %
Ar Vekst AS	247 963	0.70 %
LGT Bank AG	227 401	0.65 %
Batjak AS	222 503	0.64 %
<b>Total</b>	<b>29 220 679</b>	<b>83.34 %</b>
Other shareholders	5 841 393	16.66 %
<b>Total</b>	<b>35 062 072</b>	<b>100.00 %</b>

## Note 18 Borrowings

Borrowings are measured at amortised cost using the effective interest method. Transaction costs are deducted from the loan's carrying amount and are amortised over the term of the loan as part of the effective interest rate. Gains and losses are recognised in profit or loss when borrowings are derecognised.

Secured	Interest term	Maturity date	Effective interest rate 31.12.25	2025	2024
Bank loan (currency EUR) Agora Bytom Sp. z o.o.	EURIBOR 1M + margin 2,80%	2028	5.59 %	339 049	342 498
Bank loan (currency SEK) Höganäs Borgestad Production AB	STIBOR 3M + 2,40 %	2028	4.36 %	45 418	44 003
Bank loan (currency SEK) Höganäs Borgestad Holding AB	STIBOR 3M + 2,40 %	2028	4.36 %	9 525	-
Bank loan (currency SEK) Höganäs Borgestad Holding AB	STIBOR 3M + 2,40 %	2028	4.36 %	5 472	-
Bank loan (currency NOK) Höganäs Borgestad AS	NIBOR 3M + 3,25%	-	8.20 %	-	9 000
<b>Total secured long-term debt</b>				<b>399 463</b>	<b>395 500</b>
<b>1st year's principal repayments on long-term debt</b>				<b>-60 047</b>	<b>-51 900</b>
<b>Total long-term debt excluding the 1st year's principal repayments</b>				<b>339 415</b>	<b>343 600</b>

Maturity profile bank loan	2025	2024
Less than one year	60 047	51 900
One to two years	20 020	14 254
Two to three years	319 396	19 216
Three to four years	-	309 130
Four to five years	-	1 000
More than five years	-	-
<b>Total</b>	<b>399 463</b>	<b>395 500</b>

Overdraft facility	Interest term	Maturity date	Effective interest rate 31.12.25	2025	2024
Overdraft facility Nordea	3 mnd Stibor + 2,40%	2028	4.36 %	11 835	-

Granted overdraft facility with Nordea is MSEK 80 as of December 31, 2025. The overdraft facility is available and granted for Höganäs Borgestad Group.

### Mortgage loan

Mortgage loans are secured by mortgages on buildings, operating assets, stocks and accounts receivable.

The loan agreements regarding mortgage loans in the refractory segment, Höganäs Borgestad Group, have the following covenants: minimum 30 percent equity at the end of each quarter and net interest-bearing debt, does not exceed 2.0 times EBITDA as of December 31. Höganäs Borgestad meet all covenant requirements agreed with Nordea per December 31, 2025.

The loan agreement regarding the mortgage loan in Agora Bytom has a covenant that Net Operating Income (NOI) is at minimum of 190 percent of Interest Service Cover Ratio (ISCR) and "Loan to Value" (LTV) must at all times be equal to or lower than 60 percent of fair value of the shopping center.

As of December 31, 2025, the Group fulfils all covenant requirements under the loan agreements relating to Agora Bytom and the Höganäs Borgestad Group. Compliance is achieved with a comfortable headroom between actual performance and the covenant limits.

Reference is also made to Note 20 regarding discussion of liquidity risk for the Group.

Pledged as security	2025	2024
Buildings, investment property and factory facilities	755 000	754 998
Fixtures, machinery and vehicles	46 044	41 968
Current assets	300 800	263 083
<b>Total</b>	<b>1 101 844</b>	<b>1 060 048</b>

For the loan granted by Bank Pekao in Poland to Agora Bytom Sp. z o.o., security is provided in the shopping center buildings at a total of MNOK 1,934 (1,926). Borgestad ASA has, in addition to the securities provided a guarantee of MEUR 5,0.

For Höganäs Borgestad security has been provided for a total of MNOK 218.1 (205.1) divided between property, receivables, inventory and operating accessories towards Nordea.

Reconciliation for liabilities arising from financing activities	2025	Other	New leases	Relocation	Foreign exchange movement	Cash flows	2024
Long-term borrowings	339 416	1 079	-	-21 630	1 370	14 997	343 600
Short-term borrowings	60 047	-	-	21 630	2 807	-16 290	51 900
Payment of lease liabilities	46 213	4 878	16 439	-	4 895	-21 715	41 716
Overdraft facility	11 835	-	-	-	-	11 835	-
<b>Total liabilities from financing activities</b>	<b>457 510</b>	<b>5 957</b>	<b>16 439</b>	<b>-</b>	<b>9 072</b>	<b>-11 173</b>	<b>437 215</b>

Reconciliation for liabilities arising from financing activities	2024	Other	New leases	Relocation	Foreign exchange movement	Cash flows	2023
Long-term borrowings	343 600	-362	-	-7 898	16 118	-	335 742
Short-term borrowings	51 900	-	-	7 898	1 121	-17 161	60 043
Payment of lease liabilities	41 716	9 388	13 167	-	-	-20 933	40 094
Overdraft facility	-	-	-	-	-	-24 098	24 098
<b>Total liabilities from financing activities</b>	<b>437 216</b>	<b>9 026</b>	<b>13 167</b>	<b>0</b>	<b>17 239</b>	<b>-62 193</b>	<b>459 976</b>

## Note 19 Receivables and contract assets

The Group's receivables, which mainly consist of trade receivables with short maturities and receivables from lease agreements, are held to receive contractual cash flows and the cash flows only consist of payment of face value and any interest. Group receivables are measured at amortized cost, less provision for expected losses. The Group regularly reviews outstanding receivables and prepares for each reporting period estimates for bad debts which form the basis for the accounting provision. In addition, the expected loss is assessed based on the best available information on historical, current and future conditions. In accordance with IFRS 9, the Group applies the simplified expected credit loss model for trade receivables and lease receivables. This requires recognising lifetime expected credit losses, regardless of whether any actual credit losses have occurred.

	2025	2024
Invoiced trade receivables	163 233	144 140
Expected credit loss	-11 290	-12 068
<b>Trade receivables</b>	<b>151 943</b>	<b>132 072</b>
Contract assets	6 859	11 507
Advances received (contract liability)	-	-4 364
<b>Other current receivables</b>	<b>27 999</b>	<b>11 185</b>
<b>Total receivables and contract assets</b>	<b>186 801</b>	<b>150 399</b>

Advances received relate to a prior-year classification error and is presented within the comparative figures to ensure consistency with the 2024 balance sheet presentation.

Aging profile of trade receivables	2025	2024
Not due	135 738	119 591
<30 days	13 645	8 713
30-60 days	2 794	899
61-90 days	691	262
>90 days	10 366	14 675
<b>Total</b>	<b>163 233</b>	<b>144 140</b>
Expected credit loss	-11 290	-12 068
<b>Total</b>	<b>151 943</b>	<b>132 072</b>

Change in provision for expected loss	2025	2024
<b>January 01.01</b>	<b>12 068</b>	<b>12 385</b>
Change in provision during the year	-787	-1 477
Reversed previous provision	-200	424
Translation difference and other changes	209	736
<b>Provision 31th December</b>	<b>11 290</b>	<b>12 068</b>
This year losses	243	-

Provision for losses, in both the opening and closing balance sheet, as well as changes in ascertained losses on claims are mainly linked to Agora Bytom.

Other receivables	2025	2024
Income accruals	-	1 220
Cost accruals	54	1 822
Prepayment to suppliers	9 765	5 197
Tax and value added tax	12 787	2 104
Other current assets	5 394	842
<b>Total</b>	<b>27 999</b>	<b>11 185</b>

## Note 20 Financial risk and capital management

### Financial risk

The Group uses financial instruments such as bank loans to obtain capital for investments in the company's operations. In addition, the Group has financial instruments such as accounts receivable, accounts payable, etc. which are directly linked to the company's daily operations.

Routines for risk management have been adopted by the board and are carried out by a central finance department in collaboration with the individual operating units. The most important financial risks the Group is exposed to are related to interest rate risk, liquidity risk, currency risk and credit risk. The Group's management has an ongoing assessment of these risks and sets guidelines for how these are to be handled. In accordance with the Group's strategy for interest rate and currency exposure, the Group sometimes uses financial derivatives to reduce this risk.

#### i) Credit risk

The Group only trades with approved creditworthy counterparties. All counterparties who receive credit from the Group, for example customers, must be approved and subject to an assessment of creditworthiness.

The Group is not exposed to any significant credit risk from a single counterparty, nor from groups of counterparties with similar credit risk characteristics.

In accordance with the expected credit loss model under IFRS 9, Borgestad applies the simplified approach and therefore recognises lifetime expected credit losses on all receivables. The calculation of expected credit losses is performed at the company level and is based on both historical loss experience and forward-looking information. When estimating expected credit losses for trade receivables, whether current or past due, the Group assesses all available information, including historical loss patterns and future expectations. This forms the basis for determining loss allowances on both an individual and collective basis.

The Group's maximum exposure to credit risk corresponds to the carrying amount of its financial assets, including derivatives, as presented in the balance sheet. As counterparties to derivative contracts and bank deposits are typically financial institutions, the associated credit risk is considered to be very low. In addition, the counterparty for pension assets is a Norwegian insurance company, and the related credit risk is regarded as minimal. The Group therefore considers its maximum credit risk exposure to be the carrying amounts of long-term receivables, trade receivables and other short-term receivables; see note v) for an overview of the amounts included in these categories.

#### ii) Interest rate risk

The Group is exposed to interest rate risk through placement and financing activities. As of December 31, 2025, the Group had a floating interest rate for most of its deposits, receivables and loans.

For the mortgage loan in Agora Bytom, 70 percent of the loan of MEUR 28,9 is secured at a fixed rate of 3.17 percent above the interest margin of 2.80 percent until maturity, December 31, 2028.

Year	Change in the interest rate level in percentage points	Effect on profit before tax (NOK 1 000)	Effect on equity (NOK 1 000)
2025	+/-1 % points	-/+ 654	-/+ 5 990
2024	+/-1 % points	-/+ 260	-/+ 8 496

All fixed interest contracts entered are accounted for as cash flow hedges. In the tables below these contracts are specified.

2025 Interest derivatives	Secured amount	Maturity remaining	Fair value	Change in value throughout the year
Agora Bytom Sp. z o.o. **	239 584	2,5 years	-6 984	2 978

2024 Interest derivatives	Secured amount	Maturity remaining	Fair value	Change in value throughout the year
Agora Bytom Sp. z o.o. **	242 741	3,5 years	-9 962	-15 907

\*\* 70 (70) percent of the loan linked to Agora Bytom is secured with an interest rate of 3.17 (3.17) percent + 2.80 (2.80) percent margin.

The derivatives above are contracts where floating interest has been exchanged for fixed interest. The interest derivatives above are accounted for as hedging instruments with a change in fair value recognised in other comprehensive income (OCI).

The interest derivative in Agora Bytom Sp. z o.o. is entered into in EUR and the secured amount amounts to MEUR 20.2 (20.6), which corresponds to 70 (70) percent of the company's mortgage loan.

Interest on loans measured at amortized cost	2025	2024
Bank loan	25 574	22 697
<b>Total</b>	<b>25 574</b>	<b>22 697</b>

### iii) Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its financial obligations as they fall due. The Board of Directors and Group management consider the Group's debt structure to be appropriate and its liquidity position to be sufficient.

The Group's strategy for managing liquidity risk is to maintain adequate cash resources at all times, ensuring the ability to meet financial obligations when they fall due, both under normal conditions and in periods of extraordinary circumstances.

Unused credit facilities are presented in Note 16.

The following table shows an overview of the maturity structure for the group's financial obligations, based on undiscounted contractual payments. In cases where the counterparty can demand earlier redemption, the amount is given in the earliest period in which payment can be required from the counterparty. If the obligation can be redeemed on request, these are included in the first column for which the obligation can be redeemed.

31.12.25	0-3 mth.	3-12 mth.	1-3 year	3 years or more	Total
Interest-bearing debt	15 012	45 035	339 417	-	399 464
Other non-current liabilities	124	10 425	6 984	-	17 533
Interest expenses	5 396	16 187	36 543	-	58 126
Lease liabilities	4 084	12 251	28 029	10 740	55 104
Trade payables	55 471	-	-	-	55 471
Other short-term liabilities	87 876	39 046	-	-	126 922
<b>Total</b>	<b>167 962</b>	<b>122 945</b>	<b>410 972</b>	<b>10 740</b>	<b>712 619</b>

31.12.24	0-3 mth.	3-12 mth.	1-3 year	3 years or more	Total
Interest-bearing debt	12 975	38 925	342 600	1 000	395 500
Other non-current liabilities	-	-	10 713	-	10 713
Interest expenses	6 068	16 491	58 066	41	80 666
Lease liabilities	4 563	13 689	28 139	5 859	52 251
Trade payables	68 489	-	-	-	68 489
Other short-term liabilities	95 837	27 411	-	-	123 248
<b>Total</b>	<b>187 932</b>	<b>96 516</b>	<b>439 518</b>	<b>6 900</b>	<b>730 866</b>

Note 18 contains more information about long-term loan.

### iv) Currency risk

The Group companies are exposed to currency risk due to production, buying and selling in several different countries and in different currencies. The most important currencies are NOK, SEK, PLN and EUR.

The Group's available liquid assets are held in NOK, EUR, PLN and SEK. The tables below show the sensitivity of the consolidated balance sheet to potential changes in the krone exchange rate for each EUR, PLN and SEK with all other ratios held constant.

Year:	Change in EUR exchange rate	Effect on profit before tax	Effect on equity
2025	+/- 1 %	+/- 808	+/- 157
2024	+/- 10 %	+/- 5 981	+/- 50 851

Year:	Change in PLN exchange rate	Effect on profit before tax	Effect on equity
2025	+/- 2 %	+/- 290	+/- 14
2024	+/- 10 %	+/- 2 282	+/- 573

Year:	Change in SEK exchange rate	Effect on profit before tax	Effect on equity
2025	+/- 4 %	+/- 99	+/- 8 905
2024	+/- 10 %	+/- 2 271	+/- 29 293

v) Classification of financial instruments

31.12.25	Derivatives that are hedging instruments	Shares at fair value through profit or loss	Loans and receivables at amortized cost and bank deposits	Financial liabilities measured at amortized cost
<b>Non-current financial assets</b>				
Other financial assets	-	-	16 274	-
Other shares	-	-	-	-
<b>Total non-current financial assets</b>				
Trade receivables	-	-	186 801	-
Other receivables	-	-	27 999	-
Cash and cash equivalents	-	-	152 576	-
<b>Total financial assets</b>	-	-	<b>383 650</b>	-
<b>Interest-bearing debt long term</b>				
Interest-bearing debt	-	-	-	339 416
Other non-current liabilities	17 533	-	-	-
Lease liability	-	-	-	30 475
<b>Interest-bearing debt short term</b>				
Interest-bearing debt	-	-	-	60 047
Lease liability	-	-	-	15 738
Trade payables	-	-	-	55 471
Public duties payable	-	-	-	29 038
Other short-term liabilities	-	-	-	90 733
<b>Total financial obligations</b>	<b>17 533</b>	-	-	<b>620 917</b>

31.12.24	Derivatives that are hedging instruments	Shares at fair value through profit or loss	Loans and receivables at amortized cost and bank deposits	Financial liabilities measured at amortized cost
<b>Non-current financial assets</b>				
Other financial assets	-	-	6 216	-
Other shares	-	32	-	-
<b>Total non-current financial assets</b>				
Trade receivables	-	-	139 214	-
Other receivables	-	-	11 185	-
Cash and cash equivalents	-	-	220 462	-
<b>Total financial assets</b>	-	<b>32</b>	<b>377 077</b>	-
<b>Interest-bearing debt long term</b>				
Interest-bearing debt	-	-	-	343 600
Other non-current liabilities	10 713	-	-	-
Lease liability	-	-	-	24 730
<b>Interest-bearing debt short term</b>				
Interest-bearing debt	-	-	-	51 900
Lease liability	-	-	-	16 986
Trade payables	-	-	-	68 489
Public duties payable	-	-	-	28 991
Other short-term liabilities	-	-	-	82 330
<b>Total financial obligations</b>	<b>10 713</b>	-	-	<b>617 025</b>

#### vi) Fair value of financial instrument

For financial assets without an observable market value, the Group estimates fair value based on available information, including transaction data, price indications and internal assessments of cash flows and value-adjusted equity. Key uncertainties relate to developments in earnings, changes in the risk profile of the investment and adjustments to the Group's required rate of return.

The following financial instruments are not measured at fair value: cash and cash equivalents, trade receivables, other short-term receivables, overdrafts, trade payables and long-term debt. The carrying amounts of these items approximate fair value due to their short maturities and ordinary market terms.

The Group has not entered into interest-bearing agreements that deviate significantly from normal market conditions.

### Fair value hierarchy

The Group classifies fair value measurements in accordance with the IFRS fair value hierarchy (levels 1–3). The Group has only a limited number of instruments measured at fair value, and there were no transfers between levels during the period.

Financial instruments measured at fair value (assets and liabilities)	31.12.25	Level 1	Level 2	Level 3
Hedging derivatives with changes in value through other comprehensive income	-6 984	-	-6 984	-
Equity instruments held for trading with a change in value through profit or loss	7	-	-	7
<b>Total</b>	<b>-6 977</b>	<b>-</b>	<b>-6 984</b>	<b>7</b>

Financial instruments measured at fair value (assets and liabilities)	31.12.24	Level 1	Level 2	Level 3
Hedging derivatives with changes in value through other comprehensive income	-9 962	-	-9 962	-
Equity instruments held for trading with a change in value through profit or loss	32	-	-	32
<b>Total</b>	<b>-9 930</b>	<b>0</b>	<b>-9 962</b>	<b>32</b>

Specification of changes in level 3	2025	2024
Balance sheet as of 01. January	32	169
Purchase, sale, issue and settlement	-50	25
Gains and losses recognised in the current profit and loss statement	25	-
Reclassifying	-	-162
<b>Total</b>	<b>7</b>	<b>32</b>

### vii) Capital management

Borgestad ASA primarily holds investments in property as well as long term shareholdings in affiliated and jointly controlled companies. As these investments are predominantly long term in nature, the Group aims to secure an appropriate capital structure by utilizing a combination of equity and long term debt financing.

The Group continuously seeks to adjust the development of its equity ratio according to short term and long term needs. The equity ratio is calculated as book equity in relation to total assets.

The equity ratio as of December 31, 2025, and 2024 was 54.7 percent and 55.3 percent respectively. See Note 18 for further information on interest-bearing debt.

Borgestad ASA aims to achieve the best possible share price through efficient and profitable management of the Group's resources. A competitive return must be achieved through value appreciation and the payment of dividends. The return must be competitive compared to other investment alternatives with the same risk. The dividend must be in relation to the company's results, equity needs and future prospects.

## Note 21 Climate risk

### Climate risk

The climate changes that the world is facing today are significant, and this entails risks, but also opportunities for companies. Climate risk refers to potential damage or negative impact on human and natural systems as a result of climate change. This can include physical risks, such as damage from extreme weather events, as well as transition risks related to the green shift, such as changes in political and regulatory framework conditions or market changes and economic losses due to the phasing out of fossil fuels in the transition to a low carbon economy.

Borgestad has so far carried out an overall assessment of its exposure to climate risk guided by the framework from the Task Force on Climate-related Financial Disclosure (TCFD).

Based on assessments performed to date, the Group has not identified any financial impacts from climate related risks that would affect significant accounting judgements, including inputs used in impairment testing.

## Note 22 Other current liabilities

Other current liabilities	2025	2024
Accrued costs	7 754	7 675
Advance from customers	1 037	3 366
Holiday pay and other debts to employees	50 651	51 553
Other current liabilities	31 292	19 736
<b>Total</b>	<b>90 734</b>	<b>82 330</b>

## Note 23 Contractual obligations

As of December 31, 2025, the Group has issued guarantees totalling TNOK 6,806 (14, 261). The guarantees include customs guarantees and performance guarantees related to both product deliveries and installation projects, and represent contingent obligations that only become payable if the underlying commitments are not fulfilled.

## Note 24 Contingent liabilities

### Other obligations

In July 2018, three Danish companies initiated a lawsuit against Borgestad ASA, Borgestad Properties AS and Agora Bytom Sp. z.o.o at Oslo district court. The Danish companies claimed to have claims against the defendants for payment of additional project administration related to the construction of the shopping center in Agora Bytom. In July 2019, the Court of Appeal rejected the case for procedural reasons with respect to one of the Danish companies (lack of legal interest) and Agora Bytom (court/arbitration clause). This decision is final.

In 2022, the claimants and Borgestad ASA entered into a settlement, whereby Borgestad ASA is obliged to pay MNOK 4 with addition of indexation (KPI) to the other parties in the event of a future sale and/or if Borgestad decreasing its direct or indirect influence, control and/or ownership to less than 50 percent of the Agora Bytom shopping center. The settlement also means that the other parties have waived any right to bring forward further claims arising from or connected to the Agora Bytom project against Borgestad ASA, Borgestad Properties AS, Agora Bytom Sp. z.o.o., as well as former or current board members and employees of the companies.

The Group has not made any provisions in the accounts as the claim is assessed as a contingent liability arising at the time of a potential sale of the Agora Bytom shopping centre.

## Note 25 Investment in subsidiaries

Transactions with subsidiaries are eliminated in the consolidated accounts and do not represent transactions with related parties.

The consolidated Group accounts include the accounts of Borgestad ASA with subsidiaries and related parties as summarized:

Subsidiary	Country of incorporation	Main operations	Ownership interest 2025	Ownership interest 2024
Borgestad Properties AS	Norway	Holding company	100.00 %	100.00 %
Agora Bytom Sp. z o.o.	Poland	Real estate company	100.00 %	100.00 %
GZMO Sp. z o.o.	Poland	Real estate company	100.00 %	100.00 %
Idea Property & Asset Management Sp. z o.o.	Poland	Property Management	100.00 %	100.00 %
Facility Service Sp. z o.o.	Poland	Property Management	100.00 %	100.00 %
Borgestad Industries AS	Norway	Holding company	100.00 %	100.00 %
Borgestad Industries AB	Sweden	Holding company	100.00 %	100.00 %
Höganäs Borgestad Holding AB	Sweden	Holding company	69.68 %	69.68 %
Höganäs Borgestad AS	Norway	Installation and supplier of refractory products	69.68 %	69.68 %
Norsk Ildfast Gjenvinning Drift AS	Norway	Supplier of refractory products	69.68 %	0.00 %
Höganäs Borgestad Production AB	Sweden	Supplier of refractory products	69.68 %	69.68 %
Höganäs Borgestad Eldfast Service AB	Sweden	Installation and supplier of refractory products	69.68 %	69.68 %
Höganäs Bjuf Fastighets AB	Sweden	Real estate company	69.68 %	69.68 %
Höganäs Borgestad Energi & Ugnsteknik AB	Sweden	Installation and supplier of refractory products	69.68 %	69.68 %
Emcotech AB	Sweden	Installation of flue gas cleaning systems	69.68 %	0.00 %
Höganäs Borgestad Oy	Finland	Installation and supplier of refractory products	69.68 %	69.68 %
Höganäs Bjuf Germany GmbH	Germany	Supplier of refractory products	0.00 %	69.68 %
Höganäs Bjuf Italia Srl	Italy	Supplier of refractory products	69.68 %	69.68 %
Höganäs Contracting Asia Pacific Sdn Bhd	Malaysia	Supplier of refractory products	69.68 %	69.68 %
Höganäs Bjuf Asia Pacific Sdn Bhd	Malaysia	Supplier of refractory products	69.68 %	69.68 %
Höganäs Bjuf Eastern Europe Sp.z o.o.	Poland	Supplier of refractory products	69.68 %	69.68 %

There are no differences between the number of shares and voting rights for the shareholders in Höganäs Borgestad Holding AB. Höganäs Borgestad Holding AB owns 100 percent of all the other companies within Höganäs Borgestad Group. The table above shows Borgestad ASA indirect or direct ownership interest for the companies.

## Note 26 Events after the balance sheet date

### Sale leaseback

In relation to the sale leaseback transaction with Bjuv Municipality described in note 11, Borgestad Group has been informed that an appeal against the Administrative Court of Appeal's decision has been filed within the extended deadline granted to the complainant. The matter will be handled by the Supreme Administrative Court, which will determine whether to admit the appeal for review.

### Dividend proposal

The Board of Directors has exercised the authorization granted by the Annual General Meeting in 2025 to distribute an ordinary dividend of NOK 0.50 per share for the fiscal year 2025. The dividend corresponds to TNOK 17,500 and was paid to the shareholders on March 6, 2026. The dividend was distributed as repayment of paid-in capital.

### War in Middle East

After the balance sheet date, the outbreak of war in the Middle East region has contributed to increased global uncertainty. For the Group, this development is not expected to be positive for overall performance due to the uncertainty it creates in the general business environment.

The direct financial impact is difficult to assess; however, potential indirect effects may include increased refractory raw material prices driven by higher energy costs.

The potential impact on Agora Bytom is assessed as limited, as fixed energy prices for 2026 were secured at the beginning of the year, before energy prices increased.

# Financial statements

Borgestad ASA

# Income statement

NOK 1 000	Note	2025	2024
<b>Operating income and operating expenses</b>			
Revenue	2	4 052	2 974
Other operating income	2	657	5 463
<b>Total revenue</b>		<b>4 709</b>	<b>8 438</b>
Salary and personnel expenses	2,3,4	9 376	9 127
Depreciation	5	180	242
Other operating expenses	6	9 961	9 287
Total operating expenses		19 516	18 656
<b>Operating profit</b>		<b>-14 808</b>	<b>-10 219</b>
Finance income	7,8,9	42 030	62 682
Finance cost	7,8,9	40 481	13 221
<b>Net financial income</b>		<b>1 549</b>	<b>49 462</b>
<b>Profit before taxes</b>		<b>-13 258</b>	<b>39 244</b>
Income tax	10	-	-
<b>Profit for the year</b>		<b>-13 258</b>	<b>39 244</b>
<i>Allocated as follows:</i>			
Proposed dividend	11	17 531	28 050
Transfer to other equity	11	-30 789	11 194

# Balance sheet

NOK 1 000	Note	31.12.2025	31.12.2024
<b>Assets</b>			
Property, plant and equipment	5	519	699
Shares in subsidiaries	8	348 134	386 810
Loan to group companies	9	205 120	192 238
Investments in associated companies and other shares	12	-	25
Loan to associated companies	9.12	-	4 259
<b>Total non-current assets</b>		<b>553 773</b>	<b>584 031</b>
Loan to associated companies	9.12	4 000	-
Trade and other receivables subsidiaries	9	26 758	28 203
Other receivables		503	1 229
Bank deposits	13	98 828	112 173
<b>Total current assets</b>		<b>130 089</b>	<b>141 606</b>
<b>Total assets</b>		<b>683 863</b>	<b>725 637</b>

NOK 1 000	Note	31.12.2025	31.12.2024
<b>Equity and liabilities</b>			
Share capital	11	35 062	35 062
Share premium reserve	11	211 759	211 759
Other paid-in equity	11	384 340	429 921
<b>Total paid-in capital</b>		<b>631 161</b>	<b>676 741</b>
Other equity	11	24 771	10 872
<b>Total equity</b>	<b>11</b>	<b>655 931</b>	<b>687 614</b>
<b>Pension liabilities</b>	<b>4</b>	<b>5 794</b>	<b>5 645</b>
Other provisions		124	751
Total long-term liabilities		5 918	6 396
<b>Trade creditors</b>	<b>9</b>	<b>1 304</b>	<b>1 059</b>
Accrued public taxes		758	831
Other short-term liabilities	9	19 951	29 737
Total current liabilities		22 013	31 627
<b>Total equity and liabilities</b>		<b>683 862</b>	<b>725 637</b>

Lysaker, April 29, 2026

**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.*

# Cash flow statement

NOK 1 000	Note	2025	2024
Profit before income taxes		-13 258	39 244
Net sales loss/(gain) and write-downs	5.7	39 011	2 335
Depreciation	5	180	242
Accrued interest, not paid	9	-6 418	-13 946
Change in receivables and liabilities subsidiaries	9	-31 755	-58 080
Change in receivables and liabilities		-509	46
<b>Cash flow from operating activities</b>		<b>-12 750</b>	<b>-30 160</b>
Proceeds from sale of other investments	5	-	5 939
Proceeds from sale of fixed assets	12	626	5 250
Proceeds from investment in shares	12	65	-25
<b>Cash flow investment activities</b>		<b>691</b>	<b>11 164</b>
Proceeds from borrowings subsidiary		26 763	-
Dividend paid to shareholders		-28 050	-
<b>Cash flow from financial activities</b>		<b>-1 287</b>	<b>0</b>
Net cash flow this year		-13 346	-18 996
<b>Cash position January 1.</b>		<b>112 173</b>	<b>131 168</b>
<b>Liquidity December 31.</b>	<b>13</b>	<b>98 828</b>	<b>112 173</b>

# Notes to the financial statements

## Note 1 Accounting principles

The financial statements are prepared and presented in Norwegian kroner (NOK). The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway as of December 31, 2025.

### Sales

Rental income is recognised on a straight-line basis over the lease period. Gains on the sale of fixed assets are recognised as income at the time of sale. Interest income is recognised when it has been earned, while dividends are recognised as income when approved by the general meeting. However, dividends and Group contributions from subsidiaries are recognised as income in the same year as provisions are made in the subsidiary.

Realised gains and losses on the sale of securities are recognised in the income statement when electronic trading has been carried out or a bilateral agreement has been entered into with the buyer. Gains/losses are included among financial income and expenses.

### The use of estimates

Preparation of the annual accounts in accordance with generally accepted accounting principles requires management to make judgments, estimates and assumptions that affect the application of accounting principles, as well as the reported amounts of assets and liabilities, income and expenses. The estimates and underlying assumptions are reviewed and assessed on an ongoing basis and are based on historical experience and various other factors considered to be reasonable. Changes to the accounting estimates are recognised in the profit and loss account in the same period as the one in which the estimates are revised, unless deferred allocations are prescribed by generally accepted accounting principles.

### Property, plant and equipment

Property, plant and equipment is capitalized and depreciated over the estimated useful economic life. Direct maintenance costs are expensed as incurred, whereas improvements and upgrading are assigned to the acquisition cost and depreciated along with the asset. If carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value.

### Subsidiaries, investments in associate and other shares

Subsidiaries, investments in associate and other shares are valued by the cost method in the company accounts. The investment is valued as cost of acquiring shares in the subsidiary, providing that write down is not required. Write down to fair value will be carried out if the reduction in value is caused by circumstances which may not be regarded as incidental and deemed necessary by generally accepted accounting principles. Write downs are reversed when the cause of the initial write down are no longer present.

Dividends and other distributions are recognized in the same year as appropriated in the subsidiary accounts. If dividends exceed withheld profits after acquisition, the exceeding amount represents reimbursement of invested capital, and the distribution will be subtracted from the value of the acquisition in the balance sheet.

## Foreign currency

Operating income and expenses, as well as lending, are mainly in NOK, EUR and PLN. Transactions in foreign currencies are translated into NOK using the exchange rates applicable at the time of each transaction. Monetary items in foreign currencies are translated into NOK using the exchange rates applicable on the balance sheet date. Non-monetary items that are measured at fair value in a foreign currency are translated into NOK using the exchange rates applicable on the date of measurement. Valuation changes due to exchange rate fluctuations are recorded on a continuous basis under other financial items.

## Receivables

Trade receivables and other receivables are recorded at par value after the subtraction of a provision for expected losses. Provisions are made for losses based on individual assessments of each receivable.

## Loan

Bond issues are accounted for at amortized cost using the effective interest rate method. Unamortised transaction costs are recognised against the loan account on the balance sheet and amortisation costs are reflected in the income statement as interest expenses.

## Pensions

### Defined benefit plans

A defined-benefit pension agreement defines the employees' entitlement to agreed future pension benefits that normally depend on factors such as age, number of years employed and salary terms.

Defined-benefit pension plans are assessed at the present value of future pension benefits that are considered to have been earned on the balance sheet date for accounting purposes. Pension funds are valued at fair value. The pension obligation is calculated annually by independent actuaries based on a linear earning method. The present value of a pension obligation under a defined benefit pension plan is calculated by discounting the future payments based on the market's effective interest rate on the balance sheet date.

Changes in the liability due to changes in and deviations in the calculation assumptions are recognised directly in equity.

### Defined contribution plans

The company also has a defined-contribution pension plan as a collective occupational pension. The pension cost is allocated to profit and loss, and there are no obligations for the company beyond the annual payment.

## Classification and assessment of balance sheet items

Current assets and current liabilities comprise items that fall due within one year after the balance sheet date. Other items are classified as non-current assets/non-current liabilities.

Current assets are valued at the lower of acquisition cost or fair value. Current debt is recognised at its nominal value at the time it was recorded. Non-current assets are valued at acquisition cost but written down to fair value whenever impairment is deemed non-transient. Non-current debt is recognised at nominal value. Fixed interest rate bonds are accounted for at amortised cost.

## Tax

The tax expense in the income statement includes both the tax payable for the period and changes in deferred tax. Deferred tax is calculated at a nominal value rate based on the temporary differences that exist between accounting and tax values, and tax losses carried forward at the end of the accounting year. Tax increasing and tax decreasing temporary differences that reverse or can be reversed in the same period are offset. Net deferred tax assets are recognised to the extent that it is probable that they can be utilised.

Tax payable and deferred tax are recognised directly against equity to the extent that the tax items relate to items recognised directly to equity.

## Cash flow statement

The cash flow statement is prepared according to the indirect method. Cash and cash equivalents consist of cash, bank deposits and other current, liquid investments.

All figures in the notes to Borgestad ASA's company accounts are presented in NOK thousands unless otherwise stated.

## Note 2 Revenue and other income

By business area	2025	2024
Rental income	133	24
Services	3 950	2 950
Gain from disposal of fixed tangible assets	626	5 463
<b>Total</b>	<b>4 709</b>	<b>8 438</b>

Geographical distribution	2025	2024
Norway	759	5 488
Sweden	3 950	2 950
<b>Total</b>	<b>4 709</b>	<b>8 438</b>

In 2024, Borgestad ASA sold its former head office property in Skien, realizing a profit of NOK 5.5 million. The property was sold to Gunnar Knudsens veg 144 AS, a company in which Borgestad ASA simultaneously acquired a 10% ownership stake.

In 2025, Borgestad ASA divested its remaining 10% shareholding in Gunnar Knudsens veg 144 AS, thereby completing its exit from the investment.

Borgestad ASA has received TNOK 54 in 2024 in grants from the compensation scheme for electricity support for businesses classified as a reduction in electricity costs.

## Note 3 Salary and personnel expense and management remuneration

Compensation of employees	2025	2024
Salaries including board fees	7 707	7 519
Social security costs	1 267	1 245
Pension costs	277	197
Other personnel costs	124	167
<b>Total salaries and personnel expense</b>	<b>9 376</b>	<b>9 127</b>
The number of man-years that has been employed during the financial year:	3	3

External audit remuneration	2025	2024
Statutory audit	1 476	1 674
Other assurance services	32	120
Tax consultant services	-	-
Other non-audit services	-	-
<b>Total</b>	<b>1 508</b>	<b>1 794</b>

## Note 4 Pension

The company is obliged to have a pension plan pursuant to the Mandatory Occupational Pension Act in Norway. The company's pension plans satisfy the legal requirements. The company has a defined contribution pension plan that includes full-time employees, a total of three persons as of December 31, 2025. The contribution is between 5 and 8 percent of the basic salary.

In addition, the company has an unsecured defined benefit pension plan for 2 persons. The pension plan was closed for new employees at the transition date.

Total pension expense recognised in profit and loss	2025	2024
Pension expense recognised from defined benefit plans	-	-
Interest expenses	171	206
<b>Estimated pension cost/income for defined benefit plans</b>	<b>171</b>	<b>206</b>
Contributions to defined contribution plans	325	268
Contributions AFP	67	40
<b>Total pension expense recognised in profit and loss</b>	<b>564</b>	<b>514</b>
<b>Unsecured pension</b>		
<b>Number of people in the agreement at the end of the year</b>		
Number of active	-	-
Number of retired	2	2
<b>Gross pension obligation including social security tax</b>	<b>5 794</b>	<b>5 645</b>
<b>Estimate variance</b>		
Encountered estimate deviations on pension liabilities unsecured schemes (negative sign is losses)	-893	-321
<b>Total estimate deviations recognised directly to equity</b>	<b>-893</b>	<b>-321</b>
The year's pension costs are calculated as follows:		
Social security tax	14.1 %	14.1 %
Average turnover	0.0 %	0.0 %
<b>Pension liabilities and pension assets:</b>		
Discount rate	4.00 %	3.30 %
Wage growth in %	4.00 %	3.50 %
G-regulation	3.75 %	3.25 %
Pension adjustments in %	4.70 %	1.90 %
Expected return	4.00 %	3.30 %

## Note 5 Property, plant and equipment

	Car
<b>Accumulated cost as at 1 January</b>	<b>898</b>
Additions	-
Disposals	-
<b>Accumulated cost as at 31 January</b>	<b>898</b>
Accumulated depreciation 01.01	199
Depreciation	180
Disposals	-
Accumulated depreciation 31.12	379
<b>Carrying value</b>	<b>519</b>
Economic life	5 years
Depreciation method	Linear

Borgestad ASA lease office spaces at a cost of TNOK 366. The lease expires May 31, 2026.

## Note 6 Other operating expenses

Other operating expenses	2025	2024
Audit fees, financial and legal assistance	7 224	7 013
Operation and maintenance	1 750	1 525
Travel expenses and associated costs	397	371
Rent office space	366	96
Lease of fixed assets	-	70
Other	223	212
<b>Total</b>	<b>9 961</b>	<b>9 287</b>

## Note 7 Financial income and financial cost

Finance income and finance cost	2025	2024
Interest income from investments in subsidiaries	26 758	29 991
Interest income from group companies	7 448	13 946
Interest income	5 201	5 750
Foreign currency gains	2 584	8 898
Gain on disposal of other shares	40	4 097
<b>Financial income</b>	<b>42 030</b>	<b>62 682</b>
Foreign currency loss	-76	-12
Write down on financial asset	-39 754	-12 042
Other financial cost	-650	-1 167
<b>Financial cost</b>	<b>-40 481</b>	<b>-13 221</b>
<b>Net other financial income/(-) cost</b>	<b>1 549</b>	<b>49 462</b>

## Note 8 Subsidiaries

Direct ownership	Investment year	Location, city	Ownership in %	Equity as at 31 Dec. 2025	Profit/(loss) for the year	Book value 31.12.25	Book value 31.12.24
Borgestad Properties AS	1998	Skien, Norway	100 %	197 070	-17 805	197 070	235 746
Borgestad Industries AS	2013	Skien, Norway	100 %	170 019	-643	151 064	151 064
<b>Total</b>						<b>348 134</b>	<b>386 810</b>

Specification of reversals/write-downs of financial assets	2025	2024
Reversal/(-) write-down of shares in subsidiaries	-38 677	-11 895

In 2025, Borgestad ASA has received a Group contribution from Borgestad Properties AS of MNOK 26.76.

Direct and indirect ownership	Country of incorporation	Main operations	Ownership interest	
			2025	2024
Borgestad Properties AS	Norway	Holding company	100.00 %	100.00 %
Agora Bytom Sp. z o.o.	Poland	Real estate company	100.00 %	100.00 %
GZMO Sp. z o.o.	Poland	Real estate company	100.00 %	100.00 %
Idea Property & Asset Management Sp. z o.o.	Poland	Property Management	100.00 %	100.00 %
Facility Service Sp. z o.o.	Poland	Property Management	100.00 %	100.00 %
Borgestad Industries AS	Norway	Holding company	100.00 %	100.00 %
Borgestad Industries AB	Sweden	Holding company	100.00 %	100.00 %
Höganäs Borgestad Holding AB	Sweden	Holding company	69.68 %	69.68 %
Höganäs Borgestad AS	Norway	Installation and supplier of refractory products	69.68 %	69.68 %
Norsk Ildfast Gjenvinning Drift AS	Norway	Supplier of refractory products	69.68 %	0.00 %

Direct and indirect ownership	Country of incorporation	Main operations	Ownership interest	
			2025	2024
Höganäs Borgestad Production AB	Sweden	Supplier of refractory products	69.68 %	69.68 %
Höganäs Borgestad Eldfast Service AB	Sweden	Installation and supplier of refractory products	69.68 %	69.68 %
Höganäs Bjuf Fastighets AB	Sweden	Real estate company	69.68 %	69.68 %
Höganäs Borgestad Energi & Ugnsteknik AB	Sweden	Installation and supplier of refractory products	69.68 %	69.68 %
Emcotech AB	Sweden	Installation of flue gas cleaning systems	69.68 %	0.00 %
Höganäs Borgestad Oy	Finland	Installation and supplier of refractory products	69.68 %	69.68 %
Höganäs Bjuf Germany GmbH	Germany	Supplier of refractory products	0.00 %	69.68 %
Höganäs Bjuf Italia Srl	Italy	Supplier of refractory products	69.68 %	69.68 %
Höganäs Contracting Asia Pacific Sdn Bhd	Malaysia	Supplier of refractory products	69.68 %	69.68 %
Höganäs Bjuf Asia Pacific Sdn Bhd	Malaysia	Supplier of refractory products	69.68 %	69.68 %
Höganäs Bjuf Eastern Europe Sp.z o.o.	Poland	Supplier of refractory products	69.68 %	69.68 %

## Note 9 Outstanding balances related parties

Company	Current receivables		Long-term receivables		Long-term and short-term debt	
	2025	2024	2025	2024	2025	2024
Agora Bytom Sp. z o.o.	-	-	154 965	147 713	-	-
Borgestad Industries AS	-	-	10 190	9 550	-	-
Borgestad Industries AB	-	-	-	25 733	-	-
Gunnar Knudsens veg 144 AS	4 000	-	-	4 259	-	-
Höganäs Borgestad Holding AB	-	158	-	-	-	-
Höganäs Bjuf Fastighets AB	-	-	-	-	-	-
Höganäs Borgestad AB	-	-	-	-	-38	-10
Borgestad Properties AS	26 758	28 045	39 966	9 241	-	-
<b>Total</b>	<b>30 758</b>	<b>28 203</b>	<b>205 120</b>	<b>196 497</b>	<b>-38</b>	<b>-10</b>

Receivables from Idea Property & Asset Management Sp. z o.o. have been written down by TNOK 1 616 to a carrying amount of TNOK 0.

Long term receivables generally fall due more than one year after the balance sheet date.

The long term receivable related to Agora Bytom Sp. z o.o. is a loan denominated in PLN. Changes in the NOK value reflect exchange rate fluctuations only and not changes in the underlying principal.

Intercompany current accounts are calculated monthly with an interest rate ranging from 5.00% to 6.75%.

Interest income from Group companies amounted to TNOK 7,448 in 2025, compared with TNOK 13 946 in 2024.

## Note 10 Tax

Tax expense and deferred tax	2025	2024
Profit before tax	-13 258	39 244
Permanent differences	-889	-303
Consolidated contribution recognised in the income statement	-26 758	-29 991
Other permanent differences	39 651	7 849
Change in temporary differences	-1 812	-14 053
<b>General income</b>	<b>-3 066</b>	<b>2 746</b>
Contribution recognised in the income statement	26 758	28 045
Use of tax losses carried forward	-23 692	-30 791
<b>Tax base</b>	<b>-</b>	<b>-</b>

### Overview of temporary differences:

Fixed asset differences	58	115
Long-term receivables and liabilities in foreign currency	44 457	41 875
Receivables	-772	-709
Profit and loss account	4 510	5 637
Other provisions	-124	-751
Unsecured pension liabilities/funds	-5 794	-5 645
<b>Total temporary differences</b>	<b>42 335</b>	<b>40 523</b>

Tax expense and deferred tax	2025	2024
Tax losses carried forward	-149 824	-173 516
Write-down deferred tax assets	107 750	132 993
<b>Total deferred tax basis</b>	<b>-</b>	<b>-</b>
Net deferred tax 22%	-	-

### Reconciliation of effective tax rate in the profit and loss account

Profit before tax	-13 258	39 244
22% tax on profit before tax	-2 917	8 634
22% tax on permanent differences	8 528	1 232
Change in unrecognised deferred tax asset	-5 554	-9 866
<b>Tax expense</b>	<b>-</b>	<b>-</b>
Effective tax rate (tax expense compared with profit / loss before tax)	0.0 %	0.0 %

### Capitalised deferred tax asset

Deferred tax assets are calculated based on temporary differences that are expected to reverse in the foreseeable future. When recording deferred tax assets on the balance sheet, the company has assessed whether it is likely that the company can benefit from the estimated deferred tax benefit through future earnings.

When it is not probable that the estimated tax advantage can be utilised against future earnings, a limitation has been made in the capitalisation of the deferred tax advantage. Unrecognised deferred tax asset Deferred tax assets are calculated based on temporary differences that are expected to reverse in the foreseeable future. When recognizing deferred tax assets on the balance sheet, the company has assessed whether it is probable that the deferred tax benefit can be utilized through future taxable profits.

Where it is not considered probable that the estimated tax benefit can be realized against future earnings, the capitalization of deferred tax assets has been reduced accordingly. Unrecognised deferred tax assets amounted to TNOK 23 648 as of December 31, 2025.

## Note 11 Equity and shareholders

	Share capital	Share premium reserve	Other paid-in capital	Other equity	Total equity
<b>Equity as at 01.01 2025</b>	<b>35 062</b>	<b>211 759</b>	<b>429 921</b>	<b>10 872</b>	<b>687 614</b>
Estimate change pension obligation	-	-	-	-893	-893
Declared dividend provided as a return of paid-in capital	-	-	-28 050	28 050	-
Proposed dividends	-	-	-17 531	-	-17 531
Profit for the year	-	-	-	-13 258	-13 258
<b>Equity as at 31.12 2025</b>	<b>35 062</b>	<b>211 759</b>	<b>384 340</b>	<b>24 770</b>	<b>655 931</b>

The company's share capital on December 31, 2025, is NOK 35 062 072 divided into 35 062 072 shares with a nominal value of NOK 1 per share. All shares have equal voting rights.

The Board of Directors will propose to the Annual General Meeting an ordinary dividend of NOK 0.5 per share for 2025. The dividend amounts to MNOK 17.5.

Shares owned or controlled by the company's management, the board of directors and their related parties:	Number of shares	Percent
Jan Erik Sivertsen <sup>1)</sup> board member	10 462 736	29.84 %
Helene Steen <sup>2)</sup> board member	5 750 000	16.40 %
Glen Ole Rødland <sup>3)</sup> Chairman of the board	1 707 759	4.87 %
Jacob Møller <sup>4)</sup> board member	1 217 994	3.47 %
Pål Feen Larsen, CEO	158 786	0.45 %
Wenche Kjøllås <sup>5)</sup> board member	100 000	0.29 %
<b>Total</b>	<b>19 397 275</b>	<b>55.32 %</b>

1) Applies to the company Kontrari AS, where Jan Erik Sivertsen is general manager

2) Applies to the company SES AS, where Helene Steen is principal/CFO

3) Applies to the company Gross Management AS, where Glen Ole Rødland and close relatives controls 100 % of the shares

4) Applies to the companies Ploot Invest AS and Dione AS, both controlled by Jacob Møller

5) Applies to the company Jawendel AS, where Wenche Kjøllås and close relatives controls 100 % of the shares

The 20 main shareholders at 31.12.25 are:

Shareholder	Number of shares	Ownership interest:
Kontrari AS	10 462 736	29.84 %
SES AS	5 750 000	16.40 %
Auris AS	1 968 727	5.61 %
Intertrade Shipping AS	1 750 000	4.99 %
Gross Management AS	1 707 759	4.87 %
Jakob Hatteland Holding AS	1 270 522	3.62 %
Dione AS	1 097 137	3.13 %
Regent AS	828 487	2.36 %
Suveren AS	637 808	1.82 %
Lars Aage Haaland Christiansen	626 437	1.79 %
North Sea Group AS	507 204	1.45 %
Tohatt AS	400 000	1.14 %
Hausta Investor AS	391 018	1.12 %
Joar Gudmund Bratrud	334 467	0.95 %
Aubert Invest AS	285 510	0.81 %
Andreas Torhus	255 000	0.73 %
Babaco Invest AS	250 000	0.71 %
Ar Vekst AS	247 963	0.71 %
LGT Bank Ag	227 401	0.65 %
Batjak AS	222 503	0.63 %
<b>Total</b>	<b>29 220 679</b>	<b>83.34 %</b>
Other shareholders	5 841 393	16.66 %
<b>Total</b>	<b>35 062 072</b>	<b>100.00 %</b>

## Note 12 Other shares

	Total share capital	Number of shares	Investment value	Book value 31.12
ERH AS	3 290	1 021 345	27 573	-
QNTM Ecom SW AB		746 800	1 306	-
Impact Technology System AS	922	1 670	349	-
<b>Total</b>			<b>29 228</b>	-

In 2025, the remaining 10 % of the shares in Gunnar Knudsens veg 144 AS were sold for TNOK 50. The loan to Gunnar Knudsen Veg 144 AS is paid in 2026.

## Note 13 Cash

Cash and cash equivalents	2025	2024
Unrestricted cash	98 371	111 650
Restricted cash	457	523
<b>Total cash</b>	<b>98 828</b>	<b>112 173</b>

## Note 14 Contingent liabilities

Borgestad ASA has provided a guarantee of MEUR 5 in connection with the property loan issued by Bank Pekao in Poland to Agora Bytom Sp. z o.o.

Apart from the guarantee issued to Bank Pekao, the company is not aware of any major disputes or contingent liabilities as of December 31, 2025.

## Note 15 Financial instruments - Financial risk and management objectives and policies

The Company's principal financial assets include shares in subsidiaries, loan to Group companies and cash. The Group is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks.

### Market risk

Market risk is the risk that the future cash flows or fair value of a financial instrument will fluctuate because of changes in market prices. Market risk includes interest risk and currency risk. Financial instruments affected by market risk include loans and borrowings, deposits and debt.

#### i) Foreign currency risk

Foreign currency risk is the risk that the future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is exposed to changes in the value of NOK relative to other currencies, primarily to the subsidiary's operating activities. The Company's subsidiaries have operations that are partly currency exposed. Indirectly Borgestad are currency exposed to EUR and PLN through receivables and investments in Borgestad Properties AS, which in turn has receivables and investment in Agora Bytom Sp. z.o.o.

#### ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to fulfil its financial obligation as they fall due. The Groups approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

#### iii) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions and account receivables.

The largest individual debtors are the subsidiary Agora Bytom Sp. z o.o with TNOK 154 965, the largest debtor in Borgestad Properties AS is also Agora Bytom Sp. z o.o. Maximum risk exposure is represented by the carrying value of the financial assets, including any derivatives, on the balance sheet. As counterparties in derivatives trading and deposits in banks are normally banks, the credit risk associated with these items is very low.

## Note 16 Events after the balance sheet date

### Dividend proposal

The Board of Directors will propose to the Annual General Meeting an ordinary dividend of NOK 0.5 per share for 2025. The dividend amounts to TNOK 17 500.

### Geopolitical risk

As further described in Note 26 to the consolidated financial statements, ongoing geopolitical conflicts, including the war in the Middle East, may contribute to increased global economic uncertainty. As of the reporting date, the Group has not identified any direct material impact on its operations or financial position. The situation is subject to ongoing monitoring.

# 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 in order to be able to provide supplementary information by excluding items which, 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 it is Borgestad's experience that these are often used by analysts, investors, and other actors. Borgestad uses the same performance targets internally in the work to further improve results and profitability in the business by setting long-term financial targets.

Borgestad's alternative performance measures are defined based on adjusted IFRS concepts and are defined, calculated, and used in a consistent and transparent manner over time where it is relevant in all business areas and in the Group as a whole. Financial alternative performance measures must not be considered a substitute for reported results in accordance with IFRS.

All figures are presented in NOK thousands, unless otherwise stated.

## Description

<b>EBITDA</b>	EBIT + depreciation, amortization and write-downs.
<b>Return on equity</b>	Profit before tax expense, minus payable tax, minus unrealized premium, as a percentage of average equity.
<b>Return on total capital</b>	Profit before tax plus interest costs as a percentage of average total capital.
<b>Liquidity ratio</b>	Current assets as a percentage of short-term debt.
<b>Equity share</b>	Booked equity including minority interests as a percentage of total capital.
<b>Bank deposits and securities</b>	Bank and short-term financial investments.
<b>Interest-bearing debt (IBD)</b>	Long-term and short-term loans, including financial leasing obligations.
<b>Net interest-bearing debt (NIBD)</b>	IBD minus Cash.
<b>Profit per share</b>	Net profit divided by the average number of shares.

## Reason for including

### EBITDA

Shows performance regardless of capital structure, tax situation and adjusted for income and expenses related transactions and events not considered by management to be part of operating activities. Management believes the measure enables an evaluation of operating performance. EBITDA is part of Borgestad's financial covenants.

### Adjusted figures

To be able to compare the EBITDA of different reporting periods, significant non-recurring items not directly related to operating activities, are included in Other income and expenses.

### EBITDA

	2025	2024	2023	2022
Operating income/(loss)	52 606	104 336	5 601	-70 848
Impairment of non-current assets	14 857	-	90 126	91 343
Depreciation	39 827	34 733	31 750	31 799
<b>EBITDA</b>	<b>107 290</b>	<b>139 069</b>	<b>127 478</b>	<b>52 293</b>

#### 1) Adjusted EBIT group 2025

	2025	2024
<b>EBIT</b>	<b>52 606</b>	<b>104 336</b>
Gain on sale of asset	-	-5 463
Accrued cost for lay-off compensations	11 942	-
Write down ERP system and goodwill	14 857	-
<b>EBIT adjusted</b>	<b>79 405</b>	<b>104 336</b>
Financial items	-28 733	-22 051
<b>Adjusted profit before tax</b>	<b>50 672</b>	<b>82 285</b>

#### 2) Adjusted EBITDA group 2025

	2025	2024
<b>EBITDA</b>	<b>107 290</b>	<b>139 069</b>
Gain on sale of asset	-	-5 463
Accrued cost for lay-off compensations	11 942	-
<b>EBITDA adjusted</b>	<b>119 232</b>	<b>133 606</b>

## Reason for including

Equity ratio is an important measure in describing the capital structure.

Equity ratio	2025	2024	2023	2022	2021
Total equity	802 909	809 032	755 842	507 873	339 297
Total capital	1 466 851	1 462 799	1 406 378	1 466 558	1 431 627
<b>Equity ratio in %</b>	<b>54.7 %</b>	<b>55.3 %</b>	<b>53.7 %</b>	<b>34.6 %</b>	<b>23.7 %</b>

Return on equity	2025	2024	2023	2022	2021
Total equity	802 909	809 032	755 842	507 873	339 297
Average equity	805 971	782 437	631 857	423 585	361 527
Profit before taxes	23 873	82 285	-37 283	-124 320	-39 975
Foreign currency gain/(-) loss	-342	1 386	6 362	-6 839	-2 142
<b>Return on equity in %</b>	<b>2.9 %</b>	<b>10.7 %</b>	<b>-4.9 %</b>	<b>-31.0 %</b>	<b>-11.6 %</b>

Return on total capital	2025	2024	2023	2022	2021
Total capital	1 466 851	1 462 799	1 406 378	1 466 558	1 431 627
Average capital	1 464 825	1 434 588	1 436 468	1 449 093	1 482 890
Profit before taxes	23 873	82 285	-37 283	-124 320	-39 975
Interest expenses	30 452	27 403	51 910	47 429	52 664
<b>Return on total capital in %</b>	<b>3.7 %</b>	<b>7.6 %</b>	<b>1.0 %</b>	<b>-5.3 %</b>	<b>0.9 %</b>

Liquidity ratio	2025	2024	2023	2022	2021
Current assets	477 439	497 115	463 752	455 432	357 058
Current liabilities	270 012	260 623	272 984	344 718	552 739
<b>Liquidity ratio in %</b>	<b>177 %</b>	<b>191 %</b>	<b>170 %</b>	<b>132 %</b>	<b>65 %</b>

## Reason for including

Net interest-bearing debt provides an indicator of the net indebtedness and an indicator of the overall strength of the statement of financial position. Net interest-bearing debt is part of Borgestad's financial covenants (leverage ratio) and is important in understanding the capital structure.

IBD (Interest-bearing debt)	2025	2024	2023	2022	2021
Other non-current liabilities	-	-	-	76 031	79 296
Mortgage debt	399 463	395 500	395 785	510 791	523 047
Bond loan	-	-	-	96 581	264 885
Lease liability	46 213	41 716	40 093	37 877	32 372
Bank overdraft	11 835	-	24 098	58 537	-
<b>Total interest-bearing debt</b>	<b>457 510</b>	<b>437 216</b>	<b>459 976</b>	<b>779 816</b>	<b>899 599</b>

NIBD (Net Interest-bearing debt)	2025	2024	2023	2022	2021
IBD (Interest-bearing debt)	457 510	437 216	459 976	779 816	899 599
Cash	152 576	220 462	152 688	91 059	48 337
<b>Total</b>	<b>304 934</b>	<b>216 754</b>	<b>307 289</b>	<b>688 757</b>	<b>851 262</b>

NIBD/EBITDA	2025	2024	2023	2022	2021
NIBD (Net Interest-bearing debt)	304 934	216 754	307 289	688 757	851 262
EBITDA	107 290	139 069	127 478	52 293	76 625
<b>NIBD/EBITDA</b>	<b>2.8</b>	<b>1.6</b>	<b>2.4</b>	<b>13.2</b>	<b>11.1</b>

Profit per share	2025	2024	2023	2022	2021
Controlling interest's share of the profit	15 310	45 229	-78 281	-124 805	-24 077
Average no of shares	35 062	35 062	339 983	112 144	12 717
<b>Profit per share in %</b>	<b>0.44</b>	<b>1.29</b>	<b>-0.23</b>	<b>-1.11</b>	<b>-1.89</b>

Cash per share	2025	2024	2023	2022	2021
Cash	152 576	220 462	152 688	91 059	48 337
Average no of shares	35 062	35 062	339 983	112 144	12 717
<b>Cash per share in %</b>	<b>4.35</b>	<b>6.29</b>	<b>0.45</b>	<b>0.81</b>	<b>3.80</b>

Working capital	2025	2024	2023	2022	2021
Current assets	477 439	497 115	463 752	455 432	357 058
Current liabilities	270 012	260 623	272 984	344 718	552 739
<b>Working capital</b>	<b>207 427</b>	<b>236 492</b>	<b>190 767</b>	<b>110 714</b>	<b>-195 681</b>

Available liquidity at end of period	2025	2024	2023	2022	2021
Drawn on the overdraft facility	-11 835	-	-24 098	-58 537	-
Overdraft facility 80 MSEK	87 552	72 051	70 910	66 172	68 215
Restricted deposits tax	-3 808	-4 692	-2 174	-2 679	-3 197
Restricted deposits 1 MEUR	-11 843	-11 795	-11 241	-10 514	-9 989
Cash	152 576	220 462	152 688	91 059	48 337
<b>Available liquidity at end of period</b>	<b>212 642</b>	<b>276 026</b>	<b>186 086</b>	<b>85 501</b>	<b>103 366</b>

# Sustainability

Disclosure requirement for VSME	Description	Page number
<b>GENERAL INFORMATION</b>		
B1	Basis for preparation	18-19, 38
B2 / C2	Practices, policies and future initiatives for transitioning towards a more sustainable economy	24-25, 28, 29, 30-31, 32-33, 35-36
C1	Strategy: Business model and sustainability related initiatives	20
<b>ENVIRONMENTAL METRICS</b>		
B3	Energy and greenhouse gas emissions	
B4	Pollution of air, water and soil	Not material
B5	Biodiversity	
B6	Water	Not material
B7	Resource use, circular economy and waste management	
C3	GHG reduction targets and climate transition	
C4	Climate risks	
<b>SOCIAL METRICS</b>		
B8	Workforce – general characteristics	
B9	Workforce – health and safety	
B10	Workforce – remuneration, collective bargaining and training	
C5	Additional (general) workforce characteristics	
C6	Additional own workforce information on human rights policies and processes	
C7	Severe negative human rights incidents	
<b>GOVERNANCE METRICS</b>		
B11	Convictions and fines for corruption and bribery	36
C8	Revenues from certain sectors and exclusion from EU reference benchmarks	25
C9	Gender diversity ratio in the governance body	19

## List of subsidiaries included in the consolidated reporting

	Legal form	NACE code	Balance sheet (EUR)	Turnover (EUR)	Employees (headcount)
Agora Bytom	Private limited liability undertaking	68	63 046	7 181	20
Höganäs Borgestad AS	Private limited liability undertaking	33	8 626	27 457	159
Höganäs Borgestad Holding AB	Private limited liability undertaking	82	37 234	0	4
Höganäs Borgestad Production AB	Private limited liability undertaking	70	16 305	27 801	70
Höganäs Borgestad OY	Private limited liability undertaking	33	5 260	17 215	67
Höganäs Borgestad Energi & Ugnsteknik AB	Private limited liability undertaking	33	1 068	7 399	65
Höganäs Borgestad Eldfast Service AB	Private limited liability undertaking	33	4 931	23 725	216
Emcotech AB	Private limited liability undertaking	33	1 532	1 522	4
Höganäs Bjuf Fastighet AB	Private limited liability undertaking	68	1 180	115	

## Sites owned, leased or operated by Borgestad Group

Sites	Sites	Address	Postal Code	City	Country	Coordinates
Borgestad ASA	Office	Fornebuveien 1	1366	Lysaker	Norway	59.91112, 10.63274
Höganäs Borgestad AS	Office, storage, workshop	Borgestadbakken 2	3712	Skien	Norway	59.16104, 9.64368
	Office, storage, workshop, sewing room	Havnegata 43	8663	Mosjøen	Norway	65.84806, 13.19473
Höganäs Borgestad Holding AB	Office	Ersbogatan 6	802 93	Gävle	Sweden	60.63755, 17.13264
Höganäs Borgestad Production AB	Factory, office, storage	Södra Storgatan 12	267 31	Bjuv	Sweden	56.08275, 12.91653
	Office, storage	Terminalgatan 20	235 39	Vellinge	Sweden	55.45800, 13.01914
Höganäs Borgestad Eldfast Service AB	Office, storage, workshop	Kardanvägen 65	461 38	Trollhättan	Sweden	58.29562, 12.34834
	Office, storage, workshop	Ersbogatan 6	802 93	Gävle	Sweden	60.63755, 17.13264
	Office, storage, workshop	Karlsviksvägen 81b	975 94	Luleå	Sweden	65.60636, 22.06229
Höganäs Borgestad OY	Office, storage, workshop	Polunmäenkatu 31	33720	Tampere	Finland	61.45100, 23.89467
	Office, storage, workshop	Jokisentie 167	5200	Nurmijärvi	Finland	60.55030, 24.76469
Höganäs Borgestad Energi & Ugnsteknik AB	Office, storage, workshop	Ersbogatan 6	802 93	Gävle	Sweden	60.63755, 17.13264
	Office, storage, workshop	Hammarvägen 1	683 33	Hagfors	Sweden	60.01281, 13.66955
Emcotech AB	Office	Stora Badhusgatan 18	411 21	Göteborg	Sweden	57.704127, 11957160
Agora Bytom	Shopping mall	Plac Tadeusza Kościuszki 1	41-902	Bytom	Poland	50.34771, 18.91922

# Statement from the Board and the CEO of Borgestad ASA

Today, the Board of Directors and the Chief Executive Officer reviewed and approved the Board of Directors' report and the consolidated and separate annual financial statements of Borgestad ASA as of December 31, 2025.

The consolidated financial statements have been prepared in accordance with IFRS as adopted by EU as well as additional information requirements as per the Norwegian Accounting Act. The financial statements for the Company have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting practice in Norway.

We confirm to the best of our knowledge that:

- ◆ the consolidated financial statements for 2025 have been prepared in accordance with IFRS® Accounting Standards as adopted by EU, as well as additional information requirements in accordance with the Norwegian Accounting Act, and that
- ◆ the financial statements for the parent company for 2025 have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway, and that
- ◆ the information presented in the financial statements gives a true and fair view of the Company's and Group's assets, liabilities, financial position and result for the period viewed in their entirety, and that
- ◆ the Board of Directors' report gives a true and fair view of the development, performance and financial position of the Company and Group, and includes a description of the principal risks and uncertainties

Lysaker, April 29, 2026

**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.*



BDO AS  
Bygdey Allé 2  
PO Box 1704 Vikta  
0121 Oslo  
Norway

To the General meeting of Borgestad ASA

## Independent Auditor's Report Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Borgestad ASA.

The financial statements comprise:	In our opinion:
<ul style="list-style-type: none"> <li>The financial statements of the Company, which comprise the balance sheet as at 31 December 2025, income statement and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and</li> <li>The financial statements of the Group, which comprise the balance sheet as at 31 December 2025, and income statement, statement of comprehensive income, statement of changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.</li> </ul>	<ul style="list-style-type: none"> <li>The financial statements comply with applicable statutory requirements,</li> <li>The financial statements of the Company give a true and fair view of the financial position of the Company as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.</li> <li>The financial statements of the Group give a true and fair view of the financial position of the Group as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.</li> </ul>

Our opinion is consistent with our additional report to the Audit Committee.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) as applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in

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accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of Borgestad ASA for 1 year from the election by the general meeting of the shareholders on May 28 2025 for the accounting year 2025.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of the key audit matter	How the key audit matter was addressed in the audit
<p><b>Valuation of Investment Property</b></p> <p>The Group's investment property Agora Bytom in Poland has a book value of NOK 726.9 million as of 31.12.2025. The investment property is recognized at cost. The investment property has been tested for impairment in 2025, and the recoverable amount has been determined by management. We refer to note 10 in the Annual Report.</p> <p>The determination of the recoverable amount involves significant management judgements and estimation uncertainty, particularly in relation to key assumptions, such as the discount rate, future rental income and vacancy rates. Given the sensitivity of the valuation to changes in these assumptions and the fact that investment property represents a significant proportion of the Group's total assets, we determined this matter to be a key audit matter.</p>	<p>We obtained and reviewed the updated valuation model and supporting memo prepared by management as of year-end, assessed whether the methodology and structure of the model are in accordance with IAS 40.</p> <p>We used internal specialists to test the accuracy of the methods applied to determine the recoverable amount and assess the applied discount rate.</p> <p>We challenged the key assumptions applied in the model, including discount rates, rental income projections, occupancy rates and long-term growth assumptions, evaluating whether these are reasonable and consistent with available external market evidence.</p> <p>We further assessed the overall reasonableness of the carrying amount, including evaluating whether the valuation reflects current market conditions and the specific characteristics of the property.</p>

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# Auditor's report



	<p>We also performed a sensitivity analyses on the key assumptions to assess the extent to which changes could have a material impact on the carrying amount.</p> <p>We considered whether indicators of impairment are present and assessed management's conclusion regarding the need for impairment or reversal of previously recognised impairment losses.</p> <p>And we evaluated the completeness and accuracy of disclosures relating to investment property in the financial statements, including key assumptions applied and sensitivity information required under IAS 40 and IAS 36.</p>
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## Other information

The Board of Directors and the Managing Director (management) are responsible for the other information. The other information comprises the Board of Directors' report and other information in the Annual Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Opinion on the Board of Directors' report

Based on our knowledge obtained in the audit, in our opinion the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our statement on the Board of Directors' report applies correspondingly for the statements on Corporate Governance.

## Responsibilities of management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary

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to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to:

<https://revisorforeningen.no/revisionsberetninger>

## Report on compliance with requirement on European Single Electronic Format (ESEF)

### Opinion

As part of the audit of the financial statements of Borgestad ASA we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name "Borgestad-ASA-2025-12-31-1-en.zip", have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF Regulation.

### Management's responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

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## Auditor's report



### Auditor's responsibilities

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: <https://revisorforeningen.no/revisionsberetninger>

BDO AS

Yngve Gjethammer  
State Authorised Public Accountant  
(This document is signed electronically)

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