

EQVA ASA

Company Presentation

March 2024



EQVA's business platform

Strong foundation for further value creation



Broad service offering to maritime and landbased industries

Positioned in industries where we can make a change for a more sustainable future and create attractive shareholder value.



Long history

Building on our over 100-year long history of expertise to create innovative, competitive, profitable and sustainable solutions and services for our customers.



Our people

*Performance-driven culture - focus on environment, safety and superior quality in everything we do.
360 employees within the group with complementary competences.*



Preferred by customers

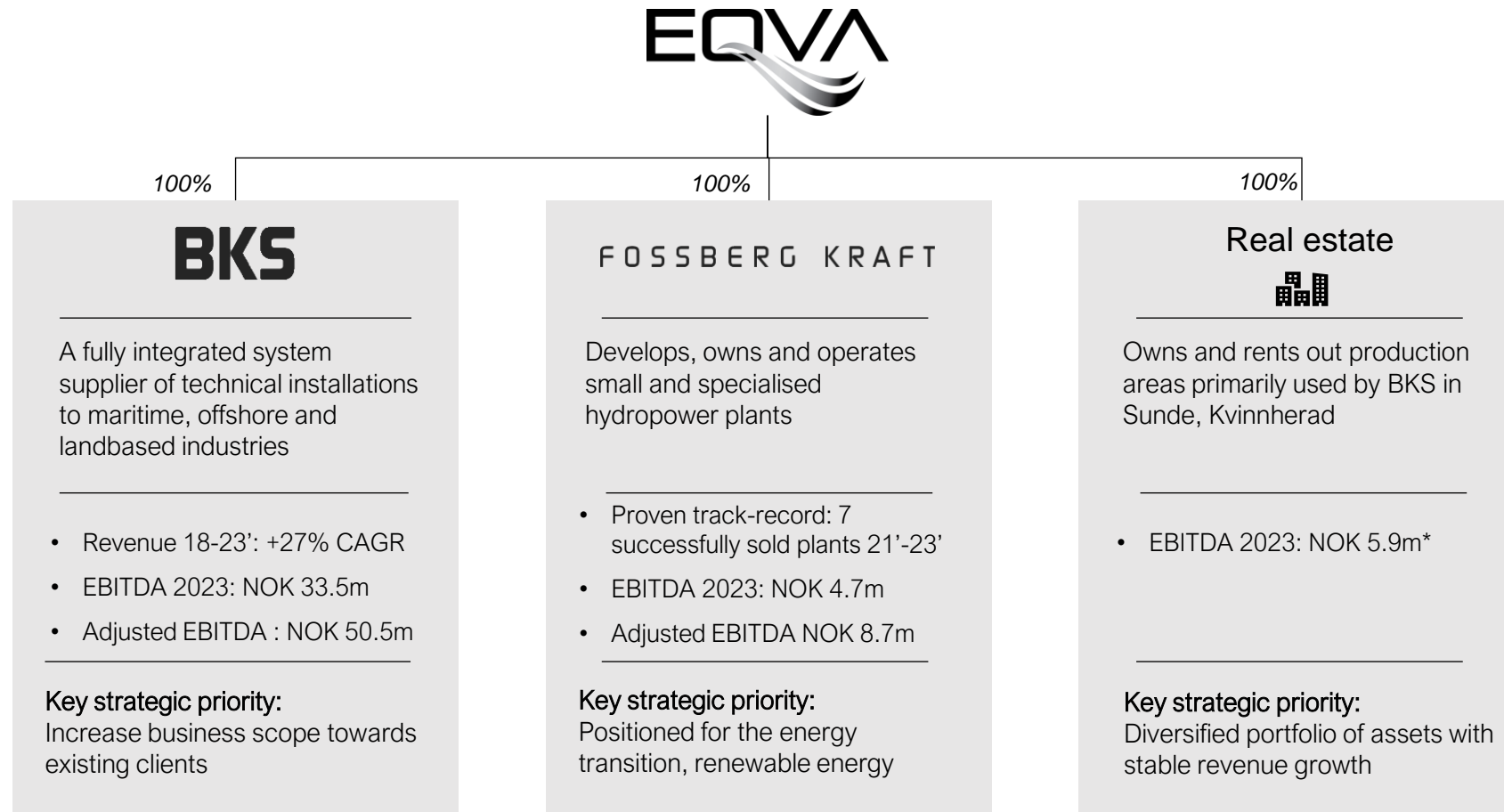
*Recognised for our contribution to enable the green transition.
Strong partnerships and trust.
Focus on high quality in every delivery.*



EQVA – An industrial investment company



Overview of ownership interests



*Excl. Havyard Leirvik Eiendom AS (divested)

Q4 Highlights – 75% y/y organic growth and increased margins

Strong development in the Products, Solutions & Renewables segment

Solid operational performance in Eqva, driven by volume increase and improved sales and margins in the Products, Solutions & Renewables segment

Robust order book (+62% NOK 487m) and positive outlook for FY2024 – mainly driven by BKS

Products, Solutions & Renewables

- **Significant revenues growth – up 75 %** compared to last year
- **Adjusted EBITDA margin increased to 8.6 %**, compared to 5.3 % last year, as growth is capitalizing on current cost levels

Other

- **Strategic divestment of the shipyard Havyard Leirvik** in November 2023 allows Eqva to focus on current portfolio companies as well as new investment opportunities
- **Acquisitions** of LOS Gruppen and Kvinnherad Elektro, two high-potential Power & Automation providers, are expected to be concluded during primo Q2 2024, in line with our proactive M&A strategy

For more information, see EQVA Q4 presentation.

Full year 2023 - key figures

(unaudited, amounts in NOK)

Revenues
687 million*

Adjusted EBITDA
42 million*

Order book
31.12.2023
487 million

Order book 31.12.2022
300 million*

Reported:
Equity ratio
40 %

*Pro-forma: Excl. discontinued operations (Havyard Leirvik)

New contracts awarded – orderbook remains solid

Orderbook at NOK 487m (+62% y/y), high activity on current projects

- Increased contract scope on existing customers like Boliden, Hydro, Aker Solutions, Scale AQ and Westcon
- New contracts secured with key customers in process, offshore and landbased industries
- Stable and high volumes on frame agreements with main customers
- Significant share of ongoing projects related to clean energy, decarbonization and optimized energy usage
 - Growing demand for such expertise, and it is expected that such climate and environmental projects will form an even larger part of the business in the years to come

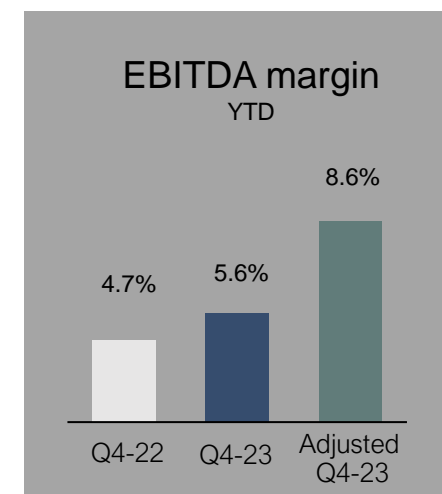
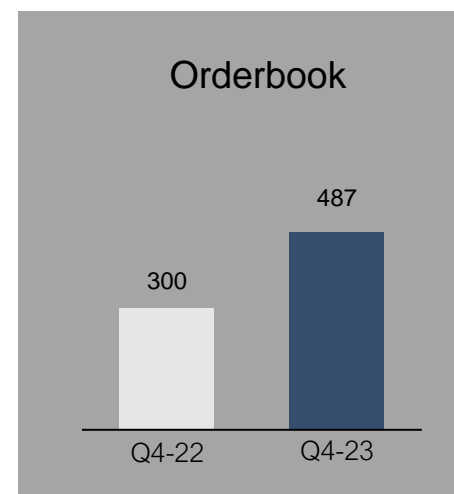
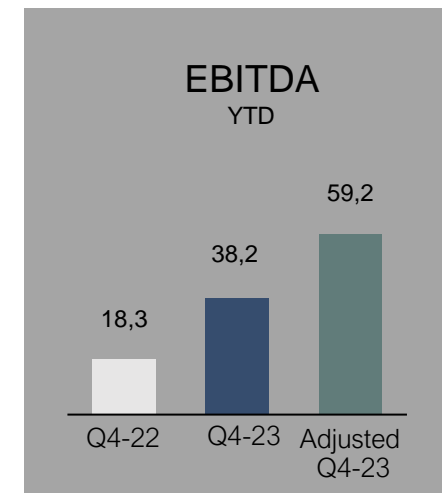
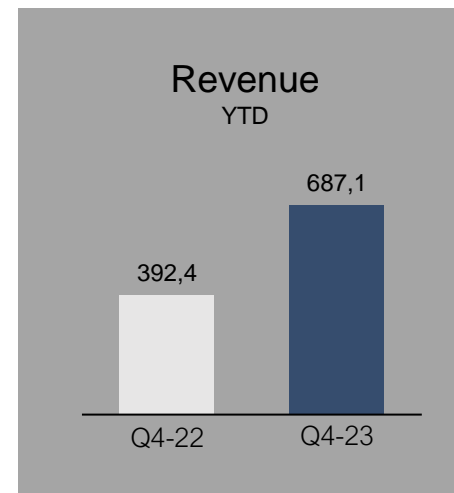


One of the world's most climate-effective zinc plants to become even more climate-friendly, Odda

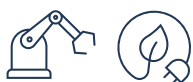
Products, Solutions & Renewables

Capitalising on strong order book – increasing volumes and margins

- **Significant** organic revenue growth **75%** where **EBITDA** compared to last year was up **109%**
- **Growth primarily driven by BKS** – high activity levels on ongoing projects
 - Strong order intake and orderbook gives traction to sustain high activity level in 2024
 - Growth is capitalizing on current cost levels – significantly increasing profit margins
- **Fossberg Kraft** – two ongoing projects
 - Delivery of Skjeggfoss power plant delayed by approx. 1 month due to insolvency of sub-contractor
 - Construction of Haugsvær power plant on track
 - In tender phase of new projects in hydro and solar power



Amounts in NOK million



Segment overview

Key financial figures – full year 2023

- **Adjusted EBITDA margin excluding discontinued operations at 6.1 %**
- Products, Solutions & Renewables delivers a strong year
 - **8.6 % adjusted EBITDA margin** for the segment
 - Negatively impacted by non-recurring effects; insolvency of customer, impact approx. NOK 9m (BKS), insolvency of sub-contractor, impact approx. NOK 4m (Fossberg Kraft), and a one-time management fee from Eqva of NOK 8m (BKS).
- FY2023 financials were impacted by poor performance from the Maritime Services segment (Havyard Leirvik)
 - The shipyard Havyard Leirvik was sold to Tersan in November 2023. The transaction was settled by NOK 30m in net cash

NOK million	Products, Solutions & Renewables	Maritime Services	Real estate	Other / Elim.	Eqva group*	Eqva group ex. discontinued*
Revenues	687.1	107.6	10.1	-10.0	794.8	687.2
Materials and consumables	294.0	66.5	0.1	0.0	360.6	294.1
Payroll expenses	259.3	38.7	0.0	14.0	312.1	273.3
Other opex	95.7	19.5	0.7	-9.3	106.6	90.8
EBITDA	38.2	-17.2	9.3	-14.8	15.6	29.0
Non-recurring events	21.0					13.0
Adjusted EBITDA	59.2					42.0
Adjusted EBITDA %	8.6%					6.1%

*Consolidated financial statements for Eqva includes Havyard Leirvik accounts until the end of Q3 2023 (discontinued).

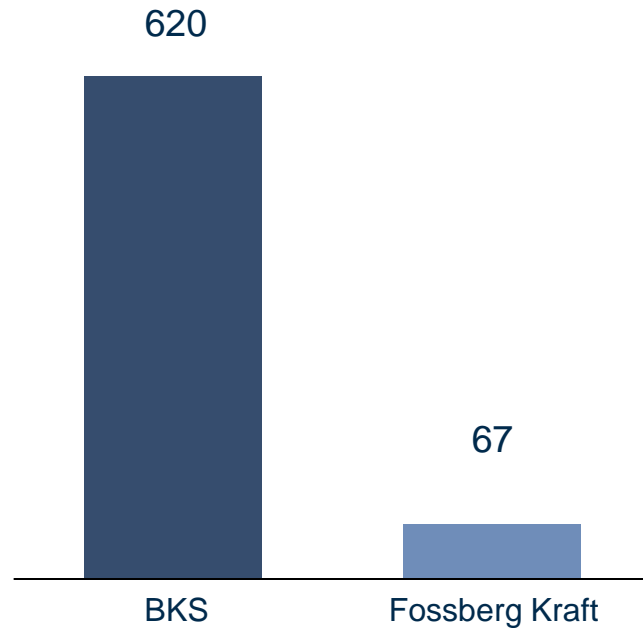


Our companies - key financial figures

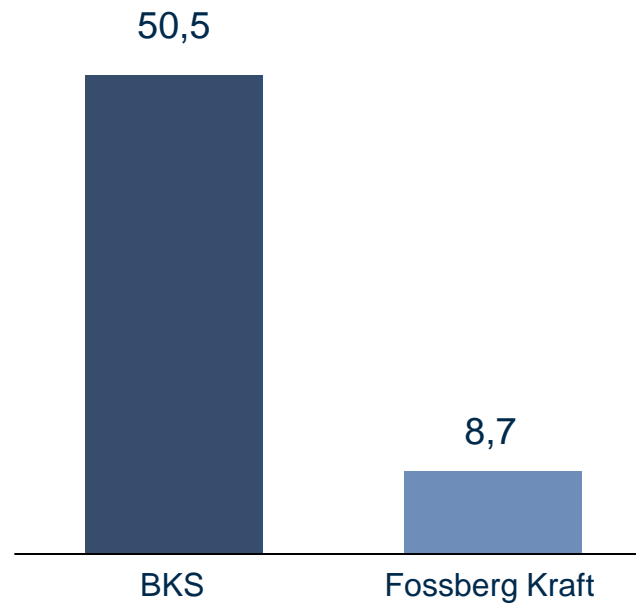


Full year figures 2023

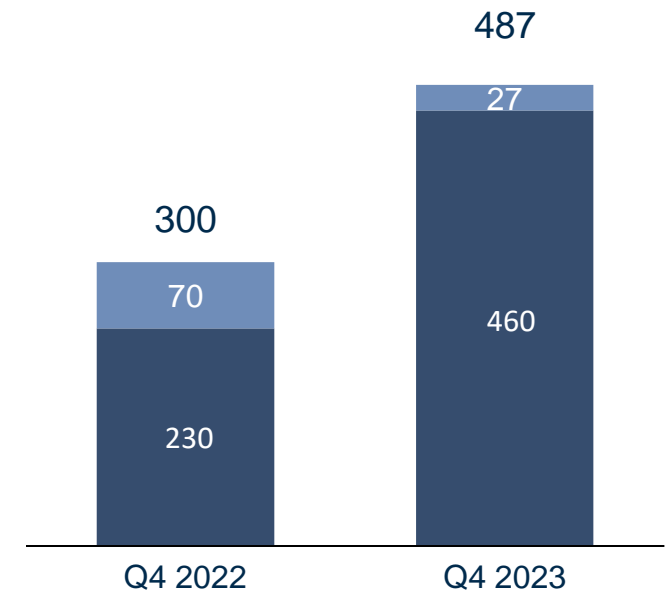
Revenues 2023 (NOKm)



Adj. EBITDA 2023 (NOKm)



Orderbook (NOKm)

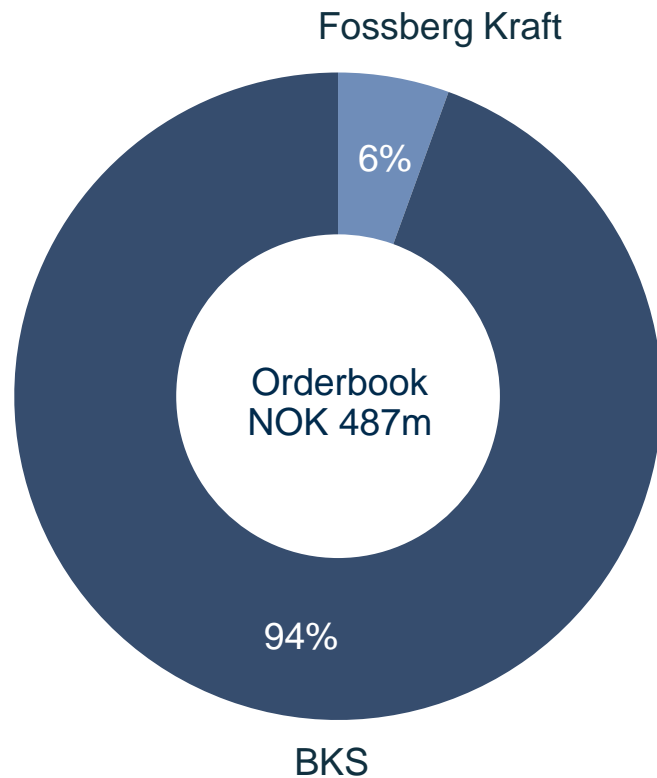


■ BKS
■ Fossberg Kraft

Solid overall orderbook



Order book divided by company (%)



Order book in BKS at NOK 460m

- **High activity level** on ongoing projects
- **Continued strong order intake** and orderbook gives traction to sustain high activity level and further growth
- **High tender activities** with key customers

Order book in Fossberg Kraft at NOK 27m

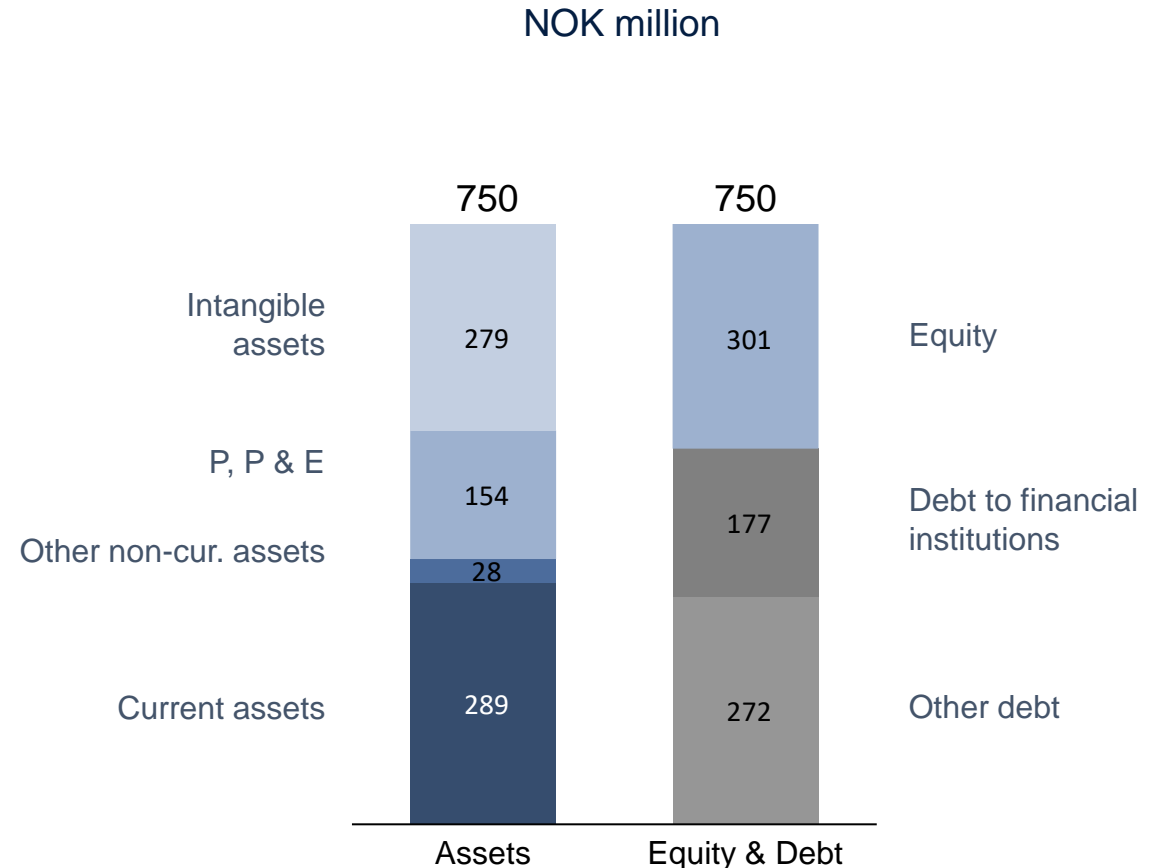
- **Two power plants under construction**
- **A list of prospects** to be converted to projects creating revenues in 2024

Solid financial position



Balance sheet as of 31 December 2023

- Equity ratio of 40 % at the end of Q4
- Net interest-bearing debt was NOK 158m at the end of Q4. Increased sales have led to increased use of RCF
- Cash position of NOK 28m at the end of Q4
- The overdraft facility in BKS was increased to NOK 50m to strengthen the working capital due to strong growth
- The construction loans in Fossberg Kraft increased due to project development. These loans will be repaid when projects are delivered to customer.
- Strong cash generation expected in Q1 2024



*NIBD definition: Debt to financial institutions less unrestricted cash. Construction loans not included as part of NIBD.

Company highlights - BKS

A fully integrated system supplier of technical installations



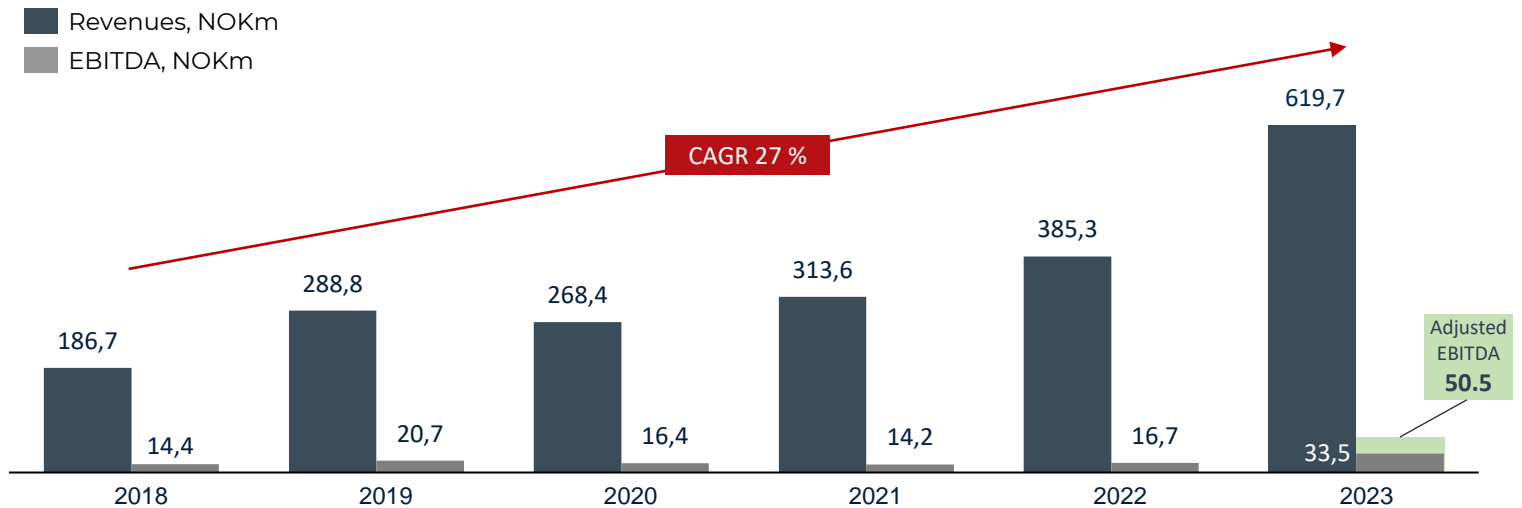
Company highlights

- Founded in 2008 and HQ in Sunde, Kvinnherad
- ~350 employees spread across 5 companies
- BKS is a fully integrated system supplier of technical installations, meaning presence throughout the entire value-chain in industrial deliveries from idea to installation
- It performs a wide range of tasks, from simple missions to complete cross-functional deliveries
- Goal to be a preferred and competitive supplier and partner to maritime, offshore and landbased industries in Norway
- 27 per cent CAGR (2018-2023)
- 60 % YoY increased sales, adj. EBITDA up YoY from 4.6 % to 8.1 %

Full-service provider



Financial performance



Selected customer base



Company highlights – Fossberg Kraft

Specialised developer, operator and owner of small-scale hydroelectric power plants

Company highlights

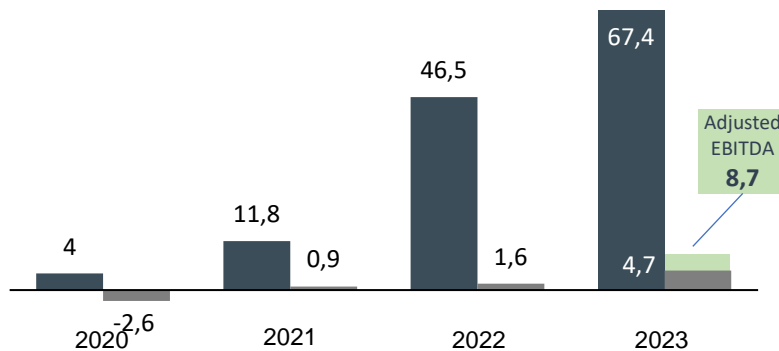
- Founded in 2018
- “Take-off” agreement with UK investment fund Downing for completed plants signed in 2021
- Successfully sold 7 plants to Downing from 2021 to 2023 with corresponding mgmt. and “take-off” agreement
- 80+ years of combined experience from project development and hydropower plants
- Currently exploring opportunities within solar, also in hybrid with hydro

Value creation illustration

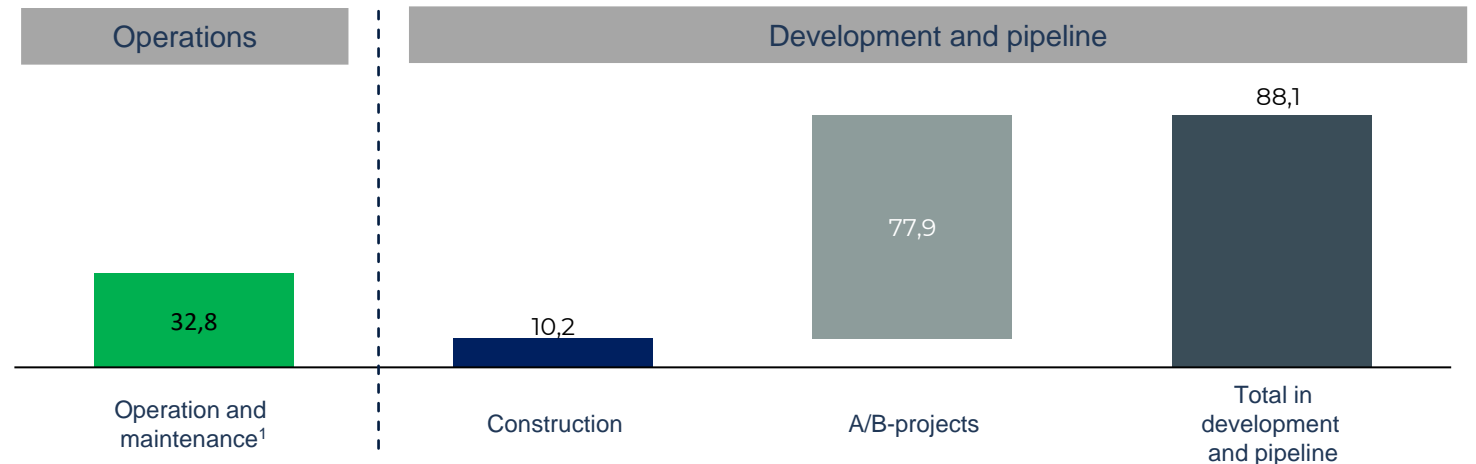


Financial performance (consolidated IFRS)

■ Revenues, NOKm
■ EBITDA, NOKm



Portfolio, GWh/year



EQVA is well positioned for further growth



Both through organic growth and M&A activity

Strategic priorities

Diversified product and market portfolio with broad revenue stream



Capitalise on key macro trends



Opportunistic M&A



The group has a well-diversified product and market portfolio, and further growth will be established through a combination of company-based development, utilization of synergies between the companies in the group as well as value-creating M&A activities.

Overview of financial targets

Pro-forma figures



Current Eqva Group

FY'2024 revenue (million)

600-700

FY'2024 EBITDA margin **

5-7%

Including announced M&A*

FY'2024 revenue (million)

1,200-1,400

FY'2024 EBITDA margin

5-7%

* LOI signed, transaction expected closed Q1 2024

** Long-term EBITDA margin target for the group at 7-9 per cent

This is EQVA:

A knowledge-based active owner of industrial service companies that contribute to the green transition in maritime, power intensive and renewable industries



BKS

Full-service provider of technical, sustainable solutions and services to maritime and landbased industries



Fossberg Kraft

A specialised hydropower plant developer and operator

Strong macro tailwinds

Key macro drivers

Digitalization



Decarbonization, sustainability and clean energy



Energy conversion



Strong foundation for further value creation



New regulation is driving a paradigm shift in the maritime and landbased industry sectors towards low emission solutions

Digitalization

The Norwegian government and EU green deal support solutions in maritime and landbased industries (i.e. Enova in Norway) where emission cuts are solved by improving efficiency through digitalization.

Uptake of more advanced technology is expected to increase in the coming years due to government requirements and stakeholder expectations.



Decarbonization, sustainability and clean energy

The Norwegian government aims to facilitate emission-free solutions along the coast.

- reducing emissions from domestic shipping and fishing vessels by half by 2030

Ambitions of IMO's GHG Strategy¹:

- 40% reduction of CO₂e by 2030, compared to 2008
- Uptake of zero or near-zero GHGe technologies, fuels and/or energy sources to represent at least 5%, striving for 10%, of the energy used by 2030
- GHGe from international shipping to reach net zero by or around 2050



Energy conversion

The cost of energy and climate emissions expected to rise with regulatory measures e.g., carbon tax.

EU's CO₂ Emission Trading System (ETS)²

- Achieved 35% reduction of CO₂e from power generation and energy-intensive industries between 2005 and 2021
- 2030 target for ETS emissions increased to -62% (previously -43%), compared to 2005
- Expanded to include the maritime sector



Norway aims to be a frontrunner in the shift toward low emission solutions



New regulation is driving a paradigm shift in the maritime and landbased industry sectors towards low emission solutions

Maritime and offshore



Maritime

- Norway's ambition to reduce emission from domestic shipping and fishing vessel **by half by 2030**¹
- Cost of GHG and CO2 emission expected to rise significantly



Offshore

- Current high activity level in the offshore sector and related supplier industries expected to be sustained in the next years



Aquaculture

- Norway's ambitious vision **towards 2050: five million tons** of sustainable aquaculture production. Opens for new solutions, i.e. landbased and offshore farming²

Landbased and industrial



Renewable energy

- Strong governmental support and agreement for climate neutrality with EU **FitforFit** and **RePowerEu**
- Positive development in the long-term power prices³



Smelters

- Statnett expecting **40% increase in Nordic power consumption by 2040**, largely due to electrification of power intensive industries⁴



Landbased

- Norway will cut emissions by **at least 50% by 2030**, aiming towards 55% below 1990 levels. In this transition, new efficient and automated processes will be crucial⁵

EQVA is exposed to a variety of industrial sectors



Secures a diversified and recurring revenue stream from industries along the western coast of Norway

Share of revenues to various offshore and maritime markets*



14% Maritime

- Deliveries to yards and tanks for different vessels
- Wide range of services delivered



17% Offshore

- Deliveries to offshore and related supply industries
- Wide range of services delivered



2% Aquaculture

- Services and maintenance to aquaculture farms
- Development of landbased plants

Share of revenues to various landbased and industrial markets*



10% Renewable energy

- Build and operate hydro power plants
- Update existing hydro power plants



40% Smelters

- Full-service technical installations, service and maintenance to smelters and power-intensive industries



12% Landbased

- Full-service installations of production lines, service and maintenance to process- and other landbased industries
- Water treatment, filtration, scrubber systems

*Note: Based on full year 2023 revenues – other sectors 5%

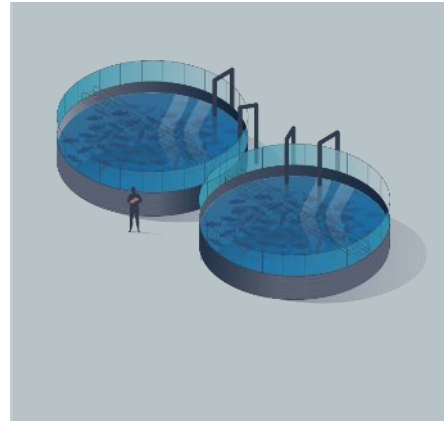
Moving to a low-carbon and climate resilient future



Boosting demand for our services and solutions along the entire Norwegian coast

Key markets characteristics in a low-carbon economy

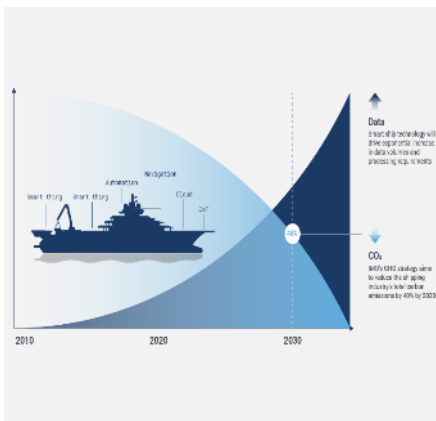
Decarbonising
and emission
cuts



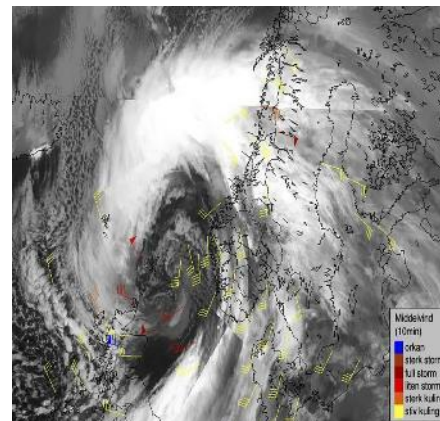
Climate change
adaption



Stricter
regulations and
increased legal and
political pressure



Circular
economy



Efficient
technology



Experienced management team



Executive management



Erik Høyvik
CEO

15+ years of experience
in maritime- and land-
based industries



Petter Sør Dahl
CFO

10+ years of experience
from financial markets,
M&A and business
development



Trygve Kjerpeseth
CEO BKS / Group Head
of Risk and Projects

30+ years of experience
from senior project
management



Tom Jensen
CEO Fossberg Kraft

30 years of leadership
experience with primary
focus on production and
procurement



Sverre Olav Handeland
In-house lawyer

15+ years of experience as
partner in law firm, 8 years
as in-house lawyer in HG
Group.

Backed by strong board and industrial owners



The board of Directors



Even Matre Ellingsen
Chairman

Former Group CEO in Astrup Fearnley. Extensive board experience from both regulated and non-regulated businesses.



Vegard Sævik
Board member

Employed in Havila Holding and holds several board positions.



Rune Skarveland
Board member

CEO Skarveland AS from '97-'08 and held several board positions in property development, industrial and hydropower companies



Ellen Hanetho
Board member

20+ years of financial & strategic business development



Anne Bruun-Olsen
Board member

Senior Partner
Cushman & Wakefield
Realkapital

Top shareholders as of 26 February 2024

Shareholders	Number of shares	Ownership
Nintor AS	16,938,645	23.53%
Havila Holding AS	10,000,000	13.89%
Neve Eiendom AS	8,168,462	11.35%
ROS Holding AS	5,660,027	7.86%
Eikestø Eiendom AS	4,960,847	6.89%
Fureneset Eiendom AS	4,960,847	6.89%
Eikestø AS	2,999,511	4.17%
Fureneset Invest AS	2,999,511	4.17%
Emini Invest AS	1,290,000	1.79%
HSR Invest AS	1,290,000	1.79%
Innidimman AS	1,290,000	1.79%
MP Pensjon PK	1,167,768	1.62%
Other shareholders	10,261,698	14.25%
Total shares	71,987,316	

Sustainability is key to our continued growth

Key ESG highlights



- ESG is integrated in corporate governance structures and our companies' strategies
- We work proactively with our customers in the transition process
- EQVA aims to be a frontrunner on ESG, and a strategic priority is to increase the quality of its sustainability reporting initiatives in 2023

ESG activities in 2023

- ESG report 2023 to be published on EQVA's web pages in Q1 2024
- Full sustainability report will be made in reference to GRI recommendations



M&A criteria – increase Scale and Scope

Consolidation of industrial services companies that contribute to green transition in maritime, power intensive and renewable industries

Expand footprint in selected markets

Value accretive to shareholders

Cultural fit

Synergy potential

Summary



Key investment highlights

1

A fully-integrated service provider that seeks growth and contribute to the green transition in maritime, power intensive and renewable industries

2

Backed by a strong board and industrial owners

3

Strong outlook for organic growth from a broad industrial coverage

4

Opportunistic M&A strategy, aiming for further growth in key industries in service sectors

Appendices:

- Consolidated financial statement as of Q4 2023 (Unaudited)
- Additional information

Consolidated statement of profit and loss



31 December 2023

(NOK 1,000)	Note [▼]	2023	2022	2022
		Unaudited Adjusted for discontinued operation	Unaudited Adjusted for discontinued operation	Audited
Revenues	3,4	676 391	221 697	456 431
Other operating revenues		10 846	2 138	2 562
Operating income	3,4	687 236	223 836	458 994
Materials and consumables		294 053	78 296	228 756
Payroll expenses		273 345	117 857	172 360
Other operating expenses		90 802	49 531	67 219
Operating expenses		658 199	245 684	468 335
Operating profit/loss before depreciation and amortisation (EBITDA)	3	29 037	-21 848	-9 342
Impairment of non-current assets		0	-1	0
Depreciation		11 054	7 099	9 860
Operating profit/loss (EBIT)	3	17 983	-28 946	-19 202
Financial income	3,5	2 044	4 084	4 138
Financial expenses	3,5	-28 145	-19 643	-21 045
Share of profit/loss of associate	3	-3 061	668	668
Profit / loss before tax	3	-11 178	-43 836	-35 441
Income tax expense*	7	0	-15 796	-15 796
Profit/Loss from continued operations	3	-11 178	-28 037	-19 647
Profit/Loss from discontinued operation	3	-1 913	8 391	0
Profit/Loss for the period	3	-13 091	-19 647	-19 647
Attributable to :				
Equity holders of parent		-15 022	-21 410	-21 410
Non-controlling interest		1 931	1 763	1 763
Total		-13 091	-19 647	-19 647

Please note

- M&A activities in 2022 Products, Solutions & Renewables was only included in the Q3 and Q4 numbers
- Discontinued operations includes Havyard Leirvik companies

	2023 Unaudited Adjusted for discontinued operation	2022 Unaudited Adjusted for discontinued operation	2022 Audited
Earnings per share (NOK)	-0,21	-0,30	-0,30
Diluted earnings per share (NOK)	-0,21	-0,30	-0,30
Earnings from continued operations			
Earnings per share (NOK)	-0,16	-0,39	-0,27
Diluted earnings per share (NOK)	-0,16	-0,39	-0,27

Consolidated statement of financial position



31 December 2023

(NOK 1,000)

ASSETS	2023	2022
	Unaudited	Audited
Non-current assets		
Deferred tax benefit	1 529	0
Goodwill	248 349	248 260
Licenses, patents and R&D	31 452	32 208
Property, plant and equipments	113 726	128 927
Right of use assets	10 193	10 933
Investment in associates	20 324	25 544
Loan to associates	4 415	4 840
Investment in financial assets	2 007	16 163
Other non-current receivables	28 409	2 648
Total non-current assets	460 404	469 523
Current Assets		
Inventory	6 556	13 681
Accounts receivables	137 452	90 955
Other current receivables	42 771	25 552
Contract assets customer contracts	66 403	51 537
Cash and cash equivalents	36 163	61 117
Total current assets	289 345	242 843
TOTAL ASSETS	749 749	712 366

EQUITY AND LIABILITIES	2023	2022
	Unaudited	Audited
Equity		
Share capital	3 599	3 599
Share premium reserve	195 175	195 175
Treasury shares	-30	-16
Retained earnings	97 045	109 991
Non-controlling interests	5 319	3 387
Total equity	301 108	312 136
Non-current liabilities		
Deferred tax liability	1 740	0
Lease liabilities	12 252	9 624
Loans and borrowings	140 710	152 868
Other long-term liabilities	40 534	41 474
Total non-current liabilities	195 236	203 967
Current liabilities		
Accounts payables	73 339	56 147
Taxe payables	2 533	1 360
Public duties payables	27 350	37 524
Loans and borrowings, current	58 423	22 498
Contract liabilities	0	861
Lease liabilities	1 444	1 619
Other current liabilities	90 317	76 255
Total current liabilities	253 405	196 263
Total liabilities	448 641	400 230
TOTAL EQUITY AND LIABILITIES	749 749	712 366

Additional information

Company presentations available on eqva.no



BKS

[Click here to see BKS
company presentation](#)

FOSSBERG KRAFT

[Click here to see
Fossberg Kraft
company presentation](#)

Thank you

Please direct any questions to
petter.sordahl@eqva.no