

Eqva ASA

Third quarter results 2023

15 November 2023



Agenda

1. Business update

- Operational and financial highlights
- Outlook

2. Divestment of Havyard Leirvik (Maritime Services segment)

3. Eqva reaffirms strategic direction

Enclosure

- Consolidated financial statements

Q3 Highlights

Strong development in the Products, Solutions & Renewables segment

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

Strong order book and outlook for FY2023-2024 – mainly driven by BKS

Products, Solutions & Renewables

- **Significant revenues growth – up 71 %** compared to same period last year
- **EBITDA margin increased to 6.9 %**, compared to 3.4 % last year, as growth is capitalizing on current cost levels

Maritime services

- **Divestment of the shipyard Havyard Leirvik** (in Q4) allows Eqva to focus on current portfolio companies as well as new investment opportunities
- **Hit by challenging market conditions** during Q2, which continued through Q3

Q3 2023 key figures

(unaudited, amounts in NOK)

Revenues YTD
472 million*

Reported: 579 million

EBITDA YTD
22,5 million*

Reported: 8.8 million

Order book
30.09.2023
504 million*

Order book 31.12.2023
300 million*

Reported:
Equity ratio
39 %

*Pro-forma: Excl. Maritime Services

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



New contracts awarded – record high orderbook

High activity on current projects

- **Products, Solutions & Renewables:**
 - 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
- **Maritime Services:**
 - Several service and maintenance projects of smaller scale during the quarter



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

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Segment overview

Key financial figures YTD Q3 2023

- **EBITDA margin excluding Maritime Services at 4.8%**
- Products, Solutions & Renewables delivers another strong quarter
 - 6.9 % EBITDA margin for the segment
- Challenging conditions persisted in the service- and maintenance market – significant impact on Maritime Services in Q2 and Q3

NOK million	Products, Solutions & Renewables	Maritime Services	Real estate	Other	Elim.	Eqva group	Eqva group ex. Maritime Services*
Revenues	471.6	107.6	8.6	1.0	-9.6	579.2	471.6
Materials and consumables	194.4	66.5	0.1	0.0	0.0	261.0	194.5
Payroll expenses	190.6	38.7	0.0	8.3	0.0	237.7	199.0
Other opex	54.0	19.4	1.1	6.9	-9.7	71.8	55.7
EBITDA	32.6	-17.1	7.4	-14.2	0.0	8.8	22.5

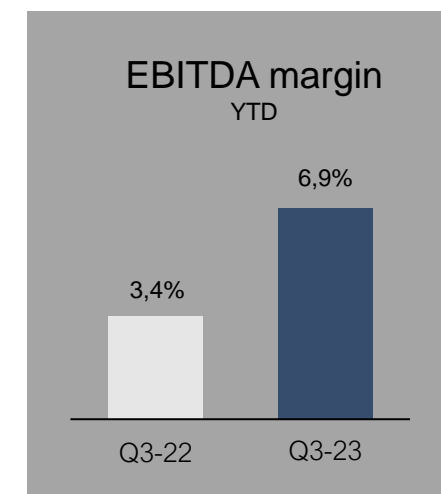
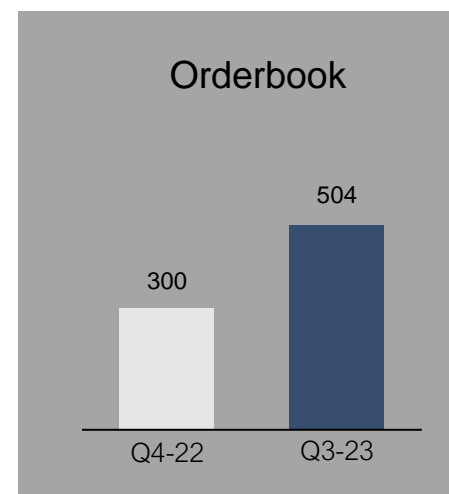
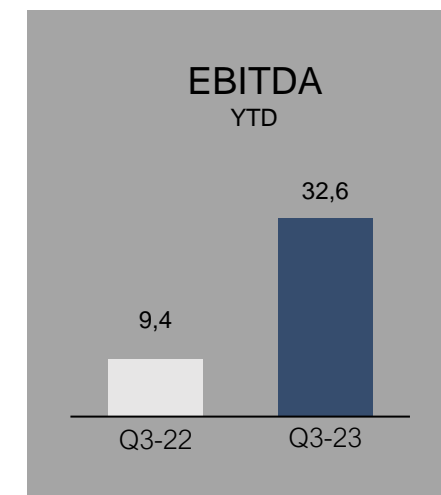
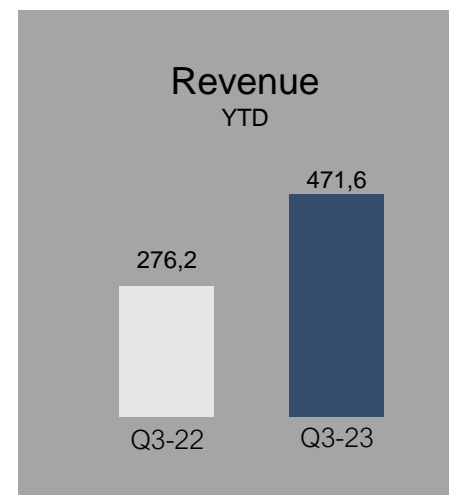
*Pro-forma



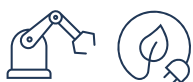
Products, Solutions & Renewables

Capitalising on strong order book – increasing volumes and margins

- **Significant organic revenue- and EBITDA growth** compared to same period last year (+247%)
- **Growth primarily driven by BKS** – high activity levels on ongoing projects
 - Strong order intake and orderbook gives traction to sustain high activity level and further growth
 - Growth is capitalizing on current cost levels – significantly increasing profit margins
- **Fossberg Kraft** progress according to plan
 - Construction of Skjeggfoss power plant on track
 - Construction of Haugsvær power plant started in Q3
 - In tender phase of new projects in hydro and solar power
- Acquisition process of Kvinnherad Elektro on hold, expected to be concluded in Q1 2024



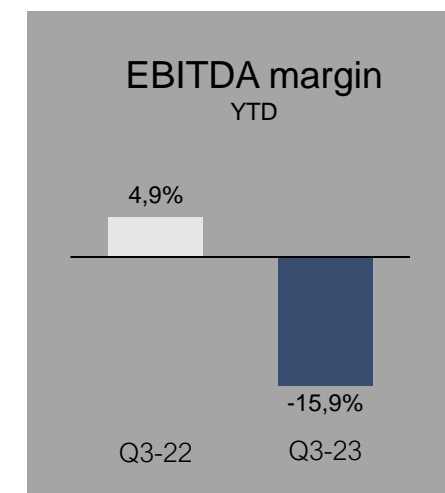
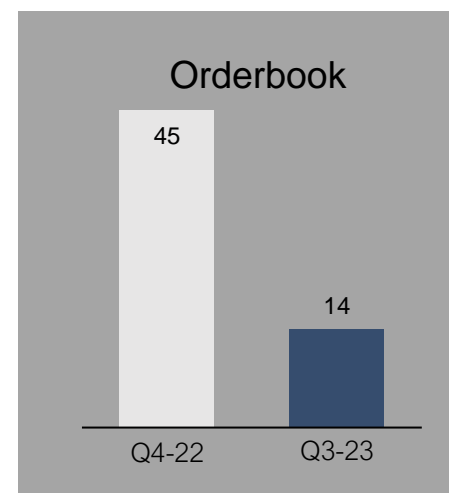
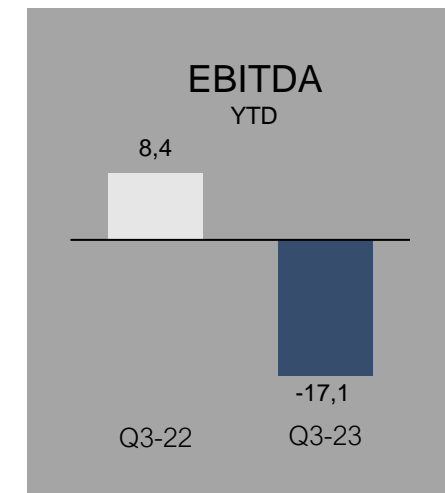
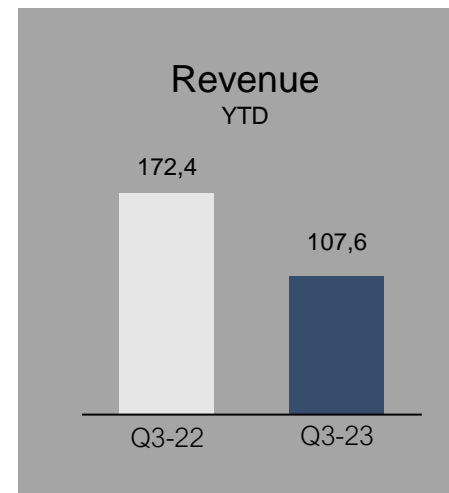
Amounts in NOK million



Maritime Services – strategic exit for EQVA

Divested to focus on development of current portfolio companies and new opportunities

- **Divestment of Havyard Leirvik** – on 13 November 2023, Eqva entered into a sales agreement with Tersan Shipyard, a leading global shipbuilder in Turkey
 - See page 15 for more information
- **Weak service- and maintenance market** in Q2 and Q3
 - The fish farming tax weakened demand from the sector
- The yard completed several smaller projects, yet the overall activity level remained low
- Organizational- and cost cut initiatives were carried out to reduce the financial impact



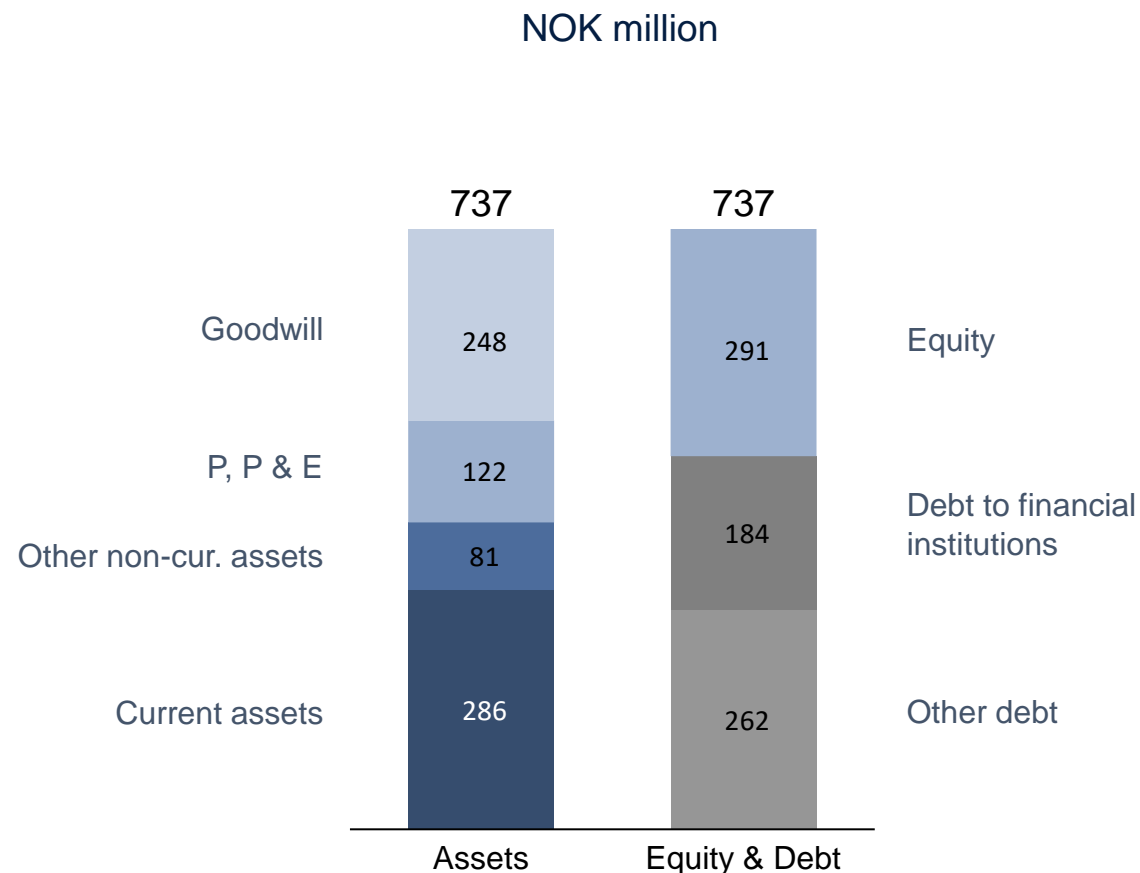
Amounts in NOK million



Solid financial position

Balance sheet as of 30 September 2023

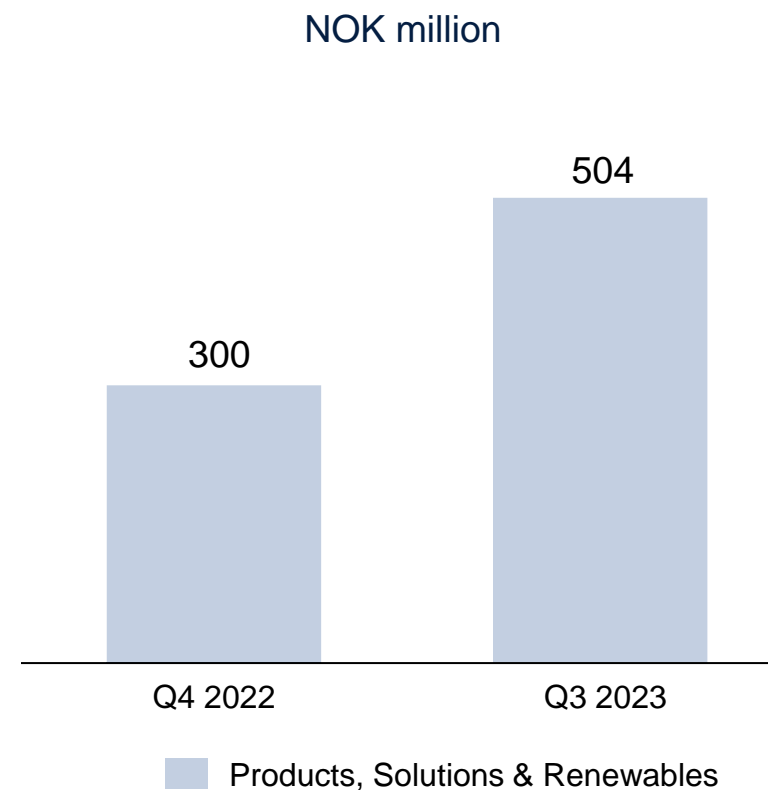
- Equity ratio of 39 % at the end of Q3
- Net interest-bearing debt was NOK 146m at the end of Q3
- Cash position of NOK 28m at the end of Q3
- The overdraft facility in BKS was increased by NOK 15m to strengthen the working capital due to strong growth
- The construction loans in Fossberg Kraft increased due to project development. These loans will be repaid when projects are delivered to customer.
- Strong cash generation expected in Q4 2023



Orderbook remains solid

Supports continued optimistic outlook in turbulent market sentiment

- **Products, Solutions & Renewables orderbook at NOK 504m**
 - **BKS** orderbook at NOK 465 million
 - **Fossberg Kraft** orderbook NOK 39 million
- Strong order intake and orderbook gives traction to sustainable high activity level and further growth



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2023 Outlook – excl. Maritime Services

Pro-forma figures

Financial guidance for 2023 as of Q3 2023

FY'2023 revenue (million)

600-700

FY'2023 EBITDA margin

4-7%

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

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Eqva divests Maritime Services segment

Reaffirms strategic direction

- On 13. November, **Eqva entered into a sales agreement with Tersan Shipyard to divest its shipyard Havyard Leirvik**
- Tersan is buying the shares (100 %) in Havyard Leirvik Holding AS, which includes Havyard Leirvik AS and Havyard Leirvik Eiendom AS
- Sales and Purchase Agreement signed (SPA), closing expected to be in mid November 2023
- The transaction is settled by NOK 30m in net cash. The profit from share sale will be booked as financial income in the Eqva accounts, with effect in Q4 2023. The sale will represent a profit compared to book value.
- **The transaction allows Eqva to concentrate on further development and expansion** of the Products, Solutions & Renewables segment with current portfolio companies BKS and Fossberg Kraft



“We are confident that Tersan will be a strong new owner for Havyard Leirvik, with a clear strategic interest in continuing its proud industrial tradition. As a leading player in the industry, it has proven expertise and local knowledge from collaborating with a wide range of customers in maritime and aquaculture industries. For Eqva, it is important that we are leaving the yard in good hands,” says Even Matre Ellingsen, Chair of the Board of Eqva.

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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



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



A specialised hydropower plant developer and operator

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



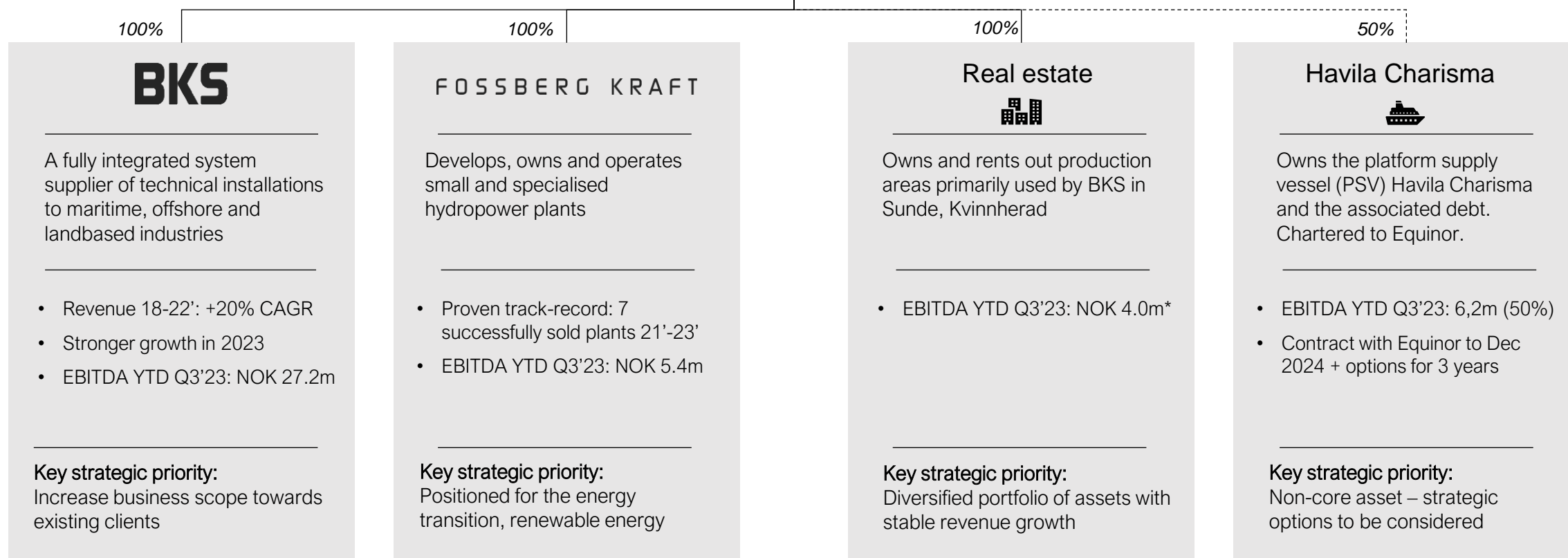
Opportunistic M&A



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.

Eqva – An industrial investment company

Overview of ownership interests



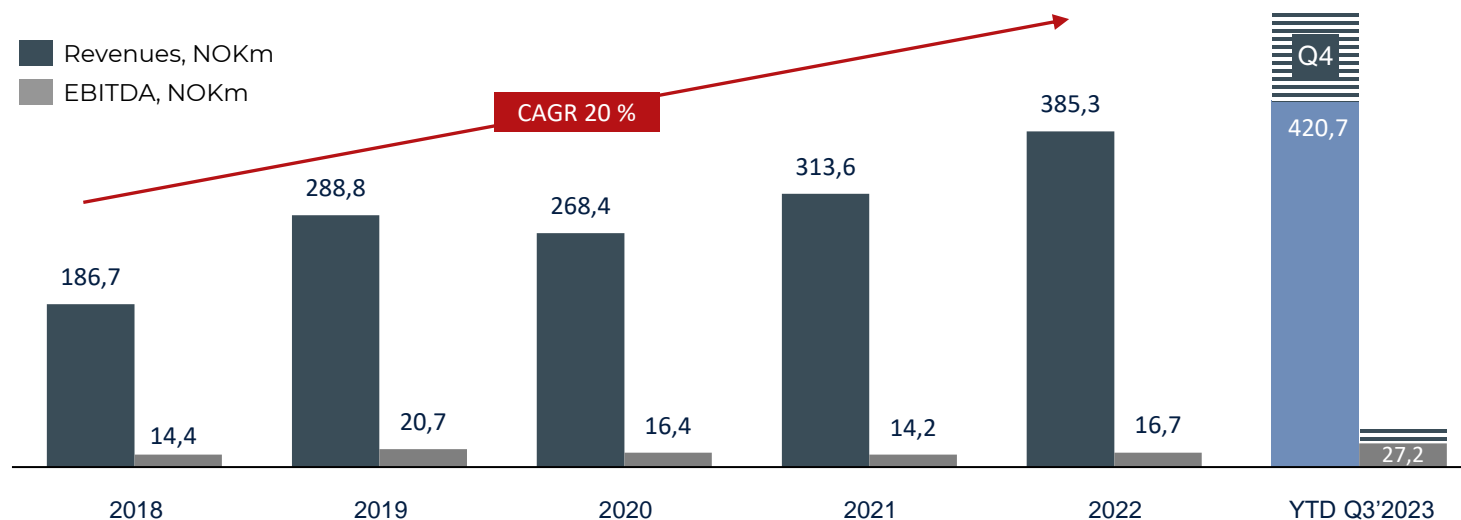
BKS in brief

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
- 20 per cent CAGR (2018-2022)
- Stronger growth in 2023

Financial performance



Full-service provider



Selected customer base



Eqva aims to present dividend strategy

Expected running dividend
in the range of 2-4% of NAV

Possibility of dividends
related to special events

| Thank you



Please direct any questions to erik.hoyvik@eqva.no

Consolidated statement of profit or loss

Q3 2023



(NOK 1,000)	2023 YTD Unaudited	2022 YTD Unaudited	2022 Audited
Revenues	577 117	265 492	456 431
Other operating revenues	2 110	-3 929	2 562
Operating income	579 227	261 563	458 994
Materials and consumables	261 010	145 807	228 756
Payroll expenses	237 666	95 339	172 360
Other operating expenses	71 762	30 201	67 219
Operating expenses	570 438	271 347	468 335
Operating profit/loss before depreciation and amortisation (EBITDA)	8 789	-9 784	-9 342
Impairment of non-current assets	0	0	0
Depreciation	8 261	5 015	9 860
Operating profit/loss (EBIT)	528	-14 799	-19 202
Financial income	1 105	852	4 138
Financial expenses	-18 708	-15 313	-21 045
Share of profit/loss of associate	-4 395	-10 090	668
Profit / loss before tax	-21 471	-39 350	-35 441
Income tax expense	0	-16 781	-15 796
Profit from continued operations	-21 471	-22 570	-19 647
Profit from discontinued operation	0	0	0
Profit for the period	-21 471	-22 570	-19 647
Attributable to :			
Equity holders of parent	-23 372	-22 570	-21 410
Non-controlling interest	1 901	0	1 763
Total	-21 471	-22 570	-19 647

Share of profit/loss of associate: Main reason for negative figure is unrealized agio loss in the underlying investment (Havila Charisma)

	2023 YTD Unaudited	2022 YTD Unaudited	2022 Audited
Earnings per share (NOK)	-0,30	-0,31	-0,30
Diluted earnings per share (NOK)	-0,30	-0,31	-0,30
Earnings from continued operations			
Earnings per share (NOK)	-0,30	-0,31	-0,30
Diluted earnings per share (NOK)	-0,30	-0,31	-0,30

Consolidated statement of financial position

30 September 2023

(NOK 1,000)

ASSETS	2023 YTD	2022
	Unaudited	Audited
Non-current assets		
Deferred tax benefit	759	0
Goodwill	248 349	248 260
Licenses, patents and R&D	32 862	32 208
Property, plant and equipments	121 944	128 927
Right of use assets	10 193	10 933
Investment in associates	19 788	25 544
Loan to associates	4 440	4 840
Investment in financial assets	3 000	16 163
Other non-current receivables	9 872	2 648
Total non-current assets	451 206	469 523
Current Assets		
Inventory	13 373	13 681
Accounts receivables	156 502	90 955
Other current receivables	37 628	25 552
Contract assets customer contracts	50 298	51 537
Cash and cash equivalents	28 442	61 117
Total current assets	286 244	242 843
TOTAL ASSETS	737 451	712 366

EQUITY AND LIABILITIES	2023 YTD	2022
	Unaudited	Audited
Equity		
Share capital	3 599	3 599
Share premium reserve	195 175	195 175
Treasury shares	-30	-16
Retained earnings	86 717	109 991
Non-controlling interests	5 288	3 387
Total equity	290 750	312 136
Non-current liabilities		
Deferred tax liability	1 740	0
Lease liabilities	9 693	9 624
Loans and borrowings	141 431	152 868
Other long-term liabilities	43 233	41 474
Total non-current liabilities	196 097	203 967
Current liabilities		
Accounts payables	93 678	56 147
Taxe payables	2 124	1 360
Public duties payables	25 022	37 524
Loans and borrowings, current	42 983	22 498
Contract liabilities	0	861
Lease liabilities	1 444	1 619
Other current liabilities	85 354	76 255
Total current liabilities	250 604	196 263
Total liabilities	446 701	400 230
TOTAL EQUITY AND LIABILITIES	737 451	712 366

| Appendix



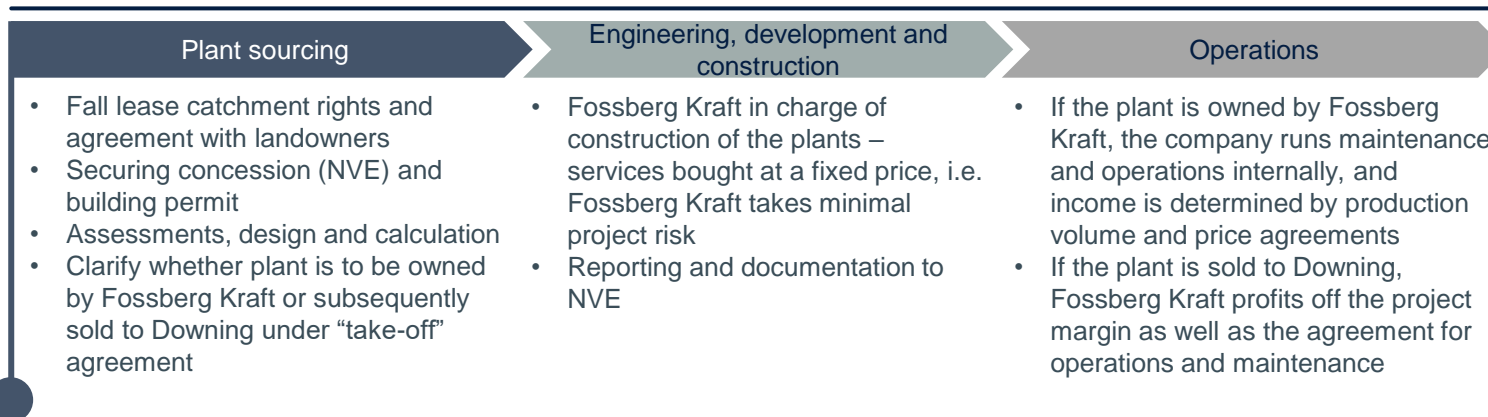
Fossberg Kraft in brief

Develops, owns and operates small and specialized hydropower plants

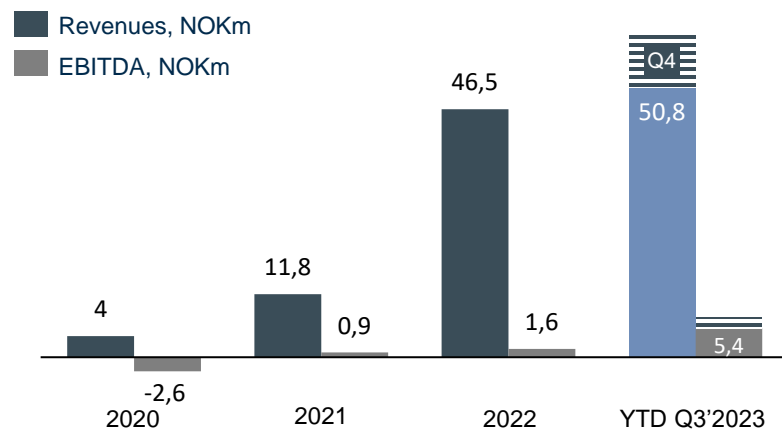
Company highlights

- 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

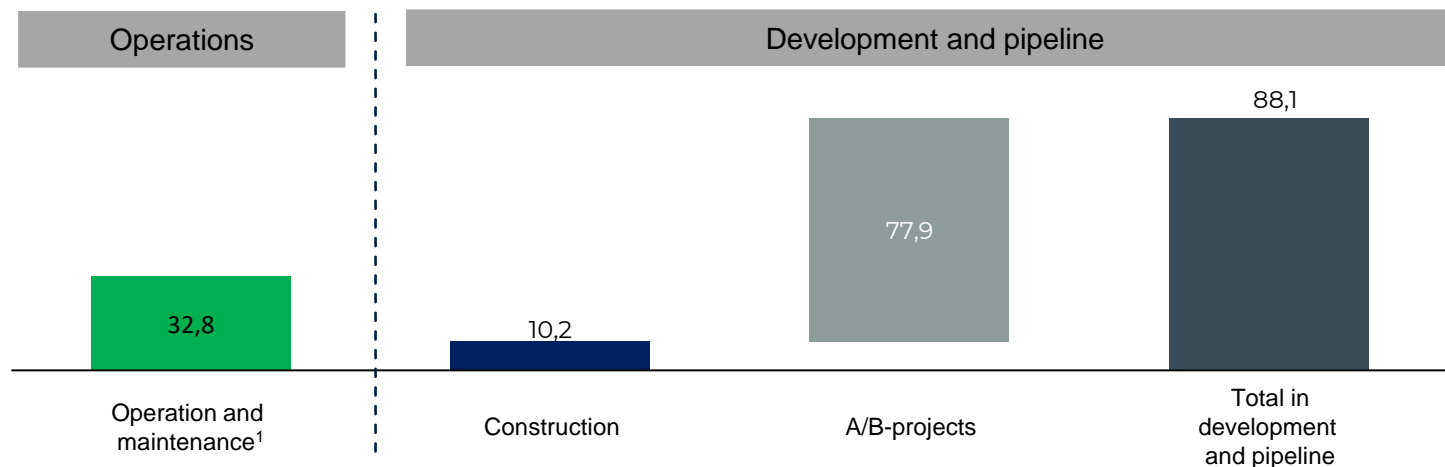
Value creation illustration



Financial performance (consolidated IFRS)



Portfolio, GWh/year



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](#)



«Havila Charisma»

– an asset play for Eqva, 50% ownership

General information

Havila Charisma



Built	December 2012
Design	Havyard 833L
Yard	Havyard Leirvik AS
Class	+1A1 Offshore service vessel (+, Supply) Battery (Power) Clean (Design) COMF (C-3, V-2) DK (+) DYNPOS (AUTR) E0 HL (2.8) LFL (*) NAUT (OSV(A)) SF Shore power
LOA	92.80 m
Breadth	19.60 m
Draught	6,569 m
DWT	4976 t
Deck area	1082.4 m ²
Accommodation	27 persons
Flag	Norwegian
MMSI	257 419 000
IMO NO	9631890
Call sign	LCWZ
Vessel type	PSV

Retrofitted to reduce emissions

Installment of battery and shore power system



- In 2018, Havila Charisma had a battery and shore power system installed
 - NES battery containers with a 625 kWh energy capacity with the possibility to expand to 750kWh
- Fuel savings of 15–20% fuel compared to previous levels
 - Estimated annual fuel savings: 344,000 liters of diesel
 - Estimated annual emissions reduction of CO₂: 920 tons
- 'Havila Charisma' has also been modified to be able to deliver seismic services in the form of permanent reservoir monitoring