

# Company Presentation

March 2024



A part of Eqva ASA

**A fast-growing solution and service company and a  
trustworthy maintenance and modification (M&M) partner**



# Our values

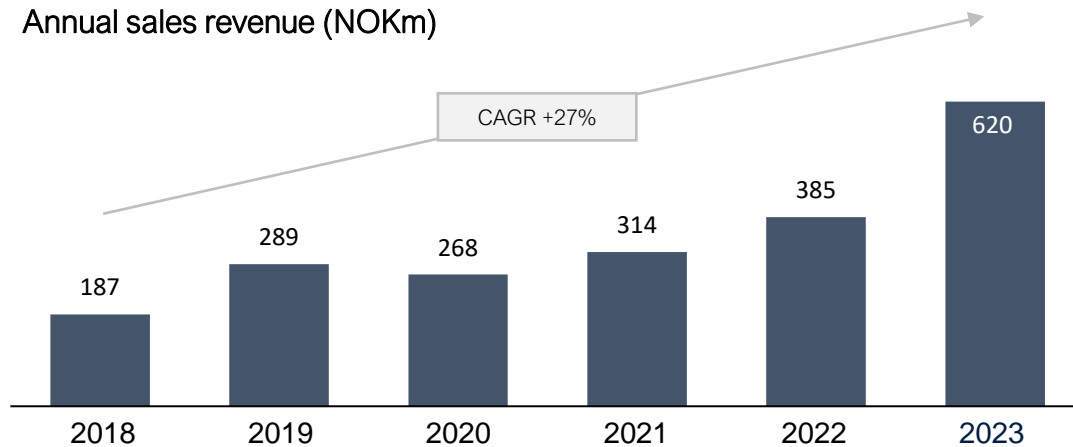
- *Always safe at work*
- *Knowledge and Cooperation/Partner oriented*
- *Our attitude is setting new standards and solving new challenges for our clients*
- *We are relevant*

# Company Highlights

Strong growth - High demand for our diversified services

- Leading full-service supplier for technical installations for maritime, offshore and landbased industries
- Substantial demand for the company's services in recent years, capitalizing on key macro trends
- Strategic location in between the industry hubs in Bergen and Stavanger, close to main vessel routes
- Ambition to continue deliver strong growth by focusing on high quality deliveries, setting new standards and solving complex challenges for our clients

Annual sales revenue (NOKm)



## Key contract characteristics:



Timespan of service and maintenance contracts



Effective backlog from maintenance and service projects

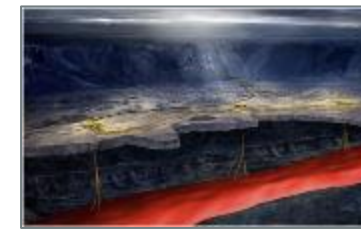


Target EBITDA margin depending on type of project

## Wide range of services to industrial markets, such as:



Landbased industry



Offshore / subsea



Aquaculture

# BKS' business platform

Strong foundation for further value creation



## Our skilled employees

*Over 350 employees, where around 75 percent of the workforce has at least one certificate and many have extensive offshore experience. Highly qualified employees supply engineering services in terms of projecting, calculations and constructions.*



## Attractive locations

*BKS has its main office at Sunde in the municipality of Kvinnherad, with branch offices in Bergen, Stavanger, Odda, Austevoll and Fosen. BKS also has production facilities at Sunde in Kvinnherad and in Bergen.*



## Preferred and competitive supplier to its customers

*BKS has a goal to be a preferred and competitive supplier and partner to the maritime, offshore and landbased industry in Norway. BKS is recognized for taking on a wide range of tasks, from simple missions to more complex total deliveries.*

**BKS**  
A part of Eqva



# Record-breaking NOK >200m project for Boliden

- BKS was in 2023 awarded a NOK160m framework contract for refabrication and installation at Boliden's advanced zinc plant in Odda, Norway.
- Expanded scope brings the project to over NOK 200m, record-breaking for BKS.
- For Eqva and BKS, the contract joins the series of assignments aimed at making Norwegian power-intensive industry and shipping more climate-friendly.
- The demand for such expertise is growing, 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*

# BKS on framework agreement with OneSubsea for construction to Ormen Lange field

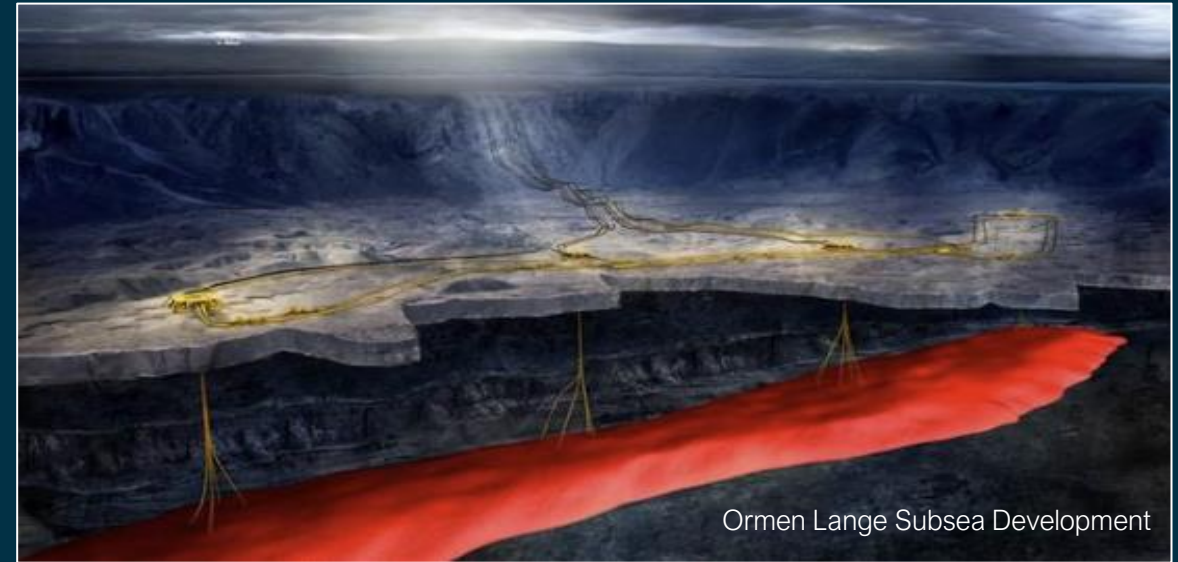
**Shell to increase production from the Ormen Lange field. Increased value of production NOK 80 bn.**

120 km from shore, 900 m depth, water temperature below freezing point, operated from land base.

Ormen Lange is the second largest gas field on the Norwegian Continental Shelf. At plateau production it produces 25% of UK's gas consumption.

Norwegian based (new) subsea technology (OneSubsea) is to increase production from 75% to 85% of the reserves.

BKS is working as a sub supplier to OneSubsea constructing a 430-ton subsea compressor.



# Strong macro tailwinds

Key macro drivers

Digitalization



Sustainability, clean energy  
and decarbonization



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.



## Sustainability, clean energy and decarbonization

**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 Strategy<sup>1</sup>:**

- 40% reduction of CO<sub>2</sub>e 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 CO<sub>2</sub> Emission Trading System (ETS)<sup>2</sup>**

- Achieved 35% reduction of CO<sub>2</sub>e 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



# Delivers services to a variety of industrial sectors

Long track-record with complex projects customized to customers' needs

**BKS**  
A part of Eqva



Illustration of recent projects delivered by BKS

# Exposed to a variety of industrial sectors

BKS takes on a wide range of tasks from simple mission to more complex deliveries

Share of contracts revenues\* and offering examples to various landbased, offshore and maritime markets



**44%**

Smelters

- Full-service technical installations, service and maintenance to smelters and power-intensive industries
- Engineering, design, stainless steel, welding and plastics, power and automation



**13%**

Landbased

- Full-service installations of production lines, service and maintenance to process- and other landbased industries
- Engineering, design, stainless steel, welding and plastics, pipeline and tank systems, power and automation



**16%**

Maritime industry

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



**19%**

Offshore industry

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



**3%**

Aquaculture

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



**5%**

Other services

- Construction, Norwegian Armed Forces, etc.



**A part of Eqva ASA:**

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

# Well positioned for further growth

Strategic priorities



Utilise group synergies and  
cooperate with partners



Capitalise on key macro trends in  
maritime and offshore markets

Offshore-wind – Transport - Aquaculture - Fisheries



Preferred and competitive  
partner in existing and new  
industries

By uniquely customising services to the client's needs



Be an active partner who solves  
challenges from the **idea stage** to  
**completion**

# BKS' subsidiaries

Separated businesses with complementary strengths

## BKS Industri AS

(100 % ownership)

- H.Q: in Sunde, Kvinnherad
- 287 employees
- Offers calculations, drawing, fabrication, assembly of structures in steel, stainless steel, aluminum, and plastic
- Has 32,800 sq.m yard area, 6,150 sq.m indoor production area, warehouse and administration

**BKS** industri

## BKS Power & Automation AS

(100 % ownership)

- H.Q: in Sunde, Kvinnherad
- 72 employees in the power & automation segment, of which 68 are employed in BKS Industri
- Offers power & automation services such as electrical installation to landbased industry
- Acquired in 2021 and has strengthen the groups offering to new markets

**BKS** power & automation

## BKS VVS AS

(67 % ownership)

- H.Q: in Straume, Øygarden
- 32 employees
- Offers services within piping, heating and ventilation
- Long term supplier to the Norwegian Armed Forces
- Enterprise assignments for construction

**BKS** vvs

## Zenit Engineering AS

(82 % ownership)

- H.Q: in Sunde, Kvinnherad
- 14 employees
- Offers analysis, calculations, design, drawing, and studies
- Engineering services and project support to various customers

 **zenit**

## Marine Support AS

(70 % ownership)

- H.Q.: in Storebø, Austevoll
- 3 employees
- Offers design, engineering and installation of complete tank plants

 **MARINE**  
SUPPORT AS

# Experienced management team

## Executive management



**Trygve Kjerpeseth**  
CEO BKS



**Tore Thorkildsen**  
Head of Sales



**Lisbeth M. Hessen**  
Head of Finance



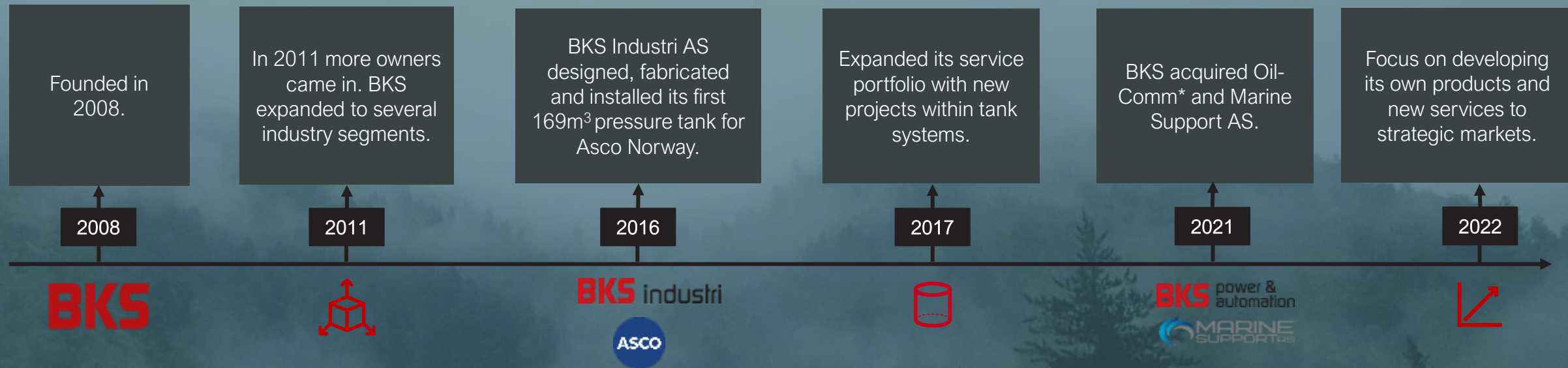
**Birgitte Gjerstad**  
Head of QA/HMS



**Jeanette Skatvold**  
HR manager

# Important highlights

Building on its long history of knowledge and expertise



# ESG as a top priority

BKS has a zero injuries philosophy and takes pride in its standards and certifications

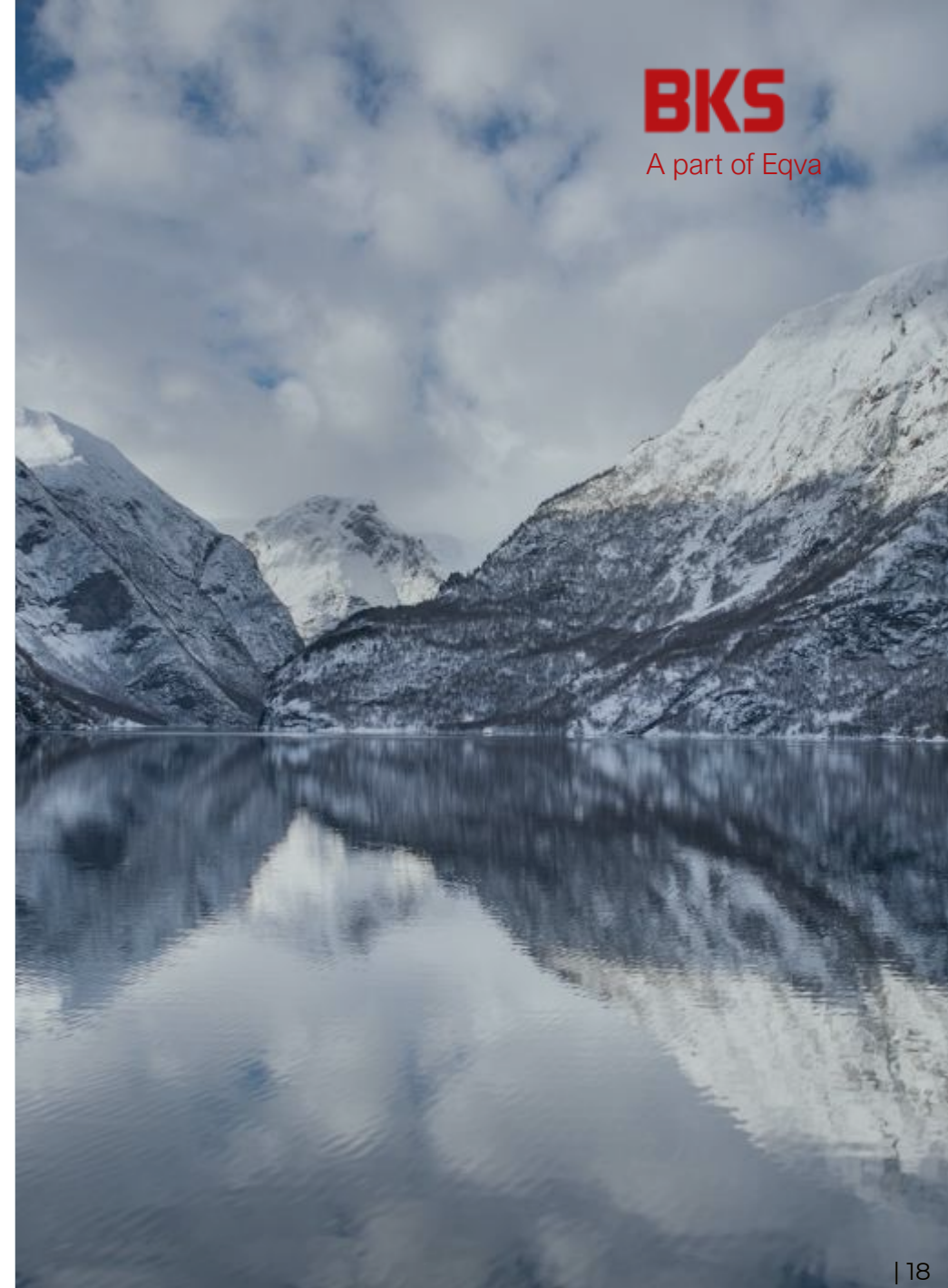
- **Certifications:** DNV.GL Management System Certificates
  - ISO 9001-2015
  - ISO 14001-2015
  - NS-EN 1090-1
  - NS-EN 3834-2
- **ESG activities in 2023**
  - Materiality assessment completed during Q2
  - ESG work has started – report to be published on Eqva's web pages during Q1 2024
  - Full sustainability report will be made in reference to GRI recommendations



# Attractive location: Production area

In between the industry hubs in Bergen and Stavanger

- BKS Industri AS is well situated on the Norwegian west coast in Sunde, Kvinnherad
- Strategic location close to main vessel routes
- The production area has a total of 32,800 sq.m. yard area, with 6,150 sq.m indoor production, warehouse and administration buildings
- Multiple projects can be run in parallel and adaptable to logistics with cars and vessels



# Recently completed strategic projects

Two of BKS' "signature" projects

## Marine hydrogen fuel cell system combined with batteries

- Decarbonising marine transportation is becoming increasingly relevant for our customers, and a special focus area for Eqva
- Recently completed delivery of a test facility for a new innovative hydrogen fuel project at the west coast of Norway

## Pipe system for biotech processing plant

- Successfully completed a project at a food and processing plant – an example of how BKS and Eqva's expertise is highly relevant for landbased industries
- Total contract value of approximately NOK 45 million



9 axes, 40+ tools Next Generation Multitasking Turning / Mill Centre

# Appendix

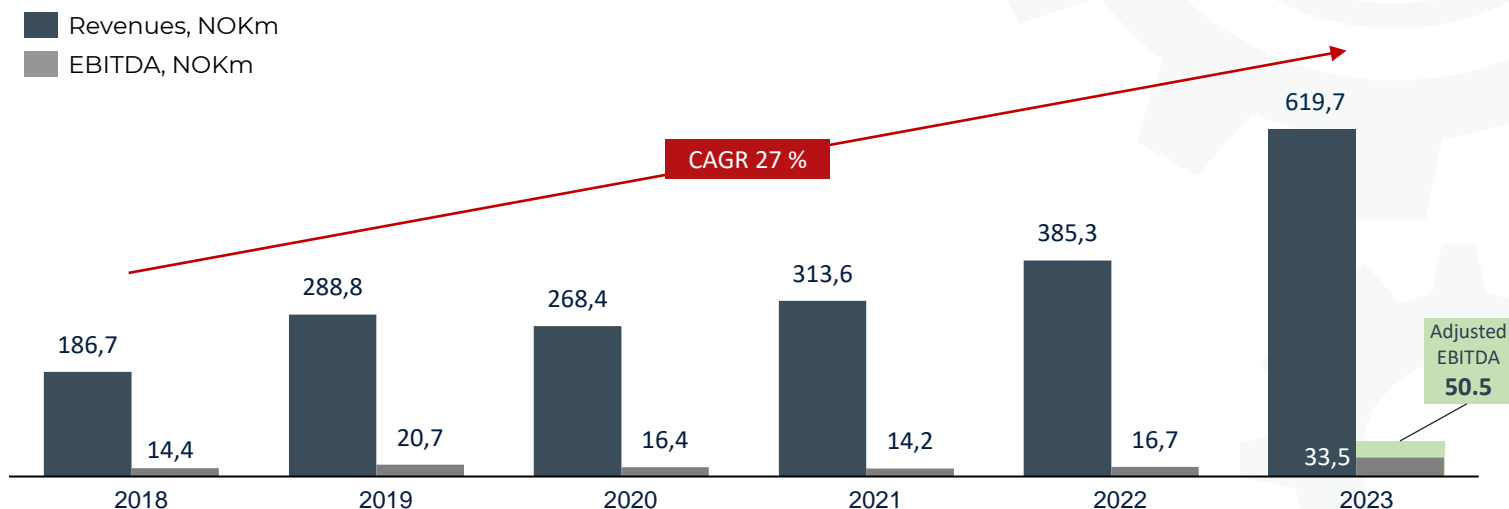
# BKS – Key facts

Continued revenue growth and high activity levels on ongoing projects in 2023

## Company highlights

- Founded in 2008 and HQ in Sunde, Kvinnherad
- ~350 employees spread across 5 companies
- BKS is a full-service supplier for 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 the maritime, offshore and landbased industry in Norway
- 27 per cent CAGR (2018-2023)
- 60 % YoY increased sales, adj. EBITDA up YoY from 4.6 % to 8.1 %

## Financial performance



## Full-service provider



## Selected customer base



# Key figures 2015 – 2023

BKS Holding – consolidated / group figures

<b>BKS Group - Pro forma</b>									
<b>PROFIT &amp; LOSS (NOKm)</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Operating revenue	99,6	143,7	145,4	186,7	288,7	268,4	313,6	385,3	619,7
Cost of goods sold	-28,0	-47,6	-39,9	-48,2	-80,3	-54,6	-77,6	-103,6	-238,6
Payroll	-45,7	-64,0	-76,0	-100,4	-149,9	-156,5	-173,3	-208,0	-260,2
Other operating expenses **	-18,0	-19,7	-17,7	-23,6	-37,8	-40,9	-48,5	-57,0	-79,2
<b>EBITDA</b>	<b>7,9</b>	<b>12,4</b>	<b>11,8</b>	<b>14,4</b>	<b>20,7</b>	<b>16,4</b>	<b>14,2</b>	<b>16,7</b>	<b>41,6</b>
<i>EBITDA margin</i>	7,9 %	8,6 %	8,1 %	7,7 %	7,2 %	6,1 %	4,5 %	4,3 %	6,7 %
Non-recurring items*						-10,1	-10,9	-2,0	-9,3
<b>Adjusted EBITDA</b>	<b>7,9</b>	<b>12,4</b>	<b>11,8</b>	<b>14,4</b>	<b>20,7</b>	<b>26,5</b>	<b>25,1</b>	<b>18,7</b>	<b>50,9</b>
<i>Adjusted EBITDA margin</i>	7,9 %	8,6 %	8,1 %	7,7 %	7,2 %	9,9 %	8,0 %	4,9 %	8,2 %
NIBD	-1,8	9,4	4,0	10,3	27,5	30,8	27,0	35,9	38,0

\* Non-recurring items (Covid, restructuring cost, insolvency of customer)

\*\* Management fee NOKm 8 in 2023