

Eqva ASA

Investor Presentation

23 November 2022



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.
450 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.*

Strong macro tailwinds

Key macro drivers

Digitalisation



Sustainability, clean energy
and decarbonisation



Maritime
service 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

Digitalisation

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 digitalisation.

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



Sustainability, clean energy and decarbonisation

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

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

Defined IMO Goals baseline year 2008²:

- 40% reduction of CO₂e by 2030
- 70% reduction of CO₂e by 2050
- 50% reduction of GHGe by 2050



Maritime service conversion

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

Maritime transport sector is proposed by the European Commission to be included in **EU's CO₂ Emission Trading System (ETS)³**

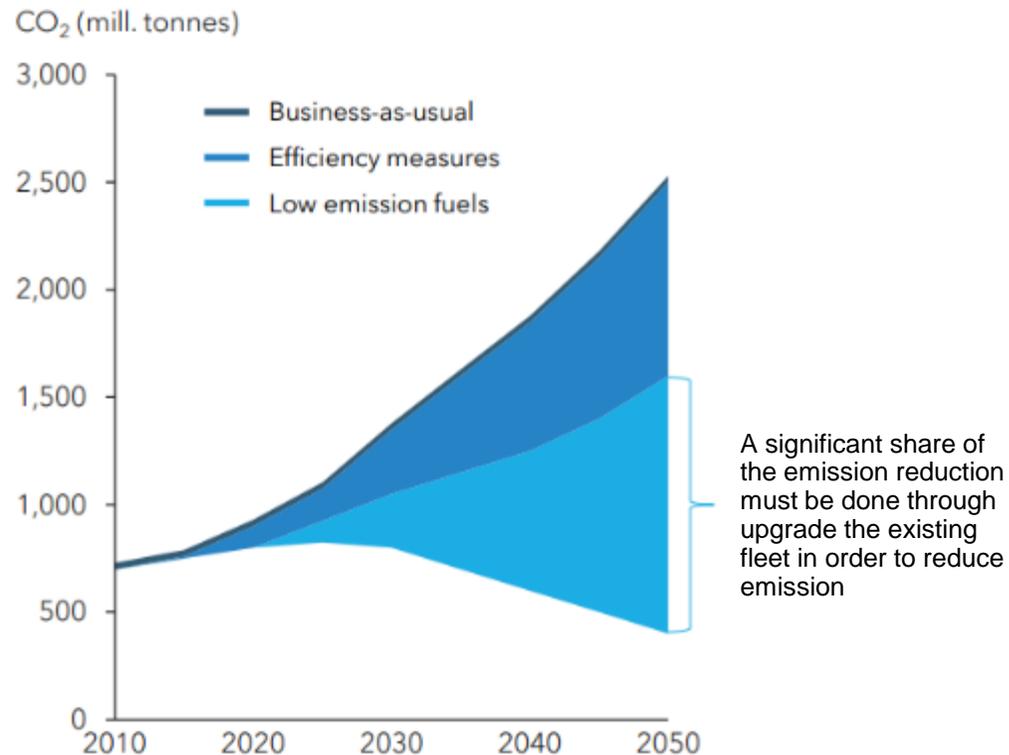
- 2% reduction of CO₂e by 2025
- 6% reduction of CO₂e by 2030
- 26% reduction of CO₂e by 2040
- 75% reduction of CO₂e by 2050



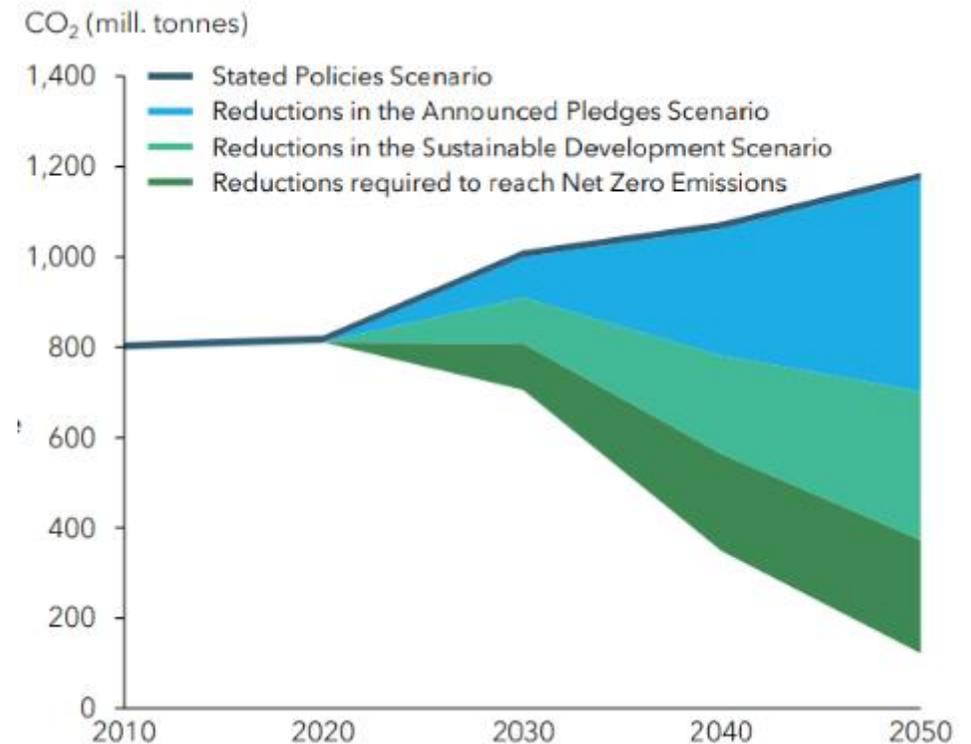
Zero emission solutions are needed along the entire west coast of Norway to contribute to the global reduction targets



Global emissions from shipping¹



Global emissions from shipping in different policy scenarios²



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



Aquaculture

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



Green power

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



Maritime assets

- Increased growth aspect long-term in **maintenance and repair, recycling and conversion**, instead of building new ships according to the government and Menon economics¹

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 prices



Solutions

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



Process

- 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 crucial

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*



9%

Aquaculture

- Conversion and service to wellboats and service vessels
- Development of landbased plants



9%

Green power

- Base-work on vessels and rigs
- Conversion and hybridisation of vessels



30%

Maritime assets

- Service and repair
- 24/7 emergency dockings

Share of revenues to various landbased and industrial markets*



1%

Renewable energy

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



40% Solutions

- Engineering, design, power and automation
- Production lines/processes complete pipeline and tank systems



8%

Process

- Technical solutions for landbased process industry
- Water treatment, filtration, scrubber systems

*Note: Based on H1 2022 figures pro-forma

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



Maritime service provider with attractive location, strong infrastructure and skilled organisation



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



A specialised hydropower plant developer and operator

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



Eqva will be a driving force for a sustainable transition



- ESG is integrated in corporate governance structures and industry 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 2022-23
- **Strategic priorities in H2'2022:**
 - Materiality assessment
 - Determine ambition level for sustainability reporting
 - Start work and facilitation of full sustainability report to be written in accordance with GRI recommendations
 - Identify main focus goals among the UN's 17 Sustainable Development Goals



Overview of financial targets



- Revenues in 2022 is expected to be above initial targets
- Taking a more cautious stance on 2022 EBITDA-guidance due to market uncertainty in the Maritime Service segment in particularly
- Further growth in volumes expected into 2023 for both segments combined
- The EBITDA margin is reduced to 4-6 per cent, but still aims to reach the original target of 7-8 per cent

Financial guidance as of end-Q3 2022 (NOK million):



*Note: EBITDA adjusted for transaction and restructuring costs

Eqva's history (formerly Havyard)



Building on over 100-year long history of expertise



The activity in Leirvik started with the foundation of Løland Motorverksted (machine workshop) by Jonas Løland in 1918.

The yard constructed its first newbuilding "Loftesnesferja" in 1938.

In 2014 the company was listed on the Oslo Stock Exchange.

Transition to become Eqva



Vessel new buildings and service to the maritime industry
2020

Revision of corporate strategy to focus on repair, service and maintenance to the maritime industry
2021

Acquire HG Group to become a fully integrated service provider to on- and offshore industries
2022

Complete industrial service offering and renewable energy provider
2022 → Eqva

Experienced management team



Executive management



Erik Høyvik
CEO Eqva ASA

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



Eirik Sævareid
CFO Eqva ASA

15+ years of experience from executive finance positions in large industrial companies



Tor Leif Mongstad
CEO Havyard Leirvik

25+ years diversified experience in the maritime industry



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
Chairman¹

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



Vegard Sævik
Board member¹

Employed in Havila Holding and holds several board positions and is Chairman of the Board in Fjord1



Rune Skarveland
Board member¹

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



Ellen Hanetho
Board member²

20+ years of financial & strategic business development



Anne Bruun-Olsen
Board member²

Senior Partner
Cushman & Wakefield
Realkapital



Geir Helge Nordstrand
Board member
Employee representative



Jan Olav Gjerde
Board member
Employee representative

Top shareholders

Shareholder as of 6 September 2022

Shareholder as of 6 September 2022	Number of shares	Ownership
Nintor AS	16,938,645	23.53%
Havila Holding AS	10,000,000	13.89%
ROS Holding AS	5,660,027	7.86%
Neve Eiendom AS	4,993,951	6.93%
Eikestø Eiendom AS	4,960,847	6.89%
Fureneset Eiendom AS	4,960,847	6.89%
Eikestø AS	2,999,511	4.17%
Neve Holding 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	1,086,468	1.51%
Other shareholders	10,517,998	14.62%

Our business segments



~40%*



Maritime services

Maritime Services (previously Ship Technology) with the shipyard Havyard Leirvik in Sogn, delivers conversion, service and maintenance of vessels to a wide customer base.



~60%*



Products, solutions & renewables

Products, solutions & renewables (new segment) consists of the service and maintenance provider BKS, with underlying subsidiaries, and the small-scale power plant company Fossberg Kraft.



*Note: Based on YTD 2022 pro forma figures as of end-Q3 2022

Maritime services



Havyard Leirvik - Maritime service provider with shipyard in Sogn

- Attractive geographical location with proximity to maritime sectors along the coast of Norway
- Broad variety of high-quality services, including complex design, extension, conversion, service and maintenance of vessels - to a wide customer base
- Helping customers to minimise its environmental impact, secure energy-efficient solutions and increase vessels' competitiveness
- 70 permanent employees at the yard, capacity to run 3-6 projects in parallel, built-in dry dock

Key contract characteristics



Timespan of service and maintenance contracts

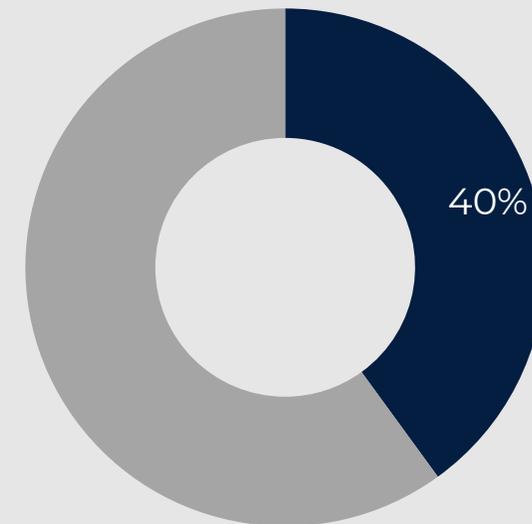


Effective backlog from maintenance and service projects



Target EBITDA margin depending on type of project

Share of YTD 2022 revenue as of Q3 2022*:



* Based on pro forma figures

Key markets



Aquaculture



Green power



Maritime assets

Maritime services



Example of one of the “signature projects” completed at the end of Q3 2022

- Large maritime service conversion project within hybridization electrification of engine ongoing
- Ferry MF Veøy for Fjord1 in Geiranger
- Expects completion in the beginning of 2023
- Aims to help minimise the customers’ environmental impact and secure energy-efficient solutions and increase the ferrys’ competitiveness

Key markets



Green power



Maritime assets

Blue-chip customer



MF Veøy



Foto: Fjord1

Products, solutions & renewables



A fully integrated service and hydropower provider

- **BKS** provides service and maintenance to the Norwegian land-based and maritime industry. Full-service supplier of technical installations, with presence throughout the value-chain
 - Long-term relationships with large clients
 - Tailor-made and recurring customer projects
 - Over 300 employees
- **Fossberg Kraft** specialises in the establishment and operation of small-scale hydropower plants
 - New projects in the pipeline
 - 4 employees

Key contract characteristics



Timespan of contracts and frame agreements

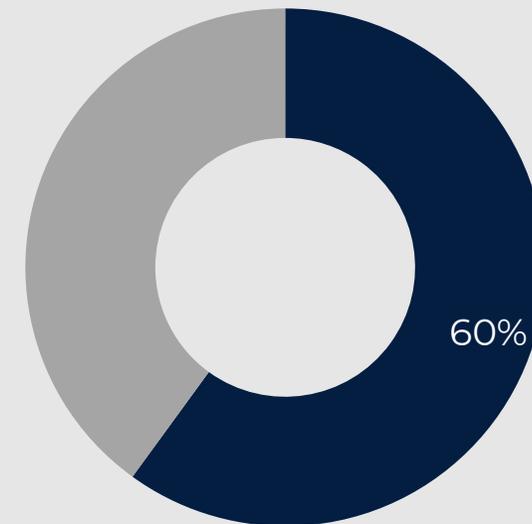


Effective backlog from projects and frame agreements



Target EBITDA margin depending on type of project

Share of YTD 2022 revenue as of Q3 2022*:



* Based on pro forma figures

Key markets



Renewable energy



Solutions



Process

Products, solutions & renewables



Example of two of the “signature projects” completed at the end of Q3 2022

Marine fuel cell system

- Successfully completed delivery of a test facility for a new innovative hydrogen fuel project at the west coast of Norway.
- The test facility is an important part of a larger hydrogen fuel project with the aim of developing sustainable, large-scale maritime-certified hydrogen fuel cell systems.

Pipe system for biotech processing plant

- Eqva successfully completed a project at a biotech processing plant within the food industry in the third quarter
- Total contract value of NOK 40 million.

Key markets



Renewable energy



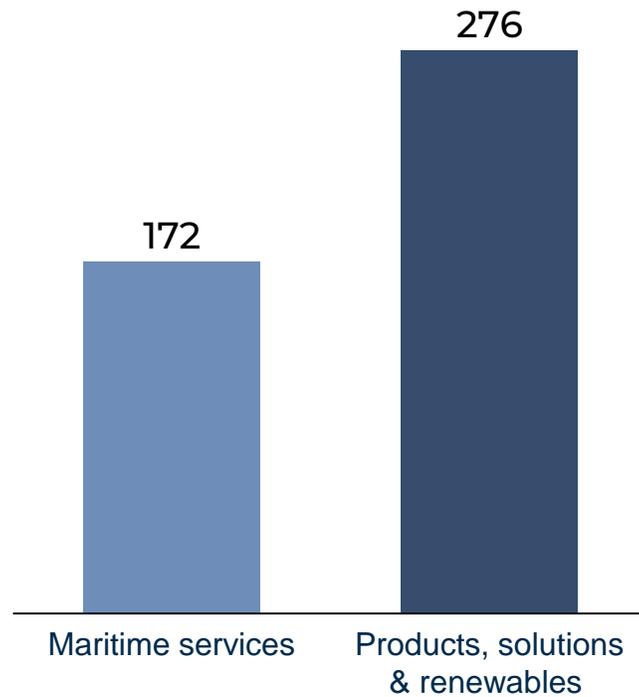
Solutions

Business segments - key financial figures

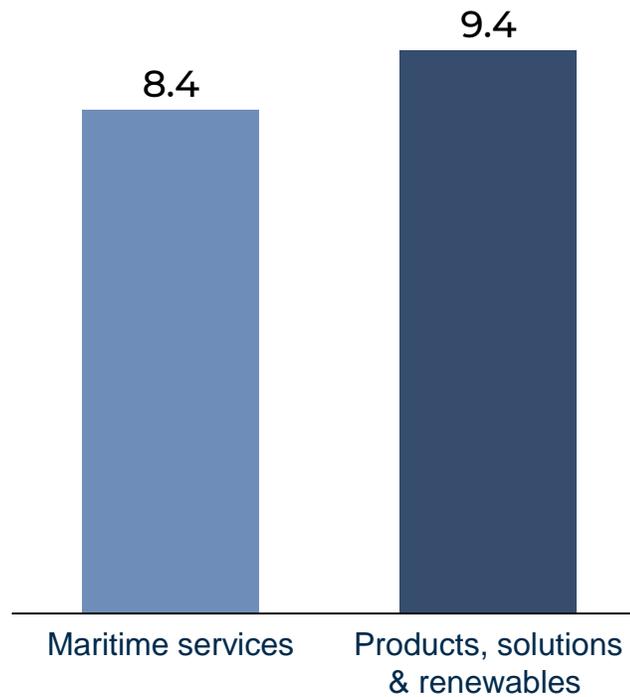


Year to date pro forma figures as of end-Q3 2022

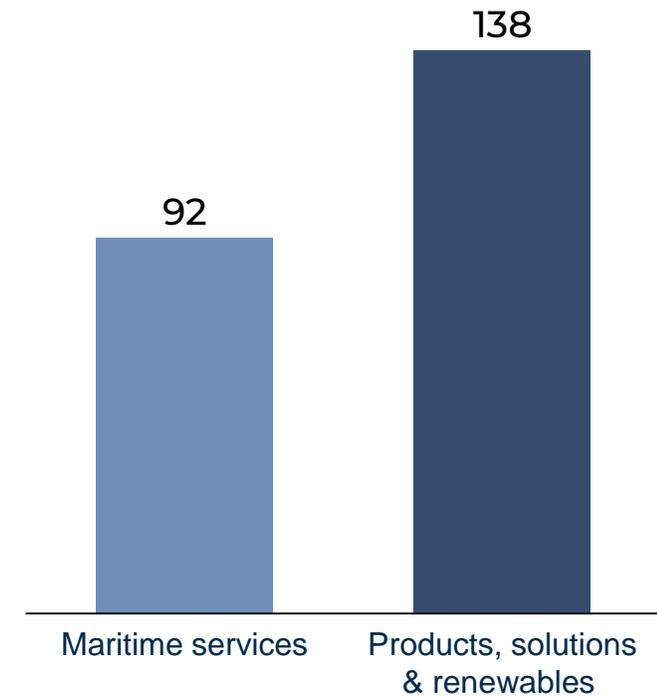
Revenues YTD Q3 2022
(NOKm)



Adj. EBITDA YTD Q3 2022
(NOKm)



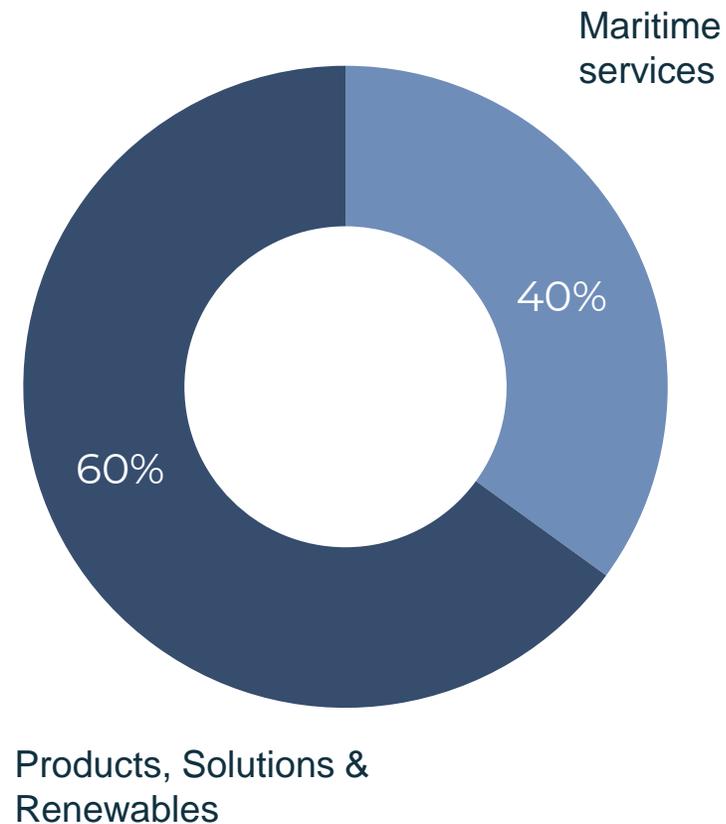
Orderbook YTD Q3 2022
(NOKm)



Order book and timing of project impacted by market uncertainty



Order book divided by segment (%)



Order book in Maritime Service at mNOK 92

- Electrification project
- Engine change
- Various service projects

Order book in Products, Solutions & Renewables at mNOK 138

BKS

- Combination of projects and frame agreements supports increasing activities in Q4 and into 2023
- High tender activities with key customers

Fossberg Kraft

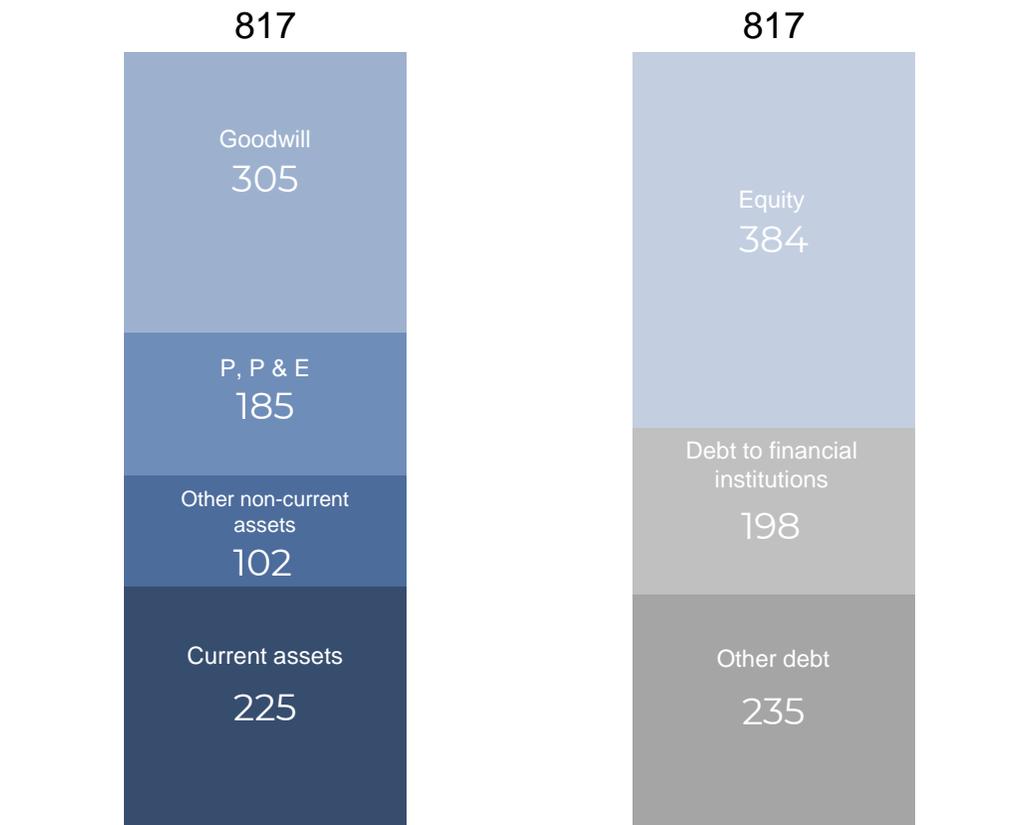
- Two power plants under construction
- A list of prospects to be converted to projects creating revenues in 2023

Robust financial position



Q3 2022 Balance sheet

As of 30 September 2022 (NOKm)



- Total assets and liabilities at stable levels during the quarter
- Equity ratio of 47 per cent
- Total debt decreased from NOK 436 million by the end of second quarter to NOK 433 million in the end of third quarter.
 - Total outstanding debt to credit institutions increased from NOK 181 million to NOK 198 million (of which construction loans amount to NOK 40 million)
 - Seller's credit of NOK 25 million following the transaction in June
- Net interest-bearing debt* NOK 100 million as of 30 September 2022
- Compliant with loan covenants as of 30 September 2022.

A new real estate division under establishment



- Ongoing strategic project to restructure the attractive industrial locations at Sunde (BKS) and Leirvik (Havyard Leirvik) in a separate division.
 - BKS has production area of total 15 000 sqm and ~ 4 000 sqm indoor capacity. In addition, there are administration building, quay area and housing for workers.
 - Havyard Leirvik is located close to main vessel routes. The yard has ~98 000 sqm yard area, 220m outfitting quay, a 130x20x5m built-in dry dock. In addition, it has adequate crane arrangements, warehouses and blasting hall.
- Aims to highlight the value of these assets, of significant size also above book values.
- Sees potential to develop these properties beyond current use
 - both within Eqva's own business and with strategic partners.
- Restructuring to be completed within 31 December 2022.



BKS` facilites at Sunde, Kvinnherad



Yard facilites at Havyard Leirvik

Opportunistic approach to value-added acquisitions



M&A criteria

Consolidation of maritime and industrial services

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

Please direct any questions to
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Thank you

Appendices:

- Consolidated financial statement
First six months of 2022 (Unaudited)
- Organisation structure
- Presentation of subsidiaries

Consolidated statement of profit and loss



(NOK 1,000)

		2022 YTD Q3	2022 YTD Q2	2021
		Unaudited Urevidert	Unaudited Urevidert	Audited Revidert
Revenues	Salgsinntekt	265 492	128 976	902 893
Other operating revenues	Annen driftsinntekt	-3 929	339	7 293
Operating income	Driftsinntekt	261 563	129 315	910 186
Materials and consumables	Varekostnader	145 807	84 132	636 956
Payroll expenses	Lønnskostnader	95 339	35 851	164 574
Other operating expenses	Andre driftskostnader	30 201	15 937	51 761
Operating expenses	Driftskostnader	271 347	135 920	853 291
Operating profit/loss before depreciation and amortisation (EBITDA)	Driftsresultat før avskrivninger og nedskrivninger (EBITDA)	-9 784	-6 605	56 895
Impairment of non-current assets	Nedskrivning av anleggsmidler	0	0	0
Depreciation	Avskrivninger	5 015	1 540	5 409
Operating profit/loss (EBIT)	Driftsresultat (EBIT)	-14 799	-8 145	51 486
Financial income	Finansinntekter	852	609	57 597
Financial expenses	Finanskostnader	-15 313	-7 070	-16 245
Share of profit/loss of associate	Andel av resultat fra tilknyttet selskap	-10 090	-3 003	-1 128
Profit / loss before tax	Resultat før skatt	-39 350	-17 609	91 711
Income tax expense	Skattekostnad	-16 781	-16 781	-957
Profit from continued operations	Resultat fra viderført virksomhet	-22 570	-828	92 666
Profit from discontinued operation	Resultat fra ikke viderført virksomhet	0	0	286 997
Profit for the period	Perioderesultat	-22 570	-828	379 663
Attributable to :	Tilordnet:			
Equity holders of parent	Aksjonærer i morselskapet	-22 570	-828	347 200
Non-controlling interest	Ikke-kontrollerende eierinteresser	0	0	32 463
Total	Sum	-22 570	-828	379 663
Earnings per share (NOK)	Resultat per aksje (NOK)	-0,31	-0,01	14,01
Diluted earnings per share (NOK)	Utvannet resultat per aksje (NOK)	-0,31	-0,01	14,01
Earnings from continued operations	Resultat fra viderført virksomhet			
Earnings per share (NOK)	Resultat per aksje (NOK)	-0,31	-0,01	3,74
Diluted earnings per share (NOK)	Utvannet resultat per aksje (NOK)	-0,31	-0,01	3,74

Consolidated statement of financial position



Assets

(NOK 1,000)

ASSETS	EIENDELER	2022 YTD Q3	2022 YTD Q2	2021
		Unaudited Urevidert	Unaudited Urevidert	Audited Revidert
Non-current assets	Anleggsmidler			
Deferred tax benefit	Utsatt skattefordel	1 710	1 710	1 710
Goodwill	Goodwill	305 992	303 500	0
Licenses, patents and R&D	Lisenser, patenter og FoU	35 178	35 578	0
Property, plant and equipments	Eiendom, anlegg og utstyr	184 514	154 937	16 116
Right of use assets	Bruksrett eiendeler	6 237	3 106	332
Investment in associates	Investeringer i tilknyttet selskap	18 902	25 990	194 185
Loan to associates	Lån til tilknyttet selskap	6 524	4 756	4 338
Investment in financial assets	Investeringer i finansielle	23 201	29 592	4 610
Other non-current receivables	Andre langsiktige fordringer	9 436	19 569	111
Total non-current assets	Sum anleggsmidler	591 695	578 738	221 403
Current Assets	Omløpsmidler			
Inventory	Varelager	11 524	23 274	2 781
Accounts receivables	Kundefordringer	101 385	75 086	19 784
Other receivables	Andre kortsiktige fordringer	30 255	16 654	26 176
Contract assets customer contracts	Kontraktseiendeler kundekontrakter	0	0	0
Cash and cash equivalents	Bankinnskudd	81 934	148 067	221 733
Total current assets	Sum omløpsmidler	225 099	263 081	270 474
TOTAL ASSETS	SUM EIENDELER	816 793	841 819	491 877

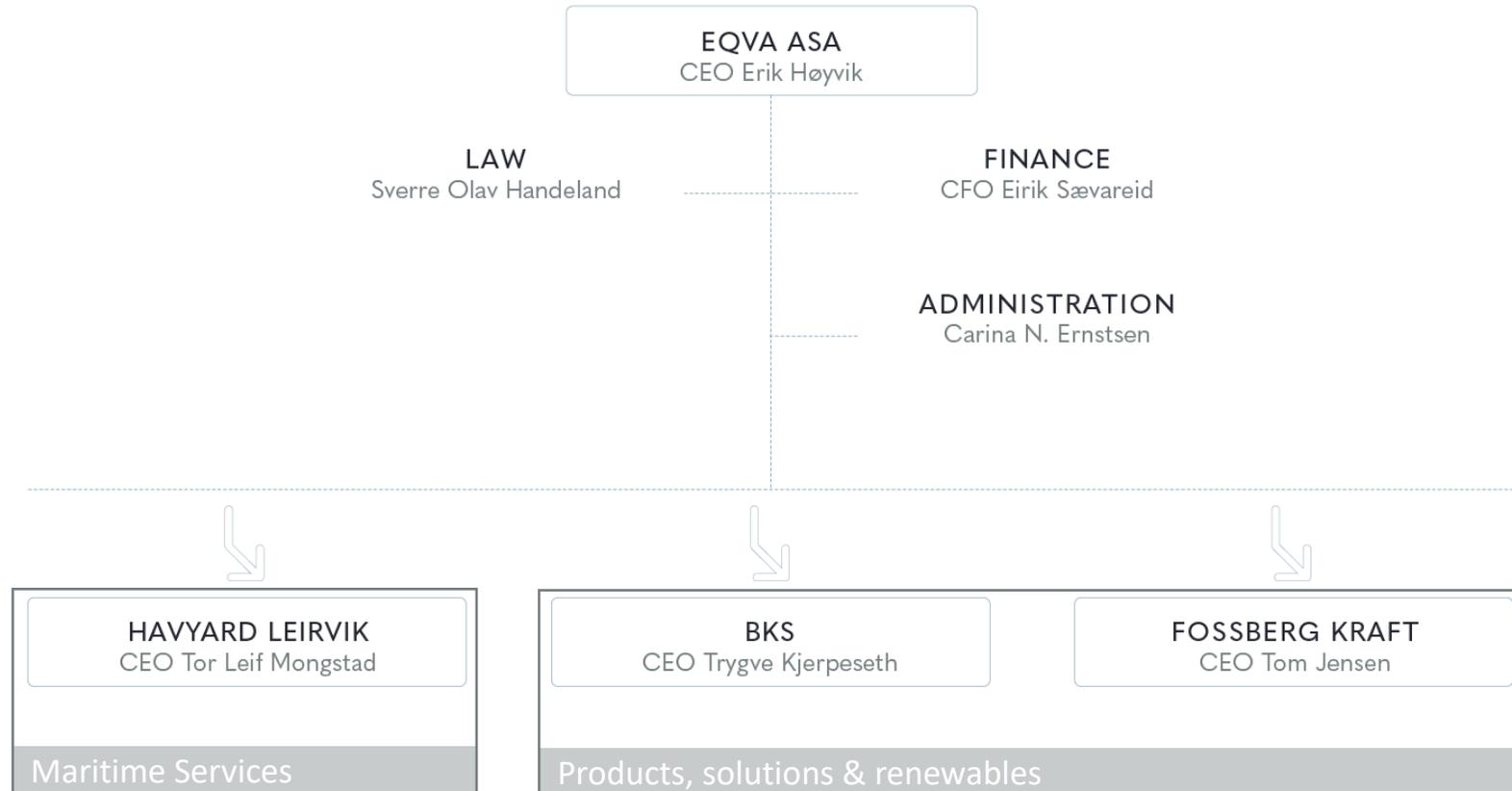
Equity and liabilities

ASSETS	EIENDELER	2022 YTD Q3	2022 YTD Q2	2021
		Unaudited Urevidert	Unaudited Urevidert	Audited Revidert
EQUITY AND LIABILITIES	EGENKAPITAL OG GJELD			
Equity	Egenkapital			
Share capital	Aksjekapital	3 599	3 599	1 239
Share premium reserve	Overkurs	265 175	265 175	22 535
Treasury shares	Egne aksjer	-3	-3	-3
Retained earnings	Opptjent egenkapital	112 426	134 168	274 042
Non-controlling interests	Ikke-kontrollerende eierinteresser	3 006	3 006	0
Total equity	Sum egenkapital	384 203	405 945	297 814
Non-current liabilities	Langsiktig gjeld			
Deferred tax liability	Utsatt skatt	2 978	2 978	2 441
Lease liabilities	Leieforpliktelse	6 923	2 048	225
Loans and borrowings	Gjeld til kredittinstitusjoner	149 124	55 360	4 348
Other long-term liabilities	Annen langsiktig gjeld	47 122	49 536	31 933
Total non-current liabilities	Sum langsiktig gjeld	206 146	109 921	38 947
Current liabilities	Kortsiktig gjeld			
Accounts payables	Leverandørgjeld	66 433	84 559	27 793
Tax payable	Betalbar skatt	3 270	2 926	2 603
Public duties payables	Skyldig offentlige avgifter	26 747	40 829	17 523
Loans and borrowings, current	Gjeld til kredittinstitusjoner	48 797	125 841	435
Contract liabilities	Kontraktforpliktelse	46 108	4 092	35 558
Lease liabilities	Leieforpliktelse kortsiktig	1 353	1 353	132
Other current liabilities	Annen kortsiktig gjeld	33 734	66 353	71 073
Total current liabilities	Sum kortsiktig gjeld	226 443	325 952	155 117
Total liabilities	Sum gjeld	432 589	435 873	194 063
TOTAL EQUITY AND	SUM EGENKAPITAL OG	816 793	841 819	491 877

Organisation structure



As of 30 September 2022



Subsidiaries

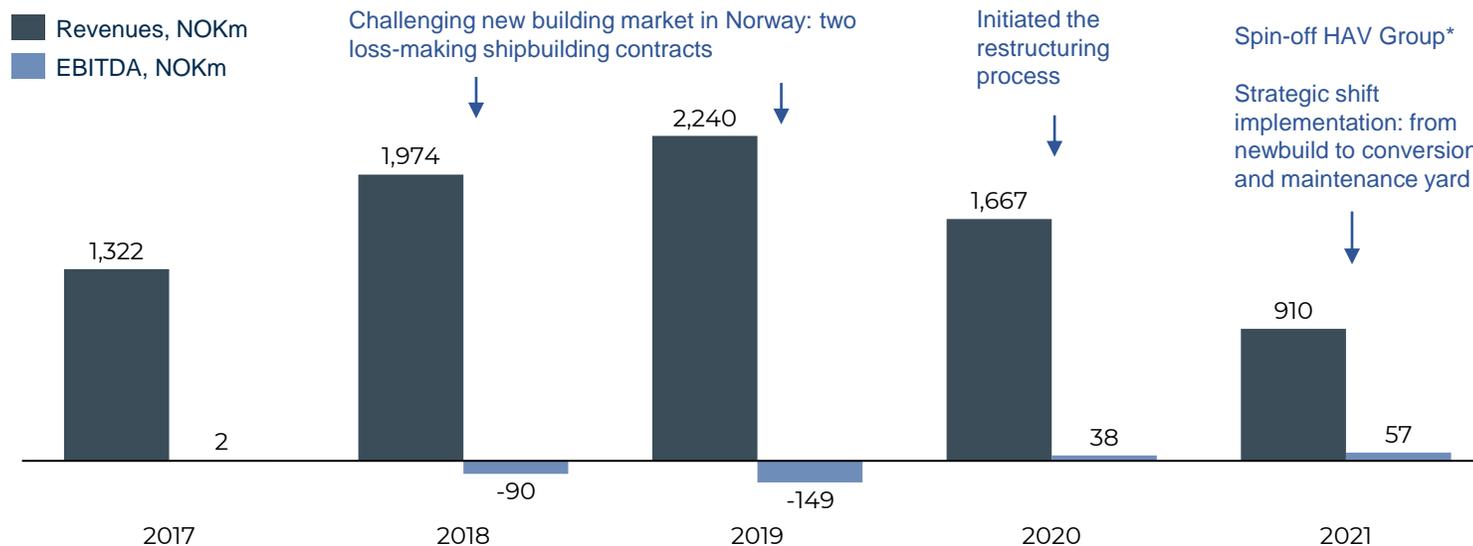
Havyard Leirvik

Shipyard – Represents the Maritime Services segment

Company highlights

- Strategic location close to main vessel routes at the end of Sognefjorden in Leirvik (two hours from Bergen)
- 70 full-time employees
- In response to market demand and to reduce the risk and capital intensity of the newbuilding ship market., the company was reorganised into a rebuilding- and service yard in 2021
- The change in organisation structure and business activity impacted the turnover and order book: As a rebuilding- and service yard, Havyard Leirvik faces contracts that are smaller than newbuilding contracts, and with shorter lead time.

Financial performance



The reorganised yard offers a variety of services

220-meter quay
Built-in dry dock

98 sq.m.
Yard area

3-6 projects
Running at once

- Offering include;
- Extensions
 - Conversion/ Hybridisation
 - Classification
 - Repairs and inspections

Selected customer base



Subsidiaries



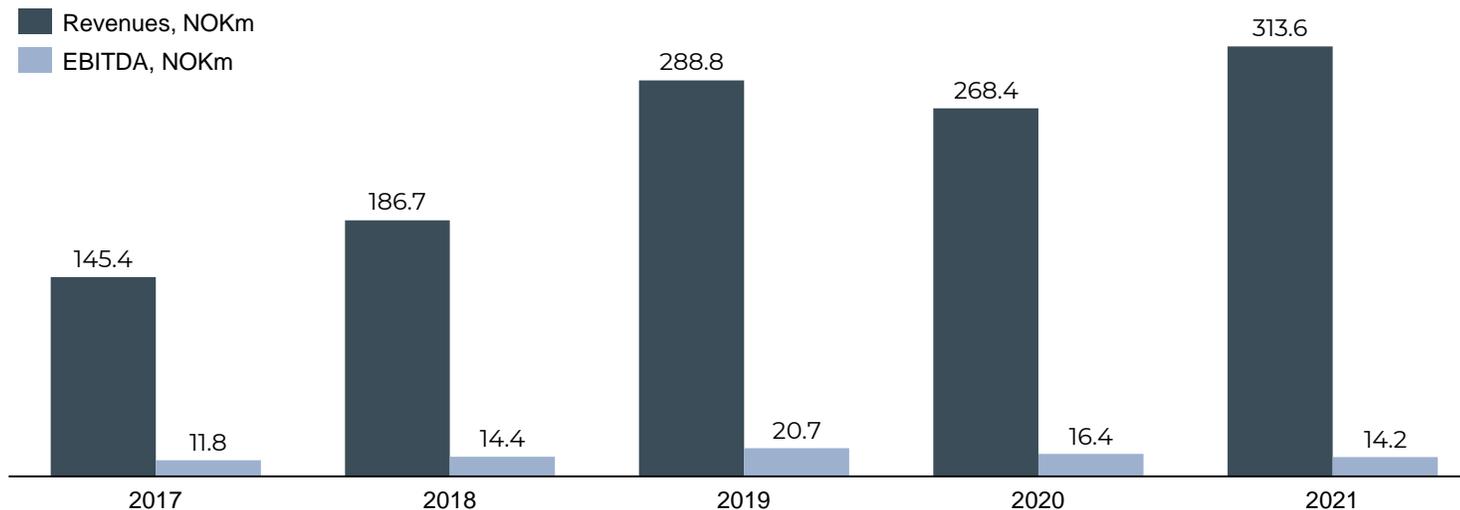
BKS

Full-service provider – A part of the Products, Solutions & Renewables segment

Company highlights

- Founded in 2008 and HQ in Sunde, Kvinnherad
- ~370 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 more complex total deliveries
- Goal to be a preferred and competitive supplier and partner to the maritime, offshore and landbased industry in Norway.

Financial performance



Full-service provider:



Blue-chip customer base



Subsidiaries Fossberg Kraft

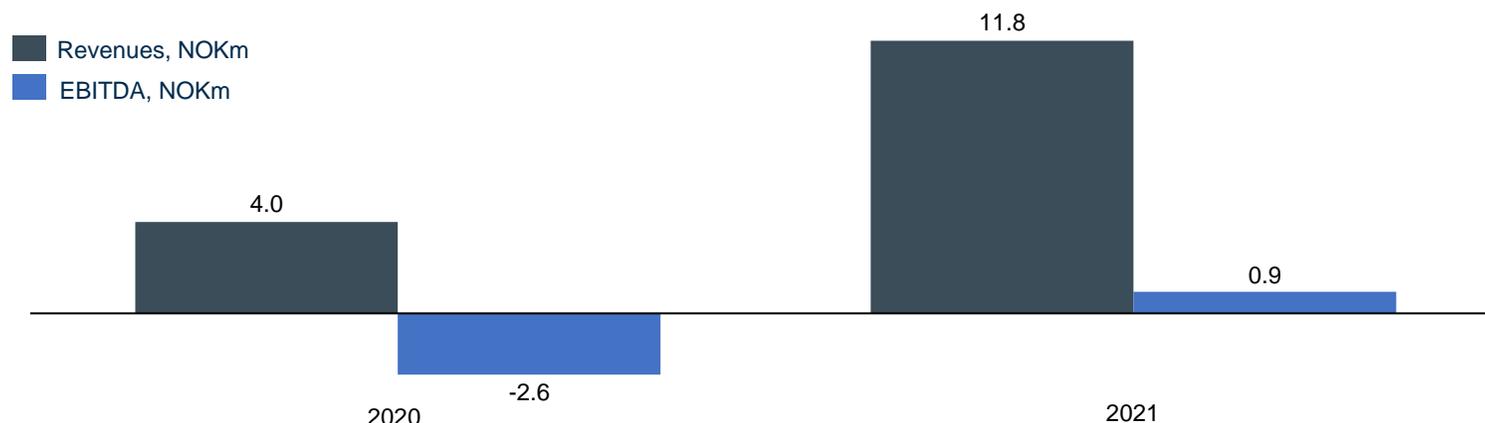


**Specialised small-scale hydropower plant developer and operator
– A part of the Products, Solutions & Renewables segment**

Company highlights

- Founded in 2018 and HQ in Handeland, Kvinnherad
- The company is an operator, developer and owner of small-scale hydroelectric power plants.
- Has developed two projects (Ljotå in Bjørnafjorden and Svandalen in Sauda).
- Three more projects are under construction in Drangedal and Sirdal, with expected completion in second half 2022 and first half 2023.
- In addition to its projects under ownership, Fossberg Kraft also serves as an operator for five hydroelectric power plants owned by a third party, Bagnall Energy Limited. These plants were developed by Fossberg Kraft and sold as a financial transaction.

Financial performance (consolidated IFRS)

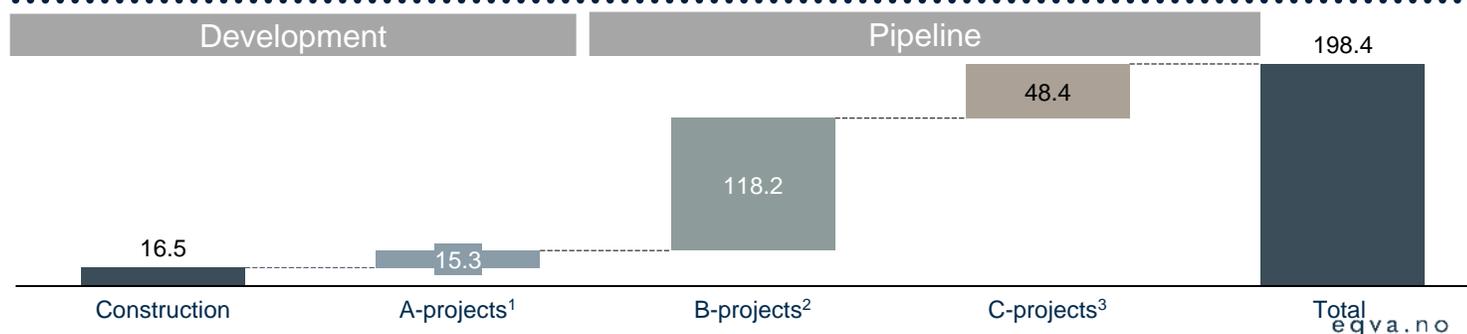


Value creation illustration:



FOSSBERG KRAFT

Portfolio, GWh



Total
eqva.no

Thank you