

Eqva ASA

Third quarter results 2022

16 November 2022

Agenda

1. Eqva ASA | Business overview
2. Q3 2022 financial and operational status
3. Strategy and outlook

Enclosure

- Consolidated financial statements

Havyard becomes Eqva

To reflect the company's growth strategy and its transformation to a fully integrated service company, which contributes to green transition in maritime, power intensive and renewable industries.

The name Eqva was formed by combining the letters "eq", the starting point of the words equal, equity and equality, and "va" the starting point of the word's "variety" and "value" – words that reflects the company's strategic priorities.

The "va" also brings association to the Norwegian word for "Water" (Vann), signaling a company proud of its origin as a maritime company, and who wants to use its over 100-year long history of expertise in its positioning.



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

Potential for significant value creation for customers and shareholders

A complementary service offering across the value chain

- Strong pipeline of potential projects, can potentially lead to volume uptick in 2023 and 2024
- Catalyst for further sustainable growth on the west coast of Norway where both companies operate
- Synergies between BKS and Havyard Leirvik to be utilized
 - Complementary service offering across the value chain
 - Improved utilisation of work force and facilities
 - Strong expertise within service and maintenance

BKS

Eqva's companies deliver integrated services across the value chain from idea to delivery



HAVYARD

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.*

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Q3 2022 highlights

Operational highlights

- “Signature projects” delivered and in progress during Q3 (marine fuel cell, pipe installation in biotech factory)
- Increasing activities at the yard within new segments (aquaculture and land-based industry) – will strengthen utilization of the infrastructure and competence
- Establishment of real estate division within the group

Financial highlights

- Solid underlying operations in the group companies
- The macroeconomic environment has influenced financial performance
 - We see that key customers within the maritime segment reduce their budgets – hence projects are delayed which impact the volumes at Havyard Leirvik in 2nd half of 2022
 - Uncertain macro-environment in the Norwegian maritime industry due to the proposed aquaculture tax
- High tender activities with key customers in Productions, solutions & renewables

Pro forma figures YTD Q3 2022 (all in NOK)



*All figures in this slide are pro forma figures for the full year 2022 and comprises the group's subsidiaries including BKS and Fossberg Kraft acquired in June 2022. See appendix for consolidated reported figures (unaudited). EBITDA adjusted for transaction- and restructuring costs at mNOK 2 mill. during Q3 / mNOK 13 YTD pr. Q3)

Q3 2022 highlights – key projects

Marine fuel cell system

- Decarbonising marine transportation is becoming increasingly relevant for our customers, and a special focus area for Eqva.
- 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

- Eqva successfully completed a project at a food and processing plant in the third quarter, an example of how Eqva's expertise is highly relevant for landbased industries.
- Total contract value of NOK 40 million.

Maritime services

Key events

- Transition from newbuilding to services in 2022
 - New strategy implemented, which implies lower risk and less volatility
- Leading position within electrification and hybridization of vessels
 - Large electrification project ongoing, expects completion in the beginning of 2023
- Hazy market outlook due to general macroeconomic environment
 - Customers reduce their budgets - contract award processes takes time, and some projects are put on hold/cancelled
 - Proposed resource tax on aquaculture has affected the entire Norwegian maritime sector
- Havyard Leirvik is diversifying its operations to include activities towards aquaculture and land-based industry
 - Aims to increase utilization of the infrastructure at the plant
 - Several upcoming projects in tender phase – expected to give significant volumes in 2023

Pro forma figures YTD Q3 2022

(all in NOK)

Revenues 172.4 million (Q3 46.4 million)	EBITDA 8.4 million (Q3 2.8 million)
Order book 92 million	EBITDA margin 5 % (Q3 6%)

Products, solutions & renewables

Key events

- Improving underlying operational performance in BKS
 - Lower capacity utilization than optimal YTD Q3 2022 due to some projects moved to Q4 2022/start of 2023
- Frame agreements with increasing volumes - secure steady operations going forward
 - High tender activity within key segments – indicates high order intake into 2023
- Positive outlook for **BKS** short term, despite general market uncertainty and recent turbulent macroeconomic environment
 - Well positioned for further increase in revenue and margin increase in Q4 2022 and first half of 2023
- Positive outlook for **Fossberg Kraft**
 - Two new projects in the order book for execution in 2023

Pro forma figures YTD Q3 2022

(all in NOK)

Revenues 276.2 million (Q3 78.2 million)	EBITDA 9.4 million (Q3 0.7 million)
Order book 138 million	EBITDA margin 3 % (Q3 1 %)

Segment overview

Group consolidated financial figures Q3 2022

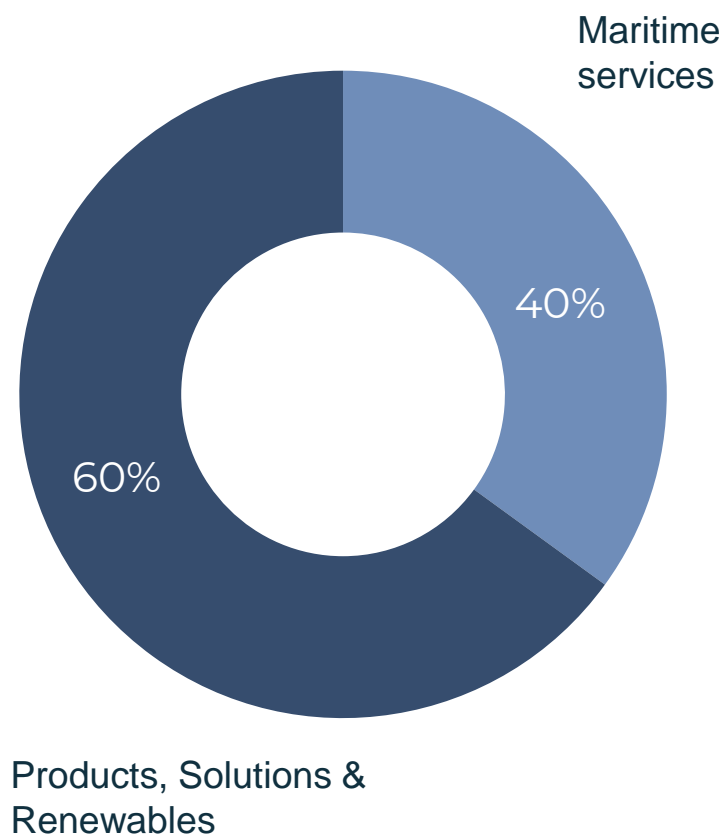
(all in NOKm)

	Maritim Service	Products, Solutions & renewables	Other/elim.	Eqva Group consolidated Q3 2022
Revenues	46.4	78.3	0.4	125.2
Materials and consumables	34.4	18.2	0.2	52.8
Payroll expenses	8.9	48.3	1.1	58.3
Other operating expenses	0.4	11.1	3.8	15.3
Adjusted EBITDA*	2.8	0.7	-4.7	-1.1

**EBITDA is adjusted for non-recurring items amounting to mNOK 2 in Q3 2022 due to transaction/restructuring costs (adjustment done on other operating expenses in segment Other/elim.)*

Timing of projects 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

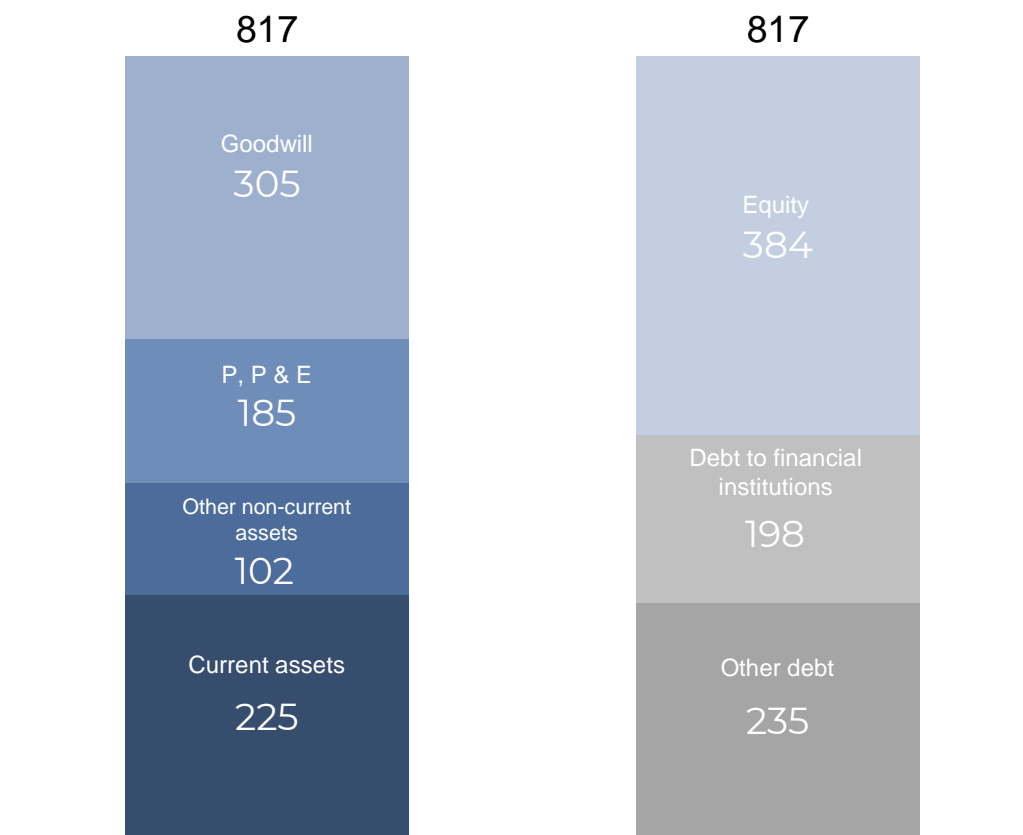
- Combination of projects and frame agreements supports increasing activities in Q4 and into 2023
- High tender activities with key customers

Fossberg Kraft

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

Q3 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
- Compliant with loan covenants as of 30 September.

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

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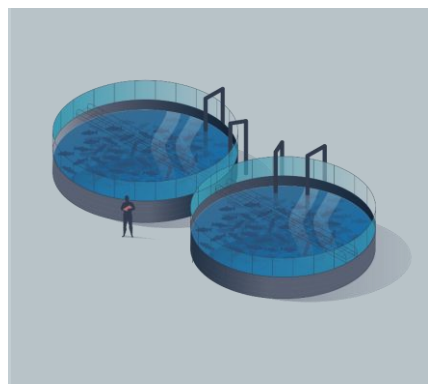
- Consolidated financial statements

Long-term key market drivers

Despite current macroeconomic uncertainty, strong underlying demand for our services

Key markets characteristics in a low-carbon economy

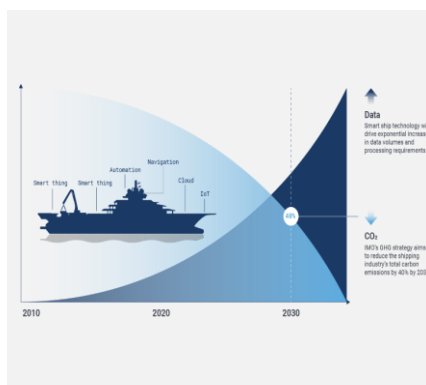
Decarbonising and emission cuts



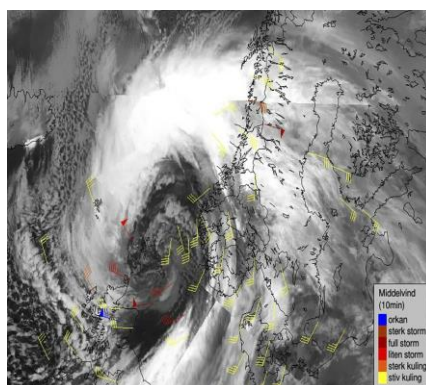
Climate change adaption



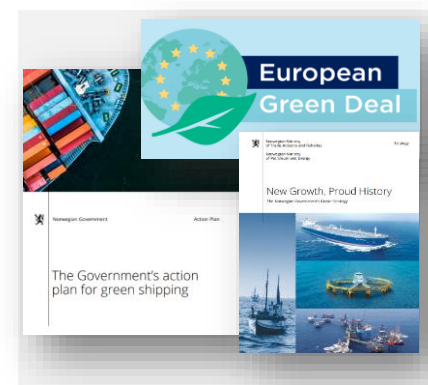
Stricter regulations and increased legal and political pressure



Circular economy



Efficient technology



Eqva will be a driving force in the transition to a sustainable economy

ESG is integrated in corporate governance structures and industry strategies

We work proactively with our customers in the transition process

Havyard 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 for FY'2022

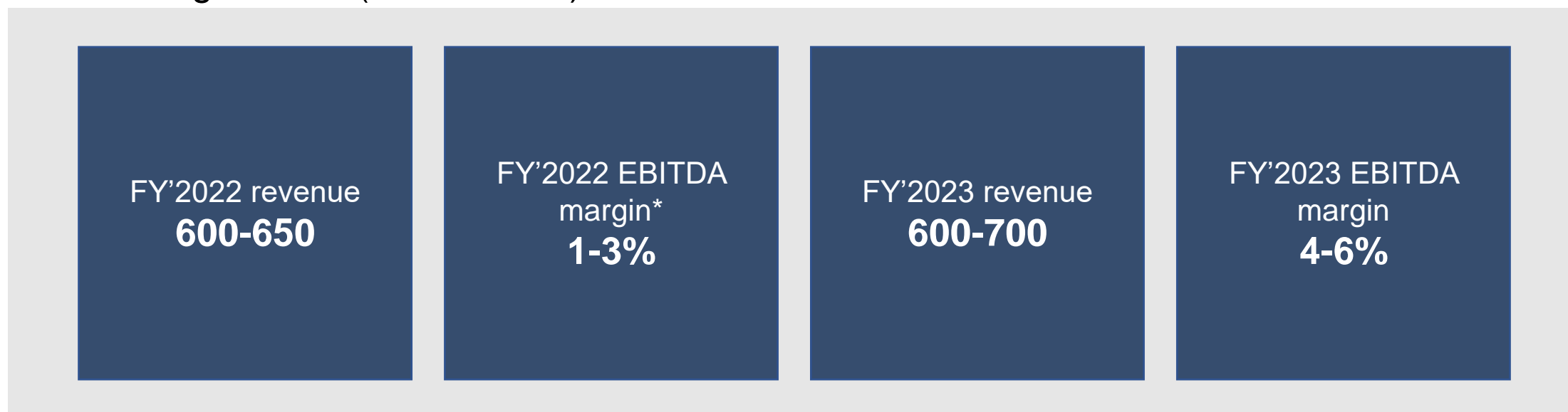
- Materiality assessment
- Determine ambition level for sustainability reporting
- Start work and facilitation of full sustainability report to be written in accordance with GRI recommendations
- Identify main focus goals among the UN's 17 Sustainable Development Goals



Overview of financial guidance

- 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 (NOK million)



Actively seeking value-adding acquisitions

M&A selection criteria

Consolidation of maritime and industrial services

Expand footprint in selected markets

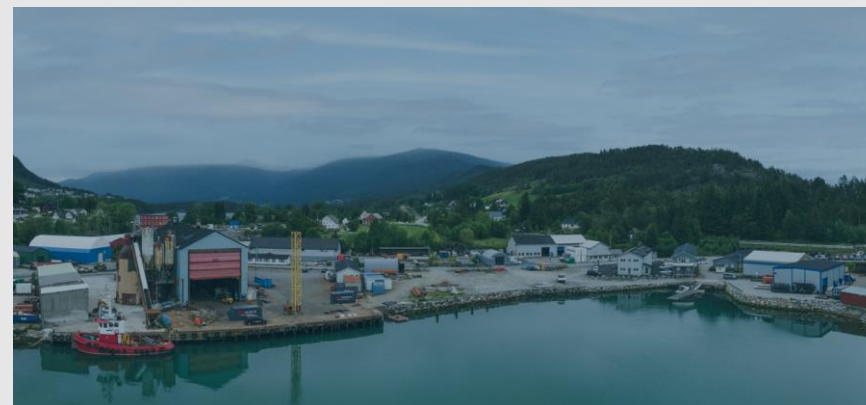
Value accretive to shareholders

Cultural fit

Synergy potential

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

Concluding remarks

- Improving underlying operational performance and continued focus on utilizing synergies within group companies
- Financials impacted by strategic shift in Maritime services, delays of projects and inflation on input factors, partly offset by high activity in Products, services.
- Participated in several strategic important projects in the quarter, and expect increasing activity in Products, services & renewables in Q4 2022 and H1 2023.
- Well positioned to capitalize on key macro drivers long-term, despite uncertainty in current geopolitical and macroeconomic environment
- A more cautious look on end-22, but long-term relationship with key customers and building on our deep market knowledge creates opportunities for profitable growth

Enclosure : Consolidated financial statements

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 videreført virksomhet	-22 570	-828	92 666
Profit from discontinued operation	Resultat fra ikke videreført 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 videreført 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

- P&L figures in this consolidated P&L do not include adjustment for transaction and restructuring costs (abt. NOK 13 million YTD Q3 2022)
- Approximately NOK 12 million of financial expenses YTD Q3 is due to value adjustment (unrealized loss) on shares in former subsidiary HAV Group ASA
- Item “share of profit/loss of associate” at about NOK 10 million YTD Q3 2022 is due to value adjustment of investment in associate (main underlying reason is unrealized loss in the subsidiary’s loan nominated in foreign currency)

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	Leieforpliktelser	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	Kontraktsforpliktelse	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