





GENERATIONS FOR

# Annual Report 2024



GENERATIONS FOR



FOR GENERATIONS

FOR GENERATIONS

GENERATIONS

GENERATIONS

SEKOMPANI ANNUAL REPORT 2024

ARENDALS FOSSEKOMPANI

GENERATIONS

For generations, Arendals Fossekompani has provided people and communities with clean energy and inspiration. Established in 1896 to harness the energy from an everlasting resource, water - we have utilised the benefits of this resource to build and develop high-tech companies. What started as a local producer of hydropower, has transformed into a global industrial investor.

While running water continues to power our business, we search for, invest in, and support companies that have the potential to make a difference. To enable the transition to a more sustainable future, we offer human and financial resources to renew and advance industries. Our competence is particularly strong in areas such as energy transition, electrification, materials, digitalisation, and big data analytics.

We are a proud builder and supporter of technology that impacts the world. This is our legacy, our history, our future. It is what we have done, and what we will continue to do.

For generations.

GENERATIONS FOR

# Contents

INTRODUCTION

Introduction	
Highlights	
Letter from the CEO	

ROARD	OF DIR	FOTORS	REPORT
DOAND			

8 14

About Arendals Fossekompani	16
Who we are	20
Strategy and business model	20
Risk and uncertainties	21
Value creation for generations	22
Performance	24
Arendals Fossekompani Group	26
Arendals Fossekompani Group Management	30
Volue	32
ENRX	34
NSSLGlobal	36
Tekna	38
AFK Vannkraft	40
Alytic	42
AFK Eiendom	44
Shareholder information	46
Reporting 100 years ago	48

### Corporate Governance

Corporate governance report	52
Board of Directors	60

Sustainability Statement	62
General	62
Basis for preparation	64
Governance	65
Strategy	68
IRO management	70
ESRS index	77
Environment	80
E1 Climate change	82
E5 Resource use and circular economy	92
EU Taxonomy	94
Social	116
S1 Own workforce	118
Governance	126
G1 Business conduct	128
Entity-specific: cyber security	130
Signatures by the BoD and the CEO	131

### HOW TO READ THIS REPORT

The report is structured into four sections: Introduction, Board of Directors Report, Financial Statement and Signatures. We have ensured compliance with the Corporate Sustainability Reporting Directive (CSRD) from the European Commission and Norwegian Accounting Act, presenting these requirements within relevant sections of the report. Throughout the report, you will find codes such as 'GOV-1' and 'SBM-3,' which denote specific disclosure requirements or data points as per the European Sustainability Reporting Standards (ESRS). For a detailed index of ESRS disclosure requirements and codes, please refer to page 77.



FINANCIAL STATEMENTS

Financial Statements	132
Consolidated financial statements	134
Notes	142

SIGNATURES

Signatures	192
Declaration by the BoD and the CEO	194
Auditor's Reports	195

8

14

# Introduction

→ Highlights

→ Letter from the CEO





9%

Group operating margin

# Group financial highlights

8

4,363

Group revenue (MNOK)



2,244

Profit (-loss) (MNOK)

### volue

Ownership: 40% Head office: Oslo, Norway Employees: 822 Equity value in AFK parent: mNOK 2,571 Debt to AFK Parent: mNOK 0

### ENRX

Ownership: 95% Head office: Skien, Norway Employees: 1,158 Equity value in AFK parent: mNOK 454 Debt to AFK Parent: mNOK 452

### **NSSL**Global

Ownership: 80% Head office: London, UK Employees: 249 Equity value in AFK parent: mNOK 273 Debt to AFK Parent: mNOK 0

### 

Ownership: 70% Head office: Sherbrooke, Canada Employees: 185 Equity value in AFK parent: mNOK 323 Debt to AFK Parent: mNOK 217

### **NF(VANNKRAFT**

Ownership: 100% Head office: Froland, Norway Employees: 16

### alytic

Ownership: 96% Head office: Arendal, Norway Employees: 119 Equity value in AFK parent: mNOK 280 Debt to AFK Parent: mNOK 4

### Property

Ownership: 100% Head office: Arendal, Norway Employees: 5 Equity value in AFK parent: mNOK 228 Debt to AFK Parent: mNOK 111 mNOK Operating revenu Adjusted EBITDA EBIT NIBD ARR Cash EBITDA

mNOK Operating revenu EBITDA EBIT NIBD Revenue (Heat) EBIT (Heat)

mNOK Revenue EBITDA EBIT NIBD Gov. & defense re Paid dividend

mNOK Operating revenu Adjusted EBITDA EBIT NIBD Revenue (Adv. Ma Market cap. (31.12

mNOK Revenue EBITDA EBIT Avg. Power price ( Production (GWh)

mNOK Revenue EBITDA EBIT NIBD ARR

mNOK Revenue EBITDA EBIT NIBD

	2024	2023	2022	2021	2020
ue	1,634	1,464	1,217	1,041	891
4	362	267	203	214	196
	-24	87	40	45	82
	342	382	-330	-267	-293
	1,175	984	765	667	572
	134.5	42.2	46.9	87.1	54.9
	2024	2023	2022	2021	2020
ue	1,914	1,800	1,338	1,171	1,104

Je	1,914	1,000	1,000	1,171	1,104
	222	198	75	143	109
	134	116	-3	83	41
	1,054	777	558	172	185
	1,859	1,750	1,331	1,171	1,104
	182	139	40	83	41

	2024	2023	2022	2021	2020
	1,400	1,206	1,042	907	898
	295	231	255	208	214
	263	211	209	166	162
	-474	-346	-340	-299	-241
evenue	896	675	626	548	521
	138	131	118	106	133

	2024	2023	2022	2021	2020
ue	292	320	199	184	150
λ	-54	-32	-95	-32	10
	-63	-97	-153	-89	-24
	172	125	-28	-211	154
aterials)	209	201	140	123	93
2)	414	1039	739	4 345	

	2024	2023	2022	2021	2020
	363	511	606	373	63
	261	425	545	308	7
	253	414	535	298	-2
(EUR/MWh)	50	79	211	71	11
1)	607	542	351	517	482

2024	2023	2022	2021	2020
67	46	41	27	2
-49	-71	-41	-12	-1
-88	-85	-46	-16	-1
14	4	-18	-17	-24
55	42	26		

2024	2023	2022	2021	2020
295	18	35	510	10
29	2	6	40	-2
13	-10	-7	27	-11
213	361	136	70	358

# Operational highlights

# volue **Positioned Volue** for further growth

In partnership with Advent International and Generation Investment Management, Volue was delisted from the Oslo Stock Exchange, reducing our ownership from 60% to 40% and realising NOK 1 billion in net cash proceeds.

### Vergia divested and discontinued battery investment

To optimise and de-risk the portfolio, Arendals Fossekompani sold the renewable development company Vergia to Swiss Life Asset Managers and ceased investment in battery company, Commeo.



Construction of the new hydropower plant Kilandsfoss has progressed according to schedule. Once completed, the plant is expected to generate an average of 38 GWh annually. Kilandsfoss is scheduled to begin electricity production in 2026.

### **EU** Taxonomy

Arendals Fossekompani contributes to climate change mitigation, climate change adaptation, and transition to circular economy. Aligned turnover was 8.3%, while eligible, non-aligned turnover accounted for 51.5%. Aligned CapEx was 0.9%, and eligible, nonaligned CapEx was 80.3%. Aligned OpEx was 11.5%, with eligible, non-aligned OpEx at 69.1%.



### volue

Volue delivered strong top line growth of 12% in 2024 and an adjusted EBITDA margin of 22%. The company implemented a comprehensive restructuring program significantly reducing the operational cost base, paving the way for continued margin expansion. Additionally, Volue acquired PowerBot GmbH, a leading provider of algorithmic trading software.





### 

Tekna continued to execute on its comprehensive profitability program in 2024, with recurring cost reductions expected to positively impact profitability and cash generation in 2025.



# alytic

focus on commercialisation. expanding product offerings teams including new CEOs in Utel, Kontali and Factlines.







### **NSSL**Global

NSSLGlobal reported the highest revenue and operating profit in the company's history, in addition to securing new maritime NAVCOM, IT security, governmental engineering, and defense contracts across Europe. Celebrating its 55<sup>th</sup> anniversary, the company continues to evolve to meet the demands of a rapidly changing market.

The Alytic portfolio saw strong and strengthening management



### **N** Property

AFK Eiendom won an attractive contract to build a new production facility for the electronics manufacturing company, Kitron. The development marks the opening of a new industrial area in Arendal

# Key financial figures

### ARENDALS FOSSEKOMPANI GROUP (MNOK)

	0004	0000	0000	0001	0000
	2024	2023	2022	2021	2020
Profit & loss statement					
Revenue and other income	4,363	3,897	4,587	4,232	3,157
EBITDA	607	611	726	697	401
EBITDA margin (%)	14%	16%	16%	16%	13%
Operating profit (EBIT)	394	444	429	450	161
Operating margin (%)	9%	11%	9%	11%	5%
Net financial items	-133	26	37	-106	-47
Share of profit/(loss) from associated companies	-34	-14	-40	-12	-14
Earnings before tax (EBT)	227	456	426	332	99
Income tax expense	270	394	458	235	34
Profit (-loss) from continuing operations	-42	61	-33	97	66
Profit (-loss) from discontinued operations	2,286	-91	-	29	54
Profit (-loss)	2,244	-30	-33	126	120
Profit (-loss) attributable to equity holders	2,238	33	6	107	62

### Statement of financial position

Cash flow

Non-current assets	5,133	4,247	3,277	2,432	2,412
Current assets	3,720	4,813	4,563	4,406	4,575
Equity excl. Non-controlling interests	5,144	3,001	3,127	3,368	3,553
Total equity	5,414	3 639	3,784	3,909	3,856
Non-current interest-bearing liabilities	1,505	2 470	1,054	808	601
Other non-current liabilities	104	201	123	109	122
Current interest-bearing liabilities	337	469	340	301	784
Other current liabilities	1,492	2,282	2,540	1,711	1,624
Total liabilities	3,438	5,421	4,056	2,929	3,131
Total assets / total equity & liabilities	8,852	9,060	7,840	6,838	6,987
Net interest-bearing debt <sup>1</sup>	54	1,015	-947	-1,599	-348
Liquidity and cash flow					
Cash and cash equivalents (31.12)	1,800	1,929	2,340	2,708	1,688
Net cash from operating activities	743	-398	483	848	125

-185

-362

-392

1,006

544

### ARENDALS FOSSEKOMPANI PARENT COMPANY (MNOK)

EBITDA       188       350       463       249       -44         Operating profit (EBIT)       174       335       449       236       -55         Net financial items       2,388       175       547       1,345       557         Earnings before tax (EBT)       2,562       510       996       1,581       500         Income tax expense       138       299       392       159       -18         Profit (-loss)       2,423       211       604       1,422       520         Statement of financial position       2493       3,026       3,027       2,872       3,383         Book value of equity & liabilities       6,391       4,947       4,238       3,629       4,100         Net interest-bearing debt <sup>1</sup> -45       495       -430       -860       -933         Intercompany loans and receivables       852       1602       787       71       287         Cash and cash equivalents       913       1,064       1,160       1,411       766         Available liquidity <sup>2</sup> 2,899       2,196       3,107       3,411       2,556         Net cash from operating activities       -72       -67       393       236		2024	2023	2022	2021	2020
EBITDA       188       350       463       249       -44         Operating profit (EBIT)       174       335       449       236       -55         Net financial items       2,388       175       547       1,345       557         Earnings before tax (EBT)       2,562       510       996       1,581       500         Income tax expense       138       299       392       159       -18         Profit (-loss)       2,423       211       604       1,422       520         Statement of financial position       2,423       211       604       1,422       520         Statement of financial position       82%       61%       71%       79%       82%         Book value of equity       5,267       3,026       3,027       2,872       3,383         Total assets / total equity & liabilities       6,391       4,947       4,238       3,629       4,10         Net interest-bearing debt <sup>1</sup> -45       495       -430       -860       -93         Intercompany loans and receivables       852       1602       787       71       283         Cash and cash equivalents       913       1,064       1,160       1,411       766 </td <td>Profit &amp; loss statement</td> <td></td> <td></td> <td></td> <td></td> <td></td>	Profit & loss statement					
Operating profit (EBIT)         174         335         449         236         -56           Net financial items         2,388         175         547         1,345         557           Earnings before tax (EBT)         2,562         510         996         1,581         500           Income tax expense         138         299         392         159         -18           Profit (-loss)         2,423         211         604         1,422         520           Statement of financial position         2         2         11         604         1,422         520           Statement of financial position         82%         61%         71%         79%         82%           Book value of equity         5,267         3,026         3,027         2,872         3,383           Total assets / total equity & liabilities         6,391         4,947         4,238         3,629         4,10           Net interest-bearing debt <sup>1</sup> -45         495         -430         -860         -933           Intercompany loans and receivables         852         1602         787         71         283           Cash and cash equivalents         913         1,064         1,160         1,411	Revenue and other income	377	519	628	382	70
Net financial items       2,388       175       547       1,345       557         Earnings before tax (EBT)       2,562       510       996       1,581       500         Income tax expense       138       299       392       159       -18         Profit (-loss)       2,423       211       604       1,422       520         Statement of financial position       2,423       211       604       1,422       520         Statement of equity       5,267       3,026       3,027       2,872       3,383         Total assets / total equity & liabilities       6,391       4,947       4,238       3,629       4,100         Net interest-bearing debt <sup>1</sup> -45       495       -430       -860       -933         Intercompany loans and receivables       852       1602       787       71       283         Liquidity and cash flow       2,899       2,196       3,107       3,411       2,555         Net cash from operating activities       -72       -67       393       236       154         Key figures per share       142.4       164.8       251.5       440       186         Dividend per share (NOK)       4.00       3.95       7.55	EBITDA	188	350	463	249	-45
Earnings before tax (EBT)       2,562       510       996       1,581       502         Income tax expense       138       299       392       159       -18         Profit (-loss)       2,423       211       604       1,422       520         Statement of financial position          5267       3,026       3,027       2,872       3,383         Book value of equity       5,267       3,026       3,027       2,872       3,383         Total assets / total equity & liabilities       6,391       4,947       4,238       3,629       4,100         Net interest-bearing debt <sup>1</sup> -45       495       -430       -860       -933         Intercompany loans and receivables       852       1602       787       71       287         Cash and cash equivalents       913       1,064       1,160       1,411       766         Available liquidity <sup>2</sup> 2,899       2,196       3,107       3,411       2,555         Net cash from operating activities       -72       -67       393       236       154         Key figures per share          440       186       142,4       164.8       251.5       440	Operating profit (EBIT)	174	335	449	236	-55
Income tax expense         138         299         392         159         -18           Profit (-loss)         2,423         211         604         1,422         520           Statement of financial position         E	Net financial items	2,388	175	547	1,345	557
Profit (-loss)         2,423         211         604         1,422         520           Statement of financial position         2         2         61%         71%         79%         82%           Equity ratio (%)         82%         61%         71%         79%         82%           Book value of equity         5,267         3,026         3,027         2,872         3,383           Total assets / total equity & liabilities         6,391         4,947         4,238         3,629         4,100           Net interest-bearing debt <sup>1</sup> -45         495         -430         -860         -93           Intercompany loans and receivables         852         1 602         787         71         287           Liquidity and cash flow         2         2,899         2,196         3,107         3,411         2,555           Net cash from operating activities         -72         -67         393         236         -154           Key figures per share         2         440         183         251.5         440         183           Dividend per share (NOK)         44.00         3.95         7.55         37.08         3.44	Earnings before tax (EBT)	2,562	510	996	1,581	502
Statement of financial position         Statement of financial position           Equity ratio (%)         82%         61%         71%         79%         82%           Book value of equity         5,267         3,026         3,027         2,872         3,383           Total assets / total equity & liabilities         6,391         4,947         4,238         3,629         4,100           Net interest-bearing debt <sup>1</sup> -45         495         -430         -860         -933           Intercompany loans and receivables         852         1602         787         71         287           Liquidity and cash flow	Income tax expense	138	299	392	159	-18
Equity ratio (%)       82%       61%       71%       79%       82%         Book value of equity       5,267       3,026       3,027       2,872       3,383         Total assets / total equity & liabilities       6,391       4,947       4,238       3,629       4,100         Net interest-bearing debt <sup>1</sup> -45       495       -430       -860       -93         Intercompany loans and receivables       852       1602       787       71       287         Liquidity and cash flow	Profit (-loss)	2,423	211	604	1,422	520
Book value of equity       5,267       3,026       3,027       2,872       3,383         Total assets / total equity & liabilities       6,391       4,947       4,238       3,629       4,107         Net interest-bearing debt <sup>1</sup> -45       495       -430       -860       -93         Intercompany loans and receivables       852       1602       787       71       287         Liquidity and cash flow	Statement of financial position					
Total assets / total equity & liabilities       6,391       4,947       4,238       3,629       4,10         Net interest-bearing debt <sup>1</sup> -45       495       -430       -860       -93         Intercompany loans and receivables       852       1602       787       71       287         Liquidity and cash flow	Equity ratio (%)	82%	<mark>61</mark> %	71%	79%	82%
Net interest-bearing debt <sup>1</sup> -45       495       -430       -860       -93         Intercompany loans and receivables       852       1602       787       71       287         Liquidity and cash flow	Book value of equity	5,267	3,026	3,027	2,872	3,383
Intercompany loans and receivables       852       1602       787       71       287         Liquidity and cash flow	Total assets / total equity & liabilities	6,391	4,947	4,238	3,629	4,101
Liquidity and cash flow       Mathematical Stress of Str	Net interest-bearing debt <sup>1</sup>	-45	495	-430	-860	-93
Cash and cash equivalents       913       1,064       1,160       1,411       766         Available liquidity <sup>2</sup> 2,899       2,196       3,107       3,411       2,555         Net cash from operating activities       -72       -67       393       236       -154         Key figures per share       -       -       -       -       -       -       -         Share price (31.12, NOK)       142.4       164.8       251.5       440       183         Dividend per share (NOK)       4.00       3.95       7.55       37.08       3.44	Intercompany loans and receivables	852	1602	787	71	287
Available liquidity <sup>2</sup> 2,899       2,196       3,107       3,411       2,555         Net cash from operating activities       -72       -67       393       236       -154         Key figures per share	Liquidity and cash flow					
Net cash from operating activities         -72         -67         393         236         -154           Key figures per share	Cash and cash equivalents	913	1,064	1,160	1,411	766
Key figures per share         142.4         164.8         251.5         440         183           Dividend per share (NOK)         4.00         3.95         7.55         37.08         3.44	Available liquidity <sup>2</sup>	2,899	2,196	3,107	3,411	2,555
Share price (31.12, NOK)         142.4         164.8         251.5         440         183           Dividend per share (NOK)         4.00         3.95         7.55         37.08         3.44	Net cash from operating activities	-72	-67	393	236	-154
Dividend per share (NOK)         4.00         3.95         7.55         37.08         3.44	Key figures per share					
	Share price (31.12, NOK)	142.4	164.8	251.5	440	183
Number of outstanding shares (31.12) 54.94 54.86 54.88 54.90 54.88	Dividend per share (NOK)	4.00	3.95	7.55	37.08	3.44
	Number of outstanding shares (31.12)	54.94	54.86	54.88	54.90	54.88

1. Intercompany loans are excluded from the Net Interest Bearing Debt (NIBD) definition. See Note 17 and 25 for further information.

2. Cash and cash equivalents plus undrawn credit facilities.

# Letter from the CEO

With over a century of industrial development experience, Arendals Fossekompani continues to leverage our strengths as active owners and developers of companies building next generation industrial technologies. Turbulence has persisted throughout 2024 with ongoing wars in Ukraine and the Middle East, climate change increasingly impacting our weather systems, and large political shifts resulting from the biggest election year in history. Our response has been to build resilience. We have focused on improving the operational performance of our businesses and increasing the robustness of our portfolio.

### OPTIMISING THE PORTFOLIO – LESS RISK, MORE FOCUS, NEW PARTNERS

In 2024, we positioned Volue for realising its full potential by delisting the company off the Oslo Stock Exchange together with our new partners, Advent International and Generation Investment Management. The partnership secures access to capital, resources and networks necessary to take Volue to the next level. Together with our new partners, our clear goal is to further accelerate Volue's growth and value creation to the benefit of Arendals Fossekompani's shareholders. As part of the transaction, we reduced our ownership in Volue from 60% to 40% at premium pricing, thereby realising a financial gain of NOK 3.3 billion and net cash proceeds of NOK 1 billion while maintaining significant exposure to Volue's growth journey. Managing risk has also been an important theme in 2024. We have de-risked the portfolio by decreasing our exposure to capital intensive and subsidy dependent business models. As part of this strategy, we divested renewable development company, Vergia. We also decided to discontinue our engagement in the battery space due to the increasing cost disadvantage of European production and generally challenging market conditions. This resulted in an impairment of Arendals Fossekompani's shareholding and shareholder debt in Commeo.

### IMPROVING OPERATIONAL PERFORMANCE IN OUR BUSINESSES

Driving growth and continuous operational improvement in our businesses is an important source of value creation for Arendals Fossekompani. Our main portfolio companies delivered strong operating results in 2024 with record performance from both ENRX and NSSLGlobal, while normalising power prices resulted in lower hydropower profits than last year. Overall, consolidated revenues for the group grew by 12%, operating margin ended at 9% and our balance sheet was strengthened from a net debt position of NOK 495 million at the start of the year, to net cash of NOK 45 million at the end of the year.

Volue saw continued revenue growth and underlying margin expansion in 2024. In addition to the de-listing, the company also completed the acquisition of algo-trading company PowerBot GmbH and executed a significant restructuring programme laying the foundation for further margin expansion in the year to come.

ENRX continued to strengthen its Heat business during the year with both healthy revenue growth as well as margin expansion, resulting in the best year in the company's history. New factories were established in Poland and China. The company also progressed its entry into the emerging high power wireless charging market, where it is taking a leading position in defining industry standards.

During the year, NSSLGlobal grew its profits and continued to expand its efforts in maritime and governmental projects, providing secure connectivity through GEO and LEO satellite networks together with customised hardware and software solutions for critical operations as well as for crew welfare. Like ENRX, NSSLGlobal also reported the highest revenue and operating profit in the company's history.



Tekna improved its operating result through a series of profitability improvement initiatives during the year. After completing a comprehensive programme to increase powder production capacity, the company also set new production records during the year. Carefully managing costs and cash while expanding addressable market will remain the key focus for Tekna in the year to come.

### LOCAL VALUE CREATION

We are expanding our local hydropower generation capacity. Construction of the new hydropower plant, Kilandsfoss, is progressing according to schedule. When finished, it will produce 38 GWh per year, equivalent to the energy consumption of approximately 2,000 households. Kilandsfoss hydropower plant is scheduled to start production of electricity in 2026.

During the year, AFK Eiendom won an attractive contract to build a new production facility for the electronics manufacturing company Kitron, in doing so opening a new industrial area in Arendal. We have also contributed to social and community initiatives in the region. Since 1896, we have supported communities and created value locally. This is a source of pride in our company as we look forward to creating new partnerships and continuing our influence in the years to come.

2024 has been a year with both difficult challenges and important achievements. As we stand at the start of a new year, we do so with a more focused and balanced portfolio, new partners, improved operations and a strong balance sheet. All is set for creating value for our owners, employees, customers and society at large. None of which is possible without our people. Thank you all for your commitment, hard work, innovation and grit. You are our greatest strength and our greatest asset. I sincerely look forward to continuing to create value together, for generations to come.

Phi Liz

Benjamin Golding Chief Executive Officer, Arendals Fossekompani ASA

# About Arendals Fossekompani

ARENDALS FOSSEKOMPANI ANNUAL REPORT 2024

20

20

21

22

- $\rightarrow$  Who we are
- ightarrow Strategy and business model
- $\rightarrow$  Risk and uncertainties
- $\rightarrow$  Value creation for generations





NTRODUCTION

PERFORM

ABOU

# Arendals Fossekompani Around the world



NUMBER OF EMPLOYE	ES BY COUNTF		Dots on map reflect appro	ximate locations	
Norway	800	Finland	70	Malaysia	9
Germany	262	France	65	Japan	8
India	262	Denmark	50	Italy	7
China	202	Sweden	37	Singapore	5
United Kingdom	183	Spain	29	Austria	1
Poland	178	Switzerland	20	Ireland	1
Canada	161	Thailand	15	South Korea	1
United States	115	Brazil	12		
Romania	92	Netherlands	10	Total	2.594

### ARENDALS FOSSEKOMPANI

Arendals Fossekompani **Group Management** 

**Employees** 20

Head office

Countries 1

Arendal, Norway

### ENRX

Leading international tech company within induction heating and induction charging

Employees	Ownership
1,158	95%
Head office	Countries
Skien, Norway	15

### 

Leading provider of advanced materials for the global additive manufacturing industry, and plasma systems for industrial research and production

Employees	Ownership
185	69.5%
Head office	Countries
Sherbrooke, Canada	5
Market cap (31.12)	Listed on
414 MNOK	Oslo Børs

## alytic

Active investor and transformer of data intensive companies

Employees	Ownership
119	96%
Head office	Countries
Arendal, Norway	6

### volue

Digital energy and infrastructure solutions for the green transition

**Employees** 822

Head office **Oslo**, Norway **Ownership** 40% **Countries** 

12

### **NSSL**Global

Cyber secure space and satellite communication services anywhere

**Employees** 249

Head office London, UK **Ownership** 80% Countries 9

### 

500 GWh hydropower production providing steady cash flow

**Employees** 16

**Ownership** 100% Countries 1

Head office Froland, Norway



Portfolio of property investments and development projects

**Employees** 5 Head office Arendal, Norway Ownership 100% Countries 1

### Who we are

Arendals Fossekompani is a long-term industrial investor that combines industrial, technological, and capital markets expertise to identify and develop opportunities for sustainable value creation. Our portfolio companies operate in industries such as B2B software and analytics, satellite communications, induction technology, industrial 3D printing, property, and hydropower. Our companies employ over 2,500 professionals across 25 countries. Established in 1896, we have been a producer of renewable hydropower for more than 100 years. Our company is headquartered in Arendal and has been listed on the Oslo Stock Exchange since 1913.

We are a proud builder of next generation companies within energy and technology. This is our legacy, our history, our future. It is what we have done, and what we will continue to do. For generations.

### **Our values**

Arendals Fossekompani is a collaborative, dynamic and responsible company with a long-term perspective.

### SBM-1

### Strategy

Arendals Fossekompani generates long-term value through three core activities:

- 1. Identifying and investing in new portfolio companies.
- 2. Driving value creation in existing portfolio companies through active ownership.
- 3. Realising value from existing portfolio companies.

With over a century of industrial development experience, our investment approach leverages our strengths. We create value through strategic use of capital, expertise and network. Our goal is to create an attractive total return for our shareholders in a sustainable manner.

Active ownership: As an owner, we actively work with the boards and management teams of our portfolio companies. We support our companies in setting ambitious targets and developing strategies to reach them, we monitor performance, support M&A and financing, and work to build strong boards, management teams and leaders.

Long-term perspective: In every investment, we have a long-term view of our objectives. We retain ownership of our portfolio companies for as long as we are the best owner, ensuring long-term value and stability.

Forward-thinking: We seek to build world-leading positions in industries driven by global megatrends

such as Energy transition, Digitalisation and Deglobalisation. We believe that a responsible approach to environmental, social, and governance (ESG) factors is essential for achieving solid risk-adjusted returns over time.

### **INVESTMENT CRITERIA**

We invest in forward-looking B2B companies within energy and/or technology.

**Ownership:** We look for controlling stakes in companies, either independently or in complementary partnerships with others. We invest in both listed and unlisted shares.

**Geography:** We seek to invest primarily in Nordic companies with a global market potential.

Maturity: We search for growth-stage companies with a proven business model and self-financing operations

**Sustainability:** Investments should contribute to, or have the potential to contribute to, at least one of the six environmental objectives defined in the EU Taxonomy.

### SUSTAINABLE VALUE CREATION

Sustainability is an integral part of our investment strategy, and we work closely with our portfolio companies to enhance our collective performance on environmental, social and governance topics (ESG). We have four strategic material sustainability topics: Climate change, Resource Use and Circular Economy, Own Workforce and Business Conduct. Each strategic focus area has specific targets to ensure that we maximise our positive impacts, reduce our negative impacts, harness the opportunities presented to us, and manage or mitigate the associated risks.

### **GROWTH DRIVERS**

Three global megatrends will continue to drive the growth of our portfolio companies.

Energy transition. Despite political turmoil, increased effects of ongoing climate change, as well as ambitious national and international climate targets are driving investments in renewable energy, energy infrastructure solutions, electrification and recycling. This creates significant investment and business opportunities throughout the energy system. Tomorrow's energy system is assumed to be decentralised and low-carbon and will create a complex system of pro-sumers and flexibility solutions. The shift towards electrification and energy efficiency is expected to continue. The energy transition is a key value driver for Volue, ENRX, Alytic and AFK Vannkraft.

Digitalisation. All industries are undergoing rapid digitalisation, driven by exponential growth in data and the increasing need to transform data into actionable insights. The transformation from traditional on-premises software solutions to software-as-a-service (SaaS) continues in full force. Artificial intelligence will continue to be integrated into an increasing scope of applications. This opens up new business opportunities and forces businesses in all sectors to adapt. For software vendors, this provides the opportunity to deliver new products with stable revenue models. Digitalisation is a key value driver for Volue, NSSLGlobal and Alytic.

**Deglobalisation.** Geopolitical tensions create uncertainty in value chains, increased protectionism and the need for new ways of producing critical components. Tensions between East and West are driving increased investment in sectors such as space and defence. Deglobalisation is a value driver for NSSLGlobal and Tekna.

	Risk
Market and financial risks	Increasing risk related to escalating geopolitical unrest
	Continued risk to portfolio of economic downturn and volatility and unforeseen capital demands
Operational risks	Continued risk of increasing cost bases, governance inefficiencies and cyber security incidents
Compliance and environmental risks	Continued risk of extreme weather events, regulatory changes or non-compl and souring of community relations
	More information on our risk profile is out

### **RISK AND UNCERTAINTY**

We are faced with ongoing uncertainty associated with geopolitical turmoil and economic volatility that is likely to lead to supply chain disruptions, shifts in interest rates, and fluctuating energy prices. Cyber risk is also high on Arendals Fossekompani's radar, due to the increasing global incidence of attacks to digital infrastructure and security measures, and the composition of our portfolio companies. In addition, climate change presents worsening environmental threats to and evolving compliance requirements on businesses. These factors, among others, require continual mitigation and attention to the knock-on effects of risks, such as to corporate cost bases and governance processes.

Arendals Fossekompani updates its strategy on an annual basis to adapt to the evolving risk and opportunity landscape by monitoring, assessing and continually working to mitigate risk. Our Board of Directors reviews the company's risk profile and strategic adaptation to it, and in 2024 updated the company's approach for the next three-year period to 2027.

We conduct company-wide consultations on risk annually and maintain an up-to-date risk log that reflects changes in our businesses and M&A activities, geopolitical events, regulatory environments and the availability of information. Risk assessment findings and mitigation measures, as well as associated opportunities, are anchored in Arendals Fossekompani's management team and overseen by our Board of Directors.

In 2024-2025, the most significant risks Arendals Fossekompani faces as a Group are:

	Risk mitigating action
	Mitigation measures in place include close monitoring of critical supply chains and contingency planning, as well as ongoing tight performance management
	Mitigation measures in place include hands-on and collaborative ownership, internal controls and preparedness, and contingency planning
liance,	Mitigation measures in place include capacity-building and collaboration across the Group on ESG
lined in the sust	ainability statement and the financial statements.

# Value Creation for Generations

1896 Company founded

1913 Electricity and industry 1927 More hydropower

1960s **Financial** investor

1990s New opportunities



Arendals Fossekompani was founded on 30 January 1896 to harness the forces in the Arendal watercourse system and transform them into electric power. We acquired rights to several waterfalls, including Bøylefossen and Flatenfossen. Norwegian industrial entrepreneur Sam Eyde was instrumental in the early years.



The construction of Bøylefoss Hydropower Plant started in 1911, in parallel with the establishment of new industry in Eydehavn. The first electric power from Bøylefoss was delivered to Eydehavn in the summer of 1913. That same year, Arendals Fossekompani was listed at Oslo Børs.



The growing demand for electricity for industrial purposes led to the development of Flatenfoss Hydropower Plant in 1927. The original plant was operational until it was replaced in 2009.



Arendals Fossekompani gradually built a substantial financial capacity. At the end of the 1960s, the company changed its mission statement and built a portfolio of financial investments in listed and unlisted companies.



electricity market presented new market opportunities. Arendals Fossekompani played an active role and established a subsidiary, Markedskraft, as an independent provider of services in the Nordic and European wholesale electricity market.

2000s

International

investor



Deregulation of the Norwegian



The new millennium marked the start of the transformation of Arendals Fossekompani, from a local hydropower producer to an international investment company. A series of successful investments in Norwegian and international companies from the early 2000s till today, have contributed to the current portfolio of companies in forward-looking industries.

# Performance

Arendals Fossekompani Group	26	
ightarrow Arendals Fossekompani Group Management		
→ Volue	32	
→ ENRX	34	
→ NSSLGlobal	36	
→ Tekna	38	
→ AFK Vannkraft	40	
→ Alytic	42	
→ AFK Eiendom	44	
ightarrow Shareholder information	46	
$\rightarrow$ Reporting 100 years ago	48	



25

# Group

Head office Arendal, Norway Chief Executive Officer Benjamin Golding

Chair Trond Westlie

Countries 25

2,594

Employees

Arendals Fossekompani is a long-term industrial investor that combines industrial, technological, and capital markets expertise to identify and develop opportunities for sustainable value creation. Our portfolio of companies employ over 2,500 professionals across 25 countries.



FINANCIAL FIGURES (MNOK)		2024	2023	2022
	Revenue and other income	4,363	3,897	4,587
	EBITDA	607	611	726
	Operating profit	394	444	429
	Operating margin	9%	11%	9%
	Earnings before tax (EBT)	227	456	426
	Profit (-loss), continuing operations	-42	61	-33
	Profit (-loss) discontinued operations	2,286	-91	-
	Profit (-loss) attributable to equity holders	2,238	33	6
	Total comprehensive income	2,380	60	12
	Operating cash flow	743	-398	483
	NIBD	54	1,015	-947
	Equity	5,475	3,649	3,784
	Equity ratio	<b>61</b> %	40%	48%
SUSTAINABILITY KPIs		2024	2023	2022
Environment	Scope1GHG(tCO,e)	1,794	1,858	1,744
	Scope 2 GHG (location-based, tCO,e)	1,950	2,318	2,515
	Scope 3 GHG (tCO <sub>g</sub> e) <sup>1</sup>	677,009	-	-
	Energy consumption (MWh)	27,623	27,111	26,516
	Renewable energy consumption (location-based, % of total)	57%	53%	50%
Social	Female employees	19%	21%	20%
	Female members of Executive Management	24%	24%	14%
	Lost time injury frequency rate per million exposed hours	1.7	2.2	1.0
	Sick leave rate	2%	3%	3%
	Voluntary turnover rate <sup>2</sup>	10%	-	-
Governance	Signature of Code of Conduct	88%	69%	78%
	Internal training in Code of Conduct	76%	61%	45%
	Signature of Business Partner Code of Conduct <sup>3</sup>	76%	-	-
	Convictions of violation of anti-corruption or anti-bribery laws	0	0	0
	1. Only a limited set of Scope 3 categories were reported in previous years			

such that the total emissions in 2024 are not comparable to previously reported data.

Turnover rates for 2023 and 2022 include involuntary as well as voluntary departures

3. Records signatures by partners assessed as high-risk. Data was collected on this KPI for the first time in 2024.

In 2024, Arendals Fossekompani reported consolidated revenue of NOK 4,363 million (3,897 million) and operating profit of NOK 394 million (444 million). Profit from continuing operations amounted to -42 million (61 million). Ordinary profit after tax amounted to NOK 2,244 million (-30 million), of which the Arendals Fossekompani shareholders' share of the profit was NOK 2,238 million (33 million). Including currency differences, changes in the value of available-for-sale financial assets, minority interests, and other comprehensive income items, the Group's total comprehensive income was NOK 2,380 million (60 million).

Consolidated revenues in 2024 increased by 12% yearon-year, with the operating margin coming in at 9.0% (11.4%). The year was marked by record high results in portfolio companies NSSLGlobal and ENRX, along with top line growth and margin expansion on adjusted EBITDA level for Volue. Revenue and operating profit from AFK Vannkraft was significantly down from 2023 due to lower prices. Note that revenue growth for the Group in 2024 was positively impacted by a weaker Norwegian Krone, compared to 2023. Consolidated group operating cash flow in 2024 amounted to NOK 743 million (-398 million).

Arendals Fossekompani's financial position was significantly strengthened in the 2024 and remains solid. The Parent company's available cash on 31 December 2024 amounted to NOK 914 million (1,064 million). In addition, the company has undrawn credit facilities of NOK 1,985 million (1,132 million), securing available liquidity of NOK 2,899 million (2,196 million) at the end of 2024. The Net Interest-Bearing Debt (NIBD), excluding shareholder loans, was NOK -45 million (495 million) at the end of 2024.

### STRUCTURAL CHANGES IN THE PORTFOLIO IN 2024

Arendals Fossekompani, Advent International and Generation Investment Management, completed the voluntary tender offer for the shares in Volue on 28 October 2024. The joint strategic ownership is expected to significantly accelerate Volue's growth and value creation, directly benefiting Arendals Fossekompani's shareholders through our continued 40% stake in Volue. Additionally, the transaction, priced at NOK 42 per share, resulted in net cash proceeds of NOK 1 billion.

In July, Arendals Fossekompani closed the sale of its 100% shareholding in Vergia to Swiss Life Asset Managers.

In July, following Arendals Fossekompani's decision to cease its investment in the German battery company Commeo, the company filed for insolvency. This resulted in the impairment of the goodwill of EUR 24.2 million (NOK 277 million) related to the acquisition of Commeo recognised in the consolidated group accounts. Capitalised R&D in Commeo was impaired with EUR 8.3 million (NOK 95 million). Arendals Fossekompani's parent company recognised impairment losses of EUR 81.3 million related to the entire book value of shareholding and shareholder debt.

The discontinuation of Commeo and the divestment of Vergia were measures Arendals Fossekompani made to focus, de-risk and optimise the portfolio, while reducing exposure to capital intensive businesses in line with strategy.

Financial figures for Volue, Commeo and Vergia in the Annual Report for 2024 are recognised as discontinued operations. When referring to group results and figures, this report will refer to results for continued operations, unless specified otherwise. See Financial Note 3 for further information.

### PORTFOLIO SUMMARY

### Volue

Volue reported operating revenue of NOK 1,634 million (1,464 million), corresponding to a growth of 12%. Growth was driven by all segments, in particular the Energy segment. Volue's Energy solutions are experiencing strong demand driven by end-users need for more advanced software solutions to meet the growing complexity of the energy markets. Adjusted EBITDA amounted to NOK 362 million (267 million), corresponding to a margin of 22% (18%). Annual recurring revenue (ARR) grew by 19%, reaching NOK 1,175 million by year-end, while Software-as-a-service (SaaS) revenue showed 41% growth year-on-year. At the end of 2024, Volue acquired PowerBot GmbH, a leading algotrading software provider. The acquisition complements Volue's existing trading solutions in Europe.

### ENRX

ENRX reported operating revenue of EUR 164.6 million (157.6 million), up 5% from 2023. Growth was mainly driven by a strong North American market for the Heat division. The European and Asian markets saw flat devel- opment in 2024, with delays in deliveries and invest- ments. Operating profit came in at EUR 11.5 million (10.1 million), and 2024 represented the highest revenue and EBIT in the company's history. Total order intake in 2024 was EUR 147 million (166 million). The reduced order intake was mainly related to a larger Charge project (EUR 13 million) awarded in 2023.

### NSSLGlobal

NSSLGlobal reported revenue of GBP 101.9 million (91.8 million) in 2024, corresponding to a growth of 11%. Revenue growth was largely driven by increased government engineering projects, as well as continued high airtime revenue. NSSLGlobal reported a continued strong operating margin of 19% (18%), strengthened by higher utilisation of engineering resources and gross margin improvement. Revenue and operating profit in 2024 was the highest in the company's history. The company experienced solid sales throughout the year, including new maritime NAVCOM and IT security orders, governmental engineering orders, as well as defense contracts across Europe.

### Tekna

Tekna reported operating revenue of CAD 37.2 million (40.9 million) in 2024, down 9% from 2023. The reduced top line was driven by a slow-down in order intake for Systems. Advanced Materials revenue grew by 7%<sup>1</sup> in 2024, driven largely by the aerospace & defense and medical segments, and increased sales of both small and large particle-sized material. Adjusted EBITDA came in at CAD -6.9 million (-4.1 million). Tekna continued to execute on its comprehensive profitability program in 2024, with recurring cost reductions expected to positively impact profitability and cash generation in 2025. Tekna made further progress on qualifying its nano material for next-generation Multi-layer ceramic capacitors (MLCC) in 2024, and received its first revenue-generating order for nano-nickel material samples.

### **AFK Vannkraft**

AFK Vannkraft (Hydropower) reported revenue of NOK 363 million (511 million) in 2024. The average electricity price in the NO2 price area of EUR 50.1/MWh was significantly down from 2023 (79.4/MWh). Production was high at 607 GWh (542 GWh), due to higher precipitation and inflow than normal for the watercourse. Operating profit amounted to NOK 253 million (414 million) and earnings after tax amounted to NOK 97 million (119 million). The construction of Kilandsfoss hydropower plant proceeded according to schedule in 2024.

### Alytic

Alytic reported revenue of NOK 67 million (46 million) in 2024, corresponding to a growth of 44%. Alytic continued the development and commercialisation of its portfolio of data- and technology-driven companies during 2024, increasing ARR to NOK 55 million, up 31% YoY. Highlights for the portfolio included expansion of product offerings and strengthening of Management teams.

### **AFK Eiendom**

AFK Eiendom reported revenue of NOK 295 million (18 million) and operating profit of NOK 13 million (-10 million). 2024 was largely characterised by revenue recognition of the third stage of the Bryggebyen development project. In addition, AFK Eiendom was awarded the contract to build and lease new production facilities for Kitron.

### **RESEARCH AND DEVELOPMENT**

In 2024 development costs of NOK 87 million were capitalised (NOK 77 million.) Other research and development costs in the Group are expensed as they arise and amounted to NOK 139 million in 2024 and NOK 80 million in 2023.

### SUSTAINABILITY

Arendals Fossekompani Group reported a slight reduction in overall emissions in 2024 compared to 2023. Total Scope 1 emissions decreased to 1,794 tCO2e (1,858 tCO2e). Scope 2 emissions decreased for the third consecutive year to 1,950 tCO2e (2,318 tCO2e), while energy consumption saw a slight increase to 27,623 MWh (from 27,111 MWh). For the first time in 2024, all relevant Scope 3 emissions were included, whereas previous years only accounted for business travel, waste, and fuel-andenergy-related activities. This resulted in Scope 3 emissions totalling 677,009 tCO2e.

Arendals Fossekompani's portfolio contributes to multiple environmental objectives of the EU Taxonomy, including climate change mitigation, climate change adaptation, and the transition to a circular economy. The group's aligned turnover in 2024 was 8.3%, while the eligible, but not aligned turnover was 51.5%. Aligned CapEx was 0.9%, and eligible, non-aligned CapEx was 80.3%. Aligned OpEx was 11.5%, while eligible, not aligned OpEx was 69.1%. We recognise that Arendals Fossekompani's primary contribution going forward is enabling others in the transition, and the high percentage of eligible activities reflects the significant potential within our portfolio companies.

The lost time injury frequency rate decreased to 1.7 in 2024, down from 2.2 in 2023. Employees remain our most valuable asset and enhancing their safety and well-being continue to be our top priority. The sick leave improved and was 2.0% in 2024, down from 2.7% in 2023. Female employees decreased from 21% in 2023 to 19% in 2024. Female members of C-suite positions (or Executive Management) were 24% at the end of year 2024, which remains unchanged from 2023.

### EVENTS AFTER THE CLOSE OF THE YEAR

On 13 February, the Board of Directors decided to pay an ordinary cash dividend of NOK 1.00 per share for the fourth quarter of 2024. The dividend was paid on 28 February.

On 18 March, Tekna announced the appointment of Mr. Claude Jean as the new CEO of Tekna Group, effective April 28, 2025. Mr. Jean is an accomplished senior technology executive with a proven track record of building and leading world-class electronic manufacturing services and R&D. He joins Tekna from Teledyne Technologies where he has held several leading positions including Executive Vice President, Strategy & Partnership, Semiconductor and as General Manager of Teledyne DALSA.

### OUTLOOK

There is ongoing uncertainty associated with geopolitical turmoil, supply chain constraints, inflation, interest rates, and the development of energy prices. Recent threats of tariffs and trade restrictions, in particular, have introduced high levels of unpredictability. Arendals Fossekompani and our portfolio companies will continue to closely monitor the geopolitical situation and implement relevant measures if required. In this unpredictable environment, Arendals Fossekompani's solid financial position enables continued support of our portfolio companies, both in handling potential short-term challenges and also with continued investments to accelerate growth.

In light of the market's estimated power price trend for 2024 and forecasted production, revenue and operating profit for AFK Vannkraft is expected to be lower in 2025 compared to 2024.

Total revenue and operating profit from Arendals Fossekompani Group, excluding AFK Vannkraft, is expected to be in line with 2024. Volue (associated company) expects revenue and operating profit to be higher in 2025 compared to 2024.

In an effort to meet our decarbonisation targets relating to our own operations, and to the extent possible, to our value chain, Arendals Fossekompani is developing a transition plan. The plan will include decarbonisation levers for the Arendals Fossekompani Group collectively along with details on the resource allocation required to meet these targets. This is expected to be delivered by 2026 and will follow the upcoming EFRAG Implementation Guidance on transition plans.

With a focus on the largest GHG emitters in Arendals Fossekompani Group, we will strengthen the accuracy and understanding of our Scope 3 upstream and downstream emissions, as well as quantifying the potential financial effects linked to significant physical and transition risks and climate-related opportunities.

We have also adopted new and updated sustainability-related policies in 2024. To operationalise the new policies and meet their objectives, a new blueprint for responding to priority areas and our performance on our KPIs will be shared across the portfolio.

### SHARE PRICE

On 31 December 2024, there was a total of 55,995,250 shares in the company, of which 1,058,832 were treasury shares. The share price on 31 December 2024 was NOK 142.4, compared to NOK 164.8 on 31 December 2023, corresponding to a decrease of 14%. When including direct yield (dividend payouts) in the same period, total decrease in shareholder value was 11%.

Arendals Fossekompani's total market capitalisation was NOK 8 billion at year-end. Compounded annual return to AFK shareholders was 9% (16% including dividends) in the period December 2014 to December 2024.

## ARENDALS FOSSEKOMPANI **Group Management**

Head office Arendal, Norway

Employees

**Chief Executive Officer Benjamin Golding** 

Chair **Trond Westlie** 

Countries

20

Arendals Fossekompani Group Management employs 20 people at the head office in Arendal. The team focuses on identification and development of new sustainable business opportunities, active ownership of our portfolio companies and management of financial investments.



FINANCIAL FIGURES (MNOK)		2024	2023	2022
	Revenue and other income	17	13	23
	EBITDA	-75	-75	-82
	Operating profit (EBIT)	-81	-78	-86
	Operating margin	-463%	-616%	-375%
	Earnings before tax (EBT)	2,307	97	461
	Provision for income tax	-17	5	5
	Earnings after tax (EAT)	2,325	92	456
	NIBD	-45	495	-430
	Equity	4,645	2,320	2,228
	Equity ratio	83%	59%	74%
SUSTAINABILITY KPIs		2024	2023	2022
Environment	Scope1GHG (tCO <sub>2</sub> e)	0	0	0
	Scope 2 GHG (location-based, tCO <sub>2</sub> e)	0.6	1.8	0.3
	Scope 3 GHG (tCO <sub>2</sub> e) <sup>1</sup>	622	-	-
	Energy consumption (MWh)	89	90	32
	Renewable energy consumption (location-based, % of total)	96%	96%	94%
Social	Female employees	50%	38%	38%
	Female members of Executive Management	33%	33%	33%
	Lost time injury frequency rate per million exposed hours	0	0	0
	Sick leave rate	2%	3%	3%
	Voluntary turnover rate <sup>2</sup>	5%	-	-
Governance	Signature of Code of Conduct	100%	100%	100%
	Internal training in Code of Conduct	100%	100%	100%
	Signature of Business Partner Code of Conduct <sup>3</sup>	-	-	-
	Convictions of violation of anti-corruption or anti-bribery laws	0	0	0
	1. Only a limited set of Scope 3 categories were reported in previous years			

such that the total emissions in 2024 are not comparable to previously reported data. Turnover rates for 2023 and 2022 include involuntary as well as voluntary departures

3. Records signatures by partners assessed as high-risk. Data was collected on this KPI for the first time in 2024.

Combining industrial, technological and capital markets expertise, Arendals Fossekompani's Group Management identifies and develops opportunities for sustainable value creation. As an active owner of our portfolio companies, we support management in target setting, strategy development, performance management, M&A and financing, and work to build strong boards, management teams and leaders to ensure long-term sustainable value creation. In every investment, we have a long-term view of our objectives. We retain ownership of our portfolio companies as long as we are the best owner, ensuring long-term value and stability. Arendals Fossekompani has an attractive portfolio in industries such as B2B software and analytics, satellite communications, induction technology, industrial 3D printing, property, and hydropower. Our companies are both listed and privately owned, and Arendals Fossekompani is predominantly the majority owner.

### **2024 IN BRIEF**

(Figures in parentheses refer to the previous year)

In 2024, Arendals Fossekompani Group Management reported operating expenses of NOK 87 million (84 million). The operating profit was NOK -81 million (-78 million). Net profit for the year was NOK 2,325 million (92 million). The net profit in 2024 was mainly driven by recognition of a financial gain resulting from the Volue transaction (NOK 3.3 billion), partly offset by an impairment loss (NOK1 billion) related to the battery company Commeo. Other items impacting net profit in 2024 were dividend payments from portfolio companies and interest income on intercompany loans.

Operating cash flow in Arendals Fossekompani parent company in 2024 amounted to NOK -72 million (-67 million). EBITDA in 2024 amounted to NOK 188 million (349 million), of which the deviation to operating cash flow primarily related to taxes paid of NOK -256 million (-400 million). The reduction in ownership in Volue from 60% to 40% resulted in a net cash proceeds of NOK 1,008 million recognised as cash flow from investments. Arendals Fossekompani parent company repaid longterm borrowings totaling NOK 876 million in 2024.

Arendals Fossekompani's financial position was significantly strengthened in 2024 and remains solid. The company's available cash on 31 December 2024 amounted to NOK 914 million (1,064 million). In addition, the company has undrawn credit facilities of NOK 1,985 million (1,132 million), securing available liquidity of NOK 2,899 million (2,196 million) at the end of 2024. The Net Interest Bearing Debt (NIBD), excluding shareholder loans, was NOK -45 million (495 million) at the end of 2024.

### STRUCTURAL CHANGES IN THE PORTFOLIO IN 2024

Arendals Fossekompani, Advent International and Generation Investment Management, completed the voluntary tender offer for the shares in Volue on 28 October 2024. Arendals Fossekompani, Advent and Generation bring highly complementary expertise to a long-term partnership, ensuring continuity and preservation of established company values, while simultaneously integrating fresh and innovative perspectives. The company is well positioned for further growth, both organically and through acquisitions. The joint strategic ownership is expected to significantly accelerate Volue's growth and value creation, directly benefiting Arendals Fossekompani's shareholders through our continued 40% stake in the company. Additionally, the transaction, priced at NOK 42 per share, resulted in net cash proceeds of NOK1 billion.

In July, Arendals Fossekompani closed the sale of Vergia to Swiss Life Asset Managers. At the time of the divestment, the Vergia portfolio comprised three ownership positions: 48.1% ownership of offshore wind energy developer Seagust, 47.9% ownership of green ammonia company North Ammonia, and 30.4% ownership of Power-to-X company HydePoint.

In July, following Arendals Fossekompani's decision to cease its investment in the German battery company Commeo, the company filed for insolvency. The discontinuation of Commeo and the divestment of Vergia were measures Arendals Fossekompani have taken to focus, de-risk and optimise the portfolio, while reducing exposure to capital intensive businesses in line with strategy.

## volue Portfolio company

Head office	Countries
Oslo, Norway	12
Ownership	Chief Executive Officer
40%	Trond Straume
Employees	Chair
822	Peter Michael Daffern

Volue is a market leader in technologies and services that power the green transition. Based on 50 years of experience, Volue provides innovative solutions, systems and insights to industries critical to society. Over 800 employees work with more than 2,500 customers across energy, power grid, water and infrastructure projects that ensure a sustainable, flexible and reliable future. The company is headquartered in Oslo, Norway and active in 40+ countries.



FINANCIAL FIGURES (MNOK)		2024	2023	2022
	Operating revenue	1,634	1,464	1,217
	EBITDA	164	215	147
	Adjusted EBITDA	362	267	203
	Operating profit	-24	87	40
	Operating margin	-1%	6%	3%
	Earnings before tax (EBT)	-50	70	36
	Net profit	-43	43	19
	Operating cash flow	227	-97	214
	NIBD	342	382	-330
	Equity	6,703	850	809
	Equity ratio	82%	40%	43%
	Cash EBITDA <sup>1</sup>	134.5	42.2	46.9
SUSTAINABILITY KPIs		2024	2023	2022
Environment	Scope 1 GHG (tCO <sub>2</sub> e)	18	18	17
	Scope 2 GHG (location-based, $tCO_2e$ )	173	224	155
	Scope 3 GHG (tCO <sub>2</sub> e) <sup>2</sup>	698	-	
	Energy consumption (MWh)	2,238	2,405	2,112
	Renewable energy consumption (location-based, % of total)	67%	71%	65%
Social	Female employees	24%	23%	23%
	Female members of Executive Management	20%	17%	10%
	Lost time injury frequency rate per million exposed hours	0	0	C
	Sick leave rate	3%	3%	3%
	Voluntary turnover rate <sup>3</sup>	8%	-	
Governance	Signature of Code of Conduct	100%	89%	97%
	Internal training in Code of Conduct	0%	89%	0%
	Signature of Business Partner Code of Conduct <sup>4</sup>	23%	-	
	Convictions of violation of anti-corruption or anti-bribery laws	0	0	C
	<ol> <li>Adjusted EBITDA less capitalised R&amp;D and leasing costs.</li> <li>Only a limited set of Scope 3 categories were reported in previous years which that that better least and a set approximately a set approximately approximatel</li></ol>			

such that the total emissions in 2024 are not comparable to previously reported data.

3. Turnover rates for 2023 and 2022 include involuntary as well as voluntary departures.

4. Records signatures by partners assessed as high-risk. Data was collected on this KPI for the first time in 2024.

### 2024 IN BRIEF

(Figures in parentheses refer to the previous year)

Volue reported operating revenue of NOK 1,634 million (1,464 million) in 2024. Adjusted EBITDA amounted to NOK 362 million (267 million), corresponding to an adjusted EBITDA margin of 22% (18%). The operating profit was NOK -24 million (87 million), while the ordinary profit before tax was NOK -50 million (70 million).

Operating revenue grew by 12% across all segments, driven primarily by the Energy segment, which achieved a growth of 15%. Volue's Energy division has gained high market traction, driven by increased demand for advanced services and enhanced automation, addressing the evolving complexity, and more granular time resolutions in the power markets. Additionally. The Power Grid and Infrastructure segments saw revenue growth of 5% and 8%, respectively.

Annual recurring revenue (ARR) grew by 19% from 2023, reaching NOK 1175 million by year-end. Software-asa-Service (SaaS) revenue showed a 41% growth yearon-year, with SaaS accounting for 34% (27%) of total revenue in 2024.

In October, Arendals Fossekompani, Advent International and Generation Management completed the acquisition and delisting of Volue. The joint strategic ownership is expected to significantly accelerate Volue's growth and value creation.

Following the delisting from Oslo Stock Exchange and change in ownership structure, a new strategy was outlined for the company, with a clear focus on which markets to target and what products to scale upon. As a result of this process, a significant restructuring process was conducted, with related non-recurring restructuring costs booked in the fourth guarter of 2024. The operating profit in 2024 was further impacted by non-recurring costs related the delisting process and stock options.

The Energy segment generated 15% growth in revenue in 2024, driven mainly by solid sales of insight and intraday trading products, both to new customers and through upselling to existing customers. Growth was particularly driven by the Energy software product stack, with optimalisation solutions as core.

Volue sees significant growth driven by new asset owners entering the power production market. These players will typically be smaller in size, operate leaner organisations and lack the capabilities to monetise assets continously. To support them, Volue Market Services provides software an added service, enabling sophisticated market participation through optimalisation-as-a-service and trading-as-a-service offerings, complemented by 24/7 asset monitoring.

Insight by Volue announced the integration of a cutting-edge AI-based weather forecast into the weather-driven fundamental models as a new product in 2024. This innovation enhances the accuracy and utility of Volue's wind power predictions, offering significant value to power market actors relying on precise weather insights for energy forecasting and decision-making.

The Power Grid segment continued its strong focus on expansion in the Nordic market, with a solid growth of 12% in recurring revenues. Large ongoing investments for the grid companies lead to strong market demands, and Volue sees good growth opportunities in both the Nordic home market, as well as further expansion outside the Nordics.

The Infrastructure segment continued the strong development in 2024, in line with previous years, with strong focus on the Nordic homemarkets. A growing customer base, now counting 1130 customers, lays out a solid foundation for continuing the further expansions of SaaS offerings. The Infrastructure segment now have customers in eight countries. With no marketing activities outside the home market, this is a testament to the inherent business value of the products for the construction industry.

At the end of Q4, Volue acquired PowerBot GmbH, a leading algotrading software provider. The acquisition of PowerBot's scalable and open platform complements Volue's strong existing enterprise-grade trading solutions by addressing the needs of a growing class of quantitative power traders across Europe. PowerBot is a certified Independent Software Vendor (ISV) at EPEX Spot, Nord Pool and various other European energy exchanges. PowerBot will benefit from Volue's resources and expertise to further accelerate its development and improve its customer experience over the coming years. Volue's commercial teams will bring the PowerBot platform to existing customers across its portfolio.

### **SUSTAINABILITY**

In 2024, Scope 1 emissions remained consistent with the previous year at 18 tCO2e, while Scope 2 emissions decreased to 173 tCO2e (224 tCO2e). All relevant Scope 3 categories were included for the first time at 698 tCO2e.

### OUTLOOK

Volue has prioritised strategic investments in its SaaS platform and expansion into new markets in an effort to capture market opportunities arising from the green transition. Due to the aforementioned restructuring in 2024, the company enters 2025 with a lower cost base. Going forward, Volue expects organic growth around 15%, improvements in Cash EBITDA and a continued active M&A agenda.

# ENRX<sup>®</sup> Portfolio company

Head office	Countries
Skien, Norway	15
Ownership	Chief Executive Office
95%	Bjørn E. Petersen
Employees	Chair
1,158	Benjamin Golding

Leveraging decades of experience, ENRX combines global market leadership for industrial induction heating systems (Heat) with leading technology in the highgrowth market for wireless induction charging solutions (Charge). Industries served by ENRX include automotive, renewable energy/wind energy, pipe fabrication, electronics, cable and mechanical engineering. The company has operations in 15 countries.



FINANCIAL FIGURES (MNOK)		2024	2023	2022
	Operating revenue	1,914	1,800	1,338
	EBITDA	222	198	75
	Operating profit	134	116	-3
	Operating margin	7%	6%	0%
	Earnings before tax (EBT)	53	71	-20
	Net profit	9	28	-34
	Operating cash flow	73	4	46
	NIBD	1,054	777	558
	Equity	509	417	384
	Equity ratio	21%	21%	22%
SUSTAINABILITY KPIs		2024	2023	2023
Environment	Scope 1 GHG (tCO,e)	921	957	89
	Scope 2 GHG (location-based, tCO,,e)	1,572	1,788	2,163
	Scope 3 GHG (tCO <sub>2</sub> e) <sup>1</sup>	631,680	-	
	Energy consumption (MWh)	9,629	9,666	10,160
	Renewable energy consumption (location-based, % of total)	35%	30%	29%
Social	Female employees	15%	15%	16%
	Female members of Executive Management	13%	14%	14%
	Lost time injury frequency rate per million exposed hours	2.4	3.1	1.
	Sick leave rate	3%	4%	3%
	Voluntary turnover rate <sup>2</sup>	9%	-	
Governance	Signature of Code of Conduct	84%	48%	65%
	Internal training in Code of Conduct	83%	44%	78%
	Signature of Business Partner Code of Conduct <sup>3</sup>	100%	-	
	Convictions of violation of anti-corruption or anti-bribery laws	0	0	(
	<ol> <li>Only a limited set of Scope 3 categories were reported in previous years such that the total emissions in 2024 are not comparable to previously rep.</li> </ol>	orted data		

such that the total emissions in 2024 are not comparable to previously reported data.

. Turnover rates for 2023 and 2022 include involuntary as well as voluntary departures.

3. Records signatures by partners assessed as high-risk. Data was collected on this KPI for the first time in 2024.

### 2024 IN BRIEF

(Figures in parentheses refer to the previous year)

ENRX reported operating revenue of EUR 164.6 million (157.6 million) in 2024. EBITDA amounted to EUR 19.1 million (17.4 million). The operating profit was EUR 11.5 million (10.1 million), while the ordinary profit before tax was EUR 4.6 million (6.3 million).

Revenue growth of 4.5% during 2024 was driven by a strong market in the Heat division, and a smaller revenue contribution from the Charge division. In geographical terms, the company saw solid growth in North America, while the growth in Europe and Asia was flat due to delayed deliveries and slower customer decision-making processes.

2024 represented the highest revenue and EBIT in the company's history. Operating margin for the year was 7.0% (6.4%). The Heat division contributed with revenue of EUR 159.8 million in 2024 (153.2 million) and an improved operating margin of 10% (8%). The Charge division, which develops induction charging solutions, had a negative EBIT contribution of EUR -3.9 million (-1.5 million) in line with plan.

The order intake in 2024 was impacted by postponed decisions from customers and the geopolitical situation leading to stagnation in many markets. Order intake ended at EUR 147 million (EUR 166.5 million), of which most of the shortfall vs. last year was explained by the contract awarded in 2023 for construction of the electrified roadway in Florida, USA (EUR 12.7 million). The order intake was geographically split between Europe EUR 55.5 million, Asia EUR 52.7 million and North America EUR 38.9 million.

The order backlog of EUR 67 million (86 million) per yearend was reduced during the year due to high deliveries, in combination with reduced order intake.

#### **SUSTAINABILITY**

In 2024, ENRX's Scope 1 GHG emissions were 921 tCO2e (957 tCO2e) while Scope 2 emissions decreased by 12%. This reduction was driven by the installation of solar panels at sites in Poland and India. Additionally, ENRX reported all relevant Scope 3 activities for the first time, recording 631,680 tCO2e. According to the EU Taxonomy mapping, the share of Taxonomy-eligible, not aligned turnover for ENRX was 82%, an increase from 74% in 2023. Taxonomy eligible, not aligned CapEx was 88%, and eligible, not aligned OpEx was 78.8%. The majority of the turnover comes from manufacturing of induction power generators. The activity enables customers to lower own emissions in production processes and enable the manufacturing of low carbon technologies. ENRX also contributes to the circular economy objective through its sales of spare parts. ENRX currently does not meet all alignment criteria.

The reduction in voluntary turnover rate 12% (18%) was due to restructuring in Germany in 2023 which had no equivalent in 2024.

### OUTLOOK

The market for heating products is expected to remain somewhat uncertain in the coming months as customer decision-making processes take longer and orders are postponed. However, ENRX expects order intake largely in line with 2024.

ENRX expects revenue for 2025 to be in line with 2024. Operating profit is expected to improve due to the ongoing profitability program and focus on cost control.

The Charge division will continue its work on the Dynamic Road project in North America in 2025. The division will also introduce new products within the light industrial segment.

Electrification is expected to see growth over the next decade. The global trend is a shift from gas and flame heating to more energy-efficient and eco-friendly alternatives, such as induction heating. To remain at the forefront of induction technology, ENRX continues its R&D efforts.

For several years, ENRX has been the leading supplier of equipment to the renewable power sector. The acquisition of IPT Technology in 2022 and establishment of the Charge division opens a growing and potentially large market within wireless charging solutions, which is expected to generate long-term revenue and cost synergies to further improve the company's operational leverage.

# **NSSL**Global Portfolio company

Head office	Countries
London, UK	9
Ownership	Chief Executive Officer
80%	Sally-Anne Ray
Employees	Chair
249	Arild Nysæther

NSSLGlobal is an independent provider of cyber secure satellite and mobile communications and IT support that delivers high-quality voice and data services across the globe, regardless of location or terrain. NSSLGlobal's activities are divided into four main areas: Airtime, Projects, Hardware and Service. Its main customers are within the maritime segment, the military and government sector, large international corporations and the energy sector. The revenue model is to a large degree based on multiyear subscription and support contracts, thereby securing a significant degree of recurring revenues.



FINANCIAL FIGURES (MNOK)		2024	2023	2022
	Revenue and other income	1,400	1,206	1,042
	EBITDA	295	231	25
	Operating profit	263	211	20
	Operating margin	19%	18%	20%
	Earnings before tax (EBT)	277	209	23
	Net profit	202	164	173
	Operating cash flow	334	122	154
	NIBD	-474	-346	-340
	Equity	725	608	52
	Equity ratio	58%	57%	57%
SUSTAINABILITY KPIs		2024	2023	202
Environment	Scope 1 GHG (tCO <sub>2</sub> e)	201	208	18
	Scope 2 GHG (location-based, tCO <sub>2</sub> e)	189	201	12
	Scope 3 GHG (tCO <sub>2</sub> e) <sup>1</sup>	8,051	-	
	Energy consumption (MWh)	2,072	2,113	1,56
	Renewable energy consumption (location-based, % of total)	25%	23%	16%
Social	Female employees	24%	27%	229
	Female members of Executive Management	50%	40%	40%
	Lost time injury frequency rate per million exposed hours	0	0	(
	Sick leave rate	3%	1%	2%
	Voluntary turnover rate <sup>2</sup>	11%	-	
Governance	Signature of Code of Conduct	100%	100%	100%
	Internal training in Code of Conduct	100%	100%	100%
	Signature of Business Partner Code of Conduct <sup>3</sup>	-	-	
	Convictions of violation of anti-corruption or anti-bribery laws	0	0	(
	<ol> <li>Only a limited set of Scope 3 categories were reported in previous years such that the total emissions in 2024 are not comparable to previously reported.</li> </ol>	rted data		

such that the total emissions in 2024 are not comparable to previously reported data.

2. Turnover rates for 2023 and 2022 include involuntary as well as voluntary departures

3. Records signatures by partners assessed as high-risk. Data was collected on this KPI for the first time in 2024.

#### INTRODUCTION ABOUT PERFORMANCE CORPORATE GOVERNANCE

### 2024 IN BRIEF

### (Figures in parentheses refer to the previous year)

NSSLGlobal reported revenues of GBP 101.9 million (91.8 million) in 2024. EBITDA amounted to GBP 21.5 million (17.6 million). Operating profit was GBP 19.2 million (16.1 million), while the ordinary profit after tax was GBP 14.7 million (12.5 million). Revenue and operating profit in 2024 was the highest in the company's history.

Revenue growth in 2024 was largely driven by increased government engineering projects, as well as continued high airtime related to operational activity caused by events in Ukraine and in the Middle East.

The largest customer segment for NSSLGlobal is the Government & Defense sector, where revenue increased by 27% in 2024 to GBP 65 million.

NSSLGlobal has long-standing customer relationships with several governmental institutions, including the UK Ministery of Defence and the German Armed Forces, and constantly works to further refine their offerings to these customers.

Operating margin for the year increased slightly to 19% (18%) and was largely related to a small improvement in gross margin together with higher utilization of internal engineering resources, which reduced operating costs.

The company experienced healthy sales throughout the year, including new maritime NAVCOM and ITSM (IT security management) orders, governmental engineering orders, as well as defence contracts across Europe. NSSLGlobal remains a significant service provider to the UK Ministry of Defence and German Armed Forces through a number of long-term framework agreements and recent contract and project wins for both commercial communication, ICT and entertainment services.

In early 2024, NSSLGlobal extended its largest Commercial Satellite Contract with the UK MOD for a further 5 years through the Babcock Skynet Service Delivery Wrap (SDW) umbrella contract. NSSLGlobal also rolled out a number of multi-million European government engineering projects, including a large EUR 15 million engineering project for the German Armed Forces. In addition, the company won a number of new multi-million governmental projects in 2024, providing a strong order backlog into 2025 and 2026. On the Commercial maritime side, NSSLGlobal continued to roll out its FusionIPLeo service to existing and new clients. This includes a hybrid of the best of GEO, LTE and LEO based satellite constellations. It combines the trusted benefits of a global, high availability GEO service with the low latency and high capacity from LTE and LEO satellites. At the core of this service is NSSLGlobal's Smart@Sea platform providing secure and seamless solutions to the end user, as well as additional cyber, Crew entertainment, IT and Management functionality.

### SUSTAINABILITY

In 2024, NSSLGlobal saw a slight reduction in Scope 1 and Scope 2 emissions. Scope 1 emissions were 201 tCO2e (from 208 tCO2e), and Scope 2 emissions were 189 tCO2e (from 201 tCO2e). Despite the increase in company activities, locations, and employees, this reflects positive progress. Additionally, NSSLGlobal included all relevant Scope 3 activities for the first time, totalling 8,051 tCO2e.

The share of Taxonomy-eligible, not aligned turnover for NSSLGlobal was 4.5%. Eligible, not aligned CapEx was 70.9%, while eligible, non-aligned OpEx was 3.1%.

### OUTLOOK

NSSLGlobal expects 2025 revenue and operating profit to be lower than in 2024, due to expected reduced event traffic, and the completion of a large project in 2024, which will not recur in 2025.

Depending on the developments in the geopolitical landscape, including the situation in Ukraine and the Middle East, and the increased demand for European spending on defence, NSSLGlobal could see significant variability to its forecasted event traffic in 2025. NSSLGlobal also holds a solid pipeline for Project Sales particularly in the governmental market, but revenue for these are unlikely to be seen in 2025 unless fast tracked by the respective government.

# Portfolio company

Head office	Countries
Sherbrooke, Canada	5
Ownership	Chief Executive Officer
69.5%	Luc Dionne
Employees	Chair
185	Dag Teigland

Tekna is a world-leading provider of advanced materials and plasma systems to several industries. The company produces high-purity metal powders for applications such as 3D printing in the aerospace, medical and consumer electronics sectors, as well as optimized induction plasma systems for industrial research and production.



FINANCIAL FIGURES (MNOK)		2024	2023	2022
	Operating revenue	292	320	199
	EBITDA	-31	-64	-124
	Adjusted EBITDA	-54	-32	-98
	Operating profit	-63	-97	-153
	Operating margin	-22%	-30%	-77%
	Earnings before tax (EBT)	-79	-107	-166
	Net profit	-85	-118	-16
	Operating cash flow	-1	-88	-148
	NIBD	172	125	-28
	Equity	209	294	389
	Equity ratio	36%	50%	72%
SUSTAINABILITY KPIs		2024	2023	202
Environment	Scope 1 GHG (tCO <sub>2</sub> e)	596	589	58
	Scope 2 GHG (location-based, $tCO_2e$ )	14	30	34
	Scope 3 GHG (tCO <sub>2</sub> e) <sup>1</sup>	27,730	-	
	Energy consumption (MWh)	12,750	11,563	11,508
	Renewable energy consumption (location-based, % of total)	77%	72%	69%
Social	Female employees	26%	27%	26%
	Female members of Executive Management	33%	29%	29%
	Lost time injury frequency rate per million exposed hours	5.8	8.1	2.
	Sick leave rate	3%	3%	3%
	Voluntary turnover rate <sup>2</sup>	15%	-	
Governance	Signature of Code of Conduct	100%	78%	91%
	Internal training in Code of Conduct	0%	0%	0%
	Signature of Business Partner Code of Conduct <sup>3</sup>	100%	-	
	Convictions of violation of anti-corruption or anti-bribery laws	0	0	C
	1. Only a limited set of Scope 3 categories were reported in previous years such that the total emissions in 2024 are not comparable to previously repo	orted data.		

such that the total emissions in 2024 are not comparable to previously reported data

. Turnover rates for 2023 and 2022 include involuntary as well as voluntary departures.

3. Records signatures by partners assessed as high-risk. Data was collected on this KPI for the first time in 2024.

### 2024 IN BRIEF

(Figures in parentheses refer to the previous year)

Tekna reported operating revenue of CAD 37.2 million (40.9 million) in 2024. Adjusted EBITDA amounted to negative CAD 6.9 million (-4.1 million). Total order backlog per year-end amounted to CAD 16.7 million (24.0 million). In 2024, Tekna mainly focused on enhancing profitability and improving cash flow to navigate challenging macro-economic circumstances.

Revenues in Advanced Materials increased by 3.2% to CAD 26.5 million (25.5 million), representing 72% of total operating revenue. Adjusted for service revenues of CAD 1 million charged by Tekna to the discontinued joint venture in 2023, the growth was 7%. Throughout 2024, Tekna saw rising demand for its materials for Additive Manufacturing in customer segments such as Aerospace & Defense and Medical implants. Growth was supported by demand for both small and large particle-sized material, valorising a greater portion of the production yield. Reduced sales to 3D printer manufacturers had an adverse impact on growth during the year.

After a record year in 2023, the Systems segment saw a significant slow-down in order intake in 2024. Revenue in 2024 amounted to CAD 10.7 million (15.2 million). Contribution margin for Systems for the year was stable at 63%. Despite lower Systems sales in 2024, the PlasmaSonic pipeline saw steady progress during the year.

In April 2024, Tekna received its first revenue-generating order for nano nickel material samples to develop metal paste for multi-layer ceramic capacitors (MLCC). This order highlights Tekna's role in advancing next-generation electronic components and continued commitment to expanding its offering.

Tekna continued to execute on its comprehensive profitability improvement program in 2024, which started in 2022. Efforts focused on creating a leaner operation, reducing operating costs and further improving cash flow. Most of the cost reductions and initiatives implemented in 2024 are recurring, with expected positive impact on profitability and cash flow in 2025. The net working capital improved to CAD 14.5 million by year-end 2025 (19.6), further contributing to cash flow.

In June, the Federal Court of Canada ruled in favor of Tekna in an intellectual property case concerning competing patents rights to produce titanium powder in Canada. A Notice of appeal was submitted in September by AP&C. In December, AP&C paid Tekna CAD 2.9 million as compensation for litigation cost.

### SUSTAINABILITY

In 2024, Tekna's Scope 1 GHG emissions were 596 tCO2e (589 tCO2e), while Scope 2 emissions decreased to 14

tCO2e (30 tCO2e), due to increased renewable energy use in Canada and reduced nuclear energy use in France. Scope 3 GHG emissions were 27,730 tCO2e in 2024, which was the first year that Tekna included all relevant activities.

89.9% of Tekna's turnover is eligible under the EU Taxonomy, where majority of the turnover is from production of additive material powders aimed at enhancing resource efficiency across the value chain. Currently, Tekna does not have a life cycle GHG emission savings analysis available, and therefore the activity is not aligned with the EU Taxonomy. In 2024 eligible, non-aligned CapEx was 98.2%, and eligible, non-aligned OpEx was 100%.

Female representation in C-suite management rose to 33% (29%), and workplace safety improved with a reduced injury frequency rate of 5.8 (8.1).

### OUTLOOK

The top priority moving forward is to maintain strong focus on profitability and capital discipline. Tekna goes into 2025 with a lower cost base resulting from profitability measures implemented in 2024.

Tekna remains focused on its core business in Advanced Materials, which continues to demonstrate resilience and growth. Tekna's position in the additive manufacturing industry remains strong, with projected double digit market growth. Growth opportunities are driven globally by the transition towards more efficient manufacturing technology and products, as well as reducing supply chain constraints by reshoring manufacturing across multiple industries.

The company's existing machine base is projected to adequately meet the anticipated growth in demand for Advanced Materials until the end of 2027. Tekna is working continuously on improving machine productivity to increase capacity of the existing machine base. Higher productivity helps shorten delivery times and, in turn, positively impact sales. As a result, the company will have a minimal need for capital expenditures for its current operations in the coming years, estimated at CAD 2-3 million per annum, excluding leases under IFRS 16.

Tekna has a strong pipeline of potential orders for Systems, with an acceleration of interest in PlasmaSonic wind tunnel solutions that are pivotal to the development of hypersonic flight and spacecrafts.

Tekna will continue its efforts in the development of nano nickel particles for MLCC applications in close cooperation with industry leading customers.

Concerning possible tariffs Tekna is following developments closely and adjusting mitigation activities accordingly.

# Portfolio company

Head office	Countries
Froland, Norway	1
Ownership	Operating Manage
100%	Jan Roald Evenser
Employees	Chair
16	Trond Westlie

AFK Vannkraft generates power at two locations in the Arendal watercourse. The Bøylefoss and Flatenfoss hydropower plants produce on average more than 500 GWh annually. AFK Vannkraft has a defined strategy of selling hydropower production in the day-ahead (spot) market.



FINANCIAL FIGURES (MNOK)		2024	2023	2022
	Revenue and other income	363	511	606
	EBITDA	261	425	548
	Operating profit (EBIT)	253	414	538
	Operating margin	70%	81%	88%
	Earnings before tax (EBT)	253	414	538
	Provision for income tax	156	294	38
	Earnings after tax (EAT)	97	119	148
SUSTAINABILITY KPIs		2024	2023	2022
Environment	Scope 1 GHG (tCO <sub>2</sub> e)	22	27	20
	Scope 2 GHG (location-based, tCO <sub>2</sub> e)	1.3	1.3	1.9
	Scope 3 GHG (tCO <sub>2</sub> e) <sup>1</sup>	814	-	
	Energy consumption (MWh)	269	322	35
	Renewable energy consumption (location-based, % of total)	68%	66%	76%
Social	Female employees	13%	12%	13%
	Female members of Executive Management	0%	0%	0%
	Lost time injury frequency rate per million exposed hours	0	0	(
	Sick leave rate	2%	4%	5%
	Voluntary turnover rate <sup>2</sup>	0%	0%	0%
Governance	Signature of Code of Conduct	100%	100%	100%
	Internal training in Code of Conduct	81%	100%	100%
	Signature of Business Partner Code of Conduct <sup>3</sup>	-	-	
	Convictions of violation of anti-corruption or anti-bribery laws	0	0	(
	1. Only a limited set of Scope 3 categories were reported in previous years such that the total emissions in 2024 are not comparable to previously reported in the total emission of the set of the se	rted data.		

2. Turnover rates for 2023 and 2022 include involuntary as well as voluntary departures.

3. Records signatures by partners assessed as high-risk. Data was collected on this KPI for the first time in 2024.

AFK Vannkraft reported revenue of NOK 363 million (511 million) in 2024. EBITDA amounted to NOK 261 million (425 million) and operating profit amunted to NOK 253 million (414 million). Provision for income tax amounted to NOK 156 million (294 million) in 2024.

Overall, electricity prices in 2024 were down from 2023, with an average price in the NO2 price area of 50.1 EUR/ MWh (79.4 EUR/MWh). However, electricity prices in Southern Norway, particularly in NO2, were characterised by significant fluctuations during 2024. High-price periods were driven by colder than expected weather and low wind production in Europe, while low-price periods were impacted by higher hydro reservoir levels, along with high wind production in Europe and lower price levels for coal, gas, and CO2. These fluctuations highlight how electricity prices are highly sensitive to factors such as weather conditions, European power production, and demand. AFK Vannkraft has a defined strategy of selling hydropower production in the dayahead (spot) market, and as such, is exposed to these fluctuations.

Power generation increased to 606.7 GWh (542 GWh), driven by higher precipitation and inflow than normal for the watercourse. The accumulated amount of snow and the reservoir levels in the watercourse were higher than normal during the year.

The construction of Kilandsfoss hydropower plant is proceeding according to schedule. Kilandsfoss hydropower plant will produce an annual average of 38 GWh and is located in Nidelva between our two hydropower plants, Bøylefoss and Flatenfoss. Kilandsfoss hydropower plant is scheduled to start electricity production in 2026.

The rehabilitation of the Bøylefoss hydropower plant building exterior started in 2023, with 60% of the rehabilitation completed per year-end 2024. The rehabilitation of the exterior will continue in 2025 and is expected to be finalised in 2026.

**POWER PRICE & POWER GENERATION** Power generation (GWh/Week)

Power price (EUR/MWh)



### **SUSTAINABILITY**

In 2024, the Scope 1 emissions decreased slightly at 22 tCO2e (27 tCO2e). The Scope 2 emissions remained the same as in 2023 at 1.3 tCO2e (1.3 tCO2e). AFK Vannkraft included all relevant Scope 3 activities for the first time, totalling 814 tCO2e.

AFK Vannkraft's main economic activity, electricity generation from hydropower, is aligned with the EU Taxonomy, resulting in 99.8% of the turnover being aligned. Taxonomy-aligned CapEx was 45%, while eligible, not aligned CapEx was 16%. Aligned OpEx was 67.4% and eligible, not aligned OpEx 26.8%.

### OUTLOOK

The market's estimated power price trends for 2025 are expected to be comparable to 2024. Actual energy prices depend on many factors, including hydrological balance, oil and gas prices, weather conditions, temperatures, and more. Production for 2025 is expected to be lower than that of 2024. Production in 2024 was exceptionally high, while 2025 is expected to be closer to the average.

The rehabilitation on the exterior of the Bøylefoss hydropower plant building is expected to be complete in 2026. Further investments in the coming years include regulatory required upgrades of the dam facilities and reinvestments in turbines at the Bøylefoss power plant.

Power price in the NO2 price area and power generation for Arendals Fossekompani per week for the period 31/12/2019 - 31/12/2024.

# alytic Portfolio company

Head office	Countries
Arendal, Norway	6
Ownership	Chief Executive Officer
96%	Espen Zachariassen
Employees	Chair
119	Lars Peder Fensli

Alytic acts as a growth catalyst for future-oriented companies and works to establish leading businesses within their respective industries. The Alytic investment team collaborates closely with their portfolio companies to drive value through strategic development, leadership support, HR and talent acquisition, and by leveraging data science and technology. The Alytic portfolio includes: Kontali, a world-leading aquaculture data and analysis provider, Veyt, a global provider analytical insight to businesses and governments pursuing net-zero targets, Factlines, a supplier risk management software provider, and Utel, a provider of services for telecom network monitoring and analysis.



FINANCIAL FIGURES (MNOK)		2024	2023	2022
	Revenue and other income	67	46	41
	EBITDA	-49	-71	-4
	Operating profit	-88	-85	-46
	Operating margin	-132%	-184%	-112%
	Earnings before tax (EBT)	-89	-85	-45
	Net profit	-86	-80	-43
	Operating cash flow	-47	-55	-35
	NIBD	14	4	-18
	Equity	147	140	132
	Equity ratio	58%	62%	67%
SUSTAINABILITY KPIs		2024	2023	2022
Environment	Scope 1 GHG (tCO <sub>2</sub> e)	0	0	(
	Scope 2 GHG (location-based, $tCO_2e$ )	2	6	2
	Scope 3 GHG (tCO <sub>2</sub> e) <sup>1</sup>	84	-	
	Energy consumption (MWh)	182	291	324
	Renewable energy consumption (location-based, % of total)	94%	93%	95%
Social	Female employees	31%	30%	32%
	Female members of Executive Management	35%	28%	6%
	Lost time injury frequency rate per million exposed hours	0	0	C
	Sick leave rate	2%	2%	3%
	Voluntary turnover rate <sup>2</sup>	7%	-	
Governance	Signature of Code of Conduct	88%	92%	20%
	Internal training in Code of Conduct	88%	92%	20%
	Signature of Business Partner Code of Conduct <sup>3</sup>	-	-	
	Convictions of violation of anti-corruption or anti-bribery laws	0	0	(
	<ol> <li>Only a limited set of Scope 3 categories were reported in previous years such that the total emissions in 2024 are not comparable to previously reported.</li> </ol>	rtad data		

such that the total emissions in 2024 are not comparable to previously reported data.

. Turnover rates for 2023 and 2022 include involuntary as well as voluntary departures

3. Records signatures by partners assessed as high-risk. Data was collected on this KPI for the first time in 2024.

### 2024 IN BRIEF

(Figures in parentheses refer to the previous year)

As a result of robust product development and strong focus on commercialisation, Alytic achieved notable financial milestones in 2024, increasing revenues to NOK 67 million, (+44% year-over-year) of which 74% were recurring revenue. Total ARR for the Alytic portfolio increased by 31% in 2024, to NOK 55 million.

### Veyt

Veyt grew ARR by 51% year-over-year to NOK 20.3 million. Veyt is a leading provider of EAC-analytics (Energy Attribute Certificates) and have during 2024 positioned themselves as a thought leader for the global carbon markets. This has led to a strong growth of new customers on the platform. Going forward, Veyt will further develop products and tools for PPAs, maritime sector and renewable fuels (biomethane, ammonia, green hydrogen). ETS 2 and carbon credits will also be an important growth area for Veyt.

#### Kontali

Kontali grew ARR by 18% year-over-year to NOK 19 million. Total revenue grew by 34% year-over-year to NOK 32.5 million, of which recurring revenue constituted 60%. Kontali continued to expand their offerings on their platform, Kontali Edge, by adding new predictions and new species. The company also strengthened the management team with a new CEO, CAO (Chief Analytics Officer) and CCO in 2024.

#### Factlines

Factlines grew ARR by 43% year-over-year to NOK 11.4 million. Factlines has built a taxonomy reporting product that simplifies the reporting process. The company's supply chain offering has expanded from helping customers with compliance on the Norwegian Transparency Act, into a comprehensive supplier risk management solution.

### Utel

Utel grew ARR by 11% year-over-year to NOK 5.1 million. With a particular focus on fraud detection, Utel made significant progress in 2024 with regards to both product development and commercialisation. Utel signed up their first customers to their new product suite in December. The company is going into 2025 with a strong sales pipeline and sees growth potential from an increased market need to fight and prevent cyber-crime.

### SUSTAINABILITY

Alytic has two activities eligible for the EU Taxonomy: Edge by Kontali, and Veyt, providing insights on lowcarbon markets and renewable energy. These activities account for 54.1% of turnover being Taxonomy-eligible, while eligible, non-aligned CapEx accounts for 68.8%.

### OUTLOOK

Alytic is positioned to continue its upward trajectory by leveraging strategic accomplishments from 2024. Alytic maintains its focus on data-driven products delivered as SaaS solutions and expects this to drive further ARR growth and market expansion.

Alytic is actively seeking growth and partnership opportunities for its existing portfolio.

## Property Portfolio company

Head office	Countries
Arendal, Norway	1
Ownership	Chief Executive Officer
100%	Tom Krusche Pedersen
Employees	Chair
5	Lars Peder Fensli

All Arendals Fossekompani's property-related companies and property investments are comprised in AFK Eiendom.



FINANCIAL FIGURES (MNOK)		2024	2023	2022
	Revenue and other income	295	18	35
	EBITDA	29	2	6
	Operating profit	13	-10	-7
	Operating margin	4%	-55%	-19%
	Earnings before tax (EBT)	1	-14	-10
	Net profit	-8	-14	-9
	Operating cash flow	200	-163	-40
	NIBD	213	361	136
	Equity	193	185	206
	Equity ratio	37%	30%	47%
SUSTAINABILITY KPIs		2024	2023	2022
Environment	Scope 1 GHG (tCO <sub>2</sub> e)	23	21	20
	Scope 2 GHG (location-based, tCO <sub>2</sub> e)	3.7	1.3	1.5
	Scope 3 GHG (tCO <sub>2</sub> e) <sup>1</sup>	7,422	-	-
	Energy consumption (MWh)	623	276	295
	Renewable energy consumption (location-based, % of total)	76%	75%	77%
Social	Female employees	0%	0%	0%
	Female members of Executive Management	0%	0%	0%
	Lost time injury frequency rate per million exposed hours	0	0	C
	Sick leave rate	0%	0%	4%
	Voluntary turnover rate <sup>2</sup>	0%	0%	0%
Governance	Signature of Code of Conduct	40%	40%	100%
	Internal training in Code of Conduct	40%	40%	100%
	Signature of Business Partner Code of Conduct <sup>3</sup>	-	-	
	Convictions of violation of anti-corruption or anti-bribery laws	0	0	C
	<ol> <li>Only a limited set of Scope 3 categories were reported in previous years such that the total emissions in 2024 are not comparable to previously report</li> </ol>	ted data.		

such that the total emissions in 2024 are not comparable to previously reported dat

. Turnover rates for 2023 and 2022 include involuntary as well as voluntary departures

3. Records signatures by partners assessed as high-risk. Data was collected on this KPI for the first time in 2024.

### BRYGGEBYEN

The largest company in the AFK Eiendom portfolio is Vindholmen Eiendom, which is transforming an old shipyard area into a new urban residential and commercial zone under the name, Bryggebyen. The transformation will take 10-15 years to complete and will establish 500–700 residential units in combination with exciting trade and commerce offerings.

The third stage of the apartment complex at Bryggebyen was completed in 2024, adding 48 apartments to the total of 161 developed so far. The planning process for the fourth stage has begun.

AFK Eiendom is also in the planning process to build an indoor swimming facility at Bryggebyen. Arendal municipality has signed a long-term rental agreement, and a final investment decision is expected in 2025.

### **BØYLESTAD ENERGIPARK**

In June 2024, the Ministry of Local Government and Regional Development approved the designation by Froland municipality of a 1,600-dekar area at Bøylestad for industrial purposes. The site is one of the most important power hubs in the south of Norway which makes this area attractive for energy-intensive industries. The Ministry has also emphasised the municipality's commitment to securing land for green industries and fostering local employment opportunities. With a long-term and responsible perspective, AFK Eiendom is working with local stakeholders to make a sustainable plan for the development of Bøylestad Energipark. Preparation for starting the detailed zoning plans for the area is ongoing.

### ARENDAL AIRPORT & PROPERTY GULLKNAPP

AFK Eiendom is the majority owner of Gullknapp, which comprises an airport and an attractive 200,000 sqm industrial and commercial area. The main user of the airport facility is OSM Aviation Academy which runs a pilot school on the premises.

### **BØLEVEGEN 4**

This property was acquired in 2020 and is located along the Skien River, just one kilometre south of downtown Skien. The 4,700 sqm building is fully lent to Arendals Fossekompani's portfolio company, ENRX, on a 15-year bare-house agreement. As the city of Skien expands, this 12,000 sqm riverfront property will be attractive both for commercial and residential development.

### LONGUM PROPERTY

This 170,000 sqm property is located outside of Arendal, close to the E18 highway. In Q2 2024, it was announced that AFK Eiendom will build and lease new production facilities for Kitron. The new industrial building will be approximately 7,500 sqm and is expected to be completed during the first half of 2026.

### **BEDRIFTSVEIEN 17**

Bedriftsveien 17 is located in the middle of the emerging commercial area, Krøgenes, three kilometers east of downtown Arendal. The 3,500 sqm building is fully leased to Scanmatic on a 25-year bare-house agreement. The area has grown in attractiveness following the completion of a new feed-in road to the E18 highway.

### SUSTAINABILITY

AFK Eiendom's Scope 1 emissions remained at levels similar to previous years. Scope 2 emissions significantly increased to account for leased assets, and Scope 3 emisisons were reported in full for the first time, totalling 7,422 tCO2e. AFK Eiendom has several activities eligible for the EU Taxonomy, resulting in 94.2% of the turnover in 2024 being eligible. None of the activities are currently aligned.

### Shareholder Information

Arendals Fossekompani is committed to maintaining an open dialogue with shareholders, investors, analysts and the financial markets in general. Our goal is to ensure that the share price reflects its underlying value by making all pricerelevant information available to the market.

We work to create shareholder value in the form of dividends and share price growth over time. In accordance with the company's Corporate Governance Report, approved by the Board of Directors, the company's dividend policy is to pay dividends that reflect the company's long-term strategy, financial position and investment capacity.

### **DIVIDEND FOR 2024**

Total dividends paid in 2024 amounted to NOK 220 million, corresponding to NOK 4.0 per share. Total dividends paid were equivalent to 2.5% of the volume-weighted average share price in 2024.

### DIVIDEND POLICY

Subsequent to the close of the year, the Board of Directors decided that as of Q2 2025, Arendals Fossekompani will move from announcing dividends on a quarterly basis to announcing dividends on an annual basis. Arendals Fossekompani is an industrial investment company using its own capital to invest. Liquidity levels vary over time driven by investment/divestment activities and underlying profitability. The change is made to enable better long-term capital planning and flexibility to create shareholder value as an investment company.

When deciding the annual dividends, the Board of Directors shall take into consideration expected cash flow, capital expenditure plans, divestments, financing requirements and appropriate financial flexibility.

Arendals Fossekompani moved from annual to guarterly dividends in 2020. When this was done, the first guarterly dividend was paid as of Q2 2020. For this reason, Arendals Fossekompani intends to maintain the quarterly dividend until Q1 2025.

### SHARES AND SHARE CAPITAL

On 31 December 2024, there was a total of 55,995,250 shares in the company, of which 1,058,832 were treasury shares (1.9 % of the total number of shares). Arendals Fossekompani's three largest shareholders are Ulfoss Invest AS (26.3%), Havfonn AS (26.0%) and Must Invest AS (25.2%).

There were 4,708 shareholders at year-end 2024, compared to 5,295 shareholders at the end of 2023.

The Group's shares consist only of Class A shares, all of which have equal rights. In accordance with Article 11 of the company's Articles of Association, no shareholder may, personally or by proxy, vote for more than one guarter of the total number of shares.

Due to Arendals Fossekompani's hydropower production, the current Norwegian concession legislation stipulates, among other things, that a shareholder who acquires more than 20 % of the total number of shares must apply for a concession. The Concession Act requires that the Board of Directors approve such acquisitions. There are several other provisions in the concession legislation that may entail that acquisition of the company's shares may have consequences for both the company itself and the other shareholders. Thus, the company has found it necessary to have the opportunity to deny approval of the acquisition of shares. In accordance with Article 7 of the Articles of Association, any acquisition by means of transfer is conditional on the Board's approval. Approval may only be denied if there is a valid reason for doing so.

### STOCK EXCHANGE LISTING

Arendals Fossekompani ASA is listed at Oslo Børs under the ticker code AFK. The company was listed in 1913 and is the second oldest company at Oslo Børs. The shares are registered in the Norwegian Central Securities Depository with DNB ASA as the account operator and issuer. The securities identification number for the share is ISIN NO 0003572802.

### CURRENT AUTHORISATIONS

At Arendals Fossekompani's Annual General Meeting on 15 May 2024, the Board of Directors was authorised to acquire treasury shares up to a maximum of 7.9%. In accordance with this authorisation, the Board of Directors is only permitted to acquire treasury shares at a price ranging from a minimum of NOK 10 and a maximum of NOK 2,000 per share. This authorisation will remain in effect until the Annual General Meeting in 2025. In 2024, the company sold a net of 79,079 shares in connection with the company's incentive programme.

### **OPTION SCHEMES**

As at 31 December 2024, Arendals Fossekompani had no option schemes.

### INVESTOR RELATIONS

Arendals Fossekompani seeks to maintain an open dialogue with shareholders, debt holders, financial analysts, and the stock markets in general. The company regularly holds presentations in connection with the publication of guarterly results. All company press releases, stock exchange announcements and investor relations information are available at www.arendalsfossekompani.no.

The website also includes guarterly reports, annual report, presentations, Articles of Association, and the financial calendar.

### NOMINATION COMMITTEE

The company's Nomination Committee consists of the following members: Morten Bergesen (Chair), Simen Flaaten, and Trine Must.

### AUDIT COMMITTEE

The company's Audit Committee consists of the following members: Stine Rolstad Brenna (Chair), Morten Bergesen, and Anne Grethe Dalane.

### ANNUAL GENERAL MEETING

The Annual General Meeting is held as early in the year as is practically possible after the close of the previous financial year, usually in April or May.

21 days prior to the Annual General Meeting, meeting notices and attendance registration forms are sent to all shareholders with a known address and made available on the company's webpage and via Oslo Børs' distribution service.

#### SHARE PRICE LAST 20 YEARS (NOK)

• Share price	Share price incl. dividend	Sha
1,400		
1,200		
1,000		
800		
600		
400		
200		

2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024

KEY FIGURES FOR AFK SHARE (NOK)	2024	2023	2022	2021	2020
Closing price 31/12 <sup>1</sup>	142.4	164.8	250.5	441.0	180.0
Annual growth (%)	-13.6	-36.0	-43.0	145.0	75.0
High/Low <sup>2</sup>	187 / 138	273 / 127	471/214	503 / 175	195 / 82
Share price average <sup>3</sup>	163	189	322	302	127
Market cap 31/12 (million)	7,974	9,228	14,027	24,204	9,863
Price/Book value equity 31/12	1.5	3.0	4.6	8.4	2.9
Dividend per share	4.0	4.0	7.6	37.1	3.4
Dividend accumulated <sup>4</sup>	133.6	129.6	125.7	118.1	81.1
Annual turnover (million)	388	563	1,299	1,113	282
Volume	2,406,291	3,457,029	3,430,618	3,472,586	1,979,993
Total shareholder return (%)	-11.2	-34.0	-41.5	166.0	78.3

1) Numbers adjusted for share split effectuated in 2020. 2) Based on closing price. 3) Paid quarterly. 4) Dividend accumulated last 10 years.

The annual report and other enclosures to the meeting notice are made available solely via the company's webpage and the Oslo Børs distribution service. Shareholders who wish to receive the enclosures by post must contact the company. Shareholders who are unable to attend the General Meeting may vote by proxy.

Representatives from the Board of Directors and the auditor attend the General Meeting. The Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) attend on behalf of the Executive Management.

### SHARE PRICE AND MARKET CAP

The price of shares in Arendals Fossekompani decreased by 14% in 2024 and closed at NOK 142.4 at year-end, corresponding to a market capitalisation of NOK 8 billion at year-end.

### **TRADING VOLUME**

Arendals Fossekompani's trading volume was lower in 2024 compared to 2023, with a total of 2,406,291 shares traded in 2024, corresponding to 4.3% of all shares. Overall turnover from trading of the AFK share in 2024 was NOK 388 million, compared to NOK 563 million in 2023.



#### nare price incl. reinvested dividend

# Reporting 100 years ago

Despite ample reservoir levels in the fall of 1923, an unusually late and cold spring in 1924 led to water scarcity in the river system. As a result, power delivery had to be reduced from March 15, 1924, until the spring flood around April 8. All available power capacity had been contracted and was sold to the two major offtakers of electricity – Det Norske Nitridaktieselskap and Arendal Smelteverk.

TOTAL REVENUE FOR THE YEAR

# NOK 1,234,000

**NET PROFIT** 

# NOK 431,000

DIVIDEND PAID TO SHAREHOLDERS

# NOK 288,000

Nitriden. Maskineri for omforming av strøm fra vekselstrøm til likestrøm i omformerstasjonen.

Photo: Magnus Løvfold, Aust-Agder museum og arkiv - KUBEN



52

60

LL INDUSTRY

LEEN, SOLCE

#### ABOUT INTRODUCTION

In and

PERFORMANCE

# Corporate Governance

Corporate governance report **Board of Directors** 

50



**S**-WANKRIE

77/111

### Corporate Governance Report 2025

While listed on the stock exchange Oslo Børs, Arendals Fossekompani is subject to reporting requirements for corporate governance under the Accounting Act section 3-3b, Norwegian securities trading legislation, and the Oslo Stock Exchange continuing obligations of listed companies.

### CORPORATE GUIDELINES

The following guidelines form the basis for corporate governance at Arendals Fossekompani:

- Arendals Fossekompani shall communicate relevant information honestly and openly to the public about our activities and any circumstances related to corporate governance.
- The Board of Directors at Arendals Fossekompani shall be autonomous and independent of Group Management.
- Emphasis shall be placed on avoiding conflicts of interest between shareholders, members of the Board of Directors and Executive Management.
- The tasks and functions of the Board and Group Management at Arendals Fossekompani shall be distinct and clearly defined.
- All shareholders shall be treated equally.

### NORWEGIAN CODE OF PRACTICE

Each element of the Norwegian Code of Practice for Corporate Governance (NUES), last revised on 14 October 2021, is addressed below. A total review and amendment of this Corporate Governance Report was performed by the Board of Directors in 2025, following the changes made in the company since the last Corporate Governance Report of April 2024. A description is given of Arendals Fossekompani's compliance with, and deviations from, the Code of Practice. A complete overview of the Code of Practice and official remarks by the Oslo Stock Exchange are available online at <u>nues.no</u>.

### **1. CORPORATE GOVERNANCE REPORT**

Arendals Fossekompani has prepared a separate Corporate Governance Report, and the Board has decided to implement the Norwegian Code of Practice for Corporate Governance.

We have implemented and updated further instructions for corporate governance, including rules of procedure for the Board of Directors of November 2024, rules of procedure for the CEO of November 2024, instructions for the Audit Committee of November 2024, instructions for the Remuneration Committee of November 2024, instructions for all employees on the handling of insider information of March 2021, and a policy on disclosure of information of December 2021.

Our Code of Conduct reflects our commitment to ethical business conduct and addresses topics such as anti-corruption, equality and anti-discrimination, and sustainability. The Code of Conduct is subject to regular review and the latest version was adopted by the Board of Directors in November 2024.

Our expectations and guidelines towards suppliers and business partners are set out in the Business Partner Code of Conduct as approved by the Board of Directors.

### **BUSINESS ACTIVITIES**

The objective of Arendals Fossekompani is, through in-house production, participation in new infrastructure, purchase, or leasing, to make use of or sell electricity, as well as to participate, directly or indirectly, in other industrial activities or business enterprises, including investing in real estate. These objectives are expressly stated in Section 1 of our Articles of Association. The Articles of Association are available on our website: <u>arendalsfossekompani.no</u>.

Arendals Fossekompani has significant financial capacity. Our investment portfolio will, at all times, consist partly of long-term and active ownership commitments, and partly of liquid financial assets. Liquidity will be managed mainly via listed shares and bonds. The bulk of our share portfolio will consist of a limited number of major investments.

Our investment strategy is based on our belief that active, long-term, and responsible ownership provides the best risk adjusted return over time. Further descriptions of targets, strategies, risk profile and the objective of creating long-term value for shareholders in a sustainable way, is described elsewhere in the Annual Report, also available at <u>arendalsfossekompani.no/en/investor-relations</u>.

Our targets, strategies and risk profile are reviewed annually. Sustainability is regularly on the Board's agenda. Every year a materiality analysis of topics relevant for environmental, social issues and governance is presented to the Board of Directors.

In Arendals Fossekompani, we integrate considerations related to our broader stakeholders into our business and value creation for our shareholders through our sustainability framework and reporting. Our objectives, principal strategies and stakeholder engagement are further described elsewhere in the Annual Report, and on our website <u>arendalsfossekompani.no</u>. We have a clear focus on our corporate responsibility for environmental and social conditions, including a good working environment, diversity, equality, non-discrimination, human rights and anti-corruption and anti-bribery. We are committed to contributing to the UN Sustainable Development Goals. Further details and descriptions on our work on these matters can be found elsewhere in the Annual Report, and on our website.

Arendals Fossekompani releases its Transparency Act Report in accordance with the Norwegian Åpenhetsloven as a separate report every year before June.

### EQUITY AND DIVIDENDS

### Equity

The book value of the Group's equity as per 31 December 2024 was MNOK 5,414 which amounted to 61% of total assets. Market value is significantly higher, and the company has a solid financial foundation. The Board constantly assesses the company's financial capacity in light of our objectives, strategy and risk profile.

### **Dividend policy**

It is Arendals Fossekompani's policy to pay a dividend that reflects our long-term strategy, financial position and investment capacity.

The Board has decided that as of Q2 2025, Arendals Fossekompani will move from announcing dividends on a quarterly basis to announcing dividends on an annual basis. Arendals Fossekompani is an industrial investment company using its own capital to invest. Liquidity levels vary over time driven by investment/divestment activities and underlying profitability. The change is made to enable better long-term capital planning and flexibility to create shareholder value as an investment company.

When deciding the annual dividends, the Board of Directors shall take into consideration expected cash flow, capital expenditure plans, divestments, financing requirements and appropriate financial flexibility. Arendals Fossekompani moved from annual to quarterly dividends in 2020. When this was done the first quarterly dividend was paid as of Q2 2020. For this reason Arendals Fossekompani intends to maintain the quarterly dividend until Q1 2025.

### **Capital increase**

No authorisation to undertake a share issue has been granted to the Board. The most recent capital increase occurred in 2012, when the share capital was raised by NOK 201,582,900 to NOK 223,981,000 through a transfer from other funds.

### Purchase of treasury shares

The General Meeting can authorise the Board to purchase up to 10% of the company's own shares. At the Annual General Meeting on 15 May 2024, the Board was authorised to purchase treasury shares with a total nominal value of up to NOK 17,769,000, corresponding to approximately 7.93% of the company's total number of shares. The terms of the authorisation permit the Board to acquire treasury shares only between a minimum price of NOK 10 and a maximum price of NOK 2,000 per share. This authorisation will remain in effect until the Annual General Meeting in 2025 and no longer than 30 June 2025.

As per 31 December 2024, the Group owned a total of 1,058,832 shares, corresponding to 1.9% of all the outstanding shares in the company. These shares are freely negotiable.

### EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH RELATED PARTIES

Share class

The Group's shares consist exclusively of A-shares. According to Section 10 of our Articles of Association, no shareholder may personally or by proxy vote for more than one quarter of the total number of shares. Acquisition of shares by means of transfer shall be subject to the approval of the Board of Directors. All shares have equal rights.

### Transactions involving treasury shares

The Board may exercise its authority to acquire treasury shares as long as the shares are acquired at the market price. Correspondingly, the divestment of acquired shares will also be undertaken at market price yet so that the shares can be discounted if the shares are used in connection with programmes for employees and board members. At the same time, the authorisation gives the Board the flexibility to utilise the mechanisms that the Public Limited Liability Companies Act gives access to in situations where the acquisition or disposal of shares is considered advantageous to the company and the company's shareholders, including for use in share purchase programmes for directors and employees at the company.

### Transactions with related parties

No transactions have occurred between the company and shareholders, board members, senior executives or their related parties in 2024 that could be described as not immaterial transactions. In 2024, 75,779 shares were sold from the company to senior executives and board members, in accordance with the approved share purchase programme. See Note 4.3 of the Financial Statement. Guidelines for board members and senior executives If a board member or senior executive has a material direct or indirect interest in an agreement that is being entered into by the company, that person must disclose the fact before the matter is put to the Board, and he or she may not participate in discussions or votes on that matter.

### FREELY NEGOTIABLE SHARES

Under current Norwegian legislation on industrial licensing, a shareholder who acquires more than 20% of the total number of shares in the company must apply for a license. The law requires the Board's approval for such acquisitions. A number of other provisions of the Waterfall Rights Act could cause the acquisition of the company's shares to have consequences for both the company itself and other shareholders. Therefore, the company has found it necessary to reserve the right to refuse approval of share acquisitions. According to Section 7 of the Articles of Association, any acquisition by means of transfer is conditional on the Board's consent. Consent may be refused only on reasonable grounds. Deviations from the Code: The Articles of Association hold that transfer of shares is conditional on the Board's consent.

### GENERAL MEETING

### Notification

The Annual General Meeting is held as early as practically possible after the close of the previous financial year, usually in April or May. Meeting notices and attendance registration forms are sent to all shareholders no later than 21 days prior to the General Meeting through digital communication, or through regular mail to shareholders with a known address who do not consent to digital communication.

Documents are also made available on our website <u>arendalsfossekompani.no</u> and through the Oslo Stock Exchange distribution service. The annual report and other enclosures to the General Meeting notices are made available solely via the website and the Oslo Stock Exchange distribution service. Shareholders who wish to receive the enclosures by regular mail must contact the company. The Board will provide shareholders with all the information necessary to help them take a position on all agenda items, along with proposals relating to the election of board members.

### Participation

Shareholders can give notice of their participation either in writing or via email or digital solutions. The Board wishes to arrange the meeting so that as many as possible of the shareholders are able to participate. Shareholders who cannot attend are encouraged to appoint a proxy. We accommodate requests of digital attendance to the General Meeting in line with legal requirements.

Representatives of the Board of Directors shall attend the General Meeting, along with the auditor. The Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) shall participate on behalf of Group Management.

### Agenda and execution

The Board of Directors will set the agenda according to the list in Section 10 of the Articles of Association. According to Section 10, the participants of the General Meeting appoint a chairperson to lead the meeting.

### NOMINATION COMMITTEE

The company has a three-member Nomination Committee established in accordance with item 11 of the Articles of Association. The members of the committee are Morten Bergesen (chair of the committee), Trine Must and Simen Flaaten.

The latest recommendation from NUES, last revised in October 2021, is to have no member in the Nomination Committee from the Board of Directors. Deviations from the Code: One of the members of the Nomination Committee is currently a member of the Board of Directors.

Candidates eligible for election to the Board of Directors are announced in conjunction with the invitation to attend the General Meeting. Nominations for other candidates can be submitted before and during the General Meeting itself.

According to the rules of procedure for the Nomination Committee approved by the General Assembly in May 2022, the Nomination Committee shall, in the judgement of candidates, evaluate the competence required by the company. The Nomination Committee shall work towards diversity in the company's Board of Directors. The Nomination Committee shall also consider that the Board of Directors is fitted to act independently of special interests.

The members of the Nomination Committee are elected for a period of one year. There is no maximum length of tenure for the members of the Committee. The Committee has 1/3 female members. According to Norwegian law, it is prohibited to obtain certain information about job applicants, in particular linked to underrepresented social groups. Although it is the company's objective to have broad representation at all levels, Arendals Fossekompani does not track or report information relating to underrepresented social groups.

The Nomination Committee should be composed so that it safeguards the interests of the shareholder community and the company's need for expertise and diversity. This implies that the individual Committee members must have the necessary experience, competence and capacity to carry out their duties satisfactorily and independently. The competence of the members of the Committee covers a wide range of industries, technologies, board experience, compliance, governance, finance and sustainability. These are all competencies important to the development of the company.

### BOARD OF DIRECTORS: COMPOSITION AND INDEPENDENCE

The Board consists of seven members and is currently composed of the following:

Trond Westlie (Chair, member since 2022), Morten Bergesen (member since 2004), Didrik Vigsnæs (member since 2016), Stine Brenna (member since 2020), Anne Grethe Dalane (member since 2022), Lise Lindbäck (member since 2022) and Arild Nysæther (member since 2024), all elected by the shareholders.

The members are elected for a period of one year. There is no maximum length of tenure for the members of the Board of Directors. The Board has 3/7 female members. According to Norwegian law, it is prohibited to obtain certain information about job applicants, in particular linked to underrepresented social groups. Although it is the company's objective to have broad representation at all levels, Arendals Fossekompani does not track or report information relating to underrepresented social groups.

Note 4.1 of the Financial Statement contains information about board meeting attendance. Information about the competence and independence of board members is provided in subsequent paragraphs.

### Election of board members

The General Meeting elects seven representatives to the Board of Directors. Ahead of the election, the names of candidates may be submitted to the Nomination Committee by an individual shareholder or by several shareholders jointly. Hence, stakeholders' views will be taken into consideration by the Nomination Committee.

Nominations submitted in time will be included in the invitation to attend the General Meeting sent to all shareholders and posted on our website. Board members are elected by simple majority. Members are elected for one year at a time, with the possibility of re-election.

### The composition and competence of the Board of Directors

The Board of Directors should be composed such that it safeguards the interests of the shareholder community and the company's need for expertise and diversity. This implies that the individual board members must have the necessary experience, competence and capacity to carry out their duties satisfactorily and independently. The competence of the members of the Board covers a wide range of industries, technologies, board experience, compliance, governance, finance and sustainability. These are all competencies important to the development of the company. The presentation of the Board in this report gives an introduction of the individual competencies and main positions held by each of the Board members.

According to the Articles of Association, the Board shall comprise five to seven members. The Board currently consists of seven members. The CEO is not a member of the Board. The members of the Board are elected for one year at a time and the Board elects its own Chair. The latest recommendation from NUES, last revised in October 2021, is for the General Assembly to elect the chair of the Board of Directors. Deviations from the Code: The Articles of Association hold that the Board elects its own chair. Trond Westlie has been elected to chair the Board.

### Changes to the Board of Directors in 2024

At the Annual General Meeting held in May 2024, Arild Nysæther was elected as a new member of the Board of Directors in replacement of Christian Must and other members of the Board of Directors were re-elected for a period of one year.

### Independence of the Board of Directors

All shareholder-elected board members are considered autonomous and independent of Group Management. The same applies to material business connections. At the close of the year, Didrik Vigsnæs is the Managing Director of Vicama AS, the largest shareholder in Ulfoss Invest AS, which owns - directly, indirectly or via related parties – approximately 26% of the Arendals Fossekompani shares. Morten Bergesen was Co-owner and Advisor of Havfonn AS at the close of the year, which owns directly, indirectly or via related parties - approximately 26% of the Arendals Fossekompani shares. Christian Must was at the close of the year, member of the board in Must Invest AS, which owns directly, indirectly or via related parties - approximately 25% of the Arendals Fossekompani shares. Arild Nysæther was at the close of the year CEO of Must Invest AS which owns directly, indirectly or via related parties - approximately 25% of the Arendals Fossekompani shares.

The Board works actively to ensure that no conflict of interest exists between shareholders, the Board, Group Management, and other stakeholders. Stakeholders will be informed if conflicts of interest were to occur. The Code of Conduct describes how Board members should behave if conflicts of interest were to occur. All Board members receive information about the Code of Conduct.

### Shares owned by board members

In addition to the shares held by the representatives of the three principal shareholders, as at 31 December 2024, the board members had the following shareholdings either personally or through wholly-owned companies:

- Trond Westlie (Chair): 7,048 shares
- Stine Rolstad Brenna (Board member): 7,500 shares
- Anne Grethe Dalane (Board member): 1,000 shares

### 9. THE WORK OF THE BOARD OF DIRECTORS The Board's tasks

The Board shall determine the Group's strategy, carry out necessary control functions and ensure that the Group is satisfactorily managed and organised. The Board shall set the company's financial objectives and approve its plans and budgets. The Board is also responsible for approving and updating the organisation's purpose, value statement, policies and goals related to sustainability. The senior executives in the Company are delegated the task to update and present material to the Board that is relevant to make good decisions regarding plans budgets and policies and goals related to sustainability.

Furthermore, the Board oversees the organisation's due diligence and other processes to identify and manage the organisation's impacts on the economy, environment, and people. Stakeholders are encouraged to support these processes with their input during the Annual General Meeting.

The targets, strategies and risk profile of the Company are reviewed annually by the Board of Directors.

The sustainability strategy, materiality analyses, stakeholder analyses and the sustainability report are approved by the Board of Directors. The operational implementation of these processes is delegated to the Chief Sustainability Officer (CSO) of the company. This is in accordance with the Environmental Policy of the company.

The Board of Directors has delegated the formal stakeholder dialogue to the senior executives in the portfolio companies. A review of the systematic stakeholder interviews is each year presented to the Board of Directors from the CSO.

### Rules of Procedure for the Board

The Rules of Procedure encompass the following: the role of the Board and its tasks, the tasks of the CEO and their obligations towards the Board, formal procedures for the handling of matters brought before the Board, and notice of board meetings and matters required to be considered by the Board. The Rules also stipulate when the Board is in quorum, how minutes are to be kept, how legal disqualification is determined and how the duty of confidentiality is to apply. The Board may deviate from the Rules of Procedure in certain situations.

Providing instructions for executive management A clear distinction has been made between the tasks and work of the Board and that of Group Management. The Chair of the Board is responsible for ensuring that the Board's proceedings and work are conducted in an effective and correct manner. The CEO is responsible for managing company operations. The CEO's tasks are clearly stated in the instructions drawn up for that position.

Notice of board meetings and meeting procedures The Board has an annual plan containing a set of predetermined topics for consideration at board meetings. The Board normally meets 6 to 8 times a year. Additional meetings are held when necessary. In 2024, a total of 17 board meetings were held.

All board members receive information about the company's operational and financial performance on a regular basis and in good time ahead of scheduled meetings.

Board members also receive monthly operational reports. The company's business plan, strategy and risks are reviewed and evaluated regularly by the Board.

The final agenda for the board meeting is determined by the Chair in consultation with the CEO. The CEO attends board meetings together with the board members. Other members of Group Management are invited to attend when this is deemed necessary.

### Duty of confidentiality – communication between the Board and shareholders

In principle, the minutes of board meetings and the Board's discussions are confidential, unless the Board decides otherwise or there is no apparent reason to maintain confidentiality or secrecy.

### Legal competence

The Board complies with the rules for legal competence and disqualification pursuant to Section 6–27 of the Norwegian Public Limited Liability Companies Act and the Board's own Rules of Procedure. There were no issues in 2024 which a board member was disqualified from discussing or voting on for reasons of legal competence.

See also item 4 above, Guidelines for Board Members and Senior Executives.

### Use of board committees

The Group has established an Audit Committee and a Remuneration Committee, both comprising members of the Board.

### The Audit Committee

The company has a three-member Audit Committee established in accordance with the Rules of Procedure for the Audit Committee approved by the Board of Directors.

The members are all members of the Board of Directors and consist of Stine Rolstad Brenna (Chair, member since 2020), Morten Bergesen (member since 2010) and Anne Grethe Dalane (member since 2022). The committee has 2/3 female members. There are no underrepresented social groups in the committee.

All members of the Audit Committee are elected from the members of the Board of Directors and are independent of the Group Management. The competence of the members is covered under the section about the Board of Directors and the presentation of the Board of Directors in the annual report.

The Audit Committee is a preparatory committee to the Board of Directors. The Committee is also responsible for providing support to the Board in the reporting of annual accounts, audits, internal control, risk management, sustainability reporting and more. The rules of procedure for the Audit Committee were last revised by the Board of Directors in November 2024, to underline the obligation to supervise sustainability reporting and the sustainability-related audit, in line with the EU Directive (EU) 2922/2464. At least one member shall be independent of the company's Group Management and have qualifications in accounting or auditing. Board members who are also members of the Group Management cannot at the same time be members of the Audit Committee.

### The Remuneration Committee

The Remuneration Committee is a preparatory committee to the Board of Directors comprising three board members including the Chair of the Board. The Committee shall prepare compensation-related matters for the Board and prepare the policy for the remuneration of executive management and the Remuneration Report to the General Meeting.

The company has a four-member Remuneration Committee established in accordance with the rules of procedure for the Remuneration Committee approved by the Board of Directors. The members are all members of the Board of Directors and consists of Trond Westlie (Chair, member since 2022), Lise Lindbäck (member since 2022), Didrik Vigsnæs (member since 2019) and Arild Nysæther (member since 2024). The committee has no female members. According to Norwegian law, it is prohibited to obtain certain information about job applicants, in particular linked to underrepresented social groups. Although it is the company's objective to have broad representation at all levels, Arendals Fossekompani does not track or report information relating to underrepresented social groups.

All the members of the Remuneration Committee are elected from the members of the Board of Directors and are independent of Group Management. The competence of the members is covered under the section about the Board of Directors.

### Self-assessment

The Board carries out an assessment of its activities once a year, and this was also done in 2024. In the assessment, the Board considers the outcomes of its processes and tasks as described above, including their own performance in overseeing the management of the organisation's impacts on the economy, environment, and people. The starting point for this assessment is Arendals Fossekompani's business activities and the work of the Board, how the Board works and its interactions. With regards to this, the Board also evaluates its performance in relation to corporate governance. The next self-assessment will take place in 2025.

Onboarding and competence development To advance the collective knowledge, skills, and experience of the Board related to sustainability, the Board has an onboarding programme covering these topics as board members enter their roles.

Through regular presentations about topics related to sustainability in the board meetings as well as more in-depth strategic presentations about this topic in strategy meetings, the Board will further advance their collective knowledge on this topic.

### **10. RISK MANAGEMENT**

The Group has no separate internal auditing department. Financial audits are carried out on a task-sharing basis, and in compliance with our guidelines and approval routines. The Board carries out an annual review of the company's most important risk areas and internal controls and receives a report from the auditor addressing such matters. The Board evaluates the company's core values and guidelines on ethics and social responsibility every year and verifies the extent of compliance with these guidelines.

Group and company financial reporting process The Board receives monthly financial reports, with accompanying comments on the financial performance of the Group, the company and all portfolio companies.

Extensive reports are prepared every fiscal quarter, with comments about the financial status of all levels in the Group.

The finance department analyses the income statement and balance sheet in connection with each monthly report. A detailed reconciliation of balance sheet and income statement items are prepared each quarter, based on a predetermined plan.

The value of material and risk-exposed balance sheet items are assessed. Major and unusual transactions are reviewed. All control procedures are documented. The most significant portfolio companies (see Financial Note 1 – Segment reporting) have similar routines for financial reporting to the Group. FCCS Oracle, a cloudbased database solution delivered by Oracle, is used for financial consolidation. Our portfolio companies report all figures to this database online.

The finance departments at our portfolio companies are responsible for the quality of the data reported each month and quarter. The quality of the reported data is checked by our auditors in connection with the preparation of the annual financial statements. Portfolio company ENRX also uses FCCS Oracle for its consolidation. Other portfolio companies use spreadsheets for consolidation.

The Audit Committee (see above) carries out and documents a detailed review of the quarterly and annual reports prior to their consideration by the Board. The minutes and documentation from the Audit Committee meetings are available to the Board.

### Critical concerns

Arendals Fossekompani has guidelines for ethical business conduct (the Code of Conduct) which can be found on the company's website. All employees and the Board receive training in our Code of Conduct and the whistleblower policy, which explains the company's internal guidelines on how to deal with critical concerns if they occur. The Board is alerted about critical events. No critical concerns were reported to the Board in 2024.

#### Liability insurance

Arendals Fossekompani holds a Directors' and Officers' Liability Insurance with world-wide coverage.

### 11. REMUNERATION TO THE BOARD OF DIRECTORS

The Annual General Meeting determines the remuneration payable to board members. The 2024 Annual General Meeting resolved that, with effect from May 2024, the Chair of the Board will receive a fee of NOK 900 000 per year and NOK 400 000 will be paid to the other board members every year.

Remuneration paid to board members is not linked to financial performance or option schemes. None of the Board's shareholder-elected members work for the company in other capacities.

### 12. REMUNERATION OF SENIOR EXECUTIVES

The Remuneration Policy with guidelines for remuneration of executive management and report on the annual remuneration of executive management is subject to approval and advisory vote by the Annual General Meeting in accordance with the Public Limited Companies Act section 6-16 A and B. The General Meeting approves any material changes to the Remuneration Policy and at least every fourth year, and shall provide an advisory vote on the annual Remuneration Report of the previous year on an annual basis. No consultants are involved in determining remuneration. The Remuneration Report was adopted in the Annual General Meeting in May 2024. The Remuneration Policy was last updated by the Annual General Meeting in 2024.

The Remuneration Policy and Remuneration Report are available on our website.

Shareholders are encouraged to state their opinions regarding remuneration of both the Board of Directors and Senior Executives at the Annual General Meeting.

### Guidelines

The CEO's employment terms and conditions are determined by the Board of Directors. Each year the Board makes a thorough assessment of the salary and other remuneration paid to the CEO in line with the guidelines in the Remuneration Policy. The Board may also award an annual performance-related bonus to the CEO.

The Board's evaluation is based on market surveys for similar positions. The terms and conditions for other senior executives and employees at the parent company are set by the CEO in line with the guidelines in the Remuneration Policy. The CEO informs the Chair of the Board of the terms and conditions.

Terms and conditions for the senior executives of portfolio companies are set by the boards of the respective companies. The Board takes the position that the company must remain competitive with regards to the remuneration paid to senior executives, without being complicated or wage-leading. The remuneration is structured to provide strong alignment between the interests of executives and shareholders, including a focus on delivering on the company's key strategic objectives, and in support of the business strategy and long-term interests.

More information about the purpose and principles for remuneration of senior executives in Arendals Fossekompani can be found in the Remuneration Policy published on our website. A description of how the remuneration policy for members of the Board and senior executives relate to their objectives and performance in relation to the management of the organisation's impacts on the economy, environment, and people, can also be found in this report.

#### Performance-related remuneration

Senior executives at the parent company benefit from performance-related bonus schemes as described in the Remuneration Policy and Remuneration Report available at <u>arendalsfossekompani.no</u>. Portfolio companies offer performance-based remuneration to varying degrees, as stipulated in the employees' contracts.

### Terms and conditions

Terms and conditions for remuneration of the Board of Directors are described in Financial Note 4 of the Annual Report.

### **13. INFORMATION AND COMMUNICATION**

Annual financial statements and annual report – periodic reporting.

The Group normally publishes its preliminary annual financial statements in February. The complete annual financial statements, along with the Annual Report, are published on our website in March or April. In addition, accounting figures are reported on a quarterly basis. The company's financial calendar is published on the company's website.

### Other market information

It is considered important to the Group to inform owners and investors about our performance and financial status. Emphasis is placed on providing the financial market with the same information at the same time. In conversations with shareholders and analysts, care is taken to avoid giving more information to some than to others. Arendals Fossekompani has developed an Investor Relations Policy that is available on our website. Arendals Fossekompani insider instructions are updated according to the European Market Abuse Regulation (MAR).

### 14. GUIDELINES FOR EQUALITY AND DIVERSITY

Arendals Fossekompani has implemented guidelines for equality and diversity for the composition of our Board of Directors, board committees and management. The guidelines states that diversity shall be an area of priority in nominating people to the governing bodies and management of the company. There is a particular focus on ensuring diversity with regards to gender equality and diverse expertise. The guidelines set out more detailed objectives for the purpose of achieving these overall objectives, with both annual target dates and long-term target dates.

The Board of Directors currently consists of three women and four men. The individuals on the Board of Directors have backgrounds from different industry sectors, which increases diversity. The Group Management currently consists of two women and four men. The individuals in Group Management have backgrounds from different industry sectors, which increases diversity.

The company has set the following objectives for diversity:

- By 2030, a minimum of 40% of the Executive Management shall be women.
- By 2027, a maximum of 70% of our employees shall be of any one gender.

During 2024, Arendals Fossekompani recruited new colleagues and is happy to see a growth in the number of female employees, which is a good step in our continued journey towards better inclusion and greater diversity.

### **15. TAKEOVERS**

Based on our current shareholder structure, the conditions described for takeovers do not apply to the company. The rules of procedure for the Board of Directors of November 2024 do however include guidelines and principles for the event of a takeover bid and for transactions that in fact constitute a disposal of the business of Arendals Fossekompani.

### **16. AUDITOR**

### The auditor's formal relationship with the Board of Directors

The auditor is at the disposal of the Board of Directors and shall attend board meetings if needed. The auditor shall participate in Audit Committee meetings and attend any board meetings that deal specifically with the annual financial statements. The auditor will at that time inform the Board about any issues or concerns they might have regarding the annual financial statements and other matters, including any potential disagreements between the auditor and Group Management.

The Board holds annual meetings with the auditor to review reports submitted by the latter concerning the company's accounting policies, risk areas and internal control routines.

### Auditor's formal relationship with executive management

The Board has drawn up guidelines for the Group's business relations with the auditor. The fees paid to the auditor for statutory auditing and consulting services are presented separately in the annual financial statements. PwC is the selected auditor. In addition to an ordinary audit, the firm has also provided consulting services within areas such as accounting, taxation and reporting to the Norwegian Water Resources and Energy Directorate (NVE). The Board regularly assesses whether the auditor's control function is being carried out satisfactorily.

### GOV-1 **Board of Directors**



Trond Ødegård Westlie Chai

1961, Norway Independent Joined Board since 2022 Current election period expires 2025

Education: Certified Public Accountant. MSc degree in accounting and auditing from the Norwegian School of Economics.

Managerial functions in other enterprises: CFO, Executive Vice President and Member of the Executive Board in Ørsted A/S

Board committee memberships in other enterprises: Shama AS

Competences: Management: General, Financial, Risk, Project. Environment: Decarbonisation, Energy, Circular economy. Social: People management, Diversity & inclusion, Health & safety, Human rights. Governance: Business conduct. Other: IT, Cyber security, Investor and capital market relationship

Board meetings attended in 2024: 17



### Stine Rolstad Brenna **Board Member**

1965, Norway Independent Joined Board since 2020 Current election period expires 2025

Education: Master's degree in corporate finance, international business and strategy from BI Norwegian Business School.

Board committee memberships in other enterprises: Incari GmBH, Fount AS, Lyse AS, Lørenskog kommunale pensjonskasse, Rabbalshede Kraft AB, Theion GmBH.

Competences: Management: General, Financial, Risk Stakeholder, Project. Environment: Decarbonisation, Energy, Biodiversity, Circular economy. Social: Diversity & inclusion, Health & safety, Human rights, Community inclusion. Governance: Business conduct. Other: IT, Investor and capital market relationship, Innovation



Lise Lindbäck **Board Member** 



1970, Norwegian Independent Joined Board since 2022

Education: Master's degree in economics and business administration from the Norwegian Schoolof Economics

Managerial functions in other enterprises: Chief Investment Officer, Abler Nordic AS

Board committee memberships in other enterprises: Alpha Corporate Finance AS, SubK Impact Solutions Ltd, Light Microfinance Ltd.

Competences: Management: General, Financial, Risk. Social: Diversity & inclusion, Human rights, Community inclusion. Other: Investor and capital market relationship

Board meetings attended in 2024: 17



### Arild Nysæther **Board Member**

1971, Norwegian Independent Joined Board in 2024 (prevously 2015-2021) Current election period expires 2025

Education: Master of Science/Economics from BI Norwegian Business School. Master of Business Administration from the Norwegian School of Economics

Managerial functions in other enterprises: CEO Must AS, CEO Fondsfinans AS,

Board committee memberships in other enterprises: Gyldendal ASA, ARK Bokhandel AS, Glamox ASA, NSSL Global Ltd, Audit committee: Gyldendal ASA Nomination comitte: Polaris Media ASA; Zaptec ASA.

Competences: Management: General, Financial, Risk, Stakeholder. Environment: Energy. Social: People management. Other: IT, Cyber security, Investor and capital market relationship, Innovation

Board meetings attended in 2024: 12



Morten Bergesen **Board Member** 

1974, Norway Independent Joined Board since 2004 Current election period expires 2025

Education: Master's degree in economics from BI Norwegian Business School

Board committee memberships in other enterprises: Aksjefonn AS, Bergehus Holding AS, Breifonn AS, IFM AG, Klynge, THF AS, UMC AG

Competences: Management: General, Financial, Risk, Stakeholder, Project. Environment: Energy. Social: People management Governance: Business conduct. Other: Investor and capital market relationship

### Board meetings attended in 2024:17



**Didrik Vigsnæs Board Member** 

1966, Norway Independent Joined Board since 2016 Current election period expires 2025

Education: Bachelor's degree in business administration from the University of Bradford School of Management.

Managerial functions in other enterprises: CEO Vicama AS, CEO Ulfoss Invest AS

Board committee memberships in other enterprises: Dima AS, Zone Security AS, Vicama Capital AS, Malling & Co Vekst AS, Oseberget Eiendom AS.

Competences: Management: General, Financial, Risk, Stakeholder, Project. Environment: Energy. Social: People management Governance: Business conduct. Other: Investor and capital market relationship

Board meetings attended in 2024:17

FINANCIAI

SIGNATURES



**Anne Grethe Dalane Board Member** 

1960, Norway Independent Joined Board since 2022 Current election period expires 2025

Education: Master's degree from the Norwegian School of Economics

Board committee memberships in other enterprises: BW LPG, TGS

Competences: Management: General, Financial, Risk, Project. Environment: Energy Social: People management, Diversity & inclusion, Health & safety. Governance: Business conduct. Other: IT, Cyber security, Investor and capital market relationship

Board meetings attended in 2024: 17

# General Information

$\rightarrow$ Basis for preparation	64
→ Governance	65
→ Strategy	68
$\rightarrow$ IRO management	70
→ ESRS index	77



. ....

Danger High Voltage

60

63

### BP-1

### **GENERAL BASIS FOR PREPARATION** OF SUSTAINABILITY STATEMENT

Arendals Fossekompani's sustainability statement covers data and information aligned with the calendar year of 2024, from 1 January to 31 December. The statement follows the disclosure requirements outlined in the ESRS adopted by the EU Commission and incorporated into Norwegian law.

### Consolidation

The sustainability statement has been prepared on a consolidated basis, according to the same principles applied in the financial statements. The statement includes Arendals Fossekompani and our portfolio companies ENRX, NSSLGlobal, Tekna, Alytic, AFK Vannkraft and AFK Eiendom. Given changes to our companies' ownership structure in 2024, only data during the period of Arendals Fossekompani's majority ownership of any company is consolidated into our sustainability totals for 2024, whereas the financial statements present any companies discontinued during 2024 separately. For further information on our portfolio companies, see Performance chapter. In accordance with ESRS E1, all entities consolidated in the financial statements are included in our greenhouse gas emissions inventory. These entities fall under the financial control approach. Entities such as joint ventures that do not fall under our financial control are considered a part of our value chain for these purposes and counted in Scope 3 Category 15. Arendals Fossekompani does not have operational control over the entities included in this category.

Throughout the Sustainability Statement, "Arendals Fossekompani ASA" refers to the parent company, including AFK Group Management and AFK Vannkraft. "Arendals Fossekompani Group" is used to refer to the entire portfolio collectively, including the parent company.

### Value chain

The sustainability statement covers Arendals Fossekompani's upstream and downstream value chain and our own operations. Impacts, risks and opportunities were identified and assessed for the entirety of our value chain, and our targets, policies, actions and metrics collect data on and extend to the value chain where relevant and possible.

### BP-2

### **DISCLOSURES IN RELATION** TO SPECIFIC CIRCUMSTANCES

Estimations and measurement uncertainty Sustainability data are collected through various internal systems in place in different parts of the Group, such as

human resources, learning and development, or enterprise resource planning systems. Where data from such sources were not available, especially for data relating to our value chain, estimations have been made using indirect sources.

While data available in different portfolio companies differs, this is applicable primarily for Scope 3 greenhouse gas (GHG) emissions, which have relied on emissions factors and estimation tools, and resource inflows, and specifically material types and quantities, which have relied on estimations and industry averages. The methodology notes in E1 Climate change, E5 Resource use and circular economy and S1 Own workforce detail any estimations.

2024 has been the first year of data collection on most Scope 3 GHG categories and resource inflows. Efforts are now underway to improve the quality of data yearon-year and data requirements will be incorporated into future supplier agreements where possible.

### Changes in preparation and presentation of the sustainability statement

For the first time, this sustainability statement has been prepared in accordance with CSRD and the ESRS it has set out. This is a change on previous years, in which the Global Reporting Initiative was used as a framework for reporting. To the extent possible, the calculation of metrics was maintained consistent for year-on-year comparability. Methodological notes are used throughout the sustainability statement to indicate how values were calculated.

No material errors have been identified in previous years' data. For new disclosures introduced in 2024, it is not practicable to update the historical figures. This applies to most categories of Scope 3 GHG emissions and Resource inflows, such that it is not possible to compare Scope 3 GHG emissions in 2024 to previous years, and there is no data to compare Resource inflows this year to the past.

### Disclosures incorporated by reference

Several disclosure requirements were partly or fully incorporated by reference:

Disclosure	Location in the Board of Directors Report
SBM-1: Arendals Fossekompani's employees, business model, value chain and activities	About Arendals Fossekompani
GOV-1: Experience and expertise of the Board of Directors relating to our activities, products, sectors, geographies and sustainability matters	Corporate Governance

### Governance

### GOV-1

### THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

Arendals Fossekompani ASA's Board of Directors comprises of seven members, all of whom are elected by shareholders and as non-executive members are considered independent of Group management. There are 3 women (43%) and 4 men in the Board

Board of Directors	asse • Annu set ii • Over has a	roves Arendals Fossekompani's sustair ssments, and sustainability reporting, a ually re-evaluates the goals, strategies in this regard, including progress agains rsees compliance and sustainability wo adequate internal control and systems cal business conduct and corporate soc
Audit Committee	• Asse	ares the Board's oversight and quality esses and monitors the external auditor ews risk management process and cor
Remuneration Committee		ews and proposes updates to the Rem ding incentivisation tied to sustainabili
Nomination Committee	• Asse	esses candidates for the Board, accoun
Executive Management	CEO	<ul> <li>Leads and establishes guidelines compliance and sustainability wo map and manage the company's i</li> <li>Updates the Board on sustainabili</li> </ul>
	CSO	<ul> <li>Meets with Audit Committee whe</li> <li>Implements the Code of Conduct including ensuring appropriate an</li> <li>Implements the Environmental Point</li> </ul>

Further detail is outlined in the Code of Conduct and the Environmental Policy (described under Own workforce and Climate change chapters respectively), as well as the Instructions for the Board of Directors and its committees, and the Instructions for the CEO.

Within Arendals Fossekompani and across the portfolio, dedicated sustainability functions work on day-to-day implementation of the legal and regulatory requirements, data collection, and sustainability strategies. In 2024, an internal structure to meet the requirements of CSRD was established, comprising of the core sustainability team at Arendals Fossekompani, overseen by a steering committee including the CEO and CSO, and consulting and updating the Executive Management and other functions across the company regularly.

Arendals Fossekompani's Board of Directors is obligated to follow the legislation in force at any given time, as well as the company's Articles of Association, and the authority and instructions given to it by the General Meeting. It is essential for Arendals Fossekompani's overall strategy, management and the organisation of the business, including supervising the company's management team to ensure that the business is run in a responsible

(57%). Employee representatives are not included in the Board of Directors.

The Board of Directors' competences on sustainability matters is outlined under Corporate Governance. The responsibilities for sustainability governance, including the responsibility for impacts, risks and opportunities, are incorporated into our policies, mandates and terms of reference as follows:

nability strategy, targets, materiality as well as any revisions to the Environmental Policy

- and risk profile that have been
- nst targets
- ork, and ensures that Arendals Fossekompani for risk management, including in relation to cial responsibility

assurance of the sustainability reporting process or, and keeps the Board informed on the sustainability audit mpliance

nuneration Policy and Remuneration Report, lity-related matters

iting for the need for expertise, diversity and independence

for Arendals Fossekompani's ork, including to impact on sustainability matters lity issues

en relevant throughout the year

and monitors its operational effectiveness,

- nd ongoing communication and training for employees
- Policy and monitors its operational effectiveness,
- including biannual reports to the Board for evaluation on progress against targets

manner. The Board's responsibilities include oversight of Arendals Fossekompani's compliance and sustainability work, including those relating to governance issues such as corruption and bribery, and the whistleblowing process.

### GOV-2

### **INFORMATION PROVIDED TO, AND** SUSTAINABILITY MATTERS ADDRESSED BY THE UNDERTAKING'S ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

The Board of Directors and its Audit Committee are informed by the Chief Sustainability Officer about key developments relating to sustainability matters multiple times a year. This includes the process and findings of the double materiality assessment, and specifically a review of each material impact, risk and opportunity identified. All material IROs were discussed by the Board of Directors and Audit Committee in 2024. The Board of Directors also discusses previously established priorities for the year related to the implementation of due diligence and the effectiveness of policies, actions, metrics and targets adopted to address material IROs.

Sustainability-related impacts, risks and opportunities are incorporated into Arendals Fossekompani's risk management process, which informs the Board's deliberations on strategy and major decisions by the company. In our annual wheel, the double materiality assessment takes place before the annual review of strategy, such that they can be considered in the company's direction.

Where relevant, sustainability-related matters must be assessed against financial conditions. As part of this, the instructions to the Board of Directors outline that it should consider establishing plans and goals to ensure that Arendals Fossekompani's business model and strategy are compatible with the transition to a sustainable economy, limiting global warming to 1.5 degrees in line with the Paris Agreement and climate neutrality by 2050.

### GOV-3

### INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES

The Remuneration Policy governs Arendals Fossekompani ASA's practices on remuneration to the Executive Management and is adopted by the General Assembly. This policy states that variable compensation shall constitute approximately 15-40% of total remuneration.

The Executive Management's variable remuneration is structured in the form of a bonus programme. The determination of the bonus is decided by an assessment of the achievement of pre-defined annual performance targets. These targets are linked to Arendals Fossekompani's financial results as well as non-financial targets linked to our strategy and goals and can be qualitative and quantitative. The performance-based variable compensation is intended as motivation to achieve better results for Arendals Fossekompani in our most essential areas of activity.

The non-financial targets are personal and individual and can be linked to Arendals Fossekompani's strategy and goals, growth in net asset value, specific sustainability targets and the successful accomplishment of targets for portfolio companies. Arendals Fossekompani's Chief Sustainability Officer's non-financial targets represents 50% of possible performance-based remuneration, which includes targets related to the company's sustainability performance. Non-financial targets related to sustainability do not currently include greenhouse gas emissions reduction targets, but rather focus on Arendals Fossekompani's governance structures and performance in relation to with ESG annual and EU Taxonomy reporting requirements.

Incentive schemes are approved and updated by the Board of Directors on an annual basis.

Further information is available in Arendals Fossekompani's Remuneration Report for 2024.

### GOV-4

### STATEMENT ON DUE DILIGENCE

Core elements of Arendals Fossekompani's due diligence process with regard to sustainability matters are reflected throughout the Sustainability Statement. Aspects of Arendals Fossekompani's due diligence embedded in our governance, strategy and business model is described under GOV-2, SBM-3 and G1-1. Our engagement with affected stakeholders in all key steps of the due diligence process can be found in SBM-2, IRO-1, S1-1 and S1-2. The identification and assessment of adverse impacts is detailed under IRO-1 and SBM-3, while action taken to address adverse impacts is located under E1-3, E5-2, S1-4 and G1-1. The effectiveness of these efforts and communication as necessary is disclosed in tracking performance against targets under E1-4, E5-3 and S1-5.

### GOV-5

### RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING

As a group with a wide portfolio of companies across multiple countries, there are inherent risks in collecting complete sustainability data, especially related to consistent application of reporting assumptions and the collection of data from upstream and downstream activities and business partners. To best prepare for CSRD and its requirements on our sustainability reporting, Arendals Fossekompani's 2023 report began to integrate elements of ESRS. We also contracted a gap analysis on our compliance with the new standards to prepare for the changes ahead.

Early and regular dialogue with the individuals responsible for reporting on behalf of the portfolio companies is fundamental to preparing the process for sustainability reporting. Measures such as continuity of the reporting systems used, trainings in those systems, built-in control checks, year-on-year learnings, and quality assurance by external system providers as well as dedicated members of the team have contributed to this year's risk management system on sustainability reporting.

Further measures are planned for 2025 to continue to improve the quality of our sustainability reporting controls, including a dedicated debrief with involved parties, strengthened reporting systems, increased timelines for reporting and updated guidelines.

The Board of Directors is ultimately responsible for the integrity of the contents of the sustainability report and considers risks associated to reporting and internal controls annually, as part of its review of the company's most important risk areas relative to the Group's net asset value or reputation (severity) and likelihood.

# Our approach to sustainability and sustainability goals

### SBM-1

### STRATEGY, BUSINESS MODEL AND VALUE CHAIN

Arendals Fossekompani is the result of responsible choices through generations. We believe that a responsible approach to environmental, social and governance is crucial in generating long-term value for shareholders, employees and society. Sustainability is an integral part of our investment strategy, and we work closely with our portfolio companies to enhance our collective ESG performance.

Our approach to sustainability spans both phases of our activity as a company:

The investment phase: Sustainable and transition financing is essential to reach the objectives of the Paris Agreement, as well as supporting agreements like the EU Green Deal. When Arendals Fossekompani screens and sources new companies for M&A, ESG is an essential consideration. Our primary investment universe focuses on B2B companies in sustainable energy and technology sectors, and new investments must contribute, or have a path to contribute, to at least one of the six environmental goals outlined in the EU Taxonomy.

The ownership phase: ESG is part of the business value creation process, and at times a key value creation lever for our portfolio companies. We believe in active, long-term, and responsible ownership. We engage with our portfolio companies, including on issues relating to sustainability.

As an investor and as an owner, we seek to minimise and mitigate any adverse impacts we may have on ESG matters, both in our own operations and across our value chain where possible. We also seek to promote sustainability by contributing to the green transition, to fair and diverse companies and societies, and to responsible and ethical business conduct.

We are committed to ensuring the company's resilience for generations to come, requiring that we closely monitor our risks and opportunities related to sustainability, and take action where necessary. The development of a decarbonisation plan and a roadmap for reduced consumption of virgin resources are essential responses in the coming years to our primary strategic sustainability-related challenges: tackling emissions- and energy-intensive supply chains and moving towards a more circular economy.

### Own operations and value chain

As an investment company, our upstream value chain focuses on identifying and investing in companies at various stages of maturity. These companies depend on a wide variety of business actors supplying and processing raw materials, manufacturing electronics, data hosting, construction and transportation. At the core of our operations we invest and optimise our portfolio, enabling our companies to advance technologies such as software development, plasma and induction technologies, hydropower generation and property management. Downstream, we create both financial returns and societal impact. Our portfolio companies serve a broad range of customers in sectors such as energy, infrastructure, defence, aerospace and automotive, and collaborate with partners in transportation, recycling and waste management.

Major changes to the portfolio in 2024 include reducing our ownership in Volue from 60% to 40%, divesting from Vergia and ceasing investment in Commeo.

### A materiality-based approach

Arendals Fossekompani reviews and updates its strategies on sustainability and prioritises efforts therein based on annual double materiality assessments. These assessments include:

- 1. mapping ESG matters through the value chain, including impacts
- 2. assessing stakeholders and their focus areas
- 3. analysing consequences of ESG for the company, including risks and opportunities, and stakeholders and megatrends, and
- 4. prioritising ESG challenges and identifying KPIs and ambitions, and actions to achieve them.

Our sustainability strategy, materiality analyses, stakeholder analyses and sustainability reporting are approved by Arendals Fossekompani's Board of Directors. The operational implementation of these processes is delegated to our Chief Sustainability Officer.

Further information on our business model and our portfolio companies' markets and sectors can be found in the SBM-1 tagged section of About Arendals Fossekompani. Arendals Fossekompani's headcount of employees by geographical area is found under S1-6 in S1: Own workforce.

### Strategic sustainability focus

Our four strategic material sustainability topics are:

### TOPIC E1: CLIMATE CHANGE

**Sub-topics:** Climate change adaptation, Climate change mitigation and Energy

Arendals Fossekompani Group contributes to climate change through our greenhouse gas emissions. We also work to combat it, both through our renewable power production and services. If we do not adapt, we are vulnerable to a changing climate.

### **Targets:**

- Arendals Fossekompani ASA (SBTi validated): to reduce absolute Scope 1 and 2 GHG emissions by 42% by 2030 from a 2021 base year; to actively source 100% renewable electricity every year by 2030; and for 60% of eligible private equity and listed equity portfolio by book value setting SBTivalidated targets by 2027 from a 2021 base year.
- NSSLGlobal: to reduce absolute Scope 1 and 2 emissions by 50% by 2035 from a 2020 base year.

- Tekna: to reduce absolute Scope 1 and 2 emissions by 50% by 2030 from a 2021 base year.
- Arendals Fossekompani Group: to include EU Taxonomy eligibility assessments in all M&A activities and new business ventures by 2025.

While absolute emissions targets are essential for businesses to meet the Paris Agreement, our Group's structure is best represented by collective targets relating to emissions intensity. If Arendals Fossekompani ASA's emissions reduction target is applied to the Group in terms of emissions intensity, it would be 42% reduction in Scope 1 and 2 emissions intensity by 2030 from a 2021 baseline. We have begun to monitor the Group's progress in these terms this year as outlined in E1: Climate change.

### TOPIC G1: BUSINESS CONDUCT

### Sub-topics: Corporate culture, Corruption and bribery, Cyber security

With own operations in 21 countries and sourcing from many more, the Arendals Fossekompani Group is exposed to corruption risks in business conduct and general risks of breaches to our corporate conduct that require ongoing focus. We are also a potential target for cyber-attacks, which demand sophisticated prevention and strong internal controls.

Our sustainability reporting follows our financial statements' consolidation such that Volue's end-of-year data is not included. As a result, Arendals Fossekompani Group reports over 1,700 employees in 21 countries rather than over 2,500 employees in 25 countries. Any cumulative data includes figures from Volue during the period Arendals Fossekompani was a majority owner.

### TOPIC E5: RESOURCE USE AND CIRCULAR ECONOMY

Sub-topic: Resource inflow including resource use

We rely on the extraction of raw materials upstream, particularly for the productionheavy companies in the Group.

### **TOPIC S1: OWN WORKFORCE**

**Sub-topics:** Working conditions, Equal treatment and opportunities for all

With over 1,700 employees globally, Arendals Fossekompani as a group is reliant on our people as our most valuable asset. This dependency on employees' wellbeing and safety presents a financial risk that requires continuous monitoring. We also see an opportunity to continue nurturing diversity and equality throughout the Group's global workforce. New data collected in 2024 is forming the foundation of a new area of work. We aim to establish a baseline for a future target on sustainable resource sourcing by the end of 2025, and a meaningful target in 2026.

### Targets for Arendals Fossekompani Group:

- Maximum of 70% of any gender in our workforce by 2027
- Minimum of 40% women in
- our Executive Management by 2030
- Lost time injury frequency rate of 0 (in effect)
- Aggregate sick leave of less than 3.0% (in effect)
- Voluntary turnover rate of less than 10% (in effect)

The targets listed have been approved by the Arendals Fossekompani Board of Directors and align with UN SDGs 5, 7, 8, 9, 12 and 13, the Paris Agreement, the OECD's Business Guidelines on Responsible Business Conduct, and the UN Global Compact's Ten Principles.

In accordance with CSRD, we report on sustainability in a consolidated manner, including all portfolio companies comprised in our consolidated financial statements. However, when it comes to ESG strategy and implementation, we are more targeted. Each company faces different impacts, risks and opportunities, and is charged with managing its own ESG approach, beyond overarching targets and KPIs set at the Group level.

- 100% of the workforce has signed the Code of Conduct by 2025
- 100% of the workforce has received training in the Code of Conduct by 2025
- 100% of 'high-risk' partners have signed the Business Partner Code of Conduct by 2027
- All whistleblowing cases are handled within less than 3 months by 2025
- 0 convictions of violation of anti-corruption or anti-bribery laws per year (in effect)

### SBM-3

### MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

### Double materiality assessment

We have conducted a double materiality assessment (DMA) as outlined in the ESRS and implementation guidance from EFRAG. In the DMA, we have thoroughly analysed our effects on the environment and society, alongside evaluating the financial risks related to sustainability, and the opportunities we actively pursue.

### **Overview of material IROs**

Based on the double materiality assessment (DMA) of 2024, Arendals Fossekompani has identified the following material impacts, risks and opportunities (IROs) relating to sustainability matters. Together, these IROs inform our sustainability approach and priorities, including our targets, actions, and policies and the data collected from across our portfolio.

### IRO Type IRO Name

Description

### **O** ENVIRONMENT

E1 Climate change	Risk	Vulnerability to climate change disruptions	Parts of our physical operating environments and supply chains could be affected by climate change. This is primarily a physical risk. (UVC + OO)
	Negative impact	Emission of greenhouse gases (GHG)	Contribution to climate change through the Group's collective emission of GHGs from production facilities, offices and transportation (Scope 1 and 2), and more significantly, the emissions resulting from the use of some companies' sold products and other emissions in the value chain (Scope 3). (UVC + OO + DVC)
	Risk	Increased costs related to mandates and regulation	Increasing sustainability regulations related to our portfolio's products and services could lead to increased costs to comply with new regulation. Meeting new regulatory requirements might require significant investments in technology, processes, personnel, data collection and reporting. (OO)
	Risk	Unsuccessful investments in new technologies	We are active in sectors that rely on staying at the forefront of technological advancements related to a Net Zero transition, making us susceptible to the challenges posed by rapid development. Arendals Fossekompani faces a risk of unsuccessful investments in new technologies. (OO)
	Positive impact	Optimisation and production of renewable energy	We have a positive impact on clean energy supply through optimisation of customers' energy production and the production of renewable energy. (OO + DVC)
	Opportunity	Demand for solutions related to renewable energy	With an increasing share of renewable energy in the energy system, the demand for software services like market demand and production forecasting, trading software and grid monitoring will be increasingly important, and can provide opportunities for growth. (OO)
	Negative impact	Consumption of energy	We consume energy at our production sites, in our offices, through transportation and across our value chain. (UVC + OO)
E5 Circular economy and resource use	Negative impact	Extraction of raw materials	The production and construction activities in our portfolio consume raw materials. In so doing, our value chains contribute to extractive, rather than circular, economies. (UVC + OO)

### SOCIAL

S1 Own workforce	Risk	Dependency on workforce wellbeing	Our own workforce is our greatest asset; if they are unhappy or unwell, we risk losing them or their ability to create value for the Group. (OO)
	Opportunity		Our workforce stands to gain from further enhancing its diversity and inclusivity. We see an opportunity at all levels of the Group to benefit from varied perspectives and ensure employees are treated equally. (OO)

### **GOVERNANCE**

G1 Business conduct	Risk	Dependency on corporate culture	Any breaches or incidents relating to our corporate culture would cause reputational damage to the Group. This could be related to transparency requirements, mismanagement, general business ethics. Such breaches could lead to employee, customer, and investor dissatisfaction. (OO)
	Risk	Incidence of corruption	Although the likelihood of corruption is considered low given our strict application of the CoC and corporate ethics, the reputational impact would be high given the way it would reflect on our integrity. If an incident occurred in relation to sensitive or governmental contracts, this would be highly damaging. (OO)
Entity- specific	Risk	Exposure to critical cyber-attacks	Critical cyber-attacks are a risk across some of our operations, given our infrastructure in producing energy and handling sensitive materials, as well as through our online operations including software generation and client-facing services. (OO)

DVC = downstream value chain

### UVC = upstream value chain OO = own operations

INTRODUCTION ABOUT PERFORMANCE CORPORATE GOVERNANCE

### Note

Changes in material topics from previous years are the removal of biodiversity and inclusion of resource inflows (circularity) as material topics. Other material topics from 2023 have been renamed in accordance with CSRD naming conventions.

# Impact, risk and opportunity management

### IRO-1

### DESCRIPTION OF THE PROCESS TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

### Our methodology and assumptions

The methodology used observed the principles and steps outlined in the ESRS, is adapted to Arendals Fossekompani as follows:

#### Year-on-year changes

Given Arendals Fossekompani's business activities and M&A activity in 2024 in relation to previous years, it was assumed that the material topics and impacts, risks and opportunities (IROs) identified in previous years would still be applicable. This informed the process taken in 2024, which started with a review of historical materials to develop our updated value chain and associated IROs. The stakeholder engagement undertaken in 2024 was therefore conducted at the end of the process and used as a validation of the DMA's findings.

With the new requirement to comply with the demands of ESRS, several methodological changes were implemented in 2024 building on the preliminary efforts to become CSRD ready in 2023:

- Scope: A more comprehensive approach to including the entirety of the Arendals Fossekompani Group was applied in 2024. For the first time, our upstream and downstream value chain have been considered in the scope of the assessment.
- Scoring methodology: A new scoring rubric on impacts, and a refined scoring rubric on risks and opportunities, were introduced in 2024.
- Hybrid approach: 2024 saw greater involvement of our portfolio companies for a hybrid 'bottom-up' and 'top-down' approach, leaning more on their knowledge and insights.

### Group consolidation

As a diversified Group with a wide-ranging portfolio of companies, it was important that IROs were identified at the portfolio company level, but scored and assessed in relation to the Group. All IROs were positioned as Group IROs, and where a similar IRO occurred multiple times across the portfolio, it was aggregated.

Companies in our portfolio were weighted differently in these aggregations, depending on the company's footprint on people, the environment and its financial bearing on Arendals Fossekompani Group. For an impact, the size of its workforce, whether the company manufactures physical goods, and the magnitude of its operations and the industries it contributes to were considered. For a financial risk or opportunity, a company's revenue and effect on the Group's net asset value were used to prioritise companies with a large potential upside or financial burden on the Group.

### Unknowns in the value chain

More information is available within our own operations than in our upstream and downstream value chains. In the absence of information, assumptions were made, informed by sector- or geography-specific expectations or estimates. These have been outlined in the topic-specific chapters below.

### Scoring

Once a long list was developed, every impact, risk and opportunity (IRO) was scored against a pre-determined scoring rubric. The following methodologies and assumptions were applied:

- Impacts were scored on scale, scope, irremediability (for negative impacts only) and likelihood. For actual impacts, a score of 5 was assigned on likelihood. Collectively, the factors of scale and scope (and where applicable, irremediability) were averaged into a severity score.
- Risks and opportunities were scored on financial consequence and likelihood.
- Each IRO's severity and likelihood scores were multiplied to generate the total score per IRO.
   A maximum of 25 (the product of 5 on severity and 5 on likelihood) could be achieved.
- IROs were also classified according to their time horizon (short-, medium- and long-term as defined by ESRS, referring to less than one year from now, one to five years from now, and beyond five years, respectively), as well as where they occur in the value chain (upstream, in our own operations, or downstream). Where an IRO appears to be irrespective of time horizon (for instance, where it is possible to say "it could happen at any moment"), this was deemed to be short term.
#### Materiality threshold

Out of a total possible score of 25, a threshold of 12 was applied to IROs, distinguishing between IROs that are immaterial (scoring between 0-11.99) and those that are material (scoring between 12-25). Materiality therefore represents the convergence of high or very high severity and likelihood. For IROs that were just below the materiality threshold, a qualitative review was undertaken to ensure the assessment was correct.

#### Note

Impacts related to human rights were assessed carefully to prevent any oversight of severe human rights violations on the basis that it has a low likelihood of occurrence. To achieve this, human rights-related impacts' severity took precedence over their likelihood in assessing their materiality.

## THE PROCESS IN 2024

#### Identifying IROs

The process to identify IROs gathered inputs from several channels.

#### 1. Historical materials

Historical materials were gathered, including earlier materiality assessments conducted by Arendals Fossekompani, our portfolio companies and peers, formal and informal stakeholder engagements conducted in the past, sector-specific information and previous years' details in annual reports, Transparency Act Reports, strategy documents, and organisational charts from across the portfolio.

These materials were reviewed in light of any changes or updates to significant suppliers and customers, geographies, or any part of Arendals Fossekompani's value chain.

2. Company-specific workshops

Workshops with each portfolio company were held, with the company's ownership team (comprised of member(s) of the company's Board of Directors and business analysts at Arendals Fossekompani ASA) and/or the company's ESG representatives. Members of the Arendals Fossekompani ASA finance team were involved or consulted for each.

3. Inputs from ongoing due diligence and special projects in 2024

Inputs on impacts included findings from supplier risk assessment surveys as well as due diligence exercises relating to health and safety in the workplace. On risks and opportunities, inputs included a dedicated climate risk assessment conducted in 2024 to update findings from 2021. This is described in greater detail under chapter E1. These inputs were then compiled and mapped to the relevant ESRS sub-topics. To arrive at a long list of IROs for Arendals Fossekompani Group, IROs that arose from across the portfolio were summarised and described in relation to the Group.

#### Assessing and prioritising IROs

Every IRO was scored against the pre-defined rubrics. Scoring was conducted by several members of Arendals Fossekompani's Sustainability team independently, before comparing scores and coming to an agreement, to minimise biases and errors. Scores were reviewed with senior leadership or relevant experts in the team, and certain scores were revisited over the course of the DMA to ensure that the IROs were assessed consistently with one another.

#### Monitoring IROs

Reviews at key points throughout the year are important to ensure our IROs remain accurate and relevant. Material IROs are monitored through data collection, and where relevant the development of targets, KPIs and actions.

E1: To identify our climate impacts, we track our GHG emissions by monitoring direct emissions and energy consumption across our sites, as well as emissions from our upstream and downstream value chain through supplier data, activity data, and financial data. Potential impacts are considered in light of prospective changes to the portfolio. To identify our climate-related risks and opportunities, a climate risk assessment was conducted in 2024.

In this assessment, we utilised two distinct scenarios: a high-emission scenario, 'Fossil-fuelled Development (SSP5-8.5),' from the Intergovernmental Panel on Climate Change (IPCC), and a low-emission/transition scenario, 'Net Zero 2050' from the Network for Greening the Financial System (NGFS). The high-emission scenario anticipates increased physical risks due to climate change, such as the likelihood of extreme weather events. Conversely, the Net Zero 2050 scenario assumes the 1.5°C target is met and considers key assumptions like the swift introduction of ambitious climate policies such as carbon and energy pricing and rapid technology development, and is associated with heightened transitional risks, including escalating costs associated with GHG emissions reduction. The two scenarios chosen to assess climate risks and opportunities represent the extremes of global warming.

Climate risks were assessed for sub-groups of our portfolio based on business activity types, distinguishing between our hydropower operations, companies working on electrification and materials (Tekna and ENRX), companies working on digitalisation and big data analytics (NSSLGlobal and Alytic), and property. This approach was taken as risks and opportunities identified often affect all businesses in a similar sector or business model.

For physical risks, this was supported by an assessment of climate hazards at the asset level, and our exposure to physical risks was assessed in accordance with the European Green Taxonomy requirements. The time horizons selected were 2030 (2021-2040), 2040 (2031-2050), 2050 (2041-2070) and 2085 (2071-2099), which are all considered long-term risks according to the time horizons applied in our DMA, as climate risks and opportunities were also categorised into short-, medium- or long-term horizons as defined in our DMA. This aligns with our strategic planning horizons and capital allocation plans. Our assets' lifetime all fall into the long-term horizon.

The list of climate hazards used complies with the requirements of the list in the appendix A of Annex I of the European Green Taxonomy. Before assessing climate risks, each climate hazard was defined and classified according to its type of impact on each eligible economic activity. A climate event is also defined to describe the exposure to each climatic hazard. For each applicable hazard, climate indicators are selected to measure exposure to the climate hazard for the defined event. An absolute level of exposure is determined by comparison to physical thresholds. The following climate hazards were excluded from the analysis as they were not considered material for the economic activities and locations of our assets: Temperature-related (permafrost thawing), wind-related (tornado), water-related (ocean acidification, saline intrusion), solid mass-related (coastal erosion, soil degradation, soil erosion, soil fluctuation, avalanche).

Transitional risks, which arise from the shift towards a lower-carbon economy, are particularly pertinent to the Net Zero scenario. Transitional risks considered include risks associated with changes in climate policies, regulations, and legal standards (policy and legal risks), risks related to the pace and direction of technological innovation and adoption (technology risks), risks that emerge from changing market dynamics, such as shifts in consumer preferences or supply chain adjustments (market risks), and risks linked to the company's standing among stakeholders, particularly if it fails to align with the evolving expectations around sustainability (reputational risks). The equivalent assessment was also conducted for opportunities. While locked-in GHG emissions have not been assessed, thus far no assets or business activities have been assessed as incompatible with the transition to a climate-neutral economy.

Note 26 of the financial statements draws from the same climate assumptions and scenarios in considering climate-related risks.

E5: Given the absence of data across much of our value chain, Arendals Fossekompani did not screen the portfolio's assets and activities in order to identify actual IROs. Instead, the double materiality assessment's approach to circularity has been founded on assumptions. These were based on publicly available resources on resource flows by sector or by technology, as well as strategic and operational questionnaires for businesses on circular business models (sources included the European Commission, Circulytics, and the Ellen Macarthur Foundation). The double materiality assessment's findings were informed by discussions with the portfolio companies' leadership, sustainability leads, and/or procurement representatives. No consultations were conducted with affected communities related to resource use and circular economy.

Fossil-Fuelled Development SSP58.5

#### CLIMATE SCENARIOS USED

# Overview and implications

#### Net Zero 2050

Climate-amplifying effects lead to faster Fear of collapse, increasing demands for degradation of climate and nature than action, influence from science, and new expected. Extreme weather events, includeconomic thinking triggered radical change ing floods, wildfires, and heatwaves, will from the mid-2020s. International cooperation is strong to reach the 1.5°C target: rapid claim millions of lives worldwide. However, Norway is still better off than many other and ambitious transition, immediate introcountries, as the oil and gas production duction of climate regulations, legislation, and innovation. Norway must achieve net continues. There is a low degree of energy efficiency and little focus on the developzero by 2043 and thereafter be net negative, which has significant implications for the ment of renewable energy. energy system and nature restoration.

#### Assumptions

the second se								
Scenario provider	IPCC AR6			NGFS				
GDP growth	High			High	High			
Technology development and change	Rapid, directed toward fossil fuels			1	Rapid, directed toward renewable			
International cooperation	Effective for development, limited for environment			<u> </u>	Strong towards rapid change			
Environmental (and energy policy)	Focus on local environment, little concern with global problems				Improved management of local and global issues; tighter regulation of pollutants			
	2030	2050	2100	2030	2050	2100		
Global warming (°C)	1.7	2.4	4.4	1.4	1.6	1.4		
Change in mm of annual precipitation (%, median value)	+9	+12		+4	+4			
Energy price (øre/kWh)	67	57		42	45			
CO <sub>2</sub> -price (NOK/tonne)	800	1,752		2,997	8,658			

# Process on immaterial environmental topics: E2, E3 and E4

The Arendals Fossekompani ASA Sustainability team, alongside the members of the portfolio company workshops identifying IROs for each company, screened the business activities and sites of every part of the portfolio to identify potentially impactful activities or sites in relation to these topics. Affected communities were not consulted in this process in 2024, so diagrams from relevant external sources were used as prompts for consideration in workshops.

#### Specifically, the following tools were used:

- The Stockholm Environment Institute and Climate and Clean Air Coalition's diagrams on the typical sources of pollution across the value chain, as well as common pollutants to consider
- The World Wildlife Fund and the UN Biodiversity Lab's mapping of global prevalence of water stress and water risk, including scarcity, flooding, and quality of water
- The World Wildlife Fund's Biodiversity Risk Filter indicators as applied to the sectors in which Arendals Fossekompani is active or reliant on, and the UN Biodiversity Lab's mapping of areas of global significance for biodiversity conservation, and ecologically or biologically significant marine areas

Relating to biodiversity, findings from the 2023 materiality assessment and ensuing data collection across the Arendals Fossekompani Group were reviewed as core inputs into the double materiality assessment in 2024. Of the Group's 70 operational sites in 2023, three were considered adjacent to protected areas or areas of high biodiversity value. The potential impacts, risks (arising from dependencies) or opportunities assessed in relation to our sites were eventually deemed immaterial in this year's assessment. Data on sites in the value chain beyond our own operations was not available, so the resources listed above were relied upon to estimate and assess potential upstream or downstream impacts on, or risks or opportunities relating to, biodiversity. As any possible dependency on biodiversity and ecosystems is considered to present a financial risk to the company, the same assessment criteria for risks apply to dependencies. No material impacts were identified. In principle, transition, physical and systemic risks and opportunities were in scope of the assessment, though none were identified as material either.

G1: In identifying impacts, risks and opportunities relating to business conduct matters, particularly relevant criteria considered included the country of operation and their associated risks such as the Transparency International Corruption Perceptions Index. We also examined the industries served by the Group, where governmental contracts were perceived to be highly sensitive. Additionally, we leveraged resources from bodies like the European Commission to assess supply chain governance risks such as rule of law and corruption control, focusing particularly on countries of origin for our raw materials.

#### Managing the DMA

Our DMA is executed by Arendals Fossekompani's Sustainability team, led by our Chief Sustainability Officer, and consults and is validated by our Management. The Board of Directors' Audit Committee, followed by the Board of Directors, approves the DMA's methodology and findings.

To ensure the completeness and relevance of the assessment and its findings, we are in continuous dialogue with our auditors, peers, and attend courses and educational sessions to remain informed on the regulatory requirements.

DMA workshops within the company started with an overview of the requirements of CSRD in terms of the scope and topics covered, to ensure inputs into the assessment were as thorough and informed as possible. The Audit Committee validates the accuracy and reliability of the findings through its oversight of the methodology and process applied.

In 2024, the DMA and the general risk assessment were conducted separately, although both referred to the other process's inputs and findings. Moving forward, we intend to consolidate efforts by fully merging the process to identify and assess Arendals Fossekompani's IROs including non-sustainability risks and opportunities.

Already in 2024, the DMA's findings, particularly relating to risks, are managed in accordance with the Group's broader risk management process. Sustainabilityrelated risks are considered equal to other risks and contribute to the annual update to Arendals Fossekompani's risk profile. The same scoring rubric is used for all risks, so the rubric used to score non-sustainability risks and opportunities was updated as well in 2024.

The DMA will be revised on an annual basis moving forward.

TY FINANCIAL

# SBM-2

# INTERESTS AND VIEWS OF STAKEHOLDERS

In our strategy and business model, we continuously consider the interests and views of stakeholders in relation to sustainability matters. Engaging with stakeholders provides us with a representative overview of their sustainability expectations and concerns and gives a solid basis for assessing our material impacts, risks and opportunities. The external stakeholder groups for Arendals Fossekompani include investors, customers, suppliers, regulators, NGOs and the local community. The internal stakeholders involved include employees, Board of Directors and representatives from our portfolio companies.

The method of engagement with stakeholders varies from year to year and between different stakeholders. The DMA conducted in 2024 updated and expanded materiality assessments in previous years. Insights from prior dialogue and findings were incorporated into this year's stakeholder engagement process. Additionally, our Sustainability team conducted semi-structured interviews with a selection of external stakeholders, specifically asking them to give input on our IROs and more general our sustainability efforts. The interviews held in 2024 were conducted at the end of the process and used as a validation of the DMA's findings. Also, throughout the year we regularly engage with stakeholders through e-mails and meetings, seminars and informal conversations, and receive valuable feedback from investors, regulators, and NGOs on a corporate level. Internal stakeholders were involved in various workshops and meetings throughout the DMA project process.

Our employees' interests, perspectives, and rights are central to informing our strategy and business model, especially as the importance of attracting and building teams and talent is anchored in our strategy as an owner. The skills and expertise of our workforce drive our strategy, decision-making processes, and overall productivity and value creation. Arendals Fossekompani continuously assesses relevant data and insights such as employee or whistleblower cases and formal and informal employee engagement to understand the views and interests of our workforce, and to identify potential or actual adverse impacts on human and labour rights. In most parts of the Group, annual professional development conversations with employees ensure that every individual has access to the conditions they need to perform their work and grow in the company.

Stakeholder group	Arena for dialogue	Purpose of engagement	Examples of outcome of engagement
INTERNAL STAKEHOL	DERS		
Arendals Fossekompani's Board of Directors	Board meetings	<ul> <li>Align sustainability efforts with strategy and business model</li> <li>Inform the Board about views and interests of affected stakeholders with regards to sustainability- related IROs</li> </ul>	<ul> <li>Setting ambition level for sustainability efforts</li> <li>Approval of the DMA, targets and actions</li> </ul>
Employees	<ul> <li>Employee development talks</li> <li>Employee satisfaction surveys, workplace assessments, and town halls</li> <li>Employment relations and occupational health and safety representatives</li> </ul>	<ul> <li>Explore how employees view their roles, experiences, obstacles, and ideas for enhancement</li> <li>Promote awareness of internal policies and updates</li> <li>Foster a sustainable workplace and work environment, including physical and mental health and safety</li> <li>Enhance employee retention and recruitment</li> </ul>	<ul> <li>Action plans for improvement</li> <li>Implementation of new processes</li> <li>Addressing concerns raised about potential breach of Code of Conduct</li> <li>Feedback on the selection of sustainability topics</li> </ul>
Representatives from portfolio companies	<ul> <li>Board meetings</li> <li>Workshops</li> <li>Quarterly sustainability meetings across the group</li> </ul>	• Align on sustainability efforts, KPIs and expectations	<ul> <li>Feedback on the selection of sustainability topics</li> </ul>
EXTERNAL STAKEHOL	DERS		
Investors	<ul> <li>Meetings</li> <li>Quarterly updates</li> <li>Company presentations and annual general meetings</li> </ul>	<ul> <li>Identify investor concerns and respond to inquiries</li> <li>Present portfolio developments</li> <li>Establish trust and demonstrate our long-term value creation</li> <li>Engage in discussions about performance, risk management, and strategic direction</li> </ul>	• Improved alignment of strategy with shareholders Views and feedback on our sustainability efforts and sustainability topics
Suppliers	<ul> <li>Regular meetings and e-mails</li> <li>Data collection requests</li> <li>Seminars, webinars and conferences</li> <li>Risk assessments</li> </ul>	<ul> <li>Collaborate on improved sustainability outcomes</li> <li>Inform IROs and possible actions</li> </ul>	<ul> <li>Inputs on sustainability efforts to supply chain</li> <li>Supporting access to quality sustainability data</li> </ul>
Customers	<ul> <li>Regular meetings and e-mails</li> <li>Seminars, webinars and conferences</li> <li>Risk assessments</li> <li>Customer surveys</li> </ul>	<ul> <li>Map customers' greatest challenges and opportunities associated with sustainability</li> <li>Inform about sustain- ability expectations</li> </ul>	<ul> <li>Inputs on sustainability efforts to products and services</li> <li>Supporting the sustainable transformation of customers</li> <li>Views on the selection of sustainability topics</li> </ul>
Regulators and policy makers	<ul><li> Reporting requirements</li><li> Audits</li></ul>	<ul> <li>Ensure compliance with legislation</li> <li>Operate in line with expectations from greater society</li> </ul>	<ul> <li>Inputs to sustainability strategy</li> </ul>
NGOs	<ul> <li>Regular meetings and e-mails</li> <li>Seminars, webinars and conferences</li> </ul>	<ul> <li>Operate in line with expectations from greater society</li> <li>Provide inputs on legislation and peers</li> </ul>	
The local community	<ul> <li>Through portfolio companies</li> <li>Information meetings</li> </ul>	<ul> <li>Exercise local commitment and local presence</li> <li>Operate in line with expectations from greater society</li> </ul>	• Views on our work as an investor, our IROs and the selection of sustainability topics

In 2024, no adjustments were made to our material IROs based on the external interviews, as the information provided validated our existing findings. Several adjustments were made based on internal discussions and workshops. We removed and added sub-topics and also re-scored some IROs based on new information.

# IRO-2

Code	Disclosure Requirement Page in t	he Annual Repo
BP-1	General basis for preparation of sustainability statements	6
BP-2	Disclosures in relation to specific circumstances	6
GOV-1	The role of the administrative, management and supervisory bodies	6
GOV-2	Information provided to and sustainability matters addressed by	6
	the undertaking's administrative, management and supervisory bodies	
GOV-3	Integration of sustainability-related performance in incentive schemes	6
GOV-4	Statement on due diligence	6
GOV-5	Risk management and internal controls over sustainability reporting	6
SBM-1	Strategy, business model and value chain	20,6
SBM-2	Interests and views of stakeholders	7
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	69, 82, 9 118, 128, 13
IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	
E1.GOV-3	Integration of sustainability-related performance in incentive schemes	6
E1-1	Transition plan for climate change mitigation	8
E1.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	8
E1.IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	7
E1-2	Policies related to climate change mitigation and adaptation	8
E1-3	Actions and resources in relation to climate change policies	8
E1-4	Targets related to climate change mitigation and adaptation	8
E1-5	Energy consumption and mix	8
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	8
E5.IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	ī
E5-1	Policies related to resource use and circular economy	ç
E5-2	Actions and resources related to resource use and circular economy	ç
E5-3	Targets related to resource use and circular economy	9
E5-4	Resource inflows	9
S1.SBM-2	Interests and views of stakeholders	7
S1.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	1
S1-1	Policies related to own workforce	1
S1-3	Channels for own workforce to raise concerns	12
S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	12
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	1
S1-6	Characteristics of the undertaking's employees	12
S1-7	Characteristics of non-employees in the undertaking's own workforce	19
S1-8	Collective bargaining coverage and social dialogue	19
S1-9	Diversity metrics	19
S1-10	Adequate wages	15
S1-11	Social protection	15
S1-12	Persons with disabilities	15
S1-13	Training and skills development metrics	15
S1-14	Health and safety metrics	12
S1-15	Work-life balance metrics	15
S1-16	Remuneration metrics (pay gap and total remuneration)	1:
G1.GOV-1	The role of the administrative, supervisory and management bodies	(
G1.IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	
G1-1	Business conduct policies and corporate culture	12

SFDR Pillar 3 Benchmark EU Cli- Annual

DATAPOINTS THAT DERIVE FROM OTHER EU LEGISLATION

Data-

Disclose	Data-		SFDR	Pillar 3	Benchmark	EU CII-	Annual
requirement	point		refer-	refer-	regulation	mate Law	report
			ence	ence	referance	reference	reference
ESRS 2 GOV-1	21 (d)	Board's gender diversity	•		•		Corporate Governance: Board of Directors
ESRS 2 GOV-1	21 (e)	Percentage of Board Members who are independent			•		Corporate Governance: Board of Directors
ESRS 2 GOV-4	30	Statement on due diligence paragraph	•				General information: Governance
ESRS 2 SBM-1	40 (d) i	Involvement in activities related to fossil fuel activities	•	•	•		Not material
ESRS 2 SBM-1	40 (d) ii	Involvement in activities related to chemical production	•		•		Not material
ESRS 2 SBM-1	40 (d) iii	Involvement in activities related to controversial weapons	•		•		Not material
ESRS 2 SBM-1	40 (d) iv	Involvement in activities related to cultivation and production of tobacco			•		Not material
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050				•	E1 Climate Change: Transition planning
ESRS E1-1	16 (g)	Undertakings excluded from Paris-aligned Benchmarks		•	•		Not relevant
ESRS E1-4	34	GHG emission reduction targets	•	•	•		E1 Climate Change: Targets
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	•				E1 Climate Change: Energy consumption and mix
ESRS E1-5	37	Energy consumption and mix	•				E1 Climate Change: Energy consumption and mix
ESRS E1-5	40-43	Energy intensity associated with activities in high climate impact sectors paragraphs	•				E1 Climate Change: Energy consumption and mix
ESRS E1-6	44	Gross Scope 1, 2, 3 and Total GHG emissions	•	•	•		E1 Climate Change: Gross Scopes 1, 2, 3 and Total GHG Emissions
ESRS E1-6	53-55	Gross GHG emissions intensity	•	•	•		E1 Climate Change: Gross Scopes 1, 2, 3 and Total GHG Emissions
ESRS E1-7	56	GHG removals and carbon credits				•	Not material
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks			•		Subject to phase-in
ESRS E1-9	66 (a), 66 (c)	Disaggregation of monetary amounts by acute and chronic physical risk, Location of significant assets at material physical risk		•			Subject to phase-in
ESRS E1-9	67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes		•			Subject to phase-in

	66 (C)	Location of significant assets at material physical risk		
ESRS E1-9	67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes	•	Subject to phase-in
ESRS E1-9	69	Degree of exposure of the portfolio to climate- related opportunities	•	Subject to phase-in
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the E- PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	<b>€</b>	Not material
ESRS E3-1	9	Water and marine resources	•	Not material
ESRS E3-1	13	Dedicated policy	•	Not material
ESRS E3-1	14	Sustainable oceans and seas	•	Not material
ESRS E3-4	28 (c)	Total water recycled and reused	•	Not material
ESRS E3-4	29	Total water consumption in m <sup>3</sup> per net revenue on own operations	•	Not material
ESRS 2 SBM3 - E4	16 (a)	Disclosure of activities negatively affecting biodiversity sensitive areas	•	Not material
ESRS 2 SBM3 - E4	16 (b)	Material negative impacts with regards to land degradation, desertification or soil sealing have been identified	•	Not material
ESRS 2 SBM3 - E4	16 (c)	Own operations affect threatened species	•	Not material

DUCTION	ABOUT	PERFORMANCE	CORPORATE GOVERNANCE

ESRS E4-2	24 (c)	Sustainable oceans /	•		Not material
	04 (-1)	seas practices or policies			N - Constant - Col
ESRS E4-2	24 (d)	Policies to address deforestation	•		Not material
ESRS E5-5	37 (d)	Non-recycled waste	•		Not material
ESRS E5-5	39	Hazardous waste and radioactive waste	•		Not material
ESRS 2 SBM3 - S1		Risk of incidents of forced labour	•		Not material
ESRS 2 SBM3 - S1	_	Risk of incidents of child labour	•		Not material
ESRS S1-1	20	Human rights policy commitments	•		Not material
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labor Organisation		•	S1 Own workforce: Policies related to o workforce
ESRS S1-1	22	Conventions 1 to 8 Processes and measures for	•		Not relevant
ESRS S1-1	23	preventing trafficking in human beings Workplace accident prevention	•		S1 Own workforce:
		policy or management system			Policies related to o workforce
ESRS S1-3	32 (c)	Grievance/complaints handling mechanisms	•		S1 Own workforce: Channels for own v force to raise conce
ESRS S1-14	88 (b), 88 (c)	Number of fatalities and number and rate of work-related accidents	•	•	S1 Own workforce: Health and safety metrics
ESRS S1-14	88 (e)	Number of days lost to injuries, accidents, fatalities or illness	•		S1 Own workforce: Health and safety metrics
ESRS S1-16	97 (a)	Unadjusted gender pay gap	•	•	S1 Own workforce: Remuneration met
ESRS S1-16	97 (b)	Excessive CEO pay ratio	•		S1 Own workforce: Remuneration met
ESRS S1-17	103 (a)	Incidents of discrimination	•		Not material
ESRS S1-17	104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	•	•	Not material
ESRS 2 SBM3 - S2	11 (b)	Significant risk of child labour or forced labour in the value chain	•		Not material
ESRS S2-1	17	Human rights policy commitments	•		Not material
ESRS S2-1	18	Policies related to value chain workers	•		Not material
ESRS S2-1	19	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	•	•	Not material
ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8		•	Not material
ESRS S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	•		Not material
ESRS S3-1	16	Human rights policy commitments	•		Not material
ESRS S3-1	17	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	•	•	Not material
ESRS S3-4 ESRS S4-1	36 16	Human rights issues and incidents Policies related to	•		Not material Not material
ESRS S4-1	17	consumers and end-users Non-respect of UNGPs on Business and Human Rights and OECD guidelines	•	•	Not material
ESRS S4-4	35	Human rights issues and incidents	•		Not material
ESRS G1-1	10 (b)	United Nations Convention against Corruption	•		Not relevant
ESRS G1-1	10 (d)	Protection of whistleblowers	•		G1 Business condu Policies related to business conduct
ESRS G1-4	24 (a)	Fines for violation of anti- corruption and anti-bribery laws	•	•	G1 Business conduct Policies related to business conduct
ESRS G1-4	24 (b)	Standards of anti-	•		G1 Business condu

Disclose

# Environment

2

$\rightarrow$ E1 Climate change	
ightarrow E5 Resource use and circular econo	my
→ FU Taxonomy	

82 92 94

ANDINO



CORPORA

JSTAINABIL

FINANCIA

SIGNATU

# E1 Climate change

As an industrial investment company focused on energy transition and technology, we are committed to the long-term development of our portfolio while reducing our negative environmental impact. At the same time, Arendals Fossekompani plays a role in climate change mitigation through our companies that offer solutions to environmental challenges and renewable energy production.

#### SBM-3

#### MATERIAL IMPACTS, RISKS AND OPPORTUNITY

Climate Change adaptation and mitigation Material risk: Vulnerability to climate change disruptions (acute/chronic physical risk)

In a high-emissions scenario, some of our physical operating environments and global supply chains are vulnerable and exposed to disruptions caused by climate change. Climate hazards could cause damage to our portfolio's property, increased costs of maintenance and reconstruction, or production delays due to downtime in assets. Some of our portfolio companies are exposed to global value chains, with dependencies on the supply of raw materials such as titanium and copper. Supply disruptions could cause production delays or increase cost bases. Our hydropower business is upgrading its infrastructure to cope with larger potential floods. Other portfolio companies are diversifying their supply chains to remain flexible in response to emerging events including climate-related challenges.

Time horizon: Long term Location in value chain: Upstream value chain, own operations

Material negative impact: Emission of greenhouse gases (GHG) across value chain

Scope 1 and 2 emissions: The Group's production facilities, offices and transportation contribute to the release of greenhouse gases that lead to climate change.

Scope 3 emissions: In addition, Scope 3 emissions represented 99% of our total GHG emissions in 2024, largely given our portfolio's sale of products that, when used by customers around the world, require electric energy to use. If this electric energy is not generated by renewable sources, it causes GHG emissions. The second largest contributor to our Scope 3 emissions is the carbon footprint of our purchased goods and services.

The largest emitters in our Group are the manufacturing companies in our portfolio, both in their own operations and in their value chain. Collectively, Arendals Fossekompani's Scope 1, 2 and 3 GHG emissions intensity was 119 tCO2e/million NOK in 2024. We have committed to pursuing decarbonisation levers to reduce our Scope 1 and 2 emissions intensity, and to set equivalent targets in relation to our Scope 3 emissions.

Time horizon: Short term Location in value chain: Upstream value chain, Own operations, Downstream value chain

Material risk: Increased costs related to mandates and regulation (policy and legal risk)

In a low-emissions scenario, meeting new regulatory requirements might require significant investments in technology, processes, personnel, data collection and reporting. If left unmitigated, Arendals Fossekompani is exposed to the risk of legal action or financial penalties for non-compliance, potentially leading to substantial financial and reputational damage, affecting investor confidence and market positioning. An example of this financial impact is the mitigating upgrade of AFK Vannkraft's dams of NOK 297 million by 2027 (CapEx), in response to regulatory requirements for climate change adaptation.

Time horizon: Short term Location in value chain: Own operations

Material risk: Unsuccessful investments in new technologies (technology risk)

In a low-emissions scenario, the pace of technological development is anticipated to accelerate significantly. One of the primary risks is the potential for investments in technology to become obsolete at a faster rate. As new technologies emerge and evolve, previously cutting-edge solutions may quickly become outdated, rendering prior investments ineffective or redundant. As Arendals Fossekompani invests in companies facing this risk, we are exposed to the possibility of unsuccessful investments in and by portfolio companies, which might impact our net asset value.

Time horizon: Short term

Location in value chain: Own operations

#### Energy

Material positive impact: Optimisation and production of renewable energy

We have a positive impact on clean energy supply through optimisation of customers' energy production and the production of renewable energy. Volue's market-leading products optimise energy production, trading, distribution and consumption, while in 2024, AFK Vannkraft produced 606.6 GWh of renewable energy, serving an estimated 30,000 households in southern Norway, and Arendals Fossekompani is expanding its local renewable energy capacity for increased production from 2026.

#### Time horizon: Short term

Location in value chain: Own operations

Material opportunity: Demand for solutions related to renewable energy

With an increasing share of renewable energy in the energy system, the demand for software services like market demand and production forecasting, trading software and grid monitoring will be increasingly important, and can provide opportunities for growth. Arendals Fossekompani is actively pursuing these opportunities through our investment strategy, both in our existing portfolio and in our prospective investments.

Time horizon: Long term Location in value chain: Own operations

#### Material negative impact: Consumption of energy

Our own, as well as our suppliers', production, processing and transportation consume energy. Limiting our energy consumption, especially in sites with a higher proportion of fossil fuels consumed, will be required to reduce this impact over time.

Time horizon: Short term, long term Location in value chain: Upstream value chain, Own operations

#### Resilience to climate risks

A resilience analysis was conducted in 2024 along with the update to our climate risk assessment. We evaluated gross transition risks and physical risks informed by different climate scenarios and considered the resilience of our business model and strategy by assessing the materiality of the mitigated and unmitigated risks. The resilience analysis covered risks emerging from our existing portfolio companies across their value chain, and assessed the resilience of Arendals Fossekompani as an owner. The scenarios used are Net Zero 2050 and Fossil-fuelled development as outlined under IRO-1.

The resilience analysis found that Arendals

Fossekompani demonstrates resilience in the Net Zero 2050 scenario, with investments supporting the transition to a low-carbon economy. To maintain this resilience, it is crucial for that our portfolio understand and manage the transition relating to the risks associated with a Net Zero 2050 future.

Several of our portfolio companies have complex and global value chains that are particularly vulnerable to risks related to the sourcing of raw materials and products. Many of these materials and products are sourced from countries at high risk of climate change-driven events such as heat waves, drought and wildfires, which could impact both availability and price, but also own operation facilities. Therefore, it is essential for Arendals Fossekompani that our portfolio companies understand their exposure to physical climate risks and are equipped to manage these risks efficiently to stay resilient.

The analysis is dependent on assumptions and scenarios that entail some uncertainty. It must be revisited periodically to ensure the conditions considered remain accurate and the mitigating actions our resilience is founded on continue to meet our needs.

# E1-2

# POLICIES

Arendals Fossekompani ASA's Environmental Policy recognises the actual and potential impact that companies such as ours have on the environment. It considers environmentally sustainable business conduct as both an opportunity to ensure long-term performance and growth for Arendals Fossekompani, and a necessity to reach the objectives set out in the Paris Agreement. The Policy's direct scope is Arendals Fossekompani ASA, and it is applicable and communicated to all Arendals Fossekompani ASA's employees. The Policy is also available and communicated to our portfolio companies, suppliers, business partners and other third parties and published on arendalsfossekompani.no. It outlines an expectation that the portfolio companies in the Arendals Fossekompani Group should establish similar policies according to their material environmental matters. Especially in manufacturing-heavy or -dependent parts of the portfolio where the Environmental Policy does not apply or where an equivalent is not in place, it is expected that a new or updated policy be introduced by the end of 2025.

The Policy outlines our approach to environmental sustainability and responds to our material IROs:

- Climate change mitigation: Arendals Fossekompani is committed to playing its part in reaching the environmental objectives set out in the Paris Agreement. Considering our emission of GHGs, the Policy outlines the GHG emissions intensity and absolute emissions reduction targets detailed below, and our objective to further reduce GHG emissions related to our controlled business operations, and in our value chains where possible. We will include EU Taxonomy eligibility assessments in our new business ventures, and will not invest in fossil fuel expansion, climate denial, or lobbying against climate-forward regulations. We believe innovation and technology will be key to further decreasing GHG emissions, and we will contribute to further development of such innovation and technology through our portfolio companies.
- Climate change adaptation: The Policy recognises our vulnerability to the effects of our changing climate, and that we endeavour to make the necessary changes to adapt our facilities and business decisions to withstand them.

- · Energy efficiency: A responsible use of natural resources and energy is promoted, and Arendals Fossekompani shall strive to use all such resources as efficiently as possible.
- Renewable energy deployment: We are a producer of renewable energy in Norway through our hydropower operations, and encourage our portfolio companies to set Paris Agreement-aligned targets on energy consumption from fossil fuels.

The Policy introduces our commitment to playing our part in reaching the environmental objectives set out in the Paris Agreement, and to comply with all applicable laws and regulations regarding environmental sustainability and protection, including the Norwegian Pollution Act, Nature Diversity Act, Nature Conservation Act and applicable laws and regulations related to emissions of GHG. It outlines our approach to continual assessment and improvement through regular DMAs for Arendals Fossekompani ASA, supporting data collection and IRO identification in portfolio companies, continuously identifying areas for improvement, conducting assessments on adverse environmental impacts prior to making material business decisions, and regularly assessing compliance with the Policy and performance on our environmental strategy, including by monitoring progress against key performance indicators (KPIs) and any measures taken to minimise our footprint and promote sustainability.

Arendals Fossekompani's Board of Directors adopts and reviews this Policy and delegates of operational implementation and monitoring to Arendals Fossekompani's CEO who delegates to the Chief Sustainability Officer. The Policy was last updated in 2024 to reflect the IROs identified in our DMA, and continual updates to the policy will be conducted as relevant in accordance with the findings of future DMAs. Our DMA process incorporates the views of employees and relevant stakeholders.

The policy is provided to our portfolio companies and we expect them to adopt their own policies according to their material environmental matters in alignment with this framework.

#### Environmental policies in our portfolio

ENRX, NSSLGlobal and Tekna have implemented Environmental Policies equivalent to Arendals Fossekompani ASA's. All three cover climate change mitigation and energy efficiency. NSSLGlobal's Environmental Policy also covers climate change adaptation and renewable energy deployment, which is found in Tekna's Environmental Policy as well. Volue developed a new Environmental Policy in 2024, awaiting approval from its Board of Directors in 2025, and addressing

climate change mitigation and energy efficiency. Alytic and AFK Eiendom do not have dedicated Environmental Policies.

# E1-4

### TARGETS

Arendals Fossekompani is committed to playing our part in contributing to a low-carbon economy. As an industrial investment company, our portfolio of investments and their respective value chains represent most of our GHG emissions, which informs our transition planning for climate change mitigation.

Arendals Fossekompani ASA and portfolio companies NSSLGlobal and Tekna have set Paris Agreementaligned emissions reduction targets relating to Scope 1 and 2 GHG emissions as follows. These targets intend on reducing our GHG emissions and mitigating our risk related to climate-related mandates or regulations, and are supported by actions outlined in E1-3.

- Arendals Fossekompani ASA has committed to reduce absolute Scope 1 and 2 GHG emissions by 42% by 2030 from a 2021 base year, and to actively source 100% renewable electricity every year by 2030. These targets have been approved by the Science-Based Targets initiative (SBTi).
- NSSLGlobal has committed to reduce absolute Scope 1 and 2 emissions by 50% by 2035 from a 2020 base year.
- Tekna has committed to reduce absolute Scope 1 and 2 emissions by 50% by 2030 from a 2021 base year.
- NSSLGlobal and Tekna have also stated an ambition to achieve carbon neutrality by 2050, also including Scope 3 emissions to the extent mandated by the UK Government, and to the extent data is collected, respectively

#### Notes on targets

In the absence of collective absolute GHG emissions reduction targets, the "Performance on Targets" table indicates the relevant company targeted. In monitoring the emissions intensity of Arendals Fossekompani Group, all companies in scope of the consolidation boundaries outlined under BP-1 are considered.

When referring to Scope 2 emissions, Scope 2 (location-based) tends to be used.

Stakeholder involvement in setting these targets mirrors that outlined under S1: Own workforce on page 120.

2021 was set as a base year as it was the first year of complete data collection, except for NSSLGlobal, for which 2020 was chosen; as this was a COVID-19 year, emissions are not representative of typical output and may need to be reviewed in the future. These three companies' Scope 1 and 2 GHG emissions represent 27.4% of the Arendals Fossekompani Group's total Scope 1 and 2 emissions in 2024. In addition, as an owner, Arendals Fossekompani ASA has committed to 60% of its eligible private equity and listed equity portfolio by book value setting SBTi-validated targets by 2027 from a 2021 base

#### PERFORMANCE ON TARGETS

			Baseline		2023 Performance		2024 F	Performance
Target	Unit	Company	Year	Value	Value	% reduction vs. baseline	Value	% reduction vs. baseline
Scope 1 and 2: 42% absolute emissions reduction by 2030	tCO <sub>2</sub> e	Arendals Fossekompani ASA	2021	26	30	+16%	24	-8%
100% electricity consump- tion from renewable energy sources by 2030	%	Arendals Fossekompani ASA	N/A	N/A	73	N/A	75	N/A
Scope 1 and 2: 50% absolute emissions reduction by 2030	tCO <sub>2</sub> e	Tekna	2021	619	619	0%	610	-1.5%
Scope 1 and 2: 50% absolute emissions reduction by 2035	tCO <sub>2</sub> e	NSSLGlobal	2020	331	409	+24%	390	+18%
Scope 1 and 2: 42% emissions intensity reduction by 2030 <sup>1</sup>	% (tCO <sub>2</sub> /mNOK)	AFK Group	2021	104	77	-27%	65	-37%

1. This target will be evaluated in developing our transition plan in 2025.

#### Renewable energy certificates (RECs)

Arendals Fossekompani has taken a conservative approach to the calculation on energy type, such that only consumption of electricity, heat, cooling or fuel covered by energy attribute certificates (such as guarantees of origin or RECs) is considered to be from renewable sources. In the absence of such certificates. energy is considered to be fossil fuel based, regardless of the local electricity mix. As energy consumption is reported

year. This commitment is also validated by SBTi and is expected to substantially increase the proportion of the Group's GHG emissions covered by ambitious emissions reduction targets by 2027.

In 2024, we have also committed to include EU Taxonomy eligibility assessments in all M&A activities and new business ventures by 2025.

across the Group, different conversion to MWh or other calculations required are conducted via our system provider CEMAsys. The emissions factors assume energy types using this conservative approach. Nuclear energy has been classified as fossil fuel energy in the absence of a certificate. 4% of the total Scope 2 energy is covered by energy attribute certificates, both in the form of guarantees of origin and RECs.

Arendals Fossekompani ASA's two existing emissions reduction targets have been approved by the Science-Based Targets initiative (SBTi). Tekna and NSSLGlobal set their targets with the intention of meeting the Paris Agreement, and while not validated by the SBTi, sought to be science-based.

Finally, Arendals Fossekompani Group's emissions intensity was measured in 2024 and mapped to Arendals Fossekompani ASA's absolute emissions reduction target. As an investment company with fluctuations in our portfolio over the years, the Group's emissions intensity is a more comparable figure year-on-year than net emissions for the Group. We currently use tonnes of CO2 emitted (Scope 1, 2 and 3) as the numerator and millions of NOK in revenue as the denominator. We will endeavour to ensure our emissions intensity target is science-based and in line with the Paris Agreement when establishing our transition plan.

#### E1-1

## TRANSITION PLANNING

In an effort to meet our decarbonisation targets relating to our own operations, and to the extent possible, to our value chain, Arendals Fossekompani is developing a transition plan. The plan will include decarbonisation levers for the Group collectively along with details on the resource allocation required to meet these targets. This is expected to be delivered by 2026 and will follow the upcoming EFRAG Implementation Guidance on transition plans.

Arendals Fossekompani's Board of Directors is ultimately responsible for establishing plans and goals to ensure that Arendals Fossekompani's business model and strategy are compatible with the transition to a sustainable economy, limiting global warming to 1.5°C in line with the Paris Agreement and climate neutrality by 2050. Accordingly, Arendals Fossekompani's management team and members of the Boards of Directors and ownership teams of our portfolio will coordinate on identifying the decarbonisation levers, actions and resource allocations required.

Portfolio company ENRX's Scope 1 emissions account for 51% of Arendals Fossekompani Group's total Scope 1 emissions in 2024. Its location-based Scope 2 emissions represent 79% of the Group's total in that category, and the company's Scope 3 emissions represent as much as 93% of the Group's total Scope 3 emissions. Given the magnitude of the emissions from ENRX, the primary focus will be on this company, given that the composition of the portfolio remains the same.

For more detail on the opportunities for GHG emissions reduction that have been identified within the current scope of our transition planning, see E1-3 Actions. Arendals Fossekompani Group's efforts to increase

alignment of economic activities in accordance with the EU Taxonomy's framework are outlined in detail in the EU Taxonomy Report.

## E1-3

# ACTIONS IN SUPPORT OF TRANSITION PLANNING

Since Arendals Fossekompani does not yet have a transition plan at the Group level, decarbonisation levers have not yet been defined, and expected GHG emissions reductions and monetary amounts of CapEx and OpEx required to implement the actions have not been calculated.

In support of the development of our transition plan, in 2024, Arendals Fossekompani Group developed the first baseline of Scope 3 GHG emissions, and updated its climate risk assessment. In 2025, we intend on improving the data on which our assessments and actions will be based. With a focus on the largest GHG emitters in Arendals Fossekompani Group, we will strengthen the accuracy and understanding of our Scope 3 upstream and downstream emissions, as well as quantifying the potential financial effects linked to significant physical and transition risks and climate-related opportunities.

Within the portfolio, the following initiatives are in motion. While Scope 1 and 2 emissions reduction is visible at the Group level, it has not been attributed to any action in particular.

- Tekna expects to update, expand and finalise its decarbonisation plan in 2025. Accordingly, the company expects to set Scope 3 reduction target(s) in 2025, a climate risk mitigation plan in 2026, and mid- to long-term budget planning to execute on the decarbonisation plan by 2027. Within its own operations, the decarbonisation levers identified include transitioning to more renewable energy, reducing unnecessary travel or improving the carbon footprint of required business travel, and investing in and switching to electricity instead of fuel sources.
- NSSLGlobal maintains a Carbon Reduction Plan that is reviewed annually. In 2024, actions taken addressed known GHG emissions based on previous years' data, namely Scope 1 and 2 GHG as well as limited Scope 3 GHG categories. Accordingly, NSSLGlobal changed to certified green energy suppliers (Scope 1 and 2) in the UK for gas and electricity, supplied its two main offices with electric vehicle charging points, and has provided an incentive to encourage employees to switch to electric vehicles. It has included bespoke environmental and sustainability online training for all its staff along with increased communication on sustainability and is making changes to the heating and air conditioning systems at its Redhill site to be more environmentally friendly.

- · AFK Eiendom's GHG emissions are largely attributable to its construction contractors, who work on projects for delivery to clients. In 2024, contractors were informed that they could use heat pumps during construction to use renewable energy in heating during construction, rather than fossil fuel sources. To improve our collaboration with contractors in 2025, we will begin incorporating GHG data requirements into our forward-looking agreements.
- · ENRX and AFK Eiendom completed the refurbishment of the Skien site in 2024, contributing to AFK Eiendom's Scope 3 emissions in 2024. Improvements in ENRX's energy efficiency will be felt in 2025.
- · AFK Vannkraft began building a new flood overflow channel in 2024 to increase its resilience to climate change, expected to be completed in 2025.
- Alytic Group continued to focus on emissions reduction in business travel in 2024, including by prioritising virtual meetings and when necessary to travel, by considering environmentally-friendly tickets where possible.

#### E1-5

#### ENERGY CONSUMPTION AND MIX

(1) Fuel consumption from coal and coal products (MWh) (2) Fuel consumption from crude oil and petroleum products (MW (3) Fuel consumption from natural gas (MWh) (4) Fuel consumption from other fossil fuel sources (MWh) (5) Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources (MWh) (6) Total fossil energy consumption (MWh) Share of fossil sources in total energy consumption (%) (7) Consumption from nuclear sources (MWh) Share of consumption from nuclear sources in total energy cons (8) Fuel consumption from renewable sources, including biomass industrial and municipal waste of biologic origin, biogas, renewab (9) Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources (MWh) (10) Consumption of self-generated non-fuel renewable energy (M (11) Total renewable energy consumption (MWh) Share of renewable sources in total energy consumption (%) Total energy consumption (MWh)

#### **ENERGY INTENSITY PER NET REVENUE, IN 2024**

Total energy consumption per net revenue, relating to activities in high climate impact sectors (MWh / million NOK)<sup>1</sup> 1. The denominator uses revenue from ENRX, Tekna, AFK Eiendom and AFK Vannkraft as stated in Financial Note 1. These have been assessed to have revenues primarily from Manufacturing (ENRX and Tekna), Real Estate (AFK Eiendom) and Electricity, Gas, Steam and Air Conditioning Supply (AFK Vannkraft).

These initiatives are designed to reduce our emission of GHGs and mitigate our policy and legal risk. AFK Eiendom's investments in Skien and AFK Vannkraft's investments in the new flood channel are included under the Under construction balance listed in Financial Note 5, and amount to NOK 29 million and NOK 2.98 million respectively. These actions are included in the climate change mitigation CapEx activities in the EU Taxonomy report.

## Total energy produced

Arendals Fossekompani Group produced 606,629 MWh of energy in 2024. This was renewable energy from hydropower by AFK Vannkraft, for which it sold Guarantees of Origin for hydropower on 86% of energy produced; these were for unbundled energy attribute claims.

	2023	2024
	-	-
Wh)	2,607	2,532
	5,808	5,478
	-	-
	17,237	18,009
	25,652	26,019
	95%	94%
	-	-
sumption (%)	0%	0%
s (also comprising ble hydrogen, etc.) (MWh)	86	119
	1,363	1,134
MWh)	-	351
	1,449	1,604
	5%	<b>6%</b>
	27,100	27,623

8.0

#### E1-6

## **GROSS SCOPES 1, 2, 3 AND TOTAL GHG EMISSIONS**

	Base year: 2021	2023	2024	% 2024 / 2023	2030	Annual % target base year
Scope 1 GHG emissions						
Gross Scope 1 GHG emissions (tCO,eq)	1,584	1,858	1,794	97%		
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)			0			
Scope 2 GHG emissions						
Gross location-based Scope 2 GHG emissions (tCO <sub>2</sub> eq)	2,838	2,318	1,950	84%		
Gross market-based Scope 2 GHG emissions (tCO <sub>2</sub> eq)	4,310	4,341	4,209	97%		
Significant scope 3 GHG emissions						
Total Gross indirect (Scope 3) GHG emissions (tCO $_2$ $\epsilon$	eq)		677,009	n/a¹		
1 Purchased goods and services			35,889	n/a		
Cloud computing and data centre services			427			
2 Capital Goods			2,650	n/a		No collectiv
3 Fuel and energy related activities (not included in S	Scope 1 or 2)	1,303	1,176	90%		targets hav
4 Upstream transportation and distribution			3,336	n/a		been set ye
5 Waste generated in operations		287	277	97%		
6 Business travel		1,898	2,051	108%		
7 Employee commuting			1,948	n/a		
8 Upstream leased assets						
9 Downstream transportation and distribution						
10 Processing of sold products						
11 Use of sold products			629,097	n/a		
12 End-of-life treatment of sold products			33	n/a		
13 Downstream leased assets				n/a		
14 Franchises						
15 Investments			552	n/a		
Total GHG emissions						
Total GHG emissions (location-based) (tCO <sub>2</sub> eq)	8,794 <sup>1</sup>	<b>7,671</b> <sup>1</sup>	680,753	n/a¹		
Total GHG emissions (market-based) (tCO $_2$ eq)	10,265 <sup>1</sup>	9,687 <sup>1</sup>	683,012	n/a¹		

The biogenic emissions from the combustion or biodegradation of biomass not included in GHG emissions reported in 2024 was 27.2 tCO2e for Scope 1, 0 tCO2e for Scope 2 (location-based) and 0 tCO2e for Scope 3.

Emissions intensity per net revenue, in 2024	All activities <sup>2</sup>
GHG emissions intensity per net revenue (location-based, in $tCO_2$ eq/mNOK)	119
GHG emissions intensity per net revenue (market-based, in tCO $_{\rm 2}$ eq/mNOK)	119

1. Only a limited set of Scope 3 categories were reported in previous years (categories 3, 5 and 6) such that the total emissions in 2024 are not comparable to previously reported data.

2. The denominator uses Group consolidated revenue as stated in Financial Note 1 in addition to revenue from discontinued operations as stated in 3.1, 3.2 and 3.3.

#### Greenhouse gas accounting and methodology notes

Arendals Fossekompani applies greenhouse gas (GHG) inventory accounting principles as its reporting methodology, first and foremost in accordance with ESRS, which builds upon the GHG Protocol Corporate Accounting and Reporting Standard (GHG Protocol) of 2004 (with Scope 2 guidance updated in 2015). The GHG Protocol was developed by the World Resources Institute and the World Business Council for Sustainable Development. In alignment with the GHG Protocol, Arendals Fossekompani takes into consideration the gases CO2, CH4, N2O, HFCs, PFCs, SF6 and NF3 when converting consumption data to tonnes of CO2 equivalents (tCO2e). The Global Warming Potential used in the calculation of tCO2e is based on the Intergovernmental Panel on Climate Change's Fourth Assessment Report. As there is currently no externally established methodology guidance on calculating emissions factors, Arendals Fossekompani's GHG emissions accounting is developed using emissions factors calculated based on methodologies recognised by CEMAsys as credible. These are from well-known, internationally-recognised sources including DEFRA, IEA and Ecoinvent and can be found on the next page. We are open about the sources and calculation methodologies used and strive for consistency throughout reporting periods. Where there has been a change in the methodology, this is communicated.

#### **Consolidation boundaries**

This GHG emissions table includes all consolidated subsidjaries in the Arendals Fossekompani Group, Unconsolidated subsidiaries and joint ventures are not included, as we do not have operational control over any of them. Their emissions are included in Scope 3 Category 15: Investments.

#### Scope 3 GHG materiality assessment

Based on a screening conducted in the autumn of 2024 across Arendals Fossekompani and including each portfolio company, the following Scope 3 Categories have been found to not be relevant for Arendals Fossekompani Group: Category 8: Upstream leased assets; Category 9: Downstream transportation and distribution; Category 10: Processing of sold products; Category 13: Downstream leased assets; and Category 14: Franchises.

#### Year-on-year changes

Year-on-year comparability of GHG emissions is limited by the availability of historical data for most Scope 3 categories, and by the accuracy of historical data for some. The significant increase in Scope 3 emissions is attributable primarily to the availability of data in 2024.

GHG emissions fluctuation due to changes to the Group and its value chain in 2024:

- · Arendals Fossekompani reduced its shareholding in Volue from 60% to 40%, with effect in our financial reporting from 1 November 2024. As a result, Volue's GHG emissions were included into the Group's GHG emissions as follows: emissions for ten months were consolidated into the Group's totals in Scope 1, 2, and 3 Categories 1-14 in the above table: emissions for two months were counted in the Group's Scope 3 Category 15: Investments. Due to a lack of monthly data, it was assumed that full year emissions were evenly divided into 12 months.
- Arendals Fossekompani divested from Vergia in 2024 and is not a part of our carbon accounting.

 Arendals Fossekompani discontinued our engagement in Ampwell's subsidiary Commeo in 2024; from June 2024 onwards, only Cellect remains as part of our carbon accounting.

#### Estimations and sources of uncertainty

Estimations or emission factors were used for a majority of data points in our carbon accounting, as outlined below and in the sources on the next page.

- Scope 1 data (direct emissions from own operations) was collected as consumption data in units such as litres or cubed metres unless CO2e have been provided by suppliers.
- Scope 2 data (indirect emissions from own operations) was collected as consumption data in kWh. Emissions factors by market, source of electricity, and application (e.g., district heating, cooling, or use in electric cars) were applied in accordance with the location-based or market-based methods.
- Scope 3 data (emissions from the value chain) was collected through a combination of methods, along with estimations and assumptions where required. When we have not been able to collect primary information about emissions in our value chain, despite making reasonable efforts, estimations have been applied using reasonable and supportable data. It is estimated that 1% of Scope 3 emissions are calculated from primary data.
- In the absence of available data for 2024, it was assumed that 2024 emissions were equivalent to 2023 emissions for the following companies: Ampwell (including Commeo for the months until its discontinuation only); and certain Scope 3 categories for Volue. This approach is deemed reasonable due to their very limited emissions in a Group context

#### Category-specific notes

- Scope 3 Category 1, Purchased goods and services: spend-based method using procurement lists, invoices and other operating expenses.
- Scope 3 Category 2, Capital goods: spend-based method using financial statements.
- Scope 3 Category 3, Fuel- and energy-related activities: activity data on Scope 1 and 2 emissions.
- Scope 3 Categories 4 and 9, Upstream and downstream transportation and distribution: spend-based method using supplier-specific data. Where transportation data was unavailable, estimations were drawn up based on the expected source and mode of transportation used in regional delivery services. In the case of unknowns on where the cost of transportation was borne, it was assumed that transportation was upstream. In some cases where data is unavailable, extrapolations from other parts of the relevant subsidiary are applied based on spend data and purchased goods.
- Scope 3 Category 5, Waste generated in operations: combination of activity data using supplier-specific data related to waste management suppliers, and estimations based on the number of employees in offices.
- Scope 3 Category 6, Business travel: activity data from internal systems and business travel providers.
- Scope 3 Category 7, Employee commuting: estimations based on distance to office, mode of transport and frequency of remote work from known employee commuting activity or as sourced from employee surveys.

- Scope 3 Category 11, Use of sold products: estimations based on assumptions of energy use after point of sale, especially in relation to systems produced by ENRX, and to smaller degrees, powders by Tekna, property by AFK Eiendom, and software by Volue. Factors considered include the energy requirements of products sold, expected use time by customers per week and in a product's lifetime, country to which units are sold and where applicable, an estimation of greenhouse gases released by systems produced. The life expectancy of products, where this is not standardised by regulations, is estimated based on day-to-day handling and the environments in which the systems are used, as well as customers' typical maintenance plans or access to spare parts.
- Scope 3 Category 12, End-of-life treatment of sold products: estimations based on assumptions on treatment of materials at end-of-life. Where known, local regulations on material treatment in the countries of end-of-life are considered.
- Scope 3 Category 15, Investments: includes emissions by non-consolidated investments as reported by these companies.

# GHG emission factors 2024

#### Scope 1 Emissions

CARBON EMISSIONS FROM CHEMICAL PROCESSES

- Dolomitt smelting, Acetylene combusted, Arcal Force, Liquid Oxygene (LOx), Aviform L50, Aviform S-solid
- The Norwegian Environment Agency (2022)
- Hong, J. et al. (2015). 'Greenhouse gas emissions during the construction phase of a building: A case study in China', Journal of Cleaner Production.
- AirLiquide Arcal force produktdatablad
- Avinor 2016

#### CARBON EMISSIONS FROM REFRIGERANTS R-407 C, R-422 D

- DEFRA (2024)
- UK Government GHG Conversion Factors for Company Reporting, GWP source: AR5. Emission factor value (kgCO2e/unit) refers to emissions of the gas itself, not the production emissions. Should be used to report direct emissions from gas leakage

#### CARBON EMISSIONS FROM STATIONARY COMBUSTIONS

- Burning oil, Natural gas, LPG, Propane, Propane (NO), Heavy fuel oil, Fuel/Diesel oil, Natural gas (DK), Natural gas (US), Natural gas (NL), Natural gas (UK grid)
   DEFRA (2024)
- UK Government GHG Conversion
- Factors for Company Reporting
  Miljødirektoratet Nasjonale standardfaktorer, 2015
- Dansk Gasteknisk Center (2024) and DEFRA (2024)
- EPA (2024)
- Netherlands Enterprise Agency (2024)

#### CARBON EMISSIONS FROM FOSSIL FUELS CONSUMED IN TRANSPORTATION

- Bioethanol (E85), Petrol, Petrol (E10), Petrol (BR), Diesel, Diesel (B7), Diesel (NO), Diesel (SE), Adblue (urea solution)
   DEFRA (2024)
- DEFRA (2024)
- UK Government GHG Conversion Factors for Company Reporting
- Norwegian Environment Agency (2024)
- Government Greenhouse Gas Conversion
- Factors for Company Reporting, Methodology Paper for Conversion factors

#### Scope 2 Emissions

#### CARBON EMISSIONS FROM PURCHASED ELECTRICITY

#### Electricity, electricity for charging

- vehicles, hydropower, solar electricity
- GHG (Location-based): IEA Emission Factors 2024, AIB (2024), Energy Statistics Data Browser
- Foreløbig national deklarering af 1 kWh el, 2022 (Energinet, 2023)
- Energiforetagen (2024)
- Taux d'émission de CO<sub>2</sub> associés aux approvisionnements en électricité d'Hydro-Québec 1990-2021, Hydro Quebec
- Avg energy consumption (Norsk elbilforening).

#### CARBON EMISSIONS FROM PURCHASED HEATING

#### District heating, District cooling, Heat Natural gas

- Energiforetagen (2024)
- Fjernkontrollen (2024)
- Finnish Energy (2024)
- Norsk Energi (2020)
- Kredsloeb (2024)
- Fjernvarme Miljoenetvaerk Hovedstaden (2024)
- Stadtwerke Karlsruhe (2024)
- Energetyka Cieplna W Liczbach (2022)
- Stadtwerke Kiel (2024)
- DEFRA (2024)

# Scope 3 Emissions

#### CARBON EMISSIONS FROM PURCHASED GOODS AND SERVICES & CAPITAL GOODS (CATEGORY 1 AND 2)

### Spend based, food and meals, metals,

## electronics and office equipment

- Agribalyse 3.1 (2022)
- RISE 2.2 (2023). The Open access list an extract from the RISE Food Climate Database v 2.2 (2023)
- DEFRA (2024)
- UK Government GHG Conversion Factors for Company Reporting
- Worldstainless (2024). CO2 Emissions report. Industry emissions and related data.
- Ecoinvent 3.11
- Dell OptiPlex 7780 All-in-one Desktop 27 (2020)
- · Based on Dell Latitude 7310 (2021)
- iPad Pro (11-inch), Environmental report (2021)
- Apple, Product Environmental Report, iPhone 15, 2023
- EPA (2024), v1.3
- Avg. EF of four models of diesel VW Golf cars (compact).

#### CARBON EMISSIONS FROM FUEL-AND-ENERGY-RELATED ACTIVITIES (CATEGORY 3)

#### Fuels and energy

- DEFRA (2024), UK Government GHG Conversion Factors for Company Reporting
- CO2-calculator, publised by Fjernkontrollen, 2024.
- Norwegian Environmental Agency (2024)
- IEA (2024), Emission Factors (weighted average 4 Nordic countries), AIB (2024), European Residual Mixes 2022 (weighted average 4 Nordic countries)IEA Emission Factors 2024, CO<sub>2</sub> per kWh electricity only (Total) plus CH4 and N2O (Total). Data for 2022. National electricity generation, combustion emissions only. GWP source: IPCC AR6. Weighted average based on electricity generation 2022 Sweden, Norway, Denmark, Finland.
- SE: Energiföretagen 2021, "Miljövärdering av fjärrvärme" (website)
- NO: SSB (energy mix) and emission factors from Norsk energi (2020).

# CARBON EMISSIONS FROM UPSTREAM

# TRANSPORTATION AND DISTRIBUTION (CATEGORY 4)

#### Goods transportation

- DEFRA (2024), UK Government GHG Conversion Factors for Company Reporting
- Carbon emissions from waste generated in own operations & end-of-life treatment of sold products (category 5 and 12)

## Waste fractions

- Ecoinvent 3.11
- DEFRA (2024), UK Government GHG Conversion Factors for Company Reporting
- EPA (2024)

90

#### CARBON EMISSIONS FROM BUSINESS TRAVEL & EMPLOYEE COMMUTING (CATEGORY 6 AND 7)

#### Travelling

- DEFRA (2024), UK Government GHG Conversion Factors for Company Reporting
- Calculated average for the four Nordic countries based on Rooms Footprint (MtCO2e) presented on hotelfootprints website.
- IEA (2024). Road Traffic Information Council (OFV). Skatteetaten and Norsk Elbilforening
- Semestern och klimatet, Metodrapport version 2.0
- Danmarks Statistik (2024)
- Ruter 2023 Miljorapportering and SL Hallbarhetsredovisning 2023
- Aars- og baerekraftsrapport 2023 for Vygruppen
- VR Group Annual Report 2023
- EPA (2024), Emission Factors for Greenhouse Gas Inventories

#### CARBON EMISSIONS FROM USE OF SOLD PRODUCTS (CATEGORY 11)

- Electricity consumed during use phase of sold products
- IEA (2024), Energy Statistics Data Browser
- DEFRA (2024), AIB (2024), IEA (2024), Energy Statistics Data Browser

#### CARBON EMISSIONS FROM INVESTMENTS (CATEGORY 15)

### Emissions from various investments

- Statens Vegvesen (2024), VegLCA v.5.14b, published 26.04.2024.
- Worldstainless (2024). CO2 Emissions report. Industry emissions and related data.
- IEA (2024), Emission Factors (weighted average 4 Nordic countries), AIB (2024), European Residual Mixes 2022 (weighted average 4 Nordic countries), 3) %RE based on IEA (2024)
- DEFRA (2024) and Norwegian Environmental Agency (2024)

# E5 Resource use and circular economy

Circularity is a new material topic for Arendals Fossekompani in 2024. Responsible use of natural resources enables us to mitigate our reliance on the planet's finite resources and supports long-term business resilience.

As an investment company, Arendals Fossekompani primarily works with circularity through our portfolio companies. The potential and actual impacts of manufacturing companies on this matter far exceed those of office-based companies. There is consequently a wide range of approaches to circularity within the Arendals Fossekompani Group.

#### SBM-3

# MATERIAL IMPACT

Resource inflows Material negative impact: Extraction of raw materials

The extraction of naturally occurring raw materials places a burden on the planet's finite resources. Some of our portfolio companies are engaged in manufacturing and construction activities, which consume raw materials. Our impact is built into the availability of renewable or secondary resources sourced by some of the companies in our portfolio especially, and grounded in their business models and strategies as production-oriented businesses.

In accordance with our strategy and policies, we are committed to ensuring the company's resilience for generations to come. This requires that we monitor and reduce this impact, and ensure that any potential risks and opportunities arising from it are managed. As we continue to refine the data quality that will inform our decision-making, effects are not yet felt, though parts of our value chain are expected to be affected by efforts to reduce this impact in the coming years, particularly in relation to procurement of materials supplied. Our business model and strategy are not expected to change, and our risk assessment on this topic found that they should be resilient in the face of the adjustments required. This was conducted as part of our DMA, using the same time horizons and methods.

#### Time horizon: Short term

Location in value chain: Upstream value chain, Own operations

#### E5-1

## POLICIES

Arendals Fossekompani ASA's Environmental Policy outlines our approach to circularity. Guided by the Paris Agreement and the UN's Sustainable Development

Goals, the policy sets resource efficiency and sustainability as key objectives, acknowledges our reliance on natural resources across our value chain, and anchors the aim to avoid and minimise our adverse impacts. Applied to circularity, the Policy's approach focuses on improving resource efficiency and sustainability throughout our value chain, including by investing in new technologies and innovations, as well as products that are eco-friendly, recyclable, recoverable and best-inclass in terms of environmental sustainability. As part of its commitments, the Policy mandates for Arendals Fossekompani ASA to strive to reduce and optimise our usage of natural resources in our own operations and in our value chain. It does not yet specify requirements on transitioning away from the use of virgin resources, relative increases in secondary resources, sustainable sourcing or the use of renewable resources.

Arendals Fossekompani ASA's Environmental Policy's scope, exclusions, approval level, principles, third party standards referenced, accessibility to stakeholders and implementation and review process are outlined under E1: Climate change.

Similarly, our portfolio companies' adoption of Environmental Policies equivalent to Arendals Fossekompani ASA's is outlined under E1: Climate change. ENRX's and Tekna's Environmental Policies address resource efficiency, and Tekna's also covers transitioning away from the use of virgin resources, with relative increases in secondary resources. NSSLGlobal's policy calls for sustainable sourcing and use of renewable resources. As of 2024, Volue, Alytic and AFK Eiendom's policies do not address resource use.

## E5-2

# ACTIONS

No actions are currently in place relating to resource inflows, as the Group's focus for 2025 is improving the quality of the data collected in order to set targets. Actions are then expected to enable us to meet these targets, once set.

# E5-3

#### TARGETS

We have not set specific targets for 2024 regarding the sourcing of sustainable resources because the identification of the material negative impact of our resource inflows is a recent development. For the first time, we have collected new data on the types, volumes, and characteristics of the resources required across our portfolio. This data is forming the foundation of a new area of work aimed at establishing a baseline for a future target on sustainable resource sourcing. We expect to have this baseline in place by the end of 2025, with the intention of setting a meaningful target in 2026.

# E5-4

# **RESOURCE INFLOWS**

Arendals Fossekompani measures resource inflows at the level of each portfolio company by identifying and estimating the weight of the materials required to manufacture or produce goods and services.

#### Weight of materials used during 2024, in tonnes

Overall total weight of all products and technical and biological m Absolute weight of secondary materials

Distribution of material sources in 2024, as a proportion of total Biological materials Secondary materials

In the absence of certifications or substantiated evidence otherwise, this chapter assumes the reliance on virgin resources. Our ambition is to improve the quality of this data in the coming years to strengthen our approach to circularity.

# Methodology notes

#### Definitions of terms

- The overall total weight of products and technical and biological materials used during the reporting period refers to the sum of the weight of all resources reported in 2024, also referred to as 'total weight'.
- Virgin materials are defined as materials not yet used in the economy, including both finite materials such as iron ore mined from the ground, and resources that can be renewable such as newly produced cotton. Secondary materials are understood to be equivalent to non-virgin materials, and refer to materials that have been previously used. These include materials in products that have been reused, refurbished or repaired, components that have been remanufactured, and materials that have been recycled.
- Biological materials are products and materials that flow through the biological cycle. In the biological cycle, processes - such as composting and anaerobic digestion - together help to regenerate natural capital. Biological materials are natural materials (common elements are carbon, hydrogen, and oxygen). The Ellen MacArthur Foundation's definition is used.

# Distribution of material sources as a proportion of total The proportion of each category of materials listed (biological and secondary) is calculated as the sum of the weight of all materials in that category over the total weight of all materials in 2024.

The materials in scope of our material impact are metals in various forms such as copper, steel, ferrites, titanium, aluminium, and tungsten, as well as the raw materials required for glass, gravel, concrete and fuels. The materials considered in the below table also include metals and materials required in the development of ICT hardware and software, including electricity and wiring.

naterials	16,628
	11
al	
	7%
	0.1%

#### Estimations and sources of uncertainty

- Virgin or secondary materials: where information was not available to determine the origin of the material, it was assumed to be virgin, such that the absolute weight of known secondary materials is fairly low in 2024.
- Arendals Fossekompani secured data from contractors or suppliers where possible, applying estimations thereafter based on standard dimensions or weights of materials used in construction or manufacturing, as applicable.
- For parts of the Group where IT equipment purchased in 2024 is not itemised, an assumption of the average number of IT equipment items required was calculated per employee, where every employee is expected to renew their IT equipment every 2.5 years. Assumptions on the metal and other material contents of each IT equipment item is based on standard contents of a laptop according to Circular Computing.

To avoid double counting resources, the availability of information on the origin of resources informed the approach in each site. The proportion of biological or secondary materials was estimated at the level of the precise resource contents where possible, or at the level of the system or material component, if not. Information was gathered at each site, where resource management systems or exact procurement data are not in place, such that estimations are as accurate as possible.

# **EU** Taxonomy

The EU Taxonomy aims to enhance sustainable investments and prevent greenwashing by establishing a common understanding of sustainable activities. Introduced in 2020, the EU Taxonomy Regulation (Regulation 2020/852) has expanded through various Delegated Acts, including the Climate Delegated Act and the Environmental Delegated Act. It outlines six environmental objectives:

- 1. Climate change mitigation
- 2. Climate change adaptation
- 3. The sustainable use and protection of water and marine resources
- 4. The transition to a circular economy
- 5. Pollution prevention and control
- 6. The protection and restoration of biodiversity and ecosystems

Objectives 3-6 were adopted in June 2023 via Commission Delegated Regulations (EU) 2023/2486 and (EU) 2023/2485, along with amendments to Regulations 1 and 2. In February 2024, Norway's Ministry of Finance required reporting on all six objectives for the 2024 financial year. Arendals Fossekompani already included objectives 3-6 in our 2023 reporting per the June 2023 regulations.

# **RESULTS AND INITIATIVES IN 2024**

Arendals Fossekompani's portfolio contributes to multiple environmental objectives, covering climate change mitigation, climate change adaptation, and transition

to a circular economy. Further, we recognise that one of Arendals Fossekompani's main contributions going forward may be through enabling others in the transition, through activities that have potential to be enabling.

Throughout 2024, Arendals Fossekompani has developed its reporting on the EU Taxonomy in line with the developments and new guidance from the European Commission regarding the EU Taxonomy Regulation. This has also led to strengthened understanding of the EU Taxonomy's definitions of the KPIs.

The key performance indicators (KPIs) show notable changes from 2023 to 2024. Aligned turnover decreased from 22.3% to 8.3%, while eligible turnover increased significantly from 37.6% to 51.5%. In capital expenditures, aligned CapEx fell from 16.6% to 0.9%, but eligible CapEx rose dramatically from 46.3% to 80.3%. For operational expenditures, aligned OpEx grew from 6.9% to 11.5%, and eligible OpEx surged from 10.4% to 69.1%. These shifts reflect an updated screening process of eligible activities and assessment of the technical screening criteria. This process is further elaborated below. Furthermore, Volue and Ampwell are not included in the 2024 report due to divestments.

The high percentage of eligible activities reflects the great potential in our portfolio companies. Our goal is to further increase both eligible and aligned reporting in the years to come. There is great diversity in our portfolio companies, resulting in eligible activities within a range of sectors and environmental objectives. In summary, the eligible and aligned economic activities of the portfolio companies are as following:

objective		nomic activity as ned in the EU Taxonomy	Transitional/ enabling	Aligned/ eligible, not aligned	Relevant companies
Climate	4.5	Electricity generation from hydropower		Aligned	AFK Vannkraft
change mitigation	3.6	Manufacture of other low carbon technologies	*	Aligned/Eligible, not aligned	Tekna, ENRX
	6.5	Transport by motorbikes, passenger cars and light commercial vehicles		Eligible, not aligned	AFK Vannkraft
	7.1	Construction of new buildings		Eligible, not aligned	AFK Property, ENR
	7.7	Acquisition and ownership of buildings		Eligible, not aligned	AFK Property, ENRX, NSSLGlobal
	8.2	Data-driven solutions for GHG emissions reductions	*	Eligible, not aligned	Alytic
	6.15	Infrastructure enabling low-carbon road transport and public transport	*	Eligible, not aligned	ENRX
	7.2	Renovation of existing buildings	**	Eligible, not aligned	AFK Vannkraft, ENI
	4.1	Electricity generation using solar photovoltaic technology		Eligible, not aligned	ENRX
	6.5	Transport by motorbikes, passenger cars and light commercial vehicles	**	Eligible, not aligned	ENRX, NSSLGlobal
	9.1	Close to market research, development and innovation	*	Eligible, not aligned	Alytic
	7.4	Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	*	Eligible	NSSLGlobal
Climate	7.2	Renovation of existing buildings		Not eligible	AFK Vannkraft, ENI
change adaptation					
adaptation	9.2	Close to market research, development and innovation	*	Eligible, not aligned	Alytic
<u> </u>	9.2 		*	Eligible, not aligned Not eligible	Alytic AFK Property, ENR
<u> </u>		development and innovation	*		-
<u> </u>	7.1	development and innovation Construction of new buildings	*	Not eligible	AFK Property, ENR
<u> </u>	7.1 4.5	development and innovation Construction of new buildings Electricity generation from hydropower <sup>1</sup>	*	Not eligible Not eligible	AFK Property, ENR AFK Vannkraft AFK Property,
<u> </u>	7.1 4.5 7.7 3.6	development and innovation Construction of new buildings Electricity generation from hydropower <sup>1</sup> Acquisition and ownership of buildings Manufacture of other	*	Not eligible Not eligible Not eligible	AFK Property, ENR AFK Vannkraft AFK Property, ENRX, NSSLGlobal
<u> </u>	7.1 4.5 7.7 3.6	development and innovation Construction of new buildings Electricity generation from hydropower <sup>1</sup> Acquisition and ownership of buildings Manufacture of other low carbon technologies Transport by motorbikes, passenger	*	Not eligible Not eligible Not eligible Not eligible	AFK Property, ENR AFK Vannkraft AFK Property, ENRX, NSSLGlobal ENRX, Tekna
<u> </u>	7.1 4.5 7.7 3.6 6.5	development and innovation Construction of new buildings Electricity generation from hydropower <sup>1</sup> Acquisition and ownership of buildings Manufacture of other low carbon technologies Transport by motorbikes, passenger cars and light commercial vehicles Electricity generation using	-	Not eligible Not eligible Not eligible Not eligible Not eligible	AFK Property, ENR AFK Vannkraft AFK Property, ENRX, NSSLGlobal ENRX, Tekna ENRX, NSSLGlobal
<u> </u>	7.1 4.5 7.7 3.6 6.5 4.1	development and innovation Construction of new buildings Electricity generation from hydropower <sup>1</sup> Acquisition and ownership of buildings Manufacture of other low carbon technologies Transport by motorbikes, passenger cars and light commercial vehicles Electricity generation using solar photovoltaic technology Installation, maintenance and repair of charging stations for electric vehicles in build	-	Not eligible	AFK Property, ENR AFK Vannkraft AFK Property, ENRX, NSSLGlobal ENRX, Tekna ENRX, NSSLGlobal ENRX
adaptation	7.1 4.5 7.7 3.6 6.5 4.1 7.4	development and innovation Construction of new buildings Electricity generation from hydropower <sup>1</sup> Acquisition and ownership of buildings Manufacture of other low carbon technologies Transport by motorbikes, passenger cars and light commercial vehicles Electricity generation using solar photovoltaic technology Installation, maintenance and repair of charging stations for electric vehicles in build ings (and parking spaces attached to building	-	Not eligible	AFK Property, ENR AFK Vannkraft AFK Property, ENRX, NSSLGlobal ENRX, Tekna ENRX, NSSLGlobal ENRX NSSLGlobal
adaptation Transition to a circular	7.1 4.5 7.7 3.6 6.5 4.1 7.4	development and innovation Construction of new buildings Electricity generation from hydropower <sup>1</sup> Acquisition and ownership of buildings Manufacture of other low carbon technologies Transport by motorbikes, passenger cars and light commercial vehicles Electricity generation using solar photovoltaic technology Installation, maintenance and repair of charging stations for electric vehicles in build ings (and parking spaces attached to buildings Construction of new buildings Product-as-a-service and other circular	-	Not eligible Eligible, not aligned	AFK Property, ENR AFK Vannkraft AFK Property, ENRX, NSSLGlobal ENRX, Tekna ENRX, NSSLGlobal ENRX NSSLGlobal AFK Property, ENR
adaptation Transition to a circular	7.1         4.5         7.7         3.6         6.5         4.1         7.4         3.1         5.5	development and innovation Construction of new buildings Electricity generation from hydropower <sup>1</sup> Acquisition and ownership of buildings Manufacture of other low carbon technologies Transport by motorbikes, passenger cars and light commercial vehicles Electricity generation using solar photovoltaic technology Installation, maintenance and repair of charging stations for electric vehicles in build ings (and parking spaces attached to buildings Product-as-a-service and other circular use-and result-oriented service models	-	Not eligible Eligible, not aligned Eligible, not aligned	AFK Property, ENR AFK Vannkraft AFK Property, ENRX, NSSLGlobal ENRX, Tekna ENRX, NSSLGlobal ENRX NSSLGlobal AFK Property, ENR ENRX
adaptation Transition to a circular	7.1 4.5 7.7 3.6 6.5 4.1 7.4 3.1 5.5 5.2	development and innovation Construction of new buildings Electricity generation from hydropower <sup>1</sup> Acquisition and ownership of buildings Manufacture of other low carbon technologies Transport by motorbikes, passenger cars and light commercial vehicles Electricity generation using solar photovoltaic technology Installation, maintenance and repair of charging stations for electric vehicles in buildings Construction of new buildings Product-as-a-service and other circular use-and result-oriented service models Sale of spare parts	- (S)	Not eligible Eligible, not aligned Eligible, not aligned	AFK Property, ENR AFK Vannkraft AFK Property, ENRX, NSSLGlobal ENRX, Tekna ENRX, NSSLGlobal ENRX NSSLGlobal AFK Property, ENR ENRX ENRX

- \* Activities that have the potential to be enabling, however are not classified as such since the technical screening criteria are not considered met.
- \*\* Activities that have the potential to be transitional, however are not classified as such since the technical screening criteria are not considered met.

# EU TAXONOMY ELIGIBILITY AND ALIGNMENT

Turnover <sup>1</sup>		CapEx <sup>2</sup>		OpEx <sup>3</sup>	
Aligned	8.3%	Aligned	0.9%	Aligned	11.5%
Eligible, not aligned	51.5%	Eligible, not aligned	80.3%	Eligible, not aligned	69.1%
Non-eligible	40.2%	Non-eligible	18.7%	Non-eligible	19.4%

1. Electricity generation from hydropower has been accounted for as a climate change mitigation (CCM) activity.

## **SCOPE**

Arendals Fossekompani's portfolio consists of six companies that are included in the 2024 EU Taxonomy report. Joint ventures and associated companies have been excluded, as they are not consolidated in the group's financial statements. There have been made some changes from last year's reporting. Commeo and Volue are not included in the 2024 report due to divestments, placing them outside the scope.

## PROCESS

The EU Taxonomy assessment has been conducted by each portfolio company, supported by a core team with representatives from Arendals Fossekompani. The process for assessing economic activities have been performed in accordance with the structure of the EU Taxonomy, starting with assessment of eligible activities before assessing compliance with the technical screening criteria for substantial contribution and do no significant harm ("DNSH"). There were made changes to the process from last year. For 2024, each portfolio company conducted minimum safeguards assessments based on its own policies and procedures. Eligible activities that meet the technical screening criteria for substantial contribution, DNSH and minimum safeguards are reported as aligned. Arendals Fossekompani reports the EU Taxonomy on an aggregate of portfolio companies. To ensure consistency in reporting and assessments of eligibility and alignment across the portfolio, the core Arendals Fossekompani team has established reporting routines and guidelines for assessments.

In 2024, we re-evaluated the eligible activities from the 2023 reporting period. This re-evaluation considered new acquisitions and activities, as well as the ongoing relevance of activities identified during last year's reporting. Eligibility was assessed by comparing the portfolio companies' business activities against the economic activities defined in the EU Taxonomy across all six environmental objectives. Relevant NACE codes and activity descriptions for each economic activity were identified and thoroughly examined. In 2023, NSSLGlobal reported on activity 14.1 Emergency services (CCA) and 5.5 Product-as-a-service and other circular use-and result-oriented service models (CE). Due to changes in their production and services delivered, these economic activities have been assessed to no longer be relevant for the company. Therefore, these activities are not a part of the 2024 reporting. In 2023, Tekna reported activity 3.6 Manufacture of other low carbon technologies for their production of additive powders as an aligned activity. After re-evaluating the documentation used for assessing the activity, it has been changed to eligible, not aligned for 2024's reporting. See activity assessment for further explanation.

Arendals Fossekompani has assessed potential eligibility of activities to all relevant environmental objectives, as required by the standard, where it was identified that several portfolio companies had activities under Climate Change Adaptation and one under Climate Change Mitigation that were assessed as not eligible. For activities potentially eligible under the Climate Change Adaptation objective, physical and non-physical adaptation solutions have not been implemented during the reporting period and the activities are therefore considered not eligible.

The alignment process involves evaluating the criteria for substantial contribution, do no significant harm (DNSH), and minimum safeguards. During the assessment of the technical screening criteria, we encountered challenges related to interpretations and best practices. Some of the criteria reference EU directives that may not be adopted or only partially implemented in national legislation where Arendals Fossekompani and its portfolio companies operate. In some cases, this has led to the absence of specific requirements and thresholds.

# **ASSESSMENTS**

List o	of abbrev	iations	

Abbreviation	Definition
ССМ	Climate change mitigation
CCA	Climate change adaptation
W&M	Sustainable use and protection of water and marine resources
CE	The transition to a circular economy
PP	Pollution prevention and control regarding use and presence of chemicals
B&E	Protection and restoration of biodiversity and ecosystems
DNSH	Do no significant harm

VAN		

Economic activity	Type of assessment	Interpretation and assessment
4.5 Electricity generation from hydro- power (CCM)	Eligibility	AFK Vannkraft operates the hydr and Flatenfoss, generating electr
	Substantial contribution	Both plants are run-of-river plant both hydropower plants meet the
	DNSH	CCAA Physical climate risk asses

to be finished in 2026.

must be fulfilled:

Conclusion lropower plants at Bøylefoss Aligned tricity from hydropower. nts and do not have artificial reservoirs. As such, he substantial contribution criteria listed in letter a). essment has been conducted across Arendals Fossekompai's value chain in accordance with the requirements in Appendix A. The assessment was performed in 2024, and the physical risks listed in appendix A were analyzed at economic activity level. The analysis found that both the portfolio company's value chain and own assets were exposed to both acute and chronical climate hazards. For Bøylefoss, the major physical risks identified are drought and flooding, while for Flatenfoss, flooding and precipitation are the primary risks. Adaptation solutions for the identified physical climate risks have been assessed. For Bøylefoss, investigations are underway to strengthen the dam to withstand larger floods and updated flood values as per NVE's requirements. The measures will be implemented in 2028-2029. For Flatenfoss, a technical plan has been developed to upgrade Flatenfoss Dam to better withstand climate change and increased flooding. The flood control channel is scheduled for completion in 2025, with the remainder of the dam expected W&M: To comply with the DNSH criteria to water and marine resources two criteria Compliance with the Water Framework Directive (2000/60/EC), as well as an environmental objective set to "good environmental status" or "good ecological potential" Implementation of all relevant measures to achieve the environmental objective, as laid out and monitored through the relevant license. The Water Framework Directive is implemented through "Vannforskriften" in Norway. Both hydropower plants are subject to the regulations governing the upstream Nelaug Dam, which is licensed and subject to reginal water management. Bøylefoss and Flatenfoss are run-of-river plants in a fully regulated watercourse. According to Agder's regional water management plan, the water bodies' objectives are set to achieve "good ecological potential" by 2027. AFK Vannkraft are dependent on measures taken downstream of Bøylefoss for anadromous fish to be able to migrate upstream for Bøylefoss and Flatenfoss, Until such measures are implemented downstream, AFK Vannkraft are only imposed a yearly duty to investigate whether measures are taken downstream. This is done regularly and we assess that AFK Vannkraft has conducted all relevant measures required to comply with the criteria. B&E: Environmental impact assessments are carried out on an annual basis for both plants in relation to concession and permit. Mitigation measures are implemented within the time constraints of the concession/permit. None of the plants are in or near biodiversity-sensitive areas. However, measures have been taken to accommodate eels, should it return to the waterways. Measures are also in place to support salmon spawning downstream at Bøylefoss. As such, the criteria listed in appendix D are considered met. activity 4.5 contributing to CCM above. Additionally, Fligible. ducted in line with Appendix A, and an expenditure not aligned nt adaptation solutions to reduce the activity's most

4.5 Electricity generation from hydro- power (CCM)	Eligibility	See description of the activity in a a climate risk assessment is cond plan has been set up to implement significant physical climate risks.
	Substantial contribution	The physical and non-physical so the climate risk assessment have the criteria for substantial contrib
	DNSH	The criteria for DNSH have not be

4.5

FINANCIAI SIGNATURES

olutions that have been identified during e not yet been implemented and therefore bution is considered not met.

een assessed as the economic activity does not comply with the substantial contribution criteria.

6.5 Transport by motorbikes, passenger cars and light commercial vehicles (CCM)	Eligibility	Two new operational vehicles were purchased for Bøylefoss in 2024.	Eligible, not aligned
	Substantial contribution	The two new vehicles for Bøylefoss are not low- or zero-emissions light-duty vehicles and are therefore the criteria for substantial contribution is considered not met.	_
	DNSH	The criteria for DNSH have not been assessed as the economic activity does not comply with the substantial contribution criteria.	
7.2 Renovation of existing buildings (CCA)	Eligibility	AFK Vannkraft is conducting a façade rehabilitation at the Bøylefoss power plant. A physical climate risk assessment has been conducted across in accordance with the requirements in Appendix A. The assessment was performed in 2024, and the physical risks listed in Appendix A were analysed at the economic activity level. The façade rehabilitation has implemented physical and non-physical adaptation solutions that substantially reduce the most important physical climate risks material to the activity. The material climate risks are identified based on the list set out in Appendix A. The activity is therefore assessed as eligible.	Eligible, not aligned
	Substantial contribution	In 2024, the paint was replaced on the exterior of the buildings to ensure better adhe- sion and crack sealing. Silicate paint is now used: it is unorganic, does not emit volatile gases, and is ideal for indoor climates but only suitable for clean masonry or plaster. It requires special protection during application due to its basic nature. This paint does not comply with the criteria for substantial contribution.	_
	DNSH	The criteria for DNSH have not been assessed as the economic activity does not comply with the substantial contribution criteria.	_
7.2 Renovation of existing buildings (CCM)	Eligibility	AFK Vannkraft is conducting a façade rehabilitation at the Bøylefoss power plant that will, over the next year, encompass 100% of the exterior walls and windows. In 2024, 60% of the building has been rehabilitated, and everything has been reused.	Eligible, not aligned
	Substantial contribution	The renovation work complies with the definition for 'major renovations' of buildings from Directive 2010/31/EU, as more than 25% of the surface of the building envelope underwent renovation in 2024. Since the building is considered to be a cultural heri- tage and protected building, there are restrictions on which measures AFK Vannkraft can implement, affecting the potential for increasing the energy performance. Due to these limitations, AFK Vannkraft has not assessed the renovation as compliant with the substantial contribution requirement.	_
	DNSH	The criteria for DNSH have not been assessed as the economic activity does not comply with the substantial contribution criteria.	-
3.2 Renovation	Eligibility	See eligibility description from activity 7.2 contributing to CCA above.	Eligible, not aligned
of existing buildings (CE)	Substantial contribution	The life-cycle global warming potential (GWP) has not been calculated, and the activity does therefore not fulfill the criteria for substantial contribution.	_
(CE)	DNSH	The criteria for DNSH have not been assessed because the economic activity does not comply with the substantial contribution criteria. The activity therefore reported as eligible, not aligned.	_

# **K** Property

Economic activity	Type of assessment	Interpretation and assessment	Conclusion
7.1 Construction of new buildings (CCM)	Eligibility	AFK Eiendom is developing the Bryggebyen residential project, financing and executing it for future sale. They are also developing an annex to a commercial building at Bølevegen 4, financing and executing it. Additionally, AFK Elendom is devel- oping a new commercial building for Kitron's headquarters and production facilities.	Eligible, not aligned
	Substantial contribution	The calculated Primary Energy Demand (PED) of the buildings are not 10% lower than the defined threshold for nearly zero-energy building (NZEB) requirements, and the substantial contribution criteria is not considered met. Additional requirements related to airtightness and thermal integrity have not been calculated, and the activity does therefore not fulfill the criteria for substantial contribution.	_
	DNSH	Since the economic activity does not fulfill the criteria for substantial contribution, a complete assessment of the DNSH criteria has not yet been carried out.	_

7.1 Construction of new buildings (CCA)	Eligibility	See description of activity 7.1 regarding CCM above. A climate risk assessment has been carried out and an expenditure plan for adaptation solutions is implemented for Bryggebyen and Bølevegen 4, in accordance with Appendix A. As a result, Bryggebyen, Bølevegen 4 and Kitron's headquarters are considered eligible under climate change adaptation.	Eligible, not aligned
	Substantial contribution	The implemented adaptation solutions do not meet the criteria for not adversely affecting the adaptation efforts or the level of resilience to physical climate risks of other people, nature, cultural heritage, assets, and other economic activities. As a result of this, the substantial contribution criteria are considered not met.	
	DNSH	The criteria for DNSH have not been assessed as the economic activity does not comply with the substantial contribution criteria.	
3.1 Construction	Eligibility	See eligibility description from activity 7.1 regarding CCM above.	Eligible, not aligned
of new buildings (CE)	Substantial contribution	The life-cycle global warming potential (GWP) has not been calculated, and the activity does therefore not fulfill the criteria for substantial contribution.	
(OL)	DNSH	Since the economic activity does not fulfill the criteria for substantial contribution, a complete assessment of the DNSH criteria has not yet been carried out.	
7.7 Acquisition and ownership of buildings (CCM)	Eligibility	AFK Elendom owns several properties and exercises ownership of these real estates. This includes the properties at Steinodden, Bedriftsveien 17, Gullknapp, Bølevegen 4, and Bryggebyen Vindholmen.	Eligible, not aligned
	Substantial contribution	None of the buildings have an Energy Performance Certificate (EPC) class A, nor are any of them within the 15% of the national or regional building stock expressed as operational Primary Energy Demand (PED) and the substantial contribution criteria are not considered to be met.	
	DNSH	Since the economic activity does not fulfill the criteria for substantial contribution, a complete assessment of the DNSH criteria has not yet been carried out.	

# alytic

Economic activity	Type of assessment	Interpretation and assessment	Conclusion
9.2 Close to market research, development and innovation (CCA)	Eligibility	Edge by Kontali provides a collection of seafood data, giving users access to world-leading data insights with millions of data points 24/7. The platform covers a large variety of seafood species and industries, closely following value chains end to end and covering global trends with detailed in-depth analyses and research. Kontali delivers reports to decision-makers worldwide, both in the private and public sectors.	Eligible, not aligned
	Substantial contribution	The activity does not meet the adaptation criteria or the use of best available science and does therefore not fulfill the criteria for substantial contribution. As a result, the activity is reported as eligible, not aligned.	
	DNSH	Since the economic activity does not fulfill the criteria for substantial contribution, a complete assessment of the DNSH criteria has not yet been carried out.	_
8.2 Data-driven solutions for GHG emissions reductions (CCM)	Eligibility	Veyt is the global insights business for all significant low carbon markets and renew- able energy. Veyt's platform offers independent and neutral market intelligence, cov- ering green certificates for power and gas and carbon markets. The aim is to simplify these complex markets to make informed decisions and positively contribute to the global net-zero transformation, supporting firms by providing price benchmarking, insights and analytics. As such, the activity is predominantly aimed at the provision of data and analytics enabling GHG emission reductions.	Eligible, not aligned
	Substantial contribution	Veyt's solution substantially contributes to GHG emission reductions by enabling the energy market to efficiently source renewable energy as the only source of their energy consumption. The documentation requirement regarding life-cycle GHG emissions calculation has not been fulfilled, hence the substantial contribution criteria is considered not met.	_
	DNSH	Since the activity does not meet the substantial contribution criteria, a complete assessment of the DNSH criteria has not been carried out. It is therefore reported as eligible, not aligned.	_

E	Ν	R	X	
_				

Economic activity	Type of assessment	Interpretation and assessment	Conclusion
3.6 Manufacture of other	Eligibility	Manufacturing of induction power generators for a wide range of applications includ- ing brazing, welding and bonding. The activity enables customers to lower own emis- sions in production processes and enable manufacturing of low carbon technologies.	Eligible, not aligned
low carbon technologies (CCM)	Substantial contribution	The purpose of the applications is to strengthen the material structure, durability, and lifetime of metal components, all with high accuracy and repeatability, and replacing alternative technologies with traditional methods such as manual work with flame and gas. As of today, the criteria are not yet fulfilled, as no documentation on the life-cycle GHG emissions savings are available at this point. However, the assumption is that induction is the economically best solution for several applications available on the market.	-
	DNSH	Since the economic activity does not fulfill the criteria for substantial contribution, a complete assessment of the DNSH criteria has not yet been carried out.	_
6.15 Infrastructure enabling low-carbon road transport	Eligibility	Manufacturing of wireless charging systems for electric-driven buses, heavy-duty vehicles, and ferries for public transportation. Wireless charging based on inductive power transfer offers a higher utilisation of the available charging time, increased safety, and unprecedented system reliability. ENRX's charging solutions may result in less maintenance and no cabling requirements.	Eligible, not aligned
and public transport (CCM)	Substantial contribution	The wireless charging systems for buses, heavy-duty industrial vehicles and public ferries are used as electric charging points for zero tailpipe emissions. In addition, the wireless charging systems for heavy duty industrial vehicles are not dedicated to the transport of fossil fuels. Therefore, the criteria for substantial contribution are considered met.	
	DNSH	As the economic activity does not meet the DNSH criteria for all environmental objectives, a comprehensive evaluation of the DNSH criteria has not been conducted at this time.	_
5.2 Sale of spare parts (CE)	Eligibility	Sale of spare parts to support lifetime extensions of ENRX's systems. In addition to Eligon refurbishing and upgrading existing installations, spare parts are sold to exceed the baseline by up to 25 years.	
	Substantial contribution	The activity does not fulfill the criteria for packaging and does therefore not meet the substantial contribution criteria.	_
	DNSH	Since the activity does not meet the substantial contribution criteria, a complete assessment of the DNSH criteria has not been carried out. It is therefore not reported as aligned.	_
7.6 Installation,	Eligibility	A photovoltaic facility has been installed on the building of the site in Przyszowice. This generates the electricity for the building.	Eligible, not aligned
maintenance and repair of renewable	Substantial contribution	The activity involves installation, maintenance and repair of solar photovoltaic systems and the ancillary technical equipment, and therefore meets the substantial contribution criteria.	_
energy technologies (CCM)	DNSH	A climate risk and vulnerability assessment of the most important physical climate risks has been performed. However, there is no plan in place that specifies how and when adaptation solutions will be implemented to mitigate these risks. Therefore, this activity is assessed as not aligned.	_
6.5 Transport by motorbikes, passenger	Eligibility	Some subsidiaries in ENRX own or lease cars, buses or vans and utilise them to transport small goods or passengers.	Eligible, not aligned
	Substantial contribution	The activity does not meet the criteria for low- and zero-emission vehicles and does therefore not meet the substantial contribution criteria.	-
cars and light commercial vehicles (CCM)	DNSH	Since the activity does not meet the substantial contribution criteria, a complete assessment of the DNSH criteria has not been carried out. It is therefore not reported as aligned.	_

5.5 Product-as- a-service and	Eligibility	ENRX offers some products for rent, allowing customers to utilise them for a limited time without the need for a one-time purchase. This activity also comes with operational support if requested by the customer.	Eligible, not aligned
other circu- lar use-and result-oriented service models	Substantial contribution	The activity meets the criteria regarding terms and conditions for use and lifespan and intensity. However, the activity falls short in meeting the criteria for packaging. Therefore, the substantial contribution criteria are not met.	_
(CE)	DNSH	Since the activity does not meet the substantial contribution criteria, a complete assessment of the DNSH criteria has not been carried out. It is therefore not reported as aligned.	
5.1 Repair, refurbishment	Eligibility ENRX repairs products and parts of products for customers as well refurbishing machines delivered, both electrically and mechanically to extend lifetime and/or repurpose usage.		Eligible, not aligned
and remanu- facturing (CE)	Substantial contribution	The repair or refurbishment of products for our customers is aimed at lifetime exten- sion and/or repurposing. However, the activity does not meet the criteria for a waste management plan. Therefore, the substantial contribution criteria are not met.	_
	DNSH	Since the activity does not meet the substantial contribution criteria, a complete assessment of the DNSH criteria has not been carried out. It is therefore not reported as aligned.	
7.1 Construction of	Eligibility	AFK Eiendom is constructing an annex to the existing office building at Bolevegen 4, which is being leased by ENRX. ENRX has operational expenditures related to the annex.	Eligible, not aligned
new buildings (CCM)	Substantial contribution	See assessment provided for activity 7.1 Construction of new buildings in the section for AFK Eiendom.	
3.1	Eligibility	See activity description of activity 7.1 regarding CCM above.	Eligible,
Construction of new buildings (CE)	Substantial contribution	AFK Eiendom is engaged in the construction. See the assessment provided for activity 7.1 Construction of new buildings in the section for AFK Eiendom.	not aligned
7.2 Renovation	Eligibility		
of existing buildings (CCM)	Substantial contribution		
	DNSH	Since the activity does not meet the substantial contribution criteria, a complete assessment of the DNSH criteria has not been carried out. It is therefore not reported as aligned.	_
3.2	Eligibility	See description of the activity under 7.2 CCM.	Eligible,
Renovation of existing buildings	Substantial contribution	The global warming potential has not been calculated, and the activity does therefore not meet the substantial contribution criteria.	-not aligned
(CE)	DNSH	Since the activity does not meet the substantial contribution criteria, a complete assessment of the DNSH criteria has not been carried out. It is therefore not reported as aligned.	
7.7 Acquisition and ownership of buildings (CCM)	Eligibility	ENRX leases Bølevegen 4, consisting of offices, production facility and storage space. The property is formally owned by AFK Eiendom but is leased through a bare-house agreement where ENRX is responsible for maintenance and repair and risks related to the building. ENRX is considered eligible as a right-of-use asset is recognised in the balance sheet in accordance with IFRS 16.	Eligible, not aligned
		ENRX also owns the property and building of its site in India, Bengaluru and in Przyszowice, Poland.	_
	Substantial contribution	AFK Eiendom have performed the alignment assessment for Bølevegen 4 as they are the legal owners of the property. See assessment provided for activity 7.7 Acquisition and ownership of buildings in the section for AFK Eiendom.	
		The buildings in Bengaluru and Przyszowice do not meet the requirements regarding energy performance certificate or primary energy demand. Therefore, the activity does not meet the substantial contribution criteria.	
	DNSH	AFK Eiendom have performed the alignment assessment for Bølevegen 4 as they are the legal owners of the property. See assessment provided for activity 7.7 Acquisition and ownership of buildings in the section for AFK Eiendom.	_
		There has not been performed an assessment according to Appendix A for the build- ing in Bengaluru or Przyszowice, and the DNSH criteria are therefore not fulfilled. As a result the activity is reported as not aligned	

result, the activity is reported as not aligned.

# **NSSL**Global

Economic activity	Type of assessment	Interpretation and assessment	Conclusion
7.7 Acquisition and ownership	Eligibility	lity NSSLGlobal leases their headquarters building in Redhill. The lease was renewed during the summer of 2024. NSSLGlobal is considered eligible as a right-of-use asset is recognised in the balance sheet in accordance with IFRS 16.	
of buildings (CCM)	Substantial contribution	The building does not have an EPC class A, nor is it within the 15% of the national or regional building stock expressed as operational Primary Energy Demand (PED). Therefore, the substantial contribution criteria are not considered met.	
	DNSH	<b>CCA:</b> A Physical climate risk assessment has been conducted in accordance with the requirements in Appendix A. The assessment was performed in 2024, and the physical risks listed in Appendix A were analysed at the economic activity level. Since the economic activity does not fulfill the criteria for substantial contribution, the activity will not be able to be aligned, even if the DNSH criteria are fulfilled.	_
7.4 Installation,	Eligibility	NSSLGlobal have electric vehicle (EV) charging points fitted at three locations for use by staff and visitors.	Eligible, not aligned
maintenance and repair of charging sta-	Substantial contribution	For the EV charging points at three locations operated by NSSLGlobal, this entails installation, maintenance or repair of charging stations.	_
tions for elec- tric vehicles in buildings (and parking spaces attached to buildings) (CCM)	DNSH	<b>CCA:</b> A climate risk and vulnerability assessment of the most important physical climate risks has been performed. However, there is no plan in place that specifies how and when adaptation solutions will be implemented to mitigate these risks. Therefore, this activity is assessed as not aligned.	-
6.5 Transport by	Eligibility	Eligibility NSSLGlobal own six small to medium work vans. The vans were purchased in 2023 or earlier, but annual maintenance on the vehicles have been conducted.	
motorbikes, passenger cars and light commercial	Substantial contribution	For their EVs, only the substantial contribution criteria are fulfilled, as the specific emissions of $CO_2$ are lower than $50gCO_2/km$ . As a result, the EVs are compliant with the substantial contribution criteria and will be further assessed for DNSH.	_
vehicles (CCM)		For their non-electric vehicles, the substantial contribution criteria are considered not compliant and there will not be performed assessment of DNSH for these vehicles.	
	DNSH	<b>CCA:</b> A physical climate risk assessment has been conducted in accordance with the requirements in Appendix A. The assessment was performed in 2024, and the physical risks listed in Appendix A were analysed at the economic activity level.	_
		<b>CE:</b> For their EVs, the vehicles are reusable or recyclable to a minimum of 85% by weight. There are measures in place to manage waste in the end-of-life of the fleet and for the reuse and recycling of batteries and electronics, which are outsourced to certified car maintenance contractor who comply with UK law. However, the vehicles are not of categories M1 and N1 and are therefore not compliant with the DNSH criteria under Circular Economy. As a result, the economic activity is assessed to be eligible, not aligned.	
		<b>P&amp;C:</b> The EVs comply with the most recent applicable stage of the Euro 6 light-duty emission type-approval set out in Regulation No. 715/2007.	
4.1 Provision of IT/OT data-driven solutions CE)	Eligibility	Eligibility NSSLGlobal installs, deploys, maintains, repairs and provides support for operational NAVCOM and SATCOM equipment.	
	Substantial contribution	The IT/OT data-driven solutions do not include sensors, data collection and communications equipment, data repository or software. Therefore, the substantial contribution criteria are not fulfilled.	
	DNSH	Since the activity does not meet the substantial contribution criteria, a complete assessment of the DNSH criteria has not been carried out. It is therefore not reported as aligned.	_

# 

Economic activity	Type of assessment	Interpretation and assessment
3.6 Manufacture of other low carbon tech- nologies (CCM)	Eligibility	Production of additive material p to create and sell spherical power Molding, and Binder Jetting. The (argon and a secondary gas like h are critical for GHG emissions. Th along the value chain, thereby re- turing, warehousing, transportat
	Substantial contribution	Additive Manufacturing (AM) car traditional manufacturing metho materials, manufacturing, wareh
		Materials: AM uses only the nece For example, Airbus reports a fly- a ratio closer to 1, especially with
		Manufacturing: AM allows for th parts compared to their tradition and emissions, particularly for sn
		Warehousing: On-demand produspace and the associated energy ering the carbon footprint of logisemissions.
		Transportation: Localised produ tance transportation, significant accounts for over 23% of global (
		Laser powder bed fusion, metal in and direct energy deposition are These AM technologies are cons
		AM also enables the production of the buy-to-fly ratio by over 75% a zation.
		Currently, Tekna does not have a Therefore, the additive powders stantial contribution requiremen
	DNSH	CCA: A physical climate risk asse requirements in Appendix A. The risks listed in Appendix A were ar
		W&M: A water impact assessme is filtered before returning to the Tekna Plasma Systems Inc's pow Sherbrooke's wastewater standa
		CE: Tekna evaluates availability a materials, designing for durability managing waste and traceability particularly aluminium alloys, hav cled materials. Tekna's next step ensure it meets client standards.
		<b>P&amp;C:</b> An assessment per Append in Tekna's operations comply wit and banned substances and veri ing manager.
		<b>B&amp;E:</b> An assessment has been coment shows that none of Tekna's areas.

owders involves using proprietary plasma processes	
ers for Additive Manufacturing, Metal Injection	
systems only release the powder and plasma gases	
elium, nitrogen, hydrogen, or oxygen), none of which	
ese powders aim to enhance resource efficiency	
ducing GHG emissions related to materials, manufac-	
on, and product use.	
	-

an significantly reduce GHG emissions compared to nods by cutting carbon emissions in four key areas: housing, and transportation.

cessary material, generating minimal scrap. y-to-buy ratio of 10:1, while AM can achieve n recyclable unused powder.

he design of lighter, stronger, and more efficient onal counterparts, leading to reduced fuel consumption small production runs and custom parts.

duction with 3D printing reduces the need for storage gy for temperature, humidity, and lighting control, lowgistics, which accounts for 5.5% to 13% of global GHG

uction with 3D printers reduces the need for long-distly impacting GHG emissions, as the transport sector ICO, emissions.

injection molding, electron-beam powder bed fusion e considered as equivalent in terms of GHG footprint. sidered as the counterpart of conventional machining.

of parts that conventional machining cannot, reducing and part weight by another 65% with design optimi-

a life-cycle GHG emission savings analysis available. s segment is not considered compliant with the subnt.

sessment has been conducted in accordance with the e assessment was performed in 2024, and the physical analysed at the economic activity level.

ent, conducted per Appendix B, ensures that water e sewers. Annual quality checks on wastewater from wder production facilities confirm compliance with dards.

and employs techniques for reusing secondary raw ity, recyclability, disassembly, and adaptability, and ty of substances throughout product lifecycles. Metals, ave high recyclability, with ingots containing 6% recyp is to conduct quality tests on recycled feedstock to

ndix C confirms that all substances and chemicals used ith regulations. Tekna has compiled a list of controlled rified compliance with the laboratory team and build-

conducted in accordance with Appendix D. This assess-'s operation sites are in or near biodiversity-sensitive

Conclusion

Eligible, not aligned

savings compared to flight testing. However, the substantial contribution criteria are

not considered met due to the lack of third-party verified documentation demonstrat-

ing life-cycle GHG emission savings.

3.6 Manufacture of other low	Eligibility	systems and auxiliary equipment like power feeders, probes, and powder washing sys- tems. These turnkey systems develop new materials and optimise material character-	Eligible, not aligned		DNSH	requirements in Appendix A. The a	sment has been conducted in accordance with the assessment was performed in 2024, and the physical alysed at the economic activity level.	
carbon tech- nologies (CCM)		istics (spheroidisation) without releasing harmful constituents. Only the material and plasma gases (argon and a secondary gas like helium, nitrogen, hydrogen, or oxygen) are released, which are not critical for GHG emissions. This method is more efficient than alternative chemical processes that generate byproducts, aiming to improve the efficiency of the finished product.				is filtered before returning to the s	t, conducted per Appendix B, ensures that water sewers. Annual quality checks on wastewater from der production facilities confirm compliance with ds.	
	Substantial contribution	Induction plasma units sold to customers are designed for nano powder synthesis or powder spheroidisation and come in various power levels based on throughput needs. These systems only release the powder and plasma gases (argon and a secondary gas	-			bility, recyclability, disassembly, ar stances throughout product lifecy	eusing secondary raw materials, designing for dura- nd adaptability, managing waste, and tracing sub- rcles. PlasmaSonic wind tunnels, with an expected re than 90% recyclable components.	
		like helium, nitrogen, hydrogen, or oxygen), none of which are critical for GHG emis- sions. As an electricity-intensive technology, the energy mix used significantly impacts the carbon footprint, although the technology itself is clean. No other technologies on the market can perform the same functions as induction plasma for these applica- tions, as confirmed by tender calls where Tekna faces no competing technologies, only				in Tekna's operations comply with and banned substances and verificing manager.	x C confirms that all substances and chemicals used regulations. Tekna has compiled a list of controlled ed compliance with the laboratory team and build-	
		similar induction plasma solutions. Currently, Tekna does not have a life-cycle GHG emission savings analysis available. Therefore, the plasma systems segment is not considered compliant with the sub-				ment shows that none of Tekna's c areas.	nducted in accordance with Appendix D. This assess- operation sites are in or near biodiversity-sensitive	
	DNSH	stantial contribution requirement. Since the economic activity does not fulfill the criteria for substantial contribution, a complete assessment of the DNSH criteria has not been carried out.	-	3.6 Manufacture of other low carbon tech-	Eligibility	Capacitors (MLCC), Tekna uses pro nano-sized metal powders for MLC		Eligible, not aligned
3.6 Manufacture of other	Eligibility	sells wind tunnels that simulate hypersonic conditions for scientific research, such as space tourism and hypersonic flight. These wind tunnels allow for material testing in a	Eligible, not aligned	nologies (CCM)	)	or oxygen), none of which are critic	cal for GHG emissions. Tekna's nano-sized materials zing of electrical components, thereby contributing	
low carbon technologies (CCM)		controlled environment, significantly reducing emissions compared to space testing by avoiding fuel combustion and atmospheric contamination (metal particles creating a greenhouse effect).			Substantial contribution		for life-cycle GHG emissions calculation has not antial contribution criteria are considered not met.	
	Substantial contribution	Ground testing facilities, combined with computational models, simulate space re-entry conditions to develop heat shields from specialised materials. Various ground testing technologies exist with specific operational ranges (temperature, velocity, heat flux, test duration, gas composition, etc.), making GHG emissions comparisons diffi- cult. Flight testing, involving launching sounding rockets at high altitudes or into space,	-		DNSH		not fulfill the criteria for substantial contribution, SH criteria has not been carried out.	
		is the counterpart of Tekna's PlasmaSonic technology in terms of GHG emissions for developing supersonic vehicles.		MINIMUM S			We are unaware of any such breaches and hav faced court convictions or allegations from th	
		Flight testing involve launching sounding rockets at very high altitude or even in space. While data on large rockets emissions are available, sounding rockets are niche and very little has been published. Depending on the fuel used, combustion by-products like CO <sub>a</sub> , soot, NOx and water vapour are generated in various concentrations, along		18 of the EU Ta	axonomy regu	ements are defined in article ulation, according to which an nt procedures to ensure the	National Contact Points or the Business and H Rights Resource Center. Our assessment indic the Group Compliance Handbook and policies	Human cates that s meet min-
		with unburnt fuel expelled. The fact that important amounts of combustion by-prod- ucts are released in a short period of time and in a concentrated area up to >15km altitude (in opposition with commercial aircraft flying for thousands of kilometres at <10km altitude) can severely impact wetlands and habitat nearby launching pads.		Enterprises	s ("OECD Guic	r Multinational delines") es on Business and	imum social safeguards, establishing adequa rights due diligence processes as per UNGPs Guidelines. Therefore, we believe all of the por panies within Arendal Fossekompani Group at	and OECD rtfolio com-
		Furthermore, spaceflight is the only direct human cause of pollution above about 20km altitude. Scientists recently found the stratosphere is peppered with particles containing metals vaporised from the re-entry of satellites and rocket boosters. Also, water vapour released in the stratosphere can act as a greenhouse gas while black soot particles can linger for years, acting like an umbrella, absorbing solar radiation.		and rights convention	set out in the is identified in	including the principles eight fundamental n the Declaration of r Organisation on	ant with the requirements for minimum safeg The Compliance Handbook mandates compa risk assessments on Responsible Business Co	guards. any-wide
		PlasmaSonic wind tunnels are believed to provide substantial life-cycle GHG emission savings compared to flight testing. However, the substantial contribution criteria are				and Rights at Work	addressing social matters, human rights, anti erv. tax. consumer rights, and competition. Ar	

• The International Bill of Human Rights

The minimum safeguards establish social and governance criteria to ensure that environmentally beneficial activities do not negatively impact broader objectives. Key factors considered in these safeguards include human rights (including labour rights), tax compliance, anti-bribery and corruption measures, and fair business practices. As previously mentioned, the assessment of minimum safeguards was performed by each portfolio company.

Significant breaches of business conduct principles must be reported to Arendals Fossekompani.

ng so ngr ery, tax, consumer rights, and competition. Arendals Fossekompani's policies are accessible to employees and stakeholders, with onboarding training and whistleblowing channels. Companies under the Transparency Act must also conduct risk assessments and report on adverse impacts.

AFK Vannkraft and AFK Eiendom jointly assessed compliance with minimum safeguards, incorporating OECD Guidelines and Due Diligence Guidance into the Group's Compliance Handbook. Their policies, including the Code of Conduct and Business Partner Code of Conduct, affirm commitment to internationally recognised human rights.

Alytic's activities comply with minimum safeguards, adhering to human rights requirements and maintaining a zero-tolerance policy for corruption, with no reported cases in 2024. Alytic commits to fair competition and compliance with competition laws. ENRX also meets minimum safeguards, complying with human rights standards and anti-corruption laws, with no reported corruption cases in 2024. The company ensures adherence to competition laws and tax regulations.

NSSLGlobal aligns with minimum safeguards, enforcing a zero-tolerance policy towards corruption and ensuring compliance with human rights and competition laws, with no reported incidents in 2024.

Tekna's activities adhere to minimum safeguards, respecting human rights and maintaining a zero-tolerance policy for corruption, with no known cases in 2024. The company is committed to fair competition and has not faced significant disputes related to competition law.

# ACCOUNTING POLICIES AND CONTEXTUAL INFORMATION ABOUT THE KPIS

Our accounting methodology for calculating and determining the key performance indicators (KPIs) disclosed under the EU Taxonomy Regulation adheres to the requirements set forth in the EU Commission Delegated Regulation 2178/2021. In compliance with this regulation, Arendals Fossekompani reports on turnover, CapEx, and OpEx for both aligned and eligible, but not aligned, economic activities.

Throughout 2024, Arendals Fossekompani developed and refined its methodology for calculating KPIs in accordance with the latest developments and guidance from the European Commission regarding the EU Taxonomy Regulation. The approaches and methodologies used for KPI calculations have been adjusted to ensure accurate reporting across all six environmental objectives. We will continue to refine our approach to facilitate assurance for the next year. In addition, Ampwell and Volue are not included in the 2024 report due to divestments. As a result of the changes to scope and methodologies, the reported EU Taxonomy KPIs from 2023 are not comparable to the 2024 results.

Intercompany transactions have been eliminated in the KPIs. Further, joint ventures and associated companies are not included in KPIs, as they are not consolidated in the group's financial statements.

#### Double counting

To ensure compliance with the EU Taxonomy Regulation, we have implemented preventive measures to avoid any dual allocation of the numerator for turnover, CapEx, and OpEx, thereby preventing double counting. Where applicable, companies within the Group have utilised allocation keys based on available data to calculate KPIs, including turnover, CapEx, and OpEx. In some cases, non-financial metrics have been used as the basis for the allocation key. However, when such metrics are unavailable, financial metrics (revenue-based) have been employed.

Throughout 2024, Arendals Fossekompani has not issued new green bonds nor distributed previously issued green bonds for the purpose of financing Taxonomy-aligned economic activities. Therefore, Arendals Fossekompani believes there is no need for an adjusted turnover KPI to avoid double counting.

#### Calculation of turnover

The proportion of turnover that is aligned and the turnover that is eligible but not aligned is determined by taking the net turnover from products and services linked to both aligned activities, and eligible but not aligned activities. This amount is then divided by the Group's total net turnover, as outlined in the EU Commission Delegated Act 2178/2021.

The EU Taxonomy defines turnover as revenue recognised pursuant to IAS 1 paragraph 82(a). For Arendals Fossekompani Group and its portfolio companies, IFRS 15 Revenues from contracts with customers constitutes most of the EU Taxonomy turnover. See note 1 for the related information in the financial statement.

Turnover from economic activities contributing to climate change adaptation that are not enabling are excluded from the KPI in line with the Disclosure Delegated Act Annex I, section 1.1.1. Additionally, turnover from governmental grants have been excluded, and there has been no revenue from non-current assets held for sale during 2024. For the most part, turnover is determined using project or activity codes directly linked to specific items in the financial accounts.

The aligned turnover for 2024 is broken down as follows:

Turnover <sup>(TNOK)</sup>	Total (in TNOK)
Revenue from contracts with customers	361 053
Other sources of income	19 527
Adjustments and eliminations	-15 054
Sum	365 526

All intercompany revenue has been eliminated from the KPI and related information. In total, turnover pursued for Arendals Fossekompani's internal consumption amounts to TNOK1213.

#### Calculation of CapEx

The share of Arendals Fossekompani's aligned, and eligible, not aligned CapEx is calculated as CapEx associated with aligned, and eligible, not aligned economic activities divided by Arendals Fossekompani's total CapEx, as defined in the EU Commission Delegated Act 2178/2021.

CapEx covers additions to tangible and intangible assets during the financial year, considered before depreciation, amortisation and any re-measurement, including those resulted from revaluations and impairments. Consequently, CapEx includes costs accounted in the following IFRS-standards: IAS 16 Property, Plant and Equipment, IAS 38 Intangible Assets, IAS 40 Investment Property, IAS 41 Agriculture and IFRS 16 Leases. These standards have served as basis for Arendals Fossekompani's allocation of CapEx to the denominator and numerator. Goodwill acquired from business combinations are not included. See note 5 and 6 for the related information in the financial statement.

The numerator of the CapEx KPI includes capital expenditures directly linked to processes and assets associated with Taxonomy-eligible and aligned economic activities, as outlined in letter (a). Additionally, it encompasses capital expenditures for purchasing outputs from Taxonomy-aligned activities that facilitate the transition to low-carbon operations or contribute to greenhouse gas reduction, as specified in letter (c) of the EU Commission Delegated Act 2178, section 1.1.2.2.

Some capital expenditures are specific to single activities and are recorded on project basis, such as research and development and new constructions. When specific information is not available, capital expenditures are allocated using a financial metric, specifically a revenue-based allocation key. As of 2024, Arendals Fossekompani does not have any material capital expenditures related to a CapEx plan.

The aligned CapEx for 2024 is broken down as following for activity 4.5 Electricity generation from hydropower (CCM):

СарЕх	Total (in TNOK)
Additions to property, plant and equipment	6 617
Sum	6 617

None of the reported CapEx for 2024 comes from business combinations.

#### Calculation of OpEx

The share of Arendals Fossekompani's aligned and eligible, but not aligned, OpEx is calculated as the OpEx associated with aligned and eligible, but not aligned, economic activities divided by Arendals Fossekompani's total OpEx, as defined in the EU Commission Delegated Act 2178/2021.

OpEx is defined as direct non-capitalized costs related to research and development, building renovation measures, short-term leases, maintenance and repair, and other direct expenditures necessary for the day-to-day servicing of property, plant, and equipment. This includes expenditures by the undertaking or third parties to whom activities are outsourced, ensuring the continued and effective functioning of such assets.

Other direct expenditures related to the day-to-day servicing of property, plant, and equipment include costs such as machine repairs, non-capitalized research and development expenses, and other direct costs associated with the daily servicing of computer equipment, software, and cloud infrastructure.

Salary costs related to research and development, maintenance, and repair represent a significant portion of the expenditures in the OpEx KPI. For salary costs that are only partially aligned with the OpEx definition, allocation keys have been applied to allocate the correct expenditures. In instances where maintenance and repairs are performed by employees, an allocation key derived from job descriptions has been used. To determine adequate allocation keys, data from financial cost centers have been utilized where possible. Where sufficient data is not available, best estimates are used. To the extent possible, the allocation keys have been based on non-financial metrics; however, in some cases, such metrics have not been identified, and a revenue-based key has been applied.

The numerator of the OpEx KPI consists of costs directly associated with processes and assets of Taxonomyeligible and aligned economic activities, as defined by letter (a) in the EU Commission Delegated Act 2178, section 1.1.3.2. Currently, Arendals Fossekompani does not have any material operational expenditures related to a CapEx plan.

The aligned OpEx for 2024 are broken down as follows:

OpEx	Total (in TNOK)
Repair and maintenance costs	14,601
Maintenance materials	3,713
IT dedicated to maintenance	573
Cost of repairing a machine	3,930
Sum	22,819

# 8. FUTURE WORK

We will continue to improve our reporting process and development of relevant documentation. Additionally, we will evaluate existing data to determine if it can facilitate and support the expansion of allocation keys based on non-financial metrics. We recognize that the EU Taxonomy is continually evolving, and future FAQs and publications from the European Commission may provide new insights that could influence this year's assessment. In order to enhance our investment strategy, it is essential to assess our current investments and identify areas for improvement in light of the regulatory requirements set forth by the EU Taxonomy. This evaluation will allow us to ensure that our investments not only comply with these regulations but also contribute positively to sustainable development. Moving forward, Arendals Fossekompani's investment strategy will prioritize allocating resources towards activities that are eligible under the EU Taxonomy and have the potential to be aligned with its sustainability objectives. By focusing on these criteria, we aim to foster responsible investment practices that support our commitment to environmental and social governance.

# Proportion of taxonomy-alignment and eligibility per environmental objective

The following tables present the proportions of taxonomy-alignment and taxonomy-eligibility for each KPI across the six environmental objectives:

#### PROPORTION OF TURNOVER / TOTAL TURNOVER

Objective	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	8,3%	50,4%
CCA	0,0%	0,4%
WTR	0,0%	0,0%
PPC	0,0%	0,0%
CE	0,0%	8,9%
BIO	0,0%	0,0%

#### PROPORTION OF CAPEX / TOTAL CAPEX

Objective	Taxonomy-aligned per objective	Taxonomy-eligible per objective
ССМ	0,9%	69,9%
CCA	0,0%	2,6%
WTR	0,0%	0,0%
PPC	0,0%	0,0%
CE	0,0%	2,1%
BIO	0,0%	0,0%

#### PROPORTION OF OPEX / TOTAL OPEX

Objective	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	11,5%	72,0%
CE	0,0%	0,7%
WTR	0,0%	0,0%
PPC	0,0%	0,0%
CE	0,0%	0,7%
BIO	0,0%	0,0%

# Information regarding nuclear

and fossil gas related activities

Arendals Fossekompani does not have nuclear and fossil gas related activities in 2024, as stated in the table below:

#### PROPORTION OF TURNOVER / TOTAL TURNOVER

Row	Nuclear energy related activities
1	The undertaking carries out, funds or has exposu demonstration and deployment of innovative ele produce energy from nuclear processes with mir
2	The undertaking carries out, funds or has exposu operation of new nuclear installations to produce for the purposes of district heating or industrial p as well as their safety upgrades, using best availa
3	The undertaking carries out, funds, or has exposi nuclear installations that produce electricity or p purposes of district heating or industrial process from nuclear energy, as well as their safety upgra
	Fossil gas related activities

	Fossil gas related activities
4	The undertaking carries out, funds, or has exposu of electricity generation facilities that produce ele
5	The undertaking carries out, funds, or has exposu operation of combined heat/cool and power gene
6	The undertaking carries out, funds, or has exposu operation of heat generation facilities that produc

# Information regarding the differences between the 2023 and 2024 EU Taxonomy KPIs:

Volue and Ampwell are not included in the 2024 report due to divestments. As a result of changes in scope and methodologies, the EU Taxonomy KPIs reported for 2023 are not comparable to those for 2024. This explains the significant deviations in percentages between the two years, as shown in the following EU Taxonomy KPI tables.

sures to research, development, lectricity generation facilities that inimal waste from the fuel cycle. sures to construction and safe e electricity or process heat, including processes such as hydrogen production, lable technologies. sures to safe operation of existing process heat, including for the ses such as hydrogen production rades.

ures to construction or operation ectricity using fossil gaseous fuels.	No
ures to construction, refurbishment, and eration facilities using fossil gaseous fuels.	No
res to construction, refurbishment and ce heat/cool using fossil gaseous fuels.	No

9. TURNOVER KPI			
Financial year 2024		Year	
(1)	(2)	(3)	(4)
		NOK	%

#### A. TAXONOMY-ELIGIBLE ACTIVITIES

A.1. Environmentally sustainable activities (Taxonomy-aligned)									
Electricity generation from hydropower	CCM 4.5	360 999 000	8,3%						
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		360 999 000	8,3%						
Of which enabling		360 999 000	100,0%						
Of which transitional		0	0,0%						

#### A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)

Manufacture of other low carbon technologies	CCM 3.6	1486 556 273	34,2%
Electricity generation using solar photovoltaic technology	CCM 4.1	20 465	0,0%
Electricity generation from hydropower	CCM 4.5	0	0,0%
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	0	0,0%
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15	52 003 674	1,2%
Construction of new buildings	CCM 7.1	268 720 000	6,2%
Renovation of existing buildings	CCM 7.2	1722762	0,0%
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	0	0,0%
Acquisition and ownership of buildings	CCM 7.7	8 867 885	0,2%
Data-driven solutions for GHG emissions reductions	CCM 8.2	17 495 614	0,4%
Close to market research, development and innovation	CCA 9.2	17 879 304	0,4%
Sale of spare parts	CE 5.2	250 610 451	5,8%
Provision of IT/OT data-driven solutions	CE 4.1	63 378 260	1,5%
Product-as-a-service and other circular use-and result-oriented service models	CE 5.5	18 825 144	0,4%
Repair, refurbishment and remanufacturing	CE 5.1	56 475 431	1,3%
Turnover of Taxonomy-eligible but not environmentally			
sustainable activities (not Taxonomy-aligned activities) (A.2)		2 242 585 261	51,5%
A. Turnover of Taxonomy-eligible activities (A.1. + A.2.)		2 603 584 261	59,8%

#### B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

Turnover of Taxonomy-non-eligible activities	1749 165 496	40,2%
TOTAL	4 352 749 758	100%

	Substantial Contribution Criteria DNSH criteria (Does Not Significantly Harm)						(17)	(18)	(19)	(20)					
(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)				
Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	Е	Т
Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	9,4%	Е	
8,3%	0,0%	0,0%	0,0%	0,0%	0,0%	Y	Y	Υ	Y	Υ	Y	Y	22,3%		
0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	Y	Y	Y	Y	Y	Y	Y	57,7%	Е	
0,0%						Y	Y	Y	Y	Y	Y	Y	0,0%		т

	Substantial Contribution Criteria DNSH criteria (Does Not Significantly Harm)						(17)	(18)	(19)	(20)					
(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)				
Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	Е	Т
Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	9,4%	Е	
8,3%	0,0%	0,0%	0,0%	0,0%	0,0%	Y	Y	Υ	Y	Υ	Y	Y	22,3%		
0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	Y	Y	Y	Y	Y	Y	Y	57,7%	Е	
0,0%						Y	Y	Y	Y	Y	Y	Y	0,0%		т

	EL; N/EL					
23,3%	N/EL	N/EL	N/EL	N/EL	EL	EL
0,0%	N/EL	N/EL	N/EL	N/EL	EL	EL
0,0%	N/EL	N/EL	N/EL	N/EL	EL	EL
0,0%	N/EL	N/EL	N/EL	N/EL	EL	EL
0,0%	N/EL	N/EL	N/EL	N/EL	N/EL	EL
0,0%	N/EL	N/EL	N/EL	N/EL	EL	EL
0,0%	N/EL	EL	N/EL	N/EL	EL	EL
0 %	N/EL	N/EL	N/EL	N/EL	EL	EL
0,1%	N/EL	N/EL	N/EL	N/EL	EL	EL
0,7%	N/EL	N/EL	N/EL	N/EL	N/EL	EL
0,2%	N/EL	N/EL	N/EL	N/EL	EL	N/EL
3,3%	N/EL	EL	N/EL	N/EL	N/EL	N/EL
1,3%	N/EL	EL	N/EL	N/EL	N/EL	N/EL
0,9%	N/EL	EL	N/EL	N/EL	N/EL	N/EL
0,0%	N/EL	EL	N/EL	N/EL	N/EL	N/EL
37,6%	0,0%	8,9%	0,0%	0,0%	0,4%	42,1%
59,9%	0,0%	8,9%	0,0%	0,0%	0,4%	50,4%

#### 10. PROPORTION OF TURNOVER PER OBJECTIVE

\_

\_

	Proportion of turnover / Total turnover						
Ojective	Taxomy-aligned per objective	Taxonomy-eligible per objective					
CCM	8,3%	50,4%					
CCA	0,0%	0,4%					
WTR	0,0%	0,0%					
PPC	0,0%	0,0%					
CE	0,0%	8,9%					
BIO	0,0%	0,0%					

- (1) Economic Activities
- (2) Code
- (3) Turnover
- (4) Proportion of Turnover {2024}(5) Climate Change Mitigation
- (6) Climate Change Adaptation
- (7) Water

- (8) Pollution
  - (9) Circular Economy (10) Biodiversity

  - (11) Climate Change Mitigation
  - (12) Climate Change Adaptation
  - (13) Water
  - (14) Pollution

(15) Circular Economy

- (16) Biodiversity(17) Minimum Safeguards
- (18) Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) turnover, year 2023
  (19) Category (enabling activity)
  (20) Category (transitional activity)

11. CAPEX KPI			
Financial year 2024		Year	
(1)	(2)	(3)	(4)
		NOK	%

#### A. TAXONOMY-ELIGIBLE ACTIVITIES

A.1. Environmentally sustainable activities (Taxonomy-aligned)			
Electricity generation from hydropower	CCM 4.5	2 978 628	0,9%
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		2 978 628	0,9%
Of which enabling		0	0,0%
Of which transitional		0	0,0%

#### A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)

Manufacture of other low carbon technologiesCCM 3.678 933 38823,7%Electricity generation using solar photovoltaic technologyCCM 4.100,0%Electricity generation from hydropowerCCM 4.51847 7150,6%Infrastructure enabling low-carbon road transport and public transportCCM 6.51847 7150,6%Construction of new buildingsCCM 6.14418 8390,1%Construction of new buildingsCCM 7.159 410 5617,9%Renovation of existing buildingsCCM 7.222 485 4216,8%Natilation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)CCM 7.759 791 9218,0%Octse to market research, development and innovationCCM 2.228 260 1593,5%Sale of spare partsCE 5.25494 7871,7%Provision of IT/OT data-driven solutionsCE 5.11238 280,4%Repair, refurbishment and remanufacturingCE 5.11238 280,4%CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)Ec 5.9142 7530,4%AcapEx of Taxonomy-eligible activities (A1+A.2.)CE 6.11238 288,9%3,8%AcapEx of Taxonomy-eligible activities (A1+A.2.)CE 6.926,907 928,8%				
Electricity generation from hydropowerCCM 4.500,0%Transport by motorbikes, passenger cars and light commercial vehiclesCCM 6.518477150,6%Infrastructure enabling low-carbon road transport and public transportCCM 6.5418 8390,1%Construction of new buildingsCCM 7.159 410 57617,9%Renovation of existing buildingsCCM 7.222 485 4216,8%Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)CCM 7.400,0%Acquisition and ownership of buildingsCCM 7.759 791 94218,0%Data-driven solutions for GHG emissions reductionsCCM 8.228 260 1598,5%Close to market research, development and innovationCCA 9.28 698 4452,6%Sale of spare partsCE 5.25 494 7871,7%Provision of IT/OT data-driven solutionsCE 5.11 238 2580,4%Repair, refurbishment and remanufacturingCE 5.11 238 2580,4%CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)26 6992 28480%	Manufacture of other low carbon technologies	CCM 3.6	78 933 388	23,7%
Transport by motorbikes, passenger cars and light commercial vehiclesCCM 6.51847 7150,6%Infrastructure enabling low-carbon road transport and public transportCCM 6.15418 8390,1%Construction of new buildingsCCM 7.159 410 57617,9%Renovation of existing buildingsCCM 7.222 485 4216,8%Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)CCM 7.400,0%Acquisition and ownership of buildingsCCM 7.759 791 94218,0%Data-driven solutions for GHG emissions reductionsCCM 8.228 260 1598,5%Close to market research, development and innovationCCA 9.28 698 4452,6%Sale of spare partsCE 5.25 494 7871,7%Provision of IT/OT data-driven solutionsCE 5.5412 7530,1%Repair, refurbishment and remanufacturingCE 5.11238 2580,4%Captx of Taxonomy-eligible but not environmentally suitanable activities (not Taxonomy-aligned activities) (A.2)266 992 284808 454	Electricity generation using solar photovoltaic technology	CCM 4.1	0	0,0%
Infrastructure enabling low-carbon road transport and public transportCCM 6.15418 8390,1%Construction of new buildingsCCM 7.159 410 57617,9%Renovation of existing buildingsCCM 7.222 485 4216,8%Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)CCM 7.222 485 4216,8%Acquisition and ownership of buildingsCCM 7.759 79194218,0%Data-driven solutions for GHG emissions reductionsCCM 8.228 260 1598,5%Close to market research, development and innovationCCA 9.28698 4452,6%Sale of spare partsCE 5.25 494 7871,7%Provision of IT/OT data-driven solutionsCE 4.100,0%Repair, refurbishment and remanufacturingCE 5.11238 2580,4%CapEx of Taxonomy-eligible but not environmentally sutainable activities (not Taxonomy-aligned activities) (A.2)8609 228480,4%	Electricity generation from hydropower	CCM 4.5	0	0,0%
Construction of new buildingsCCM 7.159 410 57617,9%Renovation of existing buildingsCCM 7.222 485 4216,8%Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)CCM 7.400,0%Acquisition and ownership of buildingsCCM 7.759 791 94218,0%Data-driven solutions for GHG emissions reductionsCCM 8.228 260 1598,5%Close to market research, development and innovationCCA 9.28 698 4452,6%Sale of spare partsCE 5.25 494 7871,7%Provision of IT/OT data-driven solutionsCE 5.5412 7530,1%Repair, refurbishment and remanufacturingCE 5.11238 2580,4%Capsex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)26 992 28480,3%	Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	1847715	0,6%
Renovation of existing buildingsCCM 7.222 485 4216,8%Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)CCM 7.400,0%Acquisition and ownership of buildingsCCM 7.759 79194218,0%Data-driven solutions for GHG emissions reductionsCCM 8.228 260 1598,5%Close to market research, development and innovationCCA 9.28 698 4452,6%Sale of spare partsCE 5.25 494 7871,7%Provision of IT/OT data-driven solutionsCE 4.100,0%Repair, refurbishment and remanufacturingCE 5.5412 7530,1%Repair, refurbishment and remanufacturingCE 5.11238 2580,4%CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)808080	Infrastructure enabling low-carbon road transport and public transport	CCM 6.15	418 839	0,1%
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)CCM 7.400,0%Acquisition and ownership of buildingsCCM 7.759 791 94218,0%Data-driven solutions for GHG emissions reductionsCCM 8.228 260 1598,5%Close to market research, development and innovationCCA 9.28 698 4452,6%Sale of spare partsCE 5.25 494 7871,7%Provision of IT/OT data-driven solutionsCE 4.100,0%Product-as-a-service and other circular use-and result-oriented service modelsCE 5.5412 7530,1%Repair, refurbishment and remanufacturingCE 5.11238 2580,4%CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)266 992 28480,3%	Construction of new buildings	CCM 7.1	59 410 576	17,9%
vehicles in buildings (and parking spaces attached to buildings)CCM 7.400,0%Acquisition and ownership of buildingsCCM 7.759 791 94218,0%Data-driven solutions for GHG emissions reductionsCCM 8.228 260 1598,5%Close to market research, development and innovationCCA 9.28 698 4452,6%Sale of spare partsCE 5.25 494 7871,7%Provision of IT/OT data-driven solutionsCE 4.100,0%Product-as-a-service and other circular use-and result-oriented service modelsCE 5.5412 7530,1%Repair, refurbishment and remanufacturingCE 5.11238 2580,4%CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)environmentallyenvironmentally	Renovation of existing buildings	CCM 7.2	22 485 421	6,8%
Data-driven solutions for GHG emissions reductionsCCM 8.228 260 1598,5%Close to market research, development and innovationCCA 9.28 698 4452,6%Sale of spare partsCE 5.25 494 7871,7%Provision of IT/OT data-driven solutionsCE 4.100,0%Product-as-a-service and other circular use-and result-oriented service modelsCE 5.5412 7530,1%Repair, refurbishment and remanufacturingCE 5.11 238 2580,4%CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)environmentally sustainableenvironmentally sustainable activities (not Taxonomy-aligned activities) (A.2)environmentally sustainable		CCM 7.4	0	0,0%
Close to market research, development and innovationCCA 9.28 698 4452,6%Sale of spare partsCE 5.25 494 7871,7%Provision of IT/OT data-driven solutionsCE 4.100,0%Product-as-a-service and other circular use-and result-oriented service modelsCE 5.5412 7530,1%Repair, refurbishment and remanufacturingCE 5.11238 2580,4%CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)environmentality comparison266 992 28480,3%	Acquisition and ownership of buildings	CCM 7.7	59 791 942	18,0%
Sale of spare partsCE 5.25 494 7871,7%Provision of IT/OT data-driven solutionsCE 4.100,0%Product-as-a-service and other circular use-and result-oriented service modelsCE 5.5412 7530,1%Repair, refurbishment and remanufacturingCE 5.11238 2580,4%CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)266 992 28480,3%	Data-driven solutions for GHG emissions reductions	CCM 8.2	28 260 159	8,5%
Provision of IT/OT data-driven solutionsCE 4.1O0,0%Product-as-a-service and other circular use-and result-oriented service modelsCE 5.5412 7530,1%Repair, refurbishment and remanufacturingCE 5.11238 2580,4%CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)266 992 28480,3%	Close to market research, development and innovation	CCA 9.2	8 698 445	2,6%
Product-as-a-service and other circular use-and result-oriented service models       CE 5.5       412 753       0,1%         Repair, refurbishment and remanufacturing       CE 5.1       1238 258       0,4%         CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)       266 992 284       80,3%	Sale of spare parts	CE 5.2	5 494 787	1,7%
Repair, refurbishment and remanufacturing       CE 5.1       1238 258       0,4%         CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)       266 992 284       80,3%	Provision of IT/OT data-driven solutions	CE 4.1	0	0,0%
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)       266 992 284       80,3%	Product-as-a-service and other circular use-and result-oriented service models	CE 5.5	412 753	0,1%
sustainable activities (not Taxonomy-aligned activities) (A.2) 266 992 284 80,3%	Repair, refurbishment and remanufacturing	CE 5.1	1 238 258	0,4%
	CapEx of Taxonomy-eligible but not environmentally			
A. CapEx of Taxonomy-eligible activities (A.1. + A.2.)         269 970 912         81,2%	sustainable activities (not Taxonomy-aligned activities) (A.2)		266 992 284	80,3%
	A. CapEx of Taxonomy-eligible activities (A.1. + A.2.)		269 970 912	81,2%

#### B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

CapEx of Taxonomy-non-eligible activities	62 215 714	18,8%
TOTAL	332 186 625	100%

	Subs	tantial Cont	tribution Cr	iteria		DNSH o	riteria	(Does N	ot Signif	icantly I	Harm)	(17)	(18)	(19)	(20)
(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)				
Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	Е	Т
Y	Ν	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1%	Е	
0,9%	0,0%	0,0%	0,0%	0,0%	0,0%	Y	Y	Υ	Y	Υ	Y	Y	16,6%		
0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	Y	Y	Y	Y	Υ	Y	Y	92%	Е	
0,0%						Y	Y	Y	Y	Υ	Y	Y	0,0%		т

(20	(19)	(18) (	(17)	Harm)	DNSH criteria (Does Not Significantly Harm)					Substantial Contribution Criteria						
				(16)	(15)	(14)	(13)	(12)	(11)	(10)	(9)	(8)	(7)	(6)	(5)	
	Е	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	; N; N/EL	
	E	1%	Y	Y	Y	Y	Y	Y	Y	N/EL	N/EL	N/EL	N/EL	N	Y	
		16,6%	Υ	Y	Υ	Υ	Υ	Υ	Y	0,0%	0,0%	0,0%	0,0%	0,0%	0,9%	
	Е	92%	Y	Y	Y	Y	Y	Y	Y	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
	E															

	EL; N/EL					
11,0%	N/EL	N/EL	N/EL	N/EL	EL	EL
0,0%	N/EL	N/EL	N/EL	N/EL	EL	EL
0,0%	N/EL	N/EL	N/EL	N/EL	EL	EL
0,0%	N/EL	N/EL	N/EL	N/EL	EL	EL
0,0%	N/EL	N/EL	N/EL	N/EL	N/EL	EL
25,7%	N/EL	N/EL	N/EL	N/EL	EL	EL
0,0%	N/EL	EL	N/EL	N/EL	EL	EL
0 %	N/EL	N/EL	N/EL	N/EL	EL	EL
0,0%	N/EL	N/EL	N/EL	N/EL	EL	EL
2,3%	N/EL	N/EL	N/EL	N/EL	N/EL	EL
1,0 %	N/EL	N/EL	N/EL	N/EL	EL	N/EL
0,9%	N/EL	EL	N/EL	N/EL	N/EL	N/EL
1,1 %	N/EL	EL	N/EL	N/EL	N/EL	N/EL
0,0%	N/EL	EL	N/EL	N/EL	N/EL	N/EL
0,0%	N/EL	EL	N/EL	N/EL	N/EL	N/EL
46,3%	0,0%	2,1%	0,0%	0,0%	2,7%	69,1%
63,0%	0,0%	2,1%	0,0%	0,0%	2,7%	70,0%

#### 12. PROPORTION OF CAPEX PER OBJECTIVE

	Proportion of CapEx / Total	СарЕх
Ojective	Taxomy-aligned per objective	Taxonomy-eligible per objective
CCM	0,9%	69,9%
CCA	0,0%	2,6%
WTR	0,0%	0,0%
PPC	0,0%	0,0%
CE	0,0%	2,1%
BIO	0,0%	0,0%

- (1) Economic Activities
- (2) Code
- (3) CapEx
- (4) Proportion of CapEx {2024}(5) Climate Change Mitigation
- (6) Climate Change Adaptation
- (7) Water

- (8) Pollution
  - (9) Circular Economy
  - (10) Biodiversity
  - (11) Climate Change Mitigation

  - (12) Climate Change Adaptation
  - (13) Water
  - (14) Pollution

(15) Circular Economy

- (16) Biodiversity(17) Minimum Safeguards (18) Proportion of Taxonomy-aligned (A.1.) -eligible (A.2.) CapEx, year 2023
  (19) Category (enabling activity)
  (20) Category (transitional activity)

13. OPEX KPI			
Financial year 2024		Year	
(1)	(2)	(3)	(4)
		NOK	%

#### A. TAXONOMY-ELIGIBLE ACTIVITIES

A.1. Environmentally sustainable activities (Taxonomy-aligned)			
Electricity generation from hydropower	CCM 4.5	22 818 708	11,5%
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		22 818 708	11,5%
Of which enabling		0	0,0%
Of which transitional		0	0,0%

#### A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)

Manufacture of other low carbon technologies	CCM 3.6	93 930 260	47,4%
Electricity generation using solar photovoltaic technology	CCM 4.1	0	0,0%
Electricity generation from hydropower	CCM 4.5	0	0,0%
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	184 857	0,1%
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15	23 313 638	11,8%
Construction of new buildings	CCM 7.1	0	0,0%
Renovation of existing buildings	CCM 7.2	16 373 638	8,3%
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	5 427	0,0%
Acquisition and ownership of buildings	CCM 7.7	1 810 661	0,9%
Data-driven solutions for GHG emissions reductions	CCM 8.2	0	0,0%
Close to market research, development and innovation	CCA 9.2	0	0,0%
Sale of spare parts	CE 5.2	1004686	0,5%
Provision of IT/OT data-driven solutions	CE 4.1	0	0,0%
Product-as-a-service and other circular use-and result-oriented service models	CE 5.5	75 475	0,0%
Repair, refurbishment and remanufacturing	CE 5.1	226 413	0,1%
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		136 924 829	69,1%
A. OpEx of Taxonomy-eligible activities (A.1. + A.2.)		159 743 537	80,6%

#### B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

OpEx of Taxonomy-non-eligible activities	38 381 483	19,4%
TOTAL	198 125 020	100%

	Subs	tantial Cont	ribution Cri	iteria		DNSH criteria (Does Not Significantly Harm)					Harm)	(17)	(18)	(19)	(20)
(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)				
Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	Е	Т
Y	Ν	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	Е	
11,5%	0,0%	0,0%	0,0%	0,0%	0,0%	Y	Y	Y	Y	Υ	Y	Y	<b>6,9</b> %		
0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	Y	Y	Y	Y	Y	Y	Y	76,7%	Е	
0,0%						Y	Y	Y	Y	Υ	Y	Y			Т
EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
EL	EL	N/EL	N/EL	N/EL	N/EL								4,4%		
EL	EL	N/EL	N/EL	N/EL	N/EL								0,0%		
EL	EL	N/EL	N/EL	N/EL	N/EL								0,0%		
EL	EL	N/EL	N/EL	N/EL	N/EL								0,0%		
EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,1%		
EL	EL	N/EL	N/EL	N/EL	N/EL								0,0%		
EL	EL	N/EL	N/EL	EL	N/EL								0,0%		
EL	EL	N/EL	N/EL	N/EL	NI/EL								0,0%		
					N/EL										
EL	EL	N/EL	N/EL	N/EL	N/EL								1,2%		
EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,0%		
N/EL	EL	N/EL	N/EL	N/EL	N/EL								0,0%		

	Subs	tantial Con	tribution Cr	iteria		DNSH criteria (Does Not Significantly Harm)					Harm)	(17)	(18)	(19)	(20)
(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)				
Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	Е	Т
Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E	
11,5%	0,0%	0,0%	0,0%	0,0%	0,0%	Y	Y	Y	Y	Y	Y	Y		-	
0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	Y	Y	Y	Ŷ	Ŷ	Y		76,7%	Е	
0,0%						Y	Y	Y	Y	Y	Y	Y			т
EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
EL	EL	N/EL	N/EL	N/EL	N/EL								4,4%		
EL	EL	N/EL	N/EL	N/EL	N/EL								0,0%		
EL	EL	N/EL	N/EL	N/EL	N/EL								0,0%		
EL	EL	N/EL	N/EL	N/EL	N/EL								0,0%		
EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,1%		
EL	EL	N/EL	N/EL	N/EL	N/EL								0,0%		
EL	EL	N/EL	N/EL	EL	N/EL								0,0%		
EL	EL		N/EL	N/EL	N/EL								0,0%		
EL	EL	N/EL	N/EL	N/EL	N/EL								1,2%		
EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,0%		
N/EL	EL	N/EL	N/EL	N/EL	N/EL								0,0%		
NUT	NUT	NUT	NL/EL		N1/ET								0.00/		

(20)	(19)	(18)	(17)	larm)	DNSH criteria (Does Not Significantly Harm)					Substantial Contribution Criteria						
				(16)	(15)	(14)	(13)	(12)	(11)	(10)	(9)	(8)	(7)	(6)	(5)	
Т	E	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	
	E	0%	Y	Y	Y	Y	Y	Y	Y	N/EL	N/EL	N/EL	N/EL	N	Y	
	-	6,9%	Y	Y	Y	Y	Y	Y	Y	0,0%	0,0%	0,0%	0,0%	0,0%	11,5%	
	Е	76,7%		Y	Y	Y	Y	Y	Y	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
т	_		Y	Y	Y	Y	Y	Y	Y	0,070	0,070	0,070	0,070	0,070	0,0%	
															0,070	
										EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	
		4,4%								N/EL	N/EL	N/EL	N/EL	EL	EL	
		0,0%								N/EL	N/EL	N/EL	N/EL	EL	EL	
		0,0%								N/EL	N/EL	N/EL	N/EL	EL	EL	
		0,0%								N/EL	N/EL	N/EL	N/EL	EL	EL	
		0,1%								N/EL	N/EL	N/EL	N/EL	N/EL	EL	
		0,0%								N/EL	N/EL	N/EL	N/EL	EL	EL	
		0,0%								N/EL	EL	N/EL	N/EL	EL	EL	
		0,0%								N/EL	N/EL	N/EL	N/EL	EL	EL	
		1,2%								N/EL	N/EL	N/EL	N/EL	EL	EL	
		0,0%								N/EL	N/EL	N/EL	N/EL	N/EL	EL	
		0,0%								N/EL	N/EL	N/EL	N/EL	EL	N/EL	
		0,3%								N/EL	EL	N/EL	N/EL	N/EL	N/EL	
		0,1%								N/EL	EL	N/EL	N/EL	N/EL	N/EL	
		0,0%								N/EL	EL	N/EL	N/EL	N/EL	N/EL	
		0,0%								N/EL	EL	N/EL	N/EL	N/EL	N/EL	
		10,4%								0,0%	0,7%	0,0%	0,0%	0,0%	60,5%	
		17,3%								0,0%	0,7%	0,0%	0,0%	0,0%	72,0%	

#### 14. PROPORTION OF OPEX PER OBJECTIVE

	Proportion of OpEx / Total OpEx					
Ojective	Taxomy-aligned per objective	Taxonomy-eligible per objective				
CCM	11,5%	72,0%				
CCA	0,0%	0,0%				
WTR	0,0%	0,0%				
PPC	0,0%	0,0%				
CE	0,0%	0,7%				
BIO	0,0%	0,0%				

- (1) Economic Activities
- (2) Code
- (3) OpEx
- (4) Proportion of OpEx {2024}
  (5) Climate Change Mitigation
  (6) Climate Change Adaptation
- (7) Water

- (8) Pollution (9) Circular Economy
- (10) Biodiversity
- (11) Climate Change Mitigation
- (12) Climate Change Adaptation(13) Water
- (14) Pollution

# (15) Circular Economy

- (16) Circular Economy
  (16) Biodiversity
  (17) Minimum Safeguards
  (18) Proportion of Taxonomy-aligned (A.1.)

  -eligible (A.2.) OpEx, year 2023

  (19) Category (enabling activity)
  (20) Category (transitional activity)

118

# Social

→ S1 Own workforce



117

# S1 Own workforce

## SBM-3

# MATERIAL RISK AND OPPORTUNITY

Arendals Fossekompani strives to be a great place to work. As an industrial investment firm with a global workforce, we rely on our people as our most valuable resource. We are an active owner, and we focus on developing strong and competent Boards of Directors, CEOs and leadership teams across the portfolio, with robust succession plans for continuity and long-term growth. Attracting and building teams and talent across the Group is central to our success, and we believe that a diverse workforce with a wide array of skills and backgrounds drives productivity, new perspectives and value creation and helps us reach our long-term goals. Our performance is fundamentally tied to the wellbeing of our employees, and we are committed to nurturing diversity and equity across the entire Group. We are confident in our strategy and business model's ability to address our material risk and taking advantage of our material opportunity, and our risk assessment on this topic found that they should be resilient in the face of any adjustments required. This was conducted as part of our DMA, using the time horizons and methods outlined in IRO-1.

#### Working conditions

Material risk: Dependency on workforce wellbeing

We face a risk associated with our dependency on our workforce's wellbeing. If our employees are unhappy, unsafe or unwell, we may lose them or their ability to create value for the Group. This will incur higher costs resulting from delays, increased recruitment and training requirements, and inefficiencies related to absenteeism. Maintaining a healthy, satisfied and engaged workforce is essential for us to minimise unwanted turnover, avoid costly and time-consuming effects on our operations and service delivery to customers, and ultimately sustain our performance.

Time horizon: Short term Location in value chain: Own operations

# Equal treatment and opportunities

Material opportunity: Gains from a diverse workforce

We have an opportunity to gain from further enhancing our diversity and inclusivity. At all levels of the Group, we can benefit from more varied perspectives. When employees have equal opportunities and representation, there tends to be greater worker performance, productivity, innovativeness and retention. While there are initial costs to be incurred on diversity and inclusion investments, a diverse workforce can ultimately improve our decision-making, enhance our organisational performance and enable us to access a wider talent pool, presenting opportunities to strengthen our competitive advantage in our markets.

This risk and this opportunity are both direct consequences of our dependency on our workforce to achieve results. While all employees are essential to our work, certain groups of people are particularly relevant to our material risk and opportunity:

- The health and safety of workers involved in day-to-day manual labour or night labour;
- Groups at a historical disadvantage or presenting higher risk of discrimination or harassment, such as due to their gender expression, sexual orientation, disability, ethnicity, or religion, among other factors; and
- Workers in countries with weaker national protection or welfare systems.

Time horizon: Medium term Location in value chain: Own operations

#### S1-1

#### POLICIES RELATED TO OWN WORKFORCE

Arendals Fossekompani is committed to maintaining a healthy and engaged workforce. This commitment is anchored in our Code of Conduct, Business Partner Code of Conduct, Diversity and Inclusion Policy and Whistleblower Policy. Collectively, these policies seek to ensure Arendals Fossekompani's own workforce is well, safe, and leverages its potential for diversity, thereby managing our material risk and opportunity.

The policies are reviewed annually in light of new regulations and findings from the double materiality assessment, which integrates key stakeholders' views into the assessment process. They are approved by the Board of Directors and published on arendalsfossekompani.no. All employees of Arendals Fossekompani ASA access these policies in the employee handbook.

#### Code of Conduct (CoC)

The CoC applies to all employees of Arendals Fossekompani ASA, including hired-in personnel, consultants, agents, elected representatives, board members and any other person acting on behalf of or representing Arendals Fossekompani. The policy is provided to our portfolio companies, and we expect our portfolio companies to implement corresponding ethical guidelines. We also expect our customers, suppliers, and other business partners to adhere to ethical guidelines of standards consistent with the CoC. All portfolio companies have Codes of Conduct that address core ethical standards such as the respect of human rights.

The CoC must be signed by all Arendals Fossekompani ASA employees, and who are also required to be trained in the CoC's principles. The CoC's implementation is monitored across Arendals Fossekompani Group by tracking the rates of signature and training completion on the CoC. Arendals Fossekompani's Chief Sustainability Officer reports on progress to the Audit Committee of our Board of Directors at least annually.

A central part of the policy is to comply with internationally-accepted guidelines and conventions adopted by the United Nations and the OECD, such as the International Bill of Human Rights, the UN Convention on the Rights of Persons with Disabilities, the UN Declaration on the Rights of Indigenous Peoples, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, the European Convention for the Protection of Human Rights and Fundamental Freedoms, the European Social Charter, the Charter of Fundamental Rights of the European Union, and any other fundamental conventions of these organisations. Our CoC supports the fundamental rights and freedoms enshrined in these agreements and applies them to Arendals Fossekompani both directly and through the adoption of other policies as referenced below.

The CoC is also aligned with the Norwegian Transparency Act with a commitment to consistently mapping and addressing the actual or potential impact on human or working rights that we may contribute to or cause, and implementing measures to cease, prevent or limit negative impacts.

Specific to our material risk and opportunity, the CoC outlines the guardrails in place for Arendals Fossekompani ASA to ensure a safe and secure working environment, characterised by transparency, honesty and trust, which are important for motivation and wellbeing. As implementation for this, it references Arendals Fossekompani ASA's health, safety and environment (HSE) system, risk assessments, and the process outlined in the Whistleblower Policy. It states that we accept no limitations to the right of our employees and the employees of our subsidiaries, suppliers and business partners, to organise themselves without retaliation of threat of retaliation. The policy also reiterates principles found in the Diversity and Inclusion Policy.

An update to the policy in 2024 streamlined our risk management, such that health and safety are referenced in the annual risk review process. This change largely reflects and better documents the existing practice at Arendals Fossekompani.

#### Business Partner Code of Conduct (BPCoC)

Arendals Fossekompani ASA's BPCoC applies to suppliers and business partners. In addition to being publicly available, it is shared directly with business partners where relevant. All portfolio companies have their own BPCoC, which share the same objectives but use varying naming conventions, such as Supplier Code of Conduct, Business Partner Code of Conduct, or simply Code of Conduct.

The UN Global Compact's Ten Principles form the basis of our BPCoC, which contributes to setting the framework for the behaviour Arendals Fossekompani ASA expects of all our stakeholders in our global supply chain. It requires that our business partners respect human rights, and always act in line with the rules and principles laid out in the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights, and the OECD Guidelines for Multinational Enterprises. Per the BPCoC, our business partners are also expected to comply with internationally-accepted guidelines and conventions such as the UN Convention on the Rights of Persons with Disabilities, the UN Declaration on the **Rights of Indigenous Peoples, the European Convention** for the Protection of Human Rights and Fundamental Freedoms, the European Social Charter, the Charter of Fundamental Rights of the European Union, and any other fundamental conventions of these organisations. It states also that Arendals Fossekompani and its business partners fully support and will act in accordance with the UN Convention on the Rights of the Child.

In 2024, we expanded the possible due diligence and audit on our business partners mentioned in the BPCoC, which now includes all sustainability-related topics deemed material for Arendals Fossekompani. These changes largely reflect and better document the existing practice at Arendals Fossekompani.

#### **Diversity and Inclusion Policy**

A new Diversity and Inclusion Policy was introduced in 2024. It applies to Arendals Fossekompani ASA's employees and projects, and to the areas within our value chain over which Arendals Fossekompani can have influence. The policy is provided to our portfolio companies and we expect them to adopt their own policies on diversity and inclusion, in alignment with this framework. The policy is also communicated to our suppliers, business partners and other third parties.

In addition to national laws and international standards mentioned in the CoC and BPCoC, the Diversity and Inclusion Policy also states that we operate in line with the Norwegian Equality and Anti-Discrimination Act, and the UN Sustainable Development Goals including Goal 5 (Gender equality) and Goal 8 (Decent work and economic growth).

The Diversity and Inclusion Policy outlines Arendals Fossekompani's zero tolerance approach to discrimination, bullying or harassment in the workplace and in recruitment processes, including discrimination on the basis of age, gender expression, sexual orientation, disability, ethnicity, nationality, political opinion, religion or any other basis. We aim for diversity of gender expression, age, background and expertise, and consider this particularly in recruitment, and in the designation of members of management and other bodies.

To promote inclusion of diverse perspectives, we are committed to a safe workplace with equal opportunities for all, to providing equal opportunities in promotion and compensation, and to striving for a healthy work-life balance. The Policy is applicable broadly and does not specifically target vulnerable groups. It is to be implemented by all employees, and in recruitment and learning and development programmes, and its implementation monitored through employees' responsibility to report cases of harassment or other inadequate working environment, with reference to the Whistleblower Policy.

NSSLGlobal and Volue have implemented their own policies on diversity and inclusion with the same objectives. Alytic, ENRX, Tekna and AFK Eiendom do not have a separate diversity and inclusion policy but address the topic within their respective Codes of Conduct.

#### Whistleblower Policy

The Whistleblower Policy applies to Arendals Fossekompani ASA's employees, as well as its suppliers, third-party representatives and other business partners in the context of the Whistleblower Policy.

It outlines the expectation for employees and relevant third parties to report any concerns about violations of applicable laws and regulations, internal policies, guidelines and procedures as well as any other unethical conduct that employees are aware of or suspect. This includes danger to health, discrimination or harassment of any kind, and unethical working conditions, business culture or work environment. The Policy also outlines the process by which such reports must be managed. Specifically, any concerns raised must be handled by persons that are not in any conflict of interests or otherwise involved, to ensure sufficient independence of assessment. Whistleblowers are protected against retaliation.

Volue, ENRX and Alytic have Whistleblowing Policies with the same objectives, whereas NSSLGlobal and Tekna address these objectives under their internal and Business Partner Codes of Conduct. AFK Eiendom does not have a Whistleblowing Policy, but visitors to the Arendals Fossekompani website can access the external whistleblowing portal and policy on the same terms as for Arendals Fossekompani ASA.

#### S1-3

# CHANNELS FOR OWN WORKFORCE TO RAISE CONCERNS

All Arendals Fossekompani's own employees and relevant third parties are encouraged to report concerns about circumstances that might be in violation of applicable laws and regulations, internal policies, guidelines and procedures as well as any other unethical conduct that employees are aware of or suspect. The first line of reporting is always the employee's direct manager, or Arendals Fossekompani's Chief Sustainability Officer or safety representative. The CEO, the Chair or any member of our Board of Directors, or our internal or external whistleblowing channel at mittvarsel.no are also available. Employees within the Arendals Fossekompani Group are welcome to report any concerns via the external whistleblowing channel at mittvarsel.no, or on our webpage arendalsfossekompani.no. Depending on local requirements, several companies in the portfolio have also established whistleblowing channels of their own for the safe reporting of concerns from their workforce.

The Whistleblower Policy and platforms described in S1-1 and G1-1 are essential to ensuring employee trust in these channels, and to tracking, monitoring and acting upon any concerns raised. The Board of Directors of each company in the Group is alerted on critical whistleblower cases raised in their respective company, often reviewed and investigated by a compliance function and reported periodically by Management. Employee awareness of the whistleblowing process is closely monitored through our KPI on employee training rates in the Code of Conduct, which includes units on whistleblowing.

#### S1-4

# ACTIONS AND RESOURCES

Arendals Fossekompani addresses the material risk and opportunity concerning our own workforce, and seeks to create positive and prevent or minimise negative impacts in our own operations, through various initiatives. The primary focus in 2024 has been to establish a new launchpad for actions on our own workforce through the revision of our materiality assessment in accordance with CSRD, the update of our policies and introduction of a new Diversity and Inclusion Policy, and the collection of new data. This year also saw continued health and safety trainings in several of our companies, and the onboarding of new employee representatives who were trained to foster effective communication, ensure fair treatment, and create a collaborative work environment, which enable the prevention of negative impacts or risks to us.

At Arendals Fossekompani ASA, a new Working Environment Committee was established in 2024, to focus on actively improving workplace conditions, including health and safety, and promoting well-being. In other parts of the Group, diversity-oriented initiatives have been organised, such as a monthly company-wide "Women at Volue" talk, trainings in diverse recruitment and inclusive language in job advertisements, which have collectively seen an increase in the proportion of female employees at Volue. NSSLGlobal has signed up to the UK Government's Disability Confident employer scheme and Employer Recognition Scheme Silver Award, in support of the Armed Forces Covenant. These measures intend to support with recruitment in specific areas. Tekna undertook root cause analyses, and trainings and risk assessments in support of a safety culture.

To enhance job security in accordance with legal requirements, we introduced an extended employer responsibility in the Arendals Fossekompani Group. Employees facing redundancy due to expansions, downsizing, or restructuring could be offered a vacancy in another Group company if we or our subsidiaries have controlling influence.

Arendals Fossekompani ASA's new Diversity and Inclusion Policy will be circulated through the Group in 2025 for each portfolio company to implement or adapt to its own policy and practices. The policy cements best practices and commitments towards diversity and inclusion, especially in relation to recruitment and retention. This builds on actions taken in the past several years in accordance with *Likestilt arbeidsliv* within Arendals Fossekompani, a certification scheme that facilitated the development of targets and action plans for the wellbeing of our workforce.

To operationalise the new policy and meet its objectives, a new blueprint for responding to priority areas and our performance on our KPIs will be shared across the portfolio in early 2025, including overall guidelines on principles and practices to implement into job descriptions and recruitment processes, as well as investigations into retention data to identify any imbalances in voluntary or involuntary turnover between genders or along other underrepresented factors.

Finally, Arendals Fossekompani will conduct a survey of HR managers across the Group to identify any synergies or shared practices could be leveraged in relation

	Target	Year	Status 2024	Status 2023	Status 2022
Gender equality	Max. 70% of any gender in our workforce	2027	81% men 19% women	79% men 21% women	80% men 20% women
	Min. 40% women in our Executive Management	2030	76% men 24% women	76% men 24% women	86% men 14% women
Employee	Lost time injury frequency rate of 0	In effect	1.7	2.2	1.0
safety and wellbeing	Aggregate sick leave of <3.0%	In effect	2.0%	2.7%	3.0%
	Voluntary turnover rate of <10% annually	In effect	10%		

to managing our material risk or opportunity. This is expected in 2025, with ensuing actions in 2026, if any.

Some of these actions are already in place and ongoing, while others are starting from 2025, to enhance workforce well-being and our diversity and inclusivity. Dedicated financial resources beyond ongoing HR budgets have not currently been allocated to these actions.

## S1-5

## TARGETS AND PROGRESS

Arendals Fossekompani has defined absolute targets related to our workforce's wellbeing and diversity. Our objectives are directly aligned with Arendals Fossekompani's Diversity and Inclusion Policy and our prioritisation of health and safety, as outlined in our Code of Conduct and internal procedures. The targets listed below have been set and apply to all Arendals Fossekompani Group's employees.

Progress on gender balance metrics has been slower than expected in some areas, despite increases in female representation in some parts of the Group. Targeted efforts are needed to increase gender diversity further.

The lost time injury frequency rate improved from 2.2 in 2023 to 1.7 in 2024, indicating positive strides in enhancing workplace safety. However, there is room for improvement to meet our goal of zero lost time injuries. Sick leave has dropped to 2% in 2024, well below our target of 3%, signaling that our wellbeing initiatives are effective though require continued focus. Voluntary turnover is not comparable to previous years, as involuntary departures were previously included in our turnover rate metrics.

To ensure progress toward our targets, we monitor metrics and projects undertaken in the portfolio throughout the year, including through Arendals Fossekompani ASA's representation on portfolio companies' Boards of Directors. Status and developments against our targets are assessed by Arendals Fossekompani's Sustainability team, and reported annually to our executive leadership and Board of Directors.

## Notes on targets related to our own workforce

In light of the regulatory requirement on gender balance in Boards of Directors, in place in Norway since December 2024 with a phase-in period to 2028, Arendals Fossekompani has removed its self-imposed target on gender balance in our own Boards of Directors. We consider that this is an ambitious, progressive regulation that sufficiently overlaps with our previous target to have a maximum of 60% of any gender on Boards of Directors by 2027, that it warrants the removal of our dedicated target. We are committed to remaining compliant with the new regulation. Note: the previous interim target set for the gender balance in our Boards of Directors was a minimum of 40% women by 2023.

The target on gender balance in Executive Management considers the C-suite positions or equivalent across the Group. The end date has changed from 2027 to 2030 to better align with our sustainability strategic period.

The target on aggregate sick leave in the Group previously varied between <2% and <3%.

The target on turnover rate previously included voluntary and involuntary turnover.

All targets related to our own workforce apply to Arendals Fossekompani Group as a whole. These figures therefore

## Setting targets and involving affected stakeholders

Targets are established in relation to risks or opportunities to ensure that they are adequately managed. Target setting for the Group takes place within Arendals Fossekompani's Group Management, led by the Chief Sustainability Officer with oversight from the CEO and management team, and approved by the Board of Directors. Feedback from engagement with employees informs our goals, ensuring alignment with employee needs and strategic objectives. Employee representatives also play an active role in monitoring progress, and identifying lessons and improvements based on performance. Standards set in the sector, including by our peers, are consulted for reference.

# S1-6

# CHARACTERISTICS OF EMPLOYEES

Employees by gender (headcount on 31 December 2024)

Gender	Number of employees
Male	1,430
Female	342
Other	0
Not reported	0
Total employees	1,772

represent averages across the Group, rather than exclusively the management team of Arendals Fossekompani ASA, for example. Volue has been consolidated into the Group's figures as follows:

- · For targets on gender balance, data as on 31 December 2024 was used such that Volue's figures are excluded;
- · For targets on employee safety and wellbeing, cumulative data over the course of 2024 was used such that 10 months of Volue's figures were included as aligned with financial statements (the calculation of 10 months was done as 10/12 of the reported total, based on the assumption that every month of the year was similar).

#### Where no date is listed, the target is expected to be achieved on an ongoing, annual basis.

New data has also been collected in 2024 for the first time to establish baselines, and if deemed relevant, targets on gender pay gaps and adequate wages related to country benchmarks.

Data was also collected on the number of non-binary employees, for jurisdictions that recognise a gender other than male or female. The data amounted to 0 in 2024. We seek to be an inclusive employer for people with all gender expressions and will continue presenting this as a possible category for reporting.

#### Employees by country (headcount on 31 December 2024)

Country	Number of employees
Brazil	12
Canada	161
China	202
Denmark	10
France	64
Germany	145
India	262
Italy	7
Japan	5
Malaysia	9
Netherlands	9
Norway	407
Poland	42
Romania	92
Singapore	5
South Korea	1
Spain	23
Sweden	3
Thailand	15
United Kingdom	183
United States	115

Employees by contract type, broken down by gender (headcount on 31 December 2024)							
	Female	Male	Other	Not disclosed	Total		
Number of employees	342	1,430	0	0	1,772		
Number of permanent employees	336	1,345	0	0	1,681		
Number of temporary employees	6	85	0	0	91		
Number of non-guaranteed hours employees	0	0	0	0	0		
Number of full-time employees	324	1,394	0	0	1,718		
Number of part-time employees	18	36	0	0	54		

#### Employees by contract type, broken down by region (headcount on 31 December 2024)

	Asia	Europe	North America	South America	Total
Number of employees	499	985	276	12	1,772
Number of permanent employees	447	951	271	12	1,681
Number of temporary employees	52	34	5	0	91
Number of non-guaranteed hours employees	0	0	0	0	0
Number of full-time employees	499	934	273	12	1,718
Number of part-time employees	0	51	3	0	54

#### Overview of employees who left the company in 2024 (headcount and as a proportion of total employees as on 31 December 2024)

	Total	Voluntary departure (e.g. resignation)	Involuntary departure (e.g. dismissal)	Other causes of departure (e.g. retirement or death)
Number of departures	387	221	145	22
Turnover rate	18%	10%	7%	1%

# S1-7

#### CHARACTERISTICS OF NON-EMPLOYEES

Headcount of non-employees in the workforce, as on 31 Decem Self-employed people

People provided by companies primarily engaged in employment Total

#### Notes and definitions

Unless otherwise indicated, employees are counted in headcount on 31 December 2024.

All figures relating to Arendals Fossekompani Group's employees have seen a substantial fluctuation between 2023 and 2024 following the reduction of Arendals Fossekompani's shareholding in Volue from 60% to 40%. As at the end of 2024, Volue is no longer a part of Arendals Fossekompani's consolidated statements, such that all end-of-year ESG data (as opposed to cumulative data) now excludes Volue's figures. Arendals Fossekomani Group's consolidated number of employees is used in Financial Note 4.

### S1-8

#### COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE ير المنتخب التحديد الحد والمرائد والمراجع

Coverage of collectiv	Coverage of collective bargaining agreements (CBA) and workers' representatives, as on 31 December 2024						
% of all employees co	overed by a CBA		20%				
% of all employees in the EEA covered by workers' representatives 28%							
Coverage rate	Employees with a CBA EEA	Employees with a CBA Non-EEA	Workplace representation EEA				
0-19 %	A	sia, Europe (non-EEA), North America					
20-39 %	Norway						
40-59 %							
60-79 %							
80-100 %		South America	Norway				

1ber 2024	Number of individuals
	11
nt activities	57
	68

The employee turnover (S1-6) divides the number of employees who left the company in 2024 (whether voluntarily, involuntarily, other causes, or total) by the average employee headcount in 2024. Other causes of departure was added as a category to include causes such as retirement or death. The average number of employees is calculated as the average between the employee headcount on 1 January 2024 and on 31 December 2024. Given Volue was in our consolidated statements until October, ten months of Volue's turnover data are included, and their employee headcount on 1 January 2024 are included but not on 31 December 2024.

# S1-9

194

#### **DIVERSITY METRICS**

#### Gender of company leadership, headcount as on 31 December 2024

	Female	Male	Non-binary
Members of Board of Directors	13	25	0
C-suite	6	19	0
Non-executive level management	17	69	0

#### Gender of company leadership, percentage of total as on 31 December 2024

	Female	Male	Non-binary
Members of Board of Directors	34%	66%	0%
C-suite	24%	76%	0%
Non-executive level management	20%	80%	0%

#### Employee age groups, percentage of employees as on 31 December 2024

<30 years	19%
30-50 years	55%
>50 years	26%

## S1-10

#### **ADEQUATE WAGES**

In all parts of the Group, all employees are paid adequate wages, in line with applicable benchmarks.

#### S1-11

#### SOCIAL PROTECTION

In most countries across the Group, employees are typically covered by social protection, either through governmental programmes or through company benefits, to protect them from a loss of income relating to major life events.

All employees in Arendals Fossekompani Group's own workforce are covered by social protection against a loss of income due to parental leave or retirement.

Most employees in the Group are also covered by social protection against a loss of income due to sickness, unemployment starting from when the employee is working for the company, or employment injury or

# S1-13

### TRAINING AND SKILLS DEVELOPMENT

Training and skills development indicators as on 31 December 2024	Male	Female
% of employees that participated in regular performance and career development reviews in 2024	79%	78%
Average number of training hours in 2024	11 hours	13 hours

#### S1-14

#### HEALTH AND SAFETY METRICS

Health and safety management as on 31 December 2024	
% of the workforce covered by a health and safety management system	
based on legal requirements and/or recognised standards or guidelines	80%
Includes both employees and non-employees in the workforce	

acquired disability. However, employees at the following sites are not covered in the event of all major life events:

- ENRX's employees in India who are not covered under the Employees' State Insurance scheme are not protected against a loss of income relating to sickness or unemployment starting from when the employee is working for the company.
- ENRX's employees in Thailand are not fully protected in the event of employment injury or acquired disability, insofar as medical facilities are provided rather than a continuing salary.

#### S1-12

# PERSONS WITH DISABILITIES

Estimate of the percentage of persons with disabilities amongst employees, subject to legal restrictions, as on 31 December 2024

% of employees with disabilities	0.69
----------------------------------	------

### Number of fatalities as result of work-related injuries and work-rel Number of recordable work-related accidents Rate of recordable work-related accidents Number of cases of recordable work-related ill health Number of days lost to work-related injuries and fatalities from w related accidents, work-related ill health and fatalities from ill health

#### S1-15

#### WORK-LIFE BALANCE METRICS

Family-related leave metrics as on 31 December 2024

% of employees entitled to take family-related leave

% of entitled employees who took family-related leave in 2024

#### S1-16

#### **REMUNERATION METRICS**

Remuneration metrics as on 31 December 2024

Gender pay gap

Annual total remuneration ratio

#### Notes and definitions

Within the European Economic Area (EEA), coverage of collective bargaining agreements and workplace representation (S1-8) is disclosed for countries in which we have significant employment, defined as at least 50 employees by headcount representing at least 10% of the total number of employees by the ESRS. At ENRX France and ENRX Germany, agreements are in place for employee representation by a Works Council.

The definition of **non-executive level management** (S1-9) refers to the management team for each portfolio company excluding their respective C-suite positions. This is equivalent to the second level below the administrative and supervisory bodies, as defined by the ESRS.

The proportion of **employees with disabilities** (S1-12) is our best estimate based on available information. In some countries in which we operate, employers are not able to ask employees for their disability status as it is a protected characteristic, but employees may voluntarily report a disability to request accommodations at work. In other parts of the Group, new employees complete a mandatory confidential self-identification questionnaire that is required by law to help identify under-represented groups and promote equity in the workplace. The figure disclosed is therefore based on available information from voluntary disclosures to HR or management, and where available, self-identification questionnaires. No other assumptions or estimations were applied.

Employee participation in **performance and career development reviews**, and in **training programmes** (S1-13), is measured differently in each company in the Group. This figure reflects the most accurate value available in each company, sometimes directly from a HR system and in other instances an estimate by the HR function.

Work-related ill health (S1-14) can include acute, recurring, and chronic health problems caused or aggravated by work conditions or practices. These include musculoskeletal disorders, skin and respiratory diseases, malignant

	Employees		Other workers on the company's sites
elated ill health	0	0	0
	17	0	
	4	0	
		0	
vork- ealth	65	0	

Men	Women	Total
68%	71%	69%
6.8%	7.9%	7.0%

-3.7%
6.1

cancers, diseases caused by physical agents (for example, noise-induced hearing loss, vibration-caused diseases), and mental illnesses (for example, anxiety, post-traumatic stress disorder). **Work-related accidents** are incidents relating to work that result in injury or ill health. Accidents related to commuting are only included if the employer organised the transportation.

Number of days lost (S1-14) counts working days lost from an employee missing work for any of the reasons listed. Each day is counted as 1. The number of available work hours used in the calculation is an estimation based on standard working hours in contracts.

Family-related leave (S1-15) includes maternity leave, paternity leave, parental leave, and carers' leave (leave for workers to provide personal care or support to a relative, or a person who lives in the same household, in need of significant care or support for a serious medical reason, as defined by each state) that is available under national law or collective agreements. In some states, these include leave for adoption. Some employees are not eligible, as the national laws and agreements in certain countries in which ENRX operates do not mandate this.

The gender pay gap (S1-16) calculates the difference between the average gross hourly pay level of male vs. female employees, as a proportion of the average gross hourly pay level of male employees. The gross hourly pay refers to the total annual remuneration paid to an employee divided by the number of hours they work in the year, where "remuneration" includes salary, bonus, stock awards, option awards, non-equity incentive plan compensation, change in pension value, and nonqualified deferred compensation earnings provided over the course of a year.

The annual total remuneration ratio (S1-16) divides the annual total remuneration of the Group's highest paid individual by the median employee annual total remuneration (excluding the highest-paid individuals in each portfolio company). AFK Group Management was included as one company. This is not adjusted for purchasing power differences between countries.

# Governance

ightarrow G1 Business conduct	128
ightarrow Entity-specific: cyber security	130
$\rightarrow$ Signatures by the BoD and the CEO	13



# **G1** Business conduct

#### SBM-3

### MATERIAL RISKS

Our global presence makes strong business conduct essential, and we strive to uphold a high standard of ethics in our business activities all around the world. With own operations in 21 countries and sourcing from and selling to many more, the most material impacts, risks and opportunities in terms of governance are business conduct risks. These risks do not affect the Group's financial position, but continuously managing them is core to delivering effectively on our strategy, such that practicing good business conduct is central to us. It is essential that we continue to prioritise our high standards of corporate management, transparency, internal controls and general business ethics. Arendals Fossekompani Group is continuously working on initiatives that ensure our strategic resilience to this risk, as outlined throughout this chapter. Our risk assessment on this topic found that our business model and strategy should be resilient in the face of any adjustments required. This was conducted as part of our DMA, using the time horizons and methods outlined in IRO-1.

#### Corporate culture

Material risk: Dependency on corporate culture

As a global player, Arendals Fossekompani and our portfolio have complex governance structures and conduct a wide range of business activities and interactions over four continents. We are reliant on maintaining strong integrity across the entire Group, to prevent compromising our reputation and to act responsibly. Any severe breach or incident relating to our corporate culture could cause reputational damage to the Group, and lead to discontented employees, customers or investors. **Time horizon:** Short tem

Location in value chain: Own operations

#### Corruption and bribery

Material risk: Incidence of corruption

Associated with our dependency on an ethical, consistent day-to-day implementation of our corporate culture, we are exposed to possible reputational damage in the event of any incidence of corruption. In particular, if an incident occurred in relation to sensitive or governmental contracts, this could affect our ability to retain and renew important customers.

Time horizon: Short term

Location in value chain: Own operations

# Policies related to business conduct

#### G1-1

# BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE

At Arendals Fossekompani, ethical business conduct is anchored in our Code of Conduct and Business Code of Conduct, and detection and handling of cases is governed by our Whistleblower Policy. These policies are described in detail under S1: Own Workforce. Their use in managing our business conduct risks is outlined below.

#### Code of Conduct (CoC)

The CoC outlines clear principles and rules in key areas of compliance and integrity, such as anti-corruption and anti-bribery, facilitation payments, conflicts of interest, gifts and hospitality, human rights and labour rights, fair competition, anti-money laundering, sanctions and trade compliance, and so on.

Arendals Fossekompani's Chief Sustainability Officer (CSO) reports to the Audit Committee on the design, implementation and effectiveness of our business integrity programme and activities, and on key performance indicators such as any incidences of corruption or the management of whistleblowing cases. The CSO ensures that the Code of Conduct is updated to reflect amendments of applicable laws, regulations and procedures.

Training in the CoC and the incidence of internal or external cases of violation of the CoC are the primary indicators used to evaluate our corporate culture.

#### Business Partner Code of Conduct (BPCoC)

Across the Arendals Fossekompani Group, ethical business conduct is anchored in the respective Code of Conduct and Business Code of Conduct, and detection and handling of cases is governed by Whistleblower Policies or in the Code of Conduct. These policies address corruption, bribery and minimal standards of business conduct practices such as on market communication and disclosure, and in all companies except ENRX, the respect of sanctions.

The policies are described in detail under S1: Own Workforce. Their use in managing Arendals Fossekompani ASA's business conduct risks is outlined below.

### Whistleblower Policy

The Whistleblower Policy encourages the reporting of breaches of the CoC as outlined below and in the description of the Policy under S1: Own Workforce.

In addition to the above policies, the following procedures and mechanisms are in place to prevent, detect, identify, investigate and address unlawful behaviour or other violations of the CoC. These mechanisms are in accordance with our CoC, Whistleblower Policy, Whistleblowing Procedure and Compliance Handbook. Arendals Fossekompani is committed to investigating business conduct incidents promptly, independently and objectively.

#### Whistleblowing

Employees and business partners are encouraged to immediately report any concern if they suspect or witness any unethical conduct, or a breach of the Code of Conduct or of other policies and applicable laws. Employees may also have a duty to report concerns under their employment contract or applicable laws.

We encourage our portfolio companies, suppliers and business partners to report to Arendals Fossekompani any issues of concern. When appropriate, employees of portfolio companies, suppliers and business partners may use Arendals Fossekompani's third-party provider for whistleblowing (mittvarsel.no). Anyone who reports such matters will be protected from retaliation. Every report will be taken seriously and will be handled in an appropriate manner. Whistleblowers are entitled to confidentiality in accordance with applicable laws.

Every concern reported is taken seriously. Arendals Fossekompani ensures that any concerns brought forward are handled by persons that are free from any conflict of interest, or otherwise involved in the matter, in order to ensure sufficient independence of assessment.

#### Due diligence and risk management

Arendals Fossekompani undertakes company-wide assessments of actual and potential compliance risks related to all operations, business relationships and supply chains. These take place at least once a year, with more frequent amendments where relevant based on the circumstances. The company's business operations, business locations, interaction with governments, use of business partners and intermediaries, high-risk transactions, industry sector updates, regulatory landscape and other metrics collected must be assessed.

Where business partner onboarding Integrity Due Diligence is required, it must assess the business and background of the party, its ultimate beneficial ownership, the origin and destination of funds and property involved in the relationship, and risks relating to the country, potential bribery, corruption, sanctions violations, and the potential violation of other laws and regulations.

Arendals Fossekompani follows the OECD Guidelines for Multinational Enterprises, including its checklist for Responsible Business Conduct.

#### Training on business conduct

Upon joining Arendals Fossekompani ASA, all new employees are required to sign the Code of Conduct, which is also available publicly on our website at arendalsfossekompani.no.

Training on the Code of Conduct, including on anti-corruption and anti-bribery, is delivered through online lessons. The training is required of all Arendals Fossekompani ASA's employees, as well as in some portfolio companies. Where such training is in place, it is provided to new employees upon joining the company, and approximately every two years as a refresher for the rest of the workforce.

#### Positions at risk

Arendals Fossekompani identifies the business operations that face the highest risk of corruption and bribery as part of its risk management process. These typically include sites in countries that are perceived to constitute a higher risk by the Transparency International Corruption Perceptions Index, such as China and India.

In addition, every company in the portfolio identifies its own functions that present a particularly high risk of corruption and bribery, based on criteria such as the seniority of the position, the prevalence of corruption or bribery in their primary market of activity, their exposure to media and reputational leverage, and any other factors that apply. Typically, companies report that their management teams, procurement and sales tend to present the highest risk.

23% of functions-at-risk across the Group are currently reported to have completed training in anti-corruption and anti-bribery. Increasing the rate of training of functions-at-risk will be a focus area in 2025. In parts of the Group, this is attributable to new company leadership, while elsewhere updated trainings have been under development for early 2025. Regardless of training coverage, the Code of Conduct, including its anti-corruption and anti-bribery guidelines, applies mandatorily to all employees of all risk levels.

Payments to authorities are reported under Financial Note 9.

#### G1-3

130

# PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY

The Board of Directors, including its Audit Committee, is responsible for approving any modifications to the Code of Conduct.

Training in the Code of Conduct has been offered to the entirety of Arendals Fossekompani ASA's administrative, supervisory and management bodies. 100% of Arendals Fossekompani ASA's and 56% of the Group's C-suite and non-executive management have completed the training in full in 2024.

#### Actions on risks relating to business conduct

Arendals Fossekompani engages in initiatives aimed at addressing its risks to business conduct, and to ensure positive impacts are fostered, and negative impacts prevented or reduced. In 2024, we updated our policies and procedures such as the Code of Conduct and Business Code of Conduct, as well as the instructions to the Board of Directors and several of its committees. These updates consolidated the expected risk assessment by Arendals Fossekompani ASA on core issues relating to sustainability, and introduced minimum expectations on non-material areas such as political engagement, animal welfare and supplier management, to prevent the emergence of negative impacts or risks on those topics.

In 2025, actions planned include:

- Circulation of the new Code of Conduct with companies in the portfolio, in particular through the Boards of Directors of each company, to encourage their adoption and ensure policy alignment across the Group;
- Introduction of training on the Code of Conduct, including on anti-corruption and anti-bribery, in companies in which this has not yet taken place, and in particular for positions-at-risk, in an effort to strengthen our defences against the risks we face;
- Launch of a new business partner risk identification procedure at Arendals Fossekompani ASA to trigger the signature of the Business Partner Code of Conduct for prospective partners that are flagged as high-risk.

# G1-4

# INCIDENTS OF CORRUPTION OR BRIBERY

There have been no convictions or confirmed incidents of corruption or bribery brought against Arendals Fossekompani Group's employees during the reporting period. No fines for violation of anti-corruption and anti-bribery laws have been incurred. As a result, no actions beyond the preventative measures listed above have been taken in 2024 to address breaches in procedures and standards of anti-corruption and anti-bribery.

# Cyber security [entity-specific]

# SBM-3

#### MATERIAL RISK

Information is a central and valuable resource for Arendals Fossekompani's core business. Infrastructure in producing energy and handling sensitive materials, and online operations including software and clientfacing services, are vulnerable to digital threats. With the increasing trends in digitalisation, globalisation and the international security landscape, along with the changes taking place in Information and Communications Technology (ICT), such risks are likely to increase in the future.

#### Material risk: Exposure to critical cyber-attacks

Parts of our Group operate in sensitive industries that are exposed to critical cyber-attacks, which poses a risk to some of our operations. Specifically, our energy-producing infrastructure, software companies, and services to sensitive clients are at higher risk. Maintaining a strong information security infrastructure, along with associated internal controls and personnel trainings, generates ongoing costs to our companies. However, severe cyber-attacks have the potential to disrupt operations and delay our service delivery in far costlier ways, such that preventative measures are built into our business models, strategies, budgets and day-to-day decision-making. Our risk assessment on this topic found that our business model and strategy should be resilient in the face of any adjustments required. This was conducted as part of our DMA, using the time horizons and methods outlined in IRO-1. Time horizon: Short term Location in value chain: Own operations

#### Policies and actions on cyber security

At Arendals Fossekompani ASA, cyber security and this material risk are governed by our ICT Security Policy. This policy outlines guidelines to protect the company's overall information portfolio in an appropriate manner, and to ensure that the business is compliant with laws and regulations, as well as general and industryspecific security standards. Our intention is tohave a security infrastructure and protocol proportional to the threats we face.

The guidelines are approved by Arendals Fossekompani's CEO and apply to everyone who has or will have access to the aforementioned resources, including Arendals Fossekompani ASA's Board of Directors, employees, temporary workers and other hired personnel. The Policy is available to all Arendals Fossekompani ASA's employees, and may also be shared with external functions as relevant. The Board of Directors is ultimately responsible for ICT security across the company, and must be informed annually about the ongoing work on ensuring our security in this regard.

Every company's ICT security risks are different. In accordance with the ICT Security Policy, Arendals Fossekompani expects the companies in our portfolio to have regularly updated internal policies and protocols of their own, to ensure that their information and data are protected and secure from unwanted breaches or incidents, and handled in such a manner that protect company-specific data and individual rights, and adhere to applicable external regulations.

The Policy outlines Arendals Fossekompani ASA's riskbased and comprehensive approach to ICT security, whereby a specific risk assessment must be conducted for the company's total information portfolio, and reviewed and updated as necessary. As part of the risk assessment, the value of the information must be assessed, vulnerabilities mapped and threats identified. Mapping of the company's ICT infrastructure, applications, networks, users and suppliers must form a key part of the risk assessment. The protection of the company's overall objectives of confidentiality, integrity and accessibility must be ensured.

# Signatures by the BoD and the CEO of Arendals Fossekompani

Froland, 10 April 2025

Trond Westlie,

Chair

Morten Bergesen, Board Member

Monthey-

we hender

Stine Rolstad Brenna, Board Member

SturoRbreing

Volue, ENRX, NSSLGlobal, Tekna, AFK Vannkraft and Alytic have ICT Security Policies with the same objectives as Arendals Fossekompani ASA. AFK Eiendom is considered too small for a dedicated policy of its own, but looks to Arendals Fossekompani ASA's policy.

Actions undertaken in 2024 and planned for 2025 include:

- An update to Arendals Fossekompani ASA's ICT Security Policy was undertaken in 2024, including an update to the threats faced by the company and its subsidiaries in the evolving cyber security risk landscape. Accordingly, updated training programmes were delivered in parts of the company, with further trainings elsewhere in the Group expected in 2025.
- The ICT security training includes phishing and minimum employee vigilance, and is delivered through online lessons complemented by in-person sessions where relevant. The training is required of all Arendals Fossekompani ASA's employees, as well as in some portfolio companies.
- In addition, as part of its risk assessment on ICT security, Arendals Fossekompani Group identifies the individuals and business operations that face the highest exposure to cyber-attacks, and takes appropriate measures to ensure that these functions are adequately trained to respond to the threats they face. This is undertaken on an ongoing basis.
- Further preventative actions that occurred in 2024 are considered confidential, and others are also in place or planned for 2025.

#### Metrics and targets on cyber security

Arendals Fossekompani Group collects metrics against established targets relating to cyber security. These are considered sensitive to the Group's collective security and are not disclosed publicly.

Didrik Vigsnæs, Board Member

Andy Dalan

Anne Grethe Dalane, Board Member

And Nyseth

Arild Nysæther, Board Member

Benjamin Golding, Chief Executive Officer

# Financial Statements

Consolidated financial statements	134
Notes	142



# Statement of income (1 000 NOK)

	Group		up	Parent Company		
	Note	2024	2023	2024	2023	
Revenue		4 319 188	3 883 853	361 114	503750	
Other Income	1,2	43 330	13 404	16 048	15 56	
Revenue and other income	1	4 362 517	3 897 257	377 162	519 31	
Materials and consumables used		1867580	1487 238	2 579	2 00	
Employee benefit expenses	4	1294249	1 227 180	82 585	75 50	
Other operating expenses	7	593 974	571 870	103 503	92 09	
Operating expenses		3 755 803	3 286 288	188 667	169 59	
EBITDA		606 714	610 969	188 495	349 710	
Depreciation	5	154 640	129 498	13 035	13 07	
Amortisation	6	40 071	37 796	1500	193	
Impairment loss property, plant and equipment	5	4 4 2 6	-	-		
Impairment loss intangible assets	6	13 781	-	-		
Operating profit		393 797	443 675	173 960	334 71	
Finance income	8	115 452	150 828	3 501 961	267 65	
Finance costs	8	248 090	124 340	1 114 276	92 43	
Net financial items		-132 639	26 488	2 387 685	175 22	
Share of profit or loss of associates and joint ventures	11	-33 821	-14 383	-		
Profit before income tax		227 338	455 780	2 561 645	509 93	
Income tax expense	9	269 654	394 471	138 297	298 81	
Profit (-loss) from continuing operations		-42 316	61 309	2 423 348	211 11	
Profit (-loss) from discontinued operations	3	2 286 453	-90 829	-		
Profit (-loss) for the year		2 244 137	-29 520	2 423 348	211 11	
ATTRIBUTABLE TO						
Equity holders of the company		2 237 579	32 590	2 423 348	211 11	
Non-controlling interests		6 558	-62 110	-		
Total		2 244 137	-29 520	2 423 348	211 11	
Basic/diluted earnings per share (NOK)	22	40.76	0.59	44.14	3.8	
Basic/diluted earnings per share continued (NOK)	22	-0.89	2.25	-		

# Statement of comprehensive income (1 000 NOK)

		Grou	ıp	Parent Company		
	Note	2024	2023	2024	2023	
ITEMS THAT MAY BE RECLASSIFIED TO STATEMENT OF INCO	ME					
Total Effect from Foreign Exchange		112 017	85 136	-	-	
Change on Cash flow hedges		941	5 535	-	-	
Tax on cash flow hedges that may be reclassified to P&L	9	-207	-1 218	-	-	
Items that may be reclassified to statement of income		112 751	89 453	-	-	
ITEMS THAT WILL NOT BE RECLASSIFIED TO STATEMENT OF	INCOME					
Change in financial assets at fair value through OCI	16	18 514	2 088	18 514	2 088	
Actuarial gains and Losses	4	6 710	-1431	8 168	-718	
Tax on OCI that will not be reclassified to P&L	9	-1797	-143	-1797	158	
Items that will not be reclassified to statement of income		23 427	513	24 885	1528	
Total Other Comprehensive Income (OCI)		136 179	89 967	24 885	1528	
Profit (-loss) for the year		2 244 137	-29 520	2 423 348	211 112	
Total Comprehensive Income		2 380 316	60 446	2 448 233	212 640	
Attributable to						
Equity holders of the company		2 350 831	99 043	2 448 233	212 640	
Non-controlling interests		29 485	-38 597	-	-	
Total		2 380 316	60 446	2 448 233	212 640	

# Statement of financial position (1 000 NOK)

		Gro	up	Parent Company		
	Note	2024	2023	2024	2023	
ASSETS						
Property, plant and equipment	5	1248 924	1428 536	222 992	227 396	
Intangible assets	6	1006 576	2 376 559	5 298	6 797	
Investments in associates and joint ventures	11	2 553 150	20 315	2 570 648	-	
Investment in subsidiaries	3,11	-	-	1559 587	1811429	
Intercompany loans - non current		-	-	707 030	1384434	
Net pension assets	4	35 584	28 270	21848	13 369	
Non-current receivables	12	106 549	177 453	68 917	56 642	
Shares in other companies	12,16	74 652	88 283	68 562	77 275	
Deferred tax assets	9	107 228	127 723	43 501	46 285	
Non-current assets		5 132 662	4 247 139	5 268 383	3 623 627	
Inventories	13	803 257	1280 223			
Contract assets	13	218 813	182 239	_	_	
Accounts receivable	14	569 225	1044 423	21 240	22 127	
Other receivables	14	191 606	249 648	153 417	221 022	
Derivatives - current assets	16	4 815	4 545	-		
Other current assets	14	97 859	107 156	_	_	
Cash and cash equivalents	15	1799 668	1928 652	913 390	1064 083	
Financial assets at fair value through OCI	16	34 421	15 907	34 421	15 907	
Current assets		3 719 663	4 812 793	1122 467	1323139	
Total assets		8 852 326	9 059 932	6 390 850	4 946 766	

# Statement of financial position (1 000 NOK)

		Gro	up	Parent Company		
	Note	2024	2023	2024	2023	
EQUITY AND LIABILITIES						
Share capital	10	223 981	223 981	223 981	223 981	
Other paid-in capital		28 127	25 604	28 160	25 604	
Treasury shares		-105 684	-112 938	-105 684	-112 938	
Other reserves		102 868	59 634	17 972	1866	
Retained earnings		4 894 722	2 804 670	5 102 672	2 887 448	
Capital and reserves attributable to owners of the company		5 144 014	3 000 952	5 267 102	3 025 962	
Non-controlling Interests	11	270 016	637 581	-	-	
Total equity		5 414 030	3 638 533	5 267 102	3 025 962	
Non-current bond loans	17.05	409 502	408.040	408 502	408.040	
	17,25	498 503	498 042	498 503	498 042	
Non-current interest-bearing debt	17,25	776 474	1745 430	309 718	964 324	
Pension liabilities	4	43 325	36 938	6 456	6 623	
Other non-current liabilities	25	15 795	30 778	-	-	
Deferred tax liabilities	9	45 116	132 939	-	-	
Non-current lease liabilities	19,25	230 338	226 537	57 923	57 965	
Non-current liabilities		1609551	2 670 664	872 599	1526954	
Current interest-bearing debt	17,25	110 001	234 715	-	-	
Bank overdraft	25	166 526	168 745	-	-	
Derivatives - current liabilities	16	2 719	3 660	-	-	
Accounts payable	18	276 936	512 917	17 726	11 852	
Payable income tax	9	209 348	369 671	137 628	272 000	
Contract liabilities	13	151 808	239 890	-	-	
Current interest-bearing debt, intercompany		-	-	-	36 416	
Current lease liabilities	19	60 437	65 762	2 127	2 293	
Current provisions	18	86 652	56 688	37 500	1600	
Other current liabilities	18	764 319	1098 687	56 168	69 690	
Current liabilities		1828745	2750735	251149	393 850	
Total liabilities and equity		8 852 326	9 059 932	6 390 850	4 946 766	

Froland, 10 April 2025

Chair

Not Trond Westlie,

9 Morten Bergesen, **Board Member** 

100

has hinder Lise Lindbäck,

Board Member

Stine Rolstad Brenna, Board Member

Stinckbreing

Didrik Vigsnæs, Board Member

July Dalan

Anne Grethe Dalane, **Board Member** 

And Nyseth

Arild Nysæther, **Board Member** 

Benjamin Golding, **Chief Executive Officer** 

# Statement of cash flows (1 000 NOK)

Cash flow from other investing activities

Net cash from investing activities

Cash flow from internal loans and borrowings

Transactions with investments from subsidiaries

Proceeds from the sales of shares in subsidiaries

			up	Parent Company		
	Note	2024	2023	2024	2023	
CASH FLOW FROM OPERATING ACTIVITIES						
Net profit for the year		2 244 137	-29 520	2 423 348	211 112	
ADJUSTED FOR						
Depreciation, impairment and amortization		970 178	319 914	14 535	15 006	
Gain on disposal of Volue ASA	3,8	-3 013 547	-	-3 265 046		
Loss on disposal of Commeo	3,8	-	-	965 788	-	
Net financial items other	8	133 584	9 653	-88 427	-175 220	
Share of profit from associates and joint ventures		39 084	31 382	-	-	
Gain/loss from sales of assets		3 700	2 302	-	-580	
Tax expense		275 575	420 547	138 297	298 818	
Change in inventories		328 924	-404 443	-	-	
Change in trade and other receivables		107 974	23 957	-18 008	-3 274	
Change in trade and other payables		-101 104	-521 964	5 915	-509	
Cash flow from internal accounts payable and receivable			-	13 926	10 867	
Change in other current assets		27 841	-61962	-	-	
Change in other current liabilities		112 060	291 816	-6 476	-20 674	
Change in other provisions		-3 818	1965	-	-	
Change in employee benefits		-3 155	8 3 3 6	-477	-1781	
Tax paid		-377 947	-490 373	-255 627	-400 427	
Net cash from operating activities	Α	743 487	-398 391	-72 254	-66 661	
CASH FLOW FROM INVESTING ACTIVITIES						
Interest received	8	99 800	94 789	44 527	115 151	
Dividends received	8	383	3 2 3 4	107 676	99 627	
Proceeds from the sales of PPE		13 341	1078	240	878	
Purchase of PPE and intangible assets		-477 024	-648 330	-6 617	-11 290	
Purchase of shares in associates		-5 852	-	-	-	
Purchase of shares in subsidiaries (reduced by cash balance)	3		-476 565	-	-	
Purchase of financial assets at fair value			-2 081	-	-2 081	
Proceed from sale of financial assets at fair value			93	-	93	
Purchase of other investments		-20 609	-16 161	-	-	
				07.440	00.000	
Proceed from sale of other investments		-4 084	21 001	-27 410	20 608	

20 188

-13 563

714 577

327 157

В

-

20188

-129 883

-90 295

1008 528

910 898

-

-761 615

-78 219

11776

-595 611

-

-

-

11774

-1 011 169

# Statement of cash flows (1 000 NOK)

		Gro	up	Parent Co	ompany
	Note	2024	2023	2024	2023
CASH FLOW FROM FINANCING ACTIVITIES					
Equity payments from/ to non controlling interests		25 605	-10 260	-	-
Cash from new borrowings	25	249 599	1322068	188 474	825 485
Repayment of long-term borrowings	25	-1 084 816	-162 291	-876 002	-2 293
Cash flow from net change in current interest bearing debt	25	35 973	277 552	-166	-7
Interest paid and realized currency gains/losses	8	-206 104	-137 058	-84 690	-43 809
Dividend paid		-250 298	-251 175	-219 511	-216 532
Cash flow from treasury shares		11 034	878	9 810	878
Cash Flow from Other Financing Activities		-36 519	7 475	-7 252	2 283
Net cash from financing activities	С	-1 255 526	1 047 188	-989 337	566 005
Cash flow	A+B+C	-184 882	-362 372	-150 693	-96 267
Opening balance for cash and cash equivalents		1928 652	2 212 495	1064 083	1160 349
FX effects on cash accounts		55 898	78 530	-	-
Closing balance for cash and cash equivalents		1799 668	1928652	913 390	1064083
Unused credit facilities		2 194 085	2 194 085	1131 526	1131526

# Statement of changes in equity (1000 NOK)

0	-		-	
G	10	u	μ	

aroup			Other					Non-	
		Share	paid-in	Treasury	Other	Retained	Owner's	controlling	Total
	Note	capital	capital	shares	reserves	earnings	equity	Interests	equity
Balance at 1 January 2023		223 981	21800	-110 012	4 748	2 982 317	3 122 835	661 511	3 784 346
Profit (-loss) for the year		-	-	-	-	32 590	32 590	-62 110	-29 520
Total Other Comprehensive Income (OCI)		-	-	-	62 626	3 288	65 913	24 053	89 967
Effect of share based payment	4	-	-	-	11 319		11 319	2708	14 027
Treasury shares			3804	-2 926		2 166	3044	2 269	5 313
Transactions with non-controlling interests	8	-		-	-32 443	22 863	-9 580	8 958	-622
Capital changes from subsidiaries		-	-	-	13 384	-14 300	-916	26 150	25 234
Dividends paid	10	-	-	-	-	-224 254	-224 254	-25 958	-250 212
Balance at 31 December		223 981	25 604	-112 938	59634	2804670	3 000 952	637 581	3 638 533
Balance at 1 January 2024		223 981	25 604	-112 938	59 634	2 804 670	3 000 952	637 581	3 638 533
Profit (-loss) for the year		-	-33	-	-69 522	2 307 135	2 237 579	6 558	2 244 137
Total Other Comprehensive Income (OCI)		-	-	-	107 049	6 203	113 252	22 927	136 179
Effect of share based payment	4	-	-	-	5 707	-1488	4 219	-	4 219
Treasury shares			2 556	7 254	-	1167	10 977	58	11 034
Disposal group	3		-	-	-	-	-	-369 410	-369 410
Dividends paid	10		-	-	-	-222 965	-222 965	-27 698	-250 662
Balance at 31 December		223 981	28 127	-105 684	102 868	4 894 722	5 144 014	270 016	5 414 030

# Statement of changes in equity (1 000 NOK) Parent Company

	Note	Share capital	Other paid-in capital	Treasury shares	Other reserves	Retained earnings	Owner's equity	Non- controlling Interests	Total equity
Balance at 1 January 2023		223 981	21800	-110 012	-1833	2 893 428	3 027 365		3 027 365
Profit (-loss) for the year		-	-	-	-	211 112	211 112	-	211 112
Total Other Comprehensive Income (OCI)		-	-	-	2 088	-560	1528	-	1528
Effect of share based payment	4	-	-	-	1 611	-	1611	-	1611
Treasury shares		-	3804	-2926	-	-	878	-	878
Dividends paid	10	-	-	-	-	-216 532	-216 532	-	-216 532
Balance at 31 December		223 981	25 604	-112 938	1866	2 887 448	3 025 962	-	3 025 962
Balance at 1 January 2024		223 981	25 604	-112 938	1866	2 887 448	3 025 962		3 0 2 5 9 6 2
Profit (-loss) for the year		-	-	-	-	2 423 348	2 423 348	-	2 423 348
Total Other Comprehensive Income (OCI)					18 514	6 371	24 885		24 885
Effect of share based payment	4	-	-	-	-2408	5 016	2608	-	2608
Treasury shares		-	2 556	7 254	-	-	9 810	-	9 810
Dividends paid	10	-	-	-	-	-219 511	-219 511	-	-219 511
Balance at 31 December		223 981	28 160	-105 684	17 972	5 102 672	5 267 102	-	5 267 102

Parent Company									
	Note	Share capital	Other paid-in capital	Treasury shares	Other reserves	Retained earnings	Owner's equity	Non- controlling Interests	Total equity
Balance at 1 January 2023		223 981	21800	-110 012	-1833	2 893 428	3 027 365		3 027 365
Profit (-loss) for the year		-	-	-	-	211 112	211 112	-	211 112
Total Other Comprehensive Income (OCI)		-	-	-	2 088	-560	1528	-	1528
Effect of share based payment	4	-	-	-	1 611	-	1611	-	1611
Treasury shares		-	3 804	-2926	-	-	878	-	878
Dividends paid	10	-	-	-	-	-216 532	-216 532	-	-216 532
Balance at 31 December		223 981	25 604	-112 938	1866	2 887 448	3 025 962	-	3 025 962
Balance at 1 January 2024		223 981	25 604	-112 938	1866	2 887 448	3 025 962		3 025 962
Profit (-loss) for the year		-	-	-	-	2 423 348	2 423 348	-	2 423 348
Total Other Comprehensive Income (OCI)			-	-	18 514	6 371	24 885	-	24 885
Effect of share based payment	4	-	-	-	-2408	5 016	2608	-	2608
Treasury shares		-	2 556	7 254	-	-	9 810	-	9 810
Dividends paid	10	-	-	-	-	-219 511	-219 511	-	-219 511
Balance at 31 December		223 981	28 160	-105 684	17 972	5 102 672	5 267 102	-	5 267 102

# Notes to the annual and consolidated financial statements for 2024

# Accounting policies

#### INFORMATION ABOUT THE COMPANY

Arendals Fossekompani ASA is domiciled in Norway, and with headquarters in Bøylefoss, in the Municipality of Froland. The consolidated financial statements for financial year 2024 include the company and its subsidiaries (as a whole, referred to as "the Group"). Information about the companies included in the scope of consolidation is disclosed in Note 11, together with information about Group investments in associates.

#### **BASIS FOR PREPARATION**

The annual and consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards as adopted by the European Union and associated interpretations, as well as Norwegian disclosure requirements pursuant to the Norwegian Accounting Act applicable as of 31 December 2024.

The annual and consolidated financial statements were approved by the board of directors on 10 April 2025.

The annual and consolidated financial statements will be submitted for adoption at the Annual General Meeting scheduled for 15 May 2025. The board is authorised to amend the annual and consolidated financial statements until final adoption.

The financial statements are presented in Norwegian kroner (NOK), which is the functional currency of the parent company. All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand NOK units unless otherwise stated.

The financial statements have been prepared using the historical cost principle, with the exception of the following assets, which are presented at fair value: Financial instruments at fair value through profit or loss and financial instruments at fair value through other comprehensive income.

The Group recognises changes in equity arising from transactions with owners in the statement of changes in equity. Other changes in equity are presented in the statement of comprehensive income (total return).

Preparation of financial statements in accordance with IFRS requires the use of assessments, estimates and assumptions that influence which accounting policies shall be applied, and also influence recognised amounts for assets and liabilities, revenues and costs. Actual amounts can deviate from estimated amounts. Estimates and underlying assumptions are reviewed on an ongoing basis. Changes in accounting estimates are recognised in the period in which they arise if they only apply to that period. If the changes also apply to subsequent periods, the effect is allocated over the current and subsequent periods.

Areas with significant estimation uncertainties, and where assumptions and assessments made have significantly influenced the application of the accounting policies, are disclosed in Note 21.

#### **ACCOUNTING POLICIES**

The accounting policies applied in the preparation of the annual and consolidated financial statements are described below. With the exception of effects described in the section on changes in accounting policies below, the policies are applied consistently for all periods. In case that subsidiaries have used other principles to prepare their separate annual financial statements, adjustments have been made so the consolidated financial statements are prepared according to common policies.

# PRINCIPLES OF CONSOLIDATION

#### Segment reporting

Financial information for the operating segments is determined and presented based on the information provided to the company's board of directors, which is the Group's ultimate decision-maker.

## FOREIGN CURRENCY TRANSLATION

Transactions in foreign currencies

Transactions in foreign currencies are translated to the functional currency of each individual Group company using the exchange rates at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated to NOK using the exchange rate at the balance sheet date. Differences that arise from the currency translation are recognised in the income statement.

#### Financial statements of foreign operations

Assets and liabilities in foreign currencies are translated to NOK using the exchange rate at the balance sheet date. Foreign exchange gains/losses related to sales are presented as part of sales, foreign exchange gains/losses related to purchases are presented as part of cost of materials, and foreign exchange gains/losses related to financing is presented as part of financial items.

# HEDGING ACTIVITIES

# Cash flow hedge

When a derivative is designated as a hedging instrument on variability in cash flows for a recorded asset or liability, or for a highly probable forecast transaction, the effective portion of a change in fair value is recognised in other comprehensive income. The Group performs a qualitative assesment of hedging effectiveness. A hedging instrument is derecognised when it no longer satisfies hedge accounting criteria, sold, terminated or matures. The accumulated change in fair value recognised in other comprehensive income remains until the forecast transaction occurs. If the hedged item is a financial asset, the amount recognised in other comprehensive income is transferred to to the income statement in the same period as the hedged item affects the income statement. If the hedged transaction is no longer expected to occur, the accumulated unrealised gains or losses are immediately recognised in the income statement.

# EQUITY

## **Ordinary shares**

Ordinary shares are classified as equity. Costs associated with the issuance of shares are recognised as a reduction in net equity (share premium) after tax, if applicable.

#### Purchase and sale of treasury shares

On the repurchase of treasury shares, the purchase amount including directly attributable costs are recognised as a change in equity. Purchased shares are classified as treasury shares and reduce total equity. When treasury shares are sold, the received amount is recorded as an increase in equity, and the subsequent gain on the transaction is recognised in Other paid-in equity.

#### Depreciation

Depreciation is calculated using the straight-line method over the estimated useful lifetime for each item of property, plant and equipment, and charged to the income statement. Land is not depreciated. Estimated economic lifetimes are as follows:

#### ESTIMATED ECONOMIC LIFETIMES

Watercourse regulations	40-50 years			
Power generation				
Buildings	50 years			
Dams, water ways, hatches	25-40 years			
Machine equipment	40 years			
Thermal power plant (Spain)	25 years			
Industrial activities				
Buildings	20-25 years			
Machinery and equipment	7-15 years			
Operational moveable property, vehicles, equipment etc.	3-12 years			

Residual value is assessed annually unless it is immaterial.

#### **Construction contracts**

The booked value of construction contracts consists of earned, non-invoiced income under the percent-

age-of-completion method, less received advance payments. The amount is recognised in the balance sheet under trade and other receiva-bles. The net worth is classified as contract assets. Long-term manufacturing contracts where the customer has paid more than the earned contract value on the balance sheet date are classified as contract obligations. See also the section below on operating income and Note 13.

### EMPLOYEE BENEFITS

#### Share-based compensation

For share-based compensation by equity instru-ments granted that do not vest until the employee completes a specified period of service, it is assumed that the services to be rendered as consideration for the equity instruments will be received in the future, during the vesting period. Such services are accounted for as they are rendered by the employee during the vesting period, with a corresponding increase in equity.

#### **OPERATING INCOME**

# Goods sold and services rendered

Operating revenue is recognised when perfor-mance obligations are satisfied through the transfer of a good or service to the the customer, either over time or at a point in time. By transfer is meant that the customer has obtained control of the good or service. The most central indicators of transfer of control is that the Group has obtained the right to payment for the good or service, that the customer has obtained the right to the good or service, that the Group has transferred physical control of the good or service, that the customer has taken on the significant risks and rewards related to ownership of the good or service. Operating revenue is presented net of sales-related taxes and rebates.

Revenue related to fixed-price contracts where the deliverable is tailored to the customer, does not have an alternative use and where the Group obtains the right to payment based on the projects progress is recognised over time as long as the projects revenue and expenses can be estimated reliably. When the project's result cannot be estimated reliably, only revenue corresponding to expenses incurred may be recognised. Losses related to onerous contracts are recognosed in the period they are identified.

Depending on the type of project, progress is estimated based on costs incurred in relation to total estimated costs, as direct hours incurred in relation to total expected hours or by assessing technical grade of completion. Estimates related to revenues, expenses and progress are revised when assumptions change. Change in estimates are recognised in the income statement in the period management becomes aware of the change of assumptions that caused the change in estimate.
In fixed-price contracts the customer normally pays fixed amounts through the project period based on a payment plan. A contract asset is recognised if, at the measurement date the value of the deliverable at the exceeds payments received from the customer. A contract liability is recognised payment from the customer exceeds the value of the deliverable at the measurement date.

Revenue from energy sales is recognised at the transaction date.

# **GOVERNMENT GRANTS**

Government grants that compensate for incurred expenses are recognised as a cost reduction in the income statement on a systematic basis in the same periods in which the expenses are incurred. Grants related to the acquisition of operating assets are recognised as reduction of cost and amortised by reducing amortisation over the operating asset's useful economic life.

# CASH AND CASH EQUIVALENTS

Cash means cash in hand and in the bank. Cash equivalents are short-term liquid investments that can be converted to cash within three months to a known amount and which have an insignificant degree of risk. Cash and cash equivalents in the cash flow statement do not include unused overdrafts.

# NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense. The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued

# Note 1 (1000 NOK)

Segment										
reporting										
per 31.12.	Group Ma	anagement	AFK	Vannkraft	N	ISSLGlobal		ENRX	Tek	na
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Sales at a point										
in time	53		360 999	503 750	1399388	1203 525	898 429	913 885	216 862	212 174
Sales over time							1 015 685	885 888	73 486	107 029
Other Income	17 336	12 684	2 191	6 817	509	2 612	9 0 07	4 289	31 917	8 528
<b>Revenue and</b>										
other income	17 390	12 684	363 190	510 567	1399897	1206137	1923121	1804062	322 265	327730
Operating										
expense	92102	87 467	101742	85 382	1105 098	975 289	1700 675	1605918	353 590	391 661
Depreciation,										
amortization, impairment	5 838	3 358	8 716	11 657	31399	19 557	88 403	82 516	31 5 4 5	33 036
Operating	0.000	0.000	0710	11007	01000	15 551	00403	02 010	01040	33 030
profit	-80 551	-78 140	252 733	413 528	263 400	211 291	134 043	115 628	-62 870	-96 966
Income from										
associates					967	1087			9	-4 755
Net financial										
items	-642 422	175 215			12 862	-3 234	-80 786	-44 224	-15 901	-4 973
Income tax										
expense	-17 352	4 971	155 930	294 058	74 805	44 757	44 498	43 361	6 677	11 476
Profit (-loss)										
for the period										
from continued	-705 621	92104	96 803	119 470	202 424	164 388	8 759	28 042	-85 439	-118 170
operations										
Total assets	6 155 332		239 113	227 280	1258 356	1066740	2 372 107	2 014 539	576 252	585 469
Total liabilities	949 179	1638939	179 511	285 219	533 368	458 674	1862777	1597622	366 852	291 026
Net interest	-43 387	496 768			-473 752	-346 420	1053 958	776 613	172 321	125 011
bearing debt	-43 387	490/08			-413192	-340 420	1000 908	110013	1/2 321	125 011

Aly	tic	Prop	ertv	Oth	ber	Total S	egment	Elimina & Adjust		To <sup>.</sup> Consol	
2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
2024	2020	2024	2020	2024	2020	2024	2020	2024	2020	2024	2020
65 380	45 742	287789	10 941	1001	516	3 229 902	2 890 533			3 230 017	2 890 533
			332		71	1089170	993 320			1089170	993 320
1240	446	6 954	6 412	10 711	-93	79 865	41694	-36 687	-28 290	43 330	13 404
66 621	46 188	294 743	17 685	11 712	494	4 398 937	3 925 547	-36 687	-28 290	4 362 517	3 897 257
115 998	117 666	265 671	15 211	41 2 39	25 174	3 776 113	3 303 768	-20 546	-17 480	3 755 803	3 286 288
38 249	13 321	16 520	12 227	4 561	576	225 231	176 247	-12 314	-8 953	212 917	167 294
-87 626	-84 799	12 552	-9753	-34 088	-25 256	397 593	445 532	-3 827	-1857	393 797	443 675
					-1126	976	-4793	-34 796	-9 590	-33 821	-14 383
-1537	-541	-11748	-3 847	-50 815	4 669	-790 348	123 064	657 981	-96 576	-132 639	26 488
-3 639	-4 841	8 684	232	-3	6	269 599	394 020	451	451	269 654	394 471
-85 524	-80 500	-7 880	-13 832	-84 900	-21719	-661378	169 783	618 907	-108 474	-42 316	61 309
255 304	224 796	523 170	621795	64 877	981 665	11 444 511	10 445 547	-2 592 791	-1 385 615	8 852 326	9 059 932
107 886	85 263	330 127	436 921	1016289	1067 567	5 345 989	5 861 232	-1908144	-439 832	3 438 296	5 421 400
13 815	4 163	212 686	360 721	1 005 715	879 061	1088 812	693 707	-1886862	321 567	54 222	1015274

operations in the statement of profit or loss. Cash flows from discontinued operations are included in the consolidated statement of cash flows and are disclosed separately. The Group includes proceeds from disposal in cash flows from discontinued operations. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

# ACCOUNTING STANDARDS AND INTER-PRETATIONS ISSUED BUT NOT ADOPTED

The company has not early-adopted any IFRS standards or IFRIC that have been issued but are not mandatory as of 31 December 2024. Based on the assessments made so far, it is assumed that coming standards and IFRIC approved by the EU will not have a material effect on the financial statements.

No new standards have been adopted by the Company and the Group with effect from 1 January 2024.

# Segment reporting

Financial information for the operating segments is determined and presented based on the information provided to the company's board of directors, which is the Group's ultimate decision-maker. Due to the sale of shares in Volue and Vergia, as well the filing for insolvency of Commeo, these disposed groups are no longer reported as segments. The remaining companies in the Ampwell group are reported as Other in the segment note. We also refer to note 3.

# SHORT DESCRIPTION OF THE OPERATING SEGMENTS

# **AFK Vannkraft**

AFK Vannkraft generates power at two locations in the Arendal watercourse. The Bøylefoss and Flatenfoss hydropower plants produce on average more than 500 GWh annually. All financial items have been allocated to Group Management segment.

### Group Management

Combining industrial, technological and capital markets expertise, Arendals Fossekompani's Group Management identifies and develops opportunities for sustainable value creation. As an active owner of our portfolio companies, we support management in target setting, strategy development, performance management, M&A and financing, and work to build strong boards, management teams and leaders to ensure long-term sustainable value creation. In every investment, we have a long-term view of our objectives. We retain ownership of our portfolio companies as long as we are the best owner, ensuring long-term value and stability.

# NSSL Global

NSSLGlobal is an independent provider of cyber secure satellite and mobile communications, and IT support that delivers high-quality voice and data services across the globe, regardless of location or terrain. NSSLGlobal's activities are divided into four main areas: Airtime, Projects, Hardware and Service. Its main customers are within the maritime segment, the military and government sector, large international corporations, and the energy sector. The revenue model is to a large degree based on multi-year subscription and support contracts, thereby securing a significant recurring revenues.

# ENRX

Leveraging decades of experience, ENRX combines global market leadership for industrial induction heating systems (Heat) with leading technology in the highgrowth market for wireless induction charging solutions (Charge). Industries served by ENRX include automotive, renewable energy/wind energy, pipe fabrication, electronics, cable and mechanical engineering. The company has operations in 15 countries.

# Tekna

Tekna is a world-leading provider of advanced materials and plasma systems to several industries. Tekna produces high-purity metal powders for applications such as 3D printing in the aerospace, medical and consumer electronics sectors, as well as optimised induction plasma systems for industrial research and production. With its unique, IP-protected plasma technology, the company is well positioned in the growing market for advanced nanomaterials within the microelectronics industry.

# **AFK Eiendom**

AFK Eiendom comprises all property related companies and property investments in Arendals Fossekompani.

# Alytic

Alytic acts as a growth catalyst for future-oriented companies and works to establish leading businesses within their respective industries. The Alytic investment team collaborates closely with their portfolio companies to drive value through strategic development, leadership support, sales enhancement, HR and talent acquisition, and by leveraging data science and technology. The current Alytic portfolio of companies includes Kontali, a world-leading aquaculture data and analyses provider, Veyt, a market intelligence provider for low carbon markets, Factlines, a technology provider for ESG reporting., and Utel, a provider of services for telecom network monitoring and analysis."

# Note 1 Segment reporting cont. (1000 NOK)

**GEOGRAPHICAL SEGMENTS** 

	Norway		Euro	Europe Asia		ia	North America		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Revenue	848 639	692 554	1952409	1256466	875 639	1 2 2 5 8 1 2	685 831	722 426	4 362 517	3 897 257
Segment assets	4 908 242	1695074	2 292 930	5 189 719	775 902	1374 982	875 252	800 157	8 852 326	9 059 932

# SEGMENT REVENUE IS BASED ON LOCATION OF THE CUSTOMERS

Parent Company	AFK Va	nnkraft	Group Management			
	2024	2023	2024	2023		
Revenue and other income	363 305	510 567	13 857	8 748		
Operating expenses	104 311	85 382	84 357	84 216		
Depreciation, amortization and impair-	0.740	44.057	5.040	0.040		
ment	8 716	11 657	5 819	3 349		
Operating income	250 279	413 528	-76 319	-78 817		
Net financial items			2 387 685	175 220		
Income tax expense	155 534	294 058	-17 236	4760		
Profit (-loss) continuing operations	94 745	119 470	2 328 603	91643		
1 C C C C C C C C C C C C C C C C C C C					-	
Total assets	239 092	227 280	6 151 758	4 719 486	6	
Total liabilities	178 475	285 219	945 273	1635585		
Net interest bearing debt			-43 387	496 767		

# Note 2 Other income<sup>(1000 NOK)</sup>

	Gro	oup	Parent Company			
	2024	2023	2024	2023		
Other	36 488	9 215	7 240	6 237		
Other income, intercompany			8 807	8 748		
Gain sales of assets	656	1 314		580		
Grants/subsi- dies	6 186	2 875				
Other income	43 330	13 404	16 048	15 565		

Total						
2024	2023					
377 162	519 315					
188 667	169 599					
14 535	15 006					
173 960	334 711					
2 387 685	175 220					
138 297	298 818					
2 423 348	211 112					
390 850	4 946 766					
1123748	1920804					
-43 387	496 767					

# Note 3 Discontinued operations

# Note 3.1 Sale of subsidiary - Vergia

# Sale of Vergia in 2024

In July 2024, Arendals Fossekompani sold its 100% shareholding in Vergia. Consequently, the company's financial results have been recognised on separate lines in the income statement as discontinued operations. The gain on disposal of Vergia of MNOK 17 is included in "Profit/loss from discontinued operations". Vergia's key figures relating to the income statement for 2024 (until transaction date), and comparative figures for 2023 are presented below.

Amount in MNOK	2024	2023
OPERATING REVENUES AND OPERATING COSTS		
Operating revenue		1
Operating expense	4	9
Operating profit	-3	-8
Net financial items	-1	-1
Share of profit or loss of associates and joint ventures	-5	-17
Profit before income tax	-10	-26
Profit (-loss) from discontinued operations	-10	-26
Gain on disposal of Vergia	17	
Net discontinued operations income (after tax)	7	-26
Basic/diluted earnings per share (NOK)	0,13	-0,47
Net cash from operating activities	-4,6	-15
Net cash from investing activities	-6,2	-9
Net cash from financing activities	7,7	9
Cash Flow	-3	-15

# Note 3.2 Insolvency of subsidiary - Commeo Germany

# Insolvence of Commeo Germany in 2024

Commeo is a subsidiary of AFK's portfolio company, Ampwell. Ampwell was established in 2022 to build an eco-system for battery technology and a Battery-as-a-Service model. The investment in Commeo was made in April 2022. The Commeo companies in Germany filed for insolvency in July 2024. All companies are subsidiaries of Arendal Fossekompani. Consequently, these company's financial results have been recognised on separate lines in the income statement as discontinued operations. After insolvency of Commeo Germany, Ampwell is no longer considered as own reporting segment. The remaining Ampwell companies are now included in reporting segment Other. The impairment losses of total NOK 613 million related to the insolvency of Commeo are presented as "Profit/loss from discontinued operations" in the Group accounts and include the impairment of property, plant and equipment of NOK 236 million, the impairment of intangible assets of NOK 96 million as well the impairment of the entire goodwill of NOK 281 million related to the acquisition of Commeo. Commeo Germany's key figures relating to the income statement for 2024 (until filing date for insolvency), and comparative figures for 2023 are presented below.

Amount in MNOK	2024	2023
OPERATING REVENUES AND OPERATING COSTS		
Operating revenue	30	60
Operating expense	208	118
Depreciation and amortisation	15	24
Operating profit	-193	-82
Net financial items		-19
Profit before income tax	-193	-101
Income tax expense	3	1
Profit (-loss) from discontinued operations	-190	-101
Impairment losses related to insolvency of Commeo	613	
Net discontinued operations income (after tax)	-803	-101
Basic/diluted earnings per share (NOK)	-11.17	-1.84
Net cash from operating activities	-71	-179
Net cash from investing activities	-14	-173
Net cash from financing activities	53	379
Cash Flow	-32	26

# Note 3.3 Sale of subsidiary - Volue

### Sale of Volue in 2024

In October 2024 Arendals Fossekompani sold its 60% shareholding in Volue ASA. Arendals Fossekompani has subsequently acquired a 40% indirect ownership of Volue via the associated company Faraday Topco AS. The gain on partial disposal of Volue of NOK 3,014 million is included in "Profit/loss from discontinued operations" in the group accounts. In the parent company financial statements, the gain of NOK 3,265 million related to sale of Volue is presented as financial income. The sale of Volue contributed with cash proceeds of NOK 3,569 million to the company. Volue's key figures relating to the income statement for 2024 (until transaction date) and comparative figures for 2023 are presented below.

Amount in MNOK	2024	2023
OPERATING REVENUES AND OPERATING COSTS		
Operating revenue	1335	1489
Operating expense	1 107	1281
Depreciation	15	40
Amortisation	118	88
Operating profit	95	94
Net financial items	-17	-17
Profit before income tax	78	77
Income tax expense	9	27
Profit (-loss) from discontinued operations	69	50
Gain on disposal of Volue shares	3 014	
Net discontinued operations income (after tax)	3 083	50
Basic/diluted earnings per share (NOK)	56.15	0.92

Amount in MNOK	2024	2023
OPERATING REVENUES AND OPERATING COSTS		
Net cash from operating activities	378	-97
Net cash from investing activities	-444	-531
Net cash from financing activities	-122	347
Cash Flow	-187	-282
DETAILS OF THE SALE OF SUBSIDIARY VOLUE ASA:		
Consideration received		
Cash	1055	
Offset debt and transaction cost	154	
Promissory note	2 417	
Total disposal consideration	3 625	
Transaction costs	-56	
Carrying amount of net assets sold, excl. NCI	-556	
Gain on sale of shares in Volue ASA	3 014	
The carrying amounts of assets and liabilities as at		
the date of sale (27 October 2024) on 100% basis were:		

	27 October 2024
Intangible assets	1202
Property, plant and equipment	188
Deferred tax assets	47
Other non-current assets	32
Inventories	34
Contract assets	105
Accounts receivable	210
Other receivables	108
Cash and cash equivalents	294
Total assets	2 219
Non-current interest-bearing debt	-193
Other non-current liabilities	-11
Deferred taxes	-90
Non-current RoU liabilities	-103
Accounts payable	-86
Current interest-bearing debt	-173
Payable income tax	-69
Contract liabilities	-123
Current RoU liabilities	-36
Other current liabilities	-418
Total liabilities	-1301
Net assets	918

# Note 4 Employee benefits

-97

-531 347 -282

# Note 4.1 Employee benefit expenses (1 000 NOK)

	Group		Parent Company	
	2024	2023	2024	2023
Salaries	1166 572	1 011 169	60 557	55 345
Social security contributions	154 192	228 811	10 207	10 566
Pension costs	45 489	40 623	5 169	4 762
Capitalised cost	-96 094	-79 548		
Share-based payments	5 707	3 212	2 608	1 611
Other benefits	18 383	22 913	4 0 4 3	3 2 2 1
Total employee benefits	1294249	1227180	82 585	75 506
Average number of full-time headcounts	1761	1752	37	37

2024	Salaries, fees	Bonus paid out this year	Benefits in kind		Share-based payment	Paid-in pension contribution	Number of board meetings (i)
SENIOR EXECUTIVES							
Benjamin Golding, CEO	4 107	1987	24	6 118	437	129	
Lars Peder Fensli, CFO	2 912	772	14	3 698	389	137	
Håkon Tanem, Executive Vice President	2 575	-	53	2 628	281	135	
Torkil Mogstad, Executive Vice President	2 262	426	38	2726	295	89	
Ingunn Ettestøl, ESG Director	1896	505	26	2 427	260	160	
Ann-Kari A. Heier, Executive Vice President	1792	200	38	2 0 3 0	137	164	
Total remuneration	15 544	3 890	193	19 627	1799	814	

2024	Salaries, fees	Bonus paid out this year	Benefits in kind	Total remu- neration	Share-based payment	Paid-in pension contribution	Number of board meetings (i)
BOARD MEMBERS							
Trond Westlie, Chairman, (iii)	1 119			1 119			17
Morten Bergesen, Deputy Chairman, (ii), (iv)	483			483			17
Didrik Vigsnæs, Board Member, (iii)	423			423			17
Christian Must, Board Member until 15.05.2024 (iii)	156			156			5
Arild Nysæther, Board Member from 15.05.2024	225			225			12
Stine Rolstad Brenna, Board Member, (ii)	477			477			17
Lise Lindback, Board Member, (iii)	398			398			17
Anne Grethe Dalane, Board member, (ii)	453			453			17
Total remuneration	3734			3734			

2023	Salaries, fees	Bonus paid out this year	Benefits in kind	Total remu- neration	Share-based payment	Paid-in pension contribution	Number of board meetings (i)
SENIOR EXECUTIVES							
Benjamin Golding, CEO from 01.05.2023	2436		14	2 450	146	78	
Lars Peder Fensli, CFO, interim CEO from 01.01.2023 until 30.04.2023	3 049	839	34	3 922	250	124	
Morten Henriksen, Executive Vice President until 31.03.2023	1008	566	7	1581	47	52	
Håkon Tanem, Executive Vice President from 09.10.2023, (vi)	578	2000	13	2 591	16	30	
Torkil Mogstad, Executive Vice President	2 126	423	32	2 581	250	93	
Ingunn Ettestøl, ESG Director	1798	326	23	2 147	188	144	
Ann-Kari A. Heier, Executive Vice President from 14.11.2023	252		4	256	10	19	
Total remuneration	11 247	4 154	127	15 528	907	540	

2023	Salaries, fees	Bonus paid out this year	Benefits in kind	Total remu- neration	Share-based payment	Paid-in pension contribution	Number of board meetings (i)
BOARD MEMBERS							
Trond Westlie, Chairman, (iii) (v)	1220			1220			10
Morten Bergesen, Deputy Chairman, (ii), (iv)	458			458			10
Didrik Vigsnæs, Board Member, (iii)	386			386			10
Christian Must, Board member, (iii)	373			373			10
Stine Rolstad Brenna, Board Member, (ii)	443			443			10
Lise Lindback, Board Member, (iii)	376			376			10
Anne Grethe Dalane, Board member, (ii)	397			397			10
Total remuneration	3 653			3 653			

- (i) 17 Board meetings were held in 2024 and 10 in 2023.
- (ii) Member of Audit Commitee
- (iii) Member of Compensation Committee
- (iv) Member of Nomination Committee
- (v) Including consultancy fee of tNOK 500 in 2023, refer to note 24

(vi) Sign-on bonus of tNOK 2.000 in 2023 without binding period In addition, tNOK 62 (62) was paid in pensions to former board members. Senior executives participate in the collective pension scheme for employees of the parent company and subsidiaries. Refer to the description in the note on pensions. All companies in the Group have phased out defined-benefit pension schemes with effect from 31 December 2015. Bonuses, options and other benefits are not pensionable. Senior executives of the Group received no remuneration or benefits from other Group companies except as shown above. No additional remuneration was paid for special services beyond normal management duties. Regarding loans and security provided to members of the management team, the Board of Directors and other elected bodies of the company refer to Note 24.

# Employment terms for the CEO and other senior executives:

The following severance pay has been agreed for the CEO in the event of the termination of his employment: Salary will be paid during the notice period (6 months). In addition he will receive a severance pay amounting to 6 months of salary. As part of the incentive program for senior executives in AFK, the CEO was given the right to buy 34 249 shares in the company in 2024 at a 20% discount with a lock-in period of three years. Senior executives Lars Peder Fensli and Håkon Tanem were given the right to buy 17 125 shares in 2024 on the same terms. Senior executives Ann-Kari Heier and Ingunn Ettestøl were given the right to buy respectively 2 280 and 5 000 shares in 2024 on the same terms. Executives may borrow up to two-thirds of the purchase price for the shares on the same terms as ordinary employee loans. Loans are secured by a mortgage on the shares and run as long as the employment relationship lasts.

# Note 4.2 Pension liabilities (1000 NOK)

### Pension obligations / costs

The Group's Norwegian companies are obligated to maintain an occupational pension scheme pursuant to the Mandatory Occupational Pension Scheme. The pension scheme satisfies statutory requirements. The pension scheme includes a retirement pension, disability pension and survivor pension. With effect no later than 31.12.2015, all the companies in the Group discontinued their defined benefit plan.

	Group	C	Parent Cor	Parent Company	
	2024	2023	2024	2023	
PENSION LIABILITIES					
Present value of unfunded liabilities	18 275	17 508	5 658	5804	
Present value of funded liabilities	60 390	82 840	46 709	48 131	
Fair value of pension assets	-75 871	-96 027	-68 557	-61500	
Recognised employers' contributions	1 618	1536	798	818	
Present value of net liabilities	4 412	5 856	-15 392	-6 747	
Of which presented as pension assets	35 584	28 270	21 848	13 369	
Other pension liabilities	3 329	2 811			
Gross pension liabilities	43 325	36 938	6 4 5 6	6 623	
CHANGE IN RECOGNISED NET LIABILITY FOR DEFINED-BENEFIT PENSIONS					
Net funded defined-benefit pension liability as at 1 January	-4 236	-11 107	-13 369	-12 041	
Liability for unfunded schemes as at 1 January	6 623	6 000	6 6 2 3	6 358	
Paid-in contributions	1273	-1022		-1 475	
Paid out from the scheme	-1 012	-282	-255	-292	
Actuarial (gains) losses from other comprehensive income	-6 710	1431	-8 168	718	
Exchange rate changes, pension liabilities	502	805			
Costs of defined-benefit schemes	241	483	-223	-14	
Net liability for defined-benefit schemes as at 31 December	-3 320	-3 691	-15 392	-6 747	

	Group	b	Parent Company	
	2024	2023	2024	2023
COSTS RECOGNISED IN THE INCOME STATEMENT				
Costs relating to this period's pension entitlements	574	259		
Interest on the liabilities	2 134	2 550	1 616	1502
Expected return on pension plan assets	-2 245	-2 916	-1863	-1721
Recognised employers' contributions	-222	590	24	205
Costs of defined-contribution pension schemes	43 542	38 075	3 716	2 819
Net interest on pension liabilities transferred to finance	253	122	223	14
Transfer effect of discontinuation of separate line in income statement	1454	1943	1454	1943
Total pension costs	45 489	40 623	5 169	4 762
Actual return on pension plan assets	11 235	8 939	5 055	5 652
DEVELOPMENT OF THE GROUP'S FUNDED PENSION LIABILITIES				
Present value of funded liabilities	60 390	82 840	46 709	48 131
Fair value of pension assets	-75 871	-96 027	-68 557	-61500
Net result	-15 481	-13 187	-21848	-13 369

# Note 4.3 Share-based payments

# Share option plan - Tekna Group

154

"The guidelines for remuneration of leading persons in the Tekna group was approved by the shareholders at the annual general assembly dated 3 May 2023. The establishment of the share option plan was approved by the shareholders at the annual general assembly dated 15 May 2024. The board of directors of Tekna Holding ASA (the ""Company"") has resolved to implement an employee share option plan (the ""Plan""). The Plan is available to eligible individuals as determined by the board of directors. The Plan enables the eligible person to acquire a proprietary interest in the growth and eligible individuals as determined by the board of directors. The Plan enables the eligible person to acquire a proprietary interest in the growth and performance of the Company and to enhance the ability of the Company to attract, retain and reward qualified individuals. Options can be granted on an annual or ad hoc basis, with annual grants projected for 2024, 2025, and 2026, all subject to the board's discretion. Upon exercising their options, option holders can choose between acquiring shares after paying the strike price or opting for a cashless transaction. The latter involves the transfer of a number of treasury shares equivalent to the NOK amount of the number of exercised options, multiplied by the difference between the Company's shares' market price and the strike price.On 23 October 2024, the board of directors has granted a total of 2.124,000 options in the 2024 allocation round. These options have a strike price of NOK 4.88, Issued options vest 33% after one year. 33% after two years, and 33% after three years. The expiry date for any option granted is the date falling 24 months following the vesting date and will lapse if not exercised. The share options plan have been treated as an equity-settled plan under IFRS. The strike price of the share options will be based on the volume weighted average share price over the last five last trading days preceding the grant date. The total profit each option holder may achieve shall be limited to 400% of the fair market value of the share at grant, or limited to 400% of annual fixed salary of the option holder in the year of grant." Set out below are summaries of options granted under the plan:

	2024		2023	
	Average exercise price per share option (NOK)	Number of options	Average exercise price per share option	Number of options
As at 1 January				
Granted during the year	0,62	2 124 000		
Exercised during the year				
Forfeited during the year				
As at 31 December	0,62	2 124 000		
Vested and exercisable at 31 December				

No options expired during the periods covered by the tables above. Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Grant date	Expiry date	Exercise price (NOK)		Share options 31 December 2023
23-Oct-24	23-0ct-27	0,62	708 000	
23-Oct-24	23-Oct-28	0,62	708 000	
23-Oct-24	23-Oct-29	0,62	708 000	
Total			2 124 000	

Weighted average remaining contractual life (years) of options outstanding at end of period

3.87

### Fair value of options granted

The assessed fair value at grant date of options granted during the year ended 31 December 2024 was NOK 1.2, 1.5 and 1.7 for the different vesting periods. The fair value at grant date is independently determined using an adjusted form of the Black-Scholes model that considers the exercise price, the term of the option, the share price at grand date and expected price volatility of the the risk-free interest rate for the term of the option, and the volatilities of the peer group companies. underlying share, The model inputs for options granted during the year ended 31 December 2024 included:

### **Vesting Year** 20 a) Options are granted for no consideration and vest after one, two Vested options are exerciseable for a period of 24 months years at b) Share price c) Exercise price 4 3.5 d) Risk free-rate (3, 4 and 5 year) e) Volatility f) Maturity g) Days (360 per year) 10 h) Date of exercise 23 Oct 23 Oct i) Valuation date

The estimated expected price volatility is based on the median of volatilities of the peer group companies over an historical period of 3-5 years since Tekna has a short historical period only. The estimated expected lifetime of the options is set at 3,4 and 5 years. Total expenses arising from share options are recognized during the period as part of employee benefit expenses and based on vesting of 84% regarding service condition, representing the actual churn, and adjusted for the profit cap of 400% of the fair market value of the share at grant.

### Employee share scheme - Arendals Fossekompani ASA

"In 2022, Arendals Fossekompani has established an incentive program for senior management and key employees which implies senior management is allowed to purchase shares in the Company each year up to a predetermined maximum amount. The shares are offered with 20% discount and three years lock-up period. In July 2024, senior management purchased 75,779 shares from the Company with 20% discount and a lock-up period of three years resulting in a share price of NOK 131.39. In September 2024, key employees purchased 5,800 shares from the Company with 20% discount and a lock-up period of three years resulting in a share price of NOK 131,10. The share price was calculated based on a 3-days weighted average stock market price before transaction date.

### Employee share scheme - Alytic Group

"In 2021, Alytic AS has established an incentive program for senior management and key employees which implies senior management is allowed to purchase a certain maximum number of shares in the Company each year. The shares are offered with 20% discount without any lock-up period. During 2024, senior management and key employees purchased 48,376 shares from the Company with 20% discount resulting in a share price of NOK 90,83. The price has been calculated based on equity investments in the Company resulting in an estimated stock market price of NOK 121,10.

# Employee share scheme - ENRX group

In December 2021, ENRX group granted performance shares to key employees for the share price of NOK 47,68 per share (exercise price) with a lockup period of 3 years. The cost of the equity settled transactions is determined by the fair value at grant date using an appropriate valuation model in form of a Discounted Cash Flow (DCF) model with several underlying assumptions. The fair value of the shares granted is calculated at NOK 77,64 per share. The value between the exercise price of the performance shares and the calculated fair value of the performance shares is expensed over the vesting period equal to the lockup period. The lockup period started 1 January 2022.

### Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognized during the period as part of employee benefit expense were as follows: (1000 NOK)

Options issued under employee share option plan in Tekna Shares purchased under employee share scheme in AFK Shares purchased under employee share scheme in Alytic Shares purchased under employee share scheme in ENRX Total expenses

025	2026	2027	
vo and t after ve	three years (serviesting.	ce condition).	
4,6	4,6	4,6	
4,88	4,88	4,88	
53%	3,53%	3,53%	
35%	38%	39%	
3	4	5	
080	1440	1800	
ct 27	23 Oct 28	23 Oct 29	
ct 24	23 Oct 24	23 Oct 24	
e			and the second second second

2024	2023
154	
2 608	1 611
1464	150
1480	1435
5 707	3 196

# Note 5 Property, plant & equipment (1 000 NOK) GROUP

2023	Hydro power plants	Under construction	Vehicles, machinery and eq.	Buildings and land	Right-of-use vehicles, machinery and eq.	Right- of-use buildings and land	Property, plant and equipment
Balance at 1 January 2023	317 833	62 526	836 310	619 560	30 156	416 816	2 283 200
Additions		217 496	116 066	66 540	492	6 294	406 888
Aquisitions through business combinations Disposal			579 -9 320	-2630	-1673	-14 836	579 -28 460
Transferred from under construction		-1347	1347	2000	1010	11000	20400
Reclassification		-10	517	-583	77		
No longer in use			3 689				3 689
Change in RoU					11 320	71744	83 064
Effect of movements in FX rates		1 513	39 257	9 678	1484	11 812	63 744
Balance at 31 December 2023	317 833	280 178	988 443	692 565	41856	491829	2 812 704

# DEPRECIATION AND IMPAIRMENT LOSSES

Balance at 1 January 2023	-186 699		-597 181	-214 015	-20 400	-178 793	-1197088
Depreciation	-6 131		-71502	-22 713	-7 526	-71 355	-179 227
Reclassification			-97	131	-34		
No longer in use			-3 701				-3701
Disposal			7 650	635	1673	14 836	24 794
Change in RoU					2 105	9 520	11 625
Effect of movements in FX rates			-29 762	-4 421	-1046	-5 342	-40 570
Balance at 31 December 2023	-192 831		-694 594	-240 382	-25 227	-231133	-1 384 168
Book value at 1 January 2023	131134	62 526	239 129	405 545	9 756	238 023	1 086 112
Book value at 31 December 2023	125 003	280 178	293 849	452 182	16 628	260 696	1428 536

2024	Hydro power plants	Under construction	Vehicles, machinery and eq.	Buildings and land	Right-of-use vehicles, machinery and eq.	Right- of-use buildings and land	Property, plant and equipment
Balance at 1 January 2024	317 833	280 178	988 443	692 565	41856	491 829	2 812 704
Additions		49 226	71277	71 591	1234	54 328	247 656
Disposal			-24 381	-9763	-504	-6 686	-41 333
Disposal of companies and busi-							
nesses		-10 100	-179 593	-192 601	-3 461	-203 945	-589 700
Transferred from under construction		-187 879	16 989	170 890			-
Change in RoU					3 660	63 781	67 441
Effect of movements in FX rates		8 4 3 3	53 270	13 543	2 400	22 338	99 983
Balance at 31 December 2024	317 833	139 858	926 005	746 225	45 185	421645	2 596 751

# DEPRECIATION AND IMPAIRMENT LOSSES

Balance at 1 January 2024	-192 831		-694 594	-240 382	-25 227	-231133	-1 384 168
Depreciation	-5 861		-71757	-27 994	-8 487	-71078	-185 176
Impairment			-40 276	-192 008	-2463	-105	-234 852
Disposal			19 567	-10 458	504	6 686	16 298
Disposal of companies and busi- nesses			157 956	191 862	4 813	109 394	464 024
Change in RoU					1838	33 199	35 037
Effect of movements in FX rates			-40 821	-5 375	-1 501	-11 302	-58 999
Balance at 31 December 2024	-198 692		-669 915	-284 355	-30 525	-164 339	-1347827
Book value at 1 January 2024	125 003	280 178	293 849	452 182	16 628	260 696	1428 536
Book value at 31 December 2024	119 142	139 858	256 089	461 870	14 660	257 305	1248924

# Provision of security

As at 31 December 2024 operating assets in the subsidiaries with a book value of tNOK 456 353  $\,$ (2023: tNOK 421103) were pledged as security for bank loans (see Note 17).

# PARENT COMPANY

2023	Hydro power plants	Under con- struction	Vehicles, machinery and eq.	Buildings and land		Right- of-use buildings and land	Property, plant and equipment
Balance at 1 January 2023	317 833	1180	39 028	4 756	504	70 999	434 300
Additions			11 290				11 2 9 0
Disposal			-1743				-1743
Transferred from under construction		-1180	1180				
Change in RoU						-5 973	-5 973
Balance at 31 December 2023	317 833		49 755	4 756	504	65 026	437 874
DEPRECIATION AND IMPAIRMENT LOSS	SES						
Balance at 1 January 2023	-186 699		-9 179		-182	-8763	-204 823
Depreciation	-6 131		-3 292		-126	-3 522	-13 072
Disposal			1444				1444
Change in RoU					-28	6 001	5 973
Balance at 31 December 2023	-192 831		-11 027		-336	-6 284	-210 477
Book value at 1 January 2023	131134	1180	29 849	4756	322	62 236	229 477
Book value at 31 December 2023	125 003		38 728	4756	168	58 742	227 396

2024	Hydro power plants	Under construction	Vehicles, machinery and equip- ment	Buildings and land	Right-of-use vehicles, machinery and eq.	Right- of-use buildings and land	Property, plant and equipment
Balance at 1 January 2024	317 833		49 755	4 756	504	65 0 26	437 874
Additions		5 560	1057				6 617
Disposal			-285		-504		-789
Transferred from under construction							
Change in RoU						2 254	2 254
Balance at 31 December 2024	317 833	5 560	50 528	4 756		67 279	445 956

DEPRECIATION AND IMPAIRMENT LOS	SSES						
Balance at 1 January 2024	-192 831		-11 027		-336	-6 284	-210 477
Depreciation	-5 861		-3 518		-168	-3 488	-13 035
Disposal			45		504		549
Change in RoU							
Balance at 31 December 2024	-198 692		-14 500			-9772	-222 964
Book value at 1 January 2024	125 003		38728	4756	168	58 742	227 396
Book value at 31 December 2024	119 142	5 560	36 027	4756		57 507	222 992

Balance at 1 January 2024	-192 831		-11 027		-336	-6 284	-210 477
Depreciation	-5 861		-3 518		-168	-3 488	-13 035
Disposal			45		504		549
Change in RoU							
Balance at 31 December 2024	-198 692		-14 500			-9772	-222 964
Book value at 1 January 2024	125 003		38728	4756	168	58 742	227 396
Book value at 31 December 2024	119 142	5 560	36 027	4756		57 507	222 992

# Note 6 Intangible assets (1 000 NOK)

GROU	P

2023	Goodwill	Other intangible assets	Concessions	Capitalised development cost	Intangible assets under development	Intangible assets and goodwill
						8
Balance at 1 January 2023	1075438	511 310	12 250	546 165	31 666	2 176 829
Additions		4 677		242 614	936	248 228
Aquisitions through business combinations	259 967	177 825		17 797	343	455 932
Reclassification of accumulated depreciations PPE disposal				-9 214		-9 214
Effect of movements in exchange rates	49 345	20 956		990	124	71 414
Balance at 31 December 2023	1384750	714 768	12 250	798 351	33 070	2 943 189
AMORTIZATION AND IMPAIRMENT LOSS	ES					
Balance at 1 January 2023	-43 131	-205 609	-7 559	-163 748		-420 047
Amortization		-56 950	-245	-83 491		-140 687
Reclassification of accumulated depreciations PPE disposal				9 214		9 214
Effect of movements in exchange rates	-2 018	-12 489		-604		-15 111
Balance at 31 December 2023	-45 149	-275 048	-7 804	-238 628		-566 630
Book value at 1 January 2023	1032 307	305 701	4 691	382 417	31666	1756782
Book value at 31 December 2023	1339 601	439 720	4 4 4 6	559 723	33 070	2 376 559

2024	Goodwill	Other intangible assets	Concessions	Capitalised development cost	Intangible assets under development	Intangible assets and goodwill
Balance at 31 December 2024	1384750	714 768	12 250	798 351	33 070	2 943 189
Additions		22 554		254 754	7 622	284 930
Disposal of companies and businesses	-534 600	-369 377		-823 576	-6 717	-1734 270
Effect of movements in exchange rates	70 885	32 135		7 365	405	110 792
Balance at 31 December 2024	921 035	400 081	12 250	236 895	34 380	1604640

# AMORTIZATION AND IMPAIRMENT LOSSES

Balance at 1 January 2024	-45 149	-275 048	-7804	-238 628		-566 630
Amortization	207	-49 760	-245	-104 773		-154 571
Impairment	-13 781	-115 798				-129 579
Disposal of companies and businesses	-220 859	189 127		306 620		274 888
Effect of movements in exchange rates	758	-19 964		-2968		-22 173
Balance at 31 December 2024	-278 823	-271 444	-8 049	-39 749		-598 065
Book value at 1 January 2024	1339601	439720	4 4 4 6	559723	33 070	2 376 559
Book value at 31 December 2024	642 211	128 637	4 201	197 146	34 380	1006 576

		Other intangible		Capitalised development	Intangible assets under	Intangible assets and
2023	Goodwill	assets	Concessions	cost	development	goodwill
Balance at 1 January 2023		8 530	12 250			20 780
Additions						
No longer in use						
Balance at 31 December 2023		8 530	12 250			20780
AMORTIZATION AND IMPAIRMENT LC	DSSES					
Balance at 1 January 2023		-4 490	-7 559			-12 049
Amortization		-1 689	-245			-1934
No longer in use						
Balance at 31 December 2023		-6 179	-7 804			-13 983
Book value at 1 January 2023		4 040	4 691			8 7 3 1
Book value at 31 December 2023		2 351	4 4 4 6			6 797
		Other intangible		Capitalised development	Intangible assets under	Intangible assets and
2024	Goodwill	assets	Concessions	cost		goodwill
Balance at 1 January 2024		8 530	12 250			20 780
Additions						

2024	Goodwill	Other intangible assets	Concessions	Capitalised development cost	Intangible assets under development	Intangible assets and goodwill
Balance at 1 January 2024		8 530	12 250			20780
Additions						
No longer in use						
Balance at 31 December 2024		8 530	12 250			20780
AMORTIZATION AND IMPAIRMENT LOS Balance at 1 January 2024	SSES	-6 179	-7 804			-13 983
Amortization		-1255	-245			-1500
No longer in use						
Balance at 31 December 2024		-7 434	-8 049			-15 483
Book value at 1 January 2024		2 351	4 4 4 6			6 797
Book value at 31 December 2024		1097	4 201			5 2 9 8

# Note 6 Intangible assets (1 000 NOK)

A breakdown of the allocation of intangible assets between the companies is provided below.

	Other intangible assets	Goodwill	Concessions		Intangible assets under development	Total
INTANGIBLE ASSETS BY COMPANY						
Arendals Fossekompani	1097		4 201			5 298
ENRX	81 361	372 239		95 746		549 345
NSSLGlobal		189 005				189 005
Tekna	37 156			5 162	12 617	54 935
Alytic	9 0 2 4	33 653		87709	21763	152 149
Ampwell		46 577		8 619		55 196
AFK Property		738				738
Total intangible assets	128 637	642 211	4 201	197 236	34 380	1006 666

Other intangible assets consist mainly of technology, patents and trademarks, customer relationships and customer contracts. Capitalised development cost consist mainly of software development and platform development. Concession rights in the parent company are amortised over the term of the concession (50 years). Other intangible assets are amortised over periods of 4 to 10 years. Goodwill is tested annually for impairment (see accounting policies and Note 21). Goodwill is allocated to and tested for impairment for the operating segments, which is the level goodwill is monitored by group management. The recoverable amount of goodwill is estimated based on value in use for the segments ENRX, NSSLGlobal and Alytic. For the segment Tekna, fair value less cost to sell is used to calculate the recoverable amount of goodwill. The impairment testing for 2024 did not result in any impairments.

Estimated value in use is based on discounted future cash flows. These measure the cash flows based on market requirements of return and risk. Value in use for 2024 has been calculated in the same way as in 2023. Budgets have been applied for 2025 and long-term forecasts from strategy plans for the period up to 2029. In addition, a convergence period of 5 years is applied to bridge 2029 financials to a terminal period with an applied growth rate of 2.0% after the 5+5 year forecasting period. The risk-free interest rate has been assessed separately for each company depending on currency of cash flows. Risk premiums between 4.1% and 4.9% were used in the calculations, depending on relevant markets, the nature of the business, maturity and uncertainty in forecasting. Moreover, scenario weighting and peer multiple analyses are used for sensitivity purposes. Special circumstances relating to the individual calculations are commented on below.

### **ENRX**

The Required Rate of Return (WACC before tax) has been set to 11.3%. Revenue growth is based 2025 budget and board approved strategy forecast until 2029, outlining expected growth for the Heat products and services and further commercial development of the Charge product and services. Revenue growth in the terminal period is set at 2.0%, according to an assumed inflation target. A sensitivity analysis based on a unilateral change in estimated future EBITDA shows that a reduction of more than 19% may lead to impairment. Equivalently, a 5.0 percentage point change in WACC may cause impairment.

### **NSSLGlobal**

The Required Rate of Return (WACC before tax) has been set to 11.3%. Both revenue growth and EBITDA development in the forecast period are assumed moderate, with limited revenue growth and lower EBITDA margins compared to the last three-year average. Revenue growth in the terminal period is set at 2.0%, according to an assumed inflation target. A sensitivity analysis based on a unilateral change in estimated future EBITDA shows that a reduction of more than 78% may lead to impairment.

# Tekna

Tekna is listed on Oslo Stock Exchange, and the market capitalization of the company is considered as a best-estimate for fair value less cost to sell, and as such, the recoverable amount. The market value as per 31.12.2024 was MNOK 414, while the booked equity of the company in the group accounts as per 31.12.2024 was MNOK 322. The market value can decrease by approximately 25% before an impairment may be needed.

### Alytic

The Required Rate of Return (WACC before tax) has been set to 12.5%. Revenue growth is based on board approved strategy forecasts from the existing Alytic portfolio. The Alytic group of companies has over the last couple of years been in a build-up and commercialization phase, and expects significant growth in revenue and positive margins during the forecast period. Revenue growth in the terminal period is set at 2.0%, according to an assumed inflation target. A sensitivity analysis based on a unilateral change in estimated future EBITDA shows that a reduction of more than 20% may lead to impairment.

# Ampwell (Commeo)

As a result of poor financial performance, and subsequent filing for insolvency of Commeo, a German group company owned by Ampwell (100% owned by Arendals Fossekompani), the entire goodwill of EUR 24.2 million (NOK 281 million) related to the acquisition of Commeo was impaired in the consolidated group accounts in the second guarter of 2024. Capitalized R&D in Commeo was impaired with EUR 8.3 million (NOK 96 million)

### **Research and development cost**

In 2024 development costs of tNOK 86 916 were capitalized (2023 tNOK 76 813. Other research and development costs in the Group are expensed as they arise and amounted to tNOK 139 408 in 2024 and tNOK 80 133 in 2023.

# Note 7 Other operating costs (1000 NOK)

	Gro	up	Parent C	ompany
	2024	2023	2024	2023
OTHER OPERATING COST				
Contractors	10 549	11728		
Maintenance property, plant and equipment	61 285	43 930	36 561	22 018
Loss sales of PPE	89	2 194		
Loss sales of other non-current assets		213		
Premises, service and office costs	50 214	63 246	1400	2 716
Audit and other fees	73 092	80 088	15 271	24 785
Consession fees	3 365	3 502	3 365	3 291
Company cars, lifts and trucks	10 747	9 4 9 2	462	425
Communication costs	4 400	4 0 4 3		
Travelling costs, indirect	32 230	28 161	2882	1904
Sales and marketing costs	48 632	48 690	4 080	3 007
Manufacturing indirect costs	32 089	21 897	126	117
Other operating costs (Misc.)	84 059	57 506	11 054	11 041
Insurances	16 392	12 791	3 411	2 939
ICT costs	66 593	51 518	11 140	9 250
Property tax	16 494	15 314	9 327	9 544
R&D costs	12 129	1464		
Loss allowance	2 070	34 672		
Operating costs, IC			4 4 2 5	1052
Restructuring		18 033		
Operating costs				
Other direct costs	69 546	63 385		
Other operating expenses	593 974	571870	103 503	92 090
REMUNERATION TO AUDITOR				
Statutory audit	16 730	20 323	3 7 3 1	3 192
Other assurance services	4 004	1981	2 562	107
Tax advice	1 616	1631	470	24
Other non-audit services	1071	8 344	109	2 171
Total remuneration to auditor	23 421	32 278	6 872	5 495

# Note 8 Finance income and finance costs (1000 NOK)

	Group		Parent Company			
	2024	2023	2024	2023		
FINANCE INCOME						
Interest income, intercompany			73 096	65 999		
Interest income	94 527	66 158	42 334	47 287		
Currency exchange income	19 226	56 279	13 196	50 849		
Other finance income	1328	25 156	7	13		
Gain on partial sale of subsidiaries			607	3 883		
Gain on total sale of subsidiaries	-12		3 265 046			
Dividend income	383	3 2 3 4	361	3 234		
Dividend income, intercompany			107 314	96 393		
Finance income	115 452	150 828	3 501 961	267 658		
FINANCE COST						
Interest expense	106 211	67739	70 449	47 097		
Interest expense cashpool	37 753	9 177				
Interest expense on lease	9 959	6 117	3 072	3 060		
Currency exchange expense	2042	14 566	328	476		
Other finance cost *	56 879	35 882	34 606	34 016		
Impairment loss on subsidiaries				150		
Loss on partial sale of subsidiary			1467			
Loss on total sale of subsidiary			27 141			
Impairment loss IC receivables			965 788			
Impairment loss financial assets	49 367		11 425			
Impairment loss on associates		7 638		7 638		
Translation differences	-14 119	-16 778				
Finance costs	248 090	124 340	1114 276	92 438		
Net financial items	-132 639	26 488	2 387 685	175 220		

\* Include fair value adjustments of investments

# Note 9.1 Tax expense (1 000 NOK)

Ordinary income tax in Norway: Ordinary income tax on general income. The tax rate was 22% in 2023 and 2024. The 22% tax rate was used to calculate deferred tax assets and deferred tax liabilities as at 31 December 2024. Special tax rules for Norwegian energy companies comprise the following elements:

Natural resource tax of 1.3 øre per kWh of the company's average annual production in the past 7 years. Estimated natural resource tax is deducted from the company's tax payable on general income. Natural resource tax still has to be paid in years when no tax is calculated as being payable. The amount is recognised as a receivable and is offset against tax payable on general income in subsequent years. Natural resource tax accrues to the municipalities and counties in the concession area.

Resource rent tax is taxation of income from use of natural resources like hydropower. The resource rent tax for hydropower is determined for each individual power station and accrues to the state. This tax is based on gross resource rent income less operating costs and tax-free allowances. Resource rent income is based on market prices and therefore differs slightly from the company's recognised sales figures. Effective resource rent tax on hydropower has been increased from 37% to 45% with effect from the 2022 fiscal year. Small hydropower stations do not pay resource rent tax. Corporate tax is calculated before resource rent tax on hydropower. An effective resource rent tax rate of 45% therefore means that the formal resource rent tax is set at 57.7%. The total marginal tax (resource rent tax and corporate tax) will then be 67% for hydropower. In addition, in 2023 high-price contribution was set at 23% of power revenues that exceed NOK 0.70 per kWh. This means that total marginal tax will be 90% for hydropower exceeding NOK 0.70 per kWh. High-price contribution tax was removed from October 2023.

	Grou	р	Parent Com	pany
	2024	2023	2024	2023
CURRENT TAX EXPENSE				
Natural resource tax for the year		6 370		6 370
Tax payable on general income less natural resource tax	178 127	237 057	38 221	91630
High-price tax contribution		26 083		26 083
Adjustment for previous years	-409	-18 953	-317	-486
Adjustment for disposals	-11 494	-26 076		
Resource rent tax payable for the year	99 407	174 000	99 407	174 000
Total current tax	265 631	398 481	137 311	297 596
DEFERRED TAX EXPENSE				
Effect of change in temporary differences	4 015	-4 676	986	545
Effect of changed tax rate	8	-10		
Effect of change in temporary differences, resource rent tax		677		677
Effect of changed tax rate, resource rent tax				
Total deferred tax expense	4 023	-4 010	986	1222
Total tax expense in the income statement	269 654	394 471	138 297	298 818
RECONCILIATION OF EFFECTIVE TAX RATE				
Total pre tax income	3 257 718	455 780	2 561 645	509 931
Adjustment for disposals	-46 896	-257 597		
Tax based on current ordinary tax rate	494 093	359 302	563 562	112 185
High-price tax contribution (until 30.09.2023)		26 083		26 083
Resource rent tax for the year	99 406	174 673	99 407	174 677
Effect of different tax rates abroad	14 651	-2 676		
Calculated tax	561 253	299 785	662 969	312 944
Effect of non-deductible expenses	356 403	32 300	217 862	9 133
Effect of non-taxable income	-664 411	341963	-742 216	-22 772
Effect of unrecognised tax loss carryforward	16 418	-293 284		
Effect of changed tax rates	-96	70		
Effect of changed tax assessments for previous years	-5 474	19 065		
Over-/underprovision relating to previous years	5 562	-5 429	-317	-486
Tax expense in reconciliation of effective tax rate	269 654	394 471	138 297	298 818
Current ordinary tax rate in Norway	22,0 %	22,0 %	22,0 %	22,0 %
Effective tax rate	9,7 %	103,1%	5,4 %	58,6 %
TAX RECOGNISED IN OTHER COMPREHENSIVE INCOME (OCI)				
Tax on cash flow hedges that may be reclassified to P&L	-207	-1 218		
Tax on OCI that will not be reclassified to P&L	-1797	-143	-1797	158
Total tax recognised in OCI	-2004	-1361	-1797	158

### Tax payable

Tax payable of tNOK 209 348 (2023: tNOK 369 671) for the Group and tNOK 137 628 (2023: tNOK 272 000) for the parent company consists of unassessed tax payable for the current period.

# Note 9.1 Tax expense cont. (1 000 NOK)

	Asse	Assets Lia		ties	Net	
	2024	2023	2024	2023	2024	2023
Property, plant and equipment	21 619	23 711	-43 952	-43 712	-22 333	-20 000
Goodwill, intangible assets	944	7 509	-21200	-98 540	-20 256	- <b>91 03</b> 1
Non-current receivables and liabilities in foreign currency	3 054	3 838	-13 008	-11737	-9 954	-7 900
Construction contracts			-6780	-6 535	-6780	-6 535
nventories	10 941	8 883	-608	-693	10 333	8 190
Trade and other receivables	2960	1449			2960	1449
Leases	30 252	19 123	-1490	-1508	28 763	17 615
Untaxed gains and losses	356	445	-6	-4 075	350	-3 630
Provisions	19 717	17 421	-56	-691	19 661	16 730
Other assets	-45	3 5 3 7	-316	-2759	-361	778
Financial instruments	598	805	-150	-149	448	656
Employee benefits	553	2408	-4 306	-4 346	-3753	-1937
Tax loss carryforward	307 644	341560	896		308 540	341 560
Unrecognised tax loss carryforward	-273 747	-293 284	-3 118		-276 866	-293 284
Total deferred ordinary income tax	124 848	137 407	-94 095	-174 746	30 753	-37 339
PPE, resource rent tax	31 358	32 123			31358	32123
Losses carried forward - Resource rent						
Total deferred resource rent tax	31 358	32 123			31 358	32 123
Deferred tax asset/liability	156 206	169 530	-94 095	-174 746	62 112	-5 216
Offsetting of assets and liabilities	-48 979	-41807	48 979	41 807		
Net deferred tax asset/liability	107 228	127 723	-45 116	-132 939	62 112	-5 216
Recognised tax loss carryforward	33 897	48 277	-2 222		31 675	48 277
PARENT COMPANY	Asse	ets	Liabili	ties	Net	
	2024	2023	2024	2023	2024	2023
Property, plant and equipment	14 927	15 295			14 927	15 295
Leases	559	297			559	297
Gains and losses account	43	54			43	54
Financial instruments						
Employee benefits			-3 386	-1484	-3 386	-1484
Tax loss carryforward						
Recognised tax loss carryforward						
Total deferred ordinary income tax	15 529	15 646	-3 386	-1484	12 143	14 162
PPE, resource rent tax	31 358	32 123			31 358	32 123
Losses carried forward - Resource rent						
Total deferred resource rent tax	31 358	32 123			31358	32123
Deferred tax asset/liability	46 888	47 769	-3 386	-1484	43 501	46 285
Offsetting of assets and liabilities	-3 386	-1484	3 386	1484		

# Note 9.2 Recognised tax loss carryforward per country

	Group	
	2024	2023
Norway	18 837	44 158
Germany	8 640	
France	3 988	3 801
Spain		8
Other	209	309
Total	31 675	48 277

# Note 9.3 Change in deferred tax over the year (1 000 NOK) GROUP 2023

		Changes in Net Income	Reclassi- fication	From OCI	Change in tax loss carry- forward	Mergers and acqui- sitions	Group Contri- bution N-GAAP	Group Contri- bution Received/ Total Effect Paid from FX	Closing Balance
ORDINARY INC	OME TAX								
Property, plant and		44.055						0.070	
equipment Goodwill, intangible	-11 223	-14 857	-784					6 079	-20 000
assets	-34 750	2 302	1889			-51084		-7 499	-91 031
Non-current rec. and liab. in for.									
currency	1620	-9 845	-300					343	-7 900
Construction									
contracts	-3 495	-3 049	-9					9	-6 535
Inventories	12 067	-4 499	-622					622	8 190
Trade and other									
receivables	1150	306	1					-6	1449
Leases	17 041	455	-538		-36			155	17 615
Untaxed gains and	5.47	4 470	050						0.000
losses	547	-4 178	-359					-	-3 630
Provisions	10 632	6 471						-373	16 730
Other items	-4789	5 359	322					208	778
Financial instruments	1878	-4		-1 218					656
Employee benefits	-3 111	1402	121	-143				-103	-1937
Tax loss carryforward	23 038	24 825	-1009				-573	987	48 277
Total ordinary									
income tax	10 606	4 686	-1288	-1 361	-36	-51084	-573	424	-37 339
Property, plant and equipment	32 800	-677							32 123
Loss carried forward - Resource rent									
Total resource		0							00.000
rent tax	32 800	-677							32123
Total change in deferred tax	43 405	4 010		-1361	-36	-51084	-573	424	-5 216

**GROUP 2024** 

		Changes in Net Income	Reclassi- fication	From OCI	Change in tax loss carry- forward	Mergers and acqui- sitions	Group Contri- bution N-GAAP	Group Contri- bution Received/ Total Effect Paid from FX	Closing Balance
Ordinary income tax									
Property, plant and equipment	-20 000	-11 484	6 926					1873	-22 333
Goodwill, intangible assets	-91 031	-3 293	75 988					1844	-20 256
Non-current rec. and liab. in for.									
currency	-7 900	-1807						-247	-9 954
Construction contracts	-6 535	-3 536	3 416					-62	-6780
Inventories	8 190	1624	-875					697	10 333
Trade and other									
receivables	1449		-481					85	1141
Leases Gains and	17 615	16 037	-4 150					732	30 583
losses account	-3 630	-88	4 068						350
Provisions	16 730		-4 943					4 254	18 011
Other items	778	731	120					-434	1289
Financial instruments	656	-2 848		-207			2 847		448
Employee benefits	-1937	-773	745	-1797				5	-3 753
Tax loss carryforward	48 277	1759	-19 155		-23		-884	862	31675
Total ordinary									
income tax Property,	-37 339	-3 258	61658	-2004	-23		1963	9608	30753
plant and equipment	32 123	-765							31 358
Loss carried forward - Resource rent									
Total resource rent tax	32 123	-765							31 358
Total change in deferred									
tax	-5 216	-4 023	-14 316	-2004	-23		1963	9 608	62 112

# PARENT COMPANY 2023

	Total Opening Balance	Changes in Net Income	Reclassi- fication	From OCI	Change in tax loss carry- forward	Mergers and acqui- sitions	Group Contri- bution N-GAAP	Group Contri- bution Received/ Total Effect Paid from FX	Closing Balance
Ordinary income tax	Dalance		noution		lonnard	ortionio			Dalanoo
Property, plant and equipment	15 732	-436							15 295
Leases Gains and losses		297							297
account Financial instruments	68	-14							54
Employee benefits Tax loss car-	-1250	-392		158					-1484
ryforward Total ordinary									
income tax	14 549	-545		158					14 162
Property, plant and equipment Loss carried	32 800	-677							32 123
forward - Resource rent									
Total resource rent tax	32 800	-677							32 123
Total change in deferred tax	47 349	-1222		158					46 285
PARENT COMPA	NV 2024								
Ordinary income tax Property,	1112024								
plant and equipment	15 295	-368							14 927
Leases Gains and	297	263							559
losses account Financial instruments	54	-11							43
Employee benefits Tax loss	-1484	-105		-1 797					-3 386
carryforward Total ordinary income tax	14 162	-222		-1797					12 143
Property,									
plant and equipment Loss carried forward - Resource rent	32 123	-765							31358
Total resource rent tax	32 123	-765							31 358
Total change in deferred									

## Note 10 EQUITY Share capital **Ordinary shares** 2024 2023

55 995 250

55 995 250

Owners of shares are entitled to the dividend approved in each individual case by the annual general meeting, and are entitled to one vote per share at the company's annual general meeting. No shareholder may personally or by proxy vote for more than a quarter of the total number of shares. Shares transferred to a new owner do not confer voting rights until at least three weeks have passed since the acquisition was notified to the company. The rights to the company's treasury shares (see Note 22) are suspended until the shares have been acquired by others.

# Dividend

Issued as at 31 December – fully paid

The Company pay dividend quarterly. The following cash dividend has been paid; In February (for Q4), tNOK 54 857 (tNOK 52 067), in May tNOK 54 857 (tNOK 54 807) in September tNOK 54 857 (tNOK 54 836) and in November tNOK 54 939 (tNOK 54 823). No dividend is paid on treasury shares.

Ordinary d	lividend
Approved 2024 and paid in 2024	
219 511	216 532
219 511	216 532

# Note 11.1 Group companies (1000 NOK)

Subsidiaries	Domicile	Sh	areholding	intere	n-controlling ests' share of by subgroup		Value in ent company alance sheet
Subsidiaries	Domicile	2024	2023	2024	2023	2024	2023
Volue ASA (*)	Oslo		60,0 %		342 715		304 295
NSSL Global Ltd	UK	80,0 %	80,0 %	142 426	127 552	273 298	273 298
ENRX AS	Skien	95,1%	94,0 %	24785	20 522	453 785	451 532
Alytic AS	Arendal	96,0 %	95,0 %	31799	41 240	280 048	140 219
Tekna Holding ASA	Arendal	69,5 %	70,3 %	63 867	81035	322 920	318 500
AFK Property AS	Arendal	100,0 %	100,0 %	7 140	6 6 3 4	227 692	227 692
Vergia AS	Arendal		100,0 %				31 3 4 3
Ampwell AS	Arendal	100,0 %	100,0 %		17 883	100	100
AFK Tyskland Holding AS	Arendal	100,0 %	100,0 %			100	100
				270 016	637 581	1557 944	1747 080

(\*) In October 2024, Arendals Fossekompani, Advent International and Generation Management completed the acquisition and delisting of Volue. Arendals Fossekompani reduced its shareholding in Volue from 60% to 40%.

# Note 11.2 Subsidiaries

-				
Su	hei	d	1 O PI	

Subsidiaries in NSSLGlobal Ltd.	London
NSSLGlobal LLC	California
NSSLGlobal PTE Ltd	Singapore
Nera Satellite Services LTD	London
NSSL Ltd	London
Aero-Satcom Ltd.	London
NSSLGlobal AB	Hönö
NSSLGlobal AS	Oslo
NSSLGlobal Continental Europe APS	Brøndby
NSSLGlobal APS	Brøndby
NSSLGlobal Polska SP. Z.o.o.	Warzsawa
NSSLGlobal Israel Ltd	<b>Beit Shemesh</b>
NSSLGlobal Kabushiki Kaisha	Tokyo
NSSL Global BV	Scheemda
NSSLGlobal GmbH	Barbüttel
SUBSIDIARIES IN ENRX GROUP ASA	
Induction Holding AS	Skien
ENRX IPT GmbH	Efringer-Kirchen
ENRX Holding AS	Skien
ENRXAS	Skien
ENRX AS filial	Västerås
ENRX GmbH	Freiburg
EFD France Holding s.a.r.l.	Grenoble
ENRX S.A.S.	Grenoble
ENRX Ltd.	Wolverhampton
ENRX Corporation	Detroit
EHE Acquisition Corporation Inc	Seattle
ENRX s.r.l	Milano
ENRX Private Ltd.	Bangalore
ENRX (Shanghai) Co., Ltd.	Shanghai
ENRX (Zhuhai) Co., Ltd.	Zhuhai City
ENRX Ges.m.b.H	Vienna
ENRX s.I	Bilbao
ENRX SRL	Bucuresti
ENRX SP. Z o.o	Gliwice
ENRX Ltd.	Bangkok
ENRX K.K.	Yokohama
ENRX Brasil Ltd	Sao Paolo
ENRX Sdn. Bhd.	Selangor
EFD Induction S de R.L	Queretaro
SUBSIDIARIES IN TEKNA HOLDING ASA	
Tekna Holdings Canada Inc.	Sherbrooke
Tekna Plasma Systems Inc.	Sherbrooke
Tekna Advanced Materials Inc.	Sherbrooke
Tekna Plasma Europe S.A.S.	Mâcon
Tekna Plasma Systems(Suzhou)Co Ltd.	Suzhou
Tekna Plasma India Private Ltd.	Chennai
Tekna Plasma Korea Co, Ltd	Incheon

Tekna Inc

	Shareh	olding
	2024	2023
UK		
USA	100,0 %	100,0 %
Singapore	100,0 %	100,0 %
UK	100,0 %	100,0 %
UK	100,0 %	100,0 %
UK	50,0 %	50,0 %
Sweden	100,0 %	100,0 %
Norway	100,0 %	100,0 %
Denmark	100,0 %	100,0 %
Denmark	100,0 %	100,0 %
Poland	100,0 %	100,0 %
Israel	100,0 %	100,0 %
Japan	100,0 %	100,0 %
Netherlands	100,0 %	100,0 %
Germany	100,0 %	100,0 %
	100.0.0/	100.000
Norway	100,0 %	100,0 %
Germany	100,0 %	100,0 %
Norway	100,0 %	100,0 %
Norway	100,0 %	100,0 %
Sweden	100,0 %	100,0 %
Germany	100,0 %	100,0 %
France	100,0 %	100,0 %
France	100,0 %	100,0 %
UK	100,0 %	100,0 %
USA	100,0 %	100,0 %
USA	100,0 %	100,0 %
Italy	100,0 %	100,0 %
India	100,0 %	100,0 %
China	100,0 %	100,0 %
China	100,0 %	100.0.0/
Austria	100,0 %	100,0 % 100,0 %
Spain Romania	100,0 % 100,0 %	100,0 %
Poland	100,0 %	100,0 %
Thailand		
Japan	100,0 % 100,0 %	100,0 % 100,0 %
Brazil	100,0 %	100,0 %
Malaysia	100,0 %	100,0 %
Mexico	100,0 %	100,0 %
WICKIGO	100,0 %	100,0 %
Canada	100.0.%	96.4.%

Canada	100,0 %	96,4 %
Canada	100,0 %	100,0 %
Canada	100,0 %	100,0 %
France	100,0 %	100,0 %
China	100,0 %	100,0 %
India	100,0 %	100,0 %
South Korea	100,0 %	100,0 %
USA	100,0 %	100,0 %

			Shareholding	ç
			2024	2023
SUBSIDIARIES IN ALYTIC AS				
Kontali Holding AS	Arendal	Norway	100,0 %	100,0 %
Kontali Analyse AS	Kristiansund	Norway	84,5 %	75,1%
Seafood TIP	Utrecht	Netherlands	84,5 %	100,0 %
Utel Holding AS	Arendal	Norway	100,0 %	100,0 %
Utel Systems AS	Grimstad	Norway	89,3 %	94,2 %
Veyt Holding AS	Arendal	Norway	100,0 %	100,0 %
Veyt AS	Oslo	Norway	61,8 %	61,6 %
Greenfact GmbH	Berlin	Germany	100,0 %	100,0 %
Greenfact Ltd	London	UK	100,0 %	100,0 %
Factlines Holding AS	Oslo	Norway	100,0 %	100,0 %
Factlines AS	Oslo	Norway	68,8 %	66,7 %
Alytic Blue AS	Oslo	Norway	100,0 %	100,0 %
SUBSIDIARIES IN AFK PROPERTY AS				
/indholmen Eiendom AS	Arendal	Norway	100,0 %	100,0 %
Bedriftsveien 17 AS	Arendal	Norway	100,0 %	100,0 %
3øleveien 4 AS	Skien	Norway	100,0 %	100,0 %
Steinodden Eiendom AS	Arendal	Norway	77,6 %	77,6 %
Arendal Lufthavn Gullknapp AS	Arendal	Norway	92,3 %	92,3 %
Gullknapp Invest AS	Arendal	Norway	100,0 %	100,0 %
Longum Property AS	Arendal	Norway	100,0 %	100,0 %
AFK Longum Invest AS	Arendal	Norway	100,0 %	100,0 %
Bryggebyen Folkebad AS	Arendal	Norway	100,0 %	100,0 %
Folkebad Drift AS	Arendal	Norway	100,0 %	100,0 %
Bøylestad Energipark AS	Froland	Norway	100,0 %	100,0 %
Vergia Property AS	Arendal	Norway	100,0 %	100,0 %
SUBSIDIARIES IN AMPWELL AS				
AFK Storage 3 AS	Arendal	Norway	100,0 %	100,0 %
Cellect Holding AS	Arendal	Norway	100,0 %	100,0 %
Cellect Energy SL	Barcelona	Spain	77,2 %	61,0 %
Commeo Holding AS	Arendal	Norway	100,0 %	100,0 %
Ampwell GmbH	Berlin	Germany	100,0 %	100,0 %
SUBSIDIARIES IN AFK TYSKLAND HOL	DINGAS			
Arendals Fossekompani Deutchland G	mbH Berlin	Germany	100,0 %	100,0 %

# Note 11.3 Investments in associates and joint ventures (1 000 NOK)

The Group has the following investments in associates and joint ventures. All businesses are organized as companies with limited liability corresponding to Norwegian corporations. Guidelines for the operation of companies are based on shareholder agreements. According to the shareholder agreements of joint operations it is required unanimity between the parties for making decisions about relevant activities. Accordingly, participants in the companies have joint control over the activities. During 2024 the Group has sold the shares in Vergia group including the related positions in Seagust AS, Hydepoint AS and North Ammonia AS. In October 2024, Arendals Fossekompani, Advent International and Generation Management completed the acquisition and delisting of Volue. Arendals Fossekompani reduced its shareholding in Volue from 60% to 40% through the new established associated company Faraday Topco AS. Acquisition cost of shares in Faraday Topco AS er NOK 2,571 million. There are two share classes in Faraday Topco AS: preference shares and ordinary shares. Arendals Fossekompani owns 40% of both share classes. Faraday Topco AS owns indirectly 100% of shares in Volue AS. From 2025, there has been established a new share-based payment arrangement for key employees in Volue. In the consolidated group accounts the investments in joint ventures and associates are accounted for in accordance with the equity method. In the company accounts the investments in joint ventures and associates are accounted for based on historic cost.

Entity	Country		Ownership interest
Imphytec Powders SAS	France	Production of powders	48,00%
Kilandsfoss AS	Norway		33,33%
Glomsdam Krafverk AS	Norway		50,00%
Faraday Topco AS	Norway	<b>Digital energy solutions</b>	40,00%
Aero-Satcom Ltd	UK	Telecom	50,00%

Based on an overall assessment where the size and complexity is taken into consideration these investments are considered to be significant joint ventures. Further information regarding these companies is disclosed below.

	NorSun AS	North Ammonia AS	Sea- gust AS	Hyde- point AS	Cellect Energy S.L.	Kilands- ( foss AS	Glomsdam Krafverk AS		Imphytec Powders SAS	Faraday Topco AS*	Total
Balance at											
1 January 2023	16 906	1647	13 388	-342	1399	43	57		4 219		37 317
Income from											
associates	-9 577	-2 679	-11 230	-2 619	-996	-26	-457	958	-4 755		-31 382
Aquisitions through business combinations					-362			6 151			5789
Investment/											
disposal of											
companies and											
businesses	-8 934				28						-8 906
Issue of shares											
from non-con-	4.005	5.075				40.000	050				47.000
trolling interests	1605	5 075				10 099	250				17 029
Exchange differ-											
ences on trans- lation of foreign											
operations					-68				537		469
Balance at											
31 December		4 0 4 3	2 158	-2961		10 116	-150	7 109			20 315
Balance at											
1 January 2024		4 0 4 3	2 158	-2961		10 116	-150	7 109			20 315
Income from associates						1891	-103	976		-36 585	-33 821
Aquisitions through business											
combinations									2	2 570 648	2 570 648
Other compre- hensive income										-1488	-1488
Investment/ disposal of companies and											
businesses		-4 043	-2 158	2 961							-3 240
Issue of shares from non-con-											
trolling interests											
Exchange differ-											
ences on trans-											
lation of foreign								724			724
operations Balance at								734			734
31 December						12 007	-253	8 819	2	2 532 576	2 553 149

\* Faraday Topco AS owns indirectly 100% of shares in Volue AS.

None of the companies have observable market values in form of market price or similar.

# SUMMARISED FINANCIAL INFORMATION FOR MATERIAL ASSOCIATES AND JOINT VENTURES

SOMMARISED FINANCIAL INFORMATION FOR MATERIAL ASSOCIATES AND C	
The tables below provide summarised financial information for Faraday Topco AS for 20	)24 (2 months) on 100% basis:
Summarised balance sheet	2024
Intangible assets	7 094
Property, plant and equipment	158
Net pension assets	11
Non-current receivables and other investments	25
Deferred tax asset	30
Total non-current assets	7 317
Inventories	34
Contract assets	78
Accounts receivables	332
Other receivables	153
Cash and cash equivalents	238
Total current assets	836
Total assets	8 154
Non-current interest-bearing debt	292
Other non-current liabilities	18
Deferred taxes	77
Non-current RoU liabilities	101
Total non-current liabilities	488
Accounts payable	267
Current interest-bearing debt	149
Payable income tax	41
Contract liabilities	42
Current RoU liabilities	38
Other current liabilities	424
Total current liabilities	962
Total liabilities	1450
Net assets	6 703
Summarised statement of comprehensive income	2024
Revenues	299
Materials and consumables used	-52
Employee benefit expense	-253
Other operating cost	-58
EBITDA	-64
Depreciation and amortisation	-34
Net financial items	-9
Income tax expense	16
Net profit for the year	-91
Other comprehensive income	-4
Total comprehensive income	-95

# Note 12 Other receivables (1 000 NOK)

	Gro	up	Parent Co	ompany
	2024	2023	2024	2023
LONG-TERM INVESTMENTS				
Loans to employees	23 695	47 249	22 379	15 301
Contributions to company pension plan	22 002	22 001	22 002	22 001
Other non-current receivables	19 514	66 632	18 323	17 341
Shares in other companies	74 652	88 283	68 562	77 275
Other investments	41 338	41 571	6 213	1999
Total long-term investments	181 201	265736	137 479	133 917

# Security provided for loans to employees

All loans to employees incur interest at a rate that never triggers a taxable benefit. The loans are repaid over 5 years (vehicles) or 20 years (housing). Loans exceeding NOK 200,000 are secured by mortgages on property or shares.

# Note 13 Inventories and contracts with customers (1 000 NOK) INVENTORIES

Raw materials
Work in progress
Spare parts
Finished goods
Total inventories (net after provision for obsolescence)

### Provision for obsolescence

The provision for obsolescence in 2024 is mainly related to slow-moving items in ENRX NOK 72 million (NOK 55 million), spare parts in NSSL NOK 10 million (NOK 8 million) and smaller and larger size fractions of powders in Tekna NOK 47 million (NOK 36 million).

# Construction contracts (sales over time)

The subsidiaries ENRX, Tekna, NSSL and Volue (2023) recognise construction contracts in accordance with percentage of completion method. Changes during the year are due to most contracts having a duration less then a year. At year-end these subsidiaries had the following carrying amounts associated with construction contracts and projects in progress:

# Contract assets Contract liabilities Net contract assets / - liabilities Contract liabilities consist of prepayments from customers for both

Booked income from uncompleted contracts per 31.12 Booked accrued income per 31.12 Booked accrued expenses per 31.12 Reported margin per 31.12

Remaining income from sales over time contracts Within one year Between one and two years Remaining income (sales over time)

	Group
2023	2024
429 378	339 639
479 871	166 834
46 653	36763
324 321	260 021
1280223	803 257
99 885	128 726

	Gro	ир
	2024	2023
	218 813	182 239
	151 808	239 890
	67 005	-57 651
oth revenue over time and	point in time.	
	Gro	ир
	2024	2023
	360 033	374 894
	-222 381	-219 136
	137 652	155 758
	Gro	ир
	2024	2023
	250 748	320 352
		994
	250 748	321 347

# Note 13 Inventories and contracts with customers cont. (1 000 NOK)

Contract Assets		
Posted gross value of contract assets are distributed as follows:		
Receivables	2024	2023
Volue Group		58 536
ENRX Group	206 962	93 721
Tekna Group	11 851	29 982
Sum	218 813	182 239
Provisions for expected losses on projects are distributed as follows:		
Onerous contracts	2024	2023
Volue		13 500
Sum		13 500

Provisions are calculated based on historical losses and individual assessment of each item and customer

### Changes in the period's provisions are explained as follows:

Onerous contracts	Gro	up
	2024	2023
Total Opening Balance	13 500	16 963
Changes in expected losses (loss rates) and outstanding receivables (volume)		1876
Discontinued operations	-13 500	
Realized losses during the period (-)		-5 339
Exchange differences on translation of foreign operations		
Closing Balance		13 500

# Note 14 Trade and other receivables (1 000 NOK)

	Group		Parent Company		
	2024	2023	2024	2023	
ACCOUNTS RECEIVABLES					
Trade accounts receivables	590 830	1 104 165	15 407	2 328	
Loss allowance (Note 16)	-21605	-59 742			
Trade accounts rec, IC			5833	19 799	
Total	569 225	1044 423	21 240	22 127	
Intercompany loans - current			145 242	217 777	
OTHER RECEIVABLES			115.040	047 777	
Other current receivables	191 605	249 647	8 175	3 246	
Total	191 606	249 648	153 417	221 0 22	
Advances paid to suppliers	67 315	88 375			
Accrued revenues at the point in time	30 544	18 782			

# Note 15 Cash and cash equivalents (1 000 NOK)

Total

	Gro	up	Parent Company		
	2024	2023	2024	2023	
Cash and cash equivalents	1799 668	1928 652	913 390	1064083	
Here of restricted cash	36722	35 357	3 360	2 543	

97 859

107 156

# Note 16 Financial risk management / financial instruments cont. (1000 NOK)

The breakdown of the parent company's financial assets is as follows:

# FINANCIAL ASSETS AT FAIR VALUE THROUGH OCI

	Number of	Number of shares		ng in %	Fair val	ue
	2024	2023	2024	2023	2024	2023
Listed shares						
Kongsberg Gruppen	25 812	25 812	0,01%	0,01%	33 039	11 922
Spotlio	423 167	423 167	0,21%	0,21%	101	106
Norse Atlantic	320 625	320 625	0,26%	0,26%	1 2 8 1	3 880
Total listed shares					34 421	15 907
Financial assets at fair value through OCI					34 421	15 907

# FAIR VALUE - CHANGE DURING THE YEAR:

Financial assets at fair value through OCI	2024	2023
Balance at 1 January	15 907	11 830
Change in financial assets at fair value through OCI	18 514	2 088
Proceed from sale of financial assets at fair value		-93
Purchase of financial assets at fair value		2 081
Balance at 31 December	34 421	15 907

The following dividend is received: Kongsberg Gruppen tNOK 361 (tNOK 217). Change in assets at fair value are based on changes in the market values of listed shares. A sensitivity analysis indicates that a 10% change in fair value as at 31 December 2024 would change equity by tNOK 3.400 and profit for the year from continuing operations by tNOK 0 (2023: by tNOK 1.600 and tNOK 0 respectively).

### **Financial risk management**

The company and the Group are exposed to credit risk, liquidity risk from the use of financial instruments and market risk. The Board of Directors has overall responsibility for establishing and supervision of the Group's guidelines on risk management. Principles, procedures and systems for risk management in the key areas are reviewed and assessed regularly. Industrial investments consist of a limited number of large investments. The investment strategy is based on the premise that long-term, active engagement provides the greatest return. Other investments are in liquid deposits with no connection to the Group.

### **Credit risk**

Credit risk is the risk of financial losses if a customer or counterparty to a financial instrument is unable to fulfil their obligations. Credit risk normally arises when the company or Group extends credit to customers or invests in securities. Credit risk associated with investments is considered to be limited since investments are mainly made in liquid securities with a good creditworthiness. A specification of the investments is given earlier in this note. The Group has routines to ensure that credit is only extended for sales to customers that have had no previous payment issues and that stay within their credit limit.

# Note 16 Financial risk management / financial instruments cont. (1000 NOK)

The maximum exposure to credit risk associated with receivables at the balance sheet date was:

. <u></u>	Gr	oup	Parent Company		
	2024 2023		2024	2023	
Total receivables	863 505	1405772	174 657	243 149	
Account receivables	590 830	1044 423	15 407	2 328	
Loss allowance	21 605	59 743			

# Trade receivables:

Breakdown of the book value of outstanding trade receivables in:

			Overdue					
Account receivables 2024	Not due	1-30 days	31-60 days	61-90 days	More than 90 days	Trade accounts receivable		
Arendals Fossekompani ASA	15 366				41	15 407		
ENRX Group	243 044	48 412	15 698	7726	61602	376 482		
NSSL Global Limited Group	98 373	17 939	17 834	1839	14 169	150 154		
Tekna Group	24 400	10 329	1584		1744	38 057		
AFK Property Group	1 819				200	2 019		
Alytic Group	4 860	663	1727	59	702	8 010		
Vergia Group								
Ampwell Group	688					688		
AFK Tyskland Group	14					14		
Total	388 563	77 343	36 843	9 623	78 457	590 830		

The company has applied impairment losses for expected credit losses as follows:

	Overdue					
Loss allowance 2024	Not due	1-30 days	31-60 days	61-90 days	More than 90 days	Loss allowance
ENRX Group	872	45	129	5	7 550	8 601
NSSL Global Limited Group	228	105	10	3	11 119	11 465
Tekna Group					1070	1070
AFK Property Group					200	200
Alytic Group			270			270
Total	1100	150	409	8	19 938	21 605

Expected credit losses (ECL) are measured based on a credit risk assessment on a customer by customer basis, using all available information and updated when appropriate. Credit losses for 2024 and 2023 have been minor.

Changes in the period's loss allowance are explained as follows:

Loss allowance	Group 2024	Group 2023
Total Opening Balance	59 743	23 971
Changes in expected losses (loss rates) and outstanding receiv- ables (volume)	-39 743	39 935
Realized losses during the period (-)	-274	-2 997
Exchange differences on transla- tion of foreign operations	1880	-1167
Closing Balance	21605	59 743

# Breakdown of the book value of outstanding trade receivables in:

			Over	due		_	
Account receivables 2023	 Not due	1-30 days	31-60 days	61-90 days	More than 90 days	Trade accounts receivable	
Arendals Fossekompani ASA	2 283				45	2 328	
Volue Group	267 519	84 153	13 387	17 085	11 286	393 430	
ENRX Group	302 182	54 533	31409	9 330	49 197	446 650	
NSSL Global Group	114 625	15 563	13 611	4 938	19 663	168 400	
Tekna Group	26 662	8 901	10 256	2732	27 685	76 235	
AFK Property Group	408	700			93	1201	
Alytic Group	1493	2 4 8 9	1793	658	1247	7 680	
Vergia Group	168					168	
Ampwell Group	4 506	753	1542	1 194	46	8 042	
AFK Tyskland Group	32					32	
Total	719 877	167 092	71999	35 937	109 261	1 104 166	

The company has applied impairment losses for expected credit losses as follows:

	_		Over	due		
Loss allowance 2023	Not due	1-30 days	31-60 days	61-90 days	More than 90 days	Loss allowance
Volue Group		1125	1775	2 591	2857	8 347
ENRX Group	946	91	197	24	9 212	10 469
NSSL Global Group	144	910	97	147	7 676	8 974
Tekna Group*					31 283	31 283
AFK Property Group					400	400
Alytic Group			270			270
Total	1091	2 125	2 339	2 761	<b>51 427</b>	59 743

\* Loss allowance in 2023 was related to the planned closing down of Imphytek

# Liquidity risk

Liquidity risk is the risk that the Group will not be able to fulfil its financial obligations as they fall due. The aim of liquidity management is to secure sufficient liquidity to fulfil the obligations as they fall due, without this causing unacceptable losses to the company and the Group. Cash flow from the company and the Group's ordinary operations, combined with significant investments in liquid securities as well as unutilised credit facilities mean that the liquidity risk is considered to be low. Subsidiaries ENRX and NSSLGlobal have established an group account arrangement covering most of the subsidiaries. This includes currencies NOK, EURO, USD, SEK, DKK og GBP. This helps increase the flexibility and efficiency of liquidity management

The breakdown of the liabilities of the company and the Group is as follows: (Contractual cash flows include interest calculated based on interest rates at the balance sheet date) (Contractual cash flows of the bond loans that have maturity of 12 months or less are related to interest payments)

Group 2024	Carrying amount	Contractual cash flows	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	Over 5 years
Accounts payable	276 936	276 936	276 861	75			
Current interest-bearing debt	110 001	112 528	52 259	50 269		10 000	
Bank overdraft	166 526	168 526	99 086	69 441			
Current lease liabilities	60 437	63 967	33 937	30 030			
Total current liabilities	613 900	621957	462 143	149 815		10 000	
Non-current bond loans	498 503	539 225		13 075	13 075	513 075	
Non-current interest-bearing debt	776 474	969 084	16 669	18 680	341 491	140 188	452 056
Non-current lease liabilities	230 338	259 628	5720	4 596	71893	94 608	82 811
Total non-current liabilities	1505315	1767 938	22 389	36 351	426 460	747 871	534 866

# Overdur

2023	Carrying amount	Contractual cash flows	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	Over 5 years
Accounts payable	512 917	512 917	512 917	-			
Current interest-bearing debt	234 715	238 411	233 619	4792			
Bank overdraft	168 745	181 646	47 968	133 678			
Current lease liabilities	65762	73 372	38 117	34 679		241	
Total current liabilities	982 140	1006 347	832 620	173 149		241	
Non-current bond loans	498 042	555 569		13 075	13 075	529 419	
Non-current interest-bearing debt	1745 430	2 004 849	38 601	37 493	68 034	786 019	1 074 701
Non-current lease liabilities	226 537	296 663			77 791	120 890	97 982
Total non-current liabilities	2 470 010	2 857 081	38 602	50 569	158 899	1436 329	1172 683

Parent Company 2024	Carrying amount	Contractual cash flows	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	Over 5 years
Accounts payable	17 726	17 726	17 726				
Current interest-bearing liab, IC							
Current lease liabilities	2 127	5 083	2 541	2 541			
Total current liabilities	19 853	22 808	20 267	2 541			
Non-current bond loans	498 503	539 225		13 075	13 075	513 075	
Non-current interest-bearing debt	309 718	396 559	8 134	8 134	16 269	48 805	315 217
Non-current lease liabilities	57 923	76 538			5 083	14 516	56 939
Total non-current liabilities	866143	1012322	8 134	21209	34 427	576 396	372 156

2023	Carrying amount	Contractual cash flows	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	Over 5 years
Accounts payable	11 852	11 852	11 852				
Current interest-bearing liab, IC	36 416	36 416		36 416			
Current lease liabilities	2 293	5 360	2 680	2 680			
Total current liabilities	50 561	53 628	14 532	39 096			
Non-current bond loans	498 042	555 569		13 075	13 075	529 419	
Non-current interest-bearing debt	964 324	1130 653	27 722	27722	27 7 22	83 165	964 324
Non-current lease liabilities	57 965	78 314			4 898	14 328	59 088
Total non-current liabilities	1520331	1764 536	27 722	40 797	45 695	626 912	1023 412

For other receivables and payables measured at amortised cost the book value is assumed to equal the fair value. For contractual cash flows related to derivatives we refer to hedge accounting further below.

### Market risk

Market risk is the risk that changes in market prices such as exchange rates, interest rates and share prices will impact net income or the value of financial instruments.

### Foreign exchange risk

The company and the Group are exposed to foreign exchange risk on purchases, sales and loans in currencies other than the companies' functional currency. The Group's main exposure is to EUR, GBP and USD. The foreign exchange exposure is primarily associated with operations in the Group's foreign subsidiaries and with the company's and the Group's liabilities in foreign currency. The ENRX subgroup uses derivatives to limit foreign exchange risk associated with sales and trade receivables. The parent company and ENRX also use foreign currency loans and currency swaps to limit foreign exchange risk associated with changes in value in the subsidiaries. The main foreign currency exposure in the parent company and the Group's Norwegian subsidiaries is to EUR.

	Gr	oup	Parent Co	ompany
(1000 EUR)	2024	2023	2024	2023
Bank deposits	3 844	9408	243	
Trade receivables	17 314	31468	50	
Trade payables	737	-3 457		-164
Interest-bearing liabilities	-9 689	-20 905		
Balance sheet exposure				
(foreign exchange risk)	12 206	16 514	293	-164

A sensitivity analysis indicates that a 5% appreciation of NOK against EUR as at the year-end would impact earnings for the Group in 2024 by the equivalent of MEUR -0.6 and in 2023 by the equivalent of MEUR -0.8. The amounts are stated before taxes. Other subsidiaries have only modest exposure to currencies other than the company's functional currency.

### Hedge accounting

The derivative financial assets are all net settled. Therefore, the maximum exposure to credit risk at the reporting date is the fair value of the derivative assets which are included in the consolidated statement of financial position. The customer payments in foreign currencies in order backlog is hedged according to NOK according to strategy. Cash flow hedge accounting is generally applied to qualifying foreign currency hedges. Under the ENRX hedge accounting model, the portion of the fair value change related to a change in the spot rate is recognised in the fair value reserve within equity until the cumulative profit or loss is recycled to the statement of income simultaneously with the hedge item. There is no inefficiency in the hedging - see Note 8 Financial items".

At year-end the companies had the following forward currency contracts specified as hedging: (1000 NOK)

	Contract	U
2024	value	gai
Hedging of future cash flows	150 366	
Fair value hedging		
Balance sheet		
exposure (hedging)	150 366	
	Contract	ι
2023	value	ga
Hedging of future cash flows	62 493	
Fair value hedging		
Balance sheet		
exposure (hedging)	62 493	

Unrealised gains/losses relating to hedging of future cash flows are recognised in "Other comprehensive income". The unrealised loss shown in the table is the value before deducting tax. Net unrealised losses/gains are recognised as other current liabilities/assets.

Nominal value, carrying amount and maturity of forward currency contracts:

	2025	2026	2027	Nominal amount (currency)	Carrying amount (NOK'000)
Currency					~ /
EUR	10 386			10 386	4 368
USD	4 050			4 050	-2 195
JPY	17 300			17 300	19
GBP	430			430	-97
Total					2 0 9 6

Change in carrying amount in the period:	2024	2023
Balance at 1 January	885	1869
Changes in value posted as OCI	-941	-5 535
Reclassifies from equity to	2 152	4 551
income statement		
Balance at 31 December	2 0 9 6	885
Asset	4 815	4 5 4 5
Liabilities	2 719	3 660
Total	2 0 9 6	885

Inrealised
ins/losses
2 0 9 6
2 0 9 6
Jnrealised ins/losses
885

# 885

# Interest rate risk

Most of the company's and the Group's interest-bearing financial assets and liabilities accrue interest at variable rates. In 2021 the parent company took out a bond of MNOK 500 at an fixed interest rate of 2,615%. An overview of interest-bearing assets can be found earlier in this note and of liabilities in Note 17. A 1% change in interest rates would affect earnings, and profit and financial items through the year, by a net amount of around NOK -0,9 million. The amount is stated before taxes.

### Price risk for energy sales

Most of the company's and the Group's energy sales take place in the spot market, which means there is exposure to risk associated with price fluctuations. In the past two years no energy derivatives have been used as hedging instruments to limit the risk.

### Market risk relating to securities

The company and the Group are exposed to price risk on investments in equity instruments classified as financial assets at fair value through OCI and financial assets at fair value throiugh income statement. All decisions on significant purchases and sales are made by the Board of Directors. The main objective of the investment strategy is to maximise the return through ongoing dividends and increases in the value of the portfolio. An overview of the company's financial assets is given earlier in this note.

### BOND LOAN (1000 NOK)

		Group					Parent	Parent Company	
		2024		2023		2024		2023	
	Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value	
LIABILITIES									
Bond loans	498 503	461 250	498 042	457 800	498 503	461250	498 042	457 800	
Unrecognized income between book- and fair value		-37 231		-40 242		-37 253		-40 242	

### FAIR VALUE CATEGORIES FINANCIAL ASSETS AND LIABILITIES

2024				Group			Parent	t Company
Carrying amount financial assets	Fair value through income	Fair value through OCI	Amort. cost	Sum	Fair value through income	Fair value through OCI	Amort. cost	Sum
Trade and other receivables			791 397	791 397			29 415	29 415
Cash and cash equivalents			1799 668	1799 668			913 390	913 390
Financial assets at fair value								
through OCI		34 421		34 421		34 421		34 421
Financial assets at fair value through income statement	74 652			74 652	68 562			68 562
Loans to Group companies							852 272	852 272
Derivatives	4 815			4 815				
Sum	79 468	34 421	2 591 064	2704953	68 562	34 421	1795 076	1898058

### **Carrying amount**

financial liabilities				
Derivative liabilities	2 719	2 719		
Interest-bearing loans and borrowings		1068796 1068796	309 718	309 718
Bond loans		498 503 498 503	498 503	498 503
Trade and other payables		276 936 276 936	17 726	17 726
Liabilities to Group companies				
Sum	2 719	1844 235 1846 955	825 946	825 946

2023	Group			Parent Company				
	through	Fair value through	Amort.		through	Fair value through	Amort.	
Carrying amount financial assets	income	OCI	cost	Sum	income	OCI	cost	Sum
Trade and other receivables			1294088	1294088			25 373	25 373
Cash and cash equivalents			1928 652	1928652			1064083	1064 083
Financial assets at fair value through OCI		15 907		15 907		15 907		15 907
Financial assets classified as held for sale								
Financial assets at fair value through income statement	88 283			88 283	77 275			77 275
Loans to Group companies							1602210	1602210
Derivatives	4 545			4 545				
Sum	92 828	15 907	3 222 740	3 3 3 1 4 7 5	77 275	15 907	2 691 666	2784847

Sum	3 660	3 190 627	3 194 288	1 510 634	1 510 634
Liabilities to Group companies				36 416	36 416
Trade and other payables		512 917	512 917	11 852	11 852
Bond loans		498 042	498 042	498 042	498 042
Interest-bearing loans and borrowings		2 179 669	2 179 669	964 324	964 324
Derivative liabilities	3 660		3 660		
Derivatives, interest and currency swaps					

# Fair value hierarchy

The table below analyses financial instruments measured at fair value according to valuation method. The different levels are defined as follows: Level 1: Fair value is measured using listed prices from active markets for identical financial instruments. No adjustment is made to these prices. Level 2: Fair value is measured using other observable inputs than those used at level 1, either directly (prices) or indirectly (derived from prices). Level 3: Fair value is measured using inputs that are not based on observable market data (unobservable inputs).

2024	Level 1	Level 2	Level 3	Sum
Financial assets at				
fair value through OCI		34 421		34 421
Financial assets at fair value				
through income statement			74 652	74 652
Bond loans		-461250		-461 250
Total		-426 829	74 652	-352 177
Other derivative financial assets		4 815		4 815
Interest and currency swaps related to bond loans				
Other derivative financial liabilities		-2 719		-2 719
Grand Total		-424 733	74 652	-350 081
2023	Level 1	Level 2	Level 3	Sum
Financial assets at fair value through OCI		15 907		15 907
Financial assets at fair value through income statement			88 283	88 283
Bond loans		-457 800		-457 800
Total		-441 893	88 283	-353 609
Other derivative financial assets		4 545		4 545
Interest and currency				
swaps related to bond loans				
Other derivative financial liabilities		-3 660		-3 660
Grand Total		-441008	88 283	-352724

The fair value of the Bond loan is determined by using the indexed tax validation rules at year-end. The index is publicly available.

# Note 17 Interest-bearing debt (1 000 NOK)

This note provides information on the contractual terms of the Group's interest-bearing loans and borrowings. For more information on the Group's interest rate risk and foreign exchange risk see Note 16.

Note 17.1 Bond Ioans	Group / Parent	
	2024	2023
2,516 % 2021 - 2028	500 000	500 000
Capitalised loan costs	-1 497	-1958
Bond loans - booked value	498 503	498 042
Fair value (ref note 16)	461250	457 800

# Note 17.2 Debenture loans

	Parent Company	у
	2024	2023
Euribor + fixed margin Floating interest	315 218	968 474
Capitalised Ioan costs	-5 500	-4 150
Total denenture loans parent company	309 718	964 324

		Subsidiaries	
Volue Group	Floating interest		342 023
Tekna Group	Fixed interest rate	26 202	8 255
Tekna Group	Debenture loans	8 0 8 6	23 083
ENRX Group	Floating interest	375 320	282 183
AFK Property Group	Floating interest	161 689	316 628
Alytic AS	Floating interest	21 256	10 946
Ampwell Consolidated	Floating interest		32 718
Total Debenture loans Sub	osidiaries	592 552	1 015 836
<b>Total Debenture loans Gro</b>	up	902 270	1980160

# Note 17.3 Loans secured by pledged assets

	Group		Parent Company		
	2024	2023	2024	2023	
Non-current interest- bearing debt	408 864	457 338			
Bank overdraft	56 664	86 973			
Total	465 529	544 312			

# Note 17.4 Loans are secured by the following pledged assets

Total security	1105 931	1066 322
Trade receivables	305 534	275 177
Inventories	344 044	370 041
Vehicles, machinery and equipment	194 261	202 067
Buildings and land	262 092	219 036

Security for promissory note and bond loans with a countervalue of MNOK 500 taken out in the parent company has been given in the form of negative pledges. Trade receivables in two of the subsidiaries have been pledged as security for bank guarantees and overdrafts given. For the Group the value-adjusted equity must be at least 40% and have a value of at least MNOK1500.

For ENRX the equity must be at least 30%, and cash reserve > MEUR 5. Tekna have some covenants connected to operational activities, but none financial covenants.All the companies are in compliance with the requirements of their covenants at 31 December 2024.

# Note 18 Trade payables, provisions and other current liabilities (1000 NOK)

	Gro	ир	Parent Co	ompany
	2024	2023	2024	2023
Trade payables	267 835	485 561	16 443	10 527
Other payables	9 102	27 356		
Trade acc payable, IC			1283	1324
Account Payables	276 936	512 917	17 726	11 852

# Note 18.1 Provisions

Group 2024	Total Opening Balance	Changes in expected losses (loss rates) and outstanding receivables (volume)	Realized losses during the period (-)	Total Effect from Foreign Exchange	Closing Balance
Restructuring	6 551	-6 777	the period (-)	226	Dalance
Earn-out	0.001	-0717		220	
Warranties / Guaranties	3 684	24 178	-5 266	1432	24 029
Other provisions	32 953	28 159	-1252	2762	62 622
Onerous contracts	13 500	-13 500			
Total provisions	56 688	32 061	-6 518	4 4 2 0	86 652

Group 2023	Total Opening Balance	Changes in expected losses (loss rates) and outstanding receivables (volume)	Realized losses during the period (-)	Total Effect from Foreign Exchange	Closing Balance
Restructuring	40 268		-37 085	3 368	6 551
Earn-out	60 431		-60 431		
Warranties / Guaranties		3 603	-88	170	3 684
Other provisions		33 969	-1 230	214	32 953
Onerous contracts	16 963	1876	-5 339		13 500
Total provisions	117 662	39 448	-104 173	3752	56 688

		Changes in expected			
	Total Opening	losses (loss rates) and outstanding	Realized	Total Effect from Foreign	Closing
Parent Company 2024	Balance	receivables (volume)	0	Exchange	Balance
Restructuring					
Earn-out					
Warranties / Guaranties					
Other provisions	1600	35 900			37 500
Onerous contracts					
Total provisions	1600	35 900			37 500

Parent Company 2023	Total Opening Balance	losses (loss rates) and outstanding receivables (volume)	Realized losses during the period (-)	Total Effect from Foreign Exchange	Closing Balance
Restructuring					
Earn-out					
Warranties / Guaranties					
Other provisions		1600			1600
Onerous contracts					
Total provisions		1600			1600

35 900			37 500
35 900			37 500
Changes in expected losses (loss rates) and outstanding receivables (volume)	Realized losses during the period (-)	Total Effect from Foreign Exchange	Closing Balance

### **PROVISIONS SUMMARY**

	Group	Group		Parent Company	
	2024	2023	2024	2023	
Total Opening Balance	56 688	117 662	1600		
Changes in expected losses (loss rates) and					
outstanding receivables (volume) incl. disposals	32 061	39 448	35 900	1600	
Realized losses during the period (-)	-6 518	-104 173			
Total Effect from Foreign Exchange	4 4 2 0	3 752			
Closing Balance	86 652	56 688	37 500	1600	

# Note 18.2 Specification of Accruals

	Group		Parent Cor	mpany
	2024	2023	2024	2023
Accrued Labor cost / holiday pay	84 972	127 080	5 273	7 686
Accrued Bonus	70 432	91 015	12 000	12 000
Paid in collaterals		42 407		
Accrued operating cost	258 745	276 332	1426	4 680
Other current liability	105 589	275 175	1269	
Total accruals	519 739	812 009	19 967	24 366

# Note 19 Leases (1 000 NOK)

### CARRYING AMOUNT RIGHT-OF-USE ASSETS

	Group		Parent C	ompany
	2024	2023	2024	2023
Buildings	257 303	260 696	57 507	58 742
Vehicles, machinery and equipment	14 662	16 629		168
Sum	271 965	277 324	57 507	58 910

Lease liabilities	Group		Parent Company	
	2024	2023	2024	2023
Current lease liabilities	60 437	65762	2 127	2 293
Non-current lease liabilities	230 338	226 537	57 923	57 965
Sum	290 774	292 299	60 050	60 258

**Income effects** 

	Gro	Group		ompany
	2024	2023	2024	2023
Buildings depreciation	52 330	71 355	3 488	3 522
Vehicles, machinery and equipment	7 355	7 526	168	126
Sum depreciation	59 684	78 881	3 656	3 648
Interest expense on lease	9 959	6 117	3 072	3 060

We refer to note 5 for a specification of the movements of Right-of-Use assets.

# Note 20 Events after the reporting period

On 13 February 2025, the Board of Directors decided to pay an ordinary cash dividend of NOK 1.00 per share for the fourth quarter 2024. The dividend was paid on 28 February 2025. Mr. Claude Jean has been appointed as the new CEO of Tekna Holding ASA effective from April 28, 2025.

# Note 21 Accounting estimates and assessments Key accounting estimates

Key accounting estimates are estimates that are important for the presentation of the company's and the Group's financial position and earnings, and which require subjective assessment. Arendals Fossekompani assesses such estimates continually based on historical results and experience, consultation with experts, trends, forecasts and other methods considered reasonable in each individual case.

# Impairment losses

Goodwill and other intangible assets with an indefinite life are tested for impairment annually. The company's investments in subsidiaries and associates are similarly tested for impairment. The assessments are based on analysis of the company's financial position and forecasts/outlook. Recoverable amounts that are measured against carrying amounts are the expected selling price or the present value of cash flows from the investment. Other assets, including property, plant and equipmentand financial instruments available for sale, are tested for impairment when there is an indication that a fall in value may have occurred.

# **Construction contracts**

The Group recognises revenue from individual projects in accordance with the percentage of completion method. For such projects the degree of completion is calculated as costs incurred relative to total estimated costs. The greatest uncertainty is associated with measurement of the project's total estimated costs. The group has implemented controls to ensure that accounting for revenue over time reflects management's best estimate with respect to total contract revenue, cost, and if applicable stage of completion. The group uses the stage of completion method to determine the contract revenue recognised over time in the period. The method to determine the stage of completion is costs spent compared to total estimated costs or direct labour spent compared to total estimated direct labour. The estimation uncertainty is primarily related to cost calculation and measurement of progress. When project's remaining costs cannot be reliable estimated, only revenues equal to the accrued project costs will be recognised as revenues.

# Note 22 Earnings per share in NOK

# Basic earnings per share/diluted

Basic earnings per share are based on profit attributable to the eq number of outstanding ordinary shares during the year, which was

Profit attributable to ordinary shares (1000 NOK)	2024	2023
Net profit for the year - total	2 244 137	-29 520
Minority interest	6 558	-62 110
Equity holders of the parent	2 237 579	32 590
Profit attributable to ordinary shares (1000 NOK)	2024	2023
Net profit for the year - continued	-42 316	61 309
Minority interest	6 558	-62 110
Equity holders of the parent	-48 874	123 419
Profit attributable to ordinary shares (1000 NOK)	2024	2023
Net profit for the year - discontinued	2 286 453	-90 829
Minority interest	6 558	-62 110
Equity holders of the parent	2 279 895	-28 719
Weighted average		
number of ordinary shares		
Issued ordinary shares,		
1 January	55 995 250	55 995 250
Effect of treasury shares	-1058 832	-1 137 911
Number of outstanding shares as at 31 Dec	54 936 418	54 857 339
Weighted average number of		
ordinary shares for the year	54 896 879	54 832 135
Basic earning per share (NOK)		
Total	40.76	0.59
Continued	(0.89)	2.25
Discontinued	41.53	(1.66)

quity holders of the parent and the weighted average
s 54.936.418 (2023: 54.832.135), calculated as follows:

# Note 23 The 20 largest shareholders

	Number of shares	Shareholding	
Ulefoss Invest AS	14 709 875	26,8 %	
Havfonn AS	14 567 900	26,5 %	
Must Invest AS	14 106 225	25,7 %	
Arendals Fossekompani ASA	1058832	1,9 %	
Svanhild og Arne Must Fond	657 225	1,2 %	
Folketrygdfondet	473 060	0,9 %	
Fabulous AS	453 853	0,8 %	
Per-Dietrich Johansen	375 375	0,7 %	
Fondsfinans Pensjonskasse	356 228	0,6 %	
Fløtemarken AS	323 671	0,6 %	
Erik Bøhler	280 100	0,5 %	
Sverre Valvik AS	266 000	0,5 %	
Bøhler Invest AS	265 000	0,5 %	
Aksel Oland	237 994	0,4 %	
Ropern AS	237 478	0,4 %	
Annelise Altenburg Must	216 675	0,4 %	
Ottersland AS	200 000	0,4 %	
Erik Christian Must	180 000	0,3 %	
Trine Must	180 000	0,3 %	
Falck Frås AS	170 000	0,3 %	
	49 315 491	89,8%	

With reference to section 7-26 of the Norwegian Accounting Act the following can be disclosed concerning shares owned by individual Board members and the CEO, including shares owned by spouses, children who are minors or by companies in which the person in question has a controlling interest.

Board of Directors	Own holdings	<b>Related parties</b>	Total	
Trond Westlie	7 048		7 048	
Morten Bergesen		14 567 900	14 567 900	
Didrik Vigsnæs		18 000	18 000	
Arild Nysæther				
Lise Lindback				
Anne Grethe Dalane	1000		1000	
Stine Rolstad Brenna		7 500	7 500	
	8 048	14 593 400	14 601 448	
Senior executives				
Benjamin Golding*	50 999		50 999	
Lars Peder Fensli *	32 144		32144	
Håkon Tanem	56 172		56 172	
Torkil Mogstad *	15 019		15 019	
Ingunn Ettestøl*	19 412		19 412	
Ann-Kari Heier	16 978		16 978	
	190 724		190 724	

\* See Note 4 regarding share-based payments.

# Note 24 Related parties

The company's/Group's related parties comprise subsidiaries, associates and members of the Board of Directors and senior management team.

### **Key executives**

Members of the Board of Directors and the company management and their closest relations control 26,4% of shares with voting rights in the company. Loans to senior executives (see Note 4) amounted to tNOK 15.664 (2023: tNOK 11.687) as at 31 December. These loans are included in "other investments". Interest is charged on loans to senior executives at a rate that never triggers a taxable benefit. In addition to regular salaries, senior executives have agreements on other benefits in the form of a defined-contribution pension scheme and share-based payments. (See Note 4). In 2023, the Chairman has received a fee of tNOK 500 for consultancy services provided by his company Shama AS. (See Note 4).

# **Related party transactions**

Transactions between Group companies and other related parties are based on the principles of market value and arm's length.In 2024 Arendals Fossekompani purchased services relating to market management for tNOK 854 from Volue Market Services (2023: tNOK 921). In addition services were purchased from Volue Insight AS for tNOK 537 in 2024. Arendals Fossekompani ASA supply AFK Property and Alytic with administrative services, all invoiced based market value. Interest is charged on loans from the AFK parent company to companies in the Group in accordance with the agreement entered into.

# Note 25 Change in loans and borrowing

	Note	Loans matu more than	-	Loans ma less than (	-	Total int bearing lia	
		2024	2023	2024	2023	2024	2023
GROUP							
Total Opening Balance		2 500 788	1085804	469 222	340 163	2 970 010	1425967
Cash from new borrowings	CF	249 599	1322068			249 599	1322 068
Repayment of non-current lease liabilities	CF	-68 966	-44 767			-68 966	-44 767
Repayment of long- term borrowings	CF	-1 040 193	-117 524			-1 040 193	-117 524
Cash flow from net change in current interest bearing debt	CF			35 973	277 552	35 973	277 552
Change in lease liabilities without cash flow effects	5	123 003	83 064			123 003	83 065
Disposal / Unspecified Movement		-324 277	676	-179 723	2 962	-504 000	3 638
Reclassification Total Effect from			172 496		-172 496		
Foreign Exchange		56 814	-1029	11 491	21 041	68 305	20 01
Closing Balance		1 521 110	2 500 788	336 964	469 222	1858 073	2 970 010
PARENT COMPANY							
Total Opening Balance		1 520 331	711 146	2 293	2 300	1522624	713 440
Cash from new borrowings	CF	188 474	825 485			188 474	825 485
Repayment of long- term borrowings	CF	-876 002	-2 293			-876 002	-2 293
Cash flow from net change in current interest bearing debt	CF			-166	-7	-166	-7
Change in lease liabilities without cash flow effects		2 254	-5 973			2 254	-5 973
Total Effect from							
Foreign Exchange		31 086	-8 034	0.407	0.000	31086	-8 034
Closing Balance		866 143	1520331	2 127	2 293	868 270	1522624
		Grou	a				
(1000 NOK)		2024	2023				
Bond		498 503	498 042				
Interest-bearing liabilities and credits (long-term)		776 474	1745 430				
Other non-current liabilities		15 795	30 778				
Non-current lease liabilities		230 338	226 537				
Loans maturing after		200 000	220 001				
more than one year		1 5 2 1 1 1 0	2 500 788				
Interest-bearing liabilities							
and credits (short-term)		276 527	403 460				
Current lease liabilities		60 437	65762				
Loans maturing in less than one year		336 964	469 222				
Total interest-							
bearing liabilities		1858 073	2 970 010				

as	(1	000	NOK)	

Parent Co	mpany
2024	2023
498 503	498 042
309 718	964 324
57 923	57 965
866 143	1520 331
2 127	2 293
2 127	2 293
868 270	1522624
	2024 498 503 309 718 57 923 866 143 2 127 2 127

# Note 26 Climate-related risks

Arendals Fossekompani has assessed climate-related risks based on the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) as part of its double materiality assessment. The assessment covers Arendals Fossekompani's and our portfolio's exposure to transition risks and opportunities, as well as physical risks. Under a Net Zero 2050 scenario, key transition risks included market, technology and policy/legal risks, and opportunities within new markets and clean energy. The portfolio's physical risk has been assessed using climate modelling in IPCC climate scenarios, considering exposure to climate hazards events at our offices and production sites and in our value chain where possible.

There is a physical risk of disruption to our facilities and value chains due to climate hazards, but the consequences are highly uncertain, and the risk is being mitigated by our investments in infrastructural upgrades.

To ensure the resilience of our business model Arendals Fossekompani is actively pursuing opportunities related to demand for solutions related to renewable energy through our investment strategy. We also have ongoing assessments related to climaterelated risks, and other internal initiatives to reduce climate risk exposure and to mitigate transitional risks of increased costs related to mandates and regulation of existing products and services in the portfolio. Arendals Fossekompani follows developments and will regularly assess its portfolio risk exposure to transitional and physical climate risks. Further detail on the process, scenarios and findings are documented in the Sustainability Statement.

# Note 27 Contingent liabilities

In January 2019, Tekna Plasma Systems Inc. filed a lawsuit in Federal Court against AP&C Advanced Powders & Coatings Inc., challenging the validity of Canadian patents 3,003,502 and 3,051,236 and seeking a non-infringement declaration, while AP&C counterclaimed for infringement; the trial took place in fall 2022. On June 7, 2024, the Federal Court ruled in Tekna's favor, declaring patent '502 entirely invalid and not infringed, and most claims of patent '236 invalid and not infringed, though some '236 claims were upheld as valid but not contested by AP&C for infringement.

AP&C appealed this ruling (file A-274-24), aiming to overturn it, with a hearing expected in late 2025 or early 2026, and Tekna is actively defending the decision. A second Federal Court decision on December 5, 2024, ordered AP&C to pay Tekna \$2.9 million for partial legal costs, which AP&C paid in December 2024, but AP&C has also appealed this cost award (file A-55-25), with proceedings just beginning. If both rulings are upheld on appeal, the case may conclude; however, if overturned, Tekna could face repaying the \$2.9 million and potentially additional damages to AP&C, depending on the appeal outcomes.

	<b>AFK Var</b>	nkraft	Group Mar	nagement	<b>NSSL</b> Global	Ltd. Group	ENRX G	roup
	2024	2023	2024	2023	2024	2023	2024	2023
Bond			498 503	498 042				
Non-current inter-								
est-bearing debt			309 718	964 324			277 974	255 531
Interest-								
bearing current borrowings							85 449	26 606
1st year installm.							00 440	20 000
non-current								
borrowings							102	45
Bond								
Interest and ex								
rate swap (curr.)								
Non-current					50.000		100 70 4	
lease liabilities			57 923	57 965	52 238	12 344	188 /84	103 222
Current lease liabilities			2 1 2 7	2 2 9 3	12 156	4 860	46 344	32 660
Bank overdraft			2121	2 2 3 0	6 172	7 990	160 354	85 186
Current and					0112	1000	100 004	00100
non current								
liabilities IC			2 4 5 2	38 779	-25	-149	440 607	409 303
Total liabilities			870 722	1561404	70 541	25 046	1199614	912 553
Cash and cash								
equivalents			914 110	1064636	544 294	371465	145 655	135 939
Intercompany Ioans - non current								
Intercompany								
loans - current								
Financial assets								
classified as held								
for trading								
Total assets			914 110	1064636	544 294	371465	145 655	135 939
Net interest								
bearing debt			-43 387	496 768	-473 752	-346 420	1053958	776 613

-	0	0
1	ø	9

						Total			tal	
	Tekna (		AFK Proper		Alytic C		Other Segment			
	2024	2023	2024	2023	2024	2023				2023
Bond									498 503	498 042
Interest and										
ex rate swap n-c										
Non-current inter- est-bearing debt	30 970	28 256	155 152	119 647	2 661	2 946		32 718	776 474	1403 422
Interest-bearing	30 510	20 200	100 102	115 041	2001	2 340		52710	110 414	1403422
current borrow-										
ings (inp)				192 292	14 595	8 000			100 044	226 898
1st year installm.										
non-current										
borrowings	3 318	3 083	6 537	4 689					9 957	7 817
Bond										
Interest and ex										
rate swap (curr.)										
Non-current										
lease liabilities	12 914	5934	1121	104	22 175	23 633		1640	335 155	204 843
Current lease	5 405	4.570	45.4	504	704	105		0.075	00.077	40.040
liabilities	5 105	4 572	454	524	791	135		2 975	66 977	48 018
Bank overdraft									166 526	93 176
Current and										
non current liabilities IC	217 477	161 072	110 972	70 698	4 306	4 710	1011548	876 508	1787 339	1560 922
Total liabilities	269784	202 917	274 237	387 953	44 528	39 425			3740975	4 043 138
	200104	202.011	214201	001 000	44020	00 420	1011040	010041	0140010	4040100
Cash and cash										
equivalents	97 463	77 906	61550	27 232	30 713	35 261	5 834	34 780	1799 891	1747 220
Intercompany										
loans - non current									707 030	1384434
Intercompany										
loans - current									145 242	217 777
Financial assets										
classified as held										
for trading									0.050.000	
Total assets	97 463	77 906	61550	27 232	30 713	35 261	5834	34780	2 652 163	3 349 430
Net interest										
bearing debt	172 321	125 011	212 686	360 721	13 815	4 163	1005715	879 061	1088812	693 707

	Elimin & Adjus		Tot Consol	
	2024	2023	2024	2023
Bond			498 503	498 042
Interest and ex rate swap n-c				
Non-current inter- est-bearing debt		342 008	776 474	1745 430
Interest-bearing current borrow-				
ings (inp) 1st year installm.			100 044	226 898
non-current borrowings			9 957	7 817
Bond				
Interest and ex rate swap (curr.)				
Non-current lease liabilities	-104 818	21 694	230 338	226 537
Current lease				
liabilities	-6 540	17 744	60 437	65 762
Bank overdraft		75 570	166 526	168 745
Current and				
non current				
liabilities IC		-1556228	11 611	4 695
Total liabilities	-1887 085	-1099211	1853890	2 943 927
Cash and cash equivalents	-223	181 432	1799 668	1928652
Intercompany Ioans - non current				
Intercompany Ioans - current				
Financial assets classified as held for trading				
Total assets	-223	-1420778	1799668	1928652
Net interest bearing debt	-1886862	321567	54 222	1 015 274

191

Signatures

192

ARENDALS FOSSEKOMPANI ANNUAL REPORT 2024

Declaration by the BoD and the CEO Auditor's Reports











# Declaration by the Board of Directors and the CEO

The single-entity financial statements and consolidated financial statements have been prepared in accordance with IFRS as adopted by the European Union, along with relevant interpretations, and in compliance with further disclosure requirements pursuant to the Norwegian Accounting Act applicable as at 31 December 2024.

The Annual Report for the Group and Parent Company has been prepared in accordance with the provisions of the Norwegian Accounting Act and Norwegian Accounting Standard 16 as at 31 December 2024.

The consolidated sustainability statements for 2024, as part of the management report have been prepared, in all material respects, in accordance with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) pursuant to the Accounting Act § 2-3 and 2-4. Disclosures within the EU Taxonomy, are in all material respects, prepared in accordance with Article 8 of EU Taxonomy Regulation (EU 2020/852).

### TO THE BEST OF OUR KNOWLEDGE

The financial statements for 2024 for the Group and the Parent Company have been prepared in accordance with applicable accounting standards

Trond Westlie, Chair

StinoRbreing

Stine Rolstad Brenna, **Board Member** 

Morten Bergesen,

**Board Member** 

we henderly

Lise Lindbäck, **Board Member** 

the information presented in the financial statements provides a true and fair view of Group's and the Parent Company's assets, liabilities, financial position and performance as a whole as at 31 December 2024.

the Annual Report for the Group and the Parent Company provides a true and fair view of the development, results and financial position of the Group and the Parent Company, and the key risks and uncertainties faced by the Group and the Parent Company.

there are no material uncertainties associated with the annual financial statements, and there are no other extraordinary circumstances that have affected the financial statements.

The Board of Directors confirms that the accounts have been prepared based on the assumption that Arendals Fossekompani is a going concern, and that this assumption continues to apply.

Froland. 10 April 2025

Didrik Vigsnæs, **Board Member** 

July Dalan

Anne Grethe Dalane, **Board Member** 



**Board Member** 

Beniamin Golding. **Chief Executive Officer** 

# Report on the Audit of the Financial Statements



To the General Meeting of Arendals Fossekompani ASA

# Independent Auditor's Report

# **Report on the Audit of the Financial Statements** Opinion

We have audited the financial statements of Arendals Fossekompani ASA, which comprises

- accounting policy information, and
- accounting policy information.

### In our opinion

- the financial statements comply with applicable statutory requirements, the financial statements give a true and fair view of the financial position of the Company as at 31
- in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of Arendals Fossekompani ASA for 7 years from the election by the general meeting of the shareholders on 26 April 2018 for the accounting year 2018.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers AS, Kystveien 14, NO-4841 Arendal T: 02316, org. no.: 987 009 713 MVA, www.pwc.no Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

 the financial statements of the parent company Arendals Fossekompani ASA (the Company), which comprise the statement of financial position as at 31 December 2024, the statement of income, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material

the consolidated financial statements of Arendals Fossekompani ASA and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2024, the statement of income statement of comprehensive income statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material

December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU, and

· the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended

# Report on the Audit of the Financial Statements

The Group's business activities have changed compared to last year because of the sale of shares in Volue ASA and discontinuation of the investment in Commeo. Consequently, Accounting for Discontinued Operations - Commeo and Volue was considered a new area of focus this year. Furthermore, Revenue over Time from Contracts with Customers and Valuation of Goodwill and Intangible Assets carries the same characteristics and risks as in the prior year, and therefore continued to be areas of focus this year.

# Key Audit Matters

How our audit addressed the Key Audit Matter

Revenue over Time from Contracts with Customers

In 2024, revenue recognized over time from contracts with customers constituted NOK 1 089 170 thousand, equal to 25% of total operating revenues. NOK 360 033 thousand of revenue recognized over time is accrued income from uncompleted contracts at the balance sheet date.

We focused on revenue over time from contracts with customer as the contracts may have a long duration, and the recognition of contract revenues and costs is subject to management judgement which may be complex. Furthermore management's judgement affects several significant financial statement line items and thus has a pervasive effect on the financial statements.

The accounting principles and notes 1 and 13 to the financial statements include further information on the Group's recognition of revenue over time from contracts with customers

We obtained a sample of contracts and assessed the accounting treatment against the Group's accounting principles and IFRS 15 Revenue from contracts with customers. We found that the accounting treatment was consistent with the content of the contracts and that accounting principles were based on IFRS 15.

Through meetings with management and project leaders, including review of relevant documentation, we tested whether the Group had implemented controls to ensure that accounting for revenue over time reflects management's best estimates with respect to total contract revenue, cost, and if applicable, stage of completion. We found that controls had been implemented at various levels of the organization, and that the controls included periodic meetings to review open contracts

Estimating project revenue and associated costs, and, if applicable, calculating stage of completion requires exercise of judgement. We performed various procedures to assess whether management's judgements were reasonable, includina:

- · Interviewed project leaders and management challenging judgements made with respect to project estimates.
- Compared expenses and hours incurred to budgeted expenses and hours
- Compared actual outcome on completed projects against initial budget.
- If applicable, assessed whether stage of completion on open projects corresponded to amounts recognized in the financial statements

We found that assumptions used, and judgements made by management were reasonable.

We further evaluated the information disclosed in notes 1 and 13 and found it to be appropriate and adequate

# Report on the Audit of the Financial Statements



### Valuation of Goodwill and Intangible Assets

At 31 December 2024, the carrying amount of the Group's goodwill and intangible assets was NOK 1 006 576 thousand, equal to approximately 11% of total assets. Goodwill and intangible assets with indefinite economic life are tested for impairment at least annually. Impairment testing is performed at the level of cash generating unit.

When testing for impairment, the carrying amount is compared to the recoverable amount.

At 31 December 2024, management's impairment assessment indicated that the recoverable amount exceeded the carrying amount for all cash generating units where goodwill and intangible assets were recognized. As a result, no impairment was recorded.

We focused on valuation of goodwill and intangible assets because these assets constitute a significant share of the Group's total assets, and because calculation of the recoverable amount requires application of significant judgement by management

Note 6 to the financial statements includes further information on goodwill and intangible assets, cash generating units and impairment testing.

### Accounting for Discontinued Operations - Commeo and Volue

In Q2 2024, the Group announced an impairment related to the German subsidiary Commeo, which filed for bankruptcy in Germany in July 2024. The Group recognized a loss from discontinued operations of NOK 803 million related to Commeo.

Further, in July 2024, the Group announced a joint voluntary cash offer by Edison Bidco AS for all shares in Volue ASA. The acquisition was completed on 28 October 2024. Upon completion of the acquisition, the Group retained a 40% indirect shareholding in Volue, classifying the investment as an associate. The Group recognized a gain from discontinued operations of NOK 3 083 million related to Volue.

We considered the discontinued operations of Commeo and Volue to be a key focus area due to the material impact on the financial statements. Further, the transactions are of a non-routine nature, accounting considerations involved can be complex and there is an inherent risk of errors

FINANCIAI

197

We obtained and gained an understanding of management's impairment assessment related to goodwill and intangible assets. Our procedures included an assessment of the valuation method and whether key assumptions used by management appeared reasonable based on our understanding of the business and industry of each relevant cash generating unit. We tested the model for mathematical accuracy and traced data used in valuation models to supporting documentation.

Based on our audit procedures we found that valuation methods used were reasonable and consistent with our understanding of the business and industry of each relevant cash generating unit. Our testing of data against supporting documentation did not uncover material exceptions. We also found that the model was mathematically accurate. While we did not find evidence to indicate that goodwill or intangible assets were impaired, we note that the valuation of cash generating units is sensitive to changes in management's assumptions

Lastly, we evaluated the information disclosed in note 6 and found it to be appropriate and adequate

To consider whether classification as discontinued operations was appropriate, we obtained the underlying agreements and other documents supporting the transactions. We studied these documents to understand the transactions. To further deepen our understanding, we held discussions with management about the details and terms in the agreements. Our discussions included management's procedures to ensure appropriate accounting treatment of the transactions, and how management had evaluated the various aspects of the accounting and disclosure requirements, particularly the requirements in IFRS 5.

We recalculated management's calculation of loss on disposal of Commeo and gain on disposal of Volue. We traced the detailed information used in the calculations to supporting documentation

For the Volue transaction, we also performed audit procedures over subsequent initial recognition and

# Report on the Audit of the Financial Statements



related to the detailed bookkeeping, presentation and disclosure of the transactions.

Note 3 to the financial statements include information on discontinued operations.

measurement of the retained investment as an associate

We evaluated presentation of the transactions across the primary statements, as well as the information disclosed in note 3, and found it to be appropriate and adequate

# **Other Information**

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Directors' report applies correspondingly to the statement on Corporate Governance

Our opinion on whether the Board of Directors' report contains the information required by applicable statutory requirements, does not cover the Sustainability Statement, on which a separate assurance report is issued.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

# Report on the Audit of the Financial Statements



As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also

- internal control.
- effectiveness of the Company's and the Group's internal control.
- estimates and related disclosures made by management.
- cause the Company and the Group to cease to continue as a going concern.
- in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of

obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the

· evaluate the appropriateness of accounting policies used and the reasonableness of accounting

· conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may

 evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events

business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain

# Report on the Audit of



### **Report on Other Legal and Regulatory Requirements**

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

### Opinion

As part of the audit of the financial statements of Arendals Fossekompani ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name AFK Annual Report 2024.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

### Management's Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary

### Auditor's Responsibilities

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: https://revisorforeningen.no/revisjonsberetninger

Arendal, 10 April 2025 PricewaterhouseCoopers AS

4. Ste

Fredrik Botha State Authorised Public Accountant

# Independent Sustainability Auditor's Limited Assurance Report



To the General Meeting of Arendals Fossekompani ASA

# Independent Sustainability Auditor's Limited Assurance Report

### Limited Assurance Conclusion

We have conducted a limited assurance engagement on the consolidated sustainability statement of Arendals Fossekompani ASA (the «Company») included in Sustainability Statement of the Board of Directors' report (the «Sustainability Statement»), as at 31 December 2024 and for the year then ended.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Statement is not prepared, in all material respects, in accordance with the Norwegian Accounting Act section 2-3, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the and "The Process in 2024" within the General Information chapter; and
- Article 8 of EU Regulation 2020/852 (the «Taxonomy Regulation»).

### **Basis for Conclusion**

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information («ISAE 3000 (Revised)»), issued by the International Auditing and Assurance Standards Board

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the Sustainability Auditor's Responsibilities section of our report.

# **Our Independence and Quality Management**

We have complied with the independence and other ethical requirements as required by relevant laws and regulations in Norway and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements

### Other Matter

The comparative information included in the Sustainability Statement was not subject to an assurance engagement. Our conclusion is not modified in respect of this matter.

### **Responsibilities for the Sustainability Statement**

The Board of Directors and the Managing Director (Management) are responsible for designing and implementing a process to identify the information reported in the Sustainability Statement in accordance with the ESRS and for disclosing this Process in the subsections "IRO-1 Description of the process to

PricewaterhouseCoopers AS, Kystveien 14, NO-4841 Arendal T: 02316, org. no.: 987 009 713 MVA, www.pwc.no Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

process carried out by the Company to identify the information reported in the Sustainability Statement (the «Process») is in accordance with the description set out in the subsections "IRO-1 Description of the process to identify and assess material impacts, risks and opportunities"

• compliance of the disclosures in the section "EU Taxonomy" of the Sustainability Statement with

# Independent Sustainability Auditor's Limited Assurance Report



identify and assess material impacts, risks and opportunities" and "The Process in 2024" within the General Information chapter of the Sustainability Statement. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- · making assumptions that are reasonable in the circumstances

Management is further responsible for the preparation of the Sustainability Statement, in accordance with the Norwegian Accounting Act section 2-3, including:

- compliance with the ESRS;
- preparing the disclosures in the section "EU Taxonomy" of the Sustainability Statement, in compliance with the Taxonomy Regulation;
- designing, implementing and maintaining such internal control that Management determines is necessary to enable the preparation of the Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

### Inherent limitations in preparing the Sustainability Statement

In reporting forward-looking information in accordance with ESRS, Management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

### Sustainability Auditor's Responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Sustainability Statement, in relation to the Process, include:

- · Obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Considering whether the information identified addresses the applicable disclosure requirements of the FSRS and

# Independent Sustainability Auditor's Limited Assurance Report



the General Information chapter

Our other responsibilities in respect of the Sustainability Statement include:

· Designing and performing procedures responsive to where material misstatements are likely to

### Summary of the Work Performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise in the Sustainability Statement, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by:
- opportunities" and "The Process in 2024" within the General Information chapter.

In conducting our limited assurance engagement, with respect to the Sustainability Statement, we:

- Sustainability Statement by:
  - Group's internal control; and
  - Obtaining an understanding of the Group's risk assessment process;

  - accordance with the ESRS:

 Designing and performing procedures to evaluate whether the Process is consistent with the Company's description of its Process set out in the subsections "IRO-1 Description of the process to identify and assess material impacts, risks and opportunities" and "The Process in 2024" within

Identifying where material misstatements are likely to arise, whether due to fraud or error; and

arise in the Sustainability Statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

o performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and

o reviewing the Company's internal documentation of its Process; and

• Evaluated whether the evidence obtained from our procedures with respect to the Process implemented by the Company was consistent with the description of the Process set out in the subsections "IRO-1 Description of the process to identify and assess material impacts, risks and

Obtained an understanding of the Group's reporting processes relevant to the preparation of its

 $\circ$   $\;$  Obtaining an understanding of the Group's control environment, processes, control activities and information system relevant to the preparation of the Sustainability Statement, but not for the purpose of providing a conclusion on the effectiveness of the

Evaluated whether the information identified by the Process is included in the Sustainability

Evaluated whether the structure and the presentation of the Sustainability Statement is in

# Independent Sustainability Auditor's Limited Assurance Report



- · Performed inquiries of relevant personnel and analytical procedures on selected information in the Sustainability Statement;
- · Performed substantive assurance procedures on selected information in the Sustainability Statement;
- Where applicable, compared disclosures in the Sustainability Statement with the corresponding disclosures in the financial statements and other sections of the Board of Directors' report;
- · Evaluated the methods, assumptions and data for developing estimates and forward-looking information;
- Obtained an understanding of the Company's process to identify taxonomy-eligible and taxonomyaligned economic activities and the corresponding disclosures in the Sustainability Statement;
- Evaluated whether information about the identified taxonomy-eligible and taxonomy-aligned economic activities is included in the Sustainability Statement; and
- Performed inquiries of relevant personnel, analytical procedures and substantive procedures on selected taxonomy disclosures included in the Sustainability Statement.

Arendal, 10 April 2025 PricewaterhouseCoopers AS

versen IANAL

Hanne Sælemyr Johansen State Authorised Public Accountant - Sustainability Auditor

SIGNATURES

205

GRI

GWh

HR

HSE

HSSE

IFRS

ICT

IEA

ILO

inp IoT

IR

ISO

KPI

1.3.671

# List of abbreviations

AC	Audit Committee
AFK	Arendals Fossekompani
AM	Additive Manufacturing
AMGTA	Additive Manufacturer Green Trade Association
ARP	Activity and Reporting Obligations
ARR	Annual Recurring Revenue
BCoC	Business Partner Code of Conduct
BOD	Board of Directors
CAD	Cash Available for Distribution
CSRD	Corporate Sustainability Reporting Directive
CDP	Carbon Disclosure Project
CapEx	Capital Expenditure
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CoC	Code of conduct
CSO	Chief Sustainability Officer
CSR	Corporate Social Responsibility
DCF	Discounted Cash Flow
DNSH	Do No Significant Harm
EAT	Earning after tax
EBT	Earnings before tax
EBIT	Earnings before interest and taxes
EBITDA	Earnings Before Interest, Taxes Depreciation,
	and Amortization
EU	European union
ERP	Enterprise Resource Planning
ESG	Environmental, Social and Governance
GHG	Greenhouse Gas

SIGNATURES

**Global Reporting Initiative Gigawatt hours** Human Resources Health, Safety, and Environment Health, Safety, Security and Environment International Financial Reporting Standards Information and Communication Technologies International Energy Agency Declaration of the International Labour Organisation Interestbearing current borrowings Internet of Things **Injury Rate** International Organisation for Standardisation Key Performance Indicator Kilowatt hours Life Cycle Assessment Low Earth Orbit Lost Time Incident Rate Moving Average Convergence Divergence Market Abuse Regulation Mergers and Acquisitions Ministry of Defense Memorandum of Understanding Megawatt hours Norwegian Accounting Act Non Governmental Organisation Confederation of Norwegian Enterprises The Norwegian Water Resources and Energy Directorate Other Comprehensive Income The Organisation for Co-operation and Development Occupational Health and Safety **Operating Expenditure Research and Development** Software-as-a-Service Sustainability Accounting Standards Board Science Based Target initiative Supplier Code of Conduct Sustainable Development Goal Square meter Task Force on Climate-related Financial Disclosures Total Recordable Incident Rate **Technical Screening Criteria United Nations** Weighted Average Cost of Capital

207



visiting Address Langbryggen 9 4841 Arendal

POSTAL ADDRESS Box 280 4803 Arendal

+47 37 23 44 00 firmapost@arendalsfoss.no arendalsfossekompani.no