

2025  
Q1

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Q1

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# Arendals Fossekompani Q1 Interim Report

16 May 2025



# Disclaimer

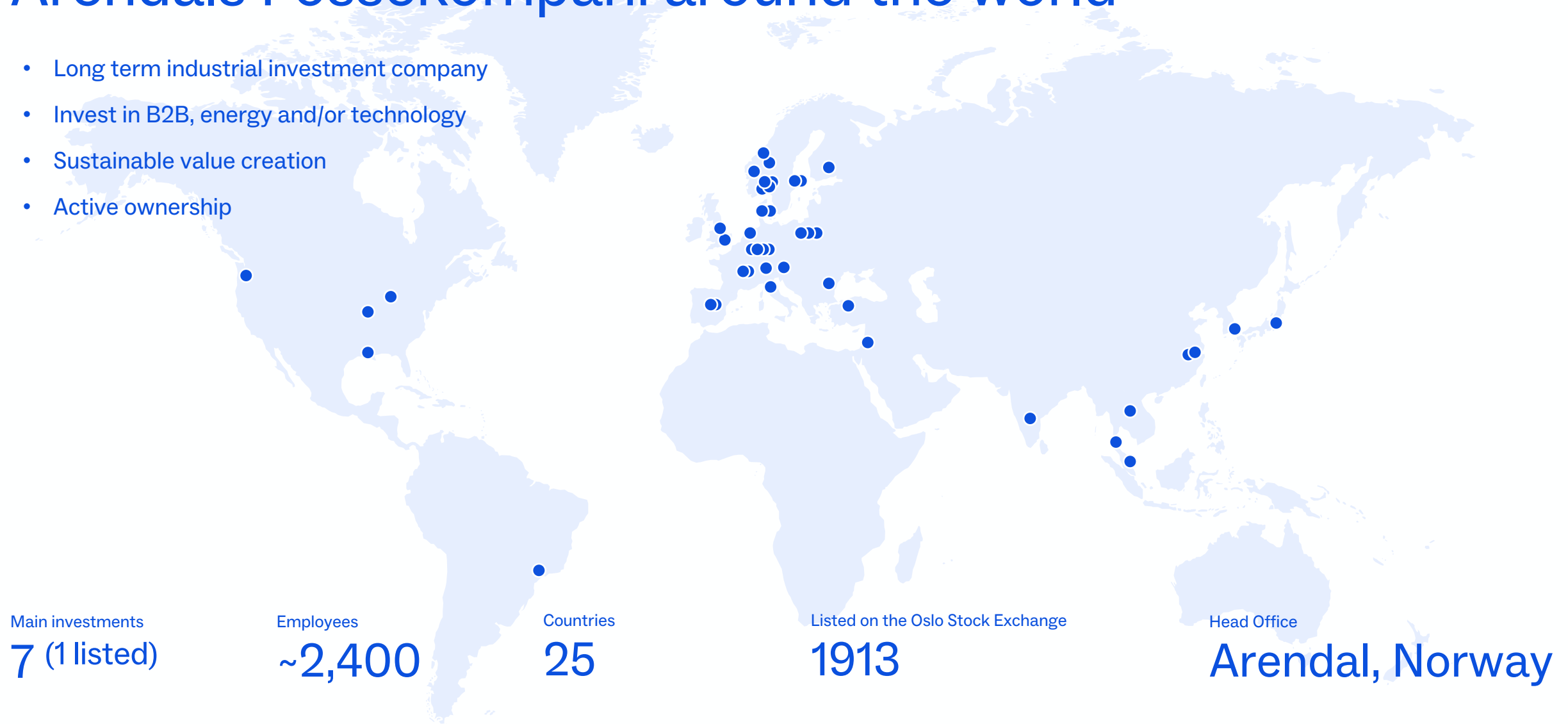
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# Arendals Fossekompani around the world

- Long term industrial investment company
- Invest in B2B, energy and/or technology
- Sustainable value creation
- Active ownership



# Our portfolio

Diversified portfolio within energy and technology



## value

Digital energy and infrastructure solutions for the green transition

Ownership 40%      Head office Oslo, Norway



## ENRX

Leading international tech company within induction heating and induction charging

AFK ownership 95%      Head office Skien, Norway



## TEKNA

Global technology driven powder producer for 3D printing, microelectronics and battery anodes

Ownership 70%      Headquarter Sherbrooke, Canada

Market cap (31.03) 734 MNOK      Listed at Oslo Børs



## NSSLGlobal

Cyber secure space & satellite communication services anywhere

Ownership 80%      Head office London, UK



## alytic

Active investor and transformer of data intensive companies

Ownership 96%      Head office Arendal, Norway



## VANNKRAFT

500 GWh hydropower production providing steady cash flow

Ownership 100%      Head office Arendal, Norway



## AFK | Property

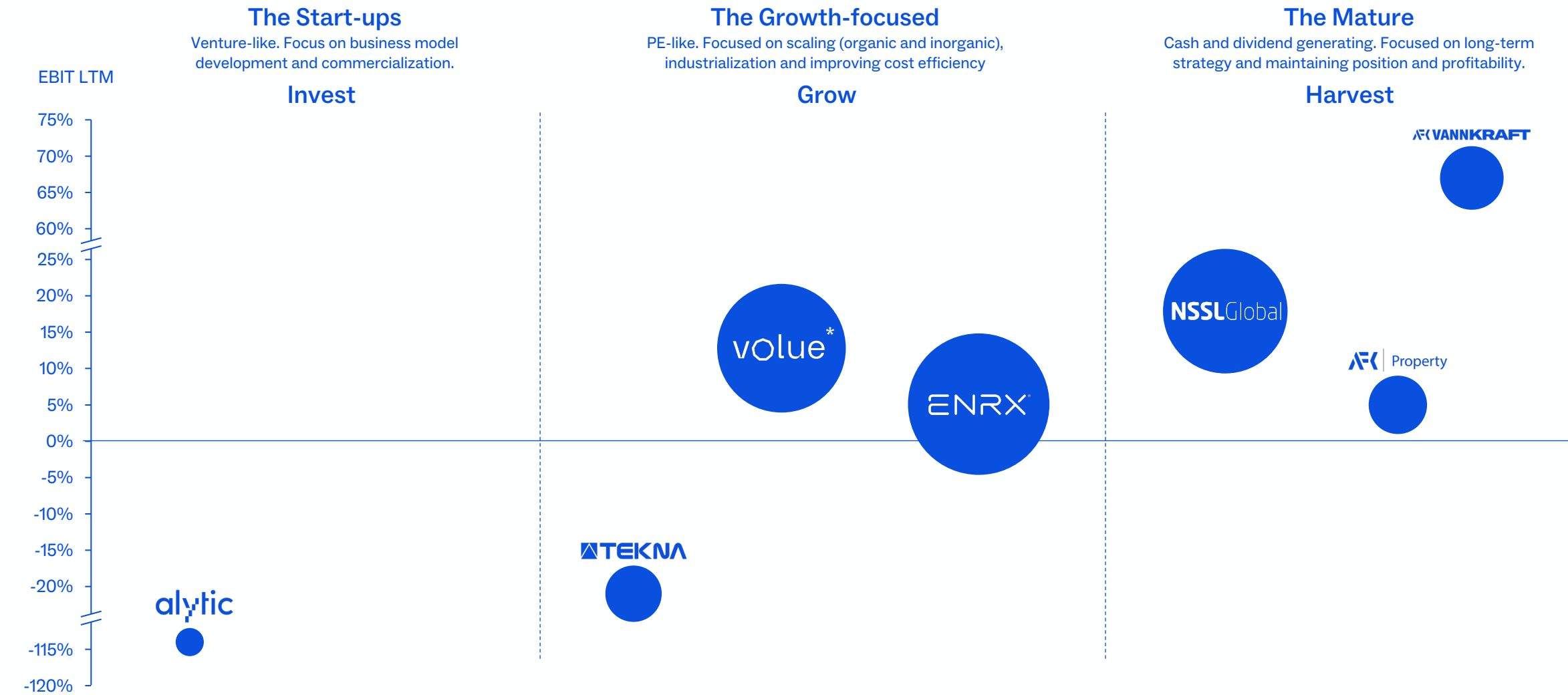
Portfolio of property investments and development projects

Ownership 100%      Head office Arendal, Norway



# An attractive and diversified portfolio

A portfolio containing both stabile cash flow generating companies and growth prospects



Mixed results in the quarter, with varied impact from geopolitical uncertainty

# Highlights Q1 2025

## FINANCIAL

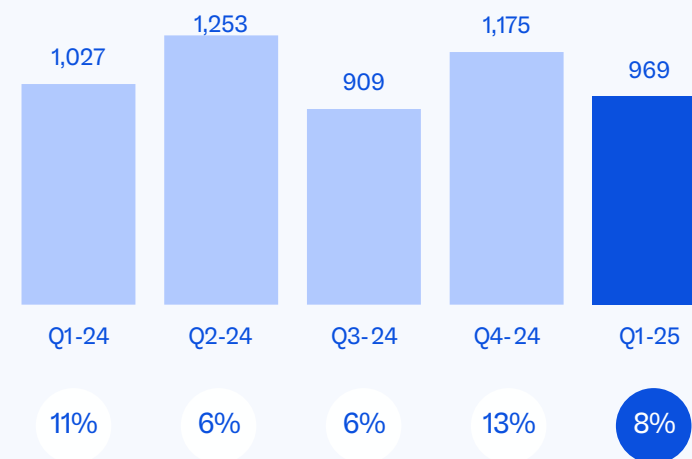
- Group revenue: NOK 969 m (1,027m). Down **6%** YoY
- Group operating profit (EBIT): NOK 75m (115m), margin **8%** (11%)
- Dividend: NOK **1.00** per share for Q1. Moving to annual dividend as of Q2-25

## PORTFOLIO HIGHLIGHTS

- **Value:** 13% revenue growth and cash-EBITDA margin of 16% (8%)
- **ENRX:** Volatile market hit revenue, resulting in EBIT of EUR 0,3m (3,7m)
- **Tekna:** Materials; 7% rev. growth and order intake up 73%. Weak System sales
- **NSSLGlobal:** Continued high activity levels. Operating margin of 16% (20%), driven by timing of projects and revenue composition
- **Hydro:** in line with Q1 2024

### Development last 5 quarters

Revenue and other income (MNOK) and operating margin



# value

AFK ownership  
40%

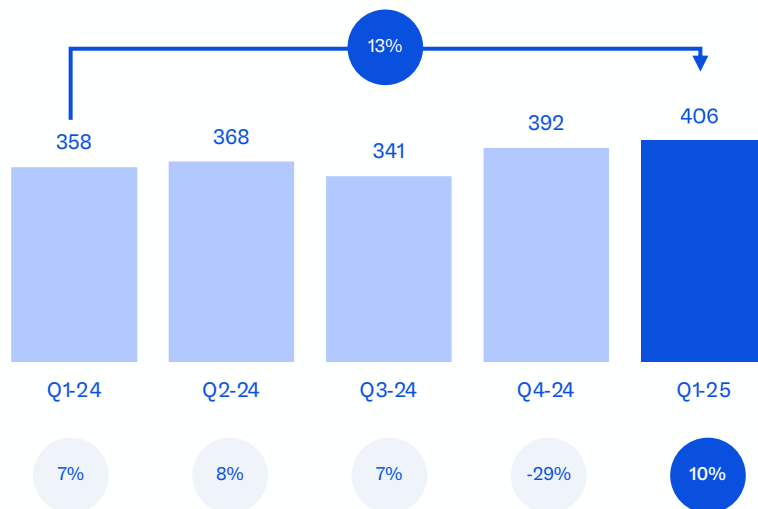
Head office  
Oslo, Norway

Q1 update

## Growth & margin expansion

### Development last 5 quarters

Revenue and other income (MNOK) and operating margin



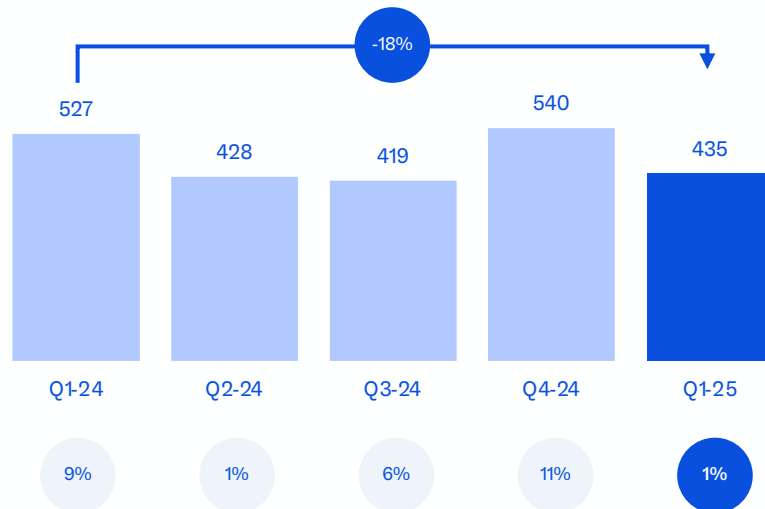
- Total revenue growth of 13% YoY
  - ARR: NOK 306m (284m), 8% growth YoY, 75% of total revenue
  - SaaS revenue: NOK 178m, 42% growth YoY, 44% of total revenue
- Cash-EBITDA margin expanded to 16% (8%), realizing the effects of the significant cost reductions done in Q4
- Going forward, Value expects organic growth of around 15% continued margin expansion and an active M&A agenda within its core segments



## Challenging market conditions

### Development last 5 quarters

Revenue and other income (MNOK) and operating margin

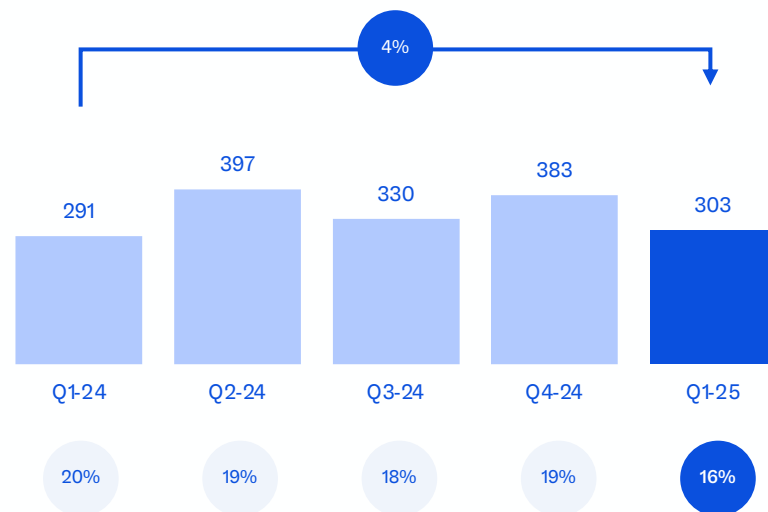


- Total operating revenue: EUR 37.3m (46.4m), down 19% YoY. Decline driven by lower Heart deliveries in Europe and Asia, as well one-off revenue recognition in Charge in Q1-24
- Operating profit (EBIT): EUR 0.3m (3.7m), due to low revenue levels. Cost reduction program initiated.
- Order intake: EUR 34.4m (35.1m)
- Order backlog: EUR 66m (74m). High deliveries in Q4-24, in combination with reduced order intake.
- Political turmoil and unstable tariff schemes expected to continue to drive uncertainty for ENRX's customers. As a result, longer decision-making processes and decreased investment appetite could have a negative effect on order intake in the short to medium term.

## Contract wins

### Development last 5 quarters

Revenue and other income (MNOK) and operating margin



- Revenue: GBP 21.7m (21.8m). Continued high airtime and high activity level within governmental projects
- Operating profit (EBIT): GBP 3.1m (4.3m), margin of 16% (20%). Margin decrease driven primarily by timing of project milestones and revenue composition
- During the quarter, NSSLGlobal won contracts of GBP 14.2m across the corporate, government and maritime sectors
- Contract wins including an 8-year critical infrastructure project for large European utility, representing an entry into a new market for NSSLGlobal
- Ongoing shift in airtime revenue model is expected to impact relative margins going forward (increased capacity at lower price per gigabyte). Significant growth opportunities within its Projects division in the coming years





AFK ownership  
70%

Head office  
Sherbrooke, Canada

Market cap (31.03)  
NOK 734 million

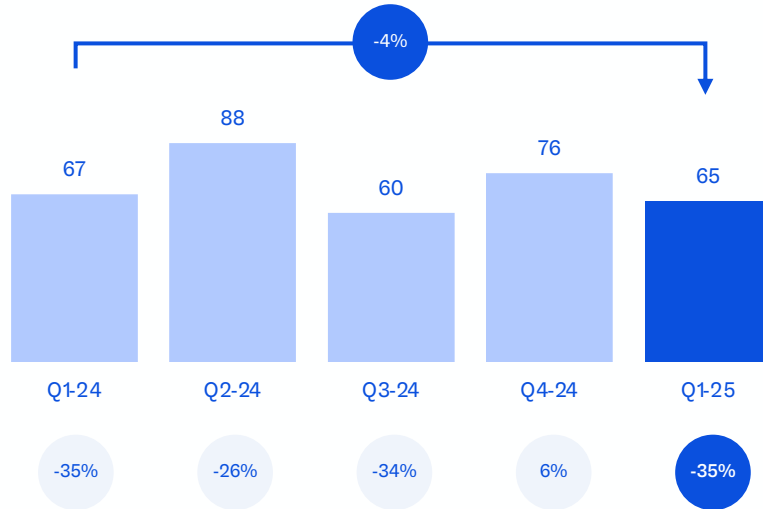
Listed at  
Oslo Børs

Q1 update

# Materials growth, but weak systems sales

## Development last 5 quarters

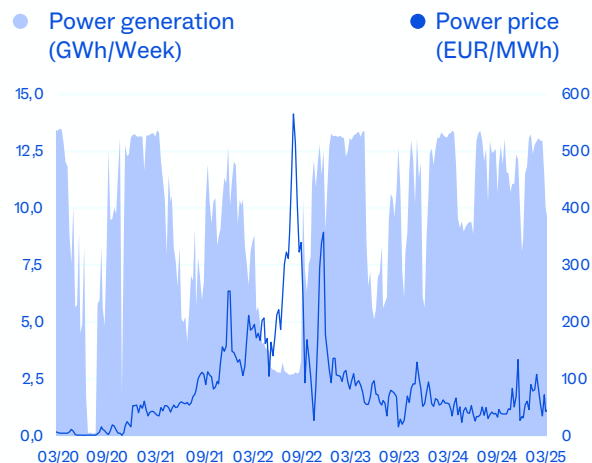
Revenue and other income (MNOK) and operating margin



- Revenue: CAD 8.4m (8.7m), down 3% YoY
- Revenue decline due to low revenue and order intake for the Systems business. Materials grew by 7% YoY
- Adjusted EBITDA: CAD-0.8m (-2.8m)
- Order intake: CAD 12.8m (7.4m), driven by Materials
- Backlog: CAD 21.3m (22.9m). Materials backlog up 15% YoY
- Announcement of new CEO Claude Jean on 28 April 2025
- Profitability and capital discipline remain top priority going forward
- Tekna currently exempt from US tariffs under United States-Mexico Canada Agreement (USMCA)

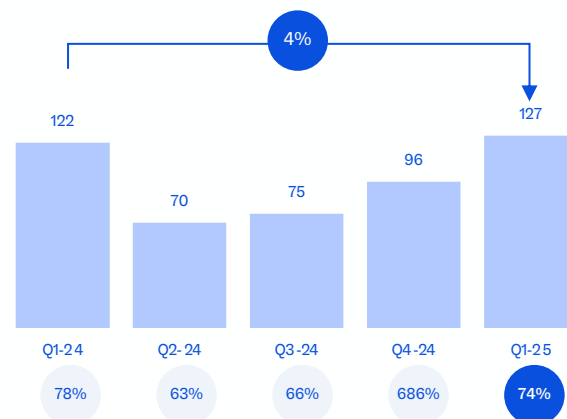


### Price and power generation\*



### Development last 5 quarters

Revenue and other income (MNOK) and operating margin



- Total revenue: NOK 127m (122m), 5% growth YoY
- Operating profit (EBIT): NOK 93m (95m), margin 74% (78%)
- Hydropower production: 157.5 GWh (160.4 GWh).
- Average electricity prices (NO2 region): EUR 66.5/MWh (64.5 EUR/MWh), with large price variations
- Rehabilitation of Flatenfoss Dam started in Q1

# alytic

AFK ownership  
96%

Head office  
Arendal, Norway

Portfolio  
KONTALI

veyt

Utel

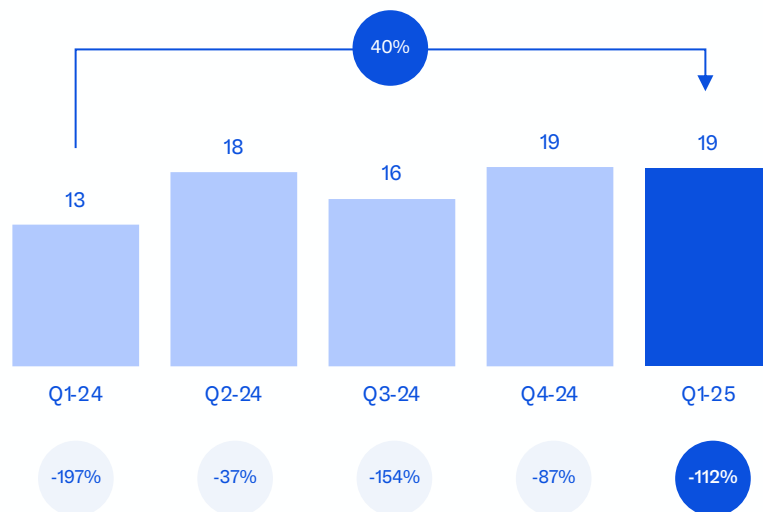
Factlines.

Q1 update

## ARR Growth

### Development last 5 quarters

Revenue and other income (MNOK) and operating margin



- Annual recurring revenues (ARR) for the portfolio: NOK 61 million (44 million), representing a 40% increase compared to Q1 last year
- ARR growth driven by underlying demand and customer growth, introduction of new products and upselling to existing customers
- Kontali: ARR: NOK 20 million (17 million), corresponding to a growth of 18% YoY. Number of active users on Kontali's insight portal, Kontali Edge, up 100% over the last 12 months
- Veyt: ARR: NOK 23 million (14 million), corresponding to a growth of 57% YoY. Several key deals closed in Q1
- Factlines: ARR: NOK 12 million (9 million), corresponding to a growth of 38% YoY
- Utel: ARR: NOK 6 million (4 million), corresponding to a growth of 62% YoY
- All portfolio companies in the Alytic group remain on a growth trajectory, benefitting from prior investments in competence and technology





# Financials

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# Varied impact from geopolitical uncertainty

## Q1

- Adjusted EBITDA improvement in portfolio companies Volue and Tekna
- Reduced top line and operating profit from ENRX, driven by softer markets in Europe and Asia
- NSSLGlobal operating profit impacted by Project timing and sales mix

## Outlook

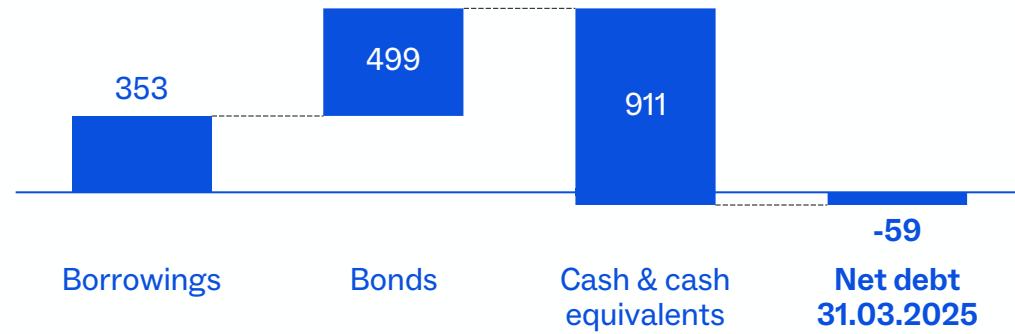
Arendals Fossekompani expects both revenue and operating profit for the Group in 2025 to be lower than 2024.

The decline is driven mainly by forecasted lower power production in AFK Vannkraft and expected reduction in operating profit from NSSLGlobal

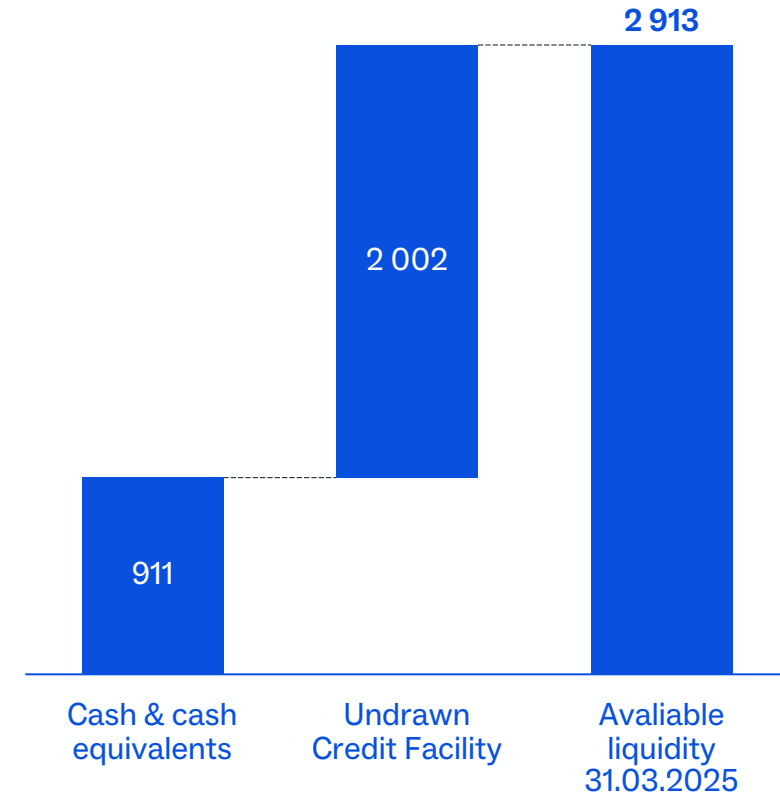
Operating Profit (MNOK)	Q1 2025	Q1 2024	Difference
ENRX	4	46	-42
NSSLGlobal	47	57	-10
AFK VANNKRAFT	93	95	-2
TEKNA	-23	-24	+1
alytic	-21	-26	+5
AFK Property	0	-4	+4
Arendals Fossekompani Consolidated	75	115	-40
volue	39	25	+14

# Net cash position and NOK 2,9bn in liquidity

**Net debt**  
NOK million



**Liquidity**  
NOK million

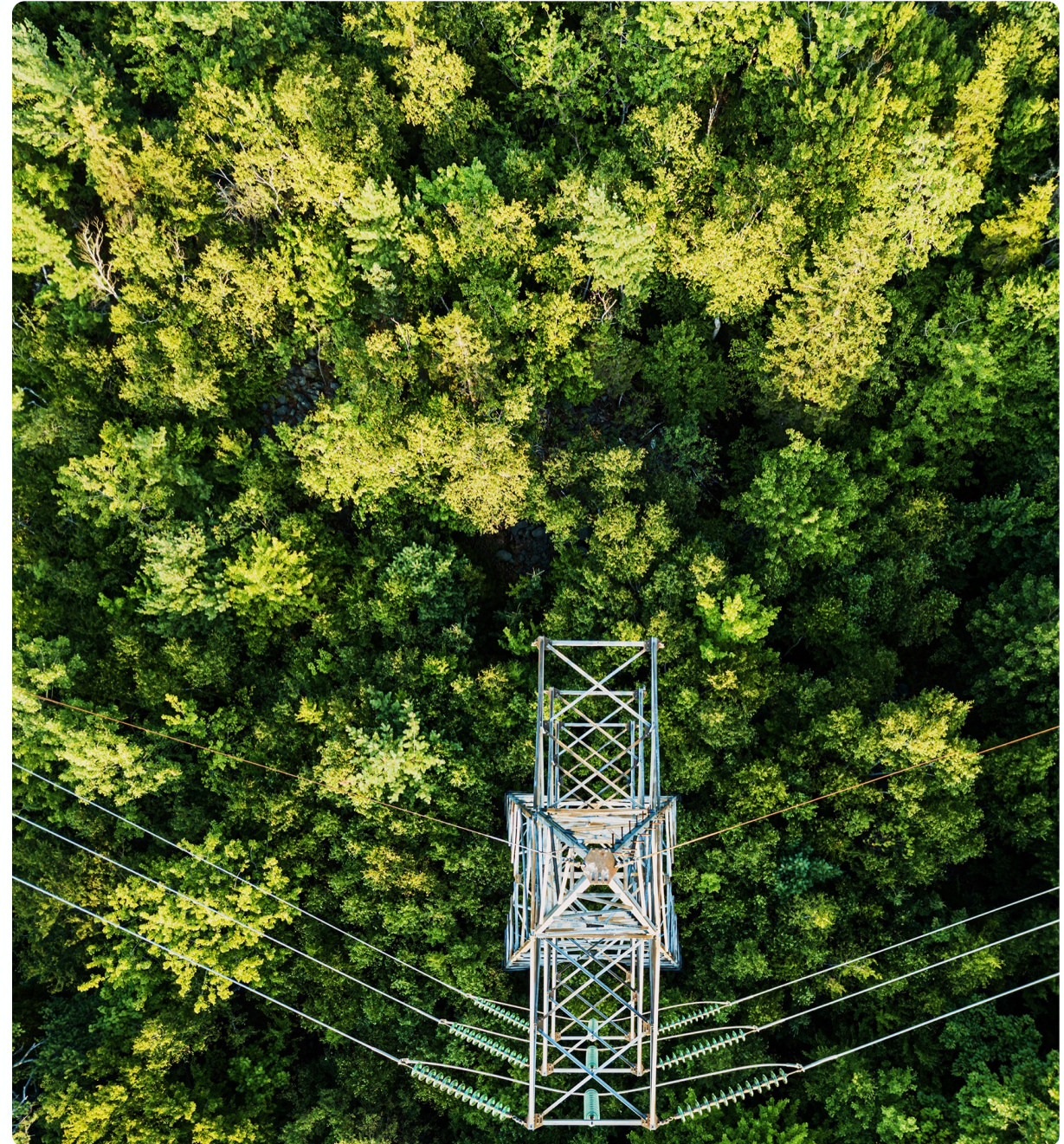




# Guiding

Total revenue and operating profit from Arendals Fossekompani Group in 2025 is expected to be lower than 2024.

- **Volue** expects revenue and operating profit to be higher in 2025 compared to 2024.
- **ENRX** expects revenue and operating profit in 2025 to be in line with 2024
- **NSSLGlobal** expects 2025 revenue and operating profit to be lower than in 2024
- **Tekna** expects revenue to be higher in 2025 than in 2024, and operating profit to improve in 2025 compared to 2024
- **AFK Vannkraft** expects revenue and operating profit to be lower in 2025 compared to 2024, driven by normalization in production level compared to 2024





# Our focus areas

**Develop value  
in our existing portfolio  
companies**

**Optimize our portfolio  
to ensure optimal risk adjusted  
return and balance the capital  
cycle**

**Capture structural opportunities  
both on portfolio level and on  
parent level**

**Ensure strong balance sheet and financial flexibility**

# Thank you!

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