EQVA ASA ANNUAL REPORT 2022

THIS IS EQVA

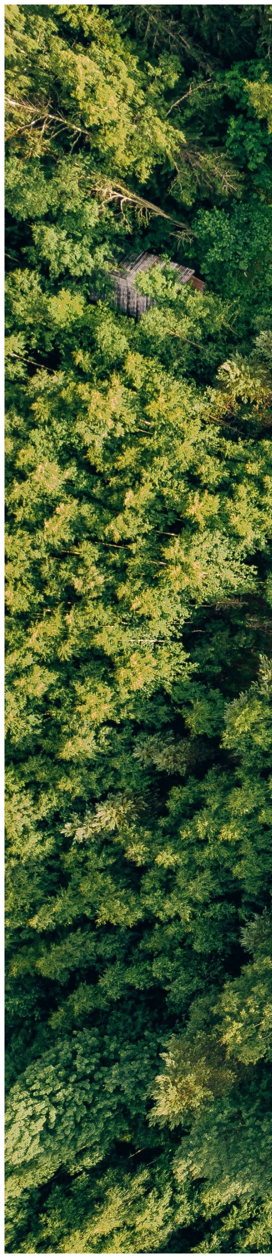
Eqva ASA is a knowledge-based active owner of industrial service companies that contribute to the green transition in maritime, power intensive and renewable industries.

The group has a well-diversified product and market portfolio. Further growth and value creation will be obtained through a combination of industrial excellence in each portfolio company, synergies between the companies in the group and value-creating M&A activities.

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

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

A specialiced hydropower plant developer and operator



STRATEGIC PRIORITIES

The race towards carbon neutrality is on, and customers are turning to Eqva for help.

Digital solutions and green technology are needed and included in new projects and retrofitted in existing production assets and plants. This creates an unprecedented demand for industrial services, which our portfolio companies are well equipped to meet through their market leading positions and focus on service and high quality in each delivery. In total this provides a strong foundation for profitable organic growth.

The transformation of industries and the new business models that emerge create opportunities for consolidation and re-engineering of industrial service companies. Eqva is well placed to take the lead in such transformation. It is a responsible owner with an eternal investment perspective, and it aims to maximise financial return over time.

Eqva is supported by highly committed owners and powered by experienced investment professionals and industry leaders. Our portfolio companies have earned the trust of their customers through decades of successful deliveries, on time and within budget. Together we take pride in delivering value to our shareholders by delivering the best possible service to our customers.

Eqva's financial targets for 2023

- NOK 650-750 million in revenue
- 4-7 per cent EBITDA margin

Eqva has set a long-term EBITDA margin target for the group, ranging between 7 to 9 per cent.

CONTENT

Highlights and key figures

A year of change

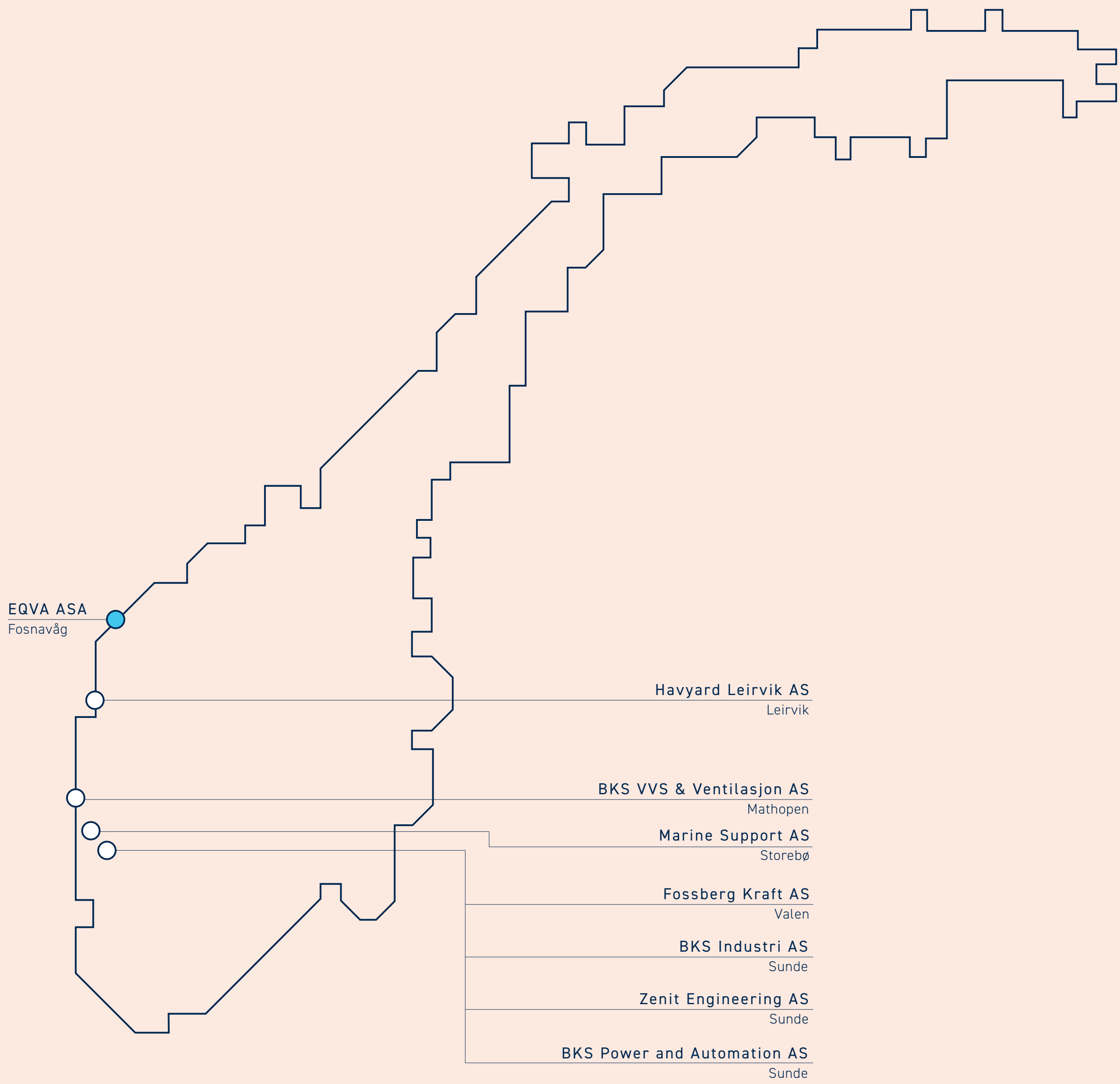
- **New growth journey:** Following the business combination with HG Group, the group became 100 per cent owner of the shares in BKS Holding and Fossberg Kraft. This marked the start of a new growth journey – to become a leading owner of integrated service companies that contribute to the green transition in maritime, power intensive and renewable industries. The activities are organized in two business areas Maritime Services and Products, Solutions, and renewables.
- **New name**: Reflecting the group's new growth journey and strategy, the group changed its name from Havyard Group to Eqva.
- **Resilient revenue:** New strategy makes the group's revenue base less volatile and more resilient to market cycles, proving key in a year of unprecedented uncertainties, such as the covid-19 restrictions, geopolitical tensions, long lead time for materials, high inflation and war in Europe.
- **Successful strategic shift in Maritime Services:** The high activity level in Havyard Leirvik includes conversion projects, service, and maintenance on ship, in addition to deliveries to aquaculture and other industry. There is a strong focus on developing the yard towards a multi-yard. Havyard Leirvik carried out major and minor assignments in 2022, from more standardised deliveries to tailormade projects, including larger electrification projects for Fjord 1 and Norled.
- **High activity for Products, Solutions & Renewables segment:** BKS delivers a wide range of service- and maintenance projects to the landbased- and maritime industry and enter 2023 with a strong orderbook. Fossberg Kraft has secured new sales- and development orders of small-scale hydropower into 2023. In 2022 Fossberg developed and sold Skjeggfoss hydropower plant to a UK infrastructure fund.
- **High activity despite market headwinds:** Eqva continues to play vital roles in major projects in renewable energy, infrastructure, and maritime conversion projects along the Norwegian coast.
- **Solid order book for 2023:** Eqva's strong customer partnerships ensure a promising future.

Key figures 2022

- NOK 459.0 million in total operating revenues – including 6 months revenues from BKS and Fossberg Kraft (due to date of acquisition 30 June 2022).
- Normalized total operating revenues NOK 629 million – including 12 months revenues from BKS and Fossberg Kraft (Ref Q4 2022 report).
- NOK -9.3 million in EBITDA – including 6 months' earnings from BKS and Fossberg Kraft.
- Normalized EBITDA NOK 18.3 million – including 12 months' earnings from BKS and Fossberg Kraft.
- Orderbook NOK 491 million (February 2023).
- 420 FTEs in total.

Our geographical footprint

Along the entire coast of western Norway



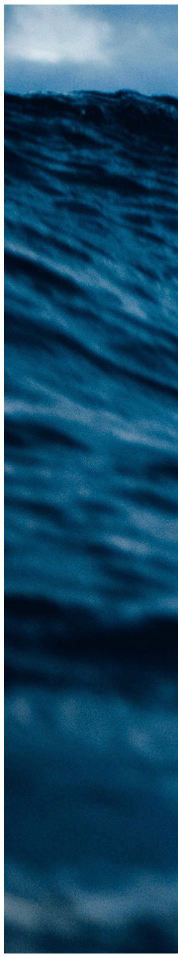
Eqva´s history

Building on a more than 100 years of history, Eqva has a rich heritage in the maritime industry.

The group has continually evolved to meet the changing demands of the market.

Important milestones:

- **1918:** Jonas Løland founded Løland Motorverksted (machine workshop) in Leirvik, which marked the start of the company's activity in the maritime industry.
- **1938:** The yard constructed its first newbuilding, "Loftesnesferja", which was a significant milestone for the company.
- **2008:** BKS was founded as mainly a personnel and service engineering provider for the construction industry. In subsequent years, BKS expanded its operations and developed into a fully integrated service provider for land-based industries. More investors joined the company, leading to further growth and expansion of services offered.
- **2014:** The group was listed on the Oslo Stock Exchange under the name Havyard Group.
- **2018:** Fossberg Kraft was founded in Handeland Gard in Kvinnherad municipality. Since its inception, Fossberg Kraft has expanded its hydropower portfolio to include the Ljotå hydropower plant in Bjørnafjorden municipality and the Svandalen hydropower plant in Sauda municipality.
- **2020:** The group initiated a restructuring of its yard to shift focus from new buildings to maintenance and service offerings, which reflected the company's evolving strategy.
- **2021:** The group began revising its corporate strategy to focus on growth within repair, service, and maintenance in the marine service segment, which reflected its commitment to long-term success.
- **2022:** The group entered into a business combination agreement, whereby the group acquired all shares of HG Group, consisting of BKS and Fossberg Kraft, to start its journey towards becoming a fully integrated service provider to on- and offshore industries.
- **2022:** The group changed its name to Eqva and expanded its services to offer complete industrial services and renewable energy to key customers, which marked a significant step in the group's growth and development.



CEO letter

Another remarkable year

In last year's annual report, we wrote that 2021 had been a year of significant operational and organizational changes. 2022 also has been a remarkable year with significant changes to the company.

We started the year as a refocused Havyard Group. In the course of 2022, we expanded our business through the combination with BKS and Fossberg Kraft, we have enjoyed a new ownership structure, established a new strategy, and decided a new name: Eqva.

The name alludes to characteristics that we hold high, such as equity and equality, variety, and value. These are words that describe our company well and reflect our ambition and plans.

Two-fold strategy

Eqva of 2023 is pursuing a two-fold strategy. The company is an active industrial owner, which engage in value creating M&A. Equally important, Eqva is also an engineering and fabrication group which provides services to other leading industrial players in sectors that range from process- and metal industries to maritime transport and aquaculture.

We consider ourselves a leading and proactive creator of valuable businesses through organic growth and mergers and acquisitions. We are opportunistic, but we are also focused and disciplined in our approach. We believe we are best as an owner of competence intensive and asset light companies.

As a service provider to industry, we engage in projects that are typically complex and diversified, projects that involve a wide range of engineering, electrical and piping disciplines, and assembly and commissioning work at customer sites. We encourage virtues such as customer focus, attention to detail, flexibility, and creativity when we together with our customers approach the task at hand.

Common denominators

Across all our activities, there are some important common denominators. Whether we are chasing M&A opportunities, working on large industrial projects, or providing engineering support to the well boat in our dock, there are people involved. Experienced and skilled personnel, who are dedicated to their job and committed to deliver quality.

Environmental, social and governance (ESG) factors are important features in our business today, and strong drivers for growth. Almost everything we do for our customers has a sustainability dimension. Fossberg Kraft's efforts to identify and build new zero-emission hydropower plants is an obvious example. Similarly obvious is our involvement in the expansion of the world's most climate effective zinc production in Odda.

ESG is also becoming increasingly relevant in Eqva itself. In 2022, we committed to taking our own ESG work to the next level. During 2023 we will establish clear targets and develop a sustainability strategy and reporting procedures, which will form the basis for our first comprehensive sustainability report in 2024.

We hope you will enjoy reading our annual report for 2022, and that you will find our recent achievements and ambitions for the future relevant for you. We are committed to creating value for all our stakeholders: customers, employees, business partners, and shareholders alike.

We thank you all for your continued commitment and support and look forward to yet another eventful and successful year together.

Best regards
Erik Høyvik
CEO

The segments

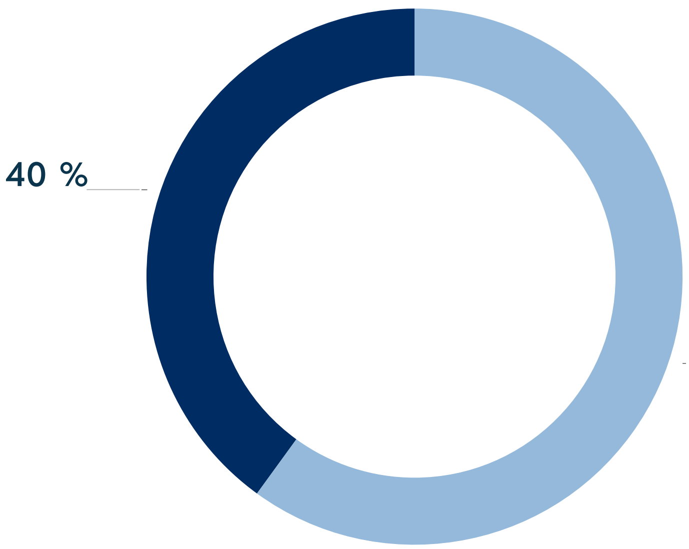
Maritime services

The Maritime Service segment, which includes the subsidiary Havyard Leirvik, accounted for approximately 40 per cent of Eqva`s total pro-forma revenues in 2022.

Havyard Leirvik has its roots back to 1918 and is strategically located at the far end of Sognefjorden, Norway. The location provides easy access to the maritime industry along the Norwegian coast. The segment offers a wide range of services and solutions to its diverse customer base, including standard maintenance services and more complex, customized projects. The multi-yard had 69 FTEs in 2022 and has the capacity to manage several projects simultaneously.

Havyard Leirvik is committed to helping customers reduce their environmental impact, promoting energy-efficient solutions, and increasing the competitiveness of their vessels.

Share of approximately 40 per cent of Eqva's total revenues in 2022:



Key markets:

- Aquaculture
- Green power
- Maritime assets

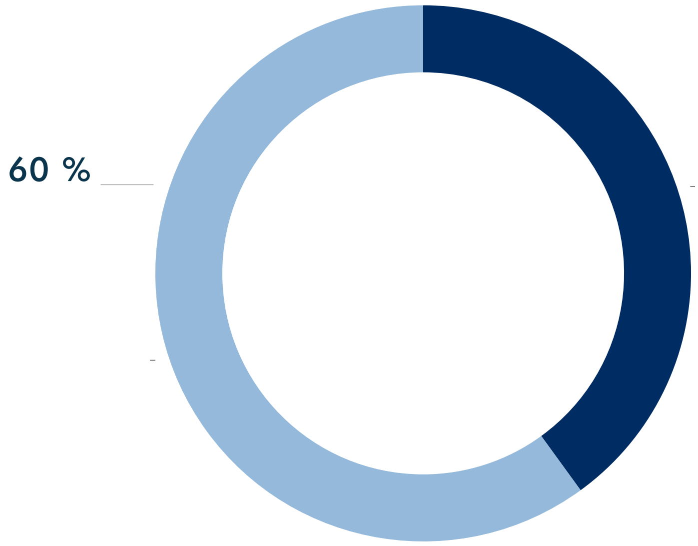
Products, Solutions & Renewables

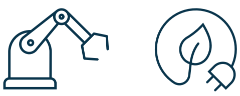
The Products, Solutions, and Renewables segment is a new reporting segment for Eqva as of 1 July 2022. It accounted for 60 per cent of pro forma revenue in 2022. The segment comprises two subsidiaries: BKS and Fossberg Kraft.

BKS is a full-service provider of technical installations to both land-based and maritime industry in Norway. With a strong presence throughout the value chain, BKS has developed long-standing relationships with well-known players in the industry. BKS was established in 2008 and is headquartered in Sunde, Kvinnherad, with branch offices in Bergen and Austevoll. The company had 420 FTEs at the end of 2022, of which 75 per cent are skilled professionals with at least one certificate.

Fossberg Kraft focuses on the development and operation of small-scale hydropower plants in southern Norway. Fossberg Kraft currently operates several small-scale power plants. It is also involved in the development of new projects. Fossberg Kraft was established in 2018 and is headquartered in Handeland, Kvinnherad. The company has 4 FTEs.

Share of approximately 60 per cent of Eqva's total revenues in 2022:





Key markets:

- Renewable energy
- Solutions
- Process

The board and management

Management team

Erik Høyvik
CEO

With 15 years of experience in maritime and land-based industries. Mr. Høyvik brings extensive knowledge to the company. He holds 0 shares in the company.

Eirik Sævareid
CFO

Mr. Sævareid brings over 15 years of experience from executive finance positions in large industrial companies. He holds 58 297 shares in the company.

Tor Leif Mongstad
CEO of Havyard Leirvik

With 25+ years of diversified experience in the maritime industry. Mr. Mongstad holds 0 shares in the company.

Trygve Kjerpeseth
CEO of BKS
Group Head of Risk and Projects

Bringing 30+ years of experience from senior project management. Mr. Kjerpeseth holds 0 shares in the company.

Tom Jensen
CEO of Fossberg Kraft

With 30 years of leadership experience with a primary focus on production and procurement. Mr. Jensen holds 0 shares in the company.

Sverre Olav Handeland
In-house lawyer

Bringing 15+ years of experience as a partner in a law firm and 8 years as an in-house lawyer in HG Group. Mr. Handeland holds 584 163 shares in the company through Handeland Eigedom AS.

Board of directors

Even Matre Ellingsen
Chairman

Former Group CEO of Astrup Fearnley with extensive board experience in both regulated and non-regulated businesses. Mr. Matre Ellingsen holds 7 993 462 shares in the company through Neve Eiendom AS.

Vegard Sævik
Board Member

Employed in Havila Holding and holds several board positions, and is Chairman of the Board in Fjord1. Mr. Sævik holds 1 290 000 shares in the company through Innidimman AS. Mr. Sævik also holds a non-controlling position in Havila Holding AS which holds 10 000 000 shares in the company.

Rune Skarveland
Board Member

Former CEO of Skarveland AS from 1997 to 2008 and has held several board positions in property development, industrial, and hydropower companies. Mr. Skarveland holds 7 960 358 shares in the company through Eikestø AS og Eikestø Eiendom AS.

Ellen Merete Hanetho
Board Member

Brings over 20 years of experience in financial and strategic business development to the board. Mrs. Hanetho has leadership experience from her prior positions in HydrogenPro, MPC Energy Solutions and Goldman Sachs. Mrs. Hanetho holds 0 shares in the company.

Anne Sofie Myrmel Bruun-Olsen
Board Member

Mrs. Bruun-Olsen was the former CEO in Cushman & Wakefield Realkapital (2000-2018), now acting as senior Partner for the company. She also brings extensive boad experience from former board membership of Pure Water AS, NEAS ASA and Odin Forvaltning (Sparebanken 1). Mrs. Bruun-Olsen has 25+ years of strategic, sales/marketing, and HR/people experience. Mrs. Bruun-Olsen holds 0 shares in the company.

Geir Helge Nordstrand
Board Member
Employee Representative

Jan Olav Gjerde
Board Member
Employee Representative

The share

Eqva aims to be an attractive investment for its shareholders, delivering competitive return through sustainable growth both organically and through value-adding acquisitions.

Key facts

- Eqva is a publicly limited company. The share is listed on the Oslo Stock Exchange and the ticker code is **EQVA.**
- Eqva, formerly as Havyard Group ASA, was listed in July 2014.
- All share have equal rights and are freely transferable. Each share grants the holder one vote and there are no structures granting disproportionate voting rights.
- 97 per cent of our shares are held by Norwegian shareholders.
- Eqva holds 323 046 treasury shares number of treasury shares as of 31 December 2022, making it the 15th largest shareholder.

Key figures

- NOK 205.2 mill market cap as of 31 December 2022.
- 72 million number of shares.
- 3 583 number of shareholders.
- During 2022 – the total return on holding the share (including dividend of HAV-Group shares in June 2022) was 259%.

Share price development during 2022

The 20 largest shareholders as of 31 December 2022

	OWNER	EQVA	SHARE	COUNTRY
1	NINTOR AS	16 938 645	23.53 %	Norway
2	HAVILA HOLDING AS	10 000 000	13.89 %	Norway
3	NEVE EIENDOM AS	7 993 462	11.10 %	Norway
4	ROS HOLDING AS	5 660 027	7.86 %	Norway
5	EIKESTØ EIENDOM AS	4 960 847	6.89 %	Norway
6	FURENESET EIENDOM AS	4 960 847	6.89 %	Norway
7	EIKESTØ AS	2 999 511	4.17 %	Norway
8	FURENESET INVEST AS	2 999 511	4.17 %	Norway
9	EMINI INVEST AS	1 290 000	1.79 %	Norway
10	HSR INVEST AS	1 290 000	1.79 %	Norway
11	INNIDIMMAN AS	1 290 000	1.79 %	Norway
12	MP PENSJON PK	1 086 468	1.51 %	Norway
13	HANDELAND EIGEDOM AS	584 163	0.81 %	Norway
14	PISON AS	430 000	0.60 %	Sweden
15	EQVA ASA	323 046	0.44 %	Norway
16	KAMATO AS	315 000	0.44 %	Norway
17	K R HÜBERTZ	226 000	0.31 %	Norway
18	A JOHNSEN	221 376	0.31 %	Norway
19	P A WIND	208 888	0.29 %	Norway
20	CLEARSTREAM BANKING S.A.	190 203	0.26 %	Norway

Board of Director's report
& Corporate Governance

BOARD OF DIRECTORS REPORT

2.1 Introduction

2022 was an eventful year for Eqva. In the beginning of the year, the company was still trading as Havyard Group ASA at the Oslo Stock Exchange. After the general assembly in May, the company formally acquired all shares in BKS and Fossberg Kraft. Thus, starting a new journey towards becoming a leading active owner of industrial service companies that contribute to the green transition in maritime, power intensive and renewable industries. The strategic change was cemented by the name change to Eqva ASA (ticker: EQVA) in October.

2.2 2022: A Year of Change and Attractive Long-Term Growth Prospects

In 2022, Eqva started to fully deliver on its revised corporate strategy to focus on repair, service and maintenance to the maritime industry. The company acquired HG Group to become a fully integrated service provider to on- and offshore industries. By the end of the year, Eqva had developed a complete industrial service offering and could be considered a renewable energy provider.

Key events

On 20 May 2022, Eqva (at that time Havyard) signed a business combination agreement with the shareholders of HG Group AS to buy all outstanding shares in the company and with Nintor AS to buy its 50% shares in BKS Holding AS not already held by HG Group, pursuant to which Havyard agreed to acquire all said shares for an aggregate equity value of NOK 215 million (the "Business Combination Agreement").

Through the Acquisition, the businesses of Havyard and HG Group have been combined, and Havyard become a 100% owner of BKS and Fossberg Kraft and formed the new Havyard Group ASA. The Acquisition was completed on 29 June 2022. In connection with completion of the Acquisition, Havyard distributed 10,000,000 shares in HAV Group ASA, which were owned by Havyard, as dividend to its existing shareholders, corresponding to approximately 0.4035 HAV Group ASA shares per Havyard share.

The completion of the merger, through the takeover of the shares in HG Group, marks an important milestone in the development of Eqva as a fully integrated supplier of in-demand services and solutions for maritime, power-intensive, and renewable energy.

In October, Havyard Group ASA changed its name to Eqva ASA. The name change reflects the company's growth strategy and marks its transformation to a fully integrated service company, which contributes to green transition in maritime, power intensive and renewable industries.

The name Eqva was formed by combining the letters "EQ", the starting point of the words equal, equity and equality, and "va" the starting point of the words "variety" and "value" – words that reflects the company's strategic priorities. The "VA" also brings association to the Norwegian word for "Water" (Vann), signalling a company proud of its origin as a maritime company, and who wants to use its over 100-year long history of expertise in its positioning.

In December 2022, the group launched an employee incentive program aimed at creating a strong and motivated team that is dedicated to delivering value to our shareholders over the long term. This program aligns the interests of our key personnel with those of the shareholders, which we believe is crucial for our continued success and growth as a company.

2.3 Overview of the business

The board of directors' report for Eqva group ("Eqva" or "the group") encompasses Eqva ASA ("the Parent company" or "the company") with its subsidiaries.

Business concept and location

Eqva ASA is a public limited liability company organised and existing under the laws of Norway pursuant to the Norwegian Public Limited Companies Act. The shares of Eqva ASA are listed on Oslo Børs with the stock ticker EQVA.

The Eqva group has as at year-end 420 employees in total. The corporate headquarter is located in Fosnavåg.

Eqva ASA is a knowledge-based active owner of industrial service companies that contribute to the green transition in maritime, power intensive and renewable industries. The purpose of the company is to assist the subsidiary with strategic management, finance, logistics, profiling and other support functions.

With its current subsidiaries, Eqva has a well-diversified product and market portfolio, and further growth will be established through a combination of company-based development, utilisation of synergies between the companies in the group and value-creating M&A activities.

Key companies in the group are Havyard Leirvik, BKS Industri and Fossberg Kraft, each building on decades of experience and widely recognised by clients in a broad range of industries. The three subsidiaries are located in Leirvik, Sunde and Handeland, respectively.

Business segments

The business is organised in two business segments:

1. Maritime Services

Maritime Services (previously Ship Technology) with the multi-yard Havyard Leirvik in Sogn, delivers conversion, service, and maintenance of vessels to a wide customer base. The shipyard has an attractive geographical location with proximity to maritime sectors along the coast of Norway. It offers a broad variety of high-quality services, including complex design, extension, conversion, service, and maintenance of vessels.

Eqva's Maritime Services help customers to minimise their environmental impact, secure energy-efficient solutions and increase vessels' competitiveness. Key strategic markets are aquaculture, green power, and landbased- and maritime industry.

2. Products, solutions & renewables

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

BKS provides service and maintenance to the Norwegian land-based and maritime industry, functioning as a full-service supplier of technical installations with presence throughout the value-chain. It has long-term relationships with large clients, tailor-made and recurring customer projects.

Fossberg Kraft specialises in the establishment and operation of small-scale hydropower plants and has new projects in the pipeline. It has four employees.

2.4 Financial review

Accounting principles

The following financial review is based on the consolidated financial statements of Eqva ASA and its subsidiaries. The statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU as well as the Norwegian accounting legislation.

In the view of the board, the statement of profit and loss, the statement of financial position, the statement of cash flows, the statement of changes in equity and the accompanying notes provide satisfactory information about the operations, financial results and position of the group and the Parent company at 31 December 2022.

Statement of profit and loss

The operating income for the group in 2022 was NOK 459.0 million compared with NOK 910.2 million in 2021. The decline in is mainly due to the strategic restructuring of the Maritime segment from newbuilding activity to service and maintenance work at the yard in Leirvik.

The operating profit (EBIT) for the group in 2022 was NOK -19.2 million compared with NOK 51.4 million in 2021. The decrease in operating profit is mainly due to the cost associated with the transaction and restructuring of the group which falls under other operating expenses.

The group profit after tax for 2022 was NOK -19.6 million compared with NOK 379.7 million in 2021.

Consolidated statement of profit and loss includes financial figures from the companies acquired in June 2022 (BKS, Fossberg Kraft) as of 1 July 2022.

Statement of cash flow

Net change in cash flow for the group during the period is NOK -92.3 million compared with NOK 71.7 million in 2021. The cash flow from operating activities is NOK -33.0 million compared with NOK 340.4 million in 2021. The cash flow is affected by, among other things, changes in work in progress (newbuilding project at the yard).

The net cash flow from investment activities is NOK -26.1 million in 2022 compared with NOK -349.9 million in 2021. The negative cash flow in 2022 is driven by the transaction where HG Group and BKS was acquired in June 2022 and the reduction of the ownership position in the former subsidiary HPR Sp.z.o.o .

The net cash flow from financing activities is NOK -33.2 million in 2022 compared with NOK 81.2 million in 2021. The cash flow from financing activities is mainly driven by increased bank debt.
In general, the cash flow statement in 2022 reflects a year with significant restructuring of the group`s activities

The cash flow statement shows changes in liquidity throughout the year.

Statement of financial position and liquidity

The group's cash position was NOK 61.1 million as of 31 December 2022. The group's liquidity is considered to be satisfactory. Any operational measures will be put in place if required.

The group has total liabilities of NOK 400.2 million as of 31 December 2022. Of this sum, NOK 196.3 million is short-term debt. More details regarding the group`s bank debt can be found in note 17. The group meets all valid bank covenants as at 31 December 2022.

The balance shows total assets for the group in 2022 of NOK 712.4 million compared with NOK 490.2 million in 2021.

Equity for the group was NOK 312.1 million as of 31 December 2022 compared with NOK 297.8 million at year-end 2021. Equity has increased as a result of the business combination with BKS and Fossberg Kraft as of 1 July 2022.

Parent company accounts and allocation of profit

The parent company had an operating income of NOK 5.7 million in 2022 compared with NOK 45.1 million in 2021. This reduction was primarily due to a reduction in the group's internal services. The annual result in 2022 was NOK 110.3 million compared with NOK 263.3 million in 2021. The 2022 earnings are affected by market value adjustments related to HAV Group ASA shares.

Transferred to other equity in total NOK 110.3 million.
The board proposes a dividend of NOK 0.

The board believes that the annual accounts give a correct outline of the group's assets and liabilities, financial position and performance.

2.5 Events after 31 December 2022

On 20 January 2023, Havyard Leirvik announced a contract for the conversion of the ferry M/F Vannes to meet the requirements from the Norwegian Maritime Directorate for operating in an extended traffic area. For Havyard Leirvik and for Eqva, this is an important contract for several reasons. The yard focuses particularly on projects related to conversion and upgrading of existing ships, and the contract is confirmation that this investment is yielding results. The contract value of such contracts are normally between NOK 10 and 20 million, and they require two months to complete.

On 13 February 2023, BKS announced its largest contract to date, for the prefabrication and installation work at Boliden's advanced zinc factory in Odda in Vestland county. For Eqva and BKS, the contract joins the series of assignments aimed at making Norwegian power-intensive industry and shipping more climate-friendly, the demand for which has been increasing. A large part of the prefabrication will take place at our workshop in Sunde, with the work calculated for around 60 man-years over the next 12-16 months. The contract is a framework contract with a value of NOK 160 million for revenue recognition in 2023 and the first half of 2024.

For further information, please see Note 28 – events after the balance sheet day.

2.6 Going concern

The accounts have been prepared under the assumption of a going concern; see Section 3–3a of the Norwegian Accounting Act. We hereby confirm that this assumption is correct.

2.7 Risk assessment

Risk assessment is generally handled as an integral part of the work processes. All managers across our companies are responsible for risk management and internal control within their area of responsibility. The board generally receives quarterly reports on the company's financial situation, information about projects and market conditions.

The operational companies in Eqva bears the commercial risk in relation to contracts with clients. In a limited number of cases, the parent company (Eqva ASA) provides guarantees.

Within the group, it is the individual subsidiary that bears the risk for its performance. In addition to the contract risk factors described above, the group is exposed to the following risk factors:

Financial risk:

The group's activities expose it to financial risks such as, market risks, credit/counterpart risk and liquidity risk. The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the group. The Board of Directors also establishes detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, exposure limits and hedging strategies (if relevant).

Foreign currency and interest rate risk

The group's policy states that foreign currency exposure should be identified, and, as far as possible, secured in consultation with corporate management and the company's board of directors. The company may also be exposed to interest rate fluctuations.

Market risk:

The nature of the business dictates that the group must enter into new contracts as existing orders are completed and delivered. Contracts are awarded in competitive markets based on bidding processes against other suppliers and where the ability to meet the requirements of the respective clients is crucial.

The COVID-19 outbreak that started in early 2020 and subsequently spread globally continued to have an impact on global trade and industry during the first half of 2022. The Group has also experienced the effects of this pandemic, including reduced market activity and increased sick leave among key staff. The risk of delays in projects also significantly increased during and post the COVID-19 pandemic, both as a result of temporary shutdowns nationally and globally and a lack of input factors.

We find ourselves in an unreal situation with war in Europe, which affects us all strongly. Large parts of the world are united in the condemnation of Russia's war in Ukraine, and where extensive international sanctions have been imposed.

The Group complies with sanctions implemented by Norwegian authorities, and has stopped all potential new sales with Russian exposure. None of our companies are directly financially exposed in relation to the applicable sanctions against Russian companies and individuals, but in general we observe price increases and longer lead-times for materials because of the warfare.

Credit risk:
The credit risk is thought to be limited. Security instruments a.s.o will be considered when relevant.

Liquidity risk:
A liquidity budget is established for each project and is managed in line with the progress of the project thus ensuring an adequate supply of liquidity.

Risk is generally handled as an integral part of the work processes. All managers are responsible for risk management and internal control within their area of responsibility.

Climate risk:
The climate risk consists of both physical risk and transition risk.

Physical risk can be the effect of extreme weather events, and transition risk is risk associated with the transition to a low-emission society. The physical risk of weather-related damage, for example at the multi-yard in Leirvik (HLE), is considered to be limited due to the yard`s location and premises.

Transition risk can be political changes and regulations that result in increased fees, fines and orders. In relation to Havyard's multi-yard in Leirvik, BKS and Fossberg, the transition risk is also considered to be relatively low, but political decisions as i.e. tax on aquaculture business may affect the group`s businesses.

Overall, the climate risk and its impact on future earnings is considered to be relatively low.

2.8 Employees and organisation

Working environment

In 2022, there was an average sickness absence rate (short term) in the group of 1.6 per cent; this was down from 2021 when the average sickness absence rate was 7.98 per cent. The drop in average sickness level is among others related to a significantly lower number of employees in the group (mainly Havyard Leirvik) in 2021.

The company took proactive measures to minimize damages, ensure workplace safety, and improve personal protective equipment for both employees and subcontractors. Additionally, the company made efforts to bring back workers who were on extended sick leave.

Havyard Leirvik has not experienced any work-related accidents resulting in personal injuries or sick leave. BKS has had three minor accidents resulting in sick leave of less than 6 months.
During the year, there have been no accidents causing significant material damage or long-term sick leave exceeding 6 months.

The board receives quarterly statistics on developments within quality, health, safety, and the environment. Read more about Eqva's efforts within employee health and working environment in our ESG section, page 38.

Equality and discrimination

One of the Eqva group's goals is to comply with the Norwegian Equality and Anti-Discrimination Act, including the promotion of equality and the prevention of discrimination on the basis of gender, pregnancy, leave in connection with childbirth or adoption, care responsibilities, ethnicity, religion, belief, disability, sexual orientation, gender identity, gender expression, age or other significant characteristics of a person.

The group seeks to provide equal employment opportunities, treat all employees and job seekers fairly. Two of Eqva's subsidiaries, Havyard Leirvik and BKS Industri, are subject to the requirement to provide an annual equality statement describing the company's efforts to secure equal opportunities under section 26-a in the Norwegian Equality and Anti-Discrimination Act. The annual equality statements can be found on Havyard Leirvik and BKS websites.

Employees

On 31 December 2022, a total of 4,5 was permanent employees of Eqva Group ASA. Across its subsidiaries, Eqva had 420 permanent employees and 10 apprentices on 31 December 2022. In addition, Eqva's subsidiaries employed 0 temporary workers for operational projects.

Changes to the executive management and board

The Executive management team consists of CEO of Eqva Erik Høyvik and CFO Eirik Sævareid. In addition, the operational Management team include CEO Havyard Leirvik Tor Leif Mongstad, CEO BKS Trygve Kjerpeseth, CEO Fossberg Kraft Tom Jensen, and in-house lawyer Sverre Olav Handeland.

The board consists of Even Matre Ellingsen (chair), Vegard Sævik, Rune Skarveland, Ellen Merete Hanetho, Anne Sofie Myrmel Bruun-Olsen, Geir Helge Nordstrand (employee representative) and Jan Olav Gjerde (employee representative). According to the articles of association, the board of directors of the company shall have 3 to 7 members.

The two employees-elected directors were elected in March 2022, for a period of 2 years.

Directors' and officers' insurance

Eqva ASA has a board liability insurance for the group, including the parent company and its subsidiaries. The insurance covers the board members, CEO and members of the management team. The insurance comprises personal legal liabilities, including defence- and legal costs.

2.9 Natural environment

Eqva's activities do not directly affect the natural environment, apart from that which must be assumed to be natural for this type of business. The company complies at all times with the prevailing legal requirements in this area.

In 2022, there have been no environmental issues at the production facilities or in the natural environment that necessitated special measures. The group has not had any air or water emissions in excess of those permitted by the authorities.
The shipyard has been awarded ISO 14001 certification for its focus on the environment. This is an international standard for companies on managing their environmental responsibilities, and companies are required to prepare objectives and be proactive in reducing their company's impact on the environment. The main focus is on everything that is discharged into the air and the sea, such as greenhouse gases and chemicals.

External parties conduct control and follow-up of the company and the company's activities relating to ISO certification.

Eqva's activities, in isolation, do not affect the natural environment apart from that which must be assumed to be natural for this type of business. The company always complies with the prevailing legal requirements in this area.

2.10 Research and development

The group limits its research and development activities to providing technical solutions that assist its subsidiaries.

2.11 Corporate governance

Good corporate governance ensures a robust risk management system, allowing the organisation's board of directors to retain control over the business and have clearly defined responsibilities. Thus, it is one of the cornerstones of a well-functioning business, providing the foundation for long-term value creation for shareholders, employees, and other stakeholders.

The board of directors of Eqva ASA has established a set of governance principles to ensure a clear division of roles between the board of directors, the executive management, and the shareholders. The principles are based on the Norwegian Code of Practice for Corporate Governance.

Being listed at the main market at the Oslo Stock Exchange, Eqva is subject to corporate governance reporting requirements under section 3-3b of the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance, cf. section 4.4 of the Oslo Stock Exchange Rule Book II. The Norwegian Accounting Act may be found (in Norwegian) at lovdata.no. The Norwegian Code of Practice for Corporate Governance may be found at nues.no. Eqva follows the Norwegian Code of Practice for Corporate Governance, and the company's practice is in accordance with these recommendations.

The annual statement on corporate governance has been approved by the board and can be found on pages 28 to 32.

Accounting Act 3-3b mandates disclosing equality and diversity guidelines, which Eqva lacks at the corporate level due to governance structure and employee count. However, its subsidaries BKS Industri and Havyard Leirvik have their own guidelines, detailed on pages 38-39 of our sustainability report.

2.12 Corporate social responsibility

Eqva is required to report on its corporate responsibility and selected related issues under section 3-3a and section 3-3c of the Norwegian Accounting Act. Eqva has chosen to report on its efforts related to the environment, social matters, and corporate governance, which is described in the ESG report.

Eqva is covered by the Transparency Act's duty to carry out due diligence assessments (§3) and submit an annual statement on this (§5). Due diligence assessments have been initiated in 2022 and will continue in 2023. The first statement will be published by 30 June 2023 at www.eqva.no.

2.13 Shareholder ownership

EQVA ASA (formerly Havyard Group ASA) was listed on the stock exchange in July 2014, and has 3 583 different shareholders as of 31 December 2022.

The number of issues shares is 71 987 316. Nintor AS is the largest shareholder in Eqva ASA as of 31 December 2022 with an ownership of 23.5%.

The company holds 323 046 treasury shares.

2.14 Outlook and future development

The board of directors is pleased to report that the group has a strong order book and outlook for 2023, boosted by large contract wins in the latter part of the fourth quarter and early 2023. Among others this include BKS' largest contract in its history, with Boliden, with a value of about 160 million, which resulted in a substantial increase in the order book.

The Norwegian government's announcement of a resource tax on aquaculture further intensified the political uncertainty, significantly affecting the entire maritime segment in Norway. As a result, many investment decisions in the value chain and markets closely linked to aquaculture were put on hold. The turbulence in the maritime market persisted throughout the year, and it is likely to take some time before a sense of stability returns to the industry.

Despite a turbulent market environment during parts of 2022, with pressure on raw material prices and macroeconomic uncertainty, Eqva's diversified service offerings provided stability and resilience.

Eqva's strategic shift in Maritime services reinforces its reputation as a dependable partner, with strong relationships with its customers in both land-based and maritime industries. This has also proven to be a key to success in the current macro environment that has been turbulent during parts of 2022.

Additionally, with the growing demand for modular solutions and pre-fabrication, our Maritime Services segment is well-equipped to become a leading sub-contractor for larger projects in the maritime and offshore industry, as well as increasing its focus on other sectors such as land-based and aquaculture.

2.15 Declaration by the board of directors and CEO

In accordance with Section 5–5 (2) of the Norwegian Securities Trading Act, we hereby declare that the annual accounts for the 1 January to 31 December 2022, have, to the best of our knowledge, been prepared in accordance with current accounting standards and that the information in the accounts provides a correct picture of the company's and the group's assets, liabilities, financial position and performance as a whole. We also declare that the annual report provides a correct outline of developments and the performance and position of the company and the group together with a description of the key risk and uncertainty factors to which the company and the group will be exposed.

Fosnavåg, 31. March 2023
The board of directors of Eqva ASA

Even Matre Ellingsen
Chairman of the Board of Directors

Ellen Merete Hanetho
Board member

Anne Sofie Myrmel Bruun-Olsen
Board member

Vegard Sævik
Board member

Rune Skarveland
Board member

Jan Olav Gjerde
Board member
employee representative

Geir Helge Nordstrand
Board member
employee representative

Erik Høyvik
CEO

STATEMENT CONCERNING **CORPORATE GOVERNANCE**

Eqva seeks to maintain high standards for corporate governance and believes that good corporate governance is an important prerequisite for value creation.

1. Recommendations and regulations for corporate governance

The Company is subject to corporate governance reporting requirements pursuant to Section 3-3b of the Norwegian Accounting Act, and the Norwegian Code of Practice for Corporate Governance drawn up by the Norwegian Corporate Governance Board (NUES), cf. also Euronext Oslo Rulebook II (issuer rules). The Accounting Act is available at www.lovdata.no, and NUES is available at www.nues.no.

Information that the Company is obliged to provide pursuant to Section 3-3b of the Accounting Act concerning reporting on corporate governance is taken into account in this statement, and, where natural, follows the same system as NUES.

In addition to the NUES requirements, Accounting Act 3-3b mandates describing the Company's equality and diversity guidelines. Due to the governance structure and employee count, the Company lacks corporate-level guidelines. However, corporate-level guidelines are currently under development. Eqva's subsidaries BKS and Havyard have their own guidelines, detailed on pages 38-39 of our sustainability report.

Core values

The Company strives to maintain a strong reputation for credibility by consistently conducting its business with integrity and adhering to all relevant acts and regulations governing its activities.

Members of the board of directors and employees shall act in a fair and honest manner and demonstrate integrity in all their dealings with other employees, business associates and clients, the general public, the business community, shareholders, suppliers, competitors and public authorities.

The Company's values and commitment to sustainable development shall be reflected, promoted and implemented through guidelines, decisions and actions. The Company's guidelines "Code of Conduct for Business, Ethics and Corporate Social Responsibility" and the Company's anti-corruption program are available on the Company's website www.eqva.no.

2. The business

The Company aims to be a leading knowledge-based active owner of industrial service companies that contribute to the green transition in maritime, power intensive and renewable industries.

3. Equity and dividends

The board is committed to maintain a satisfactory capital structure for the company to support its goals, strategy, and risk profile, thereby ensuring that there is an appropriate balance between equity and other sources of financing.

Equity

At 31 December 2022, the company's equity totaled NOK 312.1 million, which corresponds to an equity ratio of 43.8 per cent. The board considers the Company's financial position to be solid with the necessary capacity to support its strategic priorities and risk profile.

Dividend

At a board meeting held on 17 March 2014, the board of directors adopted the following dividend policy, which was made known to the Company's shareholders and the market in a prospectus dated 10 June 2014:

"The Company will continuously work to ensure that shareholders receive a competitive return on their investment, and give this priority over investments that are not directly related to the Company's core activities. The Company will thus focus strongly on value creation for its shareholders and maintain a dividend policy, which safeguards the interests of the shareholders and the Company in a good manner, with a clear objective of the total, annual dividend payments corresponding to 50–75 per cent of the profit after tax on a consolidated basis. The Company intends to pay dividend on a quarterly basis to achieve this objective.

It cannot be guaranteed that dividend will be proposed or declared for each period. When the board of directors considers whether to propose a dividend and determines the amount, the board will take into account the limitations in legislation, the Company's capital requirements, including capital costs, the Company's financial position, market prospects and other *general business terms and conditions. Any limitations on the payment of dividend in the Company's loan commitments or other contractual commitments will be taken into account, as will requirements for the maintenance of adequate financial flexibility."*

The board of directors has launched an initiative to revise the group's dividend policy which will be communicated to the market during Q2 2023. It is proposed to not pay dividends for the 2022 fiscal year.

Board mandates

During the annual general shareholder meeting in 2022, the board was granted the following mandates:

The board of directors is authorised to increase the company's share capital or acquire treasury shares for specific purposes only, and the authorisation is granted for a period not exceeding the next general meeting. Each purpose covered by the authorisation is subject to a vote at the general meeting. Any proposals related to share capital increases must be presented to the general meeting for approval.

The mandates are valid until the annual general meeting in 2023.

4. Equal treatment of shareholders

The company has one class of shares. Each share of the company carries one vote, and all shares carry equal rights.

In the event of a decision to waive the pre-emption rights of existing shareholders to subscribe for shares in a share capital increase, the decision must be based on the common interest of the company and its shareholders, as well as applicable equal treatment regulations.

In the event that the board decides to carry out a capital increase without granting existing shareholders preferential rights, based on an authorization from the general meeting, the reason for this decision will be disclosed in the stock exchange statement released in connection with the capital increase.

The Company's guidelines stipulate that board members and executive personnel with a direct or indirect material interest in agreements entered into by the Company are required to notify the Company of such interests.

All transactions between the Company and its close associates must be based on ordinary market terms and be conducted at arm's length. Transactions that are not immaterial must be subject to a valuation by an independent third party. The Company is committed to ensuring that significant transactions with close associates comply with the requirements of the Public Limited Liability Companies Act.

Information regarding transactions between close associates can be found in note 27 (Related party transactions) included in the Company's 2022 annual accounts.

The company's transactions involving treasury shares will be conducted through the Oslo Stock Exchange's (Oslo Børs) trading platform at the prevailing market price, or through a public offer made to all shareholders. In cases where the company's shares have low liquidity, the board of directors will exercise caution when making purchases and sales through the stock exchange to ensure equal treatment of shareholders.

5. Freely negotiable shares

Eqva's shares are freely tradeable and listed on the Oslo Stock Exchange, and there are no restrictions on ownership, trading, or voting rights associated with the shares.

6. General meetings

The general meeting is the highest decision-making body of the Company. The board of directors determines the format of the meeting, which may be held physically or electronically in compliance with relevant laws and regulations.

Notice of the annual general meeting

The board of directors is committed to facilitating the participation of as many shareholders as possible in the Company's general meetings and to making the general meeting an effective forum for interaction between shareholders and the board. To achieve this, the board ensures that:

- *Shareholders receive the notice of the general meeting at least 21 days before the meeting takes place, with the notice being made available on Oslo Børs' notification system www.newsweb.no and the Company's website www.eqva.com simultaneously.*
- *The case documents provided to shareholders contain sufficient information to enable them to form an opinion on the matters to be discussed in advance of the meeting.*
- *The registration deadline is set as close to the meeting date as possible but no later than two days before the general meeting. Shareholders who have not registered may be denied admission to the meeting.*

Meeting chair and voting

The chair of the board of directors and the CEO are required to attend the general meeting, and the other board members and the chairman of the Nomination Committee may also be present. The auditor shall also attend the general meeting, if the issues to be discussed require their presence.

All shareholders registered with the Norwegian Central Securities Depository (VPS) receive a notice of the general meeting and are entitled to participate by submitting proposals *and voting directly or by proxy. The notice of the general meeting includes a proxy form, which shareholders can use to authorize someone to vote on their behalf.*

In accordance with the Company's Articles of Association, documents that are to be considered at the general meeting may be made available on the Company's website instead of being distributed with the notice of meeting. This also includes documents that are required by law to be included in or enclosed with the notice of the general meeting. However, shareholders can request to receive these documents by mail.

At the general meeting, the annual accounts will be presented for approval, and the profit will be allocated, or the loss will be covered. The meeting will also address any other matters that are within its scope of responsibility, as required by law or the Company's Articles of Association.

The Company's Articles of Association do not specify who should preside over the general meeting. Therefore, in accordance with the provisions of the Public Limited Liability Companies Act, the chair of the board opens the meeting, and the general meeting elects the chair of the meeting.

7. Nomination Committee

The Company has established a Nomination Committee in accordance with its Articles of Association. The committee comprises two members, Rune Skarveland (leader) and Tore Thorkildsen.

The shareholders have approved the guidelines for the Nomination Committee at the general meeting. The primary role of the committee is to assist the board in fulfilling its responsibility to nominate candidates for election at the general meeting, ensuring that they possess the necessary qualifications and integrity to carry out their duties.

Specifically, the committee is responsible for identifying and evaluating potential board members, recommending them for election at the general meeting, and proposing directors' fees. Additionally, the committee provides advice to the board on matters such as board composition, instructions, and evaluation.

The general meeting determines the fees for members of the Nomination Committee.

8. The Board of Directors, composition, and independence

The composition of the board of directors is intended to serve the interests of all the shareholders and to meet the company's need for competence, working capacity, and diversity.

According to the Company's Articles of Association, the board is composed of three to seven members who are elected for two-year terms. The chair of the board is elected by the general meeting.

On 31 December 2022, the Company's board comprises seven members, of which five are elected by the general meeting. The elected board members include two women and three men. Four of these members are independent of the Company's executive personnel, significant business associates, and principal owner. The Company does not have a corporate assembly, but it does have two employee representatives who serve as members of the board.

The composition and qualifications of the board are believed to have a positive impact on the Company's growth and the protection of shareholders' interests. A comprehensive overview of the board members is provided in the annual report on page 17.

9. The work of the board of directors

The board is responsible for ensuring the Company's sustainable value creation and establishing its goals, risk profile, and strategies, as well as monitoring and tracking progress in these areas. Additionally, the board is responsible for overseeing and regulating the Company's operations, ensuring that they are conducted within the bounds of the law.

The board employs and exercises rights of instruction in relation to the chief executive officer (CEO), who is responsible for the day-to-day running of the Company. The board oversees the CEO's operative responsible and its management. The board has established guidelines for its own operations and those of the CEO, with a specific emphasis on creating a well-defined internal division of responsibilities and duties.

The board follows an annual work plan and holds meetings as needed, with a minimum of five per year. The Company's financial calendar is available on www.newsweb.no and the Company's website at www.eqva.com. The Company's financial results are published quarterly, unless the board decides otherwise.

The board periodically discusses and evaluates its own work processes, including the preparation and execution of meetings, as well as its overall qualifications and ability to oversee the Company's activities.

10. Risk management and internal control

The board is accountable for implementing effective internal control systems and risk management procedures that are aligned with the Company's scope and activities. This responsibility also includes the Company's core values and Code of Conduct for Business, Ethics and Corporate Social Responsibility.

The most important risk for the Company is the market risk associated with large contracts within its modification and manufacturing activities, technology development, financial risk and operational risk.

In practice, risk management is integrated into the work processes, with all managers responsible for internal control and risk management within their respective areas of responsibility. The board receives quarterly reports on the Company's financial situation, projects, and market conditions, as well as statistics on quality, health, safety, and environmental developments.

External parties conduct control and follow-up of the Company and its activities related to ISO certification.

The board continuously evaluates the information submitted to the board by the administration and adopts amendments to the reporting procedures if required.

The Company's financial reports are drawn up pursuant to the accounting principles specified in the annual report. The Company's quarterly reports to the board and the reports published each quarter are prepared on the same principles. The Company has an Audit Committee consisting of two of the board members. One of the members have accounting expertise. The Audit Committee plays a key role in overseeing the financial reporting process and the effectiveness of the Company's internal control systems. The committee also assesses the effectiveness of the external audit process and the independence and qualifications of the external auditor. The Audit Committee reports its findings and recommendations to the board.

11. Remuneration of the board of directors

The remuneration to the directors is not performance-related and is determined based on factors such as their responsibilities, expertise, time invested, and the complexity of the business.

Remuneration of the board of directors and the Audit Committee are decided annually by the general meeting.

Information about the remuneration paid to directors in 2022 is presented in note 5 to the financial statements, in accordance with the Accounting Act section 7-31b. In addition, the company will present an annual remuneration report to the shareholders in accordance with the Norwegian Public Limited Liabilities Companies Act section 6-16b, which will provide further details on the remuneration of the board of directors and executive management.

12. Remuneration of executive personnel

The Company strives to attract and retain executive personnel who possess the necessary qualities to effectively run the business and promote value creation. In order to achieve this, competitive remuneration packages are offered to each employee, which reflect their area of responsibility and job performance based on market standards.

The Annual General Meeting in 2021 approved the most recent guidelines for remuneration of senior executives, in accordance with the Public Limited Liability Companies Act 6-16a.

The Company's Compensation Committee, comprising two board members, is responsible for formulating guidelines for executive compensation and other benefits, as per Section 6-16a of the Public Limited Liability Companies Act, to promote value creation.

Further information about remuneration to executive personnel is provided under note 5 to the financial statements pursuant to the Accounting Act, section 7-31b, and in the annual remuneration report, which will be presented to the shareholders in accordance with the Norwegian Public Limited Liabilities Companies Act, section 6-16b.

13. Information and communication

The Company places a strong emphasis on transparency and timely communication with its shareholders and other stakeholders. The Company believes that providing accurate and equal information to all stakeholders is crucial in enabling them to make informed assessments of the Company's current and future position. The Company is committed to upholding high standards of reporting and ensuring that all stakeholders have access to the information they need to make informed decisions.

The Company is committed to timely and effective communication of all information relevant to assessing its operation and value to both shareholders and the market, in compliance with the applicable regulations for companies listed on Oslo Børs. The Company shall publish significant information through Oslo Børs' notification system at www.newsweb.no and on its website at www.eqva.com, ensuring transparency and equal treatment for all stakeholders.

The Company shall have a dialogue with its shareholders and providing them with equal access to information via adequate forums based on the principle of equal treatment and equal access to information.

The Company will publish an annual financial calendar on its website and through other appropriate channels, outlining important dates and events such as quarterly reports and the general meeting.

14. Takeovers

The board has established guidelines on how to act in the event of a take-over bid.

In the event of a takeover bid, the board will strive to ensure that all shareholders of the Company receive equal treatment and ensure that shareholders have access to sufficient information and adequate time to evaluate the offer.

The board shall not seek to prevent or impede takeover bids for the Company's activities or shares unless there are justifiable reasons to do so. Such justifiable reasons may include protecting the Company's employees or assets or ensuring that the Company is not taken over at an unfairly low price.

If a takeover bid is launched for the shares in the Company, the board shall release a statement providing shareholders with relevant and reliable information, and a recommendation on whether shareholders should or should not accept the offer.

15. Auditor

The general meeting appoints the auditor and approves the auditor's fee.

The auditor's responsibility is to audit the annual accounts and the annual report submitted by the board of directors and the chief executive officer pursuant to the Auditors Act and generally accepted accounting practices.

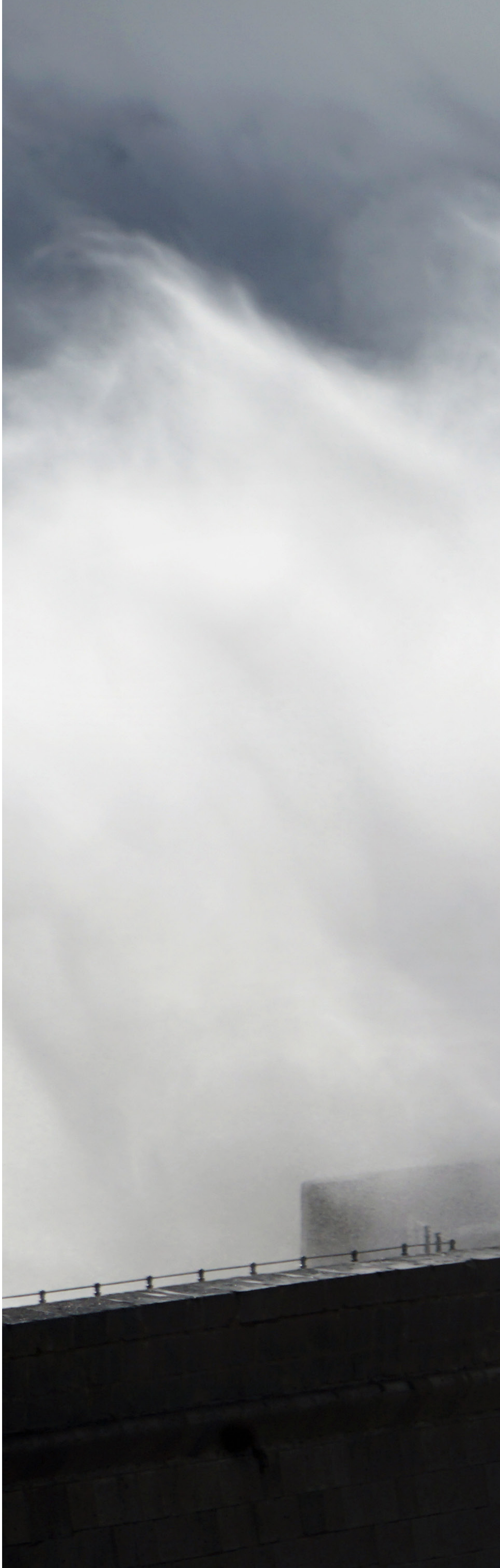
The auditor presents the main features of the plan for the auditing work to the Audit Committee and the board of directors each year. Meetings are held between the auditor and the board of directors, either the full board or the chair, as necessary.

The auditor will have annual meetings with the Audit Committee to review the Company's control procedures.

The auditor will not take on assignments for the Company that can lead to conflicts of interest and will issue an annual confirmation of his/her independence to the Audit Committee. It is the board of directors' responsibility to maintain the independent role of the auditor.

Fosnavåg, 31 March 2023

The board of directors of Eqva Group ASA



Sustainability report

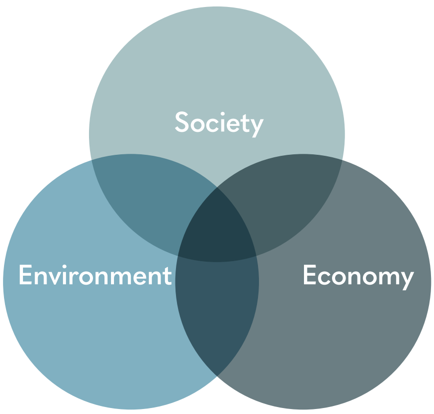
Key figures and highlights

- 2 conversion projects (electrification/ hybridization) carried out at Havyard Leirvik's yard in 2022
- 201 customer projects within upgrading to more sustainable systems carried out by BKS in 2022
- 2 hydro power plants sold and developed by our subsidiary Fossberg Kraft
- Eqva has 420 FTEs by end of 2022
- In 2022, our companies Havyard Leirvik and BKS, initiated the establishment of ESG strategies and materiality assessment processes

Eqva's approach to working on ESG

In Eqva, we are committed to ensure that our business is sustainable in terms of the economy, environment, and society. As a knowledge-based active owner of engineering, construction, and service companies, we strive to be a contributor to the green transition across all parts of our group.

We recognise that sustainable development is essential for the long-term success of our business and the well-being of our society. As such, we are committed to find innovative solutions that reduce our carbon footprint, minimise environmental impact, and promote economic growth.



ESG in a year of change

Despite major changes in the group structure in 2022, Eqva has always had a strong commitment to complying with applicable legal requirements in all areas. While the company was unable to comply with GRI and other sustainability reporting standards this year, we recognise the importance of continuous improvement and strive to find solutions that reduce our environmental impact and promote sustainability.

In Eqva, we acknowledge our responsibility to reduce emissions and limit our impact on the environment. The group has not exceeded the emissions limits set by the authorities and has had no significant impact on air or water quality in 2022.

Two of our subsidiaries, Havyard Leirvik and BKS Industri, have been certified with the ISO 14001 environmental certificate, which recognises their efforts to reduce their environmental impact. This international standard requires companies to set objectives and actively work to reduce their environmental impact, particularly in areas such as greenhouse gas emissions and chemical usage. External parties regularly monitor and evaluate our activities related to certification according to ISO standards.

ENVIRONMENTAL SYSTEM CERTIFICATION
DNV
ISO 14001

Reporting framework

Eqva has not publicly released an ESG report in accordance with reporting standards, but we acknowledge the importance of ESG reporting and has in 2022 taken the initial steps to begin reporting in accordance with standards by the end of 2023. The GRI framework will be used to ensure that the reporting for 2023 is in reference to the GRI standards.

GRI

Eqva's subsidiaries BKS Holding and Havyard Leirvik have initiated separate sustainability reporting processes and plan to publicly release their sustainability reports in 2023.

BKS Holding will provide an overall report including its subsidiaries; BKS Industri AS, BKS Power & Automation AS, Zenit Engineering AS, BKS VVS AS, and Marine Support AS. Individual company reporting for these subsidiaries will be implemented once the EU's proposed reporting directive (CSRD) is expanded to include reporting requirements and attestation requirements, expected to occur in 2024/2025.

Materiality assessment process initiated

Eqva acknowledges the significance of conducting a materiality assessment for the group, in reference to the GRI standards. The company intends to establish a unified materiality assessment across all group companies within the end of 2023. In this process, the materiality assessment will be linked to our influence on the UN Sustainable Development Goals (SDGs).

In 2022, Eqva's subsidiaries Havyard Leirvik and BKS Holding began the process of identifying their most significant SDGs. In early 2023, Eqva reviewed the results of the separate SDG workshops conducted by its companies and found that a number of the identified goals were common for both. Consequently, Eqva decided to work further on these goals in the effort to adopt common SDGs as representative of the entire group.

Environmental and climate perspectives

With our aim to be a leading owner of industrial service companies that contribute to the green transition in maritime, power-intensive, and renewable industries, we recognise the significant responsibility we have in managing our environmental production footprint. We are committed to not only promoting the green transition and sustainable solutions for our customers but also reducing our own climate and environmental impact.

CO2 emission and mitigation

Through our subsidiaries, Havyard Leirvik and BKS Holding, Eqva has taken the first steps towards measuring and reducing the group's total emissions (Scope 1 and 2). As of the end of 2022, both companies are still in the process of identifying a common system to accurately capture their emissions, which they plan to implement in the coming year.

Havyard Leirvik has come the furthest in the implementation process and has set ambitious climate goals as part of its sustainability strategy, aiming to achieve carbon neutrality by 2030 and zero emissions by 2050. To achieve these goals, the company has developed a set of activities that it will focus on going forward. These activities include designing a roadmap to climate neutrality, creating a waste emissions plan, and establishing new procedures at the dock.

BKS Group companies are involved in a large number of environmental projects and have become an important supplier to many sustainable environmental investment projects. They are involved in electric, hybrid and hydrogen ships, reducing the environmental footprint of the aquaculture industry and energy saving projects in the process industry. We see the environment as an important area of industrial growth. BKS is certified according to ISO 14001.

Energy management

Efficient energy use and sustainable energy sourcing are crucial for ensuring a secure supply while also reducing Eqva's global greenhouse gas footprint. Although Eqva has a relatively small energy consumption at the corporate level, some of our subsidiaries are highly energy-intensive and rely on fossil fuels in their services. Therefore, Eqva is proactively engaging with our subsidiaries to reduce energy usage and minimise our carbon footprint.

Social perspectives

We are committed to always ensuring safe operations. We firmly believe that all incidents can and should be prevented, which is why we operate under a zero-harm philosophy at all our subsidiaries that guides our everyday work. In Eqva, having a skilled, engaged, and diverse workforce is the key to our continued success, and we are committed to provide a safe and healthy work environment for all our employees across all subsidiaries.

Employee health

Eqva recognises that a strong health and safety culture is vital to our operations. Our environment, health, and safety (HMS) efforts are centred on a zero-harm philosophy, and in our subsidiaries, BKS Holding and Havyard Leirvik, we have implemented HMS management systems to work systematically towards this united goal.

The number of injuries across our subsidiaries where flat from 2021 to 2022 and there were no fatalities or no high-consequence injuries in any of our subsidiaries during 2022.

We continually monitor and improve our health and safety performance, and we aim to reduce the number of incidents by identifying and addressing risk areas through effective risk assessments and proactive measures.

Key statistic from our subsidiaries in 2022:

Customer	Havyard Leirvik	BKS	Fossberg Kraft
Sick leave	1.76%	1.60%	0%
Number of injuries	2 (2021:2)	4 (2021:1)	0
*H1-value	10.1	1,96	0

*H1-valuee shows the frequency of occupational accidents that are serious enough to result in absence from work.

Diversity and inclusion

As a knowledge-based owner of industrial service companies, Eqva aims to promote diversity and have highly qualified board members and managers that serve as role models in their companies no matter of gender. Women are well represented in our boards but are underrepresented in leadership roles at corporate level and in our portfolio companies. During the latest years, our companies have worked to recruit more females to the industry, and both Havyard Leirvik and BKS have made progress in this area.

In 2022 BKS and Havyard initiated a process to promote diversity and combat discrimination systematically. This process follows the four mandatory steps outlined in Norwegian law regarding equal rights and discrimination: (1) risk assessment, (2) analysis of identified risks, (3) implementation of appropriate measures, and (4) evaluation of results from steps 1-3. The details of this process are outlined in separate documents and are publicly available on the company's websites.

Number of FTEs where Eqva has the majority ownership:

(Head count)	Eqva corporate	Havyard Leirvik	BKS	Fossberg Kraft
FTEs	4,5	69	342	4
Female share in company (%)	**22%** (1 of 4,5)	**13%** (9 of 69)	**3%** (10 of 342)	**25%** (1 of 4)

Human development and wealth

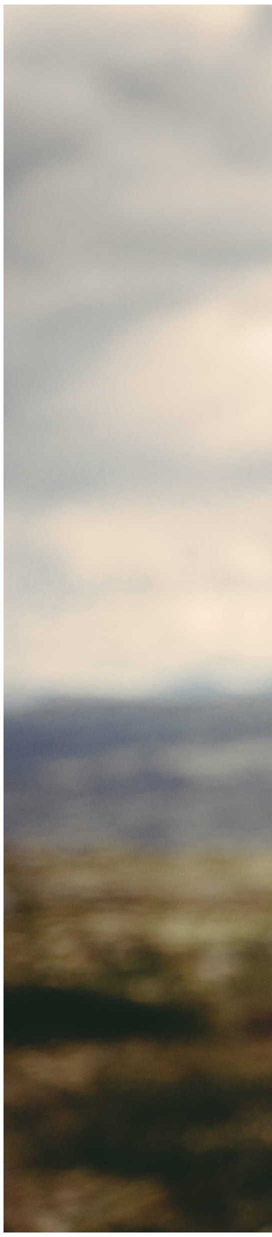
In Eqva, we recognise that to achieve our goal of becoming a leading owner of knowledge-based industrial services companies, we must prioritise competence development among our managers and future executives, while also recruiting top talent to our portfolio companies.

In 2022, we launched our employee incentive scheme to not only align top managers and other employees in the group with the interests of the owners, but also to align their ambitions with Eqva's ambition - to being a leading contributor to the green transition in the maritime, power-intensive, and renewable industries. We believe that providing opportunities for wealth growth will not only benefit our employees, but also strengthen our overall organisation as we work towards a sustainable future.

Human rights

Eqva is committed to follow the UN's guiding principles on business and human rights (UNGP), and we believe transparency is crucial to ensure high-quality services that adhere to ethical standards. We support the increasing adoption of international best practices into legal requirements, such as Norway's Transparency Act. This legislation obliges Norwegian companies to evaluate and mitigate negative impacts on human and labour rights, as well as ensuring public access to information.

As the Act takes effect, we're enhancing transparency and oversight throughout our value chain to safeguard all impacted by our business. We're committed to complying with the new law and will issue a statement on required due diligence by June 30, 2023. We hold ourselves accountable to these principles and laws and expect all future companies we invest in to do the same.



Governance perspectives - Corporate responsibility

The credibility and reputation of Eqva depend on conducting its business with the highest level of integrity and complying with all relevant laws and regulations that govern the group's operations. Eqva recognises the importance of upholding ethical values and has a strong commitment to acting responsibly in all aspects of its business, building trust among stakeholders, and maintaining a positive reputation.

Eqva adheres to the principles of “the Norwegian Code of Practice for Corporate Governance” issued by the Norwegian Corporate Governance Board (“NUES” or the “Code”). The objective of this Code is that companies listed on regulated markets in Norway will practice corporate governance that regulates the division of roles between shareholders, the board of directors and executive management more comprehensively than is required by legislation. More information about or corporate governance can be found in part 2 of this report – the board of directors’ report on corporate governance.

Code of Conduct for Business, Ethics and Corporate Social Responsibility

In 2022, Eqva undertook a significant effort to review its guidelines for ethics and social responsibility, leading to the establishment of a new "Code of Conduct for Business, Ethics and Corporate Social Responsibility". The aim of the establishment of a new code of conduct was to ensure that any person acting on Eqva’s behalf does so ethically. It applies to all Eqva employees.

The guidelines in the Code of Conduct provide clear rules for maintaining ethical and responsible business relationships, including a policy on giving and receiving gifts and managing confidential information.

Additionally, the guidelines provide direction on how to identify and manage potential conflicts of interest and lay out clear expectations for employee behaviour that safeguards the trust of Eqva’s stakeholders.

Eqva recognises that our managers and employee representatives have a particularly important role in upholding these guidelines, Therefore, they should serve as role models in their adherence to the Code of Conduct for Business, Ethics and Corporate Social Responsibility.

The Code of Conduct is available here: Corporate Responsibility - Eqva.

Anti-corruption

Eqva takes a strong stance against corruption and upholds a zero-tolerance policy towards it. To ensure that our business activities are conducted with the highest level of integrity, an anti-corruption program has been developed, which includes the identification of potential risk areas and the implementation of active and preventive measures. The program is designed to educate employees and business associates on the risks and consequences of corruption, and to provide clear guidelines on how to handle situations where corruption may be suspected. This includes rules for gifts (in line with our principles in our Code of Conduct) and handling of confidential information, as well as the reporting of any suspicious activities.

With our anti-corruption program, we aim to maintain a culture of transparency and ethical behaviour, and to prevent any instances of corruption from occurring within the group.

Read more about our Anti-corruption program here: Corporate Responsibility - Eqva.

Reports of concerns

Eqva believes that openness and good communication throughout the organization promotes a better work culture. Eqva acknowledges the risk of violations of the Code of Conduct and depends on the willingness of employees an external party to raise concern to uphold high ethical standards.

Eqva has established the following core principles for handling reports of concerns:

- Fair and objective process
- Protection of the whistle-blower against retaliation
- Protection of the legal rights of the individual who is the subject of the report.
- Confidentiality
- Protection of sources
- Protection of personal data

No "Reporting of concerns" were registered in Eqva in 2022.

To learn more about our Reporting of concerns go to our web site here: Corporate Responsibility - Eqva

Plans and aims for 2023

Our Strategic sustainability priorities for 2023 include the following:

- Conducting a comprehensive Materiality Assessment for the group, which will take place during the first half of the year (Q1-Q2 2023).
- Determining the UN's Sustainability Goals that we will focus on during the year, which will be done in Q1 2023.
- Preparing our reporting process in reference to the GRI-framework to ensure that we can produce a comprehensive sustainability report that meets international standards for the annual report 2023. This will be done in Q4 2023.

Financial statements

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Eqva ASA

(NOK 1,000)	Note	2022	2021
Revenues from contracts with customers	4,14,27	456 431	902 893
Other operating revenues	4,23	2 562	7 293
Operating income		458 994	910 186
Materials and consumables	15,21,27	228 756	636 956
Payroll expenses	5	172 360	164 574
Other operating expenses	5,6	67 219	51 761
Operating expenses		468 335	853 291
Operating profit/loss before depreciation and amortisation (EBITDA)		-9 342	56 895
Impairment of non-current assets		0	0
Depreciation	4,11,12,13	9 860	5 409
Operating profit/loss (EBIT)	4	-19 202	51 486
Financial income	8	4 138	57 597
Financial expenses	8	-21 045	-16 245
Share of profit/ loss of associate	4,9	668	-1 128
Profit / loss before tax	4	-35 441	91 711
Income tax expense	4,7	-15 796	-957
Profit from continued operations		-19 647	92 666
Profit from discontinued operation	10	0	286 997
Profit / loss for the Year	4	-19 647	379 663
Attributable to :			
Equity holders of parent		-21 410	347 200
Non-controlling interest		1 763	32 463
Total		-19 647	379 663
Earnings per share (NOK)	25	-0,30	14,01
Diluted earnings per share (NOK)	25	-0,30	14,01
Earnings pr. share from continued operations			
Earnings per share (NOK)	25	-0,30	3,74
Diluted earnings per share (NOK)	25	-0,30	3,74

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
Eqva ASA

(NOK 1,000)	Note	2022	2021
Profit for the year		-19 647	379 663
Foreign currency translation differences		-2 038	-3 312
Other comprehensive income		-2 038	-3 312
Total comprehensive income		-21 685	376 351
Attributable to:			
Equity holders of parent		-23 449	343 888
Non-controlling interest		1 763	32 463
Total		-21 685	376 351

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Eqva ASA

(NOK 1,000)

ASSETS

	Note	2022	2021
Non-current assets			
Deferred tax benefit		0	0
Goodwill	10,11	248 260	0
Licenses, R&D and customer relationships	11	32 208	0
Property, plant and equipments	12	128 927	16 116
Right of use assets	13	10 933	332
Investment in associates	9	25 544	194 185
Loan to associates		4 840	4 338
Investment in equity instruments measured at fair value through profit and loss	2,16,19	16 163	4 610
Other non-current receivables	16, 20	2 648	111
Total non-current assets		469 523	219 692
Current Assets			
Inventory	17,21	13 681	2 781
Accounts receivables	14,16,17,27	90 955	19 784
Other current receivables	16,20	25 552	26 176
Contract assets customer contracts	14,15,17	51 537	0
Cash and cash equivalents	16,17,22	61 117	221 733
Total current assets		242 843	270 474
TOTAL ASSETS	4	712 366	490 167

EQUITY AND LIABILITIES

	NOTE	2022	2021
Equity			
Share capital	24	3 599	1 239
Share premium reserve		195 175	22 535
Treasury shares		-16	-3
Retained earnings		109 991	274 042
Non-controlling interests	8,9,10,27	3 387	0
Total equity		312 136	297 814
Non-current liabilities			
Deferred tax liability	7	0	731
Lease liabilities	13	9 624	225
Loans and borrowings	16,17	152 868	4 348
Other long-term liabilities	17	41 474	31 933
Total non-current liabilities		203 967	37 237
Current liabilities			
Accounts payables	16,27	56 147	27 793
Tax payables	7	1 360	2 603
Public duties payables		37 524	17 523
Bond loan (short term)	16,17	0	0
Loans and borrowings, current	16,17	22 498	435
Contract liabilities	14,27	861	35 558
Lease liabilities	13	1 619	132
Other current liabilities	14,15,17,18,26	76 255	71 073
Total current liabilities		196 263	155 117
Total liabilities		400 230	192 353
TOTAL EQUITY AND LIABILITIES	4	712 366	490 167

Fosnavåg, 31 March 2023
The Board of Directors and CEO
Eqva ASA

Even Matre Ellingsen
Chairman of the Board of Directors

Ellen Merete Hanetho
Board member

Anne Sofie Myrmel Bruun-Olsen
Board member

Vegard Sævik
Board member

Rune Skarveland
Board member

Jan Olav Gjerde
Board member
employee representative

Geir Helge Nordstrand
Board member
employee representative

Erik Høyvik
CEO

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Eqva ASA

(NOK 1,000)

	Note	Share capital	Share premium reserve	Treasury shares	Retained earnings	Total	Non-controlling interest	Total equity
January 1, 2022		1 239	22 535	-3	274 042	297 814	0	297 814
Profit for the Year	4				-21 410	-21 410	1 763	-19 647
Other comprehensive income	4				-2 038	-2 038		-2 038
Total comprehensive income	4	0	0	0	-23 449	-23 449	1 763	-21 685
Issue of new shares in Eqva in connection with acquisitions of BKS and Fossberg Kraft	10	2 360	172 640			175 000	1 624	176 624
Dividend distribution shares in HAV Group ASA	10				-140 600	-140 600	0	-140 600
Repurchase of own shares				-13		-13		-13
Minority interests from transaction							0	0
December 31, 2022		3 599	195 175	-16	109 990	308 753	3 387	312 136

(NOK 1,000)

	Note	Share capital	Share premium reserve	Treasury shares	Retained earnings	Total	Non-controlling interest	Total equity
January 1, 2021		1 239	22 535	-3	-102 581	-78 809	47 986	-30 823
Profit for the Year	4,10				347 200	347 200	32 463	379 663
Other comprehensive income	4,10				-3 312	-3 312	0	-3 312
Total comprehensive income	4,10				343 888	343 888	32 463	376 351
Transactions with owners								
Capital Increase in HAV Group net after costs	10				70 179	70 179	16 487	86 667
Sales of share in HAV Group net after costs	10				93 611	93 611	22 218	115 829
Dividend distribution shares in HAV Group ASA	10				-163 998	-163 998	0	-163 998
Derecognition of non-controlling interest caused by loss of control in HAV Group ASA	10						-75 203	-75 203
Redemption of loan presented as part of non-controlling interest in Havyard Ship Technology					32 942	32 942	-43 951	-11 009
December 31, 2021		1 239	22 535	-3	274 042	297 814	0	297 814

CONSOLIDATED STATEMENT OF CASHFLOW

Eqva ASA

(NOK 1,000)	Note	2022	2021
CASH FLOW FROM OPERATIONS			
Profit/ (loss) after tax		-19 647	379 663
Income tax expense	7	-15 796	-957
Depreciation	11,12	7 524	5 409
Net financial items		16 907	41 353
Impairment of other financial fixed assets	8	0	10 054
Effect from public debt settlement - no cash	8	0	-54 803
Gain on disposal discontinued operations	10	0	189 981
Profit and loss items without cash effect in discontinued operations	10	0	26 300
Agio Profit/loss realized		0	-1 745
Depreciation charge of right-of-use assets	13	2 335	359
Share of (profit)/loss from associates	9	-668	1 128
Changes in inventory	21	-4 719	-5 783
Net changes in construction loans	16	0	-724 456
Changes in accounts receivables		9 775	-80 850
Changes in accounts payable		-25 780	-387 002
Changes in customer contracts, asset		-51 537	821 285
Changes in customer contracts, liabilities		-14 116	16 111
Changes in restricted deposits		68 318	-79 284
Changes in other current receivables/liabilities	17	-5 603	183 655
Net cash flow from/ (to) operating activities		-33 006	340 416
CASH FLOW FROM INVESTMENTS			
Investments in property, plant and equipment	12	-3 204	-11 792
Sale of property	12	7 002	40 360
Investment in intangible assets	11	-50	-11 062
Net R&D grants	23	824	6 166
Loan to associates	16	-502	-2 338
Cash effect from aquisition of new companies	10	-6 441	0
Disposal of financial assets	19	0	3 250
Cash in HAV Group ASA when loss of control		0	-375 888
Cash in HPR at time for loss of control		-18 824	0
Changes in long term receivables	20	-4 922	1 390
Net cash flow used in investing activities		-26 118	-349 914
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of bond loan	17	0	-87 999
Repayment of lease liabilities	13	-1 629	-10 203
New bank debt	17	510	0
Instalments on bank debt	17	-7 500	0
Repaid loan of subsidiary		0	-20 429
Interest payment	17	-11 214	-2 625
Aquired own shares	24	-890	
Changes in other long-term liabilities	17	-15 460	
Sale of shares in HAV Group ASA net of transaction costs	10	3 010	115 829
HAV Group ASA transactions with treasury shares	10	0	86 667
Net cash flow from/ (used in) financing activities		-33 173	81 241
Net change in cash and cash equivalents		-92 297	71 742
Cash and cash equivalents at start of the year		139 809	68 067
Cash and cash equivalents at end of the year	22	47 512	139 809
Restricted cash at end of year		13 605	81 923
Cash and cash equivalent recognised in the balance sheet		61 117	221 733

NOTES
Eqva ASA

Note

ACCOUNTS FOR 2022 ARE PRESENTED IN ENGLISH.

1. GENERAL INFORMATION

Eqva ASA is a public limited company based in Norway, and its head office is in Fosnavåg, Herøy.

Eqva ASA is a knowledge-based active owner of industrial service companies that contribute to the green transition in maritime, power intensive and renewable industries.

Eqva takes responsibility for developing technological and commercial solutions, which provide unique advantages for our customers within land based- and maritime industry. The group has a well-diversified product and market portfolio, and further growth will be established through a combination of company-based development, utilization of synergies between the companies in the group and value-creating M&A activities.

In June 2022, Havyard Group ASA (now Eqva ASA) acquired all shares in HG Group AS and BKS Holding AS including subsidiaries. Havyard Group ASA changed name to Eqva ASA during the autumn 2022. Both the acquisition and the change of name are parts of the transformation to a fully integrated service company, which contributes to green transition in maritime, power intensive and renewable industries.

The new group structure is operationally organized in 3 segments (reporting structure):

- **Maritime services** consists of Havyard Leirvik - a multi-service yard facility which provides services to both maritime sector, aquaculture and land-based industry. The yard have both infrastructure and skilled personnel able to carry out complex projects for clients.
- **Products, solutions & renewables** which include BKS and Fossberg Kraft. BKS provides service- and maintenance assignments to the land-based and maritime industry, while Fossberg Kraft is specialized in the establishment and operation of small-scale hydropower plants.
- **Other** in which the parent company is the main entity – the segment also includes companies without regular operations and elimination of intra-group transactions.

The Eqva group include a total of 420 FTEs as of December 31, 2022.

The Board of Directors confirm that the prerequisites for continued operations as a going concern have been met. This assumption is based on the preparations of the accounts, forecast and budgets for 2022 and the Group's long-term forecast.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of Eqva ASA and its subsidiaries (the "Group") are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

The consolidated financial statements have been prepared on a historical cost basis except for certain financial assets and liabilities (including derivative instruments) that are measured at fair value.

The consolidated financial statements are presented in NOK 1,000. Figures in all notes to the financial statements are also presented in NOK 1,000 unless otherwise specified.

The consolidated accounts were approved by the Board of Directors on 30 March 2023.

New standards and changes applicable for the financial year 2022 (those considered relevant)

Property, plant and equipment - Revenue before intended use - Amendments to IAS 16
The amendments to IAS 16 Property, plant and equipment prohibit an entity from deducting sales revenue from goods produced while the fixed asset is being prepared for its intended use from the acquisition cost of a fixed asset. It also emphasizes that an entity "tests whether the asset is functioning properly" as long as it assesses the asset's technical and physical performance. The financial performance is not relevant for this assessment. Units must disclose separately the revenues and costs associated with the goods produced that are not the result of the units' normal activities.

Loss contracts - Cost of fulfilling a contract - Amendments to IAS 37
The amendment to IAS 37 emphasizes that the direct costs of delivering under a contract include both incremental costs of fulfilling the contract and allocation of other costs directly related to fulfilling the contract. Before a loss provision is made for a loss contract, any write-down of impairment of assets used to deliver under the contract must be carried out.

Upcoming changes and new standards
(those considered relevant)

The following standards and interpretations have been issued, for which the Group has chosen not to implement early.

Classification of debt as short-term or long-term - Amendments to IAS 1

A limited amendment was made to IAS 1 Presentation of Financial Statements, which specifies that debt should be classified as current or long-term based on the rights that exist at the end of the reporting period. The classification is unaffected by the expectations of the unit or the events after the balance sheet date (for example, breach of loan terms). The amendments also specify what IAS 1 means when it refers to the 'settlement' of a liability. It is also emphasized that breaches of loan conditions at the end of the period implies that the debt must be classified as short-term debt even if reporting is done at a later point in time.

The changes may affect the classification of liabilities, especially for entities that previously assessed management's intentions to determine the classification, as well as for some debt items that can be converted to equity.

The amendment must be applied retrospectively in accordance with the main rule in IAS 8 Accounting policies, changes in accounting estimates and errors.

Definition of Accounting Estimates – Amendments to IAS 8 The amendment to IAS 8

Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The Group will adopt the changes to IAS 1 and IAS 8 starting 1 January 2024.

2.2 Basis of consolidation

The consolidated financial statements include Eqva ASA and companies in which Eqva ASA has a controlling influence. Controlling interest is normally achieved when the Group has control over the enterprise and can use it to influence the return, is exposed to or has variable return rights, and the Group is able to exercise effective control over the company. Note 9 shows an overview of subsidiaries.

Internal transactions and intercompany balances, including internal profits and unrealized gains and losses, are eliminated. Similarly, unrealized losses are eliminated, but only to the extent that there are no indications of impairment of the asset sold internally.

A change in ownership interest in a subsidiary, without loss of control, is accounted for as an equity transaction.

2.3 Investments in associates

An associated company is an entity in which the group has significant influence. Significant influence normally exists when the Group has 20 % to 50 % of the voting rights unless other terms and conditions affect the Group's influence. The investments in associates are accounted for using the equity method. Such investments are initially recognized at cost. Cost includes the purchase price and other costs directly attributable to the acquisition such as professional fees and transaction costs.

Under the equity method, the interest in the investment is based on the Group's proportional share of the associate's equity, including any excess value and goodwill. The Group recognizes its share of net income, including depreciation and amortization of excess values and any impairment losses, in Share of profit/(loss) of associates. Unrealized gains and losses resulting from transactions between Eqva ASA, and the associate are eliminated to the extent of the interest in the associate.

The financial statements of the associates are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss.

2.4 Foreign currency

The Group's consolidated financial statements are presented in NOK, which is also the parent company's functional currency. Transactions in foreign currency are initially recorded by the Group entities' functional currency at the exchange rate at the time of the transaction. Monetary items in foreign currency are translated to functional currency using the exchange rate at the balance sheet date. Non-monetary items that are measured at the historic exchange rate in foreign currency are translated using the exchange rates at the date of the initial transactions.

2.5 Segments

Segments are identified based on the organization and reporting structure used by management including top decision maker. Operating segments are components of a business that are evaluated regularly by the chief operating decision-maker for the purpose of assessing performance and allocating (to assess performance and allocate) resources. The Group's chief operating decision-maker is the CEO.

The group has 3 reportable segments after a change in the reporting structure in 2022:

1. Maritime Services,
2. Products, solutions & renewables
3. Other

Costs not directly attributable to the segments Maritime Services or Products, solutions & renewables, are related to the segment "Other", ref Note 4 Segment information.

The group divides the customers into geographical areas based on the customers' nationalities. The areas are Norway and the other.

2.6 Related parties

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the party in making financial and operating decisions. Parties are also related if they are subject to common control or common significant influence.

Transactions with related parties are disclosed in note 27.

2.7 Revenue recognition

The Group recognizes revenue as the Group fulfills a delivery obligation upon transfer of goods or services to the customer. The Group's operating revenues are related to the following income streams:

- Conversion of vessels (or other large, fixed price projects)
- Service - and maintenance assignments to land based – and maritime industry.
- Hydro power Plants – development, sale and operation

Conversion of vessels (e.g hybridization/electrification or other large, fixed price projects)

Conversion contracts are based on industry standards. An example of a contract can be hybridization/electrification of ferries.

The contracts define the transaction price but include clauses that may result in an adjustment of the transaction price as a result of delayed delivery or deviation from agreed specifications. The maximum transaction price adjustment is defined in the contracts, and normally constitutes a small part of the transaction price. As the adjustment clauses are rarely triggered and can only lead to limited transaction price adjustments, the contract price is used as the transaction price, unless one has specific information that the adjustment clauses are triggered.

A signed sales contract should be in place before purchase, construction and other startup cost apply. There are not started significant project works without a signed contract in place. The customer can only terminate the contract because of a breach by Eqva.

The rationale for using the method of recognition of revenue over time, and not at the time of delivery, is based on the assumption that we are adding value to an asset controlled by the customer.

The Group uses accrued costs against expected total costs as measure of progress. Relevant costs in the assessment are costs that are directly related to the individual project and costs that can be attributed to the contract's activity in general and can be allocated to the contract. This includes labor costs (including construction supervision), the cost of materials used in the construction and equipment acquired, depreciation of equipment used on the contract, and if relevant the cost of design and technical assistance directly related to the contract. For a production that is performed by subcontractors, a concrete assessment is made in relation to when one takes over control of what subcontractors' manufacture. Depending on the facts and contract terms, this can be both as the subcontractor produces or when there is a physical delivery from the subcontractor.

The same costs as described above are included in the assessment of whether one has an onerous contract and associated measurement of estimated losses. Costs of errors in production or abnormal shrinkage of material are treated as period costs and do not generate progress. As there are normally greater uncertainty in measuring the outcome of the contract in the early stages of production, revenue recognition is normally limited to accrued costs until the percentage of completion reaches 20%. If the uncertainty in a project is so large that it is not possible to estimate the potential outcome, no revenue is recognized until the uncertainty is reduced. Accrued costs in this phase is presented as inventory if criteria for recognition as inventory is met. If the costs do not qualify as inventory, it is recognized as operating expenses.

Change orders usually arises as a result of minor modifications to the vessel under conversion and will therefore normally not be considered as a separate contract obligation, neither when considered in combination with remaining construction of the ship. Change orders are therefore normally accounted for as a change of existing contract where transaction price and progress are updated when the change order is approved by both parties. Payment terms for conversion contracts vary somewhat depending on the ship type.

Service - and maintenance assignments to land based – and maritime industry

Contracts for Service - and maintenance assignments to land based – and/or maritime industry usually have a variable payment facility where customers can pay for the number of hours and use of materials with a supplement. Larger projects may be based on fixed price. The contracts normally have a duration from a few weeks up to some months. For variable-fee contracts, the amount that one has the right to invoice on the balance sheet date is recognized as income. For fixed-price contracts, a measure of progress like that for Conversion assignments – ref above - is used.

Power plants

Power plants under development are usually organized in separate legal entities (SPVs) The ownership of the SPV will be transferred to the buyer when the project is completed, and the SPV will be consolidated as a subsidiary during the construction phase. Development and construction of power plants are output of the ordinary activities of the company, and the buyer is considered to be a customer. Management has therefore concluded that the transaction should be accounted within the scope of IFRS 15 once a firm contract is signed. The customer can only terminate the contract in if the Group fails to deliver as promised in the contract.

Eqva has an enforceable right to payment, and the asset under construction is without alternative use because of contractual limitations, and revenues are therefore recognized over time. The Group use cost incurred against expected total construction cost as measure of progress. The contracts include standard LD penalties for late delivery, but these are capped at a moderate level. When the shares in the SPV are transferred at completion, the share price is determined based on the agreed price of the power plant, adjusted for any net debt and working capital items in the SPV.

Services related to operations and maintenance of power plants owned by a third party are normally based on contracts with a fixed fee for a defined period. Revenues are recognized in each accounting period. If a power plant starts power production before delivered to a client, these revenues are presented as sales revenues. Costs related to the power production are presented as operational costs.

2.8 Taxes

Tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized directly in equity. In this case, the tax is also recognized in equity, respectively.

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.9 Property, plant and equipment

Property, plant and equipment is stated in the balance sheet at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the item of property, plant and equipment. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

- Buildings 10-40 years
- Machinery 3-10 years
- Operating equipment 3- 10 years

When significant parts of property and equipment are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. All other repair and maintenance costs are recognized in profit and loss as incurred.

An item of property and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized. The residual values, useful lives, and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.10 Impairment of property, plant and equipment

Assessment of indications that assets may be impaired is made at the end of each reporting period. If indications exist, recoverable amount of the asset is estimated. If carrying value exceeds the estimated recoverable amount, the asset is written down to its recoverable amount. Recoverable amount is the higher of fair value less costs to sell and value in use. The write-down may be reversed by up to an amount corresponding to the write-down, if the book value is lower than the recoverable amount.

Assets are considered as part of a Cash Generating Unit (CGU). Impairment is done at CGU-level if the impairment test does not justify the carrying amount of the CGU including goodwill.

2.11 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets,
excluding capitalized development costs, are not capitalized and expenditure is reflected in profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortization expense on intangible assets with finite lives is recognized in the income statement as the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable.

Research and development costs (R&D)

Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. Amortization is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

The main part of the research and development costs that are recognized as an intangible asset are related to the development of new ship designs and fish handling equipment.

2.12 Goodwill

Excess value resulting from acquisition of an enterprise that cannot be allocated to identifiable assets or liabilities on the date of acquisition is classified as goodwill in the balance sheet. Goodwill is calculated on a 100 % ownership. In regards of investments in associated companies, goodwill is included in the cost price of the investments.

Goodwill is not depreciated, but is subject to a yearly impairment test. The purpose of the impairment test is to evaluate whether the booked value of the goodwill can be justified based on predictions of future earnings. The goodwill is assessed at each closing of accounts. An assessment is made whether the discounted cash flow relating to goodwill exceeds the value of the goodwill recognized in the accounts. If the discounted cash flow is lower than the recognized value, goodwill will be written down to the higher of value in use and fair value less cost to sell. Goodwill is allocated to cash generating units (CGUs) for the purpose of impairment testing. The CGUs used in the goodwill assessment are described in note 11.

2.13 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.14 Inventories

Inventories of purchased goods are valued at the lower of acquisition cost and net realizable value. Net realizable value is the estimated sales price in the ordinary course of business, less estimated costs of completion and estimated costs to sell. The acquisition cost is assigned using the FIFO method and includes expenses incurred on acquisition of the goods and the cost of bringing the goods to their present state and location. Finished goods and work in progress are valued at full cost.

2.15 Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in retained earnings. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them.

2.16 Contract assets and liabilities

Recognized revenue within the scope of IFRS 15 are presented as a contract asset in the balance sheet if the right to payment is conditional of future performance (usually to complete the project). If the right to payment is unconditional, the recognized amount is presented as accounts receivable. Advance payments received are presented as a reduction of the contract asset on a contract level. If advance payments received are higher than recognized revenue for a specific contract, the net is presented as a contract liability in the balance sheet. Credit loss of contract assets are like those for accounts receivable.

2.17 Financial Instruments.

Investing in shares

Investments in shares are measured at fair value through profit or loss, except for shares in associated companies.

Receivables

The Group maintains its accounts receivable and other receivables in a business model where the purpose is to recover contractual cash flows, so that these are measured at amortized cost. Receivables are classified as current assets. Receivables include "accounts receivable and other receivables", as well as cash and cash equivalents in the balance sheet. Financial assets are derecognized when the right to receive cash flows from the investment ceases.

Loan

Debts are measured at amortized cost. Loans are recognized at fair value when the loan is disbursed, less transaction costs. In subsequent periods, loans are recognized at amortized cost calculated using the effective interest rate. The difference between the loan amount paid out (less transaction costs) and the redemption value is thus recognized in the income statement over the term of the loan. Effective interest is recognized in the income statement unless it is recognized in the balance sheet on the purchase/ manufacture of a fixed asset or other qualifying asset. Loans are classified as current liabilities unless there is an unconditional right to defer payment of the debt for more than 12 months from the balance sheet date. First-year repayments on long-term debt are presented as short-term debt.

Accounts payable

Trade payables are recognized at fair value on initial recognition. Accounts payable are classified as short-term. Due to the short maturity, the face value of the debt is considered to reflect fair value. Normally, fair value will equal transaction price.

In agreements that reduce the value of outstanding debt, the value of the debt is reduced and recorded as income. Upon subsequent calculation of the value of the agreement, changes are entered as an adjustment of the debt with a counter-item in the income statement.

2.18 Provisions

Provisions are recognised when there is a present obligation (legal or constructive) because of a past event, it is probable that a future outflow of economic resources will be required to settle the obligation and a reliable estimate can be made of the amount.

Provisions usually relates to warranties. Provisions for warranty-related costs are recognized when the product is sold, or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually. The normal warranty period is 12-24 months from delivery of projects. Key sub-suppliers have warranty responsibilities for their deliveries into projects. –Eqva`s warranty obligations are related to the works carried out of Eqva in the projects.

2.19 Cash flow statements

The cash flow statements are based on the indirect method. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.20 Government grants

Government grants are recognized when it is reasonably certain that the company will meet the conditions stipulated for the grants and that the grants will be received. Operating grants are recognized systematically during the grant period. Grants are deducted from the cost which the grant is meant to cover. Investment grants are capitalized and recognized systematically over the asset's useful life. Investment grants are recognized as a deduction of the asset's carrying amount.

2.21 Discontinued operations

Discontinued operations are part of the Group sold or classified as held for sale and represent a significant part of one of the Group's operations or geographical areas. The results of the divested business are presented separately in the income statement.

Note 3 - SIGNIFICANT JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgments and estimates. These estimates are based on the actual underlying business, its present and forecast profitability over time, and expectations about external factors. Uncertainty about these estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The following judgements and estimates have the most significant risk of resulting in a material adjustment in the next financial statements:

3.1 Revenue recognition

To determine how the Group's customer contracts should be recognized as income, the management has made several critical assessments. The Group recognizes revenue as the Group fulfills a delivery obligation upon transfer of goods or services to the customer. The contracts define the transaction price but include clauses that may result in an adjustment of the transaction price as a result of delayed delivery or deviation from agreed specifications. The maximum transaction price adjustment is defined in the contracts, and normally constitutes a small part of the transaction price. As the adjustment clauses are rarely triggered and can only lead to limited transaction price adjustments, the contract price is used as the transaction price, unless one has specific information that the adjustment clauses are triggered.

3.2 Degree of completion and provision for loss contracts

A part of Eqva's business consists of executing projects where revenues are recognized over time. Revenue recognition is based on estimates and assessments made at the discretion of management.

Revenue recognition and cost estimates depend upon variables such as steel prices, labor costs and availability, estimated number of manhours, and other production inputs. The Group must also evaluate and estimate the outcome of variation orders, contract claims and requests from customers to modify contractual terms which can involve complex negotiations with customers.

3.3 Impairment of non-financial assets including goodwill

An impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less cost to sell calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed, and further explained in note 11.

3.4 Power plants

For power plants under construction, these are organized in separate companies where incurred costs are entered on the balance sheet as operating assets/facilities under construction. In the group accounts, revenues in these projects are recognized based on estimates of progress, revenues and costs for the assets under construction.

3.5 Evaluation of acquiring part in transaction

Subsequent to the acquisition of BKS and Fossberg Kraft, an evaluation has been done to identify the acquiring part in the transaction. Key factors considered in the evaluation were ownership structure of the new group, board of directors and group management structure. Based on an overall assessment, Eqva ASA (prev. Havyard Group ASA) was identified as the acquirer from an accounting perspective.

4. SEGMENT INFORMATION

The new group structure in Eqva is organized in 3 reporting segments:

- **Maritime services** consists of Havyard Leirvik - a multi-service yard facility which provides services to both maritime sector, aquaculture and land-based industry. The yard have both infrastructure and skilled personnel able to carry out complex projects for clients.
- **Products, solutions & renewables** which include BKS and Fossberg Kraft. BKS provides service- and maintenance assignments to the land-based and maritime industry, while Fossberg Kraft is specialized in the establishment and operation of small-scale hydropower plants.
- **Other** in which the parent company is the main entity – the segment also includes companies without regular operations and elimination of intra-group transactions.

See note 9 for a specification of each segment at company level.

The group divides the customers into geographical areas based on the customers' nationalities. The areas are Norway and Others.

The Group's customer base consists of a wide range of companies. The Group's three largest customers in 2022 compose 40 % of total Group revenue.

Sales to customers that account for more than 10% of total sales revenues is presented below:

Customer	Segment	Revenue	
		2022	2021
1. Norled AS	Maritime Services	97 282	6 282
2. Fjord 1 AS	Maritime Services	52 694	64 746

The 2021 numbers have been recalculated retrospectively to be aligned with the new segment-/ reporting structure. For more segment details see note 1.

Transfer prices between operating segments are basis in a manner similar to transactions with third parties.

The accounting principles for segment reporting correspond to those used by the group, with the exception of discontinued operations which are treated in the same way as continuing operations in segment reporting.

2022 (NOK million)	Maritime services	Products, solutions & renewables	Other / Elimination	Eqva ASA
Operating revenues, External	235,2	219,5	4,2	458,9
Operating revenues, Internal	0,0	0,0	0,0	0,0
Operating income	235,2	219,5	4,2	458,9
EBITDA	**12,9**	**9,3**	**-31,5**	**-9,3**
Depreciation	2,8	6,9	0,1	9,9
Operating profit/(loss) (EBIT)	**10,1**	**2,3**	**-31,6**	**-19,2**
Net financial items	-1,3	0,6	-16,2	-17,0
Share of profit/(loss) from associate	0,0	0,0	0,7	0,7
Profit/(Loss) before tax	**8,7**	**2,9**	**-47,2**	**-35,5**
Income tax expense	-0,4	0,0	-15,4	-15,8
Profit/(Loss)	**9,1**	**2,9**	**-31,7**	**-19,6**

(NOK million)	Maritime services	Products, solutions & renewables	Other / Elimination	Eqva ASA
Total assets	161,8	315,5	235,1	712,4
Equity	39,6	53,7	218,8	312,1
Liabilities	122,3	261,7	16,2	400,2
Addition PP&E and intangibles*	0,5	2,5	0,3	3,2

Geographical areas	Norway	Other	Total
Operating revenues	459,0	0,0	459,0
Non-current assets	0,0	0,0	0,0

"Other" contains parent company items and elimination of intra-group transactions.

*Property, plant and equipment and intangible assets

2021

(NOK million)	Maritime services	Products, solutions & renewables	Other / Elimination	Eqva ASA
Operating revenues, External	879,0	0,0	31,2	910,2
Operating revenues, Internal	0,0	0,0	0,0	0,0
Operating income	879,0	0,0	31,2	910,2
EBITDA	41,9	0,0	15,0	56,9
Depreciation	3,1	0,0	2,4	5,4
Operating profit/(loss) (EBIT)	38,9	0,0	12,6	51,5
Net financial items	119,0	0,0	-77,6	41,4
Share of profit/(loss) from associate	0,0	0,0	-1,1	-1,1
Profit/(Loss) before tax	157,8	0,0	-66,1	91,7
Income tax expense	-1,8	0,0	0,8	-1,0
Profit/(Loss)	159,6	0,0	-66,9	92,7
Total assets	263,0	0,0	227,2	490,2
Equity	36,7	0,0	261,1	297,8
Liabilities	226,3	0,0	-33,9	192,4
Addition PP&E and intangibles*	0,5	0,0	9,0	9,5

Geographical areas	Norway	Other	Total
Operating revenues	578,3	331,9	910,2
Non-current assets	0,0	0,0	0,0

"Other" contains parent company items and elimination of intra-group transactions.

*Property, plant and equipment and intangible assets

Discontinued operations	Hav Group ASA
(MNOK)	2021
Operating revenues, External	920,7
Operating revenues, Internal	0,0
Operating income	920,7
EBITDA	123,6
Depreciation	26,3
Operating profit/(loss) (EBIT)	97,3
Net financial items	185,6
Share of profit/(loss) from associate	0,0
Profit/(Loss) before tax discontinued operation	282,9
Income tax expense	-4,1
Profit from discontinued operation	287,0
*Total assets	0
Equity	0
Liabilities	0
Addition PP&E and intangibles	0

Reconciliation to Group profit before tax	2022	2021
Segment result for the period	0	92,7
Profit/loss discontinued operations	0	287,0
Profit/loss before tax	0	379,7

5. SALARY, FEES, NUMBER OF EMPLOYEES ETC.

(NOK 1,000)

Payroll expenses	2022	2021
Wages	142 854	129 468
Employer's part of social security costs	17 385	16 964
Pension, contribution plans	7 653	12 286
Other benefits	4 468	5 857
Total salaries and social expenses	172 360	164 574
FTEs at year end	420	266

The Group has a defined contribution plan covering all employees. The Group's pension scheme satisfies the requirements of the Act on Compulsory Occupational Pensions. Pension costs for the Group's defined contribution plans are expensed on a continuous basis with earnings for the employees. The Group's duty is limited to the payment of agreed contribution and where the actuarial risk and investment risk fall on the individual employee.

Incentive programs established in Eqva

The Group has established a incentiv arrangement (bonus) which applies to leaders and key personnel in the Group. The payments depends on, among others, group performance (e.g reported EBITDA measured against budgeted EBITDA). The payments are expensed as salaries. There has been no payments in 2022.

The Group has also established a new share purchase program where all employees can participate. Employees can buy shares for up to NOK 20,000 with a discount of 20 %. The share discount are expensed as salaries.The share purchase program is conducted annually.

The third Group program established is the shareoption program which applies to Board of directors, leaders and key personnel in the Group. The participants receive 40 000 or 100 000 options, dependent of level in the group, with a vesting period of 3 years. The program has effect from 1 January 2023.

Remuneration to key management personnel and the Board of Directors:

	Erik Høyvik CEO		Eirik Sævareid, CFO	
(NOK 1,000)	2022	2021	2022	2021
Salary	2 183	1 917	750	0
Pension	95	90	52	0
Other remuneration	146	138	6	0
Total remuneration	2 424	2 145	809	0

	Frank-Levi Kvalsund Tidl. SVP HR/QHSE	
(NOK 1,000)	2022	2021
Salary	780	1 350
Pension	33	92
Other remuneration	58	159
Total remuneration	870	1 601

Eirik Sævareid replaced Vegard Fiksdal as CFO in May 2022. Earlier in the year, Vegard Fiksdal replaced Pål Aurvåg as CFO. Frank-Levi Kvalsund, SVP HR, finished in Havyard/ Eqva per April 2022. The position was not replaced.

Key management does not have bonus agreements or any share-based payment outside arrangements listed above. Refers to the statement of remuneration of executive personell.

No loans or guarantees to the Group CEO or any member of the bord per 31/12/22.

Eqva ASA parent company: NOK 2 066 666 in board fees have been paid to external board members in 2022 (NOK 1 380 000 in 2021). Remuneration board members agreed 2022: Chariman NOK 800 000, board member NOK 350 000, employee representative NOK 220 000, member nomination committee NOK 0, member compensation committee NOK 50 000 and audit committee NOK 50 000. The group has established a board of director insurance.

6. OTHER OPERATING EXPENSES

(NOK 1,000)

Other operating expenses	2022	2021
Rent expenses*	7 033	1 109
Office and administration expenses	16 278	17 950
Plant, tools and equipment (including IT)	14 337	15 101
Travel and employee expenses	10 480	7 137
Hired consultants**	19 141	9 240
Marketing and communication	1 462	344
Other operating expenses***	-1 513	880
Total	67 219	51 761

*Rent expenses short term/insignificant amounts (not classified under IFRS15)

**Fees to auditor are included here

***The negative figure is due to release of provisions - mainly related to warranty obligations.

Fees to the auditor consists of the following services:	2022	2021
Statutory audit	2 707	3 250
Tax advice	0	235
Other assistance	1 768	610
Total	4 475	4 095

Auditor's fees are stated excluding VAT.

7. INCOME TAX

The parent company Eqva ASA is resident in Norway, where the corporate tax rate is 22 %, while some parts of the group are taxed in other jurisdictions and other tax regimes.

The major componenents of income tax expense/ (income) for the year are:

(NOK 1,000)	2022	2021
Consolidated income statement		
Current income tax:		
Taxes payable	1 360	0
Changes in deferred tax	-17 156	-957
Income tax expense/(income) reported in the income statement	-15 796	-957

Reconciliation of actual tax cost against expected tax cost in accordance with the ordinary Norwegian income tax rate of 22%.

(NOK 1,000)	2022	2021
Profit before tax	-35 441	91 711
Tax expense 22%/ 22%	-7 797	20 176
Recognized tax expense	-15 796	-957
Difference between expected and recognised tax expense	-7 999	-21 134
Difference is related to:		
Income from investment in related parties	0	248
Results in associates (22%/ 22%)	1 387	0
Prior year adjustments	0	0
Addition deferred tax from aquisition	-16 425	0
Loss on sale shares	1 434	0
Impairment financial assets	2 066	0
Other permanent differences	-10 467	2 955
Tax payable from previous year	0	0
Effect from public debt settlement	0	12 057
Deferred tax asset not recognized	14 007	-36 392
Total	-7 999	-21 134

Deferred tax relates to the following temporary differences:

(NOK 1,000)	2022	2021
Non-current assets	-29 246	-20 600
Customer contracts	11 780	1 117
Leasing	1 683	2 550
Current assets	-4 267	-150
Accruals and provisions	-7 879	-25 304
Gain/(loss) account for deferral	12 544	-2 443
Cut off interest to related parties carried forward	-2 019	-19 629
Tax loss carried forward	-321 502	-207 456
Total temporary differences	-338 905	-271 915
Net deferred tax lability / deferred tax asset (-)	-74 559	-59 821
Deferred tax asset not recognised	74 559	60 552
Deferred tax liability in the balance sheet	0	731

Deferred income tax and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. Deferred tax assets are not recognised for companies with a recent history of reported losses in accordance with IAS 12.

8. FINANCIAL INCOME AND FINANCIAL EXPENSES

(NOK 1,000)	2022	2021
Interest income	898	690
Agio income	598	0
Effect from public debt setlement	0	54 803
Profit from share sale	2 636	0
Other financial income	6	2 105
Total financial income	4 138	57 597
Interest expenses	11 214	3 315
Agio loss	352	1 746
Impairment of other financial assets	9 389	0
Loss from share sale	-639	10 054
Other financial expenses	729	1 129
Total financial expenses	21 045	16 245
Share of profit/loss of associate*	668	-1 128
Net financial items	-16 239	40 225

*Share of profit/loss of associate in 2022 consists of portion from Havila Charisma IS (ref. note 9) -the balance is from the ownership in HAV Group ASA until reduction of ownership in June 2022.

9. SUBSIDIARIES, ASSOCIATES AND OTHER FINANCIAL INVESTMENTS

2022

Eqva ASA has the following ownership in subsidiaries as of 31/12/2022	Ownership share/ voting share	Business office	Segment	Currency	Share capital (1,000)	Total equity (NOK 1,000)
Havyard Ship Technology AS	100 %	Leirvik i Sogn	Other	NOK	60 102	6 820
Havyard Ship Invest AS	100 %	Fosnavåg	Other	NOK	150 000	-1 822
Havyard Leirvik Holding AS	100 %	Fosnavåg	Other	NOK	2 539	2 459
Havyard Leirvik AS	100 %	Leirvik i Sogn	Maritime Services	NOK	2 509	30 230
Norwegian Marine Systems AS	100 %	Fosnavåg	Other	NOK	226	3 727
Mjølstadneset Eiendom AS	100 %	Fosnavåg	Other	NOK	143	10 512
BKS Industri AS	100 %	Valen i Kvinnherad	Products, solutions & renewables	NOK	72	29 059
BKS Power & Automation AS	100 %	Sunde i Kvinnherrad	Products, solutions & renewables	NOK	30	203
HG Group AS	100 %	Valen i Kvinnherad	Other	NOK	684	176 702
Handeland Industri AS	100 %	Valen i Kvinnherad	Other	NOK	375	12 931
BKS Holding AS	100 %	Sunde i Kvinnherrad	Products, solutions & renewables	NOK	30	5 211
Fossberg Kraft AS	100 %	Valen i Kvinnherad	Products, solutions & renewables	NOK	1 002	24 490
Fossberg Kraft Produksjon AS	100 %	Valen i Kvinnherad	Other	NOK	1 002	-18 993
Havyard Eiendom Holding AS	100 %	Sunde i Kvinnherrad	Maritime Services	NOK	50	50
BKS Eiendom AS	100 %	Valen i Kvinnherad	Products, solutions & renewables	NOK	150	3 004
Havyard Leirvik Eiendom AS	100 %	Leirvik i Sogn	Maritime Services	NOK	1 311	9 326
Zenit Eiendom AS	100 %	Sunde i Kvinnherrad	Products, solutions & renewables	NOK	30	30
Zenit Engineering AS	82 %	Sunde i Kvinnherrad	Products, solutions & renewables	NOK	300	5 175
Kvævebekken 2 AS	100 %	Valen i Kvinnherad	Products, solutions & renewables	NOK	80	-242
Skjeggfoss Kraftverk AS	100 %	Valen i Kvinnherad	Products, solutions & renewables	NOK	30	-120
BKS VVS AS	67 %	Straume i Øygarden	Products, solutions & renewables	NOK	100	3 871
Marine Support AS	70 %	Storebø i Austevoll	Products, solutions & renewables	NOK	300	10 069

In June 2022 Havyard Group ASA, later changed name to Eqva ASA, aquried Fossberg Kraft and BKS. The settlement of 285 MNOK was based on a combination of share issues, sellers credit and cash repayment. See note 13 for information regarding the share issue. See also note 10.

The parent company changed name from Havyard Group ASA to Eqva ASA in November 2022.

Havyard Eiendom Holding AS was established during the autum 2022. The company is the parent company of BKS Eiendom AS, Zenit Eiendom AS og Havyard Leirvik Eiend om AS (all companies owned 100%). The establishment of the internal property group was based on demerger/sales transactions from respectively Havyard Leirvik AS (HLE), Zenit Engeneering AS og BKS Holding AS. After the transactions HLE, Zenit and BKS carry out only operational core activities.

The ownership in HAV Group ASA was reduced from 33.3% to 4.7% in June 2022 by distributing dividend shares (10,000,000 shares) to the owners of Havyard Group AS (now Eqva ASA). The distribution is recognized at fair value in accordance with IFRIC 17. Eqva has 1.5 million shares left in HAV group ASA after dividend and ownership is 4.4 %.

Eqva had a 50% ownership in HPR Spzoo. The company suffered from missing orders and declining liquidities during the autum 2022. In December 2022 the company was filed for bankruptcy, the fileing included both the Norwegian branch and the Polish registerd company. Eqvas accounted losse where limited.

Investments in associates as of 31/12/2022	Ownership share/ Voting share	Business office	Currency	Share of result (1,000)
Havila Charisma IS	50 %	Fosnavåg	NOK	-6 305
EW Nord, Estland	47 %	Tallinn	EUR	N/A

Investment in associates - balance sheet amount	(NOK 1,000)
Value of investment 1/1/2022	**29 792**
Share of profit/(loss)	-6 305
Investments	0
Additions through aquistiion	2 007
Other adjustments	50
Carrying value of investment 31/12/2022	**25 544**

Aggregate financial information of associates according to owner share	
Operating revenue	50 061
Profit/(loss)	-12 610
Total Comprehensive Income	-12 610
Total assets	162 860
Equity	45 060
Liabilities	117 800

The accounting for associates has been according to the equity method.

2021

Havyard Group ASA has the following ownership in subsidiaries as of 31/12/2021	Ownership share/ voting share	Business office	Segment	Currency	Share capital (1,000)
Havyard Ship Technology AS	100 %	Leirvik	Shipbuilding Technology	NOK	60 102
Havyard Ship Invest AS	100 %	Fosnavåg	Other	NOK	150 000
Havyard Leirvik Holding AS*	100 %	Fosnavåg	Shipbuilding Technology	NOK	2 539
Havyard Leirvik AS*	100 %	Leirvik	Shipbuilding Technology	NOK	2 509
Havyard Production sp.z.o.o**	100 %	Gdansk	Shipbuilding Technology	PLN	500
Norwegian Marine Systems AS	100 %	Fosnavåg	Other	NOK	226
Mjølstadneset Eiendom AS	100 %	Fosnavåg	Other	NOK	143

In connection with the establishment of HAV Group ASA in Q1 2021 - Norwegian Greetech AS, Norwegian Electric Systems AS, HAV Design AS, HAV Hydrogen AS and their foreign subsidiaries were transferred from Havyard Group ASA to HAV Group ASA.
The investment in HAV Group ASA is listed under Associates below.

Norwegian Production SP Z. o.o har been liquidated in 2021.

*New HST Holding AS and New Havyard Ship Technology AS, changed names to Havyard Leirvik Holding AS and Havyard Leirvik AS in 2021.

** Regarding Havyard Production sp.z.o.o. see note 28 for subsequent events after balance sheet date.

Investments in associates as of 31/12/2021	Ownership share/ Voting share	Business office	Currency	Share of result (1,000)
Havila Charisma IS	50 %	Fosnavåg	NOK	-1 128
HAV Group ASA	33 %	Fosnavåg	NOK	Not relevant before 2022

Investment in associates - balance sheet amount	(NOK 1,000) Havila Charisma IS	(NOK 1,000) HAV Group ASA
Value of investment 1/1/2021	30 920	0
Share of profit/(loss)	-1 128	0
Investments	0	164 393
Carrying value of investment 31/12/2021	29 792	164 393

Aggregate financial information of associates according to owner share	Havila Charisma IS	HAV Group ASA
Operating revenue	49 419	922 387
Profit/(loss)	-2 255	97 016
Total Comprehensive Income	-2 255	97 016
*Total assets	165 771	0
Equity	57 984	0
Liabilities	107 786	0

The accounting for associates has been according to the equity method.

* The balance numbers for HAV Group will be obtained in connection with the annual accounts 2022.

10. BUSINESS COMBINATIONS AND OTHER CHANGES IN THE GROUP

Aquisition of BKS company structure and Fossberg Kraft

On 29 June 2022, Havyard Group ASA (now Eqva ASA) acquired 100% of the shares and voting rights in HG Group AS and BKS Holding AS including subsidiaries. The main business in the aquisition targets is related to delivery of technical services to industrial clients (BKS) and development of small hydropower plants (Fossberg Kraft). A Purchase prize allocation (PPA) has been prepared in accordance with IFRS 3 where identifiable assets and liabilities are assessed at fair value at the time of takeover. The difference between the group's acquisition cost and the fair value of net assets is allocated to goodwill.

The companies were aquired for 215 MNOK, where 175 MNOK was settled in shares in Eqva (issue of 47 206 166 new shares), 15 MNOK was was settled in cash and 25 MNOK as seller credit. The number of sharer increased from 24 781 150 to 71 987 316.

The companies were aquired as a part of Eqva`s strategy to develop towards an integrated supplier of products and services to both maritime sector and land-based industries.

Goodwill is related to the aquired companies documented ability to deliver growth combined with positive financial results.

PPA allocation (amounts in mNOK)	
Equity targets at time of aquisition	-76,4
PPA-adjustments	291,4
Transaction value	215,0

The assets and liabilities recognised as a result of the aquisition are as follows :	Fair value (mNOK)
Cash	8,6
Trade receivables	101,5
Inventories	6,2
Other short-term receivables	13,0
Land and buildings	102,6
Plant and equipment	25,3
Investments	11,4
Deferred tax asset	0,9
Intangible assets - trademarks	0,0
Intangible assets - customer contracts	32,0
Deferred tax liabilities	-17,3
Trade payables	-54,1
Bank debt	-177,6
Other long-term liabilities	-3,0
Other short term liabilities	-81,1
Net identifiable assets acquired	-31,6
Minority interests	-1,6
Goodwill	248,3
Net assets acquired	215,0

Pro-forma accounts 2022	Aquisition targets 1st half 2022	Eqva ASA 2022*	Pro-forma accunts 2022**
Operating income	191,0	459,0	650,0
Materials and consumables	49,5	228,8	278,2
Payroll expenses	105,4	172,4	277,8
Other operating expenses	28,9	67,2	96,1
EBITDA	7,2	-9,3	-2,1

*consolidated group accounts

**as if the transaction was done 01 January 2022 i.e. including full-year effect of aquired companies

Change in ownership in HAV Group ASA

The ownership in HAV Group ASA was reduced from 33,3 % per 1 January 2022 to 4,4% per 31 December 2022. This due to distribution of dividend shares (10 000 000 shares) in June 2022, and sale of shares to the market (110 105 shares) during the Autumn 2022. Per 31 December 2022, Eqva has 1 548 542 shares remaining in HAV Group ASA.

In the 2022 accounts, Eqva booked a profit (share of profit associates) at 7,1MNOK from the owhership position in HAV Group ASA.

The dividend of 10 000 000 shares in June 2022 led to a loss of 6,1 MNOK booked as financial expenses.

11. INTANGIBLE ASSETS

2022

(NOK 1,000)

	Licenses, patents and R&D	Customer contracts	Goodwill	Total
Acquisition cost as of 1/1	0	0	0	0
Additions during the year	1 425	32 000	248 260	281 685
Disposals during the year	0		0	0
Acquisition cost as of 31/12	1 425	32 000	248 260	281 685
Accumulated impairment as of 1/1	0	0	0	0
Impairment for the year	150	1 067	0	1 217
Disposals during the year	0	0		0
Accumulated impairment as of 31/12	150	1 067	0	1 217
Accumulated impairment as of 1/1	0	0	0	0
Impairment for the year	0	0	0	0
Disposals during the year	0	0	0	0
Accumulated impairment as of 31/12	0	0	0	0
Book value as of 31/12	1 275	30 933	248 260	280 468
Depreciation rate	5-7 years	15 years*	Impairment testing	
Depreciation plan	Linear			

*Depreciation rate for customer relationships is set based on the aquired companies` history of long-term relationships with key customers.

2021

(NOK 1,000)

	Licenses, patents and R&D	Customer contracts	Goodwill	Total
Acquisition cost as of 1/1	189 330	0	94 694	284 024
Additions during the year	11 062	0	0	11 062
Disposals during the year	200 392	0	94 694	295 086
Acquisition cost as of 31/12	0	0	0	0
Accumulated impairment as of 1/1	100 178	0	0	100 178
Impairment for the year	16 007	0	0	16 007
Disposals during the year	116 185	0	0	116 185
Accumulated impairment as of 31/12	0	0	0	0
Accumulated impairment as of 1/1	0	0	46 263	46 263
Disposals during the year	0	0	46 263	46 263
Book value as of 31/12	0	0	0	0
Depreciation rate	5-7 years		Impairment testing	
Depreciation plan	Linear			

Allocation of goodwill	2022
Products, solutions & renewables	248 260
Total goodwill	248 260

2022

Goodwill

Goodwill is monitored as tested for impairment at the level of operating segments. The entire goodwill relates to the aquisition of BKS and Fossberg Kraft in late June 2022

Bacause of the short period from the aquisition date to the end of the reporting period, management has not performed a full impairment test. Instead, management has evaluated whether any unfavouable changes have occured, and whether the assumptions in the business plan that was the basis for the transaction is stilll valid. Management has concluded that there has not been any changes that could reasonably lead to an impairment of the recognised goodwill.

2021

Goodwill

Goodwill is allocated to the Group's cash generating units (CGUs) identified according to the business segment.

Impairment

The Group has carried out an impairment-test of goodwill and intangible assets by the requirements of IAS 36.

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using estimated growth rates . The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

Goodwill is not amortised, but an annual assessment is made to evaluate whether the value can be justified in relation to future earnings. The goodwill are assessed at each closing of accounts. An asessment is made whether the discounted cash flow relating to goodwill exceeds the value of the goodwill recognized in the accounts. If the discounted cash flow is lower than the recognized value, goodwill will be written down to the net realisable value.

The Goodwill from the Norwegian Electric Systems AS aquisition in 2015, related to the HAV Group ASA segment, has been written down from 45 MNOK to 0 in 2021.

12. PROPERTY, PLANT AND EQUIPMENT

2022

(NOK 1,000)	Land and buildings	Machinery	Operating equipment	Total
Acquisition cost as of 1/1	258 555	50 251	53 630	362 436
Additions from aquisition	106 435	6 116	15 368	127 919
Additions during the year	144	2 218	842	3 204
Disposals during the year	6 152	4 990	861	12 002
Acquisition cost as of 31/12	358 981	53 595	68 980	481 557
Accumulated depreciation as of 1/1	248 608	45 758	51 953	346 320
Depreciation for the year	2 210	3 220	877	6 307
Accumulated depreciation as of 31/12	250 818	48 978	52 831	352 627
Book value as of 31/12	108 164	4 617	16 149	128 927
Useful life	10-40 years	3-10 years	3-10 years	

2021

(NOK 1,000)	Land and buildings	Machinery	Operating equipment	Total
Acquisition cost as of 1/1	296 433	63 121	74 531	434 084
Additions during the year	8 970		2 822	11 792
Disposals during the year	46 848	12 870	23 723	83 441
Acquisition cost as of 31/12	258 555	50 251	53 630	362 436
Accumulated depreciation as of 1/1	275 968	43 741	65 539	385 247
Depreciation for the year	2 089	2 021	2 387	6 497
Disposals during the year	29 448	4	15 972	45 424
Accumulated depreciation as of 31/12	248 608	45 758	51 953	346 320
Book value as of 31/12	9 946	4 493	1 677	16 116
Useful life	10-40 years	3-10 years	3-10 years	

Disposals during the year in note 12 with discontinuing operations 2021.

Other operating equipment mainly relates to office equipment.

Depreciation

The Group has identified three classes of property, plant and equipment; land and buildings, machinery and operating equipment and are depreciated by the linear method over expected useful life.

13. LEASES

Amounts recognised in the balance sheet.

The balance sheet shows the following amounts relating to leases:

(NOK 1,000)	2022	2021
Right of use assets		
Property	1 021	41
Equipment	7 827	291
Cars	2 086	0
Sum	10 933	332
Additions, right-of-use assets in the period	12 937	0
Disposals of right-of-use assets in the period	0	38 442
Disposals non-discounted liabilities in the period	0	0

Amounts recognised in the statement of profit or loss.

The statement of profit or loss shows the following amounts relating to leases:

	2022	2021
Depreciation charge of right-of-use assets		
Properties	310	148
Equipment	866	100
Cars	1 160	111
Total	2 335	359
Interest expense	229	389
Expenses relating to short-term leases	7 033	1 109
Expenses relating to leases of low-value	0	73

The total cash outflow for leases in 2022 was MNOK 8,884 (2021: MNOK 10,592) which includes short/insignificant lease arrangements.

	2022	2021
Right of use assets - development 2022		
Right of use assets - 01.01	332	38 775
Additions during the year	12 937	358
Depreciation	2 335	359
Disposals during the year	0	38 442
Right of use assets - 31.12	10 933	332

14. REVENUE FROM CONTRACTS WITH CUSTOMERS

(NOK 1,000)

NOTE 14.1

2022

Disaggregation of revenue	Maritime services	Products, solutions & renewables	Other / Elimination	Eqva
Service and maintenence	235 218	200 236	4 164	439 617
Construction of power plants	0	16 813	0	16 813
Total revenue from contract with customers	235 218	217 049	4 164	456 431

See note 4

2021

Disaggregation of revenue	Shipbuilding Technology	Other / Elimination	Havyard Group
Sale and repairment of vessels	862 425	23 871	886 296
Repair and maintenence services	16 597	0	16 597
Total revenue from contract with customers	879 022	23 871	902 893

See note 4

NOTE 14.2

Contract assets	2022	2021
Opening balance	0	829 438
Payments received on assets from previous balance sheet date	0	829 438
Assets from contracts entered into current year	51 537	0
Closing balance	51 537	0

Contract liabilities	2022	2021
Opening balance	-35 558	-100 436
Revenues booked on liabilities from previous balance sheet date	35 558	100 436
Liabilities from contracts entered into current year	861	35 558
Closing balance	-861	-35 558

Changes in the delivery time of the projects can have a significant impact on the measurement of contract assets and contractual liabilities.

The amount accounted as contractual liabilities on Opening balance (IB) is recognized over the remaining of the contract period.

The revenue profile can vary significantly from one year to another by changes in the number of projects under construction and the average degree of completion of the projects.

NOTE 14.3

Transaction price allocated to fully or partly unsatisfied performance obligations	2022	2021
Transaction price allocated to remaining performance	41 573	139 719
Expected delivery of remaining performance obligations		
Within one year	41 573	139 719
Between one and two years	0	0

NOTE 14.4

No revenue was recorded in 2022 on previously completed contracts

15. LOSSES TO COMPLETION

(NOK 1,000)	2022	2021
Provisions		
Provisions from previous period	0	11 155
Reduced deposit	0	-11 155
New provisions	0	0
Total	0	0

The provision is presented as part of other current liabilities in the balance sheet. The the profit and loss statement the expense is allocated between the line items materials and consumables, payroll expenses and other operating expenses.

16. FINANCIAL RISK MANAGEMENT

Below the financial instruments of the Group are presented according to category:

2022

	Fair value through profit or loss	Amortized cost	Total
Assets as per balance sheet			
Investments in shares	16 163	0	16 143
Loans to associates	0	4 840	4 840
Trade and other current receivables	0	116 507	116 507
Non current receivables	0	2 648	2 648
Cash and cash equivalents	0	61 117	61 117
Total	16 163	185 113	201 275

	Liabilities at fair value through the profit or loss	Amortized cost	Total
Liabilities as per balance sheet			
Accounts payables	0	56 147	56 147
Other long-term liabilities	0	41 474	41 474
Lease liabilities	0	11 243	11 243
Other current liabilities	0	76 255	76 255
Liabilities to financial institutions	0	175 366	175 366
Total	0	360 485	360 485

2021

	Fair value through profit or loss	Amortized cost	Total
Assets as per balance sheet			
Trade and other current receivables	0	45 960	45 960
Non current receivables	0	111	111
Cash and cash equivalents	0	221 733	221 733
Total	0	267 805	267 805

	Liabilities at fair value through the profit or loss	Amortized cost	Total
Liabilities as per balance sheet			
Accounts payables	0	27 793	27 793
Other current liabilities	0	71 073	71 073
Liabilities to financial institutions	0	4 783	4 783
Total	0	103 649	103 649

For shares considered at fair value, please refer to note 19.

Financial instruments valued at amortized cost is considered to have market value which not differ significantly from booked value.

Assessment of fair value

The different levels have been defined as follows:

Level 1: Fair value is measured by using quoted prices in active markets for identical financial instruments. No adjustments are made related to these prices.

Level 2: The fair value of financial instruments that are not traded on an active market is determined using valuation methods. These valuation methods maximise the use of observable data where they are available, and rely as little as possible on the Group's own estimates. Classification at level 2 requires that all significant data required to determine fair value are observable data.

Level 3: Fair value is measured using significant data that are not based on observable market data.

Financial Risk

The Group's activities expose it to financial risks such as, market risks, credit/counterpart risk and liquidity risk.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The Board of Directors also establishes detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, exposure limits and hedging strategies (if relevant).

Market Risk

Market risk is the risk that fluctuations in market prices, e.g. exchange rates, the price of such raw materials as steel, and interest rates, will affect future cash flows or the value of financial instruments. Market risk management aims to ensure that risk exposure stays within the defined limits, while optimising the risk-adjusted return. Attempts should be made to secure major purchases in connection with projects as soon as possible after the final clarification of the project.

Currency risk

The Group's revenue and costs are denominated primarily in Norwegian Krone("NOK") which is the functional currency of all entities within the Group. Currency risk arises through ordinary business when transactions occur in a currency other than the functional currency of the Group. The Group is mainly exposed to Euro (EUR) - but currency risk is considered to be limited in Eqva`s current operations. The Group has a currency hedging strategy where financial instruments (mainly forward contracts) are used to minize the currency risks.

Credit/Counterparty risk

Credit risk refers to the ability and willingness of counterparts to pay for services rendered and to stand by their future contractual commitments with the Group. The Group has implemented thorough procedures to limit the exposure to unreliable counterparts and the Group avoids undue concentration of credit and counterpart exposure. Prior to fixing any business with new customers or medium to longer term business with existing customers, commercial departments have to get approval from the Group's credit risk team. The credit assessments are based on information from external credit rating agencies, public information, the Group's previous experience with the counterpart and internal analysis. Country and political risk also forms a part of the assessment. The Group actively seeks to diversify its exposure to particular industries and/or jurisdictions.

The age analysis of trade receivables is as follows:

NOK (1,000)	2022	2021
Not past due	75 259	1 728
Past due < 3 months	9 723	630
Past due 3 to 6 months	2 395	371
Past due over 6 months	7 338	17 055
Impairment	-3 760	0
Trade receivables	90 955	19 784
Contract assets customer contracts	51 537	0
Total credit/counterparty risk to customers	142 492	19 784

Impairment of trade receivables are mainly related to a few issues were clients have experienced financial difficulties.
The impairment amount is calculated in each case based on best estimate of amount to be received.

Liquidity risk

Liquidity risk is the risk that the group will be unable to fulfil its financial obligations as they fall due. The Group monitors its liquidity risk by maintaining a level of cash and bank balances deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

Management monitors rolling forecasts of the Group's liquidity reserve and cash and bank balances on the basis of expected cash flow. Close follow of the cash flow development is also the basis for the continued operation considerations. Reference can be made to note 22 for details on cash, note 17 for interest bearing debt and note 13 leasing liabilities.

Liquidity risk can also be caused by customers not able to establish long-term financing for projects or that the Group is unable to secure construction financing.

Liabilities in balance sheet

2022		Current			Long Term	
NOK (1,000)	0-3 months	3-6 months	6-12 months	1-2 years	2-5 years	> 5 years
Non Derivatives						
Accounts payables	56 147	0	0	0	0	0
Lease	0	0	1 765	0	10 538	0
Other long-term liabilities	0	0	0	3 904	43 492	0
Liabilities to financial institutions	7 523	10 260	26 977	56 261	95 858	0
Total	63 670	10 260	28 742	60 165	149 888	0
Derivatives						
Forward contract foreign exchange	0	0	0	0	0	0
Total	63 670	10 260	28 742	60 165	149 888	0

2021		Current			Long Term	
NOK (1,000)	0-3 months	3-6 months	6-12 months	1-2 years	2-5 years	> 5 years
Non Derivatives						
Accounts payables	42 088	0	5 831	0	0	0
Lease	0	0	132	0	225	0
Liabilities to financial institutions	0	0	435	0	4 348	0
Total	42 088	0	6 398	0	4 573	0
Derivatives						
Forward contract foreign exchange	0	0	0	0	0	0
Total	42 088	0	6 398	0	4 573	0

Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may return capital to shareholders or obtain borrowings.

The group`s main target for managing capital is return on equity (ROE).

Interest rate risk

The Group are exposed to changes in interest rates, as the liabilities have floating rates. The Group have not entered into interest rate hedging instrument. Reference is made to Note 17 for more information regarding interest bearing debt.

17. INTEREST BEARING DEBT

(NOK 1,000)

Interest bearing long-term debt	2022	2021
Lease liabilities	9 624	225
Liabilities to financial institutions	152 868	4 348
Other long-term liabilities	41 474	31 933
Sum	203 967	36 506

Interest bearing short-term debt	2022	2021
Liabilities to financial institutions	22 498	435
Construction loan	0	0
Bond loan	0	0
Lease liabilities	1 619	132
Sum	24 116	567

Debt secured by mortgage	2022	2021
Long-term debt to financial institutions	152 868	4 348
Short-term debt to financial institutions	22 498	435
Sum	175 366	4 783

The Liabilities to financial institutions of total 157 MNOK include Innovation Norway loan to Havyard Leirvik Elendom, DNB loan to BKS, construcion loans from Sparebank 1 SR-Bank to Fossberg Kraft and Pareto bank loan to Eqva ASA.

The loan from Innovasjon Norge has a maturity of 3-11 years, the loans from DNB have a maturity on 4 years and the loan from Pareto has a maturiy of 3 years. Construction loans from Sparebank 1 SR-Bank has a maturity of 2 years. All the loans have floating interest rates.

As of 31 December 2022, Eqva ASA was in compliance with all its valid debt covenants.

Other long-term liabilities include among others a sellers credit from the aquisition of HG Group and BKS (25 MNOK) and a loan from Havila Holding (13 MNOK).

Leasing liabilities

For information about group's leasing, see note 13.

Book value of pledged asset

(NOK 1,000)	2022	2021
Buildings	108 164	12 000
Machinery, operating equipment	20 766	12 000
Earned, not billed production	51 537	0
Inventory	13 681	0
Accounts receivables	90 955	0
Bank deposits	47 519	0
Sum book value of pledged assets	332 621	24 000

2022

Loans			Changes in liabilities			
(NOK 1,000)	Start of period	Borrowing	Additions by aquisition	Installment	Not cash changes	End of period
Liabilities to financial institutions	4 783	510	177 573	7 500	0	175 366
Sellers credit to shareholders	0	0	0	0	25 000	25 000
Other long-term liabilities	31 933	0	0	15 460	0	16 474
Lease liabilities	357	9 492	3 023	1 629	0	11 243
Total interest-bearing debt	37 072	10 002	180 596	24 589	25 000	228 083

2021

Loans			Changes in liabilities			
(NOK 1,000)	Start of period	Borrowing	Additions by aquisition	Installment	Not cash changes	End of period
Liabilities to financial institutions	95 602	0	0	-20 429	-70 391	4 783
Bond loan- unsecured	80 000	0	0	-80 000	0	0
Other long-term liabilities	16 136	0	0	0	15 797	31 933
Lease liabilities	41 579	0	0	-10 203	-32 509	357
Total interest-bearing debt	233 316	0	0	-110 631	-87 102	37 072

As of 31 December 2021, the Group was in compliance with all its existing debt covenants.

18. OTHER CURRENT LIABILITIES

Other current liabilities consists of the following:

(NOK 1,000)	2022	2021
Employee-related liabilities	38 133	20 361
Warranty provisions	7 879	23 395
Accrud interest expense	2 323	0
Other current liabilities	27 920	27 318
Total other current liabilities	76 255	71 073

19. NON-CURRENT FINANCIAL INVESTMENTS

As per December 31. 2022 the Group has investments in financial assets of NOK 17.8 million (NOK 4.6 million as of December 31. 2021). The investments are classified as noncurrent. The investments are recognized at fair value with changes in value in the income statement.

2022

(NOK 1,000)

Company	Ownership share/ voting share	Business Office	Carrying amount
HAV Group ASA*	4.4%	Fosnavåg	13 163
Other non-current financial investments**			3 000
Carrying amount as of 31/12/22			16 163

Except for the HAV Group investment, which is a listed company, the rest are unquoted equity shares and are classified as level 3 investments.

*The investment in HAV Group ASA is based on marketvalue (1.5 million shares). The investment in HAV is a reduction from 33.3% in 2021 to 4.4%, mainly by distribution of dividend-shares(10 million shares) and sale of shares. The investment is reclassified from "Investment in associates". The investment in Fafnir Offshore hf (7,61%) has been sold for 3.3 MNOK i 2021.

**The investment of 3 MNOK is related to 3 appartements outside the shipyard in Leirvik (HLE).

2021

(NOK 1,000)

Company	Ownership share/ voting share	Business Office	Carrying amount
Vest North Group AS	19,30 %	Bergen	1 610
Other non-current financial investments			3 000
Carrying amount as of 31/12/21			4 610

All investments are unquoted equity shares and are classified as level 3 investments.

Changes in carrying amount from 31/12/21 to 31/12/22:

(NOK 1,000)	2022	2021
Level 1 investments 01/01	0	0
Investment	0	0
Reclassified*	13 163	0
Impairment	0	0
Sale of investment	0	0
Adjustment	0	0
Level 1 investments 31/12	13 163	0

(NOK 1,000)	2022	2021
Level 3 investments 01/01	4 610	17 914
Investment	0	0
Impairment	0	10 053
Sale of investment	0	3 250
Adjustment	0	0
Level 3 investments 31/12	4 610	4 610

*Due to reduction in ownership in HAV Group ASA, the investment is reclasified from "Investment in associates".
Market value per 31.12.2022.

Valuation (Vest North Group AS) is based on value adjusted equity in the ship owning companies. External valuations are used to estimate value of ships. These are subject to general factors in the world economy and speicifically in the shipping industry.

20. OTHER CURRENT AND NON-CURRENT RECEIVABLES

(NOK 1,000)

Other non-current receivables	2022	2021
Long-term investments		
Prepaid leasing obligations	2 648	111
Sum other non-current receivables	2 648	111

Other current receivables	2022	2021
Prepayments suppliers	7 494	12 544
Accrued income	6 447	0
Employee-related items	1 426	0
Receivables VAT and government grants	1 550	8 604
Other short-term receivables	8 634	5 028
Sum other current receivables	25 552	26 176

21. INVENTORY

(NOK 1,000)	2022	2021
Raw materials (at cost)	13 681	2 781
Total Inventories	13 681	2 781
Impairment for obsoletness	0	0

Inventory is measured at the lower of average cost and net realisable value, and consists of raw materials.

22. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

NOK (1,000)	2022	2021
Cash at banks - unrestricted	47 512	139 811
Cash at banks - restricted	13 605	81 923
Total	61 117	221 733
Restricted cash consists of:		
Security furnished to customer for payment in advance	0	77 824
Tax withholding accounts	10 976	4 099
Other	2 629	0

At 31 December 2022 the Group had MNOK 0 (2021: NOK mill 0) in undrawn committed borrowing facilities.

23. GOVERNMENT GRANTS

NOK (1,000)	2022	2021
Received during the year	824	17 867
Released to the income statement	824	17 867
Of this - booked as reduction of other operating expenses	824	17 867
Of this - booked as reduction of capitalized R&D	0	0
31.12 - Unrecognized income	0	0

Government grants have been received for several development projects. The grants are entered as a cost reduction over other operating costs and as a reduction of R&D in the balance sheet.There are no unsatisfied conditions or conditions attached to these grants. The grants are taken as a cost reduction.

Government grants have been received for several projects. There are no unfulfilled conditions or contingencies attached to these grants.

24. SHARE CAPITAL

Ordinary shares issued and fully paid

	2022	2021
Number of ordinary shares	71 987 316	24 781 150
Par value (NOK)	0.05	0.05
Share capital (NOK)	3 599 366	1 239 058

All shares have equal rights.

Capital increase

The share capital was increased by NOK 2 360 308 to 3 599 366, by issuing 47 206 166 new shares, in June 2022. The increase was related to the aquisition of BKS and Fossberg Kraft. After the increase the number of shares are 71 987 316, at NOK 0.05.

Treasury shares

Eqva ASA has 323 046 treasury shares (0.4 % of share capital) as of 31/12/2022.

Dividends and group contributions

The ownership in HAV Group ASA was reduced from 33.3% to 4.7% in June 2022 by distributing dividend shares (10,000,000 shares) to the owners of Havyard Group AS (now Eqva ASA). The distribution is recognized at fair value in accordance with IFRIC 17. Eqva has 1.5 million shares left in HAV group ASA after dividend (ownership now is 4.4 %).

The board proposes NOK 0 in dividend for the general meeting.

Shareholders as of 31/12/2022	Controlled by	Number of shares	Ownership
Nintor AS		16 938 645	23,5 %
Havila Holding AS	Vegard Sævik (Board)	10 000 000	13,9 %
ROS Holding AS		5 660 027	7,9 %
Neve Eiendom AS	Even Matre Ellingsen (DB)	4 993 951	6,9 %
Eikestø Eiendom AS	Rune Skarveland (Board)	4 960 847	6,9 %
Fureneset Eiendom AS		4 960 847	6,9 %
Eikestø AS	Rune Skarveland (Board)	2 999 511	4,2 %
Neve Holding AS	Even Matre Ellingsen (DB)	2 999 511	4,2 %
Fureneset Invest AS		2 999 511	4,2 %
Emini Invest AS	Vegard Sævik (Board)	1 290 000	1,8 %
HSR Invest AS		1 290 000	1,8 %
Innidimann Invest AS		1 290 000	1,8 %
MP Pensjon PK		1 086 468	1,5 %
Other shareholders (<1 %)		10 518 498	14,6 %
Number of shares		**71 987 816**	**100 %**

2021

Shareholders as of 31/12/2021	Controlled by	Number of shares	Ownership
Havila Holding AS		10 000 000	40,4 %
Innidimann AS	Vegard Sævik (CB)	1 290 000	5,2 %
Emini Invest AS		1 290 000	5,2 %
HSR Invest AS	Hege S.Rabben (Board)	1 290 000	5,2 %
MP Pensjon PK		1 086 468	4,4 %
Avanza Bank AB		709 705	2,9 %
Pison AS		430 000	1,7 %
Clearstream Banking S.A.		384 142	1,6 %
Nordnet Bank AS		305 019	1,2 %
Other shareholders (<1 %)		7 995 816	32,3 %
Number of shares		**24 781 150**	**100 %**

The share capital was NOK 1 239 058 divided by 24 781 150 shares, at NOK 0.05.

Teasury shares

Havyard Group ASA has 55,159 treasury shares (0,2 % of share capital) as of 31.12.2021.

Dividends and group contributions

The Group has paid out dividend to its owners by distribution of 11 631 034 dividend shares in Hav Group ASA, to a book value of 13.8 MNOK (market value 164 MNOK), in 2021.

25. EARNINGS PER SHARE

The group has no financial options or convertible loans with a future dilution effect.

(NOK 1,000)	2022	2021
Profit attributable to equity holders of parent	-21 410	347 200
Weighted average number of shares outstanding	71 987	24 781
Earnings per share (NOK)	**-0,30**	**14,01**
Adjusted weighted average number of shares outstanding	71 987	24 781
Diluted earnings per share (NOK)	**-0,30**	**14,01**
Earnings from continued operations		
Earnings per share (NOK)	-0,30	14,01
Diluted earnings per share (NOK)	-0,30	14,01

(NOK 1,000)	2022	2021
Profit attributable to equity in continued operations	-21 410	92 666
Weighted average number of shares outstanding	71 987	24 781
Earnings per share (NOK)	**-0,30**	**3,74**
Adjusted weighted average number of shares outstanding	71 987	24 781
Diluted earnings per share (NOK)	**-0,30**	**3,74**
Earnings from continued operations		
Earnings per share (NOK)	-0,30	3,74
Diluted earnings per share (NOK)	-0,30	3,74

26. CONTINGENCIES AND PROVISIONS

Legal disputes

Non

Tax

Non

Guarantees/warranties

Being a group in the shipbuilding industry, the Group from time to time faces warranty claims as part of its ordinary business. No material warranty claim has as of the date of these financial statements been directed at any of the companies in the Group, nor have any of the companies in the Group been notified of any such claims.

2022
Guarantees

Provisions 1/1/2021	23 395
Used provision	-16 371
New provisions	856
Provisions 31/12/2021	7 879

2021
Guarantees

Provisions 1/1/2020	18 002
Used provision	-11 214
New provisions	16 607
Provisions 31/12/2020	23 395

27. RELATED PARTY TRANSACTIONS

Transactions with related parties

The Group has various transactions with related parties. All the transactions have been carried out as part of the ordinary operations and at arms` length principle.

The most significant transactions are as follows:

Amounts in NOK 1 000

*HAV Group ASA	Sales to related parties	Purchases from related parties	Accounts payables to related parties
2022	4 189	22 297	2 836
2021	23 875	0	636

*HAV Group ASA incl. subsidiaries

Related to renting administrative services in Eqva ASA.

HAV Group ASA is a 33.3% owned subsidiary of Havila Holding AS, which owns 19.3% of the shares in Eqva ASA.

Handeland Gard AS	Sales to related parties	Purchases from related parties	Accounts payables to related parties
2022	0	399	26
2021	0	0	0

Handeland Gard AS is controlled 100% by Board Member Rune Skarveland.

The balance sheet includes the following receivables and payables resulting from transactions with associated companies:

	2022	2021
Account receivables	0	0
Account payables	2 862	46 000
Net total (positive sign - net receivable)	-2 862	-46 000

28. SUSTAINABILITY AND CLIMATE RISK

The climate risk consists of both physical risk and transition risk. Physical risk can be the effect of extreme weather events, and transition risk is risk associated with the transition to a low-emission society. The physical risk of weather-related damage, for example at the multi-service yard in Leirvik (HLE), is considered to be limited due to the yard`s location and premises. Transition risk can be political changes and regulations that result in increased fees, fines and orders. In relation to Havyard's multi-service yard in Leirvik (HLE), BKS and Fossberg, the transition risk is also considered to be relatively low, but political decisions as i.e. tax on aqualculture business may affect the group`s busineses. Overall the climate risk and its impact on lower future earnings is considered to be relatively low.

Eqva has initiated a survey to identify status and measures in relation to being able to run its business in line with sustainability requirements. The group seeks to be at the forefront of future legal requirements for sustainability reporting. Of the companies in the group, this is particularly relevant for the multi-service yard (HLE) and BKS, which has already started the mapping process. This work will continue in 2023.

Due to that a significant part of the group`s business is due to projects which have a positive climate effect (electrifications/hybridifications of vessels, energy optimizing projects to process industry and smelters), increased focus on the "green shift" is considered to give signficiant business opportunities for the group going forwards.

29. SUBSEQUENT EVENTS

There have not been any events after the balance sheet date with significant impact on the financial accounts as at 31 December 2022.

PARENT COMPANY


AURA
TURKU

PROFIT OR LOSS STATEMENT PARENT COMPANY

Eqva ASA

	Note	2022	2021
Operating revenues and operating expenses			
Revenues	10	5 663 510	45 109 396
Total revenue		5 663 510	45 109 396
Materials		12 291	40 062
Wages and salaries	3	10 569 249	24 317 609
Depreciation	6, 7	186 020	837 224
Other operating expenses	3, 10	20 268 339	23 344 937
Total operating expenses		31 035 898	48 539 832
Operating profit		-25 372 388	-3 430 436
Financial income and expenses			
Income from subsidiaries		0	107 901 657
Other financial income	2	134 905 982	187 035 209
Impaiment of other financial fixed assets		0	23 979 942
Other interest expenses	2	4 104 491	76 594
Other financial expenses	2	1 598 681	509 409
Net financial income and expenses		129 202 810	270 370 919
Profit before taxes		103 830 422	266 940 483
Taxes	15	-6 490 059	3 641 161
Profit for the year	11	110 320 481	263 299 322
Allocations			
Transferred to other equity		110 320 481	263 299 322
Total allocations	11	110 320 481	263 299 322

BALANCE SHEET PARENT COMPANY

Eqva ASA

	Note	2022	2021
ASSETS			
Non current assets			
Deferred tax benefit	15	6 490 059	0
Research and development	7	0	0
Total intangible assets		6 490 059	0
Fixed assets			
Operating equipment, fixtures, fittings, tools, etc	6	257 531	1 019 741
Total tangible fixed assets		257 531	1 019 741
Financial fixed assets			
Investments in subsidiaries	4	230 443 591	25 341 027
Investments in associated companies		0	13 777 261
Loan to Group companies	10	170 394 340	26 714 353
Investments in shares	4,5	4 494 470	0
Other long-term receivables	8	8 255	111 295
Total financial fixed assets		405 340 656	65 943 936
Total fixed assets		412 088 247	66 963 677
Current assets			
Accounts receivable		0	3 706 730
Receivables from group companies	10	6 935 865	61 914 793
Other current receivables	2	4 921 608	6 407 197
Total receivables		11 857 473	72 028 720
Cash and bank deposits	9	3 168 482	23 565 582
Total current assets		15 025 955	95 594 302
Total assets		427 114 203	162 557 979

EQUITY AND LIABILITIES	Note	2022	2021
Equity			
Share capital	11, 12	3 599 366	1 239 058
Own shares	11, 12	-16 152	-2 758
Share premium	11	195 174 785	22 535 094
Total paid-in equity		198 757 999	23 771 394
Retained equity			
Retained earnings	11	58 724 116	89 880 441
Total retained earnings		58 724 116	89 880 441
Total equity	11	257 482 116	113 651 835
Liabilities			
Non current liabilities			
Long-term liabilities to financial institutions	13	70 000 000	0
Sellers credit - owners	13	25 000 000	0
Other long-term liabilities	13	14 298 328	8 327 083
Total non current liabilities		109 298 328	8 327 083
Current liabilities			
Short-term liabilities to financial institutions	13	20 000 000	0
Accounts payable		5 519 525	2 552 128
Payable tax	15	0	0
Public duties payable		1 102 823	1 466 888
Debt to group companies	10	29 625 098	31 908 145
Other current liabilities	2	4 086 312	4 651 899
Total current liabilities		60 333 758	40 579 061
Total liabilities		169 632 086	48 906 144
Total equity and liabilities		427 114 203	162 557 979

Fosnavåg, 31 March 2023
The Board of Directors and CEO
Eqva ASA

Even Matre Ellingsen
Chairman of the Board of Directors

Ellen Merethe Hanetho
Board member

Anne Sofie Myrmel Bruun-Olsen
Board member

Vegard Sævik
Board member

Rune Skarveland
Board member

Jan Olav Gjerde
Board member
employee representative

Geir Helge Nordstrand
Board member
employee representative

Erik Høyvik
CEO

STATEMENT OF CASHFLOW PARENT COMPANY

Eqva ASA

	Note	2022	2021
Cash flow from operations			
Profit/(loss) before tax	11	103 830 422	266 940 483
Impairment of other financial fixed assets		0	23 979 942
Loss on receivables		2 386 690	0
Depreciation	6	186 020	837 224
Group contribution - no cash effect		0	-32 476 814
Market value adjustment dividend shares		-128 783 201	-150 220 324
Changes in accounts receivables and accrued income		3 706 730	14 506 698
Changes in accounts payables		2 967 397	-7 996 188
Changes in other current receivables/ liabilities		362 646	-140 562 177
Net cash flow from operating activities		-15 343 298	-24 991 156
Cash flow from investments			
Investments in property, plant and equipment	6	-284 322	-544 005
Disposal of financial assets		0	121 282 776
Sale of fixed assets		1 135 825	0
Investment in subsisiaries		-15 000 000	0
Repaid loan from owners of previous subsidiary		0	1 064 705
Interest income		5 022	0
Sale of shares HAV		3 004 793	0
Net cash flow from investing activities		-11 133 660	123 860 058
Cash flow from financing activities			
Net decrease FoU grants		-6 554 442	6 166 048
Aquired own shares		-890 200	0
Loan from financial institutions	13	95 000 000	0
Installments to finacial institutions	13	-5 000 000	0
Repayment Bond		0	-87 999 000
Interest payments and fees		-3 941 358	0
Change intercompany balances		-72 534 142	-8 791 492
Net cash flow from financing activities		6 079 858	-90 624 444
Net change in cash and cash equivalents		-20 397 100	8 244 458
Cash and cash equivalents at start of the period		23 565 582	15 321 124
Cash and cash equivalents at end of the period		3 168 482	23 565 582
Of this restricted cash	9	608 402	712 611

NOTES PARENT COMPANY

NOTES TO THE FINANCIAL STATEMENTS 2022 PARENT COMPANY

NOTE 1 ACCOUNTING PRINCIPLES

Accounting Principles

The financial statements are set up in accordance with the Norwegian Accounting Act. They are prepared using Norwegian accounting standards and generally accepted accounting principles.

Management has used estimates and assumptions that affect the income statement and the valuation of assets and liabilities, as well as contingent assets and liabilities, at the balance sheet date during the preparation of financial statements in accordance with generally accepted accounting principles.

Fixed assets are comprised of assets intended for long-term hold and use. Fixed assets are stated at cost. Fixed assets are capitalized and depreciated over the asset's useful life.

Expenditure on research and development is capitalized to the extent that a future economic benefit related to the development of an identifiable intangible asset can be identified and where the acquisition cost can be measured reliably. Otherwise, such expenses are expensed on an ongoing basis. Capitalized research and development is depreciated on a straight-line basis over its economic life.

Tangible fixed assets are written down to the recoverable amount when impairment is not expected to be temporary. The recoverable amount is the higher of an asset's net selling price and its value in use. An asset's value in use is the present value of the estimated future cash flows from the asset. If the reasons for impairment no longer exist, the impairment loss is reversed.

Current assets and liabilities consist of items that fall due for payment within one year of acquisition, as well as items related to the business cycle. Current assets are valued at the lower of cost and net realizable value. Current liabilities are stated at nominal value at the time of acquisition.

Monetary items in foreign currency are translated using the exchange rates at the balance sheet date. Transactions in foreign currency are translated at the rate applicable on the transaction date.

Trade receivables and other receivables are recorded at nominal value less a provision for doubtful accounts. The provision is made based on an individual assessment of each receivable.

Subsidiaries and associated companies are assessed according to the cost method in the company accounts. The investment is valued at the acquisition cost of the shares unless impairment has been necessary. Write-downs have been made at fair value when a fall in value is due to reasons that cannot be assumed temporary, and it must be considered necessary according to good accounting practice. Impairment losses are reversed when the basis for impairment is no longer present.

Dividends, group contributions and other distributions from subsidiaries are recognized in the same year as they are recognized in the financial statement of the provider. If dividends/group contribution exceed withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the balance sheet for the parent company.

The tax expense in the income statement is comprised of both the period's payable tax and changes in deferred tax. Deferred tax is calculated at a rate of 22 % based on the temporary differences that exist between accounting and tax values, and tax losses carried forward at the year-end. Tax increasing and tax-reducing temporary differences that are reversed or can be reversed in the same period are offset. Net deferred tax assets are recognized to the extent that it is probable that the amount can be utilized against future taxable income.

Accounting principles are further discussed in the accompanying notes to individual financial statement items.

NOTE 2 MERGED ITEMS

Income statement

The item "Other financial income" consists of:	2022	2021
Interest from Group companies	3 117 887	2 166 817
Other interest income	5 002	474 021
Agio	20	3 253
Market value adj. for dividend shares in HAV Group	128 783 201	150 220 324
Profit share sale (HAV Group ASA)	2 636 338	0
Value adj. HAV shares	363 534	0
Other financial income from Group companies	0	34 170 794
Total	134 905 982	187 035 209

The item "Other financial costs" consists of:	2022	2021
Other interest costs	424 390	76 594
Disagio	2 532	1 747
Establishment fee and interes Pareto loan	3 680 102	0
Other financial costs	1 596 149	507 662
Total	5 703 172	586 003

Balance sheet

The item "Other current receivables" consists of:	2022	2021
Prepaid expenses	1 451 318	1 959 161
Other current receivables	3 470 290	4 448 036
Total	4 921 608	6 407 197

The item "Other current liabilities" consists of:	2022	2021
Unpaid wages and vacation pay	1 968 887	4 464 849
Accrued interests	1 742 425	0
Other current liabilities	375 000	187 050
Total	4 086 312	4 651 899

NOTE 3 PAYROLL EXPENSES, NUMBER OF EMPLOYEES, REMUNERATIONS, ETC.

Payroll expenses	2022	2021
Wages	6 462 177	16 099 666
Social security tax	1 419 218	3 419 861
Pension costs	340 787	2 486 012
Other payroll-related costs	2 347 069	2 312 070
Total	10 569 249	24 317 609
FTEs at year end	4,5	10

	Erik Høyvik, CEO		Eirik Sævareid, CFO	
Management remunerations	2022	2021	2022	2021
Wages	2 183	1917	750	0
Pension	95	90	52	0
Other benefits	146	138	6	0
Total	2 424	2 145	809	0

	Frank-Levi Kvalsund, SVP HR/QHSE		Styret	
Management remunerations	2022	2021	2022	2021
Wages	780	1350	2 067	1 380
Pension	33	92	0	0
Other benefits	58	159	0	0
Total	870	1 601	2 067	1 380

Eirik Sævareid replaced Vegard Fiksdal as CFO in May 2022. Earlier in the year, Vegard Fiksdal replaced Pål Aurvåg as CFO. Frank-Levi Kvalsund, SVP HR, finished in Eqva per April 2022. The position was not replaced.

"No loans or guarantees have been issued to the CEO, the Chairman of the Board or other related parties. As of 31.12.2022."

Incentive programs established in Eqva

Eqva has established a incentiv arrangement (bonus) which applies to leaders and key personnel in the Group. The payments depends on, among others, group performance (e.g reported EBITDA measured against budgeted EBITDA).

The payments are expensed as salaries. There has been no payments in 2022.

The Group has also established a new share purchase program where all employees can participate. Employees can buy shares for up to NOK 20,000 with a discount of 20 %. The share discount are expensed as salaries.The share purchase program is conducted annually.

The third Eqva program established is the shareoption program which applies to Board of directors, leaders and key personnel in the Group. The participants receive 40 000 or 100 000 options, dependent of level in the group, with a vesting period of 3 years. The program has effect from 1 January 2023.

Auditor remuneration is distributed as follows:	2022	2021
Statutory audit	1 878 955	2 800 000
Tax consulting	0	213 550
Other services	1 665 325	480 000
Total (net of VAT)	3 544 280	3 493 550

Pension scheme

The company has a defined contribution plan in accordance with the Norwegian Law on Required Occupational Pension. The pension depends on paid-in contributions and the return on these contributions. For the company, the year's pension cost is equal to the year's premium. The company's pension scheme meets the requirements of the Norwegian Law on Required Occupational Pension.

NOTE 4 INVESTMENT IN SUBSIDIARIES

2022

Subsidiaries are accounted for using the EK method.

Company Subsidiaries of Eqva ASA	Business office	Owner's share	Book value	Company's equity 100%	Company's result 100%
HG Group AS	Sunde i Kvinnherrad	100 %	125 940 965	180 300 054	-12 796 538
Havyard Eiendom Holding AS	Sunde i Kvinnherrad	100 %	50 000	-2 246 863	-2 296 863
Havyard Leirvik Holding AS	Leirvik i Sogn	100 %	11 160 665	2 459 209	-26 596
Havyard Ship Technology AS	Leirvik i Sogn	100 %	0	6 819 608	1 439 837
Havyard Ship Invest AS	Fosnavåg	100 %	0	-1 821 903	-8 202 091
*BKS Holding AS	Sunde i Kvinnherrad	50 %	89 059 035	4 856 092	-354 780
Norwegian Marine Systems AS	Fosnavåg	100 %	0	3 726 915	-12 147
Mjølstadneset Eiendom AS	Fosnavåg	100 %	4 232 926	10 512 476	-162 621
Book value as at 31.12.			230 443 591	204 605 588	-22 411 799

Subsidiary of Havyard Leirvik Holding AS		
Havyard Leirvik AS	Leirvik i Sogn	100 %
Subsidiaries of Havyard Eiendom Holding AS		
BKS Eiendom AS	Sunde i Kvinnherrad	100 %
Zenit Eiendom AS	Sunde i Kvinnherrad	100 %
Havyard Leirvik Eiendom AS	Leirvik i Sogn	100 %
Subsidiaries of HG Group AS		
Handeland Industri AS	Sunde i Kvinnherrad	100 %
Fossberg Kraft AS	Sunde i Kvinnherrad	100 %
Fossberg Kraft Produksjon AS	Sunde i Kvinnherrad	100 %
Subsidiaries of Handeland Industri AS		
*BKS Holding AS - owned 50/50% beweeen Handeland Industri AS and Eqva ASA - total 100%	Sunde i Kvinnherrad	50 %
Subsidiaries of BKS Holding AS		
BKS Industri AS	Sunde i Kvinnherrad	100 %
BKS Power & Automation AS	Sunde i Kvinnherrad	100 %
Zenit Engineering AS	Sunde i Kvinnherrad	82.5%
BKS VVS AS	Sunde i Kvinnherrad	67 %
Marine Support AS	Sunde i Kvinnherrad	70 %

Aquisition of BKS and Fossberg Kraft

In June 2022 Havyard Group ASA (later changed name to Eqva ASA) aquried Fossberg Kraft and BKS. The settlement of 215 MNOK was based on a combination of share issues, sellers credit and cash repayment. See note 11 for information regarding the share issue.

Other changes

Havyard Eiendom Holding AS was established during the autum 2022. The company is the parent company of BKS Eiendom AS, Zenit Eiendom AS og Havyard Leirvik Eiend om AS (all companies owned 100%). The establishment of the internal property group was based on demerger/sales transactions from respectively Havyard Leirvik AS (HLE), Zenit Engeneering AS og BKS Holding AS. After the transactions HLE, Zenit and BKS carry out operational core activities.

Eqva had a 50% ownership in HPR Spzoo. The company suffered from missing orders and declining liquidities during the autum 2022. In December 2022 the company was filed for bankruptcy, the fileing included both the Norwegian branch and the Polish registerd company. Eqvas accounted losse where limited.

Eqva ASA reduced its ownership in HAV Group ASA, from 33.3% to 4.7% in June 2022. The reduction was due to distribution of 10 000 000 dividend shares i June 2022. During the autum 2022 Eqva continued to sell shares. At 31.12.2022 the ownhership was down to 4.4% (1.5 million shares). See also note 5.

2021

Subsidiaries are accounted for using the EK method.

Company Subsidiaries of Eqva ASA	Business office	Owner's share	Book value	Company's equity 100%	Company's result 100%
Havyard Leirvik Holding AS	Leirvik i Sogn	100,0 %	21 108 101	2 539 000	-7 790
Havyard Ship Technology AS	Leirvik i Sogn	100,0 %	0	21 638 822	-2 399 996
Havyard Ship Invest AS	Fosnavåg	100,0 %	0	6 380 189	-4 704 615
Norwegian Marine Systems AS	Fosnavåg	100,0 %	0	3 739 064	-24 706
Mjølstadneset Eiendom AS	Fosnavåg	100,0 %	4 232 926	10 675 098	11 325 810
Book value as at 31.12.			25 341 027		
Subsidiary of Havyard Leirvik Holding AS					
Havyard Leirvik AS	Leirvik i Sogn	100,0 %	2 539 000	24 502 446	22 896 849
Subsidiary of Havyard Leirvik AS					
*Havyard Production sp.z.o.o	Gdansk	100,0 %	0	-13 069 769	13 651 496
Investments in associated companies					
HAV Group ASA	Fosnavåg	33,3 %	13 777 261		

Changes in ownership Hav Group ASA

In connection with the establishment of HAV Group ASA in Q1 2021 - Norwegian Greetech AS, Norwegian Electric Systems AS, HAV Design AS, HAV Hydrogen AS and their foreign subsidiaries were transferred from Havyard Group ASA to HAV Group ASA. The investment in HAV Group ASA is listed under associates companies above.

Havyard Group ASA sold 33.3% (from 100% to 66.6% ownership) in HAV group ASA in Q1 2021 for MNOK 120. Net profit form the sale was MNOK 107.9.

Havyard Group ASA reduced its ownership in HAV Group ASA, from 66.6% to 33.3%, in Q4 2021 by distribution of dividend shares.

Other changes

New Havyard Ship Technology AS and New HST Holding AS have changed names to Havyard Leirvik AS and Havyard Leirvik Holding AS.

The investment in Havyard Ship Invest AS was written down by NOK 3 401 416 in 2021 due to revaluation of assets."

The investment in Norwegian Marine Systems AS was written down with NOK 5 730 643 in 2021 due to revaluation of assets.

Norwegian Production sp.z.o.o has been liquidated in 2021.

The subordinated loan in Havyard Leirvik of NOK 13 211 483 (classified as equity) was forgiven and the amount turned into equity.

* Regarding Havyard Production sp.z.o.o.

see note 17 for subsequent events after balance sheet date.

NOTE 5 SHARES AND SECURITIES

Shares and securities are valued at the lower of cost and fair value on the balance sheet date.

Company	Owner's share	Book value
Shares in HAV Group ASA	4.4%	4 494 470
Book value as at 31.12.		4 494 470

The investment in Fosnavåg kulturhus has a bookvalue NOK 0.

NOTE 6 TANGIBLE FIXED ASSETS

2022

	Operating equipment and fixtures	Total
Acquisition cost as at 01.01	10 194 330	10 194 330
Additions during the year	284 322	284 322
Disposals during the year	2 684 289	2 684 289
Acquisition cost as at 31.12	7 794 363	7 794 363
Acc. depreciation as at 01.01	9 174 590	9 174 590
Acc. depreciation as at 31.12 before disp	9 360 610	9 360 610
Disposal depreciation	1 823 777	1 823 777
Acc. depreciation as at 31.12	7 536 833	7 536 833
Book value as at 31.12	257 531	257 531
Depreciation for the year	186 020	186 020
Economic life	3-5 years	
Depreciation method	Linear	

The rent expense for 2022 amounts to NOK 535 975
(2021: NOK 1 291 493)

2021

	Operating equipment and fixtures	Total
Acquisition cost as at 01.01	9 650 325	9 650 325
Additions during the year	544 005	544 005
Acquisition cost as at 31.12	10 194 330	10 194 330
Acc. depreciation as at 31.12	9 174 590	9 174 590
Book value as at 31.12	1 019 741	1 019 741
Depreciation for the year	837 224	837 224
Economic life	3-5 years	
Depreciation method	Linear	

The rent expense for 2021 amounts to NOK 1 291 493.
(2020: NOK 1 649 581)

NOTE 7 SHARES AND SECURITIES

2022

	Research and development
Acquisition cost as at 01.01	0
Additions during the year	0
Acquisition cost as at 31.12	0
Transferred	0
Acc. depreciation as at 31.12	0
Book value as at 31.12	0
Depreciation for the year	0
Economic life	5-10
Depreciation method	Linear

2021

	Research and development
Acquisition cost as at 01.01	1 523 262
Additions during the year	0
Acquisition cost as at 31.12	1 523 262
Transferred	-1 523 262
Acc. depreciation as at 31.12	0
Book value as at 31.12	0
Depreciation for the year	0
Economic life	5-10
Depreciation method	Linear

The company's capitalized research and development concerns the development of a hydrogen system solution. The project name is FreeCO2ast. The project was trasferred to HAV Group ASA as part of the drop-down in Q1 2021.

NOTE 8 OTHER LONG-TERM RECEIVABLES

	2022	2021
Other long-term receivables	8 255	111 295
Total	8 255	111 295
Maturity after 1 year	8 255	111 295
Maturity after 5 year	0	0

NOTE 9 RESTRICTED CASH

NOK 608 402 of cash and cash equivalents relates to tax withholdings.

NOTE 10 INTERCOMPANY BALANCES AND TRANSACTIONS

	2021	2020
Non-current receivables	170 394 340	26 714 353
Current receivables (incl group contribution)	6 935 865	61 914 793
Accounts receivable	0	3 070 843
Accounts payable	0	0
Current liabilities (incl group contribution)	-29 625 098	-31 908 145
Total	147 705 107	59 791 844

Transactions	2022	2021
Management fee (subsidiaries)	4 731 323	45 009 561
Rental costs	-535 975	-1 291 493
Total	4 195 348	43 718 068

NOTE 11 EQUITY

	Share capital	Own shares	Share premium	Retained earnings	Total
Equity as at 01.01	1 239 058	-2 758	22 535 094	89 880 441	113 651 835
Profit for the year	0	0	0	110 320 481	110 320 481
Dividend (shares in HAV Group ASA)	0	0	0	-140 600 000	-140 600 000
Share issue - aquisition of BKS/Fossberg Kraft	2 360 308	0	172 639 691	0	174 999 999
Aquisition of own shares	0	-13 394	0	-876 806	-890 200
Equity as at 31.12.	3 599 366	-16 152	195 174 785	58 724 116	257 482 116

Share issue

The share capital was increased by NOK 2 360 308 to 3 599 366, by issuing 47 206 166 new shares, in June 2022. The increase was related to the aquisition of BKS and Fossberg Kraft. After the increase the number of shares is 71 987 316, at NOK 0.05.

Dividends and group contributions

The ownership in HAV Group ASA was reduced from 33.3% to 4.7% in June 2022 by distributing dividend shares (10,000,000 shares) to the owners of Havyard Group AS (now Eqva ASA). Eqva has 1.5 million shares left in HAV group ASA after dividend and ownership is 4.4 %.

The board proposes NOK 0 in dividend for the general meeting

Treasury shares

Eqva ASA has increased its number of treasury shares from 55 159 to 323 046 treasury shares (0.4 % of share capital) as of 31/12/2022.

NOTE 12 SHARE CAPITAL AND SHAREHOLDER INFORMATION

The company got one stock group and all shares have same rights.

The share capital was 3 599 366 divided by 71 987 316 shares, at NOK 0.05.

Eqva has 323 046 treasury shares (0.4 % of share capital) as of 31.12.2022.

Shareholders as of 31.12.2022	Controlled by	Number of shares	Ownership
Nintor AS		16 938 645	23,5 %
Havila Holding AS	Vegard Sævik (Board)	10 000 000	13,9 %
ROS Holding AS		5 660 027	7,9 %
Neve Eiendom AS	Even Matre Ellingsen (DB)	4 993 951	6,9 %
Eikestø Eiendom AS	Rune Skarveland (Board)	4 960 847	6,9 %
Fureneset Eiendom AS		4 960 847	6,9 %
Eikestø AS	Rune Skarveland (Board)	2 999 511	4,2 %
Neve Holding AS	Even Matre Ellingsen (DB)	2 999 511	4,2 %
Fureneset Invest AS		2 999 511	4,2 %
Emini Invest AS		1 290 000	1,8 %
HSR Invest AS		1 290 000	1,8 %
Innidimann Invest AS	Vegard Sævik (Board)	1 290 000	1,8 %
MP Pensjon PK		1 086 468	1,5 %
Other shareholders (<1 %)		10 518 498	14,6 %
Number of shares		71 987 816	100,0 %

Boardmember Vegard Sævik has indirect ownership in Eqva through his ownership in Havila Holding AS.

NOTE 13 NON-CURRENT LIABILITIES

Non-current liabilites	2022	2021
Loan Pareto	70 000 000	0
Sellers credit to shareholders	25 000 000	0
Other non-current liabilities	14 298 328	8 327 083
Total	109 298 328	8 327 083

Other non-current liabilities

Other long-term debt includes project grants for the R & D project FreeCO2ast (MNOK 1.7), which are settled against incurred project cost which are invoiced from Hav Group.

In addition the amount includes debt to Havila Holding AS (MNOK 12.6) that was transferred from Havyard Leirvik AS to Eqva ASA, as part of the agreement in June 2022 when BKS and Fossberg Kraft were aquired.

Pareto loan

Longterm loan - 95 MON where 5 MNOK was repaid in Q4 2022 - rest 90 MNOK. Quarterly installments of 5 MNOK in 3 years - then settlement of the rest amount. Nominal intererest rat p.t 6.75%.

Yearly installments:
2023: 20 MNOK - classifed under "Current liabilities"
2024: 20 MNOK
2025: 20 MNOK
2026: 30 MNOK

Sellers credit to shareholders

Longterm loan. Amount part of the settlment when BKS and Fossberg Kraft were aquired in June 2022.

NOTE 14 MORTGAGES

Book value of liabilities secured by mortgages	2022	2021
Other long term liabilities (financial leasing)	0	44 355
Total	0	44 355

Not booked guarantee	2022	2021
Guarantee supplier for daughter of subsidiary	250 000	250 000
Guarantee supplier for subsidiary	0	0
Guarantee customer for subsidiary	0	0
Total	250 000	250 000

As safety for the guarantees there are given mortages in shares and accounts receivables.

Book value of pledged assets	2022	2021
Leased equipment	0	0
Accounts receivable	0	0
Total	0	0

NOTE 15 TAXES

Taxes are expensed as they incur, i.e. the tax charge is related to the pre-tax accounting profit. Taxes are comprised of payable tax (tax on the year's taxable income) and changes in deferred tax. The tax expense is allocated between the ordinary profit and extraordinary items in accordance with the tax base.

Specification of temporary differences:

	2022	2021
Financial leasing	0	493 180
Non-current assets	24 037	-250 030
Gain/(loss) account for deferral	-123 138	-153 924
Receivable	-30 226	0
Deposition guarantee	0	0
Tax losses carried forward	-27 352 143	0
Cut off interest rates carried forward	-2 018 802	-2 018 802
Total temporary differences and tax losses carried forward.	-29 500 273	-1 929 576
Not accounted deffered tax asset	0	-424 507
Deferred tax / deferred tax asset (-)	-6 490 059	0
Applied tax rate	22 %	22 %

Below is a breakdown of the difference between profit before taxes in the P&L statement and the year's tax base.

	2022	2021
Profit before taxes	103 830 422	266 940 483
Permanent differences	-131 401 120	-266 601 153
Change in temporary differences	218 555	45 059
The year's tax base before tax losses carried forward	-27 352 143	384 390
Changes in tax losses carried forward	27 352 143	0
Net group contribution	0	10 251 451
Utilisation of tax losses carried forward	0	-10 635 841
The year's tax base	0	0
Payables tax in balance sheet	0	0

The income tax expense in the profit and loss statement consists of the following:

	2022	2021
Tax payable	0	0
Change deffered tax assets (-)	-6 490 059	0
Tax effect from group contribution	0	3 641 161
This year's tax expense	-6 490 059	3 641 161

NOTE 16 FINANCIAL MARKET RISK

Interest rate risk

Interest rate risk arises in the short and medium run as the Company's liabilities are subject to floating interest rates.

Foreign currency risk

Fluctuations in exchange rates entail both direct and indirect financial risks for the company. The Group uses currency hedging instruments to keep the currency risk at a low level.

Liquidity risk

Liquidity risk is the risk that the group is unable to fulfill its financial obligations as they fall due. The Group has routines for continued monitoring of the cash flow.

NOTE 17 SUBSEQUENT EVENTS

There has not been detected any subsequent event with impact on the Financial statements after balance sheet date.

The accounts has been prepared under the assumption of going concern.

See also Group note 29 for more information in group accounts related to subsequent events.


MACHINE GREATNESS

To the General Meeting of Eqva ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Eqva ASA, which comprise:

- the financial statements of the parent company Eqva ASA (the Company), which comprise the balance sheet as at 31 December 2022, the profit or loss statement and statement of cashflow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Eqva ASA and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit or loss, statement of other comprehensive income, statement of changes in equity and statement of cashflow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting 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 the Company for 5 years from the election by the general meeting of the shareholders on 28 May 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.

Revenue recognition over time has the same characteristics and risks as in the prior year, and therefore continues to be an area of focus this year. Furthermore, the *Acquisition of BKS Holding AS and HG Group AS* qualified as a new Key Audit Matter for the 2022 audit due to the significant value of the underlying investments and applied level of management judgment in determining the value of the acquired assets and liabilities.

Key Audit Matters	How our audit addressed the Key Audit Matter
Revenue recognition over time	
The Group has multiple revenue streams i.e., service yard, service and maintenance to land based and maritime industry and construction of small-scale hydropower plants. Revenue recognition over time was considered a key audit matter as the Group has multiple ongoing long-term contracts at the balance-sheet date, and because estimating the percentage of completion may be complex and affected by management judgment. Specifically, management applies judgment when estimating total project costs and determining the contract price. Refer to notes 2.7, 3.1, 3.2 and 14 to the consolidated financial statement for further information on the Group's revenue recognition.	We reviewed a selection of contracts and assessed the Group's principles for revenue recognition against the requirements in IFRS 15. We found that the accounting of contracts was in accordance with the terms of the contracts and that the accounting principles applied were in line with relevant requirements in IFRS 15. Measurement of percentage of completion, including determination of final forecasted costs, involves use of judgment from management. As part of our audit, we have conducted interviews with management and project leaders to gain an understanding of the estimates and underlying assumptions. Furthermore, we assessed the reliability of management's estimates by comparing budget against actual costs incurred for a selection of projects. To assess the estimated percentage of completion, we, among other things, tested on a sample basis whether accrued costs had been allocated to correct projects. We also challenged project managers on calculations related to the remaining costs before final completion of the projects. Also, to test whether the correct contract price was used as a basis for calculating recognised revenue, we obtained a selection of contracts and variation orders and compared these with the contract prices used as a basis for revenue recognition. We also assessed whether the disclosure requirements in IFRS were met.
Acquisition of BKS Holding AS and HG Group AS	

During Q2 2022 Eqva ASA completed the acquisition of 50% of BKS Holding AS and 100% of HG Group AS The agreed purchase price consisted of a consideration of NOK 215million

The acquisition was determined to constitute a business combination and using the acquisition method of accounting in line with IFRS 3 requirements was deemed appropriate by management.

The purchase price allocation (PPA) and the measurement and determination of fair values required financial modeling of the cash flows relating to each tangible asset acquired and abandonment provision assumed, including tax effects. The modeling and the identification of assets are inherently complex and require a number of estimates and judgements to be applied.

We focused on Acquisition of BKS Holding AS, HG Group AS and Fossberg Kraft AS due to the significant value the investment represents in the balance sheet, and the applied level of management judgment in determining the value of the assets and liabilities acquired from the transaction and resulting subsequent potential impacts on the income statement.

Refer to note 10 to the consolidated financial statements for a description of the business combination and how management has accounted for the PPA.

We obtained and read the Sale & Purchase Agreement and Exempted Document between Eqva ASA and the shareholders of BKS Holding and HG Group AS and held meetings with management to understand the nature and details of the transaction.

Management prepared a purchase price allocation (PPA) showing the estimated fair value of assets and liabilities acquired in the transaction. We found the methodology to be in line with the requirements in IFRS.

We challenged whether there could be other assets and liabilities not properly accounted for. As part of this process, we discussed with management and obtained underlying documentation to support calculations and measurements in the PPA.

A major part of the value assumed in the transaction was allocated to the properties in BKS Holding AS and Fossberg Kraft AS. Management measured the value of the investment in the properties using valuations based on contractual lease agreements. We challenged management related to yield and future cash flows from rental payments. We compared the applied yield to third party valuations as well as to our own calculations. Further, we assessed the cash flow from future rental payments based on the existing rental agreement.

Some of the value assumed in the transaction was allocated to BKS' customer relations. Management measured the value of investment in the customer relations as the net present value (NPV) after tax of future estimated cash flows. We applied selected procedures to evaluate input in the model relating to lifespan, sales growth, contributory asset charge ("CAC") and discount rate. For the evaluation of lifespan, we considered the history of BKS' customer relations going back several years. When evaluating sales growth, we compared the input used in the model to the actual growth in BKS in previous years. We assessed the reasonableness of growth rates applied in the model. When assessing the CAC used in the model, we assess the Group's underlying CAC calculation. We compared the different elements in the discount rate calculation to our own expectations and the general expectations in the market. We found that the underlying assumptions were reasonable.

The goodwill from the transaction relates to technical goodwill calculated as the difference between the estimated fair market value and tax value of the assets acquired. We tested the mathematical calculation of technical goodwill.

The results of our testing showed that management applied reasonable assumptions for the valuation of assets and liabilities assumed as part of the transaction, and that the model was mathematically accurate.

We evaluated the appropriateness of the related note disclosures and found that they satisfied IFRS requirements.

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 appear 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 Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

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 the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting 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. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- 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 internal control.

- 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 effectiveness of the Company's and the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- 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 cause the Company and the Group to cease to continue as a going concern.

- 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 in a manner that achieves a true and fair view.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or 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 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, related safeguards.

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.

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 Eqva 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 5967007LIEEXZXH9Q807-2022-12-31-en, 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

Bergen, 31 March 2023
PricewaterhouseCoopers AS

Fredrik Gabrielsen
State Authorised Public Accountant

EQVA ASA
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REPORT
2022