

Eqva ASA

Transaction announcement "Intention to acquire Kvinnherad Elektro"

28 June 2023



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Introduction to Eqva ASA

Eqva's business platform

Strong foundation for further value creation



Broad service offering to maritime and landbased industries

Positioned in industries where we can make a change for a more sustainable future and create attractive shareholder value.



Long history

Building on our over 100-year long history of expertise to create innovative, competitive, profitable and sustainable solutions and services for our customers.



Our people

*Performance-driven culture - focus on environment, safety and superior quality in everything we do.
460 employees within the group with complementary competences.*



Preferred by customers

*Recognised for our contribution to enable the green transition.
Strong partnerships and trust.
Focus on high quality in every delivery.*

Our business segments



~40%*



Maritime services

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



~60%*



Products, solutions & renewables

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



Strong foundation for further value creation



New regulation is driving a paradigm shift in the maritime and landbased industry sectors towards low emission solutions

Digitalisation

The Norwegian government and EU green deal support solutions in maritime and landbased industries (i.e. Enova in Norway) where emission cuts are solved by improving efficiency through digitalisation.

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



Sustainability, clean energy and decarbonisation

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

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

Defined IMO Goals baseline year 2008²:

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



Maritime service conversion

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

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

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



Norway aims to be a frontrunner in the shift toward low emission solutions



New regulation is driving a paradigm shift in the maritime and landbased industry sectors towards low emission solutions

Maritime and offshore



Aquaculture

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



Green power

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



Maritime assets

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

Landbased and industrial



Renewable energy

- Strong governmental support and agreement for climate neutrality with EU **FitforFit** and **RePowerEu**
- Positive development in the long-term power prices



Solutions

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



Process

- Norway will cut emissions by **at least 50% by 2030**, aiming towards 55% below 1990 levels. In this transition, new efficient and automated processes will be crucial

Eqva is exposed to a variety of industrial sectors



Secures a diversified and recurring revenue stream from industries along the western coast of Norway

Share of revenues to various offshore and maritime markets*



9%

Aquaculture

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



9%

Green power

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



30%

Maritime assets

- *Service and repair*
- *24/7 emergency dockings*

Share of revenues to various landbased and industrial markets*



1%

Renewable energy

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



40% Solutions

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



8%

Process

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

*Note: Based on 2022 pro-forma figures

Experienced management team



Executive management



Erik Høyvik
CEO Eqva ASA

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



Eirik Sævareid
CFO Eqva ASA

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



Tor Leif Mongstad
CEO Havyard Leirvik

25+ years diversified
experience in the
maritime industry



Trygve Kjerpeseth
CEO BKS / Group Head
of Risk and Projects

30+ years of experience
from senior project
management



Tom Jensen
CEO Fossberg Kraft

30 years of leadership
experience with primary
focus on production and
procurement



Sverre Olav Handeland
In-house lawyer.

15+ years of experience as
partner in law firm, 8 years
as in-house lawyer in HG
Group.

Backed by strong board and industrial owners



The board of Directors



Even Matre Ellingsen
Chairman

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



Vegard Sævik
Board member

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



Rune Skarveland
Board member

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



Ellen Hanetho
Board member

20+ years of financial & strategic business development



Anne Bruun-Olsen
Board member

Senior Partner
Cushman & Wakefield
Realkapital



Jan Olav Gjerde
Board member

Employee representative



Geir Helge Nordstrand
Board member

Employee representative

Top shareholders as of 18 June 2023

Shareholders	Number of shares	Ownership
Nintor AS	16,938,645	23.53%
Havila Holding AS	10,000,000	13.89%
Neve Eiendom AS	7,993,462	11.10%
ROS Holding AS	5,660,027	7.86%
Eikestø Eiendom AS	4,960,847	6.89%
Fureneset Eiendom AS	4,960,847	6.89%
Eikestø AS	2,999,511	4.17%
Fureneset Invest AS	2,999,511	4.17%
Emini Invest AS	1,290,000	1.79%
HSR Invest AS	1,290,000	1.79%
Innidimman AS	1,290,000	1.79%
MP Pensjon PK	1,112,768	1.55%
Eqva ASA	576,571	0.80%
Other shareholders	9,915,252	13.77%
Total shares	71,987,441	

Intention to acquire Kvinnherad Elektro group

Eqva intends to strengthen the company's position within the power and automation market



Eqva ASA intend to acquire Kvinnherad Elektro AS with effect from Q4 2023

The shares in Kvinnherad Elektro AS will be acquired by BKS Holding AS, a wholly owned subsidiary of Eqva ASA. The transaction includes Kvinnherad Elektro's 51 % ownership stake in Vassnes Solutions AS and its 3 subsidiaries.



The acquisition is aligned with Eqva's strategic focus

- The power and automation market has a positive outlook and high activity level
- Eqva seeks to take a broader position in the power and automation segment - through organic growth and M&A activities
- Eqva is already a significant service provider of power and automation solutions to maritime- and land-based industry through its ownership in BKS
- After consolidation, BKS will be prominent and fully integrated system supplier within the piping, power and automation disciplines, and increase its total number of FTE's from 380 to 535.



Eqva will strengthen its position in power and automation

- Increase Eqvas revenues by FY 125 - 175 MNOK (ref 2022 accounts)
- Get access to a broader customer base
- Get access to a highly qualified employee-base of 156 FTE's – including engineers and electricians
- Utilize from competence-, system- and support-synergies across the Eqva group

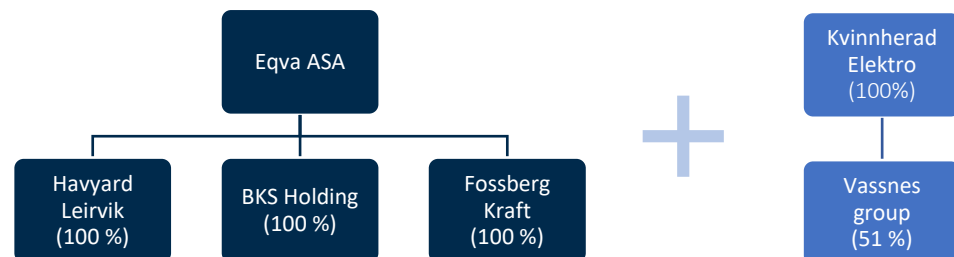


The acquired companies complies with regulatory standards and certificates

Post transaction, the Eqva group will count ~240 FTE's within power and automation



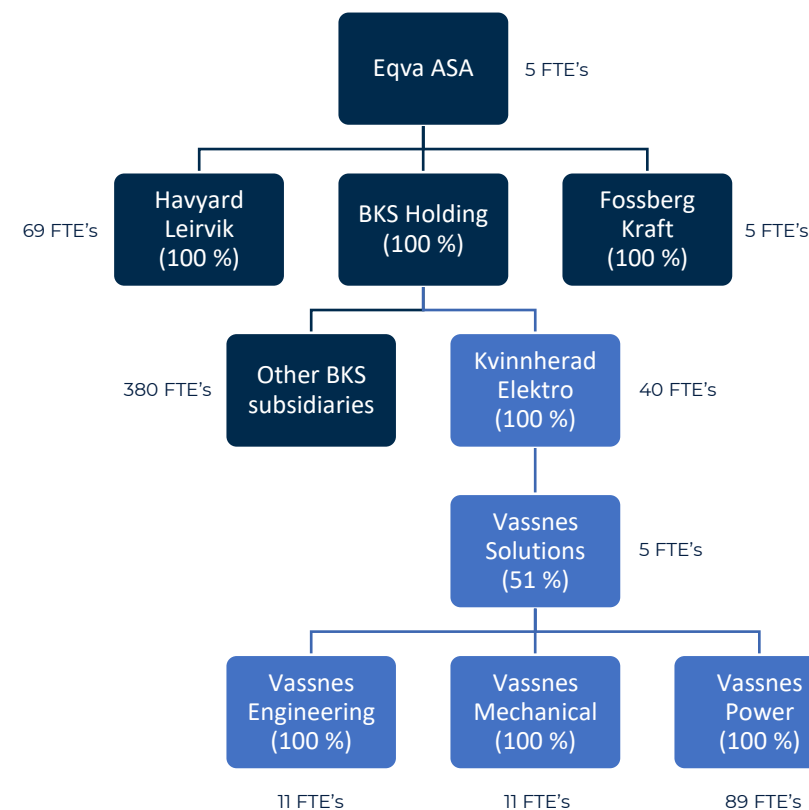
Existing company structure



Changes in the organization structure:

- Kvinnherad Elektro will be part of Eqva's Products, Solutions & Renewables segment.
- As of today, BKS Industri (a subsidiary of BKS Holding), has 80 technicians / electricians.
- The acquisition adds 156 new engineers, technicians and electricians.
- The combined group will have ~240 FTE's within the power and automation disciplines.

New company structure



Eqva consolidated - will be a strong power and automation player in the region



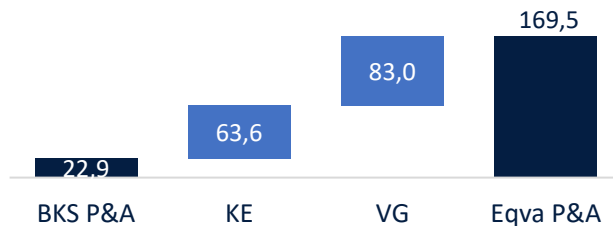
Eqva will after the acquisition total ~240 dedicated employees within the power and automation segment – which accounted for approx. NOK 188 millions in 2022* revenues.

Issue a broad specter of deliveries

- Design of electrical installations
- Engineering / installation of electrical systems
- Installation of solar panels
- Instrumentation
- Staffing

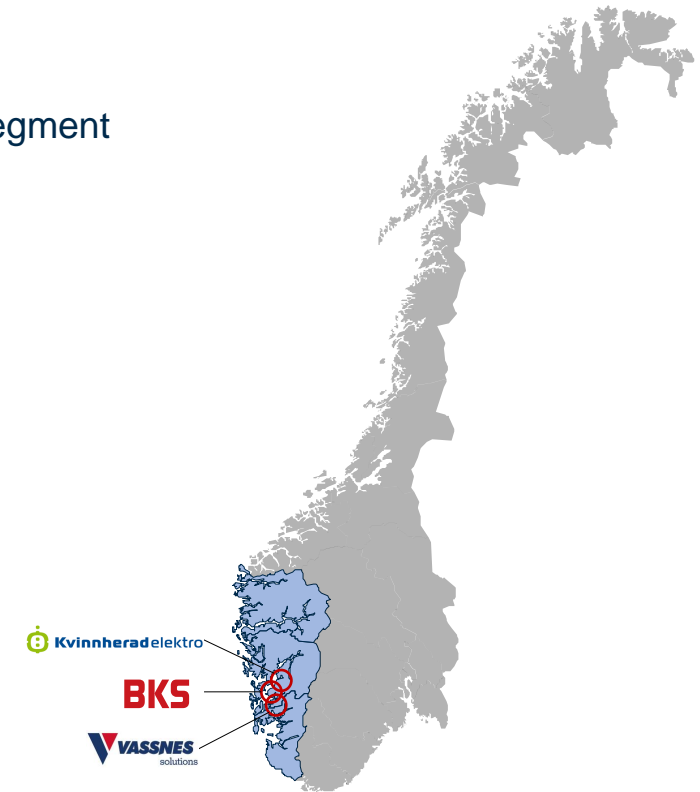
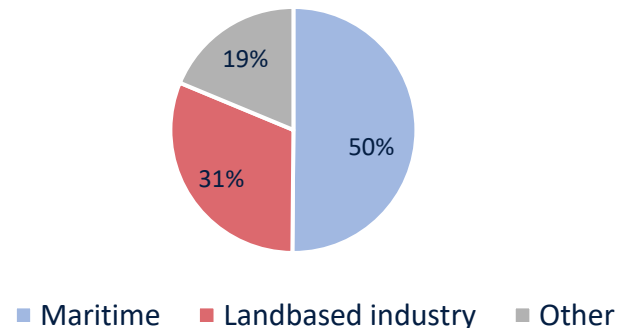
A strong orderbook

Total order book from 01.07.2023 of MNOK 169,5*.



Well diversified power & automation portfolio

- BKS Power & Automation and Vassnes group have large, renown clients in the maritime sector
- All three companies deliver services to large customers in land-based industry
- Approximately half of Kvinnherad Elektro's projects are for smaller clients or households



Kvinnherad Elektro is located in Rosendal and Husnes, while Vassnes group is located in Ølen – both close to BKS's HQ location.

BKS Power & Automation
NOK 42 millions

+

Kvinnherad Elektro
NOK 60 millions

+

Vassnes group
NOK 86 millions

=

Eqva consolidated - power & automation
NOK 188 millions in 2022* revenues

Companies at a glance

BKS at a glance

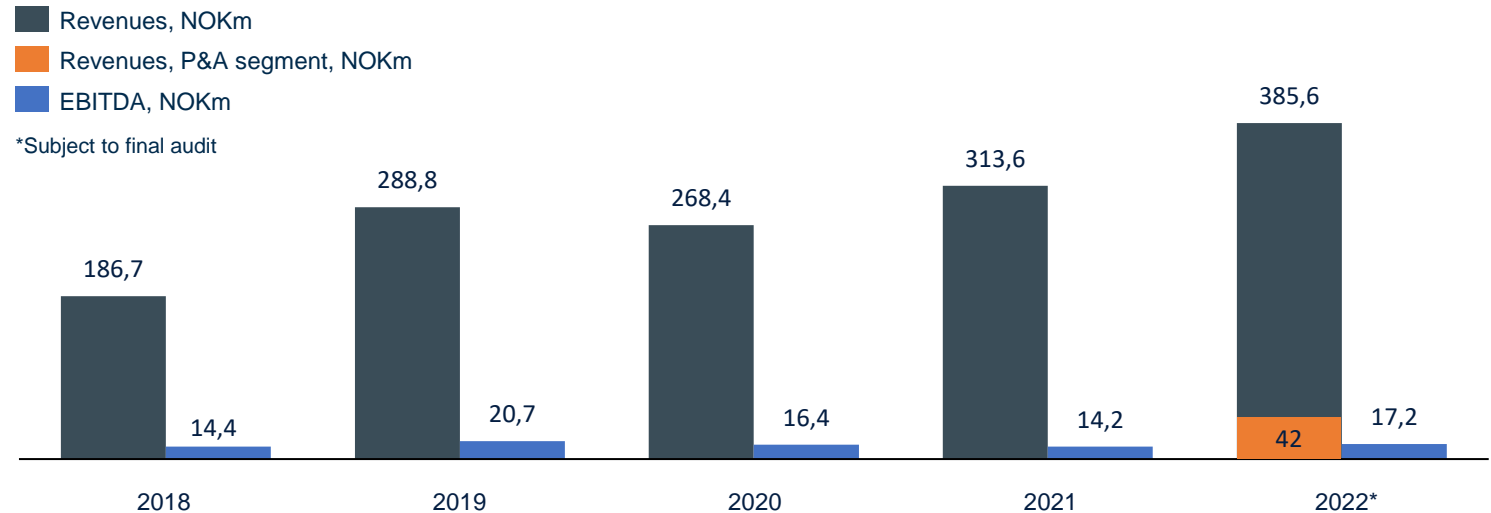


Full-service provider – A part of the Products, Solutions & Renewables segment

Company highlights

- Founded in 2008 and HQ in Sunde, Kvinnherad
- ~380 FTE's spread across 5 companies, of which 80 are technicians and electricians in the power and automation segment
- BKS is a full-service supplier for technical installations, meaning presence throughout the entire value-chain in industrial deliveries from idea to installation.
- It performs a wide range of tasks, from simple missions to more complex total deliveries
- Goal to be a preferred and competitive supplier and partner to the maritime, offshore and landbased industry in Norway.

Financial performance



Full-service provider:



Blue-chip customer base



Kvinnherad Elektro at a glance



Strong position in the regional power and automation market

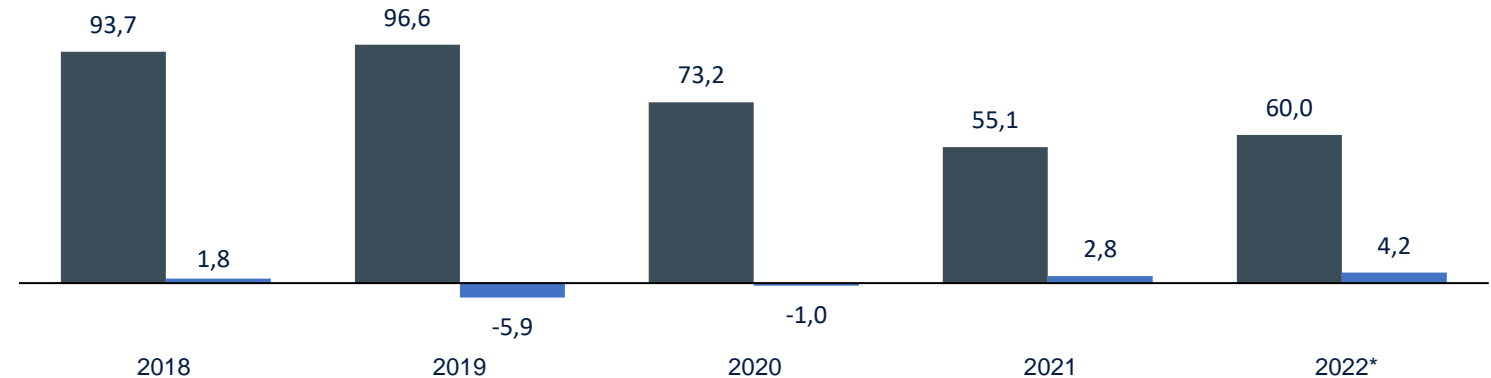
Company highlights

- Founded in 1941 and HQ in Rosendal, Kvinnherad.
- ~40 FTE's – engineers and electricians.
- Full-service supplier for power and automation installations, meaning presence throughout the entire value-chain in industrial deliveries from idea to installation.
- The company has a long and good cooperation with local shipyards, fish farming and the smelting industry, as well as other small- and large industry players in the region around the Folgefonn peninsula.
- Performs a wide range of tasks, from simple missions to more complex total deliveries.
- Goal to be a preferred and competitive supplier and partner to the maritime, offshore and land-based industry in the region.

Financial performance

■ Revenues, NOKm
■ EBITDA, NOKm

*Subject to final audit



Full-service provider:



Key customers



Vassnesgruppen at a glance



Strong position in the regional power and automation market

Company highlights

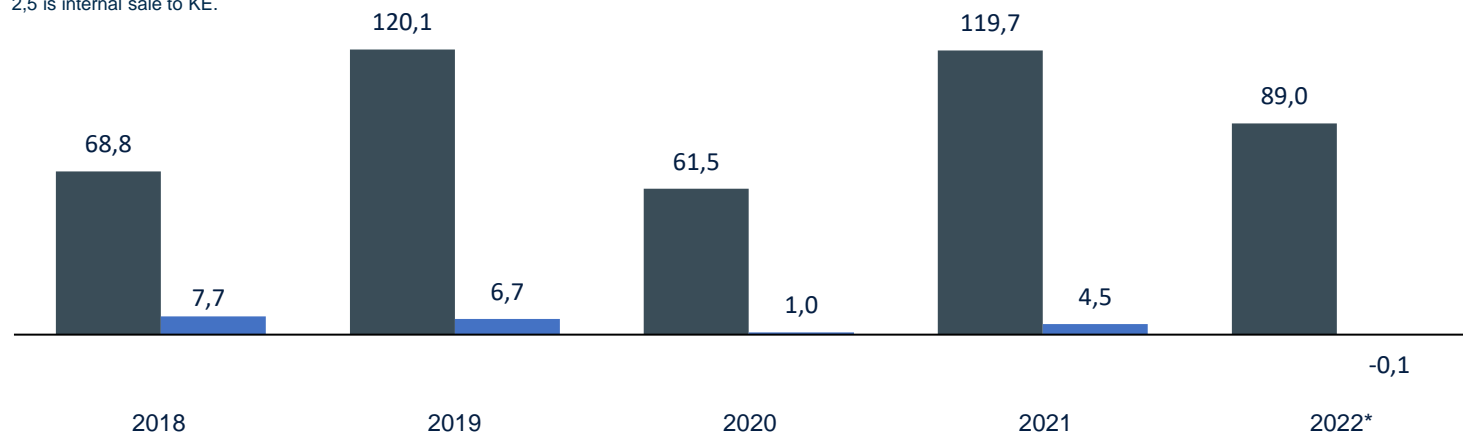
- Founded in 2012 and HQ in Ølen, Rogaland.
- The Vassnes group (VG) is owned by Kvinnherad Elektro 51% and Miranda Invest 49%. The parent company is Vassnes Solution AS with 3 subsidiaries.
- In total 116 FTE's – engineers and electricians.
- ISO-certified: ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018
- Full-service supplier for power and automation installations, meaning presence throughout the entire value-chain in industrial deliveries from idea to installation.
- The company has a long and good cooperation with local shipyards, offshore companies and the smelting industry, as well as other small- and large industry players in the region Haugalandet and western Norway.
- Goal to be a "preferred electrical supplier to the marine- and offshore market both nationally and internationally for our quality, expertise and ability to deliver".

Financial performance

■ Revenues, NOKm

■ EBITDA, NOKm

*Subject to final audit. MNOK
2,5 is internal sale to KE.



Full-service provider:



Blue-chip customer base

WESTCON

BOLIDEN

aibel®

Caverion
Building Performance

GE VERNOVA



Aker Solutions



Hareid®
Group

FMV FITJAR
MEKANISKE VERKSTED

ULSTEIN®

HAVYARD

Østensjø Rederi

REACH
SUBSEA

HALSNØY DOKK
Your Maritime and Offshore partner

STORESUND

ABB

WESTCON
Power & Automation

eqva.no

Thank you