EQVA ASA ANNUAL REPORT 2023

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.

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

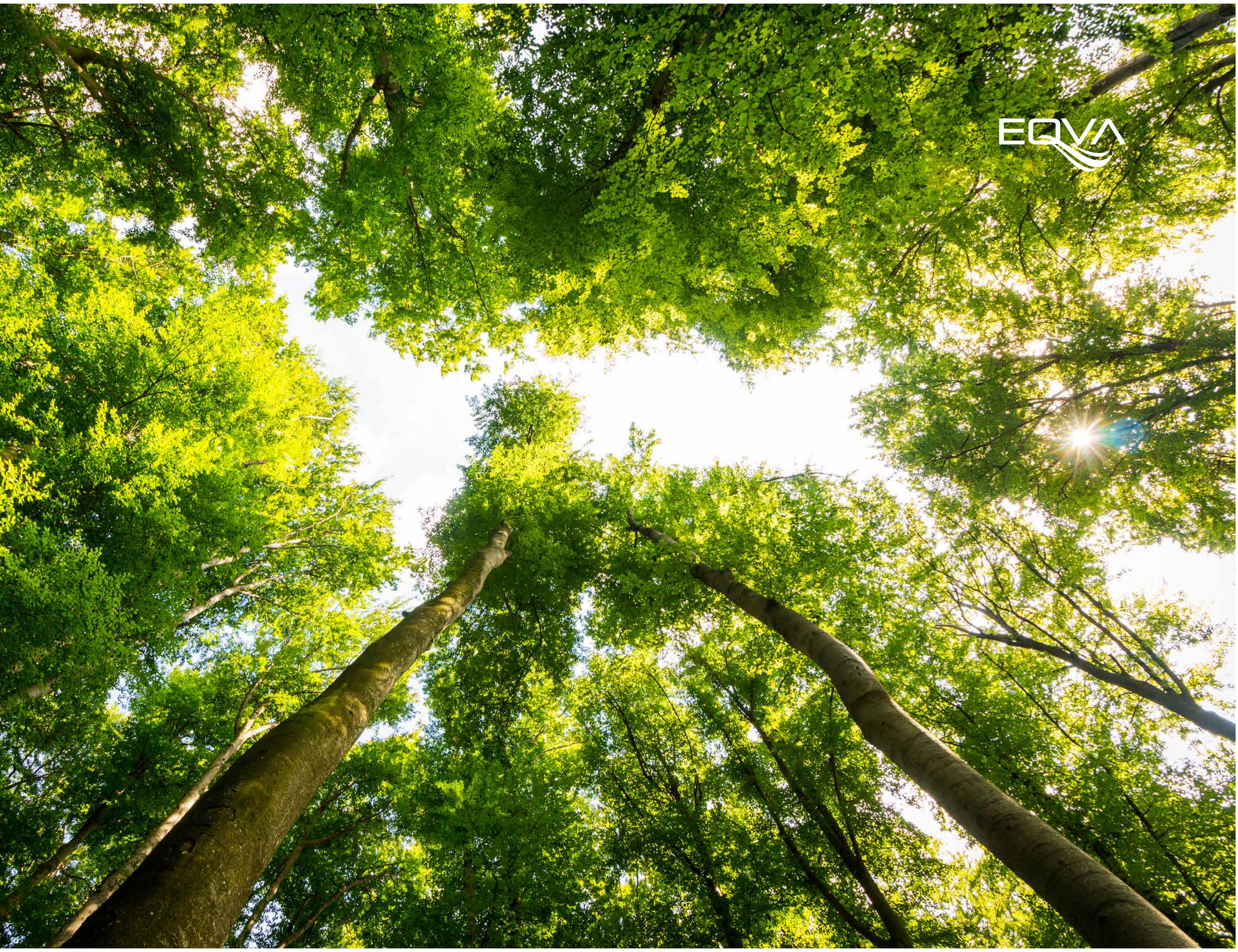
A specialiced hydropower plant developer and operator

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.

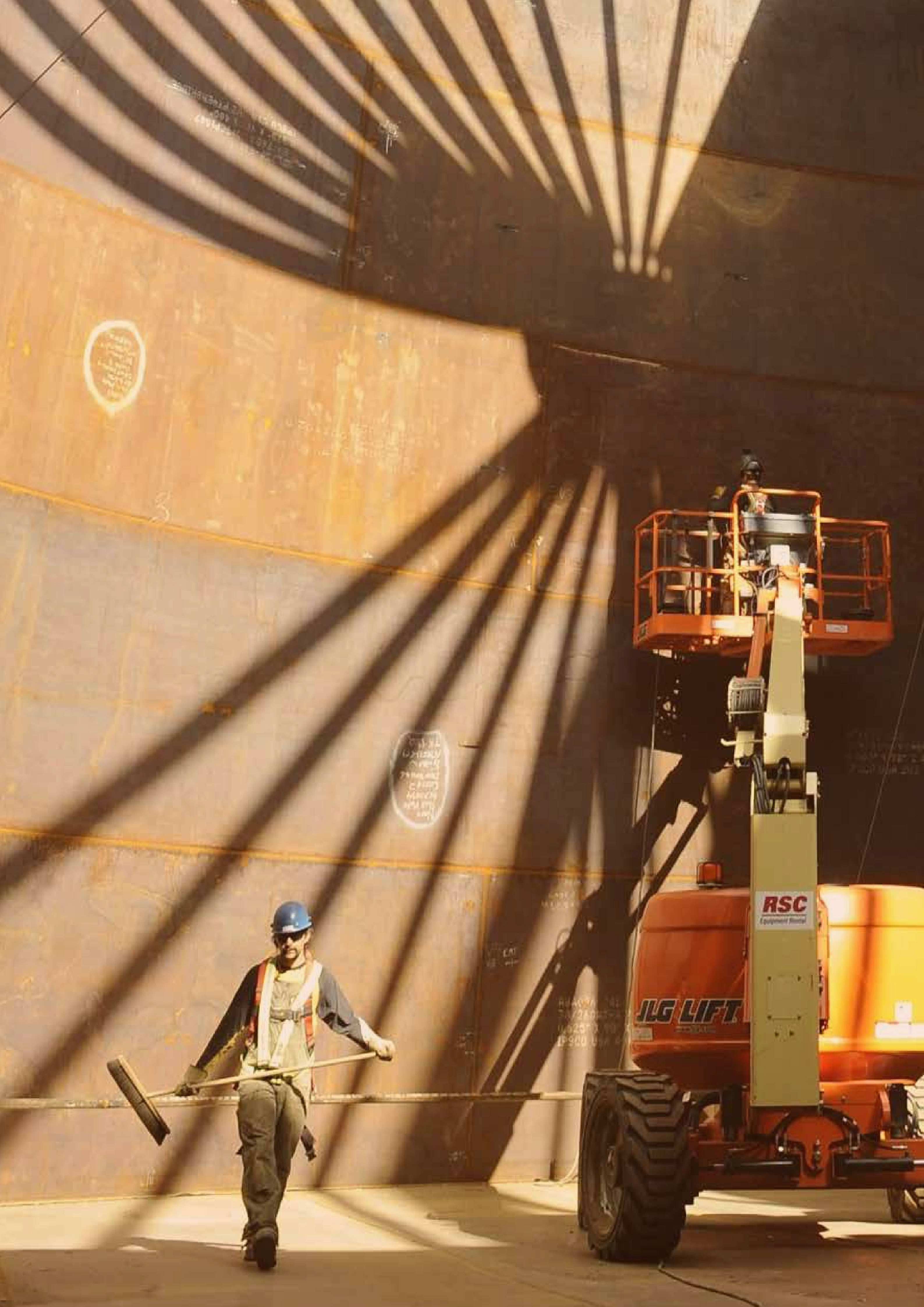
The transformation of industries and the new business models that emerge create opportunities for consolidation and re-engineering of industrial service companies. EQVA is well placed to take the lead in such transformation. It is a responsible owner with an eternal investment perspective, and it aims 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 providing the best possible service to our customers.

EQVA's financial targets for 2024

- NOK 600-700 million in revenue
- 5-7 per cent EBITDA margin
- EQVA has set a long-term target EBITDA margin for the group, ranging between 7 to 9 per cent.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CONTENT

Highlights and key figures

Another strong year

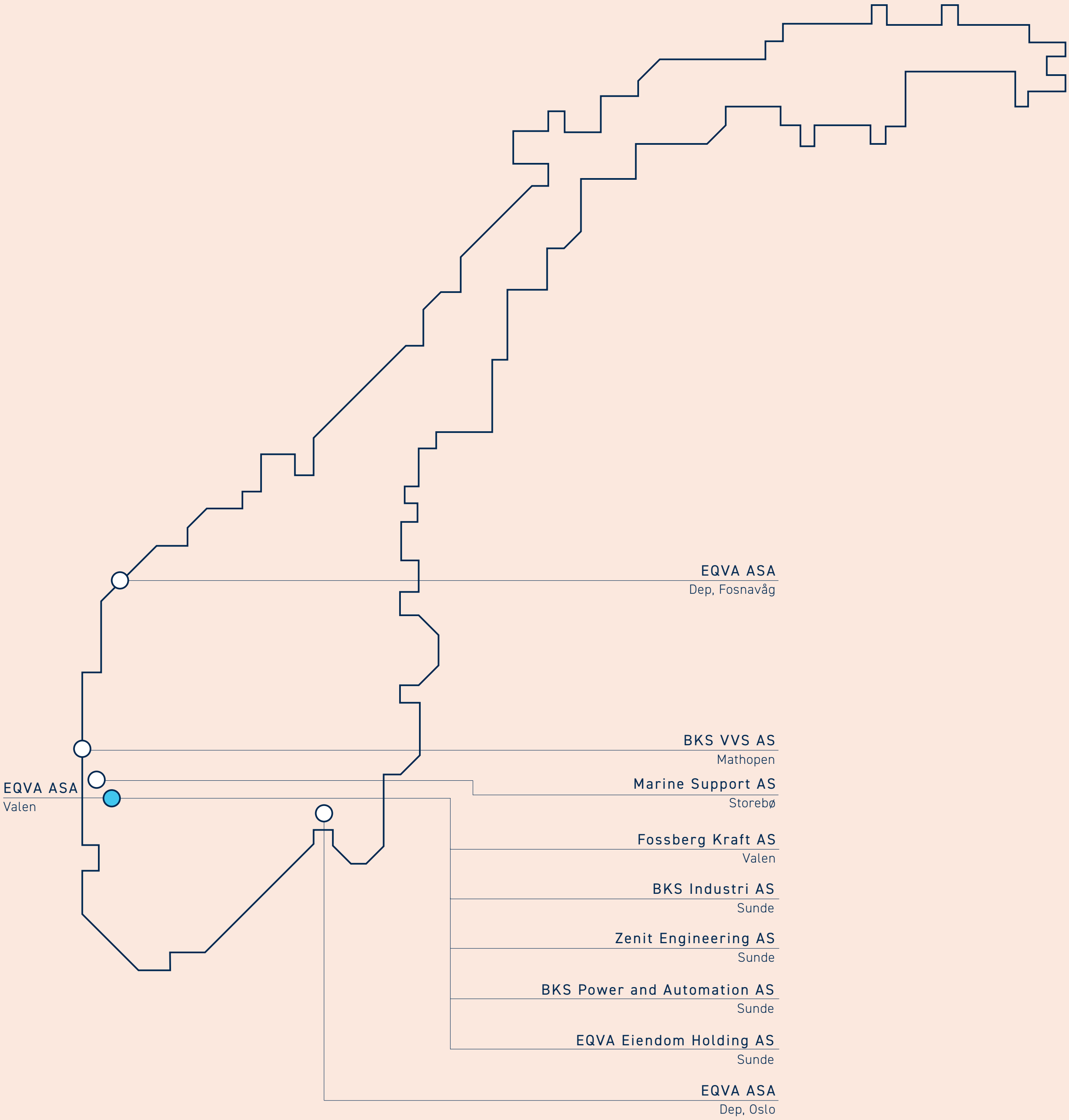
- **Strong performance in 2023**: EQVA showed a strong financial performance, with a notable increase in operating revenue compared to last year. The Products, Solutions & Renewables segment demonstrated substantial growth, benefiting from a strong order book and improved margins.
- **High activity for Products, Solutions & Renewables segment:** BKS's high activity level materialize into a strong orderbook for 2024. Fossberg Kraft has 2 hydropower plants under construction for a UK infrastructure fund.
- **Strategic Divestments:** The divestment of the shipyard Havyard Leirvik was marking a strategic shift towards reinforcing EQVA's focus on the Products, Solutions & Renewables segment. In addition, EQVA sold its shares in the PSV Havila Charisma to Havila Holding AS in Q1 2024.
- **Solid order book for 2024:** EQVA's strong customer partnerships ensure a promising future.

Key figures 2023

- NOK 670 million in total operating income.
- NOK 25,9 million in EBITDA.
- Orderbook NOK 487 million.
- 355 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 and land-based 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.
- **2023:** The shipyard Havyard Leirvik was divested to Tersan in November 2023.

CEO letter

Another strong year

Looking back to 2023, there is no doubt that 2023 has been a remarkable year with significant changes to the company.

We started the year with the three main companies Havyard Leirvik, Fossberg Kraft and BKS. During the autumn 2023 we entered into a sales process with the Turkish shipyard Tersan regarding Havyard Leirvik, which was divested later in November.

The two remaining companies experienced strong development and performance during 2023. BKS faced a significant demand for its services and landed a total revenue of 619 MNOK which was up 60% compared to 2022. At the same time Fossberg Kraft continued to deliver solid performance within its business area. The orderbook for the segment Products, Solutions & Renewables is solid into 2024.

Two-fold strategy

EQVA of 2024 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 M&A. 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 2023 we continued to develop clear targets and develop a sustainability strategy and reporting procedure, which forms the basis for our 2023 ESG report.

We hope you will enjoy reading our annual report for 2023, 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

Products, Solutions & Renewables

The Products, Solutions & Renewables segment accounted for 100 per cent of total income in 2023. The segment comprises of two subsidiaries BKS and Fossberg Kraft.

BKS is a full-service provider of technical installations to the 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 347 FTEs at the end of 2023, 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 currently operates several small-scale power plants. The company is also involved in development of new projects. Fossberg Kraft was established in 2018, and is headquartered in Valen, Kvinnherad.

Key markets:

- Renewable energy
- Solutions
- Process

Real estate

The real estate segment was established in 2023 and include the Group´s real estate properties.
The properties are predominantly production related.

Maritime services

Havyard Leirvik was divested to Tersan in November 2023. The Maritime Services segment will therefore be reported as discontinue operation in the 2023 accounts.

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.

Petter Sørdahl
CFO

With over 10 years of experience from financial markets, M&A and business development. Mr. Sørdahl holds 0 shares in the company.

Trygve Kjerpeseth
CEO of BKS
Group Head of Risk and Projects

With 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

With 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 8 168 462 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 33 333 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 33 333 shares in the company.

Kari Markhus
Board Member
Employee Representative

Tomasz Bartlomiej Wesierski
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 ASA 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 shares have equal rights and are freely transferable. Each share grants the holder one vote and there are no structures granting disproportionate voting rights.
- 98 per cent of our shares are held by Norwegian shareholders.
- EQVA holds 599 971 treasury shares number of treasury shares as of 31 December 2023, making it the 13th largest shareholder.

Key figures

- NOK 216.7 mill market cap as of 31 December 2023.
- 71 987 316 number of shares.
- 3 211 number of shareholders.
- During 2023 the return on holding the share was 3.8 %.

Share price development during 2023

The 20 largest shareholders as of 31 December 2023

	OWNER	NUMBER OF SHARES	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	8 168 462	11,35 %	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	1 167 768	1,62 %	Norway
13	EQVA ASA	599 971	0,83 %	Norway
14	HANDELAND EIGEDOM AS	584 163	0,81 %	Norway
15	PISON AS	430 000	0,60 %	Norway
16	KAMATO AS	340 000	0,47 %	Norway
17	P A WIND	266 198	0,37 %	Norway
18	K R HÜBERTZ	226 000	0,31 %	Norway
19	A JOHNSEN	221 376	0,31 %	Norway
20	CLEARSTREAM BANKING S.A.	178 674	0,25 %	Luxembourg

Board of Director's report & Corporate Governance

BOARD OF DIRECTORS REPORT

2.1 Introduction

2023 has been a pivotal year for EQVA ASA as we continued our journey towards strengthening our market position, enhancing operational efficiency, and committing to the green transition within maritime, power-intensive, and renewable industries. Our strategic decisions and investments throughout the year have laid down solid foundations for sustainable growth and value creation.

EQVA concluded the year 2023 with significant achievements across our diverse portfolio, underpinned by our strategic focus on the Products, Solutions & Renewables segment. The successful divestment of our shipyard Havyard Leirvik marked a strategic pivot towards concentrating our efforts on industrial service companies contributing to the green transition. This move not only reaffirms our strategic direction but also optimizes our portfolio towards more sustainable and profitable ventures.

2.2 Key events

In 2023, EQVA navigated through a transformative year marked by strategic milestones, operational growth, and significant corporate decisions. The key events throughout the year reflect the company's continuous evolution, and its commitment to being a knowledge-based active owner of industrial service companies contributing to the green transition. Here's a concise summary of the pivotal developments in 2023:

Strategic Divestments and Acquisitions: A significant event was the divestment of the shipyard Havyard Leirvik, marking a strategic shift towards reinforcing EQVA's focus on the Products, Solutions & Renewables segment. Additionally, the company signed a letter of intent for a business combination with Kvinnherad Elektro and LOS Group, aiming to establish a market-leading and fully integrated supplier within the sectors of piping, welding, structures, machining, instruments, power and automation.

Financial Performance: The company showed a strong financial performance, with a notable increase in operating income compared to the previous year. The Products, Solutions & Renewables segment demonstrated substantial growth, benefiting from a strong order book and improved margins.

Contracts and Collaborations: EQVA's subsidiary, BKS Industri, secured among others a new contract with Norsk Hydro for upgrading furnaces at their aluminium plant, highlighting EQVA's competitive edge and contribution to energy-efficient industrial solutions.

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 organized 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 355 employees in total. The corporate headquarter is located in Kvinnherad municipality.

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 subsidiaries 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, utilization of synergies between the companies in the group and value-creating M&A activities.

Key companies in the group are BKS Industri and Fossberg Kraft, each building on decades of experience and widely recognized by clients in a broad range of industries. The key subsidiaries are located in Kvinnherad municipality. In addition, the group also owns 50% of the PSV Havila Charisma.

Business segments

The business is organised in two business segments:

1. Products, solutions & renewables

Products, solutions & renewables consists of the service and maintenance provider BKS, with underlying subsidiaries, and the small-scale powerplant 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 specializes in the construction and operation of small-scale hydropower plants and has new projects in the pipeline.

2. Real Estate

EQVA is refining its strategy by focusing its Product Solutions and Renewables companies exclusively on their core areas, while other divisions within the group take on the management of associated real estate. This strategic division allows EQVA to enhance its focus on innovation and growth within the renewable sector, ensuring that its industrial properties are efficiently managed by specialized segments of the group dedicated to real estate. This approach optimizes operational efficiencies and leverages the group's diverse strengths.

Following the divestiture of Havyard Leirvik, EQVA no longer includes Maritime Services as a reporting segment.

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 IFRS® Accounting Standards 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 on 31 December 2023.

Statement of profit and loss

The operating income for the group in 2023 was NOK 670.2 million compared with NOK 223.8 million in 2022. The increase is mainly due to strong deliveries from BKS Industri AS and accounting effects from 2022 (BKS and Fossberg Kraft were included in the 2nd half of 2022).

The operating profit (EBIT) for the group in 2023 was NOK 10.5 million compared with NOK -28.9 million in 2022. The margin improvement is driven by BKS.

The group profit after tax for 2023 was NOK –21.8 million compared with NOK -19.6 million in 2022, including discontinued operations.

Statement of cash flow

In general, the cash flow statement in 2023 reflects a year with significant restructuring of the group`s activities. The cash flow statement shows changes in liquidity throughout the year.

Net change in cash flow for the group during the period is NOK -24.4 million compared to NOK - 92.3 million in 2022. The cash flow from operating activities is NOK -51.0 million compared to NOK -33.0 million in 2022. The cash flow is affected by, among other things, changes in work in progress.

The net cash flow from investment activities is NOK 18.6 million in 2023 compared with NOK -26.1 million in 2022.

The net cash flow from financing activities is NOK 8.0 million in 2023 compared with NOK -33.2 million in 2022. The cash flow from financing activities is mainly driven by increased bank debt.

Statement of financial position and liquidity

The group's cash position was NOK 36.0 million as of 31 December 2023. 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 377.2 million as of 31 December 2023 compared with 400.2 in 2022. Of this sum, NOK 201.3 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 of 31 December 2023.

The balance shows total assets for the group in 2023 of NOK 667.6 million compared with NOK 712.4 million in 2022.

Equity for the group was NOK 290.4 million as of 31 December 2023 compared with NOK 312.1 million at year-end 2022. Equity has changed due to underlying performances in Product, Solutions and Renewable as well as the divestiture of Maritime Services.

Parent company accounts and allocation of profit

The parent company had an operating income of NOK 9.6 million in 2023 compared to NOK 5.7 million in 2022. This increase was driven by changes in the Group's internal services. The profit after tax in 2023 was NOK 19.9 million compared to NOK 110.3 million in 2022. The 2023 earnings are affected by the sale of Havyard Leirvik and sale of remaining shares in HAV Group ASA.

Transferred to other equity in total NOK 19.9 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 2023

EQVA has initiated a sales process concerning the PSV Havila Charisma to further reaffirm it´s strategy as a industrial service provider.

For further information, please see Note 30 – Subsequent events.

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.

We find ourselves in an unreal situation with a war in Europe, which affects us 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 assessed to be limited. Security instruments 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 Fossberg Kraft project development, emphasizing the importance of accounting for climate considerations, such as frost and flooding, which can delay the construction of small power plants. Like its competitors, Fossberg Kraft faces these environmental challenges, which can impact the timely completion of projects despite careful planning and mitigation efforts. This approach underlines the company's commitment to resilient project design while acknowledging the unpredictable nature of climate impacts on development timelines. Even so we still considered the risk to be limited.

Transition risk can be political changes and regulations that result in increased fees, fines and orders. In relation to 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 2023, the average sickness absence rate (combing short-term and long-term) in the group was 4,54 per cent. This is a decrease of 1,28 per cent compared to 2022 which is a significant improvement to our KPI. The company was proactive in the autumn 2023, to prevent influenza effects, by offering to cover the cost of the influenza vaccine for the employees.

BKS had a reduction in injuries requiring medical treatment from 2022 to 2023. Most injuries are related to cuts and crush incidents. The frequency of absenteeism injuries has been reduced by 20.5% from 2022 to 2023, and by 48.9% for injuries requiring medical treatment.

BKS Industries recently achieved their certificate within ISO-45001, the international standard on health and security in the workplace, that requires the establishment of an effective management system.

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 Sustainability report.

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. One of EQVA's subsidiaries, 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 BKS websites.

Employees

On 31 December 2023, a total of 4,5 was permanent employees of EQVA ASA. Across its subsidiaries, EQVA had 355 permanent FTE's on 31 December 2023. 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 Petter Sørdahl. In addition, the operational Management team include 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, Kari Markhus (employee representative) and Tomasz Bartlomiej Wesierski (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 February 2024, 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 defense- 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 2023, 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.

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 organization'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 subsidiary BKS Industri have their own guidelines, detailed in 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). The annual statement 2023 will be published by 21 March 2024 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 3 211 different shareholders as of 31 December 2023.

The number of issues shares is 71 987 316. Nintor AS is the largest shareholder in EQVA ASA as of 31 December 2023 with an ownership of 23.5%.

The company holds 599 971 treasury shares.

2.14 Outlook and future development

The Group is well positioned for 2024 and going forward, to capitalize on the green transition within the maritime, products, solutions, and renewables sectors. The board of directors is pleased to report that the group has a strong order book which gives us a head start and sound outlook for 2024, boosted by large contract wins in the latter part of the 2023.

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 2023, 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.

Valen, 21 March 2024
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

Kari Markhus
Board member
employee representative

Tomasz Bartłomiej Wesierski
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 have their own guidelines, detailed on 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 2023, the company's equity totaled NOK 290.4 million, which corresponds to an equity ratio of 43.5 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 2024.

In December 2023 the Board granted the authorization to resolve distribution of dividend in the aggregate amount of up to NOK 50,000,000 based on the approved 2022 annual accounts. The authorization may only be used to the extent all conditions for distribution of dividend are fulfilled, including liquidity consideration. The authorization is valid until the ordinary general meeting in 2024.

It is proposed to not pay dividends for the 2023 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 2024.

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 2023 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.*

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 2023, the Company's board comprises five 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 present employee representatives of the board was elected in January 2024. Since January 2024 the board has seven members.

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 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.no. 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, 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 2023 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 General Meeting in December 2023 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.no, 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

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.

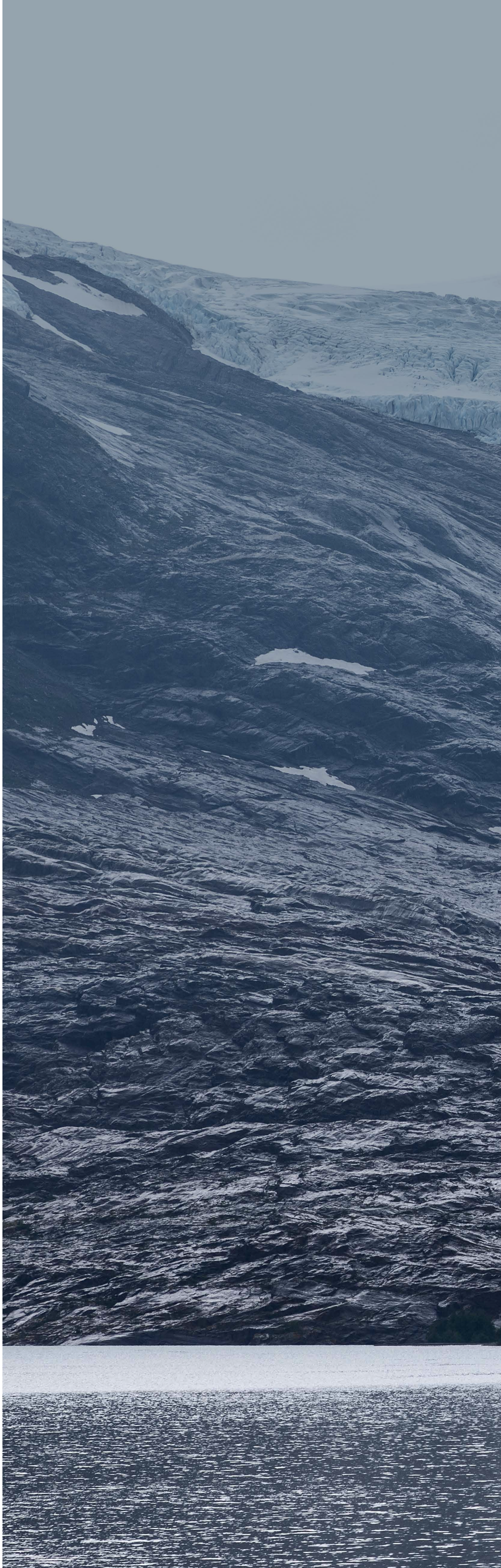
The auditor presents the main features of the plan for the auditing work to the Audit Committee and the board of directors each year. Meetings are held between the auditor and the board of directors, either the full board or the chair, as necessary.

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.

Valen, 21 March 2024

The board of directors of EQVA Group ASA



Sustainability report

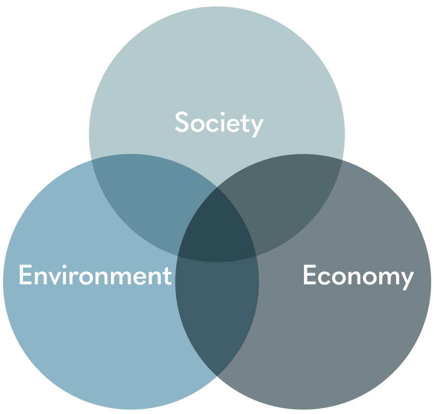
Key figures and highlights

- 111 customer projects within upgrading to more sustainable systems carried out by BKS in 2023
- 1 hydro power plant sold and developed by our subsidiary Fossberg Kraft in 2023
- EQVA has 355 FTEs by the end of 2023
- In 2023, BKS has established their first ESG report, and their second reviewed ESG report will be published with the annual year report at end of March 2023.

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 finding innovative solutions that reduce our carbon footprint, minimise environmental impact, and promote economic growth.



Sustainability in progress

At EQVA, sustainability is at the core of our operations. We will remain committed to achieving our sustainability goals and maintaining transparency in our reporting with reference to the GRI Standard. Through our actions and initiatives, we aim to make a positive and lasting impact on the companies in our group, our employees, value chain, local communities, and the world at large.

In November 2023, EQVA made the strategic decision to divest our shipyard Havyard Leirvik. The transaction allows EQVA to concentrate on further development of its portfolio companies BKS and Fossberg Kraft. Additionally, as an investment company and active owner, EQVA will be targeting new investment opportunities that contribute to the green transition in maritime, power intensive and renewable industries. As Havyard Leirvik is no longer a part of the group, we will not highlight them throughout this report.

One of our subsidiaries, BKS Industri AS, achieved in December 2021 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. Furthermore, the company has recently acquired the ISO 45001:2018 certification, emphasizing its commitment to upholding occupational health and safety standards. ISO 45001 mandates the implementation of an effective management system, underscoring BKS's dedication to fostering enhanced and safer working environments. External parties regularly monitor and evaluate our activities related to certification according to ISO standards.

Throughout the year 2023 we have been working towards finalizing our first sustainability report to be published together with the annual report 2023.

Find the complete REPORT HERE

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.

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.

Financial statements

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

EQVA ASA

(NOK 1,000)	Note	2023	2022
Revenues from contracts with customers	4,14,28	659 340	221 697
Other operating revenues	4,23	10 846	2 138
Operating income		670 185	223 836
Materials and consumables	15,21,28	275 452	78 296
Payroll expenses	5	273 345	117 857
Other operating expenses	5,6	95 803	49 531
Operating expenses		644 600	245 684
Operating profit/loss before depreciation and amortisation (EBITDA)		25 586	-21 848
Impairment of non-current assets		0	0
Depreciation	4,11,12,13	15 111	7 099
Operating profit/loss (EBIT)	4	10 474	-28 947
Financial income	8	7 120	4 084
Financial expenses	8	-33 325	-19 643
Share of profit/ loss of associate	4,9	-3 061	668
Profit / loss before tax	4	-18 791	-43 837
Income tax expense	4,7	1 098	-14 879
Profit from continued operations		-19 889	-28 958
Profit from discontinued operation	10,26	-1 913	9 310
Profit / loss for the Year	4	-21 802	-19 647
Attributable to :			
Equity holders of parent		-23 733	-21 410
Non-controlling interest		1 931	1 763
Total		-21 802	-19 647
Earnings per share (NOK)	25	-0,33	-0,30
Diluted earnings per share (NOK)	25	-0,33	-0,30
Earnings pr. share from continued operations			
Earnings per share (NOK)	25	-0,33	-0,40
Diluted earnings per share (NOK)	25	-0,33	-0,40

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

EQVA ASA

(NOK 1,000)	Note	2023	2022
Profit for the year		-21 802	-19 647
Foreign currency translation differences		0	-2 038
Other comprehensive income		0	-2 038
Total comprehensive income		-21 802	-21 685
Attributable to:			
Equity holders of parent		-23 733	-23 449
Non-controlling interest		1 931	1 763
Total		-21 802	-21 685

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
EQVA ASA

(NOK 1,000)

ASSETS

	Note	2023	2022
Non-current assets			
Deferred tax benefit	7	0	0
Goodwill	10,11	248 260	248 260
Licenses, R&D and customer relationships	11	29 319	32 208
Property, plant and equipments	12	111 840	128 927
Right of use assets	13	12 276	10 933
Investment in associates	9	21 319	25 544
Loan to associates	16	4 988	4 840
Investment in equity instruments measured at fair value through profit and loss	2,16,19	0	16 163
Other non-current receivables	16,20	3 809	2 648
Total non-current assets		431 810	469 523
Current Assets			
Inventory	17,21	5 780	13 681
Accounts receivables	14,16,17,28	99 493	90 955
Other current receivables	16,20	22 096	25 552
Contract assets customer contracts	14,15,17	72 480	51 537
Cash and cash equivalents	16,17,22	35 984	61 117
Total current assets		235 833	242 843
TOTAL ASSETS		667 643	712 366

EQUITY AND LIABILITIES

	NOTE	2023	2022
Equity			
Share capital	24	3 599	3 599
Share premium reserve		195 175	195 175
Treasury shares		-30	-16
Retained earnings		86 360	109 991
Non-controlling interests	8,9,10	5 319	3 387
Total equity		290 424	312 136
Non-current liabilities			
Deferred tax liability	7	0	0
Lease liabilities	13,16	8 870	9 624
Loans and borrowings	16,17	125 293	152 868
Other long-term liabilities	17	41 770	41 474
Total non-current liabilities		175 932	203 967
Current liabilities			
Accounts payables	16,28	55 666	56 147
Tax payables	7	1 579	1 360
Public duties payables		28 820	37 524
Loans and borrowings, current	16,17	78 423	22 498
Contract liabilities	14,28	0	861
Lease liabilities	13,16	3 380	1 619
Other current liabilities	14,15,17,18,27	33 420	76 255
Total current liabilities		201 288	196 263
Total liabilities		377 220	400 230
TOTAL EQUITY AND LIABILITIES		667 643	712 366

Valen, 21 March 2024
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

Kari Markhus
Board member
employee representative

Tomasz Bartlomiej Wesierski
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, 2023		3 599	195 175	-16	109 991	308 753	3 387	312 136
Profit for the Year	4	0	0	0	-23 733	-23 733	1 932	-21 802
Other comprehensive income	4							0
Total comprehensive income	4	0	0	0	-23 733	-23 733	1 931	-21 802
Other	10	0	0	0	100	100	0	100
Repurchase of own shares		0	0	-14	0	-14	0	-14
Minority interests from transaction							0	0
December 31, 2023		3 599	195 175	-30	86 361	285 105	5 319	290 424

*Minority interest came following the aquisition of HG Group and BKS

(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		-140 600
Repurchase of own shares				-13		-13		-13
Minority interests from transaction							0	0
December 31, 2022		3 599	195 175	-16	109 991	308 753	3 387	312 136

CONSOLIDATED STATEMENT OF CASHFLOW

EQVA ASA

(NOK 1,000)	Note	2023	2022
CASH FLOW FROM OPERATIONS			
Profit/ (loss) after tax		-21 802	-19 647
Income tax expense	7	1 098	-15 796
Paid tax	7	-1 360	0
Depreciation	11,12	12 836	7 524
Net financial items		26 205	16 907
Gain on disposal discontinued operations	26	-13 008	0
Profit and loss items without cash effect in discontinued operations	10	1 401	0
Depreciation charge of right-of-use assets	13	2 276	2 335
Share of (profit)/loss from associates	9	3 061	-668
Changes in inventory	21	4 679	-4 719
Changes in accounts receivables		-18 208	9 775
Changes in accounts payable		4 993	-25 780
Changes in customer contracts, asset		-19 953	-51 537
Changes in customer contracts, liabilities		-4 030	-14 116
Changes in restricted deposits		692	68 318
Changes in other current receivables/liabilities	17	-29 880	-5 603
Net cash flow from/ (to) operating activities		-51 000	-33 006
CASH FLOW FROM INVESTMENTS			
Investments in property, plant and equipment	12	-5 613	-3 204
Sale of property	12	0	7 002
Investment in intangible assets	11	0	-50
Net R&D grants	23	2 745	824
Changes receivables to associates	16	231	-502
Cash effect from aquisition of new companies	10	0	-6 441
Sale of subsidiary	26	9 231	0
Disposal of financial assets	19	13 163	0
Cash in HPR at time for loss of control		0	-18 824
Changes in long term receivables	20	-1 160	-4 922
Net cash flow used in investing activities		18 597	-26 118
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of lease liabilities	13	-2 549	-1 629
New bank debt	17	81 220	510
Instalments on bank debt	17	-57 453	-7 500
Interest payment	17	-16 795	-11 214
Aquired own shares	24	-1 178	-890
Acquisition of shares non-controlling interests	10	-376	0
Repaid loan of subsidiary	26	5 967	0
Sale of shares in HAV Group ASA net of trancaction costs	10	0	3 010
Changes in other long-term liabilities	26	-874	-15 460
Net cash flow from/ (used in) financing activities		7 962	-33 173
Net change in cash and cash equivalents		-24 441	-92 297
Cash and cash equivalents at start of the year		47 512	139 809
Cash and cash equivalents at end of the year	22	23 071	47 512
Restricted cash at end of year		12 913	13 605
Cash and cash equivalent recognised in the balance sheet		35 984	61 117

NOTES
EQVA ASA

Note

ACCOUNTS FOR 2023 ARE PRESENTED IN ENGLISH.

1. GENERAL INFORMATION

EQVA ASA is a public limited company based in Norway, and its head office is in Valen, Kvinnherad.

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 November 2023, EQVA divested its shipyard company Havyard Leirvik (HLE) to Tersan. The transaction included 3 companies - Havyard Leirvik Holding AS, Havyard Leirvik AS (shipyard) and Havyard Leirvik Eiendom AS. The segment Maritime Services, which included HLE, will no longer be a reportable segment (discontinued operations).

In addition, EQVA formed its Real Estate segment in Q1 2023.

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

- **Products, solutions & renewables** which includes 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.
- **Real Estate** which includes EQVA's real estate properties. The properties are predominantly industrial related.
- **Other** in which the parent company is the main entity – the segment also includes companies without regular operations and eliminations of intra-group transactions.

The EQVA group include a total of 355 FTEs as of December 31, 2023.

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 IFRS® Accounting Standards 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 21 March 2024.

New and amended standards adopted by the Group

The group applied for the first time certain amendments to standards, which are effective for annual periods beginning on or after 1 January 2023. The amended standards that applied for the first time in 2023 did not have any material impact on the consolidated financial statements of 2023, except for:

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to IAS 1 are effective for these consolidated financial statements beginning on 1 January 2023.

The group has not made any voluntary accounting policy changes in 2023.

Standards and interpretations issued but not yet effective

The group has not early adopted any accounting standard, interpretation or amendment that has been issued but is not yet effective. The group intends to adopt new and amended standards and interpretations, if relevant, when they become effective.

The group does not expect any significant effects related to upcoming standards and amendments. The group is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

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.

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.

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 Presentation currency and functional 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.

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 2023:

1. Products, solutions & renewables
2. Real estate, and
3. Other

Costs not directly attributable to the segments Real estate 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.

Maritime Services segment is not included in the reporting structure in 2023 as the shipyard Hayard Leirvik was sold to Tersan in November 2023 (discontinued operations). Discontinued operations are disclosed in note 26.

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 28.

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 Group does not recognize revenue from Conversion of vessels from Q3 2023 as the shipyard Hayard Leirvik was sold to Tersan in November 2023 (discontinued operations). Discontinued operations are disclosed in note 26.

A signed sales contract should be in place before purchase, construction and other startup cost apply. The customer can only terminate the contract because of a breach by EQVA (Havyard Leirvik).

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 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.

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.

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 Segment. Impairment is done at Segment-level if the impairment test does not justify the carrying amount of the Segment 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.

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.

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 initially measured at cost. Goodwill is calculated on a 100 % ownership. In regards of investments in associated companies, goodwill is included in the cost price of the investments.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is allocated to Segment level for the purpose of impairment testing. The impairment testing is described more in detail in note 11.

The goodwill is tested for impairment 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.

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. 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.

Investments in shares

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

Receivables and bank deposits

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

Loans are initially recognized at fair value when the loan is disbursed, adjusted for directly attributable transaction costs. In subsequent periods, loans are recognized at amortized cost calculated using the effective interest rate method (EIR). 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. 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.

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 recognized when there is a present obligation (legal or constructive) because of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount. A future settlement of the obligation will probably require an outflow of economic resources.

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.

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 and are recognized as reduction of other operating expenses.

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 conversion 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.

The Group does not recognize revenue from Conversion of vessels from Q3 2023 as the shipyard Hayard Leirvik was sold to Tersan in November 2023 (discontinued operations). Discontinued operations are disclosed in note 26.

3.2 Degree of completion and provision for loss contracts

A part of EQVA's business consists of executing revenue-recognition projects that are recognized over time. Revenue recognition over time 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, 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

After 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 was identified as the acquirer from an accounting perspective.

4. SEGMENT INFORMATION

The Group's main activities are:

- Products, solutions & renewables which includes 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.
- Real Estate which includes EQVA's real estate properties. The properties are predominantly industrial related.
- Other in which the parent company is the main entity – the segment also includes companies without regular operations and eliminations 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, Europe without Norway and Others.

The Group's customer base consists of a wide range of companies. The Group's three largest customers in 2023 compose 36% of total Group revenue.

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

Customer	Segment	Revenue	
		2023	2022
1.	Products, solutions & renewables-	127 451	28 511
2.	Products, solutions & renewables	58 452	52 370
3.	Products, solutions & renewables	58 042	34 202

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.

2023

(NOK million)	Maritime services	Products, solutions & renewables	Real estate	Other / Elimination	Discontinued Operations*	EQVA ASA
Operating revenues, External	107,6	659,3	0,0	0,0	-107,6	659,3
Operating revenues, Internal	0,0	10,8	10,1	-10,1	0,0	10,8
Operating income	107,6	670,1	10,1	-10,1	-107,6	670,2
EBITDA	-17,1	38,2	9,0	-18,0	13,5	25,6
Depreciation	1,4	8,9	3,0	3,3	-1,4	15,1
Operating profit/(loss) (EBIT)	-18,5	29,3	6,1	-21,3	14,9	10,5
Net financial items	13,0	-8,2	-2,4	-15,6	-13,0	-26,2
Share of profit/(loss) from associate	0,0	0,0	0,0	-3,1	0,0	-3,1
Profit/(Loss) before tax	-5,5	21,1	3,6	-40,0	1,9	-18,8
Income tax expense	0,0	1,1	0,0	0,0	0,0	1,1
Profit/(Loss)	-5,5	20,0	3,6	-40,0	1,9	-19,9
Total assets	0,0	336,0	119,3	212,3		667,6
Equity	0,0	44,6	55,5	192,2		292,4
Liabilities	0,0	291,4	63,8	20,1		375,3
Addition PP&E and intangibles*	0,0	5,6	0,0	0,0		5,6

Geographical areas	Norway	Other	Total
Operating revenues	619,8	50,3	670,2

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

2022

(NOK million)	Maritime services	Products, solutions & renewables	Other / Elimination	Discontinued Operations*	EQVA ASA
Operating revenues, External	235,2	219,5	2,2	-235,2	221,7
Operating revenues, Internal	0,0	0,0	2,1	0,0	2,1
Operating income	235,2	219,5	4,3	-235,2	223,8
EBITDA	12,9	9,3	-31,1	-12,9	-21,8
Depreciation	2,8	6,9	0,1	-2,8	7,1
Operating profit/(loss) (EBIT)	10,1	2,3	-31,3	-10,1	-29,0
Net financial items	-1,3	0,6	-16,2	1,3	-15,6
Share of profit/(loss) from associate	0,0	0,0	0,7	0,0	0,7
Profit/(Loss) before tax	8,7	2,9	-46,8	-8,7	-43,8
Income tax expense	-0,4	0,0	-14,9	0,4	-14,9
Profit/(Loss)	9,1	2,9	-31,9	-9,1	-29,0

(NOK million)	Maritime services	Products, solutions & renewables	Other / Elimination	Discontinued Operations*	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	Restate	Total
Operating revenues	458,9	0,0	-235,1	223,8

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

*Discontinued Operations contain the companies within Maritime Services
(Havyard Leirvik AS), Havyard Leirvik Holding AS and the real estate property Havyard Leirvik Eiendom AS.

5. SALARY, FEES, NUMBER OF EMPLOYEES ETC.

(NOK 1,000)

Payroll expenses	2023	2022
Wages	217 505	98 001
Employer's part of social security costs	27 116	12 041
Pension, contribution plans	12 556	4 381
Other benefits	16 167	3 435
Total salaries and social expenses	273 345	117 857
FTEs at year end	355	351

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 2023

Remuneration to key management personnel and the Board of Directors:

	Erik Høyvik, CEO		Eirik Sævareid, CFO		Ask Haukaas, CFO*	
Management remunerations	2023	2022	2023	2022	2023	2022
Wages	2 169	2183	1 211	750	547	0
Pension	101	95	78	52	52	0
Other benefits	152	146	144	6	10	0
Total	2 422	2 424	1 433	809	609	0

* Eirik Sævareid was replaced by Ask Haukaas in September 2023.

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 31/12/23.

EQVA ASA parent company: NOK 3 389 704 in board fees have been paid to external board members in 2023 (NOK 2 066 666 in 2022). 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.

Share-based payment

The establishment of the EQVA ASA Employee Option Plan was approved by the shareholders in 2022. The shareoption program 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. The program has effect from 1 January 2023. Options are granted under the plan for no consideration and carry no dividend or voting rights.

The granted options are accounted for as equity-settled transactions. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognized in employee benefits expense, together with an increase in equity (other capital reserves), over the period in which the service and, where applicable, the perofrmance conditions are fulfilled (the vesting period). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

The granted options are vested over a period of three years. Employees must remain employed for a minimum three years to fully earn their granted options. A certain proportion of the options will become exercisable each year over the course of those three years. In accordance with IFRS 2 Share-based Payment, the Group recognize an expense over the vesting period. The total estimated cost of the share-based payment is spread evenly over the vesting period, reflecting the manner in which the economic benefits associated with the options are likely to flow to the company.

Set out below are summaries of options granted under the plan:

	2023		2022 *	
	Average exercise price	Number of options	Average exercise price	Number of options
As at 1. January	0	-	0	0
Granted during the year	3,01	1 740 000	0	0
Excercised during thet year	0	-	0	0
Forfeited during the year	3,01	-380 000	0	0
As at 31. December	**3,01**	**1 360 000**	**0**	**0**
Vested and exercisable at 31. December	**0**	**-**	**0**	**0**

No options expired during the periods coverd by the above

Forfeited options was due to resignation from employees.

* There was no option program in 2022

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Grant date	Expiry date	Excercise price	Share options 31. December 2023	Share options 31. December 2022	Number of options
January 2023	January 2026	3,64	1 360 000	0	0

Weighted average remaining contractual life of options outstanding at end of period 2 years

Share Purchase Program

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.

6. OTHER OPERATING EXPENSES

(NOK 1,000)

Other operating expenses	2023	2022
Rent expenses	14 270	6 799
Office and administration expenses	11 028	7 424
Plant, tools and equipment (including IT)	20 832	8 744
Travel and employee expenses	19 539	9 804
Hired consultants	15 273	17 932
Marketing and communication	5 523	835
Other operating expenses	9 337	-2 007
Total	95 803	49 531

Fees to the auditor consists of the following services:	2023	2022
Statutory audit	4 859	2 317
Tax advice	315	0
Other assistance	564	1 768
Total	5 738	4 084

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)	2023	2022
Consolidated income statement		
Current income tax:		
Taxes payable	1 579	1 360
Changes in deferred tax	-481	-16 239
Income tax expense/(income) reported in the income statement	1 098	-14 879

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

(NOK 1,000)	2023	2022
Profit before tax	-18 791	-43 836
Tax expense 22%	-4 134	-9 644
Recognized tax expense	1 098	-14 674
Difference between expected and recognised tax expense	5 232	-5 030
Difference is related to:		
Income from investment in related parties	0	0
Results in associates (22%/ 22%)	-673	1 387
Effect from discont operations	0	3 058
Prior year adjustments	0	-205
Addition deferred tax from aquisition	0	-16 425
Loss on sale shares	0	1 434
Impairment financial assets	0	2 066
Other permanent differences	-5 769	-10 556
Tax payable from previous year	0	0
Effect from public debt settlement	0	0
Deferred tax asset not recognized	11 673	14 007
Total	5 231	-5 235

Deferred tax relates to the following temporary differences:

(NOK 1,000)	2023	2022
Non-current assets	28 382	33 668
Customer contracts	28 267	30 933
Leasing	-34	-113
Current assets	-4 660	-4 252
Accruals and provisions	0	-3 570
Gain/(loss) account for deferral	10 758	12 544
Cut off interest to related parties carried forward	-19 629	-2 019
Customer contracts	48 940	5 797
Tax loss carried forward	-333 202	-314 684
Total temporary differences	-241 178	-241 695
Net deferred tax lability / deferred tax asset (-)	-53 059	-53 173
Deferred tax asset not recognised	53 059	53 173
Deferred tax liability in the balance sheet	0	0

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)	2023	2022
Interest income	43	879
Agio income	435	563
Profit from share sale	6 601	2 636
Other financial income	41	6
Total financial income	7 120	4 084
Interest expenses	19 679	9 916
Agio loss	919	247
Impairment of other financial assets	0	9 389
Loss from share sale	5 380	-639
Other financial expenses	7 346	729
Total financial expenses	33 325	19 643
Share of profit/loss of associate	-3 061	668
Net financial items	-29 265	-14 890

9. SUBSIDIARIES, ASSOCIATES AND OTHER FINANCIAL INVESTMENTS

2023

EQVA ASA has the following ownership in subsidiaries as of 31/12/2023	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	7 007
Havyard Ship Invest AS	100 %	Fosnavåg	Other	NOK	150 000	-5 950
Norwegian Marine Systems AS	100 %	Fosnavåg	Other	NOK	226	3 415
Mjølstadneset Eiendom AS	100 %	Fosnavåg	Other	NOK	143	9 801
BKS Industri AS	100 %	Sunde i Kvinnherad	Products, solutions & renewables	NOK	54	52 258
BKS Power & Automation AS	100 %	Sunde i Kvinnherad	Products, solutions & renewables	NOK	30	-3 507
HG Group AS	100 %	Valen i Kvinnherad	Other	NOK	690	213 586
Handeland Industri AS	100 %	Valen i Kvinnherad	Other	NOK	563	97 557
BKS Holding AS	100 %	Sunde i Kvinnherad	Products, solutions & renewables	NOK	30	-6 397
Fossberg Kraft AS	100 %	Valen i Kvinnherad	Products, solutions & renewables	NOK	1 002	30 072
Fossberg Kraft Produksjon AS	100 %	Valen i Kvinnherad	Other	NOK	1 002	-19 521
EQVA Eiendom Holding AS	100 %	Sunde i Kvinnherad	Real estate	NOK	49	31
BKS Eigedom AS	100 %	Sunde i Kvinnherad	Real estate	NOK	168	8 736

Zenit Eigedom AS	100 %	Sunde i Kvinnherad	Real estate	NOK	30	-158
Zenit Engineering AS	89 %	Sunde i Kvinnherad	Products, solutions & renewables	NOK	300	4 312
Haugsvær Kraft AS	100 %	Valen i Kvinnherad	Products, solutions & renewables	NOK	30	-58
Skjeggfoss Kraftverk AS	100 %	Valen i Kvinnherad	Products, solutions & renewables	NOK	30	-291
BKS VVS AS	67 %	Straume i Øygarden	Products, solutions & renewables	NOK	100	6 707
Marine Support AS	70 %	Storebø i Austevoll	Products, solutions & renewables	NOK	300	11 708

EQVA divested Havyard Leirvik Holding AS (HLH) to Tersan (Turkish shipyard company) in November 2023. The transaction included also HLH's 2 subsidiaries Havyard Leirvik AS and Havyard Leirvik Eiendom AS. For more details see note 26 Discontinued Operations.

BKS Holding AS increased its ownership in Zenit Engineering AS, from 82% to 89%, during 2023.

Fossberg Kraft AS invested in a new project company, Haugsvær Kraft AS in 2023. The company will be sold to customer when project is completed. In 2023 the project company Kvævebekken 2 AS was sold to the customer.

EQVA ASA transferred its 50% ownership in BKS Holding AS to Handeland Industri AS - now 100% owner. The transaction impacted the equity of HG Group AS as well (parent company of Handeland Industri AS). The transaction was carried out as an asset contribution.

Havyard Eiendom Holding AS changed name to EQVA Eiendom Holding AS in 2023.

Investments in associates as of 31/12/2023	Ownership share/ Voting share	Business office	Currency	Share of result (1,000)
Havila Charisma IS	50 %	Fosnavåg	NOK	-3 061
EW Nord, Estland	47 %	Tallinn	EUR	N/A

Investment in associates - balance sheet amount	(NOK 1,000)
Value of investment 1/1/2023	**25 544**
Share of profit/(loss)	-3 061
Investments	0
Additions through aquistiion	0
Other adjustments	-1 165
Carrying value of investment 31/12/2023	**21 318**

Aggregate financial information of associates according to owner share	
Operating revenue	52 434
Profit/(loss)	-6 121
Total Comprehensive Income	-6 121
Total assets	144 653
Equity	38 938
Liabilities	105 715

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

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.

10. BUSINESS COMBINATIONS AND OTHER CHANGES IN THE GROUP

2023

There has been no changes in the group in 2023, besides the divestment of Havyard Lerivik AS, Havyard Leirvik Holding AS and Havyard Leirvik Eiendom AS. Please see note 26 regarding discontinued operation..

2022

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 relationships	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 2023	EQVA ASA 2023*	Pro-forma accunts 2022**
Operating income		670,2	670,2
Materials and consumables		275,5	275,5
Payroll expenses		273,3	273,3
Other operating expenses		95,8	95,8
EBITDA	0,0	25,6	25,6

*consolidated group accounts

**as if the transaction was done 01 January 2023 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 ownershipt 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

2023

(NOK 1,000)

	Licenses, patents and R&D	Customer contracts	Goodwill	Total
Acquisition cost as of 1/1	1 425	32 000	248 260	281 685
Additions during the year	0	0	0	0
Disposals during the year	0	0	0	0
Acquisition cost as of 31/12	1 425	32 000	248 260	281 685
Accumulated amortization as of 1/1	150	1 067	0	1 217
Amortization for the year	225	2 665	0	2 890
Disposals during the year	0	0	0	0
Accumulated amortization as of 31/12	375	3 731	0	4 106
Book value as of 31/12	1 050	28 269	248 260	277 579
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.

2023

Allocation of goodwill	2023	2022
Products, solutions & renewables	248 260	248 260
Total goodwill	248 260	248 260

Goodwill

Goodwill is monitored as tested for impairment annually or more frequently if events or changes in circumstances indicate that the value may be impaired, goodwill is tested at the level of operating segments. The entire goodwill relates to the aquisition of BKS and Fossberg Kraft in late June 2022.

Cash flow assumptions

The impairment testing of assets is by nature highly judgmental as it includes estimates such as future market development, cash flows, determination of Segments and WACC, and other assumptions that may change over time. In particular, future cash flows are uncertain as they are impacted by developments beyond our control. Weather conditions and regulatory developments are two examples that may impact our power plant development projects. Below is an overview of the key assumptions and judgements applied for impairment testing as of 31 December 2023.

The Weighted Average Cost of Capital (WACC) has been calculated based on a risk-free rate which mirrors the current yield on Norwegian 10-year government bonds, pursuant to established valuation practices. The cost of equity has been determined utilizing the Capital Asset Pricing Model (CAPM), where an equity beta of 3.5 was applied, derived from an asset beta of 0.6, assimilating a debt-to-equity ratio in alignment with IFRS 13 "Fair Value Measurement".

Risk Adjustments: The asset beta's reflection of the company's operational risks, inclusive of EBITDA margins and revenue volatility, has been benchmarked against comparable companies within the sector, a prudent asset beta has been deemed appropriate, given the lower risk profile assumed for BKS and Fossberg's combined operations.

A market risk premium of 5% is incorporated to represent the additional return investors require over risk-free securities, supported by historical trends and financial institution benchmarking. A small firm premium of 4.5% has also been applied to account for the elevated risk associated with liquidity and market access for smaller enterprises.

Given the assumtions and inputs above we consider the calculated WACC (10,4%) to be conservative and custom-tailored to the company's strategic long-term financing needs, incorporating comprehensive risk adjustments and market considerations.The impairment test has also been tested for sensitivities by changing key parameters with 1%, without any impairment indicators identified.

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 amortization as of 1/1	0	0	0	0
Amortization for the year	150	1 067	0	1 217
Disposals during the year	0	0		0
Accumulated amortization as of 31/12	150	1 067	0	1 217
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.

12. PROPERTY, PLANT AND EQUIPMENT

2023

(NOK 1,000)	Land and buildings	Machinery	Operating equipment	Total
Acquisition cost as of 1/1	358 981	53 595	68 980	481 557
Adjustments 2022	4 186	5 691	0	9 877
Additions during the year	72	5 540	0	5 613
Disposals during the year	3 249	1 530	0	4 779
Acquisition cost as of 31/12	359 991	63 296	68 980	492 267
Accumulated depreciation as of 1/1	250 818	48 978	52 831	352 627
Depreciation for the year	7 184	4 640	397	12 221
Impairment	0	0	0	0
Disposals during the year	0	193	0	193
Accumulated depreciation as of 31/12	258 002	53 811	53 228	365 041
Discontinued operation	9 121	3 720	1 144	13 985
Depreciation for discontinued operation	0	1 401	0	1 401
Book value as of 31/12	92 868	4 363	14 609	111 840
Useful life	10-40 years	3-10 years	3-10 years	

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	

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)	2023	2022
Right of use assets		
Property	2 410	1 021
Equipment	6 209	7 827
Cars	3 657	2 086
Sum	12 276	10 933
Additions, right-of-use assets in the period	1 342	12 937
Disposals of right-of-use assets in the period	0	0
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:

	2023	2022
Depreciation charge of right-of-use assets		
Properties	221	310
Equipment	666	866
Cars	1 390	1 160
Total	2 276	2 335
Interest expense	831	229
Expenses relating to short-term leases*	14 270	6 799
*Main part of short-term leases is rent of housing for project personnel.		
Expenses relating to leases of low-value	0	0

The total cash outflow for leases in 2023 was MNOK 12,455 (2022: MNOK 8,884) which includes short/insignificant lease arrangements.

	2023	2022
Right of use assets - development 2023		
Right of use assets - 01.01*	10 933	332
Corrections opening balance	2 276	0
Additions during the year	1 342	12 937
Depreciation	2 276	2 335
Right of use assets - 31.12	12 276	10 933

14. REVENUE FROM CONTRACTS WITH CUSTOMERS

(NOK 1,000)

NOTE 14.1

2023

Disaggregation of revenue	Products, solutions & renewables	Real Estate	Other / Elimination	Eqva
Service and maintenence	659 340	0	0	659 340
Total revenue from contract with customers	659 340	0	0	659 340

See note 4

(NOK 1,000)

NOTE 14.1

2022

Disaggregation of revenue	Products, solutions & renewables	Other / Elimination	EQVA
Service and maintenence	200 236	4 649	204 884
Construction of power plants	16 813	0	16 813
Total revenue from contract with customers	217 049	4 649	221 698

See note 4

NOTE 14.2

Contract assets	2023	2022
Opening balance	51 537	0
Payments received on assets from previous balance sheet date	45 179	0
Assets from contracts entered into current year	66 122	51 537
Closing balance	72 480	51 537

Contract liabilities	2023	2022
Opening balance	-861	-35 558
Revenues booked on liabilities from previous balance sheet date	861	35 558
Liabilities from contracts entered into current year	0	861
Closing balance	0	-861

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	2023	2022
Transaction price allocated to remaining performance	57 439	41 573
Expected delivery of remaining performance obligations		
Within one year	57 439	41 573
Between one and two years	0	0

NOTE 14.4

No revenue was recorded in 2023 on previously completed contracts

15. LOSSES TO COMPLETION

(NOK 1,000)	2023	2022
Provisions		
Provisions from previous period	0	0
Reduced deposit	0	0
New provisions	0	0
Total	0	0

The provision is presented as part of other current liabilities in the balance sheet. 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:

2023

	Fair value through profit or loss	Amortized cost	Total
Assets as per balance sheet			
Investments in shares	0	0	0
Loans to associates	0	4 988	4 988
Trade and other current receivables	0	121 589	121 589
Non current receivables	0	3 809	3 809
Cash and cash equivalents	0	35 984	35 984
Total	0	166 370	166 370

	Liabilities at fair value through the profit or loss	Amortized cost	Total
Liabilities as per balance sheet			
Accounts payables	0	55 666	55 666
Other long-term liabilities	0	41 770	41 770
Lease liabilities	0	12 250	12 250
Other current liabilities	0	33 420	33 420
Liabilities to financial institutions	0	203 715	203 715
Total	0	346 821	346 821

2022

	Fair value through profit or loss	Amortized cost	Total
Assets as per balance sheet			
Investments in shares	16 163	0	16 163
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

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. Difference between non-discounted cash-flows and amortized costs are considered to insignificant.

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)	2023	2022
Not past due	38 816	75 259
Past due < 3 months	26 667	9 723
Past due 3 to 6 months	34 009	2 395
Past due over 6 months	9 300	7 338
Impairment	-9 300	-3 760
Trade receivables	99 493	90 955
Contract assets customer contracts	72 480	51 537
Total credit/counterparty risk to customers	171 973	142 492

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

2023	Current			Long Term			Total
NOK (1,000)	0-3 months	3-6 months	6-12 months	1-2 years	2-5 years	> 5 years	
Non Derivatives							
Accounts payables	39 665	16 001					55 666
Lease	17	0	3 363	476	1 637	6 756	12 250
Other long-term liabilities				41 770			41 770
Liabilities to financial institutions			78 423		125 292		203 715
Total	39 682	16 001	81 786	42 246	126 929	6 756	313 400
Derivatives							
Forward contract foreign exchange	0		0		0		0
Total	39 682	16 001	81 786	42 246	126 929	6 756	313 400

2022	Current			Long Term			Total
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	56 147
Lease	0		1 619		9 624	0	11 243
Other long-term liabilities				3 416	38 057	0	41 474
Liabilities to financial institutions	7 523	10 260	26 977	56 261	96 608	0	197 629
Total	63 670	10 260	28 742	60 165	149 888	0	312 725
Derivatives							
Forward contract foreign exchange	0		0		0	0	
Total	63 670	10 260	28 742	60 165	149 888	0	312 725

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	2023	2022
Lease liabilities	8 870	9 624
Liabilities to financial institutions	125 293	152 868
Other long-term liabilities	41 770	41 474
Sum	175 932	203 967

Interest bearing short-term debt	2023	2022
Liabilities to financial institutions	78 423	22 498
Lease liabilities	3 380	1 619
Sum	81 803	24 116

Debt secured by mortgage	2023	2022
Long-term debt to financial institutions	125 293	152 868
Short-term debt to financial institutions	78 423	22 498
Sum	203 715	175 366

The Liabilities to financial institutions of total 199 MNOK include, DNB loan to BKS and EQVA Eiendom, construction loans from Sparebank 1 SR-Bank to Fossberg Kraft, Pareto bank loan to EQVA ASA, and drawn revolving credit facility in Fossberg Kraft and BKS.

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

As of 31 December 2023, EQVA ASA has received a waiver for the debt covenants for the Pareto loan. Other debt was in compliance with its existing debt covenants.

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

Leasing liabilities

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

Book value of pledged asset

(NOK 1,000)	2023	2022
Buildings	92 868	108 164
Machinery, operating equipment	18 972	20 766
Contract assets customer contracts	72 480	51 537
Inventory	5 780	13 681
Accounts receivables	99 493	90 955
Bank deposits	23 071	47 519
Sum book value of pledged assets	312 664	332 622

2023

Loans			Changes in liabilities			
(NOK 1,000)	Start of period	Borrowing	Additions by aquisition	Installment	Other changes	End of period
Liabilities to financial institutions	175 366	81 220	0	57 453	4 582	203 715
Sellers credit to shareholders	25 000		0		0	25 000
Other long-term liabilities	16 474	2 718	0	212	-2 212	16 769
Lease liabilities	11 243	3 281	0	2 276	0	12 250
Total interest-bearing debt	228 082	87 219	0	59 941	2 370	257 735

2022

Loans			Changes in liabilities			
(NOK 1,000)	Start of period	Borrowing	Additions by aquisition	Installment	Other 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	25 000	25 000
Other long-term liabilities	31 933			15 460	0	16 474
Lease liabilities	357	9 492	3 023	1 629	0	11 243
Total interest-bearing debt	37 073	10 002	180 596	24 589	25 000	228 083

As of 31 December 2022, 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)	2023	2022
Employee-related liabilities	26 906	38 133
Warranty provisions	0	7 879
Accrud interest expense	1 814	2 323
Other current liabilities	4 700	27 920
Total other current liabilities	33 420	76 255

19. NON-CURRENT FINANCIAL INVESTMENTS

The Group has no investments in financial assets as per 31.12.23 (NOK 16.2 million as of December 31. 2022). The investments are classified as noncurrent. The investments are recognized at fair value with changes in value in the income statement.

2023

(NOK 1,000)

Company	Ownership share/ voting share	Business Office	Carrying amount
NA			0
Other non-current financial investments**			0
Carrying amount as of 31/12/23			0

There are no quoted or unquoted equity shares investments.

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

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

Changes in carrying amount from 31/12/22 to 31/12/23:

(NOK 1,000)	2023	2022
Level 1 investments 01/01	13 163	0
Investment	0	0
Reclassified*	0	13 163
Impairment	0	0
Sale of investment	-13 163	0
Adjustment	0	0
Level 1 investments 31/12	0	13 163

(NOK 1,000)	2023	2022
Level 3 investments 01/01	3 000	3 000
Investment	0	0
Impairment	0	0
Sale of investment	-3 000	0
Adjustment	0	0
Level 3 investments 31/12	0	3 000

*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	2023	2022
Prepaid leasing obligations	3 809	2 648
Sum other non-current receivables	3 809	2 648

Other current receivables	2023	2022
Prepayments suppliers	3 902	7 494
Accrued income	0	6 447
Employee-related items	85	1 426
Receivables VAT and government grants	0	1 550
Other short-term receivables	18 108	8 634
Sum other current receivables	22 096	25 552

21. INVENTORY

(NOK 1,000)	2023	2022
Raw materials (at cost)	5 780	13 681
Total Inventories	5 780	13 681
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)	2023	2022
Cash at banks - unrestricted	23 071	47 512
Cash at banks - restricted	12 913	13 605
Total	35 984	61 117
Restricted cash consists of:		
Security furnished to customer for payment in advance	0	0
Tax withholding accounts	10 197	10 976
Other	2 716	2 629

At 31 December 2023 the Group had MNOK 0 (2022: NOK mill 0) in undrawn committed borrowing facilities.

23. GOVERNMENT GRANTS

NOK (1,000)	2023	2022
Received during the year	2 745	824
Released to the income statement	2 738	824
Of this - booked as reduction of other operating expenses	2 738	824
Of this - booked as reduction of capitalized R&D	0	0
Unrecognized income	0	0

Government grant have been received for one project. The grant is booked as reduction of operating costs in the P&L. There are no unfulfilled conditions or contingencies attached to this grant.

24. SHARE CAPITAL

Ordinary shares issued and fully paid

	2023	2022
Number of ordinary shares	71 987 316	71 987 316
Par value (NOK)	0.05	0.05
Share capital (NOK)	3 599 366	3 599 366

All shares have equal rights.

Treasury shares

EQVA ASA has 599 971 treasury shares (0,8 % of share capital) as of 31/12/2023.

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

Shareholders as of 31/12/2023	Controlled by	Number of shares	Ownership
Nintor AS		16 938 645	23,5 %
Havila Holding AS	Vegard Sævik (Board)	10 000 000	13,9 %
Neve Eiendom AS	Even Matre Ellingsen (DB)	8 168 462	11,3 %
ROS Holding AS		5 660 027	7,9 %
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 %
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		1 167 768	1,6 %
Other shareholders (<1 %)		10 261 698	14,3 %
Number of shares		**71 987 316**	**100 %**

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 %**

2022

Capital increase (2022)

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 (2022)

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

Dividends and group contributions (2022)

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 %).

25. EARNINGS PER SHARE

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

(NOK 1,000)	2023	2022
Profit attributable to equity holders of parent	-23 733	-21 410
Weighted average number of shares outstanding	71 987	71 987
Earnings per share (NOK)	**-0,33**	**-0,30**
Adjusted weighted average number of shares outstanding	71 987	71 987
Diluted earnings per share (NOK)	**-0,33**	**-0,30**
Earnings from continued operations		
Earnings per share (NOK)	-0,33	-0,30
Diluted earnings per share (NOK)	-0,33	-0,30

(NOK 1,000)	2023	2022
Profit attributable to equity in continued operations	-19 889	-28 958
Weighted average number of shares outstanding	71 987	71 987
Earnings per share (NOK)	**-0,28**	**-0,40**
Adjusted weighted average number of shares outstanding	71 987	71 987
Diluted earnings per share (NOK)	**-0,28**	**-0,40**
Earnings from continued operations		
Earnings per share (NOK)	-0,28	-0,40
Diluted earnings per share (NOK)	-0,28	-0,40

26 DISCONTINUED OPERATION

The shipyard Hayard Leirvik was sold to Tersan in November 2023. The transaction was based on a share sale, where the Group sold all its shares (100%) in Havyard Leirvik Holding AS, where the subsidiaries Havyard Leirvik AS and Havyard Eiendom AS was included. The transaction was settled by NOK 30m in cash. The Group has recognised a gain of NOK 13m on the sale of all shares in Hayard Leirvik Holding AS.

Hayard Leirvik is a shipyard with long legacy and are in good hands going forward together with Tersan Shipyard, a highly reputable company with a good standing in international shipping and maritime circles. Hayard Leirvik has its head office in Fosnavåg.

Financial information relating to the discontinued operation for the period from the date of incorporation to the date of disposal is set out below.

Financial performance and cash flow information

The financial performance and cash flow information in 2023 presented are for the period Q1 2023 - Q3 2023.

(NOK 1,000)	2023	2022
Revenues from contracts with customers	106 396	234 734
Other operating revenues	1 191	424
Operating income	107 588	235 158
Materials and consumables	66 523	150 460
Payroll expenses	38 716	54 503
Other operating expenses	15 822	17 688
Operating expenses	121 061	222 651
Operating profit/loss before depreciation and amortisation (EBITDA)	-13 473	12 507
Depreciation	1 401	2 761
Operating profit/loss (EBIT)	-14 875	9 746
Financial income	45	54
Financial expenses	-91	-1 402
Share of profit/ loss of associate	13 008	0
Profit / loss before tax	-1 913	8 397
Income tax expense	0	0
Profit from discontinued operations	-1 913	8 397
Net cash flow from operating activities	-936	-61 375
Net cash flow from investing activities	-1 782	-2 458
Net cash flow from financing activities	0	-27 821
Net increase/decrease in cash genereated by the subsidiary	-2 717	-91 654

Cashflow from sale of Havyard	2023
Sale of subsidiary	36 487
Cash in sold subsidiary	8 707
Receivables to Pareto	12 582
Repayment of loan to sold subsidiary	5 967
Net cashflow from sale of subsidiary	9 231

Profit on the sale of Havyard Leirvik	
Total disposal consideration	36 487
Carrying amount of net assets sold	23 479
Net cashflow from sale of subsidiary	13 008

27. 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.

2023
Guarantees

Provisions 1/1/2023	7 879
Used provision	-3 571
Adjustment due to divestment of Havyard Leirvik	-4 308
New provisions	0
Provisions 31/12/2023	0

2022
Guarantees

Provisions 1/1/2022	23 395
Used provision	-16 371
New provisions	856
Provisions 31/12/2022	7 879

In addition to the above BKS Industri AS has an off balance sheet guarantee of NOKm 18,5.

28. 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:
(NOK 1 000)

Handeland Gard AS	Sales to related parties	Purchases from related parties	Accounts payables to related parties
2023	0	3 039	171
2022	0	399	26

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:

	2023	2022
Account receivables	0	0
Account payables	171	2 862
Net total (positive sign - net receivable)	-171	-2 862

29. SUSTAINABILITY AND CLIMATE RISK

The climate risk consits 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 Fossberg Kraft project development), emphasizing the importance of accounting for climate considerations, such as frost and flooding - which can delay the construction of e.g. small power plants.

Like its competitors, Fossberg Kraft faces these environmental challenges, which can impact the timely completion of projects, despite careful planning and mitigation efforts. This approach underlines the company's commitment to resilient project design, while acknowledging the unpredictable nature of climate impacts on development timelines. Even so, we still consider the risk to be limited.

Transition risk can be political changes and regulations that result in increased fees, fines and orders. In relation to BKS and Fossberg Kraft, the transition risk is also considered to be relatively low. However, political decisions such as 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.

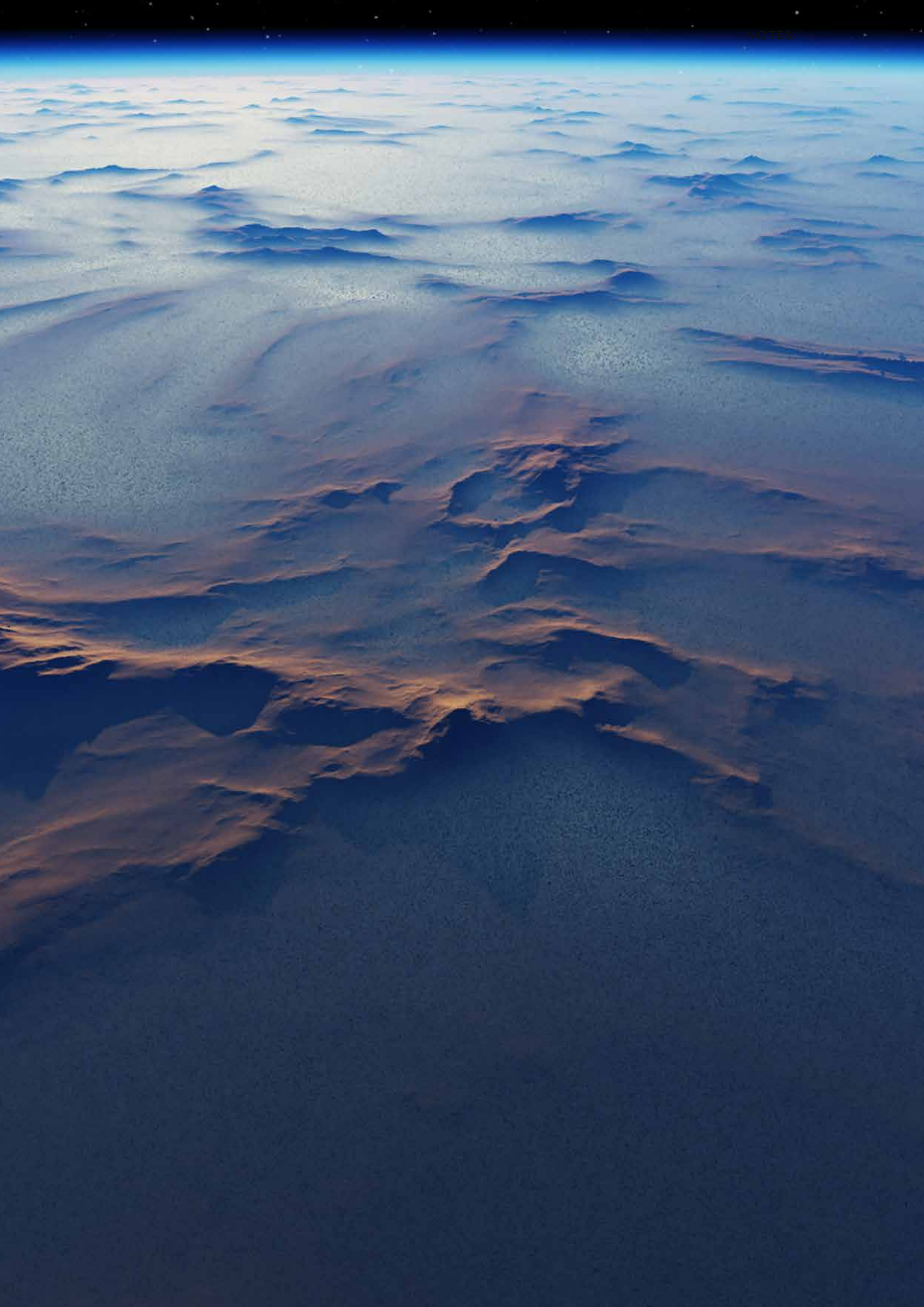
EQVA has initiated a survey to identify status and measures in relation to being able to run its business in line with sustainability requirements. The Group seeks to be at the forefront of future legal requirements for sustainability reporting. Of the companies in the Group, this is particularly relevant for BKS, which has already started the mapping process. This work will continue in 2024.

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

30. SUBSEQUENT EVENTS

On 12. March EQVA through its subsidiary Havyard Ship Invest AS, entered into a sales-agreement with Havila Holding AS to divest its 50 % stake in the PSV Havila Charisma. The transaction was settled in NOK 62m in cash, where NOK 4m is repayment of debt. There has been no other after the balance sheet date events with significant impact on the financial accounts as at 31 December 2023.

PARENT COMPANY



PROFIT OR LOSS STATEMENT PARENT COMPANY

EQVA ASA

	Note	2023	2022
Operating revenues and operating expenses			
Revenues	9	9 617 350	5 663 510
Total revenue		9 617 350	5 663 510
Materials		8 517	12 291
Wages and salaries	3	11 502 325	10 569 249
Depreciation	6	47 744	186 020
Other operating expenses	3, 9	13 030 520	20 268 339
Total operating expenses		24 589 107	31 035 898
Operating profit		-14 971 756	-25 372 388
Financial income and expenses			
Income from subsidiaries	4	25 326 335	0
Other financial income	2	20 718 215	134 905 982
Other interest expenses	2	11 908 547	4 104 491
Other financial expenses	2	2 565 422	1 598 681
Net financial income and expenses		31 570 581	129 202 810
Profit before taxes		16 598 825	103 830 422
Taxes	14	-3 266 524	-6 490 059
Profit for the year	10	19 865 349	110 320 481
Allocations			
Transferred to other equity		19 865 349	110 320 481
Transferred from other equity		0	0
Total allocations	10	19 865 349	110 320 481

BALANCE SHEET PARENT COMPANY

EQVA ASA

	Note	2023	2022
ASSETS			
Non current assets			
Deferred tax benefit	14	9 129 307	6 490 059
Total intangible assets		9 129 307	6 490 059
Fixed assets			
Operating equipment, fixtures, fittings, tools, etc	6	379 166	257 531
Total tangible fixed assets		379 166	257 531
Financial fixed assets			
Investments in subsidiaries	4	219 284 366	230 443 591
Loan to Group companies	9	139 523 357	170 394 340
Investments in shares	4, 5	0	4 494 470
Other long-term receivables	7	8 455	8 255
Total financial fixed assets		358 816 178	405 340 656
Total fixed assets		368 324 651	412 088 247
Current assets			
Accounts receivable	9	13 470	0
Receivables from group companies	9	33 612 938	6 935 865
Other current receivables	2	14 387 069	4 921 608
Total receivables		48 013 477	11 857 473
Cash and bank deposits	8	2 643 936	3 168 482
Total current assets		50 657 413	15 025 955
Total assets		418 982 063	427 114 203

EQUITY AND LIABILITIES	Note	2023	2022
Equity			
Share capital	10, 11	3 599 366	3 599 366
Own shares	10, 11	-29 999	-16 152
Share premium	10	195 174 785	195 174 785
Total paid-in equity		198 744 153	198 757 999
Retained equity			
Retained earnings	10	80 010 304	58 724 116
Total retained earnings		80 010 304	58 724 116
Total equity	10	278 754 455	257 482 116
Liabilities			
Non current liabilities			
Long-term liabilities to financial institutions	12	45 000 000	70 000 000
Sellers credit - owners	12	25 126 389	25 000 000
Other long-term liabilities	12	15 337 826	14 298 328
Total non current liabilities		85 464 215	109 298 328
Current liabilities			
Short-term liabilities to financial institutions	12	20 000 000	20 000 000
Accounts payable		4 399 420	5 519 525
Payable tax	14	0	0
Public duties payable		1 000 228	1 102 823
Debt to group companies	9	26 761 532	29 625 098
Other current liabilities	2	2 602 212	4 086 312
Total current liabilities		54 763 392	60 333 758
Total liabilities		140 227 607	169 632 086
Total equity and liabilities		418 982 063	427 114 203

Valen, 21 March 2024
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

Kari Markhus
Board member
employee representative

Tomasz Bartlomiej Wesierski
Board member
employee representative

Erik Høyvik
CEO

STATEMENT OF CASHFLOW PARENT COMPANY

EQVA ASA

	Note	2023	2022
Cash flow from operations			
Profit/(loss) before tax		16 598 825	103 830 422
Loss on receivables		0	2 386 690
Net Financial expenses		-2 413 679	0
Depreciation	6	47 744	186 020
Accounting profit from sale of shares		-34 611 897	0
Marketvalue adjustment dividend shares		0	-128 783 201
Changes in accounts receivables and accrued income		-13 470	3 706 730
Changes in accounts payables		-1 120 104	2 967 397
Changes in other current receivables/ liabilities		-10 387 699	362 646
Net cash flow from operating activities		-31 900 280	-15 343 298
Cash flow from investments			
Investments in property, plant and equipment	6	-169 379	-284 322
Disposal of Havyard Leirvik and sale of shares in HAV		31 619 433	3 004 793
Sale of fixed assets		0	1 135 825
Investment in subsisiaries		0	-15 000 000
Interest income		0	5 022
Net cash flow from investing activities		31 450 054	-11 133 660
Cash flow from financing activities			
Net decrease FoU grants		6 391	-6 554 442
Aquired own shares		-1 178 069	-890 200
Loan from financial institutions	12	0	95 000 000
Installments to finacial institutions	12	-25 000 000	-5 000 000
Interest payments and fees		-7 442 685	-3 941 358
Change intercompany balances		33 540 042	-72 534 142
Net cash flow from financing activities		-74 321	6 079 858
Net change in cash and cash equivalents		-524 546	-20 397 100
Cash and cash equivalents at start of the period		3 168 482	23 565 582
Cash and cash equivalents at end of the period		2 643 936	3 168 482
Of this restricted cash		609 371	608 402

NOTES PARENT COMPANY

NOTES TO THE FINANCIAL STATEMENTS 2023 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.

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:	2023	2022
Interest from Group companies	11 432 571	3 117 887
Other interest income	3	5 002
Agio	80	20
Market value adj. for dividend shares in HAV Group ASA	0	128 783 201
Profit share sale - HAV Group ASA	3 905 111	2 636 338
Value adj. HAV shares	5 380 451	363 534
Total	20 718 215	134 905 982

The item "Other financial costs" consists of:	2023	2022
Other interest expences	11 908 547	424 390
Disagio	6 943	2 532
Establishment fee and interes Pareto loan	395 833	3 680 102
Other financial costs	2 162 646	1 596 149
Total	14 473 970	5 703 172

Balance sheet

The item "Other current receivables" consists of:	2023	2022
Prepaid expenses	845 944	1 451 318
Other short term receivables	13 541 125	3 470 290
Total	14 387 069	4 921 608

The item "Other current liabilities" consists of:	2023	2022
Unpaid wages and vacation pay	774 515	1 968 887
Accrued interests	1 742 425	1 742 425
Other short-term liabilities	85 272	375 000
Total	2 602 212	4 086 312

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

Payroll expenses	2023	2022
Wages	5 824 397	6 462 177
Social security tax	1 592 063	1 419 218
Pension costs	450 092	340 787
Other payroll-related costs	3 635 773	2 347 069
Total	11 502 325	10 569 249
FTEs at year end	4,5	4,5

	Erik Høyvik, CEO		Eirik Sævareid, CFO		Ask Haukaas, CFO*	
Management remunerations	2023	2022	2023	2022	2023	2022
Wages	2 169	2183	1 211	750	547	0
Pension	101	95	78	52	52	0
Other benefits	151	146	144	6	10	0
Total	2 422	2 424	1 433	809	609	0

	Board	
Management remunerations	2023	2022
Wages	3 390	2 067
Pension	0	0
Other benefits	0	0
Total	3 390	2 067

* Eirik Sævareid was replaced by Ask Haukaas in September 2023.

No loans or guarantees have been issued to the CEO, the Chairman of the Board or other related parties. As of 31.12.2023.

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 2023.

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. This program continue into 2024 with no adjustments.

In desember 2023 EQVA introduced a new program regarding independent subscription rights. The company can issue up to 3 659 000 independet subscription rights, each giving right to subscribe for one new share in EQVA ASA. The subscription rights can be subscribed by Board members and employees of EQVA ASA and its subsidiaries.

Auditor remuneration is distributed as follows:	2023	2022
Statutory audit	2 832 600	1 878 955
Tax consulting	0	0
Other services	563 876	1 665 325
Total (net of VAT)	3 396 476	3 544 280

Pension scheme

The employees in EQVA ASA is part of a defined contribution plan covering all employees in the EQVA Group. 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.

NOTE 4 INVESTMENT IN SUBSIDIARIES

2023

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	Valen i Kvinnherad	100 %	215 000 000	213 585 676	-2 800 844
EQVA Eiendom Holding AS	Sunde i Kvinnherad	100 %	51 440	31 000	-17 699
Havyard Ship Technology AS	Leirvik i Sogn	100 %	0	7 007 269	146 969
Havyard Ship Invest AS	Fosnavåg	100 %	0	-5 949 579	-2 360 573
Norwegian Marine Systems AS	Fosnavåg	100 %	0	3 415 023	383 421
Mjølstadneset Eiendom AS	Fosnavåg	100 %	4 232 926	9 801 192	1 100 861
Book value as at 31.12.			219 284 366	227 890 581	-3 547 865

Subsidiaries of EQVA Eiendom Holding AS		
BKS Eigedom AS	Sunde i Kvinnherad	100 %
Zenit Eigedom AS	Sunde i Kvinnherad	100 %
Subsidiaries of HG Group AS		
Handeland Industri AS	Valen i Kvinnherad	100 %
Fossberg Kraft AS	Valen i Kvinnherad	100 %
Fossberg Kraft Produksjon AS	Valen i Kvinnherad	100 %
Subsidiaries of Handeland Industri AS		
BKS Holding AS	Sunde i Kvinnherad	100 %
Subsidiaries of BKS Holding AS		
BKS Industri AS	Sunde i Kvinnherad	100 %
BKS Power & Automation AS	Sunde i Kvinnherad	100 %
Arnt Narheim AS	Sunde i Kvinnherad	100 %
Zenit Engineering AS	Sunde i Kvinnherad	89 %
BKS VVS AS	Straume i Øygarden	67 %
Marine Support AS	Storebø i Austevoll	70 %

Changes in 2023

Eqva divested Havyard Leirvik Holding AS (HLH) to Tersan (Turkish shipyard company) in November 2023. The transaction included also HLH's 2 subsidiaries Havyard Leirvik AS and Havyard Leirvik Eiendom AS. The transaction was settled for 30 MNOK in cash. The accounting profit was 25,3 MNOK.

BKS Holding AS increased its ownership in Zenit Engineering AS, from 82% to 89%, during 2023.

EQVA ASA transferred its 50% ownership in BKS Holding AS to Handeland Industri AS - now 100% owner. The transaction impacted the equity of HG Group AS as well (parent company of Handeland Industri AS). The transaction was carried out as an asset contribution.

Havyard Eiendom Holding AS changed name to EQVA Eiendom Holding AS in 2023.

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 Kvinnherad	100 %	125 940 965	180 300 054	-12 796 538
Havyard Eiendom Holding AS	Sunde i Kvinnherad	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 Kvinnherad	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	100,0 %
Subsidiaries of Havyard Eiendom Holding AS		
BKS Eiendom AS	Sunde i Kvinnherad	100 %
Zenit Eiendom AS	Sunde i Kvinnherad	100 %
Havyard Leirvik Eiendom AS	Leirvik i Sogn	100 %
Subsidiaries of HG Group AS		
Handeland Industri AS	Sunde i Kvinnherad	100 %
Fossberg Kraft AS	Sunde i Kvinnherad	100 %
Fossberg Kraft Produksjon AS	Sunde i Kvinnherad	100 %
Subsidiaries of Handeland Industri AS		
*BKS Holding AS - owned 50/50% beweeen Handeland Industri AS and EQVA ASA - total 100%	Sunde i Kvinnherad	50 %
Subsidiaries of BKS Holding AS		
BKS Industri AS	Sunde i Kvinnherad	100 %
BKS Power & Automation AS	Sunde i Kvinnherad	100 %
Zenit Engineering AS	Sunde i Kvinnherad	82.5%
BKS VVS AS	Sunde i Kvinnherad	67 %
Marine Support AS	Sunde i Kvinnherad	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.

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	0%	0
Book value as at 31.12.		**0**

In Q1 2023 EQVA sold its investment (shares) in HAV Group ASA. The sale gave 13,7 MNOK in cash.
For accounting profit see note 2.

The investment in Fosnavåg kulturhus has a bookvalue NOK 0.

NOTE 6 TANGIBLE FIXED ASSETS

2023	Operating equipment and fixtures	Total
Acquisition cost as at 01.01	7 794 363	7 794 363
Additions during the year	169 379	169 379
Disposals during the year	0	0
Acquisition cost as at 31.12	**7 963 742**	**7 963 742**
Acc. depreciation as at 01.01	7 536 833	7 536 833
Acc. depreciation as at 31.12 before disp	7 584 577	7 584 577
Disposal depreciation	0	0
Acc. depreciation as at 31.12	7 584 577	7 584 577
Book value as at 31.12	**379 166**	**379 166**
Depreciation for the year	47 744	47 744
Economic life	3-5 år	
Depreciation method	Linear	

The rent expense for 2023 amounts to NOK 536 287
(2022: NOK 535 975)

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)

NOTE 7 OTHER LONG-TERM RECEIVABLES

	2023	2022
Other long-term receivables	8 455	8 255
Total	8 455	8 255
Maturity after 1 year	8 455	8 255
Maturity after 5 year	0	0

NOTE 8 RESTRICTED CASH

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

NOTE 9 INTERCOMPANY BALANCES AND TRANSACTIONS

	2023	2022
Non-current receivables	139 523 357	170 394 340
Current receivables	33 612 938	6 935 865
Accounts receivable	13 470	0
Current liabilities (incl group contribution)	-26 761 532	-29 625 098
Total	146 388 233	147 705 107

Transactions	2023	2022
Revenues	9 405 410	4 731 323
Rental costs	-536 287	-535 975
Total	8 869 123	4 195 348

NOTE 10 EQUITY

	Share capital	Own shares	Share premium	Retained earnings	Total
Equity as at 01.01	3 599 366	-16 152	195 174 785	58 724 116	257 482 116
Profit for the year			19 865 349	19 865 349	-140 600 000
Aquisition of own shares		-13 846	633 629	619 783	174 999 999
Correction 2022 - effekt group contribution			787 209	787 209	-890 200
Equity as at 31.12.	3 599 366	-29 999	195 174 785	80 010 304	278 754 455

Number of shares

The number of shares is 71 987 316, at NOK 0.05.

Dividend

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

Treasury shares

EQVA ASA has increased its number of treasury shares from 323 046 to 599 971 treasury shares (0.8 % of share capital) as of 31/12/2023.

NOTE 11 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 599 971 treasury shares (0.8 % of share capital) as of 31.12.2023.

Shareholders as of 31.12.2023	Controlled by	Number of shares	Ownership
Nintor AS		16 938 645	23,5 %
Havila Holding AS	Vegard Sævik (Board)	10 000 000	13,9 %
Neve Eiendom AS	Even Matre Ellingsen (DB)	8 168 462	11,3 %
ROS Holding AS		5 660 027	7,9 %
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 %
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		1 167 768	1,6 %
Other shareholders (<1 %)		10 261 698	14,3 %
Number of shares		71 987 316	100,0 %
Number of shares		**71 987 816**	**100,0 %**

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

NOTE 12 NON-CURRENT LIABILITIES

Non-current liabilites	2023	2022
Loan Pareto	45 000 000	70 000 000
Sellers credit to shareholders	25 126 389	25 000 000
Other non-current liabilities	15 337 826	14 298 328
Total	85 464 215	109 298 328

Other non-current liabilities

Other long-term liabilities 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 13.3) 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

25 MNOK was repaid to Pareto in 2023. Outstanding debt is total 65 MNOK, where 20 MNOK is classified under Current liabilities and 45 MNOK under Non-current liabilities. General conditions - quarterly installments of 5 MNOK in 3 years - then settlement of the rest amount. Nominal intererest rat p.t 6.75%.

Yearly installments:
2024: 20 MNOK - classifed under "Current liabilities"
2025: 45 MNOK

Sellers credit to shareholders

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

NOTE 13 MORTGAGES

Book value of liabilities secured by mortgages	2023	2022
Other long term liabilities (financial leasing)	0	0
Total	0	0

Not booked guarantee	2023	2022
Guarantee supplier for daughter of subsidiary	0	250 000
Guarantee supplier for subsidiary	0	0
Guarantee customer for subsidiary	0	0
Total	0	250 000

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

Book value of pledged assets	2023	2022
Leased equipment	0	0
Accounts receivable	0	0
Total	0	0

NOTE 14 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:

	2023	2022
Financial leasing	0	0
Non-current assets	65 054	24 037
Gain/(loss) account for deferral	-98 511	-123 138
Receivable	0	-30 226
Tax losses carried forward	-39 444 590	-27 352 144
Cut off interest rates carried forward	-2 018 802	-2 018 802
Total temporary differences and tax losses carried forward.	-41 496 850	-29 500 274
Not accounted deffered tax asset	0	0
Deferred tax / deferred tax asset (-)	-9 129 307	-6 490 059
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.

	2023	2022
Profit before taxes	16 598 825	103 830 422
Permanent differences	-31 446 662	-131 401 120
Change in temporary differences	-95 871	218 555
The year's tax base before tax losses carried forward	-14 943 709	-27 352 144
Changes in tax losses carried forward	14 943 709	27 352 144
Net group contribution	0	0
Utilisation of tax losses carried forward	0	0
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:

	2023	2022
Tax payable	0	0
Change deffered tax assets (-)	-3 266 524	-6 490 059
Tax effect from group contribution	0	0
This year's tax expense	-3 266 524	-6 490 059

NOTE 15 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 16 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 30 for more information in group accounts related to subsequent events.


12499.3
12540.7
1686.88
24890.1
7843.53
7803.34
1555
1555

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 2023, 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 statement of financial position as at 31 December 2023, the 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 material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the 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 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 6 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, *Valuation of Goodwill* qualified as a new Key Audit Matter for this year due to the significant value and applied judgment in underlying assumptions.

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 conducted interviews with management and project leaders to gain an understanding of the estimates and underlying assumptions. We also challenged management on the underlying assumptions. Furthermore, we assessed the reliability of management's estimates by comparing budgets against actual costs incurred for a selection of projects. To assess the estimated percentage of completion, we, among other things, tested whether accrued costs had been allocated to correct projects. We also challenged project managers on the estimated remaining cost to complete the projects. To test whether the correct contract price was used as a basis for calculating recognized revenue, we obtained a selection of contracts and variation orders and compared these to the contract prices used as a basis for revenue recognition. No material deviations were detected during the course of our audit procedures. We also assessed and found that the disclosure requirements in IFRS were met.
Valuation of Goodwill	
At 31 December 2023, Goodwill amounted to NOK 248 260 thousand in the consolidated statement of financial position. Goodwill is allocated to the cash generating unit identified in accordance with the Group's operating segment, Products, Solutions & Renewables. Management performed an impairment	We obtained an understanding of management's valuation process and evaluated relevant internal control activities. We reviewed management's allocation of goodwill to the Group's operating segment, Products, Solutions & Renewables, and found this to be reasonable. We reviewed management's model

assessment at the balance sheet date and concluded that the recoverable amount of goodwill was higher than the carrying amount for the segment. Consequently, no impairment was recognized. We focused on valuation of goodwill due to its significant value and the inherent risk related to application of management judgment. Specifically, management applies judgment in determining future cash flows and the applied discount rate. We refer to note 11 to the consolidated financial statements for further information.	and impairment assessment and tested whether the model was mathematically accurate. We found that the model was based on recognized principles and that the model's calculations were mathematically accurate. We compared the different elements in the discount rate calculation to our own expectations and the general expectations in the market and found that the applied discount rate was reasonable. We evaluated management's assumptions related to future cash flows by comparing them to the budgets adopted by the Board of Directors and the strategy plan for the Group's various cash generating units. We performed sensitivity analyses and challenged management's assumptions related to future cash flows. We found that the assumptions were reasonable and in line with the Group's current market visibility and historical hit rates. The terminal growth rate in the model was compared to the market's expectation of long-term inflation. We also assessed and found that the disclosure requirements in IFRS were met.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of 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 of the Company 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 of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU.

Management is responsible 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 Eqva_ASA-2023-12-31-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, 21 March 2024
PricewaterhouseCoopers AS

Fredrik Gabrielsen
State Authorised Public Accountant
(This document is signed electronically)

Securely signed with Brevio

Revisjonsberetning

Signers:

Name	*Method*	*Date*
Gabrielsen, Fredrik	BANKID	2024-03-20 20:11

EQVA ASA ANNUAL REPORT 2023