

First quarter of 2024



Quarterly Report

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2024

About Us

M Vest Water was founded in 2017. Our company specializes in patented, eco-friendly water treatment technology for various industries.

With a team of 13 professionals across Norway and Germany, we provide competitive solutions for oil and gas, aquaculture, dredging, and municipal wastewater treatment.

Our Bergen-based headquarters boasts 550 sqm of cutting-edge facilities dedicated to delivering sustainable water treatment innovations.



“M Vest Water is a leader in the development of high performance and environmentally responsible “eco-friendly” water and wastewater treatment products and processes”

Our Mission

We have a singular and clear-cut mission:
*to realize a zero discharge of hazardous
chemicals in the future with our **disruptive**
and **eco-friendly** technology.*



Our products



NORWAFLOC® :

- Combined flocculant and coagulant, formulated into one product.
- Based on natural and bio-degradable products, no harm to nature.
- Substitute for synthetic chemicals, widely used.



NORWAPOL®:

- Novel filtration process combined with NORWAFLOC®.
- Disruptive substitute to walnut shell filters.
- Removes particles, oil droplets and numerous other contaminants towards non-detectable levels.

Highlights and key figures

Highlights

- Completed a private placement in April, securing capital of 28 MNOK with support from both existing shareholders and new quality investors.
- Increased focus on sales- and marketing activities. Acquired tenders secure an order backlog of 6 MNOK revenue in Q2.
- First sales in The Middle East – Oil & Gas Produced Water Treatment market.
- Signed agreement with established distributor for distribution and sales of NORWAFLOC® in North Germany.
- Contract award from Downstream Marine AS, for delivery of water treatment equipment to a salmon slaughterhouse.
- Received repeat orders from a major Norwegian salmon slaughterhouse for the supply of NORWAFLOC®.

Key figures

| All figures in NOK 1000 | 1Q 2024 | 1Q 2023 | FY 2023 |
|---------------------------------------|---------|---------|----------|
| Revenues | 2 683 | 2 851 | 11 008 |
| EBIT | (6 396) | (7 664) | (28 172) |
| EBITDA | (5 661) | (7 124) | (25 507) |
| Profit/(loss) before tax | (6 546) | (7 807) | (28 317) |
| Cash flow operating activities | (8 564) | (8 546) | (25 661) |
| Total assets | 39 483 | 59 088 | 42 675 |
| Interest bearing debt (excl. leasing) | 7 602 | 2 693 | 3 750 |
| Cash and cash equivalents | (375) | 24 557 | 5 481 |
| Equity ratio | 53% | 79% | 63% |

Letter from the CEO

Prepared for future growth

Our innovative and eco-friendly water- and sludge treatment technology is attracting attention internationally.

In the process of commercialization, we have focused on preparing our supply chain, investing in product development and adaption, and increasing our tender activity across various regions, including the US, Germany, Norway, and recently, the Middle East.

An important step in building a solid organization prepared for future growth was the attainment of ISO 9001 and 14001 certifications in February. For certain industries, an ISO certification may be required by law or contractually, in addition to signifying a positive step toward ensuring customer satisfaction, regulatory compliance, and environmental responsibility.

Additionally, M Vest Water (MVW) completed a capital increase at favourable terms in April, securing 28 MNOK in financing for ongoing projects and expansion. I extend my gratitude to both our existing investors and the new quality investors for their support and belief in our strategic vision.

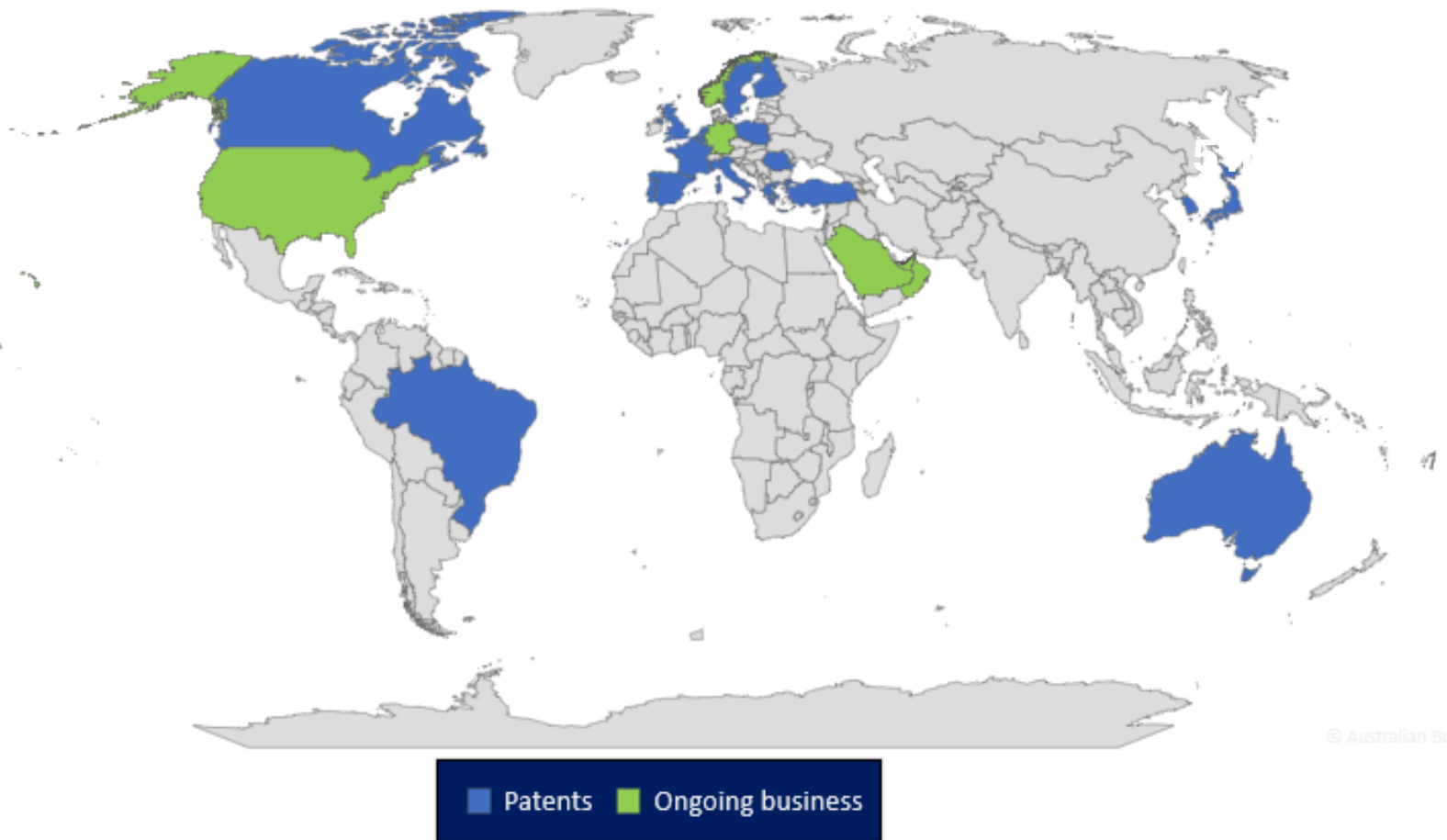
We have secured contracts in the business segments of Oil & Gas and Aquaculture, alongside an important agreement for the sales and distribution of our NORWAFLOC® to municipal wastewater facilities in Germany. Moving forward, we remain focused on securing contracts and building our order backlog by intensified marketing and sales efforts, and participation in tender processes within our key markets.

In closing, I want to emphasize how our dedication to innovation and sustainability drives us forward, evidenced by our growing market presence, increased tender activity, and new partnerships across various regions. With the recent successful completed private placement, we are primed for future growth and expansion.



Stein E. Giljarhus

Stein Edvard Giljarhus (CEO)



Markets and Patents

MVW has ongoing business in USA, Middle East, Germany, and Norway.

- Our successfully completed technology qualification in the US is crucial for positioning ourselves in the sales arena within the international oil and gas markets in the US and the Middle East.
- Germany, being the largest market in Europe for municipal wastewater and sludge dewatering, naturally aligns with MVW's strategy for local establishment.
- Additionally, MVW is focusing on the aquaculture industry in Norway, which stands at the forefront of global salmon farming.

Our unique technology is now secured by 5 patents which have obtained 47 grants in 24 countries. This includes patents in North- and South America, Australia, the Middle East, and Europe.

First quarter business update

Solid organization prepared for future growth

MVW has built up its organization and business structure to offer our customers the best technological solutions, products, and expertise in water and sludge treatment.

In recent quarters, MVW has focused on securing access to raw materials and establishing partnerships for the production and distribution of NORWAFLOC®. A sustainable structure is essential to scale up business in our targeted markets.

MVW has established sales and distribution agreements to serve the municipal wastewater market in Germany and salmon slaughterhouses in Norway. In addition, we have a partnership with a US-based company to provide solutions for the oil and gas markets in the US and the Middle East.

MVW is well positioned for scalable growth as much of the groundwork now has been laid.

Steady progress in Aquaculture

Since December 2023, the Norwegian salmon slaughterhouses have confronted new and stringent discharge regulations. Approximately 45 plants across the country are now in the process of adapting to the new requirements. This represents an estimated annual volume of 10-12 million m³ wastewater that must undergo enhanced treatment before being discharged into the sea.

In August 2023, MVW launched a complete best-in-class solution (in partnership with Downstream Marine and Bioretur) for the treatment of water and sludge management for salmon slaughterhouses. Downstream Marine currently supplies total process equipment to 26 sites, representing 70 % of the total wastewater discharge from Norwegian salmon slaughterhouses.

Our proven best-in-class solution is a simple and robust NORWAFLOC® wastewater treatment within existing integrated process equipment, enabling the complete management and disposal of separated contaminants through our partnership. The solution is capital-light and cost-efficient, with estimated operational costs ranging from NOK 0,10 to 0,12 per kilo of slaughtered salmon.

By the end of March 2024, MVW has received orders for water treatment equipment from three salmon slaughterhouses. One of these slaughterhouses has already been operating with our process equipment and NORWAFLOC® chemicals for the past 2-3 months. Additionally, chemical treatment is now prepared to be implemented at a second slaughterhouse in Q3 of this year. MVW expects an increase in contracts within this industry throughout the latter half of 2024 and into 2025.

Oil & Gas - First contract in the Middle East

Through 2023, MVW successfully completed a long-term technology qualification program for NORWAPOL® in treating produced water from onshore oil production sites in the US. As previously announced, MVW's NORWAPOL® emerged as the superior technology among several competing solutions.

The comprehensive qualification process has garnered attention from one of the world's largest oil operators, confirming MVW's technology as a disruptive force in the industry. This breakthrough has gained significant interest among several major international operator companies, presenting a promising solution to the numerous water purification challenges that the industry faces in maintaining sustainable oil production.

Together with an US-based OEM (Original Equipment Manufacturer) approved supplier to the oil industry, MVW is actively participating in tenders across the US and the Middle East. These efforts started to materialize in March 2024 with MVW securing its first international contract in the Oil & Gas sector from a major Middle Eastern oil operating company. This marks an important step for MVW in the US and the Middle East. We are committed to intensifying our marketing and sales activities to expand in these markets.

Since June 2023, MVW has fully supplied SAR Mongstad's Oil & Gas slop water treatment plant with our green chemical NORWAFLOC®. Alongside chemical supply, MVW provides extensive technical support, laboratory services, and advisory assistance in wastewater and sludge management, aligning with SAR's objectives of minimizing discharge into the environment. MVW's technology has delivered significant technical and operational improvements for SAR.

Wastewater and sludge dewatering - Germany

In March 2024, MVW finalized an agreement with Peter. W. Thielemann GmbH (PWT) for the distribution and sale of NORWAFLOC® in North Germany. This collaboration grants PWT exclusive rights to distribute NORWAFLOC® in the municipal wastewater and sludge treatment sector while allowing non-exclusive distribution of NORWAFLOC® and NORWAPOL® across various markets including food and beverage, agriculture, industrial wastewater, and sludge treatment.

MVW's technology has already demonstrated its competitiveness and quality in municipal wastewater plants in Germany. With this partnership, MVW and PWT are now working together to introduce these innovative solutions to targeted clients.

In Q1 2024, MVW achieved a significant milestone by replacing 100 % polyacrylamide with fully biodegradable flocculants in dredging and sand & gravel washing operations. This transition aligns with the growing emphasis on green chemistry within the dredging industry, meeting the demands of both end-clients and operators who have sought environmentally friendly alternatives. These markets have a widespread use of polyacrylamide due to the absence of natural and green solutions. In Q2, MVW is actively engaging in sales activities aimed at introducing our NORWAFLOC® solution to targeted clients.

First quarter financial update

Financial review

Revenue in Q1 2024 reached NOK 2.7 million, compared to NOK 2.9 million in Q1 2023. Revenue in the first quarter stems mainly from the sales of chemicals to our customers within oil & gas and aquaculture, in addition to sales of equipment to the aquaculture industry, and project revenues from pilots within our core industry segments.

The demand for our solutions is growing, demonstrating positive trends in strategically important projects across the US, Germany, Norway, and more recently in the Middle East.

The first quarter recorded a loss of NOK 6.5 million, compared to a loss of NOK 7.8 million in Q1 2023.

Investments during the first quarter totalled NOK 1.1 million, primarily directed towards patents and R&D. Total assets at the end of Q1 amounted to NOK 39 million, compared to NOK 59 million in the same period in 2023.

At the end of March 2024, the cash balance was negative by NOK 0.4 million, and the net negative change in cash for the quarter amounted to NOK 5.9 million.

Financial outlook

In April 2024, MVW completed a private placement of NOK 20 million. The Private Placement attracted interest from both existing shareholders and financial institutions, in addition to new quality investors. In combination with the Private Placement, MVW has agreed with two of its main shareholders to convert their outstanding shareholder loans amounting to NOK 8 million in total (plus interest) into shares at a price per share equal to the offer price of the private placement.

The net proceeds from the private placement will be used to position MVW for expansion. In addition, MVW is actively working on multiple projects with significant growth opportunities, which may necessitate additional working capital in the future.

MVW's resources are now entirely dedicated to full-scale qualifications, sales activities, and contract signings. Based on our current business plans and ongoing commercial processes, we expect continued revenue growth in the forthcoming period. The order backlog at the end of March secures Q2 revenues of NOK 6 million.



Sustainability

- MVW is committed to grow responsibly for the well-being of the people and the planet.
- MVW supports the UN's 17 Sustainable Development Goals (SDGs).
- MVW's products and technologies provide environmental benefits and support at least 8 of the 17 SDGs.
- Using biodegradable materials instead of synthetic polymer-based coagulants and flocculants helps eliminate microplastic pollution. MVW's products meet ECHA's recommendations for restrictions on intentional use of microplastics within the European Union. MVW's products also help reduce final discharge levels, contributing to lower CO2 emissions and greater re-use of water and sludge.
- Waste from our own production facilities, including waste considered harmful to the environment, is within regulatory limitations. MVW's operations are not regulated by licenses or impositions.

Financial statements

| All figures in NOK 1000 | 1Q 2024 (Unaudited) | 1Q/YTD 2024 (Unaudited) | 1Q 2023 (Unaudited) |
|---|------------------------|----------------------------|------------------------|
| Sales revenue | 2 683 | 2 683 | 2 851 |
| Total revenue | 2 683 | 2 683 | 2 851 |
| Cost of goods sold | 1 089 | 1 089 | 1 115 |
| Change in inventory | - | - | 648 |
| Employee benefits expense | 7 5 622 | 5 622 | 5 718 |
| Capitalized employee expense | (536) | (536) | (531) |
| Depreciation | 2 734 | 734 | 539 |
| Other operating expenses | 2 169 | 2 169 | 3 027 |
| Total expenses | 9 079 | 9 079 | 10 514 |
| Operating profit (loss) / EBIT | (6 396) | (6 396) | (7 664) |
| Other interest income | 140 | 140 | 109 |
| Other financial income | 2 | 2 | 25 |
| Other interest expenses | 4 207 | 207 | 86 |
| Other financial expenses | 85 | 85 | 191 |
| Net financials | (150) | (150) | (144) |
| Profit/(loss) before income tax | (6 546) | (6 546) | (7 807) |
| Other comprehensive income | | | |
| Component of OCI | | | |
| Exchange differences on translation | 5 (3) | (3) | 6 |
| Total comprehensive income | 5 (6 549) | (6 546) | (7 813) |
| Attributable to | | | |
| Uncovered loss against share premium | (6 549) | (6 546) | (7 813) |
| Total | (6 549) | (6 546) | (7 813) |
| Earnings per share (diluted and basic) | (0,22) | (0,22) | (0,27) |

Consolidated Interim Balance sheet

| All figures in NOK 1000 | | 1Q 2024 (Unaudited) | 1Q/YTD 2024 (Unaudited) | 1Q/YTD 2023 (Unaudited) |
|--|---|------------------------|----------------------------|----------------------------|
| ASSETS | | | | |
| Non-current assets | | | | |
| Intangible assets | | | | |
| Capitalized development costs | 2 | 10 908 | 10 908 | 8 193 |
| Patents and trademarks | 2 | 7 353 | 7 353 | 6 490 |
| Total intangible assets | | 18 261 | 18 261 | 14 683 |
| Machinery and equipment | 2 | 5 702 | 5 702 | 6 396 |
| Equipment and other movables | 2 | 4 609 | 4 609 | 5 417 |
| Office facilities (right-of-use asset) | 2 | 3 975 | 3 975 | 3 503 |
| Total property, plant and equipment | | 14 286 | 14 286 | 15 315 |
| Other non-current receivables | | 1 723 | 1 723 | (0) |
| Total non-current financial assets | | 1 723 | 1 723 | (0) |
| Total non-current assets | | 34 270 | 34 270 | 29 999 |
| Current assets | | | | |
| Inventories | | 725 | 725 | 1 105 |
| Accounts receivables | | 2 066 | 2 066 | 1 943 |
| Other current receivables | | 2 421 | 2 421 | 1 484 |
| Total receivables | | 4 487 | 4 487 | 3 427 |
| Cash and cash equivalents | | - | - | 24 557 |
| Total current assets | | 5 213 | 5 213 | 29 089 |
| Total assets | | 39 483 | 39 483 | 59 088 |

M VEST WATER QUARTERLY REPORT 2024

EQUITY

| | | | | |
|---|-----|---------------|---------------|---------------|
| Issued non-registered share capital | | | | |
| Share capital | 5,6 | 66 | 66 | 66 |
| Share premium reserve | 5 | 26 105 | 26 105 | 54 448 |
| Share option based plan | 7 | 1 204 | 1 204 | |
| Profit/(loss) before income tax YTD | 5 | (6 543) | (6 543) | (7 813) |
| Translation reserve subsidiaries | 5 | (10) - | 10 | (19) |
| Total equity | | 20 823 | 20 823 | 46 682 |
| LIABILITIES | | | | |
| Non-current liabilities | | | | |
| Liabilities to financial institutions | 3 | 500 | 500 | 1 500 |
| Other non-current liabilities (leasing) | 2 | 1 096 | 1 096 | 2 351 |
| Total non-current liabilities | | 1 596 | 1 596 | 3 851 |
| Current liabilities | | | | |
| Liabilities to financial institutions | 3 | 1 375 | 1 375 | 1 193 |
| Trade payables | | 937 | 937 | 1 755 |
| Public duties payable | | 1 057 | 1 057 | 796 |
| Other current liabilities | 3,4 | 13 705 | 13 705 | 4 810 |
| Total current liabilities | | 17 074 | 17 074 | 8 554 |
| Total liabilities | | 18 671 | 18 671 | 12 405 |
| Total equity and liabilities | | 39 493 | 39 493 | 59 088 |

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Consolidated Interim Cash flow statement

| | 1Q 2024 (Unaudited) | YTD 2024 (Unaudited) | 1Q 2023 (Unaudited) |
|---|------------------------|-------------------------|------------------------|
| <i>All figures in NOK 1,000</i> | | | |
| Cash flows from operating activities | | | |
| Profit / (loss) before income tax | (6 546) | (6 546) | (7 813) |
| Adjustments for: | | | |
| + Depreciation, amortization and impairment | 734 | 734 | 539 |
| + Share based payment expenses | 360 | 360 | |
| (Increase)/decrease in inventories | 16 | 16 | 145 |
| (Increase)/decrease in trade receivables | (368) | (368) | (1 347) |
| (Increase)/decrease in other receivables | (1 016) | (1 016) | (96) |
| Increase/(decrease) in short term liabilities | (356) | (356) | 790 |
| Increase/(decrease) in trade and other payables | (1 551) | (1 551) | (758) |
| Changes in other operating activities | 164 | 164 | (6) |
| Net cash from operating activities | (8 564) | (8 564) | (8 546) |
| Cash flows from investing activities | | | |
| Capital expenditures PPE | - | - | (99) |
| Capital expenditures patents, R&D etc. | (1 144) | (1 144) | (1 275) |
| Net cash used in investing activities | (1 144) | (1 144) | (1 373) |
| Cash flows from financing activities | | | |
| Increase/(decrease) in borrowings credit institutions | (250) | (250) | (346) |
| Loan from owners | 4 102 | 4 102 | |
| Net cash from financing activities | 3 852 | 3 852 | (346) |
| Net (decrease)/increase in cash and cash equivalents | (5 856) | (5 856) | (10 265) |
| Cash and cash equivalents at beginning of the period | 5 481 | 5 481 | 34 823 |
| Cash and cash equivalents at end of the period | (375) | (375) | 24 557 |

Notes financial statements

1 Basis of preparation

MVW's condensed consolidated interim financial statements for the first quarter of 2024 were authorized for issue by the Board of Directors on the 14th of May 2024. In the third quarter of 2022 MVW registered a 100 % owned subsidiary in Germany under the company name M Vest Water GmbH. The financial statements and disclosures as of 31 March 2024 are consolidated and include the activity in the subsidiary in the period.

These condensed consolidated interim financial statements are prepared in accordance with International Accounting Standard 34 Interim Financial Reporting as issued by the International Accounting Standards Board (IASB) and as adopted by the EU. The condensed interim financial statements do not include all the information and disclosures required by IFRS. or a complete set of financial statements, these condensed interim financial statements should be read in conjunction with the Annual statement of 2023.

The condensed interim financial statements are unaudited. The audit will be carried out in connection with the 2024 year-end closing.

Fair Value:

The condensed interim financial statements reflect all adjustments which are, in the opinion of management, necessary for a fair presentation of the financial position, results of operations and cash flows for the dates and interim periods presented. Interim period results are not necessarily indicative of results of operations or cash flows for an annual period.

Use of estimates:

The preparation of financial statements in conformity with simplified IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and underlying assumptions are reviewed on an ongoing basis, considering current and expected future market conditions.

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2 Intangible assets, plant, equipment and ROA

All figures in NOK 1000

| | Capitalized development costs | Patents and trademarks | Machinery and equipment | Equipment and other movables | Right of use assets (IFRS 16) | 1Q/YTD 2024 |
|--|-------------------------------|---|-------------------------|------------------------------|-------------------------------|---------------|
| | | | | | | Total |
| Accumulated cost 31 December 2023 | 10 212 | 7 493 | 6 002 | 6 625 | 7 252 | 37 584 |
| Additions * | 696 | 448 | 0 | 0 | 537 | 1 681 |
| Depreciation | 0 | -588 | -300 | -2 016 | -3 814 | -6 718 |
| Closing net book amount 31 March 2024 | 10 908 | 7 353 | 5 702 | 4 609 | 3 975 | 32 547 |
| As at January 1 2024 | | | | | | |
| Acquisition cost | 10 212 | 8 059 | 6 215 | 8 409 | 10 375 | 43 270 |
| Accumulated depreciation and write downs | 0 | -566 | -213 | -1 783 | -3 123 | -5 685 |
| Net book amount | 10 212 | 7 493 | 6 002 | 6 626 | 7 252 | 37 584 |
| As at 31 December 2023 | | | | | | |
| Acquisition cost | 10 908 | 8 507 | 6 215 | 8 409 | 10 912 | 44 951 |
| Accumulated depreciation and write downs | 0 | -1 154 | -513 | -3 799 | -6 936 | -12 403 |
| Net book amount 31 March 2024 | 10 908 | 7 353 | 5 702 | 4 609 | 3 975 | 32 547 |
| Useful economic life | Indefinite | Indefinite/ 3 yrs 1) Annual impairment | 15 yrs 2) | 3-10 yrs | 5 yrs | |
| Depreciation method | Annual impairment | /Linear | Linear | Linear | Linear | |

- 1) Capitalized website costs are depreciated on a straight-line basis over a period of 3 years.
- 2) The mobile container Norwamix has been fully delivered and started depreciation July 2023.

Research and development, patents and trademarks

Research and development in the company involve several innovative solutions that can be used for watertreatment, including product, equipment, and process development. The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management. Examples of directly attributable costs include: costs of materials and services used or consumed in generating the intangible asset, costs of employee benefits (as defined in IAS 19) arising from the generation of the intangible asset, fees to register a legal right, and amortization of patents and licenses used to generate the intangible asset.

Plant and machinery

The company has received a total of 5.1 MNOK in grants from Innovation Norway to develop the Norwamix-machine as of December 31, 2023. The current status of the project is that the machine has been delivered, tested, and successfully completed, with the completion reported at the first half of 2023. The useful life of the Norwamix is estimated to be 15 years, and depreciation started mid 2023.

Right of use assets (ROA) and lease liability (IFRS 16)

As a consequence of implementing simplified IFRS on January 1, 2021, MVW has recognized its office facilities as a lease contract according to IFRS 16. Short-term leasing is reclassified to non-current liabilities in the balance sheet.

*In the first quarter of 2024 an indexregulation of the office lease has been accounted for.

Depreciation, amortization and impairment

The Group employs a linear depreciation method for its machinery and equipment, spreading the depreciation expense over their anticipated lifetime.

Intangible assets within the Group are considered having an indefinite useful life (with exception of capitalized website costs), indicating no foreseeable limit to the period during which these assets are expected to yield economic benefits. Instead of depreciation, an annual impairment test (IAS 36) is conducted to assess the value of the intangible assets. The financial statements of previous years have not recorded any material impairments, losses, or reversals of writedowns.

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3 Liabilities to financial institutions

All figures in NOK 1000

| | Effective interest rate | Maturity date | 1Q/YTD 2024 | YE 2023 |
|--|-------------------------|---------------|-------------|---------|
| Liabilities to credit institutions | | | | |
| Bank loan (5 years) | 4,50 % | October 2025 | 1 500 | 1 750 |
| Total non-current liabilities excl. Leasing | | | 1 500 | 1 750 |
| Cash credit | | | 375 | 0 |

The company has paid loan installments of TNOK 83 per month in the quarter.

One-year installments are reclassified to current liabilities in the balance sheet.

A guarantee from Innovation Norway has been secured, covering 75% of the credit, adjusted for other collateral (loss guarantee).

Cash credit:

In addition, the company has an available overdraft facility of MNOK 5 (MNOK 0,375 is utilized by the end of the first quarter of 2024) issued by the bank, secured by inventory (MNOK 10), operating equipment (MNOK 10), and accounts receivable (MNOK 10). The loan drawdown cannot exceed 60 % of the value of executed contracts, accounts receivable, and inventory.

All bank loans/cash credits are granted against a mortgage with a nominal value of MNOK 5 in accounts receivable. There are no other pledges, collateral, or guarantees associated with the company's debt to credit institutions.

4 Loan facility from owners

All figures in NOK 1000

| | Maturity date | 1Q/YTD 2024 | YE 2023 |
|--------------------------------------|---------------|-------------|---------|
| Unsecured debt | | | |
| Loan facility from owners | December 2024 | 6 102 | 2 000 |
| Total liabilities from owners | | 6 102 | 2 000 |

In December 2023, the company entered into a loan agreement with the company's main shareholders, with a loan limit of MNOK 12, of which MNOK 10 is unutilized and will be disbursed in 5 tranches by 30.6.2024.

The facility is unsecured and will not be amortizing; any drawn amounts are to be repaid before or on December 31, 2024. Amounts drawn under the facility will carry interest rate of NIBOR 3M + 6% per annum and a commitment fee of 1,5% per annum on any undrawn part of the facility.

M VEST WATER QUARTERLY REPORT 2024

5 Equity

| All figures in NOK 1000 | 1Q/YTD 2024 As at 31.03.2024 | YE 2023 As at 31.12.2023 |
|----------------------------|---------------------------------|-----------------------------|
| Opening balance | 27 028 | 54 502 |
| Translation reserve * | - 19 | 26 |
| Share based option program | 360 | 844 |
| Net profit for the period | (6 546) | (28 343) |
| Ending balance | 20 823 | 27 028 |

** In 3Q22 the company has registered a 100 % owned subsidiary in Germany (M Vest Water GmbH).

6 Shareholders

The total number of ordinary shares in MWV at 31 March 2024:

| | Total | Face value | Entered |
|-----------------|------------|------------|---------|
| Ordinary shares | 29 200 000 | 0,002277 | 66488,4 |

Ownership structure

Largest shareholders per 31 March 2024

Name

| | | |
|------------------------|-------------------|--------------|
| M VEST INVEST AS | 9 933 333 | 34,0 % |
| HAUGLAND GRUPPEN AS | 4 739 145 | 16,2 % |
| J.P. Morgan SE | 2 400 000 | 8,2 % |
| Atlichka Holding AS *) | 1 908 019 | 6,5 % |
| M VEST ENERGY AS | 1 366 667 | 4,7 % |
| Slothe-Holding AS | 1 136 000 | 3,9 % |
| SK TUFTA HOLDING AS | 952 000 | 3,3 % |
| Other shareholders | 6 764 836 | 23,2 % |
| Ending balance | 29 200 000 | 100 % |

*) Board member and CTO Atle Mundheim has a 100 % ownership in Atlichka Holding AS.

M VEST WATER QUARTERLY REPORT 2024

7 Share based option plan

MVW has granted share options to key employees in January 2023 and January 2024. Each option, when exercised, gives the right to subscribe for one share in the company at an exercise price defined in the option plan.

The options are granted under the plan for no consideration and carry no dividend or voting rights before exercise of the options.

The value of the options is determined at grant dates. The expected number of options exercised is estimated and adjusted for expected turnover.

In total 1,2 MNOK has been expensed over the vesting period, and 0,359 MNOK in Q1 2024.

Movement during the year

| | Average exercise price per share option | Number of options |
|-----------------------------|---|-------------------|
| As at 1 January 2024 | 15 | 350 000 |
| Granted in January 2024 | 8,70 | 545 000 |
| Exercised during the year | | |
| Forfeited during the year | 15 | 40 000 |
| Expired during the year | | |
| As at 31 March 2024 | 13 | 855 000 |

The value of the options is determined by determined by applying the Black-Scholes option pricing model. The Black-Scholes model considers the share price at the grant date, time until execution, exercise price, risk-free interest rate

| Share options held by group management and board members: | Number of share options |
|---|-------------------------|
| Atle Mundheim (Board member and CTO) | 180 000 |
| Morten Hilton Thomassen (CFO) | 170 000 |
| Total | 350 000 |

8 Subsequent events

On April 23, 2024, M Vest Water secured NOK 20,000,000 in gross proceeds through a private placement of 2.500.000 new shares, at a subscription price of NOK 8,00 per share. In combination with the Private Placement, the company reached an agreement with two of its shareholders to convert their outstanding shareholder loans amounting to NOK 8.142.616 in total into 1.017.827 additional Offer Shares, also priced at NOK 8,00 per share.



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