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Q4 2024

# Arendals Fossekompani Q4 Interim Report

14 February 2025

# Disclaimer

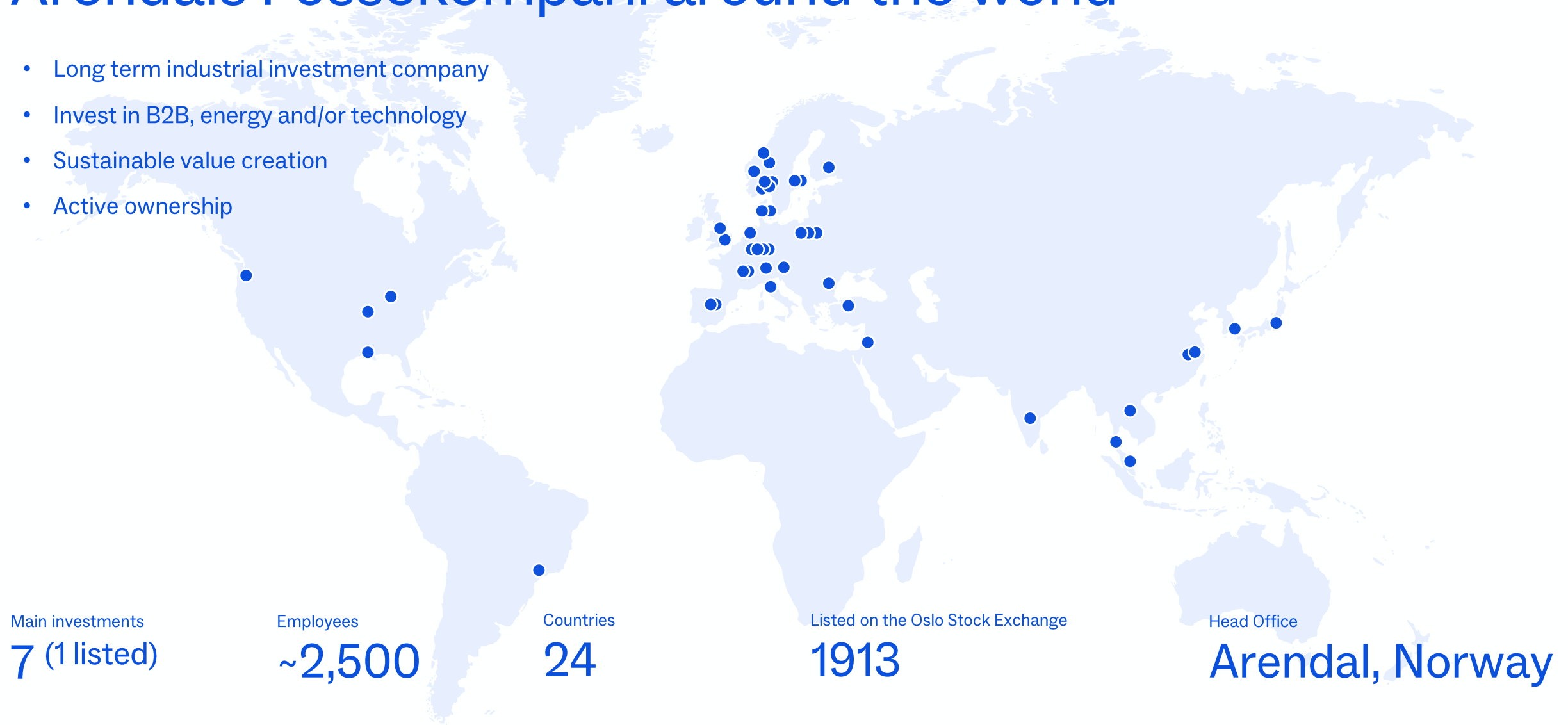
This Presentation includes and is based on forward-looking information and statements that are subject to risks and uncertainties that could cause actual results to differ from the projected results. These statements and this Presentation are based on current expectations, estimates and projections about global economic conditions and the economic conditions of the regions and industries that compose major markets for the businesses of Arendals Fossekompani ASA and its subsidiaries and affiliates (the "AFK Group"). These expectations, estimates and projections are generally identifiable by statements containing words such as "expects", "believes", "estimates" or similar expressions.

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# Arendals Fossekompani around the world

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



Main investments  
**7 (1 listed)**

Employees  
**~2,500**

Countries  
**24**

Listed on the Oslo Stock Exchange  
**1913**

Head Office  
**Arendal, Norway**

# Our portfolio

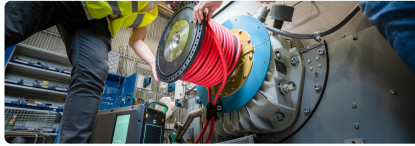
Diversified portfolio within energy and technology



## value

Digital energy and infrastructure solutions for the green transition

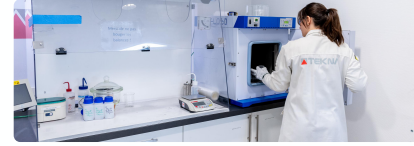
Ownership 40% Head office Oslo, Norway



## ENRX

Leading international tech company within induction heating and induction charging

AFK ownership 95% Head office Skien, Norway



## TEKNA

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

Ownership 70% Headquarter Sherbrooke, Canada

Market cap (31.12) 414 MNOK Listed at Oslo Børs



## NSSLGlobal

Cyber secure space & satellite communication services anywhere

Ownership 80% Head office London, UK



## alytic

Active investor and transformer of data intensive companies

Ownership 96% Head office Arendal, Norway



## VANNKRAFT

500 GWh hydropower production providing steady cash flow

Ownership 100% Head office Arendal, Norway



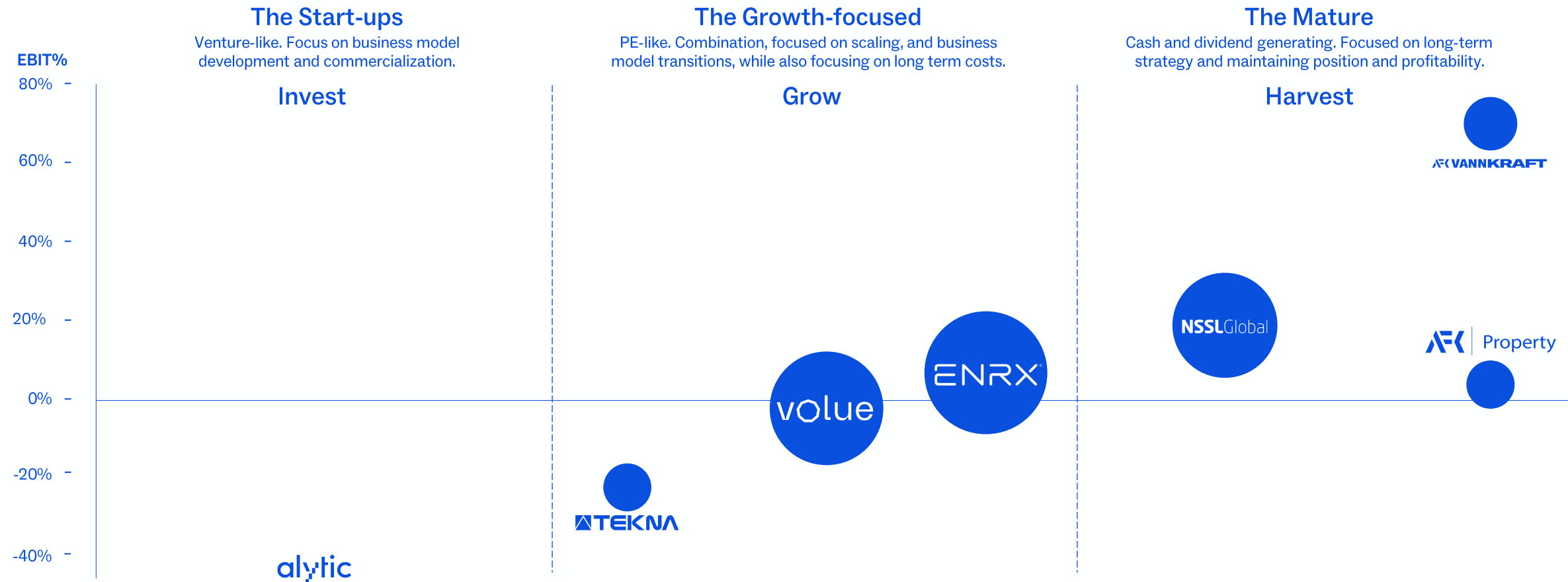
## AFK | Property

Portfolio of property investments and development projects

Ownership 100% Head office Arendal, Norway

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

# An attractive and diversified portfolio



# Highlights Q4 2024

## FINANCIAL

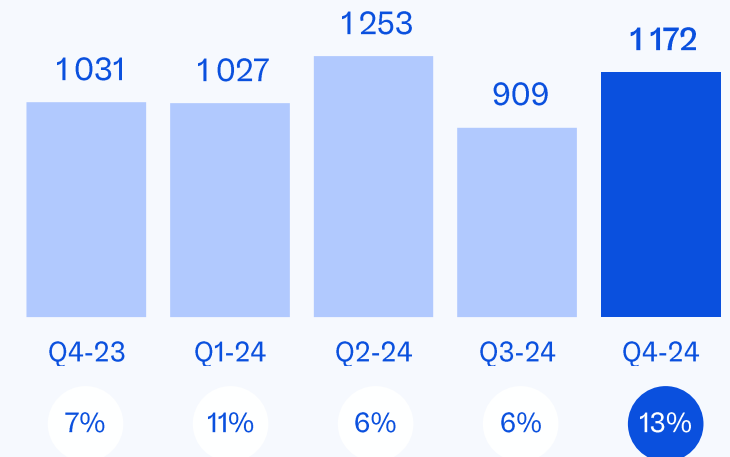
- Group revenue: NOK 1.2 bn (1bn). **14%** growth YoY
- Group operating profit (EBIT): NOK 151m (67m), margin **13%** (7%)
- Financial gain in parent: NOK **3.3bn** due to Volue transaction
- Dividend: NOK **1.00** per share for Q4. Moving to annual dividend as of Q2-25

## PORTFOLIO HIGHLIGHTS

- Volue implemented restructuring program, acquired PowerBot GmbH
- Margin expansion and double-digit growth in NSSLGlobal and ENRX
- Tekna saw 14% growth in powder revenue, but system sales was weak
- High production offset by low prices gave 18% revenue decline from hydro

### Development last 5 quarters

Revenue and other income (MNOK) and operating margin



# Highlights FY 2024

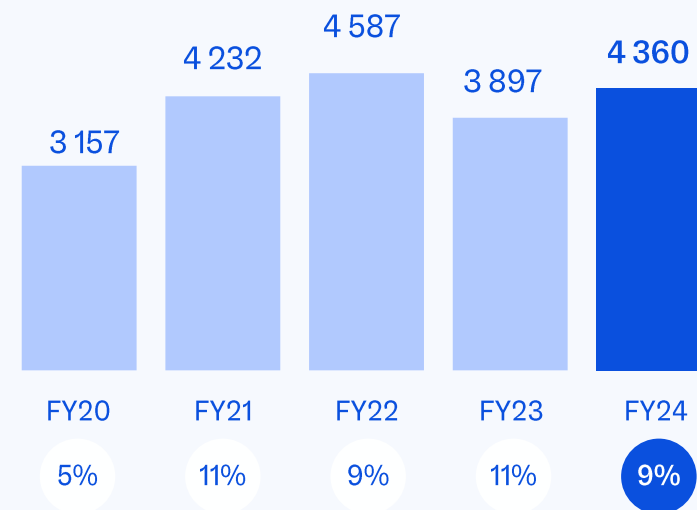
## FINANCIAL

- Group revenue: NOK 4.4bn (3.9bn), 12% growth YoY
- Group operating profit (EBIT): NOK 390m (444m), margin 9% (11%)
- Balance sheet: Net cash position of NOK 45m, liquidity NOK 2,9bn (2,2bn)
- Dividend: NOK 4.00 per share, NOK 219m

## PORTFOLIO

- Focused and de-risked portfolio by discontinuing Ampwell and selling Vergia
- Positioned Value for growth and value creation, new owner structure
- Record breaking year for ENRX and NSSL in terms for revenue and EBIT
- High power production, offset by normalized power prices at EUR 50/MWh (EUR 79/MWh)

Development last 5 years  
Revenue and other income (MNOK) and operating margin



# value

AFK ownership  
40%

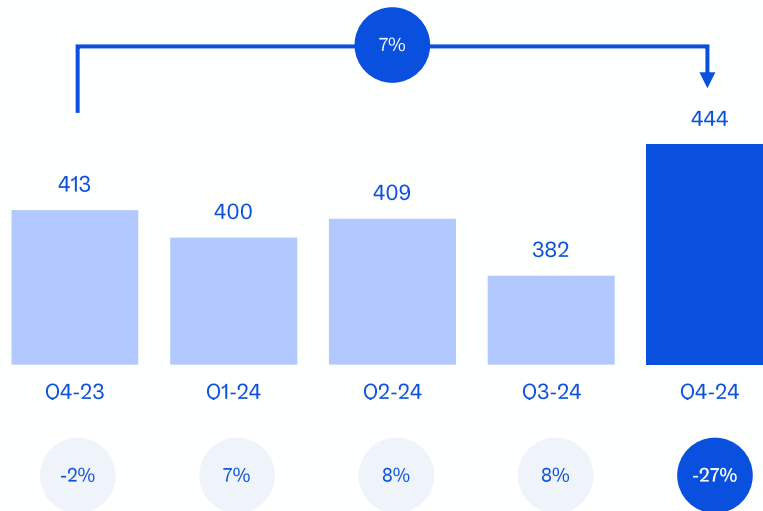
Head office  
Oslo, Norway

Q4 update

## Restructuring and growth

### Development last 5 quarters

Revenue and other income (MNOK) and operating margin



- Recurring revenue: NOK 310m (276m), 12% growth YoY. 71% of total revenue
- SaaS revenue: NOK 157m, an increase of 45% compared to the fourth quarter of 2023, representing 36% of total revenue in the quarter.
- Adjusted EBITDA: NOK 107m (86m), margin 24% (21%)
- As a result of a new and focused strategy, a significant restructuring was done in Q4, significantly improving Value's cost position. Restructuring cost predominantly taken in Q4
- Acquired Powerbot GmbH, will complement Value's existing trading solutions
- FY24: Revenue NOK 1 636m, 10% growth YoY, Adj. EBITDA NOK 361m (267m)
- Going forward, Value expects organic growth of around 15%, improvements in Cash EBITDA and a continued M&A activity

# ENRX<sup>®</sup>

AFK ownership  
95%

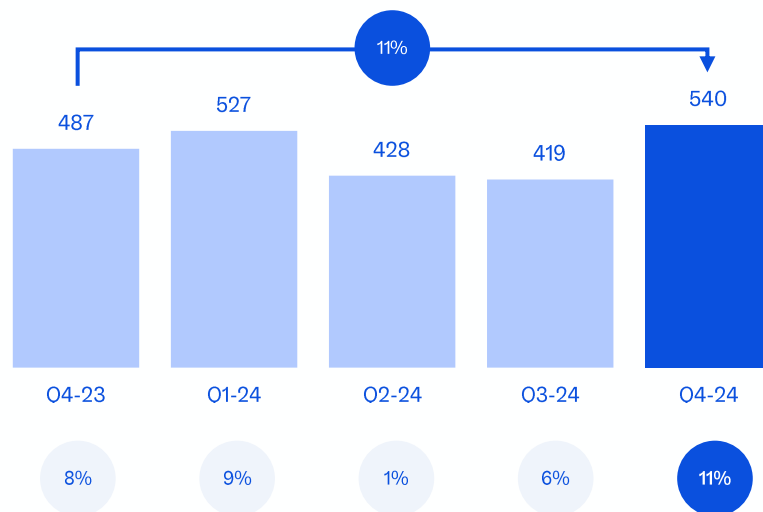
Head office  
Skien, Norway

Q4 update

## Highest revenue and EBIT in the company's history

### Development last 5 quarters

Revenue and other income (MNOK) and operating margin

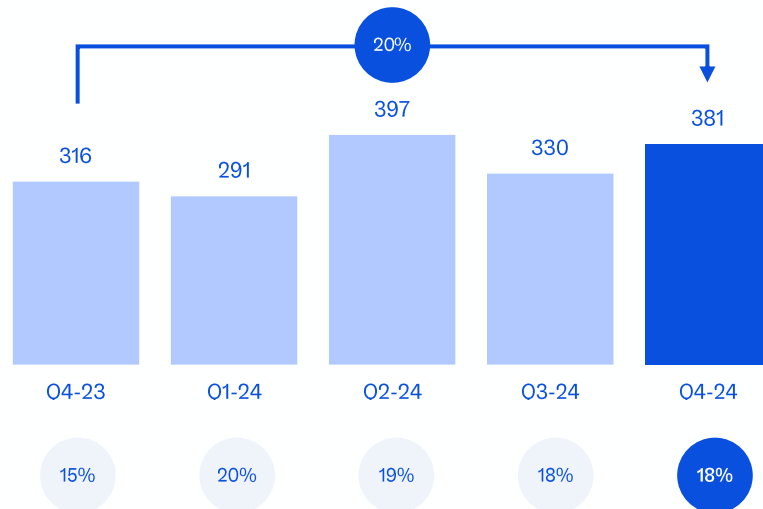


- Total operating revenue: EUR 46.0m (41.9m), 10% growth YoY
- Growth driven higher activity levels in Heat, especially North America and Asia
- Operating profit (EBIT): EUR 5.3m (EUR 3.3m), margin 11% (8%)
- Order intake: EUR 37.3m (EUR 36.8m)
- Order backlog: EUR 67m (86m), explained by high deliveries in Q1 and Q4 of 2024, in combination with reduced order intake in the same period.
- FY24: Revenue EUR 165m, 5% growth YoY, EBIT EUR 11.5m (10.1m), margin 7% (6%)
- The market for heating products is expected to remain uncertain in the coming months as customer decision-making processes take longer and orders are postponed.

## Another record breaking year

### Development last 5 quarters

Revenue and other income (MNOK) and operating margin

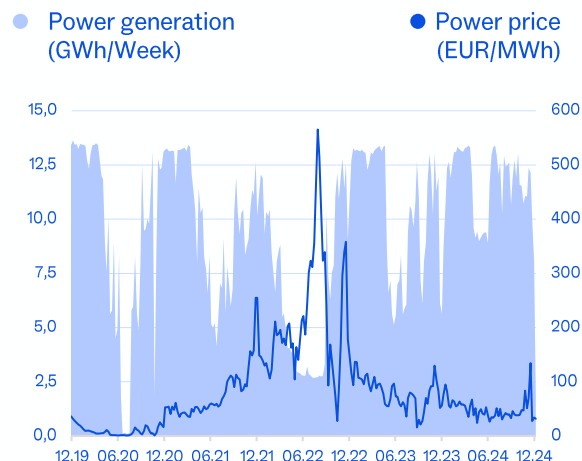


- Revenue: GBP 26.9m (23.5m), 14% growth YoY in local currency
- Revenue growth largely due to increased activity in the Middle East and the completion of government projects
- Operating profit (EBIT): GBP 5.6m (3.1m), margin of 18% (15%)
- During the third quarter, NSSLGlobal won contracts of GBP 18.2m across the government and maritime sectors, of which GBP 14.5m represented new business opportunities.
- FY24: Revenue GBP 102m, 11% growth, EBIT GBP 18.2m (16.1m), margin 19% (18%)
- Continued strong sales and bid pipeline supported by a solid customer base, competitive technology and service driven organization.

Q4 update

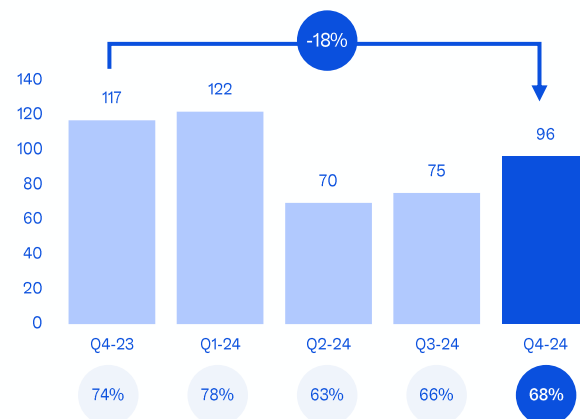
## Higher hydropower production, offset by lower prices

### Price and power generation\*



### Development last 5 quarters

Revenue and other income (MNOK) and operating margin



- Total operating revenue: NOK 96m (117m), -18% growth YoY
- Operating profit (EBIT): NOK 65m (87m), margin 68% (74%)
- Hydropower production: 148.5 GWh (126.4 GWh).
- Average electricity prices (NO2 region): EUR 53.5/MWh (70 EUR/MWh).
- FY24: Revenue NOK 363m (511m), EBIT NOK 252m (414m), margin 70% (81%)
- The construction of Kilandsfoss hydropower plant is proceeding according to plan. Kilandsfoss hydropower plant will produce an annual average of 38 GWh once finalized in 2026.



AFK ownership  
70%

Head office  
Sherbrooke, Canada

Market cap (31.12)  
NOK 414 million

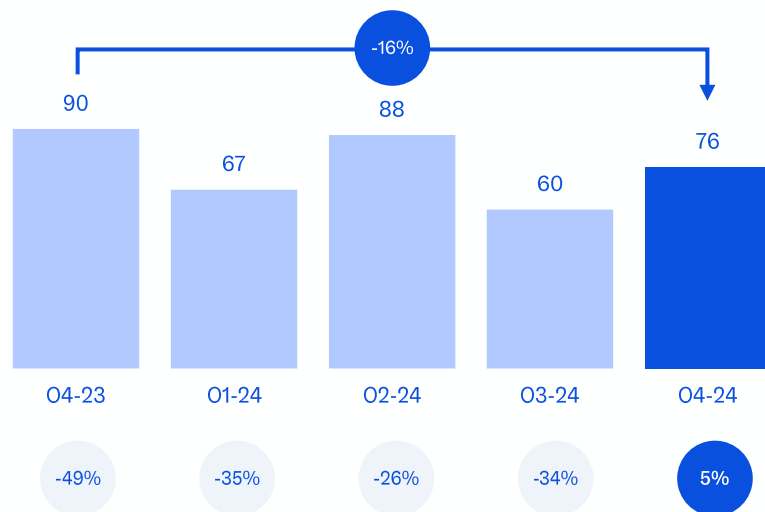
Listed at  
Oslo Børs

Q4 update

# Advanced Materials growth, but lower systems sales

## Development last 5 quarters

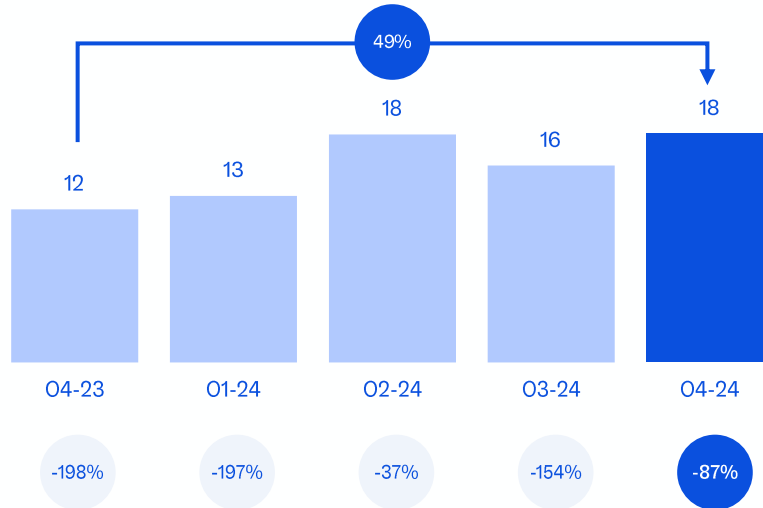
Revenue and other income (MNOK) and operating margin



- Revenue: CAD 9.6m (11.4m), -16% growth YoY
- Revenue decline due to low order intake for the Systems business, which decreased by 55% during the year. Advanced Materials grew by 14% YoY
- Adjusted EBITDA: CAD -1.4m (-0.5m)
- Order intake: CAD 9.6m (11.2m)
- Backlog: CAD 16.7m (24.0m)
- Cost reductions and operational improvements, including a reduction in headcount to 185 employees (222), resulting in lower overhead expenses.
- FY24: Revenue CAD 41m (42m), EBIT CAD -8m (-12m), margin -20% (-30%)
- Profitability and capital discipline remain top priority going forward.

### Development last 5 quarters

Revenue and other income (MNOK) and operating margin



- Annual recurring revenues (ARR) for the portfolio: NOK 55 million (42 million), representing an 31% increase compared to Q4 last year.
- ARR growth driven by underlying strong demand and customer growth, introduction of new products and upselling to existing customers.
- Kontali: ARR: NOK 19 million (16 million), corresponding to a growth of 18% YoY. The quarter saw strong demand for Kontali's consulting services. In total, Kontali's revenue increased from NOK 25 million in 2023 to NOK 32 million in 2024. With a solid market position in the salmon sector and its scalable seafood insight portal, Kontali is well-positioned for continued growth.
- Veyt: ARR: NOK 20 million (13 million), corresponding to a growth of 50% YoY. Q4 represents a strong quarter for Veyt. Securing several new deals and solidifying its position as a leading provider of data driven insights into low carbon and renewable energy markets, Veyt is well-positioned for continued growth.
- All portfolio companies in the Alytic group are on a growth trajectory and Alytic expects continuous ARR growth in the coming quarters.



# Financials

# Strong performance from AFK's portfolio companies, in a year with declining power prices

## Q4

- Profitability improvement in portfolio companies ENRX, NSSLGlobal and Tekna.
- Underlying profitability improvement also in Volve, Q4 impacted by significant non-recurring restructuring and transaction costs.
- Reduced profit from AFK Vannkraft due to lower electricity prices.

## Outlook:

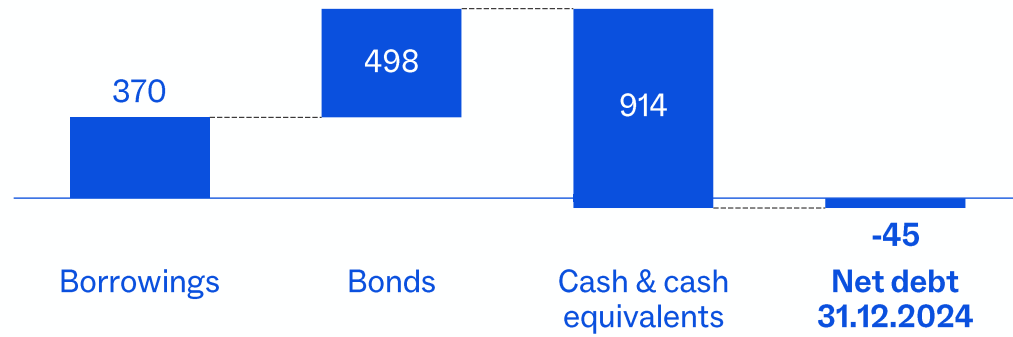
Arendals Fossekompagni expects both revenue and operating profit for the Group in 2025 (excl. AFK Vannkraft) to be in line with 2024.

AFK Vannkraft is expected to generate lower revenue and operating profit in 2025, compared to 2024, due to normalizing production levels.

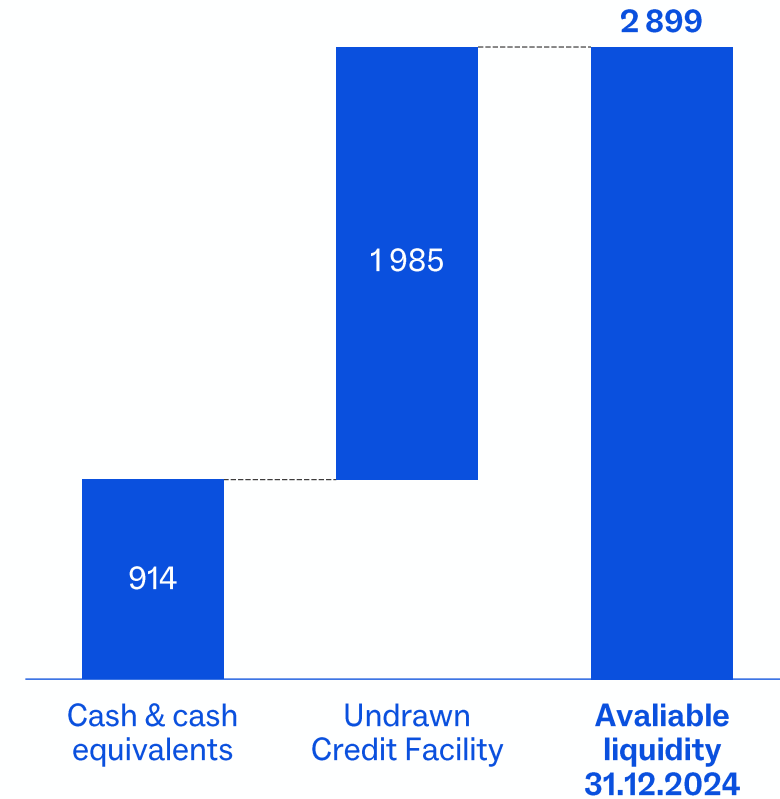
Operating Profit (MNOK)	Q4 2024	Q4 2023	Difference	FY 2024	FY 2023	Difference
volve	-122	-10	-112	-29	87	-116
ENRX	62	38	+24	134	116	+18
NSSLGlobal	70	48	+22	260	211	+49
AFK VANNKRAFT	65	87	-22	252	414	-161
TEKNA	4	-45	+49	-63	-97	+34
alytic	-30	-24	-5	-88	-85	-3
AFK Property	2	-2	+4	13	-10	+22
Arendals Fossekompagni Consolidated	151	67	+84	390	444	-54

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

**Net debt**  
NOK million



**Liquidity**  
NOK million



# Guiding

Total revenue and operating profit from Arendals Fossekompani Group, excluding AFK Vannkraft, is expected to be in line with 2024.

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



# Closing Summary

Develop value in our  
existing portfolio  
companies

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

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

Ensure strong balance sheet and financial flexibility

# Thank you!

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