

Interim report

Q3 2022

Highlights Q3 2022

High electricity prices, low production, new tax burden proposed

The average price of electricity on the spot market reached record levels in the third quarter, while the production was halved compared to the same quarter in 2021. On 28 September, a new increased tax burden for the Norwegian hydropower industry was proposed by the government.



NOK 0.95

Per share

Dividend to be paid in November

Arendals Fossekompni will pay a quarterly dividend for the third quarter of NOK 0.95 per share.

28%

Revenue growth

AFK Group revenue increased by 28%

Driven by electricity prices, strong results from Volue and NSSGlobal, and new acquisitions, total Group revenues increased by 28 % year-over-year, when adjusted for property sales in Q3 2021 (NOK 429 million).

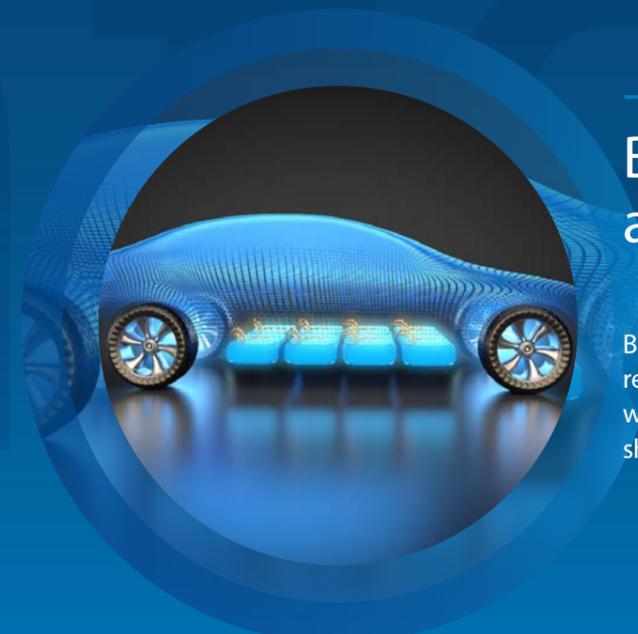
Volue reports strong growth

In one of its strongest quarters ever, Volue increased revenues by 23% compared with the same quarter in 2021, while SaaS revenues increased by 27% year-over-year.

volue

Battery technology adds NOK 34 million

Battery technology company Ampwell reports revenues of NOK 34 million in the third quarter, which is the first full quarter under the ownership of Arendals Fossekompni.



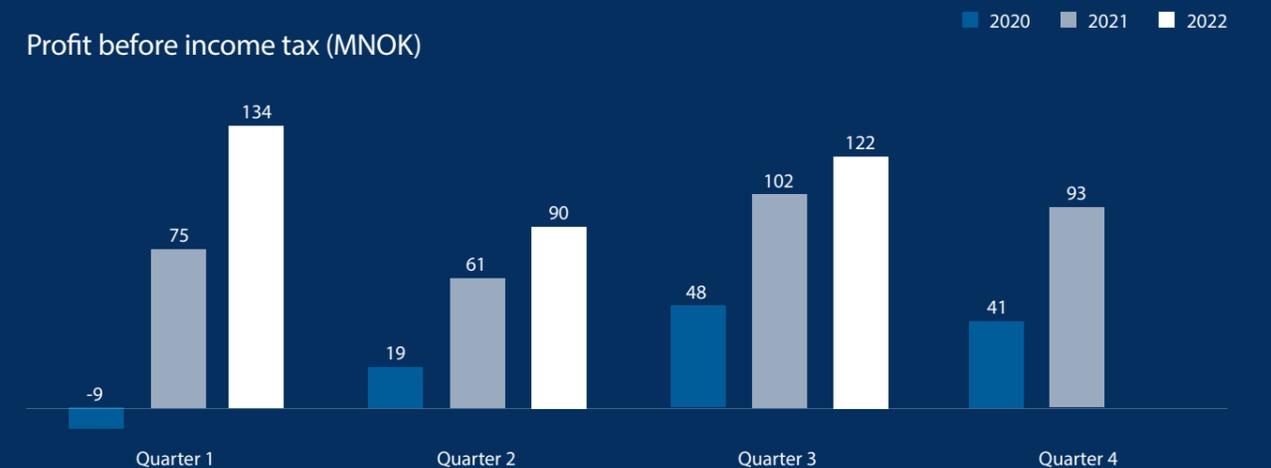
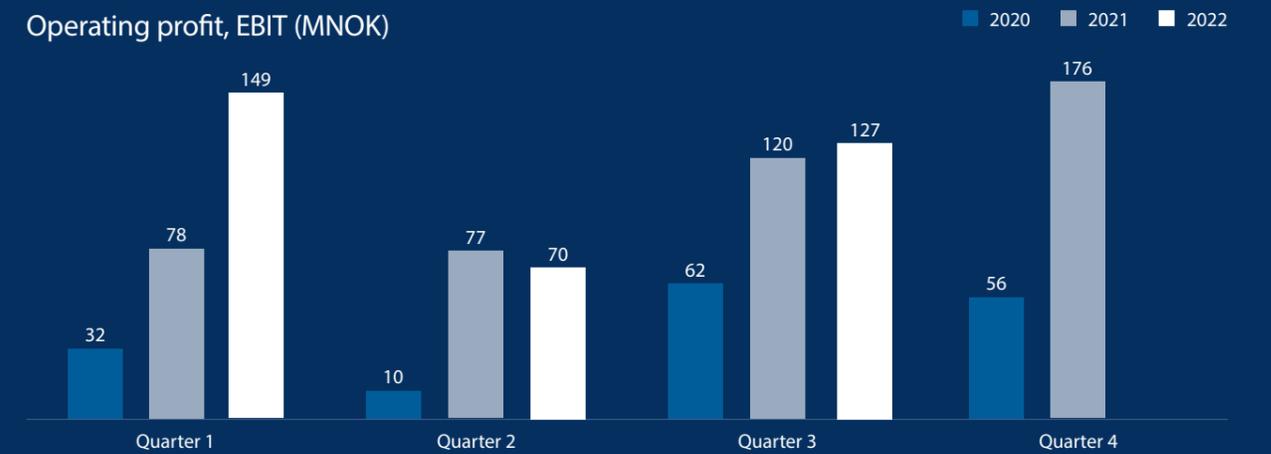
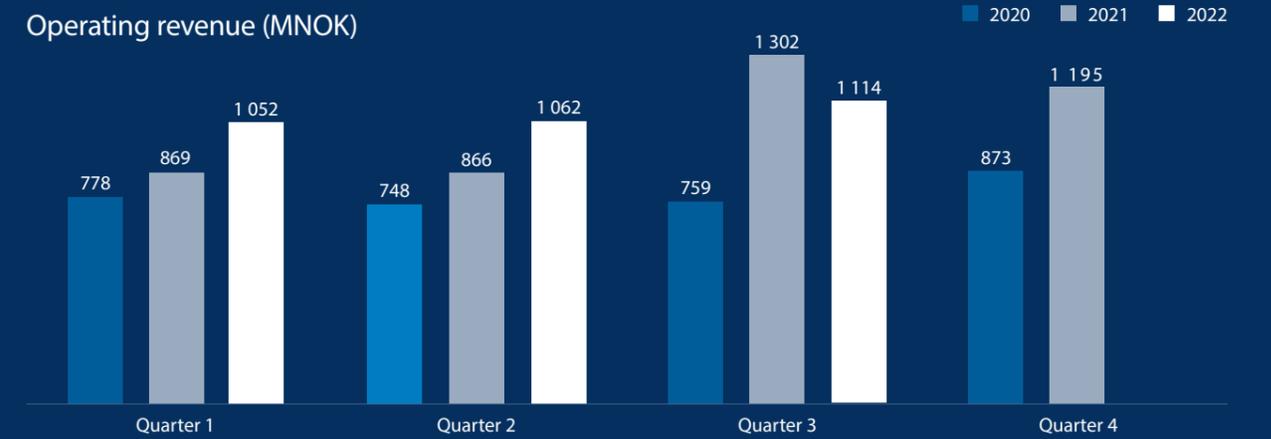
Financial Highlights

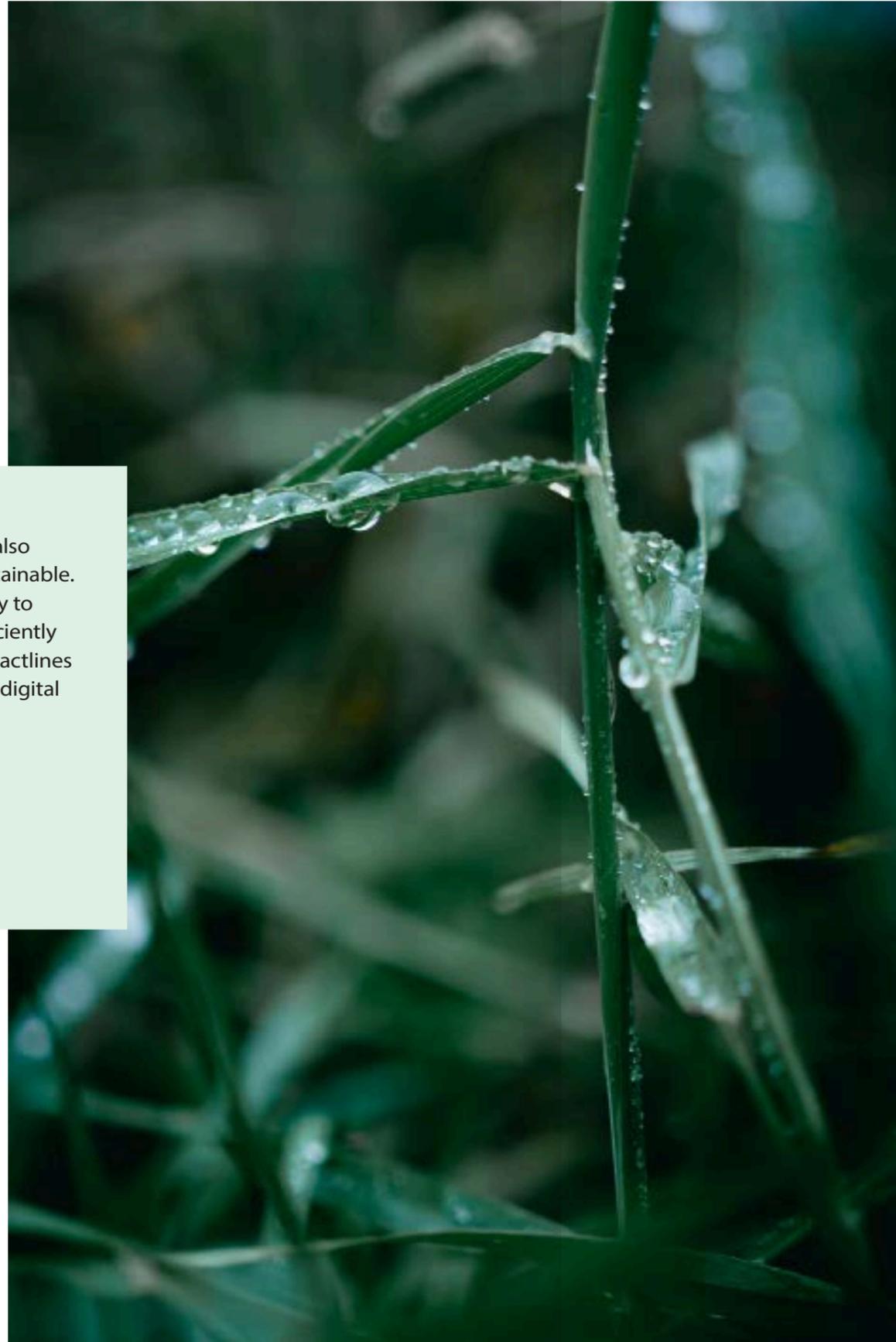
Q3 2022

KPIs for Arendals Fossekompni consolidated, continuing operations

	Q3	Q3	YTD	YTD
	2022	2021	2022	2021
MNOK				
Operating revenue	1 114	1 302	3 227	3 037
Operating profit (EBIT)	127	120	346	275
Margin	11%	9%	11%	9%
Operating profit (EBIT) by company				
Parent Company	90	41	269	110
Volue	19	10	44	20
NSSLGlobal	76	45	189	115
Evolgy	12	26	25	52
Tekna	-45	-22	-112	-36
Vergia	-2	-0	-6	-0
Ampwell	-10	-	-30	-
Alytic	-12	-5	-29	-7
Property	-2	24	-4	20
Operating profit	127	120	346	275
Profit before income tax	122	102	346	239
Profit for the period, continuing operations	31	67	90	120

All KPIs and graphs are based on continuing operations.
For information on discontinued operations, see Note 6.





“Future market leaders must be financially excellent, but also ecologically and socially sustainable. To achieve this, it is necessary to approach your suppliers efficiently and to work systematically. Factlines facilitates this work with our digital network solution.”

Siri Engesæth
CEO of Factlines

Digitally mapping our value chain

In accordance with the new Transparency Act, vendors are being mapped by Arendals Fossekompani to secure and disclose responsible supply chains.

“Making sure that vendors work in compliance with our Supplier Code of Conduct, is very important to us. We recognize our responsibility to support human rights, ethical business conduct and environmental issues throughout our supply chain,” says Ingunn Ettestøl, Chief Sustainability Officer at Arendals Fossekompani.

Documentation of supply chains used to be nice-to-have. Now it is required by law. On 1 July 2022, the Transparency Act entered into force in Norway. The purpose of the act is to promote enterprises’ respect for fundamental human rights and decent working conditions in connection with the production of goods and the provision of services. The Norwegian Transparency Act does not come alone. Following France’s Corporate Duty of Vigilance Law in 2017, the German Supply Chain Due Diligence Act is set to come into force in early 2023. At a regional level, the EU Corporate Sustainability Due Diligence (CSDD) Draft Directive will also introduce due diligence obligations on thousands of large companies based and operating in Europe when it comes into force.

“Part of our response to the Transparency Act is to do a mapping of our largest vendors. They are asked to answer an online questionnaire which provides insight into how they do business. Based on their answers, each vendor is assessed individually, and assessments are aggregated to document the state of our supply chain,” explains Ettestøl.

The mapping of vendors is performed by Factlines, a company that specializes in digital exchange of information between participants in the supply chain. In April, Factlines was acquired by Alytic, a portfolio company of Arendals Fossekompani.

Factlines was founded in 2012 in response to the Norwegian authorities’ ambition to strengthen sustainability in procurement. Today, Factlines’ digital solution and expertise have made supply chain mapping efficient. Factlines supports the process from requirements and code of conduct – to risk analysis, follow-up, and dialogue.

“At a time when most businesses are scrambling to comply with the Transparency Act, Factlines already offers a solution which is digital, easy to implement, and more affordable than any consultancies,” says Siri Engesæth, CEO of Factlines, and former CEO of the environmental foundation Bellona.

“Future market leaders must be financially excellent, but also ecologically and socially sustainable. To achieve this, it is necessary to approach your suppliers efficiently and to work systematically. Factlines facilitates this work with our digital network solution,” says Engesæth.

Arendals Fossekompani Group

HEADQUARTER	CHAIRMAN	CEO	EMPLOYEES	COUNTRIES
ARENDALE, NORWAY	TROND WESTLIE	ØRJAN SVANEVIK	2,200	27



FINANCIAL FIGURES, MNOK	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Operating revenue	1 114	1 302	3 227	3 037
Operating profit	127	120	346	275
Operating margin	11%	9%	11%	9%
Earnings before tax (EBT)	122	102	346	239
Earnings after tax (EAT)	31	67	90	120
Operating cash flow	-166	-11	216	63
NIBD	-1 138	-1 293	-1 138	-1 293
Equity	4 242	3 959	4 242	3 959
Equity ratio	55%	58%	55%	58%

Currency rates (NOK/CAD). Average Q3 2022: 7.34. Average Q3 2021: 6.83. End Q3 2022: 7.90. End Q3 2021: 6.89.
 Currency rates (NOK/GBP). Average Q3 2022: 11.81. Average Q3 2021: 11.84. End Q3 2022: 11.99. End Q3 2021: 11.81.
 Currency rates (NOK/EUR). Average Q3 2022: 10.01. Average Q3 2021: 10.23. End Q3 2022: 10.58. End Q3 2021: 10.17.

Arendals Fossekompani (AFK) is an industrial investment company holding 9 core investments and a portfolio of financial investments. These operations employ 2,200 people in 27 countries. AFK has proud traditions in power production and owns and operates two hydropower plants. In addition, AFK operates globally in many forward-looking industries including 3D printing, algo trading, satellite services, battery and solar technology, software and digitalisation, as well as various green energy technologies.

HIGHLIGHTS – Q3 2022

(Figures in parentheses refer to the same period the previous year)

Total operating revenues for the Group amounted to NOK 1,114 million (1,302 million) in the third quarter and as of 30 September to NOK 3,227 million (3,037 million). Consolidated earnings before tax came in at NOK 122 million (102 million) for the quarter and as of 30 September at NOK 346 million (239 million). Ordinary profit after tax, but before non-controlling interests, totalled NOK 31 million (67 million) for the quarter and as of 30 September amounted to NOK 90 million (120 million).

The AFK group of companies continues the solid operational performance in the quarter. Adjusted for AFK Property's revenue recognition of the first phase of the development project Bryggebyen in the third quarter 2021 (revenues NOK 429 million, operating profit NOK 27 million), consolidated revenues and operating profit increased by 28% and 37% respectively. Operating profit in the quarter was mainly driven by high electricity prices and strong results from Volue and NSSLGlobal.

Evolgy was formed in May 2022 through the combination of EFD Induction and the wireless charging solutions provider IPT Technology. Evolgy combines EFD Induction's global market leadership in industrial induction heating systems with IPT's leading technology in the high-growth market for wireless induction charging solutions for mobility and industrial applications. Total operating revenues increased by 17% year-over-year to NOK 343 million (292 million) in the third quarter whilst operating profit fell to NOK 12 million (26 million). Operating profit in the quarter was negatively affected by consolidation of IPT Technology. Order intake has remained firm with new orders in all regions and segments. Order intake on a rolling 12-month basis amounted to EUR 152 million as of 30 September, corresponding to a 13% increase year-over-year.

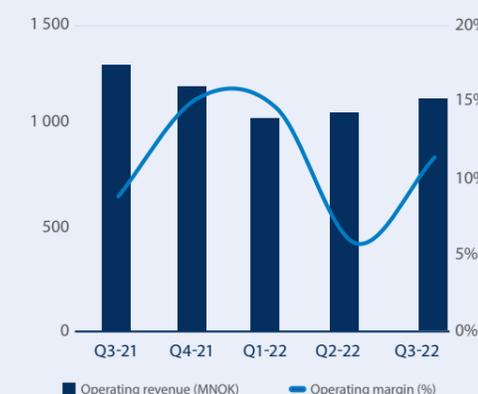
Tekna reported 6% revenue growth in the third quarter compared to the corresponding quarter previous year. As expected, growth somewhat slowed down, especially in advanced materials, which was marked by downtime while

the machine park underwent a planned upgrade. Tekna continues to experience strong demand for its advanced materials. Restricted by production capacity restraints, order intake in Materials during the quarter amounted to CAD 3.7 million, up from CAD 3.1 million in the third quarter 2021. The backlog for Materials amounted to CAD 12.5 million at the end of the period, a 57% increase year-over-year.

Volue performed a solid quarter with strong growth rates. The transformation towards recurring revenues and Software-as-a-Service (SaaS) continues. SaaS revenues were NOK 70 million in the quarter, an increase of 27% compared to the third quarter of 2021, representing 24% percent of total revenues. The SaaS transformation builds a platform that can handle a large number of new customers, enabling further revenue growth. Recurring revenue constituted 62% of total revenues and reached NOK 181 million in the quarter, an increase of 19 percent from the third quarter of 2021.

NSSLGlobal reports strong sales and operating profit as well as solid order intake. During the third quarter, NSSLGlobal was able to extend several large projects within both the governmental and maritime sectors,

DEVELOPMENT LAST 5 QUARTERS



as well as winning new business. The company's long-term backlog provides a stable outlook going forward.

AFK Hydropower contributed with substantial revenues and operating profit in the quarter due to high electricity prices. Power generation in the quarter amounted to 42.1 GWh (83.6 GWh). The average spot price in the NO2 price area was EUR 352 /MWh (EUR 78.2 /MWh), lifting revenues from AFK Hydropower to NOK 125 million (68 million) and operating profit to NOK 90 million (41 million) compared to the corresponding quarter previous year.

The AFK parent company's financial position remains solid. The company's cash position as of 30 September amounted to NOK 1,116 million. In addition, the company has undrawn credit facilities of NOK 1,949 million, securing net available liquidity of NOK 3,065 million per end of the quarter.

EVENTS AFTER THE CLOSE OF THE QUARTER

On 3 October, Dag Teigland was elected Chairman of the Board of Directors of Tekna.

On 31 October Tekna announced that the company has received an order in excess of CAD 9 million for a PlasmaSonic wind tunnel testing facility. Tekna's PlasmaSonic solutions are key to advancing the development of new thermal protection materials required for hypersonic flight and orbital re-entry vehicles.

On 10 November the Board of Directors decided to pay an ordinary cash dividend of NOK 0.95 per share for the third quarter 2022. The dividend is set to be paid on 23 November.

OUTLOOK FOR 2022

There is significant uncertainty associated with the war in Ukraine, the Covid-19 pandemic, supply chain constraints, soaring inflation, rising interest rates, development of energy prices, as well as the proposed new tax regulations for the Norwegian hydropower industry. In this unpredictable environment, AFK's solid financial position enables continued support of the portfolio companies, both in handling short-term challenges but also in continued investments to strengthen their long-term competitiveness.

In light of the market's estimated power price trend for 2022, revenues and operating profit for AFK Hydropower are expected to be considerably higher than 2021 despite lower production compared to the previous year. However, the proposed increased tax burden on the Norwegian hydropower industry, as presented by the government on 28 September, will - if implemented - influence the net cash generated from hydropower production.

Following high activity levels in all portfolio companies, 2022 revenues and operating profit for AFK group as a whole are expected to be on par with 2021.

As the AFK portfolio companies are positioned within attractive megatrends, AFK expects continued growth in 2023.

SHARE PRICE

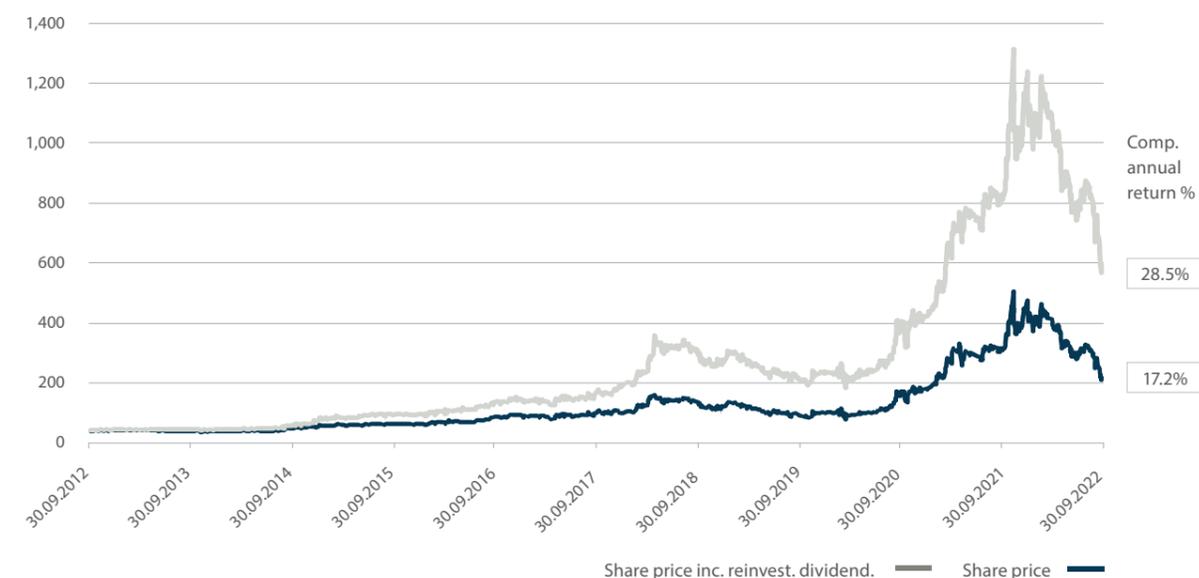
There is a total of 55,995,250 shares in the company. The share price as of 30 September 2022 was NOK 223 (NOK 309), corresponding to a decrease of -27.8% since 30 September 2021. When including direct yield (dividend payouts) in the same period, total decrease in shareholder value was -25.4%.

AFK's total market capitalization was NOK 12.5 billion at the end of September 2022.

For the 10-year period from September 2012 to September 2022, compounded annual return to AFK shareholders was 17.2% (28.5% including dividends).



Share price last 10 years



Arendals Fossekompani Assets

Arendals Fossekompani is the majority owner of seven international portfolio companies, two Norwegian hydropower plants, and a portfolio of property projects.

volue

AFK ownership
60 %

Market cap (30.09)
4,244 MNOK

Headquarter
Oslo, Norway

Listed at
Oslo Børs

TEKNA

AFK ownership
71.1 %

Market cap (30.09)
1,378 MNOK

Headquarter
Sherbrooke, Canada

Listed at
Oslo Børs

Vergia

AFK ownership
100 %

Headquarter
Arendal, Norway

EVOLGY

AFK ownership
95.2 %

Headquarter
Skien, Norway

NSSLGlobal

AFK ownership
80 %

Headquarter
London, UK

AFK | Hydropower

Bøylefoss and Flatenfoss hydropower plants generate approximately 500 GWh annually. Bøylefoss became operational in 1913 and Flatenfoss in 1927.

alytic

AFK ownership
95 %

Headquarter
Arendal, Norway

ampwell

AFK ownership
100 %

Headquarter
Arendal, Norway

AFK | Property

AFK Property comprises all property related companies and property investments.

Arendals Fossekompani Parent Company / Hydropower

HEADQUARTER	CHAIRMAN	CEO	EMPLOYEES	COUNTRIES
ARENDAL, NORWAY	TROND WESTLIE	ØRJAN SVANEVIK	35	1



FINANCIAL FIGURES, MNOK	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Operating revenue	125	68	383	210
Operating profit (EBIT)	90	41	269	110
Operating margin	72%	60%	70%	52%
Net financial items	9	313	553	1 428
Earnings before tax (EBT)	99	354	823	1 538
Earnings after tax (EAT)	35	329	614	1 462
Operating cash flow	80	50	193	124
NIBD	-1 180	-909	-1 180	-909
Equity	3 121	2 953	3 121	2 953
Equity ratio	77%	82%	77%	82%

HYDROPOWER (EXTRACTED FROM AFK PARENT COMPANY FINANCIAL FIGURES), MNOK	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Operating revenue	124	66	374	202
Operating profit (EBIT)	112	49	333	145
Operating margin	90%	74%	89%	72%
Earnings before tax (EBT)	112	49	333	145
Earnings after tax (EAT)	49	21	143	57

The AFK Parent Company focuses on the development of new sustainable business opportunities, follow-up of portfolio companies through long-term active ownership, hydropower generation, property projects and management of financial investments. AFK Group Management employs 20 people. The head office is located in Arendal. AFK Hydropower generates power at two locations in the Arendal watercourse. The Bøylefoss and Flatenfoss power stations produce in excess of 500 GWh annually.

HIGHLIGHTS OF Q3 2022

(Figures in parentheses refer to the same period the previous year)

AFK PARENT COMPANY

The Parent Company reported revenues of NOK 125 million (68 million) in the third quarter and as of 30 September NOK 383 million (210 million). Operating profit amounted to NOK 90 million (41 million) in the quarter and as of 30 September NOK 269 (110 million). Net financial items consist primarily of internal and external dividends and transactions effects, currency effects, and interest costs.

Provision for income tax in the period amounted to NOK 64 million (24 million) and as of 30 September NOK 209 million (76 million). The tax provision in the quarter is based on current tax regulations, not incorporating the new proposed increased tax burden on the hydropower industry as presented by the government on 28 September 2022.

The AFK Parent Company's financial position remains solid. The company's cash position as of 30 September amounted to NOK 1,116 million. In addition, the company has undrawn credit facilities of NOK 1,949 million, securing net available liquidity of NOK 3,065 million per end of the quarter.

AFK HYDROPOWER

Third quarter production and precipitation were lower than normal. The Norwegian Water Resources and Energy Directorate (NVE) has issued a special permission for the minimum water flow regulation in the watercourse to be reduced from 40 to 30 m³/s until 1 November.

Electricity prices in Southern Norway continued to rise to record levels (352 EUR/MWh), as a result of low hydro reservoir levels, due to low inflow and low snow reservoirs. Strong prices for coal, gas, and CO₂ were also lifting the European prices for electricity. The strong interconnections from the NO₂ price area to the European power market, trigger even better connection to the European price level.

Our power plants had some minor interruptions due to planned maintenance and inspections during this quarter. Power generation in the third quarter amounted to 42.1 GWh (83.6 GWh). AFK has a defined strategy of selling hydropower production in the day-ahead (spot) market. Precipitation and inflow by the end of the third quarter were respectively around 76% and 47% of the norm for the watercourse.

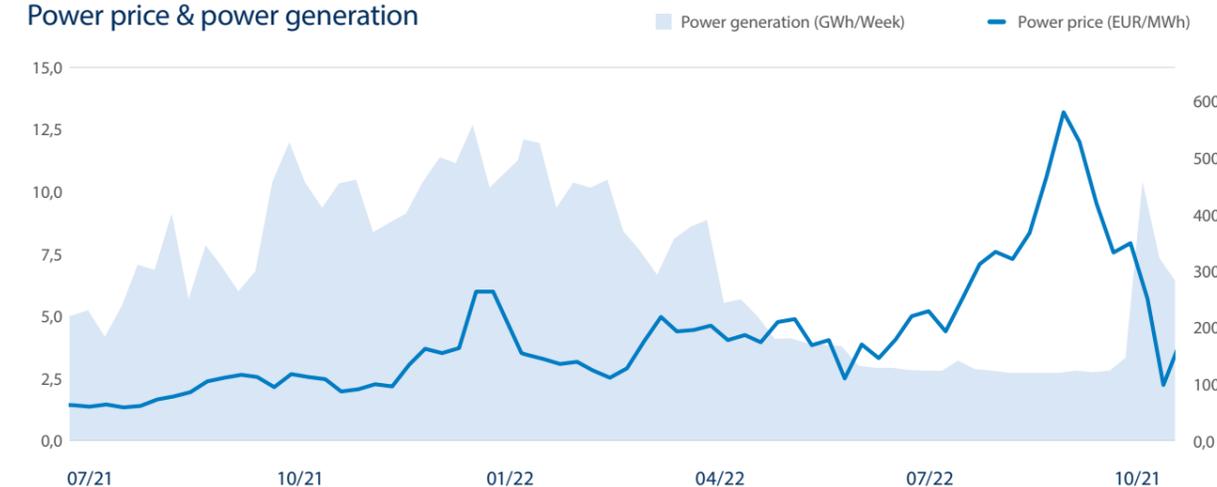
Essential audits and maintenance routines took place in the quarter in accordance with established control procedures for the hydropower facilities.

OUTLOOK 2022

In light of the market's estimated power price trends for 2022, water levels and forecasted production, revenues and operating profit for AFK Hydropower are expected to be higher than 2021, despite lower production compared to the previous year. However, the proposed increased tax burden will - if implemented - influence the net cash generated from hydropower production.

Actual energy prices depend on many factors, including hydrological balance, oil and gas prices, weather conditions, temperatures and more. With limited reservoir capacity, the production volume will also be dependent on precipitation.

Power price & power generation



Volue

Portfolio company

HEADQUARTER OSLO, NORWAY
CHAIRMAN ØRJAN SVANEVIK
CEO TROND STRAUME
OWNERSHIP 60 %
EMPLOYEES 750
COUNTRIES 9



FINANCIAL FIGURES, MNOK	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Operating Revenues	294	239	878	729
EBITDA	46	33	124	89
Adjusted EBITDA*	50	48	139	157
Operating Profit	19	10	44	20
Operating Margin	6%	4%	5%	3%
Earnings before tax (EBT)	22	10	48	21
Operating cash flow	70	-62	228	59
NIBD	-489	-383	-489	-383
Equity	811	751	811	752
Equity Ratio	47%	52%	47%	52%

* Adjusted EBITDA: In order to give a better representation of underlying performance, EBITDA is adjusted with non-recurring items. Note that adjusted EBITDA does not include estimate one-off loss revenues due to the cyber-incident in 2021 (only relevant for 2021 figures).

Volue is a market leader in technologies and services that power the green transition. Based on 50 years of experience, Volue provides innovative solutions, systems and insights to industries critical to society. 750 employees work with more than 2,200 customers across energy, power grid, water and infrastructure projects that ensure a sustainable, flexible and reliable future. Volue operates within three segments, Energy, Power Grid and Infrastructure. The company is active in 40+ countries.

STRONG GROWTH IN REVENUES AND SOLID GROWTH IN RECURRING REVENUES

Volue performed a solid quarter with strong growth rates. The transformation towards recurring revenues and Software-as-a-Service (SaaS) continues. SaaS revenues were NOK 70 million in the quarter, an increase of 27% compared to the third quarter of 2021, representing 24% of total revenues. The SaaS transformation builds a platform that can handle a large number of new customers, enabling further revenue growth.

HIGHLIGHTS OF Q3 2022

(Figures in parentheses refer to the same period the previous year)

Total operating revenues in the quarter amounted to NOK 294 million (239 million). Adjusted EBITDA for the quarter totaled NOK 50 million (48 million). In the quarter, Volue saw improvements in adjusted EBITDA margins compared to the first half of 2022.

The revenue growth was mainly driven by the Energy Segment, which increased by 36% from the third quarter of last year to NOK 191 million. The segment has a strong tailwind from volatile Energy market that drives increased demands for the services within software for trading, optimisation and forecasting & analyses.

The Power Grid Segment saw somewhat weaker revenue development and the profitability was influenced by investments. For the Infrastructure segment the ongoing shift in business models increase ARR, and at the same time the overall revenues grow compared to last year.

Recurring revenues constituted 62% of total revenues and reached NOK 181 million in the quarter, an increase of 19% from the third quarter of 2021.

The company is working on several new initiatives, such as Distributed Energy Resources and new products related to optimisation and trading solutions.

Yet another quarter with the European energy markets undergoing a rapid shift leading to price increases and increased volatility. The security of supply is ever more important. This leads to increased opportunities based on an integrated digital value chain, from sensors to executed trades, and thus the value of Volue's solution.

Volue continues to prioritise strategic investments in its SaaS platform and expansion into new markets, which creates short- to mid-term EBITDA impact and increased R&D capitalisation in line with plans.

OUTLOOK

Volue sees continued strong markets and has a strong foundation for continued profitable growth and expansion. The long-term ambition is to exceed NOK 2 billion in revenues by 2025, with 15% annual organic revenue growth, SaaS revenues increasing to 50%, recurring revenues towards 80% and an adjusted EBITDA margin towards 30%. For Q4 2022, the Company has outlined the following additional priorities and ambitions:

- Further utilise synergies to strengthen margins
- Adjusted EBITDA margins improving from H1 2022
- Continue to grow ARR business in line with 2025 targets and 2021 performance
- Expand activities outside Europe
- Strategic investments for international growth
- Structural growth through M&A

DEVELOPMENT LAST 5 QUARTERS



Tekna

Portfolio company

HEADQUARTER	CHAIRMAN	CEO	OWNERSHIP	EMPLOYEES	COUNTRIES
SHERBROOKE, CANADA	DAG TEIGLAND	LUC DIONNE	71.1 %	204	4



FINANCIAL FIGURES, MNOK	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Sales	46	39	147	142
EBITDA	-37	-16	-91	-26
Adjusted EBITDA*	-29	-9	-73	-8
Operating profit	-45	-22	-112	-36
Operating margin	-98%	-55%	-76%	-25%
Earnings before tax (EBT)	-48	-27	-127	-43
Operating cash flow	-32	-29	-133	-76
NIBD	-70	-234	-70	-234
Equity	467	586	467	586
Equity ratio	79%	89%	79%	89%

Currency rates (NOK/CAD). Average Q3 2022: 7.34. Average Q3 2021: 6.83. End Q3 2022: 7.90. End Q3 2021: 6.89.
 * Adjusted EBITDA: EBITDA adjusted for costs related to the IPO and uplisting, non-recurring legal costs, and IT expenses related to the cloud software IFRS reclassification.

Tekna is a world-leading provider of advanced materials and plasma systems to several industries. Tekna produces high-purity metal powders for applications such as 3D printing in the aerospace, medical and automotive sectors, as well as optimized induction plasma systems for industrial research and production. With its unique, IP-protected plasma technology, the company is well positioned in the growing market for advanced nanomaterials within the electronics and batteries industries.

DEMAND FOR TEKNA MATERIALS CONTINUES TO GROW
 In the third quarter of 2022, revenue increased by 5.7% compared with the same period last year. As expected, growth somewhat slowed down, especially in advanced materials, which was marked by downtime while the machine park is undergoing the planned capacity upgrade.

Tekna continues to experience strong demand for its Advanced Materials. In Q3 2022, order intake in Materials was restricted by production capacity restraints and nevertheless amounted to CAD 3.6 million, up from CAD 3.0 million in Q3 2021.

Tekna has seen the Systems market rebound with two TEK15 system contracts awarded earlier this year. In October, an order in excess of CAD 9 million was confirmed to deliver PlasmaSonic equipment to a leading aerospace original equipment manufacturer, with delivery planned for early 2024.

HIGHLIGHTS OF Q3 2022

(Figures in parentheses refer to the same period the previous year)

Total operating revenues in the quarter amounted to CAD 5.9 million (5.6 million). Revenue in Materials and Systems increased 8.7% and 3.9% respectively from the third quarter 2021. Year-to-date revenues for 2022 totalled CAD 20.0 million (20.8 million), a 3.8% decrease from the previous year. Materials revenue for the first nine months amounted to CAD 14.2 million (13.0 million) and Systems CAD 5.7 million (7.5 million).

Adjusted EBITDA for the third quarter was CAD -4.0 million (-1.3 million) and for year-to-date CAD -10.0 million (-1.2 million). This reflects lower system revenues and front loading of resources in support of strategy.

At the end of the quarter, the total order backlog was a solid CAD 15.0 million, of which CAD 12.5 million is for materials, a 57% increase year-over-year. The recently announced PlasmaSonic order will be booked in the fourth quarter of 2022.

OUTLOOK

The capacity increase program is progressing according to the previously announced revised plan, which will see the targeted 70% increase in output likely be reached by

the end of the first quarter of 2023. The full effect of the increased output will be reflected in sales revenues when all machines are upgraded to the new level.

In the second half of 2022, sales revenues are expected to end at approximately the same level as the second half of 2021. The new PlasmaSonic order will increase Systems revenues substantially from Q2 2023.

Tekna's strategy, technology and products are considered highly relevant in today's global markets, which are marked by geopolitical turmoil, economic uncertainty, an urge for sustainability and increased predictability. The company's customers are transitioning towards new technology, moving manufacturing closer to markets whilst considering more sustainable production processes.

Additive manufacturing (AM) remains the most prominent segment for Tekna materials at present with a projected AM materials growth of up to 30% (source: Smartech 2022). The company is also pursuing significant potential in microelectronics (medium term), with no order expected before 2023, and energy storage (longer term), while carefully managing cashflow and resources.

Due to production and development delays, Tekna expects to require further financing in 2023.



NSSLGlobal

Portfolio company

HEADQUARTER
 LONDON,
 UK

CHAIRMAN
 ARILD
 NYSÆTHER

CEO
 SALLY-ANNE
 RAY

OWNERSHIP
 80 %

EMPLOYEES
 216

COUNTRIES
 9



FINANCIAL FIGURES, MNOK	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Operating Revenues	260	229	767	666
Operating Profit	76	45	189	115
Operating Margin	29%	20%	25%	17%
Earnings before tax (EBT)	77	44	190	114
Operating cash flow	32	56	123	109
NIBD	-339	-263	-339	-263
Equity	524	413	524	413
Equity Ratio	56%	53%	56%	53%

Currency rates (NOK/GBP). Average Q3 2022: 11.81. Average Q3 2021: 11.84. End Q3 2022: 11.99. End Q3 2021: 11.81.

NSSLGlobal is an independent provider of cyber secure satellite communications and IT support that delivers high-quality voice and data services across the globe, regardless of location or terrain. NSSLGlobal’s activities are divided into three main areas: Airtime, Hardware and Service. Its main customers are within the maritime segment, the military and government sector, large international corporations and the oil & gas industry.

NSSLGlobal has more than 50 years of experience in the maritime and military mobility markets. The company provides satellite solutions in partnership with some of the largest satellite operators, including Inmarsat, Iridium, Thuraya, Telesat, Eutelsat, JCSAT and Intelsat. Customers are supported locally via global sales and service offices, 24/7 network operations centers, teleports and local partners.

The revenue model is to a large degree based on multi-year subscription contracts, thereby securing a significant degree of recurring revenues. Its main customers are found in the maritime segment, in the military and government sector, and in the energy sector.

HIGHLIGHTS OF Q3 2022

(Figures in parentheses refer to the same period the previous year)

Revenues for the third quarter were £22.1 million (£18.9 million). The growth in the quarter, compared to last year, was largely due to increased government airtime,

equipment sales and projects driven by increased operational activity caused by the Ukraine conflict.

Operating profit in the quarter was £6.5 million (£3.7 million), with the increase from the third quarter last year being driven by the factors stated above.

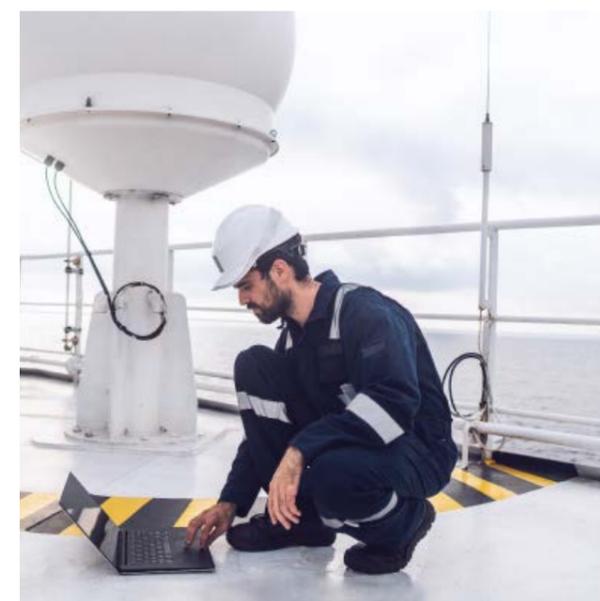
During the third quarter, NSSLGlobal was able to extend several large projects within both the governmental and maritime sectors, as well as winning new business.

The navigation and communication offering keeps on being a strong differentiator when bidding for new projects.

NSSLGlobal’s sales and bid pipeline remains strong and there are several new sales opportunities across both the governmental and maritime sectors.

OUTLOOK

NSSLGlobal expects 2022 revenues and operating profit to be higher than in 2021.



DEVELOPMENT LAST 5 QUARTERS



Evolgy

Portfolio company

HEADQUARTER SKIEN, NORWAY | **CHAIRMAN** ØRJAN SVANEVIK | **CEO** BJØRN E. PETERSEN | **OWNERSHIP** 95.2 % | **EMPLOYEES** 1,100 | **COUNTRIES** 17



FINANCIAL FIGURES, MNOK	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Sales	343	292	950	839
Operating profit	12	26	25	52
Operating margin	4%	9%	3%	6%
Earnings before tax (EBT)	6	23	14	43
Operating cash flow	1	31	-89	24
NIBD	509	24	509	24
Equity	464	389	464	389
Equity ratio	26%	37%	26%	37%

Financial figures related to IPT Technology are not included in the figures for 2021
 Currency rates (NOK/EUR). Average Q3 2022: 10.01. Average Q3 2021: 10.23. End Q3 2022: 10.58. End Q3 2021: 10.17.

Evolgy was formed through the combination of EFD Induction and the wireless charging solutions provider IPT Technology, which was acquired by Arendals Fossekompani in May 2022. Evolgy combines EFD Induction’s global market leadership in industrial induction heating systems (Heat) with IPT Technology’s leading technology in the high growth market for wireless induction charging solutions for mobility and industrial applications (Charge). Among the industries served by Evolgy are automotive, renewable energy/wind energy, pipe fabrication, electronics, cable, and mechanical engineering. Evolgy has operations in 20 countries.

HIGHLIGHTS OF Q3 2022
 (Figures in parentheses refer to the same period the previous year)

Total sales increased by 17% year-over-year to NOK 343 million in the third quarter of 2022, driven by increased sales in the Heat segment in Europe and Asia. Year-to-date sales increased by 13% to NOK 950 million (839 million). This mainly reflects a generally higher activity level within Heat, as well as a small sales contribution from Charge following the acquisition of IPT Technology in May 2022.

Costs in the quarter were negatively affected by the consolidation of IPT Technology, component cost increases and product mix effects, as well as general inflation. IPT Technology was consolidated with effect from 19 May.

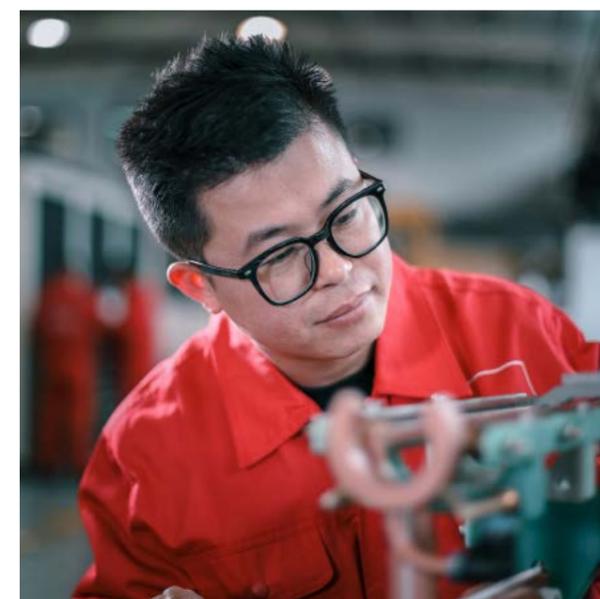
Operating profit fell to NOK 12 million (26 million), including a NOK 8 million negative result from IPT in the quarter. Operating profit as of 30 September amounted to NOK 25 million (52 million).

Order intake remains healthy, with firm new orders in all regions and segments. Order intake on a rolling 12-month basis amounted to EUR 152 million as of 30 September, corresponding to a year-over-year increase of 13%.

OUTLOOK
 Evolgy anticipates growth in the top line in 2022, and the order backlog also points to a robust revenue growth in the last quarter of the year. The market for heating products is still considered strong, but more volatility is expected going forward.

IPT Technology opens a growing and potentially large market within wireless charging solutions and is expected to generate long-term revenue and cost synergies to further improve the company’s operational leverage.

Operating profit for 2022 is expected to be lower than last year.



Ampwell

Portfolio company

HEADQUARTER	CHARIMAN	CEO	OWNERSHIP	EMPLOYEES	COUNTRIES
ARENDAL, NORWAY	ØRJAN SVANEVIK	TORKIL MOGSTAD	100 %	50	3



FINANCIAL FIGURES, MNOK	Q3 2022	YTD 2022
Operating Revenues	34	52
Operating Profit	-10	-30
Operating Margin	-28%	-57%
Earnings before tax (EBT)	-13	-36
Operating cash flow	-311	-61
NIBD	348	348
Equity	64	64
Equity Ratio	13%	13%

Currency rates (NOK/EUR). Average Q3 2022: 10.01. Average Q3 2021: 10.23. End Q3 2022: 10.58. End Q3 2021: 10.17.

Ampwell is a new company established by Arendals Fossekompani to build an eco-system for battery technology and a Battery-as-a-Service business model. Ampwell will accomplish this by combining hardware, software, other technologies and dedicated competence.

ENERGY STORAGE MODULES

Arendals Fossekompani acquired 54.9 per cent of Commeo in April 2022. Commeo is a German company specializing in energy storage and energy management solutions. Commeo provides solutions for commercial and industrial energy storage by manufacturing battery modules and rack systems, including control units and software for monitoring and data logging. An example of how Commeo systems are used is 'peak-shaving' of energy consumption, which means using energy from the battery racks during peak price periods to avoid steep tariffs charged by the energy system operators.

Established in 2014, Commeo has over the years developed its proprietary energy storage system and is now in a position where the product can be manufactured on an industrial scale. Commeo systems typically range from 50 kWh to 1 MWh, but the modular plug-and-play setup allows for even larger systems.

Headquartered in Wallenhorst in Germany, Commeo employs 50 people and reported revenues of EUR 3.5 million in 2021. The company is on a strong growth trajectory and has started the construction of a new production facility which will be one of Germany's largest.

MONITORING AND ANALYSIS

Cellect Energy S.L, a Spanish company based in Barcelona, is currently developing analysis and control software together with some of the largest energy players in Europe. The solutions are specifically designed for the stationary storage market, and will help customers utilize the stored energy in the best possible manner. The solutions are meant to be agnostic, which means they will be able to connect to several different batteries, independent of manufacturer and technology.

The company was co-founded with Ampwell in 2021. AFK currently owns 32% of Cellect and will increase this further by the end of this year.

HIGHLIGHTS OF Q3 2022

Revenues for the third quarter were EUR 3.4 million. Increased production capabilities in Commeo contributed to growth from the previous quarter.

Operating profit in the quarter was EUR -1.0 million, continuously improving due to a ramp-up in production. The company is continuing to invest and grow the business.

During the third quarter, Commeo started excavating ground to prepare for new fully-automatic production facilities, enabling increased production capacity to 1 GWh in 2024.

The demand for stationary storage, and the sales pipeline for Commeo, continues to increase.

OUTLOOK

Ampwell expects to generate continued revenue growth in the fourth quarter of 2022. EBIT is expected to improve, but remain negative for 2022.

Alytic

Portfolio company

HEADQUARTER
 ARENDAL,
 NORWAY

CHAIRMAN
 MORTEN
 HENRIKSEN

CEO
 ESPEN
 ZACHARIASSEN

OWNERSHIP
 95 %

EMPLOYEES
 72

COUNTRIES
 2



FINANCIAL FIGURES, MNOK	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Operating Revenues	10	7	28	19
Operating Profit	-12	-5	-29	-7
Operating Margin	-121%	-77%	-104%	-38%
Earnings before tax (EBT)	-12	-5	-30	-7
Operating cash flow	-9	-5	-27	-5
NIBD	-26	-35	-26	-35
Equity	107	87	107	87
Equity Ratio	75%	75%	75%	75%

Alytic invests in companies with strong domain competence and actively supports them to develop and commercialize scalable and data-rich products based on a SaaS business model. Alytic was established in 2020 with key people who successfully developed Wattsight based on the same principles. Alytic has acquired four companies as a starting point for developing verticals within Aquaculture, Renewables, ESG and IoT & Cyber Security. Alytic will continue to develop the existing portfolio and to do acquisitions in existing and new verticals.

HIGHLIGHTS OF Q3 2022

Factlines is experiencing strong demand for their supply chain product due to the implementation of the Transparency Act. Greenfact has significantly strengthened the organization and will develop a global analysis platform for decarbonization instruments including renewables and carbon. Kontali received good feedback from pilot customers on Edge, a new seafood portal launched in the quarter. Utel is leveraging telco domain competence and close relationships with customers to build and test prototypes of their new fraud detection and prevention solution.

FACTLINES (ESG)

Factlines, an Alytic portfolio company since April 2022, delivers a SaaS service for supply chain transparency. Alytic's ambition is to develop a European one-stop-shop for responsible supply chains, ESG reporting, and product life cycle assessments.

Key hires in sales, finance, product, and technology have been concluded and a new management group will be in place during the fourth quarter to accelerate product development and growth. The newly adopted Transparency Act has helped Factlines in building a strong sales pipeline and a significant growth potential in the coming quarters. Factlines' main product in supply chain transparency is incrementally being improved to meet customer needs and a foundation for an EU Taxonomy reporting tool and lifecycle assessments is being explored and prototyped.

GREENFACT (RENEWABLES)

Greenfact, an Alytic portfolio company since 2021, is a green-tech leader with strong domain competence, a strong brand, ongoing SaaS business and large potential for growth. In the quarter, Greenfact welcomed its new CEO and concluded recruitment of market experts to support the ambition of providing the highest levels of renewables and carbon market intelligence. This includes several thought leaders in the EU carbon market, as well as the voluntary carbon market and US, South Korea and China emission trading systems.

Platform development is on track and Greenfact aims to launch its new renewables and carbon insights platform in the first quarter of 2023. During 2023, Greenfact aims to continue developing its net-zero analytics product and grow a global customer base.

KONTALI (AQUACULTURE)

Kontali, an Alytic portfolio company since late 2020, has served as the leading market research and analytics provider for the seafood sector since the early 90s. Since being acquired by Alytic, Kontali has been on a digital transformation journey developing a new app called Kontali Edge. The solution will provide subscribing customers with exclusive access to Kontali's data, forecasts and analytics.

A beta version of Edge was launched during the quarter. Kontali received good feedback from pilot customers. The platform is undergoing continuous rapid development with the aim of having several new features and analytical tools available by January next year. This will also include insights from existing Kontali reports. Current subscribers will be migrated to Edge.

Kontali will continue to invest and develop Edge to be the leading portal for seafood professionals. Kontali expects strong growth in subscribing customers in 2023.

UTEL (IOT & CYBER SECURITY)

Utel, an Alytic portfolio company since 2021, is a leading provider of services for network monitoring and analysis, serving a global array of telecom carriers, fixed and mobile network operators, service providers, police security services, the military and authorities.

Since joining the Alytic portfolio, Utel has focused on building go-to-market, AI and UX capabilities. With strengthened capabilities in AI and UX-design and already strong telco domain expertise, Utel has developed and tested prototypes of a general anomaly detection solution during the quarter, with a particular focus on telco fraud. Development continues in the fourth quarter in close collaboration with customers.

Going forward, Alytic and Utel will grow both organically and structurally in this vertical to expand the addressable market. Alytic is particularly interested in further developing cyber security capabilities.

OUTLOOK

Alytic portfolio companies are still in a strong investment phase, building new organizations, improving existing products, and developing new product areas. All companies are expected to launch new products and grow revenues in 2023.

Vergia

Portfolio company

HEADQUARTER	CHARIMAN	CEO	OWNERSHIP	EMPLOYEES	COUNTRIES
ARENDAL, NORWAY	ØRJAN SVANEVIK	MORTEN HENRIKSEN	100 %	11	1



FINANCIAL FIGURES, MNOK	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Operating Revenues	-	-	-	-
Operating Profit	-2	-0	-6	-0
Operating Margin	-	-	-	-
Earnings before tax (EBT)	-3	-1	-10	-1
Operating cash flow	2	0	-1	0
NIBD	-12	-10	-12	-10
Equity	18	15	18	15
Equity Ratio	88%	100%	88%	100%

Established early in 2022, Vergia is an AFK initiative combining all existing green infrastructure projects and related portfolio companies in a new entity. Vergia is a strategic green energy enabler leveraging in-house competence with strategic partners to develop infrastructure projects in alternative verticals within the energy transition sphere. The Vergia ecosystem includes verticals such as small-scale hydropower, energy parks, power-to-x, solar, offshore wind, green fuel, and carbon capture. Vergia is owned 100% by Arendals Fossekompani.

OFFSHORE WIND

Vergia and Ferd, two of Norway's leading industrial investment companies, have come together to establish the offshore wind company Seagust. Seagust is structured as a 50:50 joint venture between Vergia and Ferd, with a mandate to become an offshore wind developer with operations domestically and internationally. Seagust and Swedish energy major Vattenfall have joined forces with the intention to bid on two areas in the upcoming Norwegian offshore wind licensing round.

AMMONIA

Vergia and Grieg Maritime Group have joined forces to create a world-leading provider of green ammonia. North Ammonia, is dedicated to developing the next generation green fuels for shipping and transportation. The company builds on extensive first-hand experience: Grieg Maritime Group has more than 60 years of experience in shipping. Arendals Fossekompani has 125 years of experience in industrial developments and green power production.

Eydehavn in Arendal has been chosen as the first production site for North Ammonia. Eydehavn is being developed as a maritime hub and is ideally located for green ammonia production and distribution. MoUs have been signed with maritime end-users. World-class technology, engineering and maritime cooperation partners are in place to develop the project and production facility. Production is expected to start in 2025.

SMALL-SCALE HYDROPOWER

Demand for electricity is expected to grow significantly in years to come, due to electrification of the transportation and industry sectors, increased household consumption and interconnectors between the Nordics and Europe. Vergia has two small-scale hydropower development projects; Kilandsfoss and Glomsdam, which can contribute with an annual production of 40 and 7.3 GWh respectively.

ENERGY PARKS

Vergia is developing Bøylestad Energy Park, an industrial and commercial area facilitating energy intensive industry, powered by renewable energy. The area is situated next to one of the largest energy hubs in Southern Norway, which makes for a highly suitable area for power intensive industries. Bøylestad Energy Park also offers proximity to highway systems, railway, and a port, which further increases the strategic value of the area.

HYDROGEN

Vergia, Kongsberg Maritime and Moreld have joined forces to develop a combined offshore substation and hydrogen factory. Hydepunkt is a complete solution for receiving, converting, and transmitting the full energy potential from offshore wind farms, with reduced dependence on the onshore power grid. Placed in the ocean, close to wind farms, Hydepunkt can convert all or part of the energy into hydrogen. This will reduce the need for upscaling the power grid both to and on land.

AFK Property

Part of Arendals Fossekompni

HEADQUARTER
 ARENDAL,
 NORWAY

CHAIRMAN
 TORNIL
 MOGSTAD

CEO
 TOM KRUSCHE
 PEDERSEN

OWNERSHIP
 100 %

EMPLOYEES
 1

COUNTRIES
 1



FINANCIAL FIGURES, MNOK	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Operating Revenues	4	431	31	438
Operating Profit	-2	24	-4	20
Operating Margin	-40%	6%	-12%	5%
Earnings before tax (EBT)	-3	24	-6	19
Operating cash flow	-2	-51	-22	-166
NIBD	115	517	115	517
Equity	209	211	209	211
Equity Ratio	50%	25%	50%	25%

AFK Property comprises all property related companies and property investments.

BRYGGEBYEN

The by far largest company in the property portfolio is Vindholmen Eiendom AS, which is transforming an old shipyard area into a new urban residential/commercial zone right outside the center of Arendal City under the name Bryggebyen.

The transformation will take 10-15 years to complete and will create 500-700 residential units in combination with exciting and highly relevant trade and commerce offerings. The initial construction phase in 2020 called for 82 apartments, but due to brisk sales, a second phase of 31 additional apartments was quickly added, bringing the total to 113 units. All apartments were sold before year-end 2021. Not only was this the largest residential project in the region that year, but it also had the quickest sell-out time, demonstrating the attractiveness of the Bryggebyen area.

To satisfy the market's desire to be part of Bryggebyen, AFK made the decision in October 2021 to initiate phase 3 of the Bryggebyen project, thereby adding 48 new apartments. These went on sale in the second quarter of 2022 and in a very short time 38 apartments were sold. Based on this, the decision to start building was made. As of 30 September, 40 apartments are sold. AFK also plans to build an indoor water park in the area. The municipality of Arendal has signed a long-term rental agreement with the water park. A final decision to build the park will be made in March/April 2023.

ARENDAAL AIRPORT & PROPERTY GULLKNAPP

AFK Property is the majority owner of this property which comprises a relatively new airport facility as well as an attractive area of 200,000 sqm. The main user of the airport facility is OSM Aviation Academy which runs a pilot school at the premises. Future plans include developing the airport facility into a center for drones as well as a hub for electrified aviation under the name Gullknapp Aerial Center.

The significant size of the area combined with direct access to the high voltage grid has made the property attractive for industrial players, including those drawn to Arendal in connection with Morrow Batteries' plan for establishing a giga-factory for battery cell production. Gullknapp is located about 15 km north of Arendal and therefore in close vicinity to both the new E18 highway and the Port of Arendal. Having its own airport facility is of course also an advantage. Real estate areas for industrial use are becoming scarce around Arendal, and Gullknapp is highly relevant for power and transportation intensive industries such as battery-related production of cells, electrodes and electrode materials, as well as hydrogen and ammonia production to support the transition into a sustainable future.

BØLEVEGEN 4

This property, located along the Skien River, just one kilometer south of downtown Skien, was acquired in 2020. The 4,700 sqm building is fully let to EFD Induction on a 15-year bare-house agreement. As the city of Skien expands, this 12,000 sqm river property will be attractive both for commercial and residential development.

LONGUM PROPERTY

In the second quarter, AFK Property acquired 170,000 sqm of mostly commercial land located outside the city of Arendal. The property is close to the E18 highway on route to the main production site of the coming Morrow battery factory. The land is also in the vicinity of Bedriftsveien 17, which is also in the portfolio of AFK property.

BEDRIFTSVEIEN 17

The commercial property Bedriftsveien 17 has been part of AFK since 2015. The 3,500 sqm building has been completely refurbished and is now fully let to Volue Industrial IoT on a 25-year bare-house agreement. Bedriftsveien 17 is located in the middle of the emerging commercial area Krøgenes, 3 kilometers east of down-town Arendal. The area has grown in attractiveness with a new feed-in road to the new E18 highway recently completed.

Shareholder information

Outlook

SHARES AND SHAREHOLDERS

There are a total of 55,995,250 shares in the company. As of 30 September a total of 1,099,869 were treasury shares. The share price on 30 June was NOK 279 and on 30 September NOK 223.

RISK AND UNCERTAINTIES

AFK is exposed to credit risk, market risk and liquidity risk. These matters are described in detail in Note 16 to the annual financial statements for 2021.

RELATED PARTY TRANSACTIONS

The company's related parties comprise subsidiaries, associates and members of the Board of Directors and executive management. Transactions between AFK companies and other related parties are based on the principles of market value and arm's length distance. Transactions carried out between related parties are detailed in Note 4. None of these transactions are considered of material importance for the company's financial position or earnings.

OUTLOOK

Following high activity levels in all portfolio companies, 2022 revenues and operating profit for AFK group as a whole are expected to be on par with 2021.

As the AFK portfolio companies are positioned within attractive megatrends, AFK expects continued growth in 2023.

There is uncertainty associated with, the war in Ukraine, the Covid-19 pandemic, supply chain constraints, soaring inflation, rising interest rates, the development of energy prices, as well as the proposed new tax regulations for the Norwegian hydropower industry.

AFK HYDROPOWER

In light of the market's estimated power price trend for 2022, revenues and operating profit for AFK Hydropower are expected to be considerably higher than 2021 despite lower production compared to the previous year.

However, the proposed increased tax burden on the Norwegian hydropower industry, as presented by the government on 28 September, will - if implemented - influence the net cash generated from hydropower production.

Actual energy prices depend on many factors, including hydrological balance, oil and gas prices, weather conditions, temperatures and more. With limited reservoir capacity, the production volume will also be dependent on precipitation.

VOLUE

Volue's revenues and operating profit for 2022 are expected to be higher than in 2021.

TEKNA

Tekna expects revenues to be in line with 2021, while operating profit is expected to be lower than the previous year.

NSSLGLOBAL

NSSLGlobal expects 2022 revenues and operating profit to be better than 2021.

EVOLGY

Evolgy expects revenues to be higher than 2021, whilst operating profit is expected to be lower than the previous year.

AMPWELL

Ampwell expects to generate continued revenue growth in the fourth quarter of 2022. EBIT is expected to improve, but remain negative for 2022.

The Board of Directors emphasizes that significant uncertainty is associated with assessments of future circumstances.

Froland, 10 November 2022

The Board of Directors, Arendals Fossekompni ASA

Consolidated statement of profit or loss

Amounts in NOK 1 000		2022	2022	2021	2022	2021	2021
	Note	Q3	Q2	Q3	Year to date	Year to date	Full year
Continuing operations							
Sales revenues	8	1 110	1 055	1 297	3 214	3 021	4 196
Other Income		4	6	5	13	17	36
Total revenues		1 114	1 062	1 302	3 227	3 037	4 232
Cost of sales		361	353	675	1 000	1 226	1 585
Staff cost		387	390	333	1 172	1 020	1 422
Other operating cost	2	164	177	114	496	352	539
Total operating cost		911	921	1 122	2 669	2 597	3 546
EBITDA		203	141	180	558	440	686
Depreciation	2	48	46	44	139	129	171
Amortisation		27	25	15	73	36	58
Impairment loss from PPE	3	0	-	1	0	1	1
Impairment loss from intangible assets	3	-	-	-	-	-	6
Operating profit		127	70	120	346	275	450
Finance income		24	40	8	77	43	47
Finance cost		18	15	23	57	71	153
Net financial items		6	25	-15	20	-28	-106
Income from associated companies	6	-11	-5	-3	-20	-8	-12
Profit before income tax		122	90	102	346	239	332
Provision for income tax	5	91	67	36	256	119	235
Profit for the period, continuing operations		31	23	67	90	120	97
Profit (-loss) from discontinued operations	7	-	-	21	-	29	29
Profit for the period		31	23	88	90	148	126
Attributable to:							
Minority interest income		-1	-2	6	-5	20	19
Equity holders of the parent		32	25	82	95	128	107
Basic/diluted earnings per share (NOK)		0,57	0,43	1,60	1,64	2,71	2,29
Statement of comprehensive income							
Profit for the period		31	23	88	90	148	126
FX differences on translation of foreign operations		34	128	-306	135	-332	-65
Change on Cash flow hedges		19	3	-3	25	-6	-4
Tax on OCI that may be reclassified to P&L		-1	2	1	0	1	1
OCI that may be reclassified to P&L		53	132	-308	160	-336	-67
Change in financial assets at fair value through OCI		-5		-2	-4	95	95
Actuarial gains and losses							6
Tax on OCI that will not be reclassified to P&L		-	-	-	-	-	-1
OCI that will not be reclassified to P&L		-5		-2	-4	95	100
OCI from discontinued operations				0	-	12	2
Total Other Comprehensive Income (OCI)		48	132	-310	156	-230	34
Total Comprehensive Income		79	156	-222	246	-81	160
Attributable to:							
Minority Interest		6	23	-1	22	8	3
Equity holders of the parent		73	133	-221	224	-89	156
Total Comprehensive Income per share (NOK)		1,44	2,83	-4,05	4,48	-1,48	2,91

Consolidated balance sheet

Amounts in NOK 1 000		2022	2022	2021	2021
	Note	Q3	Q2	Q3	Full year
Assets					
Fixed assets		1 024	995	946	939
Intangible assets and goodwill		1 903	1 869	1 033	1 092
Investment in associated companies	6	35	18	7	17
Net pension assets		29	29	25	28
Non-current receivables and investments		227	265	332	264
Deferred tax assets		86	77	103	92
Non-current assets		3 303	3 253	2 447	2 432
Inventories		779	697	534	502
Contract assets		229	213	182	151
Total receivables		1 090	914	1 171	1 018
Cash and cash equivalents		2 305	2 291	2 461	2 708
Derivatives - current assets:		23	25	2	11
Financial assets at fair value through OCI		11	16	15	15
Current assets		4 437	4 156	4 365	4 406
Total assets		7 740	7 409	6 812	6 838
Equity and liabilities					
Common stock		224	224	224	224
Other paid in capital		21	21	8	10
Own shares		-78	-70	-64	-63
Other reserves		91	52	-32	-47
Retained earnings		3 290	3 365	3 281	3 240
Owner's equity		3 549	3 592	3 418	3 364
Minority Interest		693	643	541	545
Total equity	9	4 242	4 235	3 959	3 909
Bond		497	497	497	497
Non-current borrowings		375	514	261	169
Employee benefits		25	24	33	25
Provisions		31	31	19	31
Deferred taxes		67	66	80	53
RoU liabilities, non-current		140	145	139	142
Non-current liabilities		1 136	1 279	1 029	917
Interest-bearing current borrowings		220	26	355	122
Bank overdraft		73	52	102	114
Derivatives - current liabilities		32	20	3	4
Accounts payable		682	605	465	754
Payable income tax		225	129	78	187
Contract liabilities		288	348	210	167
RoU-liabilities, current		56	63	62	64
Other current liabilities		786	653	550	600
Current liabilities		2 362	1 895	1 824	2 012
Total liabilities and equity		7 740	7 409	6 812	6 838

Consolidated statement of cash flows

Amounts in NOK 1 000		2022	2021
	Note	YTD	YTD
Cash flow from operating activities			
Profit for the period, continuing operations		90	120
Adjusted for			
Depreciation, Impairment and Amortization		212	166
Net financial items		-20	28
Equity company income		20	8
Gain/Loss from sales of assets		-1	-0
Tax expense		256	119
Total after adjustments to net income		557	441
Change in Inventories		-183	143
Change in trade and other receivables		-47	-471
Change in trade and other payables		-91	-134
Change in other current assets		-23	-5
Change in other current liabilities		171	170
Change in other provisions		1	-28
Change in employee benefits		-1	-2
Total after adjustments to net assets		385	115
Tax paid		-168	-52
Net cash from operating activities	A	216	63
Cash flow from investing activities			
Interest received etc.		16	6
Dividends received		3	3
Proceeds from sales of PPE		4	19
Purchase of PPE and intangible assets		-227	-164
Purchase of financial assets at fair value		-	-9
Proceed from sale of financial assets at fair value			834
Purchase of other investments		-62	-38
Proceed from sale of other investments		6	3
Purchase of shares in subsidiaries		-257	-72
Proceeds from the sales of shares in subsidiaries		6	1 231
Net cash from investing activities	B	-512	1 812
Cash flow from financing activities			
Equity payments from/to non controlling interests		-1	700
New long-term borrowings		151	543
Repayment of long-term borrowings		-133	-680
Cash Flow from Payment of loans		-4	-3
Cash Flow from Net change in current interest bearing debt		35	182
Interest paid etc.		-48	-50
Dividend paid		-180	-1 760
Cash Flow from Own Shares		-4	1
Net cash from financing activities	C	-183	-1 069
Cash Flow	A+B+C	-479	806
Opening Balance for Cash asset		2 708	1 688
Total effect from FX on non-Cash accounts		76	-33
Closing Balance for Cash asset		2 305	2 461

Profit or loss Parent Company

Amounts in NOK 1 000		2022	2022	2021	2022	2021	2021
	Note	Q3	Q2	Q3	Year to date	Year to date	Full year
Sales revenue		124	82	65	374	201	371
Other income		2	4	2	9	9	12
Operating revenues		125	86	68	383	210	382
Cost of sales		-4	-2	-2	-10	0	2
Staff cost		19	14	15	50	51	66
Other operating cost		17	18	10	64	40	65
Operating expense		32	29	23	104	90	134
EBITDA		94	56	44	279	120	249
Depreciation		3	3	3	9	8	11
Amortisation		0	0	1	1	1	2
Operating profit		90	53	41	269	110	236
Finance income	10	24	298	317	585	1 465	1 471
Finance cost		15	5	4	31	37	125
Net financial items		9	292	313	553	1 428	1 345
Profit before taxes		99	345	354	823	1 538	1 581
Provision for income tax		64	63	24	209	76	159
Profit for the period		35	282	329	614	1 462	1 422
Attributable to:							
Equity holders of the parent		35	282	329	614	1 462	1 422
Basic/diluted earnings per share (NOK)		0,63	5,14	6,00	11,18	26,63	25,90
Statement of comprehensive income							
Profit for the period		35	282	329	614	1 462	1 422
Change in financial assets at fair value through OCI		-5	-0	-2	-4	95	95
Actuarial gains and Losses		-	-	-	-	-	3
Tax on OCI that will not be reclassified to P&L		-	-	-	-	-	-1
OCI that will not be reclassified to P&L		-5	-0	-2	-4	95	97
Total Other Comprehensive Income (OCI)		-5	-0	-2	-4	95	97
Total Comprehensive Income		30	282	327	610	1 556	1 519
Attributable to:							
Equity holders of the parent		30	282	327	610	1 592	1 519
Total Comprehensive Income per share (NOK)		0,54	5,14	5,96	11,11	28,35	27,67

Balance sheet Parent Company

Amount in MNOK		2022	2022	2021	2021
	Note	Q3	Q2	Q3	Full year
Assets					
Fixed assets		174	167	171	170
Intangible assets and goodwill		9	10	11	11
Investment in associated companies	6	26	-	-	-
Investment in subsidiaries		1 724	1 724	1 638	1 628
Intra-group loans		349	643	5	5
Net pension assets		14	14	10	14
Non-current receivables and investments		133	184	251	174
Deferred tax assets		27	27	60	42
Non-current assets		2 457	2 769	2 146	2 043
Total receivables		457	113	117	159
Cash and cash equivalents		1 116	1 043	1 342	1 411
Financial assets at fair value through OCI		11	16	15	15
Current assets		1 584	1 172	1 474	1 585
Total assets		4 041	3 941	3 619	3 629
Equity and liabilities					
Common stock		224	224	224	224
Other paid in capital		21	21	8	10
Own shares		-78	-70	-64	-63
Other reserves		-3	1	-0	1
Retained earnings		2 957	2 975	2 785	2 700
Owner's equity		3 121	3 151	2 953	2 872
Total equity		3 121	3 151	2 953	2 872
Bond		497	497	497	497
Non-current borrowings		154	103		
Employee benefits		7	6	7	7
Provisions		10	10	10	10
RoU liabilities, non-current		13	14	15	15
Non-current liabilities		681	631	528	529
Accounts payable		43	24	27	52
Payable income tax		137	85	52	112
Current interest-bearing liabilities, IC		36	36	39	36
RoU-liabilities, current		4	4	3	4
Other current liabilities		20	11	16	24
Current liabilities		239	159	138	228
Total liabilities and equity		4 041	3 941	3 619	3 629

Statement of cash flows Parent Company

Amount in MNOK		2022	2021
	Note	YTD	YTD
Cash flow from operating activities			
Profit for the period, continuing operations		614	1 462
Adjusted for			
Depreciation, Impairment and Amortization		10	10
Net financial items		-553	-1 428
Tax expense		209	76
Total after adjustments to net income		279	120
Change in trade and other receivables		-11	-2
Change in trade and other payables		-9	9
Cash flow from Internal Accounts Payable and Receivable		41	-1
Change in other current liabilities		-1	6
Total after adjustments to net assets		299	131
Tax paid		-105	-7
Net cash from operating activities	A	193	124
Cash flow from investing activities			
Interest received etc.		16	4
Dividends received		97	87
Purchase of PPE and intangible assets		-13	-6
Purchase of financial assets at fair value		-	-9
Proceed from sale of financial assets at fair value			824
Purchase of other investments		-60	-25
Purchase of shares in subsidiaries		-47	-43
Proceeds from the sales of shares in subsidiaries		2	1 320
Net cash from investing activities	B	-5	2 151
Cash flow from financing activities			
New long-term borrowings		148	497
Repayment of long-term borrowings		-3	-627
Cash Flow from Internal Loans and Borrowings		-466	191
Interest paid etc.		-28	-31
Group Contribution Received / Paid		22	-
Dividend paid		-154	-1 730
Cash Flow from Own Shares		-4	1
Net cash from financing activities	C	-484	-1 699
Cash Flow	A+B+C	-296	576
Opening Balance for Cash asset		1 411	766
Closing Balance for Cash asset		1 116	1 342

Notes to interim report for Q3 2022

Note 1 Confirmation of financial framework

The financial statements for the quarter have been prepared in accordance with IAS 34 Interim Financial Reporting. The report does not include all the information required in full annual financial statements and should be read in conjunction with the consolidated financial statements for 2021.

Note 2 Key accounting policies

The accounting policies for 2021 are described in the Annual Report for 2021. The financial statements have been prepared in accordance with EU-approved IFRSs and associated interpretations, as well as the additional Norwegian disclosure requirements pursuant to the Norwegian Accounting Act and stock exchange regulations and rules, applicable as at 31 December 2021. The same policies have been applied in the preparation of the interim financial statements as at 30 September 2022.

New standards effective from 1. January 2022 have had no material effect on the financial statements.

Note 3 Estimates

Areas involving significant use of estimates include the valuation of companies in the share portfolio and measurement of goodwill/excess values in subsidiaries and associates, and of impairment indicators for property, plant and equipment and intangible assets. In the year to date these measurements have not resulted in material impairment losses on any assets or cash-generating units.

Note 4 Related party transactions

Disclosures concerning related party transactions are given in the company's Annual Report for 2021, Note 24. Total gain on MNOK 1.042 in 2021 and MNOK 326 in 2022 is eliminated in consolidated profit or loss but is shown as paid-in capital in Note 7 Equity.

Note 5 Provision for income tax

Provision for income tax for the second quarter of 2022 has been adjusted with an increase of NOK 17 million. The tax provision in the quarter is based on current tax regulations, not incorporating the new proposed increased tax burden on the Norwegian hydropower industry as presented by the government on 28 September. If implemented, the proposed new resource rent tax will increase the year-to-date provision for income tax by NOK 26 million. The high-price contribution is not included in this estimate, as it will - if implemented - be effected from 28 September onwards.

Note 6 Investment in associates

As a result of the financial restructuring of NorSun AS, finalized in August, the investment in NorSun AS has been reclassified as an investment in associate as of 1 July 2022.

Note 7 Sale of subsidiary

Amount in MNOK

SALE OF COGEN ENERGIA ESPANA IN 2021

In July 2021 Arendals Fossekompani sold its 100% shareholding in Cogen Energia Espana. Consequently, the company's financial figures have been recognised on separate lines in the income statement as discontinued operations and in the balance sheet as assets held for sale.

The gain on disposal of Cogen of MNOK 21 is included in "Profit/loss from discontinued operations".

Cogen's key figures relating to the income statement and balance sheet for 2021 and 2020 are presented below.

	2021	2021
	Q3	Full year
Operating revenues and operating costs		
Operating revenue	283	281
Operating expense	264	262
Depreciation	9	9
Operating profit	9	9
Net financial items	-2	-2
Profit before taxes	8	8
Provision for income tax		
Net income from discontinued operations	8	8
Profit from the sale of Cogen Energia Espana	14	21
Net discontinued operations income (after tax)	21	29
Basic/diluted earnings per share (NOK)	0,39	0,53

Note 8 Segment reporting per 30.09

Amount in MNOK

	ENERGY SALES		ADMINISTRATION		VOLUE		NSSL GLOBAL		EVOLGY	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Total sales at a point in time	374	201	-	-	172	125	766	659	496	368
Total sales over time	-	-	-	-	703	603	-	-	454	471
Total other Income	0	1	9	7	1	0	1	6	4	6
Operating revenue	374	202	9	7	878	729	767	666	954	845
Operating expense	35	50	69	40	754	639	540	517	880	753
Depreciation, amortization, impairment	6	7	4	2	80	69	37	33	49	40
Operating profit	333	145	-64	-35	44	20	189	115	25	52
Equity company income	-	-	-	-	-	-	-	-	-	-
Net financial items	-	-	553	1 428	4	1	0	-1	-11	-9
Provision for income tax	190	87	18	-11	12	3	39	25	17	9
Continuing operations income	143	57	471	1 404	36	18	151	89	-3	34
Total assets	225	235	3 816	3 384	1 743	1 444	935	772	1 799	1 051
Total liabilities	186	86	734	580	932	692	411	359	1 335	663
Net interest bearing debt	-	-	-1 180	-909	-489	-383	-339	-263	509	24

	TEKNA		ALYTIC		PROPERTY		VERGIA		AMPWELL	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Total sales at a point in time	114	91	27	19	22	431	-	-	51	-
Total sales over time	34	51	-	-	-	-	-	-	-	-
Total other Income	3	2	1	1	9	7	-	-	1	-
Operating revenue	150	144	28	19	31	438	-	-	52	-
Operating expense	241	170	54	24	25	409	6	0	73	-
Depreciation, amortization, impairment	21	10	3	2	9	9	-	-	9	-
Operating profit	-112	-36	-29	-7	-4	20	-6	-0	-30	-
Equity company income	-8	-7	-	-	-	-	-5	-1	-1	-
Net financial items	-7	-0	-0	0	-2	-1	-0	-	-6	-
Provision for income tax	1	-1	-0	-0	0	6	-	-	-0	-
Continuing operations income	-128	-43	-29	-7	-6	13	-10	-1	-37	-
Total assets	591	660	143	117	423	846	20	15	507	-
Total liabilities	124	74	35	30	214	635	2	0	450	-
Net interest bearing debt	-70	-234	-26	-35	115	517	-12	-10	354	-

Note 8 Segment reporting per 30.09

Amount in MNOK

	ELIMINATIONS		TOTAL	
	2022	2021	2022	2021
Total sales at a point in time	0	1	2 023	1 896
Total sales over time	-	-	1 191	1 125
Total other Income	-14	-13	13	17
Operating revenue	-16	-13	3 227	3 037
Operating expense	-9	-6	2 669	2 597
Depreciation, amortization, impairment	-6	-7	212	166
Operating profit	-1	-0	346	275
Equity company income	-6	-	-20	-8
Net financial items	-512	-1 445	20	-28
Total pre tax income	-519	-1 445	346	239
Provision for income tax	-21	0	256	119
Continuing operations income	-497	-1 445	90	120
Total assets	-2 462	-1 712	7 740	6 812
Total liabilities	-925	-265	3 498	2 853
Net interest bearing debt	-0	-0	-1 138	-1 293

Note 9 Consolidated statement of changes in equity

Amount in MNOK

	Common stock	Other paid in capital	Own shares	Other reserves	Retained earnings	Owner's equity	Minority Interest	Total equity
2021								
Opening balance at 01.01	224	8	-64	704	2 680	3 552	303	3 856
Net Profit for the Period	-	-	-	-	129	129	20	148
Total Other Comprehensive Income (OCI)	-	-	-	61	-279	-218	-12	-230
Gain from sale of shares in subsidiaries	-	-	-	-	1 281	1 281	-	1 281
Realization of financial asset at fair value through OCI	-	-	-	-798	798	-	-	-
Other changes from DS	-	-	-	-0	357	357	258	615
Dividends paid	-	-	-	-	-1 684	-1 684	-28	-1 712
Closing balance at 30.09	224	8	-64	-32	3 281	3 418	541	3 959
2022								
Opening balance at 01.01	224	10	-63	-47	3 240	3 364	545	3 909
Net Profit for the Period	-	-	-	-	100	100	-10	90
Total Other Comprehensive Income (OCI)	-	-	-	128	-5	123	32	156
Own shares	-	11	-15	-	0	-3	0	-3
Gain from sale / dividend in kind of shares in subsidiaries	-	-	-	-	326	326	-	326
Other changes from DS	-	-	-	10	-13	-2	149	147
Dividends paid	-	-	-	-	-358	-358	-24	-382
Closing balance at 30.09	224	21	-78	91	3 290	3 549	693	4 242

Note 10 Finance income, Parent Company

Amount in MNOK

	2022	2021
	YTD	YTD
Interest income, I/C	7	3
Interest income	15	4
Currency exchange income	41	8
Gain on partial sale of subsidiaries	164	1124
Gain on dividend in kind of shares in subsidiaries	163	239
Dividend income	3	3
Dividend income I/C	193	84
Total	585	1465

Alternative Performance Measures

Volue ASA and Tekna Holding ASA present alternative performance measures as supplement to measures regulated by IFRS. The alternative performance measures are presented to provide a better insight and understanding of operations, financial positions and the basis for future developments.

THE DEFINITIONS OF THESE MEASURES ARE AS FOLLOWS:

Volue:

Adjusted EBITDA: In order to give a better representation of underlying performance, EBITDA is adjusted with non-recurring items. Note that adjusted EBITDA does not include estimated one-off loss revenues due to the cyber-incident in 2021 (only relevant for 2021 figures).

ARR: Annual Recurring Revenues is defined as revenues from recurring contracts including software as a service.

SaaS: Software as a service. SaaS revenues are defined as revenues from software hosted by Volue and distributed through web applications.

Tekna:

Adjusted EBITDA: EBITDA adjusted for costs related to the IPO and uplisting, non-recurring legal costs, and IT expenses related to the cloud software IFRS reclassification.

