

ONS

2024
Q3

FOR GENERATION

ATIONS

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FOR GENERATIONS

GENERATIONS

For generations, Arendals Fossekompani has provided people and communities with clean energy and inspiration. Established in 1896 to harness the energy from an everlasting resource, water – we have utilized the benefits of this resource to build and develop high-tech companies. What started as a local producer of hydropower, has transformed into a global industrial investor.

While running water continues to power our business, we search for, invest in, and support companies that have the potential to make a difference. To enable the transition to a more sustainable future, we offer human and financial resources to renew and advance industries. Our competence is particularly strong in areas such as energy transition, electrification, materials, digitalisation, and big data analytics.

We are a proud builder and supporter of technology that impacts the world. This is our legacy, our history, our future. It is what we have done, and what we will continue to do.

For generations.

Highlights Q3 2024 and Subsequent Events

AFK Group revenue growth of 5%

Total revenue increased by 5% compared to the same quarter the previous year, while the underlying profitability in the portfolio was weakened in the quarter.

NOK 1.00

Dividend to be paid in November

Arendals Fossekompani will pay a quarterly dividend for the third quarter of NOK 1.00 per share.

Lower electricity prices

Electricity prices were lower in the third quarter, compared to the same quarter in 2023. However, production was higher this quarter, resulting in revenue comparable to Q3 2023.



Volue

Arendals Fossekompani, Advent International and Generation Management complete the acquisition of Volue

On 8 July, Arendals Fossekompani, Advent International and Generation Investment Management announced the voluntary cash offer for all the shares in Volue through the jointly owned investment company, Edison Bidco AS.

On 28 October, it was announced that the transaction was completed. Volue shifts from a public to a private entity under the consortium.

Arendals Fossekompani, Advent and Generation bring highly complementary expertise to a long-term partnership, ensuring continuity and preservation of

established company values, while simultaneously integrating fresh and innovative perspectives. The company is well positioned for further growth, both organically and through acquisitions.

The joint strategic ownership is expected to significantly accelerate Volue's growth and value creation, ultimately benefiting Arendals Fossekompani's shareholders through our continued 40% stake in Volue indirectly via the associated company Edison Bidco AS. Additionally, the transaction, priced at NOK 42 per share, resulted in net cash proceeds of NOK 1 billion.

Operational highlights

Volue

Volue quarterly revenue grew by 14%, to NOK 382 million, compared to the third quarter of last year. Adjusted EBITDA in the quarter amounted to NOK 83 million (22% margin), up from NOK 63 million (19% margin) in the same quarter last year.

NSSLGlobal

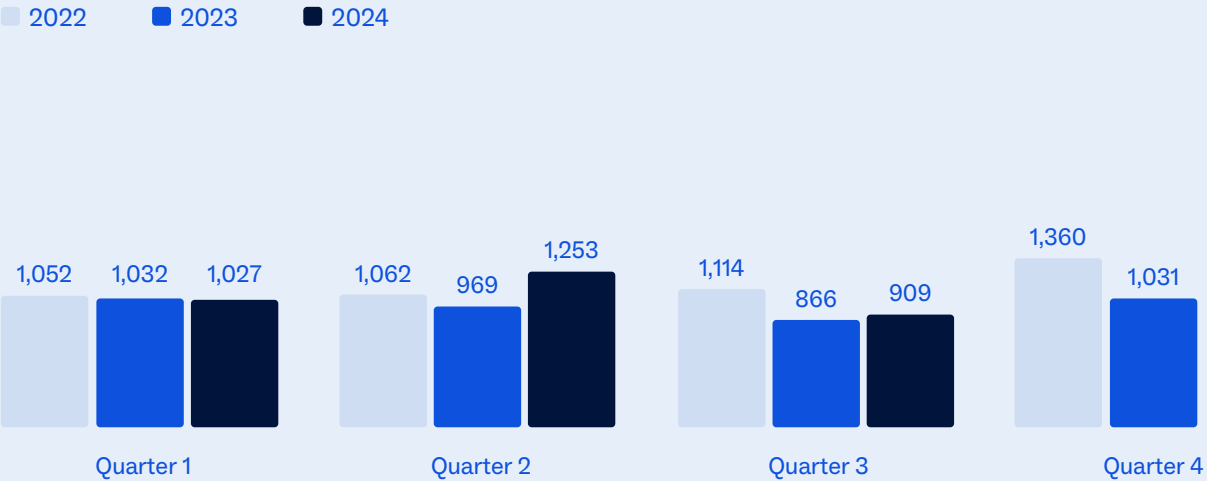
NSSLGlobal grew revenue by 10% in the third quarter, compared to the third quarter of last year. Operating margin amounted to 18%, up from 16% in the same quarter last year.



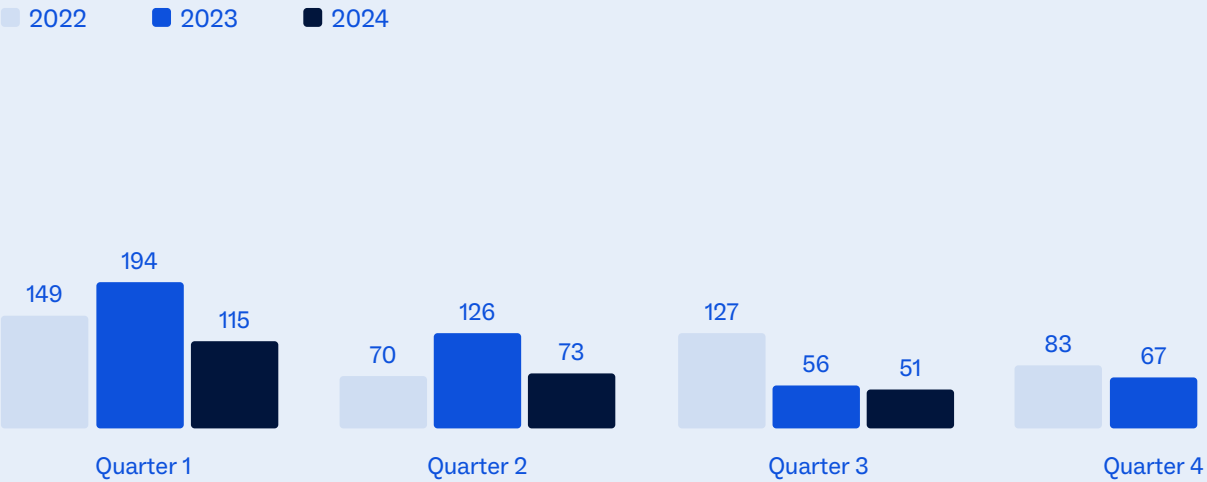
Financial Highlights Q3 2024

FINANCIAL FIGURES (MNOK)		Q3 2024	Q3 2023	YTD 2024	YTD 2023
Arendals Fossekompani consolidated	Revenue and other income	909	866	3,188	2,867
	Operating profit	51	56	239	377
	Margin	6%	6%	7%	13%
Operating profit by consolidated portfolio companies	AFK Parent (Vannkraft & Management)	17	26	94	257
	NSSLGlobal	58	47	190	163
	Alytic	-25	-22	-58	-60
	Tekna	-21	-22	-67	-52
	ENRX	24	29	72	77
	AFK Property	-1	-3	10	-8
	Operating profit	51	56	239	377
	Profit before income tax	30	40	159	410
	Profit (-loss)	-25	-35	-44	83
Operating profit Value	Value	29	25	93	97

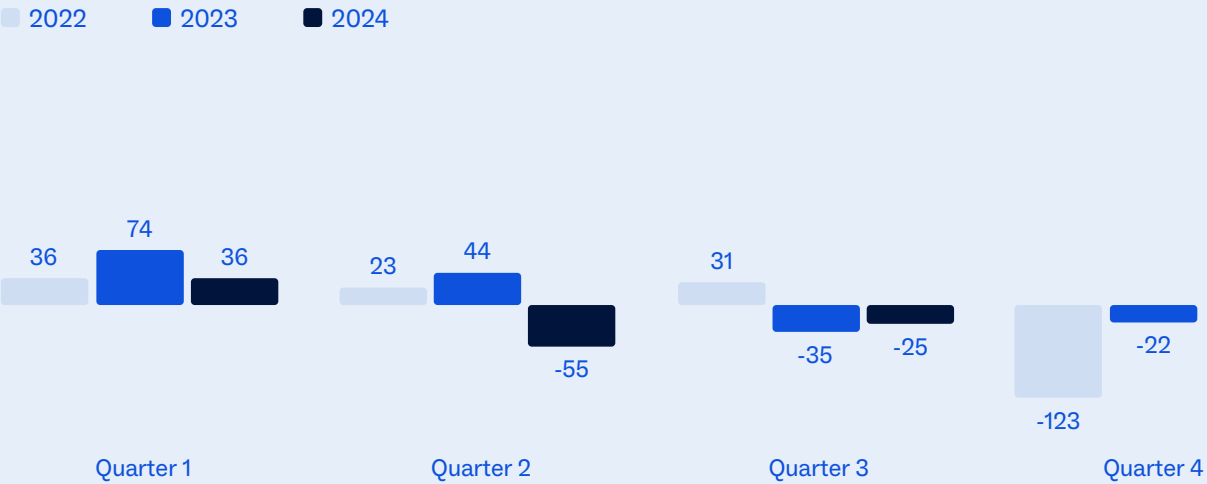
REVENUE AND OTHER INCOME (MNOK)



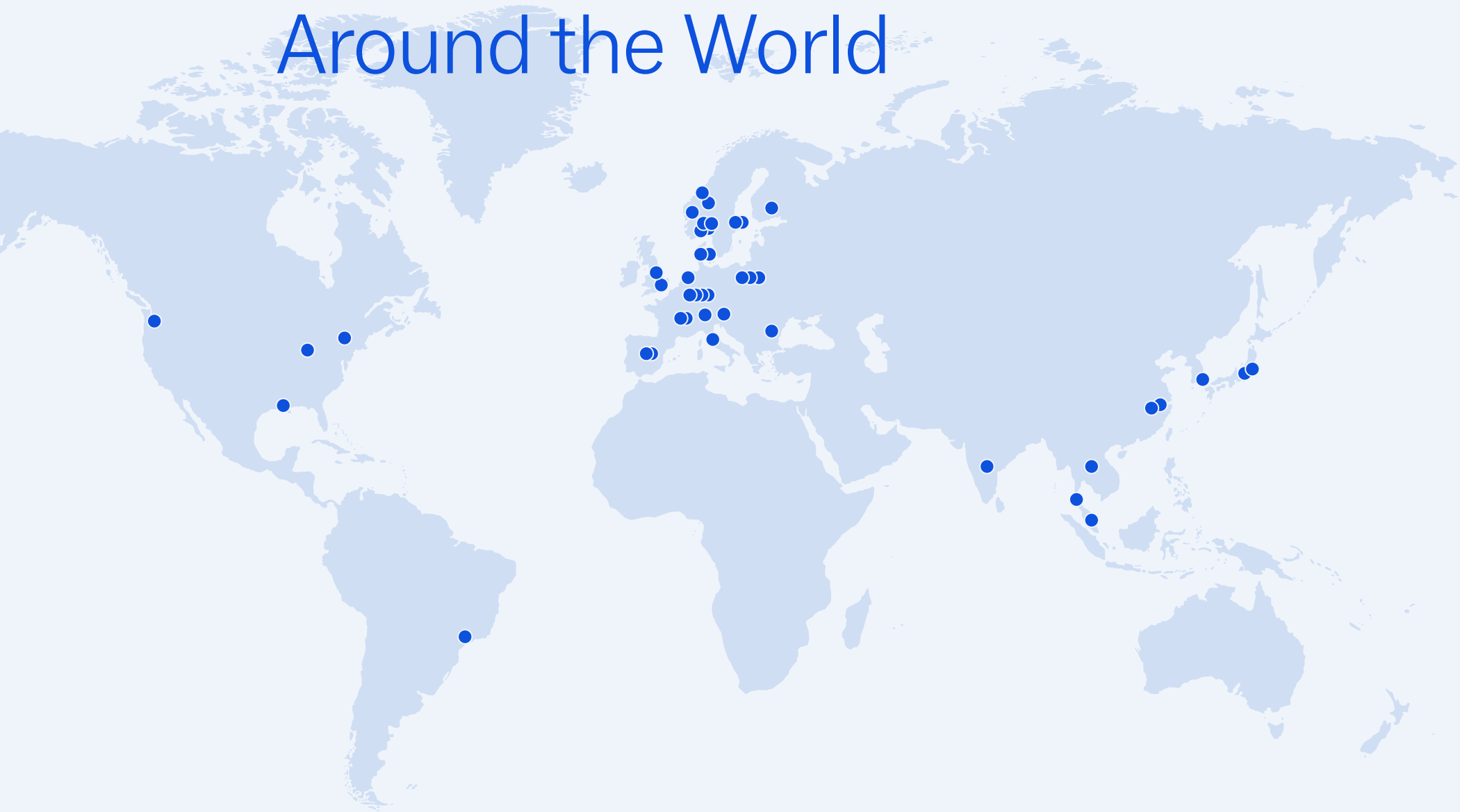
OPERATING PROFIT (MNOK)



PROFIT (-LOSS) (MNOK)



Arendals Fossekompani Around the World



NUMBER OF EMPLOYEES BY COUNTRY

Dots on map reflect approximate locations

Norway	790	USA	94	Brazil	12
Germany	298	France	76	Malaysia	8
India	251	Denmark	60	Japan	8
China	196	Finland	65	Italy	6
Canada	163	Sweden	52	Netherlands	7
United Kingdom	186	Spain	28	Singapore	6
Poland	156	Switzerland	22	South Korea	1
Romania	103	Thailand	13		
Total					2,601

Arendals Fossekompani Parent Company

(AFK Group Management and AFK Vannkraft)

Employees	43	Head office	Arendal, Norway
Countries	Norway		

AFK Property

Employees	5	Head office	Arendal, Norway
Countries	Norway		

Volue

Employees	825	Head office	Oslo, Norway
Countries	Norway, Germany, Poland, Denmark, Sweden, Switzerland, Finland, Japan, Spain		

NSSLGlobal

Employees	249	Head office	London, UK
Countries	United Kingdom, Germany, Norway, Denmark, Singapore, Netherlands, Poland, USA, Sweden		

Alytic

Employees	123	Head office	Arendal, Norway
Countries	Norway, Germany, Netherlands		

Tekna

Employees	186	Head office	Sherbrooke, Canada
Countries	Canada, France, China, South Korea		

ENRX

Employees	1,103	Head office	Skien, Norway
Countries	India, China, Norway, Germany, USA, Romania, France, United Kingdom, Poland, Brazil, Thailand, Malaysia, Italy, Japan, Sweden, Spain		

Arendals Fossekompani Group



FINANCIAL FIGURES (MNOK)	Q3 2024	Q3 2023	YTD 2024	YTD 2023
Revenue and other income	909	866	3,188	2,867
Operating profit	51	56	239	377
Operating margin	6%	6%	7%	13%
Earnings before tax (EBT)	30	40	159	410
Earnings after tax (EAT)	-25	-35	-44	83
Operating cash flow	158	60	363	-172
NIBD*	1,171	458	1,171	458
Equity	2,778	3,754	2,778	3,754
Equity ratio	37%	43%	37%	43%

Currency rates (NOK/CAD)
Average Q3 2024: 7.83. Average Q3 2023: 7.78. End Q3 2024: 7.77 End Q3 2023: 7.91.

Currency rates (NOK/GBP)
Average Q3 2024: 13.60. Average Q3 2023: 13.03. End Q3 2024: 14.08. End Q3 2023: 13.02.

Currency rates (NOK/EUR)
Average Q3 2024: 11.76. Average Q3 2023: 11.25. End Q3 2024: 11.76. End Q3 2023: 11.25.

* Intercompany loans are excluded from the Net Interest Bearing Debt (NIBD) definition.
See Note 12 for further information.



Arendals Fossekompani is an industrial investment company holding seven core investments and a portfolio of financial investments. These operations employ approximately 2,600 people in 23 countries.

Arendals Fossekompani has proud traditions in power production and owns and operates two hydro-power plants. In addition, Arendals Fossekompani operates globally in many technology industries including 3D printing, algo trading, satellite services, software, digitalisation, battery and induction.

Head office
Arendal, Norway

Chair
Trond Westlie

Chief Executive Officer
Benjamin Golding

Employees
2,601

Countries
23

For the third quarter, Arendals Fossekompani has made several structural changes to the portfolio and the corresponding reporting structure.

In October 2024, Arendals Fossekompani sold its 60% shareholding in Volue ASA and then subsequently acquired a 40% indirect ownership of Volue via the associated company Edison Bidco AS.

In July 2024, the German battery company Commeo, filed for insolvency.

In July 2024, Arendals Fossekompani sold its 100% shareholding in Vergia.

Financial figures for Volue, Commeo and Vergia are, as of the third quarter, recognised as discontinued operations. When referring to group results and figures, this report will refer to results for continued operations, unless specified otherwise. See note 8, 9 and 10 for further information.

HIGHLIGHTS OF Q3 2024

(Figures refer to results for continued operations, unless specified otherwise. Figures in parentheses refer to the same period the previous year)

Total revenue for the Group amounted to NOK 909 million (866 million) in the third quarter. Consolidated earnings before tax were NOK 30 million (40 million). Ordinary profit after tax, but before non-controlling interests, totalled NOK -25 million (-35 million).

Total revenue increased by 5% compared to the same quarter the previous year. The increase was largely driven by strong growth in the portfolio company NSSLGlobal. The reduced operating profit compared to the third quarter of last year was mainly driven by cost increases in ENRX, as well as reduced profitability in AFK Vannkraft following maintenance of the facilities at Bøylefoss power plant.

Income tax expense for the Group in the quarter was NOK 55 million (75 million). The tax expense was driven by the high tax burden in AFK Vannkraft. In addition, parts of the AFK Group of companies are currently in a build-up phase with negative contribution to the profit before tax, but without positive contribution to the tax expense for the AFK Group.

Operating in international markets, Arendals Fossekompani Group is naturally exposed to currency fluctuations. Revenue growth in ENRX, NSSLGlobal and Tekna was positively fueled by the weakened NOK compared to the third quarter of 2023.

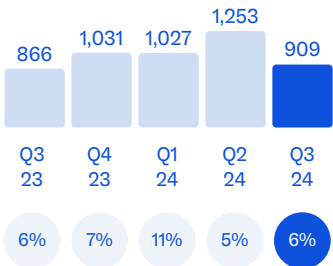
VOLUME

In October, after quarter end, Arendals Fossekompani, Advent International and Generation Management completed the acquisition of Volue. While Arendals Fossekompani reduces its shareholding in Volue from 60% to 40%, the joint strategic ownership is expected to significantly accelerate Volue's growth and value creation, thus benefiting Arendals Fossekompani's shareholders. As Volue continues to be a strategic and significant investment for Arendals Fossekompani, the financial reports of Arendals Fossekompani will continue to include operational and financial highlights for Volue.

Total operating revenue in Q3 were NOK 382 million (334 million), up 14% compared to Q3 2023. SaaS revenues reached NOK 145 million in the quarter, an increase of 38% compared to the third quarter of 2023, representing 38% of total revenues. Annual recurring revenue (ARR) constituted 76% of total revenue reaching NOK 289 million in the quarter. Consequently, ARR grew at a rate of 14% compared to Q3 2023. Adjusted EBITDA in the quarter totaled NOK 83 million (63 million), corresponding to an adjusted EBITDA of 22% (19%).

DEVELOPMENT LAST 5 QUARTERS

Revenue (MNOK) and operating margin



NSSLGLOBAL

Revenue for the third quarter was GBP 23.7 million, GBP 2.3 million higher than the same quarter last year. This is largely due to increased activity in the Middle East and the completion of a large government project in the period. Operating profit (EBIT) in the quarter was GBP 4.1 million, compared to GBP 3.5 million in Q3 last year. During the quarter, NSSLGlobal won GBP 9.1 million in contracts across its government and maritime sectors, of which GBP 8.7 million represented new business opportunities.

ENRX

Total operating revenue in Q3 was EUR 35.5 million, down 3% from the same quarter in 2023. The company saw growth in both North American and Asian regions in the quarter, while low sales in Europe lead to decreased revenue compared to Q3 2023. Operating costs increased by 9% driven by inflationary cost increases in all regions. EBIT for the quarter was EUR 2.1 million, down from EUR 2.5 million in Q3 2023. Total order intake in the quarter was EUR 34.1 million, down from EUR 38.1 million in the same quarter last year. The order backlog at the end of the quarter was EUR 77.1 million, a decrease from EUR 94.2 million in Q3 2023, but an increase from EUR 75.6 million in Q2 2024.

TEKNA

Revenue for the quarter totaled CAD 7.6 million (9.1 million), down 16% from Q3 2023. The decline was mainly due to a significant drop in Systems revenue which decreased by 43.4%. In contrast, Advanced Materials revenue was up 5% in the period. Despite the decline in revenue, the Adjusted EBITDA improved to negative CAD 1.4 million (-1.7 million). The order intake totaled CAD 5.8 million in the period and the backlog was CAD 16.5 million at the end of the quarter.

AFK VANNKRAFT

Hydropower production in Q3 2024 was significantly higher than the same period last year, totaling 148.1 GWh (115.1 GWh). Lower power prices in the NO2 region, driven by high reservoir levels, increased wind production, and decreased continental prices, resulted in an average price of EUR 37.8/MWh (58.1 EUR/MWh) for the quarter.

SHARE PRICE LAST 10 YEARS ^(NOK)



FINANCIAL POSITION

Arendals Fossekompani's financial position remains solid. The company's available cash on 30 September amounted to NOK 198 million. In addition, the company has undrawn credit facilities of NOK 1,678 million, securing available liquidity of NOK 1,876 million as of the end of the quarter. The Net Interest Bearing Debt (NIBD) was at NOK 977 million at the end of the quarter.*

EVENTS AFTER THE CLOSE OF THE QUARTER

On 8 July, Arendals Fossekompani, Advent International, and Generation Investment Management announced a voluntary cash offer for all shares of Volue through the jointly owned investment company, Edison Bidco. On 28 October, it was announced that the transaction was completed and Volue shifts from a public to a private entity under the consortium. Arendals Fossekompani, Advent and Generation bring highly complementary expertise to a long-term partnership, ensuring continuity and preservation of established company values, while simultaneously integrating fresh and innovative perspectives. Volue is well positioned for further growth, both organically and through acquisitions. The joint strategic ownership is expected to significantly accelerate Volue's growth and value creation, ultimately benefiting Arendals Fossekompani's shareholders through continued 40% stake in Edison Bidco. Additionally, the transaction, priced at NOK 42 per share, resulted in net cash proceeds of NOK 1 billion.

In July 2024, Arendals Fossekompani sold its 100% shareholding in Vergia.

On 7 November, the Board of Directors decided to pay an ordinary cash dividend of NOK 1.00 per share for the third quarter of 2024. The dividend is set to be paid on 25 November 2024.

OUTLOOK

There is ongoing uncertainty associated with geopolitical turmoil, supply chain constraints, inflation, interest rates, as well as the development of energy prices. In this unpredictable environment, Arendals Fossekompani's solid financial position enables continued support of our portfolio companies, both in handling short-term challenges and also with continued investments to strengthen long-term competitiveness. In light of the market's estimated power price trend for 2024, revenue and operating profit for AFK Vannkraft is expected to be lower in 2024 compared to 2023. Following high activity levels in all portfolio companies, Arendals Fossekompani Group revenue is expected to be higher in 2024 than in 2023. Operating profit is expected to be lower than in 2023, largely driven by expected lower electricity prices.

SHARE PRICE

There was a total of 54,938,918 outstanding shares in the company at the end of the quarter. The share price on 30 September 2024 was NOK 165.4 (NOK 137.8), corresponding to an increase of 20% since 30 September 2023. When including direct yield (dividend payouts) in the same period, total increase in shareholder value was 23%. Arendals Fossekompani's total market capitalisation was NOK 9.1 billion at the end of the quarter. For the 10-year period from September 2014 to September 2024, compounded annual return to Arendals Fossekompani's shareholders was 12% (22% including dividends).

* Intercompany loans are excluded from the Net Interest Bearing Debt (NIBD) definition. See Note 12 for further information.

Group Management



FINANCIAL FIGURES (MNOK)	Q3 2024	Q3 2023	YTD 2024	YTD 2023
Revenue and other income	0	3	10	10
Operating profit (EBIT)	-17	-40	-57	-54
Operating margin	-	-	-	-
Earnings before tax (EBT)	-53	-38	-921	133
Earnings after tax (EAT)	-45	-40	-913	123



Arendals Fossekompagni Group Management employs 19 people at the head office in Arendal. The team focuses on identification and development of new sustainable business opportunities, active ownership of portfolio companies and management of financial investments.

Head office
Arendal, Norway

Chair
Trond Westlie

Chief Executive Officer
Benjamin Golding

Employees
19

Countries
1

Combining industrial, technological and capital markets expertise, Arendals Fossekompagni’s Group Management identifies and develops opportunities for value creation. As an active owner of our portfolio companies, we drive strategy developments, financing, restructuring and transactions to ensure long-term sustainable value creation.

Arendals Fossekompagni has an attractive portfolio positioned in verticals driven by global megatrends such as the Energy Transition, Digitalisation & Big Data Analytics, and Electrification & Materials. Our companies are both listed and privately owned, and Arendals Fossekompagni is predominantly the majority owner.

Arendals Fossekompagni Group Management continues to focus on developing our portfolio of companies through active ownership.

STRUCTURAL CHANGES IN THE PORTFOLIO

On 8 July, Arendals Fossekompagni, Advent International, and Generation Investment Management announced a voluntary cash offer for all shares of Volue through the jointly owned investment company, Edison Bidco. On 28 October, it was announced that the transaction was completed and Volue shifts from a public to a private entity under the consortium. Arendals Fossekompagni retains a 40% indirect ownership via the associated company Edison Bidco AS.

In July, Arendals Fossekompagni closed the sale of Vergia to Swiss Life Asset Managers. At the time of the the divestment, The Vergia portfolio comprised three ownership positions: 48.1% ownership of offshore wind energy developer Seagust, 47.9% ownership of green ammonia company North Ammonia, and 30.4% ownership of Power-to-X company HydePoint.

In July, following Arendals Fossekompagni`s decision to cease its investment in the German battery company Commeo, the company filed for insolvency. The probability that Arendals Fossekompagni will retain any assets or returns after a bankruptcy is considered low, but the process is being closely monitored.

The discontinuation of Commeo and the divestment of Vergia are measures Arendals Fossekompagni have made to focus, de-risk and optimize the portfolio, while reducing exposure to capital intensive businesses in line with strategy.

FINANCIAL POSITION

Arendals Fossekompagni’s financial position remains solid. The company’s available cash on 30 September amounted to NOK 198 million. In addition, the company has undrawn credit facilities of NOK 1,678 million, securing available liquidity of NOK 1,876 million at the end of the quarter. The Net Interest Bearing Debt (NIBD) was at NOK 977 million at the end of the quarter.*

* Intercompany loans are excluded from the Net Interest Bearing Debt (NIBD) definition. See Note 12 for further information.

Arendals Fossekompani Assets

Investments are made based on a long-term perspective and concentrated within four areas: Digitalisation & Big Data Analytics, Electrification & Materials, Energy Transition, and Property.

Digitalisation & Big Data Analytics

Anything that can be digital, will be digital. By enabling and assisting digital transformation and providing critical insight and communication services, our portfolio of companies are frontrunners in the digital space.

value

AFK ownership 60%	Head office Oslo, Norway
Market cap (30.09) NOK 6,014 million	Listed on Oslo Børs

NSSLGlobal

AFK ownership 80%	Head office London, UK
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alytic

AFK ownership 95%	Head office Arendal, Norway
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Electrification & Materials

Anything that can be electric, will be electric. As a result, demand for electricity and storage will grow, as will demand for new materials and additive manufacturing. We invest in companies that install intelligence into an electric future and who enable more efficient manufacturing of better products.

TEKNA

AFK ownership 70%	Head office Sherbrooke, Canada
Market cap (30.09) NOK 648 million	Listed on Oslo Børs

ENRX

AFK ownership 95%	Head office Skien, Norway
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Energy Transition

We have produced hydropower for generations. As the world is shifting away from fossil fuels, we are looking to capitalize on our competence and history to contribute to more sustainable energy systems.

VANNKRAFT

AFK ownership 100%	Head office Froland, Norway
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Property

Property

AFK ownership 100%	Head office Arendal, Norway
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Our portfolio of Digitalisation & Big Data Analytics Companies



Anything that can be digital, will be digital.
By enabling and assisting digital transformation
and providing critical insight and communication
services, our portfolio of companies are frontrunners
in the digital space.

value

AFK ownership
60%

Market cap (30.09)
NOK 6,014 million

Head office
Oslo, Norway

Listed on
Oslo Børs

NSSLGlobal

AFK ownership
80%

Head office
London, UK

alytic

AFK ownership
95%

Head office
Arendal, Norway

Volue

Portfolio company



FINANCIAL FIGURES (MNOK)	Q3 2024	Q3 2023	YTD 2024	YTD 2023
Revenue and other income	382	334	1,191	1,073
EBITDA	73	58	226	185
Adjusted EBITDA*	83	63	254	181
Operating profit	29	25	93	97
Operating margin	8%	7%	8%	9%
Earnings before tax (EBT)	26	20	77	94
Operating cash flow	-324	-75	20	-16
NIBD**	219	203	219	203
Equity	960	870	960	870
Equity ratio	46%	45%	46%	45%

* Adjusted EBITDA: In order to give a better representation of underlying performance, EBITDA is adjusted for non-recurring items.

** Intercompany loans are excluded from the Net Interest Bearing Debt (NIBD) definition. See Note 12 for further information.

volue

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. More than 800 employees work with more than 2,500 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.

Head office
Oslo, Norway

Chair
Benjamin Golding

Chief Executive Officer
Trond Straume

Ownership
60%

Employees
825

Countries
9

DEVELOPMENT LAST 5 QUARTERS



HIGHLIGHTS OF Q3 2024

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

Volue continues to drive the transformation towards recurring revenue and Software-as-a-Service (SaaS). SaaS revenue was NOK 145 million in the quarter, a 38% increase compared to Q3 2023, representing 38% of total revenue. The share of revenue coming from SaaS is record high, underpinning the progress made by the company on the SaaS journey. Annual recurring revenue constituted 76% of total revenue and reached NOK 289 million in the quarter. Consequently, ARR grew at a rate of 14% compared to the third quarter of 2023.

Total operating revenue in the third quarter amounted to NOK 382 million (334 million), corresponding to an organic growth rate of 14% compared to the third quarter of 2023. Adjusted EBITDA in the quarter totaled NOK 83 million (63 million), corresponding to an adjusted EBITDA of 22% (19%).

The Energy Segment generated NOK 210 million in the third quarter, a 17% increase compared to the third quarter last year. Consequently, the Energy Segment is once more the driving force behind growth in operating revenue. Non-recurring revenue was comparable to Q3 2023, implying that growth is coming from ARR and SaaS as targeted and in line with strategic ambitions.

The energy system continues the shift towards the shorter and more volatile markets, a trend that Volue is positioned for. In Q3, Volue launched its new Position Closer solution. The SaaS solution addresses a critical gap in the sector by offering affordable, automated trading tools, that empower energy operators to optimize their portfolios without needing a full-time trading desk, or deep knowledge of market intricacies. Its introduction is particularly timely given the surging demand for flexible, market-responsive energy management tools to meet the growing renewable energy adoption. Volue Position Closer is the first module to be launched from the new Volue Green Empower ecosystem. The Volue Green Empower ecosystem will be extended to include several new modules covering the entire value chain of renewable energy operators.

For the Power Grid Segment, operating revenue in the third quarter amounted to NOK 69 million, a 7% growth from Q3 2023. The segment delivered 72% ARR, up from 62% Q3 2023, signaling improvement in key metrics.

The Infrastructure segment generated operating revenue of NOK 62 million in the third quarter, up from NOK 57 million in the same quarter last year, corresponding to a 9% growth. The Infrastructure segment maintains focus on transformation towards ARR and SaaS with uplift in profitability.

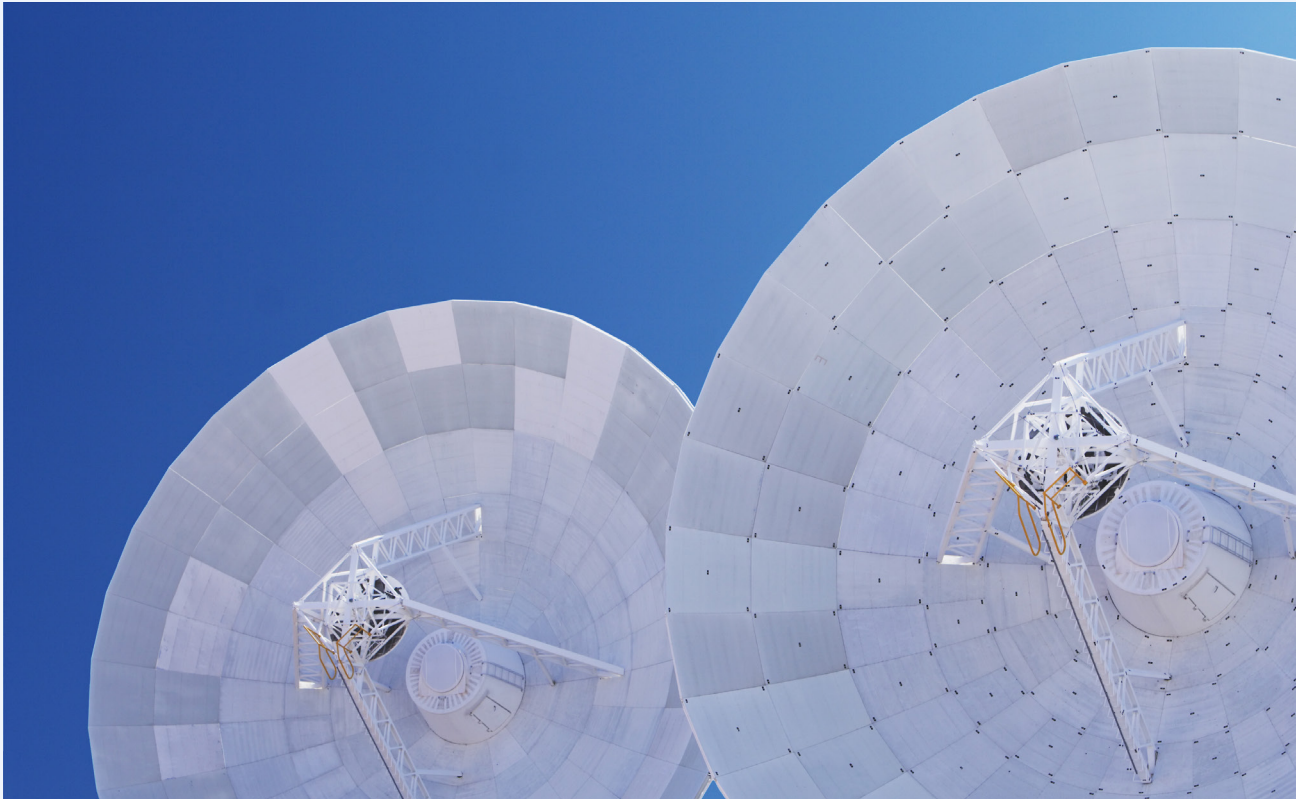
The transaction to acquire Volue ASA by Edison Bidco AS, owned by Arendals Fossekompni, Advent International L.P., and Generation Investment Management LLP, was completed in October. Volue shifts from a public to a private entity under the consortium.

OUTLOOK

Ongoing changes in the end market drives growth and further business opportunities for Volue. Volue has prioritised strategic investments in its SaaS platform and expansion into new markets in an effort to capture market opportunities arising from the green transition. This has created short to mid-term impacts on profitability. Going forward, Volue expects organic growth of around 15%, improvements in EBITDA and a continued active M&A agenda.

NSSLGlobal

Portfolio company



FINANCIAL FIGURES (MNOK)

	Q3 2024	Q3 2023	YTD 2024	YTD 2023
Revenue and other income	330	285	1,017	890
Operating profit	58	47	190	163
Operating margin	18%	16%	19%	18%
Earnings before tax (EBT)	50	50	189	164
Operating cash flow	167	72	193	118
NIBD*	-354	-331	-354	-331
Equity	660	571	660	571
Equity ratio	56%	55%	56%	55%

Currency rates (NOK/GBP)
Average Q3 2024: 13.60. Average Q3 2023: 13.03. End Q3 2024: 14.08. End Q3 2023: 13.02.
* Intercompany loans are excluded from the Net Interest Bearing Debt (NIBD) definition.
See Note 12 for further information.

NSSLGlobal

NSSLGlobal is an independent provider of cyber secure satellite and mobile 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 four main areas: Airtime, Projects, Hardware and Service. Its main customers are within the maritime segment, the military and government sector, large international corporations and the energy sector.

Head office
London, UK

Chair
Arild Nysæther

Chief Executive Officer
Sally-Anne Ray

Ownership
80%

Employees
248

Countries
10

HIGHLIGHTS OF Q3 2024

Revenues for the third quarter were GBP 23.7 million, GBP 2.3 million higher than the same quarter last year largely due to increased activity in the Middle East and the completion of a large government project in the period. Operating profit (EBIT) in the quarter was GBP 4.1 million, compared to GBP 3.5 million in Q3 last year, which is a result of the higher revenue in the quarter, and lower operating costs than the same period last year.

During the quarter, NSSLGlobal won GBP 9.1 million in contracts across its government and maritime sectors, of which GBP 8.7 million represented new business opportunities. A significant achievement was winning a a major contract to provide satellite communication services to Germany`s Federal Office for Civil Protection (BBK). Under this contract, NSSLGlobal will deliver 24/7 connectivity, hardware and technical support that BBK teams need when operating in extreme conditions to protect Germany. In addition, the BBK will utilise NSSLGlobal's INSIGHT business management portal, to provide users real time information on all interactions, enabling comprehensive monitoring, control, and alerts, as well as provision of data records.

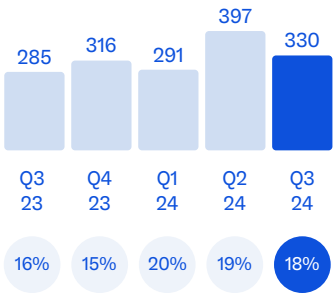
NSSLGlobal's sales and bid pipeline remains strong, and there are several new sales opportunities across both the government and maritime sectors. Additionally, NSSLGlobal continues to expand its efforts in maritime and governmental projects, as well as hardware and component deliveries.

OUTLOOK

NSSLGlobal expects 2024 revenue to be higher and operating profit to be in line with 2023.

DEVELOPMENT LAST 5 QUARTERS

Revenue (MNOK)
and operating margin



Alytic

Portfolio company



FINANCIAL FIGURES (MNOK)

	Q3 2024	Q3 2023	YTD 2024	YTD 2023
Revenue and other income	17	13	48	34
Operating profit	-24	-22	-58	-60
Operating margin	-	-	-	-
Earnings before tax (EBT)	-24	-22	-59	-61
Operating cash flow	-12	-12	-48	-43
NIBD*	6	13	6	13
Equity	166	121	166	121
Equity ratio	64%	61%	64%	61%

* Intercompany loans are excluded from the Net Interest Bearing Debt (NIBD) definition. See Note 12 for further information.

alytic

Alytic invests in companies with strong domain competence and works actively with them to develop market scalable, data-rich products based on a SaaS business model. The current Alytic portfolio of companies includes Kontali, a world leading aquaculture data and analysis provider. Veyt, a market intelligence provider for low carbon markets, Factlines, a technology provider for ESG reporting, and Utel, a provider of services for telecom network monitoring and analysis.

Head office
Arendal, Norway

Chair
Lars Peder Fensli

Chief Executive Officer
Espen Zachariassen

Ownership
95%

Employees
122

Countries
3

HIGHLIGHTS OF Q3 2024

The Alytic portfolio continues to deliver on important strategic milestones as its portfolio companies launch new products and increase revenue. In each portfolio company, the initial focus has been to establish a foundation for growth and technological development. These efforts are yielding results as the portfolio continues to grow annual recurring revenue (ARR). In the third quarter, ARR grew to NOK 52 million, representing a 35% increase compared to Q3 2023.

KONTALI

Kontali grew ARR by 19% over the last 12 months, up from NOK 16 million at the end of Q3 2023, to NOK 19 million at the end of Q3 2024. The company has further enhanced its online insight platform, Kontali Edge, with a new 12- to 18 month price forecast, a new salmon index, as well as added prices, and improved production and export forecasts. With a solid reputation in the salmon sector and the launch of the scalable seafood insights portal last year, Kontali is well-positioned for continued growth. The company expects continued growth for its salmon product, as well as for the newly launched shrimp and pelagic products. Robust demand for Kontali consultants is also driving revenue.

VEYT

Veyt grew ARR by 38% over the last 12 months compared to Q3 2023. With the launch of its EU ETS (Emissions Trading System) product, Veyt is enhancing its position in the low-carbon and renewable energy markets. In the third quarter, Veyt introduced several key features. This included a new Commitment of traders forecast, strengthening the trading signals Veyt is able to give, along with a base case scenario, dashboard for the energy markets stretching until 2050. The growing sales pipeline indicates a positive outlook.

FACTLINES

Factlines grew ARR by 89% over the last 12 months, up from NOK 6 million end of Q3 2023 to NOK 11 million end of Q3 2024. During the third quarter, Factlines further strengthened its solutions for supply chain transparency and EU Taxonomy reporting by adding new integration and data upload features. Factlines is continuing its growth journey as the first set of customers are adopting a new EU Taxonomy product.

UTEL

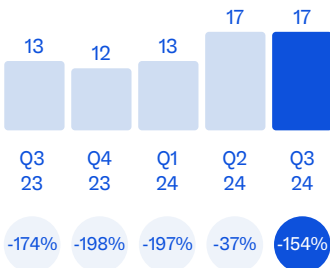
Utel's deep expertise in capturing and analysing telecommunication network data is being applied to develop a general solution for anomaly detection, with a particular focus on fraud detection. With the development of a marketable fraud management solution as a key goal, Utel made further progress in the third quarter as the solution was tested and developed with several key customers.

OUTLOOK

All portfolio companies are on a growth trajectory as a result of the continuing investments in competence and technology. Alytic expects continuous product launches and upgrades throughout 2024 and 2025. With a strategic focus on sales and marketing teams, Alytic anticipates robust ARR growth in the coming quarters. The company continues to work closely with all portfolio companies and is actively seeking growth and partnership opportunities within the existing portfolio.

DEVELOPMENT LAST 5 QUARTERS

Revenue (MNOK)
and operating margin



Our portfolio of Electrification & Materials Companies



Anything that can be electric, will be electric. As a result, demand for electricity and storage will grow, as will demand for new materials and additive manufacturing. We invest in companies that install smartness into an electric future and that enable more efficient manufacturing of better products.

TEKNA

AFK ownership
70%

Market cap (30.09)
NOK 648 million

Head office
Sherbrooke, Canada

Listed on
Oslo Børs

ENRX

AFK ownership
95%

Head office
Skien, Norway

Tekna

Portfolio company



FINANCIAL FIGURES (MNOK)	Q3 2024	Q3 2023	YTD 2024	YTD 2023
Operating revenue	60	71	216	230
EBITDA	-13	-14	-44	-28
Adjusted EBITDA*	-11	-13	-43	-27
Operating profit	-21	-22	-67	-52
Operating margin	-34%	-30%	-31%	-23%
Earnings before tax (EBT)	-24	-30	-79	-69
Operating cash flow	-6	-14	-39	-91
NIBD**	208	111	208	111
Equity	205	353	205	353
Equity ratio	37%	57%	37%	57%

Currency rates (NOK/CAD)
Average Q3 2024: 7.83. Average Q3 2023: 7.78. End Q3 2024: 7.77 End Q3 2023: 7.91.

* Adjusted EBITDA: In order to give a better representation of underlying performance, EBITDA is adjusted for non-recurring items.

** Intercompany loans are excluded from the Net Interest Bearing Debt (NIBD) definition. See Note 12 for further information.



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 consumer electronics sectors, as well as optimized induction plasma systems for industrial research and production.

Head office
Sherbrooke, Canada

Chair
Dag Teigland

Chief Executive Officer
Luc Dionne

Ownership
70%

Employees
186

Countries
5

HIGHLIGHTS OF Q3 2024

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

Revenue for the quarter totalled CAD 7.6 million (9.1 million), down 16% from Q3 2023. The decline is mainly due to a significant drop in revenues from Plasma Systems which decreased by 43%. In contrast, Advanced Materials revenue were up 5% in the period.

Revenues in Plasma Systems are recognised on a percentage of completion basis and fluctuate based on progress and delivery to customers. The low revenues in the period reflect lower activity level due to the low order backlog. Order intake in the quarter was CAD 2.9 million, a slight increase from same period last year. The order backlog at the end of the quarter was CAD 4.9 million. Despite the low revenue in the period, the contribution margin improved to 76%, an increase of 19% from the same period last year, indicating effective project execution.

Advanced Materials reported revenues of CAD 5.5 million in the quarter, an increase of 5% compared to same quarter last year, remaining steady at CAD 19.0 million year-to-date. The contribution margin is back to its normal range of 33%, up 9% year-on-year. The order intake totalled CAD 2.9 million in the period and the backlog stands at CAD 11.5 million at the end of the quarter. As previously guided, the quarter was affected by lower activity due to summer vacation, as well as a continued lower demand from one specific customer segment, 3D printer manufacturers. Revenue from the other main customer segments were higher than last year, confirming management's view that Tekna is maintaining its solid market position.

Despite the decline in revenue, the Adjusted EBITDA improved to negative CAD 1.4 million (-1.7 million). The company has a strong focus on cash management and profitability, and the implementation of the ambitious cost reduction and profitability improvement program continued. As part of these efforts, year-on-year number of employees has been reduced by 15%, with a total of 186 (218) at the end of the quarter.

In Microelectronics (MLCC), Tekna continues to develop its nanomaterials while maintaining close relations with its potential customers. Recent validation tests conducted on samples delivered have yielded promising outcomes. Tekna will deliver an adjusted version of the product in the fourth quarter with feedback expected early next year.

OUTLOOK

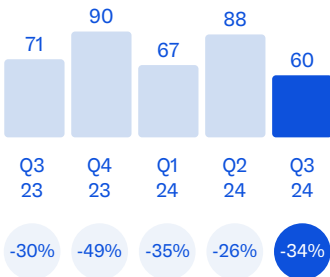
Although sales levels have been lower than expected so far in 2024, new orders for Advanced Materials increased during the latter part of Q3 and the first weeks into the fourth quarter. The Plasma Systems pipeline is strong, but the timing of these orders is somewhat uncertain due to delays in execution of customer projects.

Tekna's ongoing profitability improvement program and cash preservation measures are expected to contribute positively to EBITDA and cash position in the coming quarters. Carefully managing costs and cash position remains an important focus for the company.

Tekna's technology and products are well-positioned in a global market characterised by geopolitical uncertainty and an increasing emphasis on sustainable production. Additive manufacturing remains Tekna's core business focus, with the market projected to grow by more than 20% annually.

DEVELOPMENT LAST 5 QUARTERS

Revenue (MNOK)
and operating margin



ENRX

Portfolio company



FINANCIAL FIGURES (MNOK)

	Q3 2024	Q3 2023	YTD 2024	YTD 2023
Operating revenue	419	420	1,374	1,313
Operating profit	24	29	72	77
Operating margin	6%	7%	5%	6%
Earnings before tax (EBT)	8	15	25	42
Operating cash flow	64	2	9	-54
NIBD*	1,047	772	1,047	772
Equity	428	395	428	395
Equity ratio	19%	20%	19%	20%

Currency rates (NOK/EUR)

Average Q3 2024: 11.76. Average Q3 2023: 11.25. End Q3 2024: 11.76. End Q3 2023: 11.25.

* Intercompany loans are excluded from the Net Interest Bearing Debt (NIBD) definition. See Note 12 for further information.

ENRX

ENRX combines global market leadership for industrial induction heating systems (Heat) with leading technology in the high-growth market for wireless induction charging solutions for mobility and industrial applications (Charge). Industries served by ENRX include automotive, renewable energy/wind energy, pipe fabrication, electronics, cable and mechanical engineering. Leveraging decades of experience, ENRX was established in 2022 and has operations in 20 countries.

Head office
Skien, Norway

Chair
Benjamin Golding

Chief Executive Officer
Bjørn E. Petersen

Ownership
95%

Employees
1,103

Countries
20

HIGHLIGHTS OF Q3 2024

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

Total operating revenue in the third quarter amounted to EUR 35.5 million, a decrease of 3% from the same quarter in 2023. The company saw growth in both North American and Asian regions in the quarter, while low sales in Europe lead to decreased revenue compared to Q3 2023.

Operating costs increased by 9% in the quarter compared to Q3 2023, driven by inflationary cost increases in all regions. The rising cost inflation emphasizes the importance of maintaining cost control as a key priority. Operating costs as a percentage of operating revenue increased to 46% compared to 41% in the same quarter last year.

Operating profit for the quarter was EUR 2.1 million, a decrease from EUR 2.5 million in the same quarter last year, corresponding to a margin of 6% (7%). The EBIT is negatively impacted by lower revenue and increased operational costs.

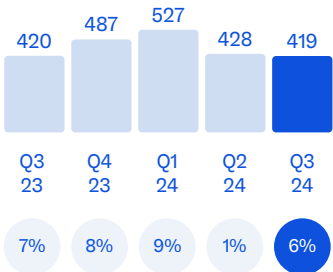
Total order intake for the quarter ended at EUR 34.1 million, compared to EUR 38.1 million in the same quarter of the previous year. Total order backlog at the end of the quarter was EUR 77.1 million, down from EUR 94.2 million in Q3 2023, but up from EUR 75.6 million in Q2 2024. The reduction from Q3 2023 is explained by high deliveries in Q4 2023 and Q1 2024, combined with reduced order intake in the same period.

OUTLOOK

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. The Charge division activities in 2024 are mainly related to the Dynamic Road project in Florida and R&D activities within the main segments: charging for public transport, industrial low-power charging, and industrial high-power charging.

DEVELOPMENT LAST 5 QUARTERS

Revenue (MNOK)
and operating margin



Energy Transition Companies

We have produced hydropower for generations. As the world is shifting away from fossil fuels, we are looking to capitalize on our competence and history to contribute to a more sustainable energy system.



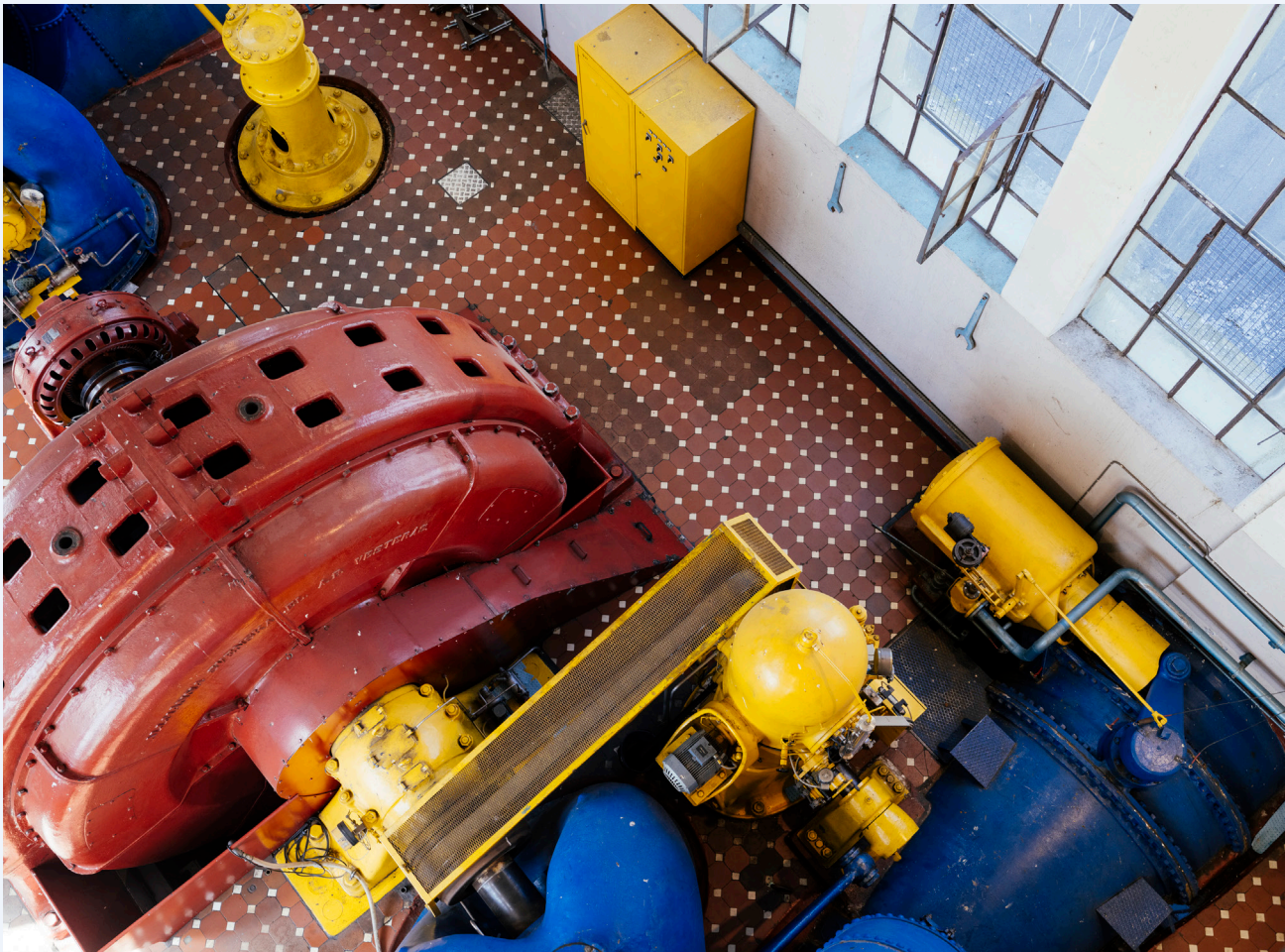
VANNKRAFT

AFK ownership
100%

Head office
Froland, Norway

AFK Vannkraft

Portfolio company



FINANCIAL FIGURES (MNOK)

	Q3 2024	Q3 2023	YTD 2024	YTD 2023
Revenue and other income	75	76	267	393
Operating profit	48	59	187	327
Operating margin	63%	77%	70%	83%
Earnings before tax (EBT)	48	59	187	327
Earnings after tax (EAT)	14	20	59	79

AFK VANNKRAFT

AFK Vannkraft generates power at two locations in the Arendal watercourse. The Bøylefoss and Flatenfoss hydropower plants produce on average more than 500 GWh annually. AFK Vannkraft has a defined strategy of selling hydropower production in the day-ahead (spot) market.

Head office
Froland, Norway

Chair
Trond Westlie

Operating Manager
Jan Roald Evensen

Employees
17

Countries
1

HIGHLIGHTS OF Q3 2024

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

Hydropower production in the third quarter of 2024 was high compared to Q3 the previous year. Power generation in the third quarter amounted to 148.1 GWh (115.1 GWh). Precipitation and inflow year-to-date were respectively around 129% and 137% of the norm for the watercourse, and total reservoir levels in the watercourse were higher than normal by the end of the third quarter.

The third quarter was characterised by elevated total reservoir levels and significant water flow. High reservoir levels, increased wind production in southern Nordic regions and northern continental areas, and a decline in power prices across the continent contributed to a decrease in prices in the NO2 region for Q3. The average price in the NO2 price area in the third quarter was 37.8 EUR/ MWh (58.1 EUR/MWh).

In Q3 2024, construction on Kilandsfoss hydropower plant started. Kilandsfoss hydropower plant will produce an annual average of 38 GWh and is located in Nidelva between our two existing hydropower plants, Bøylefoss and Flatenfoss. Kilandsfoss hydropower plant is scheduled to start electricity production in 2026. Partners in the Kilandsfoss project are the municipalities of Froland and Åmli, each with one-third ownership.

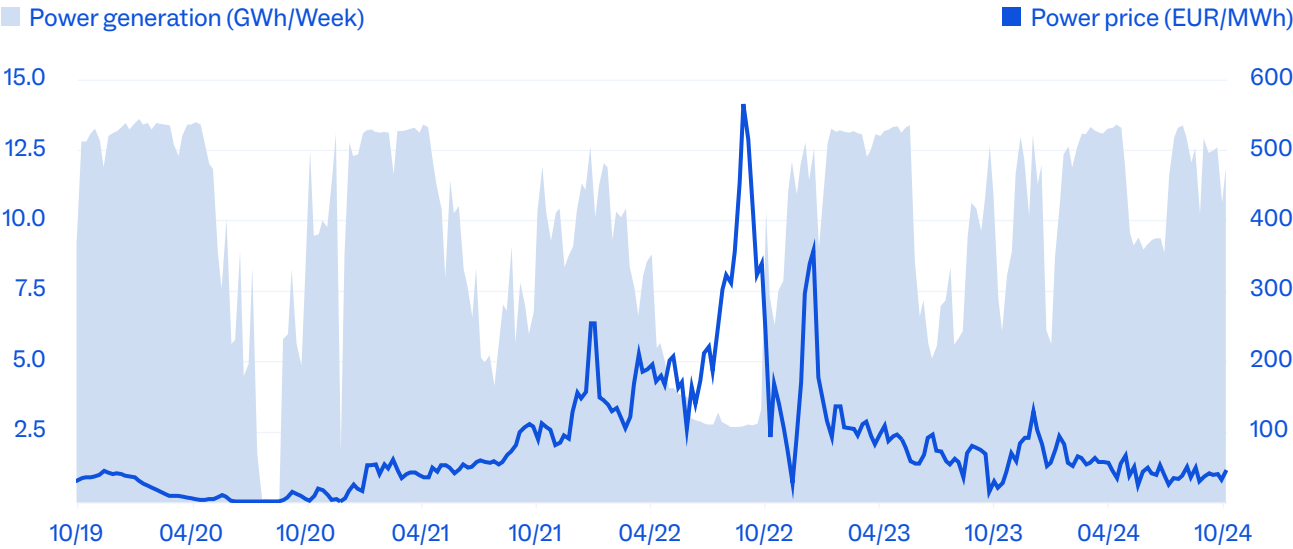
The chart below shows the weekly power prices (NO2) and power generation in the period 30/09/2019 – 30/09/2024.

OUTLOOK

The market's estimated power price trends for Q4 2024 are expected to be lower than 2023. Actual energy prices depend on various factors, including hydrological balance, oil and gas prices, weather conditions, temperatures, and more. Production for Q4 is expected to be normal, with no major maintenance work planned.

AFK Vannkraft has started the rehabilitation of the exterior of the Bøylefoss hydropower plant building. Further investments in the coming years include the upgrading of the dam facilities and reinvestment in the Bøylefoss power plant. AFK Vannkraft is mandated by regulations to enhance the dam facilities to align with anticipated climate changes. The reconstruction of dams will start once detailed requirements have been established with the Norwegian Water Resources and Energy Directorate (NVE).

POWER PRICE & POWER GENERATION



Our portfolio of Properties

Arendal Fossekompani`s property portfolio includes an urban development project, an airport and center for aviation and other stand-alone properties. All property-related companies and property investments are comprised in AFK Property.



AFK | Property

AFK ownership
100%

Head office
Arendal, Norway

AFK Property

Portfolio company



FINANCIAL FIGURES (MNOK)

	Q3 2024	Q3 2023	YTD 2024	YTD 2023
Revenue and other income	14	4	271	13
Operating profit	-1	-3	10	-8
Operating margin	-8%	-72%	4%	-65%
Earnings before tax (EBT)	-5	-2	1	-10
Operating cash flow	-34	-4	172	1
NIBD*	214	165	214	165
Equity	181	193	181	193
Equity ratio	37%	33%	37%	33%

* Intercompany loans are excluded from the Net Interest Bearing Debt (NIBD) definition. See Note 12 for further information.

AFK Property

All property related companies and property investments are comprised in AFK Property.

Head office
Arendal, Norway

Chair
Lars Peder Fensli

Chief Executive Officer
Tom Krusche Pedersen

Ownership
100%

Employees
5

Countries
1

BRYGGEBYEN

The largest company in the property portfolio is Vindholmen Eiendom, which is transforming an old shipyard area into a new urban residential and commercial zone under the name, Bryggebyen. The transformation will take 10-15 years to complete and will establish 500–700 residential units in combination with exciting trade and commerce offerings.

The third stage of the apartment complex at Bryggebyen has been completed, and at the end of the quarter, two apartments remain unsold, whereas another four is yet to be handed over. The planning process for the fourth stage has started.

AFK Property is also in the planning process to build an indoor swimming facility at Bryggebyen. Arendal municipality has signed a long-term rental agreement, and a final investment decision is expected in 2025.

BØYLESTAD ENERGIPARK

In June 2024, the Ministry of Local Government and Regional Development approved the designation by Froland municipality of a 1,600-dekar area at Bøylestad for industrial purposes. The site is one of the most important power hubs in the South of Norway which makes this area attractive for energy-intensive industries. The ministry has also emphasized the municipality's commitment to securing land for green industries and fostering local employment opportunities. With a long-term and responsible perspective, AFK Property will work with local stakeholders to make a sustainable plan for the development of Bøylestad Energipark.

ARENDAL AIRPORT & PROPERTY GULLKNAPP

AFK Property is the majority owner of Gullknapp, which comprises an airport and an attractive 200,000 sqm industrial and commercial area. The main user of the airport facility is OSM Aviation Academy which runs a pilot school on the premises.

BØLEVEGEN 4

This property was acquired in 2020 and is located along the Skien River, just one kilometer south of downtown Skien. The 4,700 sqm building is fully lent to Arendals Fossekompagni's portfolio company, ENRX, on a 15-year bare-house agreement. In March, AFK Property finalized the construction of an additional 2,500 sqm of new office, production and storage space.

As the city of Skien expands, this 12,000 sqm riverfront property will be attractive both for commercial and residential development.

LONGUM PROPERTY

This 170,000 sqm property is located outside Arendal, close to the E18 highway and the main production site of the Morrow Batteries factory. In Q2 2024, it was announced that AFK Property will build and lease new production facilities for Kitron. The new industrial building will be approximately 7,500 sqm and is expected to be completed during the first half of 2026.

BEDRIFTSVEIEN 17

Bedriftsveien 17 is located in the middle of the emerging commercial area, Krøgenes, three kilometers east of downtown Arendal. The 3,500 sqm building is fully leased to Scanmatic on a 25-year bare-house agreement. The area has grown in attractiveness following the completion of a new feed-in road to the E18 highway.

DEVELOPMENT LAST 5 QUARTERS

Revenue (MNOK)
and operating margin



Shareholder Information Outlook

Arendals Fossekompani is committed to maintaining an open dialogue with its shareholders, investors, analysts, and the financial markets in general. Our goal is to ensure that the share price reflects its underlying value by making all price-relevant information available to the market.

SHARES AND SHAREHOLDERS

There was a total of 54,938,918 outstanding shares in the company at the end of the quarter. At the end of the third quarter, a total of 1,056,332 were treasury shares. The share price was NOK 165.4 on 30 September 2024, compared to NOK 164.8 on 31 December 2023, and NOK 137.8 on 29 September 2023.

RISK AND UNCERTAINTIES

Arendals Fossekompani 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 2023.

RELATED PARTY TRANSACTIONS

The company's related parties comprise subsidiaries, associates and members of the Board of Directors and executive management. Transactions between Arendals Fossekompani 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

AFK Group revenue is expected to be higher in 2024 than in 2023, driven by expected underlying growth in portfolio companies and especially the revenue recognition of the third stage of the AFK Property development project, Bryggebyen. Lower expected power prices, partly offsets the growth.

Operating profit is expected to be lower in 2024 compared to 2023, largely driven by the reduced profits from the hydro power production. The gain on partial disposal of Value will be included in "Profit (-loss) from discontinued operations on group level in Q4 2024. In the parent company this gain will be presented as finance income.

Note that there is uncertainty associated with geopolitical turmoil, supply chain constraints, inflation, interest rates, as well as the development of energy prices.

Financial guiding on key metrics are performed by each portfolio company in their local currency.

VALUE

Value expects revenue and operating profit to be higher in 2024 compared to 2023. Value guides on long term organic growth of 15% and year-by-year increase of adjusted EBITDA margin, cash conversion, and share of ARR and SaaS revenue.

ENRX

ENRX expects revenue and operating profit in 2024 to be in line with 2023.

NSSLGLOBAL

NSSLGlobal expects 2024 revenue to be higher and operating profit to be in line with 2023.

TEKNA

Tekna expects revenue to be in line with 2023 and operating profit to improve in 2024 compared to 2023.

ALYTIC

Alytic expects revenue to be higher in 2024 compared to 2023. Operating profit is expected to remain negative in 2024, as companies in the Alytic portfolio are still in a growth phase.

AFK VANNKRAFT

AFK Vannkraft expects revenue and operating profit to be lower in 2024 compared to 2023.

AFK PROPERTY

AFK Property expects revenue to be and operating profit to be significantly higher in 2024 compared to 2023, as a large part of the third stage of the apartment development project in Bryggebyen is delivered.

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

Froland, 7 November 2024

The Board of Directors, Arendals Fossekompani ASA

Financial Statements



CONSOLIDATED STATEMENT OF INCOME (MNOK)

	Note	Q3 2024	Q2 2024	Q3 2023	YTD 2024	YTD 2023	Full year 2023
Revenue	6	911	1 246	861	3 180	2 857	3 884
Other Income		-2	6	6	8	10	13
Revenue and other income		909	1 253	866	3 188	2 867	3 897
Materials and consumables used		355	671	347	1 408	1 086	1 487
Employee benefit expenses		318	301	300	954	887	1 078
Other operating expenses		128	164	122	442	394	728
Operating expenses		802	1 136	769	2 805	2 366	3 293
EBITDA		107	117	98	383	500	604
Depreciation		43	33	31	111	94	129
Amortisation		10	10	10	29	29	38
Impairment loss property, plant and equipment		3	1	-	4	-	-
Operating profit		51	73	56	239	377	437
Finance income		23	13	18	73	121	151
Finance costs		43	86	31	152	67	124
Net financial items		-21	-74	-13	-80	54	26
Share of profit or loss of associates and joint ventures		-	-	-4	-	-20	-14
Profit before income tax		30	-1	40	159	410	449
Income tax expense		55	55	75	204	327	394
Profit (-loss) from continuing operations		-25	-55	-35	-44	83	61
Profit (-loss) from discontinued operations	5,8-10	24	-752	-19	-755	-26	-84
Profit (-loss)		-1	-807	-54	-800	58	-30
Attributable to:							
Non-controlling interests		-2	-339	-16	-363	-24	-65
Equity holders of the company		1	-468	-38	-437	82	35
Basic/diluted earnings per share (NOK)		-0,02	-14,71	-0,99	-14,56	1,05	-0,54
Basic/diluted earnings per share (NOK) cont. operations		-0,45	-1,01	-0,64	-0,81	1,52	1,12

STATEMENT OF COMPREHENSIVE INCOME (MNOK)

Items that may be reclassified to statement of income						
Total Effect from Foreign Exchange	15	-21	-65	75	103	85
Change on Cash flow hedges	-	8	6	1	-10	6
Tax on cash flow hedges that may be reclassified to P&L	-	-2	-1	-	2	-1
Items that may be reclassified to statement of income	15	-15	-60	76	95	89
Items that will not be reclassified to statement of income						
Change in financial assets at fair value through OCI	3	3	-1	11	4	2
Actuarial gains and Losses	-	-	-	-	-	-1
Items that will not be reclassified to statement of income	3	3	-1	11	4	1
Total Other Comprehensive Income (OCI)	18	-12	-61	87	99	90
Profit (-loss)	-1	-807	-54	-800	58	-30
Total Comprehensive Income	16	-819	-115	-713	157	60
Attributable to:						
Non-controlling Interests	4	-347	-37	-343	2	-36
Equity holders of the parent	13	-472	-79	-370	155	103

CONSOLIDATED STATEMENT OF FINANCIAL POSITION ^(MNOK)

	Note	Q3 2024	Q2 2024	Q3 2023	Full year 2023
Assets					
Property, plant and equipment		1 180	1 247	1 260	1 429
Intangible assets		985	2 096	2 309	2 377
Investments in associates and joint ventures		17	28	15	20
Net pension assets		28	35	26	28
Non-current receivables and investments		195	239	320	266
Deferred tax assets		112	145	102	128
Non-current assets		2 517	3 790	4 031	4 247
Inventories		906	1 069	1 233	1 280
Contract assets		232	319	254	182
Current receivables		734	1 288	1 171	1 421
Cash and cash equivalents		940	1 741	2 035	1 909
Derivatives - current assets:		3	5	8	5
Financial assets at fair value through OCI		27	25	18	16
Assets classified as held for sale	5,10	2 108	-	-	-
Current assets		4 951	4 448	4 720	4 813
Total assets		7 468	8 237	8 751	9 060
Equity and liabilities					
Share capital		224	224	224	224
Other paid-in capital		28	26	25	26
Treasury shares		-105	-113	-116	-113
Other reserves		106	93	50	60
Retained earnings		2 208	2 270	2 910	2 804
Capital and reserves attributable to owners of the company		2 462	2 500	3 094	3 001
Non-controlling Interests		316	297	661	638
Total equity		2 778	2 796	3 754	3 638
Non-current bond loans		498	498	498	498
Non-current interest-bearing debt		1 098	1 871	1 585	1 745
Pension liabilities		44	42	26	37
Non-current provisions		12	22	28	31
Deferred tax liabilities		42	124	61	133
Non-current lease liabilities		194	232	192	227
Non-current liabilities		1 888	2 790	2 390	2 671
Current interest-bearing debt		75	56	22	235
Bank overdraft		189	344	147	169
Derivatives - current liabilities		2	2	19	4
Accounts payable		291	371	714	513
Payable income tax		168	224	354	370
Contract liabilities		180	458	359	240
Current lease liabilities		44	59	52	66
Current provisions		32	50	30	57
Other current liabilities		673	1 087	908	1 099
Liabilities classified as held for sale	5,10	1 148	-	-	-
Current liabilities		2 802	2 651	2 606	2 751
Total liabilities and equity		7 468	8 237	8 751	9 060

CONSOLIDATED STATEMENT OF CASH FLOWS ^(MNOK)

	YTD 2024	YTD 2023
Cash flow from operating activities		
Profit (-loss)	-800	58
Adjusted for		
Depreciation, Impairment and Amortization	904	230
Net financial items	97	-37
Share of profit from associates and joint ventures	5	37
Tax expense	223	352
Total after adjustments to net income	427	639
Change in Inventories	209	-345
Change in trade and other receivables	264	180
Change in trade and other payables	-175	-306
Change in other current assets	-5	-28
Change in other current liabilities	22	126
Change in employee benefits	-2	-
Total after adjustments to net assets	739	266
Tax paid	-376	-438
Net cash from operating activities	A 363	-172
Cash flow from investing activities		
Interest received and realized FX gains	45	28
Dividends received	-	3
Proceeds from sales of PPE	14	2
Purchase of PPE and intangible assets	-423	-422
Purchase of other investments	-22	-15
Proceed from sale of other investments	6	-
Purchase of shares in subsidiaries	-13	-408
Proceeds from the sales of shares in subsidiaries	35	8
Net cash from investing activities	B -358	-806
Cash flow from financing activities		
New long-term borrowings	253	1 140
Repayment of long-term borrowings	-705	-119
Cash Flow from issuance of receivables	-8	-28
Cash Flow from Net change in current interest bearing debt	68	34
Interest paid and realized FX losses	-156	-97
Dividend paid	-194	-195
Net cash from financing activities	C -731	732
Cash Flow	A+B+C -726	-245
Opening balance for cash and cash equivalents	1 909	2 212
FX effects on cash accounts	54	68
Closing balance for cash and cash equivalents	1 237	2 035

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ^(MNOK)

	Share capital	Other paid-in capital	Treasury shares	Other reserves	Retained earnings	Capital and reserves attributable to owners of the company	Non-controlling Interests	Total equity
Opening balance at 01.01 2023	224	22	-110	-7	2 994	3 123	661	3 784
Profit (-loss)	-	-	-	-	82	82	-25	58
Total Other Comprehensive Income (OCI)	-	-	-	74	-2	72	27	99
Treasury shares	-	4	-6	-1	-	-3	-	-3
Other changes from subsidiaries	-	-	-	-16	9	-7	22	15
Dividends paid	-	-	-	-	-176	-176	-26	-202
Closing balance at 30.09	224	25	-116	50	2 910	3 094	661	3 755
Opening balance at 01.01 2024	224	26	-113	60	2 804	3 001	638	3 638
Profit (-loss)	-	-	-	-	-439	-439	-362	-800
Total Other Comprehensive Income (OCI)	-	-	-	68	1	69	19	87
Treasury shares	-	3	8	-	-	11	-	11
Other changes from subsidiaries	-	-	-	-21	8	-13	49	36
Dividends paid	-	-	-	-	-166	-166	-27	-194
Closing balance at 30.09	224	28	-105	106	2 208	2 462	316	2 778

STATEMENT OF INCOME PARENT COMPANY ^(MNOK)

	Note	Q3 2024	Q2 2024	Q3 2023	YTD 2024	YTD 2023	Full year 2023
Revenue		72	69	75	262	390	504
Other Income		3	5	3	12	11	16
Revenue and other income		75	74	77	274	400	519
Materials and consumables used		-1	-	-	-1	-1	2
Employee benefit expenses		23	14	20	58	51	76
Other operating expenses		19	31	20	76	67	92
Operating expense		41	44	39	133	117	170
EBITDA		34	29	38	141	283	350
Depreciation		3	3	3	10	10	13
Amortisation		-	-	-	1	1	2
Operating profit		31	26	34	130	272	335
Finance income and finance costs							
Finance income	7	13	32	12	211	231	268
Finance costs	7	49	1 005	25	1 075	44	92
Net financial items		-36	-973	-14	-864	187	175
Profit before tax		-6	-947	21	-734	459	510
Income tax expense		25	27	41	120	258	299
Profit (-loss)		-31	-974	-20	-854	201	211
Basic/diluted earnings per share (NOK)		-0,56	-17,76	-0,37	-15,54	3,67	3,85

STATEMENT OF COMPREHENSIVE INCOME ^(MNOK)

Profit for the period	-31	-974	-20	-854	201	211
Change in financial assets at fair value through OCI	3	3	-1	11	4	2
Actuarial gains and Losses	-	-	-	-	-	-1
Items that will not be reclassified to statement of income	3	3	-1	11	4	2
Total Other Comprehensive Income (OCI)	3	3	-1	11	4	2
Total Comprehensive Income	-28	-972	-21	-842	205	213
Attributable to:						
Equity holders of the parent	-28	-972	-21	-842	241	213

STATEMENT OF FINANCIAL POSITION PARENT COMPANY (MNOK)

	Note	Q3 2024	Q2 2024	Q3 2023	Full year 2023
Assets					
Property, plant and equipment		220	224	229	227
Intangible assets		6	6	7	7
Investment in subsidiaries		1 866	1 853	1 788	1 811
Intercompany loans - non current		694	624	1 176	1 384
Net pension assets		13	13	12	13
Non-current receivables and investments		132	126	189	134
Deferred tax assets		46	46	47	46
Non-current assets		2 978	2 893	3 450	3 624
Current receivables		167	237	258	243
Cash and cash equivalents		198	837	1 110	1 064
Financial assets at fair value through OCI		27	25	18	16
Current assets		392	1 099	1 386	1 323
Total assets		3 370	3 992	4 836	4 947
Equity and liabilities					
Share capital		224	224	224	224
Other paid-in capital		28	26	25	26
Treasury shares		-105	-113	-116	-113
Other reserves		11	8	2	-1
Retained earnings		1 873	1 958	2 935	2 890
Capital and reserves attributable to owners of the company		2 031	2 103	3 070	3 026
Total equity		2 031	2 103	3 070	3 026
Bond		498	498	498	498
Non-current interest-bearing debt		616	1 172	840	964
Pension liabilities		6	6	6	7
Provisions		-	-	2	-
Non-current lease liabilities		58	59	59	58
Non-current liabilities		1 179	1 736	1 404	1 527
Accounts payable		6	8	7	12
Payable income tax		103	94	276	272
Current interest-bearing debt, intercompany		-	-	29	36
Current lease liabilities		2	2	2	2
Other current liabilities		48	49	47	71
Current liabilities		160	153	361	394
Total liabilities and equity		3 370	3 992	4 836	4 947

STATEMENT OF CASH FLOWS PARENT COMPANY (MNOK)

		YTD 2024	YTD 2023
Cash flow from operating activities			
Profit (-loss)		-854	201
Adjusted for			
Depreciation, Impairment and Amortization		11	11
Net financial items		864	-187
Tax expense		120	258
Total after adjustments to net income		141	283
Change in trade and other receivables		-2	-4
Change in trade and other payables		-5	-4
Cash flow form Internal Accounts Payable and Receivable		4	16
Change in other current liabilities		-16	-40
Total after adjustments to net assets		122	251
Tax paid		-289	-357
Net cash from operating activities	A	-167	-107
Cash flow from investing activities			
Interest received and realized FX gains		91	50
Dividends received		107	100
Purchase of PPE and intangible assets		-1	-10
Purchase of financial assets at fair value		-	-2
Purchase of other investments		-	-9
Proceed from sale of other investments		-1	-
Purchase of shares in subsidiaries		-86	-41
Proceeds from the sales of shares in subsidiaries		4	8
Net cash from investing activities	B	115	97
Cash flow from financing activities			
New long-term borrowings		188	688
Repayment of long-term borrowings		-566	-2
Cash Flow from Internal Loans and Borrowings		-189	-540
Interest paid and realized FX losses		-85	-32
Group Contribution Received		-	34
Dividend paid		-165	-162
Cash flow from treasury shares		11	-2
Net cash from financing activities	C	-814	-40
Cash Flow	A+B+C	-866	-50
Opening balance for cash and cash equivalents		1 064	1 160
Closing balance for cash and cash equivalents		198	1 110

STATEMENT OF CHANGES IN EQUITY PARENT COMPANY ^(MNOK)

	Share capital	Other paid-in capital	Treasury shares	Other reserves	Retained earnings	Capital and reserves attribut-able to owners of the company	Total equity
Opening balance at 01.01 2023	224	22	-110	-3	2 894	3 027	3 027
Profit (-loss)	-	-	-	-	201	201	201
Total Other Comprehensive Income (OCI)	-	-	-	4	-	4	4
Effect of share based payment	-	-	-	-	1	1	1
Dividends paid	-	-	-	-	-162	-162	-162
Closing balance at 30.09	224	25	-116	2	2 935	3 070	3 070
Opening balance at 01.01 2024	224	26	-113	-1	2 890	3 026	3 026
Profit (-loss)	-	-	-	-	-854	-854	-854
Total Other Comprehensive Income (OCI)	-	-	-	11	-	11	11
Effect of share based payment	-	-	-	-	2	2	2
Treasury shares	-	3	8	-	-	11	11
Dividends paid	-	-	-	-	-165	-165	-165
Closing balance at 30.09	224	28	-105	11	1 873	2 031	2 031

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 2023.

NOTE 2 KEY ACCOUNTING POLICIES

The accounting policies for 2024 are described in the Annual Report for 2023. The financial statements have been prepared in accordance with EU-approved IFRS 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 2023. The same policies have been applied in the preparation of the interim financial statements as at 30 September 2024.

New standards effective from 1 January 2024 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.

NOTE 4 RELATED PARTY TRANSACTIONS

Disclosures concerning related party transactions are given in the company's Annual Report for 2023, Note 24.

NOTE 5 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit (-loss) from discontinued operations in the consolidated statement of income. Cash flows from discontinued operations are included in the consolidated statement of cash flows and are disclosed separately in Note 8, 9 and 10. The Group includes proceeds from disposal in cash flows from discontinued operations.

Additional disclosures are provided in Note 8, 9 and 10. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

NOTE 6 SEGMENT REPORTING ^(MNOK)

Discontinued operations are not presented as reporting segments.

	Group Management		AFK Vannkraft		NSSLGlobal		ENRX	
Per 30.09	2024	2023	2024	2023	2024	2023	2024	2023
Sales at a point in time	1	-	262	390	1017	887	656	767
Sales over time	-	-	-	-	-	-	718	546
Other Income	9	10	5	4	-	3	6	3
Revenue and other income	10	10	267	393	1017	890	1379	1316
Operating expenses	65	61	71	58	805	714	1244	1178
Depreciation, amortization and impairment	2	3	9	8	23	13	63	61
Operating profit	-57	-54	187	327	190	163	72	77
Income from associates	-	-1	-	-	-	1	-	-
Net financial items	-864	187	-	-	-1	-	-47	-36
Income tax expense	-8	10	128	248	48	39	25	29
Profit (-loss)	-913	123	59	79	141	124	1	13
Total assets	3 154	4 611	220	228	1187	1037	2 305	1951
Total liabilities	1207	1490	135	278	527	466	1877	1556
NIBD*	977	317	-	-	-354	-331	1047	772

	Tekna		Alytic		Property		Other	
Per 30.09	2024	2023	2024	2023	2024	2023	2024	2023
Sales at a point in time	156	158	47	33	265	5	-	-
Sales over time	58	71	-	-	-	-	-	-
Other Income	7	1	-	1	6	7	2	-
Revenue and other income	221	230	48	34	271	13	2	-
Operating expenses	266	258	87	84	249	11	34	15
Depreciation, amortization and impairment	23	25	19	10	12	10	4	-
Operating profit	-67	-52	-58	-60	10	-8	-36	-15
Income from associates	-	-10	-	-	-	-	-	-1
Net financial items	-12	-6	-2	-1	-9	-2	-49	9
Income tax expense	5	1	-	-	5	-	-	-
Profit (-loss)	-85	-70	-59	-61	-4	-10	-85	-7
Total assets	548	625	259	199	485	580	62	867
Total liabilities	342	272	93	77	305	386	1042	909
NIBD*	208	111	6	13	214	165	-	-

	Total Segment		Eliminations		Total	
Per 30.09	2024	2023	2024	2023	2024	2023
Sales at a point in time	2 404	2 240	-	-	2 404	2 240
Sales over time	776	617	-	-	776	617
Other Income	35	30	-28	-20	8	10
Revenue and other income	3 216	2 887	-28	-20	3 188	2 867
Operating expenses	2 820	2 379	-15	-13	2 805	2 366
Depreciation, amortization and impairment	154	130	-10	-6	145	124
Operating profit	241	378	-3	-1	239	377
Income from associates	-	-10	-	-10	-	-20
Net financial items	-983	151	904	-97	-80	54
Income tax expense	203	327	-	-	204	327
Profit (-loss)	-945	192	901	-108	-44	83
Total assets	8 220	10 097	-751	-1 346	7 469	8 751
Total liabilities	5 528	5 434	-837	-438	4 690	4 996
NIBD*	2 287	338	-1 116	120	1 171	458

* Intercompany loans are excluded from the Net Interest Bearing Debt (NIBD) definition. See Note 12 for further information.

NOTE 7 FINANCE INCOME, PARENT COMPANY ^(MNOK)

	YTD 2024	YTD 2023
Interest income, I/C	61	44
Interest income	31	34
Currency exchange income	12	50
Gain on partial sale of subsidiaries	-	4
Dividend income	-	3
Dividend income I/C an group contribution	107	96
Total	211	231

FINANCE COST, PARENT COMPANY ^(MNOK)

	YTD 2024	YTD 2023
Interest expense	59	32
Impairment I/C loans*	963	-
Impairment financial assets	11	10
Loss on sale of subsidiaries	27	-
Other finance cost	15	2
Total	1075	44

* We refer to Note 9.

NOTE 8 SALE OF SUBSIDIARY – VERGIA

Sale of Vergia in 2024

In July 2024 Arendals Fossekompagni sold its 100% shareholding in Vergia. Consequently, the company's financial results have been recognised on separate lines in the income statement as discontinued operations. Vergia is no longer considered as reporting segment. The gain on disposal of Vergia of MNOK 17 is included in "Profit (-loss) from discontinued operations" on group level. Vergia's key figures relating to the income statement for 2024 and comparative figures are presented below.

	Q3 2024	Q3 2023	Full year 2023
Operating revenues and operating costs (MNOK)			
Operating revenue	-	-	1
Operating expense	4	6	9
Depreciation			
Operating profit	-3	-5	-8
Net financial items	-1	-1	-1
Share of profit or loss of associates and joint ventures	-5	-17	-17
Profit before income tax	-10	-24	-26
Income tax expense		-	-
Profit (-loss) from discontinued operations	-10	-24	-26
Net discontinued operations income (after tax)	-10	-24	-26
Basic/diluted earnings per share (NOK)	-0,17	-0,44	-0,47
Net cash from operating activities	-4,6	-13	-15
Net cash from investing activities	-6,2	-15	-9
Net cash from financing activities	7,7	15	9
Cash Flow	-3	-13	-15

NOTE 9 INSOLVENCY OF SUBSIDIARY – COMMEO GERMANY

Insolvency of Commeo Germany in 2024

In July 2024 the Commeo companies in Germany have filed for insolvency. All companies are subsidiaries of Arendal Fossekompagni.

Consequently, these company's financial figures have been recognised on separate lines in the income statement as discontinued operations. After insolvency of Commeo Germany, Ampwell is no longer considered as own reporting segment. The remaining Ampwell company, Collect, is from this quarter onwards included in the reporting segment Group Management. The impairment losses related to the insolvency of Commeo are included in "Profit (-loss) from discontinued operations" on group level.

The impairment losses were recognized in full in the second quarter. We refer to the Q2 2024 report.

Commeo Germany's key figures relating to the income statement for 2024 and comparative figures are presented below.

	Q3 2024	Q3 2023	Full year 2023
Operating revenues and operating costs (MNOK)			
Operating revenue	3	15	20
Operating expense	18	19	24
Depreciation	1	1	1
Operating profit	-21	-5	-5
Net financial items	40	-1	-2
Profit before income tax	19	-6	-7
Income tax expense			-
Profit (-loss) from discontinued operations	19	-6	-7
Net discontinued operations income (after tax)	19	-6	-7
Basic/diluted earnings per share (NOK)	0,34	-0,11	-0,12
Net cash from operating activities	-7,7	-12	-23
Net cash from investing activities	-0,7	-	8
Net cash from financing activities	6,0	12	17
Cash Flow	-2	1	2

NOTE 10 NON-CURRENT ASSETS HELD FOR SALE – VALUE

Sale of Value in 2024

In October 2024 Arendals Fossekompani sold its 60% shareholding in Value ASA. Arendals Fossekompani has subsequently acquired a 40% indirect ownership of Value via the associated company Edison Bidco AS. This was considered highly probable at 30 September 2024. Consequently, the company's financial results have been recognised on separate lines in the income statement as discontinued operations and assets and liabilities in the balance sheet as held for sale. Discontinued operations are not presented as reporting segment.

The gain on partial disposal of Value will be included in "Profit (-loss) from discontinued operations" on group level in Q4 2024. In the parent company this gain will be presented as finance income.

Value's key figures relating to the income statement for 2024 and comparative figures are presented below, as well the specification of assets and liabilities held for sale as of 30 September, 2024.

	Q3 2024	Q3 2023	Full year 2023
Operating revenues and operating costs ^(MNOK)			
Operating revenue	1191	1073	1489
Operating expense	965	888	1274
Depreciation	27	28	40
Amortisation	106	60	88
Operating profit	93	97	87
Net financial items	-16	-2	-17
Profit before income tax	77	94	70
Income tax expense	22	26	27
Profit (-loss) from discontinued operations	54	69	43
Net discontinued operations income (after tax)	54	69	43
Basic/diluted earnings per share (NOK)	0,99	1,25	0,79
Balance sheet			
Property, plant and equipment	151,4		
Intangible assets	1183,7		
Net pension assets	7,7		
Non-current receivables and investments	48,9		
Deferred tax assets	30,2		
Inventories	38		
Contract assets	104		
Accounts receivable	152		
Other receivables	96		
Cash and cash equivalents	297		
Total assets classified as held for sale	2 108,6		

	Q3 2024	Q3 2023	Full year 2023
Non-current interest-bearing debt	193		
Other non-current liabilities	11		
Deferred tax liabilities	91		
Non-current lease liabilities	101		
Bank overdraft	192		
Accounts payable	62		
Payable income tax	63		
Contract liabilities	144		
Current lease liabilities	31		
Other current liabilities	263		
Total liabilities classified as held for sale	1 148,6		
Net cash from operating activities	360,8	-1	-97
Net cash from investing activities	-155,7	-482	-531
Net cash from financing activities	-92,9	295	347
Cash Flow	112	-188	-282

NOTE 11 EVENTS AFTER THE BALANCE SHEET DAY

In July, Arendals Fossekompani, Advent International, and Generation Investment Management announced a voluntary cash offer for all shares of Value through the jointly owned investment company, Edison Bidco. On 28 October it was announced that the transaction is completed and Value shifts from a public to a private entity under the consortium. The joint strategic ownership is expected to significantly accelerate Value's growth and value creation, ultimately benefiting Arendals Fossekompani's shareholders through continued 40% indirect ownership of Value via the associated company Edison Bidco AS. The transaction, priced at NOK 42 per share, resulted in net cash proceeds of NOK 1 billion.

NOTE 12 DEFINITION OF NET INTEREST BEARING DEBT (NIBD)

The definition of Net Interest Bearing Debt (NIBD) has as of this quarter been changed, and now differ to the Definitions used in the Arendals Fossekompanis consolidated financial statements for 2023.

In the new definition, intercompany loans are excluded. NIBD is now defined as interest bearing debt - external interest bearing receivables - cash.

For other definitions refer to the consolidated financial statements for 2023 page 195.

VISITING ADDRESS

Langbryggen 9
4841 Arendal

POSTAL ADDRESS

Box 280
4803 Arendal

+47 37 23 44 00
firmapost@arendalsfoss.no
arendalsfossekompani.no