

FOR GENERATION
ONS 2024
Q4
OPERATIONS

GENERATIONS

FOR GENERATIONS

GENERATIONS

For generations, Arendals Fossekompagni 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 Q4 2024

AFK Group revenue growth of 14%

Total revenue for Arendals Fossekompani Group increased by 14% compared to Q4 2023.

AFK Group margin of 13%

EBIT margin in the quarter was 13%, up from 7% in Q4 2023.

NOK 1.00 dividend to be paid in February

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

NOK 3.3 billion

Volue transaction financial gain

Partnership with Advent International and Generation Investment Management positions Volue for accelerated growth and value creation.



Solid performance across portfolio companies

volue Acquisition and restructuring

Volue acquired PowerBot GmbH, a leading provider of algorithmic trading software. Additionally, Volue implemented a comprehensive restructuring program significantly reducing the operational cost base, paving the way for continued margin expansion.



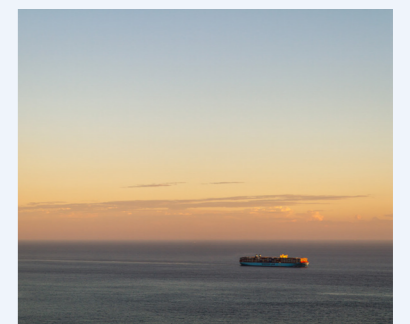
ENRX[®] Solid growth and record year

Total operating revenue in Q4 was EUR 46.0 million (41.9). Revenue and EBIT in FY24 was the highest in the company's history.



NSSLGlobal Significant satellite communication order

NSSLGlobal won contracts with a value of GBP 18.2 million across the government and maritime sectors, of which GBP 14.5 million represented new business opportunities.



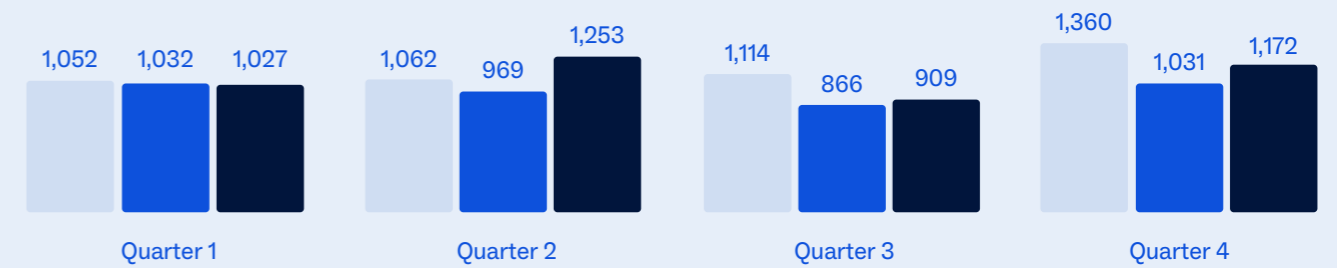
Financial Highlights Q4 2024

FINANCIAL FIGURES (MNOK)		Q4 2024	Q4 2023	FY 2024	FY 2023
Arendals Fossekompani consolidated	Revenue and other income	1,172	1,031	4,360	3,897
	Operating profit (EBIT)	151	67	390	444
	Margin	13%	7%	9%	11%
Operating profit by consolidated portfolio companies	AFK Parent (Vannkraft & Management)	44	62	174	335
	ENRX	62	38	134	116
	NSSLGlobal	70	48	260	211
	Tekna	4	-45	-63	-97
	Alytic	-30	-24	-88	-85
	AFK Property	2	-2	13	-10
	Other	2	-10	-34	-25
	Operating profit (EBIT)	151	67	390	444
	Net financial items	-35	-21	-115	26
	AFK share of profit/loss from associated companies*	-41		-41	-14
Profit before income tax	75	46	234	456	
Profit (-loss) cont. operations	10	-22	-35	61	

* Including Value for the period 28.10.24 until 31.12.24. Including non-recurring items in the period.

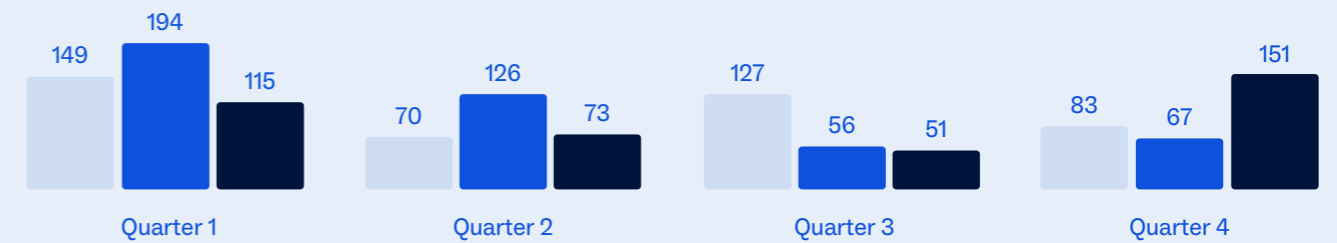
REVENUE AND OTHER INCOME (MNOK)

■ 2022 ■ 2023 ■ 2024



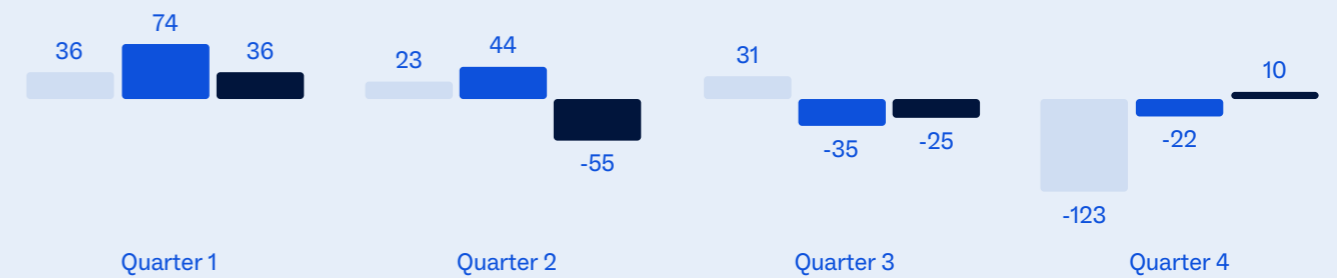
OPERATING PROFIT (MNOK)

■ 2022 ■ 2023 ■ 2024



PROFIT (-LOSS) (MNOK)

■ 2022 ■ 2023 ■ 2024



Arendals Fossekompani Portfolio

Our portfolio companies operate in industries such as B2B software and analytics, satellite communications, induction technology, industrial 3D printing, property, and hydropower. Our companies employ over 2,500 professionals across 24 countries.



Arendals Fossekompani Group Management

Employees 20	Head office Arendal, Norway
Countries 24	

value

Digital energy and infrastructure solutions for the green transition

Employees 822	Ownership 40%
Head office Oslo, Norway	Countries 9

ENRX

Leading international tech company within induction heating and induction charging

Employees 1,158	Ownership 95%
Head office Skien, Norway	Countries 20

TEKNA

Leading provider of advanced materials for the global additive manufacturing industry, and plasma systems for industrial research and production

Employees 185	Ownership 69.5%
Market cap (31.12) 414 MNOK	Listed on Oslo Børs
Head office Sherbrooke, Canada	Countries 5

NSSLGlobal

Cyber secure space and satellite communication services anywhere

Employees 249	Ownership 80%
Head office London, UK	Countries 10

alytic

Active investor and transformer of data intensive companies

Employees 119	Ownership 96%
Head office Arendal, Norway	Countries 3

VANKRAFT

500 GWh hydropower production providing steady cash flow

Employees 16	Ownership 100%
Head office Froland, Norway	Countries 1

Property

Portfolio of property investments and development projects

Employees 5	Ownership 100%
Head office Arendal, Norway	Countries 1

Arendals Fossekompani Group



FINANCIAL FIGURES (MNOK)	Q4 2024	Q4 2023	FY 2024	FY 2023
Operating revenue	1,172	1,031	4,360	3,897
Operating profit (EBIT)	151	67	390	444
Operating margin	13%	7%	9%	11%
Earnings before tax (EBT)	75	46	234	456
Earnings after tax (EAT)*	3,052	-80	2,252	-22
Operating cash flow	256	-17	732	-398
NIBD	-942	1 015	-942	1 015
Equity	5,420	3,639	5,420	3,638
Equity ratio	60%	49%	60%	40%

Currency rates (NOK/CAD)

Average Q4 2024: 7.84. Average Q4 2023: 7.83. End Q4 2024: 7.89 End Q4 2023: 7.68.

Currency rates (NOK/GBP)

Average Q4 2024: 13.74. Average Q4 2023: 13.33. End Q4 2024: 14.22. End Q4 2023: 12.93.

Currency rates (NOK/EUR)

Average Q4 2024: 11.63. Average Q4 2023: 11.42. End Q4 2024: 11.80. End Q4 2023: 11.24.

* Including discontinued operations.



Arendals Fossekompani is an industrial investment company holding seven core investments and a portfolio of financial investments. These operations employ approximately 2,500 people in 24 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 forward-thinking industries including: 3D printing, algo trading, satellite services, software, digitalisation, and induction.

Head office
Arendal, Norway

Chair
Trond Westlie

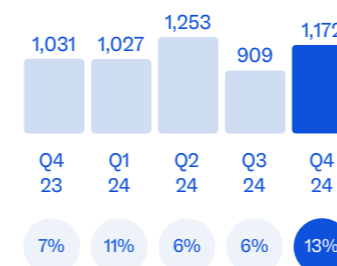
Chief Executive Officer
Benjamin Golding

Employees
2,554

Countries
24

DEVELOPMENT LAST 5 QUARTERS

Revenue (MNOK)
and operating margin



HIGHLIGHTS OF Q4 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 1,172 million (1,031 million) in the fourth quarter. Consolidated earnings before tax were NOK 75 million (46 million). Income tax expense for the Group in the quarter was NOK 65 million (68 million), whilst ordinary profit after tax, but before non-controlling interests, totaled NOK 3,052 million (-80 million).

Total Group revenue increased by 14% and Operating profit increased from NOK 67 million to NOK 151 million, compared to Q4 2023. The increase was largely driven by strong revenue growth in portfolio companies NSSLGlobal and ENRX. Moreover, non-recurring items in Tekna had a positive impact on operating profit.

Following the completion of the acquisition of Volue ASA by Arendals Fossekompani, Advent International and Generation Investment Management, AFK reduced its shareholding in Volue from 60% to 40%. The disposal of Volue shares resulted in a gain of NOK 3.0 billion which was recorded in the Group accounts. The gain is recognised as part of profit (-loss) from discontinued operations in the consolidated statement of income.

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

Portfolio companies

VOLUE

In October, Arendals Fossekompani, Advent International and Generation Management completed the acquisition and delisting of Volue. Arendals Fossekompani reduced its shareholding in Volue from 60% to 40%, realising net proceeds of NOK 1.0 billion. 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 from Volue.

Total revenue was NOK 444 million (413 million), corresponding to an organic growth of 7% compared to Q4 2023. SaaS revenue reached NOK 157 million in the quarter, an increase of 45% compared to the fourth quarter of 2023, representing 36% of total revenue. Adjusted EBITDA equaled NOK 107 million (63 million), corresponding to an adjusted EBITDA of 24% (21%). Non-recurring costs related to a comprehensive restructuring program, management stock options and delisting-related transaction costs had a negative impact on the reported EBITDA. In the quarter, Volue acquired PowerBot, an Austrian-based algo-trading software provider, complementing Volue's existing enterprise-grade trading solutions.

NSSLGLOBAL

Revenue in Q4 was GBP 26.9 million (23.5 million). This increase was largely due to increased activity in the Middle East and the completion of government projects in the period. Operating profit in the quarter was GBP 5.6 million (3.1 million) corresponding to a margin of 18% (15%). During the quarter, NSSLGlobal won GBP 18.2 million in contracts across its government and maritime sectors, of which GBP 14.5 million represented new business opportunities.

ENRX

Total operating revenue in Q4 was EUR 46.0 million (41.9 million). The company saw growth in both North American and Asian regions in the quarter, while European sales were lower than Q4 2023. Operating profit for the quarter was EUR 5.3 million (3.3 million), corresponding to a margin of 11% (8%). Total order intake in the quarter was EUR 37.3 million (36.8 million). The order backlog at the end of the quarter was EUR 67.1 million (86.1 million).

TEKNA

Total operating revenue in Q4 was CAD 9.6 million (11.4 million). The decline was a result of a significant reduction in Systems revenue which decreased by 55% due to low order intake during the year. In contrast, Advanced Materials revenue was up 14% year-on-year. Overhead and staff cost reductions were implemented in the quarter to further enhance profitability. Adjusted EBITDA in the quarter was CAD -1.4 million (-0.5 million). The order intake totaled CAD 9.6 million (11.2 million) in the period and the backlog was CAD 16.7 million at the end of the quarter.

AFK VANNKRAFT

Total operating revenue was NOK 96 million (117 million). Hydropower production in the quarter was 148.5 GWh (126.4 GWh). Higher production was offset by lower power prices in the NO2 region of EUR 53.5/MWh (70 EUR/MWh), resulting in 18% lower revenue compared to Q4 2023.

SHARE PRICE LAST 10 YEARS ^(NOK)



FINANCIAL POSITION

Arendals Fossekompani's financial position was significantly strengthened in the quarter and remains solid. The company's available cash on 31 December amounted to NOK 914 million. In addition, the company has undrawn credit facilities of NOK 1,985 million, securing available liquidity of NOK 2.899 million as per the end of the quarter. At the end of Q4, Arendals Fossekompani had a net cash position. The Net Interest Bearing Debt (NIBD), excluding shareholder loans, was at NOK -45 million at the end of the quarter.

EVENTS AFTER THE CLOSE OF THE YEAR

On 13th of February, the Board of Directors decided to pay an ordinary cash dividend of NOK 1.00 per share for the fourth quarter of 2024. The dividend is set to be paid on 28 February 2025.

It is Arendals Fossekompani's policy to pay a dividend that reflects the company's long-term strategy, financial position and investment capacity. The dividend shall, over time, ensure that shareholders receive a competitive direct return on their investment.

The board has decided that as of Q2 2025, Arendals Fossekompani will move from announcing dividends on a quarterly basis to announcing dividends on an annual basis. Arendals Fossekompani is an industrial investment company using its own capital to invest. Liquidity levels vary over time driven by investment/divestment activities and underlying profitability. The change is made to enable better long term capital planning and flexibility to create shareholder value as an investment company.

When deciding the annual dividends, the Board of Directors shall take into consideration expected cash flow, capital expenditure plans, divestments, financing requirements and appropriate financial flexibility.

Arendals Fossekompani moved from annual to quarterly dividends in 2020. When this was done the first quarterly dividend was paid as of Q2 2020. For this reason Arendals Fossekompani intends to maintain the quarterly dividend until Q1 2025.

OUTLOOK

There is ongoing uncertainty associated with geopolitical turmoil, supply chain constraints, inflation, interest rates, and the development of energy prices. Recent threats of tariffs and trade restrictions, in particular, have introduced high levels of unpredictability. Arendals Fossekompani and our portfolio companies will continue to closely monitor the geopolitical situation and implement relevant measures if required. In this unpredictable environment, Arendals Fossekompani's solid financial position enables continued support of our portfolio companies, both in handling potential short-term challenges and also with continued investments to accelerate growth and strengthen long-term competitiveness. Revenue and operating profit for AFK Vannkraft is expected to be lower in 2025 compared to 2024. Total revenue and operating profit from AFK Group excluding AFK Vannkraft is expected to be in line with 2024.

SHARE PRICE

There was a total of 54,936,418 outstanding shares in the company at the end of the quarter. The share price on 31 December 2024 was NOK 142.4 (NOK 164.8), corresponding to a decrease of 14% since 31 December 2023. When including direct yield (dividend payouts) in the same period, total decrease in shareholder value was 11%. Arendals Fossekompani's total market capitalisation was NOK 7.8 billion at the end of the quarter. For the 10-year period from December 2014 to December 2024, compounded annual return to Arendals Fossekompani's shareholders was 9% (16% including dividends).

Group Management



FINANCIAL FIGURES (MNOK)

	Q4 2024	Q4 2023	FY 2024	FY 2023
Revenue and other income	8	3	17	13
Operating profit (EBIT)	-23	-24	-80	-78
Operating margin	-	-	-	-
Earnings before tax (EBT)	-198	-36	-722	97
Earnings after tax (EAT)*	3,237	-30	2,325	92
NIBD	-45	495	-45	495
Equity	5,267	2,031	5,267	3,026
Equity ratio	82%	60%	82%	61%

* Including discontinued operations.



Arendals Fossekompani Group Management employs 20 people at the head office in Arendal. The team focuses on identification and development of new sustainable business opportunities, active ownership of our portfolio companies and management of financial investments.

Head office
Arendal, Norway

Chair
Trond Westlie

Chief Executive Officer
Benjamin Golding

Employees
20

Countries
1

Combining industrial, technological and capital markets expertise, Arendals Fossekompani's Group Management identifies and develops opportunities for sustainable value creation. As an active owner of our portfolio companies, we drive strategy development, performance management, support M&A and financing, and work to build strong teams and leaders to ensure long-term sustainable value creation. In every investment, we have a long-term view of our objectives. We retain ownership of our portfolio companies as long as we remain the best owner, ensuring long-term value and stability. Arendals Fossekompani has an attractive portfolio in industries such as B2B software and analytics, satellite communications, induction technology, industrial 3D printing, property, and hydropower. Our companies are both listed and privately owned, and Arendals Fossekompani is predominantly the majority owner.

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

STRUCTURAL CHANGES IN THE PORTFOLIO

In October, Arendals Fossekompani, Advent International and Generation Management completed the acquisition and delisting of Volue. Arendals Fossekompani reduced its shareholding in Volue from 60% to 40%, realizing net proceeds of NOK 1.0 billion. 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, benefiting Arendals Fossekompani's shareholders directly through our continued 40% stake in Volue. The transaction resulted in AFK Parent Company recognizing a financial gain of NOK 3.3 billion in the quarter.

FINANCIAL POSITION

Arendals Fossekompani's financial position was significantly strengthened in the quarter and remains solid. The company's available cash on 31 December amounted to NOK 914 million. In addition, the company has undrawn credit facilities of NOK 1,985 million, securing available liquidity of NOK 2,899 million at the end of the quarter. The Net Interest Bearing Debt (NIBD), excluding shareholder loans, was NOK -45 million at the end of the quarter.

Volue

Portfolio company



FINANCIAL FIGURES (MNOK)

	Q4 2024	Q4 2023	FY 2024	FY 2023
Revenue and other income	444	413	1,636	1,486
EBITDA	-67	31	159	215
Adjusted EBITDA*	107	86	361	267
Operating profit (EBIT)	-122	-10	-29	87
Operating margin	-27%	-2%	-2%	6%
Earnings before tax (EBT)	-133	-27	-56	67
Operating cash flow	-137	38	224	37
NIBD	211	168	211	168
Equity	6,689	845	6,689	845
Equity ratio	82%	40%	82%	40%

* Adjusted EBITDA: In order to give a better representation of underlying performance, EBITDA is adjusted for non-recurring items. Note that as of 28 October 2024, Volue is treated as an associated company and accounted for according to the equity method.

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 over 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
Peter Michael Daffern

Chief Executive Officer
Trond Straume

Ownership
40%

Employees
822

Countries
9

HIGHLIGHTS OF Q4 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 157 million in the quarter, an increase of 45% compared to the fourth quarter of 2023, representing 36% of total revenue. The share of revenue from SaaS continues the solid growth, underpinning the progress made by the company on the SaaS journey. Annual recurring revenue constituted 71% of total revenue and reached NOK 310 million in the quarter. Consequently, ARR grew at a rate of 12% compared to the fourth quarter of 2023.

Total revenue in the fourth quarter amounted to NOK 444 million (413 million), corresponding to an organic growth rate of 7% when comparing to Q4 2023. Adjusted EBITDA in the quarter totalled NOK 107 million (86 million), corresponding to an adjusted EBITDA-margin of 24% (21%).

Post delisting of Volue in November 2024, a new strategy was outlined, focusing on markets to operate and what product to scale upon. As a result of this process, a significant restructuring process was conducted, with related non-recurring restructuring costs booked in the quarter. In addition, costs associated with stock options and delisting-related transaction costs had a significant negative impact on the reported EBITDA in the quarter.

The Energy Segment generated NOK 236 million in Q4, representing an increase of 11% compared to Q4 2023. The strong growth in the Energy segment stemmed from strong sales of core products, including Insight and Smart Power, being the main contributors on the products side.

Insight by Volue announced a cutting-edge, AI-based weather forecast integration into its weather-driven fundamental models as a new product in Q4. This innovation enhances the accuracy and utility of Volue's wind power predictions, offering significant value to power market participants relying on precise weather insights for energy forecasting and decision-making.

For the Power Grid Segment, operating revenue in Q4 amounted to NOK 88 million, equal to a negative growth rate of -5% from Q4 2023. The segment delivered 60% ARR compared to 55% when comparing to the same quarter of 2023.

The Infrastructure segment generated operating revenue of NOK 69 million in Q4, from NOK 71 million in the same quarter of 2023. The Infrastructure segment maintains focus on transformation towards ARR and SaaS with uplift in profitability, and the company is pleased to see the continuation of this trend. Annual recurring revenue constituted 86% of total revenue, reaching NOK 60 million in the quarter. Consequently, ARR grew at a rate of 20% compared to Q4 2023.

Towards the end of Q4, Volue acquired PowerBot GmbH, a leading algo-trading software provider based in Vienna, Austria. The acquisition of PowerBot's scalable and open platform complements Volue's strong existing enterprise-grade trading solutions by addressing the needs of a growing class of quantitative power traders across Europe. PowerBot is a certified Independent Software Vendor (ISV) at EPEX Spot, Nord Pool and various other European energy exchanges. PowerBot will benefit from Volue's resources and expertise to further accelerate its development and improve its customer experience over the coming years. Volue's commercial teams will bring the PowerBot platform to existing customers across its portfolio.

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. The restructuring done in Q4 has significantly improved Volue's cost position. Going forward, Volue expects organic growth of around 15%, improvements in Cash EBITDA and a continued active M&A agenda.

DEVELOPMENT LAST 5 QUARTERS

Revenue (MNOK)
and operating margin



ENRX

Portfolio company



FINANCIAL FIGURES (MNOK)

	Q4 2024	Q4 2023	FY 2024	FY 2023
Operating revenue	540	487	1,914	1,800
Operating profit (EBIT)	62	38	134	116
Operating margin	11%	8%	7%	6%
Earnings before tax (EBT)	28	30	53	71
Operating cash flow	64	58	73	4
NIBD	1,054	777	1,054	777
Equity	509	417	509	417
Equity ratio	21%	21%	21%	21%

Currency rates (NOK/EUR)

Average Q4 2024: 11.63. Average Q4 2023: 11.42. End Q4 2024: 11.80. End Q4 2023: 11.24.

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
1,158

Countries
20

HIGHLIGHTS OF Q4 2024

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

Total operating revenue in Q4 was EUR 46.0 million (41.9 million), corresponding to a 10% increase from the same quarter in 2023. Revenue growth was driven by high deliveries within the Heat segment. The company saw strong growth in both the North American and Asian regions in the quarter, while European sales were down compared to Q4 2023.

Net operating costs decreased by 3% in the quarter compared to Q4 2023. Nonetheless, rising cost inflation emphasizes the importance of maintaining cost control as a key priority in all regions. Operating costs as a percentage of operating revenue were down to 38% from 42% in the same quarter last year.

Operating profit for the quarter was EUR 5.3 million (3.3 million), corresponding to a margin of 11% (8%). FY24 represented the highest revenue and EBIT in the company's history.

Total order intake for the quarter ended at EUR 37.3 million (36.8 million). The total order backlog at the end of Q4 2024 was EUR 67.1 million (86.1 million). The reduction is explained by high deliveries in Q1 and Q4 of 2024 in combination with reduced order intake in the same period.

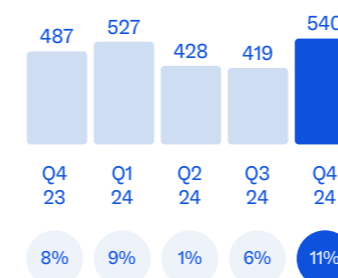
OUTLOOK

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. Business development and R&D activities within inductive charging will continue in 2025.

The recent tariff threats from the US administration have raised uncertainty, and ENRX is actively monitoring the situation and adapting its mitigation plan accordingly.

DEVELOPMENT LAST 5 QUARTERS

Revenue (MNOK) and operating margin



NSSLGlobal

Portfolio company



FINANCIAL FIGURES (MNOK)

	Q4 2024	Q4 2023	FY 2024	FY 2023
Revenue and other income	381	316	1,398	1,206
Operating profit (EBIT)	70	48	260	211
Operating margin	18%	15%	19%	18%
Earnings before tax (EBT)	82	45	271	209
Operating cash flow	146	4	339	122
NIBD	-482	-346	-482	-346
Equity	725	608	725	608
Equity ratio	56%	57%	56%	57%

Currency rates (NOK/GBP)

Average Q4 2024: 13.74. Average Q4 2023: 13.33. End Q4 2024: 14.22. End Q4 2023: 12.93.

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
249

Countries
10

HIGHLIGHTS OF Q4 2024

Revenue in Q4 was GBP 26.9 million (23.5 million). This increase is largely due to increased activity in the Middle East and the completion of certain government projects, involving the delivery of large quantities of equipment in the period. Operating profit in the quarter was GBP 5.6 million, up from GBP 3.1 million in the same quarter last year, which was a result of the higher revenue in the quarter and lower operating costs.

During the quarter, NSSLGlobal won contracts with a value of GBP 18.2 million across the government and maritime sectors, of which GBP 14.5m represented new business opportunities. This includes a significant government contract where NSSLGlobal provides resilient connectivity via its hybrid LEO solutions, onboard ship information, licensed entertainment IPTV streaming service, and Wi-Fi hotspot voucher systems.

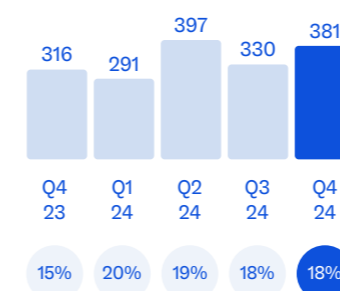
NSSLGlobal's sales and bid pipeline remains strong. There are several new sales opportunities across both the government and maritime sectors. Additionally, NSSLGlobal continues to expand its efforts in maritime and governmental projects, as well as hardware and component deliveries.

OUTLOOK

NSSLGlobal expects 2025 revenue and operating profit to be lower than in 2024, due to reduced event traffic, and the completion of a large project in 2024, which will not recur in 2025.

DEVELOPMENT LAST 5 QUARTERS

Revenue (MNOK)
and operating margin



AFK Vannkraft

Portfolio company



FINANCIAL FIGURES (MNOK)

	Q4 2024	Q4 2023	FY 2024	FY 2023
Revenue and other income	96	117	363	511
Operating profit (EBIT)	65	87	252	414
Operating margin	68%	74%	70%	81%
Earnings before tax (EBT)	65	87	252	414
Earnings after tax (EAT)	38	40	97	119

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
16

Countries
1

HIGHLIGHTS OF Q4 2024

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

Power generation in the fourth quarter amounted to 148.5 GWh (126.4 GWh). Precipitation and inflow year-to-date were respectively around 115% to 122% of the norm for the watercourse, and the total reservoir level was in line with the historical norm per the end of the quarter.

Q4 was characterized by high reservoir levels and high-water flow in the beginning of the quarter. This, along with high 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. Power prices increased towards the end of the quarter due to lower temperatures. The average price in the NO2 price area during the fourth quarter was 53.5 EUR/ MWh (70 EUR/MWh).

The construction of Kilandsfoss hydropower plant is proceeding according to plan. 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.

OUTLOOK

AFK Vannkraft expects revenue and operating profit to be lower in 2025 compared to 2024, due to a normalization in production level compared to 2024. The market's estimated power price trends for 2025 are expected to be similar to those in 2024. However, actual energy prices depend on many factors, including hydrological balance, oil and gas prices, weather conditions, temperatures, and more. Production is expected to return to normalized levels.

AFK Vannkraft has started the rehabilitation of the exterior of the Bøylefoss hydropower plant building, and the work is expected to be complete in 2026. Further investments in the coming years include the upgrading of the dam facilities and reinvestment in Bøylefoss power plant.

POWER PRICE & POWER GENERATION



Tekna

Portfolio company



FINANCIAL FIGURES (MNOK)

	Q4 2024	Q4 2023	FY 2024	FY 2023
Operating revenue	76	90	292	320
EBITDA	13	-36	-31	-64
Adjusted EBITDA*	-11	-4	-55	-32
Operating profit (EBIT)	4	-45	-63	-97
Operating margin	5%	-49%	-22%	-30%
Earnings before tax (EBT)	1	-38	-79	-107
Operating cash flow	38	2	-1	-88
NIBD	175	125	175	125
Equity	209	294	209	294
Equity ratio	36%	50%	36%	50%

Currency rates (NOK/CAD)

Average Q4 2024: 7.84. Average Q4 2023: 7.83. End Q4 2024: 7.89 End Q4 2023: 7.68.

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

TEKNA

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
69.5%

Employees
185

Countries
5

HIGHLIGHTS OF Q4 2024

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

Revenue for Q4 totaled CAD 9.6 million (11.4 million). The decline was due to low order intake for the Systems business during the year. Advanced Materials sales grew by 14% year-on-year.

Advanced Materials revenue for the quarter was CAD 7.5 million (6.6 million). Growth was supported by demand for both small and large particle-sized material, valorising a greater portion of the production yield.

Systems revenue declined to CAD 2.2 million (4.8 million) as a consequence of the lower order intake and backlog. Order intake for the year was CAD 5.7 million, compared to CAD 13.1 million in FY23. The sales cycle in Systems is typically long and the order intake is lumpy.

The decline in Systems revenue was partially compensated by cost reductions and operational improvements, including a reduction in headcount to 185 employees (222), resulting in lower overhead expenses. The adjusted EBITDA for the quarter was negative CAD 1.4 million (-0.5 million).

The dissolution of joint venture in France is in process and most of the financial accounts were closed in 2024, with a positive deviation of CAD 0.6 million that has been excluded from adjusted EBITDA. The dissolution of the joint venture aligns with Tekna's strategy to streamline operations and focus on high-potential market segments. The EBITDA in the quarter was also impacted by a positive one-time effect of a patent litigation compensation of CAD 2.9 million, which was excluded from adjusted EBITDA.

Order intake in the quarter was CAD 9.6 million (11.2 million), of which Systems accounted for CAD 1.9 million (3.9 million) and Advanced materials CAD 7.7 million (7.4 million). The backlog at the end of the quarter stood at CAD 16.7 million (24.0 million), down 31% year-on-year, with Systems accounting for CAD 4.8 million and Advanced Materials at CAD 11.9 million.

OUTLOOK

Profitability and capital discipline remain top priority going forward. At the beginning of 2025, Tekna implemented a new organizational structure to further reduce operating costs, simplify the organization, increase transparency and enhance accountability. These measures are expected to positively impact Tekna's profitability in 2025.

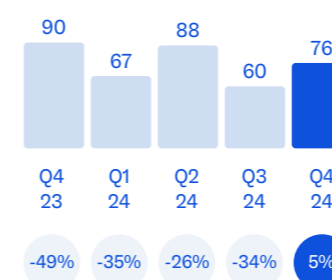
Looking ahead, Tekna remains focused on its core business Advanced Materials, which continues to demonstrate resilience and growth. Tekna's position in additive manufacturing remains strong, with projected double digit market growth. The Systems backlog and order intake have been challenging, but a gradual recovery in demand is expected, supported by a maturing pipeline for new orders, including PlasmaSonic opportunities at an average sales price greater than CAD 10 million per unit.

In Microelectronics (MLCC), Tekna continues to develop its nanomaterials while maintaining close relations with potential customers. Recent validation tests on delivered samples have yielded promising results. Tekna delivered an adjusted version of the product in the fourth quarter, with feedback expected in the first quarter of 2025.

The recent threat of tariffs by the US administration on imports from Canada creates uncertainty. The USA is the largest market for additive manufacturing, and the tariffs would raise the cost of powders supplied by all Canadian suppliers, for US customers. Tekna is closely monitoring these developments and adjusting its mitigation plan accordingly.

DEVELOPMENT LAST 5 QUARTERS

Revenue (MNOK)
and operating margin



Alytic

Portfolio company



FINANCIAL FIGURES (MNOK)

	Q4 2024	Q4 2023	FY 2024	FY 2023
Revenue and other income	18	12	66	46
Operating profit (EBIT)	-30	-24	-88	-85
Operating margin	-87%	-198%	-112%	-184%
Earnings before tax (EBT)	-16	-24	-75	-85
Operating cash flow	6	-12	-43	-55
NIBD	14	4	14	4
Equity	160	140	160	140
Equity ratio	60%	62%	60%	62%



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
96%

Employees
119

Countries
3

HIGHLIGHTS OF Q4 2024

The Alytic portfolio continues to deliver on important strategic milestones as the 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 revenues (ARR). In the fourth quarter, ARR grew to NOK 55 million, corresponding to a growth of 32% over the last 12 months, up from NOK 42 million end of Q4 2023.

KONTALI

ARR was NOK 19 million (16 million), corresponding to a growth of 18% over the last 12 months. The fourth quarter saw strong demand for Kontali's consulting services, as well as increased deal sizes. In total, Kontali's revenue increased from NOK 25 million in 2023 to NOK 32 million in 2024. The company has further enhanced its online insight platform, Kontali Edge, with the launch of a new 12-18-month price forecast, a new long-term production forecast and new industry benchmarks. With a solid reputation in the salmon sector and the scalable seafood insights portal launched last year, Kontali is well-positioned for continued growth. The company expects continued growth for its salmon product, alongside the newly launched shrimp and pelagic products.

VEYT

ARR was NOK 20 million (13 million), corresponding to a growth of 50% over the last 12 months. Q4 was a strong quarter for Veyt marked by securing several new deals and solidifying its position as a thought leader on the EU ETS markets. Q4 represented the strongest quarter of 2024 for Veyt, with total net new ARR of NOK 2.3 million. During the fourth quarter, Veyt launched several new key features, including a range of short-term products strengthening Veyt's value proposition towards the trader segment. With a robust pipeline and committed deals, the outlook for 2025 is positive.

FACTLINES

ARR was NOK 12 million (8 million), corresponding to a growth of 50% over the last 12 months. During the fourth quarter, Factlines strengthened its sustainable supply chain solution, adding external ESG risk data and a multi-tier supplier survey tool to enable customers to perform better risk management. The company also reduced the cost base during Q4, resulting in an improved outlook for 2025.

UTEL

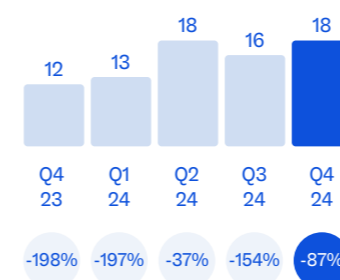
Utel's deep expertise in capturing and analysing telecommunication network data is being applied to develop a general solution for anomaly detection, with a particular focus on fraud detection. In Q4, Utel secured its first deal on their new anomaly detection and analysis software, a deal with an ARR of NOK 1 million. The product is currently deployed and under testing with several potential new customers.

OUTLOOK

All portfolio companies are on a growth trajectory as a result of previous years investments in competence and technology. Alytic expects continuous product launches and upgrades throughout 2025. With a strategic focus on sales and marketing teams, Alytic anticipates ARR growth in the coming quarters. Alytic is actively seeking growth and partnership opportunities for its portfolio companies.

DEVELOPMENT LAST 5 QUARTERS

Revenue (MNOK) and operating margin



AFK Property

Portfolio company



FINANCIAL FIGURES (MNOK)

	Q4 2024	Q4 2023	FY 2024	FY 2023
Revenue and other income	24	5	295	18
Operating profit (EBIT)	2	-2	13	-10
Operating margin	10%	-31%	4%	-55%
Earnings before tax (EBT)	19	-3	21	-14
Operating cash flow	9	-164	181	-163
NIBD	211	168	211	168
Equity	193	185	193	185
Equity ratio	40%	30%	40%	30%

AFK Property

AFKs 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 project 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 fourth quarter, two apartments remain unsold, whereas another two have yet to be handed over. The planning process for the fourth stage has begun.

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. Preparation for starting the detailed zoning plans for the area is ongoing.

ARENDAK 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 leased to Arendals Fossekompani's portfolio company, ENRX, on a 15-year bare-house agreement. As the city of Skien expands, this 12,000 sqm riverfront property will be attractive both for commercial and residential development.

LONGUM PROPERTY

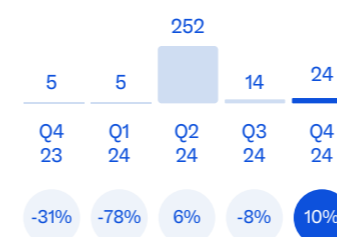
This 170,000 sqm property is located outside of Arendal, close to the E18 highway and the main production site of the Morrow Batteries factory. In Q2 2024, it was announced that AFK Property will build and lease new production facilities for Kitron. The new industrial building will be approximately 7,500 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 Fossekompni 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 the underlying value of our portfolio by making all price-relevant information available to the market.

SHARES AND SHAREHOLDERS

There was a total of 54,936,418 outstanding shares in the company at the end of the quarter. At the end of the fourth quarter, a total of 1,058,832 were treasury shares. The share price was NOK 142.4 on 31 December 2023, compared to NOK 164.8 on 31 December 2024.

RISK AND UNCERTAINTIES

Arendals Fossekompni 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 Fossekompni 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

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

Note that there is uncertainty associated with geopolitical turmoil, supply chain constraints, inflation, interest rates, as well as the development of energy prices. Recent threats of tariffs and trade restrictions, in particular, have introduced high levels of unpredictability.

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

VOLUE

Volue expects revenue and operating profit to be higher in 2025 compared to 2024.

ENRX

ENRX expects revenue in 2025 to be in line with 2024 and operating profit to be higher than in 2024.

NSSLGLOBAL

NSSLGlobal expects 2025 revenue and operating profit to be lower than in 2024.

TEKNA

Tekna expects revenue to be higher in 2025 than in 2024, and operating profit to improve in 2025 compared to 2024.

AFK VANNKRAFT

AFK Vannkraft expects revenue and operating profit to be lower in 2025 compared to 2024.

ALYTIC

Alytic expects revenue to be higher in 2025 compared to 2024. Operating profit is expected to remain negative in 2025, as companies in the Alytic portfolio are still in a growth phase.

AFK PROPERTY

AFK Property expects revenue and operating profit to be significantly lower in 2025 compared to 2024, as a large part of the third stage of the apartment development project in Bryggebyen was delivered and recognized in 2024.

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

Froland, 13 February 2025

The Board of Directors, Arendals Fossekompni ASA

Financial Statements



CONSOLIDATED STATEMENT OF INCOME ^(MNOK)

	Note	Q4 2024	Q3 2024	Q4 2023	Full year 2024	Full year 2023
Revenue	6	1137	911	1024	4 317	3 884
Other Income		36	-2	7	43	13
Revenue and other income		1172	909	1031	4 360	3 897
Materials and consumables used	5	456	355	401	1865	1487
Employee benefit expenses		340	318	340	1295	1227
Other operating expenses		156	128	178	598	572
Operating expenses	2	953	802	920	3 758	3 286
EBITDA		219	107	111	603	611
Depreciation	2	43	43	35	154	129
Amortisation		11	10	8	40	38
Impairment loss property, plant and equipment	3,5	1	3	-	4	-
Impairment loss intangible assets	3,5	14	-	-	14	-
Operating profit		151	51	67	390	444
Finance income		62	23	30	135	151
Finance costs		97	43	57	250	124
Net financial items		-35	-21	-27	-115	26
Share of profit or loss of associates and joint ventures		-41	-	6	-41	-14
Profit before income tax		75	30	46	234	456
Income tax expense	5	65	55	68	269	394
Profit (-loss) from continuing operations		10	-25	-22	-35	61
Profit (-loss) from discontinued operations	7	3 042	24	-58	2 286	-84
Profit (-loss)		3 052	-1	-80	2 252	-22
Attributable to:						
Non-controlling interests		-	-2	-38	-363	-62
Equity holders of the company		3 052	1	-42	2 615	40
Basic/diluted earnings per share (NOK)		55,55	-0,02	-1,46	40,99	-0,41
Basic/diluted earnings per share (NOK) cont. operations		0,18	-0,45	-0,40	-0,63	1,12

STATEMENT OF COMPREHENSIVE INCOME ^(MNOK)

Items that may be reclassified to statement of income						
Total Effect from Foreign Exchange		55	15	-24	130	78
Change on Cash flow hedges		-1	-	16	1	6
Tax on cash flow hedges that may be reclassified to P&L		-	-	-3	-	-1
Items that may be reclassified to statement of income		54	15	-12	130	82
Items that will not be reclassified to statement of income						
Change in financial assets at fair value through OCI		7	3	-2	19	2
Actuarial gains and Losses		7	-	-1	7	-1
Tax on OCI that will not be reclassified to P&L		-2	-	-	-2	-
Items that will not be reclassified to statement of income		12	3	-4	23	1
Total Other Comprehensive Income (OCI)		66	18	-16	154	83
Profit (-loss)		3 052	-2	-80	2 251	-22
Total Comprehensive Income		3 118	16	-93	2 405	60
Attributable to:						
Non-controlling Interests		13	4	-41	-330	-39
Equity holders of the parent		3 105	13	-56	2 735	99

CONSOLIDATED STATEMENT OF FINANCIAL POSITION ^(MNOK)

	Note	Q4 2024	Q3 2024	Full year 2023
Assets				
Property, plant and equipment		1 229	1 180	1 429
Intangible assets	5	1 006	985	2 377
Investments in associates and joint ventures		2 547	17	20
Investment in subsidiaries		-	-	-
Intercompany loans - non current		-	-	-
Net pension assets		36	28	28
Non-current receivables and investments		180	195	266
Deferred tax assets		107	112	128
Non-current assets		5 105	2 517	4 247
Inventories		839	906	1 280
Contract assets		219	232	182
Current receivables		873	734	1 421
Cash and cash equivalents		1 772	940	1 909
Derivatives - current assets:		5	3	5
Financial assets at fair value through OCI		34	27	16
Assets classified as held for sale	5	-	2 108	-
Current assets		3 742	4 951	4 813
Total assets		8 847	7 469	9 060
Equity and liabilities				
Share capital		224	224	224
Other paid-in capital		28	28	26
Treasury shares		-106	-105	-113
Other reserves		111	113	66
Retained earnings		5 226	2 212	2 809
Capital and reserves attributable to owners of the company		5 484	2 472	3 011
Non-controlling Interests		-64	306	627
Total equity		5 420	2 778	3 638
Non-current bond loans		499	498	498
Non-current interest-bearing debt		780	1 098	1 745
Pension liabilities		43	44	37
Non-current provisions		12	12	31
Deferred tax liabilities		49	42	133
Non-current lease liabilities		227	194	227
Non-current liabilities		1 609	1 888	2 671
Current interest-bearing debt		73	75	235
Bank overdraft		165	189	169
Derivatives - current liabilities		3	2	4
Accounts payable		327	291	513
Payable income tax		203	168	370
Contract liabilities		152	180	240
Current lease liabilities		64	44	66
Current provisions		53	32	57
Other current liabilities		777	673	1 099
Liabilities classified as held for sale	5	-	1 148	-
Current liabilities		1 818	2 802	2 751
Total liabilities and equity		8 847	7 468	9 060

CONSOLIDATED STATEMENT OF CASH FLOWS ^(MNOK)

		Full year 2024	Full year 2023
Cash flow from operating activities			
Profit (-loss)		2 252	-22
Adjusted for			
Depreciation, Impairment and Amortization		937	320
Net financial items		-2 877	10
Share of profit from associates and joint ventures		58	31
Tax expense		275	421
Total after adjustments to net income		649	761
Change in Inventories		294	-404
Change in trade and other receivables		135	4
Change in trade and other payables		-52	-522
Change in other current assets		-13	-62
Change in other current liabilities		105	309
Change in other provisions		-4	-1
Change in employee benefits		-3	7
Total after adjustments to net assets		1 110	92
Tax paid		-378	-490
Net cash from operating activities	A	732	-398
Cash flow from investing activities			
Interest received and realized FX gains		100	95
Dividends received		-	3
Proceeds from sales of PPE		13	1
Purchase of PPE and intangible assets		-483	-645
Purchase of other investments		-3	-16
Proceed from sale of other investments		13	21
Purchase of shares in subsidiaries/associates		-2 585	-507
Proceeds from the sales of shares in subsidiaries		3 285	12
Net cash from investing activities	B	340	-1 038
Cash flow from financing activities			
Equity payments from/to non controlling interests		-	-
New long-term borrowings		249	1 322
Repayment of long-term borrowings		-1 066	-162
Cash Flow from issuance of receivables		-9	-26
Cash Flow from Net change in current interest bearing debt		2	278
Interest paid and realized FX losses		-223	-137
Dividend paid		-250	-251
Net cash from financing activities	C	-1 287	1 054
Cash Flow	A+B+C	-214	-382
Opening balance for cash and cash equivalents		1 929	2 212
FX effects on cash accounts		59	79
Closing balance for cash and cash equivalents		1 772	1 929

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	-1	2 998	3 133	651	3 784
Profit (-loss)	-	-	-	-	40	40	-63	-22
Total Other Comprehensive Income (OCI)	-	-	-	63	-4	59	24	83
Treasury shares	-	4	-3	-1	3	3	2	5
Other changes from subsidiaries	-	-	-	-18	13	-4	37	32
Dividends paid	-	-	-	-	-224	-224	-26	-250
Closing balance at 31.12	224	26	-113	41	2 834	3 011	627	3 639
Opening balance at 01.01 2024	224	26	-113	66	2 809	3 011	627	3 638
Profit (-loss)	-	-	-	-	2 605	2 605	-354	2 251
Total Other Comprehensive Income (OCI)	-	-	-	124	5	130	24	154
Treasury shares	-	3	7	-	1	11	-	11
Other changes from subsidiaries	-	-	-	-79	29	-50	-334	-384
Dividends paid	-	-	-	-	-223	-223	-28	-251
Closing balance at 31.12	224	28	-106	111	5 226	5 484	-64	5 420

STATEMENT OF INCOME PARENT COMPANY ^(MNOK)

	Note	Q4 2024	Q3 2024	Q4 2023	Full year 2024	Full year 2023
Revenue		99	72	114	361	504
Other Income		4	3	5	16	16
Revenue and other income		103	75	119	377	519
Materials and consumables used		-1	-1	3	-2	2
Employee benefit expenses		24	23	25	83	76
Other operating expenses		32	19	25	107	92
Operating expense		55	41	53	188	170
EBITDA		47	34	66	188	350
Depreciation		3	3	4	13	13
Amortisation		-	-	-	1	2
Operating profit		44	31	62	174	335
Finance income and finance costs						
Finance income	7	3 287	17	37	3 502	268
Finance costs	7	35	53	49	1 114	92
Net financial items		3 252	-36	-11	2 388	175
Profit before tax		3 296	-6	51	2 562	510
Income tax expense		19	25	41	139	299
Profit (-loss)		3 277	-31	10	2 423	211
Basic/diluted earnings per share (NOK)		59,65	-0,56	0,18	44,11	3,84
STATEMENT OF COMPREHENSIVE INCOME ^(MNOK)						
Profit for the period		3 277	-31	10	2 423	211
Change in financial assets at fair value through OCI		7	3	-2	19	2
Actuarial gains and Losses		8	-	-1	8	-1
Items that will not be reclassified to statement of income		13	3	-3	25	2
Total Other Comprehensive Income (OCI)		13	3	-3	25	2
Total Comprehensive Income		3 290	-28	7	2 448	213
Attributable to:						
Equity holders of the parent		3 290	-28	7	2 448	248

STATEMENT OF FINANCIAL POSITION PARENT COMPANY (MNOK)

Note	Q4 2024	Q3 2024	Full year 2023
Assets			
Property, plant and equipment	223	220	227
Intangible assets	5	6	7
Investment in associates	2 571	-	-
Investment in subsidiaries	1 560	1 866	1 811
Intercompany loans - non current	707	694	1 384
Net pension assets	22	13	13
Non-current receivables and investments	137	132	134
Deferred tax assets	44	46	46
Non-current assets	5 267	2 978	3 624
Current receivables	175	167	243
Cash and cash equivalents	914	198	1 064
Financial assets at fair value through OCI	34	27	16
Current assets	1 123	392	1 323
Total assets	6 390	3 370	4 947
Equity and liabilities			
Share capital	224	224	224
Other paid-in capital	28	28	26
Treasury shares	-106	-105	-113
Other reserves	18	11	-1
Retained earnings	5 103	1 873	2 890
Capital and reserves attributable to owners of the company	5 267	2 031	3 026
Total equity	5 267	2 031	3 026
Bond	499	498	498
Non-current interest-bearing debt	310	616	964
Pension liabilities	6	6	7
Provisions	-	-	-
Non-current lease liabilities	58	58	58
Non-current liabilities	873	1 179	1 527
Accounts payable	18	6	12
Payable income tax	138	103	272
Current interest-bearing debt, intercompany	-	-	36
Current lease liabilities	2	2	2
Other current liabilities	93	48	71
Current liabilities	251	160	394
Total liabilities and equity	6 390	3 370	4 947

STATEMENT OF CASH FLOWS PARENT COMPANY (MNOK)

	Full year 2024	Full year 2023
Cash flow from operating activities		
Profit (-loss)	2 423	211
Adjusted for		
Depreciation, Impairment and Amortization	15	15
Net financial items	-2 388	-175
Tax expense	139	299
Total after adjustments to net income	188	349
Change in trade and other receivables	-18	-3
Change in trade and other payables	6	-1
Cash flow from Internal Accounts Payable and Receivable	14	11
Change in other current liabilities	-7	-21
Total after adjustments to net assets	182	334
Tax paid	-256	-400
Net cash from operating activities	A -73	-67
Cash flow from investing activities		
Interest received and realized FX gains	115	115
Dividends received	108	100
Purchase of PPE and intangible assets	-7	-11
Purchase of financial assets at fair value	-	-2
Purchase of other investments	-	-
Proceed from sale of other investments	-4	21
Purchase of shares in subsidiaries/associates	-2 661	-78
Proceeds from the sales of shares in subsidiaries	3 579	12
Net cash from investing activities	B 1131	157
Cash flow from financing activities		
New long-term borrowings	188	825
Repayment of long-term borrowings	-876	-2
Cash Flow from Internal Loans and Borrowings	-201	-762
Interest paid and realized FX losses	-84	-44
Group Contribution Received	-16	34
Dividend paid	-220	-217
Cash flow from treasury shares	10	1
Net cash from financing activities	C -1 208	-186
Cash Flow	A+B+C -150	-96
Opening balance for cash and cash equivalents	1 064	1 160
Closing balance for cash and cash equivalents	914	1 064

STATEMENT OF CHANGES IN EQUITY PARENT COMPANY ^(MNOK)

	Share capital	Other paid-in capital	Treasury shares	Other reserves	Retained earnings	Capital and reserves attributable 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) for the period	-	-	-	-	211	211	211
Total Other Comprehensive Income (OCI)	-	-	-	2	-1	2	2
Effect of share based payment	-	-	-	-	2	2	2
Dividends paid	-	-	-	-	-217	-217	-217
Closing balance at 31.12	224	26	-113	-1	2 890	3 026	3 026
Opening balance at 01.01 2024	224	26	-113	-1	2 890	3 026	3 026
Profit (-loss)	-	-	-	-	2 423	2 423	2 423
Total Other Comprehensive Income (OCI)	-	-	-	19	6	25	25
Effect of share based payment	-	-	-	-	3	3	3
Treasury shares	-	3	7	-	-	10	10
Dividends paid	-	-	-	-	-220	-220	-220
Closing balance at 31.12	224	28	-106	18	5 103	5 267	5 267

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 or loss after tax from discontinued operations in the statement of profit or loss. 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.

Per 31.12	Group Management		AFK Vannkraft		NSSLGlobal		ENRX	
	2024	2023	2024	2023	2024	2023	2024	2023
Sales at a point in time	-	-	361	504	1397	1204	898	914
Sales over time	-	-	-	-	-	-	1016	886
Other Income	17	13	2	7	1	3	9	4
Revenue and other income	17	13	363	511	1398	1206	1923	1804
Operating expenses	92	87	102	85	1107	975	1701	1606
Depreciation, amortization and impairment	6	3	9	12	31	20	88	83
Operating profit	-80	-78	252	414	260	211	134	116
Income from associates	-	-	-	-	1	1	-	-
Net financial items	2 388	175	-	-	10	-3	-81	-44
Income tax expense	156	5	-17	294	72	45	44	43
Profit (-loss)	2 152	92	270	119	199	164	9	28
Total assets	6 155	4 723	239	227	1299	1067	2 372	2 015
Total liabilities	949	1 639	180	285	573	459	1 863	1 598
NIBD*	-45	495	-	-	-482	-346	1 054	777

Per 31.12	Tekna		Alytic		Property		Other	
	2024	2023	2024	2023	2024	2023	2024	2023
Sales at a point in time	217	212	65	46	288	11	1	1
Sales over time	73	107	-	-	-	-	-	-
Other Income	32	9	1	-	7	6	11	-
Revenue and other income	322	328	66	46	295	18	12	-
Operating expenses	354	392	116	118	266	15	41	25
Depreciation, amortization and impairment	32	33	38	13	17	12	5	1
Operating profit	-63	-97	-88	-85	13	-10	-34	-25
Income from associates	-	-5	-	-	-	-	-	-1
Net financial items	-16	-5	-2	-1	8	-4	-51	5
Income tax expense	7	11	-2	-5	9	-	-	-
Profit (-loss)	-85	-118	-87	-80	12	-14	-85	-22
Total assets	579	585	254	225	483	622	65	982
Total liabilities	369	291	108	85	290	437	58	1 068
NIBD*	175	125	14	4	211	168	-2	-

Per 31.12	Total Segment		Eliminations		Total	
	2024	2023	2024	2023	2024	2023
Sales at a point in time	3 228	2 891	-	-	3 228	2 891
Sales over time	1 089	993	-	-	1 089	993
Other Income	79	42	-36	-28	43	13
Revenue and other income	4 397	3 926	-36	-28	4 360	3 897
Operating expenses	3 778	3 304	-20	-17	3 758	3 286
Depreciation, amortization and impairment	225	176	-12	-9	213	167
Operating profit	394	446	-4	-2	390	444
Income from associates	1	-5	2	-10	-41	-14
Net financial items	2 258	123	-2 372	-97	-115	26
Income tax expense	268	394	-	-	269	394
Profit (-loss)	2 384	170	-2 375	-108	-35	61
Total assets	11 446	10 446	-5 275	-1 386	8 847	9 060
Total liabilities	4 390	5 861	-963	-440	3 427	5 421
NIBD*	925	1 222	-1 818	-90	-942	1 015

* Intercompany loans are excluded from the Net Interest Bearing Debt (NIBD) definition. See Note 11 for further information.

NOTE 7 FINANCE INCOME, PARENT COMPANY ^(MNOK)

	YTD 2024	YTD 2023
Interest income, I/C	73	66
Interest income	42	47
Currency exchange income	13	51
Gain on partial sale of subsidiaries	1	4
Gain on sale of subsidiaries	3265	-
Dividend income	-	3
Dividend income I/C an group contribution	108	97
Total	3502	268

FINANCE COST, PARENT COMPANY ^(MNOK)

	YTD 2024	YTD 2023
Interest expense	74	50
Impairment I/C loans*	966	-
Impairment financial assets	11	8
Loss on sale of subsidiaries	25	-
Other finance cost	38	34
Total	1114	92

* We refer to Note 9.

NOTE 8 SALE OF SUBSIDIARY – VERGIA

Sale of Vergia in 2024

In July 2024 Arendals Fossekompni 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. The gain on disposal of Vergia of MNOK 17 is included in "Profit/loss from discontinued operations". Vergia's key figures relating to the income statement for 2024 (until transaction date), and comparative figures for 2023 are presented below.

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

NOTE 9 INSOLVENCY OF SUBSIDIARY – COMMEO GERMANY

In July 2024 the Commeo companies in Germany have filed for insolvency. All companies are subsidiaries of Arendal Fossekompni. Consequently, these company's financial results 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 companies are now included in reporting segment Other. The impairment losses related to the insolvency of Commeo are included in "Profit/loss from discontinued operations". 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 (until filing date for insolvency), and comparative figures for 2023 are presented below.

	Full year 2024	Full year 2023
Operating revenues and operating costs ^(MNOK)		
Operating revenue	3	20
Operating expense	18	24
Depreciation	1	1
Operating profit	-21	-5
Net financial items	40	-2
Profit before income tax	19	-7
Income tax expense		-
Profit (-loss) from discontinued operations	19	-7
Impairment losses related to insolvency of Ampwell	-823	
Net discontinued operations income (after tax)	-804	-7
Basic/diluted earnings per share (NOK)	-14,66	-0,12
Net cash from operating activities	-7,7	-23
Net cash from investing activities	-0,7	8
Net cash from financing activities	6,0	17
Cash Flow	-2	2

NOTE 10 SALE OF SUBSIDIARY - VOLUE

Sale of Volue in 2024

In October 2024 Arendals Fossekompni sold its 60% shareholding in Volue ASA. The gain on disposal of Volue is included in "Profit/loss from discontinued operations" in Q4-2024. Volue's key figures relating to the income statement for 2024 (until transaction date) and comparative figures for 2023 are presented below.

	Full year 2024	Full year 2023
Operating revenues and operating costs ^(MNOK)		
Operating revenue	1335	1489
Operating expense	1107	1274
Depreciation	36	40
Amortisation	118	88
Operating profit	75	87
Net financial items	-17	-17
Profit before income tax	58	70
Income tax expense	9	27
Profit (-loss) from discontinued operations	49	43
Gain on disposal of Volue shares	3 014	
Net discontinued operations income (after tax)	3 062	43
Basic/diluted earnings per share (NOK)	55,79	0,79

NOTE 11 DEFINITION OF NET INTEREST BEARING DEBT (NIBD)

The definition of Net Interest Bearing Debt (NIBD) was changed as of Q3 2024, and now differs to the Definitions used in the Arendals Fossekompni's 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.

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