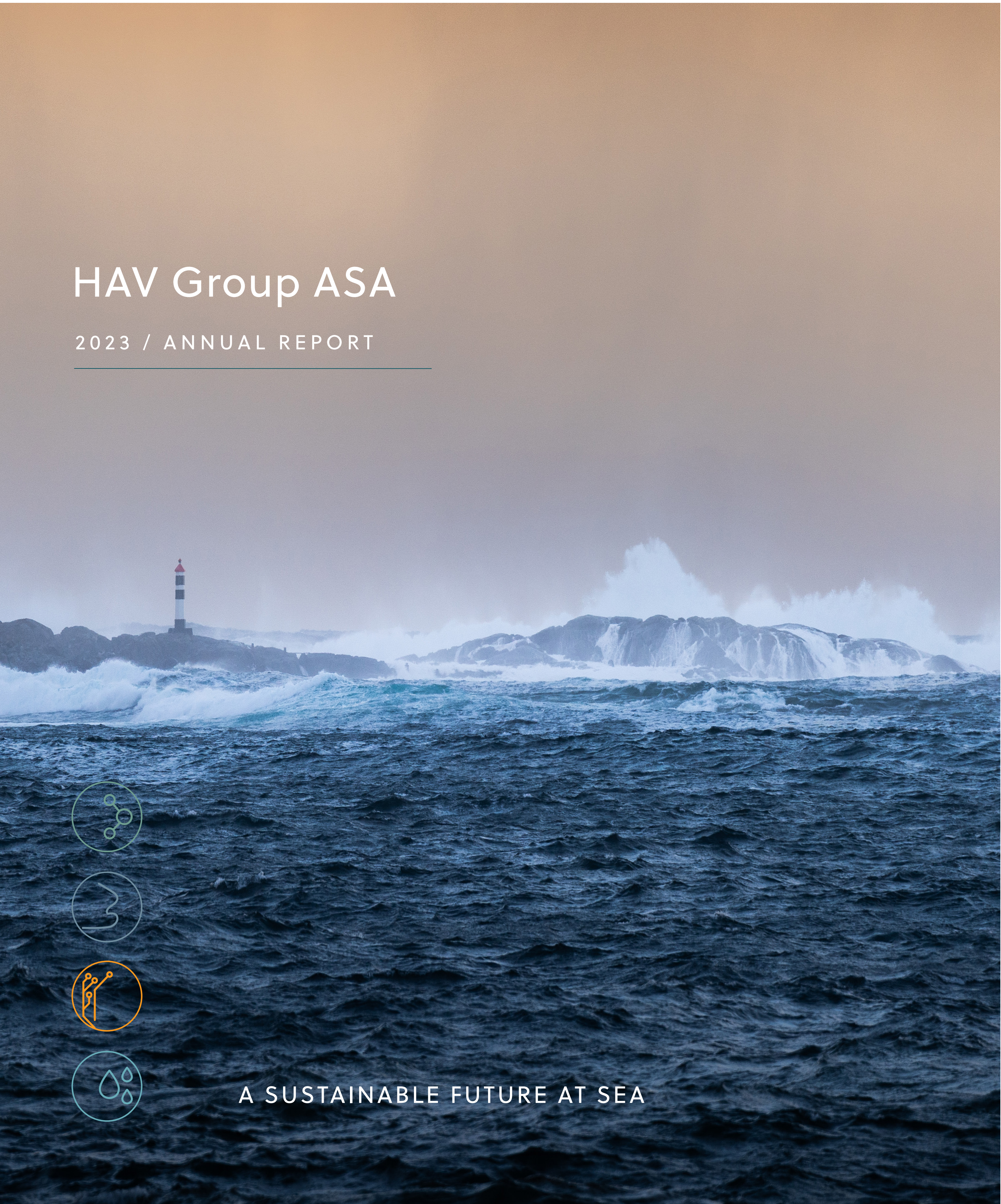
HAVgroup



HAV Group ASA

2023 / ANNUAL REPORT

A SUSTAINABLE FUTURE AT SEA

SETTING COURSE TOWARDS A SUSTAINABLE FUTURE AT SEA

Page CONTENT

HAV Group's vision is "A sustainable future at sea". This is backed up by the provision of numerous technologies, products, systems and services that support the marine and maritime industries towards the ultimate goal of zero emission operations.

Moving in the right direction

Dear co-shareholder,

While 2023 represented a year of both ups and downs for HAV Group, we remain encouraged by the supporting global maritime megatrends and many positive commercial developments that underline our ambition of being a leading enabler of green transition at sea.

Like everyone else in the maritime industry, HAV Group is affected by what is going on around us. While the winds of change in the maritime industries are increasingly providing tailwinds for HAV Group, we would have liked to see an even quicker transition tempo for the global offshore and shipping fleets.

That said, we are seeing many positive signs from both publicly and private owned businesses who are keen on utilising technologies that can bring down their energy consumption, emissions and operating costs. And that is exactly what HAV Group offers to our clients: The ability to deliver higher value and at the same time reduce their operating expenditure and their environmental footprint. These benefits go hand-in-hand, which we believe is the most valuable offering we bring to our customers and society as a whole.

From a shareholders' perspective it is important to remember that green technology is not necessarily synonymous with new technology (and inherent higher risk) or exclusive to new vessel types. Our product portfolio is already stacked with solutions that reduce energy consumption and operating costs. HAV Group will continue to be a supplier to most vessel types, and our proven vessel technologies will contribute towards reducing the environmental footprint of these vessels.

All industries often rely on both the carrot and the stick to encourage a desired behaviour. Our role at HAV Group is to provide our customers with the "carrot" – how to save money and reduce emissions. New regulatory requirements often represent the "stick".

Last year, IMO presented its revised greenhouse gas reduction strategy for shipping. The strategy's objectives include strengthening energy efficiency design requirements for ships, and a goal of reducing annual greenhouse gas emissions (GHG) from internation shipping by minimum 20%, striving for 30%, by 2030, compared to 2008, and minimum 70%, striving for 80%, by 2040, compared to 2008. The strategy also includes a point about uptake of zero or near-zero GHG emission technologies, fuels and/or energy sources to represent at least 5%, striving for 10%, of the energy used by international shipping by 2030. Further, it also includes a basket of mid-term GHG reduction measures to be finalized and agreed by 2025 – moving from "soft" to "hard" requirements for the shipping industry.

Although not set in stone yet, I have no doubt that new IMO guidelines will set a clear direction for international shipping and help fast-track the adoption of energy efficient and low- and zero emission solutions, such as the many systems and technologies that HAV Group already offer our customers.

From a financial perspective, 2023 was another transitional year – especially the second half. While we were experiencing a more positive global maritime market, certain investment decisions were also being delayed. The combination of delayed investment decisions and differences in our own project mix, resulted in weaker margins in the second half of the year. However, every challenge presents a new opportunity. Our mid- and long-term outlook remain positive. So instead of cutting costs, we utilised excess capacity in projects that were aimed at improving the group's competitive position to be able to fully capitalise on the forthcoming growth opportunities.

This proved to be a wise decision, as we won multiple new contracts toward the end of 2023 and in early 2024. At year-end 2023, our external order backlog was 25% higher than when we entered the year, reflecting both an improved marked and our competitive edge. This order backlog provides us with good visibility for 2024.

Subsequent to year-end, we have also won several new contracts. There is not enough space to mention all here, but I would like to highlight the importance of being chosen as Fjord1's technology partner for the four autonomous, zero-emission ferries that will operate the Lavik-Oppedal crossing on Norway's west coast. At the time of writing, Fjord1 has awarded our ship design business a contract to deliver ship design and an engineering package for all four ferries, while Tersan Shipyard has awarded our energy design and smart control systems business a contract to act as system integrator and provide complete system deliveries for power system, automation and bridge design including navigation and communication solutions for the four ferries.

For a group that prides itself on being an enabler of green transition at sea, this contract is obviously a perfect strategic fit for us. We are still at the early adopter stage of autonomous sailing capabilities and automation of vessel functions, so this market is expected to grow considerably in the coming years and decades. The Lavik-Oppedal contracts put us in pole position to capitalize on this market growth.

HAV Group's strategy is to create profitability by exploiting the synergies that exist within the group and develop our businesses with complementary resources, activities and solutions that give customers the greatest value. We create growth through organic development, strategic partnerships and corporate acquisitions that provide added value to customers and through cooperation within the group. In early 2023, we added Undheim Systems AS to our group, which further strengthened our offering within dynamic positioning and autonomous vessel capabilities. With the recent Lavik-Oppedal contract awards fresh in mind, this acquisition is obviously a good match for our strategy.

All in all, we retain our positive outlook, and we expect revenue to grow in 2024 (compared to 2023) and increase further in 2025. Finally, I would like to thank our customers, colleagues and shareholders for their continued support.

Gunnar Larsen
CEO
HAV Group

HAV Group; an enabler of the green transition at sea

HAV Group is an international provider of technology and services for maritime and marine industries.

Although the group was formally established as late as 2021, it currently comprises four subsidiaries – HAV Design, Norwegian Electric Systems, HAV Hydrogen and Norwegian Greentech– that have several decades of combined industry experience.

The company is headquartered in Fosnavåg, Norway, with offices in Bergen, Ålesund and Egersund (Norway), Sopot (Poland), Matulji (Croatia) and Istanbul (Turkey).

Our experience and expertise, as well as the focus on efficiency, safety, and sustainability, is the foundation for developing and delivering high-quality innovative solutions to our customers in the seafood, energy, and transport sectors.

The group and its subsidiaries possess special expertise in guiding the marine and maritime industries towards zero emissions.

HAV Group's solutions and services include:

Ship design:
Supplier of innovative ship design, pioneering the design and construction of zero and low-emission vessels.

Energy design and smart control systems:
Supplier of sustainable energy systems, electric propulsion, automation and NavCom systems for a wide range of vessels.

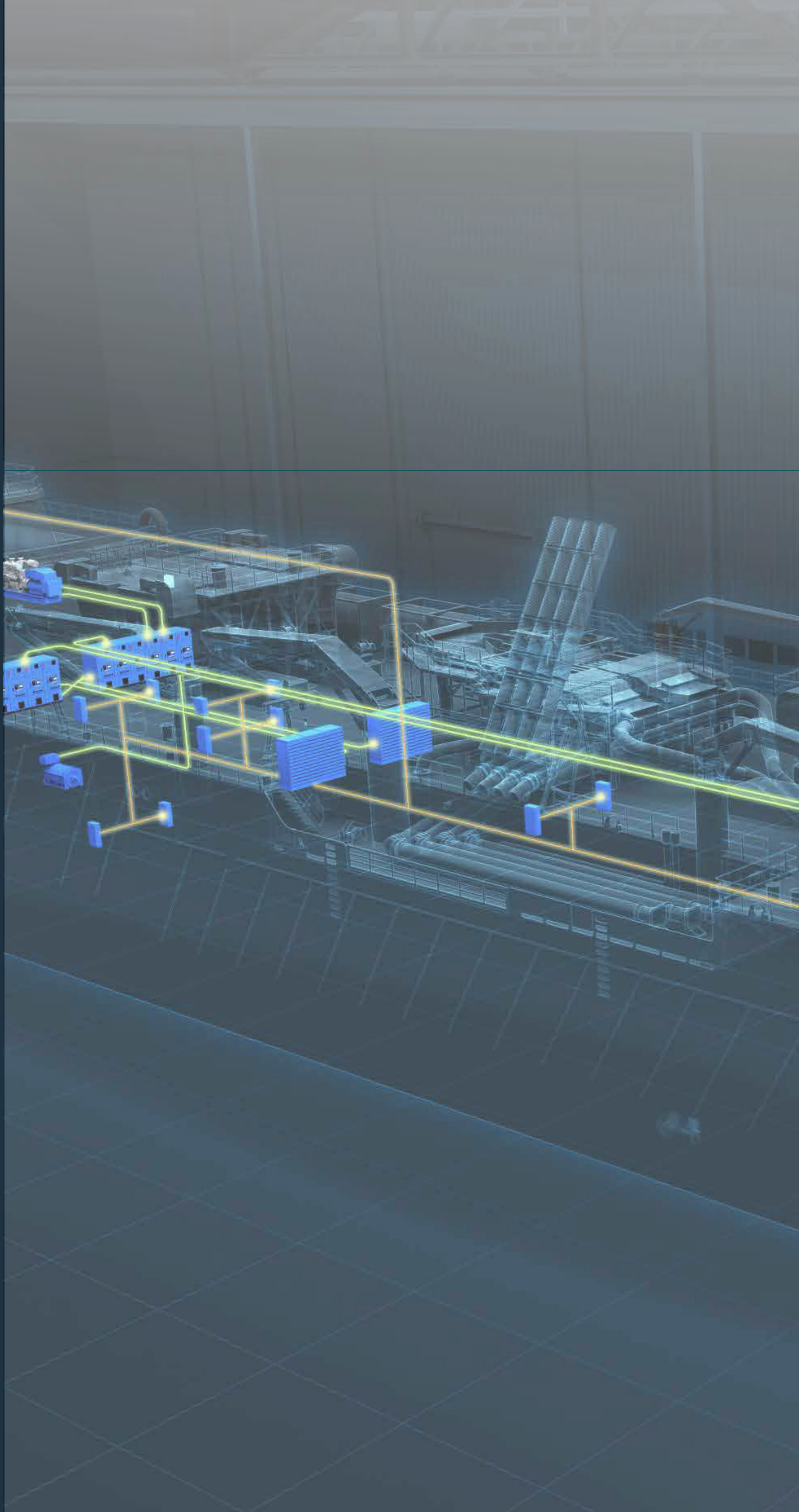
Hydrogen-based energy systems:
Supplier of zero-emission hydrogen-based energy systems for vessels.

Water treatment systems:
Supplier of ballast water treatment system and other water treatment systems for aquaculture and maritime use.

HAV Group is listed on Euronext Growth Oslo (ticker: HAV).

For more information, see www.havgroup.no


HAV 856 CSV
MACGREGOR
SHIP NAME
PORT



HAV Group ASA

HAV is the Norwegian word for ocean.

The HAV Group is an international provider of technology and services for maritime and marine industries.

The Group's vision is
"A sustainable future at sea".

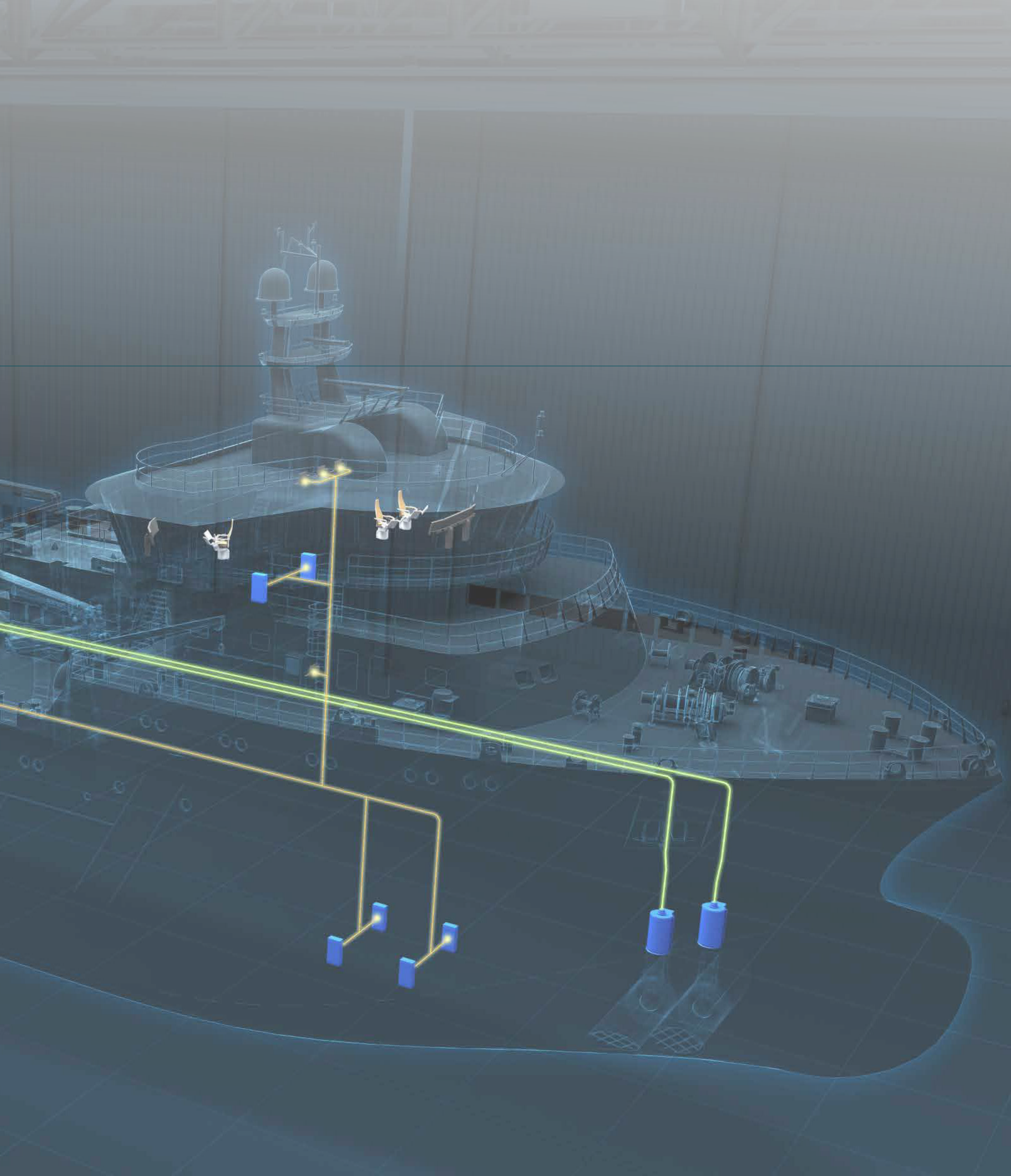
HAV Group was established in 2021 and comprises four subsidiaries with a leading position in supporting the marine and maritime industries towards the ultimate goal of zero emissions, all based on our Norwegian heritage, experience, quality focus and innovative solutions.

Our experience and expertise, as well as the focus on efficiency, safety, and sustainability, lays the foundation for developing and delivering high-quality innovative solutions to our customers in the seafood, energy, and transport sectors.

This insight provides our customers with a head start, increases their competitiveness, and enables them to realize the green shift towards a sustainable future at sea.

The Group shall create shareholder value by contributing to its subsidiaries and projects through:

Actively taking part in subsidary companies' strategic development to implement group strategy



Stimulating intercompany business development and R&D processes

Extracting synergies through economies of scale and standardization of processes and systems

Pursuing value accretive growth – organic and through M&A

Ship design

HAV Group advises customers regarding selection of vessel parameters and technologies that allow shipowners to increase their competitiveness and enable the green transition at sea.

It provides pioneering innovations in the design and construction of low and zero-emission vessels and energy-optimized ship designs.

This entails developing the most efficient vessels possible, covering every aspect of the vessel's functionality and performance, including environmental performance, through concept development, detail design, equipment selection, procurement, system engineering and integration.

Further, innovative simulation-based ship design enables analysis and documentation of real-life performance of a vessel – before it has been built.

In total, HAV Group possesses the competence and tools available to help shipowners design, develop and construct low and zero emission vessels, thereby supporting the global maritime industry in reaching its emission targets.

HAV Group's subsidiary HAV Design has a track record of more than 100 ship designs.

For more information, see www.havdesign.no

HAV design


HAVILA KYSTRUTEN

Energy design and smart control systems

HAV Group supplies low and zero emission energy, propulsion and control systems for the global marine market.

Detailed knowledge about vessel operations – from bridge to propeller – and specialist competence in integrating energy sources, including electric propulsion and charging systems, allow design of optimal power and propulsion systems that keep emissions to a minimum.

Smart control systems and software platforms for navigation, automation and control ensure even more fuel-efficient operations.

These products and systems are key enablers to achieve low and zero emissions, and can be applied to newbuilds or retrofitted on board existing vessels, making it easier for shipowners to reduce emissions from their fleets.

HAV Group's subsidiary Norwegian Electric Systems is a leading supplier of advanced diesel electric, hybrid electric, and 100 percent electric propulsion systems, for the global marine market.

See www.norwegianelectric.com for more information.

norwegian electric systems

Hydrogen-based energy systems

HAV Group is a supplier of complete and scalable zero-emission hydrogen-based energy systems for vessels. The systems are suitable for both vessel newbuilds and retrofits.

The group has developed maritime-based energy systems with liquid hydrogen tank below deck and a container-based hydrogen system to be installed on deck – the Zero Emission Pod.

Adoption of hydrogen as ship fuel is considered a vital part of the transition to more sustainable shipping. HAV Group is one of the global frontrunners in offering approved hydrogen-based energy systems for ships.

Installed effect can be used for the main propulsion systems, or for additional power supply on board the vessel to comply with green operation standards. Quayside, hydrogen systems can ensure sufficient green power supply to the vessel, which does not need to rely on onshore charging infrastructure to achieve zero emission status.

HAV Group's subsidiary HAV Hydrogen develops hydrogen-based energy systems for vessels.

See www.havhydrogen.no for more information.


HAV hydrogen
ZERO EMISSIONS POD
1MW
Hydrogen Power
G2

Water treatment systems

HAV Group is a supplier of ballast water treatment systems for ships and other water treatment systems for the aquaculture industry.

The spread of invasive species is recognized as one of the greatest threats to the ecological and the economic wellbeing of the planet.

Efficient treatment of ballast water prevents the unwanted spread of invasive species. The ballast water treatment system is available for both retrofit and vessel newbuilds.

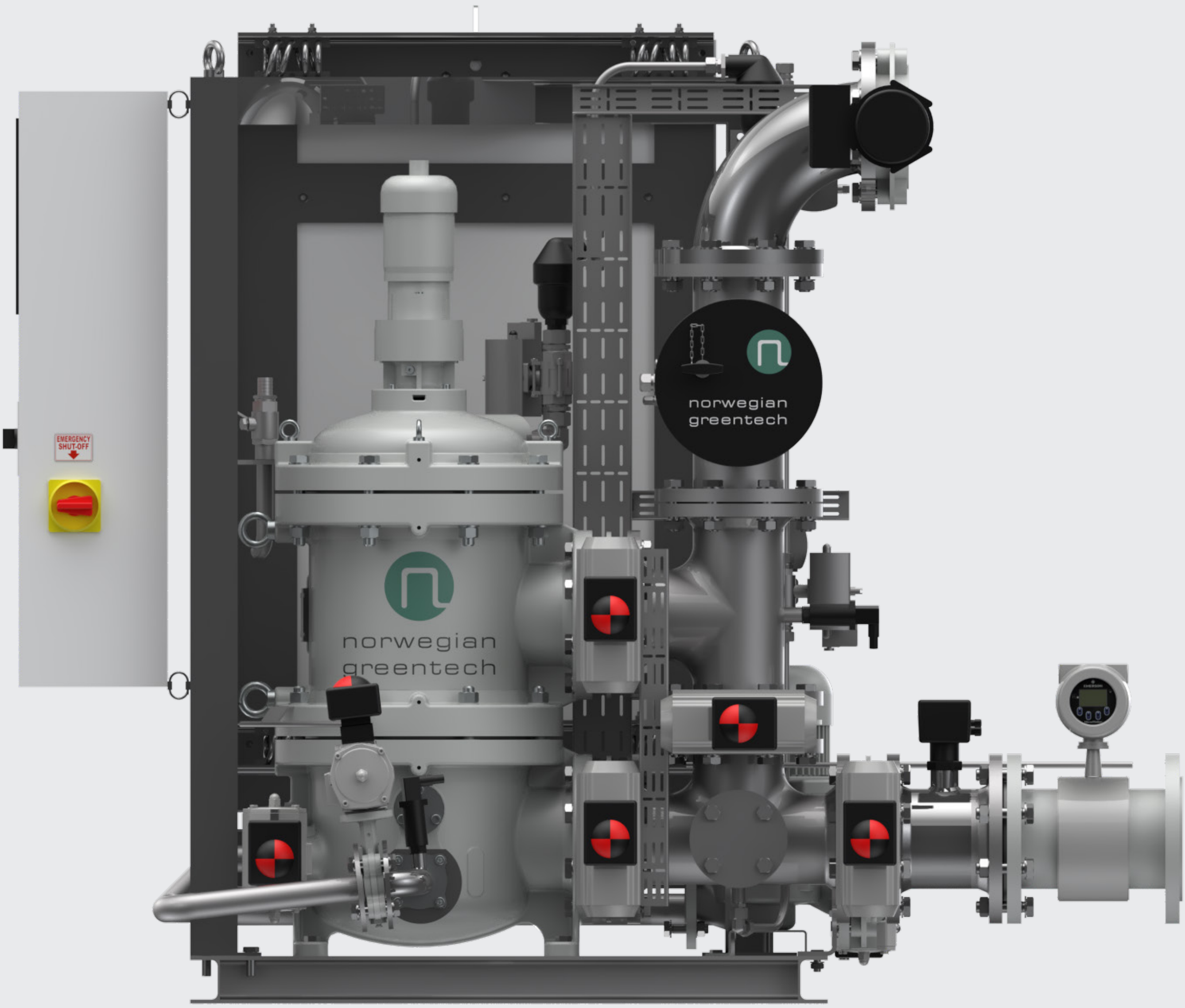
Process water treatment for aquaculture production is key to maintain fish health and avoid detrimental effect on local environment.

HAV Group provides water treatment technologies for both land-based aquaculture and live fish carriers.
Moreover, HAV Group's water treatment products are based has a chemical-free system that does not pollute the marine environment.

HAV Group's subsidiary Norwegian Greentech develops and manufactures water treatment systems.

See www.norwegiangt.no for more information.

norwegian greentech


norwegian
greentech
norwegian
greentech

Sustainability in HAV Group

At HAV Group, sustainability and corporate development and performance go hand-in-hand. Our entire business is founded on providing shipowners with technologies, products, systems and services that allow them to realise both the financial and environmental benefits associated with low and zero emission shipping.

In short, HAV Group is an enabler of the green transition at sea.

For the first time ever, HAV Group this year publishes a sustainability report, where we aim to inform stakeholders about our approach and performance on key environmental, social and governance (ESG) topics.

In connection with this work, we have identified three main sustainability topics that we believe are central to managing the most important social, societal and environmental challenges that HAV Group face:

- Environmental protection
- People
- Ethics and transparency

You can read more about HAV Group sustainability strategy, efforts and targets in the 2023 sustainability report, which can be found at www.havgroup.no


HAV group
SUSTAINABILITY
REPORT 2023
HAV Group ASA
A SUSTAINABLE FUTURE AT SEA

BOARD OF DIRECTORS REPORT

OPERATIONS AND LOCATION

HAV Group ASA ("HAV") was established in February 2021, and is an international provider of technology and services for the maritime and marine industry. The company is listed at Euronext Growth Oslo.

HAV is the parent company and single owner of the shares in various subsidiaries operating within engineering, ship design and equipment. The group has several decades of combined experience in the industry, in addition to special expertise in leading the marine and maritime industry through the green shift and towards the goal of zero emissions. The purpose of HAV is to assist its subsidiaries with strategic management, finance, logistics, marketing, legal and other support functions.

HAV and the group management are based in the main office at HAV House in Fosnavåg, Herøy.
Below follows a description of development in the various business areas. 2022 figures in ( )

SHIP DESIGN

HAV Design AS ("HDE") carries out development, sale and deliveries of ship design, project engineering and system packages to shipyards and shipping companies worldwide.
The scope of delivery can consist of packages with basic design, detailed design and engineering support, equipment packages, and system integration based on the customer's requirements and needs.

The business area is headquartered in Fosnavåg. Foreign subsidiaries have been established in Poland and Croatia.
HAV, with HDE in front, works actively with developing new designs and solutions and takes part in various projects. This segment also participates in research and development towards using hydrogen as an energy source for larger vessels. This project is going to contribute towards strengthening the group's leading position within the green shift in the maritime industry.

HAV design is delivered or has design being under development for customers within the regions of Europe, America, Asia and Africa.

In 2023, HDE has made a breakthrough in the American offshore wind market with the development of a new offshore wind service vessel (SOV), thus becoming the first European ship designer to develop an SOV for the American market. US has set a goal of installing 30 GW of offshore wind by 2030. According to the classification society American Bureau of Shipping (ABS) and other industry experts, this large-scale development will require more than 100 American vessels in the future.

Furthermore, in 2023 it was announced that Fjord1 has committed to utilise HDE as a technology partner and key supplier to the four autonomous zero-emission ferries to operate the Lavik-Oppedal crossing on the northwest coast of Norway. HDE prides itself on being an enabler of green transition at sea, but we are still at the early adopter stage of autonomous sailing capabilities and automation of vessel functions. However, this market is expected to grow considerably in the coming years and decades, and this puts HDE in pole position to capitalize on this market growth.

HDE is 100 % owned by HAV as of 31.12.23.

Segment turnover was NOK 249.3 million (155.4) and a pre-tax result of NOK 50.4 million (10.5). EBITDA amounted to NOK 50.1 million (15.7). The segment has an equity of NOK 16.3 million (17.6) which equals 8% (7%) of total assets.

HYDROGEN-BASED ENERGY SYSTEMS

HAV Hydrogen AS ("HHY") is a start-up company with the aim of being a total supplier of hydrogen-based energy systems for vessels. Through the FreeCO2ast project, HHY develops a high-capacity hydrogen energy system, to be approved for zero emission sailing with high speed over long sailing distances.

The scope of delivery can consist of complete and scalable hydrogen systems for use on both big and small vessels, newbuildings and retrofits, that are designed for operation in heavy seas. HHY is a total supplier with expertise in pre-studies, hydrogen systems, ship integration and cooperation with the policy instrument system and private investors.

In 2024, HHY has been granted up to NOK 12.4 million in funding to build, test and certify a full-scale prototype of the company's Zero Emission Pod – a containerized hydrogen (H2) energy system for ships. The Zero Emission Pod received Approval in Principle (AiP) by DNV in 2023. Building and testing of a full-scale prototype is a continuation of this work. The prototype testing will further enhance technology readiness-level and – from a shipowner's perspective – substantially de-risk the solution. The latter will make it easier for shipowners to choose to invest in one or more Zero Emission Pods.

The business area is headquartered in Fosnavåg. HHY is 100 % owned by HAV as of 31.12.23.

Segment turnover was NOK 0.5 million (2.8) and a pre-tax result of NOK -8.7 million (-5.6). EBITDA amounted to NOK -8.1 million (-5.4). The segment has an equity of NOK 15.3 million (6.7) which equals 87% (71%) of total assets.

ENERGY DESIGN & SMART CONTROL

Norwegian Electric Systems AS ("NES") manufactures and supplies electric, hybrid-electric propulsion systems, integrated automation systems, bridge systems, as well as navigation- and communication packages for vessels. This includes switch-boards, electromechanical products, automation and safety systems. NES has a unique composition of products that complement each other in a good way and the company can deliver complete equipment supplies from bridge to thruster.

In addition to the locations in Bergen and Ålesund, the business area has also established a branch in Egersund, which is primarily responsible for product development. The Egersund area has long traditions in the development of advanced technology within marine systems. An office is also established in Istanbul, Turkey, to provide services to Turkish and other shipyards in southern Europe

In 2023, HAV acquired the shares in Undheim Systems AS, which is a provider of dynamic positioning (DP) systems for vessels. The planned technology acquisition is a strategic move that accelerates the group's plans to offer digital functionality that meets the global maritime market's needs for decision support tools and autonomous ship operations. HAV's intention is to integrate Undheim Systems' specialist competence and DP technology into the business area of NES.

Furthermore, in 2023 it was announced that Fjord1 has committed to utilise NES as a technology partner and key supplier to the four autonomous zero-emission ferries to operate the Lavik-Oppedal crossing on the northwest coast of Norway. NES prides itself on being an enabler of green transition at sea, but we are still at the early adopter stage of autonomous sailing capabilities and automation of vessel functions. However, this market is expected to grow considerably in the coming years and decades, and this puts NES in pole position to capitalize on this market growth.

NES is 100% owned by HAV as per 31.12.23.

Segment turnover was NOK 220.8 million (268.6) and a negative pre-tax result of NOK 20.7 million (-10.7). EBITDA amounted to NOK -17.6 million (-11.5. The segment has an equity of NOK 24.5 million (35.8) which equals 13% (20%) of total assets.

WATER TREATMENT SYSTEMS

Norwegian Greentech AS ("NGT") is specialized in design, engineering and delivery of systems for cleansing of ballast water. The International Maritime Organization (IMO) now demands cleansing of ballast water for ships within certain categories or areas, and this also results in vessels in operation having to install such systems, as well as newbuilds.

NGT is 100% owned by HAV as per 31.12.23.

Segment turnover was NOK 156.0 million (226.7) and pre-tax profits was at NOK -4.1 million (23.3). EBITDA was at NOK 3.1 million (30.8). The segment has an equity of NOK 10.0 million (12.4), which amounts to 9 % (12%) of total assets.

GOING CONCERN

The financial statements have been prepared under the going concern assumption, cf. the Accounting Act § 3-3a. It is confirmed that the going concern assumption is present.

FUTURE DEVELOPMENT

Global megatrends with ambitious goals and increasingly stringent environmental requirements provide incentives and requirements for the maritime industry to reduce its environmental footprint considerably.

HAV is well established with references, customer base, order back log, renowned knowledge, technology and products within digitalization and sustainability for contributing to the green shift in the maritime and marine industries.

The companies within the group have had a diversification strategy over the last years, and this has resulted in a diversified customer base in several segments:

• Established with new designs in the growing ferries and windmill service vessel market.
• Established position in the aquaculture market with new technology, by delivery of design and equipment packages.
• Entering new segments, such as large passenger ferries and cargo vessels.
• Entering into new geographical markets, such as the American offshore wind market.

The group has established a strategy which is expected to provide a basis for continued growth and income development. The group will make considerable efforts in the export marketing area, with a view to increase the share of sales outside Norway.

RISK ASSESSMENT

Risk in business areas is generally handled as an integral part of the work processes. All managers are responsible for risk management and internal control within their area of responsibility.

The board receives, generally, quarterly reports where the companies' finances, information about projects, and market conditions are described.

In sales contracts, the respective group company carries the legal and commercial risk towards customers. However, in some cases, there have also been issued parent company guarantees from HAV.

Internally in the group, each business area carries the risk of its own performance. Beyond the commercial risk factors described in the paragraphs above, the group is also exposed to the following risk factors:

Financial risk:

The group's primary sources of liquidity in addition to the operational cash flows have been equity capital and debt financing raised through several minor loans related to projects. The group is exposed to various risks such as market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk, and no assurances can be given that the group's monitoring of such risks will be adequate or sufficient. The group's credit and borrowing facilities are structured in short term debt instruments. Although such debt instruments contain few or no covenants and are customarily secured in accordance with the market practice for these types of financing, there can be no assurance that the group will be able to meet such covenants relating to current or future indebtedness contained in its funding agreements or that its lenders will extend waivers or amend terms to avoid any actual or anticipated breaches of such covenants. Failure to comply with its financial and other covenants may have an adverse effect on the group's financial condition, and also potential increased financial costs, requirements for additional security or cancellation of loans.

The group is dependent upon having access to short term funding. There can be no assurance that the group may not experience net cash flow shortfalls exceeding the group's available funding sources nor can there be any assurance that the group will be able to raise new equity, or arrange new borrowing facilities, on favourable terms and in amounts necessary to conduct its ongoing and future operations, should this be required.

NOK is the functional currency of HAV and all its subsidiaries. The group is exposed to foreign currency risks related to its operations. The group's expenses are primarily in NOK and EUR. As such, the group's earnings are exposed to fluctuations in the foreign currency market for NOK in relation to EUR. To mitigate this risk, the company has implemented hedging arrangements, and uses the foreign currency spot and forward market to buy foreign currencies. Contracts are entered into when treasury finds it in line with the overall currency risk strategy.

MARKET AND BUSINESS RISK

The demand for maritime technologies depends on underlying industries that are vulnerable to external factors outside of the group's control. In particular, the demand for newbuilding of vessels and associated maritime technologies is dependent on the activity within the different industries and segments, which are in turn dependent on factors including, but not limited to, worldwide economic and political conditions, levels of supply and demand, the policies of the Organization of Petroleum Exporting Countries ("OPEC"), advances in exploration and development technology, and the availability and exploitation of alternate fuel sources. The demand for vessels within fisheries and aquaculture is dependent on regulatory frameworks and other factors. A decline in the demand for maritime technologies will have a negative impact on the demand for the group's products, technologies and services.

The group is dependent on successfully competing for, and winning, contracts offering a satisfactory profit margin in order to maintain revenues and profitability. The contracts are entered into in a competitive market where the group competes on product quality, overall service offering, financing, and price. A deterioration of the group's ability to deliver competitive products, technologies and services could have a significant adverse effect on the group's business and results of operations in the future.

The products and services offered by the group are characterized by complex projects with a high technological content and highly customized orders. When entering into contracts, the group has risks on its margin between the agreed fixed price of the finished product or service, and the costs involved in completing such product or service. In particular, when constructing new or customized products, there is an element of uncertainty involved in the cost or time involved in such construction which may have a significant adverse effect on the group's results of operations.

When supplying maritime technologies, the group provides a functionality guarantee for the product for a specified period of time after delivery. The group makes allocation for such guarantees in its accounts. There can be no assurance that the allocations made will be sufficient to meet any potential guarantee claims, and a rightful claim could have a material adverse effect on the group's financial position.

The group has procured adequate insurance coverage for its operation risks in line with market practice, including but not limited to insurance for personnel, property and liability. The group's insurance policies and contractual rights to indemnity may not adequately cover the group's losses, or may have exclusions of coverage for some losses. In line with industry practice, the group does not have insurance coverage or rights to indemnity for all kinds of risks. If a significant accident or other event occurs which is not fully covered by insurance or contractual indemnity, it could adversely affect the financial position, results of operations and cash flows of the group.

DIRECTORS' AND OFFICERS INSURANCE

HAV Group ASA has established a liability insurance for the board of directors, which includes the parent company and its subsidiaries. The insurance policy covers the board members, CEO and members of the management team, and comprises personal liability, including defence and legal costs.

SHAREHOLDER INFORMATION

HAV was listed on Euronext Growth Oslo in March 2021 and has 3 785 shareholders as of 31.12.2023. The company only has one share class, and all shares are freely tradable.

ACCOUNTING PRINCIPLES

The consolidated financial statements of HAV Group ASA and its subsidiaries (the "Group") are prepared in accordance with the Accounting Act and generally accepted accounting principles. See note 2 -Significant Accounting Policies.

FINANCIAL REVIEW

The Group's revenue was NOK 617.1 million in 2023 compared to NOK 621.8 million in 2022.

The operating profit (EBIT) for the Group was NOK -7.9 million in 2023 compared to NOK 2.0 million in 2022.

The Group's net profit in 2023 amounted to NOK -4.3 million, compared to NOK 2.8 million in 2022. The profit is lower due to general lower activity level in 2023.

Equity amounted to NOK 91.2 million at 31.12.2023, compared to NOK 112.5 million at 31.12.2022. This represents an equity ratio of 21.3% respectively in 2023 and 23.5% in 2022. The reason for the decrease is mainly due to the Group's purchasing of own shares in 2023.

Net cash flow for the group during the period is NOK -71.9 million compared to NOK -152.0 million in 2022. Cash flow from operating activities is NOK -5.4 million compared to NOK -72.1 million in 2022.

Net cash flow from investing activities is NOK -26.8 million in 2023 compared to NOK -25.1 million in 2022. The negative cash flow is mainly due to investment in research and development.

Net cash flow from financing activities is NOK -39.6 million in 2023 compared to NOK -53.2 million in 2022. Main reason is purchase of own shares and repayment of non-current debt.

The cash flow statement shows the cash flow changes throughout the year. Total assets and capital employed is variable based on the payment terms and delivery times of contracts.

As of 31st December 2023, the Group's liquid assets were NOK 152.0 million compared to NOK 223.8 million at the end of 2022.

The Group's short-term debt amounted to NOK 297.3 million at 31st December compared to NOK 311.3 million 2022, and the reduction is mainly due to lower level of Advance payment from customers.

The balance sheet shows total assets for the Group of NOK 427.5 million in 2023, compared to NOK 479.8 million in 2022. The Board believes that the annual report provides an accurate view of the Group's assets and liabilities, financial position, and results.

WORK ENVIRONMENT

The total sick leave for the Group in 2023 was 3.1%, versus 3.99% in 2022.

The Group works actively to reduce the extent of injuries, secure workplaces, and improve protective equipment. It also works actively to return employees from long-term sick leave.

No serious workplace accidents which resulted in major property damage or personal injury have occurred or been reported during the year.

The Board of directors receives quarterly statistics for the development within the areas of health, environment, safety, and quality.

The Norwegian Transparency Act (Norw.: "Åpenhetsloven") promotes businesses' respect for basic human rights and decent working conditions, and ensure the public's access to information. The Act imposes, among other things, a duty to provide information and carry out due diligence assessments in the supply chain, which shall be explained in an annual report. The Group's report for 2023 will be published on the website www.havgroup.no latest within 30 June 2024. Further information on working environmental impacts can also be found in the separate ESG report.

EQUALITY AND DISCRIMINATION

The Group shall comply with the purpose of the Equality and Discrimination Act, including by promoting equality and preventing discrimination on the grounds of sex, pregnancy, maternity leave or adoption, care tasks, ethnicity, religion, outlook on life, disability, sexual orientation, gender identity, gender expression, age and other significant factors of a person. The Group shall be a workplace where there is full equality between women and men.

When hiring, professional competence is emphasized. Candidates with different ethnicity, national origin, descent, skin colour, language, religion or outlook on life shall all have the same opportunities and rights. Working time arrangements in the group follow from the various positions and are independent of gender.

Further reporting in accordance with the Equality and Discrimination Act can be found on the websites for the group companies that are covered by the extended reporting obligations within this area, where the report for 2023 will be published within 30 June 2024.

ENVIRONMENTAL AND CLIMATE RISK

Climate risk for companies can include the risk of loss of value and assets as a result of physical climate change, as well as loss of market share and value creation as a result of climate policy and technological development. Overall, the climate risk and its impact on future earnings for the Group is considered to be relatively low.

The UN Sustainable Development Goals, political ambitions and new regulations pushes the Group and its customers to develop the solutions of the future already today. The Group is passionate about using knowledge to solve environmental challenges by creating energy-efficient products and cutting emissions, while at the same time increasing customers' profitability, competitiveness, and value creation by giving them a tool for the future.

By widely experience in energy-efficient vessels, environmentally friendly systems and technology, the Group has the cross-cutting expertise required to do its part in meeting the UN Sustainable Development Goals.

In 2023, there have been no climate or environmental issues requiring special measures. The Group has not had any emissions to air or water in excess of the requirements set by the authorities.

Furter information on climate and environmental impacts can be found in the separate ESG report.

RESEARCH AND DEVELOPMENT

The Group conducts extensive development activities, including the development of ship designs and zero emission propulsion systems.

As of 31 December 2023, the Group owns more than 40 ship designs that are sold worldwide. From 2013, great emphasis has been placed on development, and several new designs have been developed. It is believed that there are significant excess values here beyond those stated in the financial statements. Support from several different programs has been received and the development of a system for rebuilding to hydrogen is a large project that extends over several years.

ANNUAL PROFIT AND ALLOCATION

The Board proposes the following allocation of the parent company's profit for 2023:

Transferred to other equity in total MNOK 44.3
The Board proposes a dividend of NOK 0.

SOCIAL RESPONSIBILITY

HAV shall maintain a solid reputation for its credibility around the world, by consistently conducting its operations with integrity and in compliance with the applicable laws and regulations. Board members and employees shall act fairly and honestly, and display integrity in all dealings with other employees, business partners, clients, the public, the industry, shareholders, suppliers, competitors, and government authorities. The Group's values and commitment to sustainable development should be reflected, promoted and implemented through policies, decisions, and actions.

The Group has established a code of ethics and social responsibility: "Code of Conduct for Business Ethics and Corporate Social Responsibility", as well as "Supplier Code of Conduct". Among other things, these guidelines include rules for relations with business partners, hereunder policy regarding gifts and confidential information. The code of ethics and social responsibility also give guidelines on how to deal with a potential conflict of interest. Furthermore, the Supplier Code of Conduct shall promote the Group's supply chain to respect basic human rights and decent working conditions.

An anti-corruption program has been developed and this program deals with among other things how to define risk areas for corruption and how to take preventive measures.

Both the anti-corruption program, the Code of Conduct for Business Ethics and Corporate Social Responsibility and Supplier Code of Conduct are available at the group´s web page www.havgroup.no.

The Group is strongly involved in ensuring the development of expertise and education in the maritime industry. Our apprentice program and HAV Academy are examples of the social responsibility that the group has taken to ensure future competence in our industry.

RESPONSBILITY STATEMENT FROM THE BOARD AND CEO

We hereby in accordance with the Norwegian Securities Trading Act §5-5 confirm, to the best of our knowledge, that the financial statements for the period 1 January to 31 December 2023 have been prepared in accordance with applicable accounting standards, and that the information in the accounts gives a true and fair view of the company's and group's assets, liabilities, financial position and profit or loss as a whole. We also confirm that the annual report gives a fair view of the company's and group's development, financial position and profit or loss as a whole, as well as a description of the principal risks and uncertainties the company and the group face.

Fosnavåg, 30 April 2024
The Board of Directors and CEO
HAV Group ASA

Vegard Sævik
Chairman of the Board

Hege Sævik Rabben
Board member

Monica G. Sperre
Board membef

Helge Simonnes
Board member

Vibeke Fængsrud
Board member

Egil Bremnes
Board member

Kathrine Lynge
Board member

Gunnar Larsen
CEO

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
HAV Group ASA

(NOK 1,000)	Note	2023	2022
Revenues	3	615 433	620 342
Other operating revenues	3	1 668	1 473
Operating income		**617 101**	**621 815**
Materials and consumables		367 779	392 155
Payroll expenses	4	161 137	141 036
Other operating expenses	5	79 095	68 848
Operating expences		**608 011**	**602 040**
Operating profit before depreciation and amortisation (EBITDA)		**9 090**	**19 776**
Depreciation	6,7	16 988	17 807
Operating profit/loss (EBIT)	**3**	**-7 898**	**1 969**
Financial income	8	29 203	20 119
Financial expenses	8	27 281	17 783
Profit / loss before tax	**3**	**-5 976**	**4 305**
Income tax expense	3,9	-1 668	1 496
Profit for the year	**3**	**-4 308**	**2 809**
Attributable to :			
Equity holders of parent		-4 322	-476
Non-controlling interest		14	3 285
Total		-4 308	2 809

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
HAV Group ASA

(NOK 1,000)

ASSETS

	Note	2023	2022
Non-current assets			
Licenses, patents and R&D	6	90 275	77 292
Property, plant and equipments	7	10 441	6 178
Investment in financial assets		0	2 005
Other non-current receivables		141	131
Total non-current assets		100 856	85 606
Current Assets			
Inventory	2,11	36 342	26 463
Accounts receivables	12	55 979	82 632
Other receivables	13	73 427	50 785
Contract assets customer contracts		8 885	10 493
Cash and cash equivalents	14	151 977	223 847
Total current assets		326 610	394 220
TOTAL ASSETS	3	427 466	479 826

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

HAV Group ASA

EQUITY AND LIABILITIES

(NOK 1,000)	Note	2023	2022
Equity			
Share capital	15	35 000	35 000
Share premium reserve		87 202	87 202
Treasury shares		-3 341	-1 638
Retained earnings		-29 997	-10 586
Non-controlling interests		2 306	2 562
Total equity		**91 170**	**112 541**
Non-current liabilities			
Deferred tax liability	9	7 452	8 252
Liabilities to Financial institutions	16	26 821	46 192
Other long-term liabilities		4 686	1 535
Total non-current liabilities		**38 959**	**55 978**
Current liabilities			
Accounts payables	12	43 964	40 182
Tax payables	9	686	0
Public duties payables		17 739	11 929
Advance payment from customers		174 132	192 860
Other current liabilities	17	60 817	66 336
Total current liabilities		**297 338**	**311 307**
Total liabilities		**336 297**	**367 286**
TOTAL EQUITY AND LIABILITIES	3	**427 466**	**479 826**

Fosnavåg, 30 April 2024

The Board of Directors and CEO
HAV Group ASA

Vegard Sævik
Chairman of the Board

Hege Sævik Rabben
Board member

Monica G.Sperre
Board member

Helge Simonnes
Board member

Vibeke Fængsrud
Board member

Egil Bremnes
Board member

Kathrine Lynge
Board member

Gunnar Larsen
CEO

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

HAV Group ASA

(NOK 1,000)

	Note	Share capital	Share premium reserve	Treasury shares	Retained earnings	Total	Non-controlling interest	Total equity
January 1, 2023		35 000	87 202	-1 638	-10 586	109 978	2 562	112 541
Profit for the Year					-4 322	-4 322	14	-4 308
Currency translation differences					468	468	213	681
Purchase /sale of own shares				-1 954	-12 794	-14 747		-14 747
Purchase partial settelment in shares				250	-2 764	-2 514		-2 514
Dividend							-483	-483
Desember 31, 2023		35 000	87 202	-3 341	-29 997	88 864	2 306	91 170

(NOK 1,000)

	Note	Share capital	Share premium reserve	Treasury shares	Retained earnings	Total	Non-controlling interest	Total equity
January 1, 2022		35 000	87 202	-122	22 967	145 047	7 429	152 476
Profit for the Year					-476	-476	3 285	2 809
Currency translation differences					241	241	75	316
Purchase /sale of own shares				-2 321	-30 573	-32 894		-32 894
Exit minority with partial settle-ment in cash				806	-2 744	-1 939	-7 729	-9 668
Dividend							-496	-496
Desember 31, 2022		35 000	87 202	-1 639	-10 586	109 978	2 562	112 541

CONSOLIDATED STATEMENT OF CASHFLOW

HAV Group ASA

(NOK 1,000)	Note	2023	2022
CASH FLOW FROM OPERATIONS			
Profit/(loss) before tax	3	-5 976	4 305
Taxes paid	9	0	-3 218
Depreciation	6,7	16 988	17 807
Net financial items	8	-1 921	-2 336
Changes in inventory	11	-9 879	-5 883
Changes in accounts receivables	12	26 652	2 900
Changes in accounts payable	12	3 782	-12 590
Changes in other current receivables/liabilities	13	-35 055	-73 050
Net cash flow from/(to) operating activities		**-5 410**	**-72 065**
CASH FLOW FROM INVESTMENTS			
Investments in property, plant and equipment	7	-7 791	-4 729
Investment in intangible assets	6	-18 716	-10 345
Purchase of shares in subsidiary		-2 107	-9 668
Purchase of shares in associated company		1 800	-2 000
Net cash flow used in investing activities		**-26 813**	**-25 052**
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment non-current debt	8,16	-19 371	-20 340
Purchase of own shares		-20 277	-32 894
Net cash flow from/ (used in) financing activities		**-39 648**	**-53 234**
Net change in cash and cash equivalents		**-71 871**	**-152 041**
Cash and cash equivalents at start of the year		**223 847**	**375 888**
Cash and cash equivalents at end of the year	14	**151 977**	**223 847**
Restricted cash at end of year		8 634	6 047
Cash and cash equivalent recognised in the balance sheet		**151 977**	**223 847**

NOTES
HAV Group ASA

NOTE 1. GENERAL INFORMATION

HAV Group ASA is a limited company based in Norway, and its head office is in Fosnavåg, Herøy.

HAV is the parent company and majority owner of the shares in various subsidiaries operating within engineering, ship design and equipment. The group has several decades of combined experience in the industry, in addition to special expertise in leading the marine and maritime industry through the green shift and towards the goal of zero emissions. The purpose of HAV is to assist its subsidiaries with strategic management, finance, logistics, marketing, and other support functions.
For further details regarding business segments please see Board of director report.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of HAV Group ASA and its subsidiaries (the "Group") are prepared in accordance with the Accounting Act and generally accepted accounting principles.

Preparation of accounts in accordance with the Accounting Act requires the use of estimates. Furthermore, the application of the company's accounting principles requires management to exercise discretion. Areas that to a large extent contain such discretionary assessments, a high degree of complexity, or areas where assumptions and estimates are significant for the annual accounts, are described in the notes.

The consolidated financial statements have been prepared according to the assessment rules in the Accounting Act, chapter 5.

The consolidated financial statements are presented in NOK 1,000. Figures in all notes to the financial statements are also presented in NOK 1,000 unless otherwise specified.

The consolidated accounts were approved by the Board of Directors on 30 April 2024.

2.2 Basis of consolidation

The consolidated financial statements include Hav Group ASA and companies in which Hav Group ASA has a controlling influence. Controlling influence is normally achieved when the parent company has ownership interests that directly, or indirectly, provide more than half of the voting rights in a company, unless it and only in exceptional cases, it can be clearly demonstrated that ownership does not provide control. Note 10 shows an overview of subsidiaries.

Internal transactions and intercompany balances, including internal profits and unrealized gains and losses, are eliminated. Similarly, unrealized losses are eliminated, but only to the extent that there are no indications of impairment of the asset sold internally.

A change in ownership interest in a subsidiary, without loss of control, is accounted for as an equity transaction. If the group loses control of a subsidiary, the following is executed:

- Derecognizes the assets and liabilities of the subsidiary.
- Derecognizes the carrying amount of any non-controlling Interests.
- Derecognizes the cumulative translation differences recorded in equity.
- Recognizes the fair value of the consideration received.
- Recognizes the fair value of any investment retained.
- Recognizes any surplus or deficit in profit or loss.

2.3 Classification of balance sheet items

Assets intended for permanent ownership or use are classified as fixed assets. Assets that are associated with the product cycle are classified as current assets. Receivables are otherwise classified as current assets if they are to be repaid within one year. For debt, analogous criteria are used as a basis. First-year installments on long-term receivables and long-term debt are nevertheless not classified as current assets and short-term debt.

2.4 Acquisition cost

Acquisition cost for assets includes the purchase price, less bonuses, discounts and the like, and with the addition of purchase expenses (shipping, customs duties, non-refundable government fees and other direct purchase expenses). When purchasing in foreign currency, the asset is capitalized at the exchange rate at the time of the transaction.

For property, plant and equipment and intangible assets, the acquisition cost also includes direct expenses to prepare the asset for use, such as expenses for testing the asset.

2.5 Foreign currency

Receivables and liabilities in foreign currency, which are not hedged using forward contracts, are capitalized at the exchange rate at the end of the financial year. Exchange rate gains and losses related to sales of goods and purchases of goods in foreign currency are recognized as operating income and cost of goods.

2.6 Related parties

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the party in making financial and operating decisions. Parties are also related if they are subject to common control or common significant influence.

Transactions with related parties are disclosed in note 22..

2.7 Revenue recognition

The Group recognizes revenue as the Group fulfills a delivery obligation upon transfer of goods or services to the customer. The Group's operating revenues are related to the following income streams:

- Sale of ship electrical systems and accompanying aftermarket activity
- Sale of ship design that is also combined with equipment deliveries
- Design, engineering and delivery of systems for cleaning of ballast water

Sale of ship electrical systems

Income from contracts must be recognized in the income statement in line with progress (degree of completion).

Earned contract income on the balance sheet date is the total estimated contract income multiplied by the degree of completion. Earned contract income in the period is earned contract income on the balance sheet date less earned contract income recognized in the income statement in previous periods.

The degree of completion is calculated on the basis of production performed for completion, contract costs are incurred on the balance sheet date, and the degree of completion is calculated as the ratio between these and estimated total contract costs.

Sale of ship design, possibly combined with equipment packages.

Earned contract income on the balance sheet date is the total estimated contract income multiplied by the degree of completion. Earned contract income in the period is earned contract income on the balance sheet date less earned contract income recognized in the income statement in previous periods.

The degree of completion is calculated on the basis of production performed for completion, contract costs are incurred on the balance sheet date, and the degree of completion is calculated as the ratio between these and estimated total contract costs.

Design, engineering and delivery of systems for cleaning of ballast water

Revenues from the sale of goods are recognized in the income statement once delivery has taken place and the risk and return has been transferred.

2.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.9 Property, plant and equipment

Property, plant and equipment is stated in the balance sheet at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the item of property, plant and equipment.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

- Land and buildings 10-40 years
- Machinery 3-10 years
- Operating equipment 3-10 years

When significant parts of property and equipment are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. All other repair and maintenance costs are recognized in profit and loss as incurred.

Leased (leased) fixed assets are capitalized as fixed assets if the lease is considered financial.

An item of property and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized. The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.10 Intangible assets
Development expenses are capitalized to the extent that a future economic benefit related to the development of an identifiable intangible asset can be identified and the expenses can be measured reliably. Otherwise, such expenses are expensed on an ongoing basis. Capitalized development is depreciated on a straight-line basis over its economic life.

2.11 Impairment of fixed assets
If there is an indication that the book value of a fixed asset is higher than the fair value, a test for impairment is performed. The test is performed for the lowest level of fixed assets that have independent cash flows. If the book value is higher than both sales value and value in use (present value for continued use / ownership), a write-down is made to the higher of sales value and value in use.

Previous write-downs, with the exception of write-downs of goodwill, are reversed if the conditions for the write-down are no longer present.

2.12 Inventories
Goods are valued at the lower of acquisition cost (according to the FIFO principle) and fair value. For raw materials, replacement cost is used as an approximation of fair value. For finished goods and goods under construction, the acquisition cost consists of expenses for product design, material consumption, direct wages, and other direct and indirect production costs (based on normal capacity). Fair value is the estimated selling price less expenses for completion and sale. Only variable expenses are considered necessary to sell finished goods, while fixed manufacturing costs are also included as necessary for goods that have not been finished.

2.13 Construction contracts
Work in progress related to fixed-price contracts with a long production time is assessed according to the current settlement method. The degree of completion is calculated as accrued costs as a percentage of the expected total cost. The total cost is reassessed on an ongoing basis. For projects that are assumed to incur losses, the entire estimated loss is expensed immediately.

2.14 Receivables
Accounts receivable are entered in the balance sheet after deductions for provisions for expected losses. Provisions for losses are made on the basis of an individual assessment of the receivables and an additional provision to cover other foreseeable losses. Significant financial problems with the customer, the probability that the customer will go bankrupt or undergo financial restructuring and deferrals and deficiencies in payments are considered as indicators that trade receivables must be written down.

Other receivables, both current receivables and capital receivables, are entered at the lower of nominal and fair value. Fair value is the present value of expected future payments. However, no discounting is made when the effect of discounting is insignificant for the accounts. Provisions for losses are assessed in the same way as for trade receivables.

2.15 Treasury Shares
Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in retained earnings. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them.

2.16 Debt
Debt, with the exception of certain provisions for liabilities, is recognized in the balance sheet at the nominal debt amount.

2.17 Accounts payable
Trade payables are recognized at fair value on initial recognition. Accounts payable are classified as short-term if they fall due within one year or less. If this is not the case, it is classified as long-term. Due to the short maturity, the face value of the debt is considered to reflect fair value. Normally, fair value will equal transaction price.

In agreements that reduce the value of outstanding debt, the value of the debt is reduced and recorded as income. Upon subsequent calculation of the value of the agreement, changes are entered as an adjustment of the debt with a counter-item in the income statement.

2.18 Pension

The company has various pension schemes. The pension schemes are financed through payments to insurance companies, with the exception of the AFP scheme. The company has both defined contribution plans and defined benefit plans.

Deposit plans

In the case of deposit plans, the company pays deposits to an insurance company. The company has no further payment obligation after the deposits have been paid. The deposits are accounted for as wage costs. Any prepaid deposits are capitalized as an asset (pension funds) to the extent that the deposit can be refunded or reduce future payments.

AFP

The AFP scheme is an unsecured performance-based multi-company scheme. Such a scheme is in fact a defined benefit plan, but is treated in the accounts as a defined contribution plan as a result of the scheme's administrator not providing sufficient information to calculate the obligation in a reliable manner.

2.19 Warranties

Warranties related to completed sales are assessed at the estimated cost of such work. The estimate is calculated on the basis of historical figures for warranty work, but corrected for expected deviations due to, for example, changes in quality assurance routines and changes in product range. The provision is entered under "Other current liabilities", and the change in the provision is expensed.

2.20 Government grants

Government grants are recognized when it is reasonably certain that the company will meet the conditions stipulated for the grants and that the grants will be received. Operating grants are recognized systematically during the grant period. Grants are deducted from the cost which the grant is meant to cover. Investment grants are capitalized and recognized systematically over the asset's useful life. Investment grants are recognized as a deduction of the asset's carrying amount.

2.21 Taxes

The tax expense in the income statement includes both the tax payable for the period and the change in deferred tax. Deferred tax is calculated at the current tax rate on the basis of the temporary differences that exist between accounting and tax values, as well as any tax losses carried forward at the end of the financial year. Tax-increasing and tax-reducing temporary differences that reverse or can reverse in the same period have been offset. The entry of deferred tax assets on net tax-reducing differences that have not been settled and losses carried forward are justified by assumed future earnings. Deferred tax and tax assets that can be recognized in the balance sheet are entered net in the balance sheet.

Deferred tax is recognized at the nominal amount.

2.22 Cash flow statement

The cash flow statement is prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits and other short-term, liquid investments that can be immediately and with insignificant exchange rate risk converted into known cash amounts and with a remaining term of less than three months from the date of acquisition.

NOTE 3. SEGMENT INFORMATION

The Group's main activities are:

1. HAV Design, i.e. provide ship design and system packages for offshore, transport and fishing vessels;
2. Norwegian Electric Systems , i.e. specializing in design, engineering and installation of electric systems and delivery of control and automation systems for ships;
3. Norwegian Greentech, i.e. specializes in the design, engineering and delivery of ballast water treatment systems.
4. HAV Hydrogen, i.e. delivers complete and scalable hydrogensystems, that are designed for operation in heavy seas.

See note 10 for information about which segment each subsidiary are located in.

The group divides the customers into geographical areas on the basis of the customers' nationalities. The areas are Norway, Europe without Norway and Other.

The Group's customer base consists of a wide range of companies.

Transfer prices between operating segments are basis in a manner similar to transactions with third parties.

The accounting principles for segment reporting correspond to those used by the group, with the exception of discontinued operations which are treated in the same way as continuing operations in segment reporting.

2023

(NOK million)	HAV Design	Norwegian Electric Systems	Norwegian Greentech	HAV Hydrogen	Other/ Elimination	Group
Operating revenues, External	245.1	215.6	154.3	0.5	0.0	615.4
Operating revenues, Internal	3.0	5.2	1.2	0.0	-9.4	0.0
Operating income	249.3	220.8	156.0	0.5	-9.5	617.1
EBITDA	**50.1**	**-17.6**	**3.1**	**-8.1**	**-18.4**	**9.1**
Depreciation	2.6	7.0	6.5	0.0	0.8	17.0
Operating profit/(loss) (EBIT)	**47.5**	**-24.6**	**-3.4**	**-8.2**	**-19.2**	**-7.9**
Net financial items	2.9	3.9	-0.7	-0.6	-3.6	1.9
Profit/(Loss) before tax	**50.4**	**-20.7**	**-4.1**	**-8.7**	**-22.8**	**-6.0**
Income tax expense	10.7	-4.5	-0.9	-2.0	-4.9	-1.7
Profit/(Loss)	**39.8**	**-16.2**	**-3.2**	**-6.8**	**-17.9**	**-4.3**
Total assets	195.3	189.6	108.7	17.6	-83.8	427.5
Equity	16.3	24.5	10.0	15.3	25.1	91.2
Liabilities	179.0	165.1	98.7	2.4	-108.9	336.3
Revenue recognized on ongoing projects	583.4	207.8				
Costs relating to earned revenues	532.6	204.3				
Net revenue on ongoing projects	50.7	3.4				

Geographical areas	Norway	Europe	Other	Total
Operating revenues	229.4	310.0	77.7	617.1

"Other" contains parent company items and elimination of intra-group transactions.

2022

(NOK million)	HAV Design	Norwegian Electric Sys-tems	Norwegian Greentech	HAV Hydrogen	Other/ Elimination	Group
Operating revenues. External	151.1	238.4	226.2	2.7	1.8	620.3
Operating revenues. Internal	2.9	30.2	0.4	0.1	-33.6	0.0
Operating income	155.4	268.6	226.7	2.8	-31.7	621.8
EBITDA	**15.7**	**-11.5**	**30.8**	**-5.4**	**-9.9**	**19.8**
Depreciation	5.0	5.9	6.3	0.0	0.7	17.8
Operating profit/(loss) (EBIT)	**10.7**	**-17.3**	**24.5**	**-5.4**	**-10.5**	**2.0**
Net financial items	-0.3	6.6	-1.2	-0.1	-2.7	2.3
Profit/(Loss) before tax	**10.5**	**-10.7**	**23.3**	**-5.6**	**-13.2**	**4.3**
Income tax expense	2.1	-2.4	5.0	-1.2	-2.0	1.5
Profit/(Loss)	**8.4**	**-8.3**	**18.2**	**-4.3**	**-11.1**	**2.8**
Total assets	266.6	182.7	106.4	9.4	-85.4	479.8
Equity	17.6	35.8	12.4	6.7	40.1	112.5
Liabilities	249.0	147.0	94.1	2.7	-125.5	367.3
Revenue recognized on ongoing projects	113.9	235.7				
Costs relating to earned revenues	96.5	227.2				
Net revenue on ongoing projects	20.3	8.5				

Geographical areas	Norway	Europe	Other	Total
Operating revenues	383.8	234.0	4.0	621.8

"Other" contains parent company items and elimination of intra-group transactions.

NOTE 4. SALARY, FEES, NUMBER OF EMPLOYEES ETC.

(NOK 1,000)

Payroll expenses	2023	2022
Wages	140 567	120 924
Employer's part of social security costs	23 806	18 053
Pension, contribution plans	9 569	8 394
Capitalization R&D	-19 682	-10 366
Other benefits	6 877	4 031
Total salaries and social expenses	161 137	141 036
Man-labour year	158	147

The Group has a defined contribution plan covering all employees. The Group's pension scheme satisfies the requirements of the Act on Compulsory Occupational Pensions. Pension costs for the Group's defined contribution plans are expensed on a continuous basis with earnings for the employees. The Group's duty is limited to the payment of agreed contribution and where the actuarial risk and investment risk fall on the individual employee.

(NOK 1,000)	Gunnar Larsen, CEO 2023	Gunnar Larsen, CEO 2022	Pål Aurvåg, CFO 2023	Pål Aurvåg, CFO 2022	Frank-Levi Kvalsund, SVP HR/QHSE 2023	Frank-Levi Kvalsund, SVP HR/QHSE 2022
Salary	2 485	2 164	1 774	1 069	1 803	825
Pension	111	98	111	78	107	74
Other remuneration	206	183	197	114	197	112
Total remuneration	**2 802**	**2 445**	**2 082**	**1 260**	**2 107**	**1 011**

At the time for establishment of HAV Group in Q1 2021, Gunnar Larsen was employed as CEO for HAV Group. At the same time Pål Aurvåg (CFO) and Frank-Levi Kvalsund (SVP HR/ QHSE) were hired in from Havyard Group ASA (EQVA ASA) in respective positions, but transferred to HAV Group from March 2022. Figures for 2022 is only related to remuneration from HAV Group.

Key management does not have bonus agreements or any share-based payment.

No loans or guarantees to the Group CEO or any member of the bord per 31/12/2023 or 31/12/2022.

NOTE 5. OTHER OPERATING EXPENSES

(NOK 1,000)

Other operating expenses	2023	2022
Rent and leasing expenses	16 572	13 924
Office and administration expenses	3 630	4 717
Plant, tools and equipment (including IT)	11 983	7 883
Travel and employee exoenses	12 600	10 457
Hired consultants*	22 605	15 365
Marketing and communication	4 690	4 606
Other operating expenses	7 014	11 897
Total	79 095	68 848

*Fees to auditor are included here

Fees to the auditor consists of the following services:	2023	2022
Statutory audit	2 314	2 848
Tax advice	198	291
Other assistance	246	22
Total	2 757	3 160

Auditor's fees are stated excluding VAT.

NOTE 6. INTANGIBLE ASSETS

(NOK 1,000)	2023	2022
	Research and development	Research and development
Acquisition cost as of 1/1	209 214	198 869
Additions during the year	26 442	10 345
Acquisition cost as of 31/12	235 656	209 214
Accumulated depreciation as of 1/1	131 922	116 185
Depreciation for the year	13 460	15 737
Accumulated depreciation as of 31/12	145 382	131 922
Book value as of 31/12	90 275	77 292
Depreciation rate	5-10 years	5-10 years

NOTE 7. PROPERTY, PLANT AND EQUIPMENT

(NOK 1,000)	2023	2022
	Operating equipment	Operating equipment
Acquisition cost as of 1/1	15 047	10 419
Additions during the year	7 791	4 628
Disposals during the year	0	0
Acquisition cost as of 31/12	**22 838**	**15 047**
Accumulated depreciation as of 1/1	8 869	6 882
Depreciation for the year	3 528	1 987
Impairment	0	0
Accumulated depreciation as of 31/12	**12 397**	**8 869**
Book value as of 31/12	**10 441**	**6 178**
Useful life	3-10 years	3-10 years

Other operating equipment mainly relates to office equipment.

Depreciation

Operating equipment and are depreciated by the linear method over expected useful life.

NOTE 8. FINANCIAL INCOME AND FINANCIAL EXPENSES

(NOK 1,000)	2023	2022
Interest income	3 571	1 690
Agio	25 289	18 294
Other financial income	342	136
Total financial income	**29 203**	**20 119**
Interest expenses	3 019	3 357
Agio loss	23 497	11 845
Other financial expenses	766	2 582
Total financial expenses	**27 281**	**17 783**
Net financial items	**1 921**	**2 336**

NOTE 9. INCOME TAX

The parent company HAV Group ASA is resident in Norway, where the corporate tax rate is 22 %, while some parts of the group are taxed in other jurisdictions and other tax regimes.

The major componenents of income tax expense/ (income) for the year are:

(NOK 1,000)

Consolidated income statement

	2023	2022
Current income tax:		
Taxes payable	686	0
Changes in deferred tax	-800	917
Addition deffered tax from acquisition	-1 565	0
Prior year adjustments	11	579
Income tax expense/(income) reported in the income statement	**-1 668**	**1 496**

Reconciliation of actual tax cost against expected tax cost in accordance with the ordinary Norwegian income tax rate of 22%.

(NOK 1,000)	2023	2022
Profit before tax	**-5 976**	**4 305**
Tax expense 22%	-1 315	947
Recognized tax expense	-1 668	1 496
Difference between expected and recognised tax expense	-353	549
Difference is related to:		
Prior year adjustments	367	0
Impairment financial assets	-67	0
Other permanent differences	-652	549
Total	**-353**	**549**

Deferred tax relates to the following temporary differences:

	2023	2022
(NOK 1,000)		
Non-current assets	5 665	-13 368
Earned, not billed production	51 996	75 624
Leasing	0	-13
Current assets	-5 514	-3 053
Accruals and provisions	-18 275	-14 255
Tax loss carried forward	0	-7 427
Total temporary differences	**33 872**	**37 508**
Net deffered tax liability/ assets (-)	**7 452**	**8 252**
Deferred tax liability in the balance sheet	**7 452**	**8 252**

Deferred income tax and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

After an assessment, Deferred tax is reset on the basis that we have unrecognized deferred tax assets and we can use tax loss carried forward in 2023, and possibly later years.

NOTE 10. SUBSIDIARIES, ASSOCIATES AND OTHER FINANCIAL INVESTMENTS

2023

HAV Group ASA has the following ownership in subsidiaries as of 31/12/2023	Ownership-/ voting share	Business office	Segment	Currency	Share capital (1,000)
Norwegian Electric Systems AS	100 %	Bergen	Energy Design & Smart Control	NOK	1 121
HAV Design AS	100 %	Fosnavåg	Ship Design	NOK	108
Norwegian Greentech AS	100 %	Fosnavåg	Water treatment systems	NOK	5 000
HAV Design & Engineering Poland sp.z.o.o	70 %	Sopot	Ship Design	PLN	102
HAV Design & Engineering Rijeka d.o.o.	70 %	Rijeka	Ship Design	HRK	30
HAV Hydrogen AS	100 %	Fosnavåg	Hydrogen-based energy systems	NOK	30
Norwegian Electric Systems AS Tyrkia	85 %	Istanbul	Energy Design & Smart Control	TRL	19
Undheim Systems AS	100%	Egersund	Energy Design & Smart Control	NOK	30

Subsidiary with non-controlling interests as of 31/12/2023	Ownership share/ Voting share	Business office	Currency	Share of result (1,000)
HAV Design & Engineering Poland sp.z.o.o	70 %	Sopot	PLN	99
HAV Design & Engineering Rijeka d.o.o.	70 %	Rijeka	HRK	219
Norwegian Electric Systems AS Tyrkia	85 %	Istanbul	TRL	-696

Financial information for subsidiaries with non-controllling interest

(NOK 1,000)

	Norwegian Electric Systems AS Tyrkia	HAV Design & Engineering Poland sp.z.o.o	HAV Design & Engineering Rijeka d.o.o.	SUM
Operating revenue	9 413	12 266	3 042	24 721
Profit/(loss)	-818	141	313	-364
Total assets	11 962	9 081	1 004	22 047
Equity	-1 021	7 742	454	7 175
Liabilities	12 984	1 338	550	14 872

The financial information is for the full year and on 100% basis.

2022

HAV Group ASA has the following ownership in subsidiaries as of 31/12/2022	Ownership-/ voting share	Business office	Segment	Currency	Share capital (1,000)
Norwegian Electric Systems AS	100 %	Bergen	Energy Design & Smart Control	NOK	1 121
HAV Design AS	100 %	Fosnavåg	Ship Design	NOK	108
Norwegian Greentech AS	100 %	Fosnavåg	Water treatment systems	NOK	5 000
HAV Design S.P Z.O.O	70 %	Sopot	Ship Design	PLN	101
HAV Design Croatia D.O.O	70 %	Rijeka	Ship Design	HRK	28
HAV Hydrogen AS	100 %	Fosnavåg	Hydrogen-based energy systems	NOK	30
Norwegian Electric Systems AS Tyrkia	85 %	Istanbul	Energy Design & Smart Control	TRL	10

Subsidiary with non-controlling interests as of 31/12/2022	Ownership/ Voting share	Business office	Currency	Share of result (1,000)
HAV Design S.P Z.O.O	70 %	Fosnavåg	NOK	1 145
HAV Design Croatia D.O.O	70 %	Sopot	PLN	-375
Norwegian Electric Systems AS Tyrkia	85 %	Rijeka	HRK	-712

Financial information for subsidiaries with non-controllling interest
(NOK 1,000)

	Norwegian Electric Systems AS Tyrkia	Havyard Design & Engineering Poland sp.z.o.o	Havyard Design & Engineering Rijeka d.o.o.	SUM
Operating revenue	402	9 804	3 624	13 830
Profit/(loss)	-837	1 815	-536	442
Total assets	2 831	9 525	783	13 139
Equity	-1 665	8 749	206	7 290
Liabilities	4 496	777	576	5 849

NOTE 11. INVENTORY

(NOK 1,000)

	2023	2022
Raw materials (at cost)	0	0
Components	36 342	26 463
Total Inventories	36 342	26 463
Impairment for obsoletness	0	0

Inventory is recognised at the lower of average cost and net realisable value, and consists of raw materials.

NOTE 12. FINANCIAL RISK MANAGEMENT

Financial Risk
The Group's activities expose it to financial risks such as, market risks, credit/counterpart risk and liquidity risk.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The Board of Directors also establishes detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, exposure limits and hedging strategies.

Market Risk
Market risk is the risk that fluctuations in market prices, e.g. exchange rates, the price of such raw materials as steel, and interest rates, will affect future cash flows or the value of financial instruments. Market risk management aims to ensure that risk exposure stays within the defined limits, while optimising the risk-adjusted return. Attempts should be made to secure major purchases in connection with projects as soon as possible after the final clarification of the project.

Capital Management
The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may return capital to shareholders or obtain borrowings.

The Group monitors capital based on the equity to total asset ratio. In additon, the Group monitors the working capital closely.

Interest Rate Risk
The Group are exposed to changes in interest rates, as the liabilities have floating rates. The Group have not entered into interest rate hedging instrument. Reference is made to Note 16 for more information regarding interest bearing debt.

Currency Risk
The Group's revenue and costs are denominated primarily in Norwegian Krone("NOK") which is the functional currency of most entities within the Group. Currency risk arises through ordinary business, future commercial transactions, recognised assets and liabilities and when such have been made against payment in a currency other than the functional currency of the Group. The Group is mainly exposed to Euro (EUR). The Group has a currency hedging strategy where forward contracts are used to keep the currency risk at a low level.

The Group's currency exposure is based on cash and bank balances, trade and other receivables, and trade and other payables. Financial assets and financial liabilities denominated in the functional currency are not included.

If the EUR or USD rates against the NOK had been stronger or weaker by 5 % at the balance sheet date with all other variables, the effects on profit and loss before tax arising from the net financial assets position would have been as follows:

If the EUR or USD rates against the NOK had been stronger or weaker by 5 % (2022: 5 %) at the balance sheet date with all other variables, the effects on profit and loss before tax arising from the net financial assets position would have been as follows:

NOK (1,000)		2023	2022
EUR	Change if NOK 5 % weaker	2 587	574
	Change if NOK 5 % stronger	-2 587	-574
USD	Change if NOK 5 % weaker	751	572
	Change if NOK 5 % stronger	-751	-572

Credit/Counterparty Risk

Credit risk refers to the ability and willingness of counterparts to pay for services rendered and to stand by their future contractual commitments with the Group. The Group has implemented thorough procedures to limit the exposure to unreliable counterparts and the Group avoids undue concentration of credit and counterpart exposure. Prior to fixing any business with new customers or medium to longer term business with existing customers, commercial departments have to get approval from the Group's credit risk team. Significant exposures must be approved by the Groups Credit Committee.

The credit assessments are based on information from external credit rating agencies, public information, the Group's previous experience with the counterpart and internal analysis. Country and political risk also forms a part of the assessment. The Group actively seeks to diversify its exposure to particular industries and/or jurisdictions.

The age analysis of trade receivables is as follows:

NOK (1,000)	2023	2022
Not past due	34 092	41 451
Past due < 3 months	13 389	31 805
Past due 3 to 6 months	3 145	1 404
Past due over 6 months	2 553	4 919
Impairment	2 800	3 053
Trade receivables	55 979	82 632
Contract assets customer contracts	8 885	10 493
Total credit/counterparty risk to customers	64 864	93 125

Liquidity Risk

Liquidity risk is the risk that the group will be unable to fulfil its financial obligations as they fall due. The Group monitors its liquidity risk by maintaining a level of cash and bank balances deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

Management monitors rolling forecasts of the Group's liquidity reserve and cash and bank balances on the basis of expected cash flow. Close follow of the cash flow development is also the basis for the continued operation considerations. Reference can be made to note 14 for details on cash, note 16 for interest bearing debt.

Liquidity risk can also be caused by customers not able to establish long-term financing for projects or that the Group is unable to secure construction financing.

Liabilities in balance sheet

2023		Current			Long Term	
NOK (1,000)	0-3 months	3-6 months	6-12 months	1-2 years	2-5 years	> 5 years
Non Derivatives						
Accounts payables	41 844	2 120	0			
Liabilities to financial institutions				23 891	2 930	
Total	37 570	2 612	-	23 891	2 930	-
Derivatives						
Forward contract foreign exchange						
Total	41 844	2 120	-	23 891	2 930	-

2022		Current			Long Term	
NOK (1,000)	0-3 months	3-6 months	6-12 months	1-2 years	2-5 years	> 5 years
Non Derivatives						
Accounts payables	37 570	2 612				
Liabilities to financial institutions				40 140	6 052	
Total	37 570	2 612	-	40 140	6 052	-
Derivatives						
Forward contract foreign exchange						
Total	37 570	2 612	-	40 140	6 052	-

NOTE 13. OTHER CURRENT AND NON-CURRENT RECEIVABLES

(NOK 1,000)

Other current receivables	2023	2022
Prepayments suppliers	53 064	19 266
Employee-related items	89	75
Receivables VAT and government grants	7 500	4 632
Other short-term receivables	12 775	26 812
Sum other current receivables	73 427	50 786

NOTE 14. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

NOK (1,000)	2023	2022
Cash at banks - unrestricted	143 343	217 800
Cash at banks - restricted	8 634	6 047
Total	151 977	223 847
Restricted cash consists of:		
Tax withholding accounts	8 634	6 047

NOTE 15 SHARE CAPITAL

Ordinary shares issued and fully paid

	2023	2022
Number of ordinary shares	35 000 000	35 000 000
Par value (NOK)	1	1
Share capital (NOK)	35 000 000	35 000 000

All shares have equal rights.

2023

The share capital was NOK 35 000 000 divided by 35 000 000 shares, at NOK 1.

Treasury shares

HAV Group ASA owns 3.336.078 treasury shares (9.5% of share capital) as of 31/12/2023. (Ref.ongoing repurchase program.)

Dividends and group contributions

The Group has not paid dividend in 2023.

The board proposes NOK 0 in dividend for the general meeting

Emini Invest AS, HSR Invest AS, Innidimann AS and Pision AS jointly own 100% of Havila Holding AS. The largest shareholder of the Group is Havila Holding AS. Chairman of the Board Vegard Sævik and boardmember Hege Sævik Rabben have indirect ownership in the group through their ownership in Havila Holding AS.

Havila Holding AS is a limited company based in Norway, and its head office is located in Fosnavåg, Herøy.

Shareholders as of 31.12.2023	Controlled by	Number of shares	Ownership
HAVILA HOLDING AS	Vegard Sævik (Ch.of Board)	8 737 827	25.0 %
HAV GROUP ASA		3 336 078	9.5 %
FARVATN CAPITAL AS		2 408 909	6.9 %
NORDNET LIVSFORSIKRING AS		1 920 003	5.5 %
MP PENSJON PK		1 534 856	4.4 %
EMINI INVEST AS		1 127 179	3.2 %
HSR INVEST AS	Hege Sævik Rabben (Board)	1 127 179	3.2 %
INNIDIMMAN AS	Vegard Sævik (Ch.of Board)	1 127 179	3.2 %
JAHATT AS		770 500	2.2 %
UCVO AS		509 718	1.5 %
PISON AS		375 726	1.1 %
AVANZA BANK AB		374 913	1.1 %
OTHER SHAREHOLDERS (<1 %)		11 649 933	33.29 %
Number of shares		35 000 000	100 %

2022

The share capital was NOK 35 000 000 divided by 35 000 000 shares, at NOK 1.

Treasury shares

HAV Group ASA owns 1.638.437 treasury shares (4.7% of share capital) as of 31/12/2022. (Ref.ongoing repurchase program.)

Dividends and group contributions

The Group has not paid dividend in 2022.

The board proposes NOK 0 in dividend for the general meeting

Emini Invest AS, HSR Invest AS, Innidimann AS and Pision AS jointly own 100% of Havila Holding AS. The largest shareholder of the Group is Havila Holding AS. Chairman of the Board Vegard Sævik and boardmember Hege Sævik Rabben have indirect ownership in the group through their ownership in Havila Holding AS.

Havila Holding AS is a limited company based in Norway, and its head office is located in Fosnavåg, Herøy.

Shareholders as of 31.12.2022	Controlled by	Number of shares	Ownership
HAVILA HOLDING AS	Vegard Sævik (Ch.of Board)	8 737 827	25.0 %
FARVATN CAPITAL AS		2 408 909	6.9 %
HAV GROUP ASA		1 638 437	4.7 %
MP PENSJON PK		1 524 220	4.4 %
EQVA ASA		1 513 542	4.3 %
NORDNET LIVSFORSIKRING AS		1 379 834	3.9 %
EMINI INVEST AS		1 127 179	3.2 %
HSR INVEST AS	Hege Sævik Rabben (Board)	1 127 179	3.2 %
INNIDIMMAN AS	Vegard Sævik (Ch.of Board)	1 127 179	3.2 %
AVANZA BANK AB		1 012 324	2.9 %
NORDNET BANK AS		917 848	2.6 %
JAHATT AS		770 500	2.2 %
MORGAN STANLEY & CO. INTERNATIONAL		735 608	2.1 %
PISON AS		375 726	1.1 %
OTHER SHAREHOLDERS (<1 %)		10 603 688	30.3 %
Number of shares		35 000 000	100 %

NOTE 16. INTEREST BEARING DEBT

Bank and leasing

(NOK 1,000)

Interest bearing long-term debt	2023	2022
Long term Loan DnB	17 500	32 500
Long term Loan Sparebanken Møre	6 000	8 500
Long term Loan Innovasjon Norge	3 164	4 993
Other long-term liabilities	157	199
Sum	26 821	46 192

Debt secured by mortgage	2023	2022
Long-term debt to financial institutions	26 821	46 192
Sum	26 821	46 192

The Liabilities to financial institutions of MNOK 26.4 include the DNB loan of MNOK 17.5 (Hav Group) and MNOK 6 from Sparebanken Møre and 3.2 Innovation Norway (Norwegian Greentech).

All loans were refinanced 1.February 2024 with total amout of MNOK 36 in DNB.

The new loan from DnB has a maturity of 3 years with nominal interest rates of NIBOR 3 months + margin 2.25 %. Covenants is NIBD < 2.5 EBITDA 12 mnth. Equity > 20% measured year end.

As of 31 December 2023, the Group was in compliance with all its existing debt covenants

Book value of pledged asset

(NOK 1,000)

	2023	2022
Machinery, operating equipment	10 441	6 178
Earned, not billed production	8 885	10 493
Inventory	36 342	26 463
Accounts receivables	55 979	82 632
Bank deposits	151 977	223 847
Sum book value of pledged assets	263 625	349 613

2023

Loans		Cashflow				
	OB	Proceeds from new loans	New long term debt	Installment	Not cash changes	CB
Liabilities to financial institutions	45 993			-19 329		26 664
Other long-term liabilities	199			-42		157
Lease liabilities	0			0	0	0
Total interest-bearing debt	46 192	0	0	-19 371	0	26 821

2022

Loans		Cashflow				
	OB	Proceeds from new loans	New long term debt	Installment	Not cash changes	CB
Liabilities to financial institutions	66 531			-20 340		46 192
Other long-term liabilities	0			0		0
Lease liabilities	0			0		0
Total interest-bearing debt	66 531	0	0	-20 340	0	46 192

NOTE 17. OTHER CURRENT LIABILITIES

(NOK 1,000)

	2023	2022
Employee-related liabilities	14 552	20 430
Accrued cost WIP	10 379	18 723
Provision for losses on completion of contracts	22 945	10 729
Warranty provisions	3 027	3 364
Derivatives	1 292	0
Other current liabilities	8 621	13 091
Total other current liabilities	60 817	66 336

Changes from Q4 reporting:

Additional provision for losses of NOK 7.1 million. Estimated costs as a consequence of changing a supplier relatated to critical supply in ongoing project.

NOTE 18. PROVISIONS FOR LOSS CONTRACTS

(NOK 1,000)

Provisions	2023	2022
Provisions from previous period	2 829	2 688
Provisions utilised	-2 258	-1 584
New provisions	1 604	1 725
Total	2 175	2 829

The provison at year end is related to loss contracts. The amount is related to projects at Norwegian Electric Systems related to delivery of engineering and installation of electric systems and delivery of control and automation systems for ships. The reduction in provision is due to finalizing of projects in NES.

The provision is presented as part of other current liabilities in the balance sheet. In the profit and loss statement the expense is allocated between the line items materials and consumables, payroll expenses and other operating expenses.

NOTE 19. GOVERNMENT GRANTS

NOK (1,000)	2023	2022
1.1 - Grants receivable	1 985	790
Received during the year	790	0
Released to the income statement	0	0
Of this - booked as reduction of other operating expenses	0	0
Of this - booked as reduction of capitalized R&D	1 985	790
31.12 - Grants receivable	1 985	790

2023

Government grants have been received for several development projects. The grants are entered as a cost reduction of R&D in the balance sheet. There are no unsatisfied conditions or conditions attached to these grants.

2022

Government grants have been received for one project . The grant are etered as a cost reduction of R&D in the balance sheet.

NOTE 20. CONTINGENCIES AND PROVISIONS

Legal disputes

The yearly figures include a positive One-off effect on revenue and profits. This is du to a reversal of previously accounted provision of NOK 46.9 million.

For more info see Annual Report 2022 Note 20 and 21 for details.

Guarantees/warranties

The Group occasionally faces warranty claims as part of its ordinary business. No material warranty claim has as of the date of these financial statements been directed at any of the companies in the Group, nor have any of the companies in the Group been notified of any such claims.

(NOK 1,000)

	2023	2022
Provisions OB	3 364	5 812
Used provision	-1 338	-3 752
New provisions	1 003	1 304
Provisions CB	3 027	3 364

NOTE 21. BUSINESS COMBINATIONS

Acquisition of Undheim Systems AS.

HAV Group ASA acquired 100 % of the shares in Undheim Systems AS 01/09/23.

Undheim Systems AS is a provider of dynamic positioning system (DP) for ships. Service and aftermarket is a substantial part of business in the company.

The employers and main operation will continue in Norwegian Electric Systems AS from 01/09/2023.

See stock exchange announcement of 01/09/23 for further information. Undheim Systems AS is reported in the current period from 01/09/2023.

(NOK 1,000)

Payment in shares	3 500
Payment in cash	2 000
Earn out *	3 377
Net acquisition amount	8 877

*Earn out is calculated as the present value of the estimated consideration. The estimated consideration is based on the scenario that all conditions in the earn out is fullfilled.

There are no significant items on the balance sheet of Undheim Systems AS.

Added value from the acquisition MNOK 7 113 in is entirely is allocated to R&D.

Deffered tax is calculated and presented in the balance sheet with the amount of MNOK 1 564.

NOTE 22. RELATED PARTY TRANSACTIONS

The Group has various transactions with related parties. All the transactions have been carried out as part of the ordinary operations.

The most significant transactions are as follows: (NOK 1,000)

Havblikk Eiendom AS	Sales to related parties /	Purchases from related parties /	Amounts owed to related parties /
2023	0	4 361	196
2022	0	3 940	7

Related to lease of office space. Havblikk Eiendom AS is a subsidiary of Havila Holding AS, which owns directly 25% of the shares in HAV Group ASA.

Fjord1 ASA	Sales to related parties /	Purchases from related parties /	Outstanding claims from to parties /
2023	13 789	0	1 875
2022	43 294	0	985

Havila Holding owns 25 % of the shares in HAV Group ASA-the largest owner. Havila Holding owns 50 % Fjord 1.

Havila Kystruten AS	Sales to related parties /	Purchases from related parties /	Amounts owed (claimss\s -) to related parties /
2023	4 340		1 385
2022	2 651		46 000

Havila Holding AS owns 25 % of the shares in HAV Group ASA - the largest owner i HAV Group ASA. Havila Holding ASA owns 59,69% in Havila Kystruten AS.

The balance sheet includes the following receivables and payables resulting from transactions with associated companies:

	2023	2022
Account receivables	3 259	1 418
Account payables	196	46 007

PARENT COMPANY

PROFIT OR LOSS STATEMENT PARENT COMPANY

HAV Group ASA

	Note	2023	2022
Operating revenues and operating expenses (NOK 1000)			
Revenues		26 887	28 824
Total revenue		26 887	28 824
Wages and salaries	2	26 806	19 040
Depreciation	3	845	662
Other operating expenses	2,4	18 484	19 645
Total operating expenses		46 135	39 346
Operating profit		-19 247	-10 523
Financial income and expenses			
Income from subsidiaries	5	74 473	146 732
Other interest income	5	2 279	1 436
Other interest expenses	5	5 536	4 087
Other financial expenses	5	323	4
Net financial income and expenses		70 893	144 077
Profit before taxes		51 646	133 554
Taxes	6	7 364	9 839
Profit for the year		44 282	123 715
Allocations			
Transferred to other equity		44 282	123 715
Total allocations		44 282	123 715

BALANCE SHEET PARENT COMPANY

HAV Group ASA

	Note	2023	2022
ASSETS			
(NOK 1,000)			
Non current assets			
Research and development	7	1 523	1 523
Deferred tax assets	6	29	57
Total intangible assets		1 552	1 581
Fixed assets			
Operating equipment, fixtures, fittings, tools, etc	3	2 212	875
Total tangible fixed assets		2 212	875
Financial fixed assets			
Investments in subsidiaries	8	216 011	182 243
Loan to Group companies	9	73 595	25 554
Investments in shares		0	2 000
Other long-term receivables		26	3
Total financial fixed assets		289 631	209 801
Total fixed assets		296 396	212 256
Current assets			
Accounts receivable		2 576	3 053
Receivables from group companies	9	74 793	153 417
Other current receivables	10	2 375	2 520
Total receivables		79 424	158 990
Cash and bank deposits	11	36 277	6 405
Total current assets		41 227	165 395
Total assets		409 097	377 652

EQUITY AND LIABILITIES (NOK 1,000)	Note	2023	2022
Equity			
Share capital	12,13	35 000	35 000
Own shares	12	3 341	1 638
Share premium	12	87 202	87 202
Total paid-in equity		118 861	120 564
Retained earnings		137 170	108 445
Total retained earnings		137 170	108 445
Total equity	12	256 031	229 009
Liabilities			
Liabilities to Financial institutions	14,15	17 500	32 500
Liabilities to Group companies	9,14	90 211	61 628
Liabilities to other		3 377	0
Total other long-term liabilities		111 088	94 128
Total long-term liabilities		143 615	94 128
Current liabilities			
Accounts payable	10	2 027	2 410
Payable tax	6	686	0
Public duties payable		3 046	2 037
Debt to group companies	9	32 597	44 988
Other current liabilities	10	3 692	5 080
Total short-term liabilities		41 978	54 515
Total liabilities		153 066	148 642
Total equity and liabilities		409 097	377 652

Fosnavåg, 30 April 2024
The Board of Directors and CEO
HAV Group ASA

Vegard Sævik
Chairman of the Board

Hege Sævik Rabben
Board member

Monica G.Sperre
Board member

Helge Simonnes
Board member

Vibeke Fængsrud
Board member

Egil Bremnes
Board member

Kathrine Lynge
Board member

Gunnar Larsen
CEO

STATEMENT OF CASHFLOW PARENT COMPANY

HAV Group ASA

(NOK 1,000)	Note	2023	2022
Cash flow from operations			
Profit/(loss) before tax		51 646	133 554
Depreciation	3	845	662
Net financial items	5	-70 893	-144 077
Interest payments	5	-1 953	-2 135
Changes in accounts receivables and accrued income		477	1 548
Changes in accounts payables		-382	1 293
Changes in other current receivables/liabilities		233	2 323
Net cash flow from operating activities		**-20 028**	**-6 832**
Cash flow from investments			
Investments in property, plant and equipment	3	-2 182	-1 537
Investments in shares		-107	-2 000
Sale of shares		1 800	0
Investments in shares in subsidiary	8	-2 000	-9 667
Net cash flow from investing activities		**- 2 489**	**-13 204**
Cash flow from financing activities			
Repayment long term debt	14	-15 000	-15 000
Purchase of own shares	12	-20 277	-32 894
Change intercompany balances	8,9	87 665	21 895
Net cash flow from financing activities		**52 388**	**-25 999**
Net change in cash and cash equivalents		**29 872**	**-46 035**
Cash and cash equivalents at start of the period		**6 406**	**52 440**
Cash and cash equivalents at end of the period		**36 277**	**6 405**
Of this restricted cash	11	1 797	952

NOTES PARENT COMPANY

HAV Group ASA

NOTES TO THE FINANCIAL STATEMENTS 2023 PARENT COMPANY

NOTE 1 ACCOUNTING PRINCIPLES

Accounting Principles

The financial statements are set up in accordance with the Norwegian Accounting Act. They are prepared using Norwegian accounting standards and generally accepted accounting principles.

Management has used estimates and assumptions that affect the income statement and the valuation of assets and liabilities, as well as contingent assets and liabilities, at the balance sheet date during the preparation of financial statements in accordance with generally accepted accounting principles.

Fixed assets are comprised of assets intended for long-term hold and use. Fixed assets are stated at cost. Fixed assets are capitalized and depreciated over the asset's useful life.

Expenditure on research and development is capitalized to the extent that a future economic benefit related to the development of an identifiable intangible asset can be identified and where the acquisition cost can be measured reliably. Otherwise, such expenses are expensed on an ongoing basis. Capitalized research and development is depreciated on a straight-line basis over its economic life.

Tangible fixed assets are written down to the recoverable amount when impairment is not expected to be temporary. The recoverable amount is the higher of an asset's net selling price and its value in use. An asset's value in use is the present value of the estimated future cash flows from the asset. If the reasons for impairment no longer exist, the impairment loss is reversed.

Current assets and liabilities consist of items that fall due for payment within one year of acquisition, as well as items related to the business cycle. Current assets are valued at the lower of cost and net realizable value. Current liabilities are stated at nominal value at the time of acquisition.

Monetary items in foreign currency are translated using the exchange rates at the balance sheet date. Transactions in foreign currency are translated at the rate applicable on the transaction date.

Trade receivables and other receivables are recorded at nominal value less a provision for doubtful accounts. The provision is made based on an individual assessment of each receivable.

Subsidiaries and associated companies are assessed according to the cost method in the company accounts. The investment is valued at the acquisition cost of the shares unless impairment has been necessary. Write-downs have been made at fair value when a fall in value is due to reasons that cannot be assumed temporary and it must be considered necessary according to good accounting practice. Impairment losses are reversed when the basis for impairment is no longer present.

Dividends, group contributions and other distributions from subsidiaries are recognized in the same year as they are recognized in the financial statement of the provider. If dividends/group contribution exceed withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the balance sheet for the parent company.

The tax expense in the income statement is comprised of both the period's payable tax and changes in deferred tax. Deferred tax is calculated at a rate of 22 % based on the temporary differences that exist between accounting and tax values, and tax losses carried forward at the year-end. Tax increasing and tax-reducing temporary differences that are reversed or can be reversed in the same period are offset. Net deferred tax assets are recognized to the extent that it is probable that the amount can be utilized against future taxable income.

Accounting principles are further discussed in the accompanying notes to individual financial statement items.

NOTE 2 PAYROLL EXPENSES, NUMBER OF EMPLOYEES, REMUNERATIONS, ETC.

(NOK 1,000)

Payroll expenses	2023	2022
Wages	20 824	12 369
Social security tax	3 894	2 086
Pension costs	1 345	986
Other payroll-related costs	743	3 598
Total	**26 806**	**19 040**
Average number of employees	17	17

	Gunnar Larsen, CEO		Pål Aurvåg, CFO	
(NOK 1,000)	2023	2022	2023	2022
Salary	2 485	2 164	1 774	1 069
Pension	111	98	111	78
Other remuneration	206	183	197	114
Total remuneration	**2 802**	**2 445**	**2 082**	**1 260**

	Frank-Levi Kvalsund, SVP HR/QHSE		Board	
(NOK 1,000)	2023	2022	2023	2022
Salary	1 803	825	1 320	1 300
Pension	107	74	0	0
Other remuneration	197	112	0	0
Total remuneration	**2 107**	**1 011**	**1 320**	**1 300**

At the time for establishment of HAV Group in Q1 2021, Gunnar Larsen was employed as CEO for HAV Group. At the same time Pål Aurvåg (CFO) and Frank-Levi Kvalsund (SVP HR/ QHSE) were hired in from Havyard Group ASA (EQVA ASA) in respective positions, but transferred to HAV Group from March 2022. Figures for 2022 is only related to remuneration from HAV Group.

No loans or guarantees have been issued to the CEO, the Chairman of the Board or other related parties. As of 31.12.2022 there has not been established bonus programs or share based incenive programs for management.

Auditor remuneration is distributed as follows:	2023	2022
Statutory audit	991	1 279
Tax consulting	59	22
Other services	0	0
Total (net of VAT)	**1 050**	**1 301**

Pension scheme

The company has a defined contribution plan in accordance with the Norwegian Law on Required Occupational Pension. The pension depends on paid-in contributions and the return on these contributions. For the company, the year's pension cost is equal to the year's premium.

The company's pension scheme meets the requirements of the Norwegian Law on Required Occupational Pension.

NOTE 3 EQUIPMENT

(NOK 1,000)	2023 Operating equipment	2022 Operating equipment
Acquisition cost as at 01.01	1 537	0
Additions during the year	2182	1 537
Acquisition cost as of 31.12	**3 719**	**1 537**
Accumulated depreciation as of 01.01	662	0
Depreciation for the year	845	662
Accumulated depreciation as of 31.12	**1 507**	**662**
Book value as of 31/12	**2 212**	**875**

NOTE 4 OTHER OPERATING COST

(NOK 1,000)	2023	2022
Rent and leasing expenses	1 368	952
Office and administration expenses	1 440	977
Plant, tools and equipment (including IT)	4 968	3 581
Travel and employee expenses	3 120	3 017
Hired consultants*	7 586	11 117
Total	**18 482**	**19 645**

Fees to the auditor consists of the following services:	2023	2022
Statutory audit	991	1 279
Tax advice	59	22
Total	**1 050**	**1 301**

NOTE 5 FINANCIAL INCOME AND FINANCIAL EXPENSES

(NOK 1,000)

	2023	2022
The item "Other financial income" consists of:		
Interest from Group companies	2 276	1 427
Agio	3	10
Income from subsidiaries	74 473	146 732
Total	**76 752**	**148 168**

The item "Other financial costs" consists of:	2023	2022
Interest to Group companies	3 583	1 953
Interest payment	1 953	2 135
Disagio	16	1
Other financial costs	307	2
Total	**5 859**	**4 091**

NOTE 6 TAXES

Taxes are expensed as they incur, i.e. the tax charge is related to the pre-tax accounting profit. Taxes are comprised of payable tax (tax on the year's taxable income) and changes in deferred tax. The tax expense is allocated between the ordinary profit and extraordinary items in accordance with the tax base.

(NOK 1,000)	2023	2022
Non-current assets	-159	-261
Gain/(loss) account for deferral	26	0
Total temporary differences and tax losses carried forward.	**-133**	**-261**
Deferred tax / deferred tax asset (-)	-29	-57
Applied tax rate	22%	22%

Below is a breakdown of the difference between profit before taxes in the P&L statement and the year's tax base.

(NOK 1,000)	2023	2022
Profit before taxes	51 646	133 554
Permanent differences	-18 176	-88 830
Change in temporary differences	-125	261
The year's tax base before tax losses carried forward	33 345	44 985
Net group contribution	-30 228	-44 985
The year's tax base	3 117	0

Payables tax in balance sheet	2023	2022
Payables tax on years profit and loss	-4 965	-1 986
Payables tax from group contribution	-6 650	11 883
Payables tax to group contribution	**12 301**	**-9 897**
Total payables tax in balance sheet.	**686**	**0**

The income tax expense in the profit and loss statement consists of the following:

Payables tax in balance sheet	2023	2022
Tax payable	686	9 897
Change in deffered tax	**6 678**	**-57**
This year's tax expense	**7 364**	**9 839**

NOTE 7 INTANGIBLE ASSETS
(NOK 1,000)

	2023 Research and development	2022 Research and development
Acquisition cost as at 01.01	1 523	1 523
Additions during the year	0	0
Acquisition cost as at 31.12	**1 523**	**1 523**
Book value as at 31.12	1 523	1 523
Depreciation for the year		
Economic life	5-10	5-10
Depreciation method	Linear	Linear

The company's capitalized research and development concerns the development of a hydrogen system solution.
The project name is FreeCO2ast and was trasferred to HAV Group ASA as part of the drop-down in Q1 2021.
It is ongoing and depreciation has not started.

NOTE 8 SUBSIDIARIES

Subsidiaries are accounted for using the cost method.
(NOK 1.000)

2023

Company	Business office	Owner's share	Book value	Company's equity 100%	Company's result 100%
Norwegian Electric Systems AS	Bergen	100,0 %	102 510	20 000	-14 965
HAV Design AS	Fosnavåg	100,0 %	39 659	10 000	40 989
Norwegian Greentech AS	Fosnavåg	100,0 %	54 534	10 000	-3 216
HAV Hydrogen AS	Fosnavåg	100,0 %	11 417	15 292	-6 751
Undheim Systems	Egersund	100,0 %	7 891	30	348
Book value as at 31.12.2023			**216 011**	**55 322**	**16 405**

HAV Group ASA aquiered 100 % of the shares in Undheim Systems AS 01/09/23.

2022

Company	Business office	Owner's share	Book value	Company's equity 100%	Company's result 100%
Norwegian Electric Systems AS	Bergen	100,0 %	89 392	36 438	-8 104
HAV Design AS	Fosnavåg	100,0 %	37 360	10 000	12 085
Norwegian Greentech AS	Fosnavåg	100,0 %	51 119	12 356	18 237
HAV Hydrogen AS	Fosnavåg	100,0 %	4 372	6 716	-4 342
Book value as at 31.12.2022			**182 243**	**65 509**	**17 875**

HAV Group ASA bought (22.72%) rest of the shares in Norwegian Greentech AS Mai 2022. Havyard Far East Pte Ltd closed down end of 2021.

NOTE 9 INTERCOMPANY BALANCES AND TRANSACTIONS

(NOK 1,000)

	2023	2022
Non-current receivables to Hav Hydrogen AS	14 968	0
Non-current receivables to Norwegian Greentech	58 627	25 554
Current receivables (incl group contribution)	74 473	153 417
Accounts receivable (subsidiaries)	2 576	2 286
Non-current debt from HAV Design AS)	-67 273	-61 628
Non-current debt from Norwegian Electric System AS)	-22 938	0
Accounts payable	-317	-310
Current liabilities (incl group contribution)	-32 527	-45 298
Total	27 588	74 022

Transactions	2023	2022
Management fee income (subsidiaries)	26 936	26 936
Total	26 936	26 936

NOTE 10 OTHER SHORT TERM RECEIVABLES AND LIABILITIES

(NOK 1,000)

	2023	2022
The item "Other Short-term receivables" consists of:		
Prepaid expenses	1 480	1 563
Other short term receivables	896	957
Total	2 376	2 520

	2023	2022
The item "Other short term liabilities" consists of:		
Unpaid wages and vacation pay	2 130	4 470
Accrued interests	67	103
Other short-term liabilities	1 495	506
Total	3 692	5 080

NOTE 11 RESTRICTED CASH

MNOK 1 797 (MNOK 952 in 2022) of cash and cash equivalents relates to tax withholdings.

NOTE 12 EQUITY

(NOK 1,000)

2023

	Share capital	Own shares	Share premium	Retained earnings	Total
Equity as at 0/.01/2023	35 000	-1 639	87 202	108 446	**229 009**
Profit for the year				44 282	44 282
Purchase/sale of own shares		-1 952		-12 794	**-14 747**
Purchase partial settelment in shares		250		-2 764	**-2 514**
Equity as at 31/12./2023	**35 000**	**-3 341**	**87 202**	**137 170**	**256 031**

The board proposes NOK 0 in dividend for the general meeting

2022

	Share capital	Own shares	Share premium	Retained earnings	Total
Equity as at 01/01/2022	35 000	-122	87 202	1 611	**123 692**
Profit for the year				123 715	123 715
Purchase of own shares		-2 321		-30 578	**-32 894**
Exit minority		806		13 696	**14 502**
Equity as at 31/12.2022	**35 000**	**-1 638**	**87 202**	**108 445**	**229 009**

The board proposes NOK 0 in dividend for the general meeting

NOTE 13 SHARE CAPITAL AND SHAREHOLDER INFORMATION

2023

The company got one stock group and all shares have same rights.

The share capital was NOK 35 000 000 divided by 35 000 000 shares, at NOK 1.

HAV Group ASA has 3 336 078 treasury shares
(9.5% of share capital as of 31/12/2023)

The board proposes NOK 0 in dividend for the general meeting.

Emini Invest AS, HSR Invest AS, Innidimann AS and Pision AS jointly own 100% of Havila Holding AS. The largest shareholder of the Group is Havila Holding AS. Chairman of the Board Vegard Sævik and boardmember Hege Sævik Rabben have indirect ownership in the group through their ownership in Havila Holding AS.

Havila Holding AS is a limited company based in Norway, and its head office is located in Fosnavåg, Herøy.

Shareholders as of 31.12.2023	Controlled by	Number of shares	Ownership
HAVILA HOLDING AS	Vegard Sævik (Ch.of Board)	8 737 827	25.0 %
HAV GROUP ASA		3 336 078	9.5 %
FARVATN CAPITAL AS		2 408 909	6.9 %
NORDNET LIVSFORSIKRING AS		1 920 003	5.5 %
MP PENSJON PK		1 534 856	4.4 %
EMINI INVEST AS		1 127 179	3.2 %
HSR INVEST AS	Hege Sævik Rabben (Board)	1 127 179	3.2 %
INNIDIMMAN AS	Vegard Sævik (Ch.of Board)	1 127 179	3.2 %
JAHATT AS		770 500	2.2 %
UCVO AS		509 718	1.5 %
PISON AS		375 726	1.1 %
AVANZA BANK AB		374 913	1.1 %
OTHER SHAREHOLDERS (<1 %)		11 649 933	33.29 %
Number of shares		35 000 000	100 %

2022

The company got one stock group and all shares have same rights.

The share capital was NOK 35 000 000 divided by 35 000 000 shares, at NOK 1.

HAV Group ASA has 1 638 437 treasury shares (4.7% of share capital) as of 31/12/2022)

The board proposes NOK 0 in dividend for the general meeting.

Emini Invest AS, HSR Invest AS, Innidimann AS and Pision AS jointly own 100% of Havila Holding AS. The largest shareholder of the Group is Havila Holding AS. Chairman of the Board Vegard Sævik and boardmember Hege Sævik Rabben have indirect ownership in the group through their ownership in Havila Holding AS.

Havila Holding AS is a limited company based in Norway, and its head office is located in Fosnavåg, Herøy.

Shareholders as of 31/12/2022	Controlled by	Number of shares	Ownership
HAVILA HOLDING AS	Vegard Sævik (Ch.of Board)	8 737 827	25.0 %
FARVATN CAPITAL AS		2 408 909	6.9 %
HAV GROUP ASA		1 638 437	4.7 %
MP PENSJON PK		1 524 220	4.4 %
EQVA ASA		1 513 542	4.3 %
NORDNET LIVSFORSIKRING AS		1 379 834	3.9 %
EMINI INVEST AS		1 127 179	3.2 %
HSR INVEST AS	Hege Sævik Rabben (Board)	1 127 179	3.2 %
INNIDIMMAN AS	Vegard Sævik (Ch.of Board)	1 127 179	3.2 %
AVANZA BANK AB		1 012 324	2.9 %
NORDNET BANK AS		917 848	2.6 %
JAHATT AS		770 500	2.2 %
MORGAN STANLEY & CO. INTERNATIONAL		735 608	2.1 %
PISON AS		375 726	1.1 %
OTHER SHAREHOLDERS (<1 %)		10 603 688	30.3 %
Number of shares		35 000 000	100 %

NOTE 14 NON-CURRENT LIABILITIES

(NOK 1,000)

Non-current liabilites	2023	2022
Liabilities to Financial institutions	17 500	32 500
Liabilities to Group companies	**90 211**	**61 628**
Total	107 711	94 128

The Liabilities to financial institutions of MNOK 26.4 include the DNB loan of MNOK 17.5 (Hav Group) and MNOK 6 from Sparebanken Møre and 3.2 Innovation Norway (Norwegian Greentech).
As of 31 December 2023, the Group was in compliance with all its existing debt covenants.

All the loans were refinanced 1.February 2024 with total amout of MNOK 36.

The new loan from DnB has a maturity of 3 years with nominal interest rates of NIBOR 3 months + margin 2.25 %. Covenants is NIBD < 2.5 EBITDA 12 mnth. Equity > 20%, measured year end.

NOTE 15 MORTGAGES

(NOK 1,000)

Book value of liabilities secured by mortgages	2023	2022
Liabilities to Financial institutions	17 500	32 500
Total	**17 500**	**32 500**

Security for DnB Loan

Book value of pledged assets	2023	2022
Research and development	1 523	1 523
Operating equipment, fixtures, fittings, tools, etc	2 212	875
Accounts receivable	0	767
Shares in Norwegian Electric Systems AS	102 510	89 392
Shares in HAV Design AS	39 659	37 360
Shares in Norwegian Greentech AS	54 534	51 119
Shared in HAV Hydrogen AS	11 417	4 372
Shared in Undheim System AS	7 891	0
Total	**219 747**	**185 409**

NOTE 16 FINANCIAL MARKET RISK

Interest rate Risk

Interest rate risk arises in the short and medium run as the Company's liabilities are subject to floating interest rates.

Foreign currency Risk

Fluctuations in exchange rates entail both direct and indirect financial risks for the company. The Group uses currency hedging instruments to keep the currency risk at a low level.

Liquidity Risk

Liquidity risk is the risk that the group is unable to fulfill its financial obligations as they fall due. The Group has routines for continued monitoring of the cash flow.

To the General Meeting of HAV Group ASA

Independent Auditor's Report

Opinion

We have audited the financial statements of HAV Group ASA, which comprise:

- the financial statements of the parent company HAV Group ASA (the Company), which comprise the balance sheet parent company as at 31 December 2023, the profit or loss statement parent company and statement of cashflow parent company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of HAV Group ASA and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated statement of cashflow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the

Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Director's report applies correspondingly to the statement on Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: https://revisorforeningen.no/revisjonsberetninger

Bergen, 30 April 2024
PricewaterhouseCoopers AS

Fredrik Gabrielsen
State Authorised Public Accountant
(This document is signed electronically)

Revisjonsberetning

Signers:

Name	*Method*	*Date*
Gabrielsen, Fredrik	BANKID	2024-04-30 14:55


A SUSTAINABLE FUTURE AT SEA