



HAVgroup

HAV GROUP ASA

Third quarter financial results 2023

Gunnar Larsen
CEO

Pål Aurvåg
CFO

A sustainable future at sea
www.havgroup.no

Agenda

1. HAV Group in brief and Q3 highlights
2. HAV Group's strategy
3. Business update
4. Financials
5. Summary and outlook
6. Q&A



HAV Group: Enabling the green transition at sea



International provider of **green technology and services** for maritime industries



Vision: A sustainable future at sea



Renowned provider of maritime **products, systems and integrated solutions**



Special expertise in **guiding** the marine and maritime industries **towards zero emissions**

Q3 HIGHLIGHTS

Key developments

- Order intake of NOK 288.3 million = book-to-bill of x1.48
 - Includes NOK 200 million contract to develop SOV for ESVAGT
- Revenue of NOK 193.2 million, up 41.3% from Q3 2022 (136.6)
- Weaker EBIT as guided in Q2 presentation, primarily caused by differences in project mix and maintained capacity levels
- Experiencing growth in tender pipeline for ship design and energy design and smart control businesses
- Completed acquisition of Undheim Systems AS, adding dynamic positioning capabilities to HAV Group’s product portfolio

Subsequent events

- Fjord1 committed to utilise HAV Group as technology partner and key supplier to four newbuild, autonomous zero-emission ferries on Lavik-Oppedal route – could become one of HAV Group’s largest contracts ever

Operating income	EBITDA	Cash balance
NOK 193.2m	NOK -17.0m	NOK 232.7m

Order intake	External backlog	Book-to-bill
NOK 288.3m	NOK 607m	x1.48

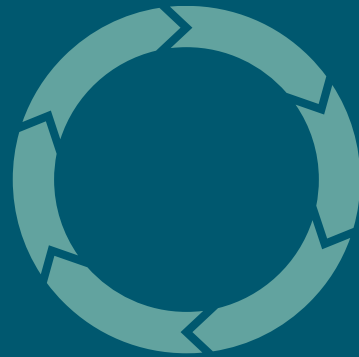
HAV group strategy

HAV Group value creation



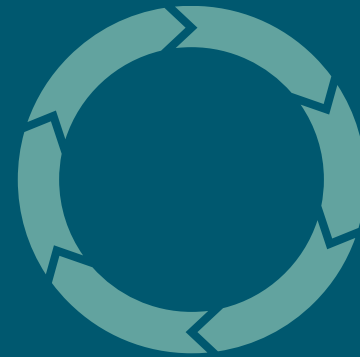
STRATEGIC DEVELOPMENT

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



COMPLEMENTARITY

Creating stakeholder value through collaboration and utilizing complementary knowledge and technology



SYNERGIES

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



VALUE & GROWTH

Pursuing value accretive growth – organic and through M&A

HAV Group perfectly positioned to leverage maritime greentech megatrends

Enabler of:
Reduced energy consumption and cost
Lower emissions
Green transition at sea

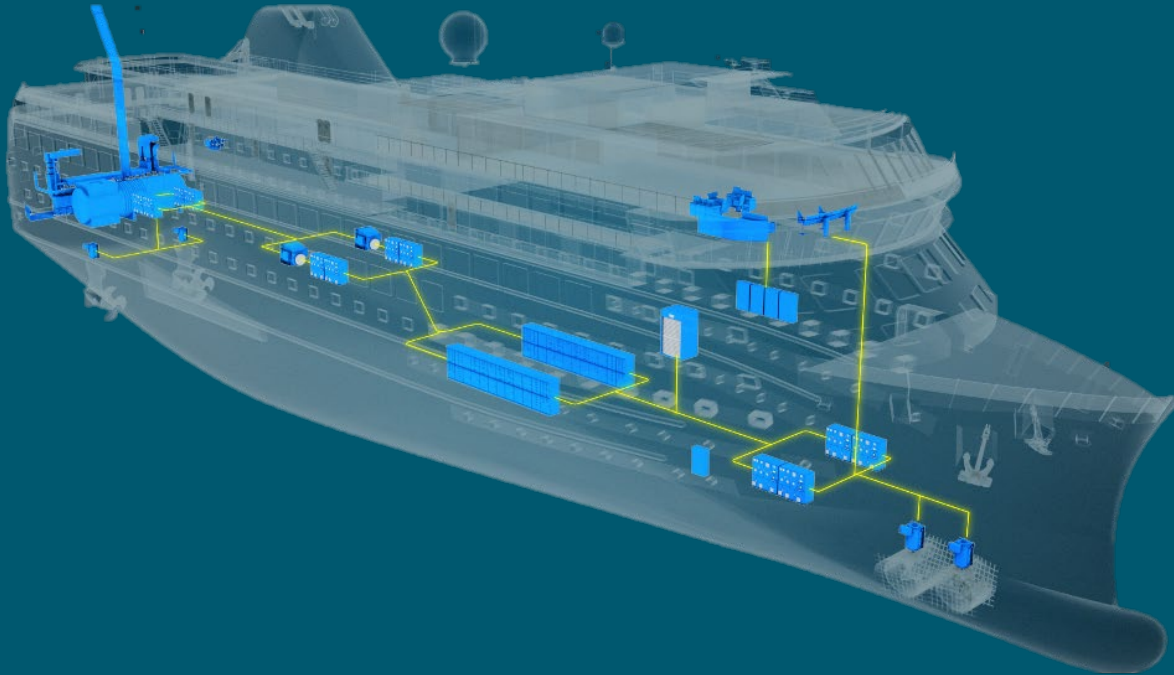


Advise customers about vessel solutions that increase competitiveness and reduce TCO

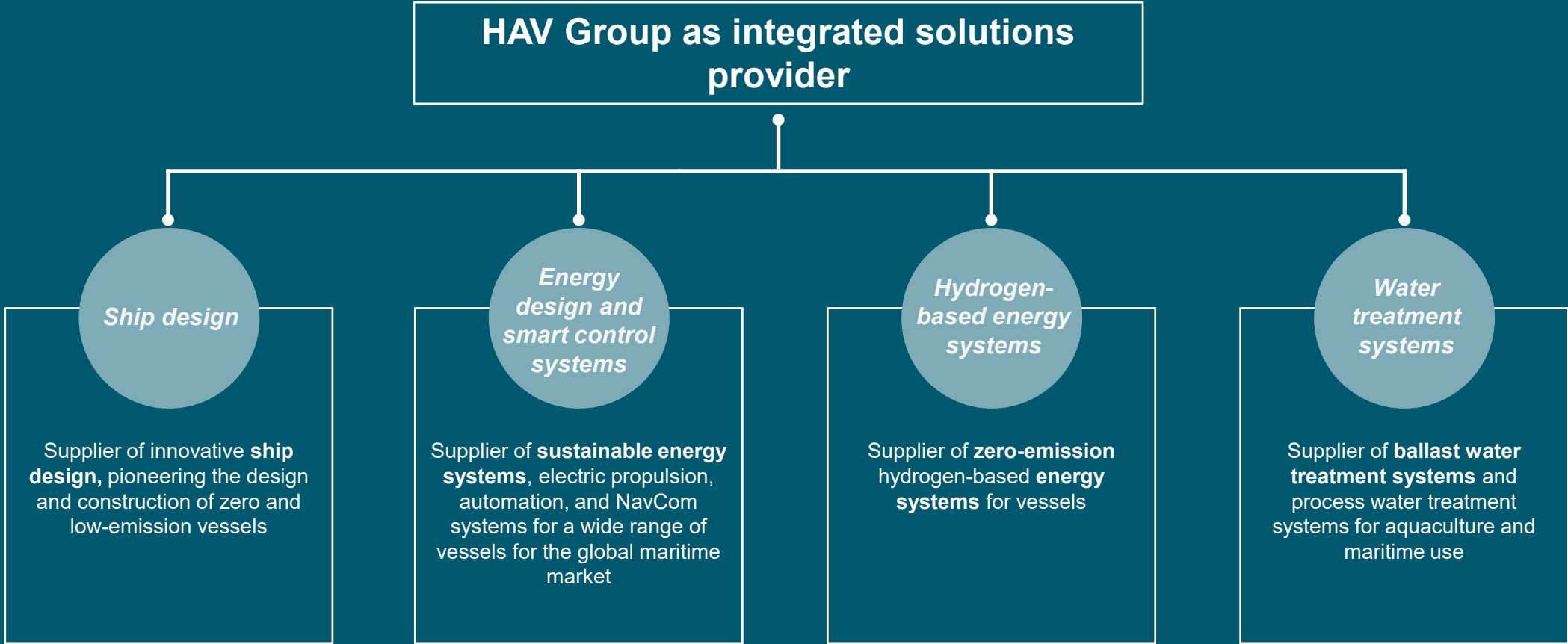
Design and construction of zero-emission and energy-optimized vessels

Low/zero emission **energy, propulsion and control** systems

Energy-efficient, compact **water purification** systems



HAV Group – Enabling the green transition at sea



Ship design

- Development of the most efficient vessels possible, covering every aspect of vessel **performance** and **functionality**, through:
 - Concept development
 - Detail design
 - Equipment selection
 - Procurement
 - Systems engineering
 - Integration
- **Simulation-based** ship design
 - Ability to analyse and document real-life performance of a vessel
- Sold designs for more than **120** vessel globally
- **Leading market position** within offshore wind, electric ferries and aquaculture

Q3 highlights

- Repeat order: HAV Group to develop methanol-fuelled **SOV** for **ESVAGT**
 - Scope: ship design and integrated equipment package including propulsion system, engines, propellers and positioning system
 - Contract value approximately **NOK 200 million**



Event subsequent to end of Q3:

- Chosen as technology partner for 4 x newbuild, **autonomous zero-emission ferries** that will operate the Lavik-Oppedal route
- Scope of supply (contingent of a final contract):
 - Ship design
 - Engineering package



Energy design and smart control systems

- Supplier of **low and zero-emission** energy, propulsion and control systems for the global marine market
- **Energy design from bridge to propeller:** knowledge about vessel operations and competence in integrating energy sources allows design of optimal power and propulsion systems
- **Smart control:** Software platforms for navigation, automation and control to ensure efficient and safe operations



Q3 highlights

- Completed acquisition of **Undheim Systems**
 - Adds dynamic positioning and autonomous vessel capabilities
- IMO's revised GHG reduction strategy for global shipping expected to drive adoption of low and zero emission solutions

Event subsequent to end of Q3:

- Chosen as technology partner for 4 x newbuild, **autonomous zero-emission ferries** that will operate the Lavik-Oppedal route
- Scope of supply (contingent of a final contract):
 - System integrator role
 - System deliveries for power system and automation
 - Bridge design including navigation and communication solutions
 - Two onshore charging stations
 - Systems for automation of vessel functions and autonomous navigation for the operating concept



Hydrogen-based energy systems

- Complete and scalable **zero-emission** hydrogen-based energy systems
- Suitable for vessels **newbuilds** and **retrofits**
- Granted preliminary approval by the Norwegian Maritime Authority for a maritime-based energy system with liquid hydrogen tank below deck from the Norwegian flag
- Leading competence in guiding clients in selecting and implementing the optimal technology for hydrogen based zero-emission fuels giving the lowest TCO

Q3 highlights

- Successful test of **hydrogen fuel cell** with **maritime control system** together with NES (photo below)
- Invited to participate in project initiated by Ocean Hyway Cluster which aims to **lower threshold for adopting zero-emission fuels** through vessel **retrofits**
- Divested 10 percent shareholding in Pherousa Green Technologies AS at approximately cost price



Water treatment systems

- **Ballast water** treatment systems (BWTS) for ships
 - Compact and highly flexible systems with very low energy consumption
 - For retrofit and vessel newbuilds
- **Process water** treatment systems for the aquaculture industry:
 - Live fish carriers
 - Land-based aquaculture
- Sold **700+** systems worldwide
- IMO and USCG certified

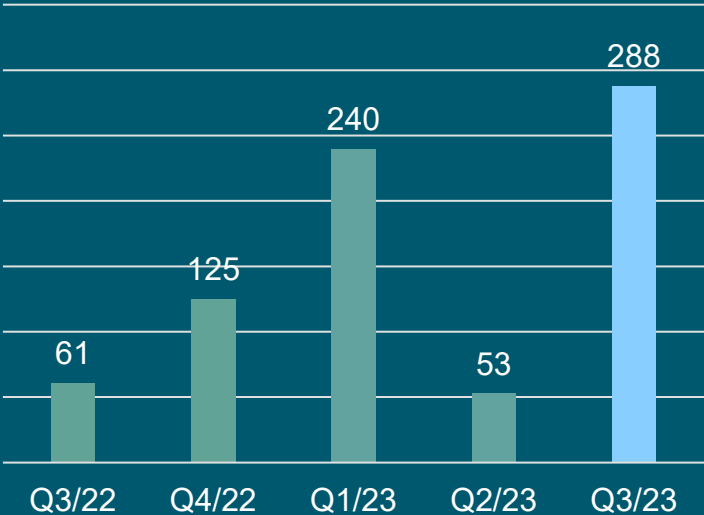
Q3 highlights

- Contracts with Chinese Yantai CIMC Raffles Offshore Ltd. for delivery of two large ballast water treatment systems for Havfram Wind's vessel newbuilds
- Additional BWTS orders through various frame agreements, including new orders from Wilson
- New orders from important customers in Greece, totalling delivery of 13 systems

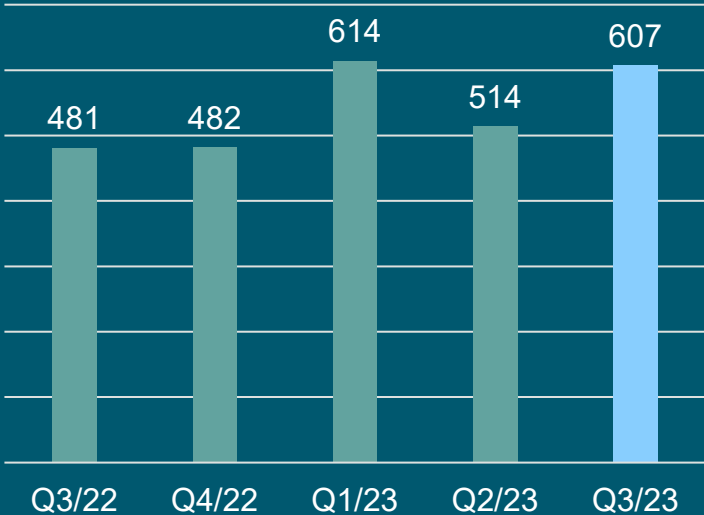


Solid order intake in Q3 2023

Order intake per quarter



Order backlog development



Partner for Fjord1's autonomous zero-emission ferries

The vessels

- 4 x newbuild, autonomous zero-emission ferries to be in operation by 2026
- Implementation of automation functions and autonomous systems, including autocrossing and autodocking, from 2027
- Fully autonomous navigation from 2028
- Operating concept developed by Fjord1 and HAV Group

HAV Group impact

- Emphasizes HAV Group's leading competence on zero emission ferry operations
- Will elevate HAV Group's market position and competitive edge within vessel autonomy and automation
- Potential to become largest contract ever for HAV Group



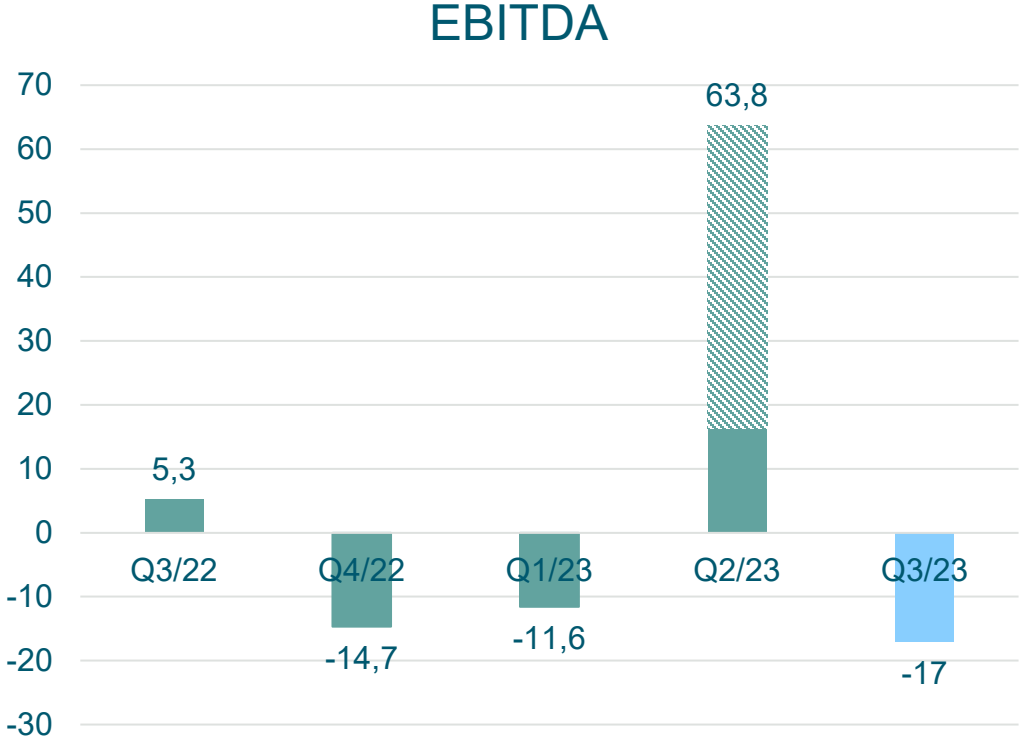
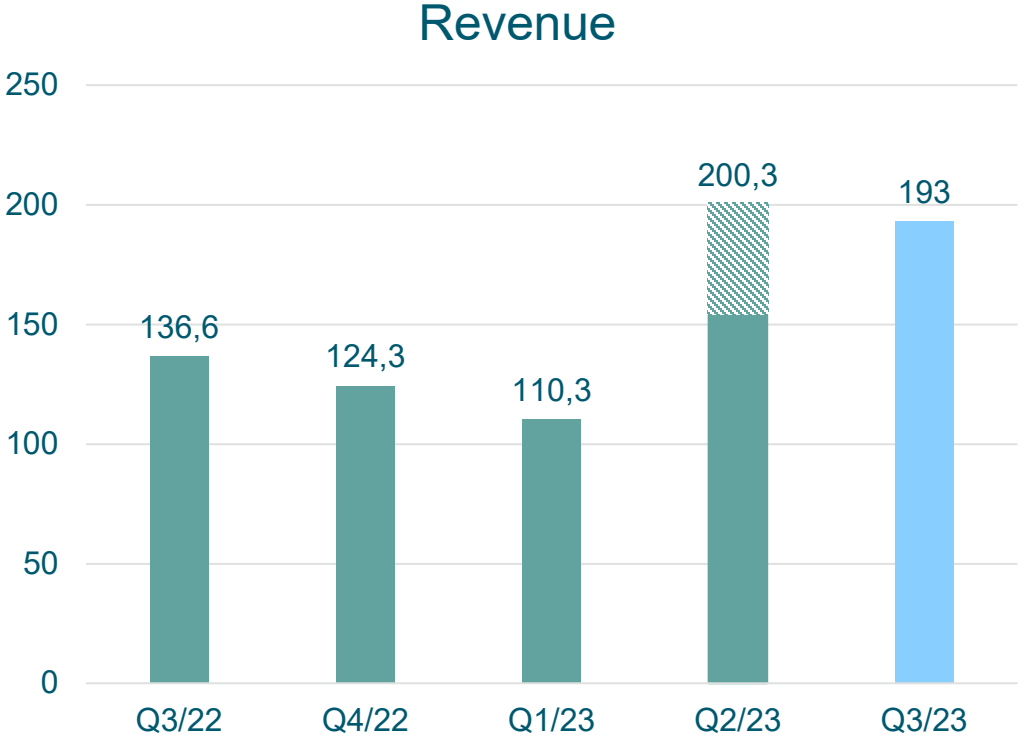
E39 is the main transport route along the Norwegian west coast



HAVgroup

Financials

Revenue and EBITDA development



Q3 2023 key financials

NOKm	Q3 2023	Q3 2022	YTD 2023	YTD 2022	2022	Comments
	unaudited	unaudited	unaudited	unaudited	Audited	
Operating income	193.0	136.6	503.6	495.3	621.8	<ul style="list-style-type: none"> As the business is largely project-driven, periodic fluctuations will occur Expected weaker EBIT in H2 2023, as guided in Q2 presentation, primarily caused by differences in project mix and maintained capacity levels HAV Group's decision to maintain capacity to be able to fully capitalize on forthcoming growth opportunities is still affecting financial results Remaining retrofit market for ballast water treatment systems pushed to the right, but represents substantial potential as installation deadline gets closer
EBITDA	-17.0	5.3	35.2	35.9	19.7	
EBIT	-21,4	0.8	22.4	22.7	2.0	
Net finance	2.8	0.1	4.4	-0.4	2.3	
Net profit/loss	-18.6	0.9	26.8	22.3	4.3	
<i>EBIT margin</i>	<i>-11.1 %</i>	<i>0.6 %</i>	<i>4.4 %</i>	<i>4.6 %</i>	<i>0.3 %</i>	

Ship design

NOKm	Q3 2023	Q3 2022	2022
Operating income	99.7	61.4	155.4
EBITDA	-3.0	3.3	15.7
Profit before tax	-2.1	-1.9	10.5

Water treatment systems

NOKm	Q3 2023	Q3 2022	2022
Operating income	38.9	40.0	226.7
EBITDA	-1.5	5.7	30.8
Profit before tax	-4.3	5.4	23.3

Energy design & smart control systems

NOKm	Q3 2023	Q3 2022	2022
Operating income	58.6	50.6	268.6
EBITDA	-6.3	-0.3	-11.5
Profit before tax	-4.7	1.6	-10.7

Hydrogen-based energy systems

NOKm	Q3 2023	Q3 2022	2022
Operating income	0.1	0.5	2.8
EBITDA	-2.0	-1.7	-5.4
Profit before tax	-2.2	-1.7	-5.6

Q3 2023 balance sheet

NOKm	Q3 2023	Q3 2022	2022
	unaudited	unaudited	audited
Non-current assets			
Total intangible assets	88.4	75.7	77.9
Fixed assets			
Total tangible fixed assets	11.1	4.7	6.2
Financial fixed assets	0.1	0.2	0.2
Total fixed assets	101.8	82.7	85.6
Current assets			
Total receivables	162.6	153.8	170.4
Cash and bank deposit	232.7	257.5	223.8
Total current assets	395.4	411.3	394.2
Total assets			
	497.1	494.0	479.8

NOKm	Q3 2023	Q3 2022	2022
	unaudited	unaudited	audited
Equity			
Total equity	123.6	135.1	112.5
Liabilities			
Total provision for liabilities	9.6	6.0	8.3
Total long term liabilities	46.3	57.5	55.9
Total current liabilities	327.3	301.4	311.3
Total liabilities	373.6	358.9	367.3
Total equity and liabilities			
	497.1	494.0	479.8

Comments

Assets:

- Total assets are NOK 497.1 million versus NOK 479.8 million at end of 2022
- Cash and bank deposit increased by NOK 8.9 million and total receivables decreased by NOK 7.7 million from year-end 2022

Equity:

- Total equity increased by NOK 11.0 million to NOK 123.6 million, mainly caused by retained earnings YTD.
- Equity ratio up from 23.5% year-end 2022 to 24.9%

Total liabilities:

- Total liabilities increased from NOK 367.3 million at year end 2022 to NOK 373.6 million per Q3.2023, primarily due to increase in account payables

Q3 2023 cash flow statement

NOKm	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Cash flow from operations					
Net cash flow from/to operating activities	-9.1	-28.8	62.3	-51.8	-70.4
Cash flow from investments					
Net cash flow used in investments activities	-10.9	-2.3	-18.4	-19.2	-25.1
Cash flow from financing activities					
Net cash flow used in financing activities	-6.7	-10.6	-35.0	-47.3	-56.6
Net change in cash and cash equivalents	-26.7	-42.2	8.9	-118.4	-152.0
Cash and cash equiv. recognized in the balance sheet	232.7	257.5	232.7	257.5	223.8

Comments Q3

Negative cash flow from operations

- Mainly driven by negative result in period

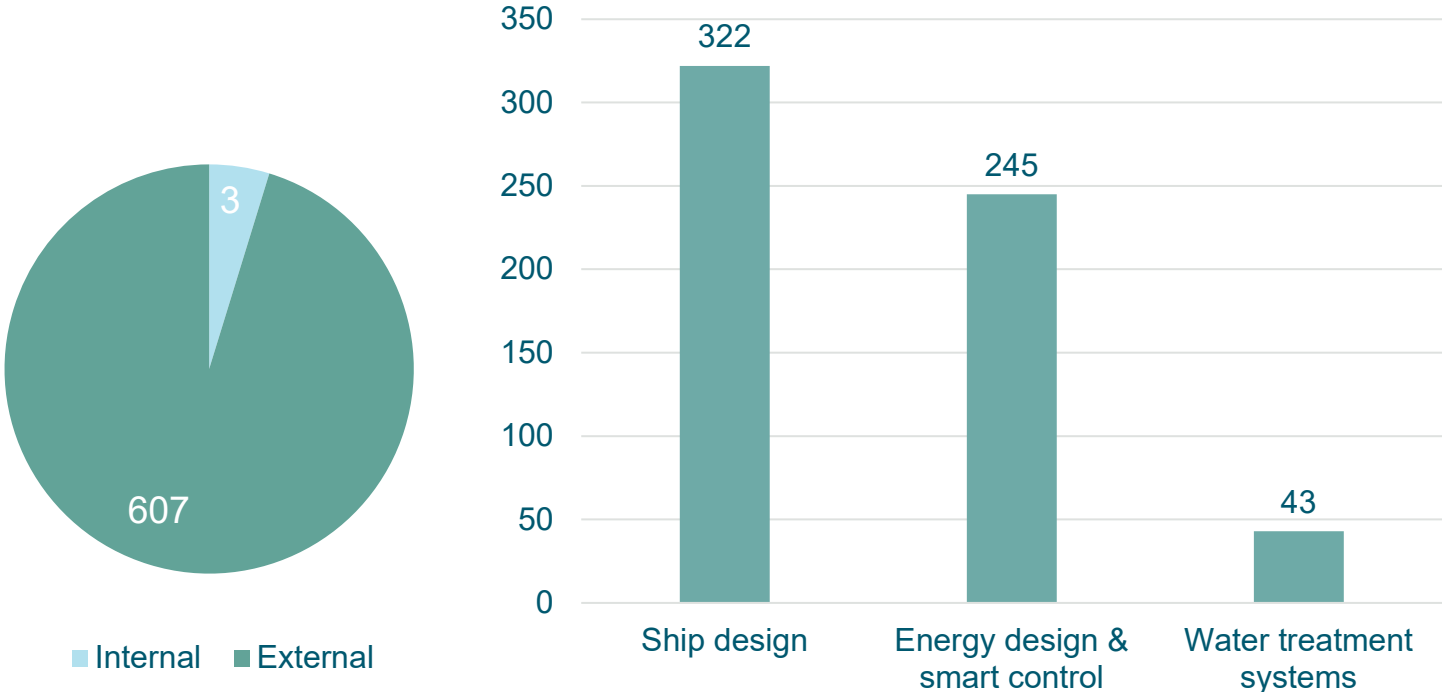
Negative cash from investments

- Mainly related to investment in Undheim systems & R&D

Negative cash from financing

- Purchase of own shares:
NOK 1.5 million
- Installments & interest payments:
NOK 5.2 million

Order backlog: segment breakdown



Comments

- For water treatment systems, "fleet-agreements" signed by different ship owners are not included in the official backlog figures

Subsequent event:

- Awards of contracts from Fjord1 to HAV Group related to the Lavik-Oppedal ferries will significantly increase order backlog, particularly for ship design and energy design & smart control segments

Summary and market outlook

Why invest



Strong fundamentals and megatrends for maritime greentech



Perfectly positioned to leverage the green maritime megatrends



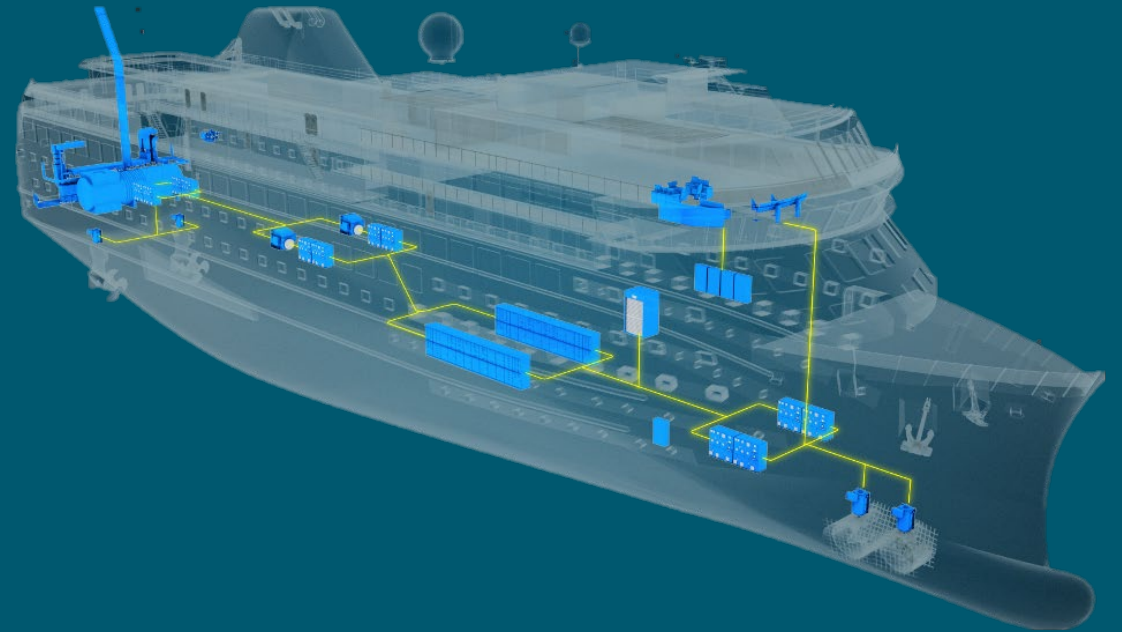
Track-record of profitable operations and robust balance sheet



Solid position for value creation

Outlook

- Global megatrends, including regulatory changes, provide incentives and requirements for the maritime industry to reduce the environmental footprint short and long term. IMO's revised GHG reduction strategy for shipping expected to further enhance this development.
- HAV Group possesses the technologies and products that enable the green transition at sea.
- Certain delayed investment decisions in combination with differences in project mix, is expected to result in weaker margins in H2 2023 compared to H1 2023. HAV Group is currently utilizing excess capacity in projects aimed at improving the group's competitive position to be able to fully capitalise on the forthcoming growth opportunities.
- HAV Group is experiencing growth in tender pipeline for its ship design and energy design & smart control businesses.
- HAV Group reiterates 2025 revenue outlook of NOK 1.3 billion, with periodic fluctuations reflecting the project-driven business.



Q&A