

HAV GROUP ASA

Third quarter financial results 2024

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22.11.24

Agenda

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



Q3 2024 HIGHLIGHTS

Key developments

- Solid order backlog of NOK 1,322 million as of 30 September 2024, up 118% from year-end 2023, reflecting strong order intake in recent quarters
 - Two new battery package contracts signed in Q3, including breakthrough award in the live fish carrier market
- Recent contract wins still in start-up phase and have not yet started to generate noticeable income/margin contribution
- Q3 revenue of NOK 134.8 million (2023: NOK 193 million)
- EBITDA NOK -24.8, (-17.0)

Subsequent events

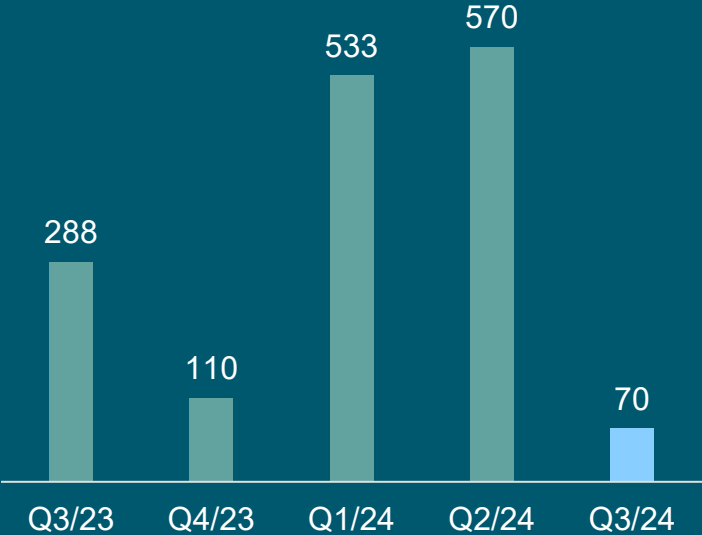
- Awarded contract, valued somewhat below NOK 100 million, for delivery of energy design, integrated automation system and future oriented bridge system and battery package to newbuild field support vessel

Operating income	EBITDA	Cash balance
NOK 134.8m	NOK -24.8m	NOK 148.8m

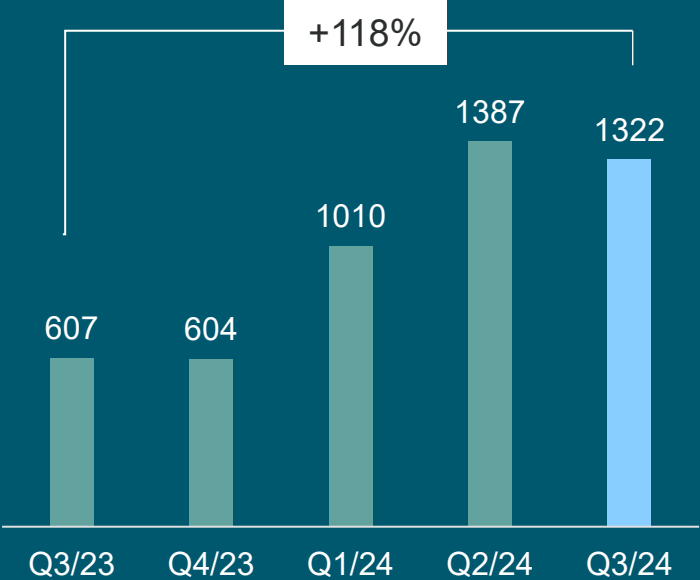
Order intake	External backlog	Book-to-bill
NOK 70.0m	NOK 1.322m	X0.52

Order intake & backlog | Strong growth

Order intake per quarter



Order backlog development



HAV Group in brief

HAVgroup

Enabling optimized vessel performance, safety and operating costs



Value proposition: Improves vessel and cargo owners' competitiveness by providing advice and optimized solutions throughout a ship's lifecycle



Vision: A sustainable future at sea



Technology: Ship design, energy design and smart control systems, hydrogen-based energy systems, and water treatment systems



Experts in guiding the marine and maritime industries towards low and zero emission shipping

Headquarters

Fosnavåg, Norway

CEO

Gunnar Larsen

Employees

171

Operating income Q3 2024

NOK 134.8m

Order backlog Q3 2024

NOK 1.322m

Market cap per 21/11-24

NOK 298m



HAV GROUP ASA

Maritime solutions provider



SHIP DESIGN

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



ENERGY DESIGN & SMART CONTROL

Supplier of **sustainable energy systems**, electric propulsion, automation, and NavCom systems for a wide range of vessels for the global maritime market.



HYDROGEN-BASED ENERGY SYSTEMS

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



WATER TREATMENT SYSTEMS

Supplier of **ballast water treatment systems** and process water treatment systems for aquaculture and maritime use.

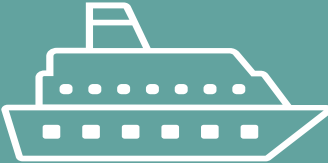
Our main industry segments



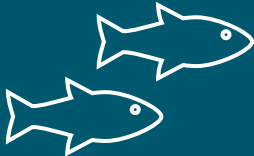
Offshore wind



Oil and gas



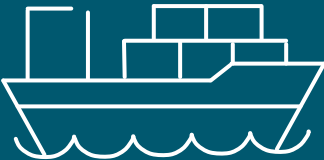
Ferries and ropax



Aquaculture



Fishery



Short sea cargo

Segment information

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 **130** vessels globally
- **Leading market position** within offshore wind, electric ferries and aquaculture

Q3 highlights

- Successful completion of **preliminary six-month project** to develop an ammonia-fuelled wellboat together with North Salmon Service
 - Applying for further funding in partnership with North Salmon Service
- Segment revenue on par with previous quarter
- Continued high tendering activity within core maritime segments



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

- Two new contracts to deliver **deck-based battery energy storage systems:**
 - AquaShip/Intership for *Grip Explorer* wellboat: first battery package system contract for live fish carrier
 - With Rem Offshore for *Rem Inspector* construction support vessel
- Order backlog of **NOK 918 million** at end of Q3, full effect from recently won contracts will be seen from 2025

Events subsequent to the end of Q3:

- Awarded contract, valued somewhat below NOK 100 million with Green Yard Kleven for delivery of energy design, integrated automation system and future oriented bridge system and battery package to newbuild field support vessel



Photo: Rem Offshore



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

- Significant amount of **funding** awarded from Enova to develop Norwegian maritime **hydrogen value chain**, which brings commercial market closer to realisation, including:
 - Vessels (incl. Maris Fiducia)
 - Enabling technologies (incl. HAV Hydrogen)
 - Hydrogen production sites along Norwegian coastline

Marius Fiducia cooperation | ZEPODs for 5 x dry-bulk newbuild

- HAV Hydrogen awaiting Maris Fiducia's placement of newbuild contract with its chosen shipyard, at which time HAV Hydrogen will enter into discussions to agree on commercial terms and delivery structure for the cooperation project

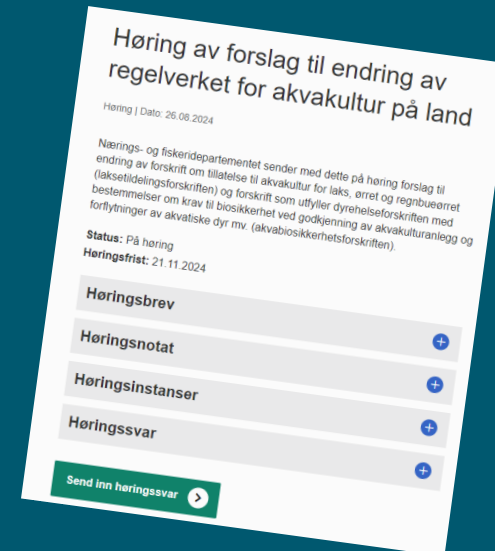


Water treatment systems

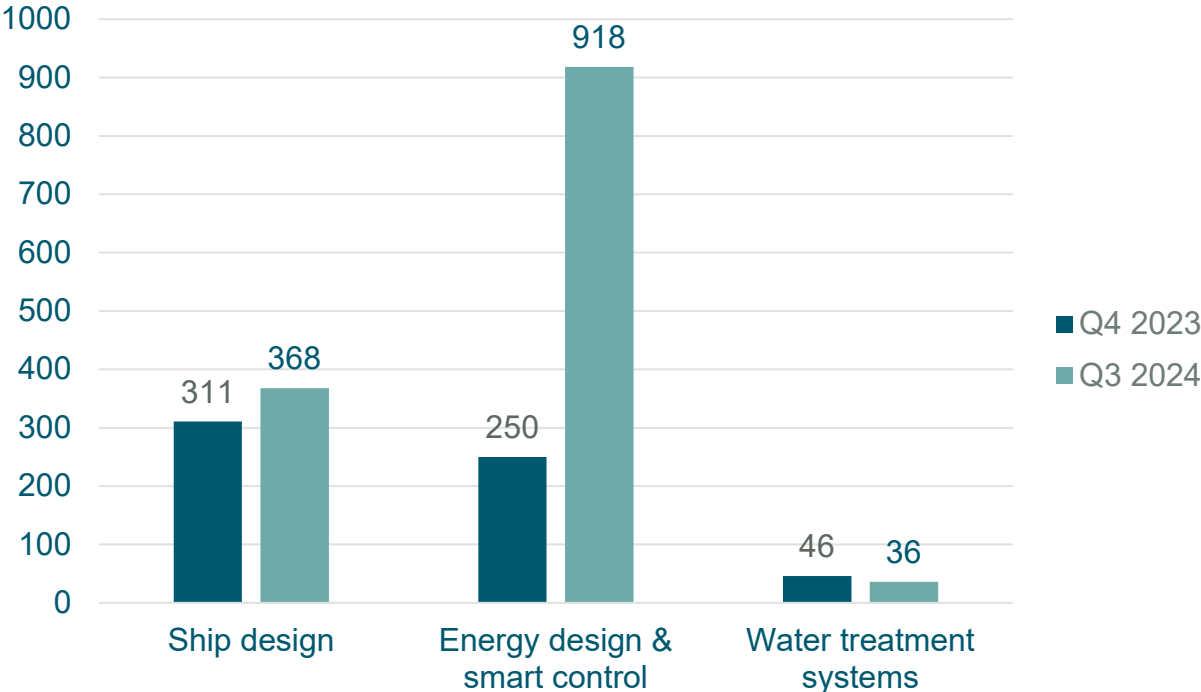
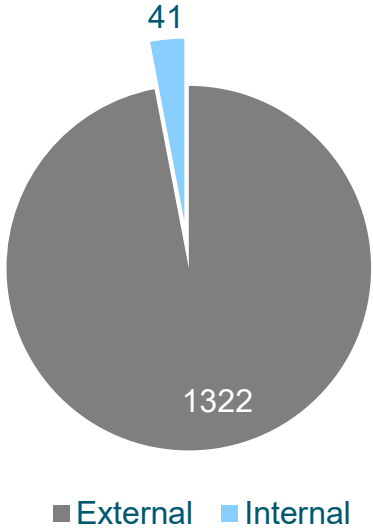
- **Ballast water** treatment systems (BWTS) for ships
 - Compact and highly flexible systems with very low energy consumption
 - For retrofit and vessel newbuilds
- **Process water** treatment systems for the aquaculture industry:
 - Live fish carriers
 - Land-based aquaculture
- Sold **750+** systems worldwide
- IMO and USCG certified

Q3 highlights

- Well positioned for contracts for disinfection of inlet water to several land-based aquaculture facilities
- Long-awaited new regulations for land-based aquaculture could open up **significant market opportunities** in Norway
 - Proposed requirement to **disinfect** all inlet water to land-based facilities
 - Also discussions for requirement to disinfect outlet water from land-based facilities
 - Combination of **filtration and UV** technology solves the proposed disinfection requirement
 - Deadline for input to public consultation period ended yesterday
 - New regulations expected in 2025
- Main sales and marketing focus of ballast water treatment systems (BWTS) shifted from retrofit to newbuilds as a result of buoyant newbuilding market

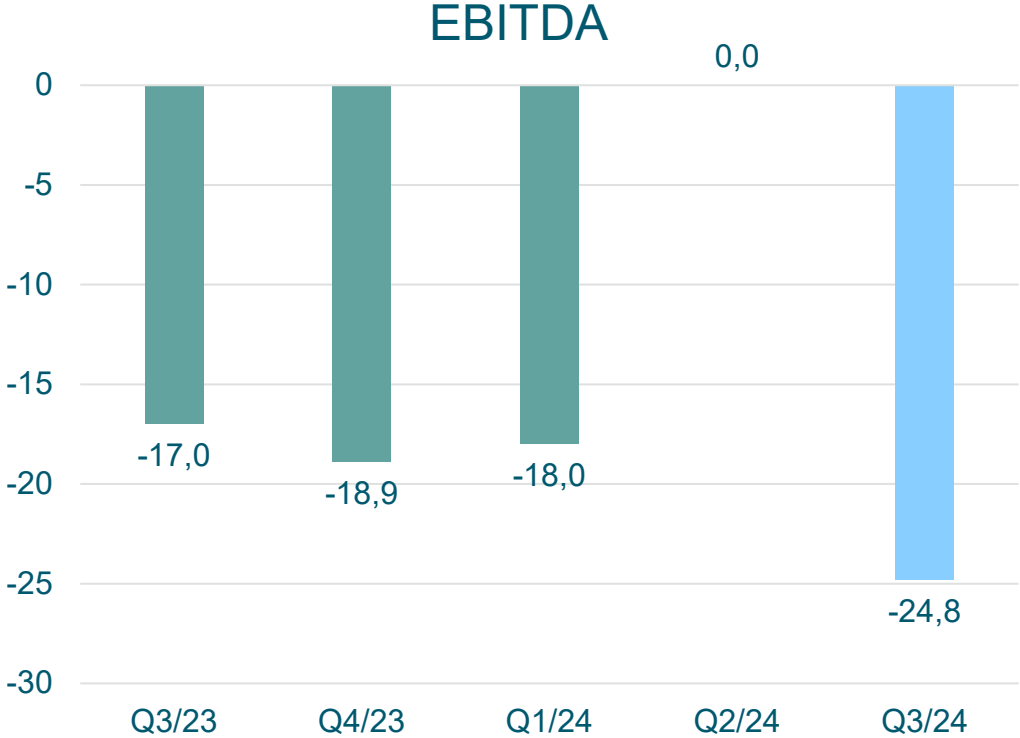
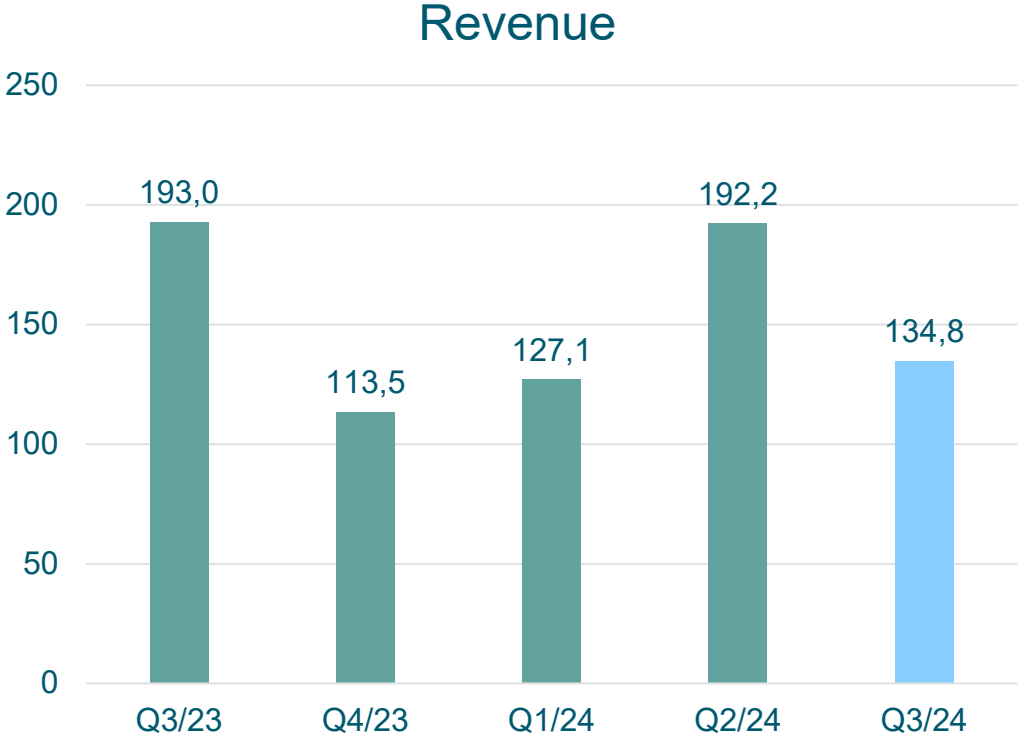


Order backlog: segment breakdown



Financials

Revenue and EBITDA development



Q3 2024 key financials

NOKm	Q3 2024	Q3 2023	2023	Comments
	Unaudited	Unaudited	Audited	
Operating income	134.8	193.0	617.1	<ul style="list-style-type: none"> Revenue decline vs Q3 last year largely driven by lower levels of trading, while capacity utilization rate is on similar level Revenue and margin negatively impacted by customers' postponing their projects, which had knock-on effect on delivery schedules for HAV Group in the quarter Recent contract wins are still in start-up phase and have not yet started to generate noticeable income/margin contribution Net finance related to unrealized agio
EBITDA	-24.8	-17.0	9.1	
EBIT	-28.9	-21.4	-7.9	
Net finance	9.9	2.8	1.9	
Net profit/loss	-19.0	-18.6	-6.0	
<i>EBITDA margin</i>	<i>-21.5 %</i>	<i>-11.1 %</i>	<i>1.5 %</i>	

Ship design

NOKm	Q3 2024	Q3 2023	2023
Operating income	55.7	99.7	249.3
EBITDA	-1.6	-3.0	50.1
Profit before tax	-0.4	-2.1	50.4

Water treatment systems

NOKm	Q3 2024	Q3 2023	2023
Operating income	22.9	38.9	156.0
EBITDA	-2.2	-1.5	3.1
Profit before tax	-3.7	-4.3	-4.1

Energy design & smart control systems

NOKm	Q3 2024	Q3 2023	2023
Operating income	69.0	58.6	220.8
EBITDA	-12.3	-6.3	-17.6
Profit before tax	-5.3	-4.7	-20.7

Hydrogen-based energy systems

NOKm	Q3 2024	Q3 2023	2023
Operating income	0.0	0.1	0.5
EBITDA	-3.1	-2.0	-8.1
Profit before tax	-3.4	-2.2	-8.7

Q3 2024 balance sheet

NOKm	Q3 2024	2023
	unaudited	audited
Non-current assets		
Total intangible assets	85.0	90.3
Fixed assets		
Total tangible fixed assets	11.2	10.4
Financial fixed assets	0.1	0.1
Total fixed assets	96.3	100.9
Current assets		
Total receivables	420.1	174.6
Cash and bank deposit	148.8	152.0
Total current assets	568.9	326.6
Total assets	665.1	427.5

NOKm	Q3 2024	2023
	unaudited	audited
Equity		
Total equity	42.3	91.2
Liabilities		
Total provision for liabilities	7.5	7.5
Total long-term liabilities	34.5	31.5
Total current liabilities	580.9	297.3
Total liabilities	662.8	336.3
Total equity and liabilities	665.1	427.5

Comments

Assets:

- Current assets increased from NOK 326.6 million year-end 2023 vs NOK 568.9 million per Q3 2024.
- Cash and bank deposit decreased by NOK 3.2 million and total receivables increased by NOK 245.5 million from year end.

Equity:

- Total equity has decreased by NOK 48.9 million to NOK 42.3 million per Q3 2024. This is mainly caused by negative result and purchase of own shares in the period.
- Start-up of several recently won projects has resulted in a significantly higher total balance (due to advance payments from customers), which means that the equity ratio has decreased from 21.3% year-end 2023 to 6.4% per Q3 2024.
- DNB has waived all financial covenants for Q3 and Q4 reporting. The company and the bank have agreed to set a new covenant structure that reflects HAV Group's growth phase and project-based business within Q1 2025 reporting.
- As a requirement from DNB, HAV Group has committed to sell all its treasury shares (3 466 829) within 31.12.24. HAV Group will initiate a process to sell the shares shortly. Havila Holding AS has provided a guarantee for the purchase of the shares at a price of NOK 8.50 per share.

Total liabilities:

- Total liabilities increased from NOK 336.3 million at year end 2023 to NOK 662.8 million per Q3 2024. Main reason is increased in advance payments from customers.

Q3 2024 cash flow statement

NOKm	Q3 2024	Q3 2023	FY 2023
	Unaudited	Unaudited	Audited
Cash flow from operations			
Net cash flow from/to operating activities	30.5	-7.5	-5.4
Cash flow from investments			
Net cash flow used in investments activities	-2.9	-13.2	-26.8
Cash flow from financing activities			
Net cash flow used in financing activities	-2.7	-5.9	-39.6
Net change in cash and cash equivalents	24.8	-26.7	-71.9
Cash and cash equiv. recognized in the balance sheet	148.8	232.7	152.0

Comments Q3 2024 (NOKm)

Positive cash flow from operations of NOK 30.5 million

- Negative result of NOK in period -19.0
- Net change current receivables 83.5
- Decrease in account payables 39.0
- Depreciation 4.1
- Net Finance -9.9
- Inventory 10.7

Negative cash from investments

- Mainly related to investments in software

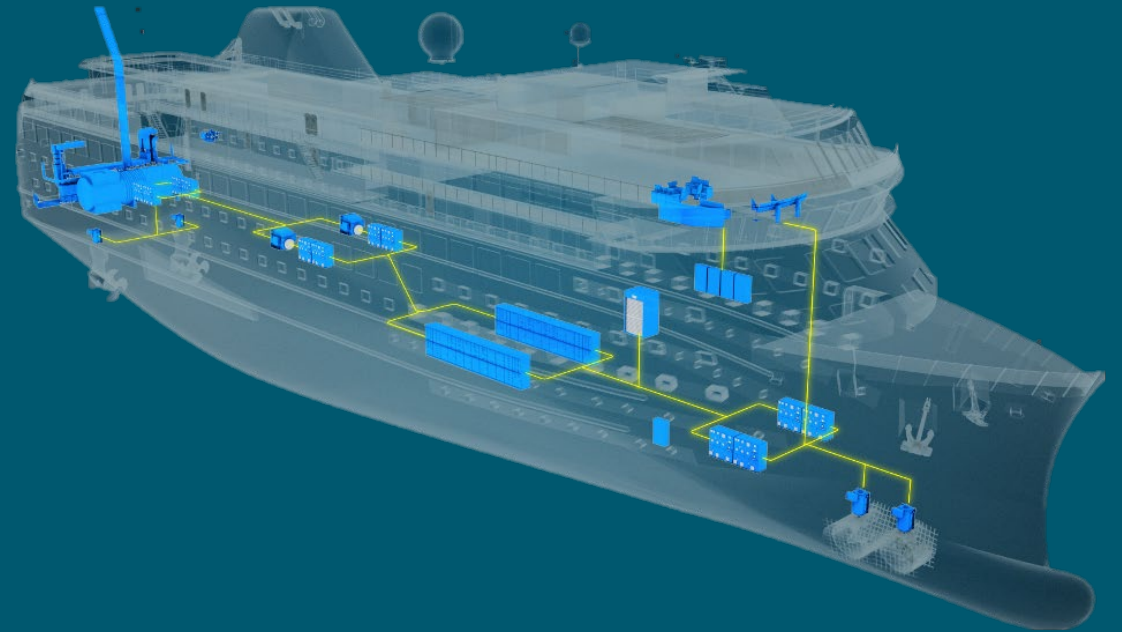
Negative cash from financing

- Repayment non- current debt -3.

Summary and market outlook

Outlook

- Global megatrends, including regulatory changes as well as increasing pressure on vessel and cargo owners to remain competitive, provide commercial incentives and regulatory requirements for the maritime industry to invest in vessels' lifecycle performance. HAV Group possesses the technologies and products that enable shipowners to optimize their vessels' operational, financial and environmental performance.
- Increased investments in offshore energy are creating market opportunities for HAV Group's solutions and products, and requests for sustainable solutions are providing prospects in the shipbuilding market. Further, the aquaculture industry is increasingly presenting market opportunities. Tender activity therefore remains high across HAV Group's segments, but certain investment decisions are seeing delays.
- Subsidiary Norwegian Greentech is in the final stage of contract negotiations with a customer within the segment of land-based aquaculture. Expected contract value is approx. MNOK 10
- HAV Group expects revenue to grow in 2024 (vs 2023), and that revenue will grow significantly in 2025 on the back of recent contract wins and healthy tender activity, with associated margin improvements.



Q&A