

HAV GROUP ASA

Fourth quarter financial results 2023

Gunnar Larsen, CEO
Pål Aurvåg, CFO

15.03.24

Agenda

1. Q4 highlights
2. HAV Group in brief
3. Business segment update
4. Financials
5. Summary and outlook
6. Q&A



Q4 HIGHLIGHTS

Key developments

- Order intake of NOK 109,8 million = book-to-bill of x0.97
- Revenue of NOK 113.5 million, down 10.3% from Q4 2022 (126.5)
- Weaker EBIT as guided in Q2 presentation, primarily caused by differences in project mix and maintained capacity levels
- Fjord1 committed to utilise HAV Group as technology partner and key supplier to four newbuild, autonomous zero-emission ferries on Lavik-Oppedal route
- Norwegian Electric Systems contract for onshore charging system to Scandlines

Subsequent events

- Contract for design and equipment package for new SOV to ESVAGT
- Contract for design of Lavik-Oppedal ferries
- Funding received to develop prototype of H2 energy system for ships

Operating income	EBITDA	Cash balance
NOK 113.5m	NOK -18.9m	NOK 152.0m

Order intake	External backlog	Book-to-bill
NOK 109.8m	NOK 604m	x0.97

HAV Group in brief



Enabling the green transition at sea



International provider of green technology and services for maritime industries



Vision: A sustainable future at sea



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



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

Headquarters

Fosnavåg, Norway

CEO

Gunnar Larsen

Employees

160

Operating income 2023

NOK 617m

Order backlog end-2023

NOK 604

Market cap per 14/3-24

NOK 378 m



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.

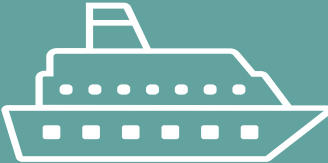
Our main industry segments



Offshore wind



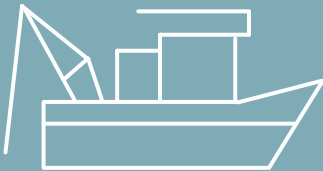
Oil and gas



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 **120** vessel globally
- **Leading market position** within offshore wind, electric ferries and aquaculture

Q4 highlights

- **High tendering activity** throughout Q4
- Selected for two highly **innovative** projects that underline HAV Design's **technology competence** and ability to guide the shipping industry through the green transition:
 - Announced as technology partner for next-generation autonomous ferry concept for the **Lavik-Oppedal** crossing (Q4)
 - Potential to change the global ferry industry
 - Chosen as development partner for **ammonia-fuelled wellboat** project
 - Potential to bring zero emission shipping to the fish farming industry



Ship design activity on the rise on back of recent awards



Lavik - Oppedal

- 4 x electric ferries for Fjord1
- Ship design and engineering package
- Signed in Q1 2024



Ammonia-fuelled wellboat

- North Salmon Service
- Six-month preliminary project
- Signed in Q4 2023



Service operations vessel

- ESVAGT / Vestas
- Ship design and large integrated equipment package
- Signed in Q1 2024

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



Q4 highlights

- **Prequalified** as supplier in selected **international markets** that are showing increased interest in electric ferry technologies
- Developing **new concepts** to meet future expected growth in the **short sea** shipping segment, driven by the EU Emission Trading System which covers emissions from maritime transport from **2024**
- Contract for delivery of **onshore charging system** to **Scandlines'** ferry berth in Puttgarden, Germany
 - Follow-up of previous contract to deliver onshore charging system to ferry berth on opposite side of the route – Rødby, Denmark

Events subsequent to the end of Q4:

- Subcontractor on SOV for ESVAGT
 - Delivery includes batteries, main generators, propulsion motors, DC switchboard setup, ensuring optimal energy distribution and utilisation



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

Q4 highlights

- Targeting new and attractive public funding solutions for realization of maritime zero emissions
- Ongoing dialogue with potential customers of Zero Emission Pod – ZEPOD® – a containerized hydrogen (H₂) energy system for ships (see illustration)

Events subsequent to the end of Q4:

- Received NOK 12.4 million in funding to build, test and certify a full-scale prototype of Zero Emission Pod – ZEPOD®



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

Q4 highlights

- Contract from Wilson to deliver BWTS to six 3,800 dwt newbuild bulkers
 - Option for delivery to eight additional vessels
- Contract from Ulstein to deliver BWTS to 2 x CSOVs
- Pursuing an increasing amount of opportunities within land-based aquaculture

Events subsequent to the end of Q4:

- Call-off from frame agreement with Misje Rederi to deliver BWTS to two 5,000 dwt eco-friendly hybrid bulk carriers



Partner for Fjord1's autonomous zero-emission ferries

The vessels

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

HAV Group impact

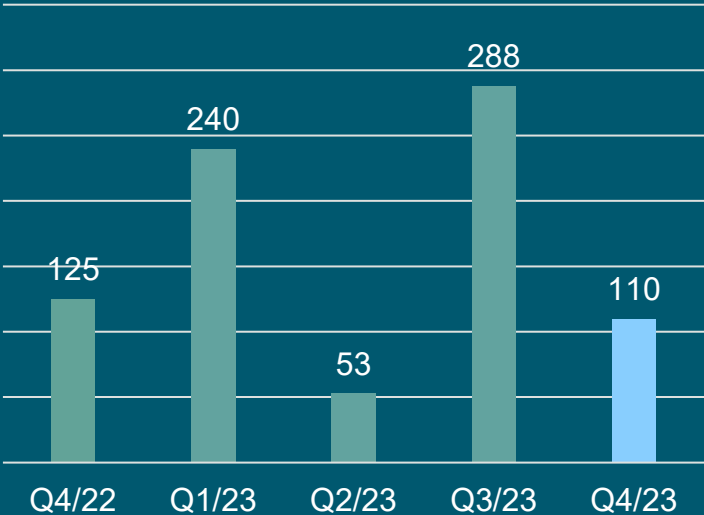
- Emphasizes HAV Group's leading competence on zero emission ferry operations
- Will elevate HAV Group's market position and competitive edge within vessel autonomy and automation
- Potential to become one of the largest contract for HAV Group

Status

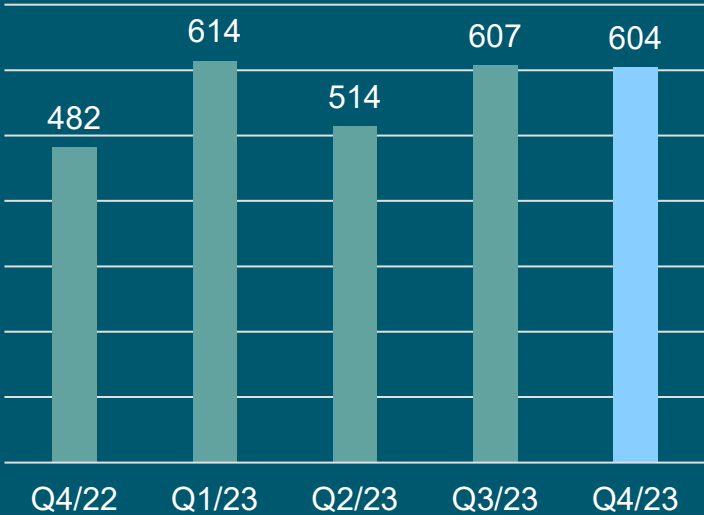
- Standstill period over
- Contract signed between Norwegian Public Roads Administration and Fjord1
- Shipyard contract announced
- Contract signed with Fjord1 for ship design and engineering package
- In general, equipment contracts are normally placed after shipyard has been chosen

Q4 2023 order intake does not include Lavik-Oppedal or ESVAGT SOV

Order intake per quarter

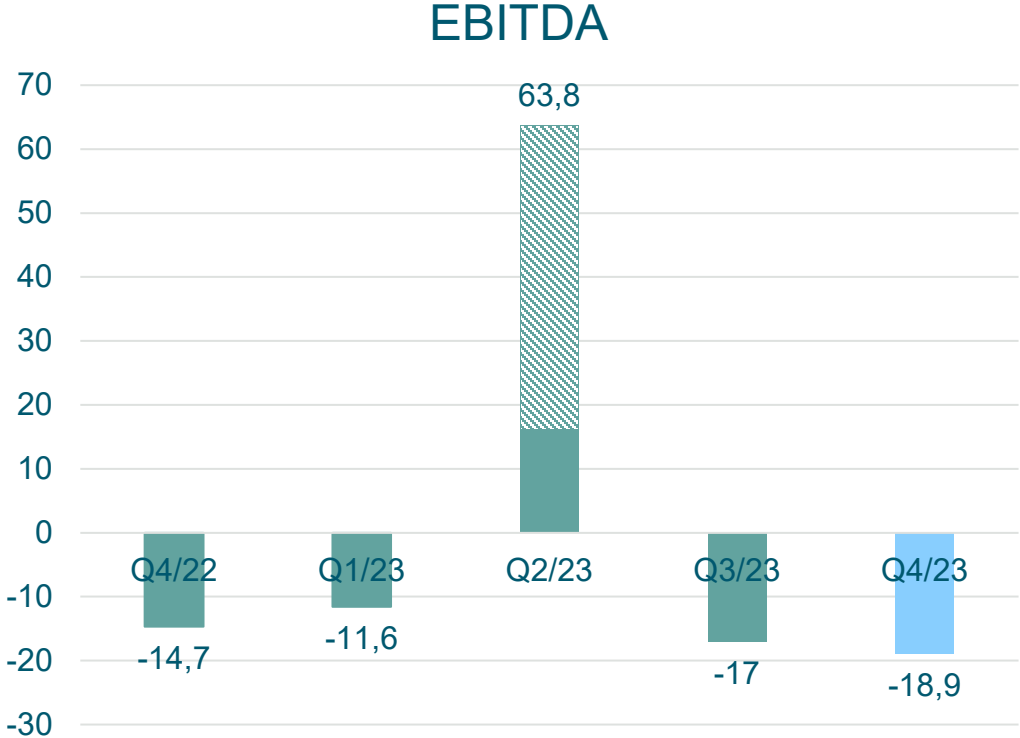
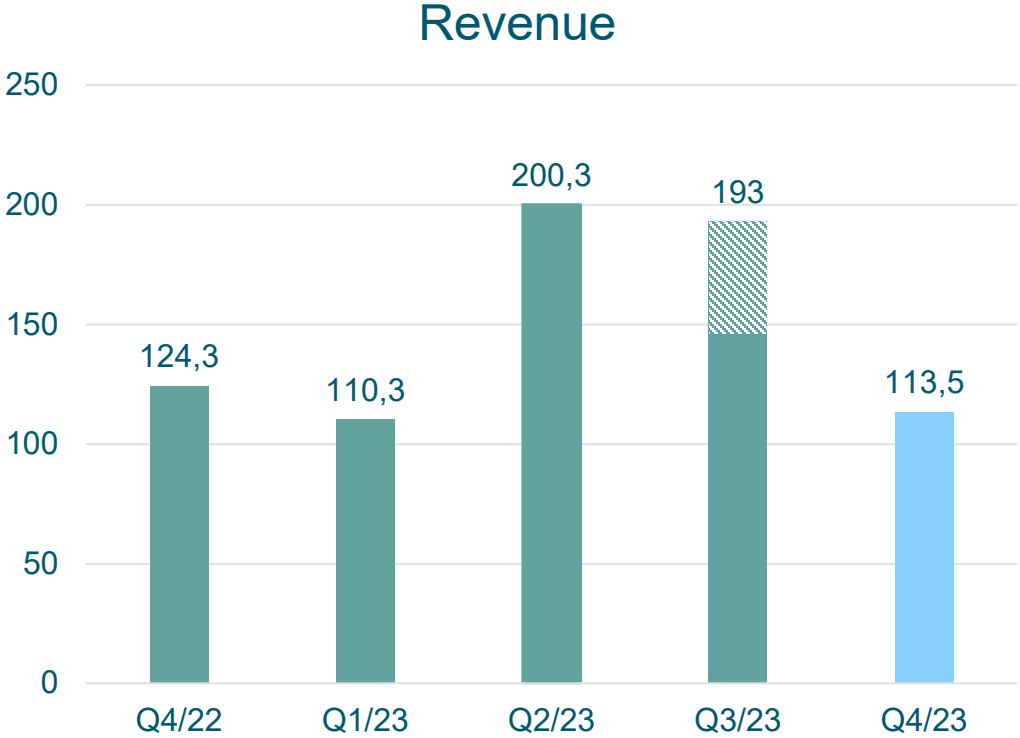


Order backlog development



Financials

Revenue and EBITDA development



One-off effect of NOK 46.9 million related to reversal of previously accounted provision

Q4 2023 key financials

NOKm	Q4 2023	Q4 2022	2023	2022
	unaudited	unaudited	Unaudited	Audited
Operating income	113.5	126.5	617.1	621.8
EBITDA	-18.9	-16.1	16.2	19.8
EBIT	-23,2	-20.7	-0.8	2.0
Net finance	-2.5	2.7	1.9	2.3
Net profit/loss	-25.7	-18.0	1.2	4.3
<i>EBIT margin</i>	<i>-20.4 %</i>	<i>-16.4 %</i>	<i>-0.1 %</i>	<i>0.3 %</i>

Comments

- 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

Ship design

NOKm	Q4 2023	Q4 2022	2023	2022
Operating income	23.8	41.3	249.3	155.4
EBITDA	0.8	1.6	50.1	15.7
Profit before tax	1.1	1.4	50.4	10.5

Water treatment systems

NOKm	Q4 2023	Q4 2022	2023	2022
Operating income	22.2	41.1	156.0	226.7
EBITDA	-1.2	8.8	3.1	30.8
Profit before tax	-3.3	6.2	-4.1	23.3

Energy design & smart control systems

NOKm	Q4 2023	Q4 2022	2023	2022
Operating income	68.0	54.7	220.8	268.6
EBITDA	-9.7	-19.0	-10.5	-11.5
Profit before tax	-13.3	-17.1	-13.6	-10.7

Hydrogen-based energy systems

NOKm	Q4 2023	Q4 2022	2023	2022
Operating income	0.2	1.3	0,5	2.8
EBITDA	-2.2	-1.1	-8.1	-5.4
Profit before tax	-2.4	-1.2	-8.7	-5.6

Q4 2023 balance sheet

NOKm	2023	2022
	unaudited	audited
Non-current assets		
Total intangible assets	90.3	77.3
Fixed assets		
Total tangible fixed assets	10.4	6.2
Financial fixed assets	0.1	2.1
Total fixed assets	100.9	85.6
Current assets		
Total receivables	174.6	170.4
Cash and bank deposit	152.0	223.8
Total current assets	326.6	394.2
Total assets	427.5	479.8

NOKm	2023	2022
	unaudited	audited
Equity		
Total equity	96.9	112.5
Liabilities		
Total provision for liabilities	9.6	8.3
Total long-term liabilities	41.1	55.9
Total current liabilities	289.5	311.3
Total liabilities	330.6	367.3
Total equity and liabilities	427.5	479.8

Comments

Assets:

- Total assets are NOK 427.5 million versus NOK 479.8 million at end of 2022
- Cash and bank deposit decreased by NOK 71.9 million and total receivables increased by NOK 7.7 million from year-end 2022

Equity:

- Total equity decreased by NOK 15.6 million to NOK 96.9 million, mainly caused by the effect of purchase of own shares.
- Equity ratio down from 23.5% year-end 2022 to 22.7%

Total liabilities:

- Total liabilities decreased from NOK 367.3 million at year end 2022 to NOK 330.6 million per Q4.2023, primarily due to decrease in prepayment from customers and payment of long-term debt.

Q4 2023 cash flow statement

NOKm	Q4 2023	Q4 2022	YTD 2023	FY 2022
	Unaudited	Unaudited	Unaudited	Audited
Cash flow from operations				
Net cash flow from/to operating activities	-70.6	-18.6	1.5	-70.4
Cash flow from investments				
Net cash flow used in investments activities	-2.0	-5.8	-30.2	-25.1
Cash flow from financing activities				
Net cash flow used in financing activities	-8.2	-9.3	-43.2	-56.6
Net change in cash and cash equivalents	-80.8	-33.7	-71.9	-152.0
Cash and cash equiv. recognized in the balance sheet	152.0	223.8	152.0	223.8

Comments Q4 2023

Negative cash flow from operations

- Negative result of NOK in period -26
- Increase in other current receivables - 13
- Decrease in account payables - 19
- Decrease in advance from customers -16

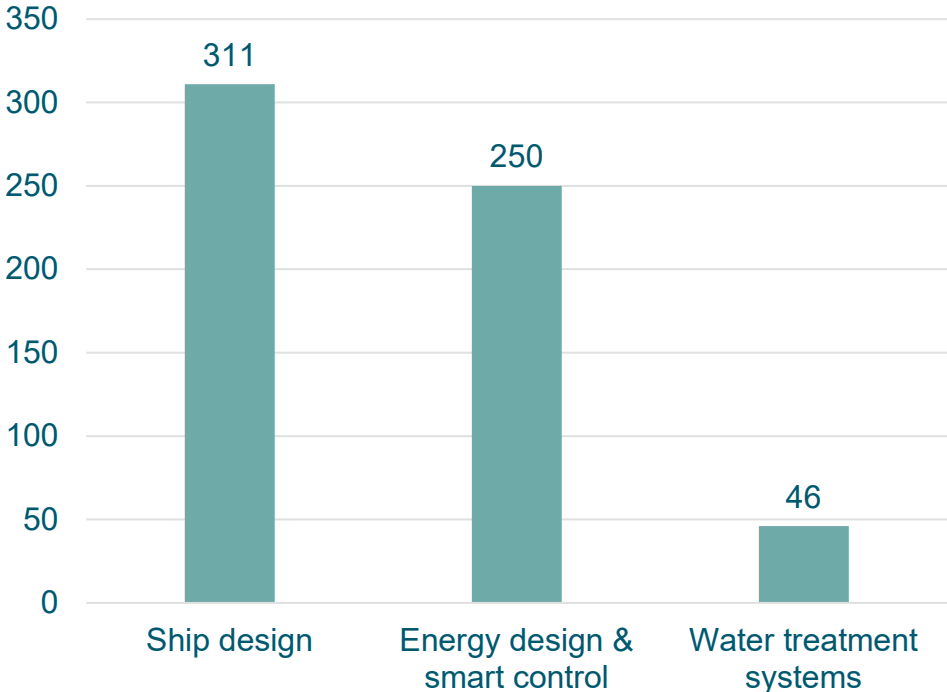
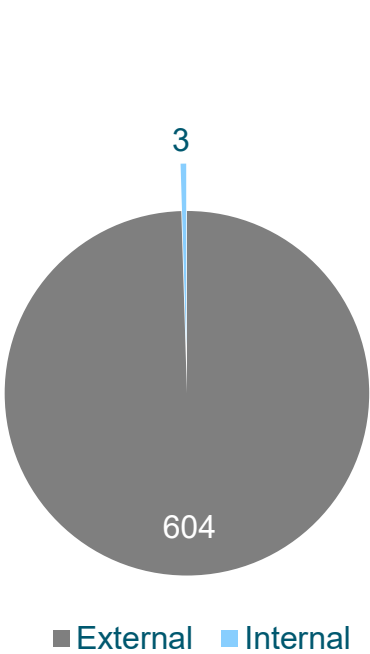
Negative cash from investments

- Mainly related to investments in R&D

Negative cash from financing

- Purchase of own shares:
NOK 2.5 million
- Installments & interest payments:
NOK 5.7 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 events:

- HAV Design signed contract for design and integrated equipment package for a new SOV to ESVAGT
- HAV Design signed contract for design of Lavik-Oppedal ferries

Summary and market outlook

Why invest



Strong fundamentals and megatrends for maritime greentech



Perfectly positioned to leverage the green maritime megatrends



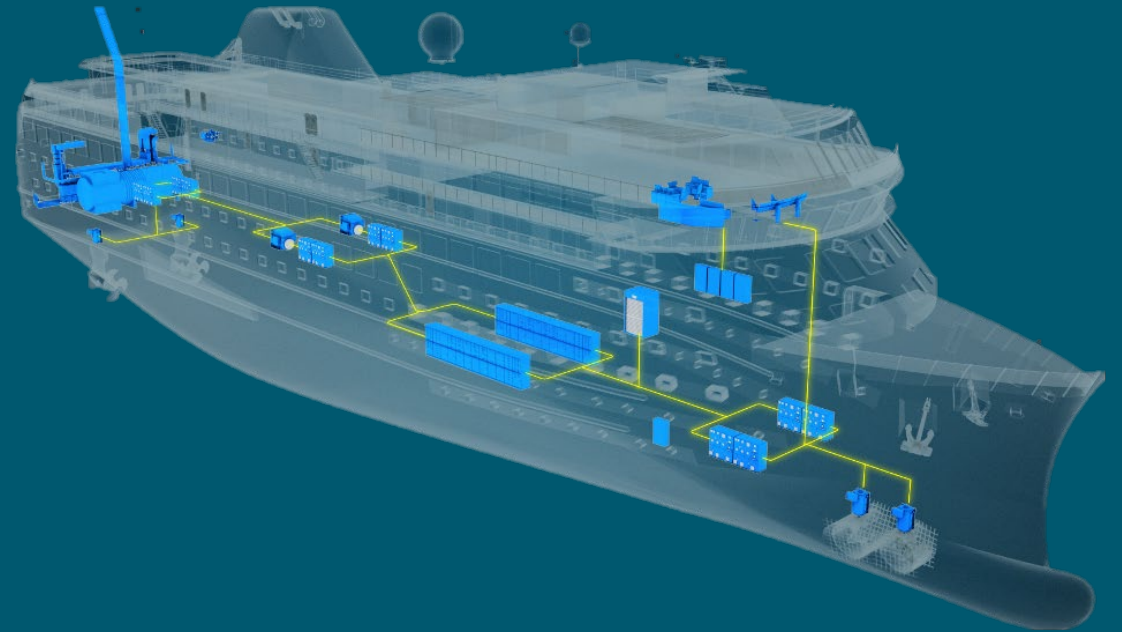
Track-record of profitable operations and robust balance sheet



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.
- Capacity utilisation to improve in 2024 compared to H2 2023, on the back of recent contract wins and healthy tender activity.
- HAV Group expects revenue to grow in 2024 (vs 2023) and increase further in 2025.
- As projects in the sales pipeline has been delayed, HAV Group expects to reach its earlier communicated NOK 1.3 billion revenue ambition in 2026.



Q&A