

# HAV GROUP ASA

First quarter 2022

PRESENTERS:

Gunnar Larsen  
CEO

Marius Koksvik  
VP Business Development



A SUSTAINABLE FUTURE AT SEA

# AGENDA

1. Q1 highlights
2. HAV Group ASA in brief
3. Subsidiaries and market opportunity
4. Financials
5. Market outlook
6. Q&A



# Q1 HIGHLIGHTS



# Q1 HIGHLIGHTS

## Key developments Q1 22

### Norwegian Electric Systems

- Norwegian Electric Systems signs its largest contract ever – approx. NOK 100 million
- Establish new company in Turkey
- Scandlines orders onshore ferry charging system

### Norwegian Greentech

- USCG approval for Norwegian Greentech’s Ballast Water Treatment System (BWMS)

## Milestones so far in 2022

- HAV Group receives preliminary approval for hydrogen-based energy system for ships
- HAV Design chosen to develop Ørsted and UK-bound methanol-fueled SOV
- HAV Group ASA to acquire remaining Norwegian Greentech shares

REVENUES  
**NOK 199 MILLION**

EXTERNAL BACKLOG  
**NOK 418 MILLION**

EBIT  
**NOK 8 MILLION**

NUMBER OF SHAREHOLDERS  
**3 916**

CASH FROM OPERATIONS  
**NOK 21 MILLION**

MARKET CAP AS OF 24 MAY  
**NOK 522 MILLION**

CASH BALANCE  
**NOK 373 MILLION**

# HAV GROUP ASA IN BRIEF





## A Sustainable Future at Sea



## HAV GROUP ASA

Established in 2021



International provider of sustainable marine and maritime technologies and services



Vision:  
A Sustainable Future at Sea



International provider of sustainable marine and maritime technologies and services



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

## FOUR SUBSIDIARIES WITH A LEADING POSITION WITHIN ITS SEGMENTS



### HAV design

HAV Design is a global leader within energy-efficient and competitive ship designs with zero emission ambitions.



### norwegian electric systems

Norwegian Electric Systems (NES) is a world leading total supplier of low and zero emission propulsion and control systems for a wide range of vessels for the global marine market.



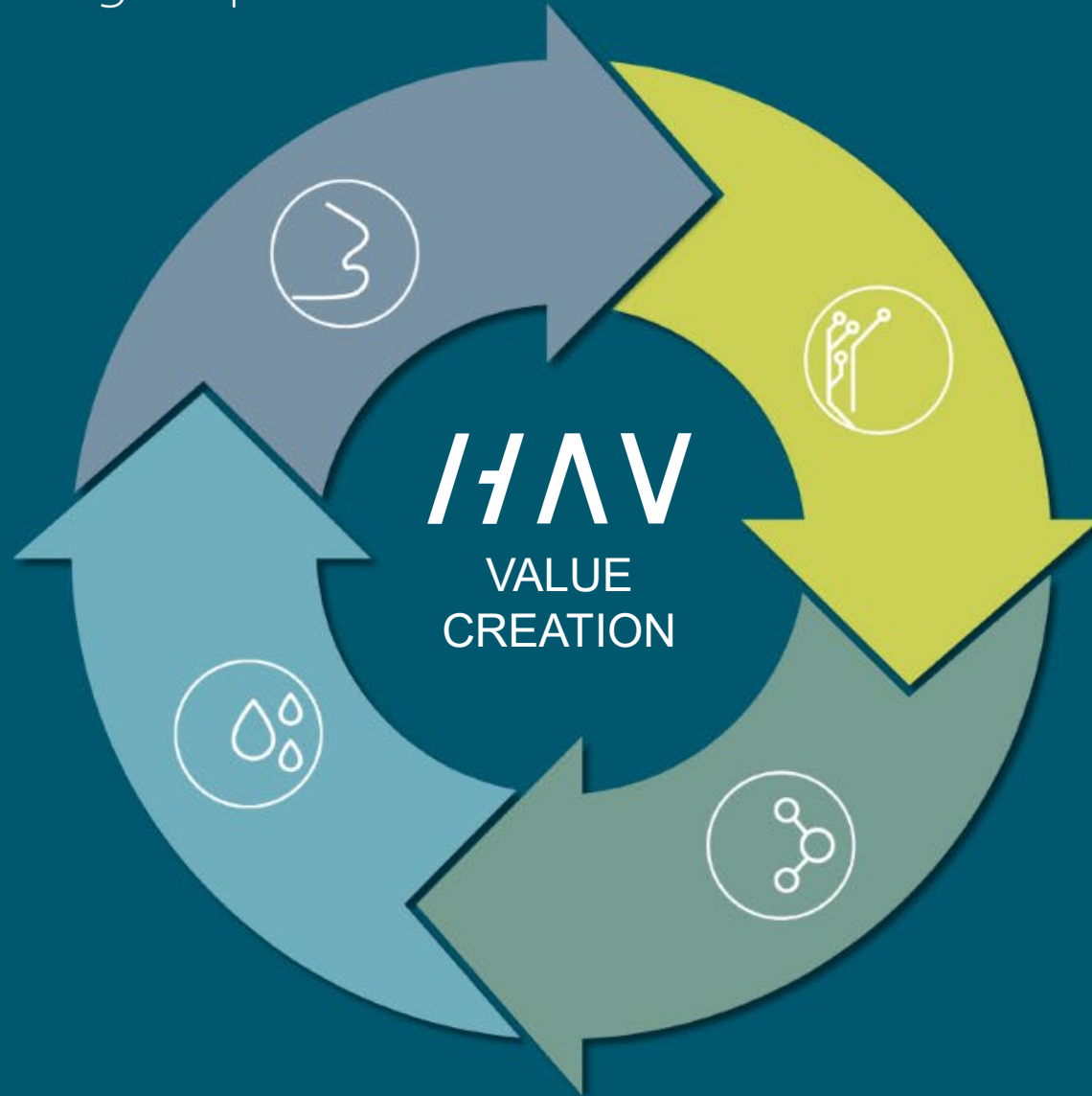
### norwegian greentech

Norwegian Greentech is the leading provider of compact highly energy-efficient ballast water treatment systems (BWTS) for small and medium-sized vessels.



### HAV hydrogen

HAV Hydrogen delivers complete and scalable hydrogen systems for use on both large and small vessels, new vessels and retrofit vessels, that are designed for operation in heavy seas.



## HAV GROUP VALUE CREATION

### STRATEGIC DEVELOPMENT

Actively taking part in the companies' strategic development.

### BUSINESS DEVELOPMENT / R&D PROCESSES

Stimulating intercompany business development and R&D processes.

### SYNERGIES

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

### VALUE & GROWTH

Pursuing value accretive growth, organic and through consolidation.



## EXPERIENCED MANAGEMENT TEAM

### Executive management

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**Gunnar Larsen**  
CEO, HAV Group

34 years of industry experience  
13 years with HAV



**Pål Aurvåg**  
CFO, HAV Group

16 years of industry experience  
6 years with HAV



**Frank-Levi Kvalsund**  
Senior VP HR/QHSE, HAV Group

22 years of industry experience  
10 years with HAV



**Marius Koksvik**  
VP Business Development, HAV Group

7 years of industry experience  
Started in 2021 with HAV



**Stig Magne Espeseth**  
Managing Director, HAV Design

32 years of industry experience  
16 years with HAV Design



**Kristian Osnes**  
Managing Director, HAV Hydrogen

10 years of industry experience  
3 years with HAV



**Håvard Gjelseth**  
Managing Director, Norwegian Greentech

25 years of industry experience  
10 years with NGT



**Karsten Sævik**  
Managing Director, Norwegian Electric Systems

34 years of industry experience  
1 year with HAV Group, 2 months with NES

## BOARD OF DIRECTORS

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**VEGARD SÆVIK**  
Chairman



**TORE HOPEN**  
Director



**HEGE SÆVIK RABBEN**  
Director



**VIBEKE FÆNGSRUD**  
Director



**HELGE A. SIMONNES**  
Director



**KJETIL YOO RIPE**  
Director



**ANITA FJØRTOFT**  
Director

# SUBSIDIARIES & MARKET OPPORTUNITY



## SIMULATION BASED SHIP DESIGN

- Through a digital tool-kit, knowledge and innovation HAV Design offers environmentally friendly, safe and functional designs
- Sold designs for >120 vessels globally
- Designed 18 zero emission vessel designs and 11 vessels designs for renewable energy
- Leading positions within offshore wind, electric ferries and aquaculture
- Recent projects include Windmill SOVs for ESVAGT, CSV for REM Offshore, electric ferries for Fjord1, hybrid-electric hydrogen ready cruise vessels for Havila Kyststruten, live fish carriers for Frøy and Greenland-based cargo vessels for Royal Arctic Line

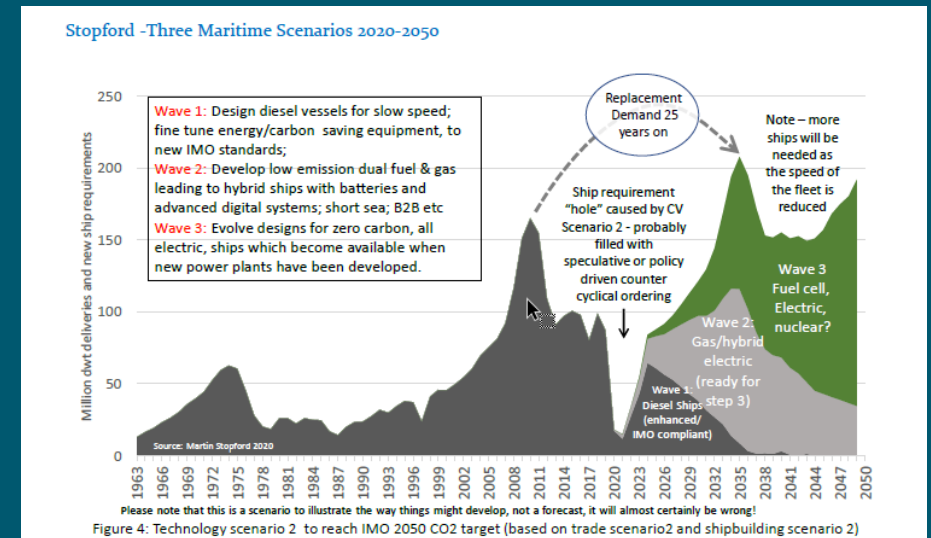
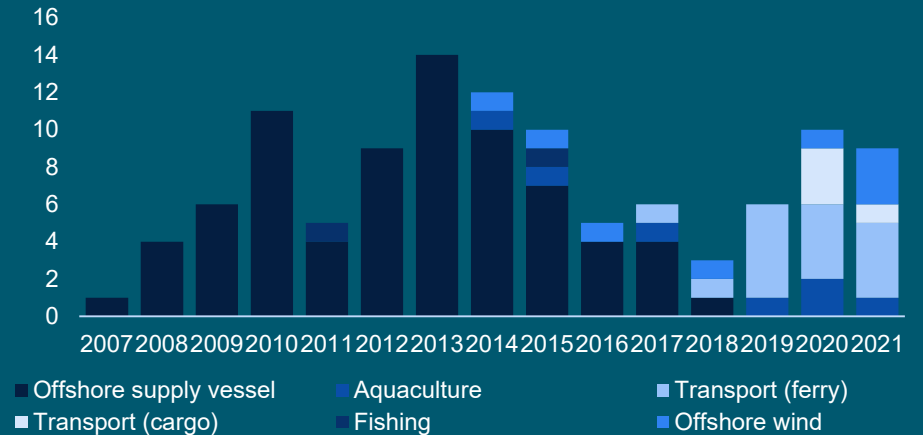
## SEGMENT INFORMATION

NOKm	Q1 2022	Q1 2021	2021
Operating income	21.1	248.5	627.1
EBIT	0.3	17.5	80.8
Profit before tax	-0.7	17.4	84.7



## Positioned for further growth

- Developed its unique design philosophy and design process through years of experience, R&D investments and collaboration with leading ship owners
- Proprietary methods for configuration, simulation and model testing
- Enabling strong ability to predict and document real life performance of the vessel
- Established position within growth segments
- Well-positioned for the further development within low and zero emission vessels within several segments





## YOUR EXPERT IN BWMS

- Norwegian Greentech (NGT) was established in 2010 and designs, delivers, installs and services highly energy-efficient compact ballast water treatment systems (BWTS)
- The in-house developed BWTS is particularly suited for retrofits due to its small size, flexible installation and low energy consumptions
- NGT has already secured fleet agreements for delivery of BWMS with several major ship owners
- Typical revenue potential of NOK 0.5 – 2 million per vessel
- Large potential for after marked revenue due to increasing number and age of installed units
- NGT also deliver water treatment solutions for land-based aquaculture (control system, particle filters and UV-sterilization)
- NGT's BWMS is certified in accordance with IMO and USCG

### SEGMENT INFORMATION

NOKm	Q1 2022	Q1 2021	2021
Operating income	81.9	34.5	167.5
EBIT	8.0	1.2	14.4
Profit before tax	6.5	0.4	11.9



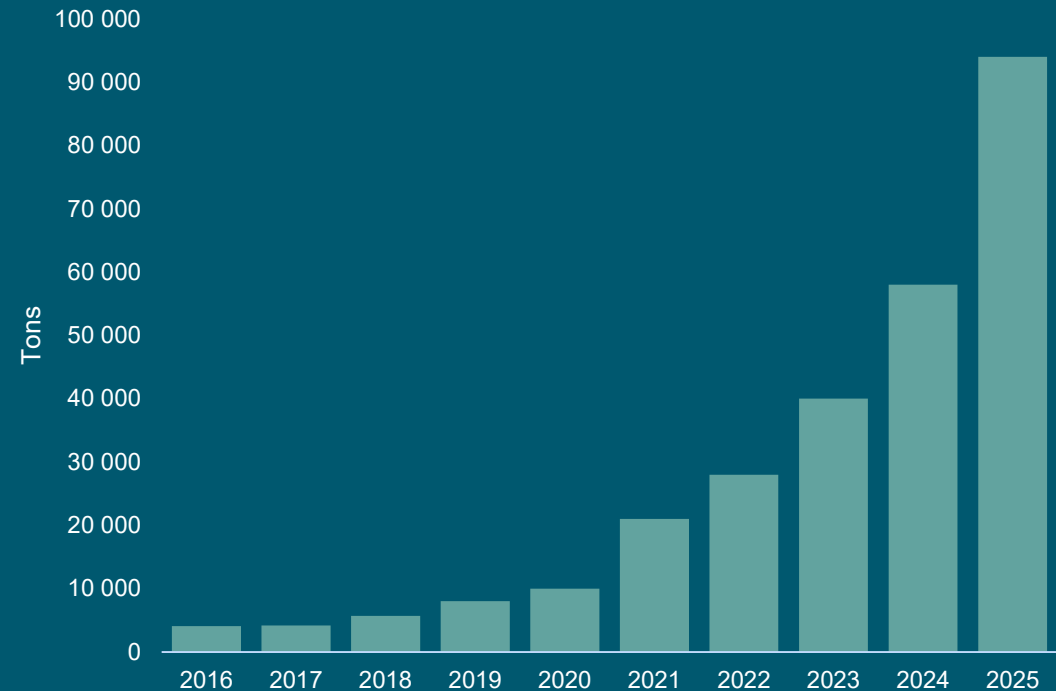
Passion for CLEAN WATER

## Water cleaning technology to be applied over a range of industries

### HIGH DEMAND FOR LAND-BASED SALMON

- NGT has supplied water treatment solutions for more than 15 aquaculture projects
- Land-based salmon is set for stellar growth
  - About 100 000 annual tons of land-based volumes expected by 2025
  - Potentially multiplying by 3x-7x by 2030
- Water treatment system is an essential part of land-based fish farming facilities
- NGT is positioned to take part in the massive expected growth in land-based fish farming
- NGT's technology is also applicable for the growing demand for treatment of public drinking water and wastewater facilities

### LAND-BASED FISH FARMING EXPECTED TO GROW 10X BY 2025



## GREEN INNOVATION FOR THE OCEANS

- Norwegian Electric Systems (NES) is a leading supplier of low/zero emission energy, propulsion and control systems for for a wide range of vessels
- Designing optimal propulsion, energy and control systems to ensure efficiency and safety by smart and easy operation
- The preferred supplier of product and system solutions “from bridge to propeller”
- A leading supplier of maritime technology for digitalization and ‘the green shift’

### SEGMENT INFORMATION

NOKm	Q1 2022	Q1 2021	2021
Operating income	95.5	56.6	226.8
EBIT	0.9	2.0	2.4
Profit before tax	0.5	2.2	0.9



**+ 100**  
Zero & low  
emission projects



**+100 MWh**  
of installed  
batteries



**3 Key drivers**  
Safety  
Efficiency  
Environment



Energy Design & Smart Control

## The one-stop shop to meet future IMO targets

- NES' fully integrated solutions enabling customers to meet greenhouse gas emission targets
- Emission reduction by **energy optimizing** and **digitization**



### MARINE SYSTEM INTEGRATION

Integration of different energy sources like diesel or gas generator-sets, batteries and hydrogen fuel-cells.

### HYBRID AND ELECTRIC PROPULSION SYSTEMS

Required engineering, project management, commissioning and seatrails assistance.

### COMPLETE CHARGING SYSTEMS

The system includes both off and onshore equipment, automation system and Wi-Fi communication between the vessel and the charging station on land.

### SHIP PERFORMANCE MONITOR (SPM)

Highly adaptable monitoring software, designed to help manage and improve the ship and fleet efficiencies.

### SMART CONTROL SYSTEMS

Integrated Automation System (IAS), Power Management System (PMS), Black Out Safety System (B.O.S.S) and Remote Assistance System (RAS) enhance the total integration in a safe and optimal way.

### THE RAVEN INTEGRATED NAVIGATION SYSTEM (INS)

Flexible, safe and user-friendly interface for vessel control and platform for integration of autonomous functionality.

## Developing rapidly to meet the emerging hydrogen market

### APPROVAL

The approval process for the H<sub>2</sub>-system developed for the FreeCo2ast project will be used as a base case for further approval work.

HAV Group ASA has been granted Preliminary Approval for the hydrogen-based energy system developed in the FreeCO<sub>2</sub>ast project. The approval is a major step towards the commercial use of hydrogen fuel by a commercial vessel.

### PRODUCT DEVELOPMENT

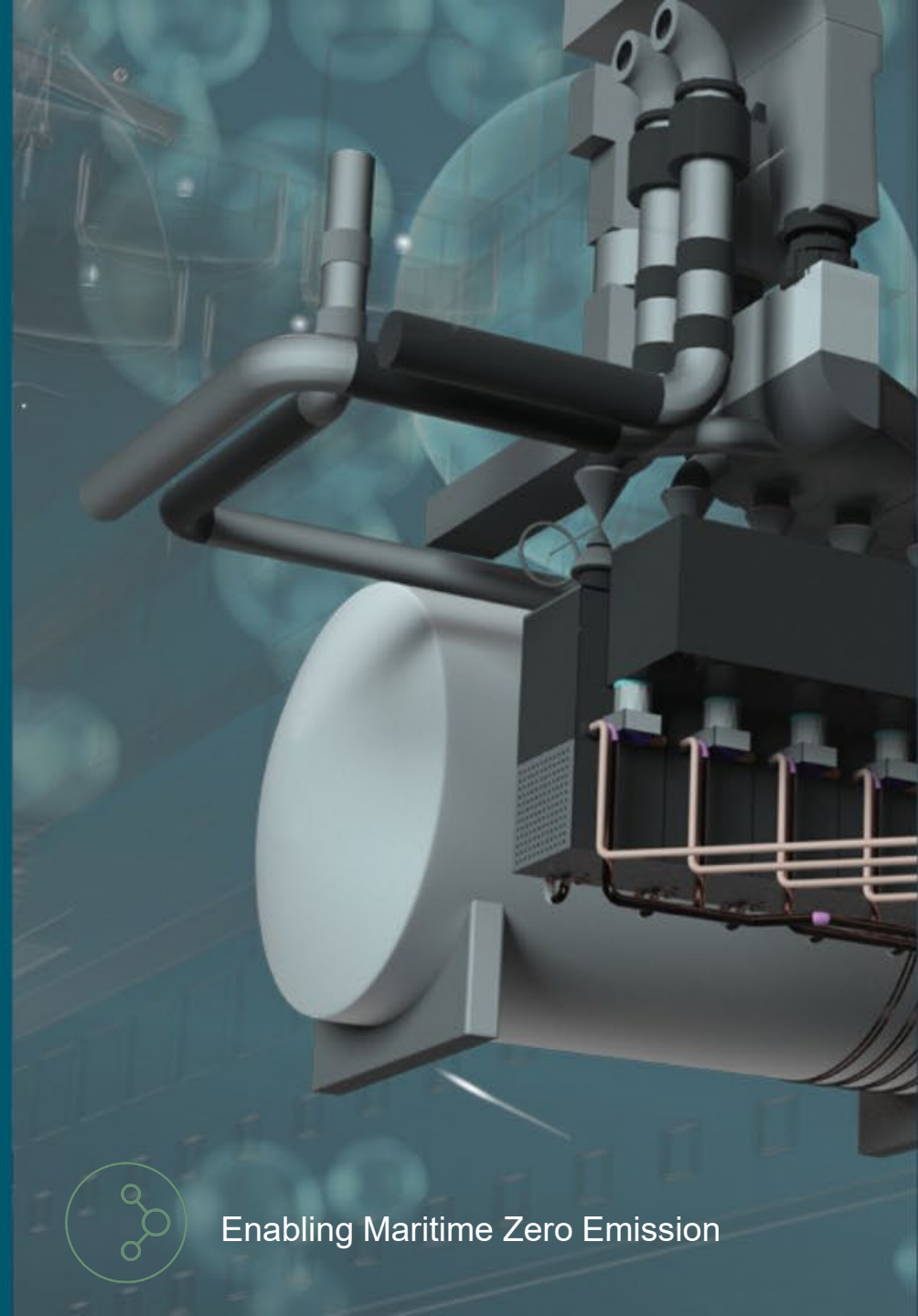
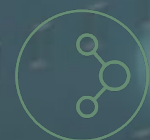
The first complete integrated fuel cell system modules are developed and quoted to clients.

Development of a complete product range and refinement is ongoing before a product launch later this year.

### ORGANIZATIONAL DEVELOPMENT

Novel technology development requires thriving knowledge organizations.

HHY is expanding the organization gaining more expertise and will continue the successful cooperation with research institutions and the other competence hubs within the group.

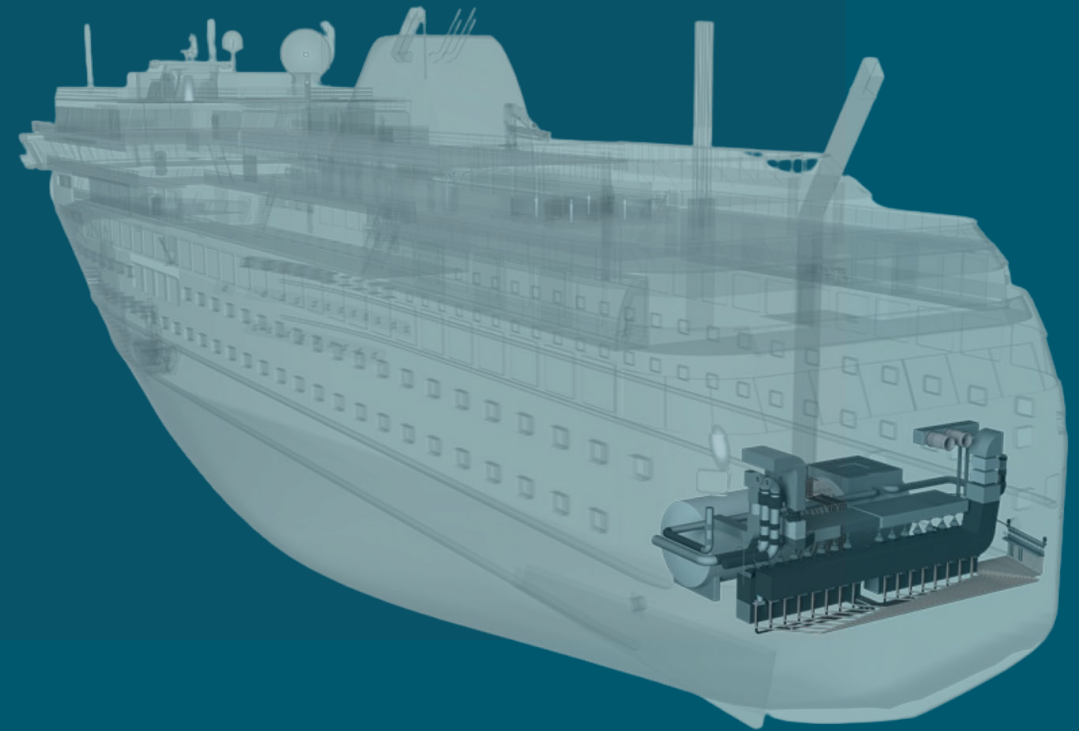




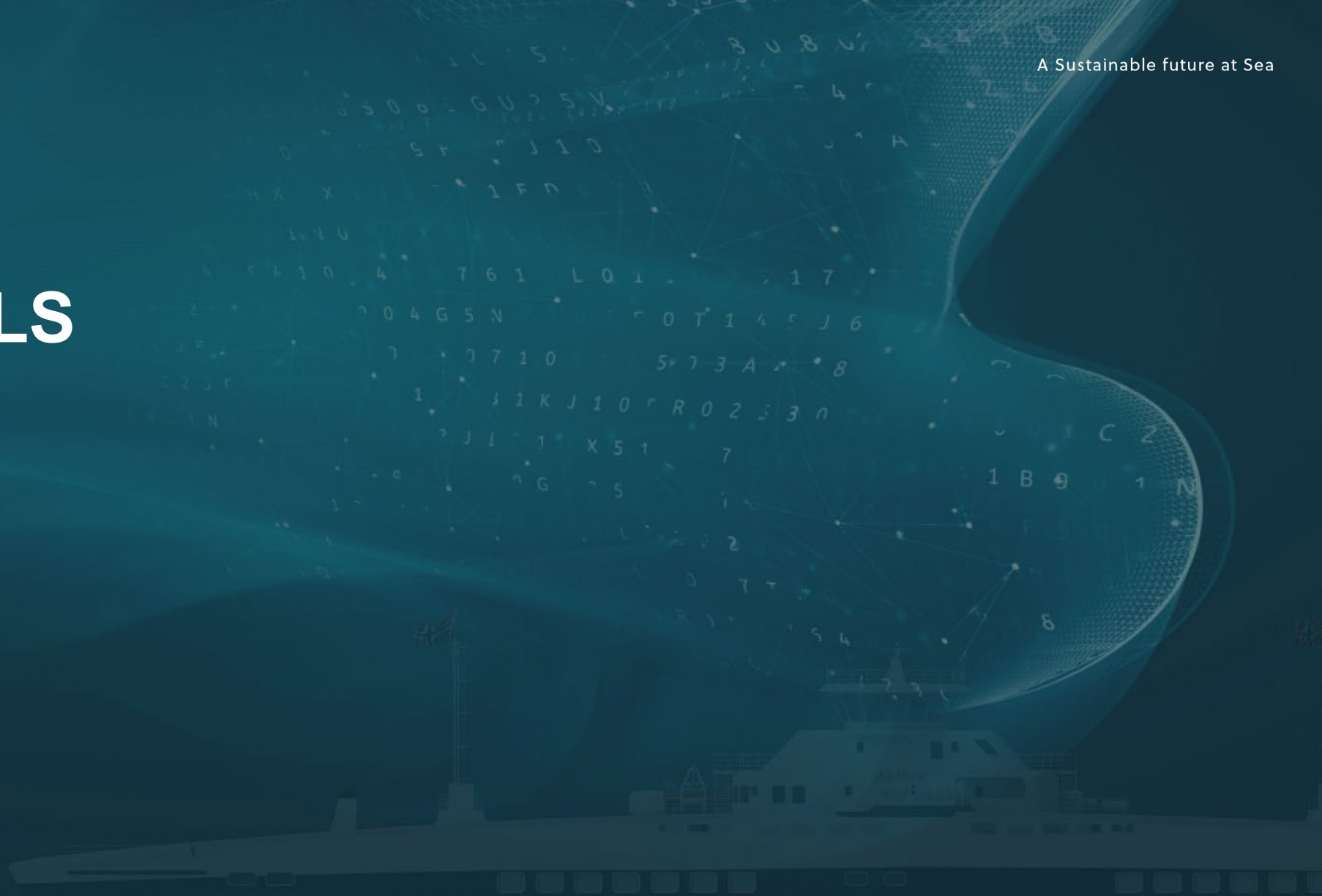
## The world needs significant emission reduction

HAV Hydrogen in pole position to take part in upcoming hydrogen projects:

- We offer risk reduction through significant R&D experience, approval expertise and turnkey system solutions
- Established partnerships with industry majors
- We have efficient processes for reusing design and approval documentation, offensive R&D strategy and work systematically with sourcing
- The government aiming to facilitate emission free solutions along the Norwegian coast
- EU Green deal initiatives will stimulate zero emission demand



# FINANCIALS



## Key financials (unaudited)

NOKm	Q1 2022	Q1 2021	2021
<b>Operating income</b>	<b>199</b>	<b>308</b>	<b>917</b>
EBITDA	12	23	108
EBIT	8	19	91
Net finance	-3.4	-1.6	-3
<b>Net profit</b>	<b>4.6</b>	<b>17.6</b>	<b>88</b>
<i>EBIT margin</i>	<i>4 %</i>	<i>6 %</i>	<i>10 %</i>

## Comments

- Operating income in Q1 is lower due to less trading deliveries and lower capacity utilization
- EBIT margin 4%

## Q1 2022 balance sheet

NOKm	Q1 2022	Q1 2021	2021
	unaudited	unaudited	audited
<b>Assets</b>			
<b>Non-current assets</b>			
Total intangible assets	79.9	88.6	82.7
<b>Fixed assets</b>			
Total tangible fixed assets	3.7	2.1	3.4
Financial fixed assets	2.1	0.2	0.1
<b>Total fixed assets</b>	85.6	90.9	86.3
<b>Current assets</b>			
Total receivables	142.9	346.2	126.4
Cash and bank deposit	373.3	210.8	375.9
<b>Total current assets</b>	516.2	557.0	502.3
<b>Total assets</b>			
<b>Total assets</b>	601.8	647.9	588.5

NOKm	Q1 2022	Q1 2021	2021
	unaudited	unaudited	audited
<b>Equity and liabilities</b>			
<b>Equity</b>			
<b>Total equity</b>	141.0	85.5	152,5
<b>Liabilities</b>			
<b>Total provision for liabilities</b>	6.5	0.5	7.3
<b>Total long term liabilities</b>	67.9	76.0	74.0
<b>Total current liabilities</b>	392.8	486.4	362.0
<b>Total liabilities</b>	460.8	562.4	436.0
<b>Total equity and liabilities</b>	601.8	647.9	588.5

## Comments

- Minor changes from Q4 reporting
- Equity reduced by NOK 15.2 million due to purchase of own shares

## Cash flow statement

NOKm	Q1 2022	Q1 2021	2021
	unaudited	unaudited	audited
<b>Cash flow from operations</b>			
Net cash flow from/to operating activities	21.1	90.7	274.8
<b>Cash flow from investments</b>			
Net cash flow used in investments activities	-2.7	-3.9	-13.0
<b>Cash flow from financing activities</b>			
Net cash flow used in financing activities	-21.0	93.0	80.2
<b>Net change in cash and cash equivalents</b>	<b>-2.6</b>	<b>179.8</b>	<b>341.9</b>
<b>Cash and Cash equiv. recognized in the balance sheet</b>	<b>373.3</b>	<b>210.8</b>	<b>375.9</b>

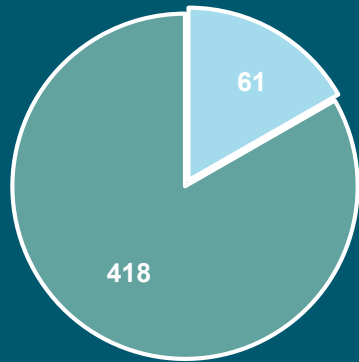
## Comments

- Positive Cash from operations
  - Net increase in receivables – NOK 36 million
- Negative Cash from investments
  - Activated cost related to R&D
- Negative Cash from Financing
  - Purchase of own shares – NOK 15.2 million
  - Installments & interest payment – NOK 5.9 million

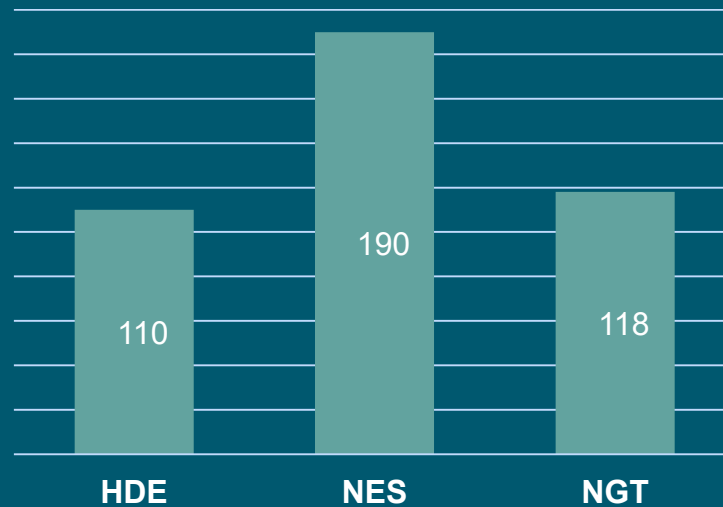


## External backlog of NOK 418 million

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Internal External



### Comments to order backlog

The external order back-log is NOK 418 million as of the end of Q1 2022, an increase from 382 in Q4.

The "fleet-agreements" signed by different ship-owners are not included in the official backlog figures.

Subsequent:

New significant order was signed by HAV Design in April 2022.

# MARKET OUTLOOK



## Summary, outlook and priorities

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<p><b>STRONG FUNDAMENTALS FOR MARITIME CLEANTECH</b></p>	<ul style="list-style-type: none"> <li>• The maritime and marine industries are subject to tremendous regulatory, economic and public opinion pressure to reduce the environmental impacts of its operations</li> <li>• HAV Group is a diversified maritime technology company renowned for innovative solutions to these industries since 2005</li> </ul>
<p><b>ESTABLISHED COMPANIES WITH LEADING OFFERING</b></p>	<ul style="list-style-type: none"> <li>• World leading supplier of low/zero emission energy, propulsion and control systems</li> <li>• Pioneering innovations in design and construction of zero-emission vessels and energy optimized ship designs</li> <li>• Supplier of highly energy-efficient, compact water cleaning systems in collaboration with technological leaders</li> </ul>
<p><b>PROFITABLE OPERATIONS AND ROBUST BALANCE SHEET</b></p>	<ul style="list-style-type: none"> <li>• Q1 2022 EBIT of NOK 8 million</li> <li>• External backlog of approximately NOK 418 million</li> <li>• Robust balance sheet and a cash balance at NOK 372 million</li> </ul>
<p><b>POSITIONED FOR GROWTH AND CONSOLIDATION</b></p>	<ul style="list-style-type: none"> <li>• Short term, the market and company performance are characterized by the general uncertainty and some postponements, while the overall outlook remains firm</li> <li>• High energy prices make HAV Group's solutions within energy efficiency attractive to clients and investors</li> <li>• Increased focus on a reduced environmental footprint is providing opportunities for HAV Group's zero emission solutions and technology</li> <li>• Solid momentum in the shipbuilding market is generating good opportunities for HAV Group's marine equipment and services</li> <li>• Increased investments in offshore energy are creating market opportunities for HAV Group's solutions and products</li> <li>• HAV Group reiterates the 2025 revenue outlook of NOK 1.3 billion, with periodic fluctuations reflecting the project-driven strategy</li> </ul>

# Q&A

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