

HAV GROUP ASA

First quarter 2023

PRESENTERS:

Gunnar Larsen
CEO

Marius Koksvik
VP Business Development



A SUSTAINABLE FUTURE AT SEA

AGENDA

1. HAV Group in brief and Q1 highlights
2. Megatrends and strategy
3. Business update
4. Financials
5. Summary and outlook
6. Q&A





HAV GROUP ASA: Enabling the green transition at sea



International provider of green technology and services for maritime industries



Vision: A sustainable future at sea



Comprises four subsidiaries with several decades of combined industry experience



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

Q1 HIGHLIGHTS

Key developments Q1 23

- Revenue decline vs Q1 2022 partly connected to low order intake in 2022
- Weak EBIT partly linked to decision to maintain capacity to be able to fully capitalize on forthcoming growth opportunities
- Solid order intake of NOK 240 million, equivalent to book-to-bill of x2.2. Contract awards include:
 - Ship design: US offshore wind market breakthrough
 - Energy design & smart control systems: Contract for two SOVs, battery pack for subsea construction vessel, upgrade of superyacht
- Obtained DNV Approval in Principle (AiP) for containerized H2 system for ships
 - Substantial interest from shipowners

Subsequent events

- Announced acquisition of Undheim Systems AS, which adds dynamic positioning capabilities to product portfolio
- First HAV Group sustainability report published



Operating income

NOK 110.3m

EBIT

NOK -15.7m

Profit before tax

NOK -13.2m

Cash balance

NOK 240m

External backlog

NOK 614m

Book-to-bill

x2.2

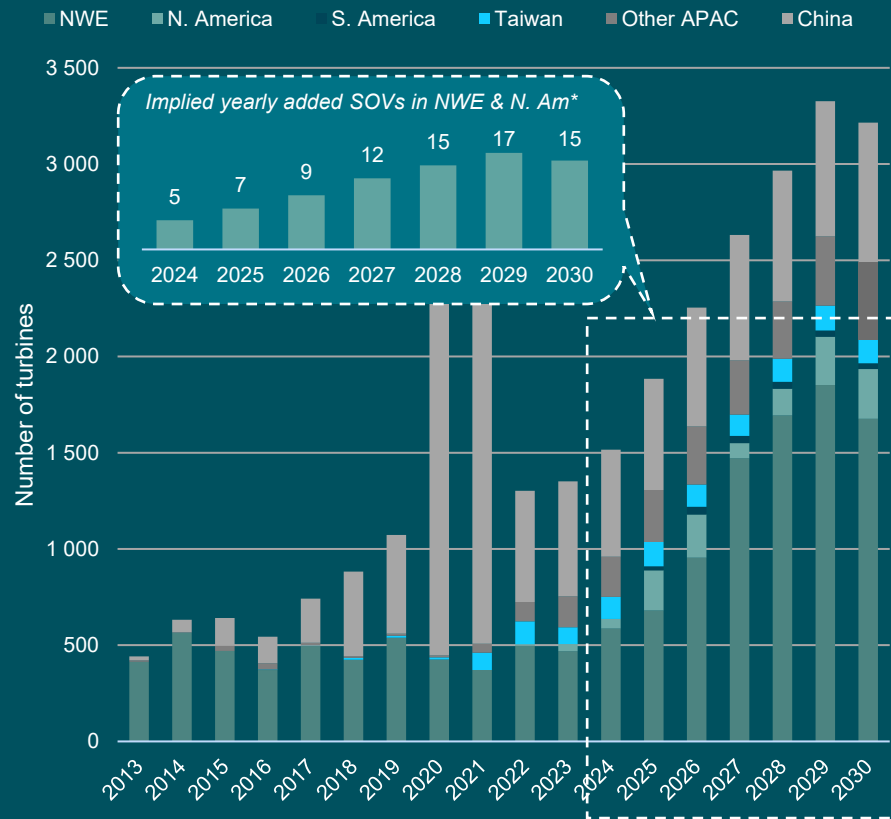
MARITIME GREENTECH MEGATRENDS AND HAV GROUP STRATEGY



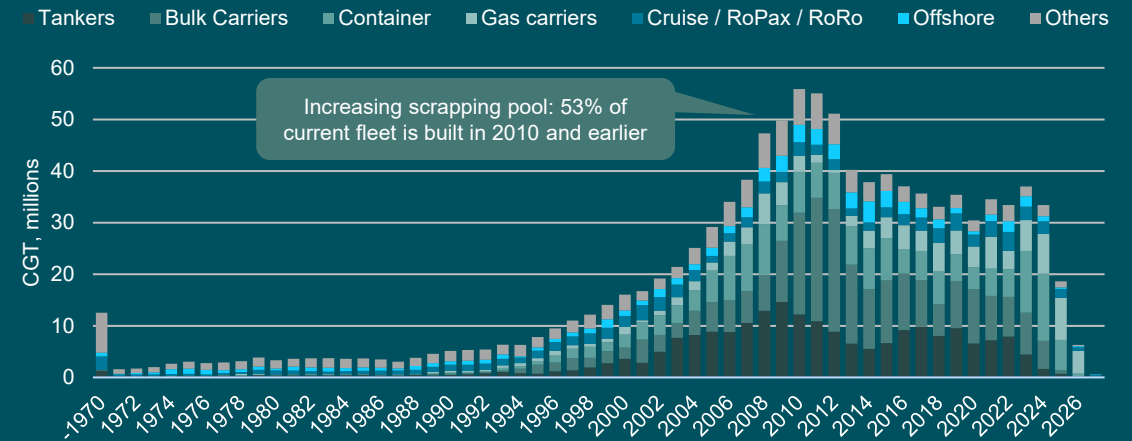
HAV attractively positioned for maritime megatrends

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Yearly offshore wind turbine installations



World merchant fleet by building year



- HAV is attractively positioned for the maritime megatrends encompassing **greener fleet renewal**, **tightening environmental regulation** and **increasing activity in offshore renewable energy**
- Number of **installed offshore wind turbines** expected to **grow substantially** in coming years, as estimated growth in total installed MW outgrows increase in turbine size
 - **North-West Europe** (“NWE”) estimated to be **key growth market** in absolute figures
 - Significant demand increase for SOVs estimated as number of turbines grow
- **Increasing demand for newbuilds** – Scrapping pool to grow significantly over the coming years, with **tightening regulation from green transition** and demand for **future-proofed technology**

(*) Note: Implied SOVs use 125 turbines per SOV as benchmark (HAV high-level estimate)
 Source: Clarksons Research Services, Clarksons Platou Renewables

HAV Group perfectly positioned to leverage the greentech maritime megatrends

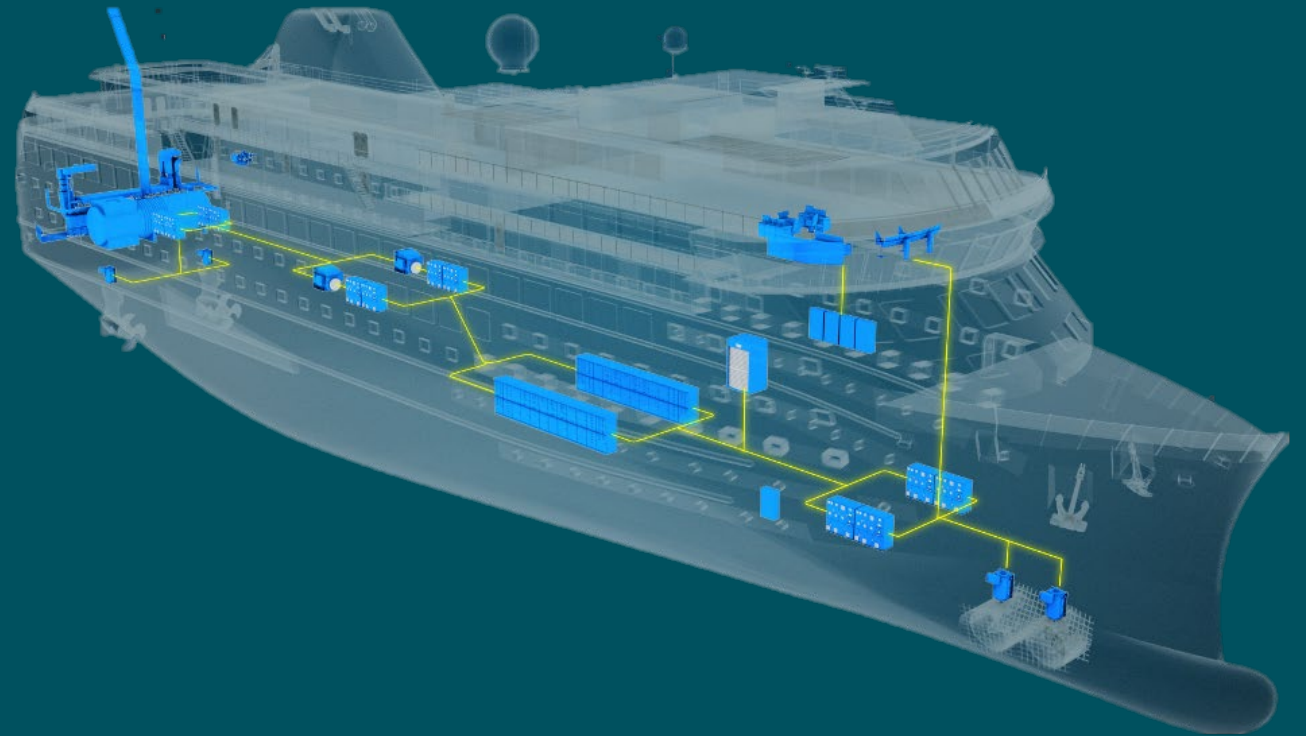
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Advise customers regarding selection of vessel parameters and technologies that enable them to increase their competitiveness and enable the green transition at sea

Pioneering innovations in the design and construction of zero-emission vessels and energy-optimized ship designs

World leading supplier of low/zero emission energy, propulsion and control systems

Supplier of highly energy-efficient, compact water purification systems

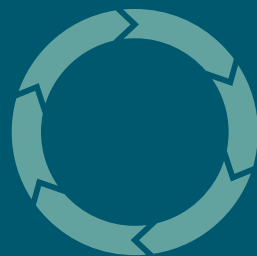


HAV Group value creation



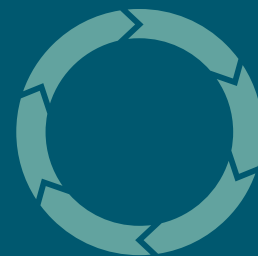
STRATEGIC DEVELOPMENT

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



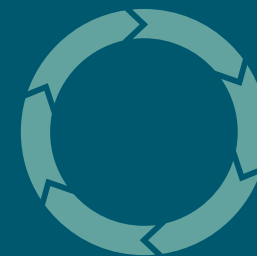
COMPLIMENTARITY

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 – Enabling the green transition at sea

Four subsidiaries with a leading position within their respective segments

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 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

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

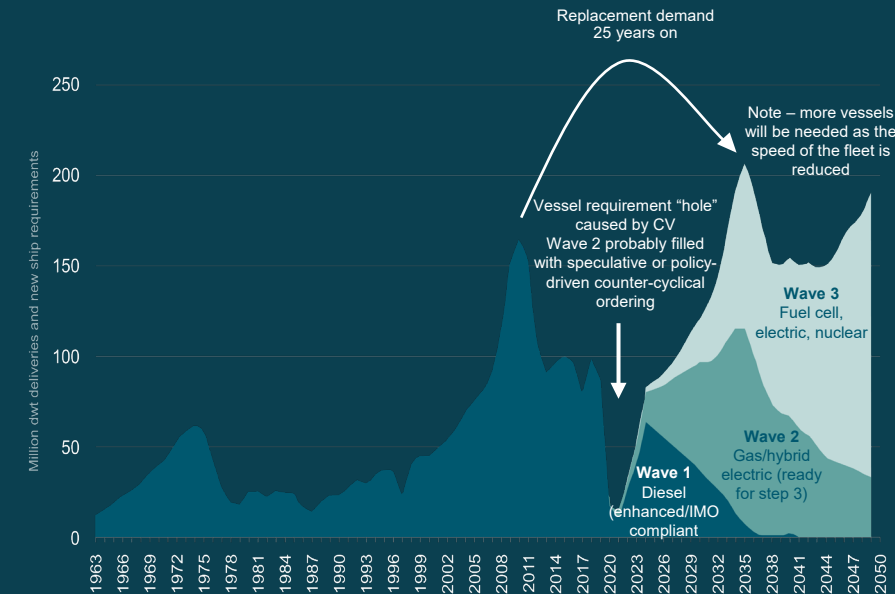


Q1 highlights

- Breakthrough in US offshore wind market
 - First European ship designer to develop SOV for the US market
 - Chosen by CREST, a joint venture of Esvagt and Crowley
 - USA's target of 30 GW offshore wind by 2030 expected to require 100+ US vessels

Market trends

- **Wave 1:** Design diesel vessels for slow speed; fine-tune energy/carbon, saving equipment to new IMO standards
- **Wave 2:** Develop low-emission dual fuel and gas leading to hybrid ships with batteries and advanced digital systems, short sea, B2B, etc.
- **Wave 3:** Evolve designs for zero carbon, all electric vessels which become available when new power plants have been developed



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



Q1 highlights

- Important contract awards in the quarter:
 - Contract with Cemre Shipyard for two “Windkeeper” SOVs to GC Rieber Shipping
 - Equipment delivers and system integration services in connection with superyacht upgrade

Planned acquisition of Undheim Systems

- Adds dynamic positioning (DP) and autonomous vessel capabilities
- Provides more complete data-driven and digital offering for cost-efficient vessel operations
- Combination of Raven INS navigation system with Undheim Systems’ DP technology means that HAV Group can provide solutions that control all vessel speeds and enables semi-autonomous functionality
- Today, HAV Group purchases DP systems from third-parties
- Closing expected in June 2023

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

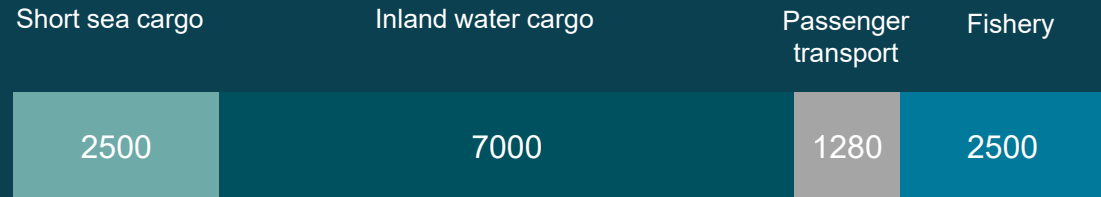
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Q1 highlights

- Obtained DNV Approval in Principle (AiP) for containerized H2 system for ships: **Zero Emission Pod**
- AiP confirms that “the design is feasible and that no significant obstacles exist to prevent it from being realized”
- Substantial interest in Zero Emission Pod, with increasingly high quality of new customer leads after “hard launch” in March 2023
- Interest from shipowners operating within offshore wind, offshore oil and gas, RoRo shipping, cargo, inland shipping and fisheries

Addressable European market* of ~13,000 vessels for Zero Emission Pod



*Sources: Sea-web ships database 2021 | <https://inland-navigation-market.org/chapitre/5-cargo-fleet>

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

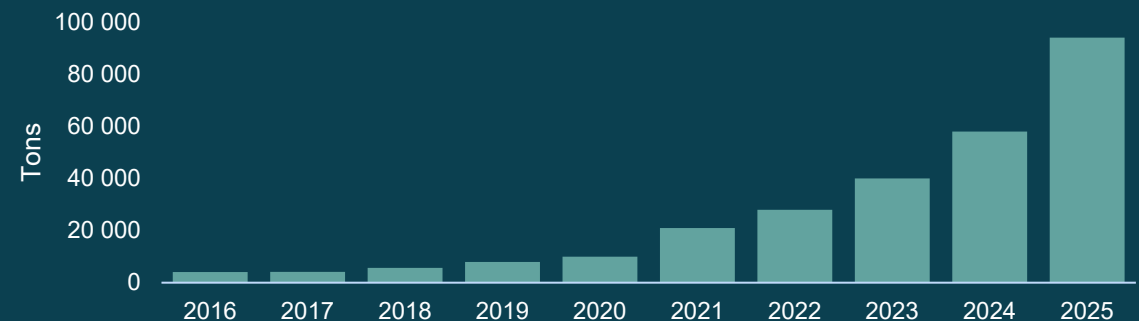


Q1 highlights

- Recurring business represents increasing proportion of revenue
- Solid order intake in quarter
- Growing order backlog for third quarter in a row

Market trends

- Land-based fish farming expected to grow 10x by 2025 (see graph)
- BWTS market CAGR of ~10%* from 2023 to 2033



*Source: Fact.MR's BWTS Market Outlook 2023-2033

FINANCIALS



Q1 2023 key financials (unaudited)

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NOKm	Q1 2023	Q1 2022	2022
Operating income	110.3	198.8	621.8
EBITDA	-11.6	12.2	19.7
EBIT	-15.7	8.0	2.0
Net finance	2.5	-3.4	2.3
Net profit/loss	-13.2	4.6	4.3
<i>EBIT margin</i>	<i>-16 %</i>	<i>11 %</i>	<i>0.5 %</i>

Comments

- As the business is largely project-driven, periodic fluctuations will occur
- Low capacity utilization for all business segments in the quarter, partly linked to low order intake in 2022
- Weak EBIT connected to HAV Group's decision maintain its capacity to be able to fully capitalize on forthcoming growth opportunities
- Energy design & smart control systems revenue negatively impacted by project postponements at yards

Ship design

NOKm	Q1 2023	Q1 2022	2022
Operating income	19.9	21.1	155.4
EBIT	-4.3	0.3	10.7
Profit before tax	-4.1	-0.7	10.5

Water treatment systems

NOKm	Q1 2023	Q1 2022	2022
Operating income	41.0	81.9	226.7
EBIT	-0.1	8.0	24.5
Profit before tax	1.3	6.5	23.3

Energy design & smart control systems

NOKm	Q1 2023	Q1 2022	2022
Operating income	51.6	95.5	268.6
EBIT	-3.9	0.9	-17.3
Profit before tax	-2.2	0.5	-10.7

Hydrogen-based energy systems

NOKm	Q1 2023	Q1 2022	2022
Operating income	0.2	0.5	2.8
EBIT	-2.3	-1.1	-5.4
Profit before tax	-2.4	-1.1	-5.6

Q1 2023 balance sheet

NOKm	Q1 2023	Q1 2022
	unaudited	unaudited
Non-current assets		
Total intangible assets	78.8	79.8
Fixed assets		
Total tangible fixed assets	12.6	3.7
Financial fixed assets	2.1	2.1
Total fixed assets	93.6	85.6
Current assets		
Total receivables	196.7	142.9
Cash and bank deposit	240.1	373.3
Total current assets	436.7	516.2
Total assets	530.3	601.8

NOKm	Q1 2023	Q1 2022
	unaudited	unaudited
Equity		
Total equity	83.9	141.0
Liabilities		
Total provision for liabilities	8.2	6.5
Total long term liabilities	51.1	67.9
Total current liabilities	395.3	392.8
Total liabilities	446.4	460.7
Total equity and liabilities	530.3	601.8

Comments

Assets:

- Cash and bank deposit increased by NOK 16.2 million and total receivables increased by NOK 26.2 million from year end.

Total liabilities:

- Total liabilities increased from NOK 367.3 million at year end 2022 to NOK 446.4 million per Q1.2023. Main reason is increase in advance payments from customers and increase in account payables.

Equity:

- Total equity decreased by NOK 28.6 million to NOK 83.9 million in Q1 2023. Main cause is increase of Treasury shares and negative result in the period.
- Equity ratio decreased from 23.5% year-end 2022 to 15.8% per Q1.2023.

Q1 2023 cash flow statement

NOKm	Q1 2023	Q1 2022
	Unaudited	Unaudited
Cash flow from operations		
Net cash flow from/to operating activities	48.4	21.1
Cash flow from investments		
Net cash flow used in investments activities	-11.8	-2.7
Cash flow from financing activities		
Net cash flow used in financing activities	-20.4	-21.1
Net change in cash and cash equivalents	16.2	-2.6
Cash and cash equiv. recognized in the balance sheet	240.1	373.3

Comments

Positive cash flow from operations

- Driven by increase in advance payments from customers

Negative cash from investments

- Mainly related to investment in IT infrastructure and R&D

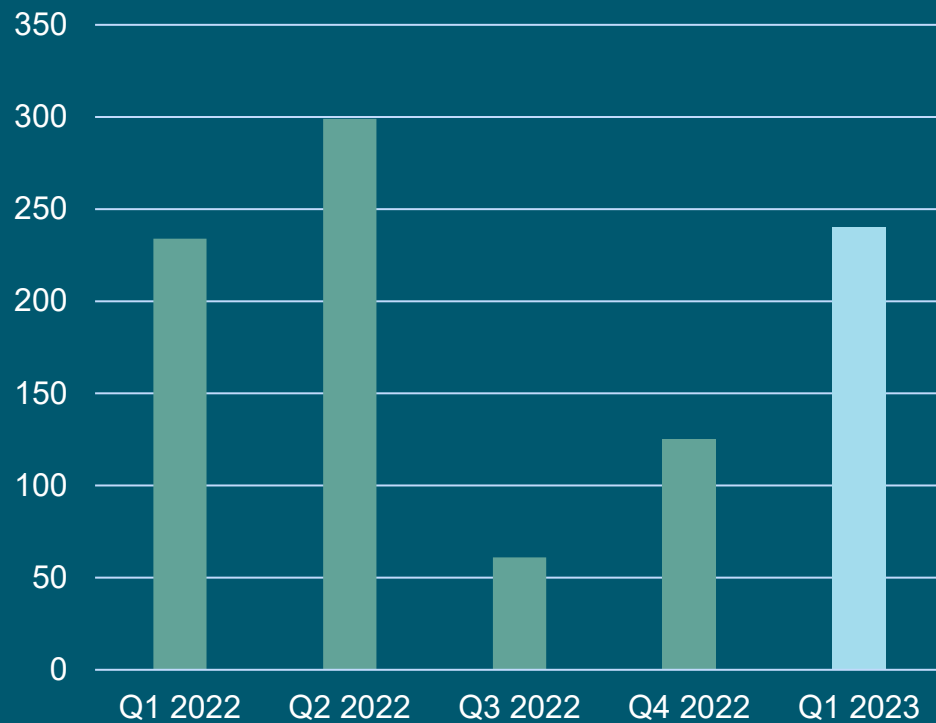
Negative cash from financing

- Purchase of own shares:
NOK 14.8 million
- Installments & interest payments:
NOK 5.5 million

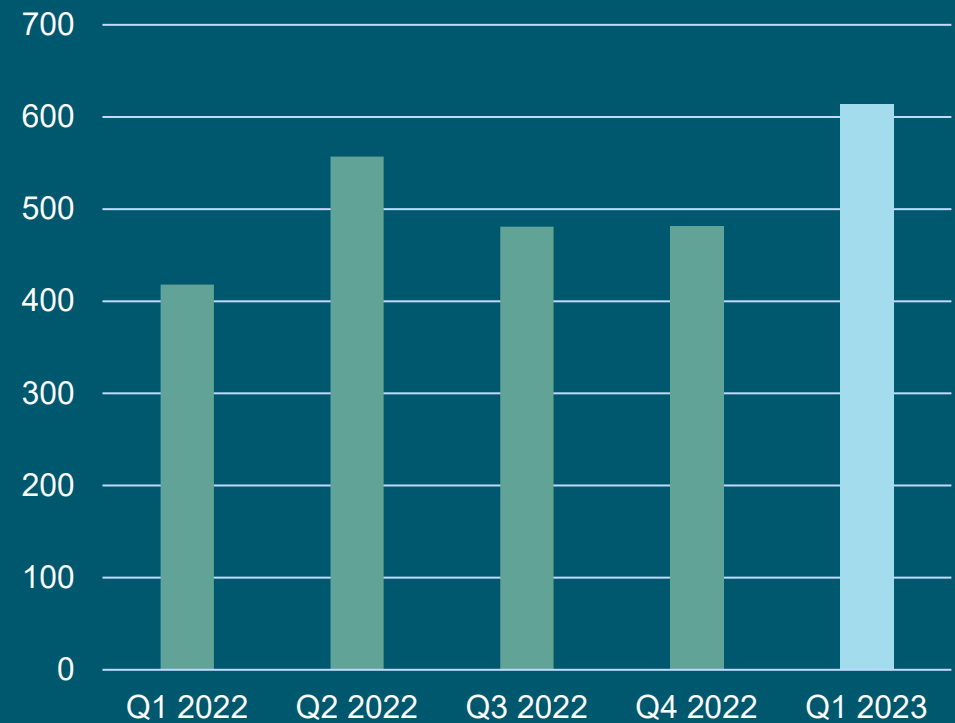
Book-to-bill of 2.2x in Q1 2023

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Order intake

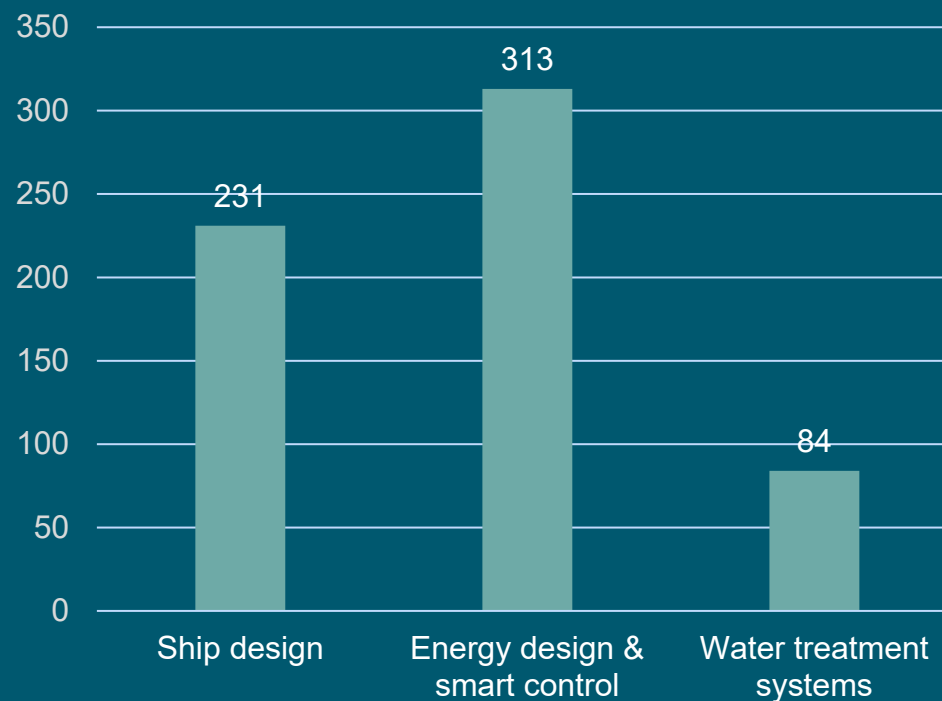
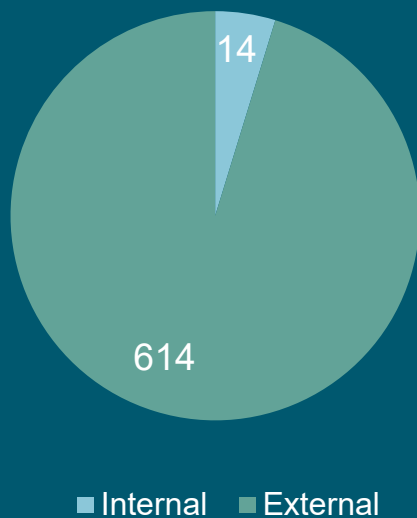


Order backlog



Order backlog: segment breakdown

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Comments

- For water treatment systems, "fleet-agreements" signed by different ship owners are not included in the official backlog figures
- Positive order backlog development for all business segments

SUMMARY AND MARKET OUTLOOK



Why invest

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Strong fundamentals and megatrends for maritime greentech



Perfectly positioned to leverage the green maritime megatrends



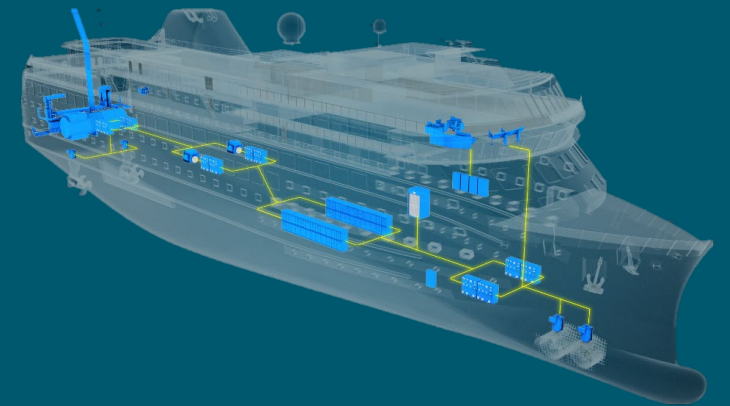
Track-record of profitable operations and robust balance sheet



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
- HAV Group possesses the technologies and products that enable the green transition at sea
- The global maritime market outlook is more positive going into 2023, and HAV Group has chosen to maintain its capacity to be able to fully capitalize on forthcoming growth opportunities
- HAV Group reiterates the 2025 revenue outlook of NOK 1.3 billion, with periodic fluctuations reflecting the project-driven business



Q&A

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