

# HAV GROUP ASA

First quarter financial results 2024

Gunnar Larsen, CEO  
Pål Aurvåg, CFO

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# Agenda

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



# Q1 2024 HIGHLIGHTS

## Key developments

- Revenue of NOK 127.1 million, up 8.7% from Q1 2023 (110.3)
- Multiple important contracts won in Q1 2024, reaching an order intake of NOK 533 million = book-to-bill of x4.2. Contracts include:
  - Ship design and integrated equipment package for SOV to ESVAGT
  - Ship design and engineering package to 4 x Lavik-Oppedal ferries
  - System integrator role and system deliveries for Lavik-Oppedal ferries
- Recent contract wins are still in start-up phase and have not yet started to generate noticeable income/margin contribution
- Order backlog of NOK 1,010 million as of 31 March 2024, up 67% from year-end 2023

## Subsequent events

- Contract for energy design and smart control system deliveries to Havyard Leirvik, worth in excess of NOK 200 million
- Cooperation agreement with Maris Fiducia with objective of developing, building and operating hydrogen-powered dry-bulk vessels
- Contract for autonomous navigation scope for Lavik-Oppedal ferries

<b>Operating income</b>	<b>EBITDA</b>	<b>Cash balance</b>
NOK 127.1m	NOK -18.0m	NOK 128.2m

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<b>Order intake</b>	<b>External backlog</b>	<b>Book-to-bill</b>
NOK 533.0m	NOK 1,010m	x4.2

# Lavik-Oppedal: Signed three contracts worth approximately NOK 600 million

1 March 2024 (Q1)

- Contract signed with Fjord1 to design and develop the four newbuild ferries
- Delivery of ship design and engineering package for all four vessels

20 March 2024 (Q1)

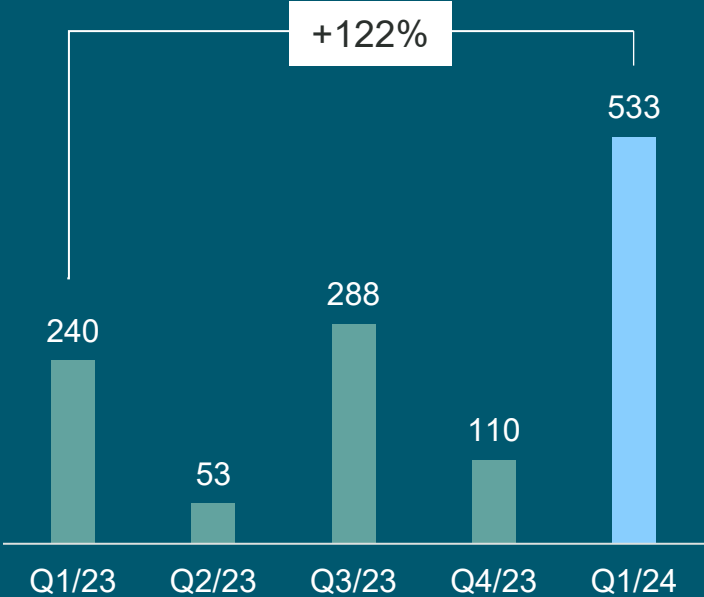
- HAV Group's energy design and smart control systems business contracted by Tersan Shipyard
- System integrator role and provision of system deliveries for power system, automation and bridge design including navigation and communication solutions

27 May 2024 (Q2)

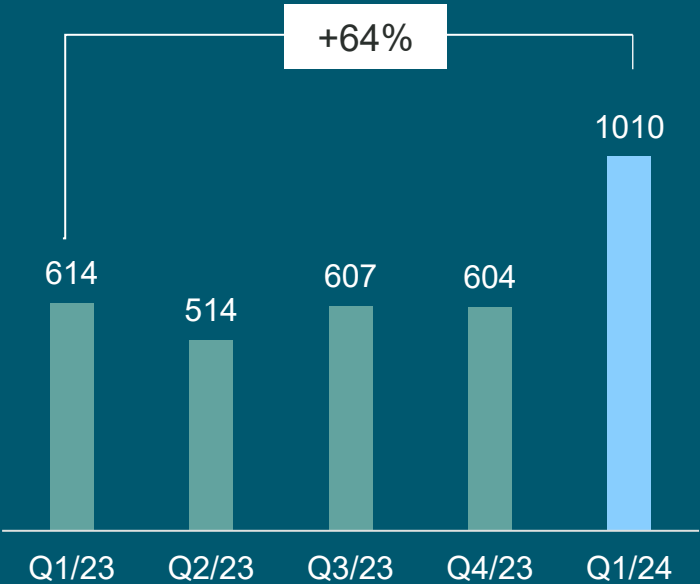
- Energy design and smart control systems business contracted by Fjord1 to develop systems for automation of vessel functions and autonomous navigation

# Order intake & backlog | Strong growth

### Order intake per quarter



### Order backlog development\*



\*Backlog does not include NOK 200+ million contract signed with Havyard Leirvik on 6 May 2024

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# 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

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Vision: A sustainable future at sea

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

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

Headquarters

Fosnavåg, Norway

CEO

Gunnar Larsen

Employees

165

Operating income Q1 2024

NOK 127.1m

Order backlog Q1 2024

NOK 1.010m

Market cap per 29/5-24

NOK 410 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.

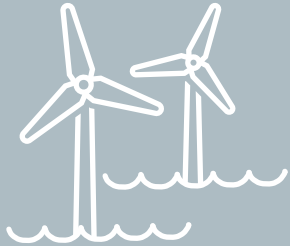


## WATER TREATMENT SYSTEMS

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



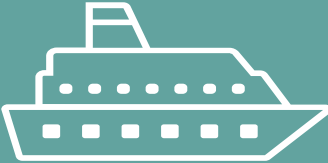
# Our main industry segments



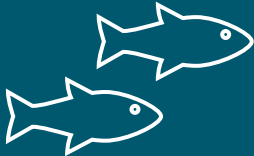
Offshore wind



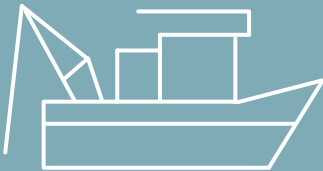
Oil and gas



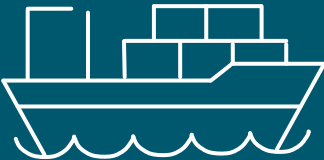
Ferries and ropax



Aquaculture



Fishery



Short sea cargo

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# 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

## Q1 highlights

- Awarded contract to develop **SOV for Esvagt**
  - Ship design and a large integrated equipment package including propulsion system, engines, propellers and positioning system
  - Contract value in excess of **NOK 100 million**
- Contract to design **Lavik-Oppedal ferries**
  - Ship design and an engineering package for all four autonomous ferries



# 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

- **Subcontractor** to Ship Design business for Esvagt's SOV
  - Delivery includes batteries, main generators, propulsion motors, DC switchboard setup, ensuring optimal energy distribution and utilization
- Contracted by Tersan Shipyard to act as **system integrator** and supply a number of technologies to the four autonomous, zero-emission **Lavik-Oppedal** ferries:
  - **System deliveries** for power system, automation and bridge design including navigation and communication solutions for the four ferries
  - Extended automation scope to **ready vessels** for future **autonomous** sailing and docking capabilities

### Events subsequent to the end of Q1:

- Awarded equipment deliveries to Norwegian shipbuilder Havyard Leirvik, contract worth in excess of **NOK 200 million**
- Contract from Fjord1 to develop automation of vessel functions and autonomous navigation for four Lavik-Oppedal ferries





# 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

## Q1 highlights

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

### Events subsequent to the end of Q1:

- Cooperation agreement with Maris Fiducia Norway with the objective of developing, building and operating hydrogen-powered dry-bulk vessels in Europe:
  - **Value chain cooperation** between operator (Maris Fiducia), provider of hydrogen-based energy system (HAV Hydrogen) and hydrogen producer and distributor (Norwegian Hydrogen)
  - Subject to potential innovation funding, Maris Fiducia's chosen shipyard will order **ZEPODs** from HAV Hydrogen for use on board the vessels
  - Upon successful realization of project, vessels will go on hire through a zero-emission time charter agreement with Schulte & Bruns



Illustration photo (Maris Fiducia)



# Water treatment systems

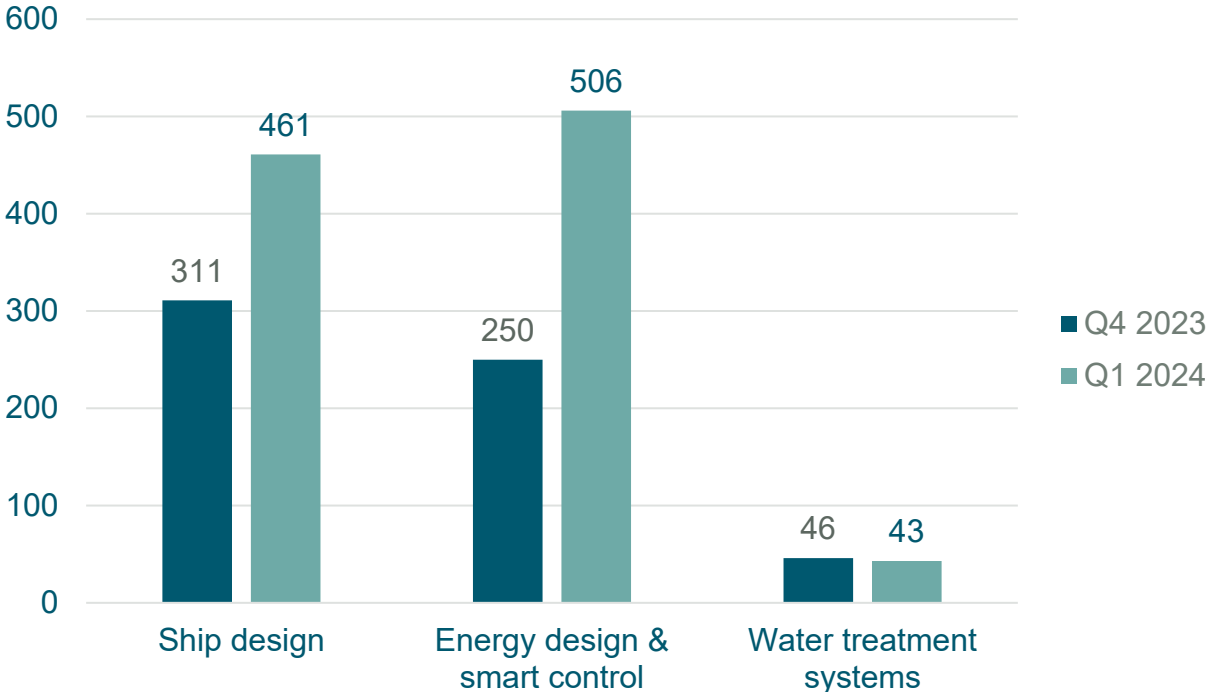
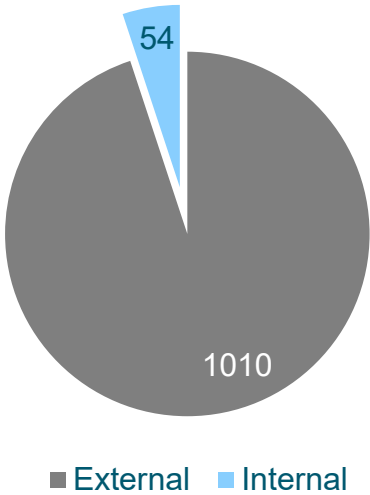
- **Ballast water** treatment systems (BWTS) for ships
  - Compact and highly flexible systems with very low energy consumption
  - For retrofit and vessel newbuilds
- **Process water** treatment systems for the aquaculture industry:
  - Live fish carriers
  - Land-based aquaculture
- Sold **750+** systems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

## Q1 highlights

- Call-off from frame agreement with Misje Rederi to deliver BWTS to two 5.000 dwt eco-friendly hybrid bulk carriers
- Pursuing an increasing amount of opportunities within land-based aquaculture, but many final investment decisions are being pushed to the right



# Order backlog: segment breakdown

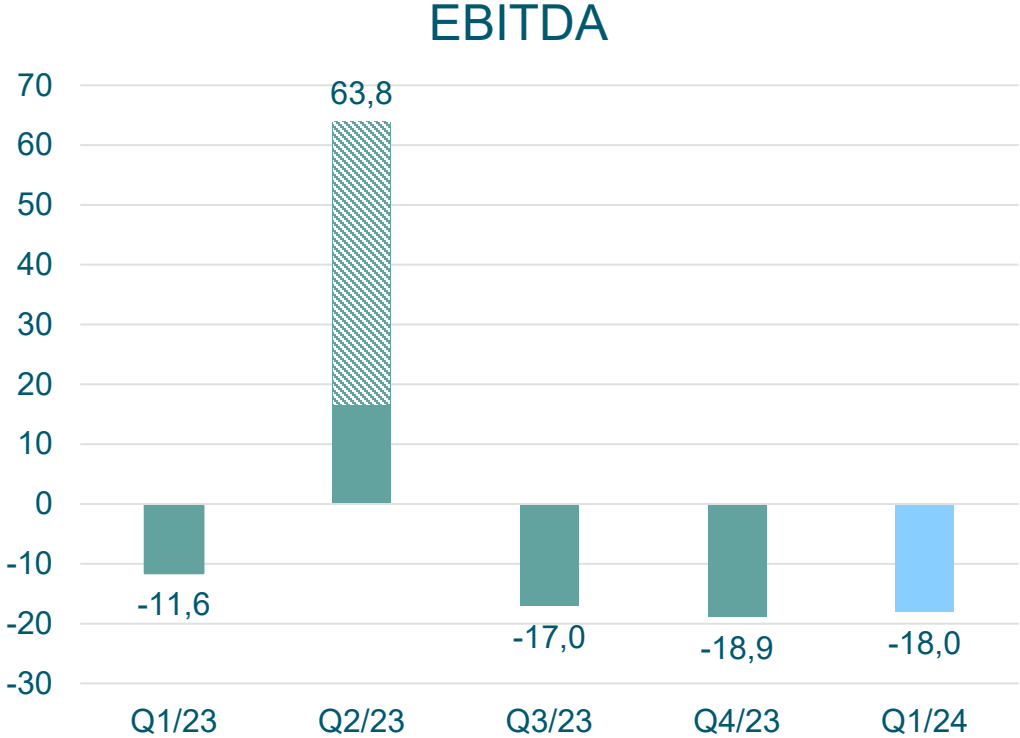
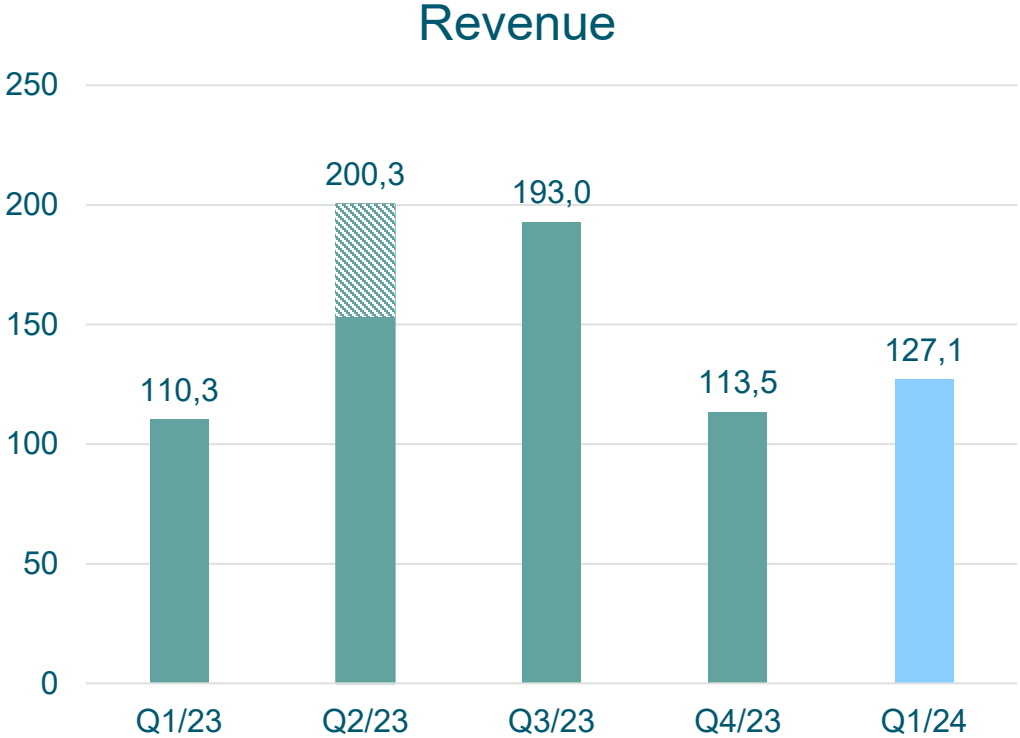


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# Financials



# Revenue and EBITDA development



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

# Q1 2024 key financials

NOKm	Q1 2024	Q1 2023	2023
	Unaudited	unaudited	Audited
<b>Operating income</b>	<b>127.1</b>	<b>110.3</b>	<b>617.1</b>
EBITDA	-18.0	-11.6	9.1
EBIT	-22.0	-15.7	-7.9
Net finance	-0.7	2.5	1.9
<b>Net profit/loss</b>	<b>-21.3</b>	<b>-13.2</b>	<b>-6.0</b>
<i>EBIT margin</i>	<i>-17.3 %</i>	<i>-14.3 %</i>	<i>-1.3 %</i>

**Comments**

- As the business is largely project-driven, periodic fluctuations will occur
- HAV Group’s decision to maintain capacity to be able to fully capitalize on forthcoming growth opportunities is still affecting financial results
- Recent contract wins are still in start-up phase and have not yet started to generate noticeable income/margin contribution

## Ship design

NOKm	Q1 2024	Q1 2023	2023
Operating income	<b>39.3</b>	19.9	<b>249.3</b>
EBITDA	<b>1.6</b>	-3.7	<b>50.1</b>
Profit before tax	<b>3.0</b>	-4.1	<b>50.4</b>

## Water treatment systems

NOKm	Q1 2024	Q1 2023	2023
Operating income	<b>28.5</b>	41.0	<b>156.0</b>
EBITDA	<b>-0.8</b>	1.5	<b>3.1</b>
Profit before tax	<b>-2.6</b>	1.3	<b>-4.1</b>

## Energy design & smart control systems

NOKm	Q1 2024	Q1 2023	2023
Operating income	<b>59.8</b>	51.6	<b>220.8</b>
EBITDA	<b>-9.0</b>	-2.3	<b>-17.6</b>
Profit before tax	<b>-10.2</b>	-2.2	<b>-20.7</b>

## Hydrogen-based energy systems

NOKm	Q1 2024	Q1 2023	2023
Operating income	<b>0.3</b>	0.2	<b>0.5</b>
EBITDA	<b>-3.4</b>	-2.3	<b>-8.1</b>
Profit before tax	<b>-3.6</b>	-2.4	<b>-8.7</b>

# Q1 2024 balance sheet

NOKm	Q1 2024	2023
	unaudited	audited
<b>Non-current assets</b>		
Total intangible assets	89.3	90.3
<b>Fixed assets</b>		
Total tangible fixed assets	10.0	10.4
Financial fixed assets	0.1	0.1
<b>Total fixed assets</b>	<b>99.4</b>	<b>100.9</b>
<b>Current assets</b>		
Total receivables	334.0	174.6
Cash and bank deposit	128.2	152.0
<b>Total current assets</b>	<b>462.2</b>	<b>326.6</b>
<b>Total assets</b>	<b>561.6</b>	<b>427.5</b>

NOKm	Q1 2024	2023
	unaudited	audited
<b>Equity</b>		
Total equity	69.6	91.2
<b>Liabilities</b>		
Total provision for liabilities	7.5	7.5
Total long-term liabilities	40.7	31.5
Total current liabilities	443.8	297.3
<b>Total liabilities</b>	<b>492.0</b>	<b>336.3</b>
<b>Total equity and liabilities</b>	<b>561.6</b>	<b>427.5</b>

## Comments

### Assets:

- The total assets in the Group are NOK 561.6 million versus NOK 427.5 million at end of 2023.
- Current assets increased from NOK 326.6 million year-end 2023 to NOK 462.2 million per Q1.2024.
- Cash and bank deposit decreased by NOK 23.7 million and total receivables increased by NOK 159.3 million from year end.

### Equity:

- The total equity has decreased by NOK 21.6 million to NOK 69.6 million per Q1 2024. This is mainly caused by negative result and purchase of own shares in the period.
- Equity ratio has decreased from 21.3% year-end 2023 to 12.4% per Q1. 2024.

### Total liabilities:

- Total liabilities increased from NOK 336.3 million at year end 2023 to NOK 492.0 million per Q1. 2024. Main reason is increase in advance payments from customers.



# Q1 2024 cash flow statement

NOKm	Q1 2024	Q1 2023	FY 2023
	Unaudited	Unaudited	Audited
<b>Cash flow from operations</b>			
Net cash flow from/to operating activities	-28.9	47.8	-5.4
<b>Cash flow from investments</b>			
Net cash flow used in investments activities	-2.4	-12.0	-26.8
<b>Cash flow from financing activities</b>			
Net cash flow used in financing activities	7.6	-19.6	-39.6
<b>Net change in cash and cash equivalents</b>	<b>-23.7</b>	<b>16.2</b>	<b>-71.9</b>
<b>Cash and cash equiv. recognized in the balance sheet</b>	<b>128.2</b>	<b>240.1</b>	<b>152.0</b>

## Comments Q1 2024 (NOKm)

### Negative cash flow from operations

- Negative result of NOK in period -21.3
- Increase in other current receivables 74.2
- Increase in account payables 24.5
- Increase in account receivables -102.5

### Negative cash from investments

- Mainly related to investments in R&D

### Positive cash from financing

- Repayment non- current debt -26.7 and refinancing of long term debt 36.0
- Purchase of own shares: -1.8

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# Summary and market outlook

# Why invest



**Toolbox in place to support shipowners' growing desire to reduce vessels' operating costs and environmental footprint**

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**International and national maritime regulations support HAV Group's business case**

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**Solid balance sheet**

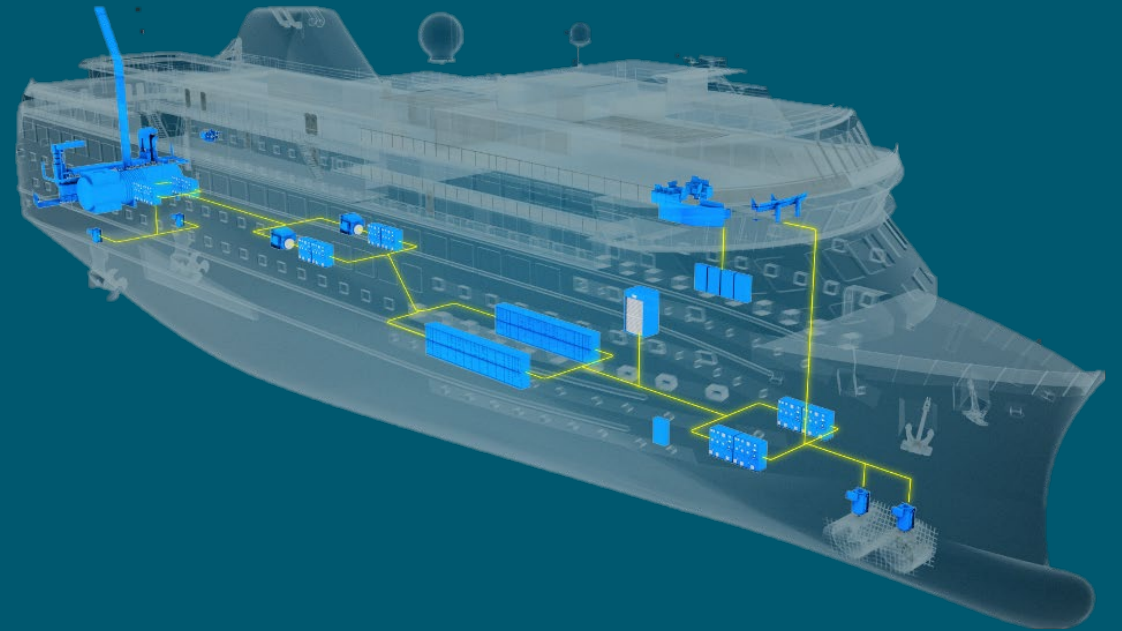
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**Growing order backlog positions HAV Group for value creation**

# 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.
- Capacity utilization to improve in 2024 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.
- HAV Group targets NOK 1.3 billion in revenue in 2026.





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# Q&A