
HAV Group ASA

Q2 2021

A sustainable
future at sea

Agenda

- Q2 highlights
- HAV Group ASA in brief
- Subsidiaries and market opportunity
- Financials
- Market outlook
- Q&A

Q2 highlights

Q2 highlights

Key developments

HAV Design

- Design of 2 new electric ferries for Fjord1
- Rebuild-design of Esvagt Dana
- Design & Equipment to live fish carrier for Frøy

Norwegian Electric Systems

- System generator for three ferries that will be converted for battery operation and zero emissions, including delivery of four land-based charging stations

REVENUES

NOK 304 million (187)

EXTERNAL BACKLOG

NOK >460 million

EBIT

NOK 37 million (23)

NUMBER OF SHAREHOLDERS

1254

CASH FROM OPERATIONS

NOK 159 million (44)

MARKET CAP AS OF 30 AUG

NOK 599 million

CASH BALANCE

NOK 334 million (90)

HAV Group ASA in brief

HAV Group ASA



International provider of
technology and services for
maritime industries



Vision: A sustainable future at
sea



Established in 2021



Comprises four subsidiaries with
several decades of combined
industry experience



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

HAV Group value creation

Actively taking part in the companies' strategic development

Stimulating intercompany business development and R&D processes

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

Pursuing value accretive growth, organic and through consolidation

Provider of ocean technologies with focus on ship design, equipment and system solutions

Four subsidiaries with a leading position within its segments

HAVdesign

A supplier of innovative ship design – HAV Design is a pioneer in the design and construction of zero-emission vessels



A supplier of ballast water treatment systems and various other water treatment systems for aquaculture and maritime use



A supplier of sustainable energy design and smart control systems for a wide range of vessels for the global maritime market

HAVhydrogen

A developer of hydrogen energy systems for ships

Experienced management team and Board of Directors

Executive management



Gunnar Larsen

CEO, HAV Group

34 years of industry experience, 13 years with HAV



Stig Magne Espeseth

Managing Director, HAV Design

32 years of industry experience, 16 years with HAV Design



Håvard Gjelseth

Managing Director, NGT

25 years of industry experience, 10 years with NGT



Kristian Osnes

Managing Director, HAV Hydrogen

10 years of industry experience, 3 years with HAV



Geir Larsen

Managing Director, NES

29 years of industry experience, 1 year with NES



Pål Aurvåg

CFO HAV Group

16 years of industry experience, 6 year with HAV

Board of Directors and corporate governance

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 and market opportunity

HAV Design

Designer of environmentally friendly vessels

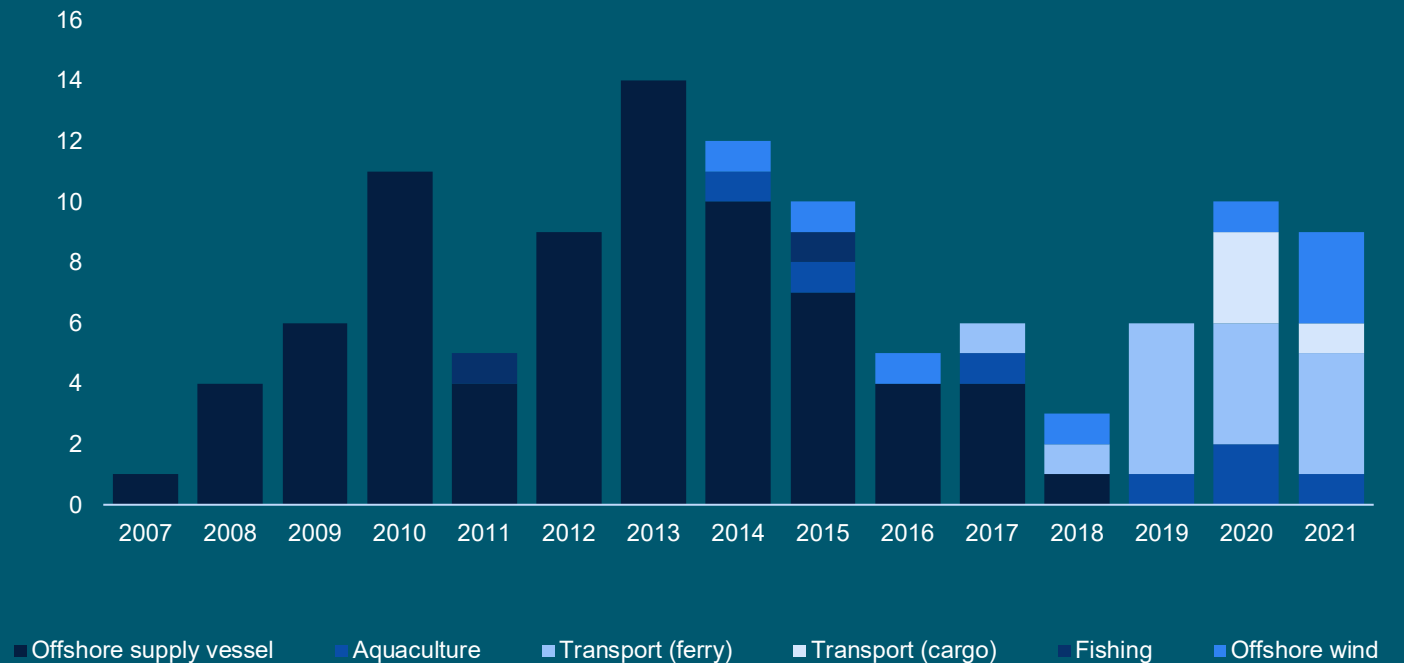
- Through a digital tool-kit, knowledge and innovation HAV Design offer environmentally friendly, safe and functional designs
- Know-how about hydrogen powered vessels through participation in R&D project
- Well-positioned for the further development within low and zero emission vessels within several segments
- Leading positions within offshore wind, electric ferries and aquaculture

Segment information

NOKm	Q2 2021	Q2 2020	YTD 2021	YTD 2020
Operating income	208.5	74.5	457.0	149.0
EBIT	25.9	20.5	43.4	40.9
Profit before tax	29.6	-3.9	46.9	-7.8

Established position within growth segments

- Sold designs for >100 vessels globally
- Designed 18 zero emission vessel designs and 10 vessels designs for renewable energy
- Recent projects include Windmill SOV's for ESVAGT, CSV for REM Offshore, electric ferries for Fjord1, hybrid-electric hydrogen ready cruise vessels for Havila Kystruten and live fish carriers for Frøy



A frontrunner on innovative solutions

Solving complex problems to meet future emission targets

- Developed its unique design philosophy and design process through years of experience, R&D investments and collaboration with leading ship owners
- Proprietary methods for model test and calculation simulators give HDS a strong ability to predict the performance
- Extracting expertise within the group companies to deliver system packages of equipment specialized to the customer needs
- HAV Design is a pioneer in the design and construction of zero-emission ferries and draws upon this experience in its new city and fjord sightseeing concept



Norwegian Greentech

About

- Norwegian Greentech was established by the present management team in 2010, building on technology and know-how within water treatment for aquaculture and maritime use
- NGT designs, delivers, installs and services highly energy-efficient compact ballast water treatment systems (BWTS)
- The in-house developed BTWS is particularly suited for small and medium-sized vessels, for newbuilds and especially for retrofits due to its small size and flexible installation
- Potential for technology to be applied in other high growth industries, including fish farming water treatment
- NGT also deliver water treatment solutions for land-based aquaculture (control system, particle filters and UV-sterilization)

Segment information

NOKm	Q2 2021	Q2 2020	YTD 2021	YTD 2020
Operating income	39.8	21.2	74.3	42.4
EBIT	6.1	3.7	7.3	7.4
Profit before tax	5.3	3.1	5.7	6.1

Implemented regulations will drive demand

The international Ballast Water Management Convention entered into force in 2017

- Huge retrofit market. Sailing vessels must install water treatment systems within 2024
- This represents a market of approx. 60.000 vessels
- 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, plus after market service and parts revenues
- Vessel owners are required to act now – reflected in current backlog and pipeline potential from framework agreements with e.g. Wilson ASA's 120 vessel fleet

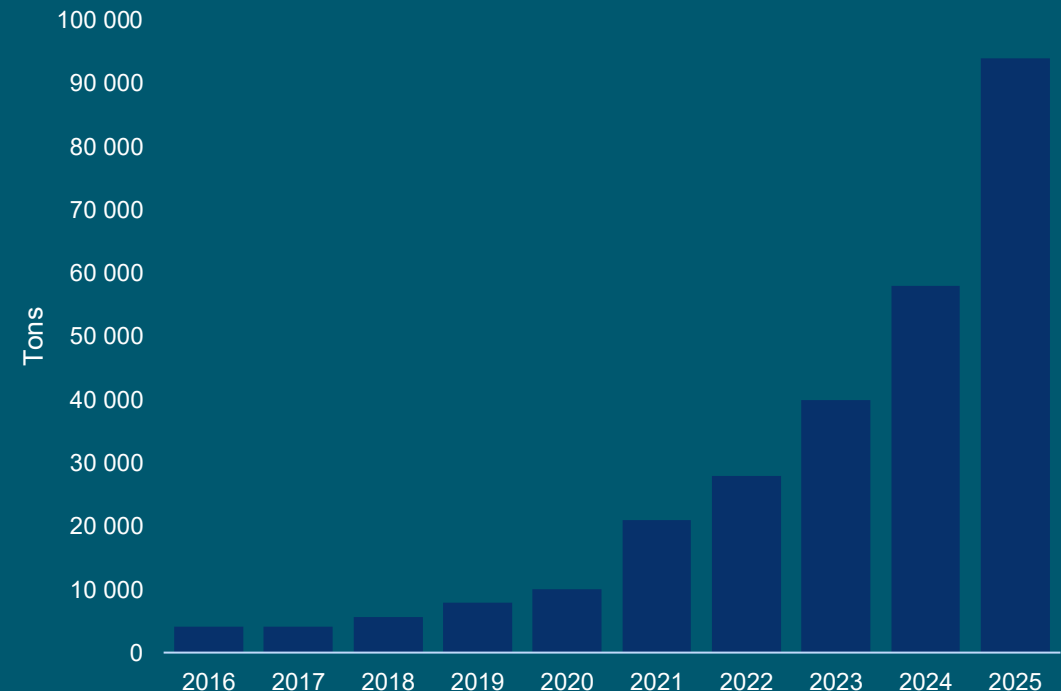


Water cleaning technology to be applied over a range of industries

High demand for land-based salmon

- NGT has supplied water treatment solutions for more than 10 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

Land-based fish farming expected to grow 10x by 2025



Norwegian Electric Systems

Green innovation for the oceans

- Norwegian Electric System 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’
- NES has delivered 70 MWh of battery systems in zero emissions- and hybrid vessels, which corresponds to battery capacity of 1,400 electricity vehicles

Segment information

NOKm	Q2 2021	Q2 2020	YTD 2021	YTD 2020
Operating income	64.9	129.2	121.4	258.3
EBIT	3.5	1.5	5.5	3.1
Profit before tax	2.9	-5.0	5.0	-9.9

The one stop shop to meet future IMO targets

NES' fully integrated solutions enabling customers to meet greenhouse gas emission targets



Marine System Integration

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

Ship Performance Monitor (SPM)

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

Hybrid and electric propulsion systems

Required engineering, project management, commissioning and seatrails assistance

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

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

The Raven Integrated Navigation System (INS)

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

HAV Hydrogen

- Havyard Group ASA through HDS & NES and consortium partners (Havila Kystruten, Prototech, Sintef) was awarded a 95 MNOK Pilot E development project for large scale maritime hydrogen application back in 2018
- The FreeCO2ast will develop a high-capacity hydrogen energy system, approved for zero emission sailing with high speed over longer distances
- The project has been running for 2 years with focus on designing and approving a scalable maritime hydrogen solution
- The first phase of the ground-breaking work is completed, and the company is now entering into the approval stage for the hydrogen system



The HAV Hydrogen solution from A to Z

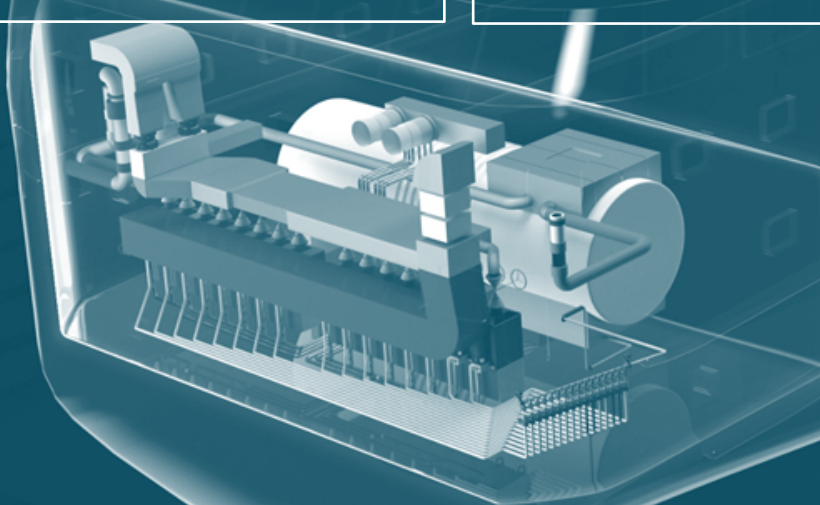
Low-pressure hydrogen storage solution can solve important challenges for seagoing ships, such as **sloshing** effect and pressure drop

The approval will be done on a **3.2 MW fuel cell** system compared to other projects in the **400kW scale**

Safety solutions is designed for **in-hull installation**, not top deck

The system is designed for **high scalability** in both fuel cell size and storage tank. This means that the system can be used on various of sizes and types of vessels

The solutions are design for vessels 4 times heavier and 50% faster than hydrogen ferry projects → **8 times larger fuel cell effect**



Norwegian government demanding hydrogen powered vessels

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

- Competence in place
- Developed a unique system solution to tackle complex issues
- Established partnerships with industry majors
- The government aiming to facilitate emission free solutions along the Norwegian coast - sets requirements for hydrogen ferries on the longest ferry crossing

NCE Maritime CleanTech applauds new hydrogen ferry project

2ND NOVEMBER 2020 | IN NEWS | BY MARIE LAUNES

The Norwegian Government launches another large-scale hydrogen ferry project: The next tender for Norway's longest ferry crossing in Vestfjorden will have requirements for hydrogen operation.

We are very happy to see the Government prioritizing industry development over the lowest possible costs. This decision will have many positive repercussions for the maritime industry, says CEO of NCE Maritime CleanTech, Hege Økland.

The route between Bodø and Moskenes in Vestfjorden is Norway's longest ferry crossing, with some of the roughest weathers. Pure battery operation is thus not an option for this crossing. For the last year NCE Maritime CleanTech has worked intensively to ensure a political understanding of the importance of using the Vestfjorden tender to accelerate the technology development within hydrogen solutions.



Financials

Key financials (unaudited)

NOKm	Q2 2021	Q2 2020	YTD 2021	YTD 2020	2020
Operating income	304	187	612	374	656
EBITDA	41	27	64	55	75
EBIT	37	23	56	47	49
Net finance	2	-33	0	-64	-16
Net profit	38	-9	56	-17	33
<i>EBIT margin</i>	12 %	12 %	9 %	13 %	7 %

Comments

- Operating income increased by 62 % in Q2 2021 compared to Q2 2020
- The increase is mainly due to extensive delivery of traded equipment compared to 2020

Q2 2021 balance sheet

NOKm	Q2 2021	Q2 2020
	unaudited	unaudited
Assets		
Non-current assets		
Total intangible assets	88.2	86.3
Fixed assets		
Total tangible fixed assets	1.8	2.7
Financial fixed assets	0.1	0.3
Total fixed assets	90.2	89.3
Current assets		
Total receivables	167.6	541.0
Cash and bank deposit	333.7	90.1
Total current assets	501.2	631.1
Total assets	591.4	720.3

NOKm	Q2 2021	Q2 2020
	unaudited	unaudited
Equity and liabilities		
Equity		
Total equity	123.0	3.2
Liabilities		
Provision for liabilities	0	6.2
Total provision for liabilities	0	6.2
Total long term liabilities	74.6	43.3
Total current liabilities	393.8	673.8
Total liabilities	468.4	717.1
Total equity and liabilities	591.4	720.3

Comments

- Total Assets and liabilities reduced due to extensive deliveries/finalization of projects.
- Cash increased by NOK 243 million compared to YTD 2020
- Equity increased by NOK 100 millions
 - Capital issue
 - Profit

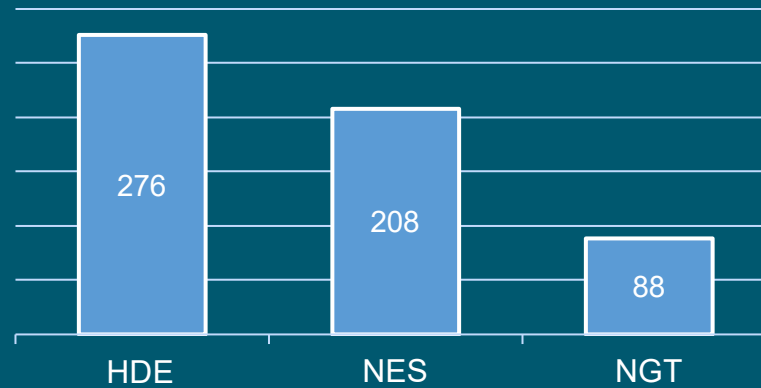
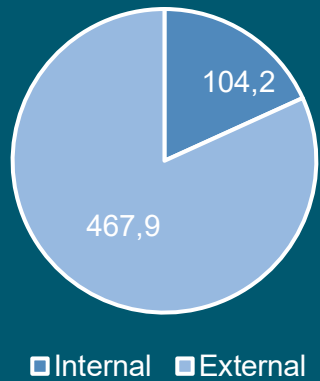
Cash flow statement

NOKm	Q2 2021	Q2 2020
	unaudited	unaudited
Cash flow from operations		
Net cash flow from/to operating activities	159.0	44.3
Cash flow from investments		
Net cash flow used in investments activities	-5.8	-7.5
Cash flow from financing activities		
Net cash flow used in financing activities	149.6	-3.8
Net change in cash and cash equivalents	302.7	33.0
Cash and Cash equiv. recognized in the balance sheet	333.7	90.1

Comments

- Positive Cash from operations
 - Profit – NOKm 56
 - Net increase in receivables NOKm 95
- Negative Cash from investments
 - Activated cost related to R&D
- Positive Cash from Financing
 - Capital increase – NOKm 90
 - Long term debt NOKm 62
 - > both part of HAV Group spin-off
- Cash increased by NOKm 300 million in 2021

External backlog of NOKm 468



Comments

- Order back log
 - Reduced due to extensive trading deliveries from HAV Design in this quarter.
- Increase in both NES and NGT

Market Outlook

HAV Group positioned to capture demand growth for innovative solutions for maritime industries



Summary, outlook and priorities

<p>Strong fundamentals for maritime cleantech</p>	<ul style="list-style-type: none"> • The maritime and marine industries are subject to tremendous regulatory, economic and public opinion pressure to reduce the environmental impacts of its operations • HAV Group is a diversified maritime technology company renowned for innovative solutions to these industries since 2005
<p>Established companies with leading offering</p>	<ul style="list-style-type: none"> • World leading supplier of low/zero emission energy, propulsion and control systems • Pioneering innovations in design and construction of zero-emission vessels and energy optimized ship designs • Supplier of highly energy-efficient, compact water cleaning systems in collaboration with technological leaders
<p>Profitable operations and robust balance sheet</p>	<ul style="list-style-type: none"> • YTD 2021 EBIT of NOK 56 million – Margins in 2021 expected at the same level as 2020 • External backlog of approximately NOK 460 million • Revenues in 2021 are expected in the range of NOK 850 – 950 million • Robust balance sheet and a cash balance at NOK 334 million
<p>Positioned for growth and consolidation</p>	<ul style="list-style-type: none"> • Active owner and developer of innovative companies, leveraging competence and network to develop new solutions, such as hydrogen energy systems for long distance vessels • Substantial organic and inorganic growth opportunities

Q&A

