

HAV GROUP ASA

Second quarter 2022

PRESENTERS:

Gunnar Larsen
CEO

Pål Aurvåg
CFO



A SUSTAINABLE FUTURE AT SEA

AGENDA

1. Q2 highlights
2. HAV Group ASA in brief
3. Subsidiaries and market opportunity
4. Financials
5. Market outlook
6. Q&A



Q2 HIGHLIGHTS



Q2 HIGHLIGHTS

Key developments Q2 22

HAV Design

- contract to deliver ship design and integrated equipment package to Ørsted-bound methanol-fuelled SOV.

HAV Group

- HAV Group receives preliminary approval for hydrogen-based energy system for ships.
- HAV Group to acquire remaining Norwegian Greentech shares.
- HAV Group signs letter of intent to acquire Høglund Marine Solutions
- HAV Group's solutions enables Havila Kystruten's first zero emission cruise through the Geirangerfjord
- Continuation of repurchase program for HAV shares

Milestones so far in 2022

- HAV Hydrogen is set to launch a deck-based containerized hydrogen (H2) energy system for ships in order to fast-track the commercial use of hydrogen as ship fuel.
- USCG approval for Norwegian Greentech's Ballast Water Treatment System (BWMS)
- Norwegian Electric Systems (NES) signs its largest contract ever – approx. NOK 100 million
- NES establishes new company in Turkey
- Scandlines orders onshore ferry charging system from NES

REVENUES

NOK 160 MILLION

EXTERNAL BACKLOG

NOK 557 MILLION

EBIT

NOK 14 MILLION

NUMBER OF SHAREHOLDERS

4 442

CASH FROM OPERATIONS

NOK - 23 MILLION

MARKET CAP AS OF 30 AUGUST

NOK 475 MILLION

CASH BALANCE

NOK 300 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.



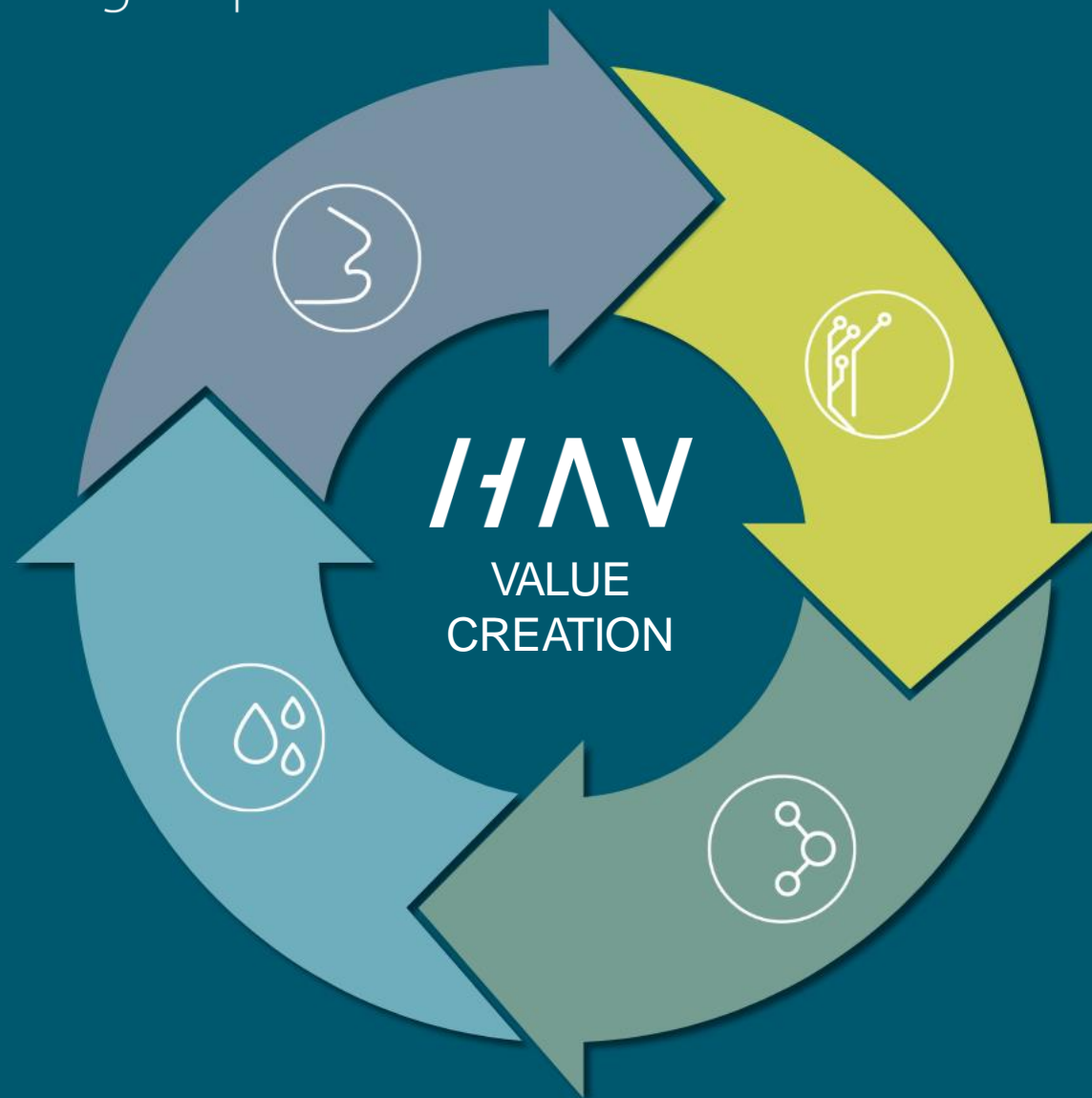
norwegian greentech

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

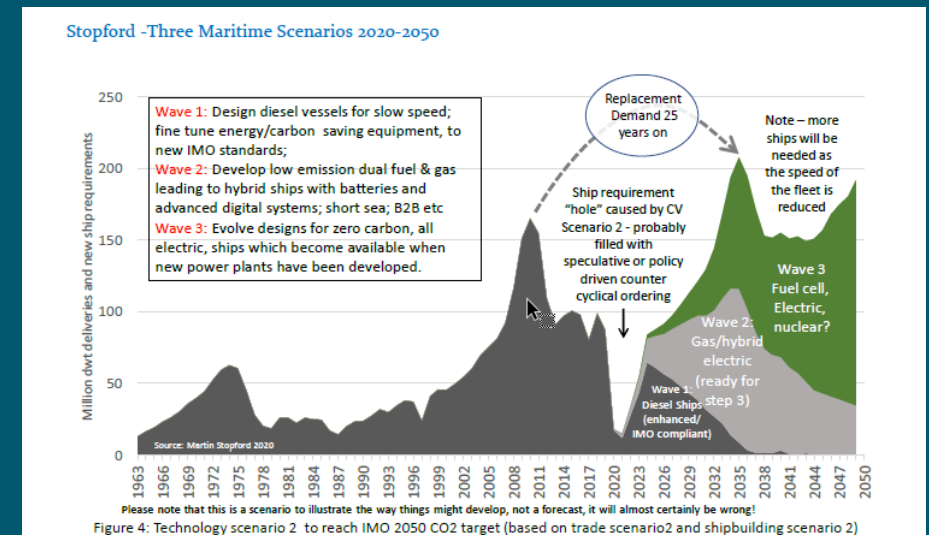
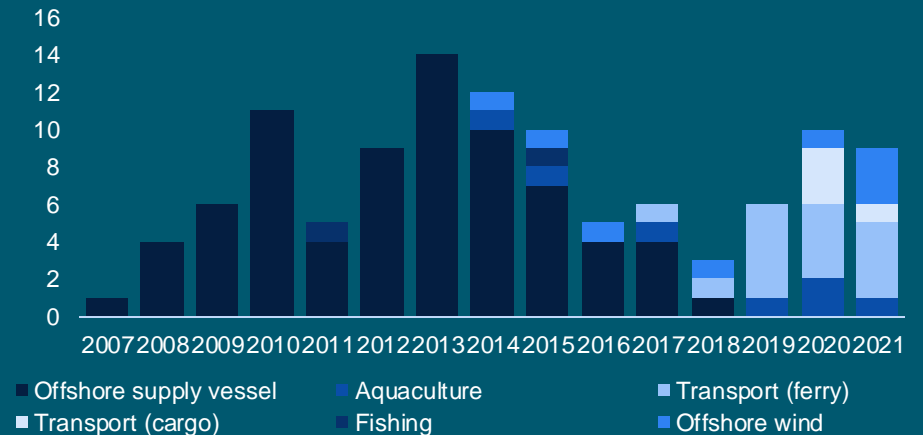
SEGMENT INFORMATION

NOKm	Q2 2022	Q2 2021	2021
Operating income	31.1	208.5	627.1
EBIT	8.0	25.9	80.8
Profit before tax	11.6	29.6	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

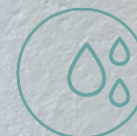


YOUR EXPERT IN BWMS

- 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 international 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	Q2 2022	Q2 2021	2021
Operating income	63.7	39.8	167.5
EBIT	5.2	6.1	14.4
Profit before tax	5.1	5.3	11.9

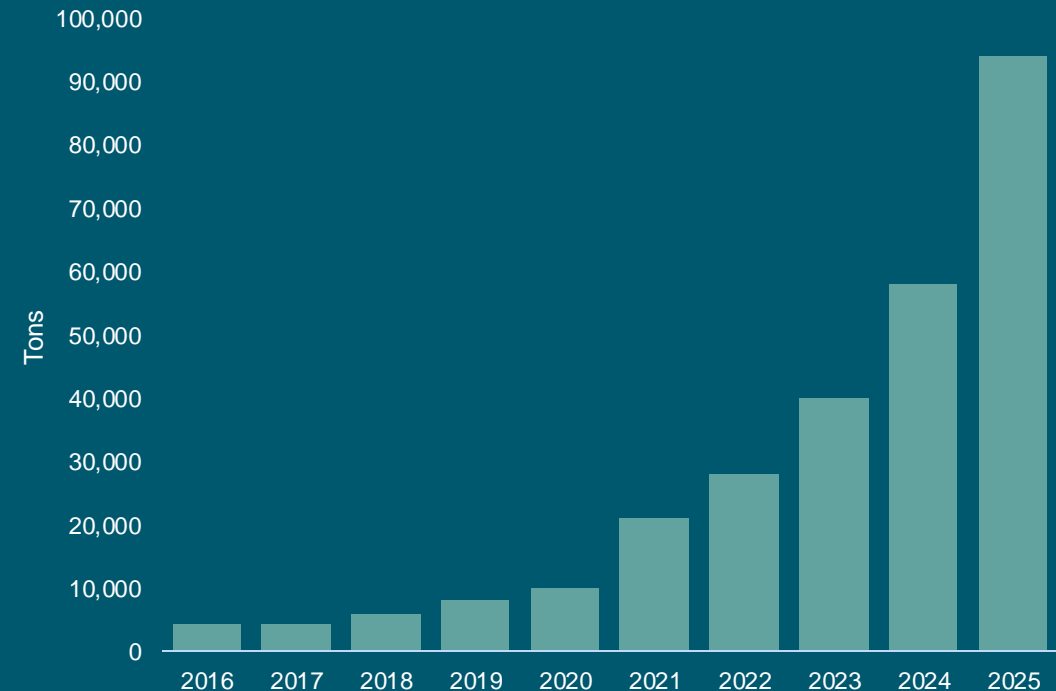


Water cleaning technology to be applied over a range of industries

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 FISHFARMING 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	Q2 2022	Q2 2021	2021
Operating income	67.9	64.9	226.8
EBIT	4.1	3.5	2.4
Profit before tax	4.2	2.9	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 seatrials 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 H₂-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 FreeCO₂ast 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.

HAV Hydrogen is set to launch a deck-based containerized hydrogen (H₂) energy system for ships in order to fast-track the commercial use of hydrogen as ship fuel.

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.

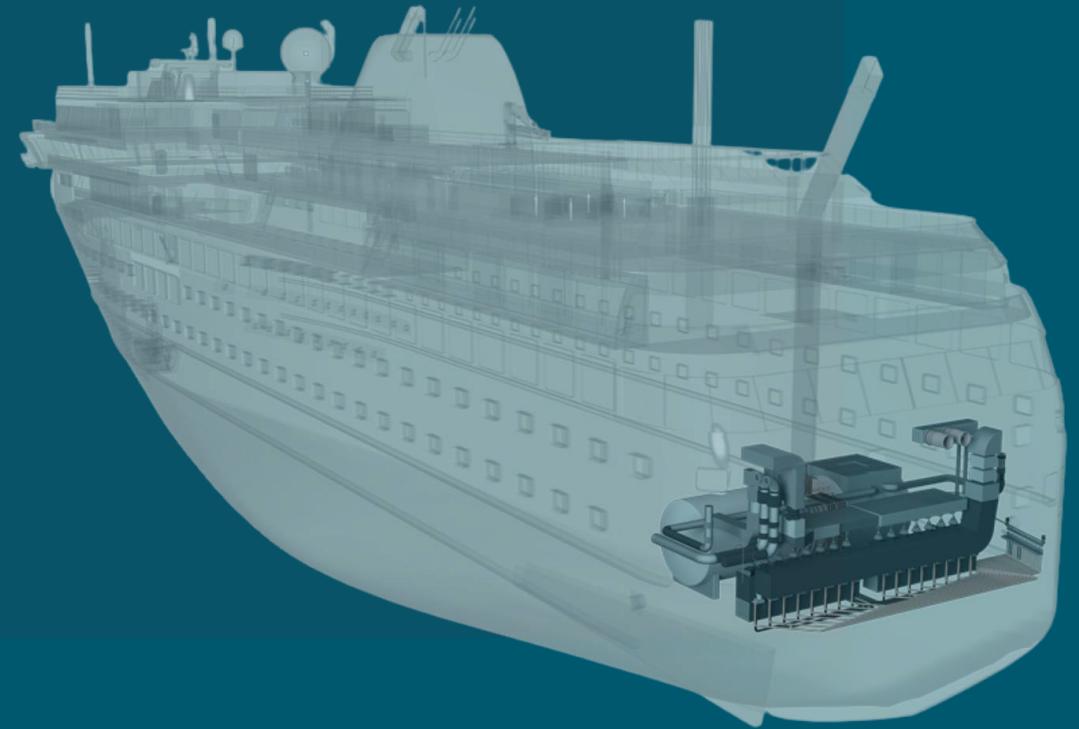


Enabling Maritime Zero Emission

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	Q2 2022	Q2 2021	2021
Operating income	160	304	917
EBITDA	18	41	108
EBIT	14	37	91
Net finance	3	2	-3
Net profit	17	38	88

<i>EBIT margin</i>	8,7 %	12,1 %	10 %
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Comments

- Operating income in Q2 is lower due to less trading deliveries and margin due to lower capacity utilization
- EBIT margin 8,7%

Q2 2022 balance sheet

NOKm	Q2 2022	Q2 2021	2021
	unaudited	unaudited	audited
Assets			
Non-current assets			
Total intangible assets	77.7	87.8	82.7
Fixed assets			
Total tangible fixed assets	4.5	1.8	3.4
Financial fixed assets	2.1	0.2	0.1
Total fixed assets	84.2	89.8	86.3
Current assets			
Total receivables	187.0	165.6	126.4
Cash and bank deposit	299.7	333.7	375.9
Total current assets	486.8	499.2	502.3
Total assets			
Total assets	571.0	589.0	588.5

NOKm	Q1 2022	Q1 2021	2021
	unaudited	unaudited	audited
Equity and liabilities			
Equity			
Total equity	138.6	122.9	152,5
Liabilities			
Total provision for liabilities	6.2	0.0	7.3
Total long term liabilities	62.5	74.6	74.0
Total current liabilities	370.0	391.4	362.0
Total liabilities	432.5	466.0	436.0
Total equity and liabilities	571.0	589.0	588.5

Comments

- Minor changes from Q4 reporting
- Increase in receivables and reduction in cash
- Equity reduced by NOK 13.9 million, mainly due to purchase of own shares and 100% of Norwegian Greentech.

Cash flow statement

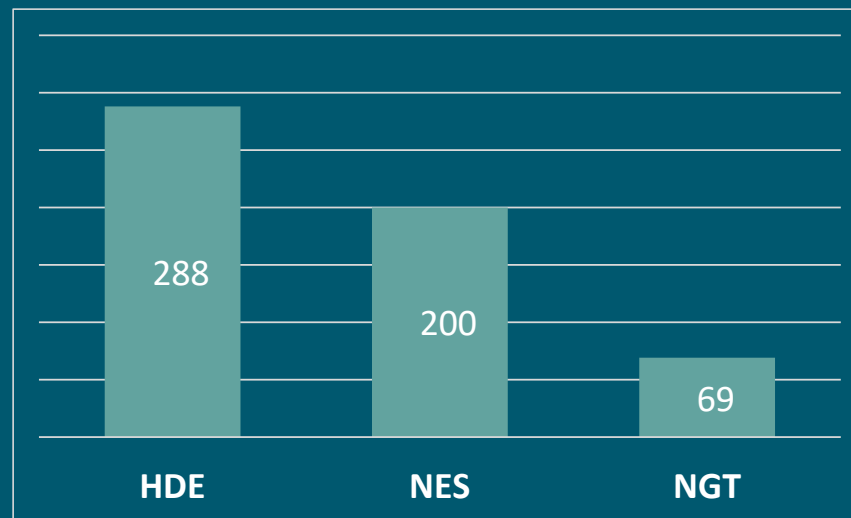
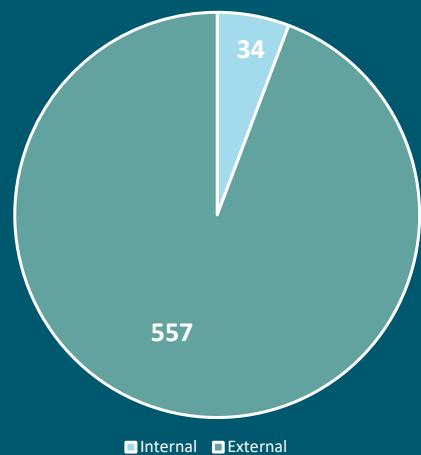
NOKm	YTD Q2 2022	YTD Q2 2021	2021
	unaudited	unaudited	audited
Cash flow from operations			
Net cash flow from/to operating activities	-23.1	216.8	274.8
Cash flow from investments			
Net cash flow used in investments activities	-16.4	-5.8	-13.0
Cash flow from financing activities			
Net cash flow used in financing activities	-36.7	91.7	80.2
Net change in cash and cash equivalents	-76.2	302.7	341.9
Cash and Cash equiv. recognized in the balance sheet	299.7	333.7	375.9

Comments

- Negative Cash from operations
 - Mainly related to project progress – NOK 36 million
- Negative Cash from investments
 - Purchase of shares in Norwegian Greentech AS
 - Activated cost related to R&D
- Negative Cash from Financing
 - Purchase of own shares – NOK 24.8 million
 - Installments & interest payment – NOK 10.4 million

External backlog of NOK 557 million

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Comments to order backlog

The external order back-log is NOK 557 million as of the end of Q2 2022, an increase from 418 in Q1.

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

MARKET OUTLOOK



Summary, outlook and priorities

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<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"> • Q2 2022 EBIT of NOK 14 million • External backlog of approximately NOK 557 million • Robust balance sheet and a cash balance at NOK 300 million
<p>POSITIONED FOR GROWTH AND CONSOLIDATION</p>	<ul style="list-style-type: none"> • Short term, the market and company performance are characterized by the general uncertainty and some postponements, while the overall outlook remains firm • High energy prices make HAV Group's solutions within energy efficiency attractive to clients and investors • Increased focus on a reduced environmental footprint is providing opportunities for HAV Group's zero emission solutions and technology • Solid momentum in the shipbuilding market is generating good opportunities for HAV Group's marine equipment and services • Increased investments in offshore energy are creating market opportunities for HAV Group's solutions and products • HAV Group reiterates the 2025 revenue outlook of NOK 1.3 billion, with periodic fluctuations reflecting the project-driven strategy

Q&A

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