

# HAV Group ASA

Q2 - QUARTERLY REPORT / HALF YEAR REPORT 2022

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A SUSTAINABLE FUTURE AT SEA

## HAV Group ASA

*HAV is the Norwegian word for ocean.*

The HAV Group is an international provider of technology and services for maritime and marine industries.

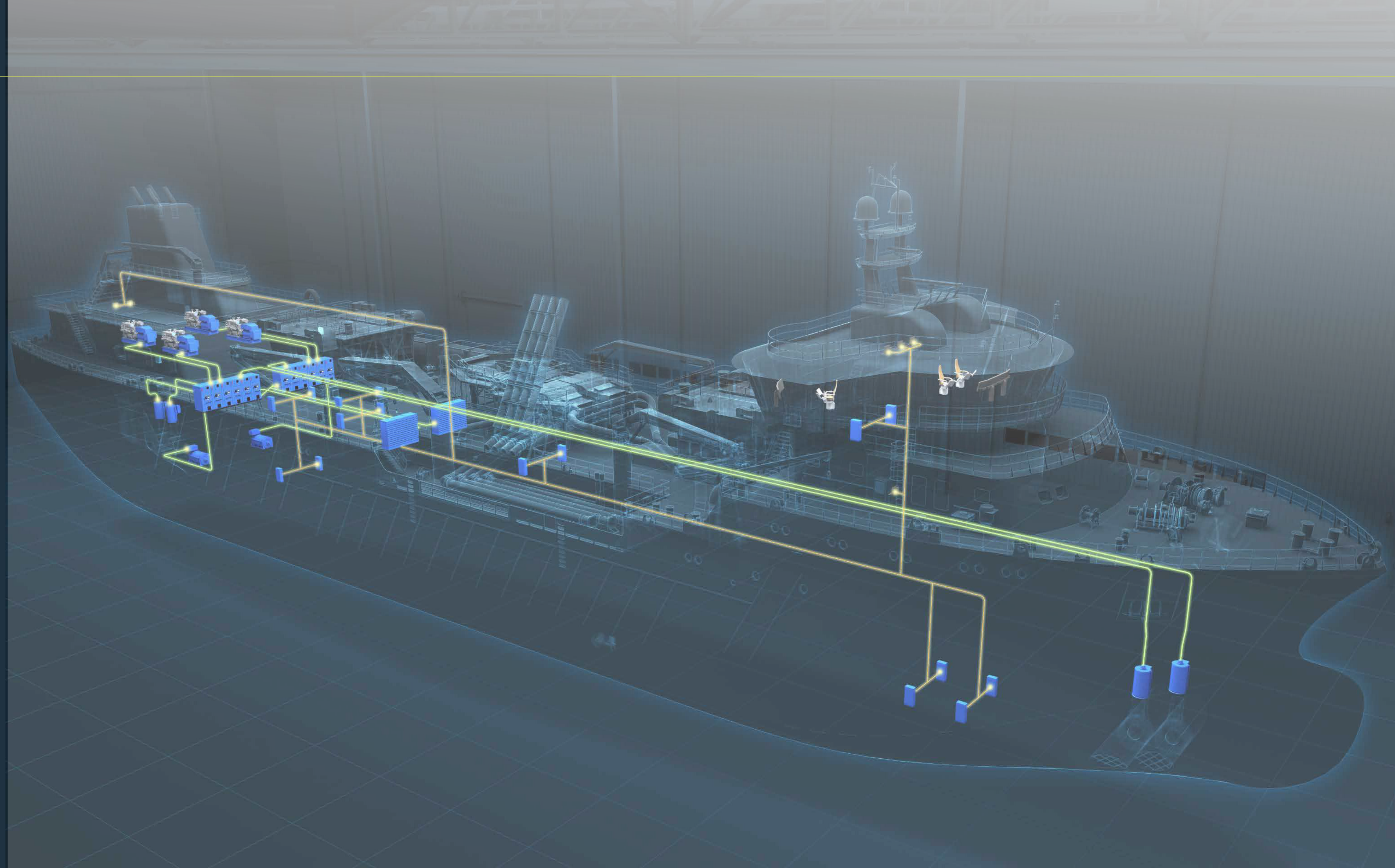
The Group's vision is  
"A sustainable future at sea".

HAV Group was established in 2021 and comprises four subsidiaries with a leading position in supporting the marine and maritime industries towards the ultimate goal of zero emissions, all based on our Norwegian heritage, experience, quality focus and innovative solutions.

2

Our experience and expertise, as well as the focus on efficiency, safety, and sustainability, lays the foundation for developing and delivering high-quality innovative solutions to our customers in the seafood, energy, and transport sectors.

This insight provides our customers with a head start, increases their competitiveness, and enables them to realize the green shift towards a sustainable future at sea.



The Group shall create shareholder value by contributing to its subsidiaries and projects through:

Actively taking part in the four companies' strategic development

Stimulating intercompany business development and R&D processes

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

Pursue value accretive growth, organic and through consolidation

## THE HAV GROUP



### HAV Design AS

ENERGY-EFFICIENT, LOW- AND ZERO EMISSION SHIP DESIGNS

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

HAV Design is at the forefront of guiding the shipping industry towards a sustainable future at sea. With a proved track record from more than 100 ship designs, state-of-the-art know-how, and virtual design tools, HAV Design accommodate zero-emission solutions and are equipped to meet the environmental requirements of the future.

Our experience and expertise, as well as our focus on efficiency, safety, and sustainability, lays the foundation for developing and delivering high-quality innovative solutions to customers in the seafood, energy, and transport sectors.

In addition, at HAV Ocean Lab we offer our customers a virtual test tank with digital twins of ships and ocean areas, which is unique in a commercial context. The goal is to minimise the environmental impact and increase our customers' competitiveness.



### HAV Hydrogen AS

EXPERTS IN ENABLING MARITIME ZERO EMISSION

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 Hydrogen is a complete supplier of:

- retrofit modules for hydrogen energy systems
- hydrogen energy systems for integration in vessels
- pre-studies
- cooperation with the policy instrument system and private investors

Hydrogen is fuel in its purest form, and after several years of research and development, we are eager to demonstrate that hydrogen can be used efficiently and safely to enable zero emissions in the maritime industry.

We recently received 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.

The company was established in 2020, and the Headquarters is located in Fosnavåg, on the northwest coast of Norway.



### Norwegian Electric Systems AS

YOUR EXPERT IN ENERGY DESIGN AND SMART CONTROL

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.

**Energy Design** - knowledge about vessel operations and competence of integrating the latest available energy sources gives us the opportunity to design optimal propulsion systems. Norwegian Electric Systems designs efficient and environmentally friendly solutions, creating added value for its customers.

**Smart Control** - new requirements and demand for more efficient and safe operations, call for smarter vessels. Flexible software platforms and new solutions for navigation, automation, and control – ensure safety by smart and easy operation.

NES is a committed partner for safe shipping, lower emissions and added value for its customers, and our focus is to be a collaborator and a system supplier, designing optimal propulsion systems for vessels and control systems to ensure safety by smart and easy operation.

In 2019, NES merged with Norwegian Control Systems, completing the product range with IAS/PMS and navigation/bridge system.



### Norwegian Greentech AS

YOUR EXPERT IN CLEAN WATER AND BALLAST WATER MANAGEMENT SYSTEMS

Norwegian Greentech is an industry pioneer in small footprint BWTS who understood early the ship owners' demanding requirements in the field and is today the leading supplier of highly innovative BWMS based on filtration and UV disinfection.

We design, deliver, install and service the market's most compact highly energyefficient BWMS for small and medium-sized vessels, that reliably meets the international discharge standards.

NGT was established in 2010 in Fosnavåg, focusing on water treatment systems for the maritime industry. The main products are ballast water treatment systems and process water treatment systems for live fish carriers and land-based aquaculture.

NGT BWMS make use of the latest UV-technology commercially available today, based on medium pressure UV-radiation, which is the most efficient UV-technology for ballast water treatment.

With over 700 systems sold, most of them to major international shipowners, Norwegian Greentech's chemicalfree BWMS which easily fits into crowded engine or pump rooms are the preferred solution in the market.

## HIGHLIGHTS in Q2 2022

- Turnover of NOK 159.9 million
- EBIT of NOK 13.9 million / 8.7%
- Profit before tax in Q2 of NOK 16.8 million / 10.5%
- Cash position of NOK 300 million

### Milestones in Q2 2022

- HAV Design to deliver ship design and integrated equipment package to Ørsted-bound methanol-fuelled SOV.
- HAV Group receives preliminary approval for hydrogen-based energy system for ships.
- HAV Group ASA acquired remaining shares in Norwegian Greentech (22,72%).
- 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 after Q2 closure

- 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.

## STATUS AND OUTLOOK

Global megatrends with ambitious goals and increasingly stringent environmental requirements provide incentives and requirements for the maritime industry to reduce its environmental footprint considerably.

HAV Group is well established with references, customer base, order back log, renowned knowledge, technology and products within digitalization and sustainability for contributing to the green shift in the maritime and marine industries.

*Short-term, the subsidiaries have the following outlook and priorities:*

### HAV Hydrogen

Developing the organization and products in collaboration with potential customers. Design documentation for the FreeCo2ast project has got preliminary approval from Flag and Class Administration.

### Norwegian Greentech

Optimization of sales and supply chain to leverage the BWMS growth, strengthen life cycle services and develop new aquaculture offerings. Obtaining USCG certification has given Norwegian Greentech access to a new, large market.

### Norwegian Electric Systems

Focus on international growth and expansion in energy

design and smart control for low and zero emission technology, in order to meet the growing demand for technology that enables energy efficiency and emission reductions.

### HAV Design

Leverage market position, competence and customer references to enhance growth within existing and new market segments.

### HAV Group - organic growth

Short term, the market and company performances are characterized by the general uncertainty and some postponements, while the overall outlook remains firm.

We continue to see increasingly stringent environmental requirements for the maritime industry, and we will utilize our knowledge, technology and products in digitization and sustainability to help our customers meet these requirements.

The development is underpinned by:

**Global energy shortages and high prices** are providing an opportunity for HAV Group's solutions within energy efficiency.

Increased focus on a **reduced environmental footprint** is providing an opportunity for HAV Group's zero emission solutions and technology.

**Increased investments in offshore energy** are creating market opportunities for HAV Group's solutions and products.

**Solid momentum in the shipbuilding market** is providing strong market opportunities.

As the business is largely project-driven, periodic fluctuations will occur. HAV Group reiterates the 2025 revenue outlook of NOK 1.3 billion.



**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

HAV Group ASA

(NOK 1 000)	YTD 2022	YTD 2021	Q2 2022	Q2 2021	2021
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue	346 605	610 696	153 487	303 451	915 055
Other operating revenues	12 112	942	6 414	483	1 662
<b>Operating income</b>	<b>358 717</b>	<b>611 639</b>	<b>159 900</b>	<b>303 934</b>	<b>916 717</b>
Materials and consumables	231 255	460 945	96 078	224 576	614 534
Payroll expenses	62 995	50 140	27 991	21 162	121 049
Other operating expenses	33 856	36 303	17 426	17 187	73 047
<b>Operating expenses</b>	<b>328 107</b>	<b>547 387</b>	<b>141 495</b>	<b>262 926</b>	<b>808 630</b>
<b>Operating profit before depreciation and amortisation (EBITDA)</b>	<b>30 611</b>	<b>64 252</b>	<b>18 405</b>	<b>41 008</b>	<b>108 087</b>
5 Depreciation	8 660	8 242	4 477	4 241	17 453
<b>Operating profit/loss (EBIT)</b>	<b>21 951</b>	<b>56 010</b>	<b>13 929</b>	<b>36 767</b>	<b>90 635</b>
Financial income	8 198	8 065	5 063	4 396	12 888
Financial expenses	8 744	8 066	2 169	2 802	15 794
<b>Profit / loss before tax</b>	<b>21 405</b>	<b>56 009</b>	<b>16 823</b>	<b>38 361</b>	<b>87 728</b>
Earnings per share (before tax)	0,61	1,60	0,48	1,10	2,51

**INCOME STATEMENT**

The operating income for HAV Group in the second quarter of 2022 was NOK 159.9 million, compared to NOK 303.9 million the in second quarter of 2021. The decrease is mainly due to less trading of equipment compared to 2021.

For the second quarter of 2022, the Group recorded profit before interest and tax (EBIT) of NOK 13.9 million, while the EBIT for the second quarter of 2021 was NOK 36.8 million. This corresponded to an EBIT margin of 8.7% in the second quarter of 2022 compared to 12.1% in the second quarter of 2021.

**\*COMMENTS TO FIGURES & STANDARDS**

HAV Group ASA is a result of a "spin off" from Havyard Group ASA and listed at Euronext Growth Oslo since 4th of March 2021. The consolidated figures are presented according NGAAP standard.

Norwegian Greentech changed methods of income recognition in Q4-21. From "Work-in Progress" to recognition in the income statement once delivery has taken place and the risk has been transferred. The change in standard had minor effects for Q4-2021.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

HAV Group ASA

(NOK 1 000)	Q1 2022	Q1 2021	2021
ASSETS	Unaudited	Unaudited	Audited
<b>Non-current assets</b>			
Licenses, patents and R&D	77 655	87 825	82 684
<b>Total intangible assets</b>	<b>77 655</b>	<b>87 825</b>	<b>82 684</b>
<b>Fixed assets</b>			
Property, plant and equipment	4 467	1 821	3 436
<b>Total tangible fixed assets</b>	<b>4 467</b>	<b>1 821</b>	<b>3 436</b>
Investment in associated company	2 000	0	0
Financial fixed assets	118	148	132
<b>Financial fixed assets</b>	<b>2 118</b>	<b>148</b>	<b>132</b>
<b>Total fixed assets</b>	<b>84 241</b>	<b>89 794</b>	<b>86 252</b>
<b>Current Assets</b>			
Inventory	29 797	7 062	20 580
Accounts receivable	73 550	48 231	85 532
Accrued revenue	27 416	80 364	5 598
Other current receivables	56 283	29 902	14 655
<b>Total receivables</b>	<b>187 047</b>	<b>165 560</b>	<b>126 365</b>
Cash and bank deposits	299 724	333 673	375 888
<b>Total current assets</b>	<b>486 771</b>	<b>499 233</b>	<b>502 252</b>
<b>TOTAL ASSETS</b>	<b>571 011</b>	<b>589 027</b>	<b>588 504</b>

6

(NOK 1 000)	Q1 2022	Q1 2021	2021
EQUITY AND LIABILITIES	Unaudited	Unaudited	Audited
<b>Equity</b>			
Paid-in Equity	122 202	117 758	122 202
Retained earnings	14 643	-944	24 662
Treasury shares	-928	0	-1 817
Non-controlling interests	2 645	6 167	7 429
<b>Total equity</b>	<b>138 563</b>	<b>122 982</b>	<b>152 475</b>
<b>Liabilities</b>			
Deferred tax liability	6 253	0	7 334
<b>Total provisions for liabilities</b>	<b>6 253</b>	<b>0</b>	<b>7 334</b>
<b>Other long-term liabilities</b>			
Liabilities to Financial institutions	56 129	74 286	66 531
Other long-term liabilities	85	341	114
<b>Total other long term liabilities</b>	<b>56 214</b>	<b>74 627</b>	<b>66 645</b>
<b>Total long term liabilities</b>	<b>62 467</b>	<b>74 627</b>	<b>73 980</b>
<b>Current liabilities</b>			
Accounts payable	78 078	42 773	52 772
Tax payable	3 218	7 155	3 218
Public duties payable	8 260	9 329	16 963
Advance payment from customers	218 005	266 897	224 069
Other current liabilities	62 424	65 265	65 026
<b>Total current liabilities</b>	<b>369 986</b>	<b>391 418</b>	<b>362 048</b>
<b>Total liabilities</b>	<b>432 454</b>	<b>466 045</b>	<b>436 028</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>571 016</b>	<b>589 027</b>	<b>588 504</b>

## FINANCIAL POSITION

The total assets in the Group are NOK 571.0 million versus NOK 588.5 million at end of 2021.

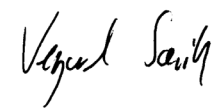
Current assets decreased from NOK 502.3 million year end 2021 to NOK 486,8 million YTD 2022. Cash and bank deposit reduced by NOK 76.2 million and total receivables increased by NOK 60.7 million in the same period.

The total equity has decreased by NOK 13.9 million to NOK 138.6 million YTD 2022. This is mainly caused by increase of Treasury shares and purchase of shares in Norwegian Greentech AS. The equity ratio has decreased from 25.9% year end 2021 to 24.3% YTD 2022.


Total liabilities decreased from NOK 436.0 million at year end 2021 to NOK 432.5 million YTD 2022. Main reason is reduction in advance payments from customers.

## RESPONSIBILITY STATEMENT FROM THE BOARD AND CEO

We hereby in accordance with the Norwegian Securities Trading Act §5-5 confirm, to the best of our knowledge, that the financial statements for the period 1 January to 30 June 2022 have been prepared in accordance with applicable accounting standards, and that the information in the accounts gives a true and fair view of the company's and group's assets, liabilities, financial position and profit or loss as a whole. We also confirm that the annual report gives a fair view of the company's and group's development, financial position and profit or loss as a whole, as well as a description of the principal risks and uncertainties the company and the group face.



Vegard Sævik  
Chairman of the Board



Hege Sævik Rabben  
Board member



Tore Hopen  
Board member



Helge Simonnes  
Board member



Vibeke Fængsrud  
Board member



Kjetil Ripe  
Board member



Anita Fjortoft  
Board member



Gunnar Larsen  
CEO

## SEGMENT INFORMATION

<b>2022 Q2 (Unaudited)</b>						
(NOK million)	<b>HAV Design</b>	<b>Norwegian Electric</b>	<b>Norwegian Greentech</b>	<b>HAV Hydrogen</b>	<b>Other / Elimination</b>	<b>HAV Group ASA</b>
Operating revenues (External)	29,0	65,1	63,6	0,5	-4,8	153,5
Other operating revenues	0,7	0,0	0,0	0,0	5,7	6,4
Total Operating income	31,1	67,9	63,7	0,5	-3,3	159,9
<b>EBITDA</b>	<b>9,3</b>	<b>5,6</b>	<b>6,8</b>	<b>-1,5</b>	<b>-1,7</b>	<b>18,4</b>
Depreciation	1,2	1,5	1,6	0,0	0,2	4,5
<b>Operating profit/loss (EBIT)</b>	<b>8,0</b>	<b>4,1</b>	<b>5,2</b>	<b>-1,5</b>	<b>-1,9</b>	<b>13,9</b>
Net financial items	3,6	0,1	-0,1	0,0	-0,7	2,9
<b>Profit/Loss before tax</b>	<b>11,6</b>	<b>4,2</b>	<b>5,1</b>	<b>-1,5</b>	<b>-2,6</b>	<b>16,8</b>
Total assets	297,4	219,4	127,5	2,4	-75,6	571,0
Equity	80,2	65,9	32,1	-2,6	-36,9	138,6
Liabilities	217,1	153,6	95,4	5,0	-38,7	432,5
<b>2021 Q2 (Unaudited)</b>						
(NOK million)	<b>HAV Design</b>	<b>Norwegian Electric</b>	<b>Norwegian Greentech</b>	<b>HAV Hydrogen</b>	<b>Other/ Elimination</b>	<b>HAV Group ASA</b>
Operating revenues (External)	205,0	57,9	39,8	0,5	0,3	303,5
Other operating revenues	0,3	0,2	0,0	0,0	0,0	0,5
Operating income	208,5	64,9	39,8	0,5	-9,8	303,9
<b>EBITDA</b>	<b>28,9</b>	<b>4,8</b>	<b>6,1</b>	<b>0,1</b>	<b>1,1</b>	<b>41,0</b>
Depreciation	3,0	1,3	0,0	0,0	0,0	4,2
<b>Operating profit/loss (EBIT)</b>	<b>25,9</b>	<b>3,5</b>	<b>6,1</b>	<b>0,1</b>	<b>1,1</b>	<b>36,8</b>
Net financial items	3,7	-0,6	-0,8	0,0	-0,7	1,6
<b>Profit/Loss before tax</b>	<b>29,6</b>	<b>2,9</b>	<b>5,3</b>	<b>0,1</b>	<b>0,5</b>	<b>38,4</b>
Total assets	332,6	131,7	105,0	1,4	18,3	589,0
Equity	81,2	32,5	15,8	0,1	-6,7	123,0
Liabilities	251,5	99,2	89,2	1,3	25,0	466,0

## SEGMENTS Q2 2022

## HAV Design

- EBIT of NOK 8.0 million / 25.8% in the second quarter of 2022.
- Profit before tax of NOK 11.6 million / 37.3% in the second quarter of 2022.
- EBIT margin high in Q2-22 due to higher share of design sale versus trading of equipment compared to Q2-21.

## Norwegian Electric Systems

- EBIT of NOK 4.1 million / 6.1% in the second quarter of 2022.
- Profit before tax of NOK 4.2 million / 6.3% in the second quarter of 2022.
- The EBIT margin in Q2-22 at the same level as Q2-21.

## Norwegian Greentech

- EBIT of NOK 5.2 million / 8.2% in the second quarter of 2022.
- Profit before tax of NOK 5.1 million / 8.0% in the second quarter of 2022.
- EBIT margin is lower in Q2-22 compared to Q2-21 due to other product mix.

## HAV Hydrogen

- Official start-up Q4-20, based on R&D activities in Havyard Group ASA.
- Preliminary approval is received from DNV and NMA.
- Main focus is further product development and market entry with maritime hydrogen systems.



## SEGMENT INFORMATION

<b>2022 YTD Q2 (Unaudited)</b>						
(NOK million)	<b>HAV Design</b>	<b>Norwegian Electric</b>	<b>Norwegian Greentech</b>	<b>HAV Hydrogen</b>	<b>Other / Elimination</b>	<b>HAV Group ASA</b>
Operating revenues (External)	49,9	160,4	145,4	1,0	-10,1	346,6
Other operating revenues	0,8	0,0	0,0	0,0	11,3	12,1
Total Operating income	52,2	163,3	145,6	1,0	-3,5	358,7
<b>EBITDA</b>	<b>10,8</b>	<b>7,9</b>	<b>16,3</b>	<b>-2,6</b>	<b>-1,8</b>	<b>30,6</b>
Depreciation	2,5	2,8	3,1	0,0	0,2	8,7
<b>Operating profit/loss (EBIT)</b>	<b>8,3</b>	<b>5,0</b>	<b>13,2</b>	<b>-2,6</b>	<b>-2,0</b>	<b>22,0</b>
Net financial items	2,6	-0,3	-1,6	0,0	-1,2	-0,5
<b>Profit/Loss before tax</b>	<b>10,9</b>	<b>4,8</b>	<b>11,6</b>	<b>-2,7</b>	<b>-3,2</b>	<b>21,4</b>
Total assets	297,4	219,4	127,5	2,4	-75,6	571,0
Equity	80,2	65,9	32,1	-2,6	-36,9	138,6
Liabilities	217,1	153,6	95,4	5,0	-38,7	432,5
<b>2021 YTD Q2 (Unaudited)</b>						
(NOK million)	<b>HAV Design</b>	<b>Norwegian Electric</b>	<b>Norwegian Greentech</b>	<b>HAV Hydrogen</b>	<b>Other/ Elimination</b>	<b>HAV Group ASA</b>
Operating revenues (External)	452,8	82,3	74,3	1,0	0,3	610,7
Other operating revenues	0,6	0,3	0,0	0,0	0,0	0,9
Operating income	457,0	121,4	74,3	1,0	-42,1	611,6
<b>EBITDA</b>	<b>49,2</b>	<b>8,0</b>	<b>7,3</b>	<b>0,2</b>	<b>-0,4</b>	<b>64,3</b>
Depreciation	5,8	2,5	0,0	0,0	0,0	8,2
<b>Operating profit/loss (EBIT)</b>	<b>43,4</b>	<b>5,5</b>	<b>7,3</b>	<b>0,2</b>	<b>-0,4</b>	<b>56,0</b>
Net financial items	3,5	-0,5	-1,6	0,0	-1,4	0,0
<b>Profit/Loss before tax</b>	<b>46,9</b>	<b>5,0</b>	<b>5,7</b>	<b>0,2</b>	<b>-1,8</b>	<b>56,0</b>
Total assets	332,6	131,7	105,0	1,4	18,3	589,0
Equity	81,2	32,5	15,8	0,1	-6,7	123,0
Liabilities	251,5	99,2	89,2	1,3	25,0	466,0

## SEGMENTS YTD 2022

## HAV Design

- EBIT of NOK 8.3 million / 16.0% YTD 2022.
- Profit before tax of NOK 10.9 million / 21.0% YTD 2022.
- EBIT margin higher YTD 2022 compared to YTD 2021 due to higher share of design sale.

## Norwegian Electric Systems

- EBIT of NOK 5.0 million / 3.1% YTD 2022.
- Profit before tax of NOK 4.8 million / 2.9% YTD 2022.
- The EBIT margin in YTD 2022 is lower compared to YTD 2021 due to lower capacity utilization and the project based business model.

## Norwegian Greentech

- EBIT of NOK 13,2.0 million / 9.1% YTD 2022.
- Profit before tax of NOK 11.6 million / 8.0% YTD 2022.
- EBIT margin YTD 2022 as of YTD 2021.

## HAV Hydrogen

- Official start-up Q4-20, based on R&D activities in Havyard Group ASA.
- Preliminary approval is received from DNV and NMA.
- Main focus is further product development and market entry with maritime hydrogen systems.

## SEGMENT INFORMATION 2021 - FULL YEAR

2021 (audited) (NOK million)	HAV Design	Norwegian Electric	Norwegian Greentech	HAV Hydrogen	Other / Elimination	HAV Group ASA
Operating revenues (External)	624,2	121,5	167,5	1,9	0,0	915,1
Other operating revenues	1,5	105,0	0,0	0,0	-106,6	0,0
Total Operating income	627,1	226,8	167,5	1,9	-106,6	916,7
<b>EBITDA</b>	91,6	7,5	15,9	-1,0	-6,0	108,1
Depreciation	10,7	5,2	1,6	0,0	0,0	17,5
<b>Operating profit/loss (EBIT)</b>	<b>80,8</b>	<b>2,4</b>	<b>14,4</b>	<b>-1,0</b>	<b>-6,0</b>	<b>90,6</b>
Net financial items	3,8	-1,5	-2,5	0,0	-2,7	-2,9
<b>Profit/Loss before tax</b>	<b>84,7</b>	<b>0,9</b>	<b>11,9</b>	<b>-1,0</b>	<b>-8,7</b>	<b>87,7</b>
Total assets	259,0	229,0	125,7	2,0	-27,2	588,5
Equity	70,6	60,7	20,5	0,0	0,7	152,5
Liabilities	188,4	168,3	105,2	1,9	-27,9	436,0

## CONSOLIDATED STATEMENT OF CASH FLOW

HAV Group ASA

(NOK 1 000)	YTD 2022	YTD 2021*	2021
	Unaudited	Unaudited	Audited
<b>CASH FLOW FROM OPERATIONS</b>			
Profit/(loss) before tax	21 405	56 009	87 728
Depreciation	8 660	8 242	17 453
Net financial items	-546	3 085	-2 906
Changes in inventory	-9 217	560	-12 958
Changes in accounts receivable	11 982	-4 579	-40 047
Changes in accounts payable	25 306	-233 389	-216 315
Changes in other current receivables/liabilities	-80 666	386 898	441 796
<b>Net cash flow from/(to) operating activities</b>	<b>-23 076</b>	<b>216 825</b>	<b>274 750</b>
<b>CASH FLOW FROM INVESTMENTS</b>			
Investments in property, plant and equipment	-1 968	-54	-2 368
Investment in intangible assets	-2 749	-5 843	-11 062
Purchase of shares in subsidiary	-9 668	0	0
Purchase of shares in associated company	-2 000	0	0
Interest income	0	60	391
<b>Net cash flow used in investing activities</b>	<b>-16 385</b>	<b>-5 837</b>	<b>-13 039</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
New long term debt	0	7 500	7 500
Repayment non-current debt	-10 402	-750	-8 968
Interest payment	-1 538	-1 712	-3 223
Purchase of own shares	-24 762	0	-1 817
Capital increase - share issue (net)	0	86 667	86 667
<b>Net cash flow from/ (used in) financing activities</b>	<b>-36 702</b>	<b>91 704</b>	<b>80 159</b>
<b>Net change in cash and cash equivalents</b>	<b>-76 164</b>	<b>302 692</b>	<b>341 871</b>
Cash and cash equivalents at start of the period	375 888	30 981	34 015
Cash and cash equiv.recognised in the balance sheet	299 724	333 673	375 888
Restricted cash at end of period	4 134	3 066	5 411

## CASH FLOW

Aggregate cash flow from operating activities is negative with NOK 23.1 million YTD 2022, compared to cash flow of NOK 216.8 million YTD 2021. The main reason for the positive cash flow from operations in 2021 was related to the spin-off of HAV Group ASA. The negative cash flow is mainly related to project progress.

Aggregate cash flow from investing activities was negative with NOK 16.4 million YTD 2022, compared to a negative cash flow of NOK 5.8 million YTD 2021. The negative cash flow from investments is related the purchase of the remaining 22% of Norwegian Greentech AS and investment in R&D.

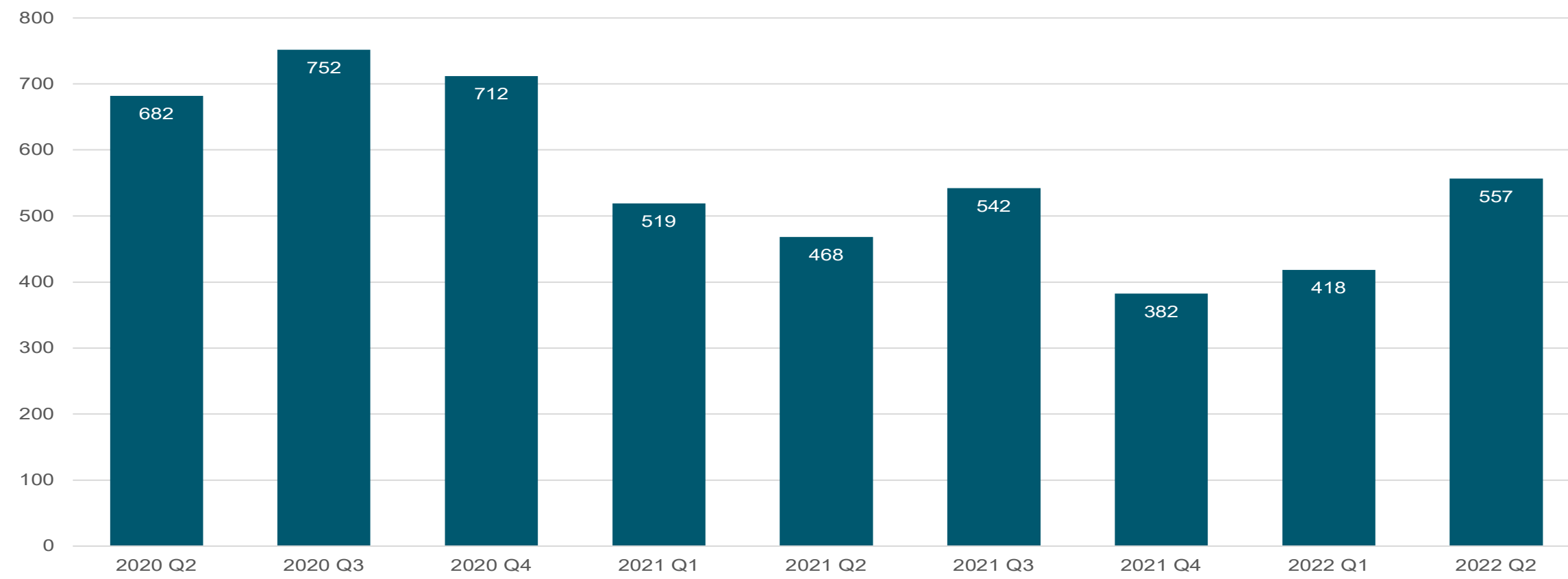
Aggregate cash flow from financing activities is negative with NOK 36.7 million YTD 2022, compared to a positive cash flow of NOK 91.7 million YTD 2021. The positive cash in 2021 was mainly related to net capital issue of NOK 86.7 million. The negative cash-flow from financing activities in 2022 is related to payment of debt / interest and purchase of own shares.

*\* Reclassification at year end of transactions related to capital increase is updated for Q2.2021.*

## ORDER BACKLOG

(NOK million)

### HISTORICAL DEVELOPMENT OF EXTERNAL BACKLOG



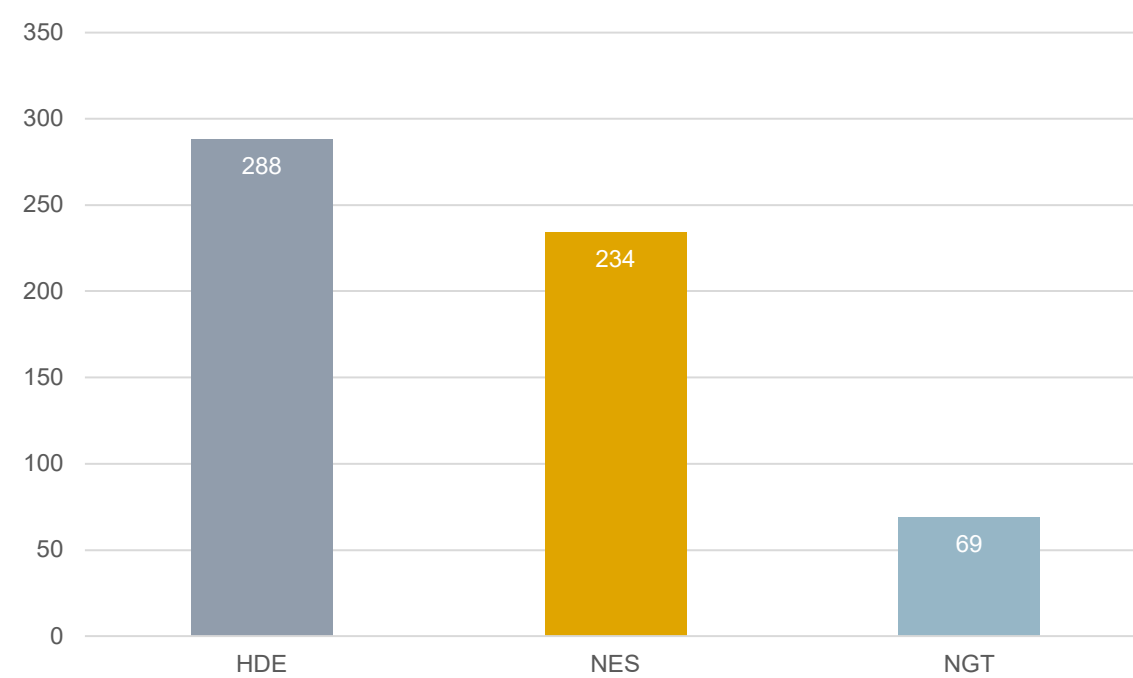
## ORDER STATUS

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

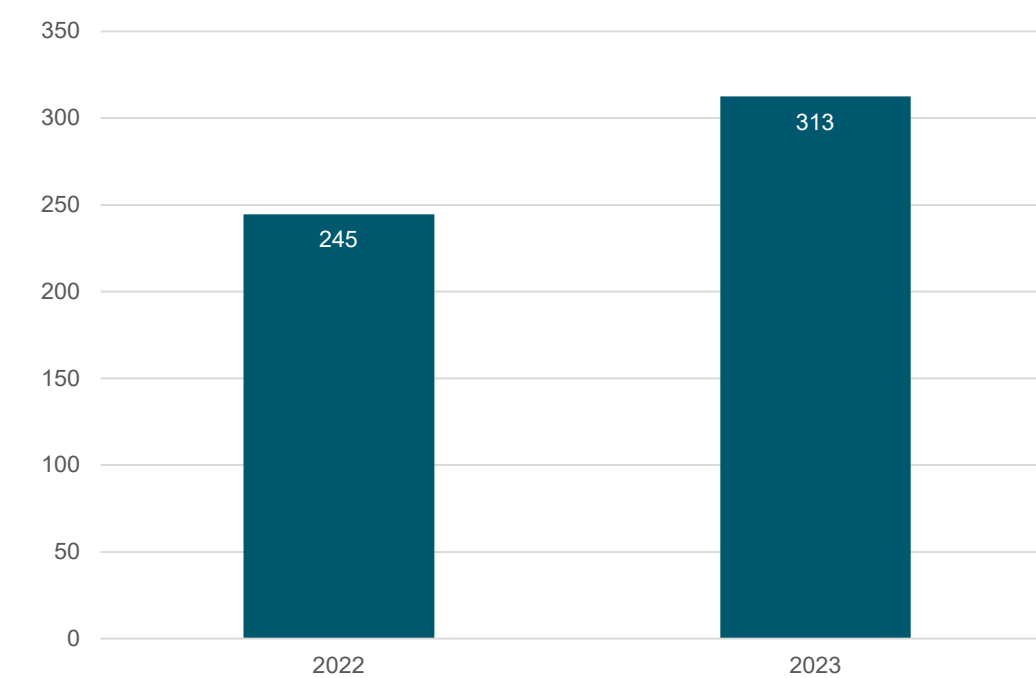
The main contributor to the increase is the order for ship design and an integrated equipment package to the offshore wind service operation vessel (SOV) for ESVAGT.

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

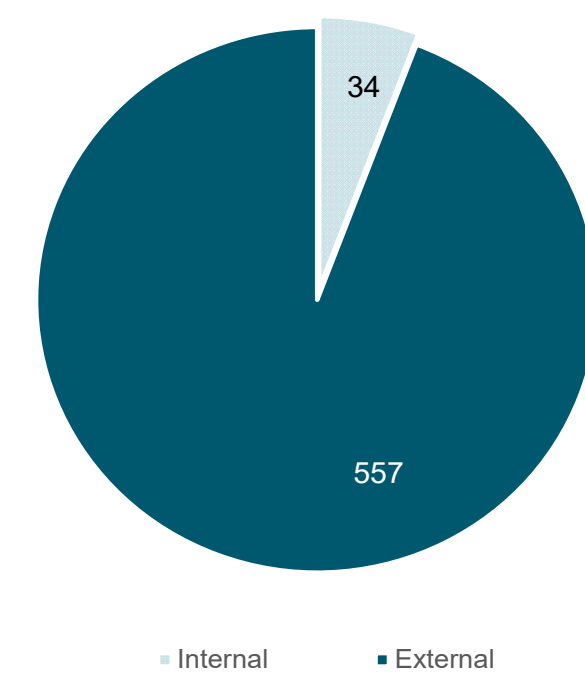
### AGGREGATED ORDER BACKLOG PER SEGMENT



### EXTERNAL ORDER BACKLOG BY DELIVERY YEAR



### AGGREGATED ORDER BACKLOG



## SHARES AND SHAREHOLDERS

Shareholders as of 30.06.2022	Controlled by	Number of shares	Ownership
HAVILA HOLDING AS		8 737 824	25,0 %
FARVATN CAPITAL AS		2 408 909	6,9 %
HAVYARD GROUP ASA		1 659 047	4,7 %
MP PENSJON PK		1 524 219	4,4 %
EMINI INVEST AS		1 127 178	3,2 %
HSR INVEST AS	Hege Sævik Rabben (Board)	1 127 178	3,2 %
INNIDIMMAN AS	Vegard Sævik (Ch.of Board)	1 127 178	3,2 %
NORDNET BANK AB		1 033 600	3,0 %
AVANZA BANK AB		996 999	2,8 %
HAV GROUP ASA	Vegard Sævik (Ch.of Board)	917 976	2,6 %
VISIMO AS		805 673	2,3 %
JAHATT AS		770 500	2,2 %
NORDNET LIVSFORSIKRING AS		750 539	2,1 %
MORGAN STANLEY & CO. INTERNATIONAL		733 860	2,1 %
PISON AS		375 725	1,1 %
OTHER SHAREHOLDERS (<1 %)		10 903 595	31,2 %

## SHARES AND SHAREHOLDERS

In total 35 000 000 shares with Par value NOK 1.

All shares have equal rights.

In total 4 442 shareholders per Q2-2022.

HAV Group ASA had 927 780 / 2,65% treasury shares per Q2-2022.

**NOTE 1. GENERAL INFORMATION**

HAV Group ASA is a limited company based in Norway, and its head office is in Fosnavåg, Herøy.

HAV is the parent company and majority owner of the shares in various subsidiaries operating within engineering, ship design and equipment. The group has several decades of combined experience in the industry, in addition to special expertise in leading the marine and maritime industry through the green shift and towards the goal of zero emissions. The purpose of HAV is to assist its subsidiaries with strategic management, finance, logistics, marketing, and other support functions.

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES****2.1 Basis of preparation**

The consolidated financial statements of HAV Group ASA and its subsidiaries (the "Group") are prepared in accordance with the Accounting Act and generally accepted accounting principles.

Preparation of accounts in accordance with the Accounting Act requires the use of estimates. Furthermore, the application of the company's accounting principles requires management to exercise discretion. Areas that to a large extent contain such discretionary assessments, a high degree of complexity, or areas where assumptions and estimates are significant for the annual accounts, are described in the notes.

The consolidated financial statements have been prepared according to the assessment rules in the Accounting Act, chapter 5.

The consolidated financial statements are presented in NOK 1,000. Figures in all notes to the financial statements are also presented in NOK 1,000 unless otherwise specified.

The consolidated accounts were approved by the Board of Directors on 30 August 2022.

**2.2 Basis of consolidation**

The consolidated financial statements include Hav Group ASA and companies in which Hav Group ASA has a controlling influence. Controlling influence is normally achieved when the parent company has ownership interests that directly, or indirectly, provide more than half of the voting rights in a company,

unless it and only in exceptional cases, it can be clearly demonstrated that ownership does not provide control.

Internal transactions and intercompany balances, including internal profits and unrealized gains and losses, are eliminated. Similarly, unrealized losses are eliminated, but only to the extent that there are no indications of impairment of the asset sold internally.

A change in ownership interest in a subsidiary, without loss of control, is accounted for as an equity transaction. If the group loses control of a subsidiary, the following is executed:

- Derecognizes the assets and liabilities of the subsidiary.
- Derecognizes the carrying amount of any non-controlling Interests.
- Derecognizes the cumulative translation differences recorded in equity.
- Recognizes the fair value of the consideration received.
- Recognizes the fair value of any investment retained.
- Recognizes any surplus or deficit in profit or loss.

**2.3 Classification of balance sheet items**

Assets intended for permanent ownership or use are classified as fixed assets. Assets that are associated with the product cycle are classified as current assets. Receivables are otherwise classified as current assets if they are to be repaid within one year. For debt, analogous criteria are used as a basis. First-year installments on long-term receivables and long-term debt are nevertheless not classified as current assets and short-term debt.

**2.4 Acquisition cost**

Acquisition cost for assets includes the purchase price, less bonuses, discounts and the like, and with the addition of purchase expenses (shipping, customs duties, non-refundable government fees and other direct purchase expenses). When purchasing in foreign currency, the asset is capitalized at the exchange rate at the time of the transaction.

For property, plant and equipment and intangible assets, the acquisition cost also includes direct expenses to prepare the asset for use, such as expenses for testing the asset.

**2.5 Foreign currency**

Receivables and liabilities in foreign currency, which are not hedged using forward contracts, are capitalized at the exchange rate at the end of the financial year. Exchange rate gains and losses related to sales of goods and purchases of goods in foreign currency are recognized as operating income and cost of goods.

**2.6 Related parties**

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the party in making financial and operating decisions. Parties are also related if they are subject to common control or common significant influence.

**2.7 Revenue recognition**

The Group recognizes revenue as the Group fulfills a delivery obligation upon transfer of goods or services to the customer. The Group's operating revenues are related to the following income streams:

Sale of ship electrical systems and accompanying aftermarket activity

Sale of ship design that is also combined with equipment deliveries

Design, engineering and delivery of systems for cleaning of ballast water

Sale of ship electrical systems

Income from contracts must be recognized in the income statement in line with progress (degree of completion).

Earned contract income on the balance sheet date is the total estimated contract income multiplied by the degree of completion. Earned contract income in the period is earned contract income on the balance sheet date less earned contract income recognized in the income statement in previous periods.

The degree of completion is calculated on the basis of production performed for completion, contract costs are incurred on the balance sheet date, and the degree of completion is calculated as the ratio between these and estimated total contract costs.

Sale of ship design, possibly combined with equipment packages.

Earned contract income on the balance sheet date is the total estimated contract income multiplied by the degree of completion. Earned contract income in the period is earned contract income on the balance sheet date less earned contract income recognized in the income statement in previous periods.

The degree of completion is calculated on the basis of production performed for completion, contract costs are incurred on the balance sheet date, and the degree of completion is calculated as the ratio between these and estimated total contract costs.

Design, engineering and delivery of systems for cleaning of ballast water

Revenues from the sale of goods are recognized in the income statement once delivery has taken place and the risk and return has been transferred.

**2.8 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**2.9 Investment in subsidiaries**

The cost method is used as a principle for investments in subsidiaries. The cost price is increased when funds are provided through a capital increase, or when group contributions are made to subsidiaries. Dividends received are initially recognized in the income statement as income. Dividends that exceed the share of earned equity after the purchase are entered as a reduction of the acquisition cost. Dividends / group contributions from subsidiaries are recognized in the same year as the subsidiary allocates the amount. Dividends from other companies are recognized as financial income when approved.

**2.10 Property, plant and equipment**

Property, plant and equipment is stated in the balance sheet at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the item of property, plant and equipment.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Land and buildings 10-40 years

Machinery 3-10 years

Operating equipment 3-10 years

When significant parts of property and equipment are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. All other repair and maintenance costs are recognized in profit and loss as incurred.

Leased (leased) fixed assets are capitalized as fixed assets if the lease is considered financial.

An item of property and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized. The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### 2.11 Intangible assets

Development expenses are capitalized to the extent that a future economic benefit related to the development of an identifiable intangible asset can be identified and the expenses can be measured reliably. Otherwise, such expenses are expensed on an ongoing basis. Capitalized development is depreciated on a straight-line basis over its economic life.

### 2.12 Impairment of fixed assets

If there is an indication that the book value of a fixed asset is higher than the fair value, a test for impairment is performed. The test is performed for the lowest level of fixed assets that have independent cash flows. If the book value is higher than both sales value and value in use (present value for continued use / ownership), a write-down is made to the higher of sales value and value in use.

Previous write-downs, with the exception of write-downs of goodwill, are reversed if the conditions for the write-down are no longer present.

### 2.13 Inventories

Goods are valued at the lower of acquisition cost (according to the FIFO principle) and fair value. For raw materials, replacement cost is used as an approximation of fair value. For finished goods and goods under construction, the acquisition cost consists of expenses for product design, material consumption, direct wages, and other direct and indirect production costs (based on normal capacity). Fair value is the estimated selling price less expenses for completion and sale. Only variable expenses are considered necessary to sell finished goods, while fixed manufacturing costs are also included as necessary for goods that have not been finished.

### 2.14 Construction contracts

Work in progress related to fixed-price contracts with a long production time is assessed according to the current settlement method. The degree of completion is calculated as accrued costs as a percentage of the expected total cost. The total cost is reassessed on an ongoing basis. For projects that are assumed to incur losses, the entire estimated loss is expensed immediately.

### 2.15 Receivables

Accounts receivable are entered in the balance sheet after deductions for provisions for expected losses. Provisions for losses are made on the basis of an individual assessment of the receivables and an additional provision to cover other foreseeable losses. Significant financial problems with the customer, the probability that the customer will go bankrupt or undergo financial restructuring and deferrals and deficiencies in payments are considered as indicators that trade receivables must be written down.

Other receivables, both current receivables and capital receivables, are entered at the lower of nominal and fair value. Fair value is the present value of expected future payments. However, no discounting is made when the effect of discounting is insignificant for the accounts. Provisions for losses are assessed in the same way as for trade receivables.



**2.16 Treasury shares**

Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in retained earnings. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them.

**2.17 Debt**

Debt, with the exception of certain provisions for liabilities, is recognized in the balance sheet at the nominal debt amount.

**2.18 Accounts payable**

Trade payables are recognized at fair value on initial recognition. Accounts payable are classified as short-term if they fall due within one year or less. If this is not the case, it is classified as long-term. Due to the short maturity, the face value of the debt is considered to reflect fair value. Normally, fair value will equal transaction price.

In agreements that reduce the value of outstanding debt, the value of the debt is reduced and recorded as income. Upon subsequent calculation of the value of the agreement, changes are entered as an adjustment of the debt with a counter-item in the income statement.

**2.19 Pension**

The company has various pension schemes. The pension schemes are financed through payments to insurance companies, with the exception of the AFP scheme. The company has both defined contribution plans and defined benefit plans.

**Deposit plans**

In the case of deposit plans, the company pays deposits to an insurance company. The company has no further payment obligation after the deposits have been paid. The deposits are accounted for as wage costs. Any prepaid deposits are capitalized as an asset (pension funds) to the extent that the deposit can be refunded or reduce future payments.

**AFP**

The AFP scheme is an unsecured performance-based multi-company scheme. Such a scheme is in fact a defined benefit plan, but is treated in the accounts as a defined contribution plan as a result of the scheme's administrator not providing sufficient information to calculate the obligation in a reliable manner.

**2.20 Warranties**

Warranties related to completed sales are assessed at the estimated cost of such work. The estimate is calculated on the basis of historical figures for warranty work, but corrected for expected deviations due to, for example, changes in quality assurance routines and changes in product range. The provision is entered under "Other current liabilities", and the change in the provision is expensed.

**2.21 Government grants**

Government grants are recognized when it is reasonably certain that the company will meet the conditions stipulated for the grants and that the grants will be received. Operating grants are recognized systematically during the grant period. Grants are deducted from the cost which the grant is meant to cover. Investment grants are capitalized and recognized systematically over the asset's useful life. Investment grants are recognized as a deduction of the asset's carrying amount.

**2.22 Taxes**

The tax expense in the income statement includes both the tax payable for the period and the change in deferred tax. Deferred tax is calculated at the current tax rate on the basis of the temporary differences that exist between accounting and tax values, as well as any tax losses carried forward at the end of the financial year. Tax-increasing and tax-reducing temporary differences that reverse or can reverse in the same period have been offset. The entry of deferred tax assets on net tax-reducing differences that have not been settled and losses carried forward are justified by assumed future earnings. Deferred tax and tax assets that can be recognized in the balance sheet are entered net in the balance sheet.

Tax reduction on group contributions made, and tax on received group contributions which is led to a reduction in cost or directly against equity, is entered directly against tax in the balance sheet (against tax payable if the group contribution has an effect on tax payable and against deferred tax if the group contribution has effect on deferred tax). Deferred tax is recognized at the nominal amount.

**2.23 Cash flow statement**

The cash flow statement is prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits and other short-term, liquid investments that can be immediately and with insignificant exchange rate risk converted into known cash amounts and with a remaining term of less than three months from the date of acquisition.

**NOTE 3. SEGMENT INFORMATION**

The Group's main activities are:

**- HAV Design**

Provider of ship design and system packages for offshore, transport and fishing vessels.

**- Norwegian Electric Systems**

Specialist in design, engineering and installation of electric systems and delivery of control and automation systems for ships.

**- Norwegian Greentech**

Specialist in the design, engineering and delivery of ballast water treatment systems.

**- HAV Hydrogen**

Specialist in complete and scalable hydrogen systems, that are designed for the maritime market.

See page 8-10 for financial information with segment split.

Transfer prices between operating segments are based in a manner similar to transactions with third parties.

The accounting principles for segment reporting correspond to those used by the group, with the exception of discontinued operations which are treated in the same way as continuing operations in segment reporting.

**NOTE 4. CONTINGENCIES**

No new information, see Annual Report 2021 for details.

**NOTE 5. EQUITY**

(NOK 1,000)

	Share capital	Share premium reserve	Treasury shares	Retained earnings	Total	Non-controlling interest	Total equity
January 1, 2022	35 000	87 202	-122	22 967	145 047	7 429	152 476
Profit for the Year				18 740	18 740	3 448	22 188
Currency translation differences				-20	-20	-6	-26
Purchase of own shares			-1 611	-23 150	-24 761		-24 761
Exit minority - NGT 100%			806	-2 744	-1 939	-7 729	-9 668
Other changes				-1 149	-1 149	-496	-1 646
June 30, 2022	35 000	87 202	-928	14 643	135 917	2 645	138 563

- Repurchase of own shares will reduce equity level.

	Share capital	Share premium reserve	Treasury shares	Retained earnings	Total	Non-controlling interest	Total equity
January 1, 2021	30			41 681	41 711	4 034	45 745
Profit for the Year				41 111	41 111	2 546	43 657
Currency translation differences				-167	-167	-412	-579
Contribution in kind, formation on the group	29 970	*5 536		-87 983	-52 477	0	-52 477
Share issue settled in cash	5 000	81 667			86 667		86 667
Other changes				-31	-31		-31
June 30, 2021	35 000	87 202	0	-5 389	116 814	6 167	122 982

	Share capital	Share premium reserve	Treasury shares	Retained earnings	Total	Non-controlling interest	Total equity
January 1, 2021	30			41 681	41 711	4 034	45 745
Profit for the Year				72 360	72 360	3 337	75 697
Currency translation differences				-1 821	-1 821	58	-1 763
Contribution in kind, formation on the group	29 970	5 536		-87 983	-52 477		-52 477
Share issue settled in cash	5 000	81 667			86 667		86 667
Purchase of own shares			- 122	-1 694	-1 816		-1 816
Other changes				423	423		423
December 31, 2021	35 000	87 202	-122	24 967	145 047	7 429	152 476

\* Reclassification at year end of transactions related to capital increase is updated for Q2.2021.

