

# HAV Group ASA

Q4 2022 - QUARTERLY REPORT

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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.

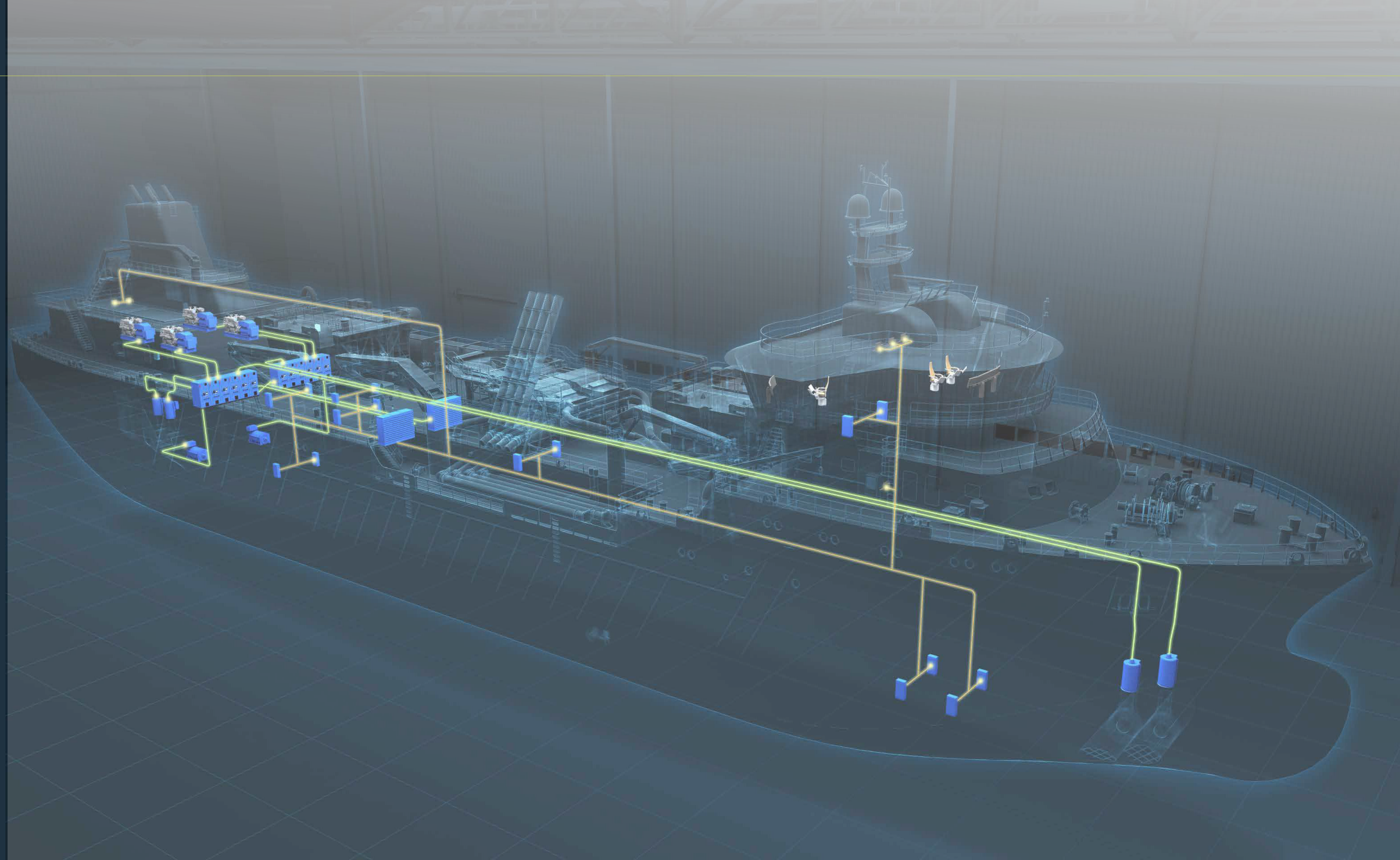
The Group's vision is  
"A sustainable future at sea".

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.

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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 TREATMENT SYSTEMS

Norwegian Greentech (NGT) is the leading provider of compact highly energy-efficient ballast water treatment systems (BWTS) for small and medium-sized vessels.

We design, deliver, install and service the market's most compact highly energy-efficient BWTS 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 BWTS 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 BWTS which easily fits into crowded engine or pump rooms are the preferred solution in the market.

## HIGHLIGHTS in Q4 2022

- Turnover of NOK 124.3 million
- EBIT of NOK -19.4 million / -15.6%
  
- Profit before tax in Q4 of NOK -16.6 million/-13.4%
- Cash position of NOK 224 million

### Milestones in Q4 2022

- Signed contracts for battery pack upgrades of three of Volstad Maritime's offshore vessels
  
- Extensive interest in containerized hydrogen solutions for ships
- Revenue decline reflecting significant deliveries in the corresponding quarter in 2021
- The majority of the loss in the quarter is related to provisions in a project that was awarded in 2018

### Milestones in 2023

- Secured order intake of approximately NOK 200 million so far in Q1 2023, including:
  - Ship design: Secured US offshore wind market breakthrough
  - Contract with Cemre Shipyard to deliver energy design and smart control systems for two "Windkeeper" SOVs for GC Rieber Shipping
  
- Obtained DNV Approval in Principle (AiP) for containerized H2 system for ships

## 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 positioned with technology and products within digitalization and sustainability for contributing to the green shift in the maritime and marine industries.

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 for sustainable solutions in the shipbuilding market is providing strong opportunities.

### 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.

As the business is largely project-driven, periodic fluctuations will occur, and several important tenders in the market will be awarded over the next months. These potential awards will be important for the capacity utilization in 2023.

The company continues to invest in competence and capacity to leverage on the expected growth to support the sustainability and energy transition for the maritime industry.

HAV Group reiterates the 2025 revenue outlook of NOK 1.3 billion.



**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

HAV Group ASA

(NOK 1 000)	2022	2021	Q4 2022	Q4 2021
	Unaudited	Audited	Unaudited	Audited
Revenue	618 161	915 055	123 599	224 133
Other operating revenues	1 502	1 662	721	332
<b>Operating income</b>	<b>619 663</b>	<b>916 717</b>	<b>124 320</b>	<b>224 465</b>
Materials and consumables	391 312	614 534	83 117	139 479
Payroll expenses	138 950	121 049	36 260	37 152
Other operating expenses	68 243	73 047	19 684	18 462
<b>Operating expenses</b>	<b>598 505</b>	<b>808 630</b>	<b>139 061</b>	<b>195 093</b>
<b>EBITDA</b>	<b>21 158</b>	<b>108 087</b>	<b>-14 741</b>	<b>29 372</b>
Depreciation	17 795	17 453	4 610	5 557
<b>Operating profit/loss (EBIT)</b>	<b>3 363</b>	<b>90 635</b>	<b>-19 351</b>	<b>23 814</b>
Financial income	19 418	12 888	6 673	2 419
Financial expenses	17 107	15 794	3 958	5 156
<b>Profit / loss before tax</b>	<b>5 673</b>	<b>87 728</b>	<b>-16 635</b>	<b>21 078</b>
Earnings per share (before tax)	0,16	2,51	-0,48	0,60

**INCOME STATEMENT**

The operating income for HAV Group in the fourth quarter of 2022 was NOK 124.3 million, compared to NOK 224.5 million in the fourth quarter of 2021.

For the fourth quarter of 2022, the Group recorded profit before interest and tax (EBIT) of NOK -19.4 million, while the EBIT for the fourth quarter of 2021 was NOK 23.8 million. This corresponded to an EBIT margin of -15.6% in the fourth quarter of 2022 compared to 10.6% in the fourth 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)	2022	2021
ASSETS	Unaudited	Audited
<b>Non-current assets</b>		
Licenses, patents and R&D	77 292	82 684
Deffered tax benefit	0	2 721
<b>Total intangible assets</b>	<b>77 292</b>	<b>85 405</b>
<b>Fixed assets</b>		
Property, plant and equipment	6 046	3 436
<b>Total tangible fixed assets</b>	<b>6 046</b>	<b>3 436</b>
Investment in associated company	2 000	0
Financial fixed assets	136	132
<b>Financial fixed assets</b>	<b>2 136</b>	<b>132</b>
<b>Total fixed assets</b>	<b>85 474</b>	<b>88 973</b>
<b>Current Assets</b>		
Inventory	26 463	20 580
Accounts receivable	82 301	85 532
Accrued revenue	10 493	5 598
Other current receivables	50 313	14 655
<b>Total receivables</b>	<b>169 570</b>	<b>126 365</b>
Cash and bank deposits	224 386	375 888
<b>Total current assets</b>	<b>393 956</b>	<b>502 252</b>
<b>TOTAL ASSETS</b>	<b>479 430</b>	<b>591 225</b>

(NOK 1 000)	2022	2021
EQUITY AND LIABILITIES	Unaudited	Audited
<b>Equity</b>		
Paid-in Equity	122 202	122 202
Retained earnings	-8 977	36 900
Treasury shares	-1 638	-1 817
Non-controlling interests	2 552	7 530
<b>Total equity</b>	<b>114 139</b>	<b>164 815</b>
<b>Liabilities</b>		
Deferred tax liability	5 751	0
<b>Total provisions for liabilities</b>	<b>5 751</b>	<b>0</b>
<b>Other long-term liabilities</b>		
Liabilities to Financial institutions	46 192	66 531
Other long-term liabilities	1 535	114
<b>Total other long term liabilities</b>	<b>47 727</b>	<b>66 646</b>
<b>Total long term liabilities</b>	<b>53 477</b>	<b>66 646</b>
<b>Current liabilities</b>		
Accounts payable	40 111	52 772
Tax payable	0	2 486
Public duties payable	11 281	16 963
Advance payment from customers	192 860	224 069
Other current liabilities	67 562	63 474
<b>Total current liabilities</b>	<b>311 814</b>	<b>359 764</b>
<b>Total liabilities</b>	<b>365 291</b>	<b>426 410</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>479 430</b>	<b>591 225</b>

## FINANCIAL POSITION

The total assets in the Group are NOK 479.0 million versus NOK 591.2 million at end of 2021.

Current assets decreased from NOK 502.3 million year end 2021 to NOK 393,9 million YTD 2022. Cash and bank deposit reduced by NOK 151.5 million and total receivables increased by NOK 43.2 million in the same period.

The total equity has decreased by NOK 50.7 million to NOK 114.1 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 27.9% year end 2021 to 23.8% year end 2022.

Total liabilities decreased from NOK 426.4 million at year end 2021 to NOK 365.3 million at year end 2022. Main reason is reduction in advance payments from customers and down payment of loan.

## SEGMENT INFORMATION

<b>2022 Q4 (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)	38.0	43.8	40.5	1.3	13.6	137.2
Other operating revenues	0.6	0.0	0.1	0.0	-13.5	-12.8
Total Operating income	39.5	54.7	40.7	1.3	-11.8	124.4
<b>EBITDA</b>	<b>3.0</b>	<b>-19.3</b>	<b>8.4</b>	<b>-1.1</b>	<b>-5.7</b>	<b>-14.7</b>
Depreciation	1.2	1.5	1.6	0.0	0.2	4.6
<b>Operating profit/loss (EBIT)</b>	<b>1.8</b>	<b>-20.9</b>	<b>6.8</b>	<b>-1.1</b>	<b>-6.0</b>	<b>-19.4</b>
Net financial items	1.1	3.4	-0.9	0.0	-0.9	2.7
<b>Profit/Loss before tax</b>	<b>2.9</b>	<b>-17.4</b>	<b>5.9</b>	<b>-1.2</b>	<b>-6.8</b>	<b>-16.6</b>
Total assets	266.6	189.0	106.1	3.9	-86.1	479.4
Equity	80.6	50.0	43.4	1.2	-61.1	114.1
Liabilities	186.0	139.0	62.7	2.7	-25.0	365.3
<b>2021 Q4 (Audited)</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)	113.7	64.2	45.7	0.5	0.0	224.1
Other operating revenues	0.3	0.0	0.0	0.0	0.0	0.3
Operating income	111.3	73.5	45.7	0.5	-6.6	224.5
<b>EBITDA</b>	<b>17.6</b>	<b>7.8</b>	<b>5.2</b>	<b>-0.8</b>	<b>-0.3</b>	<b>29.4</b>
Depreciation	2.6	1.4	1.5	0.0	0.0	5.6
<b>Operating profit/loss (EBIT)</b>	<b>14.9</b>	<b>6.4</b>	<b>3.6</b>	<b>-0.8</b>	<b>-0.4</b>	<b>23.8</b>
Net financial items	-0.4	-1.5	-0.1	0.0	-0.7	-2.7
<b>Profit/Loss before tax</b>	<b>14.6</b>	<b>4.8</b>	<b>3.5</b>	<b>-0.8</b>	<b>-1.0</b>	<b>21.1</b>
Total assets	259.0	223.1	125.5	1.1	-17.6	591.2
Equity	97.4	54.8	20.9	-0.8	-7.5	164.8
Liabilities	161.6	168.3	104.6	1.9	-10.1	426.4

## SEGMENTS Q4 2022

## HAV Design

- EBIT of NOK 1.8 million / 4.5% in the fourth quarter of 2022.
- Profit before tax of NOK 2.9 million / 7.2% in the fourth quarter of 2022.
- EBIT margin low in Q4-22 due to low capacity utilization.

## Norwegian Electric Systems

- EBIT of NOK -20.9 million / -38.1% in the fourth quarter of 2022.
- Profit before tax of NOK -17.4 million / -31.8% in the fourth quarter of 2022.
- The majority of the loss in the year is related to provisions in a project that was awarded in 2018.

## Norwegian Greentech

- EBIT of NOK 6.8 million / 16.7% in the fourth quarter of 2022.
- Profit before tax of NOK 5.9 million / 14.5% in the fourth quarter of 2022.
- EBIT margin is higher in Q4-22 compared to Q3-21 due to other product mix.

## HAV Hydrogen

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

## SEGMENT INFORMATION

2022 YTD Q4 (Unaudited)						
(NOK million)	HAV Design	Norwegian Electric	Norwegian Greentech	HAV Hydrogen	Other / Elimination	HAV Group ASA
Operating revenues (External)	149.3	238.4	225.9	2.7	1.8	618.2
Other operating revenues	1.4	0.0	0.1	0.0	0.0	1.5
Total Operating income	153.6	268.6	226.4	2.8	-31.7	619.7
<b>EBITDA</b>	17.1	-11.8	30.5	-5.4	-9.2	21.2
Depreciation	4.9	5.9	6.3	0.0	0.7	17.8
<b>Operating profit/loss (EBIT)</b>	12.2	-17.7	24.2	-5.4	-9.9	3.4
Net financial items	-0.3	6.6	-1.2	-0.1	-2.7	2.3
<b>Profit/Loss before tax</b>	11.9	-11.1	22.9	-5.6	-12.5	5.7
Total assets	266.6	189.0	106.1	3.9	-86.1	479.4
Equity	80.6	50.0	43.4	1.2	-61.1	114.1
Liabilities	186.0	139.0	62.7	2.7	-25.0	365.3
2021 YTD Q4 (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	1.3	0.3	0.0	0.0	0.0	1.7
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>	80.8	2.4	14.4	-1.0	-6.0	90.6
Net financial items	3.8	-1.5	-2.5	0.0	-2.7	-2.9
<b>Profit/Loss before tax</b>	84.7	0.9	11.9	-1.0	-8.7	87.7
Total assets	259.0	223.1	125.5	1.1	-17.6	591.2
Equity	97.4	54.8	20.9	-0.8	-7.5	164.8
Liabilities	161.6	168.3	104.6	1.9	-10.1	426.4

## SEGMENTS YTD 2022

## HAV Design

- EBIT of NOK 12.2 million / 7.9% YTD 2022.
- Profit before tax of NOK 11.9 million / 7.8% YTD 2022.
- EBIT margin YTD 2022 on same level as compared to YTD 2021.

## Norwegian Electric Systems

- EBIT of NOK -17.7 million / -6.6% YTD 2022.
- Profit before tax of NOK -11.1 million / -4.1% YTD 2022.
- The majority of the loss in the quarter is related to provisions in a project that was awarded in 2018.

## Norwegian Greentech

- EBIT of NOK 24.2 million / 10.7% YTD 2022.
- Profit before tax of NOK 22.9 million / 10.1% YTD 2022.
- EBIT margin YTD 2022 has increased compared to 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.



## CONSOLIDATED STATEMENT OF CASH FLOW

HAV Group ASA

(NOK 1 000)	YTD 2022	2021
	Unaudited	Audited
<b>CASH FLOW FROM OPERATIONS</b>		
Profit/(loss) before tax	5 673	87 728
Depreciation	17 795	17 453
Tax paid	- 3 218	0
Net financial items	2 311	-2 906
Changes in inventory	-5 883	-12 958
Changes in accounts receivable	3 231	-40 047
Changes in accounts payable	-12 661	-216 315
Changes in other current receivables/liabilities	-75 888	441 796
<b>Net cash flow from/(to) operating activities</b>	<b>-68 640</b>	<b>274 750</b>
<b>CASH FLOW FROM INVESTMENTS</b>		
Investments in property, plant and equipment	-4 258	-2 368
Investment in intangible assets	-10 345	-11 062
Purchase of shares in subsidiary	-9 668	0
Purchase of shares in associated company	-2 000	0
Interest income		391
<b>Net cash flow used in investing activities</b>	<b>-26 271</b>	<b>-13 039</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
New long term debt	0	7 500
Repayment non-current debt	-20 340	-8 968
Interest payment	-3 357	-3 223
Purchase of own shares	-32 894	-1 817
Capital increase - share issue (net)	0	86 667
<b>Net cash flow from/ (used in) financing activities</b>	<b>-56 590</b>	<b>80 159</b>
<b>Net change in cash and cash equivalents</b>	<b>-151 502</b>	<b>341 871</b>
Cash and cash equivalents at start of the period	375 888	34 015
<b>Cash and cash equiv.recognised in the balance sheet</b>	<b>224 386</b>	<b>375 888</b>
Restricted cash at end of period	6 047	5 411

## CASH FLOW

Aggregate cash flow from operating activities is negative with NOK 68.6 million YTD 2022, compared to cash flow of NOK 274.8 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.

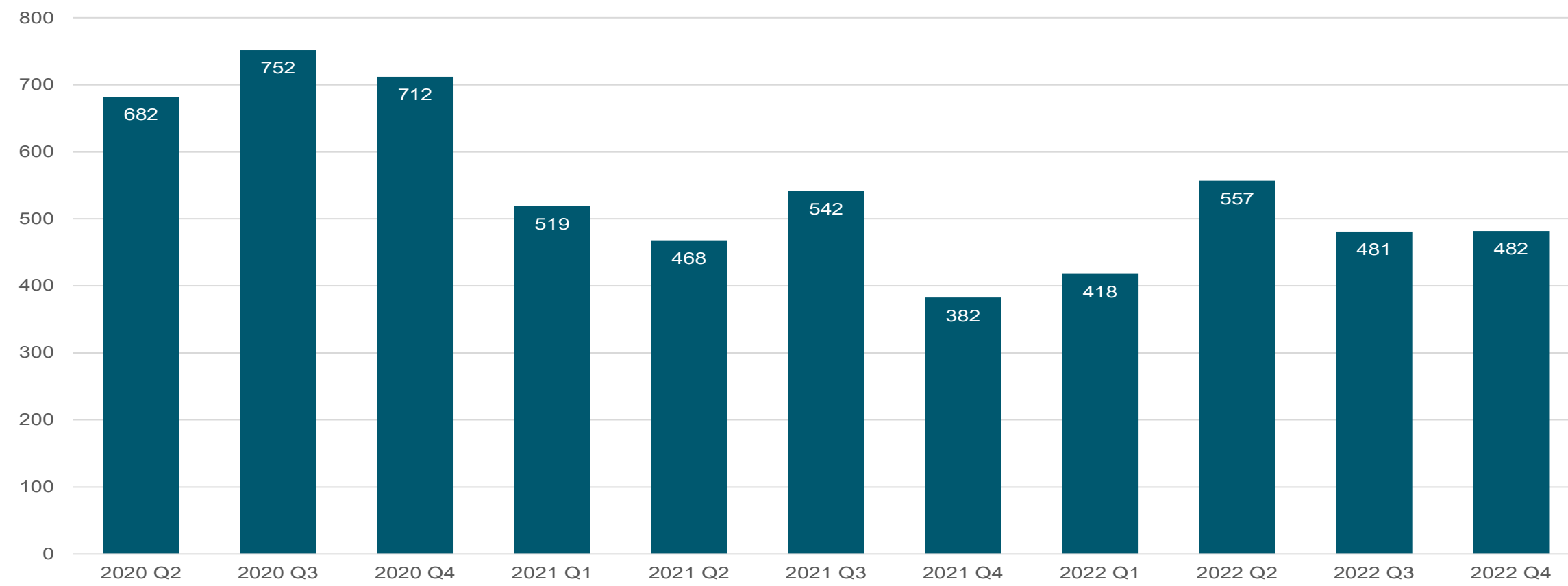
Aggregate cash flow from investing activities was negative with NOK 26.3 million YTD 2022, compared to a negative cash flow of NOK 13.0 million YTD 2021. The negative cash flow from investments is mainly related the purchase of the remaining 22% of Norwegian Greentech AS and investment in R&D.

Aggregate cash flow from financing activities is negative with NOK 56.6 million YTD 2022, compared to a positive cash flow of NOK 80.2 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 Q3.2021.*

## ORDER BACKLOG

### HISTORICAL DEVELOPMENT OF EXTERNAL BACKLOG



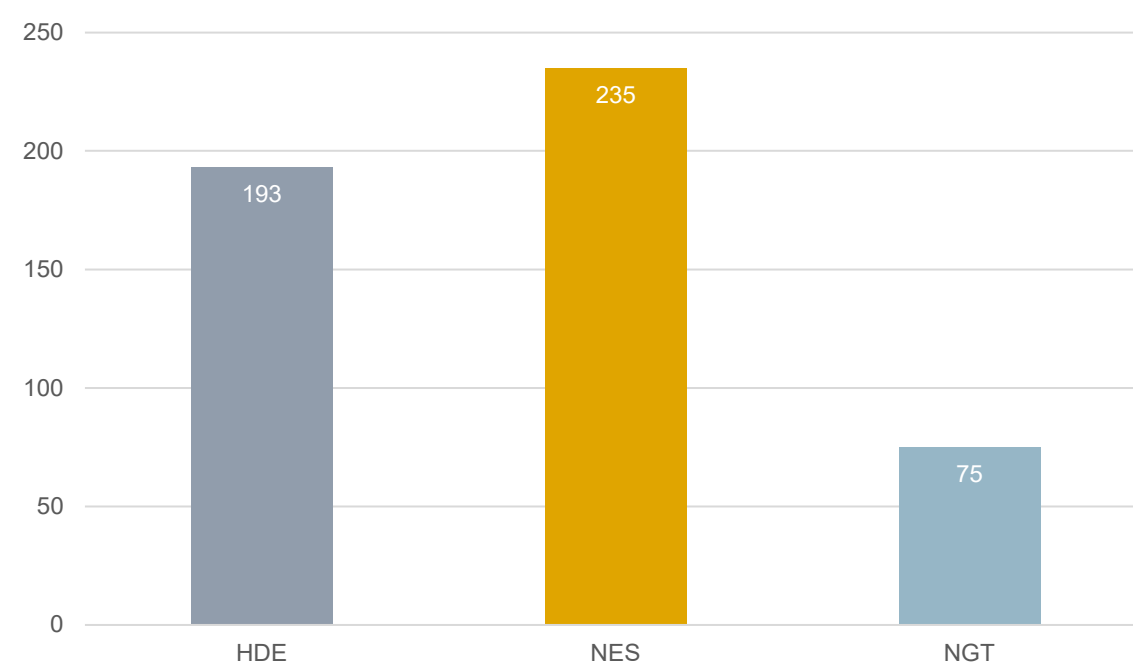
### ORDER STATUS

The external order back-log is NOK 482 million as of the end of Q4 2022, and at same level as Q3 2022.

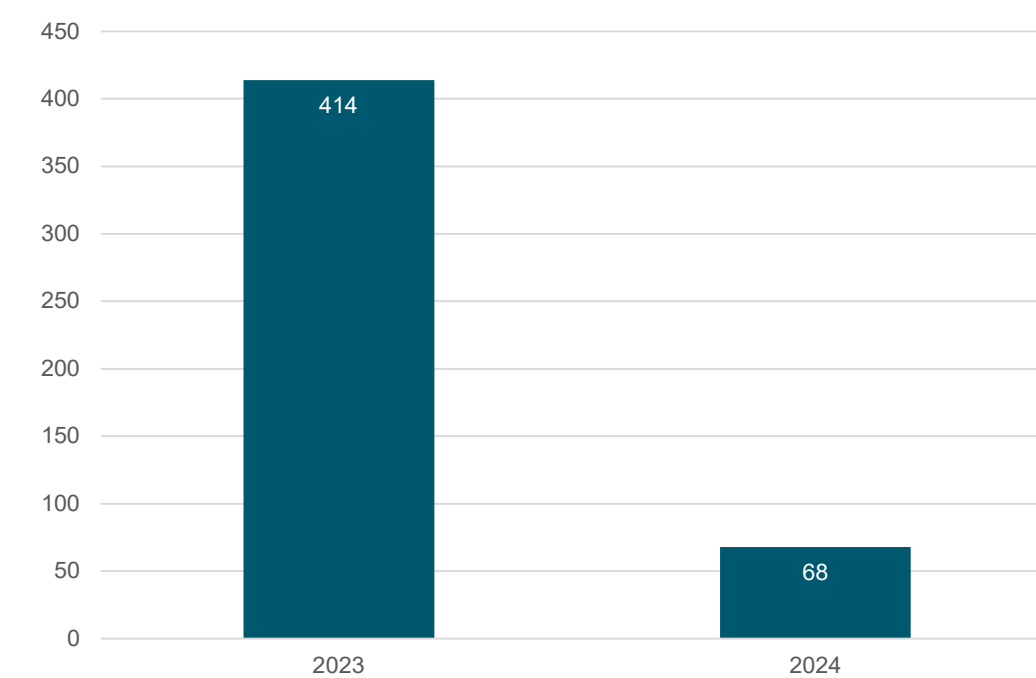
For Norwegian Greentech "fleet-agreements" signed by different ship owners are not included in the official backlog figures.

Secured order intake of approximately NOK 200 jan-feb 2023.

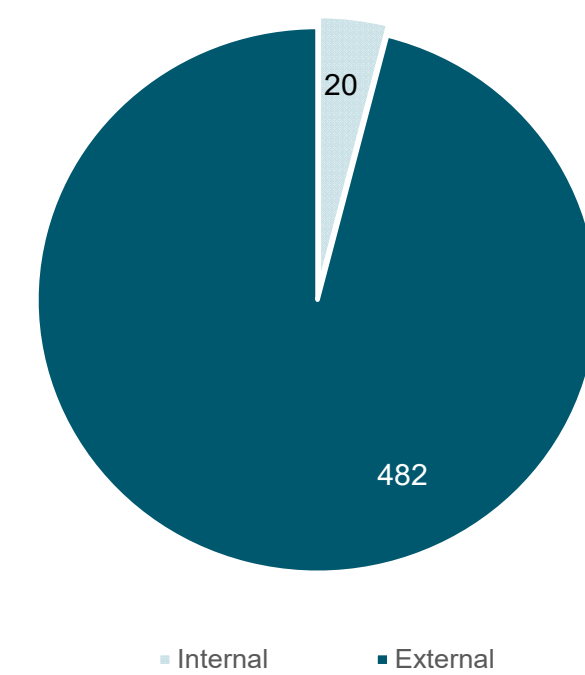
### AGGREGATED ORDER BACKLOG PER SEGMENT



### EXTERNAL ORDER BACKLOG BY DELIVERY YEAR



### AGGREGATED ORDER BACKLOG



## SHARES AND SHAREHOLDERS

Shareholders as of 31.12.2022	Controlled by	Number of shares	Ownership
HAVILA HOLDING AS		8 737 827	25,0 %
FARVATN CAPITAL AS		2 408 909	6,9 %
HAV GROUP ASA		1 638 437	4,7 %
MP PENSJON PK		1 524 220	4,4 %
EQVA ASA	Vegard Sævik (Board)	1 513 542	4,3 %
NORDNET LIVSFORSIKRING AS		1 379 834	3,9 %
EMINI INVEST AS		1 127 179	3,2 %
HSR INVEST AS	Hege Sævik Rabben (Board)	1 127 179	3,2 %
INNIDIMMAN AS	Vegard Sævik (Ch.of Board)	1 127 179	3,2 %
Avanza Bank AB		1 012 324	2,9 %
Nordnet Bank AB		917 848	2,6 %
JAHATT AS		770 500	2,2 %
Morgan Stanley & Co. International		735 608	2,1 %
PISON AS		375 726	1,1 %
OTHER SHAREHOLDERS (<1 %)		10 603 688	30,3 %
<b>Number of shares</b>		<b>35 000 000</b>	<b>100 %</b>

## SHARES AND SHAREHOLDERS

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

All shares have equal rights.

In total 3 987 shareholders per Q4 2022.

HAV Group ASA had 1 638 437 / 4,7% treasury shares per Q4 2022.

