

# HAV Group ASA

Q1 2023 - 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.

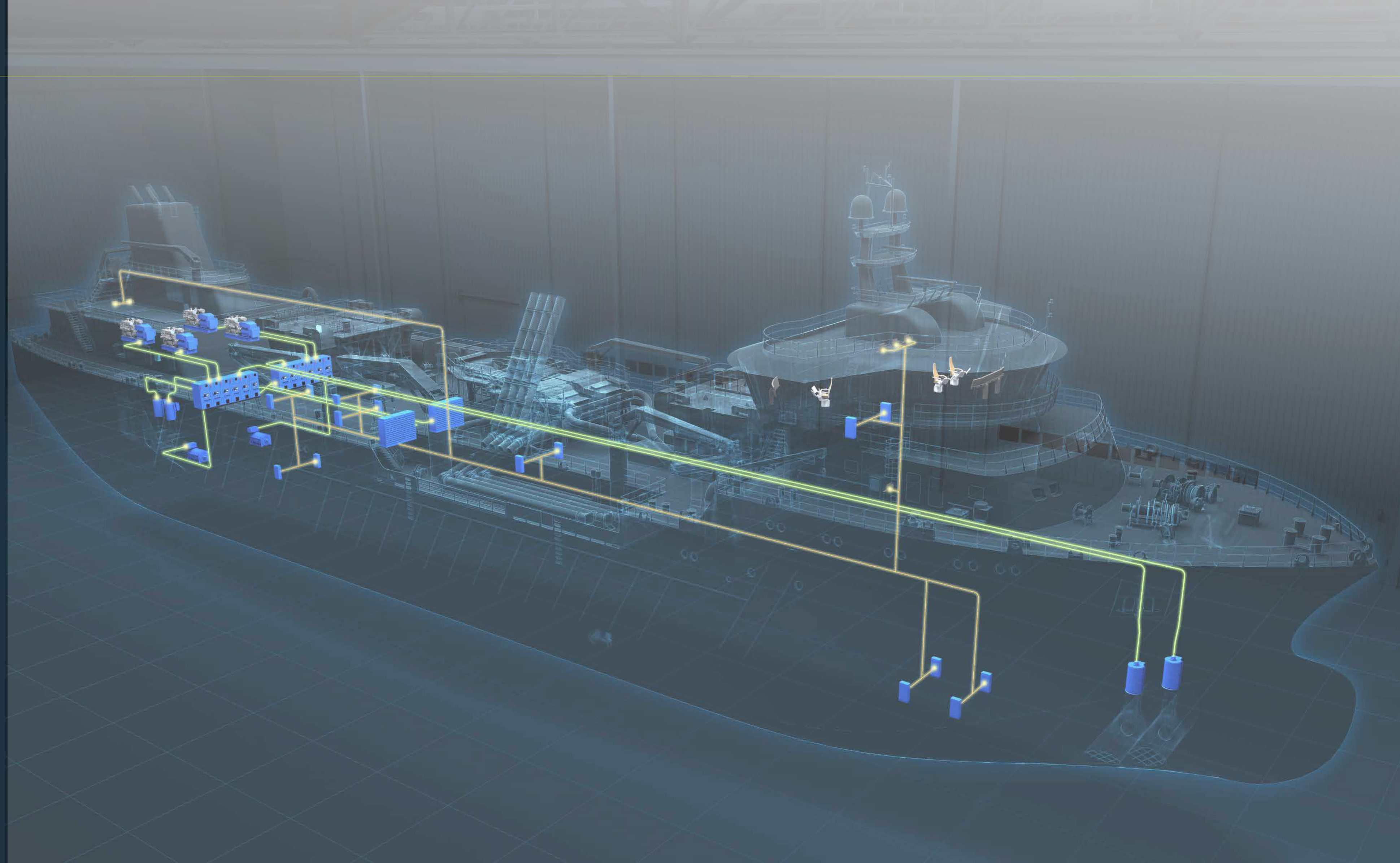
The Group's vision is  
"A sustainable future at sea".

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 highquality 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 subsidiary companies' strategic development to implement group strategy

Stimulating intercompany business development and R&D processes

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

Pursuing value accretive growth – organic and through M&A



## THE HAV GROUP



### Ship Design

ENERGY-EFFICIENT, LOW- AND ZERO EMISSION SHIP DESIGNS

HAV Group advises customers regarding selection of vessel parameters and technologies that allow shipowners to increase their competitiveness and enable the green transition at sea.

It provides pioneering innovations in the design and construction of low and zero-emission vessels and energy-optimized ship designs.

This entails developing the most efficient vessels possible, covering every aspect of the vessel's functionality and performance, including environmental performance, through concept development, detail design, equipment selection, procurement, system engineering and integration.

Further, innovative simulation-based ship design enables analysis and documentation of real-life performance of a vessel – before it has been built.

In total, HAV Group possesses the competence and tools available to help shipowners design, develop and construct low and zero emission vessels, thereby supporting the global maritime industry in reaching its emission targets.

HAV Group's subsidiary **HAV Design** has a track record of more than 100 ship designs.

**HAV**design



### Energy Design & Smart Control

YOUR EXPERT IN ENERGY DESIGN AND SMART CONTROL SYSTEMS

HAV Group supplies low and zero emission energy, propulsion and control systems for the global marine market.

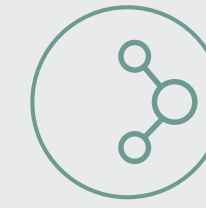
Detailed knowledge about vessel operations – from bridge to propeller – and specialist competence in integrating energy sources, including electric propulsion and charging systems, allow design of optimal power and propulsion systems that keep emissions to a minimum.

Smart control systems and software platforms for navigation, automation and control ensure even more fuel-efficient operations.

These products and systems are key enablers to achieve low and zero emissions, and can be applied to newbuilds or retrofitted on board existing vessels, making it easier for shipowners to reduce emissions from their fleets.

HAV Group's subsidiary **Norwegian Electric Systems** is a leading supplier of advanced diesel electric, hybrid electric, and 100 percent electric propulsion systems, for the global marine market.

 norwegian electric systems



### Hydrogen-based Energy Systems

EXPERTS IN ENABLING MARITIME ZERO EMISSION

HAV Group is a supplier of complete and scalable zero-emission hydrogen-based energy systems for vessels. The systems are suitable for both vessel newbuilds and retrofits.

The group has developed maritime-based energy systems with liquid hydrogen tank below deck and a container-based hydrogen system to be installed on deck – the Zero Emission Pod.

Adoption of hydrogen as ship fuel is considered a vital part of the transition to more sustainable shipping. HAV Group is one of the global frontrunners in offering approved hydrogen-based energy systems for ships.

Installed effect can be used for the main propulsion systems, or for additional power supply on board the vessel to comply with green operation standards. Quayside, hydrogen systems can ensure sufficient green power supply to the vessel, which does not need to rely on onshore charging infrastructure to achieve zero emission status.

HAV Group's subsidiary **HAV Hydrogen** develops hydrogen-based energy systems for vessels.

**HAV**hydrogen



### Water Treatment Systems

YOUR EXPERT IN CLEAN WATER AND BALLAST WATER TREATMENT SYSTEMS

HAV Group is a supplier of ballast water treatment systems for ships and other water treatment systems for the aquaculture industry.

The spread of invasive species is recognized as one of the greatest threats to the ecological and the economic wellbeing of the planet.

Efficient treatment of ballast water prevents the unwanted spread of invasive species. The ballast water treatment system is available for both retrofit and vessel newbuilds.

Process water treatment for aquaculture production is key to maintain fish health and avoid detrimental effect on local environment.

HAV Group provides water treatment technologies for both land-based aquaculture and live fish carriers.

Moreover, HAV Group's water treatment products are based has a chemical-free system that does not pollute the marine environment.

HAV Group's subsidiary **Norwegian Greentech** develops and manufactures water treatment systems.

 norwegian greentech



## HIGHLIGHTS in Q1 2023

- Turnover of NOK 110.3 million
- EBIT of NOK -15.7 million / -14.3%
- Profit before tax in Q1 of NOK -13.2 million/-12.0%
- Cash position of NOK 240 million
- Revenue decline vs Q1 2022 partly connected to
  - low order intake in 2022
- Weak EBIT partly linked to decision to maintain
  - capacity to be able to fully capitalize on
  - forthcoming growth opportunities

### Milestones in Q1 2023

- Solid order intake of NOK 240 million, equivalent to
  - book-to-bill of x2.2. Contract awards include:
    - Ship design: US offshore wind market breakthrough
    - Energy design & smart control systems: Contract for two
      - SOVs, battery pack for subsea construction vessel and
      - upgrade of superyacht
- Obtained DNV Approval in Principle (AiP) for containerized H2 system for ships.

### Subsequent events

- Announced acquisition of Undheim Systems AS, which adds dynamic positioning capabilities to product portfolio
- First HAV Group sustainability report published

## 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)	<b>Q1 2023</b>	<b>Q1 2022</b>	<b>2022</b>
	Unaudited	Unaudited	Audited
Revenue	109 906	193 118	620 342
Other operating revenues	427	5 699	1 473
<b>Operating income</b>	<b>110 332</b>	<b>198 817</b>	<b>621 815</b>
Materials and consumables	61 341	135 177	392 155
Payroll expenses	41 191	35 005	141 036
Other operating expenses	19 405	16 430	68 848
<b>Operating expenses</b>	<b>121 937</b>	<b>186 611</b>	<b>602 040</b>
<b>EBITDA</b>	<b>-11 605</b>	<b>12 205</b>	<b>19 776</b>
5 Depreciation	4 141	4 183	17 807
<b>Operating profit/loss (EBIT)</b>	<b>-15 746</b>	<b>8 022</b>	<b>1 969</b>
Financial income	6 616	3 135	20 119
Financial expenses	4 071	6 575	17 783
<b>Profit / loss before tax</b>	<b>-13 201</b>	<b>4 582</b>	<b>4 305</b>
Earnings per share (before tax)	-0.38	0,13	0.12

**INCOME STATEMENT**

The operating income for HAV Group in the first quarter of 2023 was NOK 110.3 million, compared to NOK 198.8 million in the first quarter of 2022.

For the first quarter of 2023, the Group recorded profit before interest and tax (EBIT) of NOK -15.7 million, while the EBIT for the first quarter of 2022 was NOK 8.0 million. This corresponded to an EBIT margin of -14.3% in the first quarter of 2023 compared to 4.0% in the first quarter of 2022.



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

HAV Group ASA

(NOK 1 000)	Q1 2023	Q1 2022	2022
ASSETS	Unaudited	Unaudited	Audited
<b>Non-current assets</b>			
Licenses, patents and R&D	78 896	79 853	77 292
<b>Total intangible assets</b>	<b>78 896</b>	<b>79 853</b>	<b>77 292</b>
<b>Fixed assets</b>			
Property, plant and equipment	12 619	3 674	6 178
<b>Total tangible fixed assets</b>	<b>12 619</b>	<b>3 674</b>	<b>6 178</b>
Investment in associated company	2 000	2 005	2 000
Financial fixed assets	98	107	136
<b>Financial fixed assets</b>	<b>2 098</b>	<b>2 112</b>	<b>2 136</b>
<b>Total fixed assets</b>	<b>93 613</b>	<b>85 638</b>	<b>85 474</b>
<b>Current Assets</b>			
Inventory	34 186	30 017	26 463
Accounts receivable	66 145	80 344	82 632
Accrued revenue	27 408	11 546	10 493
Other current receivables	68 929	20 995	50 785
<b>Total receivables</b>	<b>196 667</b>	<b>142 903</b>	<b>170 373</b>
Cash and bank deposits	240 066	373 253	223 847
<b>Total current assets</b>	<b>436 732</b>	<b>516 155</b>	<b>394 220</b>
<b>TOTAL ASSETS</b>	<b>530 345</b>	<b>601 794</b>	<b>479 826</b>

(NOK 1 000)	Q1 2023	Q1 2022	2022
EQUITY AND LIABILITIES	Unaudited	Unaudited	Audited
<b>Equity</b>			
Paid-in Equity	122 202	122 202	122 202
Retained earnings	-37 534	27 579	-10 586
Treasury shares	-3 083	-16 990	-1 638
Non-controlling interests	2 327	8 231	2 562
<b>Total equity</b>	<b>83 912</b>	<b>141 022</b>	<b>112 541</b>
<b>Liabilities</b>			
Deferred tax liability	8 187	6 505	8 252
<b>Total provisions for liabilities</b>	<b>8 187</b>	<b>6 505</b>	<b>8 252</b>
<b>Other long-term liabilities</b>			
Liabilities to Financial institutions	41 455	61 331	46 192
Other long-term liabilities	1 443	100	1 535
<b>Total other long term liabilities</b>	<b>42 898</b>	<b>61 430</b>	<b>47 727</b>
<b>Total long term liabilities</b>	<b>51 085</b>	<b>67 935</b>	<b>55 978</b>
<b>Current liabilities</b>			
Accounts payable	59 911	105 877	40 182
Tax payable	0	4 643	0
Public duties payable	10 900	10 259	11 929
Advance payment from customers	245 545	204 668	192 860
Other current liabilities	78 992	67 387	66 336
<b>Total current liabilities</b>	<b>395 349</b>	<b>392 836</b>	<b>311 307</b>
<b>Total liabilities</b>	<b>446 434</b>	<b>460 771</b>	<b>367 286</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>530 345</b>	<b>601 794</b>	<b>479 826</b>

## FINANCIAL POSITION

The total assets in the Group are NOK 530.3 million versus NOK 479.8 million at end of 2022.

Current assets increased from NOK 394.2 million year end 2022 to NOK 436.7 million per Q1 2023. Cash and bank deposit increased by NOK 16.2 million and total receivables increased by NOK 26.2 million from year end.

The total equity has decreased by NOK 28.6 million to NOK 83.9 million in the first quarter of 2023. This is mainly caused by increase of Treasury shares and the negative result in the period. The equity ratio has decreased from 23.5% year end 2022 to 15.8% per Q1.2023.

Total liabilities increased from NOK 367.3 million at year end 2022 to NOK 446.4 million per Q1.2023. Main reason is increase in advance payments from customers and increase in account payables.

## SEGMENT INFORMATION

2023 Q1 (Unaudited)						
(NOK million)	Ship Design	Energy Design & Smart Control	Water treatment systems	Hydrogen-based energy systems	Other / Elimination	HAV Group ASA
Operating revenues (External)	18,2	50,8	40,7	0,2	-0,1	109,9
Other operating revenues	0,3	0,0	0,1	0,0	0,0	0,4
Total Operating income	19,9	51,6	41,0	0,2	-2,3	110,3
<b>EBITDA</b>	-3,7	-2,3	1,5	-2,3	-4,8	-11,6
Depreciation	0,6	1,6	1,6	0,0	0,3	4,1
<b>Operating profit/loss (EBIT)</b>	<b>-4,3</b>	<b>-3,9</b>	<b>-0,1</b>	<b>-2,3</b>	<b>-5,1</b>	<b>-15,7</b>
Net financial items	0,2	1,7	1,5	-0,1	-0,8	2,5
<b>Profit/Loss before tax</b>	<b>-4,1</b>	<b>-2,2</b>	<b>1,3</b>	<b>-2,4</b>	<b>-5,9</b>	<b>-13,2</b>
Total assets	269,9	227,3	129,7	8,5	-105,1	530,3
Equity	12,8	33,7	13,7	6,4	17,2	83,9
Liabilities	257,1	193,6	116,0	2,0	-122,4	446,4
2022 Q1 (Audited)						
(NOK million)	Ship Design	Energy Design & Smart Control	Water treatment systems	Hydrogen-based energy systems	Other / Elimination	HAV Group ASA
Operating revenues (External)	20,9	95,3	81,8	0,5	-5,3	193,1
Other operating revenues	0,0	0,0	0,0	0,0	5,7	5,7
Operating income	21,1	95,5	81,9	0,5	-0,2	198,8
<b>EBITDA</b>	1,5	2,3	9,5	-1,1	-0,1	12,2
Depreciation	1,2	1,4	1,6	0,0	0,0	4,2
<b>Operating profit/loss (EBIT)</b>	<b>0,3</b>	<b>0,9</b>	<b>8,0</b>	<b>-1,1</b>	<b>-0,1</b>	<b>8,0</b>
Net financial items	-1,0	-0,4	-1,5	0,0	-0,5	-3,4
<b>Profit/Loss before tax</b>	<b>-0,7</b>	<b>0,5</b>	<b>6,5</b>	<b>-1,1</b>	<b>-0,6</b>	<b>4,6</b>
Total assets	244,2	248,6	149,8	1,6	-42,4	601,8
Equity	70,1	61,6	25,5	-1,1	-15,1	141,0
Liabilities	174,0	187,0	124,3	2,7	-27,3	460,8

## SEGMENTS Q1 2023

## Ship Design

- EBIT of NOK -4.3 million / -21.8% in the first quarter of 2023.
- Profit before tax of NOK -4.1 million / -20.6% in the first quarter of 2023.
- EBIT margin low in Q1-23 due to low capacity utilization.

## Energy Design &amp; Smart Control Systems

- EBIT of NOK -3.9 million / -7.6% in the first quarter of 2023.
- Profit before tax of NOK -2.2 million / -4.2% in the first quarter of 2023.
- EBIT margin low in Q1-23 due to low capacity utilization because of postponement of projects at yard.

## Water Treatment Systems

- EBIT of NOK -0.1 million / -0.4% in the first quarter of 2023.
- Profit before tax of NOK 1.3 million / 3.3% in the first quarter of 2023.
- EBIT margin low in Q1-23 due to lower capacity utilization.

## Hydrogen-based Energy Systems

- EBIT of NOK -2.3 million in the first quarter of 2023.
- Profit before tax of NOK -2.4 million in the first quarter of 2023.
- 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 2023	YTD 2022	2022
	Unaudited	Unaudited	Audited
<b>CASH FLOW FROM OPERATIONS</b>			
Profit/(loss) before tax	-13 201	4 582	4 305
Depreciation	4 141	4 183	17 807
Tax paid		0	-3 218
Net financial items	2 545	-3 440	-2 336
Changes in inventory	-7 723	-20 580	-5 883
Changes in accounts receivable	16 487	-85 532	2 900
Changes in accounts payable	19 729	-105 877	-12 590
Changes in other current receivables/liabilities	26 427	227 789	-71 383
<b>Net cash flow from/(to) operating activities</b>	<b>48 406</b>	<b>21 125</b>	<b>-70 399</b>
<b>CASH FLOW FROM INVESTMENTS</b>			
Investments in property, plant and equipment	-7 190	472	-4 729
Investment in intangible assets	-4 833	-3 176	-10 345
Purchase of shares in subsidiary	0	0	-9 668
Purchase of shares in associated company	0	0	-2 000
Interest income	193	0	1 690
<b>Net cash flow used in investing activities</b>	<b>-11 830</b>	<b>-2 704</b>	<b>-25 052</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayment non-current debt	-4 736	-5 201	-20 340
Interest payment	-784	-682	-3 357
Purchase of own shares	-14 837	-15 173	-32 894
<b>Net cash flow from/ (used in) financing activities</b>	<b>-20 358</b>	<b>-21 056</b>	<b>-56 591</b>
<b>Net change in cash and cash equivalents</b>	<b>16 219</b>	<b>-2 635</b>	<b>-152 041</b>
Cash and cash equivalents at start of the period	223 848	375 888	375 888
<b>Cash and cash equiv. recognised in the balance sheet</b>	<b>240 066</b>	<b>373 253</b>	<b>223 848</b>
Restricted cash at end of period	4 032	3 048	6 047

## CASH FLOW

Aggregate cash flow from operating activities is positive with NOK 48.4 million YTD 2023, compared to cash flow of NOK 90.7 million YTD 2022. The main reason for the positive cash flow from operations in 2023 is increase in Advance payment from customers.

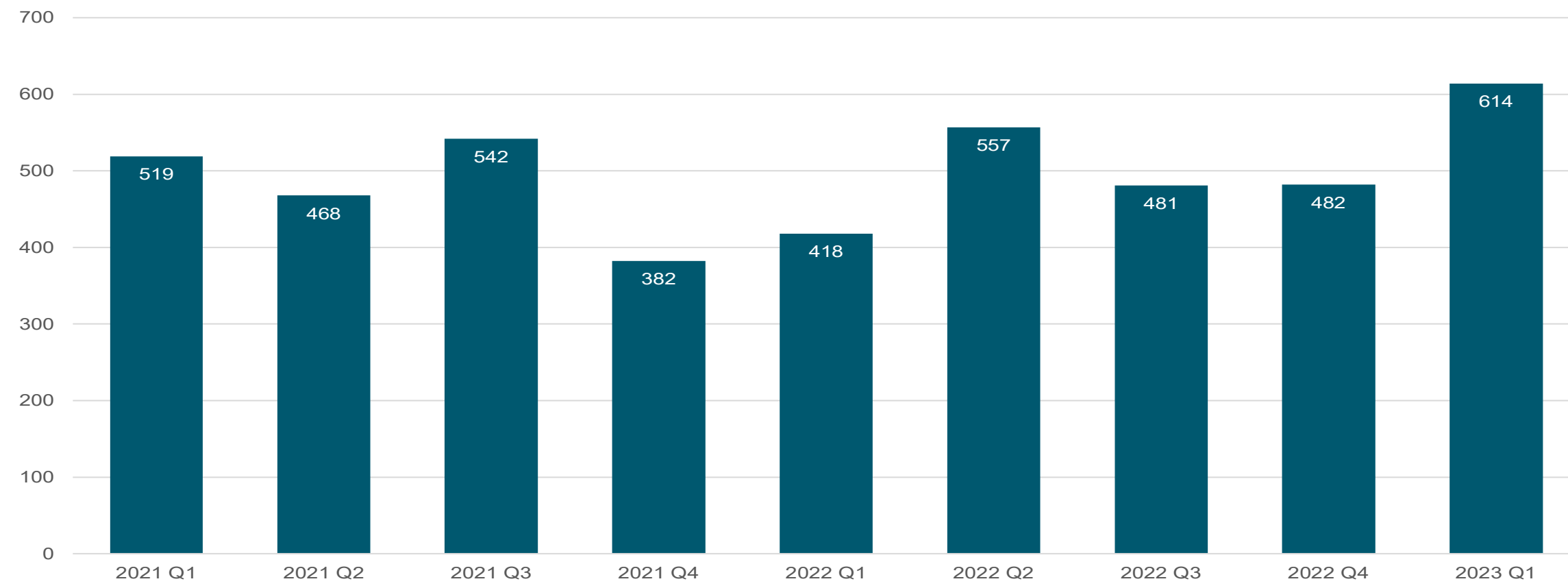
Aggregate cash flow from investing activities was negative with NOK 11.8 million YTD 2023, compared to a negative cash flow of NOK 2.7 million YTD 2022. The negative cash flow from investments is mainly related to investment in IT infrastructure and R&D.

Aggregate cash flow from financing activities is negative with NOK 20.4 million YTD 2023, compared to a negative cash flow of NOK 21.1 million YTD 2022. The negative cash-flow from financing activities is related purchase of own shares and payment of debt/interest.



## ORDER BACKLOG

### HISTORICAL DEVELOPMENT OF EXTERNAL BACKLOG



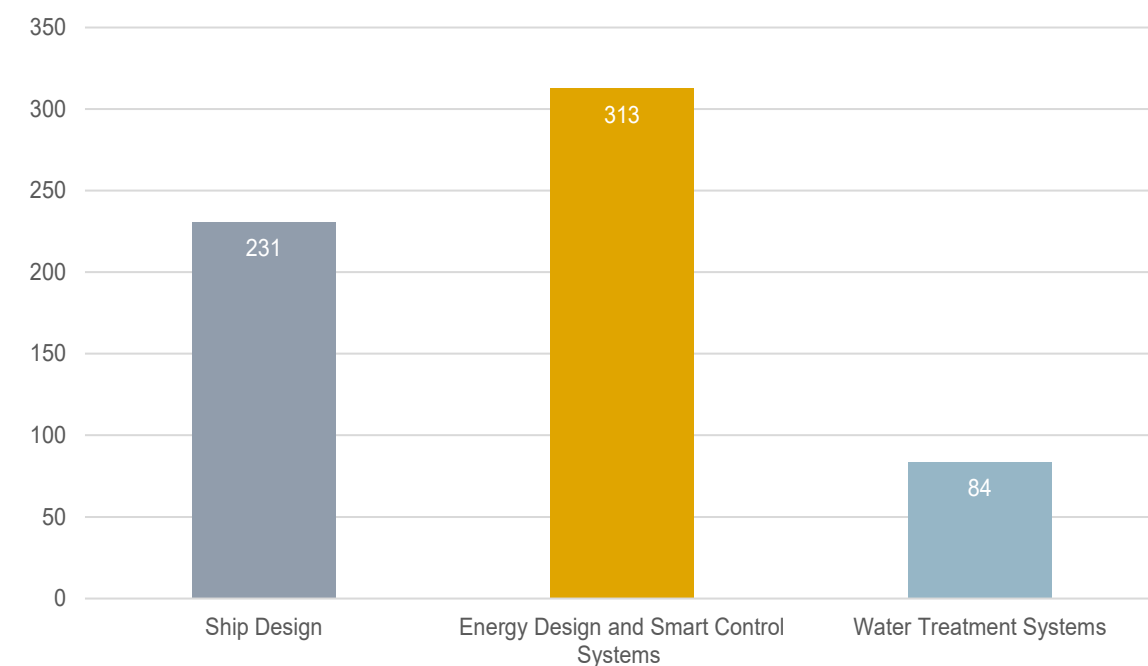
### ORDER STATUS

The external order back-log is NOK 614 million as of the end of Q1 2023, an increase of NOK 132 millions compared to Q4 2022.

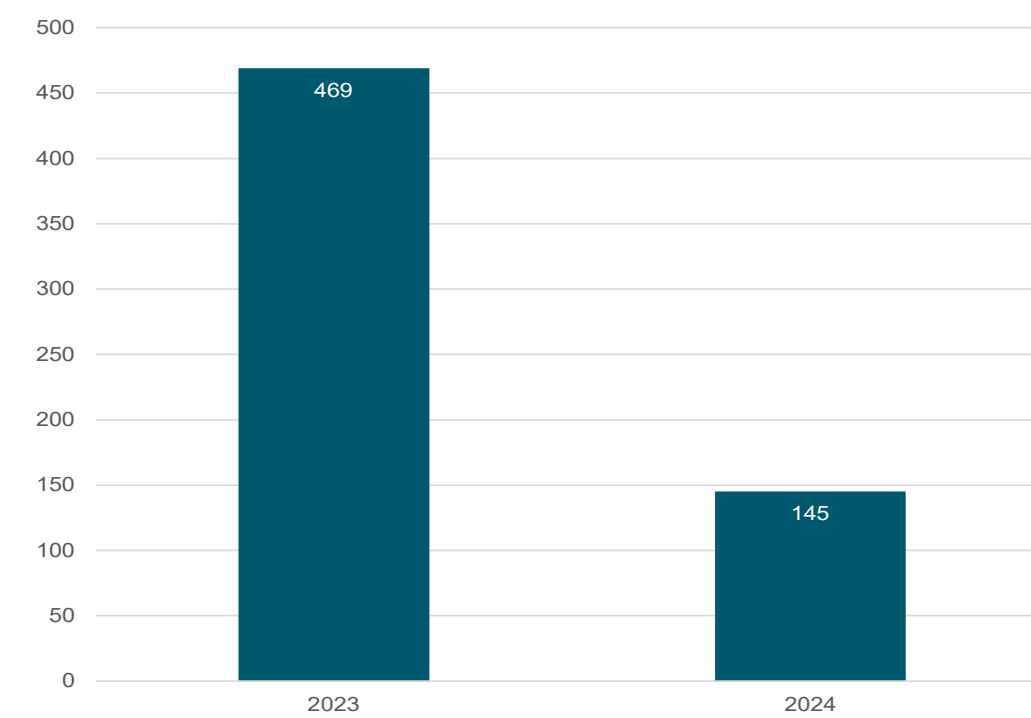
Book- to-bill 2.2 for Q1.2023

“Fleet-agreements” for ballast water treatment systems signed by different ship owners are not included in the official backlog figures in the Water treatment systems segment.

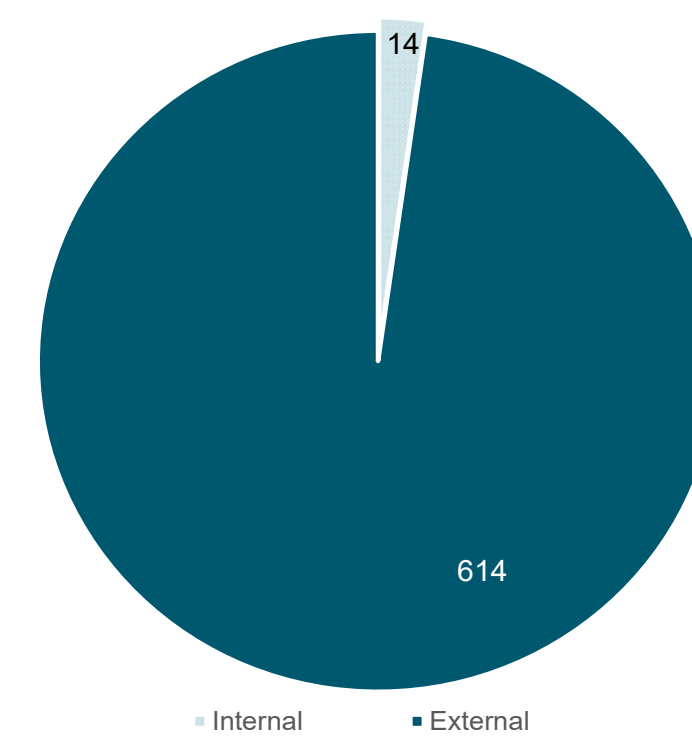
### AGGREGATED ORDER BACKLOG PER SEGMENT



### EXTERNAL ORDER BACKLOG BY DELIVERY YEAR



### AGGREGATED ORDER BACKLOG





## SHARES AND SHAREHOLDERS

Shareholders as of 31.03.2023	Controlled by	Number of shares	Ownership
HAVILA HOLDING AS		8 737 827	25,0 %
HAV GROUP ASA		3 092 554	8,8 %
FARVATN CAPITAL AS		2 408 909	6,9 %
NORDNET LIVSFORSIKRING AS		1 722 901	4,9 %
MP PENSJON PK		1 534 856	4,4 %
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 %
JAHATT AS		770 500	2,2 %
MORGAN STANLEY & CO. INTERNATIONAL		726 790	2,1 %
AVANZA BANK AB		517 773	1,5 %
PISON AS		375 726	1,1 %
UCVO AS		366 278	1,0 %
OTHER SHAREHOLDERS (<1 %)		11 364 349	32,5 %
<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 4 148 shareholders per Q1 2023.

HAV Group ASA had 3 092 554 / 8,8% treasury shares per Q1 2023.



