

HAV Group ASA

Q2 - QUARTERLY REPORT / HALF YEAR REPORT 2023



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.

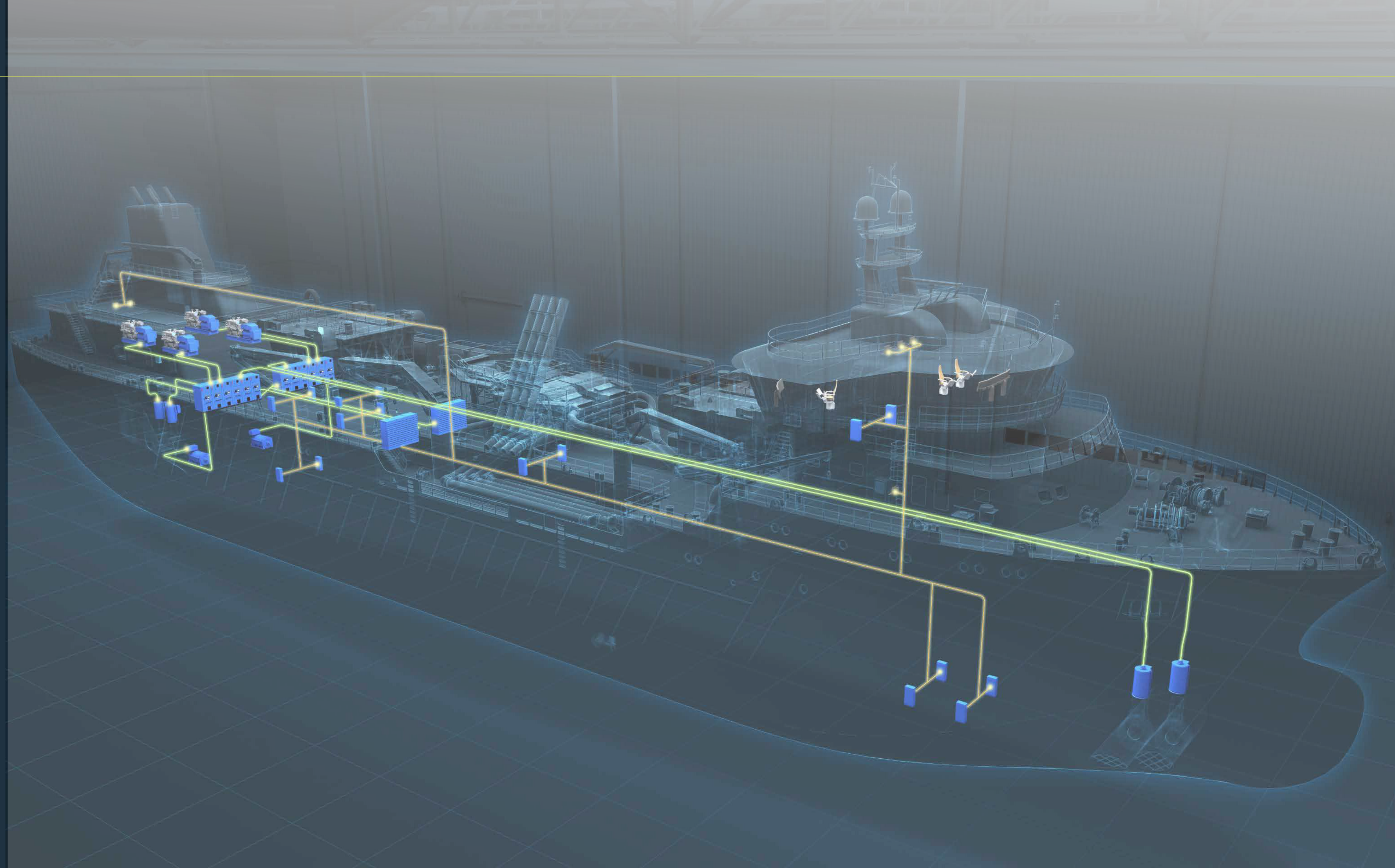
The Group's vision is
"A sustainable future at sea".

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.

HAVdesign



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.

HAVhydrogen



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 Q2 2023

- Turnover of NOK 200.3 million
- EBIT of NOK 59.6 million / 29.8%

- Profit before tax in Q2 of NOK 58.7 million/ 29.3%
- Cash position of NOK 259 million

- One-off effect: Earnings and profits positively affected by reversal of previously accounted provision of NOK 46.9 million.

- Positive underlying performance: Revenue and EBIT significantly improved versus previous quarters

- 4 • Planned acquisition of Undheim Systems AS, adding dynamic positioning capabilities to HAV Group's product portfolio.

- Industrialization partner for Pherousa Green Technologies AS, which is developing ammonia cracker capable of converting ammonia to fuel cell quality hydrogen.

- Order intake of NOK 53.3 million in quarter, however;
- Signed order 17th. of July 2023 for both ship design and an integrated equipment package to vessel owned by Esvagt. The total contract value is approximately NOK 200 million.

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

The global maritime market outlook is more positive, but certain investment decisions are being delayed. This, in combination with differences in project mix, is expected to result in weaker margins in H2 2023 compared to H1 2023. HAV Group is currently utilizing excess capacity in projects aimed at improving the group's competitive position to be able to fully capitalise on the forthcoming growth opportunities.

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)	Q2 2023	Q2 2022	YTD 2023	YTD 2022	2022
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue	199 937	153 487	309 842	346 605	620 342
Other operating revenues	377	6 414	803	12 112	1 473
Operating income	200 313	159 900	310 646	358 717	621 815
Materials and consumables	89 144	96 078	150 485	231 255	392 155
Payroll expenses	27 190	27 991	68 381	62 995	141 036
Other operating expenses	20 185	17 426	39 590	33 856	68 848
Operating expenses	136 518	141 495	258 456	328 107	602 040
EBITDA	63 795	18 405	52 190	30 611	19 776
Depreciation	4 167	4 477	8 309	8 660	17 807
Operating profit/loss (EBIT)	59 628	13 929	43 882	21 951	1 969
Financial income	6 664	5 063	13 280	8 198	20 119
Financial expenses	7 626	2 169	11 697	8 744	17 783
Profit / loss before tax	58 666	16 823	45 465	21 405	4 305
Earnings per share (before tax)	1,68	0,48	1,30	0,61	0.12

INCOME STATEMENT

The operating income for HAV Group in the second quarter of 2023 was NOK 200.3 million, compared to NOK 159.9 million in the second quarter of 2022.

For the second quarter of 2023, the Group recorded profit before interest and tax (EBIT) of NOK 59.6 million, while the EBIT for the second quarter of 2022 was NOK 13.9 million. This corresponded to an EBIT margin of 29.8% in the second quarter of 2023 compared to 8.7% in the second quarter of 2022.

The quarterly figures includes a positive One-off effect on revenue and profits. This affected by reversal of previously accounted provision of NOK 46.9 million. For more info see Annual Report 2022 Note 20 and 21 for details.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

HAV Group ASA

(NOK 1 000)	Q2 2023	Q2 2022	2022
ASSETS	Unaudited	Unaudited	Audited
Non-current assets			
Licenses, patents and R&D	80 972	77 655	77 292
Total intangible assets	80 972	77 655	77 292
Fixed assets			
Property, plant and equipment	11 957	4 467	6 178
Total tangible fixed assets	11 957	4 467	6 178
Investment in associated company	2 107	2 000	2 000
Financial fixed assets	104	123	136
Financial fixed assets	2 210	2 123	2 136
Total fixed assets	95 140	84 246	85 606
Current Assets			
Inventory	32 959	29 797	26 463
Accounts receivable	112 612	73 550	82 632
Accrued revenue	7 535	27 416	10 493
Other current receivables	59 938	56 283	50 785
Total receivables	213 044	187 047	170 373
Cash and bank deposits	259 398	299 724	223 847
Total current assets	472 442	486 771	394 220
TOTAL ASSETS	567 582	571 016	479 826

(NOK 1 000)	Q2 2023	Q2 2022	2022
EQUITY AND LIABILITIES	Unaudited	Unaudited	Audited
Equity			
Paid-in Equity	122 202	122 202	122 202
Retained earnings	20 079	14 643	-10 586
Treasury shares	-3 276	-928	-1 638
Non-controlling interests	2 874	2 645	2 562
Total equity	141 879	138 563	112 541
Liabilities			
Deferred tax liability	8 121	6 253	8 252
Total provisions for liabilities	8 121	6 253	8 252
Other long-term liabilities			
Liabilities to Financial institutions	36 255	56 129	46 192
Other long-term liabilities	1 431	85	1 535
Total other long term liabilities	37 686	56 214	47 727
Total long term liabilities	45 807	62 467	55 978
Current liabilities			
Accounts payable	52 897	78 078	40 182
Tax payable	0	3 218	0
Public duties payable	18 135	8 260	11 929
Advance payment from customers	251 829	218 005	192 860
Other current liabilities	57 035	62 424	66 336
Total current liabilities	379 897	369 986	311 307
Total liabilities	425 703	432 454	367 286
TOTAL EQUITY AND LIABILITIES	567 582	571 016	479 826

FINANCIAL POSITION

The total assets in the Group are NOK 567.6 million versus NOK 479.8 million at end of 2022.

Current assets increased from NOK 394.2 million year end 2022 to NOK 472.4 million per Q2 2023. Cash and bank deposit increased by NOK 35.5 million and total receivables increased by NOK 42.7 million from year end.

The total equity has increased by NOK 29.3 million to NOK 141.9 million per Q2 2023. This is mainly caused by retained earnings in the period. The equity ratio has increased from 23.5% year end 2022 to 25.0% per Q2.2023.

Total liabilities increased from NOK 367.3 million at year end 2022 to NOK 425.7 million per Q2.2023. Main reason is increase in advance payments from customers and increase in account payables.

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 2023 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

Monica G.Sperre
Board member

Helge Simonnes
Board member

Vibeke Fængsrud
Board member

Katrine Lynge
Board member

Egil Bremnes
Board member

Gunnar Larsen
CEO

SEGMENT INFORMATION

2023 Q2 (Unaudited)						
(NOK million)	Ship Design	Energy Design & Smart Control	Water treatment systems	Hydrogen-based energy systems	Other / Elimination	HAV Group ASA
Operating revenues (External)	105,0	41,9	53,0	0,1	0,0	199,9
Other operating revenues	0,3	0,0	0,1	0,0	0,0	0,4
Total Operating income	105,9	42,6	53,9	0,1	-2,1	200,3
EBITDA	56,0	7,8	4,3	-1,6	-2,7	63,8
Depreciation	0,7	1,7	1,6	0,0	0,2	4,2
Operating profit/loss (EBIT)	55,3	6,1	2,7	-1,6	-2,9	59,6
Net financial items	0,3	0,4	-0,6	-0,1	-0,9	-1,0
Profit/Loss before tax	55,5	6,6	2,1	-1,8	-3,8	58,7
Total assets	298,2	228,7	125,8	10,4	-95,5	567,6
Equity	69,2	40,8	15,8	8,5	7,6	141,9
Liabilities	229,0	187,9	110,0	1,9	-103,1	425,7
2022 Q2 (Unaudited)						
(NOK million)	Ship Design	Energy Design & Smart Control	Water treatment systems	Hydrogen-based energy systems	Other / Elimination	HAV Group ASA
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
Operating income	31,1	67,9	63,7	0,5	-3,3	159,9
EBITDA	9,3	5,6	6,8	-1,5	-1,7	18,4
Depreciation	1,2	1,5	1,6	0,0	0,2	4,5
Operating profit/loss (EBIT)	8,0	4,1	5,2	-1,5	-1,9	13,9
Net financial items	3,6	0,1	-0,1	0,0	-0,7	2,9
Profit/Loss before tax	11,6	4,2	5,1	-1,5	-2,6	16,8
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

SEGMENTS Q2 2023

Ship Design

- EBIT of NOK 55.3 million / 52.2% in the second quarter of 2023.
- Profit before tax of NOK 55.5 million / 52.4% in the second quarter of 2023.
- The quarterly figures includes a **positive One-off effect on revenue and profits. This affected by reversal of previously accounted provision of NOK 46.9 million.**

Energy Design & Smart Control Systems

- EBIT of NOK 6.1 million / 14.4% in the second quarter of 2023.
- Profit before tax of NOK 6.6 million / 15.4% in the second quarter of 2023.

Water Treatment Systems

- EBIT of NOK 2.7 million / 5.0% in the second quarter of 2023.
- Profit before tax of NOK 2.1 million / 4.0% in the second quarter of 2023.

Hydrogen-based Energy Systems

- EBIT of NOK -1.5 million in the second quarter of 2023.
- Profit before tax of NOK -1.5 million in the second quarter of 2023.
- Main focus is further product development and market entry with maritime hydrogen systems.

SEGMENT INFORMATION

2023 YTD Q2 (Unaudited)						
(NOK million)	Ship Design	Energy Design & Smart Control	Water treatment systems	Hydrogen-based energy systems	Other / Elimination	HAV Group ASA
Operating revenues (External)	123,2	92,8	93,7	0,3	0,0	309,8
Other operating revenues	0,6	0,0	0,2	0,0	0,0	0,8
Total Operating income	125,7	94,2	94,9	0,3	-4,4	310,6
EBITDA	52,3	5,5	5,8	-3,9	-7,5	52,2
Depreciation	1,3	3,3	3,3	0,0	0,5	8,3
Operating profit/loss (EBIT)	50,9	2,2	2,6	-3,9	-8,0	43,9
Net financial items	0,5	2,2	0,9	-0,2	-1,8	1,6
Profit/Loss before tax	51,4	4,4	3,5	-4,1	-9,7	45,5
Total assets	298,2	228,7	125,8	10,4	-95,5	567,6
Equity	69,2	40,8	15,8	8,5	7,6	141,9
Liabilities	229,0	187,9	110,0	1,9	-103,1	425,7
2022 YTD Q2 (Unaudited)						
(NOK million)	Ship Design	Energy Design & Smart Control	Water treatment systems	Hydrogen-based energy systems	Other / Elimination	HAV Group ASA
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
Operating income	52,2	163,3	145,6	1,0	-3,5	358,7
EBITDA	10,8	7,9	16,3	-2,6	-1,8	30,6
Depreciation	2,5	2,8	3,1	0,0	0,2	8,7
Operating profit/loss (EBIT)	8,3	5,0	13,2	-2,6	-2,0	22,0
Net financial items	2,6	-0,3	-1,6	0,0	-1,2	-0,5
Profit/Loss before tax	10,9	4,8	11,6	-2,7	-3,2	21,4
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

SEGMENTS YTD 2023

Ship Design

- EBIT of NOK 50.9 million / 40.5% YTD 2023.
- Profit before tax of NOK 51.4 million / 40.9% YTD 2023.
- The figures includes a positive One-off effect on revenue and profits. This affected by reversal of previously accounted provision of NOK 46.9 million.

Energy Design & Smart Control Systems

- EBIT of NOK 2.2 million / 2.4% YTD 2023.
- Profit before tax of NOK 4.4 million / 4.7% YTD 2023.

Water Treatment Systems

- EBIT of NOK 2.6 million / 2.7% YTD 2023.
- Profit before tax of NOK 3.5 million / 3.7% YTD 2023.

Hydrogen-based Energy Systems

- EBIT of NOK -3.9 million YTD 2023..
- Profit before tax of NOK -4.1 million YTD 2023.
- Main focus is further product development and market entry with maritime hydrogen systems.

EQUITY

(NOK 1,000)

	Share capital	Share premium reserve	Treasury shares	Retained earnings	Total	Non-controlling interest	Total equity
January 1, 2023	35 000	87 202	-1 639	-10 586	109 978	2 562	112 541
Profit for the Year				45 339	45 339	214	45 553
Currency translation differences				518	518	97	615
Purchase of own shares			-1 637	-15 192	-16 829		-16 829
June 30, 2023	35 000	87 202	-3 276	20 079	139 006	2 873	141 879

- 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, 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.

CONSOLIDATED STATEMENT OF CASH FLOW

HAV Group ASA

(NOK 1 000)	YTD 2023	YTD 2022	2022
	Unaudited	Unaudited	Audited
CASH FLOW FROM OPERATIONS			
Profit/(loss) before tax	45 465	21 405	4 305
Tax paid	0		-3 218
Depreciation	8 309	8 660	17 807
Net financial items	-1 583	-546	-2 336
Changes in inventory	-6 496	-9 217	-5 883
Changes in accounts receivable	-29 980	11 982	2 900
Changes in accounts payable	12 715	25 306	-12 590
Changes in other current receivables/liabilities	52 762	-80 666	-71 383
Net cash flow from/(to) operating activities	81 191	-23 077	-70 400
CASH FLOW FROM INVESTMENTS			
Investments in property, plant and equipment	-7 438	-1 968	-4 729
Investment in intangible assets	-10 188	-2 749	-10 345
Purchase of shares in subsidiary	-107	-9 668	-9 668
Purchase of shares in associated company	-	-2 000	-2 000
Interest income	438	0	1 690
Net cash flow used in investing activities	-17 295	-16 385	-25 052
CASH FLOW FROM FINANCING ACTIVITIES			
Interest payment	-1 579	-1 538	-3 357
Repayment non-current debt	-9 937	-10 402	-20 340
Purchase of own shares	-16 829	-24 762	-32 894
Net cash flow from/ (used in) financing activities	-28 345	-36 702	-56 591
Net change in cash and cash equivalents	35 550	-76 163	-152 042
Cash and cash equivalents at start of the period	223 848	375 888	375 888
Cash and cash equiv.recognised in the balance sheet	259 398	299 724	223 848
Restricted cash at end of period	4 744	4 134	6 047

CASH FLOW

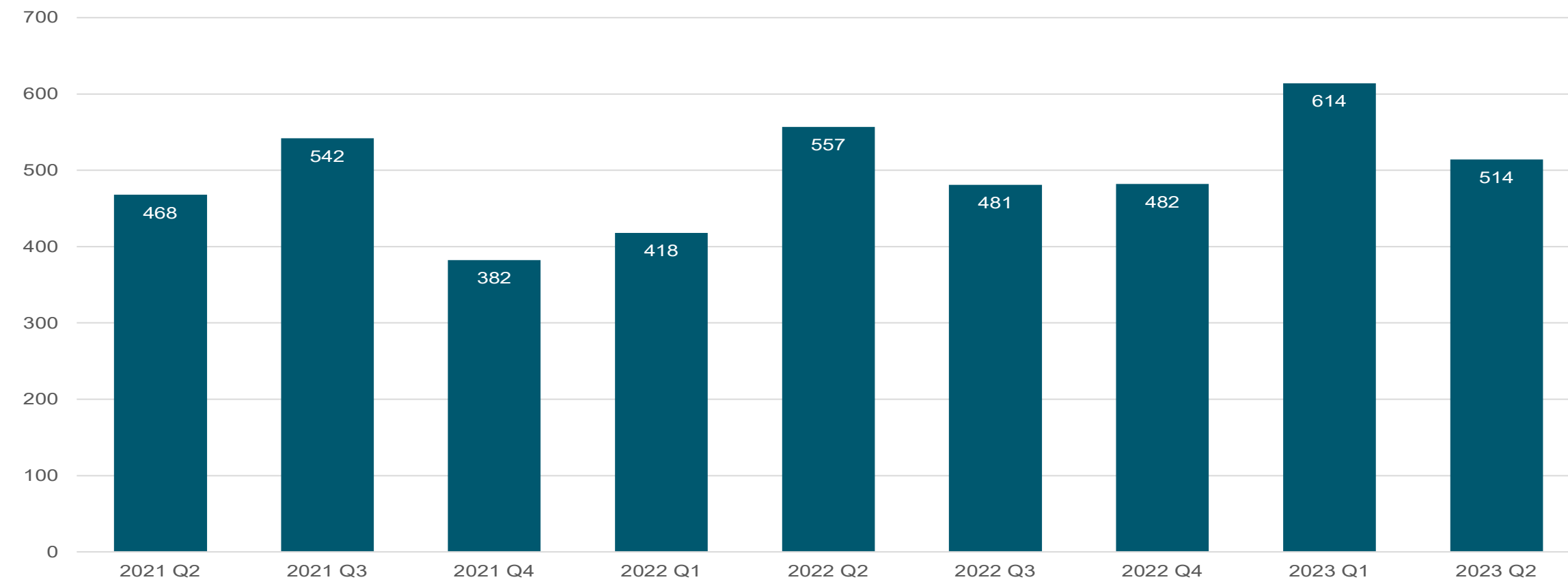
Aggregate cash flow from operating activities is positive with NOK 81.2 million YTD 2023, compared to a negative cash flow of NOK 23.1 million YTD 2022. The main reason for the positive cash flow from operations in 2023 is increase in advance payment from customers. **The reversal of previously accounted provision has net zero effect** in cash flow from operations.

Aggregate cash flow from investing activities was negative with NOK 17.3 million YTD 2023, compared to a negative cash flow of NOK -16.4 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 28.3 million YTD 2023, compared to a negative cash flow of NOK 36.7 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 514 million as of the end of Q2 2023, a decrease of NOK 100 millions compared to Q1 2023.

Book- to-bill 0.35 for Q2.2023

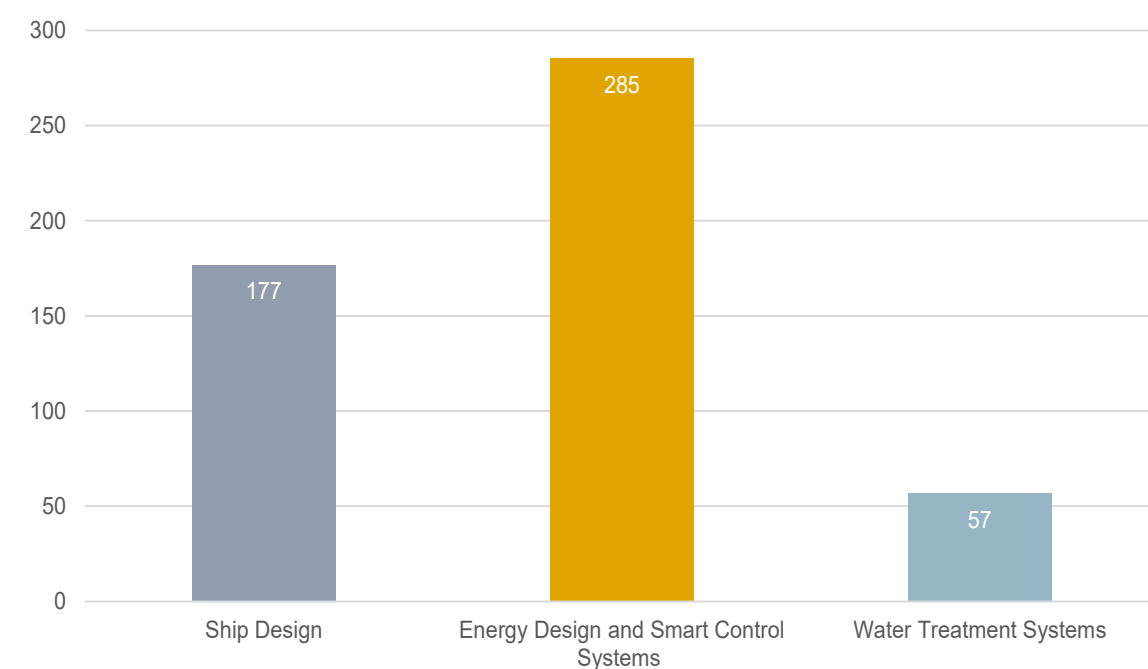
New order signed July 23

Order for both ship design and an integrated equipment package to vessel owned by Esvagt. The total contract value is approximately NOK 200 million, not included in backlog per Q2.

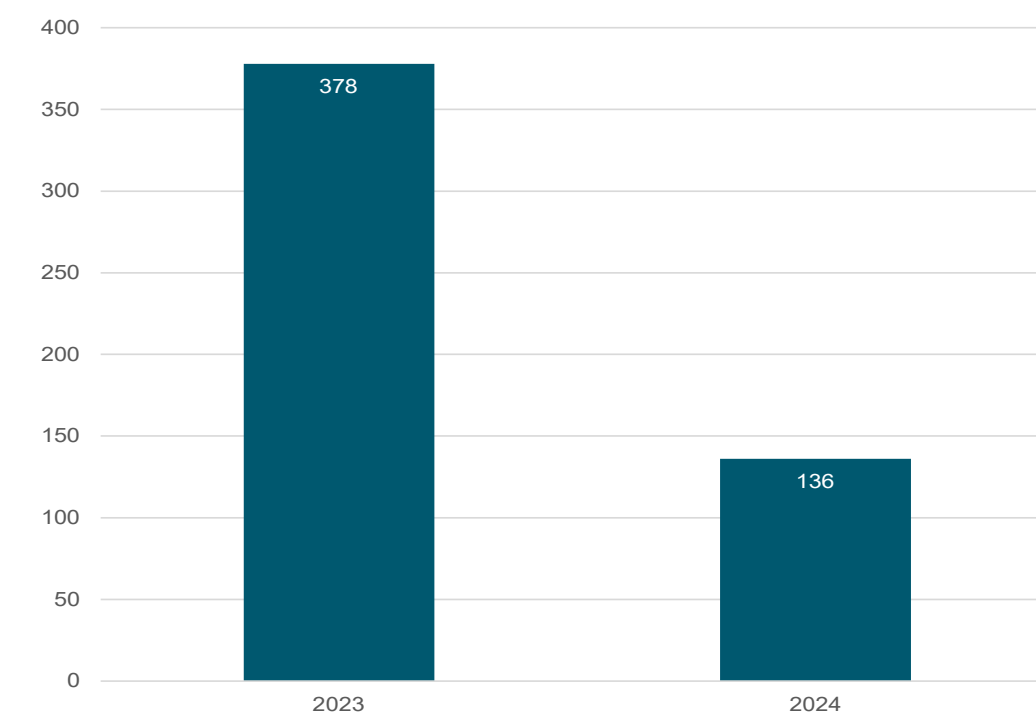
“Fleet-agreements” for ballast water treatment systems signed by different ship owners are not included in the official backlog figures in the Water

12

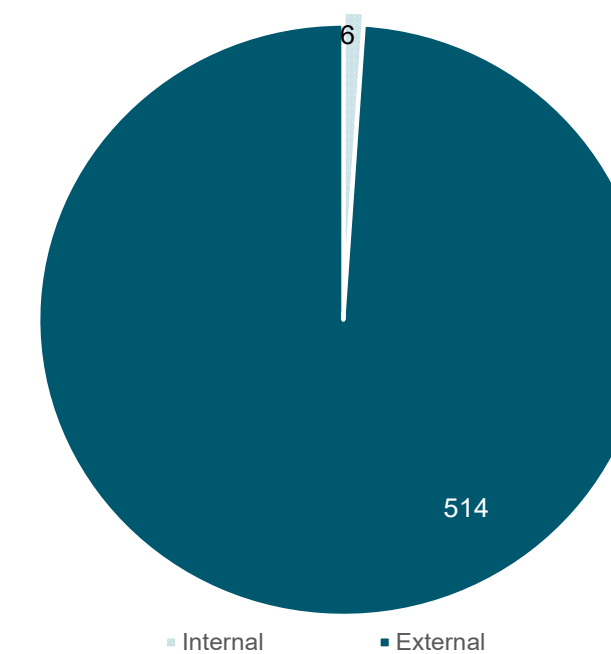
AGGREGATED ORDER BACKLOG PER SEGMENT



EXTERNAL ORDER BACKLOG BY DELIVERY YEAR



AGGREGATED ORDER BACKLOG



SHARES AND SHAREHOLDERS

Shareholders as of 30.06.2023	Controlled by	Number of shares	Ownership
HAVILA HOLDING AS		8 737 827	25,0 %
HAV GROUP ASA		3 272 812	9,4 %
FARVATN CAPITAL AS		2 408 909	6,9 %
NORDNET LIVSFORSIKRING AS		1 690 273	4,8 %
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		736 159	2,1 %
AVANZA BANK AB		516 055	1,5 %
UCVO AS		409 779	1,2 %
PISON AS		375 726	1,1 %
OTHER SHAREHOLDERS (<1 %)		11 165 567	31,9 %
Number of shares		35 000 000	100 %

SHARES AND SHAREHOLDERS

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

All shares have equal rights.

In total 4 003 shareholders per Q2 2023.

HAV Group ASA had 3 272 812 / 9,4% treasury shares per Q2 2023.

