

HAV Group ASA

Q4 - QUARTERLY 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.

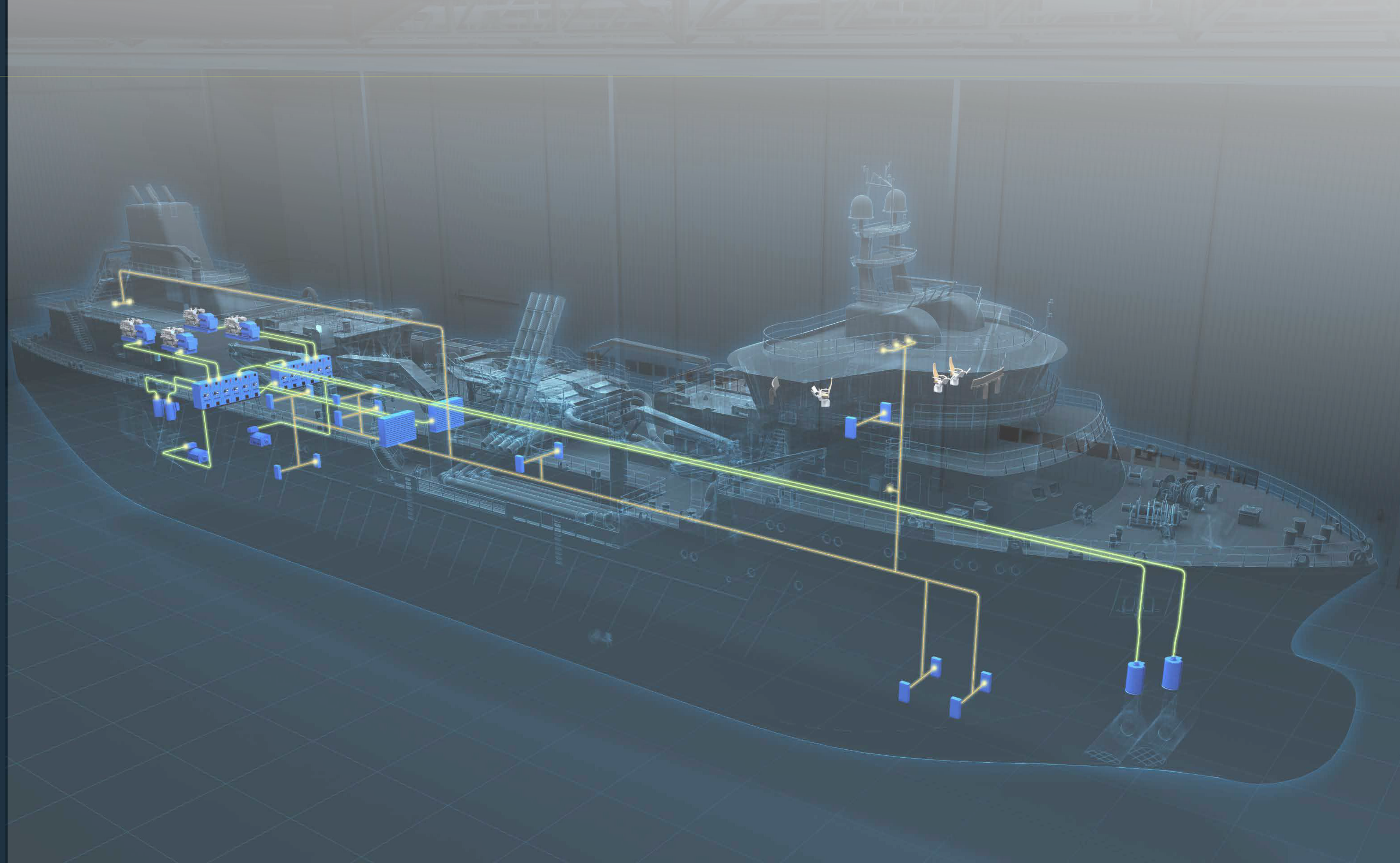
The Group's vision is
"A sustainable future at sea".

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.

2

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.



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.



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.



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.



HIGHLIGHTS in Q4 2023

- Turnover of NOK 113.5 million (126.5)
- EBITDA of NOK -18.9 million / -16.7% (-16.1 / 12.7%)
- EBIT of NOK -23.2 million / -20.4% (-20.7 / 16.4%)
- Weaker EBIT second half year as guided in Q2 presentation, primarily caused by differences in project mix and maintained capacity levels
- Profit before tax in Q4 of NOK -25.7 million/ -22.6%
- Cash position of NOK 152 million.

Key Milestones in Q4 2023

- Order intake of NOK 109.8 million
= book-to-bill of x0.97
- Fjord1 committed to utilise HAV Group as technology partner and key supplier to four newbuild, autonomous zero-emission ferries on Lavik-Oppedal route – could become one of HAV Group’s largest contracts ever.
- Norwegian Electric Systems contract for onshore charging system to Scandlines

Subsequent events

- HAV Design signed contract for design and integrated equipment package for a new SOV to ESVAGT
- HAV Design signed contract for design of Lavik-Oppedal ferries
- HAV Hydrogen receives funding for H2 energy system

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 2024.

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 expects revenue to grow in 2024 (vs 2023) and increase further in 2025.

As projects in the sales pipeline has been delayed, HAV Group expects to reach its earlier communicated NOK 1.3 billion revenue ambition in 2026.



CONSOLIDATED STATEMENT OF PROFIT OR LOSS

HAV Group ASA

(NOK 1 000)	Q4 2023	Q4 2022	2023	2022
	Unaudited	Unaudited	Unaudited	Audited
Revenue	113 082	125 780	615 561	620 342
Other operating revenues	371	692	1 539	1 473
Operating income	113 453	126 472	617 101	621 815
Materials and consumables	60 861	83 960	360 634	392 155
Payroll expenses	48 131	38 346	161 137	141 036
Other operating expenses	23 407	20 289	79 098	68 848
Operating expenses	132 399	142 596	600 869	602 040
EBITDA	-18 946	-16 123	16 232	19 776
5 Depreciation	4 251	4 621	16 988	17 807
Operating profit/loss (EBIT)	-23 197	-20 744	-756	1 969
Financial income	4 735	7 375	29 202	20 119
Financial expenses	7 198	4 634	27 277	17 783
Profit / loss before tax	-25 660	-18 004	1 169	4 305
Earnings per share (before tax)	-0,73	-0,51	0,03	0,12

INCOME STATEMENT

The operating income for HAV Group in the fourth quarter of 2023 was NOK 113.5 million, compared to NOK 126.5 million in the fourth quarter of 2022.

For the fourth quarter of 2023, the Group recorded profit before interest, tax and depreciation / amortisation (EBITDA) of NOK -18.9 million, while the EBITDA for the fourth quarter of 2022 was NOK -16.1 million. This corresponded to an EBITDA margin of -16.7% in the fourth quarter of 2023 compared to -12.7% in the fourth quarter of 2022.

The operating income for HAV Group YTD 2023 was NOK 617.1 million, compared to NOK 621.8 million YTD 2022. The EBITDA YTD 2023 was 16.2 million (2.6%) versus 19.8 million (3.2%) in 2022.

The consolidated figures are presented according NGAAP standard. For more info related to accounting principles, please see Annual Report 2022.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

HAV Group ASA

(NOK 1 000)	2023	2022
ASSETS	Unaudited	Audited
Non-current assets		
Licenses, patents and R&D	90 275	77 292
Total intangible assets	90 275	77 292
Fixed assets		
Property, plant and equipment	10 441	6 178
Total tangible fixed assets	10 441	6 178
Investment in associated company	0	2 000
Financial fixed assets	141	136
Financial fixed assets	141	2 136
Total fixed assets	100 856	85 606
Current Assets		
Inventory	36 342	26 463
Accounts receivable	55 979	82 632
Accrued revenue	8 885	10 493
Other current receivables	73 427	50 785
Total receivables	174 634	170 373
Cash and bank deposits	151 977	223 847
Total current assets	326 610	394 220
TOTAL ASSETS	427 466	479 826

(NOK 1 000)	2023	2022
EQUITY AND LIABILITIES	Unaudited	Audited
Equity		
Paid-in Equity	122 202	122 202
Retained earnings	-24 019	-10 586
Treasury shares	-3 591	-1 638
Non-controlling interests	2 306	2 562
Total equity	96 897	112 541
Liabilities		
Deferred tax liability	9 555	8 252
Total provisions for liabilities	9 555	8 252
Other long-term liabilities		
Liabilities to Financial institutions	26 821	46 192
Other long-term liabilities	4 686	1 535
Total other long term liabilities	31 507	47 727
Total long term liabilities	41 062	55 978
Current liabilities		
Accounts payable	43 964	40 182
Tax payable	0	0
Public duties payable	17 763	11 929
Advance payment from customers	174 132	192 860
Other current liabilities	53 647	66 336
Total current liabilities	289 507	311 307
Total liabilities	330 569	367 286
TOTAL EQUITY AND LIABILITIES	427 466	479 826

FINANCIAL POSITION

The total assets in the Group are NOK 427.5 million year end 2023 versus NOK 479.8 million at end of 2022.

Current assets decreased from NOK 394.2 million year end 2022 to NOK 326.6 million year end 2023. Cash and bank deposit decreased by NOK 71.9 million and total receivables increased by NOK 7.7 million from year end.

The total equity has decreased by NOK 15.6 million to NOK 96.9 million per Q4 2023. This is mainly caused by purchase of own shares in the period. The equity ratio has decreased from 23.5% year end 2022 to 22.7% per year end 2023.

Total liabilities decreased from NOK 367.3 million at year end 2022 to NOK 330.6 million year end 2023. Main reason is decrease in advance payments from customers.

The consolidated figures are presented according NGAAP standard. For more info related to accounting principles, please see Annual Report 2022.

SEGMENT INFORMATION

2023 Q4 (Unaudited)						
(NOK million)	Ship Design	Energy Design & Smart Control	Water treatment systems	Hydrogen-based energy systems	Other / Elimination	HAV Group ASA
Operating revenues (External)	22,8	68,0	22,1	0,2	0,0	113,1
Other operating revenues	0,3	0,0	0,1	0,0	0,0	0,4
Total Operating income	23,8	68,0	22,2	0,2	-0,7	113,5
EBITDA	0,8	-9,7	-1,2	-2,2	-6,6	-18,9
Depreciation	0,6	1,8	1,6	0,0	0,2	4,3
Operating profit/loss (EBIT)	0,2	-11,5	-2,9	-2,2	-6,8	-23,2
Net financial items	0,9	-1,8	-0,5	-0,2	-1,0	-2,5
Profit/Loss before tax	1,1	-13,3	-3,3	-2,4	-7,8	-25,7
Total assets	195,3	171,9	104,4	8,6	-52,8	427,5
Equity	68,2	30,4	8,2	6,3	-16,2	96,9
Liabilities	127,1	141,5	96,2	2,4	-36,6	330,6
2022 Q4 (Unaudited)						
(NOK million)	Ship Design	Energy Design & Smart Control	Water treatment systems	Hydrogen-based energy systems	Other / Elimination	HAV Group ASA
Operating revenues (External)	39,8	43,8	40,9	1,3	13,6	139,4
Other operating revenues	0,6	0,0	0,1	0,0	-13,5	-12,8
Operating income	41,3	54,7	41,1	1,3	-11,8	126,5
EBITDA	1,6	-19,0	8,8	-1,1	-6,4	-16,1
Depreciation	1,3	1,5	1,6	0,0	0,2	4,6
Operating profit/loss (EBIT)	0,3	-20,5	7,2	-1,1	-6,6	-20,7
Net financial items	1,1	3,4	-0,9	0,0	-0,9	2,7
Profit/Loss before tax	1,4	-17,1	6,2	-1,2	-7,5	-18,0
Total assets	266,6	182,7	106,4	9,4	-85,4	479,8
Equity	17,6	35,8	12,4	6,7	40,1	112,5
Liabilities	249,0	147,0	94,1	2,7	-125,5	367,3

SEGMENTS Q4 2023

Ship Design

- EBITDA of NOK 0.8 million / 3.5% in the fourth quarter of 2023.
- Profit before tax of NOK 1.1 million / 4.8% in the fourth quarter of 2023.

Energy Design & Smart Control Systems

- EBITDA of NOK -9.7 million / -14.3% in the fourth quarter of 2023.
- Profit before tax of NOK -13.3 million / -19.5% in the fourth quarter of 2023.

Water Treatment Systems

- EBITDA of NOK -1.2 million / -5.6% in the fourth quarter of 2023.
- Profit before tax of NOK -3.3 million / -15.0% in the fourth quarter of 2023.

Hydrogen-based Energy Systems

- EBITDA of NOK -2.2 million in the fourth quarter of 2023.
- Profit before tax of NOK -2.4 million in the fourth quarter of 2023.
- Main focus is further product development and market entry with maritime hydrogen systems.

SEGMENT INFORMATION

2023 YTD Q4 (Unaudited)						
(NOK million)	Ship Design	Energy Design & Smart Control	Water treatment systems	Hydrogen-based energy systems	Other / Elimination	HAV Group ASA
Operating revenues (External)	245,1	215,6	154,4	0,5	0,0	615,6
Other operating revenues	1,3	0,0	0,3	0,0	0,0	1,5
Total Operating income	249,3	220,8	156,0	0,5	-9,5	617,1
EBITDA	50,1	-10,5	3,1	-8,1	-18,4	16,2
Depreciation	2,6	7,0	6,5	0,0	0,8	17,0
Operating profit/loss (EBIT)	47,5	-17,5	-3,4	-8,2	-19,2	-0,8
Net financial items	2,9	3,9	-0,7	-0,6	-3,6	1,9
Profit/Loss before tax	50,4	-13,6	-4,1	-8,7	-22,8	1,2
Total assets	195,3	171,9	104,4	8,6	-52,8	427,5
Equity	68,2	30,4	8,2	6,3	-16,2	96,9
Liabilities	127,1	141,5	96,2	2,4	-36,6	330,6
2022 YTD Q4 (Unaudited)						
(NOK million)	Ship Design	Energy Design & Smart Control	Water treatment systems	Hydrogen-based energy systems	Other / Elimination	HAV Group ASA
Operating revenues (External)	151,1	238,4	226,2	2,7	1,8	620,3
Other operating revenues	1,4	0,0	0,1	0,0	0,0	1,5
Operating income	155,4	268,6	226,7	2,8	-31,7	621,8
EBITDA	15,7	-11,5	30,8	-5,4	-9,9	19,8
Depreciation	5,0	5,9	6,3	0,0	0,7	17,8
Operating profit/loss (EBIT)	10,7	-17,3	24,5	-5,4	-10,5	2,0
Net financial items	-0,3	6,6	-1,2	-0,1	-2,7	2,3
Profit/Loss before tax	10,5	-10,7	23,3	-5,6	-13,2	4,3
Total assets	266,6	182,7	106,4	9,4	-85,4	479,8
Equity	17,6	35,8	12,4	6,7	40,1	112,5
Liabilities	249,0	147,0	94,1	2,7	-125,5	367,3

SEGMENTS YTD 2023

Ship Design

- EBITDA of NOK 50.1 million / 20.1% YTD 2023.
- Profit before tax of NOK 50.4 million / 20.2% 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

- EBITDA of NOK -10.5 million / -4.7% YTD 2023.
- Profit before tax of NOK -13.6 million / -6.2% YTD 2023.

Water Treatment Systems

- EBITDA of NOK 3.1 million / 2.0% YTD 2023.
- Profit before tax of NOK -4.1 million / -2.6% YTD 2023.

Hydrogen-based Energy Systems

- EBITDA of NOK -8.1 million YTD 2023.
- Profit before tax of NOK -8.7 million YTD 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)	2023	2022
	Unaudited	Audited
CASH FLOW FROM OPERATIONS		
Profit/(loss) before tax	1 169	4 305
Tax paid		-3 218
Depreciation	16 988	17 807
Net financial items	-1 924	-2 336
Changes in inventory	-9 879	-5 883
Changes in accounts receivable	26 652	2 900
Changes in accounts payable	3 782	-12 590
Changes in other current receivables/liabilities	-35 297	-71 383
Net cash flow from/(to) operating activities	1 489	-70 400
CASH FLOW FROM INVESTMENTS		
Investments in property, plant and equipment	-7 739	-4 729
Investment in intangible assets	-25 829	-10 345
Purchase of shares in subsidiary	-2 000	-9 668
Purchase of shares in associated company	0	-2 000
Sale of shares in associated company	1 800	0
Interest income	3 571	1 690
Net cash flow used in investing activities	-30 198	-25 052
CASH FLOW FROM FINANCING ACTIVITIES		
Interest payment	-3 015	-3 357
Repayment non-current debt	-19 371	-20 340
Purchase of own shares	-20 777	-32 894
Net cash flow from/ (used in) financing activities	-43 163	-56 591
Net change in cash and cash equivalents	-71 871	-152 042
Cash and cash equivalents at start of the period	223 848	375 888
Cash and cash equiv. recognised in the balance sheet	151 977	223 848
Restricted cash at end of period	8 634	6 047

CASH FLOW

Aggregate cash flow from operating activities is positive with NOK 1.5 million YTD 2023, compared to a negative cash flow of NOK -70.4 million YTD 2022. The reversal of previously accounted provision has net zero effect in cash flow from operations.

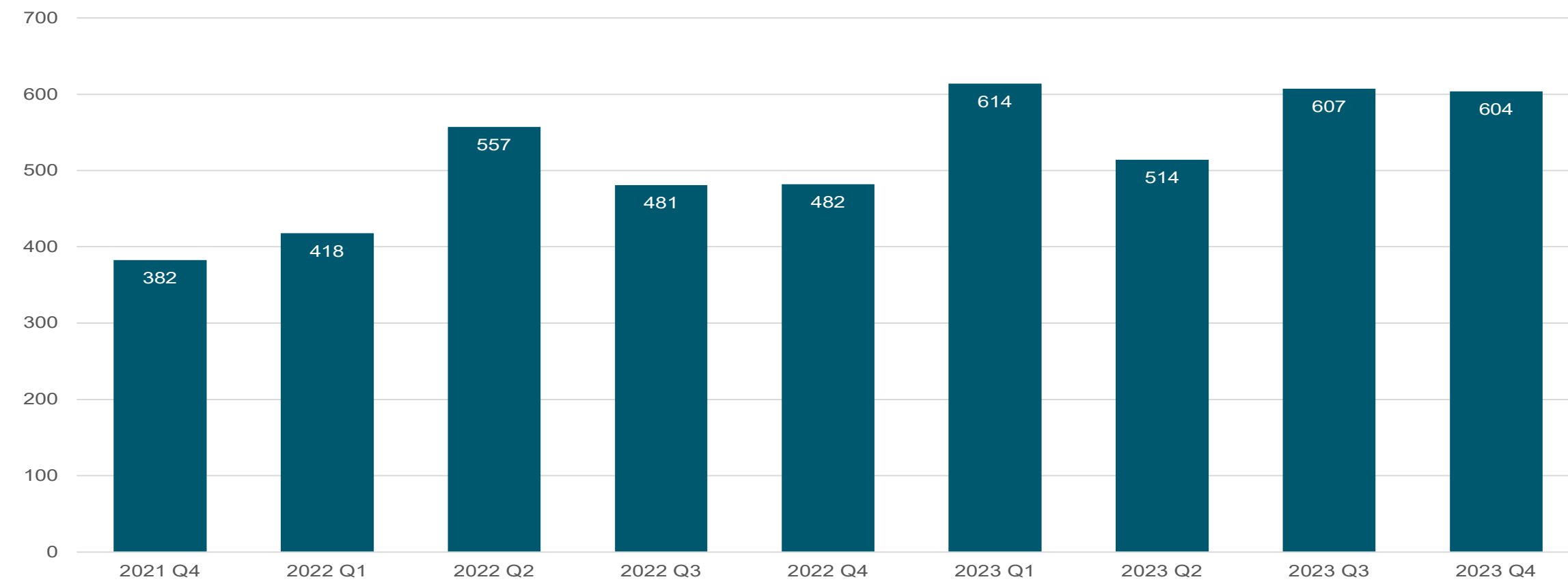
Aggregate cash flow from investing activities was negative with NOK 30.2 million YTD 2023, compared to a negative cash flow of NOK -25.1 million YTD 2022. The negative cash flow from investments is mainly related to investment in R&D, IT infrastructure, and purchase of Undheim Systems AS.

Aggregate cash flow from financing activities is negative with NOK -43.2 million YTD 2023, compared to a negative cash flow of NOK -56.6 million YTD 2022. The negative cash-flow from financing activities is related purchase of own shares and payment of debt/interest.

The consolidated figures are presented according NGAAP standard. For more info related to accounting principles, please see Annual Report 2022.

ORDER BACKLOG

HISTORICAL DEVELOPMENT OF EXTERNAL BACKLOG



ORDER STATUS

The external order back-log is NOK 604 million as of the end of Q4 2023, a decrease of NOK 3 millions compared to Q3 2023.

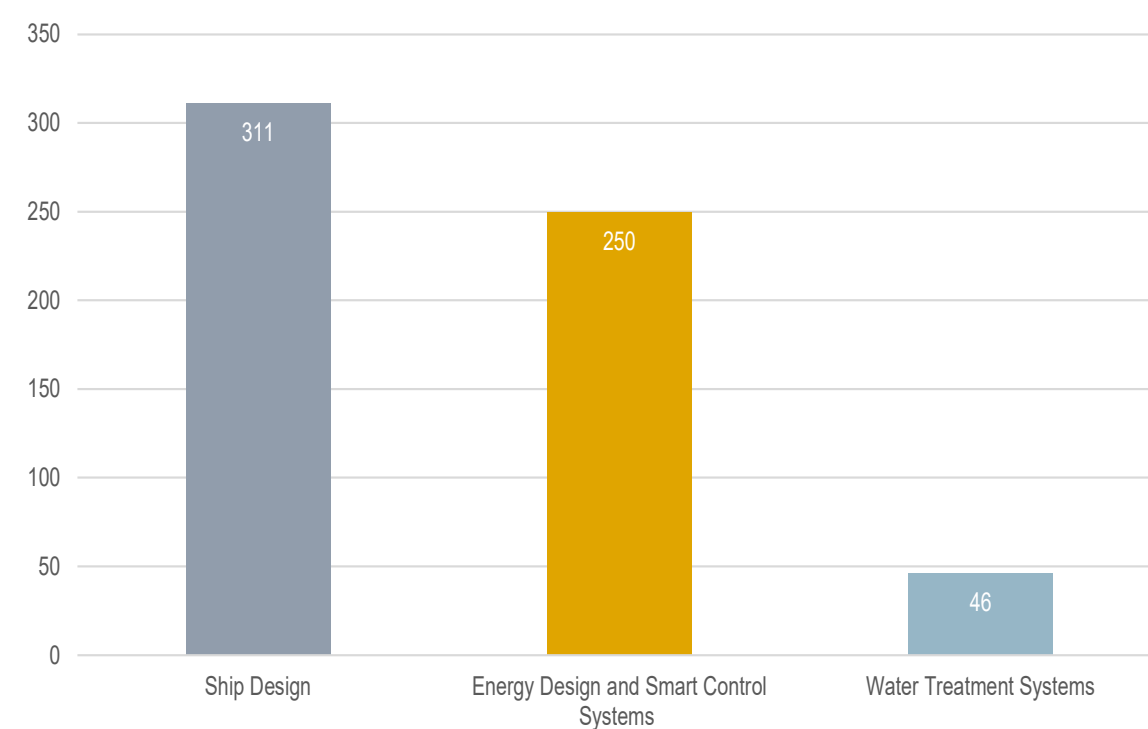
Book- to-bill 0.97 for Q4.2023

“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.

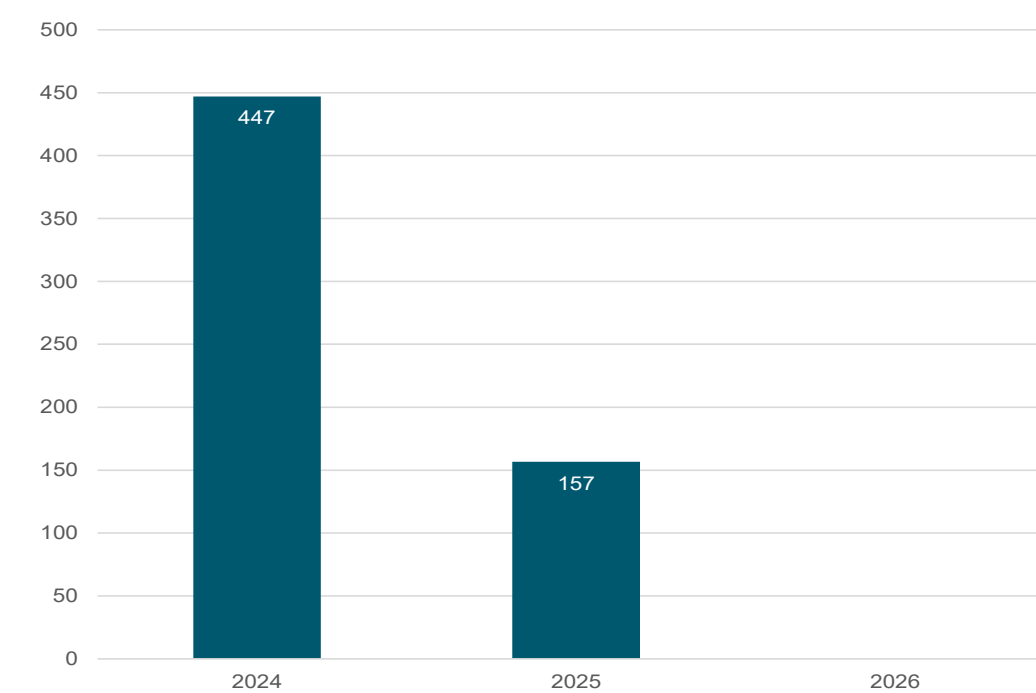
Subsequent events

- HAV Design signed order for design and integrated equipment package for a new SOV to ESVAGT
- HAV Design signed contract for design to ferries to Lavik-Oppedal ferries

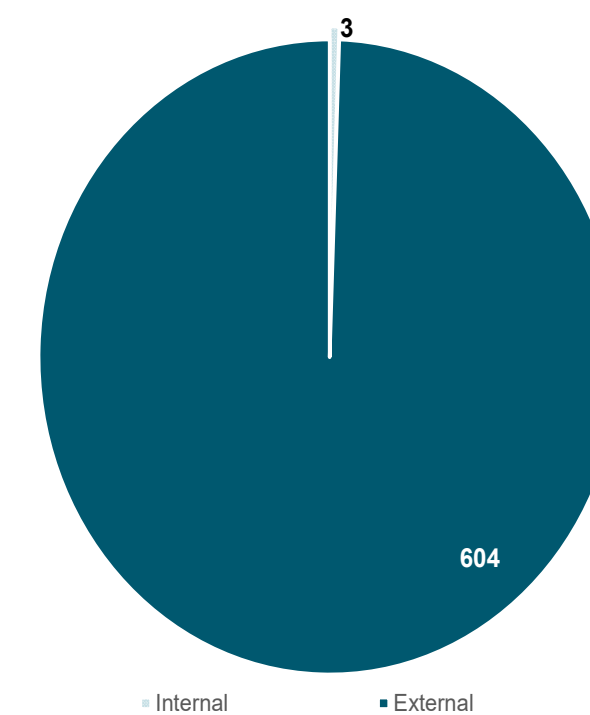
AGGREGATED ORDER BACKLOG PER SEGMENT



EXTERNAL ORDER BACKLOG BY DELIVERY YEAR



AGGREGATED ORDER BACKLOG



SHARES AND SHAREHOLDERS

Shareholders as of 31.12.2023	Controlled by	Number of shares	Ownership
HAVILA HOLDING AS		8 737 827	24,97 %
HAV GROUP ASA		3 336 078	9,53 %
FARVATN CAPITAL AS		2 408 909	6,88 %
NORDNET LIVSFORSIKRING AS		1 920 003	5,49 %
MP PENSJON PK		1 534 856	4,39 %
EMINI INVEST AS		1 127 179	3,22 %
HSR INVEST AS	Hege Sævik Rabben (Board)	1 127 179	3,22 %
INNIDIMMAN AS	Vegard Sævik (Ch.of Board)	1 127 179	3,22 %
JAHATT AS		770 500	2,20 %
UCVO AS		509 718	1,46 %
PISON AS		375 726	1,07 %
AVANZA BANK AB		374 913	1,07 %
OTHER SHAREHOLDERS (<1 %)		11 649 933	33,3 %
Number of shares		35 000 000	100 %

11

SHARES AND SHAREHOLDERS

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

All shares have equal rights.

In total 3 785 shareholders per year end 2023.

HAV Group ASA had 3 336 078 / 9,53% treasury shares per year end 2023.

