

HAV Group ASA

Q3 - QUARTERLY REPORT 2024



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.

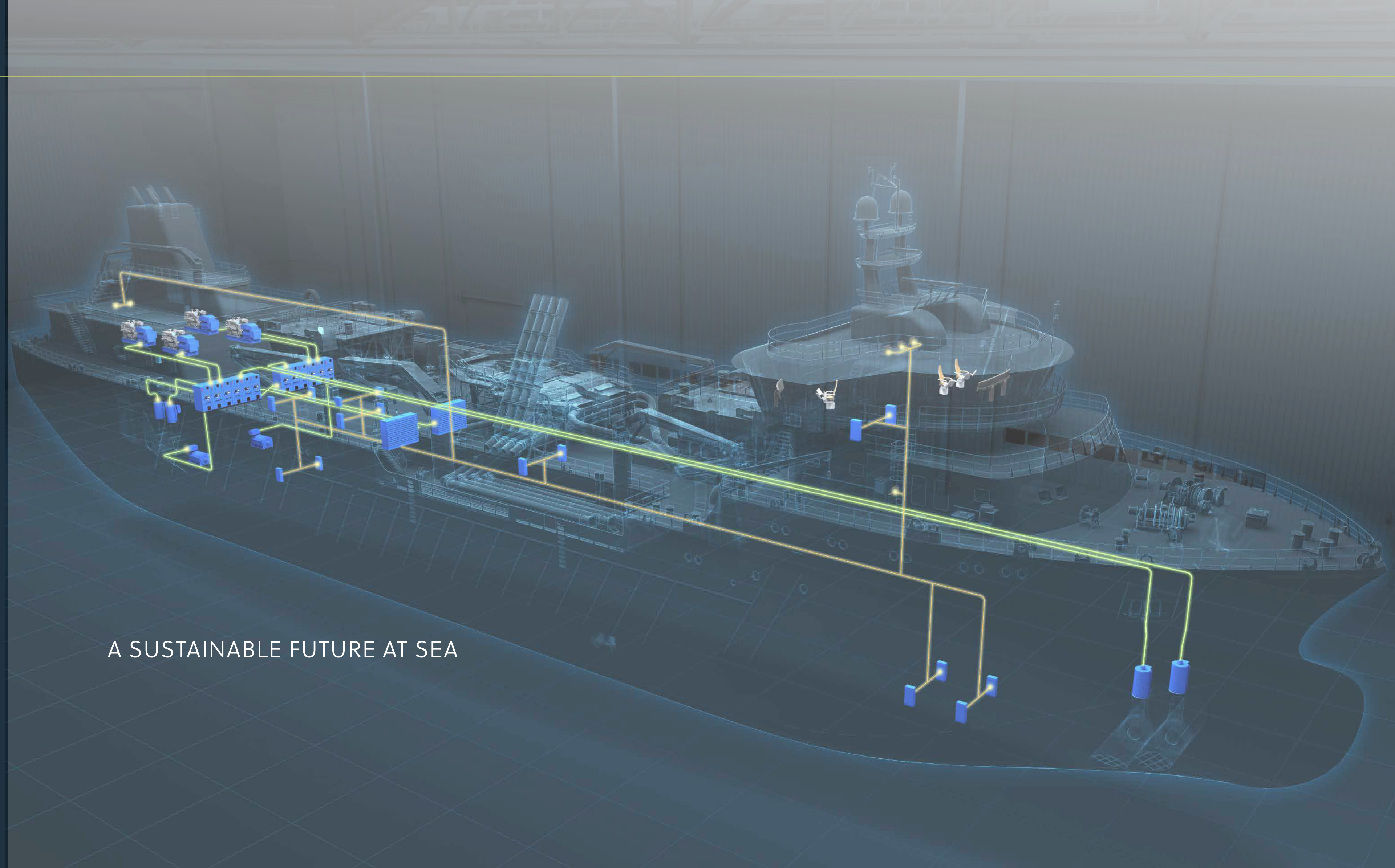
The Group's vision is
"A sustainable future at sea".

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.



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 on 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 Q3 2024

- Turnover of NOK 134.8 million (193.0)
- EBITDA of NOK -24.8million / -18.4% (-17.0 / -8.8%)
- EBIT of NOK -28.9 million / -21.5% (-21.4. / 11.1%)

- Profit before tax in Q3 of NOK -19.0 million/ -14.1%
- Cash position of NOK 149.0 million

Key Milestones in Q3 2024

- Order intake of NOK 70 million
- Book-to-bill of x0.52
- Order backlog MNOK 1.322

- Norwegian Electric Systems first contract for delivery of battery package to live fish carrier.

- Norwegian Electric Systems has signed a contract, for energy design, smart control and equipment.

Subsequent events

- Norwegian Electric Systems contract for delivery of complete energy design, integrated automation system and its future oriented bridge system and battery package to field support vessel.

STATUS AND OUTLOOK

HAV Group's revenue decline versus the third quarter last year was largely driven by lower levels of trading. However, revenue and margin were also negatively impacted by progress in customers' projects. This had a knock-on effect on HAV Group's delivery schedules and associated revenue and profit in the quarter.

Recent contract wins are still in start-up phase and have not yet started to generate noticeable income/ margin contribution.

Global megatrends, including regulatory changes as well as increasing pressure on vessel and cargo owners to remain competitive, provide

commercial incentives and regulatory requirements for the maritime industry to invest in vessels' lifecycle performance. HAV Group possesses the technologies and products that enable shipowners to optimize their vessels' operational, financial and environmental performance.

Increased investments in offshore energy are creating market opportunities for HAV Group's solutions and products, and requests for sustainable solutions are providing prospects in the shipbuilding market.

Further, the aquaculture industry is increasingly presenting HAV Group's subsidiary companies with market opportunities. Tender activity therefore

remains high across HAV Group's segments, but certain investment decisions are seeing delays.

Subsidiary Norwegian Greentech is in the final stage of contract negotiations with a customer within the segment of land-based aquaculture. Expected contract value is approx. NOK 10 million.

HAV Group expects revenue to grow in 2024 (vs 2023), and that revenue will grow significantly in 2025 on the back of recent contract wins and healthy tender activity, with associated margin improvements.



CONSOLIDATED STATEMENT OF PROFIT OR LOSS

HAV Group ASA

(NOK 1 000)	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue	134 373	192 637	453 483	502 480	615 433
Other operating revenues	418	365	1 594	1 168	1 668
Operating income	134 791	193 002	455 077	503 648	617 101
				0	
Materials and consumables	81 196	149 288	288 015	299 773	367 779
Payroll expenses	59 402	44 625	146 921	113 006	161 137
Other operating expenses	18 988	16 102	62 920	55 691	79 095
Operating expenses	159 586	210 015	497 855	468 470	608 011
EBITDA	-24 795	-17 013	-42 779	35 177	9 090
Depreciation	4 135	4 428	12 045	12 737	16 988
Operating profit/loss (EBIT)	-28 930	-21 441	-54 824	22 441	- 7 898
Financial income	14 642	11 187	29 336	24 467	29 203
Financial expenses	4 726	8 383	21 763	20 079	27 281
Profit / loss before tax	-19 015	-18 636	-47 251	26 828	-5 976
Earnings per share (before tax)	-0.54	-0.53	-1.35	0.77	-0.12

INCOME STATEMENT

The operating income for HAV Group in the third quarter of 2024 was NOK 134.8 million, compared to NOK 193.0 million in the third quarter of 2023.

In the third quarter of 2024, the Group recorded profit before interest, tax and depreciation / amortisation (EBITDA) of NOK - 24.8 million, while the EBITDA for the third quarter of 2023 was NOK -17.0 million.

This corresponded to an EBITDA margin of -18.4% in the third quarter of 2024 compared to -8.8% in the third quarter of 2023.

The consolidated figures are presented according NGAAP standard. For more info related to accounting principles, please see Annual Report 2023.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

HAV Group ASA

(NOK 1 000)	YTD 2024	YTD 2023	2023
ASSETS	Unaudited	Unaudited	Audited
Non-current assets			
Licenses, patents and R&D	85 023	88 442	90 275
Total intangible assets	85 023	88 442	90 275
Fixed assets			
Property, plant and equipment	11 181	11 164	10 441
Total tangible fixed assets	11 181	11 164	10 441
Financial fixed assets	56	2 177	141
Total fixed assets	96 260	101 784	100 856
Current Assets			
Inventory	33 130	38 614	36 342
Accounts receivable	253 572	53 895	55 979
Accrued revenue	18 898	9 369	8 885
Other current receivables	114 457	60 749	73 427
Total receivables	420 056	162 626	174 634
Cash and bank deposits	148 816	232 727	151 977
Total current assets	568 873	395 353	326 610
TOTAL ASSETS	665 132	497 137	427 466

(NOK 1 000)	YTD 2024	YTD 2023	2023
EQUITY AND LIABILITIES	Unaudited	Unaudited	Audited
Equity			
Paid-in Equity	122 202	122 202	122 202
Retained earnings	-77 777	2 472	-29 997
Treasury shares	-3 467	-3 624	-3 341
Non-controlling interests	1 342	2 520	2 306
Total equity	42 300	123 571	91 170
Liabilities			
Deferred tax liability	7 452	9 620	7 452
Total provisions for liabilities	7 452	9 620	7 452
Other long-term liabilities			
Liabilities to Financial institutions	30 117	31 768	26 821
Other long-term liabilities	4 338	4 924	4 686
Total other long term liabilities	34 454	36 692	31 508
Total long term liabilities	41 960	46 312	38 959
Current liabilities			
Accounts payable	46 737	63 071	43 964
Tax payable	686	77	686
Public duties payable	9 523	12 309	17 739
Advance payment from customers	485 759	190 331	174 132
Other current liabilities	38 221	61 465	60 817
Total current liabilities	580 926	327 254	297 338
Total liabilities	622 832	373 566	336 297
TOTAL EQUITY AND LIABILITIES	665 132	497 137	427 466

FINANCIAL POSITION

The total assets in the Group are NOK 665.1 million versus NOK 427.5 million at end of 2023. Total current assets increased from NOK 326.6 million year end 2023 to NOK 568.9 million per Q3.2024. Cash and bank deposit decreased by NOK 3.2 million and total receivables increased by NOK 245.4 million from year end.

Total equity has decreased by NOK 48.9 million to NOK 42.3 million per Q3 2024. This is mainly caused by negative result and purchase of own shares in the period. Start-up of several recently won projects has resulted in a significantly higher total balance (due to advance payments from customers), which means that the equity ratio has decreased from 21.3% year end 2023 to 6.4% per Q3 2024.

DNB has waived all financial covenants for Q3 and Q4 reporting. The company and the bank have agreed to set a new covenant structure that reflects HAV Group's growth phase and project-based business within Q1 2025 reporting.

As a requirement from DNB, HAV Group has committed to sell all its treasury shares (3 466 829) within 31.12.24. HAV Group will initiate a process to sell the shares shortly. Havila Holding AS has provided a guarantee for the purchase of the shares at a price of NOK 8.50 per share.

Total liabilities increased from NOK 336.3 million at year end 2023 to NOK 662.8 million per Q3. 2024. Main reason is increase in advance payments from customers.

SEGMENT INFORMATION

2024 Q3 (Unaudited)						
(NOK million)	Ship Design	Energy Design & Smart Control	Water treatment systems	Hydrogen-based energy systems	Other / Elimination	HAV Group ASA
Operating revenues (External)	55.4	69.0	22.9	0.0	-12.9	134.4
Other operating revenues	0.4	0.0	0.1	0.0	0.0	0.4
Total Operating income	55.7	69.0	22.9	0.0	-12.9	134.8
EBITDA	-1.6	-12.3	-2.2	-3.1	-5.5	-24.8
Depreciation	1.0	1.4	1.6	0.0	0.2	4.1
Operating profit/loss (EBIT)	-2.6	-13.7	-3.8	-3.1	-5.7	-28.9
Net financial items	2.2	8.4	0.1	-0.3	-0.5	9.9
Profit/Loss before tax	-0.4	-5.3	-3.7	-3.4	-6.2	-19.0
Total assets	253.5	347.1	88.5	10.3	-34.3	665.1
Equity	23.5	0.1	5.8	7.5	5.3	42.3
Liabilities	230.0	347.0	82.7	2.8	-39.7	622.8
2023 Q3 (Unaudited)						
(NOK million)	Ship Design	Energy Design & Smart Control	Water treatment systems	Hydrogen-based energy systems	Other / Elimination	HAV Group ASA
Operating revenues (External)	61.4	34.1	40.0	0.4	-1.7	134.4
Other operating revenues	0.0	0.0	0.0	0.0	2.2	2.2
Operating income	61.8	50.6	40.0	0.5	-16.4	136.5
EBITDA	3.3	-0.3	5.7	-1.7	-1.7	5.3
Depreciation	1.2	1.5	1.6	0.0	0.2	4.5
Operating profit/loss (EBIT)	2.1	-1.9	4.1	-1.7	-1.9	0.8
Net financial items	-4.0	3.5	1.3	-0.1	-0.6	0.1
Profit/Loss before tax	-1.9	1.6	5.4	-1.7	-2.5	0.9
Total assets	217.7	218.7	113.1	10.4	-62.9	497.1
Equity	66.4	43.3	11.6	8.5	-6.2	123.6
Liabilities	151.3	175.4	101.6	2.0	-56.7	373.6

SEGMENTS Q3 2024

Ship Design

- EBITDA of NOK -1.6 million / -2.9.% in the third quarter of 2024.
- Profit before tax of NOK -0.4 million / -0.8% in the third quarter of 2024.
- EBIT is lower then third quarter last year.
- The Q3 2024 is still impacted by low capacity utilisation.

Energy Design & Smart Control Systems

- EBITDA of NOK -12.3 million / -17.9% in the third quarter of 2024.
- Profit before tax of NOK -5.3 million / -7.6% in the third quarter of 2024.
- EBITDA negatively impacted by customer delays in ongoing project, while recent contract wins are still in start-up phase and have not yet started to generate noticeable income/ margin contribution.

Water Treatment Systems

- EBITDA of NOK -2.2 million / -9.6% in the third quarter of 2024.
- Profit before tax of NOK -3.7 million / -16.3% in the third quarter of 2024.
- Results affected by lower than expected sales in marine segment and delayed investment decisions in land-based aquaculture.

Hydrogen-based Energy Systems

- EBITDA of NOK -3.1 million in the third quarter of 2024.
- Profit before tax of NOK -3.4 million in the third quarter of 2024.
- Main focus is further product development and market entry with maritime hydrogen systems.

SEGMENT INFORMATION

2024 YTD (Unaudited)						
(NOK million)	Ship Design	Energy Design & Smart Control	Water treatment systems	Hydrogen-based energy systems	Other / Elimination	HAV Group ASA
Operating revenues (External)	150.4	242.3	80.4	0.9	-20.6	453.5
Other operating revenues	1.3	0.0	0.2	0.0	0.0	1.6
Total Operating income	151.7	242.3	80.7	0.9	-20.6	455.1
EBITDA	5.1	-27.1	1.7	-7.7	-14.8	-42.8
Depreciation	2.4	4.2	4.9	0.0	0.5	12.0
Operating profit/loss (EBIT)	2.7	-31.3	-3.2	-7.7	-15.3	-54.8
Net financial items	4.0	7.5	-1.0	-0.6	-2.3	7.6
Profit/Loss before tax	6.8	-23.9	-4.2	-8.4	-17.6	-47.3
Total assets	253.5	347.1	88.5	10.3	-34.3	665.1
Equity	23.5	0.1	5.8	7.5	5.3	42.3
Liabilities	230.0	347.0	82.7	2.8	-39.7	622.8
2023 YTD (Unaudited)						
(NOK million)	Ship Design	Energy Design & Smart Control	Water treatment systems	Hydrogen-based energy systems	Other / Elimination	HAV Group ASA
Operating revenues (External)	222.3	147.5	132.4	0.3	0.0	502.5
Other operating revenues	0.9	0.0	0.2	0.0	0.0	1.2
Operating income	225.5	152.8	133.8	0.3	-8.7	503.6
EBITDA	49.3	-0.8	4.4	-5.9	-11.8	35.2
Depreciation	2.0	5.2	4.9	0.0	0.7	12.7
Operating profit/loss (EBIT)	47.3	-6.0	-0.5	-5.9	-12.5	22.4
Net financial items	2.0	5.7	-0.2	-0.4	-2.6	4.4
Profit/Loss before tax	49.3	-0.3	-0.8	-6.3	-15.1	26.8
Total assets	217.7	218.7	113.1	10.4	-62.9	497.1
Equity	66.4	43.3	11.6	8.5	-6.2	123.6
Liabilities	151.3	175.4	101.6	2.0	-56.7	373.6

SEGMENTS YTD 2024

Ship Design

- EBITDA of NOK 5.1 million / 3.4% YTD 2024.
- Profit before tax of NOK 6.8 million / 4.5% YTD 2024.
- YTD 2024 is still impacted by low capacity utilisation

Energy Design & Smart Control Systems

- EBITDA of NOK -27.1 million / -11.2% YTD 2024
- Profit before tax of NOK -23.9 million / -9.9% YTD 2024.
- YTD 2024 EBITDA negatively impacted by customer delays in ongoing project, while recent contract wins are still in start-up phase and have not yet started to generate noticeable income/margin contribution

Water Treatment Systems

- EBITDA of NOK 1.7 million / 2.2% YTD 2024.
- Profit before tax of NOK -4.2 million / -5.1% YTD 2024.
- Results affected by lower than expected sales in marine segment and delayed investment decisions in land-based aquaculture.

Hydrogen-based Energy Systems

- EBITDA of NOK -7.7 million YTD 2024.
- Profit before tax of NOK -8.4 million YTD 2024.
- 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 2024	YTD 2023	2023
	Unaudited	Unaudited	Audited
CASH FLOW FROM OPERATIONS			
Profit/(loss) before tax	-47 251	26 828	-5 976
Depreciation	12 045	12 737	16 988
Net financial items	-7 573	-4 388	-1 921
Changes in inventory	3 213	-12 151	-9 879
Changes in accounts receivable	-197 593	28 737	26 652
Changes in accounts payable	2 772	22 889	3 782
Changes in other current receivables/liabilities	236 888	-2 094	-35 055
Net cash flow from/(to) operating activities	2 501	72 558	-5 410
CASH FLOW FROM INVESTMENTS			
Investments in property, plant and equipment	-2 925	-7 644	-7 791
Investment in intangible assets	-4 544	-21 230	-18 716
Purchase of shares in subsidiary	0	-2 107	-2 107
Sale of shares in associated company	0	0	1 800
Net cash flow used in investing activities	-7 469	-30 980	-26 813
CASH FLOW FROM FINANCING ACTIVITIES			
New long term debt	36 000	0	0
Repayment non-current debt	-32 680	-14 424	-19 371
Purchase of own shares	-1 512	-18 274	-20 277
Net cash flow from/ (used in) financing activities	1 808	-32 699	-39 648
Net change in cash and cash equivalents	-3 160	8 879	-71 871
Cash and cash equivalents at start of the period	151 976	223 848	223 848
Cash and cash equiv.recognised in the balance sheet	148 816	232 727	151 976
Restricted cash at end of period	4 904	4 519	8 634

CASH FLOW

Aggregate cash flow from operating activities is positive with NOK 2.5 million YTD 2024, compared to a positive cash flow of NOK 72.6 million YTD 2023. The main reason for the positive cash flow from operation is the periodic loss and changes in other current receivables/liabilities.

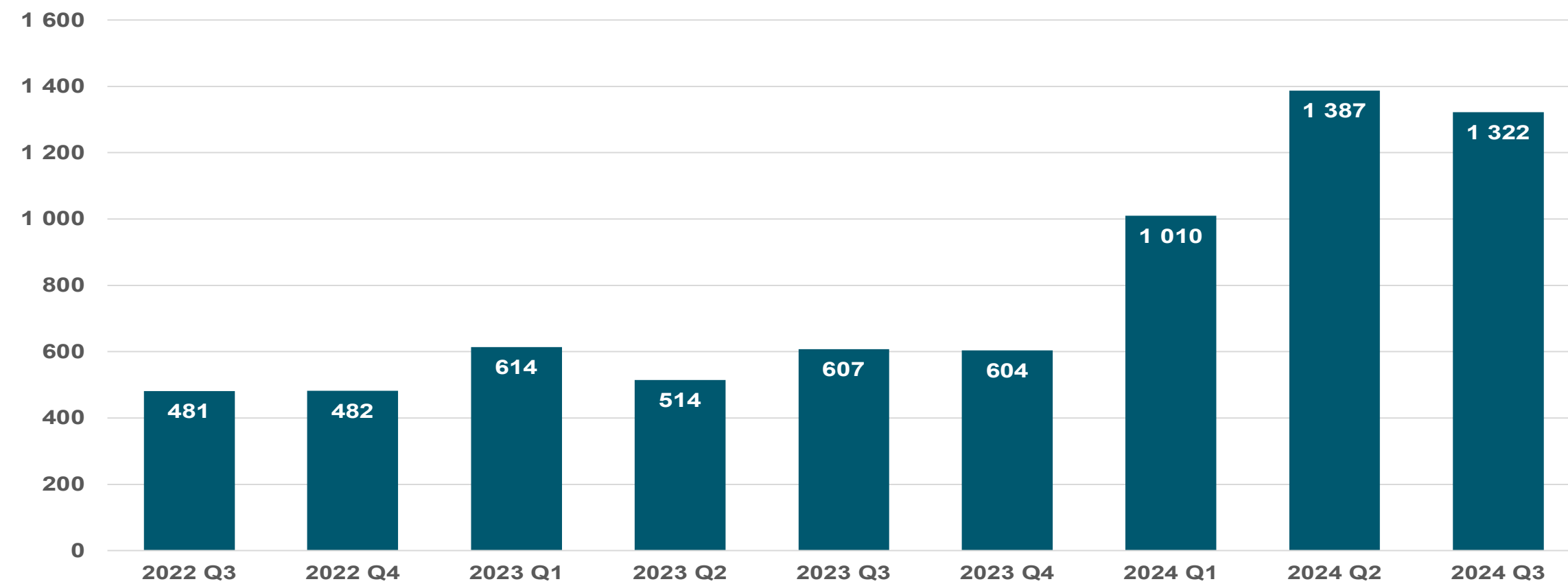
Aggregate cash flow from investing activities was negative with NOK -7.5 million YTD 2024, compared to a negative cash flow of NOK -31.0 million YTD 2023. The negative cash flow from investments is mainly related to investment in R&D and IT infrastructure.

Aggregate cash flow from financing activities is positive with NOK 1.8 million YTD 2024, compared to a negative cash flow of NOK -32.7 million YTD 2023. The positive cash-flow from financing activities is related to refinancing of long term debt.

The consolidated figures are presented according NGAAP standard. For more info related to accounting principles, please see Annual Report 2023.

ORDER BACKLOG

HISTORICAL DEVELOPMENT OF EXTERNAL BACKLOG



ORDER STATUS

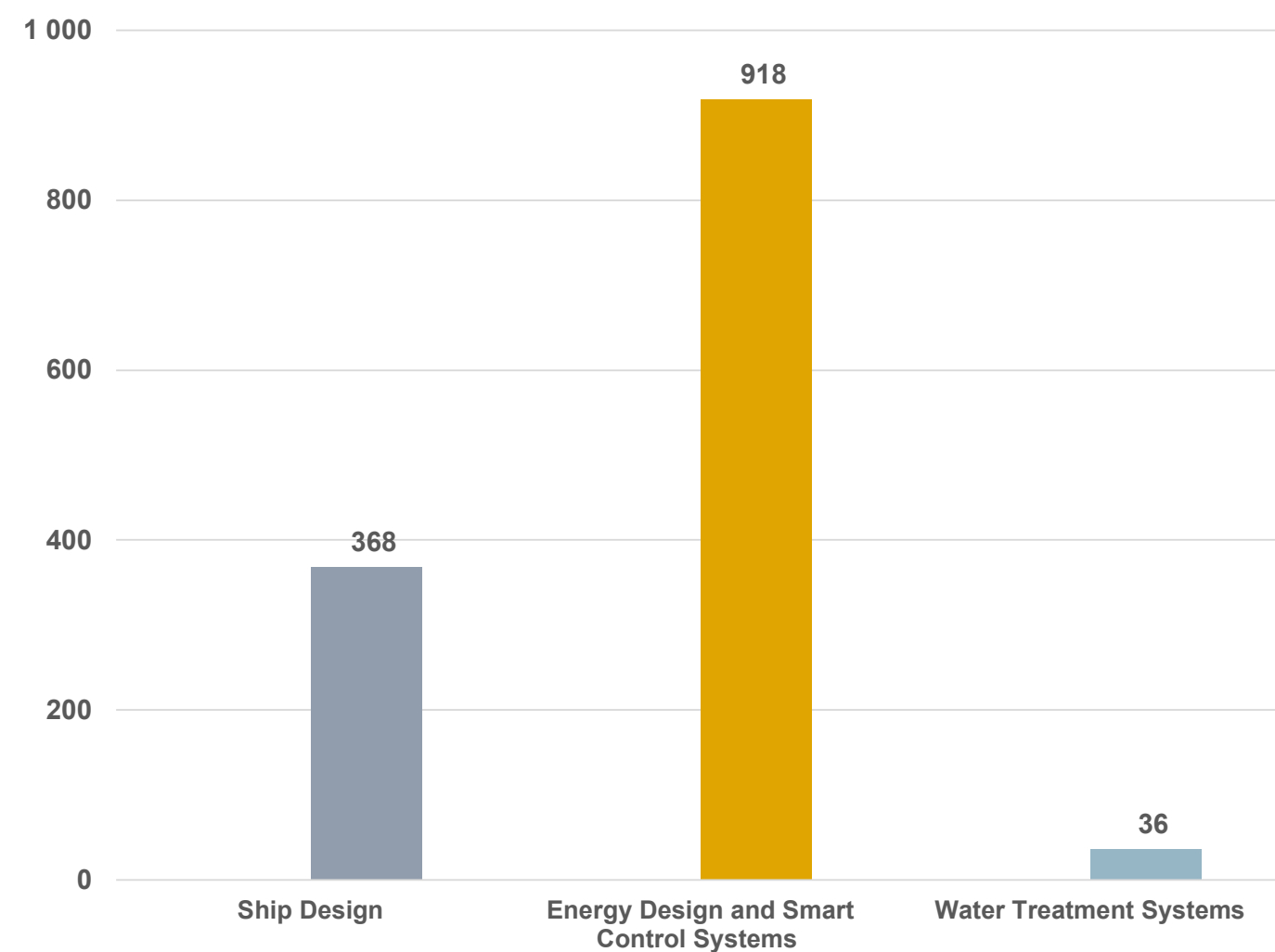
The external order back-log is NOK 1.322 billion as of the end of Q3 2024, an increase of NOK 718 million compared to Q4 2023.

Order intake of NOK 70 million in Q3 2024, equivalent to a book-to-bill of x0.52.

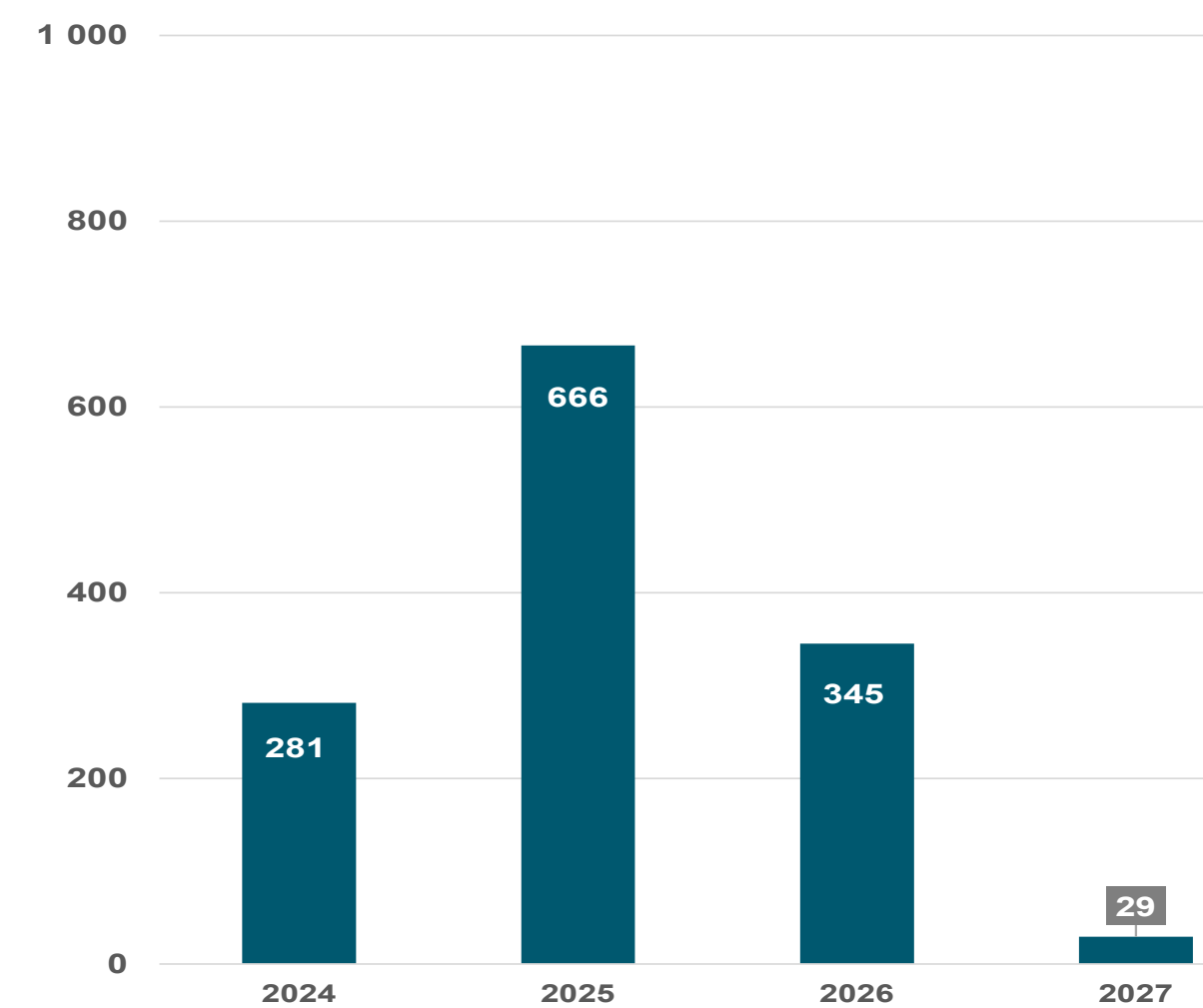
Subsequent events

- Norwegian Electric Systems contract for delivery of complete energy design, integrated automation system and its future oriented bridge system and battery package to field support vessel.

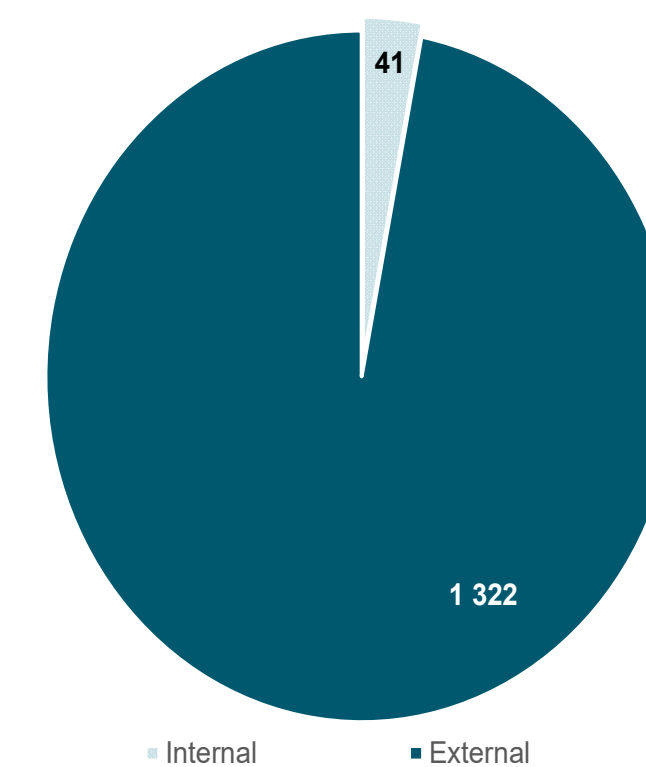
AGGREGATED ORDER BACKLOG PER SEGMENT



EXTERNAL ORDER BACKLOG BY DELIVERY YEAR



AGGREGATED ORDER BACKLOG



SHARES AND SHAREHOLDERS

Shareholders as of 30.09.2024	Number of shares	Ownership
HAVILA HOLDING AS*	8 837 827	24.97%
HAV GROUP ASA	3 466 829	9.91%
FARVATN CAPITAL AS	2 408 909	6.88%
NORDNET LIVSFORSIKRING AS	2 181 209	6.23%
MP PENSJON PK	1 559 856	4.46%
EMINI INVEST AS	1 127 179	3.22%
HSR INVEST AS**	1 127 179	3.22%
INNIDIMMAN AS***	1 127 179	3.22%
JAHATT AS	770 500	2.20%
UCVO AS	447 449	1.28%
PISON AS	375 726	1.07%
OTHER SHAREHOLDERS (<1 %)	11 670 158	33.34%
Number of shares	35 000 000	100 %

*Joint controlled by board members Vegard Sævik og Hege Sævik Rabben.

** HSR INVEST AS controlled by board member Hege Sævik Rabben.

***INNIDIMMAN AS controlled by board member Vegard Sævik.

SHARES AND SHAREHOLDERS

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

All shares have equal rights.

In total 3 446 shareholders per Q3 2024.

HAV Group ASA had 3 466 829 / 9.91% treasury shares per Q3 2024.

