

HAV GROUP ASA

Second quarter and half-year financial results 2024

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Pål Aurvåg, CFO

28.08.24

Agenda

1. Q2 highlights
2. HAV Group in brief
3. Business segment update
4. Financials
5. Summary and outlook
6. Q&A



Q2 2024 HIGHLIGHTS

Key developments

- Revenue of NOK 193.2 million, down 3.5% from Q2 2023 (200.3 million, including one-off effect of NOK 46.9 million)
- EBITDA break even, significant improvement on past three quarters
- Multiple important contracts won in Q2 2024, reaching an order intake of NOK 570 million = book-to-bill of x2.95. Contracts include:
 - Equipment deliveries to Havyard Leirvik
 - Automation of vessel functions and autonomous navigation scope for Lavik-Oppedal ferries
- Recent contract wins are still in start-up phase and have not yet started to generate noticeable income/margin contribution
- Order backlog of NOK 1,387 million as of 30 June 2024, up 130% from year-end 2023
- Favourable developments towards potential commercial breakthrough for HAV Hydrogen's Zero Emission Pod – ZEPOD®

Subsequent events

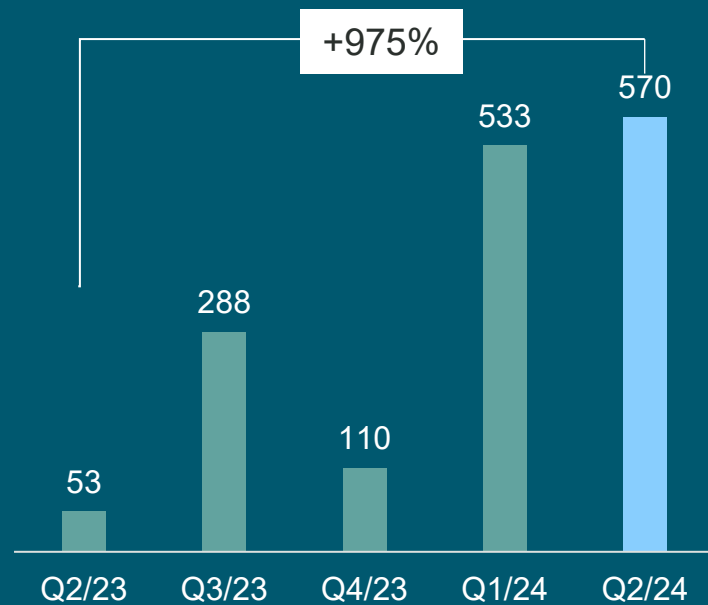
- First contract for delivery of battery package to live fish carrier

Operating income	EBITDA	Cash balance
NOK 193.2m	NOK 0.0m	NOK 124.0m

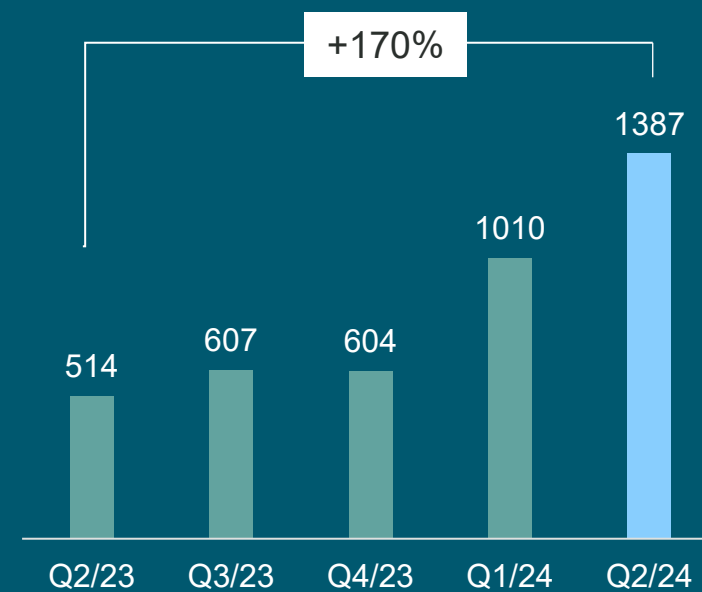
Order intake	External backlog	Book-to-bill
NOK 570.0m	NOK 1,387m	X2.95

Order intake & backlog | Strong growth

Order intake per quarter



Order backlog development*



HAV Group in brief



Enabling optimized vessel performance, safety and operating costs



Value proposition: Improves vessel and cargo owners' competitiveness by providing advice and optimized solutions throughout a ship's lifecycle



Vision: A sustainable future at sea



Technology: Ship design, energy design and smart control systems, hydrogen-based energy systems, and water treatment systems



Experts in guiding the marine and maritime industries towards low and zero emission shipping

Headquarters

Fosnavåg. Norway

CEO

Gunnar Larsen

Employees

163

Operating income Q2 2024

NOK 193.2m

Order backlog Q2 2024

NOK 1.387m

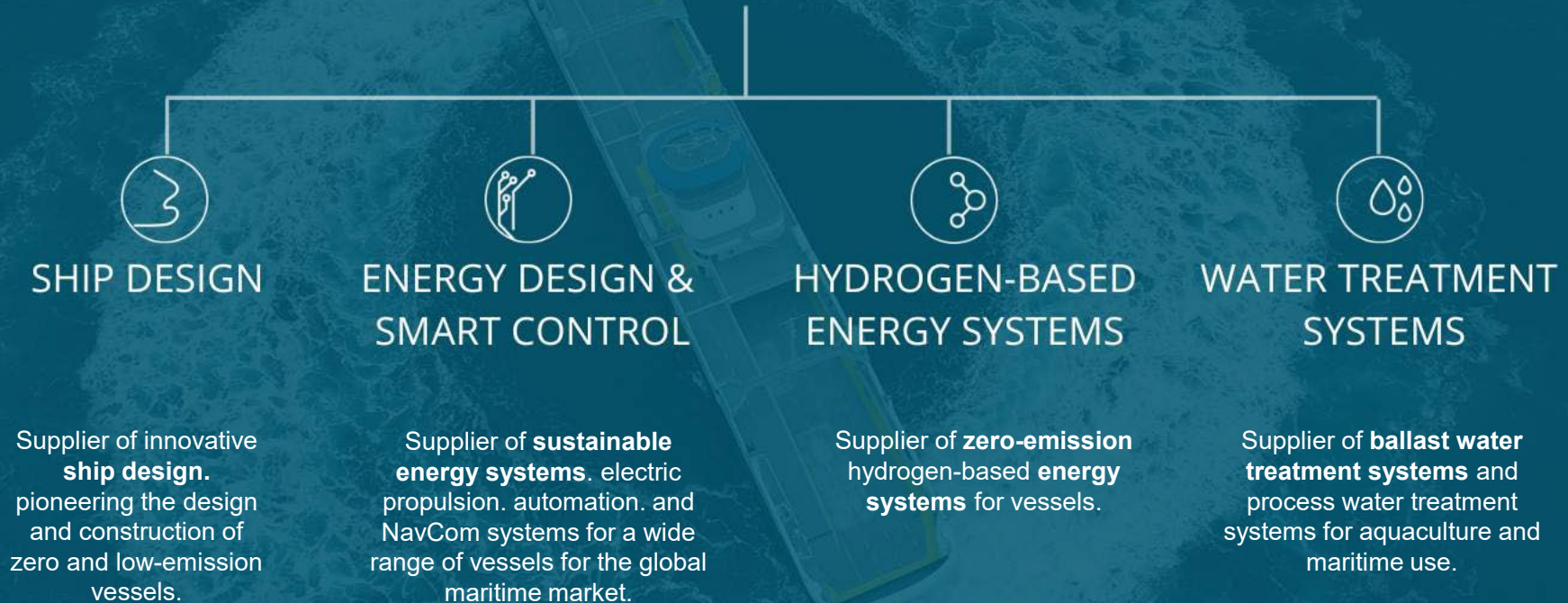
Market cap per 27/8-24

NOK 326m



HAV GROUP ASA

Maritime solutions provider



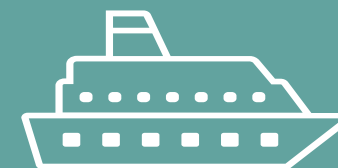
Our main industry segments



Offshore wind



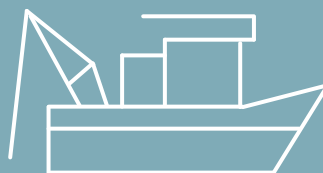
Oil and gas



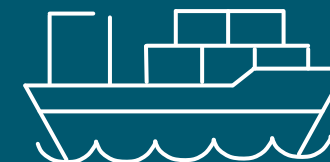
Ferries and ropax



Aquaculture



Fishery



Short sea cargo

Segment information

Ship design

- Development of the most efficient vessels possible, covering every aspect of vessel **performance** and **functionality**, through:
 - Concept development
 - Detail design
 - Equipment selection
 - Procurement
 - Systems engineering
 - Integration
- **Simulation-based** ship design
 - Ability to analyse and document real-life performance of a vessel
- Sold designs for more than **130** vessels globally
- **Leading market position** within offshore wind, electric ferries and aquaculture

Q2 highlights

- Solid project execution throughout the quarter
- Revenue increase versus previous quarters
- High tendering activity within core maritime segments



Energy design and smart control systems

- Supplier of **low and zero-emission** energy, propulsion and control systems for the global marine market
- **Energy design from bridge to propeller:** knowledge about vessel operations and competence in integrating energy sources allows design of optimal power and propulsion systems
- **Smart control:** Software platforms for navigation, automation and control to ensure efficient and safe operations

A sustainable future at sea
www.havgroup.no

Q2 highlights

- Contract for equipment deliveries to Norwegian shipbuilder Havyard Leirvik, worth in excess of **NOK 200 million**
- Contract from Fjord1 to develop **automation** of vessel functions and **autonomous navigation** for four Lavik-Oppedal ferries
 - Comes in addition to earlier award from Tersan Shipyard to act as system integrator and technology supplier to the ferries
- Order backlog of **NOK 924 million** at end of Q2, full effect from recently won contracts will be seen from 2025
- Segment's revenue growth driven by high degree of trading, EBITDA negatively impacted by supplier circumstances in an ongoing project

Events subsequent to the end of Q2:

- Contract to deliver deck-based battery energy storage system to live fish carrier, a breakthrough award for this vessel type



«Grip Explorer» is converted from OSV «Standard Olympus» (photo: AquaShip/intership)



HAVgroup

Hydrogen-based energy systems

- Complete and scalable **zero-emission** hydrogen-based energy systems
- Suitable for vessels **newbuilds** and **retrofits**
- Granted preliminary approval by the Norwegian Maritime Authority for a maritime-based energy system with liquid hydrogen tank below deck from the Norwegian flag
- Leading competence in guiding clients in selecting and implementing the optimal technology for hydrogen based zero-emission fuels giving the lowest TCO

Q2 highlights

- Cooperation agreement with Maris Fiducia Norway
- NOK 300 million in innovation funding to a Maris Fiducia Norway, with HAV Hydrogen and Norwegian Hydrogen as subcontractors, to develop, build and operate five hydrogen-powered dry-bulk vessels
- Following Maris Fiducia's placement of newbuild contract with its chosen shipyard, HAV Hydrogen will enter into discussions to agree on commercial terms and delivery structure for the cooperation project



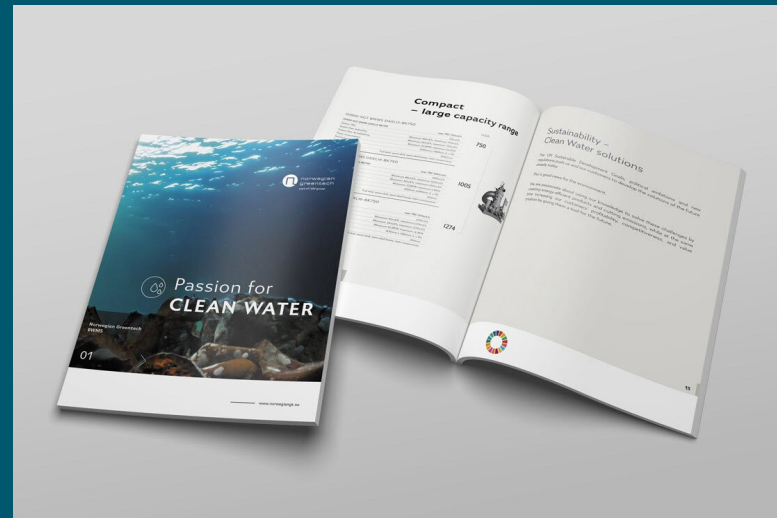
Illustration photo (Maris Fiducia/HHY)

Water treatment systems

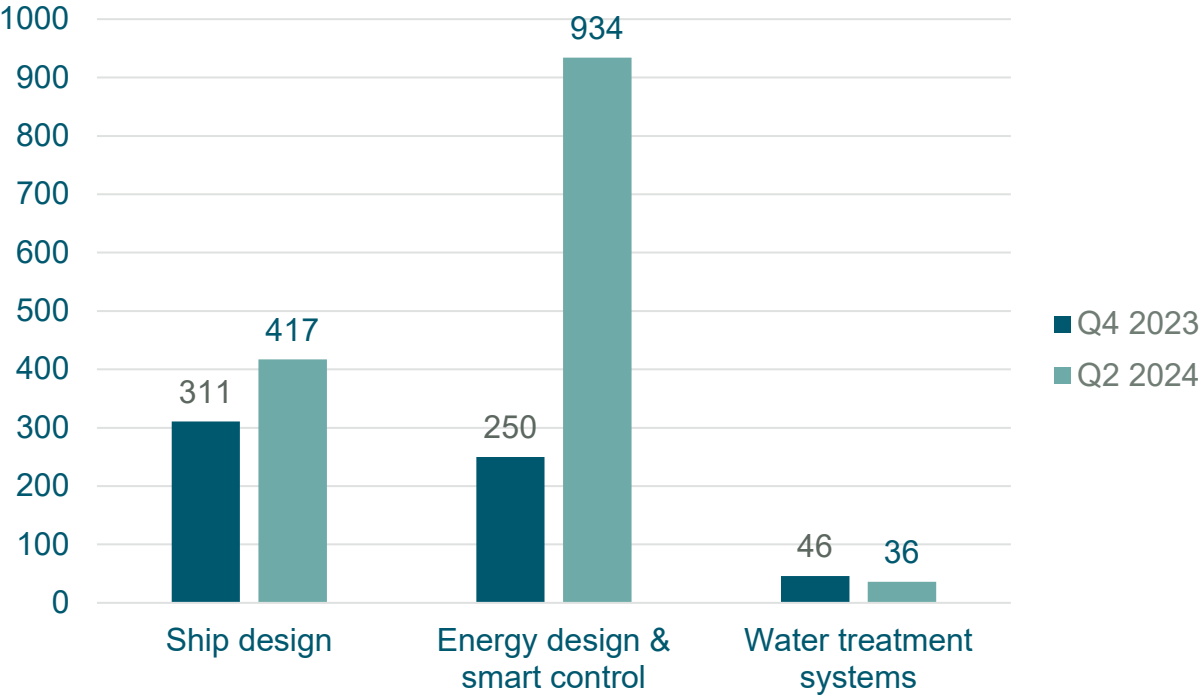
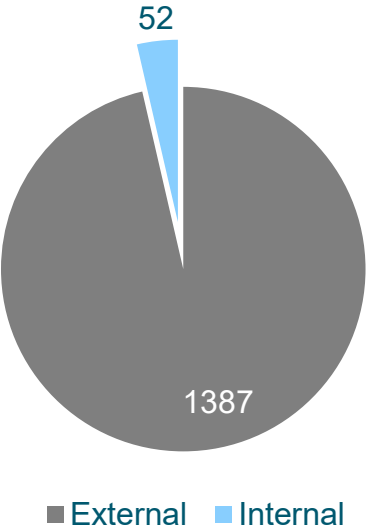
- **Ballast water** treatment systems (BWTS) for ships
 - Compact and highly flexible systems with very low energy consumption
 - For retrofit and vessel newbuilds
- **Process water** treatment systems for the aquaculture industry:
 - Live fish carriers
 - Land-based aquaculture
- Sold **750+** systems worldwide
- IMO and USCG certified

Q2 highlights

- Main sales and marketing focus of ballast water treatment systems (BWTS) shifted from retrofit to newbuilds as a result of buoyant newbuilding market
- BWTS order intake reflects successful sales efforts in the newbuilding market
- Certain final investment decisions within land-based aquaculture are still being pushed to the right, but Norwegian Greentech remains optimistic about the company's many opportunities in this market



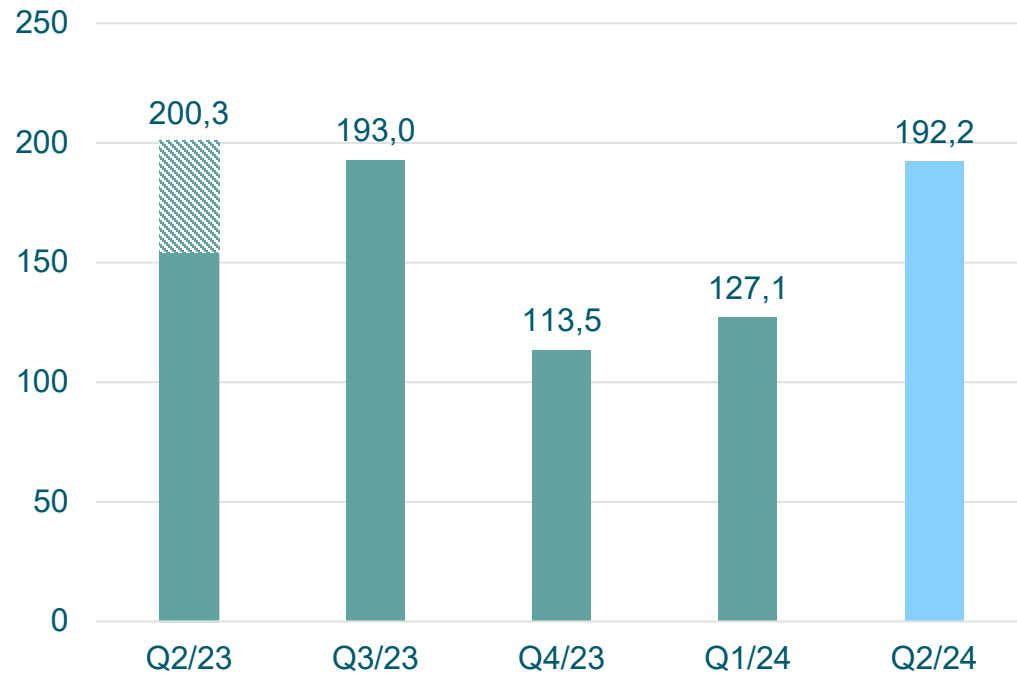
Order backlog: segment breakdown



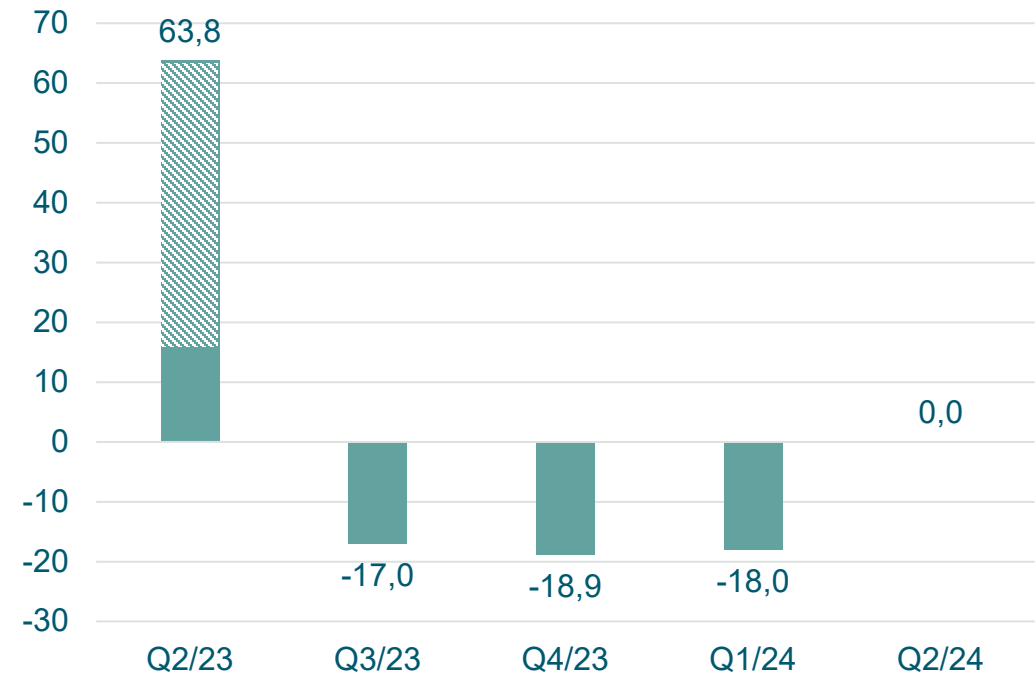
Financials

Revenue and EBITDA development

Revenue



EBITDA



Q2 2024 key financials

NOKm	Q2 2024	Q2 2023*	2023
	Unaudited	Unaudited	Audited
Operating income	193.2	200.3	617.1
EBITDA	0.0	63.8*	9.1
EBIT	-3.9	59.6	-7.9
Net finance	-3.1	-1.0	1.9
Net profit/loss	-7.0	58.7	-6.0
<i>EBITDA margin</i>	<i>0.0 %</i>	<i>31.8 %</i>	<i>1.5 %</i>

Comments

- As the business is largely project-driven, periodic fluctuations will occur
- Recent contract wins are still in start-up phase and have not yet started to generate noticeable income/margin contribution
- EBITDA negatively impacted by supplier circumstances in an ongoing project

* One-off effect of NOK 46.9 million related to reversal of previously accounted provision

Ship design

NOKm	Q2 2024	Q2 2023*	2023
Operating income	56.6	105.9	249.3
EBITDA	5.1	56.0	50.1
Profit before tax	4.2	55.5	50.4

* One-off effect of NOK 46.9 million related to reversal of previously accounted provision

Water treatment systems

NOKm	Q2 2024	Q2 2023	2023
Operating income	29.3	53.9	156.0
EBITDA	4.8	4.3	3.1
Profit before tax	2.2	2.1	-4.1

Energy design & smart control systems

NOKm	Q2 2024	Q2 2023	2023
Operating income	113.5	42.6	220.8
EBITDA	-5.8	7.8	-17.6
Profit before tax	-8.4	6.6	-20.7

Hydrogen-based energy systems

NOKm	Q2 2024	Q2 2023	2023
Operating income	0.6	0.1	0.5
EBITDA	-1.2	-1.6	-8.1
Profit before tax	-1.4	-1.8	-8.7

Q2 2024 balance sheet

NOKm	Q2 2024	2023
	unaudited	audited
Non-current assets		
Total intangible assets	87.3	90.3
Fixed assets		
Total tangible fixed assets	10.1	10.4
Financial fixed assets	0.0	0.1
Total fixed assets	97.5	100.9
Current assets		
Total receivables	315.7	174.6
Cash and bank deposit	124.0	152.0
Total current assets	439.7	326.6
Total assets	537.2	427.5

NOKm	Q2 2024	2023
	unaudited	audited
Equity		
Total equity	60.4	91.2
Liabilities		
Total provision for liabilities	7.5	7.5
Total long-term liabilities	37.6	31.5
Total current liabilities	431.8	297.3
Total liabilities	476.8	336.3
Total equity and liabilities	537.2	427.5

Comments

Assets:

- The total assets in the Group are NOK 537.2 million versus NOK 427.5 million at end of 2023.
- Current assets increased from NOK 326.6 million year-end 2023 versus NOK 439.7 million per Q2 2024.
- Cash and bank deposit decreased by NOK 28.0 million and total receivables increased by NOK 141.1 million from year end.

Equity:

- The total equity has decreased by NOK 30.8 million to NOK 60.4 million per Q2 2024. This is mainly caused by negative result and purchase of own shares in the period.
- The equity ratio has decreased from 21.3%-year end 2023 to 11.2% per Q2 2024.

Total liabilities:

- Total liabilities increased from NOK 336.3 million at year end 2023 to NOK 476.8 million per Q2 2024. Main reason is increased in advance payments from customers.

Q2 2024 cash flow statement

NOKm	Q2 2024	Q2 2023	FY 2023
	Unaudited	Unaudited	Audited
Cash flow from operations			
Net cash flow from/to operating activities	0.9	32.2	-5.4
Cash flow from investments			
Net cash flow used in investments activities	-2.2	-5.7	-26.8
Cash flow from financing activities			
Net cash flow used in financing activities	-3.0	-7.2	-39.6
Net change in cash and cash equivalents	-4.3	19.3	-71.9
Cash and cash equiv. recognized in the balance sheet	124.0	259.4	152.0

Comments Q2 2024 (NOKm)

Positive cash flow from operations

- Negative result of NOK in period -7.0
- Decrease in other current receivables -17.4
- Increase in account payables 17.3
- Depreciation 3.9
- Net Finance 3.1

Negative cash from investments

- Mainly related to investments in R&D.

Negative cash from financing

- Repayment non- current debt -3.

Summary and market outlook

Why invest



Toolbox in place to support shipowners' growing desire to reduce vessels' operating costs and environmental footprint



International and national maritime regulations support HAV Group's business case



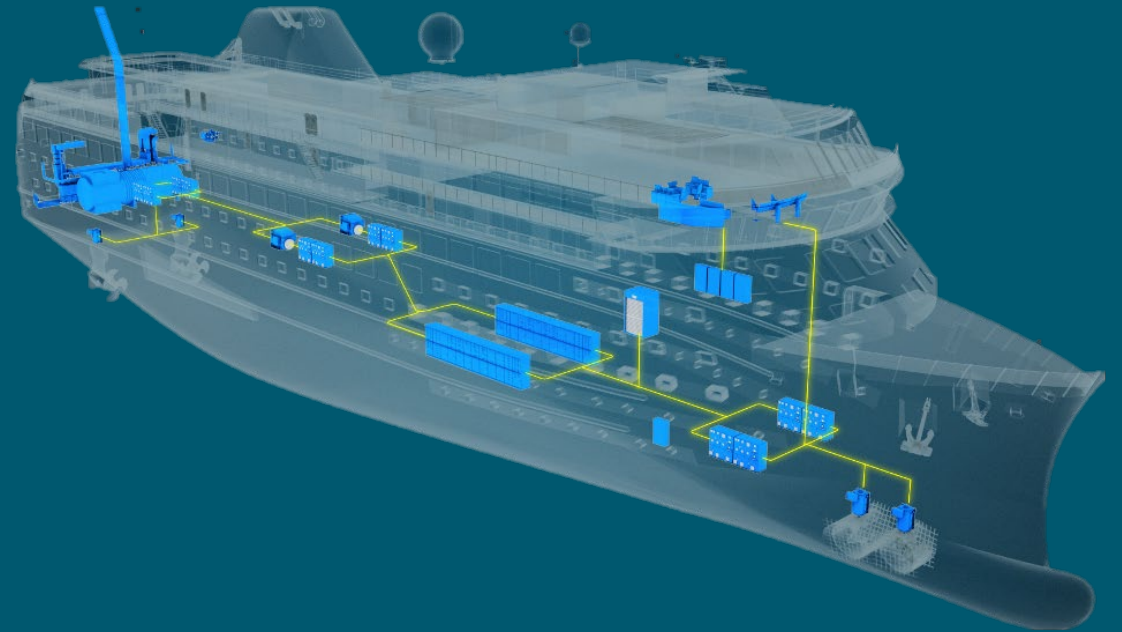
Solid balance sheet



Growing order backlog positions HAV Group for value creation

Outlook

- 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.
- HAV Group expects revenue to grow in 2024 (vs 2023) and increase further in 2025.
- HAV Group targets NOK 1.3 billion in revenue in 2026.



Q&A

