

## HAV NO

Initiating Coverage

25 March 2021

## HAV Group

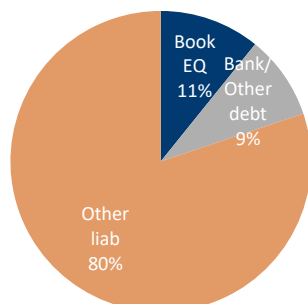
HAV NO / Energy / Norway

Renewable energy

Equity rating  
BUY / TP NOK 25



### Capital structure - Last reported



### Enterprise value

|                    |     |
|--------------------|-----|
| MCap (NOKm)        | 478 |
| Net debt FQ0 (NOK) | -32 |
| EV FQ0 (NOKm)      | 446 |
| Shares outst. (m)  | 35  |

### Share data (price at 25 Mar 21)

|                   |            |
|-------------------|------------|
| Price (NOK)       | 13.7       |
| Target (NOK)      | 25.0       |
| Upside/Downside   | 83%        |
| 52 wk range (NOK) | 13.2- 15.7 |
| 12m perf/OSEBX    | - 11%/ 55% |

### Valuation

|              |       |
|--------------|-------|
| NAV/sh (NOK) | -2.6  |
| EV/GAV       | high  |
| P/NAV        | -5.31 |

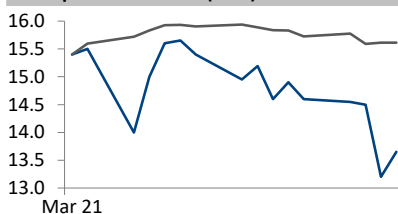
### Credit Metrics

|               | 2021e | 2022e | 2023e |
|---------------|-------|-------|-------|
| Equity ratio  | 16%   | 22%   | 28%   |
| NIBD / EBITDA | -0.8  | -0.9  | -1.3  |
| OCF/NIBD      | -96%  | -85%  | -64%  |
| EBITDA/Int.   | 15.9  | 29.0  | 48.2  |
| Current ratio | 1.1   | 1.1   | 1.3   |

### Stock information

|                      |        |
|----------------------|--------|
| Free float           | -      |
| 3 mth avg vol ('000) | 393    |
| Beta 1 yr            | -      |
| Spread 1 yr          | 11.58% |
| Velocity 1 yr        | 17%    |
| Volatility 90 days   | 74%    |
| Risk                 | High   |

### Share price last 12 mth (NOK)



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## HAV Group – The Maritime Cleantech Play You Must Own

**What's new:** Initiation of coverage with a NOK 25/sh TP. Buy

**Our take:** Through the pure-play Maritime Cleantech setup, we see HAV positioned for positive FCF generation, margin expansion and market recognition of its positive ESG impact

We initiate Equity Coverage of HAV Group (*ticker: HAV*) with a Buy recommendation and NOK 25/sh Target Price. On the back of spinning off the HAV Group companies into a pure-play Maritime Cleantech machine, we see the stage set for positive FCF generation right off the bat (*FSest FCF yield 2021/'22/'23 3/7/10%*) on conservative estimates, higher margins (*FSest EBIT margins 2.5-12.5%*), all supported by a maritime industry that is screaming out for a greener future. Combine this with favorable trading vs. peers (*EV/EBITDA'22 of 6x vs. 19x*) and a healthy backlog of c. NOK 850m (*FSest 70% execution in 2021*), we see HAV bound to attract investor interest. Buy

### This is HAV Group – the Cleantech machine...

HAV Group comprises of four companies - Norwegian Electric Systems (*NES*), HAV Design, Norwegian Greentech (*77.3% ownership*) and HAV Hydrogen. HAV's broad range of offerings exposes the company to multiple Renewables segments with prompt growth outlooks, highlighting SOV designs (*FSest fleet growth >4x through 2030E*), ballast water treatment systems (*potential market of 60k vessels*), and emission-free propulsion technologies.

### ...focused on a maritime industry that is screaming for a greener future

The maritime industry is likely to see ever-tightening regulations. Shipping already accounts for 2.5-3.0% of total global emissions, with seaborne trade set to triple from 2015-2050. Organizations have implemented ambitious targets and restrictions. More are expected to come. One example is the BTWS requirement for sailing vessels by 2024. Another is zero carbon tenders within the Offshore Wind installation space. Both examples add to demand prospects for HAV.

### Valuation – Buy, TP NOK 25/sh

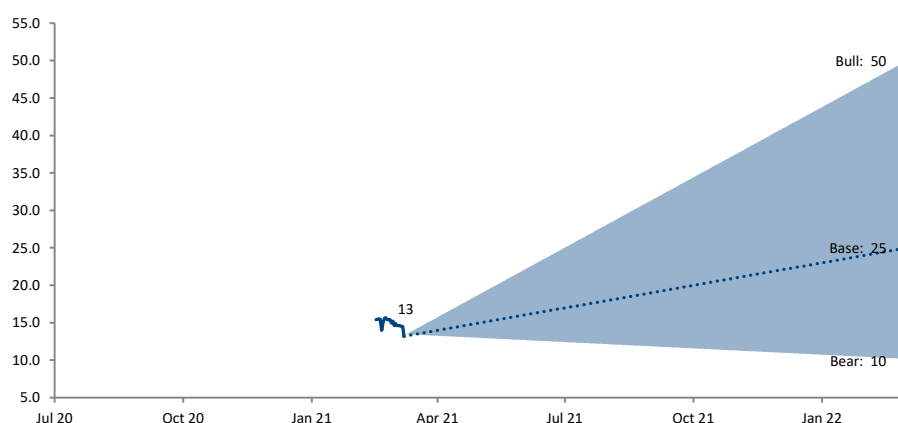
We model HAV on a cash flow basis (*10% WACC*), with EBIT margins of 10-12.5% for HAV Design (*NOK 18/sh*), 2.5-10% for NES (*NOK 5/sh*) and 5-10% for NGT (*NOK 2/sh*). Given we do not assign any value to HAV Hydrogen and our TP still being c. 85% above previous close, HAV Group should be an attractive proposition for investors. Buy.

### NB! Fearnley Securities acted as advisor in connection with the Euronext Growth listing

| Key figures (NOKm)   | 3Q20 | 4Q20 | 1Q21E | 2Q21E | 2020   | 2021E | 2022E |
|----------------------|------|------|-------|-------|--------|-------|-------|
| Revenue              | 0    | 0    | 162   | 162   | 647    | 646   | 744   |
| EBITDA               | 0    | 0    | 14    | 14    | 85     | 56    | 80    |
| EBIT                 | 0    | 0    | 12    | 12    | 68     | 47    | 71    |
| Pre-tax profit       | 0    | 0    | 11    | 11    | 38     | 45    | 70    |
| EPS adj.             | -    | 0.00 | 0.27  | 0.26  | 7.20   | 1.04  | 1.59  |
| DPS                  | 0.00 | 0.00 | 0.00  | 0.00  | 0.00   | 0.00  | 0.00  |
| P/E adj.             | -    | -    | -     | -     | -      | 13.1  | 8.6   |
| EV/EBITDA (incl. wc) | -    | -    | 34.3  | 17.0  | -      | 8.4   | 5.5   |
| EV/EBITDA            | -    | -    | 31.7  | 15.7  | -      | 7.7   | 5.0   |
| EV/EBIT (incl. wc)   | -    | -    | 40.5  | 20.1  | -      | 9.9   | 6.2   |
| EV/EBITDAX           | -    | -    | -     | -     | -      | -     | -     |
| P/B                  | -    | -    | 4.8   | 4.4   | -      | 3.8   | 2.6   |
| Dividend yield       | -    | -    | 0.0%  | 0.0%  | -      | 0.0%  | 0.0%  |
| ROE                  | -    | 0.0% | 19.7% | 24.7% | 108.4% | 34.6% | 36.2% |

## Valuation and risk assessment

We model HAV on a cash flow basis, applying a discount rate of 10%. EBIT margins, including distributed SG&A and other costs, are assumed as follows: HAV Design 10-12.5%, NES 2.5-10%, NGT 5-10%. HAV Hydrogen assigned no value. Largest risks include low visibility on revenues/earnings and higher costs of commercialization than modelled



## Equity rating: BUY / 25 TP NOK

| Target              | Valuation                  | Assumptions  |
|---------------------|----------------------------|--|
| Bull Case<br>NOK 50 | <b>Higher EBIT margins</b> | HAV Design 20%, NES/NGT 10%. Growth rate beyond 2025 5%. Revenue forecast and other costs unchanged. HAV Hydrogen assigned no value            |
| Base Case<br>NOK 25 | <b>Business as usual</b>   | HAV Design 10-12.5%, NES 2.5-7.5%, NGT 5-8%. HAV Hydrogen assigned no value  |
| Bear Case<br>NOK 10 | <b>Lower EBIT margins</b>  | HAV Design 5%, NES 5%, NGT 5%. Negative growth rate beyond 2025 5%. Revenue forecast and other costs unchanged. HAV Hydrogen assigned no value |

| Key figures                          | 2019   | 2020   | 2021E  | 2022E | 2023E |
|--------------------------------------|--------|--------|--------|-------|-------|
| P/E adj.                             |        |        | 12.7   | 8.3   | 7.2   |
| EV/Sales, incl. wc                   |        |        | 0.7    | 0.6   | 0.5   |
| EV/EBIT, incl. wc                    |        |        | 9.6    | 5.9   | 4.7   |
| P/B                                  |        |        | 3.7    | 2.5   | 1.9   |
| FCF yield                            |        |        | 3.1%   | 6.3%  | 8.2%  |
| Dividend yield                       |        |        | 0.0%   | 0.0%  | 0.0%  |
| Return on equity (ROE)               | nm     | 108.4% | 34.6%  | 36.2% | 30.2% |
| Return on capital employed (ROCE)    | 130.0% | nm     | 179.3% | 61.7% | 54.5% |
| EBIT - Norwegian Greentech AS        |        |        | 0.92   | 1.49  | 2.00  |
| EBIT - Norwegian Electric Systems AS |        |        | 1.14   | 2.72  | 4.22  |
| EBIT - HAV Design AS                 |        |        | 9.8    | 13.6  | 14.1  |
| EBIT - HAV Hydrogen AS               |        |        | 0.000  | 0.000 | 0.000 |

## This is HAV Group

## HAV Group ASA

| Brands                 | HAV Hydrogen   | HAV Design  | Norwegian Electric Systems   | Norwegian Greentech   |
|------------------------|--|---|--|---|
| Description            | <ul style="list-style-type: none"> <li>✓ System integrator cooperating with suppliers of fuel cells and hydrogen tanks</li> <li>✓ Positioned to be a system supplier of hydrogen energy systems for ships</li> </ul> | <ul style="list-style-type: none"> <li>✓ Leading designer of innovative ship designs to multiple shipping segments</li> <li>✓ +100 designs delivered since inception</li> <li>✓ Specialize in low and zero emission ship designs</li> </ul> | <ul style="list-style-type: none"> <li>✓ <b>Energy Design:</b> Design optimal vessel propulsion and energy systems</li> <li>✓ <b>Smart Control:</b> Offers flexible software platforms and solutions for navigation, automation, and control from bridge to propeller</li> </ul> | <ul style="list-style-type: none"> <li>✓ Designer, deliverer, installer, and server of the most compact energy-efficient BWMs for small and medium-sized vessels</li> <li>✓ Reliably meets international discharge standards</li> </ul> |
| Target market segments | Various shipping segments  | Offshore Wind, Electric Ferries, Aquaculture  | Electric Ferries, Aquaculture, shipping segments   | Various shipping, land-based farming  |
| FStest 2021-2023e EBIT | -  | NOK 39-56m  | NOK 5-17m  | NOK 4-8m  |
| FStest Valuation       | -  | NOK 18/sh   | NOK 5/sh   | NOK 2/sh  |



Source: Company, Fearnleys

## Investment Thesis

The investment thesis in HAV Group may be summarized in the following key points:

- ✓ **HAV's pure-play Cleantech offering yields a unique positioning opportunity** towards multiple sectors with appealing outlooks. Demand for Offshore Wind Designs is one example. (*Retrofitting*) ships with ballast water treatment systems another. Being one of two providers of fully integrated system providers of vessel propulsion systems + flexible software platforms and solutions for navigation, automation, and control a third. The list of not exhaustive
- ✓ **Healthy balance sheet** with a total of NOK 68m in debt vs. the opening cash position of NOK 100m implies an opening balance of FStest negative net debt of NOK 32m
- ✓ **Backlog of NOK 844m implies high earnings visibility for 2021**, with the company in strong position to build backlog across all Brands for both short-term and long-term execution. In our modelling, we have revenue flat YoY in 2021, growing 15/4% in 2022/'23e respectively, driven by uptick in activity across NES, NGT and HAV Design, respectively, with higher activity levels also set to spur EBIT margin growth in NGT and NES.
- ✓ **EBIT margins on the rise.** With links to Havyard Group broken, we expect the HAV Brands to be able to profit from its extensive R&D investments in e.g. ship designs and navigation and control systems. In our modelling, we have assumed EBIT margins ranging from 2.5-12.5%, yielding EBIT through 2023e of FStest NOK 47-81. That corresponds to EV/EBIT multiples of 5.3-9.1x, an order of magnitude below peers at FStest 12.0-16.8x for 2021-2022
- ✓ **Attractive valuation.** Our cash-flow based valuation approach results in a fair value estimate of NOK 25/sh, leaving c. 100% upside on the table vs. last close. The segments are valued as follows: HAV Design NOK 18/sh, Norwegian Greentech NOK 2/sh, and Norwegian Electric Systems NOK 5/sh. We assign no value to HAV Hydrogen, applying option value thinking on the Brand for now. Buy



Source: Company

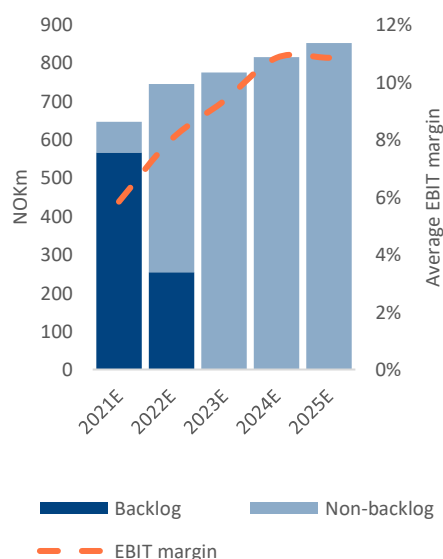


Source: Company



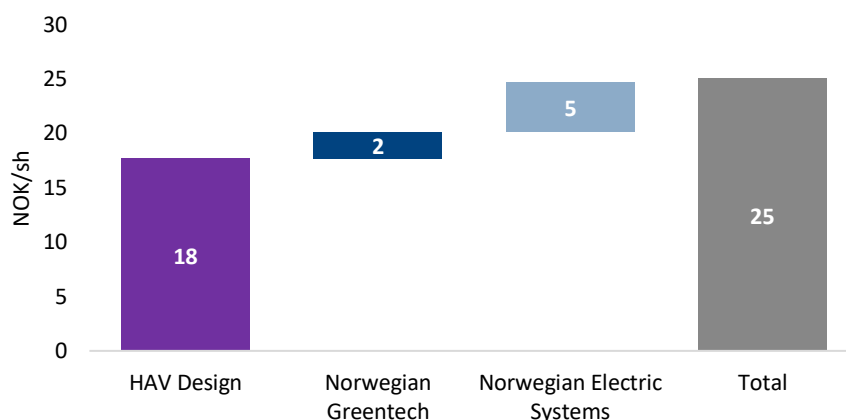
Source: Company

### FStest revenue split/EBIT margin development



Source: Company, Fearnleys

### Valuation Breakdown



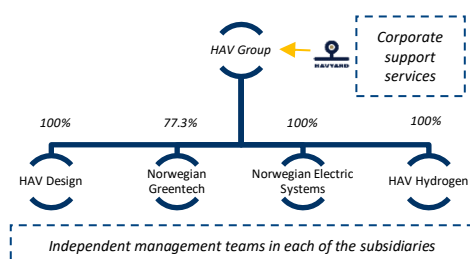


## Company Background

HAV Group (HAV) is a Norwegian Cleantech company offering technologies and services for maritime, as well as other industries. Its vision is to contribute to the global green energy transition and accelerate the shift towards zero-emission operations by means of developing and offering innovative solutions and high-end products.

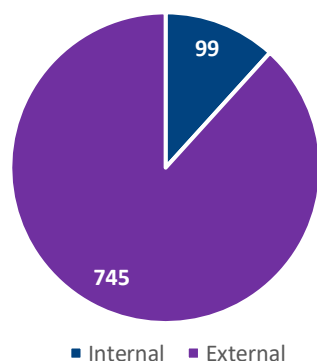
HAV was recently spun out of Havyard Group. The Group comprises of four companies (*brands*), including Norwegian Electric Systems (NES), HAV Design (formerly Havyard Design and Solutions), HAV Hydrogen (formerly Havyard Hydrogen), and Norwegian Greentech (NGT). NES offers energy design and smart control systems for a range of vessels for the maritime market, HAV Design offers innovative ship designs (+100 designs delivered in total), NGT supplies ballast (and other) water treatment systems, while HAV Hydrogen is a developer of hydrogen energy systems for ships.

HAV recently completed a private placement of NOK 210m (including issuance of new common equity for gross proceeds of NOK 90m) through a listing on Euronext Growth Oslo (ISIN NO0010931918), and currently has a Market cap of c. NOK 480m (c. USD 55m). Havyard Group is the majority shareholder with c. 66%. Other large shareholders include Farvatn Capital AS (c. 6.2%), Jahatt AS (c. 2.2%), MP Pensjon PK (c. 1.6%) and Saga Pure (1.6%).



Source: Company, Fearnleys

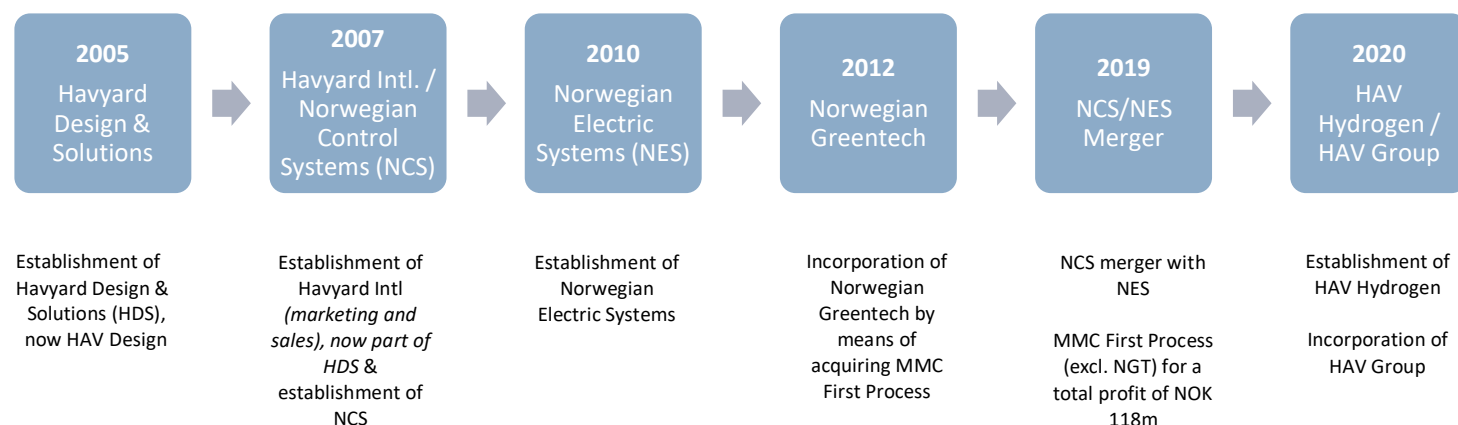
Backlog NOKm (end-20)



Source: Company, Fearnleys

| Top 10 Shareholders       | # shares          | % of Top 10 | % of total |
|---------------------------|-------------------|-------------|------------|
| Havyard Group ASA         | 23,262,068        | 79.81%      | 66.46%     |
| Farvatn Capital AS        | 2,166,500         | 7.43%       | 6.19%      |
| Jahatt AS                 | 770,500           | 2.64%       | 2.20%      |
| MP Pensjon AS             | 555,500           | 1.91%       | 1.59%      |
| Saga Pure ASA             | 555,500           | 1.91%       | 1.59%      |
| Nordnet Livsforsikring AS | 428,095           | 1.47%       | 1.22%      |
| MS&Co International       | 416,977           | 1.43%       | 1.19%      |
| Clearstream Banking S.A   | 405,500           | 1.39%       | 1.16%      |
| Pål Kristian Aasen        | 308,000           | 1.06%       | 0.88%      |
| Gironde AS                | 277,500           | 0.95%       | 0.79%      |
| <b>Total</b>              | <b>29,146,140</b> | <b>100%</b> | <b>83%</b> |

Source: Company, Fearnleys



Source: Company, Fearnleys



#### Selected HAV Design customer base



Source: Company

## HAV Design AS

HAV Design offers energy-efficient vessels to the seafood, transport, and energy sectors. By means of investing heavily in R&D over a number of years, onboarding customers in the design development processes, and refining designs according to market requirements, the company offers a proven track record from >100 sold ship designs (*including 16 zero-emission vessel designs and 11 vessel designs for Renewable Energy*). On top, know-how from various industries, and its virtual design tools add to the company's offering. On the latter, HAV's concepts revolve around simulation-based development solutions.

### Ocean Lab

At HAV's Ocean Lab (*also the result of multiple years of systematic/extensive R&D work*), customers are offered a virtual test tank with digital twins of ships and ocean areas. The company simulates ships' operations and gather documentation and experience that would not otherwise have been available until the ship had been in operation for many years. Thus, providing fact-based advice on design. In sum, a unique feature of HAV's offering in a commercial context.

### HAV Design AS



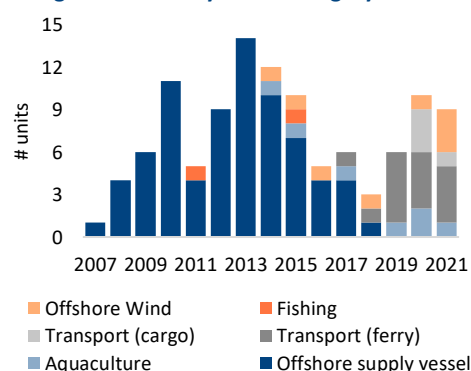
SEAFOOD

TRANSPORT

ENERGY

Source: Company, Fearnleys

#### Designs delivered by vessel category



Source: Company, Fearnleys

### Portfolio serves as a solid platform from which to generate sales

As we have it, the company's existing portfolio offers a solid platform from which to generate sales, either through *repeat* sales of previous designs or development of new ones. Reusing designs generally offers higher margins and lower risk. The company is compensated on a pay-as-you-go basis (*with cash flows generally trending slightly ahead of project progress*), implying that the projects are cash-flow positive throughout (*assuming timelines are held*). In our modelling, we assume EBIT margins of 10-12.5%, a fairly conservative figure as compared to the segment's performance as part of Havyard Group ASA.

| Design & Solutions (Havyard), historical figures (NOKm) | 2017 | 2018   | 2019   | YTD 3q20 |
|---|------|--------|--------|----------|
| Revenue   | 244  | 355,0  | 452    | 229      |
| EBIT  | 21   | 53,0   | -8     | 49       |
| EBIT margin (%)   | 9 %  | 14,9 % | -1,8 % | 21,4 %   |

Source: Company reports, Fearnleys



## Target segments

While there is potential to tap into additional segments (*including e.g. exploration cruising*), key targeted segments include Offshore Wind, electric ferries, and aquaculture. Below, we provide an overview of segments to which the company has track-record/offerings. The common denominator for targeted segments is prospects of growth potential, driven by e.g. green requirements and increasing spec demands.

## Seafood

### Live fish carriers



Source: Company

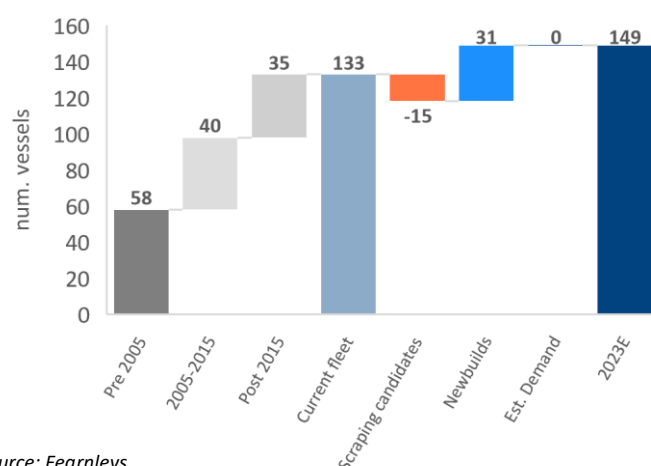
HAV Design's wellboats has the capacity to transport live fish efficiently and profitably. The hull is energy-efficient, with circular tanks providing space for more fish while also enhancing fish welfare. The company has designed live fish carriers for NFT and Sølvtans

#### Modern, large vessels replacing current fleet

- ✓ More biomass transported per year per license due to trend towards larger smolt
- ✓ Government directive requires vessels in Norway to have disinfection or closed systems
- ✓ Offshore farming will require specialized tonnage

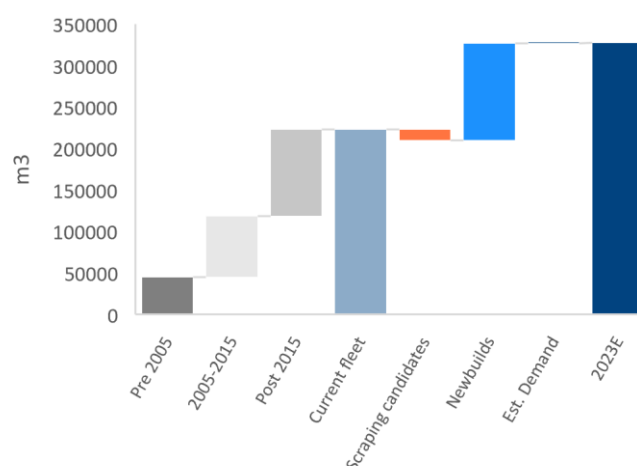
The Live fish carrier market is likely to evolve and grow substantially in coming years. As we have it, the fleet (*including NBs*) essentially covers expected demand through 2023e, while growth beyond needs to be served from additional capacity. The trend towards larger smolt (*effectively increasing the biomass transported per year per license*), the phasing out of older converted vessels and influx of purpose-built capacity, increased penetration of immature markets, increased volumes of farmed salmon to be harvested, and higher demand for non-medical treatment capacity, all speak in favor of additional demand for wellboats going forward. Thus, creating a healthy market backdrop for HAV Design (*and other HAV brands*),

Live fish carriers - market balance



Source: Fearnleys

Live fish carrier - market balance



Source: Fearnleys, FearnFish, Fearnley Securities

Fishing vessels transport fish over long distances and cover vast areas. As such, the company’s fisheries expertise and HAV Design’s tailor-made and energy-efficient hulls offers efficiency that is second to none. Has designed fishing vessels for e.g. Smaragd

Fishing vessels



Source: Company

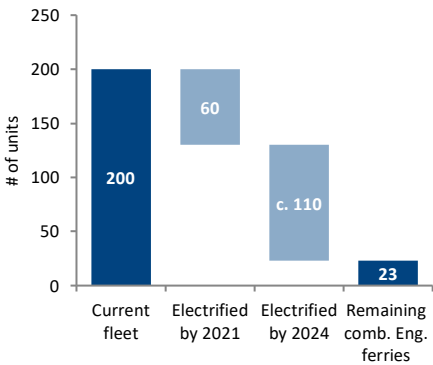
HAV Design’s zero-emission ferries crosses waters quietly and in an environmentally friendly manner. No noise. No emissions. The company has designed ferries for Fjord1

Transportation  
Zero-emission ferries



Source: Company

Electrification Progress Breakdown



Source: Statens Vegvesen,  
NCE Maritime CleanTech, Fearnleys

As we have it, the so-called Ferry (R)evolution plans to have all ferries run on pure electric propulsion by 2030. However, already by 2022, there will be a sufficient number of electric ferries operating in Norway to match annual emission cuts of 150,000 cars. With the average age of the Norwegian ferry fleet (prior to the initiation of newbuild programs dating back to 2017) closing in on 35 years, time is ripe to position for the renewal process. For reference, the overall Norwegian ferry fleet comprises of c. 200 ferries, covering 130 ferry services. Needless to say, potential for new (electrified) vessels is obvious. Note that this could also benefit other HAV companies, including NES. Longer term, deep sea markets are likely to follow suit as battery technology improves to allow for it.



HAV Design's strategy is studying routes and assessing patterns of operations to create cargo vessels with the highest possible energy and operational efficiency, thereby minimizing environmental impact. The company has delivered designs to Royal Arctic Line A/S

### Cargo vessel



Source: Company

HAV Design has designed the new coastal cruise ships on for use along the Norwegian coast (*Kystruten*). The ships will give passengers hours of zero-emission sailing. The company's passenger vessels combine several energy-efficient solutions to provide voyages with the lowest possible environmental impact

### Passenger vessels



Source: Company

HAV Design has broad experience from many different offshore vessels, including subsea vessels, diving vessels and offshore icebreakers (*specialty*). Clients include Havila Shipping and Subsea 7

### Energy Offshore



Source: Company

HAV Design is a pioneer in the design of specialist vessels for Renewable Energy production at sea. The company has delivered a long line of energy-efficient tailor-made vessels for this segment. Esvagt is the most important client in the segment

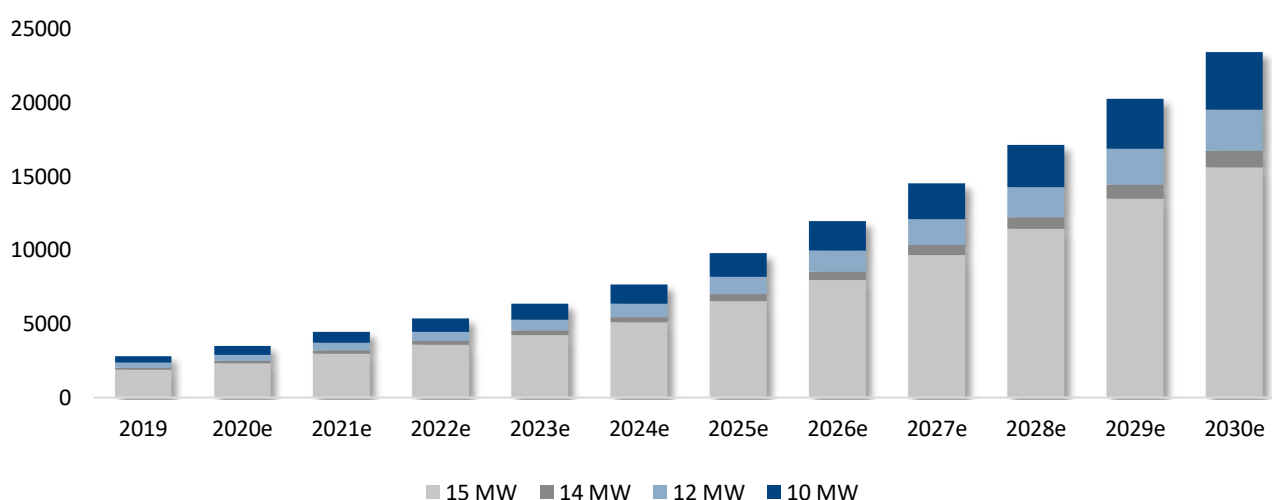
### Windfarm service vessel



Source: Company

Needless to say, demand for SOV's is expected to grow in-line with installation in the Offshore Wind market. Depending on which source we look to, we see forecasts of 220-250 GW installed by 2030 (*with substantial growth opportunities for decades beyond*). With Developers fighting to maintain margins on operating vessels, making sure they operate at as high capacity factors at all times is critical. As we see it, this favors purpose-developed (*Tier-1*) equipment. Assuming each SOV has the capacity to serve 60 turbines and 12-15 MW average turbine sizes, we estimate total global demand for SOVs by 2030 of c. 150-200 units by 2027 and c. 260-325 by 2030.

### # turbines by different average sizes



Source: IRENA, GWEC, BNEF, IEA, Fearnleys



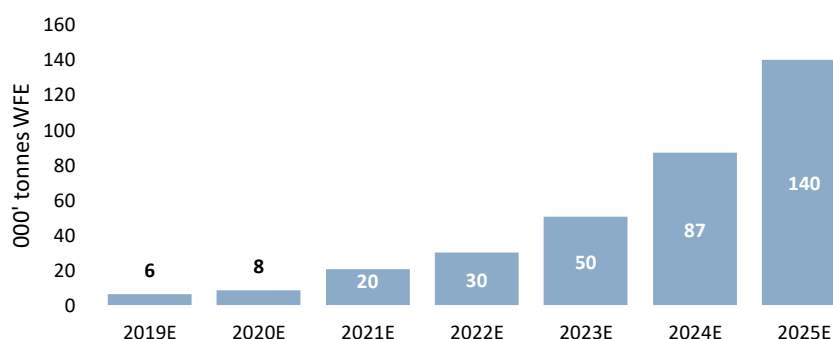
Source: Company

## Norwegian Greentech AS

Norwegian Greentech (NGT) was established by the present management team in 2010, building on technology and knowhow within water treatment for aquaculture and maritime use. The company designs, delivers, installs and services highly energy-efficient compact ballast water treatment systems (BWTS) as well as other water treatment systems. Regardless of system, the technology base is the same (*that is, filtration and UV disinfection*). To our understanding, NGT's BTWS system is particularly suited for small and medium-sized vessels. While there is indisputably a newbuild market to target, the retrofit is particularly interesting, due to smaller sizes and flexible installation. Note that sailing vessels must install water treatment systems within 2024. As we have it, prices/margins are fairly similar for NB vs. retrofits.

According to the company, revenue potential ranges from NOK 0.5-2m/vessel (*depending on size of ship/size requirements of the ballast pumps*), with the total addressable market counting a c. 60,000 ships. I.e., assuming NOK 1m average potential/vessel leaves total market potential of NOK 60bn (*c. USD 7bn*). On top comes potential to penetrate additional markets, including fish farming and land-based aquaculture. On the latter, we eagerly observe expected growth in land-based fish farming in coming years, with e.g. volumes expected to grow 10x through 2025 (*and substantially more beyond*)

### FSet Land Based Volumes



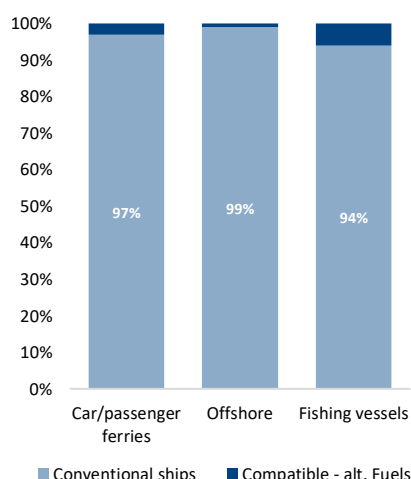
In our modelling, we've assumed average margins at 2.5% for 2021, growing towards 5/7.5% in 2022/'23e, driven by higher volumes as we close in on the 2024 installation timeline. This is essentially in-line with current margins, as shown in the table below. The reason for relatively lower EBIT margins in 2020 and FSet 2021 is that the company is currently assessing the depreciation schedule on previous investments, which we expect to result in depreciation of NOK 7.5m/year through 2023e. Clearly no cash flow impact as such.

| Norwegian Greentech, historical figures (NOKm) | 2019  | YTD 3q20 |
|--|-------|----------|
| Revenue  | 67    | 60       |
| EBIT   | 5     | 3        |
| EBIT margin (%)                                | 7,5 % | 5,0 %    |

Source: Company



2019 status - uptake of alternative fuels



Source: Company

## Norwegian Electric Systems AS

Norwegian Electric System AS (NES) is a total supplier of sustainable energy design and smart control systems for a wide range of vessels for the global marine market. NES' strategy revolves around combining its expertise in energy design (*i.e. designing optimal propulsion and energy systems in an efficient and environmentally friendly manner*) and smart control (*i.e. offering flexible DNV-approved software platforms and new solutions for navigation, automation and control*). As such, the company functions as a full system integrator, focusing on energy design/optimization and automation systems. While the NES' offering in principle may be sold separately, the true value of the offering resides in their integration, we understand.

NES has evolved substantially over the past couple of years. First and foremost, on the back of merging with NCS (*supplier of advanced automation and bridge systems to a wide range of vessels*) in 2019, NES offers the complete product range with Integrated Automation Systems (IAS)/ Power Management Systems (PMS) and navigation/bridge systems. Further, the company has delivered electric propulsion systems with battery solutions. As we have it, Siemens is the only high-end competitor on the latter globally. For reference, NES has delivered 70 MWh of battery systems in zero emissions and hybrid vessels, which corresponds to battery capacity of 1,400 electricity vehicles

To our understanding, both newbuild and retrofit markets are relevant for NES, though retrofits typically come with high margins, lower risk, and shorter time frames. As such, it's worth noting that only 5% of the global fleet (*operational + orderbook*) has uptake solutions for alternative fuel. Through its ability to deliver turn-key solutions for NBs or retrofits across e.g. workboats for the aquaculture industries, high-speed passenger vessels, hybrid and electrical ferries, offshore vessels, SOVs, live fish-carriers, RoPax vessels, costal bulkers and larger vessels, we see NES well positioned to secure work at healthy margins going forward.

| Norwegian Electric Systems, historical figures (NOKm) | 2017  | 2018   | 2019    | YTD 3q20 |
|---|-------|--------|---------|----------|
| Revenue   | 257   | 300    | 405     | 301      |
| EBIT  | 20    | -27    | -66     | 14       |
| EBIT margin (%)                                       | 7,8 % | -9,0 % | -16,3 % | 4,7 %    |

Source: Company

In our modelling, we assume EBIT margins of 5% for 2021, growing to 6.5/8% in 2022/'23, respectively. The offering has been expensive to develop, and the company has experienced some growth pains in the early days. Beyond 2021 however, which we consider a consolidation year (*i.e. large projects on the verge of being completed*), we assume EBIT margins to stabilize at 10%.

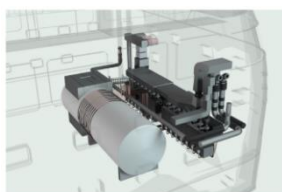
|   |   |   |   |  |  |
|---|---|---|---|--|--|
| Marine System Integration   | Ship Performance Monitor (SPM)  | Hybrid and Electric Propulsion Systems  | Smart Control Systems   | Complete Charging Systems  | The Raven Integrated Navigation System (INS)   |
| Integration of different energy sources, batteries, and hydrogen fuel cells | Adaptable monitoring software, designed to manage/improve ship/fleet efficiencies | Required engineering, project management, commissioning and sea trials assistance | IAS, PMS, B.O.S.S and RAS enhance the total integration in a safe and optimal way | System include equipment, automation system and Wi-Fi com. between vessel and charging station on land | Flexible and user-friendly interface for vessel control/platform for integration of autonomous functionality |



## HAV Hydrogen – solving marine emissions for good

The company is also in the process of establishing a segment focusing on the usage of hydrogen as a solution for maritime propulsion.

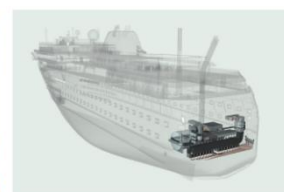
HAVhydrogen



SYSTEMS



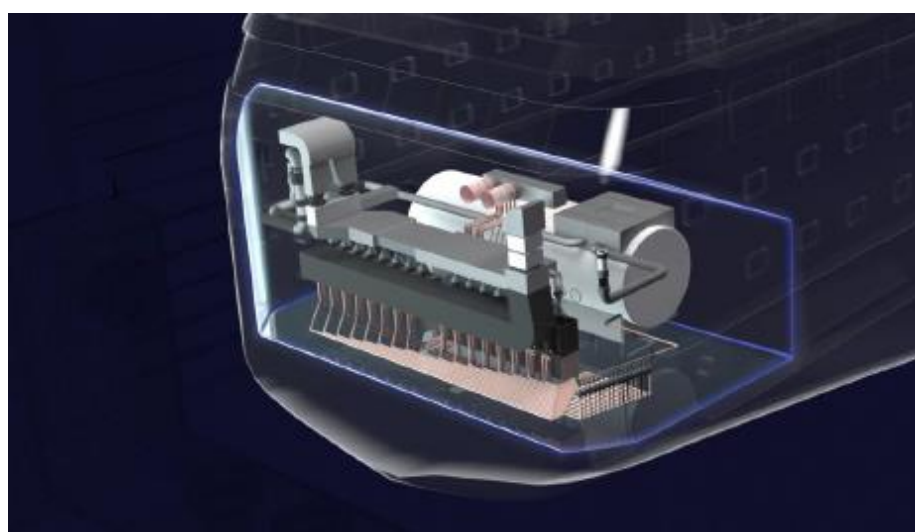
ADVISORY



FreeCO2ast

Source: Company

The HAV Hydrogen system – providing vessels with the opportunity for emission-free propulsion



Source: company

The company's ambitions around hydrogen began in back in 2018, when Havyard Group ASA (through HDS / NES) and consortium partners (Havila Kystruten, Prototech & Sintef) was awarded a NOK 95m pilot development project. The 'FreeCO2ast' will focus on developing a high-capacity hydrogen energy system, which will be approved for zero emission sailing with high speed over longer distances. The project has been running for around 2 years, with the first phase now completed. The company is now entering into the approval stage for the system.

### **HAV Hydrogen System Deep-dive**

HAV will be aiming to provide the full system required for hydrogen usage on a vessel. As in the graphic above, the system will include a hydrogen tank for storing the fuel, as well as a fuel cell stack (3.2MW in total) and all the system integration in between (such as ventilation, cooling etc). The system will also be installed within the hull of the vessel.

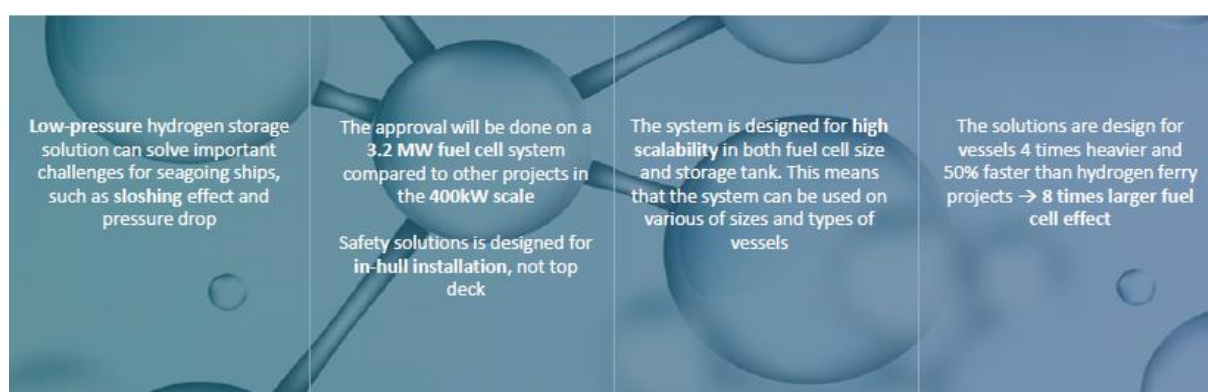
Despite the early stage of the endeavour, HAV have lined up an impressive set of sub-suppliers. The fuel cell stack will be provided by PowerCell (at this stage – the company has noted that it will continue its dialogue with other fuel cell providers), and will consist of a stack amassing 3.2MW – the PowerCell stack was also chosen for its lower demand for space, thus aiding in efficient design on a vessel where space is key. Furthermore, the tank for



holding the hydrogen will be supplied by Linde. As of now, the primary choice of the company is to utilize liquid hydrogen (the company notes that this is the most viable solution for vessels up to a certain size and distance). However, HAV is also looking at other methods / fuels, such as the utilization of ammonia / storing ammonia and then cracking it in order to utilize the hydrogen within the molecule.

The company will be targeting both new vessels and retrofitting existing vessels, with coastal transport being the initial target going forward. The company is however aware that vessels travelling very short journeys, such as ferries may be able to use batteries – given this, the hydrogen system will be targeted towards vessels that can sail for longer distances (*much like the current pilot, travelling from Bergen to Kirkenes in Norway*).

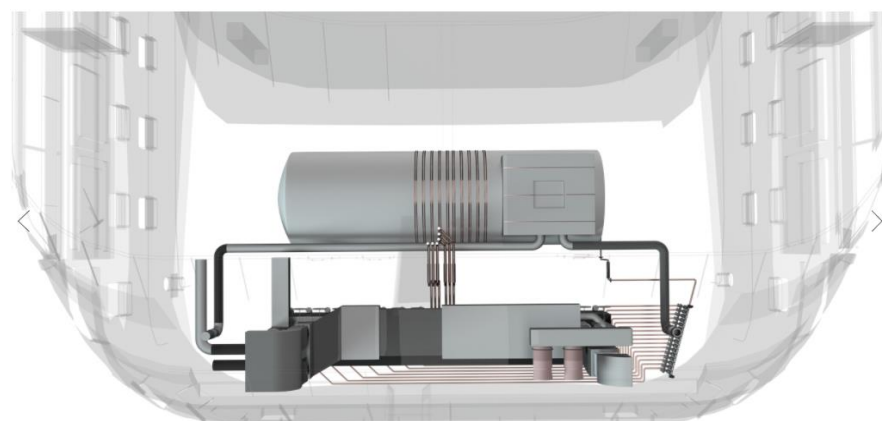
#### HAV hydrogen system – the solution



Source: company

Despite the HAV Hydrogen story being a relatively young one (*we note the product is still very much in “pilot” phase*), we are very excited for the potential HAV Hydrogen has. The pilot project is developing as planned, with approval in principle in the near-term (*and potentially seeing an order as early as next year*). The company has also noted significant interest from potential customers going forward. Combining these points with the fact that hydrogen has in large part been agreed upon as a decisive factor in the energy transition, we see a potentially vast and untapped (*so far*) opportunity that the company could grab in the future.

#### HAV is targeting provision of a fully integrated solution



Source: company

## Financials & Estimates

### Debt

The company has two debt facilities, including a group loan with DNB at NOK 55m which matures in 3q24 with NOK 3.75m in amortization per quarter from 3q21. Security share pledge in HAV subsidiaries. The loan comes with an interest of 3mN + 3.5%. The other facility is a NOK 13m facility with Sparebanken Møre / Innovasjon Norge in several tranches. To our understanding, the latter facility has been fully drawn (*NOK 19m*) in 1q21 in, driven by progress related to the USCG testing in the segment. We have incorporated that into our analysis. As we have it, the longest tranche matures in seven years, with the average interest rate at 4.75%. On top, NES has an undrawn bank overdraft facility in DNB with limit up to NOK 10m. No other interest-bearing debt.

### Equity

HAV raised NOK 90m in cash through the recent listing. The total opening cash balance of NOK 100m implies net cash of NOK 32m. On our numbers, and based on the structuring of sales contracts, we see no additional organic capital needs. To the extent further capital should be needed going forward, we expect both the bond and equity markets to be potential sources, depending on prevailing market conditions and use of proceeds.

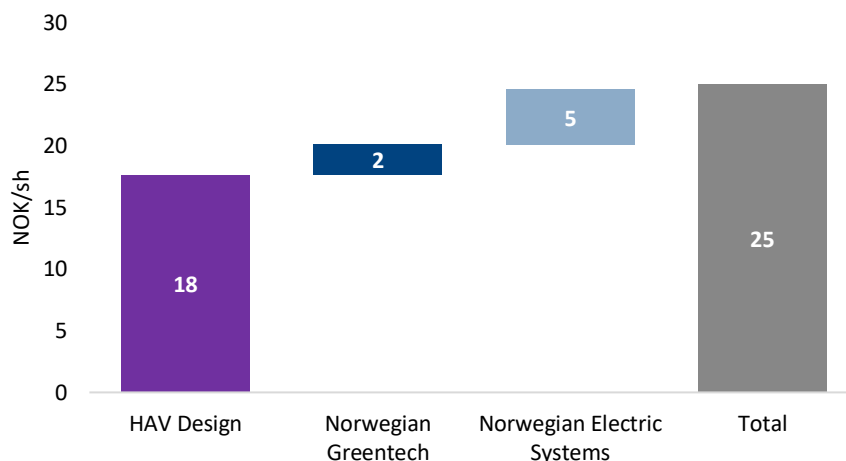
| Cash development - 2021-2023 (NOKm) | 1q21E        | 2q21E        | 3q21E        | 4q21E        | 1q22E        | 2q22E        | 3q22E        | 4q22E        | 1q23E        | 2q23E        | 3q23E        | 4q23E        |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Net cash from operations            | 11.0         | 11.1         | 11.1         | 11.1         | 15.9         | 15.9         | 16.2         | 16.2         | 18.2         | 18.2         | 18.3         | 18.3         |
| Net cash from investments           | -7.5         | -7.5         | -7.5         | -7.5         | -8.8         | -8.8         | -8.8         | -8.8         | -8.8         | -8.8         | -8.8         | -8.8         |
| Net cash from financials            | 95.3         | -0.7         | -4.4         | -4.4         | -4.4         | -4.4         | -4.4         | -4.4         | -4.4         | -4.4         | -4.4         | -4.4         |
| <b>FCF</b>                          | <b>3.5</b>   | <b>3.6</b>   | <b>3.6</b>   | <b>3.6</b>   | <b>7.1</b>   | <b>7.2</b>   | <b>7.4</b>   | <b>7.5</b>   | <b>9.4</b>   | <b>9.5</b>   | <b>9.5</b>   | <b>9.6</b>   |
| <b>F5est net cash at end</b>        | <b>108.8</b> | <b>111.6</b> | <b>110.8</b> | <b>110.0</b> | <b>112.7</b> | <b>115.4</b> | <b>118.4</b> | <b>121.4</b> | <b>126.4</b> | <b>131.4</b> | <b>136.5</b> | <b>141.7</b> |

| Estimate and assumption overview | 2021E      | 2022E      | 2023E      | 2024E      | 2025E      |
|----------------------------------|------------|------------|------------|------------|------------|
| Backlog Revenue                  | 566        | 254        | 0          | 0          | 0          |
| Non-backlog Revenue              | 80         | 490        | 775        | 814        | 851        |
| <b>Revenue</b>                   | <b>646</b> | <b>744</b> | <b>775</b> | <b>814</b> | <b>851</b> |
| Norwegian Greentech AS           | 73         | 92         | 100        | 105        | 107        |
| Norwegian Electric Systems AS    | 183        | 217        | 225        | 236        | 248        |
| HAV Design AS                    | 390        | 435        | 450        | 473        | 496        |
| HAV Hydrogen AS                  | 0          | 0          | 0          | 0          | 0          |
| <b>EBIT</b>                      | <b>47</b>  | <b>71</b>  | <b>81</b>  | <b>93</b>  | <b>97</b>  |
| Norwegian Greentech AS           | 4          | 6          | 8          | 11         | 11         |
| Norwegian Electric Systems AS    | 5          | 11         | 17         | 24         | 25         |
| HAV Design AS                    | 39         | 54         | 56         | 59         | 62         |
| HAV Hydrogen AS                  | 0          | 0          | 0          | 0          | 0          |
| <b>EBIT margin</b>               | <b>6%</b>  | <b>8%</b>  | <b>9%</b>  | <b>11%</b> | <b>11%</b> |
| Norwegian Greentech AS           | 5.0%       | 6.5%       | 8.0%       | 10.0%      | 10.0%      |
| Norwegian Electric Systems AS    | 2.5%       | 5.0%       | 7.5%       | 10.0%      | 10.0%      |
| HAV Design AS                    | 10.0%      | 12.5%      | 12.5%      | 12.5%      | 12.5%      |
| HAV Hydrogen AS                  | -          | -          | -          | -          | -          |

## Valuation

We value the segments as shown below, utilizing a 5-year DCF (10% WACC) with a terminal growth rate of 2.5% and resulting in a target price of NOK25/sh. HAV Design makes up the lion's share of valuation at NOK 18/sh, citing higher margins (*FSest 10-12.5%*) than other segments and solid outlooks for solid selling volumes (*FSest 2021/'22/'23 revenue estimates of NOK 390/435/450m, respectively*).

### Valuation Breakdown



### Discussion of assumptions

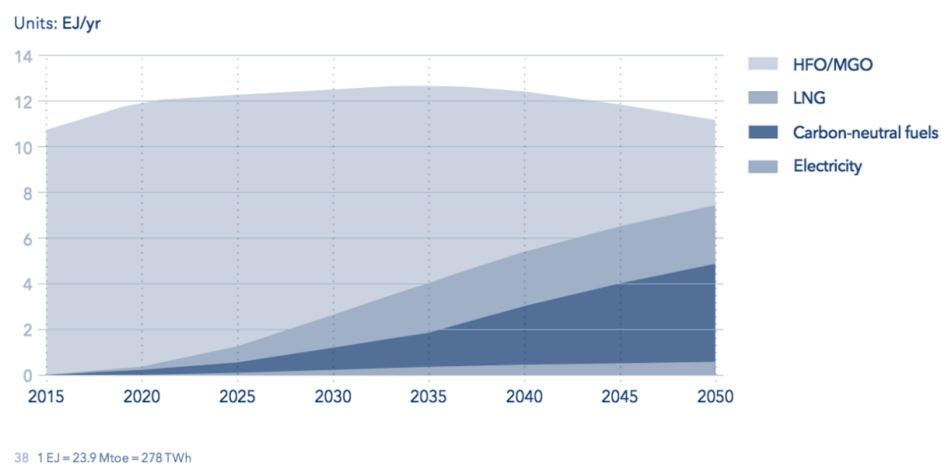
Our choice of 2.5% as a perpetual growth rate is broadly in line with other CleanTech companies in our coverage universe – however given the drive to reduce emissions in the maritime industry one could argue that this is even a little conservative. Moreover, and in general, we consider our EBIT margin assumptions on the slightly conservative side, leaving potential upside on the table. On top comes potential to add e.g. equipment package sales to HAV Design.

### Further upside potential through HAV Hydrogen

Given the early stages in the HAV Hydrogen (*the current status is still very much "pilot" stage*), we apply no value to the segment in our base case. However going forward, we see HAV hydrogen as representing significant value upside, given the vastness of the opportunity the "hydrogen economy" in the marine industry represents.

DNV estimates (*below*) that there is potential for c. 5EJ per year attributed to carbon neutral fuels per year. Even if we assume just a fraction of this market goes to HAV Hydrogen, the reader can clearly see the additional value that could come to shareholders. Given this, we will therefore keep a close and eager on developments in this segment and await updates from the company.

## HAV hydrogen – potential for significant value upside for shareholders



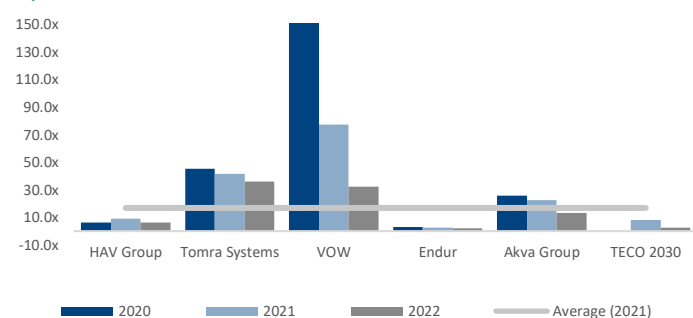
Source: DNV

## Nordic comparables – further highlights the opportunity for investors

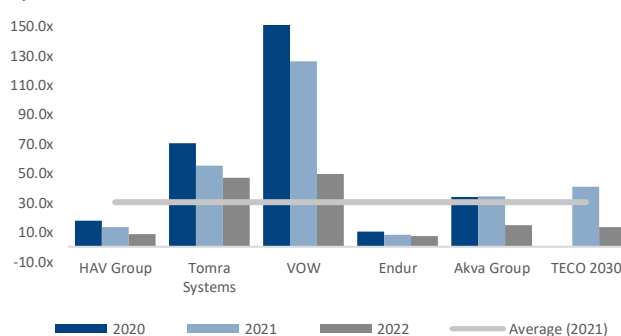
| Company          | MC (LCm) | EV (LCm) | EBIT (LCm) |       |       | Earnings (LCm) |      |       | EV/EBIT (x) |       |       |                | P/E (x) |        |       |
|------------------|----------|----------|------------|-------|-------|----------------|------|-------|-------------|-------|-------|----------------|---------|--------|-------|
|                  |          |          | 2020       | 2021  | 2022  | 2020           | 2021 | 2022  | 2020        | 2021  | 2022  | Average (2021) | 2020    | 2021   | 2022  |
| <b>HAV Group</b> | 478      | 432      | 68         | 47    | 71    | 27             | 36   | 56    | 6.3x        | 9.1x  | 6.1x  | 16.8x          | 17.7x   | 13.4x  | 8.6x  |
| Tomra Systems    | 54,027   | 57,791   | 1,279      | 1,387 | 1,610 | 767            | 982  | 1,158 | 45.2x       | 41.7x | 35.9x | 16.8x          | 70.5x   | 55.0x  | 46.7x |
| VOW              | 5,682    | 5,105    | 25         | 66    | 158   | 29             | 45   | 115   | 204.1x      | 77.1x | 32.3x | 16.8x          | 196.6x  | 126.0x | 49.5x |
| Endur            | 871      | 401      | 144        | 164   | 183   | 84             | 105  | 120   | 2.8x        | 2.4x  | 2.2x  | 16.8x          | 10.4x   | 8.3x   | 7.3x  |
| Akva Group       | 2,920    | 3,964    | 155        | 176   | 303   | 87             | 86   | 200   | 25.6x       | 22.6x | 13.1x | 16.8x          | 33.6x   | 34.1x  | 14.6x |
| TECO 2030        | 1,426    | 362      | -27        | 45    | 135   | -27            | 35   | 105   | -           | 8.0x  | 2.7x  | 16.8x          | -       | 40.7x  | 13.6x |

Source: FactSet

## EV/EBIT



## P/E



Source: FactSet, Fearnleys

## Board of Directors and Management Team

### Executive management



**Gunnar Larsen**  
CEO, HAV Group  
34 years of industry experience, 13 years with HAV  
Mr. Larsen joined Havyard in 2006. He was responsible for building up Havyard's international sales network, and held various positions within sales, marketing, procurement management and business development



**Geir Larsen**  
Managing Director, NES  
29 years of industry experience, 1 year with NES  
Mr. Larsen's previous experience includes Vard Aukra, Inpower and ABAS Crane and the AKVA Group. Expertise within electrical engineering and automation, and he is well acquainted with the market for electric and hybrid solutions



**Håvard Gjølseth**  
Managing Director, NGT  
25 years of industry experience, 10 years with NGT  
Mr. Gjølseth's previous experience includes Managing Director of Vismo AS, Automation Engineer in MMC Tendas/Optimar Herøy and Automation Engineer in ODIM AS



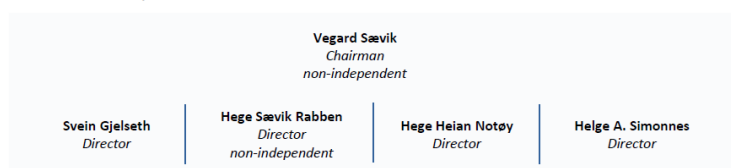
**Stig Magne Espeseth**  
Managing Director, HAV Design  
32 years of industry experience, 16 years with HAV Design  
Mr. Espeseth worked as a technical assistant for 2 years at Elomatic Ulsteinvik before education as Naval Architect. After education continued 14 year at Leine Maritime as Naval Architect and latest years as Managing Director



**Kristian Osnes**  
Managing Director, HAV Hydrogen  
10 years of industry experience, 3 years with HAV  
Mr. Osnes has been heading the Hydrogen R&D development in Havyard and has extensive experience as a Project Manager in the Maritime and Offshore sector working with product development, risk analysis and lifesaving systems

### Board of Directors and corporate governance

- HAV Group, although not required, intends to follow a high level of corporate governance principles as defined by the Norwegian Code of Practice for Corporate Governance for companies listed on a regulated market with respect to
  - Board composition with respect to independence, shareholder and employee representation and gender equality
  - Remuneration and nomination committees
  - Shares with equal rights and no staggered board, anti-takeover, or blank check preferred share provisions
- Currently, the Board of Directors consists of:



Source: Company

## Risks

In addition to the general market risk of operating in the maritime Cleantech industry, including, but not limited to counterparty risk, political risk and overall market risk, we highlight some of the specific risks related to this case.

HAV depends on penetrating markets that in many cases are fairly immature and subject to change at this stage. Further, there is a risk of new competition entering targeted markets, potentially driving down margins or lowering market share potential which would adversely impact the analysis above. Moreover, the timeline on implementation of political agendas and/or technology implementation is likely to be subject to change. Some of the company's (*potential*) offerings may prove challenging to commercialize or may require investments to do so over and above assumptions applied in this analysis. In addition, project delays could have a negative impact on cash flows and overall project economics. We believe, however, that current market outlooks look favorable, serving as an indication that such risks are limited in the shorter-term.

On a more positive note, Cleantech could become more important contributor to the ongoing Energy transition, which could boost demand beyond levels assumed, and investor interest in the space could surprise to the upside. Finally, while the estimates offered in this analysis represent our best effort at modelling potential, we reckon that margin assumptions are generally on the conservative side. Higher margins would positively impact estimates as presented herein.



| Quarterly information                    |             |             |             |             |             |              |              |              |              |
|--|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|
| Assumptions                              | 4Q19        | 1Q20        | 2Q20        | 3Q20        | 4Q20        | 1Q21E        | 2Q21E        | 3Q21E        | 4Q21E        |
| EBIT - Norwegian Greentech AS            | 0.00        | 0.00        | 0.00        | 0.00        | 0.00        | 0.92         | 0.92         | 0.92         | 0.92         |
| EBIT - Norwegian Electric Systems AS     | 0.00        | 0.00        | 0.00        | 0.00        | 0.00        | 1.14         | 1.14         | 1.14         | 1.14         |
| EBIT - HAV Design AS                     | 0.00        | 0.00        | 0.00        | 0.00        | 0.00        | 9.75         | 9.75         | 9.75         | 9.75         |
| EBIT - HAV Hydrogen AS                   | 0.000       | 0.000       | 0.000       | 0.000       | 0.000       | 0.000        | 0.000        | 0.000        | 0.000        |
| EBIT margin - Norwegian Greentech AS     | 0.000       | 0.000       | 0.000       | 0.000       | 0.000       | 0.050        | 0.050        | 0.050        | 0.050        |
| EBIT margin - Norwegian Electric Systems | 0.000       | 0.000       | 0.000       | 0.000       | 0.000       | 0.025        | 0.025        | 0.025        | 0.025        |
| EBIT margin - HAV Design AS              | 0.00        | 0.00        | 0.00        | 0.00        | 0.00        | 0.10         | 0.10         | 0.10         | 0.10         |
| EBIT margin - HAV Hydrogen AS            | 0.000       | 0.000       | 0.000       | 0.000       | 0.000       | 0.000        | 0.000        | 0.000        | 0.000        |
| <b>Sales (NOKm)</b>                      | <b>4Q19</b> | <b>1Q20</b> | <b>2Q20</b> | <b>3Q20</b> | <b>4Q20</b> | <b>1Q21E</b> | <b>2Q21E</b> | <b>3Q21E</b> | <b>4Q21E</b> |
| Norwegian Greentech AS                   | 17          | 0           | 0           | 0           | 0           | 18           | 18           | 18           | 18           |
| Norwegian Electric Systems AS            | 101         | 0           | 0           | 0           | 0           | 46           | 46           | 46           | 46           |
| HAV Design AS                            | 113         | 0           | 0           | 0           | 0           | 98           | 98           | 98           | 98           |
| HAV Hydrogen AS                          | 0           | 0           | 0           | 0           | 0           | 0            | 0            | 0            | 0            |
| <b>Total</b>                             | <b>0</b>    | <b>0</b>    | <b>0</b>    | <b>0</b>    | <b>0</b>    | <b>162</b>   | <b>162</b>   | <b>162</b>   | <b>162</b>   |
| <b>EBITDA (NOKm)</b>                     | <b>4Q19</b> | <b>1Q20</b> | <b>2Q20</b> | <b>3Q20</b> | <b>4Q20</b> | <b>1Q21E</b> | <b>2Q21E</b> | <b>3Q21E</b> | <b>4Q21E</b> |
| Norwegian Greentech AS                   | 17          | 0           | 0           | 0           | 0           | 11           | 11           | 11           | 11           |
| Norwegian Electric Systems AS            | 104         | 0           | 0           | 0           | 0           | 10           | 10           | 10           | 10           |
| HAV Design AS                            | 116         | 0           | 0           | 0           | 0           | 18           | 18           | 18           | 18           |
| HAV Hydrogen AS                          | 0           | 0           | 0           | 0           | 0           | 0            | 0            | 0            | 0            |
| <b>Total</b>                             | <b>0</b>    | <b>0</b>    | <b>0</b>    | <b>0</b>    | <b>0</b>    | <b>14</b>    | <b>14</b>    | <b>14</b>    | <b>14</b>    |
| <b>EBITDA margin</b>                     | <b>4Q19</b> | <b>1Q20</b> | <b>2Q20</b> | <b>3Q20</b> | <b>4Q20</b> | <b>1Q21E</b> | <b>2Q21E</b> | <b>3Q21E</b> | <b>4Q21E</b> |
| Norwegian Greentech AS                   | 102.0%      |             |             |             |             | 60.6%        | 60.6%        | 60.6%        | 60.6%        |
| Norwegian Electric Systems AS            | 102.5%      |             |             |             |             | 21.0%        | 21.0%        | 21.0%        | 21.0%        |
| HAV Design AS                            | 102.5%      |             |             |             |             | 18.7%        | 18.7%        | 18.7%        | 18.7%        |
| <b>Total margin</b>                      |             |             |             |             |             | <b>8.6%</b>  | <b>8.6%</b>  | <b>8.6%</b>  | <b>8.6%</b>  |
| <b>EBIT (NOKm)</b>                       | <b>4Q19</b> | <b>1Q20</b> | <b>2Q20</b> | <b>3Q20</b> | <b>4Q20</b> | <b>1Q21E</b> | <b>2Q21E</b> | <b>3Q21E</b> | <b>4Q21E</b> |
| Norwegian Greentech AS                   | 0           | 0           | 0           | 0           | 0           | 1            | 1            | 1            | 1            |
| Norwegian Electric Systems AS            | 0           | 0           | 0           | 0           | 0           | 1            | 1            | 1            | 1            |
| HAV Design AS                            | 0           | 0           | 0           | 0           | 0           | 10           | 10           | 10           | 10           |
| HAV Hydrogen AS                          | 0           | 0           | 0           | 0           | 0           | 0            | 0            | 0            | 0            |
| <b>Total</b>                             | <b>0</b>    | <b>0</b>    | <b>0</b>    | <b>0</b>    | <b>0</b>    | <b>12</b>    | <b>12</b>    | <b>12</b>    | <b>12</b>    |
| <b>EBIT margin</b>                       | <b>4Q19</b> | <b>1Q20</b> | <b>2Q20</b> | <b>3Q20</b> | <b>4Q20</b> | <b>1Q21E</b> | <b>2Q21E</b> | <b>3Q21E</b> | <b>4Q21E</b> |
| Norwegian Greentech AS                   | 0.0%        |             |             |             |             | 5.0%         | 5.0%         | 5.0%         | 5.0%         |
| Norwegian Electric Systems AS            | 0.0%        |             |             |             |             | 2.5%         | 2.5%         | 2.5%         | 2.5%         |
| HAV Design AS                            | 0.0%        |             |             |             |             | 10.0%        | 10.0%        | 10.0%        | 10.0%        |
| <b>Total margin</b>                      |             |             |             |             |             | <b>7.3%</b>  | <b>7.3%</b>  | <b>7.3%</b>  | <b>7.3%</b>  |

| Yearly information                       |             |              |              |              |              |              |              |
|--|-------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Assumptions                              | 2017        | 2018         | 2019         | 2020         | 2021E        | 2022E        | 2023E        |
| EBIT - Norwegian Greentech AS            | 0.00        | 0.00         |              |              | 0.92         | 1.49         | 2.00         |
| EBIT - Norwegian Electric Systems AS     | 0.00        | 0.00         |              |              | 1.14         | 2.72         | 4.22         |
| EBIT - HAV Design AS                     | 0.0         | 0.0          |              |              | 9.8          | 13.6         | 14.1         |
| EBIT - HAV Hydrogen AS                   | 0.000       | 0.000        |              |              | 0.000        | 0.000        | 0.000        |
| EBIT margin - Norwegian Greentech AS     | 0.000       | 0.000        |              |              | 0.050        | 0.065        | 0.080        |
| EBIT margin - Norwegian Electric Systems | 0.000       | 0.000        |              |              | 0.025        | 0.050        | 0.075        |
| EBIT margin - HAV Design AS              | 0.00        | 0.00         |              |              | 0.10         | 0.13         | 0.13         |
| EBIT margin - HAV Hydrogen AS            | 0.000       | 0.000        |              |              | 0.000        | 0.000        | 0.000        |
| <b>Sales (NOKm)</b>                      | <b>2017</b> | <b>2018</b>  | <b>2019</b>  | <b>2020</b>  | <b>2021E</b> | <b>2022E</b> | <b>2023E</b> |
| Norwegian Greentech AS                   | 0           | 0            | 67           | 0            | 73           | 92           | 100          |
| Norwegian Electric Systems AS            | 0           | 300          | 405          | 0            | 183          | 217          | 225          |
| HAV Design AS                            | 0           | 355          | 452          | 0            | 390          | 435          | 450          |
| HAV Hydrogen AS                          | 0           | 0            | 0            | 0            | 0            | 0            | 0            |
| <b>Total</b>                             | <b>440</b>  | <b>599</b>   | <b>813</b>   | <b>647</b>   | <b>646</b>   | <b>744</b>   | <b>775</b>   |
| <b>EBITDA (NOKm)</b>                     | <b>2017</b> | <b>2018</b>  | <b>2019</b>  | <b>2020</b>  | <b>2021E</b> | <b>2022E</b> | <b>2023E</b> |
| Norwegian Greentech AS                   | 0           | 0            | 68           | 0            | 45           | 53           | 59           |
| Norwegian Electric Systems AS            | 0           | 308          | 415          | 0            | 38           | 51           | 61           |
| HAV Design AS                            | 0           | 364          | 463          | 0            | 73           | 95           | 100          |
| HAV Hydrogen AS                          | 0           | 0            | 0            | 0            | 0            | 0            | 0            |
| <b>Total</b>                             | <b>32</b>   | <b>74</b>    | <b>-37</b>   | <b>85</b>    | <b>56</b>    | <b>80</b>    | <b>90</b>    |
| <b>EBITDA margin</b>                     | <b>2017</b> | <b>2018</b>  | <b>2019</b>  | <b>2020</b>  | <b>2021E</b> | <b>2022E</b> | <b>2023E</b> |
| Norwegian Greentech AS                   |             |              | 102.0%       |              | 60.6%        | 58.4%        | 58.8%        |
| Norwegian Electric Systems AS            |             | 102.5%       | 102.5%       |              | 21.0%        | 23.6%        | 27.0%        |
| HAV Design AS                            |             | 102.5%       | 102.5%       |              | 18.7%        | 21.8%        | 22.2%        |
| <b>Total margin</b>                      | <b>7.3%</b> | <b>12.3%</b> | <b>-4.5%</b> | <b>13.1%</b> | <b>8.6%</b>  | <b>10.7%</b> | <b>11.6%</b> |
| <b>EBIT (NOKm)</b>                       | <b>2017</b> | <b>2018</b>  | <b>2019</b>  | <b>2020</b>  | <b>2021E</b> | <b>2022E</b> | <b>2023E</b> |
| Norwegian Greentech AS                   | 0           | 0            | 0            | 0            | 4            | 6            | 8            |
| Norwegian Electric Systems AS            | 0           | 0            | 0            | 0            | 5            | 11           | 17           |
| HAV Design AS                            | 0           | 0            | 0            | 0            | 39           | 54           | 56           |
| HAV Hydrogen AS                          | 0           | 0            | 0            | 0            | 0            | 0            | 0            |
| <b>Total</b>                             | <b>24</b>   | <b>56</b>    | <b>-51</b>   | <b>68</b>    | <b>47</b>    | <b>71</b>    | <b>81</b>    |
| <b>EBIT margin</b>                       | <b>2017</b> | <b>2018</b>  | <b>2019</b>  | <b>2020</b>  | <b>2021E</b> | <b>2022E</b> | <b>2023E</b> |
| Norwegian Greentech AS                   |             |              | 0.0%         |              | 5.0%         | 6.5%         | 8.0%         |
| Norwegian Electric Systems AS            |             | 0.0%         | 0.0%         |              | 2.5%         | 5.0%         | 7.5%         |
| HAV Design AS                            |             | 0.0%         | 0.0%         |              | 10.0%        | 12.5%        | 12.5%        |
| <b>Total margin</b>                      | <b>5.5%</b> | <b>9.4%</b>  | <b>-6.3%</b> | <b>10.5%</b> | <b>7.3%</b>  | <b>9.6%</b>  | <b>10.5%</b> |

| Quarterly estimates                            |          |          |          |          |            |            |            |            |            |
|--|----------|----------|----------|----------|------------|------------|------------|------------|------------|
| PROFIT & LOSS (NOKm)                           | 4Q19     | 1Q20     | 2Q20     | 3Q20     | 4Q20       | 1Q21E      | 2Q21E      | 3Q21E      | 4Q21E      |
| Operating revenue                              | 0        | 0        | 0        | 0        | 0          | 162        | 162        | 162        | 162        |
| Cost of goods sold                             | 0        | 0        | 0        | 0        | 0          | -123       | -123       | -123       | -123       |
| SG&A   | 0        | 0        | 0        | 0        | 0          | -25        | -25        | -25        | -25        |
| Exploration expenses                           | 0        | 0        | 0        | 0        | 0          | 0          | 0          | 0          | 0          |
| Other operating expenses                       | 0        | 0        | 0        | 0        | 0          | 0          | 0          | 0          | 0          |
| <b>EBITDA</b>                                  | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b>   | <b>14</b>  | <b>14</b>  | <b>14</b>  | <b>14</b>  |
| Depr. & Amort.                                 | 0        | 0        | 0        | 0        | 0          | -2         | -2         | -2         | -2         |
| <b>EBIT</b>                                    | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b>   | <b>12</b>  | <b>12</b>  | <b>12</b>  | <b>12</b>  |
| Income from associates /JV's                   | 0        | 0        | 0        | 0        | 0          | 0          | 0          | 0          | 0          |
| Net interest expense                           | 0        | 0        | 0        | 0        | 0          | -1         | -1         | -1         | -1         |
| Other net financials                           | 0        | 0        | 0        | 0        | 0          | 0          | 0          | 0          | 0          |
| Non-recurring items                            | 0        | 0        | 0        | 0        | 0          | 0          | 0          | 0          | 0          |
| <b>Pre-tax profit</b>                          | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b>   | <b>11</b>  | <b>11</b>  | <b>11</b>  | <b>11</b>  |
| Minority interests                             | 0        | 0        | 0        | 0        | 0          | 0          | 0          | 0          | 0          |
| Tax expense                                    | 0        | 0        | 0        | 0        | 0          | -2         | -2         | -2         | -2         |
| <b>Net earnings</b>                            | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b>   | <b>9</b>   | <b>9</b>   | <b>9</b>   | <b>9</b>   |
| Net earnings adj.                              | 0        | 0        | 0        | 0        | 0          | 9          | 9          | 9          | 9          |
| BALANCE SHEET (NOKm)                           | 4Q19     | 1Q20     | 2Q20     | 3Q20     | 4Q20       | 1Q21E      | 2Q21E      | 3Q21E      | 4Q21E      |
| Intangibles                                    | 0        | 0        | 0        | 0        | 0          | 0          | 0          | 0          | 0          |
| Tangible fixed assets                          | 0        | 0        | 0        | 0        | 92         | 106        | 112        | 117        | 123        |
| Deferred income tax assets                     | 0        | 0        | 0        | 0        | 0          | 0          | 0          | 0          | 0          |
| Tax refunds non current                        | 0        | 0        | 0        | 0        | 0          | 0          | 0          | 0          | 0          |
| Other non current assets                       | 0        | 0        | 0        | 0        | 0          | 0          | 0          | 0          | 0          |
| <b>Total non-current assets</b>                | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>92</b>  | <b>106</b> | <b>112</b> | <b>117</b> | <b>123</b> |
| Inventory                                      | 0        | 0        | 0        | 0        | 8          | 8          | 8          | 8          | 8          |
| Receivables                                    | 0        | 0        | 0        | 0        | 548        | 548        | 548        | 548        | 548        |
| Assets held for sale                           | 0        | 0        | 0        | 0        | 0          | 0          | 0          | 0          | 0          |
| Tax refunds current                            | 0        | 0        | 0        | 0        | 0          | 0          | 0          | 0          | 0          |
| Other current assets                           | 0        | 0        | 0        | 0        | 2          | 2          | 2          | 2          | 2          |
| Cash and cash equivalents                      | 0        | 0        | 0        | 0        | 100        | 109        | 112        | 111        | 110        |
| <b>Total current assets</b>                    | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>658</b> | <b>667</b> | <b>670</b> | <b>669</b> | <b>668</b> |
| <b>Total assets</b>                            | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>750</b> | <b>773</b> | <b>781</b> | <b>786</b> | <b>791</b> |
| Shareholders equity                            | 0        | 0        | 0        | 0        | 81         | 99         | 108        | 117        | 126        |
| Minority interest                              | 0        | 0        | 0        | 0        | 0          | 0          | 0          | 0          | 0          |
| Interest-bearing debt                          | 0        | 0        | 0        | 0        | 68         | 59         | 55         | 51         | 46         |
| Deferred income tax liability                  | 0        | 0        | 0        | 0        | 0          | 0          | 0          | 0          | 0          |
| Other long-term debt                           | 0        | 0        | 0        | 0        | 7          | 7          | 7          | 7          | 7          |
| <b>Total non-current debt</b>                  | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>75</b>  | <b>66</b>  | <b>62</b>  | <b>58</b>  | <b>53</b>  |
| Interest-bearing debt                          | 0        | 0        | 0        | 0        | 0          | 14         | 18         | 18         | 18         |
| Trade payables                                 | 0        | 0        | 0        | 0        | 291        | 291        | 291        | 291        | 291        |
| Other payables                                 | 0        | 0        | 0        | 0        | 187        | 187        | 187        | 187        | 187        |
| Liability associated with assets held for sale | 0        | 0        | 0        | 0        | 0          | 0          | 0          | 0          | 0          |
| Other current liabilities                      | 0        | 0        | 0        | 0        | 116        | 116        | 116        | 116        | 116        |
| <b>Total current debt</b>                      | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>594</b> | <b>608</b> | <b>612</b> | <b>612</b> | <b>612</b> |
| <b>Total liabilities &amp; equity</b>          | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>750</b> | <b>773</b> | <b>781</b> | <b>786</b> | <b>791</b> |
| CASH FLOW (NOKm)                               | 4Q19     | 1Q20     | 2Q20     | 3Q20     | 4Q20       | 1Q21E      | 2Q21E      | 3Q21E      | 4Q21E      |
| Cash earnings                                  | 0        | 0        | 0        | 0        | 0          | 11         | 11         | 11         | 11         |
| Change in working capital                      | 0        | 0        | 0        | 0        | 0          | 0          | 0          | 0          | 0          |
| <b>Net cash from operations</b>                | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b>   | <b>11</b>  | <b>11</b>  | <b>11</b>  | <b>11</b>  |
| Investments in fixed assets                    | 0        | 0        | 0        | 0        | 0          | -8         | -8         | -8         | -8         |
| Proceeds from sale of asset                    | 0        | 0        | 0        | 0        | 0          | 0          | 0          | 0          | 0          |
| Other investments                              | 0        | 0        | 0        | 0        | 0          | 0          | 0          | 0          | 0          |
| <b>Net cash from investments</b>               | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b>   | <b>-8</b>  | <b>-8</b>  | <b>-8</b>  | <b>-8</b>  |
| <b>Free cash flow</b>                          | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b>   | <b>3</b>   | <b>4</b>   | <b>4</b>   | <b>4</b>   |
| Net change in Equity                           | 0        | 0        | 0        | 0        | 0          | 90         | 0          | 0          | 0          |
| Net change in Debt                             | 0        | 0        | 0        | 0        | 0          | 5          | -1         | -4         | -4         |
| Other items                                    | 0        | 0        | 0        | 0        | 0          | 0          | 0          | 0          | 0          |
| <b>Net cash from financials</b>                | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b>   | <b>95</b>  | <b>-1</b>  | <b>-4</b>  | <b>-4</b>  |
| Currency effect on cash                        | 0        | 0        | 0        | 0        | 0          | 0          | 0          | 0          | 0          |
| <b>Net change in cash</b>                      | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b>   | <b>99</b>  | <b>3</b>   | <b>-1</b>  | <b>-1</b>  |

| <b>Yearly estimates</b>                        |             |             |             |             |              |              |              |
|--|-------------|-------------|-------------|-------------|--------------|--------------|--------------|
| <b>PROFIT &amp; LOSS (NOKm)</b>                | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020</b> | <b>2021E</b> | <b>2022E</b> | <b>2023E</b> |
| Operating revenue                              | 440         | 599         | 813         | 647         | 646          | 744          | 775          |
| Cost of goods sold                             | -282        | -374        | -634        | -462        | -490         | -544         | -555         |
| SG&A   | -80         | -103        | -98         | -100        | -100         | -120         | -130         |
| Exploration expenses                           | 0           | 0           | 0           | 0           | 0            | 0            | 0            |
| Other operating expenses                       | -46         | -49         | -118        | 0           | 0            | 0            | 0            |
| <b>EBITDA</b>                                  | <b>32</b>   | <b>74</b>   | <b>-37</b>  | <b>85</b>   | <b>56</b>    | <b>80</b>    | <b>90</b>    |
| Depr. & Amort.                                 | -8          | -17         | -14         | -17         | -9           | -9           | -9           |
| <b>EBIT</b>                                    | <b>24</b>   | <b>56</b>   | <b>-51</b>  | <b>68</b>   | <b>47</b>    | <b>71</b>    | <b>81</b>    |
| Income from associates /JV's                   | 0           | 0           | 0           | 0           | 0            | 0            | 0            |
| Net interest expense                           | -4          | -2          | -12         | -30         | -3           | -2           | -1           |
| Other net financials                           | 0           | 0           | 0           | 0           | 0            | 0            | 0            |
| Non-recurring items                            | 0           | 0           | 0           | 0           | 0            | 0            | 0            |
| <b>Pre-tax profit</b>                          | <b>20</b>   | <b>54</b>   | <b>-63</b>  | <b>38</b>   | <b>45</b>    | <b>70</b>    | <b>81</b>    |
| Minority interests                             | 0           | 0           | 0           | 0           | 0            | 0            | 0            |
| Tax expense                                    | -3          | -9          | -5          | -11         | -9           | -14          | -16          |
| <b>Net earnings</b>                            | <b>17</b>   | <b>46</b>   | <b>-68</b>  | <b>27</b>   | <b>36</b>    | <b>56</b>    | <b>64</b>    |
| Net earnings adj.                              | 17          | 46          | -68         | 27          | 36           | 56           | 64           |
| <b>BALANCE SHEET (NOKm)</b>                    | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020</b> | <b>2021E</b> | <b>2022E</b> | <b>2023E</b> |
| Intangibles                                    | 65          | 69          | 86          | 86          |              |              |              |
| Tangible fixed assets                          | 2           | 4           | 3           | 6           | 123          | 149          | 176          |
| Deferred income tax assets                     | 0           | 0           | 0           | 0           | 0            | 0            | 0            |
| Tax refunds non current                        | 0           | 0           | 0           | 0           | 0            | 0            | 0            |
| Other non current assets                       | 0           | 0           | 0           | 0           |              |              |              |
| <b>Total non-current assets</b>                | <b>67</b>   | <b>73</b>   | <b>89</b>   | <b>92</b>   | <b>123</b>   | <b>149</b>   | <b>176</b>   |
| Inventory                                      | 4           | 11          | 7           | 8           | 8            | 8            | 8            |
| Receivables                                    | 262         | 360         | 439         | 548         | 548          | 548          | 548          |
| Assets held for sale                           | 0           | 0           | 0           | 0           | 0            | 0            | 0            |
| Tax refunds current                            | 0           | 0           | 0           | 0           | 0            | 0            | 0            |
| Other current assets                           | 94          | 90          | 81          | 2           | 2            | 2            | 2            |
| Cash and cash equivalents                      | 35          | 31          | 57          | 100         | 110          | 121          | 142          |
| <b>Total current assets</b>                    | <b>394</b>  | <b>492</b>  | <b>585</b>  | <b>658</b>  | <b>668</b>   | <b>679</b>   | <b>700</b>   |
| <b>Total assets</b>                            | <b>461</b>  | <b>565</b>  | <b>674</b>  | <b>750</b>  | <b>791</b>   | <b>828</b>   | <b>875</b>   |
| Shareholders equity                            | 71          | 56          | -31         | 81          | 126          | 181          | 246          |
| Minority interest                              | 0           | 0           | 0           | 0           | 0            | 0            | 0            |
| Interest-bearing debt                          | 9           | 8           | 14          | 68          | 46           | 28           | 63           |
| Deferred income tax liability                  | 8           | 12          | 7           | 7           | 0            | 0            | 0            |
| Other long-term debt                           | 6           | 7           | 24          | 0           | 7            | 7            | 7            |
| <b>Total non-current debt</b>                  | <b>22</b>   | <b>27</b>   | <b>44</b>   | <b>75</b>   | <b>53</b>    | <b>35</b>    | <b>70</b>    |
| Interest-bearing debt                          | 55          | 55          | 55          |             | 18           | 18           | -35          |
| Trade payables                                 | 62          | 83          | 199         | 291         | 291          | 291          | 291          |
| Other payables                                 | 198         | 223         | 353         | 187         | 187          | 187          | 187          |
| Liability associated with assets held for sale | 0           | 0           | 0           | 0           | 0            | 0            | 0            |
| Other current liabilities                      | 53          | 121         | 54          | 116         | 116          | 116          | 116          |
| <b>Total current debt</b>                      | <b>369</b>  | <b>482</b>  | <b>661</b>  | <b>594</b>  | <b>612</b>   | <b>612</b>   | <b>559</b>   |
| <b>Total liabilities &amp; equity</b>          | <b>461</b>  | <b>565</b>  | <b>674</b>  | <b>750</b>  | <b>791</b>   | <b>828</b>   | <b>875</b>   |
| <b>CASH FLOW (NOKm)</b>                        | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020</b> | <b>2021E</b> | <b>2022E</b> | <b>2023E</b> |
| Cash earnings                                  | 26          | 72          | -49         | 44          | 44           | 64           | 73           |
| Change in working capital                      | -36         | -34         | 182         | 0           | 0            | 0            | 0            |
| <b>Net cash from operations</b>                | <b>-9</b>   | <b>37</b>   | <b>134</b>  | <b>44</b>   | <b>44</b>    | <b>64</b>    | <b>73</b>    |
| Investments in fixed assets                    | -4          | -2          | -1          | 0           | -30          | -35          | -35          |
| Proceeds from sale of asset                    | 0           | 0           | 0           | 0           | 0            | 0            | 0            |
| Other investments                              | -14         | -20         | -31         |             |              |              |              |
| <b>Net cash from investments</b>               | <b>-18</b>  | <b>-22</b>  | <b>-32</b>  | <b>0</b>    | <b>-30</b>   | <b>-35</b>   | <b>-35</b>   |
| <b>Free cash flow</b>                          | <b>-28</b>  | <b>15</b>   | <b>102</b>  | <b>44</b>   | <b>14</b>    | <b>29</b>    | <b>38</b>    |
| Net change in Equity                           |             |             |             |             | 90           |              |              |
| Net change in Debt                             | -1          | -2          | 6           |             | -4           | -18          | -18          |
| Other items                                    | -7          | -18         | -82         | 0           | 0            | 0            | 0            |
| <b>Net cash from financials</b>                | <b>-8</b>   | <b>-20</b>  | <b>-76</b>  | <b>0</b>    | <b>86</b>    | <b>-18</b>   | <b>-18</b>   |
| Currency effect on cash                        | 0           | 0           | 0           | 0           | 0            | 0            | 0            |
| <b>Net change in cash</b>                      | <b>-36</b>  | <b>-5</b>   | <b>26</b>   | <b>44</b>   | <b>100</b>   | <b>11</b>    | <b>20</b>    |

| Quarterly valuation                |      |      |      |      |       |       |       |       |       |
|------------------------------------|------|------|------|------|-------|-------|-------|-------|-------|
| PER SHARE DATA (NOK)               | 4Q19 | 1Q20 | 2Q20 | 3Q20 | 4Q20  | 1Q21E | 2Q21E | 3Q21E | 4Q21E |
| Shares outstanding dil.            | 0    | 0    | 0    | 0    | 30    | 35    | 35    | 35    | 35    |
| EPS                                |      |      |      |      | 0.00  | 0.27  | 0.26  | 0.26  | 0.26  |
| EPS adj.                           |      |      |      |      | 0.00  | 0.27  | 0.26  | 0.26  | 0.26  |
| CEPS                               |      |      |      |      | 0.0   | 0.3   | 0.3   | 0.3   | 0.3   |
| DPS                                | 0.0  | 0.0  | 0.0  | 0.0  | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   |
| BVPS                               |      |      |      |      | 2.7   | 2.8   | 3.1   | 3.3   | 3.6   |
| VALUATION                          | 4Q19 | 1Q20 | 2Q20 | 3Q20 | 4Q20  | 1Q21E | 2Q21E | 3Q21E | 4Q21E |
| Price (NOK)                        |      |      |      |      |       | 13.7  | 13.7  | 13.7  | 13.7  |
| P/E                                |      |      |      |      |       |       |       | 16.9  | 12.7  |
| P/E adj.                           |      |      |      |      |       |       |       | 16.9  | 12.7  |
| P/CE                               |      |      |      |      |       |       |       | 13.6  | 10.3  |
| P/Sales                            |      |      |      |      |       | 2.9   | 1.4   | 1.0   | 0.7   |
| EV/Sales, incl. wc                 |      |      |      |      |       | 2.6   | 1.3   | 0.9   | 0.6   |
| EV/EBITDA, incl. wc                |      |      |      |      |       | 33.2  | 16.5  | 10.9  | 8.1   |
| EV/EBITDA                          |      |      |      |      |       | 30.6  | 15.2  | 10.0  | 7.5   |
| P/B                                |      |      |      |      |       | 4.7   | 4.3   | 4.0   | 3.7   |
| FCF yield                          |      |      |      |      |       | 0.7%  | 0.8%  | 0.8%  | 0.8%  |
| Dividend yield                     |      |      |      |      |       | 0.0%  | 0.0%  | 0.0%  | 0.0%  |
| MARGINS AND GROWTH                 | 4Q19 | 1Q20 | 2Q20 | 3Q20 | 4Q20  | 1Q21E | 2Q21E | 3Q21E | 4Q21E |
| Return on equity (ROE)             | nm   | nm   | nm   | nm   | 0.0%  | 19.7% | 24.7% | 26.4% | 31.8% |
| Return on capital employed (ROCE)  | nm   | nm   | nm   | nm   | 0.0%  | 34.2% | 42.3% | 45.0% | 53.6% |
| Sales growth YOY                   |      |      |      |      |       | nm    | nm    | nm    | nm    |
| EBITDA margin                      |      |      |      |      |       | 8.6%  | 8.6%  | 8.6%  | 8.6%  |
| EBIT margin                        |      |      |      |      |       | 7.3%  | 7.3%  | 7.3%  | 7.3%  |
| Net margin                         |      |      |      |      |       | 5.5%  | 5.5%  | 5.5%  | 5.6%  |
| Tax rate                           |      |      |      |      |       | 20.0% | 20.0% | 20.0% | 20.0% |
| GEARING AND CREDIT                 | 4Q19 | 1Q20 | 2Q20 | 3Q20 | 4Q20  | 1Q21E | 2Q21E | 3Q21E | 4Q21E |
| Gross interest-bearing debt (GIBD) | 0    | 0    | 0    | 0    | 68    | 73    | 73    | 68    | 64    |
| Net interest-bearing debt (NIBD)   | 0    | 0    | 0    | 0    | -32   | -35   | -39   | -43   | -46   |
| Equity ratio                       |      |      |      |      | 10.8% | 12.8% | 13.8% | 14.9% | 15.9% |
| GIBD / EBITDA                      |      |      |      |      |       | 5.3   | 2.6   | 1.6   | 1.1   |
| NIBD / EBITDA                      |      |      |      |      |       | -2.5  | -1.4  | -1.0  | -0.8  |
| GIBD / Total assets                |      |      |      |      | 9.1%  | 9.5%  | 9.3%  | 8.7%  | 8.1%  |
| NIBD / Total assets                |      |      |      |      | -4.3% | -4.6% | -5.0% | -5.4% | -5.8% |
| OCF / GIBD                         |      |      |      |      | 0.0   | 0.1   | 0.2   | 0.2   | 0.2   |
| FCF / GIBD                         |      |      |      |      | 0.0   | 0.0   | 0.0   | 0.1   | 0.1   |
| Interest coverage ratio (EBITDA)   |      |      |      |      |       | 15.8  | 15.3  | 15.8  | 16.9  |
| Current ratio                      |      |      |      |      | 1.1   | 1.1   | 1.1   | 1.1   | 1.1   |



| Yearly valuation                   |       |        |        |        |        |       |        |
|------------------------------------|-------|--------|--------|--------|--------|-------|--------|
| PER SHARE DATA (NOK)               | 2017  | 2018   | 2019   | 2020   | 2021E  | 2022E | 2023E  |
| Shares outstanding dil.            | 0     | 0      | 0      | 30     | 35     | 35    | 35     |
| EPS                                | 0.00  |        |        | 7.20   | 1.04   | 1.59  | 1.84   |
| EPS adj.                           | 0.00  |        |        | 7.20   | 1.04   | 1.59  | 1.84   |
| CEPS                               | 0.0   |        |        | 11.7   | 1.3    | 1.8   | 2.1    |
| DPS                                | 0.0   | 0.0    | 0.0    | 0.0    | 0.0    | 0.0   | 0.0    |
| BVPS                               | 0.0   |        |        | 0.0    | 3.6    | 5.2   | 7.0    |
| VALUATION                          | 2017  | 2018   | 2019   | 2020   | 2021E  | 2022E | 2023E  |
| Price (NOK)                        |       |        |        |        | 13.7   | 13.7  | 13.7   |
| P/E                                |       |        |        |        | 12.7   | 8.3   | 7.2    |
| P/E adj.                           |       |        |        |        | 12.7   | 8.3   | 7.2    |
| P/CE                               |       |        |        |        | 10.3   | 7.2   | 6.3    |
| P/Sales                            |       |        |        |        | 0.7    | 0.6   | 0.6    |
| EV/Sales, incl. wc                 |       |        |        |        | 0.7    | 0.6   | 0.5    |
| EV/EBITDA, incl. wc                |       |        |        |        | 8.1    | 5.3   | 4.3    |
| EV/EBITDA                          |       |        |        |        | 7.5    | 4.9   | 3.9    |
| P/B                                |       |        |        |        | 3.7    | 2.5   | 1.9    |
| FCF yield                          |       |        |        |        | 3.1%   | 6.3%  | 8.2%   |
| Dividend yield                     |       |        |        |        | 0.0%   | 0.0%  | 0.0%   |
| MARGINS AND GROWTH                 | 2017  | 2018   | 2019   | 2020   | 2021E  | 2022E | 2023E  |
| Return on equity (ROE)             |       | 71.9%  | nm     | 108.4% | 34.6%  | 36.2% | 30.2%  |
| Return on capital employed (ROCE)  |       | 175.9% | 130.0% | nm     | 179.3% | 61.7% | 54.5%  |
| Sales growth YOY                   |       | 36.5%  | 35.9%  | -20.2% | -0.2%  | 15.2% | 4.2%   |
| EBITDA margin                      | 7.3%  | 12.3%  | -4.5%  | 13.1%  | 8.6%   | 10.7% | 11.6%  |
| EBIT margin                        | 5.5%  | 9.4%   | -6.3%  | 10.5%  | 7.3%   | 9.6%  | 10.5%  |
| Net margin                         | 3.9%  | 7.6%   | -8.4%  | 4.2%   | 5.5%   | 7.5%  | 8.3%   |
| Tax rate                           | 13.8% | 15.9%  | nm     | 28.9%  | 20.0%  | 20.0% | 20.0%  |
| GEARING AND CREDIT                 | 2017  | 2018   | 2019   | 2020   | 2021E  | 2022E | 2023E  |
| Gross interest-bearing debt (GIBD) | 64    | 63     | 69     | 68     | 64     | 46    | 28     |
| Net interest-bearing debt (NIBD)   | 29    | 32     | 11     | -32    | -46    | -75   | -113   |
| Equity ratio                       | 15.4% | 9.9%   | -4.6%  | 10.8%  | 15.9%  | 21.9% | 28.1%  |
| GIBD / EBITDA                      | 2.0   | 0.9    | -1.9   | 0.8    | 1.1    | 0.6   | 0.3    |
| NIBD / EBITDA                      | 0.9   | 0.4    | -0.3   | -0.4   | -0.8   | -0.9  | -1.3   |
| GIBD / Total assets                | 13.8% | 11.1%  | 10.2%  | 9.1%   | 8.1%   | 5.6%  | 3.2%   |
| NIBD / Total assets                | 6.3%  | 5.6%   | 1.7%   | -4.3%  | -5.8%  | -9.1% | -12.9% |
| OCF / GIBD                         | -0.1  | 0.6    | 2.0    | 0.6    | 0.7    | 1.4   | 2.6    |
| FCF / GIBD                         | -0.4  | 0.2    | 1.5    | 0.6    | 0.2    | 0.6   | 1.3    |
| Interest coverage ratio (EBITDA)   |       |        |        |        | 15.9   | 29.0  | 48.2   |
| Current ratio                      | 1.1   | 1.0    | 0.9    | 1.1    | 1.1    | 1.1   | 1.3    |

DISCLOSURES AND DISCLAIMERS FOR RECOMMENDATIONS (EQUITY AND FIXED INCOME)Issued by Fearnley Securities on July 8, 2019**1. Introduction**

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Recommendations regarding shares and share related instruments (“Equities”) are based on price targets fixed with different valuation methods that may include analysis of earnings multiples (absolute and relative), valuation of a company using DCF (discounted cash flow) calculations and by carrying out net asset value (NAV) assessments. Price targets are changed when earnings and cash flow forecasts are changed. They may also be changed when the underlying value of the assets of the issuer that is the subject of the Recommendation (the “Recommendation Subject”) changes or when factors impacting the required rate of return change. Unless otherwise stated, our recommendations have a twelve-month horizon.

**Definitions of Key Terms**

|       |   |
|-------|---|
| Buy:  | When price target is more than 15 % above market price.   |
| Hold: | When target price is between -15%- +15% and/or if we do not see a compelling investment case in the share |
| Sell: | When target price is 15 % or more below market price.   |

**Equity recommendations prior to 8 July 2019**

|             |   |
|-------------|---|
| Buy:        | When price target is more than 15 % above market price. |
| Accumulate: | When target price is within 5-15 % above market price.  |
| Reduce:     | When target price is +5 % to -15 % below market price.  |
| Sell:       | When target price is 15 % or more below market price.   |

**Risks**

There is an element of risk attached to all investments in financial instruments. There may be uncertainties with respect to the accurateness and reliability of any information, interpretation and assessment. There are uncertainties and risks attached to the correctness of any Recommendation and with respect to forward looking statements and expectations.

|              |                      |           |
|--------------|----------------------|-----------|
| High risk:   | beta above           | 1.2       |
| Medium risk: | beta range           | 1.0 – 1.2 |
| Low risk:    | beta at or less than | 1.0       |

Fearnley Securities AS assesses risk in Recommendations relative to the Oslo Børs Benchmark index (OSEBX). Fearnley Securities AS applies the beta as main risk assessment criterion to its Recommendations. The risk assessment is in addition based on a consideration of the individual company's business and financial risk profile.

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### 3. Fixed Income Recommendations

#### Basis and Methods for Assessment

Recommendations for bonds and other fixed income instruments are based on assessment of credit risk (the creditworthiness of a particular Recommendation Subject or instrument as of a given date) relative to risk premium (risk premium inherent in yield relative to investment amount).

Fearnley Securities AS mainly analyses fixed income instruments in the high yield segment where the credit risk is regarded as high. This includes rated instruments with ratings below BBB (S&P) or Baa3 (Moody's) (below "investment grade") where Fearnley Securities AS will quote the ratings to the extent these are known to Fearnley Securities AS.

#### Definitions of Key Terms

Buy: The risk premium is considered as favorable relative to credit risk

Hold: The risk premium is considered as acceptable relative to credit risk (Prior to April 11, 2016, defined as Accumulate)

Sell: The risk premium is considered as not acceptable relative to risk (Prior to April 11, 2016, defined as Reduce)

Unless otherwise stated, fixed income Recommendations are valid until maturity of the bonds.

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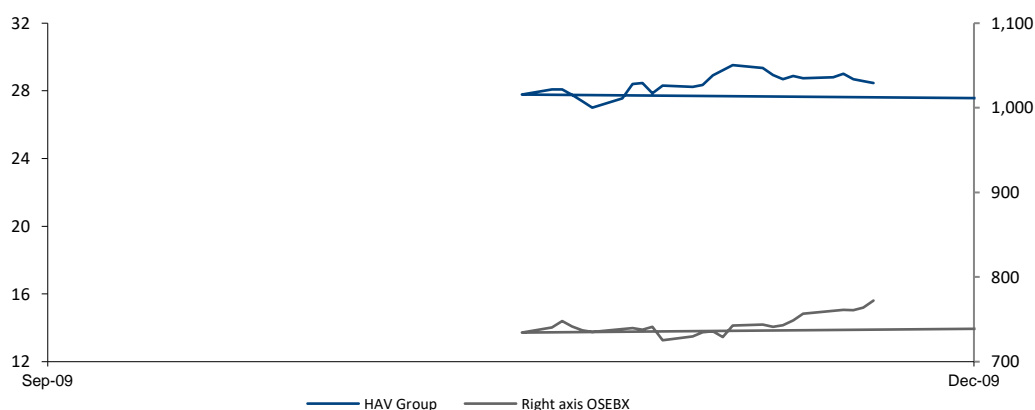
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## 9. Previous Recommendations

HAV Group - Equity Reco: BUY, Price Target: NOK 25.00



B=Buy, A=Accumulate, R=Reduce, S=Sell, H=Hold

Data source: FactSet/Fearnley Securities

Credit Recommendation changes for HAV Group

| Date | Credit Recommendation |
|------|-----------------------|
|      |                       |

Please contact [fondsweb@fearnleys.no](mailto:fondsweb@fearnleys.no) to receive additional information about Recommendations in the financial instruments of the issuing company the last 36 months, including data on changes in Recommendations. Please be aware that certain informal Recommendations may be excluded.



**10. Previous Reports**

| Date | Title | Reason |
|------|-------|--------|
|------|-------|--------|

**11. Disclosure of Positions**

The following table presents holdings in financial instruments under the Norwegian Securities Trading Regulations section 3-10 (2) and section 3-11 (1), as well as Section 13(d) of the U.S. Securities Exchange Act of 1934. Fearnley Securities AS - consolidated with related companies and associated persons – has the following holdings of (a) equities of the Recommendation Subject that exceed 1% of the total share capital of the Recommendation Subject and (b) bonds of the Recommendation Subject in a nominal amount that exceeds 1% of the total outstanding bonds of such Recommendation Subject. The aggregate of all Fearnley analyst holdings are disclosed)

| Company Name     | Analyst's holding |       | Others   |       | Last updated |
|------------------|-------------------|-------|----------|-------|--------------|
|                  | Equities          | Bonds | Equities | Bonds |              |
| Aker BP ASA      | 687               | -     | -        | -     | 31.12.2020   |
| Seadrill LTD     | 350               | -     | -        | -     | 31.12.2020   |
| Scatec Solar ASA | 16                | -     | -        | -     | 31.12.2020   |
| Valaris PLC      | 625               | -     | -        | -     | 31.12.2020   |

**12. Disclosure of Assignments and Mandates**

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- (i) participation by any Fearnley party as manager or co-manager of a public offering relating to a Recommendation Subject in the preceding twelve months;
- (ii) receipt of compensation by a Fearnley party for investment banking services from a Recommendation Subject in the preceding twelve months;
- (iii) expectation that a Fearnley party will receive, or intends to seek, compensation for investment banking services from the Recommendation Subject in the following three months; and
- (iv) receipt of compensation by a Fearnley party for products or services other than investment banking services in the preceding twelve months, as well as identification of all categories of services offered (investment banking, non-investment banking securities-related, or non-securities services).

Last updated: 28 February 2021

- Africa Energy Corp
- Borr Drilling Ltd
- Eagle Bulk Shipping Inc
- Fusion Fuel Green Plc
- Global Ship Lease, Inc
- Golden Ocean Group ASA
- HydrogenPro AS
- Magnora ASA
- MPC Energy Solutions N.V
- Ocean Sun AS
- OHT ASA
- Seaspan Corporation
- Teco 2030 ASA

**13. Statistics**

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Last updated 1 February 2021

| Rating distribution |            |      |        |      | Investment banking relationship |            |      |        |      |
|---------------------|------------|------|--------|------|---------------------------------|------------|------|--------|------|
| Buy                 | Accumulate | Hold | Reduce | Sell | Buy                             | Accumulate | Hold | Reduce | Sell |
| 63%                 | 1%         | 27%  | 0%     | 9%   | 86%                             | 0%         | 14%  | 0%     | 0%   |