



*Disruptive technologies, sustainable results*

# Q3 2021 operational update

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25 November 2021



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Nekkar ASA

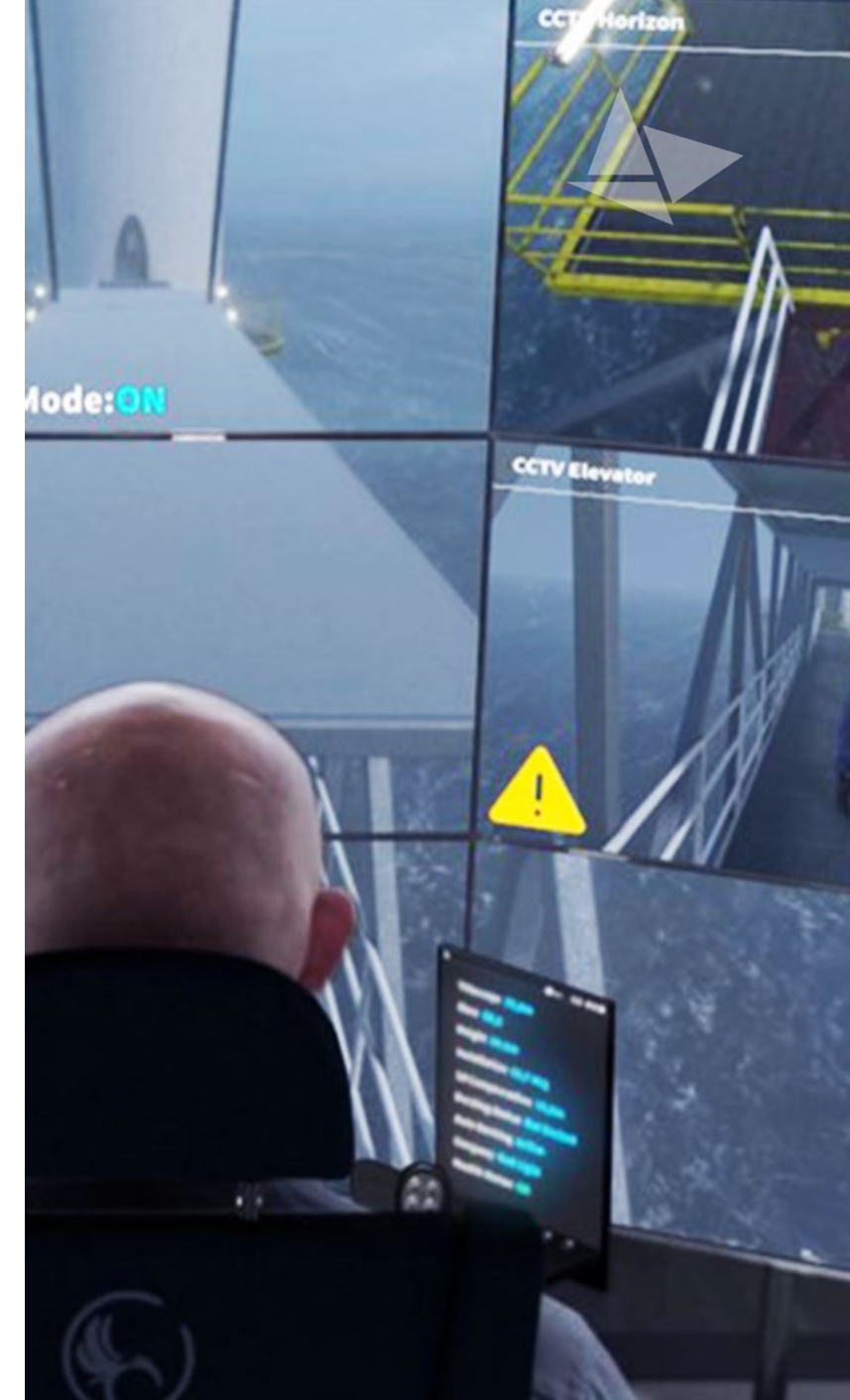
# Q3 2021 highlights

## Highlights Q3 2021

- Revenue of NOK 128 million (Q3 2020: NOK 98 million)
- Operational EBITDA\* of NOK 39 million (NOK 14 million)
- EBIT of NOK 36 million (NOK 14 million)
- Three new upgrade/spare parts contracts and one newbuild project for Shipyard Solutions, totaling NOK 69 million in contract value.
- Downscaled 1:20 model of SkyWalker ready for testing
- Successful testing of Starfish circulation systems

## Events subsequent to quarter

- Formed “Inteliwell” joint venture with Transocean



\*Excluding losses/gain on FX contracts not qualifying for hedge accounting

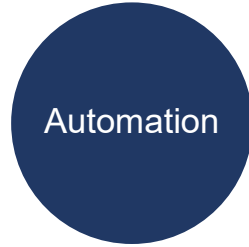
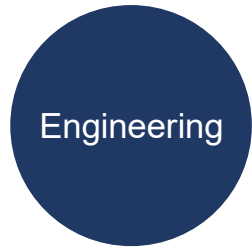
# Disruptive technologies, sustainable results



## New strategic direction defined in 2020

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Leverage unique and recognized **drilling and lifting heritage** and **execution ability** from “Drilling Bay” in Kristiansand, within:



To develop **disruptive technologies** that can make high-growth industry sectors, such as aquaculture and renewables, even **more sustainable and profitable**

## Nekkar in brief



NOK 360 million revenue company (2020)



66 FTEs

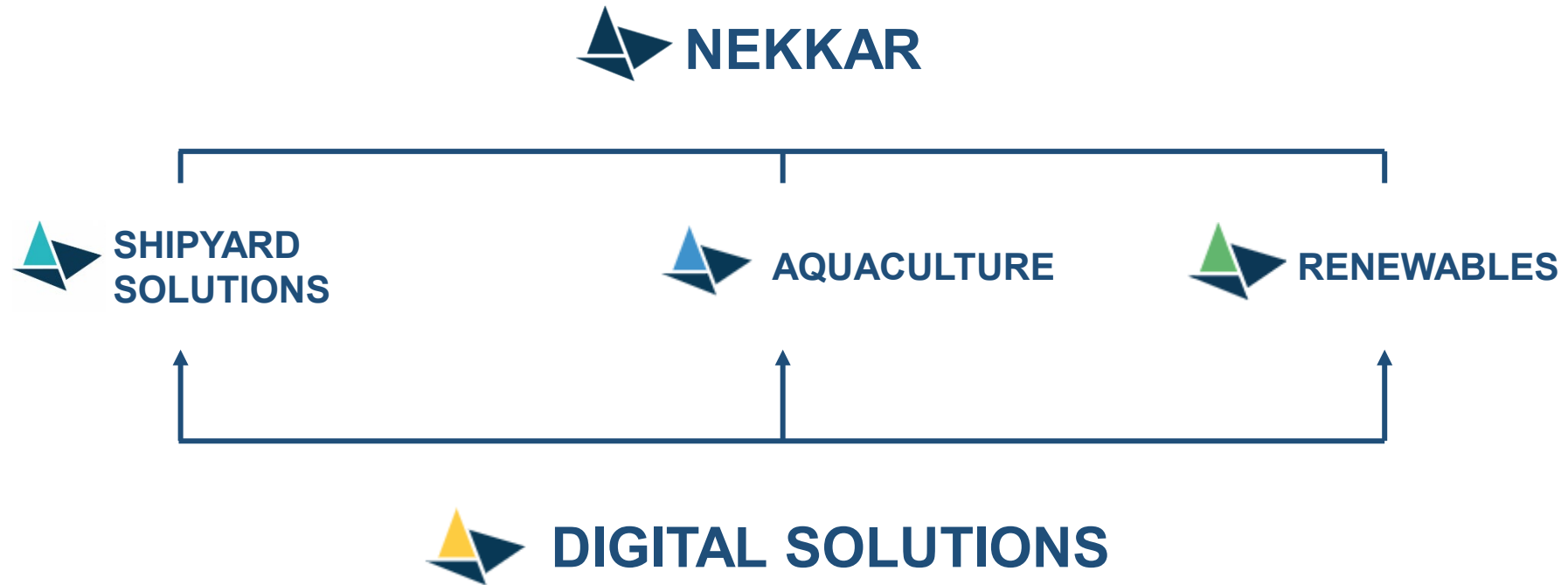


Headquarter in Kristiansand, Norway

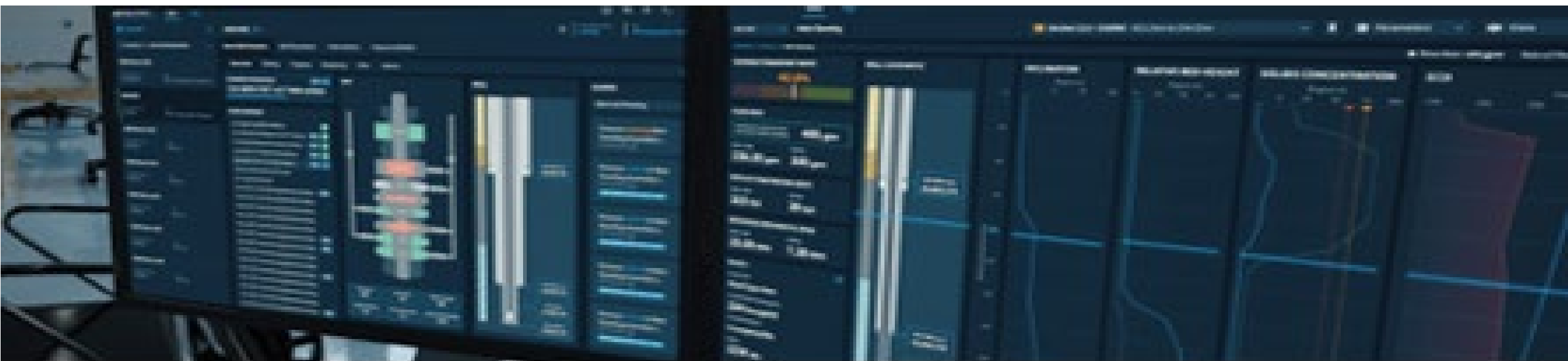


Listed on Oslo Stock Exchange (NKR)

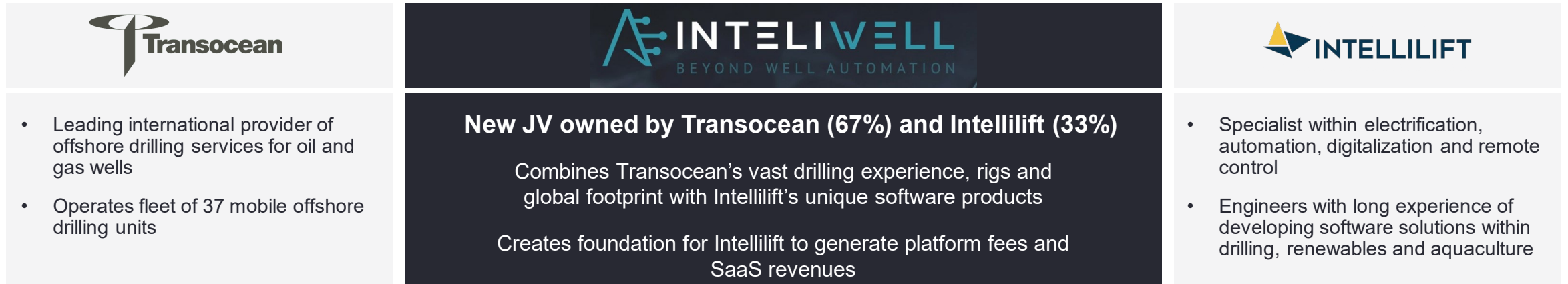
# Digital business models to capitalise on unique hard-tech to unlock and drive value from SaaS revenue potential



# Digital Solutions



# Creating a disruptive digital well construction solution company together with Transocean



## Operator benefits from JV offering:



Expedition of the well construction process



Improve consistency of operators' operations



Reduced drilling costs and environmental footprint through more reliable and faster drilling operations

# INTELIWELL

BEYOND WELL AUTOMATION

Automation and optimization of well construction processes

Complete end-to-end closed loop workflow for well construction planning, execution and monitoring.



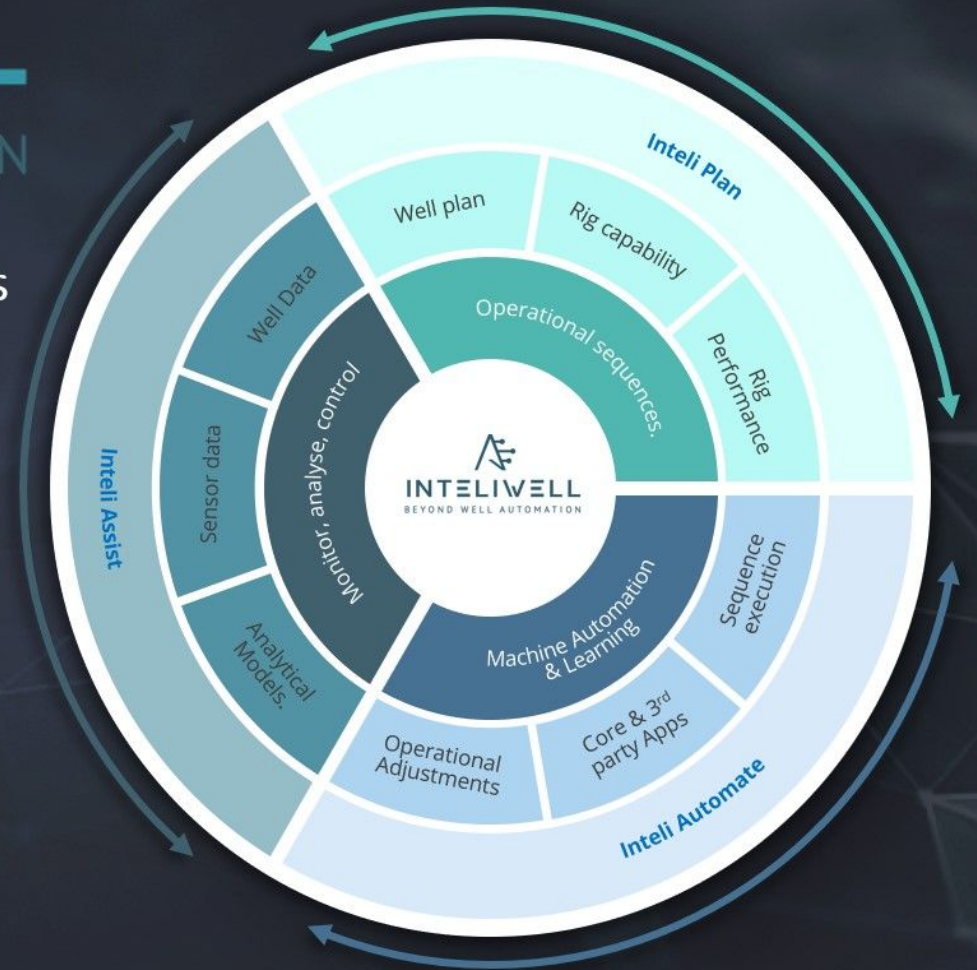
Open platform - third party integration



Scalable - modular design allows for flexibility



Adaptive - empowering drilling company's advantages





# Shipyard solutions





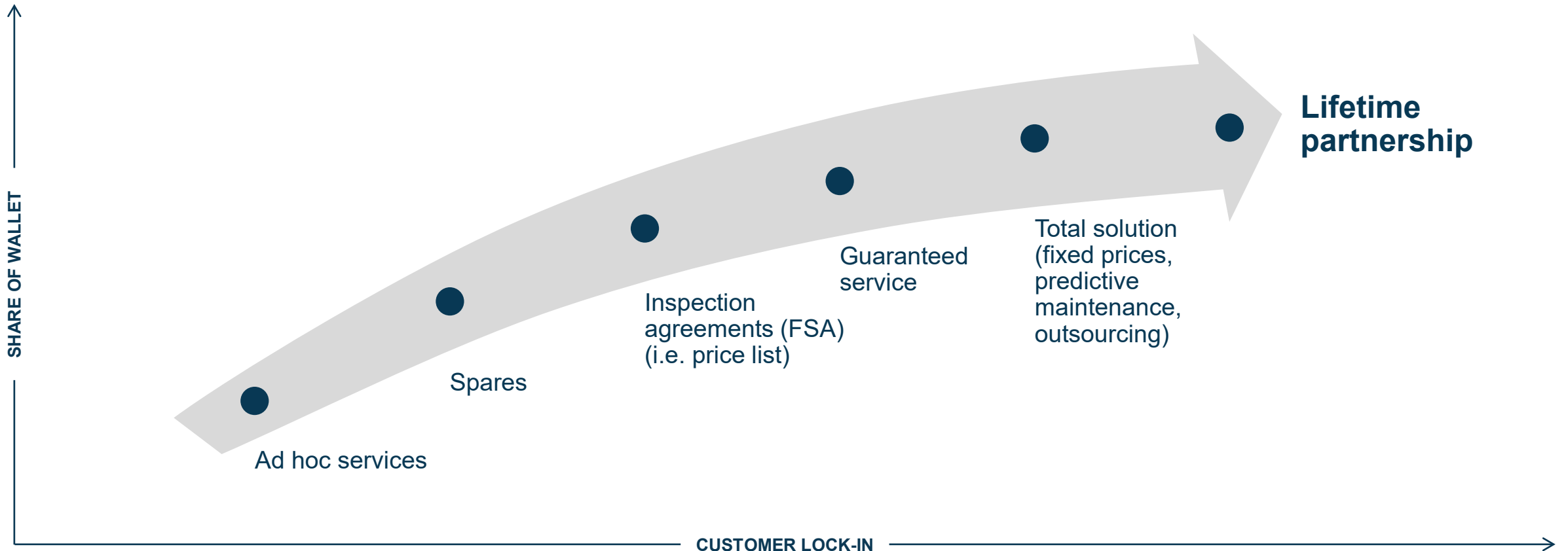
# NOK 69 million in new contracts won in Q3; efforts to win more upgrade/service contracts is yielding results

Control system upgrade	Spare parts order	Sale of transfer trolleys in storage	Sale of transfer system
<ul style="list-style-type: none"><li>• Customer in Spain</li><li>• Syncrolift contract, Intellilift to deliver completely new control and drive systems</li><li>• Contract value: NOK 18 million</li></ul>	<ul style="list-style-type: none"><li>• Customer in Singapore</li><li>• Contract value: NOK 13 million</li></ul>	<ul style="list-style-type: none"><li>• Trolleys currently stored in Italy</li><li>• Sold to client in Turkey</li><li>• Contract value: NOK 10 million</li></ul>	<ul style="list-style-type: none"><li>• Newbuild project</li><li>• US customer</li><li>• Contract value: NOK 28 million</li></ul>

# Service – moving from ad-hoc to long term lifecycle partnership



LONG-TERM RECURRING BUSINESS MODEL





# Starfish: the future of sustainable aquaculture

## Key features

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### DUAL SAFETY SOFT CLOSED CAGE

Protection against **sea lice**, increased **fish welfare** and **reduced risk of escape**

### WASTE MANAGEMENT

**Collection of waste** contributes to circular economy – recycle sludge into value

### DATA DRIVEN FISH FARMING

Better control and **improved growth** with data insights

### SUSTAINABILITY & EFFICIENCY

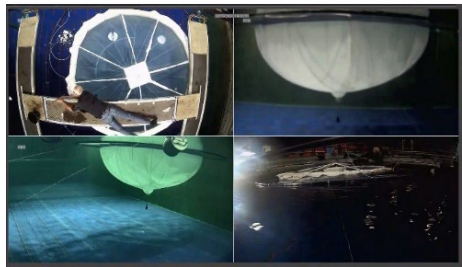
**Cost efficient** fish farming with significantly **lower environmental risk**



# Full-size Starfish in production, ready for testing H1 2022

## Ongoing ocean-based pilot testing at Hidra, Flekkefjord - Proving successful

	Schedule	Status
Circulation units & flow	<i>Live</i>	<span style="color: green;">●</span>
Regulation, monitoring & software	<i>Live</i>	<span style="color: green;">●</span>
Inlet pipes / water pressure	<i>Live</i>	<span style="color: green;">●</span>
Harvesting solution	<i>Ready for test</i>	<span style="color: orange;">●</span>
Sludge treatment system	<i>Test started</i>	<span style="color: orange;">●</span>



## 3-step development project





# SkyWalker – the future wind turbine installation



Increased weather window  
due to guided lift



Reduced turbine  
installation time



Turbines can be larger  
and installed higher



Possible to reduce  
tower oscillation



Smaller installation  
footprint required



Low or zero  
emission machine



Remotely controlled,  
unmanned lifting platform



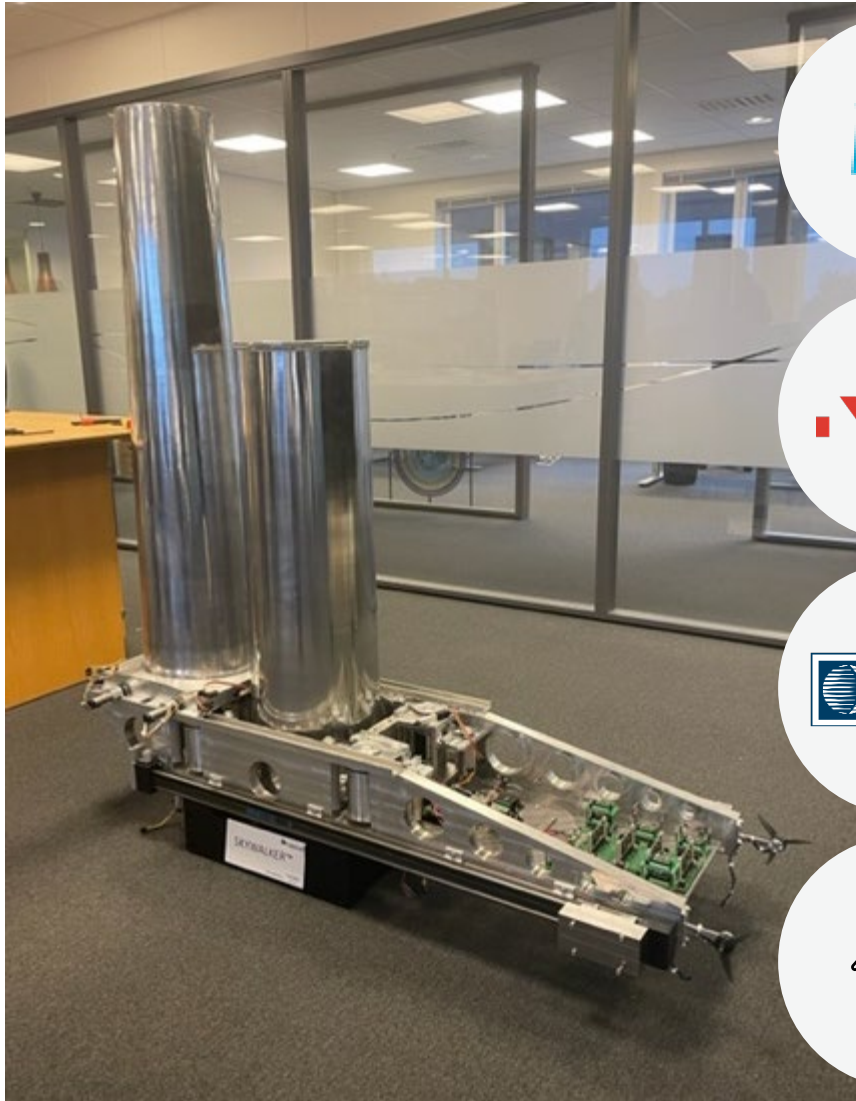
Easier transport to site



Technology based on active  
heave compensation (AHC)



# SkyWalker: 1:20 model completed in Q3 2021



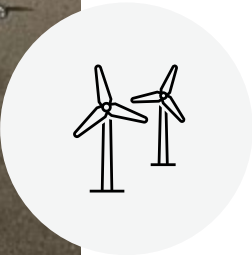
Cooperation with Fred. Olsen Renewables and major wind turbine OEM



Co-funded by Innovation Norway



Scale model test and wind tunnel planned for Q4/Q1 22



Develop, manufacture and test of prototype on site: 2022 and 2023

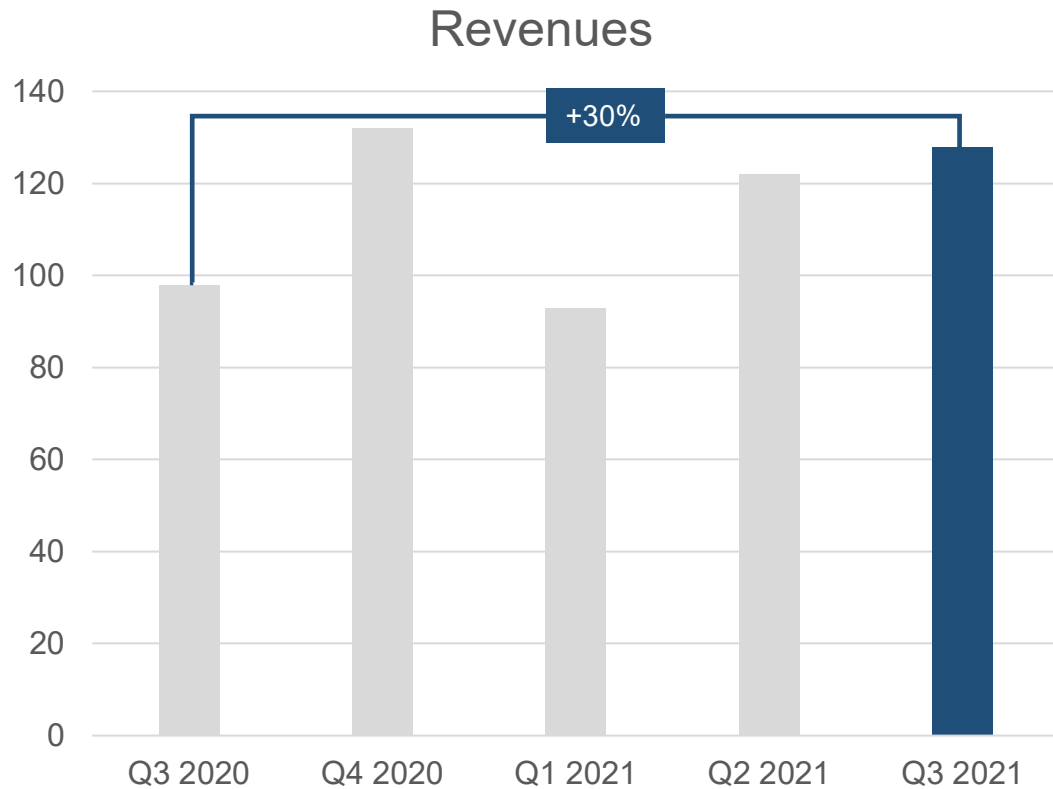
# Financial highlights



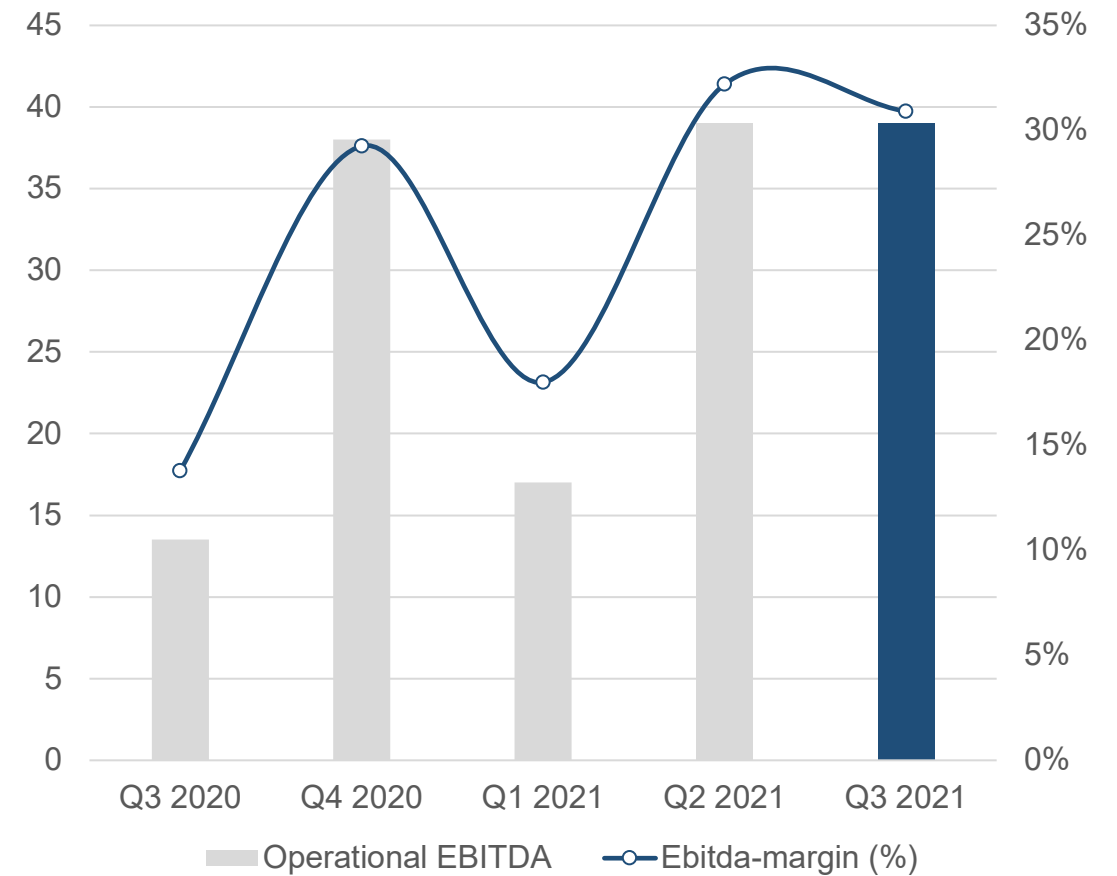
# Key financials



## Revenues (MNOK)



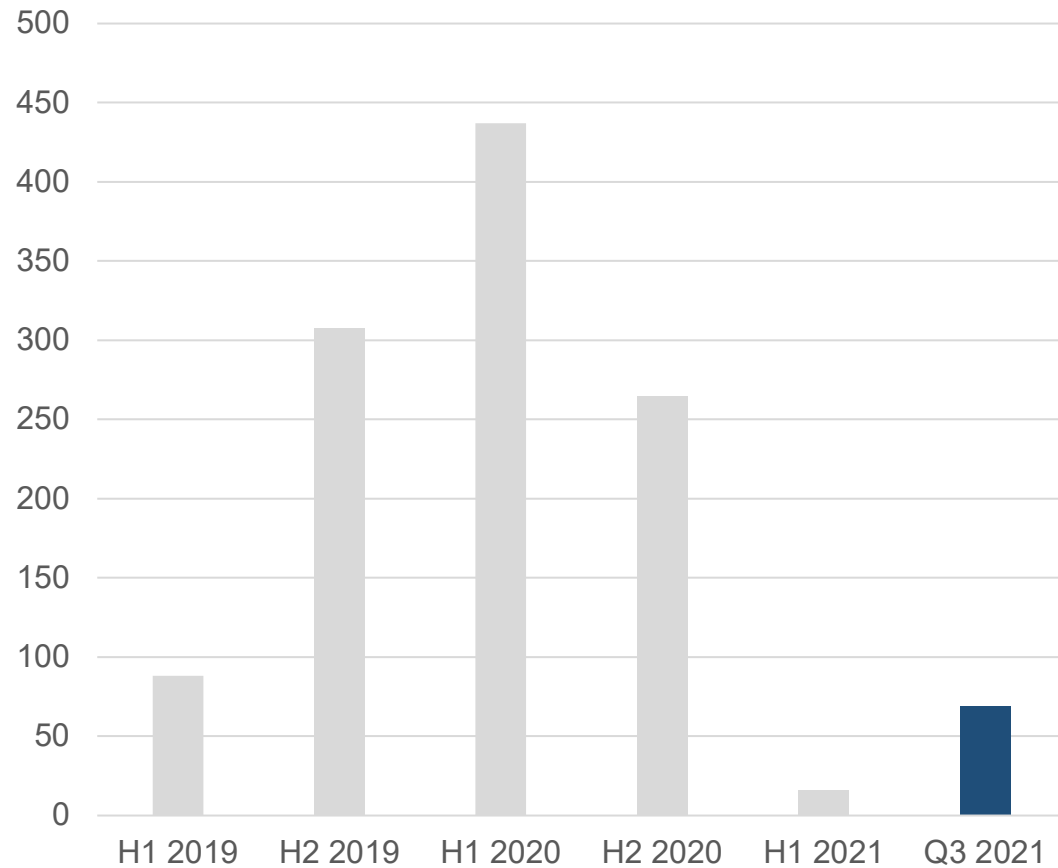
## Operational EBITDA & margin (%)



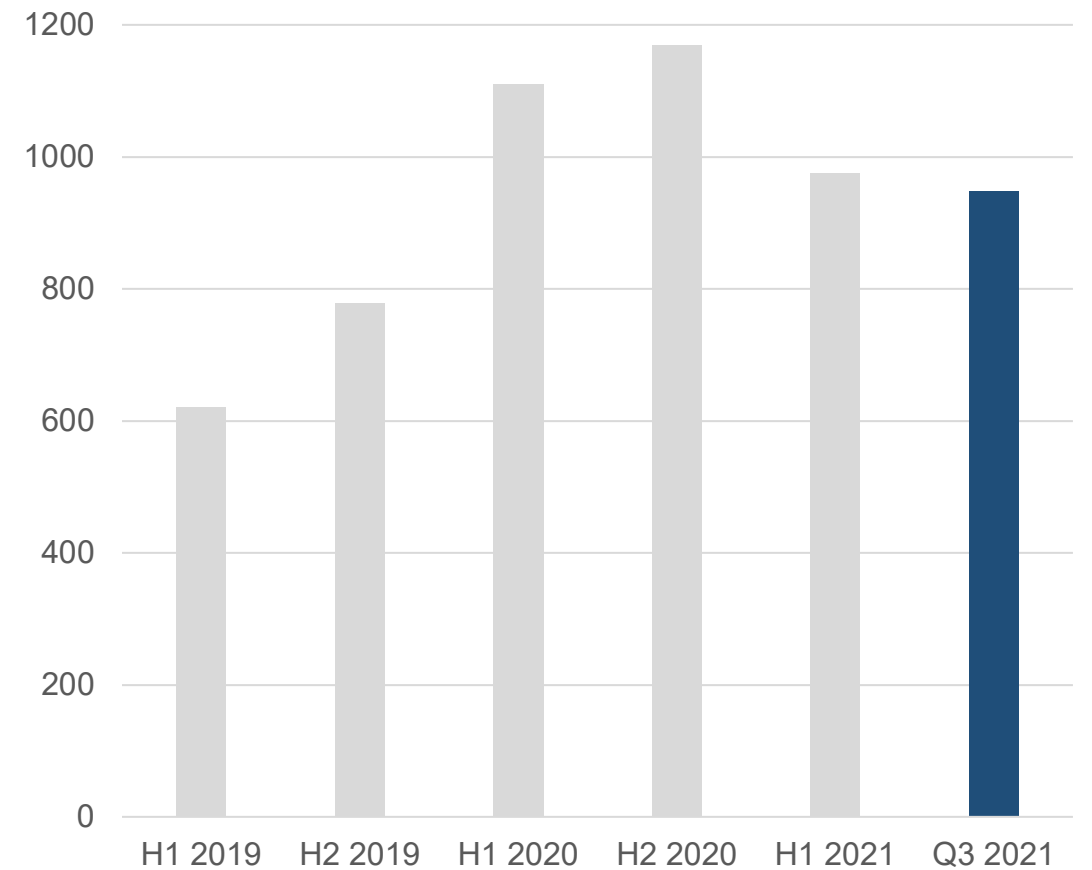
# Order intake and backlog



## Order intake per half-year period



## Order backlog development



# Financial highlights

Consolidated statement of profit and loss



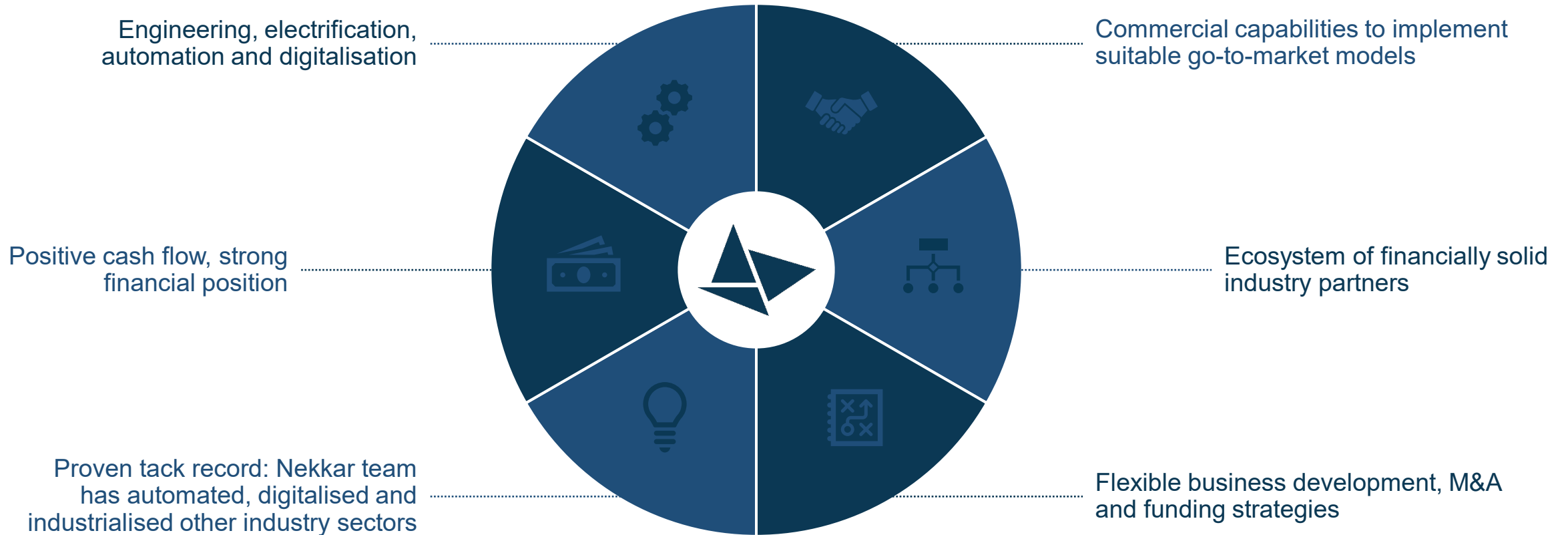
Nekkar ASA	Unaudited Q3		Unaudited YTD		Audited Full-Year
	2021	2020	2021	2020	2020
<i>MNOK</i>					
<b>Revenue</b>	<b>128</b>	<b>98</b>	<b>342</b>	<b>228</b>	<b>359</b>
Reported EBITDA	37	14	92	16	77
<b>Operational EBITDA<sup>1</sup></b>	<b>39</b>	<b>14</b>	<b>95</b>	<b>33</b>	<b>71</b>
EBIT	36	14	89	15	75
Capitalised R&D	6	4	20	10	16
<b>EBITDA %</b>	<b>28.6 %</b>	<b>14.1 %</b>	<b>26.9 %</b>	<b>7.1 %</b>	<b>21,5 %</b>
<b>Op. EBITDA %<sup>1</sup></b>	<b>30.9 %</b>	<b>13.8 %</b>	<b>27.9 %</b>	<b>14.4 %</b>	<b>19,9 %</b>
<i>Order intake</i>	69	264	85	701	701
<i>Order backlog</i>	948	1,297	948	1,297	1,167
<b>EPS (NOK)<sup>2</sup></b>	<b>0.25</b>	<b>0.16</b>	<b>0.73</b>	<b>0.18</b>	<b>0.65</b>

<sup>1</sup> Excl. losses/gain on FX contracts not qualifying for hedge accounting

<sup>2</sup> Continued operations

- Third quarter **revenue of MNOK 128**, representing an increase of 30% year-on-year
- YTD Q3 **revenue** of MNOK 342 compared to MNOK 228 in 2020, equivalent to an increase of 50%
  - Revenue growth driven by high activity in Shipyard Solutions
- Third quarter **operational EBITDA** of MNOK 39 compared to MNOK 14 in the same period last year
  - Loss on FX hedging contracts amounted to MNOK 2 in the third quarter of 2021 compared to MNOK 0 in 2020
- YTD Q3 **operational EBITDA** of MNOK 95 compared to MNOK 33 in 2020. Operational EBITDA margin of 27.9% and 14.4% respectively
- Order intake** of MNOK 69 in Q3 and a solid **order backlog** of MNOK 948 at the end of the quarter
- Capitalized development costs** (R&D capex) of MNOK 6 in the third quarter and MNOK 20 as per YTD.
- Third quarter **earnings per share** of NOK 0.25 compared to NOK 0.15 in 2020

# Disruptive technologies, sustainable results



# Summary Q3 2021 & outlook



## Summary



Strong financial performance in quarter



Solid financial position, no interest-bearing debt



Solid long-term order backlog of NOK 948 million; strategic efforts to win more upgrades/service contracts in Shipyard Solutions is yielding results



Progression as planned for Starfish and SkyWalker development projects

## Outlook

### Shipyard Solutions

- ✓ Lower newbuild order intake in 2021, but Nekkar expects project awards in H2 2021
- ✓ Expected growth in service/upgrade revenues

### Aquaculture

- ✓ Continue development and testing of circulation systems and digital platform for monitoring and controlling Starfish cage
- Full-size version planned to be ready for testing in early 2022

### Renewables

- ✓ Development of 1:20 SkyWalker model
- Develop, manufacture and test of prototype on site: 2022 and 2023

### Digital Solutions

- ✓ Solid leads on oil & gas SaaS projects
- ✓ Third of three first Syncrolift projects commissioned in Q3

# Alternative performance measures



## INTRODUCTION TO ALTERNATIVE PERFORMANCE MEASURES (APMs)

Nekkar Group (Nekkar) discloses alternative performance measures in addition to those normally required by IFRS. Nekkar is of the opinion that APMs are providing enhanced insight into the operations and prospects of the company. APMs are used as an integral part of the management and board of directors' key performance measure reporting and controls. Furthermore, securities analysts, investors and other interested parties frequently use such performance measures.

## BASIS FOR PREPARATION

This presentation provides financial highlights for the third quarter and YTD September 2021 for Nekkar ASA. The consolidated financial statements for Q3 2021 have been prepared in accordance with IAS 34 Interim Financial Statements, however the interim accounts do not include all the information required for a full financial statement and should therefore be read in connection with the audited consolidated financial statements of 2020.

The interim financial figures are not audited.

## PROFIT MEASURES

EBITDA is short for "earnings before interest, taxes, depreciation and amortisation" in the consolidated income statement.

Nekkar defines "Operational EBITDA" as EBITDA excluding losses/gain on FX contracts not qualifying for hedge accounting.

EBIT is short for "earnings before interest and taxes". EBIT corresponds to "operating profit/loss" in the consolidated income statement.

Margins such as EBITDA and EBIT are used to compare relative profit between periods. The margins are calculated as EBITDA or EBIT divided by revenue.

## ORDER INTAKE MEASURES

Order intake and order backlog are presented as APMs as they are indicators of the company's revenue generation and operations in the future.

Order intake includes new signed contracts in the period, in addition to expansion of existing contracts and any cancellations of contracts. For newbuild contracts, the order intake is based on the signed contract value excluding potential options and change orders.

Order backlog represents the estimated value of remaining work for signed newbuild contracts and does not include the value of service orders.





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