

# Q4/FY 2021 financial results

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Nekkar ASA

# Q4/FY 2021 highlights

## Highlights Q4 2021

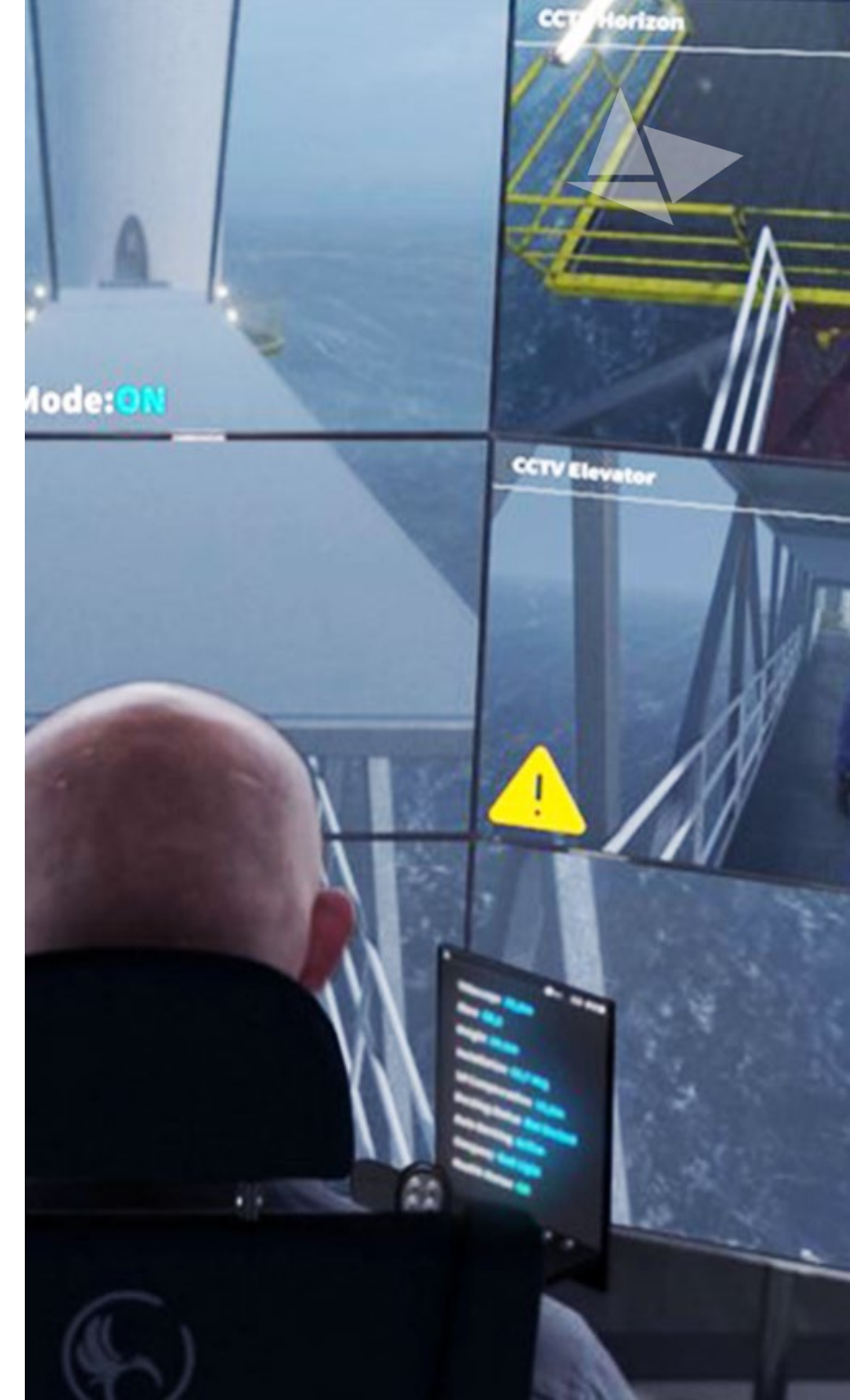
- Revenues of NOK 138 million (Q4 2020: NOK 132 million)
- Operational EBITDA\* of NOK 47 million (NOK 38 million)
- Operational EBITDA margin of 34.3% (29.3%)
- EBIT of NOK 45 million (NOK 60 million)
- Formed “Inteliwell” joint venture with Transocean
- Fish farmer and Nekkar investigating site for full scale Starfish test

## Highlights FY 2021

- Revenues of NOK 480 million (NOK 359 million)
- Operational EBITDA of NOK 143 million (NOK 71 million)
- EBIT of NOK 135 million (NOK 75 million)
- Aftersales/service growth: +165% in order intake, +35% in revenue vs. 2020

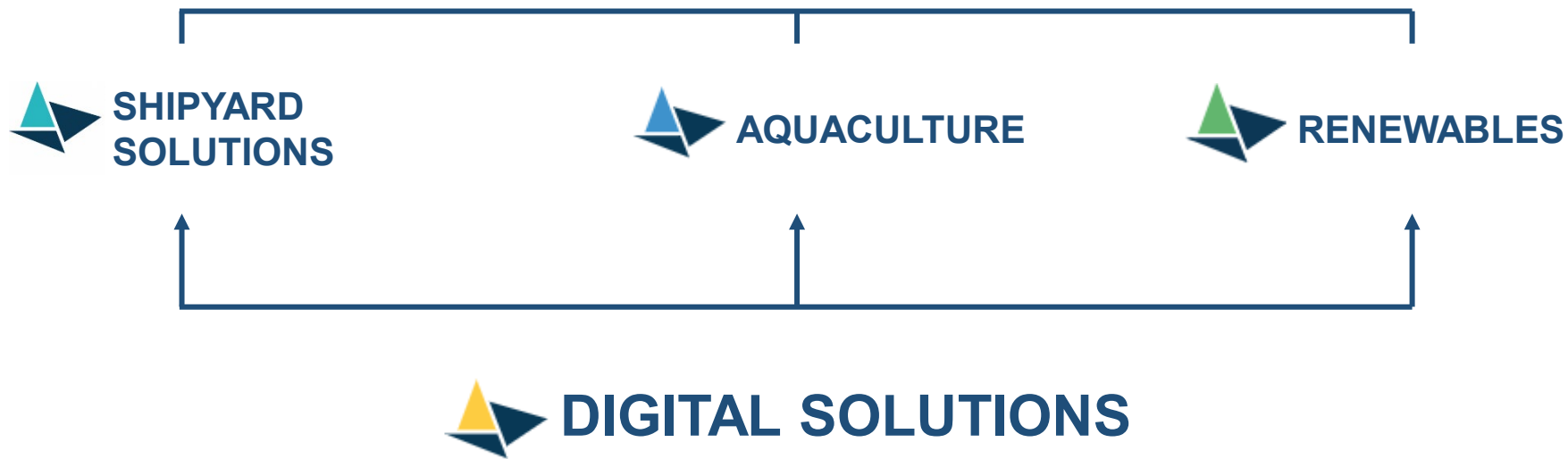
## Events subsequent to quarter

- Ole Falk Hansen appointed CEO from 1 July 2022



Disruptive technologies, sustainable results

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



## Nekkar in brief



NOK 480 million revenues (2021)



69 FTEs



Headquarter in Kristiansand, Norway



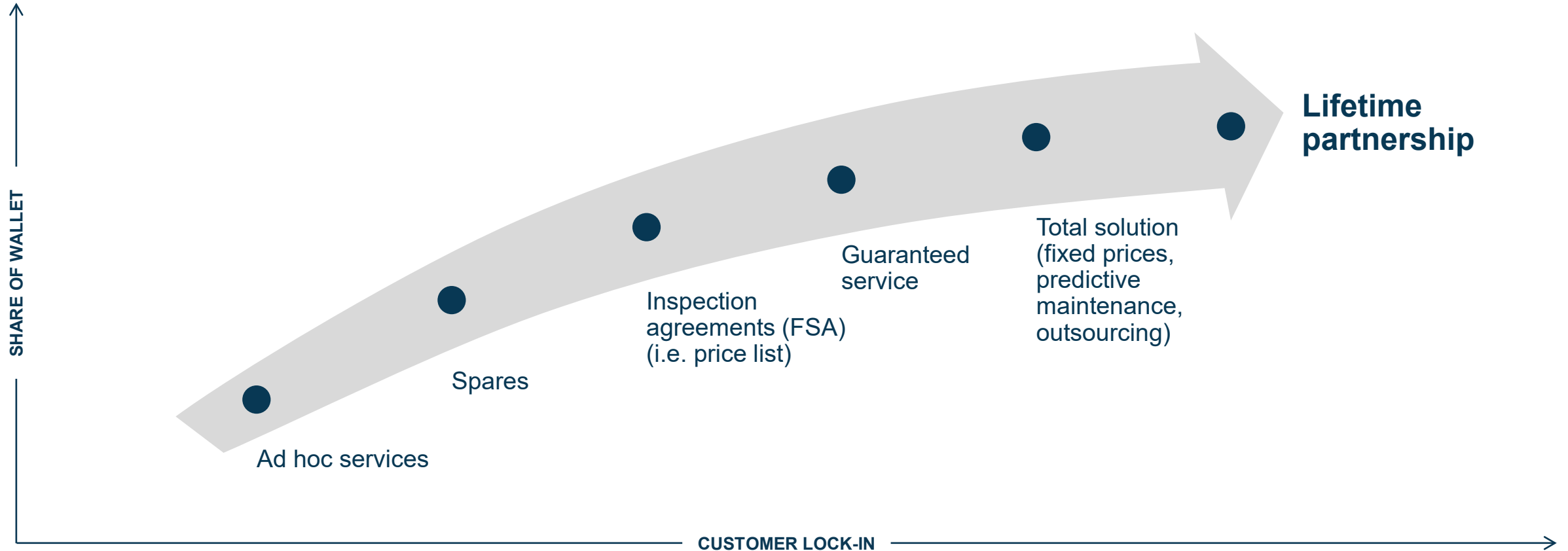
Listed on Oslo Stock Exchange (NKR)



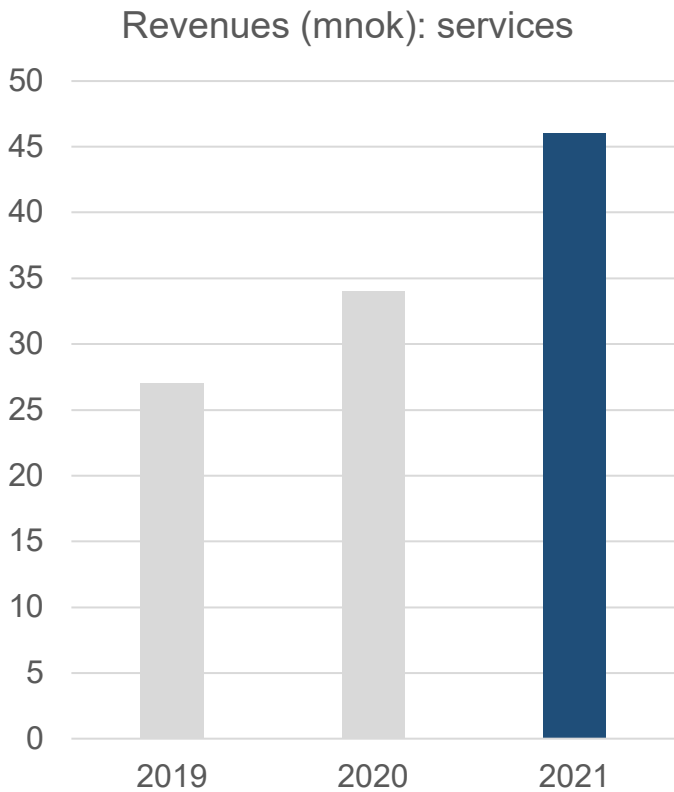
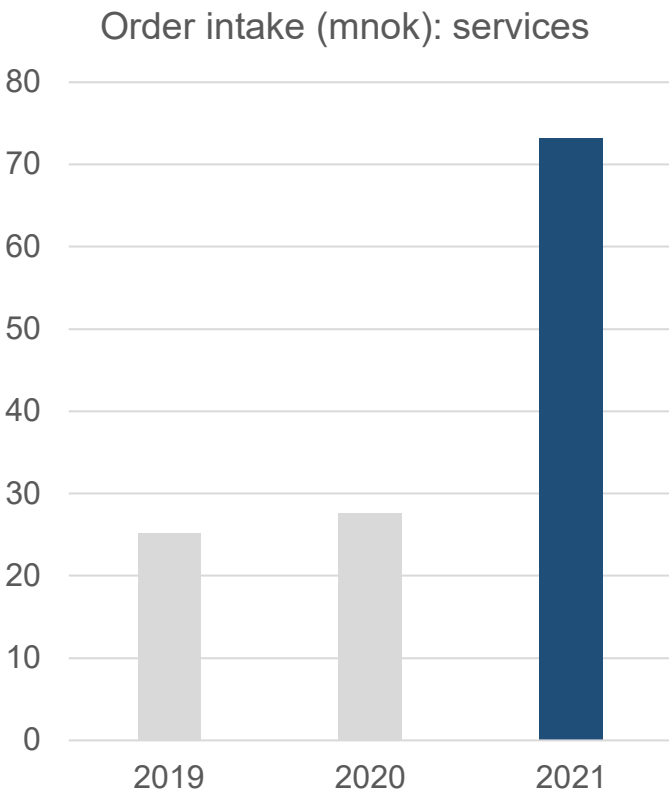
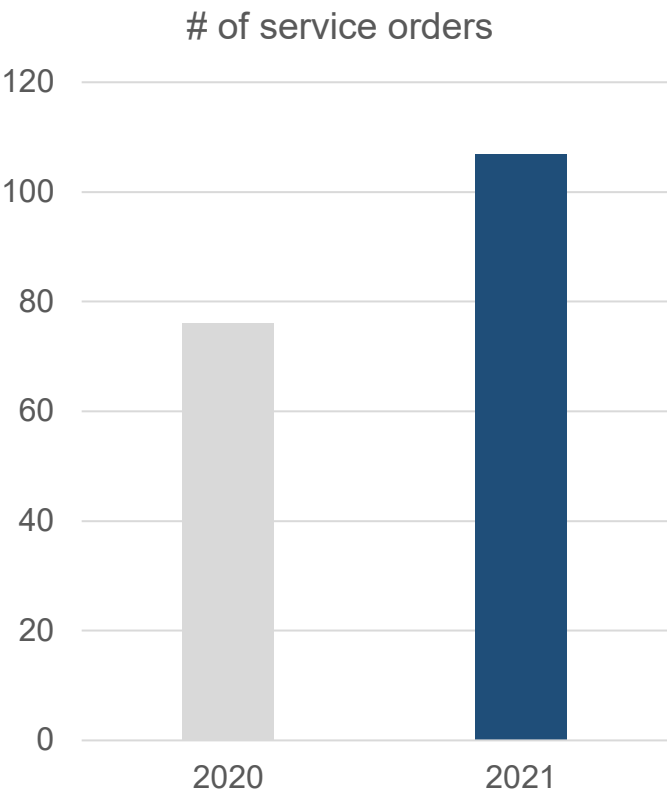
# Service – moving from ad-hoc to long term lifecycle partnership



## LONG-TERM RECURRING BUSINESS MODEL



# 2021: Aftersales/service efforts starting to pay off









# Full-size Starfish in production, preparing for testing

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

	Schedule	Status
Circulation units & flow	<i>Live</i>	●
Regulation, monitoring & software	<i>Live</i>	●
Inlet pipes / water pressure	<i>Live</i>	●
Harvesting solution	<i>Ready for test</i>	●
Sludge treatment system	<i>Ongoing with positive results</i>	●

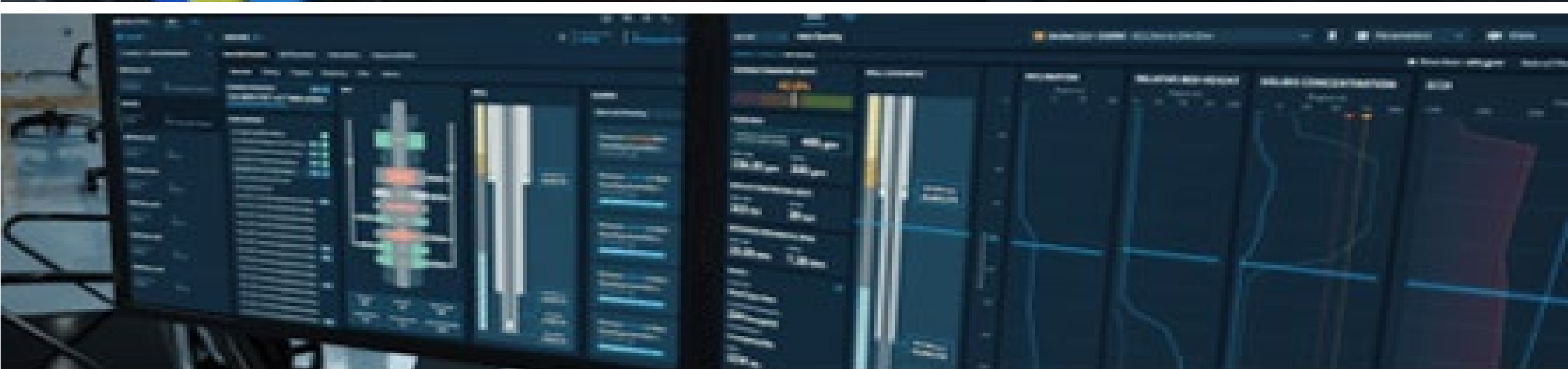
## Started preparations for full scale test

Order long lead items for fish cage	<i>Ongoing</i>	●
In discussions with leading fish farmer to identify suitable site for full scale test	<i>Ongoing</i>	●

## 3-step development project






# Digital Solutions

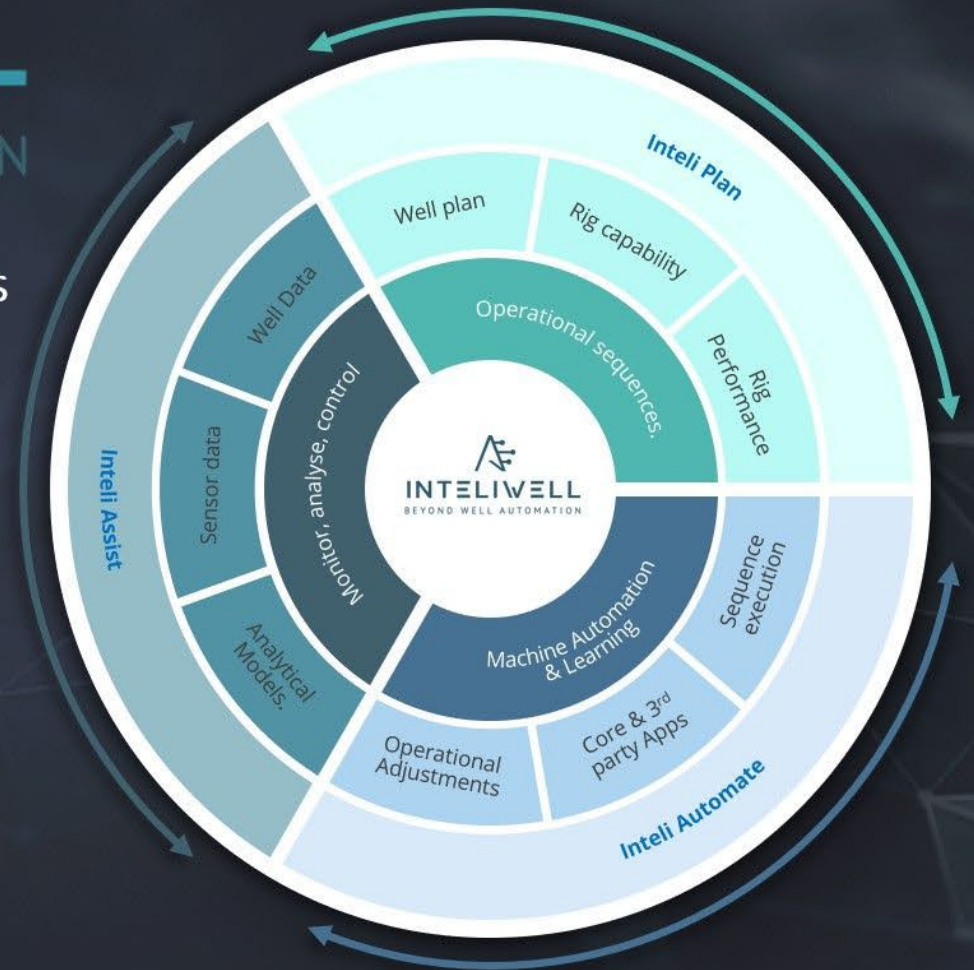




## Automation and optimization of well construction processes

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





# SkyWalker – the future wind turbine installation

## Completed:

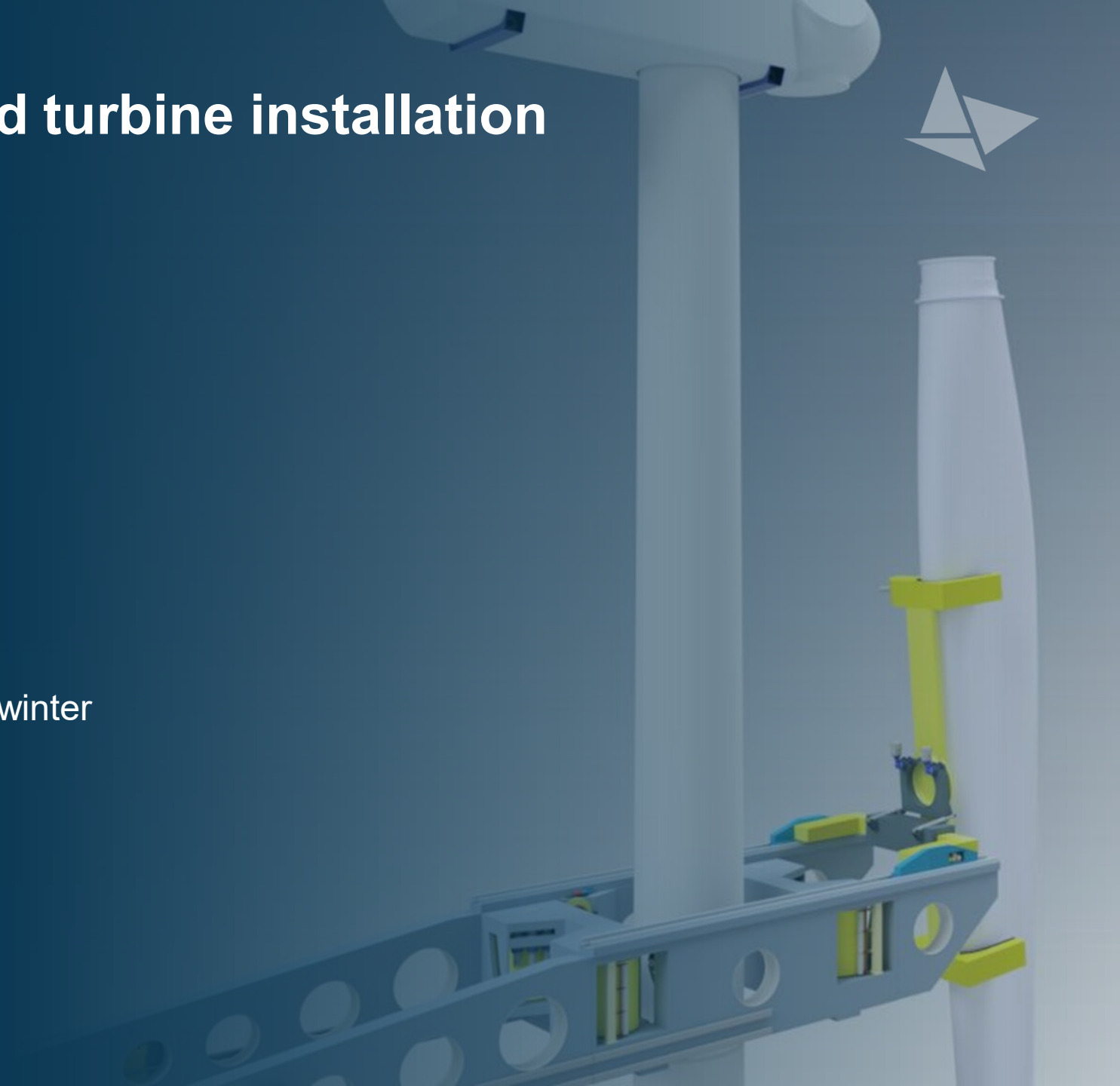
- Concept design development
- Final assembly of electrical components

## Ongoing:

- Final assembly mechanical parts
- Final tuning on software/programming
- In-house testing, will continue throughout winter

## Next step:

Outdoor tests in full model height (8 metres)





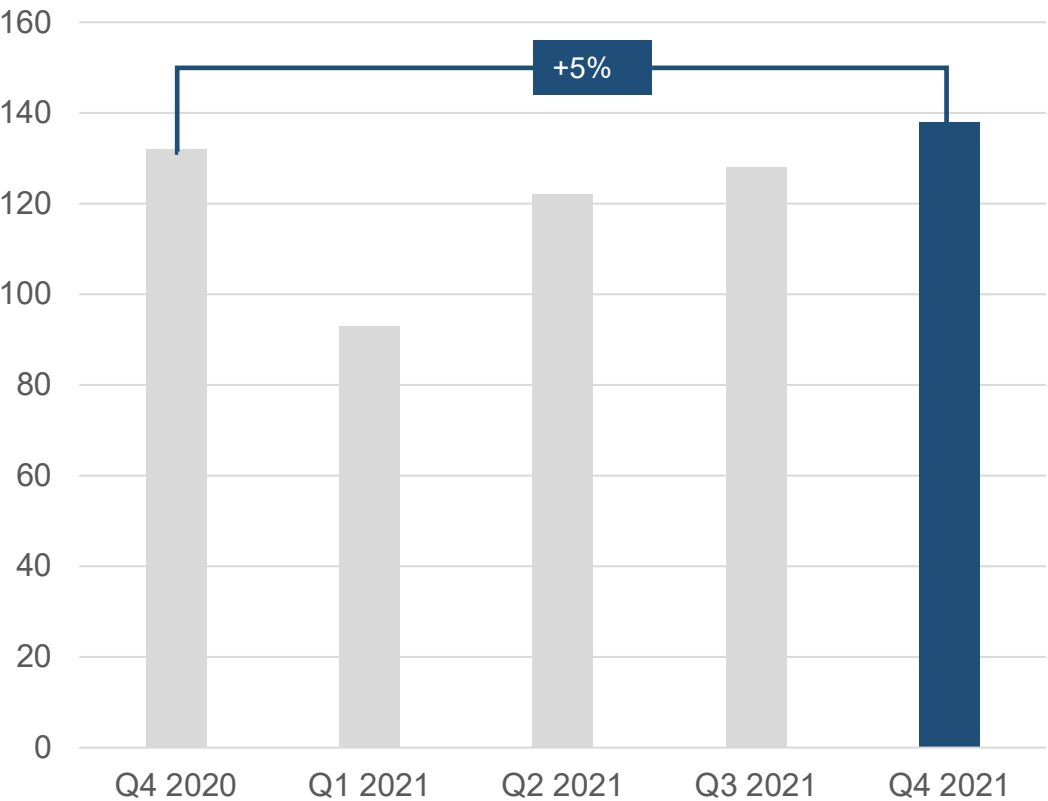
# Financial highlights



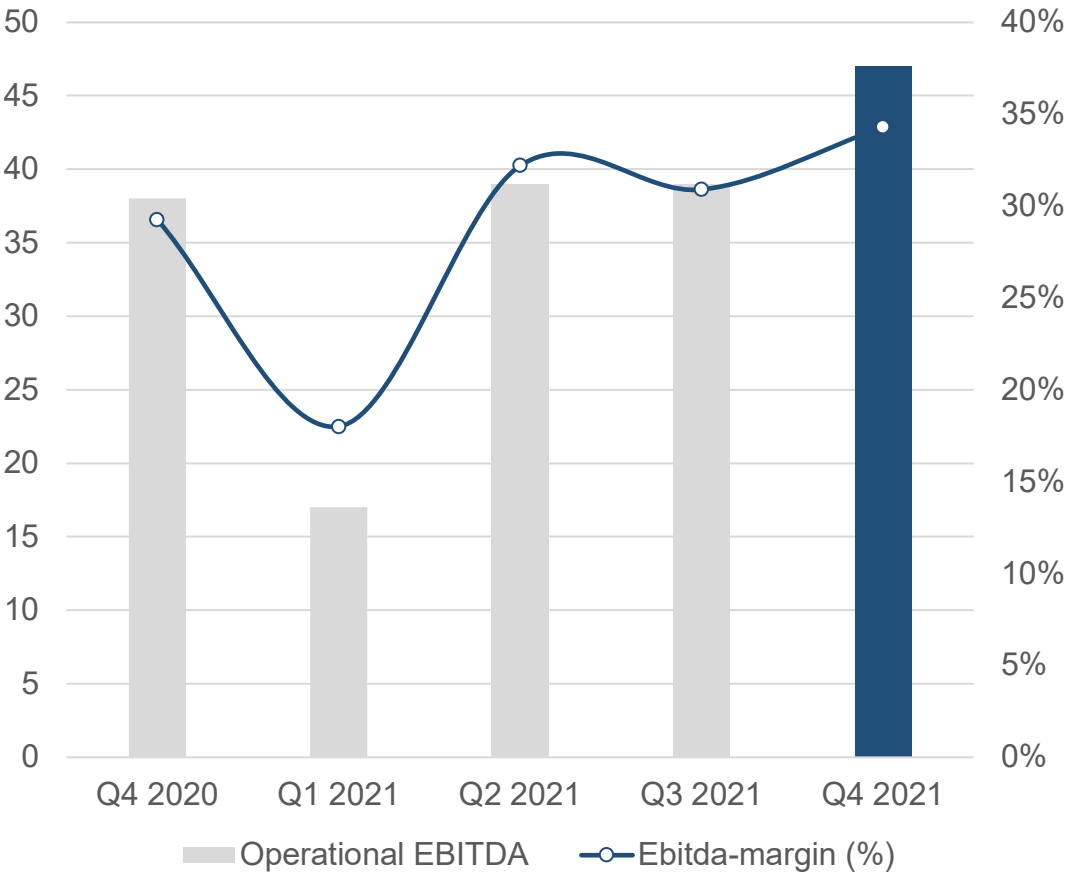
# Key financials | Per quarter



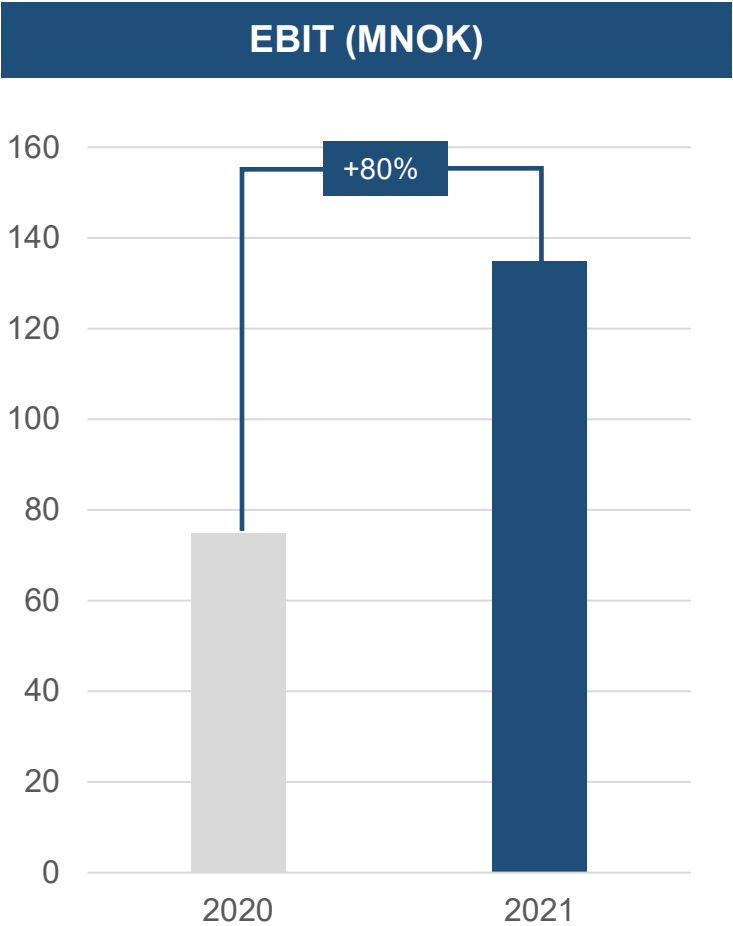
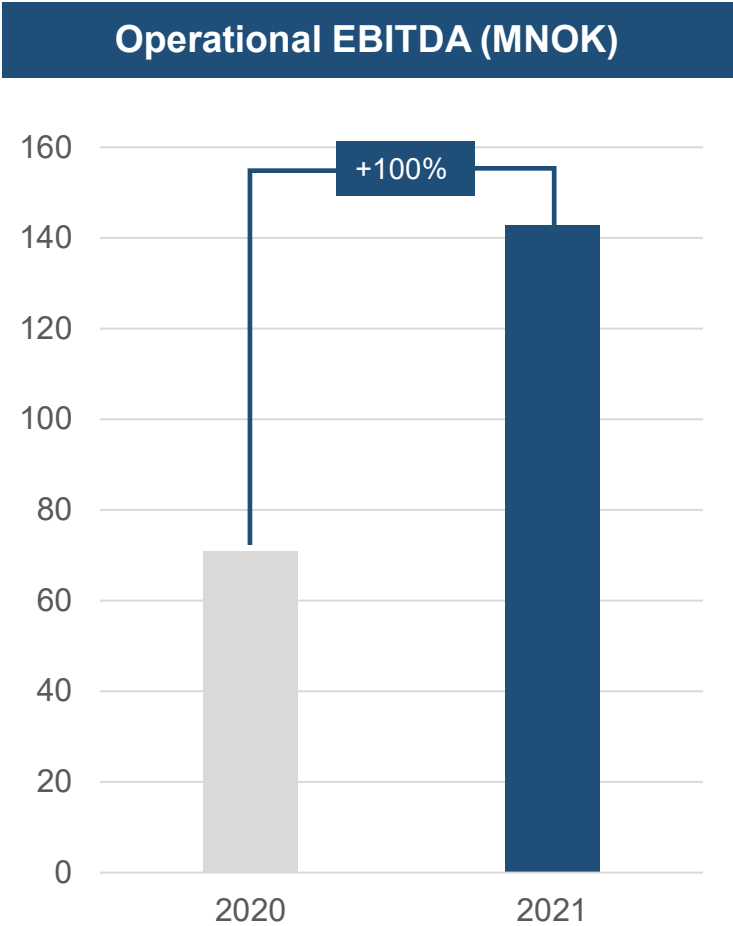
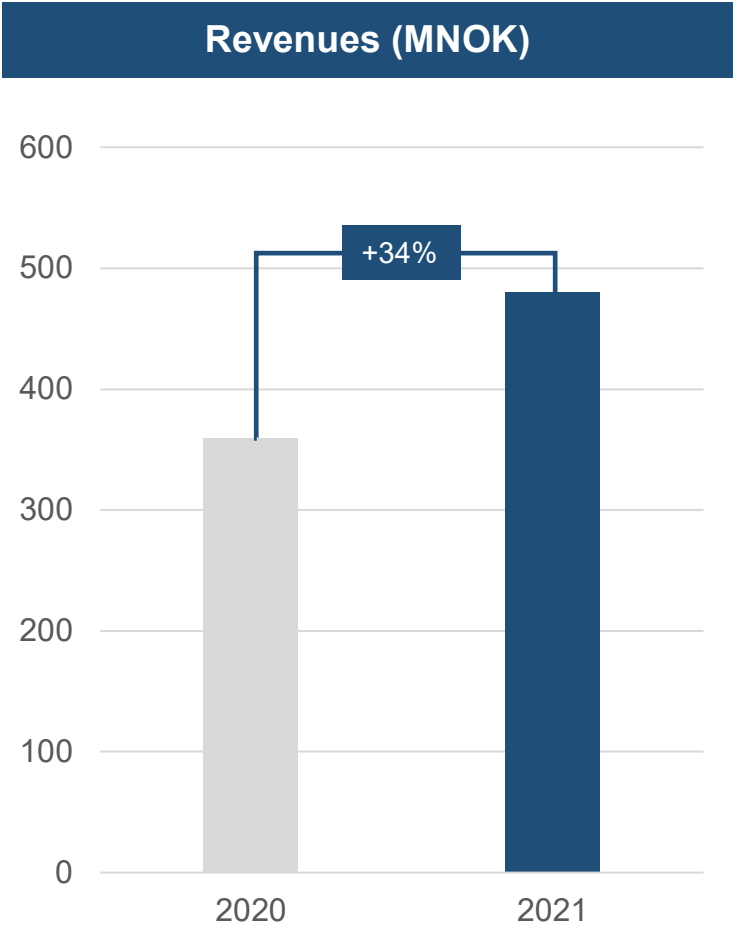
Revenues (MNOK)



Operational EBITDA (MNOK) & margin (%)



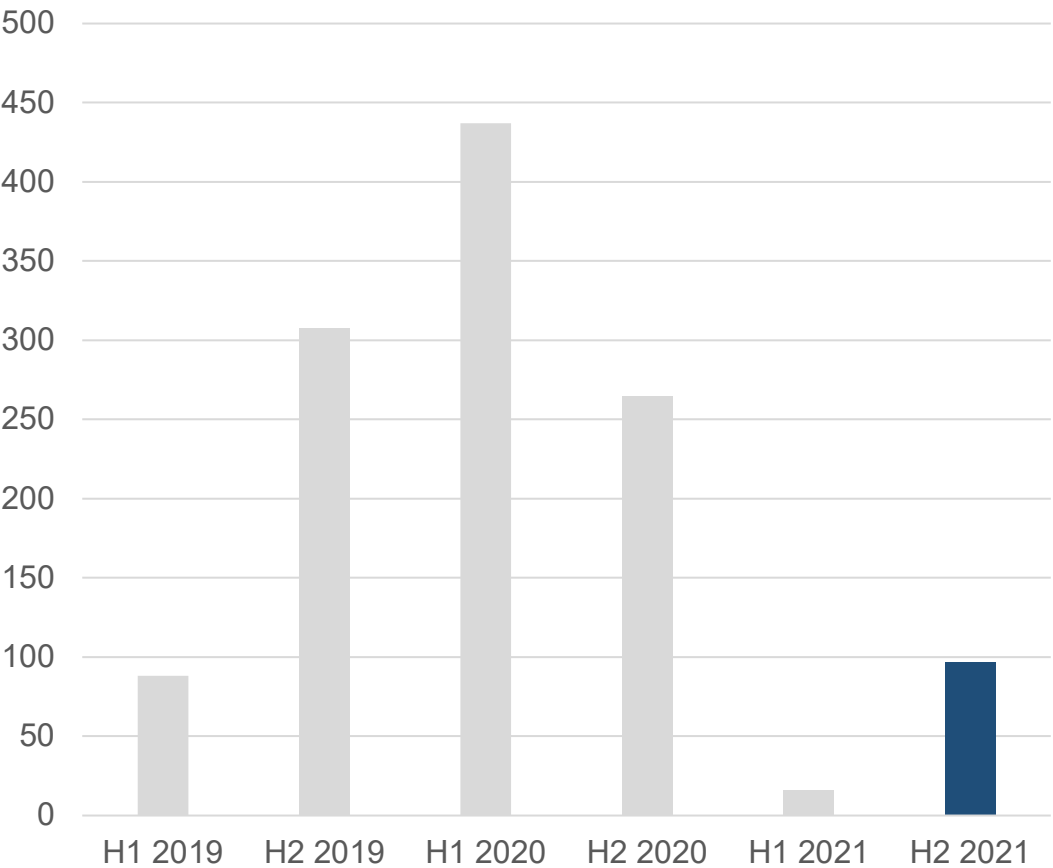
# Key financials | Full year



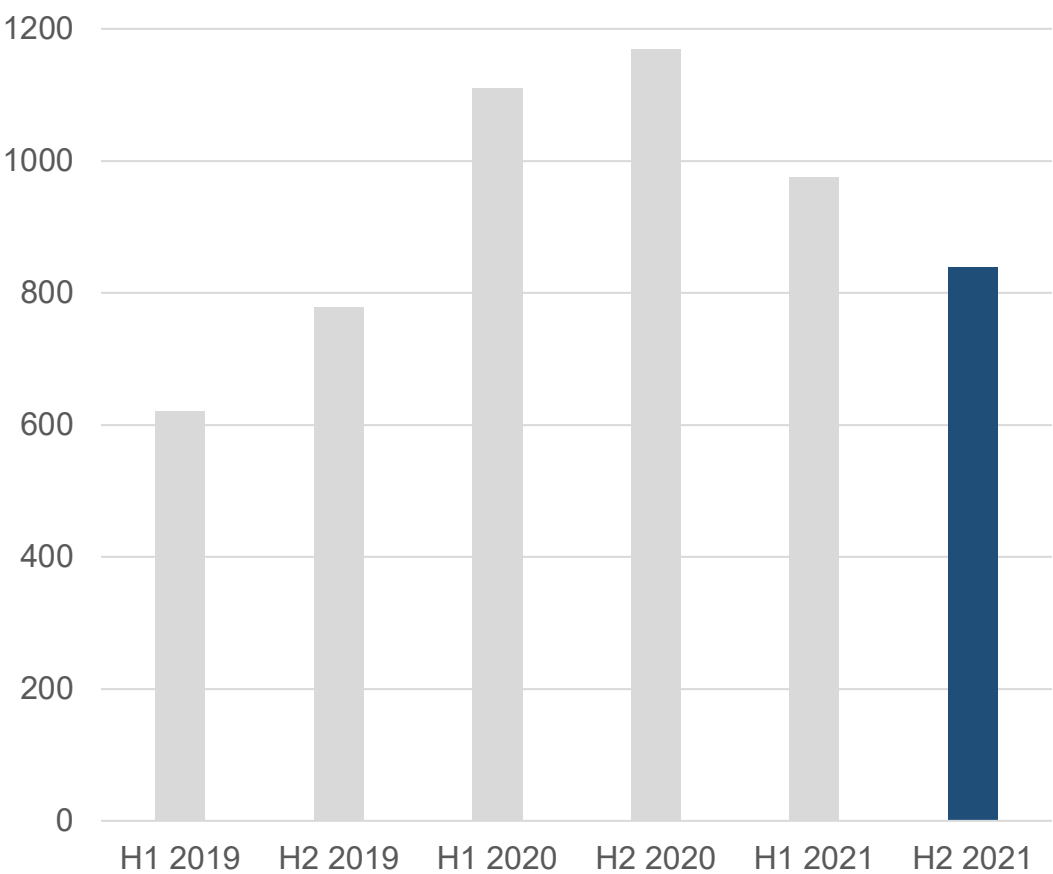
# Order intake and backlog



Order intake per half-year period (MNOK)



Order backlog development (MNOK)





# Financial highlights

Consolidated statement of profit and loss



Nekkar ASA	Q4		Full-Year	
	Unaudited	Unaudited	Unaudited	Audited
<i>MNOK</i>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Revenue</b>	<b>138</b>	<b>132</b>	<b>480</b>	<b>359</b>
Reported EBITDA	48	61	140	77
<b>Operational EBITDA*</b>	<b>47</b>	<b>38</b>	<b>143</b>	<b>71</b>
EBIT	45	60	135	75
Capitalised development costs	8	6	29	16
<i>EBITDA margin</i>	34,8 %	46,5 %	29,1 %	21,5 %
<i>Operational EBITDA margin<sup>1</sup></i>	34,3 %	29,3 %	29,7 %	19,9 %
<i>Order intake</i>	28	-	113	701
<i>Order backlog</i>	838	1 167	838	1 167
<i>EPS (NOK)<sup>2</sup></i>	0,31	0,47	1,04	0,65

<sup>1</sup>Excl. losses/gain on FX contracts not qualifying for hedge accounting<sup>2</sup>Continued operations

- Fourth quarter **revenues of MNOK 138**, representing an increase of ~5% year-on-year
- Full-year 2021 **revenues** of MNOK 480 compared to MNOK 359 in 2020, equivalent to an increase of 34%
  - Revenue growth driven by high activity in Shipyard Solutions
- Fourth quarter **operational EBITDA** of MNOK 47 compared to MNOK 38 in the same period last year
- Full-year 2021 **operational EBITDA** of MNOK 143 compared to MNOK 71 in 2020. Operational EBITDA margin of 29.7% and 19.9% respectively
- Order intake** of MNOK 28 in the fourth quarter and a good **order backlog** of MNOK 838 at the end of the quarter
- Capitalized development costs** (R&D capex) of MNOK 8 in the fourth quarter and MNOK 29 in 2021.
- Fourth quarter **earnings per share** of NOK 0.31 compared to NOK 0.47 in 2020



# Balance sheet

Condensed consolidated statement of financial position



(NOK 1 000)	Unaudited	Audited
	31.12.2021	31.12.2020
Deferred tax assets	16 445	34 204
Goodwill	16 643	16 643
Intangible assets	40 084	26 840
Tangible assets	14 439	6 224
Right-of-use assets	5 804	6 076
<b>Total non-current assets</b>	<b>93 414</b>	<b>89 987</b>
Inventories	3 474	5 412
Trade receivables	134 749	36 643
Accrued, non-invoiced production	20 153	22 382
Other short-term receivables	20 155	35 810
Bank deposits	179 756	367 850
<b>Total current assets</b>	<b>358 288</b>	<b>468 096</b>
<b>Total assets</b>	<b>451 703</b>	<b>558 084</b>

(NOK 1 000)	Unaudited	Audited
	31.12.2021	31.12.2020
Share capital	11 714	11 695
Other equity	285 652	173 903
Non-controlling interests	19 402	17 879
<b>Total equity</b>	<b>316 768</b>	<b>203 477</b>
Deferred tax	1 024	599
Lease liabilities	4 234	4 550
<b>Total non-current liabilities</b>	<b>5 258</b>	<b>5 149</b>
Trade payables	20 682	24 616
Income tax payable	2 618	-
Prepayments from customers / deferred rev.	45 145	187 469
Current lease liabilities	1 566	950
Other current liabilities	59 664	136 423
<b>Total current liabilities</b>	<b>129 676</b>	<b>349 458</b>
<b>Total liabilities</b>	<b>134 934</b>	<b>354 607</b>
<b>Total equity and liabilities</b>	<b>451 703</b>	<b>558 084</b>

# Cash flow statement

Condensed consolidated statement of cash flow



(NOK 1 000)	Unaudited	Audited
	2021	2020
<b>Cash flow from operating activities</b>		
Profit (loss) before tax	133 110	71 717
<i>Adjustments for:</i>		
Depreciation / impairment	5 089	2 746
Net financial items	1 569	2 909
Income tax paid	-	-245
<i>Changes in:</i>		
Prepayments from customers / deferred revenue	-142 324	78 176
Trade receivables	-98 106	1 616
Other receivables and other payables	38 588	-23 054
<b>Net cash flow from operating activities</b>	<b>-62 074</b>	<b>133 866</b>
<b>Cash flow from investment activities</b>		
Acquisition and expenditures of fixed/intangible assets	-26 253	-12 083
Disposal of discontinued operation	-98 337	-13 964
<b>Net cash flow from investment activities</b>	<b>-124 590</b>	<b>-26 046</b>
<b>Cash flow from financing activities</b>		
Proceeds from issuance of share capital	1 130	2 829
Payment of lease liabilities	-991	-837
Net financial items	-1 569	-2 909
<b>Net cash flow from financing activities</b>	<b>-1 429</b>	<b>-918</b>
Net change in cash and cash equivalents	-188 093	106 902
Cash and cash equivalents at the start of the period	367 850	260 948
<b>Cash and cash equivalents at the end of the period</b>	<b>179 756</b>	<b>367 850</b>

- **Operating cash flow** of MNOK -62 compared to a positive cash flow of MNOK 134 in 2020
  - Significant pre-payments received from customers in 2020 which is converted to revenues in 2021.
- **Cash flow from investments** of MNOK -125, highly impacted by the settlement of the Cargotec / MacGregor arbitration
- **Cash flow from financing** of MNOK -1.4 compared to MNOK 0.9 from the previous year
  - As per 31 December 2021, Nekkar had drawn MNOK 224 of the guarantee facility
- **Net cash position** of MNOK 180 as per 31 December 2021, of which MNOK 10 is held as a deposit for FX-derivative exposures in DnB and MNOK 4.0 is restricted deposits related to employee's tax withholding.

# Summary Q4 2021 & outlook



## Summary



Strong financial performance in the 4<sup>th</sup> quarter and full-year



Solid financial position, no interest-bearing debt



Strategic efforts to win more upgrades/service contracts in Shipyard Solutions is yielding results; solid long-term order backlog of NOK 838 million



Progression as planned for Starfish and SkyWalker development projects

## Outlook

### Shipyard Solutions



Lower newbuild order intake in 2021, but Nekkar expects project awards in 2022, both smaller fast track projects and larger long term



H1 traditionally slower than H2

### Aquaculture



Continue development and testing of circulation systems and digital platform for monitoring and controlling of Starfish cage

Full-size version planned to be ready for testing in 2022

### Renewables



Development of 1:20 SkyWalker model

Develop, manufacture and test of prototype on site: 2023

### Digital Solutions



Solid leads on oil & gas SaaS projects through Inteliwell

# 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 fourth quarter and full-year 2021 for Nekkar ASA. The consolidated financial statements for Q4 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 contracts.





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