

Q1 2022 Operational update

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Q1 2022 highlights



Highlights Q1 2022

- Revenue of NOK 84 million (Q1 2021: NOK 93 million)
- Operational EBITDA* of NOK 12 million (NOK 17 million)
- Operational EBITDA margin of 14.0% (18.0%)
- EBIT of NOK 12 million (NOK 16 million)
- One shiplift project commissioned during the period
- USD 3.5 million upgrade contract signed with Egyptian shipyard
- Skywalker: Successful test of model completed
- Starfish: Assessing test site locations together with fish farming companies
- Highly favourable macro development for Nekkar's impact technologies



Disruptive technologies, sustainable results



Strategic direction

Offering impact technologies combined with high-end software and automation solutions, based on specialist competence within:

Mechanical
engineering

Electrification

Automation

Digitalization

To develop **sustainable and digitalised technologies** that aim to unlock customer value within large **ocean-based industries** such as offshore energy, aquaculture and renewables

Nekkar in brief



NOK 480 million revenue company (2021)



72 FTEs

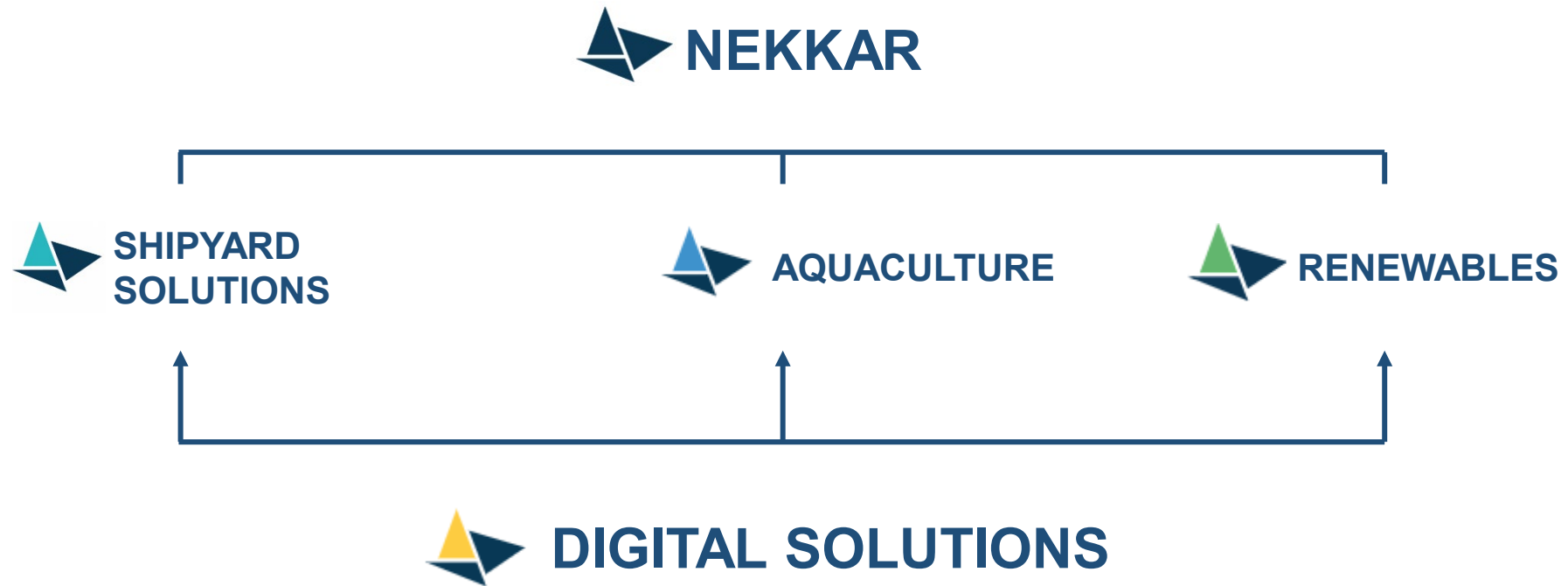


Headquarter in Kristiansand, Norway



Listed on Oslo Stock Exchange (NKR)

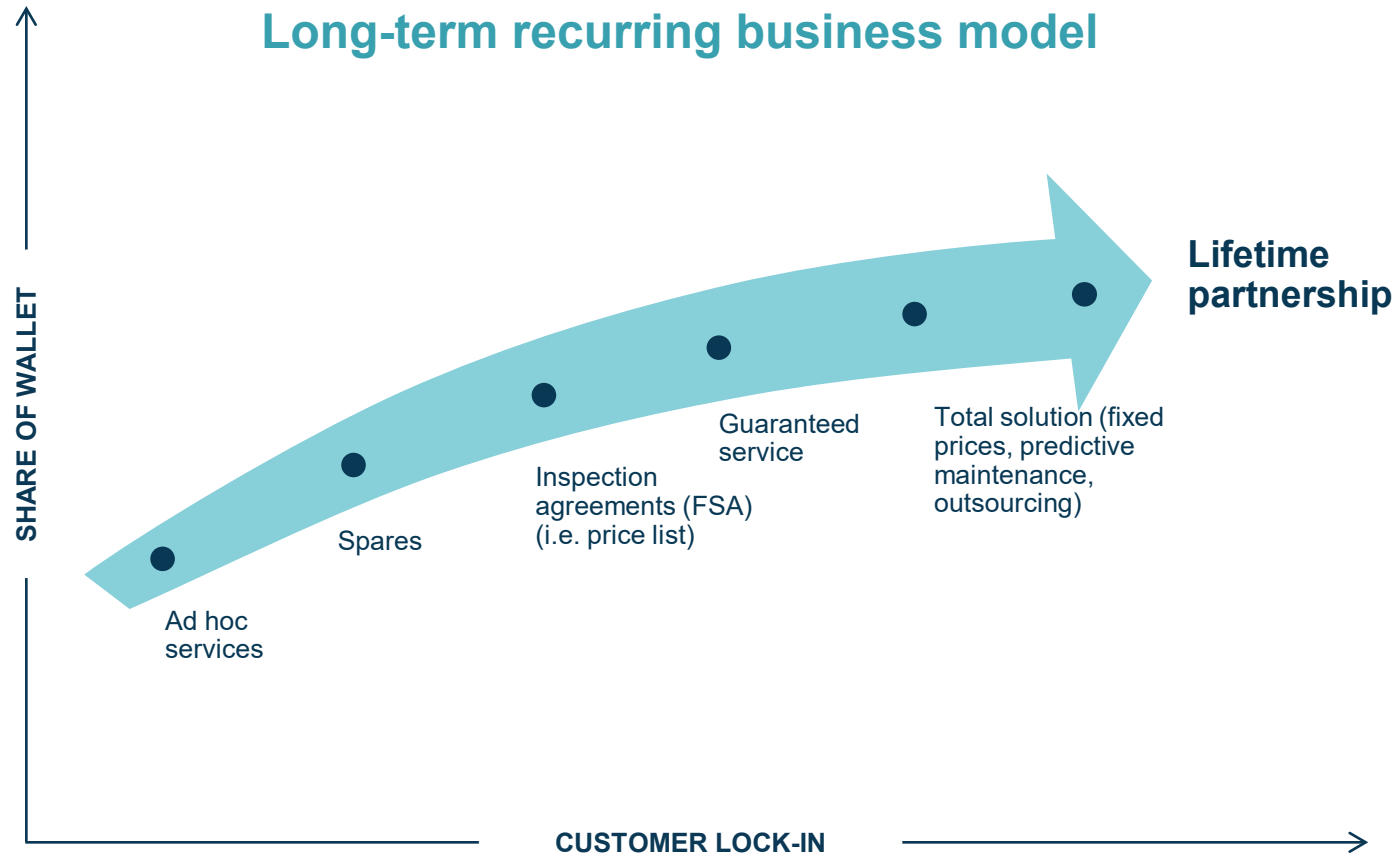
Disruptive technologies, sustainable results



Shipyard solutions



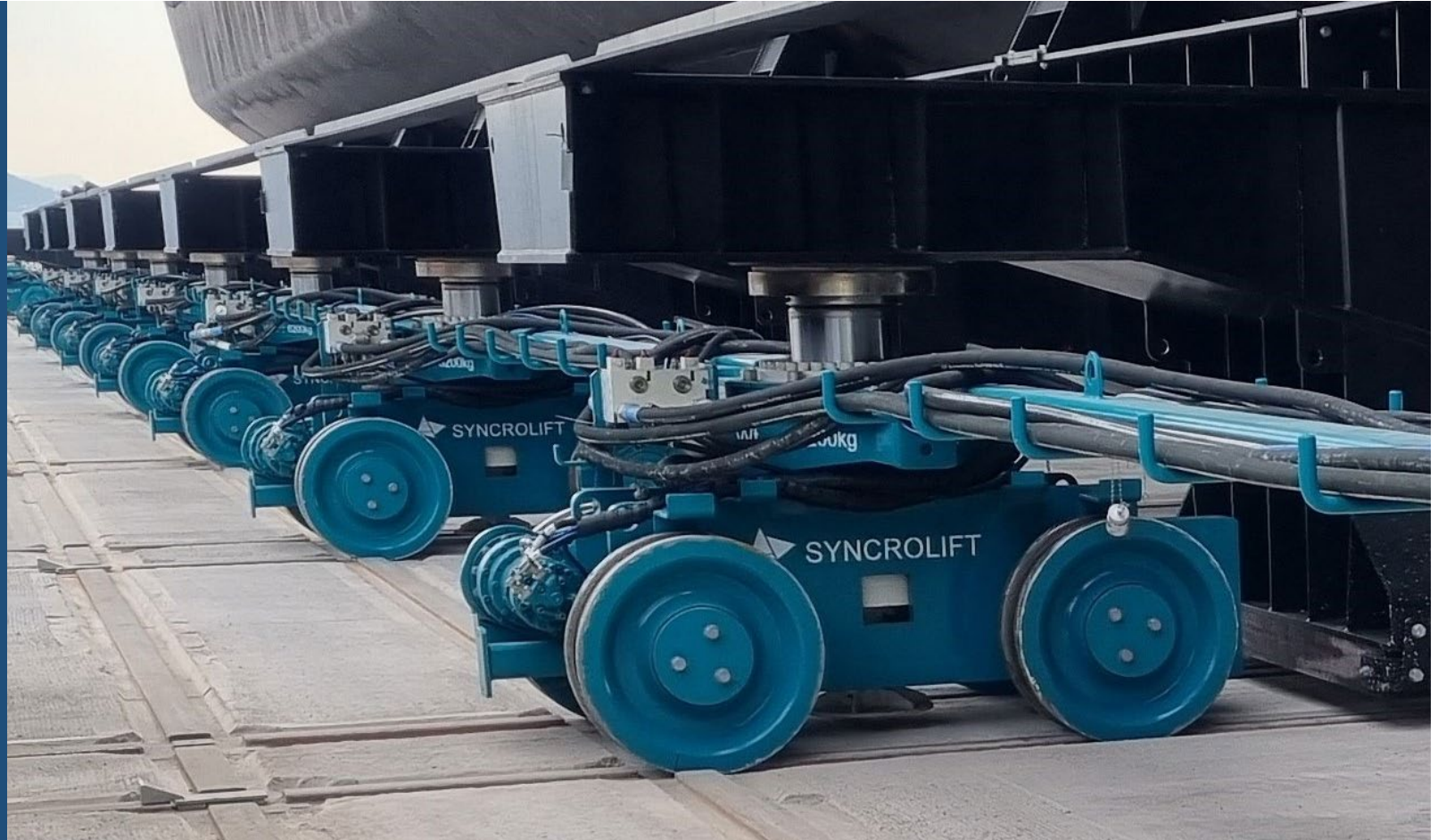
Service – moving from ad-hoc to long term lifecycle partnership



USD 3.5 million upgrade contract won in Q1



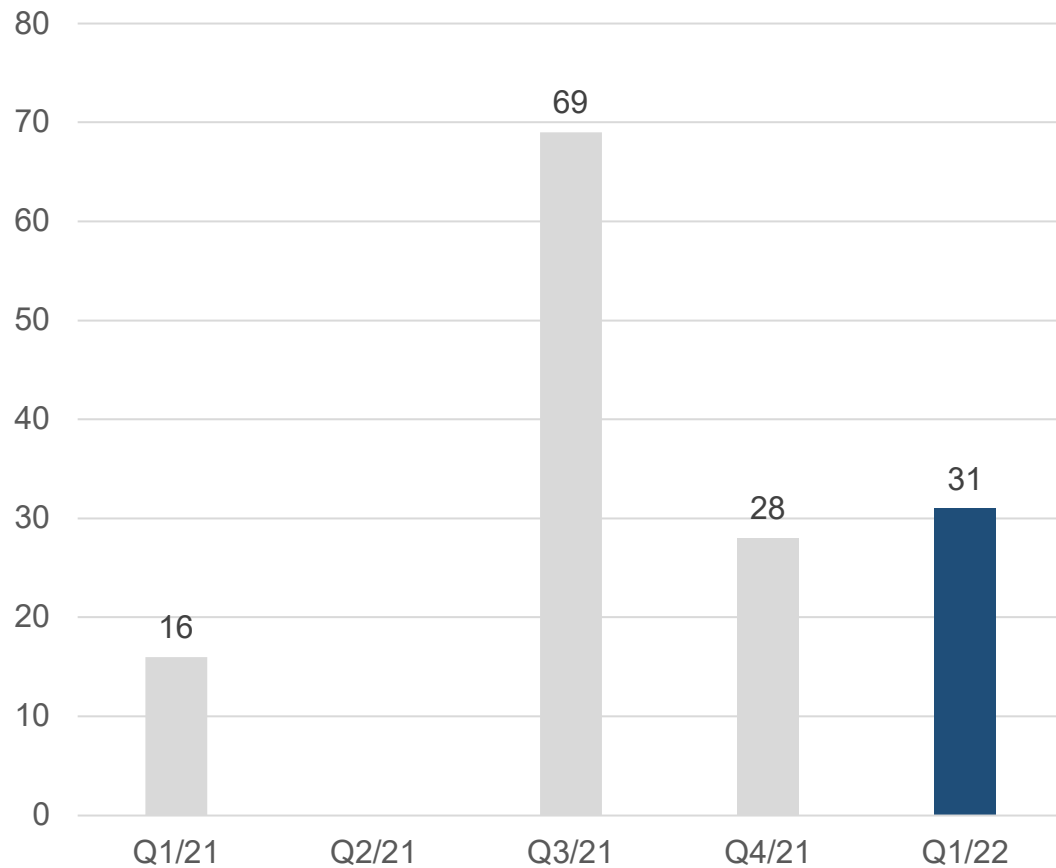
- Upgrade of current shiplift and transfer system
- Supply of new transfer system and control system
- Undisclosed Egyptian shipyard
- Syncrolift fluid bed technology enables customer to handle a higher variety of ships
- Equipment deliveries in 2023
- Large installed base in Egypt, strong service potential



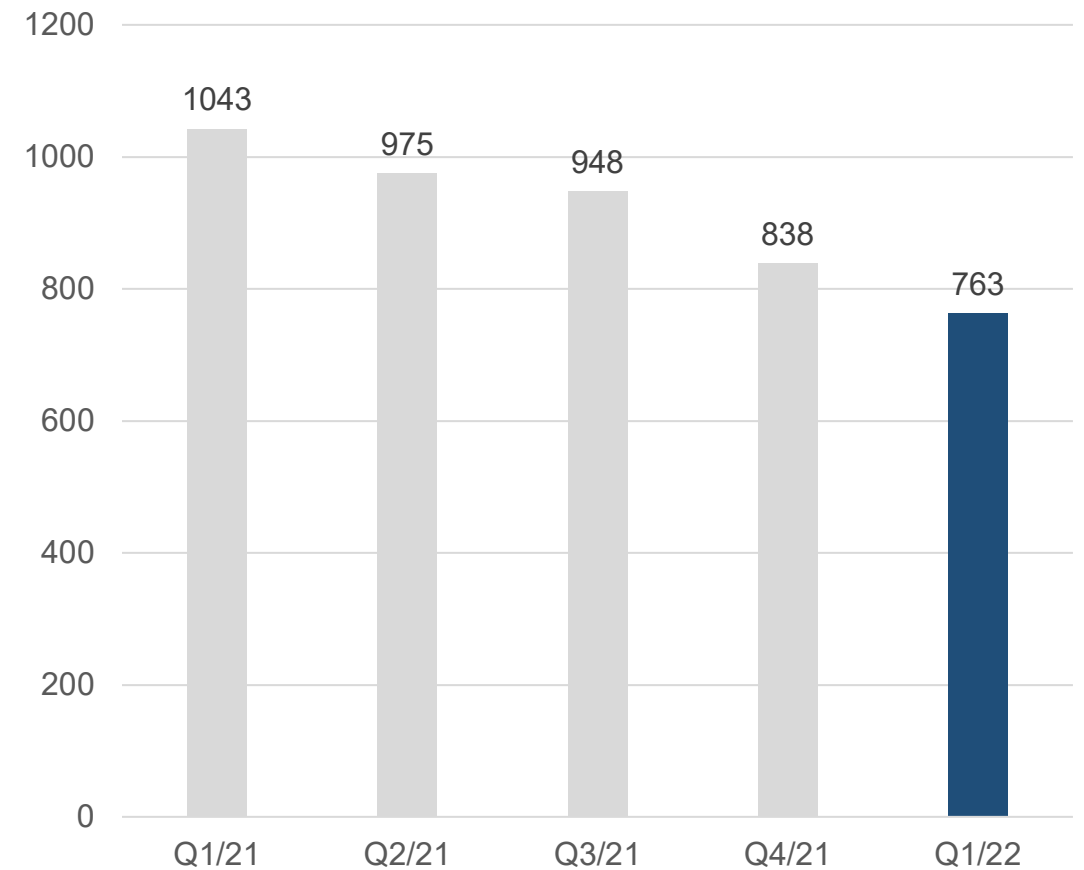
Order intake and backlog



Order intake per quarter (MNOK)



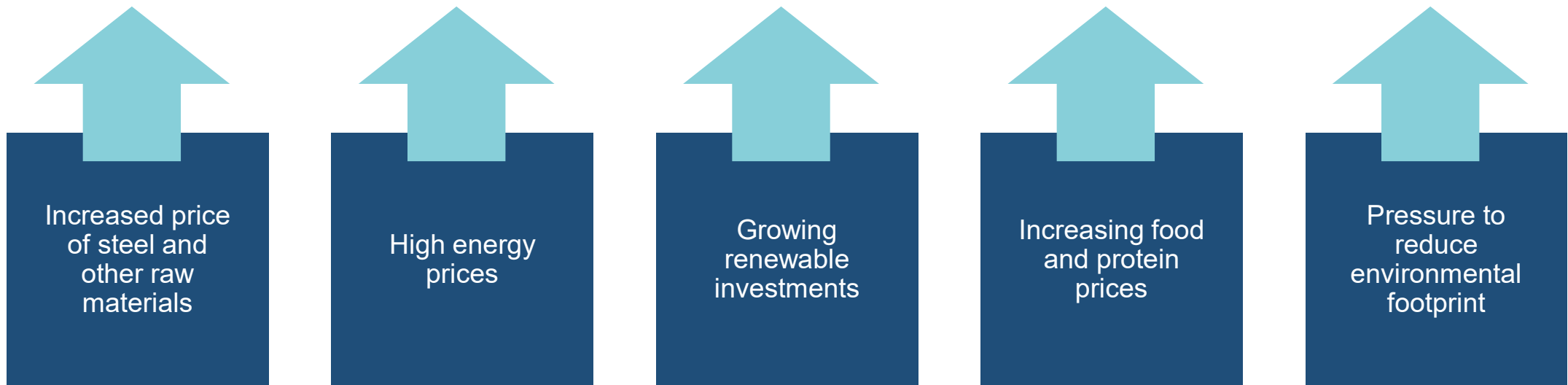
Order backlog development /MNOK)



Impact technologies



Highly favourable macro development for Nekkar's impact technologies





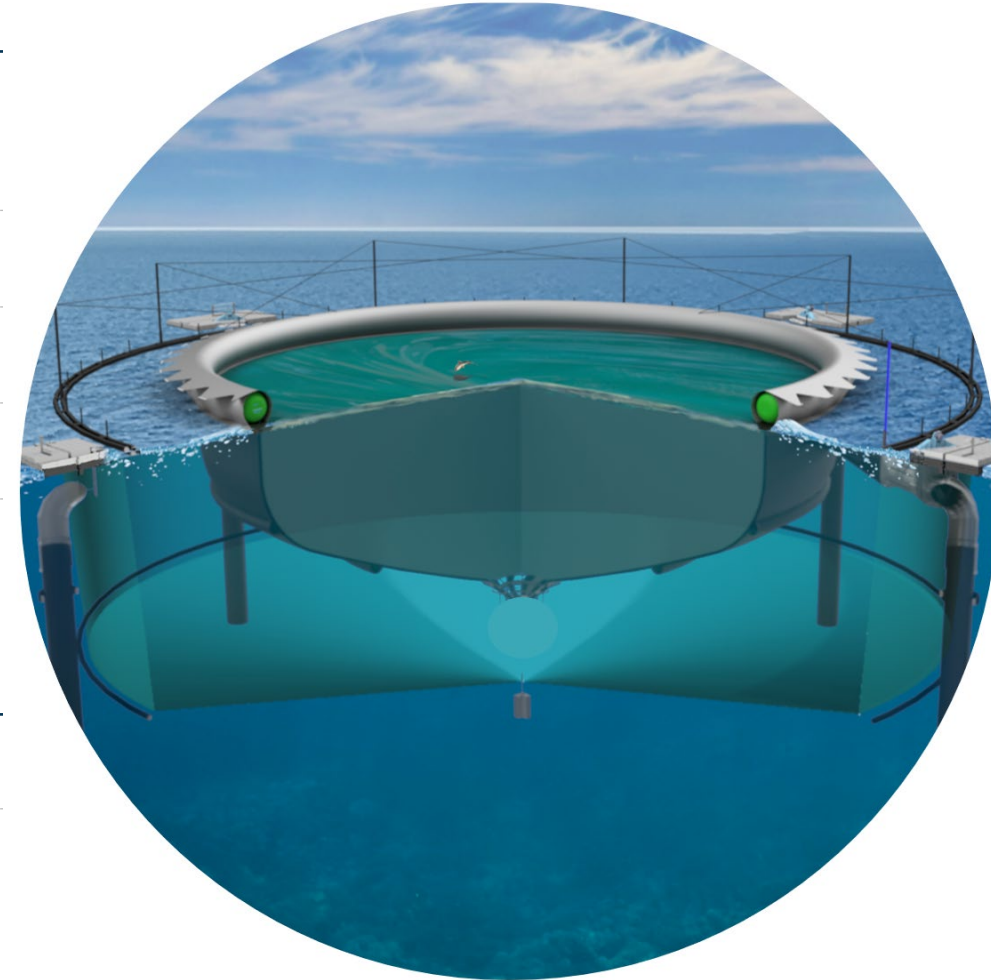
Full-size Starfish in production, preparing for testing

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>Ongoing</i>	●
Sludge treatment system	<i>Ongoing</i>	●

Started preparations for full scale test

Order long lead items for fish cage	<i>Ongoing</i>	●
Leading fish farmer and Nekkar analysing ideal site for full scale test	<i>Ongoing</i>	●





SkyWalker – the future wind turbine installation tool

Progress as planned:

- Successfully testing of model complete
- Next step: testing in wind tunnel

Strong industry interest:

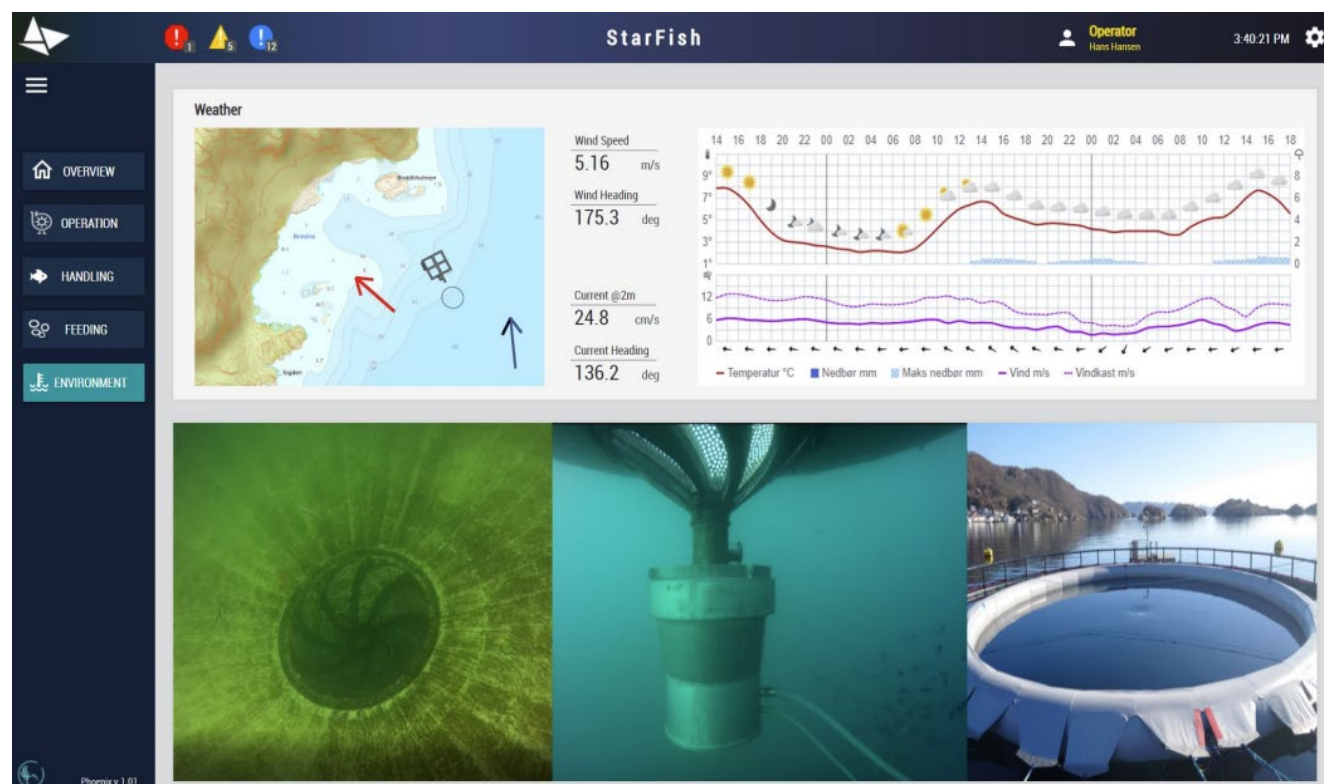
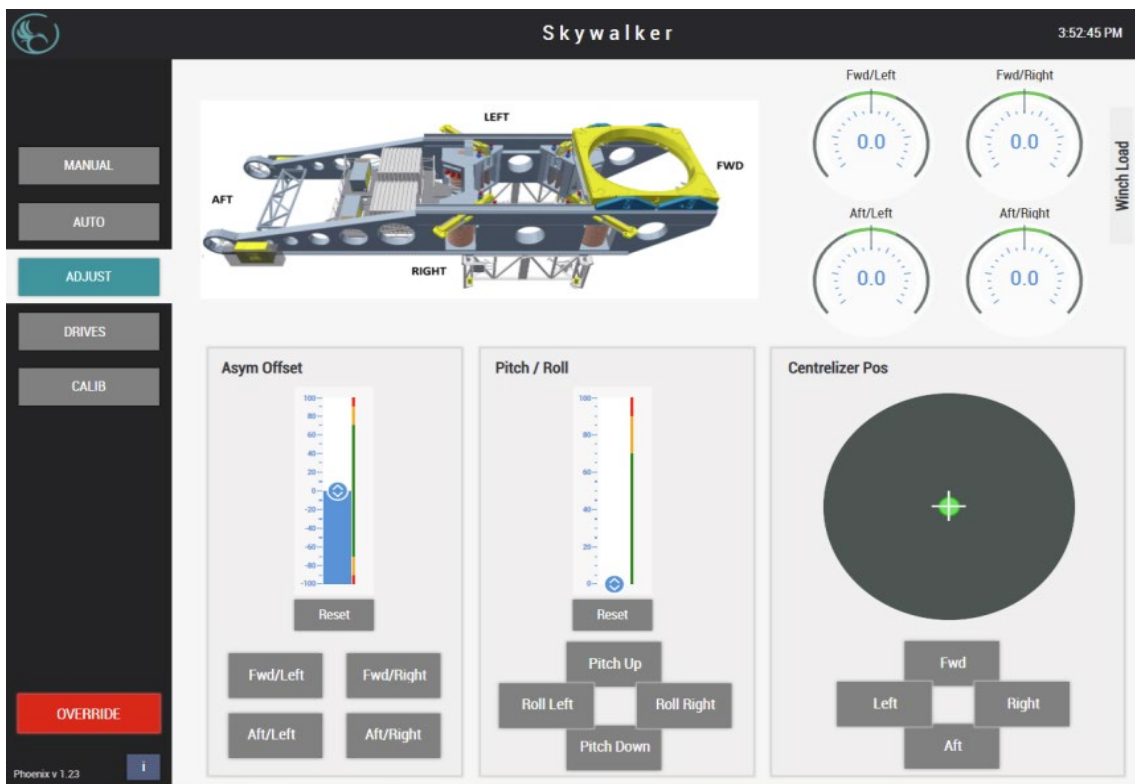
- Technology development
- Industrial partnerships
- Pursuing location for full scale tests



Digital Solutions

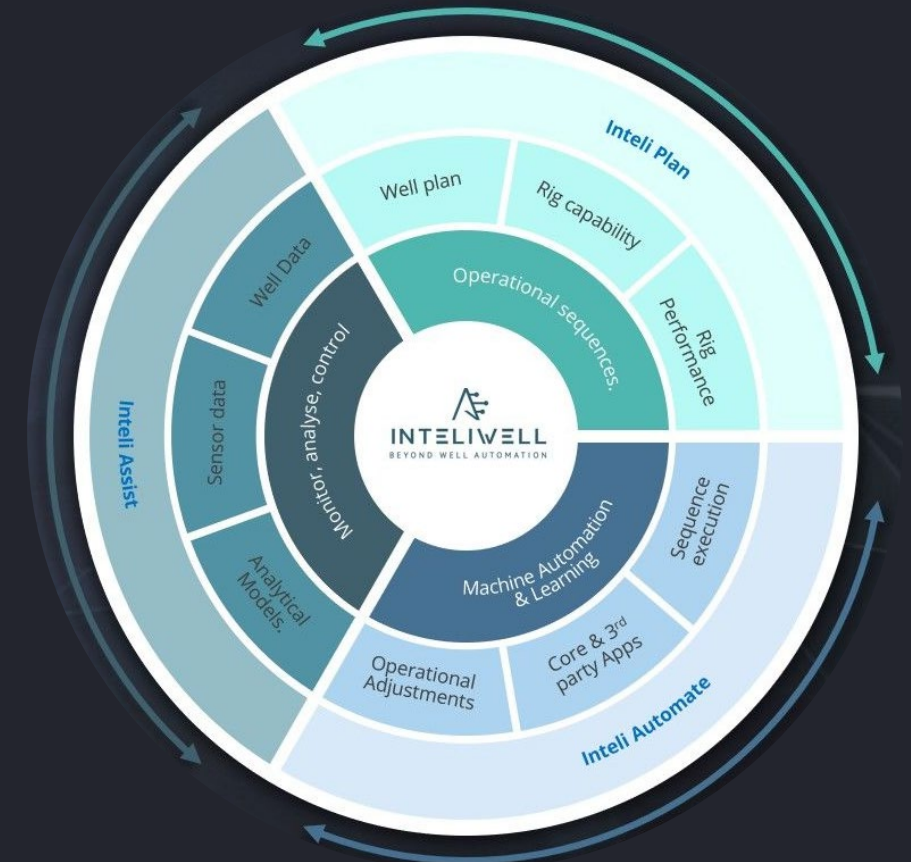


Software development for impact technologies



Inteliwell: towards commercial sales

- Team in Houston throughout Q1 for testing of MVP (minimum viable product)
- Successful MVP simulator testing, now entering commercial sales period.
- High interest from major energy companies





Financial highlights

Financial highlights

Consolidated statement of profit and loss



Nekkar ASA	Q1 Unaudited	Q1 Unaudited	Full-Year Audited
	2022	2021	2021
<i>MNOK</i>			
Revenue	84	93	480
Reported EBITDA	14	17	140
Operational EBITDA*	12	17	143
EBIT	12	16	134
Capitalised development costs	9	6	29
<i>EBITDA margin</i>	<i>16.2 %</i>	<i>18.3 %</i>	<i>29.1 %</i>
<i>Operational EBITDA margin¹</i>	<i>14.0 %</i>	<i>18.0 %</i>	<i>29.7 %</i>
<i>Order intake</i>	<i>31</i>	<i>16</i>	<i>113</i>
<i>Order backlog</i>	<i>763</i>	<i>1 043</i>	<i>838</i>
<i>EPS (NOK)²</i>	<i>0.07</i>	<i>0.13</i>	<i>1.04</i>

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

²Continued operations

- First quarter **revenues of MNOK 84**, down from MNOK 93 million (~10%) in Q1 2021
 - Customer-related delays on two newbuilding projects led to less revenue being recognized in 1Q 2022
- First quarter **operational EBITDA** of MNOK 12 compared to MNOK 17 in the same period last year
 - Gains on FX hedging contracts amounted to MNOK 2 in the first quarter of 2022, compared to MNOK 0 in 2021
- First quarter **order intake** of MNOK 31 compared to MNOK 16 in Q1 2021. Still strong **order backlog** of MNOK 763 at the end of the quarter
 - Order intake consists of newbuild and service, MNOK 28 and MNOK 3 respectively
- Capitalized development costs** (R&D capex) amounted to MNOK 9 in the first quarter
 - Development activities include Starfish, SkyWalker and our digital solutions.
- First quarter **earnings per share** of NOK 0.07 compared to NOK 0.13 in 2021

Summary Q1 2022 & outlook



Summary



Financial performance in Q1 2022 in line with guidance provided in Q4 2021 presentation



Solid order backlog of NOK 763 million, combined with high tendering activity, provides good visibility



Progression as planned for Starfish and SkyWalker development project, plus for Inteliwell JV



Highly favourable macro development generates increased interest in Nekkar's impact technologies

Outlook

Shipyard Solutions

- H1 traditionally slower than H2
- Strong tendering activity for newbuilds and service/upgrades, expect decisions on large newbuild tenders during 2022

Aquaculture

- Decision to be made on ideal site location for full scale test

Renewables

- Wind tunnel testing of 1:20 SkyWalker model
- Industrial partnerships to fast-track commercialisation of SkyWalker

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 first quarter and full-year 2021 for Nekkar ASA. The consolidated financial statements for Q1 2022 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 2021.

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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