

Q2/H1 2024

Financial results

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Nekkar in brief

Industrial technology company

Presently a portfolio of established businesses and impact technology ventures within ocean-based industries

World-class engineering expertise

Proven track-record delivering complex and profitable projects
Strong in-house innovation and commercialization capabilities

Digitalization of sustainable ocean-based industries

Leveraging software and digitalization to increase efficiency and sustainability for fast-growing industries

Strong industrial ownership and history of value creation

30%+ ownership by Skeiegruppen, which has a solid industrial track record



Revenue 2023

MNOK 575



Order backlog (30/06/24)

MNOK 725



MNOK 227 in cash
No interest-bearing debt



Employees

98



Headquarters

Kristiansand, Norway



Stock listed

OSE (NKR)



Industrial technology company driving efficiency & sustainability for ocean-based industries

World-class expertise

Scalable software leveraged across the portfolio

In-house innovation & commercialization capabilities

Proven track-record delivering complex and profitable projects

Engaged industrial ownership

Long-term active owner

Buy-to-own strategy

Focus on profitable growth

Strong cash flow to ensure flexibility

Flexible ownership model to maximize value

Individual degree of integration to maximize synergies and value per company

Focus on value-adding activities

Portfolio overview



Companies



The global leading provider of shipyard solutions for safe and efficient ship docking



Industrial software solutions focused on digitalizing workflows through automation and remote-control systems for drilling and offshore load handling



Intelligent load handling systems, such as cranes and gangways, for renewables, subsea, and aquaculture vessels



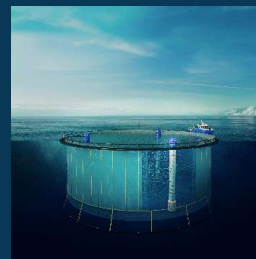
Full-service ICT and digitalization partner for the global maritime industry

Acquisition completed in Q3 2024 (15th August 2024)

Impact Technology Ventures



The disruptive wind turbine service and installation machine for onshore and offshore use



The leading provider of closed-cage solutions, technical textiles, and software for the aquaculture industry

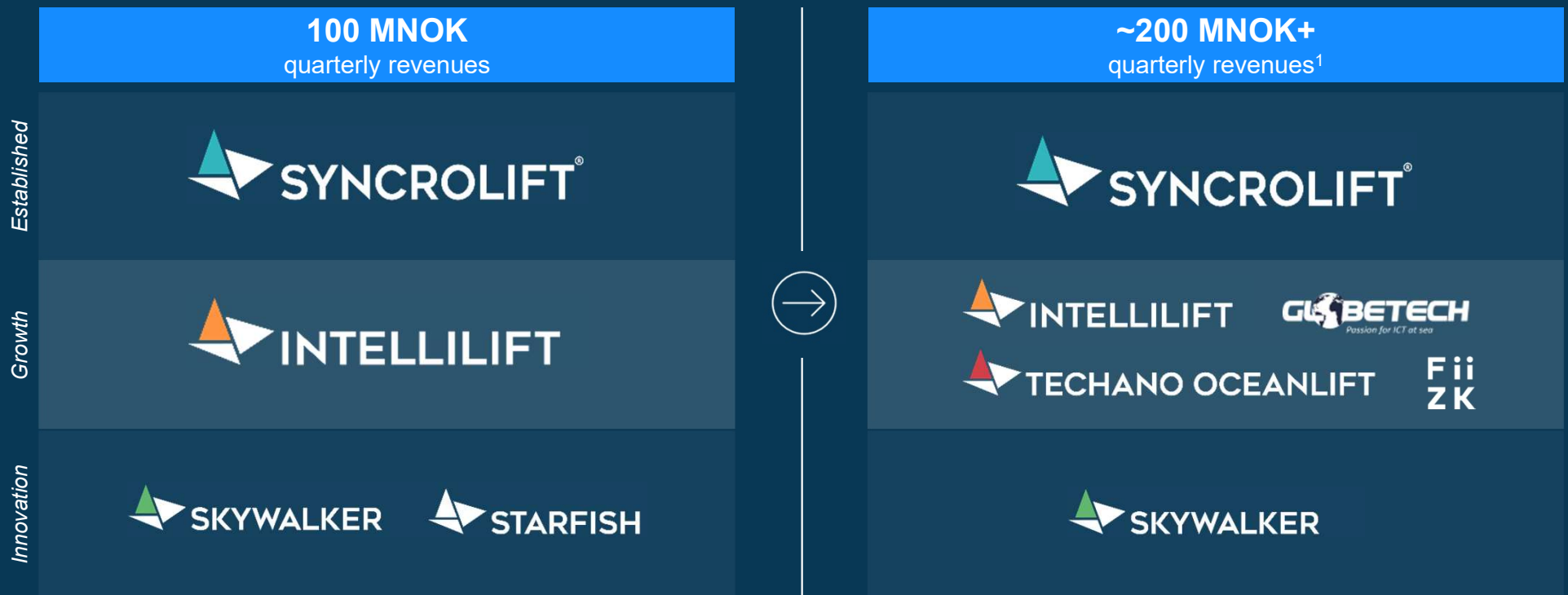
Associated companies (below 50% ownership)

Significant expansion of Nekkar's portfolio and earnings potential during past 12-18 months



Q1 2023

Q2 2024



¹ Revenue Q2 24 including Globetech and FiiZK revenues

Nekkar operates in four main business segments, focused on sustainable technologies for ocean-based industries



Business segments



Shipyard Solutions



Renewables



Offshore Energy



Aquaculture



Digital



Portfolio

 SYNCROLIFT®

 TECHANO OCEANLIFT

 INTELLILIFT

 GLOBETECH
Passion for ICT at sea

 SKYWALKER
Impact technology ventures

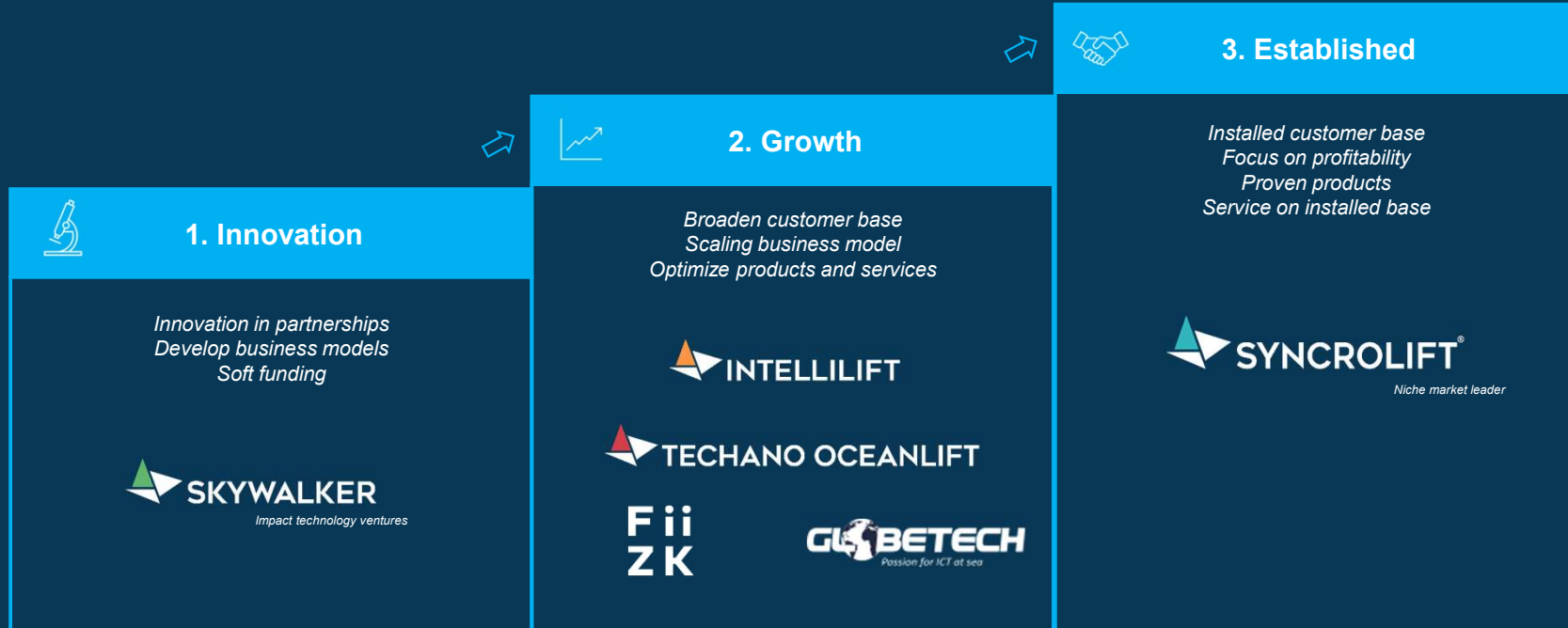
Fii
ZK

Globetech acquisition closed in Q3 2024 and not included in Q2 financials

The portfolio consists of mature, financially solid businesses, and new impact technology ventures



Nekkar portfolio, overview of maturity level and key focus areas



Highlights: Q2 2024



Financial highlights

- **Revenue** of MNOK 150, up 14% versus Q2 2023 (132)
- **EBITDA** of MNOK 20 (25)
- **EBITDA margin** of 13.4% (18.6%)
- **EBIT** of MNOK 17 (22)
- **Net cash flow** of MNOK 30 (42)
- **Strong balance sheet:** MNOK 227 in cash, no interest-bearing debt, MNOK 200 undrawn credit facility
- Solid **order backlog** of MNOK 725 at quarter-end (864)
- **EPS** of NOK 0.19 (0.18)

Events subsequent to Q2 2024:

- Agreement to become majority shareholder in Globetech (3rd July, completed 15th August)

Operational highlights



- Good project execution
- Continued high tender activity even though no major orders signed in the quarter



- New automation system being installed with Supermajor in Gulf of Mexico
- Partnership agreement with Salunda for safety application integration



- Good progress on 70t & 150t crane contracts
- High tender activity



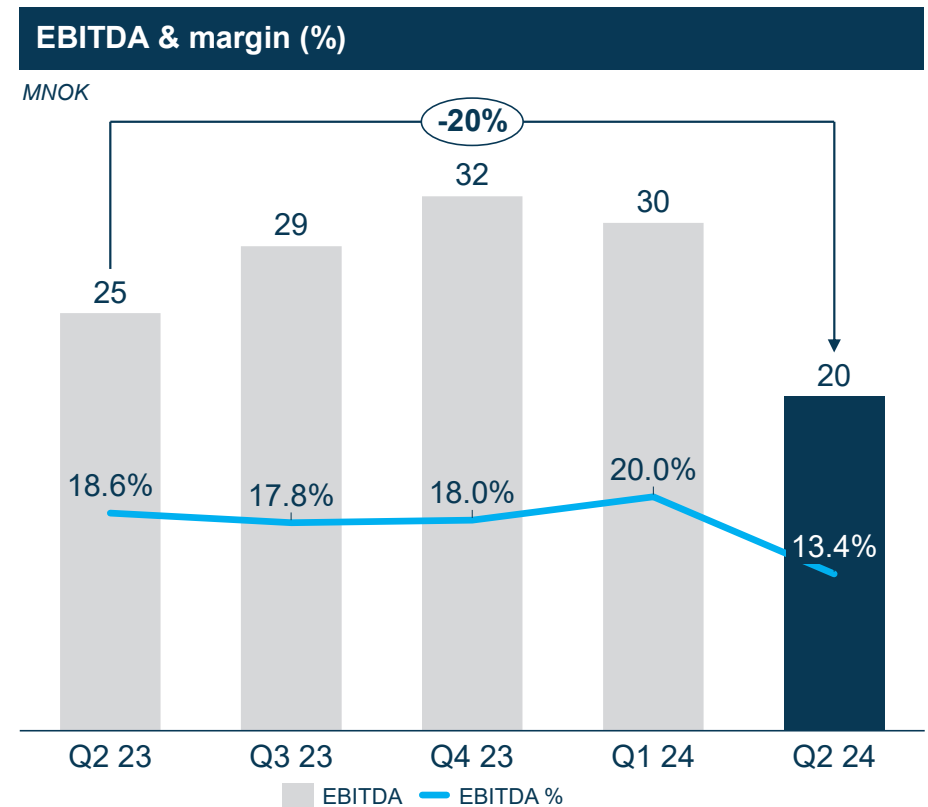
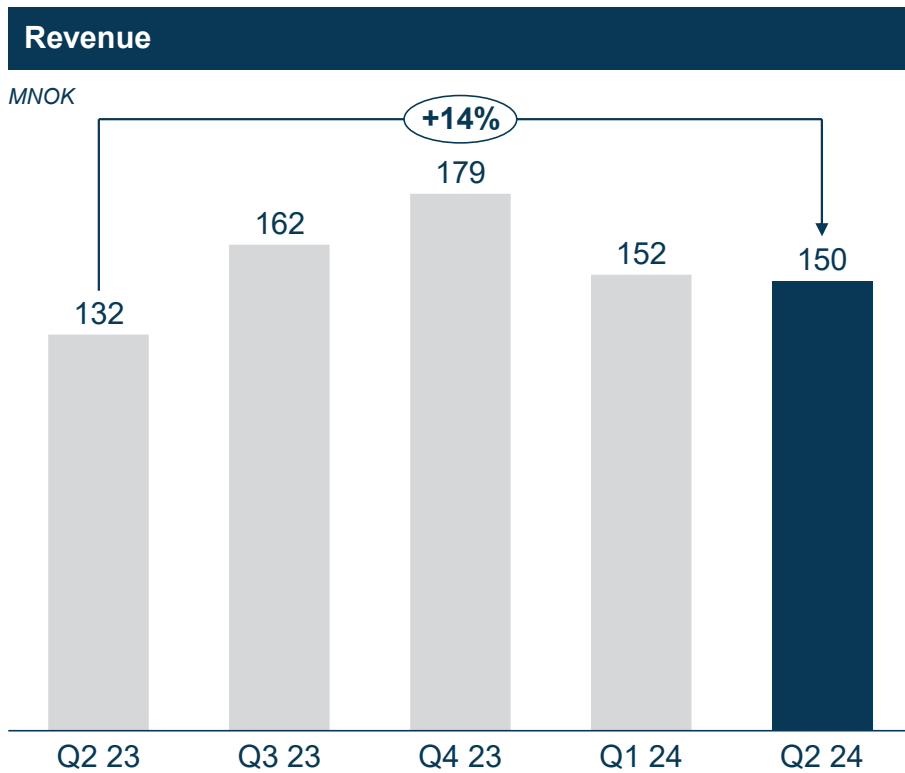
- Progressing commercial partnership discussions for SkyWalker as major component replacement tool



- Divestment of FiiZK Digital to Bluefront (completed 5th July)
- Agreement to sell FiiZK Protection to Hampidjan Group (signed 6th August)

¹ Associated company and accounted for using the equity method in Nekkar's consolidated financial statements (i.e., not included in revenue and EBITDA)

Key financials | Per quarter

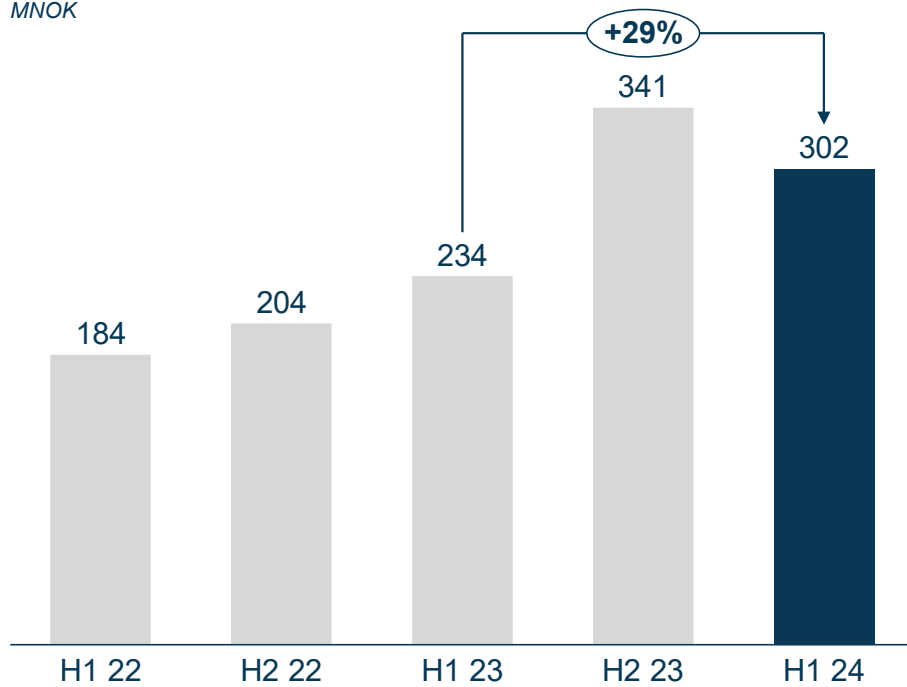


Key financials | Per half-year



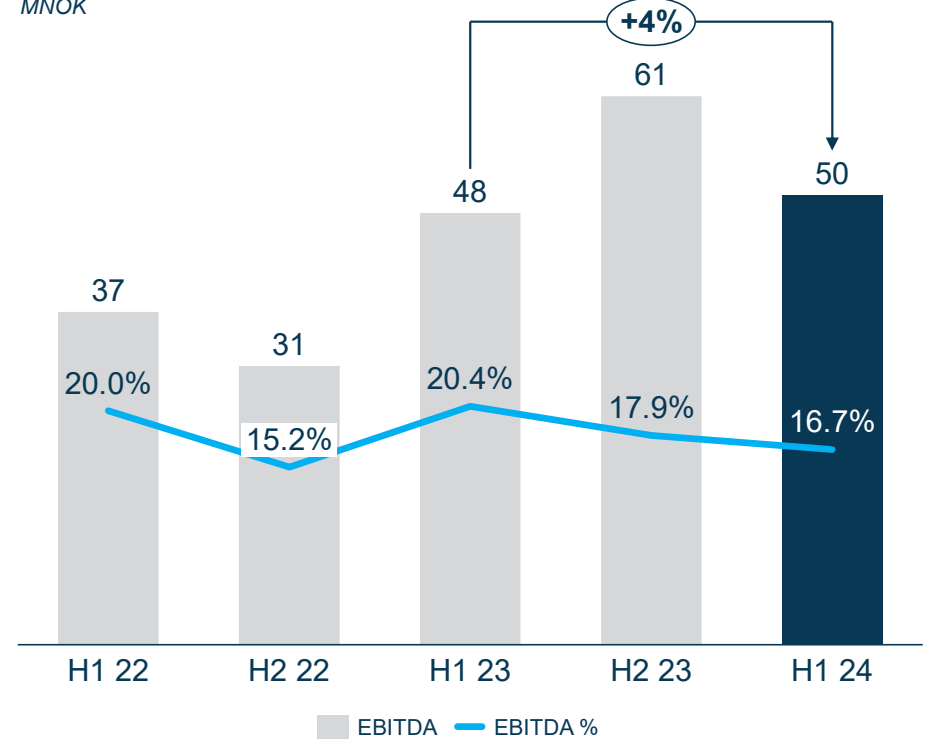
Revenue

MNOK



EBITDA & margin (%)

MNOK

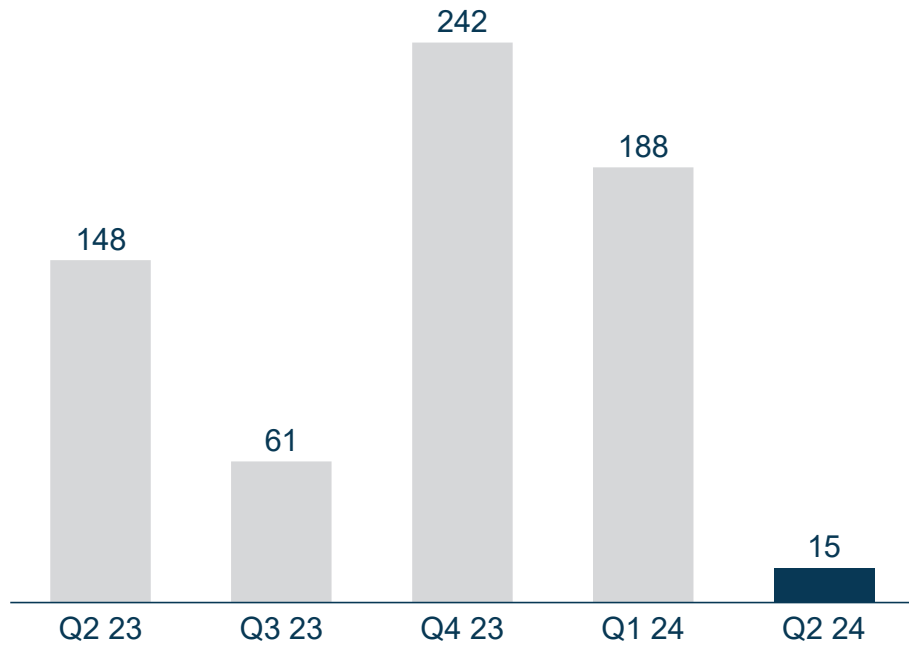


Order intake and backlog | Per quarter



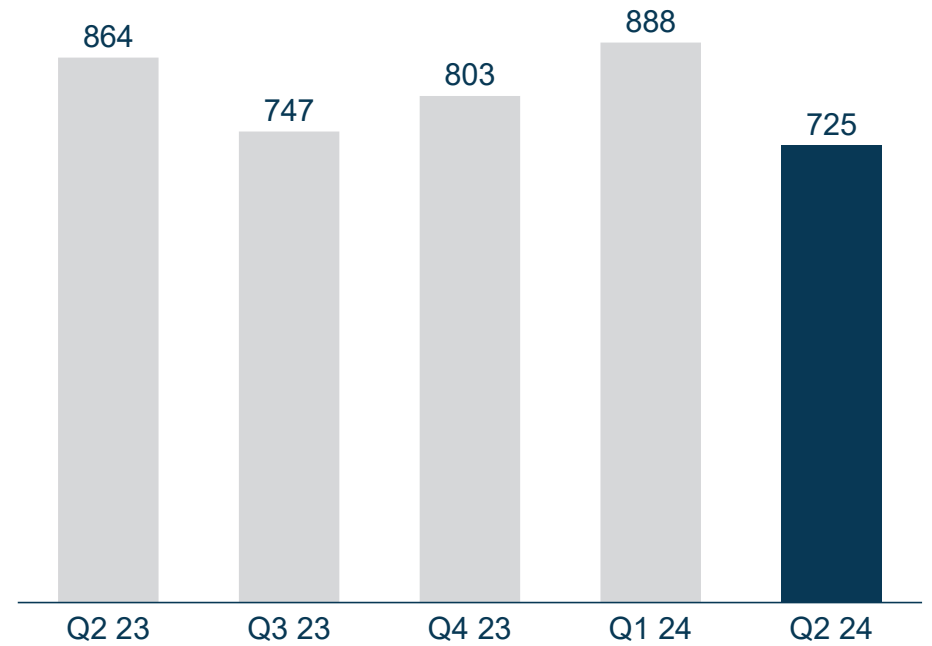
Order intake per quarter¹

MNOK



Order backlog development

MNOK



¹ Does not account for FX fluctuations in existing contracts

The background is a dark teal color with a marbled, stone-like texture. Bright white lightning bolts are scattered across the surface, primarily concentrated in the upper left and right areas, creating a dynamic and energetic feel.

BUSINESS UPDATE

Syncrolift | Q2 update

Market & Sales

- No large new contracts won in Q2
- Continued high tender activity for both new shiplifts and upgrade projects
- Geopolitical uncertainty drives agility requirements for navy yards
- Tender lost due to believed strategic/political reasons

Financials

- 5% revenue growth vs. same quarter last year
- EBITDA margin affected by project mix / phasing of projects

Operations

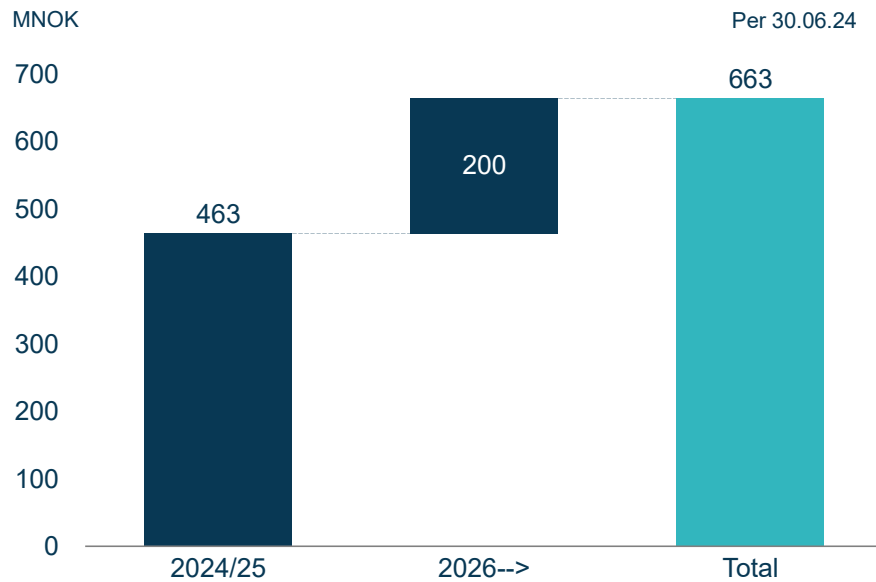
- Good progress on ongoing projects
- Handover in August of shiplift project in Cochin, India
- Commissioning of DMC transfer systems progressing well, expected completion in Q3 2024



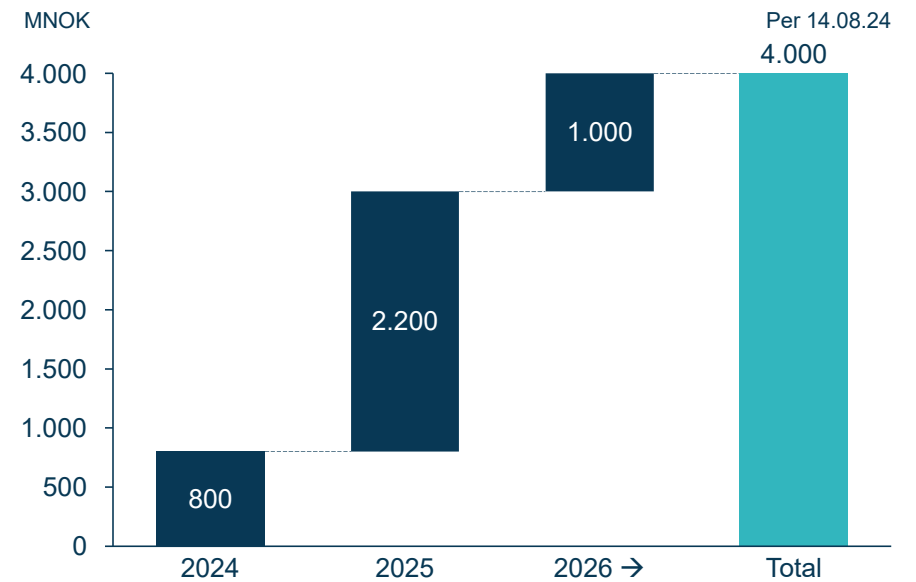
High visibility and tendering activity



Syncrolift order backlog by execution year¹



Tender pipeline, newbuild/upgrades by year of contract award¹



¹ Execution period and timing of contract awards may be impacted by external factors outside of Nekkar's control

Techano Oceanlift | Q2 update

Market & Sales

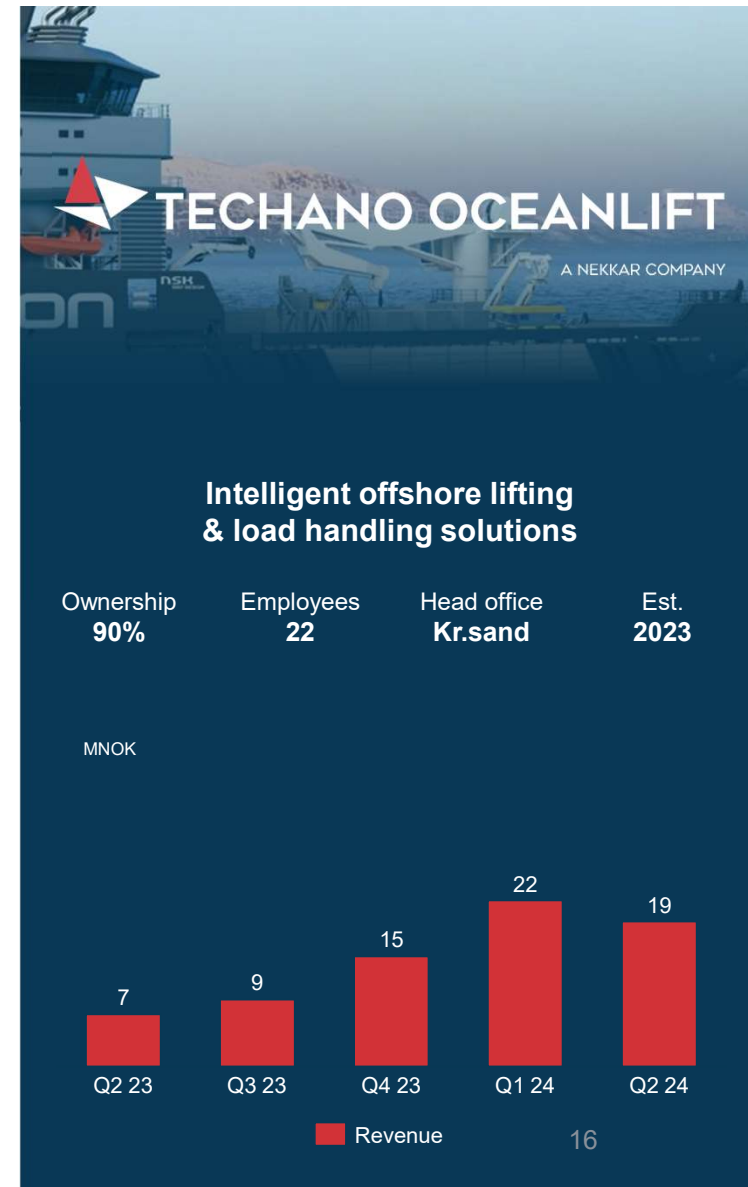
- High tendering activity, particularly for active heave-compensated subsea cranes
- Targeting potential opportunities in the SOV market

Financials

- Strong revenue increase vs Q2 2023 as execution of crane projects is progressing
- Soft margins as market entry projects required to establish customers' trust in the company's solutions

Operations

- Execution of 70t offshore crane to Sefine Shipyard, delivery planned for late 2024. Agalas, the shipowner, has signed a 3–5-year charter with Reach Subsea
- Engineering near completion on 150t crane for Sefine Shipyard, with fabrication commenced in Q3. The ship is owned and operated by Agalas and Eidesvik Offshore



Intellilift | Q2 update

Market & Sales

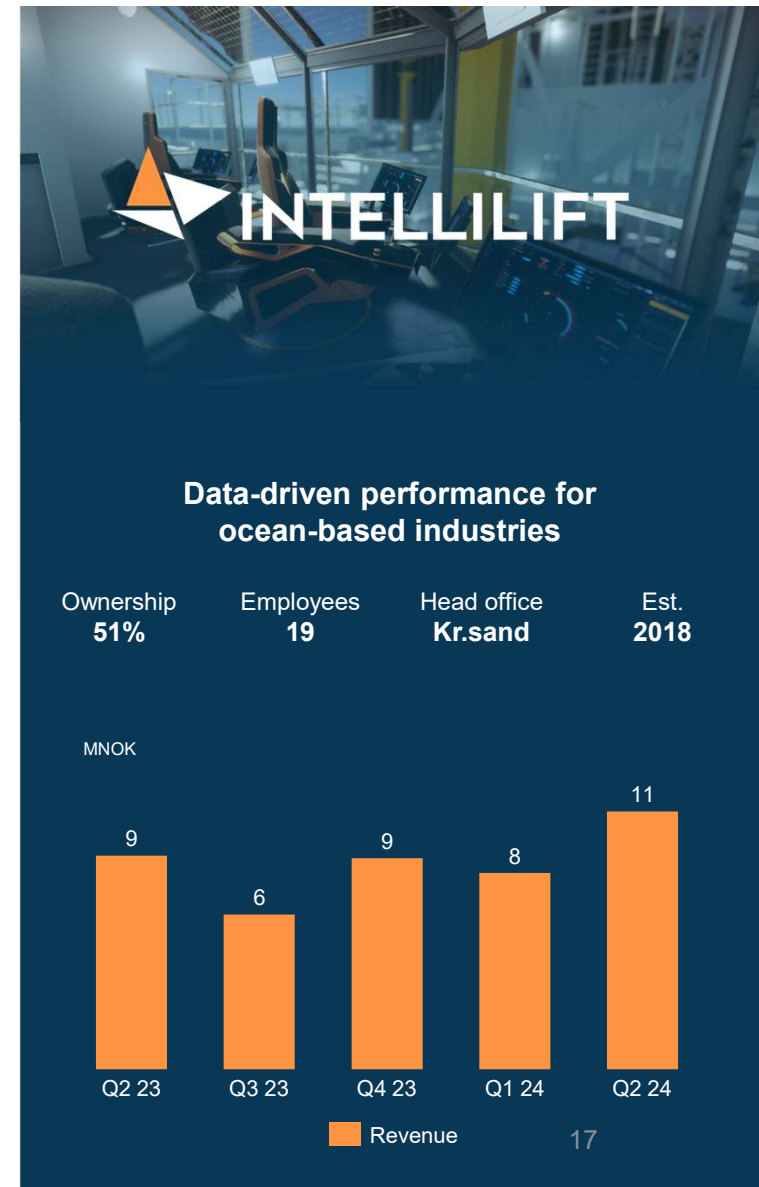
- Tendering for drilling automation, simulators and other drilling controls
- Cooperation agreement signed with Salunda Limited, combining Intellilift's proven automation technology and Salunda's patented camera and wearable digital zone monitoring technology for safer drilling rig operations

Financials

- Revenue primarily driven by external drilling projects
- Decent EBITDA margins with upside potential

Operations

- Finalizing new rig installation in Gulf of Mexico for oil and gas supermajor - option to purchase system



FiiZK | Turnaround progressing well

Ownership and business case has significantly improved compared to time of entry one year ago

Profitable second quarter of 2024

Sharpened strategy on closed and semi-closed systems to tackle the key challenges facing the industry

Launched new and improved designs with Protectus (closed) and FlexiCage (semi-closed)

Increased tender activity and growth outlook

Divested non-core business units to strengthen balance sheet and ensure strategic focus

- *Digital sold to Bluefront Equity for undisclosed amount, completed 5th July 2024*
- *Protection sold to Hampiöjan for undisclosed amount, to be completed in Q3 2024*
- Financial effects of both transactions to be included in Q3 financials

Streamlining operations and building a strong team with new CEO, Jan Erik Kvingedal



Increased focus on fish welfare and environmental risk driving demand for FiiZK



TORS DAG 11. JULI 2024 | ARGANG 33 | NR. 157

Finansavisen

Har tjent 90 millioner.
Holdbart soper inn på billigmat i dyrtid

Knallsterke stall fra Kongsberg Gruppen:
Aksjen nesten dobbelt så «dyr» som konkurrentene

Sønne stak hver sin vei i milliardene

Oppgraderte oppdrettsanlegg kan hjelpe:



70 mrd. for å redde villaksen

Stortinget. Foto: Stian Olsen

iLaks.no



Stortinget. Foto: Stian Olsen

Fikk med Rødt til slutt. Nå er miljøfleks enstemmig vedtatt i Stortinget.

Nyheter av Tina Totland Jensen - 30 april 2024

Et samlet Storting har vedtatt at regjeringen må fremme forslag om en teknologineutral miljøfleksibilitetsordning i år.

Canada forbyr åpen lakseoppdrett på vestkysten: – Nødt til å skje i Norge også

Oppdretterne må legge om innen fem år. Naturvernforbundet og MDG er fornøyde, mens norske lakseselskaper er skuffet og straffes på børsen.



Farming – shielding technology

Strong performance in shielding technology – first harvest in Q3/24



Results so far	Current situation and target	Submerged cages
<ul style="list-style-type: none"> Shielding technology shows exceptional results so far Rapid learning curve Low level of lice treatments Improved fish-welfare, with higher survival rates 	<ul style="list-style-type: none"> Close to 30% of salmon (number of fish) shielded as of start of August 2024 Shielding technology on 7 sites in Lerøy Midt and 5 sites in Lerøy Sjørett Targeting 35% by end of 2024 	
Investment	First harvest	Semi-closed containments
<ul style="list-style-type: none"> Almost five years of research and development Additional cages in 2024 of ~350 MNOK to reach target 	<ul style="list-style-type: none"> First harvest of shielded salmon in Q3/24 	

Omdømmekollaps for oppdrettsnæringen: – Den største finansielle trusselen for laksenæringen



En ny undersøkelse viser at laksenæringens omdømme aldri har vært dårligere. Det er særlig folk i Oslo-området og dem mellom 30 og 44 år som har mistet tillit til næringen.



FiiZK Protectus
30,000 m3 Closed system



FiiZK FlexiCage
Semi-closed system



Globetech – Connecting and securing maritime operations

Product portfolio - Full-service maritime IT solutions provider



IT & Connectivity



Cyber security



Software & Services

Globetech provides IT infrastructure, connectivity and support services to the global maritime sector. The company offers complete solutions for onboard network infrastructure including hardware, software, tailored solution architecture and system integration for satellite communications. Globetech has cybersecurity expertise to ensure secure and continuous operations for its customers.

Select customers – Ship owners & ship mgmt companies



Key facts

 MNOK 75+ Revenue, 2024e	 Kristiansand, NO HQ
 22% CAGR, 2019-2024e	 28 FTEs
 ~20% EBITDA margin, 2024e	 2011 Established

Globetech is a new digital platform for Nekkar

Niche maritime ICT provider with solid profitable growth

- 10+ years track record of profitable growth and delivering solid financials
- 20% EBITDA margin
- Strong management team with incentives/lock in coming 3+ years

Repeat business & sticky customer base

- 150+ vessels on recurring agreements
- Long lasting customer relationships with high degree of recurring and repeat business
- Mission critical service provider, while amounting to a low share of the customers' OPEX

Positioned for step-change in maritime digital transformation



Industry 4.0



Satellite
disruption



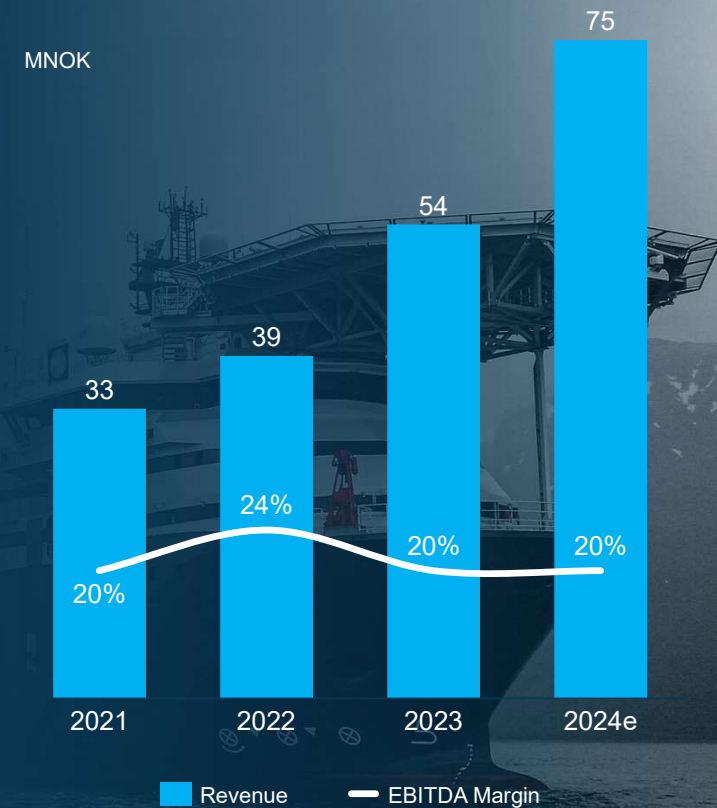
IoT &
Robotics



Cyber
security



IMO &
Local regulation



Strong financial & strategic fit with Nekar



Digitalization of ocean-based industries: Good fit for Nekar's strategy of driving efficiency and sustainability for ocean-based industries by leveraging technology



Commercial synergies: Expansion of products and offerings to better serve Nekar's target customer segment of high-end ship owners



Portfolio diversification: Broadens Nekar's revenue streams with increased share of repeat business

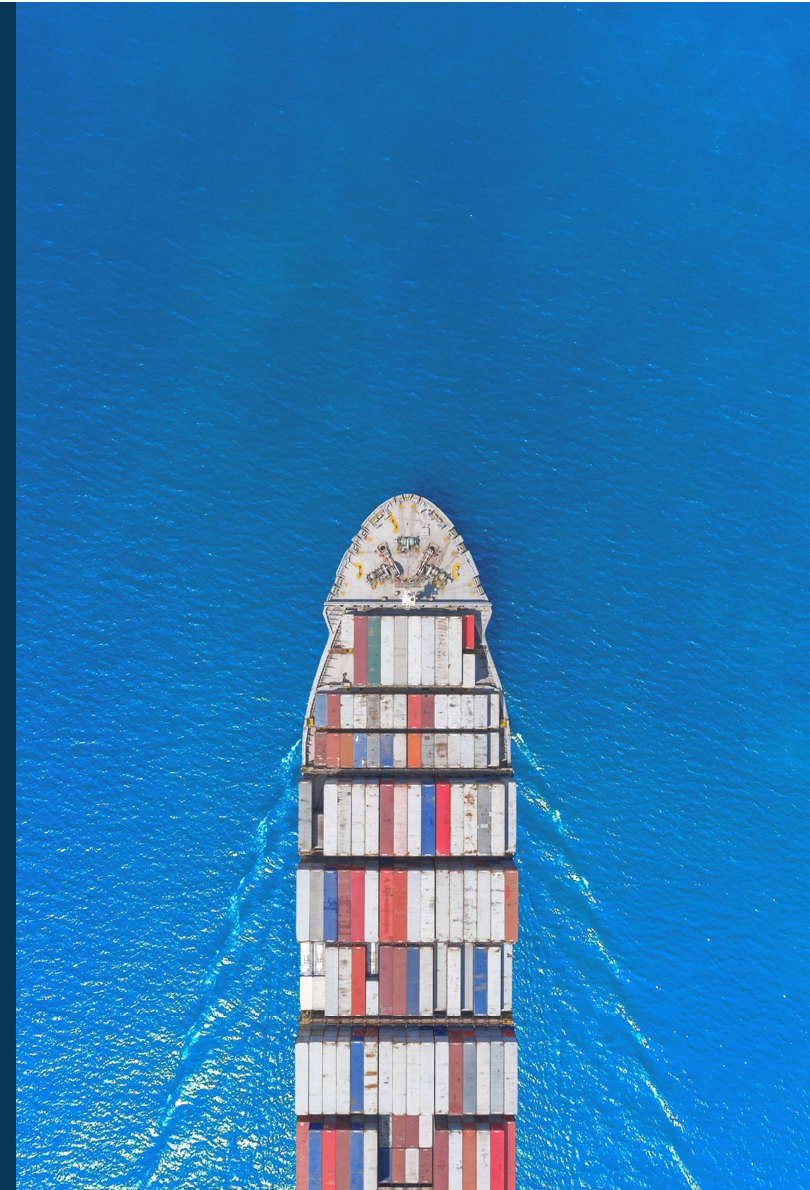


Skilled team: With deep domain knowledge and shared culture of innovation and growth



Two-staged deal to incentivize growth

- Nekkar acquires 67 percent ownership of Globetech - transaction completed 15th August 2024
- Enterprise value of NOK 120 million on a 100 percent basis, based on last twelve months EBTIDA and an implied multiple of 7.7x EBITDA
- Share purchase for 67 percent ownership share settled 15th August 2024 with NOK 66 million in cash, including a locked-box interest amount, and NOK 15 million in Nekkar ASA shares (1.482.550 shares)
- Nekkar utilized company's treasury shares, which was valued at the VWAP last five days prior to signing (NOK 10.036) and subject to a two-year lock-up period
- The cash-based consideration covered by Nekkar's cash balance
- In 2027, Nekkar will acquire the remaining 33 percent of outstanding shares in Globetech. The consideration will be settled in cash based on a multiple of achieved EBITDA in 2027



FINANCIAL UPDATE



Nekkar financial highlights

Profit & Loss, Q2, H1 2024

MNOK	Q2 2024	Q2 2023	H1 2024	H1 2023	2023
Revenue	150	132	302	234	575
Syncrolift	124	118	250	211	515
Intellilift	11	9	19	19	34
Techano Oceanlift	19	7	41	7	30
Other incl. eliminations	-3	-1	-8	-3	-5
EBITDA	20	25	50	48	109
EBIT	17	22	46	44	101
Net finance	6	3	-7	-2	8
Profit (loss) before tax	24	25	39	42	109
Income tax expense	4	5	9	9	26
Profit (loss) for the period	20	20	30	33	83
EBITDA margin	13.4%	18.6%	16.7%	20.4%	18.9%
Net capitalized development costs ¹	8	2	11	8	19
Order intake	15	148	203	175	478
Order backlog	725	864	725	864	803
EPS (NOK)	0.19	0.18	0.28	0.29	0.78

1. Net of received funding



Revenue

- Q2 revenue represents a 14% increase compared to the same period last year
- H1 revenue of MNOK 302, a 29% year-over-year growth

Profitability

- Q2 EBITDA margins impacted by project mix effects in both Syncrolift and Techano combined with currency effects and a higher revenue contribution from Techano Oceanlift with softer margins
- Q2 net financial items include Nekkar's share of FiiZK's quarterly profit of MNOK 5.2

Sales

- Net capitalized development cost primarily include development cost related to a new series of offshore/subsea cranes in Techano and development of technology in Syncrolift

More financial details in the Q2 / H1 Report

Key financials | Per company

SYNCROLIFT®

MNOK	H1 24	H1 23	FY 23
Revenues	250	211	516
EBITDA	63	58	132
EBITDA %	25%	27%	26%

INTELLILIFT

MNOK	H1 24	H1 23	FY 23
Revenues	19	19	34
EBITDA	3	7	6
EBITDA %	17%	37%	18%

TECHANO OCEANLIFT

MNOK	H1 24	H1 23	FY 23
Revenues	41	7	30
EBITDA	2	0	1
EBITDA %	6%	6%	4%



Balance sheet

Balance sheet, Q2 2024

MNOK	30.06.2024	30.06.2023	31.12.2023
ASSETS			
Intangible assets and goodwill	77	84	67
Right of use assets	13	16	14
Tangible assets	9	10	9
Financial assets	48	1	49
Inventory	18	10	12
Accrued non invoiced production	144	50	144
Trade receivables	71	97	85
Other short-term receivables	36	12	6
Derivative financial instruments	4	0	20
Bank deposits	227	236	194
Total assets	646	515	601
LIABILITIES			
Deferred tax liabilities	26	1	18
Lease liabilities	13	15	13
Trade payables	36	43	57
Prepayments from customers	56	10	39
Other current liabilities	68	58	46
Total equity	446	388	427
Total liabilities & equity	646	515	601
Net working capital	107	56	124



Assets

- MNOK 46.7 million of Financial assets as of Q2 2023 are linked to the investment in FiiZK

Working capital

- Working capital reduction of MNOK 17 compared to year-end 2023
- Accrued non invoiced production remains at high level as several projects are close to reached invoicing milestones - expected to be converted to cash over the coming months

Cash

- Robust cash position of MNOK 227 at quarter end
- Quarter was positively impacted by solid EBITDA, partly offset by buy-back program
- Available credit facility; MNOK 200 provides additional financial flexibility

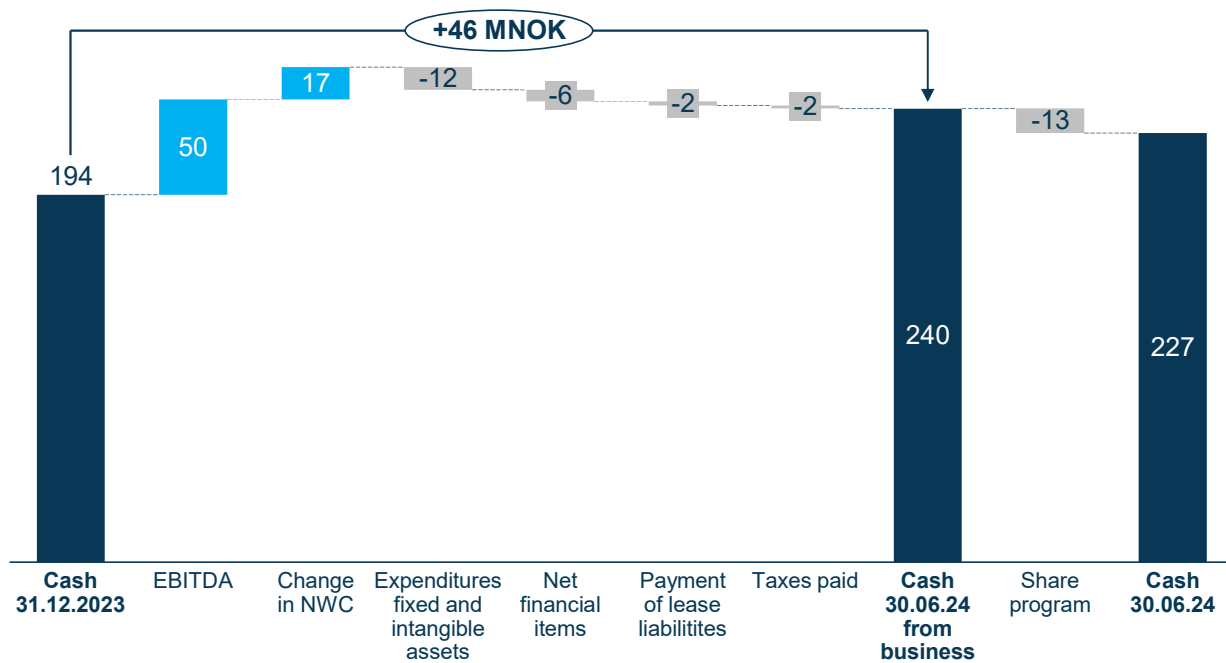
Net interest-bearing debt and equity

- No interest-bearing debt
- Solid equity, representing a 69 % equity ratio

Cash flow

Cash flow development, H1 2024

MNOK



Cash flow

- Cash flow from business is positive at MNOK 46 in H1 2024, driven by a solid EBITDA in the period and a reduced working capital
- Cash flow from share program is negative at MNOK 13 in H1 2024, due to purchase of treasury shares in the period of MNOK 16, partly offset by cash inflow from sale of treasury shares in the employee share program of MNOK 3
- In total, a net cash inflow of MNOK 33 in the first half of 2024. The company maintains a strong cash position of MNOK 227 at the end of the quarter

Nekkar's capital allocation strategy

<p>Portfolio growth</p> <p>Investments in existing portfolio companies to fuel organic growth while maintaining a strong balance sheet</p>	<p>Share buy-backs</p> <p>Buy-back program initiated in Q3 2023 and renewed in Q2 2024</p>
<p>New business</p> <p>Strategic M&A to strengthen Nekkar's defined business segments</p>	
<p>Innovation & R&D</p> <p>Prudent development of Impact Technology Ventures to validate technology and market potential</p>	



Available capital, Q2 2024	MNOK
Net cash	227
Undrawn credit facility	200
Total	427

Expecting continued solid operational cash flow going forward

Share buy-backs, Q3/23 – Q2/24	30.06.24
Number of shares purchased	2,980,044
Average price (NOK)	9.07
Total transaction value (NOK)	27,042,551

Summary Q2 2024 & outlook

Summary



Revenue growth of 14% versus Q2 2023, while EBITDA affected by differences in project mix/phasing of projects



Healthy order backlog of NOK 725 million, continued high tendering activity in all our companies



Strong cash flow, solid cash position and balance sheet



FiiZK turnaround progressing well, value-accretive acquisition of Globetech expected to generate higher proportion of repeat revenues going forward



Outlook



- Backlog provides good visibility for 2024 and 2025
- High tendering activity



- Successful implementation of IntelliWell's breakthrough award likely to open up further rig market opportunities



- Execution of backlog for two offshore cranes
- High tendering activity



- Conclude partnership model for O&M within offshore wind for SkyWalker



- Complete FiiZK Digital and FiiZK Protection transactions
- Continue sales and tendering of solutions

Next update: Q3 2024 financial results, 14 November 2024

Nekkar ASA

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 second quarter of 2024 for Nekkar ASA. The consolidated financial statements for H1 2024 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 2023.

The financial figures are not audited.

PROFIT MEASURES

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

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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