Disruptive technologies — sustainable results

Annual integrated report

2023

This annual integrated report is a natural continuation of the business strategy Nekkar has pursued in the past couple of years, where sustainability and profitability are intrinsically intertwined.

Broadening our revenue base

2023 was a year of noteworthy progress for Nekkar. Through organic growth from existing business, we have successfully broadened our revenue base. Coupled with smart and accretive M&A activity, this resulted in significant improvements in both revenue and profitability, leading to record high revenue for Nekkar for the year.

Firstly, this is Nekkar's first ever integrated report, where our annual report and accounts are integrated with our environmental, social and governance (ESG) improvement efforts. In many ways, this integrated report is a natural continuation of the business strategy Nekkar has pursued in the past couple of years, where sustainability and profitability are intrinsically intertwined.

Nekkar's strategy is to leverage the group's superior engineering, electrification, automation, and digitalisation heritage from the offshore environment, to develop and utilise disruptive technologies that can make high-growth ocean-based industries more sustainable, productive, and profitable. We operate in four main segments: shipyard solutions, renewables, aquaculture and offshore energy.

Ole Falk Hansen
CEO of Nekkar

Nekkar's portfolio consists of a variety of companies at different development stages, from mature and financially solid businesses to new impact technology ventures. In 2023, we made an effort to clarify where the various portfolio companies are in terms of maturity level and focus areas, with the objective of being even more transparent about available growth opportunities, and the commercial and technical hurdles that need to be crossed in order to realise such growth prospects.

We define Syncrolift as an established, mature business. It is Nekkar's main revenue contributor. The company is a global market leader within shiplifts and ship transfer systems. In 2023, Syncrolift was awarded newbuild contracts in Vietnam, India, United Arab Emirates, Indonesia and Europe, emphasising the company's global reputation and competitiveness. Syncrolift delivered revenues of NOK 515 million and EBITDA of NOK 132 million, equivalent to an EBITDA margin of 26 percent, in 2023. The company's service revenues increased to a record high of NOK 90 million in 2023, proving that our concentrated effort to tap into Syncrolift's substantial installed base continues to yield results. Syncrolift continues to be certified according to ISO 45001 on Occupational Health and Safety – an international standard aiming to improve employee safety, reducing workplace risks and creating better and safer working conditions.

As part of our portfolio, we have three companies that we define as growth businesses: Intellilift, Techano Oceanlift and FiiZK. They share a common focus of broadening their customer base, scaling business models and optimising products and services in order to capitalise on growth opportunities.

Intellilift is already well known to Nekkar's shareholders. The company delivers industrial software solutions that are focused on digitalising workflows through automation and remotely controlled systems for drilling and offshore load handling. In 2023, Intellilift had a major breakthrough via its participation in the InteliWell joint venture that secured the first contract for its game-changing drilling automation solution with the Transocean Norge drilling rig. Applying InteliWell's solution will enable reduced drilling time and consistent performance on board the drilling rig. Intellilift delivered revenues of NOK 34 million and EBITDA of NOK 6 million in 2023.

Early in 2023, we acquired Techano Oceanlift, a provider of intelligent load handling systems, such as cranes and gangways, for the renewable, aquaculture and offshore energy industries. The company also delivers live fish transfer systems to offshore fish farms. Techano Oceanlift won two crane contracts for offshore vessels last year, one for a cable-lay support vessel (CLSV) and one for a subsea IMR/survey vessel. The company delivered revenues of NOK 30 million and EBITDA of NOK 1 million in 2023. Its EBTIDA-margin was, as planned, negatively affected by pricing of market entry projects and time to build up volume. We expect this to improve over time. During 2023, Techano Oceanlift has developed a new series of offshore/subsea cranes to meet the increased demand for subsea operations and construction. The cranes may be electrified, including the winch, enabling it to deliver regenerated power back to the vessel.

As a result of progress in our growth companies, the second quarter of 2023 was the first quarter when Nekkar generated revenue from three different subsidiaries. This is in line with our buy-to-own strategy where we through our flexible ownership model can maximise value and synergies per company.

Another example of our flexible ownership model and business development mandate was our entry into aquaculture industry supplier FiiZK. We invested NOK 50 million for a 39 percent ownership share in FiiZK. The consideration consisted of NOK 25 million in cash and a NOK 25 million payment in-kind contribution through our cutting-edge Starfish technology. Integrating our Starfish closed fish cage in FiiZK, a leading provider of closed cage systems and software solutions for fish farming, was a sensible and natural step in its development phase. As Nekkar has a minority shareholding in FiiZK, the company's results are not consolidated into Nekkar's accounts.

Our third portfolio category is impact technology ventures such as the SkyWalker wind turbine service and installation tool. The SkyWalker can significantly lower the cost and time associated with major component replacement on offshore wind turbines. Towards the end of 2023, a project consortium headed by Nekkar was conditionally awarded a research and innovation grant of NOK 75 million, in total, to develop a safe and efficient solution for main component replacement on offshore wind turbines. The project will develop a remote-controlled, self-hoisting lifting system that moves up and down the turbine tower to replace main components, such as for example gearbox and blade, while on-site offshore. Also, a 3D motion-compensated crane will be developed with the purpose of lifting SkyWalker from a floating vessel to the offshore wind turbine. The objective is to develop a main component replacement solution that can be utilised offshore on both floating and fixed-bottom wind turbine generators across OEMs, both for newbuilds as well as the installed base.

All in all, 2023 has been a year of significant progress across all our portfolio companies. As explained above, these commercial advancements can also result in environmental benefits and long-term value creation for society, operators, our customers and shareholders. We expect this progress to continue in 2024, which means that we will continue our efforts to broaden and diversify our revenue base. We look forward to updating you throughout the year on this progress.

Yours sincerely,

Ole Falk Hansen
CEO of Nekkar

Company highlights 2023

REVENUE

NOK 575 MILLION

+48%

vs 2022

EBITDA

NOK 109 MILLION

+60%

vs 2022

100%

of new suppliers screened using social criteria

NEW KRISTIANSAND OFFICE

from sustainable and recyclable building materials

First rig services contract secured for **INTELIWELL** joint venture

NOK ~250 million in new shiplift and ship transfer system contracts for **SYNCROLIFT**

Acquisition of **TECHANO OCEANLIFT**: Re-entering load handling and lifting segment

Investment in 39% ownership share in aquaculture industry supplier **FIIZK**

About Nekkar

Nekkar is an industrial technology group offering impact technologies combined with high-end software and automation solutions.

We combine 50 years' heritage from the world's number one shiplift company, Syncrolift, with new investments into sustainable and digitalised technology businesses that aim to unlock future customer-value within ocean-based industries such as offshore energy, renewables, aquaculture and shipyard solutions.

Our strategy is to leverage the group's superior engineering, electrification, automation, and digitalisation heritage from offshore environments, to develop disruptive technologies that can make high-growth industry sectors more sustainable, productive, and profitable.

Nekkar ASA is the holding company in the Nekkar Group, which is headquartered in Kristiansand, Norway. The company is listed on Oslo Stock Exchange with the ticker code NKR.

For more information about Nekkar, visit our website: www.nekkar.com

UN Sustainable Development Goals

Nekkar supports the UN's Sustainable Development Goals (UN SDGs). The company is implementing activities and initiatives relating to four of the SDGs, where the company has the potential to make the biggest contribution:

Nekkar promotes equal opportunities for employees regardless of their gender, age, ethnic or cultural background. Nekkar's employees should be treated with respect and the company shall ensure a safe and healthy working environment for everyone.

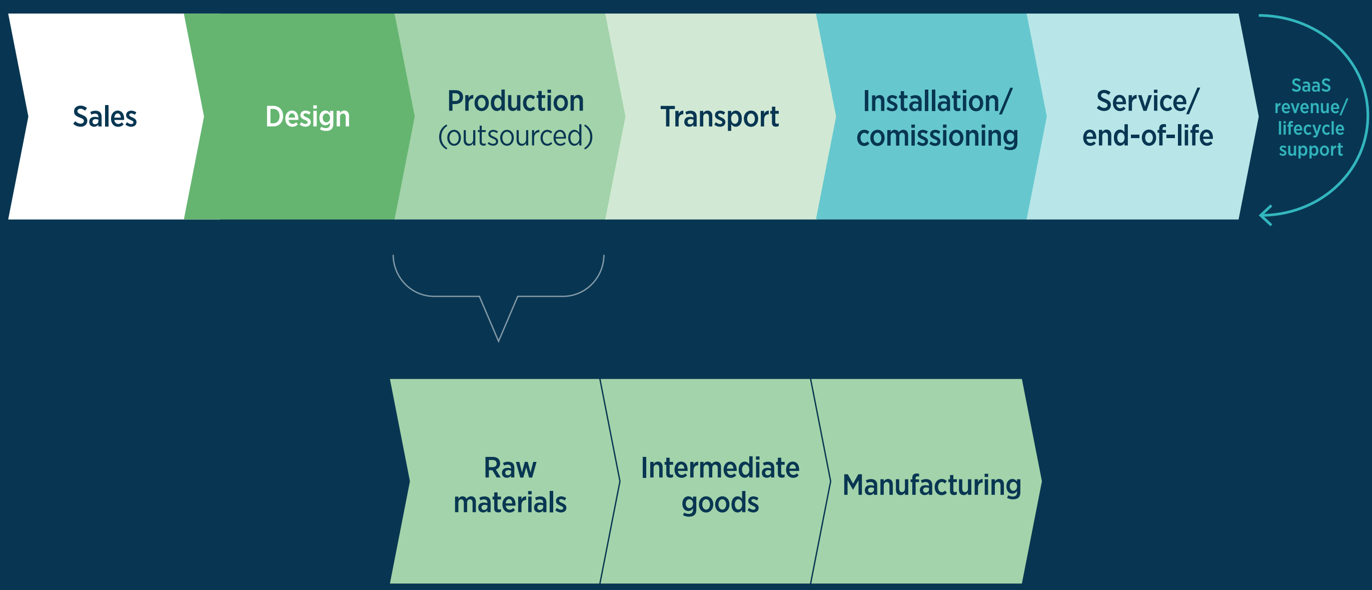
Designing and adapting our products to foster innovation and the development of sustainable technology is a key consideration in Nekkar's product development. An example is the wind turbine installation and service tool SkyWalker. This innovation has the potential to increase the efficiency and decrease the environmental footprint of installing and maintaining wind turbines.

The ocean represents a highly significant resource in terms of food, energy and value creation and has a high priority in our efforts to ensure a sustainable future. Nekkar's business operations are closely linked to the sea as our products are designed for the maritime and marine industries. Our goal is to design and produce products that can contribute positively to development in marine areas.

Nekkar aims to promote and maintain the highest ethical standards to create a trust-based relationship with our stakeholders. The company shall comply with relevant laws and regulations, act in an ethical, sustainable and socially responsible manner and otherwise practice good corporate governance.

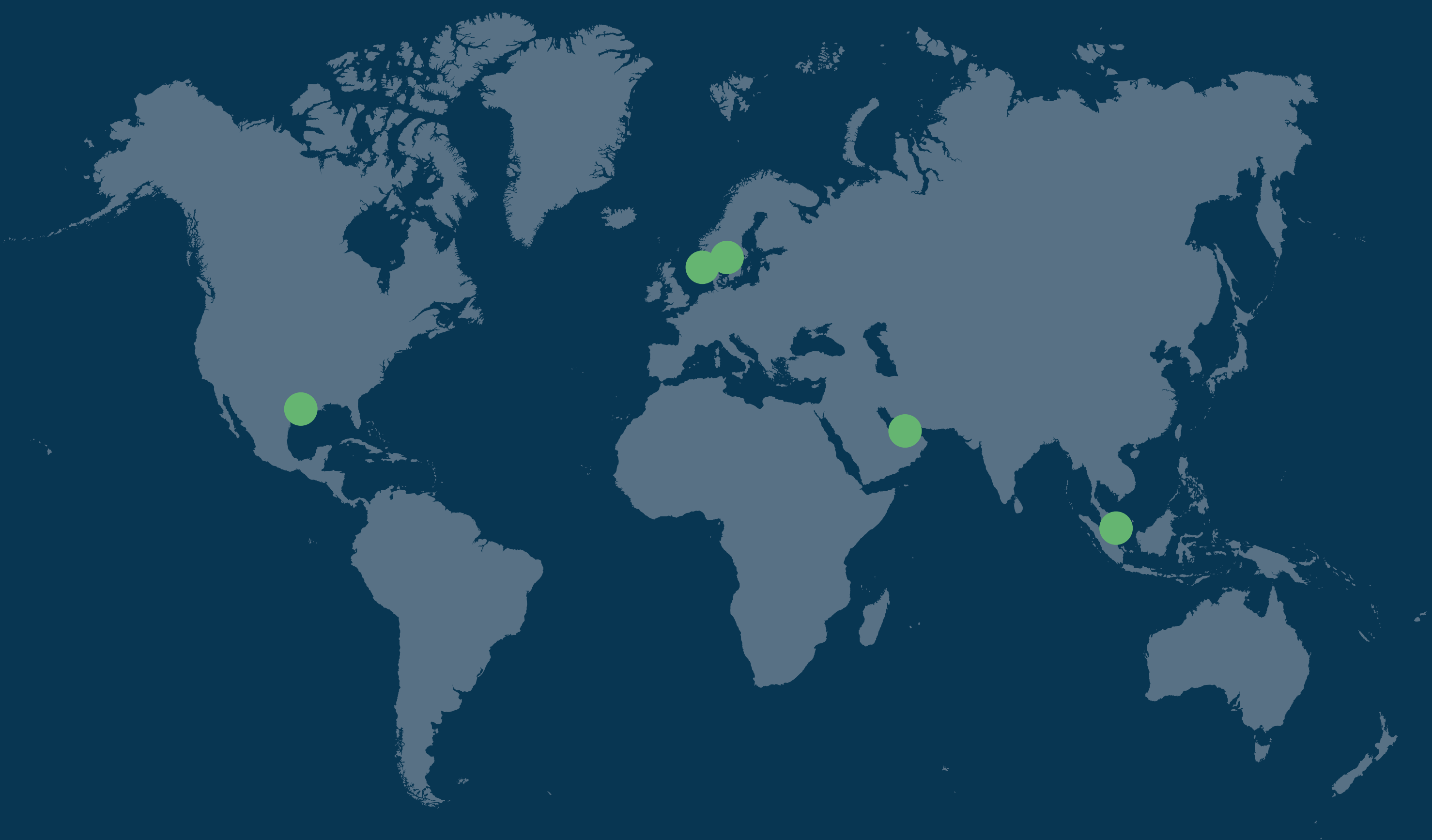
Nekkar has global presence with projects all over the world

Supply chain



Locations

Nekkar comprises five businesses: Syncrolift, Intellilift, Techano Oceanlift, and our Impact Technology Ventures arm which includes the SkyWalker project. Nekkar is also one of two leading shareholders of the associated company FiiZK.



Employees by location

49
Kristiansand (headquarter)
Intellilift, Techano Oceanlift, Impact Technology Ventures

38
Vestby
Syncrolift

1
USA
Syncrolift

2
Singapore
Syncrolift

2
Dubai
Syncrolift

Key figures

575
REVENUE
MNOK

109
EBITDA
MNOK

18.9
EBITDA MARGIN
PERCENT

92
NO. OF EMPLOYEES
31 DEC

601
TOTAL ASSETS
MNOK

427
TOTAL EQUITY
MNOK

71.1
EQUITY RATIO
PERCENT

2.4
SICK-LEAVE RATE
PERCENT

Based on alternative performance measures [1]	2023	2022	2021	2020	2019
ORDERS AND RESULTS (MNOK)					
Order backlog	803	824	838	1 146	778
Order intake	478	277	113	701	396
Revenue	575	388	480	359	267
EBITDA	109	67	145	70	51
EBITDA margin %	18.9%	17.4%	30.1%	19.5%	19.0%
BALANCE SHEET (MNOK)					
Total assets	601	507	451	558	416
Total equity	427	351	316	203	234
Equity ratio % (total equity/total assets)	71.1%	69.2%	70.1%	36.5%	56.1%
SHARE (NOK)					
Share price 31 December	9.25	6.10	9.97	6.02	2.05
Basic earnings per share [2]	0.78	0.30	1.04	-0.33	1.90
EMPLOYEES					
No. of employees 31 December [3]	92	73	62	54	50
Sick-leave rate %	2.4%	3.4%	2.2%	1.6%	0.7%

1) As the IFRS regulations do not define order backlog/intake/ EBITDA the number should be considered as an APM
2) Basic earnings per share are based on net profit for the year attributable to ordinary equity holders of the parent company
3) 2023 and 2022 figures include hired in personnel

Membership assosiations

Tekna

NITO

Norsk Industri
Federation of Norwegian Industries

NHO

Portfolio

COMPANIES

Syncrolift®

Syncrolift has been a significant player in the shipyard market for more than five decades. The company invented the production lines for building ships efficiently on assembly lines. It also invented innovative solutions for heavy load handling of ships.

Intellilift

The foundation of Intellilift's business is superior engineering, electrification, automation, and digitalisation competence with heritage from "Drilling Bay" in Kristiansand, Norway. Intellilift applies this competence across the Nekkar Group as well as to external clients. Intellilift software also increases efficiency on drilling rigs and reduces emissions through reduced drilling time.

Techano Oceanlift

Techano Oceanlift is a leading innovator in the development of advanced motion compensated load handling and lifting equipment. Its cutting-edge solutions cater to the specific needs of the offshore renewables, energy and aquaculture industries.

IMPACT TECHNOLOGY VENTURES

SkyWalker

Nekkar is currently developing the SkyWalker — a disruptive installation tool and service based on offshore lifting systems that will significantly reduce the cost and environmental footprint associated with wind turbine installations and major component replacements.

ASSOCIATED COMPANIES BELOW 50% OWNERSHIP

FiiZK

FiiZK is a group with three business units delivering technical textiles, closed cages and software solutions to the aquaculture industry. In addition, the company manufactures and designs products in technical textiles for the industrial, offshore, and the construction industry. The closed cage solutions from FiiZK improves both fish and fjord welfare.

Syncrolift
The safer choice in shiplifts

Syncrolift has been a market leading player in the shipyard market for more than five decades. It invented the production lines for building ships efficiently on assembly lines. The company also invented innovative solutions for heavy load handling of ships.

Since Syncrolift entered the shiplift market ten years ago, the company have won more than 60 percent of the shiplift and transfer market, a market share more than twice that of number two in our business.

Syncrolift supplies the market's safest and most reliable shiplift, and always make sure to stay close to customers worldwide.

We recognise the significance of time and cost efficiency for our customers. Regardless of their location worldwide, they can rely on having a nearby Syncrolift Service office, dedicated to providing 24/7 support.

SYNCROLIFT IN BRIEF

Head office	Vestby, Norway
Manager	Rolf-Atle Tomassen
Employees	43

KEY HIGHLIGHTS 2023

- Total five newbuild contracts with order intake of around NOK 250 million
- Opening new offices in India and Australia to serve customers closer and better
- Continued service revenue growth with NOK 90 million for the year

FINANCIAL FIGURES (MNOK)	2023	2022	2021
Revenue	515	383	469
EBITDA	132	93	158
EBITDA margin%	25.6%	24.2%	33.8%
Profit after tax	109	62	119

Intellilift
Digital performance improvement

The foundation of Intellilift's business is superior engineering, electrification, automation, and digitalisation competence with heritage from "Drilling Bay" in Kristiansand, Norway. Intellilift applies this competence across the Nekkar group as well as to external clients.

Leading the way in data driven performance improvement for the offshore energy and other industries, including aquaculture, Syncrolift and the renewables industry.

Automation and remote operations, including robotisation, are key elements in Intellilft's technology. We enable our customers for the digital transformation by use of Cloud solutions and SaaS models.

INTELLILIFT IN BRIEF

Head office	Kristiansand, Norway
Manager	Stig Trydal
Employees	16

KEY HIGHLIGHTS 2023

- First rig services contract awarded to InteliWell JV
- Successful installation and operation of InteliAutomate system on board Transocean Norge drilling rig

FINANCIAL FIGURES (MNOK)	2023	2022	2021
Revenue	34	22	42
EBITDA	6	4	6
EBITDA margin %	18.3%	17.9%	15.0%
Profit after tax	4	2	3

Techano Oceanlift
Smart offshore lifting and load handling

A leading innovator in the development of advanced motion compensated load handling and lifting equipment. Its cutting-edge solutions cater to the specific needs of the offshore renewables, energy and aquaculture industries. By harnessing the power of sensors, cameras, and intelligent automation, Techano Oceanlift offers unparalleled precision, efficiency, and safety.

The team consists of skilled engineers and industry experts who collaborate to develop solutions that optimise productivity, reduce downtime, and enhance operational performance.

TECHANO OCEANLIFT IN BRIEF

Head office	Kristiansand, Norway
Manager	Nils Stray
Employees	22

KEY HIGHLIGHTS 2023

- Joined Nekkar group of companies
- Award of two advanced offshore subsea cranes for construction and inspection

FINANCIAL FIGURES (MNOK)	2023	2022	2021
Revenue	30	-	-
EBITDA	1	-	-
EBITDA margin %	4%	-	-
Profit after tax	2	-	-

Impact Technology Ventures

Nekkar's Impact Technology Ventures arm consists of innovation projects where potentially disruptive technologies and business models are developed together with existing or potential customers and other business partners.

The solutions under development are intended to create value for both the development partners and society as a whole. As such, the initiatives target soft funding opportunities, such as grants and loans from governmental institutions, to develop and commercialise the technologies and solutions in question.

IMPACT TECHNOLOGY VENTURES	
Head office	Kristiansand
Manager	Mette Harv
Employees	6

SKYWALKER

Nekkar is currently developing the SkyWalker – a disruptive installation tool based on technology that will significantly reduce the cost and environmental footprint associated with wind turbine installations and major component replacements.

SkyWalker uses active heave compensation derived from offshore lifting systems, combined with digital solutions that allow for remote-controlled and automated lifting and installation solutions.

In 2021, Nekkar was awarded a NOK 21 million grant from Innovation Norway to progress with the SkyWalker, which culminated in the successful development and testing of a downscaled model.

Towards the end of 2023, a project consortium headed by Nekkar was conditionally awarded a research and innovation grant of NOK 75.2 million, in total, through the Norwegian government's Green Platform Initiative. The consortium aims to develop a safe and efficient solution for main component replacement (MCR) on offshore wind turbines - thereby realising significant reductions in time, cost and loss of revenue due to downtime.

STARFISH

In recent years, Nekkar has developed Starfish – an automated, digitally, and remotely managed closed fish cage solution. In 2022, Nekkar completed a successful ocean-based pilot test of the Starfish.

In 2023, Nekkar announced that it would partner with BEWI Invest through a joint investment in aquaculture industry supplier FiiZK - a leading provider of closed cage systems and software solutions for fish farming. Part of Nekkar's investment in FiiZK was a payment in-kind contribution through the Starfish. This milestone marked a significant step forward in advancing Nekkar's investments in the aquaculture industry, including the Starfish closed fish cage solution.

The Board of Directors

Trym Skeie
Chair of the Board

Trym Skeie (b. 1968) is a co-founder of Skagerak Capital, a sustainable oriented venture fund focused on technology, climate change and resource scarcity, where he is currently a part-time partner. He is Chair and Board member of several growth companies in Norway, such as Noroff Education, Vissim and Stimline. He runs his own investment business through Skeie Alpha Invest, Skeie Alpha Venture and Skeie Kappa Invest. Many of his investments have a clear positive impact on the environment such as Tunable, Vixel and Vissim. He has worked as an Investment Manager at Kistefos Venture Capital, as a management consultant at Acccenture and as a structural engineer at Hydralift. Skeie holds a Master of Science (M.Sc.) in Economics and Business Administration from the Norwegian School of Economics and Administration (NHH), and a M.Sc. in Civil Engineering from the Norwegian University of Science and Technology (NTH). Skeie has been Chair of the Board of Nekkar ASA since 2009.

As of 31 December 2023, Trym Skeie and associated companies, hold 1,718,115 shares and zero share options in Nekkar ASA.

Håkon Andre Berg
Director of the Board

Håkon Andre Berg (b. 1980) has been Director of the Board of Nekkar ASA since 2023. He is CEO of Skeie Technology, a major shareholder of the Company. Berg holds a M.Sc. from the Norwegian School of Economics and Business Administration. Berg has various executive management and Board experiences mainly within aquaculture/seafood and maritime/offshore/suppliers to oil & gas.

Berg holds no shares or share options in Nekkar ASA.

Trine Ingebjørg Ulla
Director of the Board

Trine Ingebjørg Ulla (b. 1961) has been Director of the Board of Nekkar ASA since 2023. She is a Vice President at Equinor Renewables. Ulla holds a Master's degree in Chemical Engineering from the Norwegian University of Science and Technology. She has held several senior positions within the Equinor Group and has more than 10 years of experience in offshore wind. Ulla is also a Director of the Board of Fornybar Norge.

Ulla holds no shares or share options in Nekkar ASA.

Marit Solberg
Director of the Board

Marit Solberg (b. 1956) has been Director of the Board of Nekkar ASA since 2019. She has a long career in senior management positions in the seafood industry, including eight years as COO Farming in Mowi ASA. Solberg has a high level of technical and biological expertise within aquaculture and holds a Master degree in Marine Microbiology from the University of Bergen (UiB). Solberg has extensive Board experience.

As of 31 December 2022, Marit Solberg holds 127,140 shares and zero share options in Nekkar ASA.

Gisle Rike
Director of the Board

Gisle Rike (b. 1953) is Director of Property in Rasmussengruppen AS, a major shareholder of the Company. He holds an M. Sc. from the Norwegian University of Science and Technology (NTNU). Rike has various executive management experiences from project management and business development from Rasmussengruppen AS and Maritime Tentech AS. Rike has been Director of the Board of Nekkar ASA since 2015.

Rike holds no shares or share options in Nekkar ASA.

Management

Ole Falk Hansen
CEO

Ole Falk Hansen (b. 1983) joined Nekkar June 2022 after nearly five years as CEO in Beckman – a market leading backpack company headquartered in Kristiansand, Norway, exporting to 20 countries. Prior to this, Falk Hansen was CFO at MHWirth (now HMH), an international drilling technology company, and at Aker Solutions, where he held the role as Head of Strategy and M&A for the drilling business domain. Ole also has several years' experience as a consultant with McKinsey & Company. He holds a master's degree in finance from the Norwegian School of Economics (NHH).

As of 31 December 2023, Falk Hansen holds 296,601 shares and zero share options in Nekkar ASA.

Marianne Voreland Ottosen
Head of Finance

Marianne Voreland Ottosen (b. 1982) joined Nekkar in April 2022, after four years as Vice President of Finance at MH Wirth (now HMH), where Ottosen spent a total of eight years. Previous experience includes Compliance Manager at Aker Solutions and Manager at Deloitte within Audit & Advisory. She holds a master's degree in Accounting and auditing from the Norwegian School of Economics (NHH).

As of 31 December 2023, Ottosen holds 19,258 shares in Nekkar ASA.

Mette Harv
Executive Vice President

Mette Harv (b. 1968) has extensive management experience from marine and offshore industries. She has a proven track record within business development, project management, finance and supply chain. Harv holds a degree in Economics and Business Administration from Norwegian School of Economics (NHH).

As of 31 December 2023, Harv holds 249,991 shares and zero share options in Nekkar ASA.

Petter Brøvig
Head of Strategy

Petter Brøvig (b. 1989) joined Nekkar in September 2022, after having served as a management consultant for the company. Previously, he held key roles such as VP of Strategy at Telenor Digital in South East Asia and as a product manager at Tapad in New York. Petter brings specialised expertise in B2B Software as a Service to his current role. He holds a master's degree in Innovation Management from Imperial College London

As of 31 December 2023, Brøvig holds 96,290 shares and zero share options in Nekkar ASA.

Portfolio lead

Rolf-Atle Tomassen
Managing Director, Syncrolift

Rolf-Atle Tomassen (b. 1965) is a highly experienced manager who has been with Nekkar since 2003. His previous experience includes, among other things, sales and marketing director at VINN Design and managing director at MultiCraft AS. Tomassen has a bachelor with Honors degree in Mechanical Engineering from University of Newcastle-upon-Tyne, Great Britain.

As of 31 December 2023, Tomassen holds 3,303 shares in Nekkar ASA.

Nils Stray
Managing Director, Techano Oceanlift

Nils Stray (b. 1963) has strong management experience from the offshore industry. He has a proven track record within business development, change management, and supply chain development, Stray holds an engineering and a business administration degree.

Stray holds no shares or share options in Nekkar ASA.

Stig Trydal
Managing Director, Intellilift

Stig Trydal (b. 1972) is one of the key founders of Intellilift. He has substantial experience from Nationall Oilwell Varco (NOV) where he has held leading positions in software and automation departments.

As of 31 December 2023, Trydal holds 71,289 shares in Nekkar ASA.

The Board of Directors' report

Highlights 2023

- Revenue of NOK 575 million, up 48 percent compared to 2022 (NOK 388 million)
- EBITDA of NOK 109 million, an increase of 60 percent from the prior year (67)
- Order intake of NOK 478 million in 2023, up from NOK 277 million in 2022, driven by multiple contracts to Syncrolift
- Order backlog of NOK 803 at year-end (824)
- First rig services contract for InteliWell JV, with subsequent successful installation and operation of system
- Acquisition of Techano Oceanlift, a supplier of smart, electric lifting and handling solutions, plus award of two first advanced offshore crane contracts
- Invested in 39 percent ownership in aquaculture supplier FiiZK
- Nekkar-led consortium awarded conditional NOK 75 million grant to develop SkyWalker as main component replacement tool on offshore wind turbines

Strategy and organisational develoment

Nekkar is an industrial technology group offering impact technologies combined with high-end software and automation solutions. Nekkar combines 50 years' heritage from the world's number one shiplift company, Syncrolift, with new investments into sustainable and digitalised technology businesses that aim to unlock future customer-value within large ocean-based industries such as offshore energy, renewables and aquaculture.

The foundation of Nekkar's business is world-class mechanical engineering, electrification, automation and digitalisation. Nekkar aims to apply this world-class competence as levers to develop disruptive and sustainable products combined with digital solutions in selected industries such as offshore energy, renewables and aquaculture.

Further, the unique combination of disruptive technologies, automation sensor legacy, agile digitalisation skills and open software platform approach will be building blocks for future SaaS (Software as a Service) offerings from Nekkar.

BUSINESS OVERVIEW

Nekkar ASA is the holding company in the Nekkar group, which is headquartered in Kristiansand, Norway. The company is listed on the Oslo Stock Exchange with the ticker code NKR. Nekkar consists of three portfolio companies, one impact technology venture, and one associated company:

- Syncrolift
- Intellilift
- Techano Oceanlift

Impact technology ventures:

- SkyWalker

Associated companies (below 50 percent ownership):

- FiiZK

Syncrolift

Syncrolift is a global leading provider of shipyard solutions for safe, reliable and efficient ship docking. Headquartered in Vestby, Norway, Syncrolift is Nekkar's main revenue and cash-generating business.

Syncrolift has local presence in important markets through subsidiaries in the US and in Singapore and a sales/service office in Dubai. In 2023, Syncrolift opened new offices in India and Australia.

Syncrolift is the global market leader for shiplifts and transfer systems that are offered to repair and newbuilding yards. It delivers turnkey and customised solutions for shipyards and navy bases around the world. The product range includes shiplifting systems for launching and retrievals of vessels and transfer systems for a fast and reliable way of moving vessels around the yard. In addition, the company delivers FastDocking™ products for efficient operations during docking and maintenance of vessels. As the global market leader, Syncrolift has successfully increased focus on the service and upgrade capabilities related to the company's installed base.

In 2023, Syncrolift secured multiple new orders with a total order intake of NOK 333 million. One contract was an extension of a shiplift and ship transfer system previously supplied by Syncrolift to Song Thu Shipyard in Vietnam, followed by a reactivation of a previously paused shiplift project with Cochin Shipyard in India and a ship transfer system to Dubai Maritime City. Syncrolift was also awarded a NOK 30 million contract to deliver an advanced ship transfer system to an undisclosed European naval shipyard, and a USD 15 million contract to deliver a newbuild shiplift and ship transfer system to PT Pal Indonesia, a government owned company. Syncrolift's service revenue continues to grow, in line with the company's aftermarket strategy. In 2023, service revenue grew to NOK 90 million, which is equivalent to 18 percent of the company's total revenue.

Techano Oceanlift
Techano Oceanlift was acquired by Nekkar in March 2023. The company delivers intelligent lifting and load handling systems for renewables, subsea and aquaculture vessels. The team's specialist competence includes the development and manufacturing of advanced load handling and lifting equipment, including cranes, winches, fish crowding systems, fish transfer systems, and offshore wind load handling cranes.

Techano Oceanlift has developed a new series of offshore/subsea cranes to meet the increased demand for subsea operations and construction. The cranes may be electrified, including the winch, thereby enabling it to deliver regenerated power back to the vessel.

In 2023, Techano Oceanlift won two new contracts at a total contract value of more than NOK 100 million. One was a EUR 4 million contract to deliver a 70 tonnes offshore crane to a newbuild cable-lay support vessel (CLSV) that Sefine Shipyard is building for Norwegian shipowner Agalas. The second award was a EUR 6.5 million contract with Sefine Shipyard to deliver an offshore crane to a newbuild subsea IMR/survey vessel. Both cranes are capable of performing subsea construction work plus topside lifting operations.

Intellilift
Intellilift delivers industrial software solutions focused on digitalising workflows through automation and remotely-controlled systems for drilling and offshore load handling. The company serves both external customer and other companies in the Nekkar group.

Nekkar is the majority shareholder of Intellilift with a 51 percent ownership share. The company possesses unique competence within engineering, electrification, digitalisation and automation. It develops open software platforms for collection, monitoring and control of data for numerous industries. Collecting data from numerous different sensors, will improve the real time operation as well as enable remote operation and robotisation.

Intellilift's business model is threefold – project based, perpetual upfront software licenses and SaaS revenue, depending on customer preferences. Intellilift supports projects in Syncrolift and Techano Oceanlift with controls and automation deliveries.

In recent years, Intellilift has established a joint venture (JV) – named InteliWell – with Transocean Inc. and global communication company Viasat Inc. InteliWell has proven to accelerate the decrease of drilling time through rig automation, and to streamline the well construction processes through developing new AI-driven processes and tools, allowing operators to further improve the consistency of their operations while reducing drilling costs through more reliable and faster drilling operations. In 2023, the InteliWell JV secured its first rig services contract with Transocean, on behalf of its customers Wintershall Dea and OMV, to equip and utilise its proprietary InteliWell software on the Transocean Norge drilling rig. InteliWell's InteliAutomate system was installed and first operations were successfully executed during the second half of 2023.

SkyWalker

Nekkar is developing a disruptive wind turbine installation and service tool that could significantly reduce the cost and environmental footprint associated with wind turbine installations and maintenance. The solution - called SkyWalker - uses active heave compensation derived from offshore lifting systems combined with digital solutions that allows for remote-controlled and automated solutions. Nekkar's competence within electrification, automation and digitalisation is being utilised to develop this potentially gamechanging technology.

Nekkar's original intention for SkyWalker was to use it solely as a wind turbine installation tool, first onshore and then for quayside assembly of offshore wind turbines. However, requests from operators and OEMs throughout 2022 and 2023 indicate that SkyWalker can also favourably be deployed in the operations and maintenance phase of an offshore wind farm as a major component replacement tool. This expands SkyWalker's commercial potential significantly.

Towards the end of 2023, a project consortium headed by Nekkar ASA, and including Kongsberg Maritime, DOF, an undisclosed global wind farm developer and several leading research institutions, was conditionally awarded a research and innovation grant of NOK 75 million, in total, through the Norwegian government's Green Platform Initiative. The consortium, which also includes GCE Node, NORCE, Sustainable Energy Catapult Center, Sintef Ocean and University of Agder, aims to develop a safe and efficient solution for main component replacement (MCR) on offshore wind turbines - thereby realising significant reductions in time, cost and loss of revenue due to downtime.

The project will develop a remote-controlled, self-hoisting lifting equipment, based on Nekkar's SkyWalker wind turbine installation tool, that moves up and down the turbine tower to replace the main components like gearbox, blade, etc. while on-site offshore. Also, a 3D motion-compensated crane will

KEY FIGURES, NEKKAR GROUP

MNOK	2023	2022	2021
Revenue	575	388	480
EBITDA	109	67	145
EBIT	101	57	139
EBITDA %	18.9%	17.4%	30.1%
Order intake	242	277	113
Order backlog	803	824	838
EPS (NOK)	0.78	0.30	1.04

575
Revenue

109
EBITDA

18.9%
EBITDA margin

be developed with the purpose of lifting SkyWalker from a floating vessel to a floating turbine. Further, specifications of a multi-purpose vessel integrating the requirements of SkyWalker and 3D crane will be developed. The project will also evaluate the impact of the solution from a total wind farm perspective using and developing existing tools for offshore logistics, vessel design, and marine operations. The project is contingent on approval of capital contributions from each project partner to activate the NOK 75.2 million funding from the Green Platform Initiative.

FiiZK (39 percent ownership)
In August 2023, Nekkar announced that it would partner with BEWI Invest through a joint investment in aquaculture industry supplier FiiZK - a leading provider of closed cage systems and software solutions for fish farming. The transaction was completed at the end of September. Nekkar invested NOK 50 million for a 39 percent ownership share in FiiZK. The consideration consisted of NOK 25 million in cash and a NOK 25 million payment in-kind contribution through Nekkar's cutting-edge Starfish technology. This milestone marked a significant step forward in advancing Nekkar's investments in the aquaculture industry, including the Starfish closed fish cage solution.

As Nekkar is a minority shareholder, FiiZK's financial results are not consolidated into Nekkar's accounts. Instead, Nekkar's proportion of FiiZK's financial results is recognised as financial income or expense in the profit and loss statement.

PEOPLE AND ORGANISATION
The different businesses are managed by the following executives:

- **Syncrolift**: Rolf-Atle Tomassen
- **Techano Oceanlift**: Nils Stray
- **Intellilift**: Stig Trydal
- **SkyWalker**: Mette Harv

In Nekkar ASA, Marianne Voreland Ottosen is head of finance and Petter Børvig is head of strategy. Together with Ole Falk Hansen, CEO, and Mette Harv, they represent the management of Nekkar ASA.

EMPLOYEES
The total number of employees in the Nekkar group was 92 at year-end 2023, compared to 73 at the end of 2022. For Nekkar ASA , employee numbers were 11 and 17, respectively.

See Note 1 for further details on the operating segments.

Financial performance

PROFIT AND LOSS
Revenue for the Nekkar group was NOK 575 million in 2023, an increase of 48 percent compared to 2022 (NOK 387.5 million). EBITDA was NOK 109 million in 2023, up from NOK 67 million in 2022, equivalent to EBITDA margins of 18.9 percent and 17.5 percent respectively.

EBIT was NOK 101 million in 2023, compared to NOK 57 million in 2022. Pre-tax profit was NOK 109 million in 2023, up from NOK 43 million the previous year. Profit after tax was NOK 83 million and NOK 33 million for 2023 and 2022 respectively.

The solid 2023 results stem from strong operational and financial performance in Syncrolift, with positive contribution from Intellilift too.

Order intake in 2023 was NOK 478 million compared to NOK 277 million in 2022. Nekkar's order backlog was still strong at NOK 803 million (824) at year-end 2023.

Syncrolift
Syncrolift generated revenue of NOK 515 million in 2023 compared to NOK 383 million in 2022. EBITDA was NOK 132 million in 2023, an increase from NOK 93 million in 2022. EBITDA margin came in at 25.6 percent. The increase is a result of solid project progress and an increase in service and aftermarket revenue.

Techano Oceanlift
Techano Oceanlift was acquired in March 2023. The company delivered revenue of NOK 30 million in 2023. EBITDA was NOK 1 million in 2023, equivalent to an EBITDA margin of 4 percent. Techano Oceanlift

Syncrolift generated revenue of NOK 515 million in 2023 compared to NOK 383 million in 2022.

delivered softer EBITDA margins as the company is still in the build-up phase.

Intellilift

Intellilift delivered revenues of NOK 34 million in 2023 compared to NOK 22 million in 2022. Some of Intellilift's revenue is internally generated as Intellilift's products and solutions are integrated with other businesses of the group, e.g. deliveries of control systems to Syncrolift. External revenue in Intellilift amounted to NOK 29 million in 2023 compared to NOK 4 million in 2022.

EBITDA in Intellilift was NOK 6 million in 2023 compared to NOK 4 million in 2022, equivalent to an EBITDA margin of 18.3 percent. Intellilift's EBITDA-margin illustrates its nature as a software driven business.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Total assets at the end of 2023 were NOK 579.1 million, compared to NOK 507.1 million in 2022.

The net working capital (ref. definition of APMs) was positive with NOK 124.1 million, compared to positive with NOK 78.5 million at the end of 2022. The group's business practice may affect cash balances substantially from time to time due to prepayments (milestone payments) received from customers and payments to suppliers in the newbuilding business of Syncrolift, which are independent of when revenue recognition occurs.

Nekkar had a strong total cash balance at NOK 194.2 million at the end of 2023 compared to NOK 181.3 million in 2022.

Nekkar group has an overdraft facility and a revolving credit facility of in total NOK 200 million with Nordea. No amounts have been drawn under these facilities as of 31 December 2023. Additionally, guarantee and currency facilities are established with Nordea and DNB.

The reporting currency of Nekkar group is NOK (Norwegian krone). Since significant portions of its income and expenses are denominated in foreign currencies, fluctuating foreign exchange rates may affect the group's operating results. To mitigate this risk, the Nekkar group employs hedging instruments. FX contracts are measured at fair value and recorded as financial income or expenses in the profit and loss statement, as they do not meet the criteria for hedge accounting. For additional information, please refer to the Accounting principles, section 2.9.

The consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU. The Board of Directors affirms that the accounts provide a true and fair view of the company's financial position as of 31 December 2023. The Board of Directors is not aware of any unreported events occurring subsequent to the balance sheet date of 31 December 2023, which may be material to the Nekkar group or to the annual accounts of 2023. See Note 23 Subsequent events, for further information.

SHARE CAPITAL

At the end of 2023, Nekkar ASA had a share capital of NOK 11.817.982 divided into 107.427.112 shares at 0.11 each. The company held 1,398,965 own shares as of 31 December 2023.

CASH FLOW

The reported cash flow on consolidated level from operating activities was positive with NOK 75.2 million in 2023, compared to NOK 39.4 million in 2022. Positive operational cash flow in 2023 is driven by solid results combined with an increase in working capital of NOK 46 million. Accrued non-invoiced production at the end of 2023 has to a large extent been converted to receivables or cash in the first quarter of 2023, as projects have reached milestones for invoicing.

Consolidated cash flow from investment activities was NOK -50.7 million in 2023 which mainly consists of investments in FiiZK and acquisition and expenditures related to fixed and intangible assets (capitalised development costs). In 2022, the net cash flow from investing activities was NOK -22.4 million.

In 2023, net cash flow from financing activities on the consolidated level was NOK -11.5 million, compared to NOK 0.3 million in 2022. The 2023 figure includes acquisition of treasury shares of NOK 11.0 million and issuance of share capital in relation to employee share purchase program of NOK 3.4 million compared to NOK 2.1 million in 2022.

Nekkar had a net cash position of NOK 194.2 million at year-end 2023, of which NOK 10 million is held as a deposit for FX-derivative exposures in DNB. Nekkar's net cash position at year-end 2022 was NOK 181.3 million.

The company or group had no net interest-bearing debt as of 31 December 2023, but has available credit facilities of in total NOK 200 million.

RESEARCH AND DEVELOPMENT

The research and development (R&D) activities of Nekkar are closely linked to the strategy of developing disruptive technologies that offer high sustainability impact for ocean-based industries. R&D initiatives have shown good progress during 2023. The highlights are:

- Development of walkway for personnel transfer related to offshore wind operations on SOVs (service operation vessels)
- Optimising SkyWalker for offshore major component replacement operations

In 2023, net capitalised development costs amounted to NOK 15 million (MNOK 19).

Received public grants from Innovation Norway and SkatteFUNN are treated as a reduction of capitalised development costs. This amounted to NOK 6 million in 2023.

As per 31 December 2023, capitalised development costs in the consolidated balance sheet amounted to NOK 43.8 million.

Cost from other development activities related to customer specific projects, may in some cases be charged to the profit and loss as an operating expense.

ORDER BACKLOG

Nekkar's order backlog at the end of 2023 was NOK 803 million, down from NOK 824 million at year-end 2022. This backlog is mainly related to newbuilding projects in Syncrolift.

GOING CONCERN

As of 31 December 2023, the equity ratio at consolidated level was 73.7 percent. There was no interest-bearing debt on neither consolidated nor Nekkar ASA level at year-end 2023.

The financial objective of the group is to have sufficient cash reserves or credit lines available to finance operations and investments on an ongoing basis. The group's cash position combined with established credit facilities, guarantee and currency facilities are considered sufficient to fund the existing business plan at least mid-term.

In accordance with Section 3-3 of the Norwegian Accounting Act, the Board of Directors confirms that the financial statements have been prepared based on the going concern assumption and that the requirements are fulfilled.

Nekkar's order backlog at the end of 2023 was NOK 803 million.

Risk factors and risk management

The Nekkar group is exposed to various markets, financial and operational risks and as experienced from latter events, also political and health-oriented risks.

The Board of Directors reviews operating reports from management on a monthly basis. In addition to the continuous risk mitigation, the Board of Directors and management carry out specific risk analyses in connection with major investments and contracts.

Specific risk areas or projects are continuously monitored and assessed. The group has furthermore implemented thorough procedures related to contract approvals and authorisation matrixes.

Near term, the group is mainly exposed towards the shipyard business, but as the new business areas increase in importance and size, the group will be exposed in other market segments as well. The prevailing business strategy is planned to be funded with cash flow from operations.

MARKET RISKS

There are a number of risks related to the market development for Nekkar's products and services. Nekkar monitors these risks through its sales network and by available information on relevant trends.

Syncrolift is the main business of the group. The activity in the market is depending on the construction and upgrade of navy bases and shipyards, which is suitable for the Syncrolift® shiplift systems and solutions.

Expected future demand for the current product portfolio depends on the shipyards' need to implement more efficient production lines which again depends on the general market activity.

Currently there are no signs long term that the yard industry will reduce its focus on increased productivity.

Syncrolift has a solid order backlog for its 2024 new building business, and is also part of several tender processes for new projects. It is also positioned for accumulative success in acquiring recurring service business. Scheduled deliveries for the current project portfolio extend into 2025/2026.

SkyWalker, which represents the group's impact technology ventures, is a product development project. For SkyWalker, the main risk factor is related to commercialisation of the technology. Intellilift has proven commercialised technology and the products have been sold to both oil and gas related business and the wind industry, while Techano Oceanlift's products are commercialised and have been sold to customers in the offshore renewables, offshore oil and gas, aquaculture and marine industries.

CLIMATE RISK

Nekkar develops digitalised impact technologies that aim to unlock customer value, including reduction of environmental footprint and CO_2-emissions, in numerous industries including renewables, aquaculture, shipping and offshore energy. As such, climate change represents both a risk and an opportunity for Nekkar. Nekkar considers its main climate risks to be associated with the global ambition/implementation gap for the transition to more renewable energy, as well as climate policy and taxation changes that could limit or delay the adoption of Nekkar's new technologies that are enablers to reduce the carbon footprint in the industries the company operates. This applies to both the renewables and aquaculture industries.

Nekkar's exposure to the offshore energy industry is limited today, but could grow in the coming years. The offshore energy industry has been identified as high risk by the Task Force on Climate-Related Financial Disclosures, and the industry is under pressure to reduce its emissions. Although the Ukraine war and associated energy shortage in Europe has resulted in heavy investments in the offshore energy industry in the coming years, there is a long term risk of declining investment in upstream oil and gas. However, the software and technologies that Nekkar deliver are capable of significantly reducing drilling time and amount of personnel required offshore, thereby substantially reducing the carbon footprint associated with this type of offshore operations. As such, climate-related risk also represents an opportunity for Nekkar.

The energy transition may shorten the expected useful lives of oil and gas related assets, which has the potential to accelerate depreciation charges. However, Nekkar is primarily a software supplier to the offshore energy industry, which means that the company does not expect assessment of effect on useful lives to have significant accounting impact.

Another climate risk is the increase in the frequency and intensity of extreme weather events. As the large majority of Nekkar's operations is based in Norway, this expectation is not assessed to lead to any effects on expected useful economic life of property, plant and equipment. However, extreme weather could result in delayed project progress, for example for installation of shiplifts in parts of the world that are more exposed to extreme weather. This could potentially mean that revenue and margin recognition could be delayed in such projects. Nekkar has not experienced any delays caused by extreme weather events during 2023.

Overall, it is Nekkar's view that the company is well positioned to profit from a stronger focus on reducing emissions from the industries the company operates within, and that there are more positive business opportunities than negative risks associated with stronger industry efforts on reducing emissions and combating climate change. Nekkar has considered the impact of climate change on going concern. Effective assessment and analysis of climate-related risks and opportunities is vital to understand the potential impacts of climate-related risks on asset valuations, revenue and investment requirements.

FINANCIAL RISKS (SHORT TERM FINANCING)

The Nekkar group is exposed to credit, liquidity and currency-related risks, and has adopted an active approach to managing risk in the financial markets. The aim of the group's financial strategy is to be sufficiently robust to withstand adverse conditions. The financial risks related to credit, liquidity, and currency are described below.

Credit risks represent potential financial losses stemming from contractual partners' failure to fulfil their contractual obligations. Developments in the part of the shipyard business applicable for Syncrolift have historically resulted in only modest losses on payments from customers.

With the understanding that substantial credit risks can be present, Nekkar group has taken measures to limit these risks through evaluating the financial strength of its contract partners, restricting credit and utilising mechanisms to secure payments, such as letters of credit and prepayments. Nekkar works continuously to limit its exposure to credit risks.

The liquidity risk is related to a situation in which Nekkar group may be unable to meet short-term financial demands and fulfil its obligations as they fall due. In order to monitor liquidity risk, Nekkar prepares, on regular basis, rolling cashflow forecasts to predict liquidity requirements. The group's overall cash position is strong and evaluated to be sufficient to fund the prevailing business plan in combination with the credit, guarantee and currency facilities, established with its bank relations.

The company will in addition to the operating cash flow normally have access to capital markets for further funding with the option to finance activities through either equity or debt or a combination.

In order to manage currency risks, Nekkar' policy is to hedge significant currency exposures within a 24-month period. The hedging is performed based on firm contracts for sale or purchase in currencies other than the functional currency of the Nekkar unit entering into the hedging contract. Hedging contracts are measured at fair value and recorded as financial income or expenses through the profit and loss statement.

OPERATIONAL RISKS

Nekkar group's new-build business is primarily organised through deliveries of completed projects. The operational risks related to the project execution are mainly deliveries from sub-suppliers, project management, and customer related issues.

During the tender phase, projects undergo a thorough risk evaluation in order to identify and mitigate potential technical and commercial risks in addition to an assessment of other potential risk areas, and the level of contingency required. Measures have been implemented to ensure that projects are being satisfactorily assessed both prior to signing the contracts and during execution phase. The bid review process, where major risks are evaluated before a binding offer is sent to potential customers, is an essential part of the procedures.

Nekkar will continue to focus on improving its risk monitoring and assessment tools, as well as its project management tools.

GLOBAL PANDEMIC RISK

In mid-2023, the World Health Organisation announced that the COVID-19 pandemic no longer constituted a public health emergency of international concern. A new negative development of the Covid-19 situation or other pandemics globally or in key countries or regions may impact Nekkar in the following manner:

- Personnel may not be able to perform their work due to illness, quarantines, travel restrictions and social distancing
- Manufacturing sites, service bases or office buildings may be shut down
- Supplies from suppliers and deliveries to clients may be delayed
- Available future market could decrease as clients reduce CAPEX expenditure

GEOPOLITICAL RISK

The invasion of Ukraine by Russian forces has led to increased geopolitical risk which have significantly impacted both the energy and raw material prices. Nekkar has no business activity in either Russia, Ukraine, or Belarus, however the company may be negatively affected by increased raw material prices and uncertainties in the market if the situation persists for an extended period. In general, the business outlook for Nekkar is positive, but it is difficult to predict short, medium and long-term effects on all business lines from a potential escalation of the war. However, Syncrolift has a large number of navy customers. Increased geopolitical risk often means increased defence spending. As such, this also represent a business opportunity for Nekkar.

Corporate social responsibility

Nekkar is part of a global industry where what is good for the globe and the people, and what is good for business are more closely related than ever. Our ability to create value is dependent on promoting and maintaining high ethical standards to create a trust-based relationship with our employees, our owners, our business partners, our communities, and other stakeholders.

Nekkar is dedicated to conducting its activities in an ethical and responsible way; aiming at sustainable development for employees, customers, investors, and the communities in which it operates. Nekkar's policies for corporate social responsibility encompass health and safety, business ethics, support for human and employee rights and anti-corruption measures. In 2023, the Board has taken several measures to advance the collective knowledge, skills and experience on sustainable development. Specifically, a presentation regarding the Corporate Sustainability Reporting Directive (CSRD) was held by the auditing firm KPMG.

Nekkar is committed to OECD's Guidelines for Multinational Enterprises and contributing to the improvement of international business standards and practices, especially with regard to corruption, labour relations and the global environment. Nekkar operates in a manner that respects the human rights as set out in the UN's Universal Declaration of Human Rights and the core conventions of the International Labor Organization.

Nekkar releases its fifth ESG report this year, for the first time fully integrated with the annual report. The report is based on the 2021 Global Reporting Initiative (GRI) Standard and Euronext guidance on ESG reporting. The report also includes a section on Nekkar's adherance to the Norwegian Transparency Act which requires companies to promote respect for human rights and decent working conditions. A report on human rights, in line with the Norwegian Transparency Act, is included in this report (see Business ethics and anti-corruption).

Nekkar gives high priority to creating a working environment where employees thrive and develop as humans and professionals. The company supports its workers' opportunities to exercise their employee rights and to be organised through trade and labour unions, and it facilitates annual meetings for global employee representatives. Nekkar is also an advocate for equal rights for all employees regardless of gender, sexual orientation, disability, ethnicity, religion or political orientation.

The Nekkar Code of Conduct describes Nekkar's ethical commitments and requirements to expected behavior in areas such as anti-corruption and conflict of interest. It sets expectations for personal conduct and business practice.

The Code includes the most important ethical principles and provides some references to more detailed requirements for expected business and personal conduct. The Code applies to the Nekkar companies, Board members, management and employees, including temporary personnel and consultants or contractors that act on Nekkar's behalf. Nekkar has also developed a separate policy applying to our subcontractors.

Nekkar has zero tolerance for corruption and encourages its employees to report suspected infringements.

Quality, health, safety and environment (QHSE)

The Board of Directors believes that a proactive QHSE policy is a precondition for the successful development of a long-term sustainable and profitable business to the benefit of customers, employees, shareholders and all other stakeholders.

The Nekkar group therefore never compromises on issues of quality and safety and has committed itself to a zero-harm-and-fault policy. Nekkar always operates with worker safety and environmental sensitivity at the forefront and supports a company culture characterised by strong day-today compliance with high QHSE standards. Nekkar's QHSE ambitions are to cause no harm to people or to the environment, to prevent accidents and damages to property and to avoid faults and non-conformities that may influence the quality of all deliveries.

The group comprises of companies and business areas that differ in size, operate in different business segments and face different legislative systems. The Board of Directors advocates a consistent QHSE policy at corporate level, and common QHSE reporting procedures are applied.

The group also welcomes a general, global tendency towards more stringent QHSE requirements from customers, contributing to fair competition based on quality, experience, efficiency and technology, with no compromise on safety.

All employees are accountable for contributing to their own health, safety and wellbeing as well as that of their colleagues. Managers at all levels, however, have a special responsibility to monitor and mitigate any safety risks and to contribute to the improvement of management systems and Nekkar's QHSE performance.

The skilled and dedicated workers of Nekkar are the group's most important success factors, and the Board of Directors wishes to express its gratitude to all employees for their contribution in 2023.

Nekkar has a strong focus on risk awareness, and the Board of Directors urges management to continue promoting a culture of workplace injury prevention. Reported absence due to illness was 2.4 percent in 2023 (3.4 percent in 2022). Nekkar experienced two workplace incidents resulting in the need for medical treatments in 2023 (zero in 2022).

Nekkar is dedicated to conducting our activities in an ethical and responsible way.

Nekkar continuously works towards ensuring a healthy and motivating working environment for its employees. Efforts are made to encourage joint corporate culture based on the core values described above.

Environment

Nekkar's ambition is to avoid any negative impact of its operations on the physical environment, and measures are taken to ensure that operations are conducted in accordance with applicable environmental standards.

The use of products delivered by Nekkar represents limited risks of environmental pollution. The group's operations are not regulated by any licenses or regulatory orders. Nekkar conducts carbon accounting on Scope 1 and 2, and a limited Scope 3 reporting, and has in 2023 started a project to better document the environmental impact of the group's products. This project will continue in 2024. For more information, please see pages 54-57 of this document.

Equal opportunities

Nekkar promotes a working environment that offers equal rights, equal treatment and equal opportunities to everyone regardless of gender, religion, nationality, age, disabilities or the like. It is an important goal that all employees experience equal possibilities regarding their professional and personal development.

Engineers make up the majority of Nekkar's workforce and represent a profession where women historically have been underrepresented. The challenge of attracting women to the field is reflected by the fact that women constituted only 14 percent of the workforce in 2023 (2022: 18 percent). Consequently, the Board of Directors considers it important that Nekkar complies with a recruitment policy where it is more attractive for women to join the company.

Two out of Nekkar's executive management team's four members are female. The Board of Directors of Nekkar ASA consists of two women and three men.

Pursuant to the law prohibiting discrimination based on disabilities (the Norwegian Equality and Anti-Discrimination Act), Nekkar has made efforts, where applicable, to locate operations and implement office layout in a manner that enhances accessibility for everybody, and make reasonable workplace accommodations to meet the needs of employees with hearing or sight impairments.

Board of Directors

The Board of Directors consists of Trym Skeie (Chair), Marit Solberg (Deputy Chair), Håkon André Berg, Gisle Rike and Trine Ingebjørg Ulla.

At the Annual General Meeting held 30 May 2023, Marit Solberg, Håkon Andre Berg and Trine Ingebjørg Ulla were elected for a period of two years. Trym Skeie and Gisle were not up for re-election.

Insurance for Board members and management

Nekkar ASA has Directors' and officers' liability insurance which includes the Board members and management in Nekkar ASA and subsidiaries. The liability limit is NOK 75 million.

Auditor

KPMG is the elected auditor for Nekkar ASA.

Board statement on corporate governance

The Nekkar Board of Directors adheres to good corporate governance standards and uses the Norwegian Code of Practice for Corporate Governance as a guideline. A more detailed account of the applicable principles for corporate governance is provided as a separate Corporate Governance section in the annual report. Resolutions from the General Meetings are published on the company's website, www.nekkar.com.

Shareholder structure and limitation

The shares of Nekkar ASA are publicly traded at the Oslo Stock Exchange, where the company trades under the ticker code NKR. All shares are identified by the owner's name. As reflected in the company's Articles of Association, there are no restrictions to voting, or to the transfer of share ownership, nor are there any mechanisms in effect aimed at preventing takeovers. Nekkar ASA has one class of shares, and each share confers one vote at the General Meeting. There is no specific representation – neither individually nor jointly – for shares owned by employees of Nekkar.

Capital structure

Nekkar group's total equity at the end of 2023 was NOK 427 million, of which NOK 404.4 million was attributable to the majority, and NOK 22.5 million was attributable to the non-controlling interests. The equity to total assets ratio was 73.7 percent at the end of 2023, compared to 69.2 percent in 2022. At the end of 2023, the equity in Nekkar ASA was NOK 312.9 million, of which NOK 5.9 million was share premium capital, NOK 11.7 million share capital and NOK 295.2 million other equity. Comparable figures from year end 2022 were NOK 312.9 million, NOK 5.9 million, NOK 11.7 million and NOK 295.2 million, respectively.

Outlook

Syncrolift entered 2024 with an order backlog of NOK 708 million, which provides good visibility for 2024 and 2025.

Syncrolift's order intake in 2023 was NOK 333 million, with contract wins in multiple countries worldwide. This reflects general high tendering activity and Syncrolift's global reputation and competitiveness. The market situation for newbuild projects within Syncrolift remains promising, but investment decisions for newbuild projects may still see some delays.

In 2019, Nekkar initiated a project to generate more service revenues from Syncrolift's extensive global installed base of ship lifts and transfer systems. The aging installed base provides a solid foundation for both upgrades and replacements of existing systems. This strategic effort has started to yield strong results. In 2023, Syncrolift's service revenue reached NOK 90 million, a 32 percent increase from NOK 68 million in 2022. Nekkar expects this positive development to continue in 2024.

Intellilift continues to play important roles in developing Syncrolift's and Techano Oceanlift's digital platforms. In 2023, the InteliWell JV, which Intellillift is part of, signed its first commercial contract. Intellilift successfully executed the project on behalf of the JV during 2023. The successful implementation of this contract is likely to open up further rig market opportunities, but timing of additional awards is uncertain.

Investments in the oil and gas industry is currently at a high level and is expected to remain high in the coming years. This, coupled with a demand to reduce emissions from oil and gas developments and production, could result in increased demand for Intellilift's products and technologies.

At year-end 2023, Techano Oceanlift won a EUR 6.5 million crane contract that is expected to be a revenue contributor in 2024 and in the delivery year 2025. Techano Oceanlift is exposed to the shipbuilding market for the offshore energy industries. It is predicted that a significant number of new offshore energy systems will be installed in the coming years, within both oil and gas and renewable energy. A potential increase in newbuild offshore vessels could represent opportunities for Techano Oceanlift.

Offshore aquaculture is another target market for Techano Oceanlift. Although there is significant potential for increased production and value creation for offshore aquaculture, operational, technological, and regulatory challenges must be overcome to realise this potential.

For FiiZK, the aquaculture industry is seeing increased pressure to improve both fish and fjord welfare. FiiZK closed cage solutions improves this by avoiding sea lice and also enables waste collection from the harvest process.

Nekkar will continue its development of the SkyWalker wind turbine installation tool and together with partners explore opportunities for installation and major component exchange for both bottom-fixed and floating offshore wind. The market outlook for the renewables industry which Nekkar is targeting with its SkyWalker tool, is promising with investment levels predicted to grow substantially in the coming years and decades. Increased pressure on profitability for wind farm developers and operators could also stimulate interest in more cost-efficient wind turbine installation tools such as the SkyWalker.

Kristiansand, 29 April 2024
Board of Directors, Nekkar ASA

Trym Skeie Chair	Marit Solberg Deputy Chair	Håkon André Berg Director	Gisle Rike Director	Trine Ingebjørg Ulla Director

Corporate governance

The Board of Directors (“the Board”) of Nekkar ASA (“Nekkar” or the “Company” is responsible for ensuring that the Company is organised, managed and controlled in an appropriate and satisfactory manner in compliance with applicable laws and regulations.

Compliance with generally accepted corporate governance guidelines is important because it contributes to:

- reduced risk
- enhanced values in the best interests of all stakeholders
- fair treatment of all stakeholders
- strengthened confidence and attractivity
- desired conduct

The Board considers compliance with generally accepted corporate governance guidelines as an important prerequisite for long-term value creation. The Company strives to ensure that its internal control mechanisms, organisation and management structures comply with good corporate governance principles.

Nekkar seeks to comply with the Norwegian Code of Practice for Corporate Governance (the “Corporate Governance Code” or “the Code”), last revised on 14 October 2021, which is available at the Norwegian Corporate Governance Committee’s website www.nues.no. The principal purpose of the Corporate Governance Code is to ensure (i) that listed companies implement corporate governance that clarifies the respective roles of shareholders, the Board of Directors and executive management more comprehensively than what is required by legislation and (ii) effective management and control over activities with the aim of securing the greatest possible value creation over time in the best interest of companies, shareholders, employees and other parties concerned.

The following statement explains how Nekkar addresses the 15 governance topics covered by the Code.

1. Implementation and reporting on corporate governance

The Board is aware of its responsibility for implementation of internal procedures and regulations to ensure that the company and its subsidiaries ("the Group") complies with applicable principles for good corporate governance in line with Norwegian and applicable international standards. The Board actively adheres to this.

Good corporate governance is an integral part of the decision-making process in matters dealt with by the Board. Governing structures and controls help to ensure that the policy is enacted upon. The work of the Board is based on defined division of roles and responsibilities between the shareholders, the Board and management. Nekkar has implemented a specific set of rules and procedures for the Board, constituting the governance structure and administrative procedures for their work.

According to Nekkar's own evaluation, the company deviates from the Corporate Governance Code on the following points.

- Item 6: Nekkar deviates from the recommendation to have all Board members present at the general meeting as the company deemed it satisfactory to require the presence of the chairperson of the Board, the chairperson of the nomination committee, the auditor, and the CEO. Nekkar also deviates from the recommendation to establish routines for appointment of an independent person to chair the general meeting. In case particular items on the agenda requires such measures, the Board will consider appointing an independent chairperson.
- Item 9: Nekkar does not have an audit committee. Pursuant to Nekkar's Articles of Association, the complete Board serves as audit committee of the company provided that the Board at all times satisfies the requirements in the Norwegian Public Limited Liability Act section 6-42. Considering a lower complexity level in the business after the disposal of the maritime and offshore business, as well as the reduced number of Board members, the Board deems it sensible that all members are equally informed about the accounting issues.
- Item 9: Nekkar does not have a remuneration committee. Instead, the Board resolves matters relating to compensation paid to the executive personnel. As all Board members are independent of the Company's executive personnel, it is the Board's view that it is a suitable body to help ensure a thorough and independent preparation of matters relating to compensation paid to the executive personnel.
- Item 14: Due to the unpredictable nature of a takeover situation, the Company has decided not to implement detailed guidelines on take-over situations. In the event of a takeover, the Board of Directors will consider the relevant recommendations in the Corporate Governance Code and whether a potential situation entails that the recommendations in the Corporate Governance Code can be complied with or not.

Corporate governance in Nekkar is subject to regular reviews and discussions by the Board.

2. Business

Nekkar (OSE: NKR) is an industrial technology group offering impact technologies combined with high-end software solutions. The group combines 50 years' heritage from the world's number one shiplift company, Syncrolift, with new investments into sustainable, digitalised technology businesses that aim to unlock growth within ocean-based industries such as offshore energy, renewables and aquaculture, and make them more sustainable, productive and profitable.

Nekkar is a public limited liability company organised under the laws of Norway and subject to the provisions of the Norwegian Public Limited Liability Companies Act.

Nekkar's objective is currently defined in the Articles of Association as follows:
The company's purpose is to engage in industrial activities and related matters such as direct and indirect investments in companies carrying out industrial activity, as well as active ownership of the different companies.

Nekkar's operations are based on cross border trade, and interaction with people from many countries and different cultures. Nekkar embraces social responsibility by increasing the understanding of cultural differences, seeking to increase tolerance. The company has approved more specific guidelines for Corporate Social Responsibility (CSR) based on the principles of the UN Global Compact about CSR related to human rights, labour, environment and anti-corruption.

In addition, Nekkar each year publishes a sustainability report where it presents the main social, societal, and environmental challenges Nekkar faces, and how the company approaches them. Following dialogue with the Company's key stakeholders, Nekkar has identified three priority areas – health and safety, business ethics and anti-corruption, and environment and climate – that are integrated with the Company's business strategy, and goals are each year defined to improve Nekkar's performance within these areas.

To discuss and evaluate goals, strategy and risk profile, the Board conducts an annual two-day strategy meeting, where the main purpose is to set the long-term direction for the Company.

A further description of the Company's operations, goals, strategy, and risk profile is provided in the group's annual report, which shows how its operations and strategies are aligned with objectives defined in the Articles of Association.

3. Equity and dividends

The Company's solidity is continuously assessed based on the its goals, strategies and risk profile. Total assets at the end of 2023 were NOK 579.1 million and the company's equity was NOK 427 million, providing an equity-to-assets ratio of 73.7 percent.

Nekkar aims to give shareholders a competitive long-term return that reflects the risk inherent in the Company's operations. Based on Nekkar's capital structure and growth strategy, the shareholders' return should be realised mainly through an increase in the value of their shares. However, dividends and share buybacks may be relevant, if and when the circumstances permit it. Growth through acquisitions will be funded through a balanced mix of equity and debt.

The Annual General Meeting determines the annual dividend, based on the Board's proposal. The Board has not proposed a dividend payment for the 2023 financial year.

The shareholders can give the Board the authority to increase the share capital or purchase the Company's own shares at the Annual General Meeting. However, such mandates should be intended for a defined purpose.

The General Meeting has given the Board authorisations to increase the Company's share capital. One authorisation is to conduct a share capital increase in the form of an acquisition of other business activity or capital asset within the same or corresponding business sector as the company. This authorisation comprises a resolution regarding merger, including merger with a subsidiary against settlement in parent company shares. The General Meeting has also authorised the Company to increase its share capital by issuing shares to employees and Board members under a share purchase programme, and for the Company to buy own shares at Oslo Stock Exchange of up to 10 percent of the face value of the share capital of the Company as part of a new share buy-back programme. All authorisations expire at the annual general meeting of the Company in 2024, and 30 June 2024 at the latest.

4. Equal treatment of shareholders

Equal treatment of all shareholders is a core governance principle. Nekkar has one class of shares and is listed on Oslo Stock Exchange under the ticker symbol NKR. Each share carries one vote at the General Meeting.

In situations where normal preferential rights shall be deviated from, the Company's Board is proposed to prepare grounds for such a decision in accordance with the Corporate Governance Code and shall present these to the General Meeting. Own shares are purchased through ordinary trade on the Oslo Stock Exchange if applicable.

On 31 December 2023, the Company owned 1,398,965 own shares, of which the large majority has been acquired in conjunction with its share buy-back program.

5. Share and negotiability

All Nekkar shares carry equal rights and are freely negotiable and the Company's articles of association do not contain any form of restriction on negotiability.

6. General meetings

The interest of the Company's shareholders is exercised at the General Meeting (GM). The Annual General Meeting is usually held end of May or beginning of June. The meeting for 2023 is scheduled on 30 May 2024.

The General Meetings deal with and decide on the following matters:

- Adoption of income statement and balance sheet.
- Application of profit or coverage of deficit pursuant to the adopted income statement and balance sheet as well as distribution of dividends.
- Election of Board of Directors. The General Meeting shall elect the Chair of the Board and the Deputy Chair of the Board.
- Other issues pursuant to the provisions of the Norwegian laws and Articles of Association are to be treated by the General Meeting.

All shareholders with known address registered in the Norwegian Central Securities Depository (VPS) will receive an invitation to the General Meeting. The invitation is sent at least three weeks prior to the meeting. Other documents will be made available at Nekkar's website. A shareholder may request a print of documents relating to matters to be dealt with at the General Meeting.

The deadline for shareholders to give notice of their intention to attend the meeting is two working days prior to the meeting.

Shareholders who are unable to attend the General Meeting may vote by proxy. The proxy form is designed in such a way that voting instructions may be given for each item on the agenda.

The Company's Board chooses whether to hold the general meeting as a physical meeting or as an electronic meeting.

The chairperson of the Board, the chairperson of the nomination committee, the auditor, and the CEO are present at the General Meeting, in addition to other Board members when appropriate. The chairperson of the Board opens the General Meeting and is normally elected to chair the meeting.

Nekkar has not deemed it necessary to require the presence of all members of the Board at the General Meeting. Nekkar also deviates from the recommendation to establish routines for appointment of an independent person to chair the General Meeting. In case of particular items on the agenda requiring such measures, the Board will consider appointing an independent chairperson.

All shares carry an equal right to vote at General Meetings. Resolutions at General Meetings are normally passed by simple majority unless otherwise is required by Norwegian law.

The minutes of the General Meeting are made available on Nekkar's website and published to the Oslo stock exchange (www.newsweb.no).

7. Nomination committee

Pursuant to Nekkar's Articles of Association, the nomination committee shall consist of 2-3 members, independent of the Board and management.

The committee nominates candidates to the Board and proposes Board members' remuneration. No member of the Company's Board is a member of the nomination committee.

As part of its nomination process, the committee will have contact with major shareholders, the Board and the Company's executive management to ensure that the process takes both the Board's and the Company's needs into consideration.

A justification for a candidate will include information on each candidate's competence, capacity and independence.

The current members of the nomination committee are Anne-Grete Ellingsen (Chair) and Ditlef de Vibe. Both members are independent of the major shareholders, the Board and the executive management.

The members of the nomination committee are elected by the General Meeting. According to the Code, the General Meeting shall elect the Chair of the nomination committee and set the guidelines for the committee's work.

Information regarding the committee members, the procedures, as well as how input and proposals may be submitted to the committee is published on the Company's website.

8. Board of Directors, composition and independence

Pursuant to Nekkar's Articles of Association, the Company's Board shall consist of three to five members. The current Board consists of five members elected by the General Meeting.

At the General Meeting on 30 May 2023, the shareholders elected the following members to the Board:

NAME	ELECTION PERIOD	POSITION
Marit Solberg	2023 – 2025	Deputy Chair
Trine Ulla	2023 – 2025	Director
Håkon Andre Berg	2023 – 2025	Director
Not up for re-election		
Trym Skeie	2022 – 2024	Chair
Gisle Rike	2022 – 2024	Director

Nekkar strives to ensure that the Board has a composition necessary to safeguard the interest of the shareholders. The Board consider its composition to be diverse and competent with respect to expertise, capacity and diversity adapted to the Company's objectives, main challenges and the common interest of all shareholders. The Board emphasises the importance of efficiency as a collegial body. The Board consists of three men and two women.

Trym Skeie is, both directly and indirectly, a major shareholder in the company. Gisle Rike is employed by Rasmussengruppen AS, which is a major shareholder in the Company. Håkon Andre Berg is the CEO of Skeie Technology AS, which is the largest shareholder in Nekkar. Marit Solberg and Trine Ulla are independent of the major shareholders and executive management. The Board does not include executive management and the majority of the Board members are independent of the Company's executive personnel and material business contacts.

The Directors of the Board are elected for a period of two years. Please see the Annual Report for a presentation of the Board members.

According to the Code, the Chairperson of the Board should be elected by the General Meeting. This is also stated in the Company's Articles of Association.

Both Trym Skeie and Marit Solberg own shares in Nekkar. None of the Board members hold any share options.

9. The work of the Board of Directors

The Board has the overall responsibility to oversee the organisation, operation and management of Nekkar, whilst the CEO is responsible for day-to-day management. This means that the Board is responsible for how to organise the Company's activities and establishing systems in order to ensure that Nekkar operates in compliance with laws and regulations, corporate governance guidelines and the values stated in the company's Code of Conduct.

The Board conducts its work through established procedures (Rules and procedures for the Board of Directors) where its responsibilities for the work and administrative procedures are outlined. The Board has adopted an annual plan for its work to ensure that all important issues and business areas are covered, emphasising objectives, strategy, and implementation of the company's business plan in particular. The rules and procedures for the Board also state how the Board of Directors and executive management shall handle agreements with related parties, including whether an independent valuation must be obtained. The Board should also present any such agreements in their annual Directors' report. Further, If the chairperson of the Board is personally involved in matters of a material character, the Board's consideration of such matters will be chaired by another member of the Board.

The rules and procedures for the Board includes instructions to ensure that the Company's impact on the economy, environment and people is managed adequately. The rules and procedures describe how the Board is responsible for reviewing and approving the organisation's purpose, value or mission statements, strategies, policies and goals related to sustainable development, and delegate implementation of such matters to the Company's management. The procedures also include stipulations to ensure that the Company has the necessary due diligence and other processes in place to identify and manage its impacts on the economy, environment and people, and ensure that the management of the Company engages with relevant stakeholders to support these processes.

At least annually, the Board reviews the company's sustainability performance, including key performance indicators and priorities going forward.

Pursuant to Nekkar's Articles of Association, the complete Board shall serve as audit committee of the company provided that the Board at all times satisfies the requirements in the Norwegian Public Limited Liability Act section 6-42. Considering a lower complexity level in the business after the disposal of the maritime and offshore business, as well as the reduced number of Board members, the Board deems it sensible that all members are equally informed about the accounting issues.

The Board has considered but not established a remuneration committee. Instead, the Board resolves matters relating to compensation paid to the executive personnel. As all Board members are independent of the Company's executive personnel, it is the Board's view that it is a suitable body to help ensure a thorough and independent preparation of matters relating to compensation paid to the executive personnel. There are no other committees established by the Board of Directors.

The Board assess the need for additional roles and functions for the Board and its Directors on an annual basis. The Board evaluates its own performance and expertise on an annual basis, including its role in overseeing the management of the company's impacts on the economy, environment and people. The evaluation is submitted to the nomination committee.

10. Risk management and internal control

The Board focuses on ensuring adequate organisation and supervision of Nekkar's internal control and overall risk management. On an annual basis, the Board discusses and assesses the group's risk exposures, systems, routines, and internal control to mitigate these risks. Internal control procedures, limiting authorisations, organisational changes and increased reporting are part of the improvements.

The Board's work with internal control and applicable systems encompasses the Company's corporate values, Code of Conduct and guidelines for Corporate Social Responsibility.

Procedures and systems upholding uniform reporting are prepared. Management prepares monthly financial reports, which are submitted to, and reviewed by the Board.

As part of ongoing risk management efforts, the Board and management carry out specific risk reviews of major investments and contracts.

As part of the annual budget and strategy process, the Board and executive management conduct an annual review to discuss and identify external and internal opportunities and threats for the group.

In addition, the Board carries out a thorough review of the Company's financial status in the annual Board of Directors' Report. This review also includes a description of the main elements of the Company's HSE efforts with a corresponding action plan if needed.

The Code of Conduct outlines Nekkar's ethical commitments and requirements to expected behavior regarding issues such as anti-corruption and conflict of interest. It sets standards for personal conduct and business practice.

The Code of Conduct has been communicated to all employees and implemented in order to ensure that the Company's ethical commitments and requirements are reflected in all business behavior. The Code of Conduct includes the most important ethical principles and provides references to more detailed requirements related to business and personal conduct.

The Code of Conduct applies to all Nekkar group companies, Board members, management and employees, including temporary personnel and consultants or contractors acting on behalf of Nekkar.

11. Remuneration of the Board of Directors

Remuneration of the Board is determined by the General Meeting, based on recommendation from the nomination committee. The recommendation is normally linked to the Board members' responsibilities, competence and time commitment, taking the company's size and complexity into consideration. It also references the level of Board remuneration in comparable, Norwegian stock exchange listed companies. The remuneration is not linked to the company's performance. There is no share option program for the Board of Directors but they can take part in the company's share purchase program.

Members of the Board, including companies with whom they are associated, are usually not given separate assignments by Nekkar in addition to their function as Directors. Such assignments will be based on approval from the Board. There were no such assignments in 2023

12. Salary and other remuneration for executive personnel

The Board determines the principles applicable to the group's policy for compensation of executive management. The Board is directly responsible for determining the CEO's salary and other benefits. The CEO is, in consultation with the chairperson of the Board, responsible for determining the salary and other benefits for the group's other senior executives.

The guidelines for salaries and other remuneration are communicated yearly to the General Meeting, where so far, the Board has asked for the endorsement of all sections of the declaration of the determination of salaries and other remuneration of leading employees, except the option program where they have asked for approval. Executive management remuneration consists of three main elements: salary, bonus and equity-based instruments.

The Board's view on management compensation is that it should be competitive, simple and motivating, but not above observed market levels, and help ensure that the executive personnel and shareholders have convergent interests. Bonuses are determined according to specific targets set for each year. Bonus schemes are limited to a portion of the salary, increasing according to the position category up to a maximum of 50 percent of base annual salary unless special circumstances apply. Guidelines and the annual remuneration report are presented in the Annual Report.

13. Information and communication

Nekkar's reporting and communication policy is based on openness, taking into account the requirement for equal treatment of all stakeholders in the financial markets.

The Company has established guidelines for reporting of financial and other information. The purpose of these guidelines is to ensure that timely and correct information is made available to shareholders and other stakeholders. A financial calendar and other shareholder information, including the investor relations policy, is available on the Company's website.

Any dividend proposals are presented in the meeting call for the General Meeting. All information distributed to the Company's shareholders is simultaneously published on the Company's website and Oslo stock exchange's website (www.newsweb.no).

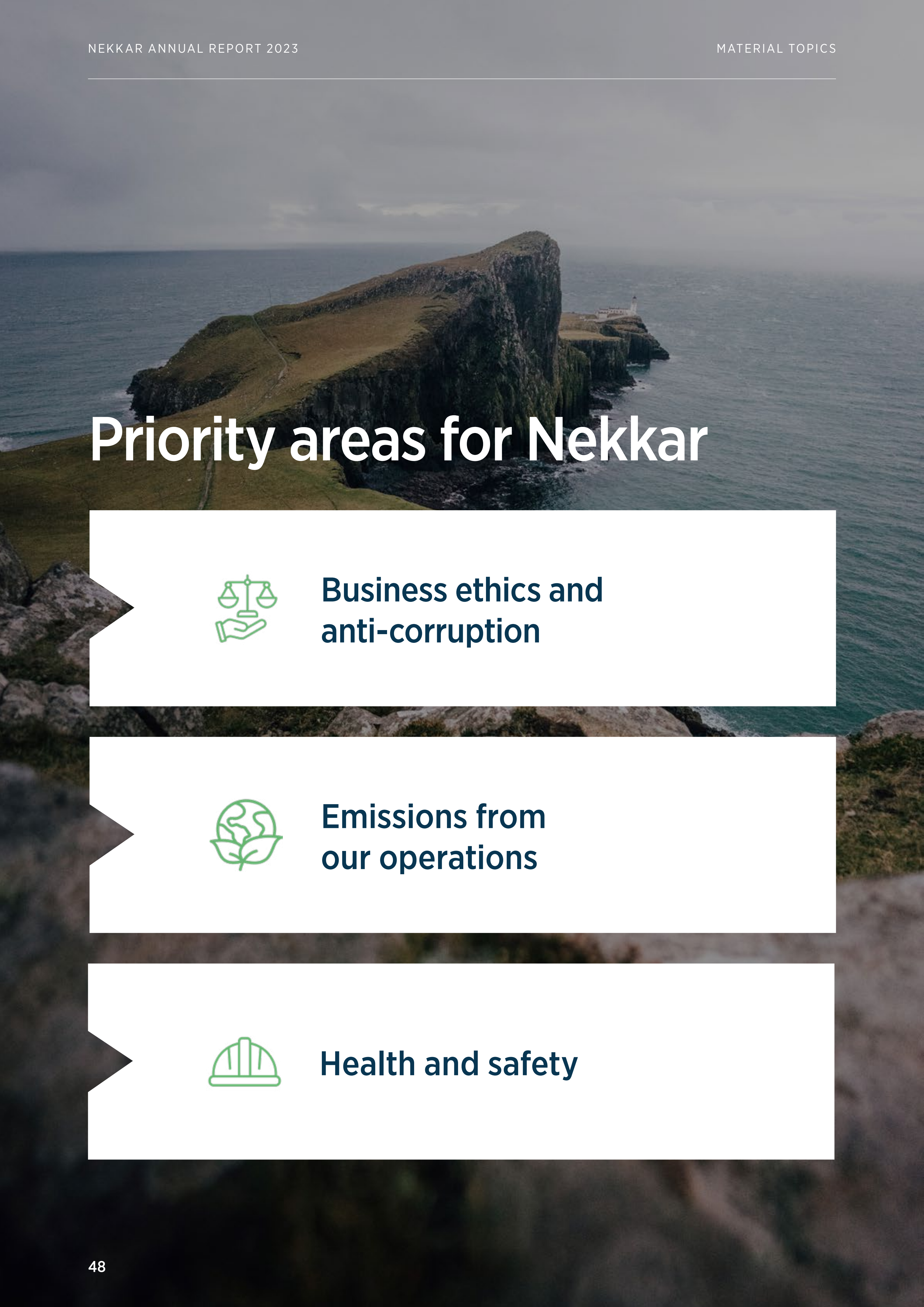
14. Take-overs

The Company's Articles of Association do not include defense mechanisms aimed towards take-over bids, nor are any other obstacles implemented with the objective of reducing the trade and/or transferability of the company's shares.

The shares are freely negotiable. Transparency and equal treatment of the shareholders are fundamental principles the company adheres to. No additional principles have been established for how Nekkar will or should act with respect to takeover bids, but the Board intends to act in accordance with applicable regulations as well as the general principles of the stock market if such a situation should occur. Furthermore, the Board will issue a statement to the shareholders with an assessment of the bid and a recommendation of whether to accept it or not.

15. Auditor

The external auditor is independent in relation to Nekkar and elected by the Annual General Meeting. The auditor's fee is approved by the General Meeting. The auditor conducts a minimum of two meetings per year with the Board, and at least in one of the meetings a part of the meeting is held without management present. One of the meetings is conducted in connection with the review of the annual accounts, while the second meeting's purpose is to review the company's internal control systems and routines. The Board reviews the yearly audit plan with the auditor together with identified weaknesses and suggestions for improving the Company's internal control. In addition, the auditor is present in the Board meetings as and when required. It has not been deemed necessary by the Board to implement additional guidelines regarding the use of the auditor for services other than auditing.



Priority areas for Nekkar

Business ethics and anti-corruption

Emissions from our operations

Health and safety

Business ethics and anti-corruption

Doing business with integrity and building a culture that prevents unethical business practices is highly important to us.

Materiality

As a global company, we are both directly and indirectly exposed to ethical risks throughout our value chain. Syncrolift's projects constitutes the highest risk, since the company delivers projects to countries such as China and Vietnam (the Far East), the Middle East, Africa and South America. Significant risks include health and safety risks, illicit labour practices, corruption risks, violation of IP rights and data security breaches.

By establishing clear guidelines, conducting due diligence and physical audits, communicating about possible risks and expectations, and by providing training in business ethics and anti-corruption, we seek to positively impact this topic.

Policy commitment

Our business should be conducted in a manner that respects internationally recognised human and labour rights. We apply the precautionary principle and are committed to follow internationally recognised business standards and practices such as the OECD's guidelines for Multinational Enterprises. We also adhere to international and national laws and regulations, including (but not limited to) the Human Rights Act, the Money Laundering Act, the Transparency Act, and the Penal Code with related regulations.

Our internal guidelines for ethics and anti-corruption are described in the Code of Conduct, which has been approved by our management and Board of Directors. The Code of Conduct addresses important principles and sets clear rules and expectations for ethical behaviour for all our stakeholders and ourselves, including respecting human rights and conducting due diligence.

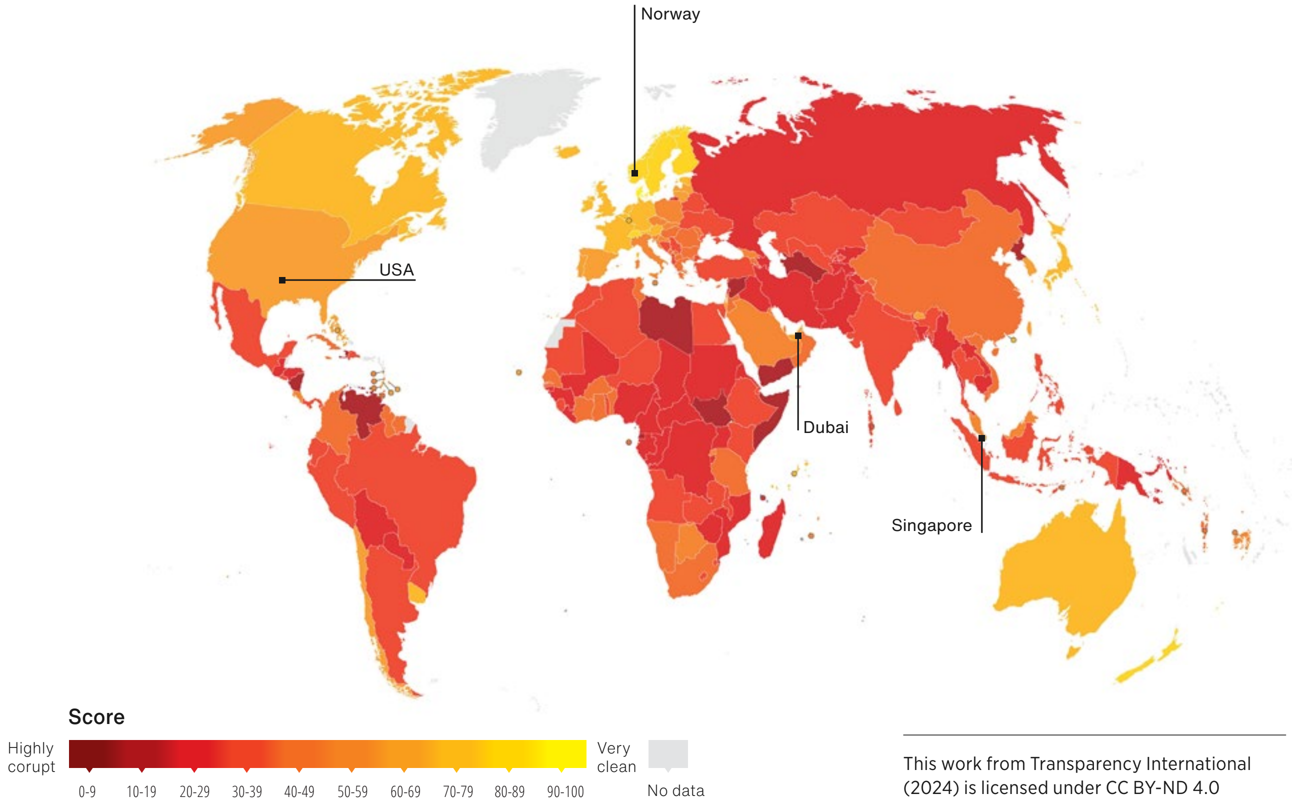
We have also developed a Business Partner Code of Conduct, which is part of our standard terms and conditions in contracts with suppliers and available through our website. The Business Partner Code of Conduct has been approved by the Board.

Approach

The Management Group is responsible for communicating and ensuring compliance with the Code of Conduct. The Code of Conduct is shared with all employees as part of the onboarding process and in 2023, 100 percent of employees had read and agreed to the Code of Conduct. Members of the Board are also obliged to read and comply with the Code of Conduct.

Code of Conduct trainings are regularly held at all business locations as well as workshops focused on raising ethical awareness. Joint information meetings are held whenever the Code of Conduct is updated. The latest information meeting was held in December 2022.

Countries where Nekkar are present and the associated corruption risk	**Score**
Norway	84
Singapore	83
United States of America	69
United Arab Emirates	68



Operations assessed for risks relating to corruption	2023	2022
No. of confirmed incidents of corruption	0	0
No. of criminal actions faced related to corruption or illicit business practices	0	0
No. of contracts with partners that were terminated or allowed to expire due to violations related to corruption	0	0

Communication on anti-corruption	Total	Europe	America	Asia
Permanent employees	100%	100%	100%	100%
Temporary employees	100%	100%	N/A	N/A
Board members	100%	100%	N/A	N/A
Clients	100%	100%	100%	100%
Suppliers of key components	100%	100%	100%	100%
Steel assembly producers	100%	100%	100%	100%

Anti-corruption training*	Total	Europe	America	Asia
Permanent employees	100%	100%	100%	100%
Temporary employees	100%	100%	N/A	N/A
Full-time employees	100%	100%	100%	100%
Part-time employees	100%	100%	N/A	N/A

* Numbers from Syncrolift only.

Nekkar has developed a Business Partner Code of Conduct , which is part of our standard terms and conditions in contracts with business partners.

New business partners usually sign contracts where our policies are stated, and we, or a third party on our behalf, conducts risk assessments in relation to financial and illicit activities for new suppliers, customers, and sales representatives. Nekkar policies are conveyed and agreed to through a supplier screening process. We also ask for their financial turnover. New clients are screened for risks regarding payment issues.

Syncrolift screens key suppliers and has a live list of the 100 top suppliers for standard components, made to order equipment and system deliveries. The list of suppliers is maintained with updated surveys following a planned interval. The company uses a supplier evaluation questionnaire, aiding the process of becoming an approved supplier. The questionnaire includes questions on sustainability, ethical standards, environmental management and health and safety. In 2023 we performed six screenings of new suppliers (eight in 2022), and reviewed six newbuild orders (five in 2022).

Human rights

Transparency Act reporting 2023

In 2022, Norway implemented the “Act relating to enterprises’ transparency and work on fundamental human rights and decent working conditions”, more commonly known as the Transparency Act.

The purpose of the Act is to promote respect for fundamental human rights and decent working conditions in connection with the production of goods and the provision of services, and to ensure the general public access to information regarding how enterprises address adverse impacts on fundamental human rights and decent working conditions.

At Nekkar, we oppose from all forms of discrimination, human trafficking, forced labour and child labour, and expect that our business partners and suppliers act in compliance with applicable laws internationally recognised compliance standards, as described in our Code of Conduct for Business Partners.

We are aware that we operate in geographical areas where the potential risk of child labour, unequal pay conditions, forced labour or health and safety deviations are higher. To reduce this risk, we began a due diligence process in 2022 to identify and assess actual and potential adverse impacts on fundamental human rights and decent working conditions that we could either have caused or contributed to.

In the 2023 due diligence process we have listed all our suppliers and mapped them out by country of operation and industry. We also looked closer at our suppliers’ own guidelines and routines regarding business ethics, as reported through our Supplier Evaluation Questionnaire, and made sure that suppliers agreed to our Code of Conduct for Business Partners.

We frequently communicate our expectations to suppliers, carry out non-disclosed evaluations, and ask for more information where needed. We also carry out physical audits of selected suppliers as part of our continous screening / due diligence process. In 2023, all key suppliers were screened using social criteria as part of the supplier approvement process.

We have not registered any negative impact from the related topics in our value chain, including human rights breaches. We aim to further strengthen our work related to human rights and supplier due diligence in 2024.

WHISTLEBLOWING / REPORTING

All conditions, which give rise to ethical issues or considered a breach of the Code of Conduct shall be reported to an employee's closest line manager or to the HSEQ manager and registered, so that necessary follow-up and suitable measures can be implemented. Employees can also seek advice from their management on how to implement Nekkar's policies and practices for responsible conduct if unsure. Critical concerns shall be reported to the Board. Examples of concerns that may be reported include:

- Criminal activities
- Violations of health, safety or the environment
- Infringements of Nekkar's Code of Conduct
- Violation of generally accepted rules/standards

In 2022, we fully implemented the anonymous whistleblowing channel (My Voice / Mitt Varsel). Information about the channel was published on our website for external users and employees were informed and trained on when and how to use it during 2023.

ADDRESSING GRIEVANCES

We are committed to provide for or cooperate in the remediation of negative impacts that we identify we have caused or contributed to. Grievance mechanisms have been established to enable stakeholders to raise concerns about, and seek remedy for, our potential and actual negative impacts. Employees have been involved in the design, review, operation and improvement of the grievance mechanisms. We have not registered any incidents of negative impacts in the reporting period and have therefore not instituted processes to remediate negative impacts or tracked the effectiveness of the grievance mechanism.

Supplier social assessment	2023
No. of suppliers assessed for social impacts	6
No. of suppliers identified as having significant actual and potential negative social impacts	0
% of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of the assessment	0
% of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of the assessment	0

There were no significant instances of non-compliance with laws and regulations in 2023, and we did not receive any fines for non-compliance with laws and regulations. There are no ongoing investigations or legal actions pending, and the Board has not received any reports of critical concern.

Emissions from own operations

We aim to contribute to the sustainable use and development of marine resources through our innovative products and reduce our own emissions where we can.

Materiality

Nekkar provides equipment for the maritime and marine industries. Both the production and use of these products can negatively impact the environment. Our goal is therefore to continuously improve our products, and thereby have a positive impact on this topic.

Policy commitment

We acknowledge the important challenges that the world is facing in terms of climate change and environmental pollution. We aim to contribute to the sustainable use and development of marine resources through our innovative products and reduce our own emissions where we can.

Nekkar has developed environmental guidelines which are outlined in the company's internal health and safety handbook. Syncrolift has established an environmental policy, which is communicated to employees, contractors, and suppliers and is available through our website: www.nekkar.com.

Approach

In 2023, we have initiated a project to develop Environmental Product Declarations (EPD's) for each of our products, to map their impact and implement improvement measures. This will not only benefit Nekkar but will also make it easier for our customers to choose the greener solution. The EPD project will continue in 2024, and the goal is to conclude the EPD's by the end of 2024.

We aim to increase our supplier's awareness on issues related to emissions. In our Supplier Evaluation Questionnaire, we ask whether suppliers have a documented Environmental Management system, environmental certificates, environmental impact assessments, and about the risk management of chemicals and other substances, to track their efforts.

We started carbon accounting in 2020 (base year), which was updated in 2021 and 2022 using CEMAsys' digital solution. Up until 2022, the carbon accounting comprised the following organisational units: Aquaculture, Intellilift, Syncrolift, and Renewables. As a result of the restructuring of Nekkar in 2023, Aquaculture is no longer included in our carbon accounting, and Techano Oceanlift has been added, which impacts the CO_2 emissions reported.

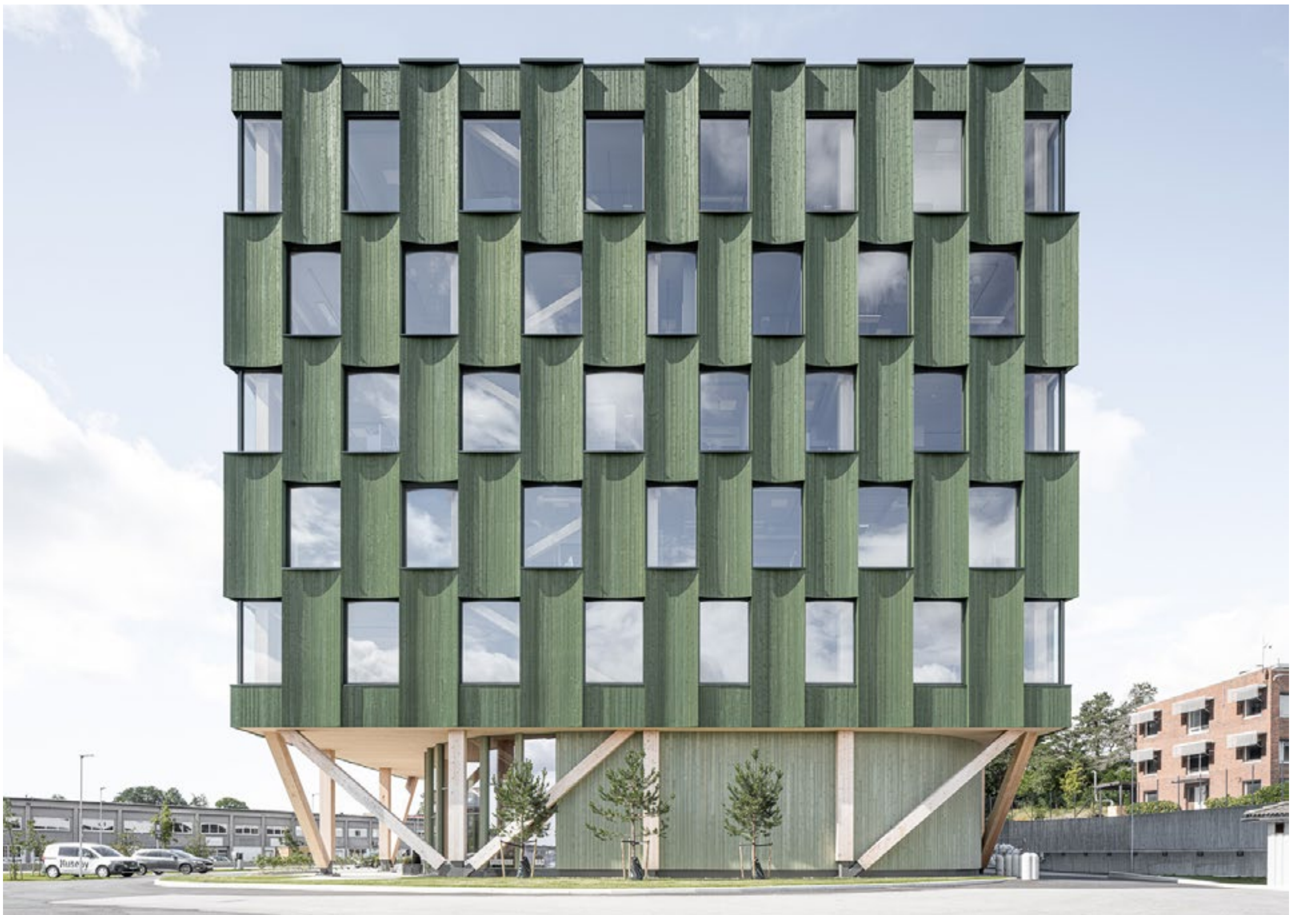
The information comes from both external and internal sources and is based on the "Corporate Accounting and Reporting Standard", as developed by the Greenhouse Gas Protocol Initiative (the GHG protocol). This is the most widely used method for measuring greenhouse gas emissions, and the ISO standard 14064-I is also based on this.

Performance

In total, our emissions across Scope 1, 2, and 3 amounted to 3,298.2 tCO_2e in 2023, up from 1,689.7 tCO_2e in the previous reporting period*. The big increase is largely due to an increase in steel consumption and business travel. Nekkar is still in the process of mapping its carbon footprint, which should be taken into account when comparing 2023 emissions with historical numbers.

SCOPE 1:
We have limited emissions from sources that are owned or controlled by the company (Scope 1 emissions). Our Scope 1 emissions stems from the use of company cars, amounting to 1.1 tCO_2e in the reporting period.

Nekkar has developed environmental guidelines which are outlined in the company's internal health and safety handbook.



The office building in Kristiansand is BREEAM-certified, constructed from cross-laminated timber, and equipped with solar panels on the roof.

* Restatement of information: The company incorrectly reported to have total emissions of 21,141.61 tCO_2e in 2022. The number has been updated in the 2023 carbon accounting report.

Key energy and climate performance indicators	Unit	2023	2022	2021
Scope 1 + 2 emissions (tCO2e)	tCO_2e	3.3	4.2	3.4
Total emissions (s1 + s2 + s3) tCO2e)	tCO_2e	5,176.0	1,689.7	3,298.2
Total energy scope 1 + 2 (MWh)	MWh	219.6	245.0	188.4

Market-based GHG emissions	Unit	2023	2022	2021
Electricity total (Scope 2) with market-based calculations	tCO_2e	107.9	97.1	74.4
Scope 2 total with market-based electricity calucations	tCO_2e	107.9	97.1	74.4
Scope 1+2+3 total with market-based electricity calculations	tCO_2e	3,404.0	1,783.9	5,247.8
Percentage change		**100.0%**	**-66.0%**	**90.8%**

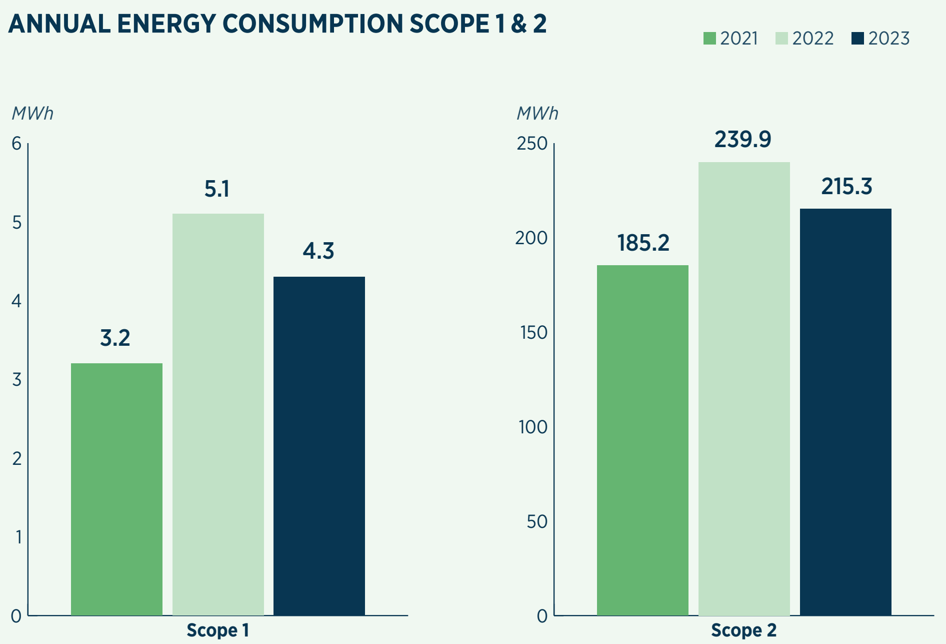
SCOPE 2:
The heating and ventilation of office buildings in Norway and Singapore is the main source of our indirect emissions (Scope 2 emissions). Consumption of electricity in own or rented premises and/or buildings are measured using an operational control approach.

In 2023, we had a total electricity consumption of 215.3 MWh, which gave total Scope 2 emissions of 2.1 tCO2e (location-based). Total market-based Scope 2 GHG emissions was 107.9 tCO2e in the reporting period.

SCOPE 3:
Scope 3 (indirect GHG emissions) accounts for the majority (99.9 percent) of our total emissions. The main source of Scope 3 emissions stems from outsourced global production, particularly steel manufacturing, and the transportation from suppliers to the installation sites. Purchased steel for manufacturing amounted to 3,140.8 CO2e in 2023, a significant increase compared to 2022.

Our Scope 3 emissions were 152.4 tCO2e in 2023*, and the major increase stems from increased air travel. The total number of kilometers driven by private cars within working hours (employee commuting) was 25,386.8, which gave an emission of 1.7 tCO2e.

* Restatement of information: The company incorrectly reported that business travel amounted to 19 483.2 tCO2e in 2022. The actual number was 125.5 tCO2e. The number has been updated in the 2023 carbon accounting report.


ANNUAL ENERGY CONSUMPTION SCOPE 1 & 2
2021
2022
2023
MWh
6
5
4
3
2
1
0
3.2
5.1
4.3
Scope 1
MWh
250
200
150
100
50
0
185.2
239.9
215.3
Scope 2

Health and safety

Safe operations are at the core of our values, and we continuously work to ensure that employees return home safely every day.

Materiality

Maintaining a safe and healthy working environment is critical to Nekkar and our stakeholders. We can have an actual or potential positive impact on occupational health and safety by establishing health and safety guidelines, conducting risk assessments, implementing reporting procedures, and by providing communication and training to employees about health and safety risks. We can also positively impact this topic by ensuring access to and appropriate use of health and safety gear.

Working at Nekkar could potentially involve different health and safety risks depending on whether employees are working in one of the company's office locations or on site. For employees doing production follow-up from suppliers or on site inspections and installation supervision, there are work hazards that require special attention, including lifting, working at heights, working with scaffolding, dropped objects, trapping, entanglement, burns and other risks arising from hazard-intensive tools used in manufacturing processes. At Nekkar's office locations, risks are mainly associated with sedentary work.

Policy commitment

Everyone working in or on behalf of Nekkar shall always comply with applicable rules and regulations to prevent accidents, injuries and damage to people, assets, and the environment. We adhere to the Norwegian Working Environment Act and local laws and regulations in other countries where we are present. Syncrolift's policies and guidelines regarding health and safety are described in the Employee Handbook and the Health and Safety Handbook to which all employees have been onboarded. Syncrolift is certified according to ISO 45001 Occupational Health and Safety, which is an international standard aiming to improve employee safety, reducing workplace risks, and creating better and safer working conditions.

Occupational health and safety management system	2023	2022
% of employees that are covered by the occupational health and safety management system	100	100
% of workers who are not employees that are covered by the occupational health and safety management system	100	100

Approach

Health and safety are continuously discussed at management level, and the CEO/General Manager as well as the HSEQ Manager in each company have the overall responsibility for health and safety, in addition to individual health and safety representatives for each business unit. Managers have a particular responsibility to monitor and mitigate any safety risks and report conditions that may impact quality, safety, the environment, or assets. Employees have a duty to follow the health and safety guidelines, prevent unsafe actions and otherwise promote good safety behaviour. Due to our company's size, we have not maintained a Working Environment Committee, but we have appointed a Health and Safety representative which meets with the management group on a regular basis, and we have also appointed a safety representative in Kristiansand.

Everyone working in or on behalf of Nekkar shall always comply with applicable rules and regulations to prevent accidents, injuries and damage to people, assets, and the environment.

We have established an Emergency Response Plan, which includes information about internal notification procedures, mobilising, 24/7 preparedness and communications and an Emergency Response Team.

We actively promote a safety culture. Employees receive training on work-related hazards regularly, including fire safety, which continues to a prioritised area. In addition to reviewing our company's fire safety guidelines, we arrange fire drills. Service personnel undergo on-the-job-training guided by experienced co-workers upon hiring, and also attend specific health and safety trainings organised by clients to receive work permits before entering a work site. Employees also receive information about when and how to use personal protective equipment. Personal protective equipment is site specific and determined by the different risk factors on each site.

To minimise health and safety risks, we have taken a number of precautions, including the investment in ergonomic desks / chairs at our office locations and giving employees working in Syncrolift access to certain health services. Specific project risk assessments are regularly carried out for the work sites, which mainly relates to Syncrolift's projects. At the work sites, Safe Job Analyses are carried out, as well as safety rounds to identify any risk factors and ensure necessary improvements.

Syncrolift conducts safety rounds at our premises in Vestby on a regular basis. During the safety round employees are asked to undertake a survey where they have to rank several statements relating to health and safety, which include topics such as indoor climate, ergonomics, and fire safety.

EMPLOYEE WELLBEING

Equally important as to ensure a physically safe working environment is the focus on mental health in the workplace. In addition to regular development talks, we conduct employee surveys annually to map employee wellbeing. In the survey, employees are asked to rank different statements relating to the working environment on a scale from 1 (lowest) to 10 (highest). The 2023 employee survey had an 89 percent response rate, and the results show that the motivation indicator among employees is at 79 percent on average. This percentage is based on a ranking of the following: tasks, responsibilities, feedback, relationship to leaders/management, competence/professional development, collegial support, cooperation and mastering of tasks.

SUPPLIERS, BUSINESS PARTNERS AND SUBCONTRACTORS

Health and safety requirements for our suppliers have until now followed the legislation and standards in the supplier's home country. Today, all our key suppliers must fill out a "Supplier Evaluation Questionnaire" (SEQ) where we ask about the suppliers' occupational health and management system. Key suppliers working for Nekkar shall have their own occupational health and management system, and must report injuries and work-related incidents. To follow up on the health and safety of subcontractors, we are working to implement an occupational health and management system in Kristiansand.

REPORTING IRREGULARITIES

It is of critical importance to have full overview of any adverse event at our sites to be able to work on prevention and improvement. Injuries are registered at site level and employees have a duty to report incidents or dangerous occurrences. Injuries and incidents are registered through the health and safety web portal at Landax.no or in a mobile app, in addition to immediate internal notification to the CEO, HSEQ Manager or nearest line manager. Examples of incidents that shall be reported include:

- Near incidents / incidents and accidents
- Influence of damage/hazardous conditions
- Breaches of health and safety regulations
- Missing or evacuation of personnel
- Security breaches or criminal acts towards Nekkar and employees
- Chemical spills which require notification to authorities and local response

Work-related injuries	2023	
	WORKERS WHO ARE NOT EMPLOYEES	EMPLOYEES
No. of fatalities as a result of work-related injuries	0	0
No. of cases of recordable work-related injuries	2	0

Work-related ill health	2023	
	WORKERS WHO ARE NOT EMPLOYEES	EMPLOYEES
No. of fatalities as a result of work-related ill health	0	0
No. of cases of recordable work-related ill health	0	0

Sustainability priorities 2024

On the 21st of April 2021, the EU commission announced the adoption of the Corporate Sustainability Reporting Directive (CSRD) in line with the commitment made under the European Green Deal. The CSRD will amend the existing Non-Financial Reporting Directive (NFRD) and will substantially increase reporting requirements on the companies falling within its scope.

In 2024, Nekkar will take steps to meet the CSRD requirements. A first priority will be to update the current materiality assessment, to also consider financial impact (following a double materiality approach). Additionally, the company will prepare its transition from the 2021 GRI Standards to the new European Sustainability Reporting Standard (ESRS) and external audit.

In 2023, Nekkar started a project to develop Environmental Product Declarations (EPD) for its products. This project will continue in 2024.

Consolidated financial statements

NEKKAR PER 31 DECEMBER 2023

NOTES

Consolidated statement of comprehensive income

For the year ended 31 December

Amounts in NOK 1000	Notes	2023	2022
OPERATING REVENUE			
Sales revenue	2	575 086	387 503
Total revenue		**575 086**	**387 503**
OPERATING EXPENSES			
Material, goods and services		304 493	209 129
Personnel costs	4,5	113 812	78 294
Losses on accounts receivable	23	6 604	-
Depreciation of fixed and intangible assets	6,7	7 685	10 475
Other operation expenses	4.15	41 420	32 781
Total Operating Expenses		**474 014**	**330 679**
Operating profit / (loss)		**101 073**	**56 824**
FINANCIAL INCOME AND EXPENSES			
Financial income	18	24 099	16 921
Financial expense	18	8 825	31 111
Share of net profit (loss) from equity-accounted investees	18	-7 083	-
Net finance		**8 191**	**-14 190**
Profit/loss before tax		**109 264**	**42 634**
Income tax expense	13	25 955	9 981
Profit for the period		**83 309**	**32 654**
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to profit or loss			
Foreign currency differences for foreign operations		-	-
Total comprehensive income for the period		**83 309**	**32 654**
Attributable to equity holders of the company		81 243	31 839
Attributable to non-controlling interests	22	2 066	815
Earnings per share (NOK)	14	0.78	0.30
Diluted earnings per share (NOK)	14	0.78	0.30

Consolidated statement of financial position

For the year ended 31 December

Amounts in NOK 1000	Notes	2023	2022
ASSETS			
NON-CURRENT ASSETS			
Deferred tax assets	13	-	7 032
Goodwill	7	17 050	16 643
Other intangible assets	7	50 234	58 035
Property, plant and equipment	6	9 188	9 809
Equity-accounted investees	10	47 712	-
Other financial assets		1 155	-
Right of use assets	6	13 541	4 409
Total non-current assets		**138 881**	**95 929**
CURRENT ASSETS			
Inventories	3	11 861	2 317
Trade receivables	2,9,23	85 270	106 875
Other receivables	9	6 387	7 126
Accrued non-invoiced production	2	144 007	113 616
Derivative financial instruments	17	20 144	-
Cash and cash equivalents	11	194 162	181 281
Total current assets		**461 831**	**411 214**
Total assets		**600 711**	**507 143**

Consolidated statement of financial position

For the year ended 31 December

Amounts in NOK 1000	Notes	2023	2022
EQUITY AND LIABILTIES			
EQUITY			
Issued share capital	12	11 817	11 746
Treasury shares	12	-153	-1
Share premium	12	9 206	5 919
Other equity	12	383 528	313 214
Shareholders equity		**404 398**	**330 878**
Non-controlling interest	22	22 548	20 090
Total equity		**426 945**	**350 968**
NON-CURRENT LIABILITIES			
Deferred tax	13	17 859	454
Lease liabilities	6	9 087	2 716
Total non-current liabilities		**26 946**	**3 169**
CURRENT LIABILITIES			
Trade payables		57 242	45 893
Income tax payable	13	1 512	1 562
Social Security and Employee taxes		7 973	7 469
Prepayment from customers	2	39 002	42 418
Derivative financial instruments		0	7 198
Current lease liabilties	6	4 276	1 549
Other current liabilities	23	36 815	46 917
Total current liabilities		**146 820**	**153 006**
Total liabilities		**173 766**	**156 175**
Total equity and liabilities		**600 711**	**507 143**

Kristiansand, 29 April 2024
Board of Directors, Nekkar

Trym Skeie
Chair of the Board

Gisle Rike
Director

Marit Solberg
Director

Trine Ingebjørg Ulla
Director

Håkon André Berg
Director

Ole Falk Hansen
CEO

Consolidated statement of changes in equity

For the year ended 31 December

Amounts in NOK 1000	Note	Share capital	Treasury shares	Share premium	Other equity	Share-holders equity	Non-controlling interests	Total equity
Equity as of 1.1.2022		**11 714**	**-1**	**3 863**	**281 376**	**296 952**	**19 276**	**316 228**
Total comprehensive income		-	-	-	31 839	31 839	815	32 654
New Shares Issued	12	32	-	2 056	-	2 087	-	2 087
Equity as of 31.12.2022		**11 746**	**-1**	**5 919**	**313 215**	**330 878**	**20 090**	**350 968**
Equity as of 1.1.2023		**11 746**	**-1**	**5 919**	**313 215**	**330 878**	**20 090**	**350 968**
Total comprehensive income		-	-	-	81 243	81 243	2 066	83 309
New Shares Issued	12	71		3 287	-	3 359	-	3 359
Treasury shares (purchase)	15	-	-152	-	-11 144	-11 296	-	-11 296
Acquisitions new subsidiaries	21,22	-	-	-	-	-	297	297
Other changes		-	-	-	215	215	94	309
Equity as of 31.12.2023		**11 817**	**-153**	**9 206**	**383 529**	**404 398**	**22 547**	**426 945**

Consolidated statement of cash flows

For the year ended 31 December

Amounts in NOK 1000	Notes	2023	2022
CASH FLOW FROM OPERATING ACTIVITIES			
Profit (loss) before tax		109 264	42 634
Adjustments for:			
Depreciation / impairment	6, 7	7 685	10 475
Net interest cost (income)		-6 016	-1 447
Other Financial items	18	-3 423	-
Share of net profit (loss) from Equity-accounted investees		7 083	-
Income tax paid	13	-	-2 625
Interest paid	18	-6 647	-3 437
Interest received	18	12 662	4 884
Changes in:			
Inventories	3	-9 545	1 157
Trade receivables	9	21 605	27 874
Trade payables		11 349	25 210
Accrued, non-invoiced production		-30 391	-93 462
Other receivables and other payables		-38 472	17 554
Net cash flow from operating activities		**75 155**	**28 819**
CASH FLOW FROM INVESTMENT ACTIVITIES			
Acquisition and expenditures of fixed/intangible assets	6, 7	-19 240	-22 401
Investment in subsidiaries	8	-2 733	-
Investment i associated company	10	-28 763	-
Net cash flow from investment activities		**-50 736**	**-22 401**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issuance of share capital		3 010	2 088
Acquisition of treasury shares		-11 009	-
Payment of lease liabilities		-3 539	-1 725
Net cash flow from financing activities		**-11 538**	**363**
Net change in cash and cash equivalents		12 881	6 780
Cash and cash equivalents at the end of the period		**194 162**	**181 281**
Cash flow attributable to non-controlling interests		-3 727	798

Accounting principles

1. General information

1.1 REPORTING ENTITY

Nekkar ASA ("Nekkar") is a public company incorporated and domiciled in Norway. The company is listed on the Oslo Stock Exchange where the shares are publicly traded.

The registered head office is located at Lumberveien 27 in Kristiansand, Norway.

As per 31 December 2023 Nekkar holds subsidiaries in Norway, USA, Singapore, India and Australia.

Today, Nekkar is an industrial technology group offering impact technologies combined with high-end software solutions. The group combines 50 years' heritage from the world's number one shiplift company, Syncrolift, with new investments into sustainable, digitalised technology businesses that aim to unlock growth within ocean-based industries such as offshore energy, renewables and aquaculture.

Syncrolift delivers systems, products and services to yards and naval bases within three main areas:

- Shiplift and transfer systems: The company delivers complete tailored shiplift and transfer systems. The offering includes design, engineering, assembly, and installation.
- FastDocking: Innovative products and solutions are designed to increase on-land productivity within docking and ship handling.
- Service and upgrades: Systematic approach to help clients maintain and improve the capability and lifespan on shiplifts and transfer systems, maintenance, spare replacements and upgrades of small and larger components.

The Syncrolift business has a global customer base, and its product offering addresses several core operations on yards and naval bases around the world. The shiplift products simplify the docking operations while the transfer systems secure a safe and effective infrastructure as vessels are moved by rails or wheels at the yard, enabling multiple use of the shiplift, and improved yard utilisation.

Further information on the principal activities of the group is included in Note 1.

1.2 BASIS OF PREPARATION

Nekkar's consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards, as adopted by the European Union. Standards and interpretations effective for annual periods beginning on or after 1 January 2024 have not been applied in preparing these consolidated financial statements.

The consolidated financial statements of the group for the year ended 31 December 2023 were issued by the Board of Directors on 29 April, to be approved by the annual general meeting 30 May 2024.

The consolidated financial statements were prepared based on uniform accounting principles for similar transactions and events under similar circumstances. The consolidated financial statements are presented in NOK. Financial information is presented and rounded to the nearest thousands, except were stated otherwise.

2. Summary of material accounting policy information

The accounting principles set out below have been applied consistently to all periods presented in the consolidated financial statements and have been applied consistently by group entities.

2.1 BASIC PRINCIPLES

a) New accounting standards and amendments

The accounting policies adopted are consistent with those of the previous financial year.

b) Current versus non-current classification

An asset is classified as current when it is expected to be realised or intended to be sold or consumed in the normal operating cycle, held primarily for the purpose of trading, expected to be realised within twelve months after the reporting period, or is cash or cash equivalent. All other assets are classified as non-current.

A liability is classified as current when it is expected to be settled in normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

c) Fair value measurement

The group measures financial instruments, such as derivatives, at fair value, as defined in IFRS 13, at each financial position date.

2.2 BASIS FOR CONSOLIDATION

a) Subsidiaries

Subsidiaries are entities which Nekkar controls. Control is achieved when the group is exposed, or has rights, to variable returns from its involvement with the investee and can affect those returns through its power over the investee.

Subsidiaries are consolidated from the date of acquisition, being the date on which the group obtains control, and continue to be consolidated until the date when such control ceases.

In cases where Nekkar achieves control over an entity, business combinations are accounted for using the acquisition method. Non-controlling interests are presented separately as equity in the group's consolidated statement of financial position.

2.3 SEGMENT INFORMATION

For management purposes, the group is organised into segments based on its products and services (business units). The Board of directors monitors the operating results of its business units separately to make decisions about resource allocation and assess performance. Segment performance is evaluated based on profit or loss in the different business units and is measured consistently with profit or loss in the consolidated financial statements. However, some of the group's financing connected to group cash pool (including finance costs and finance income) is managed at group level and is not allocated to operating segments.

Group support functions from the parent company along with Aquaculture and Renewables are presented as “Other”. Refer to Note 1 for further details.

2.4 FOREIGN CURRENCIES

a) Functional and presentation currencies

The financial statements of the individual entities in the group are measured in the currency primarily used in the economic area where the unit operates (functional currency). The consolidated financial statements are presented in Norwegian kroner (NOK), which is the functional and presentation currency of the parent company, and the presentation currency of the group.

b) Transactions and assets and liabilities

Transactions in foreign currencies are translated into the functional currency using the currency spot rates at the time of recognition. Foreign currency gains and losses that arise from the payment of such transactions, and the currency conversion effect from monetary items (assets and liabilities) nominated in foreign currencies, which are valued at the currency spot rates at the reporting date, are recognised in profit and loss. Non-monetary items measured at historical cost in foreign currency are translated into functional currency using the exchange rates as at the dates of the initial transaction.

c) Group companies
On consolidation, the assets and liabilities of foreign operations are converted into NOK at the rate of exchange prevailing at the reporting date and their income statements are translated at average exchange rates. Currency effects derived from consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to the specific foreign operation is reclassified to profit or loss.

2.5 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recognised in the financial statements at cost less accumulated depreciation and accumulated impairment. Cost includes the costs directly related to the acquisition of the fixed asset.

Subsequent expenditures are capitalised when it is likely that the group will receive future economic benefits from the expenditure, and the expenditure can be measured reliably. Other repair and maintenance costs are recognised in profit or loss in the period when the expenses are incurred.

Property, plant and equipment are depreciated based on the straight-line method. Historical cost of the fixed asset is depreciated to the residual value over expected useful life, which is:

- Machinery and vehicles 3-5 years
- Fixtures/office equipment 5-10 years
- Computer equipment 3-5 years

Indicators related to possible impairment requirements are monitored continuously. If the carrying value of the fixed asset is higher than the estimated recoverable amount, the value is impaired to a recoverable amount.

Gains and losses from disposal of assets are recognised in profit or loss and represent the difference between the sales price and the carrying value.

Depreciation methods, useful lives and residual values are assessed at the reporting date and adjusted when required.

2.6 INTANGIBLE ASSETS

Intangible assets that have been acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired through a business combination is their fair value at the date of acquisition. Capitalised intangible assets are recognised at a cost less than any amortisation and impairment losses. Internally generated intangible assets are recognised as capitalised development costs.

Intangible assets are written down and adjustment is made to amoritsation if the asset has been impaired

Customer relationships and customer portfolio
Customer relationships and customer portfolios are established through contracts with customers. Customer relationships and customer portfolio acquired through a business combination are recognised as an asset based on their fair value at the acquisition date. The customer relationship and customer portfolios have limited useful life and are amortised using the straight-line method over their expected useful life (15 to 20 years).

Patents and licenses
Patents and licenses have limited useful life and are recorded at historical cost in the balance sheet less depreciation. Patents and technology are amortised using the straight-line method over their expected useful life (2 to 15 years).

Development
Research costs are expensed as incurred. Development activities include design or planning of production of new or significantly improved products and processes. Development costs associated with development of new products are capitalised to the extent that they can be reliably measured, the product or process is technically, or commercially feasible, future financial benefits are likely, and the group intends and has sufficient resources to complete the development, and to sell or use the asset.

Capitalised development costs include materials, direct labor, directly attributable overheads and capitalised borrowing costs. Development costs are depreciated over their expected useful life (2 to 15 years). Public grants related to capitalised development projects are recognised as a reduction of capitalised costs.

Government grants
Government grants are recognised when it is reasonably certain that the company will meet the conditions stipulated for the grants and that the grants will be received. Tax credits related to development projects are classified as government grants if they ultimately are settled with cash.

Grants relating to intangible assets are deducted from the carrying amount of the asset and recognised in profit or loss as a reduction of the depreciation charge over the lifetime of the assets.

2.7 BUSINESS COMBINATIONS AND GOODWILL
When acquiring a business, financial assets and liabilities are recognised at fair value in the opening group balance. The consideration paid in a business combination is measured at fair value at the acquisition date.

The initial accounting for a business combination can be changed if new information about the fair value at the acquisition date is present. The allocation can be amended within 12 months of the acquisition date if the initial accounting at the acquisition date was determined provisionally. The non-controlling interest is measured at fair value.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

After initial recognition, goodwill is measured at cost less than any accumulated impairment losses. For impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

Subsidiaries
Subsidiaries encompass all entities over which the group wields control. Control is typically deemed to be present when the group holds more than 50 percent of the voting shares.

Associated companies
Associated companies are entities where the Group has significant influence, but not control. Significant influence is assumed to exist when the Group has between 20 percent to 50 percent of the voting rights in a company. The consolidated financial statements include the Group's share of the profits/losses from associated companies are accounted for using the equity method, from the date significant influence was achieved.

2.8 FINANCIAL INSTRUMENTS
With the exception of forward FX contracts (see 2.9), all financial assets are classified as financial assets measured at amortised cost.

Trade receivable
Accounts receivables are recognised at transaction price. For subsequent measurement the transaction price is not adjusted for significant financing component as customer payment for good or service is expected within a year or less.

Expected credit loss is passed on both macro-economic and entity specific factors. The group engage in further judgement for trade receivables not paid when due. The group do not use a provision matrix as allowed under IFRS 9.

Contract assets (accrued not invoiced production)
Contract assets, which mainly satisfy performance obligations not yet invoiced, is recognised with the estimated considerations according to IFRS 15 for the work performed. Contract assets are subject to impairment testing in the same manner as trade receivables.

Recognition and measurement of financial liabilities
All financial liabilities in the group are classified as financial liabilities as subsequently measured at amortised cost unless the financial liabilities are derivatives or financial liabilities held for trading, which are classified and measured at fair value.

In subsequent periods, financial instruments are measured in accordance with classifications described above.

2.9 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

The group is exposed to fluctuations in foreign exchange rates which may affect the operating results. The group utilises hedging contractual income and costs in a foreign currency.

Fair value hedging

The group uses financial derivatives to hedge foreign currency risk. Derivatives are recognised initially at fair value and are subsequently re-measured at fair value. Attributable transaction costs are recognised in the profit or loss when they incur.

The hedge does not fulfill the criteria for hedge accounting, the derivative is carried at fair value through profit and loss as financial income/loss.

2.10 LEASES

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. At the commencement date of a lease, a lessee will have to recognise a liability based on future lease payments and an asset representing the right to use the underlying asset during the lease term ("Right-of-use assets"). Further, the lessee will be required to separately recognise the interest expense on the lease liability and the deprecation expense of the right-of-use asset.

Nekkar has applied the following practical expedients:

- Exemption for short-term leases (defined as 12 months or less)
- Exemption for leases of low value assets

2.11 INVENTORIES

Inventories are valued at the lower cost and net realisable value. The cost is calculated by means of the first-in, first-out principle (FIFO). For finished goods and work in progress (for project in which revenue recognition is "point-in-time"), the cost consists of product design expenses, consumption of materials, direct labor costs, other direct costs, and indirect production costs (based on a normal capacity level). Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and estimated costs necessary to make the sale.

2.12 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of bank deposits. Withdrawals from the bank overdraft constitute part of current liabilities. Deposits and overdrafts are presented as net if the bank has a legal/contractual right to offset the deposits and liabilities.

The group has a cash pool arrangement where Nekkar is the primary agreement holder. Cash positions on bank accounts with different currencies are presented as net in the consolidated financial statement.

2.13 FINANCIAL LIABILITIES

Non-derivative financial liabilities are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, liabilities are measured at amortised costs using the effective interest method.

Loans are classified as current liabilities unless there is an unconditional right to postpone payment of the debt by more than 12 months from the date of the balance sheet. The following year's payment is classified as short-term debt.

The group derecognises financial liability when the contractual obligations are satisfied or cancelled.

2.14 TAXES

Tax in the profit and loss accounts comprise both tax payable for the period and change in deferred tax. Tax payable for the period and deferred tax are recognised in profit or loss, except tax on items related to business combinations or taxes recognized directly in equity or comprehensive income.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. Deferred tax assets are recognised when it is convincing evidence that the company will have a sufficient profit for tax purposes in subsequent periods to utilise the tax asset. The group includes the possibility of tax planning through group contribution as part of the assessment of convincing evidence. The group only recognised deferred tax assets which can be utilised in five years as the subsequent period is considered too uncertain.

Deferred tax assets or liability is measured using tax rates and tax laws enacted or substantially enacted on the balance sheet date, and which presumably may be utilised when the deferred tax advantage is realised or when the deferred tax is settled.

2.15 PENSION OBLIGATIONS, BONUS SCHEMES AND OTHER COMPENSATION SCHEMES FOR EMPLOYEES

a) Pension obligations

The companies in the group have various pension plans. The pension plans are in general financed by payments to insurance companies or pension funds. As of 31 December 2023, Nekkar has only defined contribution plans.

2.16 REVENUE RECOGNITION

A five-step process is applied before revenue can be recognised;

1. Identify the contract
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to performance obligations
5. Recognised revenue as performance obligation is satisfied

During the application process, steps 2 and 5 were the most complex due to the contract structure within Nekkar. Below are further details on the 5-step model, focusing on step 2 and 5.

1. Identification of contract

The group's revenue derives from contracts with customers in one of the following revenue streams;

a. Long-term construction contracts (engineer-to-order)
b. Service contracts
c. After sales

All these revenue streams are based on a contract with the customer.

2. Identification of performance obligations

Due to contract structure, there are differences within the contracts regarding identifying performance obligations. The review has shown;

The deliveries in contracts are reviewed to identify if there are distinct performance obligations. Contracts held within continued business ordinarily represent one performance obligation, ref section 5 below. It could be argued that there could be more than one performance obligation in some of the contracts, but those potential additional performance obligations identified have been assessed immaterially.

3. Transaction price

Revenue from construction contracts includes original contract amount and approved variation orders. For contracts where multiple performance obligations are identified, a stand-alone selling price is identified to each of the performance obligations. Potential liquidated damages are recognised as a reduction of the transaction price unless it is highly probable that they will not be incurred. Beyond this there are only immaterial variable considerations.

4. Allocation of transaction price to performance obligation

Based on the extensive review of contracts upon the implementation of IFRS 15, the following has been identified;

Contracts represent one performance obligation, hence allocation of transaction price to performance obligation is 1:1.

5. Revenue recognition as performance obligation is satisfied

Revenue is measured based on the consideration specified in a contract with a customer. The group recognises revenue when it transfers control over a good or service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, and the related revenue recognition policies.

Type of contract	Nature and timing of satisfaction of performance obligation	Revenue recognition under IFRS 15
Construction contracts (Engineer-to-order)	Long-term construction contracts with a typical duration of 18-48 months from contracts are signed, to the projects are closed. These projects are engineer-to-order projects, which deliver highly customised turnkey systems for shipyards around the world. The projects are highly specialised systems for each individual project, with no alternative use for the company, and where each project is considered one performance obligation. For the performance obligations identified in the contracts, it is assessed that control will be transferred to the customer over time as the items are constructed.	After a thorough analysis of the criteria for "over time" revenue recognition the main issue relating to timing of revenue recognition was Nekkar's enforceable right to payment for the performance completed to date in a situation with termination by the customer for other reasons than Nekkar's failure to perform as promised (termination by convenience). Nekkar has assessed the right to payment to date from a legal point of view. The result of the contract review is that the relevant contract either includes a termination by convenience clause that is in favor of the group, or that general legal basis in the relevant jurisdiction is in favor of the group, thus Nekkar have the legal right to require payment from the customer for performance to date. Payment covers approximately the expected selling price of the goods and services transferred to date, which equals cost plus a reasonable profit margin. Based on this it is the company's assessment that revenue recognition over time is correct for these contracts. In addition, there is no alternative use. Measure of progress is based on cost incurred relative to the total expected cost to satisfy the performance obligation.
Upgrade contracts (Engineer-to-order)	Long-term upgrade contracts with a typical duration of 12-24 months from contracts are signed, to the projects are closed. These projects are engineer-to-order projects, which deliver upgrades of existing shiplift systems with highly customised turnkey systems for shipyards around the world. The projects are highly specialised systems for each individual project, with no alternative use for the company, that the customer controls throughout the project phase and where each project is considered one performance obligation. For the performance obligations identified in the contracts, it is assessed that control will be transferred to the customer over time as the items are constructed.	The analysis of the criteria for "over time" revenue recognition for these types of contracts is linked to Nekkar's performance enhancing an asset that the customer controls as the asset is enhanced or upgraded. Nekkar has assessed that the customer controls the asset throughout the upgrade. The asset is in operation throughout most of the project phase and all installation will happen on customer premises. As such the customer have physical control of the asset including control over functional and operational structures. Legal ownership of the work performed is also transferred to the customer as the work is carried out. Based on this it is the company's assessment, that revenue recognition over time is correct for these contracts. Measure of progress is based on cost incurred relative to the total expected cost to satisfy the performance obligation.

Type of contract	Nature and timing of satisfaction of performance obligation	Revenue recognition under IFRS 15
Construction contracts (Alternative user)	The company delivers service-based business, where work is done on the customers' equipment. These deliveries are man-hour based and considered over-time deliveries. Spare parts as part of the service delivery are recognised upon delivery. The lead time from order to completed customer delivery is normally less than three months. For after-sales contracts, in which there is sale of components etc, revenue is recognised upon delivery.	Revenue from contracts with customers for other services is recognised over-time using a cost progress method or is recognized over-time as manhours and materials are delivered to the customer. Revenue from contracts with customers for after sales are recognised at point-in-time upon delivery.

2.17 CONTRACT COSTS

For revenue where performance obligations are satisfied over time, which is the primary source of revenue at the group, all cost are recognised as expensed when incurred because control of the work in progress transfers continuously to the customer as it is produced and not at discrete intervals.

For contracts where performance obligations are satisfied at a point in time, IAS 2, Inventory, sets up the accounting.

Cost to obtain a contract are immaterial for the group and expensed when incurred.

Balance sheet classification

For contracts recognised "over-time", an amount equal to completed, not invoiced, performance obligations based on transaction price are recognised as contract asset, while prepayments from customers are recognised as contract liability. For contracts where there is both a contract asset and a contract liability, it is presented as net in the consolidated statement of financial position.

Onerous contracts

The full loss is recognised immediately if contracts are forecast to be lossmaking. The full loss includes all relevant contract costs.

Cost presented as Material, goods and services are cost related to projects and consist mainly of sub suppliers in long term projects

2.18 IMPAIRMENT OF ASSETS

Non-financial assets

At the reporting date, the group assesses whether there are indications that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the group estimates the asset's recoverable amount. For goodwill and intangible assets not yet available for use, or with an indeterminable useful life, the recoverable amount is estimated at the same time each year. An asset's recoverable amount is the higher of an assets or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. A recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In the assessment of value in use, the estimated future cash flow is discounted to net present value, with a pretax market-based discount rate. The rate considers the time value of money and asset-specific risk. With the purpose of testing for impairment, assets that have not been tested individually are grouped in the smallest identifiable group of assets that generate incoming cash flow which in all material aspects is independent of incoming cash flows from other assets or group of assets (cash generating units or CGU). Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates.

Impairment losses relating to goodwill cannot be reversed in future periods. For other assets, an assessment is made on each reporting date whether there are indications that previously recognised impairment losses no longer exist or have decreased. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

2.19 CASH FLOW STATEMENT
The cash flow statement has been prepared based on the indirect method.

2.20 EARNINGS PER SHARE
The basic earnings per share and diluted earnings per share are presented for ordinary shares. The basic earnings per share are calculated by dividing the period's earnings attributable to owners of the ordinary shares adjusted for the number of own shares.

Diluted earnings per share are calculated by adjusting the earnings and the weighted average number of ordinary outstanding shares, adjusted for the number of own shares, for potential dilution effects.

2.21 FINANCIAL INCOME AND COST
Financial income consists of capital gains on financial investments and changes to fair value of financial assets to fair value in profit and loss. Interest income is recognised in profit and loss using the effective interest method.

Financial costs comprise interest costs on loans, the effect of interest in discounted accruals, changes to the fair value of financial assets to fair value in profit and loss, and impairment of financial assets. Borrowing costs not directly attributable to acquisition, processing or production of a qualifying asset, are included in profit and loss using the effective interest rate method.

Foreign currency gains and losses are reported as net.

2.22 EQUITY
Transaction costs directly related to an equity transaction are recognised directly in equity after deducting tax expenses.

2.23 CONTINGENT LIABILITIES AND ASSETS
Contingent liabilities are not recognized in financial statements. Significant contingent liabilities are disclosed, except for contingent liabilities that are unlikely to be incurred.

Liabilities are recognised unless a reliable estimate can not be made. If no reliable estimate can be made, the group accounts for the liability as a contingent liability.

3. Financial risk management

3.1 FINANCIAL RISK FACTORS
The group's activities entail various types of financial risk; market risk (including currency risk and interest rate risk), credit risk, liquidity risk and operational risk.

The Board of Directors has the primary responsibility for establishing and supervising the group's framework for risk management. Risk management principles were established to identify and analyse the risk to which the group is exposed. Principles and systems for risk management are regularly reviewed to reflect any changes in activities and market conditions.

The audit committee reviews management's monitoring of the group's principles and procedures for risk management.

The group's main risk management plan focuses on the unpredictability of the capital market and attempts to minimise its potentially negative effects on the group's financial results. The group engages in international operations and is especially exposed to currency risk. The group uses hedging to reduce the risk of currency exposure.

The group has a decentralised structure with operational supervision of the various business units, where the main management of financial risk is determined by the Board of Directors. This applies to areas such as currency risk, interest rate risk, credit risk and use of financial derivatives.

For the classification of financial assets and liabilities, reference is made to Note 19.

MARKET RISK

Market risk is the risk of changes to market prices, such as foreign exchange rates interest and commodities, affecting the income or value of financial instruments. Management of market risk intends to monitor that risk exposure lies within a set framework.

The companies of the group buy and sell financial derivatives and incur financial obligations to control market risk. Transactions are carried out within the guidelines issued by the group. Hedge accounting is used for FX contracts that qualify for hedge accounting. The remaining contracts are measured at fair value through profit and loss.

There are a number of risks related to the market development for Nekkar's products and services. Nekkar monitors these risks through its sales network and by monitoring relevant available information on trends like shipyard utilisation indicators, investment trends and oil prices.

Within Syncrolift AS, the order backlog is strong and represents a solid operational foundation for the coming periods. Future demand for the current product portfolio depends on the shipyards' need to implement more efficient production lines. Currently, there are no signs that the yard industry's focus on restructuring and increased productivity will diminish. From the volume of identified prospects, we expect there is potential for further growth in the segment.

Renewables and aquaculture are still product development projects. For these business areas the risk factors mainly relate to commercialisation of the products and solutions. Intellilift has a proven commercialised technology and the products have been sold to both oil-gas related business and wind industry. However, a potential downturn in the oil-gas market may impact the market outlook for some of these products.

Further description of the group's market risk can be found in the Directors' report.

a) Currency risk

The group operates worldwide and is exposed to currency risk in foreign currencies. Exposure to the risk in foreign exchange rates relates primarily to the group's operating activities (when revenue or expense is denominated in foreign currencies).

The group manages its foreign currency risk by hedging the net exposure in foreign currencies, which is mainly USD and EUR. Currency cash flow forecasts are reviewed on a regular basis and the group aims to hedge a portion of the forecasted net currency exposure that matures within a 24-months period.

Forward exchange contracts are used as hedging instruments, and they are designated as hedges of firm commitments for those hedging relationships that qualify for hedge accounting. When necessary, forward exchange contracts are prolonged as they mature.

A 10 percent fluctuation in the USD/NOK and EUR/NOK rate compared to the 2023 average would have impacted 2023 operating profit by around NOK 15 million and NOK 2 million respectively. Due to Nekkar's hedging policy, much of this impact would have been offset, as changes in the fair value of hedging instruments would be recognised as financial income or expense.

On 31 December 2023 the Group has accounts receivables, contract assets and accounts payable in addition to FX derivatives. The net effect on this items in not considered to be significant due to the hedging instruments.

For other monetary assets and obligations in foreign currency, net exposure is monitored, and is adjusted by purchasing and selling foreign currency when necessary.

The group has insignificant investments in foreign subsidiaries where net assets are exposed to currency risk at conversion of currency.

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As per

31 December 2023, the group does not have any interest-bearing debt, hence no material exposure to the risk of changes in market interest rates. The group's surplus liquidity is in the form of bank deposits. Any divergence from the use of a floating rate of interest and placement of surplus liquidity shall be determined by the Board of Directors.

Items exposed to interest rate risk are mainly related to bank deposits and undrawn credit facilities.

c) Price risk

The group is exposed to fluctuations in market prices in the operational areas related to contracts, including changes in market prices for raw materials and equipment and development in wages. These risks are to the extent possible managed in the bid processes by locking in committed prices from vendors as a basis for offers to customers, or by striving to place purchase orders to vendors as soon as possible after contract signing or through escalation clauses with customers.

Furthermore, the majority of Nekkar's long-term service contracts with customers have built-in clauses that ensure annual inflation adjustments that correspond to recognised consumer price indices or similar. Nekkar also has internal processes in place to effectively manage price risk, including mandatory internal controls and safeguarding processes for tenders and contracts.

CREDIT RISK

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The group is exposed to credit risk from its operating activities (primarily for trade receivables and contract assets) and from its financing activities, including deposits with bank and financial institutions, foreign exchange transactions and other financial instruments.

Credit risk is handled at a corporate level. The credit risk is reduced through distribution on several counterparts. Requirements to credit ratings have been established toward counterparts, and new customers are subject to credit rating test. In order to minimise the risk of losses the group applies comprehensive use of Letters of Credit toward its customers. The group carries out assessment of credit risk to the political structure depending on the economic importance of the agreements based on assessments from the OECD and other equivalent factors.

Maximum risk exposure is represented by the extent of financial assets recognised in the balance sheet. Please find additional information in Note 19.

The counterparties for derivatives and bank deposits are investment grade rated banks (Nordea and DNB), and the credit risk related to these are considered insignificant.

As of 31.12, the group had the following maturity distribution on its trade receivables:

(NOK 1000)	Total	Not due	0-3 months overdue	3-6 months overdue	>6 months overdue
31.12.2023	85 269	- 407	62 583	5 983	18 110
31.12.2022	106 875	28 488	56 321	-1 248	23 314

For accounts receivable that are not yet due, the assessment is, based on previous experience, that there is no need to impair the value. Accounts receivable relate to independent customers who have no previous history of failing to fulfill their obligations to the group. Invoicing is largely done in accordance with milestone-based progress in each project.

The above table is presented net of bad debt provisions. As per 31 December 2023, a provision NOK 19 million is included due to uncertainty for payment in two projects. Hence, the gross amount of accounts receivables > 6 months overdue is NOK 37 million. The change in provision for bad debt in 2023 of NOK 6,68 million is recognised as other operational expenses and relates to claim in note 23. The Group has experienced solely historical non-material losses and does not acknowledge any Expected Credit Losses (ECL) beyond those associated with the two aforementioned projects. Additional information on accounts receivable is available in Note 9.

LIQUIDITY RISK

Liquidity risk is the risk of the group being unable to fulfill its financial obligations as they fall due. Liquidity risk management implies maintaining

Remaining period:

Amounts in NOK 1000	< 6 months	6-12 months	3-5 years	> 5 years	Total
2023					
Long-term financial obligations:					
Interest-bearing non-current liabilities	-	-	-	-	-
Current financial obligations:	-	-	-	-	-
FX-derivatives	-	-	-	-	-
Accounts payable and other current liabilities	103 542	-	-	-	103 542
Total financial obligations	**103 542**	**-**	**-**	**-**	**103 542**
2022					
Long-term financial obligations:					
Interest-bearing non-current liabilities	-	-	-	-	-
Current financial obligations:	-	-	-	-	-
FX-derivatives	3 988	-	3 208	-	7 196
Accounts pauable and other current liabilities	101 841	-	-	-	101 841
Total financial obligations	**105 829**	**-**	3 208	**-**	**109 037**

Total financial obligations exclude both current and non-current lease liabilities

sufficient cash and committed credit facilities for the group to meet obligations as they mature for payment.

As of 31 December 2023, the group's credit facilities include a guarantee and derivatives facility of NOK 350 million, an overdraft facility of NOK 100 million and a revolving credit facility of NOK 100 million. All facilities are with Nordea. As per 31 December 2023, the group had drawn NOK 164 million of the guarantee facility. No amount has been drawn on the overdraft and the revolving credit facility.

The group is continuously focusing on efficient management of working capital to optimise cash flow from operations. The group has established a joint cash pool arrangement. The cash pool arrangement improves accessibility and flexibility in the management of liquidity funds.

The group's liquidity development is continuously monitored based on liquidity forecasts from the business units.

The group's strategy is always to have sufficient cash reserves or credit facilities available to be able to finance its operations and investments.

The table below gives an overview of the structure of maturity of the group's financial obligations. Current and non current lease liabilities are not included.

CLIMATE RISK

Nekkar develops digitalised impact technologies that aim to unlock customer value, including reduction of environmental footprint and CO2-emissions, in numerous industries including renewables, aquaculture, shipping and offshore energy. As such, climate change represents both a risk and an opportunity for Nekkar. Nekkar considers its main climate risks to be associated with the global ambition/implementation gap for the transition to more renewable energy, as well as climate policy and taxation changes that could limit or delay the adoption of Nekkar's new technologies that are enablers to reduce the carbon footprint in the industries the company operates. This applies to both the renewables and aquaculture industries.

Nekkar's exposure to the oil and gas industry is limited today but could grow in the coming years. The offshore energy industry has been identified as high risk by the Task Force on Climate-Related Financial Disclosures, and the industry is under pressure to reduce its emissions. Although the Ukraine war and associated energy shortage in Europe is likely to result in heavy investments in the offshore energy industry in the coming years, there is a long-term risk of declining investment in upstream oil and gas. However, the software and technologies that Nekkar delivers are capable of significantly reducing drilling time and amount of personnel required offshore, thereby substantially reducing the carbon footprint associated with this type of offshore operations. As such, climate-related risks also represent an opportunity for Nekkar.

The energy transition may shorten the expected useful lives of oil and gas-related assets, which can accelerate depreciation charges. However, Nekkar is primarily a software supplier to the oil and gas industry, which means that the company does not expect assessment of the effect on useful lives to have significant accounting impact.

Another climate risk is the increase in the frequency and intensity of extreme weather events. As the large majority of Nekkar's operations in based in Norway, this expectation is not assessed to lead to any effects on expected useful economic life of property, plant and equipment. However, extreme weather could result in delayed project progress, for example for installation of shiplifts in parts of the world that are more exposed to extreme weather. This could potentially mean that revenue and margin recognition could be delayed in such projects. Nekkar has not experienced any delays caused by extreme weather events during 2023.

Overall, it is Nekkar's view that the company is well positioned to profit from a stronger focus on reducing emissions from the industries the company operates within, and that there are more positive business opportunities than negative risks associated with stronger industry efforts on reducing emissions and combating climate change.

Nekkar has considered the impact of climate change on going concern. Effective assessment and analysis of climate-related risks and opportunities is vital to understand the potential impacts of climate-related risks on asset valuations, revenue and investment requirements. For 2023, Nekkar has therefore defined an objective to conduct a detailed climate risk analysis and set carbon footprint reduction goals for the company.

OPERATIONAL RISK

Operational risk is the risk of direct or indirect losses because of a whole range of causes related to the group's processes, personnel, technology and infrastructure, as well as external factors besides of credit risk, market risk and liquidity risk that follow from laws, rules and generally accepted principles for business conduct. Operational risk arises in all the group's business areas.

The group's deliveries are primarily organised in the form of projects. The group continuously strives to improve operations and projects implementation. This further includes operational and financial qualification of major sub-suppliers to reduce project completion risk.

The group handles operational risk so that a balance is reached between avoiding economic loss or damage to the group's reputation, general cost effectiveness, and avoiding control routines that limit initiative and creativity.

The responsibility to develop and implement controls designed to handle operational risk is allocated to the top management within each business area. This responsibility is supported by developing the overall group standard for management of operational risk in various areas.

3.2 ESTIMATION OF FAIR VALUE

The fair value of financial instruments traded in an active market is based on the market value on the balance sheet date. The group has no such items in the financial statement.

Fair value of financial instruments not traded in an active market is estimated using valuation techniques (primarily discounted future prospective cash flows) or other relevant information for giving a best estimate of fair value on the balance sheet date.

Examples of this are forward contracts in foreign currencies where fair value is calculated by using the change in the currency on the balance sheet date.

Fair value of drawings/technology acquired in a business combination is determined using the relief of royalty method. The valuation is based on the concept that if the company owns a technology, it does not have to rent, and is then relieved from paying a royalty.

The fair value of other intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

4. Use of judgement and estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the group. Such changes are reflected in the assumptions when they occur.

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

a) Judgements
Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is included below and in respective notes:

Revenue recognition - Right to payment (IFRS 15): For contracts with no termination for convenience clause, the group's enforceable right to payment is subject to general law in the relevant jurisdiction. In most cases with termination, the group is responsible for mitigating the customer's losses by maximising revenue from alternative sources. Based on historic numbers and current estimates, alternative revenue sources are considered insignificant. Consequently, the major portion of a contract's value and company profit will be compensated by the initial contract holder.

The estimation of total contract costs involves judgment and is susceptible to change. These cost estimates wield significant influence on revenue recognition, especially in contracts utilising cost progress, such as lump sum construction contracts. The accurate forecasting of total project costs hinges on several factors, including the effective execution of the engineering and design phase, availability of skilled resources, manufacturing capacity, productivity and quality considerations, subcontractor performance, and occasionally, weather conditions.

b) Assumptions and estimation uncertainties
Information about assumptions and estimation uncertainties that have a risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the year ending 31 December 2023 is included below and in respective notes:

Warranty liability: The group customarily offers a warranty period of one or three years on its delivered products. Management estimates accruals for future guaranteed commitments based on information from historical guaranteed claims, together with updated information of the quality of recent deliveries. Factors that may affect estimated obligations include the outcome of productivity and quality initiatives, reference prices and labor costs.

Note 1 Operating segments

Amounts in NOK 1000

The segments structure in Nekkar are as follows:

Consist of	
Syncrolift:	The Syncrolift segment includes shiplifts, docking/transfer systems and related service activity for shipyards. The main operating entity in this segment is Syncrolift AS with its head office in Vestby, Norway. Syncrolift also has local presence in important markets through subsidiaries in the US and in Singapore alongside a sales/service office in Dubai. Syncrolift is the global market leader for shiplifts and transfer systems offered to repair and newbuilding yards. They deliver turnkey and customised solutions to commercial yards and navy bases around the world. The product range includes shiplifting systems for launching and retrievals of vessels and transfer systems for a fast and reliable way of moving vessels around the yard. Capitalised development costs amounted to NOK amounted to NOK 0 million for 2023.
Intellilift	Collecting data from numerous different sensors, will improve the real time operation as well as enable remote operation and robotisation. The business model is threefold – project based, perpetual upfront software licenses and software as service licenses, depending on customer preferences. As per 2023, revenue is mainly project based as Intellilift has during the second quarter successfully delivered the first InteliAutomate solution to a customer.
Techano Oceanlift	In 2023, Techano Oceanlift marks a new addition to Nekkar's business portfolio. The acquisition was finalised at the close of Q1 2023. The company specialises in advanced load handling and lifting equipment for the aquaculture and offshore energy industry, with products such as cranes, gangways, and fish transfer systems. Techano Oceanlift has a strong base of engineering expertise. Currently, these resources are actively engaged in the development of innovative solutions for the SOV market, including 3D cranes and gangways.
Other	Includes group functions in the parent company, the advancement of impact technology ventures including Fiizk, SkyWalker and group eliminations. Fiizk, is an entety that delivers and develops intelligent closed cage system equipped with advanced sensors and a high degree of autonomy. The development of a fully automatet closed fish cage called Starfish was incorporated into Fiizk. As of 31 December 2023 the book value of Fiizk was MNOK 47.7. The SkyWalker project, is a ground-breaking wind turbine installation and service technology tool suitable for onshore and offshore wind. Capitalised development costs of SkyWalker amounted to NOK 0.5 million in 2023.Development costs related to both SkyWalker are partly funded by external contributions from Innovation Norway, Norges forskningsråd and Skattefunn.
Change in segments	The change in segments from 2022 consits of a new subsidiary acquired in 2023 Techano Oceanlift AS. The segment of Syncrolift is equal to 2022 BU SYS and Intellilift is equal to 2022 Digital.

	2023					2022			
	Syncrolift	Intellilift	Techano Oceanlift	Other/ Elim	Total	BU SYS	Digital	Other/ Elim	Total
External revenue	515 204	29 125	30 336	422	575 086	383 138	4 365	-	387 503
Internal revenue	290	4 729	-	9 395	14 414	285	18 018	11 539	29 842
Total revenue	**515 494**	**33 854**	**30 336**	**9 816**	**589 500**	**383 423**	**22 384**	**11 539**	**417 346**
Intergroup eliminations	-290	-4 729		-9 395	-14 414	-285	-18 018	-11 539	-29 842
Consolidated revenue	**515 204**	**29 125**	**30 336**	**422**	**575 086**	**383 138**	**4 365**	**-**	**387 503**
Earnings before depreciation, finance and tax (EBITDA)	131 863	6 184	1 075	-30 365	108 758	92 680	4 012	-29 393	67 299
Depreciation/amortisation	1 814	1 512	97	4 261	7 685	1 663	1 350	7 463	10 475
Operating profit/(loss)	**130 049**	**4 672**	**978**	**-34 626**	**101 073**	**91 017**	**2 662**	**-36 856**	**56 824**
Net finance	10 708	135	1 498	-4 150	8 191	-11 850	-50	-2 290	-14 190
Segment profit/(loss) before tax	**140 757**	**4 807**	**2 476**	**-38 776**	**109 264**	**79 168**	**2 612**	**-39 146**	**42 634**
Income tax expense	31 551	1 056	282	-6 618	25 955	17 344	740	-8 104	9 981
Profit after tax	**109 206**	**3 751**	**456**	**25 955**	**83 309**	**61 823**	**1 872**	**-31 042**	**32 654**
This year's capital expenditures	**1 115**	**553**	**6 354**	**10 645**	**18 667**	**6 378**	**13 043**	**22 401**	**22 401**

Capital expenditure

Capital expenditure is net amount of money spent on aquiring or maintaining assets and grants recived.

Information about geographical areas

The activity are primarily distributed in the following regions:

Revenue	**2023**	**2022**
Europa	86 266	34 952
Asia/Australia/NZ	45 484	39 727
North America	3 662	135 870
UAE	95 476	10 913
Africa	12 842	11 279
USA	147 662	159
South America	4 803	3 842
India	177 556	149 013
Norway	1 335	1 165
Other	-	584
Total revenue	**575 086**	**387 503**

In addition to generating NOK 4.5 million in revenue in North America, Intellilift and Techano Oceanlift each contribute 100 percent of their revenue from Europe and Norway. Syncrolift is responsible for the remaining revenue from other geographical areas. Sales are allocated based on the customer's country of domicile. Since revenue is project based, historic geographical allocation will not be representative for business going forward.

During 2023 Syncrolift has three customers that each accounted for more than 10 percent of the consolidated revenue.These customers generated revenue of NOK 121 million, NOK 97 million and NOK 93 million respectively. In 2022 the revenue from the same customers was NOK 83 million, NOK 3 million and NOK 138 million.

Note 2 Revenue

Amounts in NOK 1000

Revenue streams

Description of revenue streams are presented under "Accounting principles" in section 2.20.

	2023	2022
Revenue from construction contracts recognised over time	515 502 [1)]	315 350
Revenue from construction contracts recognised point in time	-	-
Sale of spareparts	50 002	-
Revenue from service contracts	9 161	67 788
Other operating revenue	422	4 365
Total revenue	**575 086**	**387 503**

1) Includes revenue for service contracts recognised over time

Contract balances

	2023	2022
Trade receivable	85 269	106 875
Contract assets	144 007	113 616
Contract liabilitites	39 002	42 418

Customer contract assets relate to consideration for work completed, but not yet invoiced at the reporting date. The contract assets are transferred to trade receivables when the right to payment become unconditional, which usually occurs when invoices are issued to the customers. Contracts liabilities relates to advance consideration received from customer on work not yet completed. This is classified as prepayments from customer in the consolidated statement of financial position. Contract liablilities reported on the balance sheet as of 2022 has all been recognised as revenue in 2023 (for 2022 MNOK 29).

Disaggregation of revenue from contracts with customers

Revenue from contracts with customers is disaggregated by primary geographical market under segment information in note 1.

Transaction price allocated to the remaining performance obligation

The following table shows the remaining performance obligation on committed projects:

	2023	2022
Contracted revenue projects and long-term service contracts	1 821 048	1 510 943
Accumulated Revenue recognised per 31 December	1 017 562	686 991
Aggregated amount of the transaction price allocated to unsatisfied performance obligation	803 486	823 952

Production time for typical shiplifts projects are up to 48 months, hence revenue allocated to the remaining performance obligation is expected to be recognised within the next 48 months. Service contracts has been entered into for a period of up 20 years. The typical service agreement is 1-3 years.

Note 3 Inventories

Amounts in NOK 1000

	2023	2022
Spareparts	8 996	1 145
Work in progress	3 341	1 172
Obsolescence	-476	-
Total inventories	**11 861**	**2 317**

Note 4 Payroll expenses and employee information

Amounts in NOK 1000

Payroll expenses	**2023**	**2022**
Salaries	89 764	59 489
Employer's social security contribution	13 725	9 530
Pension cost	6 197	5 604
Other benefits	4 126	3 671
Total payroll expenses	**113 812**	**78 294**
Number of employees at the end of the year	**92**	**73**

Board remunerations [1]		**2023**	**2022**
Trym Skeie	Board member since 06.2008.	550	500
Gisle Rike [2]	Board member since 06.2015.	347	315
Ingunn Svegården [3]	Board member since 10.2019 - 05.2023	347	315
Marit Solberg	Board member since 10.2019	347	315
Trine Ulla	Board member since 06.2023	-	-
Håkon Andre Berg	Board member since 06.2023	-	-
Total		**1 591**	**1 445**

1) The Annual General Meeting determines the remuneration to the Board and nomination commitee from one General Meeting to the next. For the financial year 2023, the reported remuneration is related to the remuneration paid in 2023 based on the amounts determined by the Board at the Annual General Meeting for 2022.
2) Gisle Rike represents Rasmussengruppen and the Board fee is paid to Rasmussengruppen.
3) Ingunn Svegården was replaced by Trine Ulla at the general meeting 31.05.2023.

The Board has not received any remuneration beyond Director's fee. No loans or severance pay is given to the Directors.

Nomination committee remuneration

Nekkar's nomination committee comprised of the following members: Anne Grethe Ellingsen (Chair) and Ditlef de Vibe. The nomination committee remuneration paid in 2023 was TNOK 67 for the Chair and TNOK 40 for the member, a total of TNOK 107.

Statement regarding the stipulation of remuneration and other benefits for the CEO and other executives

Regarding Group management, Nekkar ASA's remuneration policy is based on offering competitive terms. Remunerations should reflect that Nekkar is a listed company with an international focus. The annual remuneration is based on Group managements part-taking in the results generated by the company and the added value for shareholders through increased company value.

Remuneration consists of two main components; Base salary and bonus.

- Base salaries is intented to be competetive and motivating, but in line with general market terms.
- Bonus for the CEO and other executives is determined on the basis of target results and on individual targets. Bonus targets are revised annually and is limited to 50 percent of base salary for the CEO and other executives. Bonus payments reported in 2023 is based on the evaluation of the relevant performance criteria for the fiscal year ending 31 December 2023. Bonus payments are based on individual employment contracts. A bonus provision of MNOK 3,7 is included in other current liabilities per 31 December 2023 for the CEO and other executives based on the 2023 targets. The final bonus payment is to be approved by the board.

Senior executives have notice six months, and severance pay periods of up to six months. Reference is made to remuneration report for further details.

Remuneration and other benefits for the CEO and other senior executives employed during 2023

Amounts in NOK 1000

Name	Position	Base salary	Other benefits	Bonus paid	Pension cost
Ole Falk Hansen	CEO	3 022	22	579	168
Preben Liltved	COO (to 6.2023)	934	12	194	172
Rolf-Atle Tomassen	General Manager Syncrolift AS	1 967	38	580	195
Mette Harv	EVP Impact Technology Ventures	1 843	23	392	186
Marianne Voreland Ottosen	Head of finance	1 259	14	276	151
Petter Brøvig	Head of strategy	1 065	14	69	121

Remunerations	Taxable remuneration
Other benefits	Board remuneration, sing-on fee, car, group life insurance, phone, newspaper, etc.
Bonus paid	Bonus paid to employee in current year

Remuneration of Auditor	2023	2022
Statutory audit	1 847	1 294
Other attestation services	11	75
Other non-audit service	-	108
Total	**1 858**	**1 477**

Note 5 Pensions

Amounts in NOK 1000

The Group have established pension plans in accordance with local practice and law regulations. In general Nekkar has set up defined contribution plans for all employees. Annual contribution paid during the year is expensed when incurred.

Reference is made to the remuneration report for further details.

	2023			2022		
Total pension cost	**Insured**	**Uninsured**	**Total**	**Insured**	**Uninsured**	**Total**
+ Defined contribution plan	6 197	-	6 197	5 604	-	5 604
= Total pension cost	**6 197**	**-**	**6 197**	**5 604**	**-**	**5 604**
- of which recognised as payroll cost	6 197		6 197	5 604		5 604
- of which recognised as finance cost	-	-	-	-	-	-

Note 6 Fixed assets

Amounts in NOK 1000

	Right-of-use asset	Furniture, office-equipment, etc.	Starfish down-scaled pilot version	Total
2022 Financial year				
Book value as of 1.1.	5 804	9 627	4 812	20 243
PPA Intellilift	-	-	-	-
Additions	-	2 427	-	2 427
Disposals	-	-	-	-
Depreciation, amortisation and impairments	-1 394	-2 245	-4 812	-8 451
Book value as of 31.12.2022	**4 409**	**9 808**	**-**	**14 219**
Acquisition cost 31.12.	8 429	38 463	5 500	52 392
Accumulated depreciation and impairments as of 31.12.	-4 020	-28 652	-5 500	-38 171
Book value as of 31.12.2022	**4 409**	**9 809**	**-**	**14 219**
2023 Financial year				
Book value as of 1.1.	4 409	9 809	-	14 219
Additions	12 043	1 906		13 949
Disposals	-	-	-	-
Depreciation, amortisation and impairments	-2 911	-2 528	-	-5 439
Book value as of 31.12.2023	**13 541**	**9 186**	**-**	**22 727**
Acquisition cost 31.12.	20 472	40 368	5 500	66 341
Accumulated depreciation and impairments as of 31.12.	-6 931	-31 181	-5 500	-43 611
Book value as of 31.12.2023	**13 541**	**9 188**	**-**	**22 728**

Undiscounted lease liabilities and maturity of cash outflows [1]	
Lease payments 2024	4 374
Lease payments 2025-2026	7 019
Lease payments 2026 >	3 948
Total undiscounted lease liabilities at 31.12.2023	**15 341**

1) The lease liability does not included the 5 yr option period for the offices in Syncrolift. Yearly KPI adjustments are included in the rental contract, however not included in the calculation of lease liability. When calculating the Right-of-use asset, a discount rate of 6,26% is applied.

Note 7 Intangible assets and goodwill

Amounts in NOK 1000

	Customer portfolio	Patents, licences etc	Digital Solutions	Development costs	Technology assets	Goodwill	Total
As of 31.12.2022							
Acquisition cost 31.12.	10 241	534	7 241	46 088	3 300	16 643	84 047
Accumulated depreciation and amortisation as of 31.12.	-5 294	-465	-2 037	-334	-1 238	-	-9 368
Book value as of 31.12.2022	**4 947**	**69**	**5 205**	**45 753**	**2 062**	**16 643**	**74 678**
2023 Financial year							
Book value 1.1.	4 947	69	5 205	45 753	2 062	16 643	74 678
Additions	-	-	-	22 946	-	406	23 352
Government grants	-	-	-	-7 340	-	-	-7 340
Acquisitions	-	749	-	-	-	-	749
Disposals	-625	-	-	-21 340	-	-	-21 965
Depreciation and amortisation	-318	-128	-1 088	-327	-330	-	-2 191
Book value as of 31.12.2023	**4 004**	**690**	**4 117**	**39 693**	**1 732**	**17 049**	**67 284**
Useful life (years)	20 years	5-10	5-7	5-10	10 years	Infinite	
As of 31.12.2023							
Acquisition cost 31.12.	10 241	1 283	7 241	61 694	3 300	17 049	100 808
Accumulated depreciation and amortisation as of 31.12.	-6 237	-593	-3 125	22 001	-1 568	-	-33 524
Book value as of 31.12.2023	**4 004**	**690**	**4 117**	**39 693**	**1 732**	**17 049**	**67 284**

Development cost includes capitalised development cost of MNOK 14 related to a SOV package containing a gangway and 3D compensated crane, MNOK 0.8 on SkyWalker, MNOK 3.2 on the closed fish cage solution Starfish and MNOK 2.7 regarding project InteliWell and robotic driller in Intellilift. Total government grants received on these projects amounts to MNOK 7.4 in 2023.

Technology assets and goodwill relates to the acquisitions of Intellilift AS in 2019, and the acquisition of Techano Oceanlift AS in 2023.

Allocation of goodwill and impairment assessment

Recognised goodwill relates to the acquisition of Intellilift which amounts to MNOK 16.6 and the Techano Oceanlift acqusition in March 2023, totaling to MNOK 0.4, resulting in a combined value of MNOK 17.1 as of 31 December 2023. Included in goodwill is the value of employees with special skills and expected synergies with the existing business of Nekkar. These intangible assets do not fulfil the recognition criteria under IAS 38 and are therefore not recognised separately. Reference is made to note 21 Business Combinations.

In accordance with IAS 36, goodwill is not amortised, but is tested for impairment at least annually, or when there are indications of impairment. Nekkar performed its annual impairment test in December 2023.

Goodwill is tested for impairment by groups of cash generating units (CGU) and Intellilift is assessed as one CGU. As of 31 December 2023, the recoverable amount of the CGU has been determined based on a value in use calculation using cash flow projections from the 2023 budget and a total forecast period of 5 years. The pre-tax discount rate applied to the cash flow projections is 15.7 percent and the cash flows beyond the five-year period are extrapolated using a 1.5 percent growth rate.

The impairment test indicated that the recoverable amount exceeds the book value of the CGU, hence no impairment is recognised as per 31 December 2023. The value in use is based on several key assumptions and is most sensitive to the following:

- Discount rate (WACC)
- Gross margins
- Growth assumptions in cash flow projections
- Terminal growth rate

No reasonable possible change in key assumption could lead to impairment.

	2023	2022
Goodwill Techano Oceanlift	406	-
Goodwill Intellilift	16 643	16 643
Total	**17 049**	**16 643**

Development costs

The Group performed its impairment assessment in December 2023. The recoverable amount has been determined based on a value in use calculation using five-year cash flow projections. The impairment test indicated that the recoverable amount exceeds book value, hence no impairment is recognised as per 31 December 2023.

Note 8 Subsidiaries

The following subsidiaries are basis for the consolidated accounts 31.12.23:

Subsidiary of Nekkar ASA	Registered office	Acquisition year	Ownership	Voting share	Local currency	Functional currency	Share capital in local currency
Syncrolift AS	Vestby, Norway	1994	100%	100%	NOK	NOK	1 045 000
Nekkar Invest AS	Kristiansand, Norway	2018	100%	100%	NOK	NOK	60 000
Nekkar SkyWalker Onshore AS	Kristiansand, Norway	2022	100%	100%	NOK	NOK	30 000
Techano Oceanlift AS	Kristiansand, Norway	2023	90%	90%	NOK	NOK	505 051

Subsidiary of Syncrolift AS	Registered office	Acquisition year	Ownership	Voting share	Local currency	Functional currency	Share capital in local currency
Syncrolift Inc	USA	2019	100%	100%	USD	USD	-
Syncrolift South East Asia	Singapore	2019	100%	100%	SGD	SGD	-
Syncrolift Private Ltd	India	2023	80%	80%	INR	INR	5 000 000
Syncrolift Australia PTY LTD	Australia	2023	100%	100%	AUD	AUD	-

Subsidiary of Nekkar Invest AS	Registered office	Acquisition year	Ownership	Voting share	Local currency	Functional currency	Share capital in local currency
Intellilift AS	Kristiansand, Norway	2019	51%	51%	NOK	NOK	101 321

Subsidiary of Intellilift AS	Registered office	Acquisition year	Ownership[1]	Voting share[1]	Local currency	Functional currency	Share capital in local currency
Intellirob AS	Kristiansand, Norway	2019	100%	100%	NOK	NOK	30 000

Note 9 Trade and other receivables

Amounts in NOK 1000

Trade receivables	2023	2022
Trade receivables	104 841	119 842
Loss provisions	-19 571	-12 967
Net trade receivables	**85 270**	**106 875**

Trade receivables (gross) per currency:	2023	2022
EUR	21 044	14 186
USD	69 673	85 725
NOK	12 806	4 671
SGD	1 317	2 293
NOK	-	-
Total	**104 840**	**106 875**

For additional information on accounts receivables and associated risks, see Accounting Principles and sections 2.8, 3.1 and 4 and Note 19.

Other short-term receivables	2023	2022
VAT	2 239	5 866
Prepayments	2 543	819
Prolonging of effective hedge relationship	-	137
Other receivables	1 604	302
Other short-term receivables	**6 388**	**7 127**

For accrued, not invoiced revenue, see Note 2 Revenue.

For receivables relating to derivatives and hedge accounting, see Note 17 Derivatives.

Note 10 Equity accounted investments

Amounts in NOK 1000

Nekkar holds the following equity accounted investmens as per 31.12.2023. Such investments are defiend as related parties to Nekkar. Associated companies are entities where the Group has significant influence, but not control. Significant influence is assumed to exist when the Group has between 20 percent to 50 percent of the voting rights in a company. The Group holds an ownership and voting right of 39 percent and is assesed to be an assosiated company.

Affiliated comapany of Nekkar ASA	Registered office	Acquisition year	Ownership	Voting share
Fiizk Topco AS	Trondheim, Norway	2023	39%	39%

Equity accounted investments	Fiizk Topco AS	Total
Opening balance 1.1.2023	-	-
Acquisitions	53 764	53 764
Share of profit/loss (net of withholding tax)	-7 083	-7 083
Dividends (net of withholding tax)	-	-
Currency effect	-	-
Closing balance 31.12.2023 [1,2]	**46 681**	**46 681**

1) Included in the balance sheet as of 31.12.2023 is a goodwill of NOK 28,4 million.
2) Nekkar also has a minor carrying value booked under the equity method associated with Inteliwell.

Nekkar became a shareholder in FiiZK Topco in September 2023. FiiZK develops and delivers solutions for closed/semi-closed fish farms based on internally developed technology. In 2023, the FiiZK group underwent a restructuring, both legally, organisationally, and financially. As part of this process, the technology originally developed within FiiZK Group, FiiZK Closed Systems, and FiiZK Holding (Certus technology) was acquired by FiiZK AS, simultaneously transferring employees in autumn 2023. Additionally, the companies FiiZK Digital AS and FiiZK Protection AS were divested.

As part of the Shareholder Agreement for FiiZK Topco AS, Nekkar has a right, but no obligation, to acquire all the shares in FiiZK Topco AS from the other shareholders. The call option may be exercised from 14-28 June 2024, and may be postponed yearly, whereby 14-28 June 2026 shall be the last possible Exercise Period. The purchase price shall be determined as the fair value at the time the call option is exercised

In conjunction with the restructuring, the ownership structure of the FiiZK group changed, with Nekkar ASA becoming a major shareholder (39%) through an issuance of NOK 25 million, a contribution in kind of Starfish worth NOK 25 million, and transaction cost of NOK 3.76 million totaling NOK 53.76 million. Nekkar, in parallel with FiiZK, has developed closed fish farm technology (Starfish technology). Starfish AS, consisting of the technology but no employees, became part of the FiiZK group and changed its name to FiiZK Technology AS in autumn 2023. Starfish was prior to the aquisition of FiiZK acoounted for as an intangible asset. Since then, work has been underway to develop ‘Closed Fish Farm 2.0’ based on the combined technological expertise in the field. The FiiZK group consists of the legal entities: FiiZK Digital AS, FiiZK Technology AS, FiiZK Protection AS and FiiZK AS (in 2024 renamed to FiiZK Aquaculture Systems AS).

As Starfish was utilised as a contribution in kind in the FiiZK transaction, Nekkar recognized a gain of 3.6 million in 2023.

Fiizk Topco AS	Dec 2023
Current asset	64 459
Non-current assets	164 121
Current liabilities	117 815
Non-current liabilities	78 347
Net assets	**32 418**
Revenue from sales	29 992
Other revenue	5 659
Loss for the period since acquisition	**-15 641**

The table above shows figures that appear in the financial statements of FiiZK Topco AS. Only minor adjustments have been made to the numbers for IFRS purposes in Nekkar's group reporting.

Note 11 Assets pledged as security and guarantees

Amounts in NOK 1000

Nekkar ASA has no interest bearing debt, however certain facilities with Nordea Norge ASA are established.

Nekkar has the following credit facilities through its facilitators:

	2023		2022	
	Limit	Drawn	Limit	Drawn
Guarantee limit for Group (Nordea)	290 000	164 363	290 000	200 897
Overdraft facility (Nordea)	100 000	-	100 000	-
Revolving Credit facility (Nordea)	100 000	-	100 000	-

The finance agreements include pledges of plant and machinery, inventory and accounts receivables in Nekkar ASA, Techano Oceanlift AS and Syncrolift AS. The guarantee limit is utilised by Nekkar ASA, Techano Oceanlift AS and Syncrolift AS and cover payment guarantee, performance bonds, advance payment bonds and tax guarantees.

Under the new credit facilities established in 2022, the financial covenants are a debt ratio based on net debt/EBITDA and an equity ratio based on equity/total assets.

- The company’s debt ratio shall not exceed 2,5 times the EBITDA and is calculated from the consolidated total interest bearing debt to the consolidated EBITDA.
- Equity ratio shall not be lower than 35 percent, calculated from the consolidated total equity to consolidated total assets.

The covenants also include a term related to Nekkar maintaining its 100 percent ownership in Syncrolift AS. The covenants are monitored on a regular basis to ensure compliance with the credit agreements which are tested and reported on a quarterly basis. Nekkar was in compliance with its covenants as of 31 December 2023.

.

For the above mentioned facilities the following assets have been pledged as collateral to Nordea:

Assets pledged as collateral for secured debt:	2023	2022
Account/Group receivables	77 588	125 947
Inventory/Work in progress, including non-invoiced production	151 706	125 035
Property, plant and equipment	9 068	8 995
Assets pledged as collateral *	**238 362**	**259 976**

* Assets pledged as collateral only includes Nekkar ASA, Syncrolift AS and Techano Oceanlift AS. The pledged assets are presented in the balance sheet under the differenct categories. In addition, investments in subsidiaries and intercompany balances and loans are eliminated in the group accounts.

Note 12 Share capital and shareholder information

Amounts in NOK

Date	Number of shares	Nominal value	Share capital
31.12.2023	107 427 112	0.11	11 817
31.12.2022	106 780 334	0.11	11 746

In 2023 there was an increase in share capital of NOK 71 146 and an increase in share premium of NOK 3 287 354.

The capital increase was related to a share purchase program where 646 778 shares were issued.

Dividends paid and proposed:	2023	2022
Dividend declared and paid during the year: per share	-	-
Dividend proposed: per share	-	-
Repayment of issued equity: NOK per share	-	-

Treasury shares:	Number of shares	Share capital (NOK 1 000)
Treasury shares as of 01.01.2022	6 632	1
Purchase/(sale) of treasury shares 2022	-	-
Treasury shares as of 31.12.2022	**6 632**	**1**
Purchase/(sale) of treasury shares 2023	1 392 333	153
Treasury shares as of 31.12.2023	**1 398 965**	**154**

On August 29th Nekkar announced its decision to initiate a share buy-back programme. The share buy-back programme is executed in accordance with the authorisation granted to the Board of Directors by the Annual General Meeting of Nekkar held on 30 May 2023. The program will be used for corporate purposes in accordance with the above-mentioned authorisation.

Nekkar currently holds 1,398,965 of its own shares, representing 1.3 percent of the company’s total shares. The total transaction value for the purchased treasury shares in 2023 amounted to NOK 11.3 million

Principal shareholders of Nekkar ASA as of 31.12.2023:	Number of shares	Ownership	Voting share [4]
Shareholder			
Skeie Teknologi AS [1,3]	31 475 823	29.3%	29.7%
Rasmussengruppen AS	11 512 506	10.7%	10.9%
MP Pensjon Pk	5 126 303	4.8%	4.8%
Tigerstaden AS	5 000 000	4.7%	4.7%
Nordnet Bank AB	4 994 006	4.6%	4.7%
DNB Bank ASA	4 053 000	3.8%	3.8%
Avanza Bank AB	3 953 850	3.7%	3.7%
Hatle AS	2 755 361	2.6%	2.6%
Vinterstua AS	1 570 279	1.5%	1.5%
Seb Cmu/Secfin Pooled Account	1 520 528	1.4%	1.4%
Skeie Consultants AS [2]	1 507 243	1.4%	1.4%
Itlution AS	1 475 261	1.4%	1.4%
Nekkar ASA	1 365 965	1.3%	1.3%
Skeie Kappa Invest AS [3]	1 204 828	1.1%	1.1%
Patronia AS	1 014 429	0.9%	1.0%
Alundo Invest AS	1 000 000	0.9%	0.9%
Jæderen AS	896 330	0.8%	0.8%
Sedal	810 000	0.8%	0.8%
Avant AS	744 034	0.7%	0.7%
Citibank Europe Plc	675 037	0.6%	0.6%
Total, 20 largest shareholders	**82 654 783**	**76.9%**	**78.0%**
Own shares	1 398 965	1.3%	0.0%
Total other	23 373 364	21.8%	22.0%
Total	**107 427 112**	**100.0%**	**100.0%**

1) Shares owned or controlled by the Skeie family, and companies directly or indirectly controlled by them, holds 34 701 181 shares representing 32,5% of total shares.

2) Shares owned or controlled by Bjarne Skeie, and companies directly or indirectly controlled by him, holds 1 507 243 shares representing 1,4% of total shares.

3) Trym Skeie holds 513 287 shares in person and 1 204 828 through Skeie Kappa Invest AS. Total shares owned or controlled by Trym Skeie, and companies directly or indirectly controlled by him, is 1 718 115, representning 1,6% of total shares.

4) Voting portion are calculated after eliminating shares held by Nekkar ASA

Shares, share options and convertion rights owned or controlled by Board members, Group executives and their relatives:

	Shares		
	31.12.2023	31.12.2022	31.12.2021
Board			
Trym Skeie [1)]	1 718 115	1 669 970	1 632 939
Marit Solberg	127 140	96 809	73 479
Group Executives			
Ole Falk Hansen [2)]	296 601	200 311	-
Marianne Voreland Ottosen	19 258	-	-
Petter Brøvig [3)]	96,290	-	-
Mette Harv	249 991	198 765	198 765

1) Trym Skeie holds 513 287 shares in person and 1 204 828 through Skeie Kappa Invest AS. Total shares owned or controlled by Trym Skeie, and companies directly or indirectly controlled by him, is 1 718 115, representning 1,6% of total shares .
2) Ole Falk Hansen holds 296 601 shares through OFH Invest AS.
3) Petter Brøvig holds 96 290 shares through Pimlico AS.

On 30 May 2023, the Annual General Meeting adopted a resolution to give the Board general authority to issue a maximum of 21,485,422 shares against cash or non-monetary redemption, including merger related activities to acquisitions of business or assets within the same or corresponding business sector as the company. This authorisation is valid until the next Annual General Meeting and latest on 30 June 2024. No shares have been issued on the basis of this authorisation in 2023.

On 30 May 2023, the Annual General Meeting adopted a resolution to give the Board authority to issue a maximum of 2,820,058 shares against cash redemption for the benefit of the company's executive management and Board members. This authorisation is valid until the next Annual General Meeting and latest on 30 June 2024. After 30 May 2023, 646,778 shares have been issued in relation to the share purchase programme.

On 30 May 2023, the Annual General Meeting adopted a resolution to give the Board authority to buy own shares of up to 10 percent of the face value of the share capital of the company. The Board decides aquisition method, at a price between 1 to 25 NOK. This authorisation is valid until the next Annual General Meeting and latest on 30 June 2024. 1,392,333 shares have been bought back on the basis of this authorisation in 2023, at a total value of NOK 11,313,981.

Note 13 Tax

Amounts in NOK 1000

Deferred tax assets related to losses which can be carried forward for tax purposes, are reported if the management believes it is likely that the company can use these against expected taxable income for the upcoming five years. Tax asset of MNOK 0 (2022: MNOK 7) have been recognised as per 31 December 2023.

Intellilift AS, which is held by 51 percent by Nekkar ASA, is not part of the Norwegian tax group.

The following criteria have been applied to assess the likelihood of taxable income against which unused tax losses may be utilised:

- the Group has sufficient temporary differences
- the entities is expected to have taxable profits. Tax losses carried forward do not expire within the Norwegian tax system.
- tax losses are induced by specific identifiable causes
- the Group do not carry any uncertainty over income tax treatments

Deferred tax liabilities and deferred tax assets are netted if the Group has a legal right to offset deferred tax assets against deferred taxes in the balance sheet, and if the deferred taxes are owed to the same tax authorities.

Income tax expense:	**2023**	**2022**
Payable tax on profit	1 512	1 568
Change in deferred tax*)	24 443	8 413
Changes in unrecognised deferred tax asset	-	-
Tax expense	**25 955**	**9 981**

*) Includes TNOK -73 related to deferred tax on excess values from the acquisition of Intellilift in 2019.

Reconciliation of the effective tax rate	**2023**	**2022**
Profit before tax	**109 264**	**42 634**
Expected income tax according to income tax rate in Norway (22%)	24 038	9 380
Permanent differences	550	351
Adjustment in tax in prior years	1 367	250
Tax expence in the profit and loss statement	**25 955**	**9 981**
Payable tax including witholding taxes	-	-
Effective tax rate	23.8%	23.4%

Tax payable in the balance sheet	2023	2022
Tax payable, (including withholding taxes)	1 512	1 571
Total tax payable in balance sheet at year end	**1 512**	**1 571**

Deferred tax assets:	2023	2022
Fixed assets	534	626
Projects under construction	-45 404	-19 967
Current assets	4 306	2 853
Other temporary differences / provisions	833	3 325
Tax losses to be carried forward	21 872	20 723
Gross deferred tax	**-17 859**	**7 560**
- Unrecognised tax losses	-	-527
Net recognised deferred tax	**-17 859**	**7 033**

Note 14 Earnings per share

Amounts in NOK 1000

Basic earnings per share

Basic earnings per share are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

	2023	2022
Net profit attributable to ordinary equity holders of the parent from total operations	83 309	31 839
Weighted average of issued shares excluding own shares	106 226	106 327
Earnings per share - total (NOK per share)	**0.78**	**0.30**

Diluted earnings per share:

There are no diluted effects in 2023.

Share structure	2023	2022
Issued number of shares	107 427 112	106 780 334
Own shares	1 398 965	6 632

Note 15 Other operating expenses

Amounts in NOK 1000

	2023	2022
Premises and office expenses	2 557	2 488
IT costs	5 147	4 384
Marketing and travel expenses	16 497	8 319
Consultancy and external services	12 720	11 640
Other expenses	4 499	5 951
Total other operating expenses	**41 420**	**32 781**

Note 16 Related parties

Nekkar ASA is the ultimate parent based and listed in Norway.

The subsidiaries (Note 8), members of the Board (Note 4) and members of the Senior Executive Group (Note 4), and affiliated company (note 10) are considered as related parties. Transactions between subsidiaries have been eliminated in the consolidation financial statements.

The Group has carried out various transactions with subsidiaries in 2023. All the transactions have been carried out as part of the ordinary business and on an arm's length basis. For the year ended 31 December 2023, the Group has not recorded any impairment of receivables relating to the amounts owed by related parties (2022: MNOK 0).

Nekkar has entered into a lease agreement for headquarter offices effective from April 2023 with Lumber Teknopark AS, which is ultimately owned 51 percent by Skeiegruppen AS. The contract term is 5 year and 6 months starting from April 2023, with an additonal five-year option. Total lease payments in 2023 was 2,043.

Impairment assessment is part of the annual evaluation with regard to the financial position of the related party, and the market in which the related party operates.

Information on Board and Senior Executive Group's shares are included in Note 12.

In 2019 Nekkar completed the acquisition of Intellilift AS and purchased 51 percent of the shares of the company. 21 percent of the shares were acquired from Skeie Consultants AS. Skeie Consultants AS, which is owned by primary insiders of Nekkar ASA, holds 19.9 percent of the shares in Intellilift AS as per 31 December 2023.

Note 17 Derivatives

Amounts in NOK 1000

	2023			2022		
Forward currency contracts - Market values	**Assets**	**Liabilities**	**Net market value**	**Assets**	**Liabilities**	**Net market value**
Forward currency contracts - effective hedging contracts	-	-	-	-	-27	-27
Forward currency contracts - ineffective hedging contracts - included in other liabilities/assets [1)]	20 623	-482	20 141	61	-7 232	-7 171
Forward currency contracts - market value	**20 623**	**-482**	**20 141**	**60**	**-7 260**	**-7 198**

Maturity distribution of currency contracts and MTM:	**Total MTM values**	**Total MTM values**
Within 3 months	7 716	-1 907
> 3 months, < 6 months	2 524	-2 080
> 6 months, < 9 months	2 920	-3 065
> 9 months, < 12 months	3 954	-135
> 12 months, < 24 months	3 026	-11
> 24 Months	0	0
Total	**20 141**	**-7 198**

1) FX contracts designed for hedging, but do not qualify for hedge accounting.

Nominal value currency contracts, original currency	**2023**		**2022**	
Amounts in CUR 1000	**Sold**	**Bought**	**Sold**	**Bought**
NOK	-	294 975	34 725	312 892
USD	22 600	-	31 606	-
EUR	4 100	-	1 107	3 300
SGD	-	-	-	-

Other balance sheets effects	**2023**	**2022**
FV of firm commitment, classified as other receivable	-	-27
FV of firm commitment, classified as other short term debt	-	-
Capitalised cost relating to prolonging of effective hedge relationship, classified as other receivables	-	137

Forward currency contracts

Derivatives are recognised at fair value on the contract date. The value is adjusted to fair value at the end of each balance sheet date. The value is set to observable market price, Note 20. The changes in the fair value of derivatives are recognised in the P&L as financial income or expense.

The asset or liability being hedged is contractual income or cost related to production cost. The hedged asset or liability represents, among other things, the part of the contractual income or cost that has not been invoiced on the balance sheet date, or where invoices have not been received from the supplier.

For additional information on foreign currency and appurtenant risks, please refer to Accounting principles, and see section 2.8 and 3.1.

Note 18 Financial items and foreign currency gains/losses

Amounts in NOK 1000

	2023	2022
Interest income	12 662	4 884
Agio	6 847	12 037
Other financial income	4 590	-
Financial income	24 099	16 921
Interest expenses	6 647	3 437
Disagio	-	27 052
Other financial expenses	2 178	622
Loss in equity accounted investments	7 083	-
Financial expenses	15 907	31 111
Net finance	**8 191**	**-14 190**

Note 19 Provisions and other accruals

Amounts in NOK 1000

	2023	2022
Accrued wages and salaries	10 625	8 632
Accrued holiday pay	8 084	5 957
Provision for warranty	3 310	7 929
Other accrued expenses	13 628	24 399
Total provisions and other accruals	**35 647**	**46 918**

	Provision for warranty	
DEVELOPMENT OF SIGNIFICANT PROVISIONS	**2023**	**2022**
Balance as of December 31, 2022	7 929	26 577
New provision	1 490	2 644
Provision utilised	(2 688)	(4 080)
Provision reversed	(3 421)	(17 213)
Balance as of December 31, 2023	**3 310**	**7 929**

A warranty provision is recognised for expected claims on installations delivered during the year. A total warranty provision of MNOK 3 have been recognised as per 31 December 2023.

There is an inherent uncertainty related to the amount of future warranty claims - however based on management's judgments of possible outcomes, a general warranty provision in the region of 2 percent of the contract value on delivered new building projects have been applied. It is expected that these costs will be incurred during the guarantee period for the respective deliveries, which normally vary from 12-36 months.

Risk related to the estimates that form the basis for the book values are further described in Accounting principles, under sections 2.16 and 4.

Note 20 Financial risk management

Amounts in NOK 1000

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Financial assets and liabilities are described in Accounting Principles, under sections 2.8, 2.9, 2.10, 2.12, 2.13 and 2.14.

Risks associated with the underlying estimates of the recognised values and financial risk management is described in Accounting Principles, ref section 3.   .

Classification of financial assets	Financial derivative contracts not designated for hedging / ineffective hedges	Financial derivative contracts designated for hedging	Loans, cash and receivables	Total
2023				
Non current financial assets:				
Shares available for sale	-	-	-	-
Other receivables	-	-	-	-
Financial current assets:				
Trade receivables	-	-	85 270	85 270
Other current receivables	-	-	6 387	6 387
Accrued, non-invoiced production	-	-	144 007	144 007
Derivatives[1]	20 144	-		20 144
Prepayment to suppliers	-	-	194 162	194 162
Cash and cash equivalents	-	-	429 826	449 970
Total financial assets	**20 144**	**-**	**408 898**	**408 898**
2022				
Non current financial assets:				
Shares available for sale	-	-	-	-
Other receivables	-	-	-	-
Financial current assets:				
Trade receivables	-	-	106 875	106 875
Other current receivables	-	-	7 126	7 126
Accrued, non-invoiced production	-	-	113 616	113 616
Derivatives[1]	-	-		-
Prepayment to suppliers	-	-	-	-
Cash and cash equivalents	-	-	181 281	181 281
Total financial assets	**-**	**-**	**408 898**	**408 898**

1) Fair value of financial liabilities: The Group's derivatives consist of forward currency contracts. Fair value of forward currency contracts is determined by utilising market-to-market rate on the balance-sheet date as stated by the Group's bank. Fair value relating to non-current debt is considered approximately equal to carrying value, as loans are given at market terms and with a floating rate.

Classification of financial liabilities:	Financial derivative contracts not designated for hedging / ineffective hedges	Financial derivative contracts designated for hedging	Other financial liabilities	Total
2023				
Non-current financial liabilities				
Interest-bearing non-current debt	-	-	-	-
Current financial liabilities				
First year instalment of non-current debt	-	-	-	-
Interest-bearing current liabilities	-	-	-	-
Prepayments from customers	-	-	39 002	39 002
Derivatives [1]		-	-	-
Accounts payable and other short-term liabilities	-	-	103 542	103 542
Total financial liabilities	**-**	**-**	**142 544**	**142 544**
2022				
Non-current financial liabilities				
Interest-bearing non-current debt	-	-	-	-
Current financial liabilities				
First year instalment of non-current debt	-	-	-	-
Interest-bearing current liabilities	-	-	-	-
Prepayments from customers	-	-	42 418	42 418
Derivatives [1]	7 171	27	-	7 198
Accounts payable and other short-term liabilities	-	-	101 840	101 840
Total financial liabilities	**7 171**	**27**	**144 259**	**151 457**

1) Fair value of financial liabilities: The Group's derivatives consist of forward currency contracts. Fair value of forward currency contracts is determined by utilising market-to-market rate on the balance-sheet date as stated by the Group's bank. Fair value relating to non-current debt is considered approximately equal to carrying value, as loans are given at market terms and with a floating rate.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

	2023				2022			
	Overall	Level 1	Level 2	Level 3	Overall	Level 1	Level 2	Level 3
Assets measured at fair value								
Foreign exchange contracts - hedging	-	-	-	-	-	-	-	-
Foreign exchange contracts - non-hedging	20 144	-	20 144	-	-	-	-	-
Liabilities measured at fair value								
Foreign exchange contracts - hedging	-	-	-	-	27	-	27	-
Foreign exchange contracts - non-hedging	-	-	-	-	7 171	-	7 171	-

Note 21 Business combination

Amounts in NOK 1000

Acquisition and divestments in 2023

In March, Nekkar strengthened its presence within renewables and aquaculture through the acquisition of 90.1 percent of the total shares of Techano Oceanlift based in Kristiansand, Norway. The acquisition was financed in cash and the purchase consideration consisted of a cash payment of MNOK 2.7.

Techano Oceanlift's specialist competence includes the development and manufacturing of advanced load handling and lifting equipment, including cranes, winches, fish crowding systems, fish transfer systems, and offshore wind load handling cranes.

The Techano Oceanlift team proved during the second quarter that it will be a valuable addition to Nekkar. First, the company was awarded a EUR 4 million contract to deliver an offshore crane to a newbuild cable-lay support vessel (CLSV) that Sefine Shipyard is building for Norwegian shipowner Agalas. Under the contract, Techano Oceanlift will deliver a 70-tonnes offshore crane capable of performing both subsea installation and removal operations plus topside 3D compensated lifting operations in conjunction with wind farm developments and operations.

Secondly, Techano Oceanlift demonstrated its ability to deliver when the company in June successfully completed delivery and commissioning of the new and upgraded live fish transfer system provided to SalMar Aker Ocean's fish farm, Offshore Farm 1.

In December 2023, Techano Oceanlift was awarded an additional newbuild contract for a 170t crane to Sefine Shipyard for a contract value of EUR 6.5 million.

Opening balance Techano Oceanlift AS - 28.03.2023	
Goodwill	406 759
Other current assets	2 910
Cash	3 018 445
Total assets	**3 428 114**
Account payables	44 465
Public duties	50 698
Other current liabilities	332 948
Total liabilities	**428 111**

There was no result during the period from 1 January 2023 until the acquisition

Note 22 Non controlling interest (NCI)

Amounts in NOK 1000

The following table summarises the information relating to Nekkar ASA's subsidiaries that has material non controlling interest, before intra group eliminations. Non-current assets includes goodwill and technology assets arising from the PPA, totalt amount of MNOK 18.7.

2023

Number presented on 100% basis	Techano Oceanlift AS	Intellilift AS	Total
Non current assets	7 554	38 431	45 985
Current assets, excluding cash	22 152	14 937	37 089
Cash and cash equivalents	-6 550	939	-5 611
Non current liabilities	-	-381	-381
Current liabilities	-17 969	-8 972	-26 942
Net assets	5 186	44 954	50 140
Revenue	30 336	33 854	64 190
Profit after tax	2 020	3 807	5 828
Other comprehensive income (OCI)	-	-	-
Total comprehensive income	2 020	3 807	5 828
NCI percentage	**10%**	**49%**	**49%**
Net assets attributable to NCI	513	22 028	22 541
Profit after tax allocated to NCI	200	1 866	2 066
OCI allocated to NCI	-	-	-

2022

Number presented on 100% basis	Intellilift AS	Total
Non current assets	37 871	37 871
Current assets, excluding cash	8 422	8 422
Cash and cash equivalents	6 593	6 593
Non current liabilities	-951	-951
Current liabilities	-10 933	-10 933
Net assets	41 001	41 001
Revenue	22 634	22 634
Profit after tax	1 663	1 663
Other comprehensive income (OCI)	-	-
Total comprehensive income	1 663	1 663
NCI percentage	**49%**	**49%**
Net assets attributable to NCI	20 090	20 090
Profit after tax allocated to NCI	815	815
OCI allocated to NCI	-	-

Note 23 Contingent liabilities / Material disputes

Regular claims

Regular claims are made against the Group as a result of its ordinary operations. These claims are part of ordinary business and are generally covered by provisions for guarantee costs and contingencies in ongoing projects. Nekkar is of the opinion that recognised provisions will cover regular claims arising as part of ordinary business.

Syncrolift project claim

Syncrolift has finalised and delivered a shiplift and transfer system to a shipyard in South America in June 2022. The final 10 percent milestone invoice (MNOK 13.5) has not been paid by the customer, as the customer claim a project delay. Syncrolift has made a provisin of 50 percent (MNOK 6.68) of outstanding amount in relation to this claim. Synrolift still expect part of part of the payment to be recieved as no contractual right to hold back the payment has been found.

Note 24 Subsequent events

Events regarding Nekkar are as follows:

On 22 January 2024, Syncrolift AS was awared a contract for basic engineering design of a 5,000 tonnes shiplift and transfer system at its shipyard in Talcahuano, Chile. Syncrolift's engineering design scope for the shiplift and transfer system is valued at USD 5 million. The letter of award includes an option for a phase two equipment delivery of a Syncrolift shiplift and ship transfer system. This contract is valued at approximately USD 24 million and is subject to final investment decision by ASMAR.

On 4 March 2024, Syncrolifts AS was awarded a contract to deliver a package of ship transfer systems to specialised maritime zone Dubai Maritime City (DMC) in the United Arab Emirates. The contract value is USD 8 million.

Parent company financial statements

NEKKAR ASA PER 31 DECEMBER 2023

NOTES

Statement of profit and loss

For the year ended 31 December

Amounts in NOK 1000	Notes	2023	2022
OPERATING INCOME			
Intra-Group operating income		5 245	7 389
Operating income		422	-
Group service fee from subsidiaries	1	4 150	4 150
Total operating income		**9 816**	**11 539**
OPERATING COSTS			
Personnel cost	2, 3	34 990	38 347
Capitalised personel cost	2	-9 100	-11 600
Depreciation on tangible fixed assets	4	1 037	5 739
Other operating costs	2, 5	17 274	16 870
Total operating costs		**44 200**	**49 356**
Operating profit/-loss		**-34 384**	**-37 817**
FINANCIAL INCOME AND EXPENSES			
Income from investments in subsidiaries	1, 6	161 489	-
Interest income	6	6 128	2 835
Other financial income	6	4 957	405
Interest expenses	6	5 852	3 201
Other financial expenses	6	2 042	567
Net financial items		**164 679**	**-528**
Profit before tax		**130 295**	**-38 345**
Tax	7	-5 235	-8 031
Profit for the year		**135 530**	**-30 313**
Transferred to other equity		**135 530**	**-30 313**

Balance sheet
For the year ended 31 December

Amounts in NOK 1000	Notes	2023	2022
ASSETS			
NON-CURRENT ASSETS			
INTANGIBLE ASSETS			
Deferred tax assets	7	21 738	16 503
Intangible assets	4	8 405	23 254
Total intangible assets		**30 143**	**39 757**
FIXED ASSETS			
Furniture, office and computer equipment	4	4 285	4 128
Total fixed assets		**4 285**	**4 128**
FINANCIAL FIXED ASSETS			
Shares in subsidiaries	8	249 008	246 275
Investments in associated companies	8	53 763	-
Other receivables	6	878	-
Total financial fixed assets		**303 650**	**246 275**
Total non-current assets		**338 078**	**290 160**
CURRENT ASSETS			
CURRENT RECEIVABLES			
Trade receivables	9	527	13
Intra-group accounts receivable	1, 9	16 789	7 740
Other receivables	9	1 589	3 431
Other intra-group receivables	1, 9	100 000	-
Total current receivables		**118 905**	**11 184**
Bank deposits	12	160 547	172 168
Total current assets		**279 452**	**183 353**
Total assets		**617 530**	**473 512**

Balance sheet
For the year ended 31 December

Amounts in NOK 1000	Notes	2023	2022
EQUITY AND LIABILITIES			
EQUITY			
PAID UP EQUITY			
Share capital	13	11 817	11 746
Treasury shares	13	-153	-1
Share premium	13	9 206	5 919
Total paid up equity		**20 870**	**17 664**
RETAINED EARNINGS			
Other equity		419 627	295 240
Total retained earnings		**419 627**	**295 240**
Total equity		**440 497**	**312 904**
LIABILITIES			
OTHER NON-CURRENT LIABILITIES			
Liabilities to financial institutions		-	-
Total other non-current liabilities		**-**	**-**
CURRENT LIABILITIES			
Trade payables		3 761	4 659
Intra-group trade payables	1	255	5 775
Social security and employees` tax deduction		1 974	1 752
Other intra-group liabilities	1, 12	161 657	141 210
Other current liabilities	2, 6, 10	9 386	7 211
Total current liabilities		**177 033**	**160 608**
Total liabilities		**177 033**	**160 608**
Total equity and liabilities		**617 530**	**473 512**

Kristiansand, 29 April 2024
Board of Directors, Nekkar ASA

Trym Skeie
Chair of the Board

Gisle Rike
Director

Marit Solberg
Director

Trine Ingebjørg Ulla
Director

Håkon André Berg
Director

Ole Falk Hansen
CEO

Statement of change in equity

For the year ended 31 December

Amounts in NOK 1000	Share capital	Treasury shares	Share premium	Other equity	Total
Equity as of 1.1.2022	**11 714**	**(1)**	**3 863**	**325 554**	**341 131**
New share issued	32	-	2 056	-	2 088
Net profit for the year	-	-	-	(30 313)	(30 313)
Equity as of 31.12.2022	**11 746**	**(1)**	**5 919**	**295 240**	**312 904**
Equity as of 1.1.2023	**11 746**	**(1)**	**5 919**	**295 240**	**312 904**
New share issued	71	-	3 287	-	3 359
Change in treasury shares	-	(152)	-	(11 162)	(11 314)
Net profit for the year	-	-	-	135 548	135 548
Equity as of 31.12.2023	**11 817**	**(153)**	**9 206**	**419 627**	**440 497**

Statement of cash flow

For the year ended 31 December

Amounts in NOK 1000	Notes	2023	2022
CASH FLOW FROM OPERATING ACTIVITIES			
Net profit before tax		130 295	-38 345
Paid tax	7	-	-
Depreciation	4	1 037	5 739
Net interest received	6	-275	366
Change in current receivables and current liabilities		-112 450	2 419
Net cash flow from operating activities		**18 607**	**-29 821**
CASHFLOW FROM INVESTMENTS			
Investment i associated company	8	-25 000	-
Transacton costs related to investements	8	-3 763	-
Investments in subsidiaries	8	-2 733	-67 542
Expenditures of tangible and intangible assets	4	-11 805	-17 520
Proceeds to and repayment from intra-group loans		-	17 631
Net cashflow from investments		**-43 301**	**-67 431**
CASHFLOW FROM FINANCING			
Proceeds from group contribution		-	151 432
Proceeds from issuance of share capital	7	3 359	2 088
Net change overdraft facility / cash pool	12	20 446	-16 574
Treasury shares purchase	13	-11 009	-
Net interest paid	6	275	-366
Net cashflow from financing		**13 072**	**136 580**
EFFECTS OF EXCHANGE-RATE FLUCTUATIONS ON CASH AND CASH EQUIVALENTS			
Net change in cash and cash equivalents		-11 623	39 328
Cash and cash equivalents (opening balance)		172 168	132 839
Cash and cash equivalents (closing balance)		**160 547**	**172 168**
This consists of:			
Bank and cash pool deposits		160 547	172 168

Accounting principles
Nekkar ASA

The financial statements have been prepared in accordance with The Norwegian Accounting Act and generally accepted accounting principles in Norway.

Subsidiaries, associated companies
Subsidiaries and associates are valuated at cost, less any impairment losses. Impairment losses are reversed if the reason for the impairment loss disappears in a later period. Dividends, group contributions and other distributions from subsidiaries are recognised as financial income in the same year as they are recognised in the financial statement of the provider. If dividends / group contribution exceed withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the balance sheet for the parent company.

Operating income
Operating income includes income on delivered products and services granted over the year. The income is recognised once the delivery of services has taken place and most of the risk and return has been transferred.

Classification and valuation of balance sheet items
Current assets and short-term liabilities include items which fall due within one year, and items related to the operating cycle. Other balance sheet items are classified as fixed assets / long term liabilities.

Current assets are valued at the lower of cost and fair value. Short term liabilities are posted in the balance sheet at the nominal value at the time of initial establishment.

Fixed assets are valued at cost, less depreciation and impairment losses. Long term liabilities are posted in the balance sheet at the nominal value at the time of the initial establishment.

Accounts receivables and other receivables
Accounts receivable and other current receivables are recorded in the balance sheet at their nominal value less impairment provision on unsecured claims. Provisions on unsecured claims are made on basis of an individual assessment of the different receivables. A general loss provision on other receivables is estimated based on expected loss.

Short term investments
Short term investments are valued at the lower of acquisition cost and fair value at the balance sheet date. Dividends and other distributions are recognised as other financial income.

Property, plant and equipment
Property, plant and equipment is capitalised and depreciated linearly over the asset's estimated useful life. Costs for maintenance are expensed as incurred, whereas costs for improving and upgrading property, plant and equipment are added to the acquisition cost and depreciated with the related asset. If carrying value of non-current asset exceeds the estimated recoverable amount, the asset is impaired to the recoverable amount. The recoverable amount is greater of the net value and value in use. When assessing value in use a DCF-model on the cash flow from the asset are applied.

Pensions
Nekkar ASA has established a defined contribution plan for its employees.

Within the defined contribution plan the company pays a fixed contributions to a separate legal entity. The company has no legal or other obligation to pay further contributions if the insurance company does not have sufficient assets to pay all employee benefits relating to employee service in current and prior periods. Contributions are recorded as payroll expense in the financial statements.

The Group recognises the service cost of the pension plan as a payroll expense in the statement of profit and loss.

Taxes

The tax expense in the profit and loss accounts consists of the current tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as 22 percent of temporary differences and the tax effect of tax losses carried forward. Tax-increasing and tax-reducing temporary differences which are reversed, or could be reversed, during the same period are offset against each other and recorded as a net sum. Temporary changes are only assessed for the Norwegian companies. Deferred tax assets are recorded in the balance sheet when it is more likely than not that tax assets will be utilised.

Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

Foreign currency

Transactions in foreign currency are translated at the rate applicable on the transaction date. Monetary items in a foreign currency are translated into NOK using the exchange rate applicable on the balance sheet date.

Non-monetary items that are measured at their historical price expressed in foreign currency are translated into NOK using the exchange rate applicable on the transaction date. Non-monetary items that are measured at their fair value expressed in a foreign currency are translated at the exchange rate applicable on the balance sheet date.

Changes to exchange rates are recognised in the income statements as they occur during the accounting period.

Currency rates on year end which is basis for revaluation of balance sheet items are:

Currency rate	2023	2022
EUR	11.24	10.51
USD	10.17	9.86

Note 1 Related parties

Amounts in NOK 1000

Subsidiaries and associates (Note 8), members of the Board (Note 2) and members of the senior executive group are considered as related parties. Nekkar ASA is involved in various transactions with associated companies where all transactions are based on normal course of business and at arms length prices.

	2023	2022
SALES, ROYALTIES, SALES FEES, GROUP FEE:		
Subsidiaries, group fees	4 150	4 150
Dividends	61 489	-
Group contribution	100 000	-
RECEIVABLES		
Accounts receivables	16 789	7 740
Other short term receivables [1]	100 000	-
CURRENT LIABILITIES		
Accounts payable to subsidiaries	255	5 775
Other short term payables to subsidiaries [2]	161 657	141 210

1) Other short term receivables consist of group contribution from Syncrolift AS.
2) Other short term payables to subsidiaries includes Syncrolift AS' share of cash within the global cash pool (MNOK 161.6).

Chair of the Board, Trym Skeie, is also Chair and shareholder in Stimline AS. Nekkar ASA has acquired services from Stimeline AS of MNOK 0.1 during 2023.

The above mention transactions are based on normal course of business and are at arm's length prices. Information on the Board and senior executive group's shares are stated in Note 13.

Note 2 Personnel costs, number of employees, remunerations, loans to employees etc.

Amounts in NOK 1000

Payroll expense:	2023	2022
Salaries	27 024	32 210
Employer's social security contribution	4 108	2 682
Capitalised payroll expenses [1]	-9 100	-11 600
Pension costs	1 892	1 774
Other benefits	1 966	1 681
Total payroll expenses	**25 890**	**26 747**

1) Payroll expenses of MNOK 9.1 has been capitalised as Development costs in 2023 (Note 4)

	2023	2022
Number of average full-time employees	**17**	**14**

Board remunerations[1]		2023	2022
Trym Skeie	Board member since 06.2008.	550	500
Gisle Rike [2]	Board member since 06.2015.	347	315
Ingunn Svegården [3]	Board member since 10.2019 - 05.2023	347	315
Marit Solberg	Board member since 10.2019	347	315
Trine Ulla	Board member since 06.2023	-	-
Håkon Andre Berg	Board member since 06.2023	-	-
Total		**1 590**	**1 445**

1) The Annual General Meeting determines the remuneration to the Board and nomination commitee from one General Meeting to the next. For the financial year 2023, the reported remuneration is related to the remuneration paid in 2023 based on the amounts determined by the Board at the Annual General Meeting for 2022.
2) Gisle Rike represents Rasmussengruppen AS and the Board fee is paid to Rasmussengruppen AS.
3) Ingunn Svegården was replaced by Trine Ulla at the general meeting 31.05.2023.

The Board has not received any remuneration beyond Director’s fee. No loans or severance pay is given to the Directors.

Nomination committee remuneration

Nekkar’s nomination committee comprised of the following members: Anne Grethe Ellingsen (Chair) and Ditlef de Vibe.

The nomination committee remuneration paid in 2023 was TNOK 67 for the Chair and TNOK 40 for the member, a total of TNOK 107.

Statement regarding the stipulation of remuneration and other benefits for the CEO and other executives

Regarding Group management, Nekkar ASA's remuneration policy is based on offering competitive terms. Remunerations should reflect that Nekkar is a listed company with an international focus.

The annual remuneration is based on Group managements part-taking in the results generated by the company and the added value for shareholders through increased company value.

Remuneration consists of two main components; Base salary and bonus.

- Base salaries is intented to be competetive and motivating, but in line with general market terms.
- Bonus for the CEO and other executives is determined on the basis of target results and on individual targets. Bonus targets are revised annually and is limited to 50 percent of base salary for the CEO and other executives. Bonus payments reported in 2023 is based on the evaluation of the relevant performance criteria for the fiscal year ending 31 December 2023. Bonus payments are based on individual employment contracts. A bonus provision of MNOK 3,7 is included in other current liabilities per 31 December 2023 for the CEO and other executives based on the 2023 targets. The final bonus payment is to be approved by the board.

Senior executives have notice six months, and severance pay periods of up to six months.

Reference is made to remuneration report for further details. .

Renumeration and other benefits for the CEO and other senior executives

Amounts in NOK 1000

Name	Position	Base salary	Other benefits	Bonus paid	Pension cost
Ole Falk Hansen	CEO	3 022	22	579	168
Preben Liltved	COO (until 6.2023)	934	12	194	172
Petter Brøvig	Head of Strategy	1 065	14	69	121
Mette Harv	EVP Impact Technology Ventures	1 843	23	392	186
Marianne Voreland Ottosen	Head of finance	1 259	14	276	151

Remunerations	Taxable remuneration
Other benefits	Board remuneration, sign-on fee, car, group life insurance, phone, newspaper, etc.
Bonus paid	Bonus paid in current year

Auditors' fees (excl. VAT)	2023	2022
Statutory audit	1 254	890
Other attestation services	-	75
Tax advisory	-	-
Other assistance	3	108
Total	**1 257**	**1 073**

Note 3 Pensions

Amounts in NOK 1000

Net pension costs from defined contribution plan	2023	2022
Service cost	1 892	1 774
Payroll tax of net pension cost	267	250
Net periodic pension cost	**2 159**	**2 024**

Nekkar has established a defined contribution plan for all employees in compliance with Norwegian pension schemes, fulfilling the requirements as stipulated by the “lov om obligatorisk tjenestepensjon” law.” All employees are part of the Norwegian Companies’ pension scheme: 36. Reference is made to remuneration report for further details.

Note 4 Tangible and intangible assets

Amounts in NOK 1000

	Intangible assets, Development	Furniture and office equip.	Starfish down-scaled pilot version"	Total
2022 Fiscal year				
Book value as of 1.1.	19 456	4 832	4 813	29 100
Additions	28 094	222	-	28 316
Grants recognised as a reduction to the assets	-10 796	-	-	-10 796
Disposals	-13 500	-	-	-13 500
Depreciation, amortisation and impairments [1)]	-	-926	-4 813	-5 739
Book value as of 31.12.2022	**23 254**	**4 128**	**-**	**27 382**
As of 31.12.2022				
Acquisition cost 31.12.	23 254	24 239	5 500	52 993
Accumulated depreciation as of 31.12.	-	-20 113	-5 500	-25 613
Book value as of 31.12.2022	**23 254**	**4 128**	**-**	**27 382**
2023 Fiscal year				
Book value as of 1.1.	23 254	4 128	-	27 382
Additions	9 256	1 194	-	10 450
Grants recognised as a reduction to the assets	-2 765	-	-	-2 765
Disposals	-21 340	-	-	-21 340
Depreciation, amortisation and impairments [1)]	-	-1 037	-	-1 037
Book value as of 31.12.2023	**8 405**	**4 285**	**-**	**12 690**
As of 31.12.2023				
Acquisition cost 31.12.	8 405	25 433	-	33 838
Accumulated depreciation as of 31.12.	-	-21 149	-	-21 149
Book value as of 31.12.2023	**8 405**	**4 285**	**-**	**12 690**
Depreciation schedule	None	Linear	Linear	
Depreciation period		3-10 years	2 years	

The company has no leases classified as financial lease.

Development costs:
The book value of Development assets, TNOK 8 405, includes development expenses incurred in connection with the development of the 3D compensated crane Vector and new Gangway concept Voyager in addition to SkyWalker for offshore main component replacement. During 2023 Nekkar continued the development of a closed cage for fish farming, Starfish. This project received a Government grants of TNOK 2,765 in 2023. The additions is presented net of grants received. Upon Nekkar's investment in Fiizk, Starfish, was transferred to Starfish AS, whichwas included as a in-kind contribution in the Fiizk transaction.

Impairment assessment:
The company performed its impairment assessment in December 2023. The recoverable amount has been determined based on a value in use calculation using five-year cash flow projections. The impairment test indicated that the recoverable amount exceeds book value, hence no impairment is recognised as per 31 December 2023.

Operating lease agreements:
Nekkar ASA has entered into a lease agreements for offices. The lease is classified as operational lease.

Total lease payment in 2023 is TNOK 2,043.

Note 5 Other operating costs

Amounts in NOK 1000

	2023	2022
Cost of premises	868	705
IT costs	3 043	2 575
Marketing, travel	1 391	902
Consultancy, hire-ins and external services	7 456	8 642
Other expenses	4 515	4 045
Total other operating costs	**17 274**	**16 870**

Note 6 Financial items and exchange rate gains/losses

Amounts in NOK 1000

	2023	2022
Group contribution from subsidiaries	100 000	-
Dividend from subsidiaries[1)]	61 489	-
Interest income from bank deposits	6 128	2 835
Other financial income	4 544	-
Interest paid to financial institutions	-5 852	-3 201
Other financial costs	-2 042	-567
Net exchange rate gains/losses(-)	413	405
Net financial items	**164 679**	**-528**

Exchange rate gains/losses:

Currency differences booked to income and costs in the profit and loss account are as follows:	2023	2022
Currency exchange income	1 581	1 220
Currency exchange costs	(1 168)	(815)
Total	**413**	**405**

1) Dividends from subsidiaries for the 2022 fiscal year, issued after Nekkar ASA's reporting period, are not accounted for in the 2022 financial statements

Note 7 Tax

Amounts in NOK 1000

Change in deferred tax assets and deferred tax liabilities:

	01.01.2022	Changes 2022	31.12.2022	Changes 2023	31.12.2023
Deferred tax					
Fixed assets	54	-37	17	117	134
Tax loss carry forward	-8 472	-8 048	-16 520	-5 352	-21 872
Gross deferred tax (assets = - / liabilities = +)	**-8 417**	**-8 085**	**-16 503**	**-5 235**	**-21 738**
Unrecognised deferred tax assets related to other temp. differences	-55	55	-	-	-
Net deferred tax reported (assets = - / liabilities = +)	**-8 472**	**-8 031**	**-16 503**	**-5 235**	**-21 738**

Deferred tax assets related to losses which can be carried forward for tax purposes, are reported if the management believes it is likely that the company can use these against future taxable income. Nekkar ASA, Syncrolift AS, Techano Oceanlift AS, Nekkar SkyWalker Onshore AS and Nekkar Invest AS represent a Norwegian Taxable group as the ownership is more than 90 percent. Based on expected taxable profit in the taxation group for the forthcoming five-year period, tax assets of MNOK 21,738 have been recognised as per 31 December 2023.

Breakdown of differences between profit before tax as per the accounts and tax basis for year:	2023	2022
Result before tax	130 295	-38 345
Permanent differences	-59 854	1 593
Change to temporary profit/loss differences	-531	167
Contribution from subsidiaries	-94 236	-
Basis for tax payable	**-24 326**	**-36 584**

Note 8 Subsidiaries and associated companies

Amounts in NOK 1000

Nekkar ASA

Investments in subsidiaries valued at cost:

Subsidiary	Registered office	Acquisition date	Ownership	Voting share	Currency	Share capital	Number of shares	Equity 31.12.2023	Net Result 2023	Cost	Net book value 2023	Net book value 2022
Syncrolift AS	Vestby, Norway	1994	100%	100%	NOK	1 045 000	95 000	302 072	111 864	215 078	215 078	215 078
Nekkar Invest AS	Kristiansand, Norway	2018	100%	100%	NOK	60 000	30 000	46 765	3 750	17 697	17 697	17 697
Nekkar SkyWalker Onshore AS	Kristiansand, Norway	2022	100%	100%	NOK	30 000	30 000	13 389	23	13 500	13 500	13 500
Techano Oceanlift AS	Kristiansand, Norway	2023	90%	90%	NOK	505 051	30 000	4 691	1 931	2 733	2 733	-
Total								**366 917**	**117 568**	**249 008**	**249 008**	**246 275**

Associated companies	Registered office	Acquisition date	Ownership	Voting share	Currency	Share capital	Number of shares	Equity 31.12.2023	Net Result 2023	Cost	Net book value 2023	Net book value 2022
FiiZK Topco AS	Trondheim, Norway	2023	39%	39%	NOK	136 215 325	30 000	65 813	-70 396	53 763	53 763	-

Note 9 Trade and other receivables

Amounts in NOK 1000

	2023	2022
Trade receivables	527	13
Intra-group accounts receivables	16 789	7 740
Group contribution receivable	100 000	-
Other receivables, including prepayments	1 589	3 431
Short-term receivables	**118 905**	**11 184**

Receivables based on intercompany trade and group fees are settled on a regular basis.

There are no long-term receivables, maturing at over one year.

Note 10 Other current liabilities

Amounts in NOK 1000

	2023	2022
Provision for unpaid wages and salaries	3 700	1 433
Provision for holiday pay	2 219	1 695
Other accrued expenses	3 466	4 083
Total other current liabilities	**9 386**	**7 211**

Note 11 Assets pledged as security and guarantees

Amounts in NOK 1000

Nekkar ASA has no interest bearing debt, however a guarantee facility with Nordea Norge ASA is established.

Nekkar has the following credit facilities through its facilitators:

	2023		2022	
	Limit	**Drawn**	**Limit**	**Drawn**
Guarantee limit for Group (Nordea)	290 000	164 363	290 000	200 897
Overdraft facility (Nordea)	100 000	-	100 000	-
Revolving Credit facility (Nordea)	100 000	-	100 000	-

The finance agreements include pledges of plant and machinery, inventory and accounts receivables in Nekkar ASA, Techano Oceanlift AS and Syncrolift AS. The guarantee limit is utilised by Nekkar ASA, Techano Oceanlift AS and Syncrolift AS and cover performance guarantees and advance payment guarantees.

Under the new credit facilities established in 2022, the financial covenants are a debt ratio based on net debt/ EBITDA and an equity ratio based on equity/total assets.

- The company's debt ratio shall not exceed 2,5 times the EBITDA and is calculated from the consolidated total interest bearing debt to the consolidated EBITDA.
- Equity ratio shall not be lower than 35 percent, calculated from the consolidated total equity to consolidated total assets.

The covenants also include a term related to Nekkar maintaining its 100 percent ownership in Syncrolift AS. The covenants are monitored on a regular basis to ensure compliance with the credit agreements which are tested and reported on a quarterly basis. Nekkar was in compliance with its covenants as of 31 December 2023.

For the above mentioned facilities the following assets have been pledged as collateral to Nordea:

Assets pledged as collateral for secured debt - Group values:	**2023**	**2022**
Account/Group receivables	77 588	125 947
Inventory/Work in progress, including non-invoiced production	151 706	125 035
Property, plant and equipment	9 068	8 995
Assets pledged as collateral *	**238 362**	**259 976**

* Assets pledged as collateral only includes Nekkar ASA and Syncrolift AS. The pledged assets are presented in the balance sheet under the differenct categories.

Note 12 Cash and cash equivalents

Amounts in NOK 1000

	2023	2022
Bank deposits / (withdrawal), cash etc. as per 31.12.	(1 110)	30 958
Deposits (+)/withdrawals (-) from cash pool account system as at 31.12.	161 657	141 210
Total cash and cash equivalents	**160 547**	**172 168**

Restricted bank deposits per 31 December 2023 were TNOK 1,500 and is related to employee's tax witholding.

Additional undrawn committed current bank revolving credit facilities and overdraft facilities amount to MNOK 200 million, that together with cash and cash equivalents gives a total liquidity reserve of MNOK 360 as of 31 December 2023. See also note 11.

Note 13 Share capital and shareholder information

Amounts in NOK 1000

Date	Number of shares	Nominal value	Share capital
31.12.2023	107 427 112	0.11	11 817
31.12.2022	106 780 334	0.11	11 746

In 2023 there was an increase in share capital of NOK 71,146 and an increase in share premium of NOK 3,287,354.

The capital increase was related to a share purchase program where 646,778 shares were issued.

Dividends paid and proposed:	2023	2022
Dividend declared and paid during the year: per share	0.00	0.00
Dividend proposed : per share	0.00	0.00
Repayment of issued equity: NOK per share	0.00	0.00

Treasury shares:	Number of shares	Share capital
Purchase/(sale) of treasury shares 2022	-	-
Treasury shares as of 31.12.2022	**6 632**	**1**
Purchase/(sale) of treasury shares 2023	1 392 333	153
Treasury shares as of 31.12.2023	**1 398 965**	**154**

On August 29th Nekkar announced its decision to initiate a share buy-back programme. The share buy-back programme is executed in accordance with the authorisation granted to the Board of Directors by the Annual General Meeting of Nekkar held on 30 May 2023. The program will be used for corporate purposes in accordance with the above-mentioned authorisation. Nekkar currently holds 1,398,965 of its own shares, representing 1.3 percent of the company's total shares. The total transaction value for the purchased treasury shares in 2023 amounted to NOK 11.3 million

Principal shareholders of Nekkar ASA as of 31.12.2023:

Shareholder	Number of shares	Ownership	Voting share [4)]
Skeie Teknologi AS [1,3)]	31 475 823	29.3%	29.7%
Rasmussengruppen AS	11 512 506	10.7%	10.9%
Mp Pensjon PK	5 126 303	4.8%	4.8%
Tigerstaden AS	5 000 000	4.7%	4.7%
Nordnet Bank AB	4 994 006	4.6%	4.7%
Dnb Bank ASA	4 053 000	3.8%	3.8%
Avanza Bank AB	3 953 850	3.7%	3.7%
Hatle AS	2 755 361	2.6%	2.6%
Vinterstua AS	1 570 279	1.5%	1.5%
Seb Cmu/Secfin Pooled Account	1 520 528	1.4%	1.4%
Skeie Consultants AS [2)]	1 507 243	1.4%	1.4%
Itlution AS	1 475 261	1.4%	1.4%
Nekkar ASA	1 365 965	1.3%	1.3%
Skeie Kappa Invest AS [3)]	1 204 828	1.1%	1.1%
Patronia AS	1 014 429	0.9%	1.0%
Alundo Invest AS	1 000 000	0.9%	0.9%
Jæderen AS	896 330	0.8%	0.8%
Sedal AS	810 000	0.8%	0.8%
Avant AS	744 034	0.7%	0.7%
Citibank Europe PLC	675 037	0.6%	0.6%
Total, 20 largest shareholders	**82 654 783**	**76.9%**	**78.0%**
own shares	1 398 965	1.3%	0.0%
Total other	23 373 364	21.8%	22.0%
Total	**107 427 112**	**100.0%**	**100.0%**

1) Shares owned or controlled by the Skeie family, and companies directly or indirectly controlled by them, holds 34 701 181 shares representing 32,5% of total shares.

2) Shares owned or controlled by Bjarne Skeie, and companies directly or indirectly controlled by him, holds 1 507 243 shares representing 1,4% of total shares.

3) Trym Skeie holds 513 287 shares in person and 1 204 828 through Skeie Kappa Invest AS. Total shares owned or controlled by Trym Skeie, and companies directly or indirectly controlled by him, is 1 718 115, representning 1,6% of total shares.

4) Voting portion are calculated after eliminating shares held by Nekkar ASA.

Shares, share options and convertion rights owned or controlled by Board members, Group executives and their relatives:

	Shares	
	31.12.2023	**31.12.2022**
Board members		
Trym Skeie [1)]	1 718 115	1 669 970
Marit Solberg	127 140	96 809
Group Executives		
Ole Falk Hansen [2)]	296 601	200 311
Marianne Voreland Ottosen	19 258	-
Petter Brøvig [3)]	96 290	
Mette Harv	249 991	198 765

1) Trym Skeie holds 513 287 shares in person and 1 204 828 through Skeie Kappa Invest AS. Total shares owned or controlled by Trym Skeie, and companies directly or indirectly controlled by him, is 34 701, representning 33,6% of total shares.
2) Ole Falk Hansen holds 296 601 shares through OFH Invest AS
3) Petter Brøvig holds 96 290 shares through Pimlico AS

On 30 May 2023, the Annual General Meeting adopted a resolution to give the Board general authority to issue a maximum of 21,485,422 shares against cash or non-monetary redemption, including merger related activities to acquisitions of business or assets within the same or corresponding business sector as the company. This authorisation is valid until the next Annual General Meeting and latest on 30 June 2024. No shares have been issued on the basis of this authorisation in 2023.

On 30 May 2023, the Annual General Meeting adopted a resolution to give the Board authority to issue a maximum of 2,820,058 shares against cash redemption for the benefit of the company's executive management and Board members. This authorisation is valid until the next Annual General Meeting and latest on 30 June 2024. After 30 May 2023, 646,778 shares have been issued in relation to the share purchase programme.

On 30 May 2023, the Annual General Meeting adopted a resolution to give the Board authority to buy own shares of up to 10 percent of the face value of the share capital of the company. The Board decides aquisition method, at a price between 1 to 25 NOK. This authorisation is valid until the next Annual General Meeting and latest on 30 June 2024. 1,392,333 shares have been bought back on the basis of this authorisation in 2023, at a total value of NOK 11,313,981.

Note 14 Subsequent events

Subsequent events regarding Nekkar ASA are listed in Note 23 in Nekkar Group.

Auditors' report

KPMG AS
Kanalveien 11
P.O. Box 4 Kristianborg
N-5822 Bergen

Telephone +47 45 40 40 63
Internet www.kpmg.no
Enterprise 935 174 627 MVA

To the General Meeting of Nekkar ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Nekkar ASA, which comprise:

- the financial statements of the parent company Nekkar ASA (the Company), which comprise the balance sheet as at 31 December 2023, statement of profit and loss, statement of changes in equity and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting principles, and
- the consolidated financial statements of Nekkar ASA and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 14 years from the election by the general meeting of the shareholders on 30 November 2009 for the accounting year 2009.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

Reference is made to Note 2.16 Revenue Recognition and 4 Use of Judgement and Estimates in Accounting principles and Note 2 Revenue

The Key Audit Matter	*How the matter was addressed in our audit*
The majority of the Group's revenues and profits derive from long-term construction contracts. IFRS 15 Revenue from contracts with customers ("IFRS 15") is based on a five-step model for revenue recognition and requirements and guidance relevant to project accounting estimates and judgements. Judgement is required in determining the number of performance obligations which can impact the timing and amount of revenue recognition for certain contracts. The standard also has a complex criterion for assessing if revenue should be recognized over time or at a certain point in time. This assessment is complicated, due to the group's different revenue streams and the contract structures. Timing of revenue recognition is based on the assessment of contractual facts vs. criteria under IFRS 15 and is subject to a high degree of judgement. Accounting for long term construction contracts involves management estimates and judgments and complex assessments of future events for which there may be limited or no external information available. The key judgements and estimates applied by management include their assessment of the stage of project completion and cost outcomes. Cost outcomes factored in management's forecasts include expected cost to completion. Contract accounting estimates and timing of revenue recognition require significant attention during the audit and are subject to a high degree of auditor judgment. As such, revenue recognition is considered a key audit matter.	Our audit procedures relating to significant long-term construction contracts, performed by the group team included: • Challenging management's assumptions in determining if certain contracts contain single or multiple performance obligations by obtaining, reading, and critically assessing the terms and conditions of relevant contractual documents. • Assessing contractual revenue forecasts including reconciling those forecasts with reference to signed contracts and variation orders. • Critically considering the terms and conditions of significant contracts and comparing these to management's assessment of the requirements in IFRS 15 relating to timing of revenue recognition; over time vs. point in time revenue recognition. • For financially significant contracts and any contracts with a reasonable possibility of being in a significant loss-making position, we applied professional scepticism and critically assessed the accounting estimates and judgments against the requirements of IFRS 15 • Evaluating management's process for assessing measurement of progress and the method applied. • Reading and discussing project reports with management and comparing current forecasts to historical outcomes where relevant. • Challenging management on the estimate of cost to complete and the risk assessment related to forecast cost. • Evaluating the adequacy and appropriateness of the disclosures in the financial statements related to IFRS 15, revenue from construction contracts.

2

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements. Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion
As part of the audit of the financial statements of Nekkar ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name 5967007LIEEXZXIFE872-2023-12-31-en, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities
Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as

management determines is necessary.

Auditor's Responsibilities
Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in compliance with ESEF. We conduct our work in compliance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in compliance with the ESEF Regulation.

As part of our work, we have performed procedures to obtain an understanding of the Company's processes for preparing the financial statements in compliance with the ESEF Regulation. We examine whether the financial statements are presented in XHTML-format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Bergen, 29 April 2024

KPMG AS

Knut Olav Karlsen
State Authorised Public Accountant

Statement on compliance

Today, the Board of Directors and the CEO has issued the 2023 annual integrated report which includes the Board of Directors' report, the sustainability report and the consolidated and separate financial statements related to Nekkar ASA as of 31 December 2023.

This statement is based on reports, information and statements from the group's CEO, CFO and other administration, on the results of the group's relevant activities, and on other information which is essential to assess the position of the group and parent company.

To the best of our knowledge we confirm that;

- the Consolidated annual financial statements for 2023 have been prepared in accordance with IFRS Accounting Standards as adopted by the EU, and additional Norwegian disclosure requirements in the Norwegian Accounting Act
- the sustainability information have been prepared in accordance with the 2021 GRI Standards
- the Board of Directors report gives a true and fair view of the development, performance, financial position, principle risks and uncertainties of the company and the group
- the information presented in the financial statements gives fair view of the company's and the group's assets, liabilities, financial position and results for the period viewed in their entirety
- the Board of Directors report for the group and the parent company is in accordance with the Norwegian Accounting Act and relevant Norwegian Accounting Standards
- the separate financial statement for Nekkar ASA for 2023 has been prepared in accordance with the Norwegian Accounting Act and Norwegian Accounting Standards

Kristiansand, 29 April 2024
The Board and Management of Nekkar ASA

Trym Skeie
Chair of the Board

Gisle Rike
Director

Marit Solberg
Director

Trine Ingebjørg Ulla
Director

Håkon André Berg
Director

Ole Falk Hansen
CEO

Appendices

Appendix 1
Stakeholders and stakeholder dialogue

Investors/Board of Directors (BoD)

Investors and owners are primary stakeholders that directly affect the company's priorities and strategic direction, including sustainability. Ensuring value for shareholders is one of our main priorities.

Business partners/suppliers

Business partners and suppliers are directly affected economically by the company, and their conduct is indirectly affected by our focus on and expectations for demonstrating responsible business practices.

Customers

Customers directly affect the company economically and our ability to offer attractive products at acceptable cost is decisive for customer retention. Increased sustainability awareness among customers is part of driving our sustainability priorities.

Government/authorities

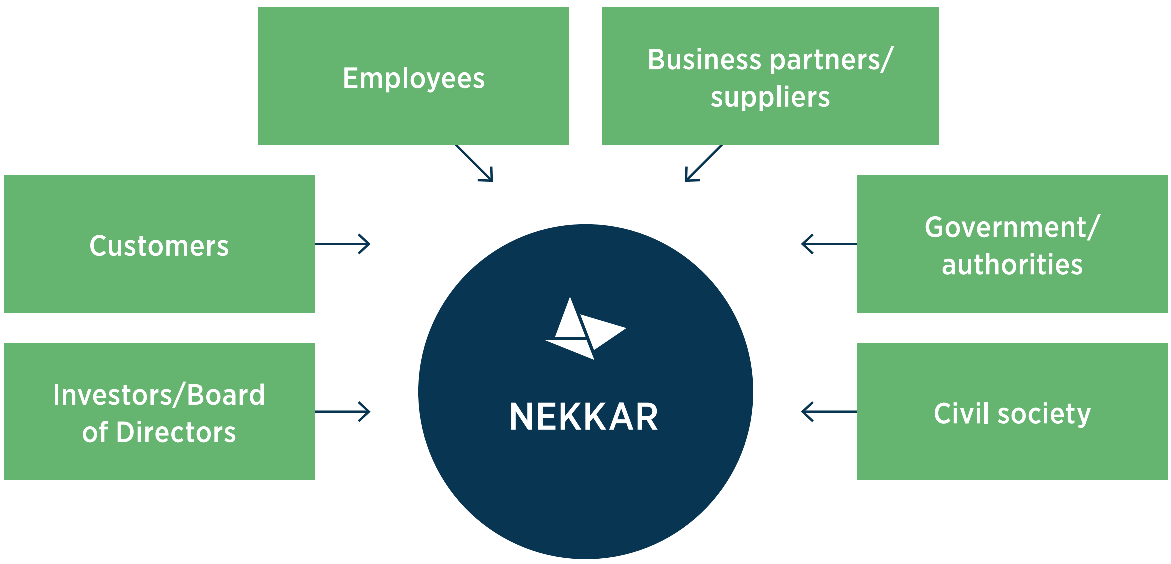
We are directly affected by government regulations in the countries in which we operate, including the Oslo Stock Exchange's regulations for listed companies. We are also dependent on good and predictable framework conditions.

Employees

We are greatly dependent on the competence and contributions from existing employees, and our ability to attract future talent. Employees are directly affected by our internal policies and activities, and the overall working environment in Nekkar.

Civil society

Civil society is directly, socially and economically, affected by our activities, for example through the ripple effects from job creation and tax contribution. Civil society can also indirectly be impacted environmentally by our company's products.



Stakeholder dialogue

Stakeholder dialogue strengthens our company's relationship with the society in which we operate and it also ensures a strategic approach to sustainability reporting. Our aim is to have an ongoing dialogue with key stakeholder groups.

In December 2021, employees, business partners / suppliers, customers, investors and Board members were invited to participate in Teams interviews with representatives from Nekkar where we asked about general sustainability topics as well as their perception of our company's approach to sustainability. At the same time, we conducted desktop research of the sustainability priorities of relevant governmental authorities, and a summary can be found in the table below.

The findings from the stakeholder dialogue were structured for discussion with our internal sustainability task force consisting of members from the management team in January 2022, and the Board were also informed of this process. The result from these discussions can be found in the materiality chapter on page 142-143 of this report.

We will continue to engage with stakeholders for future reporting processes.

Stakeholder group	Topics mentioned	Arena for dialogue
Investors/BoD	• Product innovation and development • Environment and climate • Regulations	• ESG report • Direct communications (emails/meetings) • BoD meetings • Social media
Customers	• Product innovation and development • Climate and the environment • Health and safety (HSE) • Inclusion • Material use • Biodiversity • Supply chain management	• Direct communication (emails/meetings) • Website
Employees	• Good corporate governance • Product innovation and development • Climate and the environment • Product lifetime (LCA/LCM) • Supply chain management • Compensation/renumeration • Diversity, equality and non-discrimination • Health and safety (HSE) • Working environment	• Employee surveys • Annual report • ESG report • ESG Day (previously Green Day) • All hands meeting • Meetings
Business partners/suppliers	• Fair and equal treatment of suppliers • Supply chain management • Health and safety (HSE) • Anti-corruption • Working environment • Competence/recruitment • Climate and the environment • Diversity, equality and non-discrimination • Product lifetime (LCA/LCM) • Product innovation and development	• Annual report • ESG report • Newsletters • Website
Governments/authorities	• Human rights • Global sustainability development goals • Climate and the environment • Labour rights • Anti-corruption • Consumer interests • Good corporate governance • Risk evaluation • Circularity • Pollution prevention • Biodiversity	• Desktop research

Appendix 2
Materiality assessment

The concept of materiality reflects the significance of certain sustainability topics to a company. Double materiality is here understood as the union of impact materiality and financial materiality. A sustainability topic meets the criteria of double materiality if it is material from the impact perspective or from the financial perspective, or from both perspectives.

- **Impact perspective:** The company's operations, products or services contribute significantly to the impact, whether directly or indirectly.
- **Financial perspective:** The topic triggers financial effects, i.e. generates risks or opportunities that influence or are likely to influence the future cash flows in the short, medium, or long term. The risks and opportunities may derive from past or future events.

Nekkar's materiality assessment

Nekkar conducted a materiality assessment in January 2022, where we looked specifically at our impact. In this process, we interviewed a selection of stakeholders (employees, business partners, suppliers, customers, authorities, and investors) to get the 'outward-in' perspective, before organising an internal workshop with our ESG task force group to get the 'inward-out' perspective. A summary can be found in the materiality matrix on the next page, with topics considered material in the upper right section.

Representatives from the management group took part in this evaluation, and the material topics were also approved by the Board of Directors. We are continuously engaging with stakeholders regarding the actions taken relating to each of the material topics, and the outcome of such actions, for example through our annual sustainability reports.

Going forward

The materiality assessment is updated on a regular basis to reflect changes in our environment and the development/expansion of our business. In 2023, Nekkar invested in a minority shareholding in sea food industry supplier FiiZK, which included a payment in-kind contribution through Nekkar's Starfish closed fish cage solution. As a consequence, 'sustainable fish farming' has been removed from the list of material topics.

In 2024, we plan to conduct another workshop where we will also consider financial impacts of sustainability topics, adopting a double materiality approach.

Materiality matrix

Importance to stakeholders \ Nekkar's impact	Low	Moderate	High
High	• Climate adaption	• Supply chain control • Diversity, equality and inclusion	• Occupational health & safety • Human rights • Anti-corruption • Innovation & product development
Moderate		• Worker's rights (incl. Compensation/renumeration • Recycling/circular economy • Product lifetime • CO_2 emissions	• Material use • Working environment
Low			• Recruitment/competence development

Appendix 3
Equality statement 2023

Ensuring a diverse workforce is important to us and we have a direct ability and responsibility to impact gender equality and diversity in the workspace. Equal opportunities are offered to all employees, regardless of their background.

At the end of 2023, we employed 88 persons, up from 73 in 2022. The main reason for the increase was the acquisition of Techano Oceanlift including 11 permanent employees. 87.5% of our employees are male, while 12.5% are female. The low level of female employees is due to that the majority of our employees are engineers, and the percentage of females pursuing an education within engineering is currently very low in Norway (11.11% as of March 2023). We have the ambition to increase the number of female employees going forward and will look at specific measures to improve gender balance in 2024.

Gender distribution per employee category and region [1]	Total	Europe	America	Asia
PERMANENT EMPLOYEES				
Female	11	11	0	0
Male	68	63	1	4
Total	79	74	1	4
TEMPORARY EMPLOYEES				
Female	0	0	0	0
Male	13	13	0	0
Total	13	13	0	0
NON-GUARANTEED HOURS EMPLOYEES				
Female	0	0	0	0
Male	0	0	0	0
Total	0	0	0	0
FULL-TIME EMPLOYEES				
Female	11	11	0	0
Male	79	74	1	4
Total	90	85	1	4
PART-TIME EMPLOYEES				
Female	0	0	0	0
Male	2	2	0	0
Total	2	2	0	0

1) In head count at the end of the reporting period.

Gender and age distribution per employee function	Total	<30 years	30-50 years	>50 years
BOARD OF DIRECTORS				
Female	2	0	0	2
Male	3	0	1	2
Total	5	0	1	4
EXECUTIVE LEVEL MANAGEMENT				
Female	2	0	1	1
Male	5	0	2	3
Total	7	0	3	4
REST OF THE ORGANISATION				
Female	11	0	4	7
Male	81	2	42	37
Total	92	2	46	44

The number of workers who are not employees was 13 in 2023. There are two main types of workers who are not employees. The first is hired-in engineers and the second is personnel working on site in different locations around the world. There have been no significant fluctuations in the number of workers who are not employees during the reporting period or between reporting periods.

As a Norwegian Public Limited Company, we are required to have at least 40% female participation in the Board of Directors. At the end of 2023, three (60%) Board members were men, and two (40%) Board members were women. Our Executive Management Team comprised of five (71%) men and two (29%) women in the reporting period.

In addition to gender, age is also an important diversity indicator. To date, we have few employees under the age of 30. Traditionally, we have sought to recruit people with longer experience and education but are aiming to increase the number of young people within the company. For example, we visited the Norwegian University of Science and Technology (NTNU), and the Norwegian University of Life Sciences and University of Agder in 2023 to look for candidates and to make our company known among young people.

We offer equal pay for equal work. For data privacy reasons, we are not disclosing salaries where there are less than five employees in each category, hence, only salaries for employees in Norway are shown.

The annual total compensation for our employees in Norway was on average NOK 1,125,164 in the reporting period, up from NOK 989,101 in 2022 (14% increase). On average, male employees in Norway earned NOK 1,140,954 in 2023, up from NOK 1,004,569 in 2022 (14% increase), compared to female employees who earned NOK 1,037,620 in 2023, up from NOK 920,620 in 2022 (13% increase). This means that in Norway, our female employees earned 90% of male employees' salaries in 2023. The main differences in salaries are due to a difference in responsibility and competence.

Gender and age distribution per employee category [1]	Total	<30 years	30-50 years	>50 years
PERMANENT				
Female	11	0	4	7
Male	68	1	37	30
Total	79	1	41	37
TEMPORARY				
Female	0	0	0	0
Male	13	0	4	9
Total	13	0	4	9
FULL-TIME				
Female	11	0	4	7
Male	79	1	40	38
Total	90	1	51	45
PART-TIME				
Female	0	0	0	0
Male	2	0	1	1
Total	2	0	1	1

Remuneration men to women [2]	Gender balance in %			% salary of women to men		
EMPLOYEE FUNCTION	MEN	WOMEN	TOTAL BENEFITS	BASE SALARY	BONUS	OVERTIME
Administration	65%	35%	33,750,002	30%	26%	29%
Engineers/technical personnel	95%	5%	47,502,060	3%	5%	0%

1) In head count at the end of the reporting period.

2) Numbers in headcount per 31 December 2023. Significant locations of operations is Norway due to the majority of workers being employed here.

Our work on diversity

To improve gender balance on all levels of the organisation, we are taking several measures. Our main focus has been in recruitment processes, where we actively seek out female candidates for open positions. It is also important to retain our female workers, especially in a phase with young children. All employees (100%) are entitled to parental leave, following the Norwegian Working Environment Act, and in 2023 there were four employees that took parental leave, all male.

Our work on non-discrimination

Discrimination is defined as the unfair or prejudicial treatment of people and groups based on characteristics such as race, gender, age, or sexual orientation. Nekkar has zero tolerance for discrimination. The company is operating in accordance with the Norwegian Equality and Anti-discrimination Act, and has established its own guidelines regarding non-discrimination which is part of the Code of Conduct. To identify cases of discrimination, Nekkar conducts employee surveys and employee development talks, where discrimination is one of the topics we are asking about.

Incidents of discrimination should be reported to the employee's nearest line manager or through the company's external and anonymous whistleblowing channel. All reports will be handled with discretion and without reprisals for the person reporting. No incidents of discrimination were reported in 2023, and therefore no actions have been taken.

PARENTAL LEAVE	2023		2022		2021	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
No. of employees on parental leave	4	0	3	0	3	0
No. of weeks on parental leave	30.2	0	18.5	0	21.7	0

GRI content index

GRI 2 - General Disclosures 2021			
Disclosure	**Disclosure description**	**Reference**	**Omission**
2-1	Organisational details	About Nekkar Locations	
2-2	Entities included in the organisation's sustainability reporting	About this report	
2-3	Reporting period, frequency and contact point	About this report	
2-4	Restatements of information	Scope 3 footnote	
2-5	External assurance	15. Auditor About this report	N/A the report has not been externally assured.
2. Activity and workers			
2-6	Activities, value chain and other business relationships	Portfolio Value chain CEO letter	
2-7	Employees	Employees by gender and region Employees by gender and region (Footnote 1) Equality statement	
2-8	Workers who are not employees	Equality statement	
3. Governance			
2-9	Governance structure and composition	The work of the board of directors Board of directors, composition and independence	Information incomplete: The company does not report information about underrepresented social groups
2-10	Nomination and selection of the highest governance body	Nomination committee	Information incomplete: Not mentioning diversity.
2-11	Chair of the highest governance body	Board of directors, composition and independence	N/A: The Chair is not a senior executive in the organisation
2-12	Role of the highest governance body in overseeing the management of impacts	The work of the board of directors	
2-13	Delegation of responsibility for managing impacts	The work of the board of directors	
2-14	Role of the highest governance body in sustainability reporting	The work of the board of directors	N/A: The Board is responsible for reviewing and approving the reported information.
2-15	Conflict of interest	Risk management and internal control	
2-16	Communication of critical concerns	Whistleblowing / reporting	
2-17	Collective knowledge of the highest governance body	Corporate Social Responsibility (Board of Directors report)	
2-18	Evaluation of the performance of the highest governance body	The work of the board of directors	

2-19	Remuneration policies	11. Remuneration of the Board of Directors 12. Salary and other remuneration for executive personnel Note 4 Payroll expenses and employee information Statement regarding the stipulation of remuneration and other benefits for the CEO and other Executives 4 Remuneration | Executive Management	
2-20	Process to determine remuneration	4 Remuneration | Executive Management	
2-21	Annual total compensation ratio	Note 4 Payroll expenses and employee information	Information incomplete: Instead of reporting the median annual compensation for all employees, the company is reporting their average salary.
4. Strategy, policies and practices			
2-22	Statement on sustainable development strategy	CEO letter	
2-23	Policy commitments	Business ethics (policy commitment) Human rights (Transparency Act reporting 2023) Business ethics (policy commitment) Business ethics (policy commitment & approach)	
2-24	Embedding policy commitments	Business ethics (approach)	
2-25	Processes to remediate negative impacts	Addressing grievances	
2-26	Mechanisms for seeking advice and raising concerns	Whistleblowing / reporting	
2-27	Compliance with laws and regulations	Whistleblowing / reporting	
2-28	Membership associations	About Nekkar (membership associations)	
5. Stakeholder engagement			
2-29	Approach to stakeholder engagement	Appendix 1 Stakeholders and stakeholder dialogue	
2-30	Collective bargaining agreements		N/A: None of Nekkar's employees are covered by collective bargaining agreements. Employees' salaries are determined in annual reviews.
Material topcis			
GRI 3: Material topcis 2021			
3-1	Process to determine material topcis	Appendix 2 Materiality assessment Business ethics and anti-corruption (materiality) Emissions from own operations (materiality) Health and safety (materiality)	
3-2	List of material topics	Appendix 2 Materiality assessment	

BUSINESS ETHICS AND ANTI-CORRUPTION			
3-3	Management of material topics	Business ethics and anti-corruption (materiality) Business ethics and anti-corruption (policy commitment) Business ethics and anti-corruption (approach) Appendix 1 Stakeholders and stakeholder dialogue	
GRI 205: Anti-corruption			
205-2	Communication and training about anti-corruption policies and procedures	Communication on anti-corruption Anti-corruption training (tables)	Information incomplete: We are not reporting on anti-corruption training and information provided to non-guaranteed hour employees. We are only providing the percentage, not the total number of employees, business partners and Board members receiving training and communication on anti-corruption.
205-3	Confirmed incidents of corruption and actions taken	Operations assessed for risks relating to corruption (table)	N/A: There have been no confirmed incidents of corruption in the reporting period.
GRI 414: Supplier social assessment			
414-2	Negative social impacts in the supply chain and actions taken	Supplier social assessment (table) Human rights (Transparency Act reporting 2023)	
EMISSIONS FROM OWN OPERATIONS			
3-3	Management of material topics	Emissions from own operations (materiality) Emissions from own operations (policy commitment) Emissions from own operations (approach) Appendix 1 Stakeholders and stakeholder dialogue	
GRI 305: Emissions			
305-1	Direct (scope 1) GHG emissions	Emissions from own operations (approach) Scope 1 Key energy and climate performance indicators (table)	
305-2	Energy indirect (scope 2) GHG emissions	Emissions from own operations (approach) Scope 2 Key energy and climate performance indicators (table) Market-based GHG emissions (table)	
305-3	Other indirect (scope 3) GHG emissions	Emissions from own operations (approach) Scope 3 Key energy and climate performance indicators (table)	

HEALTH AND SAFETY			
3-3	Management of material topics	Health and safety (materiality) Health and safety (policy commitment) Health and safety (approach) Appendix 1 Stakeholders and stakeholder dialogue	
GRI 403: Occupational health and safety			
403-1	Occupational health and safety management system	Health and safety (approach) Occupational health and management system (table)	Information incomplete:
403-2	Hazard identification, risk assessment, and incident investigation	Health and safety (approach)	Information incomplete:
403-3	Occupational health services	Health and safety (approach)	Information incomplete:
403-4	Worker participation, consultation, and communication on occupational health and safety	Health and safety (approach)	Information incomplete:
403-5	Worker training on occupational health and safety	Suppliers, business partners and subcontractors	Information incomplete:
403-6	Promotion of worker health	Health and safety (approach)	Information incomplete:
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and safety (approach) Reporting irregularities	
Own KPI			
KPI	Absence due to illness	Quality, health, safety and environment (QHSE)	
KPI	Work incidents	Quality, health, safety and environment (QHSE)	
Own KPI			
Parental leave	a) Number of employees on parental leave b) No. of weeks in the reporting period	Parental leave (table)	
Employee survey	Participation rate employee survey	Employee wellbeing	
GRI 405: Equality and diversity			
405-1	Diversity of governance bodies and employees	Gender and age distribution per employee functions (table)	N/A: Due to Norwegian legislation, the company does not track information about minorities or vulnerable groups.
405-2	Ratio of basic salary and remuneration of women to men	Remuneration men to women (table)	
GRI 406: Non-discrimination			
406-1	Incidents of discrimination and corrective actions taken	Our work on diversity and non-discrimination	N/A: there were no incidents of discrimination during the reporting period.

NEKKAR

Disruptive technologies — Sustainable results

Remuneration report

2023

Content

1 Introduction/Statements

The report on salaries and other remuneration to leading personnel (the “Report”) provides an overview of the total remuneration received by each member of the Board of directors (“Board”) and of the executive management (“Executive Management”) of Nekkar ASA (the “Company”) for the financial year 2023 with comparative figures for the past five financial years.

The remuneration of the Board and Executive Management during the past financial year is based on the guidelines for determination of salaries and other remuneration in the Company, which were approved by the annual general meeting on 30 May 2023. (the “Guidelines”). The overall objective of the remuneration is to attract, motivate and retain qualified members of the Board and the Executive Management and to align the interests of the Board and the Executive Management with the interests of the Company and its shareholders.

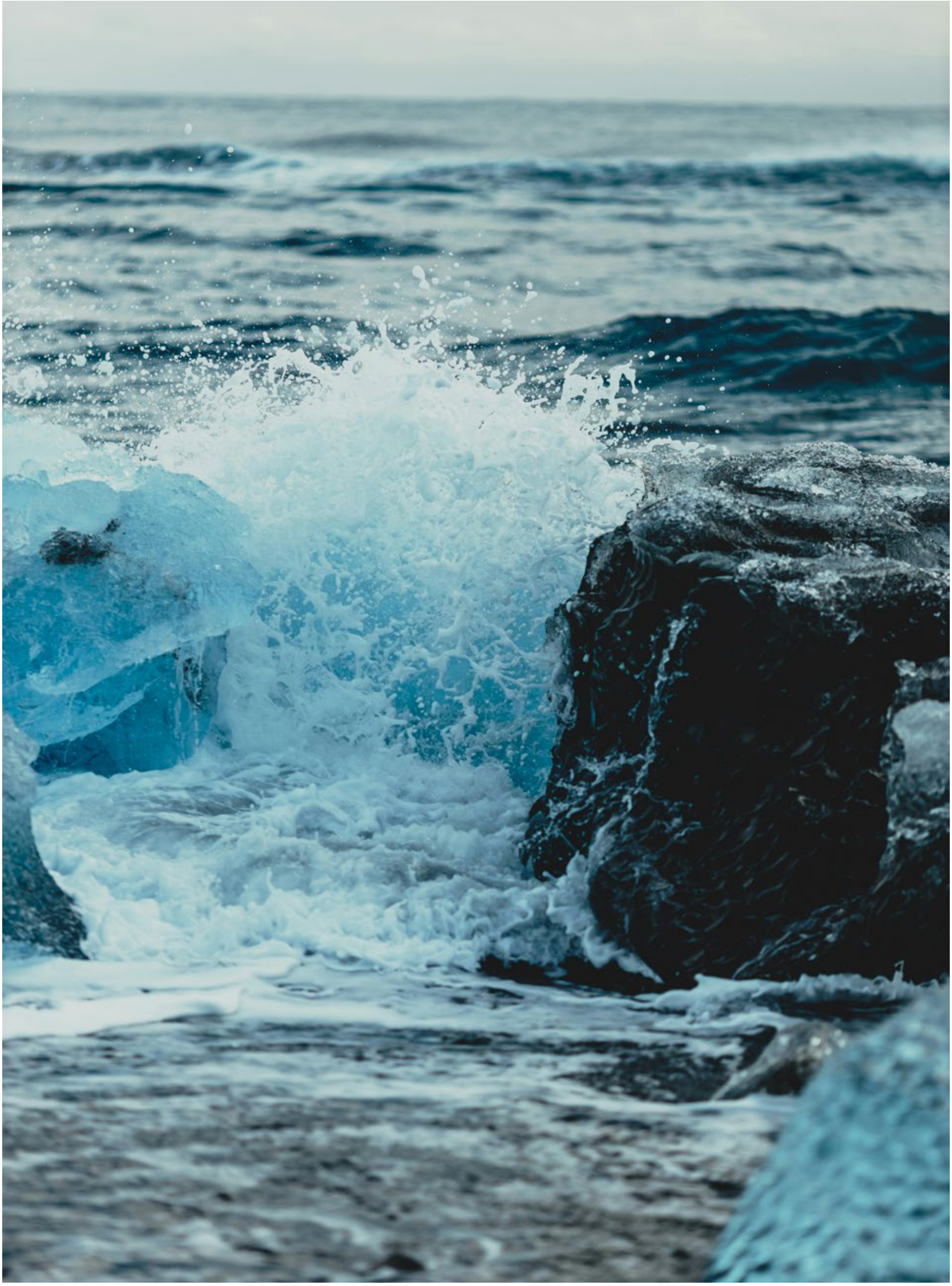
The report is based on the requirements set out in the Norwegian Public Limited Companies Act of 13 June 1997 no. 45 (the “Companies Act”) section 6-16a and 6-16b, as well as Regulation on guidelines and report on remuneration for Senio Executives of 11 December 2021 No. 2730 (the “Regulation”)

The information included in the Report has been derived from the audited annual reports of the Company for the financial years 2018 – 2023 available on the Company’s website, www.nekkar.com. All amounts are presented in NOK.

2 Overview | Financial performance in 2023

TTotal revenues of the Nekkar Group amounted to NOK 575 million in 2023, an increase of 48.4 percent compared to 2022. EBITDA ended at NOK 108,7 million in 2023 compared to NOK 67,8 million in 2022, equivalent to EBITDA-margins of 18.9 percent and 17,5 percent respectively.

Pre-tax profit was NOK 109,3 million in 2023, up from NOK 42.6 million the previous year. Profit after tax (continued business) was NOK 83,3 million and NOK 32.6 million for 2023 and 2022 respectively.



3 Remuneration | Board of directors

3.1 Fixed annual fee

Members of the Board receive a fixed annual base fee approved by the annual general meeting. The nomination committee assesses and presents proposals for the remuneration of the Board. Further, the nomination committee conducts an assessment of the Company's remuneration on the basis of the Company's size and complexity as well as the level of Director's fees in other listed Norwegian companies. The size of the remuneration is not affected by the Company's financial development.

During 2023 there has been 19 Board meetings.

This annual base fee shall be in line with market practice of comparable listed companies taking into account the required competencies, effort and scope of work of the members of the Board. The members of the Board also serves as Audit committee and the fixed annul fee includes committee work.

At the annual general meeting 30 May 2023, Ingunn Svegården was replaced by Trine Ulla, and Håkon Andre Berg was elected as an additional Board member

The below table outlines the remuneration for the Board.

TABLE 1 | REMUNERATION OF BOARD FOR THE FINANCIAL YEAR 2023-(2022)

Name and position NOK	Annual fee	Audit Committee fees	Other Benefits	Pension	Extra-ordinary items	Total remuneration
Trym Skeie Chair	550 000 (500 000)	- (-)	- (-)	- (-)	- (-)	550 000 (500 000)
Marit Solberg[1] Deputy Chair	347 000 (315 000)	- (-)	- (-)	- (-)	- (-)	347 000 (315 000)
Gisle Rike Board member	347 000 (315 000)	- (-)	- (-)	- (-)	- (-)	347 000 (315 000)
Ingunn Svegården[1] Board member	347 000 (315 000)	- (-)	- (-)	- (-)	- (-)	347 000 (315 000)
Total	**1 591 000 (1 445 000)**	**- (-)**	**- (-)**	**- (-)**	**- (-)**	**1 591 000 (1 445 000)**

1) The remuneration is based on a 12 month period between the ordinary annual general meeting.

NOMINATION COMMITTEE REMUNERATION

In 2023, Nekkar's nomination committee comprised of the following members: Anne Grethe Ellingsen (Chair) and Leif Haukom. The nomination committee remuneration in 2023 was TNOK 67 for the Chair and TNOK 40 for the member.

3.2 Shareholding members of the Board

As of 31 December, the Board members held shares in Nekkar ASA as follows:

Name and position	Year	Total no of shares	Market value year-end NOK million
Trym Skeie[1]	2023	1 718 115	15.9
	2022	1 669 970	10.2
Marit Solberg	2023	127 140	1.2
	2022	98 809	0.6
Gisle Rike	2023	-	-
Ingunn Svegården	2023	-	-
Håkon Andre Berg	2023	-	-
Trine Ulla	2023	-	-

1) Trym Skeie holds 513 287 shares in person and 1 204 828 through Skeie Kappa Invest AS. Total shares owned or controlled by Trym Skeie, and companies directly or indirectly controlled by him, is 34 701, representning 33,6% of total shares outstanding

4 Remuneration | Executive Management

The remuneration policy for Executive Management of Nekkar ASA is based on offering competitive terms that should also reflect that Nekkar is a listed company with an international focus. Competitive terms are imporatant for the Company's ability to recruit and retain highly qualified personnel. However, as a general principles the management salary should not be leading compared to the industry, in addition to avoiding that the variable element constitutes a too large portion of the total compensation and thus entailing unfortunate incentives and short-term focus.

The remuneration of the members of the Executive Management is assessed on an annual basis and is effective from 1 August. The remuneration and the remuneration components is approved by the Board.

Members of the Executive Management are entitled to an annual remuneration package in accordance with the Remuneration Policy, which may consist of the following fixed and variable remuneration components:

a. fixed base salary,
b. pension contribution,
c. performance-related pay arrangements consisting of an annual cash bonus,
d. long-term incentive remuneration consisting of participation in share purchase- or share option programs,
e. termination and severance payments, and
f. non-monetary employee benefits.

The choice of these components create a well-balanced remuneration package reflecting (i) individual performance and responsibility of the members of the Executive Management in relation to goals and targets, both in the short and the longer term, and (ii) the Company's overall performance.

Members of the Executive Management includes the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer along with Executive Vice Presidents for the various business units.

3.1 Remuneration composition

3.1.1 FIXED BASE SALARY

The fixed base salary is stipulated based on the position's responsibility, complexity, competence and seniority. The base salary is intended to be competetive and motivating, but in-line with general market terms.

3.1.2 PENSION CONTRIBUTION

The Company has established a defined contribuion pension scheme in accordance with mandatory law. Members of the Executive Management team does not have special agreements which includes early retirement plans or supplementary pension schems.

The defined contribution plan includes 7% of fixed base salary up to 7.1G and 25.1% of fixed based salary ranging from 7.1G to 12G.

3.1.3 PERFORMANCE-RELATED CASH BONUS

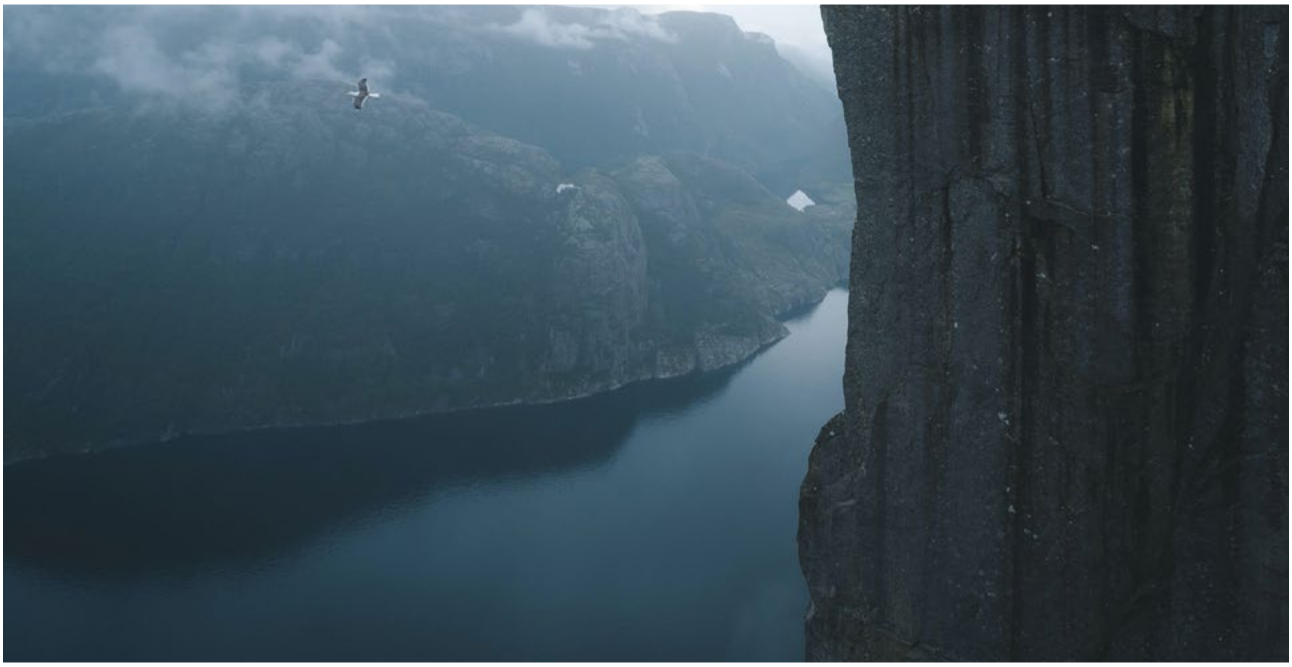
Under the Company's bonus scheme, the maxium bonus is limited to 6 months fixed base salary. The measurement criteria are linked to personal goals and financial goal achievment for the Group or relevant business unit. The defined performance criteria in the bonus scheme includes both sales & operational targets along with organisational- and financial goals.

The purpose of the annual cash bonus is to stimulate the continous development of the Company's value creating, growth and results as the individual member's interests is aligned with the Company. Stipulation of the cash bonus is based on an overall assessment of the measurment criterias.

For the financial year 2023, a total cash bonus of TNOK 2 021 (2022: TNOK 691) was paid to the Executive Management.

3.1.4 LONG-TERM INCENTIVE, SHARE PURCHASE PROGRAM

A share-based investment program is established in the Company. All the employees of the Group and the members of the Company's Board are given the opportunity to acquire shares in the Company at a



discounted price of 25% against a 2-3 year lock-in period which prevents sale of the shares within the period.

The Board determines the detailed allocations within the limit, based ona separate authorisation approved by the annual general meeting 30 May 2023. Distribution of shares to the Board is made after conferring with the nomination committee.

During 2023, a total of 646 778 (2022: 287 334) shares were issued related to the share purchase program.

3.1.5 TERMINATION AND SEVERANCE PAYMENTS
Members of the Executive Management has a notice period of six months. The use of severence pay is limited, however this may in some instances serve as a good alternative for all involved parties. The use of severance pay is limited upwards to one annual salary.

3.1.6 NON-MONETARY EMPLOYEE BENEFITS
Members of the Executive Management may be granted certain non-monetary benefits such as company car as well as other customary non-monetary employee benefits such as, newspaper, telephony, internet access, group life insurance and post-qualifying education/course as approved by the Board.

3.1.7 CLAW-BACK
The share purchase program includes a good-/bad leaver clause which entitles the Company to acquire a proportional, or all, shares from the employee if he/she resigns within the lock-up period. E.g. if an employee resigns (good leaver) one year post participating in the share purchase program, the Company has the right to acquire 50% of the shares from the employee. The price shall be equal to the employee's subscription price per share.

If the employee is legally dismissed within the lock-up period, the Company has the right to acquire all shares obtained in the share purchase program at a price per share set to the lowest of the subscription price and share price at Oslo Børs.

In the financial year 2023, no incentive remuneration was reclaimed.

.

4.2 Remuneration and shareholdings

4.2.1 REMUNERATION DEVELOPMENT 2023-2022

The development in the remuneration of the Executive Management is summarised in the table below:

Name and position NOK thousand	**Year**	**Base salary**	**Other benefits**	**Bonus paid**	**Pension cost**	**Total remuneration**	**Proportion fixed**
Ole Falk Hansen CEO from 07.2022	2023	3 022	22	579	168	3 791	85%
	2022	1 288	7	-	98	1 393	100%
Preben Liltved Interim CEO from 09.2020-06.2022, COO from 07.2022	2023	934	12	194	172	1 312	85%
	2022	1 931	7	-	103	2 041	100%
Marianne Voreland Ottosen Head of finance from 04.2022	2023	1 259	14	276	151	1 699	84%
	2022	819	111	-	138	1 068	100%
Kristoffer Lundeland Interim CFO from 04.2019 - 08.2022	2023	-	-	-	-	-	-
	2022	1 667	-	-	-	1 667	100%
Rolf-Atle Tomassen General Manager Syncrolift AS	2023	1 967	38	580	195	2 781	79%
	2022	1 955	20	691	196	2 862	76%
Mette Harv EVP Impact Technology ventures	2023	1 843	23	392	186	2 444	84%
	2022	1 765	14	-	222	2 001	100%
Petter Brøvig Head of Strategy from 9.2022	2023	1 065	14	69	121	1 269	90%
	2022	367	5	-	45	416	89%

As illustrated, the total cash bonus paid to Executive Management amounted to TNOK 2 2021 in 2023 which corresponds to ~20% of fixed base salary for the executive management. The bonus targets included both qantitative and qualitative targes. These targets include; sales & operation, financial targets (budget) and organisational targets.

4.2.2 SHAREHOLDING EXECUTIVE MANAGEMENT

As of 31 December, the Executive Management held shares in Nekkar ASA as follows:

Name and position	**Year**	**Total no of shares**	**Market value year-end** NOK million
Ole Falk Hansen CEO from 07.2022	2023	296 601	2.7
	2022	200 311	1.2
Preben Liltved Interim CEO from 09.2020-06.2022, COO from 07.2022	2023	120 819	1.1
	2022	101 561	0.6
Marianne Voreland Ottosen Head of finance from 04.2022	2023	19 258	0.2
	2022	-	-
Rolf-Atle Tomassen General manager Syncrolift AS	2023	3 303	0
	2022	3 303	0
Mette Harv EVP Impact Technology Ventures	2023	249 991	2.3
	2022	198 765	1.2
Petter Brøvig Head of Strategy from 9.2022	2023	96 290	0.9
	2022	-	-

5 Remuneration of the Board and Executive Management | Comparative overview

The development in the remuneration of the Board and Executive Management over the past five financial years is summarised in the table below.

Name and position NOK thousand	**Act. 2023**	**2023 vs. 2022**	**Act. 2022**	**2022 vs. 2021**	**Act. 2021**	**2021 vs. 2020**	**Act. 2020**	**2020 vs 2019**	**Act. 2019**	**2019 vs. 2018**
Ole Falk Hansen (CEO from 07.2022)	3 791	172%	1 393	100%	-	-	-	-	-	-
Preben Liltved (Interim CEO from 09.2020-06.2022, COO from 07.2022)	1 312	-36%	2 041	-26%	2 760	3	744	-	-	-
Marianne Voreland Ottosen (Head of finance from 04.2022)	1 699	59%	1 068	100%	-	-	-	-	-	-
Rolf-Atle Tomassen (EVP)	2 781	-3%	2 862	10%	2 614	0%	2 610	-4%	2 718	11%
Mette Harv (EVP)	2 444	22%	2 001	6%	1 886	1%	1 866	-4%	1 936	-20%
Petter Brøvig (Head of strategy from 09.2022)	2 001	381%	416	100%	-	-	-	-	-	-
Toril Eidesvik (former CEO 04.2016-09.2020)	-	-	-	-100%	1 350	-49%	2 661	-33%	3 980	-38%
Kristoffer Lundeland (Interim CFO from 04.2019 - 08.2022)	-	-100%	1 667	-45%	3 030	12%	2 706	24%	2 188	-
Leiv Kallestad (former CFO 08.2017-04.2020)	-	-	-	-	-	-	-	-100%	1 040	-65%
Chair of the Board[1]	550	10%	500	0%	500	10%	455	8%	420	-
Board member[1]	347	10%	315	0%	315	7%	294	0%	294	22%
Revenues	575 000	48%	387 503	-19%	479 983	34%	359 467	35%	266 614	21%
Operational EBITDA	108 700	55%	70 296	-51%	143 733	101%	71 382	39%	51 282	202%
Profit before tax	109 000	156%	42 634	-68%	132 534	85%	71 717	117%	33 102	149%
Company employees	92	19	73	11	62	8	54	4	50	12
Average remuneration [2)]	1 237	15%	1 073	-6%	1 191	11%	1 073	6%	1 016	-13%

1) The remuneration for the Board equals the approved amount from the Annual General Meeting.

2) Hired-in personnel are included in 2023 and 2022 figures .

6 Compliance with the Remuneration Policy

The remuneration of the Board and Executive Management for the financial year 2023 is consistent with the framework provided by the remuneration guidelines, approved by the annual general meeting 30 May 2023.

Auditor assurance report

KPMG AS
Kanalveien 11
P.O. Box 4 Kristianborg
N-5822 Bergen

Telephone +47 45 40 40 63
Internet www.kpmg.no
Enterprise 935 174 627 MVA

To the General Meeting of Nekkar ASA

Independent auditor's assurance report on report on salary and other remuneration to directors

Opinion

We have performed an assurance engagement to obtain reasonable assurance that Nekkar ASA report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31 December 2023 has been prepared in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

In our opinion, the remuneration report has been prepared, in all material respects, in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

Board of directors' responsibilities

The board of directors is responsible for the preparation of the remuneration report and that it contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and for such internal control as the board of directors determines is necessary for the preparation of a remuneration report that is free from material misstatements, whether due to fraud or error.

Our Independence and Quality Management

We are independent of the company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We apply the International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements,* and accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibilities

Our responsibility is to express an opinion on whether the remuneration report contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and that the information in the remuneration report is free from material misstatements. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information".

We obtained an understanding of the remuneration policy approved by the general meeting. Our procedures included obtaining an understanding of the internal control relevant to the preparation of the remuneration report in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. Further we performed procedures to ensure completeness and accuracy of the information provided in the remuneration report, including whether it contains the information required by the law and accompanying regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Bergen, 29 April 2024
KPMG AS

Knut Olav Karlsen
State Authorised Public Accountant

About this report

This annual integrated report applies to the reporting period 1 January to 31 December 2023. The report comprises both financial and sustainability information for all entities in the Nekkar Group.

The report was published on 29 April 2024, and has been reviewed and approved by Nekkar's Board of Directors. The sustainability information has not been audited by a third party.

For information about this report and its content, please contact Nekkar's CEO, Ole Falk Hansen: Ole.falk.hansen@nekkar.com.

NEKKAR