



*Disruptive technologies, sustainable results*

# **Q1 2021 Operational update presentation**

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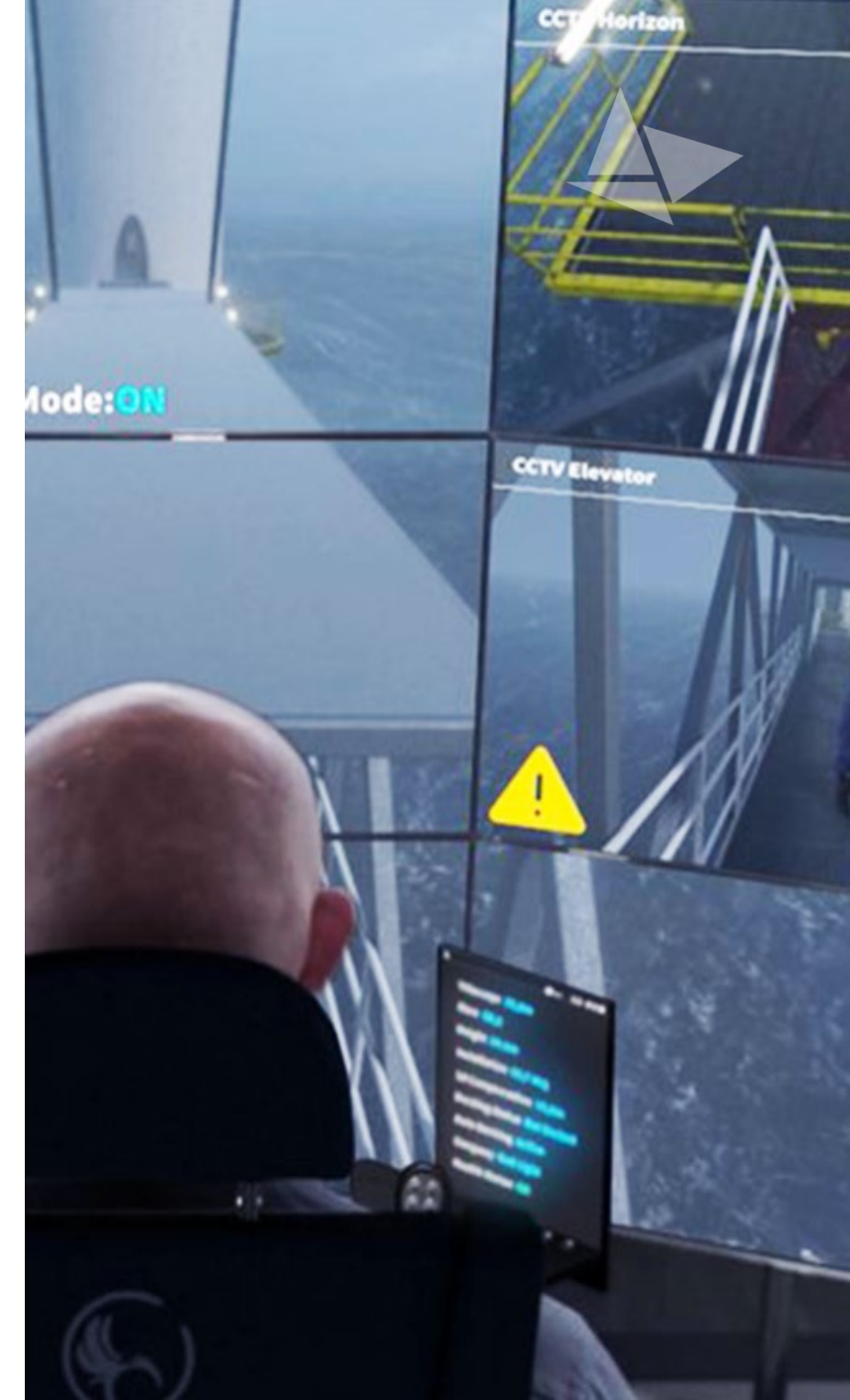


Nekkar ASA

# Q1 2021 highlights

## Highlights Q1 2021

- NOK 93 million in revenues, up ~40% compared to Q1 2020
- Operational EBITDA\* of NOK 17 million (EBITDA-margin of 18%), up from NOK 5 million in Q1 2020
- Solid order backlog of NOK 1,043 million at the end of Q1 2021
- Successful start-up of ocean testing of “Starfish” closed fish cage
- Secured NOK 21 million in funding for “SkyWalker”, Nekkar’s disruptive wind turbine installation solution
- Five-year service agreement for US customer signed for Syncrolift
- Delivered environmentally friendly shiplift to Skarvik AS



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

# Disruptive technologies, sustainable results



## New strategic direction defined in 2020

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



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

## Nekkar in brief



NOK 360 million revenue company (2020)



63 employees



Headquartered in Kristiansand, Norway



Listed on Oslo Stock Exchange (NKR)

# Utilise unique Nekkar competence to unlock productivity and sustainability gains in high-growth industry sectors



## Common value levers



Engineering



Electrification



Digitalisation



Automation

## Value delivered

Smaller  
environmental  
footprint

Energy  
efficiency

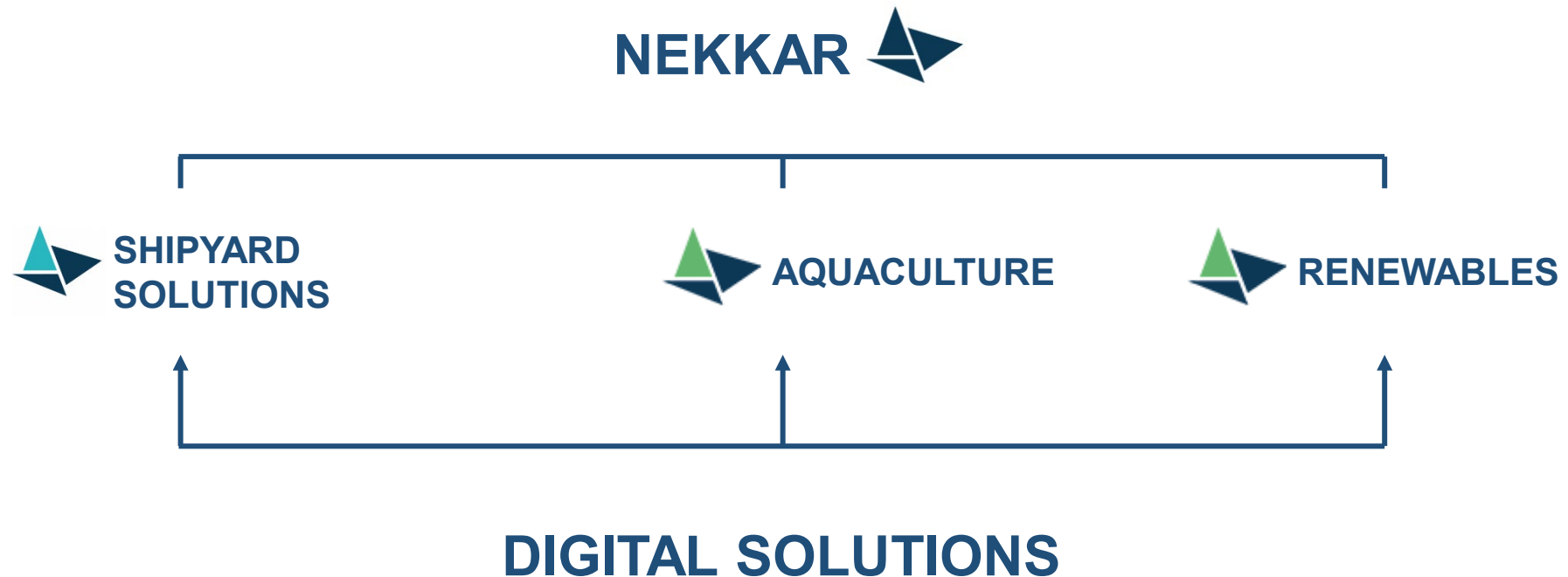
Automation &  
diagnostics

Visualisation &  
robotisation

Remote &  
unmanned  
operations

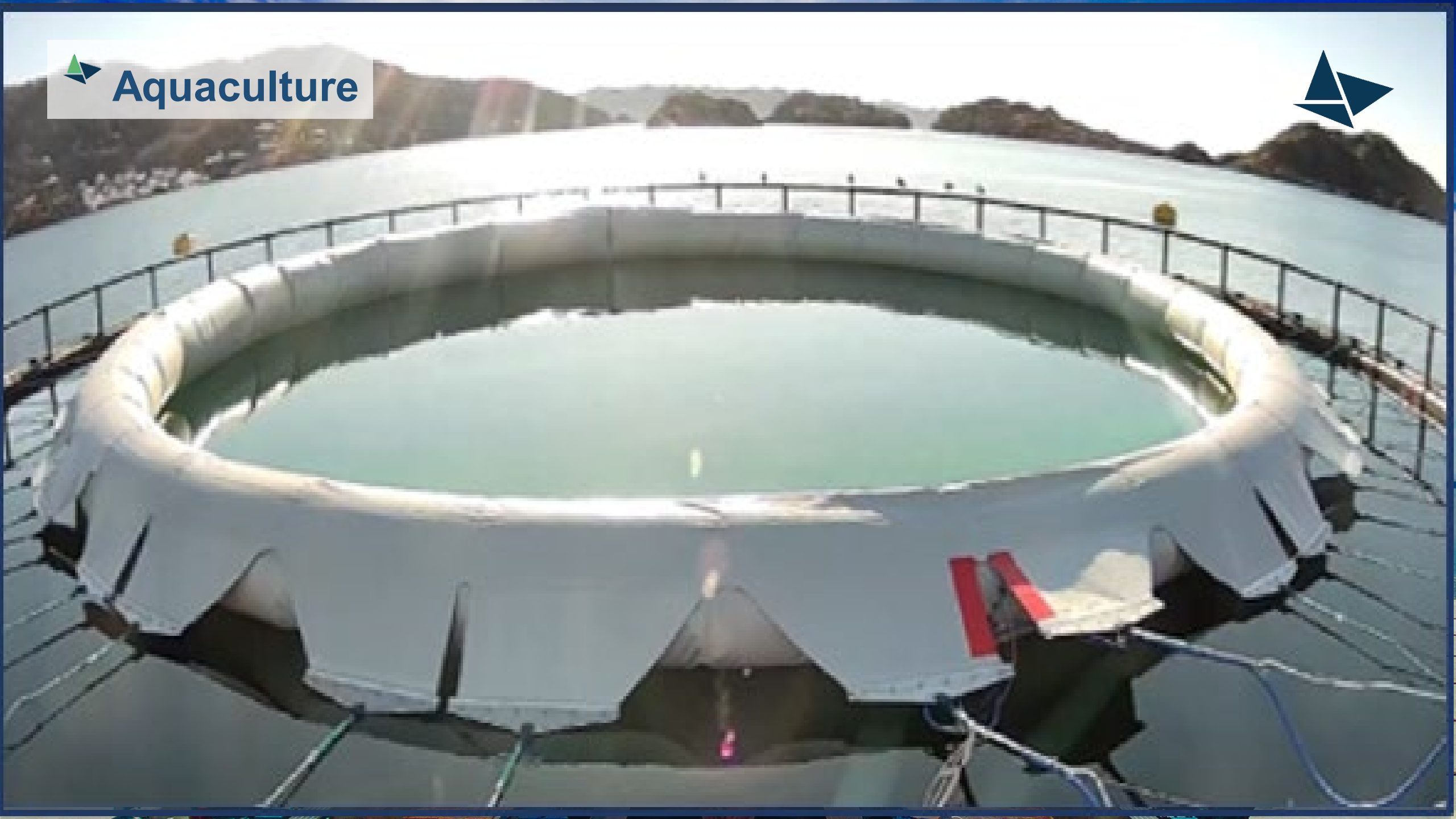
Significantly  
reduced opex

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





# Aquaculture



# The future of a sustainable aquaculture industry

## Megatrends and opportunities





# Sustainable aquaculture with closed technologies in sea



## Ocean-based closed cage fish farming

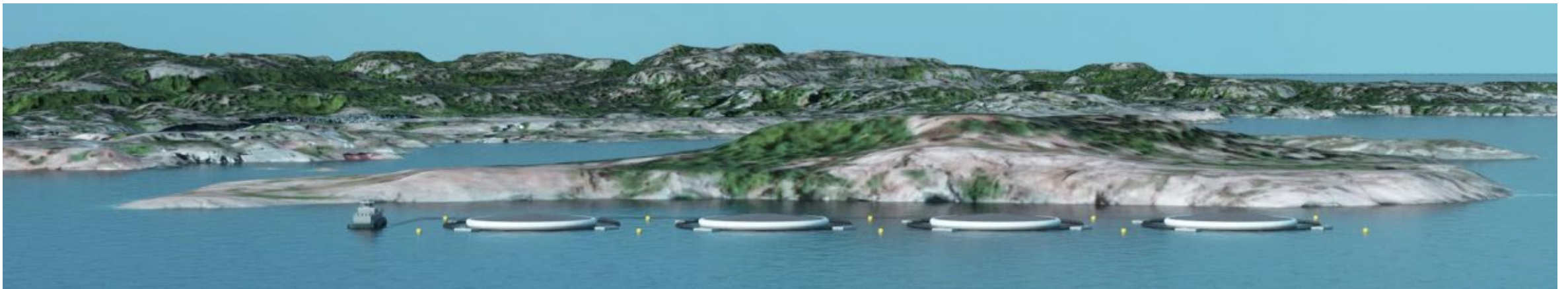
Protection against sea lice increase **fish welfare** and dramatic **reduction in Opex**

**Lower risk of escape** due to dual safety

Collection of waste contributes to **circular economy** – sludge will be turned into value

**Digital systems** = better control, increased growth and reduced Opex

Significantly **lower energy consumption** than land-based fish farming



# Starfish pilot test at Hidra in Flekkefjord: progressing according to plan

## Concept tests: Q1-Q4 2021



Circulations units & flow



Regulation, monitoring & software:

- Cameras under and over water level
- Compressors
- Flow sensors
- GPS for external data (wind etc.)



Inlet pipes / water pressure



Ocean current measurement



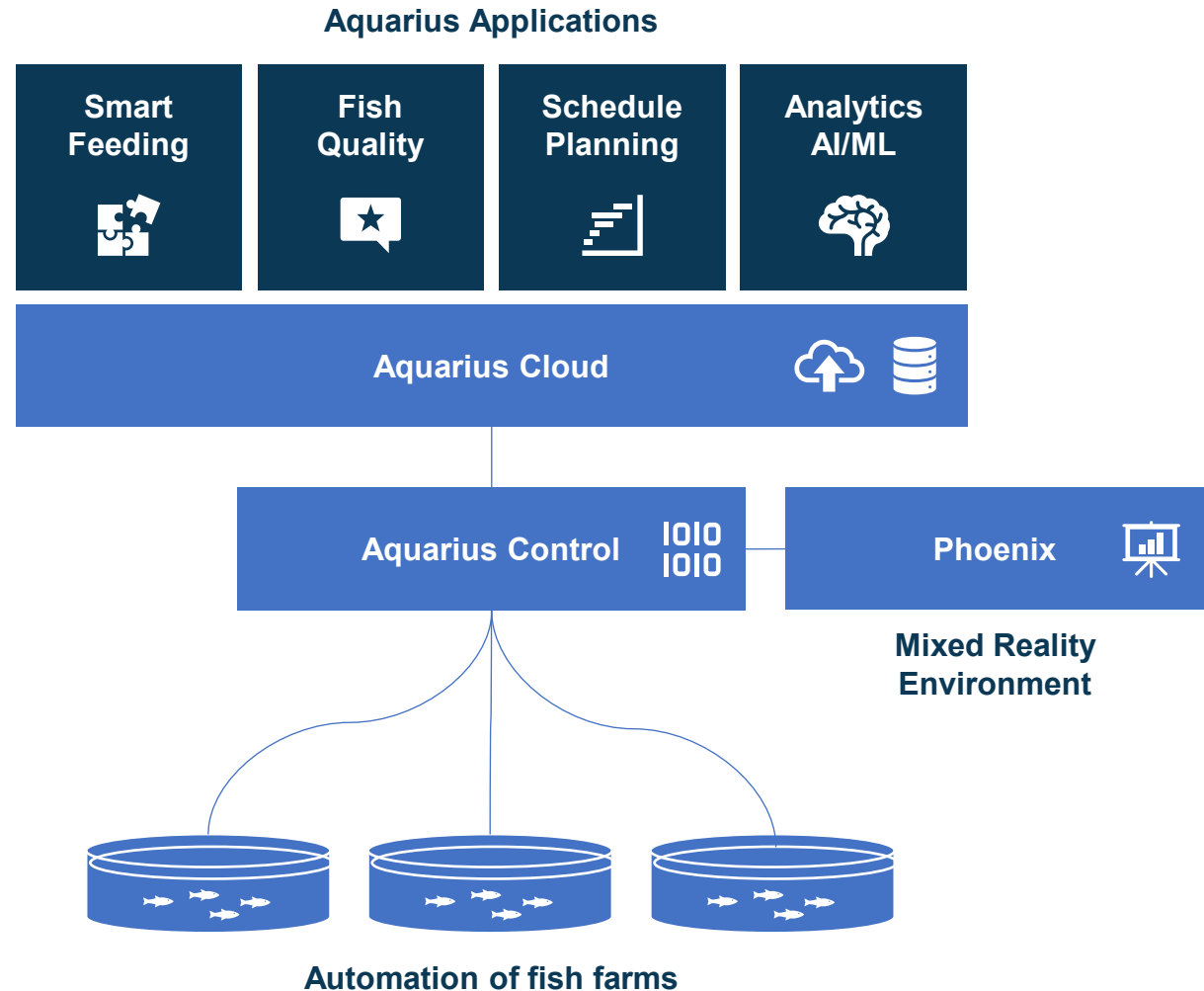
Sludge treatment system



# Aquarius – data-driven fish farming

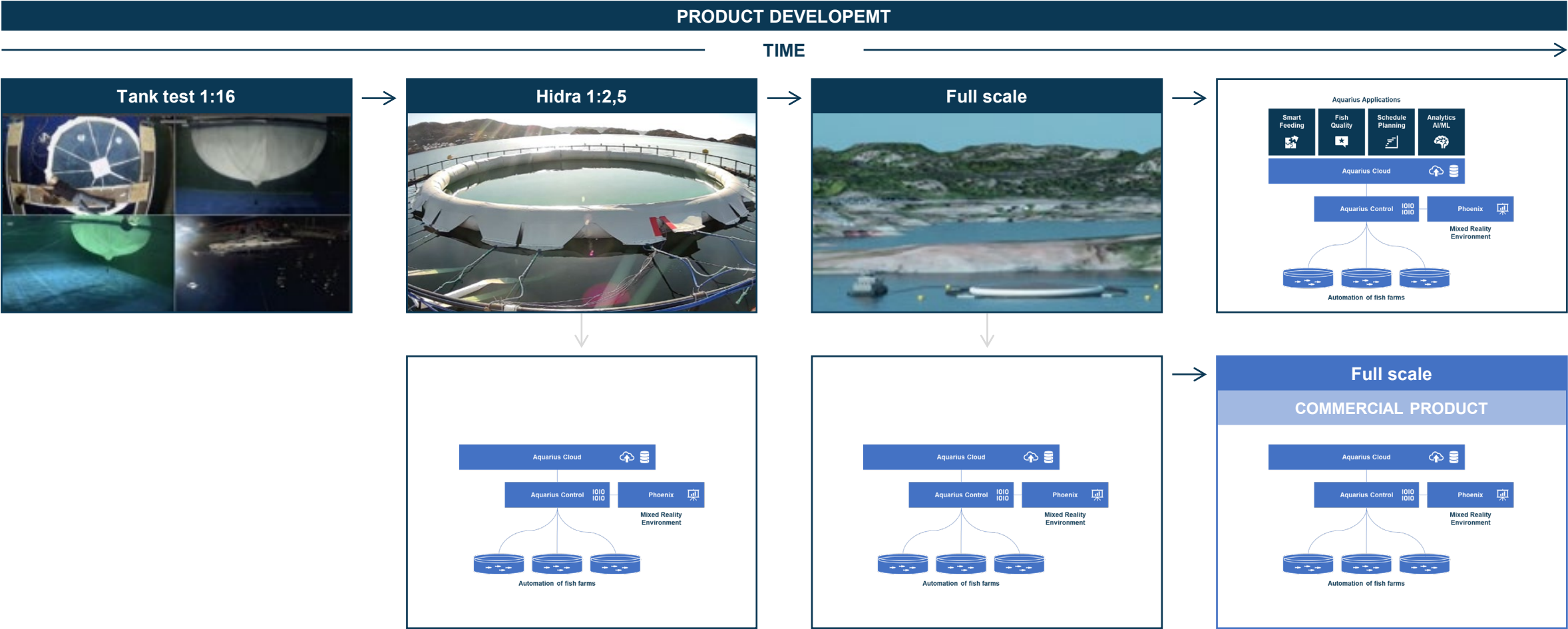


- Norway produces salmon from 875 locations with a total of 3,710 nets<sup>1</sup>
- Many farms lack proper automation and/or production optimization
- Based on existing products, technology and knowledge from the drilling industry, Intellilift delivers Aquarius data-driven software system for fish farms
- Aquarius is open, web-based software system that provide full production insight and deep analytics, across multiple farms
- Adding Phoenix immersive visualization environment promotes operation of multiple fish farms from a single central location



1) Figures from Fiskeridepartementet 2021 (Biomasseregister).

# Starfish – way to market







# SkyWalker – the future wind turbine installation



Increased weather window  
due to guided lift



Reduced turbine  
installation time



Turbines can be larger  
and installed higher



Possible to reduce  
tower oscillation



Smaller installation  
footprint required



Low or zero  
emission machine



Remotely controlled,  
unmanned lifting platform



Easier transport to site



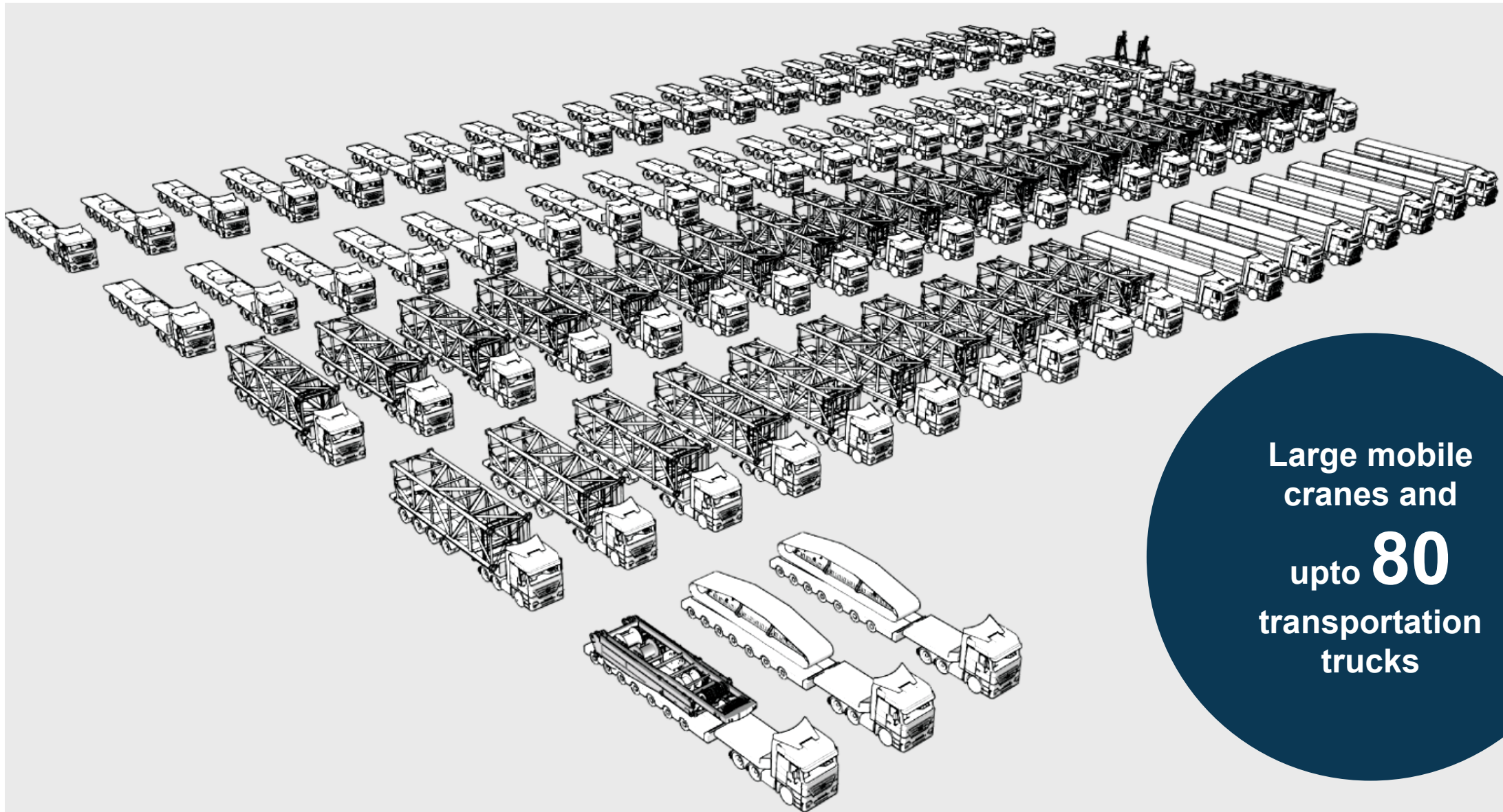
Technology based on active  
heave compensation (AHC)

# Current installation solutions



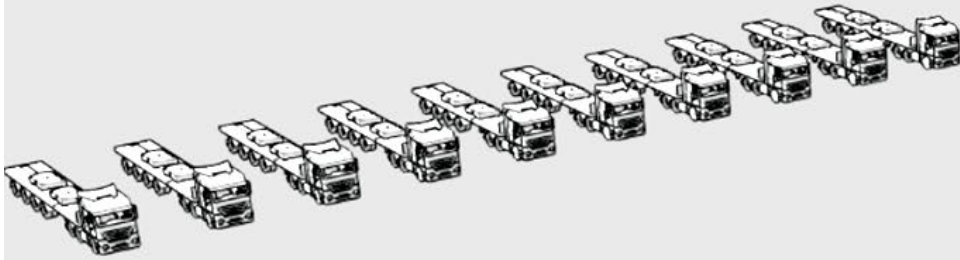


# Today's transportation and installation need is massive



Large mobile  
cranes and  
upto **80**  
transportation  
trucks

# SkyWalker significantly reduces support need

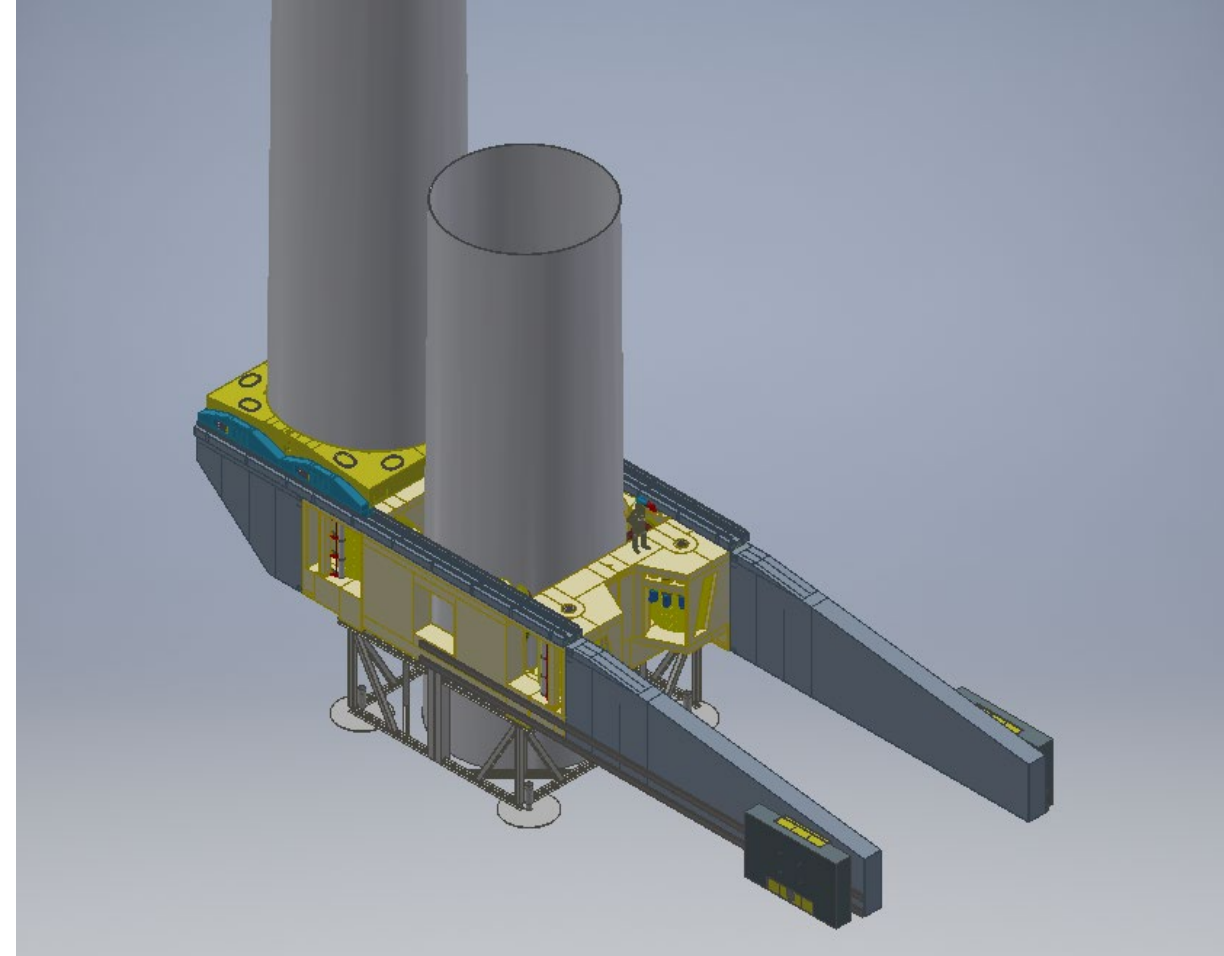


**8-10**  
transportation  
trucks

# SkyWalker – the future wind turbine installation tool



- Innovation Norway 21,5 MNOK funding approved
- Concept Design development complete
- Detailed Design during Q2-Q4
- Scale model (1:20) Q4
- Planning for test of prototype on site
- Cooperation with turbine OEM and Fred Olsen Renewables





# SkyWalker impact

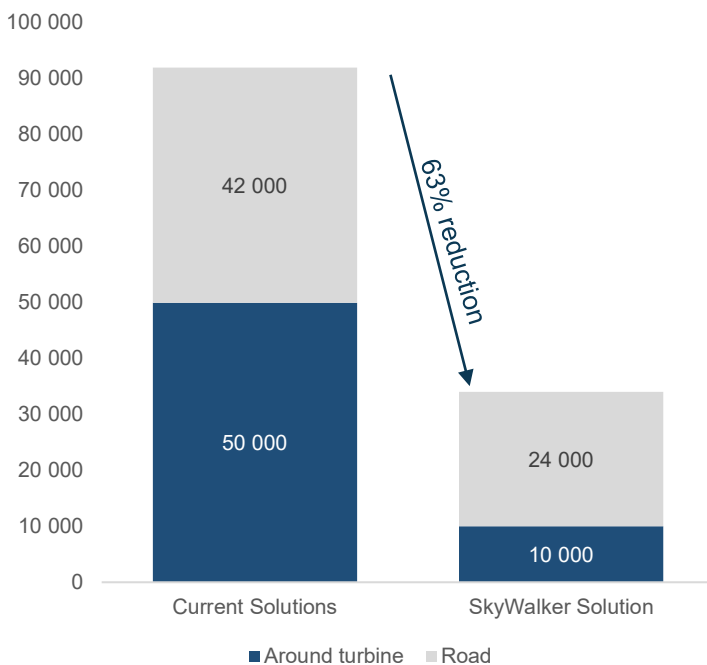


## REDUCES FOOTPRINT

20 TURBINE PARK



Square meters

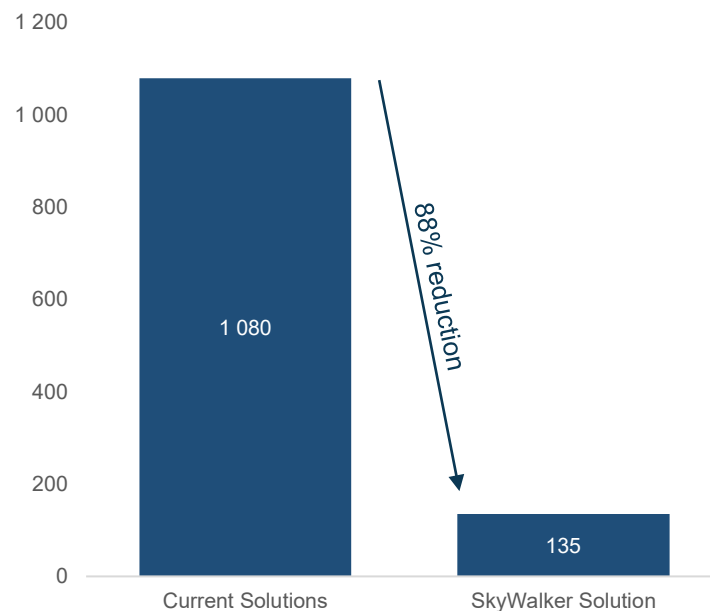


## REDUCES CO<sub>2</sub> EMISSIONS

FROM TRANSPORT TO WIND PARK



Tons of CO<sub>2</sub>

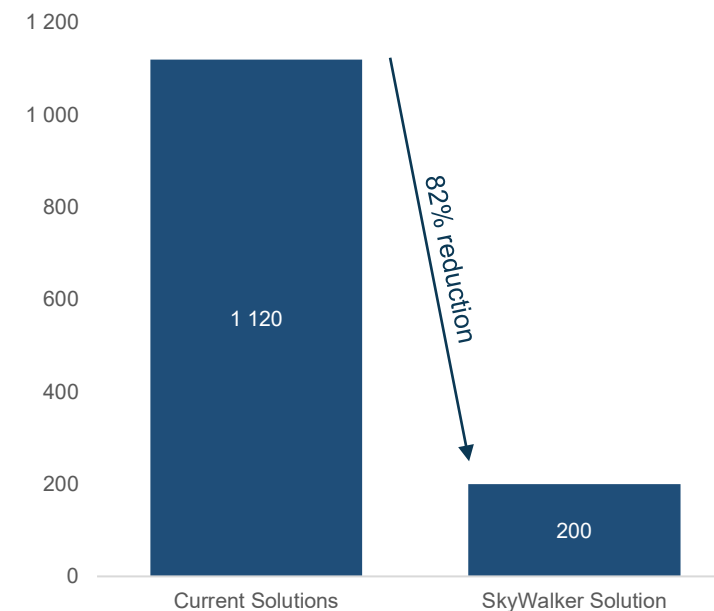


## INCREASES INSTALLATION EFFICIENCY

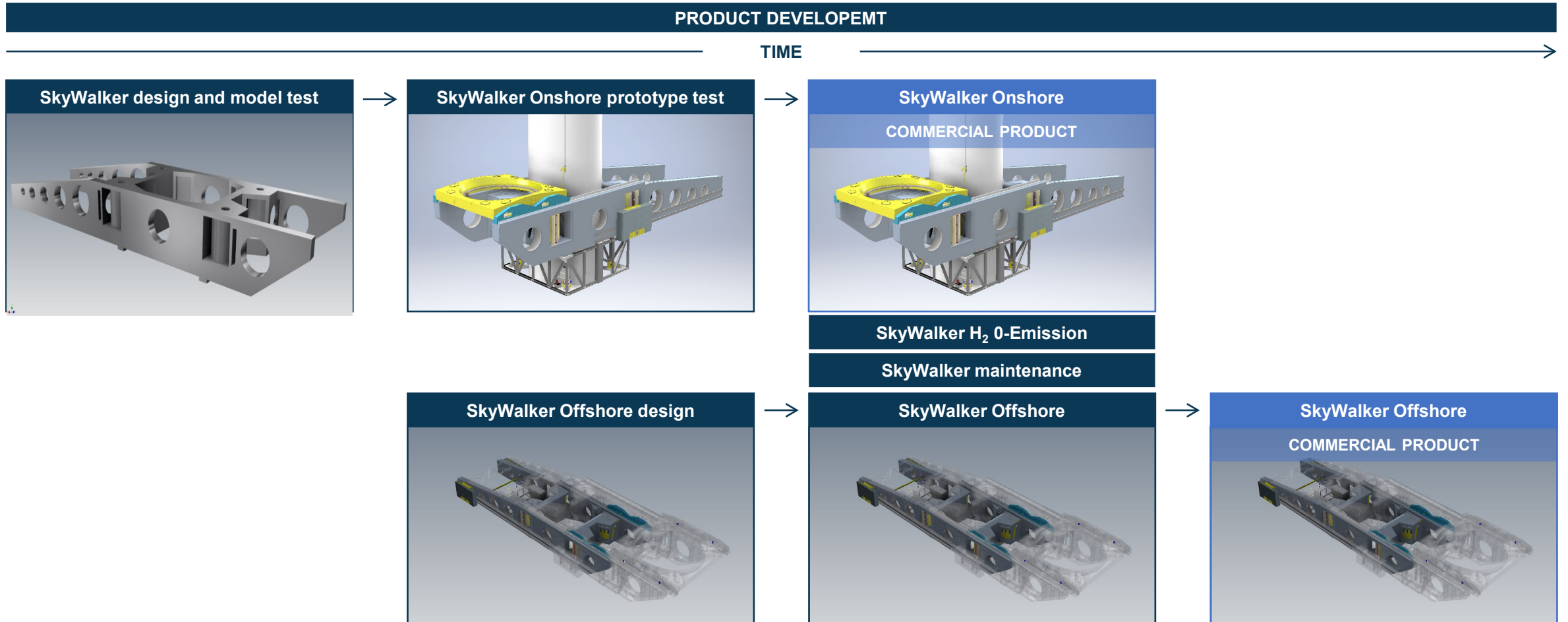
TIME DIFFERENCE FOR MOVING LIFTING RIG BETWEEN WIND TURBINES BASED ON A 20 TURBINE PARK



Hours



# SkyWalker – next steps



# Shipyard solutions



*Illustration: Syncrolift's new offices in Vestby, Norway*

# Skarvik AS environmentally friendly docking system



Delivered January 2021

- Quick lift
- Clean & go
- Contaminated water and debris collected





# Testing of transfer trollies before shipment to client



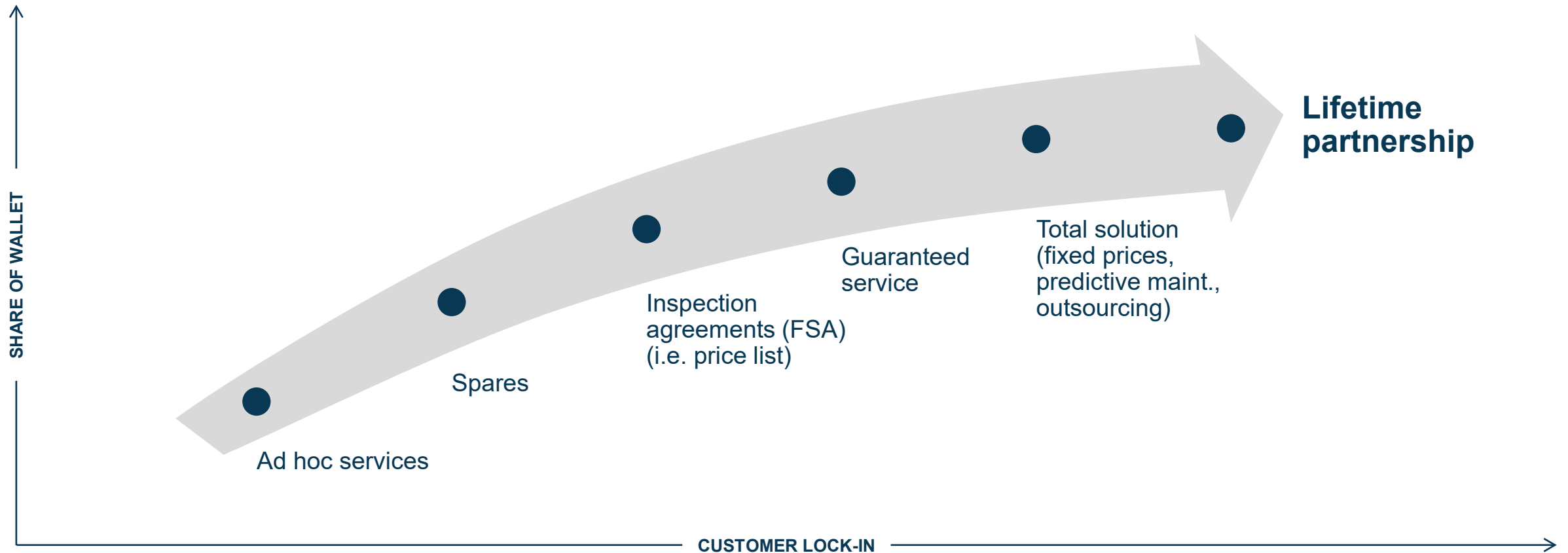
- Newly developed transfer trolley currently tested in Norway
- Trollies are equipped with a powerpack to allow individual control
- Trollies will have electronic flow compensation that senses load and balance load



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



## LONG-TERM RECURRING BUSINESS MODEL



# Significant growth potential in current installed base of docking facilities



**~150 Syncrolifts older than 2005 in operation**  
**~ 100 other OEM shiplifts**

Typical upgrades:

- Control systems light upgrades
- Complete control systems upgrade
- Midlife modernisation
- Capacity upgrade
- Extensions
- Total replacement

Syncrolift currently working on several upgrade prospects in Middle East and Europe



## EXAMPLE Mid-life upgrade for a navy client in Asia

- Syncrolift performs mid-life upgrade enabling client to safely handle vessels for 20 more years.
- Intellilift will supply the new controls for the Shiplift
- Project currently in final phase
- After life extension is completed (August 2021), Syncrolift Singapore will enter 20-year service contract for the same project

→ Picture shows refurbished winches being installed



# Financial highlights



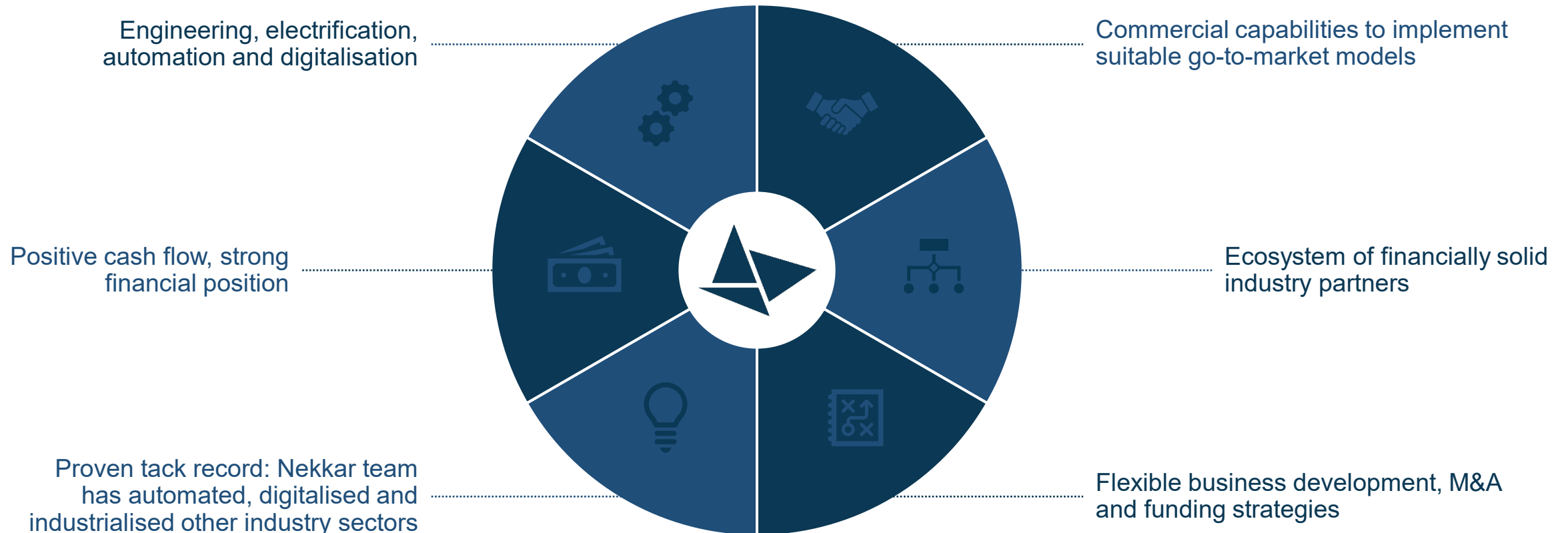
Nekkar ASA	Unaudited Q1		Audited Full-Year
	2021	2020	2020
MNOK			
Revenue	93	66	359
Reported EBITDA	17	-24	77
Operational EBITDA*	17	5	71
EBIT	16	-25	75
R&D Capex	6	2	11
EBITDA %	18,3 %	-36,7 %	21,5 %
Operational EBITDA % <sup>1</sup>	18,0 %	7,2 %	19,9 %
Order intake	16	9	701
Order backlog	1 043	752	1 167
EPS (NOK) <sup>2</sup>	0,13	-0,27	0,65

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

<sup>2</sup> Continued operations

- First quarter **revenue** of MNOK 93, representing an increase of 40% year-on-year
  - Revenue growth driven by high activity in Shipyard Solutions
- First quarter **operational EBITDA** of MNOK 17 compared to MNOK 5 in 2020
  - Gains on FX hedging contracts amounted to MNOK 0.3 in the first quarter of 2021 compared to a loss of MNOK 29 in 2020
- First quarter 2020 **reported EBITDA** impacted by FX hedging loss - significant currency fluctuations due to the coronavirus pandemic
- Strong **order backlog** of MNOK 1,043 at the end of the first quarter
  - Represent a solid operational foundation for future periods
- First quarter R&D **Capex** of MNOK 6 compared to MNOK 2 in 2020
  - Development activities include our closed fish cage solution, Starfish, wind turbine installation technology, SkyWalker and our digital solutions.
- First quarter **Earnings per share**, continued operations, of NOK 0.13 compared to NOK -0.27 in 2020

# Disruptive technologies, sustainable results



# Summary Q1 2021 and outlook



## Summary



Sound financial progress in quarter



Solid financial position, no interest-bearing debt



Solid order backlog of NOK 1,0 billion



Progression as planned for Starfish and SkyWalker development projects

## Outlook



### Shipyard solutions:

Expected lower newbuild order intake in 2021

Expected growth in service/upgrade revenues



**Aquaculture:** Extensive “Starfish” prototype testing in H1 2021

Preparations for test with biomass



**Renewables:** Kick-off of wind installation innovation project

Design and model testing of technology solution



### Digital:

Solid leads on oil & gas SaaS projects

Two out of three first Syncrolift projects commissioned







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