

NU GROUP™



# Q2 2024 Report

30th August 2024

## About NU Group

NU Group is a leading European manufacturer and certified operator of unmanned aircraft systems to clients within both the defense-, security- and civil surveillance industries. The Group service large corporations, government agencies and security customers by offering systems, AI supported solutions, and flight services for environmentally friendly delivery of productivity improvements and time critical, actionable data insights.

Founded in Norway in 2014, NU Group has offices in Sandnes (NO), Cranfield (UK), Hasselt (BE) and Arnsberg (GER). Nordic Unmanned ASA is listed on Euronext Growth with the ticker NUMND. The Group's operating history is 20 years.

# Contents

Q2 2024 Highlights	3
Message from the CEO	5
Group financial summary	7
Business Segments	10
Flight Services	10
AirRobot	12
DroneMatrix	13
Outlook	14
Financial statements	16
Notes	22
Alternative performance measures	30

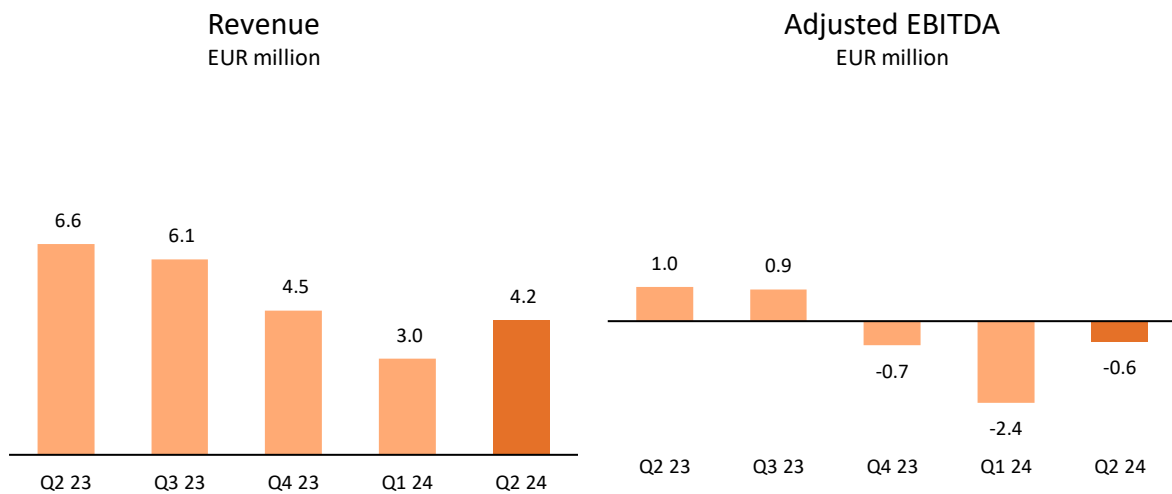


## Q2 2024 Highlights

- We are launching a new profile, web and strategy end August 2024, where Nordic Unmanned Group has rebranded to NU Group. This marks a significant shift in the Group's identity and future focus.
- Q2 2024 revenue of EUR 4.2 million (EUR 6.6 million)<sup>1</sup> with YTD 2024 revenue of EUR 7.2 million (8.8 million). The reduction is mainly due to an insurance claim recorded in Q2 2023 and the sale of Ecoxy in late 2023.
- Personnel costs are reduced by 25% in Q2 2024 compared to Q2 2023 and 23% year to date compared to comparative periods last year.
- Q2 2024 adjusted EBITDA of negative EUR 0.6 million (EUR 1.0 million) with YTD 2024 adjusted EBITDA of negative 3.0 million (negative EUR 2.6 million).
- Q2 2024 net loss of EUR 3.4 million (negative EUR 7.1 million) with YTD 2024 net loss of EUR 8.2 million (negative EUR 11.8 million).
- Adjusted for insurance claims recorded in Q2 2023 and discontinued operations (Ecoxy), the quarter over quarter reduction in revenue was EUR 0.2 million, while the Group had an increase in revenue of EUR 0.2 million YTD 2024 compared to YTD 2023. Adjusted for the same elements, the change in adjusted EBITDA quarter over quarter was a reduction of EUR 0.7 million and an improvement of EUR 0.6 million YTD.
- Q2 2024 saw lower than anticipated activity due to delayed start up as well as project delays.

<sup>1</sup> Figures in parentheses refer to the corresponding period or point in time last year.

- AirRobot awarded Type Certification of the AR100-H system and started deliveries to Bundeswehr under the Mikado II project.
- In the process of strengthening the balance sheet through the implementation of the financial restructuring announced in May 2024. In this respect, the completion of the final conditions for amendments to the Company's loan facilities, which is a condition precedent for the completion of the NOK 23.5 million private placement, the NOK 23.5 million subsequent offering and the EUR 5,172,414 bank debt conversion, all approved by the Company's extraordinary general meeting held on 11 June 2024, is taking more time than originally foreseen in order to ensure compliance with any applicable regulatory provisions, and the Company currently expects that closing of the financial restructuring will take place no later than 24<sup>th</sup> September 2024.
- At the end of June, NU Group was the first within Brazilian borders to carry out an unmanned long-range flight offshore.
- Stop of workorder for Tiquila contract effecting revenue for AirRobot. Discussions are in process with the client about the next step.





# Message from the CEO

The second quarter 2024 was a mixed quarter characterized by a lower than anticipated activity due to delayed start-up of operations in Flight Services as well as delays in deliveries under major contracts. On the other hand we had good operational performance, improved underlying cost performance and a milestone achievement by obtaining airworthiness certification of AirRobot's AR-100H "drone for defenders". In addition we have high activity related to the ongoing financial restructuring and turnaround activities in the making. Finally we have had changes to the Board. Importantly, we will be launching a revised strategic direction and a new profile.

## The quarter and year to date

As I stated in the Q1 2024 CEO letter, we still have much remaining work by developing and scaling our business segments, while realizing that this takes time, effort and resources. 2024 is defined as a transition year and the year where we need to "crack the code" to ensure a sustainable business and operations for the future.

The second quarter 2024 has yet again been a mixed quarter for NU Group. On the one hand we have had high activity for our drone as a service business (Flight Services) with more than 1.000 flight hours across Europe, and the underlying cost performance is improving. We have also seen AirRobot's cutting edge defense drone AR-100 achieving NATO country certification with deliveries started to Bundeswehr. On the other hand we have continued to see delays in what for us are major projects as well as high process costs related to the financial restructuring which adds pressure to cash liquidity.

In parallel, we are in a demanding process of completing the financial restructuring. While the balance sheet post restructuring will be significantly improved, the liquidity situation in the Company will remain subject to uncertainty through the transition year 2024 and pending the various activities under the earlier announced turnaround plan and general business development.

Further, we are pushing to progress the turnaround activities, we are writing tenders and we are launching a new profile and a revised strategic direction towards defense and security as well as consolidation in the Drone-as-a-service segment (Flight Services).

Despite all our challenges, we shall not forget our multi-year track record and pioneer-status in the drone industry, our multi-drone platform flight experience beyond visual line of sight (BVLOS), our NATO country certified technology, our blue-chip clients and not least our competent people. And – despite our historic financial performance, although significantly improved, – we have an established name recognition in the global drone industry and remain among the larger integrated drone technology and drone services companies in Europe.

Our flight services can be seen as one of the European market leaders in an emerging industry with strong long-term prospects. However, we have to make a transition from an asset heavy to an asset light business model which should lead to higher scalability and ROE over time. The drone service market is gradually becoming more disciplined and mature, with more focus on profitability.

We have built the Drone-as-a-service business in Flight Services to be one of the world leading players and to continue the segment pursuit to build scale, we will pursue consolidation within this part of our industry where size and scale matters.

We continue to believe that we are on the right track, however this requires sufficient time and space and financial support to deliver on our targets. Changes take time in our industry as lead times are long due to primarily governmental clients.

Our OEM business has achieved a strong technology position offering state-of-the-art surveillance drone ("protect the defenders") for the defense market. Industrial validation of our AR-100 drone, through the Mikado II contract with

Bundeswehr and the certification, gives us a better platform to proceed. Going forward and as part of our turnaround plan our focus is to lean the current manufacturing facilities, seek partners to both support entry into new NATO markets in Europe and to scale production.

All these activities are key in the beforementioned turnaround plan. The financial restructuring with a sound capital plan is a key element to support the transition and new strategic direction, including a stronger and leaner balance sheet.

**New profile and strategic direction**

Historically NU Group has focused mostly on the civil governmental market which remains a cornerstone for the drone as a service business (Flight Services).

Going forward NU Group is stepping up efforts to address the large and growing market within defense and security. The world is polarizing, and defense and security are on everyone’s mind to protect what we treasure – our families and friends, our society and surroundings. On this

basis we are launching a new profile, web and strategy end August 2024.

So, while of course the Drone-as-a-service business in Flight Services will be nurtured and efforts are made to grow through bids and consolidation, a gear shift will take place towards defense and security by building on the NATO country certified AR-100 drone being delivered to Bundeswehr and the German police and the AI supported drone in a box technology that is successfully deployed in the Port of Antwerp.

In parallel the company is stepping up its efforts to contribute to consolidation in the industry and in particular for Flight Services. NU Group is in initial dialogue with industrial parties in this regard.

We will continue to work hard and do what we can to execute on all these activities to seek to strengthen NU Group and eventually become among the most profitable drone companies in Europe.

Above All – We Protect Values and Lives, for A Safer Future.




**Stig Harry Christiansen**  
CEO



# Group financial summary

Unaudited figures in EUR '000	Q2 2024	Q2 2023	YTD 2024	YTD 2023
<b>Operating revenue</b>	<b>4 213</b>	<b>6 584</b>	<b>7 238</b>	<b>8 751</b>
Cost of goods sold	899	582	2 142	1 389
Personell expenses	2 081	2 795	4 575	5 961
Other operating expenses	1 849	2 195	3 515	3 969
<b>Adjusted EBITDA</b>	<b>-616</b>	<b>1 010</b>	<b>-2 995</b>	<b>-2 568</b>
Adjusted EBITDA %	-15 %	15 %	-41 %	-29 %
Non-recurring items	-	2 850	-	2 850
<b>EBITDA</b>	<b>-616</b>	<b>-1 839</b>	<b>-2 995</b>	<b>-5 418</b>
EBITDA%	-15 %	-28 %	-41 %	-62 %
Depreciation and amortisation expenses	1 444	1 515	2 788	3 012
Impairments	1 213	2 887	1 213	2 887
<b>EBIT</b>	<b>-3 274</b>	<b>-6 241</b>	<b>-6 996</b>	<b>-11 317</b>
Net financial items	-578	-34	-1 237	-638
<b>Income (loss) before tax</b>	<b>-3 852</b>	<b>-6 275</b>	<b>-8 233</b>	<b>-11 955</b>
Income tax	-	867	45	-202
<b>Net income (loss)</b>	<b>-3 852</b>	<b>-7 142</b>	<b>-8 278</b>	<b>-11 753</b>

*Business segment specific information is provided in the Business Segment Section.*

## Operating revenue

Q2 2024 revenues amounted to EUR 4.2 million (EUR 6.6 million). The EUR 2.4 million decrease from the corresponding period last year is mainly due to a decrease of EUR 0.6 million in AirRobot related to delays in the deliveries on the Tiquila project. In the Flight Services segment there is a decrease of EUR 1.5 million mainly related to proceeds from an insurance claim in Q2 2023 and income from Ecoxy in Q2 2023. Ecoxy was divested in Q3 2023. Adjusted for insurance claims recorded in Q2 2023 and discontinued operations (Ecoxy), quarter on quarter revenue development was stable.

YTD 2024 revenues amounted to EUR 7.2 million (EUR 8.8 million). The YoY development is mainly explained by a decrease of EUR 0.9 million in insurances claim, a decrease of EUR 0.8 million related to the divestment of Ecoxy and partly offset by an increase of EUR 0.6 million related to the sale of an Indago 4 system to a NATO country customer. Adjusted for insurance claims recorded in Q2 2023 and discontinued operations (Ecoxy) the Group had an increase in revenue of EUR 0.2 million YoY.

## Operating cost

Cost of goods sold was higher than in the corresponding periods last year, both in Q2

2024 and YTD 2024, mainly due to the sale of a Indago 4 system in Flight Services and also increased deliveries on the Tiquila and the Mikado II contract in AirRobot.

Personnel expenses were approximately 25% lower than in the corresponding periods last year, both in Q2 2024 and YTD 2024. This is explained by the three rounds of rightsizing of the Group and Flight Services organizations during 2023 and 2024, a process that the company expects to see further effects of in the second half of 2024.

Other operating expenses were lower than in the corresponding periods last year, both in Q2 2024 and YTD 2024, as there is a continuous focus on cost reduction and efficiency initiatives.

Personnel expenses and operating expenses accrued in NOK have been converted to EUR with a currency exchange gain.

Depreciation and amortization were lower than in the corresponding periods last year, both in Q2 2024 and YTD 2024. The reduction is attributable to the reduction in the carrying value of assets on the balance sheet.

The carrying value of a subsidiary was impaired by EUR 1.2 million in Q2 2024 following an agreement to acquire 100% of the shares in the subsidiary. The impairment of EUR 2.9 million in Q2 2023 was related to the Camcopter drone system and investments in a subsidiary and a joint venture company.

Net financial items in Q2 2024 amounted to a cost of EUR 0.6 million (negative EUR 0.0 million) and consisted mainly of interest expenses and foreign exchange losses.

### Operating profits/loss

Adjusted EBITDA for Q2 2024 was negative EUR 0.6 million (EUR 1.0 million). The decrease is mainly due to insurance settlement in Flight Services in 2Q 2023, project delays in AirRobot and lower activity in DroneMatrix. This is partly offset by lower personnel and other operating expenses.

Adjusted for insurance claims recorded in Q2 2023 and discontinued operations (Ecoxy), the change in adjusted EBITDA quarter over quarter was a reduction of EUR 0.7 million.

Adjusted EBITDA for YTD 2024 was negative EUR 3.0 million (negative EUR 2.6 million). The decrease is mainly due to insurance settlement in Flight Services in 2Q 2023 and lower activity in DroneMatrix. This is partly offset by lower personnel and other operating expenses. Adjusted for insurance claims recorded in Q2 2023 and discontinued operations (Ecoxy), the change in adjusted EBITDA was an improvement of EUR 0.6 million YoY.

Q2 2024 pre-tax losses amounted to negative EUR 2.9 million (negative EUR 6.3 million), a 54% improvement year over year.

YTD 2024 pre-tax losses amounted to negative EUR 7.8 million (negative EUR 12.0 million).

### Financial position

At 30 June 2024, total assets amounted to EUR 37.7 million (EUR 45.4 million), with non-current assets amounting to EUR 27.8 million (EUR 34.9 million) and current assets amounting to EUR 9.8 million (10.5 million).

At 30 June 2024, total equity and liabilities amounted to EUR 37.7 million (EUR 45.4 million) with equity amounting to EUR 5.9 million (EUR 12.4 million), representing an equity ratio of 16 percent.

On 16 February 2024, Nordic Unmanned ASA secured additional short-term liquidity of EUR 2 million, in the form of a loan agreement with existing lenders and an additional short-term loan of EUR 1 million from Tjelta Eiendom AS on 5 June 2024, both to be repaid in August. On 14 August 2024, the company disclosed an update to the Euronext Growth Stock Exchange on the status of its financial restructuring and recent liquidity challenges resulting from project delays, working capital requirements and the restructuring cost. The company's expectations are that it will not have sufficient liquidity to repay the EUR 2 million bridge loan and EUR 1 million



additional liquidity loan from Tjelta Eiendom AS provided in connection with the financial restructuring.

### Liquidity

At 30 June 2024, cash and cash equivalents amounted to EUR 0.3 million (EUR 0.6 million). In addition, the Group had EUR 0.2 million available in undrawn overdraft facilities.

### Cash flow

Q2 2024 net cash flow from operating activities was negative EUR 1.8 million (EUR 0.6).

Q2 2024 net cash flow from investing activities was negative EUR 0.9 million (negative EUR 3.1 million), mainly related to purchase of the remaining assets for the EMSA OP5 contract.

Q2 2024 net cash flow from financing activities was EUR 2.6 million (EUR 2.5

million). This is mainly related to securing short-term financing related to the ongoing capital raise. AirRobot paid down their credit line with EUR 0.9 million in the quarter.

### Estimated Contract backlog<sup>2</sup>

30 June 2024 estimated contract backlog was EUR 48 million. The estimated contract backlog consists of framework agreements subject to call-offs (OP46, OP5, OP1) with European Maritime Safety Agency (EMSA) in Flight Services, the currently stopped Tiquila contract for Lockheed Martin UK (Heimdal sensors) and the Mikado 1 and 2 contracts for Bundeswehr in AirRobot.

### Subsequent events

[See note 10 for subsequent events.](#)

<sup>2</sup> Estimated contract backlog is defined in the Alternative Performance Measures section.



# Business Segments

*In this report all costs previously reported as Group costs that were related to operations of the Business segments Flight Services, AirRobot and DroneMatrix have been allocated to the respective Business Segments. This is done for all financial periods covered in this report (Q2 2023 and Q2 2024). See note 4 for further information.*

## Flight Services

Flight Services is a technology-agnostic flight services operator providing time-critical actionable data to large corporate and governmental customers.



Unaudited figures in EUR '000	Q2 2024	Q2 2023	YTD 2024	YTD 2023
<b>Operating revenue</b>	<b>2,896</b>	<b>4,407</b>	<b>3,971</b>	<b>5,442</b>
Cost of goods sold	97	500	633	605
Personell expenses & other operating expenses	1,924	2,774	4,067	5,220
Allocated Group Cost	574	1,032	1,063	1,923
<b>Adjusted EBITDA</b>	<b>301</b>	<b>101</b>	<b>-1,792</b>	<b>-2,305</b>
Adjusted EBITDA %	10%	2%	-45%	-42%
Non-recurring items	-	1,595	-	1,595
<b>EBITDA</b>	<b>301</b>	<b>-1,494</b>	<b>-1,792</b>	<b>-3,900</b>
EBITDA%	10%	-34%	-45%	-72%

### Financial

Flight Services recorded revenues of EUR 2.9 million in Q2 2024 (EUR 4.4 million). There is a decrease of EUR 1.5 million mainly related to proceeds from an insurance claim in Q2 2023 and income from Ecoxy in Q2 2023. Ecoxy was divested in Q3 2023. Net of these

changes, revenue for the Flight Services segment reduced by EUR 0.3 million due to later start of the OP46 and OP 5 flying season.

YTD 2024 revenue totalled EUR 4.0 million (EUR 5.4 million). The decrease is mainly

related to an insurance claim in Q2 2023 and revenue from the Ecoxy business which was divested in Q3 2023. This is partly offset by EUR 0.6 million related to the sale of Indago 4 systems to a customer.

Adjusted EBITDA for Q2 2024 was EUR 0.3 million (EUR 0.1 million). YTD 2024 adjusted EBITDA was negative 1.8 million (negative 2.3 million). Adjusted for Q2 2023 insurance claim and Ecoxy, adjusted EBITDA had an improvement of EUR 1.1 million in Q2 2024 and an improvement of EUR 1.5 million YTD 2024. The main reason for the improvement is a reduction in personnel and other operating cost, where the implementation of efficiency measures is now taking effect.

## Operations

Flight Services delivered 1 082 flight hours in Q2 2024, compared to 1 423 flight hours in Q2 2023 and 1 151 flight hours YTD 2024, compared to 1 548 flight hours YTD 2023.

The main reason for the decrease in flight hours is the delayed start-up of operations,

and reduced training hours. As in both quarters we were subject to challenging weather conditions.

Flights services had operations under the EMSA OP 46 contract, with flights in the Baltics commencing in the quarter. A second deployment commenced in Q3.

Furthermore, the first deployments under the EMSA OP 5 contract started in April 2024 with the upgraded Aerosonde UAS that has vertical take-off and landing capabilities (Aerosonde Hybrid Quad).

Flight Services was active under the EMSA OP 1 contract (lightweight capability), with one European Fishery Control Agency vessel deployment in the quarter (with one additional deployment in Q3 2024), three oil pollution response exercises and three inter-agency oil spill exercises.

## AirRobot

AirRobot is an OEM with a leading product platform in lightweight UAS tailored for defense & security.



Unaudited figures in EUR '000	Q2 2024	Q2 2023	YTD 2024	YTD 2023
<b>Operating revenue</b>	<b>1,250</b>	<b>1,843</b>	<b>3,150</b>	<b>2,903</b>
Cost of goods sold	662	-47	1,366	603
Personell expenses & other operating expenses	845	1,288	1,704	2,010
Allocated Group Cost	335	415	739	794
<b>Adjusted EBITDA</b>	<b>-592</b>	<b>187</b>	<b>-660</b>	<b>-503</b>
Adjusted EBITDA %	-47%	10%	-21%	-17%
Non-recurring items	-800	-	-800	-
<b>EBITDA</b>	<b>208</b>	<b>187</b>	<b>140</b>	<b>-503</b>
EBITDA%	17%	10%	4%	-17%

### Financial

AirRobot recorded revenues of EUR 1.3 million in Q2 2024 (EUR 1.8 million). The decrease is mainly attributable to delayed deliveries under the Tiquila contract. AirRobot's main activity in Q2 2024 was completion of certification activities under the Mikado 2 contract for Bundeswehr. Following the certification, AirRobot also delivered the first batch of AR-100H drones to Bundeswehr.

YTD 2024, AirRobot recorded revenues of EUR 3.2 million (EUR 2.9 million).

Q2 2024 adjusted EBITDA amounted to negative EUR 0.6 million (EUR 0.2 million). The decrease is mainly attributable to delayed deliveries under the Tiquila contract and focus on the AR-100H certification activities.

AirRobot recorded a patent sale in the quarter to its parent company. This transaction is presented as a non-recurring item in the segment and eliminated on a Group level.

YTD 2024 adjusted EBITDA amounted to negative EUR 0.7 million (negative EUR 0.5 million).

### Operations

The AR100-H received the Type Certification Approval II B from the German Armed Forces in Q2 2024 with training and deliveries of the AR100-H system.

Recurring revenue from MRO (Maintenance, Repair and Overhaul) and development activity for Bundeswehr (Mikado II) are also contributing to the growth in activity.

## DroneMatrix

DroneMatrix is an OEM offering a fully integrated and autonomous UAS system with proprietary software.



Unaudited figures in EUR '000	Q2 2024	Q2 2023	YTD 2024	YTD 2023
<b>Operating revenue</b>	<b>116</b>	<b>371</b>	<b>237</b>	<b>584</b>
Cost of goods sold	78	95	118	111
Personell expenses & other operating expenses	207	213	377	394
Allocated Group Cost	35	51	71	102
<b>Adjusted EBITDA</b>	<b>-204</b>	<b>12</b>	<b>-329</b>	<b>-22</b>
Adjusted EBITDA %	-177%	3%	-139%	-4%
Non-recurring items	-	-	-	-
<b>EBITDA</b>	<b>-204</b>	<b>12</b>	<b>-329</b>	<b>-22</b>
EBITDA%	-177%	3%	-139%	-4%

### Financial

DroneMatrix's Q2 2024 revenue amounted to EUR 0.1 million (EUR 0.4 million), whilst YTD 2024 revenue amounted to EUR 0.2 million (EUR 0.6 million). The decrease is due to reduced activity and sales.

Q2 2024 EBITDA amounted to negative EUR 0.2 million (EUR 0 million). YTD 2024 EBITDA amounted to negative EUR 0.3 million (EUR 0 million).

### Operations

DroneMatrix's main activity in Q2 2024 was the ongoing and increased drone surveillance operations for Port of Antwerp. Furthermore, DroneMatrix worked on delivering a drone-in-the-box system to Gassco in the Port of Zeebrugge.

### Ownership

Nordic Unmanned ASA has entered into a final agreement to acquire the remaining 45% of the shares in DroneMatrix from the Vanwelkenhuyzen family. The acquisition will be effective on closing, expected at the end of Q3 2024, with a remaining sellers credit of MEUR 1 payable end 2025.



# Outlook

The key drivers for the anticipated growth in demand for drone technology and services are increasing focus on defence and security, an increasingly favourable regulatory environment in Europe, improved awareness and education, substantial environmental benefits, cost efficiencies as well as safety and security benefits, and continued technological advancements.

Combined with our history, track record, client base and implemented cost measures,

a new profile and strategic direction together with the financial restructuring and defined turnaround activities are anticipated to benefit the Group in the long term.

The estimated contract backlog is EUR 48 million and the unweighted value of the pipeline of opportunities is above EUR 500 million. There is an attractive future for those companies that pull through the challenges, and our aim is to see NU Group among the winners in the future.

## Disclaimer – forward looking statement

*In addition to historical information, this presentation contains statements relating to our future business, events and/or results. These “forward-looking” statements include certain estimates, assumptions and projections of Nordic Unmanned ASA (the “Company”), based on information currently available to the Company. All statements, other than statements of historical fact, are statements that could be deemed forward-looking statements, including statements preceded by, followed by words that include the words “estimate, “plan,” “project,” “forecast,” “intend,” “expect,” “predict,” “anticipate,” “believe,” “think,” “view,” “seek,” “target,” “goal” or similar expressions; any projections of earnings, revenues, expenses, synergies, margins or other financial items; any statements of the plans, strategies and objectives for future operations, including integration and any potential restructuring plans; any statements concerning proposed new products, services, developments or industry rankings; any statements regarding future economic conditions or performance; any statements of belief; and any statements of assumptions underlying any of the foregoing.*

*Forward-looking statements do not guarantee future performance and involve risks and uncertainties. By their nature, forward-looking information and statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements that may be expressed or implied by the forward-looking information and statements in this report. These forward- looking statements are based on the current estimates and projections of the Company. No update or revision will be made to forward-looking statements contained herein, whether as a result of new information, future events or otherwise. Although the Company believes that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies, which are impossible to predict and are beyond Company’s control, the Company cannot assure achievement or accomplishment of such expectations, beliefs or projections.*

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# Financial statements



## Consolidated Statement of Income

Unaudited figures in EUR '000	Notes	Q2 2024	Q2 2023	YTD 2024	YTD 2023
Revenues		4 136	5 426	7 144	7 384
Other income		77	1 158	94	1 367
<b>Total revenues and other income</b>	3,4	<b>4 213</b>	<b>6 584</b>	<b>7 238</b>	<b>8 751</b>
Cost of goods sold		899	582	2 142	1 389
Personell expenses		2 081	3 785	4 575	6 951
Depreciation and amortisation expenses	5,6	1 444	1 515	2 788	3 012
Impairments	5,6	1 213	2 887	1 213	2 887
Other operating expenses		1 849	4 055	3 515	5 829
<b>Total operating expenses</b>		<b>7 487</b>	<b>12 825</b>	<b>14 234</b>	<b>20 067</b>
<b>Operating profit (loss)</b>		<b>-3 274</b>	<b>-6 241</b>	<b>-6 996</b>	<b>-11 317</b>
<b>Net financial income (expenses)</b>		<b>-578</b>	<b>-34</b>	<b>-1 237</b>	<b>-638</b>
<b>Income (loss) before tax</b>		<b>-3 852</b>	<b>-6 275</b>	<b>-8 233</b>	<b>-11 955</b>
Income tax expense (benefit)		-	867	45	-202
<b>Net income (loss)</b>		<b>-3 852</b>	<b>-7 142</b>	<b>-8 278</b>	<b>-11 753</b>
<b>EBITDA</b>		<b>-616</b>	<b>-1 839</b>	<b>-2 995</b>	<b>-5 418</b>
<b>Allocation of profit or loss:</b>					
Profit/loss attributable to non-controlling interests		-0	-51	-0	-683
Profit/loss attributable to the parent		-3 852	-4 560	-8 278	-11 069
<b>Other comprehensive income:</b>					
<i>Items that subsequently may be reclassified to profit or loss:</i>					
Currency translation differences		-2	-	-34	-
<b>Total other comprehensive income for the period</b>		<b>-2</b>	<b>-</b>	<b>-34</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>-3 854</b>	<b>-4 611</b>	<b>-8 313</b>	<b>-11 753</b>
<b>Allocation of profit or loss:</b>					
Profit/loss attributable to non-controlling interests		-0	-51	-0	-683
Profit/loss attributable to the parent		-3 854	-4 560	-8 313	-11 069
<b>Earnings per share ("EPS"): (presented in full figures)</b>					
Basic and diluted EPS - profit or loss attributable to equity holders of the parent		-0,02	-0,10	-0,04	-0,25

## Consolidated Balance Sheet

Unaudited figures in EUR '000	Notes	30 Jun 2024	30 Jun 2023	31 Dec 2023
<b>ASSETS</b>				
<b>Non-current assets</b>				
Goodwill	6	1 478	2 986	2 986
Other intangible assets	6	6 573	9 650	8 029
<b>Total intangible assets</b>		<b>8 052</b>	<b>12 636</b>	<b>11 016</b>
Aircraft and spareparts	5	18 053	19 922	17 805
Assets under construction	5	17	83	61
Fixtures and fittings	5	1 100	1 488	1 018
Right-of-use assets		529	702	616
<b>Total tangible assets</b>		<b>19 699</b>	<b>22 195</b>	<b>19 500</b>
Other non-current assets		78	85	234
<b>Total non-current assets</b>		<b>27 829</b>	<b>34 915</b>	<b>30 750</b>
<b>Current assets</b>				
Inventory	7	3 483	3 100	4 158
Trade receivables		3 792	2 350	448
Other short-term receivables		2 273	4 508	3 935
Cash and cash equivalents		292	568	1 227
<b>Total current assets</b>		<b>9 841</b>	<b>10 526</b>	<b>9 769</b>
<b>TOTAL ASSETS</b>		<b>37 670</b>	<b>45 441</b>	<b>40 519</b>

## Consolidated Balance Sheet

<b>EQUITY AND LIABILITIES</b>	Notes	30 Jun 2024	30 Jun 2023	31 Dec 2023
<b>Equity</b>				
Paid-in equity		57 320	51 163	57 330
Retained earnings		-51 245	-38 637	-43 252
<b>Equity attributable to equity holders of the parent</b>		<b>6 075</b>	<b>12 525</b>	<b>14 078</b>
Non-controlling interests		-155	-116	-158
<b>Total equity</b>		<b>5 920</b>	<b>12 410</b>	<b>13 920</b>
<b>Non-current liabilities</b>				
Interest bearing loans and borrowings	8	15 108	-	14 634
Non-current lease liabilities		457	510	543
Other non-current liabilities		1 037	2 118	2 112
Deferred tax liabilities		-	162	22
<b>Total non-current liabilities</b>		<b>16 602</b>	<b>2 789</b>	<b>17 311</b>
<b>Current liabilities</b>				
Trade payables		2 737	4 529	2 849
Interest bearing loans and borrowings	8	9 165	20 309	3 513
Current lease liabilities		163	306	172
Public duties payable		592	420	708
Other current liabilities		2 490	4 678	2 045
<b>Total current liabilities</b>		<b>15 147</b>	<b>30 241</b>	<b>9 288</b>
<b>Total liabilities</b>		<b>31 749</b>	<b>33 031</b>	<b>26 599</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>37 670</b>	<b>45 441</b>	<b>40 519</b>

## Consolidated Statement of Changes in Equity

Unaudited figures in EUR '000	Share capital	Share premium	Non-registered share capital	Treasury shares	Retained earnings	Share-holders Equity	Non-Controlling Interests	Total Equity
<b>Balance at 1 January 2023</b>	<b>4 192</b>	<b>46 868</b>	<b>-</b>	<b>-737</b>	<b>-27 399</b>	<b>22 923</b>	<b>632</b>	<b>23 556</b>
Profit (loss) for the year					-16 320	-16 320	-786	-17 106
Issue of share capital	2 314	4 694				7 008		7 008
Share-based payments					173	173		173
Other equity					74	74	-4	70
Currency translation effects (OCI)					220	220	-	220
<b>Balance as at 31 December 2023</b>	<b>6 506</b>	<b>51 562</b>	<b>-</b>	<b>-737</b>	<b>-43 253</b>	<b>14 078</b>	<b>-158</b>	<b>13 920</b>
Profit (loss) for the period					-8 278	-8 278	-0	-8 278
Issue of share capital					-	-		-
Share-based payments					-	-		-
Other equity					313	313	-	313
Currency translation effects (OCI)		-12			-26	-38	3	-35
<b>Balance as at 30 June 2024</b>	<b>6 506</b>	<b>51 550</b>	<b>-</b>	<b>-737</b>	<b>-51 243</b>	<b>6 075</b>	<b>-155</b>	<b>5 920</b>

Total number of shares are 199 046 788 with a nominal value of NOK 0.35 per share.

An extraordinary general meeting was held at 11 June 2024 where a share capital increase through a private placement, a share increase through issuance of shares in a subsequent repair offering and a share capital increase through conversion of debt were all decided.

EUR 2 million classified as current liabilities and EUR 5.1 million as non-current liabilities related to interest bearing loans and borrowings, will in Q3 2024 be converted to equity according to the EGM at 11 June 2024, assuming the financial restructuring and the share capital increases resolved therein are completed. An additional EUR 0.85 million in non-current liabilities will be written off pursuant to the completion of the financial restructuring. In total, the equity will be increased by EUR 10 million through the capital increase and debt write off in Q3 2024, assuming the financial restructuring and the share capital increases resolved therein are completed.

The number of shares will increase with 1 534 584 506 to a total of 1 733 631 294, with a nominal value of NOK 0.01 per share. There will be a subsequent reverse share split of the shares in ratio 100:1 whereby 100 shares will give one new share, to be given effect at such time as when the board of directors determine.

## Consolidated Statement of Cash Flows

Unaudited figures in EUR '000	Q2 2024	Q2 2023	YTD 2024	YTD 2023
<b>Cash flows from operating activities</b>				
<b>Profit or loss before tax</b>	-3 852	-6 275	-8 233	-11 955
<i>Adjustments to reconcile profit before tax to net cash flows:</i>				
Net financial income/expense	578	422	1 237	536
Depreciation and impairment	2 618	4 323	3 923	5 756
Amortisation and impairment of Right-of-use assets	39	79	78	142
Share-based payment expense	-	-	-	102
<i>Working capital adjustments:</i>				
Change in inventory	277	-1 191	397	-1 034
Changes in trade and other receivables	-1 758	-2 156	-1 682	-2 350
Changes in trade and other payables	511	3 641	90	2 057
Changes in provisions and other liabilities	-219	1 746	-709	2 574
<b>Net cash flows from operating activities</b>	<b>-1 805</b>	<b>588</b>	<b>-4 899</b>	<b>-4 171</b>
<b>Cash flows from investing activities</b>				
Changes from non current assets	-921	-3 065	-3 067	-3 451
<b>Net cash flow from investing activities</b>	<b>-921</b>	<b>-3 065</b>	<b>-3 067</b>	<b>-3 451</b>
<b>Cash flow from financing activities</b>				
Proceeds from issuance of equity	-	-	-	898
Transaction costs on issue of shares	-	-	-	-58
Net disbursements overdraft facility	-367	1 122	1 870	2 565
Proceeds from new debt (short / long term)	3 000	1 903	5 255	4 626
Repayment of debt (short / long term)	-	-29	-	-59
Payments of lease liability	-27	-40	-95	-116
Interest	-	-440	-	-476
<b>Net cash flows from financing activities</b>	<b>2 606</b>	<b>2 516</b>	<b>7 031</b>	<b>7 381</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>-120</b>	<b>39</b>	<b>-935</b>	<b>-241</b>
Cash and cash equivalents at beginning of the period	413	530	1 640	812
Net foreign exchange difference	-	-1	-	-3
<b>Cash and cash equivalents, end of period</b>	<b>292</b>	<b>568</b>	<b>705</b>	<b>568</b>

# Notes

## Note 1 General

Nordic Unmanned ASA is a limited liability company incorporated and domiciled in Norway and whose shares are traded on the Euronext Growth market in Norway. The Group's head office is located at Rådhusgata 3, 4306 Sandnes, Norway.

## Note 2 Basis of preparation

The Condensed consolidated interim financial statements of Nordic Unmanned ASA and its subsidiaries (collectively, "the Group" or "NU Group") for the period ended 30 June 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim financial statements do not include all the information required by IFRSs and should be read in conjunction with the Group's 2023 annual financial statements, which is publicly available at [www.nordicunmanned.com](http://www.nordicunmanned.com). The interim financial statements reflect all adjustments which are, in the opinion of management, necessary for a fair statement of the financial position, results of operations and cash flows for the dates and interim periods presented. Interim period results are not necessarily indicative of results of operations or cash flows for an annual period. These interim financial statements have not been subject to review or audit by independent auditors. These interim financial statements were authorized for issue by the Company Board of Directors on 29 August 2024.

The interim consolidated financial statements of the Group comprise consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, and related notes. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB and as endorsed by The European Union ("EU").

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value. The financial statements are prepared based on the going concern assumption.

Comparative financial information is provided for the preceding period in the Consolidated statement of comprehensive income and Consolidated statement of financial position.

The interim financial statement has been prepared with the same accounting policies as the Financial Year 2023.

### Presentation currency and functional currency

The consolidated financial statements are presented in Euros (EUR), which is also the functional currency of the parent company.

For presentation purposes, balance sheet items are translated from functional currency to presentation currency by using exchange rates at the reporting date. Items within total comprehensive income are translated from functional currency to presentation currency by applying average exchange rates for the period. If currency rates are fluctuating significantly, transaction date exchange rates are applied for significant transactions.

## Note 3 Revenue

Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Revenue from the sale of goods is recognized over-time to the extent the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Progress is measured using a cost-to-cost based approach. Other sale of goods is recognized at the point-in-time when control of the asset is transferred to the customer. The determination of over-time versus point-in-time revenue recognition and determining progress requires the use of judgement.

Revenue from services is recognized over time as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

## Note 4 Segments

Seasonal factors influence our Flight Service's operations. Flight plans are normally planned for the second and the third quarters with current clients due to weather risk in the first and fourth quarters, leading to low activity and a negative effect on financial performance in those low season quarters.

The Original Equipment Manufacturers (AirRobot/DroneMatrix) do not experience the same seasonality issues as the Flight Services segment. Group costs were allocated to the segments for the first time in the fourth quarter 2023 and included in both the current and historical periods, thus EBITDA figures in the table below are inclusive of group cost allocation. The figures in the Group Costs column consist of unallocated group costs and intercompany transactions eliminated at a group level.

Unaudited figures in EUR '000	Flight					
	Services	AirRobot	DroneMatrix	Eliminations	Group Costs	Total
<b>Q2 2024</b>						
Revenues third party	2 891	1 207	116	-	-	4 213
Revenues inter-segment	6	844	-	-849	-	-
<b>Total Revenues</b>	<b>2 896</b>	<b>2 050</b>	<b>116</b>	<b>-849</b>	<b>-</b>	<b>4 213</b>
EBITDA	301	208	-204	-829	-91	-616
<b>Q2 2023</b>						
Revenues third party	4 488	1 797	298	-	-	6 584
Revenues inter-segment	-82	46	74	-38	-	-
<b>Total Revenues</b>	<b>4 407</b>	<b>1 843</b>	<b>371</b>	<b>-38</b>	<b>-</b>	<b>6 584</b>
EBITDA	-1 494	187	12	320	-866	-1 839
<b>YTD 2024</b>						
Revenues third party	3 929	3 073	236	-	-	7 238
Revenues inter-segment	42	877	1	-920	-	-
<b>Total Revenues</b>	<b>3 971</b>	<b>3 950</b>	<b>237</b>	<b>-920</b>	<b>-</b>	<b>7 238</b>
EBITDA	-1 792	140	-329	-828	-186	-2 995
<b>YTD 2023</b>						
Revenues third party	5 384	2 857	510	-	-	8 751
Revenues inter-segment	59	46	75	-179	-	-
<b>Total Revenues</b>	<b>5 442</b>	<b>2 903</b>	<b>584</b>	<b>-179</b>	<b>-</b>	<b>8 751</b>
EBITDA	-3 900	-503	-22	254	-1 246	-5 418

## Note 5 Property, plant, and equipment

Property, plant and equipment ("PP&E") is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. When significant parts of PP&E are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. The residual values, useful lives and methods of depreciation of PP&E are reviewed at each financial year end and adjusted prospectively, if appropriate.

The Group assesses on each reporting date whether there is an indication that property, plant and equipment may be impaired. If such an indication exists, the Group estimates the assets or CGU's recoverable amount. The recoverable amount is the higher of an assets or CGU's fair value less costs of disposal and its value in use. The 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.

We review the carrying value of our long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may no longer be appropriate. There has been no reversal of previous impairments, and no impairment has been recognized during Q2. The recoverable amount was higher than the carrying amount.

Unaudited figures in EUR '000	Fixtures, fittings and tools	Aircraft and spareparts	Assets under construction	Total
<b>Cost as at 31 December 2023</b>	<b>2 580</b>	<b>24 163</b>	<b>61</b>	<b>26 804</b>
Additions	186	-46	1 837	1 976
Transfer	63	1 880	-1 880	<b>63</b>
<b>Cost as at 30 June 2024</b>	<b>2 829</b>	<b>25 997</b>	<b>17</b>	<b>28 843</b>
<b>Depreciation and impairment as at 31 December 2023</b>	<b>1 562</b>	<b>6 357</b>	-	<b>7 920</b>
Depreciation	166	1 587	-	1 753
<b>Depreciation and impairment as at 30 June 2024</b>	<b>1 728</b>	<b>7 944</b>	-	<b>9 672</b>
<b>Net book value:</b>				
<b>At 31 December 2023</b>	<b>1 018</b>	<b>17 805</b>	<b>61</b>	<b>18 884</b>
<b>At 30 June 2024</b>	<b>1 101</b>	<b>18 053</b>	<b>17</b>	<b>19 171</b>
Economic life (years)	3-5	5-10		
Depreciation plan	Straight-line method	Straight-line method	No depreciation	



## Note 6 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Unaudited figures in EUR '000	Development	Concessions, patents and licenses	Goodwill	Total
<b>Cost as at 31 December 2023</b>	<b>11 995</b>	<b>5 772</b>	<b>3 047</b>	<b>20 814</b>
Additions	4	-	-	4
<b>Cost as at 30 June 2024</b>	<b>11 999</b>	<b>5 772</b>	<b>3 047</b>	<b>20 818</b>
<b>Amortization and impairment as at 31 December 2023</b>	<b>6 059</b>	<b>3 679</b>	<b>60</b>	<b>9 798</b>
Amortization	573	189	-	762
Impairment	698	-	1 508	2 206
<b>Amortization and impairment as at 30 June 2024</b>	<b>7 330</b>	<b>3 868</b>	<b>1 568</b>	<b>12 766</b>
<b>Net book value:</b>				
<b>At 31 December 2023</b>	<b>5 936</b>	<b>2 093</b>	<b>2 986</b>	<b>11 016</b>
<b>At 30 June 2024</b>	<b>4 669</b>	<b>1 904</b>	<b>1 478</b>	<b>8 052</b>
Economic life (years)	5-10	5-10		
Amortization plan	Straight-line method	Straight-line method	No Amortization	

Nordic Unmanned ASA will, through share purchase and an equity issue, obtain control of 100% of the shares of DroneMatrix. The share purchase will be effective on closing, expected at end of Q3. The purchase price will be settled with EUR 1.0 million in cash to be fully paid December 31st 2025 and the remaining will be settled with 3.6 million shares in Nordic Unmanned ASA at closing.

This transaction led to the recognition of impairment of goodwill and development amounting to EUR 2.2 million.

## Note 7 Inventory

Spare parts and consumables are measured at cost on a first-in/first-out basis.

Unaudited figures in EUR '000	Q2 2024	Q4 2023
Work in progress and materials	3 665	4 091
Finished goods	669	917
Provision of obsolescence	-851	-851
<b>Total</b>	<b>3 483</b>	<b>4 158</b>

Work in progress and finished goods includes consumable spare partes, rotables and products for sale. Rotables and spare parts which have been undertaken maintenance, repair and overhaul on the company's engines and other related components.

Provision of obsolescence is split between AirRobot and Flight Services with EUR 0.3 million and EUR 0.6 million respectively and remains unchanged in Q2.

## Note 8 Maturity of financial liabilities

Contractual undiscounted cash flows from financial liabilities are presented below. The borrowings are subject to floating interest rate and the rate fixing period is short. Consequently, fair values of the borrowings are assumed to be equal to book values. "Contractual undiscounted cash flows from financial liabilities" are presented including expected interest based on the latest known applicable interest rate.

NU Group has financial covenants including a Working Capital of no less than EUR 1 million at any time. Non-compliance with the Working Capital requirement prior to 30 September 2025 shall not be considered an Event of Default, provided that the Borrower informs the lender and suggests measures to repair such non-compliance.

Liabilities are generally classified as current if the maturity is within one year and as non-current if the maturity is beyond one year of the balance sheet date.

Short-term interest-bearing loans and borrowings include credit lines and a short-term loan of EUR 4 million that are to be paid within 2024 and a down payment of EUR 1,25 million bank loan in AirRobot. AirRobot has agreed to settle the remaining bank loan in 2025.

On 16 February 2024, Nordic Unmanned ASA secured additional short-term liquidity of EUR 2 million, in the form of a loan agreement with existing lenders and an additional short-term loan of EUR 1 million from Tjelta Eiendom AS on 5 June 2024, both to be repaid in August. On 14 August 2024, the company announced to the market an update on the status of its financial restructuring and recent liquidity challenges resulting from project delays, working capital requirements and the restructuring cost. The company's expectations are that it will not have sufficient liquidity to repay the EUR 2 million bridge loan and EUR 1 million additional liquidity loan from Tjelta Eiendom AS provided in connection with the financial restructuring.

On 26 August 2024, the Company announced to the market an additional update, informing the market that, subject to final documentation and completion of the financial restructuring, the Company and Tjelta Eiendom AS will each pay to the banks EUR 1 million, repaying in full the EUR 2 million bridge loan guaranteed by Tjelta Eiendom AS from February 2024. Following such payments, Tjelta Eiendom AS will have a remaining claim against the Company in the amount of EUR 2 million, which Tjelta Eiendom AS may elect to convert into shares in the Company at a price of NOK 0.05 per share as described in the announcement on 14 May 2024 and in

accordance with the authorisation provided by the extraordinary general meeting held on 11 June 2024 for this purpose. The process of finalizing such agreements are not yet completed.

Subject to completion of the financial restructuring, the Company has renegotiated the financial terms with its secured lenders, reducing the interest payments and converting debt of EUR 5,2 million into shares and writing of EUR 0,9 million in debt. Capital raise through conversion of debt, to be completed by 24<sup>th</sup> September 2024.

For the Company, the interest-bearing loans will, subject to completion of the financial restructuring, be reduced from approximately EUR 21 million to EUR 15 million. First installment will be postponed until June 2026 and starting from June 2026, two yearly (Q2 and Q3). Postponement of first interest payment until 30 June 2025 and quarterly interest payments following first interest payment.

Unaudited figures in EUR '000	Remaining contractual maturity		Total
	1-12 months	More than 1 year	
<b>Q2 2024 Interest bearing loans and borrowings</b>			
SR-bank	6 528	12 849	19 378
Innovasjon Norge	-	2 259	2 259
Other	2 636	-	2 636
<b>Total liabilities from financing</b>	<b>9 165</b>	<b>15 108</b>	<b>24 273</b>
<b>Credit facilities</b>		<b>Q2 2024</b>	<b>Q4 2023</b>
Undrawn amount credit facilities		225	3 543

## Note 9 Going concern

In accordance with §4-5 of the Norwegian Accounting Act, the Board of Directors confirms that the financial statements have been prepared under the assumption of going concern.

The growth of Nordic Unmanned Flight Services is capital intensive, and the operation has currently a seasonality where the Q2 and Q3 represent high season, while the Q4 and Q1 represent a low season with limited operations with preparation and training for new season. This represents a challenge for operational cash flow, which is negative, especially in Q1. Negative results and cash flow are putting pressure on the Group's liquidity situation. The OEM business is less seasonal and will counter some of the shortfall of liquidity in Flight Services low season. NU Group is committed to restructure, simplify its business model, and cut costs in 2024.

The capital raise, refinancing and cost reductions in Q4 2023 compensated for the challenging financial performance and the unforeseen project delays. In addition to the personnel and operating cost reductions in 2023, the Company has implemented additional personnel and operating cost reduction measures in 2024, this will contribute to improved liquidity.

An extraordinary general meeting was held at 11 June 2024 where the share capital increase through a private placement, the share increase through issuance of shares in a subsequent repair offering and the share capital increase through conversion of debt were all decided.

Reference is made to the submission of a national prospectus dated 20 June 2024 and the subsequent offering. Nordic Unmanned ASA has through a private placement and a subsequent offering raised NOK 47 million in cash. Also, the major secured lenders have agreed to conversion of debt equal to EUR 5 172 414 of the EUR 12 269 613 current outstanding principal. Other lenders have as part of the financial restructuring agreed debt forgiveness of NOK 10 million.

The share capital increases and the debt forgiveness aforementioned are all conditional, inter alia, upon completion of the Share Capital Reduction, and are also mutually conditional upon each other. The conditions for the amendments of loan facilities as agreed with the major secured lenders must be fulfilled before these capital changes can be registered and the financial restructuring can take effect. The Company is still working on the completion of such conditions.

The resolutions decided at the extraordinary general meeting at 11 Juni 2024 are conditional upon factors that are to be resolved after the submission of the Q2 report. The Board's assessment is that it is likely that the capital decrease and capital increases will pursue as described above, although no assurances can be given in this respect as the conditions for completion are not yet fulfilled.

NU Group is currently European leader in their category and positioned to experience significant growth in the years ahead. Disposal of assets may include sale of parts of the drone fleet. The company is currently participating in several tenders utilizing the current drone fleet. Depending on the outcome of these tenders, the drone fleet will either be deployed towards these contracts or sold. Hence, both alternatives are currently being pursued. There is material uncertainty as to whether the alternatives discussed above will materialize.

Given the before mentioned material uncertainties, The Board's assessment is that there are material uncertainties that may cast significant doubt on the entity's ability to continue as a going concern.

## Note 10 Subsequent events

The company is working on the completion of the financial restructuring in Q3 2024 with a capital raise of NOK 47 million. Of the approx. EUR 12.3 million outstanding principal of the term loan facility with the company's lenders, an amount of approximately EUR 5.2 million is to be converted to shares in the company, subject to completion of the financial restructuring. The outstanding principal of the term loan facility following the conversion will in such case amount to approx. EUR 7.1 million. The first interest payment of the term loan facility will be postponed until 30 June 2025, with quarterly interest payments following first interest payment. There will be a pre-agreed sharing of net proceeds with the lenders in case of sale of assets.

AirRobot has amended the loan agreement with the bank, postponing the installments and the final downpayment due on 31 July 2025.

Nordic Unmanned UK received a letter dated 31 July 2024 from Lockheed Martin UK requesting a Stop Work Period until 30<sup>th</sup> September 2024 whilst authority acceptance is sought for the Lockheed Martin concessions. The notice has to stop work was an extension for the stop work notice received on 30 April 2024. This stop work will delay our deliveries of the Heimdal sensors under the Tiquila contract where both AirRobot and NU UK are participating. The contract period is with firm deliveries in 2023 and 2024 and additional life cycle support. It is expected that the remaining deliveries will be executed in second half of 2024 to second half of 2025.

On 7<sup>th</sup> August 2024, Nordic Unmanned ASA received notice from board member Nina Strand Gullan that she has withdrawn from her role as board member of the Nordic Unmanned ASA for personal reasons. As of the date of this report, the requirements for gender balance of the Board have not been met. The Board of Directors is actively working to address this.

# Alternative performance measures

NU Group uses terms in the consolidated financial statements that are not defined by the IFRS accounting standards. These are performance measures that are relevant to NU Group's line of business.

## Estimated Contract backlog

Estimated Contract backlog includes the maximum remaining estimated value of signed and/or awarded Master Service (call-off) contracts and signed contracts/PO's as of Q2 2024. Annual utilization under Master service Agreements is based on call offs, contract estimates based on historic utilization and client feedback. Master Service Agreements with no anticipated call-offs are not included.

## EBITDA

Operating profit (EBIT) + Depreciation and Impairments.

## Adjusted EBITDA

EBITDA adjusted for one off and unusual items.

## EBIT

Operating profit.

# NU GROUP™

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