



Nordic Unmanned reports growth in Q4 and outlines profitability outlook for 2023

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Nordic Unmanned today announced continued strong growth in the fourth quarter of 2022

Revenues in the fourth quarter amounted to EUR 3.7 million compared to EUR 2.5 million, an increase of 48 percent from the same quarter last year. Full year revenue ended at EUR 16.5 million, up 79% from EUR 9.2 million in 2021. EBITDA was negative EUR 2.4 million, adjusted for impairment and write downs, compared to negative EUR 2.8 million in the fourth quarter of last year. For the full year, EBITDA ended at negative EUR 8.6 million.

"We finished the fourth quarter with new flagship agreements with EMSA and Lockheed Martin UK that will catalyst growth in the coming years. Revenues in the quarter added to the strong, continued growth trajectory, with rolling 12 months revenues at a record high. In 2023, our overriding priority is to convert high-value customer agreements to cash flow, scale our manufacturing activities and streamline operations through cost control and pooling of resources", says Knut Roar Wiig, CEO of Nordic Unmanned.

At the end of the fourth quarter, the total contract backlog was approximately EUR 89 million. The commercial pipeline is currently at EUR 1.3 billion, with EUR 67 million worth of opportunities expected to reach a decision in the next six months. The biggest opportunities in the pipeline are drone-in-a-box solutions in the US and Europe, and drone-as-a-service opportunities for governmental customers to deliver maritime surveillance.

The commercial highlight of the quarter was Nordic Unmanned UK Ltd.'s award from Lockheed Martin UK for the production and supply of Heimdal sensors, maintenance and modifications related to the sensor, and other related work on the Lockheed Martin Indago 4 drone.

The board has decided to simplify the financial and organisational structure by consolidating business unit NUMar into Nordun and business unit NUGlobal into NUTech. The purpose is to create a clear distinction between flight services and technology/OEM activities, enabling two profitable business models with separate customers, suppliers and partners. In conjunction with this process that will be implemented in Q1, alternatives will be explored for certain non-core assets.

In Q4, the company closed the Staaker development office in Oslo as part of the earlier announced cost saving plan, and with the increasing focus on the existing product lines in AirRobot and DroneMatrix. For prudential reasons, the board has decided to make an aggregate EUR 2.3 million write down of its long-term assets related to its Staaker product line. In addition, the board has decided to derecognize a deferred tax asset in the balance sheet related to Norwegian taxes of EUR 5.0 million. The deferred tax will be carried forward off balance sheet until the company is in a tax position.

In December, the company raised gross proceeds of NOK 70 million through a private placement, with a subsequent offering of NOK 9.6 million completed February 2023, for investments in contracts, working capital needs and reduction of short-term debt.

Busiest year in Nordic Unmanned history

The number of flight hours in the quarter was 437, an increase of 43 percent compared to the same quarter last year. Full year flight hours were 2922. During the quarter, substantial support has been provided to our customers, with air pollution measured on 124 vessels. In 2022, Nordic Unmanned participated in search and rescue activities involving more than 3000 people in Europe.

Outlook

In 2023, the focus will be on drone services (Nordun) and products (NUTech). The contracts awarded in the last half of 2022 provide a strong backlog for both segments' continuing strong and profitable growth in 2023.

The current contract backlog, in addition to projected new contracts, is expected to contribute revenues of more than EUR 30 million in 2023. The visibility of the current backlog stands at 87%.

Based on the current outlook, Nordic Unmanned targets to exceed revenues of EUR 30 million, whilst targeting an EBITDA margin of approx. 10% for the full year, accumulated breakeven EBITDA from Q2. The Company is targeting to cash positive from operations for the full year 2023, with accumulated cash break even in Q2.

Profitability will come through improved efficiency, utilization of crew and assets, reduction of operational costs and the next generation of contracts carrying a rate increase.

The planned H1 2023 uplisting will be postponed until the company has demonstrated the targeted financial performances in each of its business units in line with revenue and profitability expectations as communicated to the market, and the capital structure supports the planned continued ambitious growth.

The fourth quarter report and presentation are enclosed. There will be a livestreamed presentation as well as a Q&A session at 10:00 CET. Register here to view it: <https://attendee.gotowebinar.com/register/4050934416950921818>

Disclosure regulation

This information is subject to the disclosure requirements pursuant to section 5-12 of the Norwegian Securities Trading Act.

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About Nordic Unmanned

Nordic Unmanned is a leading provider of high-end drone and data capture products and flight services. Its NUTech business unit is an Original Equipment Manufacturer (OEM) for the drone and sensor product lines AirRobot, DroneMatrix, and Staaker, serving primarily defense, security, and productivity improvement markets. The Nordun business unit holds industry-leading expertise as an operator of rotary and fixed-wing drone systems, providing pollution monitoring, fishery control, surveillance, and logistics services. Clients include coast guards, intelligence services, and government agencies.

Nordic Unmanned has one of the world's most comprehensive permits to fly beyond visual line of sight (BVLOS), through its EASA-approved Light UAS operator Certificate (LUC). The company is ISO 9001-2015 and AS9100 certified for operating, maintaining, selling, developing, and producing unmanned systems and sensor technology.

Founded in Norway in 2014, Nordic Unmanned has offices in Sandnes (NO), Molde (NO), Odense (DK), Cranfield (UK), Hasselt (BE), Arnsberg (GER) and Baltimore (US).

For more information visit - <https://nordicunmanned.com/>

Attachments

- [Download announcement as PDF.pdf](#)
- [Nordic Unmanned Q4 2022 Presentation.pdf](#)
- [Nordic Unmanned Q4 2022 Report.pdf](#)