



Nordic Unmanned - business update

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Sandnes, Norway, July 2, 2023 – Nordic Unmanned ASA (the "Company" or "Nordic Unmanned") (ticker: NUMND) provides a business update.

Reference is made to the announcement made by the Company on 27 March 2023 regarding the Company's review of strategic alternatives, update on financing and FY outlook. Due to short-term delays in current contracts affecting AirRobot, and somewhat lower than planned activity in Flight Services and slower market entry in the Americas, the Company does not expect to meet the previously announced EUR 30 million revenue target for the year.

AirRobot: The delivery of the first batch of AR100-H drone to the Bundeswehr, and the delivery of Heimdal electro-optical sensors to Lockheed Martin UK will be somewhat delayed compared to previous indications and moves the expected delivery of the Heimdal sensor to Q3 2023, and first delivery of the AR100-H to Q4 2023. The Company is working towards the next milestones for both contracts and technical completion of the EO/IR sensor for delivery under the contracts.

Flight Services: The Flight Services segment currently operates two parallel deployments and plans soon to commence the 3rd deployment with its Aerosonde long endurance system. The 3rd deployment was expected to commence in Q2 2023 but is delayed to July 2023. The flight hours from the Flight Services segment were close to 1,400 in Q2 2023 compared to 814 in Q2 2022. The Company is currently also experiencing delays in finalizing a contract with an international customer for long endurance activities. This contract could potentially commence in Q4 2023 or Q1 2024.

Other operational updates:

- DroneMatrix is progressing as expected with a growing customer base and projects, including the delivery of six drone-in-a-box systems to the Port of Antwerp, one of the largest ports globally.
- Ecoxy is continuing the growth path from 2022 and is on track to another profitable year.
- The reseller activity continues with sale of Sky Hero drones to the Swedish and Norwegian police during the first half of 2023 and a first purchase order from a Scandinavian Ministry of Defence. The Company is generating revenue from reselling both last generation Lockheed Martin Indago 3 drones as well as the new Indago 4 series.

The Company is continuing its previously announced efforts to reduce the cost base. The total number of employees has been reduced from 180 to 130 employees since the second half of 2022 and the executive management team has been reduced.

The Company had approximately EUR 600,000 in available liquidity at the end of Q2 2023. On 27 March 2023, the Company announced an agreement with SpareBank 1 SR-Bank ASA for a new financing facility of up to EUR 16 million and a strategic review of the business, including the requirement to raise EUR 13 million through disposal of assets and/or equity issue by year end 2023. The Company and its advisors have initiated discussions with both strategic and financial parties, with a view to explore partnerships that can support the next growth phase of the Company. The Company continues to evaluate options that can strengthen the balance sheet of the Company as it progresses towards profitability and market leadership for its services and products, including disposal of assets and/or an equity issue, in addition to working actively and closely with its customers, suppliers and financing partners to manage the situation.

The Company will present its Q2 2023 results and updated full year guidance on 29 August 2023.

Disclosure regulation

The information is deemed to be inside information pursuant to the EU Market Abuse Regulation and is subject to the disclosure requirements pursuant to section 5-12 of the Norwegian Securities Trading Act. The information was submitted for publication by Lars A. Landsnes, CFO, at the time and date set out above.

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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 technology business unit is an Original Equipment Manufacturer (OEM) for the drone and sensor product lines AirRobot and DroneMatrix, serving primarily defense, security, and productivity improvement markets. The flight services 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 ISO 14001:2015 certified for the operation, maintenance, and sales of 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

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