

**NORDIC
UNMANNED**

Q3 2023

**PRESENTATION
& BUSINESS UPDATE**

November 10th, 2023

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Agenda

HIGHLIGHTS Q3 2023
BUSINESS UPDATE
FINANCIALS Q3 2023
STRATEGY & OUTLOOK
SUMMARY



HIGHLIGHTS Q3 2023

Highlights Q3 2023

Q3 2023

Revenue of EUR 6,1 m (EUR 5,5 m)*

Adjusted EBITDA of EUR 0.9 m (EUR -1,2 m)

YTD 2023

Revenue of EUR 14,9 m (EUR 12,8 m)

Adjusted EBITDA of EUR -1,6 m (EUR -6,2 m)

*) Figures in brackets refer to corresponding period last year

Revenue growth and improved adjusted EBITDA in the quarter and year to date

Deliveries of Heimdal sensors under the Tiquila contract for Lockheed Martin commenced

AR-100 UAS undergoing certification with planned delivery to Bundeswehr to start in Q4 2023

Surpassed the full 2022 flight hours per Q3 2023

Completed refinancing in October 2023

BUSINESS UPDATE

Nordic Unmanned – In brief

- **Who we are:** Nordic Unmanned is a leading European manufacturer (OEM) and certified operator of unmanned aircraft systems («UAS»)
- **Our Purpose and vision:** Above All – We Protect Values and Lives
- **Our strategy** is to deliver controlled and profitable growth by providing quality UAS solutions and actionable data for maritime, security and defence applications to governmental agencies and large corporates in Europe
- **Our people** are competent, dedicated and client focused

Geographic Presence of Flight Operations

- Nordic Unmanned offices
- BVLOS operations



Key technology partners

LOCKHEED MARTIN

TEXTRON

SCHIEBEL

SH
SKY-HERO

Aeromon
AERIAL DATA MONITORING

Key customers

LOCKHEED MARTIN

EMSA

Port of
Antwerp

equinor

BUNDESWEHR

OHI
OMNI HELICOPTERS INTERNATIONAL

Business Segments



Flight Services

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

OEM - AirRobot



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

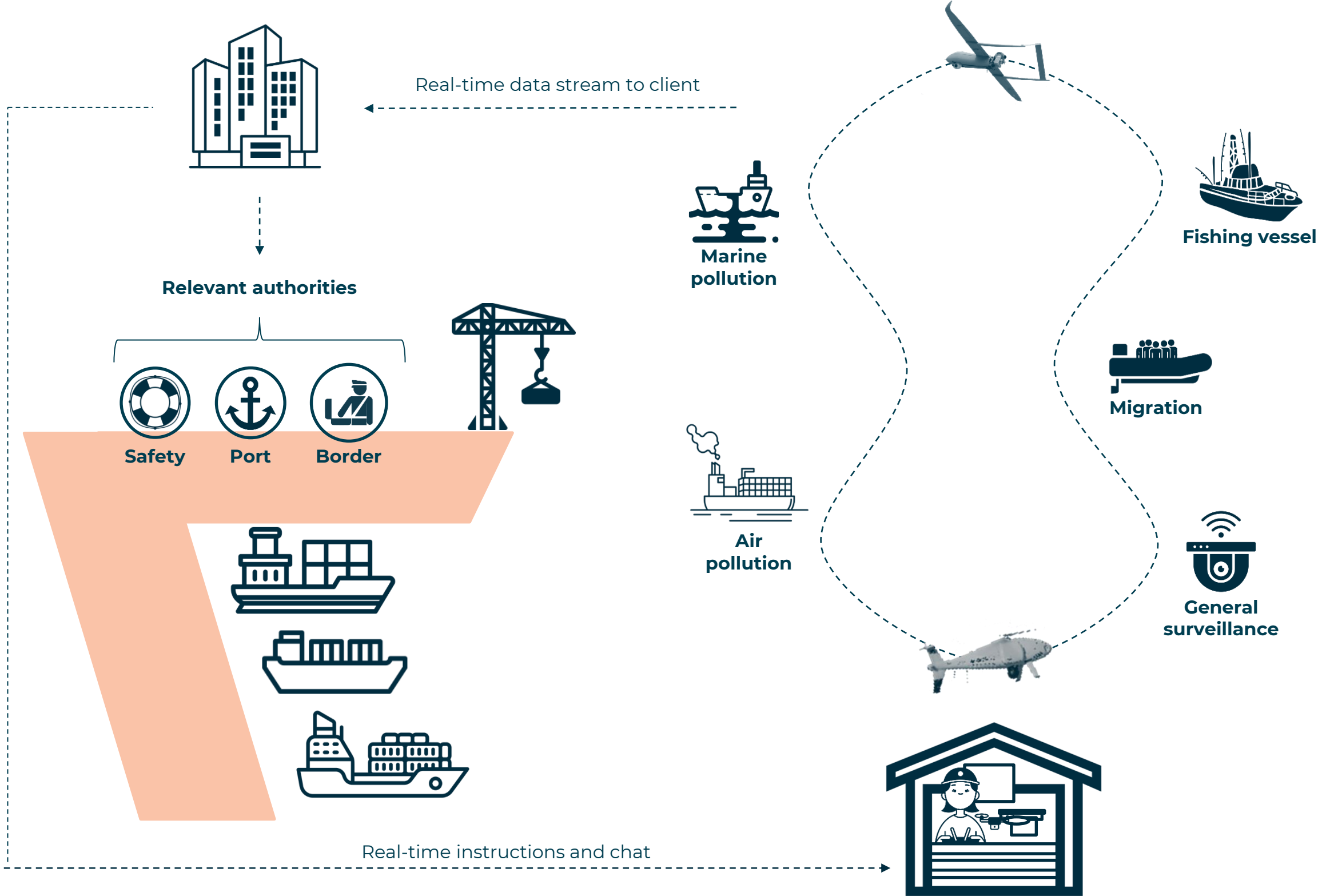
OEM - DroneMatrix



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

Flight Services

– Integrated service with a wide range of capabilities



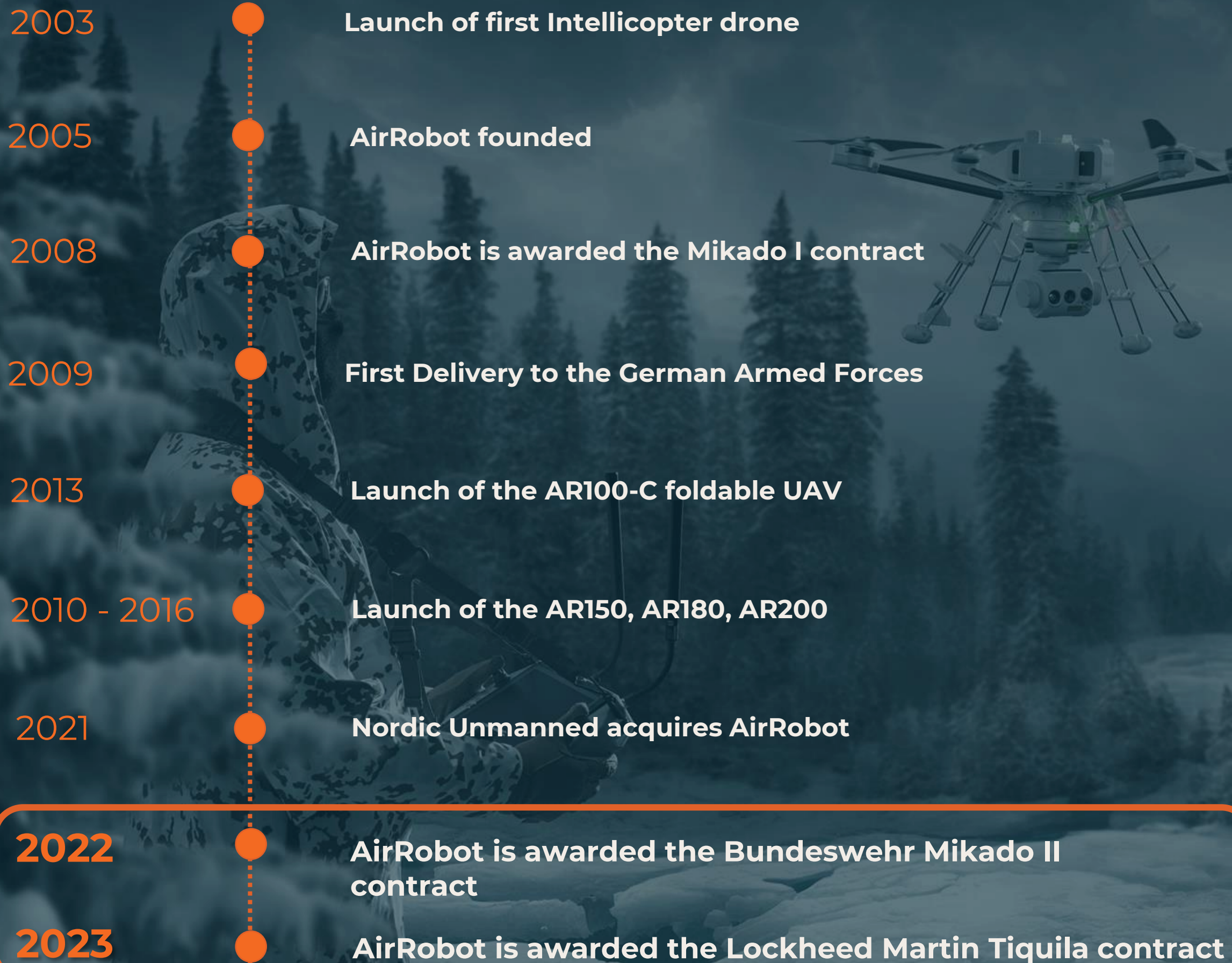
Live stream with GPS and sensor data to Sandnes operational control center



OEM AirRobot

AirRobot have been in the business of making drones for 18 years

Deliveries under Tiquila contract in Q3 commenced



AirRobot – Bundeswehr Mikado 2 Contract



Certify the Mikado 2 UAS for German Military Aviation Authority Airworthiness certificate class IIB

Delivery of 145 systems through 2023 and 2024

Life cycle support forecasted for the period 2025 – 2035 and onwards

Estimated contract value over the life of EUR 12 million

AirRobot – Lockheed Martin UK - Tiquila Contract

Heimdal EO/IR payload



Integration of the Heimdal EO/IR payload into the Lockheed Martin Indago 4 system supporting the Tiquila program (UK Ministry of Defence)

Delivery of sensors through 2023 and 2024 – first deliveries in Q3 2023

Life cycle support over 10 years

Initial contract value:
In excess of EUR 5 million

OEM DroneMatrix*)



Port of Antwerp drone network



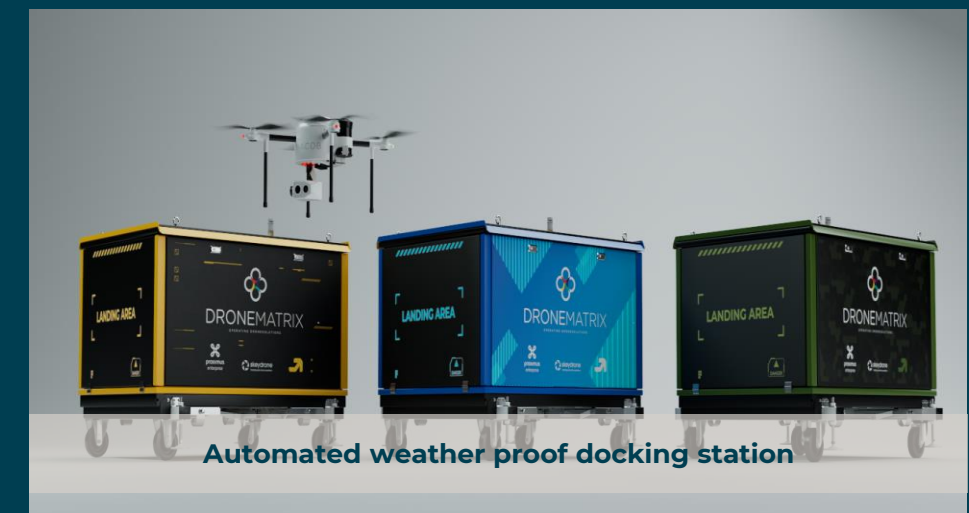
Supply and service of Drone-in-a-Box Assigned to develop and produce Drone-in-a-Box solution for UAntwerpen



Key offerings



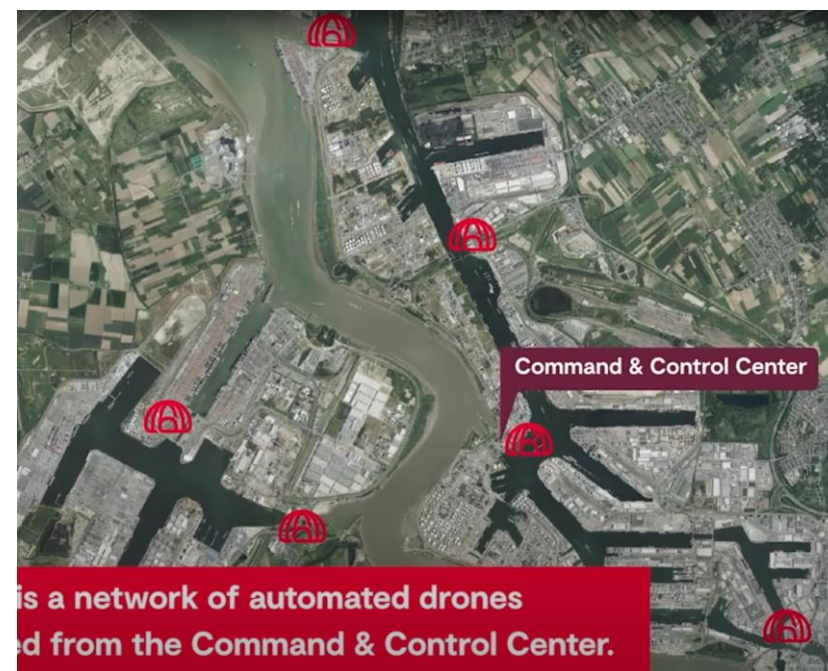
YACOB surveillance drone



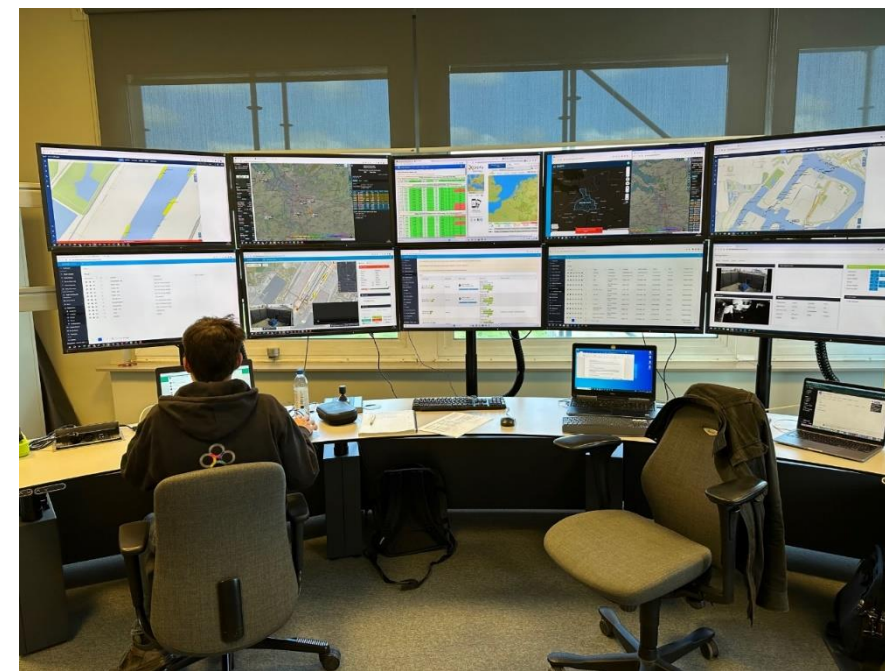
Automated weather proof docking station



Cloud-based control center



is a network of automated drones
d from the Command & Control Center.



*) Nordic unmanned owns 55% and has an obligation to acquire the remaining 45% by March 2025

Environmental Contributions Across Nordic Unmanned Group

Flight Services – ISO 9001/14001 certified



Supporting our customers sustainability goals in Q3 by performing;

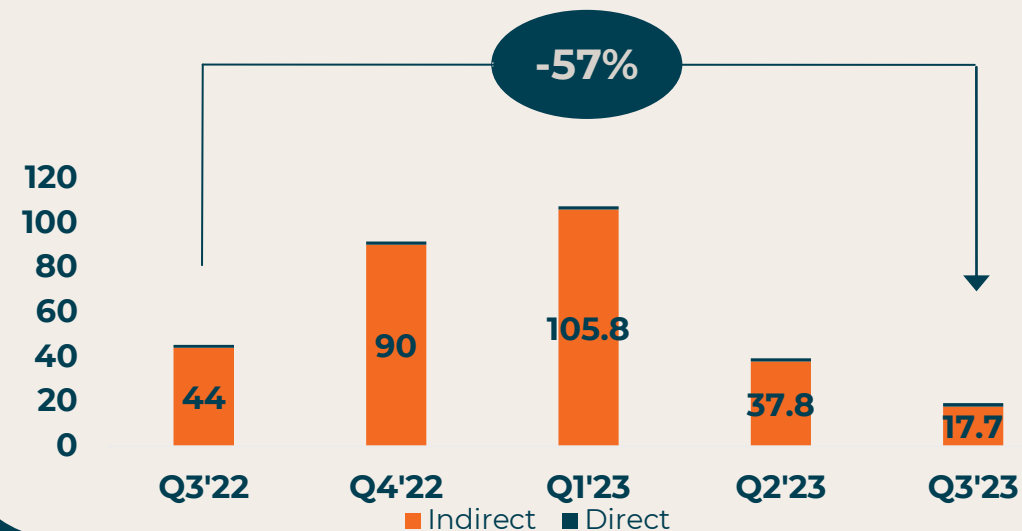
- 223 maritime surveillance missions
- 121 environmental missions

And being present on;

- 12 oil spill response vessels
- 2 fishery inspection vessels

Kg CO₂* per drone flight hours

*Direct (fleet emission) and indirect (crew airline travel)



1927 tons CO₂ saved in Q3*

*The amount of direct CO₂ emissions saved by our fleet in Q3 compared to a Beech King Air B350 ER doing the same amount of flight hours.

AirRobot – EN9100 certified

The AR100-H is designed for a sustainable product life cycle due to its modularity, which allows for component-level servicing and waste reduction. The use of 3D-printed parts further minimizes material waste, and accumulators engineered for cell-level replacement extend the product's lifespan.

DroneMatrix

The Yacob system is designed for Remote Operations, significantly reducing the CO₂ emissions for our customers by minimizing travel needed for pilots.

DroneMatrix have established objectives to increase the use of hybrid / electric cars and to install PV panels in their facilities.

In addition, they focus on development that supports environmental & sustainable initiatives and oil-spill developments in the project DIOS.

Addressing the following UN SDGs:*



*United Nations Sustainable Development Goals

Social & Governance Contributions Across Nordic Unmanned Group

Flight Services

S

Education Initiatives: Partnerships with Sola High School and Fagskolen for drone studies. Recently approved as an apprenticeship organization.

S

Community Engagement: Hosted the second annual Drone Safety Summit together with Avinor.

S

Safety First: Zero recordable incidents or LTIs in Q3.

G

Updated supplier selection and human rights due diligence to comply with the transparency act.

Group initiatives

Workplace Culture: Emphasis on diversity, equality, inclusion and career growth opportunities.

Work Safety: Implementation of regular safety protocols and work environment evaluations.

Employee Well-being: Established well-being initiatives, focusing on physical and mental health.

Risk Management: Continuous evaluation of business and operational risks.

Quality Management: Maintained ISO 9001 and EN 9100 certifications.

Cyber Security: Ongoing initiatives to strengthen security.

Addressing the following UN SDGs:*



*United Nations Sustainable Development Goals

FINANCIALS Q3 2023

Financials - Group

Rightsized with improved margins

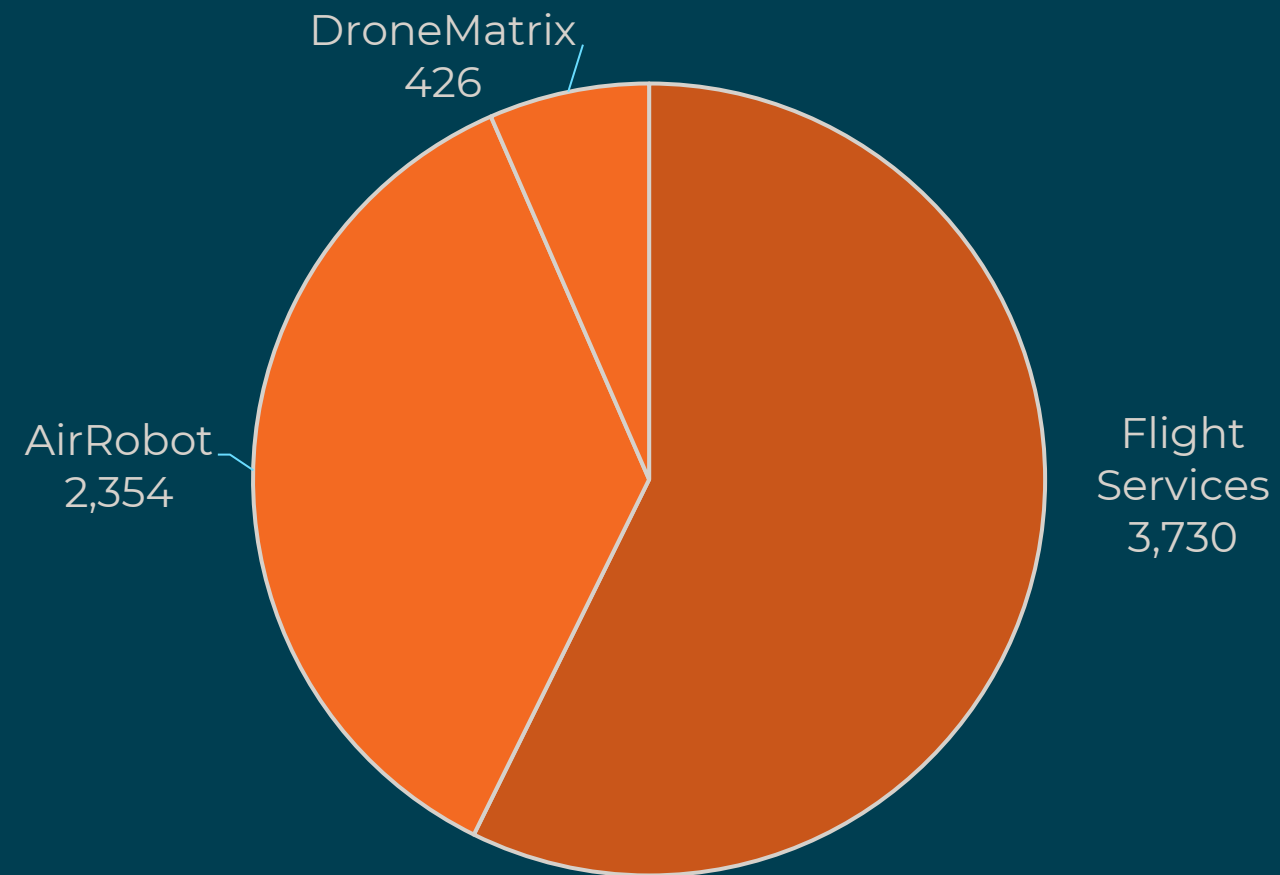
| Unaudited figures in EUR '000 | Q3 2023 | Q3 2022 | YTD 2023 | YTD 2022 |
|--|---------------|---------------|----------------|----------------|
| Operating revenue | 6,148 | 5,457 | 14,899 | 12,770 |
| Cost of goods sold | 437 | 363 | 1,826 | 1,878 |
| Personnel expenses | 2,862 | 3,556 | 8,823 | 9,406 |
| Other operating expenses | 1,919 | 2,761 | 5,888 | 7,681 |
| Adjusted EBITDA | 930 | -1,223 | -1,598 | -6,195 |
| Adjusted EBITDA % | 15% | -22% | -11% | -49% |
| Non-recurring items | - | - | 2,850 | - |
| EBITDA | 930 | -1,223 | -4,487 | -6,195 |
| EBITDA % | 15% | -22% | -30% | -49% |
| Depreciation and amortization expenses | 1,535 | 1,461 | 4,548 | 3,795 |
| Impairments | - | - | 2,887 | - |
| EBIT | -605 | -2,684 | -11,922 | -9,990 |
| Net financial items | 726 | 217 | 1,364 | 875 |
| Income (loss) before tax | -1,331 | -2,901 | -13,286 | -10,865 |
| Income tax | 189 | -624 | -13 | -2,247 |
| Net income (loss) | -1,520 | -2,277 | -13,273 | -8,619 |

- Revenue growth of EUR 0.6 million, increase of 11% YoY
 - AirRobot revenue growth of EUR 1.8 million, increase of 323% YoY
 - Tiquila and Mikado 2 contracts progressing
 - Lower revenues in Flight Services of EUR 1.2 million, reduction of 23% YoY
 - 22% growth in flight hours
 - Offset by contract and fleet mix
- Adjusted EBITDA improvement of EUR 2.2 million
 - Higher volumes in AirRobot
 - Meeting milestones on Tiquila and Mikado 2 contracts
 - Efficiency measures and cost reductions
 - Reduction in crewing per operation and support functions
 - Reduction in the group overhead staff

Breakdown of Revenue and EBITDA

Quarterly revenue growth and adjusted EBITDA improvement

Revenue per Segment

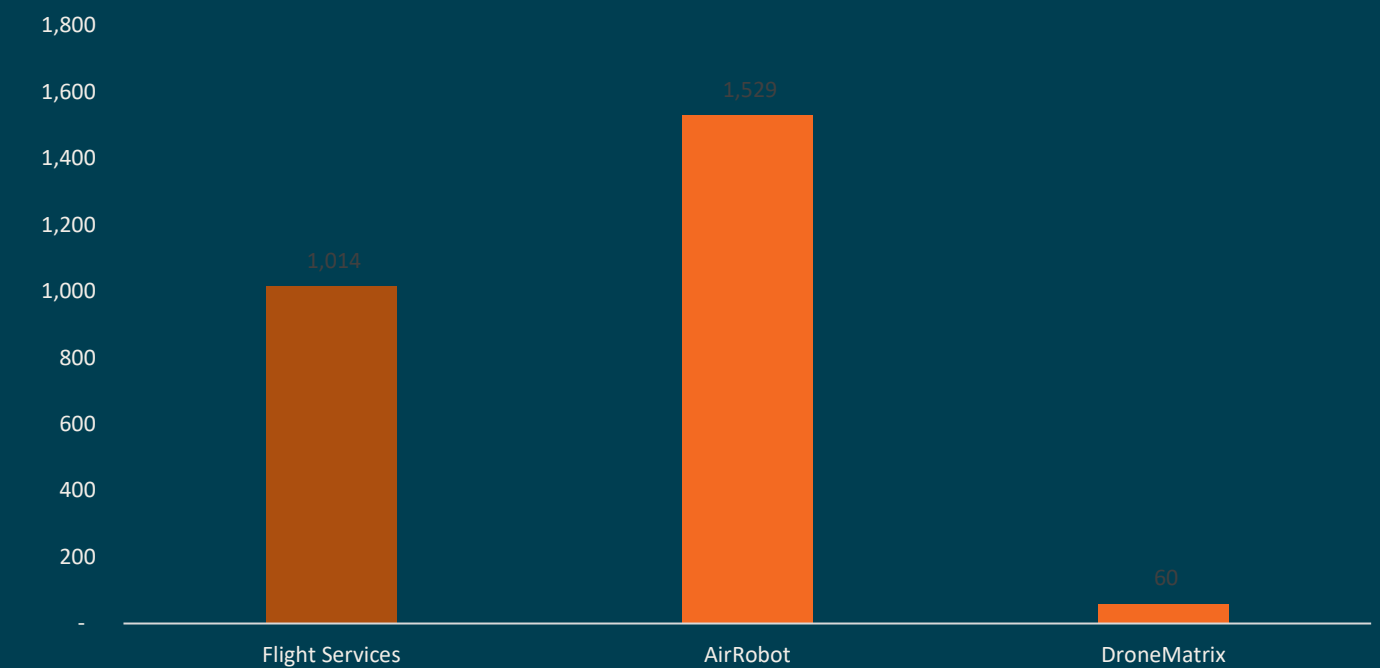


Flight Services Business
Total EUR 3.7 million

OEM Businesses
Total EUR 2.8 million

Adjusted EBITDA per Segment

- Before group costs



Flight Services Business
Total EUR 1 million

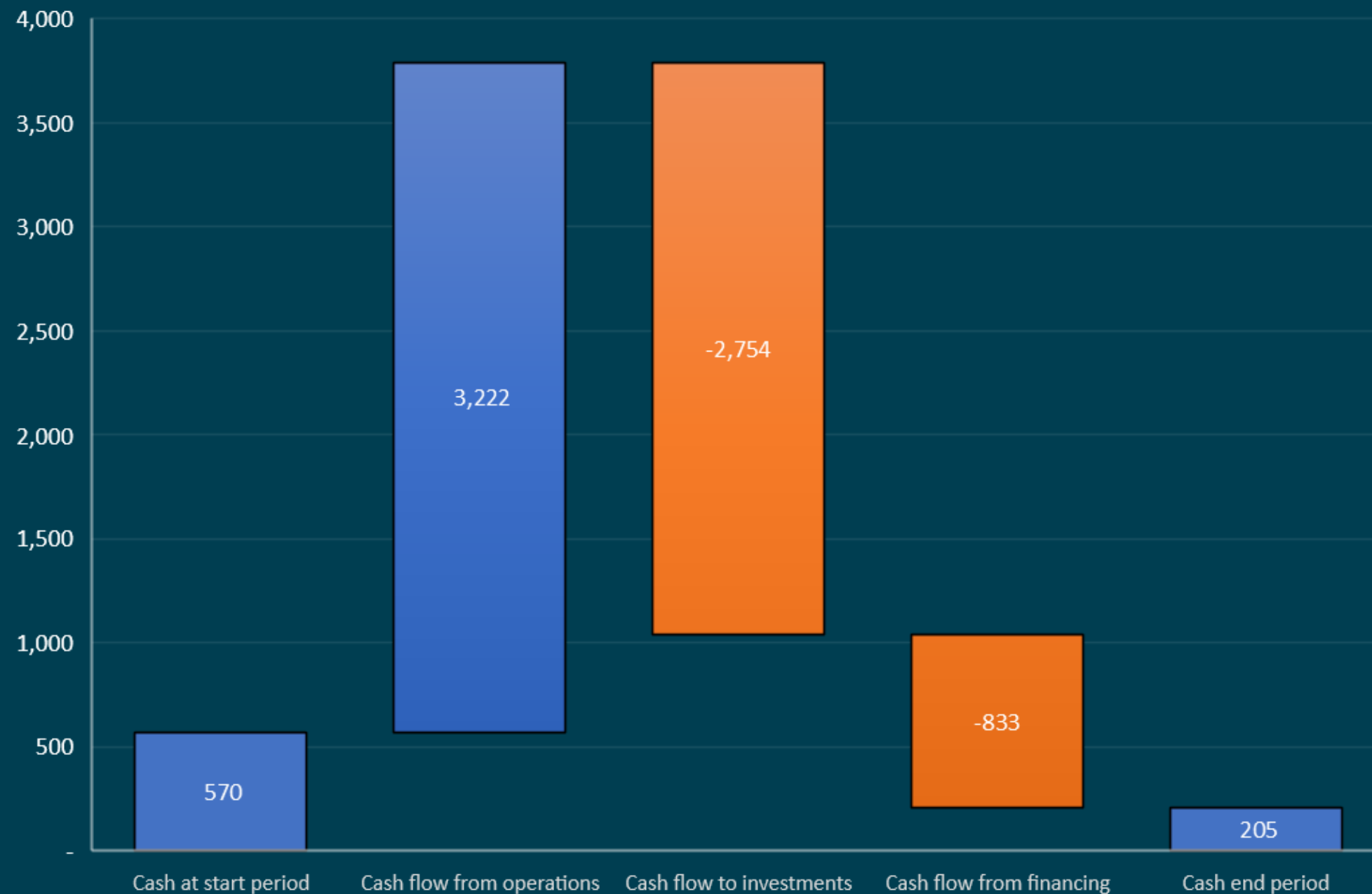
OEM Businesses
Total EUR 1.6 million

Balance Sheet

| Unaudited figures in EUR '000 | 30 Sep 2023 | 30 Sep 2022 | 31 Dec 2022 |
|--|---------------|---------------|---------------|
| Total fixed assets | 35,707 | 47,384 | 38,267 |
| Inventory and Receivables | 7,393 | 9,593 | 6,859 |
| Cash and cash equivalents | 205 | 694 | 812 |
| Total assets | 43,304 | 57,671 | 45,938 |
| Equity | 11,655 | 28,384 | 23,556 |
| Liabilities to financial institutions | 2,984 | 13,989 | 13,129 |
| Short term liabilities to financial institutions | 19,704 | 7,142 | 2,674 |
| Payables and other short term liabilities | 8,962 | 8,157 | 6,579 |
| Total equity and liabilities | 43,304 | 57,671 | 45,938 |

- Book equity of 26.9% end of the quarter
- Group cash of EUR 205k and EUR 1.3 million of undrawn overdraft facilities
- 100% of the shares in Ecoxy were disposed of in Q3 2023 with a gain of EUR 508k
- **Note:** In October 2023 the Group completed a refinancing with its lenders combined with a gross NOK 70 million equity raise that provides a strengthened capital structure and financial flexibility

Cash Flow Statement



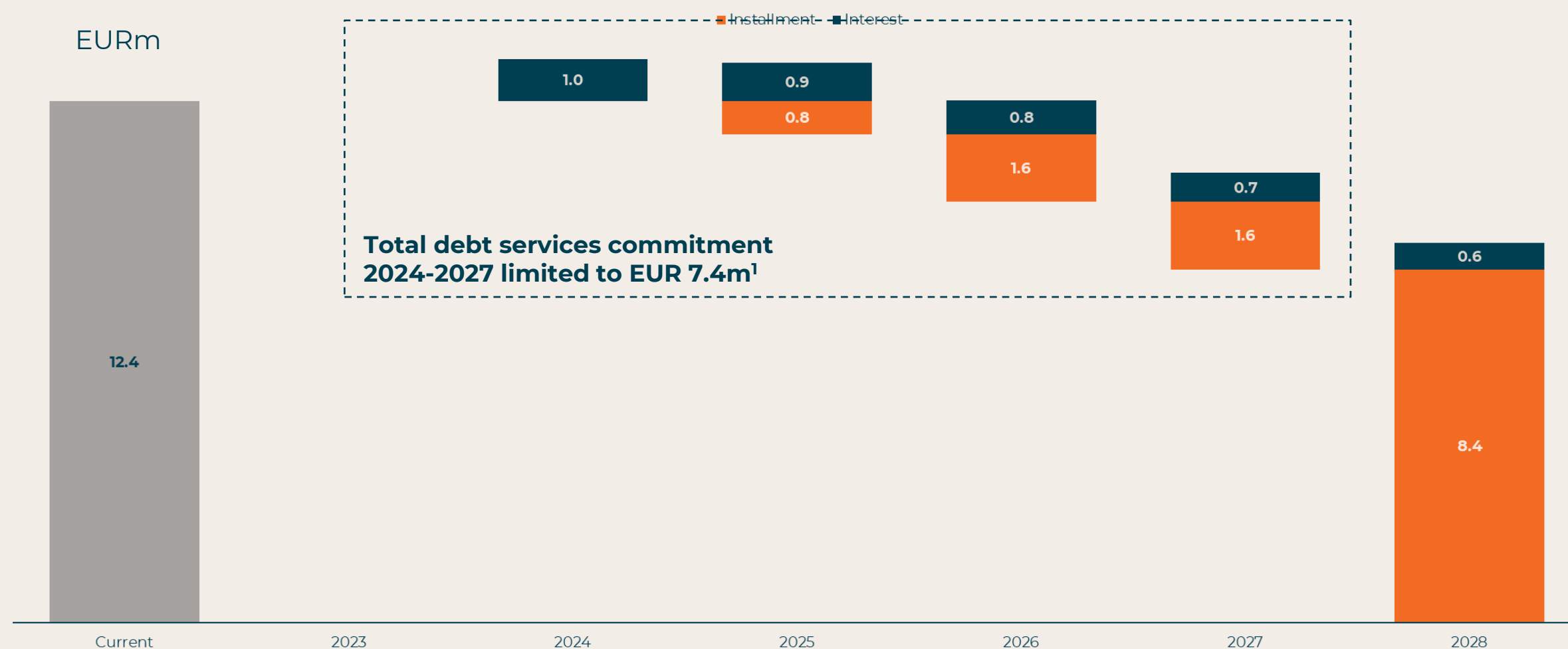
EUR 3.2 million

EUR -2.8 million

EUR -0.8 million

- Marginal change in cash in period
 - Underlying improvement
 - Agreements with key suppliers
- Positive Euro 1.8 million from change in working capital
- Investments in Textron Aerosonde equipment of Euro 2.4 million for Flight Services
- Net cash changes from financing relates to down payment of credit lines
- **NOTE:** In October 2023 the Group completed an equity raise of gross NOK 70 million

New financing structure



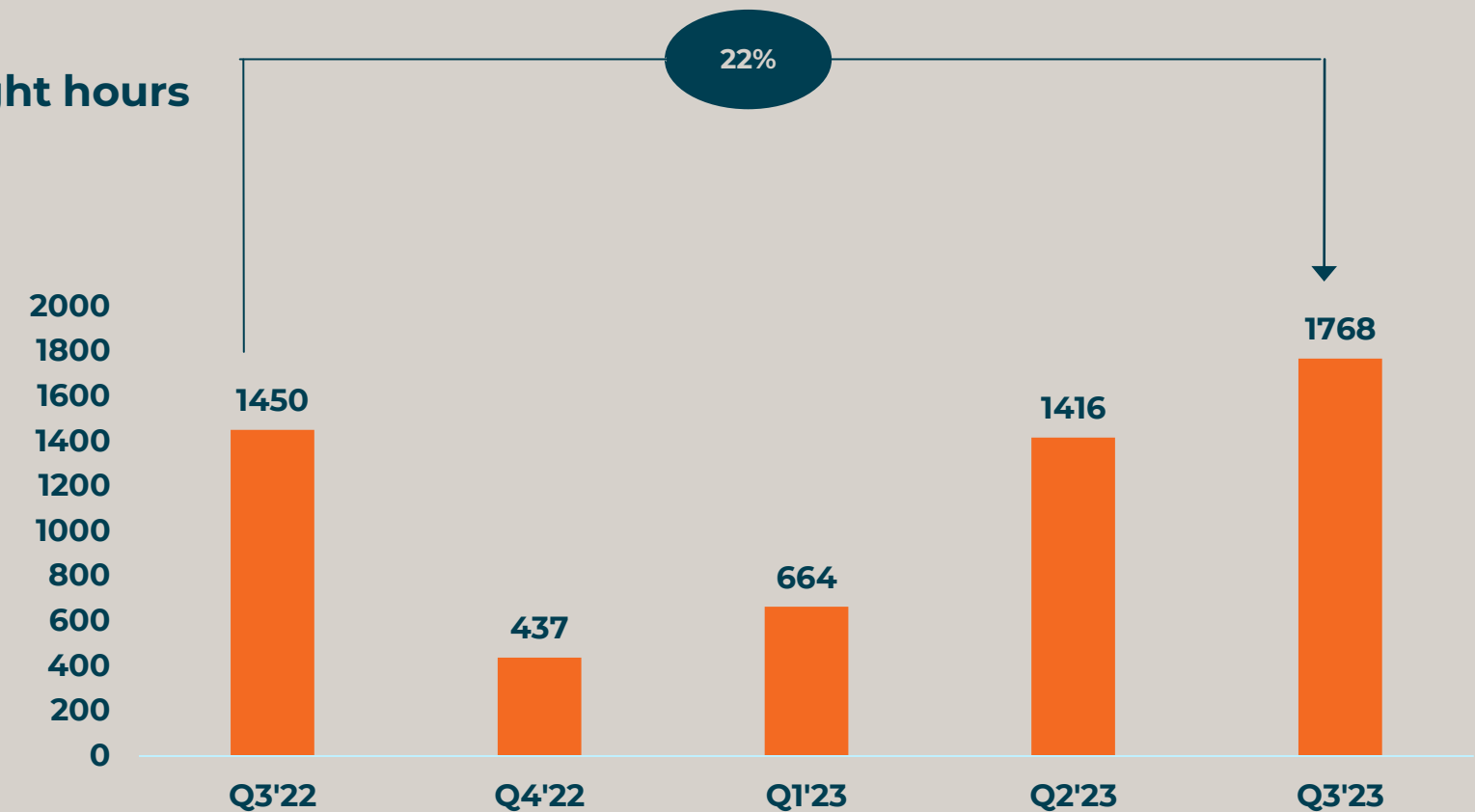
- Gross proceeds of NOK 70 million raised in a private placement in October 2023
- Contemplating raising up to NOK 35 million in new equity through subsequent repair before year end 2023
- Interest margin on main loan facility reduced from 5% to 3.5%
- First interest payment end Q2 2024
- Reduction in installments of EUR 7.2 million in the period 2023 – 2027 (quarterly installments changed from EUR 620k to EUR 400k)

Flight Services

- Revenue decrease of EUR 1.2 million, reduction of 23% YoY
 - 1.768 flight hours, increase of 22% YoY
 - Lower revenue due contract and UAS mix (EMSA OP 46 VS OP 10)
- Adjusted EBITDA before group costs improvement of EUR 0.1 million
 - Cost measurements and efficiency

| Unaudited figures in EUR '000 | Q3 2023 | Q3 2022 | YTD 2023 | YTD 2022 |
|--|--------------|------------|---------------|-------------|
| Operating revenue | 3,730 | 4,881 | 9,173 | 11,382 |
| Adjusted EBITDA before Group Cost | 1,014 | 895 | -877 | -705 |
| Adjusted EBITDA % | 27% | 18% | -10% | -6% |
| Non-recurring items | - | - | 1,595 | - |
| EBITDA | 1,014 | 895 | -2,472 | -705 |
| EBITDA% | 27% | 18% | -27% | -6% |

Flight hours



AirRobot

- Revenue increase of EUR 1.8 million, 323% increase YoY with main sources being:
 - Heimdal sensors under the Tiquila contract
 - AR-100 UAS under the Mikado 2 contract
- Quarterly EBITDA before group costs improvement of EUR 1.5 million
 - EBITDA margin of 65% in the quarter as deliveries and certification gains progress

| Unaudited figures in EUR '000 | Q3 2023 | Q3 2022 | YTD 2023 | YTD 2022 |
|---------------------------------|--------------|-----------|--------------|----------|
| Operating revenue | 2,354 | 556 | 5,257 | 1,443 |
| EBITDA before Group Cost | 1,529 | 39 | 1,820 | 5 |
| EBITDA% | 65% | 7% | 35% | 0% |



DroneMatrix

- DroneMatrix* revenue increase of EUR 0.4 million
 - Revenue of EUR 77k from Infrabel, EUR 83k from Port of Antwerp, EUR 156k from Counter UAV project and EUR 70k from University of Antwerp
- Improved EBITDA before group costs of EUR 0.3 million
 - Higher activity with Port of Antwerp and Counter UAV project

| Unaudited figures in EUR '000 | Q3 2023 | Q3 2022 | YTD 2023 | YTD 2022 |
|-------------------------------|---------|---------|----------|----------|
| Operating revenue | 426 | 20 | 1,010 | 20 |
| EBITDA before Group Cost | 60 | -186 | 140 | -186 |
| EBITDA% | 14% | 0% | 14% | 0% |

*) Nordic unmanned owns 55% and has an obligation to acquire the remaining 45% by March 2024



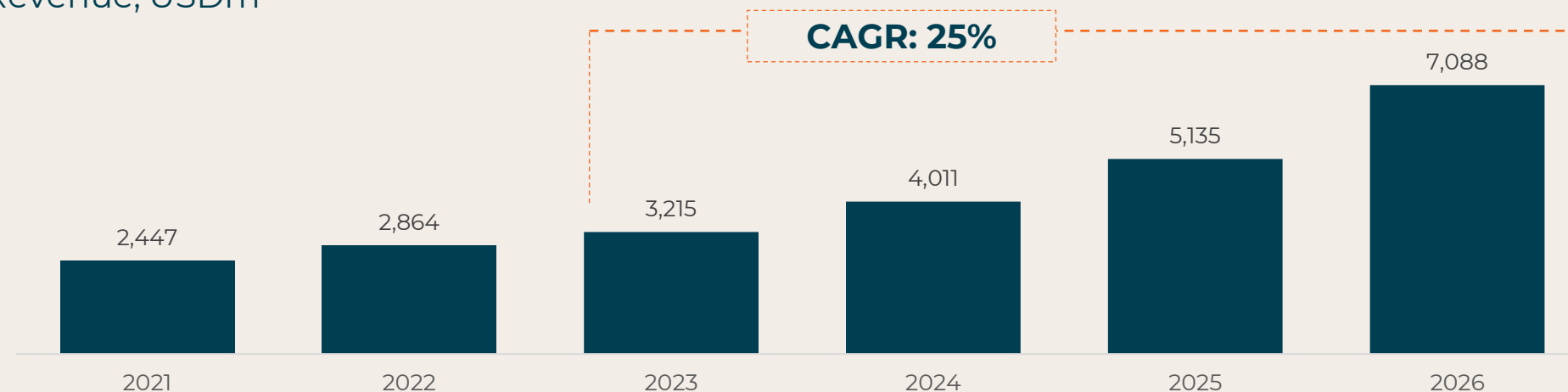
STRATEGY & OUTLOOK

Industry research points to attractive growth in core markets in Europe in the years ahead

Market drivers

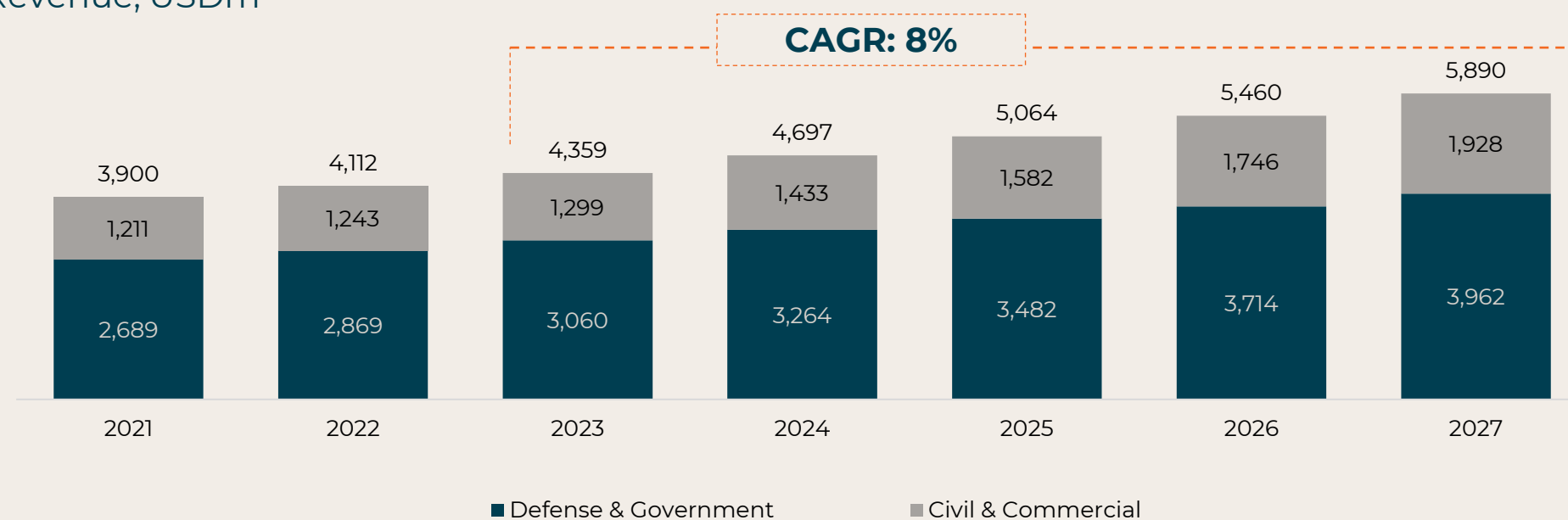
European drone services market

Revenue, USDm



European UAV market - products

Revenue, USDm



Source: MarketsandMarkets 2022

Increasingly favourable regulatory environment in Europe

Increased demand for drones following greater scope of application

Advancements in drone technology (battery, sensors, cameras, etc.)

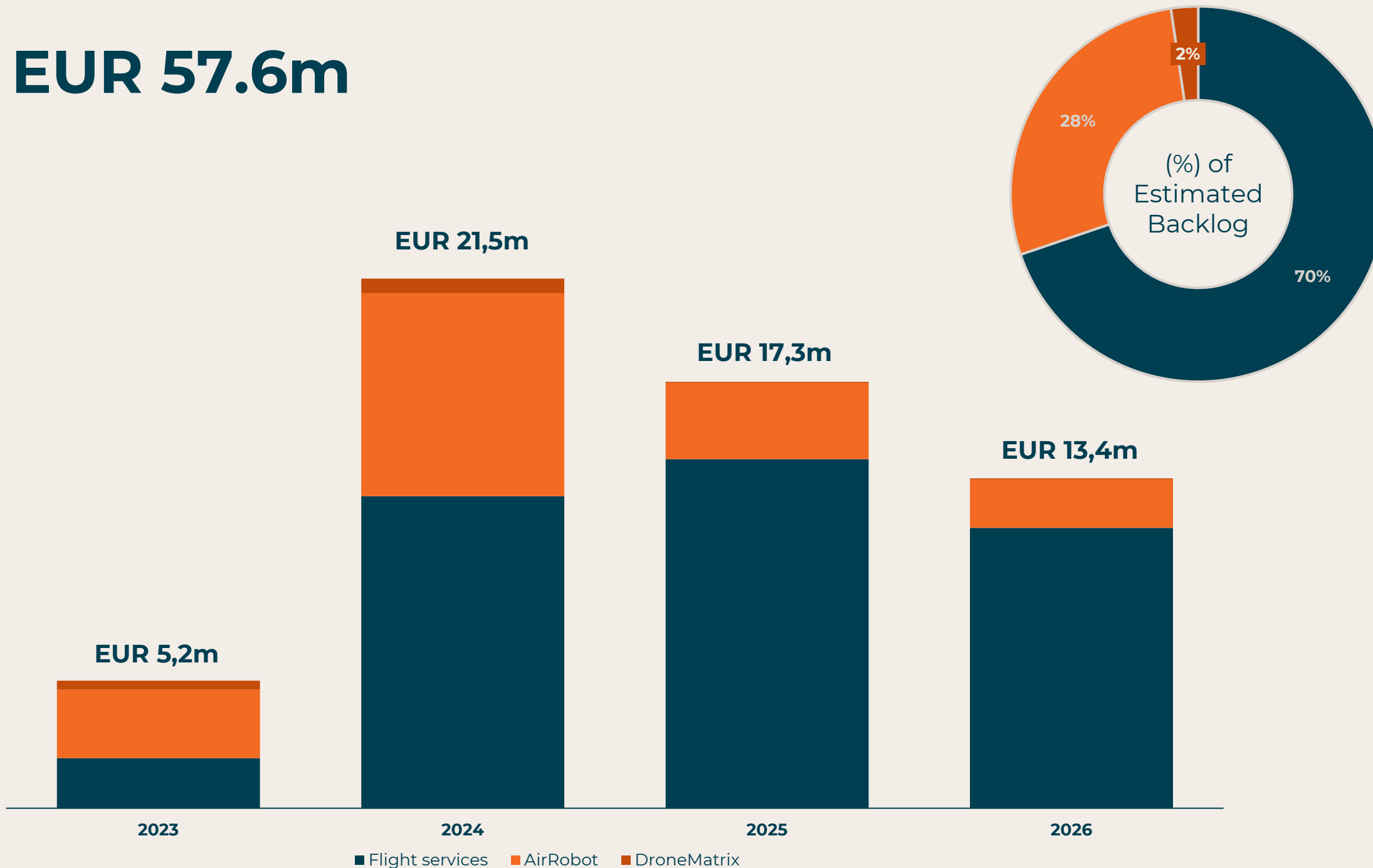
Improved awareness and education

Environmental benefits

Unmanned drones yield cost savings, efficiency gains and safety benefits

Estimated Contract Backlog

EUR 57.6m



Source: Nordic Unmanned

*) Note (1) 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 Q3 2023. 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.
 (2) Nordic Unmanned cannot guarantee that these values will materialize as indicated, nor when they may materialize over the period

- Estimated Contract Backlog consists of:
 - EUR 41.9 million of framework contracts
 - EUR 15.7 million of purchase orders/contracts

| Contract | Partner | Expires | Contract value (EURm) |
|-----------|-----------------|---------------|-----------------------|
| Mikado I | BUNDESWEHR | Q1 2027 | 3.0 |
| Mikado II | BUNDESWEHR | Q2 2026 + MRO | 12 |
| Tiquila | LOCKHEED MARTIN | Q1 2033 | >5 |
| OP/1 | EMSA | Q1 2026 | 7 |
| OP/46 | EMSA | Q2 2026 | 20 |
| OP/5 | EMSA | Q2 2027 | 20.5 |

Strategy & outlook

STRATEGY

Deliver controlled and profitable growth by providing quality solutions and actionable data for maritime, security and defence applications to governmental agencies and large corporates in Europe

Hereunder:

- Optimize commercial uptime within Flight Services
- Reduce seasonality in business model
- Reduce excess inventory
- Reinforce position as a reseller
- Pursue a mix of leased and owned UAS platforms for Flight Services

OUTLOOK

- Generally positive outlook for UAS products and services
- Supportive demand drivers
- Anticipate several Flight Services tenders in 2024 with potential start-up from 2025
- Growing interest for our OEM products from AirRobot and DroneMatrix

Financial targets for 2023

Revenue Target Full Year 2023: EUR 22-25m

- Implying 20% + topline growth in 2H 2023 over 1H 2023 and improved EBITDA
- Revenue range provided to allow for weather and timing of activity

SUMMARY

Summary



Increased activity, reduced costs and positive cashflow from operations



Estimated order backlog of EUR 57.6 million providing a good basis for the periods ahead



Refinanced in October (Q4) 2023 providing strengthened capital structure and financial flexibility



Working to reduce seasonality in business model



Clear strategy and well positioned in a market with a generally positive outlook