



**Q2 / H1 2021
FINANCIAL RESULTS**

NEKKAR ASA



Highlights from the period

Second quarter 2021

- Revenue of NOK 121.8 million (Q2 2020: 63.8), operational EBITDA¹ of NOK 39.2 million (14.6) and EBIT of NOK 37.4 million (25.8)
- Three shipyard solutions projects successfully commissioned during quarter
- Kicked off wind turbine installation innovation project
- Promising sea testing of Starfish closed fish cage

First half 2021

- Revenue of NOK 214.6 million (H1 2020: 129.9), operational EBITDA¹ result of NOK 55.9 million (19.4), and EBIT of NOK 53.8 million (1.1)
- Successful start-up of ocean testing of Starfish closed fish cage
- Secured NOK 21 million in funding for SkyWalker wind turbine installation solution
- Five-year service agreement for US customer signed for Syncrolift
- Delivered environmentally friendly shiplift to Skarvik AS, one project in Asia and one upgrade project in Qatar

Events subsequent to the period

- A control system upgrade contract of NOK 18 million signed by Syncrolift in July 2021
- Two Syncrolift orders signed in August; transfer trolleys and a spare parts order of NOK 10 million and NOK 13 million respectively

Key figures

NEKKAR ASA					
MNOK	Q2 2021	Q2 2020	H1 2021	H1 2020	FY 2020
Revenue	122	64	215	130	359
Reported EBITDA	38	27	55	2	77
Operational EBITDA	39	15	56	19	71
EBIT	37	26	54	1	75
EBITDA margin	31.5%	41.6%	25.8%	1.8%	21.5%
Operational EBITDA margin ¹	32.2%	22.9%	26.1%	14.9%	19.9%
Order intake	-	428	16	437	701
Order backlog	975	1 110	975	1 110	1 167
EPS (NOK)	0.35	0.28	0.48	0.01	-0.33

¹ Excludes gains and losses on FX hedging contracts measured at fair value through profit and loss.



CEO Letter

Nekkar delivered extraordinary strong financial results in the second quarter, impacted by successful commissioning of three projects, with associated margin recognition and realization of project cost savings, within our Shipyard Solutions business area.

Revenue in the second quarter ended at NOK 121.8 million, an increase of 91 percent versus the same period last year (63.8). Operational EBITDA was 39.2 million, a significant increase from NOK 14.6 million in the second quarter last year, representing an operational EBITDA margin of 32.2 percent (22.9). EBIT ended at NOK 37.4 million, representing a 45 percent increase from the same quarter last year (25.8).

Although the Covid-19 pandemic has presented several operational challenges to both Shipyard Solutions and Digital Solutions, they have retained the ability to deliver on time and on budget. The pandemic has resulted in postponed delivery schedule on some projects, mainly due to delays at sites. However, fast and successful commissioning at project-end underlines the team's impressive project execution capabilities.

Order intake in the second quarter was weak at NOK 0 million (NOK 437 million), however the order backlog remains solid and stood at NOK 975 million as of 30 June 2021 (1 110).

Note that the Shipyard Solutions business area has not lost any tenders in the second quarter. The pandemic has caused delays and there have not been any significant project awards in the period. We are bidding for projects and hope to see contracts being awarded in the second half of 2021.

While our Shipyard Solutions business represents the financial backbone of Nekkar, it is our Digital Solutions business area (Intellilift) that drives the digital development in the group. Our strategy is to capitalise on this business area's

engineering, electrification, automation and digitalisation competence, and apply this as levers to develop disruptive technologies that can make industry sectors even more sustainable, productive and profitable.

In the second quarter, the majority of resources in Digital Solutions was allocated to projects in Shipyard Solutions, and for software development for both the Starfish and SkyWalker development projects. Additionally, the Digital Solutions team is working on systems for more efficient drilling operations.

Testing of our downscaled Starfish, a closed fish cage, has been ongoing in the second quarter and will continue for the rest of 2021. We have so far proven that the physical properties for our cage withstand environmental impacts. In the third quarter we will continue to test the circulation systems and sensors. We have also started production of a full-size Starfish for testing early 2022. Interest in Starfish from potential customers remains very high.

We have also received a lot of industry interest for our SkyWalker wind turbine installation tool after we first presented it to the market in May. Progress on SkyWalker remains good. The design process is ongoing, and production of the downscaled test model will be completed early in the fourth quarter, with wind tunnel testing in the latter part of the fourth quarter.



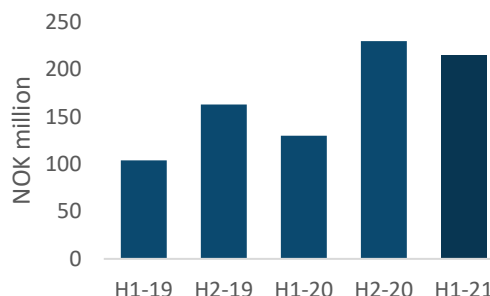
Preben Liltved, CEO



Key figures: historic development

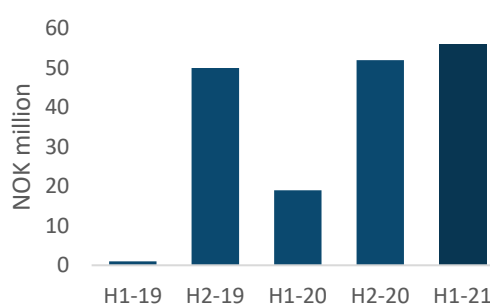
Revenue

Revenue in the first half of 2021 was NOK 214.6 million compared to NOK 129.9 million in the same period last year and NOK 230.0 million in the second half of 2020. The main revenue stream is related to the newbuilding construction contracts in Shipyard Solutions which accounted for more than 90 percent (81%) of revenues in the first half of 2021.



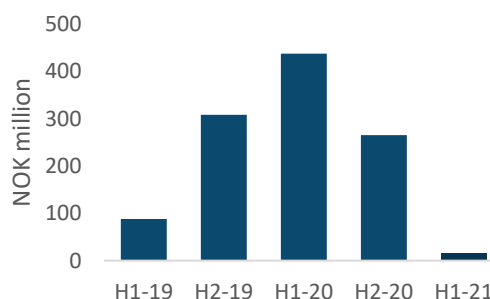
Operational EBITDA

The operational EBITDA¹⁾ in the first half of 2021 was NOK 55.9 million (26.0%) compared to NOK 19.4 million (14.9%) in the same period last year and NOK 52.0 million (22.6%) in the second half of 2020. The two-consecutive strong half year performances are mainly driven by high activity in the newbuilding business of Shipyard Solutions.



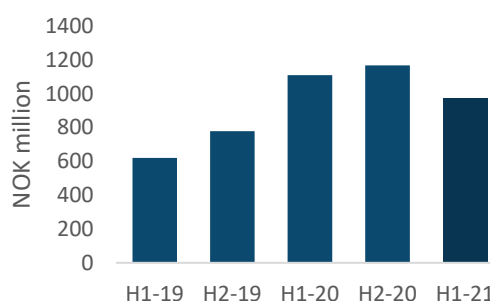
Order intake

The first half 2021 order intake²⁾ was NOK 16.0 million compared to the all-time high order intake of NOK 437.0 million in the same period last year. Following the high order intake of 2020, where Shipyard Solutions won a significant amount of all newbuilding projects being offered, there has been few tendering processes for projects in the first half of 2021, and the lower order intake is in-line with expectations.



Order backlog

At the end of the first half 2021, the order backlog²⁾ was NOK 975 million compared to NOK 1 110 million in the same period last year and NOK 1 167 million as per 31 December 2020. The order backlog mainly includes construction contracts in Shipyard Solutions and will ensure high activity over the coming years.



¹⁾ EBITDA is short for "earnings before interest, taxes, depreciation and amortization". Operational EBITDA also excludes gains or losses from FX hedging contracts measured at fair value through profit and loss.

²⁾ Order intake includes new signed contracts in the period in addition to expansion of existing contracts and any cancellations of contracts. Order backlog represents the estimated value of remaining work on signed contracts.



Operational review

Business overview

Nekkar is an industrial technology group that combines 50 years heritage from the world's number one shiplift company, Syncrolift, with new investments into sustainable, digitalised technology businesses that aim to unlock future growth within large ocean-based industries such as offshore energy, renewables and aquaculture.

The foundation of Nekkar's business is world-class mechanical engineering, electrification, automation, and digitalisation. The business operation in the Nekkar Group is organised in the following four business areas:

- Shipyard Solutions
- Digital Solutions
- Aquaculture
- Renewables

While Shipyard Solutions, Aquaculture and Renewables are business areas that operate relatively independent of each other, the Digital Solutions business utilises its unique competence to support the three other business areas. The purpose is to enable digital business models to capitalise on disruptive hard-tech design to unlock revenue potential and drive business value from future software as a service (SaaS) revenue models.

Despite the challenges caused by the effects of Covid-19, Nekkar has showed solid operational progress in first half of the year.

Shipyard Solutions (Syncrolift)

The Shipyard Solutions business area has been most affected by the pandemic. Despite this, it has been able to successfully execute and handover projects to customers in the first half of the year, including a more environmentally friendly shiplift to Skarvik AS. The solution has attracted attention in the market, and we expect this to be an industry standard in the years to come.

Commissioning on several projects has been challenging, but by utilising the company's international network combined with highly flexible employees both from Syncrolift and Intellilift, Nekkar has been able to satisfy customer requirements and completed and closed projects. However, Syncrolift's inspection services have been suffering due to travel restrictions and closed borders.

No newbuild contracts have been won so far in 2021. However, some good upgrade and service contracts have been signed, including a five-year service agreement for a US customer. This shows that the increased focus on service sales started in 2020 are starting to pay off.

The ongoing pandemic has led to delays in decision processes on several potential projects. These are large projects that often involve new infrastructure and major investments in addition to the ship lift/transfer systems. No bids have been closed during the period, and as far as the company is aware of, Syncrolift has not lost any projects in the bidding phase.

Digital Solutions (Intellilift)

During the first half of the year, the majority of resources in Intellilift, which is 51% owned by Nekkar, has been allocated internally to three different projects in Shipyard Solutions, and to software development for both Starfish and SkyWalker.

In addition, the team is working on developing systems for more efficient drilling operations and renewables. It is working on leads for external customers, but due to Covid-19 it is unclear when these projects will be realized.

Aquaculture

Testing of Nekkar's downscaled Starfish, a closed cage for fish farming, has been ongoing since March and will continue for the rest of the year. During the five-month period since March, Starfish has proven that the physical properties for the cage can withstand the environmental



impact. Nekkar has in the same period presented the Starfish solution to major potential customers, both at the test site in Flekkefjord and in online meetings.

Nekkar has initiated production of a full-size Starfish, which aim to be ready for testing in early 2022.

Renewables

In March, Nekkar was awarded a NOK 21 million grant from Innovation Norway to progress with the development of a disruptive turbine installation technology – named SkyWalker – that could significantly reduce the cost and environmental footprint associated with wind turbine installations.

The wind turbine installation project was kicked off in the second quarter of this year. The design of the solution is ongoing, and production of the downscaled test model will be completed within October.

After presenting SkyWalker to the market in May, Nekkar has received a lot of interest from potential customers.



Financial review

Q2 2021 financial results

Revenues for the second quarter of 2021 was NOK 121.8 million compared to NOK 63.8 million in the second quarter of 2020, representing an increase of ~90%. The increase was due to high activity in the newbuilding business of Shipyard Solutions.

EBITDA was NOK 38.3 million compared to NOK 26.5 million in the second quarter of 2020. The figures are impacted by losses from foreign exchange hedging contracts of NOK 0.9 million in 2021 and gains of NOK 11.9 million in the second quarter of 2020.

Hence, the operational EBITDA was NOK 39.2 million compared to NOK 14.6 million in the second quarter of 2020, representing a margin of 32.2% and 22.9% respectively. The strong financial results are impacted by successful commissioning of three projects, with associated margin recognition and realization of project cost savings, within our Shipyard Solutions business area.

The operating profit (EBIT) was NOK 37.4 million compared to NOK 25.8 million in the second quarter of 2020.

Net profit for the period was NOK 37.5 million compared to NOK 30.1 million in the second quarter of 2020. EPS for the second quarter of 2021 was NOK 0.35 (NOK 0.28).

First-half 2021 financial results

Revenues for the first half of 2021 was NOK 214.6 million compared to NOK 129.9 million in the same period last year. The significant increase in revenues is driven by high activity in Shipyard Solutions.

EBITDA was NOK 55.3 million compared to NOK 2.3 million in the first half of 2020. These

figures are impacted by losses from foreign exchange hedging contracts of NOK 0.6 million and NOK 17.1 million respectively. Hence, the operational EBITDA was NOK 55.9 million in the first half of 2021 compared to NOK 19.4 million in the first half of 2020, equivalent to an operational EBITDA margin of 26.0% and 14.9% respectively.

The operating profit was NOK 53.8 million compared to NOK 1.1 million in the first half of 2020. EBIT in the first half of 2020 was significantly impacted by the NOK 17.1 million loss on foreign exchange hedging contracts.

Net profit for the period was NOK 51.6 million compared to NOK 1.8 million in the first half of 2020. EPS for the first half of 2021 was NOK 0.48 (NOK 0.01).

Cash flow from operating activities decreased by NOK 47.4 million compared to the first half of 2020. The decrease was mainly due to changes in net working capital as previously received prepayments from customers were converted to revenues.

Cash flow from investing activities decreased by NOK 113.1 million compared to the first half of 2020. The decrease was due to payment of the arbitration settlement with Cargotec / MacGregor along with increased R&D spending in the first half of 2021.

Cash flow from financing activities decreased by NOK 2.4 million compared to the first half of 2020 due to increased financial expenses.

Total cash flow decreased by NOK 162.8 million compared to the first half of 2020, mainly due to the arbitration settlement and less prepayments received.



Total assets and liabilities

Total assets at the end of the second quarter 2021 were NOK 428.7 million compared to NOK 549.7 million in the same period last year. The NOK 98.4 million payment related to the Cargotec / MacGregor arbitration is the main reason for the decline.

As per 30 June 2021, the net cash position was NOK 200.2 million compared to NOK 256.0 million as per 30 June 2020. At the end of the second quarter, NOK 3.5 million is restricted deposits related to employee's tax withholding and NOK 10.0 million for FX-derivatives exposure in DnB.

Total liabilities at the end of the second quarter 2021 were NOK 173.6 million compared to NOK 314.4 million in the same period last year. The decline is mainly due to payment of the Cargotec / MacGregor arbitration (i.e. settled provision) and reduced prepayment from customers.

The equity ratio at the end of the second quarter 2021 was 59.6% compared to 42.8% in the same period last year.

The Nekkar Group has no credit facilities as per 30 June 2021, however, guarantee and currency facilities with Nordea Norge ASA and DnB ASA are established. The guarantee facility is mainly used to issue performance- and advance payment guarantees to customers. As per 30 June 2021, Nekkar had drawn NOK 174.2 million of the total guarantee limit of NOK 200 million.



Segment information

Shipyards Solutions

Being the global market leader for ship lifts and transfer systems offered to repair- and newbuilding yards, Shipyards Solutions, i.e., Syncrolift, is Nekkar's main revenue and cash-generating business unit.

Syncrolift delivered revenue of NOK 210.3 million and an operational EBITDA of NOK 66.1 million in H1 2021, compared to revenue of NOK 120.0 million and an operational EBITDA of NOK 24.6 million in H1 2020. The financial results show that, despite challenges related to the ongoing corona pandemic, Syncrolift is continuing its good performance.

In the first half of 2021 Syncrolift has successfully completed projects more cost

efficiently than previously estimated, and as a result, deliver very strong operational margins. Positive effects from reviewed project estimates (i.e. realized cost reductions) was approximately NOK 20.0 million. This was to some extent offset by an inventory write-down and a provision towards a sub-supplier of NOK 7.0 million in the same period.

The order backlog in Syncrolift is solid, and the activity is expected to remain high going forward based on the current backlog and efficient utilization of resources. The pandemic has delayed the decision-making process on several potential new projects for Syncrolift. Consequently, no newbuild orders have been awarded in second quarter.

Shipyards Solutions					
MNOK	Q2 2021	Q2 2020	H1 2021	H1 2020	FY 2020
Revenue	119	61	210	120	343
Reported EBITDA	43	29	66	8	88
Operational EBITDA*	43	17	66	25	82
EBITDA margin	36.2%	46.9%	31.2%	6.3%	25.7%
Operational EBITDA margin	36.4%	27.4%	31.4%	20.5%	24.0%
Order backlog	973	1 110	973	1 110	1 167

* Operational EBITDA excludes gains or losses from FX hedging contracts measured at fair value through profit and loss.

Digital Solutions

Intellilift is the driving force behind the Digital Solution business area and delivered revenues of NOK 13.2 million and an operational EBITDA of NOK 1.2 million in the first half of 2021, compared to revenue of NOK 10.1 million and an operational EBITDA of NOK 2.1 million in the first half of 2020.

Positive synergies have been realized by integrating the products and solutions of Intellilift with the Syncrolift business. During Q2 2021, the majority of resources in Intellilift was allocated to newbuilding projects in Shipyards Solutions and to the development projects Starfish and SkyWalker.

In parallel, Intellilift is working on R&D projects aiming at developing open software platforms for collection, monitoring and control of data for the numerous industries. The capitalized development costs related to these R&D investments amounted to MNOK 3.1 in H1 2021.

Digital Solutions has a threefold revenue model – project based, perpetual upfront software license and software as a service license (SaaS), depending on customer preferences. As of H1 2021, the main revenue stream is project based.



Digital Solutions					
MNOK	Q2 2021	Q2 2020	H1 2021	H1 2020	FY 2020
Revenue	8	3	13	10	31
Reported EBITDA	1	1	1	2	5
Operational EBITDA	1	1	1	2	5
EBITDA margin	15.3%	28.8%	9.0%	20.7%	16.2%
Operational EBITDA margin	15.3%	28.8%	9.0%	20.7%	16.2%

Aquaculture

Within the Aquaculture business area, Nekkar is currently testing and developing Starfish, a fully automated, closed cage solution that has double protection against escapes, avoids problems with salmon lice due to water intake from deep waters below the cage, and can collect up to 90 percent of biological waste. It is a solution that could reduce operating expenses dramatically for the fish farming industry, while simultaneously improve fish welfare. Ocean testing of the pilot version of Starfish started in March 2021 and is progressing according to plan. So is the development of the full-scale version of Starfish. In the first half of 2021 the capitalized development cost of Starfish amounted to NOK 7 million.

Renewables

Nekkar is looking into several products leveraging benefits of next generation tools and solutions, electrification, and battery energy storage, utilizing the benefits of electrification and automation to harvest substantial improvements through structural reengineering. In H1 2021 the main efforts have been concentrated around the development of SkyWalker, a disruptive wind turbine installation solution that could significantly reduce the cost and environmental footprint associated with wind turbine installations. In April 2021 the SkyWalker project was awarded a NOK 21 million grant from Innovation Norway. The grant has no accounting impact on the figures as per Q2 2021. In the first half of 2021 the capitalized development cost of SkyWalker amounted to NOK 4 million.



Outlook

As mentioned in the first quarter update, Nekkar expects lower newbuild order intake in 2021 due to a slow start for Shipyard Solutions. Nekkar expects newbuild project awards in the second half of the year, but timing of potential awards is still uncertain because of the pandemic.

Nevertheless, a solid order backlog will ensure a healthy activity level over the coming years. The company also expects continued revenue growth from service and upgrades.

Within Aquaculture, sea testing of the downsized Starfish will continue until year-end. A full-size version of Starfish is planned to be ready for testing in early 2022. In the second half of 2021, focus will be to continue development and testing of the circulation systems and sludge handling, in addition to the digital platform for monitoring and controlling the cage.

For Renewables, design of the SkyWalker solution is going according to plan. Production of a downscaled (1:20) test model will be completed by the end of October with testing within Q4. The downscaled model will be used for testing in wind tunnel along with testing of the control system.

Digital Solutions still has promising leads on perpetual and SaaS software projects to increase efficiency and reduce CO2 emissions within the Offshore Energy segment, but the timing of awards remain uncertain.



Responsibility statement

Board and management confirmation

Today, the board of directors, the chief executive officer and the chief financial officer have reviewed and approved the Nekkar ASA Condensed interim financial statements as of 30 June 2021.

To the best of our knowledge, we confirm that;

- the Condensed consolidated financial statements for the first half of 2021 have been prepared in accordance with IFRSs as adopted by the European Union, IFRSs as issued by IASB, and additional Norwegian disclosure requirements in the Norwegian Accounting Act
- the information presented in the Condensed interim financial statements gives a true and fair view of the company's and the group's assets, liabilities, financial position and results for the period viewed in their entirety
- the information presented in the Condensed interim financial statements gives a true and fair view of the development, performance, financial position, principles risk and uncertainties of the group
- the information presented in the Condensed interim financial statements gives a true and fair view of major related-party transactions

Kristiansand, 26 August 2021
The Board and Management of Nekkar ASA

Trym Skeie
CHAIR OF THE BOARD

Gisle Rike
DIRECTOR

Marit Solberg
DIRECTOR

Ingunn Svegården
DIRECTOR

Preben Liltved
CEO



Financial accounts

Condensed consolidated statement of comprehensive income

NEKKAR						
(NOK 1 000)		Unaudited	Unaudited	Unaudited	Unaudited	Audited
CONTINUED BUSINESS	Note	H1 2021	H1 2020	Q2 2021	Q2 2020	2020
Revenue	2	214 610	129 899	121 761	63 813	359 467
Total revenue		214 610	129 899	121 761	63 813	359 467
Cost of goods sold		107 267	70 557	55 337	31 749	198 224
Other operating costs		51 477	39 962	27 266	17 463	89 860
Other losses / (gains)		573	17 105	860	-11 940	-5 990
EBITDA		55 292	2 276	38 298	26 541	77 372
Depreciation		1 508	1 225	937	704	2 746
Operating profit (EBIT)		53 784	1 050	37 360	25 836	74 626
Financial income		1 014	1 526	2 288	4 789	2 357
Financial expense		1 866	335	862	49	5 267
Net finance		-852	1 191	1 426	4 739	-2 909
Profit/(loss) before tax		52 933	2 242	38 787	30 576	71 717
Tax	3	1 335	442	1 317	456	896
Profit/loss from continued business		51 598	1 800	37 470	30 120	70 821
DISCONTINUED BUSINESS						
Profit/(loss) from discontinued business		-	-	-	-	-103 718
Profit/(loss) for the period		51 598	1 800	37 470	30 120	-32 897
Attributable to equity holders of the company		51 079	1 063	36 889	29 942	-34 726
Attributable to non-controlling interests		518	738	581	178	1 829
COMPREHENSIVE INCOME						
Net result for the period		51 598	1 800	37 470	30 120	-32 897
Currency effects		-	-	-	-	-
Total comprehensive income		51 598	1 800	37 470	30 120	-32 897
Attributable to equity holders of the company		51 079	1 063	36 889	29 942	-34 725
Attributable to non-controlling interests		518	738	581	178	1 829
Earnings per share (NOK)		0,48	0,01	0,35	0,28	-0,33
Diluted earnings per share (NOK)		0,48	0,01	0,35	0,28	-0,33
Earnings per share - Continued Business (NOK)		0,48	0,01	0,35	0,28	0,65
Diluted earnings per share - Continued Business (NOK)		0,48	0,01	0,35	0,28	0,65



Financial accounts

Condensed consolidated statement of financial position

NEKKAR				
(NOK 1 000)		Unaudited	Unaudited	Audited
	Note	30.06.2021	30.06.2020	31.12.2020
Deferred tax assets	3	33 092	35 368	34 204
Goodwill	3	16 643	16 643	16 643
Intangible assets	3	35 519	18 526	26 840
Tangible assets		14 099	6 657	12 300
Total fixed assets		99 354	77 195	89 987
Inventories		10 687	9 930	5 412
Trade receivables		61 693	189 444	36 643
Accrued, non-invoiced production		31 087	9 868	22 382
Other short-term receivables		25 679	7 260	35 810
Bank deposits		200 157	256 048	367 850
Total current assets		329 303	472 549	468 096
Total assets		428 657	549 745	558 084
Share capital	4	11 695	11 617	11 695
Share premium		2 751	-	2 751
Other equity		222 231	206 940	171 152
Non-controlling interests		18 397	16 787	17 879
Total equity		255 074	235 345	203 477
Deferred tax	3	563	641	599
Lease liabilities		4 010	-	4 550
Long term liabilities		4 572	641	5 149
Trade payables		19 800	15 781	24 616
Prepayments from customers / deferred revenue		113 851	255 027	187 469
Current lease liabilities		1 257	300	950
Other current liabilities	5	34 103	42 649	136 423
Total current liabilities		169 011	313 757	349 458
Total liabilities		173 583	314 398	354 607
Total equity and liabilities		428 657	549 745	558 084



Financial accounts

Condensed consolidated statement of cash flows

NEKKAR			
(NOK 1 000)	Unaudited H1 2021	Unaudited H1 2020	Audited 31.12.2020
Cash flow from operating activities			
Profit (loss) before tax	52 933	2 242	71 717
<i>Adjustments for:</i>			
Depreciation / impairment	1 508	1 225	2 746
Net financial items	852	-1 191	2 909
Income tax paid	-	-	-245
Change in net working capital	-106 496	-6 107	56 738
Net cash flow from operating activities	-51 204	-3 831	133 866
Cash flow from investment activities			
Acquisition and expenditures of fixed/intangible assets	-16 979	-2 260	-12 083
Disposal of discontinued operation	-98 337	-	-13 964
Net cash flow from investment activities	-115 316	-2 260	-26 046
Cash flow from financing activities			
Proceeds from issuance of share capital	-	-	2 829
Dividends paid	-	-	-
Payment of lease liabilities	-322	-	-837
Net financial items	-852	1 191	-2 909
Net cash flow from financing activities	-1 173	1 191	-918
Net change in cash and cash equivalents ¹	-167 693	-4 900	106 902
Cash and cash equivalents at the start of the period	367 850	260 948	260 948
Cash and cash equivalents at the end of the period	200 157	256 048	367 850

¹ Total cash flow decreased by NOK 162.8 million in H1 2021 compared to H1 2020. This was mainly due to the arbitration settlement and changes in net-working capital.

Condensed consolidated statement of changes in equity

NEKKAR							
(NOK 1 000)	Share capital	Treasury shares	Share premium	Other equity	Shareholders equity	Non controlling interest	Total equity
Equity as of 1.1.2021	11 696	-1	2 751	171 152	185 599	17 879	203 477
Comprehensive income	-	-	-	51 079	51 079	518	51 598
New shares issued	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-
Equity Closing balance 30.06.2021	11 696	-1	2 751	222 230	236 677	18 397	255 074



Appendix

Note 1. General information

Reporting entity

Nekkar ASA ("Nekkar") is a public company incorporated and domiciled in Norway. The company is listed on the Oslo Stock Exchange where the shares are publicly traded.

The head office is located at Andøyfaret in Kristiansand, Norway.

As per 30 June 2021, Nekkar holds subsidiaries in Norway, USA and Singapore.

Nekkar is an industrial technology group offering impact technologies combined with high end software solutions. The group combines 50 years' heritage from the world's number one shiplift company, Syncrolift, with new investments into sustainable, digitalised technology businesses that aim to unlock growth within ocean-based industries such as offshore energy, renewables and aquaculture.

For more detailed information, please refer to the Annual Report of 2020 which is available at the company's website www.nekkar.com.

Basis of preparation

The financial reports are prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

The unaudited consolidated financial statements for H1 2021 have been prepared in accordance with IAS 34 Interim Financial Statements. The interim accounts do not include all the information required for a full financial statement and should therefore be read in connection with the audited consolidated financial statements of 2020.

There have been no changes to the accounting policies in the first half year of 2021 compared to the consolidated financial statement of 2020.

This condensed consolidated H1 2021 report was approved by the Board of Directors on 26 August 2021.

Judgements, estimates and assumptions

Preparation of the interim report requires the use of judgments, estimates and assumptions that affect the application of accounting principles and the reported amounts of assets and liabilities, income and expenses. Actual future outcome may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis.

The consolidated interim financial statements are prepared on the same basis as the consolidated financial statements for the financial year that ended 31 December 2020 with respect to the key assessments made by management regarding the application of the accounting principles of the group, and the key sources of estimation uncertainty.

IFRS 15 Revenue

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. Under IFRS 15, revenue is recognized when a customer obtains control of the goods or services. Determining the timing of the transfer of control, at point in time or over time, requires several judgmental factors.

For further information, reference is made to the description of accounting principles in the Annual Report.



Note 2. Operating segments

The segment structure in Nekkar are as follows:

Shipyards Solutions (BU SYS)

The Shipyards Solutions segment includes shiplift, docking/transfer systems and related service activity for shipyards. The main operating entity in this segment is Syncrolift AS with its head office in Vestby, Norway. Syncrolift also has local presence in important markets through subsidiaries in the US and in Singapore alongside a sales/service office in Dubai.

Syncrolift is the global market leader for shiplifts and transfer systems offered to repair and newbuilding yards. They deliver turnkey and customized solutions to commercial yards and navy bases around the world. The product range includes shiplifting systems for launching and retrievals of vessels and transfer systems for a fast and reliable way of moving vessels around the yard.

Digital Solutions

The Digital Solutions segment is the competence hub that serves the other business areas in Nekkar along with external customers outside Nekkar. The business segment possesses unique competence within engineering, electrification, digitalisation and automation. Intellilift AS, 51% owned by Nekkar, is the driving force behind the Digital Solutions business segment and the company aims to develop open software platforms for collection, monitoring and control of data for the numerous industries

Collecting data from numerous different sensors, will improve the real time operation as well as enable remote operation and robotization. The business model will be threefold – project based, perpetual upfront software licenses and software as service licenses, depending on customer preferences. As per H1 2021, revenue is mainly project based.

Capitalised development costs amounted to NOK 3 million in the first half of 2021.

Other

Includes group functions in the parent company, the development projects within Aquaculture and Renewables and group eliminations. In the Aquaculture business area, Nekkar is currently testing and developing game-changing technologies with high sustainability impact on aquaculture. Nekkar's Starfish is a fully automated, closed cage solution that has double protection against escapes, avoids problems with salmon lice due to water intake from deep waters below the cage, and are able to collect up to 90 % of biological waste. It is a solution that could reduce operating expenses dramatically for the fish farming industry, while simultaneously improve fish health.

Capitalised development costs of Starfish amounted to NOK 7 million in the first half of 2021.

Within renewables, the design of SkyWalker is ongoing and the production of a down scaled (1:20) test model is expected to be completed within October 2021 and further testing will be performed during Q4 2021 - Q1 2022.

Capitalised development costs of SkyWalker amounted to NOK 4 million in the first half of 2021.

Revenue	2Q		1H		Full year
MNOK	2021	2020	2021	2020	2020
Shipyards Solutions	119	61	210	120	343
Digital Solutions	8	3	13	10	31
Other/elim.	-6	0	-9	0	-15
Total revenue	122	64	215	130	359



EBITDA	2Q		1H		Full year
<i>MNOK</i>	2021	2020	2021	2020	2020
Shipyards Solutions	43	29	66	8	88
Digital Solutions	1	1	1	2	5
Other/elim.	-6	-3	-11	-7	-16
Total EBITDA	38	27	55	2	77

Operational EBITDA	2Q		1H		Full year
<i>MNOK</i>	2021	2020	2021	2020	2020
Shipyards Solutions	43	17	66	25	82
Digital Solutions	1	1	1	2	5
Other/elim.	-6	-3	-11	-7	-16
Total Operational EBITDA	39	15	56	19	71

Note 3. Intangible assets

Intangible assets			
(NOK 1000)	30.06.2021	30.06.2020	31.12.2020
Goodwill	16 643	16 643	16 643
Deferred tax assets	33 092	35 368	34 204
Capitalized development costs	27 865	10 149	18 917
Technology assets	2 558	2 887	2 722
Other intangible assets	5 096	5 490	5 202
Total intangible assets	85 254	70 537	77 687

Goodwill

Recognized goodwill relates to the acquisition of Intellilift in 2019 and amounts to MNOK 16.6 as of 30 June 2021. Included in goodwill is the value of employees with special skills and expected synergies with the existing business of Nekkar. These intangible assets do not fulfil the recognition criteria under IAS 38 and are therefore not recognized separately from goodwill.

In accordance with IAS 36, goodwill is not amortized, but tested for impairment.

Deferred tax assets

Deferred tax assets are mainly related to losses which can be carried forward for tax purposes as it is likely that the company can utilize these against expected taxable income for the coming years. Recognised deferred tax assets are mainly related to loss carried forward in Nekkar ASA.

Capitalized development costs

Capitalized development costs are related to ongoing research and development ("R&D") projects and include materials, direct salaries own personnel and other external costs. The R&D activities are



closely linked with Nekkar's strategy to develop disruptive technologies that offer high sustainability impact for ocean-based industries.

The expenditure related to R&D investments amounted to NOK 14.0 million in the first half of 2021 and include Starfish, SkyWalker and product development within the Digital Solutions segment. Public grants from Innovation Norway of NOK 5 million have been accrued in the period, hence net capitalized development costs are NOK 9 million in the first half of 2021.

Note 4. Share capital and major shareholders

As per 30 June 2021, Nekkar ASA has issued 106 327 129 shares, each with a nominal value of NOK 0.11, hence the share capital is NOK 11 695 984. Nekkar ASA holds 6 632 treasury shares and there have been no changes to share capital or treasury holdings during the first half of 2021.

Major shareholders as per 30 June 2021 are listed below.

NEKKAR		
Major Shareholders per 30 June 2021	Number of shares	Ownership
SKEIE TECHNOLOGY AS ¹⁾	26 568 237	25,0 %
RASMUSSENGRUPPEN AS	11 512 506	10,8 %
TIGERSTADEN AS	6 685 708	6,3 %
AVANZA BANK AB	5 971 933	5,6 %
MP PENSJON PK	5 767 591	5,4 %
SKEIE CAPITAL INVESTMENT AS ¹⁾	4 907 586	4,6 %
NORDNET BANK AB	2 381 441	2,2 %
MORGAN STANLEY & Co. INTERNATIONAL	2 281 277	2,1 %
VINTERSTUA AS	2 050 061	1,9 %
SKEIE CONSULTANTS AS ²⁾	1 507 243	1,4 %
ITLUTION AS	1 475 261	1,4 %
ROGER SEBASTIAN SEDAL	1 220 000	1,1 %
SKEIE KAPPA INVEST AS ³⁾	1 054 828	1,0 %
EINAR PEDERSEN	1 041 624	1,0 %
PIROL AS	1 000 000	0,9 %
NAWA INVEST AS	1 000 000	0,9 %
GUTTIS AS	1 000 000	0,9 %
TIGERGUTT INVEST AS	1 000 000	0,9 %
ALDEN AS	750 000	0,7 %
HATLE AS	736 474	0,7 %
Total, 20 largest shareholders	79 911 770	75,2 %
TRYM SKEIE ³⁾	428 111	0,4 %
Own Shares	6 632	0,0 %
Total other shareholders	25 980 616	24,4 %
Total	106 327 129	100,0 %

1) Shares owned or controlled by the Skeie family and companies directly or indirectly controlled by them holds 31 475 823 shares representing 29,6% of total shares.

2) Shares owned or controlled by Bjarne Skeie and companies directly or indirectly controlled by him holds 1 507 243 shares representing 1,4% of total shares.

3) Trym Skeie holds 428 111 shares in person and 1 054 828 via Skeie Kappa Invest AS. Total shares owned or controlled by Trym Skeie, and companies directly or indirectly controlled by him, is 1 482 939, representing 1,4% of total shares



Note 5. Other current liabilities

Other current liabilities			
(NOK 1000)	30.06.2021	30.06.2020	31.12.2020
Provision for unpaid wages and salaries	6 544	4 153	1 546
Provision for holiday pay	2 461	2 581	5 061
Social security and employee taxes	6 129	3 793	5 092
Derivative financial instruments	1 269	5 701	4 278
Guarantee provision	4 674	2 687	-
Provision settlement agreement	-	-	94 102
Other accrued expenses	13 025	27 527	26 344
Total other current liabilities	34 103	42 649	136 423

On 11 January 2021, a global settlement agreement in the arbitration between Nekkar ASA and MacGregor, a subsidiary of Cargotec Oyj, was reached. A provision of NOK 94 million was made as per 31 December and the payment was performed at the end of January 2021.

Note 6. Related parties

Note 15 and the accounting principles presented in the 2020 Annual Report describe the principles related to elimination of transactions between the entities within the group. During H1 2021, there has been various transactions between the subsidiaries within the group and all transactions have been carried out as a part of the ordinary business and on arm's length basis.

The main transactions between subsidiaries in the group relates to control system deliveries from Intellilift AS to Syncrolift AS and management fee from Nekkar ASA to Syncrolift AS.



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