



**Q2 / H1 2022
FINANCIAL RESULTS**

NEKKAR ASA



Highlights from the period

Second quarter 2022

- Revenue of NOK 99.9 million (Q2 2021: 121.8), operational EBITDA¹ of NOK 24.7 million (39.2) and EBIT of NOK 3.9 million (37.4)
- Two 5-year service agreements signed with Shipyard Solutions and one project successfully commissioned during quarter
- Wind tunnel test of SkyWalker above expectations
- Successful completion of ocean-based pilot test of Starfish

First half 2022

- Revenue of NOK 183.8 million (H1 2021: 214.6), operational EBITDA¹ of NOK 36.4 million (55.9), and EBIT of NOK 15.6 million (53.8)
- Service revenue of NOK 34.2 million, an increase of 150 % compared with H1 2021
- High tendering activity and delivery of two shiplift projects in Asia

Events subsequent to the period

- August: Shipyard Solutions awarded an upgrade contract for an existing shiplift, contract value of approximately USD 5 million
- August: Viasat Inc. joins Intellilift and Transocean in the InteliWell joint venture

Key figures

NEKKAR ASA					
MNOK	Q2 2022	Q2 2021	H1 2022	H1 2021	FY 2021
Revenue	100	122	184	215	480
Operational EBITDA	25	39	36	56	143
Reported EBITDA	6	38	20	55	140
EBIT	4	37	16	54	134
Operational EBITDA margin ¹	24.7%	32.2%	19.8%	26.1%	29.7%
EBITDA margin	6.0%	31.5%	10.7%	25.8%	29.1%
Order intake	24	0	55	16	113
Order backlog	795	975	795	975	838
EPS (NOK)	0.12	0.35	0.19	0.48	1.04

¹ Excludes gains and losses on FX hedging contracts not qualifying for hedge accounting.



CEO Letter

Nekkar delivered solid results in the second quarter 2022, resulting in an operational EBITDA margin of 24.7 percent, which reflects a healthy underlying operational performance in our Shipyard Solutions business.

Revenue in the quarter was NOK 100 million. This is as expected lower than in the same quarter last year, which was impacted by successful commissioning of three projects within our Shipyard Solutions business area with associated margin recognition and realization of project cost savings. However, this year's second quarter showed an expected improvement from the previous quarter.

Order intake in the second quarter was NOK 24 million, versus zero in the corresponding quarter last year. This order intake is related to service and upgrades of existing equipment and shows the result of our efforts to tap into Syncrolift's substantial installed base. There is still significant potential in this installed base, and we aim to capitalise further on this going forward.

As far as we know, our Shipyard Solutions business area has not lost any significant tenders on newbuild contracts in recent years. There has simply been no major newbuild awards. We are, however, hopeful that the industry will see a comeback in newbuild tender awards in the second half of the year.

Despite this, our order backlog remains solid at NOK 795 million by 30 June 2022. Growth in existing contracts and awarded service and upgrade work ensure that we manage to maintain our backlog at a high level, despite a flat newbuild market. It is also worth noting that most of our contracts are in US dollars, which means that our backlog grows when the Norwegian Krone is weakened against the dollar, as we have seen in recent months.

Parallel with running a profitable Shipyard Solutions business, Nekkar is developing impact technologies that aim to disrupt fast-growing industries such as renewables and aquaculture.

Our two development projects – the Starfish closed fish cage and SkyWalker wind turbine installation tool – continue to progress well.

For Starfish we have successfully completed the pilot test, which provided us with valuable input. Based on the test results and requests from fish farming companies, we are now working on making certain design improvements to further enhance the go-to-market product.

We concluded wind tunnel testing of the SkyWalker model in June. I am pleased to share that the test results were above expectations. For example, tests confirmed that we could operate the SkyWalker in winds up to 36 m/s. This is a lot more than what a crane is capable of, and it underlines the SkyWalker's unrivalled operating window.

Having started in my role as CEO of Nekkar ASA on 1 July 2022, I cannot take any credit for the results and achievements in the second quarter or before. My first impression is that this is a highly competent team, which has been led well by my predecessor Preben Liltved, who I'm delighted that will continue with a senior management role within the company. I firmly believe in Nekkar's strategic direction of offering impact technologies that combined with high-end software and automation can unlock substantial values for our customers and society as a whole. I look forward to sharing further updates about this in the coming periods.



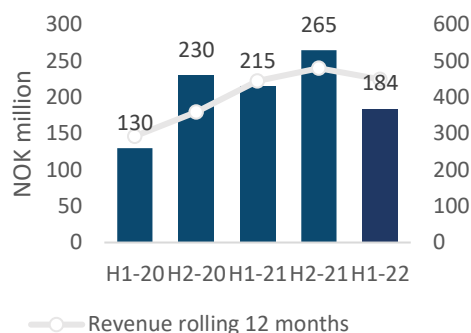
Ole Falk Hansen, CEO



Key figures: historic development

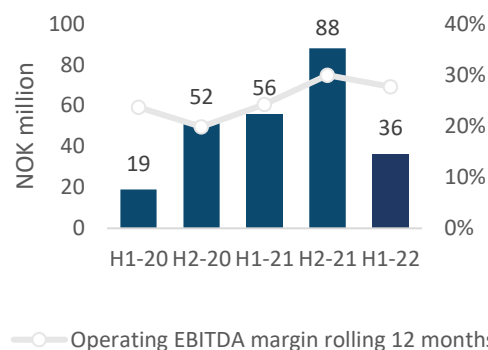
Revenue

Revenue in the first half of 2022 was NOK 183.8 million compared to NOK 214.6 million in the same period last year. The main revenue stream is related to the newbuilding construction contracts in Shipyard Solutions which accounted for more than 80 percent of revenues in first half of 2022. Shipyard Solutions has seen strong growth in service revenues from NOK 14.7 million in H1 21 to NOK 34.2 million in H1 22.



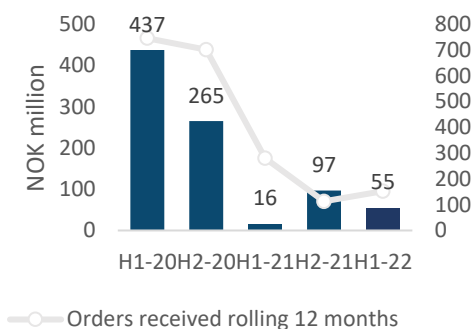
Operational EBITDA

The operational EBITDA¹⁾ in the first half of 2022 was NOK 36.4 million (19.8%) compared to NOK 55.9 million (26.1%) in the same period last year. The performance is strong, however the results in first half of 2022 are to some extent impacted by timing effects caused by delays in two newbuilding projects in Shipyard Solutions.



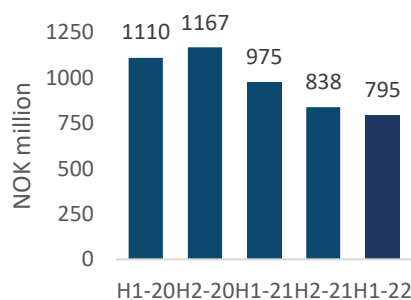
Order intake

The first half 2022 order intake²⁾ was NOK 55.0 million compared to order intake of NOK 16.0 million in the same period last year. One large upgrade contract was won in the first half year of 2022. Tendering processes has been few during the pandemic, but Shipyard Solutions has experienced strong tender activity in 2022, which has resulted in order intake of one significant contract subsequent to first half year of 2022.



Order backlog

At the end of the first half 2022, the order backlog²⁾ was NOK 795 million compared to NOK 975 million in the same period last year and NOK 838 million as per 31 December 2021. 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 increase 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 offering impact technologies combined with high-end software and automation solutions. Nekkar combines 50 years' heritage from the world's number one shiplift company, Syncrolift, with new investments into sustainable and digitalised technologies that aim to unlock future customer-value 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. Nekkar aims to apply this competence as levers to develop disruptive and sustainable products combined with digital solutions.

The business operation in Nekkar 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 model.

Shipyard Solutions (Syncrolift)

The Shipyard Solutions business area has been most affected by the pandemic and has continued to see some impacts also in 2022, specifically related to postponed delivery of Syncrolift's scope. Two major projects have less progress in first half of 2022 than expected due to delays caused by end customers. Despite of this, the activity is high, and Syncrolift has been

able to successfully execute and handover projects to customers in the first half of the year.

High focus on the service market over several years continues to yield positive results. Service revenue in Shipyard Solutions is up 150 % in the first half of 2022 compared with same period last year. The number of long-term service agreements is steadily increasing, and four new agreements were signed in the period, including two five-year service agreements in the Middle East.

No newbuild contracts have been won in the first half of 2022. However, one large upgrade contract has been signed. No newbuild 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.

After a long period of few tender processes on Newbuild due to the pandemic, Shipyard Solutions is experiencing increased tender activity in 2022. It is expected decisions on large Newbuild tenders during second half of 2022. Further to highlight the announcement of one significant contract won in August 2022 with a total value of NOK 46 million.

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 two different projects in Shipyard Solutions, and to software development for both Starfish and SkyWalker. In addition, Intellilift has tested and fine-tuned the products and services that will be used in InteliWell, the joint venture established with a subsidiary of Transocean Inc. InteliWell offers a platform that provides an end-to-end, closed-loop workflow via an integrated application for well program creation, execution, and smart well monitoring.

In the first half of 2022 Intellilift has been working on leads for external customers, both through InteliWell and single-handed. New projects are expected to be realized in the second half of



2022. Subsequent to first half year, Viasat Inc has joined InteliWell as a third partner, further strengthening the partnership.

Aquaculture

Testing of Nekkar's downscaled Starfish, a closed cage for fish farming was completed in June. In the test period from March 2021 Starfish has proven that the physical properties, including the PVC material of the cage, can withstand the environmental impact. All tests of mechanical functionalities installed have been successful. The work of adjusting the design of the full-scale Starfish based on test results and market input is well underway.

Nekkar is working closely with major fish farmers in the preparation of a full-scale model with biomass.

Renewables

The SkyWalker project, where Nekkar is developing a ground-breaking wind turbine installation technology, is progressing according to plan. In the first half of 2022, the down-scaled (1:20) model of SkyWalker has been successfully tested beyond expectations, both in our facilities and in a wind tunnel laboratory.

The design and planning of the production of the full-scale prototype have been ongoing during the period. There is also an ongoing dialogue with potential industrial partners on the location for full-scale test and commercialization.



Financial review

Q2 2022 financial results

Revenues for the second quarter of 2022 was NOK 99.9 million compared to NOK 121.8 million in the second quarter of 2021, representing a decrease of ~18%. The decrease was mainly due to somewhat lower activity compared with second quarter of 2021 in the newbuilding business of Shipyard Solutions. Revenues are impacted by end-customer related delays / timing effects caused by the pandemic.

The operational EBITDA was NOK 24.7 million compared to NOK 39.2 million in the second quarter of 2021, representing a margin of 24.7% and 32.2% respectively. The stronger financial results in 2021 was impacted by successful commissioning of three projects, with associated margin recognition and realization of project cost savings, whereas Shipyard Solutions has experienced some project delays in second quarter 2022.

EBITDA was NOK 6.0 million compared to NOK 38.3 million in the second quarter of 2021. The figures are highly impacted by unrealized losses from foreign exchange hedging contracts of NOK 18.7 million in 2022 compared to NOK 0.9 million in the second quarter of 2021.

The operating profit (EBIT) was NOK 3.9 million compared to NOK 37.4 million in the second quarter of 2021.

Net profit for the period was NOK 12.6 million compared to NOK 37.5 million in the second quarter of 2021. EPS for the second quarter of 2022 was NOK 0.12 (NOK 0.35).

First-half 2022 financial results

Revenues for the first half of 2022 was NOK 183.8 million compared to NOK 214.6 million in the same period last year. The decrease of 14% reflects the postponement in the delivery of Shipyard Solutions' scope on two large newbuild projects. Service revenue in Shipyard Solutions has however seen a very positive growth of

150% in the first half of 2022 compared with the same period last year. Service revenue accounts for NOK 34.2 million (18,6 %) in the first half of 2022 compared with NOK 13.7 million (6.4%) in the same period in 2021.

The operational EBITDA was NOK 36.4 million in the first half of 2022 compared to NOK 55.9 million in the first half of 2021, equivalent to an operational EBITDA margin of 19.8% and 26.0% respectively. EBITDA was NOK 19.6 million compared to NOK 55.3 million in the first half of 2021. EBITDA in first half of 2022 is highly impacted by unrealized losses from foreign exchange hedging contracts not qualifying for hedge accounting of NOK 16.8 million compared with NOK 0.6 million in the same period last year.

The operating profit was NOK 15.5 million compared to NOK 53.8 million in the first half of 2021. EBIT in the first half of 2022 was significantly impacted by the NOK 16.8 million loss on foreign exchange hedging contracts as USD appreciated 13% against the NOK in the first half.

Net profit for the period was NOK 20.0 million compared to NOK 51.6 million in the first half of 2021. EPS for the first half of 2022 was NOK 0.19 (NOK 0.48).

Cash flow from operating activities was NOK 21.9 million which represents an increase of NOK 62.9 million compared to the first half of 2021. The positive operating cash flow in the period was driven by strong operational results combined with only minor increase in working capital. Subsequent to first half of 2022, the group received a significant payment of trade receivables on July 1st, of close to NOK 50 million, further strengthening the cash position.

Cash flow from investing activities ended at negative NOK 19.2 million, representing an increase by NOK 96.1 million compared to the first half of 2021, as the cash flow from first half of 2021 was highly impacted by the payment of



the arbitration settlement with Cargotec / MacGregor.

due to agio effects as the Norwegian Krone depreciated during the first half of 2022.

Cash flow from financing activities was positive at NOK 10.9 million, an increase by NOK 12.1 million compared to the first half of 2021, mainly

Total cash flow ended at positive NOK 13.7 million, an increase by NOK 171.1 million compared to the first half of 2021, largely due to the arbitration settlement payment in 2021.

Total assets and liabilities

Total assets at the end of the second quarter 2022 were NOK 474.0 million compared to NOK 428.7 million in the same period last year. The increase is driven by higher trade receivables and accrued non-invoiced production.

As per 30 June 2022, the net cash position was NOK 188.2 million compared to NOK 197.7 million as per 30 June 2021. At the end of the second quarter, NOK 4.3 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 2022 were NOK 135.6 million compared to NOK 173.6 million in the same period last year. The decline is mainly due to reduced prepayment from customers.

The equity ratio at the end of the second quarter 2022 was 71.4% compared to 59.5% in the same period last year.

Nekkar has no credit facilities as per 30 June 2022, 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 2022, Nekkar had drawn NOK 224.6 million of the total guarantee limit of NOK 290 million.



Segment information

Shipyards Solutions

Being the global market leader for shiplifts 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 181.5 million and an operational EBITDA of NOK 47.0 million in first half of 2022, compared to revenue of NOK 210.3 million and an operational EBITDA of NOK 66.1 million in the same period last year. The financial results show that, despite the current geopolitical situation as well as the remaining impacts from the corona pandemic, Syncrolift is continuing its strong performance.

In the first half of 2022 Syncrolift has seen significant growth of 150% in the service revenue, from NOK 13.7 million in first half of 2021 to NOK 34.2 million in 2022. Newbuild has also successfully completed projects during first half of 2022 and activity is high, however the

results are impacted by end-customer related delays in two large project deliveries.

The order backlog in Syncrolift is solid, and the activity is expected to remain high going forward. The pandemic has delayed the decision-making process on several potential new projects for Syncrolift, however tendering activity has been high so far in 2022 and even though no newbuild orders have been awarded in second quarter, decisions are expected to be made on newbuild tenders during 2022. Further to highlight the announcement of one significant contract won in August 2022 with a total value of NOK 46 million.

Shipyards Solutions					
MNOK	Q2 2022	Q2 2021	H1 2022	H1 2021	FY 2021
Revenue	100	119	182	210	469
Operational EBITDA*	30	43	47	66	162
Reported EBITDA	11	43	30	66	158
Operational EBITDA margin	30.5%	36.4%	25.9%	31.4%	34.7%
EBITDA margin	11.6%	36.2%	16.6%	31.2%	33.8%
Order backlog	795	973	795	973	838

* Operational EBITDA excludes gains or losses from FX hedging contracts not qualifying for hedge accounting.

Digital Solutions

Intellilift is the driving force behind the Digital Solution business area and delivered revenues of NOK 10.8 million and an operational EBITDA of NOK 1.2 million in the first half of 2022, compared to NOK 13.2 million and NOK 1.2 million in the first half of 2021.

Positive synergies have been realized by integrating the products and solutions of Intellilift with the Syncrolift business. During the second

quarter of 2022, the majority of resources in Intellilift were allocated to newbuilding projects in Shipyards Solutions and to the development projects Starfish and SkyWalker.

Intellilift has in the last year completed R&D projects aiming at developing open software platforms for collecting, monitoring, and control of data for numerous industries. In this period Intellilift has been testing and fine-tuning the



products and services that will be used and commercialized through InteliWell. The capitalized development costs related to these R&D investments amounted to NOK 4.2 million in the first half of 2022

Digital Solutions has a threefold revenue model – project-based, perpetual upfront software license, and software as a service (SaaS), depending on customer preferences. As of first half of 2022, the main revenue stream is project-based.

Digital Solutions					
MNOK	Q2 2022	Q2 2021	H1 2022	H1 2021	FY 2021
Revenue	5	8	11	13	42
Operational EBITDA	1	1	1	1	6
Reported EBITDA	1	1	1	1	6
Operational EBITDA margin	22.4%	15.3%	11.3%	9.0%	15.0%
EBITDA margin	22.4%	15.3%	11.3%	9.0%	15.0%

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 improving fish welfare. Ocean testing of the pilot version of Starfish started in March 2021 and was completed in June 2022. The design of the full-scale Starfish is being adjusted based on the completed pilot test and input from the market. Long-lead items have been ordered and the planning of the full-scale model with biomass is ongoing. In the first half of 2022, the capitalized development cost of Starfish amounted to NOK 5.4 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 the first half of 2022 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 the period the down scaled pilot (1:20) of SkyWalker has been successfully tested both in our facilities and in a wind tunnel laboratory at Force Technology. In the first half of 2022 the capitalized development cost of SkyWalker amounted to NOK 8.3 million.



Outlook

After 18 months without major newbuild tender awards in the Shipyard Solutions segment, there is now strong tendering for both newbuilds and service/upgrades. We continue to see expectations for good performance in the coming quarters. Nekkar's solid order backlog will provide a healthy activity level in the next couple of years.

Within Aquaculture, the focus in the second half of 2022, will be to complete the design of the full-scale Starfish that is scheduled to be produced and ready for biomass in 2023.

For Renewables, design of the SkyWalker solution is going according to plan. The design of the full-scale pilot will be finalized and ready for production.

Digital Solutions has still promising leads on SaaS software projects to increase efficiency and reduce CO2 emissions within the offshore energy segment. Nekkar expects to see the first SaaS contract awards in the second half of 2022.



Responsibility statement

Board and management confirmation

Today, the board of directors, the chief executive officer and head of finance have reviewed and approved the Nekkar ASA Condensed interim financial statements as of 30 June 2022.

To the best of our knowledge, we confirm that;

- the Condensed consolidated financial statements for the first half of 2022 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, 30 August 2022
The Board and Management of Nekkar ASA

Trym Skeie
CHAIR OF THE BOARD

Gisle Rike
DIRECTOR

Marit Solberg
DIRECTOR

Ingunn Svegården
DIRECTOR

Ole Falk Hansen
CEO



Financial accounts

Condensed consolidated statement of comprehensive income

NEKKAR						
(NOK 1 000)						
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
	Note	H1 2022	H1 2021	Q2 2022	Q2 2021	2021
Revenue	2	183 771	214 610	99 913	121 761	479 983
Total revenue		183 771	214 610	99 913	121 761	479 983
Cost of goods sold		98 069	107 267	50 062	55 337	236 708
Other operating costs		49 293	51 477	25 216	27 266	99 542
Other losses / (gains)		16 809	573	18 655	860	3 965
EBITDA		19 600	55 292	5 980	38 298	139 768
Depreciation		4 069	1 508	2 047	937	5 665
Operating profit (EBIT)		15 531	53 784	3 933	37 360	134 103
Financial income		12 093	1 014	12 956	2 288	5 696
Financial expense		2 021	1 866	875	862	7 265
Net finance		10 072	-852	12 081	1 426	-1 569
Profit/(loss) before tax		25 603	52 933	16 014	38 787	132 534
Tax	3	5 596	1 335	3 459	1 317	20 914
Profit/(loss) for the period		20 006	51 598	12 555	37 470	111 621
Attributable to equity holders of the company		19 762	51 079	12 317	36 889	110 224
Attributable to non-controlling interests		245	518	238	581	1 397
COMPREHENSIVE INCOME						
Net result for the period		20 006	51 598	12 555	37 470	111 621
Currency effects		-	-	-	-	-
Total comprehensive income		20 006	51 598	12 555	37 470	111 621
Attributable to equity holders of the company		19 762	51 079	12 317	36 889	110 224
Attributable to non-controlling interests		245	518	238	581	1 397
Earnings per share (NOK)		0,19	0,48	0,12	0,35	1,04
Diluted earnings per share (NOK)		0,19	0,48	0,12	0,35	1,04



Financial accounts

Condensed consolidated statement of financial position

NEKKAR				
(NOK 1 000)	Note	Unaudited 30.06.2022	Unaudited 30.06.2021	Audited 31.12.2021
Deferred tax assets	3	10 458	33 092	15 982
Goodwill	3	16 643	16 643	16 643
Intangible assets	3	57 024	35 519	40 084
Tangible assets		17 983	14 099	20 243
Total non-current assets		102 108	99 354	92 952
Inventories		4 914	10 687	3 474
Trade receivables		110 869	61 693	134 749
Accrued, non-invoiced production		56 157	31 087	20 153
Other short-term receivables	6	11 730	28 142	25 411
Bank deposits		188 186	197 694	174 501
Total current assets		371 857	329 303	358 288
Total assets		473 965	428 657	451 241
Share capital	4	11 746	11 695	11 714
Share premium		5 919	2 751	3 863
Other equity		301 137	222 231	281 376
Non-controlling interests		19 520	18 397	19 276
Total equity		338 322	255 074	316 229
Deferred tax	3	490	563	526
Lease liabilities		3 578	4 010	4 234
Long term liabilities		4 068	4 572	4 761
Trade payables		35 737	19 800	20 682
Prepayments from customers / deferred revenue		41 928	113 851	46 518
Tax payables		3 190	1 669	2 618
Current lease liabilities		1 464	1 257	1 566
Other current liabilities	5,6	49 257	32 434	58 867
Total current liabilities		131 575	169 011	130 251
Total liabilities		135 643	173 583	135 012
Total equity and liabilities		473 965	428 657	451 241



Financial accounts

Condensed consolidated statement of cash flows

NEKKAR			
(NOK 1 000)	Unaudited H1 2022	Unaudited H1 2021	Audited 31.12.2021
Cash flow from operating activities			
Profit (loss) before tax	25 603	52 933	132 534
<i>Adjustments for:</i>			
Depreciation / impairment	4 069	1 508	5 665
Net financial items	-10 072	852	1 569
Income tax paid	-	-	-
Unrealized effect FX hedging contracts	16 501	400	6 542
Change in net working capital	-14 172	-96 624	-200 904
Net cash flow from operating activities	21 929	-40 932	-54 594
Cash flow from investment activities			
Acquisition and expenditures of fixed/intangible assets	-19 193	-16 979	-26 253
Disposal of discontinued operation	-	-98 337	-98 337
Net cash flow from investment activities	-19 193	-115 316	-124 590
Cash flow from financing activities			
Net proceeds from issuance of share capital	1 772	-	1 130
Dividends paid	-	-	-
Payment of lease liabilities	-895	-322	-991
Net financial items	10 072	-852	-1 569
Net cash flow from financing activities	10 949	-1 173	-1 429
Net change in cash and cash equivalents	13 686	-157 421	-180 613
Cash and cash equivalents at the start of the period	174 501	355 114	355 114
Cash and cash equivalents at the end of the period	188 186	197 694	174 501



Financial accounts

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	222 231	236 677	18 397	255 074
Equity as of 1.1.2022	11 714	-1	3 863	281 376	296 952	19 276	316 228
Comprehensive income	-	-	-	19 762	19 762	245	20 006
New shares issued	32	-	2 056	-	2 088	-	2 088
Dividend	-	-	-	-	-	-	-
Equity Closing balance 30.06.2022	11 746	-1	5 919	301 137	318 801	19 520	338 322



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 15 in Kristiansand, Norway.

As per 30 June 2022, 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 customer-value within ocean-based industries such as offshore energy, renewables and aquaculture.

For more detailed information, please refer to the Annual Report of 2021 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 the first half of 2022 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 2021.

There have been no changes to the accounting policies in the first half year of 2022 compared to the consolidated financial statement of 2021.

This condensed consolidated H1 2022 report was approved by the Board of Directors on 30 August 2022.

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 2021 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.

3 smaller projects have changed from point in time- to over time revenue recognition during first half of 2022. This change has a one-off impact in the first half of 2022 of NOK 13.1 million in revenue and NOK 10.2 in cost of goods sold.

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 is as follows:

Shipyards Solutions

The Shipyards Solutions segment includes shiplifts, 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 half year 2022, revenue is mainly project based.

Capitalised development costs amounted to NOK 4.2 million in the first half of 2022

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 5.4 million in the first half of 2022

Within renewables, the development of the ground-breaking wind turbine installation technology, SkyWalker, is progressing according to plan and the testing of the down scaled (1:20) model has been highly successful.

Capitalised development costs of SkyWalker amounted to NOK 8.3 million in the first half of 2022.

Development costs related to both SkyWalker and Starfish are partly funded by external contributions from Innovation Norway and Skattefunn.



Revenue	2Q		1H		Full year
	2022	2021	2022	2021	2021
(NOK 1000)					
Shipyards Solutions	98 593	119 293	181 504	210 124	468 617
Digital Solutions	5 006	8 185	10 797	13 175	41 788
Other/elim.	-3 686	-5 717	-8 531	-8 689	-30 422
Total revenue	99 913	121 761	183 771	214 610	479 983

Operational EBITDA	2Q		1H		Full year
	2022	2021	2022	2021	2021
(NOK 1000)					
Shipyards Solutions	30 048	43 457	46 975	66 082	162 417
Digital Solutions	1 120	1 251	1 222	1 188	6 282
Other/elim.	-6 533	-5 549	-11 788	-11 404	-24 966
Total Operational EBITDA	24 635	39 158	36 409	55 866	143 733

Reported EBITDA	2Q		1H		Full year
	2022	2021	2022	2021	2021
(NOK 1000)					
Shipyards Solutions	11 393	43 171	30 166	65 509	158 452
Digital Solutions	1 120	1 251	1 222	1 188	6 282
Other/elim.	-6 533	-6 124	-11 788	-11 404	-24 966
Total EBITDA	5 980	38 298	19 600	55 292	139 768

Note 3. Intangible assets

Intangible assets			
(NOK 1000)	30.06.2022	30.06.2021	31.12.2021
Goodwill	16 643	16 643	16 643
Deferred tax assets	10 458	33 092	15 982
Capitalized development costs	49 808	27 865	32 885
Technology assets	2 228	2 558	2 392
Other intangible assets	4 988	5 096	4 808
Total development- and technology assets	57 024	35 519	40 084
Total intangible assets	84 125	85 254	72 709

Goodwill

Recognized goodwill relates to the acquisition of Intellilift in 2019 and amounts to NOK 16.6 million as of 30 June 2022. 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. Recognized 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 18.0 million in the first half of 2022 and include Starfish, SkyWalker and product development within the Digital Solutions segment.

Note 4. Share capital and major shareholders

As per 30 June 2022, Nekkar ASA has issued 106 780 334 shares, each with a nominal value of NOK 0.11, hence the share capital is NOK 11 745 837. Nekkar ASA holds 6 632 treasury shares. The share capital has increased by NOK 31 607 during the first half of 2022 due to issuance of shares in connection with share program for employees and board members and share issue to the new CEO. There have been no changes to treasury holdings during the first half of 2022.

Major shareholders as per 30 June 2022 are listed below.



NEKKAR		
Major Shareholders per 30 June 2022	Number of shares	Ownership
SKEIE TECHNOLOGY AS ^{1,3)}	26 568 237	24,9 %
RASMUSSENGRUPPEN AS	11 512 506	10,8 %
TIGERSTADEN AS	6 500 000	6,1 %
MP PENSJON PK	5 698 803	5,3 %
AVANZA BANK AB	5 564 893	5,2 %
SKEIE CAPITAL INVESTMENT AS ^{1,3)}	4 907 586	4,6 %
NORDNET BANK AB	4 400 268	4,1 %
VINTERSTUA AS	3 114 682	2,9 %
DNB NOR BANK ASA - MEGLERKONTO INNLAND	2 160 113	2,0 %
SKEIE CONSULTANTS AS ^{1,2)}	1 507 243	1,4 %
ITLUTION AS	1 475 261	1,4 %
HATLE AS	1 447 833	1,4 %
SKEIE KAPPA INVEST AS ^{1,3)}	1 204 828	1,1 %
PIROL AS	1 000 000	0,9 %
GUTTIS AS	800 000	0,7 %
CITIBANK, N.A.	776 482	0,7 %
THE BANK OF NEW YORK MELLON SA/NV	750 380	0,7 %
MERRILL LYNCH PROF. CLEARING CORP.	707 091	0,7 %
AVANT AS	700 000	0,7 %
SVENSKA HANDELSBANKEN AB	628 914	0,6 %
Total, 20 largest shareholders	81 425 120	76,3 %
Own Shares	6 632	0,0 %
Total other shareholders	25 355 214	23,7 %
Total	106 780 334	100,0 %

1) Shares owned or controlled by the Skeie family, and companies directly or indirectly controlled by them, holds 34 653 036 shares representing 32,5% 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 465 142 shares in person and 1 204 828 through Skeie Kappa Invest AS. Total shares owned or controlled by Trym Skeie, and companies directly or indirectly controlled by him, is 1 669 970, representing 1,6% of total shares.

4) Voting portion are calculated after eliminating shares held by Nekkar ASA



Note 5. Other current liabilities

Other current liabilities			
(NOK 1000)	30.06.2022	30.06.2021	31.12.2021
Provision for unpaid wages and salaries	6 139	6 544	4 325
Provision for holiday pay	3 264	2 461	5 227
Social security and employee taxes	6 363	6 129	6 519
Derivative financial instruments	9 720	1 269	3 971
Guarantee provision	19 090	4 674	26 577
Other accrued expenses	4 682	11 356	12 248
Total other current liabilities	49 257	32 434	58 867

Note 6. Derivatives

Forward currency contracts - Market values (NOK 1000)	30.06.2022			30.06.2021		
	Assets	Liabilities	Net market value	Assets	Liabilities	Net market value
Forward currency contracts - effective hedging contracts	309	-553	-244	1 062	-1 269	-208
Forward currency contracts - ineffective hedging contracts - included in other liabilities/assets ¹⁾	-	-9 476	-9 476	14 446	-1 522	12 924
Forward currency contracts - market value	309	-10 029	-9 720	15 508	-2 792	12 716

1) FX contracts designed for hedging, but do not qualify for hedge accounting.

2) For market values per 31 Dec 2021, please refer to 2021 Annual Report.

Maturity distribution of currency contracts and MTM:	Total MTM values	Total MTM values
Within 3 months	-1 544	-984
> 3 months, < 6 months	-1 987	2 230
> 6 months, < 9 months	-1 326	12 297
> 9 months, < 12 months	-1 407	-205
> 12 months, < 24 months	-3 457	-
> 24 Months	-	-622
Total	-9 720	12 716

Nominal value currency contracts, original currency (Amounts in CUR 1000)	30.06.2022		30.06.2021	
	Sold	Bought	Sold	Bought
NOK	18 190	248 173	3 243	306 813
USD	22 791	-	29 264	379
EUR	3 204	1 790	4 194	-

For details on accounting treatment of forward currency contracts, please refer to accounting principles and note 16 in the 2021 Annual Report.

Note 7. Related parties

Note 15 and the accounting principles presented in the 2021 Annual Report describe the principles related to elimination of transactions between the entities within the group. During first half of 2022, there has been various transactions between the subsidiaries within the group and all transactions have been carried out as 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, engineering hours from Intellilift AS to Nekkar ASA and management fee from Nekkar ASA to Syncrolift AS.



Note 8. Risks and uncertainties

The Russian invasion of Ukraine in February 2022 has resulted in geopolitical uncertainty and volatility. The war has generated a sharp increase in energy- and raw material prices due to shortage of supply. There is also risk of supply chain disruption as a resulting impact.

The impact from the COVID-19 pandemic is to some extent still impacting the business. However, as the pandemic is continuing to recede, the impact is expected to be insignificant going forward.

For further risk analysis, please refer to the 2021 Annual Report.



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