



Q2 / H1 2024

Financial results

Nekkar ASA





Highlights from the period

Second quarter 2024

- Revenue of NOK 150.0 million (Q2 2023: 132.3), EBITDA of NOK 20.0 million (24.7) and EBIT of NOK 17.3 million (22.4)
- Order intake of NOK 15 million
Order backlog of NOK 725 million at quarter-end (864)

First half 2024

- Revenue of NOK 302.1 million (H1 2023: 233.8), EBITDA of NOK 50.5 million (47.6), and EBIT of NOK 45.7 million (43.9)
- Cash flow from operations of NOK 59.7 million (H1 2023: NOK 67.4 million), net cash flow of NOK 32.6 million (54.8)
- Order intake of NOK 203 million including several contracts awarded to Syncrolift

Events subsequent to the period

- Agreement signed for Nekkar to become majority shareholder of maritime connectivity and digital service provider of Globetech AS

Key figures

MNOK	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
Revenue	150	132	302	234	575
EBITDA	20	25	50	48	109
EBIT	17	22	46	44	101
Net profit	20	20	30	33	83
EBITDA margin	13.4%	18.6%	16.7%	20.4%	18.9%
Order intake	15	148	203	175	478
Order backlog	725	864	725	864	803
EPS (NOK)	0.19	0.18	0.28	0.29	0.78



CEO Letter

Looking back on the first half of 2024, I must say that I am pleased with the development of Nekkar and the progress of our portfolio companies. Of course, there are some areas where we would have liked things to move faster, or to deliver even stronger financial results, but we are definitely moving in the right direction.

It is worth remembering that just over a year ago, Nekkar consisted of one mature company (Syncrolift), one growth company (IntelliLift) and two innovation projects (SkyWalker and Starfish). Since then, Nekkar has added the growth companies Techano Oceanlift, FiiZK and – subsequent to the end of the second quarter – Globetech to our portfolio. Starfish has been transferred to FiiZK, which recently has entered into agreements to sell both FiiZK Digital and FiiZK Protection as part of its restructuring and streamlining, which will see FiiZK focus on unconventional farming methods including closed and semi-closed cages for fish farming going forward.

In short, Nekkar today is a much more robust and diversified business with a significantly higher earnings potential than we were only 12 months ago. However, we have yet to realise the full potential of all these acquisitions and structural changes. This makes me excited about the months and years ahead.

Syncrolift remains the main engine of the Nekkar Group, and the Syncrolift team continues to impress me with their ability to deliver to high customer standards. In addition to winning contracts in Dubai, India and Chile in the first half of the year, Syncrolift has continued to deliver solid financial results. In the first half of 2024, the company achieved sales of NOK 250 million, an increase of 18 percent compared to the same period last year, and EBITDA of NOK 63 million, equivalent to a margin of 25 percent. Yes, we were disappointed by a couple of lost tenders, but high tender activity combined with a robust order backlog of NOK 663 gives Syncrolift with good visibility for both 2024 and 2025.

IntelliLift has also delivered good progress so far this year. After the IntelliWell joint venture won its first contract last year, we said that we expected this to open up further opportunities in the drilling rig market.

Following friendly public comments from Transocean's CEO about successful "simultaneous fully automated online drilling, tripping, and offline stand-building" an undisclosed supermajor has chosen to conduct trials of IntelliWell's system in the Gulf of Mexico, with an option to purchase the system. IntelliWell has already demonstrated its substantial benefits and we remain optimistic about its future prospects.

Techano Oceanlift's main focus during the first half of 2024 has been to execute its two ongoing crane system deliveries to Sefine Shipyard. Both are progressing well, with revenues growing as a result, but still with soft margins. The team is also seeing high tendering activity, particularly for its heavy-compensated subsea cranes.

An investment that we are particularly excited about is the acquisition of Globetech, which was completed on 15 August. Globetech fits perfectly within Nekkar. Both companies operate in the maritime and offshore industries, both use digitalization and software as key enablers to achieve a higher proportion of recurring revenue, both deliver solid EBITDA margins, and there are strong synergies between Nekkar's portfolio companies and Globetech. In sum, Globetech will constitute a new solid platform for us, and we are delighted to welcome them into the Nekkar family.

Nekkar's balance sheet remains solid which, in combination with several portfolio companies ready to hit their growth stage, gives us an excellent foundation to continue developing Nekkar from. We look forward to updating you as we are progressing with these efforts.



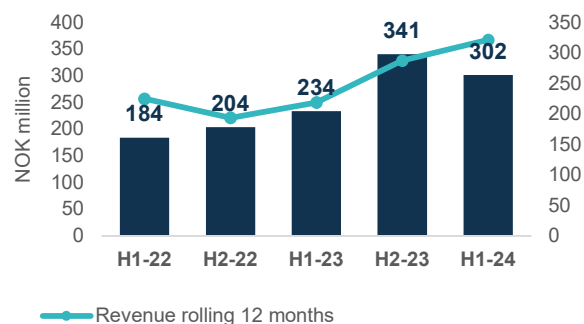
Ole Falk Hansen, CEO



Key figures: historic development

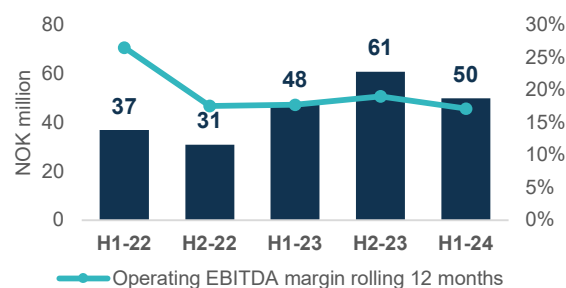
Revenue

In the first half of 2024, revenues reached NOK 302.1 million, a solid increase from NOK 233.8 million in the same period of 2023. While Syncrolift remains the main revenue driver, accounting for 83 percent of 2024's first-half revenues. Intellilift and Techano Oceanlift have become significant contributors, with combined revenues of NOK 59.8 million in the first half of 2024, compared with NOK 25.8 million in the same period last year. This revenue diversification underlines the growing influence of these segments on the company's overall financial performance.



EBITDA

In the initial half of 2024, the EBITDA amounted to NOK 50.5 million (16.7%), compared with NOK 47.8 million (20.4%) recorded in the corresponding period of the prior year. This performance reflects the company's continued strong execution on projects and services within Syncrolift, coupled with, as expected, somewhat lower margins in Techano Oceanlift. While EBITDA can fluctuate from quarter to quarter due to project mix and currency fluctuations, the company's performance remains robust over time.



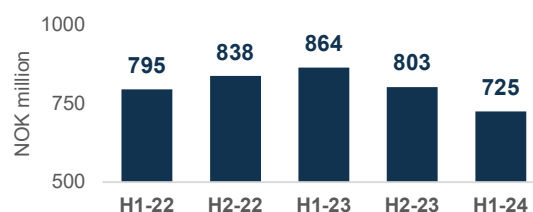
Order intake

The first half 2024 order intake²⁾ was NOK 203 million, an improvement compared to order intake of NOK 175 million in the same period last year. Order intake includes two contracts for Syncrolift worth around NOK 138 million, a drilling contract for Intellilift in addition to spares and service contracts.



Order backlog

At the end of the first half 2024, the order backlog²⁾ was NOK 725 million compared to NOK 864 million in the same period last year and NOK 803 million as per 31 December 2023. The main part of the backlog still includes construction contracts in Syncrolift and will ensure high activity over the coming years.



¹⁾ EBITDA is short for "earnings before interest, taxes, depreciation and amortization". 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 technology businesses that aim to unlock future customer-value within ocean-based industries such as offshore energy, renewables, aquaculture and shipyard solutions.

Nekkar's strategy is to leverage the group's superior engineering, electrification, automation, and digitalisation heritage from offshore environments, to develop disruptive technologies that can make high-growth industry sectors more sustainable, productive, and profitable. As of 30 June 2024, Nekkar consists of the following portfolio companies:

- Syncrolift
- Intellilift
- Techano Oceanlift
- Impact technology ventures – the SkyWalker

In addition, Nekkar owns 39 percent of aquaculture industry supplier FiiZK, which is defined as an associated company and not consolidated into Nekkar ASA's financial accounts.

Syncrolift is a mature business and is Nekkar's main revenue-generating entity. Intellilift and Techano Oceanlift are growth businesses in a relatively early stage of development. The Impact technology venture – SkyWalker wind turbine service and installation tool – is an innovation project capable of disrupting major component replacement activities in the offshore wind industry. In addition to delivering services to external customers, Intellilift also supports the other businesses in Nekkar. The purpose is to enable digital business models to capitalise on disruptive hard-tech design to unlock revenue potential and drive business value.

Syncrolift

Syncrolift has delivered solid execution of its current project portfolio and won several new contracts during the first half of the year, which has seen high tendering activity for both new shiplifts and upgrade projects.

During the first half of 2024, Syncrolift won a USD 5 million basic engineering design contract with ASMAR Chile. This award includes an option for a phase two equipment delivery of a Syncrolift shiplift and ship transfer system. This contract is valued at approximately USD 24 million and is subject to final investment decision by ASMAR.

Further, Syncrolift won a USD 8 million contract for delivery of ship transfer systems to Dubai Maritime City (DMC), plus a five-year contract, worth NOK 23 million, for maintenance of a ship transfer system installed at Indian Navy's ship repair yard in Karwar, India.

Syncrolift successfully completed the commissioning of an upgraded shiplift at DMC in the first quarter. Commissioning of the first out of four new transfer systems to DMC was completed during the first half of the year.

High focus on the service market over several years continues to yield positive results for Syncrolift, with service revenue now representing a steady proportion of the company's total revenues.

Syncrolift's healthy order backlog, and a constantly growing installed base, provides good visibility for both 2024 and 2025.

Intellilift

In 2023, Intellilift, through the InteliWell joint venture (JV), signed its breakthrough contract to install its game-changing drilling automation solution on board the Transocean Norge drilling rig. The solution was successfully installed last year. The InteliWell joint venture is gradually attracting international recognition due to its ability to improve efficiency of offshore drilling operations. InteliWell's first customer, Transocean, has in 2024 publicly spoken highly of the benefits of the system's automation capabilities.

It is Intellilift's view that the successful implementation on board Transocean Norge would open up further rig market opportunities in the oil and gas industry. Consequently, during the first half of 2024, an undisclosed supermajor agreed to conducting trials of InteliWell's system in the Gulf of Mexico, with an option to purchase the system.



In addition, Intellilift was during the first half of 2024 awarded a contract to provide a new control system in connection with a drillship upgrade. Intellilift is also tendering for simulators and other drilling controls projects.

Intellilift is owned 51% by Nekkar.

Techano Oceanlift

Techano Oceanlift's main focus during the first half of 2024 has been project execution of the two contracts – for a 70t and 150t offshore crane, respectively – that the company won last year. Both contracts are with Sefine Shipyard in Turkey, with Agalas as owner of the vessels. Delivery of the 70t crane is scheduled for late 2024, while engineering of the 150t crane commenced in this year's first quarter.

In parallel, Techano Oceanlift has been working to develop a new series of offshore/subsea cranes to meet increased demand for subsea operations and construction - electrified – enabling it to deliver regenerated power back to the vessel.

Techano Oceanlift is experiencing high tendering activity, particularly for active heave-compensated subsea cranes. The company is also targeting potential opportunities in the SOV market.

Impact technology ventures

Nekkar's Impact Technology Ventures arm consists of innovation projects where potentially disruptive technologies and business models are developed together with existing or potential customers and other business partners.

SkyWalker

Nekkar is currently developing the SkyWalker – a disruptive service and installation tool that will significantly reduce the cost and environmental footprint associated with wind turbine installations and major component replacements.

Towards the end of 2023, a project consortium headed by Nekkar was conditionally awarded a research and innovation grant of NOK 75.2 million, in total, through the Norwegian government's Green Platform Initiative. The consortium aims to develop a safe and efficient solution for main component replacement (MCR) on offshore wind turbines – thereby realising significant reductions in time, cost and loss of revenue due to downtime.

Throughout the first half of 2024, Nekkar and its consortium partners have been working on finalising partner agreements and the project financing plan. The project timeline is Q2 2024 to Q2 2026.



Financial review

Q2 2024 financial results

In the second quarter of 2024 revenues totaled NOK 150.0 million, a 13.6% increase from the NOK 132.3 million recorded in the same period in 2023. This growth is partly driven by higher activity within the service sector of Syncrolift, which continues to benefit from ongoing efforts. Additionally, Techano Oceanlift contributed NOK 19.2 million in the quarter, representing a 180% increase compared to Q2 2023.

EBITDA for the quarter amounted to NOK 20.0 million, down from NOK 24.7 million in the second quarter of 2023, with corresponding margins of 13.4% and 18.6%. EBITDA margins remain robust, however, the decrease in margins compared with Q2 last year is partly driven by increased revenue contribution from Techano Oceanlift, as well as some currency effects and impact of project mix effects from Syncrolift and Intellilift.

The operating profit (EBIT) was NOK 17.3 million compared to NOK 22.3 million in the second quarter of 2023.

Net financial items impacted the results positively by NOK 6.4 million in the second quarter primarily due to a NOK 5.2 million contribution from Nekkar's investment in FiiZK.

Net profit for the period was NOK 19.6 million, slightly lower than the NOK 20.1 million recorded in the second quarter of 2023. Earnings per share (EPS) for the second quarter of 2024 stood at NOK 0.19, up from NOK 0.18 in the same period last year.

First-half 2024 financial results

Revenues for the first half of 2024 was NOK 302.1 million compared to NOK 233.8 million in the same period last year. The increase of 29.2 % is driven by increased activity in both the newbuild and service segment of Syncrolift, in addition to a large increase in revenue contribution from Techano Oceanlift of NOK 34.3 million compared with the first half of 2023.

The EBITDA was NOK 50.5 million in the first half of 2024 compared to NOK 47.6 million in the first half of

2023, equivalent to an EBITDA margin of 16.7 % and 20.4% respectively.

The operating profit (EBIT) was NOK 45.7 million compared to NOK 43.9 million in the first half of 2023.

Net profit for the period was NOK 29.8 million compared to NOK 33.2 million in the first half of 2022. EPS for the first half of 2024 was NOK 0.28 (NOK 0.29).

Cash flow from operating activities was NOK 59.7 million which represents a decrease of NOK 7.7 million compared to the first half of 2023. The positive operating cash flow in the period was driven by strong operational results combined with a reduction in working capital. The decrease in working capital is partly due to lower trade receivables combined with an increase in prepayments from customers. Progress-based revenue recognition leads to natural fluctuations in the Group's working capital levels as the timing of cash generation and revenue recognition does not coincide.

Cash flow from investing activities ended at negative NOK 12.0 million compared with negative NOK 14.1 million in the same period last year. Cash flow from investing activities is mainly related to capitalized development cost of a new series of offshore/subsea cranes in Techano Oceanlift, SkyWalker, in addition to technology development in Syncrolift.

Cash flow from financing activities was negative at NOK 15.2 million compared with a positive cash flow of NOK 1.5 the first half of 2023. Cash flow from financing is negatively impacted by purchase of treasury shares of NOK 15.8 million.

Total cash flow ended at positive NOK 32.6 million, a decrease of NOK 22.2 million compared to the first half of 2023, largely due to the share buy-back program.

Total assets, liabilities and equity

Total assets at the end of the second quarter 2024 were NOK 646.1 million compared to NOK 514.9 million in the same period last year. The increase is driven by a higher working capital compared with Q2



last year as well as the investment in FiiZK from Q3 last year.

As per 30 June 2024, the net cash position was NOK 226.7 million compared to NOK 236.1 million as per 30 June 2023. At the end of the second quarter, NOK 6.7 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 2024 were NOK 199.9 million compared to NOK 126.5 million in the same period last year. The increase is mainly due to increased prepayment from customers.

Net working capital stood at 106.4 million in Q2 2024, compared to 55.6 million during the same period last year.

The equity ratio at the end of the second quarter 2024 was 69.1% compared to 75.4% in the same period last year.

Nekkar currently maintains a debt-free financial structure. The group also have untapped credit facilities with Nordea amounting to NOK 200 million. Moreover, Nekkar also holds guarantee and currency facilities with Nordea and DnB.



Outlook

For Syncrolift, a healthy order backlog and a growing installed base provide good visibility for 2024 and 2025. Tender activity in the segment remains high, both for new shiplifts and upgrade projects. Geopolitical uncertainty is driving agility requirements for navy shipyards, and this is expected to translate into further investment in naval shipyards. As Syncrolift is a project-based business, quarterly fluctuations must be expected. However, Nekkar expects Syncrolift to deliver solid financial performance in the second half of 2024.

For Intellilift, successful implementation of IntelliWell's breakthrough award has, as expected, opened up further rig market opportunities, but the exact timing of potential awards is uncertain.

Techano Oceanlift's main focus going forward will be on executing the two current offshore crane contracts. Techano Oceanlift is experiencing high tendering activity, particularly for active heave-compensated subsea cranes. While the ongoing market entry projects were bid on soft margins in order to establish required trust in the company's solutions, Techano Oceanlift expects future project wins to deliver improved margins.

The acquisition of 67 percent ownership share of Globetech was closed in August 2024. Nekkar expects this acquisition to contribute towards improved margins going forward.



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 2024.

To the best of our knowledge, we confirm that;

- the Condensed consolidated financial statements for the first half of 2024 have been prepared in accordance with IAS 34 Interim Financial Statements. 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, 22 August 2024
The Board and Management of Nekkar ASA

Håkon André Berg
Chair of the Board

Fabian Qvist
Director

Marit Solberg
Director

Bjørn-Erik Dale
Director

Trine Ingebjørg Ulla
Director

Ole Falk Hansen
CEO



Financial accounts

Condensed consolidated statement of comprehensive income

NEKKAR						
(NOK 1 000)		Unaudited	Unaudited	Unaudited	Unaudited	Audited
	Note	H1 2024	H1 2023	Q2 2024	Q2 2023	2023
Revenue	2	302,058	233,781	149,970	132,284	575,086
Total revenue		302,058	233,781	149,970	132,284	575,086
Cost of goods sold		166,862	112,141	90,870	67,314	364,784
Other operating costs		84,706	74,050	39,055	40,306	101,545
EBITDA	2	50,490	47,590	20,046	24,663	108,758
Depreciation and amortization		4,834	3,641	2,770	2,229	7,685
Operating profit (EBIT)		45,656	43,949	17,276	22,434	101,073
Net financial items		-6,083	-1,970	1,207	2,739	15,274
Share of net profit (loss) from equity-accounted investees		-1,013	-	5,189	-	-7,083
Profit/(loss) before tax		38,560	41,979	23,671	25,173	109,264
Tax		8,738	8,759	4,074	5,059	25,955
Profit/(loss) for the period		29,822	33,220	19,597	20,114	83,309
Attributable to equity holders of the company		28,977	30,761	18,664	18,974	81,243
Attributable to non-controlling interests		845	2,459	933	1,140	2,066
COMPREHENSIVE INCOME						
Net result for the period		29,822	33,220	19,597	20,114	83,309
Currency effects		-267	-	114	-	-
Total comprehensive income		29,556	33,220	19,711	20,114	83,309
Attributable to equity holders of the company		28,710	30,761	18,778	18,974	81,243
Attributable to non-controlling interests		845	2,459	933	1,140	2,066
Earnings per share (NOK)		0.28	0.29	0.19	0.18	0.78
Diluted earnings per share (NOK)		0.28	0.29	0.19	0.18	0.78



Financial accounts

Condensed consolidated statement of financial position

NEKKAR				
(NOK 1 000)		Unaudited	Unaudited	Audited
	Note	30/06/2024	30/06/2023	31/12/2023
Goodwill	3	17,050	17,050	17,050
Intangible assets	3	60,089	66,775	50,234
Tangible assets		8,534	10,075	9,188
Equity-accounted investees		46,699	-	47,712
Other financial assets		1,151	667	1,155
Right of use assets		12,785	15,563	13,541
Total non-current assets		146,308	110,130	138,881
Inventories		17,562	9,753	11,861
Trade receivables		71,452	96,767	85,270
Accrued, non-invoiced production		143,637	50,294	144,007
Other short-term receivables	6	36,436	11,873	6,387
Derivative financial instruments	6	4,023		20,144
Bank deposits		226,732	236,068	194,162
Total current assets		499,841	404,755	461,831
Total assets		646,149	514,885	600,711
Share capital	4	11,817	11,817	11,817
Treasury shares	4	-287	-1	-153
Share premium		9,206	9,206	9,206
Other equity		401,990	344,400	383,528
Non-controlling interests		23,518	22,918	22,548
Total equity		446,244	388,340	426,945
Deferred tax		25,948	746	17,859
Lease liabilities		7,765	12,809	9,087
Long term liabilities		33,713	13,555	26,946
Trade payables		36,499	43,311	57,242
Prepayments from customers / deferred revenue		56,371	9,750	39,002
Tax payables		590	-500	1,512
Current lease liabilities		5,021	1,919	4,276
Other current liabilities	5	67,711	58,511	44,788
Total current liabilities		166,192	112,991	146,820
Total liabilities		199,905	126,546	173,766
Total equity and liabilities		646,149	514,885	600,711



Financial accounts

Condensed consolidated statement of cash flows

NEKKAR			
(NOK 1 000)	Unaudited H1 2024	Unaudited H1 2023	Audited 31.12.2023
Cash flow from operating activities			
Profit (loss) before tax	38,560	41,979	109,264
<i>Adjustments for:</i>			
Depreciation / impairment	4,834	3,641	7,685
Interest paid	992	1,978	6,647
Interest received	-5,338	-1,006	-12,662
Other financial items			-3,423
Share of net (profit)loss from equity accounted investee	1,013		7,083
Income tax paid	-1,568	-2,618	
Interest paid	-992	-1,978	-6,647
interest received	5,338	1,006	12,662
<i>Changes in:</i>			
Inventories	-5,701	-7,436	-9,545
Trade receivables	13,818	10,108	21,605
Trade payables	-44,399	-2,582	11,349
Accrued, non-invoiced production	371	63,322	-30,391
Other receivables and other payables	52,807	-39,001	-38,471
Net cash flow from operating activities	59,734	67,413	75,155
Cash flow from investment activities			
Acquisition and expenditures of fixed/intangible assets	-11,982	-14,106	-19,240
Acquisition of Subsidiary - net of Cash acquired		-30	-2,733
Investment i associated company			-28,763
Net cash flow from investment activities	-11,982	-14,136	-50,736
Cash flow from financing activities			
Net proceeds from issuance of share capital		3,010	3,010
Purchase of treasury shares	-15,816		-11,009
Net proceeds from share-program employees	2,835		
Payment of lease liabilities	-2,203	-1,499	-3,539
Net cash flow from financing activities	-15,183	1,511	-11,538
Net change in cash and cash equivalents	32,570	54,788	12,881
Cash and cash equivalents at the start of the period	194,162	181,281	181,281
Cash and cash equivalents at the end of the period	226,732	236,068	194,162



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 1.1.2023	11,746	-1	5,919	313,215	330,878	20,090	350,968
Comprehensive income	-	-	-	30,761	30,761	2,459	33,220
New shares issued	71	-	3,287	-	3,359	-	3,359
Acquisitions new subsidiaries	-	-	-	-	-	297	297
Other changes	-	-	-	424	-	73	497
Equity Closing balance 30.06.2023	11,817	-1	9,206	344,400	365,422	22,918	388,340
Equity as of 1.1.2024	11,817	-153	9,206	383,529	404,398	22,547	426,945
Comprehensive income	-	-	-	28,710	28,710	845	29,556
Investment new subsidiaries	-	-	-	-	-	125	125
Treasury shares transactions	-	-134	-	-10,707	-10,841	-	-10,841
Other changes	-	-	-	458	458	-	458
Equity Closing balance 30.06.2024	11,817	-287	9,206	401,991	422,726	23,518	446,244



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 Lumberveien 27 in Kristiansand, Norway.

As per 30 June 2024, Nekkar holds subsidiaries in Norway, USA, India, Australia 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 2023 which is available at the company's website www.nekkar.com.

Basis of preparation

The unaudited consolidated financial statements for the first half of 2024 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 2023.

There have been no changes to the accounting policies in the first half year of 2024 compared to the consolidated financial statement of 2023.

This condensed consolidated H1 2024 report was approved by the Board of Directors on 22 August 2024.

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 2023 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 is as follows:

Syncrolift

The Syncrolift 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, Singapore, India and in Australia 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.

Capitalised development costs amounted to NOK 1.7 million in the first half of 2024

Intellilift

Intellilift 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 is owned 51% by Nekkar, 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 is threefold – project based, perpetual upfront software licenses and software as service licenses, depending on customer preferences.

Capitalised development costs amounted to NOK 1.7 million in the first half of 2024.

Techano Oceanlift

In 2023, Techano Oceanlift marked a new addition to Nekkar's business portfolio. The acquisition was finalized at the close of Q1 2023. The company specializes in advanced load handling and lifting equipment for the aquaculture and offshore energy industry, with products such as cranes, gangways, and fish transfer systems.

Techano Oceanlift has a strong base of engineering expertise. Currently, these resources are actively engaged in the development of innovative solutions for the SOV market, including 3D cranes and gangways.

Capitalized development costs of cranes and gangways amounted to NOK 7.0 million in the first half of 2024.

Other

Includes group functions in the parent company, the advancement of impact technology ventures including SkyWalker and group eliminations.

The SkyWalker project, is a ground-breaking wind turbine installation and service technology tool suitable for onshore and offshore wind. Capitalized development costs of SkyWalker amounted to NOK 1.0 million in the first half of 2024.

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



Revenue	2Q		1H		Full year
<i>(NOK 1000)</i>	2024	2023	2024	2023	2023
Syncrolift	123,699	117,890	250,157	211,278	515,494
Intelliift	10,507	8,697	18,640	18,977	33,854
Techano Oceanlift	19,207	6,867	41,181	6,867	30,336
Other/elim.	-3,443	-1,171	-7,920	-3,341	-4,598
Total revenue	149,970	132,284	302,058	233,781	575,086

EBITDA	2Q		1H		Full year
<i>(NOK 1000)</i>	2024	2023	2024	2023	2023
Syncrolift	22,383	27,342	62,790	57,764	131,863
Intelliift	2,438	3,167	3,082	7,141	6,184
Techano Oceanlift	2,238	416	2,275	415	1,075
Other/elim.	-7,013	-6,265	-17,657	-17,730	-30,364
Total EBITDA	20,046	24,660	50,490	47,590	108,758

EBITDA margin	2Q		1H		Full year
<i>(NOK 1000)</i>	2024	2023	2024	2023	2023
Syncrolift	18.1%	23.2%	25.1%	27.3%	25.6%
Intelliift	23.2%	36.4%	16.5%	37.6%	18.3%
Techano Oceanlift	11.7%	6.1%	5.5%	6.0%	3.5%
Total EBITDA	13.4%	18.6%	16.7%	20.4%	18.9%



Note 3. Intangible assets

Intangible assets			
<i>(NOK 1000)</i>	30/06/2024	30/06/2023	31/12/2023
Goodwill	17,050	17,050	17,050
Capitalized development costs	54,025	59,821	43,810
Technology assets	1,567	1,898	1,732
Other intangible assets	4,497	5,057	4,694
Total development- and technology assets	60,089	66,775	50,234
Total intangible assets	77,139	83,826	67,284

Goodwill

Recognized goodwill pertains to the Intellilift acquisition in 2019, amounting to NOK 16.6 million, and the Techano Oceanlift acquisition in March 2023, totaling NOK 0.4 million, resulting in a combined value of NOK 17.1 million as of June 30, 2024. 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.

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 capitalized development costs are split between all business segments. In the first half of 2024 the capitalized development costs mainly consisted of the development of new lifting technology for offshore cranes in Techano Oceanlift (NOK 7.0 million), the Skywalker technology in Impact Technology Ventures (NOK 1.0 million), new software and control systems in Intellilift (NOK 1.7 million) and product development in Syncrolift (MNOK 1.7 million).



Note 4. Share capital and major shareholders

As per 30 June 2024, Nekkar ASA has issued 107 427 112 shares, each with a nominal value of NOK 0.11, hence the share capital is NOK 11 816 982. Nekkar ASA holds 2 273 057 treasury shares. The treasury holdings have increased by 906.700 shares during the first half of 2024.

Major shareholders as per 30 June 2024 are listed below.

NEKKAR		
Major Shareholders per 30 June 2024	Number of shares	Ownership
SKEIE TECHNOLOGY AS ^{1,3)}	31 475 823	29.3 %
RASMUSSENGRUPPEN AS	11 512 506	10.7 %
NORDNET BANK AB	5 593 353	5.2 %
MP PENSJON PK	5 126 303	4.8 %
TIGERSTADEN AS	5 000 000	4.7 %
DNB BANK ASA	4 053 000	3.8 %
AVANZA BANK AB	3 391 399	3.2 %
HATLE AS	3 254 354	3.0 %
NEKKAR ASA	2 273 057	2.1 %
SEB CMU/SECFIN POOLED ACCOUNT	1 550 528	1.4 %
SKEIE CONSULTANTS AS ^{1,2)}	1 507 243	1.4 %
ITLUTION AS	1 475 261	1.4 %
SKEIE KAPPA INVEST AS ^{1,3)}	1 204 828	1.1 %
PATRONIA AS	1 127 429	1.0 %
CITIBANK EUROPE PLC	1 125 037	1.0 %
VINTERSTUA AS	1 017 628	0.9 %
WIECO INVEST AS	879 047	0.8 %
JÆDEREN AS	787 661	0.7 %
CAGSON AG	750 000	0.7 %
AVANT AS	744 034	0.7 %
Total, 20 largest shareholders	83 848 491	78.1 %
Own Shares	2 273 057	2.1 %
Total other shareholders	21 305 564	19.8 %
Total	107 427 112	100.0 %

1) Shares owned or controlled by the Skeie family, and companies directly or indirectly controlled by them, holds 34 739 461 shares representing 32,3% of

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

3) Trym Skeie holds 551 567 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 1 756 395, 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)	30/06/2024	30/06/2023	31/12/2023
Provision for unpaid wages and salaries	8,787	5,452	10,625
Provision for holiday pay	4,226	3,216	8,084
Social security and employee taxes	7,195	6,498	7,973
Derivative financial instruments		7,902	
Guarantee provision	6,417	6,331	3,310
Other accrued expenses	41,086	29,112	14,795
Total other current liabilities	67,711	58,511	44,789

Note 6. Derivatives

For details on accounting treatment of forward currency contracts, please refer to accounting principles and note 17 in the 2023 Annual Report.

Forward currency contracts - Market values (NOK 1000)	30/06/2024			30/06/2023		
	Assets	Liabilities	Net market value	Assets	Liabilities	Net market value
Forward currency contracts - effective hedging contracts	-	-	-	-	-	-
Forward currency contracts - ineffective hedging contracts - included in other liabilities/assets ¹⁾	4,916	-893	4,023	5,203	-14,340	-9,137
Forward currency contracts - market value	4,916	-893	4,050	5,203	-14,340	-9,137

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

²⁾ For market values per 31 Dec 2023, please refer to 2023 Annual Report.

Maturity distribution of currency contracts and MTM:	Total MTM values	Total MTM values
Within 3 months	962	-5,525
> 3 months, < 6 months	2,080	-5,244
> 6 months, < 9 months	1,221	689
> 9 months, < 12 months	4	385
> 12 months, < 24 months	-245	558
> 24 Months	-	0
Total	4,023	-9,137

Nominal value currency contracts, original currency (Amounts in CUR 1000)	30/06/2024		30/06/2023	
	Sold	Bought	Sold	Bought
NOK	11,570	199,657	10,531	257,454
USD	14,600	-	24,239	-
EUR	3,500	1,000	2,200	2,396



Note 7. Related parties

Note 16 and the accounting principles presented in the 2023 Annual Report describe the principles related to elimination of transactions between the entities within the group. During first half of 2024, 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 Techano Oceanlift AS and management fee from Nekkar ASA to Syncrolift AS.

Note 8. Risks and uncertainties

Nekkar's risk factors as well as management of such factors are described in the 2023 annual report. No new risk and uncertainty factors have emerged since the annual report was published on 29 April 2024. For further information, please see Nekkar's Annual Report 2023.

Note 9. Subsequent events

Subsequent to the half-year, on 15 August 2024, Nekkar ASA completed the acquisition of a 67 percent stake in the fast-growing and profitable maritime connectivity and digital services provider Globetech AS. Reference is made to the stock exchange release of 3 July 2024 and on 15 August 2024 regarding the two-stage transaction which will secure 100 percent ownership of Globetech by 2027.

In the first stage, Nekkar has acquired 67 per cent ownership of Globetech. The share purchase for the 67 percent shareholding has been settled by NOK 66 million in cash, including a locked-box interest amount, and NOK 15 million in Nekkar ASA shares. The cash consideration was covered by Nekkar's strong cash position, while the share consideration was settled by the transfer of 1.482.550 treasury shares in Nekkar.

In 2027, Nekkar will acquire the remaining 33 percent of the outstanding shares in Globetech. The consideration will be settled in cash based on a multiple of the EBITDA achieved in 2027.



Note 10. Alternative performance measures (APMs)

Nekkar discloses alternative performance measures in addition to those normally required by IFRS. Nekkar is of the opinion that APMs are providing enhanced insight into the operations and prospects of the company. APMs are used as an integral part of the management and board of directors' key performance measure reporting and controls. Furthermore, securities analysts, investors and other interested parties frequently use such performance measures.

Profit measures

EBITDA is short for "earnings before interest, taxes, depreciation and amortisation" in the consolidated income statement.

EBIT is short for "earnings before interest and taxes". EBIT corresponds to "operating profit/loss" in the consolidated income statement.

Margins such as EBITDA margin and EBIT margin are used to compare relative profit between periods. The margins are calculated as EBITDA or EBIT divided by revenue.

Order intake measures

Order intake and order backlog are presented as APMs as they are indicators of the company's revenue generation and operations in the future.

Order intake includes new signed contracts in the period, in addition to expansion of existing contracts and any cancellations of contracts. For newbuild contracts, the order intake is based on the signed contract value excluding potential options and change orders.

Order backlog represents the estimated value of remaining work for signed contracts.

Working capital

Short term assets less bank deposits and cash in hand, less current liabilities adjusted for short term financial debt.



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