

Q4 2023

Financial results

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Nekkar in brief

Industrial technology company

Presently a portfolio of established businesses and impact technology ventures within ocean-based industries

World-class engineering expertise

Proven track-record delivering complex and profitable projects
Strong in-house innovation and commercialization capabilities

Digitalization of sustainable ocean-based industries

Leveraging software and digitalization to increase efficiency and sustainability for fast-growing industries

Strong industrial ownership and history of value creation

+30 % ownership by Skeiegruppen, which has a solid industrial track record



Revenue 2023

MNOK 575



Order backlog

MNOK 803



MNOK 194 in cash

No interest-bearing debt



Employees

90



Headquarters

Kristiansand, Norway



Stock listed

OSE (NKR)



Industrial technology company driving efficiency & sustainability for ocean-based industries

World-class expertise

Scalable software leveraged across the portfolio

In-house innovation & commercialization capabilities

Proven track-record delivering complex and profitable projects

Engaged industrial ownership

Long-term active owner

Buy-to-build strategy

Focus on profitable growth

Strong cash flow to ensure flexibility

Flexible ownership model to maximize value

Individual degree of integration to maximize synergies and value per company

Focus on value-adding activities

Portfolio overview



Companies



SYNCROLIFT®

The global leading provider of shipyard solutions for safe and efficient ship docking



INTELLILIFT

Industrial software solutions focused on digitalizing workflows through automation and remote-control systems for drilling and offshore load handling



TECHANO OCEANLIFT

Intelligent load handling systems, such as cranes and gangways, for renewables, subsea, and aquaculture vessels

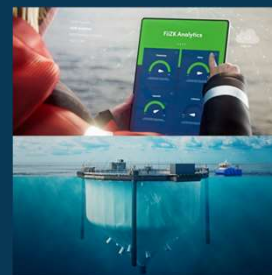
Impact Technology Ventures



SKYWALKER

The disruptive wind turbine service and installation machine for onshore and offshore use

Associated companies (below 50% ownership)



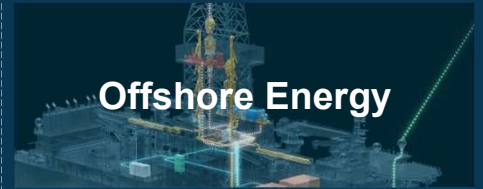
Fii ZK

The leading provider of closed-cage solutions, technical textiles, and software for the aquaculture industry

Nekkar operates in four main business segments, focused on sustainable technologies for ocean-based industries



Business segments



Portfolio

 SYNCROLIFT®

 TECHANO OCEANLIFT

 INTELLILIFT

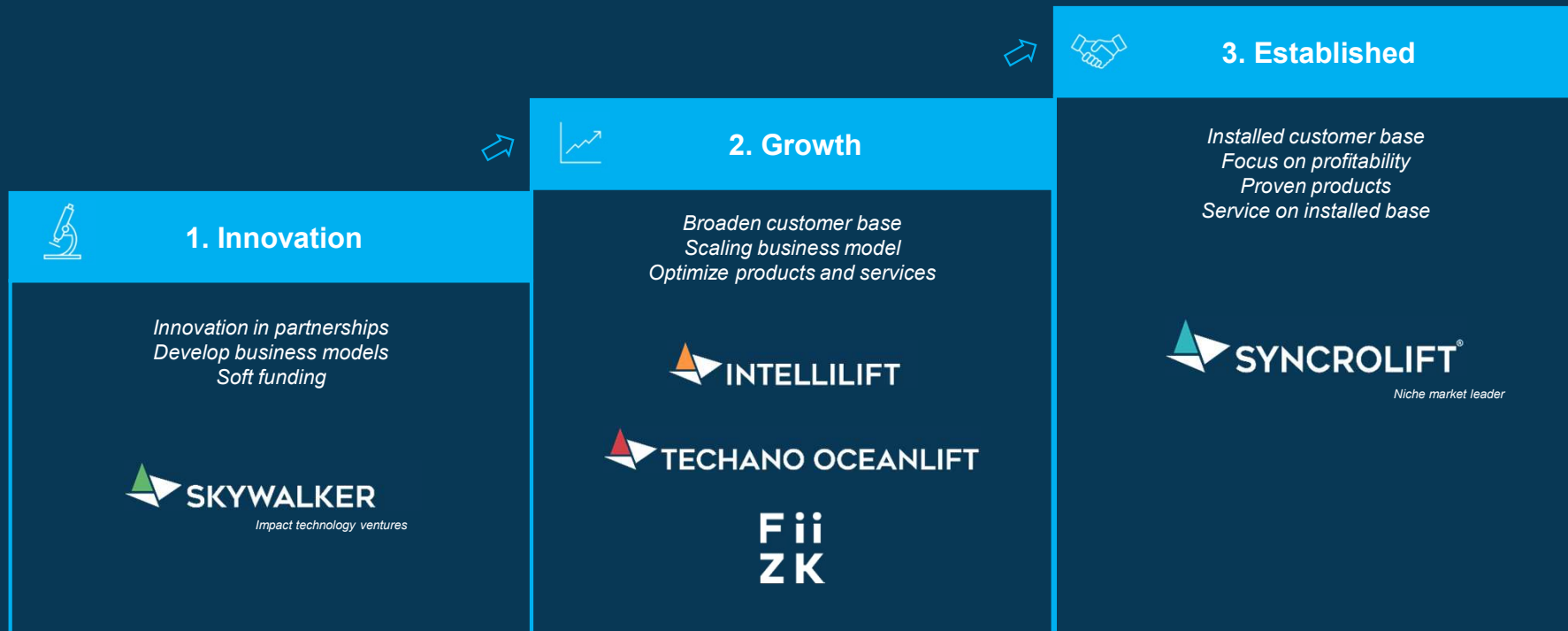
Fii
ZK

 SKYWALKER
Impact technology ventures

The portfolio consist of mature, financially solid business, and new impact technology ventures



Nekkar portfolio, overview of maturity level and key focus areas



Highlights: Q4 2023



Financial highlights

- **Revenue** of MNOK 179, up 43% versus Q4 2022 (125)
- **EBITDA** of MNOK 32, up 136% (14)
- **EBITDA margin** of 18.0% (10.9%)
- **EBIT** of MNOK 30, up 233% (9)
- **Strong balance sheet:** MNOK 194 in cash, no interest-bearing debt, MNOK 200 undrawn credit facility
- **Order intake** of MNOK 242 (105)
- Healthy **order backlog** of MNOK 803 at quarter-end (824)

Events subsequent to Q4:

- Syncrolift: MUSD 5 engineering contract with ASMAR including MUSD 24 option for newbuild shiplift and transfer system

Operational highlights



- Solid project execution
- Service revenue increasing ~33% y-o-y
- MUSD 15 contract: PT Pal Indonesia for newbuild shiplift and transfer system



- Transocean Norge scope in finalization
- Good feedback from all customer partners



- MEUR 6.5 offshore crane contract for newbuild subsea/survey vessel



- Nekkar-led consortium awarded MNOK 75 grant to develop SkyWalker offshore major component replacement tool

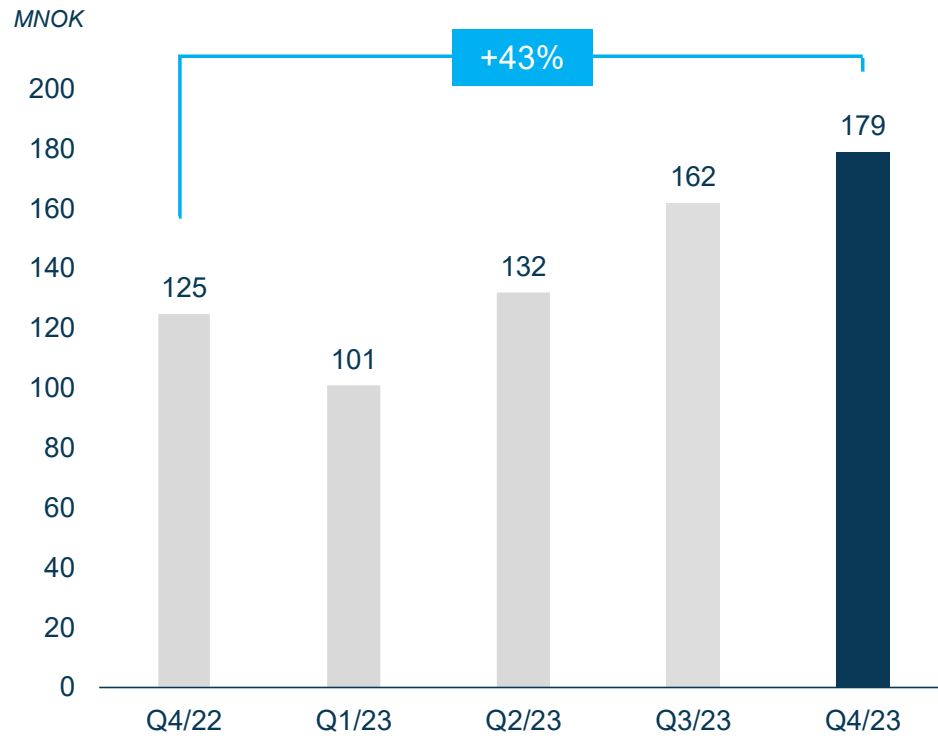


- Closed cage business unit testing solutions and preparing for customer contracts
- Recruitment of new CEO – Jan Erik Kvingedal

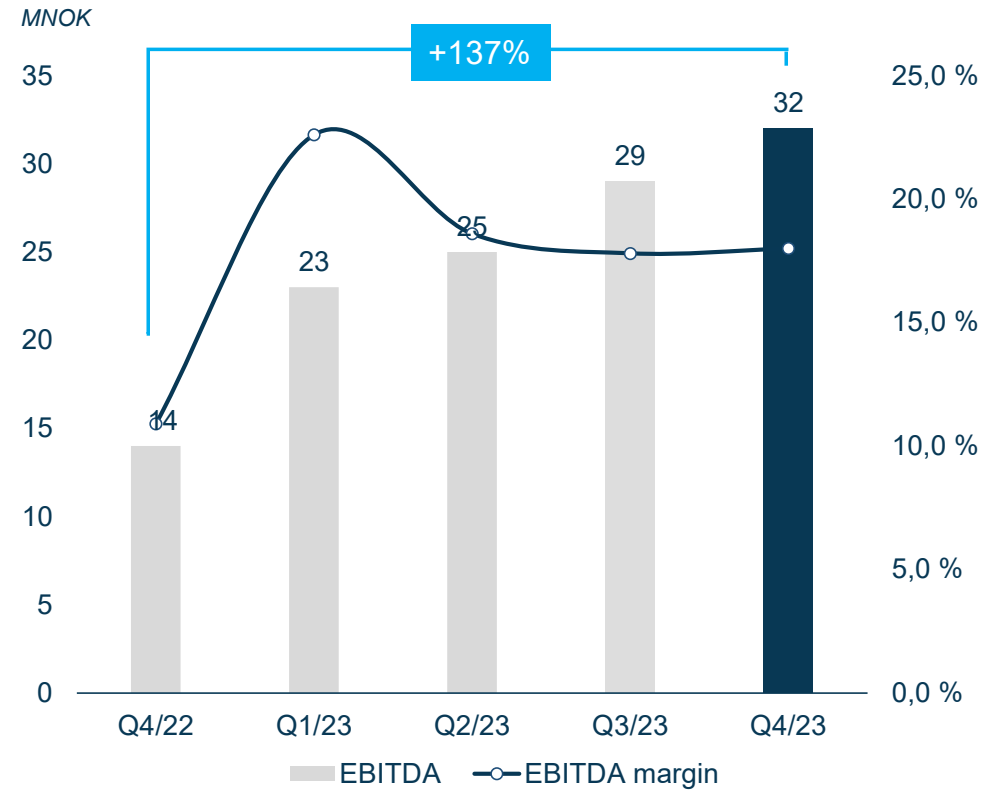
Key financials | Per quarter



Revenue



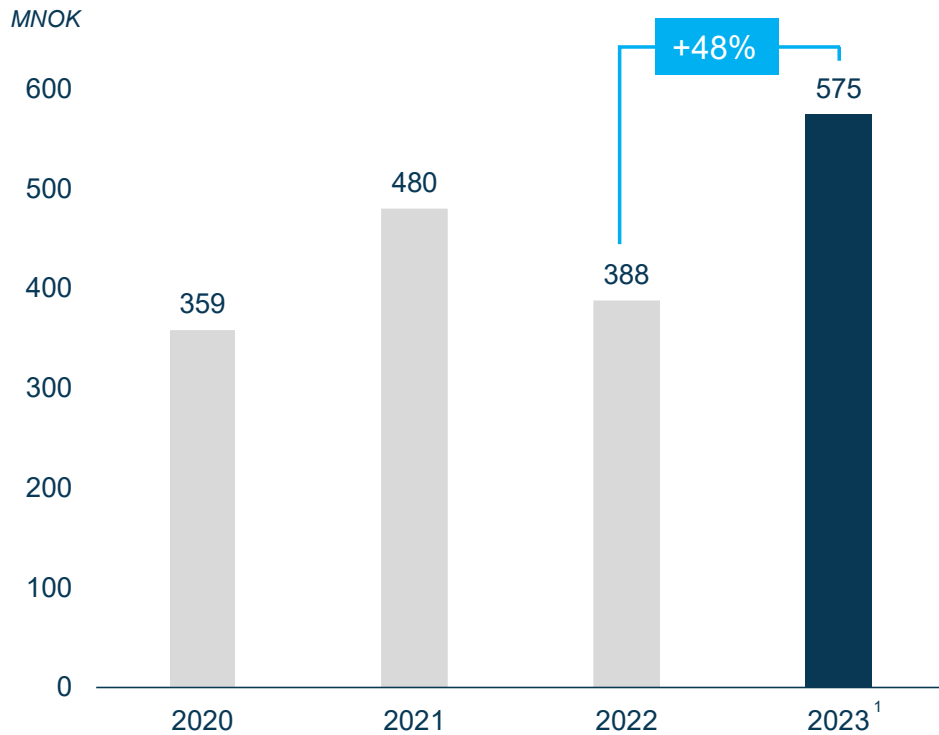
EBITDA & margin (%)



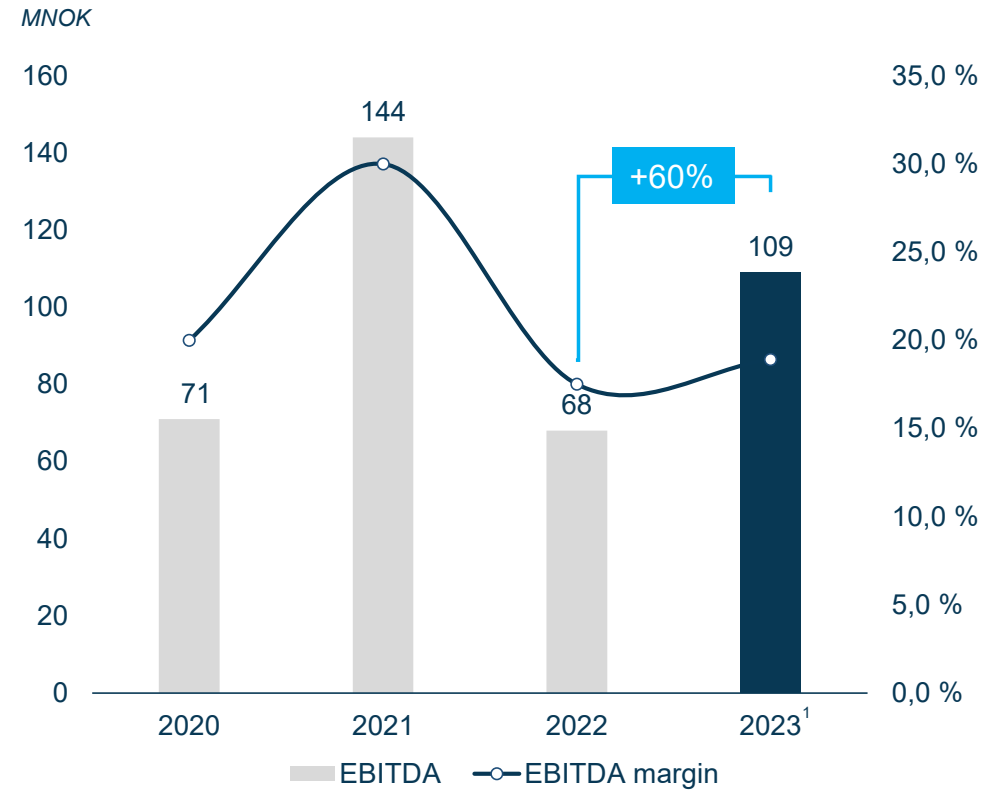
Key financials | Per year



Revenue



EBITDA & margin (%)

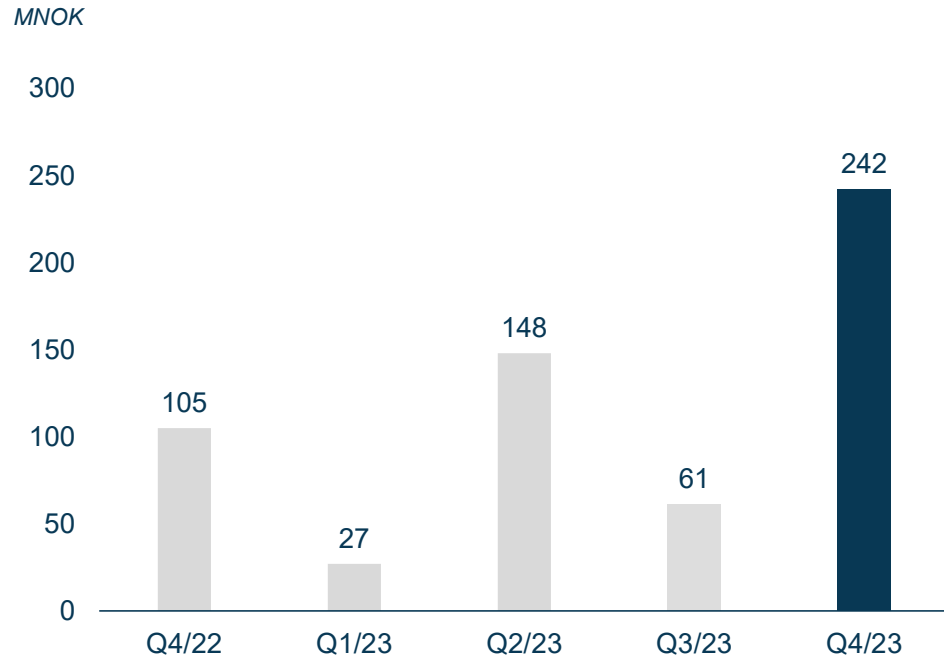


¹ Unaudited

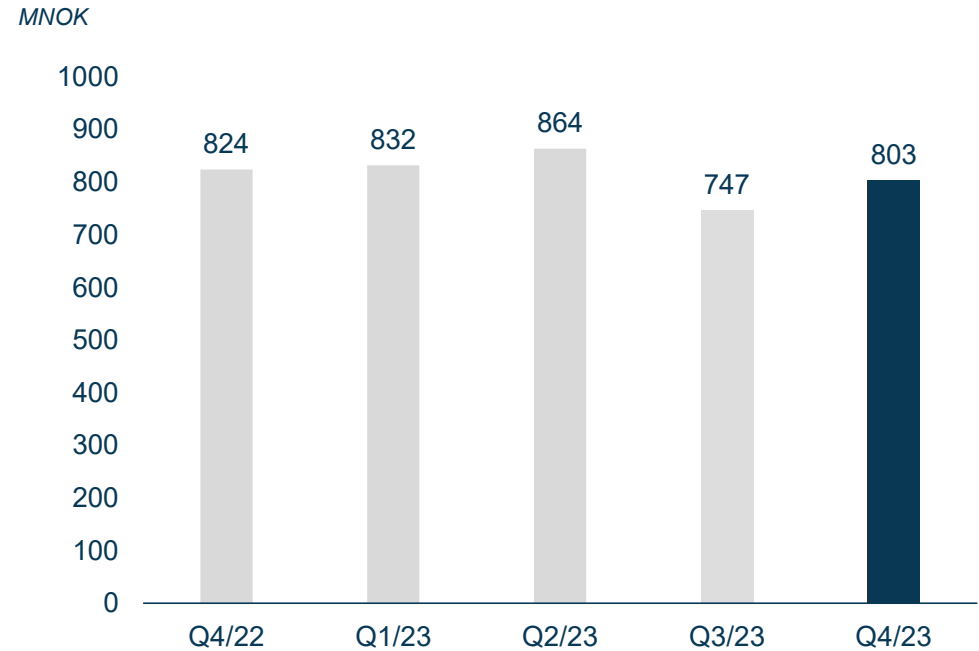
Order intake and backlog | Per quarter



Order intake per quarter¹



Order backlog development²



Not included in above charts:
Asmar - MUSD 5 engineering design contract and MUSD 24 option (LoA in Q1/24)

¹ Does not account for FX fluctuations in existing contracts | ² Order backlog does not include order intake received and executed in each quarter, i.e. service revenue and spare part deliveries

Syncrolift Q4 update

Market & Sales

- Order confirmation for MUSD 15 shiplift and transfer system to PT Pal Indonesia
- Letter of award for MUSD 5 basic engineering design contract from Asmar Chile and MUSD 24 option (LoA in Q1/24)
- Continued high tendering activity within newbuilds and services

Financials

- 26% revenue growth vs same quarter last year
- Service activity increasing steadily – 33% year over year growth
- Stability in EBITDA margins – 25% for 2023

Operations

- Good progress on ongoing projects
- Commissioning of Cochin shiplift in the quarter



Recent newbuild awards



Pt Pal, Indonesia (Q4/23)



- **Order confirmation:** Delivery of newbuild shiplift and ship transfer system
- **Value:** USD 15 million
- **Delivery date:** Within approximately two years
- **Project management and engineering:** Syncrolift HQ, Vestby, Norway

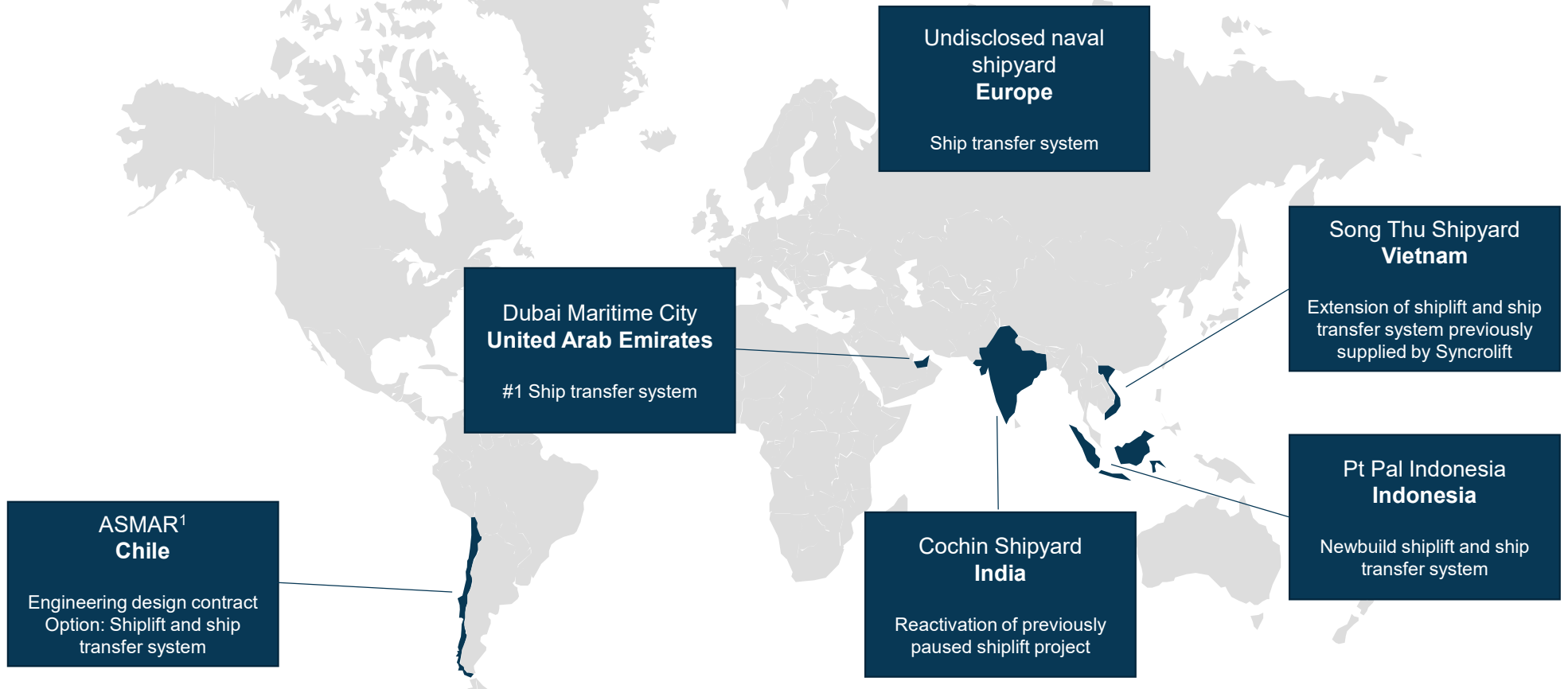
ASMAR, Chile (Q1/24)



- **Letter of Award:** Basic engineering design of 5,000 t shiplift and ship transfer system
- **Value:** USD 5 million
- **Delivery:** End-2024
- **Contract option:** Equipment delivery of shiplift and ship transfer system (including option for equipment supply: USD 24 million)

Contract wins in past year emphasise Syncrolift's global reputation and competitiveness

Total secured contract value: MNOK~300

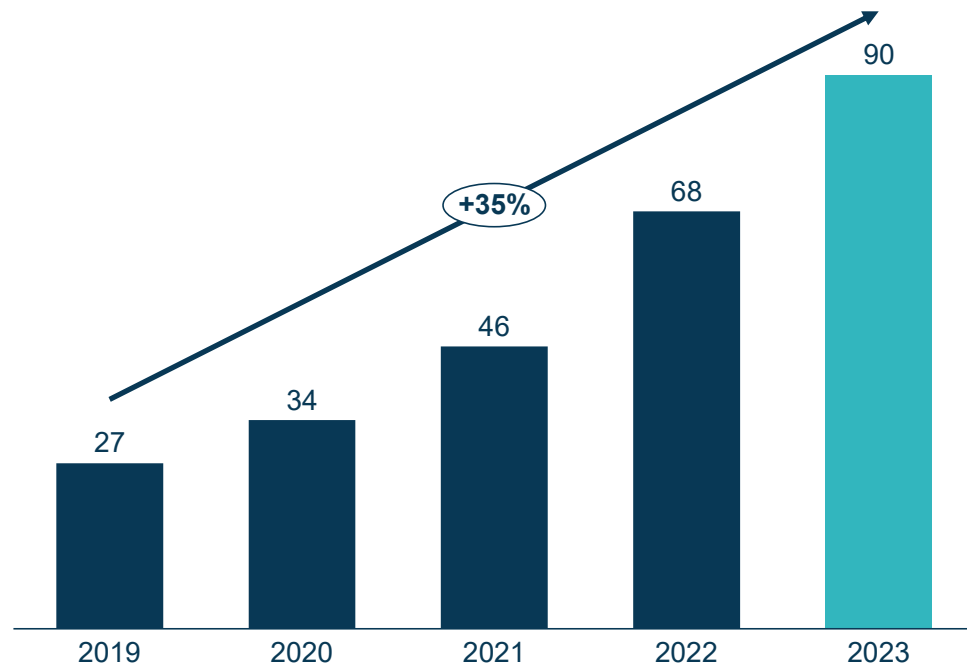


Service revenues continue to grow

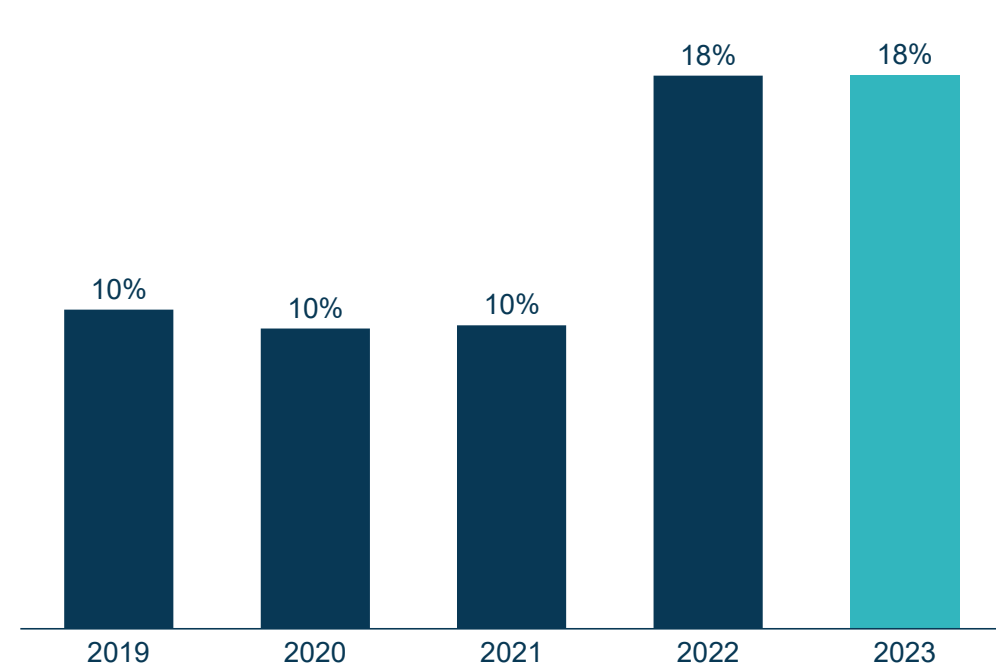


Service revenues

MNOK



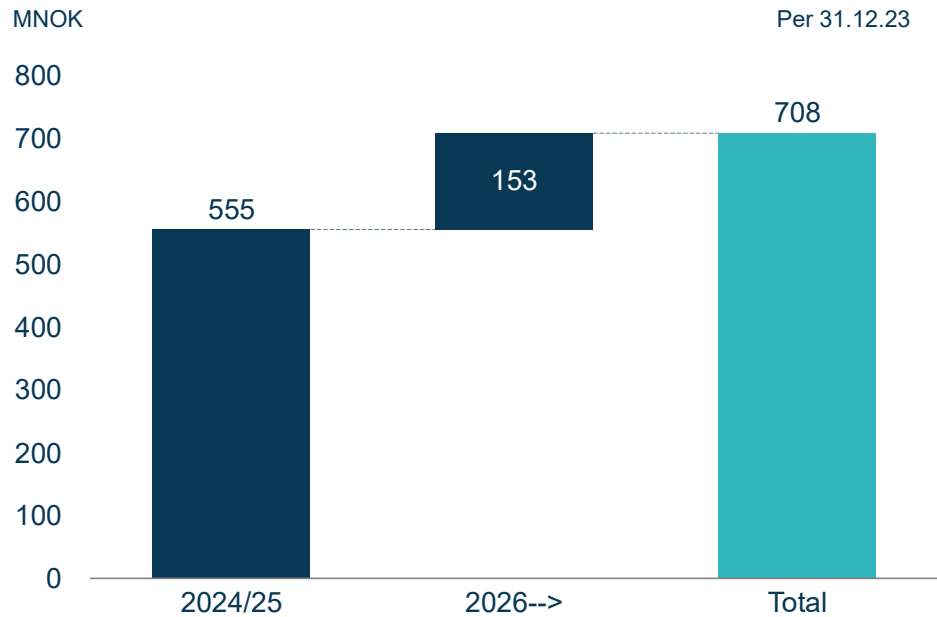
Service as % of total revenues



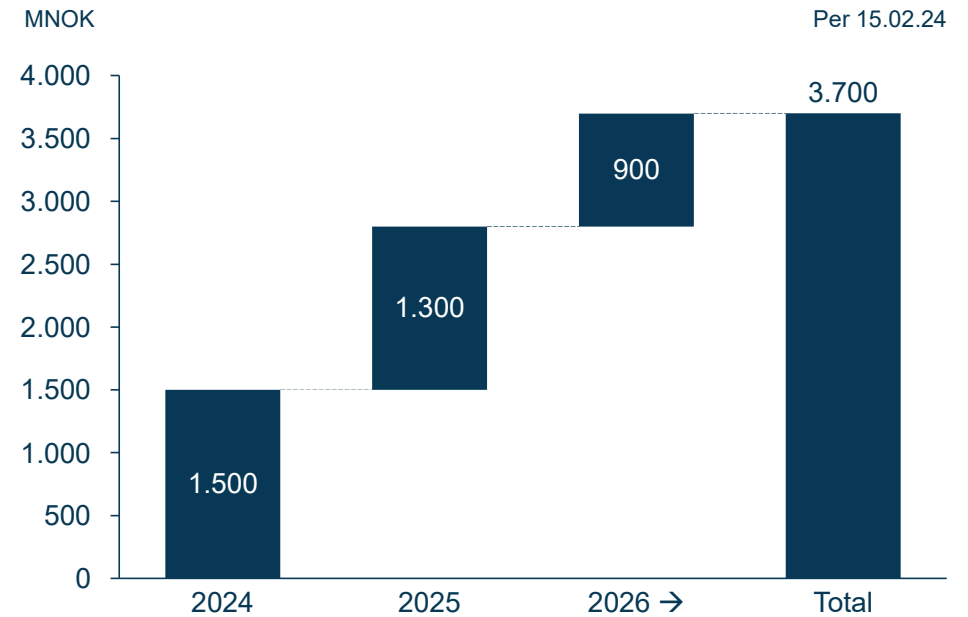
High visibility and tendering activity, no major tenders lost in this quarter



Syncrolift order backlog by execution year¹



Tender pipeline, newbuild/upgrades by year of contract award¹



The following awarded projects have been excluded from the forward-looking tender pipeline, but are not reflected in the order backlog per 31.12.23:
 Asmar MUSD 5 engineering design contract and MUSD 24 option (LoA in Q1/24)
 Running provision of service, maintenance, and spare parts

¹ Execution period and timing of contract awards may be impacted by external factors outside of Nekkar's control

Techano Oceanlift | Q4 update

Market & Sales

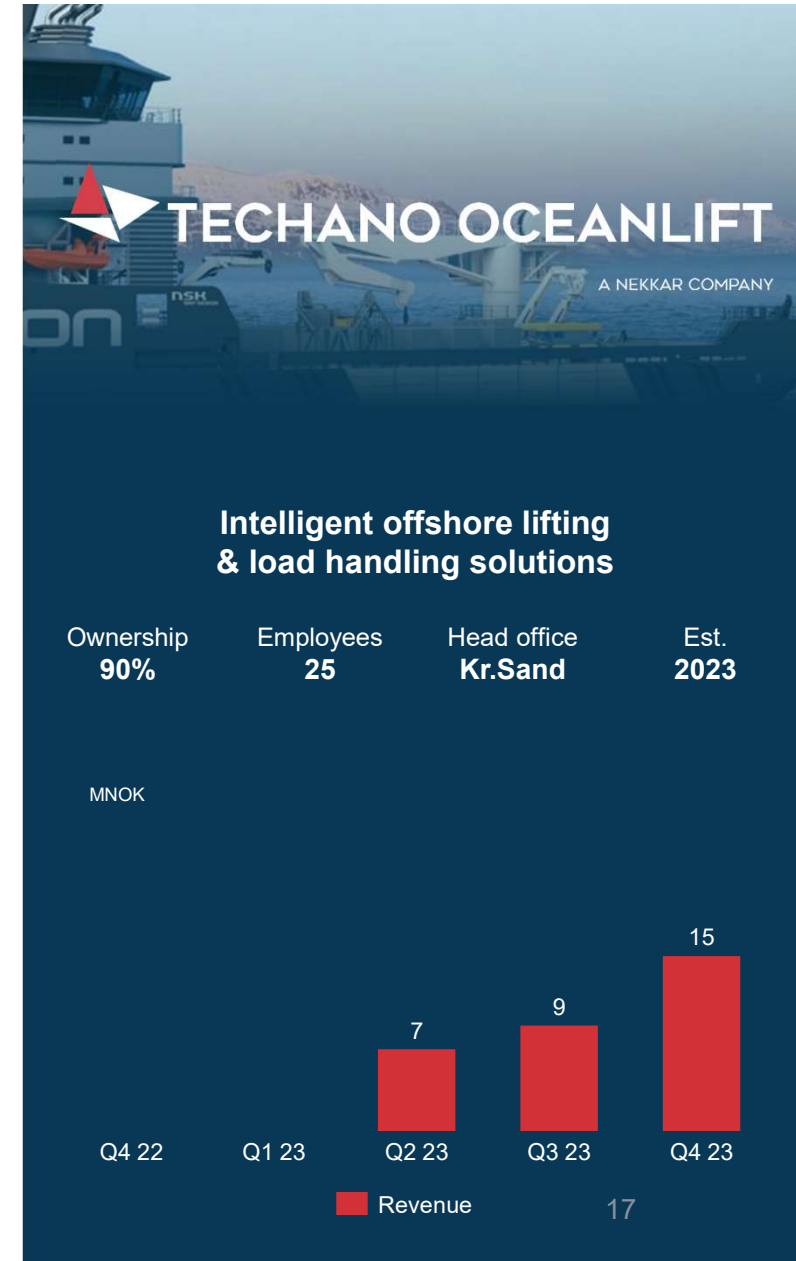
- Awarded MEUR 6.5 million contract to deliver offshore crane to newbuild subsea IMR/survey vessel
- Developing new series of offshore/subsea cranes to meet increased demand for subsea operations and construction - electrified – enabling it to deliver regenerated power back to the vessel

Financials

- Significant growth in revenues compared to previous quarters as execution is progressing
- Soft margins as market entry projects required to establish customers' trust in the company's solutions

Operations

- Execution of 70t offshore crane to Sefine Shipyard
- Engineering commenced on 150-tonnes crane for Sefine Shipyard



Offshore crane for Agalas

- **Shipyard:** Sefine Shipyard
- **Contract value:** MEUR 6.5 million
- **Capabilities:**
 - 150 tonnes lifting capacity
 - Active heave-compensated winch
 - 3,000 m wire for subsea construction
- **Control system:** Intellilift
- **Crane delivery:** 2025



Intellilift | Q4 update

Market & Sales

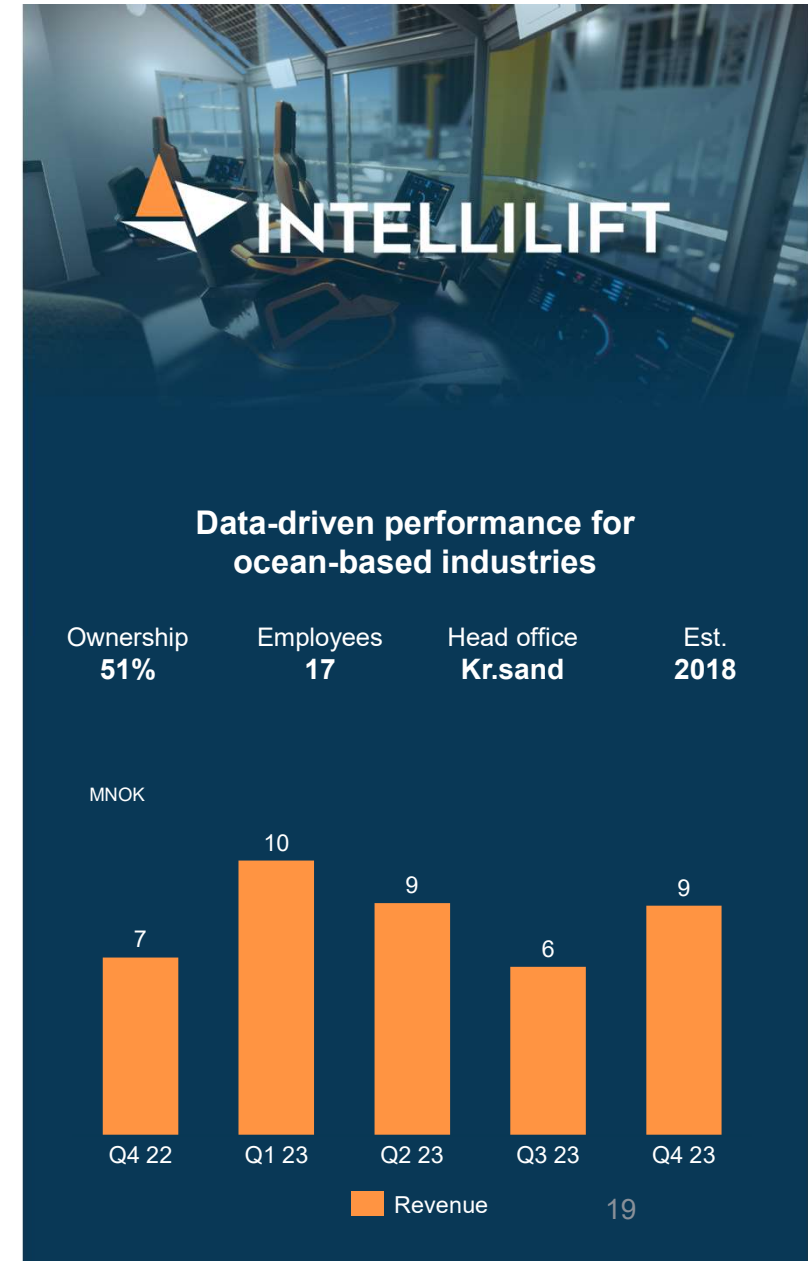
- IntelliWell pursuing new contracts for automation systems – preparing a trial in H1 for a major oil company in the Gulf of Mexico
- Tendering for simulators and other drilling controls
- Nekkars related contract awards for Techano crane and Syncrolift projects

Financials

- Primarily driven by Transocean Norge scope

Operations

- Transocean Norge scope in finalization

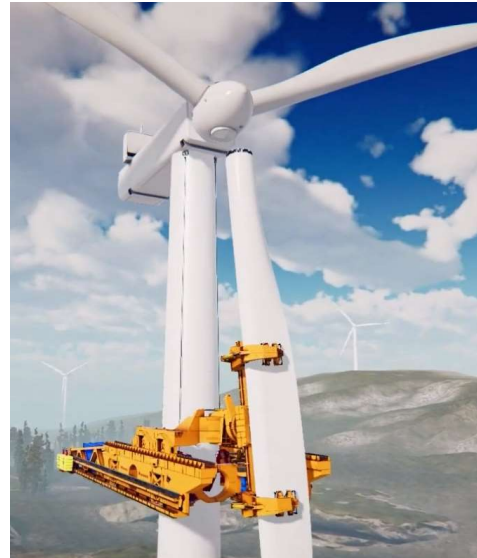


Impact Technology Ventures | Q4 update

SkyWalker: Solving major bottlenecks for offshore wind



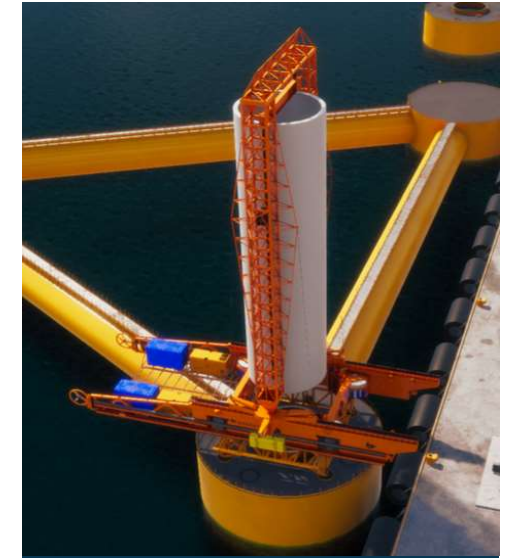
Major component replacement on bottom fixed and floating offshore wind



Installation & servicing wind turbines onshore



Installation of tower sections for **bottom fixed offshore**



Installation of floating turbines on floater at quay

Primary focus

Nekkar-led consortium awarded MNOK 75 grant



- **Consortium** to develop a safe and efficient solution for main component replacement (MCR) on offshore wind turbines
- **Objective:** Reduce time, cost, and loss of revenue due to downtime
- **Develop:** Remote-controlled, self-hoisting lifting equipment to replace main components such as gearbox, blade, etc. while on-site offshore
- **Verify and test:** SkyWalker MCR solution for both floating and bottom-fixed turbines across OEMs, for both newbuilds and installed base
- **Total project budget for all partners:** MNOK 140, of which MNOK 75 financed through Green Platform Initiative grant
- **Timeline:** Q1 2024 - Q4 2026
- **Nekkar focus:** finalize partner agreements and project financing



FiiZK | Q4 Update

Q4 focus on finalizing restructuring that took place before Nekkar's entry into FiiZK

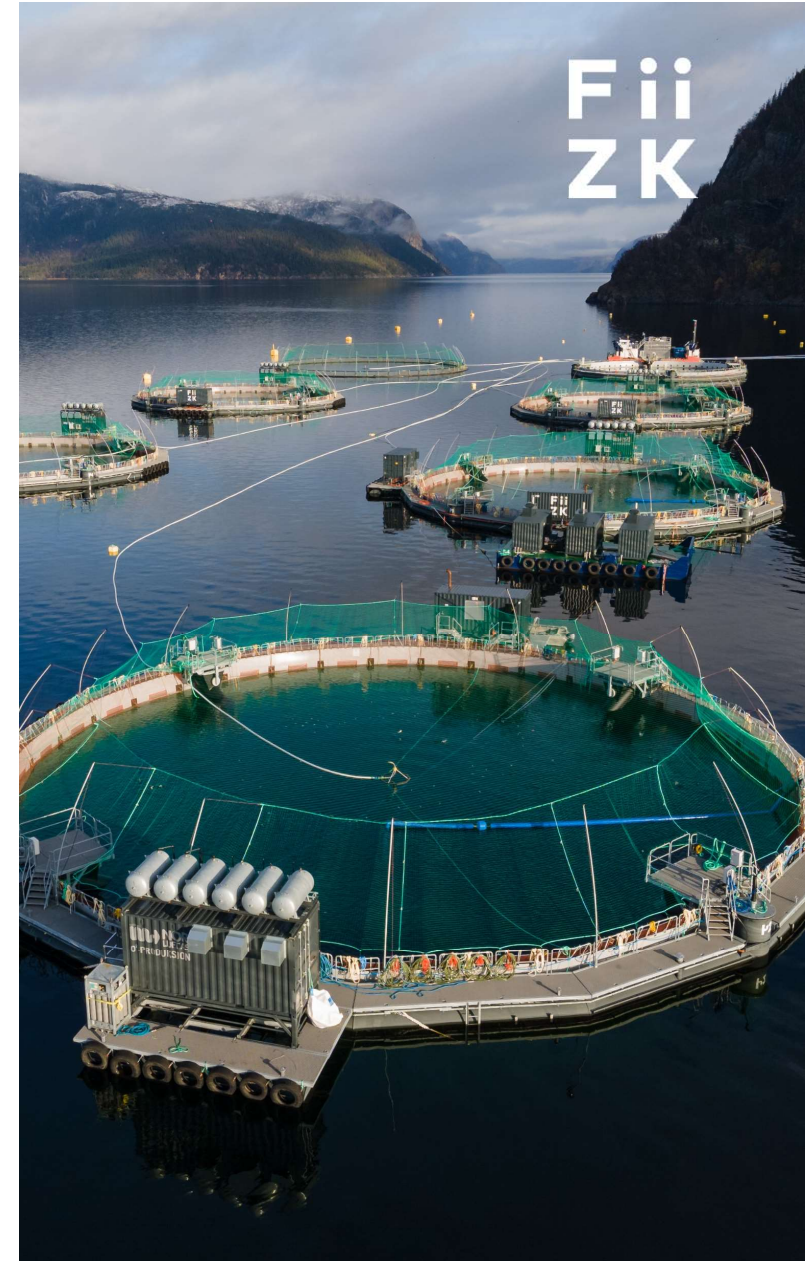
Relevant IP secured from former FiiZK entities and is now part of the new FiiZK Group

Following Nekkar's investment, FiiZK has transformed its organization and focused its efforts into three business units; Closed systems, Technical textiles, and Digital – each with its own management

In Q4 FiiZK had revenues of 36 MNOK, and a net profit of -19 MNOK¹

A new Group CEO, Jan Erik Kvingedal, has been recruited. Jan Erik provides extensive operational experience from the Aquaculture industry

¹ Nekkar's share of FiiZK's quarter loss, totaling MNOK 7



FiiZK | Unique market positions within aquaculture



TECHNICAL TEXTILES

Lice skirts and treatment tarps

~80% market share in the Norwegian lice skirt market

2024 focus:
Production streamlining



DIGITAL

Software-as-a-Service for decision support and production control

~40% of all salmon produced in Norway is supported by our Horizon products

2024 focus:
Commercial roll-out of new products



CLOSED SYSTEMS

Sea-based closed cage systems for fish farming

20 delivered systems have completed 60+ successful production cycles with zero lice treatments, escapes, or predator attacks – superior biological results

2024 focus:
Certification and market launch of updated cage design

Nekkar financial highlights

Profit & Loss, Q4 2023

MNOK	Q4 2023	Q4 2022	2023	2022
Revenue	179	125	575	388
Syncrolift	155	123	515	383
Intellilift	9	7	34	23
Techano Oceanlift	15	0	30	0
Other incl. eliminations	0	-5	-5	-18
EBITDA	32	14	109	68
EBIT	30	9	101	57
Net finance	8	11	8	-14
Profit (loss) before tax	38	20	109	43
Income tax expense	10	5	26	10
Profit (loss) for the period	28	15	83	33
EBITDA margin	18.0%	10.9%	18.9%	17.5%
Net capitalized development costs ¹	6	1	15	19
Order intake	242	105	478	277
Order backlog	803	824	803	824
EPS (NOK)	0.27	0.14	0.78	0.30

¹ Net of received funding

Revenue

- Q4 revenue of MNOK 179, an increase of 43% compared to the same period last year
- YTD revenue of MNOK 575, 48% year-over-year growth

Profitability

- EBITDA margin at 18.0 % in Q4 2023, up from 10.9 % in Q4 2022
- Q4 Net financial items includes Nekkar's share of FiiZK's quarter loss, totaling MNOK 7. Net financial items is also driven by gains on FX contracts not qualifying for hedge accounting and interest income.
- Profit for the period of MNOK 28 compared with MNOK 15 in the same period last year

Sales

- Order intake of MNOK 242 in Q4 2023 and a YTD 2023 total of MNOK 478 compared to MNOK 105 and MNOK 277 in 2022 for the same periods in 2022, respectively
 - Order backlog of MNOK 803 at the end of the fourth quarter



Key financials | Per company

SYNCROLIFT

MNOK	2023	2022
Revenues	515	383
EBITDA	132	95
EBITDA %	26%	25%

INTELLILIFT

MNOK	2023	2022
Revenues	34	22
EBITDA	6	4
EBITDA %	18%	18%

TECHANO OCEANLIFT

MNOK	2023	2022
Revenues	30	-
EBITDA	1	-
EBITDA %	4%	-



Balance sheet

Balance sheet, Q4 2023

MNOK	31.12.23	30.09.23	31.12.22
ASSETS			
Intangible assets and goodwill	68.0	62.3	75.0
Deferred tax assets	0.0	0.0	7.0
Right of use assets	13.5	14.5	5.1
Tangible assets	9.2	9.7	9.1
Financial assets	48.9	51.6	0.2
Inventory	11.9	11.3	2.1
Accrued non invoiced production	144.0	112.0	115.8
Trade receivables	85.3	105.3	105.1
Other short-term receivables	4.3	11.7	6.4
Bank deposits	194.2	166.5	181.3
Total assets	579.1	544.9	507.1
LIABILITIES			
Deferred tax liabilities	17.9	7.9	0.5
Lease liabilities	13.4	14.3	5.0
Trade payables	71.7	42.3	47.2
Prepayments from customers	39.0	39.1	42.4
Derivative financial instruments ¹	-19.0	3.0	7.2
Other current liabilities	29.3	34.6	53.6
Total equity	427.0	403.7	351.1
Total liabilities & equity	579.1	544.9	507.1
Net working capital	124.4	121.1	78.5

¹ Positive market value of derivative financial instruments as of year end 2023



Assets

- MNOK 46.7 million of Financial assets as of Q4 2023 are linked to the investment in FiiZK

Working capital

- Stable working capital at Q4 end compared with Q3
- Increase in accrued non-invoiced production since Q3 2023; driven by projects approaching invoicing milestones

Cash

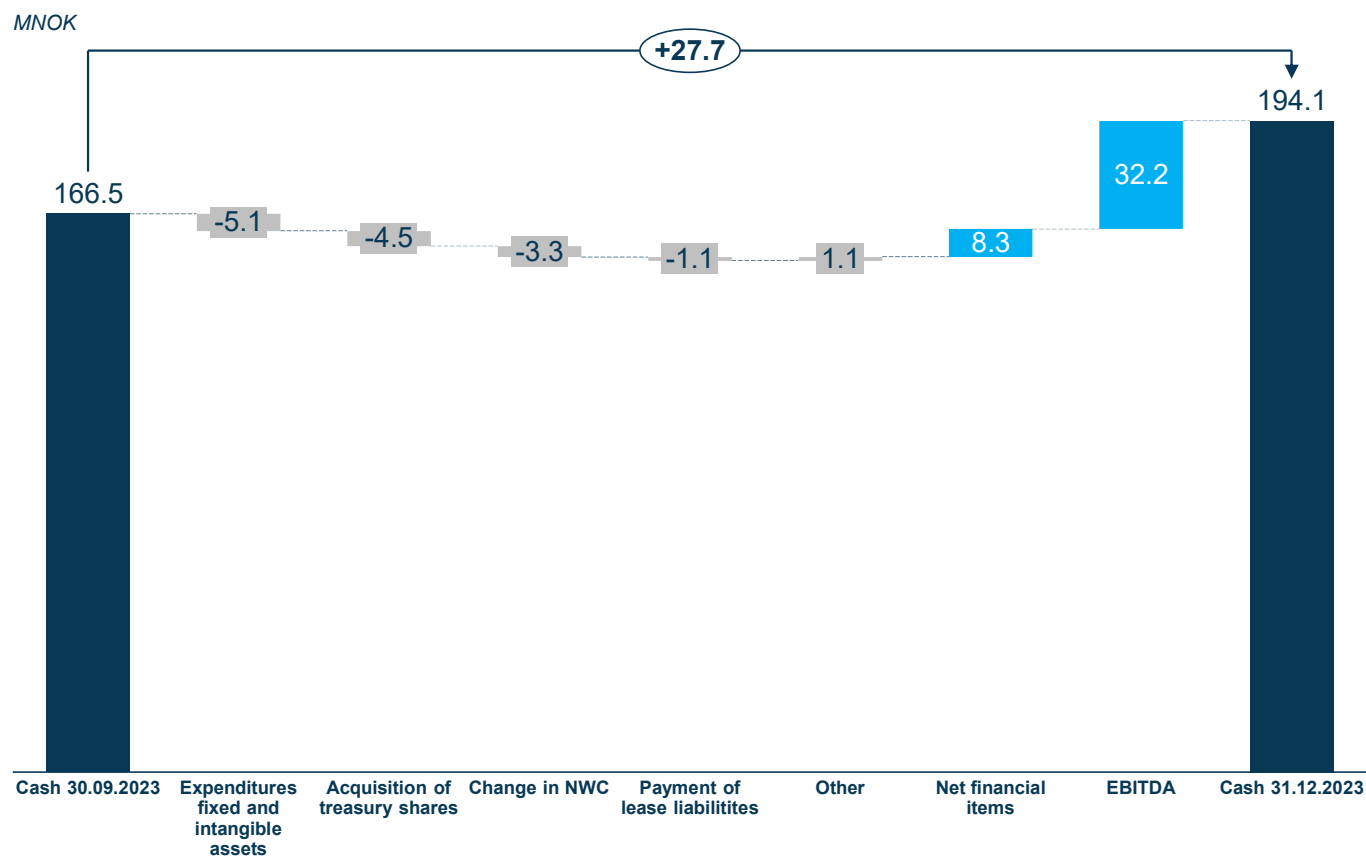
- Robust cash position of MNOK 194 at year end
- Quarter was positively impacted by solid EBITDA, partly offset by CAPEX and buy-back program
- Available credit facility; MNOK 200 provides additional financial flexibility

Net interest-bearing debt and equity

- No interest-bearing debt
- Solid equity of MNOK 427, representing a 74 % equity ratio

Cash flow

Cash flow development, Q4 2023



Cash flow

- Operating cash flow for Q4 2023 is positive at MNOK 29.7, driven by a solid EBITDA in the period.
- Cash flow from investments is negative at MNOK 4.8 in Q4 2023 and is mainly related to CAPEX
- Cash flow from financing is MNOK 2.7 in the fourth quarter of 2023, positively impacted by financial income and offset by the share buy-back program
- In total a net cash inflow of MNOK 27.6 in the fourth quarter 2023. The company maintains a strong cash position of MNOK 194.1 at the end of 2023

Nekkar's capital allocation strategy

<p>Portfolio growth</p> <p>Investments in existing portfolio companies to fuel organic growth while maintaining a strong balance sheet</p>	<p>Share buy-backs</p> <p>Buy-back program initiated in Q3 2023</p>
<p>New business</p> <p>Strategic M&A to strengthen Nekkar's defined business segments</p>	
<p>Innovation & R&D</p> <p>Prudent development of Impact Technology Ventures to validate technology and market potential</p>	



Available capital Q4 2023	MNOK
Net cash	194
Undrawn credit facility	200
Total	394

Expecting continued solid operational cash flow going forward

Share buy-back program Q3 and Q4	31.12.23
Number of shares purchased	1,392,333
Average price (NOK)	7.91
Total transaction value	11,008,702

Summary Q4 2023 & outlook



Summary



Significant revenue and EBITDA growth, versus both Q4 2022 and full-year 2022 – all time high revenue



Healthy order backlog of NOK 803 million, order intake of NOK 242 million in quarter. Additional 5 MUSD confirmed subsequent to the quarter (+ option 24 MUSD)



Continued strong cash position and balance sheet



Several commercial awards in the quarter – Syncrolift, Techano and promising development for SkyWalker

Outlook



SYNCROLIFT®

- Backlog provides good visibility for 2024 and 2025
- High tendering activity



INTELLILIFT

- Successful implementation of IntelliWell's breakthrough award likely to open up further rig market opportunities



TECHANO OCEANLIFT

- Execution of backlog for two offshore cranes
- High tendering activity



SKYWALKER

- Pursuing O&M within offshore wind for SkyWalker

Fii
ZK

- Sales and marketing focus towards digital solutions and closed cage system

Next update: Q1 2024 financial results, 16 May 2024

Nekkar ASA

Alternative performance measures



INTRODUCTION TO ALTERNATIVE PERFORMANCE MEASURES (APMs)

Nekkar Group (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.

BASIS FOR PREPARATION

This presentation provides financial highlights for the fourth quarter and full year 2023 for Nekkar ASA. The consolidated financial statements for Q4 2023 have been prepared in accordance with IAS 34 Interim Financial Statements, however 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.

The financial figures are not audited.

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 and EBIT 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.



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