

# Q1 2023

## *Operational Update*

**Ole Falk Hansen, CEO**



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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

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



Revenue 2022

**MNOK 388**



Order backlog

**MNOK 832**



**MNOK 188 in cash**  
**No interest-bearing debt**



Employees

**82**



Headquarters

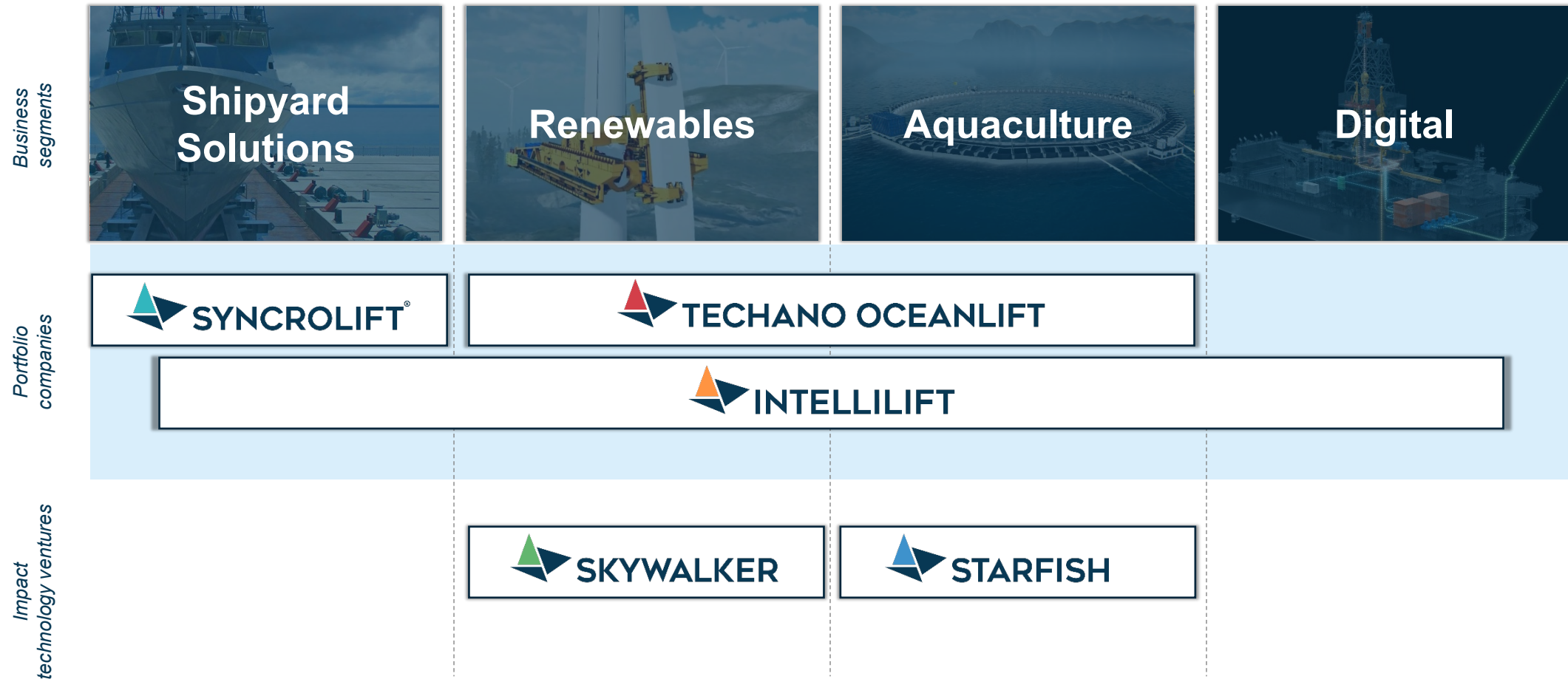
**Kristiansand, Norway**



Stock listed

**OSE (NKR)**

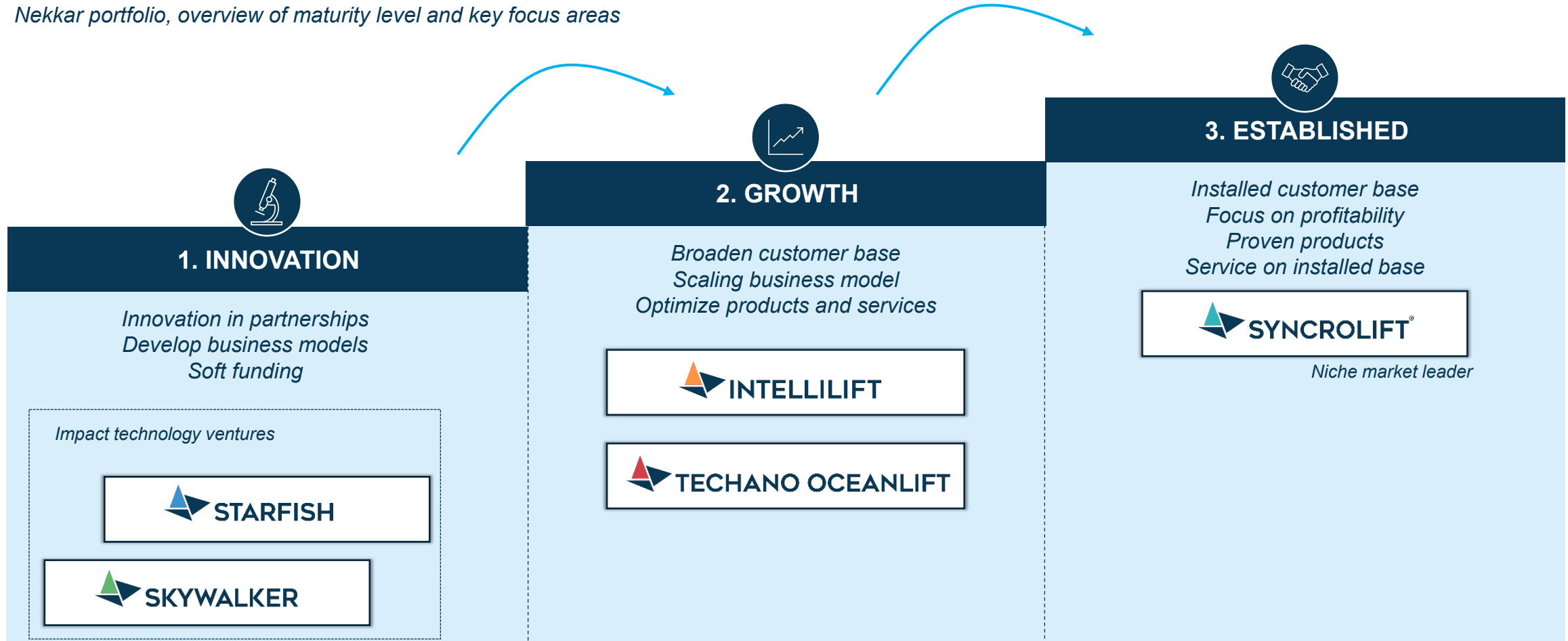
# Nekkar operates in four main business areas, focused on sustainable technologies for ocean-based industries



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



Nekkar portfolio, overview of maturity level and key focus areas



# Nekkar Q1 2023 highlights

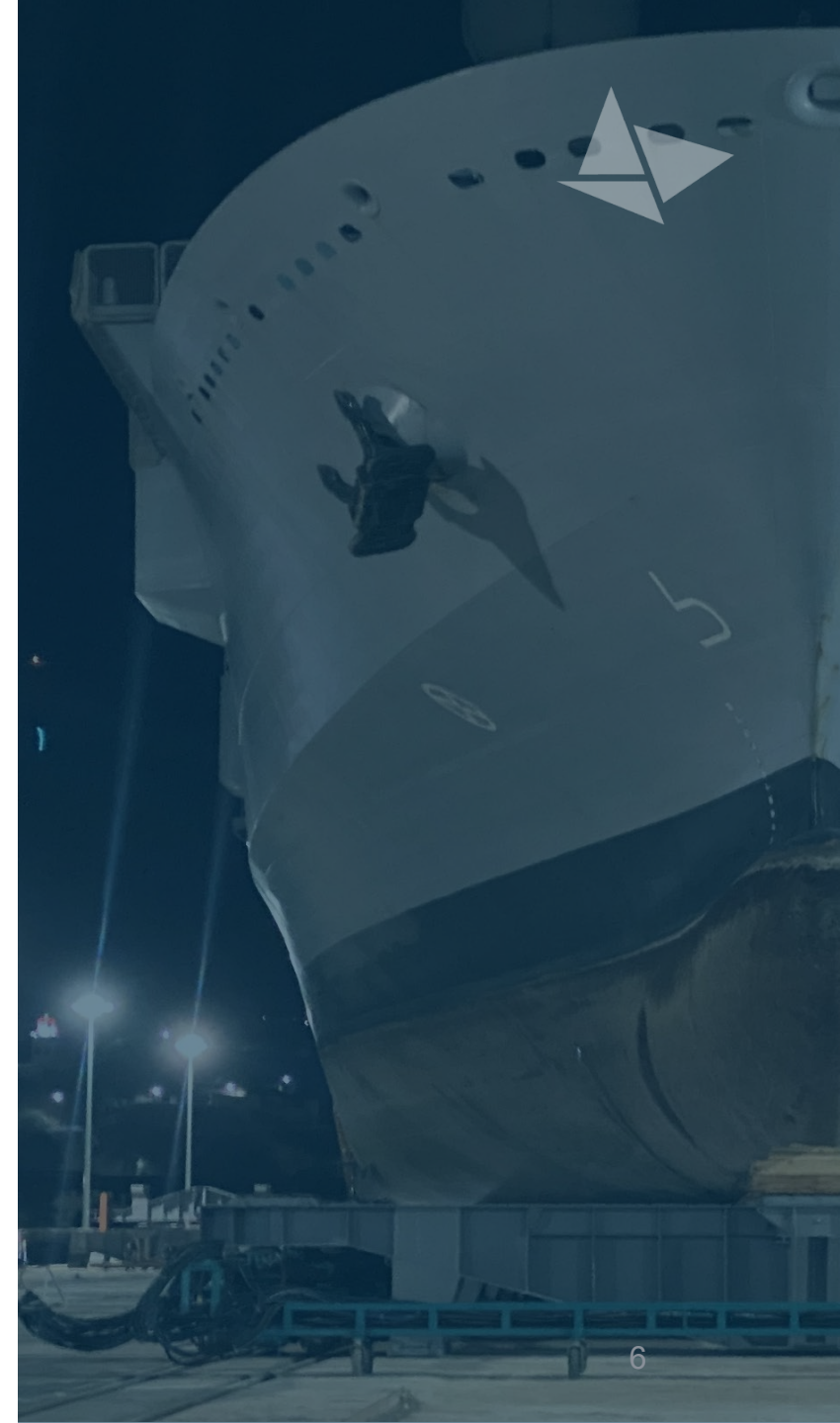
## Highlights

- Revenue of MNOK 101, up 20% versus Q1 2022 (Q1 2022: MNOK 84)
- Operational EBITDA<sup>1</sup> of MNOK 23 (12), equivalent to margin of 23% (14%)
- Strong balance sheet: MNOK 188 in cash, no interest-bearing debt, MNOK 200 undrawn credit facility
- Order intake of MNOK 27 (31), order backlog of MNOK 832 at quarter-end (824)
- InteliWell JV secured breakthrough four-year contract with Transocean and Wintershall Dea
- Renewables & Aquaculture: Strengthened business offering with smart, electric lifting and handling solutions through acquisition of Techano

## Subsequent events

- EUR ~4 million crane contract for offshore wind cable-lay support vessel (CLSV)

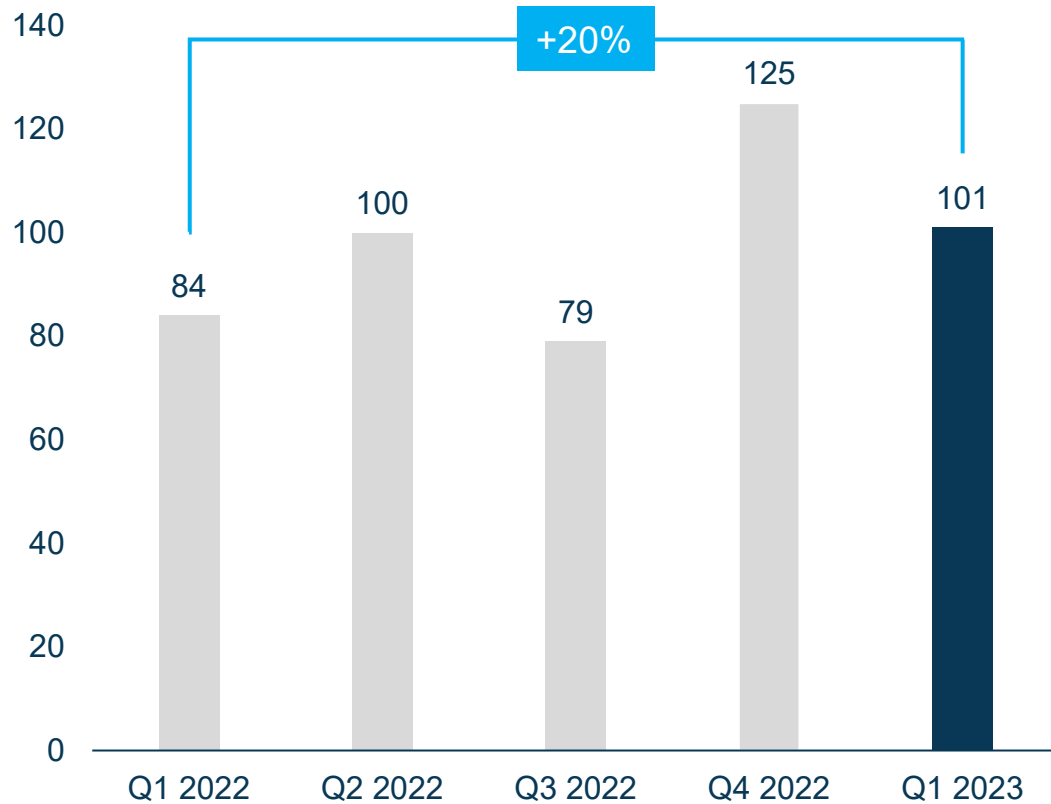
<sup>1</sup> Excluding losses/gain on FX contracts not qualifying for hedge accounting



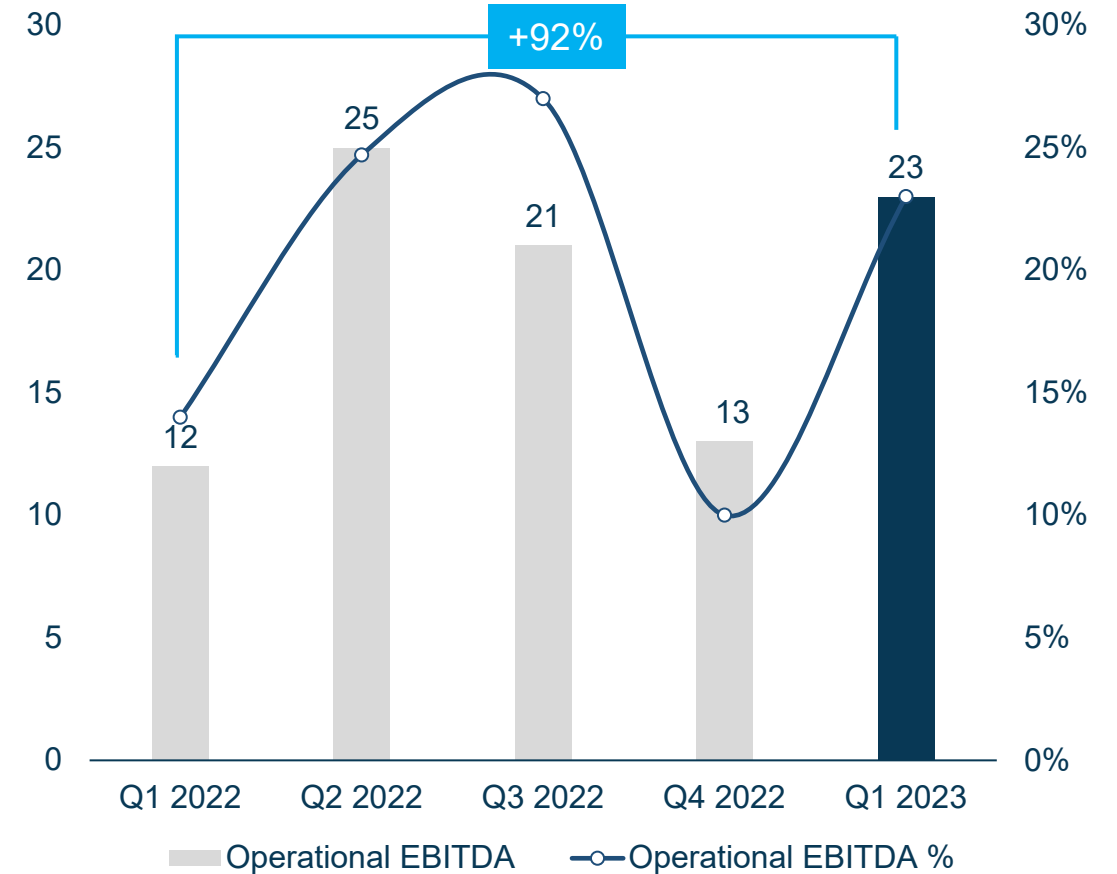
# Key financials | Per quarter



## Revenue (MNOK)



## Operational EBITDA (MNOK) & margin (%)<sup>1</sup>

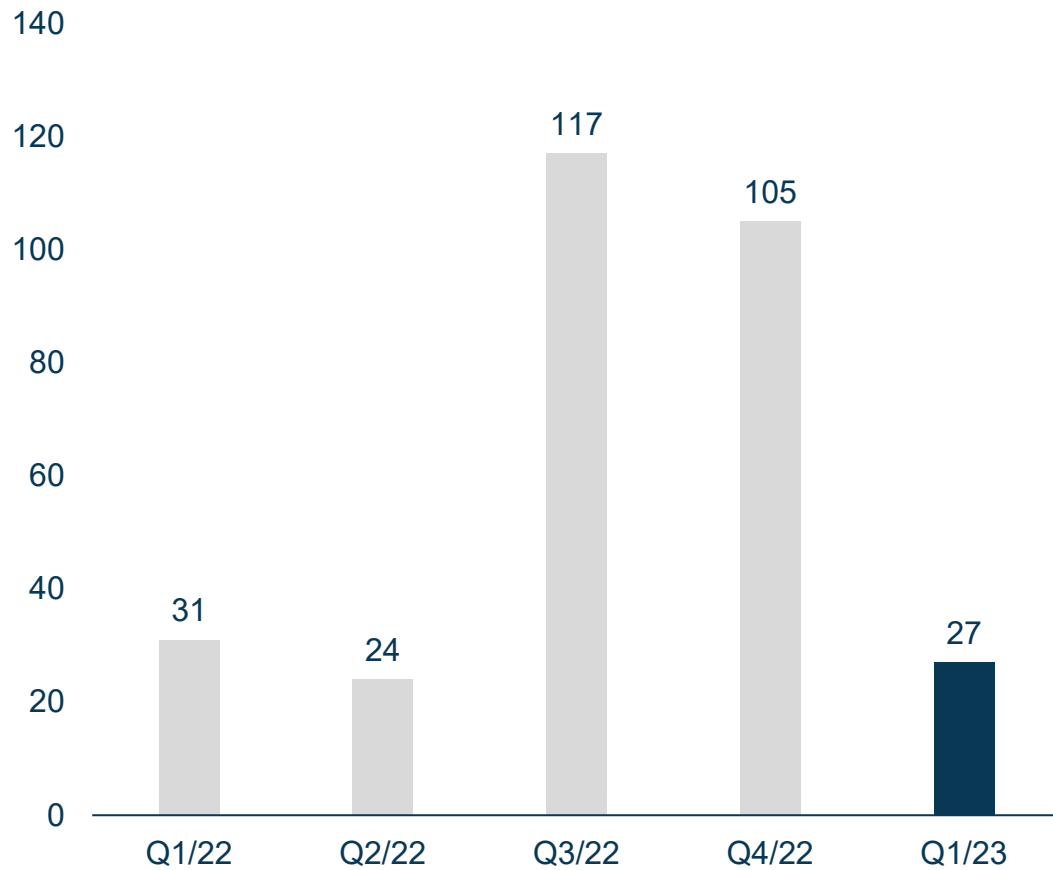


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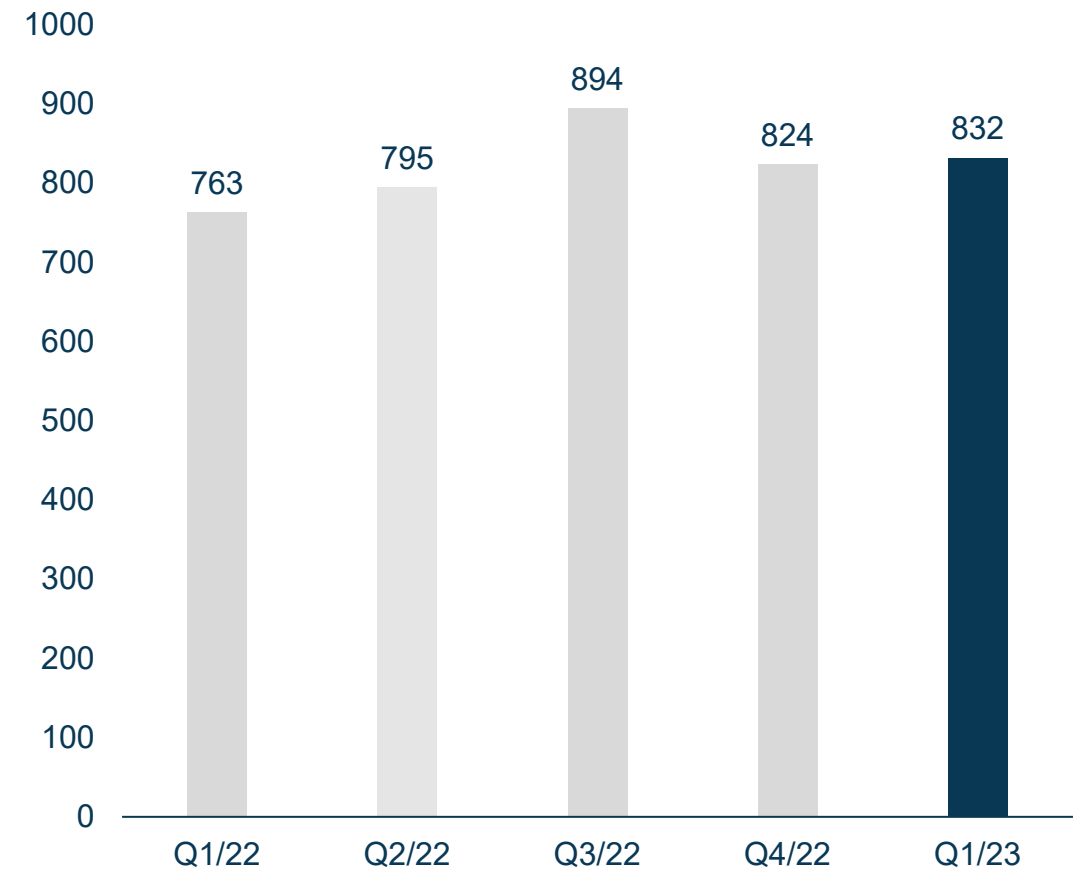
# Order intake and backlog



## Order intake per quarter (MNOK)<sup>1</sup>



## Order backlog<sup>2</sup> development (MNOK)



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






**SYNCROLIFT<sup>®</sup>**

# Signing ceremony for DMC contract on May 10<sup>th</sup>, 2023



  
 مدينة دبي الملاحة  
 Dubai Maritime City

## Dubai Maritime City Partners with Syncrolift AS to Improve Capabilities of Ship Lifts

The investment is a testament to Dubai Maritime City's commitment to upgrading the quality and safety of lifts, while also elevating Dubai's status as a leader in the maritime industry

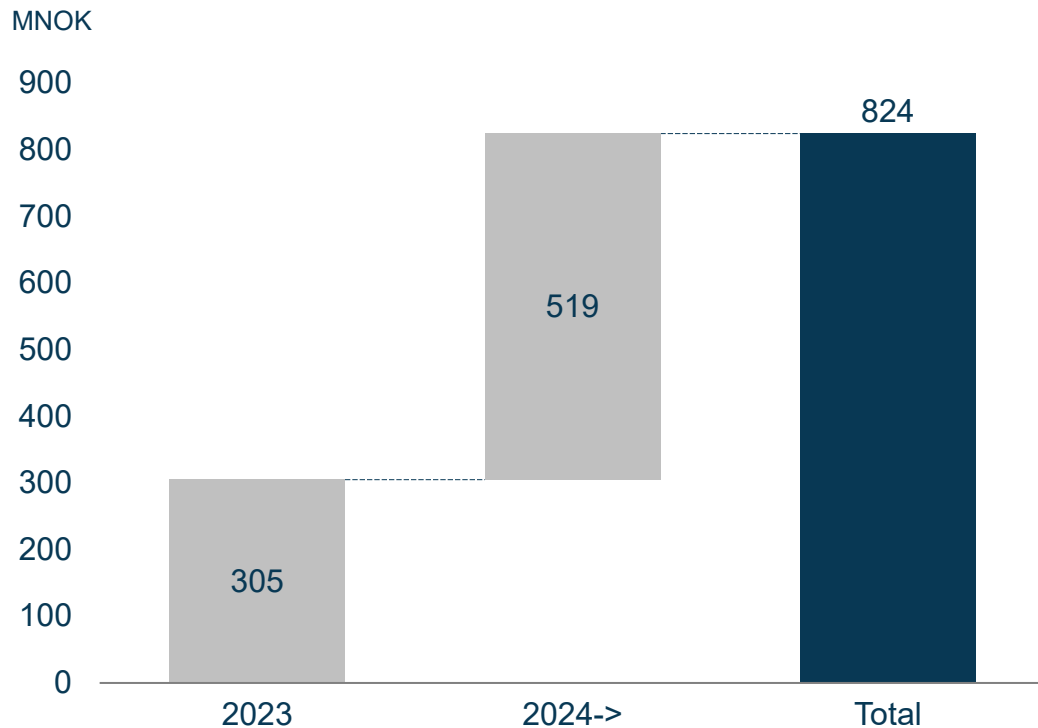
**Dubai, United Arab Emirates:** Dubai Maritime City (DMC), the multi-purpose industrial and commercial maritime hub of DP World, has awarded Syncrolift AS, the world's leading manufacturer of ship lifts and transfer systems, to upgrade DMC's facilities to reach a capacity of 2,000 docking/undocking operations per year. The partnership serves DMC's commitment to providing state-of-the-art infrastructure facilities to its strategic shipbuilding and repair partners.

DMC boasts 2 ship lifts, with the bigger one featuring 28 hoists and the ability to lift vessels up to 6,000 tonnes and 130 meters in length. In contrast, the smaller lift comprises of 14 hoists and can lift vessels up to 3,000 tonnes and 90 meters in length. The lifts play a vital role in DMC's operations by effectively transporting the ships to the dry berths for business partners to provide ship repair services. This supports the supply chain and maritime ecosystem, which is essential to DMC's Industrial District and its many companies, including Grandweld, Albwardy Damen, and more than 280 others.

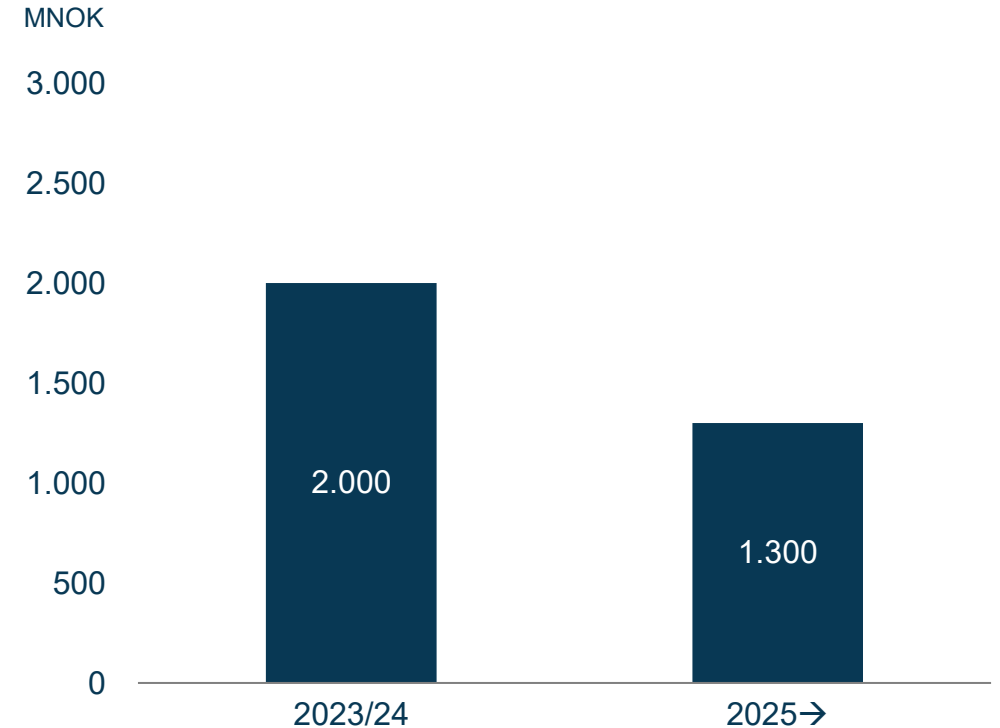
# High visibility and tendering activity



**Order backlog by execution year<sup>1</sup>**



**Tender pipeline, newbuild/upgrades by year<sup>1</sup> of contract award**



<sup>1</sup> Timings are indicative. Execution period and timing of contract awards may be impacted by external factors outside of Nekkar's control.

The logo consists of a stylized sailboat icon with a red sail and a dark blue hull, positioned to the left of the company name. The background of the slide is a photograph of ocean waves under a bright sky.

# TECHANO OCEANLIFT

A NEKKAR COMPANY

Nekkar strengthens its presence within renewables and aquaculture through the acquisition of Techano

Announced 23.03.2023

# Strengthened business offering through the Techano acquisition

## **Complementary specialist team**

Combining Nekkar's unique in-house automation, electrification, and software competence, with industry specialist personnel from Techano who are specialists in offshore load handling and lifting equipment

## **Solid position within Aquaculture and Renewables**

Techano has established a solid market position within offshore fish farming and offshore wind. The acquisition accelerates Nekkar's strategic ambition of becoming a dominant provider of disruptive technologies for sustainable ocean-based industries.

## **Acquired for an undisclosed immaterial amount**





# Techano acquisition unlocks expanded product offering in Nekkar's core industries

Markets



Products

## Gangways

- Crew and trolley transfer for C/SOVs
- Tower or pedestal mounted

## Cranes

- Offshore/shipboard
- Wire topping/ Telescopic/ Foldable/ Knuckle jib
- Rail/deck mounted

## Fish handling systems

- Net handling
- Live fish handling to / from offshore fish farms

Value proposition



**All-electric**



**Digital control systems**



**Reduced weight**



**3D-compensation**



**Assisted autonomy**



**Efficient operations**

# Targeting offshore wind vessels with strong value proposition and track-record

Gangway



- Nekkar previously developed Horizon gangway delivered to Louis Dreyfus (part of MacGregor sale)
- Now reentering the market with new and improved all-electric and lightweight design

3D-crane



- Strong track-record with active heave compensation and offshore lifting equipment
- New patent pending 3D-crane in development

Digital Operator System

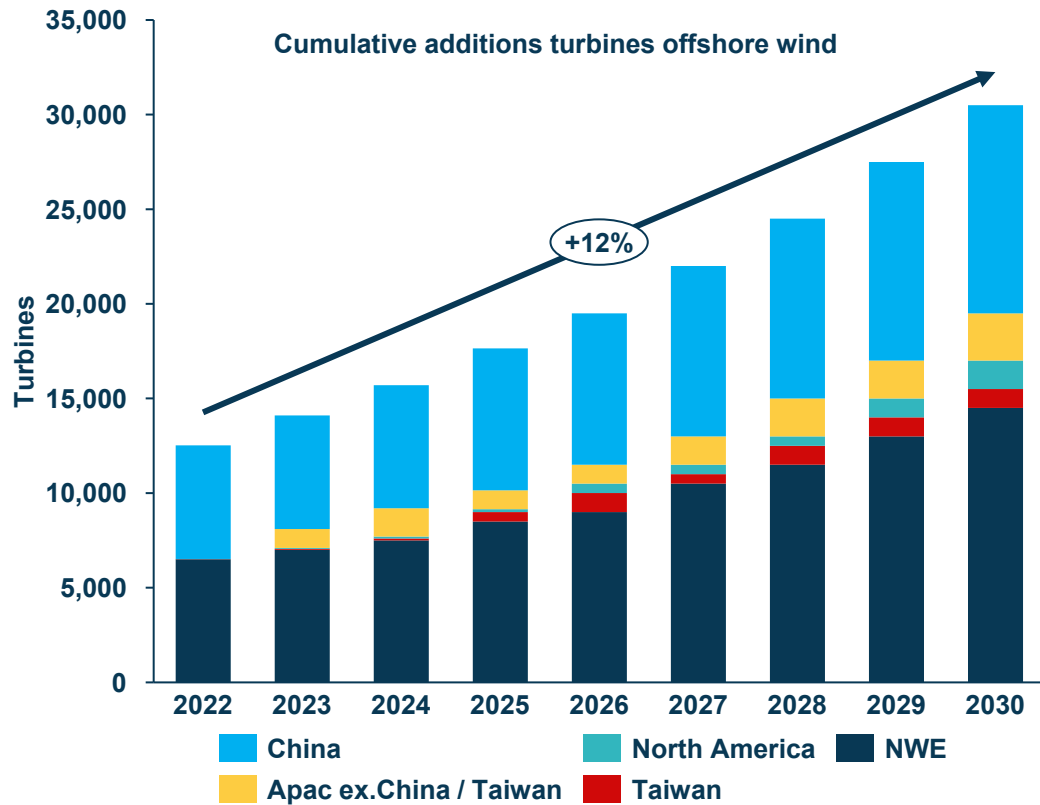


- Phoenix – Well tested in market today with gangway delivered to Louis Dreyfus
- Joint control system for crane and gangway with auto-docking feature

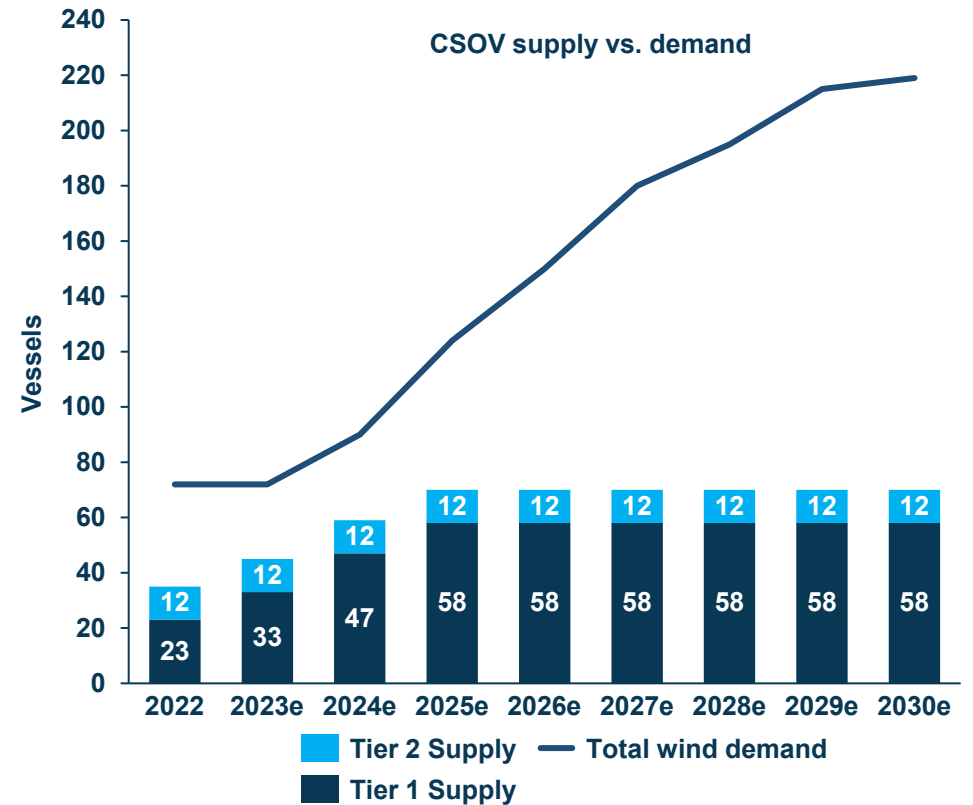
# Attractive growth market for Nekkar's disruptive products



## 14,000 turbines installed in Europe by 2030



## CSOV new builds lagging demand





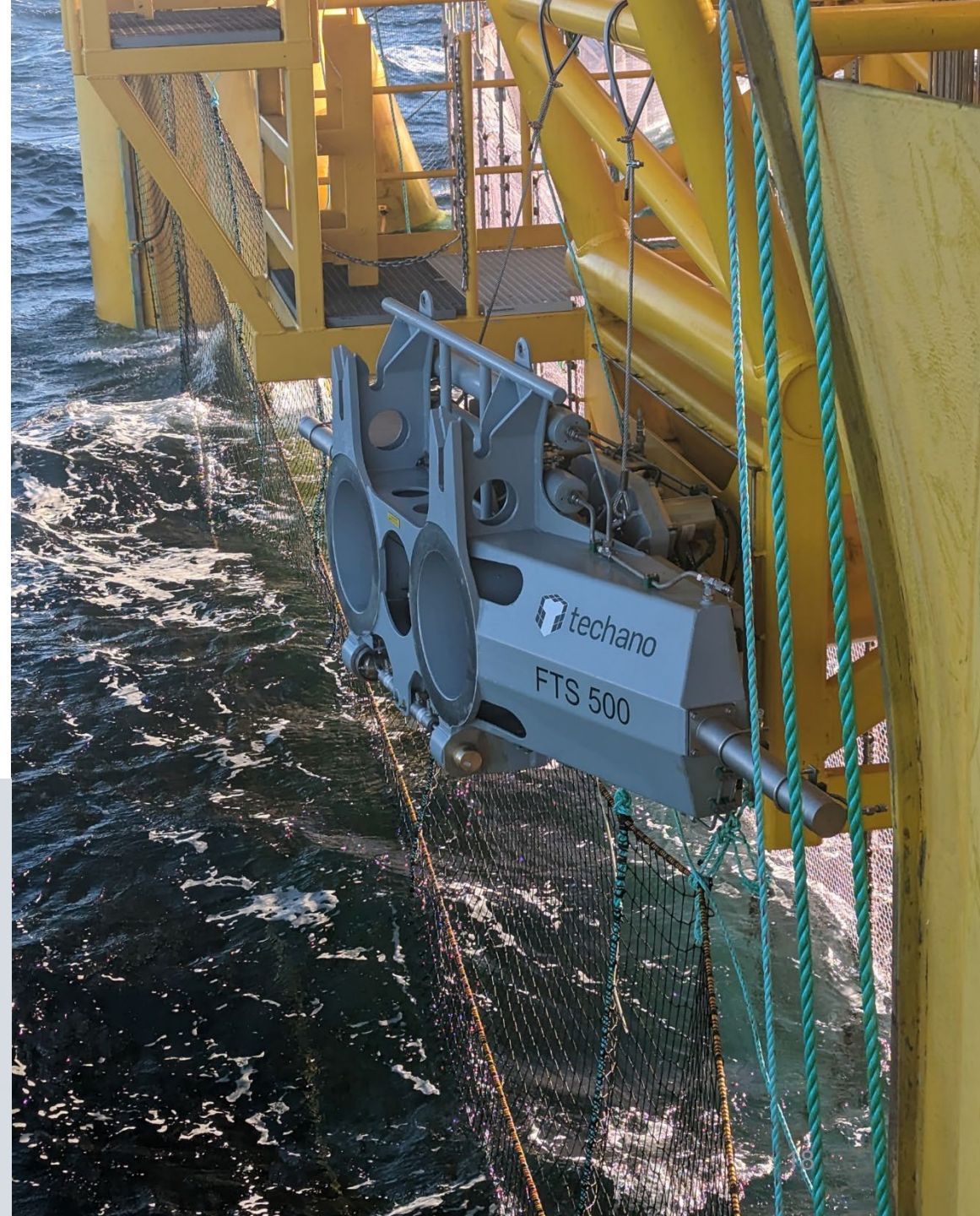
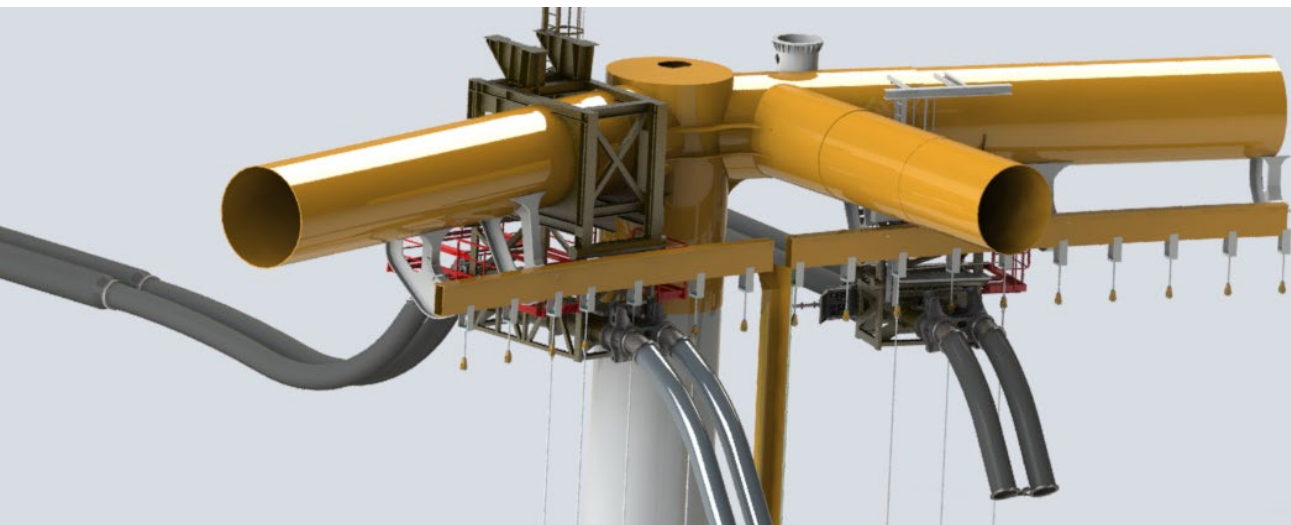
# Breakthrough crane contract for wind cable-lay support vessel (CLSV)



- 70t offshore crane that can support both subsea and topside lifting operations
- Intellilift to deliver the crane's steering system
- **Contract value: EUR ~4 million**
- Delivery: 2024
- Booked as order intake in Q2 2023

# Successful commissioning of live fish transfer system for *SalMar Aker Ocean*

- Delivery of 2 x Techano FTS500 fish transfer systems
- System developed to ensure safe and efficient transfer of live fish between aquaculture installations and live fish carriers even in harsh offshore environments
- Safe, successful execution of first fish transfer operations
- Operator: SalMar Aker Ocean for Ocean Farm 1





# INTELLIFT



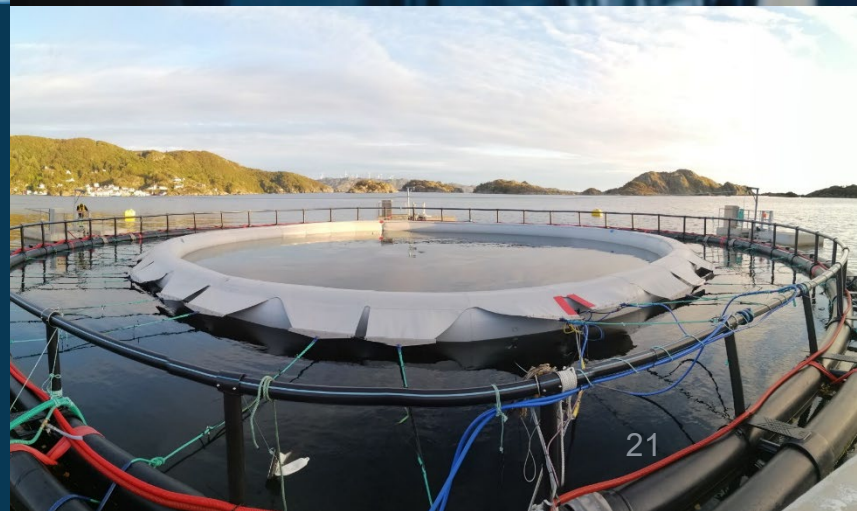
# Breakthrough contract for InteliWell joint venture

- Four-year contract with Transocean for *Transocean Norge*
- Operators: Wintershall Dea and OMV on 17-well campaign on NCS
- Rig to be equipped with InteliAutomate-solution which ensures automatic execution of pre-built optimized operational sequences
- Intellilift to execute project on behalf of JV
- Fixed sum project plus Software-as-a-Service fee throughout contract period
- Delivery in 2023





# Impact technology ventures



# Impact technology ventures update



**SKYWALKER**

wind turbine installation machine

## Increased focus on offshore wind and Major Components Exchange

- Focus on how to reduce operational cost through lifecycle by exchange of major components offshore (blades, gearbox etc.) compared to tow-to-shore
- Includes a floating vessel, 3D compensated crane and the Skywalker machine – all integrated by digital automation technology
- Formed partnerships/MoU with several consortia's bidding for the Norwegian Offshore wind development

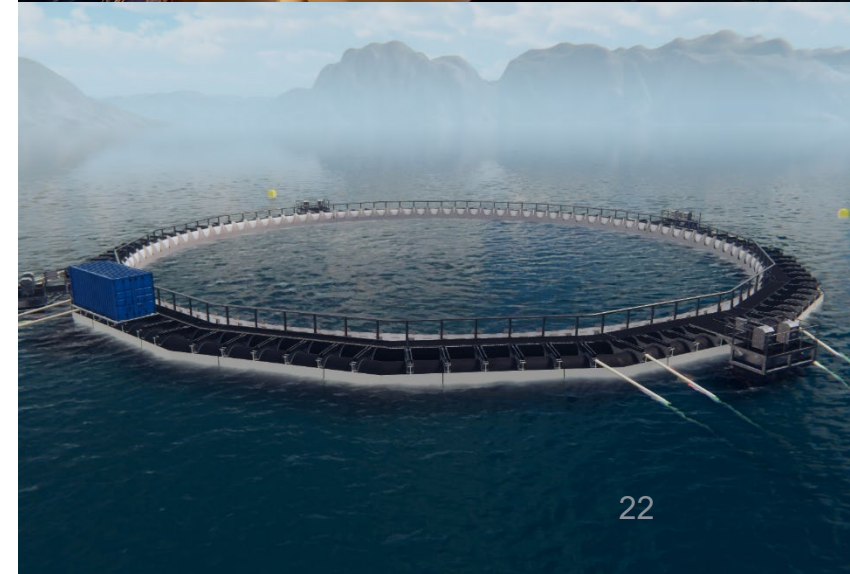


**STARFISH**

closed system for sea based fish farming

## Pursuing scope for full-scale test of closed fish cage

- Full scale Starfish
  - Double protection and protection against sea lice
  - Equipped for data acquisition, monitoring and automation
  - Ready for biomass
  - Post-smolt phase
- Scope of test
  - Nekkarr to build first full-scale Starfish
  - Fish farmer to operate Starfish with biomass during full scale test



# Financial highlights

Consolidated statement of profit and loss



Nekkar ASA	Unaudited Q1		Audited Full-Year
	2023	2022	2022
<i>MNOK</i>			
Revenue	101	84	388
Operational EBITDA <sup>1</sup>	23	12	70
Reported EBITDA	24	14	62
EBIT	23	12	52
Net capitalized development costs <sup>2</sup>	6	9	19
<i>Operational EBITDA margin<sup>1</sup></i>	23,0 %	14,0 %	18,1 %
<i>EBITDA margin</i>	23,6 %	16,2 %	16,1 %
Order intake	27	31	277
Order backlog	832	763	824
EPS (NOK)	0,11	0,07	0,30

<sup>1</sup> Excl. losses/gain on FX contracts not qualifying for hedge accounting

<sup>2</sup> Net of received soft-funding

- First quarter **revenue of MNOK 101**, representing an increase of ~20% year-on-year
- Q1 **operational EBITDA** of MNOK 23 compared to MNOK 12 in the same period last year. Operational EBITDA margin of 23 % (increase of 9 percentage points)
- **Net capitalized development costs** (R&D capex) of MNOK 6 in the first quarter compared with MNOK 9 in Q1 2022. No soft-funding received this quarter.
- **Order intake** of MNOK 27 in the first quarter and a solid **order backlog** of MNOK 832 at the end of the quarter
- First quarter **earnings per share** of NOK 0.11 compared to NOK 0.07 in the same quarter last year.
- Strong balance sheet with a cash balance of MNOK 188 and no interest-bearing debt at the end of the quarter

# Summary Q1 2023 & outlook



## Summary



Strong operational EBITDA and EBIT in first quarter 2023



Long-term order backlog of MNOK 832 million, plus a strong balance sheet



Breakthrough contract for InteliWell JV



Techano Oceanlift to become an immediate revenue contributor for Nekkar

## Outlook



- Backlog provides good visibility for 2023 and 2024
- High tendering activity



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



- Execution of backlog for offshore wind vessel crane
- Pursue market opportunities for new sales



- Pursuing O&M within offshore wind for SkyWalker



- Secure agreement for full scale test with fish farmer

*Next update: 30 August 2023 – Q2/H1 2023 financial results*



# 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 2022 for Nekkar ASA. The consolidated financial statements for Q4 2022 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 2022.

The interim financial figures are not audited.

## PROFIT MEASURES

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

Nekkar defines “Operational EBITDA” as EBITDA excluding losses/gain on FX contracts not qualifying for hedge accounting.

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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