

Q2/H1 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 the Skeiegruppen, which has a solid industrial track record



Revenue 2022

MNOK 388



Order backlog

MNOK 864



MNOK 236 in cash
No interest-bearing debt



Employees

87



Headquarters

Kristiansand, Norway



Stock listed

OSE (NKR)

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



Business segments



Portfolio companies



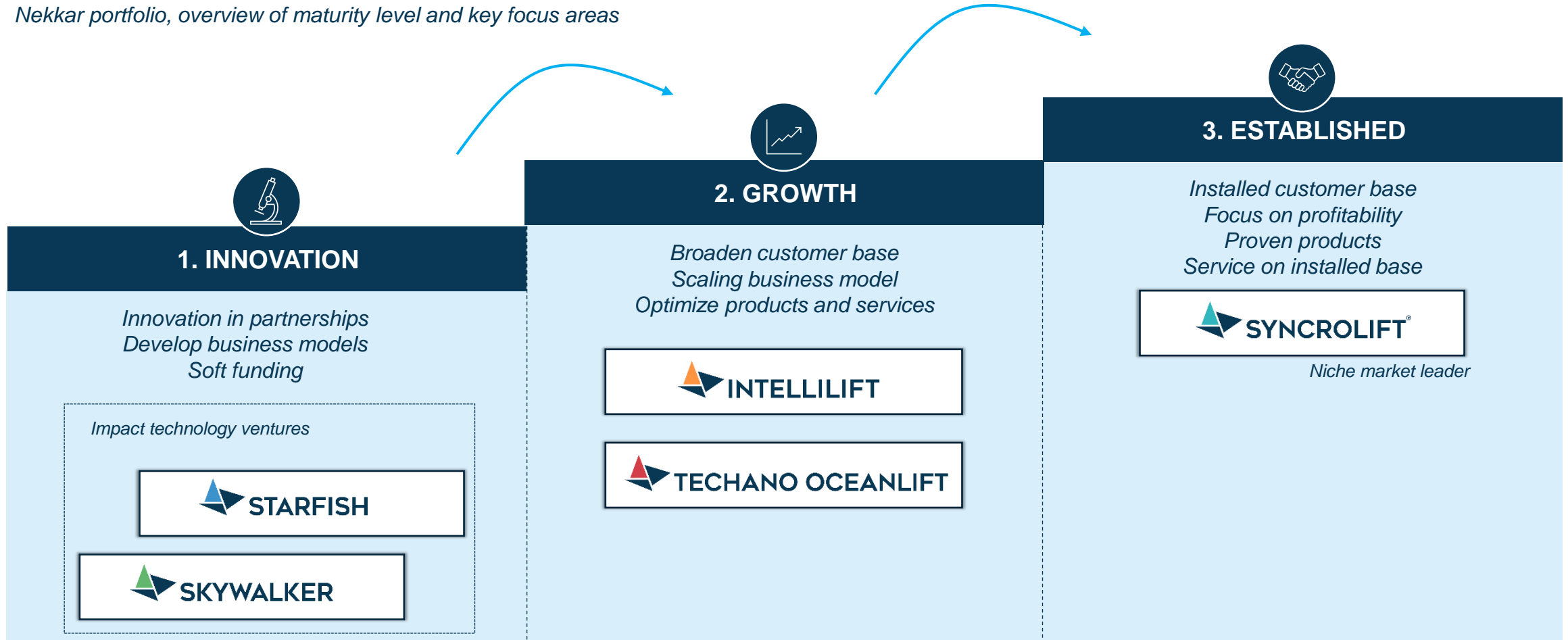
Impact technology ventures



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



Nekkar portfolio, overview of maturity level and key focus areas



Highlights: Q2 2023



Financial highlights

- **Revenue** of MNOK 132, up 32% versus Q2 2022 (100)
- **Operational EBITDA¹** of MNOK 27 (25), equivalent to margin of 21% (25%)
- **Reported EBITDA** of MNOK 36 (6), equivalent to margin of 27% (6%)
- **Strong balance sheet:** MNOK 236 in cash (+ MNOK 49 in the quarter), no interest-bearing debt, MNOK 200 undrawn credit facility
- **High order intake** of MNOK 148 (24)
- **Order backlog** of MNOK 864 at quarter-end (795)

Operational highlights



- Steady execution of projects and service
- Three new contracts with combined value of MNOK 85
- Additional MNOK 30 contract signed in August with European shipyard



- Installation of InteliAutomate completed in Q2 2023 on Transocean Norge – system in operation with good operational results
- Purchase order for additional scope, Q3 2023



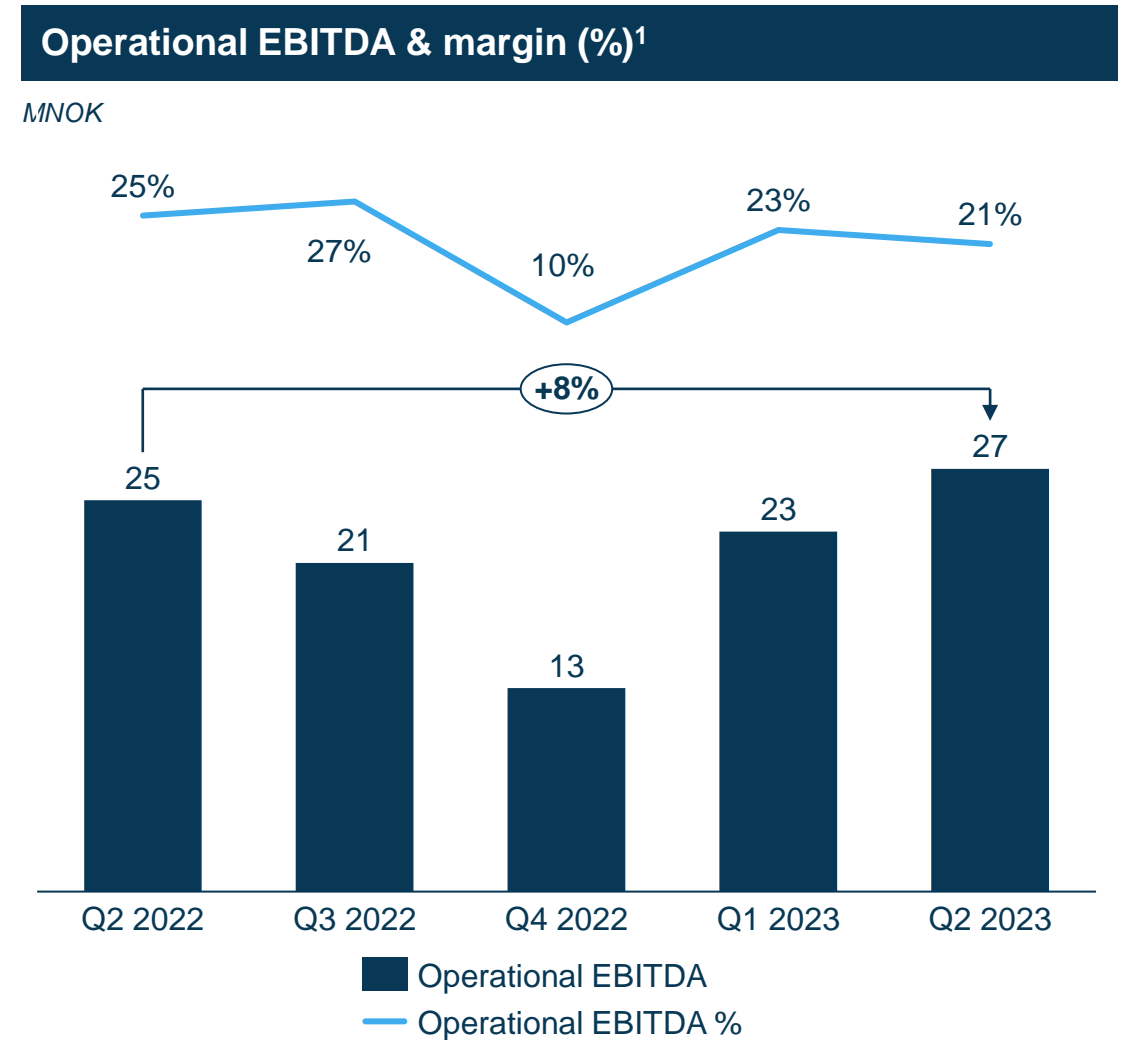
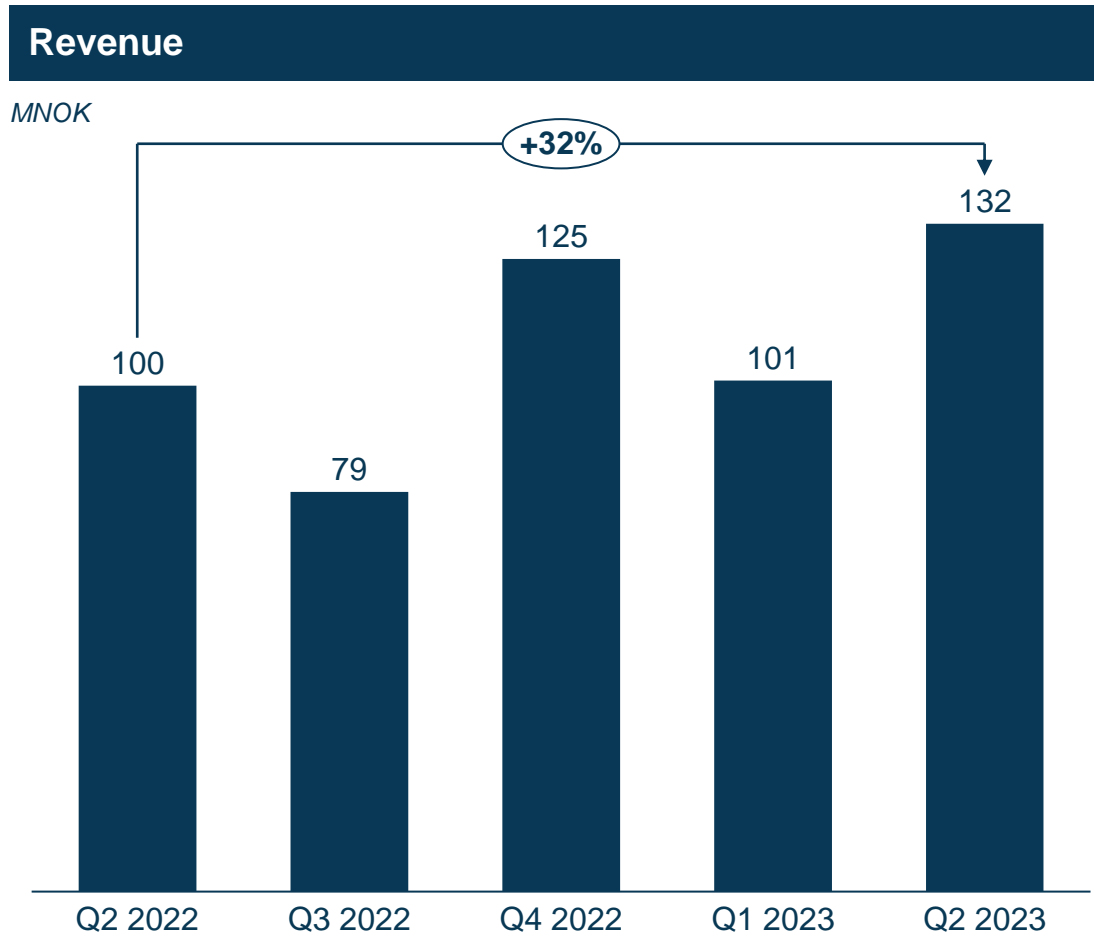
- EUR 4 million crane contract for CLSV
- Successful commissioning of live fish transfer system to *Offshore Farm 1*



- Agreement reached with 3 x offshore wind consortiums for potential use of SkyWalker
- Partnering with Bewi Invest through a joint investment in the aquaculture through FiiZK

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

Key financials | Per quarter



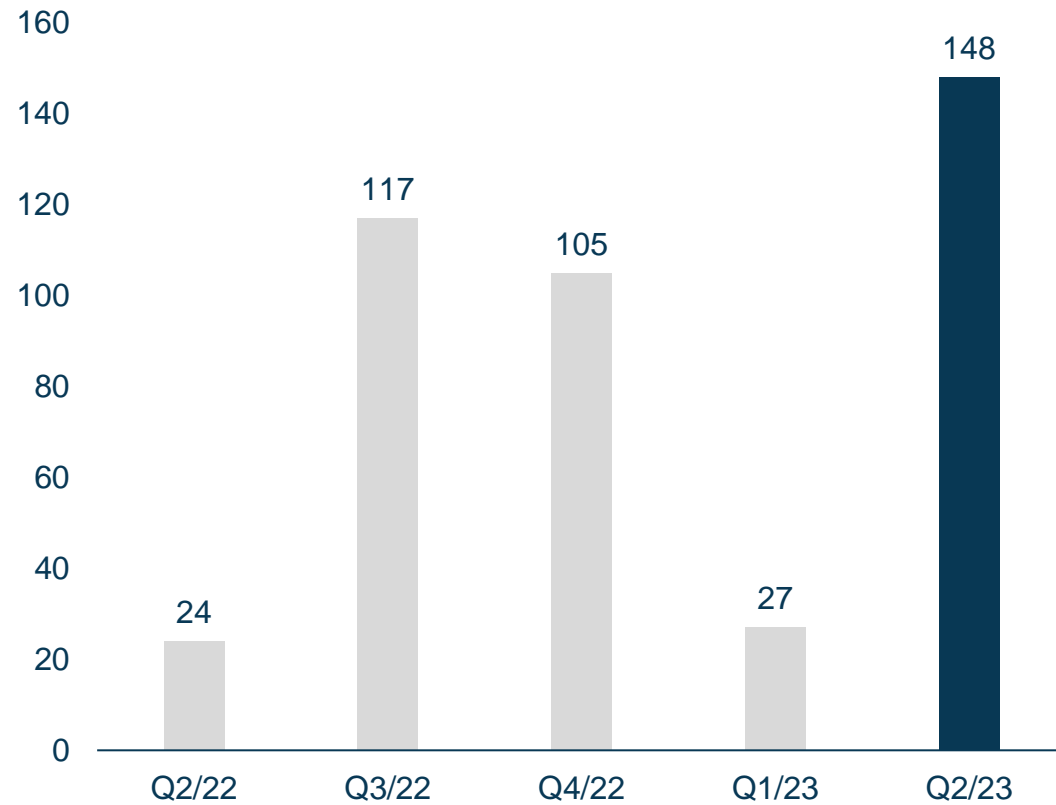
¹ Excluding losses/gain on FX contracts not qualifying for hedge accounting

Order intake and backlog | Per quarter



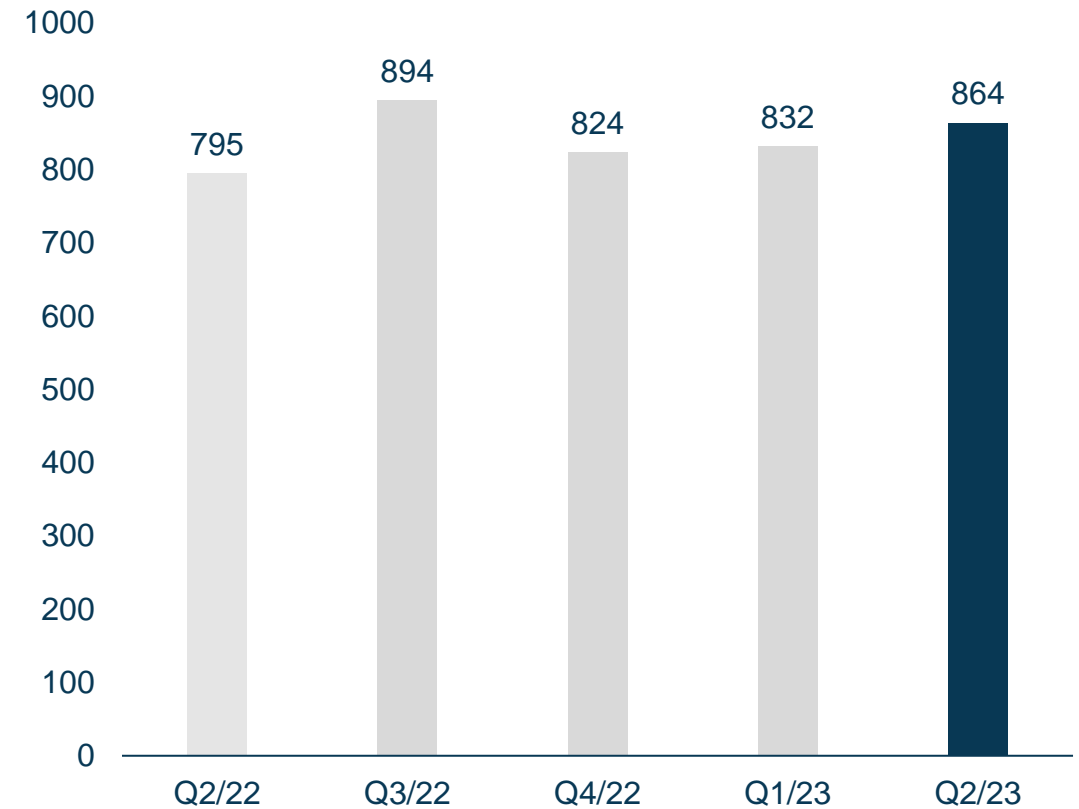
Order intake per quarter¹

MNOK



Order backlog development²

MNOK



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

Acquisition announcement

**Fii
ZK**

BEWI Invest and Nekkar partner through a joint investment in the aquaculture industry supplier

FiiZK becoming the leading provider of sustainable closed-cage fish farming solutions and aquaculture software



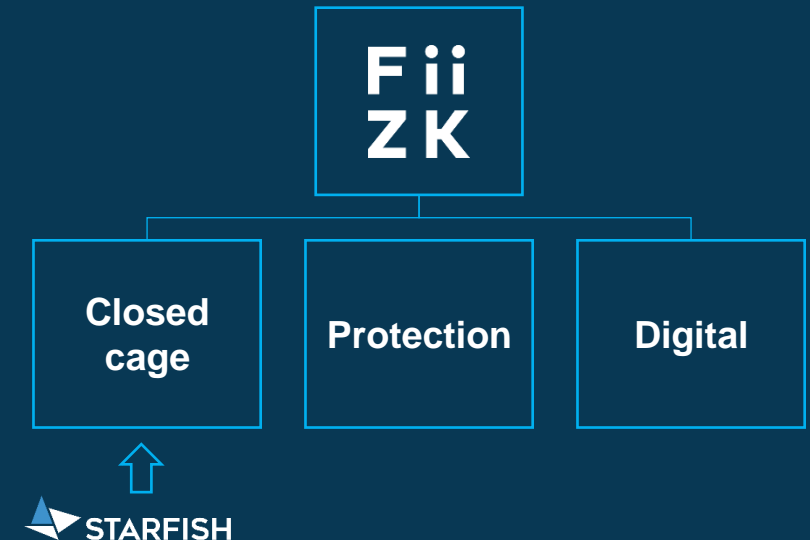
FiiZK: A leading provider of closed cage solutions & software for aquaculture

ABOUT FiiZK:

- 2022 revenues of NOK ~330 million
- Three business units with close to dedicated 100 employees:
 - **Closed cage:** Closed cage solutions for fish farming with 20 installed systems
 - **Protection:** Technical textiles including tarpaulin-based products such as lice skirts
 - **Digital:** Software products for aquaculture planning, optimisation, and analysis with the products Horizon, Omnia and CTRL

TRANSACTION:

- Nekkar 39% and BEWI Invest 41% become the two largest shareholders of FiiZK
- Nekkar invests a total of NOK 50 million:
 - NOK 25 million cash and NOK 25 million contribution in kind through the transfer of Starfish
- Bewi Invest invests NOK 25 million in cash and other existing minority shareholders will invest NOK 10 million in cash
- BEWI Invest and Nekkar will take active roles in developing FiiZK





SYNCROLIFT®

Rolf-Atle Tomassen,
Managing Director, Syncrolift AS

Syncrolift AS

60%

Market share
2012-2023

Market leader

The company is the dominant supplier of ship-handling solutions for shipyards all over the world. Since 2020, Syncrolift has also captured a considerable and growing share of the global after sales and service market

200+

Shiplifts installed

Installed Base - Proven technology

Established in 1966, Syncrolift AS has extensive experience delivering safe, efficient and cost saving Syncrolift® shiplift and transfer systems for maintaining and repairing ships



Worldwide service

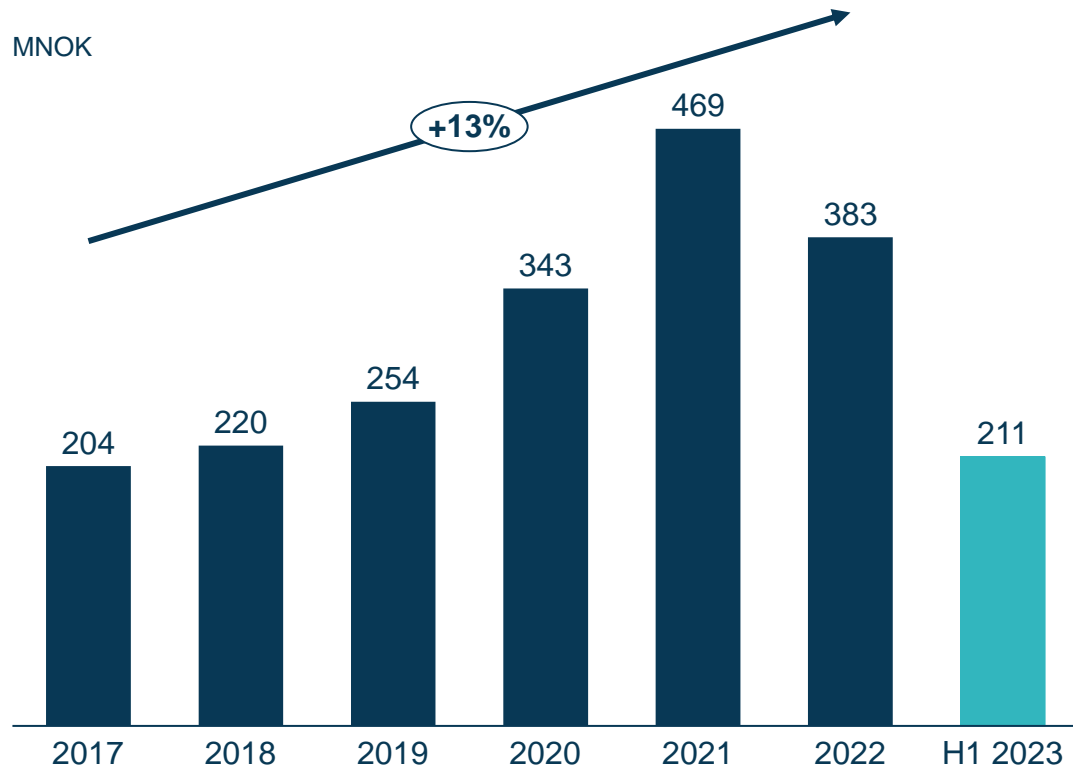
Global team

We are a team of 45 people with headquarters in Norway, and regional offices in Dubai, India, US, and Singapore. The company Syncrolift AS is 100% owned by Nekkar ASA, listed on the Oslo Stock Exchange

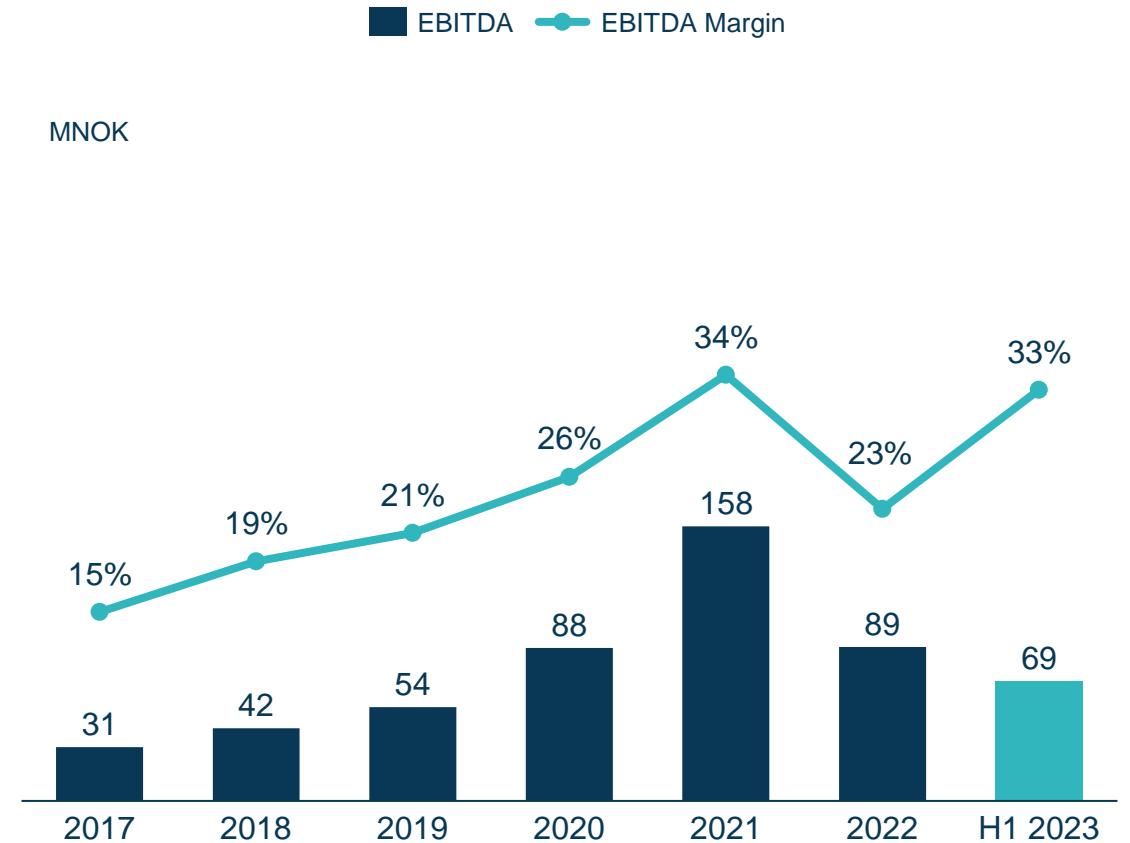
Solid financial performance over time



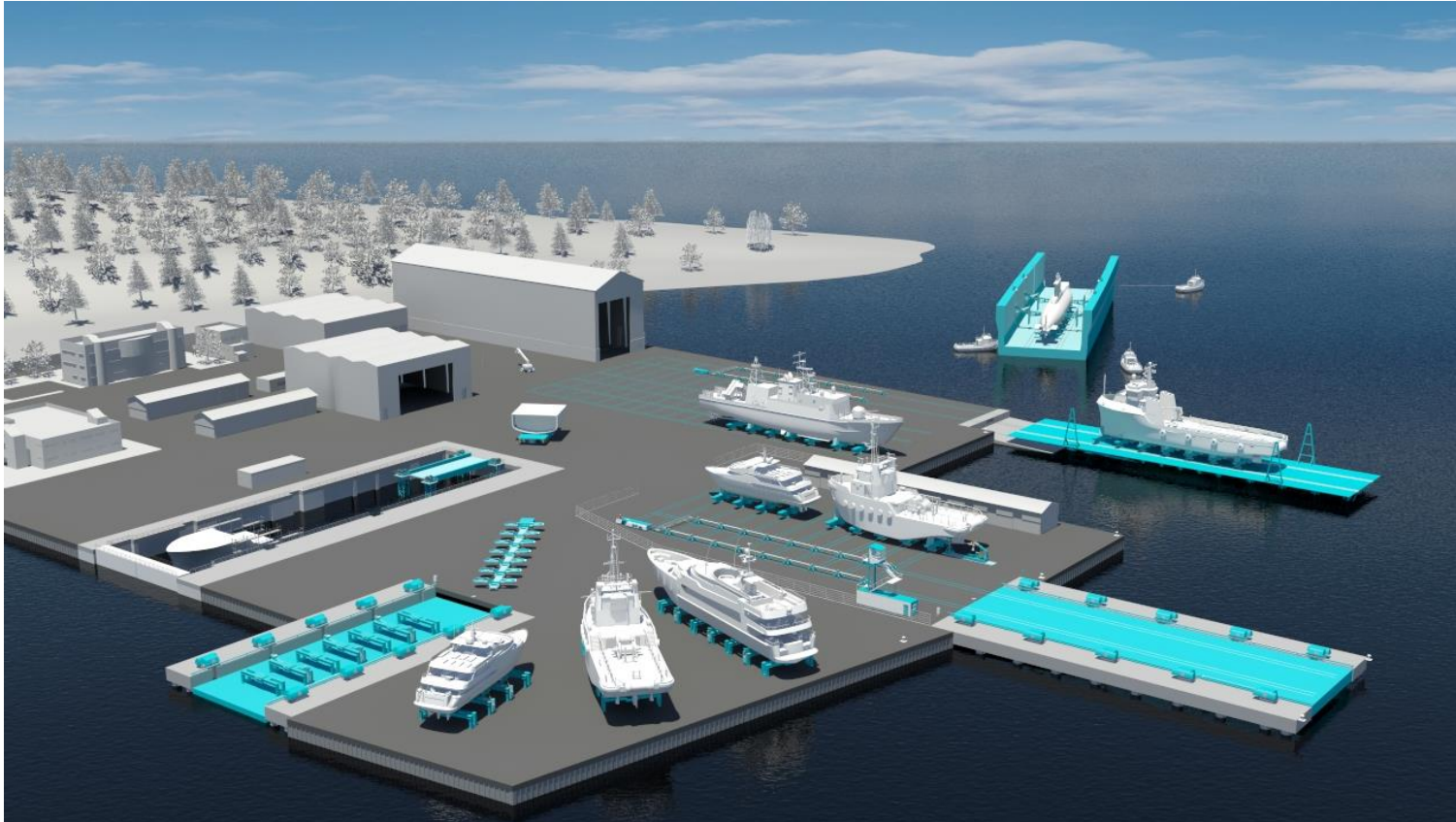
Syncrolift revenues



Syncrolift reported EBITDA



Our mission is to improve shipyard docking efficiency



End-to-end Solution provider



Vertical lifts

- Ship lifts and slipways
- Fast docking solutions
- Upgrade of existing systems



Horizontal transfer

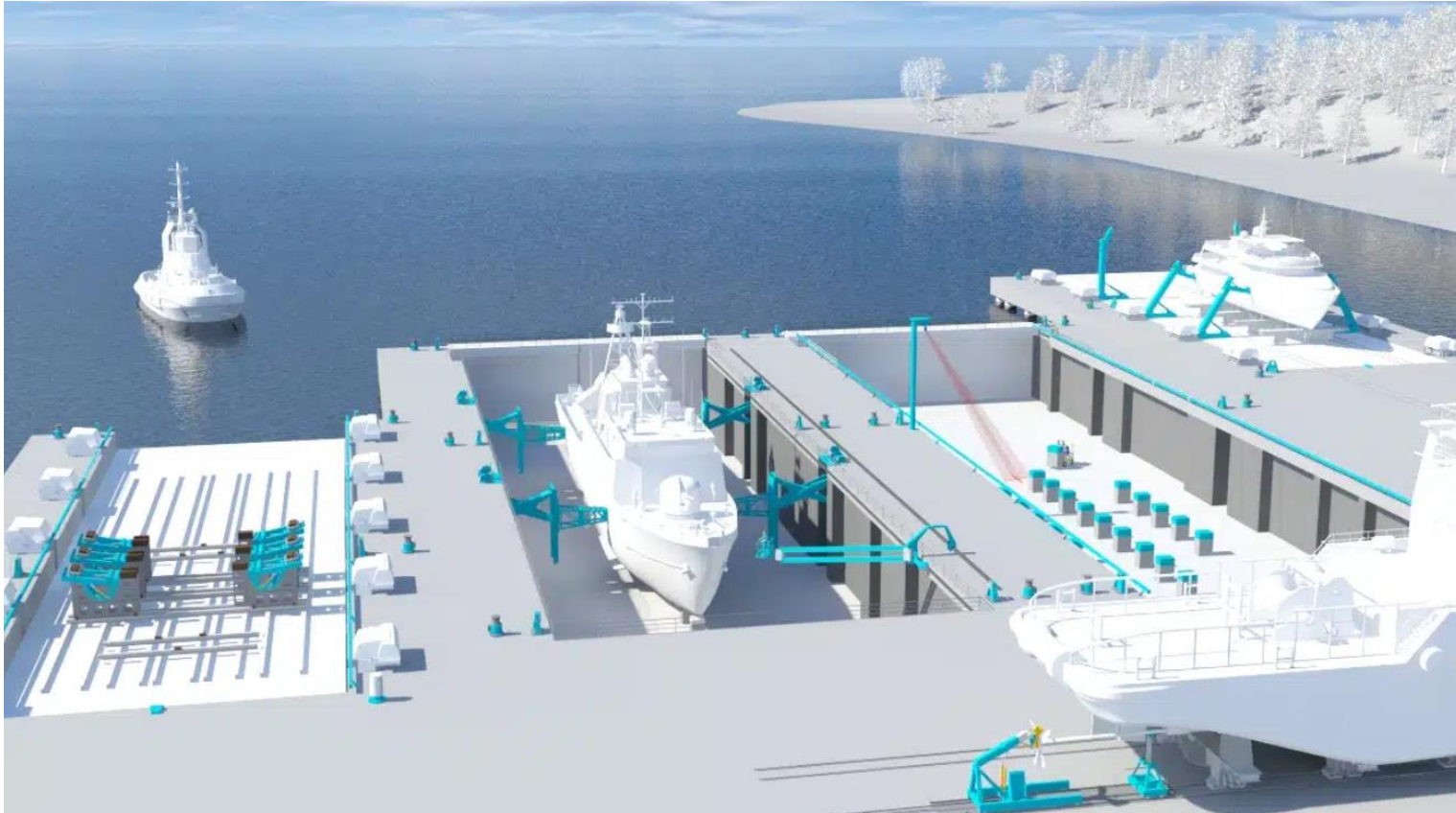
- Rail transfer and FlexTrolley



Service

- Local service

Making shipyards more flexible and profitable



Value proposition



**Faster
docking**



**Increased yard
capacity**



**Higher ROI
for yard owner**

The bottleneck in a traditional shipyard is the ship-dock. A ship-dock can service 1-2 ships at a time. *A shiplift and transfer system* will increase this capacity to anywhere between 3 and 50 ships that can be serviced/repaired.

Utilizing available land area requires smart transfer solutions such as the Syncrolift FlexTrolley which is capable of moving vessels “anywhere” on land.

The demand is driven by three main segments

The Market cycles varies with little correlation across segments, as naval typically increase investments in times of geopolitical uncertainty whereas Commercial yards more follow market cycles.



Commercial



Naval



Mega-yachts



Syncrolift is committed to customers worldwide



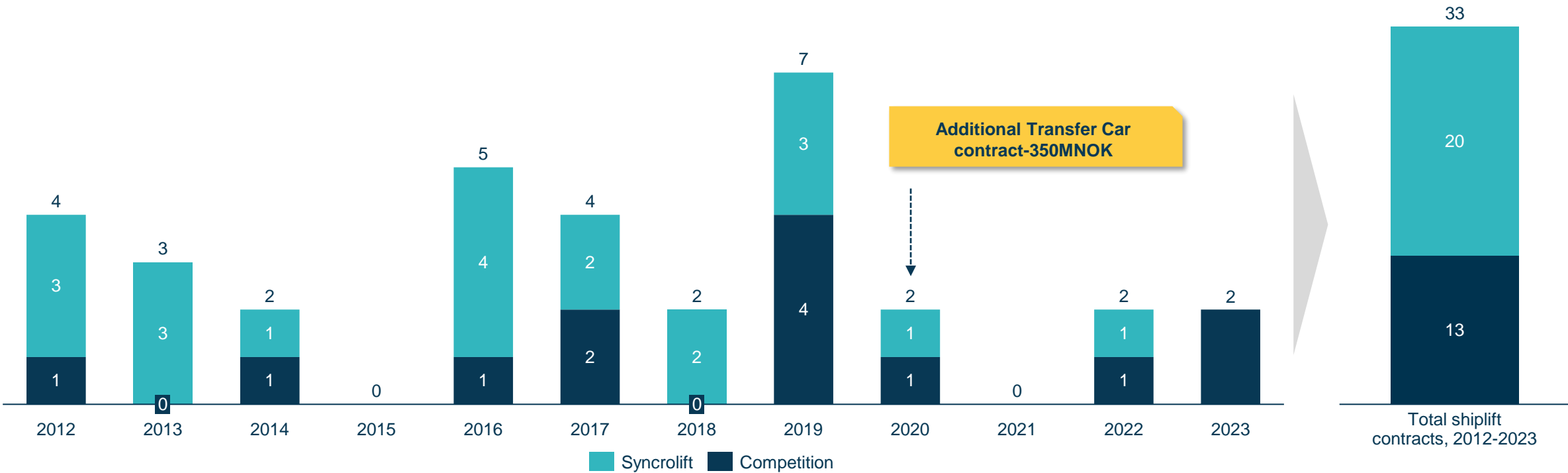
● Sales and service office

Global footprint with more than 200 operational shiplifts and 5 service hubs

60% market share for global shiplift contracts over the past decade

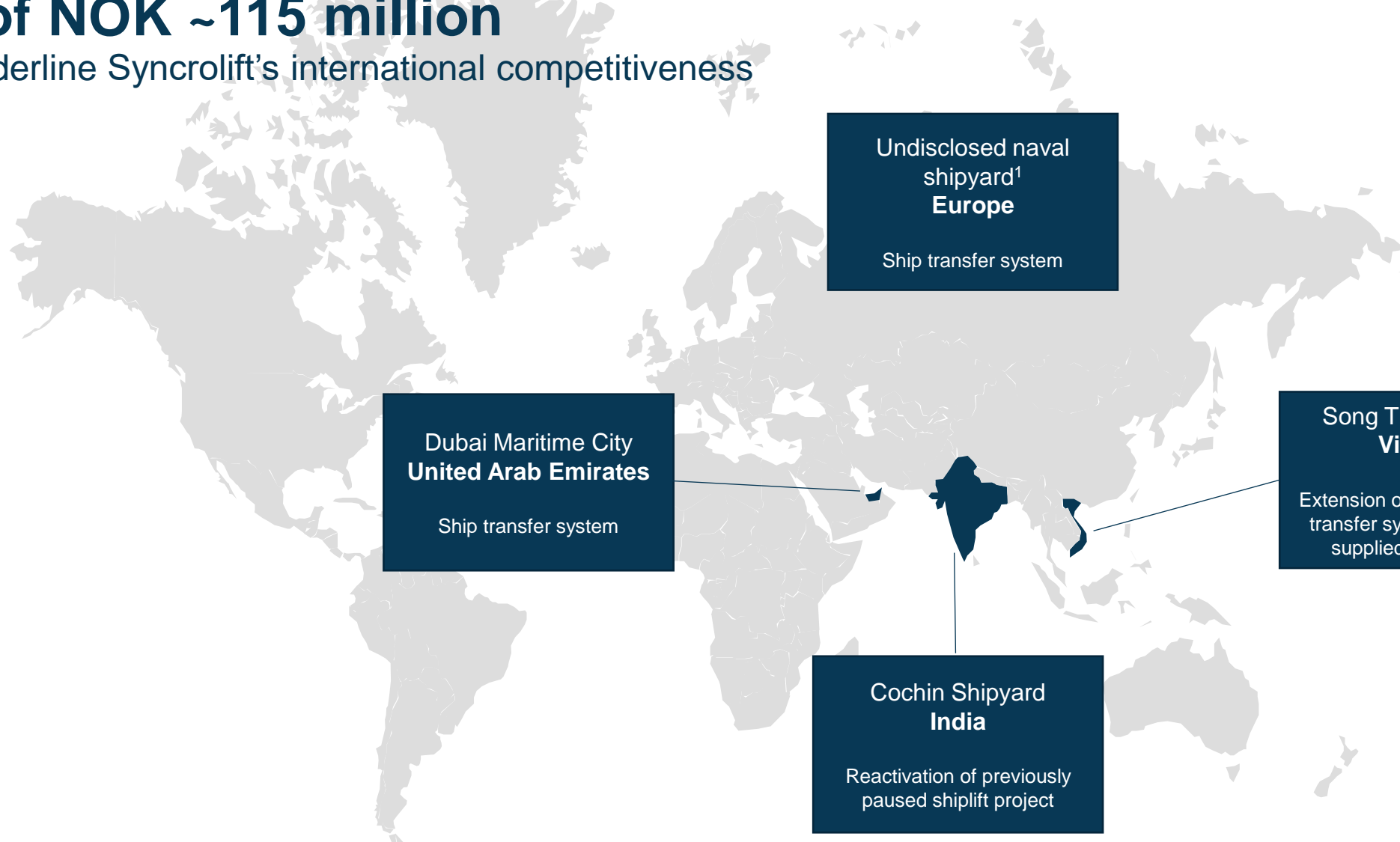


Global shiplift contracts awarded, 2012-2023



Four new contracts recently signed with total contract value of NOK ~115 million

Awards underline Syncrolift's international competitiveness



Undisclosed naval shipyard¹
Europe
Ship transfer system

Dubai Maritime City
United Arab Emirates
Ship transfer system

Song Thu Shipyard
Vietnam
Extension of shiplift and ship transfer system previously supplied by Syncrolift

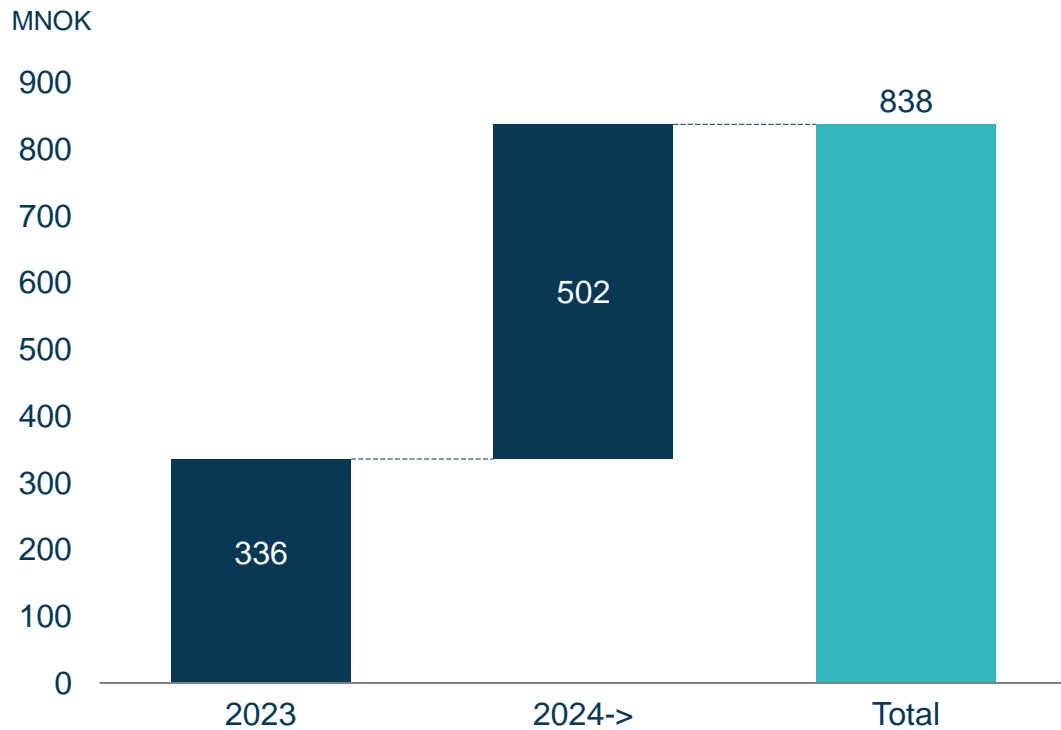
Cochin Shipyard
India
Reactivation of previously paused shiplift project

1 Contract signed in Q3 2023, value approx. NOK 30 million

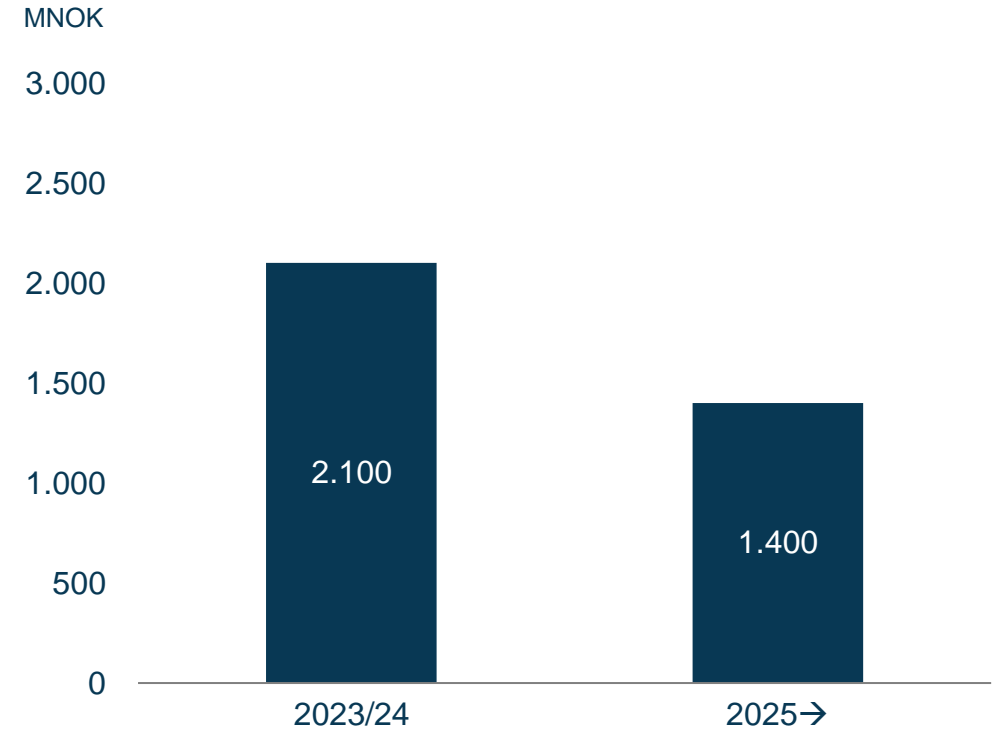
High visibility and tendering activity



Syncrolift order backlog by execution year¹



Tender pipeline, newbuild/upgrades by year¹ of contract award



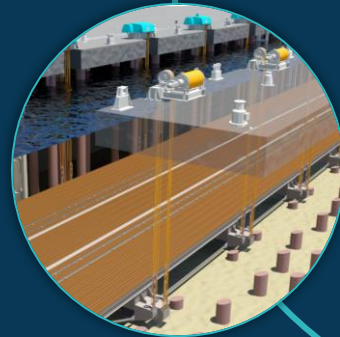
¹ Timings are indicative. Execution period and timing of contract awards may be impacted by external factors outside of Nekkar's control.

The Syncrolift approach



2. The reliable partner

60% historical market share and a trusted partner for customers worldwide



1. Continuous innovation

With safety and efficiency as the key design objective



3. Customer lifecycle focus

Close collaboration with the customer
Regional presence with service hubs

Ownership view on Syncrolift



13%

Annual revenue growth
2017-2022

27%

EBITDA margin
2017-2023 weighted average

838

MNOK backlog
Solid tender pipeline

18%

Service share of revenue¹
Predictable revenues



Efficient cash conversion
Strong cash flow and liquidity



Strong management team
Scalable operating model

¹ Share of total revenues per 2022



TECHANO OCEANLIFT

A NEKKAR COMPANY

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



AQUACULTURE

Cranes | Fish handling | Hose handling



RENEWABLES

Gangways | 3D-cranes | Control systems



OFFSHORE

Cranes | Winches | Handling equipment



CUSTOM MADE

Pre-studies | Tailor-made solutions



EUR 4 million 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, project on-track



INTELLIFT

INTELLIFT Wells Rig

Well ABC - Overview

Current Operation: 3.9. Drill 9-7/8" x 11" Hole section

Well Schematic:

- Well Name: 1234
- Well ID: 1234
- Well Type: Drilling
- Well Status: Drilling

Alarms:

- Pressure warning Main Traveling Assembly's... (10 minutes ago)
- Pressure critical in Main Traveling Assembly's... (10 minutes ago)

Parameters:

- Well ID: 1234
- Well Name: 1234
- Well Type: Drilling
- Well Status: Drilling

INTELLIFT Wells Rig

Well ABC - Hole Cleaning

Section 12.5 - CASING 422.15m to 234.52m

Flow Rate: 180 gpm

MINIMUM TRANSPORT RATIO: 43.6%

WELL SCHEMATIC:

- SECTION 1A5 10,892.9 ft
- SECTION 1L5 10,892.9 ft
- WT DEPTH 17,892.9 ft
- HOLE DEPTH 19,892.9 ft

INCLINATION: Degree (a)

RELATIVE BED HEIGHT: Degree (a)

SOLIDS CONCENTRATION: Degree (a)

ECD: -25k 15k 50k

Flow Rate: 495 gpm (OFF-PIPE FLOW RATE FOR EFFICIENT HOLE CLEANING), 236.26 gpm (REAL TIME), 180 gpm (MODEL)

Rate of Penetration (ROP): 323 ft/h (REAL TIME), 39 ft/h (MODEL)

Rotations Per Minute (RPM): 25.00 RPM (REAL TIME), 18 RPM (MODEL)

Pressure: 234 lbf/in² (REAL TIME)

Fluid Properties: 1234 abc (compressible)

First IntelliWell project progressing according to plan

- Four-year contract with Transocean for Transocean Norge operating for Wintershall Dea and OMV
- Intellilift to execute project on behalf of IntelliWell JV
- Installation of IntelliAutomate completed in Q2 2023, system in operation with good operational results
 - Automated stand building (pipe & casing) plus tracker completed (see video on next slide)
- Additional purchase order for Q3 2023:
 - Tripping, pipe, casing, casing tong integration, auto-filling and auto trip tank line-up



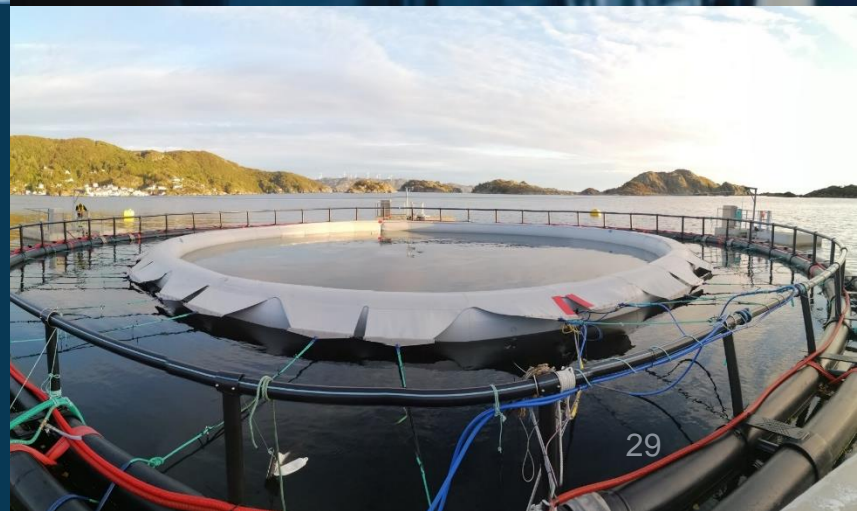


**INTELIWELL, WINTERSHALL DEA AND TRANSOCEAN,
AUTOMATED STANDBUILDING
ON THE TRANSOCEAN NORGE**





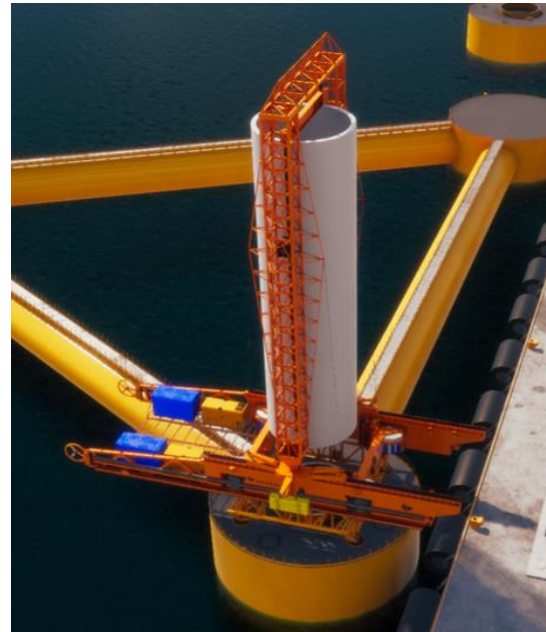
Impact Technology Ventures



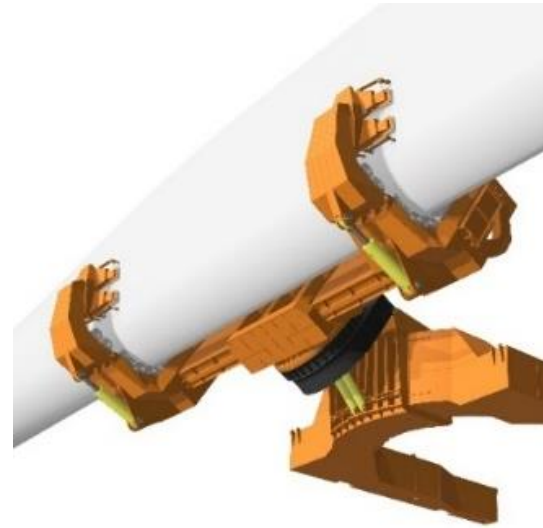
SkyWalker solves major bottlenecks for offshore wind



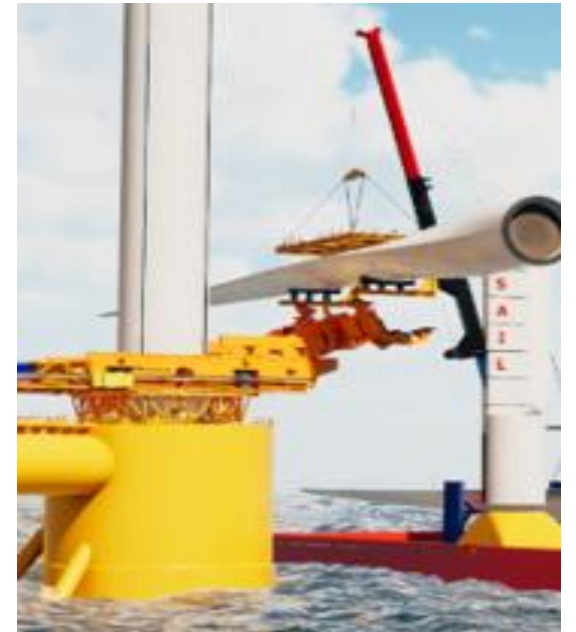
Installation of tower sections for **bottom fixed offshore**



Installation of **floating turbines** on floater at quay



Major component exchange on **bottom fixed offshore**



Major component exchange on **floating offshore wind**

SkyWalker wind turbine installation & maintenance tool included in plans by three consortiums for developing Norway offshore wind



Blåvinge

Ørsted

Hafslund

Fred. Olsen Seawind

Undisclosed
consortium

Undisclosed
consortium

 SKYWALKER

Increased focus on Major Components Exchange for offshore wind

- Focus on reducing opex through lifecycle by exchange of major components on site offshore (blades, gearbox etc.) without disconnecting the foundation and tow to port
- Includes floating vessel, 3D compensated crane and SkyWalker – all integrated by digital automation technology



Financial highlights



Profit & Loss, Q2 2023

MNOK	Q2 2023	Q2 2022	H1 2023	H1 2022	2022
Revenue	132	100	234	184	388
Syncrolift	118	99	211	182	383
Intellilift	9	5	19	11	22
Techano Oceanlift	7	0	7	0	0
Other incl. eliminations	-1	-4	-3	-9	-18
Operational EBITDA¹	27	25	51	36	70
Reported EBITDA	36	6	60	20	62
EBIT	34	4	56	16	52
Net financials	-9	12	-14	10	-9
Profit (loss) before tax	25	16	42	26	43
Tax expense	5	3	9	6	10
Profit (loss) for the period	20	13	33	20	33
Operational EBITDA margin¹	20.6 %	24.7 %	21.6 %	19.8 %	18.1 %
Reported EBITDA margin	27.2 %	6.0 %	25.6 %	10.7 %	16.1 %
Net capitalised development costs ²	2	9	8	18	19
Order intake	148	24	175	55	277
Order backlog	864	795	864	795	838
EPS (NOK)	0.18	0.12	0.29	0.19	0.30

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

². Net of received soft-funding

Revenue

- Q2 revenue of MNOK 132, representing an increase of 32% compared to the same period last year

Profitability

- Healthy operational EBITDA margins of 20.6 % in Q2 2023
 - Reported EBITDA positively impacted by unrealized gains on FX hedging contracts in Q2 2023 of 8.6 MNOK

Sales

- Order intake of MNOK 175 in H1 2023 driven by increased sales in all companies
 - Order backlog of MNOK 864 at the end of the second quarter, a boost of MNOK 69 compared with Q2 2022

CAPEX

- Net capitalised development costs (R&D capex) of MNOK 8 in H1 2023 compared to MNOK 18 in 2022

More financial details in the Q2 / H1 Report

Balance sheet



Balance sheet, 2Q 2023

MNOK	30.06.23	30.06.22	31.12.22
ASSETS			
Deferred tax assets	0.0	10.5	7.0
Goodwill	17.1	16.6	16.6
Intangible assets	66.8	57.0	58.0
Right of use assets	15.1	5.1	5.8
Tangible assets	11.2	12.9	8.4
Inventories	9.8	4.9	2.3
Trade receivables	96.8	110.9	106.9
Accrued, non-invoiced production	50.3	56.2	113.6
Other short-term receivables	11.9	11.7	7.1
Bank deposits	236.1	188.2	181.3
Total assets	514.9	474.0	507.1
LIABILITIES			
Deferred tax	0.7	0.5	0.5
Lease liabilities	14.7	5.0	4.3
Trade payables	43.3	35.7	45.9
Prepayments from customers/deferred rev.	9.8	41.9	42.4
Other current liabilities	58.0	52.4	63.1
Total equity	388.3	338.3	351.0
Total liabilities & equity	514.9	474.0	507.1
Net working capital	57.6	53.6	78.5

Assets

- Intangible assets increased by MNOK 9 in H1 2023, mainly due to capitalised development cost for Impact Technology Ventures and additions following the Techano acquisition

Working capital

- Q2 end: MNOK 57.6; reduced from MNOK 78.5 in Q4 2022
- Significant decrease in accrued non-invoiced production since year-end 2022; converted to receivables and cash

Cash

- Strong cash position; MNOK 236 at Q2 end

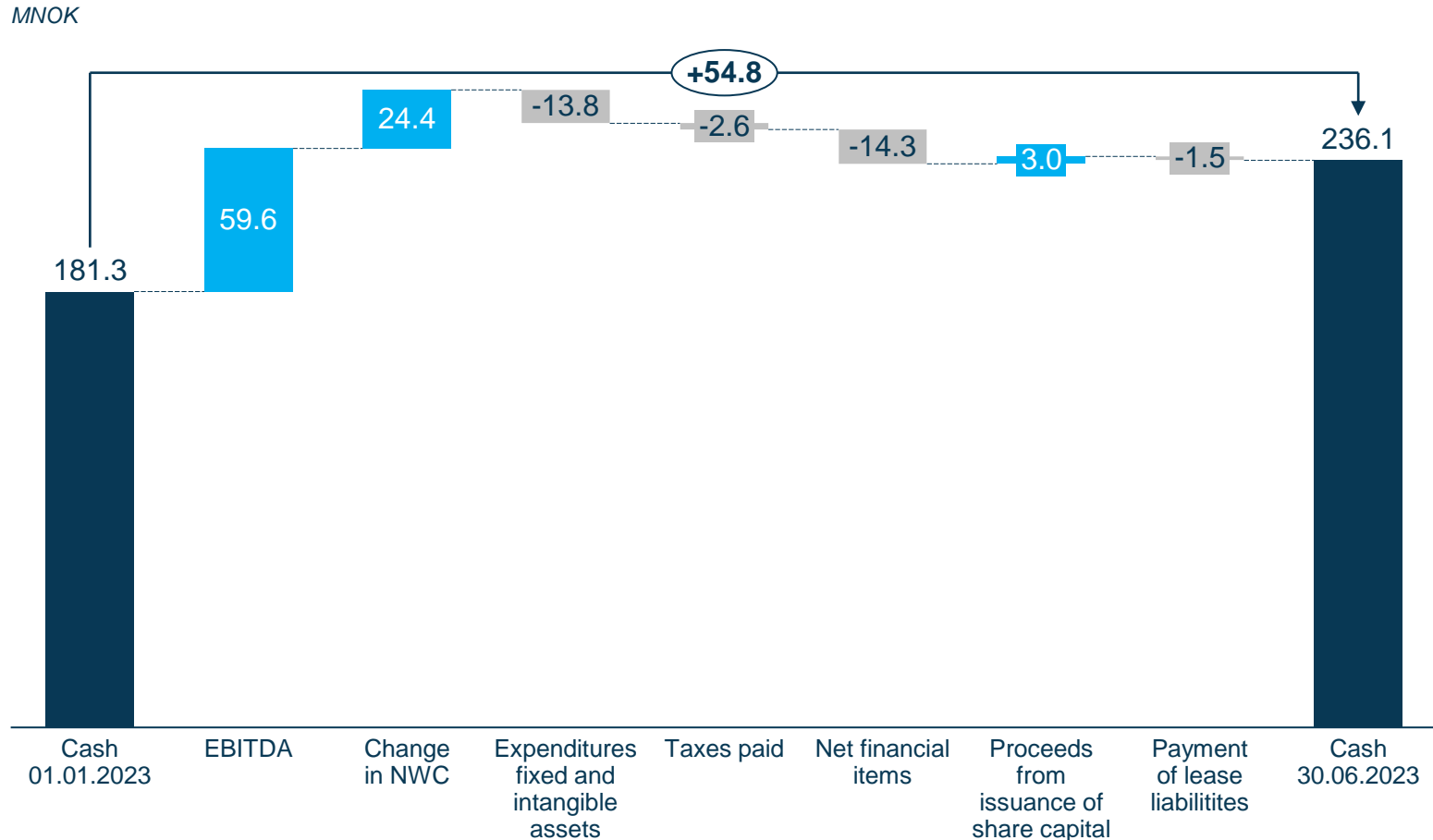
Net interest-bearing debt and equity

- No interest-bearing debt
- Available credit facility; MNOK 200
- Solid equity of MNOK 388, representing a 75 % equity ratio

Cash flow



Cash flow development, H1 2023



Cash flow

- Operating cash flow of MNOK 81.7 in the first half of 2023, representing a significant increase of MNOK 59.8 compared to the same period last year.
- Cash flow from investments of MNOK 14.1 in the first half of 2023, mainly related to R&D investments in impact technology ventures.
- Cash flow from financing of MNOK -12,8 in the first half of 2023, compared to MNOK 10.9 in the previous year.
- Net cash flow of MNOK 54.8 in the first half of 2023 and a strong cash position of MNOK 236 as per 30 June 2022.
 - MNOK 10 is held as a deposit for FX-derivative exposure in DnB and MNOK 3.5 is restricted deposits related to employee's tax withholding.
 - Undrawn credit facility of MNOK 200

Nekkar's capital allocation strategy



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

Available capital Q2 2023	MNOK
Net cash	236
Undrawn credit facility	200
Total	436

Expecting continued solid operational cash flow going forward

Summary Q2 2023 & outlook



Summary



Solid revenue, operational EBITDA and EBIT



Healthy order intake of NOK 148 million, order backlog of NOK 864 million



Strong cash flow and balance sheet



Increasing interest in SkyWalker as major component exchange tool for offshore wind

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



- Starfish to be developed as part of FiiZK with Bewi Invest and Nekkar as main shareholders

Next update: 30 November 2023 – Q3 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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