NEKKAR

Disruptive technologies, sustainable results

Q1 2021
Operational update presentation

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31 May 2021

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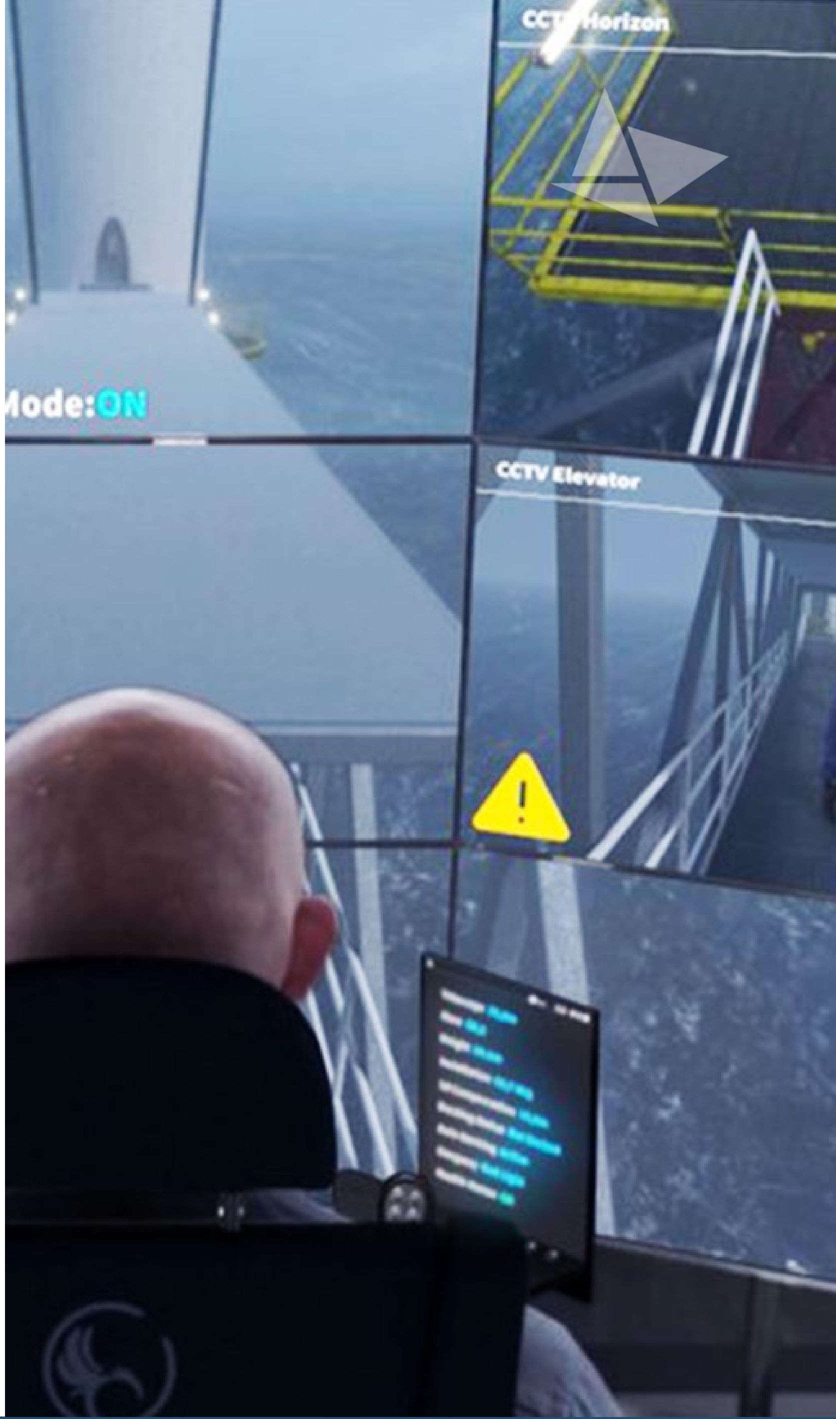
Nekkar ASA

Q1 2021 highlights



Highlights Q1 2021

- NOK 93 million in revenues, up ~40% compared to Q1 2020
- Operational EBITDA* of NOK 17 million (EBITDA-margin of 18%), up from NOK 5 million in Q1 2020
- Solid order backlog of NOK 1,043 million at the end of Q1 2021
- Successful start-up of ocean testing of “Starfish” closed fish cage
- Secured NOK 21 million in funding for “SkyWalker”, Nekkar’s disruptive wind turbine installation solution
- Five-year service agreement for US customer signed for Syncrolift
- Delivered environmentally friendly shiplift to Skarvik AS

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

Nekkar ASA

Disruptive technologies, sustainable results

New strategic direction defined in 2020

Leverage unique and recognized **drilling and lifting heritage** and **execution ability** from “Drilling Bay” in Kristiansand, within:

- Engineering
- Electrification
- Automation
- Digitalization

To develop **disruptive technologies** that can make high-growth industry sectors, such as aquaculture and renewables, even **more sustainable and profitable**

Nekkar in brief

- NOK 360 million revenue company (2020)
- 63 employees
- Headquartered in Kristiansand, Norway
- Listed on Oslo Stock Exchange (NKR)

Utilise unique Nekkar competence to unlock productivity and sustainability gains in high-growth industry sectors

Common value levers

- Engineering
- Electrification
- Digitalisation
- Automation

Value delivered

Smaller environmental footprint	Energy efficiency	Automation & diagnostics	Visualisation & robotisation	Remote & unmanned operations	Significantly reduced opex

Digital business models to capitalise on unique hard-tech to unlock and drive value from SaaS revenue potential

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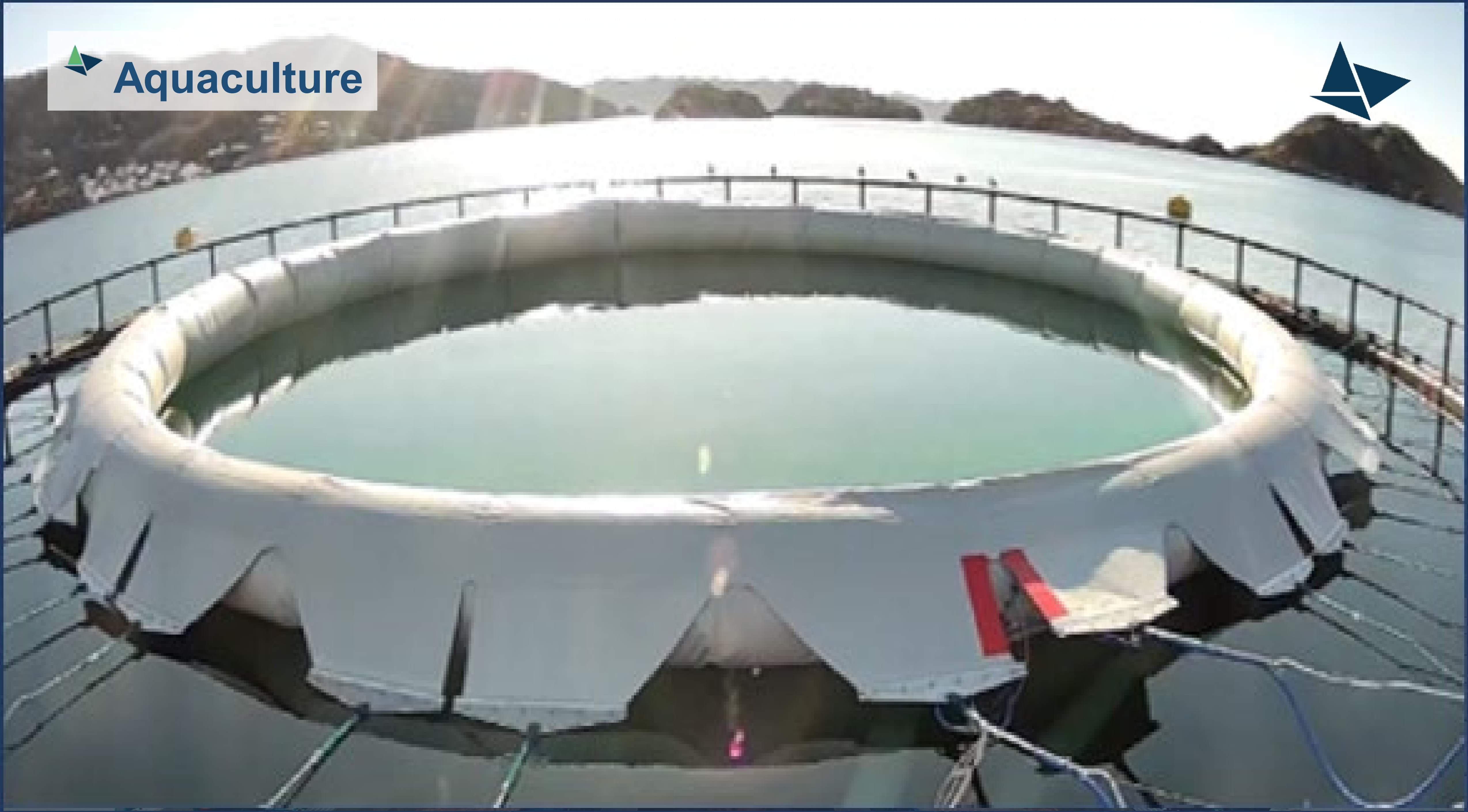
SHIPYARD SOLUTIONS

AQUACULTURE

RENEWABLES

DIGITAL SOLUTIONS

Aquaculture



The future of a sustainable aquaculture industry

Megatrends and opportunities

- Strong underlying demand-growth long term
- Accelerating focus on ESG & green finance
- Innovations will contribute to supply growth
- Land based, closed containment in sea, offshore, digitalization, new species ++
- Norwegian vast farming experience, natural conditions and infrastructure

Sustainable aquaculture with closed technologies in sea

Ocean-based closed cage fish farming

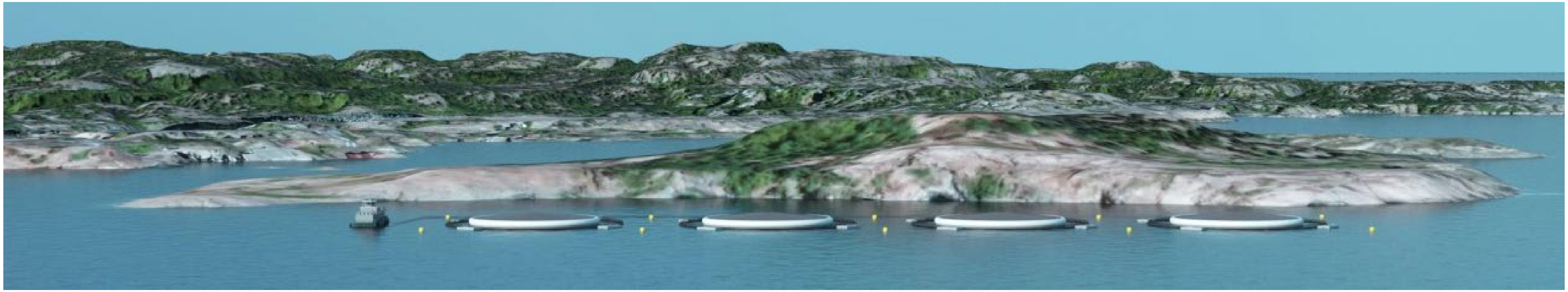
Protection against sea lice increase **fish welfare** and dramatic **reduction in Opex**

Lower risk of escape due to dual safety

Collection of waste contributes to **circular economy** – sludge will be turned into value

Digital systems = better control, increased growth and reduced Opex

Significantly **lower energy consumption** than land-based fish farming



Starfish pilot test at Hidra in Flekkefjord: progressing according to plan

Concept tests: Q1-Q4 2021

Circulations units & flow

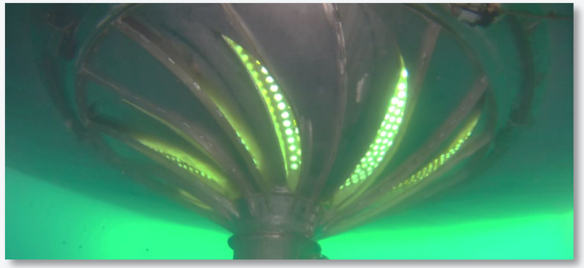
Regulation, monitoring & software:

- Cameras under and over water level
- Compressors
- Flow sensors
- GPS for external data (wind etc.)

Inlet pipes / water pressure

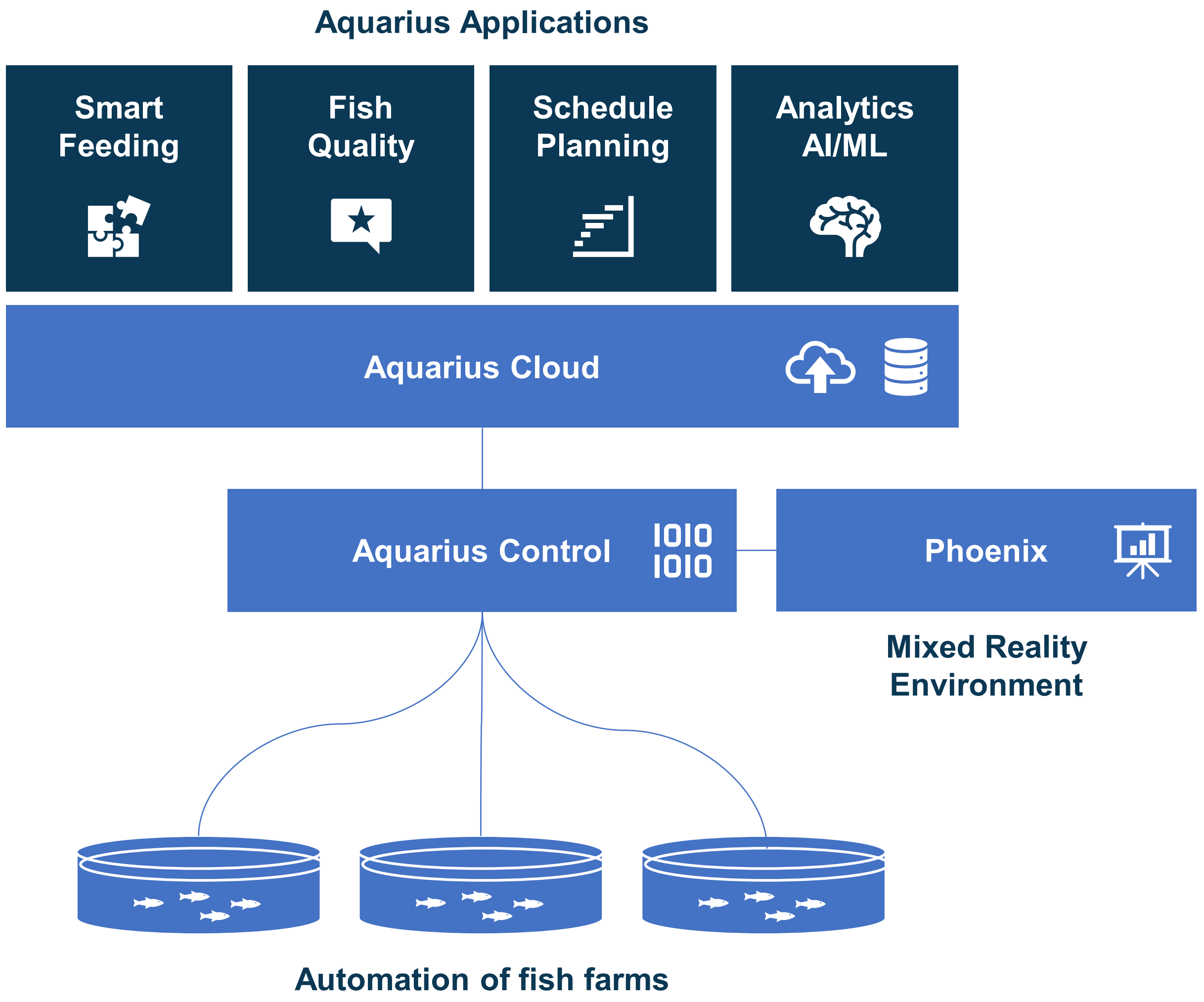
Ocean current measurement

Sludge treatment system



Aquarius – data-driven fish farming

- Norway produces salmon from 875 locations with a total of 3,710 nets[1]
- Many farms lack proper automation and/or production optimization
- Based on existing products, technology and knowledge from the drilling industry, Intellilift delivers Aquarius data-driven software system for fish farms
- Aquarius is open, web-based software system that provide full production insight and deep analytics, across multiple farms
- Adding Phoenix immersive visualization environment promotes operation of multiple fish farms from a single central location



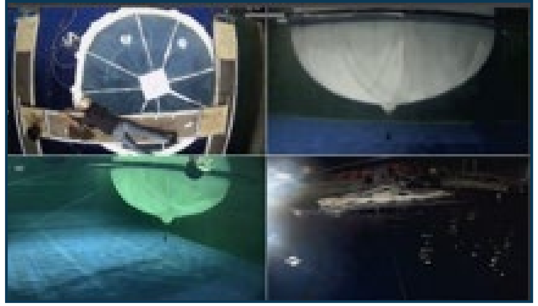
1) Figures from Fiskeridepartementet 2021 (Biomasseregister).

Starfish – way to market

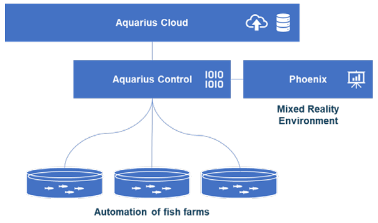
PRODUCT DEVELOPEMT

TIME

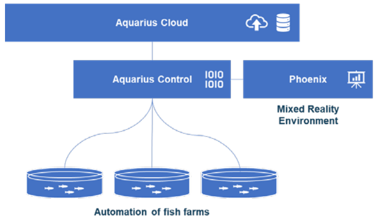
Tank test 1:16

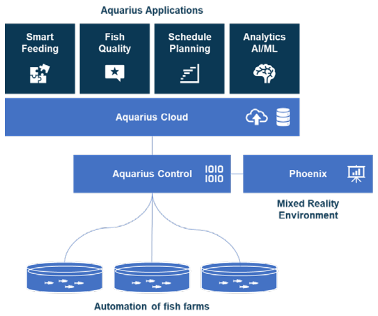


Hidra 1:2,5



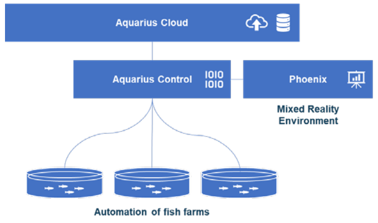
Full scale





Full scale

COMMERCIAL PRODUCT



Renewables

Photo: Unsplash.com

RENEWABLES

SkyWalker – the future wind turbine installation

Increased weather window due to guided lift

Reduced turbine installation time

Turbines can be larger and installed higher

Possible to reduce tower oscillation

Smaller installation footprint required

Low or zero emission machine

Remotely controlled, unmanned lifting platform

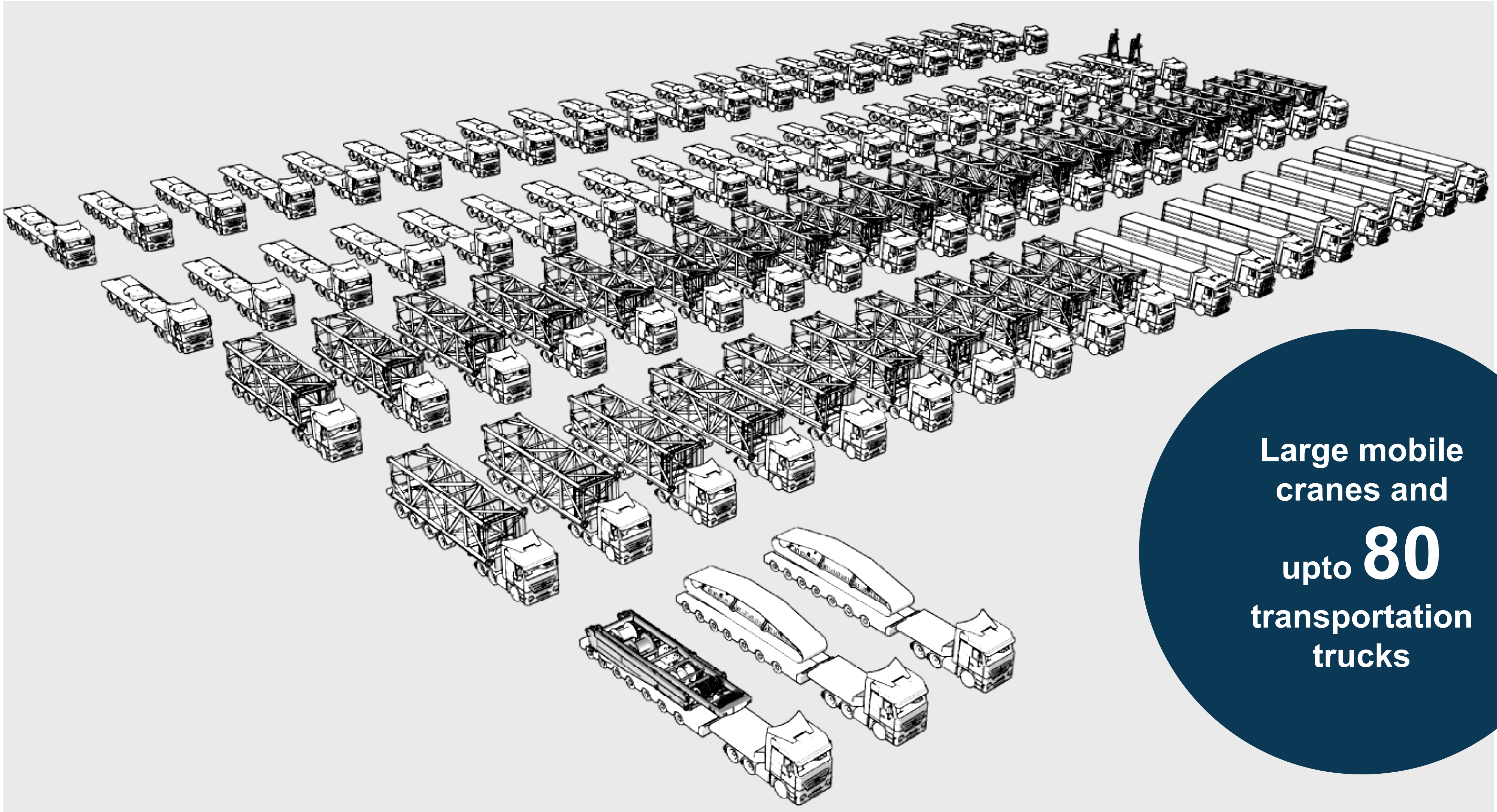
Easier transport to site

Technology based on active heave compensation (AHC)

Current installation solutions

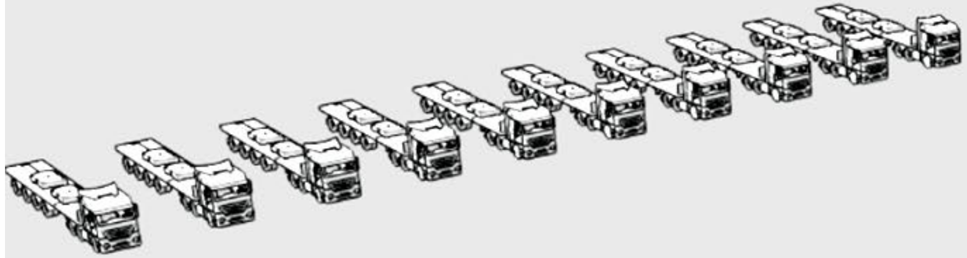
RENEWABLES

Today's transportation and installation need is massive



Large mobile cranes and upto **80** transportation trucks

SkyWalker significantly reduces support need

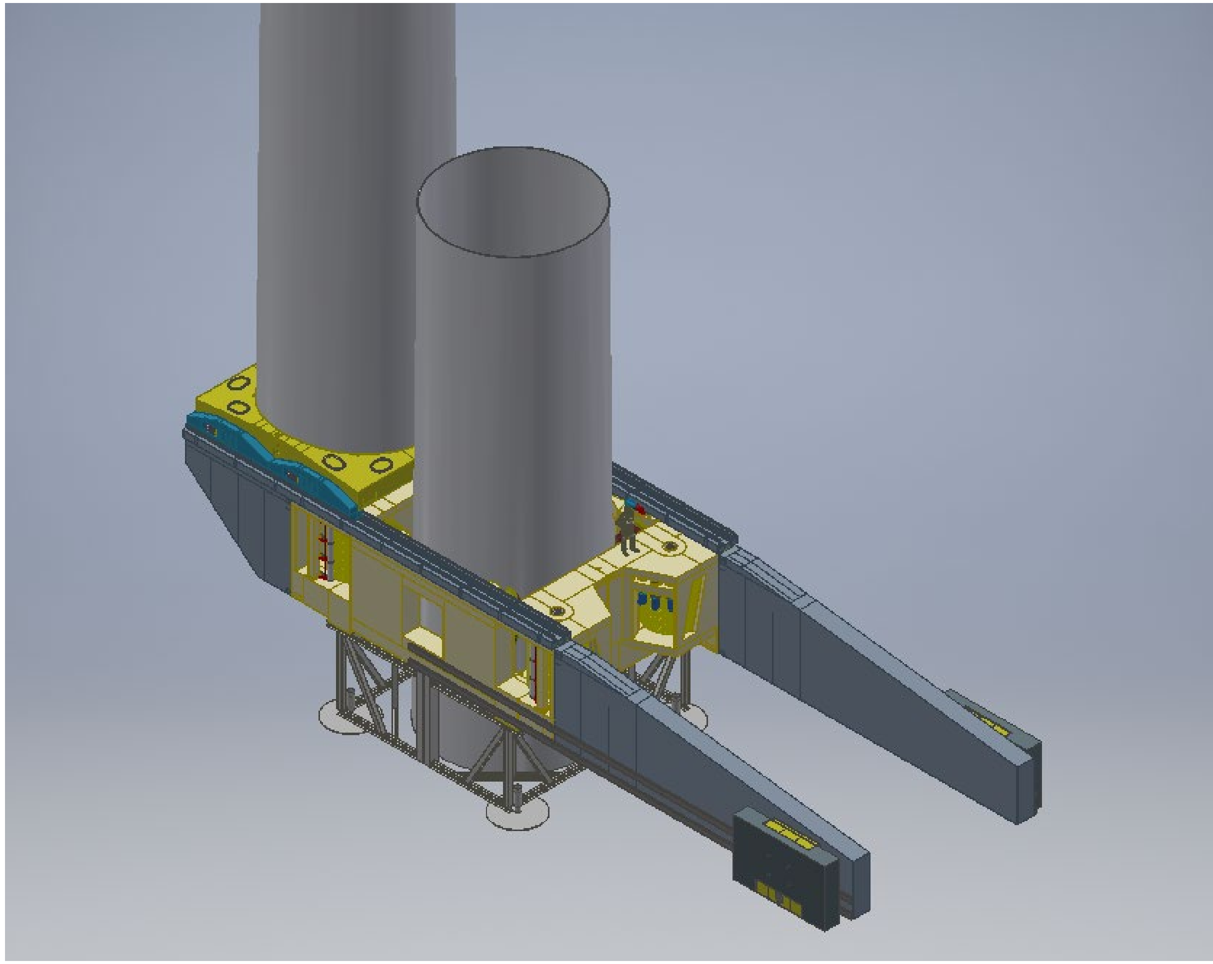


8-10

transportation trucks

SkyWalker – the future wind turbine installation tool

- Innovation Norway 21,5 MNOK funding approved
- Concept Design development complete
- Detailed Design during Q2-Q4
- Scale model (1:20) Q4
- Planning for test of prototype on site
- Cooperation with turbine OEM and Fred Olsen Renewables

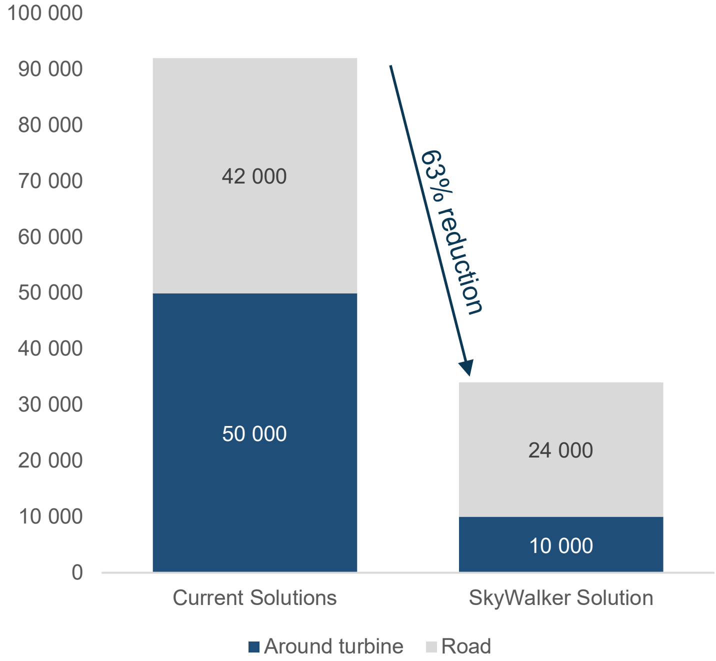


SkyWalker impact

REDUCES FOOTPRINT

20 TURBINE PARK

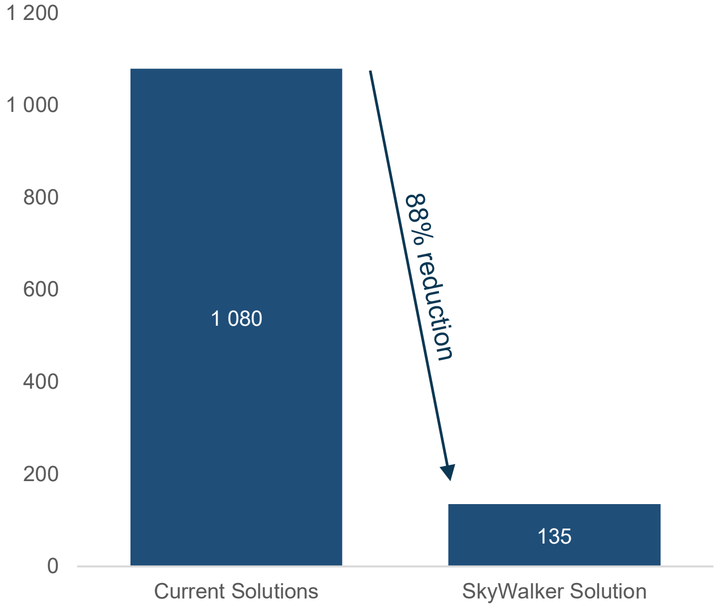
Square meters



REDUCES CO_2 EMISSIONS

FROM TRANSPORT TO WIND PARK

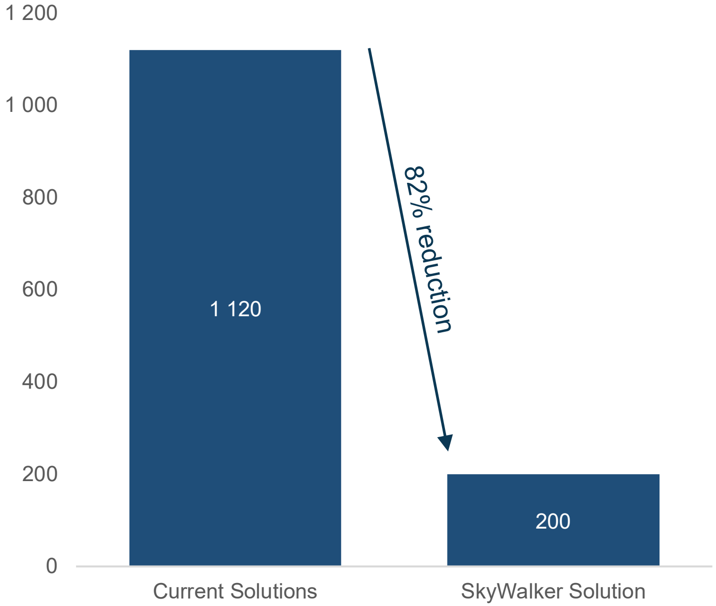
Tons of CO_2



INCREASES INSTALLATION EFFICIENCY

TIME DIFFERENCE FOR MOVING LIFTING RIG BETWEEN WIND TURBINES BASED ON A 20 TURBINE PARK

Hours



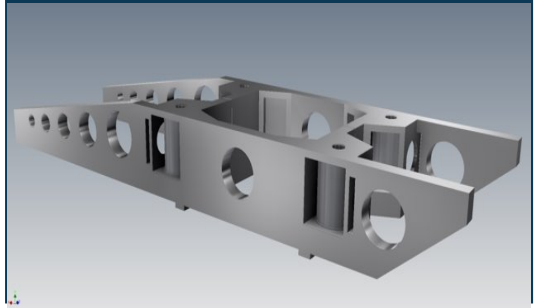
RENEWABLES

SkyWalker – next steps

PRODUCT DEVELOPEMT

TIME →

SkyWalker design and model test



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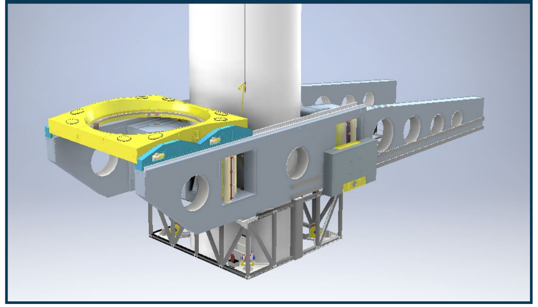
SkyWalker Onshore prototype test



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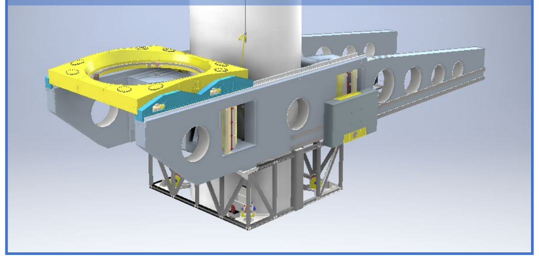
SkyWalker Onshore

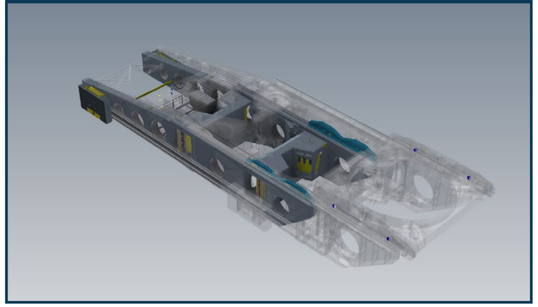
COMMERCIAL PRODUCT



SkyWalker H_2 0-Emission

SkyWalker maintenance

SkyWalker Offshore design



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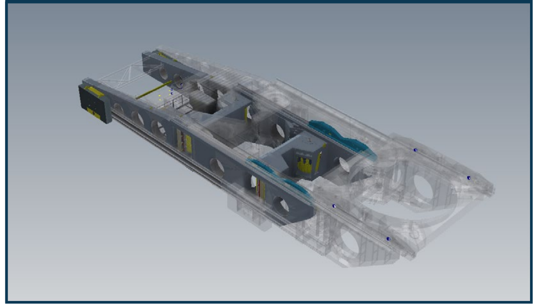
SkyWalker Offshore



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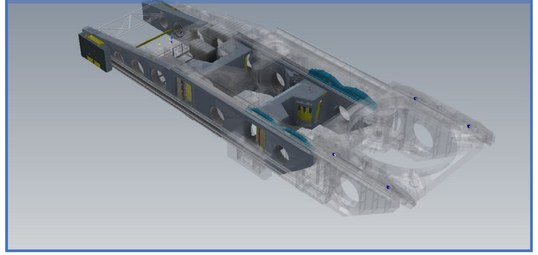
SkyWalker Offshore

COMMERCIAL PRODUCT



Shipyard solutions

Illustration: Syncrolift's new offices in Vestby, Norway

Skarvik AS environmentally friendly docking system

Delivered January 2021

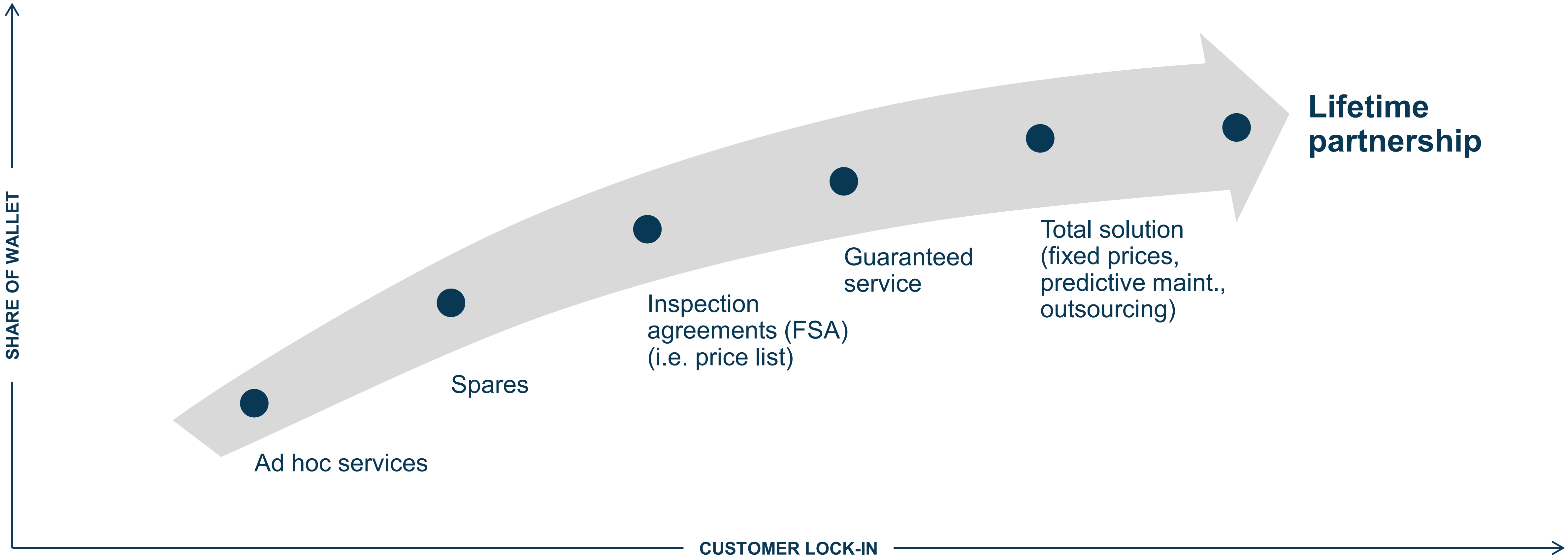
- Quick lift
- Clean & go
- Contaminated water and debris collected

Testing of transfer trollies before shipment to client

- Newly developed transfer trolley currently tested in in Norway
- Trollies are equipped with a powerpack to allow individual control
- Trollies will have electronic flow compensation that senses load and balance load

Service – moving from ad-hoc to long term lifecycle partnership

LONG-TERM RECURRING BUSINESS MODEL



Significant growth potential in current installed base of docking facilities

~150 Syncrolifts older than 2005 in operation
~ 100 other OEM shiplifts

Typical upgrades:
- Control systems light upgrades
- Complete control systems upgrade
- Midlife modernisation
- Capacity upgrade
- Extensions
- Total replacement

Syncrolift currently working on several upgrade prospects in Middle East and Europe

EXAMPLE
Mid-life upgrade for a navy client in Asia

- Syncrolift performs mid-life upgrade enabling client to safely handle vessels for 20 more years.
- Intellilift will supply the new controls for the Shiplift
- Project currently in final phase
- After life extension is completed (August 2021), Syncrolift Singapore will enter 20-year service contract for the same project

→ Picture shows refurbished winches being installed

Nekkar ASA

Financial highlights

Nekkar ASA	Unaudited Q1		Audited Full-Year
MNOK	**2021**	**2020**	**2020**
Revenue	93	66	359
Reported EBITDA	17	-24	77
Operational EBITDA*	17	5	71
EBIT	16	-25	75
R&D Capex	6	2	11
EBITDA %	*18,3 %*	*-36,7 %*	*21,5 %*
Operational EBITDA % [1]	*18,0 %*	*7,2 %*	*19,9 %*
Order intake	*16*	*9*	*701*
Order backlog	*1 043*	*752*	*1 167*
EPS (NOK) [2]	*0,13*	*-0,27*	*0,65*

[1] Excl. losses/gain on FX contracts not qualifying for hedge accounting
[2] Continued operations

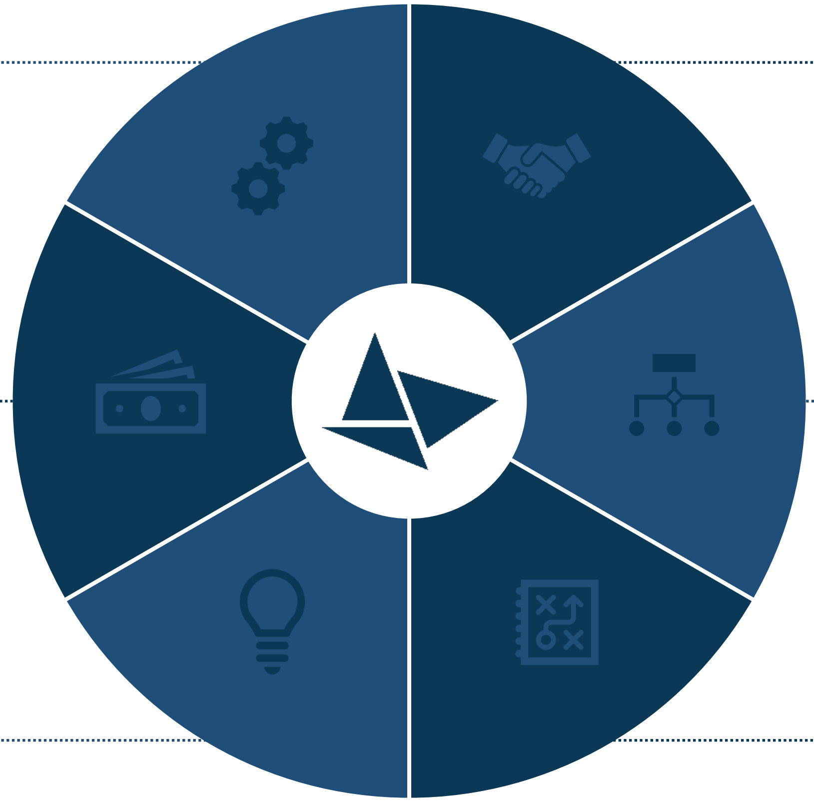
- First quarter **revenue** of MNOK 93, representing an increase of 40% year-on-year
  - Revenue growth driven by high activity in Shipyard Solutions
- First quarter **operational EBITDA** of MNOK 17 compared to MNOK 5 in 2020
  - Gains on FX hedging contracts amounted to MNOK 0.3 in the first quarter of 2021 compared to a loss of MNOK 29 in 2020
- First quarter 2020 **reported EBITDA** impacted by FX hedging loss - significant currency fluctuations due to the coronavirus pandemic
- Strong **order backlog** of MNOK 1,043 at the end of the first quarter
  - Represent a solid operational foundation for future periods
- First quarter R&D **Capex** of MNOK 6 compared to MNOK 2 in 2020
  - Development activities include our closed fish cage solution, Starfish, wind turbine installation technology, SkyWalker and our digital solutions.
- First quarter **Earnings per share**, continued operations, of NOK 0.13 compared to NOK -0.27 in 2020

Nekkar ASA

Disruptive technologies, sustainable results

Engineering, electrification, automation and digitalisation

Commercial capabilities to implement suitable go-to-market models



Positive cash flow, strong financial position

Ecosystem of financially solid industry partners

Proven tack record: Nekkar team has automated, digitalised and industrialised other industry sectors

Flexible business development, M&A and funding strategies

Summary Q1 2021 and outlook

Summary

- Sound financial progress in quarter
- Solid financial position, no interest-bearing debt
- Solid order backlog of NOK 1,0 billion
- Progression as planned for Starfish and SkyWalker development projects

Outlook

Shipyard solutions:
- Expected lower newbuild order intake in 2021
- Expected growth in service/upgrade revenues ✓

Aquaculture:
- Extensive “Starfish” prototype testing in H1 2021 ✓
- Preparations for test with biomass

Renewables:
- Kick-off of wind installation innovation project ✓
- Design and model testing of technology solution

Digital:
- Solid leads on oil & gas SaaS projects
- Two out of three first Syncrolift projects commissioned ✓

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