NEKKAR

Disruptive technologies, sustainable results

Q3 2021 operational update

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Nekkar ASA

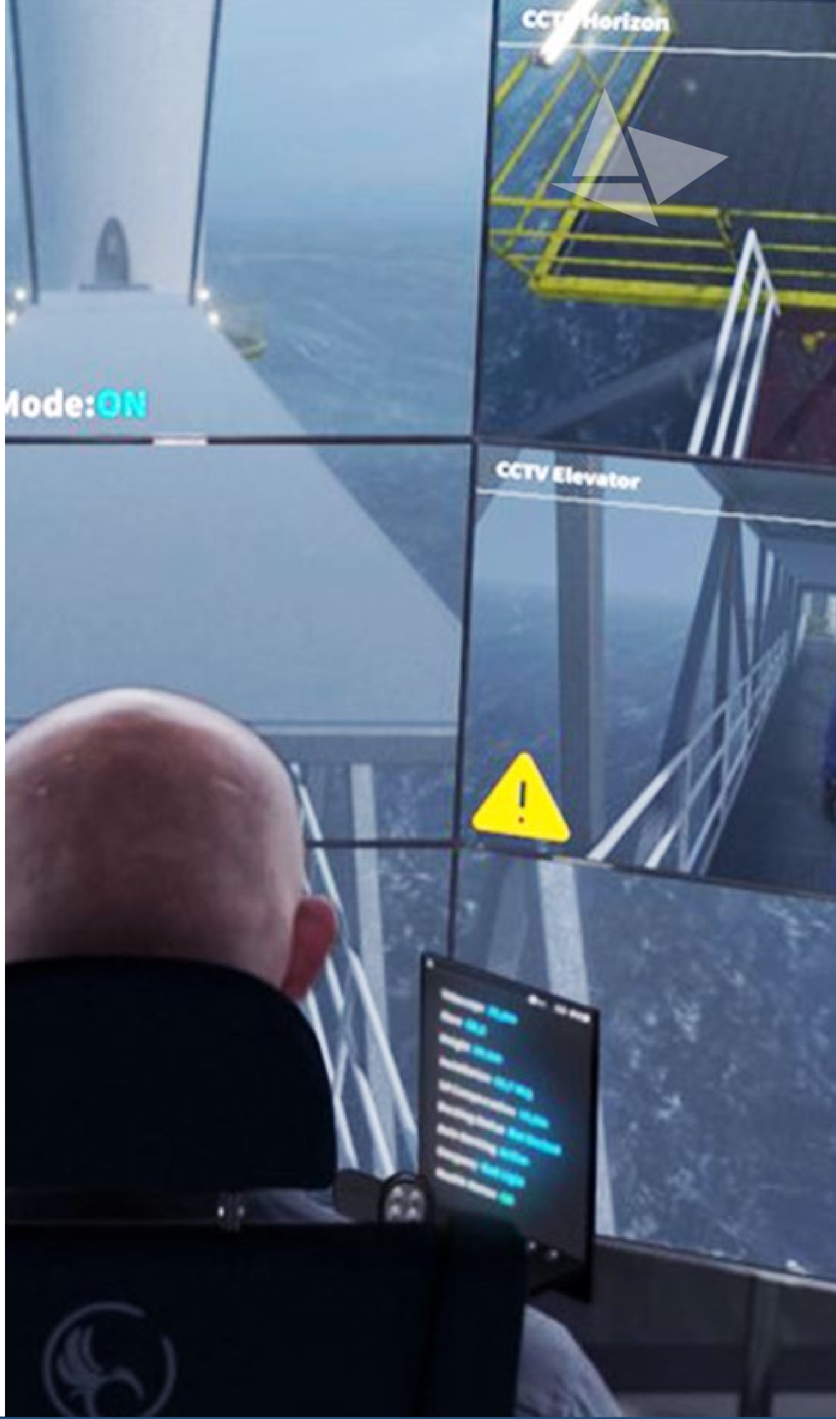
Q3 2021 highlights

Highlights Q3 2021

- Revenue of NOK 128 million (Q3 2020: NOK 98 million)
- Operational EBITDA* of NOK 39 million (NOK 14 million)
- EBIT of NOK 36 million (NOK 14 million)
- Three new upgrade/spare parts contracts and one newbuild project for Shipyard Solutions, totaling NOK 69 million in contract value.
- Downscaled 1:20 model of SkyWalker ready for testing
- Successful testing of Starfish circulation systems

Events subsequent to quarter

- Formed "Inteliwell" joint venture with Transocean



*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:

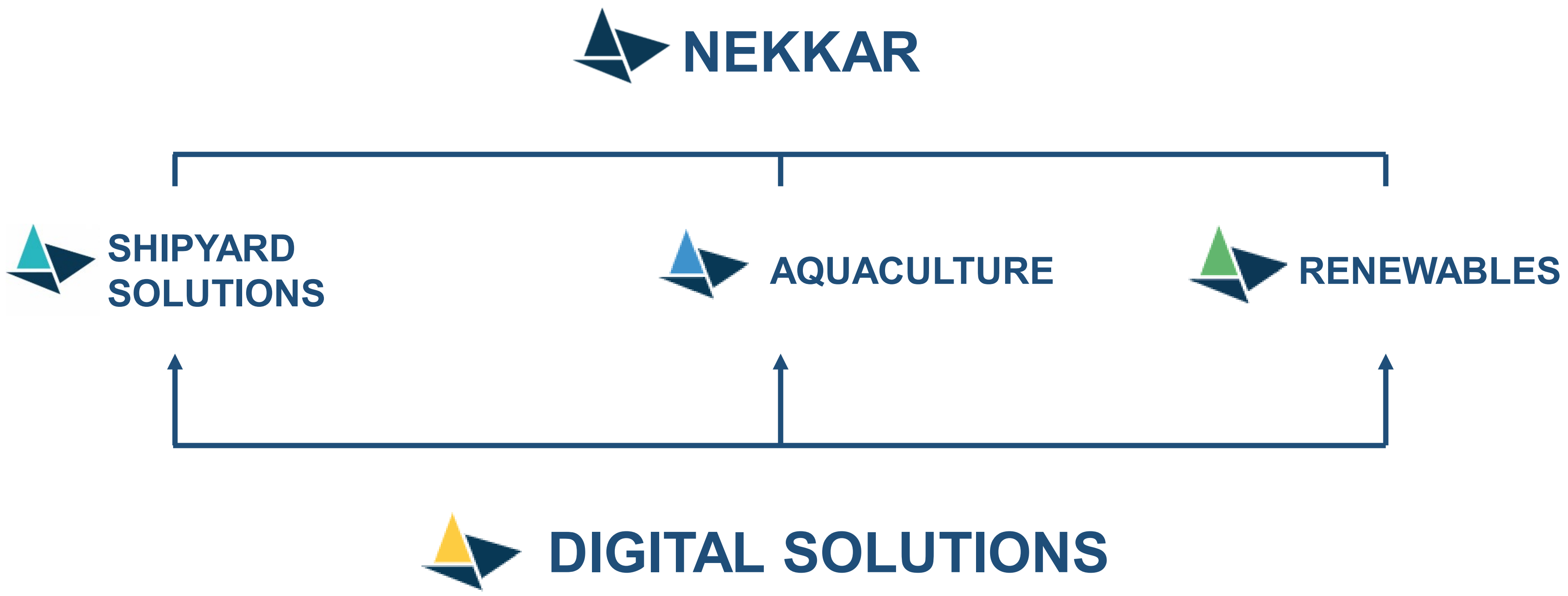
- Engineering
- Electrification
- Automation
- Digitalization

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)
- 66 FTEs
- Headquarter in Kristiansand, Norway
- Listed on Oslo Stock Exchange (NKR)

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



Digital Solutions

INTELLILIFT

Creating a disruptive digital well construction solution company together with Transocean

Transocean	INTELIWELL BEYOND WELL AUTOMATION	INTELLILIFT
• Leading international provider of offshore drilling services for oil and gas wells • Operates fleet of 37 mobile offshore drilling units	**New JV owned by Transocean (67%) and Intellilift (33%)** Combines Transocean's vast drilling experience, rigs and global footprint with Intellilift's unique software products Creates foundation for Intellilift to generate platform fees and SaaS revenues	• Specialist within electrification, automation, digitalization and remote control • Engineers with long experience of developing software solutions within drilling, renewables and aquaculture

Operator benefits from JV offering:

Expedition of the well construction process

Improve consistency of operators' operations

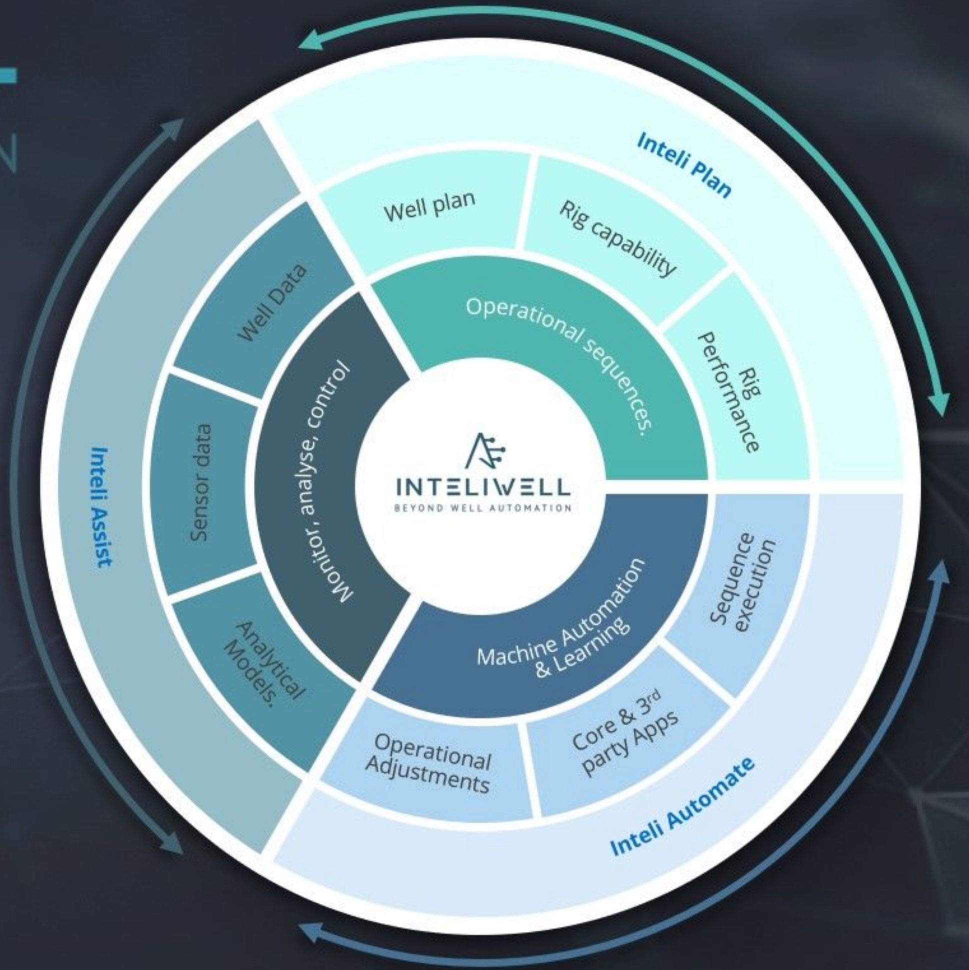
Reduced drilling costs and environmental footprint through more reliable and faster drilling operations

INTELIWELL
BEYOND WELL AUTOMATION

Automation and optimization of well construction processes

Complete end-to-end closed loop workflow for well construction planning, execution and monitoring.

- **Open platform** - third party integration
- **Scalable** - modular design allows for flexibility
- **Adaptive** - empowering drilling company's advantages

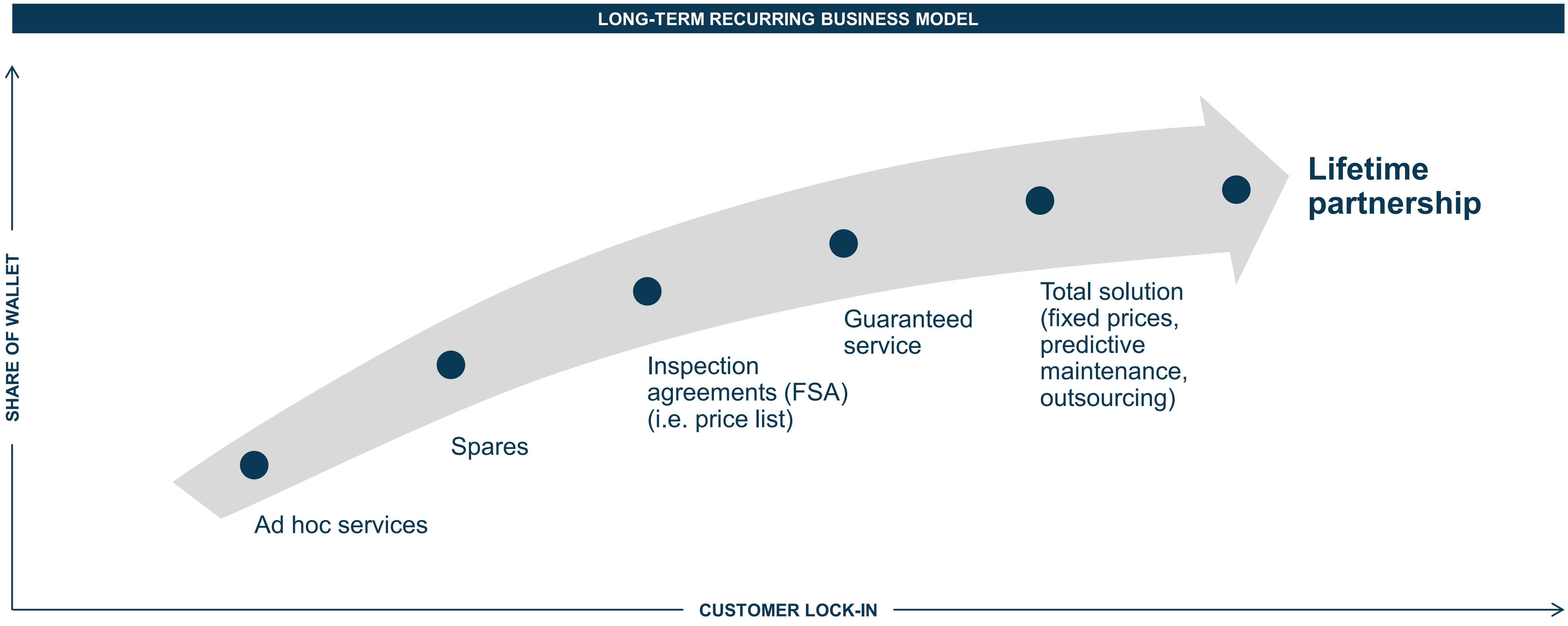


Shipyard solutions

NOK 69 million in new contracts won in Q3; efforts to win more upgrade/service contracts is yielding results

Control system upgrade	Spare parts order	Sale of transfer trolleys in storage	Sale of transfer system
• Customer in Spain • Syncrolift contract, Intellilift to deliver completely new control and drive systems • Contract value: NOK 18 million	• Customer in Singapore • Contract value: NOK 13 million	• Trolleys currently stored in Italy • Sold to client in Turkey • Contract value: NOK 10 million	• Newbuild project • US customer • Contract value: NOK 28 million

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



AQUACULTURE

AQUACULTURE

Starfish: the future of sustainable aquaculture

Key features

DUAL SAFETY SOFT CLOSED CAGE

Protection against **sea lice**, increased **fish welfare** and **reduced risk of escape**

DATA DRIVEN FISH FARMING

Better control and **improved growth** with data insights

WASTE MANAGEMENT

Collection of waste contributes to circular economy – recycle sludge into value

SUSTAINABILITY & EFFICIENCY

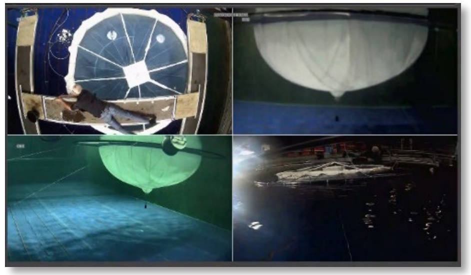
Cost efficient fish farming with significantly **lower environmental risk**

AQUACULTURE

Full-size Starfish in production, ready for testing H1 2022

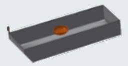
Ongoing ocean-based pilot testing at Hidra, Flekkefjord - Proving successful

	Schedule	Status
Circulation units & flow	*Live*	
Regulation, monitoring & software	*Live*	
Inlet pipes / water pressure	*Live*	
Harvesting solution	*Ready for test*	
Sludge treatment system	*Test started*	

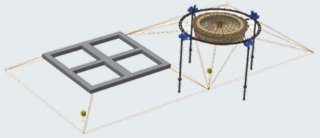


3-step development project

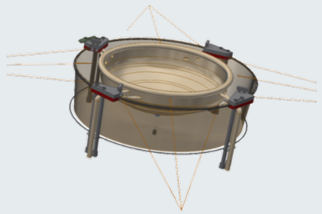
1 **SINTEF Tank 2020** 1:16 / 5,3 m3



2 **Hidra 2021** 1:2,5 / 1,400 m3



3 **Full scale 2022** 1:1 / 21,400 m3



Renewables

Photo: Unsplash.com

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)

SkyWalker: 1:20 model completed in Q3 2021

Innovation Norway

FORCE TECHNOLOGY

Cooperation with Fred. Olsen Renewables and major wind turbine OEM

Co-funded by Innovation Norway

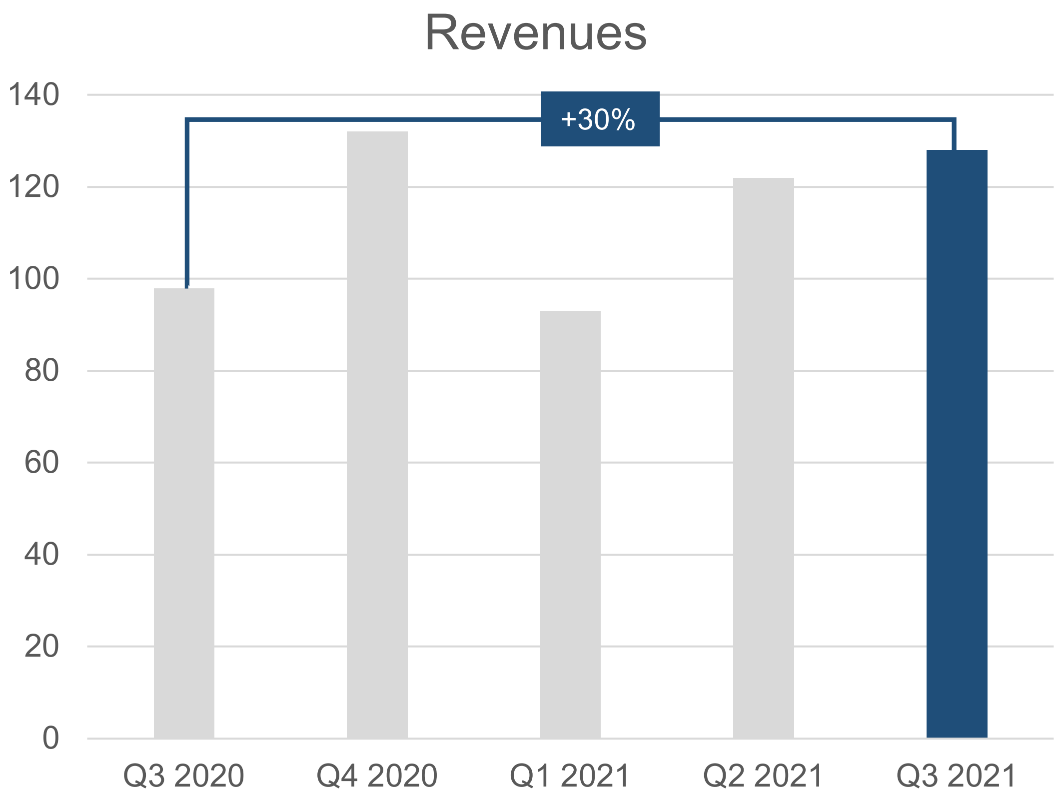
Scale model test and wind tunnel planned for Q4/Q1 22

Develop, manufacture and test of prototype on site: 2022 and 2023

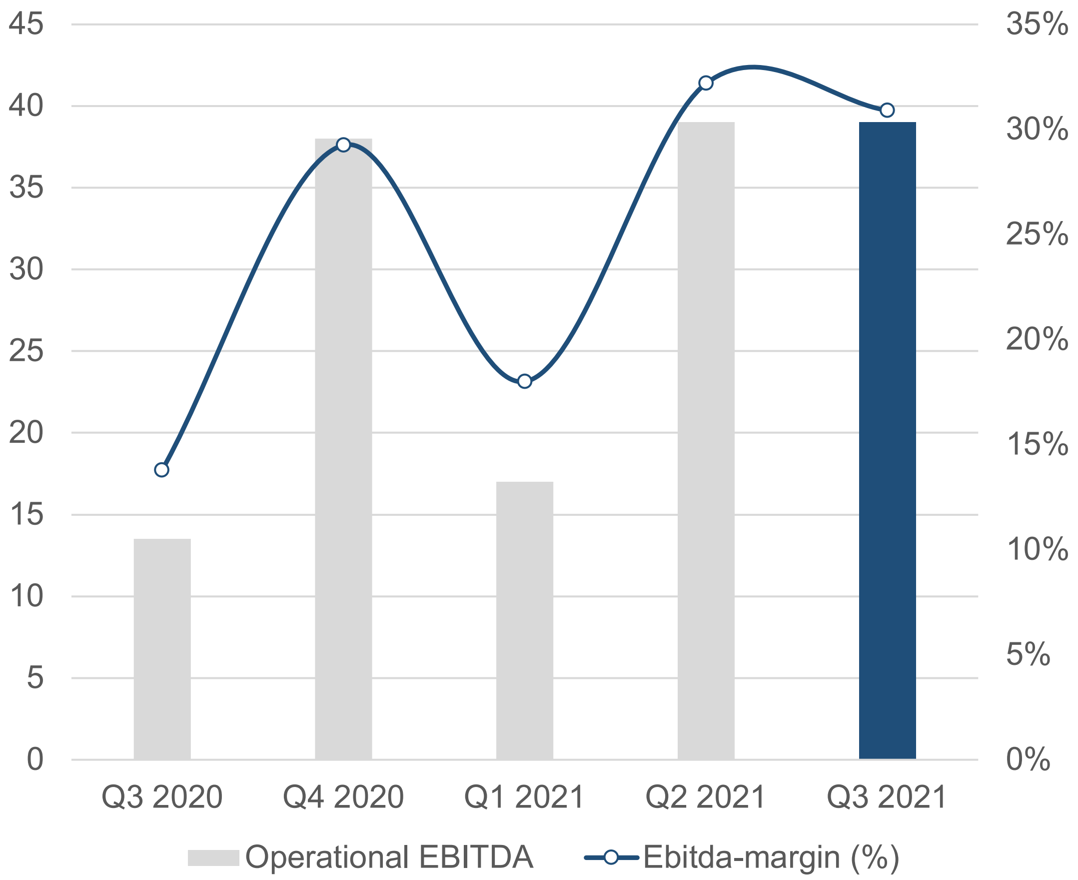
Financial highlights

Key financials

Revenues (MNOK)

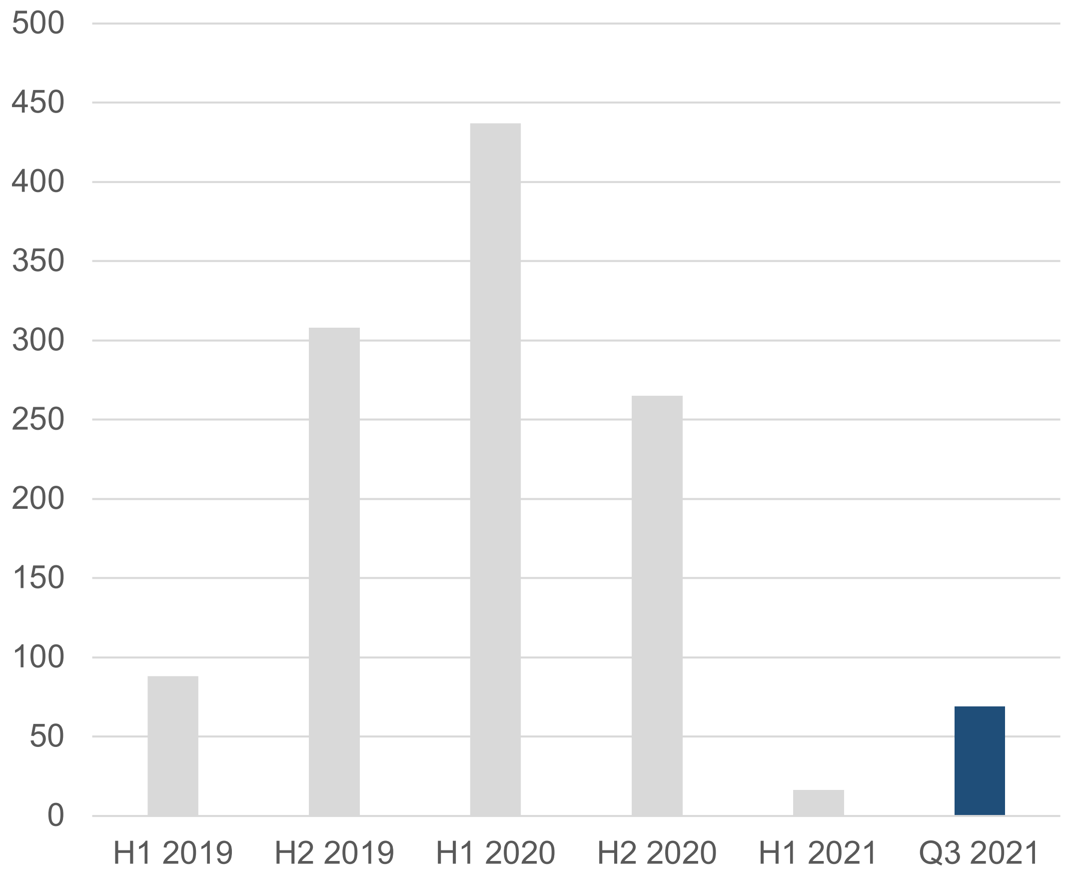


Operational EBITDA & margin (%)

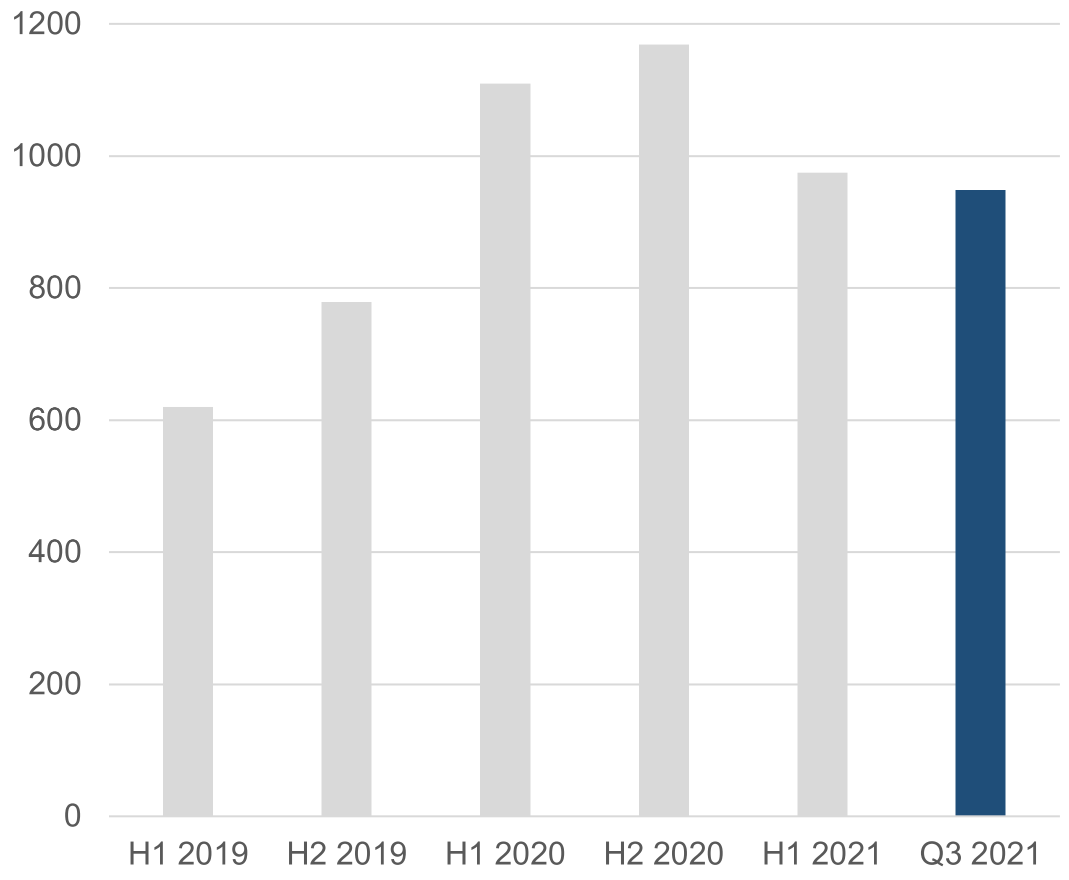


Order intake and backlog

Order intake per half-year period



Order backlog development



Nekkar ASA

Financial highlights

Consolidated statement of profit and loss

Nekkar ASA	Unaudited Q3		Unaudited YTD		Audited Full-Year
MNOK	**2021**	**2020**	**2021**	**2020**	**2020**
Revenue	**128**	**98**	**342**	**228**	**359**
Reported EBITDA	37	14	92	16	77
Operational EBITDA[1]	**39**	**14**	**95**	**33**	**71**
EBIT	36	14	89	15	75
Capitalised R&D	6	4	20	10	16
EBITDA %	*28.6 %*	*14.1 %*	*26.9 %*	*7.1 %*	*21,5 %*
Op. EBITDA % [1]	*30.9 %*	*13.8 %*	*27.9 %*	*14.4 %*	*19,9 %*
Order intake	*69*	*264*	*85*	*701*	*701*
Order backlog	*948*	*1,297*	*948*	*1,297*	*1,167*
EPS (NOK) [2]	*0.25*	*0.16*	*0.73*	*0.18*	*0.65*

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

- Third quarter **revenue of MNOK 128**, representing an increase of 30% year-on-year
- YTD Q3 **revenue** of MNOK 342 compared to MNOK 228 in 2020, equivalent to an increase of 50%
  - Revenue growth driven by high activity in Shipyard Solutions
- Third quarter **operational EBITDA** of MNOK 39 compared to MNOK 14 in the same period last year
  - Loss on FX hedging contracts amounted to MNOK 2 in the third quarter of 2021 compared to MNOK 0 in 2020
- YTD Q3 **operational EBITDA** of MNOK 95 compared to MNOK 33 in 2020. Operational EBTIDA margin of 27.9% and 14.4% respectively
- **Order intake** of MNOK 69 in Q3 and a solid **order backlog** of MNOK 948 at the end of the quarter
- **Capitalized development costs** (R&D capex) of MNOK 6 in the third quarter and MNOK 20 as per YTD.
- Third quarter **earnings per share** of NOK 0.25 compared to NOK 0.15 in 2020

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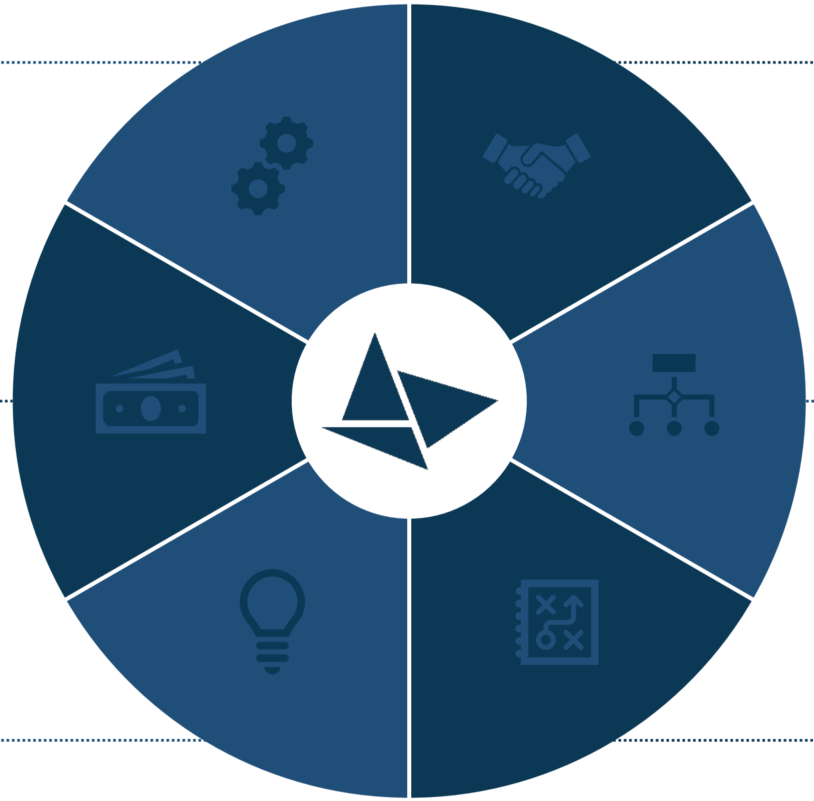

Engineering, electrification, automation and digitalisation

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 Q3 2021 & outlook

Summary

- Strong financial performance in quarter
- Solid financial position, no interest-bearing debt
- Solid long-term order backlog of NOK 948 million; strategic efforts to win more upgrades/service contracts in Shipyard Solutions is yielding results
- Progression as planned for Starfish and SkyWalker development projects

Outlook

Shipyard Solutions
- ✓ Lower newbuild order intake in 2021, but Nekkar expects project awards in H2 2021
- ✓ Expected growth in service/upgrade revenues

Aquaculture
- ✓ Continue development and testing of circulation systems and digital platform for monitoring and controlling Starfish cage
- Full-size version planned to be ready for testing in early 2022

Renewables
- ✓ Development of 1:20 SkyWalker model
- Develop, manufacture and test of prototype on site: 2022 and 2023

Digital Solutions
- ✓ Solid leads on oil & gas SaaS projects
- ✓ Third of three first Syncrolift projects commissioned in Q3

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 third quarter and YTD September 2021 for Nekkar ASA. The consolidated financial statements for Q3 2021 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 2020.

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 newbuild contracts and does not include the value of service orders.

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