



First Half 2020
Financial statement

CEO Letter

Despite the challenging business climate due to the corona pandemic, the Syncrolift business have secured new contracts of approximately MNOK 437, resulting in a new all-time high order backlog of MNOK 1 110 at the end of first half of 2020. Operational EBITDA¹ was MNOK 19 for the first half of 2020 representing an operational EBITDA margin of 14.7%.

The Cargotec / MacGregor Transaction

On 18 November 2019, Nekkar disclosed that Cargotec / MacGregor is challenging the purchase price calculation claiming a downward adjustment of approximately MNOK 240 compared to the amount presented by Nekkar.

Final settlement of the Cargotec / MacGregor transaction is still pending, and the issue is now referred to arbitration proceedings. The decision from arbitration proceedings is expected in the first half of 2021. There is risk and uncertainty with respect to the financial outcome of the arbitration proceedings, however Nekkar has fully challenged the claim presented by Cargotec / MacGregor.

In order not to prejudice the outcome of the arbitration proceedings and the interests of Nekkar, no further disclosures are made.

Financial performance Nekkar

Operational EBITDA was MNOK 19 in the first half of 2020, representing an operational EBITDA margin of 14.7%. Syncrolift continued to perform well and delivered an operational EBITDA of MNOK 25 in the first half of 2020 and an operational EBITDA margin of 20.5%.

The reported EBITDA was MNOK 2 for 1H 2020, which represents an increase of MNOK 1 compared to 1H 2019. The reported EBITDA is impacted by a loss of MNOK 17 related to forward FX contracts. As FX hedges on one of the Syncrolift contracts did not qualify for hedge accounting, gains and losses on the hedging instruments and the exposure they are intended to hedge, are not recognized in the same period. The loss of MNOK 17 is related to these hedging instruments, however revenue recognition on the project will come in future periods in accordance with the percentage of completion method, where gains will offset losses on the hedging instruments.

The first half year order intake was MNOK 437 and the total order backlog at the end of June 2020 reached a new all-time high of MNOK 1 110. This represents an increase of 43% compared to 31 December 2019. As a natural consequence of the order backlog, the operational activity in Syncrolift is high. However, the corona pandemic has resulted in additional postponement of the delivery schedule on some projects, mainly due to travel restrictions. This may influence the pace of the revenue recognition going forward. To mitigate travel restrictions on the Service side, Syncrolift will start to offer remote inspection solutions.

Revenue in the first half of 2020 was MNOK 130 compared to MNOK 104 in 1H 2019, which represents an increase of 25%. The record high order backlog represents a solid operational platform for coming years. The market situation is still positive, however the full consequences of the corona pandemic remains unclear and postponement of commencement of new projects can be expected.

New business areas

The development of Starfish, a semi closed cage for fish farming, is progressing according to plan and Nekkar aims to perform an ocean test of a downsized model at the end of the year. The experience gained from the ocean test will be essential for the further development of Starfish as our push for innovative and sustainable solutions continues.

Intellilift, representing our Digital Solutions business, has provided Nekkar with access to technology, knowledge and new industry insights. During the first half of 2020, Nekkar has realized positive synergies by integrating Intellilift with the existing business. Revenue and EBITDA for the first half of 2020 amounted to MNOK 9 and MNOK 2 respectively, compared to revenue and EBITDA of MNOK 6 and MNOK 0.2 in the first half year of 2019.

Toril Eidesvik, CEO

¹ Operational EBITDA equals EBITDA excl. gains/losses on FX-contracts, not qualifying for hedge accounting.

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FINANCIAL PERFORMANCE

- 1H 2020 revenue was MNOK 130 which represents an increase of 25% compared to 1H 2019.
- 1H 2020 operational EBITDA² was MNOK 19 compared to MNOK 1 in 1H 2019.
- 1H 2020 reported EBITDA was MNOK 2 compared to MNOK 1 in 1H 2019
- At the end of 1H 2020, the order backlog of the Syncrolift business was MNOK 1 110 which is expected to secure activity well into 2023.
- EPS the first half year was NOK 0,01.

NEKKAR	1H		Full year
MNOK	2020	2019	2019
Revenue	130	104	267
EBITDA	2	1	36
Operational EBITDA*	19	1	51
EBIT	1	0	33
<i>EBITDA margin</i>	<i>1,5 %</i>	<i>1,0 %</i>	<i>13,5 %</i>
<i>Operational EBITDA margin*</i>	<i>14,7 %</i>	<i>1,0 %</i>	<i>19,2 %</i>
Order intake	437	88	396
Order backlog	1 110	620	778
EPS (NOK)	0,01	-0,04	0,46

*Excl. losses on FX contracts MNOK 17 in 1H20 and MNOK 15 in 2019

TOTAL ASSETS AND NET INTEREST-BEARING DEBT ^[2]

Total assets at the end of 1H 2020 were MNOK 550 compared to MNOK 2 265 at 1H 2019. The Cargotec / MacGregor transaction was accounted for in 3Q 2019 which is the main reason for changes in net assets. See note 9 for additional information.

The equity ratio at the end of 1H 2020 was 43%. The net cash position is MNOK 256 at the end of 1H 2020, whereas MNOK 103 is related to prepayments received from customers in the Syncrolift projects. MNOK 33 is restricted cash per June 2020 as it is held as a deposit for FX-derivative exposure in DNB.

ORDER INTAKE AND BACKLOG

The order intake was MNOK 437 in 1H 2020 and consisted of MNOK 274 in newbuilding contracts and MNOK 163 on a long-term service contract. As a result, the order backlog at the end of 1H 2020 was MNOK 1 110 which is an all-time high and represents an increase of 43% compared to 31 December 2019 and 80% compared to 1H 2019.

The current order backlog will secure high activity in coming years.

² Operational EBITDA equals EBITDA excl. gains/losses on FX-contracts, not qualifying for hedge accounting

NEKKAR Board Report

SHIPYARD SOLUTIONS

Syncrolift delivered revenue of MNOK 120 and an operational EBITDA of MNOK 25 in 1H 2020, compared to revenue of MNOK 97 and an operational EBITDA of MNOK 12 in 1H 2019.

Despite challenges related to the ongoing corona pandemic, Syncrolift continued its good performance in 1H 2020. The projects continue to deliver strong operational margins, however several projects are delayed due to the corona pandemic and other circumstances outside the control of Syncrolift. These delays may result in timing effects as revenue and EBITDA is booked based on the percentage of completion on each project.

The order book in Syncrolift is at an all-time high, and the activity levels are expected to remain high going forward based on the strong order book and high utilization of resources. The full consequence of the corona pandemic is however unclear.

SHIPYARD SOLUTIONS (BU SYS)	1H		Full year
MNOK	2020	2019	2019
Revenue	120	97	250
EBITDA	8	12	51
Operational EBITDA*	25	12	66
<i>EBITDA margin</i>	6,3 %	12,7 %	20,3 %
<i>Operational EBITDA*</i>	20,5 %	12,7 %	26,4 %
Order backlog	1 110	620	778

*Excl. losses on FX contracts MNOK 17 in 1H20 and MNOK 15 in 2019

OUTLOOK

SHIPYARD SOLUTIONS

The market situation has been positive, and further newbuilding contracts with value of MNOK 274 was awarded in the first half of 2020 as well as MNOK 163 in service contracts. The ongoing business is performing well, and the order backlog will ensure high activity in the coming years.

Interim revenues and EBITDA can however fluctuate due to timing effects in project execution i.a. due to delays related to circumstances outside the control of Syncrolift. The long-term outlook of the business is good, supported by an all-time high order backlog and high market activity.

Syncrolift is continuing to build market share with regards to its service business and is furthermore committed to develop new solutions and products to increase repair yard productivity. The Fast Docking solutions are viewed as attractive and are increasingly ordered in connection with new shiplifts, however the full market acceptance is still pending for these products.

In addition to new products and solutions, the service and upgrade market is viewed as promising. Syncrolift has a leading market position for shiplift and transfer systems, and the large installed base provides an excellent position to expand the company's footprint and offerings within service and aftermarket.

The investment in Intellilift is expected to generate positive synergies for the Syncrolift business as products and solutions may be integrated with the existing business. It is unclear what effect the corona pandemic will have on the market short- and long-term.

NEKKAR NEW BUSINESS

New business areas include ocean-based and renewables technologies, digital solutions and aquaculture. These new areas demand R&D investments to fully commercialize the product- and service offering. The rationale for

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investments into new business areas is to explore and unlock business potential for sustainable digital solutions within the different high growth ocean-based and renewables industries.

Digital: Intellilift will be the driving force behind the Digital Solutions initiative and have ambitions to develop open software platforms for collection, monitoring and control of data for the aquaculture industry and a variety of offshore energy industries. Intellilift has developed “Phoenix” which is a mixed reality system that combines different data sources and high resolution real time camera streams. The product has been sold both to oil-gas business and wind industry and enables remote operation of machinery and processes. Intellilift is continuously working on new product development alongside its already commercialized products. Positive synergies have been realized by integrating the products and solutions of Intellilift with the Syncrolift business. Nekkar expects to realize further synergies in the aquaculture business.

Aquaculture: Nekkar is in the process of developing Starfish, a closed salmon cage technology improving fish welfare and production economics. Through this development, Nekkar brings offshore grade engineering competence to the aquafarming industry. Nekkar has been awarded an Environmental Technology grant from Innovation Norway of MNOK 10 to develop, pilot and test the closed cage for fish farming. The development is done in cooperation with a renowned fish farmer and is part of our strategy to push for new innovative and sustainable solutions. The Starfish project is progressing according to plan and Nekkar aim to perform an ocean test of a downsized model towards the end of the year.

During 1H 2020, Nekkar has taken part in the newly established business and competence network, FLO SJØ, which consist of companies focusing on various closed cage technologies for ocean-based fish farming. The network, Stiim Aqua Cluster and Norsk Industri has proposed to the Ministry of Trade to establish a scheme for 250 traffic light neutral commercial licenses to produce salmon. Strict environmental requirements are set, hence the fee for each license is proposed to be below MNOK 10.

Offshore Energy & Renewables Nekkar is looking into several products leveraging benefits of next generation tools and solutions, electrification and battery energy storage, utilizing the benefits of electrification and automation to harvest substantial improvements through structural reengineering. This business area is part of Nekkar’s push for new innovative and sustainable solutions, however the company still has an opportunistic approach in this business area where the strategic direction is market and customer driven.

FINANCIAL ACCOUNTS

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

NEKKAR

(NOK 1 000)		Unaudited	Unaudited	Audited
	Note	30.06.2020	30.06.2019	31.12.2019
CONTINUED BUSINESS				
Revenue from projects	2	129 899	103 626	266 614
Total operating revenue		129 899	103 626	266 614
Raw materials and consumables used		70 557	68 501	141 595
Other operating costs		39 962	33 827	73 736
Other losses / (gains)		17 105	-	15 182
EBITDA		2 276	1 297	36 100
Depreciation		1 225	1 364	3 026
Operating profit (EBIT)		1 050	-67	33 074
Financial income		1 526	3 897	12 107
Financial expense		335	7 483	12 080
Net finance		1 191	-3 586	27
Profit/loss before tax		2 242	-3 653	33 102
Tax	6	442	17	-15 874
Profit/loss from continued business		1 800	-3 670	48 976
DISCONTINUED BUSINESS				
Profit/loss from discontinued business	9	-	49 616	148 116
Profit/loss for the period		1 800	45 946	197 091
Attributable to equity holders of the company	4	1 063	38 452	195 833
Attributable to non-controlling interests		738	7 494	1 259
COMPREHENSIVE INCOME				
Net result for the period		1 800	45 946	197 091
Currency effects		-	-14 915	-
Total comprehensive income		1 800	31 031	197 091
Attributable to equity holders of the company		1 063	26 173	195 833
Attributable to non-controlling interests		738	4 858	1 259
Earnings per share (NOK)	4	0,01	0,44	2,07
Diluted earnings per share (NOK)		0,01	0,36	1,91
Earnings per share - Continued Business (NOK)	4	0,01	-0,04	0,52
Diluted earnings per share - Continued Business (NOK)		0,01	-0,03	0,46

*Other losses / (gains) is added in 1H20 and full-year 2019 for comparability.

FINANCIAL ACCOUNTS

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

NEKKAR

(NOK 1 000)		Unaudited 30.06.2020	Unaudited 30.06.2019	Audited 31.12.2019
Intangible assets	6	70 537	46 909	68 643
Tangible assets		6 657	15 343	7 112
Total fixed assets		77 348	62 252	75 754
Inventories		2 673	1 163	833
Total receivables		213 674	94 246	78 506
Bank deposits/cash		256 048	386 021	260 948
Assets held for sale	9	-	1 805 149	-
Total current assets		472 395	2 286 579	340 286
				-
Total assets		549 745	2 348 831	416 041
				-
Share capital	3	11 617	9 687	11 617
Other equity		206 940	379 212	205 878
Non-controlling interests		16 787	176 085	16 050
Total equity		235 345	564 984	233 545
				-
Deferred tax		641	-	675
Long term interest bearing debt		-	-	-
Long term liabilities		641	-	675
				-
Current interest bearing debt	8, 10	-	270 945	-
Current liabilities	7	313 757	273 611	181 821
Liabilities held for sale	9	-	1 239 291	-
Total current liabilities		313 757	1 783 847	181 821
Total liabilities		314 398	1 783 847	182 496
				-
Total equity and liabilities		549 745	2 348 831	416 041

FINANCIAL ACCOUNTS

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

NEKKAR							
(NOK 1 000)	Share capital	Treasury shares	Share premium	Other equity	Shareholders equity	Non controlling interest	Total equity
Equity as of 1.1.2020	11 618	-1	-	205 878	217 495	16 050	233 545
Comprehensive income	-	-	-	1 063	1 063	738	1 800
Share option cost	-	-	-	-	-	-	-
New shares issued	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-
Equity Closing balance 30.06.2020	11 618	-1	-	206 941	218 558	16 787	235 345

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

NEKKAR				
(Amounts in NOK 1000)	Note	Unaudited 30.06.2020	Unaudited 30.06.2019	Audited 31.12.2019
Cash flow from operating activities				
Profit (loss) before tax		2 242	-3 653	33 102
<i>Adjustments for:</i>				
Depreciation / impairment		1 225	1 365	3 026
Net Finance		-1 191	3 586	-27
Share based payment		-	125	-
Income tax paid		-	-17	-189
Change in net current assets		-6 107	97 290	21 747
A. Net cash flow from operating activities		-3 831	98 696	57 658
Cash flow from investment activities				
Acquisition of Subsidiary - net of Cash acquired		-	-28 797	-8 354
Cash distribution from divested companies		-	-	-59 346
Acquisition of assets		-2 260	-5 110	-13 311
Disposal of discontinued operation, net of cash-value disposed		-	-26 825	-
Proceeds from sale of investments	9	-	-	553 562
B. Net cash flow from investment activities		-2 260	-60 732	472 551
Cash flow from financing activities				
Proceeds from issuance of share capital		-	4 900	2 092
Disbursement on short-term/ long-term debt		-	-17 400	-198 375
Dividends paid		-	-	-422 450
Acquisitions of NCI		-	14 699	-
Net Finance		1 191	-3 586	27
C. Net cash flow from financing activities		1 191	-1 387	-618 706
Net change in cash and cash equivalents (A+B+C)		-4 900	36 576	-88 497
Cash and cash equivalents at the start of the period		260 948	349 445	349 445
Cash and cash equivalents at the end of the period		256 048	386 021	260 948

Appendix

NOTE 1. GENERAL INFORMATION

Reporting entity

Nekkar ASA is registered and domiciled in Norway, and the head office moved to Kristiansand in the first half year.

Due to the Cargotec transaction, discontinued operations are presented in accordance with IFRS 5, non-current assets held for sale and discontinued operations. Hence the "Condensed Consolidated Statement of Comprehensive Income" represents the "continued business" (Nekkar ASA, Syncrolift and Intellilift), whilst "discontinued business" (the activity transferred to Cargotec through the completed transaction), is presented on a separate line as "Profit/loss from discontinued business". In the "Consolidated Statement of Financial Position", assets and liabilities relating to the activity transferred to Cargotec, are presented on a separate line as "Assets held for sale" and "Liabilities held for sale". For further information on discontinued business, reference is made to note 2 and 9.

The annual report 2019 is available at the company website www.nekkar.com.

Basis of preparation

The financial reports are prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

The unaudited consolidated financial statements for 1H 2020 have been prepared in accordance with IAS 34 Interim Financial Statements. The interim accounts do not include all the information required for a full financial statement and should therefore be read in connection with the consolidated financial statements of 2019.

There have been no changes to the accounting policies in the first half of 2020 compared to the consolidated financial statement of 2019.

This condensed consolidated 1H 2020 report was approved by the Board of Directors on 20 August 2020.

Judgements, estimates and assumptions

Preparation of the interim report requires the use of judgments, estimates and assumptions that affect the application of accounting principles and the reported amounts of assets and liabilities, income and expenses. Actual future outcome may differ from these estimates. Additional information on contingent liabilities related to the Cargotec transaction is included in Note 10.

The consolidated interim financial statements are prepared on the same basis as the consolidated financial statements for the financial year that ended 31 December 2019 with respect to the key assessments made by management regarding the application of the Group's accounting principles, and the key sources of estimation uncertainty.

There is considerable uncertainty related to the full consequence the corona pandemic might have on our operations. Short-term, the corona pandemic has resulted in postponement of the delivery schedule on some projects, mainly due to travel restrictions. This may influence the pace of revenue recognition going forward. The long-term market implications remain uncertain, and we are unable to predict the full impact of this event.

IFRS 5 Non-current assets held for sale and discontinued business

On 8 February 2018 Nekkar ASA announced that it entered into an asset sale agreement with Cargotec Oyj, and the company therefore presented the accounts in accordance with IFRS 5. The purpose of IFRS 5 is to specify the accounting for assets held for sale, and the presentation and disclosure of discontinued business.

Please see further information in note 9 for the reclassification of assets and liabilities held for sale, and the presentation of revenue and costs for discontinued business.

Appendix

IFRS 15 Revenue

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. Under IFRS 15, revenue is recognized when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time, or over time – requires several judgmental factors including evaluation of right to payment.

For further information reference is made to the Annual report 2019 – Accounting Principles.

NOTE 2. SEGMENT INFORMATION

After closing of the Cargotec transaction, Nekkar reports on the following segments:

- Shipyard Solutions (BU SYS)
- Nekkar ASA and Intellilift AS (Other)

BU SYS includes ship lifts and transfer systems, fast docking solutions, as well as complete production lines to the shipyard industry. Product range includes ship-lift systems, ship transfer systems and service activity.

Other includes Intellilift which delivers open software platforms to collect, monitor and control data for different offshore energy industries. Other also includes aquaculture and the corporate headquarter functions in Nekkar ASA. Revenue and EBITDA from Intellilift in 1H 2020 was MNOK 9 and MNOK 2 and MNOK 13 and MNOK 3 in full year 2019 respectively.

Revenue			
NOK (1000)	30.06.2020	30.06.2019	31.12.2019
BU SYS	120 211	100 271	250 121
Other	9 689	3 355	16 493
Total	129 899	103 626	266 614
EBITDA			
NOK (1000)	30.06.2020	30.06.2019	31.12.2019
BU SYS	7 847	12 314	50 812
Other	-5 571	-11 312	-14 712
Total	2 276	1 001	36 100
Operational EBITDA*			
NOK (1000)	30.06.2020	30.06.2019	31.12.2019
BU SYS	24 952	12 314	65 994
Other	-5 571	-11 312	-14 712
Total	19 381	1 001	51 282
*Excl. losses on FX contracts MNOK 17 in 1H20 and MNOK 15 in 2019			

NOTE 3. SHARE CAPITAL

As per 30 June 2020 Nekkar ASA has issued 105 620 078 shares, each with a face value of NOK 0.11, and a share capital of total NOK 11 618 209. Nekkar ASA holds 6 632 treasury shares. There is no change to share capital or treasury holding during 1H 2020.

Appendix

NOTE 4. EARNINGS PER SHARE

Earnings per share (EPS) is based upon the weighted average number of shares outstanding during the period. Diluted EPS includes the effect of the assumed conversion of potentially dilutive instruments. Instruments that have a positive intrinsic value have been included in dilution effects.

Earnings per share	30.06.2020	30.06.2019	31.12.2019
Net income available to shareholders [Continued]	1 800	-3 670	48 976
Effect of dilution	-	-	-
Diluted net income available to shareholders	1 800	-3 670	48 976
Net income available to shareholders [Incl. disc.bus.]	1 063	38 452	195 832
Effect of dilution	-	-	-
Diluted net income available to shareholders	1 063	38 452	195 832
Weighted average number of shares outstanding	105 620	88 074	94 513
Effect of dilution	-	18 074	11 212
Diluted numbers of shares	105 620	106 148	105 725
Earnings per share (NOK) [Continued]	0,01	-0,04	0,52
Diluted earnings per share (NOK) [Continued]	0,01	-0,03	0,46
Earnings per share (NOK)	0,01	0,44	2,07
Diluted earnings per share (NOK)	0,01	0,36	1,91

Closing share price at Oslo Stock Exchange

30 June 2020	NOK 3,55	
31 December 2019	NOK 2,05	
30 September 2019	NOK 2,98	Repayment of issued equity, NOK 4,00, distributed on 27 September 2019
30 June 2019	NOK 6,08	
31 March 2019	NOK 6,22	
31 December 2018	NOK 6,42	

NOTE 5. RELATED PARTIES

Note 19 and the accounting principles presented in the 2019 Annual Report, Consolidated Financial Statements, describe the principles related to elimination of transactions between group subsidiaries. Eliminated transactions have no significance for the financial position and profit for the period.

Appendix

NOTE 6. INTANGIBLE ASSETS

Intangible Assets			
(NOK 1000)	30.06.2020	30.06.2019	31.12.2019
Goodwill	16 643	16 643	16 643
Deferred tax assets	35 367	19 373	35 367
Other intangible assets	18 526	10 893	16 633
Total	70 537	46 909	68 643

Goodwill

On 1 April 2019, Nekkar ASA acquired 51% of the voting shares in Intellilift AS ("Intellilift") for MNOK 15.3. Intellilift was established in 2016 and is based in Kristiansand. The company specializes in robotization and electrification through innovative technology and design.

The acquisition is accounted for using IFRS 3, and Intellilift is included in the consolidated figures for continued business from the acquisition date, 1 April 2019. As part of the purchase price allocation, MNOK 16,6 is accounted for as goodwill following the transaction.

Other intangible assets

Other intangible assets include capitalized R&D expenses and acquired intangible assets from historical acquisitions, including the Intellilift transaction in April 2019.

Other intangible assets			
(NOK 1000)	30.06.2020	30.06.2019	31.12.2019
Net book value - Opening Balance	16 633	6 080	6 080
Acquisition	2 058	5 133	11 193
Depreciations/Amortizations	-165	-320	-641
Net book value - Closing Balance	18 526	10 893	16 633

Deferred tax assets

Nekkar can be liable for tax in more than one jurisdiction due to the global nature of its business. A loss in one jurisdiction may not be offset against taxable income in another jurisdiction. Thus, the Group may pay tax in one or more jurisdictions, even though it might have an overall loss or have tax losses exceeding taxable profit at the consolidated level.

Deferred income tax reflects the impact of temporary differences between the amount of assets and liabilities recognized for financial purposes, and such amounts recognized for tax purposes. The net recognized deferred tax assets consist of the following components:

Deferred tax assets			
(NOK 1000)	30.06.2020	30.06.2019	31.12.2019
Gross deferred tax asset	35 367	19 373	35 367
Gross deferred tax liability	-641	-	-675
Net deferred tax asset (+) / liability (-)	34 726	19 373	34 692

Recognized deferred tax asset relates to tax losses in Norwegian companies. The criteria applied to estimates for the utilization of tax losses against future taxable profit are unchanged in 1H 2020.

Appendix

NOTE 7. CURRENT LIABILITIES

Current Liabilities			
(NOK 1000)	30.06.2020	30.06.2019	31.12.2019
Payables to suppliers	15 794	21 883	14 005
Income tax payables	716	-	574
Payroll tax	3 804	3 733	3 740
Prepayments from customers / deferred revenue	264 865	187 100	109 293
Other current liabilities	28 578	60 894	54 210
Total current liabilities	313 757	273 611	181 821

Prepayment from customers / deferred revenue consists of both cash received- and invoiced amount not yet received. These amounts are presented gross as they are also included in cash and accounts receivables as per 30 June 2020. Net prepayments from customers is approximately MNOK 103 as per 30 June 2020.

NOTE 8. FINANCIAL RISK MANAGEMENT / INTEREST BEARING DEBT

The Group's objectives and principles of financial risk management are consistent with what is stated in the consolidated financial statements for the fiscal year 2019.

On 31 July 2019, the company's debt was settled as part of the completion of the asset sales agreement between Nekkar ASA and MacGregor. The lenders approved the transaction and have received repayment in full. Liens and securities have been released post-closing.

Credit facilities as per 30 June 2020 were in total MNOK 350 which includes a guarantee- and derivatives facility of MNOK with Nordea. At the end of 1H 2020, Nekkar had drawn MNOK 264 of guarantee facility.

At the end of 1H 2020 the net cash position of Nekkar is MNOK 256, of which MNOK 33 is held as a deposit for FX-derivative exposure in DNB.

NOTE 9 DISPOSALS OF DISCONTINUED BUSINESS

Reference is made to the accounting principles and note 27 in the 2019 Annual Report with regard to the basis for reclassification of held-for-sale and discontinued business.

During Q4 2017 the Group reclassified major parts of the business, the disposal group, as discontinued business. The basis for this reclassification was the Cargotec / MacGregor agreement announced 8 February 2018. The transaction was an asset sale. Accordingly, the majority of the group's assets and liabilities were presented as a disposal group held for sale.

The transaction was completed 31 July 2019.

As communicated to Oslo Stock Exchange 18 November 2019, MacGregor is challenging the purchase price calculation claiming a downward adjustment of approximately MNOK 240 compared to the amount presented by Nekkar. Reference is made to Note 10.

Appendix

NEKKAR - Discontinued Business			
(NOK 1 000)	Unaudited	Unaudited	Audited
Results of discontinued business	30.06.2020	30.06.2019	31.12.2019*
Revenue	-	1 118 841	1 073 776
Expenses	-	1 047 280	1 001 969
Results from operating activities	-	71 561	71 807
Income tax	-	6 872	6 872
Net finance	-	15 073	15 073
Results from operating activities, net on tax	-	49 616	49 862
Effect from sale of discontinued business	-	-	98 254
Profit (loss) from discontinued business, net of tax	-	49 616	148 116

* Discontinued Business was disposed 31.07.2019.

NOTE 10 CONTINGENT LIABILITIES / MATERIAL DISPUTES

The asset sale agreement with Cargotec / MacGregor, a subsidiary of Cargotec Oyj, was completed 31 July 2019.

At the transaction date, funds were transferred based on preliminary figures. Final purchase price is to be settled based on financials as of 31 July 2019 according to procedures provided in the transaction agreement.

In line with the agreed procedures, Nekkar presented to MacGregor figures as of 31 July 2019, including calculation of the purchase price. On 18 November 2019, Nekkar disclosed that Cargotec / MacGregor is challenging the purchase price calculation, claiming a downward adjustment of approximately MNOK 240 compared to the amount presented by Nekkar.

At the time of reporting, no solution has been agreed with the parties and arbitration proceedings have been initiated. There is risk and uncertainty with respect to the financial outcome. The decision from the arbitration proceedings is expected in 1H 2021.

Nekkar is of the opinion that the figures which have been presented are based on the best estimates from consistently applied accounting policies in the sold companies, and has fully challenged the claim presented by Cargotec / MacGregor. No provision related to the disputed amount is included in the interim financial statement as of 30 June 2020 as the outcome cannot be determined with sufficient reliability (IAS 37.25).

Appendix

APPENDIX 1. SHAREHOLDERS

Major Shareholders per 30.06.2020		Shares	Share portion
SKEIE TECHNOLOGY AS	2)	26 568 237	25,2 %
RASMUSSENGRUPPEN AS		11 512 506	10,9 %
MP PENSJON PK		6 534 839	6,2 %
TIGERSTADEN AS	4)	6 145 900	5,8 %
SKEIE CAPITAL INVESTMENT AS	2)	4 907 586	4,6 %
AVANZA BANK AB		3 900 528	3,7 %
VINTERSTUA AS		3 057 200	2,9 %
MERRILL LYNCH		2 873 633	2,7 %
DNB		1 700 000	1,6 %
SKEIE CONSULTANTS AS	3)	1 507 243	1,4 %
ITLUTION AS		1 475 261	1,4 %
MORGAN STANLEY & CO		1 032 983	1,0 %
EINAR PEDERSEN		1 000 000	0,9 %
PIROL AS	4)	1 000 000	0,9 %
LEOVILLE AS	4)	1 000 000	0,9 %
GREGERS BARMAN GABRIELSEN		950 809	0,9 %
HATLE AS		946 529	0,9 %
GINKO AS		865 666	0,8 %
GUTTIS AS		850 000	0,8 %
SKEIE ALPHA EQUITY AS	1)	804 828	0,8 %
SKEIE TRYM	1)	323 140	0,3 %
SKEIE ALPHA INVEST AS	1)	250 000	0,2 %
OTHER		26 413 190	25,0 %
Shares pr 30.06.2020	5)	105 620 078	100,0 %

1) Shares owned or controlled by Trym Skeie and companies directly or indirectly controlled by him holds 1.377.968 shares representing 1,30 % of total shares.

2) Shares owned or controlled by the Skeie family and companies directly or indirectly controlled by them holds 31.475.823 shares representing 29,80% of total shares.

3) Shares owned or controlled by Bjørn Skeie and companies directly or indirectly controlled by him holds 1.507.243 shares representing 1,43% of total shares.

4) Tigerstaden AS and its subsidiaries holds 9 495 900 shares representing 9,0% of total shares.

APPENDIX 2. END NOTES

- [1] Net-Interest Bearing Debt (NIBD) = Bank deposits less interest-bearing debt to financial institutions and bondholders.
- [2] Net working capital (NWC) = Short term assets, less bank deposits, less short-term liabilities (ex. Interest bearing debt).
- [3] NEKKAR Total represents both continued and discontinued businesses
- [4] EBITDA = Earnings before interest, tax, depreciation and amortization
- [5] Operational EBITDA = Earnings before interest, tax, depreciation and amortization excl. gain/losses on FX-contracts, not qualifying for hedge accounting.
- [6] EBIT = Earnings before interest and tax

Statement on compliance

Today, the Board of Directors and the CEO has reviewed and approved the Board of Directors report and the consolidated and separate financial statements related to Nekkar ASA as of 30 June 2020.

This statement is based on reports, information and statements from the group's CEO, CFO and other administration, on the results of the group's relevant activities, and on other information which is essential to assess the position of the group and parent company.

To the best of our knowledge we confirm that;

- the Condensed consolidated financial statements for 1H 2020 have been prepared in accordance with IFRSs and IFRICs as adopted by the European Union, IFRSs as issued by IASB, and additional Norwegian disclosure requirements in the Norwegian Accounting Act
- the information presented in the Condensed interim financial statements gives a true and fair view of the company's and the group's assets, liabilities, financial position and results for the period viewed in their entirety
- the information presented in the Condensed interim financial statements gives a true and fair view of the development, performance, financial position, principles risk and uncertainties of the group
- the information presented in the Condensed interim financial statements gives a true and fair view of major related-party transactions

Bergen, 20 August 2020
The Board and Management of Nekkar ASA

Trym Skeie
CHAIR OF THE BOARD

Gisle Rike
DIRECTOR

Marit Solberg
DIRECTOR

Ingunn Svegården
DIRECTOR

Toril Eidesvik
CEO