

NORDIC UNMANNED

Half-year report
2022 and
operational
update



AGENDA

01 STRATEGY UPDATE

02 Q2 HIGHLIGHTS

03 BUSINESS UNITS

04 COMMERCIAL

05 FINANCIALS

06 SUMMARY

07 OUTLOOK

08 Q&A

09 APPENDIX



NORDIC
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Established 2014



7 offices



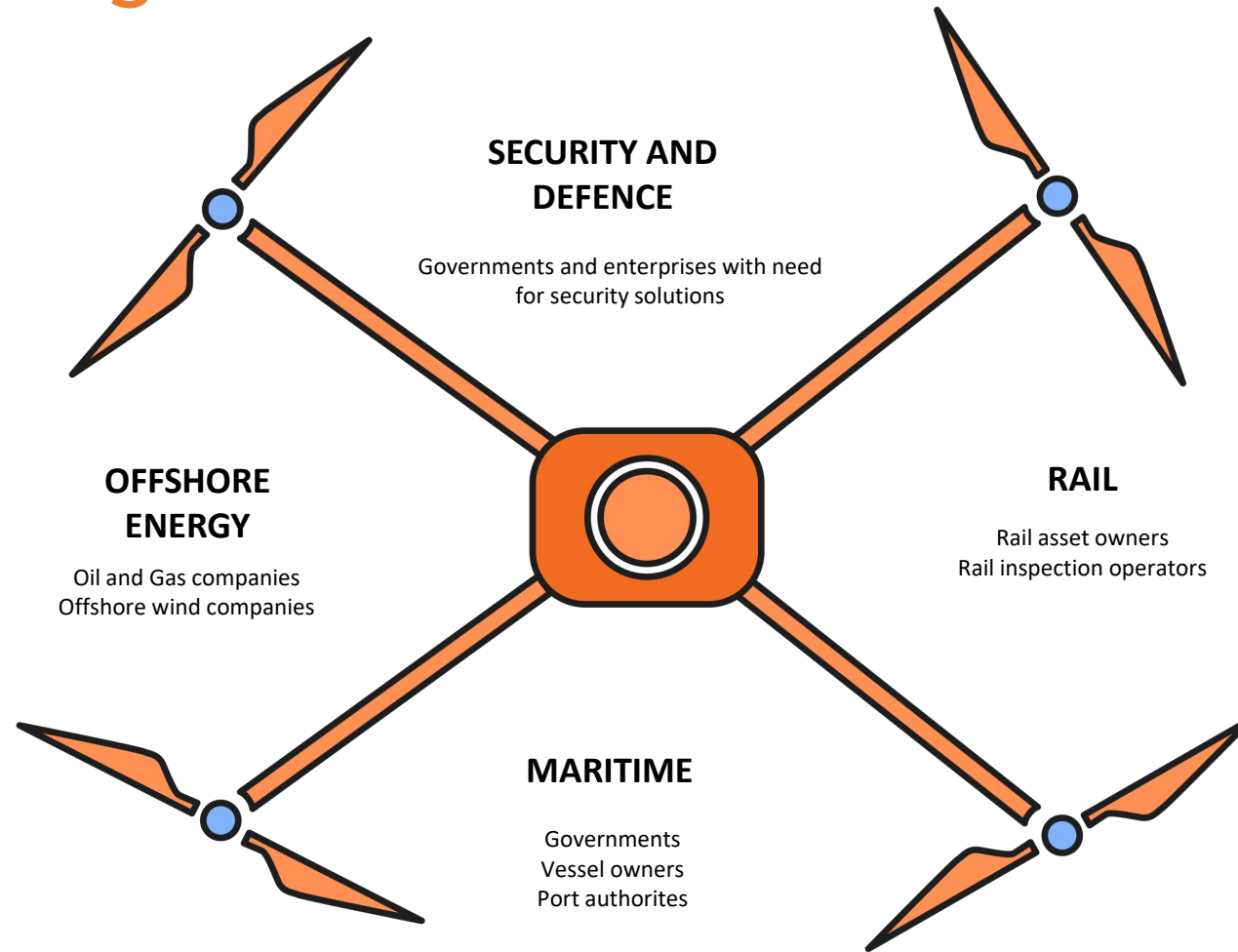
Operations in
20+ countries

Solid growth platform in rapidly expanding market

Nordic Unmanned delivers industry-leading drone services, products and data analysis in a rapidly evolving industry with a significant future market opportunity

- World-leading in BVLOS (Beyond Visual Line of Sight) flights
- Operates 34 unmanned aircraft with a total fleet value of EUR 20 million+
- Unique air emission data on more than 1500 vessels collected
- Safeguarded more than 1000 migrants in search and rescue operations
- Executed 5 acquisitions and established 2 joint ventures
- Holds probably the world's most comprehensive civilian unmanned operational license (LUC)
- Contracts for more than EUR 85 million won since start-up
- One of the leading listed pure-play drone companies globally by revenue in H1 2022.
 - Youngest company of the top 5
 - 2nd biggest in Europe in terms of revenue
 - 5th biggest globally in revenue
 - 2nd largest globally based on drone as a service

Focus on mature market segments with firm outlook for profitable growth



Reshaped organisational structure to support value creation

Organised into fully-functional business units



Nordun

Drone as a service

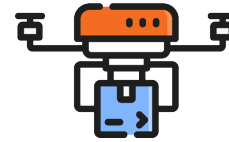
- Pure-play drone “airline”
- State-of-the-art fleet of drones
- Pilots and technicians
- Operations Control Center
- Complex missions with advanced platforms and sensors
- LUC permit



NUMar

Data as a service

- Emission monitoring
- Subsidiaries Ecoxy and NUAer
- Serves maritime market
- Data analytics and platform



NUTech

Original equipment manufacturer (OEM)

- Portfolio owner of Nordic Unmanned Group’s own products
- Product families:
 - Staaker
 - AirRobot
 - DroneMatrix



NUGlobal

Distribution

- Global sales and distribution network offering:
 - Own products, solutions, and services
 - Strategic partners, products and solutions
 - Global strategic distributors

AGENDA

01 STRATEGY UPDATE

02 Q2 HIGHLIGHTS

03 BUSINESS UNITS

04 COMMERCIAL

05 FINANCIALS

06 SUMMARY

07 OUTLOOK

08 Q&A

09 APPENDIX



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Q2'22 Highlights

1.1

Bn Euro

CRM PIPELINE

12

m Euro

AWARD FROM GERMAN
ARMED FORCES

Delivery of 145 AR100-H systems

+13%

percent

INCREASE IN CONTRACT
BACKLOG

Total contract backlog of EUR 67 million

+57%

percent

EUR 4.8 MILLION
Q2 REVENUE

Compared to Q2 2021

5.2

m Euro

AVAILABLE LIQUIDITY

96

m NOK

SUCCESSFUL PRIVATE
PLACEMENT

4.1

M Euro

Q2 GROSS PROFIT

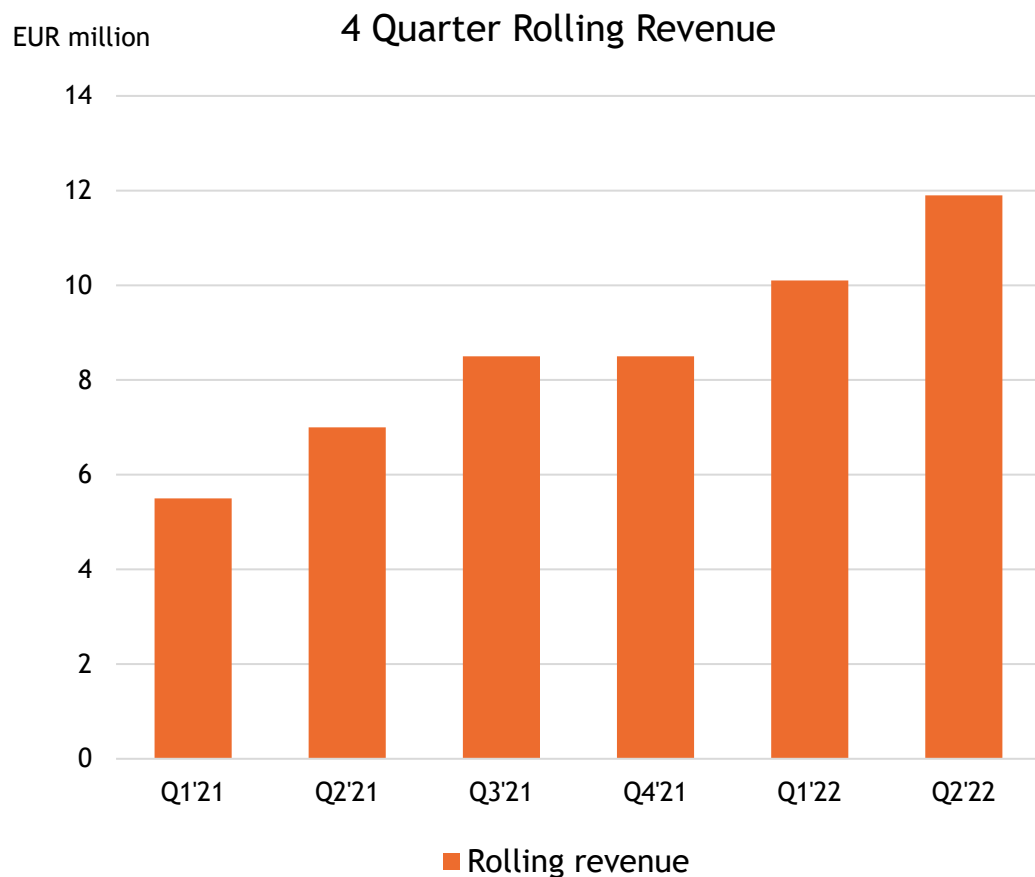
+84%

percent

EUR 7.3 MILLION
H1 REVENUE

Compared to H1 2021

Group highlights



- Q2: Record revenue EUR 4.8 million
 - +57% compared to Q2 2021
- H1: Record revenue EUR 7.3 million
 - +84% compared to H1 2021
- Revenue mid-August exceeded full year 2021
- Profitability negatively affected by delayed startup of operations and other temporary impacts
- Private placement and subsequent offering of NOK 96 million
- Uplisting will most likely be postponed into 2023, awaiting full implementation of the legal entity and operational model

AGENDA

01 STRATEGY UPDATE

02 Q2 HIGHLIGHTS

03 BUSINESS UNITS

04 COMMERCIAL

05 FINANCIALS

06 SUMMARY

07 OUTLOOK

08 Q&A

09 APPENDIX



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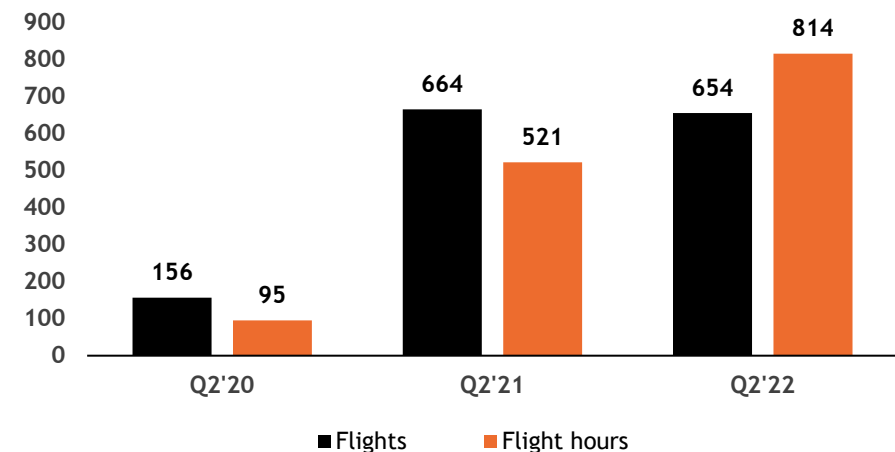
Nordun

Record number of flight hours

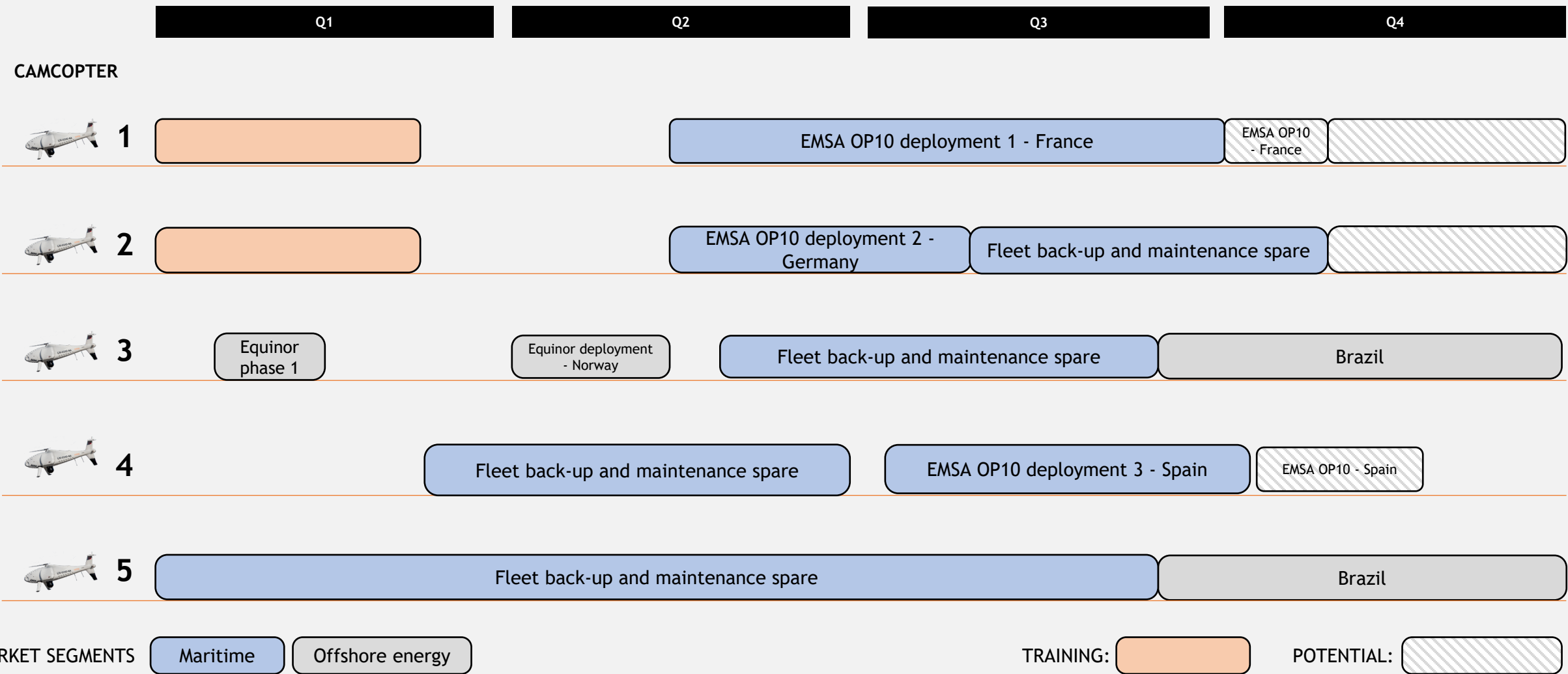
- Revenue Q2 mEUR 3.2 (2.3)
- EBITDA Q2 mEUR -1.0 (0.0)
- Total investment in business unit of EUR 20+ million
- 814 flight hours in Q2, increase of 56% compared to Q2 2021
- 1010 flight hours in H1, an increase of 57% compared H1 2021
- More than 50,000 km flown in Q2, 1.25 times around the globe
- Four simultaneous BVLOS (Beyond Visual Line of Sight) deployments in Europe
- Slower start-up of operations and implementation of new fixed-wing operations impacted the profits negatively



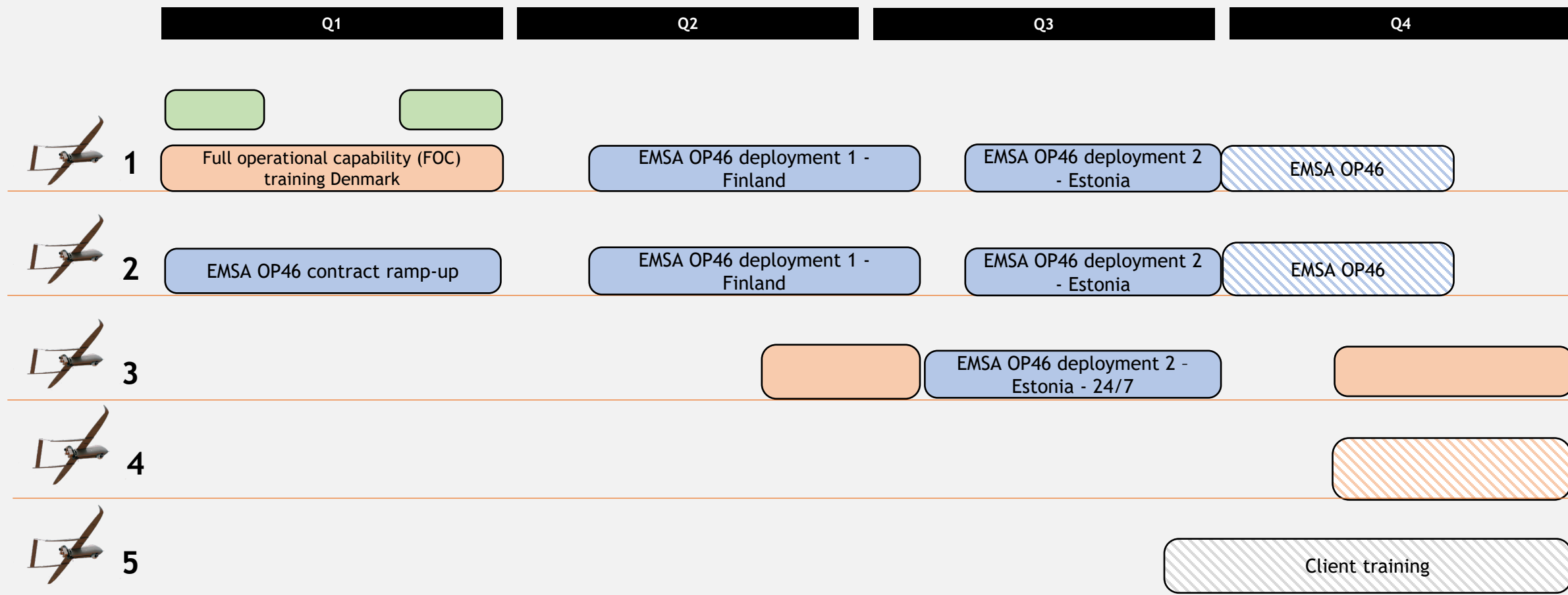
FLIGHTS AND FLIGHT HOURS



Illustrative fleet planning Camcopter 2022



Illustrative fleet planning Aerosonde 2022



MARKET SEGMENTS

Maritime

Offshore energy

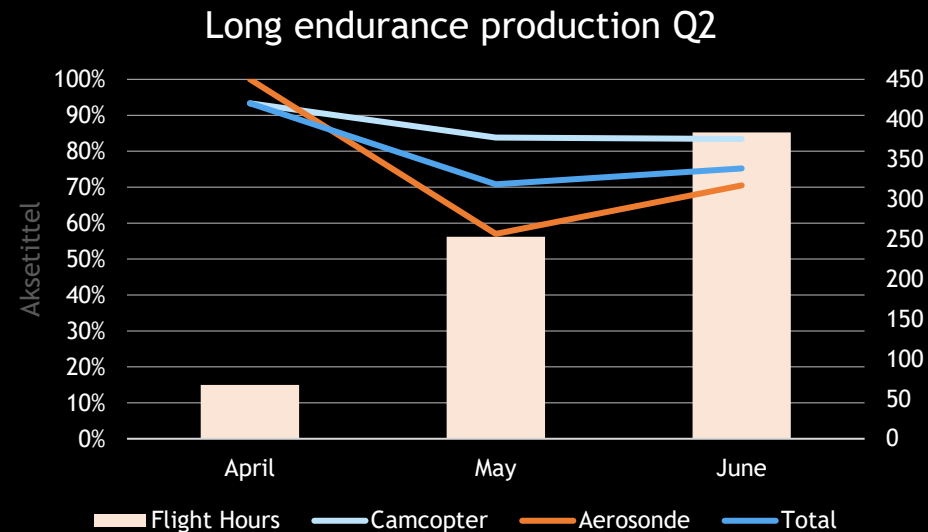
Demo

TRAINING:

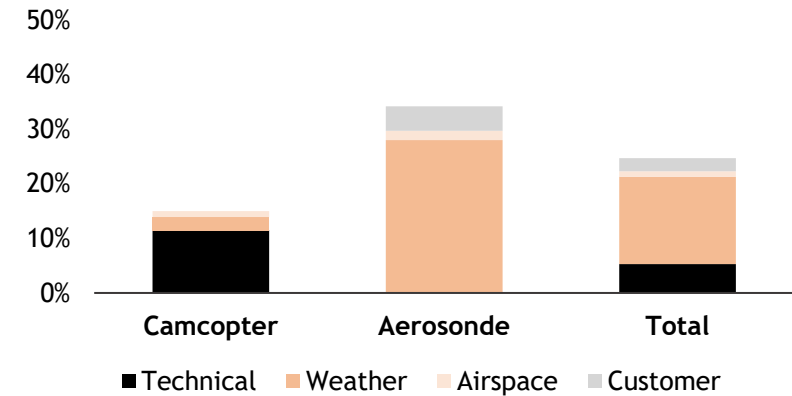
POTENTIAL:

Serviceability

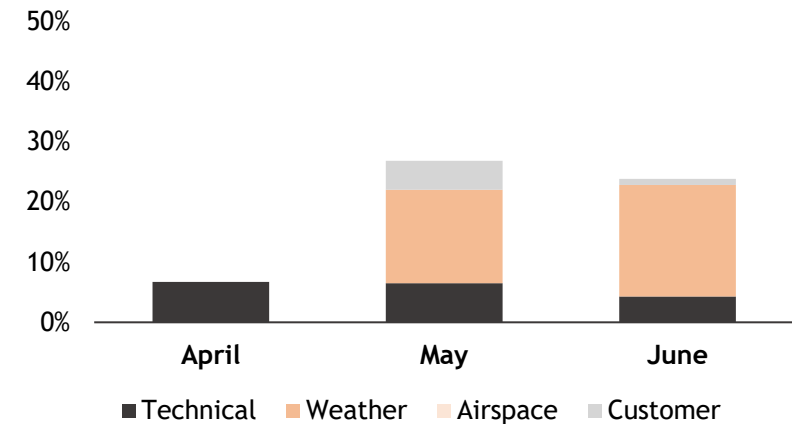
- 703.8 revenue long endurance flight hours produced in Q2
- Delivered 74.8% of scheduled hours
- Main impact on flight cancellations in Q2 is weather with 16%, mainly in the Aerosonde operation
- Camcopter's flight cancellation impact due to technical reasons, a cancellation rate of 11.5%, similar to the historical rate



Long Endurance flight cancellation Q2



Long Endurance flight cancellation Q2 - per month



NUMar

Maritime emission data and analytics platform

- Revenue Q2 mEUR 0.4 (0)
- EBITDA Q2 mEUR 0.0 (0)
- Total investment in business unit of mEUR 4

NUAer:

- Completed sensor integration with the Schiebel Camcopter
- Enables long-range integrated emissions monitoring

Ecoxy

- High demand of accredited NOx measurements in Scandinavia throughout Q2
- New customers within EU ETS verification service
- Data from more than 1300 unique accredited measurements of NIS/NOR registered vessels and drilling rigs



NUTech

Bundeswehr contract, a commercial breakthrough

- Revenue Q2 mEUR 0.3 (0.4)
- Gross profit Q2 mEUR 0.2 (0.4)
- EBITDA Q2 mEUR -0.2 (0.2)
- Business unit book value of EUR 11 million
 - Investment in Q2 of EUR 3.2 million
- First delivery of 145 AirRobot AR100-H systems
- Developed Staaker Logistics Drone
- Staaker Railway drone reached milestone
 - Expected start of operations in the US in September 2022
- Added DroneMatrix to the NUTech product portfolio by acquiring 55% in June



NUGlobal

Sudden demand acceleration due to security situation

- Revenue Q2 mEUR 0.9 (0.4)
- Gross profit Q2 mEUR 0.3 (0.1)
- EBITDA Q2 mEUR 0 (-0.1)
- Business unit book value of EUR 1.7 million (inventory)
- Ukraine war has led to sudden and radical change in demand for drones
- Sale of surveillance drones to a donating European country, including training of drone operators from the Ukrainian Armed Forces
- Several large open offers awaiting funding or priority
- Conclusion of these opportunities would potentially have substantial effect in H2 2022 as adequate stock levels has been secured
- The establishment of a global distribution network has started



AGENDA

01 STRATEGY UPDATE

02 Q2 HIGHLIGHTS

03 BUSINESS UNITS

04 COMMERCIAL

05 FINANCIALS

06 SUMMARY

07 OUTLOOK

08 Q&A

09 APPENDIX



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Strong contract backlog

67

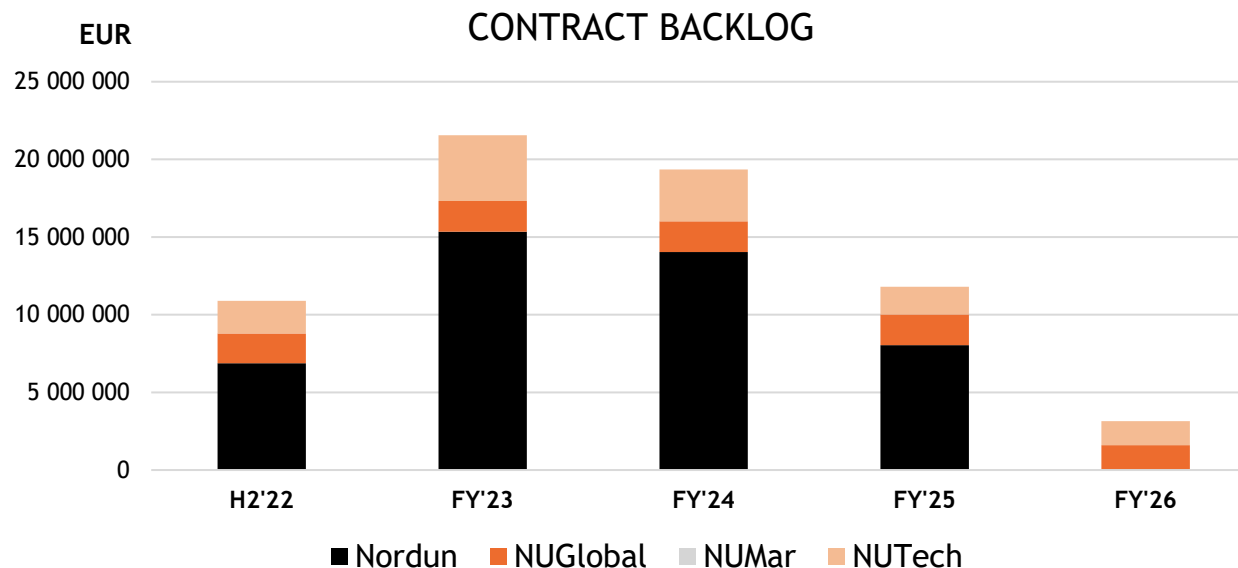
EUR million

TOTAL CONTRACT BACKLOG

13

Percent

SINCE LAST QUARTER



- Nordun accounts for around 65% of backlog
 - EMSA contracts main source
- MIKADO contract with Bundeswehr main addition to backlog
- NUMar has traditionally short time between order and delivery and therefore no representation in the backlog yet

Potential awards in the near future



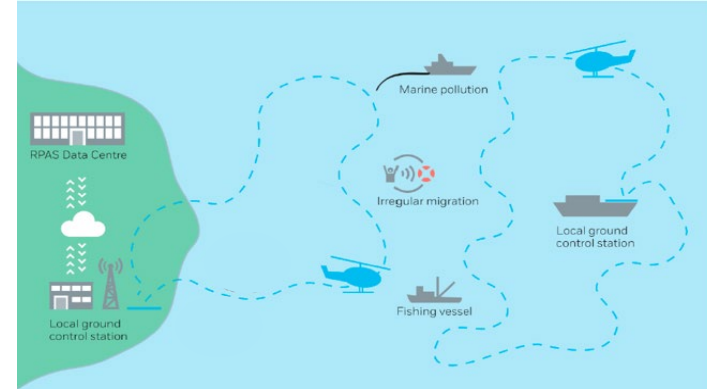
Urgent request for tactical UAV

System integrator capability for governmental customers in Europe



Offshore energy

Several offshore logistical concepts, shore to offshore



EMSA/OP5/2022

VTOL RPAS services for multipurpose maritime surveillance with medium range and endurance
Up to EUR 20.5 mill

Total CRM Pipeline: **EUR 1.1bn**

Value adjusted win rate of 55%*

Additional triggers:

- Maritime border monitoring
- Heimdal Indago payload

AGENDA

01 STRATEGY UPDATE

02 Q2 HIGHLIGHTS

03 BUSINESS UNITS

04 COMMERCIAL

05 FINANCIALS

06 SUMMARY

07 OUTLOOK

08 Q&A

09 APPENDIX



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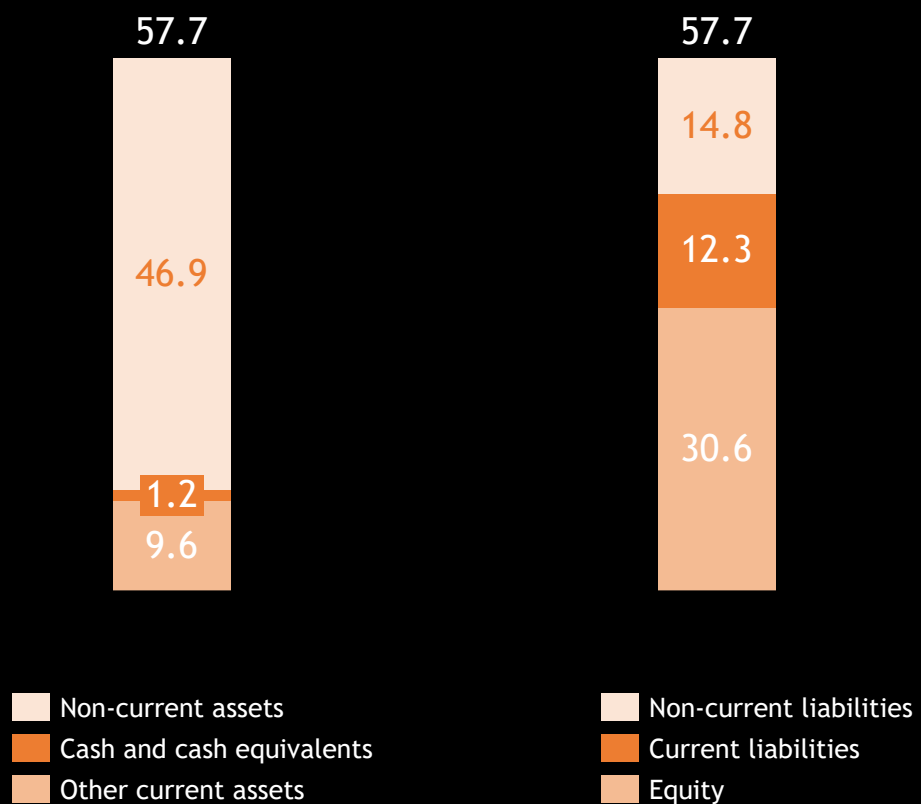
Profit and loss:

Strong growth - profitability below target

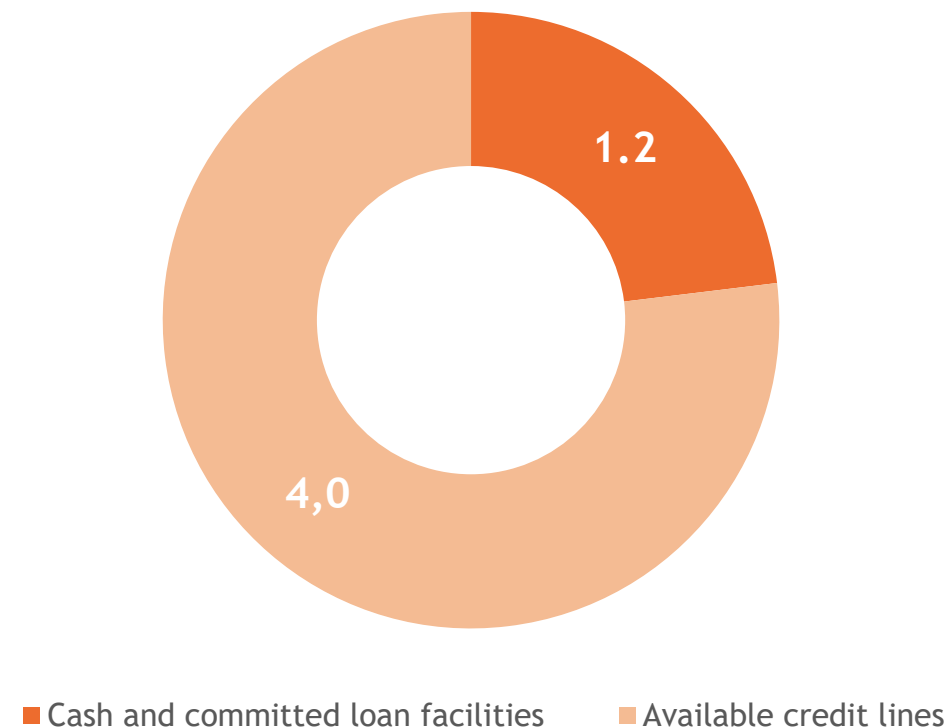
<i>Amounts in EUR</i>	Quarters		First half	
	Q2 2022	Q2 2021	2022	2021
Operating revenue	4 821 273	3 073 957	7 313 348	3 967 141
Gross profit	4 052 407	2 680 796	5 798 078	3 474 931
Gross margin %	84%	87%	79%	88%
EBITDA	-2 952 556	-785 870	-4 971 189	-1 644 852
Net income (loss)	-3 683 786	-1 245 308	-6 340 089	-1 956 352

- Q2 revenue growth of 57% and H1 revenue growth of 84%
- Lower utilisation of our BVLOS fleet and crew than expected due to late start.
- Ramp-up cost and challenging start related to our entrance into the fixed wing segment.
- Costs related to M&A and uplisting projects of EUR 0.5 million for the quarter and EUR 0.7 million YTD.
- Cost saving program of EUR 2 million identified and started

Financial position and liquidity reserve



Available liquidity of EUR 5.2 million



AGENDA

01 STRATEGY UPDATE

02 Q2 HIGHLIGHTS

03 BUSINESS UNITS

04 COMMERCIAL

05 FINANCIALS

06 SUMMARY

07 OUTLOOK

08 Q&A

09 APPENDIX



NORDIC
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Summary



Record high revenue and growth in Q2, however below plan



Q2 cost base prepared for even higher growth, including earlier start of contracts. Significant investment in fixed-wing capability build-up



Full-year 2021 revenue already passed as of mid-August. Expect higher revenue and higher profitability in H2 2022 based on ongoing operations and existing backlog



Several large opportunities could potentially impact the further growth rate and corresponding profitability in H2 positively



We have now established the platform needed for future growth in terms of M&A and fleet expansion. Focus will be on sales and distribution

AGENDA

01 STRATEGY UPDATE

02 Q2 HIGHLIGHTS

03 BUSINESS UNITS

04 COMMERCIAL

05 FINANCIALS

06 SUMMARY

07 OUTLOOK

08 Q&A

09 APPENDIX



Increased capacity and market maturity will drive growth



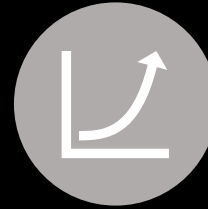
2022 EBITDA

EBITDA margin of 10-20 percent will not be achieved



2022 Growth

200 percent growth is still likely within reach but will require substantial awards within the Security and Defense sector.



2025 Growth

Targeting EUR 400 million in revenue in 2025



Global partnerships

Pursuing global partnerships



AGENDA

01 STRATEGY UPDATE

02 Q2 HIGHLIGHTS

03 BUSINESS UNITS

04 COMMERCIAL

05 FINANCIALS

06 SUMMARY

07 OUTLOOK

08 Q&A

09 APPENDIX



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Definitions

Revenue per flight hours	Total revenue (excluding revenue for the Security business area) for the period divided by total flight hours (excluding flight hours for the Security area) for the period.
EBITDA	Profit/(loss) for the period before net financial items, income tax expense, depreciation and amortization
Covid adjusted EBITDA*	(*) Adjusted EBITDA is EBITDA adjusted for one-off Covid-19 associated cost. Covid-19 associated cost includes additional medical certificates and tests, additional travel insurance, quarantine days for crew before and after operation, additional hotel and logistics costs, overtime pay, and employee bonuses.
Contract backlog	Contract backlog includes the maximum remaining estimated value of signed contracts
Historic win rate	Value of opportunities above EUR 200k won divided by aggregate value of closed targeted opportunities above EUR 200k
Revenue per country	Revenue divided into country of end-user
MRO	Maintenance, repair & overhaul
CRM estimate	Value of CRM is converted to Euro
Definitions in sales pipeline	Prospect: Potential leads not formally confirmed Qualified lead: Lead formally confirmed or received from client RFI delivered: Response to request for information (RFI) RFP / Proposal: Ongoing proposal response Awaiting award: Tender or offer submitted Projects with ongoing negotiations or un-announced wins not included in CRM pipeline

Definitions

Reduced CO² emissions

Average CO² emission of Sikorsky S92 and Challenger CL604 per flight hour - Average CO² emission of CAMCOPTER S-100 per flight hour = Reduced CO² emission.

Our flight operations could be conducted by these comparable manned platforms; the helicopter Sikorsky S92 and the maritime surveillance plane Challenger CL604. Therefore, the average of these two platforms have been used when comparing CO² footprint with large drone flight operations. In 2021 this calculations is based on 1060 flight hours.

Value adjusted win rate

Based on 97 historical opportunities with value above EUR 200.000

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