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Q1 2024 Presentation

21st June 2024

Agenda

- Highlights
- Business update
- Financials
- Outlook
- Focus 2024
- Summary



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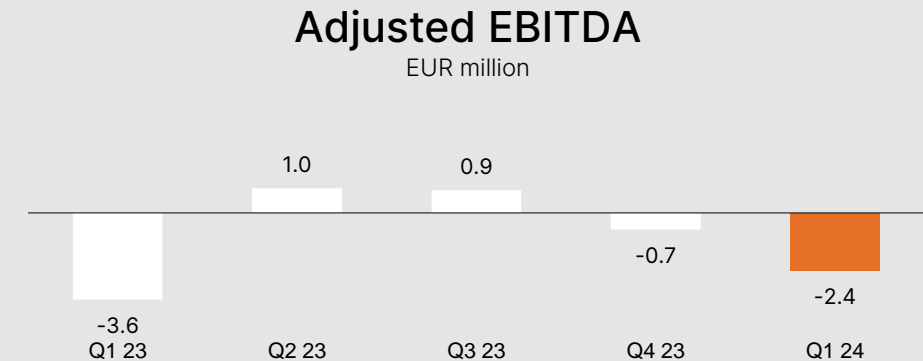
Highlights



Highlights

- Turnaround Plan Set for Implementation

- Q1 2024 revenue of EUR 3.0 million (EUR 2.2 million)
- Q1 2024 adjusted EBITDA of negative EUR 2.4 million (negative 3.6 million)
- Q1 2024 net loss of EUR 4.4 million (net loss of EUR 4.6 million)
- Consistent delivery on the EMSA OP1 lightweight capability contract
- Conducted training and planning for the upcoming flight season for the OP 46 and OP 5 contracts using the Textron Aerosonde UAS system
- AirRobot continued deliveries to Lockheed Martin under the Tiquila project
- AirRobot gaining traction in Type Certification of the AR100-H system
- Financial Restructuring completed in Q2 2024





Business update



Business segments



Flight Services

Nordic Unmanned Flight Services is a technology-agnostic flight services operator providing time-critical actionable data to large corporate and governmental customers.



AirRobot

AirRobot is an OEM with a leading product platform in lightweight drones tailored for defense & security.



DroneMatrix

DroneMatrix is an OEM offering a fully integrated and autonomous drone system with proprietary software.

Flight services

- Q1 2024 revenue of EUR 1.1 million
 - Q1 low season of the year
 - Sale of Indago 4 system
 - EMSA OP1 activity

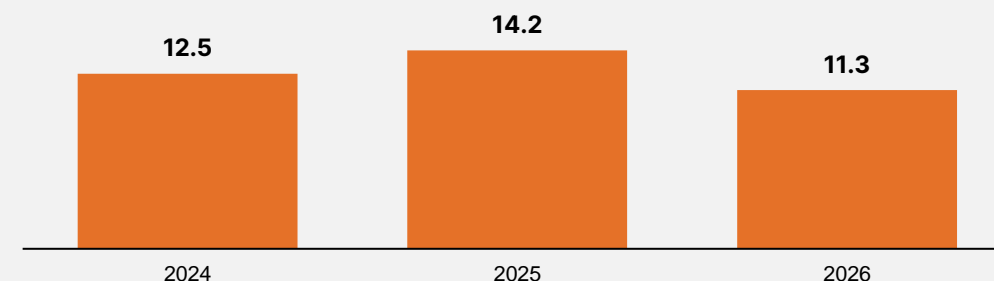
- Q1 2024 adjusted EBITDA EUR – 2.1 million
 - A YoY improvement of EUR 0.3 million

- Operational highlights
 - Consistent delivery on the EMSA OP1 lightweight capability contract
 - Conducted training and planning for the upcoming flight season for the OP 46 and OP 5 contracts using the Textron Aerosonde UAS system
 - Conducted planning and preparation for flight operations in Brazil using the Schiebel Camcopter system

Unaudited figures in EUR '000	Q1 2024	Q1 2023
Operating revenue	1 075	1 036
Cost of goods sold	536	105
Personnel expenses & other operating expenses	2 143	2 446
Allocated Group Cost	489	891
Adjusted EBITDA	-2 093	-2 406
Adjusted EBITDA %	-195 %	-232 %
Non-recurring items	-	-
EBITDA	-2 093	-2 406
EBITDA%	-195 %	-232 %

Estimated contract backlog

EUR million



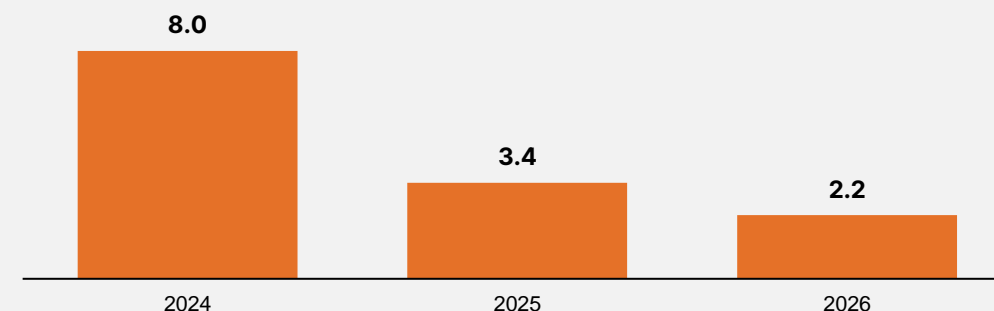
AirRobot

- Q1 2024 revenue of EUR 1.9 million
 - Increase of EUR 0.8 million
 - Continued delivery of Heimdal sensors under the Tiquila contract
 - Progressing the AR-100H UAS certification under the Mikado 2 contract
 - EUR 200k+ order received from the development department of the German Armed Forces for two more AR100-H complete systems
 - Order received from the German Police for three AR100-H complete systems
- Q1 2024 adjusted EBITDA EUR - 0.1 million
 - A YoY improvement of EUR 0.6 million
 - Improved margins on delivery of the programs
- Operational highlights
 - First training on the AR100-H system carried out at the German Armed Forces
 - AirRobot exhibits the AR100-H system at the Enforce Tac in Nürnberg

Unaudited figures in EUR '000	Q1 2024	Q1 2023
Operating revenue	1 899	1 060
Cost of goods sold	704	649
Personnel expenses & other operating expenses	859	722
Allocated Group Cost	404	379
Adjusted EBITDA	-68	-690
Adjusted EBITDA %	-4 %	-65 %
Non-recurring items	-	-
EBITDA	-68	-690
EBITDA%	-4 %	-65 %

Estimated contract backlog

EUR million



DroneMatrix

- Q1 2024 revenue of EUR 0.1 million

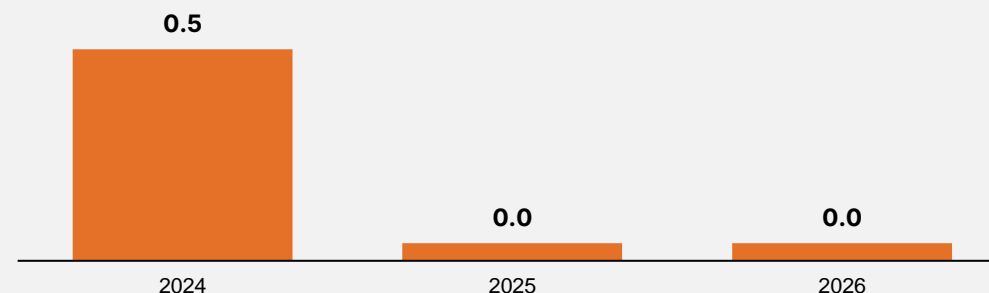
- Q1 2024 adjusted EBITDA EUR - 0.1 million

- Operational highlights
 - Increased and stable flight operations for Port of Antwerp
 - Award for new project with Gassco in the Port of Zeebrugge to implement the drone-in-a-box
 - Award of sensor integration project for University of Antwerp
 - Good progress on the C-UAV project in Belgium
 - Delivery of DeltaloT project in the Netherlands
 - Delivery of Infrabel contract as per expected

Unaudited figures in EUR '000	Q1 2024	Q1 2023
Operating revenue	122	213
Cost of goods sold	40	16
Personnel expenses & other operating expenses	170	181
Allocated Group Cost	36	50
Adjusted EBITDA	-125	-34
Adjusted EBITDA %	-103 %	-16 %
Non-recurring items	-	-
EBITDA	-125	-34
EBITDA%	-103 %	-16 %

Estimated contract backlog

EUR million





Financials



Income statement: Improved underlying performance

- Q1 2024 revenue of EUR 3.0 million, 40 % YoY growth
- Q1 2024 adjusted EBITDA negative EUR 2.4 million a YoY improvement of EUR 1.2 million
- Q1 2024 net loss of EUR 4.4 million a YoY improvement of EUR 0.2 million

Unaudited figures in EUR '000	Q1 2024	Q1 2023
Operating revenue	3 024	2 167
Adjusted EBITDA	-2 379	-3 578
EBITDA	-2 379	-3 578
EBIT	-3 723	-5 075
Net financial items	-659	-604
Income (loss) before tax	-4 381	-5 679
Net income (loss)	-4 426	-4 611

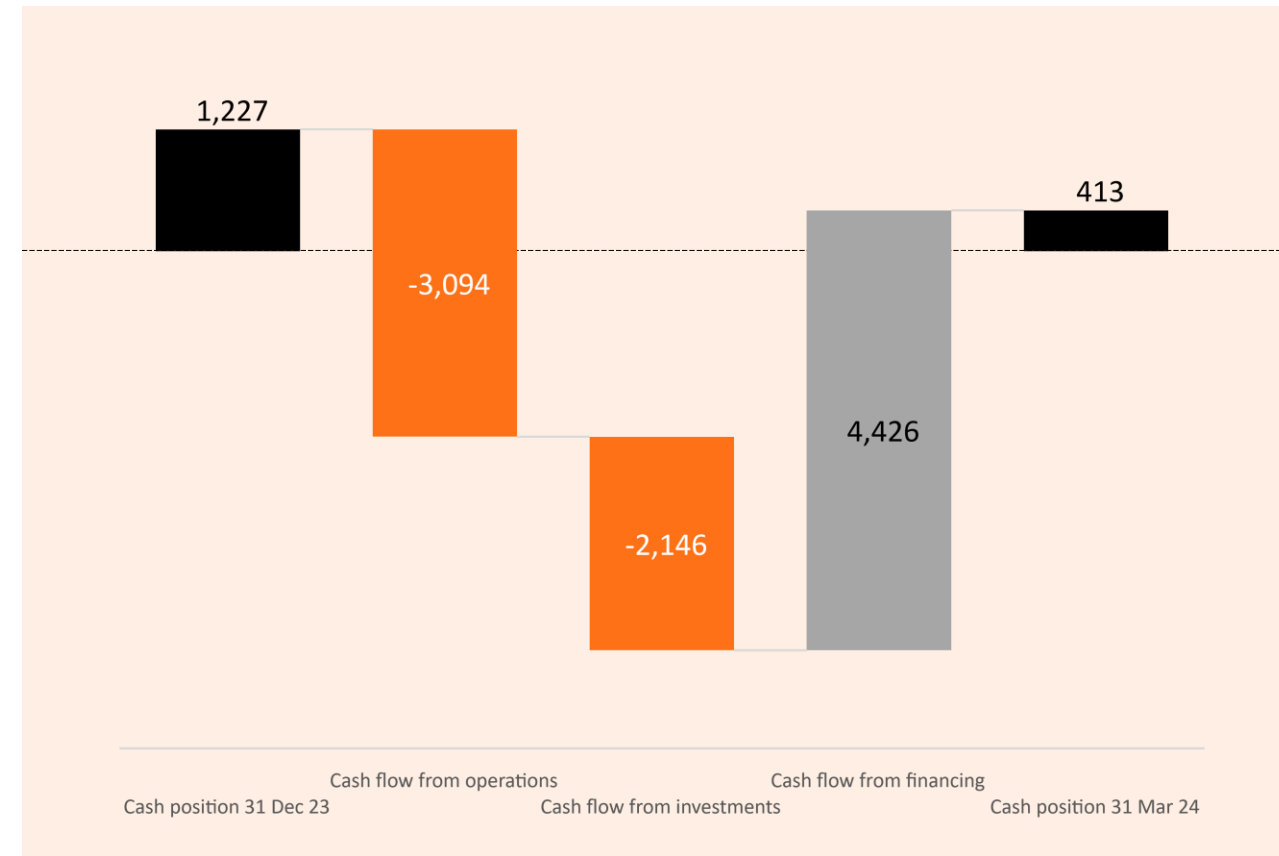
Balance sheet: Prior to financial restructuring

- Book equity 24%
- Available liquidity:
 - Group cash EUR 0.4 million
 - Undrawn overdraft facilities of EUR 0.3 million
- Added EUR 2 million bridge loan (repayment August 2024)
- Q2 2024 Restructuring
 - Equity offering of NOK 47 million (EUR 4.1 million)
 - Conversion of NOK 60 million interest bearing debt to equity (EUR 5.2 million)
 - Interest payment postponed to Q2 2025
 - Pre-agreed sharing of net proceeds in respect of sale of assets

Unaudited figures in EUR '000	31 Mar 2024	31 Dec 2023
Total fixed assets	31 247	30 750
Inventory and Receivables	8 067	8 339
Cash and cash equivalents	413	1 227
Total assets	39 726	40 316
Equity	9 618	13 722
Liabilities to financial institutions	17 526	17 311
Short term liabilities to financial institutions	7 778	3 513
Payables and other short term liabilities	4 804	5 771
Total equity and liabilities	39 726	40 316

Cash flow

- Q1 2024 net cash flow from operating activities was negative EUR 3.1 million due to negative cashflow from low season for flight services
- Q1 2024 net cash flow from investing activities was negative EUR 2.1 million, mainly related to purchase of assets for the upcoming flight season.
- Net cash changes from financing was EUR 4.4 million, related to an additional short term credit facility of EUR 2.0 million and draw down of the overdraft facility.



Key highlights of the financial restructuring

- A total equity offering of NOK 47.0 million, consisting of a Private Placement of NOK 23.5 million towards Tjelta Eiendom AS (the main shareholder with 50.24% of the company's outstanding shares) and a Subsequent Offering, fully underwritten by Tjelta Eiendom, towards all other eligible shareholders in the company as of 14 May 2024. The subscription price in the subsequent offering will be equal to the subscription price in the private placement of NOK 0.05 per share.
- Of the approx. EUR 12.3 million outstanding principal of the term loan facility with the company's lenders, an amount of NOK 60 million (approx. EUR 5.2 million) is to be converted to shares in the company at a conversion price of NOK 0.10 per share (rounded down to the nearest whole share).
- The outstanding principal of the term loan facility following the conversion will amount to approx. EUR 7.1 million.
 - The first interest payment of the term loan facility is postponed until 30 June 2025, with quarterly interest payments following first interest payment.
 - Pre-agreed sharing of net proceeds with the lenders in case of sale of assets.
- As the subscription price and conversion price are lower than the Company's current par value per share of NOK 0.35, the Private Placement, the Subsequent Offering and the debt conversion are conditional upon a share capital reduction equivalent to a new par value of NOK 0.01 per share, which will be implemented following a six-week creditor notice period after the extraordinary general meeting approved the financial restructuring.
- The existing bridge loan of EUR 2.0 million with the lenders remains in force until the end of August 2024, and Tjelta Eiendom's guarantee is extended beyond August 2024 until the bridge loan has been repaid, if not repaid in August 2024.
 - In the event of default of the bridge loan, Tjelta Eiendom's guarantee shall be made convertible to shares in the company at a subscription price of NOK 0.05 per share.
- Commitment of a new liquidity loan by the lenders of EUR 2.0 million, backed by an equivalent cash deposit from Tjelta Eiendom.
 - In the event of default of the liquidity loan, Tjelta Eiendom's recourse claim shall be made convertible to shares in the company at a subscription price of NOK 0.05 per share.
- An additional liquidity loan has been granted by Tjelta Eiendom of EUR 1 million, to be paid if and when needed.
 - To the extent the additional liquidity loan is not repaid by the company, Tjelta Eiendom shall have the right to convert the outstanding amount to shares at a conversion price of NOK 0.05 per share.
- The Company expects to repay the bridge loan, liquidity loan and the additional liquidity loan in accordance with their terms, so that the default provisions will not take effect.



Outlook

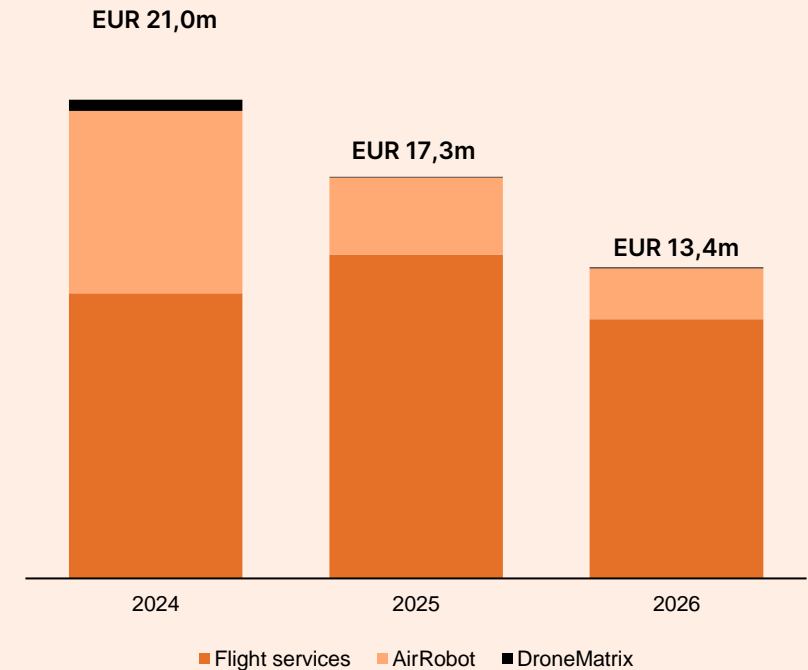


Estimated contract backlog*

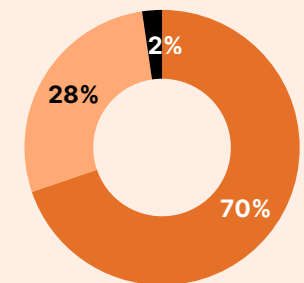
EUR 53 million

- Estimated contract backlog* consists of:
 - EUR 40 million of framework contracts
 - EUR 13 million of purchase orders/contracts

Contract	Partner	Expires	Contract value EURm
Mikado I	Bundeswehr	Q1 2027	3.0
Mikado II	Bundeswehr	Q2 2026 + MRO	12
Tiquila	Lockheed Martin	Q1 2033	>5
OP/1	EMSA	Q1 2026	7
OP/46	EMSA	Q2 2026	20
OP/5	EMSA	Q2 2027	20.5



(%) of Estimated Backlog





Outlook

- Generally positive outlook for UAS products and services - in particular within defense, security and regulatory enforcement
- Supportive demand drivers through increased awareness and a slowly maturing commercial industry, technological advancements, focus on security, and productivity and environmental benefits
- An unweighted pipeline of opportunities of more than EUR 500 million for the 3 business segments in total

Focus: 2024 - a Transition Year with a Turnaround Plan

- Financial restructuring in Q2 2024 with a stronger balance sheet
 - Targeted focused expansion towards the defense and security market
 - Reset the Nordic Unmanned brands with new marketing profile
 - Increase profitability in Flight Services with efficiency targets, adding scale and partnerships
 - Increase sales effort and modernize the manufacturing in AirRobot
 - Scale DroneMatrix with increased focus on Ports and AI
-
- Fully utilise synergies between the group segments

Repair Offering - Key terms and timeline

- Subsequent repair offering of 470,000,000 new shares in the company with non-transferable pro rata preferential subscription rights for eligible shareholders in the company as of 14 May 2024, other than Tjelta Eiendom AS.
- The subscription price is NOK 0.05 per share and the total subscription amount is thus NOK 23,500,000.
- The subsequent offering affords eligible shareholders the opportunity to subscribe for shares at the same terms as Tjelta Eiendom AS in the private placement.
- The subsequent offering will be underwritten by Tjelta Eiendom AS.
- The subscription period will commence on 24 June 2024 at 09:00 (CEST) and end on 5 July 2024 at 16:30 (CEST).
- Oversubscription with subscription rights will be allowed. Subscription without subscription rights will also be allowed.
- The allocation hierarchy in the subsequent offering will be as follows:
 - a) shares shall be allocated to eligible shareholders who have subscribed with subscription rights.
 - b) unallocated shares following a) shall be allocated to eligible shareholders who have oversubscribed with subscription rights (on a pro rata basis).
 - c) unallocated shares following b) shall be allocated to investors other than the eligible shareholders who have subscribed without subscription rights (the board reserves the right to allocate c) at their sole discretion (in consultation with the manager)).
 - d) unallocated shares following c) shall be allocated to Tjelta Eiendom as underwriter of the subsequent offering.
- The payment date in the subsequent offering will be 10 July 2024 and the total subscription amount will be kept in escrow until settlement which will be conducted as soon as practically possible after the creditor notice period (following completion of the reduction of the company's par value to NOK 0.01).
- The offer shares will be delivered to the VPS accounts of the subscribers in connection with settlement which is expected to take place in the end July.



Summary



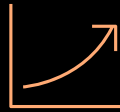
Summary



Financial restructuring in Q2



A turnaround plan and capital plan being implemented through 2024



Estimated order backlog of EUR 53 million providing a sole for activity



Generally positive long-term outlook in defense, security and regulatory enforcement - with an unweighted pipeline of EUR 500 million



Clear mission – enabling technology and operational services for a safer future

Q&A



Above all – We Protect
Values and Lives

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