

**NORDIC
UNMANNED**

**European leader of unmanned
systems and services**

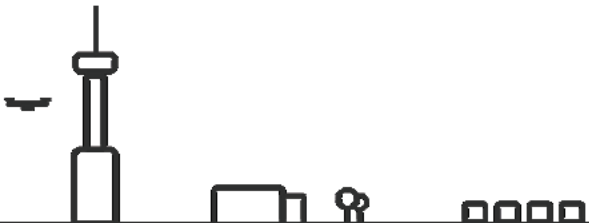
Annual report 2020



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Image from first page taken from world's first cargo drone delivery from Mongstad base to Troll A alongside Equinor



BUSINESS AREAS

Our main areas of business are compiled into four different categories; Digitalization, Green Solutions, Logistics & Robotization and Defense & Security.



GREEN SOLUTIONS

We deliver maritime pollution prevention solutions to governmental agencies. Operations include IMO 2020 emission monitoring of vessels, emergency preparedness for oil spill monitoring and fishery inspection.

DEFENSE & SECURITY

We provide organic and tactical drone solutions to demanding military and police operators across Europe with a lifetime support perspective

LOGISTICS & ROBOTIZATION

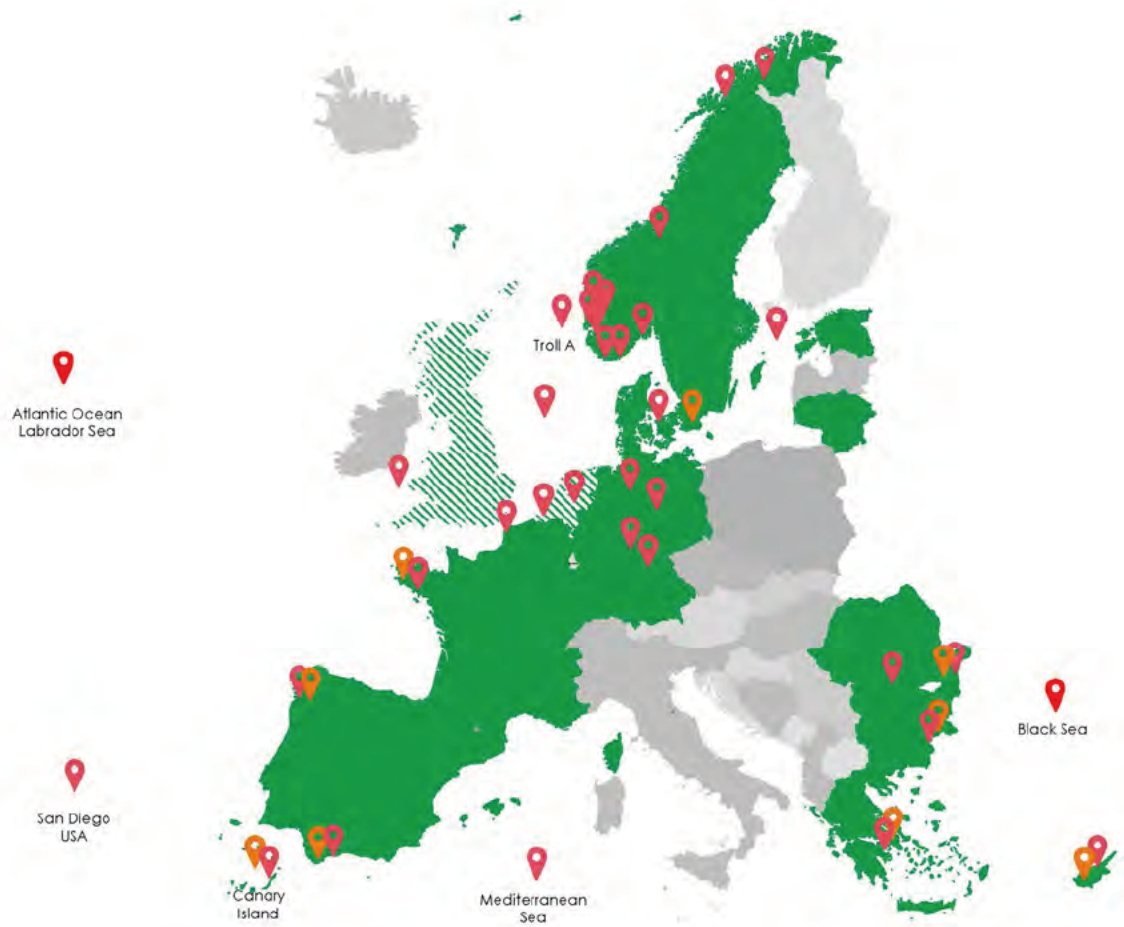
Reducing risk and carbon footprint by introducing drone based logistics and robotization of dangerous, dull and dusty industrial tasks for asset owners.

DIGITALIZATION

Through our survey and mapping operations, our clients get access to more frequent, detailed, and affordable data.

OPERATIONAL FOOTPRINT 2020

Despite complications of travel, Nordic Unmanned has still managed to execute a wide spread of operations across the European continent.



LETTER FROM THE CEO



A breakthrough year

When we founded Nordic Unmanned in 2014, we drew inspiration from the way subsea ROVs had revolutionized the offshore oil and gas industry, making subsea work much safer, less expensive and a lot more digital.

Our vision was to repeat this transformation, but this time up in the air and implemented much faster.

At that time, drones were primarily used for military purposes or as toys. The more we worked on our business plan, the more convinced we became on the versatility of drones for several other professional applications.

However, while we became more and more confident and optimistic, it took years to prove us right.

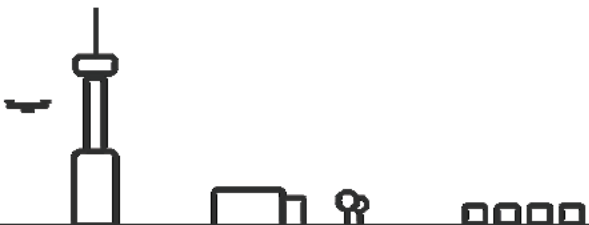
The breakthrough came in 2020.

Our revenues more than doubled. After years of losses, the bottom line turned to a strong positive. We won several contracts, laying the foundation for future growth which resulted in a rapidly increasing recruitment.

This allowed us to take advantage of the exponential growth and the high demand that we are currently experiencing.

We also reached several technological milestones in 2020, pointing towards future opportunities.

An example of such a milestone was when Equinor and Nordic Unmanned made aviation history in August by carrying out the first full-scale offshore drone delivery from shore to an active oil and gas installation, when a 3D printed component was delivered to the Troll A platform from the Mongstad base in Western Norway.



LETTER FROM THE CEO

In December, we also carried out a successful test flight with a hydrogen fuel cell powered drone. Fuel cells are an environmentally friendly technology that can provide superior performance for certain applications due to reduced weight.

Finally, towards the end of the year, we raised additional capital and listed Nordic Unmanned on Euronext Growth Oslo.

In short, we entered 2020 as a small, unprofitable, less known company. We ended 2020 as a profitable, rapidly growing, listed company with a substantial public footprint, a strong balance sheet and cash at hand. What a year it has been!

The year definitely brought turbulence. The Covid-19 pandemic hit us just as we were ramping up our growth, which caused project delays and several logistical challenges, for both personnel and equipment. I am extremely proud of the way our dedicated team were able to handle this through hard work and creative thinking! We thus decided to pay a collective bonus to the entire team to honor the special effort that has been made this year.

Looking ahead, I am even more optimistic than I was when we first played around with the idea of setting up Nordic Unmanned.

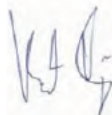
Firstly, I continue to see tremendous advantages in the use of drones in various roles. Drones are safer, less expensive, and better for the environment than manned helicopters and planes.

Secondly, we are not alone in seeing these developments, and the market is growing rapidly. The European drone market is expected to double from 2020 to 2025, and we see similar growth rates in other regions. We will make sure to keep our growth rates at a higher rate than market growth, and while Europe continues to be our home market and main focus, we will also enter markets outside Europe in 2021, focusing on the US and Middle East.

Thirdly, Nordic Unmanned has never been in a stronger or better position to take advantage of these market opportunities. We have a leading position in the European market, with first-class public and private customers as well as industry partners. Being listed and well capitalized, we are in an excellent position to drive growth, both organically and through targeted M&A activities.

In conclusion, 2020 was an amazing year for Nordic Unmanned, and I would like to thank everyone who made this possible, including employees, customers, industry partners and investors. But this is just the beginning. This flight has just taken off;

The future is unmanned!



KNUT ROAR WIIG
CEO Nordic Unmanned

MANAGEMENT TEAM



LARS LANDSNES, COO

Lars joined Nordic Unmanned as COO and Accountable Manager from Wideroe Airline, where he was VP Continuous Improvement. During the last 25 years, Lars has held various senior leadership positions in the manned aviation and aerospace industry



KNUT ROAR WIIG, CEO

Knut Roar is one of the founders of Nordic Unmanned and still the largest shareholder in the company. He is a serial entrepreneur and together with the other founders analyzed that there was untapped potential in the UAV industry in Europe. Knut Roar is an intrepid entrepreneur who understands that there is profit to be made in the UAV sector.



CECILIE DRANGE, CRO

Cecilie Drange is the current Chief Revenue Officer at Nordic Unmanned. Cecilie brings 20 years of experience from the oil and gas industry, and has worked for major service companies such as Schlumberger, Baker Hughes and Weatherford, in positions ranging from field operations to senior level business development and sales management



TROND ØSTERHUS, CFO

Trond joined Nordic Unmanned in April 2021. Trond comes from the position as CFO in DSD AS. Prior to joining DSD, he worked in Nordea Shipping department. Trond is about to finish an Executive MBA in Finance at NHH.

HIGHLIGHTS OF 2020

LISTING ON EURONEXT GROWTH

The Company raised NOK 99 million new equity and was listed on Euronext Growth, becoming the first publicly listed drone operator in Europe.



FIRST HYDROGEN POWERED DRONE FLIGHT IN SCANDINAVIA

On December 14th 2020, Nordic Unmanned carried out a successful test flight with a hydrogen fuel cell powered Staaker BG-200 drone



SIGNED CONTRACT WITH NORWEGIAN DEFENSE MATERIAL AGENCY

In November 2020, Nordic unmanned was awarded a contract as a system integrator including training and life cycle support for the Norwegian Defence Materiel Agency for VTOL UAS. The non-exclusive framework contract, is one of the most valuable mini VTOL UAV defense contracts of 2020 in Europe



SETTING A WORLDS' FIRST ALONGSIDE EQUINOR

27th of August 2020, Nordic Unmanned and Equinor carried out world's first cargo drone delivery to an active offshore platform, paving the way for the utilization of unmanned technology in the oil and gas sector.



RESEARCH & DEVELOPMENT

Three of the core missions for the R&D department is to

- (i) develop our own products and solutions
- (ii) support customers with custom development projects
- (iii) to support the main business activities of Nordic Unmanned with high technical competence and insights.

We are privileged to have an ocean of development opportunities, so day-to-day, we do our best to navigate those opportunities and make the most efficient use of the resources available to create maximum value for Nordic Unmanned. We are also working to build a strong department for the future.

Unmanned Aviation is a young industry in very rapid development. Having a strong and capable R&D department allows us to stay at the "cutting-edge" of the industry, capture more opportunities, and support Nordic Unmanned in making good strategic decisions.

WHAT IS IT LIKE WORKING WITH UNMANNED SYSTEMS?

It is very rewarding to take part in shaping a new industry and being part of a winning team. There are so much experience, high-quality focus, and "just-do-it" mentality melting together, making every day unique and exciting.

Being a provider of unmanned systems and unmanned operations gives us a strong competitive advantage. By exploiting the company's operational experience, we can develop better and more relevant solutions, providing additional value to our customers.

We have exciting projects going on, amongst others with Bane NOR, so we look forward to work closely with our customers to create the most innovative solutions to date.



Jørgen Apeland
R&D Engineer / PhD Candidate

At the end of June 2020, Nordic Unmanned was awarded Tekna's educational award for strengthening the technical and science education at the University of Stavanger. Since 2018 Nordic Unmanned has supported seven BSc and MSc projects at the University of Stavanger, and currently an ongoing industrial Ph.D. project. In June, this years' students presented their results, with the presence of several Nordic Unmanned representatives. CEO, Knut Roar Wiig, highlighted the mutual benefits that exists in such a relationship; "We have the opportunity to give students specific research assignments; giving us valuable information, and the students valuable experience."



BOARD OF DIRECTORS' REPORT



EUROPEAN LEADER OF UNMANNED SYSTEMS AND SERVICES

Nordic Unmanned AS ("Nordic Unmanned" or the "Company") delivers comprehensive data solutions through industry leading expertise, to assist both public and private customers in the transition to unmanned technology. The focus is to support demanding clients by collecting time-critical data with the use of unmanned technology. Founded in 2013, the company has offices in Sandnes, Oslo, and Frankfurt, and has become one of Europe's leading providers of unmanned systems and services, with operations across the continent.

The Company provides maritime operations in Europe through framework agreement with EMSA. This includes emission monitoring on operations from vessels in various EU countries. Through the framework agreement with Bane NOR, the Company provides a certain standby for our services for emergency situations in the Norwegian rail network. Nordic Unmanned is also engaged in an innovative project by the UK Defense and Security Accelerator. Additionally, the Company holds flight permits in several countries across Europe.

KEY EVENTS 2020

- The Company raised NOK 99 million new equity and was listed on Euronext Growth as the first drone operator in Europe.
- First hydrogen powered drone flight in Scandinavia.
- Acquired two CAMCOPTER® S-100 RPAS.
- Signed contract with Norwegian Defense Material Agency.
- 781 flight hours, an increase of 221 % from 2019.
- Carried out the first cargo delivery by drone to Troll A – an offshore oil and gas installation in full production.
- Started emission monitoring operations in France and Denmark
- Participated in 4 search and rescue operations during our operations in France.

GROUP OVERVIEW

Nordic Unmanned AS ("the Company"), the parent of the Nordic Unmanned Group ("the Group") is headquartered at Sandnes in Norway.

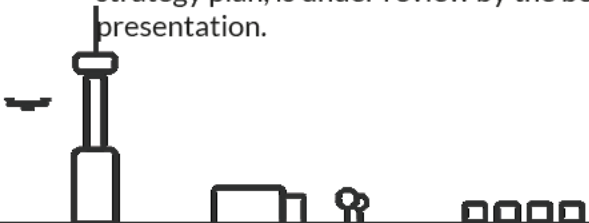
The subsidiary, The Staaker Company AS, has developed a drone which is used in the Nordic Unmanned operation. The main activity of the group was in the mother company through 2020, and the company merged with Nordic Unmanned AS as of January 1st, 2021.

BUSINESS STRATEGY

The Company's vision is "to be the leading drone operator in Europe". The Group operational priorities are safety, services, and technology development. Unmanned aviation represents an alternative to legacy solutions which reduces time, costs and CO2 emissions, while increasing safety of operations. Drones also enhances data analytics, which facilitates better decision making.

The largest revenue segment in the drone industry is expected to be services, where Nordic Unmanned is operating. The Group's overall objectives are to be the preferred solution provider of unmanned systems and services in Europe and to generate profitability and return to its shareholders.

To make sure we remain a leader, and to keep beating the growth of the industry, the 2021-2025 business strategy plan, is under review by the board, and a update to the strategy will be presented during the Q1 2021 presentation.



FINANCIAL REVIEW

2020 was the breakthrough year for Nordic Unmanned. The company succeeded in growing the contract backlog to MNOK 315 mill with clients like EMSA, Equinor, Bane NOR, UK MOD and Norwegian Defense Material Agency. The Covid-19 pandemic had a negative effect for Nordic Unmanned. Projects were postponed and restrictions on travel and meeting activities represented a challenge for a growing company. The growth was put on hold and 11 of our employees was temporary redundant for a shorter period. Estimated costs related to Covid-19 are NOK 1.7 mill for the year.

Nordic Unmanned reported consolidated operating income of NOK 66.3 million in 2020, compared to NOK 31.9 million in 2019, an increase of 107%. The Parent Company reported operating income of NOK 66.1 million in 2020.

The increase in reported revenues is to a large extent driven by the growth phase, winning several international contracts through EMSA.

2020 was the first year with a positive EBITDA of NOK 2.6 million for the Group and NOK 3.1 million for the Parent Company.

The Group had a net income of NOK 2.5 million (NOK 0.75 million in 2019) and the Parent Company had a net loss of NOK 0.7 million (net profit of NOK 0.97 million in 2019).

Total assets for the Group were NOK 165.5 million (NOK 45.7 million in 2019) and NOK 161.6 million (NOK 44.7 million) for the Parent Company.

The Group's total equity increased from NOK 15 million in 2019 to NOK 116.4 million in 2020. The Parent Company has a total equity of NOK 112.6 million as of the end of 2020.

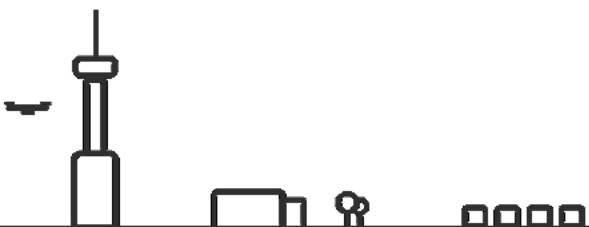
The Group's cash and cash equivalents were NOK 53.3 million (NOK 1.4 million in 2019) and the Parent Company had NOK 53.2 million (NOK 0.8 million in 2019) at the end of 2020.

Interest-bearing debt increased from NOK 18.7 million in 2019 to NOK 25.4 million in 2020 for the Group and the Parent Company.

Net cash flows for 2020 were positive with NOK 51.9 million and NOK 52.4 million for the Group and the Parent Company. Net cash from operations were positive with NOK 0.7 million and NOK 1.3 million for the Group and the Parent Company.

Cash flows from investments for both the Group and the Parent Company were negative with NOK 50.2 million, mainly due to purchase of fixed assets of NOK 46 million and capitalized concessions, patents, licenses of NOK 4.5 million.

Proceeds from equity issue of NOK 96 million contributed to the positive net cash flow of NOK 101 million for financing activities.



FINANCIAL RISK AND RISK MANAGEMENT

Risk management is based on the principle that risk evaluation is an integral part of all business activities.

Nordic Unmanned has established policies and procedures to manage risk and to face risks and uncertainties in a global marketplace.

The Company's reported results and net assets denominated in foreign currencies are influenced by fluctuations in currency exchange rates and in particular the EUR.

An increasing part of the Group's revenues and expenses are denominated in foreign currencies, where revenues are exposed to changes in foreign currencies against NOK.

Interest-bearing debt are denominated in NOK and EUR. The main strategi for mitigating risks related to volatility in cash flows is to maintain an operational hedge in the composition of the debt.

Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

Nordic Unmanned monitors rolling forecasts of the liquidity reserves and cash and project cash flows in major currencies and estimating the level of liquid assets required.

The Group is exposed to changes in the interest rate level, following the amount of interest-bearing debt and floating interest rate.

Credit risks arise from cash and cash equivalents, deposits with banks as well as credit exposure to commercial customers. The risks arising from receivables are monitored closely.

A set of financial covenants are established with its lenders under the loan agreements. The company was in compliance with all covenants as per year end and as per the date of the report.

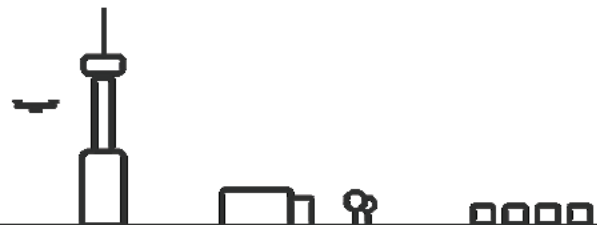
MARKET CONDITIONS

Nordic Unmanned AS is one of the leading drone operators in Europe. It is a European drone company with operations stretching across Europe.

The European drone market remains fragmented.

Drones have been utilized by the military for several years, while commercial applications are relatively new. It is expected that the usage of drone services will accelerate over the coming years within the commercial sector.

Nordic Unmanned has in the beginning of 2021 teamed up with Textron Systems Corporation, to enter the fixed wing segment of the European drone market. The fixed-wing drone market vertical is a new market segment for Nordic Unmanned and it fits well with our current vertical take-off and landing based solutions. Throughout 2020, we have gained a close partnership with Schiebel. Schiebel has been operating with Nordic Unmanned as our subcontractor by training our pilots and technicians. Nordic Unmanned has placed an order for two additional Schiebel CAMCOPTER® S-100 systems.



SAFETY AND COMPLIANCE

The operational focus is always on safety and compliance where our safety standards are based on compliance to the regulations and to our internal Safety Management System principles.

The company is ISO 9001-2015 certified by DNV-GL for the operation, maintenance and sales of unmanned systems and sensor technology.

DRONE MAINTENANCE

The Company is currently establishing its own internal Maintenance Repair Organization. Major drone frame and workshop maintenance are performed by external sources subject to approval by the European Aviation Safety Agency (EASA).

RESEARCH & DEVELOPMENT (R&D)

The Group continues to invest in research and development. The R&D activities takes place in Sandnes and Oslo. A total of 6 employees works full time with R&D.

The ability to develop, renew and improve its services is crucial to the growth of the Company.

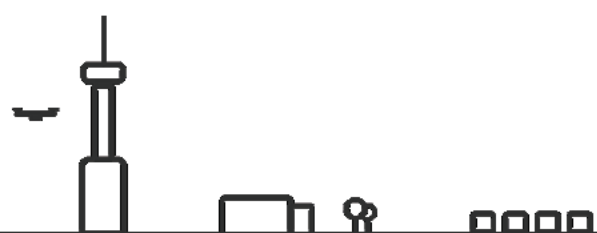
EMPLOYEES

The number of employees increased from 17 at year end 2019 to 33 in 2020, whereof 4 women and 29 men. There is one woman represented at the Company's board and one deputy member to the board. The management makes regular efforts for an even better gender equality within the Group. Top management team has been expanded from 2 to 4 members in 2021, whereof 1 is a woman. 40% of female employees have a management position. Wage conditions are based on job position and qualifications regardless of gender.

The sickness absence has been 2,3% and only related to short-term sick leave. There has not been reported any major injuries which have caused absence from work.

The Group has a pension scheme for all employees, pursuant to the Norwegian laws.

The Board considers the working environment in the Group to be satisfactory. Work Committee (AMU) is established. A work environment survey has been made in 2021 and will be done on regular basis going forward.



ESG

Unmanned Aviation generally represents an alternative to its legacy solutions which represents a significant reduction in CO2 emissions and safer operation. However, Nordic Unmanned realize that the operational activity of the company has a footprint on the environment and aims to minimize the impact through its ESG policy.

Nordic Unmanned has identified its environmental footprint as follows:

- Emission of smoke and other polluting gases contributing to the greenhouse effect.
- Use of energy, water, natural resources and, in general, manufactured products.
- Production of waste

The company will review cost efficiencies and commercial opportunities whilst managing the environmental impact on their operational activities. To achieve its target to minimize its footprint, Nordic Unmanned will:

- Conduct research to enhance the efficiency of our operations, without increasing environmental impact.
- Assess different alternatives of travel of people and equipment.
- Choose suppliers that can showcase a conscious environmental strategy.
- Communicate the Company's «Green Solutions» business area and showcasing the importance of utilizing technology for green purposes.

The Green Solutions business area is completely devoted to assist our clients in reducing their environmental impact and assist authorities in ensuring the compliance of environmental legislation.

The company has initiated an ISO 14001 implementation project and expect to be certified within the end of the year.

OUTLOOK

The Company more than doubled its revenue from 2019 to 2020 and expect to significantly increase the growth rate further in 2021, due to the total contract backlog of NOK 315 million. The European drone market is expected to grow 14% annually until 2025. Nordic Unmanned is already established as a leading European player and is determined to keep that position. The Company furthermore expects to start up operations also outside Europe in 2021. The UAV industry is a global market and Nordic Unmanned intends to be a recognized supplier of UAV services also in important markets like the US and Middle East.

The fleet value increased to NOK 56 million at the end of 2020 and is expected to triple in 2021, through the acquisition of additional Schiebel CAMCOPTER® S-100 systems.

The Group is targeting 90 employees at the end of 2021 in order to achieve our short term objectives and medium-term ambition of a revenue exceeding NOK 1 billion.

Several M&A opportunities are identified in Norway, Europe and the USA. Conversations and negotiations are ongoing.

To secure the growth strategy and to strengthen the Company's balance sheet, the Company has in the beginning of 2021 raised another NOK 100 million in new equity and secured firm commitments on new interest-bearing debt for the financing from SR-Bank and GIEK of our new CAMCOPTER® S-100 systems.



GOING CONCERN

The short-term impact from COVID-19 on the European drone industry and Nordic Unmanned is uncertain and depends on various factors such as duration and magnitude of the outbreak, containment measures and economic conditions. The COVID-19 outbreak may lead to travel restrictions which will impact on our ongoing business operations in Europe. However, it is difficult to assess the full impact on the business. During second half of 2020 the company has continuously handled the containment measures and travel restrictions in a way that has not materially effected our operations, but with an increased operational cost.


In the opinion of the Board of Directors, the income statement and balance sheet give a satisfactory representation of the result in 2020 and of the financial position at year end 2020.

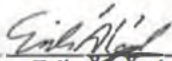
In accordance with the Norwegian Accounting Act §3-3a, the board confirms that the financial statements have been prepared under the assumption of going concern.


SIGNATURES

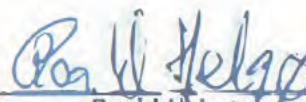
Sandnes, 15. April 2021


The board of Nordic Unmanned AS

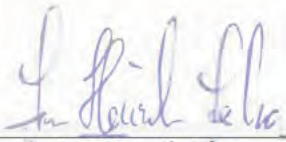

Nils Johan Holte
Chairman of the board



Erik Riggard
Member of the board

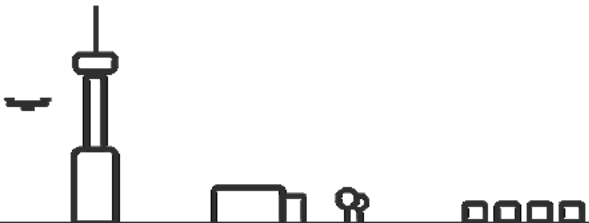

Erik Berge
Member of the board


Roald Helgø
Member of the board


Knut Roar Wlig
CEO

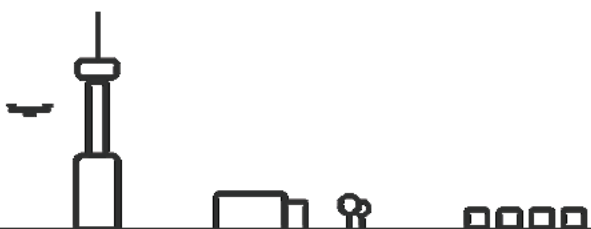

Jan Henrik Jøsa
Member of the board


Liv Annikke Kverneland
Member of the board



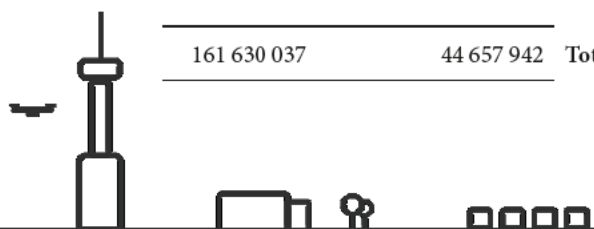
INCOME STATEMENT

Parent company		Consolidated income statement	Note	Group	
2020	2019			2020	2019
65 131 779	30 397 429	Revenues		65 320 096	30 968 710
1 005 116	960 792	Other operating income		1 005 116	960 792
66 136 895	31 358 221	Total operating income	13	66 325 212	31 929 502
30 618 320	12 740 879	Costs of goods sold		31 080 455	12 929 336
20 013 970	16 599 657	Personnel expenses	2	20 010 006	16 774 468
3 063 561	1 535 279	Depreciation and amortisation expenses	3	5 054 805	2 083 900
12 416 257	2 226 905	Other operating expenses		12 659 397	3 270 015
66 112 108	33 102 720	Total operating expenses		68 804 663	35 057 719
24 787	(1 744 500)	Operating profit (loss)		(2 479 451)	(3 128 217)
- 9 514	361	Interest income		- 9 453	2 657
318 404	77 055	Other financial income		318 424	1 916 517
- 920 218	- 931 402	Interest expenses		- 920 495	- 933 993
- 412 090	- 208 427	Other financial expenses		- 417 562	- 882 122
- 1 023 418	- 1 062 413	Net financial income and expenses		- 1 029 086	-103 060
(998 630)	(2 806 912)	Income (loss) before tax		(3 508 537)	(3 025 157)
- 267 344	- 3 782 728	Income tax	15	- 5 982 386	- 3 782 728
(731 286)	975 816	Net income (loss)		2 473 849	757 571
731 286	- 975 816	Retained earnings - Parent company			
731 286	- 975 816	Total allocated			



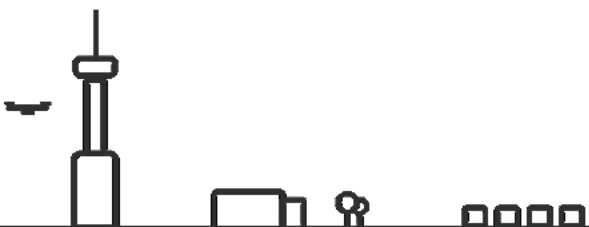
BALANCE SHEET

Parent company			Group		
2020	2019	Consolidated balance sheet	Note	2020	2019
		Assets			
-	-	Research and development	3	5 954 229	7 525 995
10 727 772	7 067 616	Concessions, patents, licenses	3	10 727 772	7 067 616
9 795 343	6 982 728	Deferred tax assets	15	16 091 926	7 564 269
-	-	Goodwill	3	814 767	1 018 459
20 523 115	14 050 344	Total intangible fixed assets		33 588 695	23 176 339
				-	-
41 194 968	4 313 790	Aircraft and spare parts	3	41 194 968	4 313 790
9 611 928	3 020 485	Fixtures and fittings	3	9 832 437	3 456 780
50 806 896	7 334 274	Total tangible assets		51 027 405	7 770 569
-	-			-	-
12 428 978	12 451 479	Investment in subsidiaries	6	-	22 501
30 000	30 000	Investment in associated companies	6	30 000	30 000
-	-	Prepayments and financial receivables		6 400	61 233
12 458 978	12 481 479	Total financial fixed assets		36 400	113 734
83 788 990	33 866 097	Total fixed assets		84 652 500	31 060 642
-	-			-	-
-	-			-	-
3 185 840	1 499 943	Inventory	14	6 084 599	4 744 802
3 185 840	1 499 943	Total inventory		6 084 599	4 744 802
-	-			-	-
8 170 305	1 792 911	Accounts receivables		8 202 645	1 802 647
13 259 901	6 693 660	Other short-term receivables		13 271 041	6 711 713
21 430 206	8 486 571	Total receivables		21 473 686	8 514 360
53 225 002	805 331	Cash and cash equivalents	7	53 274 068	1 397 026
53 225 002	805 331	Total cash and cash equivalents		53 274 068	1 397 026
77 841 047	10 791 845	Total current assets		80 832 352	14 656 189
161 630 037	44 657 942	Total assets		165 484 852	45 716 831



BALANCE SHEET

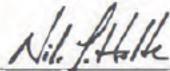
Parent company		Group			
2020	2019	Consolidated balance sheet	Note	2020	2019
Equity and liabilities					
20 120 032	10 332 941	Share capital	4,5	20 120 032	10 332 941
- 2 127	-	Treasury stock	5	- 2 127	-
119 603 508	30 493 474	Share premium	5	119 603 508	30 493 474
139 721 413	40 826 415	Total contributed capital		139 721 413	40 826 415
-	-				
-	-	Other equity	5	27 496 243	27 272 115
- 27 153 404	- 26 376 397	Retained earnings	5	- 50 819 529	- 53 023 528
- 27 153 404	- 26 376 397	Total retained earnings		- 23 323 286	- 25 751 413
112 568 009	14 450 019	Total equity		116 398 127	15 075 002
				-	-
25 396 776	6 895 855	Liabilities to financial institutions	10	25 396 776	6 895 855
25 396 776	6 895 855	Total long term liabilities		25 396 776	6 895 855
				-	-
-	11 835 084	Liabilities to financial institutions	10	-	11 835 084
14 685 994	6 828 375	Trade creditors		14 722 252	6 947 044
2 271 164	1 194 059	Public duties payable		2 271 164	1 247 354
6 708 094	3 454 550	Other current debt		6 696 534	3 716 492
23 665 252	23 312 068	Total short term liabilities		23 689 949	23 745 974
				-	-
49 062 028	30 207 924	Total liabilities		49 086 725	30 641 829
161 630 037	44 657 942	Total equity and liabilities		165 484 852	45 716 831



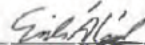
SIGNATURES

Sandnes, 15. April 2021

The board of Nordic Unmanned AS



Nils Johan Holte
Chairman of the board



Erik Kigård
Member of the board



Erik Berge
Member of the board



Roald Helgø
Member of the board



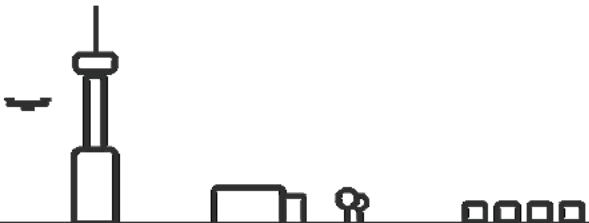
Knut Roar Wiig
CEO



Jan Henrik Jøsa
Member of the board

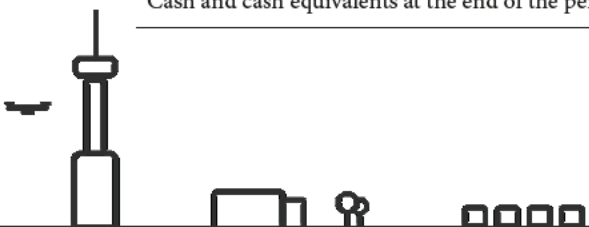


Liv Annike Kverneland
Member of the board



CASH FLOW STATEMENT

Cash flow statement	Parent	Group
Cash flow from operations		
Income before tax	- 998 630	- 3 508 537
Taxes paid in the period	-	-
Depreciation and amortisation expenses	3 063 561	5 054 804
Changes in inventories	- 1 685 897	- 1 339 797
Changes in accounts receivables	- 4 850 811	- 4 873 415
Changes in accounts payable	7 857 619	7 775 208
Other operating cashflows	- 2 337 810	- 2 602 861
Net cash from operations	1 048 032	505 401
Cash flows from investments		
Purchase of fixed assets	- 45 736 570	- 45 736 570
Capitalized R & D	- 4 480 825	- 4 480 825
Other investing activities - net	267 151	267 151
Net cash from investments	- 49 950 244	- 49 950 244
Cash flow from financing activities		
Net disbursements overdraft facility	- 13 529 367	- 13 529 367
Proceeds from new debt (short / long term)	23 271 776	23 271 776
Repayment of debt (short / long term)	- 4 770 855	- 4 770 855
Proceeds from equity issue	96 350 331	96 350 331
Other finance cash flow - net		
Net cash from financing activities	101 321 885	101 321 885
Net cash for the period	52 419 672	52 419 672
Cash and cash equivalents at the beginning of the period	805 330	1 397 026
Cash and cash equivalents at the end of the period	53 225 002	53 274 068



NOTES TO THE FINANCIAL STATEMENT

NOTE 1 - ACCOUNTING PRINCIPLES

The Consolidated financial statements have been prepared in accordance with the Norwegian Accounting Act, and generally accepted accounting principles for small businesses in Norway.

CONSOLIDATION PRINCIPLES

Consolidation is done using the acquisition method and begins when control over the subsidiary is obtained. Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated.

The Consolidated financial statements include the accounts of Nordic Unmanned AS and its wholly owned subsidiary The Staaker Company AS. The Staaker Company was acquired and was consolidated into the Group as of 15. July 2019.

The Staaker Company AS will be merged with Nordic Unmanned AS with effect of January 1st, 2021. The consolidated financial statement is prepared as if the Group was one entity.

FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in NOK, which is the Company's functional currency.

Income and expense items are converted to the average exchange rates for the period. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency exchange rate of the reporting date.

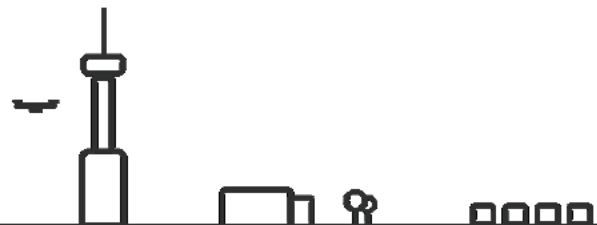
REVENUE STREAMS

UNMANNED AVIATION CONSULTANCY

The company is supporting customers and partners with know-how and capacity to build the framework to operate drones. The foundation of the service is based on in-house experience. Revenue is recognized over time as the service is provided.

DELIVERY OF DRONE PRODUCT PORTFOLIO

Proprietary drones and accessories, with third party sensors delivered at a fixed price. These deliveries could include customized modification and reimbursement on an hourly basis and cost-plus materials. Revenue and associated costs are recognized over time. Progress is determined based on the cost-to-cost method.



NOTES TO THE FINANCIAL STATEMENT

NOTE 1 - ACCOUNTING PRINCIPLES (CONTINUED)

DELIVERY OF RE-SALE PRODUCTS

The company is a reseller of drone, payloads/sensors, and software. The price for these products would be a mark-up on acquisition cost. Revenue is recognized when the goods are delivered and have been accepted by customers at their premises.

OPERATIONS

The company supports customers with operations providing unmanned drone systems and related services. Operation contracts are based on a fixed daily rate for pilots, technicians and equipment. In addition, payment per flight hour covering the variable flight hours costs. Related services are based on a fixed or flight hourly price. Revenue and associated costs are recognized over time. Progress is determined based on the cost-to-cost method.

TRAINING AND ACADEMY

The company offers pilot and maintenance training. Training is priced on a fixed price per course and is often contracted when supplying own or re-seller systems, or they could be a stand-alone and added service to existing customers. The training is often high value type rating certifying course. Revenue is recognized over time as the service is provided.

MAINTENANCE AND LIFE CYCLE SUPPORT

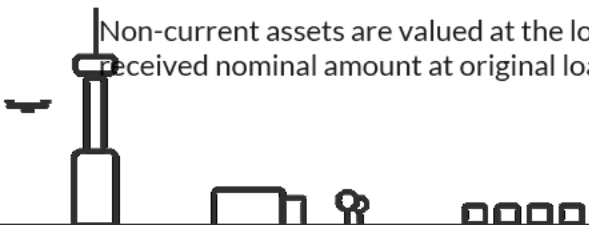
The company supports customers acquiring drones and re-sale products with maintenance and life cycle support. There are performed for scheduled and unscheduled maintenance activities. The prices could be fixed and / or reimbursable fee, where invoicing is based on man-hours and materials used. The company offers long-term maintenance through service agreements. Revenue and associated costs are recognized over time. Progress is determined based on the cost-to-cost method.

PRINCIPLES APPLIED FOR ESTIMATION AND CLASSIFICATION OF ASSETS AND DEBT

Assets considered to have a long economic useful life are classified as non-current assets. Other assets are classified as current assets. Receivables to be paid within 12 months are classified as current assets. Analog criteria are applied for classification of short-, and long-term debt.

Non-current assets are carried at historical cost, less accumulated depreciation, and impairment losses. Financial liabilities are initially recognized at fair value when the company becomes a party to the contractual provisions of the liability.

Non-current assets are valued at the lowest of acquisition cost and fair value. Short-term debt is valued as received nominal amount at original loan date.



NOTES TO THE FINANCIAL STATEMENT

NOTE 1 - ACCOUNTING PRINCIPLES (CONTINUED)

NON-CURRENT ASSETS

Non-current assets are depreciated on a straight-line basis over the estimated useful life of the asset beginning when the asset is ready for its intended use.

INTANGIBLE ASSETS

Costs which are directly associated with the development of identifiable flight licenses, operational manuals and contracts controlled by the Company and which are estimated to generate economic benefits are recognized as intangible assets. The cost of these developments recognized as assets are amortized over their estimated useful lives. The depreciation of these assets commences as each module is completed.

GOODWILL

Goodwill is stated to the difference of historic cost at the time of acquisition of the company and actual value of identifiable assets and debt of the company. Amortization of goodwill is charged to the income statement using the straight-line method over estimated lifetime of 5-10 years. Goodwill will be further amortized in case the decrease of value is more than the amortization plan.

STOCKS AND SHARES OF AFFILIATE COMPANIES AND SUBSIDIARIES

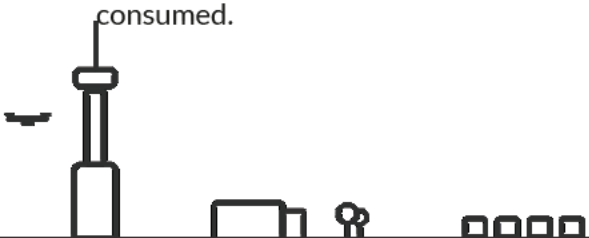
Cost-method is applied to investments in subsidiaries. Other non-current investments and shares in affiliate companies, where the company does not have significant influence are valued at acquisition cost. Investments are carried at fair value less impairment. Dividends received and group contributions are recognized under other financial income.

RECEIVABLES

Trade receivables and other receivables are recognized at fair value, less provisions for doubtful debt. Provisions are based on individual assessment of receivables. Other receivables are subject to unspecified provisions to cover assumed losses.

INVENTORY

Inventory of spare parts are carried at the lower of acquisition cost and net realizable value. Cost is determined using the first in first out (FIFO) method and comprises direct purchase costs, cost of production, transportation, and manufacturing expenses. Obsolete inventory has been fully recognized as impairment losses. Inventory is consumed during maintenance and overhaul of the drone and is expensed when consumed.



NOTES TO THE FINANCIAL STATEMENT

NOTE 1 - ACCOUNTING PRINCIPLES (CONTINUED)

LIABILITIES

Accounts payables are classified as current liabilities if payment is due within the next twelve months. Payables due after the next twelve months are classified as non-current liabilities.

REVENUE AND COST RECOGNITION (MATCHING PRINCIPLE)

Revenue is mainly recognized when it is earned, hence when the Company expects to be entitled in exchange for those goods and services. Cost is matched to revenue and recognized simultaneously with attributable earnings. Costs that are not directly attributable to revenue are recognized as they incur.

Costs which are directly associated with and related to activities towards new contract backlog and framework contracts are recognized as other short-term receivables and expenses over the contract period.

INCOME TAX

The tax expense for the period comprises current and deferred income tax.

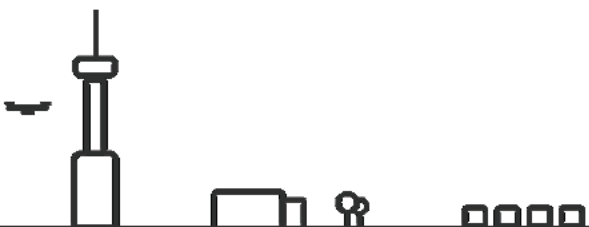
Current tax consists of the expected tax payable on the taxable income for the year and any adjustment to tax payable for previous years.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities and their respective tax bases, and on unused tax losses and credits carried forward, subject to the initial recognition exemption. The amount of deferred tax is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognized only to the extent that it is probable that future taxable income will be available against which the asset can be utilized.

The current tax rate is 22 %.

SHARE-BASED REMUNERATION

The Company provides incentives to employees in the form of share options. Each share option allows for the subscription of one share in Nordic Unmanned AS on a future date at a predetermined strike price. Subscribing normally requires continued employment. The value of option agreements awarded to employees are assessed at the time of grant. The value of the agreements is expensed over the vesting period stated in the option agreement and is recorded as other contributed reserves. All option agreements in the company shall be settled by share capital distribution.



NOTES TO THE FINANCIAL STATEMENT

NOTE 1 - ACCOUNTING PRINCIPLES (CONTINUED)

CASH FLOW STATEMENT

The cash flow statement is prepared using the indirect method. Cash and cash equivalents consist entirely of bank deposits.

NOTE 2 - PERSONNEL EXPENSES, NUMBER OF EMPLOYEES, REMUNERATION

PARENT COMPANY AND GROUP

Personell expenses	2020	2019
Salaries	19 500 585	14 181 473
Social security fees	2 899 341	2 067 378
Pension expenses	28 072	246 160
Other benefits	-2 414 027	104 646
Total	20 013 970	16 599 657

Average of full-time employees	28	17
--------------------------------	----	----

Remuneration to management	CEO	Board
Salary and bonus	700 000	253 700
Pension scheme payments	14 000	0
Other benefits	1 580 315	
Total	2 294 315	253 700

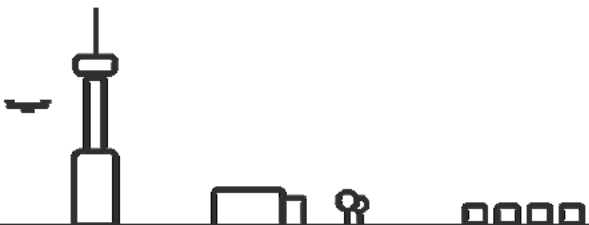
Chief executive officer (CEO) had a consultancy contract with the Company through Skaulen AS. Remuneration of NOK 573 747 is included in other benefits.

CEO is entitled to 12 months' severance payment after the end of the notice period.

BONUSES

Employees have a bonus agreement that depends on goal achievement according to specific criteria set by the corporate management.

A bonus payment of NOK 1 mill to the CEO was paid in 2020.



NOTES TO THE FINANCIAL STATEMENT

NOTE 2 - PERSONNEL EXPENSES, NUMBER OF EMPLOYEES, REMUNERATION (CONTINUED)

PENSION LIABILITIES

The company is required to have a pension scheme in accordance with the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon"), and the company's pension scheme meets the requirements of that law.

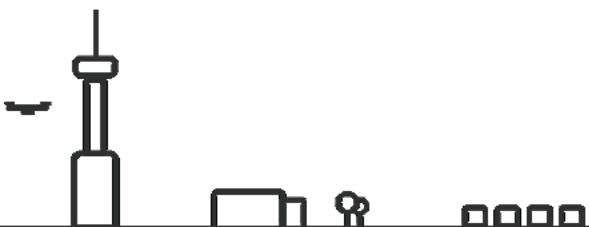
OTHER BENEFITS

Other benefits include salary expenses of NOK 2 845 274 capitalized against intangible assets.

AUDITORS' REMUNERATIONS

	2020	2019
Statutory audit	235 000	90 000
Technical assistance, taxation	0	0
Other service fee	532 000	37 500
Total	767 000	127 500

The Staaker Company AS does not have any employees or other remunerations.



NOTES TO THE FINANCIAL STATEMENT

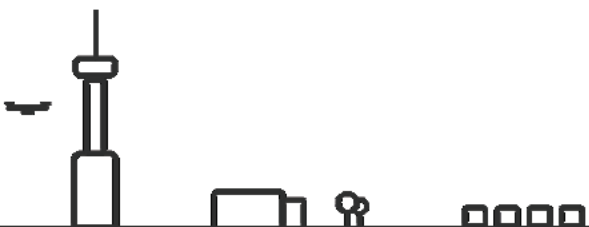
NOTE 3 - FIXED ASSETS

Parent company	Intangible assets	Fixtures and fittings	Aircraft and spareparts	Total
Purchase costs 01.01	7 959 027	3 781 460	7 391 564	19 132 051
Acquisition of assets	4 480 825	7 809 769	38 383 463	50 674 057
Disposals of assets	0	0	0	0
Purchase costs 31.12	12 439 852	11 591 229	45 775 027	69 806 108
Acc. depreciation 31.12	-1 712 080	-1 979 301	-4 580 059	-8 271 440
Net booked value 31.12	10 727 772.9	9 611 928	41 194 968	61 534 668
Depreciation in the year	748 372	341 073	1 974 116	3 063 561
Economic life	5-10 years	3-5 years	5-10 years	
Depreciation plan	Linear	Linear	Linear	

Group

	R&D	Concessions, patents, and licenses	Goodwill	Total
Purchase costs 01.01	7 525 995	8 291 862	1 018 459	16 836 316
Acquisition of assets		4 480 825		4 480 825
Disposals of assets				0
Purchase costs 31.12	7 525 995	12 772 687	1 018 459	21 317 141
Acc. depreciation 31.12	-1 571 766	- 2 044 915	- 203 692	-3 820 373
Net booked value 31.12	5 954 229	10 727 772	814 767	17 496 768
Depreciation in the year	1 571 766	748 372	203 692	2 523 830
Economic life	5-10 years	5-10 years	5-10 years	
Depreciation plan	Linear	Linear	Linear	

The company has capitalized intangible assets regarding operation manuals, flight permits, fuel cells and ISO-certification as well as Topometrics. The company has commercial rights to the products. Total income is assumed to exceed total development costs. Book value is assessed in consideration of future budgets and approved agreements.

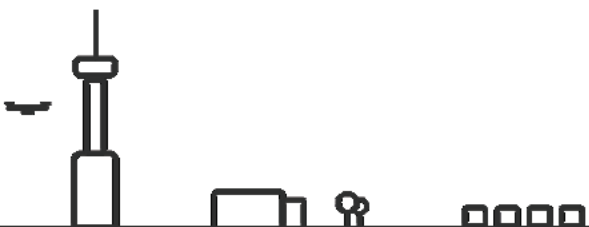


NOTES TO THE FINANCIAL STATEMENT

NOTE 3 - FIXED ASSETS (CONTINUED)

Group	Fixtures and fittings	Aircraft and spareparts	Total
Purchase costs 01.01	4 860 392	7 391 564	12 251 956
Acquisition of assets	7 809 769	38 383 463	46 193 232
Disposals of assets			0
Purchase costs 31.12	12 670 161	45 775 027	58 445 188
Acc. depreciation 31.12	-2 837 724	-4 580 059	-7 417 783
Net booked value 31.12	9 832 437	41 194 968	51 027 405
Depreciation in the year	556 859	1 974 116	2 530 975
Economic life	3-5 years	5-10 years	
Depreciation plan	Linear	Linear	

*) The acquisitions of approx. NOK 33 million in aircrafts and spareparts received in December 2020 have not been depreciated in 2020. Spareparts include hand controllers, payloads, radios and antennas.



NOTES TO THE FINANCIAL STATEMENT

NOTE 4 - SHARE CAPITAL AND SHAREHOLDER INFORMATION - PARENT COMPANY

The share capital of Nordic Unmanned AS per 31.12 consists of the following classes of shares:

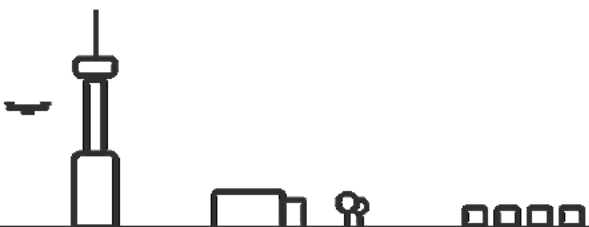
	Number of shares	Par value	Book value
Ordinary shares	20 120 032	1	20 120 032

The shares have equal voting rights, and equal rights to dividend payments.

The largest shareholders on 31 December 2020 were:

Shareholders	Shares	Ownership
Skaulen AS	2 481 058	12,3 %
Jelsa Investering AS	1 986 613	9,9 %
Helgø Investering AS	1 986 613	9,9 %
Urbanium Gruppen AS	1 360 544	6,8 %
Petroleum Logistics Consulting AS	921 677	4,6 %
Vaima AS	561 475	2,8 %
Subsea to Air AS	543 773	2,7 %
Ålgård Holding AS	514 105	2,6 %
GH Holding AS	510 204	2,5 %
Nordnet Livsforsikring AS	401 338	2,0 %
Cressida AS	400 000	2,0 %
Altitude Capital AS	340 136	1,7 %
Lindvard Invest AS	340 136	1,7 %
Sonstad AS	299 319	1,5 %
Tycoon Industrier AS	299 319	1,5 %
Bøckman Consulting AS	257 684	1,3 %
Tastasjøen Eiendomsselskap AS	251 000	1,2 %
Vidden Invest AS	201 326	1,0 %
Ravi Investering AS	192 066	1,0 %
Other	6 271 646	31,2 %
Total number of shares	20 120 032	100%

The Group holds 2 127 treasury shares at a total value of NOK 18 951.



NOTES TO THE FINANCIAL STATEMENT

NOTE 4 - SHARE CAPITAL AND SHAREHOLDER INFORMATION - PARENT COMPANY (CONTINUED)

SHARE OPTION PLAN

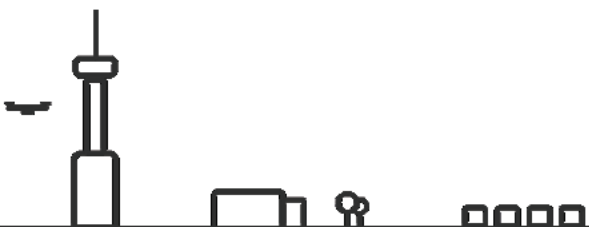
As part of the Private Placement, the members of the Company's board of directors and management entered into customary lock-up arrangements with the Managers for a duration of 6 months and 12 months, respectively, following the admission to trading on Euronext Growth Oslo.

The Company has established a stock subscription scheme vesting from 2019 until 2021, covering a maximum of 230,000 options, exercisable at NOK 5 per share. 46,000 options vested on 1 October 2020. The Company has established a management option scheme, vesting from 2021 until 2023, covering a maximum of 800,000 options. Knut Roar Wiig (CEO) holds 310,000 options under the management option scheme.

The Board of Directors is authorized to increase the Company's share capital in connection with share issues under the incentive program by up to an aggregate nominal value of NOK 2 000 000. The shareholders' preferential rights pursuant to section 10-4 of the Norwegian Private Limited Liability Companies Act may be set aside under the authorization.

Shares and options directly or indirectly held by members of the Board of Directors, Chief Executive Officer and Executive Management at 31 December 2020:

Name	Title	Shares	Options
Management			
Knut Roar Wiig	Chief Executive Officer	2 481 058	320 000
Lars A. Landsnes	Chief Operational Officer/Interim CFO	164 369	250 000
Bruno Boucher	Senior VP Airworthiness and Certification	25 830	50 000
Alexander Hatlestad	Vice President Green Solutions	63 101	10 000
Dr. Josè Luis Gil Yepes	Vice President Digitalisation	26 533	10 000
Pål Kristensen	Vice President Logistics & Robitization	934 504	-
Heidi Gåskjenn	Vice President Operations	13 814	10 000
Board of Directors			
Nils Johan Holte	Chair	80 002	
Erik Ålgård	Board member	682 006	
Eirik Berge	Board member	-	
Roald Helgø	Board member	1 986 613	
Jan Henrik jelsa	Board member	1 986 613	
Liv Annike Kverneland	Board member	18 896	
Kristin Sundsbø Alne	Deputy board member	-	



NOTES TO THE FINANCIAL STATEMENT

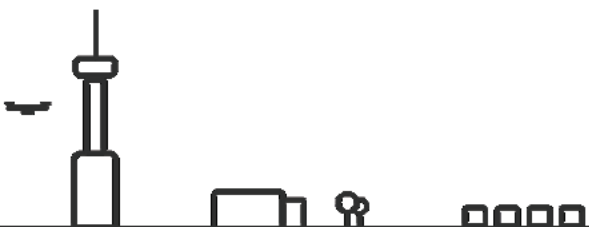
NOTE 5 - EQUITY

Parent company

	Share capital	Share premium	Treasury shares	Retained earnings	Total equity
Equity 01.01	10 332 941	30 493 474		-26 376 397	14 450 019
Issue of ordinary shares	6 541 887	80 599 710			87 141 597
Issue of shares to employees	3 245 204	8 527 148			11 772 352
Treasury shares		- 16 824	- 2 127		- 18 951
Net income (loss)				- 731 286	- 731 286
Merger Marine Unmanned AS				- 45 721	-45 721
Equity 31.12	20 120 032	119 603 508	- 2 127	- 27 153 404	112 568 009

Group

	Share capital	Share premium	Treasury shares	Retained earnings	Total equity
Equity 01.01	10 332 941	30 493 474		- 25 751 414	15 075 001
Issue of ordinary shares	6 541 887	80 599 710			87 141 597
Issue of shares to employees	3 245 204	8 527 148			11 772 352
Treasury shares		- 16 824	- 2 127		- 18 951
Net income (loss)				2 473 849	2 473 849
Merger Marine Unmanned AS				- 45 721	-45 721
Equity 31.12	20 120 032	119 603 508	- 2 127	-23 323 286	116 398 127



NOTES TO THE FINANCIAL STATEMENT

NOTE 6 - SUBSIDIARIES AND ASSOCIATED COMPANIES - PARENT COMPANY

Company	Business adress	Ownership	Book value	Equity 100%	Profit/loss 100%
The Staaker Company AS	Bærum	100%	12 428 979	12 805 609	2 981 007
Offshore Salmon AS	Sandnes	33,33%	30 000	- 1 327 000	- 286 000

Marine Unmanned AS has been merged with Nordic Unmanned AS with accounting and tax effect from 1 January 2020. Nordic Unmanned AS will merge the wholly owned subsidiary The Staaker Company AS, with accounting and tax effect from 1 January 2021. No merger consideration will be paid.

Financial figures for Offshore Salmon AS is as of 31.12.2019.

NOTE 7 - RESTRICTED BANK DEPOSITS

The restricted bank deposits of NOK 1 320 794 for the parent company and NOK 1 321 272 for the Group relates to employee tax deduction.

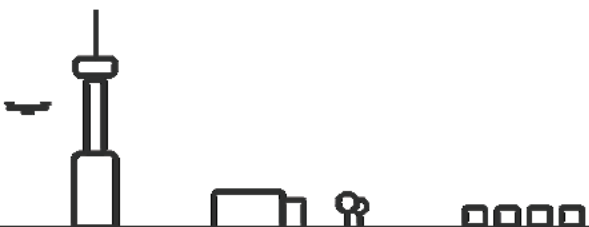
NOTE 8 - RELATED PARTY TRANSACTIONS AND BALANCES - PARENT COMPANY

	2020	2019
Other current debt - Offshore Salmon AS	79 294	25 002
Other current debt - The Staaker Company AS	11 560	4 080
Sales from The Staaker Company AS to Nordic Unmanned AS	42 790	0

NOTE 9 - GUARANTEE OBLIGATIONS - PARENT COMPANY

The company has a payment guarantee of NOK 804 540 to Havnespeilet AS.

The guarantee is valid until 31. March 2022.



NOTES TO THE FINANCIAL STATEMENT

NOTE 10 - BORROWINGS

Parent company	2020	2019
Liabilities to financial institutions	25 396 776	18 730 939
Borrowings maturing after 5 years	0	0
Borrowings due within a year	4 500 000	1 568 000
Pledged as security		
Liabilities to financial institutions	25 396 776	18 730 939
Booked value of assets pledged as collateral		
Fixed assets	50 806 896	7 655 609
Inventory	3 185 840	1 499 943
Accounts receivables	8 170 305	1 792 911

There are several financial covenant requirements for the Company. The Company is not in breach as of 31.12.2020.

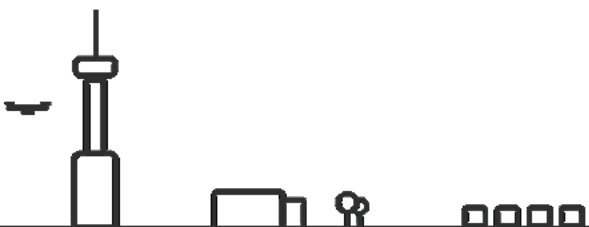
Overdraft facility	2020	2019
Overdraft facility	0	11 835 084
Unutilised overdraft facility	20 000 000	0
Limit overdraft facility	20 000 000	11 835 084

NOTE 11 - EXPENSES PAID IN ADVANCE

Parent company

The company has expenses which in according to the matching principle is to be dispersed through multiple years.

	2020	2019
Restruction warehouse, charged throughout lease term	0	1 057 787
Project expenses, charged throughout the expected lifetime of the projects.	1 540 608	222 435
Pre-paid suppliers	3 958 200	3 958 200
Total	5 498 808	5 238 422



NOTES TO THE FINANCIAL STATEMENT

NOTE 12 - COMPLAINT TO KOFA - PARENT COMPANY

Nordic Unmanned AS has complained to KOFA - The Norwegian Appeals Board for public procurement with a successful outcome. Lawyer expenses at NOK 749 592 is accrued and entered under other short-term receivables. The company expects the complaint process to be finalized during the 2. quarter of 2021 and that the entered value is refunded.

NOTE 13 - REVENUE

Business segments - parent company

	2020	2019
Green Solutions	41 686 887	9 617 204
Defense & Security	12 135 390	9 576 812
Digitalization	7 026 324	9 590 754
Logistics & Robotization	5 453 276	2 632 056
Other income	- 164 982	- 58 605
Total	66 136 895	31 358 221

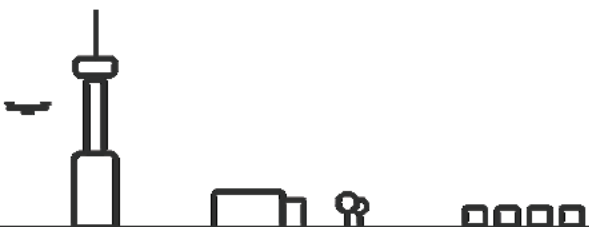
The subsidiary has sale of products of NOK 231 107.

NOTE 14 - INVENTORY

Inventory - parent company	2020	2019
Work in progress		
Finished goods	3 185 840	1 499 943
Impairments, including obsolescence		
Total	3 185 840	1 499 943

Inventory - group	2020	2019
Work in progress	5 898 759	6 244 859
Finished goods	3 185 840	1 499 943
Impairments, including obsolescence	- 3 000 000	- 3 000 000
Total	6 084 599	4 744 802

Work in progress and finished goods includes consumable spare parts, rotatables and products for sale. Rotatables are spareparts which have been undertaken maintenance, repair and overhaul on the company's engines and other related components.



NOTES TO THE FINANCIAL STATEMENT

NOTE 15 - TAX

Parent company

This year's tax expense	2020	2019
Entered tax on ordinary profit/loss:		
Changes in deferred tax assets	-267 344	-3 782 728
Tax expense on ordinary profit/loss	-267 344	-3 782 728

Group

This year's tax expense	2020	2019
Entered tax on ordinary profit/loss:		
Changes in deferred tax assets	- 5 982 386	-3 782 728
Tax expense on ordinary profit/loss	- 5 982 386	-3 782 728

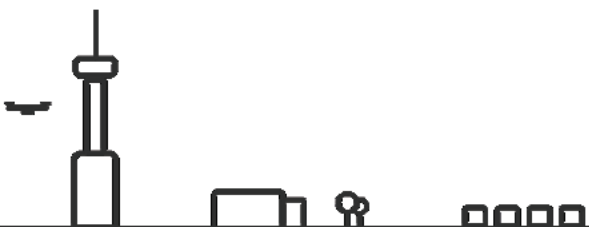
Parent company

This year's tax expense	2020	2019
Taxable income:		
Ordinary result before tax	- 998 630	- 2 806 912
Permanent differences	- 11 473 601	- 204 386
Changes in temporary differences	- 8 643 768	- 1 071 320
Taxable income	- 21 116 000	- 4 082 618

Permanent differences of NOK 11 473 601 relates mainly to share-based payment expenses which have been allocated against share premium.

This year's tax expense	2020	2019
Payable tax in the balance:		
Payable tax on this year's result	0	0
Total payable tax in the balance	0	0

The tax effect of temporary differences and loss for to be carried forward that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences.



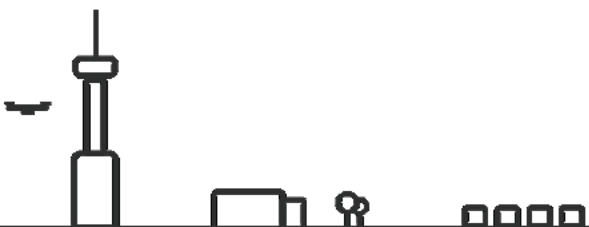
NOTES TO THE FINANCIAL STATEMENT

NOTE 15 - TAX (CONTINUED)

Parent company	2020	2019	Difference
Tangible assets	9 409 741	765 972	-8 643 769
Accounts receivable	-20 000	-20 000	0
Total	9 389 741	745 972	-8 643 769
Accumulated tax loss to be carried forward	-53 914 028	-33 110 412	20 803 617
Not included in the deferred tax calculation	0	624 766	-624 766
Basis for deferred tax assets	-44 524 287	-31 739 674	11 535 082
Deferred tax assets (22 %)	-9 795 343	-6 982 728	2 537 718

Group	2020	2019	Difference
Tangible assets	9 300 777	790 425	-8 510 352
Research & development	3 703 487	4 629 359	925 872
Inventory	- 2 750 000	0	2 750 000
Accounts receivable	-20 000	-20 000	0
Total	10 234 264	5 399 784	-4 834 480
Accumulated tax loss to be carried forward	- 83 379 382	- 68 601 844	14 777 538
Not included in the deferred tax calculation		28 819 020	28 819 020
Basis for deferred tax assets	-73 145 118	-34 383 040	38 762 078
Deferred tax assets (22 %)	- 16 091 926	- 7 564 269	8 527 657

The Group has NOK 83 379 382 of tax losses to be carried forward. Pursuant to the accounting standards generally accepted in Norway, the deferred tax asset has been recognized as deferred tax assets as of the balance sheet date. The deferred tax asset is included in the balance sheet based on the probability that sufficient taxable profit will be available in the future to allow the deferred asset to be utilized.





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To the General Meeting of Nordic Unmanned AS

Independent auditor's report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Nordic Unmanned AS showing a loss of NOK 731 286 in the financial statements of the parent company and profit of NOK 2 473 849 in the financial statements of the group. The financial statements comprise:

- The financial statements of the parent company Nordic Unmanned AS (the Company), which comprise the balance sheet as at 31 December 2020, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Nordic Unmanned AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2020, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Statsautoriserte revisorer - medlemmer av Den norske Revisorforening

Offices in:

Oslo	Elverum	Mo i Rana	Stord
Alta	Finnsnes	Molde	Straume
Arendal	Hamar	Skien	Tromsø
Bergen	Haugesund	Sandefjord	Trondheim
Bodø	Knarvik	Sandnessjøen	Tynset
Drammen	Kristiansand	Stavanger	Ålesund

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the

Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Stavanger, 20 April 2021
KPMG AS

Mads Hermansen
State Authorised Public Accountant
(This document is signed electronically)

