

**NORDIC
UNMANNED**

ANNUAL REPORT 2021

01.04.2022



BUSINESS SEGMENTS



Maritime

The green wave has created a huge demand after unmanned systems and services, that can capture and understand data in a new way. There are increasing regulations when it comes to emissions, and consequently increasing demand for solutions to assist in emergency situations.

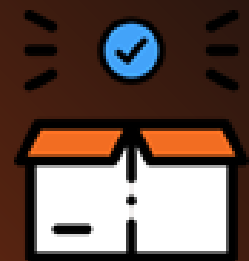
Nordic Unmanned provides a range of services, from emergency preparedness and mobile rapid response teams to long term and large-scale deployments.

Current operations include oil spill monitoring preparedness, fishery inspection, emission monitoring and Search & Rescue preparedness for EMSA – the European Maritime Safety Agency.



Security

The security sector is already a significant user of drone systems, where military and police special operations for years have been utilizing the technology. The need to make the Search and Rescue (SAR) services better for the same cost is ongoing, and unmanned systems brings significant value to security operations. Nordic Unmanned provide innovative systems and services, including training and lifetime support. The company is a European reseller of Lockheed Martin Indago UAS and Textron Aerosonde, and has a unique in-house experience operating these systems. The business segment also provides highly customized solutions for clients with specific requirements and challenges.



Logistics

Urgency, convenience, same day delivery and environmental footprint are key drivers within the drone logistics market. The Logistics segment is actively exploring drone solutions with transportation players that can leverage unmanned technology to provide time- and cost-effective solutions that reduce risk and the carbon footprint.

Oil and Gas companies are under pressure to reduce carbon emission in its day-to-day operations. In this context, unmanned solutions are ideal to replace a significant part of helicopter and seaborne vessel activity between shore and offshore installations - even on long-distance - over the medium-term. Leveraging on tens of thousands of hours of safe operations of advanced and robust drone systems, Nordic Unmanned aims to take on a global position in this market.



Infrastructure

In the infrastructure space, Nordic Unmanned has offered drones, sensors, software and training for several years to utilities, telecoms, mapping authorities and rail infrastructure companies. The Staaker product team is also developing advanced proprietary solutions for the rail industry, that is expected to provide significant cost advantages to labor and capital intensive maintenance and planning activities.

The company provides data capture through operations, and the visualization of data through processing in our platforms. Nordic Unmanned is experienced in remote sensing technology, such as LiDAR mapping, photogrammetry, multi spectral scanning, hyper spectral inspection, thermal mapping, and general inspection.

OPERATIONAL FOOTPRINT 2021



LETTER FROM CEO

2021 just passed, and it already seems like ages ago. Since the very first day of 2022, our focus has been the execution of the growth plan. But it is important to remember that 2021 represents another milestone year in Nordic Unmanned’s history. We grew our backlog by more than 80% by winning several high-value contracts. We added vital new resources to our organization planned for scalability. And rest assured, we have our 2025 growth target in mind when we build our organization.

There is no doubt that we see a maturation of the rapidly growing drone market. We have benefitted from having close contact with our customers, while they have learned what this industry has to offer.

Let’s first talk about our great people:
We started 2021 with around 33 employees, and through the year we have had the pleasure to welcome close to 80 new employees, both through our own recruitment, and through the acquisition of AirRobot and Ecoxy. We continue to build a world-leading organization, and our recently added employees have increased our ability to deliver on our growth targets and are also constantly challenging and improving the way we work.

Now, let’s have a look at the development.
As we pre-announced in December, we passed the 10-million-euro mark in revenue. This represents a huge growth figure, and even though we ended lower than what we planned for at the beginning of the year, this is a major milestone for our company and for the European drone industry. Together with our customers, we are constantly learning more about the value created by drones – this is supporting the future path of steep growth.

Investment in technology is key to driving our growth forward.
We have a close relationship with our customers, so we know their demands. The market is maturing alongside our technology, and 2022 will be the year for the commercial introduction for many of our new products, such as the Staaker Railway Drone, Staaker Cargo Drone, the AR 100H and the Nordic Unmanned data platform.

Speaking of 2022, let’s have a look at what is ahead
The Staaker Railway Drone still attracts interest from all over the world. Nordic Unmanned Cargo is up and running in 2022 with the newly awarded Equinor contract, which is a fantastic breakthrough for the logistics vertical. Maritime is ready to produce record operational hours this year with more than 25 different large and small drones delivering on 4 separate contracts. Security is awaiting awards for over 200 million euro.

As we are experiencing an ongoing conflict and security challenges at NATO’s Eastern borders, we are also increasing our product development and system integrator efforts in the Security segment.

In total, we are awaiting awards on tenders with a value of around 228 million euro. The pipeline for execution in 2022 represents already a growth of almost 200% and its continuing to grow strong. We are on track to deliver on our future targets.

To summarize: 2022 is going to be an extremely exciting and busy year for Nordic Unmanned. We continue to innovate and lead the drone industry forward. We are chasing opportunities every day, and we will not take the foot off the pedal.

Thank you,

Knut Roar Wiig, CEO of Nordic Unmanned



Highlights of 2021



OP46/OP1

The award of OP46 and OP1 from EMSA, representing EUR 27 million of the contract backlog.



LUC

Received the European Light UAS Operator Certificate (LUC) issued by the Norwegian Civil Aviation Authority as the first European drone operator with a certificate covering multiple systems



Corporate development

The acquisition of AirRobot and Ecoxy, in addition to the opening of the Nordic Unmanned UK and DK office. The company also created a joint venture company with Finnish Aeromon to create NUAer, a company devoted to deliver emission monitoring services.



Record flight hours

Surpassed over 1400 BVLOS flight hours on Camcopter S-100, doubling the flight hours from 2020.



Breakthrough in Logistics

Awarded breakthrough offshore logistic contract with Equinor.



Railway drone

Release of the Staaker Railway Drone, which has gained world-wide attention.



Dual operations

Dual operations for the first time with the CAMCOPTER S-100 systems

CHIEF PEOPLE OFFICER AT NORDIC UNMANNED EAGER TO BUILD AN ORGANIZATION PREPARED FOR GROWTH

Katrine Meldahl, Chief People Officer of Nordic Unmanned

“What are your main responsibilities within the company?”

My responsibilities are everything that has to do with staff and organization. This ranges from attracting the right employees, hire them and develop them. Attract, develop, retain. With our growth rate, the recruitment of new talent is very important. We are at the same time building the foundation for all HR processes, implementing better system support and building our culture.

Nordic Unmanned sees the importance of a great foundation for our employees and building a great place to work. Therefore, I now became a part of the leadership team and we already have two more HR resources in place to help build the HR foundation and facilitate the continued growth. There is a lot of practical tasks that needs to be done, such as recruitment, ensure a good onboarding, payroll etc, but it also involves the bigger picture; how are we going to organize ourselves, what culture should we cultivate, how do we develop good leaders that will takes us to the next level, how do we attract and develop talent, and much more?

"How many employees are Nordic Unmanned expecting to be in 2022?"

It is likely that we will be over 200 amazing employees!

“So, the recruitment pace hasn’t slowed down in 2022?”

Well, we are starting to get the foundations in place needed for the 2022 growth, which is the administration and support functions. But, more recruitment is on its way. The amount of recruitment is determined by the number of assignments and contracts won. If you look at the number of contracts we have won in the past couple of months, there is no doubt there is a need for more operational personnel, such as pilots and technicians.

When you think back to the start of 2021, Nordic Unmanned had 35 employees. Now we are over 130 employees including acquired companies, and with over 100 in Nordic Unmanned alone. The group has around 15 nationalities across all companies.

“What makes Nordic Unmanned so attractive for job seekers?”

First off, we have an enormous advantage being in the drone industry. The industry is still in its early days and employees find it exciting to be part of building an industry for the future.

Secondly, it is the opportunity to be a part of the growth journey. Our business has really taken off in the last couple of years but that doesn’t mean that the book is now written. We are in constant development. It’s the people who want to be a part of this journey that we want as employees, and it’s the same people that will look at us as an attractive place to work.

Lastly, it’s key to further build on our workplace culture and to avoid too heavy growth pains. Of course, we want some healthy friction and that is also why diversity in the team is key. Ultimately, we want every employee to feel they can influence our future.

On top of it all, we build and leverage new technology and methods to contribute to a better society through offering solutions that help save the environment, and even save lives.



Board of Directors' Report

Annual Report 2021

BOARD OF DIRECTORS' REPORT

European leader of unmanned systems and services

Building on years of experience in the emerging unmanned aerial systems industry, Nordic Unmanned delivers high-end products and services related to drones and data capture. The company has established itself as a leading integrator, through strategic partnerships and long-term framework agreements, and is committed to further develop the unmanned industry.

As client needs are evolving, Nordic Unmanned is devoted to provide solutions that safely and cost effectively produce economic benefits and efficiency gains, while minimizing the environmental footprint. The company's adaptability, catered by its experienced and diverse team, is beneficial in any step of the journey all the way from concept and consulting to production and operation.

Nordic Unmanned currently manufactures the Staaker BG and the AirRobot AR100 drone series, in addition to being an owner and operator of Schiebel CAMCOPTER, official reseller of the Lockheed Martin's Indago and Condor drones as well as Textron's Aerosonde system. Highly trained technicians and engineers provide extensive customization for customers' own systems, to suit specific needs.

Nordic Unmanned is certified as an operator with European LUC (Light Unmanned Air System Operator Certificate) by the Norwegian CAA in 2021 as the first Norwegian company and is also ISO 9001:2015 certified.

The company has performed contracts for Bane NOR, Statens Vegvesen, the European Maritime Safety Agency (EMSA), Norwegian Ministry of Defence and UK Ministry of Defence and others.

Nordic Unmanned is split in 4 different business segments: Maritime, Security, Logistics and Infrastructure

In December 2020, the Company became the first listed European drone operator with a quotation on the Euronext Growth trading platform in Oslo.

Key events 2021

Throughout the year, Nordic Unmanned made 1896 flights and generated more than EUR 10m revenue from 1466 flight hours, consulting, system integration and development on behalf of prominent clients.

Importantly, Nordic Unmanned flew record flight hours for EMSA mainly in relation to emission monitoring in European waters. The company has also commercially strengthened its commercial position in this field, with the JV establishment with Finnish Aeromon for sniffer technology services and the acquisition of Trondheim, Norway-based emissions measurement company Ecoxy that is accredited to verify GHG reporting under the EU Emissions Trading System.

The company also acquired Arnsberg, Germany-based drone manufacturer AirRobot, that is an advanced tactical drone producer and systems integrator, which has serviced the German armed forces (Bundeswehr) for more than two decades.

During the year, Nordic Unmanned won additional contract work with the European Maritime Safety Agency (EMSA), including a fixed-wing RPAS (drone) services contract that utilizes the Aerosonde system from US-listed Textron Systems.

At the end of last year, Nordic Unmanned was awarded a contract with Equinor for operations on- and offshore for multipoint cargo deliveries as well as rescue capabilities, inspection services and deployment of subsea unmanned intervention device. The contract demonstrates the oil & gas industry's interest in unmanned services and has brought the company in mature discussions with major players around the world.

Nordic Unmanned has also won important contracts with Bane NOR and the Norwegian and Swedish law enforcement agencies, taking the order backlog up by 80% to EUR 59 million at the end of the year.

The company raised a total of MNOK 218 equity from new and existing shareholders through private placements in March 2021 and September 2021.



BOARD OF DIRECTORS' REPORT

Group overview

Nordic Unmanned AS is the parent of the Nordic Unmanned Group, which is headquartered in Sandnes in Norway.

Founded in 2005, **AirRobot® GmbH & Co. KG ("AirRobot")** is a true pioneer in the European drone industry. The company is a long-standing supplier for the Bundeswehr of both drone systems and Maintenance, Repair and Overhaul (MRO) services.

Founded in 2003, **Ecoxy AS ("Ecoxy")** has particularly focused on NOx measurements, following the introduction of NOx taxes. Ecoxy has so far completed almost 1,200 measurement assignments, and has long-standing relations with environmental authorities in Norway, Sweden, Denmark, including Norwegian NOx Fund as well as shipping companies, engine builders and suppliers of emission reduction services.

The mission of **NUAer AS ("NUAer")** is to support the acceleration of the green transition in the maritime industry through world-leadership control of marine air pollution. NUAer is the result of the joint venture between the Finnish company Aeromon, one of the global leaders in development of emission monitoring technology. The joint venture company will strengthen Nordic Unmanned's emission monitoring service offering within the maritime and oil and gas industry globally.

Nordic Unmanned UK Ltd. provides Nordic Unmanned with a local base to serve its UK customers and the opportunity to work with other innovative small and medium sized enterprises that are developing new technologies to support the projected high growth of the unmanned aviation sector. The company is strategically located at Cranfield University, known for its aeronautical focus.

Nordic Unmanned DK ApS provides access to important facilities for testing and training of pilots and gives us closer reach to mainland Europe and the customers of the company. The office in Odense provides access to a resourceful cluster.

Business strategy

Nordic Unmanned aims to be the leading drone operator in Europe and with global ambitions. The 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 enhance 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.



BOARD OF DIRECTORS' REPORT

Financial review

2021 was another breakthrough year for Nordic Unmanned. The listing at Euronext Growth in December 2020 provided the company access to capital markets, that has enabled it to grow the organization from 33 to 123 employees and to invest in revenue-generating assets. The fleet of drone systems includes 3 Schiebel Camcopter systems with a total value of NOK 125 mill. Furthermore, access to capital has enabled the company to lead the consolidation of an emerging European industry. In 2021, Nordic Unmanned acquired AirRobot and Ecoxy, established presence through subsidiaries in UK and Denmark, and established the joint venture NUAer with Aeromon.

Our most mature segments, Maritime and Security, delivered strong growth and healthy profitability. We also experienced high development activities and commercial traction in our emerging segments, Infrastructure and Logistics. In 2021 we invested heavily in the Nordic Unmanned platform, both organically and through M&A. We built up a fleet of large drone systems, but most of all we built an organisation prepared for growth. We established and invested in functions like supply chain, OPS Centre, HR and IT to be able to handle future growth. The overhead cost of 2021 does not reflect the activity level of the year, but represent a platform for future growth.

The balance sheet grew from NOK 165.5 million to NOK 466.1 million, and the orderbook with 87% to EUR 59.6 million.

Nordic Unmanned reported consolidated operating income of NOK 106.0 million in 2021, compared to NOK 66.3 million in 2020, an increase of 60%. The Parent Company reported operating income of NOK 96.6 million in 2021.

The Group had a negative EBITDA of 21.1 million in 2021 (positive NOK 2.6 million in 2020) and negative NOK 23.7 million for the Parent Company. The Covid-19 pandemic continued to have a negative impact on the operations, which lead to extraordinary costs estimated to NOK 7.8 million through the year.

The Group had a net loss of NOK 32.9 million in 2021 (profit of NOK 2.5 million in 2020) and the Parent Company had a net loss of NOK 29.0 million (net loss of NOK 0.7 million in 2020).

Total assets for the Group were NOK 466.1 million in 2021 (NOK 165.5 million in 2020) and NOK 437.5 million (NOK 161.6 million) for the Parent Company.

The Group's total equity increased from NOK 116.4 million in 2020 to NOK 310.0 million in 2021. The Parent Company has a total equity of NOK 300.4 million as of the end of 2021.

The Group's cash and cash equivalents were NOK 55.9 million (NOK 53.3 million in 2020) and the Parent Company had NOK 50.0 million (NOK 53.2 million in 2020) at the end of 2021.

Interest-bearing debt increased from NOK 25.4 million in 2020 to NOK 99.7 million in 2021 for the Group, and from NOK 25.4 million in 2020 to NOK 94.3 million in 2021 for the Parent Company.

Net cash flows for 2021 were positive with NOK 2.6 million for the Group and negative 3.2 million for the Parent Company. Net cash from operations were negative with NOK 43.7 million and NOK 49.6 million for the Group and the Parent Company.

Cash flows from investments for the Group were negative 240.8 million and negative 237.9 million for the Parent Company.

Proceeds from equity issue of NOK 217.9 million contributed to the positive net cash flow of NOK 287.1 million for financing activities.



BOARD OF DIRECTORS' REPORT

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 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 debts are mainly denominated in EUR. The main strategy 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. Nordic Unmanneds commercial credit exposure is related to the B2G and B2B segment, where the B2G segment is by far the largest. The credit risk is considered low.

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

Safety and compliance

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

In 2021, Nordic Unmanned extended the scope of the ISO 9001-2015 certificate, and the company is now certified by DNV-GL for the operation, maintenance, sales, design, development and production of unmanned systems and sensor technology.

The production at AirRobot achieved AS 9100 during 2021, becoming one of the very few aviation-standard certified drone production facilities in Europe.

Ecoxy is the leading Norwegian provider of accredited emission measurements for the shipping and oil and gas industry. Ecoxy is also accredited to verify GHG reporting under EU ETS.

The company has initiated an ISO 14001 implementation project and expect to be certified within the end of 2022.



BOARD OF DIRECTORS' REPORT

Research and development (R&D)

The Group continues to invest in technology development. The development activities take place in Norway and Germany and a total of 20 people work with product development and product support. The ability to develop new solutions, not yet available elsewhere in the market, is crucial to expand the market size and push the boundaries of where drones can deliver better results than conventional solutions.

Primary focus currently on Development activities are three drone platforms, some with overlapping technologies.

1. New logistics drone platform, to be used in both urban and offshore environments. The drone platform is versatile to enable the addition of various safety features depending on operational environment.

2. RailRobot, which is a multistage project, which will enter into operation with select clients to gather client input, while the final product is being completed. This platform combines driving and flying control with remote control from centralized operation support centre and advanced data collection for rail infrastructure clients.

3. The new drone platform from AirRobot is the result of 3 years of developments work, based on operational experience from AirRobots fleet of defence deployed drones over the past decade. The platform redefined modularity on a drone, which will make it possible to keep it current with time for many years to come.

In addition to these main projects, the group is continuously testing out new technology for wider applications. Examples of such is better drone communications, both through new and improved radio links, LTE implementation and control of drones via satellites. Further the team has been working on implementing targeting and GPS denied navigation technology as well as more advanced battery systems onto our platforms.

The team is steadily moving towards aviation processes for engineering and manufacturing, with the aim of being able to perform more and more advanced engineering work, even on OEM systems.

Lastly, the Development group is actively working on the Nordic Unmanned new data platform, which will move the company one step closer to the full value chain for our clients. The data platform will be drone agnostics, but will handle everything from acquisition, display, remote monitoring, storage and analytics over time. For Nordic Unmanned clients, this will be the portal to access current and past flights, as well as where processed data can be accessed and further analysed.

Employees

The number of employees increased from 33 at year end 2020 to 123 in 2021, whereof 32 employed by AirRobot GmbH & Co and 5 employed by Ecoxy AS. The company continues to focus to increase diversity in the team. Over the last year, the % women have increased to 19% in total for the group, and 21% of all leaders are female. In the senior group management team 2 out of 7 is female (29%). In the Board of Directors 2 out of 6 board members are female (33%). Wage conditions are based on responsibility and qualifications regardless of gender. Analysis is made to ensure no gender gap in pay on a regular basis. Nordic Unmanned have more than 15 nationalities represented in the organization.

Employees who are on paid leave due to sickness or parental leave are given full salary compensation during their time-off. The sickness absence has been held low at 2,4%, despite the ongoing Covid pandemic. There has been three cases of long-term sick leave during 2021, whereof two cases are on track to gradually come back to full time position. 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. AirRobot follow German legislation.

The Board considers the working environment in the Group to be satisfactory. Work Committee (AMU) is established. Two work environment surveys have been made in 2021 and will be done on regular basis going forward. The results from the surveys show high satisfaction. During 2021, there has been done significant work to establish a collective labour agreement. The first union agreement for a drone company is now in place, effective from 1 March 2022.

In 2021 the company built a solid foundation for future growth. All key support functions are now in place and staffed with solid competence in areas as Safety & Security, Operations support, Commercial, Legal, Finance, HR and IT. This has given room to build and implement processes, system support, policies, and routines to make sure the organization can continue the high pace growth with quality and control. Going forward the growth in personnel will mainly come on the operational side with more pilots and technicians, and in production.





ESG

Unmanned aviation generally represents an alternative to legacy airborne solutions and can contribute to a significant reduction in CO2 emissions and safer operation.

However, Nordiq Unmanned acknowledge that its operational activities and has a footprint on the environment and aims to minimize the impact through its ESG policy.

Nordiq 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.**

To achieve its target to minimize its footprint, Nordiq Unmanned will:

- **Conduct research to enhance the efficiency of 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 the importance of utilizing technology for the greater good for the environment.**

In the Maritime business segment, the company supports clients in reducing their environmental impact and assist authorities in ensuring the compliance of environmental legislation. Through 2021, Nordiq Unmanned have made significant environmental contributions:

- 51 Search & Rescue (SAR) operations, with a total of 62 hours of SAR-related activity
- 325 environmental flights were done in which:
 - 1271 vessels were overflown
 - 776 measurements were done on vessels to assure compliance with the IMO 2020 regulations.
- 93 hours of general maritime surveillance
- The emergency response team took part in
 - 4 oil spill exercises/drills
 - 3 oil spill incidents
 - Resulting in 15+ days of oil spill response
- 219 days of fishery control consisting of
 - 62 flights
 - 26 total hours of overview

Outlook

The global drone market is growing rapidly. Investment firm Radius Capital (October 2021) estimates the aggregate Total Available Market (TAM) opportunity for avionics and services supporting complex UAS operations growing from USD 1.5bn in 2021 to USD 23.0bn in 2029. These figures exclude international military markets, as well as services that are not directly and specifically supporting complex operations. The company is expecting a similar growth development in the European home market, which in several fields of application is leading the industry development.

Nordic Unmanned has secured an orderbook for 2022 of NOK 185 mill, across the four business segments, which represents 70% growth from last year's total.

As communicated in the Q4 report, and considering the current fleet capacity and prospective engagements, the company has a growth ambition of 3 times 2021 revenue for the current year. During 2021, the group has done significant investment, preparing the organization for the future growth.

Since this target was first stated, the war in Ukraine and increased security threat to core European markets bring uncertainties to the outlook of several industries in which the company operates. At the date of this report, however, several governments have increased their defense budgets and are expected to ramp up their investments in surveillance capabilities. Nordic Unmanned is already experiencing an increase in demand for drone solutions, and particularly interest in small UAV's and tactical UAVs. All things considered, longer lead times in some parts of the market are expected to be outweighed by increasing near term opportunities in others.

The company is also preparing to take a leadership position in the long-term development of the market for unmanned aerial services, and continues to evaluate new initiatives to expand the services offering as well as external growth opportunities in both existing and new geographical markets.

Going concern

In the opinion of the Board of Directors, the income statement and balance sheet give a satisfactory representation of the result in 2021 and of the financial position at year end 2021.

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.



Sandnes, 31 March 2022

The board of Nordic Unmanned AS


Erik Ålgård (Mar 31, 2022 22:25 GMT+2)

Erik Ålgård
Deputy chairman of the board



Andreas Pay
Member of the board


Natasha Friis Saxberg (Mar 31, 2022 22:28 GMT+2)

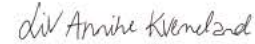
Natasha Friis Saxberg
Member of the board


Jan Henrik Jelsa (Mar 31, 2022 23:29 GMT+2)

Jan Henrik Jelsa
Member of the board



Nils Johan Holte
Chairman of the board



Liv Annike Kverneland
Member of the board


Knut Roar Wiig (Mar 31, 2022 21:40 GMT+2)

Knut Roar Wiig
CEO



Income statement

Parent Company			Group	
2021	2020	Note	2021	2020
95 565 297	65 131 779	Revenues	105 042 129	65 320 096
987 442	1 005 116	Other operating income	987 442	1 005 116
96 552 739	66 136 895	Total operating income	106 029 572	66 325 212
26 084 950	30 618 320	Cost of goods sold	28 233 803	31 080 455
-6 388 982	-2 845 274	Change in manufactured assets	-8 927 745	-2 845 274
53 791 362	22 859 244	Personnel expenses	59 529 981	22 855 280
13 993 550	3 063 561	Depreciation and amortisation expenses	20 077 371	5 054 805
46 787 102	12 416 257	Other operating expenses	48 247 929	12 659 397
134 267 983	66 112 108	Total operating expenses	147 161 339	68 804 663
-37 715 243	24 787	Operating profit (loss)	-41 131 767	-2 479 451
129 392	-9 514	Interest income	129 400	-9 453
4 721 994	318 404	Other financial income	4 735 703	318 424
-1 949 107	-920 218	Interest expenses	-2 026 716	-920 495
-1 816 227	-412 090	Other financial expenses	-2 009 597	-417 562
1 086 053	-1 023 418	Net financial income and expenses	828 791	-1 029 086
-36 629 190	-998 630	Income (loss) before tax	-40 302 976	-3 508 537
-7 600 844	-267 344	Income tax	-7 378 315	-5 982 386
-29 028 346	-731 286	Net income (loss)	-32 924 661	2 473 849
		Attributable to non-controlling interests	-432 740	-
		Attributable to equity holders of the company	-32 491 921	2 473 849
29 028 346	731 286	Retained earnings - Parent company		
29 028 346	731 286	Total allocated		



Balance sheet

Parent Company			Group		
2021	2020		Note	2021	2020
ASSETS					
18 257 677	6 020 026	Development	3	66 324 848	11 974 256
8 158 473	4 707 746	Concessions, patents and licenses	3	51 832 057	4 707 746
26 430 798	9 795 343	Deferred tax assets	15	21 972 568	16 091 926
-	-	Goodwill	3	21 412 921	814 767
52 846 948	20 523 115	Total intangible fixed assets		161 542 395	33 588 695
89 688 867	41 194 968	Aircraft and spareparts	3	89 688 867	41 194 968
58 082 653	-	Assets under construction		58 082 653	-
10 663 932	9 611 928	Fixtures and fittings	3	17 918 764	9 832 437
158 435 453	50 806 896	Total tangible assets		165 690 284	51 027 405
94 757 436	12 428 978	Investment in subsidiaries	6	-	-
30 000	30 000	Investment in associated companies	6	30 000	30 000
-	-	Prepayments and financial receivables		-	6 400
94 787 436	12 458 978	Total financial fixed assets		30 000	36 400
306 069 837	83 788 990	Total fixed assets		327 262 679	84 652 500
15 617 390	3 185 840	Inventory	14	19 687 999	6 084 599
15 617 390	3 185 840	Total inventory		19 687 999	6 084 599
1 582 037	8 170 305	Accounts receivables	10	4 332 288	8 202 645
55 949 245	13 259 901	Other short-term receivables	8,11,12	58 897 527	13 271 041
8 252 252	-	Short term receivable from group companies	8	-	-
65 783 534	21 430 206	Total receivables		63 229 815	21 473 686
50 037 245	53 225 002	Cash and cash equivalents	7	55 877 676	53 274 068
50 037 245	53 225 002	Total cash and cash equivalents		55 877 676	53 274 068
131 438 170	77 841 047	Total current assets		138 795 490	80 832 352
437 508 007	161 630 037	TOTAL ASSETS		466 058 169	165 484 852



Balance sheet

Parent Company				Group	
2021	2020			2021	2020
		EQUITY AND LIABILITIES	Note		
26 288 984	20 120 032	Share capital	4, 5	26 288 984	20 120 032
-2 127	-2 127	Treasury stock	4, 5	-2 127	-2 127
330 306 616	119 603 508	Share premium	5	330 306 616	119 603 508
356 593 473	139 721 413	Total contributed capital		356 593 473	139 721 413
-	-	Non-controlling interests	5	9 565 032	-
-	-	Other equity	5	-	27 496 243
-56 182 354	-27 153 404	Retained earnings	5	-56 121 037	-50 819 529
-56 182 354	-27 153 404	Total retained earnings		-46 556 005	-23 323 286
300 411 119	112 568 009	Total equity		310 037 468	116 398 127
94 257 841	25 396 776	Liabilities to financial institutions	10	99 690 116	25 396 776
-	-	Deferred tax liabilities	15	8 226 286	-
3 500 000	-	Other long term liabilities		4 087 532	-
97 757 841	25 396 776	Total long term liabilities		112 003 934	25 396 776
9 761 241	14 685 994	Trade creditors		11 646 944	14 722 252
5 131 555	2 271 164	Public duties payable		5 710 152	2 271 164
3 445 000	-	Current liabilities to group companies	8	-	-
21 001 251	6 708 094	Other current debt		26 659 671	6 696 534
39 339 047	23 665 252	Total short term liabilities		44 016 767	23 689 949
137 096 888	49 062 028	Total liabilities		156 020 701	49 086 725
437 508 007	161 630 037	TOTAL EQUITY AND LIABILITIES		466 058 169	165 484 852



Sandnes, 31 March 2022

The board of Nordic Unmanned AS


Erik Ålgård (Mar 31, 2022 22:55 GMT+2)

Erik Ålgård
Deputy chairman of the board


Natasha Friis Saxberg (Mar 31, 2022 21:28 GMT+2)

Natasha Friis Saxberg
Member of the board


Jan Henrik Jelsa (Mar 31, 2022 21:39 GMT+2)

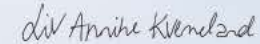
Jan Henrik Jelsa
Member of the board




Nils Johan Holte
Chairman of the board



Andreas Pay
Member of the board



Liv Annike Kverneland
Member of the board


Knut Roar Wiig (Mar 31, 2022 21:40 GMT+2)

Knut Roar Wiig
CEO

Cash flow statement

Parent Company 2 021		Group 2 021
	Cash flow from operations	
-36 629 190	Income (loss) before tax	-40 302 976
-	Taxes paid in the period	-
13 993 550	Depreciation and amortisation expenses	20 210 041
3 969 882	Changes in inventories	2 468 567
1 906 281	Changes in accounts receivables	3 195 585
-1 516 011	Changes in accounts payable	133 207
-31 322 337	Other operating cash flow	-29 387 933
-49 597 824	Net cash from operations	-43 683 509
	Cash flow from investments	
-133 398 539	Purchase of fixed assets	-133 087 733
-	Purchase of intangible assets	-24 422 841
-14 031 799	Capitalized R & D	-18 178 716
-90 438 779	Other investing activities - net	-65 122 153
-237 869 118	Net cash from investments	-240 811 444
	Cash flow from financing activities	
75 153 722	Proceeds from new debt (short / long term)	75 501 972
-6 292 657	Repayment of debt (short / long term)	-6 292 657
215 418 120	Proceeds from equity issue	217 889 246
284 279 184	Net cash from financing activities	287 098 560
-3 187 757	Net cash for the period	2 603 608
53 225 002	Cash and cash equivalents at the beginning of the period	53 274 068
50 037 245	Cash and cash equivalents at the end of the period	55 877 676



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 unrealised gains on transactions between group companies are eliminated.

The Consolidated financial statements include the accounts of Nordic Unmanned AS and its wholly owned subsidiaries which were acquired in 2021, Ecoxy AS, AirRobot GmbH & Co KG and AirRobot Beteiligungs GmbH. The subsidiary Nuaer AS, with a controlling interest of 60%, was consolidated into the Group as of 1 September 2021.

The Staaker Company AS was merged with Nordic Unmanned AS with effect of 1 January, 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.

Non-monetary assets that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of transactions.

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 recognised 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 recognised over time.

Progress is determined based on the cost-to-cost method.

Delivery of re-sale products

The company is a reseller of drones, 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 recognised over time. Progress is determined based on the cost-to-cost method..



Note 1 - Accounting principles

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. 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.

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 amortization 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 cost less impairment. Dividends received and group contributions are recognized under other financial income.



Note 1 - Accounting principles

Receivables

Trade receivables and other receivables are recognized at nominal 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 costs of goods sold. Inventory is consumed during maintenance and overhaul of the drone and is expensed when consumed.

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)

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.

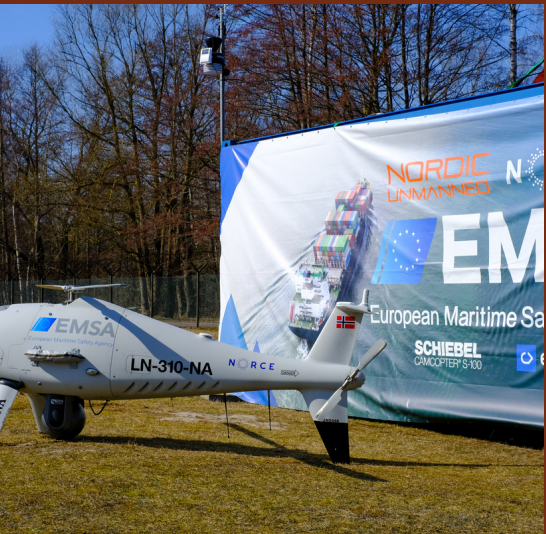
Share-based remuneration

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 options are recognized at the time of vesting. All option agreements in the company shall be settled by share capital distribution.

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

Personnel Expenses	2021	2020
Salaries	55 293 815	19 500 585
Social Security fees	8 177 156	2 899 341
Pension expenses	768 572	28 072
Other benefits	-10 448 180	431 247
Total	53 791 363	22 859 245

Average full time employees	66	28
-----------------------------	----	----

Remuneration to management	CEO	Board
Salary and bonus	1 657 681	1 449 717
Pension scheme payments	135 137	0
Other benefits	1 040 000	0
Total	2 832 818	1 449 717

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

The fees to the Board include NOK 752 650 related to 2020, recognized in 2021.

Bonuses

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

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

There Company has established stock option shcemes for employees and management. See note 4 more information about these schemes.

Other benefits includes salary expenses of NOK 12 760 697 capitalized against other assets and work in progress.

Other benefits have been restated with NOK 2 845 274 for 2020, related to capitalization against intangible assets. These have been reclassified to "Change in manufactured assets" in the profit and loss statement.

Note 2 - Personnel expenses, number of employees, remuneration

Group

Personnel Expenses	2021	2020
Salaries	60 448 135	19 496 620
Social Security fees	9 101 269	2 899 341
Pension expenses	922 226	28 072
Other benefits	-10 940 434	431 247
Total	59 531 196	22 855 280

Average full time employees	76	28
-----------------------------	----	----

Auditors Remuneration	Parent		Group	
	2021	2020	2021	2020
Statutory audit	628 141	235 000	645 641	235 000
Other services	667 188	532 000	667 188	532 000
Total	1 295 329	767 000	1 312 829	767 000



Note 3 - Fixed assets



	Concessions, patents and licenses	Development	Fixtures and fittings	Aircraft and spareparts
Purchase costs 01.01	5 881 524	6 558 328	11 591 229	45 775 027
Acquisition of assets	3 880 311	14 587 479	4 455 433	55 853 049
Purchase costs 31.12	9 761 835	21 145 807	16 046 662	101 628 076
Acc. Depreciation and amortization 31.12	-1 603 362	-2 888 130	-5 382 730	-11 939 209
Net booked value 31.12	8 158 473	18 257 677	10 663 932	89 688 867
Depreciation and amortization in the year	-429 584	-1 371 099	-2 545 005	-9 647 862
Economic Life	5-10 years	5-10 years	3-5 years	5-10 years
Depreciation and amortization plan	Linear	Linear	Linear	Linear

	Concessions, patents and licenses	Development	Fixtures and fittings	Aircraft and spareparts	Goodwill
Purchase costs 01.01	5 881 524	14 084 323	11 591 229	45 775 027	1 018 459
Acquisition of assets	49 303 151	58 812 607	15 233 731	55 853 049	22 937 416
Purchase costs 31.12	55 184 675	72 896 930	26 824 960	101 628 076	23 955 875
Acc. Depreciation and amortization 31.12	-3 352 618	-6 572 082	-8 906 196	-11 939 209	-1 454 521
Net booked value 31.12	51 832 057	66 324 848	17 918 764	89 688 867	22 501 354
Depreciation and amortization in the year	-2 178 840	-4 002 319	-2 997 522	-9 647 862	-1 250 829
Economic Life	5-10 years	5-10 years	3-5 years	5-10 years	5 years
Depreciation and amortization plan	Linear	Linear	Linear	Linear	Linear

The comparable numbers for 2020 have been restated for both the parent company and the group for the allocation between Research and development and Concessions, patents and licences with NOK 6 020 026. Additions in 2021 includes self developed intangible and tangibel assets of NOK 6.2 million for the parent company and NOK 8.9 million for the group. The company has capitalized Concessions, patents and licenses regarding operation manuals, flight permits and ISO-certification, where the company has commercial rights to these products. Development costs are only capitalized if the product or process is technically and commercially feasible and the business case shows a positive net present value. Capitalized development mainly includes internal labor costs in addition to materials for the development program.

Goodwill additions in 2021 relates to the acquisition of AirRobot® GmbH & Co. KG, Ecoxy AS and NUAer AS.

Aircrafts and spareparts include handcontrollers, payloads, radios and antennas in addition to the air vehicle. Assets under construction include assets that have not yet been fully delivered and accepted by Nordic Unmanned. This mainly relates to the Camcopter® S-100, system 3, and the Textron Aerosonde, system 1, which were fully delivered and accepted during Q1 2022. No depreciation charge were recognized toward these assets during 2021.

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	26 288 984	1	26 288 984

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

The largest shareholders at 31 December 2021 were:

Shareholders	Shares	Ownership
Skaulen AS	2 481 058	9,4 %
Jelsa Investering AS	1 986 613	7,6 %
Helgø Investering AS	1 986 613	7,6 %
Urbanium Gruppen AS	1 631 690	6,2 %
DZ Privatbank S.A.	1 212 450	4,6 %
Nordnet Livsforsikring AS	1 060 991	4,0 %
Petroleum Logistics Consulting AS	784 326	3,0 %
Clearstream Banking S. A.	687 774	2,6 %
Skandinaviska Enskilda Banken AB	610 000	2,3 %
Caceis Bank	539 494	2,1 %
Subsea to Air AS	529 493	2,0 %
DnB NOR Bank ASA	527 356	2,0 %
Ålgård Holding AS	514 105	2,0 %
Sonstad AS	420 119	1,6 %
Equinor Pensjon	303 500	1,2 %
Sparebanken 1 Markets AS *	281 690	1,1 %
Other	10 731 712	40,8 %
Total number of shares	26 288 984	100 %

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

* Shares controlled by CEO.

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 875,000 options with a weighted average strike price of NOK 11,75. 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 580 000. The shareholders' preferential rights pursuant to section 10-4 of the Norwegian Private Limited Liability Companies Act may be set aside under the authorisation.



Note 4 - Share capital and shareholder information - parent company

Shares and options directly or indirectly held by members of the Board of Directors, Chief Executive Officer and Executive Management at 31 December 2021:

Name	Title	Shares	Options
Knut Roar Wiig	Chief Executive Officer	2 793 625	315 000
Trond Østerhus	Chief Financial Officer	27 760	100 000
Lars A. Landsnes	Chief Operational Officer	193 755	245 000
Cecilie Drange	Chief Revenue Officer	50 404	100 000
Steffan Lindsø	Chief Technology Officer	9 027	50 000
Thomas Alexander Ladsten	Chief Legal Officer	17 249	75 000
Katrine Meldahl	Chief People Officer	9 662	-
Board of Directors			
Nils Johan Holte	Chair	85 282	
Erik Ålgård	Member	687 286	
Natasha Friis Saxberg	Member	-	
Jan Henrik Jelsa	Member	1 991 893	
Liv Annike Kverneland	Member	24 176	
Andreas Christoffer Pay	Member	1 634 258	
Roald Helgø	Deputy board member	1 991 893	



Note 5 - Equity

Parent Company

	Share Capital	Share Premium	Treasury Shares	Retained Earnings	Total
Equity 01.01	20 120 032	119 604 112	-2 127	-27 154 008	112 568 009
Merger The Staaker Company AS	-	376 631	-	-	376 631
Issue of ordinary shares	5 677 021	199 759 334	-	-	205 436 355
Issue of shares to employees	491 931	10 566 539	-	-	11 058 470
Net income (loss)	-	-	-	-29 028 346	-29 028 346
Equity 31.12	26 288 984	330 306 616	-2 127	-56 182 354	300 411 119

Group

	Share Capital	Share Premium	Treasury Shares	Retained Earnings	Shareholders Equity	Non-Controlling interests	Total Equity
Equity 01.01	20 120 032	119 604 112	-2 127	-23 323 890	116 398 127	-	116 398 127
Merger The Staaker Company AS	-	376 631	-	-376 631	-	-	-
Issue of ordinary shares	5 677 021	199 759 334	-	-	205 436 355	-	205 436 355
Issue of shares to employees	491 931	10 566 539	-	-	11 058 470	-	11 058 470
Acquisition of NUAer	-	-	-	-	-	9 997 772	9 997 772
Net income (loss)	-	-	-	-32 491 921	-32 491 921	-432 740	-32 924 661
Other	-	-	-	71 405	71 405	-	71 405
Equity 31.12	26 288 984	330 306 616	-2 127	-56 121 037	300 472 436	9 565 032	310 037 468



Note 6 - Subsidiaries and associated companies - Parent Company

Company	Business Address	Country	Owner-ship
AirRobot® GmbH & Co. KG	Arnsberg,	Germany	100 %
AirRobot Beteiligungs GmbH	Arnsberg,	Germany	100 %
Ecoxy AS	Molde	Norway	100 %
NUAer AS	Sandnes	Norway	60 %
Nordic Unmanned UK Ltd.	Birmingham	England	100 %
Nordic Unmanned DK ApS	Odense	Denmark	100 %
Offshore Salmon AS	Sandnes	Norway	33,33 %

Company	Book value	Equity (100 %)	Profit / loss
AirRobot® GmbH & Co. KG	56 969 641	- 2 480 000	- 4 629 000
AirRobot Beteiligungs GmbH	490 000	400 000	3 000
Ecoxy AS	21 428 171	4 636 400	2 541 000
NUAer AS	15 816 024	23 924 468	-1 018 849
Nordic Unmanned UK Ltd.	0	- 502 000	- 502 000
Nordic Unmanned DK ApS	53 600	53 600	0
Offshore Salmon AS	30 000	1 418 000	- 91 000

The Staaker Company has been merged with Nordic Unmanned AS with accounting and tax effect from 1 January, 2021.

NUAer AS, Ecoxy AS, Air Robot® GmbH & Co. KG, Air Robot Beteligungs GmbH and Nordic Unmanned UK Ltd. are consolidated as of 1 October, 2021. Nordic Unmanned DK ApS was incorporated 7 December, 2021 and consolidated from this date.

Financial figures for Offshore Salmon AS are as of 31.12.2020.



Note 7 - Restricted bank deposits

The restricted bank deposits of NOK 2 852 598 for the parent company and NOK 3 194 916 for the Group relates to employee tax deduction.

Note 8 - Related party transactions and balances

Parent company

	2021	2020
Short term receivable from group companies - AirRobot	6 925 796	0
Short term receivable from group companies - NUAer AS	590 643	0
Short term receivable from group companies - Nordic Unmanned UK	735 813	0
Current liabilities to group companies - AirRobot	3 445 000	0
Other current debt - Offshore Salmon AS	0	79 294

The Staaker company was merged with Nordic Unmanned AS as of 1 January, 2021.

During 2021, the CEO of NUAer AS was employed by Nordic Unmanned AS and provided services to NUAer AS through a service level agreement. AirRobot has provided Nordic Unmanned AS with R&D and production support since the acquisition of the company in Q4 2021.

Group

	2021	2020
Other current debt - NUAer - Aeromond OY	348 250	0
Purchase of consessions, patents and licenses - NUAer - Aeromond OY	24 406 250	0

During 2021, NUAer AS purchased Concessions, patents and licenses from the 40 % owner, Aeromon OY, for net proceeds of NOK 25 406 250.



Note 9 - Guarantees

The company has a payment guarantee of NOK 850 000 and NOK 251 250 to Lessors. The guarantees are valid until 31 March 2022 and 31 August 2022.

The company has contractual guarantees totalling NOK 364 416 expiring in 2022.

Note 10 - Borrowings

Parent company

	2021	2020
Liabilities to financial institutions	94 257 841	25 396 776
Borrowings maturing after 5 years	0	0
Borrowings due within a year	26 666 667	4 500 000
Pledged as security		
Liabilities to financial institutions	94 257 841	25 396 776
Booked value of assets pledged as collateral:		
Fixed assets	158 435 453	50 806 896
Inventory	15 617 390	3 185 840
Accounts receivables	1 582 137	8 170 305

There are several financial covenant requirements for the Company. The Company is compliant as of 31.12.2021.

Overdraft facility	2021	2020
Overdraft facility	0	0
Unutilised overdraft facility	20 000 000	20 000 000
Limit overdraft facility	20 000 000	20 000 000

Group

	2021	2020
Liabilities to financial institutions	99 690 120	25 396 776
Borrowings maturing after 5 years	0	0
Borrowings due within a year	32 098 946	4 500 000
Pledged as security		
Liabilities to financial institutions	99 690 120	25 396 776
Booked value of assets pledged as collateral:		
Fixed assets	158 435 453	50 806 896
Inventory	15 617 390	3 185 840
Accounts receivables	1 582 137	8 170 305

There are several financial covenant requirements for the Group. The Group is not in breach as of 31.12.2021.

Overdraft facility	2021	2020
Overdraft facility	1 236 983	0
Unutilised overdraft facility	21 761 337	20 000 000
Limit overdraft facility	22 998 320	20 000 000





Note 11 - Expenses paid in advance

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

Parent Company	2021	2020
Project expense, charged throught the expected lifetime of the projects	19 656 945	1 540 608
Pre-paid suppliers	8 533 443	3 958 200
Total	28 190 388	5 498 808

Group	2 021	2020
Project expense, charged throught the expected lifetime of the projects	19 767 821	1 540 608
Pre-paid suppliers	8 910 603	3 958 200
Total	28 678 424	5 498 808

Note 12 - M&A

Parent company

AirRobot

Nordic Unmanned closed the acquisition of 100% of the shares in AirRobot, a leading German drone developer and manufacturer on October 14, 2021. The acquisition secures patented world-leading last-mile unmanned delivery technology and extends the product and customer portfolio as a system integrator.

The transaction was done with a cash consideration of NOK 40 million, share issuance of 205 296 new ordinary shares with a nominal value of NOK 1, at a subscription price of NOK 36.5 and other contingent liabilities fair value assessed to NOK 6,2 million at close. In addition to the consideration, direct acquisition-related costs are capitalized as part of the acquisition.

The purchase price allocation was allocated to intangible assets with NOK 51 million, goodwill with NOK 16.5 million, deferred tax liability with NOK 8.6 million and other net assets with NOK 3 million. The goodwill reflects expected synergies and technical goodwill.

Ecoxy

Nordic Unmanned AS acquired 100% of the shares in Ecoxy AS, the leading Norwegian provider of accredited emission measurements for the shipping and oil and gas industry, at September 21,2021.

The transaction was done with a cash consideration of NOK 9,7 million, share issuance of 123 179 new ordinary shares with a nominal value of NOK 1, at a subscription price of NOK 40.59 and other contingent liabilities fair value assessed to NOK 4,8 million at close. In addition to the consideration, direct acquisition-related costs are capitalized as part of the acquisition.

The purchase price allocation was allocated to intangible assets with NOK 13,3 million, goodwill with NOK 4,5 million and deferred tax liability with NOK 3,6 million and other net assets with NOK 3,1 million. The goodwill reflects expected synergies and technical goodwill.



Note 13 - Revenue - Business segment

Parent company

	2021	2020
Maritime	61 083 125	41 686 887
Security	23 264 566	12 135 390
Infrastructure	10 650 901	7 026 324
Logistics	836 543	5 453 276
Other *	717 604	- 164 982
Total	96 552 739	66 136 895

* Other include other segments and eliminations on Group.

Group

	2021	2020
Maritime	65 085 250	41 686 887
Security	29 456 877	12 135 390
Infrastructure	10 650 901	7 026 324
Logistics	836 543	5 453 276
Other *		23 335
Total	106 029 571	66 325 212

* Other include other segments and eliminations on Group.

Note 14 - Inventory

Parent company	2021	2020
Work in progress and materials	10 111 714	0
Finished goods	9 405 676	3 185 840
Impairments, including obsolescence	- 3 900 000	0
Total	15 617 390	3 185 840

Group	2021	2020
Work in progress and materials	10 111 714	5 898 759
Finished goods	13 726 285	3 185 840
Impairments, including obsolescence	- 4 150 000	- 3 000 000
Total	19 687 999	6 084 599

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

NOK 2,75 million of the impairments, including obsolescence of inventory in Parent company relates to the merger with the Staaker Company as of 1 January 2021. Additional obsolescence of NOK 1,15 million was recognized during 2021



Note 15 - Tax

Parent Company

This years tax expense	2021	2020
Entered tax on ordinary profit/loss		
Payable tax	-	-
Change in deferred tax assets	-7 600 844	-267 344
Tax Expense on ordinary profit/loss	-7 600 844	-267 344

Group

This years tax expense	2021	2020
Entered tax on ordinary profit/loss		
Payable tax	-	-
Change in deferred tax assets	-7 378 315	-6 797 153
Tax Expense on ordinary profit/loss	-7 378 315	-6 797 153

Parent Company

Taxable income		
Ordinary result before tax	-36 629 190	-998 630
Permanent differences	-9 964 599	-11 473 601
Changes in temporary differences	-11 834 726	-8 643 768
Received intra-group contribution	3 303 059	-
Taxable income	-55 125 456	-21 115 999

Permanent differences of NOK 9 964 599 relates mainly to transaction costs related to share issue, which have been allocated against share premium

Parent Company

	2021	2020	Difference
Tangible assets	22 284 848	9 300 122	-12 984 726
Inventory	-3 900 000	-2 750 000	1 150 000
Accounts receivable	-20 000	-20 000	-
Total	18 364 848	6 530 122	-11 834 726

Accumulated tax loss to be carried forward	-138 504 838	-83 379 383	55 125 455
Not included in the deferred tax calculation	-	624 766	624 766
Basis for deferred tax assets	-120 139 990	-76 224 495	43 915 495

Deferred tax assets	-26 430 798	-16 769 389	9 661 409
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Note 15 - Tax continued

Group		2021	2020	Difference
Tangible assets		22 284 848	9 300 122	-12 984 726
Inventory		-3 900 000	-2 750 000	1 150 000
Accounts receivable		-20 000	-20 000	-
Total		18 364 848	6 530 122	-11 834 726
Accumulated tax loss to be carried forward		-138 504 838	-83 379 383	55 125 455
Not included in the deferred tax calculation		-	624 766	624 766
Basis for deferred tax assets		-120 139 990	-76 224 495	43 915 495
Deferred tax assets		-26 430 798	-16 769 389	9 661 409

The Group has NOK 138 504 838 of tax losses to be carried forward. Pursuant to the accounting standards generally accepted in Norway, the deferred tax asset has been recognised 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 utilised.

Deferred tax liabilities

As part of the purchase price allocation for AirRobot, a German company, the Nordic Unmanned Group recorded a deferred tax liability of NOK 8.6 million in 2021 an amount of NOK 0.4 million was recognized in profit and loss, resulting in a deferred tax liability per 31 December 2021 of NOK 8.2 million. All deferred tax liabilities relate to temporary differences arising from the recognition of intangible and tangible assets.



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Member of the board

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Chairman of the board

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CEO

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To the General Meeting of Nordic Unmanned AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Nordic Unmanned AS, which comprise:

- The financial statements of the parent company Nordic Unmanned AS (the Company), which comprise the balance sheet as at 31 December 2021, 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 2021, 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 comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, 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, and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, 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 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 the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), 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.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view 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 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 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.

Stavanger, 31 March 2022
KPMG AS

Mads Hermansen
State Authorised Public Accountant



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Mads Aleksander Hermansen

State Authorised Public Accountant

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