

HALF-YEAR REPORT 2022



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Updated operational model

Nordic Unmanned delivers high-end drone products, system integration, operator services and data analysis in a rapidly evolving industry with a significant future market opportunity. The company has already established itself as a leader in Europe with a highly competent and international team, long-term contracts with corporates and governments, and a large fleet of robust and flexible UAS. The core proposition is to provide cost- and time-efficient alternatives to legacy solutions that also contribute to reduced emissions and a safer work environment.

The Group's overall objective remains to become the preferred solution provider of unmanned systems and services in Europe, and to generate profitability and returns to its shareholders. On this path, the company is also selectively pursuing expansion in new and attractive markets with competent partners to scale its product development and experience. Earlier this month, Nordic Unmanned established a dedicated team serving North America, and yesterday the company announced a JV with Omni Helicopters to provide services in South America.

Talented professionals, everyday focus on excellence, an unwavering commitment to safe operations, resource utilization, as well as strong industrial and governmental partnerships, continues to be fundamental value drivers as Nordic Unmanned is building up its positions. Operator contracts, product development, system integration and third-party distribution all remain highly attractive market areas with significant growth trajectories ahead. In addition, a significant value proposition is emerging in the drone industry "on top" of operational activities in relation to processing, analysing and adding value to datasets. The Group's emission monitoring businesses Ecoxy and NUAer are already developing positions in this space.

As the organization is moving towards more function-oriented yet scalable activities, the management has also resolved to reorganize the company structure and its financial reporting into following **business units** going forward:

- **Drone as a Service: Nordun**
- **Data as a Service: NUMar**
- **Products and Development: NUTech**
- **Distribution: NUGlobal**

These business units all pursue distinct growth avenues, with different capital usage and partnership opportunities, and will be organized under dedicated leadership and potentially also in separate subsidiaries (subject to relevant approvals). The Group's leadership will be responsible for strategy execution, financial reporting and provide all central functions.

The company's industry focus will remain on maritime, security and defense, logistics and infrastructure, with priority made to markets experiencing significant near-term opportunities. Within the maritime industry, the company will build on its experience as a core supplier to EMSA/EU to seek additional business opportunities as both a drone operator and provide data and analytics. The company will seek to broaden its presence beyond Europe. In the security and defense market, the company will continue to develop and market own products and integrate leading third-party drones and solutions to demanding tactical missions and security applications. Within logistics, the company has decided to build on its success in the Norwegian offshore energy market and seek to take this effort globally. Meanwhile, it will deemphasize other efforts with significant competition and long lead times. Similarly, the company will focus on the rail infrastructure market, initially with the US as a focus market.

The board has also decided that Nordic Unmanned ASA will be restructured to a listed holding company named Nordic Unmanned Group ASA, which will hold the shares in one or several operating companies. The restructuring is expected to be completed by 1 January 2023 and further announcements will be made in due course.

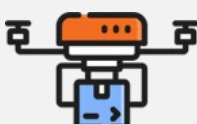
DRONE AS A SERVICE
Nordun



DATA AS A SERVICE
NUMar



PRODUCTS AND DEVELOPMENTS
NUTech



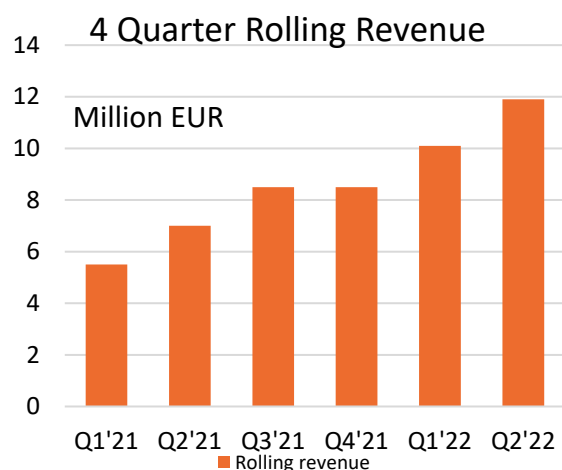
DISTRIBUTION
NUGlobal



Read more about the [new business units](#) at the back of this report.

Q2 and H1 at a glance

The Group



- Record high quarterly revenue of EUR 4.8 million, growth of 57% compared to Q2 2021, and 93% growth compared to Q1 2022.
- H1 2022 reached record high revenue with EUR 7.3 million, an 84% increase compared to 2021.
- Revenue exceeded FY 2021 as of mid-August.

- Revenue level places Nordic Unmanned as one of the leading listed pureplay drone companies globally.
- Profitability negatively affected by delayed startup of operations resulting in low utilisation, high startup cost and operational challenges on two projects, costs related to training, M&A activities and preparation for OSE listing.
- Successfully completed a private placement and a subsequent offering with total gross proceeds of NOK 96 million, attracting strong interest from existing and new quality investors

Million Euro	Q2 2022	Q2 2021	YTD 2022	YTD 2021*
Revenue	4.8	3.1	7.3	4.0
EBITDA	-3.0	-0,8	-5.0	-1.6
EBITDA margin	-61%	-26%	-68%	-41%

*Q1 numbers included in year to date 2021 have been restated compared to numbers presented in first quarter 2022. The restatement is due to amended IFRS adjustments for the quarter related to reassessment of revenue recognition for certain contract types. The adjusted effect is approximately EUR 700 thousand in reduced revenue and EUR 180 thousand in reduced EBITDA.



Nordun

- Record amount of flight hours with 814 for Q2, an increase 56% from Q2 2021. This represent more than 50.000km, which is 1.25 times around the globe.
- Camcopter flight hours accounts for 435 hours in Q2. At the end of August, Camcopter flight hours had passed 810 for 2022.
- Aerosonde flight hours accounts for 318 in Q2. At the end of August, the Aerosonde system had 798 flight hours in 2022.
 - Implementation has been slower and more costly than expected.
- Four European simultaneous BVLOS deployments.
- Three-week onshore test phase with Equinor.



NUTech

- AirRobot awarded contract with the Bundeswehr in Germany for the delivery of 145 AR100-H systems. First milestone passed and invoiced in June. All key components for the production and delivery of the contract in stock.
 - Staaker Logistics Drone proven commercially for customer.
- Nordic Unmanned acquired 55% ownership in DroneMatrix, situated in Hasselt Belgium, increasing Nordic Unmanned's portfolio of services and solution, including DroneMatrix fully autonomous AI-powered Drone in a Box Solution.



NUMar

- Performed vessel emission monitoring outside the Port of Stavanger
- Awarded a pilot project with a port authority in Finland



NUGlobal

- Sale of surveillance drones to a donating European country, including training of drone operators from the Ukrainian Armed Forces

Letter from the CEO



Nordic Unmanned delivered record revenues in the second quarter of 2022, growing 57 percent from the same quarter last year and reflecting the exciting growth potential of the market and the ability to leverage the organisation to outgrow the market.

Nordic Unmanned continued to add to the growth platform by becoming the majority owner of Belgian drone pioneer DroneMatrix, which contributes a commercially proven drone-in-a-box solution.

During the quarter, the company carried out pioneering work for several clients. I would especially like to highlight the three-week onshore test phase with the oil major Equinor, which verified the readiness for offshore logistics services, a tremendous potential market for us. Additionally, we conducted four parallel BVLOS operations in Europe, resulting in more than 50.000 km of flight distance with data collection.

Towards the end of the quarter, we successfully carried out a private placement and subsequent offering, raising NOK 96 million in a challenging financial market. This further increases the ability to seize the growth opportunities presented by the seismic shift from manned to unmanned flight.

That said, there was also some turbulence in the second quarter. We experienced delays and operational challenges, not least related to the entry into the long-endurance fixed-wing segment, which has taken longer and been more expensive than planned. These issues hit both the revenue and profitability in the quarter.

We see operational improvements already in the third quarter and the cost impact is partly a one-time effect.

This quarterly report presents a new group structure with four business units that better reflect the various business models. It also reflects an increased focus on the biggest and most profitable markets. This change is part of ongoing work to ensure profitable growth as we streamline the group and focus on opportunities with concrete and substantial commercial potential. The name of the Nordun business unit is coming from our ICAO callsign, and the rest of the business unit names could be updated. We expect the new operational model to improve our focus, competitiveness, and strategic opportunities for the future. We also believe that this change will make it easier to evaluate our business.

In short, 2022 has so far been fairly typical for a growth company in a rapidly expanding industry where speed is of the essence. We're running fast, and when we meet obstacles, we adjust the course and keep moving forward, as we deliver to the customers and at the same time chase new and bigger opportunities every day!

*And one thing is becoming clearer by the day: **The future is unmanned!***

Financial Summary Group

Revenue

Second-quarter revenue for the Group ended at an all-time high of EUR 4.8 million, representing a 57 percent increase compared to the second quarter of 2021, the previous record quarter. Revenue for the first half of 2022 ended at EUR 7.3 million, which is an increase of 84 percent compared to the same period last year.

EBITDA

EBITDA ended negative with EUR 3.0 million, compared to negative EUR 0.8 mill for the same period last year. First-half EBITDA ended at a loss of EUR 5.0 million compared to a loss of EUR 1.6 mill for the same period in 2021.

Aggregate EBITDA contribution from the four business units was negative with EUR 1.2 million for the second quarter and negative with EUR 2.0 million for the first half.

Overhead costs amount to EUR 1.7 million for the second quarter and EUR 3.0 million for the first half.

This includes EBITDA effects from M&A activities and preparing for the Oslo Stock Exchange uplisting, including IFRS conversion amounting to EUR 460 thousand for the second quarter and EUR 690 thousand for the first half.

Depreciation and amortisation for the quarter amounted to EUR 1.3 million whereof EUR 668 thousand is related to fixed assets (drones), EUR 564 thousand is related to intangible assets including concessions, patents and licenses, and the

balance related to Right of Use, (Lease obligations)

The pre-tax loss for the quarter amounted to EUR 4.7 million for the second quarter and EUR 8.0 million for the first half.

Liquidity reserve

Available liquidity of EUR 5.2 million, consisting of EUR 1.2 million in cash and EUR 4 million in available credit lines.

In June Nordic Unmanned successfully completed a private placement with net gross proceeds of NOK 80 million (EUR 8 million), with a subsequent offering of NOK 16 mill (EUR 1.6 million) towards the end of June. The capital from the latter was available in July.

Financial position

Total assets amounted to EUR 57.7 million, and total equity amounted to EUR 30.6 million, representing a book equity ratio of 53 percent.

Current assets amounted to EUR 10.8 million and current liabilities amounted to EUR 12.3 million, including EUR 3.7 million in short-term portion of long-term debt and lease obligations.

Long-term debt and lease obligations to financial institutions, excluding short-term portion, increased by EUR 2 million to EUR 11.5 million in the quarter, mainly due to a new EUR 2 million loan granted from Innovation Norway in the quarter. Net increase year to date amount to EUR 3.8 million, mainly related to part financing of the BVLOS fleet.

Cash flow

Cash flow from operating activities was negative with EUR 2.8 million for the second quarter of 2022. The negative cash flow mainly reflects the negative operating results but also EUR 0.8 million in earned, not invoiced, revenue and one M&A earn-out element of EUR 0.5 million. Development in working capital was positive with NOK 0.4 million.

Cash flow from investing activities was negative with EUR 3.6 million in the second quarter of 2022 whereof EUR 1.6 million was related to the second Aerosonde system which is the last system completing the BVLOS fleet buildup of 3 Camcopter systems and 2 Aerosonde systems. Another EUR 0.9 million was

related to intangibles, mainly development of own products and technology. The remaining balance of EUR 1.1 million was related to the acquisition of DroneMatrix.

Cash flow from financing activities was positive with EUR 7 million for the second quarter 2022. This includes EUR 7.5 million in net proceeds from issuance of new equity and EUR 2.9 million in new long-term debt whereof EUR 2 million is related to a new five-year non-amortising loan facility with Innovasjon Norge, and EUR 0.9 million related part financing of the fleet newbuilding program. Short-term interest-bearing debt related to the overdraft facility was reduced by EUR 2.5 million.

Operational review

**Financial results comparisons from the previous year referred to herein are pro-forma and give a good indication of change in activity and revenue. However, the nature, size and structure of all business units are not comparable, and hence margin comparison gives limited value.*





NORDUN: Drone as a Service

mEUR	Q2'22	Q2'21	Change	YTD'22	YTD'21	Change
Revenue	3.2	2.3	44%	4.1	2.8	47%
EBITDA	-1.0	0.0		-1.9	-0.2	
EBITDA margin	-30%	1%		-47%	-9%	

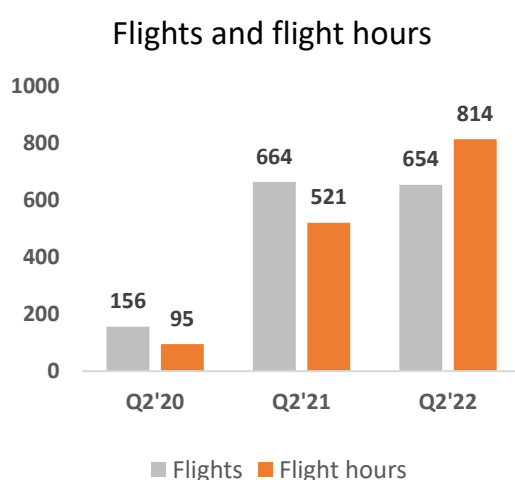
During the first half of 2022, substantial effort has been put into training and preparedness for operation and obtaining full operational capability on the long-endurance fixed wing platform Aerosonde, thus entering a new market segment. This includes flight operations, synthetic aperture radar data analytics and maintenance. The company is fully utilizing the LUC, yet allocation of use of airspace is still complex but becoming simpler, and governmental frequency approvals still take some time.

This resulted in a more challenging and costly implementation than planned, preparing for delivery on contracts commencing in the second quarter.

In the second quarter, Nordic Unmanned had 814 flight hours, an increase of 56 percent compared to the same quarter in 2021. In the first half of 2022, Nordic Unmanned registered 1010 flight hours, an increase of 57 percent compared to the first half of 2021.

Nordun conducted a three-week onshore test phase with **Equinor**, where the Nordic Unmanned team successfully verified the readiness for offshore logistics services. The team worked closely with Equinor in conducting multiple ground-breaking trials and demonstrations of drone logistics services (Staaker Logistics and Camcopter). Nordic Unmanned received an order for the next phase of the Drone Offshore Logistics Contract with Equinor. The offshore operations between Gullfaks A, B and C in the Tampen oil field with the Staaker Logistics Drone commenced on 15 August. Operations with Schiebel Camcopter for Equinor are expected to commence in the second quarter of 2023.

Nordun has had four simultaneous BVLOS (Beyond Visual Line of Sight) deployments in Europe. The Camcopter has been deployed in France, Spain and Germany, and the Aerosonde has had a cross-border surveillance and monitoring campaign over the Baltic Sea. Nordic Unmanned became the first drone operator to



conduct cross-border surveillance with a drone in Europe with a LUC.

The BVLOS operations were somewhat delayed due to customer requirements and did not reach expected levels of utilisation before end of May. Monthly flight hours distribution for the first half of 2022 is set out in the figure below.

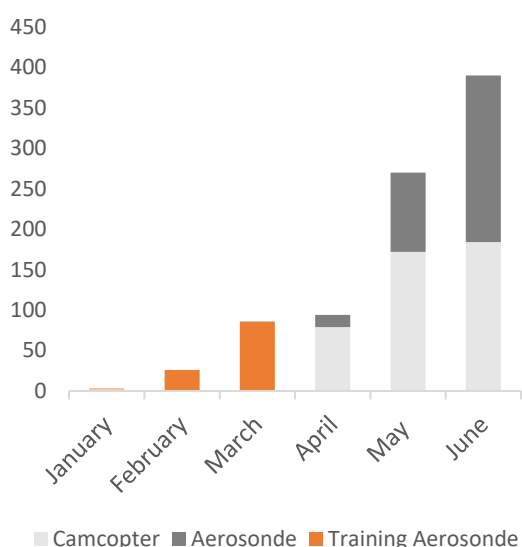


FIG.1: Flight hours monthly for CAMCOPTER and Aerosonde

Nordun's revenue in the second quarter ended at EUR 3.2 million, representing a 44 percent increase from the second quarter of 2021. EBITDA was negative EUR 1.0 million compared to EUR 0 in the second quarter of 2021. However, the comparison is of limited value, as the operation and organisation in 2021 were limited compared to the 2022 capabilities.

The result is negatively affected by several factors:

Nordun now has the fleet and organisational capacity to fly five parallel BVLOS operations and several lightweight operations. There was a delayed start-up on the contracts leading to a low utilisation for the second quarter, (see fig.1), with June being the only month with four parallel operations. Utilisation of

the BVLOS fleet is crucial to achieving profitability, and Q3 utilisation is expected to increase, leading to revenue growth and improved profitability.

Investments were made in training of own pilots and technicians with a P&L effect of EUR 333 thousand in the second quarter of 2022 and EUR 566 thousand in the first half of 2022.

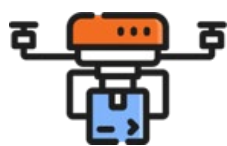
The Camcopter rotary wing operations performed for EMSA (OP10) were somewhat delayed on all three sites, due to extended processing times for authorisations from national EU member states. Consequently, these OP10 volumes will be flown in the back end of the respective specific contracts in Q3 and Q4. The Camcopter system and operation are well known to the organisation, and operational and financial performance is according to Nordun's expectations.

The fixed-wing operation with the Textron Aerosonde system is new to the organisation. In the first quarter, Nordun invested in getting full operational capability with a training deployment in Odense, Denmark for 10 weeks. In addition, the unit has invested in training crew to be able to operate the system in the future. However, the use of consultants with necessary qualifications has been higher than planned, representing an additional cost overrun on the contract. Nordun has also experienced operational challenges in the second quarter, including technical issues, contractual penalties and lower flight hours than expected, partly due to lack of experience in operating the system. The negative EBITDA effect for the fixed wing contract exceeds EUR 500 thousand in addition to the training cost described above.

Nordun has an experienced Lightweight department prepared for strong growth in 2022. Activity levels in the second quarter were lower than expected for several reasons, influencing revenue negatively. Deployments under the OP1/OP12 contracts with EMSA have been few, due to fewer offshore patrol vessels employed by EMSA/EFCA than expected. Lost volumes this year are expected to be recovered in 2023. Furthermore, several contracts within the infrastructure market were expected but did not materialize. Therefore, Nordun will sharpen the strategic focus in these areas towards Offshore energy logistics and Rail, where it has proven commercial traction, and there are several near-term commercial opportunities.

The Equinor project represents a breakthrough success for Nordic

Unmanned, proving drones' ability to serve the offshore logistic market. The project has earned worldwide attention and generated inbound inquiries from both operators and maintenance companies offshore. Innovative pilot projects carry risks, and financially the contract has not been profitable so far. However, profitable and commercially significant opportunities are being evaluated. Similarly, customers are able to make significant cost savings and reduce their carbon footprint with the implementation of a drone delivery platform. Therefore management is of the opinion that offshore logistics will represent an attractive market for the company in the near future.



Technology and Development “NUTech”.

mEUR	Q2'22	Q2'21	Change	YTD'22	YTD'21	Change
Revenue	0.3	0.4	-17%	0.8	0.6	29%
Gross profit	0.2	0.4	-35%	0.6	0.6	9%
Margin	69%	89%		76%	90%	
EBITDA	-0.2	0.2		-0.2	0.2	
EBITDA margin	-71%	48%		-26%	30%	

In 2022 Nordic Unmanned has further developed the Staaker product line, where the **Logistics Drone** has been a major focus. This has resulted in an offshore compliant drone designed according to IP 53 rating, which has high wind tolerance and is logistic tolerant with integrated ads-b transponder.

Additionally, the Staaker drone is now available in the following versions: Surveillance, Emission Monitoring, and Search and Rescue.

The development of the Staaker Railway Drone has achieved an operational milestone, with operations expected to start in the US in September 2022.

The most important commercial win for NUTech was the award of the Bundeswehr MIKADO II contract to AirRobot for 145 drone systems, plus related services.

As part of the MIKADO II contract, AirRobot will achieve military airworthiness certification for the AR100-H drone system platform.

In June, the latest brand was added to the Nordic Unmanned Group through the acquisition of 55 percent of Belgian DroneMatrix. This is a drone pioneer organisation with commercially proven

solutions, including the YACUB Drone-In-A-Box solution that in May was awarded a contract with Port of Antwerp in Belgium. This includes six drone-in-a-box systems to be stationed throughout the port area, remotely operated by Nordic Unmanned utilizing the LUC permit, for Port of Antwerp and port stakeholders.

NUTech's revenue in the second quarter ended at EUR 337 thousand, somewhat lower than in the same quarter in 2021. Gross margin ended at 69 percent and EBITDA ended negative with EUR 238 thousand compared with EUR 193 thousand in 2021. First-half revenue ended at EUR 812 thousand, an increase of 29 percent, and with a gross margin of 76 percent, while first-half EBITDA ended negative at EUR 209 thousand, compared to EUR 192 thousand in 2021.

Revenue in the quarter is mainly related to MRO and the first milestone achievements on the MIKADO contract. There were no P&L effects from DroneMatrix for the quarter. These will be included from the third quarter

Investment in own IP during the quarter was EUR 0.8 million.



Data as a Service “NUMar”

<i>mEUR</i>	Q2'22	Q2'21	Change	YTD'22	YTD'21	Change
Revenue	0.4	0.0	N/A	1.0	0.0	N/A
Gross profit	0.3	0.0	N/A	0.9	0.0	N/A
Margin	91%			94%		
EBITDA	0.0	0.0		0.3	0.0	
EBITDA margin	9%			32%		

The Data as a service business unit does not have comparable numbers from 2021. Prior to the establishment of NUAer and the acquisition of Ecoxy, Nordic Unmanned had no stand-alone strategy for data as a service. Nordic Unmanned sees significant potential for single-and multi-client data sales going forward. In the short term, Nordic Unmanned will invest in building a vessel emission data library as well as maritime data analytics platform solution.

NUAer has completed sensor integration with the Schiebel Camcopter which enables long-range integrated emissions monitoring. The company has performed vessel emission monitoring outside the Port of Stavanger and been awarded a pilot project with a port authority in Finland. In August, it demonstrated emissions monitoring capabilities onboard a container vessel in the US.

Ecoxy experienced high demand for accredited NOx measurements in Scandinavia throughout the second quarter. The company also acquired new customers within the EU ETS verification service area.

NUMar's financial results are solid, with a revenue for the quarter of EUR 383 thousand with a gross margin of 91 percent and an EBITDA contribution of EUR 33 thousand (9 percent margin). First-half revenue amount to EUR 965 thousand, with a gross margin of 94 percent and an EBITDA contribution of EUR 304 thousand (32 percent margin). The stable growth and financial performance of Ecoxy represent the main source of revenue and EBITDA contribution in 2022, whilst the investment in NUAer and the data platform has not yet reached the necessary scale to be profitable.



Sales and Distribution “NUGlobal”

<i>mEUR</i>	Q2'22	Q2'21	Change	YTD'22	YTD'21	Change
Revenue	0.9	0.4	107%	1.5	0.5	176%
Gross Profit	0.3	0.1	220%	0.5	0.1	248%
Margin	37%	24%		35%	28%	
EBITDA	-0.0	-0.1		-0.1	-0.2	
EBITDA margin	-3%	-24%		-9%	-29%	

The war in Ukraine has led to an asymmetric commercial activity driven by a sudden and radical change in the global demand for drones. Nordic Unmanned has taken an active role in supporting the demand by offering products and services to multiple European states. For example, Nordic Unmanned has delivered its first drones to Ukraine through a donating country and at the same time trained Ukrainian armed forces. In the short term, the company has several large open offers awaiting funding or priority. The conclusion of these opportunities would potentially have a substantial effect on the second-half 2022 financial results. Nordic Unmanned has secured substantial stock levels that will allow delivery on short notice. Throughout the first half of 2022, substantial efforts have been made to build up a distribution network that will quickly bring revenue.

Financial Results

The second quarter ended with a revenue of EUR 855 thousand, representing 107 percent growth compared to the second quarter of 2021. The gross margin ended at 37 percent, and EBITDA was negative EUR 26 thousand, due to high costs related to tender and marketing activities. First-half revenue ended at 1.5 million EUR, representing 176 percent growth compared to the first half of 2021. First-half gross margin ended at 35 percent, and the EBITDA contribution was negative with EUR 135 thousand.

Summary and outlook

Summary

The second quarter ended with record high revenue and growth for Nordic Unmanned mainly driven by Nordun operations that generated a 44% growth compared to second quarter last year, even though operations started late and utilisation was low. Due to low system integration sales in the quarter, delays to BVLOS contracts, postponements and cancelled work, however, revenue fell behind expectations on a higher cost base.

The profitability has also been negatively influenced by M&A activity, uplisting preparations, own costs in the project with Equinor as well as the entrance into the fixed wing BVLOS market that generates ramp up costs. These impacts are temporary.

Nevertheless, activity and demand in core markets remain high. Therefore, the company expect to see new awards and sales concluded in the second half of the year.

The company has through M&A and fleet expansion the last 18 months established the platform needed for strong organic growth.

Outlook

Nordun

Nordun will deliver higher utilisation and improved financial results in the third quarter. The business unit will have a minimum of three parallel BVLOS operations throughout the quarter, and revenue derived from the high-margin rotary wing segment is estimated to grow by 50 percent. Therefore, financials is

expected to improve correspondingly. More efficient fixed-wing operations will reduce losses and reach a break-even EBITDA result.

NUMar

NUMAR will continue to develop products and services to strengthen its position as a pure-play data as a service business unit.

It will use its proprietary emissions data combined with partner data and open-source data to serve the maritime industry with actionable insights.

NUGlobal

Nordic Unmanned sees most excitement and opportunities related to the reseller and system integration activity related to Security and Defense, awaiting awards on several contracts and bids. The timing and value of these are unsure, and the outcome of these awards can significantly influence annual revenue and profitability.

The CRM pipeline remains unchanged at EUR 1.1 billion.

Group

Nordic Unmanned continues to grow and has already passed full year 2021 revenue as of mid-August.

Profitable growth will be essential for the industry and for Nordic Unmanned going forward. Nordic Unmanned is sharpening the company's strategic focus by building a distribution network with short time to market. This network is expected to help realize synergies within the group, whilst also reducing costs by streamlining the internal processes.

The contract backlog of EUR 67 million remains strong, where main adjustments are net use in the second quarter and the addition of the MIKADO contract in AirRobot in Germany. Nordun backlog accounts for 67 percent of the order backlog, with the EMSA contracts as the main source. The balance is equally divided between NUTech and NUGlobal, i.e. between sales of own IP and reseller activity.

Revenue growth in the third quarter is expected to be higher than in the second quarter. The previously communicated revenue guidance for the year of around 200 percent growth is still within reach but will require substantial awards within the Security and Defense sector in the

second half of 2022. However, the previously communicated EBITDA margin of 10-20 percent will not be achieved.

Uplisting process

Nordic Unmanned continues to prepare for uplisting to Oslo Stock Exchange (OSE) and has invested in the IFRS conversion, improved processes and internal procedures, and converted Nordic Unmanned to a public limited liability company (ASA). The company will also regroup the legal entity structure and operational model. Consequently, uplisting to OSE will most likely be postponed into 2023.

The new business units



Nordun - a Drone as a Service Airline

Nordun is the world's first fully integrated BVLOS (Beyond Visual Line of Sight) drone as a service pure-play business unit, incorporating all functions required to operate complex drone missions with advanced platforms and sensors.

Nordun is the holder of a multiplatform LUC (Light Unmanned UAS Operator Certificate) allowing for operations utilizing both large tactical drones and smaller lightweight drones.

The business unit is ISO 9001 certified and has fully integrated maintenance control, operational maintenance, and training departments. In addition, the business unit includes administrative functions such as an HSEQ department, logistics department and commercial resources.

The business unit has a modern fleet of three rotary-wing Schiebel Camcopter S-100 systems (five air vehicles) and two fixed-wing Textron Aerosonde systems (five air vehicles), in addition to a fleet of 27 smaller lightweight drones, the vast majority being Lockheed Martin Indago 3 drones. The aggregate fleet value is EUR 21 million.

Investments have been made in building an operational organisation of 79 FTEs that includes 30 trained pilots and technicians (FTEs) on the Camcopter system, 17 Aerosonde pilots and technicians (FTEs) and 12 lightweight pilots (FTEs). Nordun will be headed by the group COO, Lars Landsnes.

The Operations Control Center (OCC) in Sandnes assists the operational personnel on-site and gives greater value to the clients by removing non-operational tasks from the field. The next phase of the OCC is to conduct remote payload operations. Full functionality will be achieved when remote operations of drones are conducted from the OCC, where each pilot will operate several drones simultaneously.

Nordun serves four markets: Maritime, Defense & Security, Offshore Energy and Rail for both governmental and enterprise clients.



NUTech - Development and Production of own IP drone systems

NUTech is the portfolio owner of Nordic Unmanned Group's own products, all designed, developed, and produced in European NATO countries. This includes the Staaker product family, developed in Norway, and the AirRobot product family, which is developed and produced in Germany under the AS9100 and ISO 9001 certifications. Additionally, with effect from the 30th of June, the DroneMatrix product family is also included. These products are developed in Belgium and will be produced by AirRobot in Germany.

The Staaker product family consist of:

- The Staaker drone, utilized for heavy duty operations such as offshore logistics, rough weather Search and Rescue, emissions monitoring, and general surveillance applications.
- The Staaker Railway Drone, a self-driving data acquisition platform specifically designed for the needs of rail infrastructure owners and operators.

The AirRobot product family consists of:

- The AR100-H, a portable drone for government and military applications. This is a foldable modularized drone, which packs neatly into a custom backpack along with all required sensors, spares, and hand controller. It is specifically designed to be deployed in seconds, allowing for eyes in the sky to spot and track personnel and vehicles.
- Lockheed Martin Indago accessories, currently consist of the Heimdal EO/IR payload, radiac payload, logistical carry-and-drop payload, chargers and soon hand controller.

The DroneMatrix product family consists of:

- The YACOB, Drone-in-a-Box system, which is a self-contained solution resident on location and commanded remotely. The solution is ideal for perimeter surveillance of ports, industrial sites and other sites in need of enhanced security, where advanced AI will identify, locate and track intruders and assist ground security in efficient intervention.

NUTech currently employs 30 software developers and engineers, 17 production FTEs, and additional administrative resources, 68 FTEs in total. The size of the production facility in Germany is 1500m². Nordic Unmanned has invested EUR 11 million in NUTech, including its own IP and the acquisition of AirRobot and DroneMatrix. Nordun will be headed by the group CTO, Steffan Lindsø.

NUTech will provide products and solutions to Group customers and Nordic Unmanned's global distribution network.



NUMar - Data as a Service

NUMar is a maritime Data-As-A-Service (DaaS) business unit and includes subsidiaries Ecoxy and NUAer.

Ecoxy offers accredited NOx emission monitoring services, NOx predictive emission monitoring systems (PEMS) and EU-ETS Co₂ emission verification. The highly specialized environmental data company has a unique database of more than 1300 unique accredited measurements of NIS/NOR registered vessels and drilling rigs.

NUAer offers mobile maritime SOx and NOx measurement technology.

NUMar consists of 6 fulltime employees and will be headed by the group CDO, Kristin Alne.

Nordic Unmanned Group has invested EUR 4 million in NUMAR, mainly through the acquisition of Ecoxy and investments in the NUAer joint venture.

NUMar serves the maritime market, which includes governmental clients, vessel owners, shipyards, and the maritime service industry.



NUGlobal - Sales and Distribution

NUGlobal is the global sales and distribution network marketing Nordic Unmanned's own products, solutions, and services, as well as managing the distributors and system integration activity. The business unit represents important OEM partners such as Lockheed Martin, Textron Systems and Sky Hero.

NUGlobal will make use of Nordic Unmanned established subsidiaries in Norway, UK, Denmark, Germany, Belgium and the US as local sales representatives, as a pathway to market.

In addition to the previously signed MOU with Industry Conglomerate Dubai Transport Company in Dubai, covering the GCC and North Africa regions, Nordic Unmanned has recently signed MOUs with the leading North American distributor RMUS, the leading Australian distributor Sphere Drones, and the Japanese aviation agency TMC to expand the global sales network to the USA, Canada, Australia, New Zealand and Japan.

Nordic Unmanned also very recently entered the joint venture "OMNI Unmanned", which will serve as distributor in South and Latin America.

The group CRO, Cecilie Drange will head the business unit and in-house sales will be strengthened further. Nordic Unmanned's inventory buildup currently amounts to EUR 1.7 million.

NUGlobal will focus on offering customers the best possible products and solutions, by direct sales, utilizing subsidiaries and the Group's global distribution network.

Disclaimer – forward looking statement

In addition to historical information, this presentation contains statements relating to our future business, events and/or results. These “forward-looking” statements include certain estimates, assumptions and projections of Nordic Unmanned ASA (the “Company”), based on information currently available to the Company. All statements, other than statements of historical fact, are statements that could be deemed forward-looking statements, including statements preceded by, followed by or words that include the words “estimate,” “plan,” “project,” “forecast,” “intend,” “expect,” “predict,” “anticipate,” “believe,” “think,” “view,” “seek,” “target,” “goal” or similar expressions; any projections of earnings, revenues, expenses, synergies, margins or other financial items; any statements of the plans, strategies and objectives for future operations, including integration and any potential restructuring plans; any statements concerning proposed new products, services, developments or industry rankings; any statements regarding future economic conditions or performance; any statements of belief; and any statements of assumptions underlying any of the foregoing.

Forward-looking statements do not guarantee future performance and involve risks and uncertainties. By their nature, forward-looking information and statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements that may be expressed or implied by the forward-looking information and statements in this report. These forward-looking statements are based on the current estimates and projections of the Company. No update or revision will be made to forward-looking statements contained herein, whether as a result of new information, future events or otherwise. Although the Company believes that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies, which are impossible to predict and are beyond Company’s control, the Company cannot assure achievement or accomplishment of such expectations, beliefs or projections.

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Interim Unaudited Financial statements

Unaudited Condensed Consolidated statement of profit or loss and other comprehensive income

Amounts in EUR	Notes	Quarters		First half	
		Q2 2022	Q2 2021	2022	2021*
Operating revenue	3,4	4 821 273	3 073 957	7 313 348	3 967 141
Cost of goods sold	4	768 866	393 162	1 515 270	492 210
Personell expenses	4	3 550 390	1 567 481	5 850 209	2 650 882
Depreciation and amortisation expenses	5,6	1 321 556	387 817	2 334 033	623 801
Other operating expenses	4	3 454 573	1 899 185	4 919 058	2 468 901
Total operating expenses		9 095 386	4 247 644	14 618 571	6 235 794
Operating profit (loss)		-4 274 112	-1 173 687	-7 305 222	-2 268 653
Net financial income / (expense)	7	-398 082	-155 033	-657 859	170 050
Profit (loss) before tax		-4 672 194	-1 328 720	-7 963 082	-2 098 603
Income tax expense (benefit)		-988 408	-83 412	-1 622 993	-142 251
Profit (loss) for the period		-3 683 786	-1 245 308	-6 340 089	-1 956 352
Allocation of profit or loss:					
Profit/loss attributable to non-controlling interests		-61 546	-	-115 695	-
Profit/loss attributable to the parent		-3 622 240	-1 245 308	-6 224 394	-1 956 352

* Q1 2021 numbers included in first half 2021 have been restated compared to numbers presented in first quarter 2022. The restatement is due to amended IFRS adjustments for the quarter related to reassessment of revenue recognition for certain contract types. The adjusted effect is approximately EUR 700 thousand in reduced revenue, EUR 600 thousand in reduced Cost of goods sold and increase of EUR 80 thousand personnel expense.

Unaudited Condensed Consolidated statement of financial position

<i>Amounts in EUR</i>	<i>Notes</i>	30 Jun 2022	31 Dec 2021
ASSETS			
Non-current assets			
Goodwill	6,8	3 288 138	1 747 063
Other intangible assets	6,8	15 180 159	11 812 673
Deferred tax assets		4 531 773	2 879 890
Total intangible assets		23 000 070	16 439 627
Aircraft and spare parts	5	20 581 252	8 978 943
Assets under construction	5	60 643	5 814 778
Fixtures and fittings	5	1 913 357	1 788 938
Right-of-use assets		1 117 423	1 255 568
Total tangible assets		23 672 676	17 838 227
Investment in associated companies		3 003	3 003
Total financial non-current assets		3 003	3 003
Other non-current assets		242 825	-
Total non-current assets		46 918 574	34 280 857
Current assets			
Inventory		2 358 965	2 830 111
Trade receivables		2 477 556	435 717
Other short-term receivables		4 736 418	2 318 070
Cash and cash equivalents		1 183 850	5 594 043
Total current assets		10 756 789	11 177 941
TOTAL ASSETS		57 675 363	45 458 798

Unaudited Condensed Consolidated statement of financial position cont.

<i>Amounts in EUR</i>	<i>Notes</i>	30 Jun 2022	31 Dec 2021
EQUITY AND LIABILITIES			
Equity			
Equity attributable to equity holders of the parent		29 784 278	26 562 446
Non-controlling interests		841 230	957 576
Total equity		30 625 508	27 520 022
Non-current liabilities			
Interest bearing loans and borrowings		10 668 790	6 893 392
Non-current lease liabilities		825 917	923 666
Other non-current liabilities		2 059 864	409 212
Deferred tax liabilities	8	1 173 675	807 477
Total non-current liabilities		14 728 246	9 033 747
Current liabilities			
Trade payables		2 236 425	1 166 000
Interest bearing loans and borrowings		4 435 429	3 086 797
Current lease liabilities		369 242	369 242
Public duties payable		936 362	743 818
Other current liabilities		4 344 152	3 539 173
Total current liabilities		12 321 609	8 905 030
Total liabilities		27 049 855	17 938 777
TOTAL EQUITY AND LIABILITIES		57 675 363	45 458 798

Unaudited Consolidated statement of changes in equity

	Share capital	Share premium	Non- registered share capital	Treasury shares	Retained earnings	Share- holders Equity	Non- Controlling Interests	Total Equity
<i>Amounts in EUR</i>								
At 31 December 2021	2 631 846	33 067 698	-	-213	-9 136 885	26 562 446	957 576	27 520 022
Profit (loss) for the period					-2 602 155	-2 602 155	-54 149	-2 656 304
Issue of share capital	15 826	60 000				75 826		75 826
Share-based payments					113 990	113 990		113 990
Currency translation effects					183 887	183 887	-85	183 802
At 31 March 2022	2 647 672	33 127 698	-	-213	-11 441 163	24 333 993	903 342	25 237 335
Profit (loss) for the period					-3 622 239	-3 622 239	-61 546	-3 683 785
Issue of share capital	356 000	7 083 946				7 439 946		7 439 946
Issue of share capital (non-Registered)			1 526 565			1 526 565		1 526 565
Share-based payments					113 262	113 262		113 262
Currency translation effects					-7 249	-7 249	-566	-7 814
At 30 June 2022	3 003 672	40 211 644	1 526 565	-213	-14 957 389	29 784 278	841 230	30 625 509

Unaudited Condensed Consolidated statement of cash flows

Amounts in EUR

	Quarter	First half
	Q2 2022	2022
Cash flows from operating activities		
Profit or loss before tax	-4 672 194	-7 963 082
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Net financial income/expense	180 560	315 547
Depreciation and amortisation	1 250 491	2 195 889
Amortisation and impairment of Right-of-use assets	71 065	138 145
Share-based payment expense	113 990	227 980
<i>Working capital adjustments:</i>		
Change in inventory	252 124	545 451
Changes in trade receivables	-7 563	-1 815 362
Changes in trade payables	1 126 054	874 981
Changes in other operating assets and liabilities	-988 478	-726 963
Net cash flows from operating activities	-2 817 710	-6 207 413
Cash flows from investing activities		
Purchase of property, plant and equipment	-1 568 328	-7 000 296
Purchase of capitalised intangible assets	-877 637	-2 186 334
Consideration paid in DroneMatrix transaction (net of cash acquired)	-1 133 315	-1 133 315
Net cash flow from investing activities	-3 579 281	-10 319 945
Cash flow from financing activities		
Proceeds from issuance of equity	7 831 999	7 911 126
Transaction costs on issue of shares	-392 053	-395 354
Net disbursements overdraft facility	-2 449 602	939 233
Proceeds from new debt (short / long term)	2 893 995	5 409 892
Repayment of debt (short / long term)	-650 300	-1 296 015
Payments of lease liability	-84 842	-166 268
Interest paid	-162 835	-283 568
Net cash flows from financing activities	6 986 362	12 119 046
Net increase/(decrease) in cash and cash equivalents	589 372	-4 408 312
Cash and cash equivalents at beginning of the period	610 161	5 594 033
Net foreign exchange difference	-15 683	-1 870
Cash and cash equivalents, end of period	1 183 850	1 183 850

Notes

Note 1 General

Nordic Unmanned ASA is a limited liability company incorporated and domiciled in Norway and whose shares are traded on the Euronext Growth market in Norway. The Group's head office is located at Rådhusgata 3, 4306 Sandnes, Norway.

Nordic Unmanned is a global leader of high-end products and services related to drones and data capture. Through world-wide operational experience and industry leading expertise, Nordic Unmanned supports large governmental and industrial clients in the adaptation of unmanned systems and services.

Note 2 Basis of preparation

The Condensed consolidated interim financial statements of Nordic Unmanned ASA and its subsidiaries (collectively, "the Group" or "Nordic Unmanned") for the period ended 30 June 2022 have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim financial statements do not include all information required by IFRSs and should be read in conjunction with the Group's 2021 annual financial statements which will be publicly available at www.nordicunmanned.com. The interim financial statements reflect all adjustments which are, in the opinion of management, necessary for a fair statement of the financial position, results of operations and cash flows for the dates and interim periods presented. Interim period results are not necessarily indicative of results of operations or cash flows for an annual period. These interim financial statements have not been subject to review or audit by independent auditors. These interim financial statements were authorised for issue by the Company Board of Directors on 31 August 2022.

The interim consolidated financial statements of the Group comprise consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, and related notes. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB and as endorsed by The European Union ("EU").

As part of finalizing the IFRS transition, Nordic Unmanned reassessed certain contracts with customers under IFRS and as a result changed the accounting principle of some of these contracts. The comparable financial information has therefore been restated.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value. The financial statements are prepared based on the going concern assumption.

Comparative financial information is provided for the preceding period in the Consolidated statement of comprehensive income and Consolidated statement of financial position.

Presentation currency and functional currency

The consolidated financial statements are presented in Euros (EUR), which is also the functional currency of the parent company. The functional currency of the parent company

was changed from NOK to EUR effective from 1 January 2022 as the primary economic environment was determined to be EUR from this date.

For presentation purposes, balance sheet items are translated from functional currency to presentation currency by using exchange rates at the reporting date. Items within total comprehensive income are translated from functional currency to presentation currency by applying average exchange rates for the period. If currency rates are fluctuating significantly, transaction date exchange rates are applied for significant transactions.

Note 3 Revenue

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Revenue from the sale of goods is recognised over-time to the extent the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Progress is measured using a cost-to-cost based approach. Other sale of goods is recognised at the point-in-time when control of the asset is transferred to the customer. The determination of over-time versus point-in-time revenue recognition and determining progress requires the use of judgement.

During second quarter, the Group reassessed certain of the contracts, and changed the recognition from over-time to point-in-time for some of these contracts. As a result, the historical numbers have been restated during second quarter.

Revenue from services is recognised over-time as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

Per area of operation:	Q2 2022	Q2 2021	1H 2022	1H 2021
Nordun	3 249 785	2 254 919	4 083 143	2 799 077
NUTech	337 043	406 784	812 443	631 684
NUMar	383 299	-	964 751	8 200
NUGlobal	854 533	412 254	1 455 987	528 179
Overhead	1 949	-	2 360	-
Eliminations	-5 336	-	-5 336	-
Total	4 821 273	3 073 957	7 313 348	3 967 141

Per geographic market:	Q2 2022	Q2 2021	1H 2022	1H 2021
Norway	1 262 460	501 621	2 514 787	867 999
Germany	1 072 513	178 092	1 877 878	180 117
France	887 670	517 224	928 878	520 236
Netherlands	768 030	9 423	768 030	86 808
Finland	586 408	-	606 408	-
Portugal	69 800	148 030	249 120	338 805
Spain	75 181	107 661	145 452	112 195
Romania	7 370	223 928	12 396	285 641
Lithuania	-	867 999	14 117	1 169 335
Other	91 842	519 979	196 283	406 005
Total	4 821 273	3 073 957	7 313 348	3 967 141

Note 4 Segment

The Group's operating segments are components of the business for which discrete financial information is reviewed regularly by the Chief Operating Decision Maker (or CODM) to assess performance and make decisions regarding resource allocation. The Group has assessed the CODM to be its Chief Officers team. During the quarter, as part of the strategic update, the CODM have reassessed the Group's operating segments, and as at 30 June 22, the Group's operating segments are Nordun, NUTech, NUGlobal and NUMar segments. Historical numbers have been allocated to the new operating segments.

Nordun – Drone-As-A-Service Airline

Nordun is the world's first fully integrated BVLOS (Beyond Visual Line of Sight) drone as a service pure-play business unit, incorporating all functions required to operate complex drone missions with advanced platforms and sensors.

Nordun is the holder of a multiplatform LUC (Light Unmanned UAS Operator Certificate) allowing for operations utilizing both large tactical drones and smaller lightweight drones.

The business unit is ISO 9001 certified and has fully integrated maintenance control, operational maintenance, and training departments. In addition, the business unit includes administrative functions such as an HSEQ department, logistics department and commercial resources.

The business unit has a modern fleet of three rotary-wing Schiebel Camcopter S-100 systems (five air vehicles) and two fixed-wing Textron Aerosonde systems (five air vehicles), in addition to a fleet of 27 smaller lightweight drones, the vast majority being Lockheed Martin Indago 3 drones. The aggregate fleet value is EUR 21 million.

Nordun serves four markets: Maritime, Defense & Security, Offshore Energy and Rail for both governmental and enterprise clients.

NUTech – Development and Production of own IP drone systems

NUTech is the portfolio owner of Nordic Unmanned Group's own products, all designed, developed, and produced in European NATO countries. This includes the Staaker product family, developed in Norway, and the AirRobot product family, which is developed and produced in Germany under the AS9100 and ISO 9001 certifications. Additionally, with effect from the 30th of June, the DroneMatrix product family is also included. These products are developed in Belgium and will be produced by AirRobot in Germany.

NUTech will provide products and solutions to Group customers and Nordic Unmanned's global distribution network.

NUGlobal – Sales and Distribution

NUGlobal is the global sales and distribution network offering Nordic Unmanned's own products, solutions, and services, as well as managing the reseller and system integration activity. The business unit represents important OEM partners such as Lockheed Martin, Textron Systems and Sky Hero.

NUGlobal makes use of Nordic Unmanned established subsidiaries in Norway, UK, Denmark, Germany, Belgium and the US as local sales representatives, as a pathway to market.

NUGlobal will focus on offering customers the best possible products and solutions, by direct sales, utilizing subsidiaries and the Group's global distribution network.

NUMar- Data-As-A-Service

NUMar is a maritime Data-As-A-Service (DaaS) business unit and includes subsidiaries Ecoxy and NUAer.

Ecoxy offers accredited NOx emission monitoring services, NOx predictive emission monitoring systems (PEMS) and EU-ETS Co2 emission verification. The highly specialized environmental data company has a unique database of more than 1300 unique accredited measurements of NIS/NOR registered vessels and drilling rigs.

NUAer offers mobile maritime SOx and NOx measurement technology.

NUMar serves the maritime market, which includes governmental clients, vessel owners, shipyards, and the maritime service industry.

These operating segments are regularly reviewed by the Group's CODM for the purpose of allocating resources to the segment and to assess its performance. The key measure used by the CODM in assessing performance and in making resource allocation decisions is EBITDA.

The following tables include the results for the Groups's reportable segments for the periods presented in these consolidated financial statements:

Q2 2022	Nordun	NUTech	NUMar	NUGlobal	Overhead	Eliminations	Total
Revenues	3 249 785	337 043	383 299	854 533	1 949	-5 336	4 821 273
Costs of goods sold	96 107	102 978	34 832	534 175	773	-	768 866
Personnel Expenses	2 158 570	344 142	211 208	221 333	615 137	-	3 550 390
Other Operating Expenses	1 981 501	128 174	103 552	125 168	1 121 515	-5 336	3 454 573
EBITDA	-986 393	-238 251	33 707	-26 143	-1 735 477	-	-2 952 556

Q2 2021	Nordun	NUTech	NUMar	NUGlobal	Overhead	Eliminations	Total
Revenues	2 254 919	406 784	-	412 254	-	-	3 073 957
Costs of goods sold	34 627	46 183	-	312 252	100	-	393 162
Personnel Expenses	803 203	148 044	3 791	127 879	484 564	-	1 567 481
Other Operating Expenses	1 390 494	19 262	5 113	72 456	411 859	-	1 899 185
EBITDA	26 595	193 295	-8 904	-100 332	-896 523	-	-785 870

1H 2022	Nordun	NUTech	NUMar	NUGlobal	Overhead	Eliminations	Total
Revenues	4 083 143	812 443	964 751	1 455 987	2 360	-5 336	7 313 348
Costs of goods sold	324 793	191 472	57 741	940 472	792	0	1 515 270
Personnel Expenses	3 108 786	646 068	417 519	400 186	1 277 650	0	5 850 209
Other Operating Expenses	2 562 386	184 213	185 479	250 675	1 741 641	-5 336	4 919 058
EBITDA	-1 912 822	-209 310	304 012	-135 346	-3 017 723	-	-4 971 189

1H 2021	Nordun	NUTech	NUMar	NUGlobal	Overhead	Eliminations	Total
Revenues	2 799 077	631 684	8 200	528 179	-	-	3 967 141
Costs of goods sold	48 000	63 568	0	379 898	744	-	492 210
Personnel Expenses	1 399 156	313 302	7 461	200 753	730 211	-	2 650 882
Other Operating Expenses	1 599 033	63 083	8 702	100 246	697 837	-	2 468 901
EBITDA	-247 112	191 731	-7 962	-152 717	-1 428 792	-	-1 644 852

Note 5 Property, plant and equipment

The group took final delivery and acceptance test of the Camcopter S-100 system 3, and the Textron Aerosonde system 1 during first half of 2022, and transferred the assets from Asset under construction to Aircrafts and spare parts. Depreciation of these assets started from Q2 2022.

No indicators for impairment of property, plant and equipment were identified in the current or prior period.

	Fixtures, fittings and tools	Aircraft and spareparts	Assets under construction	Total
Cost as at 31 December 2021	2 638 209	10 408 449	5 814 778	24 676 213
Additions	214 973	4 767 533	418 648	5 401 153
Transfer	-	6 233 425	-6 233 425	
Currency translation effects	14 101	-	-	14 101
Cost as at 31 March 2022	2 867 283	21 409 406	-	24 276 689
Additions	134 548	1 436 631	60 643	1 631 822
Currency translation effects	-23 568	-	-	-23 568
Cost as at 30 June 2022	2 978 262	22 846 038	60 643	25 884 943
Depreciation and impairment as at 31 December 2021	849 271	1 429 505	-	2 278 776
Depreciation	103 751	279 034	-	382 785
Currency translation effects	359	-	-	359
Depreciation and impairment as at 31 March 2022	953 380	1 708 539	-	2 661 919
Depreciation	112 015	556 247	-	668 262
Currency translation effects	-490	-	-	-490
Depreciation and impairment as at 30 June 2022	1 064 906	2 264 786	-	3 329 692
Net book value:				
At 31 December 2021	1 788 938	8 978 943	5 814 778	16 582 659
At 31 March 2022	1 913 902	19 700 867	-	21 614 770
At 30 June 2022	1 913 357	20 581 252	60 643	22 555 251
Economic life (years)	3-5	5-10		
Depreciation plan	Straight-line method	Straight-line method	No depreciation	

Note 6 Intangible assets

The Goodwill additions in Q2 2022 related to the acquisition of DroneMatrix (see note 8). The goodwill of EUR 1.5 million arises principally because of synergies (EUR 1.1 million) and technical goodwill (EUR 0.4 million) arising from the recognition of deferred tax liability for the difference between the assigned fair values and the tax bases of assets acquired and liabilities assumed in a business combination. Hence, goodwill arises as a technical effect of deferred tax ("technical goodwill").

During first half 2022, no indicators for impairment of goodwill or other intangible assets were identified.

Note 7 Financial income and expenses

Finance income	Q2 2022	Q2 2021	1H 2022	1H 2021
Other finance income	5 315	3 866	6 876	3 866
Gain on foreign exchange	228 309	42 359	260 445	397 663
Total finance income	233 624	46 224	267 321	401 529

Finance costs	Q2 2022	Q2 2021	1H 2022	1H 2021
Interest expenses	165 382	47 644	287 086	55 805
Interest expense on lease liabilities	13 777	15 732	28 124	31 464
Other finance costs	2 579	7 359	4 180	9 232
Loss on foreign exchange	449 967	130 524	605 791	134 978
Total finance costs	631 706	201 258	925 180	231 479

Note 8 Business combinations and acquisition of non-controlling interests

Acquisitions in 2022

DroneMatrix

On 16 June 2022, Nordic Unmanned acquired 55 percent of the shares in DroneMatrix. DroneMatrix is a leading hi-tech company building and implementing the next generation of aerial robotic technology. These automated intelligent drone solutions are safe, reliable and flexible to implement in any kind of industrial environment. Central in the offering is a highly reliable 'drone-in-a-box' technology (YACOB), characterized by high quality and highly reliable data connectivity and controlled based on a flawless and comprehensive Command & Control UOM platform, the Aerial Robotic Worksystem (AR-WS). DroneMatrix is the founding father of the unmanned drone technology in Belgium and responsible for the development of the commercial air layer operated by aerial robotics (6th NeTWork). DroneMatrix is committed to making its mark in a growing global unmanned market through important references and solid partnerships. Founded in 2015 by the family Vanwelkenhuyzen and located in Hasselt, Belgium.

Within the next three years, Nordic Unmanned will acquire the remaining shares based on a pre-agreed performance-based valuation matrix, with a minimum valuation of EUR 3 million and a maximum valuation of EUR 8 million on an enterprise value basis, settled in 50% cash and 50% Nordic Unmanned ASA shares.

The acquisition date for accounting purposes have been set to 30 June 2022. The acquisition is regarded as a business combination and has been accounted for using the acquisition method of accounting in accordance with IFRS 3. A purchase price allocation (PPA) has been performed to allocate the consideration to fair value of assets and liabilities in DroneMatrix.

The fair value of the identifiable assets and liabilities of DroneMatrix as at the date of acquisition were:

	Acquired assets and liabilities assumed	Fair value adjustments	Fair value recognised on acquisition
Non-current assets			
Goodwill	-	1 507 952	1 507 952
Other intangible assets	630 142	1 775 165	2 405 307
Total intangible assets	630 142	3 283 117	3 913 259
Fixtures and fittings	43 338	-	43 338
Total tangible assets	43 338	-	43 338
Total non-current assets	673 480	3 283 117	3 956 597
Current assets			
Inventory	125 612	-	125 612
Trade receivables	228 480	-	228 480
Intercompany	1 125 000	-	1 125 000
Other short-term receivables	154 516	-	154 516
Cash and cash equivalents	216 685	-	216 685
Total current assets	1 850 293	-	1 850 293
TOTAL ASSETS	2 523 773	3 283 117	5 806 890
Non-current liabilities			
Deferred tax liabilities	-	443 791	443 791
Total non-current liabilities	-	443 791	443 791
Current liabilities			
Trade payables	195 917	-	195 917
Interest bearing loans and borrowings	200 000	-	200 000
Public duties payable	34 850	-	34 850
Other current liabilities	432 332	-	432 332
Total current liabilities	863 099	-	863 099
Total liabilities	863 099	443 791	1 306 890
Net assets and liabilities			4 500 000
Fair value of consideration of the acquisition			4 500 000
<i>Purchase consideration</i>			
Cash			1 350 000
Deferred payment			1 125 000
Contingent consideration liability			2 025 000
Fair Value of total consideration			4 500 000
<i>Analysis of cash flows on acquisition</i>			
Transaction costs of the acquisition (included in cash flows from operating activities)	-		249 483
Net cash acquired with the subsidiary (included in cash flows from investing activities)	-		1 133 315
Net cash flow on acquisition	-		1 382 798

Nordic Unmanned AS
Rådhusgata 3
4306 Sandnes, Norway

+47 51 20 94 44

post@nordicunmanned.com

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UNMANNED