

STRATEGY UPDATE 2022



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.

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.