

**NORDIC
UNMANNED**



Q4 2023 Report

13th March 2024

About Nordic Unmanned

Nordic Unmanned is a leading European manufacturer and certified operator of unmanned aircraft systems. The Group service large corporations, government agencies and security customers by offering systems, solutions, and flight services for environmentally friendly delivery of productivity improvements and time critical, actionable data insights and logistics services.

The solutions and services are organized in three business segments as follows:

- Flight Services is a technology-agnostic flight services operator providing time-critical actionable data to large corporate and governmental customers.
- AirRobot is an Original Equipment Manufacturer (OEM) with a leading product platform in lightweight UAS and sensors (payloads) tailored for defense and security.
- DroneMatrix is an Original Equipment Manufacturer (OEM) offering a fully integrated and autonomous UAS with proprietary software for surveillance and security.

Founded in Norway in 2014, Nordic Unmanned has offices in Sandnes (NO), Cranfield (UK), Hasselt (BE) and Arnsberg (GER). Nordic Unmanned ASA is listed on Euronext Growth with the ticker NUMND.

Contents

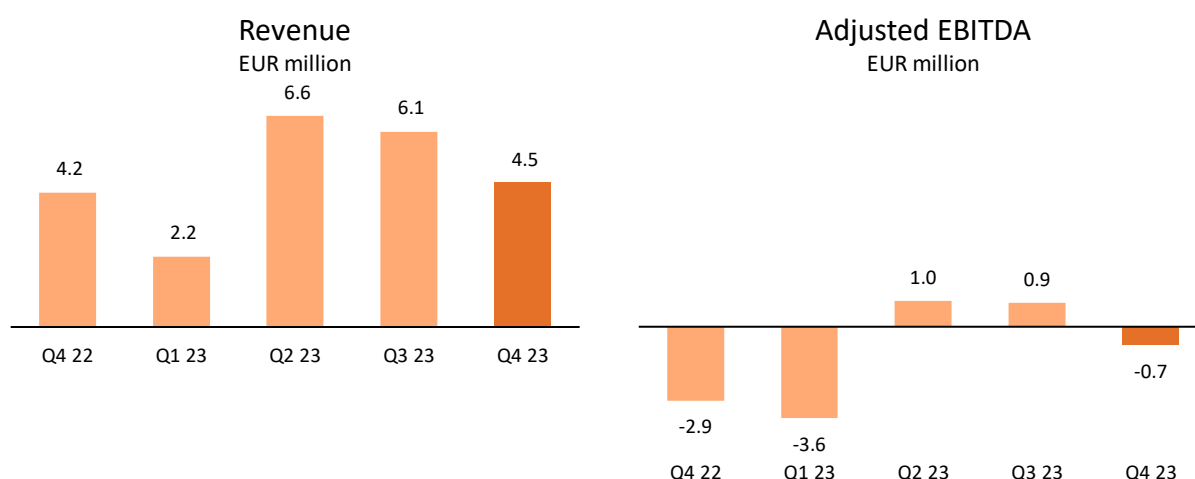
Q4 2023 Highlights	3
Message from the CEO	4
Group financial summary	5
Business Segments	8
Flight Services	8
AirRobot	10
DroneMatrix	11
Outlook	12
Financial statements	14
Notes	20
Alternative performance measures	27



Q4 2023 Highlights

Significant reduction in losses

- Q4 2023 revenue of EUR 4.5 million¹ (EUR 4.2 million)² with FY 2023 revenue of EUR 19.5 (EUR 17.0 million)
- Q4 2023 adjusted EBITDA of negative EUR 0.7 million (negative EUR 2.9 million) with FY 2023 adjusted EBITDA of negative EUR 2.5 million (negative EUR 9.0 million)
- Q4 2023 net loss of EUR 3.9 million, adjusted for non-recurring items and impairments of EUR 0.5 million, is reduced by close to 50% compared to Q4 2022. FY 2023 net loss of EUR 17.3 million compared to net loss of EUR 18 million in FY 2022
- Flight Services produced 667 flight hours (438 flight hours) in Q4 2023 and 4.097 flight hours in FY 2023 (2.937), a YoY increase of 39.5%
- AirRobot started deliveries to Lockheed Martin under the Tiquila project following adjusted delivery schedule
- NOK 77.5 million (EUR 6.6 million) raised in a private placement in Q4 2023
- Restructured long-term debt including 5-year term, amortization holiday to September 2025, interest accumulation until June 2024 and margin reduction from 5% to 3.5%



¹ Revenue impacted positively by insurance settlement in Flight Services recognized on gross basis further detailed in Group financial summary section and in Note 9.

² Figures in parentheses refer to the corresponding period or point in time last year.



Message from the CEO

The underlying performance compared to earlier periods shows a positive development with substantially reduced losses when adjusted for non-recurring items and impairments. That said, more work is needed to become profitable. Even with a successful capital raise and refinancing in October 2023, and positive effects from cost reductions, underlying performance in Q4 2023 became challenging due to weaker revenue development than anticipated at the beginning of the period, mainly due to delays in project deliveries.

Despite the strengths, efforts, and historic achievements of Nordic Unmanned, there has been a need for extensive clean-up and improvements to ensure future profitability. We started this turnaround in H2 2023, but we are not done. In addition to strengthening internal control and improving operational efficiencies, we need to further develop our business models and market approach, improve our partnering model and reduce future investment requirements. This includes expanding our customer base, add contracts at better prices, lightening our balance sheet, and addressing current seasonality and lumpiness of revenue generation. Further, we need to scale our sales reach and manufacturing capabilities for products to respond to the market interest we anticipate in the years ahead. These are naturally efforts which will take both time, effort, and capital to implement and deliver full potential.

Therefore, 2024 will be a transition year for Nordic Unmanned, with focus on efficiency measures and cost reductions, defined turnaround activities outlined above, a capital plan to support the ambitions and general efforts to document and develop the underlying values. Source of capital

will primarily be sought from sales of assets in whole or in part to seek to avoid further equity raises. M&A will also be considered as opportunities arise if that adds value and potential to Nordic Unmanned. Further cost savings of EUR 1.5 million are already in the process of being implemented with full effect from July 2024.

There is little doubt that the future “wears drones” and related services as an enabling technology for actionable data gathering for a safer future. In order to benefit from that, we will build on the strengths of Nordic Unmanned and ensure control, have the right position and focus, make the right priorities and consequently take the right actions to be better placed for the future.

Nordic Unmanned’s mission is all about a safer future, and we will work hard to benefit from our enabling technology and services within defense, security, and regulatory enforcement. Competent people, a clear mission and capital are key to success.

We have a plan, and the plan will be worked through 2024 with a view to become revitalized going out of 2024 and into a better future.



Stig Harry Christiansen
CEO



Group financial summary

Unaudited figures in EUR '000	Q4 2023	Q4 2022	FY 2023	FY 2022
Operating revenue	4,522	4,188	19,478	16,986
Cost of goods sold	423	970	2,258	2,943
Personell expenses	1,719	3,493	10,659	12,795
Other operating expenses	3,109	2,643	9,063	10,230
Adjusted EBITDA	-729	-2,917	-2,502	-8,981
Adjusted EBITDA %	-16%	-70%	-13%	-53%
Non-recurring items	505	-	3,355	-
EBITDA	-1,234	-2,917	-5,857	-8,981
EBITDA%	-27%	-70%	-30%	-53%
Depreciation and amortisation expenses	1,022	1,724	5,570	5,519
Impairments	1,019	2,418	3,906	2,418
EBIT	-3,276	-7,060	-15,334	-16,918
Net financial items	-585	-195	-1,949	-1,071
Income (loss) before tax	-3,861	-7,255	-17,283	-17,989
Income tax	34	4,160	22	1,914
Net income (loss)	-3,895	-11,415	-17,304	-19,902

Business segment specific information is provided in the Business Segment Section.

Operating revenue

Q4 2023 revenues amounted to EUR 4.5 million (EUR 4.2 million). The EUR 0.3 million increase from the corresponding period last year is mainly due to EUR 2.7 million proceeds from insurance settlements in Flight Services offset by Flight Services and DroneMatrix revenue decline of respectively EUR 2.2 million and EUR 0.2 million.

FY 2023 revenues amounted to EUR 19.5 million (EUR 17.0 million). The YoY development is mainly explained by the EUR 3.7 million insurance settlements and AirRobot's EUR 3.0 million revenue growth (135%) offset by reduced operational revenue in Flight Services due to change in contracts

and fleet mix under existing frame agreements.

Operating cost

Cost of goods sold was lower than in the previous year, both in Q4 2023 and FY 2023, due to lower re-sale of Indago systems in Flight Services.

Personnel expenses were in both Q4 2023 and FY 2023 lower than in the corresponding periods last year. This is explained by rightsizing of the organization during 2023, a process that continues into 2024.

Other operating expenses in Q4 2023 are affected by a net loss of EUR 0.7 million from the sale of assets as part of a settlement

agreement with a Schiebel as announced December 29th 2023. The FY 2023 reduction of operating expenses is mainly explained by the implemented cost reduction and efficiency initiatives.

Q4 2023 depreciation and amortization amounted to EUR 1.0 million (EUR 1.7 million). The reduction is attributable to the reduction in the carrying value of assets on the balance sheet. FY 2023 depreciation and amortization amounted to EUR 5.6 million (EUR 5.5 million). The slight increase is due to an increase in the Aerosonde fixed wing fleet and deliveries of the Aerosonde hybrid quad fleet in 2023 to cover the OP5 contract.

The Camcopter fleet was impaired by EUR 1.0 million in Q4 2023 (EUR 2.4 million) due to a review of the carrying value of assets and EUR 1.2 million impairment was reimbursement against losses covered under insurance policy (insurance settlement). Reversal of EUR 1.2 million in Q4 2023 relates to booked divestments and impairments in Q2 and Q3 2023.

The FY 2023 impairment amounted to EUR 3.9 million (EUR 2.4 million). The FY 2023 main components of impairment costs, consist of EUR 1.2 million impairment of NUAer (Joint Venture with Aeromon), EUR 1.5 million in reduced carrying value of the Camcopter fleet and EUR 1.2 million related to assets lost in incidents.

Non-recurring costs related to the restructuring in Q4 2023, amounted to EUR 0.5 million (EUR 0.0 million) were recognized in Q4 2023 and finalized the 2023 restructuring activities. FY 2023 non-recurring cost amounted to EUR 3.4 million (EUR 0.0 million). Of this, EUR 2.5 million was related to the restructuring activities in 2023 and EUR 0.9 million related to write-down of receivables.

Net financial items in Q4 2023 amounted to a cost of EUR 0.6 million (negative EUR 0.2 million) and consisted mainly of foreign exchange gains offset by interest expenses. FY 2023 net financial items amounted to negative EUR 1.9 million (negative EUR 1.1

million). Other financial expenses of EUR 2.4 million were offset by foreign exchange gains of EUR 0.5 million.

Operating profits/loss

Adjusted EBITDA for Q4 2023 was negative EUR 0.7 million (negative EUR 2.9 million). Proceeds from insurance settlements, accounted for on a gross basis, had a positive effect of EUR 2.7 million. AirRobot had a loss of EUR 0.6 million, an improvement of EUR 0.4 million compared to the same period last year. The sale of a Camcopter had a negative impact of EUR 0.7 million for Flight Services and DroneMatrix had a negative effect of EUR 0.3 million compared to same quarter last year. Implemented cost and efficiency improvements are taking effect with a reduction in salary and other operating costs of EUR 0.9 million for the group as a whole.

Adjusted EBITDA for FY 2023 was negative EUR 2.5 million, adjusted for EUR 2.7 million proceeds from insurance settlement, the negative adjusted EBITDA was almost halved compared to full year 2022. EUR 1.6 million of the improvement is related to AirRobot's increased activity on the Tiquila and Mikado 2 contracts. For 2023, the Group and Flight Services had EUR 2.4 million in reduced personnel and other operating costs.

Q4 2023 and FY2023 pre-tax loss amounted to respectively negative EUR 3.9 million (negative EUR 7.3 million) and negative EUR 17.3 million (18.0 million)

Financial position

At 31 December 2023, total assets amounted to EUR 40.3 million (EUR 45.9 million), with non-current assets amounting to EUR 30.8 million (EUR 38.3 million) and current assets amounting to EUR 9.5 million (7.7 million).

At 31 December 2023, total equity and liabilities amounted to EUR 40.3 million (EUR 45.9 million) with equity amounting to EUR 13.7 million (EUR 23.6 million), representing an equity ratio of 34 percent.

NOK 70 million (EUR 6.0 million) was raised in a private placement in October 2023 with

NOK 7.5 million (EUR 0.6 million) raised in a subsequent offering in November 2023, totaling gross proceeds of NOK 77.5 million (EUR 6.6 million) in Q4 2023.

As announced on the 12th October 2023, the Group restructured long-term debt for a 5-year term, which included an amortization holiday to September 2025, interest accumulation until June 2024 and a margin reduction from 5% to 3.5%.

Liquidity

At 31 December 2023, cash and cash equivalents amounted to EUR 1.2 million (EUR 0.8 million). In addition, the Group had EUR 3.5 million available in undrawn overdraft facilities.

Cash flow

Q4 2023 net cash flow from operating activities was negative EUR 5.1 million (negative EUR 1.1 million), and FY 2023 negative 7.3 million (negative 9.0 million). After the refinancing in Q4 2023, EUR 3.3 million was used to pay overdue current payables and liabilities. Inventory increased by EUR 0.8 million in AirRobot for parts to upcoming deliveries in the Mikado 2 for Bundeswehr and Tiquila for Lockheed Martin UK projects.

Q4 2023 net cash flow from investing activities was EUR 2.0 million (negative EUR 2.7 million), mainly related to proceeds from insurance settlements. FY 2023 cash flow

from investing activities was negative EUR 3.1 million (negative EUR 13.0 million).

Q4 2023 net cash flow from financing activities was EUR 4.1 million (EUR 4.0 million). The capital raise in the quarter added proceeds of EUR 6.2 million, of which EUR 1.6 million was used to pay down the overdraft facility. FY 2023 net cash flow from financing activities was EUR 10.8 million (EUR 17.3 million).

Estimated Contract backlog³

31 December 2023 estimated contract backlog was EUR 55 million. The estimated contract backlog consists of framework agreements (OP46, OP5, OP1) with European Maritime Safety Agency (EMSA) in Flight Services and the Tiquila for Lockheed Martin UK and Mikado 1 and 2 contracts for Bundeswehr in AirRobot.

Subsequent events

The company agreed in February 2024 on a short-term loan with the lenders with support from the main shareholder. This provides EUR 2 million additional liquidity from March through August 2024. The short-term loan will be repaid by 31st August 2024.

The company initiated in February 2024 a further cost reduction plan for Flight Services and the Group which will have an effect from Q2 2024.

³ Estimated contract backlog is defined in the Alternative Performance Measures section.



Business Segments

In this report all costs previously reported as Group costs that were related to operations of the Business segments Flight Services, AirRobot and DroneMatrix have been allocated to the respective Business Segments. This is done for all financial periods covered in this report (Q4 2022, Q4 2023, FY 2022 and FY 2023). See note 4 for further information.

Flight Services

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



Unaudited figures in EUR '000	Q4 2023	Q4 2022	FY 2023	FY 2022
Operating revenue	4,201	3,716	13,431	15,098
Cost of goods sold	67	428	1,030	1,865
Personell expenses & other operating expenses	3,226	3,282	11,231	13,932
Allocated Group Cost	545	1,029	3,225	4,136
Adjusted EBITDA	362	-1,024	-2,055	-4,836
Adjusted EBITDA %	9%	-28%	-15%	-32%
Non-recurring items	-40	-	1,555	-
EBITDA	402	-1,024	-3,609	-4,836
EBITDA%	10%	-28%	-27%	-32%

Financial

Flight Services recorded revenues of EUR 4.2 million in Q4 2023 (EUR 3.7 million). The primary source of revenue was the EMSA OP46 contract and proceeds from insurance settlement. Adjusted for the insurance settlement of EUR 2.7 million, Flight Services had a reduction in revenue of EUR 2.2 million in Q4 2023 compared with the corresponding

period last year. This is explained by the completion of the EMSA OP10 contract in Q4 2022. The additional activity in Spain under the EMSA OP46 contract in Q4 2023, was lower than under the OP10 contract. In addition, in Q4 2022 EUR 0.5 million came from the Ecoxy business that was sold in Q3 2023.

FY 2023 revenue totalled EUR 13.4 million (EUR 15.1 million). The decrease of EUR 5.2 million from 2022 when adjusted for the EUR 3.6 million insurance settlement is attributable to lower revenue per flight hour due to lower cost platform, less resale of Indago systems and a non-recurring EUR 1.0 million project in Norway for Equinor in 2022.

Adjusted Q4 2023 EBITDA of EUR 0.4 million less effects of insurance and Camcopter settlements of respectively EUR 2.7 million and negative EUR 0.7 million, fell by EUR 0.6 million compared with the same period last year. The decrease is explained by lower flying activity, partly offset by implemented cost reduction and efficiency measures.

Adjusted FY 2023 EBITDA of negative EUR 2.0 million less effects of insurance and Camcopter settlements of respectively EUR 3.6 million and negative EUR 0.7 million, was similar compared with the same period last year.

Operations

Flight Services delivered 667 flight hours in Q4 2023, compared to 438 flight hours in Q4 2022 and 4097 flight hours in FY 2023, compared to 2937 flight hours in FY 2024, a YoY improvement of 39.5%. The flight hours delivered in 2023 were related to maritime surveillance work under the EMSA OP1, OP5 and OP46 contracts.

Flight Services had two concurrent deployments for the EMSA OP 46 contract with the Textron Aerosonde UAS system. Flight Services was highly active under the EMSA OP 1 contract (lightweight capability), with two European Fishery Control Agency vessel deployments, two oil pollution response exercises, and one vessel installation of oil pollution emergency response drones.

Deployments under the EMSA OP 5 contract will start in spring 2024 with the upgraded Aerosonde UAS that has vertical take-off and landing capabilities (Aerosonde Hybrid Quad).

AirRobot

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



Unaudited figures in EUR '000	Q4 2023	Q4 2022	FY 2023	FY 2022
Operating revenue	-76	767	5,181	2,210
Cost of goods sold	427	599	994	949
Personell expenses & other operating expenses	-154	929	2,716	2,018
Allocated Group Cost	207	227	1,320	642
Adjusted EBITDA	-556	-988	150	-1,399
Adjusted EBITDA %	729%	-129%	3%	-63%
Non-recurring items	-	-	-	-
EBITDA	-556	-988	150	-1,399
EBITDA%	729%	-129%	3%	-63%

Financial

The progress and associated revenue recognition of ongoing projects have been adjusted in Q4 2023 based upon the project delays notified in a stock exchange release on 4th December 2023. Subsequently, AirRobot's Q4 2023 revenues amounted to negative EUR 0.1 million (EUR 0.8 million). AirRobot's main activity in Q4 2023 was deliveries under the Tiquila contract for Lockheed Martin and certification activities under the Mikado 2 contract for Bundeswehr. FY 2023 revenue totalled EUR 5.2 million (EUR 2.2 million), and the increase is attributable to deliveries under the Tiquila and Mikado 2 contracts.

Q4 2023 EBITDA amounted to negative EUR 0.6 million (negative EUR 1.0 million). Q4 2023 revenue and EBITDA were negatively impacted by delayed progress of both the Mikado 2 and Tiquila projects. In addition, the period was burdened with EUR 0.4 million in extra cost of goods sold, due to inventory

reconciliation not recognised in previous periods, partly offset by capitalisation of development cost of EUR 0.4 million. FY 2023 EBITDA totalled positive EUR 0.2 million (negative EUR 1.4 million). The improvement is explained by higher revenues and stronger gross margins from the Tiquila and Mikado 2 contracts.

Operations

Delivery of the first batch of Heimdal sensors for the Tiquila contract was completed in Q4 2023. AirRobot will have continuous delivery of most of the remaining batches in the first half of 2024.

Production of the Mikado 2 systems is well underway, with receipt of certification and first delivery of systems scheduled for Q2 2024.

Recurring revenue from MRO (Maintenance, Repair and Overhaul) and development activity for Bundeswehr (Mikado I) is also contributing to the growth in activity.

DroneMatrix

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



Unaudited figures in EUR '000	Q4 2023	Q4 2022	FY 2023	FY 2022
Operating revenue	149	377	1,159	397
Cost of goods sold	-31	135	234	135
Personell expenses & other operating expenses	401	161	1,007	367
Allocated Group Cost	38	49	184	65
Adjusted EBITDA	-260	31	-266	-170
Adjusted EBITDA %	-175%	8%	-23%	-43%
Non-recurring items	-	-	-	-
EBITDA	-260	31	-266	-170
EBITDA%	-175%	8%	-23%	-43%

Financial

DroneMatrix's Q4 2023 revenue amounted to EUR 0.2 million (EUR 0.4 million). FY 2023 revenue amounted to EUR 1.2 million (EUR 0.4 million). DroneMatrix was consolidated into the Group in Q3 2022.

Q4 2023 EBITDA amounted to negative EUR 0.3 million (EUR 0.0 million). For FY 2023 EBITDA amounted to negative EUR 0.3 million (negative EUR 0.2 million). At the end of Q4 2023, DroneMatrix's personnel and other operating expenses were adjusted through right sizing the organisation to reflect current activity.

Operations

DroneMatrix's main activity in Q4 2023 was the ongoing drone surveillance operations for Port of Antwerp and delivery of the counter

UAV system to a large financial institution in Belgium. During the course of the quarter, DroneMatrix successfully set up a pilot project in the Netherlands in collaboration with IoT company DeltaloT for Boskalis, the leading global services provider in the dredging, maritime infrastructure and maritime services sector. The results of this pilot are now being studied by parties and offer new opportunities into the future.

Furthermore, activities in the Port of Antwerp were increased responding to customer challenges related to drug crime at container terminals.

Ownership

Nordic Unmanned currently owns 55 percent of DroneMatrix and has an obligation to acquire the remaining 45 percent by May 2025.



Outlook

Generally, industry research points to a positive outlook for the UAS solutions and services industry, in particular for defence and security applications including maritime surveillance.

The key drivers for the anticipated growth are increasing focus on defence and security, an increasingly favourable regulatory environment in Europe, improved awareness and education, substantial environmental

benefits, cost efficiencies as well as safety and security benefits, and continued technological advancements.

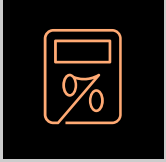
Based on existing key strengths of Nordic Unmanned and the anticipated benefits from further targeted turnaround activities, further efficiency measures and efforts to monetize assets and gain a lighter balance sheet, Nordic Unmanned should be well positioned to benefit from future opportunities.

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 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.

The release, publication or distribution of this report/presentation in certain jurisdictions may be restricted by law, and therefore persons in such jurisdictions into which this report/presentation is released, published or distributed should inform themselves about, and observe, such restrictions. This report/presentation does not constitute an offering of securities or otherwise constitute an invitation or inducement to any person to underwrite, subscribe for or otherwise acquire securities in Nordic Unmanned ASA.



Financial statements

Consolidated Statement of Income

Unaudited figures in EUR '000	Notes	Q4 2023	Q4 2022	FY 2023	FY 2022
Revenues		1,938	3,331	15,457	16,097
Other income		2,584	858	4,021	889
Total revenues and other income	3.4	4,522	4,188	19,478	16,986
Cost of goods sold		423	970	2,258	2,943
Personell expenses		1,719	3,493	11,649	12,795
Depreciation and amortisation expenses	5.6	1,022	1,724	5,570	5,519
Impairments	5.6	1,019	2,418	3,906	2,418
Other operating expenses		3,614	2,643	11,428	10,230
Total operating expenses		7,798	11,248	34,812	33,904
Operating profit (loss)		-3,276	-7,060	-15,334	-16,918
Net financial income (expenses)		-585	-195	-1,949	-1,071
Income (loss) before tax		-3,861	-7,255	-17,283	-17,989
Income tax expense (benefit)		35	4,160	22	1,914
Net income (loss)		-3,896	-11,415	-17,304	-19,902
EBITDA		-1,234	-2,917	-5,857	-8,981
Allocation of profit or loss:					
Profit/loss attributable to non-controlling interests		-63	-153	-786	-325
Profit/loss attributable to the parent		-3,968	-11,263	-16,518	-19,577
Other comprehensive income:					
<i>Items that subsequently may be reclassified to profit or loss:</i>					
Currency translation differences		55	220	14	57
Total other comprehensive income for the period		55	220	14	57
Total comprehensive income for the period		-3,977	-11,196	-17,290	-19,845
Allocation of profit or loss:					
Profit/loss attributable to non-controlling interests		-63	-153	-786	-325
Profit/loss attributable to the parent		-3,913	-11,043	-16,504	-19,520
Earnings per share ("EPS"): (presented in full figures)					
Basic and diluted EPS - profit or loss attributable to equity holders of the parent		-0.06	-0.39	-0.25	-0.67

Consolidated Balance Sheet

Unaudited figures in EUR '000	Notes	31 Dec 2023	30 Sep 2023	31 Dec 2022
ASSETS				
Non-current assets				
Goodwill	6	2,986	3,190	3,308
Other intangible assets	6	8,029	8,624	12,507
Total intangible assets		11,016	11,814	15,815
Aircraft and spareparts	5	17,230	21,836	19,115
Assets under construction	5	712	265	453
Fixtures and fittings	5	1,018	1,010	1,730
Right-of-use assets		616	739	985
Total tangible assets		19,576	23,850	22,284
Other non-current assets		234	42	169
Total non-current assets		30,826	35,707	38,267
Current assets				
Inventory	7	3,880	3,044	1,819
Trade receivables		379	1,358	909
Other short-term receivables		4,004	2,990	4,131
Cash and cash equivalents		1,227	205	812
Total current assets		9,490	7,598	7,671
TOTAL ASSETS		40,316	43,304	45,938

Consolidated Balance Sheet

EQUITY AND LIABILITIES	Notes	31 Dec 2023	30 Sep 2023	31 Dec 2022
Equity				
Paid-in equity		57,397	51,156	50,323
Retained earnings		-43,518	-39,346	-27,399
Equity attributable to equity holders of the parent		13,880	11,810	22,923
Non-controlling interests		-158	-155	632
Total equity		13,722	11,655	23,556
Non-current liabilities				
Interest bearing loans and borrowings	8	14,634	-	10,334
Non-current lease liabilities		543	552	715
Other non-current liabilities		2,112	2,118	2,080
Deferred tax liabilities		22	314	-
Total non-current liabilities		17,311	2,984	13,129
Current liabilities				
Trade payables		2,646	5,308	2,385
Interest bearing loans and borrowings	8	3,513	19,704	2,674
Current lease liabilities		172	306	369
Public duties payable		786	732	1,015
Other current liabilities		2,166	2,616	2,810
Total current liabilities		9,284	28,666	9,253
Total liabilities		26,595	31,650	22,382
TOTAL EQUITY AND LIABILITIES		40,316	43,304	45,938

Consolidated Statement of Changes in Equity

Unaudited figures in EUR '000	Share capital	Share premium	Non-registered share capital	Treasury shares	Retained earnings	Share-holders Equity	Non-Controlling Interests	Total Equity
Balance at 1 January 2022	2,632	33,068		-0	-9,060	26,639	958	27,597
Profit (loss) for the year					-19,577	-19,577	-325	-19,902
Issue of share capital	1,561	13,800				15,361		15,361
Share-based payments					443	443		443
Purchase of own shares				-737	737	-		-
Currency translation effects (OCI)					57	57	-0	57
Balance as at 31 December 2022	4,192	46,868	-	-737	-27,399	22,923	632	23,556
Profit (loss) for the period					-16,518	-16,518	-786	-17,304
Issue of share capital	2,314	4,768				7,082		7,082
Share-based payments					173	173		173
Other equity	2	-9			7	-	-	-
Currency translation effects (OCI)					220	220	-4	216
Balance as at 31 December 2023	6,508	51,627	-	-737	-43,518	13,880	-158	13,722

The Group raised NOK 70 million in a private placement in October 2023 with NOK 7.5 million raised in a subsequent offering in November 2023, total gross proceeds of NOK 77.5 million (EUR 6.6 million).

A total of 154 968 705 new shares were issued at subscription price of NOK 0.5, where nominal value of share capital is NOK 0.35. Total shares after completed equity raise are 199 046 788.

Consolidated Statement of Cash Flows

Unaudited figures in EUR '000	Q4 2023	Q4 2022	FY 2023	FY 2022
Cash flows from operating activities				
Profit or loss before tax	-3,861	-7,255	-17,283	-17,989
<i>Adjustments to reconcile profit before tax to net cash flows:</i>				
Net financial income/expense	1,087	-195	2,412	892
Depreciation and impairment	2,003	4,079	9,320	7,572
Amortisation and impairment of Right-of-use assets	39	63	157	270
Share-based payment expense	71	102	173	309
<i>Working capital adjustments:</i>				
Change in inventory	-835	520	-2,061	987
Changes in trade and other receivables	-35	1,054	657	-581
Changes in trade and other payables	-2,662	-72	262	994
Changes in provisions and other liabilities	-885	558	-885	-1,466
Net cash flows from operating activities	-5,079	-1,146	-7,249	-9,011
Cash flows from investing activities				
Changes from non current assets	1,981	-2,732	-3,096	-13,009
Net cash flow from investing activities	1,981	-2,732	-3,096	-13,009
Cash flow from financing activities				
Proceeds from issuance of equity	6,327	6,812	7,225	16,261
Transaction costs on issue of shares	-85	-449	-143	-900
Net disbursements overdraft facility	-1,639	-2,145	52	
Proceeds from new debt (short / long term)	83	781	5,117	6,191
Repayment of debt (short / long term)	-	-670	-29	-3,274
Payments of lease liability	-143	-75	-370	-326
Interest paid	-424	-254	-1,092	-703
Net cash flows from financing activities	4,118	3,999	10,759	17,248
Net increase/(decrease) in cash and cash equivalents	1,020	121	414	-4,772
Cash and cash equivalents at beginning of the period	205	694	812	5,594
Net foreign exchange difference	2	-4	1	-11
Cash and cash equivalents, end of period	1,227	812	1,227	812

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.

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 31 December 2023 have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim financial statements do not include all the information required by IFRSs and should be read in conjunction with the Group's 2022 annual financial statements, which is 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 authorized for issue by the Company Board of Directors on 12 March 2024.

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").

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.

The interim financial statement has been prepared with the same accounting policies as the Financial Year 2022.

Presentation currency and functional currency

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

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 recognized when control of the goods or services is 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 recognized 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 recognized 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.

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

Note 4 Segments

Seasonal factors influence our Flight Service's operations. Flight plans are normally planned for the second and the third quarters with current clients due to weather risk in the first and fourth quarters, leading to low activity and a negative effect on financial performance in those low season quarters.

The Original Equipment Manufacturers (AirRobot/DroneMatrix) do not experience the same seasonality issues as the Flight Services segment. Group costs have been allocated to the segments for the first time in the fourth quarter 2023 and included in both the current and historical periods, thus EBITDA figures in the table below are inclusive of group cost allocation. The figures in the Group Costs column consist of unallocated group costs and intercompany transactions eliminated at a group level.

Unaudited figures in EUR '00	Flight				Group Costs	Total
	Services	AirRobot	DroneMatrix	Eliminations		
Q4 2023						
Revenues third party	4,176	124	222	-	-	4,522
Revenues inter-segment	25	-200	-74	249	-	-
Total Revenues	4,201	-76	149	249	-	4,522
EBITDA	402	-556	-260	16	-836	-1,234
Q4 2022						
Revenues third party	3,450	396	377	-	-34	4,188
Revenues inter-segment	266	371	-	-638	-	-
Total Revenues	3,716	767	377	-638	-34	4,188
EBITDA	-1,024	-988	31	-437	-499	-2,917
FY 2023						
Revenues third party	13,195	5,130	1,154	-	-0	19,478
Revenues inter-segment	236	51	5	-293	-	-
Total Revenues	13,431	5,181	1,159	-293	-0	19,478
EBITDA	-3,609	150	-266	-327	-1,806	-5,857
FY 2022						
Revenues third party	14,769	1,838	386	-	-6	16,986
Revenues inter-segment	329	372	11	-713	-	-
Total Revenues	15,098	2,210	397	-713	-6	16,986
EBITDA	-4,836	-1,399	-170	441	-3,017	-8,981

Note 5 Property, plant, and equipment

Property, plant and equipment ("PP&E") is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. When significant parts of PP&E are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. The residual values, useful lives and methods of depreciation of PP&E are reviewed at each financial year end and adjusted prospectively, if appropriate.

The Group assesses on each reporting date whether there is an indication that property, plant and equipment may be impaired. If such an indication exists, the Group estimates the assets or CGU's recoverable amount. The recoverable amount is the higher of an assets or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Impairment triggers have been identified related to part of the drone fleet that were not generating revenue as per year end and that were not committed to any contract or source of revenue as per year end. Q4 reflects impairment of EUR 1 million related to fair value of CGU, and EUR 1.1 million related to loss of insured

operational assets. The change in estimate since Q3 is related to an updated assessment of the fair market value of one part of the drone fleet. Goodwill and PPA values has been tested for impairment with Discounted Cash Flow (DCF) as main valuation method, using a weighted average cost of capital (WACC) with sensitivity analysis ranging from 10% of 15%, and a cash flow over normally 6 to 9 years period based on current year's budget with managements assumptions of future growth thereafter, and a residual value based on Gordon growth with a 0% growth rate from steady state. The EBITDA margin used in the analysis takes into consideration the reduction in personnel and other operating costs implemented in Flight Services and Group in Q1 2024.

Unaudited figures in EUR '000	Fixtures, fittings and tools	Aircraft and spareparts	Assets under construction	Total
Cost as at 31 December 2022	3 054	22 367	453	25 874
Additions	106	2 488	2 631	5 225
Transfer	-	2 372	-2 372	0
Disposals	-	-3 611	-	-3 611
Divestment	-542	-	-	-542
Cost as at 31 December 2023	2 619	23 616	712	26 947
Depreciation and impairment as at 31 December 2022	1 324	3 252	-	4 576
Depreciation	543	2 222	-	2 765
Disposals	-	-1 964	-	-1 964
Impairment	-	2 876	-	2 876
Divestment	-266	-	-	-266
Depreciation and impairment as at 31 December 2023	1 601	6 386	-	7 986
Net book value:				
At 31 December 2022	1 730	19 115	453	21 298
At 31 December 2023	1 018	17 230	712	18 960
Economic life (years)	3-5	5-10		
Depreciation plan	Straight-line method	Straight-line method	No depreciation	

Note 6 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Goodwill and PPA values has been tested for impairment with Discounted Cash Flow (DCF) as main valuation method, using a weighted average cost of capital (WACC) with sensitivity analysis ranging from 10% of 15%, and a cash flow over normally 6 to 9 years period based on current year's budget with managements assumptions of future growth thereafter, and a residual value based on Gordon growth with a 0% growth rate from steady state. The EBITDA margin used in the analysis takes into consideration the reduction in personnel and other operating costs implemented in Flight Services and Group in Q1 2024. Conducted sensitivity analyses of the key parameters show reasonable headroom for changes in key parameters defined above.

Unaudited figures in EUR '000	Development	Concessions, patents and licenses	Goodwill	Total
Cost as at 31 December 2022	12,275	6,045	3,432	21,752
Additions	55	-	-	55
Cost as at 31 December 2023	12,330	6,045	3,432	21,807
Amortization and impairment as at 31 December 2022	4,600	1,273	60	5,933
Amortization	1,362	1,109	-	2,470
Impairment	432	1,571	386	2,389
Amortization and impairment as at 31 December 2023	6,394	3,952	446	10,792
Net book value:				
At 31 December 2022	7,675	4,772	3,372	15,819
At 31 December 2023	5,936	2,093	2,986	11,016
Economic life (years)	5-10	5-10		
Amortization plan	Straight-line method	Straight-line method	No Amortization	

Note 7 Inventory

Spare parts and consumables are measured at cost on a first-in/first-out basis.

Unaudited figures in EUR '000

Q4 2023 Inventory	Q4 2023	Q4 2022
Work in progress and materials	3 813	2 205
Finished goods	917	1 026
Provision of obsolescence	-851	-1 413
Total	3 880	1 819

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

Provision of obsolescence is split between AirRobot and Flight Services with EUR 0.3 million (EUR 0.8) and EUR 0.6 million (EUR 0.3 million) respectively. Changes in the provision for obsolescence in AirRobot is related to review of the inventory in respect of parts usage in the Mikado 1, Mikado 2 and Tiquila programs.

Note 8 Maturity of financial liabilities

Contractual undiscounted cash flows from financial liabilities are presented below. The borrowings are subject to floating interest rate and the rate fixing period is short. Consequently, fair values of the borrowings are assumed to be equal to book values. "Contractual undiscounted cash flows from financial liabilities" are presented including expected interest based on the latest known applicable interest rate.

Financial covenants are not applicable on the reporting date. Based on the new loan agreement in place during October 2023, financial covenants will not be applicable until 30 September 2025 with a requirement that The Borrower shall have a Working Capital of no less than EUR 1 million.

Liabilities are generally classified as current if the maturity is within one year and as non-current if the maturity is beyond one year of the balance sheet date. Last quarter, all liabilities were considered as short-term due to breach of covenants at end of Q3. The new loan agreement stipulates no amortization until 2025, hence no short-term interest-bearing loans from SR-Bank, Eksfin and Innovasjon Norge at reporting date, as communicated to the stock market 13.10.2023.

Unaudited figures in EUR '000

Q4 2023 Interest bearing loans and borrowings	Remaining contractual maturity		Total
	1-12 months	More than 1 year	
SR-bank	-	12 426	12 426
Innovasjon Norge	-	2 208	2 208
Other	3 262	-	3 262
Total liabilities from financing	3 262	14 634	17 896

Credit facilities

	Q4 2023	31 Dec 2022
Undrawn amount credit facilities	3 543	5 106

Note 9 Going concern

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

The growth of Nordic Unmanned Flight Services is capital intensive, and the operation has currently a seasonality where the Q2 and Q4 represent high season, while the 4Q and 1Q represent a low season with limited operations with preparation and training for new season. This represents a challenge for operational cash flow, which is negative, especially in Q1. Negative results and cash flow are putting pressure on the Group's liquidity situation. The OEM business is less seasonal and will counter some of the shortfall of liquidity in Flight Services low season.

The capital raise, refinancing and cost reductions in Q4 2023 compensated for the challenging financial performance and the unforeseen project delays. In addition to the personnel and operating cost reductions in 2023, Flight Services and Group has implemented additional personnel and operating cost reduction measures in Q1 2024, this will contribute to improved liquidity. Nordic Unmanned's Flight Services, AirRobot GmbH and DroneMatrix NV are currently European leaders in their categories and positioned to experience significant growth in the years ahead. Disposal of assets may include sale of parts of the drone fleet.

Despite the material uncertainties above, the Board's assessment is that it is appropriate to apply the going concern assumption. The Board anticipates that the Group can continue its operational activities and will have the financial resources to apply the going concern principle as the basis for the financial statements.

Note 10 Insurance settlement

Insurance claims are related to ongoing risks or expenses that are part of the company's regular operations. The group have experienced loss of insured assets during operations. Total insurance settlements for the year 2023 is EUR 3.6 million where EUR 0.9 million has been recognized in Q2 and EUR 2.7 million has been recognized in Q4. Impairment related to insured asset lost under operations of EUR 1.1 million is recognized in Q4.

Note 11 Subsequent events

The company agreed in February 2024 a short-term loan from the lenders with support from the main shareholder. This provides additional liquidity of up to EUR 2.0 million from March through summer 2024. This loan will be repaid in August 2024. The company initiated in February 2024 a further cost reduction plan which will have an effect from Q2 2024.

Alternative performance measures

Nordic Unmanned uses terms in the consolidated financial statements that are not defined by the IFRS accounting standards. These are performance measures that are relevant to Nordic Unmanned's line of business.

Estimated Contract backlog

Estimated Contract backlog includes the maximum remaining estimated value of signed and/or awarded Master Service (call-off) contracts and signed contracts/PO's as of Q4 2023. Annual utilization under Master service Agreements is based on call offs, contract estimates based on historic utilization and client feedback. Master Service Agreements with no anticipated call-offs are not included.

EBITDA

Operating profit (EBIT) + Depreciation and Impairments.

Adjusted EBITDA

EBITDA adjusted for one off and unusual items.

EBIT

Operating profit.

NORDIC UNMANNED

Nordic Unmanned ASA

Rådhusgata 3
4306 Sandnes, Norway
+47 51 20 94 44

post@nordicunmanned.com