



# Investor Presentation

25 November 2020

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The order in which the below risks are presented is not intended to provide an indication of the likelihood of their occurrence nor their severity or significance.

Please review the detailed risk factors on page 52 to 58



1	Transaction Summary
2	Key Investment Highlights
3	Financial information
4	Appendix

# Opportunity to invest in Nordic Unmanned AS

## Transaction summary

Issuer	<ul style="list-style-type: none"> <li>Nordic Unmanned AS</li> </ul>		
Offering size and structure	<ul style="list-style-type: none"> <li>NOK 50-100 million equity issue, offering 3,401,361 to 6,802,721 shares in the company</li> </ul>		
Pre-money market capitalization	<ul style="list-style-type: none"> <li>NOK ~200 million (on a fully diluted basis) based on the offer price of NOK 14.7 per offer share, 230,000 options outstanding, 1,492,185 subscription rights, and 11,825,124 shares outstanding</li> </ul>		
Use of proceeds	<table> <tr> <td> <ul style="list-style-type: none"> <li><b>Sources:</b></li> <li>Equity NOK 50 – 100 million</li> <li>Debt* NOK 40-140 million</li> <li><b>Total NOK ~90–240 million</b></li> </ul> </td><td> <ul style="list-style-type: none"> <li><b>Uses:</b></li> <li>NOK 50-190 million: Acquisition of Camcopter S-100 drones (incl. accessories)</li> <li>NOK 5 million: Acquisition of Lockheed Martin Indago drones (incl. accessories)</li> <li>NOK 5 – 10 million: Maturing and developing own IP</li> <li>NOK 10 -15 million: General company purposes</li> <li>NOK 21 million: Debt refinancing</li> <li><b>Total NOK ~90–240 million</b></li> </ul> </td></tr> </table>	<ul style="list-style-type: none"> <li><b>Sources:</b></li> <li>Equity NOK 50 – 100 million</li> <li>Debt* NOK 40-140 million</li> <li><b>Total NOK ~90–240 million</b></li> </ul>	<ul style="list-style-type: none"> <li><b>Uses:</b></li> <li>NOK 50-190 million: Acquisition of Camcopter S-100 drones (incl. accessories)</li> <li>NOK 5 million: Acquisition of Lockheed Martin Indago drones (incl. accessories)</li> <li>NOK 5 – 10 million: Maturing and developing own IP</li> <li>NOK 10 -15 million: General company purposes</li> <li>NOK 21 million: Debt refinancing</li> <li><b>Total NOK ~90–240 million</b></li> </ul>
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Pre-commitments	<ul style="list-style-type: none"> <li>Cornerstone investor (Urbanium Gruppen): NOK 20m</li> <li>Other investors, including existing shareholders and employees: NOK 19.6m</li> </ul>		
Listing	<ul style="list-style-type: none"> <li>The company intends to apply for a listing of its shares on the Merkur Market (to be renamed Euronext Growth Oslo), subject to the completion of the Private Placement and the fulfillment of the listing criteria. First day of trading is expected to be on or about 15 December 2020.</li> </ul>		
Application period	<ul style="list-style-type: none"> <li>25.11 2020 to 27.11.2020 at 16:00 CET</li> </ul>		
Managers	<ul style="list-style-type: none"> <li>SpareBank1 Markets</li> <li>SpareBank1 SR-Bank Markets</li> </ul>		

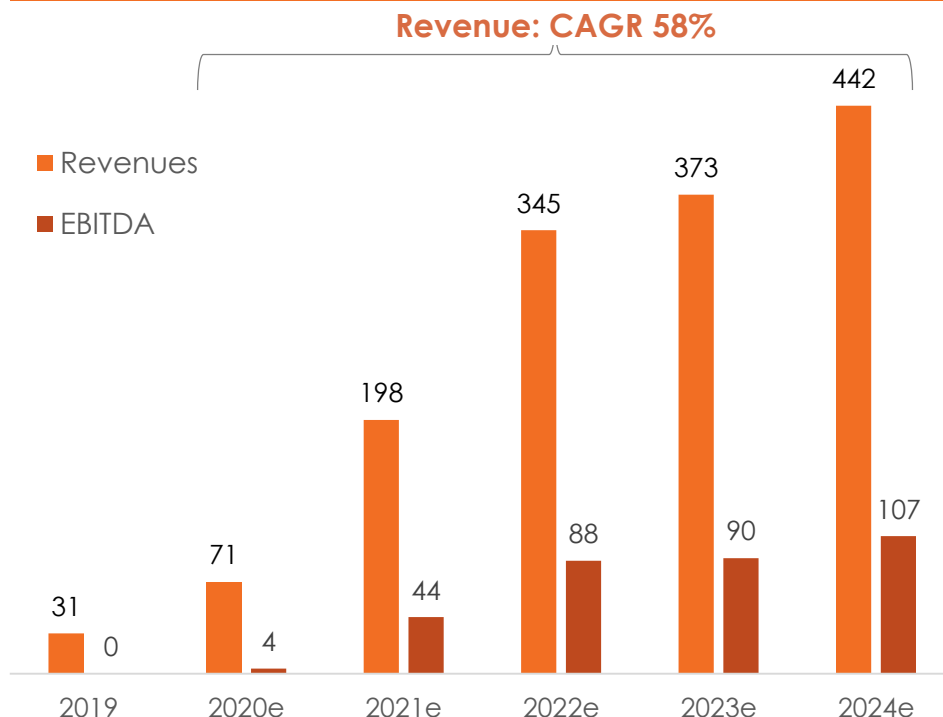
# Perfectly positioned to capitalize on commercial drone megatrend

*Growth towards identified tangible contracts*

## Commercial drone services in Europe

- Nordic Unmanned delivers high-end drone services to European governments and solid industrial clients
- Drones replaces legacy methods, substantially increasing quality and safety, while reducing costs and carbon footprint
- Revenue from long-term frame agreements results in solid visibility and recurring revenues
- One of few players operating as a system integrator in the value chain, with direct interaction with the end customer
- Perfectly positioned to capitalize on rapidly growing commercial demand for drones in Europe (~14%) – identified potential of NOK 6.5bn
- New and more global customers will drive growth and consolidation
- Agreements with world-leading industry suppliers: Lockheed Martin, Textron Systems, and Schiebel Aircraft

## Targeting NOK ~440m revenues in 2024\*



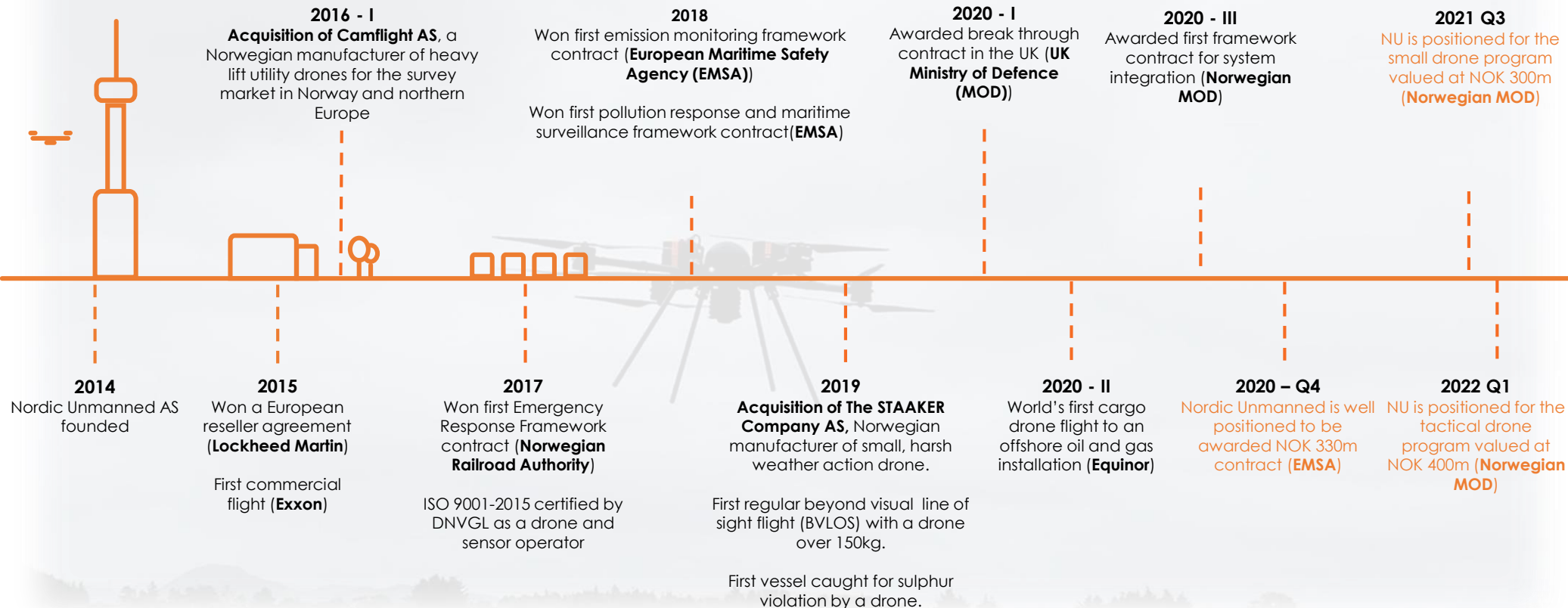
## Example clients:



# Company history and milestones

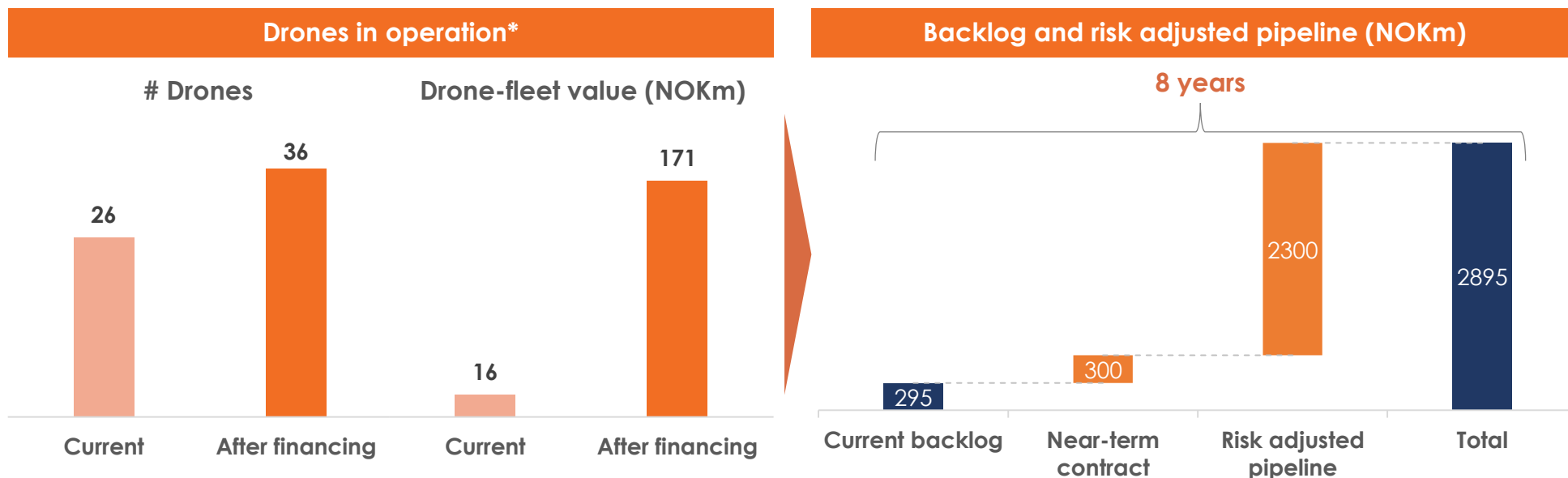
Positioned for the major service agreements in Europe

Not yet awarded



# Proceeds from equity issue will accelerate growth

Equity will free up bank capacity to increase asset base and scale benefits of operations

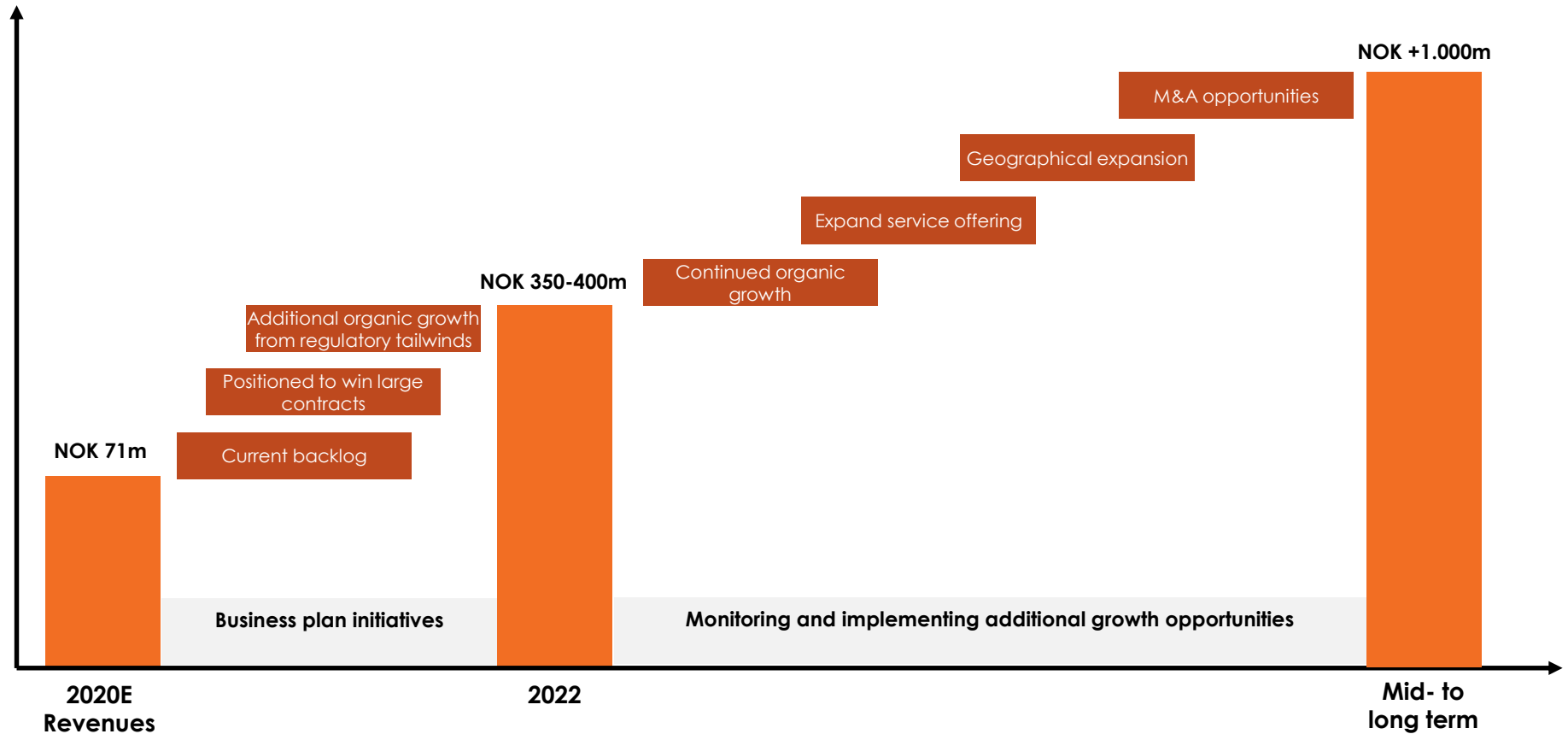


- Nordic Unmanned experiences increasing backlog and general demand for its services
- Current drone capacity insufficient to deliver on near-term contracts and pipeline
- NOK 50-100m equity issue and bank financing (NOK 40-140m) will finance 6 Camcopter S-100 drones and 4 Lockheed Martin Indago drones (including accessories), increasing total fleet value from NOK 16m to NOK 171m, in addition to maturing of IP and other corporate purposes, as described in the sources & uses
- Based on the Company's current estimates and assumptions, it will be **fully equity financed after the private placement**

Proceeds will finance 10 new drones, and other working capital, to deliver on incoming long-term, high-margin contracts with blue-chip clients

# Long-term goals for a billion NOK revenue company

Several attractive avenues for further growth



Note: The above figures are for illustrative purposes and represent the Company's targets and should not be constituted as forecasts or guidance for any future performance or results.

Long-term goal - to build an industry leader within UAV services

- |   |                                  |
|---|----------------------------------|
| 1 | Transaction Summary              |
| 2 | <b>Key Investment Highlights</b> |
| 3 | Financial information            |
| 4 | Appendix                         |



Picture by: **SCHIEBEL**

# Key Investment Highlights

**I Commercial drone megatrend replacing legacy solutions**

II Perfectly positioned to target high-value segments

III Long-term frame agreements results in low risk recurring revenues

IV Large backlog and strong potential in pipeline

V Competent management, board, and organization

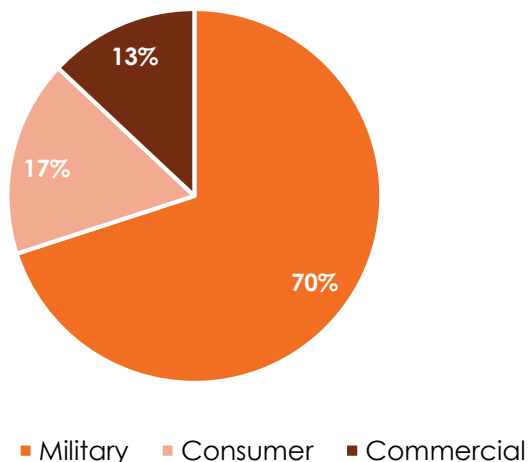
# Introduction to the drone market

*Disruptive way of entering an existing market with new and improved services*

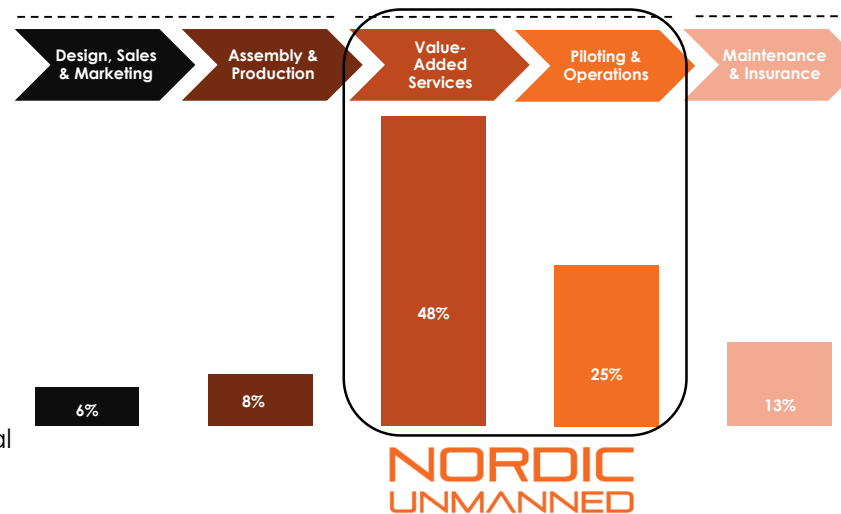
- Unmanned Aviation represents an alternative to legacy solutions which reduces time, costs and CO2 emissions, while increasing safety of operations
- Drones also enhances data analytics, which facilitates better decision making
- Drones have been utilized by the military for several years, while commercial applications are relatively new. Therefore clients in the commercial sector are relatively uneducated, but the usage is expected to accelerate significantly over the coming years
- Largest revenue segment in the drone industry is expected to be services, where NU is operating

Current global market size: **USD 22bn**, expected to grow to **USD 44bn** by 2025

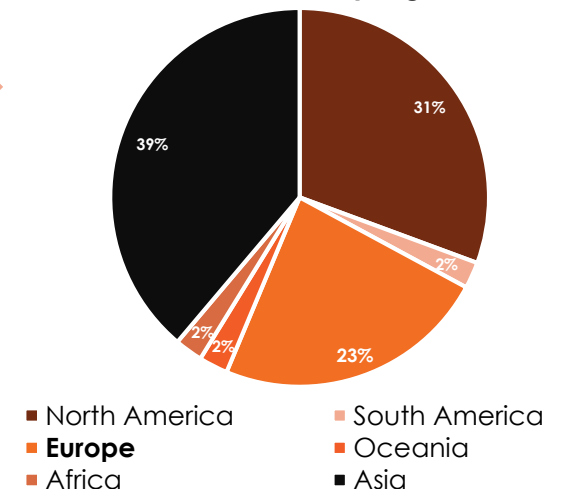
Drone market by sector<sup>1</sup>



Expected Revenue split<sup>2</sup>



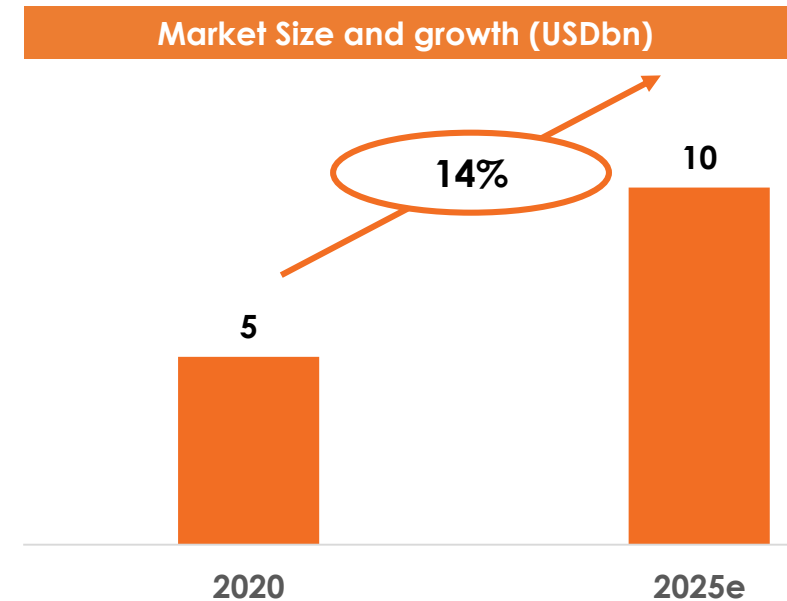
Market size by region<sup>3</sup>



# European drone market

*The European market is expected to grow substantially during the next years*

- According to Drone Industry Insights, the European drone market accounts for USD ~5bn in 2020
- The market is expected to grow at ~14% annually, to USD ~10bn in 2025
- Most of the growth will come from the commercial segment, an immature market, where experienced operators will have a significant first-mover advantage
- Covid-19 has accelerated the utilization of drones in the commercial sector in Europe
- North America and Asia has similar growth rates as Europe



# European drone regulations

*Standardized pan European regulations will increase the adoption of drone services*

- The national rules on drone flights will be replaced by a common EU regulation in January 2021. The purpose is to **harmonize and increase the flight safety level**, increasing regulatory requirements from current standards
- The intention from the EU is to **accelerate the adoption of drones** and drone services, in a regulated manner
- Europe is the **first continent** in the world to have a common set of rules ensuring safe, secure, and sustainable operations of drones. NU operates and has been operating according to these rules over the last two years
- The new regulation is introducing the **Light UAS operator certificate** (LUC), which is an organizational approval certificate which is similar to conventional aviation's **Air Operators Certificate** (AOC). The LUC will be a Pan European certificate, in the same way as the AOC. Currently there is 24 AOC licensed companies vs 5.683 drone operators in Norway

## Advantages for Nordic Unmanned

- 1 Professionalization and consolidation to the high-end operators with higher barriers to entry
- 2 Drone industry moves closer to the conventional aviation industry with less-cross border red tape
- 3 European regulatory bodies will facilitate and accelerate growth
- 4 Increased number of use cases will be approved in each country with resulting market increase

# A greener and safer solution, with higher quality at lower cost

## Greener, safer and innovative solutions

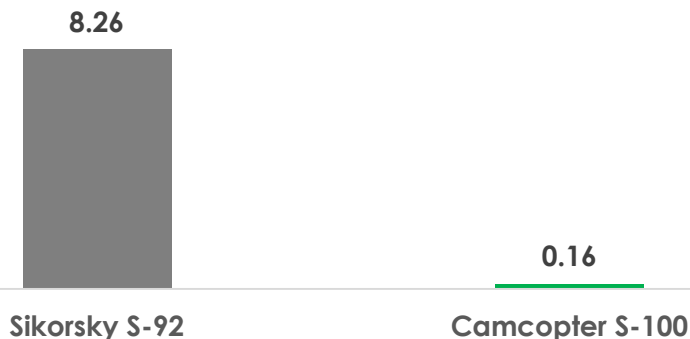
- **Drones can execute potentially dangerous operations** which is traditionally performed by people, by moving personell at risk, to a safe distance
- Drones have a **significantly lower carbon footprint** compared to manned alternatives
- NU contributes significantly to the following UN's sustainable development goals



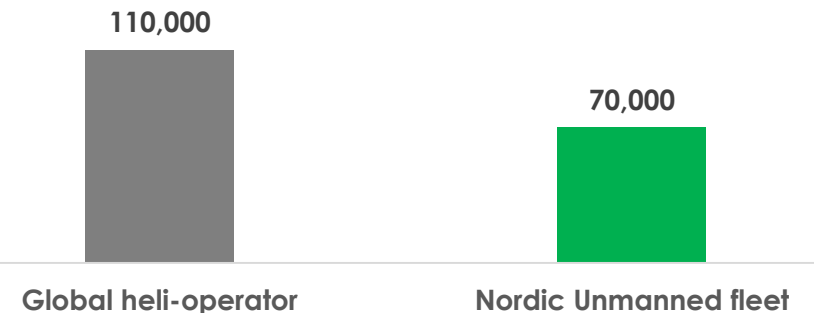
## Higher quality, at lower cost

- Drones are smaller than helicopters and have more finetuned aerial maneuverability. This enables superior data gathering for e.g. monitoring of CO2 emissions
- Drones can collect a multitude of data in the same flight and share it live to operational, tactical and, strategic stakeholders.
- Data is stored, enabling repeated data collection and following change detection analysis
- Drones can perform long endurance, or high-risk operations that supplements the existing legacy solutions
- Drone solutions are versatile and scalable, with a significantly lower operating cost than legacy solutions
- Capex for drones around 10% of similar-use helicopters

## CO<sup>2</sup> emissions per km



## Estimated cost for customer (NOK per flight hour)



<http://ir.bristowgroup.com/news-releases/news-release-details/bristow-group-reports-first-quarter-fiscal-year-2021-results>

# Key Investment Highlights

- I Commercial drone megatrend replacing legacy solutions
- II Perfectly positioned to target high-value segments**
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# Multitude of applications

*Nordic unmanned has decided to focus on certain high-value applications*



## Emergency services

- Disaster monitoring
- Emergency deliveries
- Emergency response coordination
- Disaster relief and post-disaster assessment
- Search and rescue



## Defence & security

- Border security
- Crime scene investigation
- Criminal surveillance & tracking
- Police response co-ordination
- Search and rescue
- Intelligence surveillance reconnaissance



## Business & commerce

- Aero technology / robotics research and development
- Consultancy
- Exploration (water, O&G, mining)
- Inspection of structural infrastructure
- Pick-up and delivery service



## Environmental management

- Environmental hazard assessment
- Emissions monitoring and assessment
- Environmental impact assessment and compliance
- Scientific research
- Carbon footprint reduction



## Urban planning and construction

- Construction management
- Environmental design
- Mapping
- Site analysis planning & design
- Marketing



## Media and communications

- Advertising and marketing
- Art
- Entertainment
- Real estate
- Investigative journalism
- News photography and videography



## Agriculture

- Chemical and biological monitoring
- Flood and fire detection monitoring
- Inventory and records
- Pest disease detection and treatment
- Precision operations and management



## Recreation and Entertainment

- Exploration
- Group activities and events
- Hobbies
- Personal photography and videography
- Remote control flying

**Nordic Unmanned act as a system integrator**

# Overview of NU business offering

Clients have different need and select different items to be incorporated in the frame agreements

- |   |  |
|---|--|
| <p><b>1</b> 17% of revenue*</p> <p><b>Sale of Staaker product portfolio</b></p> <ul style="list-style-type: none"> <li>▪ Sale of proprietary products to clients, including spareparts</li> <li>▪ NU can modify products based on customer requirements</li> </ul>                                  | <p><b>2</b> 12% of revenue*</p> <p><b>Sale of re-sale products</b></p> <ul style="list-style-type: none"> <li>▪ Distribution of Lockheed Martin drone products, spareparts, etc.</li> </ul>  |
| <p><b>3</b> 60% of revenue*</p> <p><b>Operations</b></p> <ul style="list-style-type: none"> <li>▪ Planning operations</li> <li>▪ Performing operations</li> <li>▪ Integrating drone software with clients</li> </ul>  | <p><b>4</b> 3% of revenue*</p> <p><b>Unmanned aviation consultancy</b></p> <ul style="list-style-type: none"> <li>▪ Supporting customers and partners with know-how and capacity to build the framework to operate drones</li> </ul> |
| <p><b>5</b> 4% of revenue*</p> <p><b>Maintenance and life cycle support</b></p> <ul style="list-style-type: none"> <li>▪ NU supports customers with proprietary and re-sale products with maintenance and life cycle support, supplying scheduled and unscheduled maintenance activities</li> </ul> | <p><b>6</b> 4% of revenue*</p> <p><b>Training and academy</b></p> <ul style="list-style-type: none"> <li>▪ Nordic Unmanned offers training in both piloting and maintenance for systems</li> </ul>                                   |



Wide product and service offering – Clients have different needs to solve and select applicable items from the NU product offering to solve these

# Business Areas

*Four business areas that encapsulates the most profitable market segments*

## Green Solutions

Data driven maritime solutions to member states in the EU.  
Operations include:

**IMO 2020 Sulphur cap monitoring of vessels**

**Oil spill pollution prevention and emergency response**

**Fishery control**

## Logistics & Robotization

Implementing robotic solutions to complex logistics tasks to reduce risk and increase efficiency

**Onshore to offshore, ship to shore, ship to ship logistics**

**Assist clients as a trusted system integrator and partner**

## Defence & Security

Drone solutions to demanding and dangerous military and police operators with a lifetime support perspective

**Assisting in search and rescue operations**

**Emergency response (e.g. to terrorist attacks, forest fires, burning buildings, active crime-response)**

**Border control**

## Digitalization

Collecting high-value data from sensors attached to drones and providing digitization solutions

**High accuracy terrain models (e.g. for construction planning)**

**Inspection of power lines and other valuable infrastructure, providing both status "as-is" and high quality data for long-term maintenance planning**





**Processing, calibrating, analyzing data**



Targeting high-value business areas where NU can provide a **higher quality** service, at **reduced cost** for clients, with a **lower carbon footprint** and **more safety** for personnel

# Competitor overview

Leading drone system integrator across different business areas

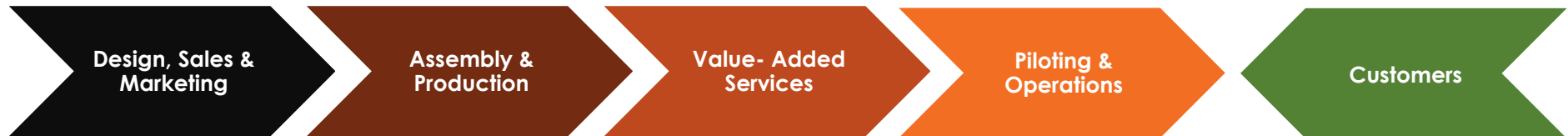
Competitors	Green Solutions	Logistics & Robotization	Defence and Security	Digitalization
				
NU Advantage	<p>The only large rotary wing drone operator</p> <p>The only provider of marine emission data from vessels</p> <p>Runway independent</p> <p>Vessel based operations</p> <p>Large toolbox of systems</p>	<p>Only offshore operator</p> <p>Regular flight permits in 13 European countries</p> <p>Drone agnostic</p> <p>Beyond line-of-sight experience and permission</p>	<p>Agile and customer focused</p> <p>No big legal department</p> <p>System integrator with a large portfolio</p> <p>Hands on systems and service experience</p> <p>No internal politics</p>	<p>Focused on datasets from advanced sensors</p> <p>Internal integration and development of systems and services</p> <p>Disruptive market approach</p>

- No competitor competes with NU across all business segments, as they focus on one segment
- Fragmented supplier industry (hardware and software)
- In the operator- and system integrator space there are few large competitors to NU, and fewer with operating history
- There are numerous micro-operating companies in Europe, and most are just one-man operations

# UAV Value chain

Nordic Unmanned has a unique position on top of the value chain and is in partnership with the clients

## The UAV value chain



### OEM's

#### Hardware



#### Components & Systems



#### Software



#### Drone as a service



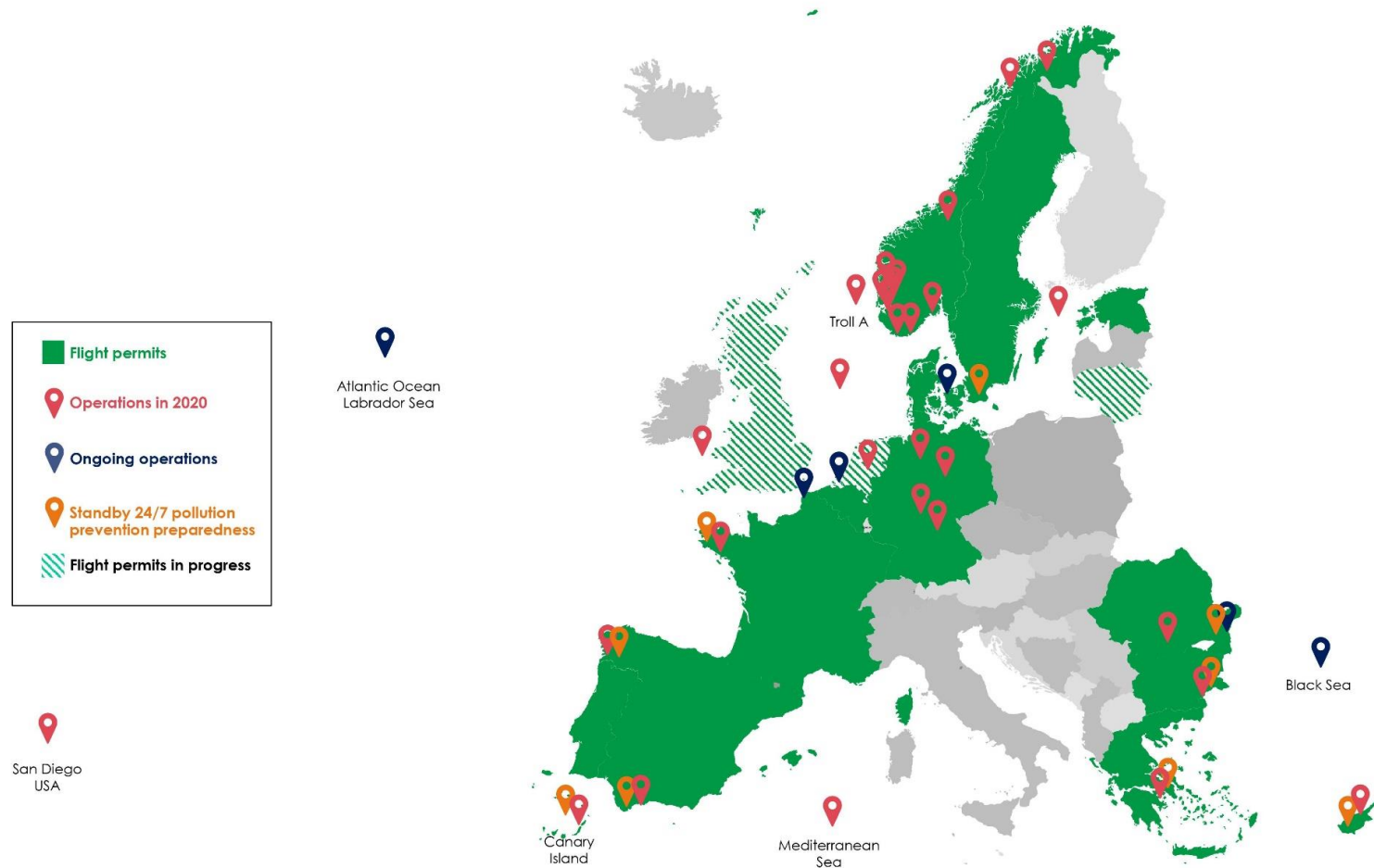
#### System Integrators



The clients utilizing the drone services has a historically limited technical and operational experience. System integrators with existing contracts are in a prime position to support the decision makers.

# Operational footprint 2020






Flight permits and operations 2020



Broad European footprint to capitalize on European opportunities

# Key partnerships with leading aviation suppliers

*Increases win rate and expands product portfolio*

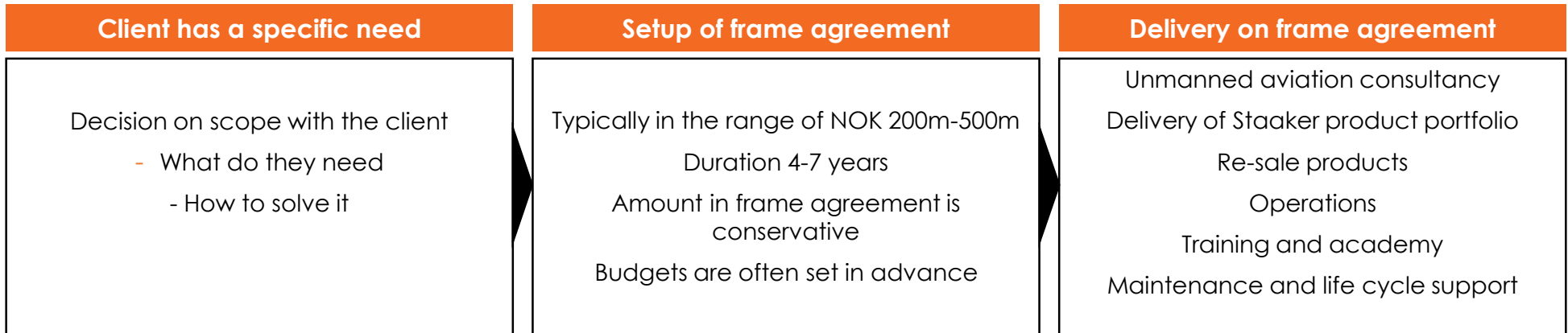
Suppliers	Description
	NU has been a European reseller for Lockheed Martin since 2016. Through the relationship, both geographical and European market support has increased during the period. Today NU offer full lifetime support, training and depot level maintenance of the Indago drone system. The relationship also involves a supply agreement to Lockheed Martin.
	NU has been a Norwegian reseller of Textron systems and services since 2018, through a teaming agreement for the Aerosonde and Shadow drone systems, and the CUSV drone boat. The Aerosonde and Shadow is currently in use by U.S army, the CUSV is currently in use by the U.S navy.
	Manufacturer of the CAMCOPTER® S-100, and partner in providing services in the EMSA's maritime pollution prevention. The CAMCOPTER® S-100 is a world leading, proven capability for military and civilian applications. The mini helicopter needs no prepared area or supporting launch or recovery equipment. It operates day and night, under adverse weather conditions, with a range out to 200 km, both on land and at sea.
	World leading provider of drone sniffing technology to be used in the maritime domain. Partner in providing services for the European Maritime Safety Agency's fight against SOx and NOx violators.
	World leading provider of long-range point-to-multipoint high security broadband data links. Specially adapted to drone requirements, and part of our Norwegian value chain.

# Key Investment Highlights

- I Commercial drone megatrend replacing legacy solutions
- II Perfectly positioned to target high-value segments
- III Long-term frame agreements results in low risk recurring revenues**
- IV Large backlog and strong potential in pipeline
- V Competent management, board, and organization

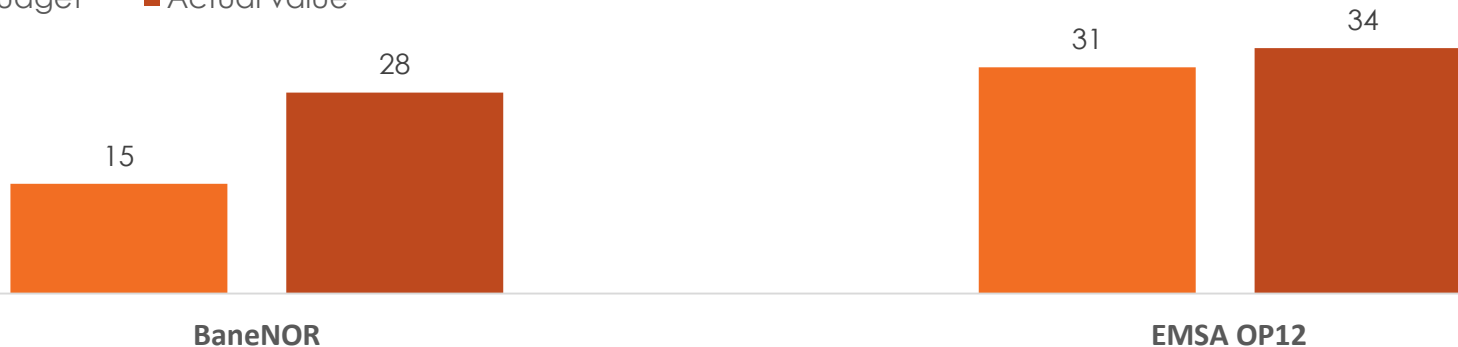
# Long-term frame agreement with recurring revenues

*Framework agreements with the possibility of additional upside in revenue streams*



## Example framework contracts (NOKm)


























■ Original Budget ■ Actual value



Generally, actual usage is in line with or above original frame agreement, implying low risk and potential upside in identified revenue streams

# Current clients

Strong customer base with some of Europe's most demanding clients.

	General contract length	
Green Solutions	3-6 years	 EMSA European Maritime Safety Agency   Port of Antwerp  MINISTÈRE DE LA MER Liberté Égalité Fraternité  EUROPEAN FISHERIES CONTROL AGENCY  ROMANIAN BORDER POLICE REGULATIE SI ORDINATIE SI SCURT SI LONGI-TERMINA EUROPE
Defence & Security	up to 7 years	 FFI Forsvarets forskningsinstitutt  [dstl]  Ministry of Defence  Bundesministerium des Innern, für Bau und Heimat  BUNDESPOLIZEI  Rijksoverheid  FORSVARET Forsvarets logistikkorganisasjon  LOCKHEED MARTIN
Logistics & Robotization	2 years with expected increase	 QINETIQ  BANE NOR  equinor  AF GRUPPEN
Digitalization	Up to 3 years	 NOKIA  Lyse  KRUSE SMITH  esa European Space Agency  Statnett  Kartverket  Statens vegvesen

# Product portfolio

«Staaker» is a Nordic Unmanned product line IP

Owned by Nordic Unmanned



**Staaker BG100**

- A small action drone with beacon tracking capabilities, developed in Norway
- NU is working to repurpose the Staaker BG100 to combine its award-winning design, streamlined user experience with the robustness and versatility of the BG-series
- The result is a drone perfect for the defence, security, and law enforcement sector



**Staaker BG200**

- In Nordic climates, adaptability, versatility, and robustness are key. The Staaker BG200 is designed and built for unmatched strength and toughness, with an eight-motor configuration that can survive multiple rotor failures
- The system's weather resistance means a rain shower, snow, sand, et. doesn't bring it to the ground. Due to its 25 kg maximum take-off-weight, the Staaker BG200 can carry practically any payload the mission requires
- Staaker BG200 drones typically find use in mapping, photogrammetry and LiDAR scanning



**Staaker BG300**

- The Staaker BG300 offers the greatest lifting capacity and longest range of the Staaker line yet
- The Staaker BG300 gives the user the opportunity to lift more, with a greater range, which makes it optimal for 3D radar scanning, railway, military and clearance services
- The Staaker design is made for Nordic Climates, and the Staaker BG300 is no different. Even though it is heavier, it remains stable even in rough conditions



**Lockheed Martin  
Indago 3**

- The Indago system weighs less than 10 lbs., fits within a small backpack, and deploys in approximately 2 minutes. With industry-leading endurance and high-resolution payload options, and low acoustic signature, Indago provides tactical situational awareness and intelligence collection capabilities for military and government customers around the globe
- Nordic Unmanned is a European reseller of the Lockheed Martin Indago, in addition to operating for own operations.



**Schiebel  
CAMCOPTER®  
S-100**

- The CAMCOPTER® S-100 is a world leading, proven capability for military and civilian applications. The mini helicopter needs no prepared area or supporting launch or recovery equipment. It operates day and night, under adverse weather conditions, with a range out to 200 km, both on land and at sea.
- Nordic Unmanned operates the Camcopter S-100

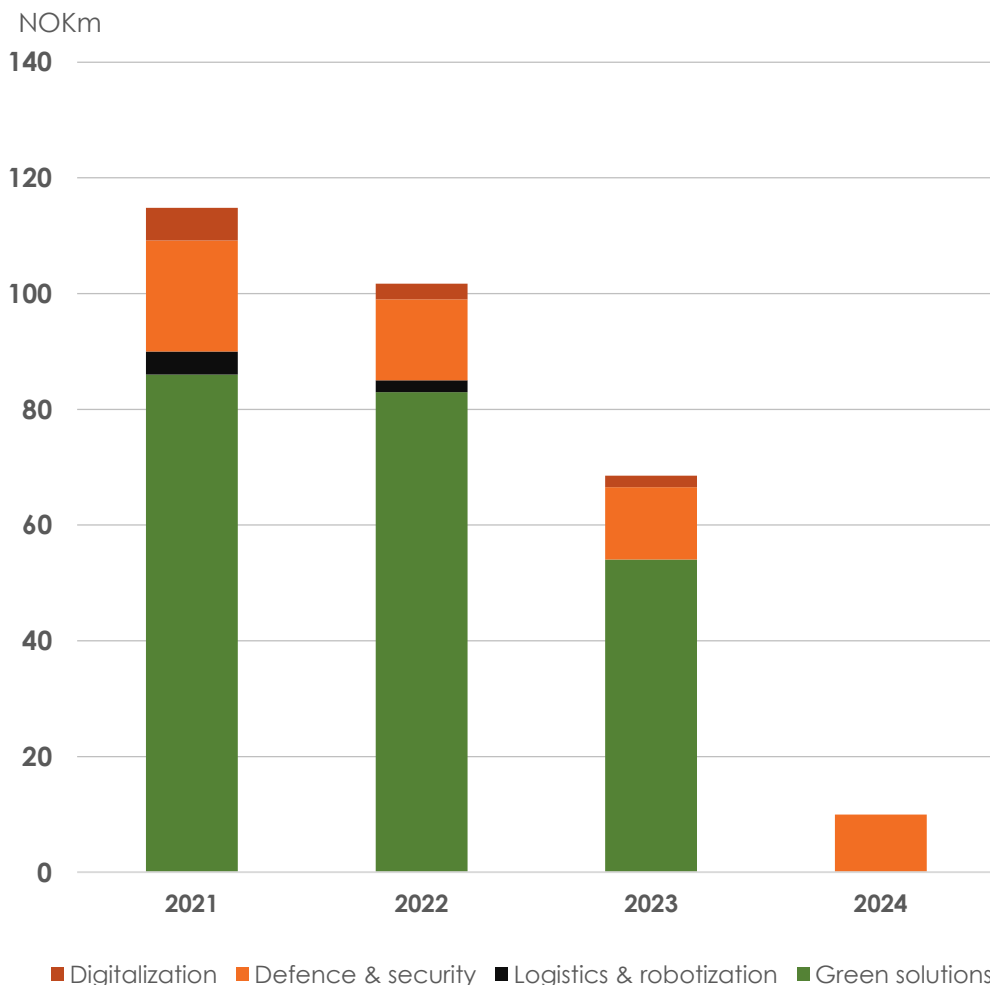
# Key Investment Highlights

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# Contract backlog of NOK 295m

*Solid order backlog with reputable clients for the next three years*

Order backlog per business area, per year

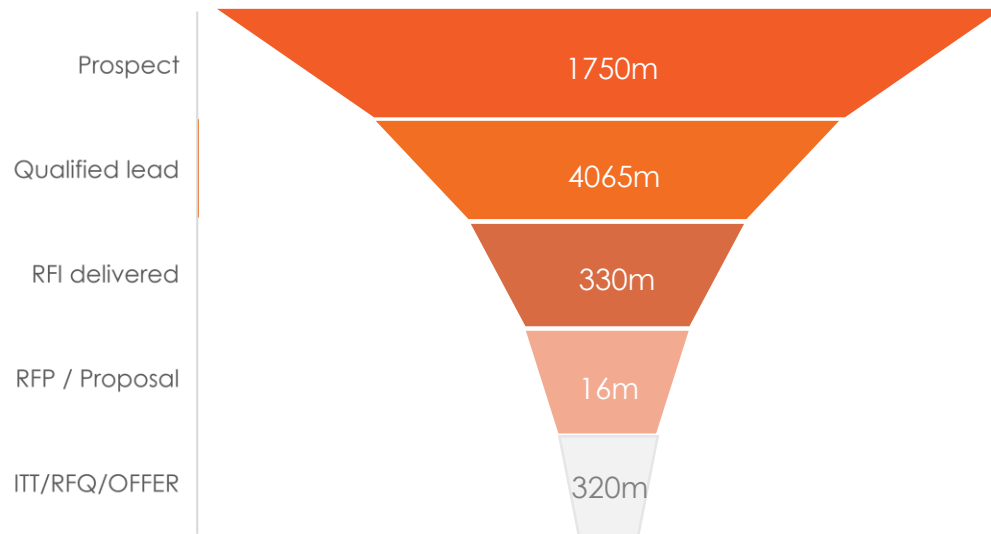


- Most of the backlog is related to contracts with EMSA for the next three years, a repeat client of NU
- EMSA is out with a new tender for a contract worth approx. NOK 300m with startup in 2021. Nordic Unmanned estimate they are one of the front runners for this contract
- The contract awards in the logistics & robotization segment and digitalization are typically with a shorter duration as the clients are less mature
- The company has won contracts in competition with a significant number of competing companies, which underpins the position as one of the leading drone system integrators in Europe
- The clients are either governmental, public sector, or investment grade companies

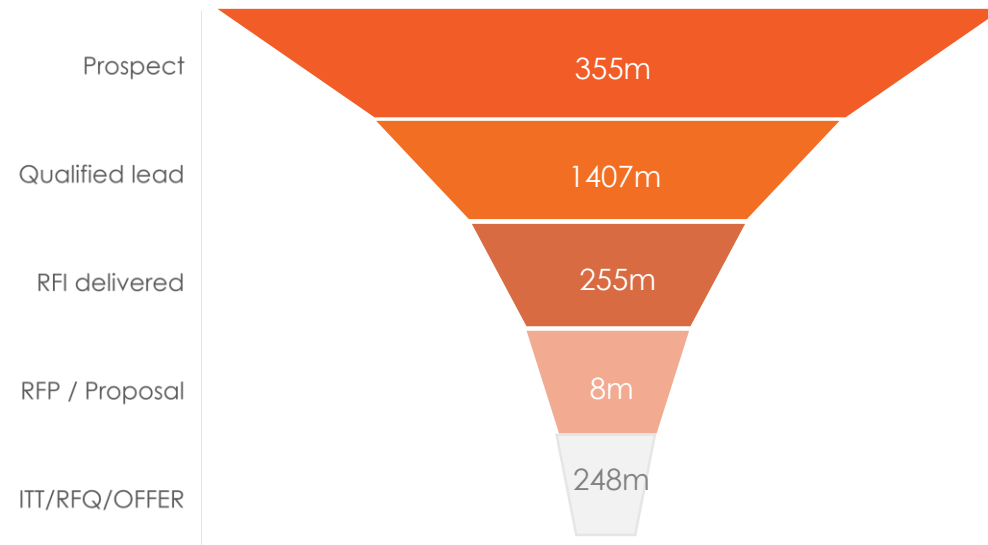
# Pipeline and expected awards

Identified NOK 6.5bn in potential awards over the next four years

Total sales pipeline of 6.5 billion NOK



Total adjusted\* sales pipeline of 2.3 billion NOK



\*adjusted with probability of contract award

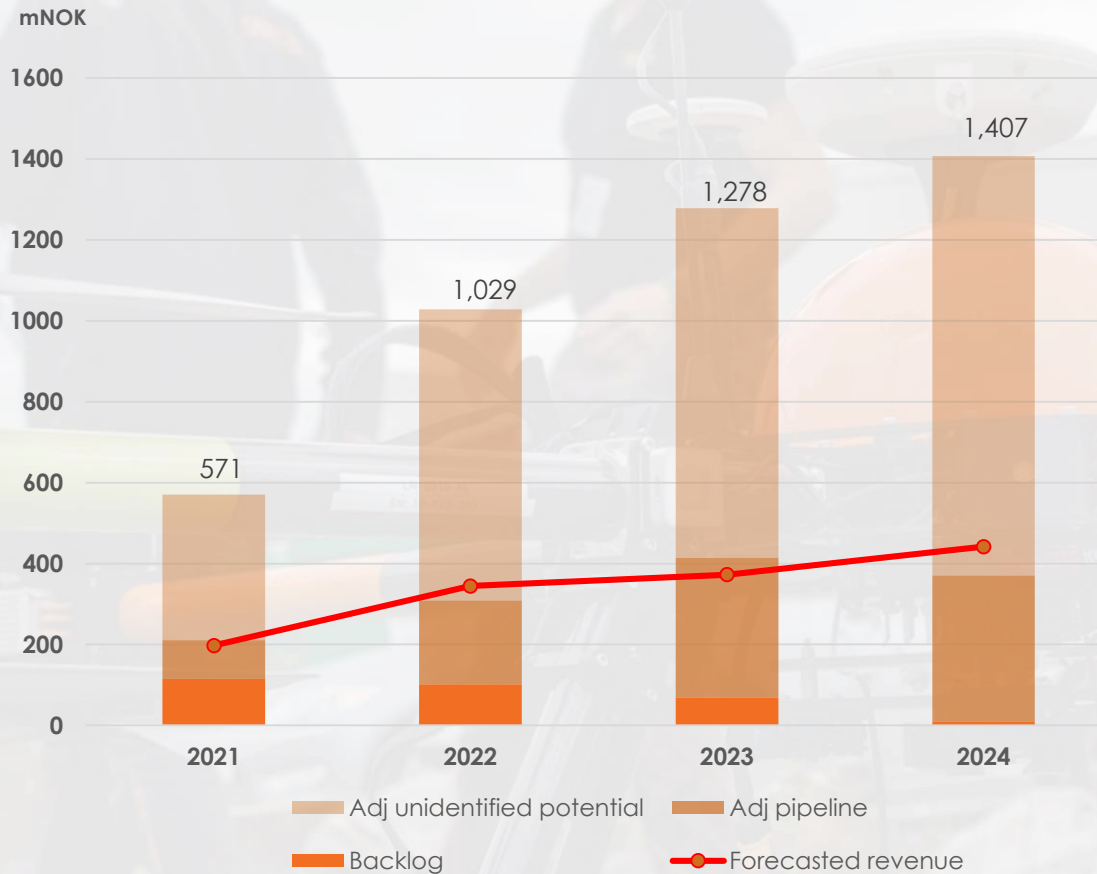
In addition to the pipeline and expected awards, the company performs operations today that they did not foresee last year due to the rapid industry growth, and as applications for drones increase, the company expects unforeseen awards to increase in the coming years. Therefore an **unidentified potential of NOK 12.8bn** is estimated over the next four years.

Historical win rate for Nordic Unmanned is 30%

# Backlog and Pipeline by year

Potential revenue of 1,4 billion NOK by 2024

## Backlog & Adjusted pipeline potential per year



- Most of the revenue in the business case is covered by the backlog and pipeline for the next years
- Due to the rapid industry growth, awards with longer duration and full utilization of frame agreements are expected to increase in the coming years
- Clear demand from all segments in the coming years, with the largest and easiest identifiable being Defence and Security
- With expected large contract awards in the foreseeable future, the company will utilize the proceeds by investing in equipment for further growth

# Key Investment Highlights

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- V Competent management, board, and organization**

# Management team

*Diverse and competent team with extensive experience, ready for the next growth phase*



## **Knut Roar Wiig, CEO**

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



## **Lars Landsnes, COO**

Lars joined Nordic Unmanned as COO and Accountable Manager from Wideroe Airline, where he was VP Continuous Improvement. During the last 25 years, Lars has held various senior leadership positions in the manned aviation and aerospace industry. Experience from startups to large organizations in building new businesses, business lines and change management, supporting civil and military customers.



## **Bruno Boucher, SVP Airworthiness & Certifications**

Bruno has 12 years global experience from Lufthansa consulting having delivered many airline and civil aviation projects. His main responsibility is securing and maintaining permits to fly by working with Civil Aviation and other relevant authorities across Europe. He brings vast experience in executing large complex projects involving technical, commercial, and operational dimensions.



## **Heidi Gåskjenn, VP Operations**

Heidi has 7 years of experience as a helicopter pilot and has also worked as data analyst and desk controller. Heidi is a pilot on the Camcopter S-100, the heaviest drone in the Nordic Unmanned fleet. She combines her extensive experience in manned aviation with an expertise in unmanned systems to excel in her role as VP Operations and pilot at Nordic Unmanned.



## **Dr. José Luis Gil Yepes, VP Digitalization**

José has a master's degree in geodesy and cartography, and a PhD on geomatics and machine learning with focus on airborne data collection. With his experience from the academic and GIS sector, he specializes in LiDAR and remote sensing data processing and acquisition systems.



## **Pål Kristensen, VP Logistics and Robotization**

Pål is one of Nordic Unmanned's co-founder, and one of its largest shareholders. He has been working in operational offshore logistics and emergency preparedness for more than 15 years. He is eager to reduce risk, drive efficiency and optimization by implementing unmanned systems.



## **Alexander Hatlestad, VP Green Solutions**

Alexander has a technical background as a system mechanic on the the Royal Norwegian Airforce's F-16 and Bell 412, he has also worked 11 years as a global field specialist for Schlumberger. Alexander has been working in the Norwegian drone industry for the last 6 years in various roles from operations to business development.

# BoD and Shareholders

## Board of Directors and shareholder overview

### Shareholding overview

Shareholder overview	Owner	Shares	%
Skaulen AS	Knut Roar Wiig	2 398 742	20.29%
Helgø Investering AS	Roald Helgø	1 561 770	13.21%
Jelsa Investering AS	Jan Henrik Jelsa	1 561 770	13.21%
Petroleum Logistic Consulting AS	Pål Gimre Kristensen	881 677	7.46%
Orkan Konsult AS	Kjell-Erik Østdahl	778 473	6.58%
Vaima AS	Grethe Skundberg	716 431	6.06%
Camaca AS	Hermann Refsum Flinder	656 650	5.55%
Solan Capital AS	Gunnar Hvammen	656 650	5.55%
Subsea to Air AS	Svein-Magne Kleven	543 773	4.60%
Ålgård Holding AS	Erik Ålgård	424 105	3.59%
Other	35 shareholders	1 645 085	13.96%
<b>Total</b>		<b>11 825 126</b>	<b>100,00%</b>

### Board of Directors

Role	Name
Chairman	Nils Johan Holte (b. 1957)
Board member	Liv Annike Kverneland (b. 1978)
Board member	Jan Henrik Jelsa (b. 1965)
Board member	Roald Helgø (b. 1965)
Board member	Erik Ålgård (b. 1980)
Board member	Eirik Berge (b. 1974)
Dep. Board member	Kristin Alne (b.1982)



**Chairman**      **Nils Johan Holte (b.1957)**

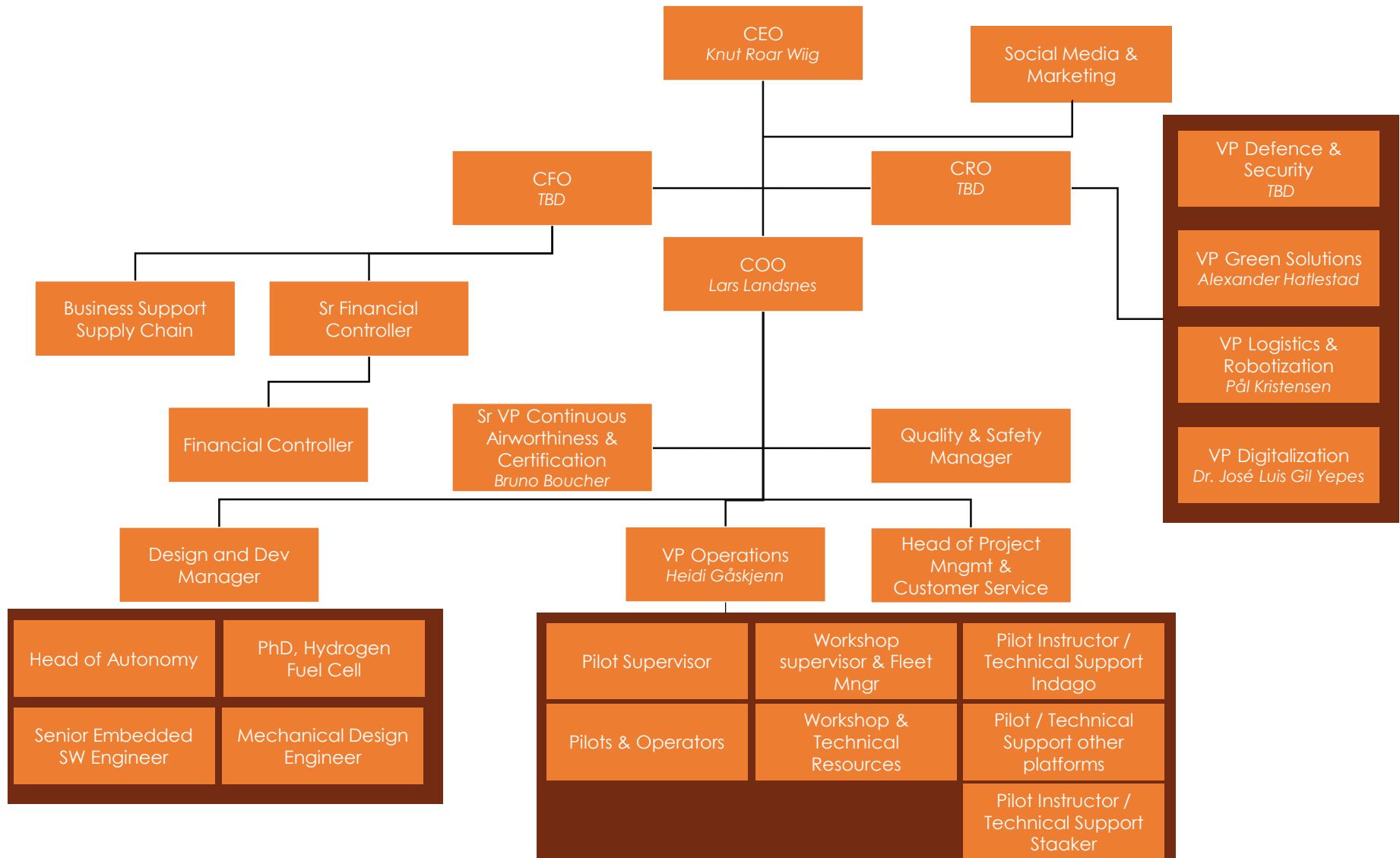
40+ years of military service in Norway and abroad including some 20 different leadership positions and 8 years of military and academic education. He retired as Rear Admiral in 2018 from the positions as Chief of Norwegian Special Operations Command.

- The Company has established an employee stock subscription scheme vesting from 2019 until 2021, covering a maximum of 230,000 options, exercisable at NOK 5 per share. 46,000 options vested on 1 October 2020
- The Company has issued 1,492,185 subscription rights to certain of its shareholders in connection with a previous share issue. The subscription rights are exercisable until October 2023 at a subscription price per share of NOK 1

Management, board, and employees with skin in the game (63% ownership)

# Organizational structure – by function

*Strong organization with diverse exceptional technical and operational expertise*

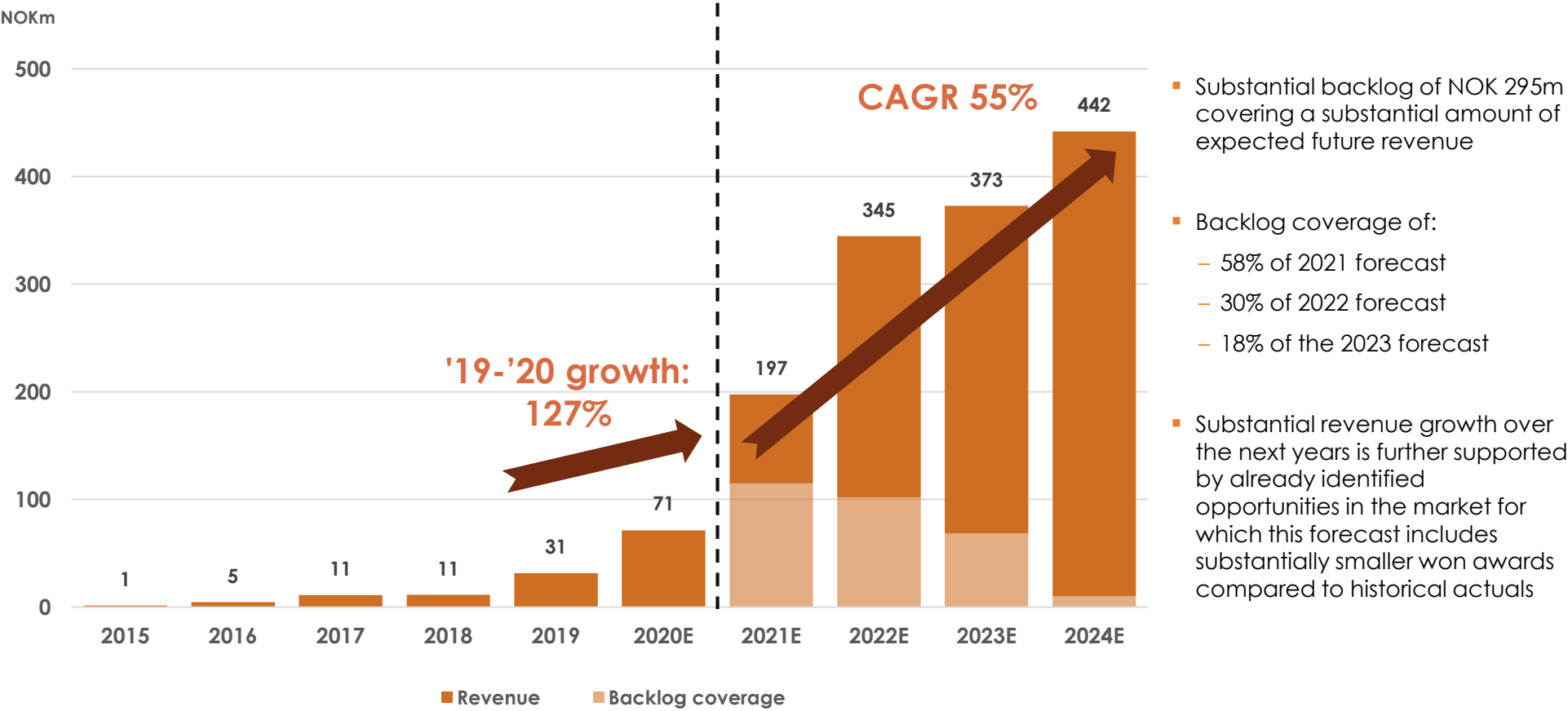




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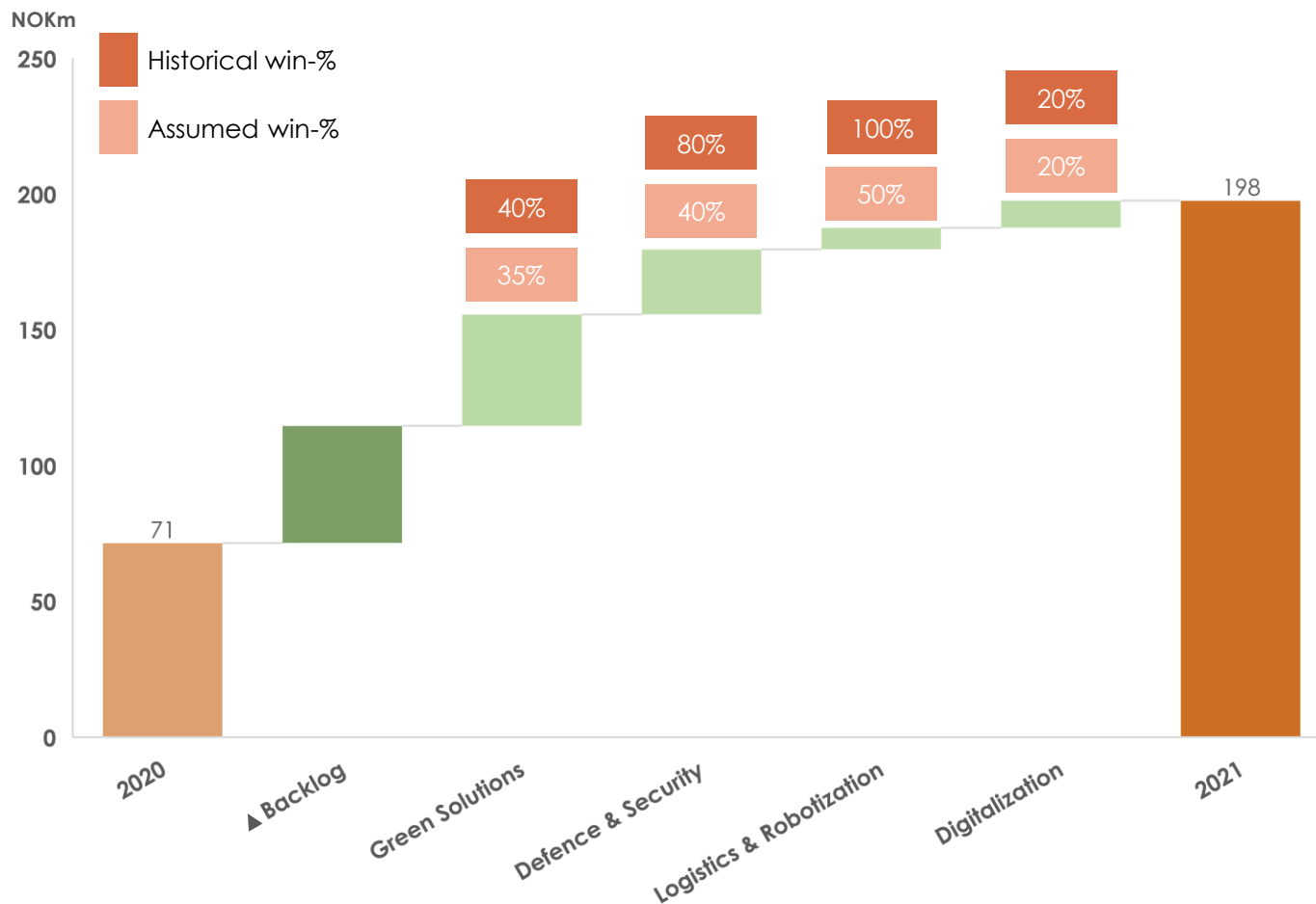
# Revenue history and forecast estimates

*Solid expected growth rate – supported by backlog, expected awards, and market growth*



# Revenue Bridge 2020 to 2021

58% of 2021 revenue covered – and in pole position in awards to reach 2021 revenue target

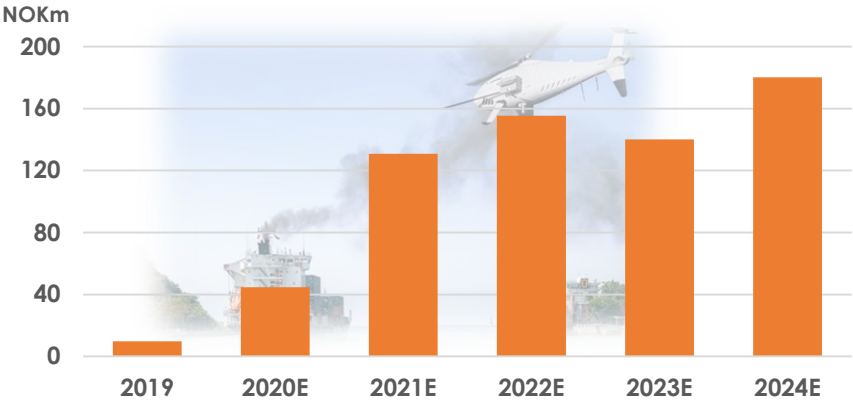


- Revenue bridge is 58% covered by current backlog
- Green Solutions is expected to increase further as new awards is expected to be announced in the coming months
- Tangible opportunities expected to be awarded within Defense & Security
- Logistics & Robotization expected growth is based on the solid foundation already built by supporting a leading Norwegian energy provider
- Digitalization continuous to build its presence in the European market, with further expansion of contracts with current customers

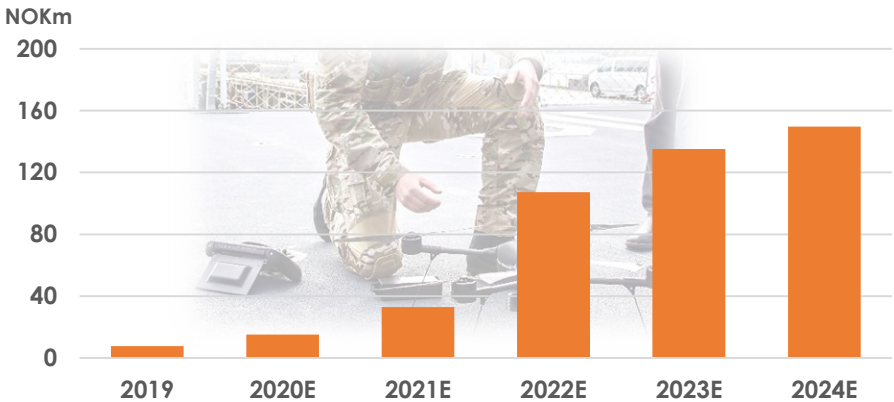
# Estimated revenue distribution per business area

EMSA will dominate the revenue stream in 2020 and 2021

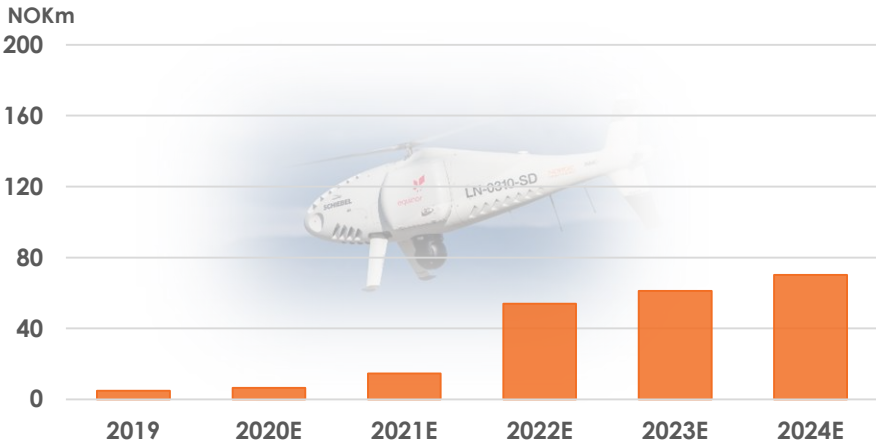
## Green Solutions



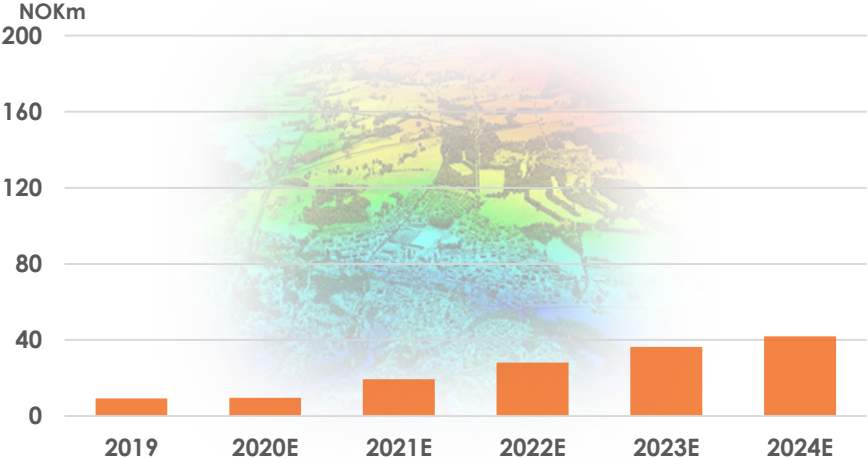
## Defence & Security



## Logistics & Robotization

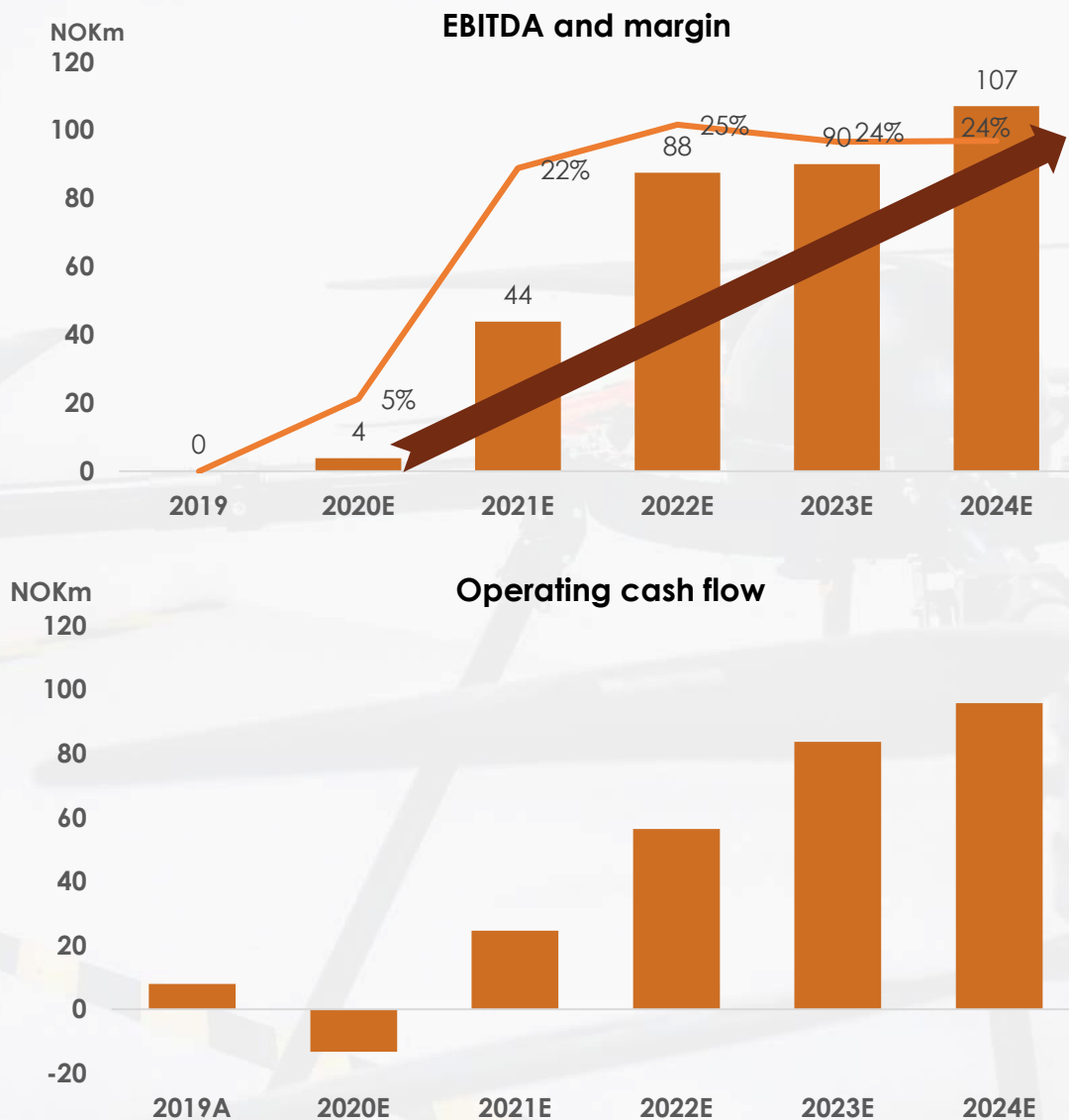


## Digitalization



# Estimated EBITDA and Cash development

*Solid margins and strong cash generating capabilities*



- The company forecasts a positive EBITDA in 2020
- The gross profit margin was 52% in 2019 and is expected to be the same level in 2020. The gross profit margin is expected to increase to more than 70% in 2021 mostly due to re-negotiated terms in the EMSA contracts
- NU is reaching is growing in personnel and customer base, and is expecting to reap more and more scale benefits over the duration of the forecast which will improve the EBITDA margin
- Operating cash flow is estimated to increase over time in line with EBITDA and margin expansion. It is estimated that operating cash flow post financing will be sufficient to fund the company

# Financials Q3 2020

Positive EBITDA contribution in Q3 –expected to generate positive EBITDA for 2020

Currency: mNOK	Q3 2020	Q3 2019
Revenue Green Solutions	15.2	0.9
Revenue Defense & Security	2.4	3.8
Revenue Logistics & Robotization	3.8	0.8
Revenue Digitalization	1.7	1.7
<b>TOTAL REVENUE</b>	<b>23.1</b>	<b>7.2</b>
COGS	10.9	2
Salaries & Other SG&A	8.9	6.4
<b>EBITDA</b>	<b>3.3</b>	<b>-1.2</b>
Depreciation & Amortization	0.8	0.6
<b>EBIT</b>	<b>2.5</b>	<b>-1.8</b>
Finance cost	0.4	0.2
<b>Profit before tax</b>	<b>2.1</b>	<b>-2.0</b>
Tax (22%)	0.0	-
<b>Net Income</b>	<b>2.1</b>	<b>-2.0</b>

- Record quarter in terms of revenue, reflecting the current high market growth
- Existing contracts are proof of profitable margins and accurate pricing strategy. Margin expansion is expected with increased scale and efficiency
- No taxes due to tax deficit carried forward
- A record of 318 flight hours in Q3 2020
- Number of operations conducted
  - World's first drone cargo delivery with Equinor, opening the opportunities for the Logistics & Robotization sector
  - Surveillance of Port of Antwerp, one of the largest ports in the world, showing a new way of port surveillance
  - Romanian Border Police using drone services
  - Assisting Danish Maritime Authorities in pollution monitoring
  - Pollution monitoring in the Strait of Calais (the busiest shipping lane in the world) for the French Environmental Authorities

# Balance Sheet

Currency: mNOK	2018A	2019A	2020 YTD	2020E
Patents, licenses	3	7	9	9
Deferred Tax	3	7	7	7
<b>TOTAL INTANGIBLE ASSETS</b>	<b>6</b>	<b>14</b>	<b>16</b>	<b>16</b>
Machines/Equipment	3	8	9	57
Investments in shares	1	12	13	12
<b>TOTAL FIXED ASSETS</b>	<b>4</b>	<b>20</b>	<b>21</b>	<b>69</b>
Inventories	1	2	5	3
Accounts receivables	1	2	6	9
Other short term receivables	3	7	20	7
Cash/Bank deposits etc	0	1	1	75
<b>TOTAL CURRENT ASSETS (TOTAL)</b>	<b>5</b>	<b>11</b>	<b>31</b>	<b>94</b>
<b>TOTAL ASSETS</b>	<b>15</b>	<b>45</b>	<b>68</b>	<b>179</b>
Share capital	28	41	48	141
Retained Earnings	-26	-26	-29	-26
<b>SHAREHOLDERS EQUITY</b>	<b>3</b>	<b>14</b>	<b>19</b>	<b>115</b>
Long term loans	3	7	19	48
Financial Lease	0	0	0	0
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>3</b>	<b>7</b>	<b>19</b>	<b>48</b>
Other short term debt	7	15	20	7
Accounts payable	2	7	11	9
Public duties payable	0	1	1	1
<b>TOTAL CURRENT LIABILITIES</b>	<b>9</b>	<b>23</b>	<b>31</b>	<b>17</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>15</b>	<b>45</b>	<b>68</b>	<b>179</b>

- New capital – increase in long-term loans and equity will fund a large acquisition of new assets to support the growth in Green Solutions and Logistics & Robotization. This to fuel the growth in 2021 and 2022.
- The accumulate deferred tax balance will be utilized during the forecasting period
- The numbers presented for 2020 YTD are unaudited, but audited financials are in process, there is no significant deviation expected from what is presented

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# Income statement

Currency: NOKm	2018A	2019A	2020 YTD	2020E
<b>TOTAL REVENUE</b>	<b>11</b>	<b>32</b>	<b>41</b>	<b>71</b>
COGS		15	18	34
Salaries & Other SG&A		16	23	34
<b>EBITDA</b>	<b>-4</b>	<b>-</b>	<b>-</b>	<b>0</b>
Depreciation & Amortization	2	2	2	3
<b>EBIT</b>	<b>-6</b>	<b>-2</b>	<b>-3</b>	<b>1</b>
Finance cost	1	1	1	1
<b>Profit before tax</b>	<b>-7</b>	<b>-3</b>	<b>-3</b>	<b>0</b>
Tax (22%)	3	4	-	-
<b>Net Income</b>	<b>-3</b>	<b>1</b>	<b>-3</b>	<b>0</b>

# Overview of NU revenue streams

*A complete set of solutions that is needed by "immature" clients*

<b>Unmanned aviation consultancy</b>	<b>Delivery of Staaker product portfolio</b>	<b>Delivery of re-sale products</b>
Supporting customers and partners with know-how and capacity to build the framework to operate drones through a senior consultancy on an hourly basis, based on in-house experience.	Proprietary drones and accessories, with third party sensors at a fixed price, including customized modification, with a price based on an hourly basis.	NU is a reseller of drones, payloads/sensors and software, with a mark-up on acquisition cost.
<b>Operations</b>	<b>Training and academy</b>	<b>Maintenance and life cycle support</b>
NU supports customers with operations utilizing Staaker and key partner drones Operation contracts are based on a fixed daily rate for pilots, technicians and equipment. Payment per flight hour for covering variable flight hourly costs, based on data quality level. Data processing is based on a fixed or flight hourly price.	Nordic Unmanned offers training in both piloting and maintenance for systems. Fixed price per course when supplying systems, stand-alone and added service to existing customers. High value type rating certifying course.	NU supports customers with Staaker and re-sale products with maintenance and life cycle support, supplying scheduled and unscheduled maintenance activities  Fixed and reimbursable fee based on cost on man hours and materials, in addition to maintenance through service agreements

Wide product and service offering

# Largest items in current pipeline

Identified NOK 6.5bn in potential awards in the next four years

Client	Business area	Size	Win% (assumed)	Start	End
Public security agency	Defence & Security	NOK 500m	5%	2024	2031
Public environmental agency	Green Solutions	NOK 500m	25%	2024	2028
Energy company	Logistics & Robotization	NOK 443m	20%	2022	2028
A Ministry of Defence (MOD) in Europe	Defence & Security	NOK 400m	10%	2022	2032
MOD in Europe	Defence & Security	NOK 400m	50%	2022	2025
MOD in Europe	Defence & Security	NOK 352m	5%	2022	2025
MOD in Europe	Defence & Security	NOK 300m	75%	2022	2029
MOD in Europe	Defence & Security	NOK 300m	10%	2023	2030

Historical win rate for Nordic Unmanned is 30%

# Research and Development

*A selection of current R&D projects within the company enhancing customer value proposition*

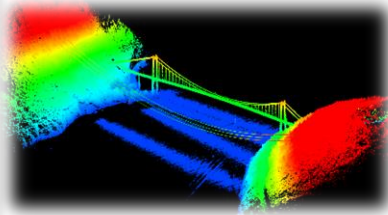
1

Hydrogen fuel cell development for our Staaker BG200 (Ph.d. project)



2

Development of collection methods and applications utilizing laser data for building digital terrain models



3

Staaker BG300 "Railrobot"



4

OEM for drone accessories and sensor



5

Developing the utility all-weather Staaker BG200.



6

Autonomy and Staaker autopilot development



7

Staaker BG100 for swarm system



# Strategic direction Nordic Unmanned 2022

*Six criteria that forms the strategic direction of the company*

***Solution and service provider of smart, accessible, certified Unmanned Solutions both as original equipment manufacturer (OEM), solution integrator and operator.***

**1**

***Increased priority in standardized delivery***

*Operational model should reflect increased competitiveness and mobilization capability, utilizing 3<sup>rd</sup> party vendors, both integrators and flight operators.*

**2**

***Increased focus in major markets***

*Operational model should support a stronger footprint in the major markets, where the majority of the growth and projects will be realized*

**3**

***Differentiate through expertise throughout the value chain***

*Operational model should clearly visualize the differentiation, by demonstrating leading expertise in the drone value chain.*

**4**

***Expertise, more important than geography***

*Critical skills for realizing footprint should not be spread thinly geographically. To create strong skills and expertise in the early stage is more important than geographical footprint.*

**5**

***Specialization increases predictability and efficiency***

*In order to increase predictability and operational efficiency specialization and standardization in operations and solution delivery processes is required.*

**6**

***Lower solution complexity***

*Lower solution complexity, higher usability and greater integration between applications, is necessary to realize economics scale and lower cost structure.*

# Media (1/2)

Date	Description	Media link
09.11.2020	Gjennombrudd for droneselskap – planlegger voldsom vekst	<a href="https://www.aftenbladet.no/lokalt/i/OQQdjl/gjennombrudd-for-drone-selskap-planlegger-voldsom-vekst">https://www.aftenbladet.no/lokalt/i/OQQdjl/gjennombrudd-for-drone-selskap-planlegger-voldsom-vekst</a>
06.11.2020	Forsvaret kjøper droner for 40 millioner	<a href="https://finansavisen.no/nyheter/teknologi/2020/11/06/7585536/stor-forsvarskontrakt-til-nordic-unmanned-knut-roar-wiig-spar-overskudd-i-2020">https://finansavisen.no/nyheter/teknologi/2020/11/06/7585536/stor-forsvarskontrakt-til-nordic-unmanned-knut-roar-wiig-spar-overskudd-i-2020</a>
30.10.2020	Pollution Monitoring in the Port of Antwerp	<a href="https://www.suasnews.com/2020/10/nordic-unmanned-and-european-maritime-safety-agency-start-pollution-monitoring-in-the-port-of-antwerp-belgium/">https://www.suasnews.com/2020/10/nordic-unmanned-and-european-maritime-safety-agency-start-pollution-monitoring-in-the-port-of-antwerp-belgium/</a>
27.08.2020	Det som Equinor og Nordic Unmanned gjør er det ingen som har gjort tidligere.	<a href="https://e24.no/teknologi/i/pLJXpE/her-setter-det-ubemannede-mini-helikopteret-kurs-mot-nordsjoeen">https://e24.no/teknologi/i/pLJXpE/her-setter-det-ubemannede-mini-helikopteret-kurs-mot-nordsjoeen</a>
10.08.2020	Won paid R&D contract with British Army to demonstrate unmanned aerial systems sensors, and data exploitation, and a semi-autonomous capability for engineer reconnaissance	<a href="https://www.gov.uk/government/news/12m-innovation-contracts-awarded-to-help-army-engineers-survey-water-crossings">https://www.gov.uk/government/news/12m-innovation-contracts-awarded-to-help-army-engineers-survey-water-crossings</a>
27.07.2020	Nordic Unmanned - ansetter flere folk i Corona-tider *	<a href="https://www.aftenbladet.no/okonomi/i/RRJGgW/sandnes-basert-drone-selskap-oppbemannar-i-krisetid/">https://www.aftenbladet.no/okonomi/i/RRJGgW/sandnes-basert-drone-selskap-oppbemannar-i-krisetid/</a>
13.07.2020	Droneselskapet Nordic Unmanned tredobler omsetningen. De stopper ikke før de oppnår en vekst på 2.000 prosent fra 2018 til 2022.	<a href="https://finansavisen.no/nyheter/teknologi/2020/07/13/7546945/norsk-drone-selskap-tredobler-omsetningen">https://finansavisen.no/nyheter/teknologi/2020/07/13/7546945/norsk-drone-selskap-tredobler-omsetningen</a>
08.07.2020	Nordic Unmanned AS ble i sommer tildelt Tekna sin utdanningspris for 2020 ved Universitetet i Stavanger (UiS).	<a href="https://www.fsi.no/artikler/2020/nordic-unmanned-tildelt-utdanningspris/">https://www.fsi.no/artikler/2020/nordic-unmanned-tildelt-utdanningspris/</a>
03.03.2020	Schiebel and Nordic Unmanned complete UAS sniffer capability trial	<a href="https://www.ship-technology.com/news/schiebel-nordic-unmanned-uas-sniffer-capability/">https://www.ship-technology.com/news/schiebel-nordic-unmanned-uas-sniffer-capability/</a>
19.02.2020	Autonomous Landing of ACE Powered Drone on Moving Vessel	<a href="https://www.ship-technology.com/news/autonomous-landing-of-ace-powered-drone-on-moving-vessel/">Autonomous Landing of ACE Powered Drone on Moving Vessel</a>

# Media (2/2)

Date	Description	Media link
05.02.2020	RPAS surveillance flights being used to enhance fisheries control (EMSA press release)	<a href="http://www.emsa.europa.eu/news-a-press-centre/press-releases/item/3795-rpas-surveillance-flights-being-used-to-enhance-fisheries-control.html">http://www.emsa.europa.eu/news-a-press-centre/press-releases/item/3795-rpas-surveillance-flights-being-used-to-enhance-fisheries-control.html</a> <a href="https://www.efca.europa.eu/en/content/pressroom/rpas-surveillance-flights-being-used-enhance-fisheries-control?fbclid=IwAR1pf-vkZA2jG2M9UC7hqaqdKqLVFLpO2rUMllqwEh-riXCk9DLMxYQFTjs">https://www.efca.europa.eu/en/content/pressroom/rpas-surveillance-flights-being-used-enhance-fisheries-control?fbclid=IwAR1pf-vkZA2jG2M9UC7hqaqdKqLVFLpO2rUMllqwEh-riXCk9DLMxYQFTjs</a>
31.01.2020	Droner til oppmåling: Kartverket i stort testprosjekt *	<a href="https://www.uasnorway.no/droner-til-oppmaling-kartverket-i-stort-testprosjekt/">https://www.uasnorway.no/droner-til-oppmaling-kartverket-i-stort-testprosjekt/</a>
09.01.2020	Dokumenterer brannåstedet ved hjelp av en mekanisk bil med kamera *	<a href="https://www.dagsavisen.no/roganytt/dokumenterer-brannastedet-ved-hjelp-av-en-mekanisk-bil-med-kamera-1.1644552#carousel-example-generic">https://www.dagsavisen.no/roganytt/dokumenterer-brannastedet-ved-hjelp-av-en-mekanisk-bil-med-kamera-1.1644552#carousel-example-generic</a>
30.12.2019	Knut Roar Wiig i Nordic Unmanned var stor i champagne. Nå vil han bli europamester i droner *	<a href="https://finansavisen.no/nyheter/teknologi/2019/12/30/7484129/knut-roar-wiig-i-nordic-unmanned-var-stor-i-champagne.-na-vil-han-bli-europamester-i-droner">https://finansavisen.no/nyheter/teknologi/2019/12/30/7484129/knut-roar-wiig-i-nordic-unmanned-var-stor-i-champagne.-na-vil-han-bli-europamester-i-droner</a>
25.10.2019	Nordic Unmanned kjøper Staaker: Skal styrke ny drone-satsing *	<a href="https://shifter.no/nordic-unmanned-as-the-staaker-company-as/nordic-unmanned-kjoper-staaker-skal-styrke-ny-drone-satsing/130099">https://shifter.no/nordic-unmanned-as-the-staaker-company-as/nordic-unmanned-kjoper-staaker-skal-styrke-ny-drone-satsing/130099</a>
01.07.2019	BBC Video – EMSA project	<a href="#">Can Tech Help Sustain Our Planet? - BBC Click</a>
12.04.2019	RPAS drones monitored ship emissions in Danish waters (EMSA press release)	<a href="http://www.emsa.europa.eu/news-a-press-centre/external-news/item/3513-rpas-drones-now-monitoring-ship-emissions-in-danish-waters.html">http://www.emsa.europa.eu/news-a-press-centre/external-news/item/3513-rpas-drones-now-monitoring-ship-emissions-in-danish-waters.html</a>
29.11.2018	Nordic Unmanned skal fly droneoppdrag for 135 millioner kroner *	<a href="https://www.dn.no/morgendagens-naringsliv/droner/grunder/statnett/nordic-unmanned-skal-fly-droneoppdrag-for-135-millioner-kroner/2-1-460853">https://www.dn.no/morgendagens-naringsliv/droner/grunder/statnett/nordic-unmanned-skal-fly-droneoppdrag-for-135-millioner-kroner/2-1-460853</a>
28.11.2018	EMSA contracts additional RPAS for maritime surveillance, emissions monitoring and pollution response	<a href="http://www.emsa.europa.eu/news-a-press-centre/external-news/item/3413-pr-rpas-contracts.html">http://www.emsa.europa.eu/news-a-press-centre/external-news/item/3413-pr-rpas-contracts.html</a>
29.06.2019	Drone utfører vedlikehold av jernbane	<a href="https://tv.nrk.no/serie/dagsrevyen/201806/NNFA19062918#t=12m57s">https://tv.nrk.no/serie/dagsrevyen/201806/NNFA19062918#t=12m57s</a>

# Risk Factors

## Risks related to the business of the Group

### **The Group depends highly on existing customers contracts**

The Group operates in the unmanned aerial vehicle ("UAV") and unmanned aerial systems ("UAS") industry and delivers tailor made remotely pilot aircraft system ("RPAS") systems. The Group offers highly specialized products and services to in a highly competitive market, with fluctuating demand for products and/or services, financial position of customers and acceptance and use of UAV and UAS technologies in general. The Group's business operations depend highly on continued business with its existing customer base. The demand for UAV and UAS technologies is affected by a number of factors, including awareness of technologies, availability of competing or substitute products and/or services, ease of adoption and use, features, experience, and reliability of the UAV and UAS. Any inability to retain and develop the Group's customer base may result in a material adverse effect on the Group's business, results of operations, financial position, cash flows and/or prospects.

### **The Group may not be able to respond to rapid technological changes in a highly competitive market**

The UAV and UAS technologies market is highly competitive and characterized by rapid technological changes and frequent new product and service introductions. The Group's future profitability depends heavily on its ability to enhance and improve its products and services. There can be no assurance that any attempts on enhancements or improvements to the Group's products or services will be compelling to customers or gain market acceptance in a timely and cost-effective manner. Any delays or competitors' introduction of competitive or substitute products, services and/or technologies could make the Group's products or services obsolete or adversely affect its business financial condition, results of operations, cash flows and/or prospects.

### **The Group is exposed to risk relating to non-performing strategic suppliers and reseller contracts and agreements, including delays due to OEMs**

The Group's ability to serve its customers in a timely manner depends on the ability of the Group's strategic suppliers and resellers to perform their obligations and deliver their products and/or services in a timely manner and in accordance with contractual requirements. The Group continuously relies to a substantial extent on supplier and reseller contracts and agreements. Any delay in delivery of parts and materials by original equipment manufacturers ("OEMs") will entail a hindrance in the Group's ability to fulfil its contractual obligations. In addition, changes in pricing, incentives or other terms or non-performance of strategic suppliers and resellers, could materially adversely affect the Group's ability to perform and subject the Group to additional liabilities. Any non-performance by OEMs, suppliers or resellers, could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

### **Risk relating to insurance coverage and insurance premiums**

The Group has liability insurance coverage for its products and business operations. However, the Group may not be able to secure additional product liability insurance coverage on acceptable terms or at reasonable costs when needed. A successful liability claim against the Group due to injuries or damages suffered by customers could materially and adversely affect the Group's financial conditions, results of operations, cash flow, reputation and/or prospects. Even if unsuccessful, such a claim could cause the Group adverse publicity, require substantial costs to defend, and divert the time and attention of the Group's management. [In addition, the Group does not have any business disruption insurance.] Any business disruption could result in substantial cost to the Group and diversion of the Group's resources. Furthermore, any jurisdiction relevant to the Group's business may impose requirements for maintaining certain minimum liability or other insurance relating to the operation of UAVs and/or UAS. Such insurance policies could be costly, which would reduce the demand for the Group's products and services. Alternatively, certain insurance products that would be desirable to UAV operators may not be commercially available, which would increase the risks of operating the Group's UAVs and also reduce the demand for them. Further, changes in market conditions may increase insurance premiums, which could adversely affect the Group's financial conditions, results of operations, cash flow and/or prospects.

### **The Group is exposed to risk related to cyber-threats**

As a technology group that delivers highly specialized UAV products and UAS, software and solutions, the Group and its customers are subject to cyber-attacks from cybercriminals. Rapid changes in attack vectors makes it difficult to stop attacks and adapt to new threats and the increased social hacking creates a cyber-threat risk for the Group. The Group must comply with severe contractual security obligations, including maintaining network and system security, providing security patching, antivirus and malware detection and prevention services and intrusion detection and prevention as well as ensuring the credentials of those employees who work with the Group's customers. Information technology security breaches could lead to shutdowns or disruptions of the Group's systems and potential unauthorized disclosure of confidential information or data, including personal data. The Group may be required to expend significant capital or other resources to protect against the threat of security breaches or to alleviate problems caused by such breaches. The theft or unauthorized use or publication of confidential information or other proprietary business information, or privacy-related obligations or third parties, or any compromise of security that results in an unauthorized release, transfer of use of personally identifiable information or other customer data as a result of an information technology security incident, could adversely affect the Group's competitive position and reputation, and reduce marketplace acceptance of the Group's products, services and solutions. If the Group is unable to protect its products and services from cyber-threats, this could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

# Risk Factors

## **Risk relating to corruption and bribery**

The Group may operate in or have customers, resellers and suppliers in jurisdictions which are perceived as jurisdictions with a higher risk of corruption and bribery compared to Norway and other average Western countries. The Group maintains a zero tolerance policy towards corruption and bribery by any of its employees, suppliers and resellers and has well implemented and embedded anti-corruption policies. However, corrupt practices of third parties or anyone working for the Group, or allegations of such practices, may have a material adverse effect on the reputation, performance, financial condition, cash flow, prospects and/or results of the Group.

## **Reputational risk of non-compliance**

The nature of the Group's UAV and UAS operations and national and international operations entails that the Group is exposed to the risk of allegations which, whether they are true or not, could damage the Group's trust, standing and reputation towards its shareholders, partners, new investors, suppliers, customers and/or other business relations. For example, negative publicity may ensue if the Group is accused of non-compliance with regulatory requirements, involvement in bribery, unsafe products etc. The Group's standing and reputation may also be negatively affected by the non-compliance of its suppliers, customers and resellers. Negative publicity or a bad reputation may also affect the Group's contacts with regulators, causing regulatory authorities to have a negative attitude towards the Group. If the Group's standing and reputation is harmed, then it could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

## **Risk relating to pandemics, including Covid-19**

The Group may be subject to risk relating to pandemics, including the global outbreak of the COVID-19 pandemic which has lead governments and authorities around the world to implement a number of temporary measures to deal with the ongoing pandemic, such as economic stimulus packages, travel restrictions, closing of certain businesses, employee safety policies and several other measures. Such policies and factors impacting various businesses' operations are introduced, modified or expanded on almost a day-to-day basis, and it is difficult for the Group to accurately estimate what future measures which may be implemented and potentially have a material effect on its operations. The can be no assurance that pandemics and/or the governmental and authorities countermeasures throughout EU/EEA to mitigate the consequences of pandemics, including changes in governmental, fiscal, monetary or political policies, may not have a material impact, directly or indirectly, the Group's operations, business, operating results, financial position, cash flows and/or prospects.

## **Risk related to the industry in which the Group operates**

An accident involving an UAV or relating to an UAS provided by the Group or another manufacturer could cause regulatory agencies around the world to tighten restrictions on the use of UAVs, particularly over populated areas, and could cause the public to lose confidence in the Group's products, UAVs and/or UAS' generally. There are risks associated with unmanned systems and services, flight control, communications and/or other advanced technologies, and there may be accidents associated with these technologies, including crashes with or without personal injury. The safety of certain cutting-edge technologies depends in part on user interaction, and users may not be accustomed to using such technologies. The Group could face unfavorable and tightened regulatory control and intervention on the use of UAVs or UAS and other advanced technologies and be subject to liability and government scrutiny to the extent accidents associated with the Group's systems occur. Should a high-profile accident occur resulting in substantial casualty or damages, either involving the Group's UAVs or UAS or products offered by other companies, public and political confidence in and regulatory attitudes toward UAVs and/or UAS' could deteriorate. Any of the foregoing could materially and adversely affect the Group's reputations, results of operations, financial condition, cash flow, and/or future prospects.

## **The Group may not be successful in competing in a competitive industry**

The Group operations in UAV and UAS industry with delivery tailor made RPAS is highly competitive. In addition to competing with other UAV companies, the Group competes with traditional industry players providing similar solutions. The Group's competitors may have significantly greater financial, technical, manufacturing, marketing and other resources than the Group and may be able to devote greater resources to the design, development, manufacturing, distribution, promotion, sale and support of their products. The Group expects competition in the industry to intensify in the future in light of increased demand for UAVs, continuing globalization and consolidation in the global UAV industry. Factors affecting competition include ability to innovate, development speed, product quality, reliability, safety and features, pricing and customer service. Increased competition may lead to lower UAV unit sales or UAS sales and increased inventory, which may result in downward price pressure and adversely affect the Group's business, financial condition, operating results, cash flow and/or prospects. The Group's ability to successfully compete in the industry will be fundamental to the Group's future success in existing and new markets and will affect the Group's market share. If the Group's competitors introduce UAVs or UAS that are superior in quality or performance and/or lower in price compared with the Group's offerings, the Group may lose existing customers or be unable to attract new customers at prices that would allow us to generate attractive rates of return on the Group's investments, if at all.

# Risk Factors

## Risks related to laws, regulations and compliance

### **Certification and licenses from civil aviation authorities and permits to fly**

The Group depends on certification and licenses from civil aviation authorities and permits to fly due to the strict requirements for companies in this UAV and UAS industry. Use of UAV's, or RPAS is in Norway regulated by the Aviation act of 11 June 1993 No 101 and Regulation for Civilian Aircraft A 7-1, regulation for unmanned aircrafts, etc. Applicable laws and regulations contain clear restrictions on how model aircraft flying should be carried out and sets out prohibitions upon breach of the regulations or limitations is punishable with fines or prison. Operators who are carrying out operations that fall under 'RO1' (remotely piloted aircraft system organization) will only need to notify the Norwegian Civil Aviation Authority before starting operations. RO2 and RO3 operators must obtain a license from the Norwegian Civil Aviation Authority before starting up an undertaking. Similar rules applied for other countries in which the Group operates. The Group has obtained relevant certifications and licenses and permits to fly which is relevant in order to continue its operations. However, any loss of the Group's certification and licenses from civil aviation authorities or revoked permits to fly by relevant civil aviation authorities, could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

### **The Group is exposed to risk relating to global or local grounding of UAV by OEM or CAA**

The Group's operations depends on its ability to sell its products and services. There is a risk that global or local authorities may be grounding all UAVs due to factors outside the Groups control, such as allegations of espionage and UAV-aided cyberattacks. Introduction of laws and regulations that would prevent clients from purchasing the Group's products and services could greatly impact the Group. Any global or local grounding of UAV, by OEMs or any Civil Aviation Authority, will result in discontinuation in the Group's operations which in turn will have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

### **Delay of implementation of new pan European EASA regulations for RPAS operations.**

To ensure the free circulation of drones and a level playing field within the EU, European Union Aviation Safety Agency (the "EASA") has developed common high safety standard European rules for RPAS operations that are based on an assessment of the risk of operation, and strike a balance between the obligations of drone manufacturers and operators in terms of safety, respect for privacy, the environment, protection against noise, and security. Operators will under the new regulations be able to operate their drones more efficiently when travelling across the EU or when developing a business involving drones around Europe. Common rules will also foster investment and innovation in this sector. Any delay of implementation of the new regulation in the in the EU/EEA may result in distortions of competition and less excess to the European markets, could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

### **The Group may be subject to laws and regulations in several jurisdictions, including governmental export and import controls**

The Group is subject to laws and regulations in multiple jurisdictions as it serves and may expand operations I multiple jurisdictions around the world. The Group's products and services may be subject to governmental export and import controls that could impair the Group's ability to compete in international and/or national markets due to specific licensing requirements. Export control laws include restrictions or prohibitions on the sale or supply of certain products and services to embargoed or sanctioned countries, governments, persons and entities, and also requires authorization for the export of products, including within the defense industry. In addition, various countries regulate the import of certain products and services, including through import permitting and licensing requirements and have enacted or could enact laws that could limit the Group's ability to distribute its products and services or could limit the Group's operations in those countries. Any change in export or import laws and regulations could result in decreased use or prospects for the Group's products and services or decreased ability to export or sell products or services to existing and/or potential customers with international operations. Any withdrawal of export or import licenses or other decreased use of the Group's products and services, may have material adverse effect on the Group's business, results of operations, financial condition, cash flow and/or prospects. Any failure to comply with applicable national and/or international laws and regulations could lead to costly litigations, penalties and other sanctions, and thus adversely affect the overall performance of the Group.

# Risk Factors

## **The Group is exposed to risk relating to data protection and data privacy regulations, licenses, etc.**

[The Group may receive, store and process personal information and other user data through its business and operations in multiple jurisdictions. This makes the Group exposed to data protection and data privacy laws and regulations it must comply with, which all imposes stringent data protection requirements and provides high possible penalties for noncompliance, in particular relating to storing, sharing, use, processing, disclosure and protection of personal information and other user data. The main regulations are the General Data Protection Regulation (EU) 2016/679 (the "GDPR"), the Norwegian Data Protection Act of 15 June 2018 No. 38 [and United States privacy acts] with regard to transfer of certain personal data from the European Union (the "EU") to the [United States]. Although the United Kingdom enacted the Data Protection Act in May 2018 that is designed to be consistent with GDPR, it remains an uncertainty regarding how data transfer to and from the United Kingdom will be regulated post withdrawal of the United Kingdom from the EU (BREXIT). It is possible that these laws are interpreted or applied in a manner that is adverse to the Group or otherwise inconsistent with the Group's practices, which could result in litigation, potential legal liability or oblige the Group to change its practices in a manner adverse to its business. As a result, the Group's reputation may be harmed, substantial costs may incur and consumers, customers and/or revenues may be lost.]

Furthermore, any failure to comply with data protection and data privacy policies, privacy-related obligations to customers or third parties, privacy-related legal obligations, or any compromise of security that results in an unauthorized release, transfer or use of personally identifiable information or other customer data, may result in governmental enforcement actions, litigation or public statements against the Group. Any such failure could cause customers and vendors to lose their trust in the Group. If third parties violate applicable laws or its policies, such violations may also put users of the Group's products at risk and could in turn have an adverse effect on the Group's business. Any significant change to applicable laws, regulations or industry practices regarding the collection, use, retention, security or disclosure of users' content, or regarding the manner in which the express or implied consent of users for the collection, use, retention or disclosure of such content is obtained, could increase the Group's costs and require the Group to modify its services and features, possibly in a material manner, which the Group may be unable to complete and may limit its ability to store and process user data or develop new services and features.

## **The Group is exposed to risks of claims and legal proceedings, including breach of contractual obligations, non-disclosure agreement and intellectual property disputes**

The Group may be party to various legal proceedings that arise in the ordinary course of its business, including disputes relating to contractual obligations and non-disclosure agreements. The value of contracts, non-disclosure and intellectual property rights are of high importance for the Group, as it operates in a highly competitive commercial environment where the strength of the contracts and intellectual property rights may be an important feature that distinguish the Group from its competitors. It is therefore important for the Group to ensure the value and commercial use of its contracts and intellectual property rights. There can be no assurance that third parties, such as suppliers or customers, have not or may not infringe contracts or intellectual property rights owned by the Group, who may have to challenge such parties' rights to continue to use or sell certain products or services and/or may seek damages from such parties'. Moreover, there can be no assurance that the Group may not infringe or be alleged to have infringed intellectual property rights owned by third parties who may challenge the Group's right to continue to use or sell certain products, services and/or may seek damages from the Group. Any claims and legal proceeding made by or against the Group could be time-consuming, result in costly litigation, cause product delays, divert its Management from their regular responsibilities or require the Group to enter into settlements. These types of claims and proceedings may expose the Group to monetary damages, direct or indirect costs, direct or indirect financial loss, civil and criminal penalties, loss of licenses or authorizations or loss of reputation, all of which could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

## **Risks related to intellectual property [RELEVANCE TBD]**

### **The Group relies on a variety of intellectual property rights, other proprietary information and trade secrets [TBD]**

The Group relies on a variety of intellectual property rights, other proprietary information and trade secrets, which are used in its operations and products. The Group companies may not be able to successfully preserve such intellectual property rights, proprietary information or trade secrets; and intellectual property rights could be invalidated, circumvented, or challenged. In addition, the laws of some foreign countries in which the services and products of the Group may be sold do not adequately protect intellectual property rights. Failure to protect intellectual property rights or otherwise information or trade secrets used in the services and products used or owned by companies within the Group, could have a material adverse effect on the Group's business, competitive position and/or prospects.

# Risk Factors

## **The Group may be subject to litigation regarding intellectual property rights [TBD]**

The Group may be a party to litigation to determine the scope and validity of its intellectual property, which, if resolved adversely to the Group, could invalidate or render unenforceable its intellectual property or generally preclude it from restraining competitors from commercializing products using technology developed by the Group. If the Group's products infringe others validly and enforceable patents, then it may not be able to sell applicable products or could be forced to pay substantial royalties or redesign a product to avoid infringement. A successful claim of infringement against the Group, or its failure or inability to develop non-infringing technology or license the infringed technology could materially adversely affect its business and results of operations, and/or prospects. Furthermore, litigation to establish or challenge the validity of patents, to defend against infringement, enforceability or invalidity claims or to assert infringement, invalidity or enforceability claims against others, if required, regardless of its merit or success, would likely be time-consuming and expensive to resolve and would divert management's time and attention, which could seriously harm the Group's business.

## **Changes in patent law could diminish the value of patents, thereby impairing the Group's ability to protect its products [TBD]**

Obtaining and enforcing patents involves technological and legal complexity, and is costly, time consuming, and inherently uncertain. Patent policy also continues to evolve and the issuance, scope, validity, enforceability and commercial value of the Group's patent rights is highly uncertain. Furthermore, decisions by courts could change the laws and regulations governing patents in unpredictable ways that may weaken or undermine the Group's ability to obtain new patents or to enforce its existing or future patents. Any such development could impair the Group's ability to protect its products, which could have a material adverse effect on the Group's results of operations, financial position and/or cash flows.

## **The Group may not be able to protect its intellectual property rights throughout the world [TBD]**

Filing, prosecuting, maintaining and defending patents on the Group's products throughout the world would be prohibitively expensive, and the extent of the Group's intellectual property rights may vary in different countries. Consequently, The Group may be unable to prevent third parties from using its inventions in all countries, or from selling or importing products made using the Group's inventions in the jurisdictions in which it does not have (or are unable to effectively enforce) patent protection. Competitors may use technologies in jurisdictions where the Group has not obtained patent protection to develop, market or otherwise commercialize products, and the Group may be unable to prevent those competitors from importing those infringing products into territories where the Group have patent protection. These products may compete with the Group's products and its patents and other intellectual property rights may not be effective or sufficient to prevent them from competing in those jurisdictions. Moreover, competitors or others in the chain of commerce may raise legal challenges against the Group's intellectual property rights or may infringe upon the Group's intellectual property rights, including through means that may be difficult to prevent or detect.

Furthermore, proceedings to enforce the Group's patent rights could result in substantial costs and divert the Group's efforts and attention from other aspects of its business, could put its patents at risk of being invalidated or interpreted narrowly and its patent applications at risk of not issuing, and could provoke third parties to assert patent infringement or other claims against the Group. The Group may not prevail in any lawsuits that the Group initiates and the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, the Group's efforts to enforce its intellectual property rights may be inadequate to obtain a significant commercial advantage from the intellectual property that the Group develops or licenses from third parties.

# Risk Factors

## Risk related to financial matters and market risk

### **Increases in labor costs and enforcement of stricter labor laws and regulations may adversely affect our business and our profitability**

The average wage level for employees in Norway is relatively high compared to other Western countries and has increased in recent years. The Group expects that its labor costs, including wages and employee benefits, may continue to increase due to higher salaries. However, there is a risk of extensively higher salary and personnel expenses, which unless the Group is able to pass on these increased labor costs to its customers, the profitability and results of operations may be materially and adversely affected.

### **The Group is exposed to foreign currency exchange risk.**

Because a significant part of the Group's business is conducted in currencies other than its functional reporting currency (NOK, as defined below) and the Group has a large part of its revenues and costs in EUR (as defined below) and USD (as defined below), the Group will be exposed to volatility associated with foreign currency exchange rates. Currency exchange rates risks may arise when Group companies enter into transactions that are denominated in currencies other than their functional currency. The Group itself is also invoiced in other currencies than its functional currency, thus resulting in currency exposure from both a customer and supplier position. Currency exposure is the result of purchases of goods and services in other currencies than the Group's functional currency (transaction exposure) and of the conversion of the balance sheets and income statements in foreign currencies into NOK (translation exposure). Such translation exposure does not give rise to an immediate cash effect. Additionally, changes in exchange rates can affect the Group's customers and suppliers, and for instance result in a reduction of customers' willingness to pay or increase suppliers' costs, and as such indirectly affect the Group's profitability. The Group does not use financial instruments to hedge its exposure to foreign exchange rate risks, and there is no guarantee that the Group's financial results will not be adversely affected by currency exchange rate fluctuations or that any efforts by the Group to engage in currency hedging activities will be effective. Currency exchange rate fluctuations, thus, could have a material adverse effect on the Group's business, financial condition, results of operations and cash flows.

### **The Group is exposed to risks relating to volatile, negative or uncertain economic or political conditions, including reduced EU/EEA budgets**

Global macroeconomic conditions affect the Group's customers' businesses, which may have a consequential effect on their spending and demand for the Group's products and/or services. Economic volatility and uncertainty is particularly challenging because many of the projects the Group undertakes for customers require major investment by them, which customers are less willing to make in uncertain economic conditions. Volatile, negative or uncertain economic conditions in the Group's customers' markets, may undermine, business confidence and cause the Group's customers to reduce or defer their spending on new initiatives and technologies, or may result in customers reducing, delaying or eliminating spending relating to the Groups' products and services, or putting pressure on the Group's pricing. In addition, international, national or local political volatility, may negatively impact the Group and its customers, including reduced EU/EEA budgets. Any of the abovementioned factors could negatively affect the Group's business, results of operations, financial condition, cash flow and/or prospects.

## Risks related to the Shares

### **There may not be an active and liquid market for the Shares and the Share price could fluctuate significantly**

An investment in the Shares is associated with a high degree of risk and the price of the Shares may not develop favorably. Prior to the Admission to Trading, there has been no public market for the Shares, as the Shares have not been listed or admitted to trading on any, stock exchange, regulated market or multilateral trading facility. Following an Admission to Trading on Euronext Growth, an active or liquid trading market for the Shares may not develop or be sustained. If such market fails to develop or be sustained, it could have a negative impact on the price of the Shares. Investors may not be in a position to sell their shares quickly, at the market price or at all if there is no active trading in the Shares.

The share prices of companies admitted to trading on Euronext Growth can be highly volatile and the trading volume and price of the Shares could fluctuate significantly. Some of the factors that could negatively affect the Share price or result in fluctuations in the price or trading volume of the Shares include, for example, changes in the Company's actual or projected results of operations or those of its competitors, changes in earnings projections or failure to meet investors' and analysts' earnings expectations, investors' evaluations of the success and effects of the Company's strategy, as well as the evaluation of the related risks, changes in general economic conditions or the equities markets generally, changes in the industries in which the Company operates, changes in shareholders and other factors. This volatility has had a significant impact on the market price of securities issued by many companies. Those changes may occur without regard to the operating performance of these companies. The price of the Shares may therefore fluctuate due to factors that have little or nothing to do with the Company, and such fluctuations may materially affect the price of the Shares.

# Risk Factors

## **Future issuances of Shares or other securities could dilute the holdings of shareholders and could materially affect the price of the Shares**

The Company may in the future decide to offer and issue new Shares or other securities in order to finance new capital intensive projects, in connection with unanticipated liabilities or expenses or for any other purposes. Depending on the structure of any future offering, certain existing shareholders may not have the ability to purchase additional equity securities. An issuance of additional equity securities or securities with rights to convert into equity could reduce the market price of the Shares and would dilute the economic and voting rights of the existing shareholders if made without granting subscription rights to existing shareholders. Accordingly, the Company's shareholders bear the risk of any future offerings reducing the market price of the Shares and/or diluting their shareholdings in the Company.

## **Investors could be unable to recover losses in civil proceedings in jurisdictions other than Norway**

The Company is a private limited company organized under the laws of Norway. The majority of the members of the Board of Directors and management reside in Norway. As a result, it may not be possible for investors to effect service of process in other jurisdictions upon such persons or the Company, to enforce against such persons or the Company judgments obtained in non-Norwegian courts, or to enforce judgments on such persons or the Company in other jurisdictions.

## **Norwegian law could limit shareholders' ability to bring an action against the Company**

The rights of holders of the Shares are governed by Norwegian law and by the Company's Articles of Association. These rights may differ from the rights of shareholders in other jurisdictions. In particular, Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. For example, under Norwegian law, any action brought by the Company in respect of wrongful acts committed against the Company will be prioritized over actions brought by shareholders claiming compensation in respect of such acts. In addition, it could be difficult to prevail in a claim against the Company under, or to enforce liabilities predicated upon, securities laws in other jurisdictions.

## **Investors could be unable to exercise their voting rights for Shares registered in a nominee account**

Beneficial owners of the Shares that are registered in a nominee account (such as through brokers, dealers or other third parties) could be unable to vote for such Shares unless their ownership is re-registered in their names with the Norwegian Central Securities Depository (VPS) prior to any general meeting of shareholders. There is no assurance that beneficial owners of the Shares will receive the notice of any general meeting of shareholders in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote for their Shares in the manner desired by such beneficial owners.

## **Pre-emptive rights to subscribe for Shares in additional issuances could be unavailable to U.S. or other shareholders**

Under Norwegian law, unless otherwise resolved at the Company's general meeting of shareholders, existing shareholders have pre-emptive rights to participate on the basis of their existing ownership of Shares in the issuance of any new Shares for cash consideration. Shareholders in the United States, however, could be unable to exercise any such rights to subscribe for new Shares unless a registration statement under the U.S. Securities Act is in effect in respect of such rights and Shares or an exemption from the registration requirements under the U.S. Securities Act is available. Shareholders in other jurisdictions outside Norway could be similarly affected if the rights and the new Shares being offered have not been registered with, or approved by, the relevant authorities in such jurisdiction.

The Company is under no obligation to file a registration statement under the U.S. Securities Act or seek similar approvals under the laws of any other jurisdiction outside Norway in respect of any such rights and Shares. Doing so in the future could be impractical and costly. To the extent that the Company's shareholders are not able to exercise their rights to subscribe for new Shares, their proportional interests in the Company will be diluted.