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Nordic reports historic-high revenue and net profit of S\$162.8 million and S\$20.9 million in FY2022

- Revenue climbed 58% to an all-time high of S\$162.8 million driven by maiden contribution from new acquisitions and higher demand for project services in Malaysia
- Gross profit increased 65% to S\$45.7 million while EBITDA rose 67% to S\$31.6 million, in tandem with the top-line growth
- Outstanding order book of S\$232.5 million provides sustainable streams of revenue up to FY2025
- Proposed final dividend of 0.906 cents per share will bring its total pay-out to 2.068 cents per share in FY2022, up by almost 20% from last year

Singapore, 25 February 2023 – Nordic Group Limited (“Nordic” or the “Group”), a SGX-Mainboard listed company reported its financial results for the second six months (“**2H2022**”) and twelve months (“**FY2022**”) ended 31 December 2022. Nordic Group is a global solutions provider that provides project and maintenance services for industries such as marine, offshore oil and gas, petrochemical, pharmaceutical, semiconductor, infrastructure, public environment or security agencies.

Financial Highlights	2H2022	2H2021	Change	FY2022	FY2021	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	82,995	53,893	54	162,758	103,065	58
Gross Profit	22,699	13,809	64	45,746	27,798	65
Gross Profit Margin	27.3	25.6	1.7 ppts	28.1	27.0	1.1 ppts
Net Profit	9,237	6,079	52	20,853	13,876	50
Net Profit Margin	11.1	11.3	(0.2 ppts)	12.8	13.5	(0.7 ppts)
EBITDA	14,461	8,534	69	31,604	18,971	67
EBITDA Margin	17.4	15.8	1.6 ppts	19.4	18.4	1.0 ppts
Basic Earnings Per Share (cents)*	2.4	1.6	50	5.3	3.6	47

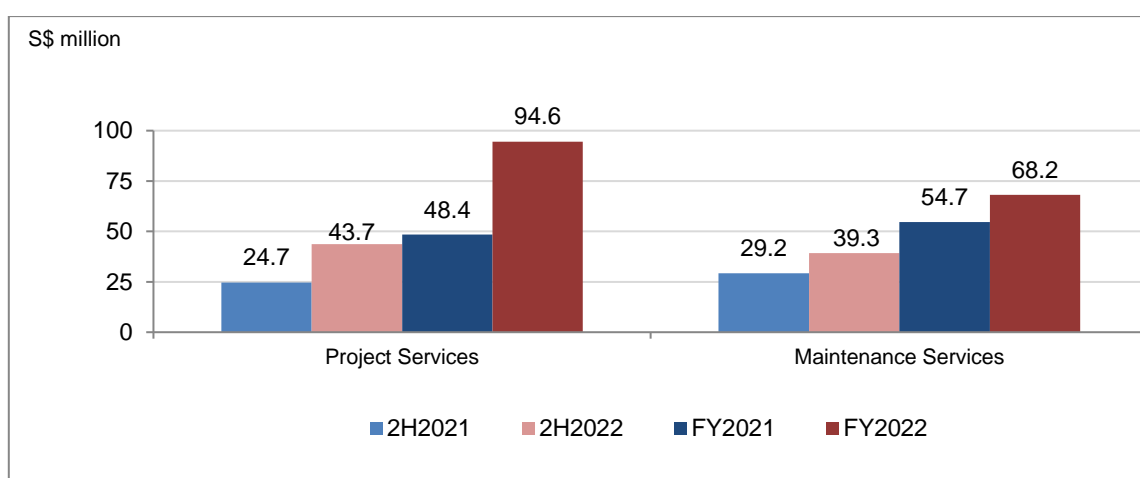
* Based on weighted average number of 387,736,000 ordinary shares for 2H2022 (1H2021: 388,000,000 ordinary shares) and 392,644,000 ordinary shares for FY2022 (FY2021: 388,179,000)

Ppts: Percentage Points

FY2022 v FY2021 Financial Review

FY2022 revenue came in at a record S\$162.8 million, up by 58% year-on-year (“yoy”) from S\$103.1 million in FY2021. Growth was attributable to both, Project Services (“PS”) and Maintenance Services (“MS”) segments, boosted by maiden contributions from newly acquired businesses, Starburst Holdings Limited (“**Starburst Group**”) and Eratech Pte Ltd (“**Eratech**”). Revenue from its PS segment nearly doubled from S\$48.4 million to S\$94.6 million mainly driven by higher semiconductor activities in Malaysia. Meanwhile, the MS segment recorded a yoy growth of 25%, rising from S\$54.7 million in FY2021 to S\$68.2 million in FY2022.

Revenue by Business Segment



Gross profit climbed from S\$27.8 million in FY2021 to S\$45.7 million this year, growing by 65% yoy. At the same time, gross profit margin also expanded by 1.1 percentage points to 28.1% in FY2022. These improvements were in line with the increase in revenue.

Other income and gains rose by S\$1.4 million to S\$3.0 million in FY2022 due to gains on the disposal of property and negative goodwill from the acquisition of Eratech.

Meanwhile, the Group’s administrative expenses increased by 60% yoy to S\$21.3 million. The jump was mainly attributed to the acquisition of Starburst Group and Eratech, as well as the amortisation of intangible assets amounting to S\$3.0 million.

Finance costs increased by S\$1.5 million to S\$2.0 million this year due to higher loans and borrowings arising from the acquisition of Starburst and Eratech, and higher interest rates during the reporting year.

Nordic concluded FY2022 with a historic-high net profit of S\$20.9 million, 50% higher than FY2021’s results. However, there was a slight compression in its net profit margin from 13.5% to 12.8% due to higher finance costs and amortisation of intangibles.

The Group’s balance sheet remained at a strong position as at 31 December 2022 with a net asset value per share (“NAV/share”) of 27.5 cents, higher than the NAV/share of 25.2 cents reported last year. Cash and cash

equivalent stood at S\$55.9 million as at 31 December 2022, a drop from the S\$75.3 million recorded a year ago. The decline was mainly attributed to the cash acquisition of Starburst Group and Eratech.

The Group has proposed a final dividend of 0.906 cents per share, bringing the total dividend pay-out for FY2022 to 2.068 cents per share. This is consistent with its dividend policy of paying out 40% of its annual net profit. With the growth in Nordic's bottom line in FY2022, the total dividend distribution has also increased by nearly 20% yoy.

Business Outlook

As at 31 December 2022, Nordic has an outstanding order book valued at approximately S\$232.5 million. The orders are broken down to S\$93.0 million from the PS segment and S\$139.5 million from the MS segment. Deliveries for these orders will be spread mainly within the next 36 months.

The high interest rates, geopolitical tensions and inflationary pressures globally posed some near-term headwinds to the group's operations. However, China's reopening following the end of its zero-covid policy could potentially be a neutralising factor this year. According to the International Energy Agency ("IEA"), global oil demand is expected to reach a record-high of 101.7 million barrels per day in 2023 with China being a key catalyst.¹ Meanwhile, the Maritime Strategies International ("MSI") has forecasted fleet capacity to grow by 7% in 2023.² Should these materialise, revenue contributions from the marine and oil and gas ("O&G") industries could continue its upward trajectory.

On balance, the Group is optimistic about FY2023 premised on its robust order book, continuous contributions from its new acquisitions, favourable outlook in the O&G sector, as well as prudent cost and risk management mechanism in place. Nordic will continue to be on the lookout for further merger and acquisition ("M&A") and other expansion opportunities as it looks to deliver greater value to its shareholders in the long run.

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¹ International Energy Agency, <https://www.iea.org/reports/oil-market-report-january-2023>

² Seatrade Maritime News, <https://www.seatrade-maritime.com/containers/container-shipping-market-outlook-2023>

About Nordic Group Limited (Bloomberg Code: NRD SP)

Established in 1998, Nordic is a global solutions provider in areas of system integration solutions, vessel maintenance, repair and overhaul (MRO), precision engineering, scaffolding and insulation services, petrochemical, environmental engineering services, cleanroom, air and water engineering services and security services serving mainly the marine, offshore oil and gas, petrochemical, pharmaceutical, infrastructure, public environment/security agencies and semiconductor industries.

Headquartered in Singapore, Nordic currently has one production facilities located in Suzhou, the People's Republic of China ("PRC"). Nordic has a sales and services network that covers Singapore and various locations in the PRC as well as an international network of appointed sales and service agents, which allows the Group to be in close proximity to its customers.

Designed to meet the demands of vessel automation, the Group's **System Integration** division offers integrated control and management systems for newly built ships as well as ships which are already in operation but are in need of upgrades and conversions. These systems are versatile and dependable ship automation solutions that provide a standard user-friendly interface to the subsystems of modern vessels.

Nordic also designs, procures, develops and manufactures actuators, valves and other components for assembly and integration into valve remote control systems, tank gauging systems, anti-heeling systems, alarm monitoring and power management systems used by customers in their vessels.

Under its **Maintenance, Repair and Overhaul ("MRO")** and Trading division, Nordic provides customers with a dedicated team of consultants who are responsible for any after-sales requests for maintenance, repairs and overhauls as part of its after-sales service. The MRO and Trading division provides the Group with a steady stream of income as there is a constant need for vessels to be maintained or repaired.

The Group's **Precision Engineering** division designs and builds tooling systems, and provides turnkey production solutions to customers in the marine, oil and gas, aerospace, medical, electronic, and optical manufacturing services industries for a stable customer base.

The Group's **Scaffolding Services** division is an established leader in metal scaffold works servicing the Process, Construction and Marine industries. Multiheight Group offers a full suite of scaffolding services including design, erection, modification and dismantling, sales and rental. Multiheight Group has two decades of scaffolding experience and is an MOM-approved scaffold contractor committed to high standards of Quality, Safety and Health (QSH) practices and standards throughout the organisation, warehouse, workshop, on site and all activities carried out by the organisation.

The Group's **Insulation Services** division specialises in Insulation (primarily in primarily thermal and cryogenic insulation) and passive fireproofing Services in the petrochemical, pharmaceutical, marine and oil and gas Industries.

The Group's **Petrochemical & Environment Engineering Services** provides repairs, maintenance, operations and plant turnaround services for public environment engineering installations, energy installations, marine and offshore industries, manufacturing industries, and oil & gas and petrochemical industries.

The Group's **Cleanroom, Air and Water Engineering Services** provides tools hook up services, air pollution control scrubbers and water treatment plants for the semiconductor, oil and gas, power plant and municipality sectors.

The Group's **Specialist Structural Engineering** division provides design, fabrication, installation and maintenance of anti-ricochet ballistic protection systems for tactical training facilities for the security agencies.

Issued for and on behalf of Nordic Group Limited

By Financial PR Pte Ltd

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