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Nordic's Earnings Surge 92% from S$1.9 million in 1H2020 to S$3.6 million in 2H2020 as Financial Performance Nears Pre-Covid Level, Group Declares Final Dividend

- **Revenue rose by 46% from S$33.0 million in 1H2020 to S$48.0 million in 2H2020 as all business segments started to recover from Covid-19 impact**
- **EBITDA jumped 51% from S$4.4 million in 1H2020 to S$7.6 million in 2H2020 despite incurring other losses of S$1.6 million mainly arising from foreign exchange losses and disposal of plant and equipment**
- **Group has an outstanding order book of S$89.0 million as at 31 December 2020 with deliveries expected up to FY2025**
- **Group declares a final dividend of 0.362 Singapore cents per share to reward shareholders**

Singapore, 22 February 2021 – Nordic Group Limited **("Nordic"** or the **"Group"),** a SGX-Mainboard listed company that provides system integration solutions, repair and overhaul (MRO), precision engineering, scaffolding and insulation services, petrochemical and environmental engineering and cleanroom, air and water engineering services serving mainly the marine, offshore oil and gas, petrochemical, pharmaceutical, semiconductor, infrastructure and public environment agencies, reported its financial results for the six months ("**2H2020**") and twelve months ("**FY2020**") ended 31 December 2020.

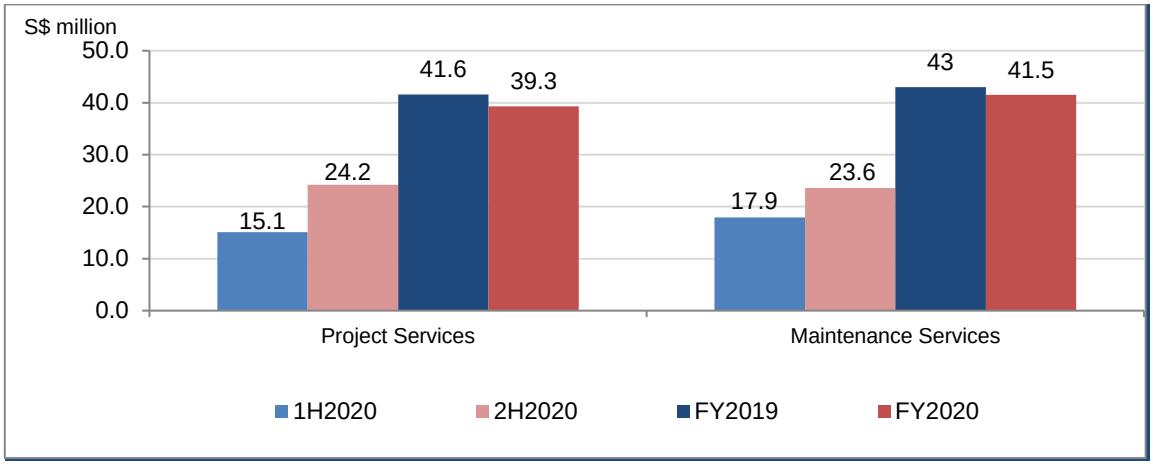
Financial Highlights	**2H2020**	**1H2020**	**Change**	**FY2020**	**FY2019**	**Change**
	S$'000	**S$'000**	**%**	**S$'000**	**S$'000**	**%**
Revenue	47,779	33,015	45	80,794	84,627	(5)
Gross Profit	10,736	7,227	49	17,963	21,274	(16)
Gross Profit Margin	*22%*	*22%*	-	*22%*	*25%*	*(3) ppts*
Net Profit after Tax Attributable to Equity Holders	3,612	1,870	93	5,482	8,480	(35)
Net Profit Margin	*8%*	*6%*	*2 ppts*	*7%*	*10%*	*(3) ppts*
EBITDA	*7,569*	*4,447*	*70*	*12,016*	*13,500*	*(11)*
EBITDA Margin	*16%*	*13%*	*3 ppts*	*15%*	*16%*	*(1) ppts*
Basic Earnings Per Share (cents)*	0.9	0.5	80	1.4	2.2	(36)

* Based on weighted average number of 389,677,000 ordinary shares for 2H2020 (1H2020: 390,932,000 ordinary shares) and 390,301,000 ordinary shares for FY2020 (FY2019: 392,145,000 ordinary shares)
Ppts: Percentage Points

2H2020 v 1H2020 Financial Review

Group revenue rose by 45% from S$33.0 million in 1H2020 to S$47.8 million in 2H2020 as all business segments recovered. Revenue contribution from Maintenance Services ("**MS**") business segment increased by 32% from S$17.9 million in 1H2020 to S$23.6 million in 2H2020, mainly due to recovery of business activities after the circuit breaker. Project Services ("**PS**") business segment contributed 60% higher revenue at S$24.2 million in 2H2020 versus S$15.1 million in 1H2020, mainly due to contribution from conversion projects from our system integration division. Both business segments suffered a slow down during 1H2020 mainly due to a limited workforce as a result of Covid-19 measures and regulations. However, business operations on all business segments and financial performance improved during 2H2020 to near pre-Covid levels.

Revenue by Business Segment



Gross profit jumped by 49% from S$7.2 million in 1H2020 to S$10.7 million in 2H2020 while maintaining the gross profit margin at 22% in 2H2020. This was aided by government rebates and grants like wage credit scheme, jobs support scheme, foreign workers levy rebate and foreign workers levy waiver.

Group registered higher other income and gains of S$3.1 million in 2H2020 as compared to S$1.9 million in 1H2020 mainly due to higher payables of S$1.9 million written back from vendors of Ensure Engineering Pte Ltd ("**Ensure**"), government grant of S$0.6 million and other income of $0.3 million in 2H2020. These were offset by the absence of foreign exchange gains of $1.5 million in 2H2020.

Group incurred S$7.8 million in administrative expenses in 2H2020 (1H2020: S$5.9 million), mainly attributed to contribution of administrative expenses from the acquisition of Envipure. The Group also incurred a S$1.6 million loss in 2H2020 because of loss on disposal of plant and equipment of S$0.2 million and foreign exchange losses of S$1.2 million as the US dollar depreciated against the Singapore dollar. (Note: Some of the Group's contracts are based in US dollar)

Overall, the Group continued to post a profit and almost doubled its net profit attributable to shareholders from S$1.9 million in 1H2020 to S$3.6 million in 2H2020. Group declared a final dividend of 0.362 Singapore cents per share for FY2020 to reward shareholders.

The Group continued to uphold a robust balance sheet as at 31 December 2020 with cash and cash equivalents of S$57.5 million (30 June 2020: S$57.3 million) and a net cash position of S$11.7 million as at 31 December

2020. Net asset value per share had also strengthened by 4% from 22.0 Singapore cents as at 30 June 2020 to 22.8 Singapore cents as at 31 December 2020[1].

Business Outlook

The Group's outstanding order book stood at approximately S$89.0 million as at 31 December 2020. The Group's PS business segment secured S$27.6 million in orders while its MS business segment contributed S$61.4 million to its order book.[2]

Despite the Covid-19 impact on business conditions, the Group continued to build on its order winning momentum. On 7 August 2020, the Group's Scaffolding, Insulation, Precision Engineering, System Integration, Petrochemical & Environmental Engineering and Cleanroom, Air and Water Engineering Solutions divisions have successfully clinched several contracts with a total value of approximately S$24.5 million.

Commenting on the Group's positive financial performance for 2H2020 and its business outlook, **Mr. Chang Yeh Hong, Executive Chairman of Nordic** said, ***"We are heartened to see rewards of hard work from all of us at Nordic as the Group delivered yet another set of positive financial performance despite a challenging 2H2020 which affected the overall industry. Due to Covid-19 measures and regulations, we have learned to adjust our operations especially in deploying our work force efficiently to deliver our contractual obligations to our end customers. We are also beginning to see positive results and revenue contribution from our acquisition of Envipure. We remain cautiously optimistic with our contracts secured that have deliveries till FY2025 and they provide streams of income to tide the Group over uncertain times. Our M&A strategy to diversify our business segments and divisions have once again proven resolute. We will continue to hunt for earnings accretive M&A opportunities while striving to unlock greater shareholder value going forward."***

End

About Nordic Group Limited (Bloomberg Code: NRD SP)

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

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.

[1] Based on the 388,900,000 ordinary shares in issue excluding treasury shares as of 31 December 2020 (30 June 2020: 390,191,000 shares)

[2] Certain maintenance contracts are based on unit rates and do not have a contract value upfront. These contract values are estimated based on historical revenue trends and included above. These orders are expected to be delivered within the next 48 months and will generate sustainable revenue streams for the Group up to FY2025. However, these confirmed orders are subject to possible cancellation, deferment, rescheduling or variations by 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 and electronic 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 thermal and cryogenic insulation, thermal spray aluminium 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 and petrochemical industries.

In November 2019, Nordic completed the acquisition of Envipure Pte Ltd and its subsidiaries ("Envipure). Envipure is principally engaged in providing **Cleanroom, Air and Water Engineering Services** which includes tools hook up services, air pollution control scrubbers and water treatment plants for the semiconductor, oil and gas, power plant and municipality sectors. Established in 1998, Nordic is a leading supplier of automation system integration solutions, vessel maintenance, repair and overhaul (MRO), precision engineering, scaffolding and insulation services, petrochemical and environmental engineering services serving mainly the marine, offshore oil and gas, petrochemical, pharmaceutical, infrastructure and public environment agencies.

Issued for and on behalf of Nordic Group Limited

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