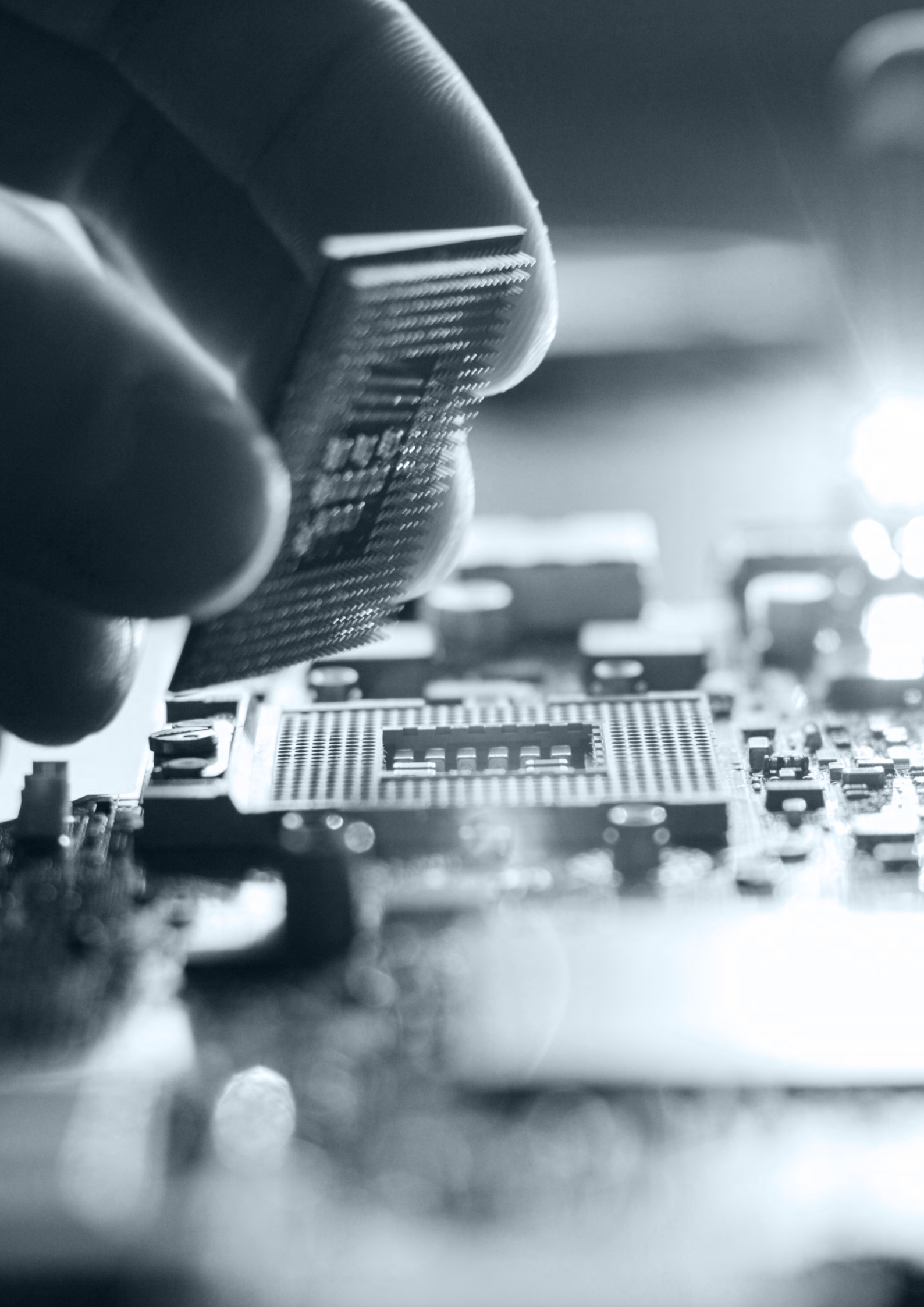




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HIGHLIGHTS AND KEY FIGURES

SUMMARY OF THE THIRD QUARTER 2022

- In the third quarter, NORBIT delivered revenues of NOK 269.7 million and an EBITDA result of NOK 47.2 million, representing a margin of 17 per cent. Revenues grew by 35 per cent from the third quarter of 2021, with all three segments contributing to the growth.
- For the first nine months of the year, NORBIT has delivered revenues of NOK 820.2 million and an EBITDA margin of 21 per cent. This represents a growth rate of 52 per cent from the corresponding period of 2021.
- Segment Oceans reported revenues of NOK 103.8 million, up from NOK 91.8 million in the third quarter of 2021 as a result of stronger sale of sonars. The EBITDA margin was 26 per cent.
- Segment Connectivity reported revenues of NOK 80.7 million, up 76 per cent from NOK 46.0 million in the corresponding quarter of 2021. Growth was primarily driven by increased demand for dedicated short-range communications technology ('DSRC') products. The EBITDA margin was 24 per cent.
- Segment Product Innovation & Realization (PIR) reported NOK 96.0 million in revenues in the third quarter, up 40 per cent from the corresponding quarter of 2021. Contract manufacturing and R&D products and services both reported strong growth. The EBITDA margin for the quarter was 12 per cent.
- Earnings per share were NOK 0.20, up from NOK 0.17 one year earlier.
- Net financial items were negative NOK 10.2 million, primarily related to NOK 6.2 million in foreign currency losses on revaluations as the USD strengthened versus the NOK in the quarter.
- NORBIT expects that revenues will surpass NOK 1.1 billion for the full year, delivering above the target set out in November last year.
- The long-term ambition is to deliver organic revenues of NOK 1.5 billion and an EBITDA margin above 25 per cent in 2024.

SUBSEQUENT EVENTS

- Received credit approval for a new NOK 120 million term loan facility and a NOK 100 million upsizing of the overdraft facility, bringing available liquidity under the credit facilities to more than NOK 470 million.

CONSOLIDATED KEY FIGURES*

Amounts in NOK million (except percentages and EPS)	Third quarter		Year to date		Full year
	2022	2021	2022	2021	2021
Revenues	269.7	200.3	820.2	538.9	787.8
EBITDA	47.2	32.9	168.7	101.0	142.6
EBITDA margin (%)	17%	16%	21%	19%	18%
EBIT	25.7	13.8	106.2	51.7	73.5
EBIT margin (%)	10%	7%	13%	10%	9%
Profit for the period	11.6	10.1	66.9	35.8	47.9
Earnings per share (EPS) – diluted	0.20	0.17	1.14	0.63	0.83

* See definitions on page 9.

THIRD QUARTER RESULTS 2022

FINANCIAL REVIEW

Information in parentheses refers to the corresponding periods the previous year.

PROFIT AND LOSS

Revenues for the third quarter of 2022 amounted to NOK 269.7 million, representing an increase of 35 per cent compared to the corresponding quarter of 2021 (NOK 200.3 million). All segments reported an increase in revenues compared to the same period last year, where Connectivity grew at the strongest rate. Further details are provided in the review of the segments.

For the first nine months of 2022, NORBIT's revenues came in at NOK 820.2 million, an increase of 52 per cent compared to the same period of 2021 (NOK 538.9 million) and 44 per cent adjusted for the iData acquisition.

Raw material expenses and inventory changes were NOK 123.7 million for the third quarter (NOK 92.1 million). The increase from the same period last year is primarily explained by the higher activity level. The gross margin was 54 per cent and in line with the level reported in the third quarter of 2021.

For the first three quarters of 2022, raw material expenses and inventory changes amounted to NOK 373.3 million (NOK 252.8 million). The gross margin for the year to date period was 54 per cent, an increase from 53 per cent in the corresponding period of 2021.

Employee benefit expenses amounted to NOK 66.2 million for the third quarter this year (NOK 49.3 million). The increase from last year is primarily explained by a strengthening of the organisation to support further growth and strategic initiatives.

So far this year, a total of NOK 176.7 million (NOK 125.2 million) have incurred in employee benefit expenses, primarily explained by the higher activity level and effects of the iData acquisition (acquired July 2021).

Other operating expenses amounted to NOK 32.6 million (NOK 25.9 million) for the third quarter of 2022. The increase from last year is primarily explained by

higher provisions for loss on trade receivables and increased costs related to freight, electricity and travel.

For the first nine months of 2022, other operating expenses amounted to NOK 101.4 million (NOK 61.1 million).

EBITDA amounted to NOK 47.2 million for the third quarter (NOK 32.9 million), corresponding to a margin of 17 per cent (16 per cent).

For the first nine months of the year, EBITDA was NOK 168.7 million (NOK 101.0 million), resulting in a margin of 21 per cent (19 per cent).

Operating profit (EBIT) came in at NOK 25.7 million for the third quarter (NOK 13.8 million) and NOK 106.2 million so far this year (NOK 51.7 million).

Net financial items amounted to negative NOK 10.2 million for the quarter (negative NOK 1.1 million). This included NOK 6.2 million in foreign exchange losses due to currency revaluation as the USD appreciated against the NOK. NORBIT is a net buyer of USD as a substantial part of the raw material components are bought in USD.

For the first nine months of the year, net financial items ended at negative NOK 19.1 million (negative NOK 5.2 million).

Income tax expenses amounted to NOK 3.9 million for the quarter (NOK 2.7 million) and NOK 20.2 million for the first three quarters of the year (NOK 10.7 million).

Profit for the period was NOK 11.6 million (NOK 10.1 million) and NOK 66.9 million for the first three quarters of the year (NOK 35.8 million). Earnings per share were NOK 0.20 (NOK 0.17) and NOK 1.14 for the first nine months (NOK 0.63).

SEGMENTS

NORBIT ASA is organised in three operating segments; Oceans, Connectivity and Product Innovation & Realization (PIR). The Oceans segment delivers tailored technology solutions to global maritime markets, and the Connectivity segment is a leading supplier of solutions for asset identification, monitoring and tracking. The third segment, PIR, provides R&D products and services and contract manufacturing to key customers.

OCEANS

Targeting the global maritime market, the Oceans segment encompasses all of NORBIT's knowledge and competence, including proprietary technology and solutions. The segment offers ultra-compact sonars for a range of special applications, including seabed mapping and hydrography. In addition, Oceans has developed proprietary solutions and software for maritime and environmental monitoring. NORBIT is continuously working towards expansion in selected niche

areas within the segment.

The segment has generally a low revenue visibility of 2-4 weeks, due to the short time from receipt of an order to customer delivery. The segment experiences quarterly fluctuations in revenues due to seasonal variations.

Key figures – Oceans

<i>NOK million</i>	Third quarter		Year to date		Full year
	2022	2021	2022	2021	2021
Revenues	103.8	91.8	316.0	261.8	378.5
Raw materials	35.9	33.0	104.5	95.6	139.2
Gross profit	67.9	58.8	211.4	166.2	239.3
Operating expenses	40.6	27.6	104.4	69.8	105.6
EBITDA	27.3	31.2	107.0	96.3	133.6
D&A	8.1	7.2	23.4	17.6	24.7
EBIT	19.2	24.0	83.6	78.7	108.9
Gross margin (%)	65%	64%	67%	63%	63%
EBITDA margin (%)	26%	34%	34%	37%	35%
EBIT margin (%)	18%	26%	26%	30%	29%

Revenues amounted to NOK 103.8 million for the third quarter of 2022, an increase of 13 per cent from the same period last year (NOK 91.8 million). Growth was mainly attributed to higher sales of sonars.

For the first nine months of the year, Oceans recorded revenues of NOK 316.0 million, 21 per cent higher than for the same period last year (NOK 261.8 million).

Gross margin for the third quarter ended at 65 per cent compared to 64 per cent in the third quarter last year.

For the first nine months of the year, the gross margin was 67 per cent, compared to 63 per cent in the same period of 2021.

Operating expenses, including employee expenses and other operating expenses, amounted to NOK 40.6 million for the third quarter of 2022 (NOK 27.6 million). The increase is primarily explained by a strengthening of the organisation.

For the first nine months of 2022, operating expenses came in at NOK 104.4 million (NOK 69.8 million).

EBITDA for the Oceans segment amounted to NOK 27.3 million for the quarter (NOK 31.2 million), representing a margin of 26 per cent (34 per cent). The margin decline is explained by an increase in operating expenses to support continued organic growth and new strategic initiatives.

For the first three quarters of the year, EBITDA was NOK 107.0 million (NOK 96.3 million), resulting in an EBITDA margin of 34 per cent (37 per cent).

CONNECTIVITY

The Connectivity segment is a leading technology solution provider for asset identification, monitoring and tracking.

Key figures – Connectivity

<i>NOK million</i>	Third quarter		Year to date		Full year
	2022	2021	2022	2021	2021
Revenues	80.7	46.0	227.4	81.7	146.3
Raw materials	32.1	13.0	81.4	30.4	50.5
Gross profit	48.6	33.0	146.0	51.3	95.7
Operating expenses	28.9	20.5	92.6	39.7	72.0
EBITDA	19.7	12.5	53.4	11.6	23.8
D&A	9.7	6.4	27.5	14.9	22.8
EBIT	10.0	6.1	26.0	(3.3)	0.9
Gross margin (%)	60%	72%	64%	63%	65%
EBITDA margin (%)	24%	27%	23%	14%	16%
EBIT margin (%)	12%	13%	11%	(4%)	1%

Revenues amounted to NOK 80.7 million for the third quarter of 2022, an increase of 76 per cent from the corresponding period of 2021 (NOK 46.0 million). The increase from last year is explained by continued strong demand for DSRC products delivered by sub-segment ITS. iData reported NOK 16.8 million in revenues in the quarter.

For the first nine months of 2022, revenues came in at NOK 227.4 million (NOK 81.7 million), of which iData represented NOK 59.0 million (NOK 13.0 million, acquired July 2021).

Gross margin for the third quarter was 60 per cent compared to 72 per cent in the third quarter last year. The decrease is primarily explained by sub-segment ITS' increasing share of revenues where the gross margin is lower compared to iData. In addition, product mix was less favourable and the increase in component prices impacted margins negatively.

For the first nine months of the year, the gross margin for Connectivity was 64 per cent, compared to 63 per cent in the first nine months of 2021.

Operating expenses amounted to NOK 28.9 million for the quarter, an increase of NOK 8.4 million compared to the corresponding period last year (NOK 20.5 million). iData represented NOK 4.0 million of the increase, while NOK 3.0 million relates to increased direct and allocated indirect costs from the Røros factory.

So far this year, Connectivity has recorded a total of NOK 92.6 million in operating expenses (NOK 39.7 million).

EBITDA for the third quarter of 2022 amounted to NOK 19.7 million (NOK 12.5 million), representing a margin of 24 per cent (27 per cent).

For the first nine months of 2022, EBITDA was NOK 53.4 million (NOK 11.6 million), representing a margin of 23 per cent (14 per cent).

The increase in EBITDA is explained by the higher revenue base and profit contribution from iData, partly offset by higher operating expenses.

PRODUCT INNOVATION & REALIZATION (PIR)

The Product Innovation & Realization segment (PIR) offers R&D services and contract manufacturing to long-term key industrial customers through in-house capabilities and a high degree of robotised production. In addition, the segment sells products based on tailored proprietary technology, including special instrumentation based on radar, radio frequency and embedded signal processing technology.

Key figures – PIR

NOK million	Third quarter		Year to date		Full year
	2022	2021	2022	2021	2021
Revenues	96.0	68.8	306.4	214.5	291.0
Raw materials	60.9	48.4	198.5	131.6	181.0
Gross profit	35.1	20.4	107.9	82.9	110.0
Operating expenses	23.3	20.8	73.4	69.0	93.6
EBITDA	11.8	(0.4)	34.5	13.9	16.4
D&A	3.3	5.1	10.0	16.3	20.3
EBIT	8.5	(5.5)	24.5	(2.5)	(3.8)
Gross margin (%)	37%	30%	35%	39%	38%
EBITDA margin (%)	12%	(1%)	11%	6%	6%
EBIT margin (%)	9%	(8%)	8%	(1%)	(1%)

Revenues amounted to NOK 96.0 million for the third quarter of the year, 40 per cent higher than for the corresponding period last year (NOK 68.8 million). The increase is primarily explained by higher activity within contract manufacturing and higher sales of R&D products and services.

Prices of certain components have increased significantly due to low availability. To compensate for this cost increase, NORBIT invoices the additional cost directly to certain customers without margin (referred to as 'spotbuy invoicing'). NORBIT recognised NOK 21.3 million in revenues from spotbuy invoicing in the quarter, compared to NOK 19.6 million in the corresponding quarter of last year.

Adjusted for this effect, revenues grew by 52 per cent year over year. While the underlying demand for contract manufacturing is strong, PIR's volume growth is negatively impacted by component shortages, leading to delays in the production.

For the first nine months of 2022, revenues amounted to NOK 306.4 million (NOK 214.5 million), an increase of 43 per cent from the same period last year. Adjusted for spotbuy invoicing, revenue growth was 25 per cent.

Gross margin for the third quarter was 37 per cent compared to 30 per cent in the third quarter last year. Adjusted for the spotbuy invoicing effect in revenues and raw material costs, the gross margin was 47 per cent in the quarter, compared to 41 per cent in the third quarter of 2021.

For the first nine months of the year, the gross margin was 35 per cent, compared to 39 per cent in the first nine months of 2021. Adjusted for spotbuy invoicing, the gross margin was 45 per cent in the year to date period, compared to 44 per cent in the corresponding period of 2021.

Operating expenses for the PIR segment amounted to NOK 23.3 million for the third quarter (NOK 20.8 million). The increase is explained by a strengthening of the organisation and higher electricity cost.

For the first three quarters of 2022, operating expenses came in at NOK 73.4 million (NOK 69.0 million).

EBITDA for the PIR segment amounted to NOK 11.8 million for the third quarter of 2022 (negative NOK 0.4 million), representing a margin of 12 per cent (negative 1 per cent). Adjusted for spotbuy invoicing, the margin was 16 per cent.

So far this year, the PIR segment has recorded an EBITDA of NOK 34.5 million (NOK 13.9 million), a margin of 11 per cent (6 per cent). Adjusted for spotbuy invoicing, the year to date margin was 15 per cent.

FINANCIAL POSITION AND LIQUIDITY

Consolidated financial position

Assets amounted to NOK 1 122.8 million at 30 September 2022, up from NOK 1,101.4 at 30 June this year and NOK 976.9 million at 31 December 2021.

Intangible assets amounted to NOK 258.6 million at the end of the third quarter of 2022, an increase from NOK 255.1 million at the end of the previous quarter and from NOK 242.3 million at the end of 2021. The quarterly increase was driven by NOK 15.0 million in R&D investments, partly offset by amortisation.

Goodwill stood at NOK 82.1 million at 30 September 2022, unchanged from 30 June 2022 and year-end 2021. Goodwill is primarily related to the acquisition of iData in 2021.

Inventories amounted to NOK 430.7 million at the end of the third quarter of 2022, compared to NOK 370.9 million at the end of the second quarter and NOK 263.2 million at the end of 2021. The inventory build-up is primarily related to the activity increase and NORBIT securing components to safeguard deliveries due to the challenging situation in the market for supply of electronic components.

Trade receivables were NOK 106.9 million at 30 September 2022, down from NOK 145.0 million at 30 June 2022 and NOK 154.9 million at year-end 2021. Trade receivables declined as a result of invoices being sold under the non-recourse factoring facility, as well as lower revenues generated quarter over quarter.

Cash and cash equivalents amounted to NOK 30.6 million at the end of September, compared to NOK 37.5 million at the end of June and NOK 21.7 million at the end of 2021.

Interest-bearing borrowings totalled NOK 307.4 million at the end of the third quarter, compared to NOK 318.7 million three months earlier and NOK 288.2 million at the end of 2021.

The company had NOK 250.8 million in undrawn committed credit facilities at 30 September 2022.

Subsequent to quarter end, NORBIT received credit approval for a new NOK 120 million term loan and a NOK 100 million upsizing of the credit limit on the overdraft facility. Combined, this will strengthen the liquidity position of NORBIT by another NOK 220 million to more than NOK 470 million, providing ample flexibility. The margin on the overdraft facility remains unchanged at 1.40 per cent p.a., while the margin on the new term loan is around the same level as the revolving credit facility.

Total equity was NOK 557.6 million at the end of the quarter, representing an equity ratio of 50 per cent, compared to NOK 538.6 million at the end of June this year and NOK 497.9 million at the end of 2021.

The increase in the quarter is primarily explained by a positive net profit and NOK 9.6 million in shares issued as part of incentive programs to employees.

Consolidated cash flow

Operating activities generated a cash flow of NOK 14.4 million for the third quarter of 2022 (NOK 17.2 million), including a net increase in the working capital of NOK 21.6 million (increase of NOK 14.7 million), mainly related to purchase of components to inventory, partly offset by an increase in trade payables and a reduction of trade receivables.

For the first nine months of 2022, operating activities generated a cash flow of NOK 77.6 million (NOK 50.3 million), including a net increase in the working capital of NOK 69.8 million (increase of NOK 44.3 million).

Investing activities generated a cash outflow of NOK 18.2 million for the third quarter of 2022 (NOK 145.5 million). This included NOK 5.0 million invested in machinery, equipment and capitalisation of assets, and NOK 15.0 million in R&D

investments. The R&D investments represented 5.5 per cent of the revenues in the quarter. As in previous quarters, the R&D investments primarily relate to broadening the product offering in the Oceans and Connectivity segments.

For the first nine months of the year, cash flow from investing activities was NOK 69.2 million (NOK 198.0 million), including R&D investments of NOK 48.7 million.

Financing activities led to a cash outflow of NOK 3.2 million in the quarter (cash inflow of NOK 135.1 million) following repayment of debt and leases. NORBIT received NOK 9.6 million in proceeds from issuance of new common shares related to incentive programs for employees.

For the first nine months of 2022, NORBIT had a positive cash flow of NOK 0.4 million from financing activities (NOK 161.9 million).

SHARE INFORMATION

NORBIT ASA is listed on the Oslo Børs (Oslo Stock Exchange) under the ticker NORBT.

In the third quarter of 2022, the share traded between NOK 23.50 and NOK 29.00 per share, with a closing price of NOK 24.90 at 30 September 2022.

At 30 September 2022, the company had a total of 1 856 shareholders, of which the 20 largest shareholders held 81.2 per cent of the total outstanding shares.

At 30 September 2022, the total number of shares in NORBIT ASA amounted to 58 901 139 and the number of outstanding shares was 58 884 307. At the same date, NORBIT ASA held 16 832 own shares.

In July 2022, the board of directors approved an incentive share purchase programs for all employees in NORBIT. The first program is a share purchase program where employees were offered the opportunity to acquire shares at a 20 per cent discount, subject to a lock-up period of 24 months. The second program is a share matching program, where the participants were offered the opportunity to acquire shares at market value, and in turn, obtain a right to receive compensation in new shares equivalent to their invested amount after 24 months if certain conditions are met.

In connection with the programs, the board of directors resolved to issue 380 708 new shares, of which 83 829 under the first program and 296 879 under the second program. The dilution impact on the market value of the shares, assuming the rights are exercised in full, is estimated to 0.5 per cent. The resolutions were based on the authorisations to increase the share capital granted by the general meeting on 4 May 2022.

RISKS AND UNCERTAINTIES

NORBIT is exposed to various risk factors, including, but not limited to, operational, market and financial risks. For a more detailed description of the risk factors, please see an overview in the annual report for 2021.

NORBIT considers its most significant risk to be related to the supply shortage of components. NORBIT relies on a significant supply of components to produce and deliver its equipment and systems. A large portion of the components are bought in a global market, including from China. As long as the Chinese governments' zero-covid approach remains in place, there is a risk that sudden lockdowns may be imposed and production among suppliers in the regions exposed may be halted. In turn, this could lead to unplanned delays and component shortages.

The current supply environment for raw material components continues to be challenging, particularly within the semiconductor industry. The supply market is characterised by low visibility as lead times have increased and remain unreliable due to capacity constraints, both in manufacturing and freight. This impacts the scheduling of planned deliveries leading to delays and, in worst case, cancellation of planned orders. There is also a risk that customers may cancel orders due to challenges in their own supply chain beyond the scope of NORBIT.

NORBIT is working actively to mitigate the risk of supply shortages by increasing inventory levels, evaluating the use of component equivalents in close dialogue with customers, as well as working with suppliers to secure the raw material components needed to deliver according to plans. The increase in inventory requires careful management as changes in market dynamics or reduced demand may negatively impact NORBIT as supplier, leading to obsolete inventory that has not been provided for in the financial statements.

Price increases on raw materials components continue to persist, and in recent months inflation has become broader. Combined, this leads to upwards pressure on the cost base. NORBIT continues to manage inflation by taking appropriate measures to maintain acceptable margins.

Following the war in Ukraine, geopolitical risk has increased. While NORBIT has no direct exposure to Ukraine, Belarus or Russia, the war could have indirect effects on NORBIT through the supply chain, which may lead to disruptions and shortage of components.

A potential energy crisis in Europe creates uncertainty. There is a risk that rationing of energy may impact demand from the industrial sector negatively. In particular Germany is exposed, and segments PIR and Connectivity both have exposure to the German automotive industry.

OUTLOOK

For 2022, revenues are expected to surpass NOK 1.1 billion, thus delivering above the target (approximately NOK 1.0 billion) set out in November last year. For segment Oceans, the last three months of the year have historically been the period with highest activity and Oceans is expected to deliver growth compared to the fourth quarter of last year. Connectivity is benefiting from strong demand for DSRC products and is expected to deliver revenues of NOK 70 – 75 million in the fourth quarter. Segment PIR is expected to deliver growth in revenues compared to third quarter this year, as well as fourth quarter last year.

NORBIT has over the past years remained firm to its strategy of maintaining a safety stock of components. This strategy has served the company well in the current supply market, both as a risk mitigating action and as an enabler for continued growth, albeit impacting capital efficiency ratios negatively given the high inventory. By having in-house R&D engineers who thrive on challenges, NORBIT has also been able to resolve some of the component shortage issues faced by adapting the product design, enabling the use of alternative components. Thanks to these actions, the negative impact from the supply market has so far largely been limited to PIR's ability to ramp up production.

NORBIT has an ambition to deliver organic revenues of NOK 1.5 billion and an EBITDA margin above 25 per cent in 2024. Further steps towards the ambition level are expected in 2023, supported by some key drivers and strategic initiatives within the business units:

- Subsurface navigation and seabed mapping for inspection continues to be a growing market for Oceans' sonar platform, in particular towards the renewable energy market and for autonomous navigation. Launch of new product innovations will expand the addressable market further, where Oceans is benefiting from its global sales and distribution platform. In addition, given the current geopolitical landscape, Oceans is well positioned for continued growth with its security and monitoring solutions, providing a range of products to detect and monitor activity both over and below the sea surface.
- Connectivity is benefiting from its strategy of partnering with the insurance industry on existing products and innovations. Capitalising on its capabilities within low power wireless devices for asset monitoring and safety solutions, Connectivity is investing in new innovations to broaden the product offering further in this domain.
- PIR is supported by a general electrification trend and an increasing preference among new clients to manufacture products in geographical proximity to its operations.

In addition to realising the organic growth ambition, NORBIT will continue to explore value-accretive acquisitions through its defined criteria to accelerate further growth. The board of directors remains optimistic about NORBIT's long-term outlook. The group's diversified product offering, targeting multiple industries and geographies, combined with the organisation's ability to adapt and to successfully introduce new market-driven innovation makes the company robust.

Trondheim, Norway, 10 November 2022
The board of directors and CEO
NORBIT ASA



Finn Haugan
Chair of the board



Bente Avnung Landsnes
Deputy chair of the board



Christina Hallin
Director



Trond Tuvstein
Director



Magnus Reitan
Director



Per Jørgen Weisethaunet
Chief executive officer

DEFINITIONS OF ALTERNATIVE PERFORMANCE MEASURES NOT DEFINED BY IFRS

EBITDA	Short for earnings before interest, tax, depreciation and amortisation. EBITDA corresponds to operating profit before depreciation and amortisation expenses, as reported in the consolidated statement of profit and loss. EBITDA is a key performance indicator that the company considers relevant for understanding the generation of profits.
EBITDA margin	EBITDA as a percentage of revenues. The EBITDA margin is a key performance indicator that the company considers relevant for understanding the profitability of the business and for making comparisons with other companies.
EBIT	Short for earnings before interest and tax and corresponds to operating profit in the consolidated statement of profit and loss. EBIT is a key performance indicator that the company considers relevant, as it facilitates comparisons of profitability over time independent of corporate tax rates and financing structures.
EBIT margin	EBIT as a percentage of revenues. The EBIT margin is a key performance indicator that the company considers relevant for understanding the profitability of the business and for making comparisons with other companies.
Equity ratio	Total equity divided by total assets. The equity ratio is a key performance indicator that the company considers relevant for assessing its financial leverage.
Net interest-bearing debt	Net interest-bearing debt is defined as total interest-bearing borrowings less cash and cash equivalents.
Gross profit	Gross profit is revenues less cost for raw materials and change in inventories, as reported in the consolidated statement of profit and loss. Gross profit is a key performance indicator that the company considers relevant for measuring the profitability before its employee benefit expenses, other operating expenses and depreciation and amortisation expenses.
Gross margin	Gross margin is defined as gross profit divided by revenues. The gross margin is a key performance indicator that the company considers relevant for understanding the profitability of the business and for making comparisons with other companies.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

<i>Amounts in NOK million</i>	<i>Note</i>	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
Revenue	4	269.7	200.3	820.2	538.9	787.8
Other gains and losses	11	-	-	-	1.2	1.2
Raw materials and change in inventories		123.7	92.1	373.3	252.8	363.3
Employee benefit expenses		66.2	49.3	176.7	125.2	187.7
Depreciation and amortisation expenses	7, 9	21.5	19.1	62.5	49.4	69.0
Other operating expenses		32.6	25.9	101.4	61.1	95.5
Operating profit		25.7	13.8	106.2	51.7	73.5
Net financial items	6	(10.2)	(1.1)	(19.1)	(5.2)	(9.8)
Profit before tax		15.5	12.8	87.1	46.5	63.7
Income tax expense	11	(3.9)	(2.7)	(20.2)	(10.7)	(15.9)
Profit for the period		11.6	10.1	66.9	35.8	47.9
Attributable to:						
Owners of the Company		11.6	10.1	66.9	35.8	47.9
Non-controlling interests		-	-	-	-	-
Total		11.6	10.1	66.9	35.8	47.9
Average no. of shares outstanding - basic	10	58 784 992	58 067 949	58 588 017	57 170 385	57 467 325
Average no. of shares outstanding - diluted	10	58 907 253	58 067 949	58 630 114	57 170 385	57 467 325
Earnings per share						
Basic (NOK per share)	10	0.20	0.17	1.14	0.63	0.83
Diluted (NOK per share)	10	0.20	0.17	1.14	0.63	0.83

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>Amounts in NOK million</i>	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
Profit for the period	11.6	10.1	66.9	35.8	47.9
Items that may be reclassified to profit or loss					
Exchange differences on translation of foreign operations	(2.2)	1.1	(0.4)	1.0	(3.2)
Items that will not be reclassified to profit or loss					
Changes in the fair value of equity investments at fair value through other comprehensive income	-	-	-	-	-
Other comprehensive income for the period, net of tax	(2.2)	1.1	(0.4)	1.0	(3.2)
Total comprehensive income for the period	9.4	11.1	66.5	36.8	44.7
Total comprehensive income for the period is attributable to:					
Owners of the Company	9.4	11.1	66.5	36.8	44.7
Non-controlling interests	-	-	-	-	-
Total	9.4	11.1	66.5	36.8	44.7

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>Amounts in NOK million</i>	<i>Note</i>	30.09.2022	30.06.2022	31.12.2021	30.09.2021
ASSETS					
Non-current assets					
Property, plant and equipment	7, 9	162.4	162.0	164.9	164.4
Intangible assets	7	258.6	255.1	242.3	243.9
Goodwill	11	82.1	82.1	82.1	82.1
Deferred tax asset		-	-	13.3	9.8
Equity-accounted investees		0.6	0.7	0.9	0.8
Shares in other companies		0.6	0.6	0.2	0.2
Other non-current assets		-	-	-	-
Total non-current assets		504.4	500.5	503.8	501.2
Current assets					
Inventories		430.7	370.9	263.2	249.2
Trade receivables		106.9	145.0	154.9	135.2
Other receivables and prepayments		50.2	47.4	33.3	22.2
Cash and cash equivalents		30.6	37.5	21.7	29.1
Total current assets		618.4	600.8	473.2	435.7
Total assets		1 122.8	1 101.4	976.9	937.0
EQUITY AND LIABILITIES					
Liabilities					
Interest-bearing borrowings	8	156.6	160.3	162.6	164.7
Lease liabilities	9	9.1	3.4	6.5	8.5
Other non-current liabilities		9.6	6.6	7.2	6.8
Total non-current liabilities		175.4	170.3	176.3	180.0
Trade payables		151.4	136.3	100.2	107.6
Other current liabilities		70.4	80.1	59.7	42.5
Tax liabilities		8.5	9.0	8.8	0.5
Interest-bearing borrowings	8	150.8	158.4	125.6	107.9
Lease liabilities	9	8.7	8.7	8.5	8.5
Total current liabilities		389.9	392.5	302.7	266.9
Total liabilities		565.2	562.8	479.1	446.9
Equity					
Share capital	10	5.9	5.9	5.8	5.8
Share premium		319.9	310.4	308.8	308.8
Retained earnings		231.7	222.3	183.3	175.0
Non-controlling interests		-	-	-	0.4
Total equity		557.6	538.6	497.9	490.0
Total equity and liabilities		1 122.8	1 101.4	976.9	937.0

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>Amounts in NOK million</i>	Attributable to owners				Non-controlling interests	Total equity
	Share capital	Share premium	Retained earnings	Total		
Balance at 31 December 2021	5.8	308.8	183.3	497.9	-	497.9
Profit for the period	-	-	66.9	66.9	-	66.9
Other comprehensive income	-	-	(0.4)	(0.4)	-	(0.4)
Total comprehensive income for the period	-	-	66.5	66.5	-	66.5
Treasury shares	-	-	(0.5)	(0.5)	-	(0.5)
Share issue	-	11.2	-	11.2	-	11.2
Dividends paid	-	-	(17.5)	(17.5)	-	(17.5)
Total transactions with owners	-	11.2	(18.0)	(6.8)	-	(6.8)
Balance at 30 September 2022	5.9	319.9	231.7	557.6	-	557.6

<i>Amounts in NOK million</i>	Attributable to owners				Non-controlling interests	Total equity
	Share capital	Share premium	Retained earnings	Total		
Balance at 31 December 2020	5.7	275.4	155.2	436.3	0.5	436.8
Profit for the period	-	-	35.8	35.8	-	35.8
Other comprehensive income	-	-	1.0	1.0	(0.0)	1.0
Total comprehensive income for the period	-	-	36.8	36.8	(0.0)	36.8
Share issue	0.2	33.3	-	33.5	-	33.5
Dividends paid	-	-	(17.0)	(17.0)	-	(17.0)
Total transactions with owners	0.2	33.3	(17.0)	16.5	-	16.5
Balance at 30 September 2021	5.8	308.8	175.0	489.6	0.4	490.0

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

<i>Amounts in NOK million</i>	<i>Note</i>	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
Profit for the period		11.6	10.1	66.9	35.8	47.9
Adjustments for:						
Income tax expense recognised in profit or loss		3.9	2.7	20.2	10.7	15.9
Income taxes paid		(1.1)	-	(2.6)	-	(0.4)
Share of profit of associates		0.1	-	0.3	(0.1)	0.3
Gain on disposal of interest in former associate		-	-	-	(1.2)	(1.2)
Depreciation and amortisation	7, 9	21.5	19.1	62.6	49.4	69.0
(Increase)/decrease in trade receivables		38.1	24.9	48.0	(5.2)	(24.9)
(Increase)/decrease in inventories		(59.9)	(39.3)	(167.5)	(77.1)	(91.2)
Increase/(decrease) in trade payables		15.1	(2.3)	50.9	38.4	31.0
Increase/(decrease) in accruals		(14.9)	1.9	(1.2)	(0.3)	1.4
Net cash generated by operating activities		14.4	17.2	77.6	50.3	47.7
Cash flows from investing activities						
Payments for property, plant and equipment	7	(5.0)	(7.6)	(20.7)	(19.4)	(29.0)
Reclassified from inventory to property, plant and equip.	7	1.7	-	1.7	(10.5)	(10.5)
Payments for intangible assets	7	(15.0)	(14.3)	(48.7)	(41.2)	(51.2)
Net cash outflow on acquisition of subsidiaries and other shares	11	-	(123.7)	(1.5)	(126.9)	(126.9)
Net cash (used in)/generated by investing activities		(18.2)	(145.5)	(69.2)	(198.0)	(217.6)
Cash flows from financing activities						
Payment for share buy-back costs		-	-	(0.5)	-	-
Proceeds from issuance of common shares	10	9.6	7.2	9.6	7.2	7.2
Proceeds from borrowings	8	30.0	150.0	30.0	165.8	166.3
Repayment of borrowings	8	(31.7)	(0.7)	(37.0)	(5.6)	(7.4)
Repayment of lease liabilities	9	(2.6)	(2.0)	(6.8)	(6.2)	(8.2)
Net change in overdraft facility	8	(8.5)	(19.4)	22.7	17.7	35.7
Dividends paid	10	-	-	(17.5)	(17.0)	(17.0)
Net cash (used in)/generated by financing activities		(3.2)	135.1	0.4	161.9	176.6
Net increase in cash and cash equivalents		(7.0)	6.8	8.8	14.2	6.7
Cash and cash equivalents at the beginning of the period		37.5	22.4	21.7	15.0	15.0
Cash and cash equivalents at the end of the period		30.6	29.1	30.5	29.1	21.7

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 GENERAL

NORBIT is a global provider of tailored technology solutions to selected niches. NORBIT's vision is to be recognised as world class, enabling people to explore more.

NORBIT is headquartered in Trondheim, with manufacturing in Norway. In addition, in Q3 2022 NORBIT also had operations through its foreign subsidiaries in Denmark, Czech Republic, Poland, Austria, Hungary, Italy, Singapore, China, Sweden, Croatia, Slovakia, Brazil, United Kingdom and United States.

The business includes development, manufacturing and delivery of products, systems and services based on electronics. NORBIT ASA is organised in three operating segments: Oceans, Connectivity and Product Innovation & Realization (PIR).

The consolidated financial statements of NORBIT ASA for the third quarter and nine months ending 30 September 2022 incorporate the financial statements of the company and its subsidiaries (collectively referred to as the "group").

NOTE 2 STATEMENT OF COMPLIANCE

The interim consolidated statements for the third quarter 2022, ending 30 September 2022, were prepared in accordance with IAS 34 Interim Financial Reporting and are unaudited. The interim consolidated financial statements do not include all information and disclosures required in the annual financial statements, and should be read in conjunction with the group's annual report for 2021. The consolidated financial statements of the group as at and for the year ended 31 December 2021 are available at www.norbit.com.

The new standards and interpretations effective from 1 January 2022 do not have a significant impact on the group's consolidated interim financial statements.

NOTE 3 SIGNIFICANT ACCOUNTING PRINCIPLES

The accounting principles applied in the interim financial statements are consistent with the standards and interpretations followed by the preparation of the group's annual financial statements for the year ended 31 December 2021. The groups accounting principles are described in the annual report for 2021.

The preparation of accounts in accordance with IFRS requires the use of estimates. Furthermore, the application of the company's accounting policies requires management to exercise judgments. Estimates and subjective judgements are based on past experience and other factors that are considered appropriate. Actual results may deviate from these estimates.

The significant judgements, estimates and assumptions communicated in the consolidated financial statements at 31 December 2021 also apply to these interim financial statements. In preparing these interim financial statements, NORBIT has focused on estimates and assumptions related to impairment assessment of intangible assets, loss allowance for expected credit losses on trade receivables and guarantee provisions. Based on the assessment, no impairment of intangible assets was recognised in the three first quarter of 2022. In the third quarter of 2022, NORBIT made a NOK 1.0 million provision on expected loss on trade receivables. In total, NOK 2.7 million has been provided for the first three quarters of the year.

NOTE 4 SEGMENT INFORMATION

The operating segments are aligned with the internal reporting and the operating segments are components of the group that are evaluated regularly by the management team. The operating segments are Oceans, Connectivity and Product Innovation and Realization (PIR).

YTD 2022

<i>Amounts in NOK million</i>	Oceans	Connectivity	PIR	Eliminations	Total
Revenues	316.0	227.4	306.4	(29.5)	820.2
Other gains and losses	-	-	-	-	-
Raw materials and change in inventories	104.5	81.4	198.5	(11.2)	373.3
Operating expenses	104.4	92.6	73.4	7.8	278.2
EBITDA	107.0	53.4	34.5	(26.2)	168.7
EBITDA margin	34 %	23 %	11 %	-	21 %
Depreciation	12.4	5.8	9.9	1.7	29.9
Amortisation and impairment	11.0	21.6	-	-	32.6
EBIT	83.6	26.0	24.5	(27.9)	106.2
Total financial items (not allocated)					(19.1)
Profit before tax					87.1
Taxes (not allocated)					(20.2)
Profit after tax					66.9

Timing of revenues

- At point in time	282.3	196.7	277.7	(29.5)	727.2
- Over time	33.7	30.6	28.7	-	93.0
Total	316.0	227.4	306.4	(29.5)	820.2

YTD 2021

<i>Amounts in NOK million</i>	Oceans	Connectivity	PIR	Eliminations	Total
Revenues	261.8	81.7	214.5	(19.1)	538.9
Other gains and losses	-	-	-	1.2	1.2
Raw materials and change in inventories	95.6	30.4	131.6	(4.8)	252.8
Operating expenses	69.8	39.7	69.0	7.8	186.4
EBITDA	96.3	11.6	13.9	(20.8)	101.0
EBITDA margin	37 %	14 %	6 %	-	19 %
Depreciation	8.4	3.0	12.2	1.1	24.7
Amortisation and impairment	9.3	11.9	4.2	(0.6)	24.7
EBIT	78.7	(3.3)	(2.5)	(21.3)	51.7
Total financial items (not allocated)					(5.2)
Profit before tax					46.5
Taxes (not allocated)					(10.7)
Profit after tax					35.8

Timing of revenues

- At point in time	230.9	81.7	192.8	(19.1)	486.3
- Over time	30.9	-	21.7	-	52.7
Total	261.8	81.7	214.5	(19.1)	538.9

Q3 2022

<i>Amounts in NOK million</i>	Oceans	Connectivity	PIR	Eliminations	Total
Revenues	103.8	80.7	96.0	(10.8)	269.7
Other gains and losses	-	-	-	-	-
Raw materials and change in inventories	35.9	32.1	60.9	(5.1)	123.7
Operating expenses	40.6	28.9	23.3	5.9	98.8
EBITDA	27.3	19.7	11.8	(11.6)	47.2
EBITDA margin	26 %	24 %	12 %		17 %
Depreciation	4.4	2.5	3.2	0.7	10.8
Amortisation and impairment	3.7	7.2	0.1	-	11.0
EBIT	19.2	10.0	8.5	(12.3)	25.4
Total financial items (not allocated)					(10.2)
Profit before tax					15.2
Taxes (not allocated)					(3.9)
Profit after tax					11.3

Timing of revenues

- At point in time	78.2	63.9	77.5	(10.8)	208.9
- Over time	25.5	16.7	18.5	-	60.7
Total	103.8	80.7	96.0	(10.8)	269.7

Q3 2021

<i>Amounts in NOK million</i>	Oceans	Connectivity	PIR	Eliminations	Total
Revenues	91.8	46.0	68.8	(6.3)	200.3
Other gains and losses	-	-	-	-	-
Raw materials and change in inventories	33.0	13.0	48.4	(2.2)	92.1
Operating expenses	27.6	20.5	20.8	6.3	75.3
EBITDA	31.2	12.5	(0.4)	(10.4)	32.9
EBITDA margin	34 %	27 %	(1 %)	-	16 %
Depreciation	3.5	1.5	3.7	0.6	9.3
Amortisation and impairment	3.7	4.9	1.4	(0.3)	9.8
EBIT	24.0	6.1	(5.5)	(10.7)	13.8
Total financial items (not allocated)					(1.1)
Profit before tax					12.8
Taxes (not allocated)					(2.7)
Profit after tax					10.1

Timing of revenues

- At point in time	80.0	46.0	62.5	(6.3)	182.2
- Over time	11.8	-	6.3	-	18.1
Total	91.8	46.0	68.8	(6.3)	200.3

NOTE 5 DERIVATIVE FINANCIAL INSTRUMENTS

The group has the following derivative financial instruments:

	30.09.22	31.12.21
Foreign currency forwards NOK/EUR (amounts in currency '000)	-	-
Foreign currency forwards USD/EUR (amounts in currency '000)	-	-
Average FX rate in contract (NOK/EUR)	-	-
Average FX rate in contract (USD/EUR)	-	-
Fair value of contracts based on MTM reports from counterpart banks	-	-

NOTE 6 NET FINANCIAL ITEMS

Net financial items consist of:

<i>Amounts in NOK million</i>	YTD 2022	YTD 2021	Q3 2022	Q3 2021
Share of profit of associates	(0.3)	0.1	(0.1)	-
Net interest income / (expense)	(10.6)	(4.9)	(3.9)	(2.1)
Agio/disagio and other financial expenses	(8.2)	(0.4)	(6.2)	1.1
Net financial items	(19.1)	(5.2)	(10.2)	(1.1)

NOTE 7 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

<i>Amounts in NOK million</i>	Land and properties	Machinery, fixtures and fittings	Intangible assets
Balance at 31 December 2021	68.6	81.5	242.3
Additions from acquisition of companies	-	-	1.0
Additions	2.3	18.3	48.7
Reclassified to inventory	-	(1.7)	-
Depreciation	(4.4)	(18.9)	-
Amortisation	-	-	(32.6)
Currency effects	(0.1)	(0.9)	(0.8)
Balance at 30 September 2022	66.5	78.4	258.6

The group invested NOK 15.0 million in intangible assets in Q3 2022, and NOK 48.7 million in intangible assets at Q3 2022. The capital expenditures were primarily related to broadening the product offering in the Oceans and Connectivity segments. The development projects progressed as planned during the first three quarters of the year.

Total investments in property, plant and equipment was NOK 5.0 million in Q3 2022, and NOK 20.7 million for the first three quarters of 2022, primarily related to machinery and equipment.

At the end of each reporting period, the group assess whether there are indications that any tangible or intangible asset has been impaired. If such indications are present, an estimate to the recoverable amount of the asset is calculated. No indications of impairment were identified at 30 September 2022.

NOTE 8 INTEREST-BEARING BORROWINGS

<i>Amounts in NOK million</i>	30.09.2022	31.12.2021	30.09.2021
Revolving credit facility	90.0	60.0	60.0
Overdraft facility	109.2	86.5	68.5
Term loan	51.3	54.1	55.0
Seller's credit	32.6	60.2	60.9
Other borrowings	24.2	27.4	28.2
Total interest-bearing borrowings	307.4	288.2	272.6
Non-current borrowings	156.6	162.6	164.7
Current borrowings	150.8	125.6	107.9
Total interest-bearing borrowings	307.4	288.2	272.6

The group had three main loan facilities per end of Q3 2022, comprising of a long-term revolving credit facility (RCF), a short-term overdraft facility and a term loan. The credit limits are NOK 200 million and NOK 250 million on the RCF and overdraft facility, respectively. The maturity date for the RCF is February 2025 and July 2024 for the term loan, while the overdraft is a 12 month rolling facility. The term loan amortises over 15 years.

NORBIT had drawn NOK 109.2 million on the overdraft facility at 30 September 2022, while NOK 90.0 million was drawn on the RCF. NOK 51.3 million was outstanding on the term loan. The RCF and term loan are priced at 3M NIBOR + 1.8 per cent margin p.a., while the overdraft facility is priced at 1M NIBOR + 1.4 per cent margin p.a.

The financial covenants are as follows:

■ **Equity ratio:** Carrying value of total equity as per cent of carrying value of total assets shall exceed 30 per cent. To be reported by 30 June and 31 December.

■ **NIBD ratio:** Total interest-bearing borrowings and lease liabilities less cash and cash equivalents over EBITDA (IFRS, as reported) shall not exceed 4.0 times. To be reported each quarter. EBITDA is calculated on a 12 month rolling basis.

At 30 September 2022, NORBIT was in compliance with both financial covenants.

In connection with the acquisition of iData Kft. completed in July 2021, the transaction was partly settled through issuance of a EUR 6.0 million sellers' credit. The seller's credit bears an interest of 3% p.a and accrues on the loan. Half of the seller's credit was paid in July 2022, while the remainder is due in July 2023.

NOTE 9 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

NORBIT leases a number of offices in addition to machinery and vehicles. Right-of-use assets are reported under Property, plant and equipment in the balance sheet. The movement in the right-of-use assets and lease liabilities during 2022 is summarised below:

<i>Amounts in NOK million</i>	Right of use assets			Lease liabilities
	Office rent	Machinery and vehicles	Total	
Balance at 31 December 2021	14.7	-	14.8	15.0
Additions	3.2	6.2	9.4	9.4
Depreciation expense	(6.3)	(0.3)	(6.6)	-
Interest expense	-	-	-	0.3
Lease payments	-	-	-	(6.8)
Balance at 30 September 2022	11.6	5.9	17.6	17.8

NOTE 10 SHARE CAPITAL AND EQUITY

NORBIT ASA has been listed on the Oslo Børs (Oslo Stock Exchange) since 20 June 2019. The share is traded under the symbol NORBT.

At 30 September 2022, the total number of shares in NORBIT ASA amounted to 58 901 139 and the number of outstanding shares was 58 884 307, each with a par value of NOK 0.10 per share. At the same date, NORBIT ASA held 16 832 own shares. All issued shares are fully paid. Average outstanding

number of shares is used in the calculation of earnings per share in all periods of 2021 and 2022.

At 30 September 2022, there were 122 266 restricted stock units ('RSUs') outstanding. Half will vest in the second quarter of 2023, while the remaining half will vest in second quarter 2024. The RSUs are included in the calculation of diluted earnings per share.

NOTE 11 BUSINESS COMBINATIONS

Nicarnica Aviation AS

In March 2022, NORBIT ASA acquired 100 per cent ownership in Nicarnica Aviation AS, a Norwegian technology company that has developed remote sensing solutions for detecting hazardous emissions. The technology broadens and complements the existing environmental monitoring solutions

developed by segment Oceans. The total consideration for the company was NOK 0.9 million, paid in cash to the sellers. The purchase price and fair value of assets and liabilities acquired are presented in the table below.

<i>Amounts in NOK million</i>	Purchase price
Cash consideration	0.9
Total	0.9
Recognised amount of identifiable assets and acquired liabilities assumed*	
Intangible assets	1.0
Deferred tax asset	2.0
Cash and cash equivalents	-
Interest-bearing borrowings	(1.6)
Trade payables	(0.4)
Other current liabilities	(0.1)
Total identifiable net assets	0.9
Cash and cash equivalents	-
Total cash outflow from acquisition of business	0.9

* The purchase price allocation is preliminary and may be subject to adjustments

NOTE 12 RELATED PARTY TRANSACTIONS

There were no related party transactions in the first three quarters of 2022.

NOTE 13 SUBSEQUENT EVENTS

Received credit approval for an new NOK 120 million term loan facility and a NOK 100 million upsizing of the overdraft facility, bringing the available liquidity to more than NOK 470 million.



NORBIT

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