

NORBIT

- explore more -

Fourth quarter and full year 2020 result presentation

CEO Per Jørgen Weisethaunet
CFO Per Kristian Reppe

10 February 2021, Trondheim, Norway

Disclaimer

These materials, prepared by NORBIT ASA (the "**Company**"), may contain statements about future events and expectations that are forward-looking statements. Any statement in these materials that is not a statement of historical fact including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives of management for future operations is a forward-looking statement that involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. Although management believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements. The Company assumes no obligations to update the forward-looking statements contained herein to reflect actual results, changes in assumptions or changes in factors affecting these statements.

This presentation does not constitute or form part of, and is not prepared or made in connection with, an offer or invitation to sell, or any solicitation of any offer to subscribe for or purchase any securities and nothing contained herein shall form the basis of any contract or commitment whatsoever. No reliance may be placed for any purposes whatsoever on the information contained in this presentation or on its completeness, accuracy or fairness. The information in this presentation is subject to verification, completion and change. The contents of this presentation have not been independently verified. The Company's securities have not been and will not be registered under the US Securities Act of 1933, as amended (the "**US Securities Act**"), and are offered and sold only outside the United States in accordance with an exemption from registration provided by Regulation S of the US Securities Act. This presentation should not form the basis of any investment decision. Investors and prospective investors in securities of any issuer mentioned herein are required to make their own independent investigation and appraisal of the business and financial condition of such company and the nature of the securities.

NORBIT is to be recognized as world class, enabling people to explore more

- Founded 1995
- HQ in Trondheim, Norway
- Manufacturing facilities in Selbu and Røros, Norway
- Offices and Subsidiaries in 14 countries
- Listed on Oslo Børs, ticker **NORBIT**



*Victory awaits him who has everything in order. Luck people call it...
Defeat is certain for him who has neglected to take necessary
precaution in time. This is called bad luck"*

Roald Amundsen 1912

A global provider of tailored technology to carefully selected niches

Diversified and robust business model



Oceans is offering tailored technology solutions to global maritime markets



Intelligent Traffic Systems (ITS) is offering tailored connectivity solutions for traffic systems and truck applications



Product Innovation & Realization (PIR) is offering R&D services and contract manufacturing to key customers

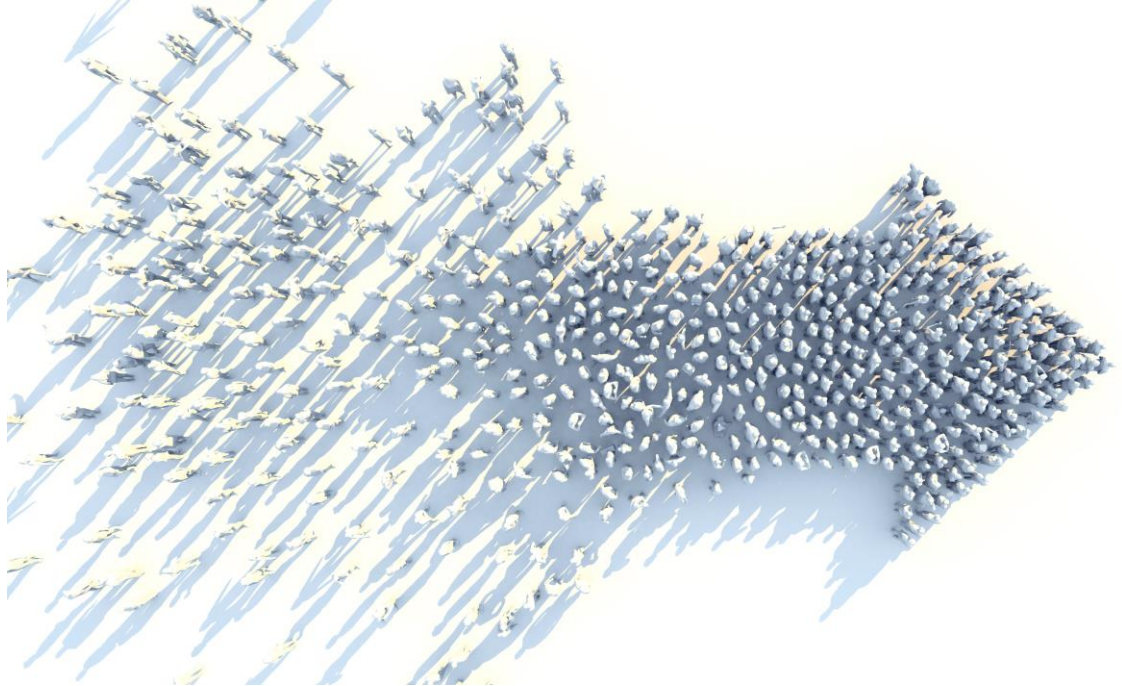
Strategic priorities to navigate through the pandemic

Maintain financial robustness

- Reduce use of consultants
- Put new employments on hold
- Deliver all customer orders
- Scale staffing in production to activity

Strengthen platform for growth

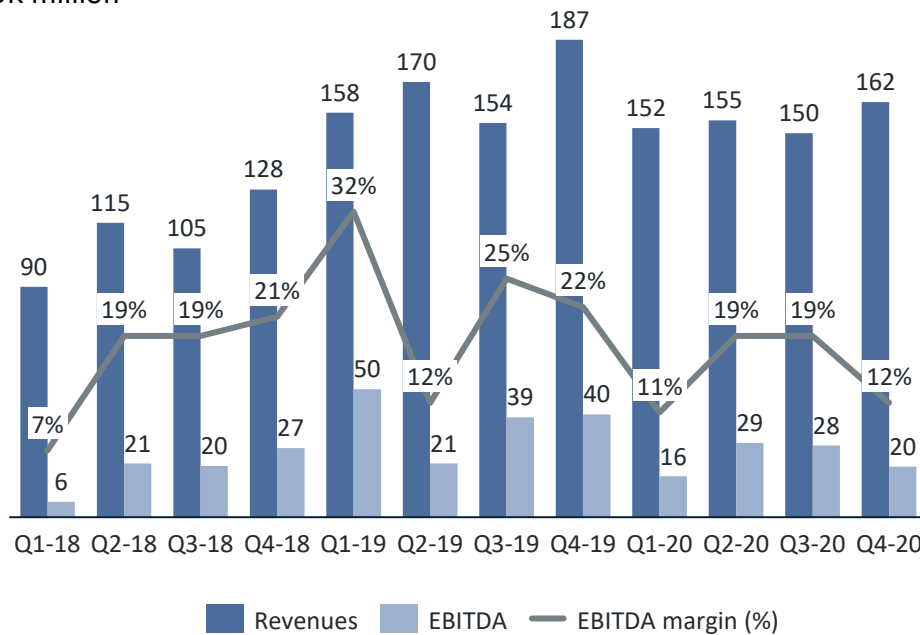
- All planned investments programs maintained
 - Broaden product offering through R&D / innovation
 - Increase production capacity
- Continue to explore strategic opportunities



Stable activity during 2020

Revenues and EBITDA

NOK million

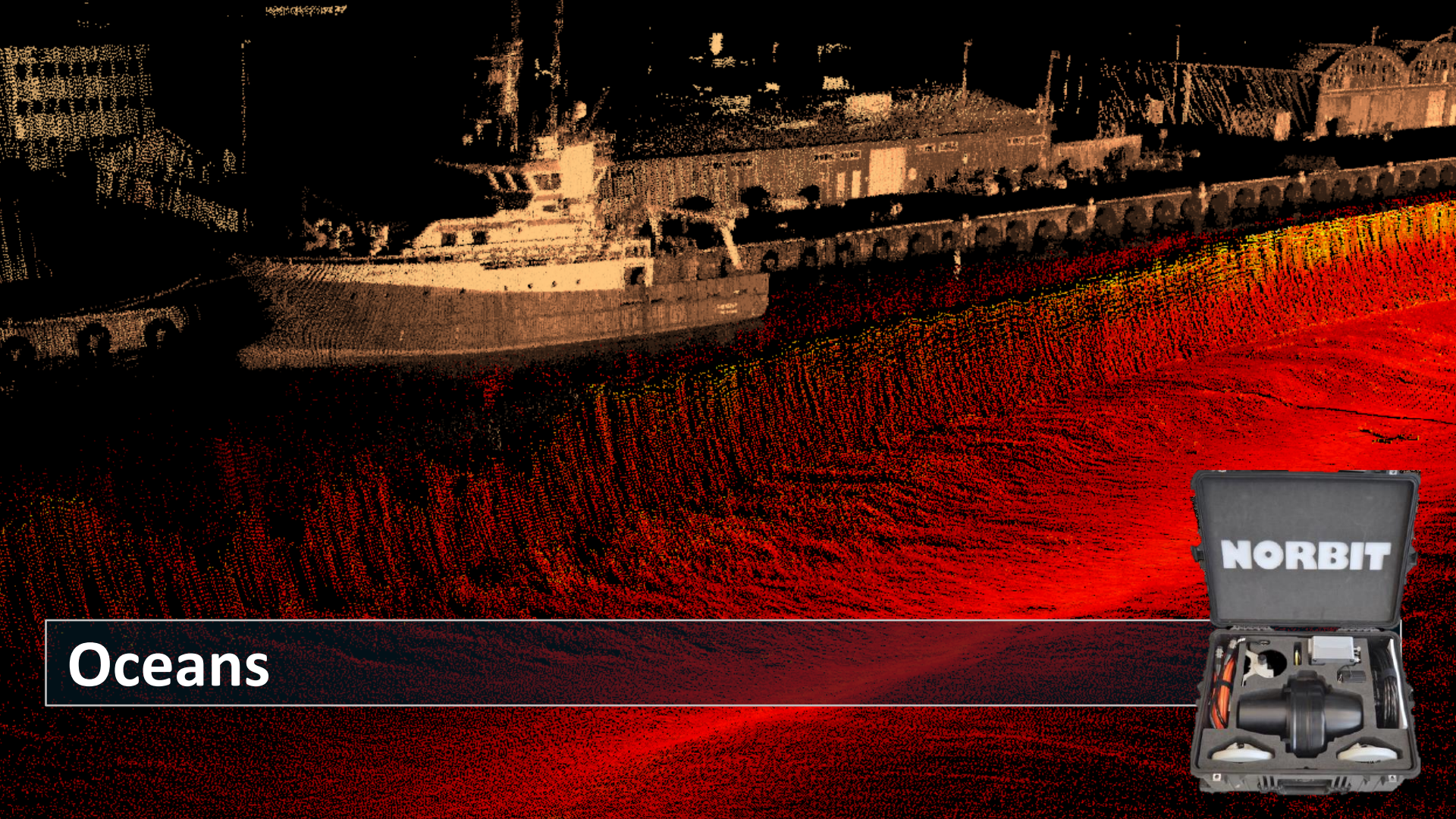


Fourth quarter 2020

- NORBIT succeeded in maintaining stable activity in a challenging environment caused by the pandemic
- Revenues of NOK 162 million
- EBITDA of NOK 20 million

Full year 2020

- Revenues of NOK 619 million, vs NOK 668 million in 2019
- EBITDA of NOK 93 million, 15% margin
- The Board proposes a dividend for fiscal year 2020 of NOK 0.30 per share



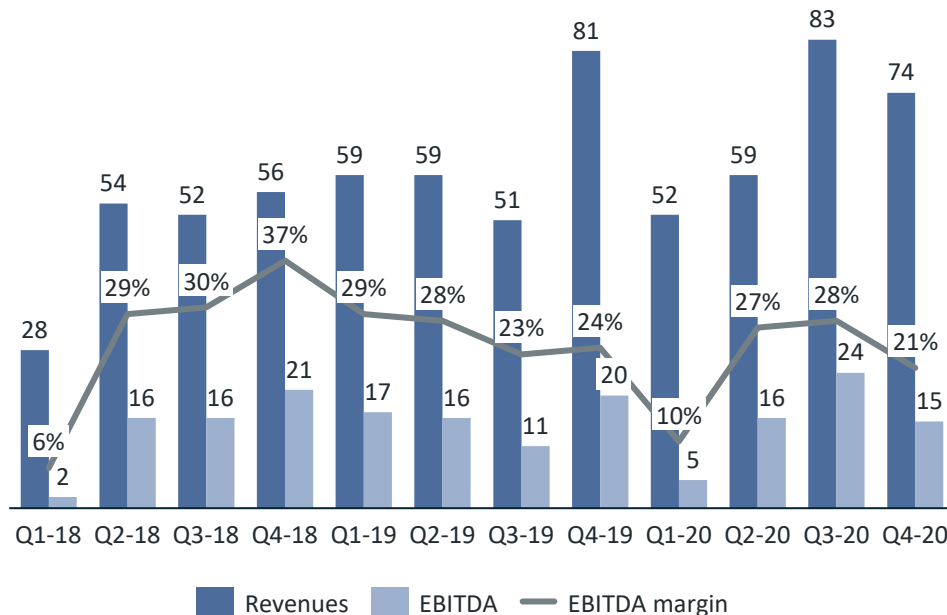
Oceans



Oceans delivers growth also in 2020

Revenues and EBITDA

NOK million



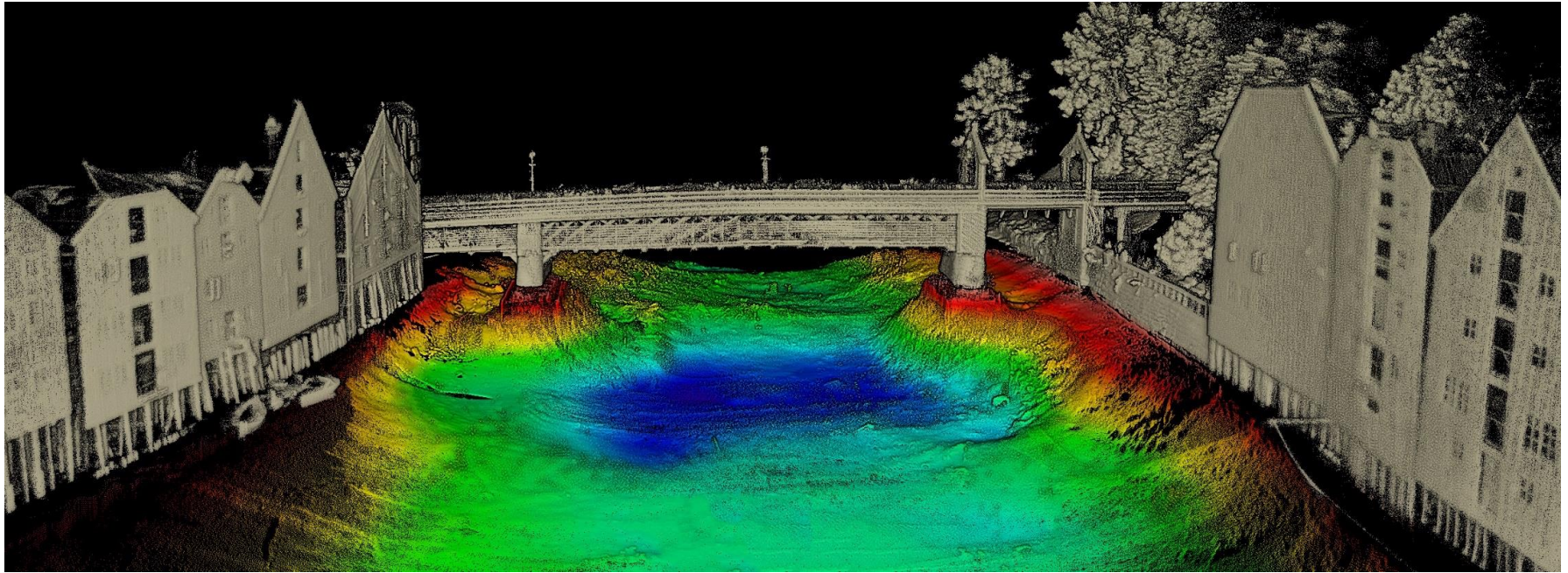
Fourth quarter 2020

- Revenues of NOK 74 million
- EBITDA margin of 21% for the quarter
- Moderate revenue decline despite a strong end to the quarter
- Less delivered to the aquaculture market compared to the corresponding period last year
- Announcement of the acquisition of the SeaDarQ Radar System
- Awarded contract for delivery of the SeaCOP Environmental Monitoring and Surveillance System

Full year 2020

- Revenues of NOK 267 million
- 7% revenue growth despite negative impact on sales activities from travel restrictions
- EBITDA margin of 22% for 2020

Important milestone in 2020: Launch of WINGHEAD® - a new ultrahigh resolution sonar



- ✓ Shallow Water Bathymetry
- ✓ Pipeline & Cable Inspection Surveys
- ✓ Structure inspection eg. offshore wind, quay wall, bridges
- ✓ Pond, River and Estuary Surveys
- ✓ Harbor and Lake Surveys
- ✓ Coastal Surveys
- ✓ USV & UUV

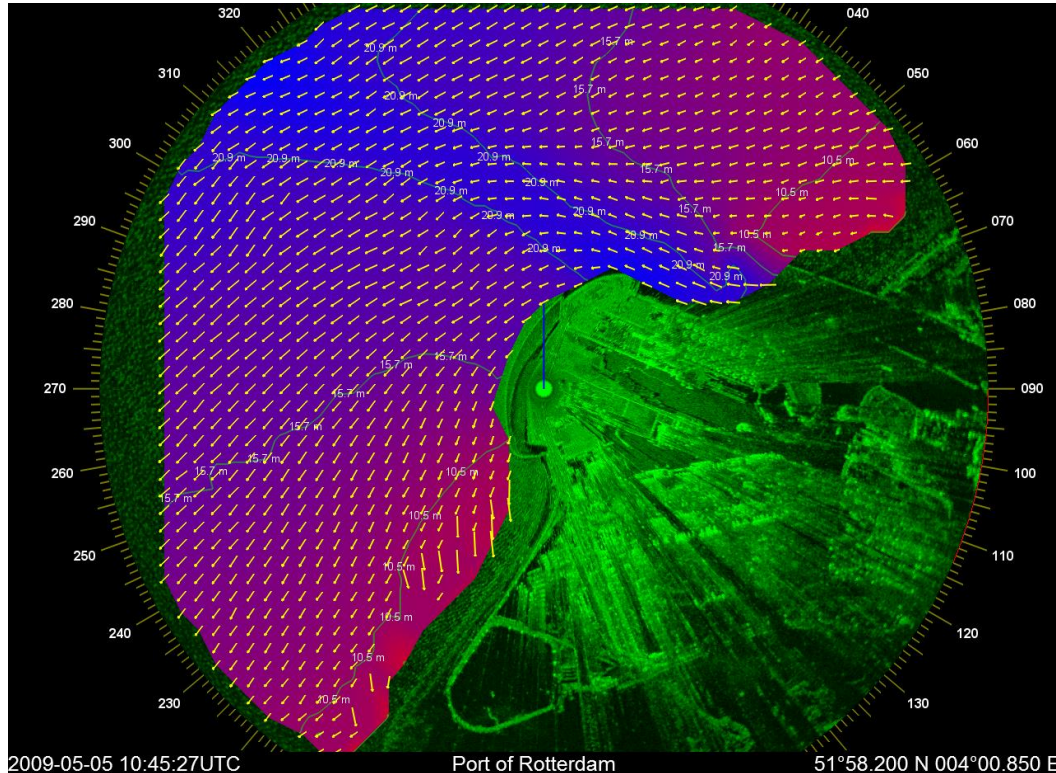
Adding carefully selected resellers



- Strategy to add selected regional resellers with sufficient domain knowledge, demo capacity, relevant practical skills and a size where commission from sales of NORBIT Sonars has a meaningful impact
- Geohydrocean Services Sdn Bhd appointment of as official reseller in Malaysia




Environmental monitoring and Surveillance system - SeaCOP



- The acquired SeaDarQ Radar System integrated into SeaCOP
- Awarded contract for delivery of the SeaCOP Environmental Monitoring and Surveillance System to European governmental customer
- System combining remote sensing technologies (radar, infrared cameras and sonars) with data fusion and artificial intelligence
- Targeting energy and shipbuilding companies, ports and harbour authorities, transportation companies etc
- Purpose to give improved situational awareness
 - Information and tools to increase efficiency and reduce cost
 - Ensuring safety and integrity of people, environment and marine assets

NORBIT Oceans includes offering of tailored underwater cables



Utilize our global sales network to offer tailored underwater cables and assemblies

NORBIT Kabelpartner to be included in segment Oceans



DSRC solutions for satellite-based truck tolling



Connectivity devices for smart tachograph

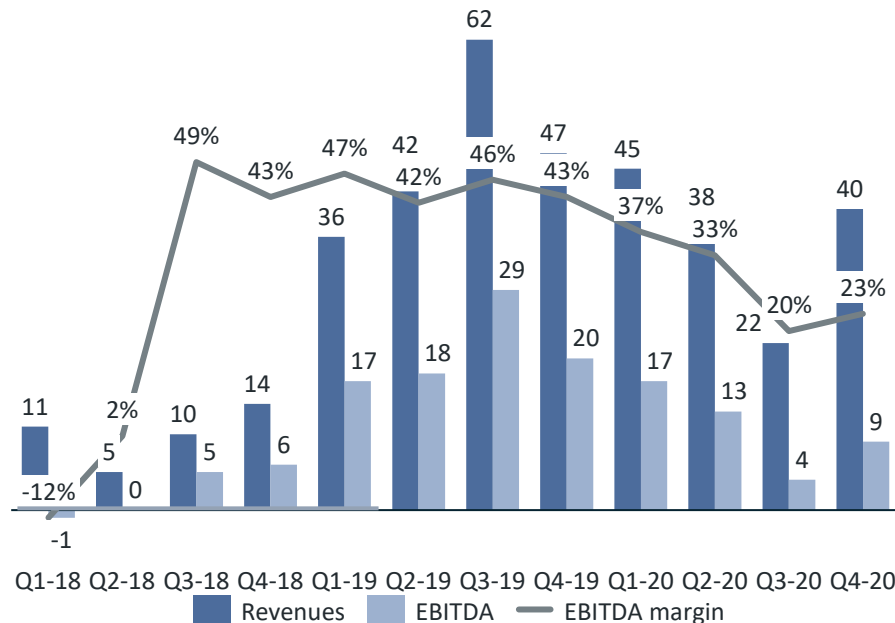
Intelligent Traffic Systems (ITS)



Intelligent Traffic Systems (ITS) increased revenues on higher OBU volumes

Revenues and EBITDA

NOK million



Fourth quarter 2020

- Revenues still impacted by inventory build down at one larger customer
- Revenues up 82% from Q3 due to high sales of On-Board Units (OBUs)
- EBITDA margin of 23%

Full year 2020

- Revenues NOK 145 million, down from NOK 186 million in 2019
- EBITDA margin of 29% in 2020

Recent events

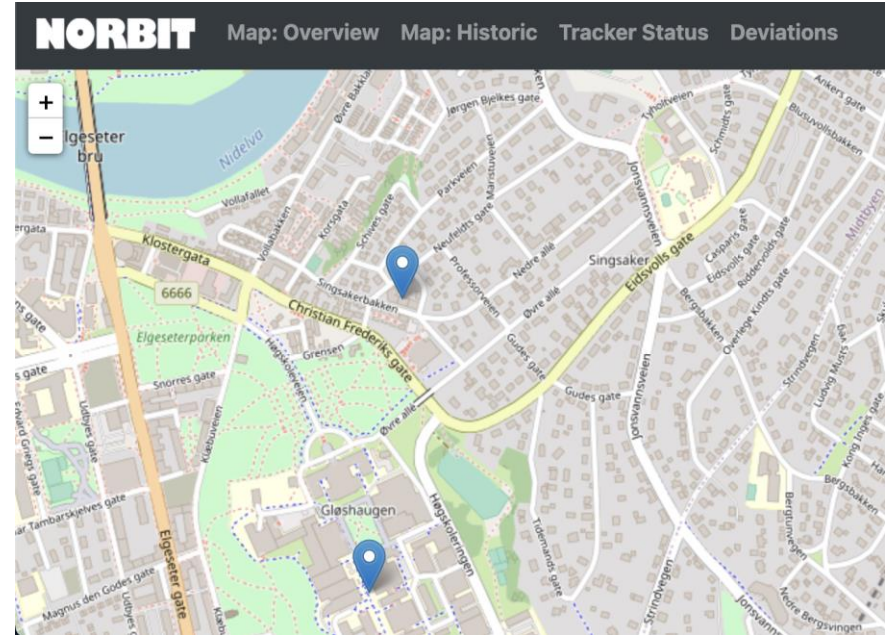
- Announced potential strategic European acquisition
- Entering the Italian market in partnership with DKV

Taking advantage of existing key competence within high-volume wireless low power devices



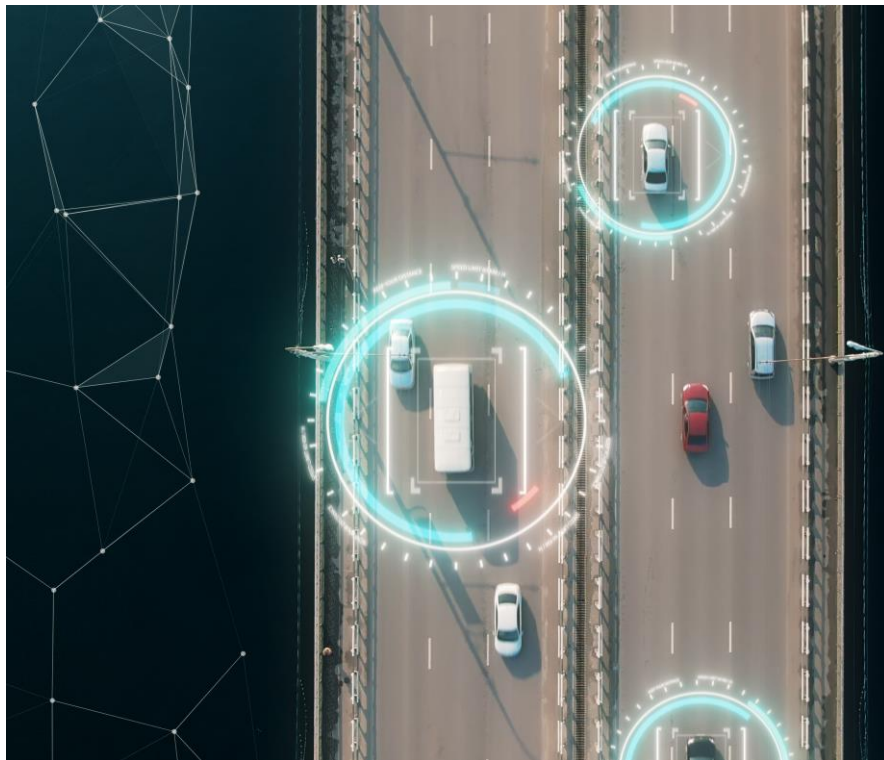
Strong competence and vast experience from :

- RF & Microwave based wireless technology
- Customized integrated antennas
- Embedded Software
- Lower power devices
- Robotized high volume manufacturing



Strategy to grow a **new subsegment** based on **selected IoT/5G niche applications** (*vehicle/asset tracking & monitoring*)

European acquisition kickstarts strategy to broaden technology base for ITS



- **NORBIT is in advanced and exclusive negotiations regarding an acquisition of an undisclosed European technology company**
- The target company has vast experience in the vehicle tracking market
- Well-established customer base in its home market
- Subscription based business model
- Preliminary enterprise value of EUR 14.5 million, based on an expected 2020 EBITDA of approx. EUR 2 million (margin > 35%)
- Expected closing end of Q1-21
- Attractive synergies where NORBIT's capabilities can contribute to expand and broaden both the market footprint and the technology base of the target to fuel growth in Europe

Migrating OBU business from tendering to B2B partnerships



- NORBIT steps into the Italian road tolling market together with DKV
- The mobility service provider DKV has announced to be the first non-Italian certified provider of toll settlement systems in Italy
- After a successful pilot phase, the Italian motorway operators have given their approval for use of the NORBIT OBUs for toll collection on Italian motorways for trucks and buses
- DKV will deliver the NORBIT OBUs under the brand DKV BOX ITALIA

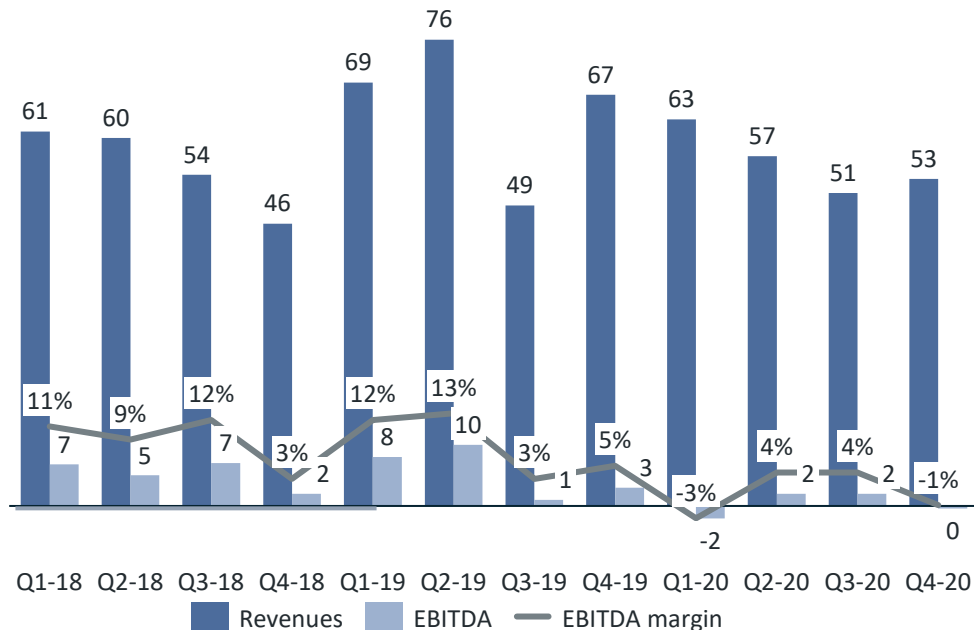


Product Innovation & Realization (PIR)

Product Innovation & Realization on par with previous quarter

Revenues and EBITDA

NOK million



Fourth quarter 2020

- Revenues of NOK 53 million in line with Q3
- EBITDA of NOK -0.4

Full year 2020

- Revenues of NOK 225 million down from NOK 260 million in 2019
- EBITDA margin of 1% in 2020
- Revenues impacted by reduces sales of contract manufacturing both towards Automotive Industry and other industrial clients

Expansion and modernization of the facilities



Røros:

- Doubling of the floor area
- More than doubling of the production capacity

Trondheim:

- Established “Fast-track” center for rapid prototyping
- Expansion of R&D test laboratories and assembly area

Selbu:

- Standardized on same high speed assembly lines as Røros
- New inventory robots



Established basis for growth and improved profitability in PIR going forward

- Increasing demand for “*Made in Europe/Norway*”
- Production capacity significantly increased, enabling opportunities for growth in contract manufacturing
- Enhanced collaboration between in-house R&D and leading-edge manufacturing process capabilities
- Established “Fast-Track” center including 3D-printing and CNC milling for rapid prototyping and pilot-series



NORBIT

- explore more -

Group financials



Financials – P&L

Amounts in NOK 000's

	Q4 2020	Q3 2020	Q4 2019	FY 2020	FY 2019
Revenues	162 110	149 966	186 467	618 798	668 176
Other gains and losses	-	-	-	-	10 865
Raw materials and change in inventories	78 065	69 113	87 092	292 670	304 495
Employee benefit expenses	44 586	37 198	41 153	155 595	161 650
Other operating expenses	19 621	15 484	18 039	77 062	63 147
EBITDA	19 838	28 170	40 183	93 471	149 749
Depreciation and amortization expenses	14 161	11 882	12 390	49 125	46 836
Operating profit / EBIT	5 677	16 288	27 793	44 346	102 913
Net financial items	(9 364)	1 430	3 157	(9 524)	(7 482)
Profit before tax	(3 687)	17 718	30 950	34 822	95 432
Income tax expense	1 048	(4 154)	(6 339)	(7 422)	(18 158)
Profit for the period	(2 639)	13 564	24 611	27 400	77 274

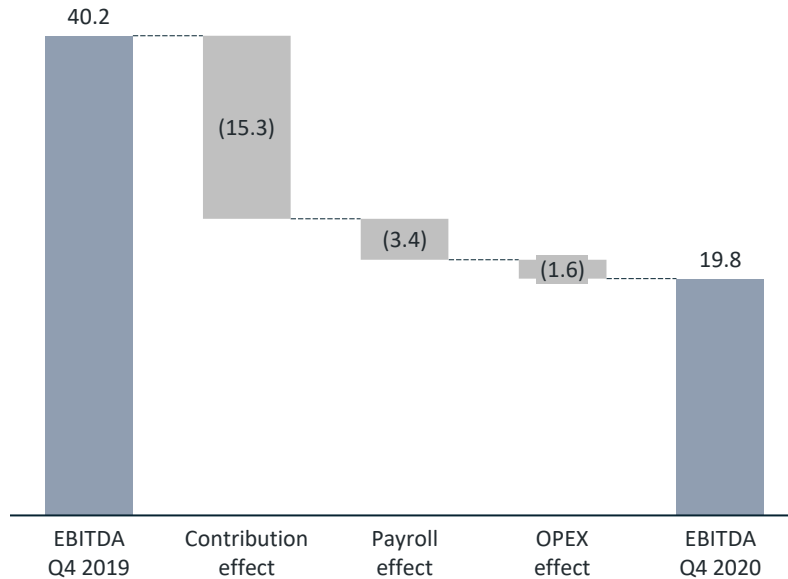
Fourth quarter of 2020

- Revenues of NOK 162.1 million, up 8% from Q3 2020, but down 13% from Q4 2019
 - Sequential growth quarter-over-quarter in ITS and PIR
 - All segments delivered lower revenues compared to Q4 2019
- Total expenses, excluding D&A, amounted to NOK 142.3 million versus NOK 146.3 million in Q4 2019 and NOK 121.8 million in the prior quarter
- EBITDA of NOK 19.8 million (12% margin) compared to NOK 40.2 million in Q4 2019 (22% margin)
- Net financial items of negative NOK 9.4 million primarily due to foreign exchange losses
- Net profit for the period of negative NOK 2.6 million

Majority of EBITDA development explained by lower contribution

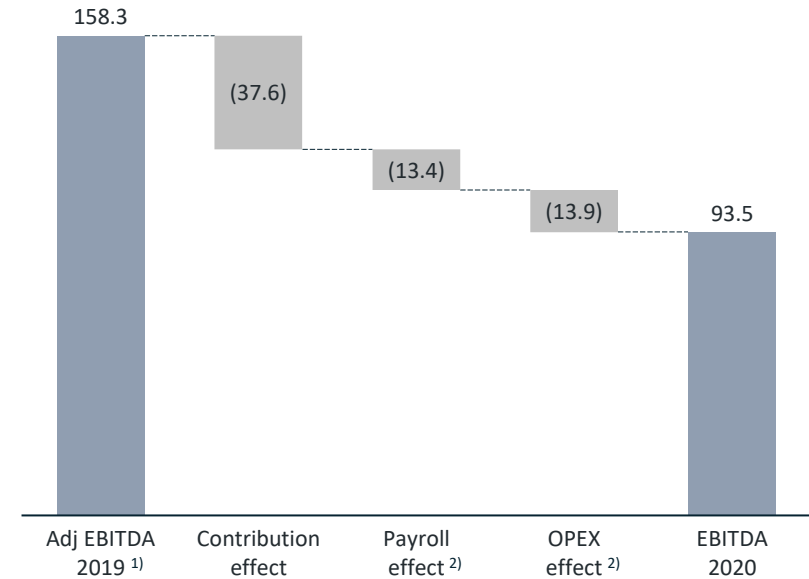
EBITDA development Q4 2020 vs. Q4 2019

NOK million



EBITDA development 2020 vs. 2019

NOK million



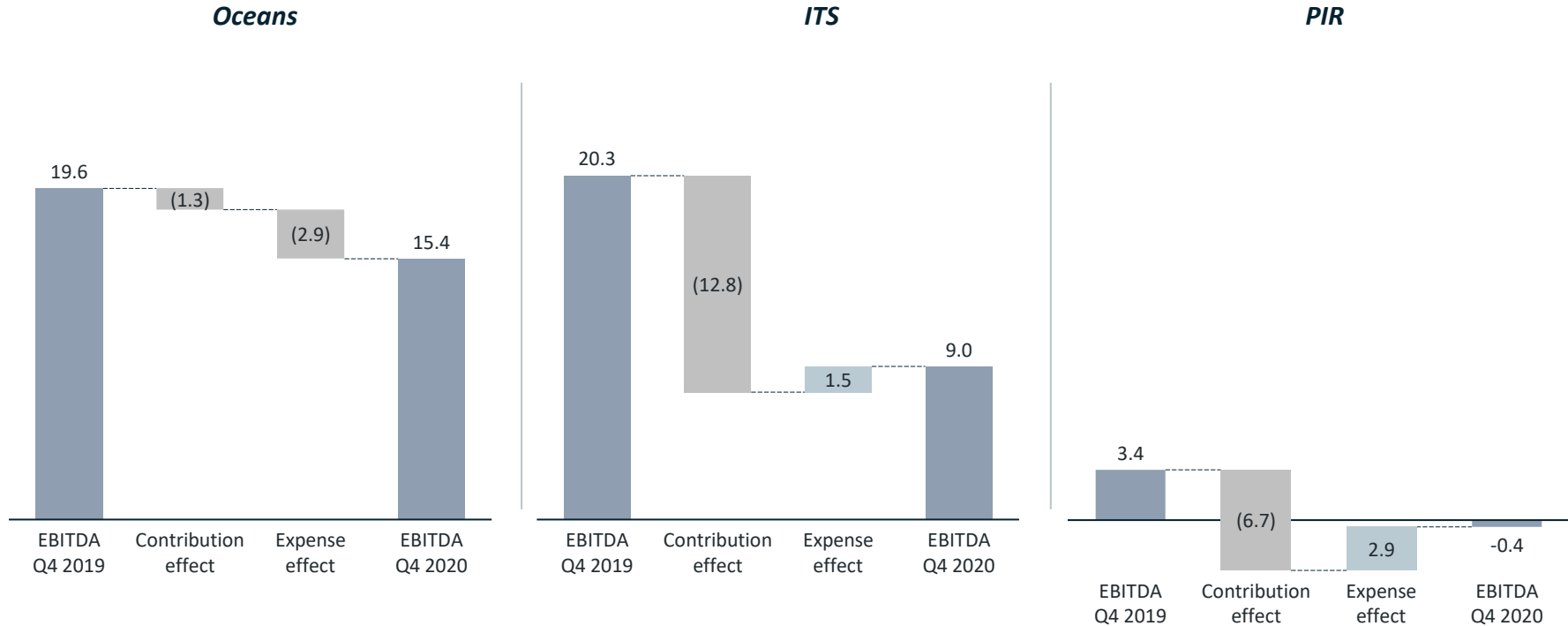
1) 2019 EBITDA adjusted for NOK 10.9 million reduction of expenses related to a one-off bargain purchase gain and NOK 19.5 million settlement and termination of synthetic option program

2) Payroll and OPEX adjusted for above-mentioned effects for comparison

ITS and PIR explaining lion's share of Q4 EBITDA development

Segment EBITDA development Q4 2020 vs. Q4 2019

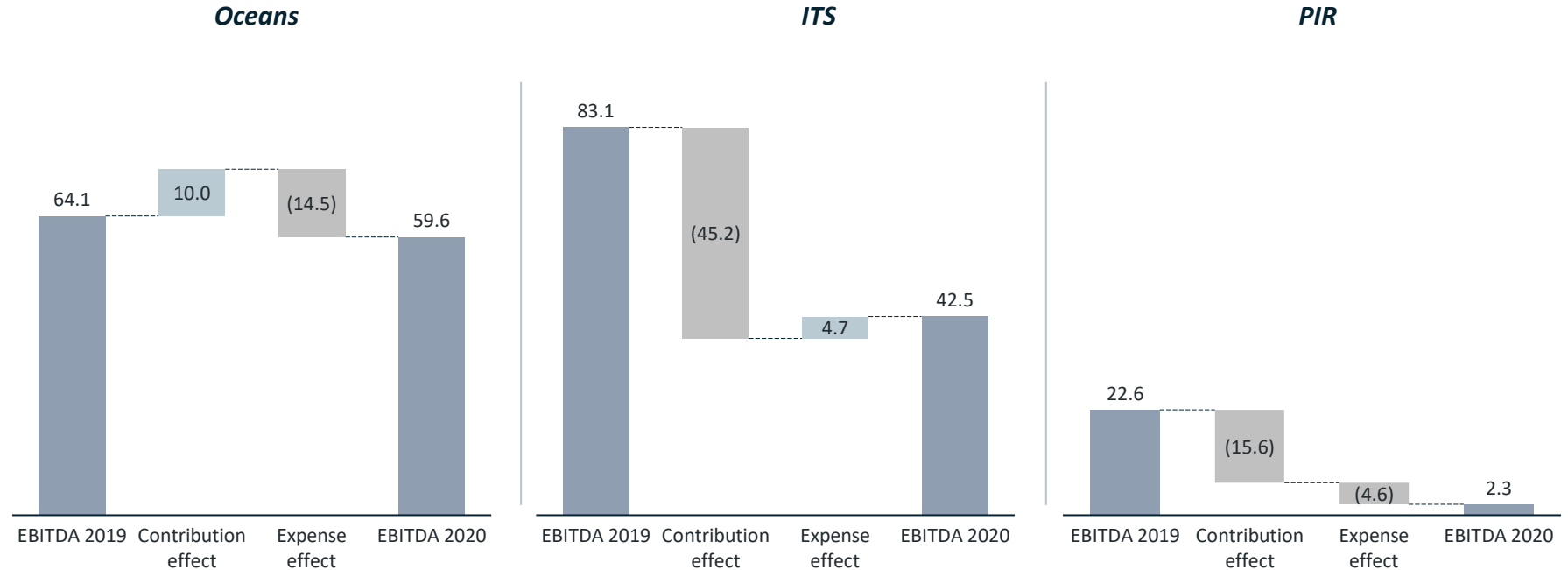
NOK million



A similar development observed throughout 2020

Segment EBITDA development 2020 vs. 2019

NOK million



Financials – Balance sheet

Amounts in NOK 000's

	31.12.20	30.09.20	31.12.19
ASSETS			
Land and property, plant and equipment	149 953	124 004	78 653
Intangible assets	171 454	168 488	135 318
Deferred tax asset	19 845	18 540	25 623
Inventories	164 605	175 402	167 801
Trade receivables	121 356	131 191	149 877
Other receivables and prepayments	25 628	22 442	18 086
Other assets	3 959	3 145	2 972
Bank deposits	14 953	25 208	21 680
Total assets	671 754	668 420	600 010
LIABILITIES			
Borrowings	94 702	106 766	19 273
Lease liabilities	23 187	5 101	8 395
Trade payables	67 356	66 179	89 161
Other payables	47 467	32 185	39 262
Other liabilities	2 172	1 644	341
Total liabilities	234 885	211 874	156 431
Total equity	436 869	456 546	443 579
Total liabilities and equity	671 754	668 420	600 010

Fixed and intangible assets

- Land and PPE: Increase of NOK 25.9 million from third quarter
 - NOK 12.8 million related to expansion capex and investments in machinery and equipment
 - NOK 18.2 million increase in right-of-use assets due extension of lease agreement (reported as part of PPE in financial accounts)
- Intangible assets: Increase of NOK 3.0 million from end of Q3 2020 explained by investments in R&D, partly offset by amortization

Working capital

- Inventories: NOK 164.6 million, down NOK 10.8 million from third quarter
- Trade receivables: NOK 121.4 million, down by NOK 9.8 million
- Trade payables: NOK 67.4 million, on par with prior quarter level

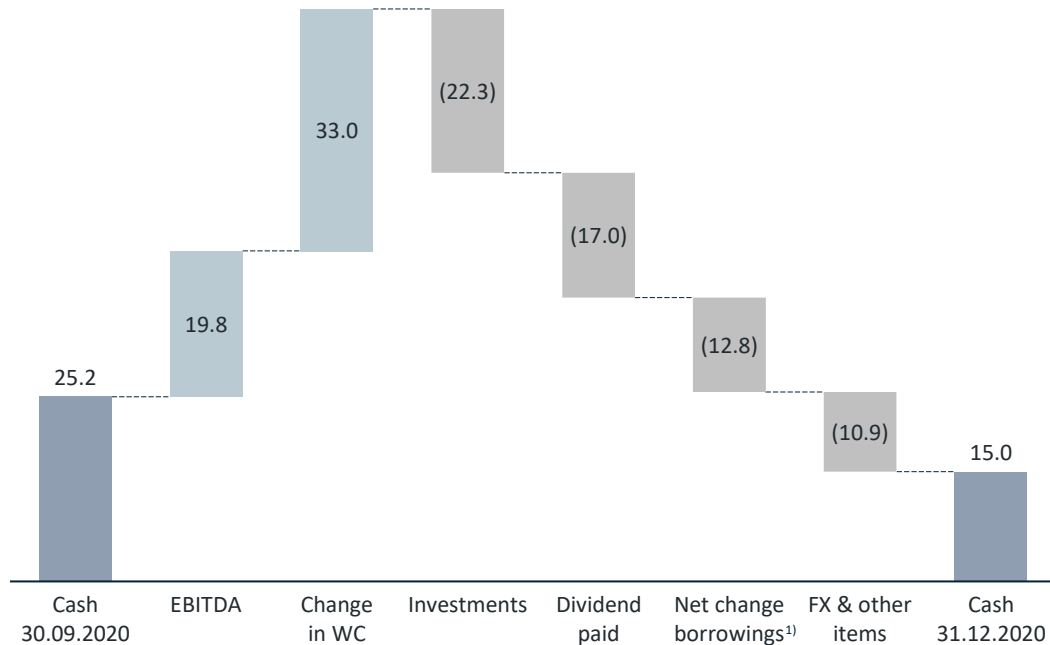
Net-interest bearing debt, lease liabilities and equity

- Total borrowings of NOK 94.7 million
- Net-interest bearing debt (excl. lease liabilities) of NOK 79.7 million, down from NOK 81.6 million from Q3 2020
- Lease liabilities increased NOK 18.0 million
- Equity of NOK 436.9 million, representing an equity ratio of 65%

Financials – Cash Flow

Cash flow development fourth quarter 2020

NOK million



1) Including lease payments

Fourth quarter of 2020

- Operating cash flow of NOK 42.0 million
 - Net decrease in working capital of NOK 33.0 million
- Investing activities generated cash outflow of NOK 22.3 million
 - NOK 12.8 million related to PPE investments
 - NOK 9.5 million investment in R&D
- Financing activities led to a cash outflow of NOK 29.9 million
 - NOK 17.0 million in dividend paid
 - NOK 12.9 million in repayment of debt and leases
- Solid liquidity position with NOK 199.9 million in undrawn committed credit facilities at 31 December

NORBIT

- explore more -

Outlook



Outlook



- Sonar sales has started well in Q1-21
- Utilize on global market organization by broadening product portfolio
- Long term growth supported by WINGHEAD sonar and additional products under development



- Expect weak H1 2021, due to continued inventory build down at one large client and lower volumes of OBUs
- Migrating part of the OBU business to B2B business through strategic partnering
- Planned acquisition kicks off IoT based asset tracking and monitoring vertical



- Increasing demand for “Made in Europe / Made in Norway”
- Expect strong growth and margin improvement in Q1-21 compared to Q4-20
- Significant expansion of the production capacity forms basis for growth in contract manufacturing, where the outlook is favorable
- Increased risk of supply shortage in the electronic component market

NORBIT

- explore more -

EXPLORING IS FINDING OPPORTUNITIES WHERE OTHERS FIND LIMITS

Shareholder overview, updated 8 February 2021

#	Investor	# of shares	%
1	VHF INVEST AS - founder Steffen Kirknes	8,686,495	15.30
2	PETORS AS - CEO Per Jørgen Weisethaunet	6,925,695	12.20
3	DRAUPNIR INVEST AS - family of founder Steffen Kirknes	5,702,949	10.04
4	ESMAR AS	3,832,286	6.75
4	EIDCO A/S	3,832,286	6.75
6	Taiga Investment Funds (through Morgan Stanley)	3,745,187	6.60
7	Handelsbanken Nordiska smabolag (through J.P. Morgan Bank)	3,696,135	6.51
8	ARCTIC FUNDS PLC	2,734,676	4.82
9	Citibank, N.A.	1,200,000	2.11
10	Danske Invest Norge Vekst	1,050,000	1.85
11	Nordea Bank Abp	726,066	1.28
12	Danske Bank A/S - MD Oceans Peter K. Eriksen	725,076	1.28
13	USEGI AS - CTO Arild Sjøraunet	721,989	1.27
14	T.D. VEEN AS	715,000	1.26
15	SONSTAD AS	685,822	1.21
16	Carnegie Investment Bank AB	627,216	1.10
17	Citibank, N.A.	525,000	0.92
18	Handelsbanken Mikrocap Norden (through J.P. Morgan Bank)	520,392	0.92
19	GH HOLDING AS	421,000	0.74
20	BERGEN KOMMUNALE PENSJONSKASSE	310,344	0.55
Total 20 largest shareholders		47,383,614	83.44
Other shareholders		9,403,304	16.56
Total		56,786,918	100.00