

NORBIT

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Third quarter 2024 presentation

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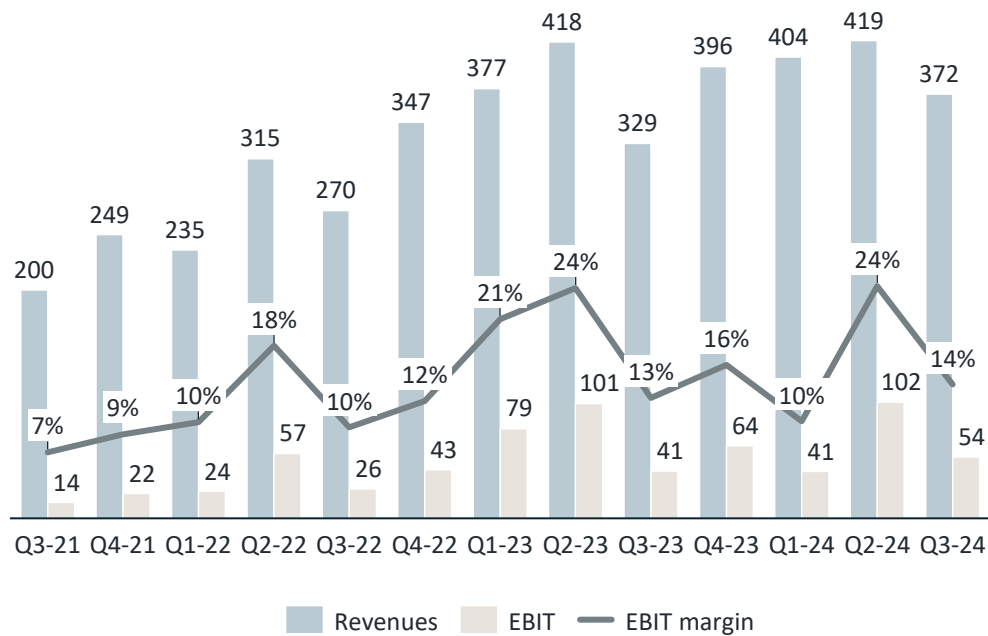
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Highlights

Growth and improved profitability

Revenues and EBIT

NOK million



Third quarter 2024

- Revenues of NOK 371.9 million, representing a 13 per cent increase from Q3-23
- EBIT ended at NOK 53.7 million, representing 14 per cent margin

First nine months of 2024

- Year to date revenues totaled NOK 1 195.3 million, up 6 per cent from 2023
 - Growth in Oceans and PIR, offset by decline in Connectivity with lower On-Board Units sold due to rescheduling of orders
- EBIT of NOK 196.7 million, a margin of 16 per cent

Main events (third quarter and subsequent)

- Oceans received orders for GuardPoint Underwater Surveillance Sonars of approximately NOK 100 million
- New, innovative GNSS and DSRC Hybrid On-Board Unit developed by NORBIT and Toll4Europe, with an initial contract value of NOK 160 million, to be delivered in Q2 and Q3 2025
- Order of NOK 50 million for contract manufacturing in PIR confirmed in October, for delivery in Q4 2024 and Q1 2025

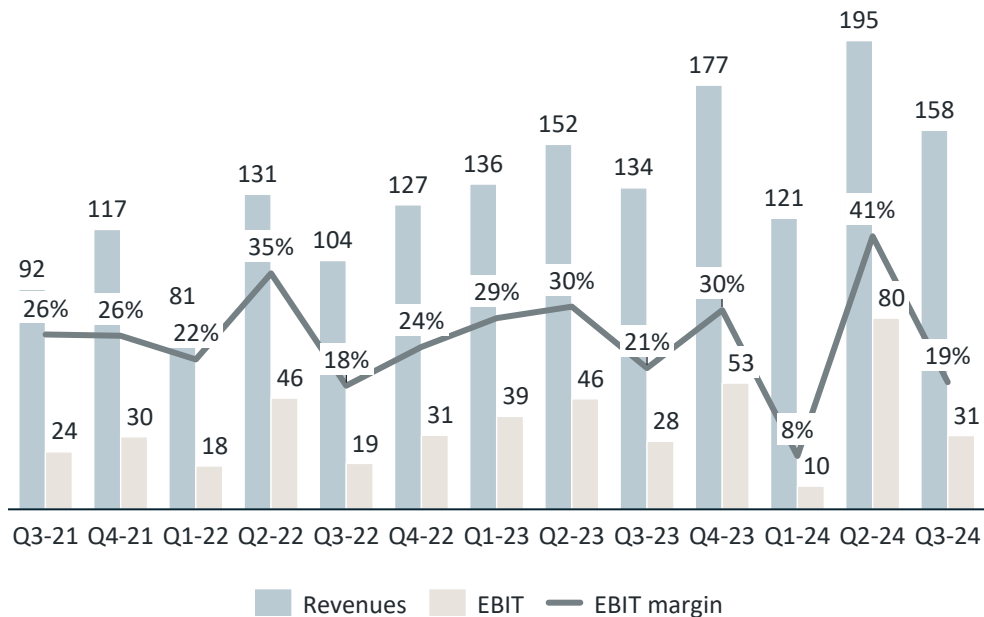


OCEANS

Third quarter growth driven by Innomar acquisition

Revenues and EBIT

NOK million



Third quarter 2024

- Revenues of NOK 158.1 million, compared to NOK 134.1 million in Q3-23
- EBIT margin of 19 per cent, compared to 21 per cent in Q3-23

First nine months of 2024

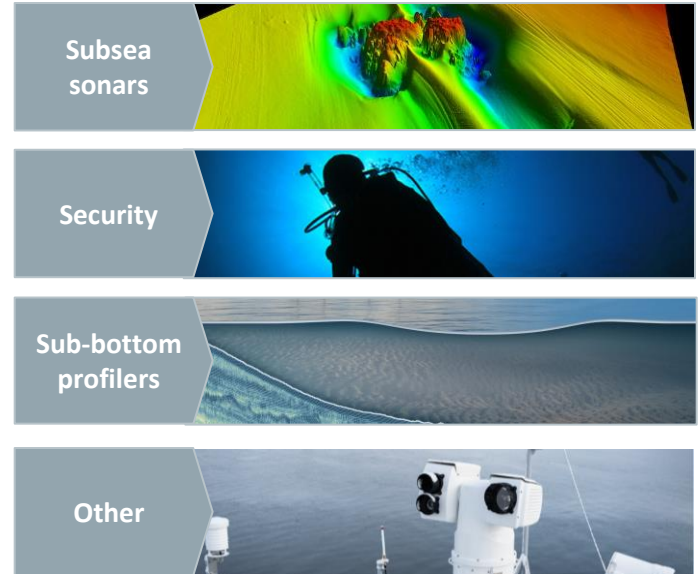
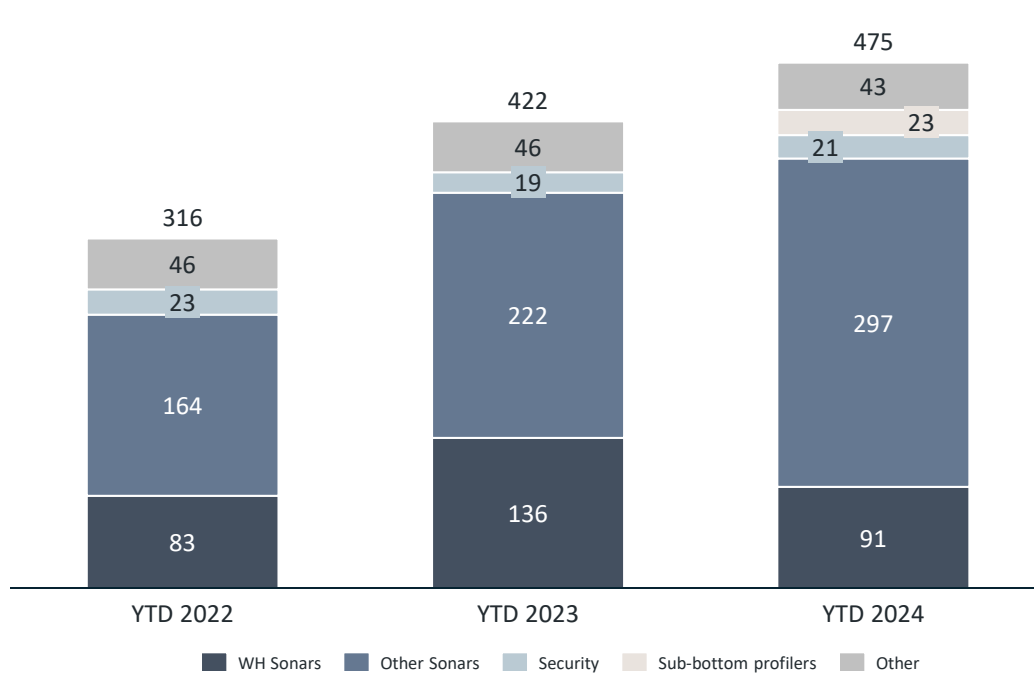
- Revenues of NOK 474.9 million, an increase of 13 per cent from 2023
- EBIT margin of 25 per cent, compared with 27 per cent reported YTD 2023

Oceans

Growth so far this year driven by increased sonar sales and revenue contribution from Innomar

Oceans' revenue mix

NOK million



NOK 100 million in new orders for GuardPoint surveillance sonars

- Secured orders for GuardPoint Intruder Detection Sonar Systems for a total value of approximately NOK 100 million
- Systems with planned delivery in the fourth quarter of 2024 and first quarter of 2025
- Evidencing the market potential in this vertical in a world with increased geopolitical unrest and instability





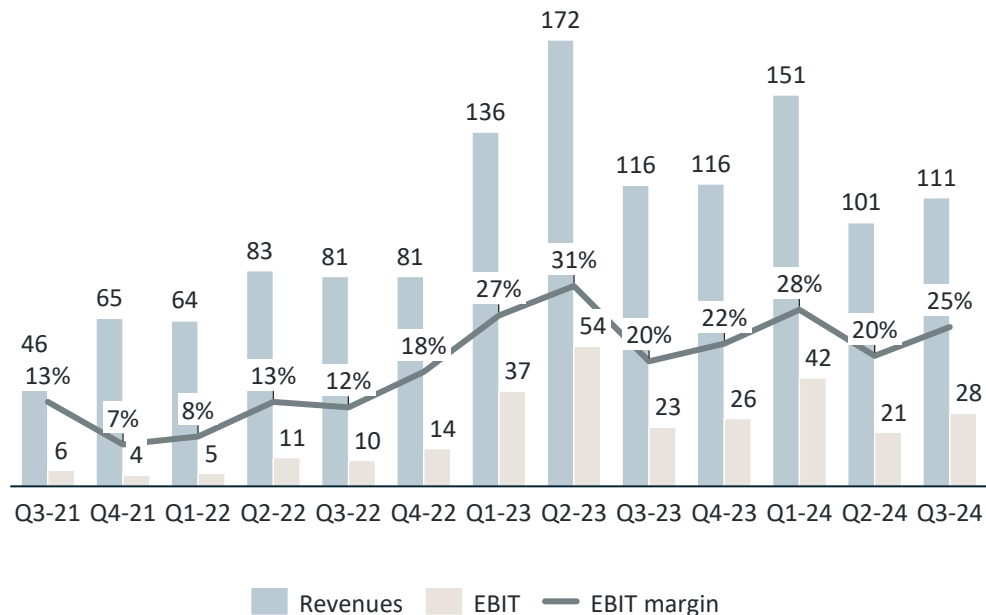
CONNECTIVITY

Connectivity

Improvement in margins despite a small revenue decline

Revenues and EBIT

NOK million



Third quarter 2024

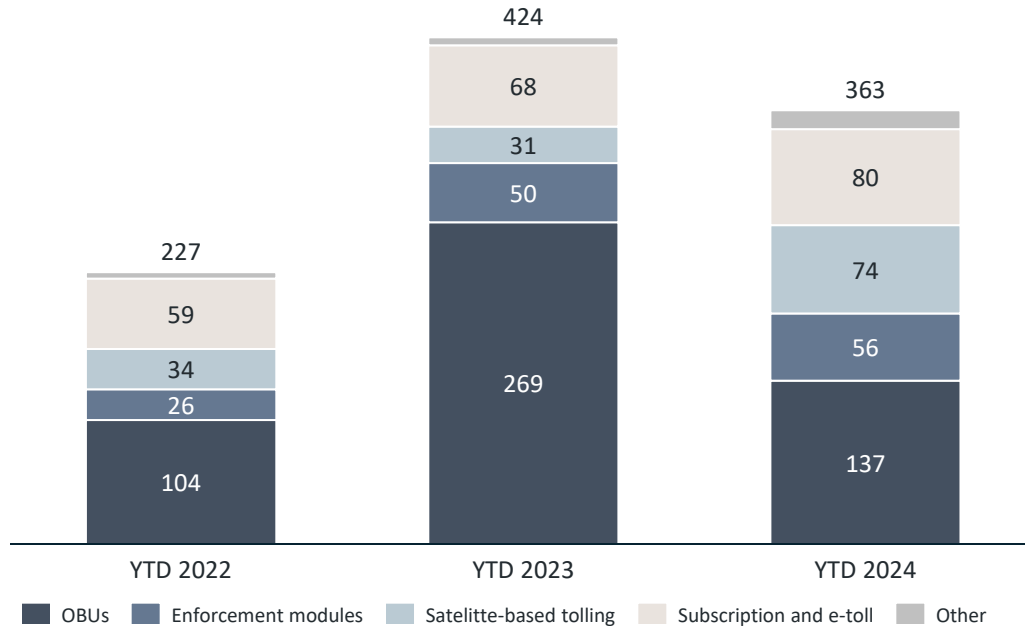
- Revenues of NOK 111.0 million compared to NOK 115.8 million in Q3-23
 - Lower sales due to rescheduling of OBU deliveries
- EBIT margin of 25 per cent, compared to 20 per cent in Q3-23

First nine months of 2024

- Revenues of NOK 362.9 million, down from NOK 423.9 million in the corresponding period last year
- EBIT margin of 25 per cent, compared to 27 per cent in the first nine months of 2023

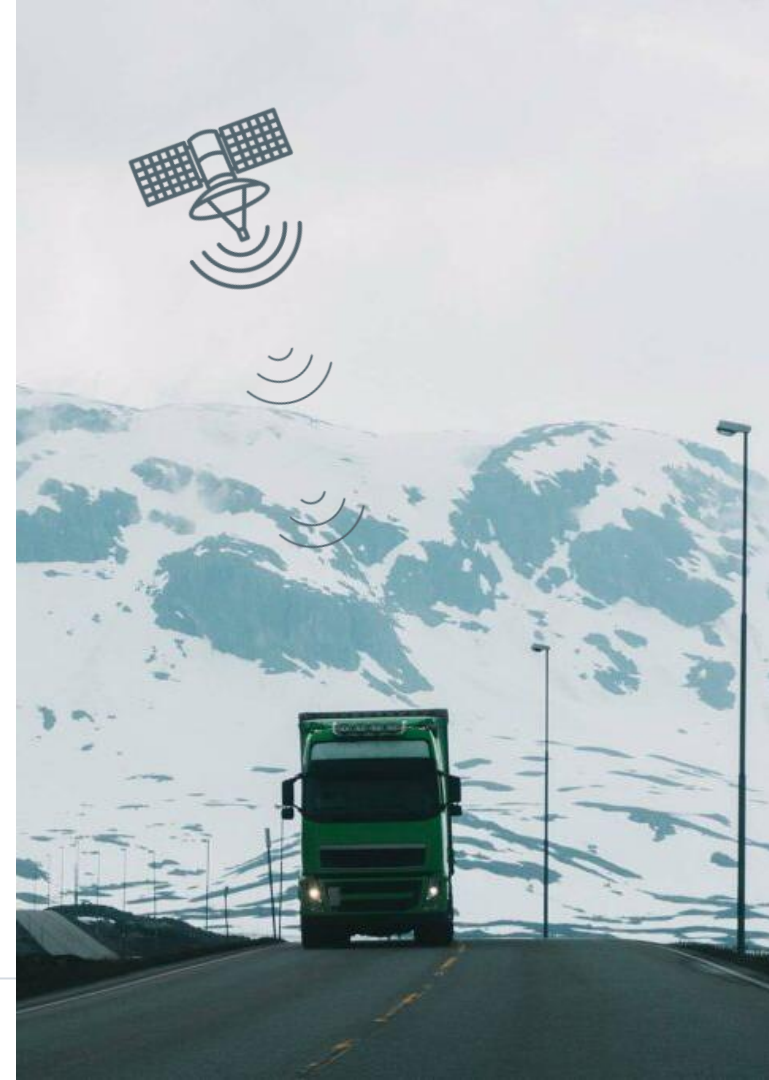
Rescheduled OBU deliveries partly offset by increased revenues from satellite-based tolling, subscription and e-toll

Connectivity revenue mix
NOK million



Broadening both customer base and product offering

- Toll4Europe, a leading European Electronic Toll Service (EETS) provider, has requested NORBIT to deliver a new innovative GNSS (satellite-based) On-Board Unit (OBU)
 - Initial NOK 160 million contract, for delivery in Q2/Q3-25
 - Product currently under development
- GNSS OBUs contributes to efficient toll collection with single subscription for commercial trucks across borders in Europe
- In line with strategy to broaden both customer base and product offering
- Stepping up from being a supplier of enforcement modules (VTMs) to GNSS OBUs
 - Since 2019, NORBIT has delivered around 2 million VTMs



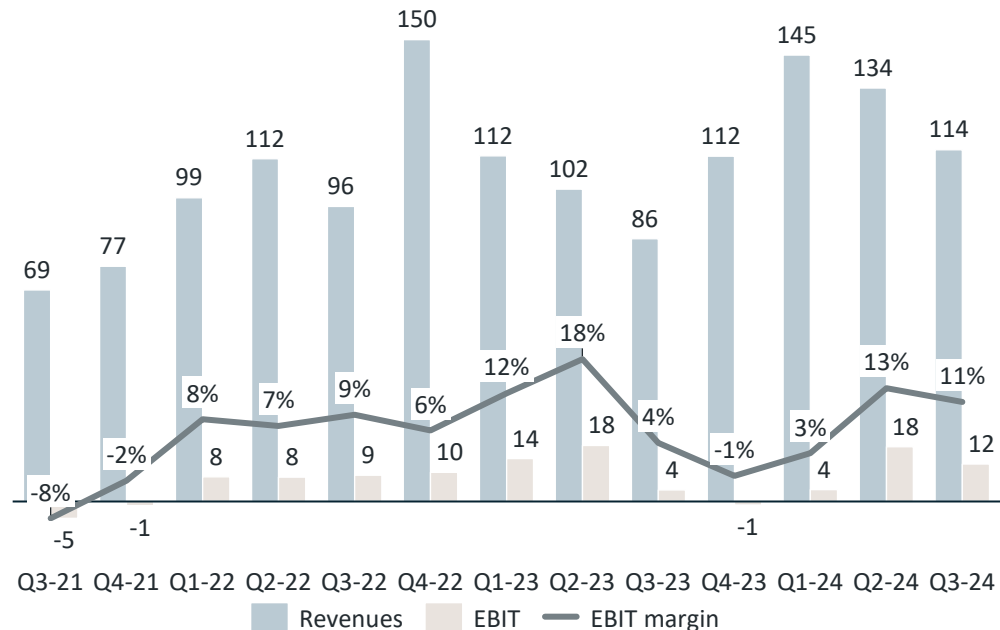


PIR

Strong demand in contract manufacturing

Revenues and EBIT

NOK million



Third quarter 2024

- Revenues of NOK 114.4 million, up 34 per cent from Q3-23
 - The increase was driven by strong demand from industrial clients and defence in contract manufacturing
- EBIT margin of 11 per cent, compared to 4 per cent in Q3-23

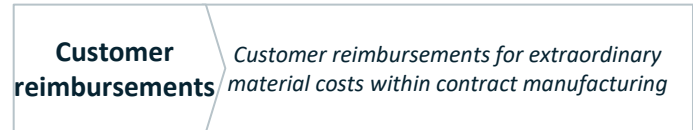
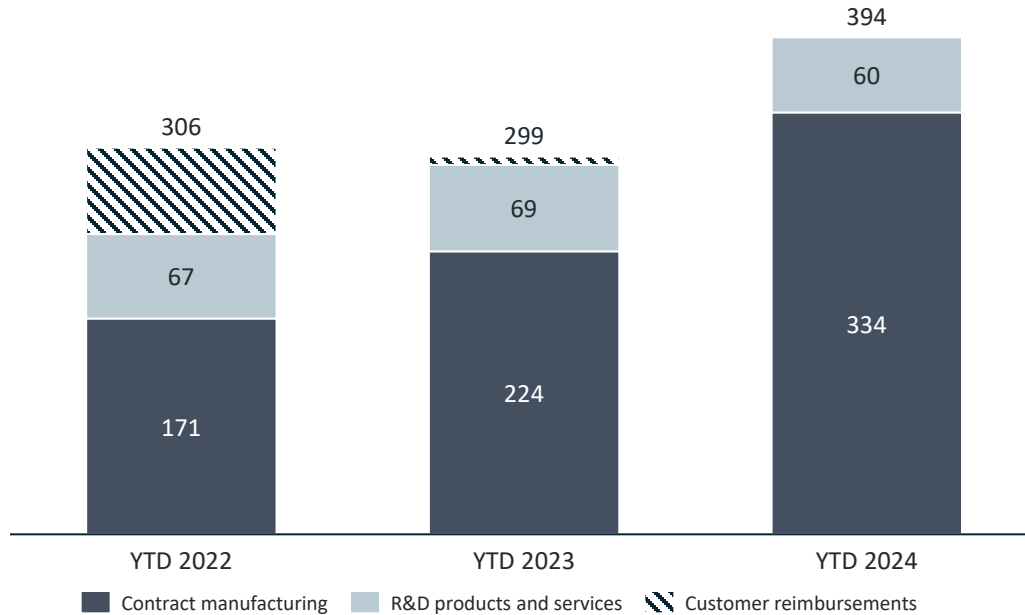
First nine months of 2024

- Revenues of NOK 394.0 million, up from NOK 299.5 million in the same period last year
- EBIT margin of 9 per cent, compared to 12 per cent in the first nine months of 2023

Increasing sales in contract manufacturing driven by industrial clients and defence

PIR revenue mix

NOK million



Secured a NOK 50 million order

- New order from existing client in the industrial/defence area for approximately NOK 50 million
- Deliveries are scheduled for the fourth quarter of 2024 and the first quarter of 2025



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Group financials

A wide-angle photograph of a long, straight asphalt road that appears to cross a body of water. The road is flanked by metal guardrails. In the background, there are large, rugged mountains covered in snow under a sky with scattered white clouds and patches of blue. The water is a clear, light blue-green color.

Profit and loss statement

<i>Amounts in NOK million</i>	Q3 2024	Q3 2023	YTD 2024	YTD 2023
Revenues	371.9	328.6	1 195.3	1 122.9
Raw materials and change in inventories	139.0	133.6	493.4	455.0
Employee benefit expenses	106.8	90.8	297.2	256.0
Other operating expenses	39.5	36.0	113.1	112.2
EBITDA	86.6	68.2	291.6	299.7
Depreciation and amortisation expenses	32.9	26.8	95.0	79.1
Operating profit / EBIT	53.7	41.4	196.7	220.6
Net financial items	(4.8)	(11.0)	(13.9)	(30.6)
Profit before tax	49.0	30.4	182.7	190.0
Income tax expense	(13.9)	(8.3)	(45.4)	(47.6)
Profit for the period	35.1	22.1	137.4	142.4

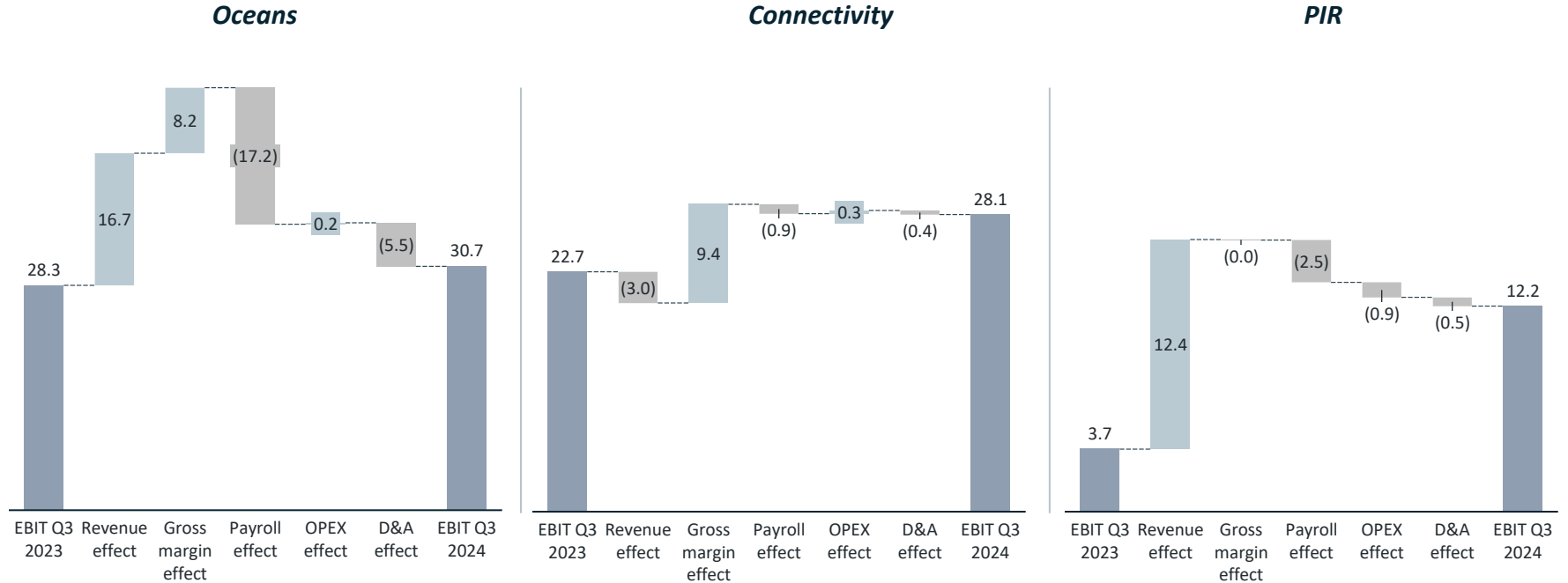
Third quarter of 2024

- Revenues of NOK 371.9 million vs. NOK 328.6 million in Q3-23
 - The Oceans and PIR segments delivered growth, while Connectivity delivered a 4 per cent decline on lower sales of On-Board Units
- Gross margin of 63 per cent compared to 59 per cent in Q3-23
 - Margin expansion in Oceans and Connectivity, stable margin performance in PIR
- Employee benefit expenses of NOK 106.8 million versus NOK 90.8 million in Q3-23, largely explained by acquisitions, strengthening of the organisation and wage inflation
- EBITDA of NOK 86.6 million (23 cent margin), up from NOK 68.2 million in Q3-23 (21 per cent margin). Adjusted for transaction costs relating to Innomar, EBITDA came in at NOK 93.0 million (25 per cent margin)
- EBIT of NOK 53.7 million (14 per cent margin), up from NOK 41.4 million in Q3-23 (13 per cent margin). EBIT adjusted for transaction costs was NOK 60.1 million (16 per cent margin)
- Net financial items of negative NOK 4.8 million. This included NOK 10.3 million in net interest expenses and NOK 5.6 million in foreign exchange gains
- Net profit for the period of NOK 35.1 million

Strongest year over year EBIT improvement in Connectivity and PIR

Segment EBIT development Q3 2024 vs. Q3 2023

NOK million



Balance sheet

Amounts in NOK million

	30.09.24	30.06.24	31.12.23
ASSETS			
Property, plant and equipment (incl. right-of-use assets)	268.5	248.0	220.5
Intangible assets	402.8	312.4	303.2
Goodwill	495.4	111.1	111.1
Deferred tax asset	17.7	15.6	13.9
Inventories	473.0	463.6	562.0
Trade receivables	193.8	181.8	170.3
Other receivables and prepayments	49.3	54.9	48.1
Other assets	17.7	17.7	6.6
Cash and cash equivalents	116.1	66.2	60.7
Total assets	2 034.3	1 471.3	1 496.4
LIABILITIES			
Interest-bearing borrowings	468.4	250.5	211.5
Lease liabilities	93.2	86.8	54.7
Trade payables	114.4	123.1	174.5
Other current liabilities	183.0	179.9	191.8
Other liabilities	134.3	84.2	70.5
Total liabilities	993.4	724.6	702.9
Total equity	1 040.9	746.7	793.4
Total liabilities and equity	2 034.3	1 471.3	1 496.4

Fixed and intangible assets

- Land and PPE: An increase of NOK 20.5 million on inclusion of Innomar and leasing of production equipment
- Intangible assets: An increase of NOK 90.4 million, of which NOK 81.7 million was fair value adjustments in the Innomar transaction, remaining portion R&D investments, net of amortisation
- Goodwill: Increase of NOK 384.3 million relating to the Innomar acquisition

Working capital

- Inventory: Increased by NOK 9.4 million from prior quarter. Adjusted for Innomar, inventories were largely flat
- Trade receivables: Increased by NOK 12.0 million, but was down NOK 10.5 million adjusted for Innomar
- Trade payables: Decrease of NOK 8.7 million, with limited effect of the Innomar transaction

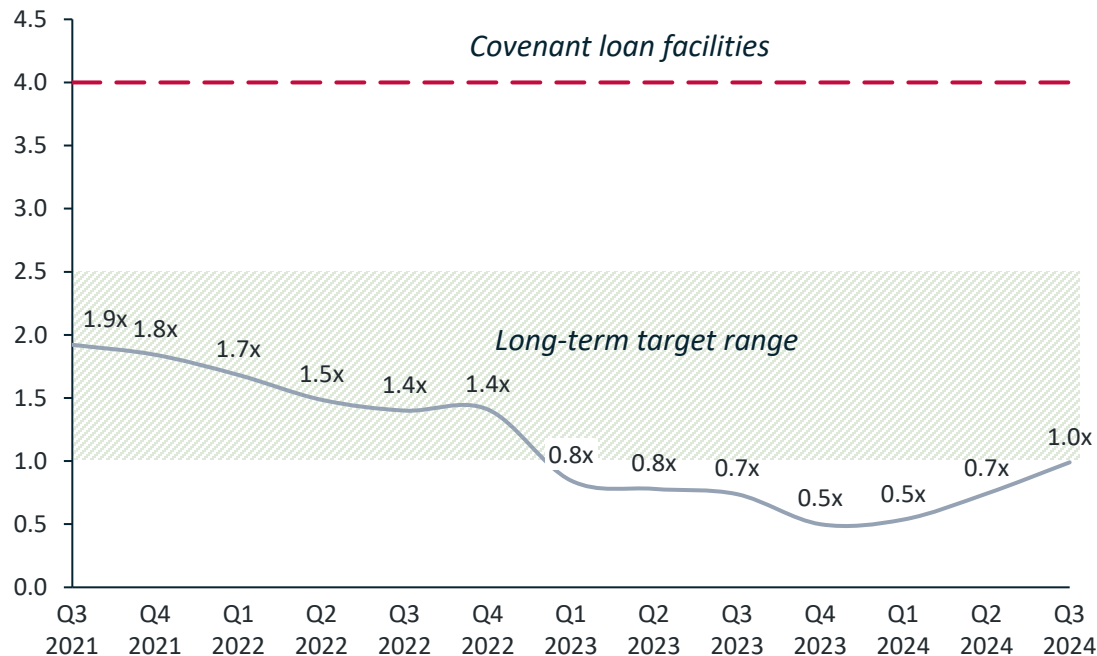
Net-interest bearing debt and equity

- Net interest-bearing debt (excl. lease liabilities) of NOK 352.4 million, up from NOK 184.4 million end of June on debt financing of Innomar transaction completed in July
- Equity of NOK 1 040.9 million, representing an equity ratio of 51 per cent

A strong balance sheet for further growth

NIBD/EBITDA

EBITDA 12 month rolling



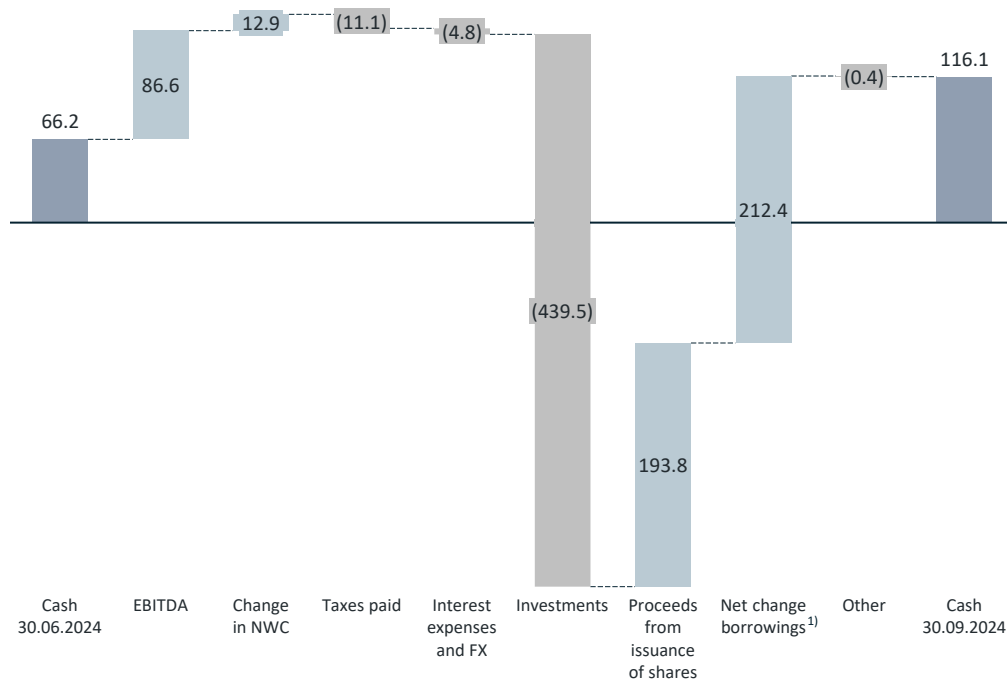
- Financing activities in Q3-24:
 - Entered into a EUR 38.0 million loan agreement to finance the cash portion of Innomar acquisition, post-closing adjustments and working capital. Interest at EURIBOR + 175bps subject to NIBD/EBITDA below 2.5x for the group
 - Raised NOK 200 million in new equity to strengthen financial flexibility and capital base for further growth
 - NIBD/EBITDA at 1.0x and equity ratio at 51 per cent at end of Q3 2024
 - Blended cost of borrowings at 5.5 per cent pre-tax and 4.1 per cent post-tax after transactions
- Long-term target level between 1.0 – 2.5x NIBD¹/EBITDA over the cycle
- Covenants in loan facilities at 4.0x NIBD/EBITDA and equity ratio > 30%

1) NIBD defined as total interest-bearing borrowings less cash and cash equivalents. EBITDA is as reported, including 12 months contribution from acquisitions and adjusted for transaction costs

Cash flow for the quarter

Cash flow development third quarter 2024

NOK million



1) Including repayment of leases

Third quarter of 2024

- Operating cash flow of positive NOK 83.8 million
 - Net decrease in working capital of NOK 12.9 million, mainly related to a decrease in trade receivables and increase in accruals
- Net cash used in investing activities totalled NOK 439.5 million, of which NOK 402.7 million related to the Innomar acquisition
 - NOK 25.4 million invested in R&D
 - NOK 11.3 million invested in machinery and equipment
 - R&D investments for the year expected to be around NOK 90 million, an increase from plan due to GNSS OBU project (previous guidance NOK 65 – 75 million)
 - PPE investments for the year expected to be NOK 85 – 90 million including leased equipment (previous guidance: NOK 90 – 100 million)
- Financing activities led to a cash inflow of NOK 405.6 million following:
 - NOK 446.1 million in proceeds from borrowings related to the Innomar transaction
 - NOK 193.8 million in net proceeds from share issuance
 - NOK 233.7 million in repayment of debt and leases

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Outlook



Short-term outlook



- Fourth quarter has historically been the period with the highest activity for Oceans
- The revenue estimate for Oceans in fourth quarter is NOK 240 – 300 million
- Lower end of guidance reflects cautious revenue recognition on the GuardPoint projects on risk that the project plan and delivery for the largest project may slide into the first quarter of 2025



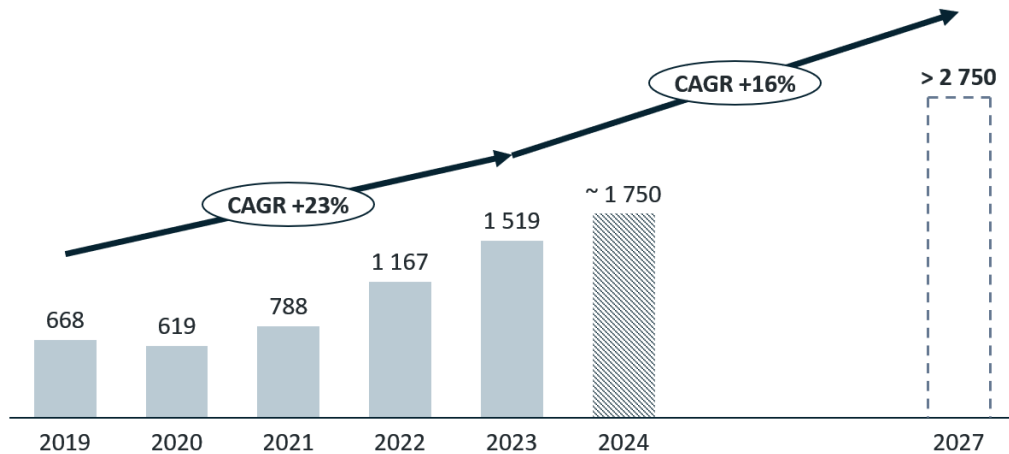
- Revenues for the coming quarter are expected to be in the range of NOK 140 – 150 million
- A sequential increase expected from higher sales of OBUs and enforcement modules for tachographs



- Revenues anticipated to be between NOK 150 – 160 million in fourth quarter, representing a strong sequential increase on increased demand within contract manufacturing

Expecting full-year revenues to end up around NOK 1.75 billion with an EBIT margin of approximately 20%

2027 Ambition - Organic revenue growth

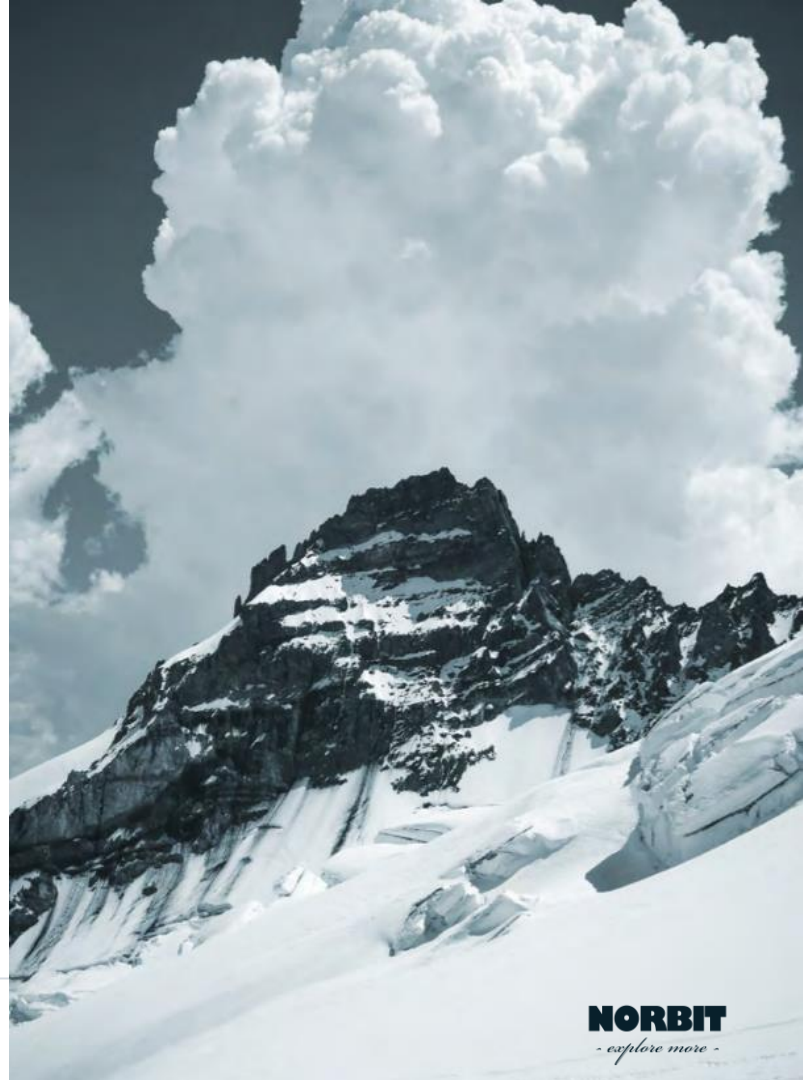


Revenue
CAGR
~16%

EBIT margin
~20%

Return on
capital employed
~30%

Leverage policy
(NIBD/EBITDA)
1.0 – 2.5x



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TECHNOLOGY
IS PART OF THE SOLUTION



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



EXPLORING
SINCE 1995



~550 EMPLOYEES



~ 20 COUNTRIES

NORBIT

EURONEXT
OSLO BØRS



*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

Technology is part of the solution

Diversified and robust business model



Oceans is offering tailored technology solutions to global maritime markets



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



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

Shareholder overview, updated 11 November 2024

#	Investor	# of shares	%
1	PETORS AS – CEO Per Jørgen Weisethaunet	7,091,320	11.12
2	VHF INVEST AS – founder Steffen Kirknes	6,164,495	9.67
3	REITAN KAPITAL AS	6,086,781	9.55
4	DRAUPNIR INVEST AS – family of founder Steffen Kirknes	3,602,949	5.65
5	J.P. Morgan SE - Handelsbanken Nordiska Småbolag	3,152,089	4.94
6	The Bank of New York Mellon SA/NV - Arctic Funds	3,136,238	4.92
7	EIDCO A/S	2,430,628	3.81
8	AWC AS	2,397,472	3.76
9	ESMAR AS	2,162,286	3.39
10	VERDIPAPIRFONDET DNB SMB	1,112,906	1.75
11	Danske Bank A/S (mostly held by MD Oceans - Peter Eriksen)	858,295	1.35
12	SONSTAD AS	840,000	1.32
13	J.P. Morgan SE - Handelsbanken Microcap Norden	770,392	1.21
14	Deutsche Bank Aktiengesellschaft (Innomar founding mngt)	726,272	1.14
15	SIX SIS AG	698,849	1.10
16	Danske Invest Norge Vekst	680,371	1.07
17	USEGI AS - CTO Arild Sjøraunet	671,989	1.05
18	J.P. Morgan SE - Handelsbanken Norden Tema	650,000	1.02
19	NORDA ASA	588,925	0.92
20	State Street Bank and Trust Comp	500,000	0.78
	Total top 20 shareholders	44,322,257	69.53
	Other shareholders	19,427,770	30.47
	Total	63,750,027	100.00