

NORBIT

- explore more -

Presentation of the first quarter 2020 results

CEO Per Jørgen Weisethaunet and CFO Stian Lønvik

6 May 2020, 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.

A global provider of tailored technology to carefully selected niches

Diversified and robust business model



Tailored technology and solutions to the global maritime markets



Independent supplier of tailored short-range communication technology to trucks

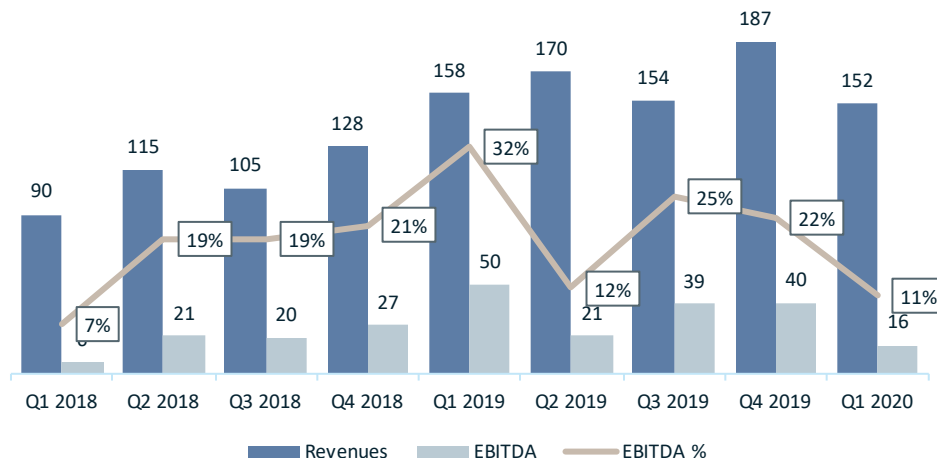


Product, Innovation and Realization (PIR) includes multi-disciplinary R&D and world class manufacturing

First quarter results

Long-term financial targets

- 3Y revenue CAGR > 25% starting 2017
- EBITDA margin > 20%
- Invest ~5% of revenue in R&D



First quarter of 2020

- Revenues of NOK 152 million, 4% down from Q119
- EBITDA of NOK 16 million, margin of 11%
- Covid-19 impacts financial results
 - Revenues for Oceans most affected with global exposure and low visibility, ITS and PIR moderately affected
 - Increase in cost related to provisions and freight
 - Managed to maintain production and deliveries as requested by customers

Recent events

- Appointed Per Kristian Reppe as new CFO
- General meeting approved revised dividend proposal

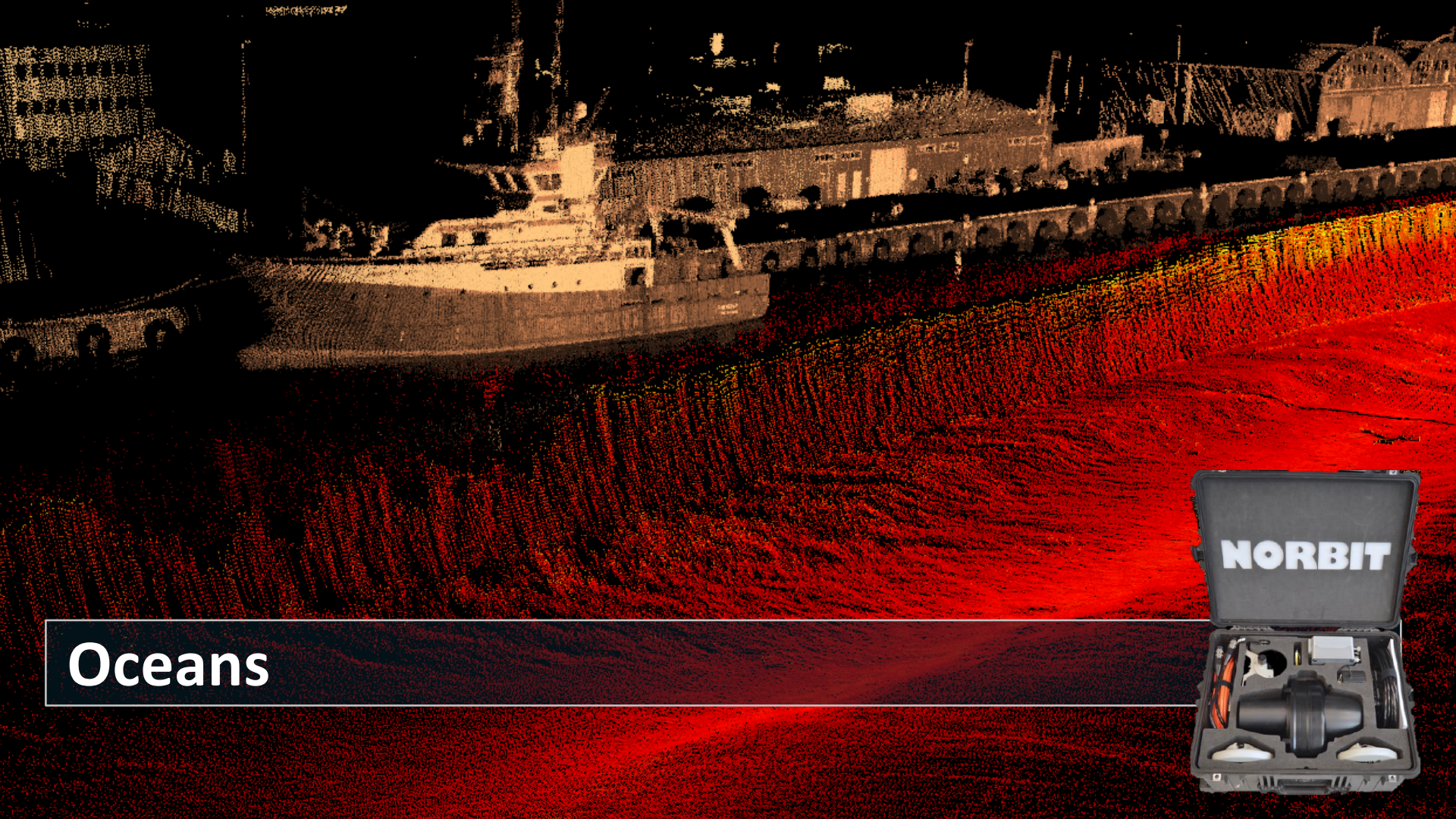
Precautionary steps to safeguard against covid-19

- Safety and well-being of employees and customers highest concern
 - Comprehensive measures taken to prevent infection
 - Operative crisis management team

- Focusing on safeguarding operations and financial position
 - Global sales and marketing activities challenged by new working conditions
 - Implementing interactive remote customer demonstrations
 - Closely monitoring expenses and investments
 - Maintain investments related to future growth opportunities
 - Some investments in machinery postponed
 - New hires put on hold, reduced use of consultants
 - Good scalability of staffing in production to activity level
 - Critical to maintain production at facilities

- Supporting local communities
 - Donated protective gear to local health care
 - Temporarily hired cleaning personnel laid-off from local hotels





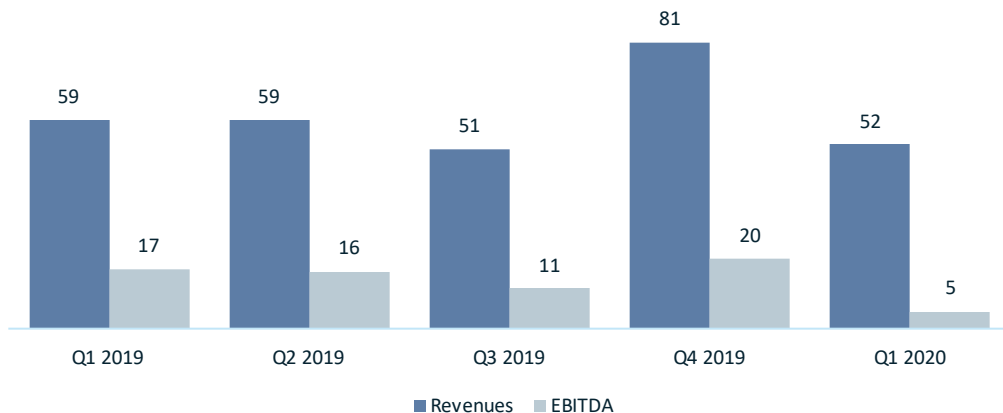
Oceans



Oceans impacted by reduced activity

Revenue and EBITDA

NOK million



First quarter of 2020

- Revenues of NOK 51.8 million, 12% down from Q119
 - Reduced activity due to covid-19
 - Revenue from sale of sonars lower, award announced in January had a positive effect
 - Impact from seasonality, as revenues are normally lower for the first and third quarter
- EBITDA of NOK 5 million, margin of 10%
 - Increase in OPEX since Q119
 - Strengthened the organisation to position for growth
 - Higher cost from foreign subsidiaries due to weaker NOK
 - Provision for loss on receivables following covid-19
- Successfully expanded to new market segments
 - Award from major energy company in January 2020
- Continue to invest in broadening the product offering, capitalising on the global sales and distribution network, to position for growth in the aftermath of covid-19



DSRC solutions for satellite based truck tolling



Connectivity devices for smart tachograph

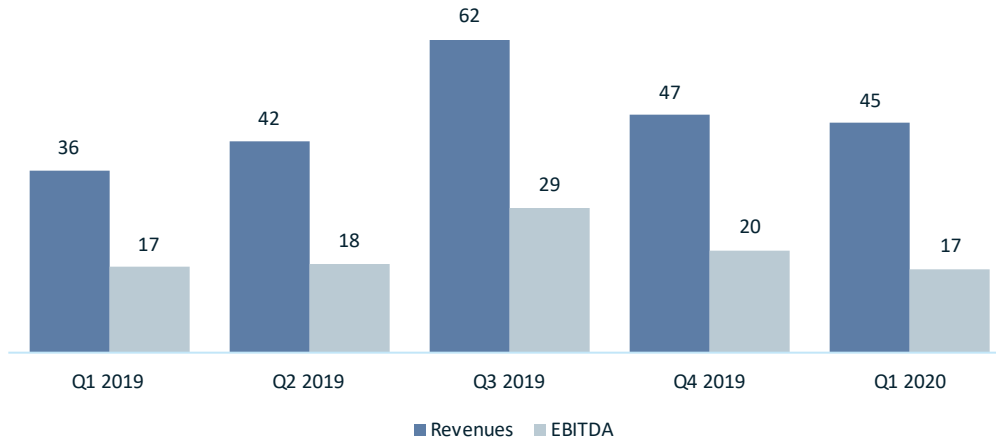
Intelligent Traffic Systems (ITS)



Intelligent Traffic Systems (ITS) delivering y-o-y growth

Revenue and EBITDA

NOK million



First quarter of 2020

- Revenues of NOK 45.2 million, 25% growth Y-o-Y
 - Managed to maintain deliveries as requested from customers without significant deviations
 - Volume fluctuations between quarters expected
- EBITDA of NOK 17 million, margin of 37%
 - Lower margin than for Q419 and Q119 explained by change in product mix
- Market developments
 - Following covid-19 some automotive factories in Europe temporarily closed during March, resulting in customer orders being temporarily stopped or reduced

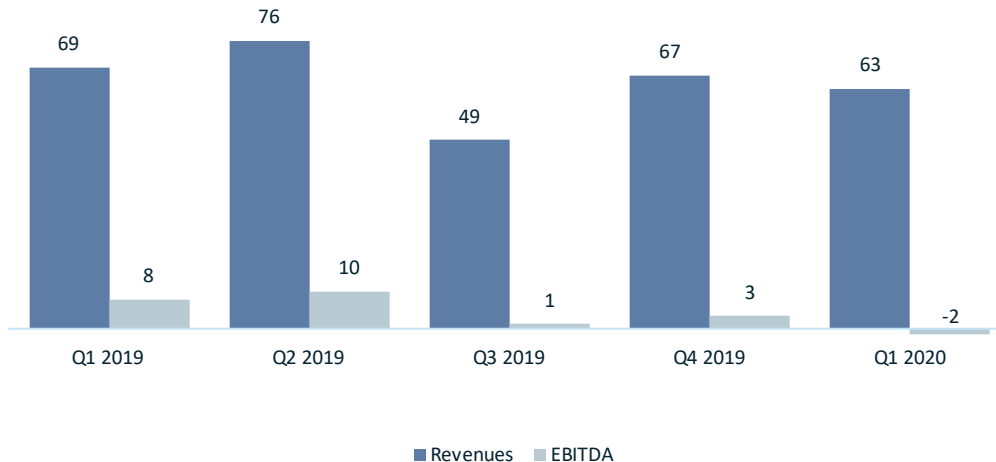


Product Innovation & Realization (PIR)

Profitability in PIR affected by higher costs and change in product mix

Revenue and EBITDA

NOK million



First quarter of 2020

- Revenues of NOK 63 million, down 8% since Q119
 - Reduction explained by lower sales of R&D services
 - Some increase in revenues from contract manufacturing
- EBITDA of NOK -1.7 million, a margin of -3%
 - Low sale of R&D services negatively affecting margin
 - Increase in OPEX since Q119
 - More personnel
 - Increased freight costs
 - Provision for loss on receivables following covid-19

Other

- Expansion of facilities at Røros progressing as planned

NORBIT

- explore more -

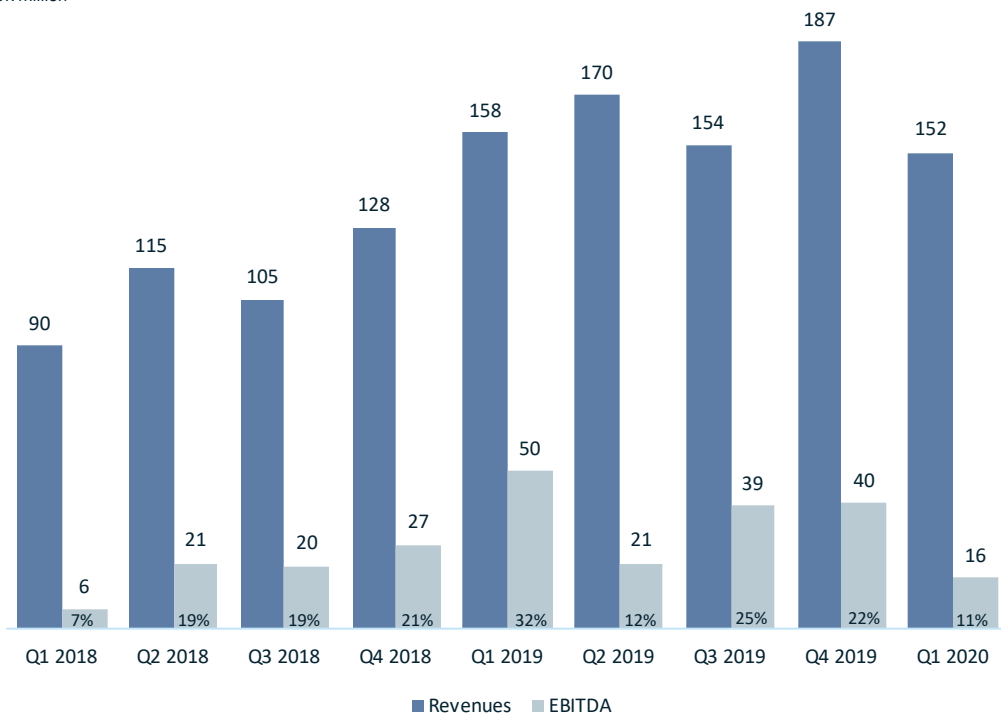
Group financials



Financials – P&L

Revenue and EBITDA by quarter

NOK million



First quarter 2020

- Revenues of NOK 151.6 million, 4% down from Q119
 - All segments negatively influenced by covid-19, Oceans most impacted due to global exposure and low visibility
 - Seasonality effects in Oceans

- Total OPEX of NOK 146.9 million
 - Increase from Q119 mainly due to larger organisation and higher other OPEX, including higher cost from foreign subsidiaries due to weaker NOK and increased provision for loss on receivables and freight costs
 - Decline since Q419 explained by reduced raw material costs following lower activity

- EBITDA NOK 16.0 million, margin of 11%
 - Margin negatively affected by volume decrease, change in product mix and higher cost
 - High margin for Q119 included one-off item of NOK 10.9 million

- Profit for the period was NOK 4.9 million

Financials – Balance sheet: Assets

Amounts in NOK 000's

	31.03.2020	31.12.2019
ASSETS		
Land and property, plant and equipment	91 309	78 653
Intangible assets	147 942	135 318
Deferred tax asset	24 652	25 623
Investments accounted for using the equity method	3 699	2 872
Shares in other companies	100	100
Total non-current assets	267 701	242 567
Inventories	159 743	167 801
Trade receivables	156 551	149 877
Other receivables and prepayments	26 670	18 086
Derivative financial instruments	637	
Bank deposits	25 124	21 680
Total current assets	368 724	357 443
Total assets	636 425	600 010

- Intangible assets NOK 147.9 million
 - Increase of NOK 12.6 million from Q419 explained by investments in R&D
- Inventories NOK 159.7 million
 - Down by NOK 8.1 million during the quarter
 - Security stock/ extra electronic components
- Trade receivables NOK 156.6 million, up NOK 6.7 million
 - Increase of NOK 6.7 million mainly due to weakening of NOK
 - Based on higher uncertainty following covid-19, NORBIT has increased the provisions for loss on receivables
- Bank deposits of NOK 25.1 million

Financials – Balance sheet: Equity and Liabilities

<i>Amounts in NOK 000's</i>	31.03.2020	31.12.2019
LIABILITIES		
Borrowings	47 591	15 843
Lease liabilities	3 003	3 954
Other liabilities	316	341
Total non-current liabilities	50 910	20 138
Trade payables	78 475	89 161
Other payables	50 776	39 262
Current tax liabilities	344	
Borrowings	3 460	3 429
Lease liabilities	4 085	4 441
Total current liabilities	137 141	136 294
Total liabilities	188 051	156 431
Share capital	5 679	5 679
Share premium	275 433	275 433
Retained earnings	166 722	161 923
Non-controlling interests	540	544
Total equity	448 374	443 579
Total equity and liabilities	636 425	600 010

- Drawn NOK 32.7 million of long-term facility
 - Undrawn short-term facilities of NOK 130 million
 - Undrawn long-term facilities of NOK 117.3 million
- Trade payables of NOK 78.5 million, down by NOK 10.7 million
- Other payables has increased by NOK 11.5 million to NOK 50.8 million
 - Includes holiday pay accrual, payroll tax and other statutory liabilities
- Equity of NOK 448.4 million, representing an equity ratio of 70.5%
 - Dividend distribution approved by general meeting of NOK 0.3 per share, amounting to a total of NOK 17 million

Financials – Cash Flow

Amounts in NOK 000's

	Q1 2020	Q1 2019
Profit for the period	4 869	34 024
Adjustments for:		
Income tax expense recognised in profit or loss	1 034	6 975
Share of profit of associates	-587	
Investment income recognised in profit or loss		-10 865
Depreciation and amortization	11 318	9 464
Movements in working capital:		
(Increase)/decrease in trade receivables	-6 674	-23 297
(Increase)/decrease in inventories	8 058	-18 565
Increase/(Decrease) in trade payables	-10 686	4 440
Increase/(decrease) in accruals	2 489	10 503
Net cash generated by operating activities	9 821	12 679
Cash flows from investing activities		
Payments for property, plant and equipment	-17 611	-4 198
Payments for intangible assets	-19 834	-20 789
Net cash inflow on acquisition of subsidiaries		422
Net cash (used in)/generated by investing activities	-37 445	-24 565
Cash flows from financing activities		
Transactions with non-controlling interests		-19 254
Proceeds from borrowings	32 700	103 982
Repayment of borrowings	-1 663	-82 097
Net change in overdraft facility	31	10 419
Dividends paid		-6 000
Net cash (used in)/generated by financing activities	31 068	7 049

First quarter of 2020

- Operating cash flow of NOK 9.8 million
 - Net increase in working capital of NOK 6.8 million
- Investing activities of NOK 37.4 million
 - Property plant and equipment of NOK 17.6 million, of which NOK 8.0 related to the expansion of facilities at Røros and NOK 9.6 million to machinery and equipment
 - R&D investments of NOK 19.8 million
- Financing activities of NOK 31.1 million
 - Including proceeds from long-term borrowings of NOK 32.7 million

NORBIT

- explore more -

Outlook



Summary and Outlook

- Covid-19 situation impacts financial results and market outlook
 - All segments impacted in Q1
 - Difficult to predict longer term consequences, uncertainty significantly increased for the medium term
- Segment Oceans' global exposure and low revenue visibility makes the segment vulnerable to the covid-19 situation in the medium term
 - 2020 expected to be challenging, but maintain strategy to invest in broadening product offering to capitalise on global sales and distribution network
- Segment ITS expected to be increasingly affected going forward
 - Automotive factories in Europe temporarily closed and some projects are put on hold
 - Some customers are cautious in placing orders for 2H 2020 and are building down inventories
- Segment PIR experience uncertainty with regards to the covid-19 situation
 - Contract manufacturing activities exposed to the automotive industry
 - Sale of R&D services to some extent exposed to the oil and gas- or related industries
- NORBIT remains positive about its long-term market outlook
 - Most investment programmes are maintained to position the company for further growth
 - Expected that revenues and EBITDA margin will deviate from long-term targets in 2020
 - Long-term financial targets maintained

Solid financial position, diversified and robust business model - well positioned for future growth



NORBIT

- explore more -



EXPLORING IS FINDING OPPORTUNITIES WHERE OTHERS FIND LIMITS



Shareholder overview, updated 5 May 2020

#	Investor	#shares	%
1	VHF INVEST AS – founder Steffen Kirknes	8 686 495	15.30
2	PETORS AS – CEO Per Jørgen Weisethaunet	6 880 695	12.12
3	DRAUPNIR INVEST AS – family of founder Steffen Kirknes	5 702 949	10.04
4	EIDCO A/S	3 832 286	6.75
5	Handelsbanken Nordiska smabolag (through J.P. Morgan)	3 348 135	5.90
6	ESMAR AS	3 093 740	5.45
7	TAIGA INVESTMENT FUNDS PLC-TAIGA F	2 745 187	4.83
8	ARCTIC FUNDS PLC	2 692 374	4.74
9	Dan Sten Olsson and family (through SEB S.A.)	2 195 408	3.87
10	Citibank, N.A.	1 200 000	2.11
11	Danske Invest Norge Vekst	1 050 000	1.85
12	RACCE AS	738 546	1.30
13	Danske Bank A/S - MD Oceans Peter K. Eriksen	725 076	1.28
14	USEGI AS - CTO Arild Sjøraunet	721 989	1.27
15	T.D. VEEN AS	715 000	1.26
16	Carnegie Investment Bank AB	627 216	1.10
17	Taaleri Nordic Value Equity Fund	525 000	0.92
18	SONSTAD AS	450 000	0.79
19	J.P. Morgan Bank Luxembourg S.A.	430 392	0.76
20	GH HOLDING AS	421 000	0.74
	Total 20 largest	46 781 488	82.38
	Other	10 005 430	17.62
	Total	56 786 918	100.00