

NORBIT

- explore more -

Presentation of third quarter 2019

CEO Per Jørgen Weisethaunet and CFO Stian Lønvik

Oslo, Norway 29 October 2019

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 at a glance

NORBIT is a global provider of tailored technology to carefully selected niches



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

- Founded 1995
- HQ in Trondheim, Norway
- Offices and Subsidiaries in 12 countries
- Dedicated workforce of ~250
- Listed on OSE with ticker NORBIT

Long-term financial targets

- Targeting 3Y revenue CAGR > 25% starting 2017
- EBITDA margin > 20%
- Aims to invest ~5% of revenue in R&D, to secure long-term growth



*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*

Tailored technology for carefully selected niches

Segment introduction



- Proprietary technology targeting global maritime markets
- Core offering of **sonar solutions** developed for selected niches
- Proven global indirect distribution network

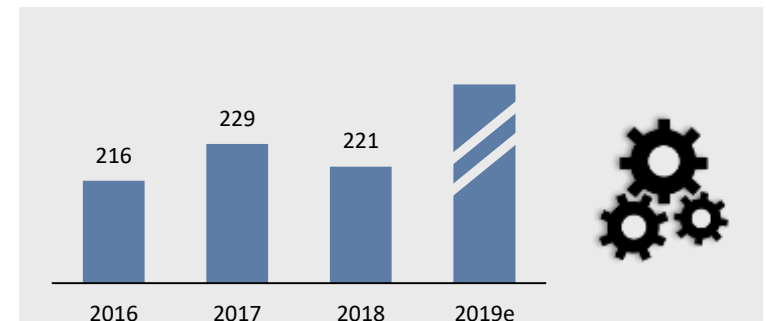
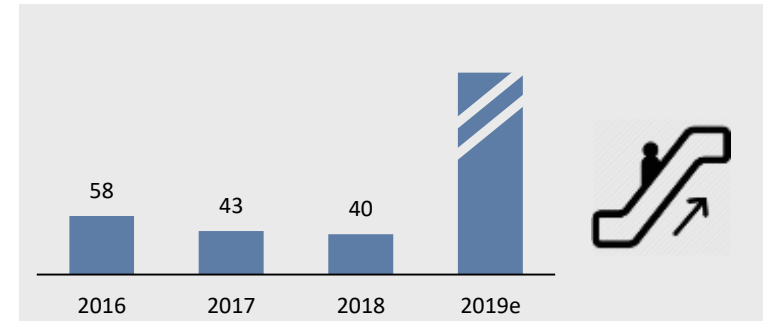
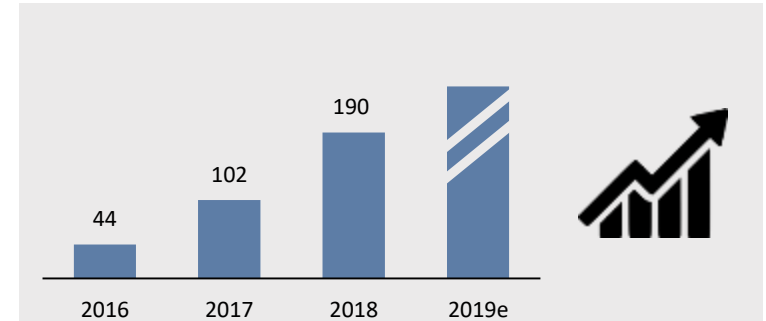


- Specialized supplier to international ITS market
- Core offering of tailored connectivity solutions for **tachograph** and **satellite based tolling**

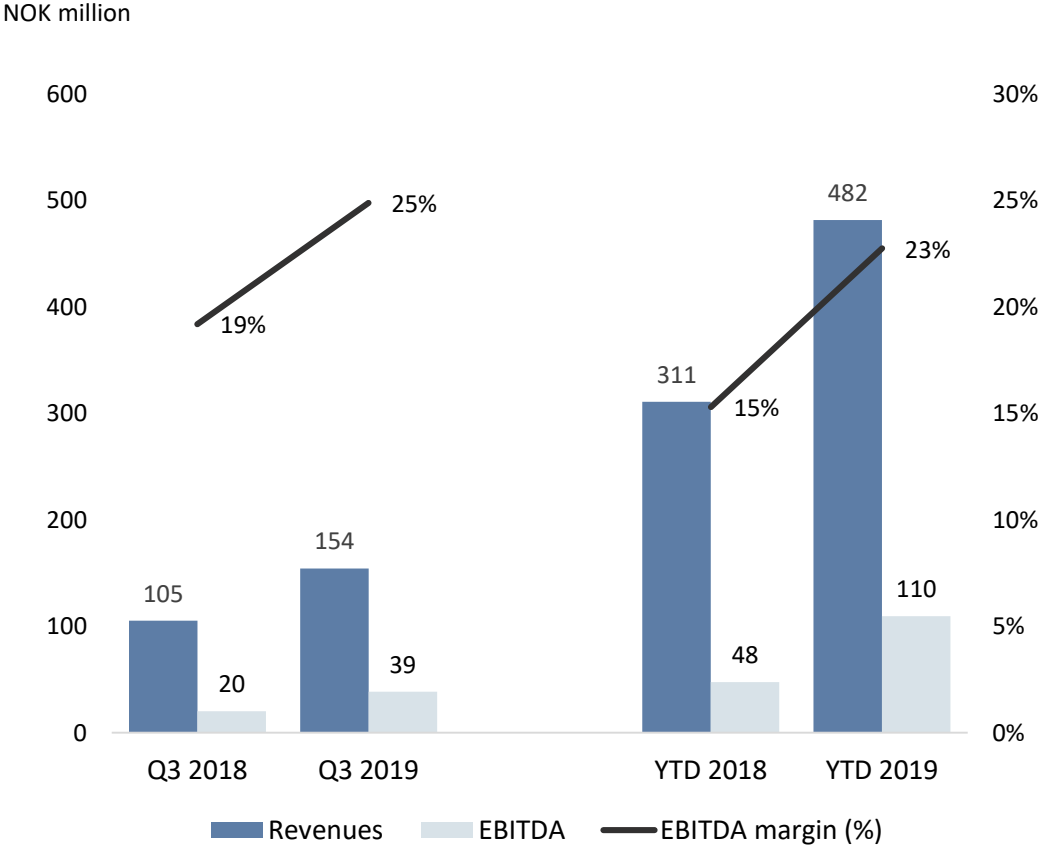


- Contract **electronic manufacturing services**
- **Multidisciplinary R&D** offering technology and product development services
- Range of tailored niche products based on NORBIT IPR for long-term industrial key clients

Historic Revenue development (NOK million)



Continued profitable growth



Q3 2019

- Revenues of NOK 154 million for Q3-19, representing 46% growth
- EBITDA of NOK 39 million for Q3-19, a margin of 25%

YTD 2019

- Revenues of NOK 482 million for YTD-19, representing 55% growth
- EBITDA of NOK 110 million for YTD-19
 - Including items affecting comparability of NOK -8.6 million
 - Adj. EBITDA NOK 118 million, ~25% margin

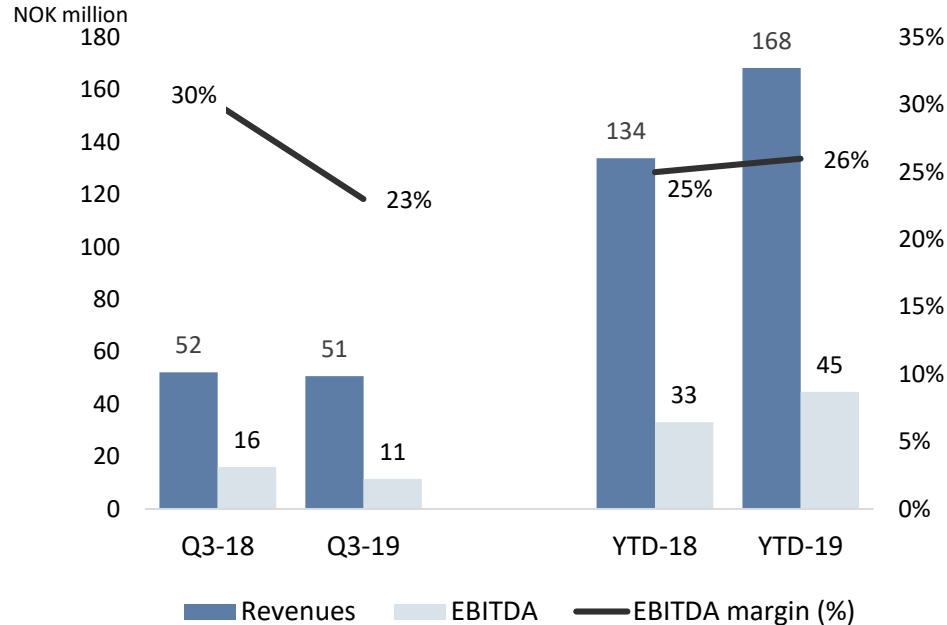


Oceans



Oceans focus on broadening product offering

Revenue and EBITDA



Simplified P&L and key KPIs

NOK million	Q3-19	Q3-18	YTD-19	YTD-18
Revenue	50.6	52.1	168.3	133.9
EBITDA	11.4	15.9	44.6	33.1
EBIT	7.8	12.4	33.5	21.4
Key KPIs				
EBITDA margin	23%	30%	26%	25%
EBIT margin	15%	24%	20%	16%

- Oceans delivered revenues for Q3-19 in line with Q3-18 and a 26% growth YTD-19 vs YTD-18
 - North-America strongest performing region in Q3-19
- Focus on product expansion and tailoring solutions to new sub markets
 - First order for a 4D dredging system for one of the big dredging companies in Benelux delivered in Q3
 - Contract worth ~NOK 10 million by maritime partner, deliveries to be completed in Q4



DSRC solutions for enforcement in satellite based truck tolling



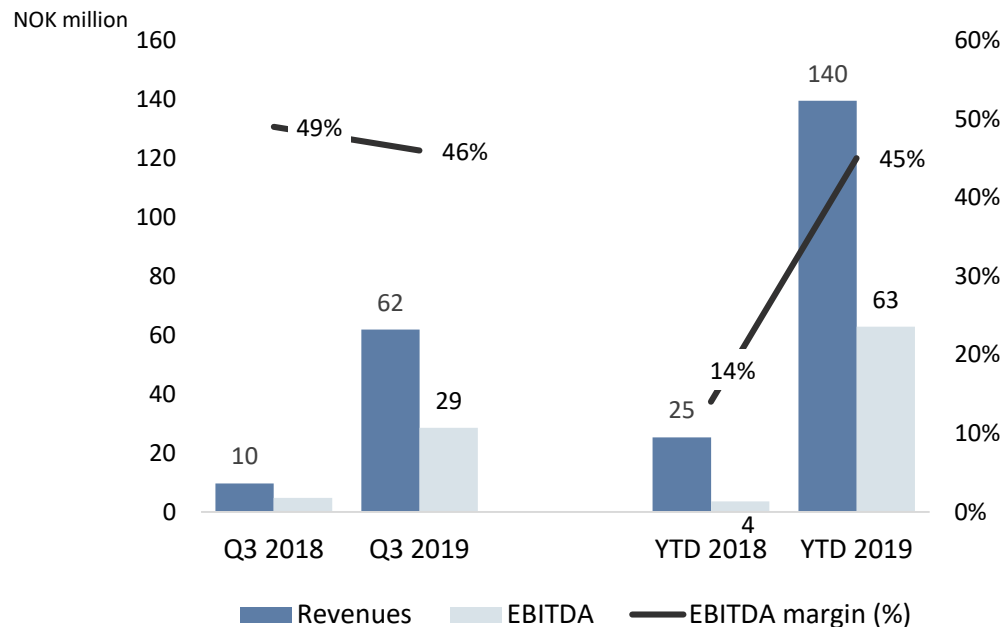
Connectivity devices for tachograph



Intelligent Traffic Systems (ITS)

Continued strong revenue growth for ITS

Revenue and EBITDA



Simplified P&L and key KPIs

NOK million	Q3-19	Q3-18	YTD-19	YTD-18
Revenue	61.8	9.6	139.5	25.2
EBITDA	28.5	4.7	62.8	3.5
EBIT	24.6	3.5	53.7	-1.4
Key KPIs				
EBITDA margin	46%	49%	45%	14%
EBIT margin	40%	36%	38%	-5%

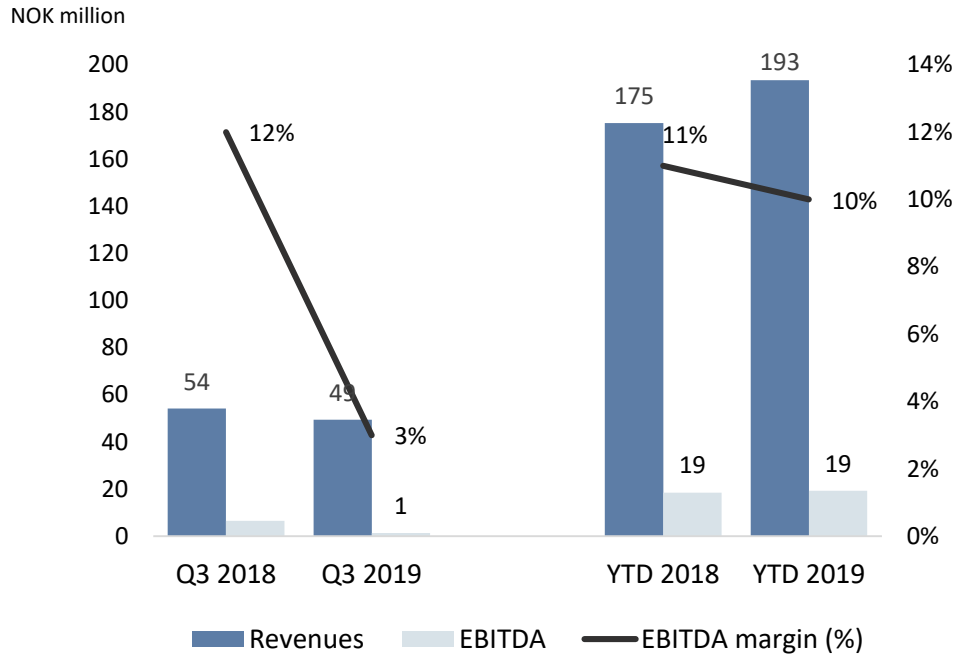
- Significant growth for ITS in 2019 compared to 2018 driven by the long-term contracts with large international customers
- Revenues 48% higher for Q3-19 vs Q2-19, resulting from some deliveries being moved from Q2 to Q3
 - Quarterly volume fluctuations should be expected
- Strong EBITDA margin of 45% for Q3-19 and 46% for YTD-19



Product Innovation & Realization (PIR)

PIR revenues impacted by allocation of production capacity

Revenue and EBITDA



Simplified P&L and key KPIs

NOK million	Q3-19	Q3-18	YTD-19	YTD-18
Revenue	49.4	54.1	193.4	175.2
EBITDA	1.4	6.5	19.2	18.5
EBIT	-2.8	2.8	5.8	7.5
Key KPIs				
EBITDA margin	3%	12%	10%	11%
EBIT margin	-6%	5%	3%	4%

- PIR's revenues decreased by 9% for Q3-19 vs Q3-18 and increased by 10 per cent for YTD-19 vs YTD-18
 - Extraordinary low sales of products based on NORBIT IPR and lower sales of R&D services in Q3-19
 - Compared to Q2-19, revenues are down due to more production capacity being allocated to ITS, in addition to the above
 - Announced volume increase from key automotive customer, expected revenue impact for PIR of NOK 50 million for 2020
- EBITDA margin of 3% in Q3-19 explained by the low sales of R&D services and products based on NORBIT IPR



NORBIT

- explore more -

Group financials

Financials – P&L

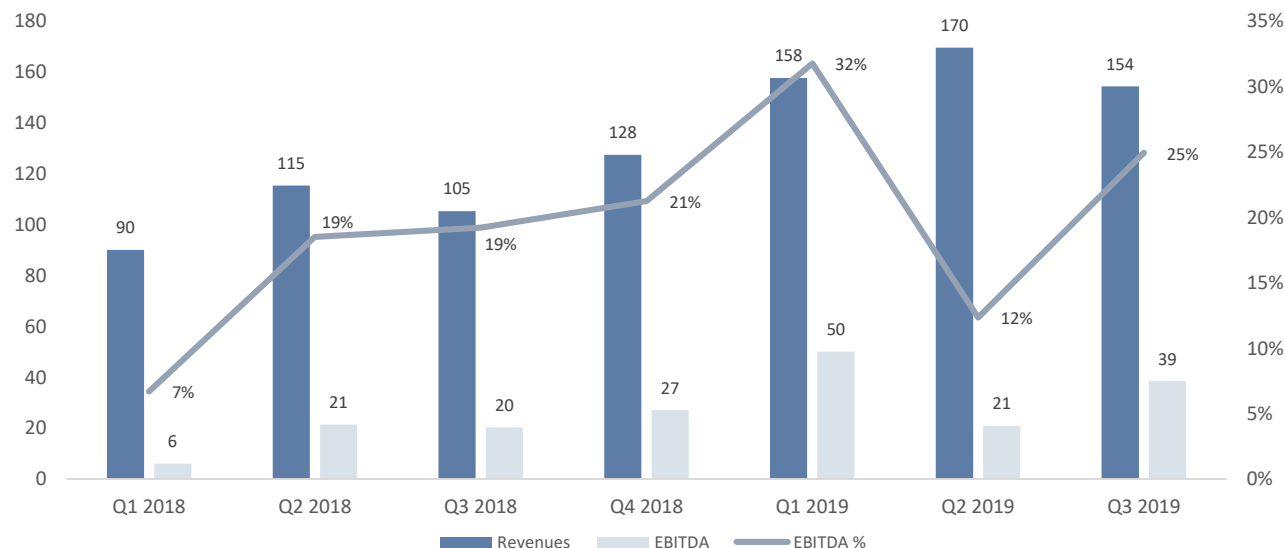
NOKm	YTD 2019	YTD 2018	Q3 2019	Q3 2018
Revenue	481.7	310.9	154.4	105.4
Other gains and losses	10.9			
Total operating expenses	383.0	263.2	115.9	85.1
EBITDA	109.6	47.7	38.5	20.3
Depreciation and amortisation expenses	34.4	28.2	12.0	8.6
EBIT	75.1	19.4	26.5	11.7
Net financial items	-10.6	24.3	-3.3	-1.9
Earnings before taxes	64.5	43.7	23.2	9.7
Tax on ordinary result	11.8	3.3	5.1	2.3
Result after tax	52.7	40.5	18.1	7.4

Comments Q3 2019

- Revenues of NOK 154.4 million, 46% growth
- EBITDA of NOK 38.5 million
- EBITDA margin of 25%

Comments YTD 2019

- Revenues of NOK 481.7 million, 55% growth
- Adj. EBITDA of NOK 118.2 million
- Adj. EBITDA margin of 25%
- Items affecting comparability
 - NOK 10.9 million bargain gain Q1
 - NOK 19.5 million one-off expenses related to IPO Q2



Financials – Balance sheet (Assets)

Key financials

NOKm	30.09.2019	30.06.2019
Research and development, patents	128.7	124.3
Deferred tax asset	30.9	36.1
Total intangible fixed assets	159.6	160.4
Property, plant and equipment	20.7	21.1
Other tangible assets	52.9	48.0
Total tangible fixed assets	73.5	69.2
Financial assets	2.2	2.2
Total fixed assets	235.3	231.8
Inventories	164.2	151.7
Accounts receivables	136.4	133.1
Other receivables	20.8	22.0
Financial instruments	0.1	1.2
Total receivables	157.3	156.3
Bank deposits, cash etc.	5.7	21.1
Total current assets	327.2	329.1
Total assets	562.5	560.9

Comments

- R&D investments 7.8% of revenues in Q3 2019
- Investments in machineries NOK 3.7 million
- Total capital increase by NOK 1.6 million

Financials – Balance sheet (Equity and liabilities)

Key financials

NOKm	30.09.2019	30.06.2019
Share capital	5.7	5.7
Other equity	275.4	276.3
Retained earnings	135.7	118.1
Minority interest	0.5	0.5
Total equity	417.3	400.6
Debt to financial institution	16.9	17.2
Lease liabilities	4.9	3.1
Other long term debt	0.4	0.1
Total long term debt	22.2	20.3
Short term debt		
Liabilities to financial institutions	10.4	2.1
Lease liabilities	5.2	6.9
Trade creditors	78.5	83.7
Public duties payable	1.8	6.7
Other short term debt	27.1	40.4
Total short term debt	123.0	139.9
Total debt	145.2	160.3
Total equity and debt	562.5	560.9

Comments

- Equity increased by NOK 16.7 million
- Long-term debt increased due to new lease contract office in Hungary (IFRS 16)
- Increase in overdraft facility of NOK 8.3 million
- Credit facilities
 - Undrawn long term facility of NOK 150.0 million
 - Undrawn short term facility of NOK 121.7 million

Financials – Cash flow

NOKm	YTD 2019	YTD 2018	Q3 2019	Q3 2018
Cash flows from operating activities				
Profit for the period	52.7	40.5	18.1	7.4
Adjustments for:				
Income tax expense recognised in profit or loss	11.8	3.3	5.1	2.3
Investment income recognised in profit or loss	-10.9			
Depreciation and amortisation of non-current assets	34.4	28.2	12.0	8.6
Movements in working capital:	-96.1	-47.0	-38.9	-8.1
Net cash generated by operating activities	-8.0	25.0	-3.7	10.2
Cash flows from investing activities				
Payments for property, plant and equipment	-13.2	-19.8	-6.1	-5.4
Payments for intangible assets	-45.6	-30.7	-12.1	-10.1
Net cash outflow on acquisition of subsidiaries	0.4			
Net cash (used in)/generated by investing activities	-58.4	-50.5	-18.2	-15.5
Cash flows from financing activities				
Proceeds from issue of equity instruments of the Company	250.0	10.5		
Payment for services related to issue of equity instruments	-16.7		-1.2	
Payment for buy-back of shares	-19.3			
Proceeds from borrowings	106.1	29.6	1.2	4.2
Repayment of borrowings	-187.0	-19.9	-1.9	-5.6
Net increase in overdraft facility	-64.1	12.8	8.3	6.6
Dividends paid to owners of the Company	-6.0	-16.0		
Net cash used in financing activities	63.1	17.0	6.5	5.2
Net increase in cash and cash equivalents	-3.4	-8.5	-15.4	-0.1
Cash and cash equivalents at the beginning of the period	9.1	14.8	21.1	6.4
Cash and cash equivalents at the end of the period	5.7	6.3	5.7	6.3

Comments Q3 2019

- Working capital increased by NOK 38.9 million
 - Inventories up by NOK 12.5 million, mainly due to Oceans
 - Reduction other short-term debt NOK 13.3 million
- Capitalization R&D of NOK 12.1 million
- Net cash flow NOK – 15.4 million

NORBIT

- explore more -

Outlook

Outlook



- Maintains expectations for revenues and margins for 2H to be in line with 1H 2019
 - Experienced positive development in October
- Low revenue visibility (2-4 weeks) combined with expected fluctuations between quarters



- Maintains expectations for a stronger 2H than 1H 2019
 - Q3 volumes extra high due to postponed deliveries from Q2



- Maintains expectations for a higher share of production capacity being allocated to ITS and Oceans in 2H compared to 1H 2019, resulting in lower revenue expectations for PIR
 - Sales of products based on NORBIT IPR and R&D services expected to pick up in Q4 2019
- Expansion of production facilities at Røros expected to be completed in the summer of 2020

NORBIT

- explore more -

Exploring is finding opportunities
where others find limits

Long term financial targets



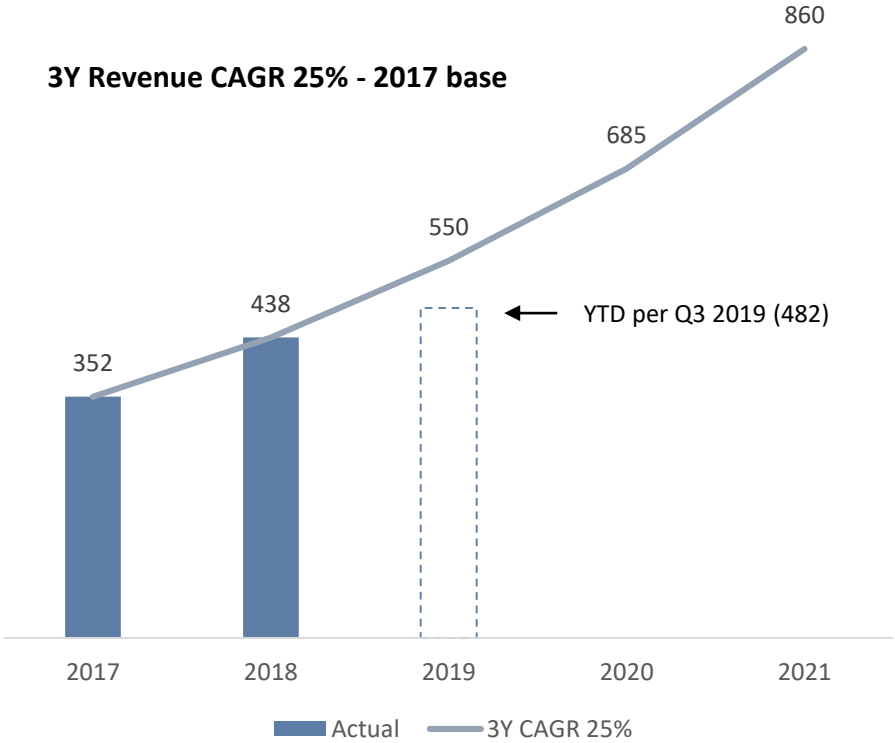
Targeting 3Y revenue CAGR > 25% starting 2017



Long-term ambition of EBITDA margin > 20%



Aims to invest ~5% of revenue in R&D, to secure long-term growth



Shareholder overview, updated 25 October 2019

#	Investor	Shares	
		#	%
1	VHF INVEST AS - founder Steffen Kirknes	8 686 495	15.30
2	PETORS AS - CEO Per Jørgen Weisethaunet	6 645 695	11.70
3	DRAUPNIR INVEST AS - family of founder Steffen Kirknes	5 702 949	10.04
4	EIDCO A/S	3 597 124	6.33
5	ESMAR A/S	2 858 579	5.03
6	HANDELSBANKEN Nordiska Smabolag	2 855 000	5.03
7	Dan Sten Olsson and family (thru SEB S.A.)	2 391 000	4,21
8	ARCTIC FUNDS PLC	2 390 719	4.21
9	Morgan Stanley & Co. Int. Plc.	2 000 000	3.52
10	Citibank, N.A.	1 200 000	2.11
11	Danske Invest Norge Vekst,	1 050 000	1.85
12	REGENTS OF THE UNIVERSITY OF MICHIGAN	971 500	1.71
13	The Northern Trust Comp, London Br	902 106	1.59
14	RACCE AS	738 546	1.30
15	Danske Bank A/S - MD Oceans Peter K. Eriksen	726 526	1.28
16	USEGI AS, by Group - CTO Arild Sjøraunet	721 989	1.27
17	T.D. VEEN AS	715 000	1.26
18	UBS AG, LONDON BRANCH	704 947	1.24
19	ARCTIC FUNDS PLC	662 353	1.17
20	TOLUMA NORDEN AS	600 000	1.06
	Total 20 largest	46 120 528	81.22
	Other	10 666 390	18.78
	Total	56 786 918	100.00

Creating a new niche: 4D sonar for real-time dredging

Proven ability to develop niche markets

- Created a niche market for real-time sonars in subsea dredging
- Dredging jobs typically target a specific depth
- Challenge:
 - Zero or limited subsea visibility to dredge accurately
 - Depends on expensive recursive surveys to measure seabed
- Solution: Real-time simple 4D georeferenced seabed
- Enables significant value-adding improvements for operators
- Significant potential due to limited sonar penetration

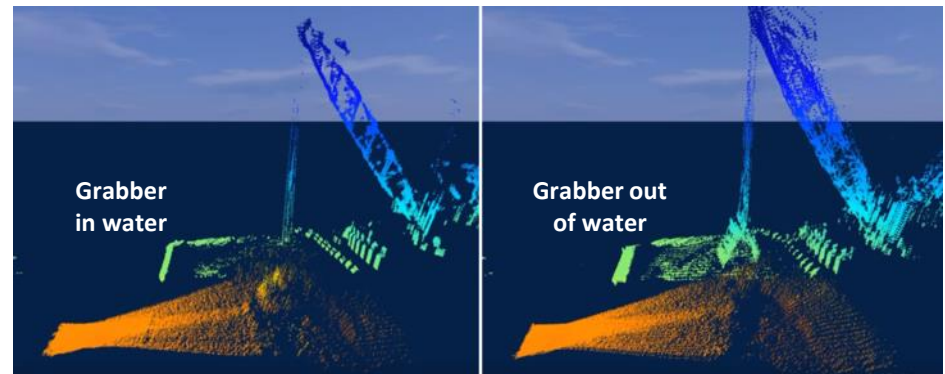
→ More than 1,500 dredging vessels registered

→ In addition to 500 survey vessels¹

→ Price range sonar solution: USD 100-250k




Addressable market: Up to ~USD 500m

4D sonar for real-time dredging



Note (1): Clarkson's' Dredger Register documents in addition to management assumption of one survey vessel per three dredging vessels. Note that there is a large number of small dredging companies (one vessel, one person) not included in the database. Thus, the actual number is probably 2x or 3x this figure.

Selected client references by market segments

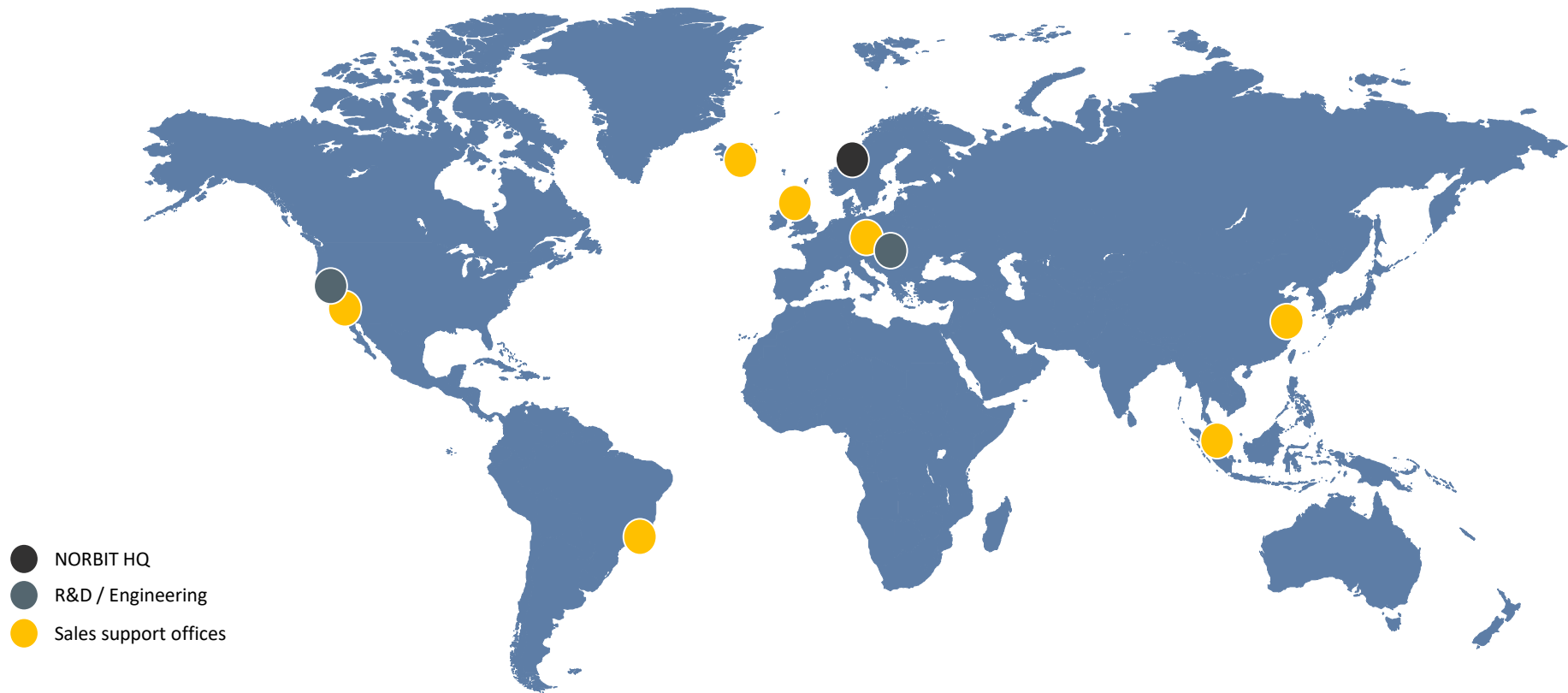
<p>Public clients within hydrography</p>	
<p>Private dredging and survey companies</p>	<p>Private dredging companies</p>  <p>Survey companies</p> 
<p>Research and education institutions and defence</p>	<p>Research and Education</p>  <p>Defence</p> 

- A highly diversified customer base worldwide with largest customer in 2018 accounting for ~3% of revenues
- In 2018, ~3% of total NORBIT revenues was attributed to Defence related revenues
- Less than 10% of revenue in 2018 was oil and gas related on a global scale
- Other clients are surveying Companies in the Far-East, Middle-East and US, small maritime rental companies and contractors

Selection includes clients we can disclose. Others are excluded from the list based on need to keep confidential.
 Note (1): Suppliers to the defence segment that is integrating NORBIT's solutions into their own.

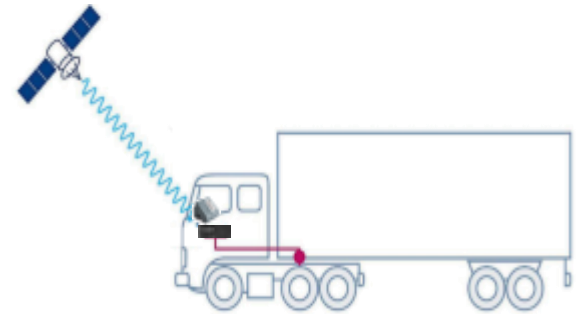
Established proven global indirect distribution network

Indirect distribution supported by regional offices covering a wide range of clients in various industries



Tailored short range communication solutions

EU regulation and focus on distance based tolling creates a new market with huge potential



One unit to connect them all:

EU priority to connect all tolling in Europe and enable vehicles to only need one OBU¹ that connect to any European electronic tolling system

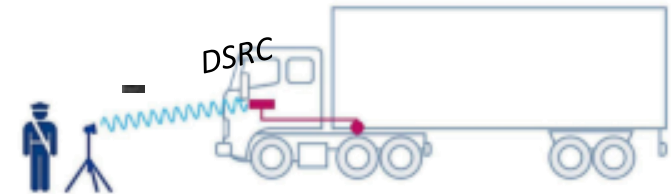
Gradual implementation of GNSS² in EU truck market:

~6.3 million trucks in EU market

**NORBIT's DSRC³ units enables compatibility across country borders
NORBIT is well positioned due to its ability to deliver tailored DSRC solutions**

Tailored connectivity modules for tachographs

Stable long-term market with ~ 400,000 trucks¹ being registered in the EU annually ensure recurring revenue



EU regulation implemented mid-2019²:

Mandatory to install smart tachograph in all new trucks registered after 15 June 2019

EU truck market:

~400,000 trucks being registered in the EU annually ensure recurring revenue

New EU directive has been a door opener to long-term contracts in a market where NORBIT already has position due to its ability to deliver tailored DSRC solutions

Secured long-term contracts

SATELLITE BASED (GNSS) TOLLING

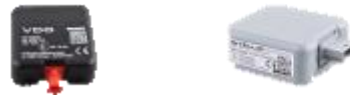
DSRC solutions for GNSS truck tolling



- 1 million units frame contract
 - Tailored DSRC 2G integrated with GPS and GSM antennas
 - First 210k units in 2019
- Contracts for DSRC modules with three undisclosed EETS¹ providers
- Contract for DSRC modules for a large undisclosed GNSS tolling project in the EU

SMART TACHOGRAPHS

Connectivity devices for tachographs



- Continental
 - 6 years frame contract with tachograph market leader
- Intellic
 - 7 years frame contract with tachograph supplier Intellic

TOLLING

DSRC toll tags (OBUs)



- Frame contract with NPRA² for AutoPASS tags in Norway
- Frame contract with Øresund bridge in Denmark
- Frame contract with undisclosed international customer in Germany

In-house multidisciplinary R&D capabilities

R&D capabilities

- Competence covering all aspects of technology and product design
- Special projects to explore new market domains, new technologies and enable refinement of next generation NORBIT engineers
- Strong connection to start/scale-ups
- Close cooperation between in-house R&D and in-house manufacturing enables smooth industrialization
- Well equipped test facilities

R&D competence

Competence areas	# FTEs
Embedded electronics, FPGA Firmware	15
Radio frequency, sensors, signal processing, acoustics	18
Application software	14
Embedded software	11
Mechanical design	7
Total	65



NAV Analyzer for
Normarc (Indra Navia)



Ultrasound camera
for Down Hole inspection
for Tecwel (Archer)



Node electronics for
seismological nodes.
(Case abyss) for Seabed



NORBIT/COMROD branded
Antenna system for Submarines



Tension Leg Monitoring System
16 Sensor systems installed on the
Snorre A platform for Equinor

World class in-house manufacturing

Overview of NORBITs manufacturing sites

Røros Automotive

- High volume robotized production
- Automated, flexible, scalable
- Micro electronics
- Thick film hybrid circuits
- Automotive certified factory

Selbu Defense, medical and subsea

- Mid-low volume
- High complexity
- Box built

Trondheim Subsea and defence

- Cable and wire harness
- Electro mechanical assembly



Expansion of production capacity at Røros underway



NORBIT

- explore more -

Exploring is finding opportunities
where others find limits