

NORBIT

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Second quarter and half-year 2023 presentation

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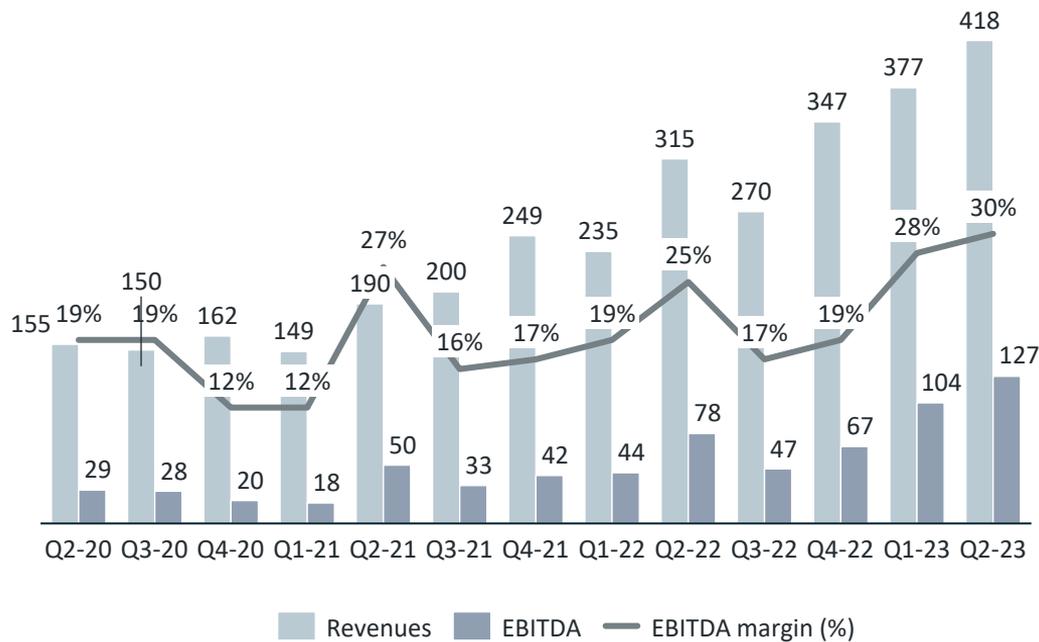
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Record high revenues and increased profitability

Revenues and EBITDA

NOK million



Second quarter 2023

- 32 per cent revenue growth from the second quarter of 2022
- Strong underlying growth in all three business segments
- EBITDA ended at NOK 127 million, resulting in a margin of 30 per cent
- A dividend of NOK 0.70 per share for the financial year 2022 distributed in May

First half-year 2023

- Revenues totalled NOK 794 million, up 44 per cent from first half 2022
- EBITDA of NOK 231 million, a margin of 29 per cent

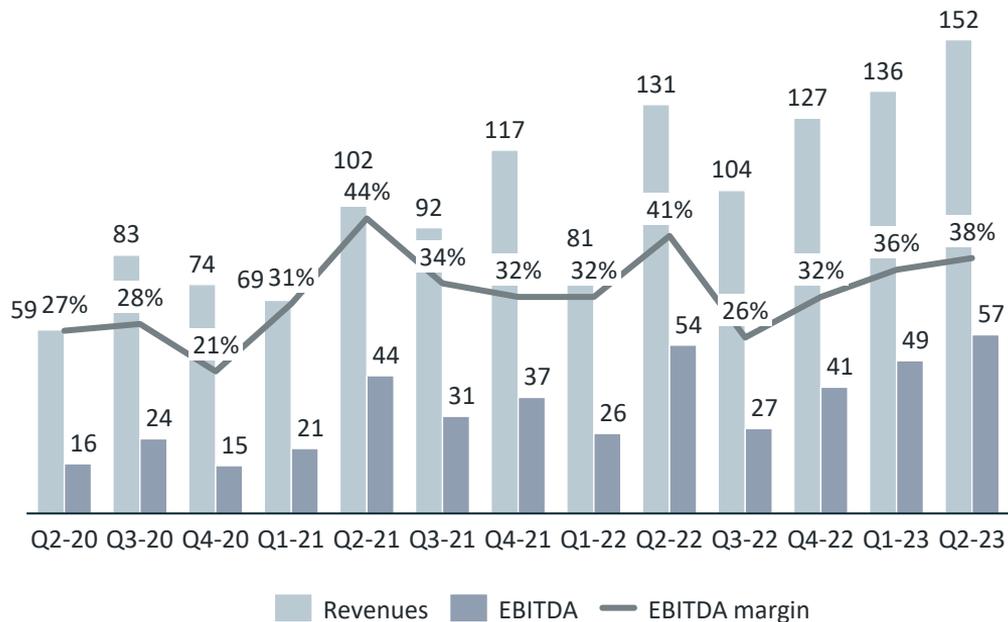


OCEANS

Oceans – Growth supported by strong sonar sales

Revenues and EBITDA

NOK million



Second quarter 2023

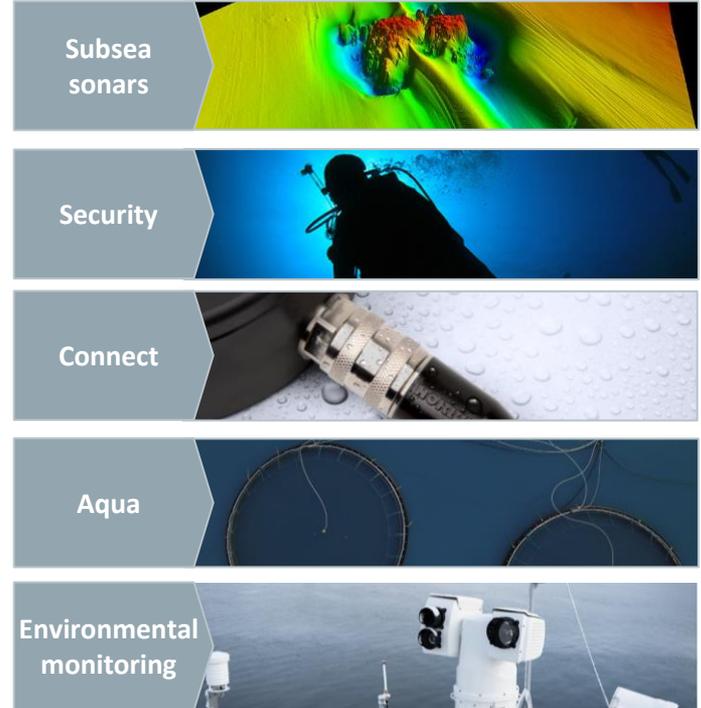
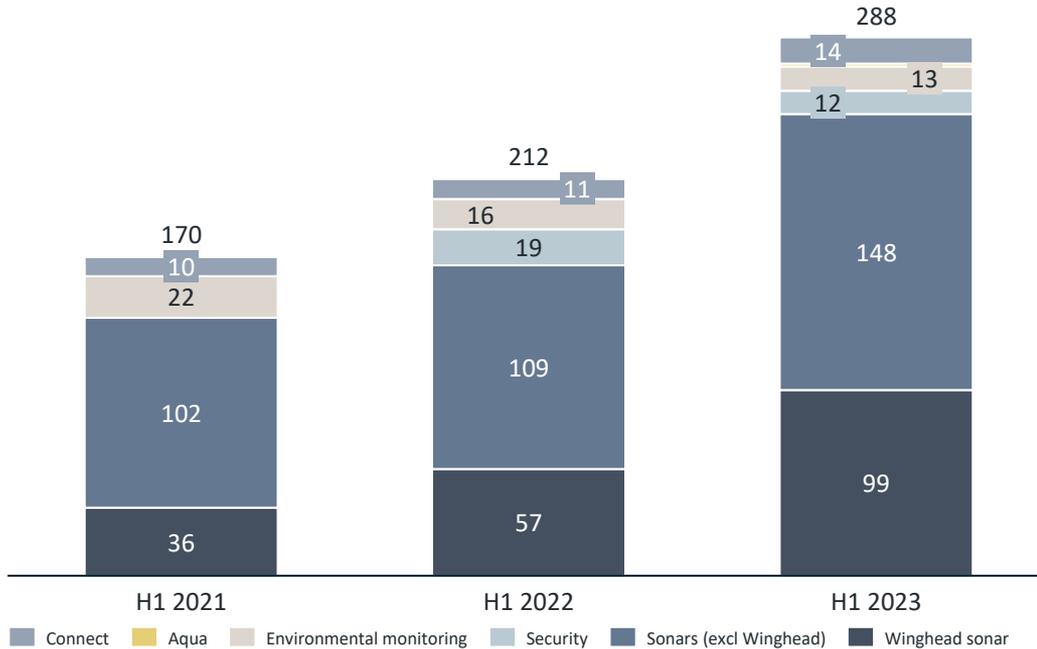
- Revenues of NOK 152 million, an increase of 16 per cent from Q2-22
 - Continued high demand for sonars
 - Favourable movement of USD and EUR compared to one year earlier
- EBITDA margin of 38 per cent, compared with 41 per cent in Q2-22

First half-year 2023

- Revenues of NOK 288 million, an increase of 36 per cent from first half 2022
- EBITDA margin of 37 per cent, on par with level reported in the first half 2022

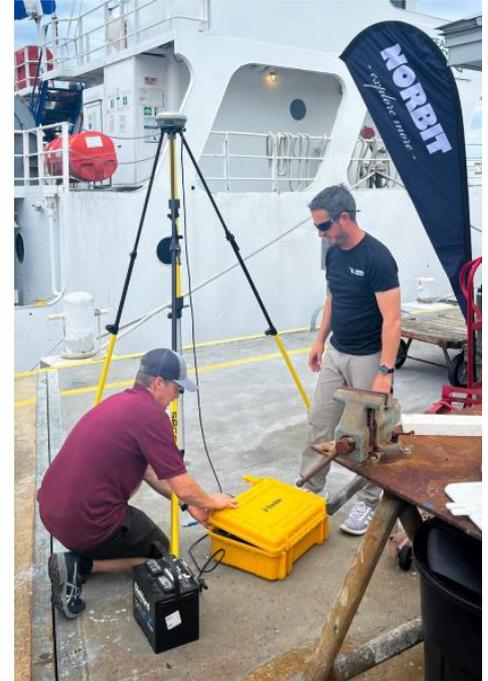
Strong sales driven by continued growth in demand for sonars

Oceans' revenue mix
NOK million



Strengthening the North American presence with Seahorse Geomatics acquisition

- NORBIT has acquired the business and certain assets from Seahorse Geomatics Inc.
- Seahorse Geomatics has been Oceans' distributor and reseller in the North American market for more than a decade
- As part of the transaction, NORBIT welcomes five new colleagues with significant experience in the Oceans' domain for tailored technology solutions to the maritime markets
- Further strengthening the presence with additional technical sales hires to build a broader and stronger sales and distribution platform



Strong focus on underwater surveillance for critical infrastructure

- Continued maturing of the international security market, driven by geopolitical unrest and renewable energy
- Growing prospect list for the security solution that offers protection of critical infrastructure
- A senior commercial team to oversee Oceans' solution-based business has been established



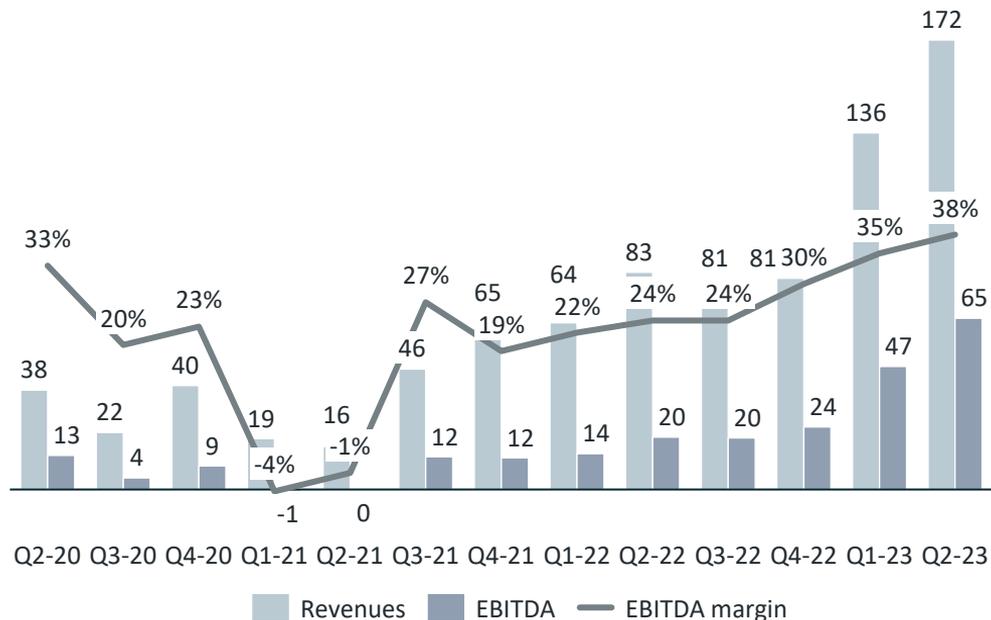


CONNECTIVITY

Connectivity – Record quarter with revenues more than doubling

Revenues and EBITDA

NOK million



Second quarter 2023

- Revenues of NOK 172 million, representing an increase of 107 per cent from Q2-22, driven by strong demand for On-Board Units
- EBITDA margin of 38 per cent, compared to 24 per cent in Q2-22

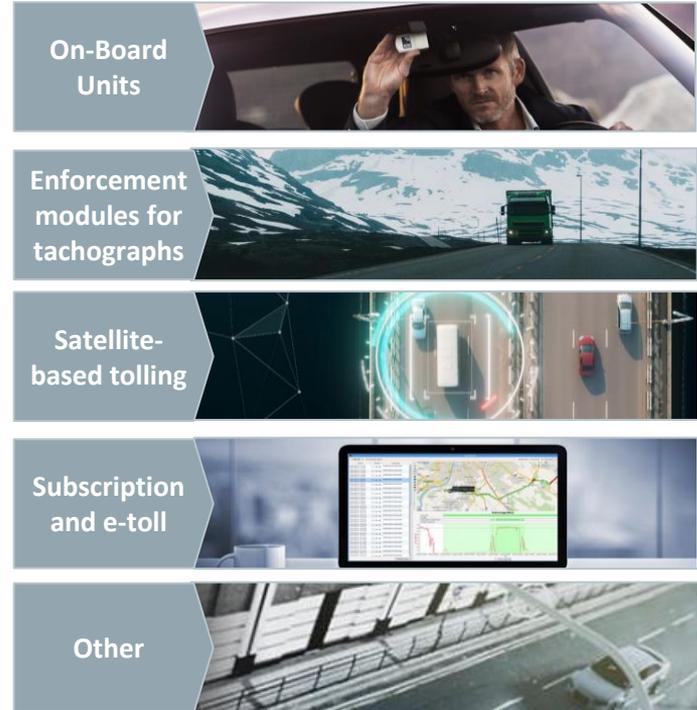
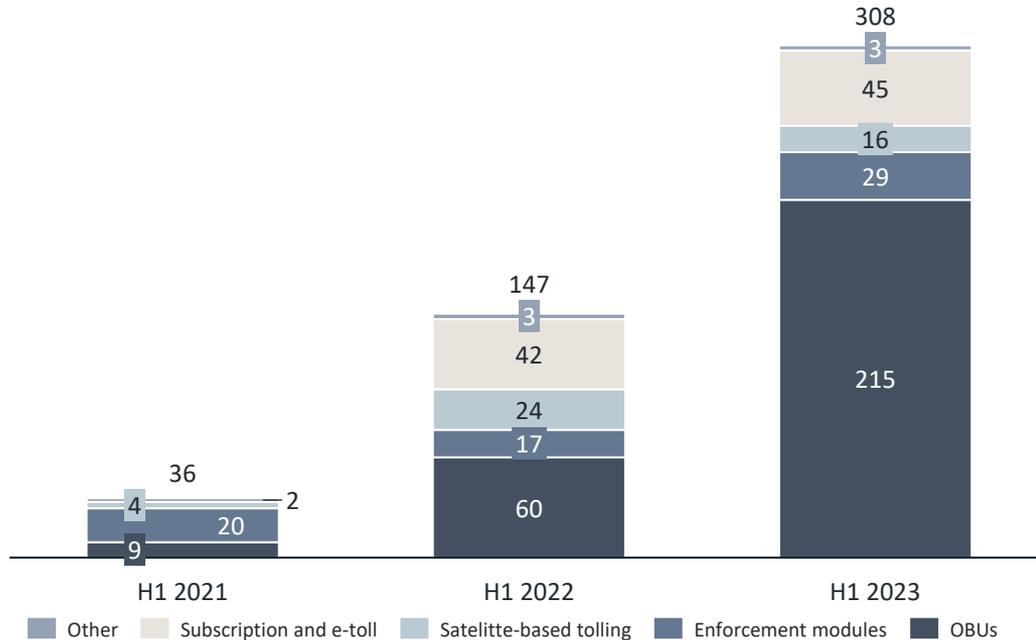
First half-year 2023

- Revenues of NOK 308 million, up from NOK 147 million in the same period last year
- EBITDA margin of 36 per cent, compared to 23 per cent in first half 2022

Revenue growth primarily driven by strong On-Board Unit sales

Connectivity revenue mix

NOK million



From niche to notable

On-Board Units

***European insurance
company***

~NOK 150 million

H1 2023

On-Board Units

***European
company***

~NOK 270 million

Q2'23 – Q2'25

On-Board Units

***Fremtind
Service***

Undisclosed

2023-2024

***Enforcement
modules***

***Blue-chip
industrial client***

> NOK 500 million

Q1 2024 – Q1 2029

***Units for satellite
-based tolling***



~NOK 30 million

2024

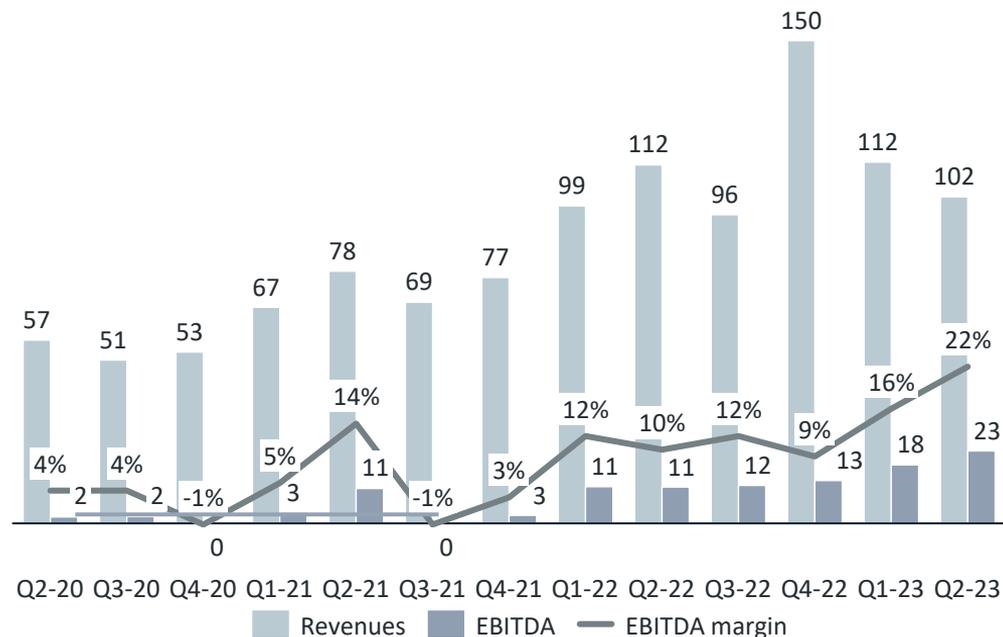


PIR

Product Innovation & Realization – Underlying growth and improved profitability

Revenues and EBITDA

NOK million



Second quarter 2023

- Revenues of NOK 102 million, down 9 per cent from Q2-22. Adjusted for customer reimbursements, underlying revenue growth was 26 per cent
- The increase was primarily driven by increased activity within contract manufacturing
- EBITDA margin of 22 per cent, compared to 10 per cent in Q2-22

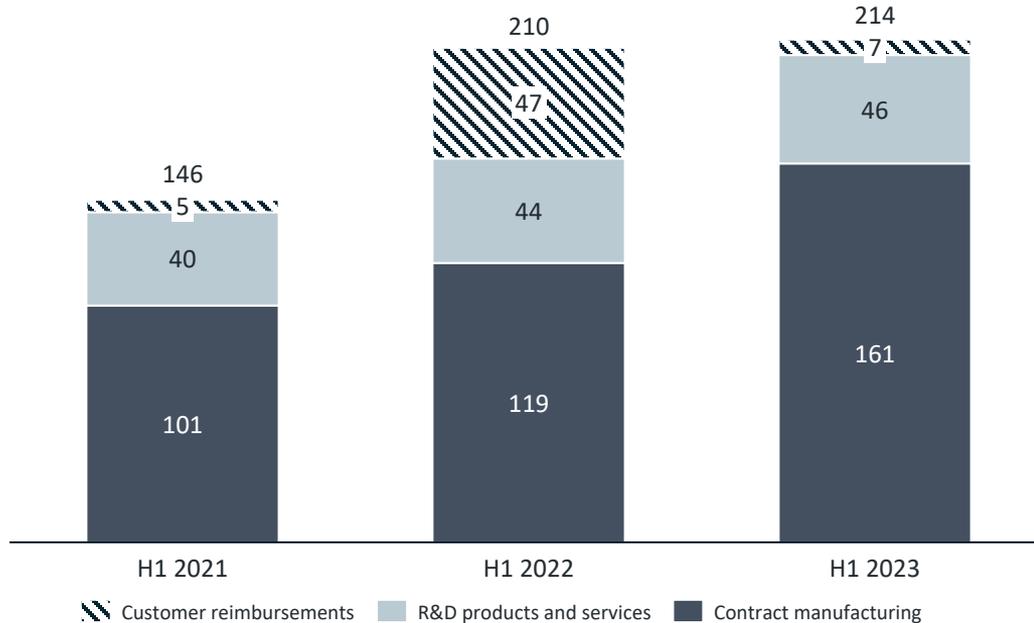
First half-year 2023

- Revenues of NOK 214 million, up from NOK 210 million in the same period last year
- Adjusted for customer reimbursements, underlying revenue growth was 27 per cent
- EBITDA margin of 19 per cent, compared to 11 per cent in first half 2022

Underlying revenue growth driven by contract manufacturing

PIR revenue mix

NOK million



Contract
manufacturing



R&D products
and services

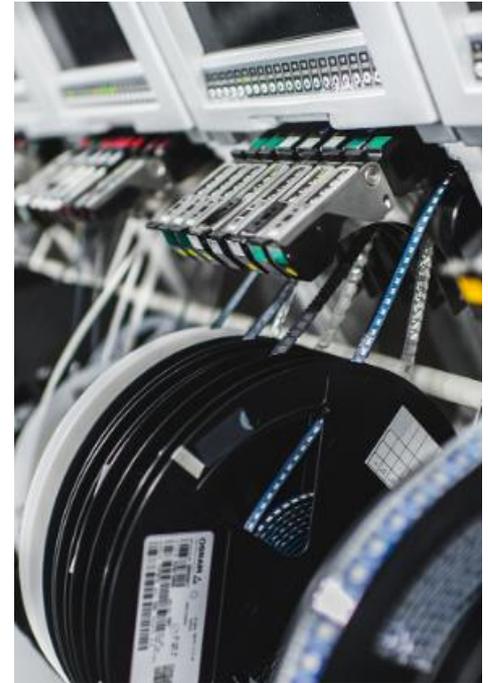


Customer
reimbursements

Customer reimbursements for extraordinary material costs within contract manufacturing

NOK 80 million agreement for contract manufacturing

- Order won for delivery of tailored electronics for data collection and transmission to the clients' cloud solution
- Deliveries are scheduled over a period of 30 months
- Estimated total value of approximately NOK 80 million over the said period



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Group financials

A scenic landscape featuring a long, straight road stretching across a body of water towards a snow-capped mountain peak under a cloudy sky. The road is flanked by metal guardrails and has a thin layer of snow on its edges. The water is a deep blue-green color, and the sky is filled with large, white and grey clouds. The overall mood is serene and majestic.

Financials – P&L

<i>Amounts in NOK million</i>	Q2 2023	Q2 2022	H1 2023	H1 2022
Revenues	417.6	315.3	794.3	550.5
Raw materials and change in inventories	166.9	149.1	321.4	249.5
Employee benefit expenses	85.0	50.6	165.2	110.5
Other operating expenses	38.6	37.9	76.2	68.9
EBITDA	127.2	77.7	231.5	121.6
Depreciation and amortization expenses	26.5	20.8	52.3	41.0
Operating profit / EBIT	100.6	56.9	179.2	80.6
Net financial items	(11.3)	(2.5)	(19.6)	(8.9)
Profit before tax	89.3	54.4	159.6	71.6
Income tax expense	(21.0)	(11.7)	(39.3)	(16.3)
Profit for the period	68.4	42.8	120.3	55.3

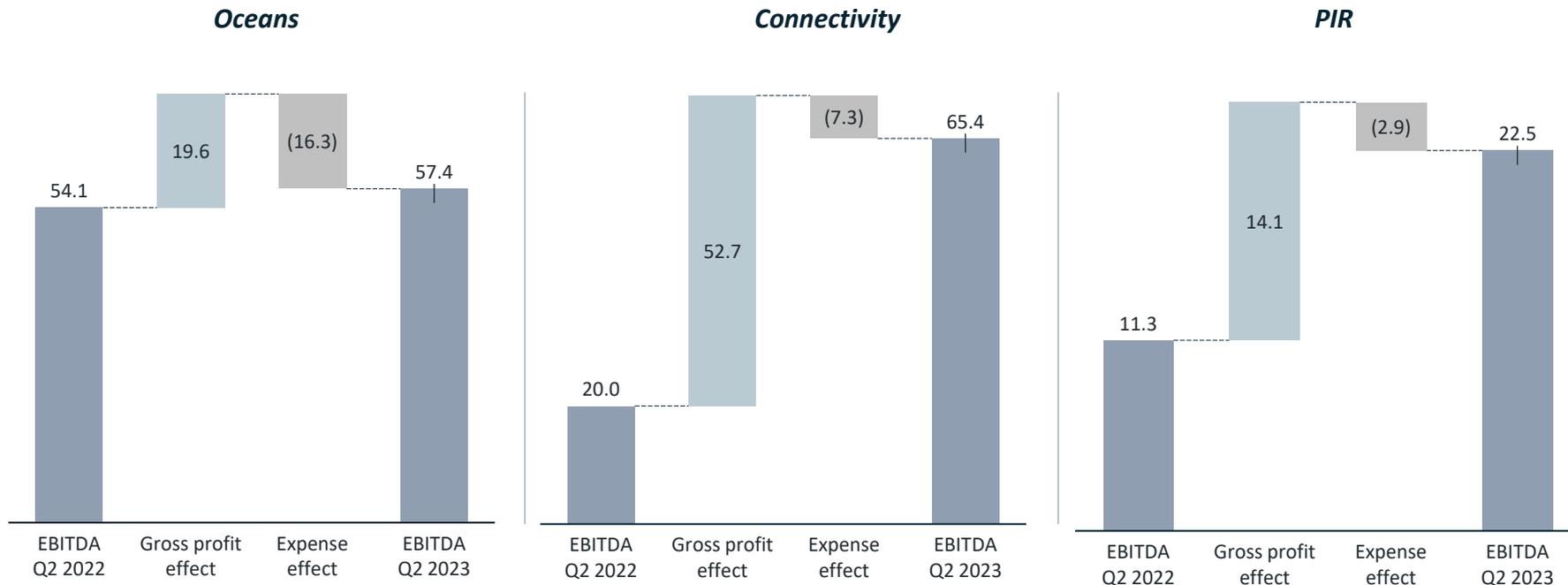
Second quarter of 2023

- **Revenues** of NOK 417.6 million, up 32 per cent from Q2-22
 - Growth adjusted for customer reimbursement in PIR of 47 per cent y/y
- **Gross margin** of 60 per cent, up from 53 per cent in Q2-22
- **Employee benefit expenses** of NOK 85.0 million versus NOK 50.6 million in Q2-22
 - Increase primarily driven by a continued strengthening of the organisation and bonus provisions
- **Operating expenses** of NOK 38.6 million versus NOK 37.9 million in Q2-22
- **EBITDA** of NOK 127.2 million (30 cent margin), up from NOK 77.7 million in Q2-22 (25 per cent margin)
- **Net financial items** of negative NOK 11.3 million, of which NOK 6.8 million is explained by net interest expenses
- **Net profit** for the period of NOK 68.4 million and EPS of NOK 1.15

Increase in profitability primarily explained by Connectivity

Segment EBITDA development Q2 2023 vs. Q2 2022

NOK million



Financials – Balance sheet

Amounts in NOK million

	30.06.23	31.03.23	31.12.22
ASSETS			
Property, plant and equipment	186.8	183.9	187.7
Intangible assets	297.7	278.8	258.8
Goodwill	84.4	84.4	84.4
Deferred tax asset	13.3	13.0	15.6
Inventories	507.4	455.6	426.3
Trade receivables	181.3	154.7	168.0
Other receivables and prepayments	49.6	47.4	37.0
Other assets	1.5	1.5	1.3
Cash and cash equivalents	51.5	41.7	41.7
Total assets	1,375.5	1,261.0	1,220.8
LIABILITIES			
Interest-bearing borrowings	287.4	259.1	337.4
Lease liabilities	33.3	32.7	35.8
Trade payables	155.2	158.7	132.6
Other current liabilities	136.4	107.3	93.3
Other liabilities	50.9	36.3	22.3
Total liabilities	663.2	594.1	621.5
Total equity	710.3	666.9	599.3
Total liabilities and equity	1,375.5	1,261.0	1,220.8

Fixed and intangible assets

- Land and PPE: An increase of NOK 2.9 million due to investments in machinery and equipment
- Intangible assets: An increase of NOK 18.9 million due to additions following acquisition of Seahorse, R&D investments, partly offset by amortisation

Working capital

- Inventories: Increase of NOK 51.8 million in the quarter on expectation of continued high activity and Seahorse acquisition
- Trade receivables: Increase of NOK 26.6 million due to revenue growth and intra-quarter effects with back-end loaded sales
- Trade payables: Down by NOK 3.6 million

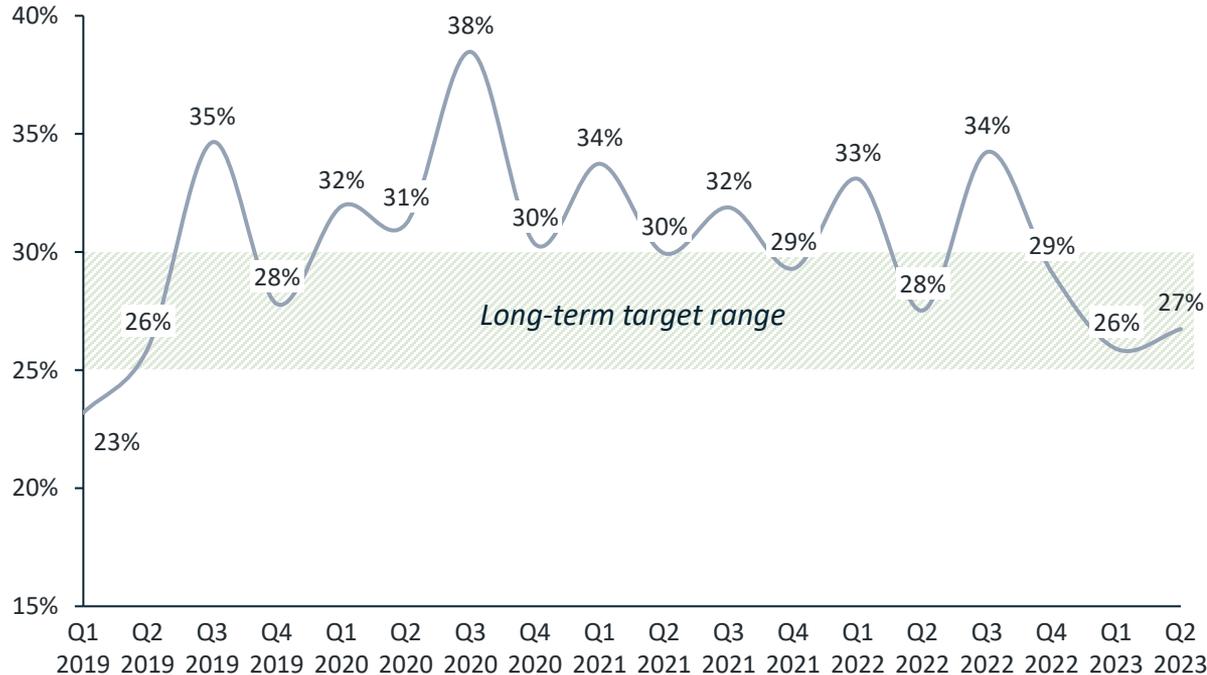
Net-interest bearing debt and equity

- Net-interest bearing debt (excl. lease liabilities) of NOK 235.9 million, an increase from NOK 217.4 million at the end of Q1-2023
- Equity of NOK 710.3 million, representing an equity ratio of 52 per cent

Working capital efficiency improved

Net working capital¹

Per cent of annualized quarterly revenues



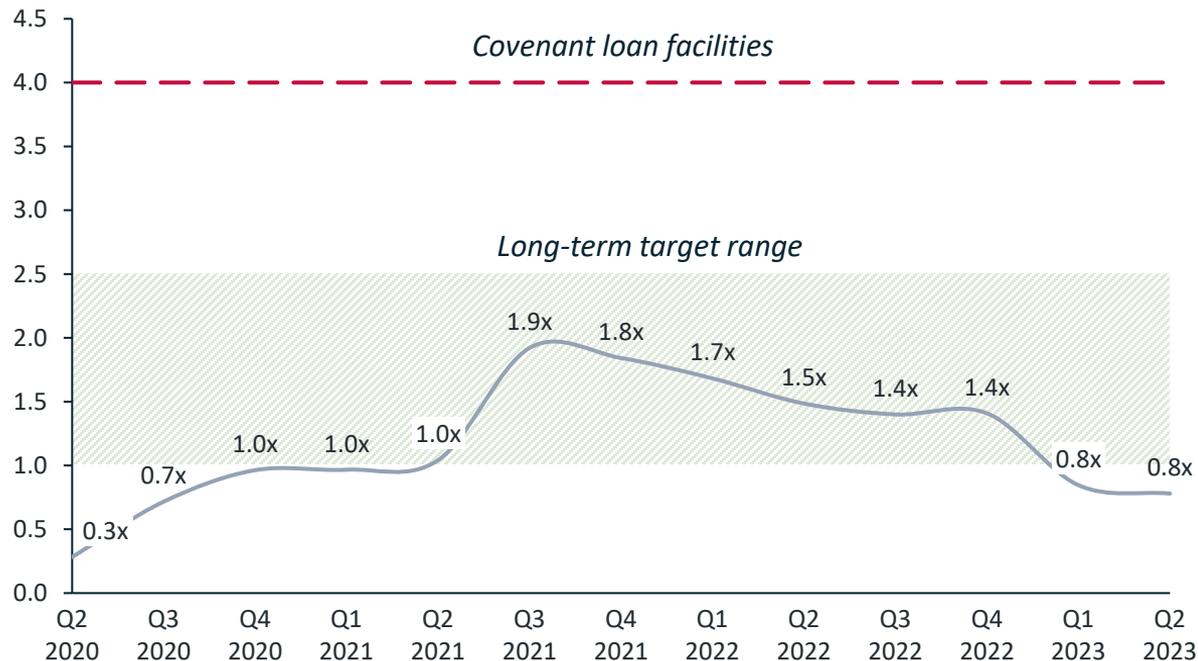
- Net working capital ratio at 27% in Q2-23
- Some signs of improvement in the supply chain, but for certain semiconductor components the market is still challenging
- Optimisation of inventory level and composition in focus to increase efficiency further
- Fluctuations should be expected from quarter to quarter

1) Net working capital defined as trade receivables + inventory + other receivables and prepayments, less trade payables and other current liabilities

Strong balance sheet and liquidity position

NIBD/EBITDA

EBITDA 12 month rolling



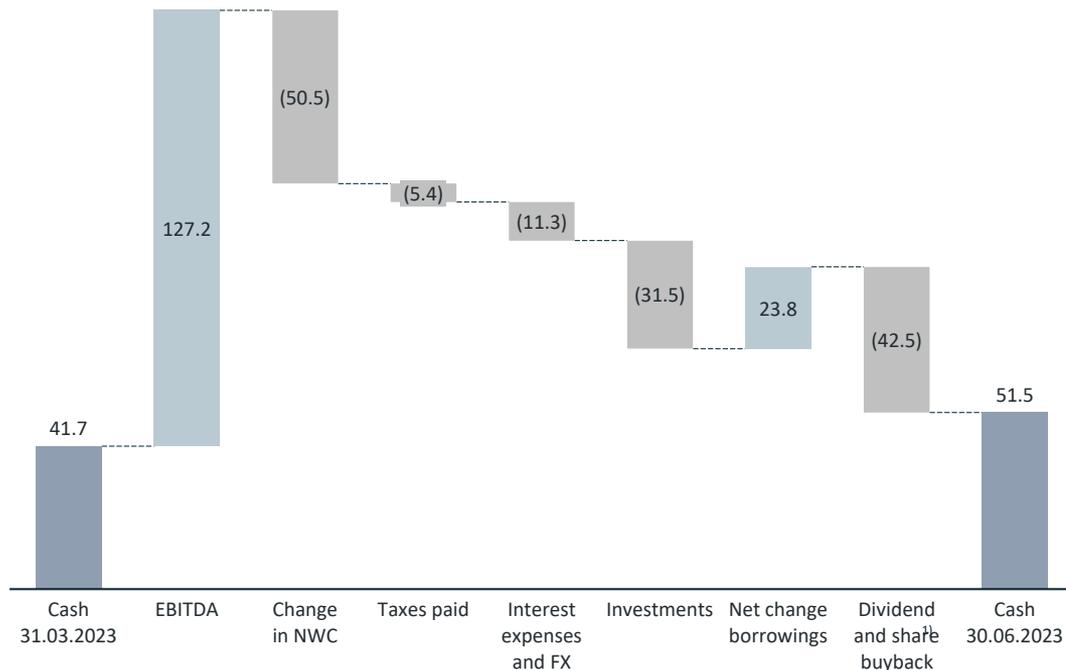
- NIBD/EBITDA ratio stable at around 0.8x
- Long-term target level between 1.0 – 2.5x NIBD¹/EBITDA over the cycle
- Covenants in loan facilities at 4.0x NIBD/EBITDA and equity ratio > 30%
 - 52 per cent equity ratio at Q2-23
- NOK 495.9 million in undrawn credit facilities as per 30 June

1) NIBD defined as total interest-bearing borrowings less cash and cash equivalents (including leasing liabilities starting Q3 2021). EBITDA on a 12-month rolling basis

Financials – Cash Flow

Cash flow development second quarter 2023

NOK million



Second quarter of 2023

- Operating cash flow of positive NOK 60.0 million
 - Net increase in working capital of NOK 50.5 million, mainly related to an increase in trade receivables and inventory
- Investing activities generated a cash outflow of NOK 31.5 million
 - NOK 14.1 million invested in R&D.
 - NOK 8.7 million invested in machinery and equipment
 - NOK 8.7 million in net cash outflow from Seahorse acquisition
 - Guidance for 2023 is NOK 60 – 70 million in R&D investments (H1 2023: NOK 29.9 million) and NOK 50 – 60 million investments in fixed assets (H1 2023: NOK 18.4 million including leased equipment)
- Financing activities led to a cash outflow of NOK 18.7 million following a dividend payment of NOK 41.6 million, partly offset by an increase in borrowings

1) Including repayment of leases

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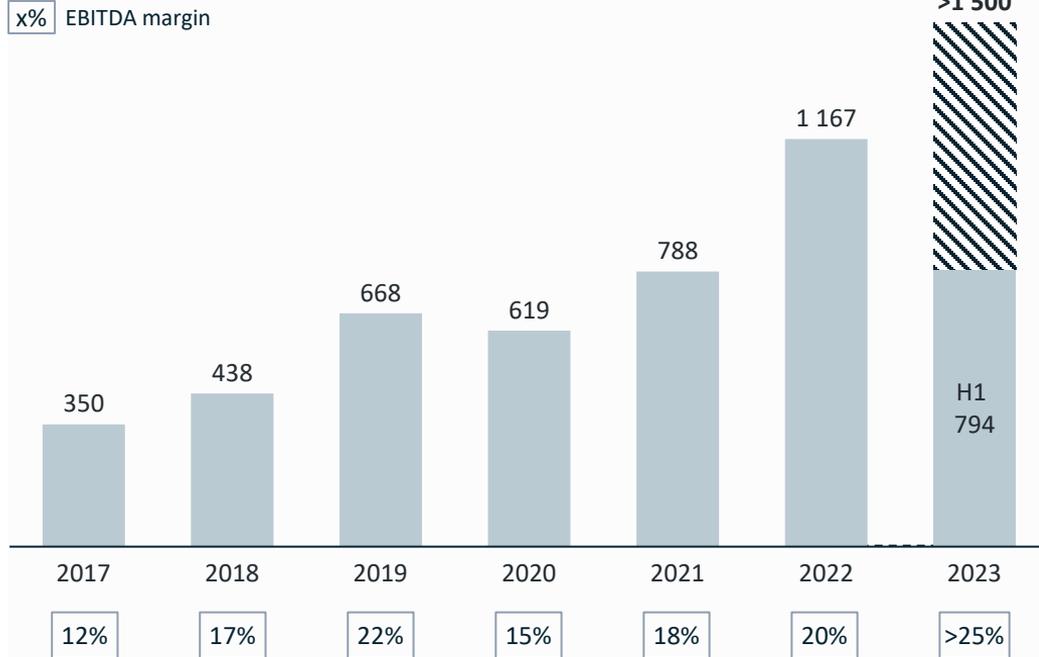
Outlook



Guidance for the year is increased

Organic revenue and EBITDA target

NOK million

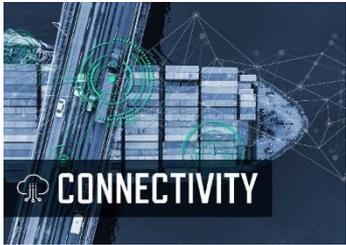


- 2024 ambition levels targeted to be reached in 2023
- Revenue target for 2023 is in excess of NOK 1.5 billion (previously in excess of NOK 1.4 billion), supported by growth in all three business segments
- EBITDA margin targeted to above 25 per cent (previously improvement from 2022 level)
- Continue to explore value-accretive acquisitions to add to organic growth

Short-term outlook



- Target to deliver growth in revenues in the third quarter compared to the corresponding period of 2022



- Strong order intake in recent months supports short-term as well as longer term outlook
- Revenue guidance for second half of the year is NOK 230 – 250 million



- High demand within contract manufacturing expected
- Revenue guidance for second half of 2023 forecasted to NOK 210 – 220 million, implying 10 -20 per cent growth from second half 2022, adjusted for customer reimbursements

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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



~450 EMPLOYEES



~ 18 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

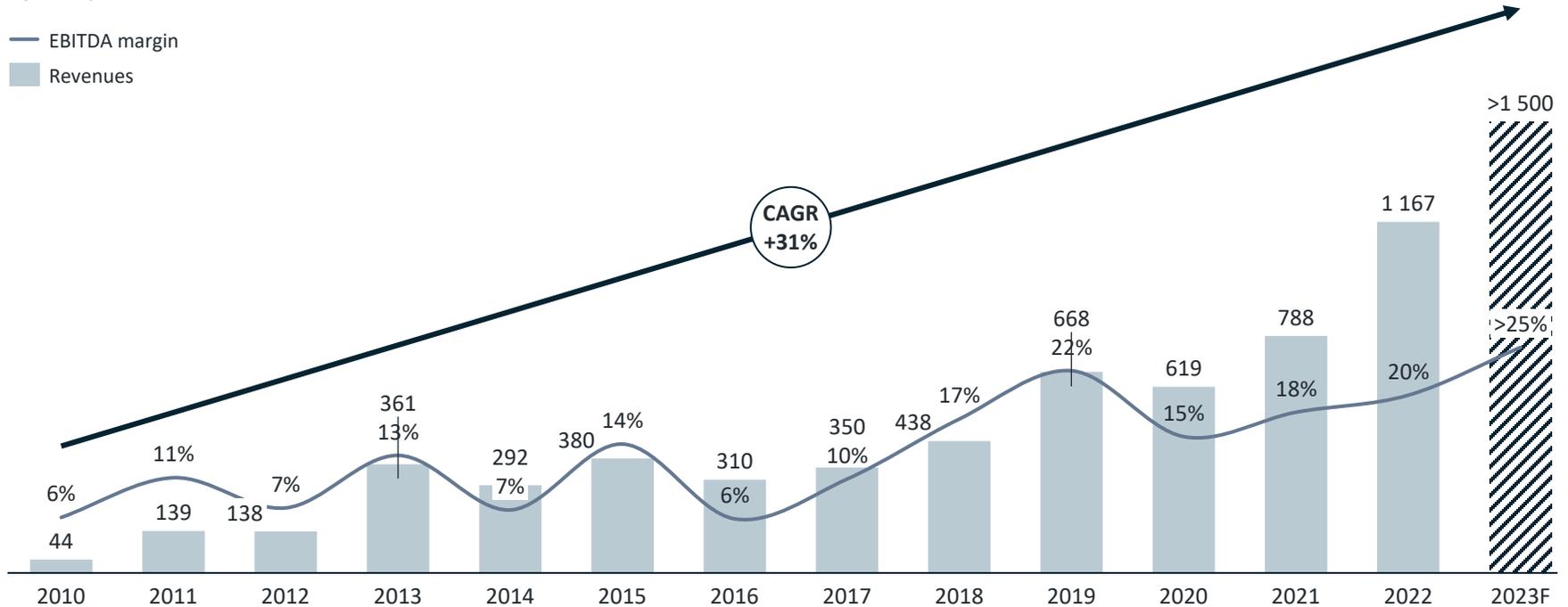
NORBIT has delivered continued growth

Historical revenues and EBITDA margin

NOK million

— EBITDA margin

■ Revenues



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 August 2023

#	Investor	# of shares	%
1	VHF INVEST AS – founder Steffen Kirknes	7,686,495	12.85
2	PETORS AS – CEO Per Jørgen Weisethaunet	7,022,868	11.74
3	REITAN KAPITAL AS	5,829,083	9.74
4	DRAUPNIR INVEST AS – family of founder Steffen Kirknes	5,102,949	8.53
5	ESMAR AS	3,162,286	5.29
6	The Bank of New York Mellon SA/NV - Arctic Funds	3,122,103	5.22
7	EIDCO A/S	3,062,286	5.12
8	J.P. Morgan SE - Handelsbanken Nordiska Småbolag	2,991,377	5.00
9	J.P. Morgan SE	1,142,819	1.91
10	Nordnet Bank AB	1,016,355	1.70
11	Danske Invest Norge Vekst	971,400	1.62
12	The Bank of New York Mellon SA/NV	876,645	1.47
13	Danske Bank A/S – (partly held by MD Oceans Peter Eriksen)	826,176	1.38
14	J.P. Morgan SE - Handelsbanken Microcap Norden	795,392	1.33
15	CLEARSTREAM BANKING S.A.	794,234	1.33
16	USEGI AS - CTO Arild Sjøraunet	721,989	1.21
17	SONSTAD AS	679,000	1.14
18	Carnegie Investment Bank AB	641,974	1.07
19	Citibank - Forager Funds	611,417	1.02
20	Avanza Bank AB	599,838	1.00
Total top 20 shareholders		47,656,686	79.67
Other shareholders		12,164,061	20.33
Total		59,820,747	100.00