



NAVIGATION:

Highlights

Summary of the second quarter and first half year results 2024
Subsequent events

Second quarter and first half year results 2024

Financial review
Consolidated key figures
Segments
Transactions
Financing
Share information
Risks and uncertainties
Outlook
Responsibility statement from the board of directors and CEO

Condensed consolidated financial statements

Condensed consolidated statement of profit or loss
Condensed consolidated statement of comprehensive income
Condensed consolidated statement of financial position
Condensed consolidated statement of changes in equity
Condensed consolidated statement of cash flows

Notes to the condensed consolidated financial statements

Note 01 General
Note 02 Statement of compliance
Note 03 Significant accounting principles
Note 04 Segment information
Note 05 Derivative financial instruments
Note 06 Net financial items
Note 07 Property, plant and equipment and intangible assets
Note 08 Interest-bearing borrowings
Note 09 Right-of-use assets and lease liabilities
Note 10 Share capital and equity
Note 11 Business combination
Note 12 Related party transactions
Note 13 Subsequent events
Note 14 Supplementary information
Definitions of alternative performance measures not defined by IFRS

Company contact information

INTERIM | REPORT Q2 & H1 | 2024





NAVIGATION:

Highlights

Summary of the second quarter and first half year results 2024
Subsequent events

Scnd quarter and first half year results 2024

Financial review
Consolidated key figures
Segments
Transactions
Financing
Share information
Risks and uncertainties
Outlook
Responsibility statement from the board of directors and CEO

Condensed consolidated financial statements

Condensed consolidated statement of profit or loss
Condensed consolidated statement of comprehensive income
Condensed consolidated statement of financial position
Condensed consolidated statement of changes in equity
Condensed consolidated statement of cash flows

Notes to the condensed consolidated financial statements

Note 01 General
Note 02 Statement of compliance
Note 03 Significant accounting principles
Note 04 Segment information
Note 05 Derivative financial instruments
Note 06 Net financial items
Note 07 Property, plant and equipment and intangible assets
Note 08 Interest-bearing borrowings
Note 09 Right-of-use assets and lease liabilities
Note 10 Share capital and equity
Note 11 Business combination
Note 12 Related party transactions
Note 13 Subsequent events
Note 14 Supplementary information

Definitions of alternative performance measures not defined by IFRS

Company contact information

HIGHLIGHTS

SUMMARY OF THE SECOND QUARTER AND FIRST HALF YEAR RESULTS 2024

- ▼ In the second quarter, revenues came in at NOK 418.9 million, compared to NOK 417.6 million in the second quarter of 2023. The EBIT result was NOK 101.8 million, representing a margin of 24 per cent.
- ▼ For the first half of 2024, NORBIT delivered revenues of NOK 823.4 million, compared to NOK 794.3 million in the same period of 2023. The EBIT result was NOK 142.9 million, representing a margin of 17 per cent.
- ▼ The Oceans segment reported all-time high revenues of NOK 195.5 million, up from NOK 152.2 million in the second quarter of 2023. The increase was primarily explained by strong sonar sales in Europe. The EBIT margin was 41 per cent. For the first half of 2024, the segment delivered revenues of NOK 316.8 million, an increase of 10 per cent from the first half of 2023, and an EBIT margin of 28 per cent.
- ▼ NORBIT entered into an agreement to acquire 100 per cent of the shares in the German technology company Innomar Technologie GmbH ('Innomar'), a market leader within sub-bottom profilers in the maritime industry. The acquisition represents a strong strategic fit for NORBIT, as it will broaden the Ocean segment's product portfolio and diversify the customer base. The preliminary purchase price for the shares was EUR 39.7 million, settled by EUR 34.9 million in cash and EUR 4.8 million by the issuance of consideration shares to the founding management at closing. The transaction closed on 12 July.
- ▼ The Connectivity segment delivered revenues of NOK 101.4 million, down from NOK 171.8 million in the corresponding quarter of 2023, following lower On-Board Unit ('OBU') sales as Connectivity delivered on a significant contract in the first half of 2023. The EBIT margin for Connectivity was 20 per cent. For the first half of 2024, Connectivity delivered revenues of NOK 252.0 million, representing a decline of 18 per cent from the first half of 2023, and an EBIT margin of 25 per cent.
- ▼ In the quarter, Connectivity received an order from Toll4Europe, a market leader within European Electronic Toll Services, for delivery of a new and innovative GNSS OBU under development. The initial contract value is approximately NOK 160 million, with delivery in the second and third quarter of 2025. This contract award shows the position NORBIT has built in the tolling industry based on decades of DSRC experience, R&D capacity and industrial scalability by having in-house robotic manufacturing.
- ▼ The Product Innovation & Realization (PIR) segment reported NOK 134.5 million in revenues in the second quarter, up from NOK 101.6 million in the corresponding quarter of 2023. Strong growth from industrial clients within contract manufacturing was the primary driver of the revenue increase. The EBIT margin was 13 per cent, a strong improvement from the prior quarter following normalisation of the gross margin. For the first half of 2024, the segment delivered revenues of NOK 279.7 million and an EBIT margin of 8 per cent.
- ▼ Diluted earnings per share were NOK 1.20 for the second quarter, compared to NOK 1.15 one year earlier. For the first half of 2024, earnings per share were NOK 1.70, compared to NOK 2.03 for the same period in 2023.
- ▼ NORBIT ASA held its annual general meeting on 6 May 2024. All proposed resolutions were approved, including the annual results for 2023 and the board's proposal to distribute a dividend of NOK 2.55 per share.
- ▼ The target for 2024, to deliver revenues of NOK 1.7 – 1.8 billion and an EBIT margin in line with the level reported in 2023, is reiterated. Based on the current outlook for the second half of the year, revenues are forecasted to end up in the lower end of the range.

SUBSEQUENT EVENTS

- ▼ On 2 July, NORBIT completed a private placement raising approximately NOK 200 million through the issuance of 2 597 403 shares at a subscription price of NOK 77 per share. The net proceeds of the transaction will be used to strengthen the financial flexibility and capital base for further growth, and for general corporate purposes.



NAVIGATION:

Highlights

Summary of the second quarter and first half year results 2024
Subsequent events

Scnd quarter and first half year results 2024

Financial review
Consolidated key figures
Segments
Transactions
Financing
Share information
Risks and uncertainties
Outlook
Responsibility statement from the board of directors and CEO

Condensed consolidated financial statements

Condensed consolidated statement of profit or loss
Condensed consolidated statement of comprehensive income
Condensed consolidated statement of financial position
Condensed consolidated statement of changes in equity
Condensed consolidated statement of cash flows

Notes to the condensed consolidated financial statements

Note 01 General
Note 02 Statement of compliance
Note 03 Significant accounting principles
Note 04 Segment information
Note 05 Derivative financial instruments
Note 06 Net financial items
Note 07 Property, plant and equipment and intangible assets
Note 08 Interest-bearing borrowings
Note 09 Right-of-use assets and lease liabilities
Note 10 Share capital and equity
Note 11 Business combination
Note 12 Related party transactions
Note 13 Subsequent events
Note 14 Supplementary information
Definitions of alternative performance measures not defined by IFRS

Company contact information

SECOND QUARTER AND FIRST HALF YEAR RESULTS 2024

FINANCIAL REVIEW

Information in parentheses refers to the corresponding periods the previous year.

PROFIT AND LOSS

Revenues for the second quarter of 2024 amounted to NOK 418.9 million, compared to NOK 417.6 million reported in the corresponding quarter of 2023.

For the first half of 2024, NORBIT's revenues came in at NOK 823.4 million, compared to NOK 794.3 million in the first half of 2023.

Raw material expenses and inventory changes were NOK 163.0 million for the second quarter (NOK 166.9 million). The gross margin was 61 per cent (60 per cent).

For the first half of 2024, raw material expenses and inventory changes amounted to NOK 354.3 million (NOK 321.4 million). The gross margin for the first half of the year was 57 per cent (60 per cent).

Employee benefit expenses amounted to NOK 89.3 million for the second quarter of 2024 (NOK 85.0 million). The increase is explained by a strengthening of the organisation in line with the group's growth strategy.

In the first half of 2024, the company incurred a total of NOK 190.5 million in employee benefit expenses (NOK 165.2 million).

Other operating expenses amounted to NOK 34.7 million for the second quarter, a decrease of NOK 3.9 million compared to the corresponding quarter of 2023 (NOK 38.6 million), explained by lower freight cost, external consultancy expenses and provisions for losses on trade receivables.

For the first half of the year, other operating expenses totalled NOK 73.6 million (NOK 76.2 million).

EBITDA amounted to NOK 131.9 million for the second quarter (NOK 127.2 million), corresponding to a margin of 31 per cent (30 per cent).

For the first half of 2024, EBITDA was NOK 205.0 million (NOK 231.5 million), representing a margin of 25 per cent (29 per cent).

Operating profit (EBIT) came in at NOK 101.8 million for the second quarter (NOK 100.6 million), representing a margin of 24 per cent (24 per cent).

For the first half of 2024, operating profit was NOK 142.9 million (NOK 179.2 million), representing a margin of 17 per cent (23 per cent).

Net financial items amounted to negative NOK 8.5 million for the quarter (negative NOK 11.3 million). This included NOK 8.2 million in net interest expenses and NOK 0.5 million in foreign exchange losses.

Net financial items for the first half year ended at negative NOK 9.2 million, compared with negative NOK 19.6 million in the first half of 2023.

A tax expense of NOK 21.3 million was recorded for the quarter (NOK 21.0 million), and NOK 31.5 million for the first half of 2024 (NOK 39.3 million).

Profit for the period was NOK 72.1 million (NOK 68.4 million) and NOK 102.3 million for the first half year (NOK 120.3 million). Diluted earnings per share were NOK 1.20 (NOK 1.15) and NOK 1.70 for the first half of the year (NOK 2.03).

CONSOLIDATED KEY FIGURES¹⁾

Amounts in NOK million (except percentages and EPS)	Second quarter		First half		Full year
	2024	2023	2024	2023	2023
Revenues	418.9	417.6	823.4	794.3	1 518.9
EBITDA	131.9	127.2	205.0	231.5	391.8
EBITDA margin (%)	31%	30%	25%	29%	26%
EBIT	101.8	100.6	142.9	179.2	284.2
EBIT margin (%)	24%	24%	17%	23%	19%
Profit for the period	72.1	68.4	102.3	120.3	185.3
Earnings per share (EPS) – diluted	1.20	1.15	1.70	2.03	3.10
Pre-tax return on capital employed	40%	42%	28%	38%	29%

¹⁾ See definitions on page 22.



NAVIGATION:

Highlights

Summary of the second quarter and first half year results 2024
Subsequent events

Scnd quarter and first half year results 2024

Financial review
Consolidated key figures
Segments
Transactions
Financing
Share information
Risks and uncertainties
Outlook
Responsibility statement from the board of directors and CEO

Condensed consolidated financial statements

Condensed consolidated statement of profit or loss
Condensed consolidated statement of comprehensive income
Condensed consolidated statement of financial position
Condensed consolidated statement of changes in equity
Condensed consolidated statement of cash flows

Notes to the condensed consolidated financial statements

Note 01 General
Note 02 Statement of compliance
Note 03 Significant accounting principles
Note 04 Segment information
Note 05 Derivative financial instruments
Note 06 Net financial items
Note 07 Property, plant and equipment and intangible assets
Note 08 Interest-bearing borrowings
Note 09 Right-of-use assets and lease liabilities
Note 10 Share capital and equity
Note 11 Business combination
Note 12 Related party transactions
Note 13 Subsequent events
Note 14 Supplementary information
Definitions of alternative performance measures not defined by IFRS

Company contact information

SEGMENTS

NORBIT ASA is organised in three operating segments: Oceans, Connectivity and Product Innovation & Realization (PIR). The Oceans segment delivers tailored technology solutions to global maritime markets, and the Connectivity segment is a leading supplier of solutions for asset identification, monitoring and tracking. The third segment, PIR, provides R&D products and services and contract manufacturing to key customers.

OCEANS

The Oceans segment encompasses all NORBIT's knowledge and competencies targeting the global maritime market, including proprietary technology and solutions. The segment offers ultra-compact sonars for a range of special applications, including seabed mapping and hydrography. In addition, Oceans has developed proprietary solutions and software for maritime and environmental monitoring and security solutions. NORBIT is continuously working towards expansion in selected niche areas within the segment.

The segment generally has a low revenue visibility of 2-4 weeks, due to the short time from receipt of an order to customer delivery. The segment experiences quarterly fluctuations in revenues due to seasonal variations.

Oceans – financial figures

Amounts in NOK million	Second quarter		First half year	
	2024	2023	2024	2023
Revenues	195.5	152.2	316.8	288.0
Raw materials	53.1	48.4	91.7	88.2
Gross profit	142.3	103.8	225.1	199.7
Employee benefit expenses	31.9	26.6	70.0	55.2
Other operating expenses	16.0	19.8	35.9	38.0
EBITDA	94.4	57.4	119.2	106.5
Depreciation and amortisation	14.7	11.4	29.7	21.7
EBIT	79.7	46.1	89.4	84.8
Gross margin (%)	73%	68%	71%	69%
EBITDA margin (%)	48%	38%	38%	37%
EBIT margin (%)	41%	30%	28%	29%

Revenues amounted to NOK 195.5 million for the second quarter of 2024, an increase of 28 per cent from NOK 152.2 million in the second quarter of 2023. The increase was primarily explained by strong sonar sales on both the Winghead and the iWBMS platforms, as well as contribution from PING DSP which was acquired in October last year. Europe was the region showing the strongest growth from the corresponding period of 2023.

For the first half of the year, Oceans recorded revenues of NOK 316.8 million, 10 per cent higher than for the first half of 2023 (NOK 288.0 million).

Oceans – revenue split

Amounts in NOK million	Second quarter		First half year	
	2024	2023	2024	2023
Subsea sonars	169.7	128.1	275.2	247.0
Security	8.2	9.7	11.6	12.4
Environmental monitoring	9.0	6.4	14.5	13.0
Other	8.5	8.0	15.6	15.5
Total	195.5	152.2	316.8	288.0

Gross margin for the second quarter was 73 per cent, compared to 68 per cent in the second quarter last year. The increase in the gross margin was primarily explained by lower share of sales on commission and a more favourable product mix.

For the first half of the year, the gross margin was 71 per cent, compared to 69 per cent for the corresponding period in 2023.

Employee benefit expenses amounted to NOK 31.9 million for the quarter, an increase from NOK 26.6 million in the corresponding quarter of 2023. The increase was primarily driven by a strengthening of the organisation to prepare for the growth plan this year, wage inflation, as well as the PING DSP acquisition.

For the first half of 2024, employee benefit expenses came in at NOK 70.0 million (NOK 55.2 million).

Other operating expenses amounted to NOK 16.0 million, representing a decrease from NOK 19.8 million reported in the second quarter of 2023. The decrease primarily relates to lower external consultancy expenses.

For the first half of 2024, other operating expenses came in at NOK 35.9 million (NOK 38.0 million).

EBITDA for the segment amounted to NOK 94.4 million for the quarter (NOK 57.4 million), representing a margin of 48 per cent (38 per cent).

For the first half of the year, EBITDA was NOK 119.2 million (NOK 106.5 million), resulting in an EBITDA margin of 38 per cent (37 per cent).

EBIT was NOK 79.7 million in the second quarter of 2024 (NOK 46.1 million), corresponding to a margin of 41 per cent (30 per cent).

For the first half of the year, EBIT was NOK 89.4 million (NOK 84.8 million), resulting in an EBIT margin of 28 per cent (29 per cent).



NAVIGATION:

Highlights

Summary of the second quarter and first half year results 2024
Subsequent events

Scnd quarter and first half year results 2024

Financial review
Consolidated key figures
Segments
Transactions
Financing
Share information
Risks and uncertainties
Outlook
Responsibility statement from the board of directors and CEO

Condensed consolidated financial statements

Condensed consolidated statement of profit or loss
Condensed consolidated statement of comprehensive income
Condensed consolidated statement of financial position
Condensed consolidated statement of changes in equity
Condensed consolidated statement of cash flows

Notes to the condensed consolidated financial statements

Note 01 General
Note 02 Statement of compliance
Note 03 Significant accounting principles
Note 04 Segment information
Note 05 Derivative financial instruments
Note 06 Net financial items
Note 07 Property, plant and equipment and intangible assets
Note 08 Interest-bearing borrowings
Note 09 Right-of-use assets and lease liabilities
Note 10 Share capital and equity
Note 11 Business combination
Note 12 Related party transactions
Note 13 Subsequent events
Note 14 Supplementary information
Definitions of alternative performance measures not defined by IFRS

Company contact information

CONNECTIVITY

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

Connectivity – financial figures

Amounts in NOK million	Second quarter		First half year	
	2024	2023	2024	2023
Revenues	101.4	171.8	252.0	308.1
Raw materials	34.1	65.7	91.5	120.0
Gross profit	67.3	106.1	160.5	188.1
Employee benefit expenses	20.5	23.1	42.7	42.4
Other operating expenses	14.5	17.6	30.8	33.2
EBITDA	32.3	65.4	87.0	112.4
Depreciation and amortisation	11.5	11.4	24.5	21.9
EBIT	20.8	54.0	62.5	90.5
Gross margin (%)	66%	62%	64%	61%
EBITDA margin (%)	32%	38%	35%	36%
EBIT margin (%)	20%	31%	25%	29%

Revenues amounted to NOK 101.4 million for the second quarter of 2024, a decrease of 41 per cent from the corresponding period of 2023 (NOK 171.8 million). The revenue decline was primarily driven by lower sales of OBUs, as Connectivity delivered on a NOK 150 million OBU contract skewed mostly into second quarter last year.

Out of the total revenues, DSRC technology generated revenues of NOK 74.6 million in the quarter (NOK 147.5 million), while revenues from subscription and e-toll represented NOK 26.8 million (NOK 24.3 million).

For the first half of the year, revenues came in at NOK 252.0 million (NOK 308.1 million), corresponding to a decrease of 18 per cent. DSRC represented NOK 198.2 million of the total revenues for the first half of 2024 (NOK 262.7 million).

Connectivity – revenue split

Amounts in NOK million	Second quarter		First half year	
	2024	2023	2024	2023
On-Board Units	28.3	125.5	98.7	215.1
Tachograph enforcement modules	14.6	14.3	39.7	28.8
Satellite-based tolling	23.7	7.7	45.7	15.8
Subscription and e-toll	26.8	24.3	53.7	45.4
Other	8.0	0.0	14.2	3.0
Total	101.4	171.8	252.0	308.1

Gross margin for the second quarter improved to 66 per cent (62 per cent), as subscription and e-toll constituted an increasing share of the segment's revenues.

For the first half of the year, the gross margin for Connectivity was 64 per cent (61 per cent).

Employee benefit expenses amounted to NOK 20.5 million for the quarter, a decline from NOK 23.1 million in the corresponding quarter of 2023. The decline was primarily driven by higher capitalisation of R&D and lower direct payroll cost allocated from the factory following reduced activity.

For the first half of the year, employee benefit expenses amounted to NOK 42.7 million, on par with the corresponding quarter of 2023 (NOK 42.4 million).

Other operating expenses amounted to NOK 14.5 million, a decline of NOK 3.0 million from the level reported in the second quarter of 2023 (NOK 17.6 million) mainly driven by lower freight cost, consultancy expenses and provisions for losses on trade receivables.

For the first half of the year, other operating expenses totalled NOK 30.8 million (NOK 33.2 million).

EBITDA for the second quarter of 2024 amounted to NOK 32.3 million (NOK 65.4 million), representing a margin of 32 per cent (38 per cent).

For the first half of 2024, EBITDA was NOK 87.0 million (NOK 112.4 million), representing a margin of 35 per cent (36 per cent).

EBIT was NOK 20.8 million in the second quarter of 2024 (NOK 54.0 million), representing a margin of 20 per cent (31 per cent).

For the first half of the year, EBIT was NOK 62.5 million (NOK 90.5 million), representing a margin of 25 per cent (29 per cent).

Main events

▼ In April, Connectivity received an initial NOK 160 million order from Toll4Europe. Toll4Europe is a market-leading European Electronic Toll Services ('EETS') provider with presence in 14 countries for its tolling and mobility solutions. Connectivity is currently developing a new and innovative GNSS (Global Navigation Satellite System) and DSRC Hybrid OBU for satellite-based tolling. EETS simplifies pan-European transportation routes where a single OBU through most of Europe permits the compliant billing of the respective national road tolls. Delivery of the OBUs is scheduled for the second and third quarter of 2025.

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- explore more -

NAVIGATION:

Highlights

Summary of the second quarter and first half year results 2024
Subsequent events

Second quarter and first half year results 2024

Financial review
Consolidated key figures
Segments
Transactions
Financing
Share information
Risks and uncertainties
Outlook
Responsibility statement from the board of directors and CEO

Condensed consolidated financial statements

Condensed consolidated statement of profit or loss
Condensed consolidated statement of comprehensive income
Condensed consolidated statement of financial position
Condensed consolidated statement of changes in equity
Condensed consolidated statement of cash flows

Notes to the condensed consolidated financial statements

Note 01 General
Note 02 Statement of compliance
Note 03 Significant accounting principles
Note 04 Segment information
Note 05 Derivative financial instruments
Note 06 Net financial items
Note 07 Property, plant and equipment and intangible assets
Note 08 Interest-bearing borrowings
Note 09 Right-of-use assets and lease liabilities
Note 10 Share capital and equity
Note 11 Business combination
Note 12 Related party transactions
Note 13 Subsequent events
Note 14 Supplementary information
Definitions of alternative performance measures not defined by IFRS

Company contact information

PRODUCT INNOVATION & REALIZATION (PIR)

The Product Innovation & Realization (PIR) segment offers R&D services and contract manufacturing to long-term key industrial customers through in-house capabilities and a high degree of robotised production. In addition, the segment sells products based on tailored proprietary technology, including special instrumentation based on radar, radio frequency and embedded signal processing technology.

PIR – financial figures

Amounts in NOK million	Second quarter		First half year	
	2024	2023	2024	2023
Revenues	134.5	101.6	279.7	214.0
Raw materials	77.7	52.2	174.5	113.4
Gross profit	56.8	49.5	105.1	100.6
Employee benefit expenses	27.0	20.1	57.9	44.0
Other operating expenses	7.4	6.9	16.2	15.9
EBITDA	22.4	22.5	31.0	40.8
Depreciation and amortisation	4.7	4.3	9.4	8.6
EBIT	17.8	18.3	21.6	32.2
Gross margin (%)	42%	49%	38%	47%
EBITDA margin (%)	17%	22%	11%	19%
EBIT margin (%)	13%	18%	8%	15%

Revenues amounted to NOK 134.5 million for the second quarter of the year, an increase of 32 per cent from the corresponding period last year (NOK 101.6 million). Increasing demand from industrial clients within contract manufacturing was the primary growth driver compared to the same period of last year. Revenues from contract manufacturing were NOK 113.9 million in the quarter, compared with NOK 76.4 million in the prior-year period.

For the first half of the year, revenues amounted to NOK 279.7 million (NOK 214.0 million).

PIR – revenue split

Amounts in NOK million	Second quarter		First half year	
	2024	2023	2024	2023
Contract manufacturing	113.9	76.4	238.1	161.2
Customer reimbursement	0.1	2.9	0.1	6.6
R&D products and services	20.5	22.2	41.5	46.1
Total	134.5	101.6	279.7	214.0

Gross margin for the second quarter was 42 per cent, compared to 49 per cent in the second quarter last year. The year-over-year margin decline was caused by customer mix. There was a strong margin increase compared to the first quarter of 2024 (33 per cent).

For the first half of the year, gross margin was 38 per cent, compared to 47 per cent in the same period of 2023.

Employee benefit expenses amounted to NOK 27.0 million for the quarter, an increase from NOK 20.1 million in the corresponding quarter of 2023. The increase was primarily driven by strengthening of the organisation to support growth.

For the first half of the year, employee benefit expenses amounted to NOK 57.9 million (NOK 44.0 million).

Other operating expenses amounted to NOK 7.4 million, on par with the level reported in the second quarter of 2023 (NOK 6.9 million).

For the first half of the year, other operating expenses amounted to NOK 16.2 million (NOK 15.9 million).

EBITDA amounted to NOK 22.4 million for the second quarter (NOK 22.5 million), representing a margin of 17 per cent (22 per cent).

For the first half of the year, the PIR segment recorded an EBITDA of NOK 31.0 million (NOK 40.8 million), and a margin of 11 per cent (19 per cent).

EBIT was NOK 17.8 million in the second quarter of 2024 (NOK 18.3 million), representing a margin of 13 per cent (18 per cent).

For the first half of the year, EBIT was NOK 21.6 million (NOK 32.2 million), resulting in an EBIT margin of 8 per cent (15 per cent).

FINANCIAL POSITION AND LIQUIDITY Consolidated financial position

Assets amounted to NOK 1 471.3 million at 30 June 2024, up from NOK 1 455.4 million at 31 March 2024 and down from NOK 1 496.4 million at 31 December 2023.

Intangible assets amounted to NOK 312.4 million at the end of the second quarter of 2024, up from NOK 308.6 million at the end of the previous quarter and NOK 303.2 million as per the end of 2023. The increase in the quarter is primarily explained by NOK 19.9 million in R&D investments, partly offset by amortisation.

Goodwill stood at NOK 111.1 million at 30 June 2024, on par with the level reported at 31 March 2024 and at year-end 2023.

Inventories amounted to NOK 463.6 million at the end of the second quarter of 2024, compared to NOK 496.6 million at the end of the first quarter and NOK 562.0 million at year-end 2023. The decrease is a result of continued improvement in inventory management and higher supply chain reliability, leading to reduced need for safety stock of components.

Trade receivables were NOK 181.8 million at 30 June 2024, up from NOK 172.6 million reported at 31 March and NOK 170.3 million at year-end 2023.

Cash and cash equivalents amounted to NOK 66.2 million at the end of the second quarter, compared to NOK 64.0 million at the end of the first quarter and NOK 60.7 million at the end of 2023.

Net interest-bearing borrowings were NOK 184.4 million at the end of the second quarter, compared to NOK 132.6 million three months earlier and NOK 150.8 million six months earlier.



NAVIGATION:

Highlights

Summary of the second quarter and first half year results 2024
Subsequent events

Scnd quarter and first half year results 2024

Financial review
Consolidated key figures
Segments
Transactions
Financing
Share information
Risks and uncertainties
Outlook
Responsibility statement from the board of directors and CEO

Condensed consolidated financial statements

Condensed consolidated statement of profit or loss
Condensed consolidated statement of comprehensive income
Condensed consolidated statement of financial position
Condensed consolidated statement of changes in equity
Condensed consolidated statement of cash flows

Notes to the condensed consolidated financial statements

Note 01 General
Note 02 Statement of compliance
Note 03 Significant accounting principles
Note 04 Segment information
Note 05 Derivative financial instruments
Note 06 Net financial items
Note 07 Property, plant and equipment and intangible assets
Note 08 Interest-bearing borrowings
Note 09 Right-of-use assets and lease liabilities
Note 10 Share capital and equity
Note 11 Business combination
Note 12 Related party transactions
Note 13 Subsequent events
Note 14 Supplementary information
Definitions of alternative performance measures not defined by IFRS

Company contact information

The company had NOK 461.6 million in undrawn committed credit facilities at 30 June 2024.

Total equity was NOK 746.7 million at the end of the quarter, representing an equity ratio of 51 per cent, compared to NOK 824.6 million at the end of March and NOK 793.4 million at the end of last year. The decrease in the quarter is primarily explained by a NOK 152.9 million (NOK 2.55 per share) dividend paid to shareholders in May, partly offset by a positive net profit.

Consolidated cash flow

Operating activities generated a cash flow of NOK 149.5 million for the second quarter of 2024 (NOK 60.0 million), including a net decrease in the working capital of NOK 33.7 million (increase of NOK 50.5 million) mainly related to a continued reduction of inventories.

For the first half of the year, cash flow from operating activities amounted to NOK 203.4 million (NOK 169.9 million), including a net decrease in the working capital of NOK 20.2 million (increase of NOK 29.6 million).

Investing activities generated a cash outflow of NOK 37.4 million for the second quarter (NOK 31.5 million), of which NOK 6.5 million invested in machinery, equipment and capitalisation of assets and NOK 19.9 million in R&D in the quarter. The R&D investments represented 4.8 per cent of the revenues in the quarter. As in previous quarters, the R&D investments primarily relate to broadening the product offering in the Oceans and Connectivity segments. In addition, NORBIT made an investment of NOK 11.0 million in the maritime technology company Cellula Robotics. Cellula Robotics has developed a series of autonomous underwater vehicles used for marine security, inspection and data collection.

For the first half of the year, cash flow from investing activities was NOK 68.5 million (NOK 55.6 million), including R&D investments of NOK 42.6 million (NOK 29.9 million).

Financing activities led to a cash outflow of NOK 109.9 million in the quarter (cash outflow of NOK 18.7 million), mainly explained by a dividend payment of NOK 152.9 million, partly offset by an increase in interest-bearing borrowings of NOK 54.3 million.

For the first half of the year, the cash flow from financing activities was negative NOK 129.5 million (negative NOK 104.6 million).

TRANSACTIONS

On 27 June, NORBIT announced the acquisition of 100 per cent of the equity interest in Innomar. Headquartered in Rostock, Germany, Innomar is the global market leader in the design, manufacturing and distribution of parametric sub-bottom profilers. With nearly thirty years of experience in acoustic systems, signal processing, maritime electronics, and software, Innomar has developed cutting-edge technology with high performance and built deep domain expertise that is well-recognised in the market. Innomar serves a diversified and global customer base, having sold systems to more than 80 countries, demonstrating extensive reach and responsiveness to market demand. Innomar's main products are parametric sub-bottom profilers, which are advanced acoustic instruments designed to work in all water depths. These devices use specialised sound pulses to create high-resolution images of the seafloor and the subsurface layers beneath it.

Over the last five years, Innomar has reported an average organic revenue growth of nearly 15 per cent per year, driven by strong demand for technology in the maritime domain to explore the ocean space. In the fiscal year 2023/24 (ending March 2024), Innomar reported revenues of EUR 10.5 million.

The acquisition is based on an enterprise value of EUR 40.5 million on a cash and debt-free basis, assuming normalised working capital.

Subject to final post-closing adjustments, NORBIT paid a preliminary purchase price of EUR 39.7 million for the shares at closing, of which EUR 34.9 million was settled in cash and EUR 4.8 million was settled in consideration shares at NOK 77 per NORBIT share to the founding management of Innomar. The transaction closed on 12 July 2024 and will for accounting purposes be effective as of 1 July 2024.

FINANCING

As part of the acquisition of Innomar, NORBIT entered into a EUR 38.0 million loan agreement to settle the cash portion of the transaction, post-closing adjustments and provide working capital financing at improved terms compared to the existing term loans. The loan bears an interest of EURIBOR and a margin of 175bps subject to NORBIT being below 2.5x NIBD/EBITDA, which is the higher end of NORBIT's financial policy. There is no repayment on the loan if NORBIT has a NIBD/EBITDA of less than 1.5x.

Subsequent to quarter-end, NORBIT successfully raised gross proceeds of approximately NOK 200 million through an equity private

placement by the issuance of 2 597 403 new shares at a subscription price of NOK 77 per share. The net proceeds of the transaction will be used to strengthen the financial flexibility and capital base for further growth, and for general corporate purposes.

Adjusting for the Innomar transaction and the equity private placement, NORBIT's pro-forma NIBD/EBITDA would have been 1.1x versus the 0.7x reported as per 30 June 2024, providing a strong foundation to deliver on the capital allocation framework and the ambition plan towards 2027.



NAVIGATION:

Highlights

Summary of the second quarter and first half year results 2024
Subsequent events

Scnd quarter and first half year results 2024

Financial review
Consolidated key figures
Segments
Transactions
Financing
Share information
Risks and uncertainties
Outlook
Responsibility statement from the board of directors and CEO

Condensed consolidated financial statements

Condensed consolidated statement of profit or loss
Condensed consolidated statement of comprehensive income
Condensed consolidated statement of financial position
Condensed consolidated statement of changes in equity
Condensed consolidated statement of cash flows

Notes to the condensed consolidated financial statements

Note 01 General
Note 02 Statement of compliance
Note 03 Significant accounting principles
Note 04 Segment information
Note 05 Derivative financial instruments
Note 06 Net financial items
Note 07 Property, plant and equipment and intangible assets
Note 08 Interest-bearing borrowings
Note 09 Right-of-use assets and lease liabilities
Note 10 Share capital and equity
Note 11 Business combination
Note 12 Related party transactions
Note 13 Subsequent events
Note 14 Supplementary information
Definitions of alternative performance measures not defined by IFRS

Company contact information

SHARE INFORMATION

NORBIT ASA is listed on the Oslo Børs (Oslo Stock Exchange) under the ticker NORBT.

In the second quarter of 2024, the share traded between NOK 63.90 and NOK 80.00 per share, with a closing price of NOK 80.00 at 30 June 2024.

At 30 June 2024, the company had approximately 3 500 shareholders, of which the 20 largest shareholders held 72.4 per cent of the total outstanding shares.

At 30 June 2024, the total number of shares in NORBIT ASA amounted to 60 200 088 and the number of outstanding shares was 60 086 428. At the same date, NORBIT ASA held 113 660 own shares.

On 6 May, NORBIT held its annual general meeting. The general meeting approved the annual accounts and the board's dividend proposal, including dividend distribution of NOK 2.55 per share for the financial year 2023.

On 23 May, the board of directors resolved to award a total of 271 102 restricted stock units ('RSUs') to members of the executive management based on the performance during the financial year 2023. Further, the board of directors resolved to issue a total of 90 365 shares at par value, as a result of the exercise of the vested portion of such RSUs, equal to approximately one third of the total number of RSUs awarded. The remaining two thirds of the awarded RSUs will vest with the next third at the time of the annual general meeting in 2025, and the last third at the time of the annual general meeting in 2026. Simultaneously with the award, the board of directors also resolved to issue 92 308 new shares for the vested portion of the 2021 and 2022 RSU programs. 70 100 of the issued shares were repurchased by NORBIT ASA in connection with the exercise of the RSUs.

Following the award of RSUs and the issuance of shares under the incentive program, a total of 219 626 RSUs are outstanding.

All resolutions were based on the authorisations to increase the share capital granted by the general meeting on 6 May 2024.

RISKS AND UNCERTAINTIES

NORBIT is exposed to various risk factors, including, but not limited to, operational, market and financial risks. For a more detailed description of the risk factors, please see an overview in the annual report for 2023.

NORBIT considers its most significant risk to be related to the supply shortage of components. NORBIT relies on a significant supply of components to produce and deliver its equipment and systems.

The supply chain environment for components has continued to improve, but for certain semiconductor components, the market is still challenging. Lead times have improved but remain elevated for certain components with a corresponding low visibility. To some extent, this impacts the scheduling of planned deliveries, leading to delays.

NORBIT is working actively to manage and mitigate the risk of supply shortage by evaluating the use of component equivalents in close dialogue with customers, as well as working with suppliers to secure the raw material components needed to deliver according

to plans. The process requires careful management, as changes in market dynamics or reduced demand may negatively impact NORBIT as a supplier, potentially leading to obsolete inventory that has not been provided for in the financial statements.

Price increases on raw materials components continue to persist although the pressure has been reduced as inflation has come down in the recent periods. NORBIT continues to manage price increases on components by taking appropriate measures to maintain acceptable margins.

Geopolitical risk has increased following outbreak of wars, political unrest and trade sanctions. NORBIT is exposed through its foreign trade, where a large portion of the components are bought in a global market, and goods and services are sold to more than 50 countries worldwide. Business operations may therefore be subject to regulatory changes, trade barriers, increased tariffs, restrictive governmental actions and changes in laws and policies that may have an adverse effect on the operations and results.

OUTLOOK

The target for 2024, to deliver revenues of NOK 1.7 – 1.8 billion and an EBIT margin in line with the level reported in 2023, is reiterated. Based on the current outlook for second half of the year, revenues are forecasted to end up in the lower end of the range. Growth is expected to be strongest within Oceans and PIR in 2024 compared to 2023. The guidance excludes any contribution from the recent acquisition of Innomar. As in previous years, quarterly seasonal fluctuations are expected, along with the impact of currency movements as a substantial share of NORBIT's revenues is denominated in foreign currencies.

Short-term outlook for the third quarter is as follows:

- ▼ Oceans reported all-time high revenues in what is a seasonally strong quarter due to high survey activity. Third quarter is generally a slower quarter, with the three last months of the year typically being the strongest. In the third quarter, Oceans is expected to deliver growth compared to the corresponding period of 2023 (excluding the effect of the Innomar acquisition).

NORBIT

- explore more -

NAVIGATION:

Highlights

Summary of the second quarter and first half year results 2024
Subsequent events

Scnd quarter and first half year results 2024

Financial review
Consolidated key figures
Segments
Transactions
Financing
Share information
Risks and uncertainties
Outlook
Responsibility statement from the board of directors and CEO

Condensed consolidated financial statements

Condensed consolidated statement of profit or loss
Condensed consolidated statement of comprehensive income
Condensed consolidated statement of financial position
Condensed consolidated statement of changes in equity
Condensed consolidated statement of cash flows

Notes to the condensed consolidated financial statements

Note 01 General
Note 02 Statement of compliance
Note 03 Significant accounting principles
Note 04 Segment information
Note 05 Derivative financial instruments
Note 06 Net financial items
Note 07 Property, plant and equipment and intangible assets
Note 08 Interest-bearing borrowings
Note 09 Right-of-use assets and lease liabilities
Note 10 Share capital and equity
Note 11 Business combination
Note 12 Related party transactions
Note 13 Subsequent events
Note 14 Supplementary information
Definitions of alternative performance measures not defined by IFRS

Company contact information

- Connectivity's revenues for the coming quarter are expected to be in the range of NOK 120 – 130 million, a sequential increase on expectation of higher sales of OBUs and enforcement modules for tachographs.
- The PIR segment is experiencing continued high demand for contract manufacturing from its diversified customer base within industrials. The activity level is expected to remain strong, with revenues anticipated to be between NOK 120 – 130 million.

Longer term, a landscape shaped by global shifts towards resilience, digitalisation and sustainability represents opportunities for expansion and innovation across all NORBIT's segments:

- Ocean intelligence is a secular trend, and growth in the blue economy, shift towards renewable energy, alongside geopolitical unrest drive increased demand. The Oceans segment has strategically positioned itself for long-term growth by continuously broadening the product offering with new innovations for seabed exploration, inspection, and security surveillance.
- For the Connectivity segment, there is an increased demand for digital transformation of operations, in addition to technologies enabling safe and green mobility.
- These global megatrends further impact supply chains, positioning Norway – and consequently, the PIR segment – as a pivotal and reliable centre for R&D and contract manufacturing.

Investing in R&D has been, and continues to be, an enabler for organic growth. Central to the strategy is a further broadening of the product offering through market-driven innovation tailored to evolving market needs. As references accumulate and growth compounds, clients are entrusting NORBIT with larger and more challenging tasks. The company's demonstrated ability in handling large industrial customers has established NORBIT as a reliable and experienced partner in this endeavour. In the second quar-

ter, Connectivity announced a new initial NOK 160 million order from Toll4Europe, a market leader within EETS solutions in Europe. Under the contract, Connectivity will deliver a new and innovative GNSS and DSRC Hybrid OBU for satellite-based tolling.

Exploring value accretive transactions selectively also remains a core part of the strategy and capital allocation framework. In the second quarter, NORBIT announced the acquisition of Innomar. Innomar is a strong fit with NORBIT's criteria to accelerate growth through strategic acquisitions:

- Tailored technology to carefully selected applications
- A complementary product portfolio, providing diversification of revenues and cash flow
- Positive revenue synergies expected by combining market and R&D efforts, strengthening the offering and position within underwater acoustics in the Oceans domain
- A customer and commercially focused organisation with deep domain specific knowledge
- A cultural fit
- The transaction is expected to create significant shareholder value, with strong estimated accretion to the 2024 financials.

Following a successful private placement of new shares in July, raising gross proceeds of approximately NOK 200 million, NORBIT has a strong balance sheet and liquidity position, enabling the company to deliver on its capital allocation framework and ambitions, in particular for accelerating inorganic growth.

The board remains optimistic about NORBIT's long-term outlook. The ambition for 2027 is to deliver organic revenues in excess of NOK 2.75 billion and an EBIT margin of around 20 per cent. The group's diversified product offering targeting multiple industries and geographies, combined with the organisation's ability to leverage megatrends and to successfully introduce new market-driven innovation, makes the company robust.

RESPONSIBILITY STATEMENT FROM THE BOARD OF DIRECTORS AND CEO

We declare that, to the best of our knowledge, the half year financial statements for the period 1 January to 30 June 2024 have been prepared in accordance with IAS 34 – Interim Reporting, and that the information contained therein provides a true and fair view of the group's assets, liabilities, financial position and overall results. We further declare that, to the best of our knowledge, the half-

year report provides a true and fair view of important events that have taken place during the accounting period and their impact on the half-year financial statements, as well as the most important risks and uncertainties facing the business in the forthcoming accounting period.

Trondheim, Norway, 14 August 2024
The board of directors and CEO
NORBIT ASA



Finn Haugan
Chair of the board



Bente Avnung Landsnes
Deputy chair of the board



Christina Hallin
Director



Trond Tuvstein
Director



Håkon Kavli
Director



Per Jørgen Weisethaunet
Chief executive officer



NAVIGATION:

Highlights

Summary of the second quarter and first half year results 2024
Subsequent events

Second quarter and first half year results 2024

Financial review
Consolidated key figures
Segments
Transactions
Financing
Share information
Risks and uncertainties
Outlook
Responsibility statement from the board of directors and CEO

Condensed consolidated financial statements

Condensed consolidated statement of profit or loss
Condensed consolidated statement of comprehensive income
Condensed consolidated statement of financial position
Condensed consolidated statement of changes in equity
Condensed consolidated statement of cash flows

Notes to the condensed consolidated financial statements

Note 01 General
Note 02 Statement of compliance
Note 03 Significant accounting principles
Note 04 Segment information
Note 05 Derivative financial instruments
Note 06 Net financial items
Note 07 Property, plant and equipment and intangible assets
Note 08 Interest-bearing borrowings
Note 09 Right-of-use assets and lease liabilities
Note 10 Share capital and equity
Note 11 Business combination
Note 12 Related party transactions
Note 13 Subsequent events
Note 14 Supplementary information
Definitions of alternative performance measures not defined by IFRS

Company contact information

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Amounts in NOK million	Note	Q2 2024	Q2 2023	H1 2024	H1 2023	2023
Revenue	4	418.9	417.6	823.4	794.3	1 518.9
Raw materials and change in inventories		163.0	166.9	354.3	321.4	614.7
Employee benefit expenses		89.3	85.0	190.5	165.2	360.3
Depreciation and amortisation expenses	7, 9	30.1	26.5	62.1	52.3	107.7
Other operating expenses		34.7	38.6	73.6	76.2	152.2
Operating profit		101.8	100.6	142.9	179.2	284.2
Net financial items	6	(8.5)	(11.3)	(9.2)	(19.6)	(38.1)
Profit before tax		93.4	89.3	133.8	159.6	246.0
Income tax expense		(21.3)	(21.0)	(31.5)	(39.3)	(60.8)
Profit for the period		72.1	68.4	102.3	120.3	185.3

Attributable to:

Owners of the company		72.1	68.4	102.3	120.3	185.3
Non-controlling interests		-	0.0	-	-	-
Total		72.1	68.4	102.3	120.3	185.3

Average no. of shares outstanding - basic	10	60 014 678	59 422 704	59 994 267	59 250 503	59 564 339
Average no. of shares outstanding - diluted	10	60 177 943	59 533 559	60 141 497	59 359 362	59 684 428

Earnings per share

Basic (NOK per share)	10	1.20	1.15	1.70	2.03	3.11
Diluted (NOK per share)	10	1.20	1.15	1.70	2.03	3.10

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in NOK million	Q2 2024	Q2 2023	H1 2024	H1 2023	2023
Profit for the period	72.1	68.4	102.3	120.3	185.3
Items that may be reclassified to profit or loss:					
Exchange differences on translation of foreign operations	(1.9)	3.5	(0.9)	10.1	4.0
Items that will not be reclassified to profit or loss:					
Changes in the fair value of equity investments at fair value through other comprehensive income	-	-	-	-	-
Other comprehensive income for the period, net of tax	(1.9)	3.5	(0.9)	10.1	4.0
Total comprehensive income for the period	70.2	71.9	101.4	130.4	189.3

Total comprehensive income for the period is attributable to:

Owners of the company	70.2	71.9	101.4	130.4	189.3
Non-controlling interests	-	-	-	-	-
Total	70.2	71.9	101.4	130.4	189.3



NAVIGATION:

Highlights

Summary of the second quarter and first half year results 2024
Subsequent events

Scnd quarter and first half year results 2024

Financial review
Consolidated key figures
Segments
Transactions
Financing
Share information
Risks and uncertainties
Outlook
Responsibility statement from the board of directors and CEO

Condensed consolidated financial statements

Condensed consolidated statement of profit or loss
Condensed consolidated statement of comprehensive income
Condensed consolidated statement of financial position
Condensed consolidated statement of changes in equity
Condensed consolidated statement of cash flows

Notes to the condensed consolidated financial statements

Note 01 General
Note 02 Statement of compliance
Note 03 Significant accounting principles
Note 04 Segment information
Note 05 Derivative financial instruments
Note 06 Net financial items
Note 07 Property, plant and equipment and intangible assets
Note 08 Interest-bearing borrowings
Note 09 Right-of-use assets and lease liabilities
Note 10 Share capital and equity
Note 11 Business combination
Note 12 Related party transactions
Note 13 Subsequent events
Note 14 Supplementary information
Definitions of alternative performance measures not defined by IFRS

Company contact information

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>Amounts in NOK million</i>	<i>Note</i>	30.06.2024	31.03.2024	31.12.2023	30.06.2023
ASSETS					
Non-current assets					
Property, plant and equipment	7, 9	162.5	165.6	166.3	153.9
Right of use assets	9	85.5	60.2	54.2	32.9
Intangible assets	7	312.4	308.6	303.2	297.7
Goodwill	11	111.1	111.1	111.1	84.4
Deferred tax asset		15.6	14.7	13.9	13.3
Equity-accounted investees		0.8	0.6	0.7	0.7
Shares in other companies		16.9	5.9	5.9	0.8
Total non-current assets		704.8	666.7	655.2	583.7
Current assets					
Inventories		463.6	496.6	562.0	507.4
Trade receivables		181.8	172.6	170.3	181.3
Other receivables and prepayments		54.9	55.6	48.1	49.6
Cash and cash equivalents		66.2	64.0	60.7	51.5
Total current assets		766.5	788.7	841.1	789.8
Total assets		1 471.3	1 455.4	1 496.4	1 373.5
EQUITY AND LIABILITIES					
Non-current liabilities					
Interest-bearing borrowings	8	94.1	110.1	122.6	139.9
Lease liabilities	9	66.1	44.7	37.5	25.4
Deferred tax liabilities		2.9	3.0	3.1	3.6
Other non-current liabilities		1.8	1.8	8.7	5.9
Total non-current liabilities		164.9	159.5	171.9	174.8
Current liabilities					
Trade payables		123.1	116.6	174.5	155.2
Other current liabilities		179.9	187.1	191.8	136.4
Tax liabilities		79.6	64.7	58.7	41.3
Interest-bearing borrowings	8	156.4	86.5	88.9	147.5
Lease liabilities	9	20.7	16.4	17.2	7.9
Total current liabilities		559.6	471.3	531.1	488.4
Total liabilities		724.6	630.8	702.9	663.2
Equity					
Share capital	10	6.0	6.0	6.0	6.0
Share premium		367.7	367.7	367.7	339.3
Retained earnings		373.0	450.9	419.7	365.0
Non-controlling interests		0.0	0.0	0.0	0.0
Total equity		746.7	824.6	793.4	710.3
Total equity and liabilities		1 471.3	1 455.4	1 496.4	1 373.5



NAVIGATION:

Highlights

Summary of the second quarter and first half year results 2024
Subsequent events

Scnd quarter and first half year results 2024

Financial review
Consolidated key figures
Segments
Transactions
Financing
Share information
Risks and uncertainties
Outlook
Responsibility statement from the board of directors and CEO

Condensed consolidated financial statements

Condensed consolidated statement of profit or loss
Condensed consolidated statement of comprehensive income
Condensed consolidated statement of financial position
Condensed consolidated statement of changes in equity
Condensed consolidated statement of cash flows

Notes to the condensed consolidated financial statements

Note 01 General
Note 02 Statement of compliance
Note 03 Significant accounting principles
Note 04 Segment information
Note 05 Derivative financial instruments
Note 06 Net financial items
Note 07 Property, plant and equipment and intangible assets
Note 08 Interest-bearing borrowings
Note 09 Right-of-use assets and lease liabilities
Note 10 Share capital and equity
Note 11 Business combination
Note 12 Related party transactions
Note 13 Subsequent events
Note 14 Supplementary information

Definitions of alternative performance measures not defined by IFRS

Company contact information

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in NOK million	Note	Attributable to owners			Non-con- trolling interests	Total equity	
		Share capital	Share premium	Retained earnings			
Balance at 31 December 2023		6.0	367.7	419.7	793.4	0.0	793.4
Profit for the period		-	-	102.3	102.3	-	102.3
Other comprehensive income		-	-	(0.9)	(0.9)	-	(0.9)
Total comprehensive income for the period		0.0	0.0	101.4	101.4	0.0	101.4
Transaction with owners in their capacity as owners:							
Repurchase of shares		(0.0)	-	(4.5)	(4.5)	-	(4.5)
Share issue		0.0	-	9.4	9.4	-	9.4
Dividends paid	10	-	-	(152.9)	(152.9)	-	(152.9)
Total transactions with owners		0.0	0.0	(148.1)	(148.1)	0.0	(148.1)
Balance at 30 June 2024		6.0	367.7	373.0	746.7	0.0	746.7

Amounts in NOK million	Note	Attributable to owners			Non-con- trolling interests	Total equity	
		Share capital	Share premium	Retained earnings			
Balance at 31 December 2022		5.9	319.9	273.5	599.3	0.0	599.3
Profit for the period		-	-	120.3	120.3	-	120.3
Other comprehensive income		-	-	10.1	10.1	-	10.1
Total comprehensive income for the period		0.0	0.0	130.4	130.4	0.0	130.4
Transaction with owners in their capacity as owners:							
Repurchase of shares		(0.0)	-	(0.9)	(0.9)	-	(0.9)
Share issue		0.1	19.4	3.6	23.0	-	23.0
Dividends paid	10	-	-	(41.6)	(41.6)	-	(41.6)
Total transactions with owners		0.1	19.4	(38.9)	(19.5)	0.0	(19.5)
Balance at 30 June 2023		6.0	339.3	365.0	710.3	0.0	710.3



NAVIGATION:

Highlights

Summary of the second quarter and first half year results 2024
Subsequent events

Scnd quarter and first half year results 2024

Financial review
Consolidated key figures
Segments
Transactions
Financing
Share information
Risks and uncertainties
Outlook
Responsibility statement from the board of directors and CEO

Condensed consolidated financial statements

Condensed consolidated statement of profit or loss
Condensed consolidated statement of comprehensive income
Condensed consolidated statement of financial position
Condensed consolidated statement of changes in equity
Condensed consolidated statement of cash flows

Notes to the condensed consolidated financial statements

Note 01 General
Note 02 Statement of compliance
Note 03 Significant accounting principles
Note 04 Segment information
Note 05 Derivative financial instruments
Note 06 Net financial items
Note 07 Property, plant and equipment and intangible assets
Note 08 Interest-bearing borrowings
Note 09 Right-of-use assets and lease liabilities
Note 10 Share capital and equity
Note 11 Business combination
Note 12 Related party transactions
Note 13 Subsequent events
Note 14 Supplementary information
Definitions of alternative performance measures not defined by IFRS

Company contact information

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

<i>Amounts in NOK million</i>	Q2 2024	Q2 2023	H1 2024	H1 2023	2023
Profit for the period	72.1	68.4	102.3	120.3	185.3
Adjustments for:					
Income tax expense recognised in profit or loss	21.3	21.0	31.5	39.3	60.8
Income taxes paid	(7.4)	(5.4)	(12.6)	(12.4)	(19.9)
Share of profit of associates	(0.2)	0.0	(0.0)	(0.0)	0.0
Depreciation and amortisation	30.1	26.5	62.1	52.3	107.7
Movements in working capital:					
(Increase)/decrease in trade receivables	(9.3)	(26.6)	(11.5)	(11.3)	1.7
(Increase)/decrease in inventories	32.9	(45.0)	98.4	(74.2)	(125.4)
Increase/(decrease) in trade payables	6.4	(3.6)	(51.5)	21.5	40.4
Increase/(decrease) in accruals	3.6	24.6	(15.2)	34.4	95.2
Net cash generated by operating activities	149.5	60.0	203.4	169.9	345.7
Cash flows from investing activities					
Payments for property, plant and equipment	(6.5)	(8.7)	(14.9)	(14.5)	(46.3)
Payments for intangible assets	(19.9)	(14.1)	(42.6)	(29.9)	(60.2)
Net cash outflow from acquisition and other shares	(11.0)	(8.7)	(11.0)	(11.2)	(42.6)
Net cash (used in)/generated by investing activities	(37.4)	(31.5)	(68.5)	(55.6)	(149.0)
Cash flows from financing activities					
Proceeds from issuance of common shares	-	-	-	-	8.1
Payment for share buy-back costs	(4.5)	(0.9)	(4.5)	(0.9)	(1.4)
Proceeds from borrowings	-	6.3	-	96.3	126.3
Repayment of borrowings	(22.8)	(3.2)	(29.3)	(95.5)	(135.3)
Repayment of lease liabilities	(6.8)	(3.3)	(11.2)	(6.4)	(13.1)
Net change in overdraft facility	77.1	24.0	68.4	(56.5)	(120.6)
Dividends paid	(152.9)	(41.6)	(152.9)	(41.6)	(41.6)
Net cash (used in)/generated by financing activities	(109.9)	(18.7)	(129.5)	(104.6)	(177.7)
Net increase in cash and cash equivalents	2.2	9.8	5.5	9.8	19.0
Cash and cash equivalents at the beginning of the period	64.0	41.7	60.7	41.7	41.7
Cash and cash equivalents at the end of the period	66.2	51.5	66.2	51.5	60.7



NAVIGATION:

Highlights

Summary of the second quarter and first half year results 2024
Subsequent events

Second quarter and first half year results 2024

Financial review
Consolidated key figures
Segments
Transactions
Financing
Share information
Risks and uncertainties
Outlook
Responsibility statement from the board of directors and CEO

Condensed consolidated financial statements

Condensed consolidated statement of profit or loss
Condensed consolidated statement of comprehensive income
Condensed consolidated statement of financial position
Condensed consolidated statement of changes in equity
Condensed consolidated statement of cash flows

Notes to the condensed consolidated financial statements

Note 01 General
Note 02 Statement of compliance
Note 03 Significant accounting principles
Note 04 Segment information
Note 05 Derivative financial instruments
Note 06 Net financial items
Note 07 Property, plant and equipment and intangible assets
Note 08 Interest-bearing borrowings
Note 09 Right-of-use assets and lease liabilities
Note 10 Share capital and equity
Note 11 Business combination
Note 12 Related party transactions
Note 13 Subsequent events
Note 14 Supplementary information
Definitions of alternative performance measures not defined by IFRS

Company contact information

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 01 General

NORBIT is a global provider of tailored technology solutions to selected applications. NORBIT's vision is to be recognised as world class, enabling people to explore more.

NORBIT is headquartered in Trondheim, with manufacturing in Europe and North America. In addition, as of 30 June 2024 NORBIT also had operations through its foreign subsidiaries in Denmark, Czech Republic, Poland, Austria, Hungary, Italy, Singapore, China, Sweden, Croatia, Slovakia, Brazil, United Kingdom, Chile, United States and Canada.

The business includes development, manufacturing and delivery of products, systems and services based on electronics. NORBIT ASA is organised in three operating segments: Oceans, Connectivity and Product Innovation & Realization (PIR).

The consolidated financial statements of NORBIT ASA for the second quarter and six months ending 30 June 2024 incorporate the financial statements of the company and its subsidiaries (collectively referred to as the "group").

NOTE 02 Statement of compliance

The interim consolidated statements for the second quarter of 2024, ending 30 June 2024, were prepared in accordance with IAS 34 Interim Financial Reporting and are unaudited.

The interim consolidated financial statements do not include all information and disclosures required in the annual financial statements, and should be read in conjunction with the group's annual report for 2023. The consolidated financial statements

of the group as at and for the year ended 31 December 2023 are available at www.norbit.com.

The new standards and interpretations effective from 1 January 2024 do not have a significant impact on the group's consolidated interim financial statements.

NOTE 03 Significant accounting principles

The accounting principles applied in the interim financial statements are consistent with the standards and interpretations followed by the preparation of the group's annual financial statements for the year ended 31 December 2023. The groups accounting principles are described in the annual report for 2023.

The preparation of accounts in accordance with IFRS requires the use of estimates. Furthermore, the application of the company's accounting policies requires management to exercise judgments. Estimates and subjective judgements are based on past experience and other factors that are considered appropriate. Actual results may deviate from these estimates.

The significant judgements, estimates and assumptions communicated in the consolidated financial statements as of 31 December 2023 also apply to these interim financial statements. In preparing these interim financial statements, NORBIT has focused on estimates and assumptions related to loss allowance for expected credit losses on trade receivables, provisions for obsolete inventory and warranty provisions. Based on the assessment, no material provisions were made in first half of 2024.



NAVIGATION:

Highlights

Summary of the second quarter and first half year results 2024
Subsequent events

Second quarter and first half year results 2024

Financial review
Consolidated key figures
Segments
Transactions
Financing
Share information
Risks and uncertainties
Outlook
Responsibility statement from the board of directors and CEO

Condensed consolidated financial statements

Condensed consolidated statement of profit or loss
Condensed consolidated statement of comprehensive income
Condensed consolidated statement of financial position
Condensed consolidated statement of changes in equity
Condensed consolidated statement of cash flows

Notes to the condensed consolidated financial statements

Note 01 General
Note 02 Statement of compliance
Note 03 Significant accounting principles
Note 04 Segment information
Note 05 Derivative financial instruments
Note 06 Net financial items
Note 07 Property, plant and equipment and intangible assets
Note 08 Interest-bearing borrowings
Note 09 Right-of-use assets and lease liabilities
Note 10 Share capital and equity
Note 11 Business combination
Note 12 Related party transactions
Note 13 Subsequent events
Note 14 Supplementary information

Definitions of alternative performance measures not defined by IFRS

Company contact information

NOTE 04 Segment information

The operating segments are aligned with the internal reporting and the operating segments are components of the group that are evaluated regularly by the management team. The operat-

ing segments are Oceans, Connectivity and Product Innovation and Relization (PIR).

H1 2024

<i>Amounts in NOK million</i>	Oceans	Connectivity	PIR	Group/Elim.	Total
Revenues	316.8	252.0	279.7	(25.1)	823.4
Raw materials and change in inventories	91.7	91.5	174.5	(3.4)	354.3
Employee benefit expenses	70.0	42.7	57.9	19.8	190.5
Operating expenses	35.9	30.8	16.2	(9.4)	73.6
EBITDA	119.2	87.0	31.0	(32.1)	205.0
<i>EBITDA margin</i>	<i>38%</i>	<i>35%</i>	<i>11%</i>		<i>25%</i>
Depreciation	10.2	6.9	9.1	2.2	28.3
Amortisation and impairment	19.6	17.6	0.4	(3.8)	33.8
EBIT	89.4	62.5	21.6	(30.6)	142.9
<i>EBIT margin</i>	<i>28%</i>	<i>25%</i>	<i>8%</i>		<i>17%</i>
Total financial items (not allocated)					(9.2)
Profit before tax					133.8
Taxes (not allocated)					(31.5)
Profit after tax					102.3

H1 2023

<i>Amounts in NOK million</i>	Oceans	Connectivity	PIR	Group/Elim.	Total
Revenues	288.0	308.1	214.0	(15.7)	794.3
Raw materials and change in inventories	88.2	120.0	113.4	(0.2)	321.4
Employee benefit expenses	55.2	42.4	44.0	23.7	165.2
Operating expenses	38.0	33.2	15.9	(11.0)	76.2
EBITDA	106.5	112.4	40.8	(28.2)	231.5
<i>EBITDA margin</i>	<i>37%</i>	<i>36%</i>	<i>19%</i>		<i>29%</i>
Depreciation	10.2	4.3	8.0	1.4	23.9
Amortisation and impairment	11.5	17.6	0.5	(1.2)	28.5
EBIT	84.8	90.5	32.2	(28.4)	179.2
<i>EBIT margin</i>	<i>29%</i>	<i>29%</i>	<i>15%</i>		<i>23%</i>
Total financial items (not allocated)					(19.6)
Profit before tax					159.6
Taxes (not allocated)					(39.3)
Profit after tax					120.3

NORBIT

- explore more -

NAVIGATION:

Highlights

Summary of the second quarter and first half year results 2024

Subsequent events

Second quarter and first half year results 2024

Financial review

Consolidated key figures

Segments

Transactions

Financing

Share information

Risks and uncertainties

Outlook

Responsibility statement from the board of directors and CEO

Condensed consolidated financial statements

Condensed consolidated statement of profit or loss

Condensed consolidated statement of comprehensive income

Condensed consolidated statement of financial position

Condensed consolidated statement of changes in equity

Condensed consolidated statement of cash flows

Notes to the condensed consolidated financial statements

Note 01 General

Note 02 Statement of compliance

Note 03 Significant accounting principles

Note 04 Segment information

Note 05 Derivative financial instruments

Note 06 Net financial items

Note 07 Property, plant and equipment and intangible assets

Note 08 Interest-bearing borrowings

Note 09 Right-of-use assets and lease liabilities

Note 10 Share capital and equity

Note 11 Business combination

Note 12 Related party transactions

Note 13 Subsequent events

Note 14 Supplementary information

Definitions of alternative performance measures not defined by IFRS

Company contact information

Q2 2024

Amounts in NOK million

	Oceans	Connectivity	PIR	Group/Elim.	Total
Revenues	195.5	101.4	134.5	(12.4)	418.9
Raw materials and change in inventories	53.1	34.1	77.7	(1.9)	163.0
Employee benefit expenses	31.9	20.5	27.0	9.9	89.3
Other operating expenses	16.0	14.5	7.4	(3.3)	34.7
EBITDA	94.4	32.3	22.4	(17.2)	131.9
<i>EBITDA margin</i>	<i>48%</i>	<i>32%</i>	<i>17%</i>		<i>31%</i>
Depreciation	4.9	4.1	4.5	1.1	14.6
Amortisation and impairment	9.7	7.4	0.2	(1.9)	15.5
EBIT	79.7	20.8	17.8	(16.4)	101.8
<i>EBIT margin</i>	<i>41%</i>	<i>20%</i>	<i>13%</i>		<i>24%</i>
Total financial items (not allocated)					(8.5)
Profit before tax					93.4
Taxes (not allocated)					(21.3)
Profit after tax					72.1

Q2 2023

Amounts in NOK million

	Oceans	Connectivity	PIR	Group/Elim.	Total
Revenues	152.2	171.8	101.6	(8.0)	417.6
Raw materials and change in inventories	48.4	65.7	52.2	0.6	166.9
Employee benefit expenses	26.6	23.1	20.1	15.2	85.0
Other operating expenses	19.8	17.6	6.9	(5.6)	38.6
EBITDA	57.4	65.4	22.5	(18.2)	127.2
<i>EBITDA margin</i>	<i>38%</i>	<i>38%</i>	<i>22%</i>		<i>30%</i>
Depreciation	5.3	2.2	3.9	0.7	12.1
Amortisation and impairment	6.1	9.3	0.3	(1.2)	14.5
EBIT	46.1	54.0	18.3	(17.7)	100.6
<i>EBIT margin</i>	<i>30%</i>	<i>31%</i>	<i>18%</i>		<i>24%</i>
Total financial items (not allocated)					(11.3)
Profit before tax					89.3
Taxes (not allocated)					(21.0)
Profit after tax					68.4

NOTE 05 Derivative financial instruments

The group has the following derivative financial instruments:

	30.06.24	31.12.23
Foreign currency forwards EUR/NOK (amounts in EUR)	-	-
Foreign currency forwards USD/EUR (amounts in USD)	-	-
Average FX rate in contract (EUR/NOK)	-	-
Average FX rate in contract (USD/NOK)	-	-
Fair value of contracts based on MTM reports from counterpart banks (NOK million)	-	-



NAVIGATION:

Highlights

Summary of the second quarter and first half year results 2024

Subsequent events

Second quarter and first half year results 2024

Financial review

Consolidated key figures

Segments

Transactions

Financing

Share information

Risks and uncertainties

Outlook

Responsibility statement from the board of directors and CEO

Condensed consolidated financial statements

Condensed consolidated statement of profit or loss

Condensed consolidated statement of comprehensive income

Condensed consolidated statement of financial position

Condensed consolidated statement of changes in equity

Condensed consolidated statement of cash flows

Notes to the condensed consolidated financial statements

Note 01 General

Note 02 Statement of compliance

Note 03 Significant accounting principles

Note 04 Segment information

Note 05 Derivative financial instruments

Note 06 Net financial items

Note 07 Property, plant and equipment and intangible assets

Note 08 Interest-bearing borrowings

Note 09 Right-of-use assets and lease liabilities

Note 10 Share capital and equity

Note 11 Business combination

Note 12 Related party transactions

Note 13 Subsequent events

Note 14 Supplementary information

Definitions of alternative performance measures not defined by IFRS

Company contact information

NOTE 06 Net financial items

Net financial items consist of:

Amounts in NOK million	H1 2024	H1 2023	Q2 2024	Q2 2023
Share of profit of associates	0.0	0.0	0.2	0.0
Net interest income / (expense)	(16.3)	(13.4)	(8.2)	(6.8)
Agio/disagio and other financial expenses	7.1	(6.2)	(0.5)	(4.5)
Net financial items	(9.2)	(19.6)	(8.5)	(11.3)

NOTE 07 Property, plant and equipment and intangible assets

Amounts in NOK million	Land and properties	Machinery, fixtures and fittings	Intangible assets
Balance at 31 December 2023	61.9	104.4	303.2
Additions	0.7	14.2	0.0
Depreciation	(3.0)	(15.3)	0.0
Capitalised development	0.0	0.0	42.6
Amortisation	0.0	0.0	(33.8)
Currency effects	(0.1)	(0.3)	0.4
Balance as of June 30, 2024	59.6	102.9	312.4

The group invested NOK 19.9 million and NOK 42.6 million in intangible assets in Q2 2024 and first half of 2024, respectively. The capital expenditures were primarily related to broadening the product offering in the Oceans and Connectivity segments. The development projects progressed as planned during the year.

Total investments in property, plant and equipment were NOK 6.5 million and NOK 14.9 million in Q2 2024 and first half of 2024, respectively, primarily related to machinery and equipment.

At the end of each reporting period, the group assess whether there are indications that any tangible or intangible asset has been impaired. If such indications are present, an estimate to the recoverable amount of the asset is calculated. No indications of impairment were identified as of June 30, 2024.

NOTE 08 Interest-bearing borrowings

Amounts in NOK million	30.06.2024	31.12.2023	30.06.2023
Overdraft facility	88.4	20.0	84.1
Term loans	156.3	166.8	138.6
Seller's credit	0.0	0.0	36.9
Other borrowings	5.8	24.7	27.9
Total interest-bearing borrowings	250.5	211.5	287.4
Non-current borrowings	94.1	122.6	139.9
Current borrowings	156.4	88.9	147.5
Total interest-bearing borrowings	250.5	211.5	287.4



NAVIGATION:

Highlights

Summary of the second quarter and first half year results 2024
Subsequent events

Scnd quarter and first half year results 2024

Financial review
Consolidated key figures
Segments
Transactions
Financing
Share information
Risks and uncertainties
Outlook
Responsibility statement from the board of directors and CEO

Condensed consolidated financial statements

Condensed consolidated statement of profit or loss
Condensed consolidated statement of comprehensive income
Condensed consolidated statement of financial position
Condensed consolidated statement of changes in equity
Condensed consolidated statement of cash flows

Notes to the condensed consolidated financial statements

Note 01 General
Note 02 Statement of compliance
Note 03 Significant accounting principles
Note 04 Segment information
Note 05 Derivative financial instruments
Note 06 Net financial items
Note 07 Property, plant and equipment and intangible assets
Note 08 Interest-bearing borrowings
Note 09 Right-of-use assets and lease liabilities
Note 10 Share capital and equity
Note 11 Business combination
Note 12 Related party transactions
Note 13 Subsequent events
Note 14 Supplementary information
Definitions of alternative performance measures not defined by IFRS

Company contact information

The group had four main loan facilities per end of Q2 2024, comprising of a long-term revolving credit facility (RCF), a short-term overdraft facility and two term loans. The credit limits are NOK 200 million and NOK 350 million on the RCF and overdraft facility, respectively.

NORBIT had drawn NOK 88.4 million on the overdraft facility as of June 30, 2024, while the RCF was undrawn. NOK 156.3 million was outstanding on the two terms loans.

The RCF and one term loan are priced at 3M NIBOR + 1.8 per cent margin p.a., the overdraft facility is priced at 1M NIBOR + 1.4 per cent margin p.a, while the NOK 120 million term loan is priced at 3M NIBOR + 2.15 per cent margin p.a.

The financial covenants are as follows:

- ▼ **Equity ratio:** Carrying value of total equity as per cent of carrying value of total assets shall exceed 30 per cent. To be reported by 30 June and 31 December
- ▼ **NIBD ratio:** Total interest-bearing borrowings and lease liabilities less cash and cash equivalents over EBITDA (IFRS, as reported) shall not exceed 4.0 times. To be reported each quarter. EBITDA is calculated on a 12-month rolling basis.

At 30 June 2024, NORBIT was in compliance with both financial covenants.

NOTE 09 Right-of-use assets and lease liabilities

NORBIT leases a number of offices in addition to machinery and vehicles. Right-of-use assets are reported under property, plant and equipment in the balance sheet. The movement in

the right-of-use assets and lease liabilities during 2024 is summarised below.

<i>Amounts in NOK million</i>	Right of use assets			Lease liabilities
	Office rent	Machinery and vehicles	Total	
Balance at 31 December 2023	22.2	32.0	54.2	54.7
Additions	4.6	36.8	41.4	41.4
Depreciation expense	(6.1)	(4.0)	(10.1)	-
Interest expense	-	-	-	1.9
Lease payments	-	-	-	(11.2)
Balance at 30 June 2024	20.7	64.8	85.5	86.8

NOTE 10 Share capital and equity

NORBIT ASA has been listed on the Oslo Børs (Oslo Stock Exchange) since 20 June 2019. The share is traded under the symbol NORBT.

As of June 30, 2024, the total number of shares in NORBIT ASA amounted to 60 200 088 and the number of outstanding shares was 60 086 428, each with a par value of NOK 0.10 per share. As per the same date, NORBIT ASA held 113 660

own shares. All issued shares are fully paid. Average outstanding number of shares is used in the calculation of earnings per share in all periods of 2023 and 2024.

As of June 30, 2024, there were 219 626 restricted stock units ('RSUs') outstanding. The RSUs will vest in second quarter 2025 and 2026. The RSUs are included in the calculation of diluted earnings per share.



NAVIGATION:

Highlights

Summary of the second quarter and first half year results 2024
Subsequent events

Second quarter and first half year results 2024

Financial review
Consolidated key figures
Segments
Transactions
Financing
Share information
Risks and uncertainties
Outlook
Responsibility statement from the board of directors and CEO

Condensed consolidated financial statements

Condensed consolidated statement of profit or loss
Condensed consolidated statement of comprehensive income
Condensed consolidated statement of financial position
Condensed consolidated statement of changes in equity
Condensed consolidated statement of cash flows

Notes to the condensed consolidated financial statements

Note 01 General
Note 02 Statement of compliance
Note 03 Significant accounting principles
Note 04 Segment information
Note 05 Derivative financial instruments
Note 06 Net financial items
Note 07 Property, plant and equipment and intangible assets
Note 08 Interest-bearing borrowings
Note 09 Right-of-use assets and lease liabilities
Note 10 Share capital and equity
Note 11 Business combination
Note 12 Related party transactions
Note 13 Subsequent events
Note 14 Supplementary information
Definitions of alternative performance measures not defined by IFRS

Company contact information

NOTE 11 Business combination

CPS AS

In January 2023, NORBIT ASA acquired 100 per cent ownership in the technology company CPS AS. CPS design, develop and industrialise custom IoT ready devices for various areas of application across a number of industry segments. The devices are designed, developed, and industrialised based on proprietary modules. CPS also provides firmware licenses and services to customers. The total consideration was NOK 12.6

million paid through a combination of NOK 3.6 million in cash and NOK 9.0 million in issuance of consideration share. The purchase price and fair value of assets and liabilities acquired are presented in the table below. The company was consolidated from 1 January 2023 and the preliminary analysis gave rise to NOK 14.7 million in fair value adjustments relating to customer relationships and technology.

<i>Amounts in NOK million</i>	<i>Purchase price</i>
Purchase price	
Considerations shares	9.0
Cash consideration	3.6
Total	12.6
Recognised amount of identifiable assets and acquired liabilities assumed	
Technology	4.8
Customer relationships	11.4
Inventories	0.0
Trade receivables	2.0
Cash and cash equivalents	1.3
Deferred tax liability	(3.2)
Interest-bearing borrowings	(1.5)
Trade payables	(1.1)
Other current liabilities	(1.2)
Total identifiable net assets	12.6
Cash and cash equivalents in acquired business	1.3
Total cash outflow from acquisition of business	2.3

Seahorse Geomatics

In April 2023, NORBIT acquired the business and certain assets from Seahorse Geomatics Inc, Oceans' distributor and reseller in the North American market for more than a decade. The purchase price was USD 2.5 million, including value of purchased inventory. This was financed by the issuance

of 265 670 consideration shares at a price of NOK 39.22, or NOK 10.4 million, NOK 8.7 million in cash and a seller credit of NOK 7.1 million. Half of the sellers' credit was repaid in second quarter 2024, while the remainder will be repaid in the second quarter of 2025.

<i>Amounts in NOK million</i>	<i>Purchase price</i>
Purchase price	
Considerations shares	10.4
Cash consideration	8.7
Seller credit	7.1
Total	26.2
Recognised amount of identifiable assets and acquired liabilities assumed	
Property, plant and equipment	1.5
Technology	5.5
Customer relationships	12.4
Inventories	6.8
Total identifiable net assets	6.8
Cash and cash equivalents in acquired business	26.2
Total cash outflow from acquisition of business	8.7



NAVIGATION:

Highlights

Summary of the second quarter and first half year results 2024
Subsequent events

Scnd quarter and first half year results 2024

Financial review
Consolidated key figures
Segments
Transactions
Financing
Share information
Risks and uncertainties
Outlook
Responsibility statement from the board of directors and CEO

Condensed consolidated financial statements

Condensed consolidated statement of profit or loss
Condensed consolidated statement of comprehensive income
Condensed consolidated statement of financial position
Condensed consolidated statement of changes in equity
Condensed consolidated statement of cash flows

Notes to the condensed consolidated financial statements

Note 01 General
Note 02 Statement of compliance
Note 03 Significant accounting principles
Note 04 Segment information
Note 05 Derivative financial instruments
Note 06 Net financial items
Note 07 Property, plant and equipment and intangible assets
Note 08 Interest-bearing borrowings
Note 09 Right-of-use assets and lease liabilities
Note 10 Share capital and equity
Note 11 Business combination
Note 12 Related party transactions
Note 13 Subsequent events
Note 14 Supplementary information
Definitions of alternative performance measures not defined by IFRS

Company contact information

Ping Digital Signal Processing

In October 2023, NORBIT acquired 100 per cent of the shares in Ping Digital Signal Processing Inc, a Canadian maritime technology company. The company's principal business activity is sales, research and development of leading edge sonar technology for mapping, imaging and exploring the underwater environment. The total consideration was NOK 39.5 million

paid through a combination of NOK 29.1 million in cash and NOK 10.4 million in issuance of consideration shares. The purchase price and fair value of assets and liabilities acquired are presented in the table below. The company was consolidated from the date of acquisition and the preliminary acquisition analysis gave rise to goodwill of NOK 26.6 million.

<i>Amounts in NOK million</i>	<i>Purchase price</i>
Purchase price	
Considerations shares	10.4
Cash consideration	29.1
Total	39.5
Recognised amount of identifiable assets and acquired liabilities assumed ¹⁾	
Property, plant and equipment	0.1
Technology	4.6
Trademark	3.6
Inventories	3.5
Trade receivables	2.0
Other receivables	0.6
Cash and cash equivalents	2.8
Deferred tax liability	(2.2)
Trade payables	(0.4)
Other current liabilities	(1.7)
Total identifiable net assets	12.9
Goodwill	26.6
Cash and cash equivalents in acquired business	2.8
Total cash outflow from acquisition of business	26.2

1) The purchase price allocation is preliminary and may be subject to adjustments.

NOTE 12 Related party transactions

There were no related party transactions in the first half of 2024.

NOTE 13 Subsequent events

On 2 July, NORBIT ASA successfully completed a NOK 200 million private placement of new ordinary shares in the company. The subscription price was NOK 77 per share and a total of 2 597 403 new shares were issued in connection with the placement. The net proceeds from the private placement will be used to strengthen the financial flexibility and capital base for future growth, and for general corporate purposes. The private placement was resolved by the board of directors pursuant to the authorisation granted at the annual general meeting.

On 12 July, the transaction with the sellers' of Innomar closed. The preliminary purchase price was settled by payment of EUR 34.9 million in cash consideration to sellers, while the EUR 4.8 million was settled by the issuance of 726 272 consideration shares to founding management of Innomar at a price equal to NOK 77 per share. A lock-up period of 24 months on the shares commenced the same day. Following completion, NORBIT ASA's share capital was NOK 6 352 376.30, consisting of 63 523 672 ordinary shares, each with a par value of NOK 0.10.



NAVIGATION:

Highlights

Summary of the second quarter and first half year results 2024
Subsequent events

Scnd quarter and first half year results 2024

Financial review
Consolidated key figures
Segments
Transactions
Financing
Share information
Risks and uncertainties
Outlook
Responsibility statement from the board of directors and CEO

Condensed consolidated financial statements

Condensed consolidated statement of profit or loss
Condensed consolidated statement of comprehensive income
Condensed consolidated statement of financial position
Condensed consolidated statement of changes in equity
Condensed consolidated statement of cash flows

Notes to the condensed consolidated financial statements

Note 01 General
Note 02 Statement of compliance
Note 03 Significant accounting principles
Note 04 Segment information
Note 05 Derivative financial instruments
Note 06 Net financial items
Note 07 Property, plant and equipment and intangible assets
Note 08 Interest-bearing borrowings
Note 09 Right-of-use assets and lease liabilities
Note 10 Share capital and equity
Note 11 Business combination
Note 12 Related party transactions
Note 13 Subsequent events
Note 14 Supplementary information
Definitions of alternative performance measures not defined by IFRS

Company contact information

NOTE 14 Supplementary information

Starting 1 January 2024, NORBIT has provided a split of operating expenses into employee benefit expenses and other operating expenses for the segment reporting in note 4 of the

consolidated statements to align with the group reporting. The following information provides the historical split for the financial year 2022 and for the third and fourth quarter of 2023.

<i>Amounts in NOK million</i>	2022				Total
	Oceans	Connectivity	PIR	Group / Elim.	
Employee benefit expenses	87.8	60.9	74.8	26.7	250.2
Other operating expenses	57.8	60.1	26.5	(12.0)	132.4
Total operating expenses	145.6	121.0	101.3	14.7	382.6

<i>Amounts in NOK million</i>	Q3 2023				Total
	Oceans	Connectivity	PIR	Group / Elim.	
Employee benefit expenses	33.3	22.5	21.9	13.2	90.8
Other operating expenses	20.0	13.6	6.9	(4.6)	36.0
Total operating expenses	53.3	36.1	28.8	8.6	126.8

<i>Amounts in NOK million</i>	Q4 2023				Total
	Oceans	Connectivity	PIR	Group / Elim.	
Employee benefit expenses	42.4	23.3	29.2	9.3	104.3
Other operating expenses	23.0	11.5	8.8	(3.3)	40.0
Total operating expenses	65.4	34.8	38.0	6.0	144.2



NAVIGATION:

Highlights

Summary of the second quarter and first half year results 2024
Subsequent events

Scnd quarter and first half year results 2024

Financial review
Consolidated key figures
Segments
Transactions
Financing
Share information
Risks and uncertainties
Outlook
Responsibility statement from the board of directors and CEO

Condensed consolidated financial statements

Condensed consolidated statement of profit or loss
Condensed consolidated statement of comprehensive income
Condensed consolidated statement of financial position
Condensed consolidated statement of changes in equity
Condensed consolidated statement of cash flows

Notes to the condensed consolidated financial statements

Note 01 General
Note 02 Statement of compliance
Note 03 Significant accounting principles
Note 04 Segment information
Note 05 Derivative financial instruments
Note 06 Net financial items
Note 07 Property, plant and equipment and intangible assets
Note 08 Interest-bearing borrowings
Note 09 Right-of-use assets and lease liabilities
Note 10 Share capital and equity
Note 11 Business combination
Note 12 Related party transactions
Note 13 Subsequent events
Note 14 Supplementary information
Definitions of alternative performance measures not defined by IFRS

Company contact information

DEFINITIONS OF ALTERNATIVE PERFORMANCE MEASURES NOT DEFINED BY IFRS

Gross profit	Gross profit is revenues less cost for raw materials and change in inventories, as reported in the consolidated statement of profit and loss. Gross profit is a key performance indicator that the company considers relevant for measuring the profitability before its employee benefit expenses, other operating expenses and depreciation and amortisation expenses.
Gross margin	Gross margin is defined as gross profit divided by revenues. The gross margin is a key performance indicator that the company considers relevant for understanding the profitability of the business and for making comparisons with other companies.
EBITDA	Short for earnings before interest, tax, depreciation and amortisation. EBITDA corresponds to operating profit before depreciation and amortisation expenses, as reported in the consolidated statement of profit and loss. EBITDA is a key performance indicator that the company considers relevant for understanding the generation of profits.
EBITDA margin	EBITDA as a percentage of revenues. The EBITDA margin is a key performance indicator that the company considers relevant for understanding the profitability of the business and for making comparisons with other companies.
EBIT	Short for earnings before interest and tax and corresponds to operating profit in the consolidated statement of profit and loss. EBIT is a key performance indicator that the company considers relevant, as it facilitates comparisons of profitability over time independent of corporate tax rates and financing structures.
EBIT margin	EBIT as a percentage of revenues. The EBIT margin is a key performance indicator that the company considers relevant for understanding the profitability of the business and for making comparisons with other companies.
Equity ratio	Total equity divided by total assets. The equity ratio is a key performance indicator that the company considers relevant for assessing its financial leverage.
Net interest-bearing borrowings	Net interest-bearing borrowings is defined as total interest-bearing borrowings less cash and cash equivalents as reported in the consolidated statement of financial position.
NIBD/EBITDA	Net interest-bearing borrowings, including lease liabilities, divided by EBITDA. The ratio is a key performance indicator that the company considers relevant for assessing its financial leverage.
Pre-tax return on capital employed	Pre-tax return on capital employed is defined as EBIT divided by average capital employed. Capital employed is defined as the sum of total equity, net interest-bearing borrowings and lease liabilities as reported in the consolidated statement of financial position. EBIT is annualised for the interim periods reported.

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NAVIGATION:

Highlights

Summary of the second quarter and first half year results 2024
Subsequent events

Sccond quarter and first half year results 2024

Financial review
Consolidated key figures
Segments
Transactions
Financing
Share information
Risks and uncertainties
Outlook
Responsibility statement from the board of directors and CEO

Condensed consolidated financial statements

Condensed consolidated statement of profit or loss
Condensed consolidated statement of comprehensive income
Condensed consolidated statement of financial position
Condensed consolidated statement of changes in equity
Condensed consolidated statement of cash flows

Notes to the condensed consolidated financial statements

Note 01 General
Note 02 Statement of compliance
Note 03 Significant accounting principles
Note 04 Segment information
Note 05 Derivative financial instruments
Note 06 Net financial items
Note 07 Property, plant and equipment and intangible assets
Note 08 Interest-bearing borrowings
Note 09 Right-of-use assets and lease liabilities
Note 10 Share capital and equity
Note 11 Business combination
Note 12 Related party transactions
Note 13 Subsequent events
Note 14 Supplementary information

Definitions of alternative performance measures not defined by IFRS

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