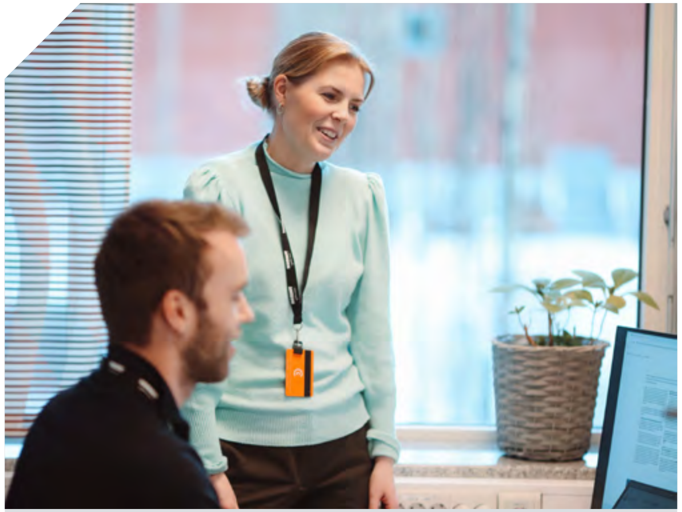
NORBIT

- explore more -

ANNUAL REPORT
2024

THIS IS NORBIT



THE BOARD OF DIRECTORS' REPORT

FINANCIAL STATEMENTS

THIS IS NORBIT

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HIGHLIGHTS 2024

NORBIT - explore more -

NORBIT

Another record year

- Delivered all-time high revenues of NOK 1 751.4 million, a 15 per cent increase from 2023.
- The EBIT margin ended at 20 per cent, up from 19 per cent in 2023, as a result of increased revenues and operational leverage.

Proposed increase in dividends

- Due to the strong financial results and development, the board has proposed a dividend of NOK 3.00 per share, consisting of a NOK 2.00 per share ordinary dividend and NOK 1.00 per share extraordinary dividend.

Ambitions for 2027 set

- Target to deliver more than NOK 2.75 billion in revenues in 2027, with an EBIT margin of around 20 per cent and a return of capital employed of around 30 per cent.

OCEANS

Continued strong and profitable growth

- Delivered NOK 743.9 million in revenues, an increase of 24 per cent from 2023. Growth was particularly strong for subsea sonars, accelerated further with the acquisition of Innomar. The EBIT margin for the year was 29 per cent.

Strategic acquisition of Innomar

- Completed the acquisition of the maritime technology company Innomar for EUR 40.2 million, a strong strategic fit to the Oceans product portfolio.

CONNECTIVITY

Profitability maintained despite a small revenue decline

- Reported NOK 515.7 million in revenues, a decline of 5 per cent from 2023 on lower On-Board Units sales. The EBIT margin was 26 per cent, same as reported in 2023.

Developing the GNSS OBU and receipt of contract

- Announced the development of the GNSS On-Board Unit for satellite-based tolling. Awarded a NOK 160 million initial contract by Toll4Europe with deliveries scheduled for 2025.

PIR

Strong demand within contract manufacturing

- Reported NOK 543.1 million in revenues in 2024, a growth of 32 per cent from 2023, driven by industrial clients within contract manufacturing. The EBIT margin for the year was 10 per cent.

Exposure to the secular growth trend in defence and security

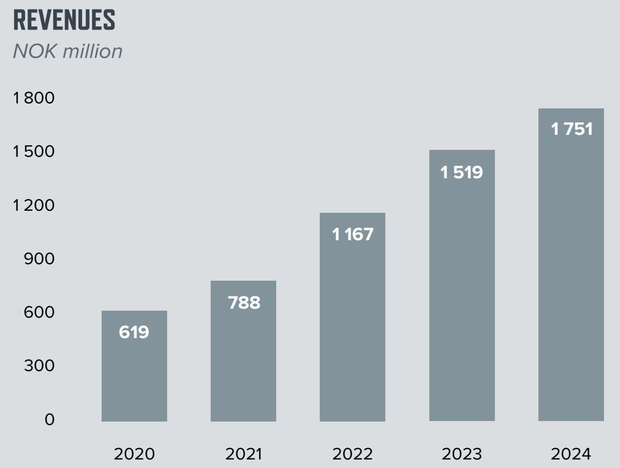
- Geopolitical unrest and security concerns are driving an increase in defence budgets, accelerating growth in PIR. In 2024, defence and security represented 20 per cent of revenues in PIR, up from 6 per cent in 2023.

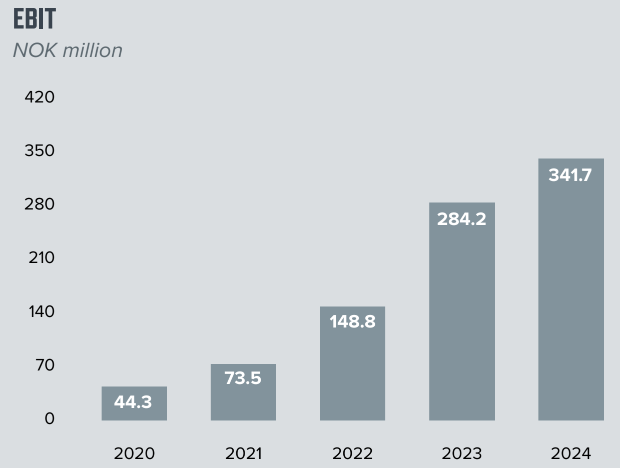
KEY FIGURES

KEY FIGURES – NORBIT [1)]

Amounts in NOK million (except percentages, EPS and DPS)	**2024**	2023	2022	2021	2020
Revenues	**1 751.4**	1 518.9	1 167.5	787.8	618.8
Revenue growth	**15%**	30%	48%	27%	**(7%)**
EBITDA	**474.0**	391.8	235.3	142.6	93.5
EBITDA margin	**27%**	26%	20%	18%	15%
EBIT	**341.7**	284.2	148.8	73.5	44.3
EBIT margin	**20%**	19%	13%	9%	7%
Profit for the period	**243.3**	185.3	106.7	47.9	27.3
Diluted earnings per share (EPS)	**3.93**	3.10	1.82	0.83	0.48
Dividend declared per share (DPS)	**3.00**	2.55	0.70	0.30	0.30
Cash & cash equivalents	**193.3**	60.7	41.7	21.7	15.0
Equity ratio	**53%**	53%	49%	51%	65%
Net interest-bearing borrowings	**254.0**	150.8	295.6	266.5	79.7
Net interest-bearing borrowings including leasing liabilities	**349.3**	205.5	331.4	284.3	102.9
NIBD/EBITDA ratio [2)]	**0.7x**	0.5x	1.4x	1.7x	1.0x
Cash flow from operations	**430.9**	345.7	85.7	47.7	92.1
Cash flow from investments	**(558.4)**	(149.0)	(91.9)	(217.6)	(136.7)
Cash flow from financing	**260.1**	(177.7)	26.2	176.6	37.8
R&D investments	**104.8**	60.2	60.5	51.2	63.2
R&D investments (% revenues)	**6.0%**	4.0%	5.2%	6.5%	10.2%
Net Working Capital	**401.6**	414.2	405.3	291.6	196.8
Net Working Capital (% LTM revenues)	**23%**	27%	35%	37%	32%
Average pre-tax return on capital employed	**27%**	29%	17%	11%	9%
Average number of employees - full-time equivalents	**519**	498	418	311	246

1) For definitions of alternative performance measures, please see *page 142**.*
2) 12-month rolling EBITDA including contribution from acquisitions. Definition on *page 117**.*





LETTER FROM THE CEO:

A YEAR OF PROGRESS

– Our 2027 ambition plan, presented in February2024, remains firmly in place. In 2024 we took the first step towards this ambition.

2024 was another eventful year for NORBIT. We successfully executed our plans to strengthen the organisation, invest in R&D, and expand our capacity - enabling us to reach our targets for the year and preparing for the future. With record high revenues of NOK 1 751 million and an EBIT margin of 20 per cent, we ended spot on our financial targets.

Delivering on our growth strategy

In 2024, we continued to deliver on our strategy, strengthening our market position through innovation, expansion, and strategic acquisitions. Investments in R&D remained a priority, with significant efforts dedicated to developing a new GNSS-based On-Board Unit for road tolling. This led to a contract with Toll4Europe, reinforcing our position in the Intelligent Traffic Systems market.

The acquisition of Innomar, a leading provider of sub-bottom profilers, further expands our product offering in the Oceans segment and is an example of our strategy for value-accretive acquisitions. The combination of Innomar's vast domain knowledge and strong brand with NORBIT's global reach and industrial platform, creates new opportunities for growth and innovation.

It is satisfying to see NORBIT's solid financial foundation, enabling us to swiftly act on the investment opportunity Innomar presented. We are grateful for the trust our banks and investors have shown in us, with the private placement being significantly oversubscribed, demonstrating confidence in our strategy and future growth.

During the year, we also secured new contracts across our business units, including strong and increasing demand for our GuardPoint surveillance sonar solutions.

To support further growth, we have welcomed several new, great colleagues. It is encouraging to see that the interest in joining NORBIT remains strong, confirming that our culture, ambitions, and opportunities attract skilled professionals.

These steps, combined with a focus on operational efficiency and capacity expansion, position NORBIT for further growth.

Taking the next steps

Our 2027 ambition plan, presented in February 2024, remains firmly in place. In 2024 we took the first step towards this ambition. Our approach to growth has been to build the company brick by brick.

In 2025, we aim to take another good step towards our 2027 ambition. More than celebrating achievements, we are driven by setting new goals and moving forward. We strongly believe in the power of a goal that is broken down in a way that makes it matter for the entire team and each team member. This year, we aim to reach a top line between NOK 2 200 and 2 300 million, with an EBIT margin that surpasses the 20 per cent we achieved in 2024.

30 years of exploration

2025 marks a new milestone for us in NORBIT - 30 years of exploration, innovation, and tailoring of technology. Looking back, it has been a rewarding expedition, filled with both challenges that have shaped us and opportunities that have propelled us forward.

Anniversaries are not just about reflection; they are also about looking ahead. The world is moving fast, and so shall we. The trust placed in us by customers continues to grow, bringing new opportunities and responsibilities. Therefore, we cannot spend too much time dwelling on the past. Each day presents a new opportunity to explore more, to push boundaries, and to deliver solutions that matter.

An expanding journey

The journey so far has been defined by curiosity, determination, commercial and entrepreneurial spirit. Our purpose - Explore More - is not just a slogan, but a mindset that has been guiding us through three decades of growth. It has led us to new markets, expanded customer relationships into strategic partnerships, and driven technological advancements that make a difference in these relations.

Standing at the threshold of the next phase, NORBIT is well-positioned. A key driver in this journey is our strategic priority: ONE NORBIT - a commitment to leveraging synergies across our businesses, strengthening collaboration, and ensuring that we act as one cohesive team with a shared vision and a joint target.

At the heart of this is our first core value: We deliver! This is more than just an individual commitment, this value carries power in the collective - the best results come when we pull in the same direction, aligning efforts across the company. To fully realise the potential, leadership has a responsibility to set clear goals and provide relevant context, ensuring that every decision and action contributes to our shared vision: NORBIT - To be Recognised as World Class – Enabling people to Explore More.

At the foundation of our success are our core values: We deliver, Safe under pressure, and Refinement of talents. These principles define how we work, building teams that can solve challenges, and create value for our customers. To remain relevant and competitive on this journey, NORBIT is doubling down on the following:

Leadership

Talent and culture have always been at the heart of our priorities. Ensuring that we continue to attract the right people, offer them the right seat, and create an environment where they can grow - both as individuals and as a team - is essential for the journey ahead.

Commercial and explorative mindset

Technology is a means to solve challenges. A deep respect for the daily operations in the domains we serve, ensures that our solutions remain relevant. This requires more than technical expertise, it demands a strong customer centric mindset where we seek to understand not just what our customers need today, but where their businesses are headed. Our ability to use technology to solve challenges for customers is the foundation for long-term strategic partnerships throughout the value chain.

Technology is part of the solution

The world faces major challenges in all areas and technology is a part of the solution. NORBIT is committed to taking its share of responsibility. By developing relevant technology and efficient solutions, we contribute to solving real-world problems. The impact we create is not just about business growth, it is about making a meaningful difference.

One of the challenges the world faces today is geopolitical uncertainty. This presents risks for all businesses, including NORBIT. At the same time, we lean on our core value Safe Under Pressure, focusing on what we can influence and looking for opportunities where others see limits. For example, we see increasing demand for underwater surveillance technology and a broader shift towards technology made in Europe and Norway.

Over time, we have strengthened our capacity, ensuring that we are well-positioned to respond to these developments. At NORBIT, we continuously assess risks, but our focus remains on what we can impact. Our diversified business structure – both across segments and within each segment – enhances our resilience. This robustness has served us well through past crisis and continues to be a key strength as we navigate an evolving global landscape.

Looking forward with determination

With 30 years behind us, NORBIT stands stronger than ever. The best way to honour this milestone is by continuing forward with the same pioneering spirit that brought us here. This will be instrumental in ensuring that we capitalise on our strengths and continue to grow together. The opportunities are many, and the responsibility is great. This is what drives us - to wake up every morning and take on the tasks on our table.

It is a great privilege to be part of a company with so many dedicated and talented people. The expertise, passion, and effort each of them brings to NORBIT is what makes everything we achieve possible.

I would like to thank every NORBIT Explorer for the commitment, drive, and willingness to do what it takes. And to our customers, partners and shareholders - thank you for being part of this journey. Let's continue to Explore More!

Per Jørgen Weisethaunet
CEO of NORBIT ASA

NORBIT IN BRIEF

NORBIT is a global provider of tailored technology to selected applications. We support our customers and partners in solving demanding challenges through sustainable innovation.

Today we are structured in three business segments to address our key markets: Oceans, Connectivity and Product Innovation & Realisation (PIR). The Oceans segment delivers tailored technology solutions to global maritime markets. The Connectivity segment provides tailored wireless solutions for identification, monitoring and tracking. The PIR segment offers R&D services and products, and contract manufacturing to key customers.

We are around 550 explorers from 40 different nationalities. We are headquartered in Trondheim, with manufacturing and R&D in Europe and North America, and a worldwide sales and distribution platform.

A rich history of innovation and growth
Since our founding in 1995, we have been at the forefront of technology development, creating innovative, tailored solutions that have enabled our customers to solve challenges in a wide range of industries – from subsea to space.

At the beginning of our journey, activity was primarily related to the development and sales of tailored client and dual-branded products. In 2009, we made a strategic shift by leveraging our expertise in wireless communication and underwater acoustic technology to develop our own branded solutions. This marked the foundation of what today is Connectivity and Oceans, with a clear ambition to bring proprietary technology to a global market under our own brand.

This transformation was complemented by expanding into contract manufacturing in 2009 and 2012, respectively, with the acquisitions of our factories in Røros and Selbu, Norway. These steps have been instrumental in securing our ability to scale production while maintaining full control over quality and innovation.

By capitalising on our knowledge base, attracting domain expertise and expanding internationally, we have over the last ten years gradually positioned NORBIT as a leading global technology company with a diversified portfolio of proprietary products. Today, more than 80 per cent of our revenues come from exports to around 60 countries, while the share of revenues from sale of technology based on our own intellectual property is close to 75 per cent.

Vision and values

NORBIT has a strong corporate culture inspired by great explorers. Our history shows that we have stayed committed to our core purpose, vision and values. Our core purpose to "Explore More", and our vision "To be recognised as world class, enabling people to explore more", have led us to focus on exploring customer needs and commercial opportunities where we can bring new tailored technology.

Our core values:

- We deliver!
- Safe under pressure
- Refinement of talents

These values act as important guidelines in our daily work:

- We train our colleagues to be able to observe, reflect and act independently, ensuring that we are on top of the circumstances rather than ending up as victims of them.
- We are fully committed to deliver value to our partners.
- We walk the extra mile to exceed expectations.
- We are ambitious, and we see opportunities rather than challenges.
- We equip our colleagues with the skills and confidence needed to face the unpredictability that lies ahead of us.
- Our employees shall be allowed to refine their strengths, as well as develop and explore other aspects of themselves.

Technology is part of the solution in a more sustainable future

At NORBIT, we believe technology is key to solving sustainability challenges. In 2024, we take an important step forward by reporting for the first time in accordance with the European Sustainability Reporting Standards (ESRS) under the Corporate Sustainability Reporting Directive (CSRD). This marks a shift towards enhanced transparency, structured reporting, and measurable progress.

Our sustainability strategy is built around a clear goal hierarchy, ensuring that our overarching ambitions are translated into guiding policies, concrete actions, and measurable targets. We aim to contribute to sustainable development by creating technology solutions that support our customers and society in addressing sustainability challenges, while maintaining responsible business practices throughout our value chain..

NORBIT'S SUSTAINABILITY AMBITIONS ARE REFLECTED IN FOUR KEY OBJECTIVES:

1 Explore more sustainability opportunities

Global shifts towards resilience, digitalisation, and sustainability create opportunities across all NORBIT's segments. We are committed to accelerating the green transition by continuously developing technology solutions that contribute to a more sustainable future.

2 Delivering solutions adapted to the new reality of sustainability

Sustainability is integrated into our entire product lifecycle—from early-stage design and development to production, transportation, and recycling.

3 Refining talents in an attractive workplace

Our people are our most valuable asset. We are committed to fostering a safe, engaging, and inclusive work environment that enables employees to grow and develop.

4 Ensuring responsible business conduct under pressure

We will ensure good governance and legal compliance in all countries and markets. We aim for transparency, traceability, and integrity across our value chain.

For more details on our sustainability commitments, actions, and targets, see our ESRS disclosures from *page 31*.

EXECUTIVE MANAGEMENT TEAM

Per Jørgen Weisethaunet

Chief executive officer (CEO)

Per Jørgen Weisethaunet was one of the company's first employees in 1995. He has been the group's CEO since 2001 and co-owner of NORBIT since 2008. He has several years of experience across a variety of fields including R&D, operations management, commercial and strategic business development, and has held several different positions throughout the organisation. Weisethaunet has been chair and director of several executive boards. He holds a Master of Science degree in RF & Microwave electronics from the Norwegian University of Technology (NTNU), a Bachelor of Science in electronics from Trondheim University of Engineering (TIH), business economics from Trondheim Economic University centre of competence (TØHK) and supply chain management from BI Norwegian Business School.

At 10 April 2025, Weisethaunet and related parties held 7 100 533 shares and 48 732 RSUs in NORBIT.

Per Kristian Reppe

Chief financial officer (CFO)

Per Kristian Reppe has been the group's CFO since July 2020. Before joining NORBIT, Reppe held various positions at Aker ASA, including investment manager and head of investor relations, and as CFO at one of Aker ASA's portfolio companies. Prior to that, he worked as a management consultant at Arkwright and as an equity analyst at Pareto Securities. Reppe holds a Master of Science degree from the Norwegian School of Economics (NHH) with a major in financial economics.

At 10 April 2025, Reppe and related parties held 85 430 shares and 36 956 RSUs in NORBIT

Julie Dahl Benum

Director of Strategy and ESG

Julie Dahl Benum joined NORBIT in December 2022 as director of strategy and ESG. Prior to joining NORBIT, Benum held the position of senior manager and head of strategy in Karabin Impello AS. She also has experience as project manager at NTNU Technology Transfer AS and as management consultant at BCG. Benum holds an MSc degree in industrial economics and technology management from the Norwegian University of Science and Technology (NTNU).

At 10 April 2025, Benum and related parties held 5 755 shares and 18 422 RSUs in NORBIT.

Arild Søraunet

Chief technical officer (CTO)

Arild Søraunet has been the group's CTO since 2018. Søraunet was previously the business manager of the R&D Services part of the PIR business segment, formerly known as ODM. Before that, he was the CEO of NORBIT Subsea AS from 2011 to 2016, and project manager of NORBIT ODM from 2002 to 2011. Søraunet has additional development engineer experience from Cavotec Micro-Control AS between 2000 to 2002 and Kongsberg Defence & Aerospace AS from 1997 to 2000. Søraunet holds a Master of Science in applied physics from the University of Tromsø and a Bachelor of Science in electronics from Levanger College of Engineering.

At 10 April 2025, Søraunet and related parties held 701 398 shares and 26 947 RSUs in NORBIT.

Astrid Stevik

Chief operating officer (COO)

Astrid Stevik joined NORBIT in 2023 as industrialisation manager in Oceans, later took on the COO responsibility in Oceans, and from November 2024 moved into the role of COO for the group. In her current position, Stevik is overall responsible for operational activities across the three business segments, including NORBIT'S manufacturing sites. Stevik holds an MSc in chemical engineering from the Norwegian University of Science and Technology (NTNU) and has 25 years of experience in industrialisation, product development, and supply-chain management across various industries.

At 10 April 2025, Stevik and related parties held 2 108 shares and 0 RSUs in NORBIT.

Peter Koldgaard Eriksen

Business unit director Oceans

Peter Koldgaard Eriksen has been the group's business unit director of Oceans since 2016. Koldgaard Eriksen has 12 years of experience in NORBIT, seven years in RESON Inc and Goleta California as CEO, EVP, group CTO, and in business development. He also has 11 years of experience in RESON AS Slangerup Denmark as an R&D engineer and R&D manager. During his time at RESON AS, he worked as CTO and production manager and was part of the global management team. Koldgaard Eriksen holds a Master of Science in active vibration control from Aalborg University Center, as well as various educations from MBA Kellogg Chicago US, HKUST Hong Kong and Vallendar Germany.

At 10 April 2025, Koldgaard Eriksen and related parties held 847 144 shares and 56 721 RSU's in NORBIT.

Asbjørn Dahl

Commercial director for PIR and Connectivity

Asbjørn Dahl joined NORBIT in 2010 as a part-time test engineer, later advancing to roles including project engineer, project manager, and operations manager. In his current position as commercial director for PIR and Connectivity, Dahl is responsible for driving commercial activities and growth in these business areas.

Dahl holds a Master's degree in technology management from Sør-Trøndelag University College (HiST), and a Master's in electronics and space technology from the Norwegian University of Science and Technology (NTNU).

At 10 April 2025, Dahl and related parties held 13 362 shares and 0 RSUs in NORBIT.

BOARD OF DIRECTORS

According to NORBIT's articles of association, the board of directors shall consist of a minimum of three and a maximum of seven directors elected by the general meeting. The general meeting elects the chair and deputy chair of the board. At 31 December 2024, NORBIT's board of directors comprised five members.

NORBIT's board is composed to be able to act independently of any special interests. All directors are deemed to be independent of senior executives, material business associates and the company's main shareholders.[1)]

Finn Haugan (1953)
Chair

Finn Haugan was the CEO of the listed company Sparebank 1 SMN from 1991 to 2019. Haugan has experience from several board positions, including chair of Sparebank 1 Gruppen, the industry organisation Finance Norway, and Norwegian Bank's Guarantee Fund. He currently serves as chair of SpareBank 1 Sør-Norge ASA, Sinkaberg AS and director of Reitan Eiendom AS. Chair of NORBIT ASA since May 2019 and re-elected on 6 May 2024 for a period of two years. Chair of the remuneration committee.

Haugan attended 17 board meetings in 2024 (100 per cent attendance rate).

Number of shares* at 10 April 2025: 93 998

Bente Avnung Landsnes (1957)
Deputy chair

Avnung Landsnes served as the CEO and president of Oslo Børs ASA and Oslo Børs VPS Holding ASA from 2006 to 2019. Before that, she was group executive president of DNB NOR and Gjensidige NOR Sparebank (2000-2006). Landsnes has experience with change and reputation management, financial reporting, investor relations, corporate governance, ESG and digital transformation, amongst others. Since 2019, she has worked as a non-executive director, mentor and advisor. Landsnes currently serves as chair of Hvitsten AS, board member of Heimstaden Bostad AB and Heimstaden AB and board member of Zagreb Stock Exchange. Deputy chair since May 2019 and re-elected on 4 May 2023 for a period of two years. Member of the audit committee and the remuneration committee.

Landsnes attended 16 board meetings in 2024 (94 per cent attendance rate).

Number of shares* at 10 April 2025: 74 073

Trond Tuvstein (1972)
Director

Trond Tuvstein is currently the CEO of Trym, a real estate and construction company. In addition, Tuvstein holds the position as director in Norges Sjømatråd AS and Heimstø AS. Before Trym, Tuvstein was the CFO of SalMar ASA in the period 2013 to 2019. Prior to that, he spent two years as the company's Head of Investor Relations. In addition, he has extensive accounting experience, having worked in partner positions in audit firms, PricewaterhouseCoopers (PWC) and Systemrevisjon. Tuvstein's core competencies include financial reporting, strategy and financing, as well as mergers and acquisitions. Director since May 2019 and re-elected on 4 May 2023 for a period of two years. Chair of the audit committee.

Tuvstein attended 17 board meetings in 2024 (100 per cent attendance rate).

Number of shares* at 10 April 2025: 32 894

Christina Hallin (1960)
Director

Christina Hallin is currently working as non-executive director, mentor, and advisor within the industrial sector, mainly in Sweden. Hallin was most recently CEO of SEM (Swedish Electromagnets AB). Prior to that, Hallin worked more than 35 years within the Volvo group with executive positions in various disciplines, both in Sweden and internationally. Hallin is a director in Bulten AB and SEM AB. Hallin holds a Master of Science degree in electrical engineering from Chalmers University of Technology. Director since 4 May 2022 and re-elected on 6 May 2024 for a period of two years. Member of the remuneration committee.

Hallin attended 17 board meetings in 2024 (100 per cent attendance rate).

Number of shares* at 10 April 2025: 0

Håkon Kavli (1985)
Director

Håkon Kavli is the chief investment officer of Reitan Kapital AS. Kavli is an experienced portfolio manager within asset allocation, equities and global fixed income, having previously served as a portfolio manager with Storebrand Asset Management. Kavli is a Chartered Financial Analyst and holds a PhD in Economics from the University of Pretoria. Director since 6 May 2024 and elected for a period of two years. Member of the remuneration committee.

Kavli attended 14 board meetings in 2024 (100 per cent attendance rate from appointment date).

Reitan Kapital AS holds 9.55 per cent of the shares in NORBIT ASA.

Number of shares* at 10 April 2025: 0

1) Defined as shareholders holding 10 per cent or more of the shares

* *Number of shares includes shares held by related parties.*

BUILDING ON OUR LEGACY OF INNOVATION TO DRIVE FUTURE GROWTH

STRATEGY AND AMBITIONS

Since 2010, our revenues have increased by 30 per cent per year on average, mostly organic. At the same time, we have remained firm to our financial objective of growing profitably. We believe that the enablers behind our continued success will be the same as those that have been vital to our growth path thus far.

From the very beginning, we have pursued a strategy of relentless focus on market driven innovation in carefully selected applications. We invest in the development of new products and solutions when we understand the needs and expectations of our customers in their domain. In partnership with our customers, we listen, explore, and develop solutions that allow us to grow together with our partners. Our focus on research and development ensures that we stay at the forefront of technological innovation.

At NORBIT, we manufacture what we sell. In-house manufacturing capabilities enable scalability and control of the value chain and operations, elements that are fundamental to sustaining further growth and remaining competitive, especially in an unstable and complex macro environment.

Our mindset is opportunity driven, by applying an entrepreneurial and commercial sprit. When identifying the right opportunity, we act dynamically and apply speed and agility as a competitive advantage.

NORBIT's main asset is our employees. Attracting and refining top talent enables us to create value for our clients and deliver when it matters. We give each employee considerable decision-making scope regarding their work. This implies a significant degree of freedom, but also places a substantial responsibility on our employees.

Throughout our history, a key factor for success has been to diversify our business model, thereby reducing dependency on any one market or product, while also taking advantage of opportunities for growth and expansion. Tailoring the growth strategy for each business segment has been an intentional choice.

Refining the strategic priorities

Going forward, we aim to strengthen our position as a leading global provider of tailored technology for specific applications, delivering value to our customers by solving challenges through innovation.

Alongside our foundation for success, the following priorities are central to our strategy going forward:

- Broadening market driven product offering with tailored technology.
- Going from "niche to notable" by cultivating our ability to take on larger tasks.
- Diversifying our customer base, reducing dependencies on specific sectors, and leveraging cross-segment growth opportunities.
- Pursuing operational excellence and scalability, developing leadership to unlock the potential of all colleagues.
- Prioritising the overall best opportunities, focusing on NORBIT as a whole.
- Exploring value-accretive acquisitions through defined criteria to accelerate growth.

Long-term financial ambitions

NORBIT's ambition in 2027 is to deliver organic revenues in excess of NOK 2.75 billion and an EBIT margin of around 20 per cent. The revenue trajectory implies a growth rate of 16 per cent per year from 2023, with all segments expected to contribute positively. The following targets have been set for the three business segments for 2027:

Oceans: Revenues in excess of NOK 1.1 billion and an EBIT margin between 25 and 30 per cent.

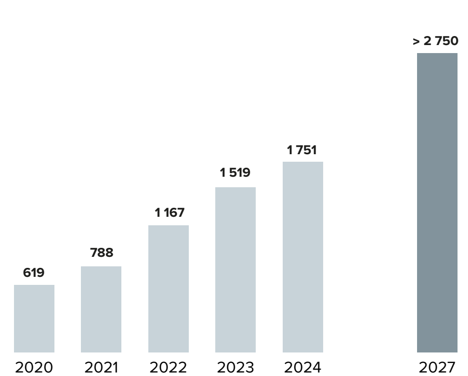
Connectivity: Revenues in excess of NOK 1.0 billion and an EBIT margin between 25 and 30 per cent.

PIR: Revenues in excess of NOK 750 million and an EBIT margin between 8 and 10 per cent.

Combined with active balance sheet management, the targeted pre-tax return on capital employed is around 30 per cent.

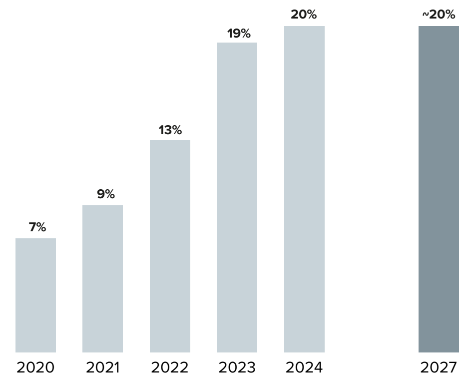
REVENUES

NOK million



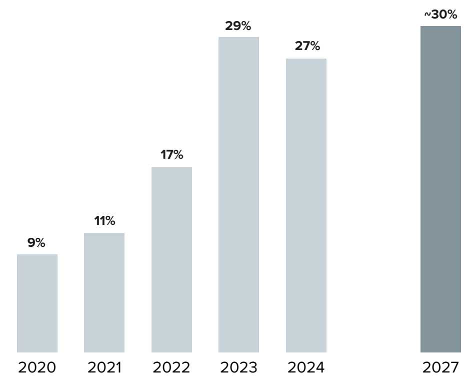
EBIT MARGIN

Per cent



PRE-TAX RETURN ON CAPITAL EMPLOYED

Per cent



THE NORBIT SHARE

NORBIT ASAs shares are listed at Euronext Oslo Børs (Oslo Stock Exchange) under the ticker "NORBT". NORBIT has a single class of shares, and all shares carry the same rights in the company.

Shares and share capital
At 31 December 2024, the total number of shares in NORBIT ASA amounted to 63 750 027 and the number of outstanding shares was 63 629 265. At the same date, NORBIT ASA held 120 762 own shares.

During 2024, the share traded between NOK 53.40 and NOK 97.00 per share, with a closing price of NOK 96.60 at year-end 2024. At 31 December 2024, the company had approximately 4 000 shareholders, of which the 20 largest shareholders held 68.7 per cent of the total outstanding shares.

Dividend policy
NORBIT ASA's objective is to provide shareholders with a long-term competitive return through an increase in the share price and payment of dividends.

The dividend policy is to pay out annual ordinary dividends between 30 and 50 per cent of the company's net profit after tax, with the intention to pay out potential excess capital as extraordinary dividends. When proposing the total dividend payment, the board of directors will take into account the company's financial position, investment plans, any restrictions by law, as well as the needed financial flexibility to provide for sustainable growth. To that end, the company has set long-term financial targets relating to its capital structure to have a NIBD/EBITDA ratio between 1.0 –2.5x.

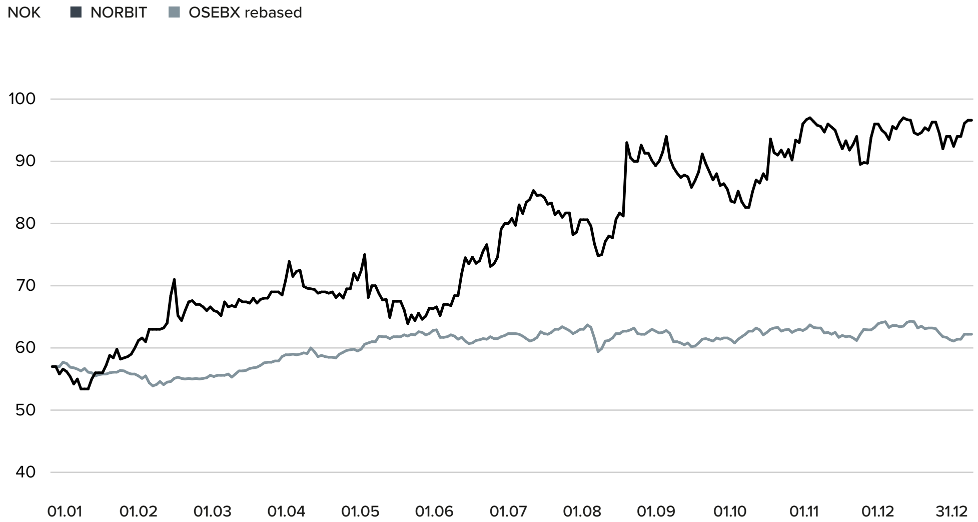
IR contact:
Per Kristian Reppe
Group CFO

Per.reppe@norbit.com
+47 900 33 203

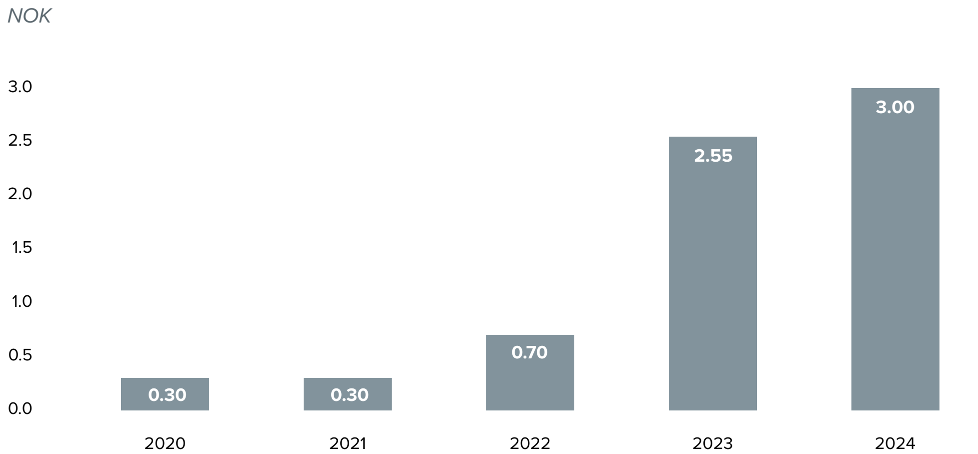
Financial calendar	
Annual general meeting:	6 May 2025
Results first quarter 2025:	14 May 2025
Half year results 2025:	14 August 2025
Results third quarter 2025:	13 November 2025
Results fourth quarter 2025:	12 February 2026

Click or scan the QR-code for access to NORBITs latest share price development.

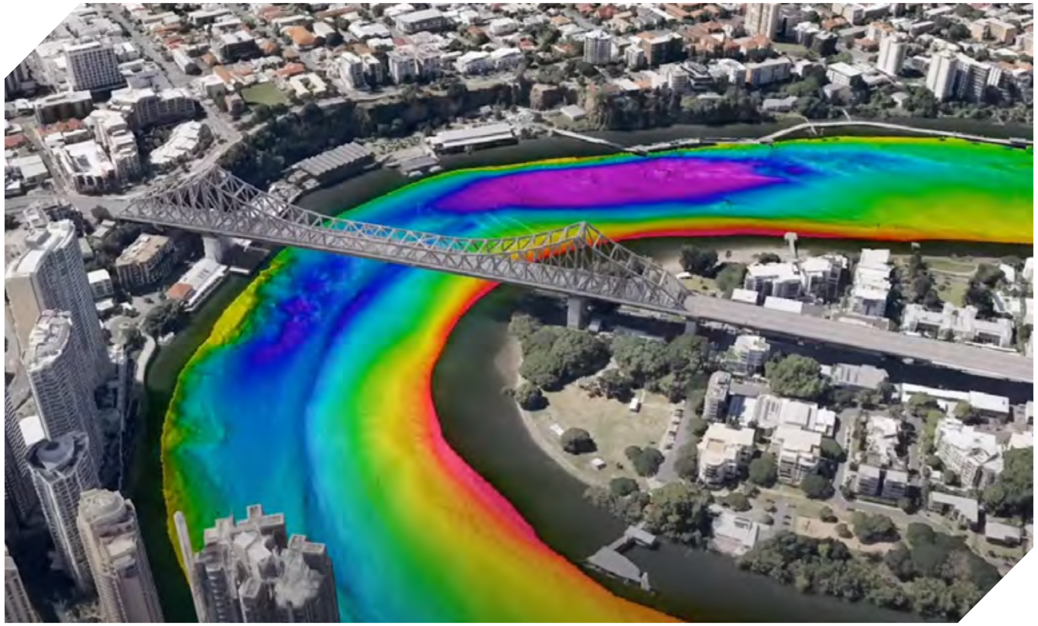
SHARE PRICE DEVELOPMENT 2024



DIVIDEND PER SHARE – DECLARED



BUSINESS SEGMENTS:
OCEANS



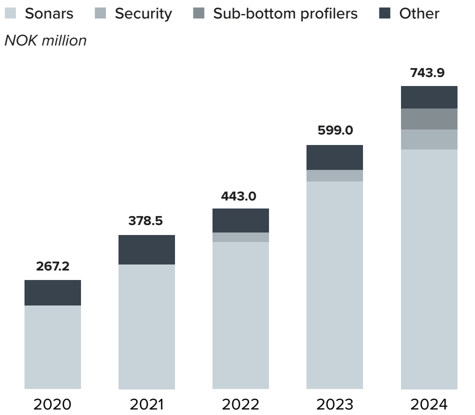
In the Oceans segment, NORBIT delivers tailored technology solutions to the international maritime markets. The customer base is diversified and includes among others survey companies, research organisations, governmental institutions, dredging companies, rental companies, contractors and industrial clients. The segment generally experiences seasonality and a low revenue visibility of two to four weeks, due to the short time from receipt of an order to customer delivery.

Through Oceans, NORBIT specialises in design and development of a range of different sonars for exploring the ocean space, including wideband multibeam sonars, interferometric side-scan sonars and long-range surveillance sonars. The sonar solutions collect, process and visualise data that enable valuable and relevant insight to our clients from the depth of the oceans. The sonars are primarily used for seabed mapping, construction support, inspection and subsurface navigation with multiple other applications subsea. Oceans also offers sub-bottom profilers which are used for subsurface imaging.

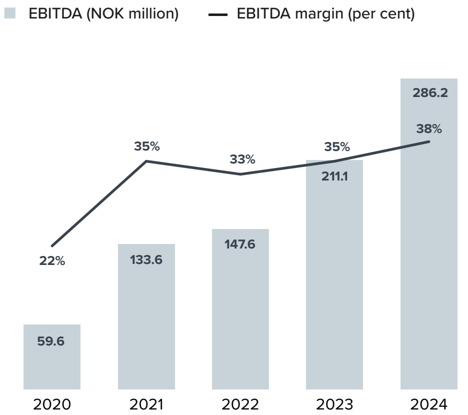
NORBIT is also a provider of security and monitoring solutions for detecting and monitoring activity at sea. Detecting threats below the surface is made possible using surveillance sonars that are integrated with proprietary software. The technology can be used for obstacle avoidance, mine countermeasures and threat detection from divers or other moving objects to critical infrastructure. Monitoring solutions above surface are provided through an integrated offering, where NORBIT delivers sensors, control systems and surveillance solutions, providing the customers with a single operational picture for decision support and operational risk management.

In addition to the above, NORBIT also offers other technologies and products in some selected niches in the maritime domain.

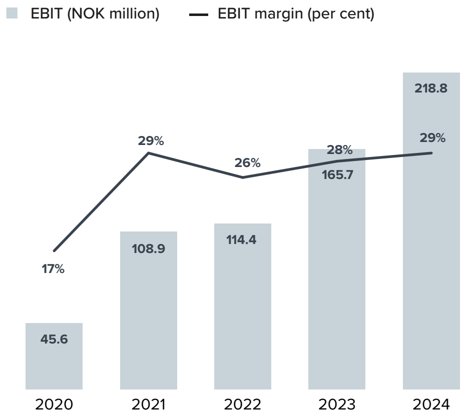
REVENUES



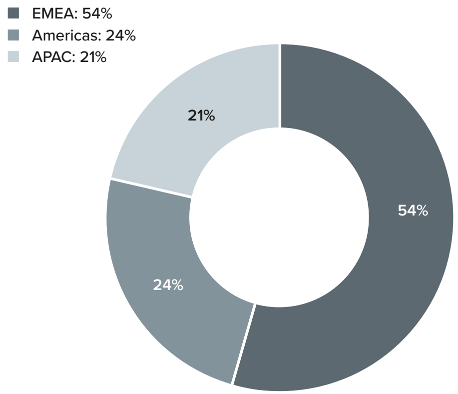
EBITDA



EBIT



GEOGRAPHICAL REVENUE DISTRIBUTION



ACQUISITION:

INNOMAR – NOW A NORBIT COMPANY

In July, NORBIT closed its largest acquisition to date with the purchase 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.

The Innomar transaction has a strong strategic and financial rationale along 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
- A customer and commercially focused organisation with deep domain specific knowledge
- A cultural fit
- Creating shareholder value through strong accretion to the results and cash flow

The total purchase price paid for Innomar was EUR 40.2 million, settled EUR 34.9 million in cash and EUR 4.8 million in a share issue towards the founding management of Innomar.

"Joining forces with NORBIT is a great opportunity for Innomar. This partnership aligns well with our long-standing commitment to delivering high-quality technology in the Oceans domain. We believe that NORBIT's global reach and resources will make us even better at serving our customers and exploring new opportunities in the maritime industry."

Sabine Muller, CEO Innomar

HIGH-RESOLUTION SONARS PROVIDED TO SAILDRONE'S USVS

Our oceans cover more than 70 per cent of the planet. A significant share of the global population lives in coastal areas. 90 per cent of global trade travels via the seas, and more than 95 per cent of global information travels via undersea infrastructure. Understanding the oceans through data insights and intelligence is critical to more informed decision-making.

The technology company Saildrone has developed an uncrewed surface vehicles (USV) solution for ocean exploration. Saildrone's USVs are powered by renewable wind and solar energy with low operational carbon footprint, continuously feeding data in near real time to drive more informed decision-making. Saildrone provides data as a fully managed service, and the data is used in a wide range of critical maritime applications, such as safety of navigation, coastal surveys, offshore wind development, marine research and environmental monitoring.

Oceans provides Saildrone with its ultra high-resolution multibeam sonar systems for detailed seabed mapping and characterisation, providing accurate and reliable data for informed decisions and contributing to scientific advancements in ocean exploration.

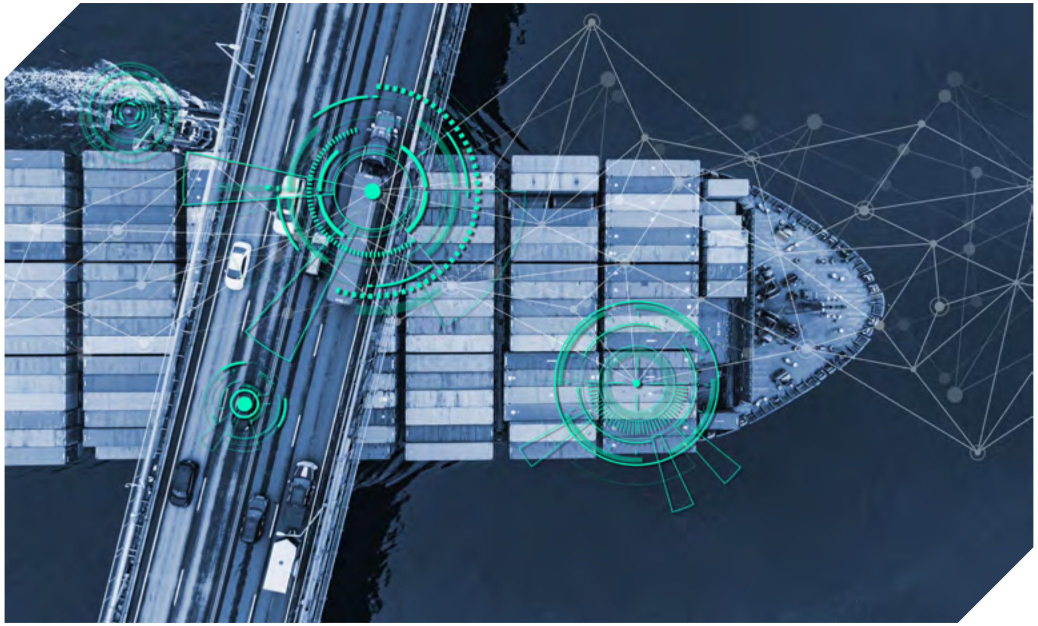
PROTECTING THE SEINE UNDER THE 2024 OLYMPICS

NORBIT's product portfolio includes security and surveillance solutions for detecting and monitoring activity, both above and below the sea surface. The GuardPoint Underwater Sonar System is a surveillance tool used below surface, designed to detect, track, classify, and alert to the presence of underwater objects in the toughest environments.

The sonar system can be used to perform underwater surveillance of sensitive installations and critical infrastructure, such as energy installations, ports, superyachts, cruise ships and naval vessels.

During the 2024 Olympics event in Paris, NORBIT collaborated with the French law enforcement and security services to protect the river Seine by deploying six GuardPoint underwater sonars along the river.

BUSINESS SEGMENTS:
CONNECTIVITY



In the Connectivity segment, NORBIT is a leading technology provider for asset identification, monitoring and tracking, designed to enhance operational efficiency across various industries.

NORBIT has taken the position as an independent technology supplier of low power wireless devices to international blue-chip customers. Our extensive experience with different technology domains has made this part of NORBIT a preferred technology partner for electronic vehicle identification, toll collection On-Board Units, enforcement technology for tachographs and satellite-based tolling units. The contracts in such partnerships are generally frame agreements with medium to long term visibility.

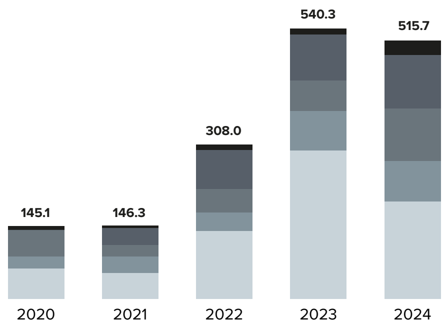
Complementing the technology expertise, NORBIT offers state-of-the-art software for dedicated payment solutions for e-tolling, vehicle monitoring and fleet management.

Capabilities also extend beyond the transport and mobility domain, leveraging experience to facilitate effective digitalisation and efficient operations for partners and clients across a broad spectrum of sectors. Solutions are often tailored to ensure optimal value for clients in their specific use case.

REVENUES

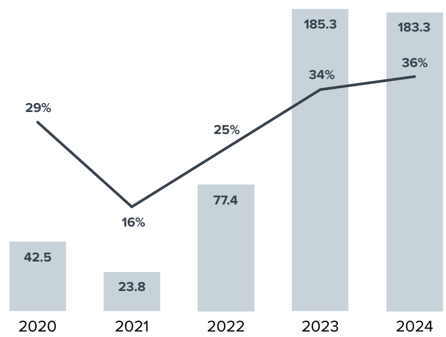
On-board units | Enforcement modules | Satelite-based tolling | Subscription and e-toll | Other

NOK million



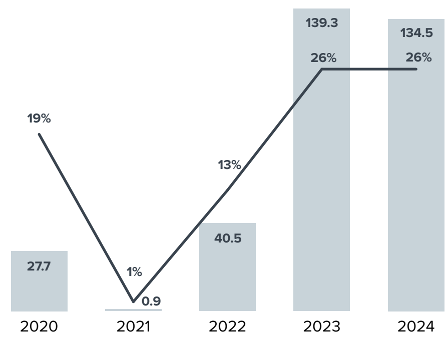
EBITDA

EBITDA (NOK million) — EBITDA margin (per cent)



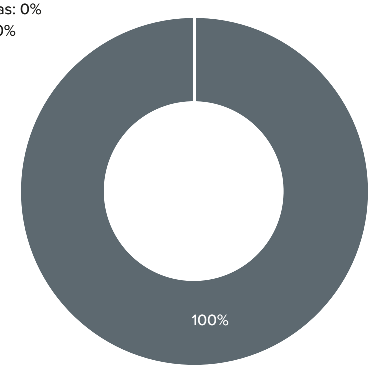
EBIT

EBIT (NOK million) — EBIT margin (per cent)



GEOGRAPHICAL REVENUE DISTRIBUTION

EMEA: 100%
Americas: 0%
APAC: 0%



INTRODUCING THE NORBIT GNSS ON-BOARD UNIT

For several years, NORBIT has been a supplier of enforcement modules, based on the DSRC technology, used in satellite-based On-Board Units.

In 2024, and in line with the strategy to broaden the product offering and customer base, NORBIT announced its plan to develop a new and innovative GNSS-based On-Board Unit, thus taking a significant larger scope of the total delivery to the end customer. The GNSS On-Board Units uses satellite-based positioning data for accurate measurement of distance travelled, accommodating distance-based charging for heavy duty vehicles, a technology which has been adopted by several European countries for collecting tolling fees. The GNSS On-Board Unit contributes to efficient toll collection with a single On-Board Unit across borders in the European Union.

As part of the development, NORBIT entered into a partnership with Toll4Europe, one of Europe's leading European Electronic Toll Service ('EETS') operators. EETS simplifies pan-European transportation routes where one subscription and a single On-Board Unit through most of Europe permits the compliant billing of the respective national road tolls by one service provider. Compared to gantry-based toll stations with cash transactions, GNSS On-Board Units and EETS improves traffic flow and reduces congestion.

The first initial contract with Toll4Europe totals approximately NOK 160 million of deliveries scheduled for 2025.

GREATER ROAD SAFETY WITH NORBIT'S ENFORCEMENT MODULES FOR TACHOGRAPHS

According to the European Commission, over 3 500 people die in crashes involving heavy goods vehicles in Europe every year. Estimates suggest that for up to 80 per cent of all crashes, the drivers are the party at fault, explained by both driver fatigue and behaviour, as well as technical malfunction.

NORBIT's enforcement modules for digital tachograph transmit data wirelessly from the moving truck to control officers. Using this data, the control officer can selectively stop vehicles and ensure that the driver complies with driving times and rest periods, and thus ensure greater road safety, both for the driver and other road users.

In Europe today, around 80 per cent of all trucks above 3.5 tons delivered from 2019 use NORBIT technology.

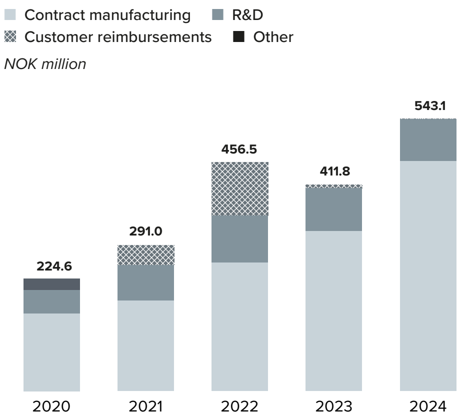
BUSINESS SEGMENTS:

PRODUCT INNOVATION & REALIZATION (PIR)

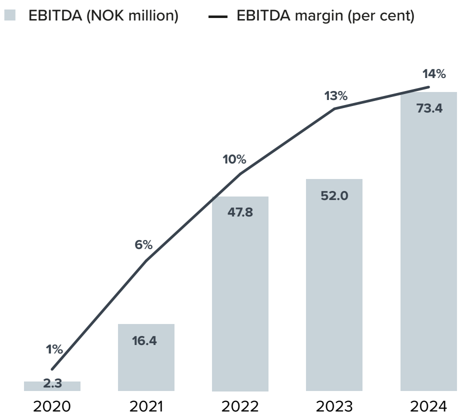
With decades of experience, NORBIT offers contract manufacturing of electronics to clients, and R&D products and services through the Product Innovation & Realization (PIR) segment. With manufacturing and R&D as in-house capabilities, NORBIT has a setup that allows for the creation of new technologies and solutions in parallel with production process innovation, enabling efficient and optimised realisations of new products.

With highly robotised, world-class manufacturing processes, NORBIT supplies contract manufacturing of electronic products to demanding markets such as the automotive, industrial, medical, defence, energy, marine and ocean-related industries. Contract manufacturing for external customers gives NORBIT a continued benchmark of the company's manufacturing capabilities, securing leading-edge processes and routines for the entire group. Manufacturing is carried out at two production sites in Norway. Vast industrial R&D experience is available and offered to external clients as well as the Oceans and Connectivity segments. In addition, special R&D projects for professional clients in different market domains bring together challenges needed to refine and grow new generations of NORBIT engineers. This provides NORBIT with access to new valuable domain knowledge for the future. The R&D team has also developed a range of customised products based on NORBIT intellectual property throughout the years. These are sold to long-term key customers under either the customer's brand or dual branding.

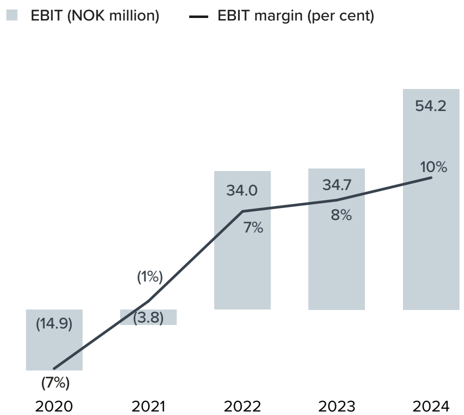
REVENUES



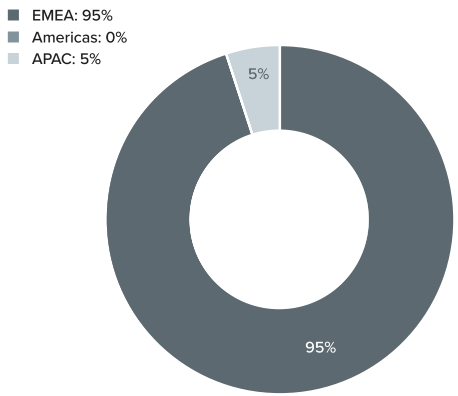
EBITDA



EBIT



GEOGRAPHICAL REVENUE DISTRIBUTION



ENHANCING NAVAL COMMUNICATIONS WITH ADVANCED ANTENNA TECHNOLOGY

For almost two decades, NORBIT has provided advanced naval antenna technology, enabling secure and reliable communication for submarines operating in extreme conditions.

With expertise in high-performance RF systems, NORBIT has developed advanced intelligent antenna solutions for maritime military applications. These systems enable the seamless integration of multiple transceivers sharing antennas while ensuring effective intermodulation suppression. In collaboration with Comrod, which brings deep domain knowledge and specialised competence in military antenna applications, this technology has been made available to leading defense customers.

CONTRIBUTING TO AVIATION SAFETY

For close to 30 years, NORBIT has contributed to bringing passengers safely to the ground when flying. In 1995, NORBIT developed the first high performance navigation receivers for use in navigation system measuring instruments.

A decade later, NORBIT developed its first complete NAV Analyzer. The NAV Analyzer is used to measure critical parameters of the Instrument Landing System and VOR ground system, providing high accuracy and measurement speed for ground and flight inspection. The NAV Analyser is a portable, battery-operated and weatherproof unit to be used both indoors and outdoors. Today, NORBIT provides the complete product to its client Indra Navia together with integrity monitoring solutions, in accordance with the latest aviation requirements.

THE BOARD OF DIRECTORS' REPORT

THE BOARD OF DIRECTORS' REPORT

REVIEW OF 2024

NEW STEPS TOWARDS THE 2027 TARGETS

NORBIT delivered another record year, reporting 15 per cent revenue growth in 2024 to NOK 1 751.4 million and an EBIT margin of 20 per cent, thus delivering on the guidance given for the year. In February, NORBIT presented an updated strategic roadmap and long-term financial targets towards 2027. Considering the long-term targets set, 2024 was a step in the right direction and the outlook for 2025 remains positive, targeting accelerated growth and improved profitability. Based on the group's strong financial performance, solid balance sheet and positive long-term market outlook, the board proposes a dividend of NOK 3.00 per share for the fiscal year 2024.

Overview of the business
The board of directors' report for the NORBIT group ("NORBIT" or "the group") comprises NORBIT ASA ("the parent company") and all subsidiaries. The parent company, NORBIT ASA, is a Norwegian public limited liability company.

Business and location
NORBIT is a global company providing tailored technology to selected applications. The group is headquartered in Trondheim, Norway, with manufacturing in Europe and North America. NORBIT has a global sales and distribution platform with subsidiaries in Denmark, Czech Republic, Poland, Germany, Austria, Hungary, Italy, Singapore, China, Sweden, Croatia, Slovakia, Brazil, United Kingdom, Chile, United States and Canada.

NORBIT is organised in three business units: Oceans, Connectivity and Product Innovation and Realization (PIR). Oceans delivers tailored technology solutions to the global maritime markets and the Connectivity segment provides tailored wireless solutions for identification, monitoring and tracking. PIR offers R&D services and products and contract manufacturing.

Through its three business segments, NORBIT has a diversified business model where the segments are exposed to different market drivers, customer bases and risks. The group's diversified offering across its segments, makes NORBIT well positioned to meet various market scenarios.

A further description of each business unit is presented under the section "Business segments".

Summary of the year
NORBIT continued its journey of profitable growth in 2024, delivering record results in line with the guidance provided for the year, both on growth and operating margin.

In total, revenues grew by 15 per cent to reach NOK 1 751.4 million, supported by growth in the Oceans and PIR segments. The operating profit (EBIT) came in at NOK 341.7 million, up from NOK 284.2 million in 2023. This represented a margin of 20 per cent for the full year.

During the year, NORBIT continued to strengthen its operations, market position and technology platform, preparing for further growth in 2025 and beyond. In 2024, 70 new colleagues were welcomed to the family, new products were launched to the market and continued investments were made in R&D and machinery equipment.

Oceans continued to see strong demand for its sonar solutions, reporting growth of 16 per cent in the market vertical, while the security domain contributed with strong growth of 67 per cent, albeit from a low base in 2023. In July, NORBIT acquired the technology company Innomar. Headquartered in Rostock, Germany, Innomar is the global market leader in the design, manufacturing and distribution of parametric sub-bottom profilers. Parametric sub-bottom profilers are used to create high-resolution images of the seafloor and the subsurface layers beneath it. The complementary product portfolio provides Oceans with additional diversification and growth opportunities. The total consideration was EUR 40.2 million paid through a combination of EUR 35.4 million in cash and EUR 4.8 million in issuance of consideration shares.

Connectivity had a revenue decline of 5 per cent in 2024, but laid a strong foundation for growth in the years to come with the announcement of its development of a new product, the GNSS On-Board Unit and the award of a NOK 160 million initial contract by the EETS provider Toll4Europe. Deliveries are scheduled for 2025 for the first order.

The PIR segment reported a strong 32 per cent growth in 2024, driven by higher sales of contract manufacturing, particularly towards the defence and security industries which are in a secular growth trend due to increased geopolitical unrest. The share of revenues to defence and security sectors increased to 20 per cent in 2024, versus only 6 per cent in 2023.

In 2024 and subsequent to the announcement of the Innomar transaction, NORBIT carried out its first equity private placement directed towards external investors since the initial public offering in 2019. The share issue attracted strong interest from several high-quality investors and was many times oversubscribed.

NORBIT ended the year with a strong financial platform and a robust balance sheet due to the strong results achieved. Considering the performance of the year, the board has proposed an increase in the dividend to NOK 3.00 per share, consisting of a NOK 2.00 per share ordinary dividend and a NOK 1.00 per share extraordinary dividend.

In February 2024, NORBIT announced an updated strategic roadmap and new long-term financial targets for 2027. The group's ambition is to deliver organic revenues in excess of NOK 2.75 billion, an EBIT margin of around 20 per cent and a return on capital employed of around 30 per cent. To accelerate growth beyond the organic target, NORBIT will continue to explore value-accretive acquisitions through its defined criteria. For more information about these targets and strategic priorities, please refer to *page 13* of the annual report.

FINANCIAL REVIEW
All amounts in brackets are comparative figures for 2023 unless otherwise specifically stated.

Accounting policies
The following financial review is based on the consolidated financial statements of NORBIT ASA and its subsidiaries. The statements have been prepared in accordance with the International Financial Reporting Standards (IFRS).

In the view of the board, the income statement, the statements of comprehensive income, changes in equity and cash flow, the balance sheet and the accompanying notes provide satisfactory information about the operations, financial results and position of the group and the parent company at 31 December 2024.

Pursuant to section 4-5 of the Norwegian Accounting Act, it is confirmed that the accounts have been prepared based on the assumption that NORBIT is a going concern, and the board confirms that this assumption continues to apply.

Consolidated statement of income

Total operating revenues for 2024 amounted to NOK 1 751.4 million (NOK 1 518.9 million), corresponding to an increase of 15 per cent from the year before. Adjusted for the acquisition of Innomar, revenue growth was 12 per cent.

The Oceans segment achieved an increase in revenues of 24 per cent, and 16 per cent when adjusting for the Innomar acquisition. Revenue growth was primarily explained by higher sonar sales across multiple geographies.

The Connectivity segment saw revenues decline 5 per cent in 2024 on lower sales of On-Board Units, while the PIR segment reported the strongest growth of the three business segments, delivering a 32 per cent revenue increase from 2023 as a result of strong demand within contract manufacturing.

Raw material expenses and change in inventory amounted to NOK 704.6 million (NOK 614.7 million). The increase from the prior year reflects the higher activity level. Gross margin was 60 per cent in 2024 (60 per cent).

Employee benefit expenses amounted to NOK 416.3 million (NOK 360.3 million). The increase was primarily explained by a general strengthening of the organisation to support further growth and strategic initiatives, wage inflation, as well as acquisitions in 2024 and throughout 2023 which gave full-year effect this year.

Other operating expenses were NOK 156.4 million (NOK 152.2 million). Adjusting for transaction costs in connection with the Innomar acquisition, other operating expenses were down 2 per cent in 2024 compared to 2023.

Operating profit before depreciation and amortisation (EBITDA) amounted to NOK 474.0 million (NOK 391.8 million), corresponding to an EBITDA margin of 27 per cent (26 per cent).

Depreciation and amortisation were NOK 128.9 million (NOK 107.7 million), with the increase explained by amortisation of completed R&D investments, depreciation of investments made during 2024, as well amortisation of excess values of intangible assets in relation to acquisitions.

Operating profit for 2024 was NOK 341.7 million (NOK 284.2 million), corresponding to a margin of 20 per cent (19 per cent).

Net financial items amounted to negative NOK 23.4 million for the full year (negative NOK 38.1 million). Net interest expenses rose to NOK 36.4 million (NOK 28.6 million), while NOK 13.3 million was recorded in foreign exchange gains and other financial income (loss of NOK 9.5 million).

NORBIT recorded a profit before taxes of NOK 318.3 million (NOK 246.0 million). Tax expenses amounted to NOK 75.0 million for 2024 (NOK 60.8 million).

Consequently, profit for 2024 ended at NOK 243.3 million (NOK 185.3 million) and diluted earnings per share were NOK 3.93 (NOK 3.10).

Consolidated statement of financial position

NORBIT had total assets of NOK 2 184.2 million at 31 December 2024, an increase from NOK 1 496.4 million at the end of 2023.

Total non-current assets amounted to NOK 1 216.4 million at 31 December 2024, up from NOK 655.2 million the year before, of which the largest items include intangible assets, property, plant and equipment and goodwill.

Goodwill amounted to NOK 497.4 million (NOK 111.1 million). The increase from year-end 2023 was primarily explained by a NOK 381.3 million preliminary allocation to goodwill in connection with the acquisition of Innomar.

Intangible assets rose to NOK 418.9 million (NOK 303.2 million) primarily due to NOK 104.8 million in investments in R&D (NOK 60.2 million) and NOK 81.7 million in additions from acquisitions, partly offset by amortisation. Total investments in R&D during 2024 corresponded to 6.0 per cent of revenues for 2024 (4.0 per cent).

Property, plant and equipment, including right of use assets, increased to NOK 274.0 million (NOK 220.5 million), mainly explained by NOK 39.8 million investments and additions of NOK 61.0 million in right-of-use assets, partly offset by depreciations of NOK 59.3 million.

Total current assets amounted to NOK 967.8 million, up from NOK 841.1 million at 31 December 2023.

At 31 December 2024, inventories amounted to NOK 434.7 million, compared to NOK 562.0 million at the end of 2023. Inventory reductions exceeding NOK 130 million in 2024 were achieved by more active inventory management and adapting the purchasing strategies to a more normalised component market.

Trade receivables were NOK 273.4 million at 31 December 2024, up from NOK 170.3 million as per the end of 2023. The increase was explained by Oceans' revenue growth following a strong fourth quarter where revenues were back-end loaded.

Cash and cash equivalents amounted to NOK 193.3 million at 31 December 2024, up from NOK 60.7 million at the end of 2023.

Total liabilities were NOK 1 026.8 million at year-end 2024, up from NOK 702.9 million at 31 December 2023, of which the largest items include interest-bearing borrowings, trade payables and other current liabilities.

Total equity ended at NOK 1 157.3 million, up from NOK 793.4 million at 31 December 2023. This represents an equity ratio of 53 per cent (53 per cent). The increase is mainly explained by NOK 243.3 million in profit for the period, and share issues of NOK 278.1 million, partly offset by NOK 152.9 million in dividends paid. In July and as part of the closing of the Innomar transaction, NORBIT settled NOK 55.9 million of the purchase price in a share issuance towards the founding management and sellers of Innomar, while NOK 193.5 million was raised in net proceeds in an equity private placement to strengthen financial flexibility and capital base for further growth.

Consolidated statement of cash flows

Operating activities generated a cash flow of NOK 430.9 million for 2024 (NOK 345.7 million), including a net decrease in working capital of NOK 51.1 million (decrease of NOK 11.9 million). The decrease was mainly driven by inventory reduction of NOK 133.9 million and a NOK 26.9 million increase in accruals, partly offset by NOK 80.6 million in an increase in trade receivables.

Cash flow used for investment activities was NOK 558.4 million for the year (NOK 149.0 million). The investments mainly consist of NOK 413.7 million in net cash outflow relating to acquisitions, of which Innomar represented NOK 402.6 million, while NOK 104.8 million was investments in R&D and NOK 39.8 million was investments in property, plant and equipment.

Financing activities generated a cash inflow of NOK 260.1 million (cash inflow of NOK 177.7 million), primarily explained by NOK 205.8 million in net proceeds from issuance of shares, NOK 212.2 million increase in interest-bearing borrowings and lease liabilities, as well as NOK 152.9 million in dividends paid.

Financing and capital structure

At the end of 2024, NORBIT had NOK 447.2 million in interest-bearing borrowings (NOK 211.5 million) and NOK 254.0 million (NOK 150.8 million) when adjusting for cash and cash equivalents. NORBIT had NOK 743.3 million in cash and undrawn committed credit facilities at 31 December 2024.

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

NORBIT has a policy of maintaining a leverage ratio, defined as net-interest-bearing borrowings (including leasing liabilities) divided by EBITDA, in the range of 1.0 – 2.5x. At the end of 2024, the ratio was 0.7x (0.5x). The equity ratio was 53 per cent (53 per cent).

Maintaining a strong balance sheet, a low funding cost and optimising the cost of capital are key priorities in the capital management policy. Further information regarding NORBIT's capital management policy can be found in *note 21* to the financial statements.

PARENT COMPANY RESULTS AND ALLOCATION OF NET PROFIT

The financial statements for the parent company are prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

The parent company had a profit before taxes of NOK 255.6 million (a profit of NOK 256.7 million). After a tax expense of NOK 57.2 million (NOK 54.9 million), the company recorded a net profit of NOK 198.4 million (net profit of NOK 201.8 million).

Dividends

The board proposes the following allocation of the net profit for the parent company:

Amounts in NOK million	
Dividend (NOK 3.00 per share)	190.9
Transferred to other equity	7.5

The proposed dividend consists of an ordinary dividend of NOK 2.00 per share, representing approximately 50 per cent of the reported net profit, in addition to an extraordinary dividend of NOK 1.00 per share. The proposed dividend will be considered at NORBIT's annual general meeting on 6 May 2025.

For the fiscal year 2023, NORBIT paid dividends in the aggregate amount of NOK 152.9 million (NOK 2.55 per share).

For more information on NORBIT's dividend policy, please refer to *page 14*.

SEGMENT INFORMATION

NORBIT is organised in three operating segments: Oceans, Connectivity and Product Innovation and Realization (PIR).

Oceans

Financial review

Revenues for the segment amounted to NOK 743.9 million in 2024, representing an increase of 24 per cent from 2023 (NOK 599.0 million). Revenue growth was primarily driven by increased demand for sonars and related services, leading to growth in sonar sales of 16 per cent to NOK 588.5 million in 2024. In addition, the acquisition of Innomar contributed with NOK 51.5 million in revenues for the second half of 2024.

The segment has a highly diversified customer base worldwide, with the five largest customers in 2024 accounting for approximately 17 per cent of revenues (14 per cent). Approximately 54 per cent of the revenues were generated from customers in Europe, Africa and Middle East, 24 per cent in Americas and the remainder in Asia-Pacific.

Gross profit for the year ended at NOK 540.2 million (NOK 423.0 million), resulting in a gross margin of 73 per cent (71 per cent). Innomar contributed positively to the margin improvement in 2024 versus last year.

Employee benefit expenses were NOK 174.2 million in 2024 (NOK 130.8 million). Innomar explained NOK 13.1 million of the increase, while the remainder is explained by a general strengthening of the organisation to support long-term growth and acquisitions made in 2023, for which the full-year effect came this year.

Other operating expenses were NOK 79.7 million, down two per cent from 2023 (NOK 81.1 million).

EBITDA for the Oceans segment was NOK 286.2 million for 2024 (NOK 211.1 million), representing a margin of 38 per cent (35 per cent). The improved results are due to increased sales combined with higher gross margins.

Depreciation, amortisation and impairment expenses were NOK 67.4 million, up from NOK 45.4 million in 2023. The increase was explained by amortisation of completed R&D projects, as well amortisation of excess values of intangible assets in relation to the Innomar acquisition. In addition, Oceans recognised NOK 3.4 million in impairment in connection with the divestment of underwater lighting products to the aquaculture market.

EBIT was NOK 218.8 million in 2024 (NOK 165.7 million), corresponding to a margin of 29 per cent (28 per cent).

Connectivity

Financial review

Revenues for Connectivity amounted to NOK 515.7 million for 2024 (NOK 540.3 million). The decrease of 5 per cent was largely explained by lower sales of On-Board Units, where revenues declined to NOK 194.4 million in 2024 (NOK 295.7 million), partly compensated by an increase of units to satellite-based tolling to NOK 104.9 million (NOK 60.0 million). Revenues relating to DSRC technology increased to NOK 408.9 million compared to NOK 447.8 million in 2022. Subscription and e-toll revenues amounted to NOK 106.7 million compared to NOK 92.4 million in 2023.

Connectivity has a concentrated customer base with blue chip clients, where the five largest customers accounted for 62 per cent of revenues (73 per cent). 100 per cent of the revenues were generated from customers in Europe.

Gross profit for the year ended at NOK 332.8 million (NOK 331.9 million), resulting in a gross margin of 65 per cent (61 per cent). The higher margin was a result of product mix.

Employee benefit expenses were NOK 89.4 million in 2024, in line with the level in 2023 (NOK 88.2 million). In 2024, an increase in the number of employees and wage inflation was offset by higher R&D capitalisation compared to 2023.

Other operating expenses were NOK 60.1 million, up 3 per cent from 2023 (NOK 58.4 million).

For the full year of 2024, EBITDA for Connectivity totalled NOK 183.3 million (NOK 185.3 million), representing an EBITDA margin of 36 per cent (34 per cent), as improved gross margin compensated for the revenue decline.

Depreciation and amortisation expenses were NOK 48.8 million in 2024 (NOK 46.1 million).

EBIT was NOK 134.5 million in 2024 (NOK 139.3 million), corresponding to a margin of 26 per cent (26per cent).

Product Innovation & Realization (PIR)

Financial review

Revenues for PIR amounted to NOK 543.1 million for 2024 (NOK 411.8 million), representing an increase of 32 per cent. Revenue growth was driven by higher sales of contract manufacturing, particularly towards the defence and security industries. In 2024, contract manufacturing represented 84 per cent (77 per cent) of the revenues in the segment, while R&D services and products and customer reimbursements represented the remainder. Within contract manufacturing, approximately 24 per cent (45 per cent) of the revenues related to the automotive industry, while 20 per cent (six per cent) was towards the defence and security sectors.

In 2024, increased deliveries to the largest customers resulted in higher concentration in the customer base. In 2024, the five largest customers accounted for 59 per cent of revenues (53 per cent). Approximately 95 per cent of the revenues were generated from customers in Europe.

Gross profit for the year ended at NOK 219.2 million (NOK 178.6 million), resulting in a gross margin of 40 per cent (43 per cent). The lower margin was a result of customer mix and a weak first quarter with sale of inventory and delivery of a low-margin project.

Employee benefit expenses were NOK 112.8 million in 2024, an increase from NOK 95.0 million in 2023. The increase was a result of new hires to support the revenue growth, and wage inflation.

Other operating expenses were NOK 33.0 million in 2024, largely in line with the level reported in 2023 (NOK 31.6 million).

EBITDA for the year was NOK 73.4 million (NOK 52.0 million), representing a margin of 14 per cent (13 per cent).

Depreciation and amortisation expenses were NOK 19.2 million in 2024 (NOK 17.3 million).

EBIT was NOK 54.2 million in 2024 (NOK 34.7 million), corresponding to a margin of 10 per cent (8 per cent).

EVENTS AFTER THE BALANCE SHEET DATE

On 14 March, NORBIT announced that segment PIR was awarded orders worth NOK 260 million from an undisclosed contract manufacturing client in the defence and security sector. Deliveries under the contracts will commence immediately, with the majority scheduled for second quarter of 2025.

RESEARCH AND DEVELOPMENT

Investments in research and development (R&D) is an important part of NORBIT's strategy to develop new and innovative technological solutions to support long-term growth. In 2024, the group invested a total of NOK 104.8 million in R&D (NOK 60.2 million), representing 6.0 per cent of the revenues for the year. A significant part of NORBIT's investments in R&D in 2024 was allocated to the Oceans segment for developing new acoustic technology, and Connectivity for the development of the new GNSS On-Board Unit.

In 2025, NORBIT expects its R&D investments to be around NOK 100 million.

RISKS AND RISK MANAGEMENT

NORBIT is subject to several risks which may affect the group's operations, performance, finances and share price. These risk factors are further described below. These risks are monitored by the corporate management and reported to the board on a regular basis.

Operational risk

NORBIT considers its main operational risk to be the shortage of supply of consumables/electronic components. While production is an in-house capability, NORBIT relies on a significant supply of components to produce and deliver its products and solutions. A large portion of the components are bought in a global market. The supply market for components improved during 2024. However, for certain semiconductor components, the supply market is still challenging. Lead times are generally improving 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 period. NORBIT continues to manage price increases on components by taking appropriate measures to maintain acceptable margins.

Market risk

The group's activities are international, with the delivery of high-technology products, systems and solutions with related services to a variety of markets and customers. Market risk can therefore vary somewhat within these different segments. Further, the group has exposure to a wide range of industries through its engineering and manufacturing services, as it covers a wide variety of industrial customers.

Each operating segment is exposed to a separate competitive landscape. Increased competition in the group's markets may have a material adverse effect on the group's business, results and cash flow.

Digital and cyber security risk

In an increasingly interconnected and digital-first environment, safeguarding data, systems, and digital infrastructure is a critical priority. The cyber threat landscape is continuously evolving, with risks ranging from phishing attacks and ransomware to data breaches and third-party vulnerabilities. Cyber attacks could result in the interruption of critical business functions that may materially impact the business operations and financials. Such event may also lead to loss of reputation and market position, and NORBIT could face legal liabilities and penalties. The IT department is actively taking measures to reduce exposure to cyber security risks, in line with recommendations from the NIS2 directive and other relevant cyber security frameworks.

Geopolitical risk

Geopolitical risk has increased following the outbreak of wars, political unrest and trade sanctions. NORBIT is a global group of companies with approximately 80 per cent of its revenues generated outside of Norway. Furthermore, a large part of the raw material components is bought in a global market. Business operations are thus significantly dependent on foreign trade. As a result, NORBIT's operations are subject to a variety of country, regulatory and political risks, including, but not limited to, regulatory changes, trade barriers, restrictive government actions and changes in law and policies. Sourcing of components might also be subject to tariffs or increased costs, which may not be recoverable. Tariffs may also be introduced on imports of goods as restrictive actions. If any of NORBIT's products are subject to such tariffs on importation, it may lead to increased costs or reduced prices, affecting margins negatively.

Financial risk

NORBIT is exposed to several financial risks. *Note 5* to the financial statements explains the group's exposure to financial risks and how these could affect the group's future financial performance. Financial risks are managed centrally by the finance department.

Interest rate risk

The group's main interest rate risk arises from borrowings with variable rates in EUR, USD and NOK, which expose the group to cash flow interest rate risk. NORBIT had no financial instruments designated to hedge interest rate risk as per the end of 2024.

Trade and other receivables and trade and other payables are interest free and with a term of less than one year, hence there is no interest rate risk associated with these financial assets and liabilities.

Currency risk

NORBIT has international operations and clients and is exposed to currency risk through customer

contracts and purchase of products and services in currencies other than the functional currency (NOK). NORBIT is primarily exposed to EUR and USD currencies.

Fluctuations in exchange rates can lead to increased or decreased profit margin in contracts with customers compared to the initial project calculus. The group was a net seller of EUR in 2024, while the USD exposure was largely balanced.

The group rebalances the short-term (within 90 days) main currency exposures monthly to have a neutral currency position on trade receivables, trade payables and cash. NORBIT had no financial instruments designated to hedge currency risk as per the end of 2024.

Credit risk

The group is exposed to credit risk related to cash and cash equivalents, trade receivables and other current receivables. Cash is held with reputable banks with strong credit ratings and low credit risk. Receivables carry a higher credit risk as NORBIT conducts its business with a fragmented customer base. Historically, NORBIT has had limited losses on its receivables.

The exposure to credit risk is monitored on an ongoing basis within the finance department as a risk mitigating action. The group's receivables are not credit insured.

Liquidity risk

Liquidity risk is the risk that the group is unable to meet the obligations associated with its financial liabilities. For NORBIT, liquidity risk is managed by maintaining sufficient cash deposits and available committed credit lines that the group can draw on to meet its obligations as they occur. NORBIT has a centrally managed multi-currency cash pool arrangement where several subsidiaries are connected. The liquidity trend is monitored frequently, supported by budgets and forecasts.

At 31 December 2024, NORBIT had NOK 743.3 million in cash and undrawn credit facilities.

CORPORATE GOVERNANCE

NORBIT ASA is subject to annual corporate governance reporting requirements under §2-9 of the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance, cf. section 4.4 of the Oslo Stock Exchange Rule Book II. The Accounting Act may be found (in Norwegian) at *www.lovdata.no*. The Norwegian Code of Practice for Corporate Governance may be found at *www.nues.no*. NORBIT ASA follows the Norwegian Code of Practice for Corporate Governance, and the company's practice is in accordance with these recommendations. The annual statement on corporate governance for 2024 has been approved by the board and can be found in the corporate governance section on *page 84* of this annual report.

Director's and officers' liability insurance

NORBIT ASA has a directors and officers liability insurance with AIG for the group, including the parent company and its subsidiaries. The insurance covers the board members, CEO and members of the management team. The insurance comprises personal legal liabilities, including defence and legal costs.

CORPORATE SOCIAL RESPONSIBILITY

In 2024, NORBIT reports for the first time in accordance with the European Sustainability Reporting Standards (ESRS) under the Corporate Sustainability Reporting Directive (CSRD). Included in this reporting is an annual statement on the company's efforts to secure equal opportunities under §26-a in the Equality and Anti-discrimination Act of Norway. The detailed reporting on these topics can be found from *page 31*.

OUTLOOK

As NORBIT continues to expand across its three business segments, the company remains well-positioned to capitalise on long-term growth drivers and market opportunities. Each business segment benefits from strong underlying trends, technological innovation and increasing demand from customers. 2025 will mark NORBIT's 30-year anniversary, a three-decade journey with relentless focus on market-driven innovation and profitable growth. As we head into the new year, the board remains optimistic about the outlook for the year and the prospects ahead. The target for 2025 is to deliver revenues of NOK 2.2 – 2.3 billion with an EBIT margin improvement compared to the 20 per cent reported in 2024. The targets are supported by growth and improved financial performance in all three business segments. 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.

NORBIT's capital allocation framework remains firm. Investments in organic growth have been the most important value driver in the past and are expected to continue creating strong returns going forward. In 2025, NORBIT expects its R&D investments to be approximately NOK 100 million. Investments in fixed assets are anticipated to be around NOK 110 million, with a significant share of the investments being allocated to the factories to increase production capacity to deliver on the revenue growth.

The ambition for 2027, which was set early 2024, is to deliver organic revenues in excess of NOK 2.75 billion and an EBIT margin of around 20 per cent. Strong demand across all segments provides a solid foundation for NORBIT to take the next step towards this ambition in 2025. The group's diversified product offering targeting multiple industries and geographies, combined with the organisation's ability to leverage mega-trends and to successfully introduce new market-driven innovation, makes the company robust.

Oceans continues to expand its addressable market for ocean exploration and security applications through new product developments. Growth in the blue economy, regional shifts towards renewable energy, alongside geopolitical unrest, drive increased demand for NORBIT's advanced seabed exploration, inspection, and security surveillance solutions. With its strong track record of innovation, Oceans is well-positioned to capture new market opportunities. Investments made in new product development are driving the target to deliver growth also in 2025.

For the Connectivity segment, there is increased demand for digital transformation of operations, in addition to technologies enabling safe and green mobility. As an independent supplier of low power wireless devices, Connectivity is strategically positioning itself to provide efficient and smarter technology solutions to its clients in the tolling domain and other relevant markets. In 2025, Connectivity will add a new revenue stream by starting to deliver its new and innovative GNSS OBU for satellite-based tolling to Toll4Europe under a contract worth NOK 160 million. As European countries increasingly focus on distance-based tolling for heavy goods vehicles, supported by Electronic Toll Services (EETS) companies such as Toll4Europe providing seamless and efficient toll services across Europe, Connectivity is in a strong position to continue its growth beyond the initial contract. In addition, Connectivity is experiencing increased demand for enforcement modules for tachographs as the EU requirement to replace all non-smart analogue or digital tachographs has come into force and all first-generation smart tachographs must be upgraded by August 2025.

PIR achieved 32 per cent revenue growth in 2024. A significant contributor to this growth was PIR's increased exposure to the defence and security industries. In 2024, defence and security accounted for 20 per cent of PIR's revenues, up from 6 per cent in 2023. In 2025, PIR is expected to show strong growth, benefitting from the secular growth trend that the defence and security industries are experiencing.

The board wishes to thank shareholders and external stakeholders for their continued support, as well as thank the management and all employees for their efforts and for the results achieved in 2024.

SUSTAINABILITY STATEMENT

CONTENTS

I. ESRS 2 GENERAL DISCLOSURES

BP-1 General basis for preparation of the sustainability statement

This sustainability statement has been prepared in accordance with the EU's Corporate Sustainability Reporting Directive (CSRD) and is structured based on the interpretation of the requirements outlined in the European Sustainability Reporting Standards (ESRS) 1 and 2. The statement covers NORBIT ASA and all its subsidiaries on a consolidated basis for the year 2024, with the same scope as the financial statements[1]. No information is omitted due to restrictions on intellectual property or knowhow.

While elements from both the upstream and downstream value chains are included, the coverage is not exhaustive. NORBIT's operations encompass various activities, including research and development, production and assembly, as well as sales, marketing, and distribution across three segments, each with a different geographical reach. Achieving a comprehensive overview of the upstream and downstream value chains for these diverse activities is a complex task. This statement reflects the best available understanding to date, and the reporting will be continuously refined in the coming years.

BP-2 Disclosures in relation to specific circumstances

Table 1 highlights various mandatory topics related to sustainability reporting and the specific circumstances under which they are disclosed.

Table 1 *– Overview of disclosures in relation to specific circumstances:*

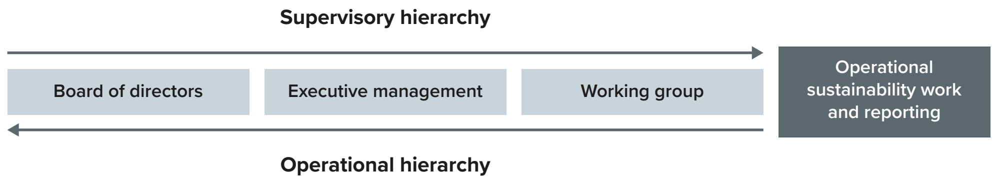
Topic	Disclosure
Time horizons	The sustainability statement follows the definition of time horizons as defined by ESRS 1, where short-term indicates up to one year, medium-term up to five years, and long-term over five years.
Value chain estimations	As described in BP-1, the report mainly includes metrics and information from own operations. If metrics include upstream and/or downstream data, this is commented on in the respective disclosures, together with the basis for preparation and level of accuracy.
Sources of estimation and outcome uncertainty	The quantitative metrics and monetary amounts that are subject to a high level of measurement uncertainty are identified and commented on in the respective disclosures.
Changes in preparation or presentation of sustainability information	No changes, first year of reporting.
Reporting errors in prior periods	No errors, first year of reporting.
Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements	When information stemming from other legislation which requires disclosure information is included, this is commented on in the respective disclosures.
Incorporation by reference	The structure outlined by the ESRS has been adhered to as closely as possible. References are made to other chapters within the sustainability statement using the same codes as those employed by the ESRS for its chapters. References are also made to the annual report, but not to other external documents. Instead, the content of those documents has been reproduced under the relevant disclosure. The data points linked to the annual report are listed in Table 2.
Use of phase-in provisions in accordance with Appendix C of ESRS 1	An overview of identified material topics can be found under SBM-3. ESRS 2 SBM-1 paragraph 40(b) and (c), ESRS2 SBM-3 paragraph 48(e), and scope 3 under ESRS E1-6 is not included. ESRS S2 is assessed as material but omitted as the average number of employees during the financial year was under 750 for the group. The list of matters related to ESRS S2 found material is included under SBM-3. NORBIT does not have any specific targets, policies, actions, or metrics related to this topic as of now.

1) INNOMAR Technologie GmbH was acquired in July 2024 and is therefore not included in the double materiality assessment, which was completed earlier. However, INNOMAR is represented in all metrics under the disclosures of this report.

***Table 2** – Disclosures or datapoints incorporated by reference:*

Disclosure or datapoint incorporated by reference	Page number
Denominator for the turnover KPI under the EU taxonomy	*94*
Denominator for the CAPEX KPI under the EU taxonomy	*95*
Turnover used to calculate intensity based GHG	*94*

***Figure 1** – Illustration of administrative, management and supervisory bodies:*



GOV-1 The role of the administrative, management and supervisory bodies

The role of the management and supervisory bodies in overseeing sustainability at NORBIT is anchored in governance documents owned by the board of directors and the executive management team. This includes key governance documents such as the code of conduct, board of directors' and CEO's instructions, and the director of strategy and ESG's instructions.

NORBIT's administrative, management and supervisory bodies related to the company's sustainability work consists of three main entities (illustrated in Figure 1):

- An administrative and operational working group
- A managing and steering top executive management team
- An overseeing and supervisory board of directors

The director of strategy and ESG, reporting directly to the CEO, is responsible for overseeing sustainability-related impacts, risks, and opportunities. This role is supported by an interdisciplinary working group comprising members from HR, strategy, and finance. The working group identifies key impacts, risks, and opportunities and sets corresponding targets by involving internal and external stakeholders, as described in SBM-2. These activities, as well as status on impacts, risks and opportunities, are reported to the executive management team in weekly meetings and to the board of directors through board meetings throughout the year, see GOV-2.

The CEO and the board of directors evaluate annually whether the team led by director of strategy and ESG has the appropriate skills and expertise to oversee sustainability matters. In 2024, external expertise and knowledge on ESG were brought in through the software companies Celsia and Ignite Procurement.

Composition and diversity of the members of administrative, management and supervisory bodies

The members of the three entities, their genders and expertise on sustainability matters are described in Table 3, 4 and 5. The female to male ratio of the administrative working group is two to two. All members are employees, with one serving as an executive and three as non-executive members.

The female to male ratio of the executive management team is two to five. All members of this group are employees.

The female to male ratio of the board of directors is two to three. 100 per cent of the directors are considered independent. There are no employees on the board of directors.

***Table 3** – Roles and gender balance in operational working group:*

Role in group	Name and role in organisation	Gender	Age	Expertise in (related to sustainability)
Project leader	**Julie Dahl Benum** *Director of strategy and ESG*	Female	33	Strategy development, impact analysis and reporting.
Project member	**Tormod Svorkdal** *M&A and business manager*	Male	30	Business analytics and financial modelling.
Project member	**Linn Haugan** *HR advisor and business support*	Female	27	Leadership development, recruitment, and organisational development.
Project member	**Sture Ingdal** *Finance director*	Male	53	Financial management, auditing, and reporting.

Table 4 – Roles and gender balance in executive management team:

Role	Name	Gender	Age	Expertise in (related to sustainability)
CEO	**Per Jørgen Weisethaunet**	Male	53	Leading and managing complex value chains and industry contexts, with a focus on sustainability challenges and opportunities.
CFO	**Per Kristian Reppe**	Male	39	Investments, capital markets, and financial strategy, with experience from various industries.
Director of strategy and ESG	**Julie Dahl Benum**	Female	33	Strategy development, impact analysis and reporting.
CTO	**Arild Søraunet**	Male	52	Product development and production methods, with expertise in assessing and minimising sustainability impacts.
Business unit director Oceans	**Peter K. Eriksen**	Male	58	Developing and leading sustainability-focused commercial initiatives, for instance sonars for use in offshore wind markets.
CCO Connectivity and PIR	**Asbjørn Dahl**	Male	38	Developing and leading sustainability-focused commercial initiatives, for instance in green mobility.
COO	**Astrid Stevik**	Female	49	Leading and optimising operations for efficiency and sustainability.

Table 5 – Roles and gender balance in board of directors:

Role	Name	Gender	Experience related to sustainability
Chair	**Finn Haugan**	Male	Holds several chair positions and has wide experience with governance related topics from the banking industry.
Deputy chair	**Bente A. Landsnes**	Female	Experience from various central positions within the Norwegian finance industry, including CEO of Oslo Stock Exchange.
Director	**Trond Tuvstein**	Male	Extensive knowledge and experience in auditing and financial management in publicly listed companies.
Director	**Christina Hallin**	Female	Holds several chair positions and has broad experience from the automotive and truck industry.
Director	**Håkon Kavli**	Male	Experienced portfolio manager in tactical asset allocation, equities, and global fixed income.

GOV-2 Information provided to, and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The management and supervisory bodies are informed about material impacts, risks, and opportunities through a structured, integrated process. The working group is responsible for identifying relevant topics through a double materiality assessment, of which the process is described in IRO-1. Findings are presented to the executive management team on an ongoing basis, while the board of directors receives a presentation of these at least once a year (see Table 6).

Table 6 – Meeting structure of the administrative, management and supervisory bodies:

Body	Frequency of meetings	Topics discussed in meetings
Working group	• Once per week	• Identifying and prioritising impacts, risks and opportunities (based on stakeholder contact) • Defining targets and action plans for specific projects • Reporting
Executive team	• Once per week • Strategy workshops two times per year	• Director of strategy and ESG provides update on progress • Strategic discussions related to sustainability
Board of directors	• Eight board meetings per year • Eight audit committee meetings per year	• Director of strategy and ESG provides short updates in regular meetings • At least one board meeting and audit committee meeting per year is dedicated to sustainability topics

The ESG function is fully integrated with the company's strategy, as the director of strategy and ESG is part of the executive management team.

The multidisciplinary working group, with representatives from HR, strategy, and finance, ensures a comprehensive approach to identifying and assessing material impacts, risks, and opportunities. These factors are considered by the management and supervisory bodies in overseeing strategy, major transactions, and risk management. Details on the impacts, risks, and opportunities addressed by these bodies are found in SBM-3.

GOV-3 Integration of sustainability-related performance in incentive schemes

Executive management compensation includes a fixed salary, variable pay, pension benefits, and non-financial benefits. The board of directors recommends remuneration guidelines, which are updated, as a minimum every four year and approved by the general meeting. These guidelines include five criteria for determining variable pay. The fifth criterion, weighted at 20 per cent, is a discretionary component based on an overall assessment of the group's and management's performance in selected focus areas, with overall sustainability performance, both related to reporting and initiatives and projects, highlighted for 2024.

GOV-4 Statement on due diligence

Table 7 shows a mapping of the information provided in this sustainability statement related to the due diligence process as described by the international instruments of the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

Table 7 – Mapping of information related to the due diligence process:

Core elements of due diligence	Paragraphs in the sustainability statement
Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-2 ESRS 2 GOV-3 ESRS 2 SBM-3
Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 GOV-2 ESRS 2 SMB-2 ESRS 2 IRO-1 ESRS 2 MDR-P Topical ESRS for all material topics
Identifying and assessing adverse impacts	ESRS 2 IRO-1 ESRS 2 SMB-3 Topical ESRS for all material topics
Taking actions to address those adverse impacts	ESRS 2 MDR-A Topical ESRS for all material topics
Tracking the effectiveness of these efforts and communicating	ESRS 2 MDR-M ESRS 2 MDR-T Topical ESRS for all material topics

GOV-5 Risk management and internal controls over sustainability reporting

Risk management and internal control are integral components of corporate governance at NORBIT. The company's internal control system is built on a framework of governance documents, including management policies and corporate standards, which guide the risk assessment and management process.

NORBIT employs a risk assessment approach that is iterative and collaborative, leveraging insights from stakeholders and utilising the best available information. It is the responsibility of the executive management team to identify, assess, develop mitigation strategies for, communicate about, and monitor identified risks. While this is primarily a management function, relevant stakeholders are engaged in the process when risks may arise from or impact on their activities. Risks are categorised into five main categories: finance, legal, operations, business/commercial and sustainability. Director of strategy and ESG is responsible for facilitating the overarching risk process.

In addition to the overarching risk management approach, NORBIT has implemented a specific process to manage risks related to sustainability reporting. This process includes the following steps, and the outcome of the process is described in Table 8.

1. Identify key risk factors based on input from the organisation.
2. Analyse risk factors to understand their nature and potential consequences.
3. Assess likelihood and impact on a scale from 1 to 3 and prioritise them in a risk matrix.
4. Develop mitigation strategies for prioritised risks.
5. Communicate the risk framework to the executive management team and the board of directors.
6. Continuously track risks and the effectiveness of mitigation strategies.

Table 8 – Risk matrix for the sustainability reporting process:

Risk description *Evaluation: L = Likelihood, I = Impact, R = Risk*	L	I	R
Lack of vailability and completeness of necessary data to answer out requirements in standards	1	2	2
Lack of accuracy and reliability of the data, i.e. data reflects what is meant to represent and can be relied upon	1	2	2
Lack of sufficient resource allocation, incl. time, personnel, budget to properly gather, analyse and report data	1	3	3
Lack of documentation of practices reported	1	2	2
Lack of integration of findings into business practices	2	2	4

The main features of mitigation and internal control processes to handle these risks include:

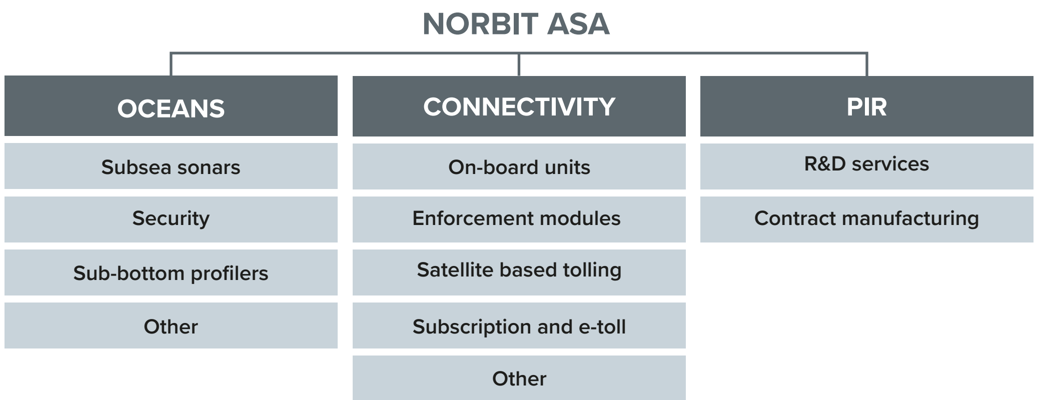
- Collaborative review by a cross-functional team, validating both qualitative and quantitative data.
- Regular reporting to the executive management team and board of directors.
- Documentation of reporting process and data in a shared location.
- Training of employees involved in the sustainability reporting process.
- Use of third-party software related to specific topics, such as green house gas accounting, to ensure overview and to reduce manual errors.

SBM-1 Strategy, business model and value chain

Key elements of the company and its general strategy
NORBIT is a global provider of tailored technology to selected applications, structured in three operational business segments to address key markets: Oceans, Connectivity and Product Innovation & Realization (PIR). The Oceans segment delivers tailored technology solutions to global maritime markets. The Connectivity segment provides tailored wireless solutions for identification, monitoring and tracking for mobility, transportation and industry markets. The PIR segment offers R&D services and products, and contract manufacturing to key industrial customers. Figure 2 shows the operational sub segments of these three main segments. NORBIT do not deliver products and services that are banned in certain markets.

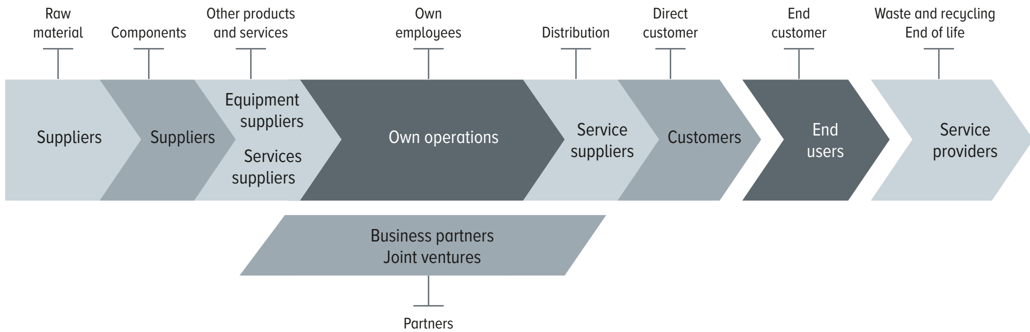
An overview of the number of employees in NORBIT can be found in S1-6.

Figure 2 – *Overview of segments and subsegments:*



Description of business model and value chain
NORBIT's business model is to develop (R&D), produce and assemble, market and distribute technology to industrial customers (B2B) across the company's three different business segments. The value chain follows a similar structure for all segments, involving key inputs, processes and outputs, as illustrated in Figure 3. Key players in the value chain include suppliers, customers, and distribution partners.

Figure 3 – *Value chain across all three segments:*

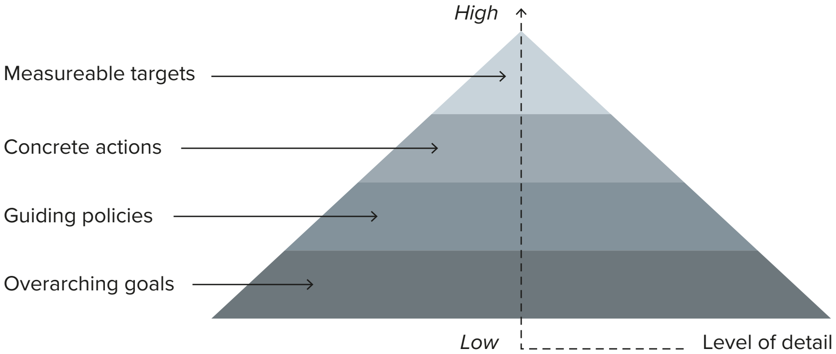


The primary inputs include electronic components that are assembled into final products, equipment such as production lines and tools, energy to power production sites, and business and technology services.

NORBIT's vision is to be "Recognised as world class – enabling people to explore more", meaning providing technology that supports customers in solving demanding challenges in complex environments. The output of the value chain consists of a range of technology products. Some of these products are marketed under the NORBIT brand, while others are developed for industrial clients within the PIR segment. Distribution is handled through a network of partners and direct channels to efficiently reach global markets.

Sustainability-related goals
NORBIT's sustainability strategy is structured as a goal hierarchy: overarching goals define the strategic vision, supported by guiding policies, concrete actions, and measurable targets. This chapter outlines the overarching sustainability goals, whereas policies, actions, and targets are detailed in the relevant disclosure requirements according to the identified material topics.

***Figure 4** – Goal hierarchy for sustainability-related goals:*



NORBIT's ambition is to contribute to sustainable development by creating products and solutions that address sustainability challenges for customers and society at large (external focus), while ensuring responsible conduct within the value chain (internal focus). This dual ambition leads to the identification of four primary sustainability objectives, illustrated in Figure 5. These objectives are aligned with the company's core values and vision. The first goal focuses on external aspects, encompassing both environmental and social impacts. The subsequent objectives, 2 to 4, primarily reflect the internal perspective. Objective 2 pertains to environmental aspects (ESRS E), objective 3 to social aspects (ESRS S), and objective 4 to governance aspects (ESRS G).

***Figure 5** – NORBIT's overarching sustainability goals:*

Goal 1: Explore more sustainability opportunities

A landscape shaped by global shifts towards resilience, digitalisation and sustainability represents opportunities for expansion and innovation across all NORBIT's segments. NORBIT is committed to accelerating the green transition, and will continuously explore how the company can contribute to solving sustainability challenges for customers, partners, and society at large through innovative products and solutions.

Table 9 details out what this first goal means for each segment. A selection of examples of how NORBIT's products contribute to solving societal challenges is presented on the next page of the report.

***Table 9** – Overview of impact-related goals for all three segments:*

Goal dimension	Oceans	Connectivity	PIR
Products and services	Enhance seabed exploration, inspection, and security surveillance solutions to support the blue economy and the transition towards renewable energy	Promote digital transformation and safe, green mobility through advanced connectivity technologies	Provide sustainable and regional contract manufacturing services for key industrial customers
Key customer categories	Survey companies, maritime rental companies, maritime engineering companies, port authorities, scientific institutions etc.	Mobility and insurance companies, industrial customers etc.	Industrial companies and scale-ups developing sustainable solutions
Key geographical areas	Globally (regions with growing blue economies)	Europe	Europe
Key stakeholders (other than customers)	Environmental organisations, governmental institutions	Technology companies, transport authorities	Industry leaders

Goal 2: We will deliver solutions adapted to the new reality of sustainability

Products and solutions will be delivered with sustainability in mind throughout the design, development, production, transportation, and recycling process. More details about policies, actions and targets can be found in ESRS E1 and E5.

Goal 3: Refinement of talents in an attractive place to work

The people of NORBIT is the greatest asset, and efforts will be continuously made towards creating an attractive and safe workplace that refine talents. More details about policies, actions and targets can be found in ESRS S1.

Goal 4: Safe under pressure with ethical business conduct

Good governance and legal compliance will be ensured in all countries and markets. The aim is for transparency, traceability, and integrity across the value chain. More details about policies, actions and targets can be found in ESRS G1.

SBM-2 Interests and views of stakeholders

NORBIT's engagement with key stakeholders is summarised in Table 10. The purpose of this engagement is to foster collaboration and mutual understanding by addressing employee needs, enhancing customer satisfaction, building strong supplier relationships, securing investor confidence, and positively contributing to local communities. The insights and feedback gathered from stakeholders are integrated into NORBIT's strategic planning, decision-making processes, and policy development. Management and supervisory bodies are kept informed of stakeholder views and interests as described in GOV-2.

ENHANCING ROAD SAFETY THROUGH SMART TACHOGRAPHS

PROBLEM: The EU's Mobility Package 1 aims to improve road safety, driver working conditions, and fair competition in the transport sector. Heavy goods vehicles are involved in over 3 500 fatal accidents in Europe annually, with driver fatigue and rule violations being major contributing factors.

SOLUTION: NORBIT's enforcement modules for smart digital tachographs enable wireless data transmission from moving trucks to control officers, helping ensure compliance with EU regulations on driving times, rest periods, and cross-border operations. This allows for more targeted inspections, reducing rule violations and improving road safety.

IMPACT: Since 2019, around 80 per cent of all trucks above 3.5 tons in Europe have been delivered with NORBIT technology, contributing to safer roads. As EU regulations continue to phase in, vehicles in cross-border traffic must upgrade by 2025, and by 2026 the requirements will also apply to smaller commercial vehicles.

CONTRIBUTING TO GREEN ENERGY BUILD-OUT

PROBLEM: Electricity consumption continues to rise, and the need for energy security and decarbonisation is becoming more urgent. The shift towards renewable energy is driven by global efforts to address climate change, reduce dependence on fossil fuels, and enhance energy resilience. Offshore wind power plays a critical role in achieving these goals.

SOLUTION: Expanding offshore wind capacity requires detailed seabed mapping and infrastructure monitoring. NORBIT's advanced sonar technology is used in the early development phase of wind farm projects to conduct precise seabed surveys, ensuring optimal placement. Additionally, demand is increasing for sonar solutions to monitor and maintain underwater infrastructure throughout the operational lifespan of wind farms.

IMPACT: The EU, UK, and US aim to reach a combined offshore wind capacity of over 140 GW by 2030, enough to power well over 100 million homes. As offshore wind projects scale up globally, NORBIT's sonar technology is actively supporting development and operational monitoring in multiple wind farm projects worldwide, contributing to a more sustainable energy future.

PROTECTING CRITICAL INFRASTRUCTURE AT SEA

PROBLEM: Geopolitical instability and rising security threats highlight the need for enhanced surveillance of critical infrastructure at sea, including offshore energy facilities, communication cables, and ports. As vulnerabilities increase, governments and industries are prioritising underwater security measures to mitigate risks of disruption or sabotage.

SOLUTION: NORBIT's GuardPoint sonar surveillance system provides real-time detection and tracking of divers and submersibles approaching critical assets. This technology enhances protection of offshore infrastructure and maritime operations.

IMPACT: With growing security concerns, most governments now mandate underwater surveillance for critical infrastructure. NORBIT's security solutions are deployed by private corporations, navies, and government agencies across multiple countries, strengthening resilience against potential threats in an increasingly uncertain global landscape.

Table 10 – Overview of key stakeholders:

Stakeholder group	Arenas for dialogue	Main interest and views	Strategy for addressing inputs/needs
Employees (own workforce)	Formal and informal meetings through direct and indirect contact, employee surveys, intranet	Working time, work-life balance, health and safety, gender equality and diversity, training and skills development	See ESRS S1
Customers	Customer meetings and conferences, satisfaction surveys, website	Sustainable products and solutions, GHG emissions, governance	See ESRS E1 and E5, and ESRS G1
Suppliers and partners	Supplier meetings, visits and audits, self-assessments	Human rights, child labour, forced labour, health and safety	See ESRS G1
Investors	General meeting and other investor meetings, quarterly presentations and reports, website	Corporate governance, taxonomy-alignment and reporting, working conditions, equality and diversity, GHG emissions, sustainable solutions	Regular financial and sustainability reporting
Local communities	Meetings and conferences, website, annual report	Environmental practices, opportunities for employment	See ESRS S1 and ESRS E1

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

A double materiality assessment has been conducted and the process is described under section IRO-1. The material positive and negative impacts, risks and opportunities identified in this process are outlined in Tables 11 and 12.

All identified impacts, risks, and opportunities are aligned with the ESRS Disclosure Requirements, none being entity specific. The impacts originate from both the strategy, business model and operations of NORBIT, and can be categorised as both external (originate through business relationships) and internal (originate through own activities) as mapped in column 5 of Tables 11 and 12. Whether these impacts are positive or negative, the impact they have on people, the environment, and NORBIT, as well as strategies for addressing and building resilience against them, are further detailed within the relevant disclosure requirements.

Table 11 – Overview and description of material impacts:

Main topic in ESRS	Sub-topic in ESRS	Specific IRO number and title	Where in the value chain/company the impact occurs	Originates from	Time horizon [1)]
E1 Climate change	Climate change mitigation	**1.** GHG emissions	Emissions are generated across the company and value chain, with highest levels related to production facilities in Norway and Hungary	Operations Activity	M, L
E1 Climate change	Energy	**2.** Energy consumption and mix	Energy use across the company, with highest levels at production facilities in Norway and Hungary	Operations Activity	M, L
E5 Circular economy	Waste	**3.** Generation of EE waste	Generated within own operations and during end-use, relevant for all segments and geographies	Business model and operations Business relationships and activity	S, M, L
S1 Own workforce	Working conditions	**4.** Social dialogue	Own operations in all segments and geographies	Strategy Activity	S, M, L
S1 Own workforce	Working conditions	**5.** Freedom of association and existence of work councils	Own operations in all segments and geographies	Strategy Activity	S, M, L
S1 Own workforce	Working conditions	**6.** Work-life balance	Own operations in all segments and geographies	Strategy Activity	S, M
S1 Own workforce	Working conditions	**7.** Health and safety	Own operations in all segments and geographies, with most impact on production facilities in Norway and Hungary	Operations Activity	S, M, L

Main topic in ESRS	Sub-topic in ESRS	Specific IRO number and title	Where in the value chain/company the impact occurs	Originates from	Time horizon [1]
S1 Own workforce	Equal treatment and opportunities for all	**8.** Training and skills development	Own operations in all segments and geographies	Strategy Activity	S, M, L
S1 Own workforce	Equal treatment and opportunities for all	**9.** Gender equality	Own operations in all segments and geographies	Strategy Activity	S, M, L
S1 Own workforce	Equal treatment and opportunities for all	**10.** Diversity	Own operations in all segments and geographies	Strategy Activity	S, M, L
S2 Workers in the value chain	Working conditions	**11.** Working conditions in supply chain [2]	Relevant for supply chain in all segments, most concern in Asia	Operations Business relationships	S, M, L
G1 Business conduct	Corporate culture	**12.** Business conduct policies and practices	Own operations and supply chain in all segments and geographies	Operations and business model Activity and business relationship	S, M, L
G1 Business conduct	Corporate culture	**13.** Whistleblower mechanisms and processes	Own operations and supply chain in all segments and geographies	Operations Activity and business relationship	S, M, L
G1 Business conduct	Corporate culture	**14.** Practices for supplier qualification	Relevant for supply chain in all segments, most concern in Asia	Operations Business relationships	S, M, L

1) The expected time horizons of the impacts, risks and opportunities are indicated with S for short, M for medium and L for long according to the definition in ESRS.
2) With reference to ESRS 1 Appendix C: List of phased-in disclosure requirements, topics within S2 is omitted, even though the topic is considered material in this years' materiality analysis. Undertakings not exceeding 750 employees during the financial year may omit the information specified in ESRS S2 for the first 2 years of preparation of the sustainability statement.

***Table 12** – Overview and description of material risks and opportunities:*

Main topic in ESRS	Sub-topic in ESRS	Specific IRO number and title	Where in the value chain/company the risk/opportunity occurs	Originates from, and related to activity or business relationship	Financial impact *(NOK million)*	Time horizon
E1 Climate change	Climate change mitigation	**15.** Business opportunities from changes in legal requirements	Downstream value chain in all segments	Business model and strategy Activity	>100	M, L
E1 Climate change	Climate change adaptation	**16.** Scarcity of components due to climate change	Relevant for upstream value chain in all segments, most concern in Asia	Operations and strategy Business relationships	>100	L
E5 Circular economy	Waste	**17.** Refurbishment services	Primarily the Connectivity segment in the European market	Business model and strategy Business relationships	>100	S, M, L
S1 Own workforce	Working conditions	**18.** Talent acquisition	Own operations and supply chain in all segments and geographies	Strategy Activity	>100	S, M, L

Table 13 lists the overall ESRS topics that are not identified as material and describes the overall assessments that form the basis for this conclusion. The general analytical approach in identifying material impacts, risks and opportunities, as well as evaluating them, is detailed under IRO-1.

***Table 13** – Overview and overall assessment of non-material topics:*

Main ESRS topic	Overall assessments underlying the materiality conclusions
E2 Pollution	Low scale of pollution in NORBIT's operations compared to other industries. While moderate risks exist in the supply chain, the overall likelihood and impact from NORBIT's core activities remain low.
E3 Water and marine resources	NORBIT operates in areas without water usage restrictions or scarcity, and the production has low water consumption. While there is a moderate risk in the supply chain, the overall impact remains low. Additionally, NORBIT does not extract marine resources, making the relevance of this issue low.
E4 Biodiversity and ecosystems	The electronics industry has a considerably lower direct impact on natural habitats compared to industries like mining or agriculture. According to the WWF's "Living Planet Report," typical sectors with significant biodiversity impact are agriculture, forestry, and fisheries, while electronics is not highlighted.
S3 Affected communities	Issues such as housing, food security, water, and sanitation are already addressed by national welfare systems, especially in Norway. Unlike extractive industries, the electronics sector has small land use and direct interaction with local communities.
S4 Consumers and end-users	NORBIT's products target a niche B2B market of knowledgeable users, minimising concerns related to freedom of expression and access to information. These products adhere to stringent safety and performance regulations that inherently address health and safety issues. Additionally, since the products cater to professional sectors, they do not engage with broader social inclusion issues like non-discrimination or equitable access.

IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities

Assumptions and scoping
NORBIT conducted the first full double materiality assessment in 2024, and identified impacts, risks, and opportunities through three sub-analyses described under the section *The process of identifying impacts, risks and opportunities.* The following scoping assumptions apply to all three sub-analyses:

- The analyses cover all regions where NORBIT operates, with a focus on Norway due to significant employee presence (see ESRS S1).
- All three business segments are included. Despite diverse products and markets within these segments, they share similar business activities.
- The focus is primarily on NORBIT's own operations and immediate upstream value chain, particularly component producers, based on the following considerations:
  - *NORBIT's integrated value chain results in numerous topics that require attention. Focusing on own operations ensures implementation of sustainability practices where NORBIT has control and influence.*
  - *NORBIT has greater influence over immediate suppliers compared to raw material suppliers. Extending the focus too broadly could dilute efforts and reduce the effectiveness of identifying and mitigating impacts, risks, and opportunities.*
  - *Component suppliers are typically large, well-established corporations with robust sustainability systems in place. Many holds relevant certifications and undergo regular independent audits, providing confidence in their management of upstream impacts.*
  - *As NORBIT's capabilities and resources expand, the assessment scope should gradually extend further upstream and downstream. This approach will also evolve with industry standards and stakeholder expectations.*
- The sub-analyses draw from a variety of sources, including formal and informal stakeholder dialogue, internal data sources (such as annual reports, strategic documents, internal assessments), external data sources (such as industry reports and benchmarks, regulatory requirements, peer and competitor benchmark), and data analytic tools.

The process of identifying impacts, risks and opportunities
NORBIT has identified impacts, risks, and opportunities through three sub-analyses:

- **Context analysis:** The aim of the context analysis was to provide an overview of NORBIT's value chain, business activities, business models, and geographical footprint. The approach involved interviewing key internal stakeholders, including group management, business unit directors, and supply chain functions, who have a comprehensive understanding of the business. This analysis contributes to insights under SBM-1.
- **Stakeholder analysis and involvement:** The stakeholder analysis aimed to map out NORBIT's key stakeholder groups, as detailed in SBM-2. After identifying the main stakeholder groups, specific individuals or groups within each stakeholder group were involved to provide input on material impacts, risks, and opportunities. A total of 43 interviews were conducted, with 25 external and 18 internal stakeholders. Internal stakeholders include employees at all levels of NORBIT. External stakeholders include customers, investors, lenders, local communities, and suppliers. Also, secondary sources of information, for instance meeting summaries from working environment committees, were used in this analysis.
- **Industry analysis:** To align findings from the context and stakeholder analyses, an industry analysis was conducted. This included an assessment of industry regulations and scientific research relevant to NORBIT's operations. Examples of the regulations and frameworks considered include the EU taxonomy regulation and the Sustainability Accounting Standards Board (SASB) materiality finder.

The relation between the process of identifying risks and opportunities, and the overall risk management process in NORBIT is described under GOV-5. Specific IRO-1 disclosure requirements for the different material topics are described under the topical disclosures, page 58 for E1, page 67 for E5, and page 81 for G1. It is mandatory to disclose specific IRO-1 requirements for all topics under ESRS E even though the sub-topic is not chosen as material. This information is therefore summarised in Table 14.

***Table 14** – Specific IRO-1 disclosure requirements for topics under "environment" not chosen as material:*

Sub-topic under "Environment" not chosen as material	IRO-1 specific disclosure requirements
E2 Pollution	Focus is put on assessing pollution-related impacts, risks and opportunities at production sites in Norway. Analysis of the upstream and downstream value chain is not included at this point. Consultations with representatives of affected communities are conducted for Trondheim, Røros and Selbu.
E3 Water and marine resources	Focus is put on assessing water-related impacts, risks and opportunities at production sites in Norway. Analysis of the upstream and downstream value chain not included at this point. Consultations with representatives of affected communities are conducted for Trondheim, Røros and Selbu.
E4 Biodiversity and ecosystems	Focus is put on assessing biodiversity-related impacts, risks and opportunities at production sites in Norway. Analysis of the upstream and downstream value chain not included at this point. Consultations with representatives of affected communities are conducted for Trondheim, Røros and Selbu. Initial screening has not identified significant risks requiring specific biodiversity mitigation measures per EU Directives or international standards.

The process of assessing impacts, risks and opportunities

All three analyses generated a comprehensive list of impacts, risks, and opportunities, which was aligned with the sustainability matters covered in topical ESRS. Each impact, risk, and opportunity was matched to a corresponding sub-topic or sub-sub-topic in the ESRS. Consequently, each sub-topic or sub-sub-topic could have multiple associated impacts, risks, or opportunities.

Each impact, risk, and opportunity was then prioritised based on the product of severity and likelihood, resulting in a materiality score. Table 15 provides the definitions of the scoring dimensions used, and how they were calculated.

***Table 15** – Definition of different components used in scoring topics:*

Variable name		Description
Scale		How grave the negative impact or beneficial the positive impact is for people or the environment
Scope		How widespread the negative or positive impact is. In the case of environmental impacts, the scope may be understood as the extent of environmental damage or a geographical perimeter. In the case of impacts on people, the scope may be understood as the number of people adversely affected
Irremediability		Whether and to what extent the negative impacts could be remediated, i.e., restoring the environment or affected people to their prior state
Severity	Impacts	The average of scale, scope and irremediability scores
	Risks and opportunities	Expected financial impact of opportunities (increase in EBITDA) and risks (decrease in EBITDA)
Likelihood		Likelihood that a topic will impact stakeholders or the business if there is no action or system in place for mitigating the risk within the company (inherent risk)

The process for assigning scores was based on a predefined scale that defined what each score represented, as described in Table 16. To refine the scope score for workforce-related topics, a separate scale was used based on the percentage of the workforce impacted, allowing these topics to be appropriately weighted against other topics. One working group member assigned the initial score based on the predefined scale and information from the stakeholder dialogues. Two other working group members conducted a sanity check and made necessary adjustments.

For risks and opportunities, each score was associated with a monetary range that reflected the financial materiality, calculated based on historical data when available, expert discussions, or assumptions based on best guesses.

***Table 16** – Scoring levels for each dimension:*

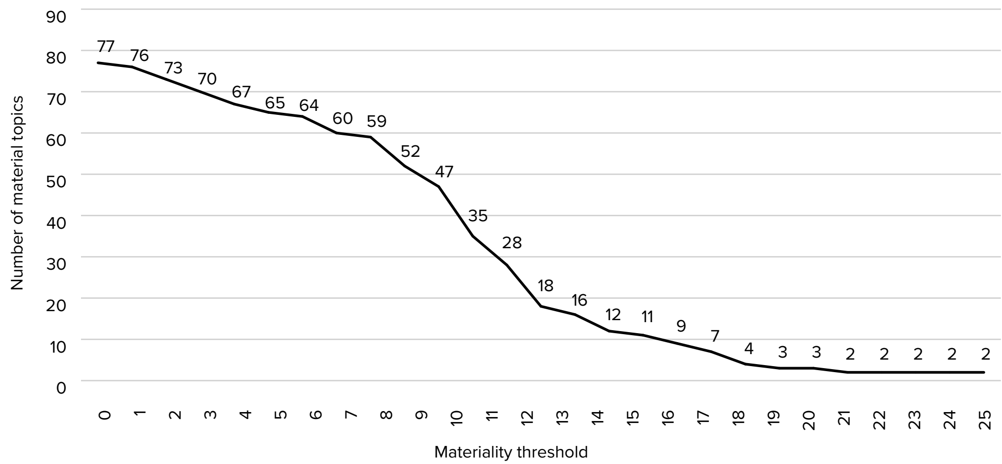
Score	Scale	Scope		Irremediability	Likelihood	Financial effect *(NOK million)*
		S1 topics	All other topics			
1	Minor impact, little harm or benefit	Affects 0-20% of employees	Very limited environmental effect or effect on external people	Fully remediable with minimal effort and resources	Extremely unlikely, almost hypothetical	0-5
2	Noticeable, but not severe	Affects 21-40% of employees	Limited environmental effect or effect on external people	Mostly remediable, minor residual effects may remain	Unlikely, may occur in unusual circumstances	5-10
3	Considerable, clear effect	Affects 41-60% of employees	Moderate environmental effect or effect on external people	Partially remediable, significant long-term effects remain	Moderate likelihood, possible under certain conditions	10-50
4	Large, substantial impact	Affects 61-80% of employees	Effect on local communities or regions	Largely irremediable, minimal reversibility	High chance of occurrence, expected in near future	50-100
5	Extremely grave or beneficial	Affects 81-100% of employees	National or global effect	Irremediable, permanent damage	Almost certain to occur, highly probable	>100

This methodology produced a materiality score (product of severity and likelihood) ranging from 0 to 25 for each impact, risk, and opportunity. The threshold for a topic to be considered material was set at a score above 12.5. The threshold was set based on the following three principles:

- It had to be low enough to include the topics perceived as the most material by the organisation.
- It had to be high enough to distinguish between material and non-material topics, balancing the need to address critical issues with the risk of spending too much time and resources on less significant matters.
- It had to align with the general risk orientation of NOBRIT and be approved by the board of directors.

***Figure 6** – Materiality threshold illustrated:*

***Figure 7** – Sensitivity analysis of threshold:*



This threshold is illustrated in Figure 6, where the dark grey area is the combinations of severity and likelihood that gives a materiality score above 12.5. A sensitivity analysis was conducted to further sanity check this threshold. Figure 7 illustrates how the number of material topics decreases as the materiality threshold increases. Initially, there is a slight decline in the number of material topics from 77 down to 59 as the threshold increases from 0 to 7. This trend continues, though more sharply, until threshold 12, after which the number of material topics significantly drops to 18. Beyond threshold 12.5, the decrease stabilises, with the number of material topics reaching a plateau around 2-4 topics at thresholds 18 and above. This makes 12.5 an appropriate threshold, as it balances reducing the number of material topics while still capturing a significant portion of them before the drastic decline occurs.

IRO-2 Disclosure Requirements in ESRS covered by the undertaking's sustainability statement

Table 17 provides an overview of the disclosure requirements adhered to in this sustainability statement, based on the double materiality assessment. Topics not included in Table 17 were excluded because they did not meet the materiality threshold.

A brief explanation of why these topics is considered not material is available in Table 14, while the methodology for setting the materiality threshold is outlined under IRO-1.

Table 18 lists all required data points derived from other EU legislation, along with references to where each data point is addressed in the sustainability statement.

Table 17 – Overview of disclosure requirements related to the material topics:

Disclosure requirement in ESRS	Page	Mandatory or chosen as material	Related to IRO in materiality assessment (by IRO ID number, see Table 11 and 12)
ESRS 2 General disclosures			
BP-1 General basis for preparation of the sustainability statement	32	Mandatory	
BP-2 Disclosures in relation to specific circumstances	32	Mandatory	
GOV-1 The role of the administrative, management and supervisory bodies	33	Mandatory	
GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	34	Mandatory	
GOV-3 Integration of sustainability-related performance in incentive schemes	35	Mandatory	
GOV-4 Statement on due diligence	35	Mandatory	
GOV-5 Risk management and internal controls over sustainability reporting	35	Mandatory	
SBM-1 Strategy, business model and value chain	36	Mandatory	
SBM-2 Interests and views of stakeholders	37	Mandatory	
SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	39	Mandatory	
IRO-1 Description of the process to identify and assess material impacts, risks and opportunities	42	Mandatory	
IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability statement	45	Mandatory	
ESRS E1 Climate Change			
ESRS 2 GOV-3 Integration of sustainability-related performance and incentive schemes	57	Mandatory	Context to 1, 2, 15, 16, 17
E1-1 Transition plan for climate change mitigation	57	Mandatory	Context to 1, 2, 15, 16, 17
ESRS 2 IRO-1 Description of the process to identify and assess material climate-related impacts, risks and opportunities	58	Mandatory	Context to 1, 2, 15, 16, 17
ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	58	Mandatory	Context to 1, 2, 15, 16, 17
E1-2 Policies related to climate change mitigation and adaptation	61	Mandatory	Context to 1, 2, 15, 16, 17
E1-3 Actions and resources in relation to climate change policies	62	Mandatory	Context to 1, 2, 15, 16, 17
E1-4 Targets related to climate change mitigation and adaptation	63	Mandatory	Context to 1, 2, 15, 16, 17
E1-5 Energy consumption and mix	64	Material	2
E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	65	Material	1

Disclosure requirement in ESRS	Page	Mandatory or chosen as material	Related to IRO in materiality assessment (by IRO ID number, see Table 11 and 12)
ESRS E5 Resource use and circular economy			
ESRS 2 IRO-1 Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	67	Mandatory	Context to 3, 17
E5-1 Policies related to resource use and circular economy	67	Mandatory	Context to 3, 17
E5-2 Actions and resources related to resource use and circular economy	68	Mandatory	Context to 3, 17
E5-3 Targets related to resource use and circular economy	68	Mandatory	Context to 3, 17
E5-5 Resource outflows	69	Material	3, 17
ESRS S1 Own workforce			
ESRS 2 SBM-2 Interest and views of stakeholders	70	Mandatory	Context to 4, 5, 6, 7, 8, 9, 10, 18
ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	70	Mandatory	Context to 4, 5, 6, 7, 8, 9, 10, 18
S1-1 Policies related to own workforce	71	Mandatory	Context to 4, 5, 6, 7, 8, 9, 10, 18
S1-2 Process for engaging with own workers and workers' representatives about impacts	73	Mandatory	Context to 4, 5, 6, 7, 8, 9, 10, 18
S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns	73	Mandatory	Context to 4, 5, 6, 7, 8, 9, 10, 18
S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	74	Mandatory	Context to 4, 5, 6, 7, 8, 9, 10, 18
S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	76	Mandatory	Context to 4, 5, 6, 7, 8, 9, 10, 18
S1-6 Characteristics of undertaking's employees	77	Material	Context to 4, 5, 6, 7, 8, 9, 10, 18
S1-8 Collective bargaining coverage and social dialogue	78	Material	4, 5
S1-9 Diversity metrics	78	Material	9, 10
S1-13 Training and skills development metrics	78	Material	8, 9, 18
S1-14 Health and safety metrics	79	Material	7
S1-15 Work life balance metrics	79	Material	6, 9
S1-16 Renumeration metrics (pay gap and total renumeration)	80	Material	9
ESRS G1 Business conduct			
ESRS 2 GOV-1 The role of the administrative, supervisory and management bodies	81	Mandatory	Context to 12, 13, 14
ESRS 2 IRO-1 Description of the processes to identify and address material impacts, risks and opportunities	81	Mandatory	Context to 12, 13, 14
SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	81	Mandatory	Context to 12, 13, 14
G1-1 Corporate culture and business conduct policies	82	Mandatory	12, 13
G1-2 Management of relationships with suppliers	83	Material	14

***Table 18** – Datapoints derived from other EU legislation and reference to page number:*

Disclosure Requirement and related datapoint	Page
ESRS 2 GOV-4 Statement on due diligence paragraph 30	5
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Not relevant
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Not relevant
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Not relevant
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv	Not relevant
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14	57
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Not relevant
ESRS E1-5 Energy consumption and mix paragraph 37	64
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Not relevant
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	64
ESRS E1-7 GHG removals and carbon credits paragraph 56	Not material
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66	Not material
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)	Not material
ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)	Not material
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).	Not material
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities paragraph 69	Not material
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Not material
ESRS E3-1 Water and marine resources paragraph 9	Not material
ESRS E3-1 Dedicated policy paragraph 13	Not material
ESRS E3-1 Sustainable oceans and seas paragraph 14	Not material
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Not material
ESRS E3-4 Total water consumption in m^3 per net revenue on own operations paragraph 29	Not material
ESRS 2- IRO 1 - E4 paragraph 16 (a) i	Not material
ESRS 2- IRO 1 - E4 paragraph 16 (b)	Not material
ESRS 2- IRO 1 - E4 paragraph 16 (c)	Not material
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Not material
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Not material
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Not material
ESRS E5-5 Non-recycled waste paragraph 37 (d)	
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	69
ESRS 2- SBM - S1 Risk of incidents of forced labour paragraph 14 (f)	70
ESRS 2- SBM - S1 Risk of incidents of child labour paragraph 14 (g)	70
ESRS S1-1 Human rights policy commitments paragraph 20	72
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21	72

Disclosure Requirement and related datapoint	Page
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	72
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	79
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	79
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	80
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	80
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Not material
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Not material
ESRS 2- SBM – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Omitted in this years' reporting, with reference to ESRS E1 Appendix C
ESRS S2-1 Human rights policy commitments paragraph 17	
ESRS S2-1 Policies related to value chain workers paragraph 18	
ESRS S2-1Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19	
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	
ESRS S3-1 Human rights policy commitments paragraph 16	Not material
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Not material
ESRS S3-4 Human rights issues and incidents paragraph 36	Not material
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Not material
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	82
ESRS G1-1 Protection of whistle- blowers paragraph 10 (d)	83
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Not material
ESRS G1-4 Standards of anti- corruption and anti- bribery paragraph 24 (b)	Not material

II. ENVIRONMENT

TAXONOMY (DISCLOSURE PURSUANT TO ARTICLE 8 OF REGULATION 2020/852)

Background
The EU Taxonomy Regulation (2020/852) entered into force on 12 July 2020. The Delegated Acts currently in force include the Climate Delegated Act (2021/2139), the Disclosures Delegated Act (2021/2178), the Complementary Climate Delegated Act (2022/1214), the Environmental Delegated Act (2023/2486), and amendments to the Climate Delegated Act (2023/2485). As of now, large, public-interest undertakings are required to report under the EU Taxonomy Regulation.

In 2024, NORBIT conducted a taxonomy assessment structured in four main steps, detailed in the following chapters. The taxonomy assessment encompasses all the company's economic activities, and the scope aligns with the consolidated group's financial reporting boundaries.

Definition of eligible activities
The EU taxonomy is a classification system that sets out a list of environmentally sustainable economic activities. The Delegated Acts define eligible activities together with technical screening criteria for when the activities can be considered sustainable (aligned). NORBIT has systematically mapped all the company's activities and categorised them as eligible or non-eligible based on the regulation's descriptions. Table 19 summarises the eligible activities identified.

__Table 19__ – Overview of eligible activities under the Taxonomy:

Economic activity under the EU Taxonomy	Defined under environmental objective in the EU Taxonomy	Description of economic activity	Application to NORBIT business segments
1.2 Manufacturing of electrical and electronic equipment	Circular economy	Manufacturing of electrical and electronic equipment for industrial, professional and consumer use.	**Connectivity:** • On-Board units • Enforcement modules for tachographs • Satellite-based tolling • Other **Oceans:** • Subsea sonars • Sub bottom profilers • Security • Other **PIR:** • Contract manufacturing • R&D services
5.1 Repair, refurbishment and remanufacturing	Circular economy	Repair, refurbishment and remanufacturing of goods that have been used for their intended purpose before by a customer (physical person or legal person).	**Connectivity:** • On-Board units

Most of NORBIT's buildings are production facilities directly tied to manufacturing, along with R&D spaces for developing the technologies produced. These facilities are essential to the activities reported in section 1.2 and are therefore included in the reporting for these activities, and not under a separate building activity defined in the taxonomy.

Definition of reporting units

Given NORBIT's diverse product portfolio which includes both standalone items and product families, a reporting framework has been developed to categorise products into groups based on their functions and features. These categories are described in column 4 in Table 19, and align with the financial reporting framework.

Assessment of degree of alignment

For an eligible activity to be considered aligned, it must satisfy the following conditions:

1. The company must fulfill the minimum safeguard standards based on OECD and UN guidelines.
2. The activity must make a substantial contribution to one or more of the climate and environmental objectives relevant to that activity.
3. The activity must do no significant harm to the other remaining objectives.

Each activity has been evaluated against these screening criteria, using both explicit information and an understanding of the intent behind the requirements, supplemented by the best available knowledge.

First, the minimum safeguard criteria were mapped on group level (point 1 above). As the Taxonomy Regulation has not defined explicit criteria for minimum safeguards beyond referencing OECD and UN guidelines, NORBIT has assessed requirements based on the due diligence processes outlined in these frameworks. NORBIT meets the minimal safeguard criteria by addressing topics such as human rights, anti-corruption, and fair competition. The code of conduct, aligned with OECD guidelines, applies to both employees and suppliers, and all employees receive training on its content. Risk assessments, reporting under the Transparency Act, and measures to promote ethical business conduct are conducted annually. This is described in more detail in ESRS 2 and G1.

Next, each individual activity was mapped against both the substantial contribution and the do no significant harm criteria (point 2 and 3 above). The mapping was done for each product group, equivalent to the reporting units described above. This approach was carried out conservatively, meaning that non-alignment was reported if any individual product within the group did not meet the criteria.

The mapping methodology was multifaceted due to the diverse nature and number of criteria. The process included consultations with key personnel across segments, such as employees from R&D, QA and other relevant teams. Parts lists, product descriptions and specifications were also reviewed, often by use of compliance tools such as Silicon Expert. Certain criteria were related to topics already covered in other areas of ESRS reporting, such as climate adaptation, and the mapping for these topics was therefore based on information obtained through the double materiality assessment.

Tables 20, 21 and 22 provide a qualitative overview of alignment to the criteria, for each of the six environmental goals under the taxonomy. The "Other" group in both the Oceans and Connectivity segment is characterised by low revenue and significant variation in product types. As a result, a detailed assessment of this group has not been prioritised for this reporting period, and criteria demanding detailed materials mapping is therefore set to “not aligned”. This is a conservative approach which will be developed in future reporting.

Table 20 *– Overview of alignment for the subsegments of Oceans for activity 1.2 Manufacturing of electrical and electronic equipment:*

Goal under the EU taxonomy	Subsea sonars	Security	Sub bottom profilers	Other
Climate change mitigation	Aligned. Products do not contain refrigerants or SF6.			
Climate change adaptation	Aligned. Climate risk analysis has been conducted and is described in E1.			
Sustainable use and protection of water and marine resources	Aligned. No projects or assets fall under Annex I of the Environmental Impact Assessment Directive. Analysis confirms no impact on achieving good environmental status of marine waters.			
Transition to a circular economy	Requirement text from EU is broken down into criteria, where 24 of 30 criteria are met. Aligned on topics related to repair and software. Non-aligned criteria relate to information on how to recycle products.			Not mapped in detail. Chosen to report as not aligned until more thorough analysis is conducted.
Pollution prevention and control	Aligned. Each product group is assessed through analysing components and their substances. No persistent organic pollutants, mercury, ozone depleting substances in products. RoHS and REACH compliant.			Not mapped in detail. Chosen to report as not aligned until more thorough analysis is conducted.
Protection and restoration of biodiversity and ecosystems	Aligned. No projects or assets falling under Annex I and II of EIA. No site or operation in biodiversity-sensitive areas.			

Table 21 – Overview of alignment for the subsegments of Connectivity for activity 1.2 Manufacturing of electrical and electronic equipment:

Goal under the EU taxonomy	On-Board Units	Tachograph enforcement modules	Satellite based tolling	Other
Climate change mitigation	Aligned. Products do not contain refrigerants or SF6.			
Climate change adaptation	Aligned. Climate risk analysis has been conducted and is detailed in E1.			
Sustainable use and protection of water and marine resources	Aligned. No projects or assets fall under Annex I of the Environmental Impact Assessment Directive.			
Transition to a circular economy	Aligned. Software not used to negatively affect circularity of product. Information on end-of-life management provided on website, product properly marked, work with B2B customers to meet Extended Producer Responsibility (EPR) obligations as per Member State regulations.			Not mapped in detail. Chosen to report as not aligned until more thorough analysis is conducted.
Pollution prevention and control	Aligned. Each product is assessed through analysing components and their substances. No persistent organic pollutants, mercury, ozone depleting substances in products. RoHS and REACH compliant.			Not mapped in detail. Chosen to report as not aligned until more thorough analysis is conducted.
Protection and restoration of biodiversity and ecosystems	Aligned. No projects or assets falling under Annex I and II of EIA. No site or operation in biodiversity-sensitive areas.			

Table 22 – Overview of alignment for the subsegments of Connectivity for activity 5.1 Repair, refurbishment and remanufacturing:

Goal under the EU taxonomy	On-Board Units
Climate change mitigation	Aligned. No on-site generation of heat/cool or co-generation including power.
Climate change adaptation	Aligned. Climate risk analysis has been conducted and is detailed in E1.
Sustainable use and protection of water and marine resources	Aligned. No projects or assets fall under Annex I of the Environmental Impact Assessment Directive.
Transition to a circular economy	Aligned. Ensures all refurbished products are sold under contracts adhering to conformity and liability standards and implementing waste management plans that prioritises reuse and recycling of materials.
Pollution prevention and control	Aligned. Each product is assessed through analysing components and their substances. No persistent organic pollutants, mercury, ozone depleting substances in products. RoHS and REACH compliant.

The contract manufacturing activity under the PIR segment is considered eligible under activity 1.2. However, due to the complexity of mapping numerous products for which NORBIT does not retain product ownership, nor full control over design and material decisions, a detailed assessment is not conducted during this reporting period. As a result, this activity has conservatively been classified as 'non-aligned'. This methodology will be further evolved in later reporting years.

Calculation and presentation of KPIs

The definitions of the turnover, CAPEX, and OPEX KPIs are set out in Annex I to the Disclosures Delegated Act. The proportion of taxonomy-eligible and aligned KPIs are calculated by dividing a numerator by a denominator. Table 23 explains how the denominators and numerators were derived for each KPI.

***Table 23** – Definition of KPIs under the EU taxonomy:*

KPI	Variable	Explanation of included data
Turnover	Denominator	The amounts derived from the sale of products and the provision of services after deducting sales rebates and value added tax and other taxes directly linked to turnover.
	Numerator eligibility and alignment	Part of the turnover in the denominator that is associated with taxonomy eligible and aligned activities.
CAPEX	Denominator	The total additions to tangible and intangible assets during the financial year are considered before depreciation, amortisation and any re-measurements. I.e. costs that are accounted based on IAS 16 Property, plant, and equipment, IAS 38 Intangible Assets, IAS 40 Investment Property, IAS 41 Agriculture and IFRS 16 Leases. Financial investments, including capital injections in associated companies and joint ventures, are excluded from the metric.
	Numerator eligibility and alignment	Part of the CAPEX denominator that is related to assets and processes that are associated with taxonomy eligible and aligned activities. Due to the low revenue generated by Activity 5.1 and the complexity of allocating CAPEX elements between refurbishment activities and regular OBU activities, the CAPEX associated with 5.1 is assumed to be zero for both the eligible and aligned KPI, and rather included fully in 1.2. For IAS 16 and IFRS 16, identifying the investments allocated to the "Other" sub segment within Connectivity is challenging, as the equipment is often shared with the other subsegments. Therefore, a portion representing the "Other" subsegment has been deducted from the aligned KPI. This portion is estimated based on the revenue ratio between the "Other" subsegment and the other aligned subsegments within Connectivity.
OPEX	Denominator	Non-capitalised costs related to research and development, building renovation measures, short-term lease, and maintenance and repair and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment that are necessary to ensure the continued and effective functioning of such assets. All R&D related costs are capitalised and included in the CAPEX KPI.
	Numerator eligibility and alignment	Part of the OPEX denominator that is associated with taxonomy eligible and aligned activities. Due to the low revenue generated by Activity 5.1 and the complexity of allocating OPEX elements between refurbishment activities and regular OBU activities, the OPEX associated with 5.1 is assumed to be zero for both the eligible and aligned KPI, and rather included fully in 1.2. For IAS 16 and IFRS 16, identifying the expenditures allocated to the "Other" sub segment within Connectivity is challenging, as the expenditure is often shared with the other subsegments. Therefore, a portion representing the "Other" subsegment has been deducted from the aligned KPI. This portion is estimated based on the revenue ratio between the "Other" subsegment and the other aligned subsegments within Connectivity.

The KPIs under the Taxonomy are summarised in Figure 8, and presented in detail in Table 24, 25 and 26. Eligibility figures are somewhat different from 2023 due to the inclusion of PIR as eligible in 2024, while e-tolling is not considered eligible in 2024. In 2023, alignment was not reported (not mandatory). The requirement from Annex XII describing nuclear and fossil gas related activities is included in Table 27.

***Figure 8** – Turnover, CAPEX and OPEX under the taxonomy:*

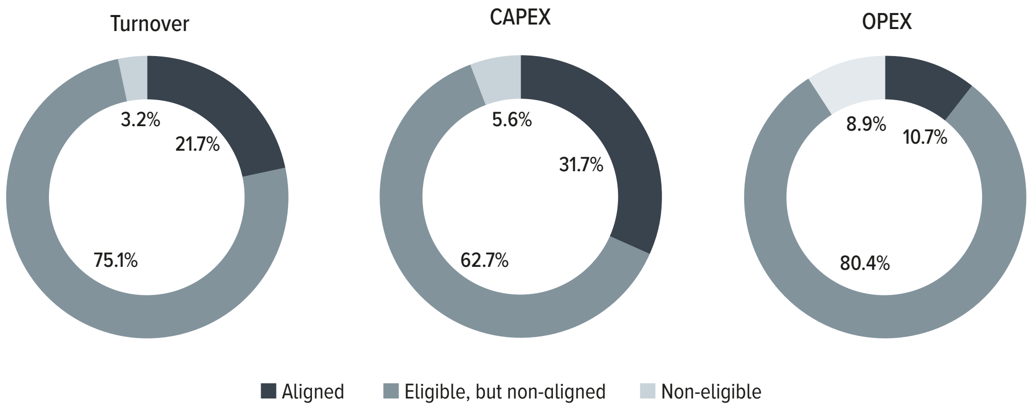


Table 24 *– Turnover KPI under the EU taxonomy:*

Financial year 2024	2024			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	**Code (2)**	**Turnover (3)**	**Proportion of Turnover 2024 (4)**	**Climate Change Mitigation (5)**	**Climate Change Adaptation (6)**	**Water (7)**	**Pollution (8)**	**Circular Economy (9)**	**Biodiversity and ecosystems (10)**	**Climate Change Mitigation (11)**	**Climate Change Adaptation (12)**	**Water (13)**	**Pollution (14)**	**Circular Economy (15)**	**Biodiversity (16)**	**Minimum Safeguards (17)**	**Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year 2023 (18)**	**Category (enabling activity) (19)**	**Category (transitional activity) (20)**
Text		*million NOK*	*%*	*Y ; N ; N/EL*	*Y ; N ; N/EL*	*Y ; N ; N/EL*	*Y ; N ; N/EL*	*Y ; N ; N/EL*	*Y ; N ; N/EL*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
1.2 Manufacturing of electrical and electronic equipment	CE 1.2	378.4	21.6%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y	N/A		
5.1 Repair, refurbishment and remanufacturing	CE 5.1	1.7	0.1%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y	N/A		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		380.1	21.7%	0%	0%	0%	0%	22%	0%	Y	Y	Y	Y	Y	Y	Y	N/A		
Of which enabling		0.0	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	N/A	E	
Of which transitional		0.0	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	N/A		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
1.2 Manufacturing of electrical and electronic equipment	CE 1.2	1316.0	75.1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								N/A		
5.1 Repair, refurbishment and remanufacturing	CE 5.1	0.0	0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								N/A		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1316.0	75.1%	0	0	0	0	75%	0								N/A		
Turnover of Taxonomy-eligible activities (A.1+A.2)		1696.1	96.8%	0	0	0	0	97%	0								N/A		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		55.3	3.2%														N/A		
Total (A+B)		1,751.4	100%														N/A		

***Table 25** – CAPEX KPI under the EU taxonomy:*

Financial year 2024	2024			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	**Code (2)**	**CapEx (3)**	**Proportion of CapEx 2024 (4)**	**Climate Change Mitigation (5)**	**Climate Change Adaptation (6)**	**Water (7)**	**Pollution (8)**	**Circular Economy (9)**	**Biodiversity and ecosystems (10)**	**Climate Change Mitigation (11)**	**Climate Change Adaptation (12)**	**Water (13)**	**Pollution (14)**	**Circular Economy (15)**	**Biodiversity (16)**	**Minimum Safeguards (17)**	**Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx, year 2023 (18)**	**Category (enabling activity) (19)**	**Category (transitional activity) (20)**
Text		*million NOK*	*%*	*Y ; N ; N/EL*	*Y ; N ; N/EL*	*Y ; N ; N/EL*	*Y ; N ; N/EL*	*Y ; N ; N/EL*	*Y ; N ; N/EL*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
1.2 Manufacturing of electrical and electronic equipment	CE 1.2	66.4	31.7%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y	N/A		
5.1 Repair, refurbishment and remanufacturing	CE 5.1	0.0	0.0%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y	N/A		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		66.4	31.7%	0%	0%	0%	0%	27%	0%	Y	Y	Y	Y	Y	Y	Y	N/A		
Of which enabling		0.0	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	N/A	E	
Of which transitional		0.0	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	N/A		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
1.2 Manufacturing of electrical and electronic equipment	CE 1.2	131.2	62.7%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								N/A		
5.1 Repair, refurbishment and remanufacturing	CE 5.1	0.0	0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								N/A		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		131.2	62.7%	0	0	0	0	67%	0								N/A		
CapEx of Taxonomy-eligible activities (A.1+A.2)		197.6	94.4%	0	0	0	0	94%	0								N/A		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		11.7	5.6%														N/A		
Total (A+B)		209.3	100%														N/A		

__Table 26__ – OPEX KPI under the EU taxonomy:

Financial year 2024	2024			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	**Code (2)**	**OpEx (3)**	**Proportion of OpEx 2024 (4)**	**Climate Change Mitigation (5)**	**Climate Change Adaptation (6)**	**Water (7)**	**Pollution (8)**	**Circular Economy (9)**	**Biodiversity and ecosystems (10)**	**Climate Change Mitigation (11)**	**Climate Change Adaptation (12)**	**Water (13)**	**Pollution (14)**	**Circular Economy (15)**	**Biodiversity (16)**	**Minimum Safeguards (17)**	**Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, year 2023 (18)**	**Category (enabling activity) (19)**	**Category (transitional activity) (20)**
Text		*million NOK*	*%*	*Y ; N ; N/EL*	*Y ; N ; N/EL*	*Y ; N ; N/EL*	*Y ; N ; N/EL*	*Y ; N ; N/EL*	*Y ; N ; N/EL*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
1.2 Manufacturing of electrical and electronic equipment	CE 1.2	1.13	10.7%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y	N/A		
5.1 Repair, refurbishment and remanufacturing	CE 5.1	0.0	0.0%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y	N/A		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		1.13	10.7%	0%	0%	0%	0%	11%	0%	Y	Y	Y	Y	Y	Y	Y	N/A		
Of which enabling		0.0	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	N/A	E	
Of which transitional		0.0	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	N/A		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
1.2 Manufacturing of electrical and electronic equipment	CE 1.2	8.5	80.4%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								N/A		
5.1 Repair, refurbishment and remanufacturing	CE 5.1	0.0	0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								N/A		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		8.5	80.4%	0	0	0	0	80%	0								N/A		
OpEx of Taxonomy-eligible activities (A.1+A.2)		9.6	91.1%	0	0	0	0	91%	0								N/A		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		0.9	8.9%														N/A		
Total (A+B)		10.5	100%														N/A		

***Table 27** – Nuclear and fossil gas related activities:*

Nuclear energy related activities	
The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Fossil gas related activities	
The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

ESRS E1 CLIMATE CHANGE

ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes

As outlined in ESRS E2 GOV-3, the executive management's variable compensation is partially tied to general sustainability criteria. These criteria are not specifically broken down into climate-related considerations or GHG emission reduction targets but instead reflect a broader evaluation across all sustainability topics.

E1-1 Transition plan for climate change mitigation

NORBIT does not have a full transition plan for climate change mitigation, but developed in 2024 a climate change mitigation policy focused on scope 1 and 2 emissions. Scope 3 emissions account for the largest share of the overall carbon footprint, but as scope 3 reporting is not mandatory until the company exceeds 750 employees[1], the focus has been on scope 1 and 2 emissions.

The policy targets assets and infrastructure in own operations and is aligned with the Science Based Targets initiative, which provides a pathway for companies to reduce GHG emissions in line with the 1.5°C goal of the Paris Agreement. The plan was developed by the ESG working group and has been approved by the executive management team. Future adjustments will be necessary as scope 3 emissions are incorporated. The method for identification and selection of pathways, setting targets, and overview of the specific targets are described in section E1-4.

The key decarbonisation levers identified to reach the targets described in E1-4 are:

- Scaling production units by increasing economic output with fewer input factors, relevant specifically for intensity-based targets.
- Purchasing green energy certificates for electricity consumption.
- Evaluating renewable energy projects when expanding production sites, such as installation of solar panels and other renewable energy or sustainability initiatives.
- Transitioning to electric company vehicles as replacements are needed (fuel switching).
- Phasing out fossil-based heating sources at production sites where technically feasible.
- Energy efficiency measures in existing buildings.

As part of the transition policy, a qualitative analysis was conducted to assess the locked-in GHG emissions from key assets. Assets in this context can be understood as owned or controlled existing and planned installations, facilities, and equipment. The primary energy sources of NORBIT's sites are electricity and district heating. While these are considered locked-in, the main production facilities in Norway benefit from a high share of renewable energy in the national grid.

The identified measures are considered to have low operational and capital expenditure requirements. A more detailed investment plan will be developed during the next reporting year. NORBIT is not excluded from the EU Paris-aligned benchmarks.

1) With reference to ESRS 1 Appendix C List of phased-in disclosure requirements, the gross scope 3 emissions are not included for this year's reporting. Undertakings or groups not exceeding on their balance sheet dates the average number of 750 employees during the financial year (on a consolidated basis where applicable) may omit the datapoints on scope 3 emissions and total GHG emissions for the first year of preparation of their sustainability statement.

ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model *and*

ESRS 2 IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities

The material impacts, risks, and opportunities related to E1 are broadly outlined in ESRS 2 SBM-3, with further details and classifications provided in Table 28. The overall process in which the impacts, risks and opportunities are identified and assessed is described in IRO-1. How activities are screened to identify actual and potential GHG emission sources and energy consumption, as well as actual and potential impacts on climate change, are described in more detail under E1-5 and E1-6.

***Table 28** – The material impacts, risks and opportunities under E1:*

IRO number and title	Type (positive or negative, risk or opportunity)	Where in the value chain/company the IRO occurs	Impact on people and environment	Impact on NORBIT
1. GHG emissions (scope 1, 2, 3)	Negative impact	Emissions occur across the company and throughout the value chain. For scope 1 and 2, the highest levels are found at production facilities in Norway. For scope 3, emissions occur throughout the value chain	Contributes to climate change, leading to environmental degradation, economic strain, and social impacts globally	Increased regulatory compliance requirements, potential reputational risks, and contribution to the company's environmental footprint
2. Energy consumption and mix	Negative impact	Energy consumption occurs across the company and throughout the value chain, with the highest levels at production facilities in Norway	Contributes to climate change and associated environmental, social, and economic effects, though the industry is not highly energy-intensive compared to others	Operational costs increase with energy consumption. Potential risks to reputation, regulatory compliance, and overall environmental footprint
15. Business opportunities from changes in legal requirements	Opportunity	Company-wide, particularly in product development and innovation	Product innovation solving societal and environmental problems	New revenue streams, market differentiation, and customer acquisition driven by compliance and innovation
16. Scarcity of components due to climate change	Risk (climate-related physical risk)	Primarily affects the supply chain, with a focus on suppliers in Asia	Disruption of supply chains, depletion of natural resources, and increased pressure on ecosystems	Potential inability to deliver certain products, leading to revenue loss and operational delays

Physical climate risk analysis

In 2023, a physical climate risk analysis was conducted in line with the framework established by the Task Force on Climate-related Financial Disclosures.

First, key sites were scoped, focusing on major production sites and headquarters as high-value assets. Smaller offices and locations were excluded due to lower risk and easier mobility. An evaluation of the upstream value chain is planned for future assessments.

In the second step, NORBIT identified several climate scenarios from globally recognised sources, including the International Energy Agency and the Intergovernmental Panel on Climate Change (IPCC) to ensure alignment with research. The primary scenario chosen was the IPCC's 2°C pathway (RCP 2.6), due to its scientific consensus and relevance to potential impacts, such as temperature increases and extreme weather events. The analysis considered both a medium-term (5 years) and long-term horizon (20 years). The medium-term horizon supports immediate adaptation strategies for operational stability, while the long-term outlook informs broader resilience planning. Each scenario incorporated key forces relevant to NORBIT's operations, such as regulatory assumptions, macroeconomic trends impacting energy-dependent sectors, shifts towards renewables, and technological advancements in energy efficiency.

Data collection for the analysis included historical climate data for the region and interviews with stakeholders familiar with NORBIT's key sites. Climate hazards were categorised into two groups: chronic risks which develop over time (e.g., rising temperatures), and acute risks which occur suddenly and severely (e.g., storms). These risks were further classified by hazard type — temperature, wind, water, and solid mass events.

Each climate hazard was then evaluated for likelihood and consequence on a scale from 1 (low) to 3 (high). These scores were combined to form an external threat score, which was multiplied by a vulnerability score to produce an overall risk impact score. Risks were prioritised based on these scores, and mitigation measures were identified to reduce potential risks.

As illustrated in Tables 29 and 30, NORBIT faces relatively low physical climate risk in own operations, largely due to the favourable geographical conditions of key sites. There have been no climate-related incidents historically at these sites. Current mitigation efforts include ongoing monitoring of potential risks and maintaining communication with the landlord at the Trondheim location and the municipalities in Røros and Selbu.

***Table 29** – Most relevant physical climate risks for headquarter and production site in Trondheim:*

Chronic or acute	Risk category	Brief description	Likelihood (1-3) [1]	Consequence (1-3) [2]	External threat (1-9) [3]	Vulnerability (1-3) [4]	Climate risk impact
Acute	Wind-related	Storms and extreme weather	3	2	6	1	6
Acute	Water-related	Flood	2	2	4	2	8
Acute	Water-related	Heavy precipitation such as rain, hail, snow/ice	3	1	3	1	3
Chronic	Water-related	Changing precipitation patterns and types (rain, hail, snow/ice) such as more frequent heavy rainfall	3	1	3	1	3
Chronic	Water-related	Sea level rise	3	2	6	1	6

1. The likelihood of the risk to happen where the activities take place.
2. The consequences of the risk, not taking into account of already implemented mitigation measures.
3. Product of likelihood and consequence.
4. The vulnerability of the company of the risk, taking into account the adaptation measures already in place.

***Table 30** – Most relevant physical climate risks for production sites at Røros and Selbu:*

Chronic or acute	Risk category	Brief description	Likelihood (1-3)	Consequence (1-3)	External threat (1-9)	Vulnerability (1-3)	Climate risk impact
Acute	Temperature-related	Cold wave/frost	3	1	3	1	3
Acute	Temperature-related	Wildfire	1	3	3	2	6
Acute	Wind-related	Storms and extreme weather	2	2	4	1	4
Chronic	Water-related	Changing precipitation patterns and types (rain, hail, snow/ice)	3	1	3	1	3

Transition risk

A transition risk analysis was also conducted in 2023, following a similar approach as used for the physical climate risk analysis. The scope for this analysis was consistent with the physical climate risk analysis, including the scenario analysis.

Table 31 presents an overview of significant transition events, categorised into four primary areas: Policy and legal, technology, market, and reputation, detailing their estimated impact and time horizons. These events represent both risks and opportunities for NORBIT. The most pressing transition risks are associated with policy and legal challenges, particularly potential regulations on materials or components used in products. The greatest opportunities are found within market trends, especially as shifting customer preferences, often driven by evolving policy requirements, open new business opportunities. One example is the growing demand for enforcement modules for tachographs, spurred by EU green mobility mandates.

***Table 31** – Most relevant transition events relevant for NORBIT:*

Risk category	Brief description	Likelihood (1-3)	Consequence (1-3)	External threat/ opportunity (1-9)	Vulnerability/ capability (1-3)	Transition event impact	Time horizon
Policy and legal	Mandates on and regulation of materials and substances in and sourcing of products	3	2	6	2	12	Short term
Policy and legal	Enhanced reporting obligations	3	2	6	1	6	Short term
Policy and legal	Increased pricing of GHG emissions	2	1	2	1	2	Medium term
Technology	Increased demand for renewable energy sources	2	2	4	2	8	Medium to long term
Technology	Energy efficiency requirements	2	2	4	2	8	Medium to long term
Market	Changing customer preferences/ requirements (policy driven)	3	3	6	3	18	Short to long term
Reputation	Increased stakeholder concern	3	2	6	1	6	Medium to long term

Summary of the resilience analysis of strategy and business model in relation to climate change

The resilience analysis can be summarised by the following overall findings:

Both the physical climate and transition risk analyses indicate that NORBIT is well-positioned to adapt its strategy and business model to the challenges posed by climate change. Physical climate risk is assessed to be low, while the transition risk analysis suggests that the opportunities outweigh the challenges. A key strength lies in NORBIT's market-driven innovation capabilities, enabling the company to proactively develop solutions that address evolving customer demands driven by changes in regulatory, environmental, and social requirements. The most significant risks identified relate to transition risks, especially concerning policy and legal requirements affecting existing products.

Developing expertise in these areas and implementing robust compliance tools could not only mitigate risks but also position NORBIT favourably, as the ability to meet stakeholder compliance needs can create a competitive advantage. While NORBIT may need to make some targeted investments to support climate adaptation, the primary focus is on increasing regulatory expertise and establishing streamlined processes, tools, and procedures for climate resilience.

E1-2 Policies related to climate change mitigation and adaptation

The policies to manage NORBIT's material impacts, risks, and opportunities related to climate change mitigation and adaptation are described in Table 32. These policies are monitored through regular internal audits to ensure alignment with international standards and organisational goals. The director of strategy and ESG is accountable for the implementation of the policies. All policies are made available to employees through the company public website or information systems.

***Table 32** – Policies related to climate mitigation and adaptation:*

Policy	Objective and key content *(including reference to standards)*	Relates to IRO number	Scope	Ownership and monitoring
Code of conduct with related learning materials	**Goal and key content:** • Creating impact and solving societal problems with own products and services • Emphasis on environment during design, development, production, and transportation process **Refer to:** • EU taxonomy • National laws in countries NORBIT operates in	1, 2, 15	All subsidiaries. External stakeholders up- and downstream (such as business partners, suppliers and customers)	• Board of directors • Updated yearly
Climate and energy policy	**Goal and key content:** • Climate change mitigation • Climate change adaptation • Energy efficiency • Renewable energy deployment **Refer to:** • Paris Agreement • Science Based Targets Initiative	1, 2, 15, 16	All subsidiaries	• Executive management • Updated yearly

E1-3 Actions and resources in relation to climate change policies

The actions addressing NORBIT's material impacts, risks, and opportunities related to climate change are outlined in Table 33. These actions align with the targets set forth in E1-4 and were identified by the ESG working group through analysis of greenhouse gas (GHG) emissions, climate risks, and overall resilience.

Effectiveness is monitored based on the defined targets in section E1-4. Since 2024 marks the first year NORBIT has established scope 1 and 2 GHG accounts and gained overview of company-wide energy consumption, the current focus is on expanding data collection and developing analytical frameworks. This includes scope 3 GHG accounting, detailed energy consumption tracking, and developing a product carbon footprint methodology.

Initial steps have also been taken to identify decarbonisation levers; however, as this is in an early stage, actions are directed towards feasibility studies and analysis. The time horizon for these actions is short to medium to allow for an understanding of baseline data before defining more targeted decarbonisation strategies.

Due to the preliminary nature of these actions, they are not expected to yield substantial GHG emissions reductions immediately. Implementation of these actions will rely on existing resources, with minimal additional operational or capital expenditures anticipated.

***Tabell 33** – Actions addressing material impacts, risks, and opportunities related to climate change:*

IRO	Taken or planned action	Scope of action	Time horizon
1. GHG emissions **2.** Energy consumption and mix	Establish scope 1 and 2 GHG accounts	Company wide	Conducted in reporting period
	Establish energy consumption data across company	Company wide	Conducted in reporting period
	Establish methodology for product carbon footprint calculation for selected Connectivity products	Selected products in Connectivity segment	Conducted in reporting period
	Establish overall GHG reduction target	Company wide	Conducted in reporting period
	Conduct feasibility analysis for reducing fossil-based heating	Production sites in Hungary	Planned (medium term)
	Evaluate renewable energy projects for new production site	Production site in Selbu	Planned (short term)
	Transition company vehicle fleet to electric vehicles as replacements are needed	Norway and Hungary	Panned (medium to long term, as vehicles reach replacement stage)
	Establish scope 3 GHG accounts	Value chain	Planned (medium to long term)
	Implement product carbon footprint methodology for additional selected product lines	Selected products in Oceans segment	Planned (medium term)
	Assess the need for green energy certificates to meet reduction targets	Production sites in Norway	Planned (short term)
16. Component scarcity due to climate change	Conduct climate risk assessments of key suppliers	Value chain	Planned (short term)

E1-4 Targets related to climate change mitigation and adaptation

Targets related to managing material impacts, risks and opportunities are outlined in Table 34. Most of these targets emphasise establishing data to enable the development of more specific reduction targets in future reporting periods. The targets reflect the material topics chosen, and their respective policies and actions described under E1-2 and E1-3. The targets are set by the ESG working group, based on (1) insights from the interviews during the double materiality analysis, (2) discussions within the management team and board of directors, (3) scientific recommendations and evidence, as well as (4) industry benchmarking. The effectiveness of these targets is evaluated based on measurable progress indicators, alignment with industry standards, and feedback from key stakeholders.

***Table 34** – Targets related to managing material impacts, risks and opportunities:*

Relation to IRO/policy objectives	Target description and how to measure	Scope	Period
1. GHG emissions	Reduce intensity-based scope 1 and 2 GHG emission from 2024 level by 42 per cent until 2030. *Relative, intensity-based target. Measured in reduction of tonnes CO_2e per revenue (NOK million).*	Company wide – see E1-5 for details on included subsidiaries and sites (geographies)	Medium term (until 2030)
	Plan to establish scope 3 GHG reduction target, as of now no target exists.	Upstream and downstream value chain	Medium to long term (when number of employees exceeds 750)
3. Energy consumption and mix	Plan to establish fossil energy reduction target, as of now no target exists.	Company wide	Medium term
16. Scarcity of components due to climate change	Plan to establish climate change adaptation resilience plan for upstream value chain, as of now no target exists.	Upstream value chain	Medium term

GHG reduction target

NORBIT has developed its GHG reduction target in alignment with the Science Based Targets initiative, following the 1.5°C pathway set by the Paris Agreement. As there are no specific sectoral pathways relevant for NORBIT, the economy-wide, cross-sector reduction pathway is adopted. This pathway requires a 42 per cent reduction in emissions from the base year of 2020 to 2030.

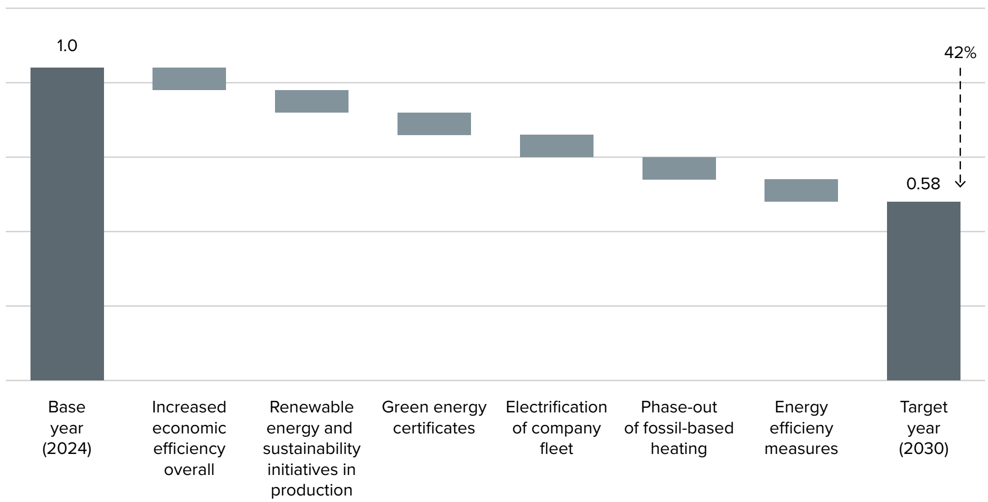
Since 2024 is the first year NORBIT has collected GHG emissions data, 2024 is established as the base year, and the reduction target is set to 42 per cent from 2024 to 2030, measured in total scope 1 and 2 emissions, where scope 2 is measured using the market-based method. As NORBIT anticipates growth in the coming years, the target is expressed as an intensity-based target, measured as a ratio of GHG emissions relative to group revenue in NOK million. The intensity (scope 1 and 2 in sum) in 2024 is estimated to 1 tonne CO_2e per NOK million, using the marked-based method for calculating scope 2 emissions. Applying the 42 per cent reduction results in a target of 0.58 tonne CO_2e per NOK million by 2030. Currently, the target has not been externally verified.

Decarbonisation levers

To achieve the reduction target, NORBIT has identified several key decarbonisation levers by assessing each source of scope 1 and 2 emissions for potential reductions in consumption. The main strategies include, sorted from presumed highest to lowest potential:

- Increasing economic output with fewer input factors. The Røros factory has increased its economic output by 20 per cent from 2019 to 2023, while electricity consumption has only risen five per cent during the same period, demonstrating improved efficiency.

***Figure 9** – Decarbonisation levers illustrated (tCO_2eq/NOK million):*



- Evaluating renewable energy projects when expanding production sites, such as the installation of solar panels and other renewable energy or sustainability initiatives.
- Purchasing green energy certificates for electricity consumption.
- Transitioning the company vehicle fleet to electric vehicles as replacements are needed (fuel switching).
- Phasing out fossil-based heating sources at hungarian production sites where technically feasible.
- Energy efficiency measures in existing buildings.

In addition to these reduction measures in own operations, a reduction in the value chain is expected, such as decarbonisation of the electricity mix in operating countries. In sum, these decarbonisation levers are illustrated in Figure 9.

E1-5 Energy consumption and mix

Table 35 outlines the total energy consumption in MWh related to own operations disaggregated by fossil, nuclear and renewable sources. The numbers encompass fuel combustion in vehicles, electricity, steam, heating, and cooling sourced externally. NORBIT is not classified as part of the high climate impact sectors and therefore does not include energy intensity data in its reporting.

The following key assumptions have been made in the calculation of energy consumption and mix:

- As a general rule, for subsidiaries where NORBIT holds more than 50 per cent ownership (financial control), 100 per cent of their energy consumption is included, regardless of the ownership percentage. A complete list of these subsidiaries is provided in Note 10 of the financial statements. However, certain subsidiaries are excluded from the energy consumption calculation due to their primary role as sales and distribution organisations with minimal staffing and infrastructure, which results in negligible energy consumption. These subsidiaries include NORBIT GmbH, NORBIT s.r.l., NORBIT Sweden AB, NORBIT Singapore Ltd., NORBIT Poland Sp. z.o.o., NORBIT US Ltd., NORBIT China Co. Ltd., NORBIT Ltd., NORBIT Czech Republic s.r.o., NORBIT Denmark ApS, NORBIT Canada Inc., and NORBIT Chile srl.
- Innomar Technologie GmbH was acquired in early July, and energy consumption from July and throughout 2024 is therefore included.
- The selection of inventory boundaries is consistent with the boundaries chosen when reporting on GHG emissions in E1-6 and setting GHG reduction targets in E1-4.
- A conservative approach has been adopted when categorising electricity consumption as renewable or non-renewable, in line with the EU's ESRS requirements. Electricity consumption has only been considered as deriving from renewable sources if the origin of the purchased electricity is clearly defined in contractual arrangements with suppliers, such as through Guarantees of Origin (GoOs). For sites where NORBIT has purchased Guarantees of Origin (GoOs), 100% of the electricity is categorised as renewable. As of 2024, this applies to sites in Røros and Germany. For all other sites, where no contractual agreements for renewable energy exist, electricity has been categorised as non-renewable, except for the share from nuclear power, which has been allocated based on the residual mix. Additionally, since no system for GoOs exists for district heating, all district heating consumption has been categorised as non-renewable. This methodology does not reflect the actual energy production in each country. Although most of the energy produced in Norway comes from renewable sources, it cannot be classified as renewable under ESRS guidelines unless backed by GoOs, Power Purchase Agreements (PPAs), standardised green tariffs, or similar market instruments.
- Data is gathered through structured interviews and communications with site managers across the organisation.

***Table 35** – Energy consumption and mix calculated in MWh:*

Energy consumption and mix (MWh)	2024
Coal and coal products	0
Crude oil and petroleum products	105
Natural gas	221
Other fossil sources	0
Purchased electricity, heat, steam or cooling from fossil sources	2 749
Total fossil energy consumption	3 075
Share of fossil sources in total energy consumption (%)	49%
Nuclear sources	320
Share of nuclear sources in total energy consumption (%)	5%
Biomass, biofuels, biogas, hydrogen from renewable sources	0
Purchased electricity, heat, steam or cooling from renewable sources	2 849
Self-generated non-fuel renewable energy	0
Total renewable energy consumption	2 849
Share of renewable sources in total energy consumption (%)	46%
Total energy consumption	6 254

E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions

Table 36 outlines NORBIT's gross scope 1 and 2 emissions. With reference to ESRS 1 Appendix C, the gross scope 3 emissions are not included for this year's reporting due to phase in options[1]. The following key assumptions have been made in the calculation of the GHG emissions:

- As a general rule, for subsidiaries where NORBIT holds more than 50 per cent ownership (financial control), 100 per cent of their emissions are included in scope 1 and 2, regardless of the ownership percentage. A complete list of these subsidiaries is provided in Note 10 of the financial statements. However, certain subsidiaries are excluded from the emissions calculation due to their primary role as sales and distribution organisations with minimal staffing and infrastructure, which results in negligible energy consumption. These subsidiaries include NORBIT GmbH, NORBIT s.r.l., NORBIT Sweden AB, NORBIT Singapore Ltd., NORBIT Poland Sp. z.o.o., NORBIT US Ltd., NORBIT China Co. Ltd., NORBIT Ltd., NORBIT Czech Republic s.r.o., NORBIT Denmark ApS, NORBIT Canada Inc., and NORBIT Chile srl.
- Innomar Technologie GmbH was acquired in early July, and GHG emissions from July and throughout 2024 are therefore included.
- As outlined in the ESRS, for associates, joint ventures, unconsolidated subsidiaries (investment entities), and contractual joint arrangements not structured through an entity, GHG emissions must be reported based on the extent of the undertaking's operational control. In 2024, NORBIT held ownership of less than 50 per cent in two entities but did not have operational control over them. As a result, these entities are excluded from the GHG emissions reporting.
- The selection of inventory boundaries is consistent with the boundaries chosen when reporting on energy consumption in E1-5 and setting GHG reduction targets in E1-4.
- Data is gathered through structured interviews and communications with site managers across the organisation.

The gross scope 1 and 2 GHG emissions are calculated by multiplying the activity-based data by emission factors from Climatiq, the world's largest database of verified emission factors, by using software provided by Ignite Procurement.

***Table 36** – Gross Scope 1 and 2 GHG emissions for NORBIT in tCO_2eq:*

Scope 1 GHG emissions (tCO_2eq)	2024
Scope 1 GHG emissions	
Gross Scope 1 GHG emissions	74.7
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)[2]	0
Scope 2 GHG emissions	
Gross location-based Scope 2 GHG emissions	219.6
Gross market-based Scope 2 GHG emissions	1 630.3
Total GHG emissions (excl. Scope 3)	
Total GHG emissions (location-based) (excl. Scope 3)	294.2
Total GHG emissions (market-based) (excl. Scope 3)	1 705.0

Table 37 gives the GHG intensity per net revenue, for the aggregated scope 1 and 2 emissions. The net revenue used to calculate this intensity is the total group revenue of NOK 1 751.4 million in 2024.

Table 38 presents the GHG emissions (Table 36) outlined in the mandatory table in ESRS. The retrospective information is not provided as this is the first year of reporting. Similarly, milestone and target details are not included, as the targets are intensity-based rather than set with absolute values.

***Table 37** – GHG intensity per net revenue ($tCO_2eq/MNOK$):*

GHG intensity per net revenue ($tCO_2eq/MNOK$)	2024
Total GHG emissions (location-based) (excl. Scope 3) per net revenue	0.2
Total GHG emissions (market-based) (excl. Scope 3) per net revenue ($tCO_2eq/MNOK$)	1.0

1) Undertakings or groups not exceeding on their balance sheet dates the average number of 750 employees during the financial year (on a consolidated basis where applicable) may omit the datapoints on scope 3 emissions and total GHG emissions for the first year of preparation of their sustainability statement.
2) Participation in regulated emission trading schemes is not applicable to NORBIT ASA, as the company's operations are not subject to such systems.

Table 38 – GHG emissions in the mandatory table in ESRS

	Retrospective				Milestones and target years			
	Base year	Compa-rative	2024	% 2024/ 2023	2025	2030	(2050)	Annual% target/ Base year
Scope 1 GHG emissions								
Gross Scope 1 GHG emissions (tCO_2eq)			74.7					
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)			0					
Scope 2 GHG emissions								
Gross location-based Scope 2 GHG emissions (tCO_2eq)			219.6					
Gross market-based Scope 2 GHG emissions (tCO_2eq)			1 630.3					
Significant scope 3 GHG emissions								
Total Gross indirect (Scope 3) GHG emissions (tCO_2eq)								
1. Purchased goods and services								
2. Capital goods								
3. Fuel and energy-related activities (not included in Scope 1 or Scope 2)								
4. Upstream transportation and distribution								
5. Waste generated in operations								
6. Business traveling								
7. Employee commuting								
8. Upstream leased assets								
9. Downstream transportation								
10. Processing of sold products								
11. Use of sold products								
12. End-of-life treatment of sold products								
13. Downstream leased assets								
14. Franchises								
15. Investments								
Total GHG emissions								
Total GHG emissions (location-based) (tCO_2eq)			294.3					
Total GHG emissions (market-based) (tCO_2eq)			1 705.0					

ESRS E5 RESOURCE USE AND CIRCULAR ECONOMY

IRO-1 Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

The material impacts, risks, and opportunities related to E5 are broadly outlined in ESRS 2 SBM-3, with further classifications detailed in Table 39. The overall process for identifying and assessing these impacts, risks, and opportunities is described in IRO-1. Key sites and parts of NORBIT's operations have been identified and assessed if relevant related to circular economy-related impacts, risks and opportunities. Local communities around the largest production facilities, such as for Røros, Selbu and Trondheim, are included in the interview processes and asked about impacts, risks and opportunities.

***Table 39** – The material impacts, risks and opportunities under E5:*

IRO number and title	Type	Where in the value chain/company the IRO occurs	Impact on people and environment	Impact on NORBIT
3. Generation of EE waste	Negative impact	Generated within own operations and during end-use, relevant for all segments and geographies	Health risks, resource depletion, ecological damage	Regulatory compliance, reputation
17. Refurbishment services	Opportunity	Primarily Connectivity segment in the European market	Product innovation solving societal and environmental problems	New revenue streams and customers

E5-1 Policies related to resource use and circular economy

Currently, NORBIT has no specific policies in place for resource use and circular economy; however, certain established practices address these areas. Waste recycling and sorting practices are implemented across all locations. In Norway, production companies are members of producer responsibility organisations that manage electronic waste in line with Norway's extended producer responsibility (EPR) scheme.

In addition, principles supporting the refurbishment and reuse of products are in place. For example, in the Oceans segment, a dedicated service and support organisation retrieves non-functional or end-of-life sonars, enabling the reuse of components. A similar initiative is in place at Røros, where NORBIT collaborates with large customers to refurbish On-Board Units (OBUs). Large-scale clients return used tags to the Røros production facility, where the tags are disassembled, circuit boards are tested for reuse, and materials such as plastics and batteries are sorted and recycled.

Further development of formal policies on resource use and circular economy will be prioritised in the coming years, as described in E5-2 and E5-3.

E5-2 Actions and resources in relation to resource use and circular economy

The actions taken or planned to manage NORBIT's material impacts, risks, and opportunities related to resource use and circular economy are developed based on the targets described in E5-3 and outlined in Table 40. These actions, identified through internal interviews, regulatory analysis, customer feedback, and industry benchmarking, are implemented by different parts of the organisation.

Since 2024 is the first year of implementing fundamental circular economy practices, a large focus is on building data collection and analytical frameworks. These include setting up processes to track resource flows, conducting feasibility studies for waste reduction, and assessing the potential for expanded refurbishment services. Given the preliminary nature of these actions, they are not expected to yield substantial reductions in resource use or electronic waste immediately. All actions will be implemented with existing resources, requiring minimal additional operational or capital expenditures.

***Table 40** – Actions to manage impacts, risks and opportunities related to resource use and circular economy:*

IRO number and title	Taken or planned action	Scope of action	Time horizon
3. Generation of EE waste	Develop data collection process for monitoring resource inflows and outflows	Norwegian production units	Planned (medium term)
	Conduct feasibility study to reduce waste generation	Norwegian production units	Planned (medium term)
	Establish responsible sourcing criteria	Norwegian production units	Planned (medium term)
	Implement internal training program on circular economy principles, EE waste and related regulations	Production sites and R&D	Planned (medium term)
17. Refurbishment services	Established refurbishment pilot at Røros	OBUs from large Norwegian customers	Conducted in reporting period
	Conduct a feasibility study of refurbishment services in other countries in Europe	Connectivity segment in other European countries	Planned (medium term)

E5-3 Targets related to resource use and circular economy

Targets related to managing NORBIT's material impacts, risks, and opportunities related to resource use and circular economy are outlined in Table 41. These reflect the material topics identified, specifically addressing electronic waste generation and refurbishment services as described under E5-1 and E5-2. Targets were set by the ESG operational working group, informed by (1) insights from internal interviews and regulatory analysis, (2) discussions with the management team, (3) industry benchmarking, and (4) customer feedback.

***Table 41** – Targets related to managing material impacts, risks and opportunities:*

Relation to IRO/policy objectives	Target description and how to measure	Scope	Period
3. Generation of EE waste	Plan to establish resource inflow and outflow data, as of now no target exists. *Absolute target. Measured by whether established or not.*	- Production companies in Norway - Related to waste management - Not related to one specific stage in waste hierarchy	Medium term
	Plan to establish and implement responsible sourcing strategy, as of now no target exists.	- Production companies in Norway - Related to sustainable sourcing. Related to recycling	Medium term
	Plan to establish waste reduction target, as of now no target exists.	- Company wide - Related to waste management and prevention	Medium term
17. Refurbishment services	Expand refurbishment services to at least one new European country. *Absolute target, with no value/base year (not following MDR-T). Measured in number of countries expanded to.*	- Connectivity segment - Related to increase of circular product design and preparing for re-use	Medium term

E5-5 Resource outflows

The data included in this chapter is scoped to cover the Norwegian production sites located in Røros, Selbu and Trondheim, as well as the head-quarter in Trondheim. Waste categories at these sites include mixed electrical and electronic (EE) waste, glass and metal packaging, plastic packaging, office paper and cardboard, food waste, wood, and sorted waste for incineration. No radioactive waste was generated at these sites in 2024.

Table 42 summarises the total waste generated across the sites. The data is sourced from the local waste management partners. All waste is diverted from disposal, resulting in no waste directed to disposal.

Table 42 – Total amount of waste generated (tonnes):

Site	Diverted from disposal	Directed to disposal	Total
Trondheim	23	0	**23**
Røros	76	0	**76**
Selbu	13	0	**13**
Total	112	0	**112**

Table 43 categorises the waste into hazardous and non-hazardous waste and by recovery operation types.

Table 43 – Amount of non-hazardous and hazardous waste for the stream diverted from disposal (tonnes):

Type	Preparation for reuse	Recycling	Other recovery operations	Total
Hazardous waste	0	12	1	**13**
Non-hazardous waste	0	45	54	**99**
Total	0	57	**55**	**112**

III. SOCIAL

ESRS S1 OWN WORKFORCE

SBM-2 Interests and views of stakeholders

NORBIT creates value by harnessing the expertise of our employees to drive technological innovation. This collective knowledge stands as the company's most valuable asset. As such, the interests and views of employees play a vital role in shaping NORBIT's strategy and business model. Employees influence the strategy and business model in two main ways.

First, a motivated and engaged workforce is critical to achieving good results, which makes employee engagement a strategic priority. NORBIT facilitates social dialogue with its employees through both formal and informal channels of communication. More details on this process can be found in section S1-2.

Second, employees are integral to the development and execution of the strategy, as NORBIT adopts an organic, bottom-up approach to strategy formation. Strategic development is not an one-time event confined to the group management team, rather an ongoing, dynamic process shaped from the ground up. For this approach to be successful, it is essential that employees act in alignment with NORBIT's values and corporate culture.

The key principles that enable this include:

- Training employees to observe, reflect, and take independent action, remaining proactive in the face of challenges.
- Committing to delivering value to partners and exceeding expectations.
- Fostering ambition and a mindset focused on identifying opportunities, not obstacles.
- Equipping employees with the skills and confidence needed to manage uncertainty.
- Encouraging personal and professional growth by helping employees refine their strengths and explore new areas.

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

The material impacts, risks, and opportunities related to S1 are broadly outlined in ESRS 2 SBM-3, with further details and classifications provided in Table 44 below. All impacts are systemic and widespread, rather than tied to specific incidents or events. The relationship between the material impacts, risks and opportunities related to own workforce, and NORBITs strategy and business model is described under SBM-2 above.

In this chapter, the term *own workforce* refers to temporary, part-time, and full-time employees, categorised into three main groups: production workers, engineers, and administrative staff. As a vertically integrated company with in-house production, NORBIT's reporting excludes contractors and non-employees. With operations requiring specialised skills, strong control over its activities, and a primary base in Norway and OECD, the risk of forced, compulsory, or child labor, as well as trafficking, is assessed as low.

Table 44 – The material impacts, risks and opportunities under S1:

IRO number and title	Type (positive/negative, risk/opportunity)	Description and impacted employee group	Impact on people and environment	Impact on NORBIT
Social dialogue	Potential positive and negative impact	Differences in national labor structures and proximity to decision-making processes can have both positive and negative impact on employees' opportunities for social dialogue. Relevant for all employees.	Improved job satisfaction and ensured rights when present, potential dissatisfaction and rights issues if not.	Can contribute to higher productivity and retention when present, while absence may lead to lower engagement and increased turnover.
Freedom of association and work councils	Potential positive and negative impact	Differences in national labor structures and proximity to decision-making processes can have both positive and negative impact on employees' opportunities for social dialogue. Relevant for all employees.	Improved job satisfaction and protection of rights when present, potential dissatisfaction and rights issues if not.	Can contribute to higher productivity and retention when present, while absence may lead to lower engagement and increased turnover.
Work-life balance	Potential negative impact	NORBIT's operations involve work with high pressure. Especially engineers and administrative roles have flexible work arrangements where it can be challenging to set boundaries between work and personal time.	Potential for burnout and dissatisfaction.	Potential for higher turnover and reduced output.
Work related incidents, accidents and injuries	Potential negative impact	NORBIT's industrial work environment presents potential risks of accidents and injuries, particularly for production workers. A history of no serious incidents and low sick leave suggests that effective measures are in place to reduce this potential negative impact.	Potential for reduced job satisfaction and health risks.	Risk of compliance and reputation.
Training and skills development	Potential positive impact	NORBIT's work environment offers continuous learning opportunities, particularly through hands-on experience. Exposure to diverse tasks and challenges supports skill development and professional growth as an inherent part of the job. Relevant for all employees.	Potential for growth in expertise and job satisfaction.	Potential for innovation, efficiency and company growth.
Gender equality	Potential negative impact	Gender disparities in pay and representation are most pronounced in engineering roles, where female participation remains low.	Potential for reduced job satisfaction.	Risk of reduced productivity and employee retention.
Diversity	Potential positive and negative impact	As a large company with a diverse workforce, there is a risk that employees may experience discrimination based on various factors. However, this diversity—encompassing employees from 40 different nationalities—also presents opportunities to foster learning, broaden perspectives, and create a more inclusive work environment. Relevant for all employees.	Potential for learning and personal growth, but can also lead to harassment.	Potential for innovation and improved employer attractiveness. Can also harm reputation.
Talent Acquisition	Opportunity	NORBIT has seen strong interest in recent years, receiving over 900 applications in 2024 alone.	Potential for enhanced job satisfaction and learning.	Potential for strengthened competitiveness and growth by securing the right expertise.

S1-1 Policies related to own workforce

The policies that address NORBIT's material impacts, risks, and opportunities related to own workforce are outlined in Table 45. These policies are regularly monitored through internal audits and employee feedback to ensure alignment with both international standards and the company's strategic goals. Policies are typically developed in response to employee feedback indicating a need for specific guidance. Before finalisation, draft policies are reviewed by selected, relevant personnel to gather feedback, after which they are distributed to all employees.

All policies are accessible to employees via NORBIT's public website or internal management and information systems. Additionally, supporting videos and practical guides are available for selected policy topics. The HR function highlights specific themes through an email subscription service to leaders, which periodically addresses relevant policies, and topics are also presented in select town hall meetings.

The whistleblower process, detailed under G1, includes mechanisms for remedy for both own employees and human rights concerns.

Table 45 – Policies related to own workforce:

Policy	Objective and key content (included reference to standards)	Relates to IRO number	Scope	Ownership and monitoring
Code of conduct with related learning materials	**Goal and key content:** Set out important principles, commitments, and requirements for ethical business conduct. - Human rights (incl. non-tolerance for child and forced labour) - Labour rights - Equality, diversity and respect - Health, safety and security - Working environment **Refer to:** - Key UN and International Labor Organisation conventions - OECD's guidelines for ethical business conduct - UN Global Compact's principles related to human rights and labour conditions - National laws in countries NORBIT operates in	**4.** Social dialogue **5.** Freedom of association and existence of work councils **6.** Work-life balance **7.** Health and safety **9.** Gender equality. **10.** Diversity **11.** Working conditions in supply chain	All employees External stakeholders up- and downstream (such as business partners, suppliers and customers)	Board of directors Updated yearly
Whistleblower policy	**Goal and key content:** Encourage internal and external stakeholders to report suspected or actual occurrences of inappropriate, unethical, or illegal events without fear of retribution. **Refer to:** - Working Environment Act, chapter 2A - The Whistleblower Protection Act and EU Directive 2019/1937	**13.** Whistleblower mechanisms and processes	All employees External stakeholders up- and downstream	Board of directors Updated yearly
Diversity and equality policy	**Goal and key content:** Promote a working environment characterised by diversity, equality, and mutual respect. - Policy statement – no harassment or discrimination based on gender, religion, race, national or ethnic origin, cultural background, social group, disability, sexual orientation, marital status, age, or political opinion - Policy for provision of family leave - Policy for gender equality and equal pay for equal work	**9.** Gender equality **10.** Diversity	All employees External stakeholders up- and downstream	Executive management team Updated yearly
Quality process Working Environment Committee	**Goal and key content:** Establish clear guidelines for the working environment committee's work to ensure a safe and health-promoting working environment	**4.** Social dialogue **5.** Freedom of association and existence of work councils	Employees in Norway	Executive management team Updated yearly
Health and safety policy	**Goal and key content:** Protect employees' health and safety and prevent accidents. Objectives and behaviour for conducting business in a safe and reliable manner	**7.** Health and safety	All employees	Executive management team Updated yearly
Training and skills development policy	**Goal and key content:** Establish a framework for training and skills development, supporting employees in refining talents and achieving mastery	**8.** Training and skills development	All employees	Executive management team Updated yearly

S1-2 Processes for engaging with own workforce and workers' representatives about impacts

NORBIT's workforce exerts influence on the company through participation, information and consultation. Participation may occur directly through dialogue with employees or indirectly via elected representatives. These engagement forums, outlined in Table 46, vary across subsidiaries and regions depending on company size. However, NORBIT strives to establish similar forums wherever possible across all subsidiaries.

The CEO holds ultimate operational responsibility for ensuring effective employee engagement. Each forum's work is reviewed annually to ensure both compliance and effectiveness.

***Table 46** – Direct and indirect participation forums:*

Type	Description	Frequency	Direct or indirect
Dialogue between employees and leaders	Ongoing dialogue, for instance through development reviews	As often as needed	Direct
Information meetings	Town hall meetings on different levels where employees receive updates, ask questions, and engage in open discussions with management	As often as needed	Direct
Working environment committee meetings	Discuss topics related to health and safety work, including risk assessments and action plans. Ensure that employees receive information and training	Four times a year, or more frequently if needed	Indirect
Safety delegates	Each subsidiary has safety delegates that represent all employees in working environment matters	As often as needed	Indirect
Work council meetings	Ensure that employee representatives and management collaborate on important issues	Four times a year, or more frequently if needed	Indirect
Union representatives	Employees can have dialogue with union representatives (TEKNA, NITO) on specific topics	As often as needed	Indirect

S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns

NORBIT has established specific whistleblower guidelines. These guidelines are intended to encourage employees, or any individual associated with NORBIT or its subsidiaries, to report suspected or actual occurrence(s) of inappropriate, unethical, or illegal events without fear of retribution, in accordance with the provisions set forth in the Working Environment Act, chapter 2A, and the Whistleblower Protection Act and EU Directive 2019/1937. These guidelines also explain grievance handling mechanisms related to employee matters, as well as protection of whistleblowers against retaliation. The whistleblower guidelines are described in detail under ESRS G1.

S1-4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

The actions taken or planned to manage NORBIT's material impacts, risks, and opportunities related to its workforce are summarised in Table 47. These actions focus on creating structured processes for training, dialogue, and information exchange, alongside broader efforts to professionalise the HR function. During the reporting year, significant attention has been given to establishing policies on workforce-related topics, making information more accessible to employees, and promoting learning and leadership development. Digitalisation and system implementation has also been prioritised to streamline HR processes and improve efficiency for leaders.

Given the nature of the identified impacts, risks, and opportunities — which may be both positive and negative — no specific remedy has been implemented beyond the measures outlined in Table 47. The actions are identified through internal interviews, employee feedback, workshops, and industry benchmarking.

These initiatives are carried out by the HR organisation under the director of strategy and ESG and are implemented using existing resources. No significant additional investments are required, as these efforts leverage NORBIT's current workforce and HR capabilities. NORBIT tracks and evaluates the effectiveness of these actions primarily through feedback mechanisms. A tracking system is used for HR matters, monitoring recurring areas of concern raised by employees. For topics with frequent inquiries or feedback, NORBIT takes targeted actions such as improving information on the company intranet, updating the employee handbook, or organising specialised training sessions. Additionally, NORBIT has implemented whistleblower guidelines to enable employees to report concerns (see G1).

Currently, there is no data or evidence indicating that NORBIT's practices in other areas, such as environment, procurement, sales, or data management, negatively impact its workforce. Established channels, including whistleblower mechanisms, help capture any potential concerns related to these areas.

***Table 47** – Actions related to material impacts, risks and opportunities related to own workforce:*

IRO title and number	Taken or planned action	Scope of action	Time horizon
4. Social dialogue **5.** Freedom of association and existence of work councils	Formalise collaboration with work environment committees, safety representatives, and work councils, including tailored training for members	Employees in Norway	Conducted in reporting period
	Conduct annual company-wide town hall meeting to strengthen dialogue and transparency	All employees	Conducted in reporting period
	Launch intranet platform for centralised information and knowledge sharing	All employees	Conducted in reporting period
	Assess and formalise the structure of work councils and social dialogue mechanisms in international subsidiaries	All employees abroad	Planned (short term)
6. Work-life balance	Develop and publish training materials on work-life balance in learning site	All employees	Conducted in reporting period
	Streamline support processes (HR, IT, etc.) to reduce administrative burdens and save time for employees	All employees	Conducted in reporting period
	Establish a formal policy on family-related leave	All employees abroad	Planned (short term)
7. Health and safety	Develop and implement a formal health and safety policy	All employees	Conducted in reporting period
	Conduct analysis and follow-up actions related to employee sick leave patterns	Employees in Norway	Conducted in reporting period
	Design and roll out a structured health and safety reporting framework to standardise practices	Employees in Norway	Planned (medium term)
8. Training and skills development	Establish a formal training and skills development policy to guide learning initiatives	All employees	Conducted in reporting period
	Launch a leadership development program with three workshops annually	Mainly for employees located in Norway. Video content shared with employees abroad	Conducted in reporting period, will continue long term
	Build a learning platform on the intranet focused on company culture, values, self-leadership, and professional growth	All employees	Conducted in reporting period, will continue long term
	Develop a structured onboarding program with focus on company culture and values, accessible through a digital platform	Employees in Norway	Conducted in reporting period, will continue long term
	Standardise the performance and development review process, including templates and training	Employees in Norway	Conducted in reporting period, will continue short term
	Enhance learning tools to allow for personalised learning paths and progress tracking	All employees	Planned (medium term)
	Ensure all international employees have access to training resources via the learning platform	All employees abroad	Planned (medium term)
9. Gender equality **10.** Diversity	Establish and implement a diversity and equal opportunities policy	All employees	Conducted in reporting period
	Provide training on inclusive recruitment practices to eliminate bias and foster diverse hiring	All employees	Conducted in reporting period
	Ensure balanced representation of employees in all internal and external communication	All employees	Planned (long term)
17. Talent acquisition	Integrate recruitment training into leadership programs to build hiring capabilities	Employees in Norway	Conducted in reporting period
	Introduce personality testing and Structured-Action-Response interview techniques to standardise hiring practices	Employees in Norway	Conducted in reporting period
	Develop and implement an employer branding strategy to enhance talent attraction	All employees	Planned (medium term)

S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Targets related to managing material impacts, risks and opportunities are outlined in Table 48 below. These reflect the material topics chosen, and their respective policies and actions described under S1-1 and S1-4. The targets are set by the ESG working group, based on (1) insights from the interviews during the materiality assessment, (2) discussions within the management team and the board of directors, (3) inspiration and examples from CSRD, as well as (4) industry benchmarking. As described in SBM-2, several employees were part of the interview process during the materiality assessment, and hence NORBIT has engaged directly with own workforce during the target setting process.

The effectiveness of these targets is evaluated using feedback mechanisms from employees, through channels described under S1-2 and S1-4.

***Table 48** – Targets related to managing material impacts, risks and opportunities:*

Relation to IRO/policy objectives	Target description and how to measure	Scope	Period
4. Social dialogue **5.** Freedom of association and existence of work councils	Extend social dialogue to geographies outside of Norway *Absolute target, with no value/base year (not following MDR-T). Measured in number of geographies policies and action plans are defined for*	Focus on Hungary and USA	Short term
	At least one town hall meeting worldwide per year *Absolute target, with no value/base year (not following MDR-T). Measured in number of physical or digital town hall meetings conducted or made available for all employees worldwide*	All employees	Short term
6. Work-life balance	Plan to establish policy for family-related leave for geographies outside of Norway, as of now no target exists	All employees abroad	Short term
	Plan to establish training material for leaders on how to detect stress and poor work-life balance, as of now no target exists	All employees abroad	Short term
7. Health and safety	Zero serious workplace injuries *Absolute target. Baseline value of 0 for 2024 (see S1-14). Measured in number of workplace related injuries that have resulted in significant physical harm, requiring medical attention and possibly leading to long-term impairment or an extended absence from work*	All employees	Long term
	Sick leave in Norwegian workforce below five per cent *Absolute target. No baseline value for 2024. Sick leave is calculated as a percentage over the last 12 months. The percentage is based on agreed and lost working days*	Employees in Norway	Medium term
8. Training and skills development	Provide three leader development courses for Norwegian leaders throughout the year *Absolute target. Baseline value of 3 for 2024 (see S1-13). A leader development course is a course extending half a day*	Leaders in Norway	Short term
	At least two new topical learning series in internal learning portal *Absolute target, with no value/base year (not following MDR-T). A learning series is defined as of at least two separate videos concerning a common topic*	All employees	Medium term
9. Gender equality **10.** Diversity	Female share of employees over 30 per cent, with focus on increase in certain departments/subsidiaries *Absolute target. Baseline value of 29 per cent for 2024 (see S1-6). Calculated as number of female FTEs over total FTEs*	All employees	Long term
	Increase female screentime to above 30 per cent in external and internal videos and pictures (annual reports etc.) *Absolute target, with no value/base year (not following MDR-T). Calculated as number of minutes or pictures with female appearances of total*	All employees	Medium term
17. Talent acquisition	At least one new employer branding campaign throughout the year. *Absolute target, with no value/base year (not following MDR-T)*	All employees	Short term

S1-6 Characteristics of the undertaking's employees

Tables 49 and 50 provide an overview of the number of employees in NORBIT, categorised by gender and geography, expressed as head count. The figures represent the average number of employees over the twelve months of the reporting year. This average is calculated by recording the employee headcount on the last day of each month, summing these monthly totals, and dividing the result by twelve. The values are rounded to the nearest integer.

In Table 50, only the countries with over 50 employees representing more than 10 per cent of the total employee head count are included, as required in ESRS. These countries are Norway and Hungary.

Data for Norwegian employees is sourced from the HR system Simployer, while information on employees in other locations is gathered through direct communication with local representatives in each subsidiary.

During the reporting period, 32 employees left NORBIT, including 14 in permanent positions and 18 in temporary roles. Many of the temporary employees were students on internships. Using the average number of employees (measured in headcount) throughout the year as the denominator, the total employee turnover rate for 2024 is 5.9%, or 2.5% when considering only permanent employees.

Table 49 – Head count by gender:

Gender	Number of employees (head count)
Male	388
Female	159
Other	0
Not reported	0
Total employees	547

Table 50 – Head count by country:

Country	Number of employees (head count)
Norway	335
Hungary	139

Table 51 provides an overview of the number of full-time-equivalents (FTEs) categorised by contract type (permanent and temporary positions) and gender. An FTE represents the workload of one full-time employee based on the standard working hours in a given period. For each employee, the FTE is calculated by taking the number of days between their start and end date in 2024, dividing it by 366 (to account for the leap year), and then multiplying by their employment percentage. The total FTE is the sum of these values across all employees. The values are rounded to the nearest integer.

Table 51 – FTEs by contract type, broken down by gender:

	Female	Male	Other	Not disclosed	Total
Number of employees (total FTE)	150	369	0	0	**519**
Number of permanent employees (FTE)	145	357	0	0	**502**
Number of temporary employees (FTE)	5	12	0	0	**17**

Table 52 provides the same overview categorised by contract type and geography. Norway and Hungary are defined as two separate geographic variables due to the number of employees in these countries, whereas the rest of the locations are summarised in three main categories: Rest of Europe, Americas and Asia. There are no non-guaranteed hours employees in NORBIT.

Table 52 – FTEs by contract type, broken down by region:

	Norway	Hungary	Rest of Europe	Americas	Asia	Total
Number of employees (total FTE)	312	138	39	25	5	**519**
Number of permanent employees (FTE)	299	135	38	25	5	**502**
Number of temporary employees (FTE)	13	3	1	0	0	**17**

S1-8 Collective bargaining coverage and social dialogue

In 2024, approximately 36 per cent of the workforce in NORBIT was employed in entities with collective bargaining agreements. The coverage percentage per region is presented in Table 53. Only employees in countries with over 50 employees representing over 10 per cent of the total employees is included, i.e. Norway and Hungary.

In 2024, approximately 56 per cent of the workforce in NORBIT worked in establishments with workers' representatives. The coverage percentage per region is presented in Table 53. Only employees in countries with over 50 employees representing over 10 per cent of the total employees is included, i.e. Norway and Hungary. Section S1-2 describes processes for social dialogue in more details. No employees are represented by a European work council.

The numbers for these metrics, including both the overall percentage and regional numbers, are based on FTEs, and the same data sources as those described under S1-6.

***Table 53** – Percentage of employees covered by collective bargaining and social dialogue at country level:*

	Collective bargaining coverage		Social dialogue
Coverage rate	Employees (EEA)	Employees (Non-EEA)	Workplace representation (EEA only)
0-19%	Hungary	-	Hungary
20-39%	-	-	-
40-59%	-	-	-
60-79%	Norway	-	-
80-100%	-	-	Norway

S1-9 Diversity metrics

Diversity metrics for the executive management team and the board of directors are described under ESRS 2. The female and male percentage of the workforce is described under S1-6. The distribution of employees by age group is presented in Table 54. NORBIT's workforce includes representatives from nearly 40 different nationalities.

***Table 54** – Distribution of employees by age group (FTE):*

Age group	Number of employees (FTE)	Percentage
Under 30 years	87	17
30-50 years	299	58
Over 50 years	133	25
Total	519	100

S1-13 Training and skills development metrics

Performance and career development reviews

The core value "Refinement of talents" emphasises the importance of continuous employee growth and development in NORBIT. To support this, two annual performance and career development reviews are conducted, providing structured opportunities for feedback and open dialogue. These reviews are based on self-determination theory and are facilitated by trained leaders using standardised templates to maintain consistency throughout the organisation. Twice a year, the HR department sends reminders to leaders to encourage completion of these reviews, while templates, video materials, and practical tips are accessible on the intranet to assist leaders in the process.

Currently, there is no formal tracking system to verify completion, as the process relies on a foundation of trust between leaders and employees. Development opportunities are offered equitably, with no distinctions based on gender or other demographic factors.

Training hours per employee

Employees are provided with a variety of training opportunities designed to support their professional growth and development. These include technical skills training, compliance and safety training, certifications, continuing education, attendance at conferences and external training sessions, as well as soft skills and personal development programs. In addition to formal training, NORBIT places a strong emphasis on on-the-job training, encouraging employees to explore different roles and responsibilities within the company.

It is challenging to precisely estimate the total number of training hours, and NORBIT does not currently have a system in place to track this information comprehensively. An estimate has been made for production workers, engineers, and leaders/administrative staff, which is outlined in Table 55. The estimate is based on information from managers throughout the company, as well as summarising the duration of learning materials on the company intranet. There is no difference in the average training hours between male and female employees, ensuring equal access to development opportunities across the organisation.

***Table 55** – Estimated number of training hours for different employee groups:*

		Estimated number of hours in average in 2024		
Type	**Definition**	**Production worker**	**Engineer**	**Leader or administrative staff**
Technical skills training	Related to the employee's specific discipline	50	200	20
Compliance and safety training	Workplace safety, health regulations, and emergency procedures	5	5	16
Certifications and continuing education	Professional certifications	15	15	15
Conferences and external training	Attendance at conferences, trade shows, industry events etc.	2	2	16
Soft skills and personal development	Leadership development, teamwork, interpersonal skills	1	1	13
Onboarding for new employees	Company policies, culture, and workflows	8	8	8
Total		81	231	88
Average		133		

S1-14 Health and safety metrics

"Safe under pressure" is one of NORBIT's core values. All employees are covered by the company's health and safety policy, and each business unit has its own safety routines and work instructions. The policy has a zero-injury vision.

Table 56 presents data on accidents and injuries for 2024. Two minor accidents were reported at one of the production sites during the year. One of the accidents did not require absence, whereas the other five days, with no permanent injuries recorded.

To calculate the accident rate, the number of cases is divided by the total hours worked by the workforce and then multiplied by 1 000 000. Total hours worked are estimated using standard working hours, defined as 1 950 hours annually per full-time equivalent (FTE). For 2024, the total number of FTEs was 519, resulting in an estimated total of 1 012 050 hours worked. Days lost are calculated by including the first full and last day of absence. Calendar days are used in this calculation, meaning that non-working days such as weekends and public holidays within the absence period are also counted as days lost.

***Table 56** – Health and safety related data for 2024:*

KPI	Cases per million working hours	Days lost
Fatalities because of work-related injuries	0	0
Fatalities because of work-related ill-health	0	0
Recordable work-related accidents	1.98	5
Recordable accidents work-related ill-health	0	0

S1-15 Work-life balance metrics

All of NORBIT's employees are entitled to family-related leave through social policy. 21 employees took family-related leave in 2024, of these 16 men and 5 women. This constitutes 3.8 per cent of the workforce in 2024 (divided by the average head count of 547). All cases were related to parental leave. Table 57 shows an overview of countries these employees were employed, and the average length of the leave.

***Table 57** – Overview of family-related leave per country and gender:*

Country	Number of women	Average number of weeks	Number of men	Average number of weeks
Norway	1	6.2	13	11.4
Hungary	4	35.6	-	-
Germany	-	-	3	6.3

S1-16 Renumeration metrics (pay gap and total renumeration)

NORBIT is committed to strive for equal pay for equal work, regardless of social differences. Salaries are determined based on seniority, performance, responsibility, and qualifications, with annual reviews to ensure fairness and competitiveness. Salary levels vary across jurisdictions, reflecting regional wage standards and competition for talent.

The compensation package includes a fixed salary, variable pay for certain positions, as well as pension and insurance benefits.

Permanent employees are also eligible for a share incentive program. In 2024, a total of 209 employees participated in the program, which is structured as a share matching plan. Participants have the opportunity to acquire shares at market value and, after 24 months, receive additional shares equivalent to their initial investment, provided that specific conditions are met.

Table 58 provides an overview of the percentage pay gap between female and male employees at NORBIT, for Norway and as a total number for all employees (including Norway). The pay gap is calculated by taking the difference between the average gross hourly pay of male and female employees, dividing this difference by the average gross hourly pay of male employees, and multiplying the result by 100 to express it as a percentage.

To account for geographical differences among employees, salaries have been adjusted using purchasing power parity factors, using the latest available data from the World Bank for 2023. The pay gap is specified for three common job categories (production workers, engineers, and administrative workers) to ensure that comparisons are made between similar roles and responsibilities.

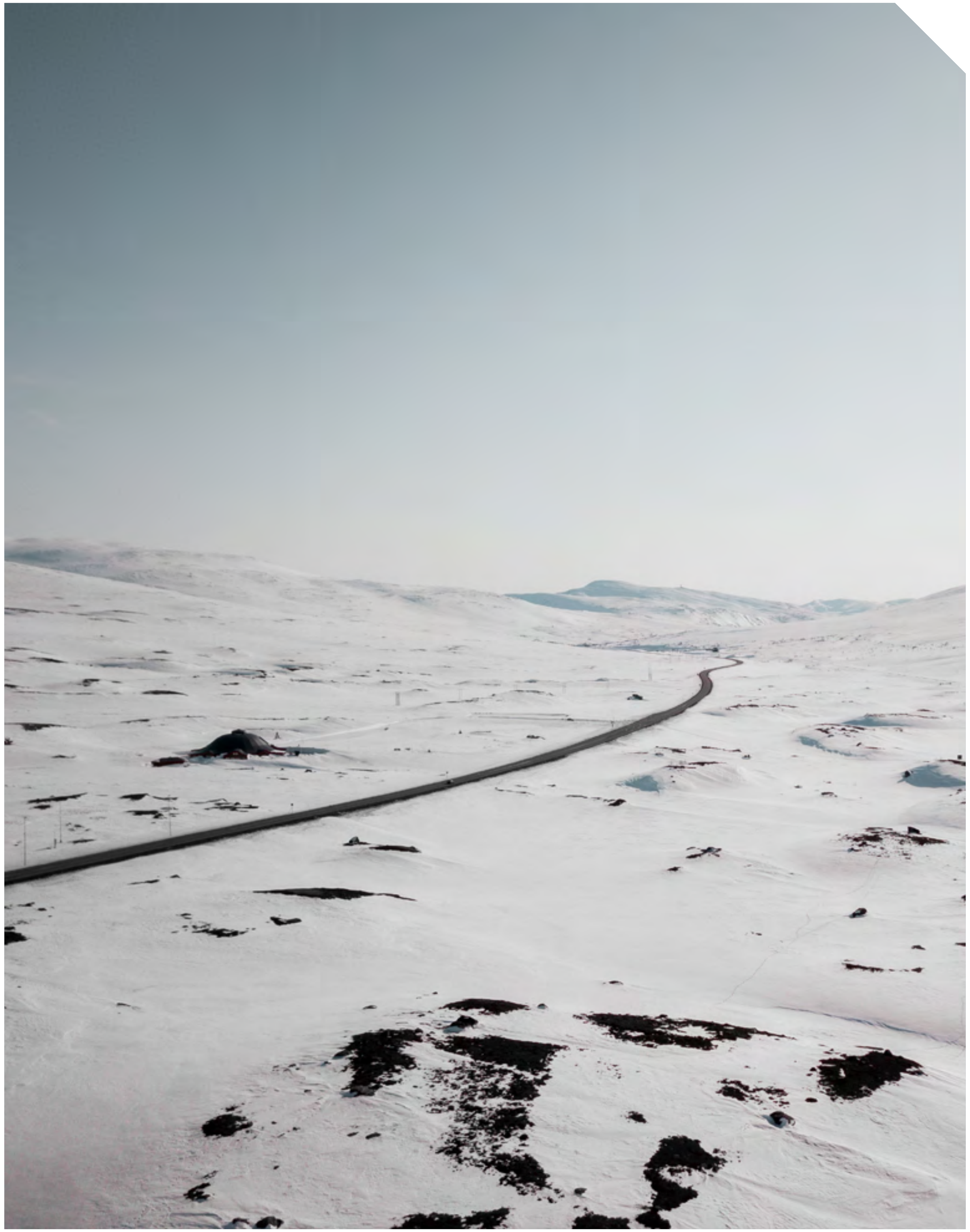
The gross hourly pay includes total compensation, encompassing regular salary as well as any additional remuneration (both monetary and non-monetary) that employees receive, whether directly or indirectly (e.g., variable or complementary components).

***Table 58** – Overview of renumeration metrics, percentage pay gap:*

Country	Production	Engineers	Administration/ other	Executive management
Norway	3.1	9.5	9.6	-
Worldwide	2.0	13.8	19.4	53.8

The total pay gap across geographies and job categories is calculated to be 24.4 per cent. This gap is primarily due to a higher proportion of men in senior positions, which contributes significantly to the overall disparity. The gap is largest in the executive management team, and the administration group. In the administration category, the gap is further influenced by the wide variety of roles included.

The annual total remuneration ratio, comparing the highest-paid individual's annual total remuneration to the median annual total remuneration of all other employees, is 13. As above, salaries have been adjusted using purchasing power parity factors.



IV. GOVERNANCE

ESRS G1 BUSINESS CONDUCT

GOV-1 The role of the administrative, supervisory and management bodies

As business conduct is seen as an integrated sustainability topic, the role and expertise of the administrative, management and supervisory bodies related to this topic is described under GOV-1.

IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities *and*

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

The material impacts, risks, and opportunities associated with G1 are broadly outlined in ESRS 2 SBM-3, with further classifications and details provided in Table 59 below. The identification of these impacts, risks, and opportunities follows the general approach applied across all sustainability topics, as described in IRO-1. While no specific criteria are used solely for identifying business conduct impacts, the primary focus remains on NORBIT's own operations.

***Table 59** – The material impacts, risks and opportunities under G1:*

IRO number and title	Type	Where in the value chain/company the IRO occurs	Impact on people and environment	Impact on NORBIT
12. Business conduct policies and practices	Potential negative impact	Own operations and supply chain in all segments and geographies	Labour practices, employee rights, environmental initiatives	Reputation, compliance
13. Whistleblower mechanisms and processes	Potential negative impact	Own operations and supply chain in all segments and geographies	Job satisfaction, retention, health and safety	Reputation, compliance
14. Practices for supplier qualification	Potential negative impact	Relevant for supply chain in all segments, most concern in Asia	Health and safety issues, environmental practices	Reputation, compliance, risk

G1-1 Business conduct policies and corporate culture

The policies that address NORBIT's material impacts, risks, and opportunities related to business conduct are outlined in Table 60. All policies are accessible to employees via NORBIT's public website and internal management and information systems. These policies are reviewed and updated annually by the executive management team, incorporating stakeholder feedback and adapting to changes in the regulatory landscape.

***Table 60** – Policies related to business conduct:*

Policy	Objective and key content (incl. reference to standards)	Relates to IRO number	Scope	Ownership and monitoring
Code of conduct with related learning materials	**Goal and key content:** Set out important principles, commitments, and requirements for ethical business conduct. - Company culture and values - Personal conduct - Open, honest and reliable communication - Confidential information - Conflicts of interest - Anti-corruption - Whistleblowing **Refer to:** - Key UN and International Labor Organisation conventions - OECD's guidelines for ethical business conduct - UN Global Compact's principles related to human rights and labour conditions - National laws in countries NORBIT operates in	**12.** Business conduct policies and practices **13.** Whistleblower mechanisms and processes	All employees External stakeholders up- and downstream (such as business partners, suppliers and customers)	Board of directors Updated yearly
Whistleblower policy	**Goal and key content:** Encourage internal and external stakeholders to report suspected or actual occurrences of inappropriate, unethical, or illegal events without fear of retribution. **Refer to:** - Working Environment Act, chapter 2A - The Whistleblower Protection Act and EU Directive 2019/1937	**13.** Whistleblower mechanisms and processes	All employees External stakeholders up- and downstream	Board of directors Updated yearly
Corporate governance principles	**Goal and key content:** Ensure appropriate separation of roles and responsibilities between shareholders, the board and executive management, as well as to ensure satisfactory controls of the group's business activities. - Equal treatment of all shareholders - Open and reliable communication with stakeholders - Autonomous and independent board of directors - Majority of directors independent from major shareholders - Clear division of roles between shareholders, board, and management **Refer to:** - §2-9 of the Norwegian Accounting Act - The Norwegian Code of Practice for Corporate Governance, cf. section 4.4 of the Oslo Stock Exchange Rule Book II	**12.** Business conduct policies and practices	Shareholders, board of directors, executive management team, group business activities	Board of directors Updated yearly

Corporate culture policy and procedures
NORBIT upholds a strong corporate culture, deeply rooted in the company's core purpose and values. An overview of these principles is available in the annual report, where the meaning and impact of the company values are described. Since NORBIT's founding, these values have provided a stable foundation that continues to guide actions and decisions.

Ongoing efforts focus on promoting, developing, and onboarding employees into NORBIT's culture. The emphasis is on finding innovative ways to reinforce cultural alignment across the workforce. Key initiatives include:

- **Preboarding:** Prior to starting at NORBIT, new employees receive an introduction to the core purpose, vision, and values through a digital onboarding platform. This platform also provides access to company policies and training videos.
- **Culture workshops:** Once a year, the CEO and other executives conduct culture workshops specifically for new employees, fostering early alignment with NORBIT's values.
- **Learning resources:** The intranet serves as a hub for all policies and training materials, including the code of conduct.
- **Leadership development:** NORBIT conducts three leadership development courses each year, where values and culture form the foundation of the curriculum. In 2024, more than 80 leaders participated in this program.

Whistleblowing mechanisms and protection
NORBIT has established mechanisms to identify, report, and investigate potential instances of unlawful behaviour or actions that may contradict the code of conduct and internal policies, defined by whistleblowing procedures. These mechanisms are accessible to both internal and external stakeholders, including employees, contractors, consultants, and students affiliated with the company.

Concerns can be reported through various channels, including safety or union representatives, direct supervisors, the CEO, or the chair of the board. Upon receiving a report, NORBIT is required to promptly initiate an investigation. The aim is to complete investigations within 30 days, with any necessary extensions communicated to the whistleblower. To ensure oversight, potential reports and findings from whistleblowing investigations should be presented to the CEO either directly by the person receiving the report, or by the HR department.

To comply with Directive (EU) 2019/1937, NORBIT is committed to protecting whistleblowers who report concerns in good faith. Multiple internal reporting channels, including designated executives and representatives, ensure accessible options for reporting concerns. Training and information on these channels are provided to employees through the onboarding process and are accessible on the company's intranet.

Confidentiality of whistleblowers' identities is safeguarded as required for investigation purposes, and any form of retaliation against whistleblowers is strictly prohibited. Employees found to retaliate against individuals who report concerns in good faith face disciplinary actions, potentially leading to termination. Additionally, whistleblowers have the right to escalate unresolved issues to external authorities if internal investigations do not meet their satisfaction.

Corruption and bribery policy and procedures
NORBIT includes anti-corruption as a core part of the code of conduct and operates under a zero-tolerance policy toward corruption, bribery, fraud, or dishonesty. This policy prohibits activities such as paying, facilitating, or receiving bribes, facilitation payments, extortion, kickbacks, or any other improper benefits involving customers, agents, contractors, suppliers, employees, or government officials. NORBIT's guidelines stipulate that employees and representatives should not directly or indirectly offer, promise, request, demand, or accept unlawful or improper benefits to achieve commercial advantage.

Procedures for investigating business conduct violations, including corruption and bribery, are in place and follow NORBIT's whistleblower guidelines described above.

Within NORBIT, certain functions face a higher risk of exposure to corruption and bribery. Sales personnel, due to their direct client interactions and contract negotiations, and procurement staff who handle supplier selection and agreements are particularly vulnerable. Additionally, top executives and senior management, involved in strategic and financial decisions, encounter increased risk due to the potential for undue influence.

To ensure compliance with anti-corruption and bribery procedures, NORBIT emphasises a culture of accountability and transparency. Managers in high-risk functions are responsible for regularly reinforcing the company's policies within their teams and addressing potential risks proactively. Periodic discussions in management meetings ensure that reported incidents and lessons learned are communicated across relevant functions to continually strengthen NORBIT's anti-corruption efforts.

G1-2 Management of relationships with suppliers

NORBIT considers its suppliers key stakeholders and long term partners. While credit terms are negotiated on a supplier by supplier basis, payment on due date is a key foundation to building trust between NORBIT and the suppliers. Invoices are prepared once received for internal approval with payment carried out by the finance department, a process which is streamlined and automated.

NORBIT generally aims to partner with large, reputable companies known for their commitment to quality and responsible practices whenever possible. The process of supplier quality management is a priority across all NORBIT subsidiaries, with each following a process that includes evaluating current suppliers and qualifying new ones. For existing suppliers, NORBIT employs a scorecard system that monitors key metrics, incorporating specific risk scores related to human rights and labour conditions. Suppliers identified as high-risk are subject to an escalation process for additional review.

For new suppliers, NORBIT's qualification process includes a self-assessment questionnaire focused on an overall assessment of four sustainability areas: overall policies and strategies, environmental management systems, labour practices and human rights, and health and safety. This qualification is further supported by reference checks, on-site audits, and quality agreements to ensure alignment with NORBIT's standards. Efforts are underway to refine and specify the assessment criteria and develop a supporting system to enhance the robustness and efficiency of this qualification process.

In 2022, NORBIT conducted the first full due diligence assessment of suppliers as part of the Transparency Act. This process will be further developed in the coming years, with plans to harmonise practices across subsidiaries, refine evaluation criteria, and review certain suppliers. Regular culture workshops and code of conduct training reinforce NORBIT's commitment to responsible and ethical supply chain practices.

REPORT ON THE NORWEGIAN CODE OF PRACTICE FOR CORPORATE GOVERNANCE

The board of directors of NORBIT actively supports the principles and recommendation on corporate governance as set out by the Norwegian Corporate Governance Board. Good corporate governance strengthens the confidence in the group and contributes to long-term value creation by regulating the division of roles and responsibilities between shareholders, the board of directors and executive management.

Corporate governance at NORBIT ASA (the "company") shall be based on the following main principles:

- All shareholders shall be treated equally.
- NORBIT shall maintain open, relevant and reliable communication with its stakeholders, including its shareholders, governmental bodies and the public about its activities.
- NORBIT's board of directors shall be autonomous and independent of the executive management.
- The majority of the directors shall be independent of major shareholders.
- There shall be a clear division of roles and responsibilities between shareholders, the board and management.

NORBIT's corporate governance principles are in accordance with the Norwegian Accounting Act §2-9 and based on the current Norwegian Code of Practice (the Code) for Corporate Governance, most recently issued on 14 October 2021. The Code is available at *www.nues.no*.

A review and presentation of NORBIT's compliance with the Code's recommendations follow herein. NORBIT's principles are consistent with the recommendations.

1. Implementation and reporting on corporate governance

NORBIT's corporate governance principles are determined by the board of directors (the "board"), which has the overall responsibility for ensuring that the group has a high standard of corporate governance. The board has prepared a corporate governance policy document addressing the framework of guidelines and principles regulating the interaction between the shareholders, the board and the Chief Executive Officer (the CEO).

The purpose of the corporate governance policy is to ensure appropriate separation of roles and responsibilities between shareholders, the board and executive management, as well as to ensure satisfactory controls of the group's business activities. The board and executive management perform an annual assessment of its principles for corporate governance.

The following report covers every section of the Norwegian code of practice.

Deviations from the Code: None

2. Business

NORBIT is a global company providing tailored technology to selected applications. The business purpose is set out in the company's Articles of Association as:

"The company is the parent company of an internationally focused technology group which provides custom-made high-technology products in selected niche markets. This is done through acquisition, management and trading in shares, partnership interests and other securities."

The board has defined clear objectives, strategies and risk profiles for the group, to ensure sustainable value creation for the shareholders. The board evaluates the company's objectives, strategy and risk profiles at least yearly, and when carrying out this work, the board takes into account financial, social and environmental considerations.

NORBIT's ambition is to contribute to sustainable development both by acting responsibly in the group's own operations (internal focus) and by developing and selling products that contribute to solving sustainability challenges for customers and the society at large (external focus). Further details about this work can be found in the ESRS disclosures starting at page 31.

Deviations from the Code: None

3. Equity and dividends

The board is committed to maintaining a satisfactory capital structure for the group according to the group's goals, strategy and risk profile, thereby ensuring that there is an appropriate balance between equity and other sources of financing. The board regularly assesses the capital requirements related to the group's strategy and risk profile.

Equity

At 31 December 2024, the group's equity was NOK 1 157.3 million, which corresponds to an equity ratio of 53 per cent. The board considers NORBIT's financial position to be solid with the necessary capacity to support its objectives, strategy and risk profile.

Dividends

The board has established a clear and predictable dividend policy as detailed on page 14 of the annual report. Based on the financial results for 2024, the board proposes a dividend of NOK 3.00 per share consisting of a NOK 2.00 per share ordinary dividend and a NOK 1.00 per share extraordinary dividend.

Board authorisations

In the event that a board authorisation is proposed for a capital increase, acquisition of treasury shares or similar, or for multiple purposes, each authorisation should be treated as a separate issue and subject to vote by the general meeting. Board authorisations are valid for such periods as the shareholders' meeting decides. Authorisations to the board to increase the share capital or to buy own shares will normally not be given for periods longer than until the next annual general meeting.

It follows from the purpose of the authorisations that the board may need to waive existing shareholders' preference rights, which is permitted under the terms of the authorisations concerned.

At the annual general meeting in 2024, the board was granted the following authorisations:

- To increase the share capital by up to an aggregate nominal value of NOK 1 200 348.30 in connection with investments, general corporate purposes and transactions.
- To increase the share capital by up to an aggregate nominal value of NOK 120 034.80 in connection with incentive programs.
- On behalf of the Company acquire and be granted security in treasury shares up to an aggregate nominal value of NOK 600 174.10.

Board authorisations to increase the company's share capital or to purchase own shares are intended for defined purposes. All board authorisations are valid up until the next annual general meeting which will be held on 6 May 2025, however no longer than until 30 June 2025.

Share issues

In 2024, and based on the authorisation above, the board resolved to increase the share capital in connection with the following events, each with a par value of NOK 0.10:

- The exercise of restricted stock units by executive management through the issuance of 182 673 new shares.
- Issuance of 726 272 considerations shares to founding management of Innomar in connection with the closing of the acquisition.
- Issuance of 2 597 403 new shares through an equity private placement to strengthen financial flexibility for future growth subsequent to the Innomar acquisition.
- The incentive share purchase programmes to employees, through the issuance of 226 264 new shares.
- Purchase of 77 202 shares from primary insiders in relation to shares awarded in incentive programmes to cover tax liabilities.

All board resolutions in relation to the above authorisations have been in compliance with the general meetings decisions.

Deviations from the Code: None

4. Equal treatment of shareholders

NORBIT has a single class of shares, and all shares carry the same rights in the company. Equal treatment of shareholders is essential in NORBIT's corporate governance principles. In the event of capital increases based on authorisations issued by the general meeting, where the existing shareholders' pre-emptive rights are set aside, the board will justify this through a public announcement in connection with the capital increase.

Any transactions in the company's own shares are carried out through the stock exchange or at prevailing market price.

Deviations from the Code: None

5. Shares and negotiability

NORBIT's shares are freely tradeable and there are no restrictions on owning or voting for shares. The shares are registered in the Norwegian Central Securities Depository (VPS). The company's registrar is DNB Markets. The shares carry the securities number ISIN NO 0010856511.

Deviations from the Code: None

6. General meetings

NORBIT encourages its shareholders to participate at the general meeting, the company's highest decision-making body. Only those who are shareholders five business days prior to the general meeting (the record date) have the right to participate and vote at the general meeting. The annual general meeting for 2025 will take place on 6 May 2025.

Registration and attendance

Pursuant to article 8 of the company's articles of associations, shareholders who wish to participate at the general meeting shall notify the company of this within a deadline which is set out in the notice of the general meeting, and which cannot expire earlier than two business days prior to the general meeting.

Shareholders have the right to request to attend electronically to vote directly on individual agenda items. Shareholders unable to attend may also submit their vote in advance of the meeting or vote by proxy. The procedures for advance voting and for providing proxy voting instructions will be described in the meeting notification and published on the company website.

Shareholders may also send notification of their attendance, using the form provided, by post or email to the company's account manager DNB, or via the company's website, *www.norbit.com*.

Meeting notice

The full notice for general meetings shall be sent to the shareholders no later than 21 days prior to the meeting. The board will ensure that the notice includes information about the proposed resolutions and that supporting information is sufficiently detailed to allow shareholders to form a view on all matters to be considered at the meeting. Notices shall provide information on procedures that shareholders shall observe in order to participate in and vote at the general meeting. The notice should also set out: (i) the procedure for representation at the meeting through a proxy, including a form to appoint a proxy, and (ii) the right for shareholders to propose resolutions in respect of matters to be dealt with by the general meeting. The form for the appointment of a proxy should also be designed to make voting on each individual matter possible.

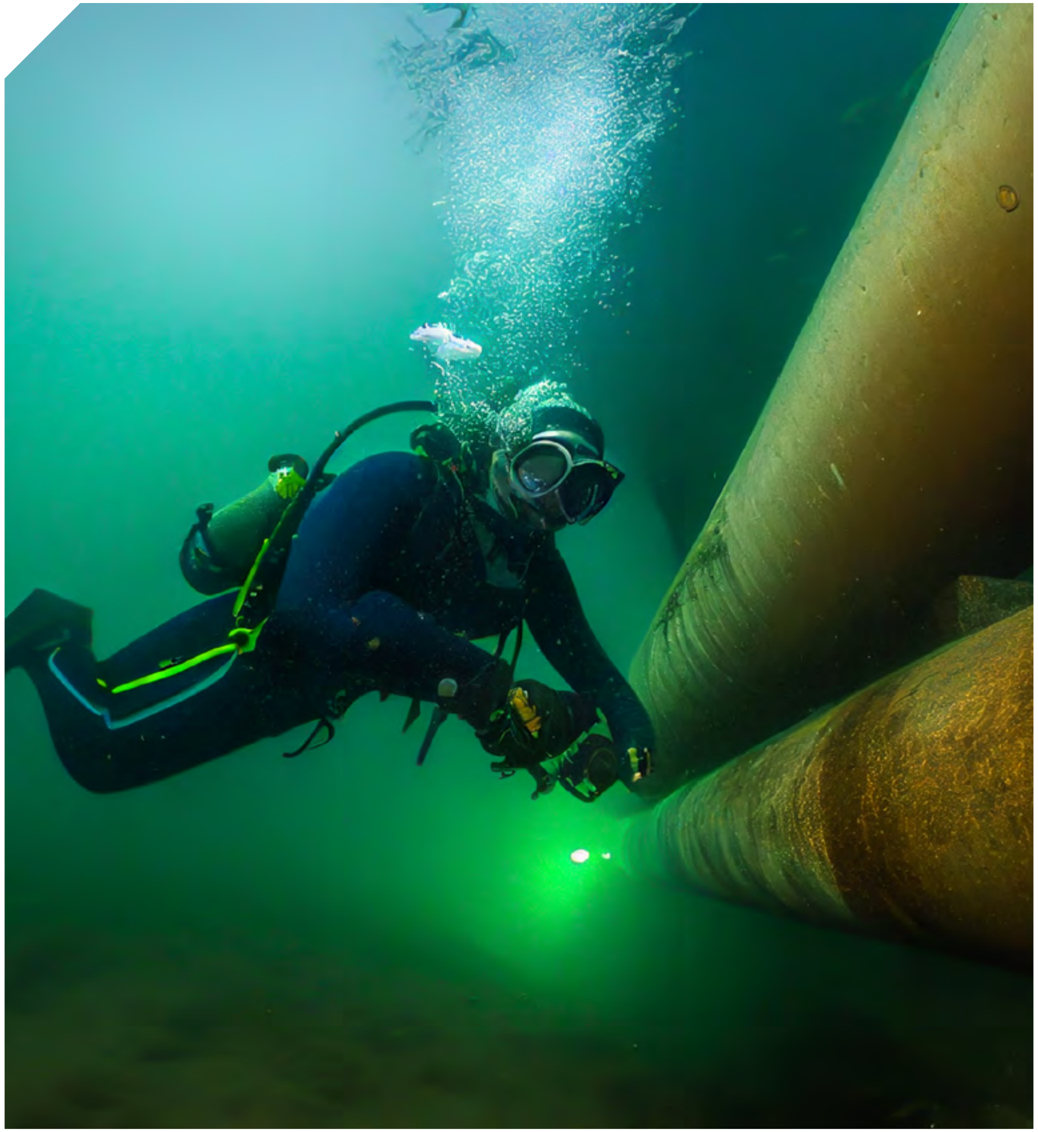
In accordance with article 8 of the company's articles of association, documents relating to matters to be addressed at a general meeting of shareholders shall be made available on NORBIT's website. The same applies to documents which by law must be included in or attached to the invitation to attend the general meeting. If the documents are made available in this way, the statutory requirement with respect to distribution to shareholders is not applicable. A shareholder may nevertheless ask to be sent documents relating to matters to be discussed at a general meeting by post.

Meeting chair and voting

The general meeting elects the person to chair the meeting. The board and the chair of the nomination committee should attend the general meetings. The company's auditor is expected to attend the general meetings when the matters to be dealt with are of such nature that this is considered necessary. The general meeting elects the members of the nomination committee and shareholder elected directors.

Minutes of the general meeting will be published as soon as practical via the Oslo Stock Exchange's messaging service *www.newsweb.no* (ticker: NORBT) and on the company's website *www.norbit.com*.

Deviations from the Code: None



7. Nomination committee

NORBIT has a nomination committee as required by Article 7 of the company's articles of association. The general meeting has elected the following members to the nomination committee:

- Reidar Stokke, chair – elected in 2024 for one year
- Berit Rian – elected in 2024 for two years
- Janniche Fusdahl – elected in 2023 for two years

The general meeting determines the committee's remuneration. The guidelines for the nomination committee have been approved by the general meeting. According to these guidelines, the nomination committee shall be comprised of at least three members. The members of the nomination committee should be selected to consider the interests of shareholders in general, where the majority of the committee members are independent of the board and the executive management team. Members of the board or the executive management team shall not be members of the nomination committee.

The primary responsibilities of the nomination committee is to recommend and propose to the general meeting candidates and remuneration for the company's directors and nomination committee, and remuneration to the members of any sub-committees. The nomination committee should provide a rationale for its proposal, and the recommendation will include a proposal for the appointment of the chair. The nomination committee must make a written recommendation, which is published and presented to the general meeting.

In its proposal to the general meeting regarding the company's directors, the nomination committee shall consider the wishes of the shareholders when making its recommendations. The committee shall also consider the proposed candidates, experience, qualifications and their capacity to serve as directors in a satisfactory manner, including required competencies to independently evaluate the cases presented. Emphasis shall also be given to ensuring independence of the board. It is also considered important that the board has diversity, relevant complementary background and can function well as a body of colleagues. The nomination committee's recommendations shall at all times satisfy the requirements relating to the composition of the board set forth in applicable legislation.

Proposal for board candidates should be communicated to the chair of the nomination committee by sending an email to *reidar.olaf.stokke@gmail.com* prior to 31 December.

Deviations from the Code: None

8. Board of directors: Composition and independence

Composition

According to article 5 of the NORBIT's articles of associations, the board shall consist of a minimum of three and a maximum of seven directors elected by the general meeting. The general meeting elects the chair of the board and the deputy chair of the board. Proposals for the election period by the nomination committee to the general meeting should not exceed two years at a time, with the possibility of re-election.

At 31 December 2024, NORBIT's board comprised Finn Haugan (chair), Bente Avnung Landsnes (deputy chair), Trond Tuvstein, Christina Hallin and Haakon Kavli. Tom Solberg is deputy director. All directors were elected by the general meeting based on the nomination committee's proposal. The composition of the board meets the requirements under the Norwegian Public Limited Liability Companies Act. The current composition of the board is presented in this annual report and is also available from the company's website *www.norbit.com*. The presentation includes an overview of the directors' competence and background, meeting attendance and whether they are considered to be independent.

Finn Haugan and Christina Hallin were re-elected at the general meeting 6 May 2024 for a period of two years and Tom Solberg as deputy director for one year. At the same meeting, Haakon Kavli was elected as a new director for two years, replacing Magnus Reitan. Directors Bente Avnung Landsnes and Trond Tuvstein, in addition to deputy director Solberg, are up for election at the general meeting in May 2025.

Directors are encouraged to own shares in the company. At 31 December 2024, three of the five directors held shares in NORBIT, further disclosed in *note 27* to the financial statements.

Independence of the board

NORBIT's board is composed such that it is able to act independently of any special interests. The board does not include members of the executive management. All the directors of NORBIT are deemed to be independent of senior executives, material business associates and the company's main shareholders, although the Norwegian law firm Prétor Advokat, in which the deputy director Tom Solberg is a partner, renders legal services to the group in the ordinary course of business. See section 11 for further information.

Deviations from the Code: None

9. The work of the board of directors

The board has adopted guidelines for their work and for the executive management. According to these guidelines, the board shall ensure that the group has proper management with a clear internal distribution of responsibilities and duties. A clear division of work has been established between the board and the executive management team. The CEO is responsible for the executive management of the group.

The board has the overall responsibility for the management of the group and the supervision of its day-to-day management and business activities. The board prepares an annual plan for its work with special emphasis on goals, strategy and implementation. The board's primary responsibility shall be (i) participating in the development and approval of the group's strategy, (ii) performing necessary monitoring functions and (iii) acting as an advisory body for the executive management team. The board is also responsible for ensuring that the operation of the group is compliant with the group's values and ethical guidelines. The chair of the board is responsible for ensuring that the board's work is performed in an effective and correct manner.

All members of the board regularly receive information about the group's operational and financial

development. The group's strategies shall regularly be subject to review and evaluation by the board.

According to the board's instructions, any transactions, agreements or arrangements between the company or group entities and its shareholders, members of the board, members of the executive management team or close associates of any such parties may only be entered into as part of the ordinary course of business and on arm's length market terms. All such transactions shall comply with the procedures set out in the Norwegian Public Limited Liability Companies Act and be in accordance with the recommendations of the Norwegian Code of Practice for Corporate Governance.

The regulations governing the board's working practices include guidelines for how individual directors and the CEO should conduct themselves with respect to matters in which they may have a personal interest. Among them is the stipulation that each director must make a conscious assessment of his/her own impartiality and inform the board of any possible conflict of interest on matters concerned at each board meeting.

The board shall consider whether a valuation should be obtained from an independent third party unless the transaction, agreement or arrangement in question is considered to be immaterial or otherwise not cause any issues with respect to whether the agreement is on arm's length market terms. Directors and members of the executive management team shall immediately notify the board if they have any material direct or indirect interest in any transaction entered into by the company.

Additional information on transactions with related parties can be found in *note 25* to the 2024 financial statement.

The board evaluates its own performance and expertise once a year. The board held a total of 17 meetings in 2024 and the attendance rate was 99 per cent.

Sub-committees of the board
Audit committee
Pursuant to the Norwegian Public Limited Liability Companies Act and the listing rules of the Oslo Stock Exchange, the company shall have an audit committee. The audit committee is appointed by the board. At 31 December 2024, the audit committee comprised the following:

- Trond Tuvstein, chair
- Bente Avnung Landsnes

The composition of the committee meets the requirements of the Norwegian Public Limited Liability Companies Act and the Code with regards to independence and competence.

The committee's main responsibilities are governed by the Norwegian Public Limited Liability Companies Act and the instructions of the audit committee include the following tasks:

- Prepare matters to be considered by the board and to support the board in the exercise of its management and supervisory responsibilities, including informing the board of directors of the result of the statutory audit of the annual financials and sustanability report.
- Prepare the follow-up process for the financial and sustainability reporting for the board of directors, including assessing the quality and making recommendations to secure process integrity.
- Monitor the performance and effectiveness of the group's internal control and risk management systems in relation to the financial and sustainability reporting process.
- Maintain an ongoing dialogue with the auditors appointed for the financial and sustainability reporting.
- Review the independence and objectivity of the auditor and ensure compliance with applicable rules and guidelines regarding the provisions of additional services rendered by the auditor.
- Prepare the company's appointment of an external auditor and submit its recommendation to the board.

The audit committee held 8 meetings in 2024. The attendance rate was 100 per cent.

Remuneration committee
NORBIT has a remuneration committee appointed by the board. At 31 December 2024, the remuneration committee comprised the following:

- Finn Haugan, chair
- Bente Avnung Landsnes
- Håkon Kavli
- Christina Hallin

The committee's main responsibilities are set out in the instructions to the committee and includes in brief as follows:

- Evaluate and review the executive management team's agreements, compensation, benefits, including goals and objectives relevant to the compensation.
- Prepare the board's yearly CEO assessment, including consideration matters relating to salary and terms, to the board of directors.
- Assisting the CEO in determining the remuneration of the other members of the executive management team.
- Prepare for consideration matter of principles and guidelines for remuneration to the CEO and executive management team, including proposing recommendations to the board, with respect to incentive compensation plans and equity-based plans.
- Review and endorse the guidelines for remuneration to the senior executives and the board of directors' report on salary and other remuneration for the senior executives.
- Provide general compensation related advise to the board.
- Discuss organisational issues with the CEO that have relevance for the compensation plans.

The remuneration committee held 3 meetings in 2024. The attendance rate was 100 per cent.

Deviations from the Code: None

10. Risk management and internal control

The board shall ensure that NORBIT has sound internal control and systems for risk management that are appropriate in relation to the extent and nature of the group's activities.

The objective of risk management and internal control is to ensure the successful conduct of the group's business and to support the quality of its financial reporting.

The board shall carry out an annual review of the group's most important areas of exposure to risk and its internal control arrangements.

The board shall provide an account in the annual report of the main features of the group's internal control and risk management systems as they relate to the group's financial reporting.

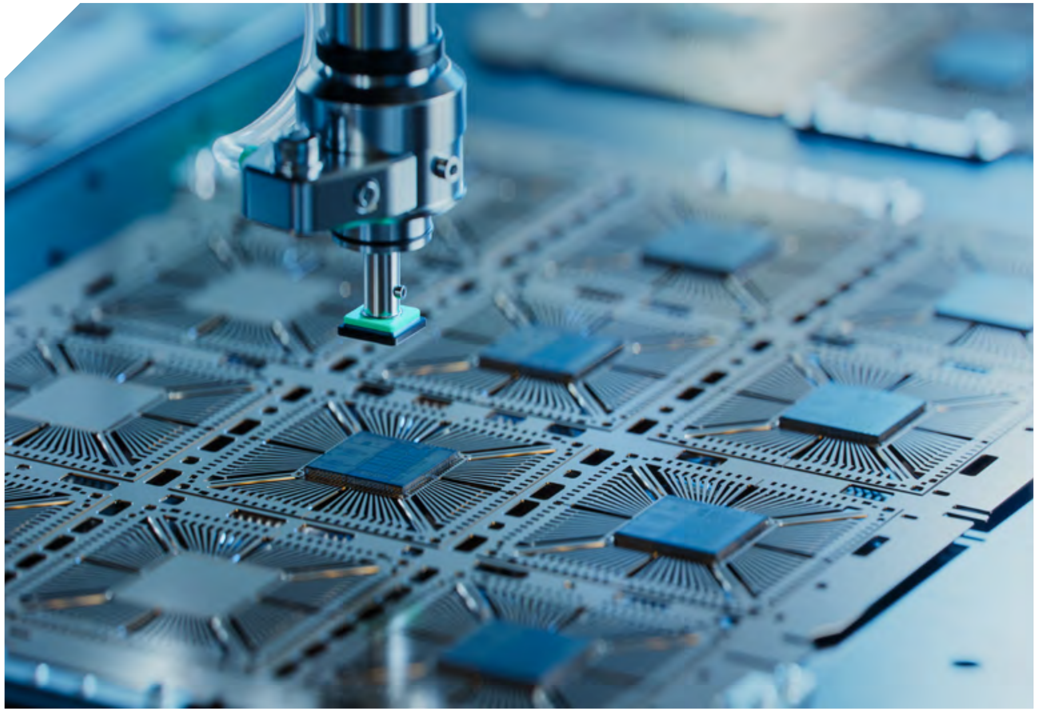
Internal control of financial reporting is achieved through day-to-day follow-up by management, and supervision by the audit committee.

Deviations from the Code: None

11. Remuneration of the board of directors

Remuneration of directors shall be reasonable and reflect the board's responsibilities, expertise, time invested and the complexity of the business. Work in sub-committees may be compensated in addition to the remuneration received for board membership.

The general meeting shall determine the board's remuneration after considering recommendations by the nomination committee. Information on remuneration to the directors for the work performed in each term is determined by the geneal meeting and presented in the remuneration report for 2024. The remuneration to the directors is not performance-related, nor does it include share option elements. The board does not participate in incentive programmes available to employees in the group or any other share-based incentive schemes.



The board shall be informed if individual directors perform tasks for the company or any group entities other than exercising their role as directors. The fee for any such services shall be approved by the board. In 2024, deputy director Tom Solberg performed legal services in the ordinary course of business for the group through his employer Prétor Advokat. The service fee to Prétor Advokat, in aggregate, is disclosed in note 25 to the financial statements. The agreement and fee have been reviewed and approved by the board of directors.

Deviations from the Code: None

12. Salary and other remuneration for executive personnel

Pursuant to Section 6-16a of the Public Limited Companies Act, the board has adopted clear and understandable guidelines for the remuneration of the executive management team. A description of the guidelines has been presented to the general meeting in the form of a separate document and approved by the shareholders.

The company's remuneration principles shall be designed to ensure responsible and sustainable remuneration decisions that support the company's business strategy, long-term interests, and sustainable business practices. To this end, salaries and other employment terms shall enable the company to retain, develop and recruit skilled senior executives with relevant experience and competence. The remuneration shall be on market terms, competitive, and reflect the performance and responsibilities of individual senior executives. A ceiling has been set for performance-related remuneration.

Pursuant to Section 6-16b of the Public Limited Companies Act, the board will prepare to the general meeting a remuneration report which includes information on remuneration paid and awarded to the executive management team in accordance with the guidelines.

Deviations from the Code: None

13. Information and communications

Investor relations

The company's reporting of financial and other information is based on transparency and equal treatment of shareholders, the financial community and other interested parties. The objective of the company's investor relations activities is to ensure that the financial markets and shareholders receive accurate and timely information that can affect the company's share price. All market participants shall have access to the same information, and all information is published in English. All notices sent to the stock exchange are made available on the company's website and at www.newsweb.no.

NORBIT's ambition is to comply with the Oslo Stock Exchange's Code of Practice for IR ("the IR Code"). The company has, in line with the IR Code, also adopted an IR Policy. The CEO and CFO are responsible for the communication with shareholders in the period between general meetings.

Financial information

The company holds investor presentations in association with the publication of its quarterly results. These presentations are open to all and provide an overview of the group's operational and financial performance in the previous quarter, as well as an overview of the general market outlook and group's future prospects. These presentations are also made available on the company's website.

Quiet period

NORBIT will minimise its contacts with analysts, investors and media in the 30 days period prior to publication of its results. This is to ensure that all interested parties in the market are treated equally.

Deviations from the Code: None

14. Takeovers

In a takeover process, should it occur, the board and the executive management team each have an individual responsibility to ensure that the company's shareholders are treated equally and that there are no unnecessary interruptions to the group's business activities. The board has a particular responsibility in ensuring that the shareholders have sufficient information and time to assess the offer.

In the event of a take-over process, the board shall ensure that the following principles are complied with:

- the board will not seek to hinder or obstruct any takeover bid for the company's operations or shares unless there are particular reasons for doing so;
- the board shall not undertake any actions intended to give shareholders or others an unreasonable advantage at the expense of other shareholders or the company;
- the board shall not institute measures with the intention of protecting the personal interests of its members at the expense of the interests of the shareholders;
- the board shall be aware of the particular duty it has for ensuring that the values and interests of the shareholders are protected; and
- the main terms of the agreements entered into between the company and the bidder that are material to the market's evaluation of the bid are publicly disclosed no later than at the same time as the announcement that the bid will be made is published.

In the event of a takeover bid, the board will, in addition to complying with relevant legislation and regulations, seek to comply with the recommendations in the Code. This could include obtaining a valuation and fairness opinion from an independent expert. On this basis, the board shall draw up a statement containing a well-grounded evaluation of the bid and make a recommendation as to whether or not the shareholders should accept the bid. The evaluation shall specify how, for example, a takeover would affect the long-term value creation of NORBIT. Any transaction that is in effect a disposal of the company's activities should be decided by a general meeting.

Deviations from the Code: None

15. Auditor

The auditor is appointed by the general meeting. The auditor makes an annual presentation of the auditing plan to the audit committee. Further, the auditor provides the board with written confirmation that the requirement of independence has been met.

The auditor participates in all meetings of the audit committee that concerns the quarterly accounts and annual audit, as well as in the board meeting that deals with the annual accounts. The auditor reports to the audit committee and board on the assessment of the internal control on the financial reporting process.

The auditor reviews, with the board and audit committee, any material changes in the company's accounting principles and assessments of material accounting estimates. The outcome of this review is presented to the board. There have been no disagreements between the auditor and management on any material issues in 2024.

The board and the audit committee have met with the auditor without representatives of executive management being present regarding the preparation of the annual accounts for 2024.

The board has adopted guidelines and authorisations for ensuring compliance with applicable laws and regulations concerning the rendering of non-audit services from the appointed auditor. The audit committee is responsible for monitoring compliance under the relevant policy. Non-audit service assignments are either approved by the audit committee or the CFO prior to engagement, depending on the materiality of the assignment.

The CFO and audit committee receives at least once a year from the auditor a summary of the services other than auditing that have been provided to the group companies.

At the annual general meeting, the board presents a review of the auditor's compensation as paid for auditory work required by law and remuneration associated with other specific assignments. Compensation paid is presented in note 8 to the financial statements. The board shall arrange for the auditor to attend all general meetings.

Deviations from the Code: None

Trondheim, Norway, 10 April 2025

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*

FINANCIAL STATEMENTS – NORBIT GROUP

FINANCIAL STATEMENTS – NORBIT ASA

CONSOLIDATED STATEMENT OF INCOME

Amounts in NOK million	*Note*	**2024**	2023
Revenue	4, 6	**1 751.4**	1 518.9
Raw materials and change in inventories	15	**704.6**	614.7
Employee benefit expenses	7, 27	**416.3**	360.3
Depreciation and amortisation	12, 13, 14	**128.9**	107.7
Impairment expenses	14	**3.4**	0.0
Other operating expenses	8	**156.4**	152.2
Operating profit		**341.7**	284.2
Share of profit of associates	23	**(0.2)**	0.0
Financial income	9	**38.3**	3.2
Financial expenses	9	**61.5**	41.3
Net financial items		**(23.4)**	(38.1)
Profit before tax		**318.3**	246.0
Income tax expense	10	**(75.0)**	(60.8)
Profit for the period		**243.3**	185.3
Attributable to:			
Owners of the Company		**243.3**	185.3
Non-controlling interests		**0.0**	0.0
Total		**243.3**	185.3
Average no. of shares outstanding - basic	11	**61 679 531**	59 564 339
Average no. of shares outstanding - diluted	11	**61 863 157**	59 684 428
Earnings per share			
Basic (NOK per share)	11	**3.94**	3.11
Diluted (NOK per share)	11	**3.93**	3.10

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Amounts in NOK million	**2024**	2023
Profit for the period	**243.3**	185.3
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	**0.4**	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	**0.0**	0.0
Other comprehensive income for the period, net of tax	**0.4**	4.0
Total comprehensive income for the period	**243.8**	189.3
Total comprehensive income for the period is attributable to:		
Owners of the Company	**243.8**	189.3
Non-controlling interests	**0.0**	0.0
Total	**243.8**	189.3

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in NOK million	Note	**31.12.2024**	31.12.2023
ASSETS			
Property, plant and equipment	*12*	**180.9**	166.3
Right of use assets	*13*	**93.1**	54.2
Intangible assets	*14*	**418.9**	303.2
Goodwill	*14*	**497.4**	111.1
Deferred tax asset	*10*	**13.5**	13.9
Equity-accounted investees	*23*	**0.5**	0.7
Shares in other companies	*16*	**12.1**	5.9
Total non-current assets		**1 216.4**	655.2
Inventories	*15*	**434.7**	562.0
Trade receivables	*17*	**273.4**	170.3
Other receivables and prepayments		**66.4**	48.1
Cash and cash equivalents	*18*	**193.3**	60.7
Total current assets		**967.8**	841.1
Total assets		**2 184.2**	1 496.4

Amounts in NOK million	Note	**31.12.2024**	31.12.2023
LIABILITIES			
Interest-bearing borrowings	*19*, *21*	**447.2**	122.6
Lease liabilities	*13*	**74.4**	37.5
Deferred tax liabilities	*10*	**29.0**	3.1
Other non-current liabilities		**0.8**	8.7
Total non-current liabilities		**551.4**	171.9
Trade payables	*5*	**145.9**	174.5
Current tax liabilities	*10*	**81.5**	58.7
Interest-bearing borrowings	*19*, *21*	**0.0**	88.9
Lease liabilities	*13*	**20.9**	17.2
Other current liabilities	*20*	**227.1**	191.8
Total current liabilities		**475.4**	531.1
Total liabilities		**1 026.8**	702.9
Share capital	*24*	**6.4**	6.0
Share premium and other paid in capital	*24*	**645.5**	367.7
Retained earnings	*24*	**505.5**	419.7
Equity attributable to equity holders of the parent company		**1 157.3**	793.4
Non-controlling interests		**0.0**	0.0
Total equity		**1 157.3**	793.4
Total equity and liabilities		**2 184.2**	1 496.4

Trondheim, Norway, 10 April 2025

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Attributable to owners						
Amounts in NOK million	*Note*	Share capital	Share premium	Other paid in capital	Retained earnings	Total	Non-controlling interests	**Total equity**
Balance at 31 December 2023		6.0	367.7	0.0	419.7	793.4	0.0	**793.4**
Profit for the period		0.0	0.0	0.0	243.3	243.3	0.0	**243.3**
Other comprehensive income		0.0	0.0	0.0	0.4	0.4	0.0	**0.4**
Total comprehensive income for the period		0.0	0.0	0.0	243.8	243.8	0.0	**243.8**
Transaction with owners in their capacity as owners:								
Treasury shares		0.0	0.0	0.0	(5.0)	(5.0)	0.0	**(5.0)**
Share issue		0.4	261.4	16.4	0.0	278.1	0.0	**278.1**
Dividends paid	*21*	0.0	0.0	0.0	(152.9)	(152.9)	0.0	**(152.9)**
Total transactions with owners		0.4	261.4	16.4	(158.0)	120.2	0.0	**120.2**
Balance at 31 December 2024		6.4	629.1	16.4	505.5	1 157.3	0.0	**1 157.3**

		Attributable to owners						
Amounts in NOK million	*Note*	Share capital	Share premium	Other paid in capital	Retained earnings	Total	Non-controlling interests	**Total equity**
Balance at 31 December 2022		5.9	319.9	0.0	273.5	599.3	0.0	**599.3**
Profit for the period		0.0	0.0	0.0	185.3	185.3	0.0	**185.3**
Other comprehensive income		0.0	0.0	0.0	4.0	4.0	0.0	**4.0**
Total comprehensive income for the period		0.0	0.0	0.0	189.3	189.3	0.0	**189.3**
Transaction with owners in their capacity as owners:								
Treasury shares		0.0	0.0	0.0	(1.4)	(1.4)	0.0	**(1.4)**
Share issue		0.1	47.8	0.0	0.0	47.9	0.0	**47.9**
Dividends paid	*21*	0.0	0.0	0.0	(41.6)	(41.6)	0.0	**(41.6)**
Total transactions with owners		0.1	47.8	0.0	(43.1)	4.8	0.0	**4.8**
Balance at 31 December 2023		6.0	367.7	0.0	419.7	793.4	0.0	**793.4**

CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in NOK million	*Note*	**2024**	2023
Profit for the period		**243.3**	185.3
Adjustments for:			
Income tax expense recognised in profit or loss	*10*	**75.0**	60.8
Income taxes paid	*10*	**(71.1)**	(19.9)
Share of profit of associates	*23*	**0.2**	0.0
Depreciation, amortisation and impairment	*12, 13, 14*	**132.3**	107.7
Movements in working capital:			
(Increase)/decrease in trade receivables		**(80.6)**	1.7
(Increase)/decrease in inventories		**133.9**	(125.4)
Increase/(decrease) in trade payables		**(29.0)**	40.4
Increase/(decrease) in accruals		**26.9**	95.2
Net cash generated by operating activities		**430.9**	345.7
Cash flows from investing activities			
Payments for property, plant and equipment	*12*	**(39.8)**	(46.3)
Payments for intangible assets	*14*	**(104.8)**	(60.2)
Net cash outflow from acquisitions and other shares	*22*	**(413.7)**	(42.6)
Net cash (used in)/generated by investing activities		**(558.4)**	(149.0)
Cash flows from financing activities			
Payment for share buy-back costs		**(5.0)**	(1.4)
Proceeds from issue of equity instruments of the company		**205.8**	8.1
Proceeds from borrowings	*19*	**446.1**	126.3
Repayment of borrowings	*19*	**(191.6)**	(135.3)
Repayment of lease liabilities	*13*	**(22.3)**	(13.1)
Net change in overdraft facility	*19*	**(20.0)**	(120.6)
Dividends paid	*21*	**(152.9)**	(41.6)
Net cash (used in)/generated by financing activities		**260.1**	(177.7)
Net increase in cash and cash equivalents		**132.6**	19.0
Cash and cash equivalents at the beginning of the period		**60.7**	41.7
Cash and cash equivalents at the end of the period		**193.3**	60.7

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 01 Company information

NORBIT ASA is a limited liability company incorporated and domiciled in Norway, with its headquarters at Stiklestadveien 1, Trondheim. NORBIT is listed on the Oslo Stock Exchange with the ticker “NORBT”.

The consolidated financial statements of NORBIT ASA for the year ended 31 December 2024, incorporate the financial statements of the parent company NORBIT ASA and its subsidiaries (collectively referred to as the “group” and separately as “group companies”).

NOTE 02 Basis for preparation and estimates and assumptions

STATEMENT OF COMPLIANCE
The financial statements have been prepared in accordance with IFRS® Accounting Standards as adopted by the EU, their interpretations as adopted by the International Accounting Standards Board (IASB), and the additional requirements of the Norwegian Accounting Act as of 31 December 2024.

The consolidated financial statements for 2024 were approved and authorised for issue by the board of directors on 10 April 2025. The consolidated financial statements will be submitted to NORBIT’s annual general meeting, to be held 6 May 2025, for final approval.

GOING CONCERN BASIS OF ACCOUNTING
The consolidated financial statements have been prepared on the assumption of the business being a going concern.

BASIS FOR MEASUREMENT
The consolidated financial statements have been prepared on the basis of the historical cost principle, with the following modifications:

- Derivative financial instruments are measured at fair value
- Fair value of share-based payments (IFRS 2), see *note 26*.

FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY
The consolidated financial statements are presented in Norwegian kroner (NOK), which is the functional currency of NORBIT ASA and the Norwegian subsidiaries in the group. Foreign subsidiaries operate with local currency as the functional currency.

Financial information presented in NOK has been rounded to the nearest million with one decimal, except when otherwise stated. As a result of rounding differences, amounts and percentages may not add up to the total.

The results and financial position of group companies whose functional currency is different from the presentation currency (NOK) are translated to NOK in the following way:

- Balance sheet items are translated using the exchange rates at the balance sheet date
- Profit and loss items are translated at average exchange rates for the reporting period
- All resulting exchange differences are recognised in other comprehensive income

USE OF ESTIMATESS AND JUDGMENTS
The preparation of annual financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses. Although management believes these assumptions to be reasonable, given historical experience, actual amounts and results could differ from these estimates. Estimates and underlying assumptions are reviewed and assessed on an on-going basis. Changes to accounting estimates are recognised in the period in which the estimates are revised and in future periods if affected.

Estimates and assumptions that could have a significant impact on the carrying amount of assets and liabilities within the next financial year are discussed below.

Impairment testing of intangible assets
In accordance with applicable accounting principles, the group considers whether there are indications of impairment on the carrying amounts for the intangible assets. If such indications exist, an impairment test is performed to determine whether any intangible assets recorded in the balance sheet should be impaired. The value in use can be significantly impacted by market conditions. Evaluating whether an asset is impaired or if an impairment should be reversed, requires a high degree of judgment and may to a large extent depend upon the selection of key future assumptions, including determining appropriate cash-generating units,

discount rate, projecting future cash flows and assumptions on future market conditions. Reference is made to *note 14* for further information.

Impairment testing of goodwill
In accordance with applicable accounting principles, the group performs impairment testing of goodwill annually, or more frequently if any indications of impairment on the goodwill exist. The estimated recoverable value for the cash-generating units is determined based on the higher of its fair value less cost of disposal or value in use. Value in use is estimated based on a present value of the future cash flows expected to be derived from the cash-generating units. These calculations require management to estimate future cash flows and discount rate, including assumptions on future market conditions, all of which involves a high degree of judgment. Reference is made to *note 14* for further information.

Loss allowance for trade receivables
NORBIT has exposure to a diversified and fragmented customer base, of which a majority is international. Thus, the group is exposed to credit risk on its trade receivables. The group applies the IFRS 9 simplified approach to measuring expected credit losses. This assessment involves a high degree of judgment, particularly relating to assessing scenario probabilities. Reference is made to *note 5* and *17* for further information.

Warranty provisions
A provision is made for expected warranty expenditures for the group companies. The warranty period is generally 12 to 24 months, while some clients have purchased extended warranties. The level and duration of warranty provisions are based on historical data. Assessing and determining the potential warranty expenditures requires a high degree of judgment.

Provision for obsolete inventory
The group makes provision for obsolescence of inventory. These provisions are based on an assessment of the age distribution of inventory items and whether the goods are part of an active or expired product range. A provision for obsolescence is made when the net realisable value of the good is lower than the cost of the good. These provisions are estimate-based and require in-depth knowledge about goods and markets.

Climate risk
NORBIT considers the overall climate risk to be low and does not expect climate-related matters to significantly impact its assets, provisions, or future cash flows.

Transition risk is viewed primarily as a strategic opportunity, as NORBIT delivers solutions that actively support the green transition – particularly within electrification and digitalisation.

Liability risk is also assessed to be low, given that the sectors in which NORBIT operates are not highly exposed to climate-related legal or regulatory actions.

A more detailed analysis of physical climate risks and transition risks is provided in the sustainability statement under ESRS 2 IRO-1 in ESRS E1 Climate Change.

NOTE 03 Significant changes and future changes to accounting policies

The group did not apply any amendments to the standards effective for the current year, as these changes did not have a material impact on the financial statements. The group has chosen not to adopt early any standards, interpretations or amendments that have been issued but are not yet effective as these changes are not expected to have a material effect on the financial statements.

NOTE 04 Accounting principles

The accounting principles presented below have been applied consistently for the reporting period and for the group companies presented in the consolidated financial statements.

GROUP ACCOUNTING AND CONSOLIDATION PRINCIPLES

Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the group until the date of which control ceases.

Investment in associates

Associates are all entities over which the group has significant influence, but which is not a subsidiary nor a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee, without having control or joint control of these policies. This is generally the case where the group holds between 20 and 50 per cent of the voting rights.

Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. Subsequent to initial recognition, the consolidated financial statements include the group's share of the profit and loss and OCI of the associate, until the date on which significant influence ceases to exist. Share of profit or loss of the equity-accounted associate is reported as part of net financial items in the consolidated accounts.

Dividends received from associates are presented as part of net cash flow from operating activities in the statement of cash flows. Received dividends are recognised as a reduction of the carrying amount of the investment.

Business combinations

Business combinations are accounted for using the acquisition method as of the acquisition date, which is the date when control is transferred to the group. The consideration given is measured at the fair values of the assets transferred, the equity instruments that have been issued, liabilities assumed on the transfer of control and direct costs relating to the actual purchase. The cost of acquisition also includes the fair value of all assets or liabilities that are the result of an agreement on contingent consideration.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The costs associated with the business combination are expensed when they are incurred.

If the aggregate of the consideration transferred, the carrying amount of non-controlling interests and the fair value on the acquisition date of any previously held ownership interests exceeds the fair value of the acquired entity's identifiable net assets, the difference is capitalised as goodwill. If the aggregate amount is less than the company's net assets, the difference is immediately recognised as a bargain purchase in profit or loss.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

Elimination of transactions upon consolidation

Intra-group balances and transactions, and any significant unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associated and joint ventures are eliminated to the extent of the group's interest in the entity.

FOREIGN CURRENCY TRANSLATIONS AND TRANSACTIONS

Foreign currency transactions are translated into each group company's functional currency using the exchange rates at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated into the group company's functional currency using the exchange rate on the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies other than NOK are recognised in the income statement under net financial items.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rates on the date the fair value is determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

REVENUE RECOGNITION

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The group recognises revenue when (or as) a performance obligation is satisfied, that is when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The majority of revenue for the group relates to sale of goods where the control is transferred to the customer at a point in time, depending on the contracted delivery terms. There is only one performance obligation in each contract and no variable consideration.

For the revenue that is recognised over time, the group is using cost incurred compared to total expected cost (cost to cost) as a measure of progress. The contracts usually consist of only one performance obligation and there are no significant variable components in the transaction price.

Sale of goods
The group manufactures and sells a range of electronic equipment in the industrial market. Sales are recognised when control of the products has transferred, being when the products are delivered to customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the group has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Sale of services
Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided, because the customer receives and uses the benefits simultaneously. This is determined based on the actual cost spent relative to the total expected costs.

Some contracts include multiple deliverables, such as the sale of hardware and related installation services. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost-plus margin. If contracts include the installation of hardware, revenue for the hardware is recognised at a point in time when the hardware is delivered, the legal title has passed, and the customer has accepted the hardware.

Estimates of revenues, costs, or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

In the case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

Financing components
In contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year, the transaction prices are adjusted for the time value of money.

PENSION
For defined contribution plans, contributions are paid into pension insurance plans. Contributions to defined contributions plans are charged to the income statement in the period to which contributions relate.

GOVERNMENT GRANTS
Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. Government grants are recognised at the value of the contribution at the transaction date. Government grants are either accounted for as reduction of expenses, or intangible assets if a grant is related to research and development of capitalised assets.

FINANCIAL INCOME AND EXPENSE
Financial income and financial expenses comprise interest income and expense on borrowings, foreign exchange gains and losses, dividend income, gains and losses on derivatives and change in the fair value of financial assets at fair value through the income statement. Foreign currency gains and losses are reported on a net basis.

INCOME TAX
Income tax recognised in the income statement comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted as at the balance sheet date, and any adjustment to the tax payable in respect of previous years.

Deferred tax is recognised, using the liability method, in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting and the amounts used for taxation purposes. Deferred tax is not recognised for:

- Goodwill not deductible for tax purposes
- The initial recognition of assets and liabilities in a transaction that is not a business combination and that affect neither accounting nor taxable profit
- Temporary differences relating to investments in subsidiaries, if it is probably that they will not reverse in the foreseeable future

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted as at the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets and liabilities are offset if:

- There is a legally enforceable right to offset current tax assets and liabilities
- They related to income taxes levied by the same taxation authority on the same taxable entity, or on different taxable entities which intend either to settle current tax liabilities or assets on a net basis, or to realise the tax assets and settle the liabilities simultaneously.

Deferred tax assets are recognised if it is probable that future taxable profits will be available to utilise the temporary differences.

CURRENT/NON-CURRENT CLASSIFICATION
An asset is classified as current when it is expected to be realised or is intended for sale or consumption in the group's normal operating cycle, it is held primarily for the purpose of being traded, or it is expected/due to be realised or settled within twelve months after balance sheet date. Other assets are classified as non-current.

A liability is classified as current when it is expected to be settled in the group's normal operating cycle, is held primarily for the purpose of being traded, the liability is due to be settled within twelve months after the balance sheet date, or if the group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

PROPERTY, PLANT AND EQUIPMENT

An item of property, plant and equipment is recognised as an asset if it is probable that the future economic benefit associated with the assets will flow to the group, and its cost can be reliably measured. Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure directly attributable to the asset's acquisition.

When significant parts of an item of property, plant and equipment have different useful lives, major components are accounted for as separate items.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the income statement during the reporting period as incurred.

Depreciation

Depreciation is recognised in the income statement on a straight-line basis over the estimated useful life of each major component of an item of property, plant and equipment, taking residual value into consideration. Depreciation methods, useful lives and residual values are reviewed at each balance sheet date. The depreciation methods and periods used by the group are disclosed in *note 12*.

INTANGIBLE ASSETS

Research and development

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product and process is technically and commercially feasible, future economic benefits are probable, and the group intends to and has sufficient resources to complete development and to use or sell the asset.

The capitalised expenditure includes cost of materials, direct labour costs and operating expenses that are directly attributable to developing and preparing the asset for its intended use. Other development expenditures are recognised in the income statement as an expense in the period in which it occurs.

Capitalised development expenditures are recognised at historic cost less accumulated amortisation and impairment losses. Acquired intangible assets is measured following the same principle.

Amortisation is recognised in the income statement on a straight-line basis over the estimated useful lives of the intangible assets unless such useful lives are indefinite. Intangible assets are amortised from the day they are available for use. The amortisation methods and periods used by the group are disclosed in *note 14*.

GOODWILL

Goodwill acquired in a business combination represents cost price of the acquisition in excess of the net fair value of identifiable net assets in the acquired entity at the time of acquisition. Goodwill is initially recognised at cost and subsequently measured at cost less accumulated impairment losses. See *note 14* and *22* for further details on measurement of goodwill.

INVENTORY

Inventory is stated at the lower of cost and net realisable value. Cost is determined by the first-in first-out (FIFO) method or the weighted average cost formula. The cost of purchased inventory is determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses.

FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through OCI or through the income statement), and
- Those to be measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the income statement or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30-60 days and are therefore classified as current. Trade receivables measured at fair value upon initial recognition, and thereafter at amortised cost, less allowance made for credit losses. The interest rate element is disregarded if insignificant, which is the case for the vast majority of the group's trade receivables.

Cash and cash equivalents
Cash and cash equivalents consist of bank deposits on call with financial institutions and other short-term, highly liquid investments with original maturities of less than three months.

Trade and other payables
Trade payables are recognised at the original invoiced amount. Other payables are recognised initially at fair value. Trade and other payables are valued at amortised cost using the effective interest rate method. The interest rate element is disregarded if it is insignificant, which is the case for most the group's trade payables.

Interest-bearing borrowings
Interest-bearing borrowings are recognised initially at fair value, net of transaction costs incurred. Subsequent to initial recognition, interest-bearing borrowings are measured at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

IMPAIRMENT
Impairment of non-financial assets
The carrying amount of the groups non-financial assets (other than deferred tax assets and inventory) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If an indication of impairment exists, the asset's recoverable amount is estimated. Intangible assets with an indefinite useful life and intangible assets that are not yet available for use are tested for impairment annually, or more frequently if events or changes in circumstances indicate that they might be impaired.

For the purposes of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount and recognised in the income statement. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset.

An impairment loss on goodwill is not reversed. For assets other than goodwill, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount, net of depreciation or amortisation, calculated as if no impairment loss had been recognised.

Impairment of financial assets
The group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

There are mainly trade receivables that are subject to the expected credit loss model in IFRS 9. For trade receivables, the group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Trade receivables are grouped based on shared credit risk characteristics and days past due. Expected losses are primarily calculated through an individual and specific assessment of each customer / receivable. The assessment is carried out by senior staff in the group's finance department in dialogue with the management of the operating segments. For trade receivables that are more than 90 days past due date, a scenario analysis is performed. The scenario analysis includes scenarios for:

(i) the client's bankruptcy,
(ii) the client executes debt negotiations and
(iii) the customer pays the claim in full.

PROVISIONS
A provision is recognised when the group has a present obligation as a result of a past event that can be estimated reliably, and it is probable that the group will be required to settle the obligation. If the effect is material, provisions are determined as the present value of expected future cash flows, discounted by a market based pre-tax discount rate.

Warranty provisions are made for expected future expenses related to delivered products and services. The provisions are based on historic data of incurred warranty expenses.

LEASES
The group applies IFRS 16, and its leasing agreements primarily consist of rent of office premises and manufacturing equipment with various lease terms and conditions.

Upon entering into a contract, an assessment is made of whether an agreement contains a lease arrangement entitling the group to control the use of an identified asset. If the lease is identified as such, assets and associated liabilities are recognised at the start of the lease. The group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any period covered by an option to terminate the lease if it is reasonably certain to be exercised. Lease payments for the first twelve month following the balance sheet date is classified as current liabilities.

Right-of-use assets
The group recognises right-of-use asset at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability. The cost of right-of-use asset includes the amount of lease liability recognised, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received. The right-of-use asset is depreciation on a straight-line basis over the shorter of the asset's estimated useful life and the lease term and is subject to impairment assessment of non-financial assets.

Lease liabilities
The lease liability is initially measured at the present value of the lease payment that are not paid

at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group's incremental borrowing rate as the discount rate. The lease payments include fixed payments and variable lease payments that depend on an index or rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by the lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or as appropriate, changes in the assessment of whether an extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Short-term leases and lease of low value assets
The group applies the recognition exemption to its leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. The group also applies recognition exemption to leases that are considered low-value assets, mainly IT and office equipment.

Lease payments associated with short-term leases and low-value assets are recognised on a straight-line basis as an expense in the income statement.

DIVIDENDS
Dividends are recorded in the group's consolidated financial statements in the period in which they are approved by the general meeting.

NOTE 05 Financial risk and exposure

NORBIT is exposed to different types of financial risk, including interest-, currency-, credit-, and liquidity risks. The group's finance department is responsible for carrying out the policies and guidelines for financial risk management approved by the Board.

INTEREST RATE RISK
The group's main interest rate risk arises from long-term borrowings with variable rates, which expose the group to cash flow interest rate risk. NORBIT has no financial instruments related to hedging of interest rates.

Trade and other receivables and trade and other payables are interest free and with a term of less than one year, hence there is no interest rate risk associated with these financial assets and liabilities.

The following table shows the group's sensitivity to potential changes in interest rates. The calculation takes into account all interest-bearing financial instruments. The calculation in the table shows the effect based on interest-bearing financial instruments at the balance sheet date.

Interest rate exposure

Amounts in NOK million	**Impact on pre-tax profit 2024**	Impact on pre-tax profit 2023
Interest rates - increase by 100 basis points [1)]	**(4.5)**	(2.4)
Interest rates - decrease by 100 basis points [1)]	**4.5**	2.4

1) Ceteris paribus

CURRENCY RISK
NORBIT has international operations and clients and is exposed to currency risk through customer contracts and purchase of products and services in currencies other than the functional currency. NORBIT is primarily exposed to EUR and USD currencies.

The group's exposure to foreign currency risk, expressed in NOK million, at the end of the reporting period is set out in the table below.

Foreign exchange exposure:

Amounts in NOK million	31.12.2024	31.12.2023
Receivables	133.5	91.8
Payables	(93.4)	(92.6)
Overdraft facility [1]	20.5	(5.8)
Net position	**60.6**	**(6.6)**

1) *NORBIT has a multi-currency overdraft facility (EUR, USD, GBP and NOK). The overdraft facility is shown net in the consolidated financial statements. At 31 December 2024, the USD, EUR and GBP balance on the overdraft facility was NOK 20.5 million (i.e. net cash).*

Financial assets and liabilities – net foreign exchange exposure by major currencies:

	31.12.2024		31.12.2023	
	Currency	NOK	Currency	NOK
USD	(1.3)	(15.2)	(4.7)	(48.3)
EUR	6.4	75.9	4.5	50.8
GBP	0.4	5.8	(0.2)	(2.8)
HUF	(51.5)	(1.5)	(24.4)	(0.7)
SEK	(1.5)	(1.6)	(3.2)	(3.2)
JPY	(39.1)	(2.8)	(33.5)	(2.4)
Net position		**60.6**		**(6.6)**

Fluctuations in exchange rates can lead to increased or decreased profit margin in contracts with customers compared to the initial project calculus. The group was a net seller of EUR and had a largely neutral USD position during 2024.

The group rebalances the short-term (within 90 days) main currency exposures on a monthly basis in order to have a neutral currency position on trade receivables, trade payables and cash deposits.

Derivatives
There were no derivatives outstanding at 31 December 2024 or per 31 December 2023.

Classification of derivatives
Derivatives, if any, are only used for economic hedging purposes and not as speculative investments. However, the group's hedging policy does not meet the hedge accounting criteria. Hence, they are classified as 'held for trading' for accounting purposes and are accounted for at fair value through profit or loss. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

Fair value measurement
Fair value measurements of foreign currency contracts, if any, are based on marked to market reports from leading Norwegian currency traders, primarily major Norwegian banks.

CREDIT RISK
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The group is exposed to credit risk related to cash and cash equivalents, trade receivables and other current receivables. The exposure to credit risk is monitored on an ongoing basis within the group.

Cash and cash equivalents
Cash deposits are held with reputable banks with strong credit-ratings. Based on their credit ratings, management does not expect any of these financial institutions to fail to meet their obligations.

Trade receivables
The group has inherent credit risk through the fact that a client may not be able to meet its obligations under a contract. The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Reference is made to *note 4* and *note 17*.

LIQUIDITY RISK
Liquidity risk is the risk that the group is unable to meet the obligations associated with its financial liabilities. For NORBIT, liquidity risk is managed by maintaining sufficient cash deposits and available committed credit lines that the group can draw on to meet its obligations as they occur. NORBIT has a centrally managed multi-currency cash pool arrangement where several subsidiaries are connected. The liquidity trend is monitored frequently, supported by budgets and forecasts.

As per 31 December 2024, NORBIT had NOK 743.3 million in cash and undrawn credit facilities, providing a solid liquidity buffer.

Maturities of financial liabilities
The table below provides an overview of the maturity profile of all financial liabilities. For interest-bearing borrowings the stated amount of contractual cash flows is including estimated interest payments. Other items are stated at booked amounts. In cases where the counterparty may claim earlier redemption, the amount is placed in the earliest period the payment may be required from the counterparty.

Contractual maturities of financial liabilities at 31 December 2024

Amounts in NOK million	Less than 1 year	Between 1 year and 5 years	Over 5 years	Total contractual cash flows	Carrying amount (assets) / liabilities
At 31 December 2024					
Trade payables	145.9	0.0	0.0	145.9	145.9
Interest-bearing borrowings	20.5	478.8	0.0	499.3	447.2
Lease liabilities	20.9	70.7	3.8	95.3	95.3
Other payables	127.2	0.0	0.0	127.2	127.2
Total	314.6	549.5	3.8	867.8	815.7

Contractual maturities of financial liabilities at 31 December 2023

Amounts in NOK million	Less than 1 year	Between 1 year and 5 years	Over 5 years	Total contractual cash flows	Carrying amount (assets) / liabilities
At 31 December 2023					
Trade payables	174.5	0.0	0.0	174.5	174.5
Interest-bearing borrowings	110.1	131.1	0.0	241.2	211.5
Lease liabilities	17.2	33.0	4.5	54.7	54.7
Other payables	94.0	0.0	0.0	94.0	94.0
Total	395.9	164.1	4.5	564.5	534.7

NOTE 06 Segment information

Description of segments and principal activities
NORBIT ASA is organised in three operating segments: Oceans, Connectivity and Product, Innovation & Realization (PIR). 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 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 encompass all NORBIT's knowledge and competence targeting the global maritime markets, including proprietary technology and solutions. The business unit offers sub-bottom profilers and ultra-compact sonars for a range of special applications including seabed mapping and hydrography. The segment has further developed proprietary solutions and software for maritime and environmental monitoring, including security applications. NORBIT is continuously working on expanding its offering in selected applications.

The Connectivity segment enables clients to digitise their operations through data collection and tailored sensor analysis with connectivity devices, cloud computing and data fusions being directly integrated into the client's business software or as stand-alone services.

The Product Innovation and Realization segment (PIR) 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 proprietary technology, including special instrumentation based on radar, radio frequency and embedded signal processing technology.

Financial results reportable segments

	2024				
Amounts in NOK million	Oceans	Connectivity	PIR	Group/ eliminations	Total
Revenues	743.9	515.7	543.1	(51.3)	**1 751.4**
Raw materials and change in inventories	203.7	182.8	323.9	(5.8)	**704.6**
Employee benefit expenses	174.2	89.4	112.8	39.8	**416.3**
Operating expenses	79.7	60.1	33.0	(16.4)	**156.4**
EBITDA	286.2	183.3	73.4	(68.9)	**474.0**
EBITDA margin	*38%*	*36%*	*14%*		*27%*
Depreciation	20.9	15.7	18.2	4.5	**59.3**
Amortisation and impairment	46.6	33.0	1.0	(7.6)	**73.1**
EBIT	218.8	134.5	54.2	(65.8)	**341.7**
EBIT margin	*29%*	*26%*	*10%*		*20%*
Total financial items (not allocated)					**(23.4)**
Profit before tax					**318.3**
Taxes (not allocated)					**(75.0)**
Profit after tax					**243.3**

	2023				
Amounts in NOK million	Oceans	Connectivity	PIR	Group/ eliminations	Total
Revenues	599.0	540.3	411.8	(32.2)	**1 518.9**
Raw materials and change in inventories	175.9	208.4	233.2	(2.8)	**614.7**
Employee benefit expenses	130.8	88.2	95.0	46.2	**360.3**
Operating expenses	81.1	58.4	31.6	(18.9)	**152.2**
EBITDA	211.1	185.3	52.0	(56.6)	**391.8**
EBITDA margin	*35%*	*34%*	*13%*		*26%*
Depreciation	21.1	8.8	16.1	2.7	**48.6**
Amortisation and impairment	24.3	37.2	1.2	(3.7)	**59.0**
EBIT	165.7	139.3	34.7	(55.6)	**284.2**
EBIT margin	*28%*	*26%*	*8%*		*19%*
Total financial items (not allocated)					**(38.1)**
Profit before tax					**246.0**
Taxes (not allocated)					**(60.8)**
Profit after tax					**185.3**

NOTE 07 Salaries, pension and social security costs

Payroll expenses

Amounts in NOK million	**2024**	2023
Salaries	**367.1**	308.1
Pension costs	**17.5**	16.0
Payroll tax	**55.3**	45.5
Capitalised payroll expenses as development asset	**(31.6)**	(16.1)
Other payroll expenses	**8.0**	6.8
Total employee benefit expenses	**416.3**	360.3
Average number of FTEs	**519**	498

Pension arrangements
The Norwegian group companies have pension plans secured through collective agreements in life insurance companies and are subject to the Norwegian Act on Occupational Pension. The group meets the requirement of this legislation. The group has pension plans with defined contribution plans. The defined contribution plan means that the company has not incurred any future obligation. After the annual grant is paid the company has fulfilled its obligation in accordance with the arrangement.

In addition, some of the Norwegian companies in the group are members of an agreement-based early retirement plan (AFP). The scheme provides the employees the opportunity to retire before the normal retirement age in Norway of 67 years. Employees who choose retirement will retain a lifelong benefit from the age of 62 years. The Norwegian Accounting Standards Board has issued a statement concluding that the AFP plan is a multi-employer defined benefit plan. The AFP plan exposes the participating entities to actuarial risk associated with employees of other entities with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and costs to individual participating entities. Sufficient information is not available to use defined benefit accounting, and the AFP plan is accounted for as a defined contribution plan.

The group's subsidiaries outside of Norway have pension plans based on local practice and regulations.

NOTE 08 Other operating expenses

Amounts in NOK million	**2024**	2023
External services	**86.8**	75.9
Travel expenses	**17.3**	15.1
Freight	**13.8**	14.4
Office supplies	**6.9**	8.1
Marketing	**5.9**	6.6
Guarantee, service and support	**5.9**	5.5
Other operating expenses	**19.8**	26.7
Total operating expenses	**156.4**	152.2

Fees to the auditors
The table below summarises audit fees, as well as fees for other audited related services incurred by the group during 2024 and 2023.

Amounts in NOK million	**2024**	2023
Audit fee - financial statements	**1.5**	1.4
Audit fee - integrated sustainability report	**0.3**	0.0
Other audit related services	**0.2**	0.4
Auditor's remuneration in other operating expenses	**2.0**	1.9

NOTE 09 Financial income and financial expenses

Amounts in NOK million	**2024**	2023
Financial income		
Financial exchange gain (net)	**11.4**	0.0
Interest income	**23.3**	1.1
Other financial income	**3.5**	2.1
Financial income	**38.3**	3.2
Financial expenses		
Interest expenses	**59.8**	29.7
Financial exchange loss (net)	**0.0**	10.6
Other financial expenses	**1.7**	1.0
Financial expenses	**61.5**	41.3
Share of profit of associates	**(0.2)**	0.0
Net financial items	**(23.4)**	(38.1)

Please refer to *note 23* for further information regarding share of profits from associates.

NOTE 10 Income tax

Income tax specification

Amounts in NOK million	**2024**	2023
Current tax		
Current tax on profits Norwegian companies	**57.7**	56.2
Current tax on profits foreign companies	**15.4**	1.0
Adjustments for current tax of prior periods	**(0.4)**	1.4
Total current tax expense	**72.8**	58.7
Deferred income tax		
Change in deferred tax	**2.2**	2.2
Total deferred tax expense/(benefit)	**2.2**	2.2
Total income tax expense	**75.0**	60.8

Reconciliation between nominal and effective tax rates

Amounts in NOK million	**2024**	2023
Profit before income tax expense	**318.3**	246.0
Expected tax calculated at Norwegian tax rate of 22%	**70.0**	54.1
Effect of different tax rates abroad	**3.5**	(2.0)
Change in previously not recognised deferred tax assets	**(0.3)**	0.7
Other items	**1.7**	8.0
Subtotal	**75.0**	60.8
Effective tax rate	**24%**	25%

Amounts recognised directly in equity

Amounts in NOK million	**2024**	2023
Deferred tax	**0.0**	0.0
Total	**0.0**	0.0

Deferred tax assets

Amounts in NOK million	**2024**	2023
The balance comprises temporary differencs attributable to:		
Intangible and fixed assets	**(4.7)**	(12.2)
Inventories	**(4.3)**	(2.6)
Other assets and liabilities	**(3.2)**	(3.1)
Tax losses	**(4.1)**	0.0
Total	**(16.3)**	(18.0)
Total deferred tax assets	**(16.3)**	(18.0)
Unrecognised deferred tax assets	**2.8**	4.1
Net deferred tax assets	**(13.5)**	(13.9)

Deferred tax

Amounts in NOK million	**2024**	2023
The balance comprises temporary differencs attributable to:		
Intangible and fixed assets	**29.0**	3.1
Total	**29.0**	3.1

Change in deferred tax assets

Amounts in NOK million	Tax losses	Intangible and fixed assets	Inventories	Other	**Total**
Movements					
At 1 January 2023	0.0	(14.2)	(1.9)	0.6	**(15.6)**
(Charged)/credited - to profit or loss	0.1	2.0	(0.7)	0.3	**1.8**
Acquisition of subsidiary	(0.1)	0.0	0.0	0.1	**(0.0)**
At 31 December 2023	0.0	(12.4)	(2.6)	1.0	**(13.9)**
At 1 January 2024	0.0	(12.4)	(2.6)	1.0	**(13.9)**
(Charged)/credited - to profit or loss	(4.1)	7.6	(1.6)	(1.4)	**0.4**
At 31 December 2024	(4.1)	(4.8)	(4.2)	(0.4)	**(13.5)**

Change in deferred tax

Amounts in NOK million	Tax losses	Intangible and fixed assets	Inventories	Other	**Total**
At 1 January 2023	0.0	3.6	0.0	0.0	**3.6**
(Charged)/credited - to profit or loss	0.0	(0.4)	0.0	0.0	**(0.4)**
At 31 December 2023	0.0	3.1	0.0	0.0	**3.1**
At 1 January 2024	0.0	3.1	0.0	0.0	**3.1**
(Charged)/credited - to profit or loss	0.0	(1.8)	0.0	0.0	**(1.8)**
Acquisition of subsidiary	0.0	27.4	0.0	0.0	**27.4**
Translation differences	0.0	0.3	0.0	0.0	**0.3**
At 31 December 2024	0.0	29.0	0.0	0.0	**29.0**

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise temporary differences and losses. The group has assessed the probability of obtaining the necessary taxable profits based on budgets and forecasts.

NOTE 11 Earnings per share

Amounts in NOK	**2024**	2023
Basic earnings per share		
Total basic earnings per share attributable to the ordinary equity holders of the company	**3.94**	3.11
Diluted earnings per share		
Total diluted earnings per share attributable to the ordinary equity holders of the company	**3.93**	3.10

Reconciliations of earnings used in calculating earnings per share

Amounts in NOK million	**2024**	2023
Profit from continuing operations attributable to the ordinary equity holders of the company:		
Used in calculation basic earnings per share	**243.3**	185.3
Used in calculating diluted earnings per share	**243.3**	185.3

Weighted average number of shares used as the denominator

Number	**2024**	2023
Weighted average number outstanding	**61 679 531**	59 564 339
Weighted average number diluted	**61 863 157**	59 684 428

Basic earnings per share
Basic earnings per share amounts are calculated by dividing net profit for the period attributable to ordinary equity holders of the parent company by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share
Diluted earnings per share amounts are calculated by dividing the net profit attributable to equity holders of the parent company by the weighted average number of shares outstanding during the year plus the number of potential shares that would be issued.

NOTE 12 Property, plant and equipment

Amounts in NOK million	Land and properties	Machinery, fixtures and fittings	Total
Cost at 1 January 2023	97.4	280.4	**377.8**
Accumulated depreciation	(31.9)	(193.2)	**(225.1)**
Translation differences	0.0	(0.6)	**(0.6)**
Net book amount 1 January 2023	65.5	86.6	**152.1**
Additions from acquisition of companies	0.0	1.6	**1.6**
Additions	2.5	43.8	**46.3**
Depreciation charge	(6.1)	(29.2)	**(35.2)**
Translation differences	0.0	1.5	**1.5**
Net book amount 31 December 2023	61.9	104.4	**166.3**
Cost at 1 January 2024	99.9	325.9	**425.8**
Accumulated depreciation	(38.0)	(222.4)	**(260.4)**
Translation differences	0.0	0.9	**0.9**
Net book amount 1 January 2024	61.9	104.4	**166.3**
Additions from acquisition of companies	8.2	3.8	**11.9**
Additions	2.5	37.4	**39.8**
Depreciation charge	(5.7)	(31.6)	**(37.2)**
Translation differences	0.2	(0.1)	**0.1**
Net book amount 31 December 2024	67.0	113.8	**180.9**
Useful life	25 years	3-7 years	
Depreciation method	Linear	Linear	

Impairment loss and compensation
There were no impairment losses in 2024 and 2023.

Change in depreciation period
There were no changes to the depreciation period for the fixed assets.

NOTE 13 Right-of-use assets and leasing liabilities

The group does not have any right-of-use assets that would meet the definition of investment property.

As per year-end 2024, the group had a portfolio of 25 leases (2023: 17) which mainly consist of lease of office premises and manufacturing equipment. As per 31 December 2024, the leases had a weighted average remaining lease term of 75 months. Extension options in the lease agreements have been assessed and reflected in the IFRS 16 calculations if use of the option is reasonably certain.

Leases are discounted using the interest rate implicit in the lease agreements or, if that rate cannot be readily determined, the estimated marginal borrowing cost has been used, equivalent to 1M NIBOR at the time of the agreements and the credit margin according to the term loan facility agreement (1.75 per cent).

Amounts in NOK million	Buildings	Mahinery and vehicles	Total
Balance at 31 December 2022	9.3	26.2	**35.5**
Additions	22.4	9.6	**32.0**
Depreciation expense	9.6	3.8	**13.4**
Balance at 31 December 2023	22.2	32.0	**54.2**
Balance at 31 December 2023	22.2	32.0	**54.2**
Additions	9.5	51.5	**61.0**
Depreciation expense	12.2	9.9	**22.0**
Balance at 31 December 2024	19.5	73.6	**93.1**

Leasing liabilities

Amounts in NOK million	**2024**	2023
Balance at 1 January	**54.7**	35.9
Additions	**61.0**	32.0
Accrued interest expense	**4.5**	1.7
Lease payments	**(24.8)**	(14.8)
Balance at 31 December	**95.3**	54.7
Current lease liabilities	**20.9**	17.2
Non-current lease liabilities	**74.4**	37.5
Total	**95.3**	54.7

Lease agreement entered into, but not started
In June 2024, NORBIT EMS AS, a wholly owned subsidiary of NORBIT ASA, entered into a lease agreement with Selbu Næringsselskap KF for the expansion of the production facility in Selbu. Selbu Næringsselskap HF as lessor will be responsible for the construction and financing of the new facility. Construction started early 2025 and is expected to finish in first quarter of 2026. The lease agreement is for a fixed period of eight years with two five-year options for further extension. Based on current estimate of the total construction cost, the lease payment is expected to be on average approximately NOK 5.5 million per year in the fixed eight-year period.

NOTE 14 Goodwill and intangible assets

Intangible assets

Amounts in NOK million	Development costs	Trademark and customer relationships	Total	Goodwill
Cost at 1 January 2023	455.1	46.1	**501.2**	84.4
Accumulated amortisation	(222.6)	(6.5)	**(229.2)**	0.0
Accumulated impairment	(12.3)	0.0	**(12.3)**	0.0
Translation differences	(1.0)	0.0	**(1.0)**	0.0
Net book amount at 1 January 2023	219.2	39.6	**258.8**	84.4
Additions from acquisition of companies	0.0	42.5	**42.5**	26.7
Additions	60.2	0.0	**60.2**	0.0
Amortisation charge	(49.9)	(9.2)	**(59.0)**	0.0
Translation differences	0.1	0.7	**0.8**	0.0
Net book amount at 31 December 2023	229.7	73.5	**303.2**	111.1
Cost at 1 January 2024	515.3	88.5	**603.9**	111.1
Accumulated amortisation	(272.5)	(15.7)	**(288.2)**	0.0
Accumulated impairment	(12.3)	0.0	**(12.3)**	0.0
Translation differences	(0.9)	0.7	**(0.2)**	0.0
Net book amount at 1 January 2024	229.7	73.5	**303.2**	111.1
Additions from acquisition of companies	0.0	81.7	**81.7**	381.3
Reclassifications	9.4	(9.4)	**0.0**	0.0
Additions	104.8	0.0	**104.8**	0.0
Amortisation charge	(56.6)	(13.0)	**(69.6)**	0.0
Impairment	(3.4)	0.0	**(3.4)**	0.0
Translation differences	(0.4)	2.7	**2.3**	5.0
Net book amount at 31 December 2024	283.4	135.4	**418.9**	497.4
Useful life	3-7 years	10 years		

Intangible assets
Intangible assets primarily comprise capitalised development costs related to plan or design for the production of new or substantially improved technology products.

In 2024, further development was made on own technology and own products, mainly within the market segments Oceans and Connectivity. In Oceans, the majority of the capital spent relates to the development of new applications and products within the sonar space.

In the Connectivity segment, the development projects are primarily related to next generation connectivity and software solutions for the services delivered by iData Kft.

Amortisation methods and useful lives
Capitalised development is normally amortised over three to seven years on a straight-line basis. Economic benefit is, however, considered for each product and the amortisation period is equal to the estimated useful life of the developed product.

Impairment considerations
At the end of each reporting period, the group assess whether there are indications that any intangible asset has been impaired. If such indications are present, an estimate of the recoverable amount of the asset is calculated. Regardless of whether there is an indication of impairment, intangible assets with indefinite useful lives or intangible assets that are not yet available for use at the balance sheet date, are tested every year.

To assess whether indications of impairment exist, an analysis of future cash flows from intangible assets similar to the requirements under IAS 36.39 is prepared. In this analysis estimated cash flow from each asset or group of assets in a cash-generating unit is applied. The cash flow consists of revenues, raw material cost, payroll cost, other operating costs, as well as investments needed to support the revenue assumption. Both external documentation, budgets and forecasts are used in preparing the analysis. It is also considered to what extent previous estimates of future cash flows have been met. Prevailing market conditions are also taken into account, including its impact on estimates and forecasts.

NORBIT has grouped its individual intangible assets, other than goodwill, into five cash-generating units:

- **NORBIT ITS:** Includes all technology developed within dedicated short-range communications for products such as On-Board Units, units for satellite-based tolling and enforcement modules for tachographs. The cash-generating unit is part of segment Connectivity.
- **NORBIT iData:** Consists of the software technology developed by iData under the iTrack brand. The cash-generating unit is part of segment Connectivity.
- **NORBIT Oceans – Products:** Comprises technology developed for subsea sonars for seabed mapping and hydrography, as well as lighting products sold to the aquaculture market. The cash-generating unit is part of segment Oceans.
- **NORBIT Oceans – Solutions:** Comprises the technology developed for security and environmental monitoring applications in the maritime environment. The cash-generating unit is part of segment Oceans.
- **NORBIT ODM:** Consist of technology related used in navigation system measuring instruments. The cash-generating unit is part of segment PIR.

Future cash flows are calculated at the present value using a discount rate specific to the relevant cash-generating unit, ranging from 10.2 per cent 10.5 per cent (2023: 9.7 per cent to 10.7 per cent). These rates are calculated based on the rates implicit in the current market transactions for similar cash-generating units or based on the weighted average cost of capital of several listed companies that are relevant for a single asset (or portfolio of assets), that in terms of potential performance and risk corresponds to the relevant asset being tested for impairment.

As a result of the divestment of lighting products to the aquaculture market, NORBIT impaired NOK 3.4 million in intangible assets in 2024. There was no other indication of impairment identified in 2024 or in 2023 due to the significant difference between recoverable amount and carrying value.

It is referred to note 4 for accounting policies relevant to intangible assets.

Change in amortisation period
There were no changes in amortisation profiles during 2024.

Goodwill
In 2021, NORBIT made a recognition of NOK 82.1 million in goodwill in connection with the acquisitions of Kilmore Marine Ltd and iData Kft. NOK 2.3 million in goodwill was recognised as part of the acquisition of Aursund Maskinering AS in 2022, NOK 26.7 million as a part of the acquisition of Ping Digital Signal Processing Inc and NOK 381.3 million was recognised in goodwill relating to the acquisition of Innomar Technologie GmbH. Acquired companies are integrated into each reporting segment, where Kilmore Marine Ltd, Aursund Maskinering AS, Ping Digital Signal Processing Inc and Innomar Technologie GmbH are included in segment Oceans and iData Kft in segment Connectivity.

Impairment testing was carried out for all the abovementioned entities.

The recoverable amounts are determined based on the higher of the cash-generating units' fair value less costs of disposal and value in use.

In accordance with IFRS 13, quoted prices in active markets for similar assets have been applied to measure fair value less cost of disposal. Adjustments to the valuation multiples for a group of comparable assets are made to reflect a difference in the cost of capital between comparable assets and the cash-generating units, as well as control premiums to reflect transaction prices in the quoted market.

For value in use, discounted cash flow models are applied, in which management has projected cash flows in the period from 2024 to 2028 based on budget and forecasts. The key assumptions used in the calculations are discussed below.

EBITDA and investments
EBITDA corresponds to operating profit before depreciation, amortisation and impairment expenses, as reported in the consolidated statement of profit and loss. Assumptions with regards

to EBITDA projections are made in terms of revenue growth for the products and services sold, as well as the operating costs. Investments are determined based on the expected revenue growth rate applied in the forecast period as part of the business plan. In judging these assumptions, historical data is considered, as well as the expectations about the market development and future conditions.

Terminal value
Terminal value beyond the forecast period is determined applying the average of a terminal value in perpetuity at a growth rate of 2.5 per cent and the lower of an exit multiple in line with the acquisition multiple and trading multiples for similar assets.

Discount rate
The discount rate applied is the weighted average cost of capital for the specific cash-generating units and the industry and country the assets primarily operate in. When estimating the discount rate, a risk-free rate equal to the 10-year local government bond yield is applied, as well as risk premium. The discount rate is further adjusted for country risk, liquidity risk as well as capital structure target. The pre-tax discount rate applied in 2024 for the impairment testing ranged from 6.8 per cent to 14.8 per cent (2023: 14.7 per cent).

Conclusion and sensitivity
For the assets containing goodwill, the recoverable amount estimated far exceeded the carrying value and thus there were no indication of impairment neither for goodwill, customer relationships and trademarks as of the balance sheet date. A sensitivity analysis was not performed due to the significant difference between the recoverable amount and the carrying value.

NOTE 15 Inventories

Amounts in NOK million	**2024**	2023
Current assets		
Raw materials and stores	**334.4**	437.9
Work in progress	**39.6**	13.9
Finished goods - at cost	**60.8**	110.2
Book value	**434.7**	562.0
Inventory held at cost	**451.4**	573.8
Obsolescence raw materials	**(14.6)**	(11.8)
Obsolescence finished goods	**(2.1)**	(0.0)
Book value	**434.7**	562.0

Amounts in NOK million	**2024**	2023
Spesification of raw materials and consumables used		
Purchase of goods	**563.4**	735.6
Freight, customs etc.	**7.3**	14.9
Change of inventories	**133.9**	(135.7)
Total	**704.6**	614.7

NOTE 16 Financial assets and financial liabilities

Financial assets

Amounts in NOK million	**2024**	2023
Financial assets at fair value		
Cellula Robotics Ltd	**11.0**	0.0
Miscellaneous shares	**1.1**	5.9
Total shares in other companies (through OCI)	**12.1**	5.9

Amounts in NOK million	**2024**	2023
Financial assets at amortised cost		
Trade receivables	**273.4**	170.3
Cash and cash equivalents	**193.3**	60.7
Total	**466.7**	231.0

Financial liabilities

Amounts in NOK million	**2024**	2023
Liabilities at amortised cost		
Trade payables	**145.9**	174.5
Interest-bearing borrowings	**447.2**	211.5
Lease liabilities	**95.3**	54.7
Other payables	**127.2**	94.0
Total	**815.7**	534.7

NOTE 17 Trade receivables

Amounts in NOK million	**2024**	2023
Current assets		
Trade receivables	**279.1**	177.1
Loss allowance	**(5.7)**	(6.7)
Total	**273.4**	170.3

Amounts in NOK million	**2024**	2023
Not due	**158.7**	100.4
1-30 days past due date	**65.2**	31.7
31-60 days past due date	**14.1**	4.4
60+ days past due date	**41.1**	40.5
Total	**279.1**	177.1

Total provisions as of year-end 2024 amounted to NOK 5.7 million, representing 2.0 per cent of the par value of accounts receivable.

NOTE 18 Cash and cash equivalents

Restricted cash and cash equivalents were NOK 11.2 million as per year-end 2024 (NOK 11.1 million in 2023) for the group. Restricted bank deposits are tax deductions made on behalf of employees.

Amounts in NOK million	**2024**	2023
Bank deposits payable on demand	**182.1**	49.6
Bank deposits restricted to tax payments	**11.2**	11.1
Total	**193.3**	60.7

NOTE 19 Interest-bearing borrowings

	2024		
Amounts in NOK million	Current	Non-current	**Total**
Overdraft facility	0.0	0.0	**0.0**
Term loan	0.0	448.2	**448.2**
Capitalised loan fees	0.0	(1.0)	**(1.0)**
Total interest-bearing borrowings	0.0	447.2	**447.2**

	2023		
Amounts in NOK million	Current	Non-current	Total
Overdraft facility	20.0	0.0	**20.0**
Term loan	63.9	102.9	**166.7**
Other borrowings	5.0	19.7	**24.7**
Total interest-bearing borrowings	88.9	122.6	**211.4**

Secured interest-bearing borrowings

Amounts in NOK million	**2024**	2023
Long term debt	**447.2**	122.6
Short term debt	**0.0**	88.9
Total secured borrowings	**447.2**	211.4

The Group had three main loan facilities per end of Q4 2024, comprising of a long-term revolving credit facility (RCF), a short-term overdraft facility and one term loan. The credit limits are NOK 200 million and NOK 350 million on the RCF and overdraft facility, respectively, and EUR 38 million on the term loan.

Both the overdraft and RCF were undrawn as of 31 December 2024. EUR 38 million was outstanding on the term loan.

The overdraft facility is priced at 1M NIBOR + 1.40 per cent margin p.a. The EUR 38 million term loan is priced at 3M EURIBOR + 1.75 per cent margin p.a. and the RCF is priced at 3M NIBOR + 1.60 per cent margin p.a, both subject to NIBD/EBITDA being below 2.5x.

The maturity date for the RCF is February 2025 and July 2027 for the EUR 38 million term loan. There is no repayment of the term loan if NIBD/EBITDA is below 1.5x. The overdraft facility is refinanced each year on a rolling basis.

Refer to *note 21* for details on covenants and calculations related to the credit facilities.

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Amounts in NOK million	**2024**	2023
Current		
Receivables	**162.1**	111.5
Inventories	**409.4**	537.3
Total current assets pledged as security	**571.5**	648.8
Non-current		
Property, plant and equipment	**141.2**	139.5
Total non-current assets pledged as security	**141.2**	139.5
Total assets pledged as security	**712.6**	788.4

NOTE 20 Other current liabilities

Amounts in NOK million	**2024**	2023
Payroll tax and other statutory liabilities	**38.7**	29.1
Holiday pay accrual	**27.5**	18.9
Prepayments from customers	**54.9**	62.8
Warranty provisions	**6.3**	5.7
Other payables and accruals	**99.7**	75.3
Total	**227.1**	191.8

NOTE 21 Capital management

Capital allocation
NORBIT's capital allocation framework and strategy are determined by the board of directors. Based on the framework, NORBIT has made the following capital priorities to ensure continued profitable growth, while at the same time maintaining a robust financial position to mitigate financial risks:

1. Maintain a solid balance sheet
2. Investments to support organic growth
3. Strategic acquisitions to accelerate growth
4. Shareholder distributions

The group's objectives when managing the solidity of its balance sheet and liquidity position are the following:

- Safeguard its ability to continue as a going concern, so that it can provide a competitive risk-adjusted return for shareholders and benefits for other stakeholders
- Maintain financial robustness and an optimised capital structure to reduce cost of capital
- Provide for financial flexibility
- Maintain a robust headroom to covenants in loan agreements

To optimise the capital structure, the group may adjust the dividends paid to shareholders, return capital to shareholders, issue new shares, reduce investments or sell assets to reduce debt.

Covenants
The group monitors its covenants based on the following leverage ratios:

- Carrying value of total equity as per cent of carrying value of total assets
- Net interest-bearing debt (NIBD) including lease liabilities over EBITDA ("NIBD ratio")

NORBIT has a policy of maintaining a NIBD ratio in the range of 1.0 – 2.5x to ensure a solid balance sheet.

Loan covenants

Amounts in NOK million	**2024**	2023
Equity ratios 31 December		
Total equity	**1 157.3**	793.4
Total assets	**2 184.2**	1 496.4
Equity ratio	**53%**	53%

Amounts in NOK million	**2024**	2023
NIBD ratios 31 December		
Interest bearing borrowings	**447.2**	211.5
Lease liabilities	**95.3**	54.7
Cash and cash equivalents	**(193.3)**	(60.7)
NIBD	**349.3**	205.5
EBITDA	**524.0**	391.8
NIBD to EBITDA ratio	**0.67**	0.52

Under the terms of the major borrowing facilities, the group is required to comply with the following financial covenants:

- **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 but adjusted for transaction costs and including last 12-month EBITDA contribution from acquisitions) shall not exceed 4.0 times. To be reported each quarter. EBITDA is calculated on a 12-month rolling basis.

The group has complied with these covenants throughout the reporting period and as per year-end 2024 and 2023.

Dividend policy
NORBIT's dividend policy objective is to provide shareholders with a long-term competitive return through an increase in the share price and payment of dividends. The dividend policy is to pay out annual ordinary dividends between 30 and 50 per cent of the company's net profit after tax, with the intention to pay out potential excess capital as extraordinary dividends. When proposing the total dividend payment, the board of directors will take into account the company's financial position, investment plans, any restrictions by law, as well as the needed financial flexibility to provide for sustainable growth. To that end, the company has set long-term financial targets relating to its capital structure to have a NIBD/EBITDA ratio between 1.0 –2.5x.

The board of directors has proposed that NOK 3.00 per share is paid as dividend for the financial year 2024, or NOK 190.9 million, representing 76 per cent of net profit after tax. This consists of an ordinary dividend of NOK 2.00 per share and an extraordinary dividend of NOK 1.00 per share.

In 2024, NORBIT paid NOK 2.55 per share in dividends to the shareholders (NOK 152.9 million) for the financial year 2023, representing 82 per cent of net profit after tax.

NOTE 22 Business combinations

Innomar

In July 2024, NORBIT acquired 100 per cent of the shares in the technology company INNOMAR Technologie GmbH ("Innomar"). 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. The total consideration was EUR 40.2 million (NOK 468.8 million) paid through a combination of EUR 35.4 million in cash (NOK 412.9 million) and EUR 4.8 million (NOK 55.9 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 as of 1 July for accounting purposes, and the preliminary acquisition analysis gave rise to goodwill of EUR 32.7 million (NOK 381.3 million).

Purchase price:

Amounts in million	EUR	NOK
Considerations shares	4.8	55.9
Cash consideration	35.4	412.9
Total	40.2	468.8
Recognised amount of identifiable assets and acquired liabilities assumed [1]		
Property, plant and equipment	1.0	12.0
Customer relations	4.5	53.1
Trademark	2.5	28.6
Inventories	0.6	6.7
Trade receivables	1.9	22.5
Other receivables	0.2	1.8
Cash and cash equivalents	0.9	10.3
Deferred tax liability	(2.2)	(26.2)
Trade payables	0.0	(0.4)
Tax payable	(1.6)	(18.9)
Other current liabilites	(0.1)	(1.7)
Total identifiable net assets	7.5	87.6
Goodwill	32.7	381.3
Cash and cash equivalents in acquired business	0.9	10.3
Total cash outflow from acquisition of business	34.5	402.6

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

Ping Digital Signal Processing Inc

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.

Purchase price:

Amounts in NOK million	
Considerations shares	10.4
Cash consideration	29.1
Total	39.5
Recognised amount of identifiable assets and acquired liabilities assumed	
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 liabilites	(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

Seahorse Geomatics Inc

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.

Purchase price:

Amounts in NOK million	
Considerations shares	10.4
Cash consideration	8.7
Sellers 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	**26.2**
Cash and cash equivalents in acquired business	0.0
Total cash outflow from acquisition of business	**8.7**

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.

Purchase price:

Amounts in NOK million	
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**

NOTE 23 Equity-accounted investees

Equity-accounted investees include associated companies of NORBIT and are defined as related parties. See *note 25* for overview of transactions and balances with associated companies.

Interests in associates
Set out below are the associates of the group as per 31 December 2024. The entities listed below have share capital consisting solely of ordinary shares, which are held directly by the parent company. The proportion of ownership interest is the same as the proportion of voting rights held.

		Ownership		Carrying amount	
Amounts in NOK million		**2024**	2023	**2024**	2023
Associated company	**Head office**				
Kvikna Consulting Ehf.	Reykavik	**33%**	33%	**0.5**	0.7
Total				**0.5**	0.7

Kvikna Consulting Ehf
Based in Reykjavik, Iceland, Kvikna Consulting Ehf. is a software company providing services to all of NORBIT's operating segments. NORBIT ASA owns 33.33 per cent of the shares in the company.

Share of profits from associates

Amounts in NOK million	**2024**	2023
Kvikna Consulting Ehf.	**(0.2)**	0.0
Share of profit from associates	**(0.2)**	0.0

NOTE 24 Share capital and shareholder information

Share capital and share premium
The share capital in NORBIT ASA as per 31 December 2024 consists of one share class with a total of 63 750 027 shares with a face value of NOK 0.10 with a total share capital of NOK 6 375 002.70.

Number of shares	**2024**	2023
Ordinary shares		
Fully paid	**63 750 027**	60 017 415
Total number of shares	**63 750 027**	60 017 415

Movements in ordinary shares
In 2024 and based on the authorisations granted at the Annual General Meeting in May 2024, the board of directors resolved to increase the company's share capital in connection with the following events, each with a par value of NOK 0.10:

- The exercise of restricted stock units by executive management through the issuance of 182 673 new shares.
- Issuance of 726 272 considerations shares to founding management of Innomar in connection with the closing of the acquisition.
- Issuance of 2 597 403 new shares through an equity private placement to strengthen financial flexibility for future growth subsequent to the Innomar acquisition.
- The incentive share purchase programmes to employees, through the issuance of 226 264 new shares.

Amounts in NOK million	Number of shares	Par value	Share premium	**Total**
Balance 1 January 2023	58 901 139	5.9	**319.9**	**325.8**
Ordinary issue	1 116 276	0.1	**47.8**	**47.9**
Balance 31 December 2023	60 017 415	6.0	**367.7**	**373.8**
Ordinary issue	3 732 612	0.4	**277.8**	**278.1**
Balance 31 December 2024	63 750 027	6.4	**645.5**	**651.9**

Treasury shares

At the Annual General Meeting in 2024, the board of directors was granted the authorisation to acquire treasury shares by up to 10 per cent of the share capital on behalf of the company.

Number of shares	**2024**	2023
Treasury shares		
Balance at 1 January	**43 560**	16 832
Own shares purchased	**77 202**	26 728
Balance at 31 December	**120 762**	43 560

Retained earnings

Movements in retained earnings were as follows:

Amounts in NOK million	**2024**	2023
Balance at 1 January	**419.7**	273.5
Net profit for the period	**243.3**	185.3
Other comprehensive income	**0.4**	4.0
Treasury shares	**(5.0)**	(1.4)
Dividends	**(152.9)**	(41.6)
Balance at 31 December	**505.5**	**419.7**

The shareholders in NORBIT ASA were as follows at 31 December 2024:

Shareholder	Shares	Pecentage
Petors AS [1]	7 091 320	11.1%
VHF Invest AS	6 164 495	9.7%
Reitan KapitaL AS	6 086 781	9.5%
Draupnir Invest AS	3 602 949	5.7%
J.P. Morgan SE	3 152 089	4.9%
The Bank of New York Mellon SA/NV	3 104 766	4.9%
AWC AS	2 397 472	3.8%
Eidco AS	2 330 628	3.7%
Esmar AS	2 162 286	3.4%
Verdipapirfondet DNB SMB	1 112 906	1.7%
Danske Bank A/S [2]	858 095	1.3%
Sonstad AS	840 000	1.3%
Deutsche Bank Aktiengesellschaft	726 272	1.1%
J.P. Morgan SE	695 392	1.1%
Usegi AS (100% owned by CTO Arild Søraunet) [3]	671 989	1.1%
J.P. Morgan SE	650 000	1.0%
UBS Switzerland AG	589 620	0.9%
Danske Invest Norge Vekst	534 371	0.8%
State Street Bank and Trust Comp	500 000	0.8%
Saxo Bank A/S	475 819	0.7%
Total 20 largest	**43 747 250**	**68.6%**
Other	20 002 777	31.4%
Total outstanding shares	**63 750 027**	**100.0%**

1) 100 per cent owned by CEO Per Jørgen Weisethaunet.
2) Of which 847 144 shares controlled by BUD Peter K. Eriksen.
3) 100 per cent owned by CTO Arild Søraunet.

NOTE 25 Related parties

Related party relationships are those involving control (either direct or indirect), joint control or significant influence. Related parties are able to enter into transactions with the company that would not be undertaken between unrelated parties. All transactions with related parties in NORBIT have been based on arm's length basis.

Transactions with management and board directors
During 2024, the group purchased legal services of NOK 1.7 million from Prétor Advokat AS, in which Director Tom Solberg is one of the partners.

Nesta Eiendom AS, a company owned 50 per cent by Petors Estate AS, has entered into an agreement with Norbit EMS AS, whereby NORBIT EMS AS leases storage facilities from Nesta Eiendom AS. The consideration paid was NOK 0.1 million in 2023. Petors Estate AS is owned 100 per cent by Petors AS, which again is 100 per cent owned by CEO Per Jørgen Weisethaunet.

There were no other related party transactions between the company and the parties in the management or the board in 2024 or 2023.

Transactions with associates
Below summarises the transactions and balance sheet items with associates.

Amounts in NOK million	**2024**	2023
Trade receivables	**0.0**	0.0
Trade payables	**0.2**	0.3
Revenues	**0.0**	0.0
Operating expenses	**4.7**	4.3

NOTE 26 Share-based arrangements

Share incentive programmes to employees
At the general meeting held 6 May 2024, the board of directors was granted an authorisation to increase NORBIT ASA's share capital by up to 2.0 per cent of the share capital to be used to issue share to the group's employees in connection with incentive programs. The authorisation is valid until the annual general meeting to be held 6 May 2025.

In October 2024, the board of directors approved and implemented an incentive share purchase programs for all eligible employees in NORBIT for the fiscal year 2024, which also included the executive management team, but not the board of directors.

The program was a share matching program, where eligible participants were offered the opportunity to acquire shares at market value, and in turn, obtain a right to receive compensation in new shares equivalent to their invested amount after 24 months if certain conditions are met. Shares are subject to a lock-up. The offer price was set to NOK 88.71, corresponding to the five-day average volume weighted price of NORBIT ASA's share prior to 19 August. Financing was provided for the participants for up to NOK 35 000 per employee.

In connection with the program, the board of directors resolved to issue 135 430 new shares.

In addition, the board of directors awarded in August 2024 shares to eligible employees who participated in the share matching program in 2022. A total of 90 834 shares were issued at par value as a result of the award.

Share-based remuneration to corporate management
In accordance with the authorisation granted at the company's annual general meeting, the board of directors has implemented a share-based incentive program for corporate management consisting of the award and issuance of restricted stock units ('RSU'). One RSU granted gives a contingent entitlement to one NORBIT ASA share free of charge. The number of RSUs awarded are based on a set of predetermined and measurable performance criteria in the accruing year and the group's achievements of certain quantitative and qualitative goals. Each RSU granted is restricted and follows a vesting schedule. The RSUs granted will vest over a period of three years following the accrual year, where 1/3 of the RSUs will vest immediately after the first general meeting following the accruing year, 1/3 is released the year after, and the final 1/3 released 12 months after that. The fair value of the RSU entitlements is established when they are awarded and charged to profit and loss over the vesting period.

At 31 December 2024, there were 219 626 restricted stock units ('RSUs') outstanding. The RSUs will vest in the second quarter of 2025 and 2026. In 2024, NOK 19.5 million was charged to the profit and loss through a combination of paid and accrued compensation.

Movements of of the number of RSUs outstanding

Number of RSUs	**2024**	2023
Outstanding at 1 January	**131 197**	106 840
Granted during the year	**271 102**	116 664
Released during the year	**(182 673)**	(92 307)
Total	**219 626**	131 197

Outstanding RSUs in the executive management team *Number of RSUs*	Outstanding at 1 January	Granted	Released	Outstanding at 31 December
Per Jørgen Weisethaunet (group CEO)	32 380	58 830	(42 478)	48 732
Per Kristian Reppe (group CFO)	22 945	45 014	(31 003)	36 956
Arild Søraunet (group CTO)	18 698	32 149	(23 900)	26 947
Peter K. Eriksen (business unit director Oceans)	35 435	69 090	(47 804)	56 721
Julie Dahl Benum (director of strategy and ESG)	0	27 632	(9 210)	18 422
Astrid Stevik (group COO)	0	0	0	0
Asbjørn Dahl (commercial director for PIR and Connectivity)	0	0	0	0
Stein M. Beyer (former business unit director PIR and group COO)	21 739	38 387	(28 278)	31 848
Total	131 197	271 102	(182 673)	219 626

NOTE 27 Remuneration to the board of directors and executive management

Remuneration to the board of directors

Compensation to the members of the board of directors is set out below, referring to the actual expenses paid in the year.

The board's remuneration is determined by the general meeting after receiving proposal from the nomination committee. The remuneration comprises of a fixed payment for board membership and work in sub-committees. In addition, the board members are compensated for travel expenses. NORBIT is responsible for payment of social security taxes, as well as costs for directors' and officer's liability insurance.

The remuneration to the board members is not performance-related nor include share option elements. The board does not participate in incentive programs available to employees in the group or any other share-based incentive schemes.

For further information, refer to NORBIT's remuneration report to be published to the general meeting 6 May 2025.

Board of directors compensation 2024

Amounts in NOK thousand	**2024**	2023
Finn Haugan - chair	**593**	545
Bente Avnung Landsnes - deputy chair	**468**	395
Trond Tuvstein - director	**325**	250
Magnus Reitan - director	**243**	195
Christina Hallin - director	**225**	175
Tom Solberg - deputy director	**108**	92

Remuneration to the members of the executive management team
Compensation to the executive management team consists of a fixed salary, variable pay, pension benefits and non-financial benefits. In accordance with the guidelines, a ceiling has been set for variable pay and performance bonus remuneration.

No member of the executive management team receive remuneration for directorships in the group entities. The executive management team has no special pension and insurance plans. There are no performance-based pension plans. No loans, prepayments or other forms of credit issued to any members of the executive personnel other than financing available through the incentive programs open for all eligible employees in the group.

Compensation to the executive management team for 2024 and 2023 is set out below. For further information, refer to NORBIT's Remuneration Report to be published to the general meeting 6 May 2025, in accordance with the Norwegian Public Limited Liability Companies Act Section 6-16b and related regulations. The report will also include information related to derogation and deviation to the guidelines as approved by the general meeting 6 May 2024, if any.

		Fixed salary paid			Variable pay		
Amounts in NOK million	Year	Salary 1)	Pension benefits	Other benefits	Performance-based bonus 2)	Other bonus 3)	**Total**
Per Jørgen Weisethaunet	2024	3.6	0.1	0.0	4.0	0.0	**7.8**
Group CEO	2023	3.3	0.1	0.0	1.6	0.0	**5.0**
Per Kristian Reppe	2024	2.7	0.1	0.0	3.0	0.5	**6.3**
Group CFO	2023	2.5	0.1	0.0	1.1	0.5	**4.2**
Arild Søraunet	2024	1.8	0.1	0.0	2.2	0.0	**4.2**
Group CTO	2023	1.8	0.1	0.0	0.9	0.0	**2.9**
Peter Koldgaard Eriksen	2024	4.2	0.1	0.0	4.7	0.5	**9.5**
Business unit director Oceans 4)	2023	3.9	0.1	0.0	1.4	0.6	**6.0**
Julie Dahl Benum	2024	1.8	0.1	0.0	1.2	0.0	**3.2**
Director of strategy and ESG	2023	1.4	0.1	0.0	0.0	0.0	**1.5**
Astrid Stevik	2024	0.3	0.0	0.0	0.0	0.0	**0.3**
Group COO 6)	2023	0.0	0.0	0.0	0.0	0.0	**0.0**
Asbjørn Dahl	2024	0.3	0.0	0.0	0.0	0.0	**0.3**
Commercial director for PIR and Connectivity) 7)	2023	0.0	0.0	0.0	0.0	0.0	**0.0**
Stein Martin Beyer	2024	0.5	0.0	0.0	2.9	0.0	**3.5**
Former business unit director PIR and group COO 5)	2023	2.1	0.1	0.1	1.1	0.0	**3.4**
Peter Tschulik	2024	0.0	0.0	0.0	0.0	0.0	**0.0**
Former business unit director Connectivity 8)	2023	0.0	0.0	1.9	0.0	0.0	**1.9**

1) Salaries as expensed, excluding social security taxes.
2) Variable performance-based cash and equity bonus during the year under the incentive program, excluding social security expenses and as expensed.
3) Other cash bonus in the year outside the incentive program, excluding social security expenses
4) Remuneration in USD, translated to NOK.
5) Renumeration from 1.1-19.3
6) Renumeration from 1.11-31.12
7) Renumeration from 18.9-31.12
8) Severance payment from 1.1.-30.11

Directors' and executive management's shareholding
The following number of shares is owned by the directors and the members of the executive management (and their related parties) as of 31 December 2024. In connection with incentive programs for all employees in NORBIT, certain members of the corporate management team participated in the programs, whereas the shares acquired are subject to a lock-up of 24-months.

Name	Shares subject to lock-up	Shares not subject to lock-up	**Total shares at year-end**	Percentage
Board of directors				
Finn Haugan (direct and through MIFI AS)	-	93 998	**93 998**	0.15%
Bente Avnung Landsnes	-	74 073	**74 073**	0.12%
Trond Tuvstein (through TTU Invest AS)	-	32 894	**32 894**	0.05%
Håkon Kavli	-	-	**-**	0.00%
Christina Hallin	-	-	**-**	0.00%
Tom Solberg (through Mariteam AS) - deputy director	-	46 052	**46 052**	0.07%
Total shares held by board of directors	-	247 017	**247 017**	0.39%
Executive management				
Per Jørgen Weisethaunet (direct and through Petors AS)	-	7 100 533	**7 100 533**	11.14%
Per Kristian Reppe	-	85 430	**85 430**	0.13%
Peter K. Eriksen (through Danske Bank A/S)	3 258	843 886	**847 144**	1.33%
Astrid Stevik	2 108	-	**2 108**	0.00%
Arild Søraunet (direct and through Usegi AS)	442	700 956	**701 398**	1.10%
Asbjørn Dahl	1 150	12 212	**13 362**	0.02%
Julie Dahl Benum	1 150	4 605	**5 755**	0.01%
Total shares held by executive management	8 108	8 747 622	**8 755 730**	13.73%

NOTE 28 Contingencies and claims

The group was not involved in any material contingencies or legal claims as of 31 December 2024 or 31 December 2023.

NOTE 29 Government grants

The group received government grants of a total of NOK 11.9 million in 2024 (NOK 8.3 million in 2023).

NOTE 30 Events after the balance sheet date

On 14 March, NORBIT announced that segment PIR was awarded orders worth NOK 260 million from an undisclosed contract manufacturing client in the defence and security sector. Deliveries under the contracts will commence immediately, with the majority scheduled for second quarter of 2025.

STATEMENT OF INCOME – NORBIT ASA

Amounts in NOK million	*Note*	**2024**	2023
Revenue	3	**31.8**	29.2
Employee benefit expenses	4	**63.5**	57.2
Depreciation and amortisation expenses	5	**1.4**	1.3
Other operating expenses	6	**33.0**	24.2
Operating profit		**(66.1)**	(53.5)
Financial income	7	**348.6**	332.0
Financial expenses	7	**26.9**	21.8
Net financial items		**321.7**	310.2
Profit before tax		**255.6**	256.7
Income tax expense	8	**(57.2)**	(54.9)
Profit for the period		**198.4**	201.8
Allocated to:			
Dividends	9	**190.9**	152.9
Transferred to/from other equity	9	**7.5**	48.9
Total allocation		**198.4**	201.8

STATEMENT OF FINANCIAL POSITION – NORBIT ASA

Amounts in NOK million	*Note*	**31.12.2024**	31.12.2023
ASSETS			
Office equipment	5	**3.4**	3.3
Intangible assets	5	**1.5**	1.2
Deferred tax asset	8	**0.3**	0.2
Investments in associated companies	10	**0.0**	0.0
Investments in subsidiaries	10	**327.9**	327.5
Loan to group companies	10	**266.2**	194.0
Investment in shares		**12.0**	5.8
Total non-current assets		**611.2**	532.1
Trade receivables		**0.0**	0.1
Receivables on group companies	10	**553.9**	476.9
Other receivables		**19.2**	3.4
Cash and cash equivalents	11	**1.8**	1.4
Total current assets		**574.9**	481.7
Total assets		**1 186.1**	1 013.8

Amounts in NOK million	*Note*	**31.12.2024**	31.12.2023
LIABILITIES			
Trade payables		**2.1**	3.3
Interest-bearing borrowings	12	**0.0**	20.0
Tax payable	8	**56.0**	56.4
Other current liabilities		**223.4**	190.0
Total current liabilities		**281.5**	269.7
Other borrowings		**0.0**	0.0
Interest-bearing borrowings	12	**0.0**	120.0
Total non-current liabilities		**0.0**	120.0
Total liabilities		**281.5**	389.7
EQUITY			
Share capital	9	**6.4**	6.0
Share premium	9	**629.1**	367.7
Other paid in eqity	9	**16.4**	0.0
Other equity	9	**252.8**	250.4
Total equity		**904.7**	624.1
Total equity and liabilities		**1 186.1**	1 013.8

Trondheim, Norway, 10 April 2025
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

STATEMENT OF CASH FLOWS – NORBIT ASA

Amounts in NOK million	*Note*	**2024**	2023
Cash flow from operations			
Profit before income taxes		**255.6**	256.7
Taxes paid in the period		**(57.6)**	(10.4)
Depreciation and amortisation expenses	*5*	**1.4**	1.3
Changes in other operating assets and liabilities		**(21.5)**	(4.4)
Net cash generated by operating activities		**177.8**	243.1
Cash flow from investments			
Payments for office equipment and intangible assets	*5*	**(1.9)**	(2.6)
Purchase of shares and investments in other group companies		**(6.4)**	(29.3)
Payment of group receivables (long term)		**(72.1)**	(35.2)
Net cash (used in)/generated by investing activities		**(80.5)**	(67.1)
Cash flow from financing			
Payment for share buy-back costs		**(5.0)**	(1.4)
Proceeds from issue of equity instruments of the company	*9*	**278.1**	8.1
Net change in overdraft facility	*12*	**(20.0)**	(120.6)
Repayment of borrowings		**(120.0)**	(90.0)
Proceeds from borrowings	*12*	**0.0**	120.0
Payment to group companies	*10*	**(77.0)**	(50.1)
Dividends paid	*9*	**(152.9)**	(41.6)
Net cash (used in)/generated by financing activities		**(96.9)**	(175.7)
Net change in cash and cash equivalents		**0.4**	0.3
Net increase in cash and cash equivalents		**0.4**	0.3
Cash and cash equivalents at the beginning of the period		**1.4**	1.1
Cash and cash equivalents at the end of the period	*11*	**1.8**	1.4

NOTES TO THE FINANCIAL STATEMENTS – NORBIT ASA

NOTE 01 Company information

NORBIT ASA is the parent company of the NORBIT group of companies. NORBIT ASA is domiciled in Norway, with its headquarters at Stiklestadveien 1, Trondheim. NORBIT ASA is listed on the Oslo Stock Exchange with ticker "NORBT".

NOTE 02 Accounting policies

The annual accounts have been prepared in compliance with the Accounting Act and accounting principles generally accepted in Norway. The financial statements are presented in NOK, which is the functional currency of the parent company. Financial information presented in NOK has been rounded to the nearest million with one decimal, except when otherwise stated.

USE OF ESTIMATES
The preparation of financial statements in compliance with generally accepted accounting practices requires management to make estimates and assumptions that affect the reported amounts in the profit and loss statement, the measurement of assets and liabilities, and the disclosure of contingent assets and liabilities at the balance sheet date. Actual results may differ from estimates.

SHARES IN SUBSIDIARIES AND ASSOCIATED COMPANIES
Subsidiaries
Subsidiaries are all entities over which the parent company has control. The parent company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investment in associates
Associates are all entities over which the parent company has significant influence but that are neither subsidiaries nor joint arrangements. Significant influence is the power to participate in the financial and operating policy decisions of the investee, without having control or joint control of these policies. This is generally the case where the parent company holds between 20 and 50 per cent of the voting rights.

Accounting principles
The cost method is used as a principle for investments in subsidiaries and associated companies. Investments are valued at acquisition cost for the shares unless a write-down has been necessary. Investments are written down to market value if the decline is viewed as not transitory in nature and when deemed necessary. Write-downs are reversed if the basis for the write-down is no longer present. The cost price is increased when funds are raised through capital increase or when group contributions are made to subsidiaries. Dividends received are initially recognised as income. Dividends and group contributions from subsidiaries are recognised in the same year as the subsidiary allocates the amount.

REVENUE RECOGNITION
Income arising from royalties and management services provided to subsidiaries is recognized if all the following conditions are satisfied:

- A service has been transferred to a subsidiary based on a contract or a service level agreement
- It is probable that the economic benefits associated with the transaction will flow to the company; and
- The amount of revenue can be measured reliably

Revenue is measured at fair value, net of value-added tax, returns, and discounts.

CLASSIFICATION OF BALANCE SHEET ITEMS
Current assets and short-term liabilities include items that are due within one year after time of acquisition. The remaining items are classified as non-current assets or long-term liabilities. Current assets are recorded at the lower of cost or fair value. Current liabilities are recorded in the balance sheet at face value at the time of transaction.

Non-current assets are recorded at acquisition cost and depreciated on a straight-line basis over the expected useful life. If a change in value is considered permanent, the fixed asset is written down to market value. Long-term liabilities are recorded in the balance sheet at face value at the date they are assumed.

TANGIBLE ASSETS
Tangible assets are stated at acquisition cost less accumulated depreciation and impairment losses. Acquisition cost of tangible assets include fees, taxes and other direct purchase expenses necessary to prepare the fixed asset for operation. Maintenance of fixed assets is expensed under operating costs on an ongoing basis. Costs and

improvements are added to the cost of the asset and depreciated in line with the asset. The difference between maintenance and cost / improvement is calculated in relation to the condition of the asset at the time of acquisition.

Depreciation is recognised to the income statement using the straight-line method over the estimated useful life.

When an indication that the carrying amount of a fixed asset is higher than its fair value occurs, an impairment test is performed. If the carrying amount is higher than both the sales value and the recoverable amount, a write-down is made to the higher of the sales value and the recoverable amount. Previous write-downs, except for the write-down of goodwill, are reversed if the conditions for the write-down no longer exist.

RECEIVABLES
Receivables are recognised in the balance sheet at face value after deduction for provisions for expected losses. Provisions for losses are made based on an individual assessment of the receivables. Other receivables, both current and non-current receivables, are recognised at the lower of par value and fair value.

FOREIGN CURRENCY
Foreign-currency-denominated monetary items are valued at the year-end exchange rate, and currency translation effects are presented as part of net financial items. Foreign currency transactions are recorded at the exchange rate on the transaction date.

PENSIONS
Commitments to pension arrangements for employees are expensed in the income statement as they occur.

TAXES
The tax expense in the income statement includes both the tax payable for the period and changes in deferred tax. Deferred tax is calculated based on temporary differences between book value and tax values, as well as any tax loss carryforwards. Temporary differences that increase or reduce tax and that reverse or are expected to reverse within the same period are offset.

The recognition of deferred tax assets for net tax-reducing differences that are not offset, as well as for tax loss carryforwards, is based on expected future earnings. Deferred tax and tax assets that can be recognised in the balance sheet are presented net.

Tax reductions on group contributions provided, as well as taxes on received group contributions, are recognised as reductions in the investment of subsidiaries. These amounts are recorded directly against tax in the balance sheet – either as tax payable if the group contribution affects tax payable, or as deferred tax if it impacts deferred tax. Deferred tax is recognised at its nominal amount.

CASH FLOW STATEMENT
The cash flow statement is prepared according to the indirect method. Cash and cash equivalents comprise cash, bank deposits, and other short-term liquid placements.

NOTE 03 Revenues

All revenue relates to license fees, office rent and management services to Norwegian group companies.

NOTE 04 Payroll expenses, number of employees and benefits

Amounts in NOK million	**2024**	2023
Salaries/wages	**50.4**	44.7
Payroll tax	**7.7**	7.4
Pension expenses	**1.7**	1.6
Other remuneration	**3.7**	3.4
Total employee benefit expenses	**63.5**	57.2
The number of FTEs in the financial year has been	**26**	27

Remuneration to executives

	2024		2023	
Amounts in NOK million	**CEO**	**Board**	CEO	Board
Salaries	**3.6**		3.3	
Share-based payments and bonuses	**4.0**		1.6	
Board fees	**-**	**2.0**	-	1.7
Pension expenses	**0.1**		0.1	
Other remuneration	**0.0**		0.0	
Total	**7.8**	**2.0**	5.0	1.7

The parent company has pension plans secured through collective agreements in life insurance companies. NORBIT ASA is subject to the Norwegian Act on Occupational Pensions, and the parent company meets the requirements of this legislation through its defined contribution plans. The defined contribution plan means that the parent company has not incurred any future obligation. After the annual grant is paid NORBIT ASA has fulfilled its obligation in accordance with the arrangement.

NOTE 05 Tangible and intangible assets

Amounts in NOK million	Patents	Office equipment	Buildings	Total
Purchase cost per 1 January	1.2	7.6	1.0	**9.7**
Additions	0.5	1.0	0.5	**1.9**
Purchase cost per 31 December	1.7	8.5	1.4	**11.6**
Accumulated depreciation per 31 December	0.2	5.8	0.7	**6.7**
Net book value per 31 December	1.5	2.7	0.7	**4.9**
Depreciation in the year	0.2	1.0	0.3	**1.4**
Estimated useful life	10 years	3-5 years	3-5 years	
Depreciation plan	Linear	Linear	Linear	

NOTE 06 Other operating expenses

Amounts in NOK million	**2024**	2023
Office premises	**4.4**	4.1
External services	**23.1**	14.2
Audit fees	**0.9**	0.7
Marketing	**0.7**	0.9
Other operating expenses	**3.8**	4.3
Total other operating expenses	33.0	24.2

Expensed audit fee

Amounts in NOK million	**2024**	2023
Audit fee - financial statements	**0.6**	0.6
Audit fee - integrated sustainability report	**0.3**	0.0
Tax advisory fee	**0.0**	0.0
Non-audit services	**0.0**	0.1
Total audit fees	**0.9**	0.7

NOTE 07 Financial income and financial expenses

Amounts in NOK million	**2024**	2023
Financial income - investment in subsidiaries	**306.4**	311.2
Interest income from group companies	**14.2**	10.5
Other interest income	**22.6**	10.2
Other financial income	**5.3**	0.1
Total financial income	**348.6**	332.0
Other interest expenses	**(12.7)**	(9.8)
Other financial expenses	**(14.2)**	(12.0)
Total financial expenses	**(26.9)**	(21.8)
Total net financial items	**321.7**	310.2

NOTE 08 Taxes

Calculation of deferred tax/deferred tax benefit

Amounts in NOK million	**2024**	2023
Temporary differences		
Tangible	**(1.3)**	(1.0)
Tax loss carryforward	**-**	-
Net temporary differences	**(1.3)**	(1.0)
Basis for deferred tax	**(1.3)**	(1.0)
Deferred tax asset (22%)	**(0.3)**	(0.2)
Basis for income tax expense, changes in deferred tax and tax payable		
Profit/(loss) before taxes	**255.6**	256.7
Permanent differences	**(1.3)**	0.3
Basis for the tax expense for the year	**254.2**	257.1
Change in temporary differences	**0.3**	0.3
Basis for payable taxes in the income statement	**254.5**	257.4
+/- Group contributions received/given	**(0.1)**	(1.2)
Taxable income (basis for payable taxes in the balance sheet)	**254.5**	256.2
Components of the income tax expense		
Payable tax on this year's profit/(loss)	**56.0**	56.6
Adjustment in respect of prior years	**(0.5)**	(1.7)
Total payable tax	**55.5**	55.0
Change in deferred tax	**(0.1)**	(0.1)
Tax on directly recognised differences included in the calculation of deferred tax	**1.8**	0.0
Tax expense	**57.2**	54.9
Payable tax in the tax charge	**56.0**	56.6
Tax effect of group contribution	**(0.0)**	(0.3)
Payable tax in the balance sheet	**56.0**	56.4
Reconciliation of the tax expense		
Tax expense based on current year tax rate	**56.2**	56.5
Tax effect of permanent differences	**(0.3)**	0.1
Other differences	**1.2**	(1.7)
Tax expense	**57.2**	54.9

NOTE 09 Equity

Change in equity for the year

Amounts in NOK million	Share capital	Share premium	Other paid in capital	Other equity	**Total**
Equity at 1 January	6.0	367.7	0.0	250.4	**624.1**
Ordinary share issue	0.4	261.4	16.4	0.0	**278.1**
Repurchase of shares	0.0	0.0	0.0	(5.0)	**(5.0)**
Profit for the year	0.0	0.0	0.0	198.4	**198.4**
Dividends	0.0	0.0	0.0	(190.9)	**(190.9)**
Equity at 31 December	6.4	629.1	16.4	252.8	**904.7**

The parent company's share capital consists of 63 750 027 shares with a par value of NOK 0.10. The board of directors has proposed that NOK 3.00 per share is paid as dividend for the financial year 2024 (NOK 190.9 million).

At the same date, NORBIT ASA held 120 762 own shares. At 31 December 2024, there were 219 626 restricted stock units ('RSUs') outstanding. Half will vest in the second quarter of 2025, while the remaining half will vest in the second quarter of 2026.

In 2024 and based on the authorisations granted at the Annual General Meeting in May 2024, the board of directors resolved to increase the company's share capital in connection with the following events, each with a par value of NOK 0.10:

- The exercise of restricted stock units by executive management through the issuance of 182 673 new shares.
- Issuance of 726 272 considerations shares to founding management of Innomar in connection with the closing of the acquisition.
- Issuance of 2 597 403 new shares through an equity private placement to strengthen financial flexibility for future growth subsequent to the Innomar acquisition.
- The incentive share purchase programmes to employees, through the issuance of 226 264 new shares.

NOTE 10 Investments in subsidiaries and associated companies

Value in NOK thousand	Business office	Ownership/ voting right	Equity (100%)	Profit/(loss) (100%)	**Book value**
Subsidiary					
NORBIT Subsea AS	Trondheim	100.00%	145.5	134.2	**94.5**
NORBIT ITS AS	Trondheim	100.00%	72.9	48.1	**93.9**
NORBIT EMS AS	Selbu/Røros	100.00%	83.7	72.0	**68.3**
NORBIT ODM AS	Trondheim	100.00%	16.0	5.3	**9.3**
Fenrits AS	Trondheim	100.00%	0.9	0.0	**1.4**
NORBIT NV AS	Trondheim	100.00%	0.3	0.0	**0.0**
NORBIT Kabelpartner AS	Trondheim	100.00%	5.1	8.2	**3.5**
Aursund Maskinering AS	Trondheim	100.00%	6.4	2.0	**9.3**
NORBIT GmbH	Vienna	100.00%	1.0	0.4	**0.5**
NORBIT s.r.l	Lanciano	100.00%	9.7	3.7	**0.1**
NORBIT Hungary Kft.	Budapest	100.00%	(3.0)	(1.3)	**0.1**
NORBIT Sweden AB	Gothenburg	100.00%	0.0	0.0	**0.1**
NORBIT Singapore Ltd.	Singapore	100.00%	1.5	0.5	**0.1**
NORBIT Poland Sp. z.o.o.	Gdansk/Sopot	100.00%	2.8	0.2	**0.0**
NORBIT US Ltd.	Santa Barbara	100.00%	5.4	(0.0)	**0.0**
NORBIT China Co., Ltd	Shanghai	100.00%	0.5	0.1	**0.2**
Norbit Ltd.	Aberdeen	100.00%	6.0	1.7	**6.4**
NORBIT Holding Kft	Budapest	100.00%	(8.0)	(4.8)	**0.1**
NORBIT Czezh Republic s.r.o	Brno	100.00%	0.0	0.0	**0.0**
NORBIT Denmark ApS	Copenhagen	100.00%	0.8	0.3	**0.1**
Norbit Canada Inc	Vancouver	100.00%	(0.1)	0.9	**0.0**
Norbit Chile srl	Santiago	100.00%	0.0	0.3	**0.1**
Ping Digital Signal Processing Inc	Victoria	100.00%	19.7	11.5	**39.5**
Norbit Innomar Holding GmbH	Rostock	100.00%	(9.4)	(10.3)	**0.3**
Book value at 31 December					**327.9**

Value in NOK thousand	Business office	Ownership/ voting right	Equity (100%)	Profit/(loss) (100%)	**Book value**
Associated companies					
Kvikna Consulting Ehf.	Reykjavik	33.33%	0.6	0.0	**0.0**
Book value at 31 December					**0.0**

	Trade receivables		Other receivables	
Amounts in NOK million	**2024**	2023	**2024**	2023
Group companies	**0.0**	0.1	**553.9**	476.9
Sum	**0.0**	0.1	**553.9**	476.9

	Trade payables		Other short-term liabilities	
Amounts in NOK million	**2024**	2023	**2024**	2023
Group companies	**0.0**	0.0	**0.0**	0.0
Sum	**0.0**	0.0	**0.0**	0.0

	Non current receivables		Non current liabilities	
Amounts in NOK million	**2024**	2023	**2024**	2023
Group companies	**266.2**	194.0	**0.0**	0.0
Sum	**266.2**	194.0	**0.0**	0.0

NOTE 11 Restricted bank deposits

Restriced bank deposits

Amounts in NOK million	**2024**	2023
Bank deposits restricted to tax payments	**1.8**	1.4

NOTE 12 Receivables and liabilities

Receivables with maturity later than one year

Amounts in NOK million	**2024**	2023
Loans to companies in the same group	**266.2**	194.0
Total	**266.2**	194.0
Interest-bearing borrowings		
Overdraft facility	**0.0**	20.0
Term loan	**0.0**	120.0
Total	**0.0**	140.0
Debt secured by mortgage		
Long-term debt	**0.0**	120.0
Short-term debt	**0.0**	20.0
Total	**0.0**	140.0
Book value of pledged assets		
Fixed assets	**2.7**	2.7
Receivables	**553.9**	476.9
Total	**556.6**	479.7

The parent company has two loan facilities, comprising a long-term revolving credit facility (RCF) and a short-term overdraft facility. The facilities have a credit limit of NOK 200 million and NOK 350 million on the RCF, respectively. The RCF and overdraft facility were undrawn as of 31 December 2024.

The overdraft facility is priced at 1M NIBOR + 1.40 per cent margin p.a. and the RCF is priced at 3M NIBOR + 1.60 per cent margin p.a., both subject to NIBD/EBITDA being below 2.5x.

NOTE 13 Forward contracts

NORBIT ASA has no forward exchange contracts or other financial instruments at the end of the financial year.

NOTE 14 Transactions with related parties

Balances with group companies are specified in note 10. Interest in group companies is shown by separate lines in the income statement.

Related-party transactions:

Amounts in NOK million	**2024**	2023
Sales of goods and services		
Revenue from licenses, management fees and services to group companies	**31.8**	29.2

STATEMENT BY THE BOARD OF DIRECTORS AND CEO

We confirm, to the best of our knowledge, that

- The group financial statements for the period from 1 January to 31 December 2024 have been prepared in accordance with IFRS, as adopted by the EU
- The financial statements of NORBIT ASA for the period from 1 January to 31 December 2024 have been prepared in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway
- The financial statements give a true and fair view of the group and the company's assets, liabilities, financial position and results of operations
- The sustainability statements for 2024 have been prepared, in all material respects, in accordance with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) pursuant to the Accounting Act §§ 2-3 and 2-4. Disclosures within the EU taxonomy, are in all material respects, prepared in accordance with Article 8 of EU Taxonomy Regulation (EU 2020/852). Furthermore, the sustainability statement includes information prepared in accordance with the Norwegian Transparency Act.
- The report of the board of directors, including the sustainability statement and report on corporate governance, provides a true and fair view of the development, performance of the business and the financial position of the group and the company, and includes a description of the key risks and uncertainty factors that the group and the company is facing

Trondheim, Norway, 10 April 2025
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*

To the General Meeting of NORBIT ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NORBIT ASA, which comprise:

- the financial statements of the parent company NORBIT ASA (the Company), which comprise the statement of financial position as at 31 December 2024, the statement of income and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of NORBIT ASA and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2024, the statement of income, statement of other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of NORBIT ASA for 16 years from the election by the general meeting of the shareholders on 22 September 2009 for the accounting year 2009, with a renewed election on the 4 May 2023.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our

audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of Inventory and *Valuation of Intangible assets* carry the same characteristics and risks as in the prior year, and continue to be an areas of focus this year. Due to business acquisitions in 2023 and 2024, the key audit matter, *Valuation of Intangible assets*, also includes *Valuation of Goodwill* this year.

Key Audit Matters	How our audit addressed the Key Audit Matter
Valuation of Goodwill and Intangible Assets	
On 31 December 2024 the carrying amount of goodwill and intangible assets in the Group`s financial statements was NOK 916,3 million, equal to approximately 42% of total assets. Goodwill and intangible assets with indefinite economic life are tested for impairment at least annually. Impairment testing is performed at the level of cash generating unit. When testing for impairment, the carrying amount is compared to the recoverable amount. The recoverable amount is the highest of value in use and fair value less cost of disposal. On 31 December 2024, the management`s impairment assessment indicated that the recoverable amount exceeded the carrying amount for all cash generating units. As a result, no impairment was recorded. We focused on valuation of goodwill and intangible assets, due to the significance of the amount, and because the assessment is based on estimates of future cash flows which depend on discretionary assumptions, such as projections for future income and costs and discount rate used. See notes 4 and 14 to the consolidated financial statements, where management explains the impairment assessment of intangible assets and goodwill.	We obtained an understanding of management's process related to assessment of valuation of goodwill and intangible assets. We reviewed management's documentation for impairment testing, and considered whether the valuation model applied by management contained the elements and methodology required by IFRS. We found the model to be reasonable. We also assessed the logical structure and tested the mathematical accuracy of the model finding no material deviations. We examined how management identified cash-generating units and compared this to how NORBIT follows up goodwill and intangible assets internally. Furthermore, we evaluated the reasonableness of the assumptions used in the assessment. We found that the assumptions were reasonable and in accordance with our understanding of the business and industry. We performed sensitivity analyses on key assumptions (EBITDA and WACC) in the impairment assessments. We found that the assessments were not sensitive to changes to the assumptions. We compared the applied discount rates to empirical data and expectations about the future returns, relevant risk premium and gearing ratio. We found the applied discount rates to be within a range of reasonable outcomes. We also considered and found that the information provided in notes 4 and 14 met the IFRS requirements according to IAS1.
Valuation of Inventory	
Inventory represents approximately 20% of the Group's total assets, with a book value of NOK 434,7 million on 31 December 2024. Inventory consists of raw materials, work in progress, and finished goods, and is valued at the lower of cost and net realisable value. A provision	To test the acquisition cost of raw materials, we tested a sample of book values against underlying invoices. To test the acquisition cost of work in progress and finished goods, we considered the method used to compute the acquisition cost, including determination of direct and indirect

for obsolescence is made when the net realisable value is lower than the cost of the good.

We focused on valuation of inventory due to the significance of the amount and because determination of both acquisition cost and provision for obsolescence require application of management judgement.

For a description of the inventory's composition and provision for obsolescence, refer to note 15 to the consolidated financial statements.

production cost. Furthermore, we tested the input data in the calculations against incoming invoices and applied hourly rates. We noted no material errors.

We also reviewed and evaluated management's method for identification and calculation of obsolescence. The method is partially based on experience and partially on models where inventory turnover is a key component. We challenged management by discussing the total size of the provision for obsolescence with them. Through our presence at the inventory count, we tested whether damaged goods were identified, assessed, and valued. Furthermore, we tested the provision for obsolescence against a specification of identified obsolete goods including overviews of goods with a low turnover. We also performed an analysis of the level of obsolescence provision compared to previous years. Our work did not detect significant deviations.

We read the relevant notes and found the information and explanations provided consistent and sufficient.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Directors' report applies correspondingly to the statement on Corporate Governance.

Our opinion on whether the Board of Directors' report contains the information required by applicable statutory requirements, does not cover the Sustainability Statement, on which a separate assurance report is issued.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of NORBIT ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name "254900C08RCMXVZYFY97-2024-12-31-0-en.zip" have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: https://revisorforeningen.no/revisjonsberetninger

Trondheim, 10 April 2025
PricewaterhouseCoopers AS

Marius Fevaag Larsen
State Authorised Public Accountant
(This document is signed electronically)

To the General Meeting of NORBIT ASA

Independent Sustainability Auditor's Limited Assurance Report

Limited Assurance Conclusion

We have conducted a limited assurance engagement on the consolidated sustainability statement of NORBIT ASA (the «Company») included in Sustainability statement of the Board of Directors' report (the «Sustainability Statement»), as at 31 December 2024 and for the year then ended.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Statement is not prepared, in all material respects, in accordance with the Norwegian Accounting Act section 2-3, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information reported in the Sustainability Statement (the «Process») is in accordance with the description set out in section "IRO-1 Description of the processes to identify and assess material impact, risks and opportunities" in the General disclosures chapter; and
- compliance of the disclosures in section "Taxonomy" within the Environment chapter of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the «Taxonomy Regulation»).

Basis for Conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information («ISAE 3000 (Revised)»), issued by the International Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the *Sustainability Auditor's Responsibilities* section of our report.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements as required by relevant laws and regulations in Norway and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other Matter

The comparative information included in the Sustainability Statement was not subject to an assurance engagement. Our conclusion is not modified in respect of this matter.

Responsibilities for the Sustainability Statement

The Board of Directors and the Managing Director (Management) are responsible for designing and implementing a process to identify the information reported in the Sustainability Statement in accordance with the ESRS and for disclosing this Process in section "IRO-1 Description of the processes to identify and

assess material impact, risks and opportunities" in the General disclosures chapter of the Sustainability Statement. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

Management is further responsible for the preparation of the Sustainability Statement, in accordance with the Norwegian Accounting Act section 2-3, including:

- compliance with the ESRS;
- preparing the disclosures in section "Taxonomy" of the Sustainability Statement, in compliance with the Taxonomy Regulation;
- designing, implementing and maintaining such internal control that Management determines is necessary to enable the preparation of the Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Inherent limitations in preparing the Sustainability Statement

In reporting forward-looking information in accordance with ESRS, Management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Sustainability Auditor's Responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Sustainability Statement, in relation to the Process, include:

- Obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and

- Designing and performing procedures to evaluate whether the Process is consistent with the Company's description of its Process set out in section "IRO-1 Description of the processes to identify and assess material impact, risks and opportunities" in the General disclosures chapter.

Our other responsibilities in respect of the Sustainability Statement include:

- Identifying where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to where material misstatements are likely to arise in the Sustainability Statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the Work Performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise in the Sustainability Statement, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by:
  - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
  - reviewing the Company's internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures with respect to the Process implemented by the Company was consistent with the description of the Process set out in section "IRO-1 Description of the processes to identify and assess material impact, risks and opportunities" in the General disclosures chapter.

In conducting our limited assurance engagement, with respect to the Sustainability Statement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Sustainability Statement by:
  - Obtaining an understanding of the Group's control environment, processes and information system relevant to the preparation of the Sustainability Statement, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control; and
  - Obtaining an understanding of the Group's risk assessment process;
- Evaluated whether the information identified by the Process is included in the Sustainability Statement;
- Evaluated whether the structure and the presentation of the Sustainability Statement is in accordance with the ESRS;

- Performed inquiries of relevant personnel on selected information in the Sustainability Statement;
- Performed substantive assurance procedures on selected information in the Sustainability Statement;
- Where applicable, compared disclosures in the Sustainability Statement with the corresponding disclosures in the financial statements and other sections of the Board of Directors' report;
- Evaluated the methods, assumptions and data for developing estimates and forward-looking information;
- Obtained an understanding of the Company's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statement;
- Evaluated whether information about the identified taxonomy-eligible and taxonomy-aligned economic activities is included in the Sustainability Statement; and
- Performed inquiries of relevant personnel and substantive procedures on selected taxonomy disclosures included in the Sustainability Statement.

Trondheim, 10 April 2025
PricewaterhouseCoopers AS

Marius Fevaag Larsen
State Authorised Public Accountant – Sustainability Auditor
(This document is signed electronically)

DEFINITIONS OF ALTERNATIVE PERFORMANCE MEASURES

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.
Net working capital	Net working capital is defined as the sum of inventories, trade receivables and other receivables and prepayments, less the sum of trade payables and other current liabilities, as reported in consolidated statement of financial position.
R&D investments	R&D investments is equal to payments for intangible assets, as reported n the consolidated statement of cash flows.
Average pre-tax return on capital employed	Average pre-tax return on capital employed is defined as EBIT divided by average capital employed in the financial year. 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.

NORBIT
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NORBIT ASA

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