

NORBIT

- explore more -

First quarter 2021 result presentation

CEO Per Jørgen Weisethaunet

CFO Per Kristian Reppe

11 May 2021, Trondheim, Norway

Disclaimer

These materials, prepared by NORBIT ASA (the "**Company**"), may contain statements about future events and expectations that are forward-looking statements. Any statement in these materials that is not a statement of historical fact including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives of management for future operations is a forward-looking statement that involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. Although management believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements. The Company assumes no obligations to update the forward-looking statements contained herein to reflect actual results, changes in assumptions or changes in factors affecting these statements.

This presentation does not constitute or form part of, and is not prepared or made in connection with, an offer or invitation to sell, or any solicitation of any offer to subscribe for or purchase any securities and nothing contained herein shall form the basis of any contract or commitment whatsoever. No reliance may be placed for any purposes whatsoever on the information contained in this presentation or on its completeness, accuracy or fairness. The information in this presentation is subject to verification, completion and change. The contents of this presentation have not been independently verified. The Company's securities have not been and will not be registered under the US Securities Act of 1933, as amended (the "**US Securities Act**"), and are offered and sold only outside the United States in accordance with an exemption from registration provided by Regulation S of the US Securities Act. This presentation should not form the basis of any investment decision. Investors and prospective investors in securities of any issuer mentioned herein are required to make their own independent investigation and appraisal of the business and financial condition of such company and the nature of the securities.

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

- Founded 1995
- HQ in Trondheim, Norway
- Manufacturing facilities in Selbu and Røros, Norway
- Offices and Subsidiaries in 15 countries
- Listed on Oslo Børs, ticker **NORBIT**



*Victory awaits him who has everything in order. Luck people call it...
Defeat is certain for him who has neglected to take necessary
precaution in time. This is called bad luck"*

Roald Amundsen 1912

A global provider of tailored technology to carefully selected niches

Diversified and robust business model



Oceans is offering tailored technology solutions to global maritime markets



Intelligent Traffic Systems (ITS) is offering tailored connectivity solutions for vehicle identification and tracking



Product Innovation & Realization (PIR) is offering R&D services and contract manufacturing to key customers

Several milestone orders, partnerships and strategic M&A

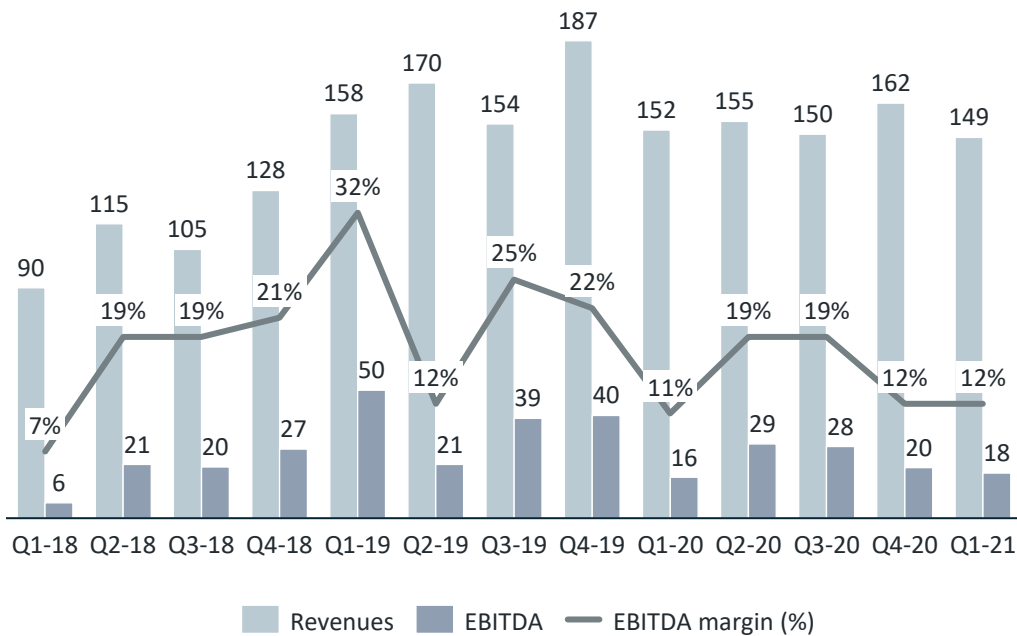
- Agreement to acquire the Hungarian technology company iData Kft.
- Milestone orders for WINGHEAD sonars
- Migrating On-Board Units business from tendering to B2B.
 - First volume orders secured
- NORBIT certified to supply medical devices



Strong performance in Oceans and PIR, partly offset by expected headwinds in ITS

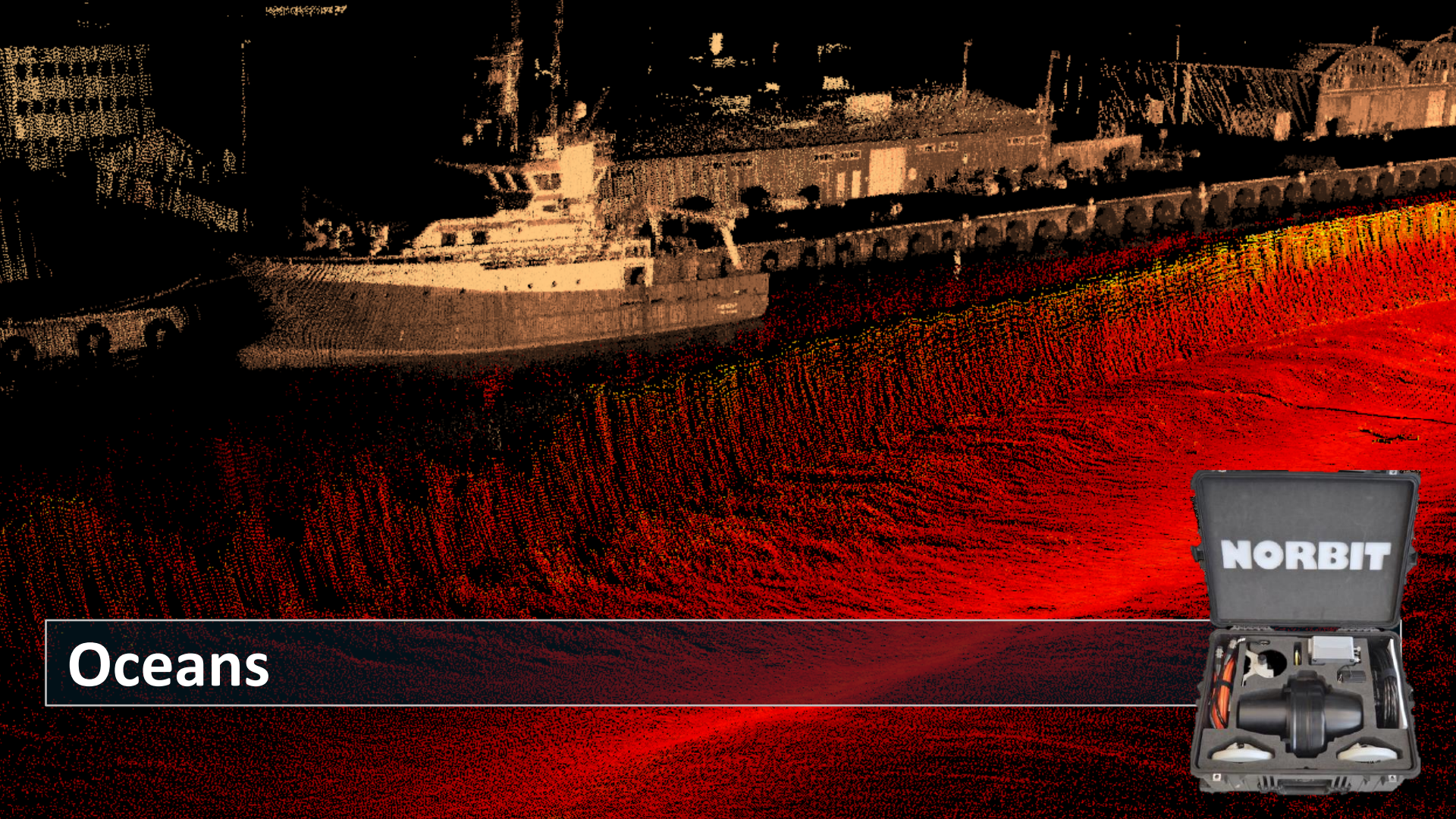
Revenues and EBITDA

NOK million



First quarter 2021

- Strong growth in both Oceans and PIR
- ITS segment had a weak financial quarter, but announced important contracts and strategic M&A
- Revenues totalled NOK 149 million, compared with NOK 152 million in Q1-20
- EBITDA came in at NOK 18 million, representing a 12 per cent margin
- The annual general meeting decided to distribute a dividend of NOK 0.30 per share for the financial year 2020



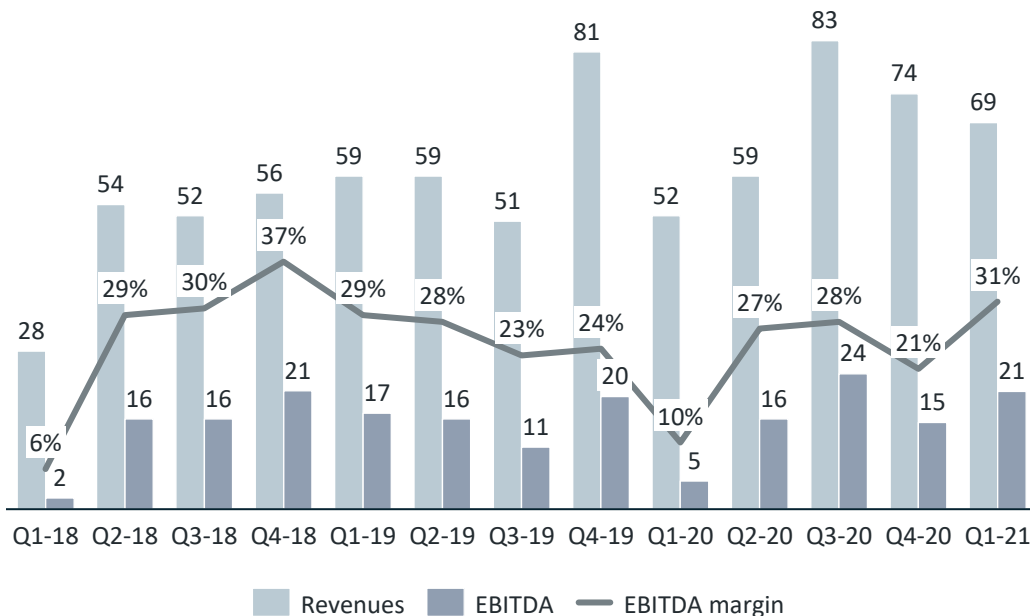
Oceans



Strong growth and solid profitability in Oceans

Revenues and EBITDA

NOK million



First quarter 2021

- Revenues of NOK 69 million, an increase of 32 per cent from Q1-20*
- Solid demand for sonar systems - multiple WINGHEAD sonars delivered in the quarter
- The pandemic continues to have an impact on business development activities
- Strong EBITDA margin of 31 per cent for the quarter

* NORBIT Kabelpartner previously reported in the PIR segment accounts for 8% of the growth

WINGHEAD sonars to a total value of NOK 10 million delivered to XOCEAN





DSRC solutions for satellite-based truck tolling



Connectivity devices for smart tachograph

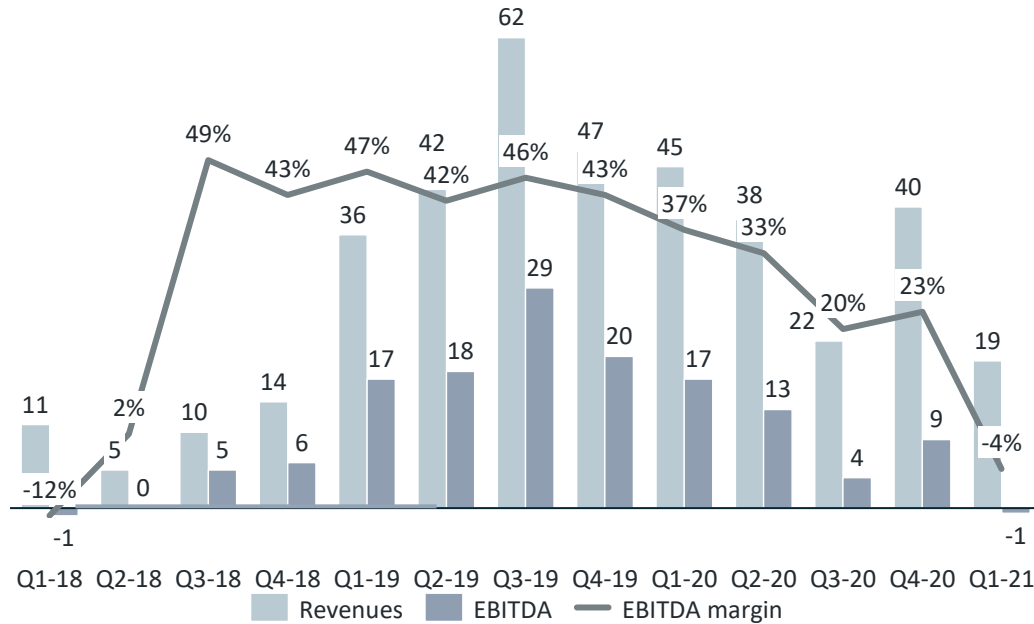
Intelligent Traffic Systems (ITS)



Weak quarter for Intelligent Traffic Systems (ITS)

Revenues and EBITDA

NOK million



First quarter 2021

- Revenue decline of 57 per cent from Q1-20 due to stop in supply to one of the larger clients and limited deliveries of OBUs following record-high sales in Q4-20
- Delivery of connectivity modules for tachographs is holding up relatively well
- Decline in EBITDA and margin due to the lower revenue base

Recent events

- Process to acquire the Norwegian IoT company StalkIT terminated
- Increased demand from insurance industry as demonstrated by large first order for delivery of OBUs to major European insurance company and strategic cooperation with Fremtind Services

Migrating On-Board Units business from tendering to B2B

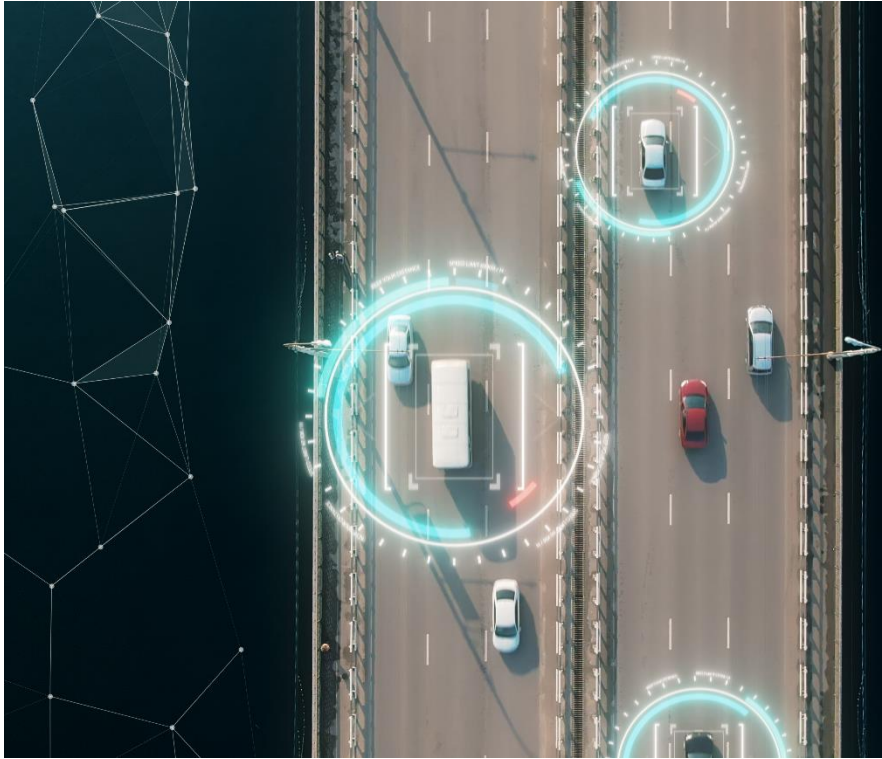


Major European insurance company places NOK 50 million order for On-Board Units scheduled for delivery in second half of 2021



Cooperation with Fremtind Service, subsidiary of Fremtind Insurance

Acquisition of iData, creating a broader platform for growth for ITS



iData

Specialised in GPS tracking with a subscription-based recurring revenue business model

Large customer base in its home market, Hungary

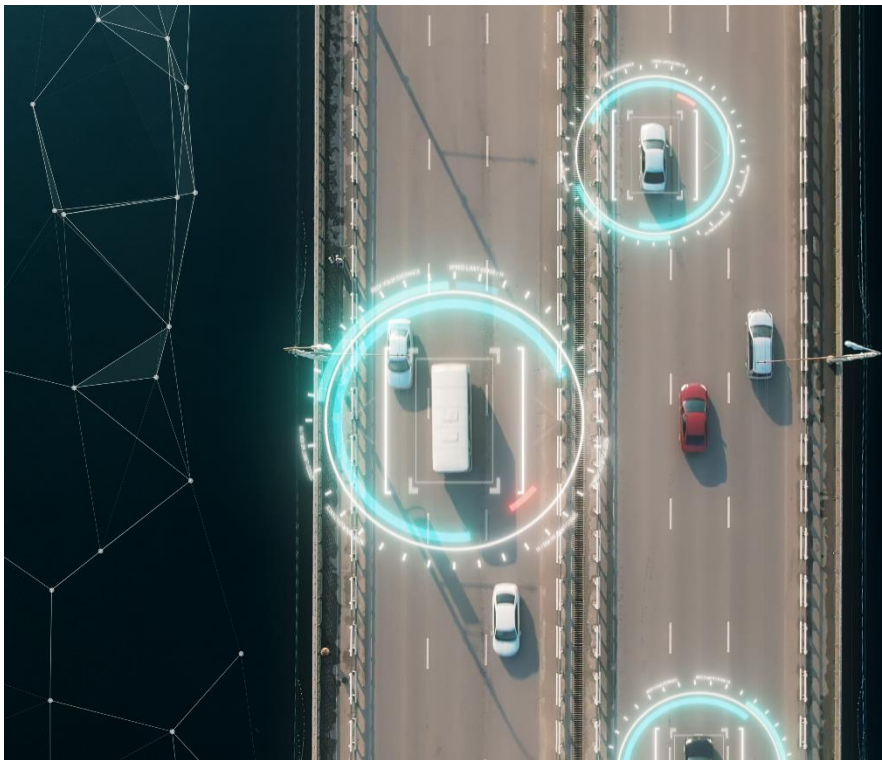
Vehicle tracking and fleet management services based on own proprietary technology

Transaction values iData at an enterprise value of EUR 14.5 million

2020 revenues
EUR 5 million
ARR > 80 %

34,000 vehicles from
4,200 companies
tracked using iTrack GPS
Tracking System

Strategic fit with ITS' strategy of positioning itself in selected IoT 5G niche applications



iData

Jump start strategy to create a new subsegment within asset and vehicle tracking/monitoring

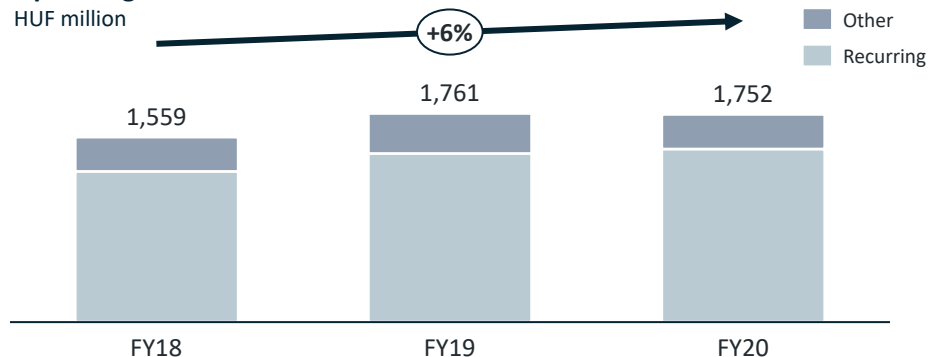
With the acquisition, ITS will diversify its revenue stream with iData's broad customer base and subscription-based business model.

NORBIT sees attractive revenue synergies:

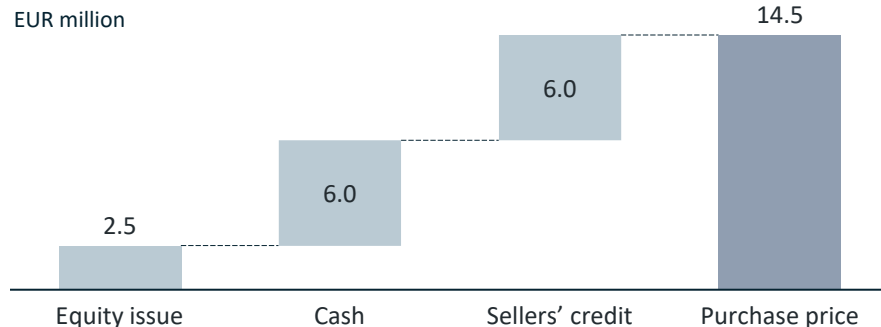
NORBIT can contribute with broader market footprint, network, technology competence, scale and capital to fuel growth internationally.

Financial highlights of the iData acquisition

Operating revenues



Settlement



Key financials

- iData generating EUR 5.0 million in revenues in 2020
- 13% revenue growth in 2019 and a stable development in 2020 despite of covid-19 implications
- Consistently high margins over the last three years with 2020 EBITDA of EUR 1.9 million, translating into a margin of around 35%
- Attractive cash flow conversion

Settlement

- Purchase price of EUR 14.5 million
- EUR 2.5 million to be settled in NORBIT ASA shares, based on last 30-days volume weighted share price
- EUR 6.0 million paid in cash
- EUR 6.0 million settled through a sellers' credit, of which half due in 12 months and remainder in 24 months from closing

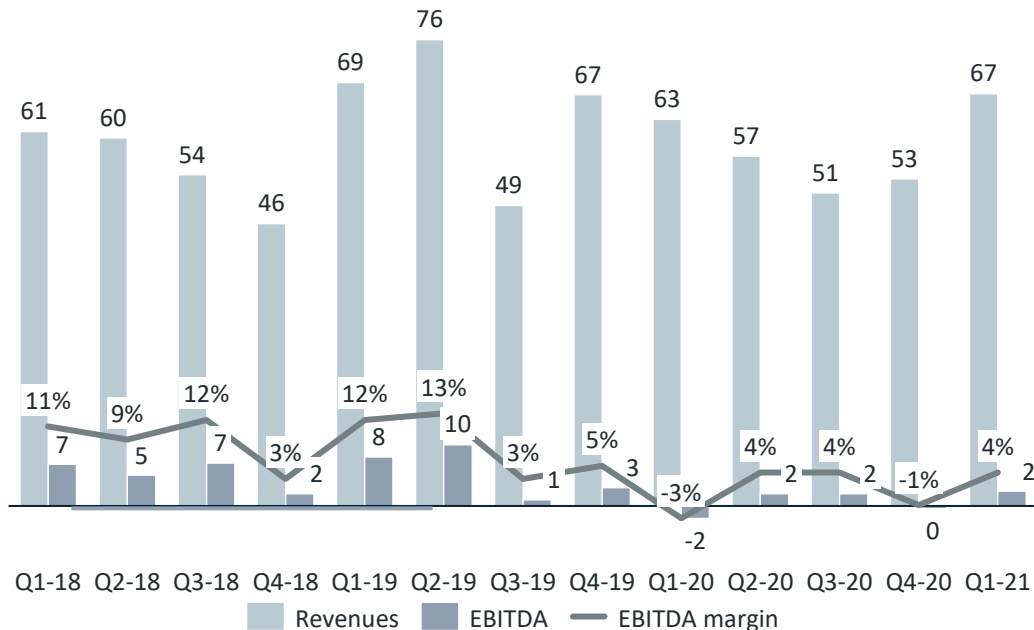


Product Innovation & Realization (PIR)

Growth returning in Product Innovation & Realization

Revenues and EBITDA

NOK million



First quarter 2021

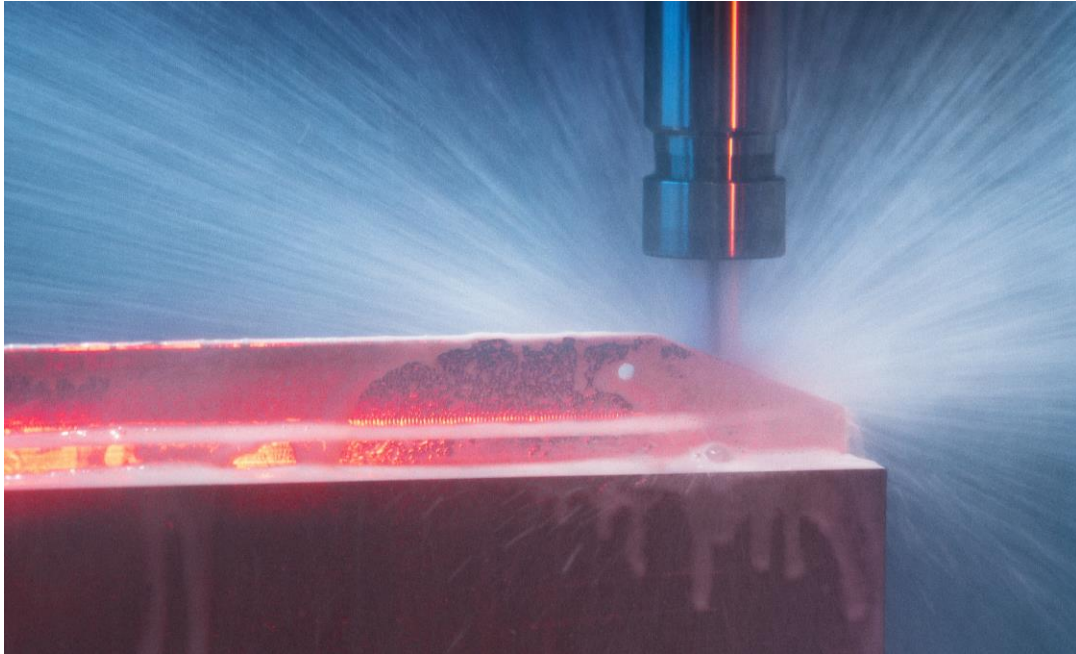
- Revenues grew by 7 per cent* and reached NOK 67 million, driven by higher sales of contract manufacturing and R&D services
- EBITDA came in at NOK 2.4 million, positively affected by lower operating expenses

**13 per cent increase adjusted for Kabelpartner which was previously reported in the PIR segment*

Recent events

- ISO-13485 certification of Selbu factory completed in April for manufacturing and assembly of electronic products and modules for the medical device industry

“Fast Track” established for rapid prototyping



- “Fast Track” established for rapid prototyping and piloting
- Covers complete units including electronics, mechanical parts both in plastic and metal
- Invested in machinery and processes for efficient delivery
(Milling, turning, 3D-printing, ultrasonic welding and potting)

NORBIT certified to supply medical devices from Selbu



- ISO 13485 certification of NORBIT's factory in Selbu completed
- Enabler for manufacturing and assembly of electronic products and modules to the medical device industry
- Clear megatrends driving demand for medical devices

NORBIT

- explore more -

Group financials



Financials – P&L

Amounts in NOK 000's

	Q1 2021	Q1 2020
Revenues	148 700	151 571
Other gains and losses	1 230	-
Raw materials and change in inventories	72 550	68 194
Employee benefit expenses	41 550	41 698
Other operating expenses	18 180	25 690
EBITDA	17 650	15 989
Depreciation and amortization expenses	14 957	11 318
Operating profit / EBIT	2 693	4 671
Net financial items	(4 245)	1 231
Profit before tax	(1 552)	5 902
Income tax expense	50	(1 034)
Profit for the period	(1 602)	4 869

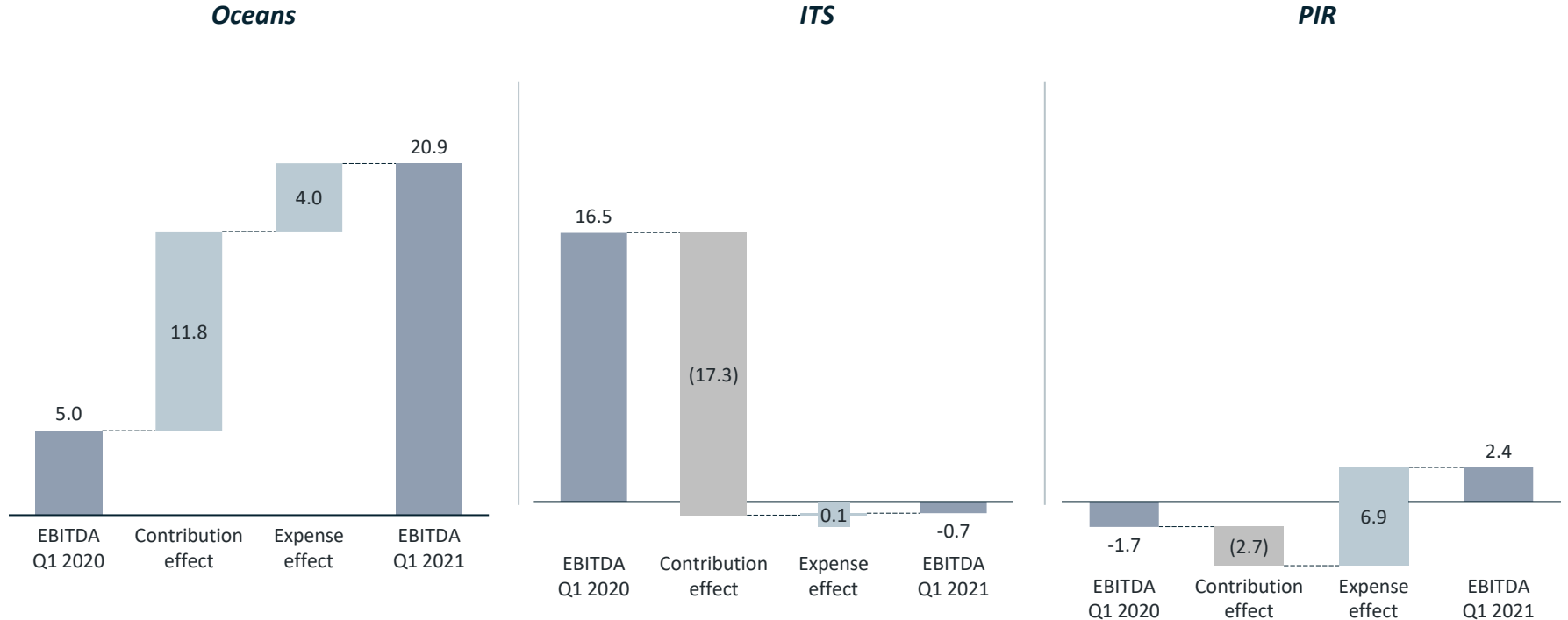
First quarter of 2021

- Revenues of NOK 148.7 million, down 2% from Q1 2020
 - Growth in Oceans and PIR year-over-year
 - Results impacted by a weak quarter by ITS
- Total expenses, excluding D&A, amounted to NOK 132.3 million versus NOK 135.6 million in Q1 2020
- EBITDA of NOK 17.7 million (12% margin) compared to NOK 16.0 million in Q1 2020 (10% margin)
 - Including gain of NOK 1.2 million relating to acquisition of Kilmore Marine Ltd (Oceans' distributor in UK / Middle East) and transaction costs of approximately NOK 1.5 million
- Net financial items of negative NOK 4.2 million primarily due to foreign exchange losses with EUR weakening versus NOK in the quarter
- Net profit for the period of negative NOK 1.6 million

Oceans and ITS' results largely offsetting each other year-over-year

Segment EBITDA development Q1 2021 vs. Q1 2020

NOK million



Financials – Balance sheet

Amounts in NOK 000's

ASSETS

	31.03.21	31.12.20
Land and property, plant and equipment	150 024	149 953
Intangible assets	179 776	171 454
Goodwill	6 002	-
Deferred tax asset	19 681	19 738
Inventories	170 301	164 605
Trade receivables	107 621	121 356
Other receivables and prepayments	38 376	25 628
Other assets	1 052	3 959
Cash and cash equivalents	18 421	14 953
Total assets	691 253	671 648

LIABILITIES

Interest-bearing borrowings	117 105	94 702
Lease liabilities	21 087	23 187
Trade payables	76 734	67 356
Other current liabilities	38 923	47 467
Other liabilities	2 380	2 172
Total liabilities	256 229	234 885

Total equity	435 024	436 763
---------------------	----------------	----------------

Total liabilities and equity	691 253	671 648
-------------------------------------	----------------	----------------

Fixed and intangible assets

- Land and PPE: On par with prior quarter
 - NOK 7.9 million in investments in fixed assets, offset by depreciation
- Intangible assets: Increase of NOK 8.3 million from end of Q4 2020 explained by investments in R&D, partly offset by amortization
- Goodwill: Preliminary allocated NOK 6.0 million in Q1 2021, relating to acquisition of Kilmore Marine Ltd

Working capital

- Inventories: NOK 170.3 million, increase of NOK 5.7 million quarter-over-quarter
- Trade receivables: NOK 107.6 million, down by NOK 13.7 million
- Other receivables: Up NOK 12.7 million, mainly driven by accrued income on projects
- Trade payables: NOK 76.7 million, up NOK 9.4 million from Q4 2020

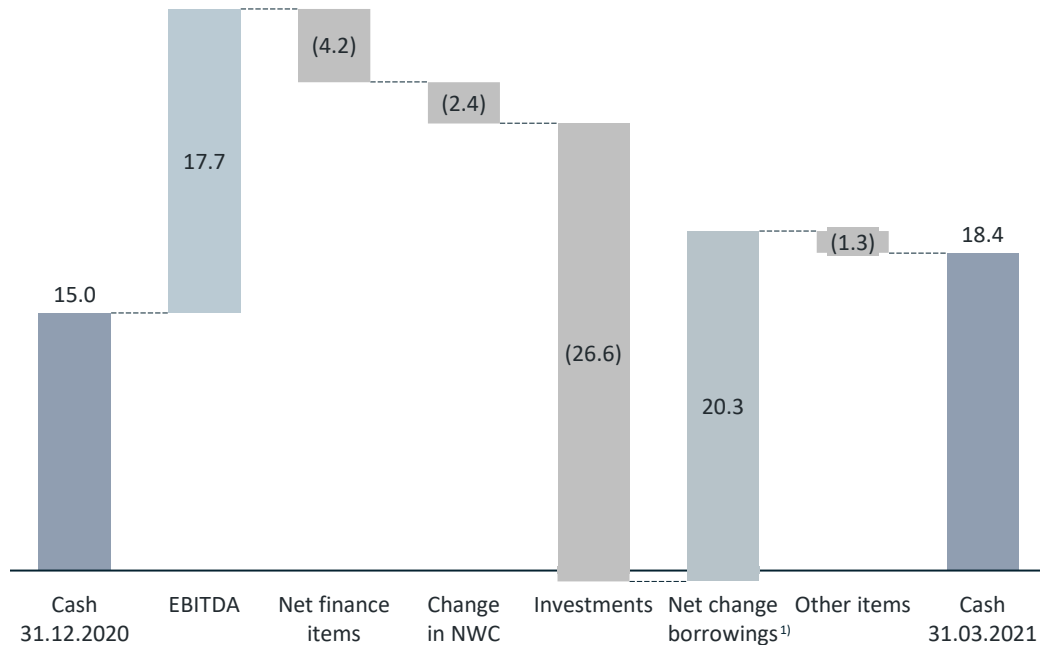
Net-interest bearing debt, lease liabilities and equity

- Total borrowings of NOK 117.1 million
- Net-interest bearing debt (excl. lease liabilities) of NOK 98.7 million, up from NOK 79.7 million in Q4 2020
- Equity of NOK 435.0 million, representing an equity ratio of 63%

Financials – Cash Flow

Cash flow development first quarter 2021

NOK million



1) Including repayment of leases

Fourth quarter of 2020

- Operating cash flow of NOK 9.7 million
 - Net increase in working capital of NOK 2.4 million
- Investing activities generated cash outflow of NOK 26.6 million
 - NOK 7.9 million related to investments in fixed assets
 - NOK 15.4 million invested in R&D
 - NOK 3.2 million relating to acquisition of Kilmore Marine, net of cash
- Financing activities led to a cash inflow of NOK 20.3 million
 - Net increase of NOK 22.4 million in interest-bearing borrowings
 - NOK 2.1 million in repayment of leases

NORBIT

- explore more -

Outlook



Outlook



- Activity continues to be high
- WINGHEAD important contributor to the growth
- Second quarter is a seasonally strong quarter and NORBIT expects revenues to grow quarter-over-quarter



- Challenging outlook also for the second quarter with revenues and margins remaining at low levels
- Outlook for the second half of the year is positive, supported by the recently announced NOK 50 million OBU contract
- A broader platform for growth into the asset and vehicle tracking/monitoring market with the acquisition of iData



- Continued high activity, particularly in contract manufacturing - positive outlook for the full year
- Main risk is the supply environment for electronic components
- Medical certification creates additional platform for longer term growth
- Platform to scale organically and improve margins following capacity expansion

NORBIT

- explore more -

EXPLORING IS FINDING OPPORTUNITIES WHERE OTHERS FIND LIMITS

Shareholder overview, updated 10 May 2021

#	Investor	# of shares	%
1	VHF INVEST AS - founder Steffen Kirknes	8,686,495	15.30
2	PETORS AS - CEO Per Jørgen Weisethaunet	6,940,695	12.22
3	DRAUPNIR INVEST AS - family of founder Steffen Kirknes	5,702,949	10.04
4	ESMAR AS	3,832,286	6.75
5	EIDCO A/S	3,832,286	6.75
6	Taiga Investment Funds (through Morgan Stanley)	3,745,187	6.60
7	Handelsbanken Nordiska smabolag (through J.P. Morgan Bank)	3,198,135	5.63
8	ARCTIC FUNDS PLC	2,734,676	4.82
9	SPAREBANK 1 MARKETS AS	2,567,735	4.52
10	Citibank, N.A.	1,150,000	2.03
11	Danske Invest Norge Vekst	1,050,000	1.85
12	Danske Bank A/S - MD Oceans Peter K. Eriksen	725,076	1.28
13	USEGI AS - CTO Arild Sjøraunet	721,989	1.27
14	SONSTAD AS	685,822	1.21
15	Carnegie Investment Bank AB	627,216	1.10
16	Nordea Bank Abp	571,731	1.01
17	Citibank, N.A.	525,000	0.92
18	Handelsbanken Mikrocap Norden (through J.P. Morgan Bank)	520,392	0.92
19	VPF FONDSFINANS UTBYTTE	300,000	0.53
20	Stein Martin Beyer - MD PIR and COO	295,147	0.52
Total 20 largest shareholders		48,412,817	85.25
Other shareholders		8,374,101	14.75
Total		56,786,918	100.00