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INTERIM | REPORT

Q1 | 2024





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HIGHLIGHTS

SUMMARY OF THE FIRST QUARTER RESULTS 2024

- ▼ In the first quarter, revenues came in at NOK 404.4 million, representing a revenue growth of 7 per cent from the first quarter of 2023.
- ▼ The EBIT result was NOK 41.1 million, representing a margin of 10 per cent. The decline compared to first quarter 2023 was driven by lower margins realised in segments Oceans and PIR.
- ▼ In a seasonally slow quarter, Oceans reported revenues of NOK 121.4 million, down 11 per cent from a strong first quarter of 2023. The decline was primarily explained by lower sale of Winghead sonars. The EBIT margin was 8 per cent.
- ▼ Connectivity delivered revenues of NOK 150.6 million, an increase of 10 per cent from the corresponding quarter of 2023 supported by strong demand for enforcement modules for tachographs and units for satellite-based tolling. The EBIT margin for Connectivity was 28 per cent.
- ▼ Connectivity received a NOK 160 million order for delivery of On-Board Units to a new European blue-chip client with deliveries scheduled for 2025.
- ▼ The Product Innovation & Realization (PIR) segment reported NOK 145.2 million in revenues in the first quarter, an increase of 29 per cent from the corresponding quarter of 2023. Adjusting for sale of inventory, the growth was 16 per cent. Strong growth from industrial clients within contract manufacturing was the primary driver for the revenue increase. The EBIT margin was 3 per cent, impacted by lower realised gross margins and lower utilisation in the R&D services department.
- ▼ Diluted earnings per share were NOK 0.50 for the first quarter, down from NOK 0.88 one year earlier.
- ▼ The target for 2024 to deliver revenues of NOK 1.7 – 1.8 billion and an EBIT margin in line with the level reported in 2023 is reiterated.

SUBSEQUENT EVENTS

- ▼ NORBIT ASA held its annual general meeting 6 May 2024. All proposed resolutions were approved, including the annual accounts for 2023 and the board's proposal to distribute a dividend of NOK 2.55 per share.



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FIRST QUARTER RESULTS 2024

FINANCIAL REVIEW

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

PROFIT AND LOSS

Revenues for the first quarter of 2024 amounted to NOK 404.4 million, representing an increase of 7 per cent compared to the corresponding quarter of 2023 (NOK 376.7 million). The revenue increase was driven by growth in the Connectivity and PIR segments.

Raw material expenses and inventory changes were NOK 191.4 million for the first quarter (NOK 154.5 million). The increase from the same period last year is primarily explained by the higher activity level, as well as segment mix. The gross margin was 53 per cent, down from 59 per cent in first quarter 2023 on segment mix and lower realised margins in the PIR segment.

Employee benefit expenses amounted to NOK 101.1 million for the first quarter of 2024 (NOK 80.2 million). The increase from last year is primarily explained by a strengthening of the organisation to support the activity level, strategic initiatives and acquisitions throughout 2023.

Other operating expenses amounted to NOK 38.9 million for the first quarter of 2024, on par with the corresponding quarter of 2023 (NOK 37.6 million).

EBITDA amounted to NOK 73.1 million for the first quarter (NOK 104.3 million), corresponding to a margin of 18 per cent (28 per cent).

Operating profit (EBIT) came in at NOK 41.1 million for the first quarter (NOK 70.2 million), representing a margin of 10 per cent (21 per cent).

Net financial items amounted to negative NOK 0.7 million for the quarter (negative NOK 8.3 million). This included NOK 8.1 million in net interest expenses and NOK 7.6 million in foreign exchange gains.

A tax expense of NOK 10.2 million was recorded for the quarter (tax expense of NOK 18.3 million).

Profit for the period was NOK 30.2 million (NOK 51.9 million). Diluted earnings per share were NOK 0.50 (NOK 0.88).

CONSOLIDATED KEY FIGURES ¹⁾

Amounts in NOK million (except percentages and EPS)	First quarter	
	2024	2023
Revenues	404.4	376.7
EBITDA	73.1	104.3
EBITDA margin (%)	18%	28%
EBIT	41.1	78.5
EBIT margin (%)	10%	21%
Profit for the period	30.2	51.9
Earnings per share (EPS) – diluted	0.50	0.88

¹⁾ See definitions on page 19.



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SEGMENTS

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

OCEANS

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

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

Oceans – financial figures

Amounts in NOK million	First quarter	
	2024	2023
Revenues	121.4	135.7
Raw materials	38.6	39.8
Gross profit	82.7	95.9
Employee benefit expenses	38.2	28.6
Other operating expenses	19.9	18.3
EBITDA	24.7	49.1
Depreciation and amortisation	15.1	10.3
EBIT	9.7	38.8
Gross margin (%)	68%	71%
EBITDA margin (%)	20%	36%
EBIT margin (%)	8%	29%

Revenues amounted to NOK 121.4 million for the first quarter of 2024, a decrease from NOK 135.7 million in a strong first quarter of 2023. The decline was primarily explained by lower sale of Winghead sonars. In addition, Asia was a challenging region in the first months of the year. Americas showed strong growth year-over-year.

Oceans – revenue split

Amounts in NOK million	First quarter	
	2024	2023
Subsea sonars	105.5	118.9
Security	3.3	2.7
Environmental monitoring	5.5	6.6
Aqua	0.3	0.6
Connect	6.7	7.0
Total	121.4	135.7

Gross margin for the first quarter was 68 per cent, compared to 71 per cent in the first quarter last year. The decrease in the gross margin is primarily explained by product mix, with lower share of Winghead sonars sold and higher share of low margin third-party equipment delivered.

Employee benefit expenses amounted to NOK 38.2 million for the quarter, an increase from NOK 28.6 million from the corresponding quarter of 2023. The increase was primarily driven by acquisitions during 2023 and a strengthening of the organisation to prepare for the growth plan this year.

Other operating expenses amounted to NOK 19.9 million, an increase from NOK 18.3 million reported in the first quarter of 2023. The increase primarily relates to acquisitions made last year.

EBITDA for the segment amounted to NOK 24.7 million for the quarter (NOK 49.1 million), representing a margin of 20 per cent (36 per cent).

EBIT was NOK 9.7 million in the first quarter of 2024 (NOK 38.8 million), corresponding to a margin of 8 per cent (29 per cent).



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CONNECTIVITY

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

Connectivity – financial figures

<i>Amounts in NOK million</i>	First quarter	
	2024	2023
Revenues	150.6	136.3
Raw materials	57.4	54.3
Gross profit	93.2	82.0
Employee benefit expenses	22.2	19.3
Other operating expenses	16.3	15.7
EBITDA	54.7	47.0
Depreciation and amortisation	12.9	10.5
EBIT	41.7	36.6
Gross margin (%)	62%	60%
EBITDA margin (%)	36%	35%
EBIT margin (%)	28%	27%

Revenues amounted to NOK 150.6 million for the first quarter of 2024, an increase of 10 per cent from the corresponding period of 2023 (NOK 136.3 million). The revenue growth was primarily driven by increased sale of enforcement modules for tachographs and units for satellite-based toll collection.

In total, revenues from DSRC technology were NOK 123.7 million in the quarter (NOK 115.2 million), while revenues from subscription and e-toll represented NOK 26.9 million (NOK 21.1 million).

Connectivity – revenue split

<i>Amounts in NOK million</i>	First quarter	
	2024	2023
On-Board Units	70.4	89.6
Tachograph enforcement modules	25.0	14.5
Satellite-based tolling	22.0	8.1
Subscription and e-toll	26.9	21.1
Other	6.2	3.1
Total	150.6	136.3

Gross margin for the first quarter was 62 per cent compared to 60 per cent in the first quarter last year.

Employee benefit expenses amounted to NOK 22.2 million for the quarter, an increase from NOK 19.3 million from the corresponding quarter of 2023. The increase was primarily driven by additional allocation of payroll expenses from the factories and wage inflation in Hungary.

Other operating expenses amounted to NOK 16.3 million, on par with the level reported in the first quarter of 2023.

EBITDA for the first quarter of 2024 amounted to NOK 54.7 million (NOK 47.0 million), representing a margin of 36 per cent (35 per cent).

EBIT was NOK 41.7 million in the first quarter of 2024 (NOK 36.6 million), representing a margin of 28 per cent (27 per cent).

Main events

▼ Connectivity received a NOK 160 million order for delivery of On-Board Units to a new European blue-chip client, with deliveries scheduled for 2025.

PRODUCT INNOVATION & REALIZATION (PIR)

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

PIR – financial figures

<i>Amounts in NOK million</i>	First quarter	
	2024	2023
Revenues	145.2	112.4
Raw materials	96.9	61.2
Gross profit	48.3	51.2
Employee benefit expenses	30.8	23.9
Other operating expenses	8.8	9.0
EBITDA	8.6	18.2
Depreciation and amortisation	4.8	4.3
EBIT	3.8	13.9
Gross margin (%)	33%	46%
EBITDA margin (%)	6%	16%
EBIT margin (%)	3%	12%

Revenues amounted to NOK 145.2 million for the first quarter of the year, an increase of 29 per cent from the corresponding period last year (NOK 112.4 million). Adjusted for sale of inventory of NOK 14.7 million, the revenue growth was 16 per cent.

Revenues from contract manufacturing were NOK 124.2 million in the quarter, compared with NOK 84.8 million in the prior-year period.

PIR – revenue split

<i>Amounts in NOK million</i>	First quarter	
	2024	2023
Contract manufacturing	124.2	84.8
Customer reimbursement	0.0	3.7
R&D products and services	20.9	23.9
Total	145.2	112.4



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Gross margin for the first quarter was 33 per cent compared to 46 per cent in the first quarter last year. The margin decline was caused by sale of inventory, customer mix, lower utilisation on R&D services, as well as continued delivery on a low-margin project as communicated in the fourth quarter report. Gross margin is expected to increase towards a normalised level in the second quarter.

Employee benefit expenses amounted to NOK 30.8 million for the quarter, an increase from NOK 23.9 million in the corresponding quarter of 2023. The increase was primarily driven by strengthening of the organisation to support growth.

Other operating expenses amounted to NOK 8.8 million, on par with the level reported in the first quarter of 2023 (NOK 9.0 million).

EBITDA amounted to NOK 8.6 million for the first quarter of 2024 (NOK 18.2 million), representing a margin of 6 per cent (16 per cent). The results were negatively impacted by the lower gross margin and increased employee benefit expenses.

EBIT was NOK 3.8 million in the first quarter of 2024 (NOK 13.9 million), representing a margin of 3 per cent (12 per cent).

FINANCIAL POSITION AND LIQUIDITY

Consolidated financial position

Assets amounted to NOK 1 455.4 million at 31 March 2024, down from NOK 1 496.4 million at 31 December 2023.

Intangible assets amounted to NOK 308.6 million at the end of the first quarter of 2024, up from NOK 303.2 million at the end of the previous quarter. The increase is primarily explained by NOK 22.6 million in R&D investments, partly offset by amortisation.

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

Inventories amounted to NOK 496.6 million at the end of the first quarter of 2024, compared to NOK 562.0 million at the end of the fourth quarter last year. The decrease is a result of improved inventory management and sale of inventory.

SHARE INFORMATION

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

In the first quarter of 2024, the share traded between NOK 53.40 and NOK 71.00 per share, with a closing price of NOK 69.00 at 31 March 2024.

Trade receivables were NOK 172.6 million at 31 March 2024, on par with the level reported at year-end 2023.

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

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

The company had NOK 538.7 million in undrawn committed credit facilities at 31 March 2024.

Total equity was NOK 824.6 million at the end of the quarter, representing an equity ratio of 57 per cent, compared to NOK 793.4 million at the end of December last year. The increase in the quarter is primarily explained by a positive net profit.

Consolidated cash flow

Operating activities generated a cash flow of NOK 53.9 million for the first quarter of 2024 (NOK 109.9 million), including a net increase in the working capital of NOK 13.5 million (decrease of NOK 20.9 million).

Investing activities generated a cash outflow of NOK 31.0 million for the first quarter of 2024 (NOK 24.1 million), of which NOK 8.4 million invested in machinery, equipment and capitalisation of assets and NOK 22.6 million in R&D in the quarter. The R&D investments represented 5.6 per cent of the revenues in the quarter. As in previous quarters, the R&D investments primarily relate to broadening the product offering in the Oceans and Connectivity segments.

Financing activities led to a cash outflow of NOK 19.6 million in the quarter (cash outflow of NOK 86.0 million), following repayment of debt and leases.

At 31 March 2024, the company had approximately 2 800 shareholders, of which the 20 largest shareholders held 72.3 per cent of the total outstanding shares.

At 31 March 2024, the total number of shares in NORBIT ASA amounted to 60 017 415 and the number of outstanding shares was 59 973 855. At the same date, NORBIT ASA held 43 560 own shares.

NORBIT

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RISKS AND UNCERTAINTIES

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

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

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

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

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

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

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

OUTLOOK

The target for 2024, to deliver revenues of NOK 1.7 – 1.8 billion and an EBIT margin in line with the level reported in 2023, is reiterated. Growth is expected to be strongest within Oceans and PIR in 2024. First half revenues are expected to show a slight growth compared to the corresponding period of 2023. 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.

Heading into the survey season, and after a seasonally weak first quarter, Oceans is currently experiencing a sharp increase in activity, supported by strong demand for sonars across multiple geographies. Oceans is expected to report growth in second quarter and first half 2024 compared to the same periods last year, benefiting from its strategy of broadening the product offering.

Connectivity delivered a solid first quarter, driven by high demand for enforcement modules and units for satellite-based tolling. Rev-

enues for the coming quarter are expected to be in the range of NOK 90 – 100 million explained by lower deliveries of On-Board Units following rescheduling of orders.

The PIR segment is experiencing continued high demand for contract manufacturing from its diversified customer base within industries. The activity level is expected to remain high, with revenues anticipated to be between NOK 130 – 150 million based on the current outlook.

In addition to realising the organic growth potential, NORBIT will continue to explore value-accretive acquisitions through its defined criteria to accelerate further growth. The board remains optimistic about NORBIT's long-term outlook. 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.

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



Finn Haugan
Chair of the board



Bente Avnung Landsnes
Deputy chair of the board



Christina Hallin
Director



Trond Tuvstein
Director



Håkon Kavli
Director



Per Jørgen Weisethaunet
Chief executive officer



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CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

<i>Amounts in NOK million</i>	<i>Note</i>	Q1 2024	Q1 2023
Revenue	4	404.4	376.7
Raw materials and change in inventories		191.4	154.5
Employee benefit expenses		101.1	80.2
Depreciation and amortisation expenses	7, 9	32.0	25.8
Other operating expenses		38.9	37.6
Operating profit		41.1	78.5
Net financial items	6	(0.7)	(8.3)
Profit before tax		40.4	70.2
Income tax expense		(10.2)	(18.3)
Profit for the period		30.2	51.9

Attributable to:

Owners of the company		30.2	51.9
Non-controlling interests		0.0	0.0
Total		30.2	51.9

Average no. of shares outstanding - basic	10	59 973 855	59 076 389
Average no. of shares outstanding - diluted	10	60 105 052	59 183 229

Earnings per share

Basic (NOK per share)	10	0.50	0.88
Diluted (NOK per share)	10	0.50	0.88

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>Amounts in NOK million</i>	Q1 2024	Q1 2023
Profit for the period	30.2	51.9
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	1.0	6.6
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	1.0	6.6
Total comprehensive income for the period	31.2	58.5

Total comprehensive income for the period is attributable to:

Owners of the company	31.2	58.5
Non-controlling interests	0.0	0.0
Total	31.2	58.5



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<i>Amounts in NOK million</i>	<i>Note</i>	31.03.2024	31.12.2023
ASSETS			
Non-current assets			
Property, plant and equipment	7, 9	165.6	166.3
Right of use assets	9	60.2	54.2
Intangible assets	7	308.6	303.2
Goodwill	11	111.1	111.1
Deferred tax asset		14.7	13.9
Equity-accounted investees		0.6	0.7
Shares in other companies		5.9	5.9
Total non-current assets		666.7	655.2
Current assets			
Inventories		496.6	562.0
Trade receivables		172.6	170.3
Other receivables and prepayments		55.6	48.1
Cash and cash equivalents		64.0	60.7
Total current assets		788.7	841.1
Total assets		1 455.4	1 496.4
EQUITY AND LIABILITIES			
Non-current liabilities			
Interest-bearing borrowings	8	110.1	122.6
Lease liabilities	9	44.7	37.5
Deferred tax liabilities		3.0	3.1
Other non-current liabilities		1.8	8.7
Total non-current liabilities		159.5	171.9
Current liabilities			
Trade payables		116.6	174.5
Other current liabilities		187.1	191.8
Tax liabilities		64.7	58.7
Interest-bearing borrowings	8	86.5	88.9
Lease liabilities	9	16.4	17.2
Total current liabilities		471.3	531.1
Total liabilities		630.8	702.9
Equity			
Share capital	10	6.0	6.0
Share premium		367.7	367.7
Retained earnings		450.9	419.7
Non-controlling interests		0.0	0.0
Total equity		824.6	793.4
Total equity and liabilities		1 455.4	1 496.4



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in NOK million	Attributable to owners			Total	Non-con- trolling interests	Total equity
	Share capital	Share premium	Retained earnings			
Balance at 31 December 2023	6.0	367.7	419.7	793.4	0.0	793.4
Profit for the period	0.0	0.0	30.2	30.2	0.0	30.2
Other comprehensive income	0.0	0.0	1.0	1.0	0.0	1.0
Total comprehensive income for the period	0.0	0.0	31.2	31.2	0.0	31.2
Balance at 31 March 2024	6.0	367.7	450.9	824.6	0.0	824.6

Amounts in NOK million	Attributable to owners			Total	Non-con- trolling interests	Total equity
	Share capital	Share premium	Retained earnings			
Balance at 31 December 2022	5.9	319.9	273.5	599.3	0.0	599.3
Profit for the period	0.0	0.0	51.9	51.9	0.0	51.9
Other comprehensive income	0.0	0.0	6.6	6.6	0.0	6.6
Total comprehensive income for the period	0.0	0.0	58.5	58.5	0.0	58.5
Share issue	0.0	9.0	0.0	9.0	0.0	9.0
Total transactions with owners	0.0	9.0	0.0	9.0	0.0	9.0
Balance at 31 March 2023	5.9	328.9	332.0	666.9	0.0	666.9



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

<i>Amounts in NOK million</i>	Q1 2024	Q1 2023
Profit for the period	30.2	51.9
Adjustments for:		
Income tax expense recognised in profit or loss	10.2	18.3
Income taxes paid	(5.2)	(7.0)
Share of profit of associates	0.1	(0.0)
Depreciation and amortisation	32.0	25.8
Movements in working capital:		
(Increase)/decrease in trade receivables	(2.3)	15.3
(Increase)/decrease in inventories	65.4	(29.2)
Increase/(decrease) in trade payables	(57.9)	25.1
Increase/(decrease) in accruals	(18.8)	9.8
Net cash generated by operating activities	53.9	109.9
Cash flows from investing activities		
Payments for property, plant and equipment	(8.4)	(5.8)
Payments for intangible assets	(22.6)	(15.8)
Net cash outflow from acquisition and other shares	0.0	(2.4)
Net cash (used in)/generated by investing activities	(31.0)	(24.1)
Cash flows from financing activities		
Proceeds from borrowings	0.0	90.0
Repayment of borrowings	(6.4)	(92.3)
Repayment of lease liabilities	(4.4)	(3.2)
Net change in overdraft facility	(8.7)	(80.5)
Net cash (used in)/generated by financing activities	(19.6)	(86.0)
Net increase in cash and cash equivalents	3.3	(0.1)
Cash and cash equivalents at the beginning of the period	60.7	41.7
Cash and cash equivalents at the end of the period	64.0	41.7



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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 01 General

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

NORBIT is headquartered in Trondheim, with manufacturing in Europe and North America. In addition, as of 31 March 2024 NORBIT also had operations through its foreign subsidiaries in Denmark, Czech Republic, Poland, Austria, Hungary, Italy, Singapore, China, Sweden, Croatia, Slovakia, Brazil, United Kingdom, Chile, United States and Canada.

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

The consolidated financial statements of NORBIT ASA for the first quarter and three months ending 31 March 2024 incorporate the financial statements of the company and its subsidiaries (collectively referred to as the "group").

NOTE 02 Statement of compliance

The interim consolidated statements for the first quarter of 2024, ending 31 March 2024, were prepared in accordance with IAS 34 Interim Financial Reporting and are unaudited. The interim consolidated financial statements do not include all information and disclosures required in the annual financial statements, and should be read in conjunction with the group's annual report for 2023. The consolidated financial statements

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

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

NOTE 03 Significant accounting principles

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

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

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



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NOTE 04 Segment information

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

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

Q1 2024

<i>Amounts in NOK million</i>	Oceans	Connectivity	PIR	Group/Elim.	Total
Revenues	121.4	150.6	145.2	(12.7)	404.4
Raw materials and change in inventories	38.6	57.4	96.9	(1.5)	191.4
Employee benefit expenses	38.2	22.2	30.8	9.9	101.1
Other operating expenses	19.9	16.3	8.8	(6.1)	38.9
EBITDA	24.7	54.7	8.6	(14.9)	73.1
<i>EBITDA margin</i>	<i>20%</i>	<i>36%</i>	<i>6%</i>		18%
Depreciation	5.2	2.7	4.6	1.1	13.7
Amortisation and impairment	9.8	10.2	0.2	(1.9)	18.3
EBIT	9.7	41.7	3.8	(14.1)	41.1
<i>EBIT margin</i>	<i>8%</i>	<i>28%</i>	<i>3%</i>		10%
Total financial items (not allocated)					(0.7)
Profit before tax					40.4
Taxes (not allocated)					(10.2)
Profit after tax					30.2

Q1 2023

<i>Amounts in NOK million</i>	Oceans	Connectivity	PIR	Group/Elim.	Total
Revenues	135.7	136.3	112.4	(7.8)	376.7
Raw materials and change in inventories	39.8	54.3	61.2	(0.8)	154.5
Employee benefit expenses	28.6	19.3	23.9	8.4	80.2
Other operating expenses	18.3	15.7	9.0	(5.4)	37.6
EBITDA	49.1	47.0	18.2	(10.0)	104.3
<i>EBITDA margin</i>	<i>36%</i>	<i>35%</i>	<i>16%</i>		28%
Depreciation	4.9	2.1	4.1	0.7	11.8
Amortisation and impairment	5.4	8.4	0.2	0.0	14.0
EBIT	38.8	36.6	13.9	(10.7)	78.5
<i>EBIT margin</i>	<i>29%</i>	<i>27%</i>	<i>12%</i>		21%
Total financial items (not allocated)					(8.3)
Profit before tax					70.2
Taxes (not allocated)					(18.3)
Profit after tax					51.9



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NOTE 05 Derivative financial instruments

The group has the following derivative financial instruments:

	31.03.24	31.12.23
Foreign currency forwards EUR/NOK (amounts in EUR)	-	-
Foreign currency forwards USD/EUR (amounts in USD)	-	-
Average FX rate in contract (EUR/NOK)	-	-
Average FX rate in contract (USD/NOK)	-	-
Fair value of contracts based on MTM reports from counterpart banks (NOK million)	-	-

NOTE 06 Net financial items

Net financial items consist of:

Amounts in NOK million	Q1 2024	Q1 2023
Share of profit of associates	(0.1)	0.0
Net interest income / (expense)	(8.1)	(6.7)
Agio/disagio and other financial expenses	7.6	(1.7)
Net financial items	(0.7)	(8.3)

NOTE 07 Property, plant and equipment and intangible assets

Amounts in NOK million	Land and properties	Machinery, fixtures and fittings	Intangible assets
Balance at 31 December 2023	61.9	104.4	303.2
Additions	0.4	8.0	0.0
Depreciation	(1.6)	(7.6)	0.0
Capitalised development	0.0	0.0	22.6
Amortisation	0.0	0.0	(18.3)
Currency effects	0.0	0.2	1.1
Balance at 31 March 2024	60.7	104.8	308.6

The group invested NOK 22.6 million in intangible assets in the first quarter 2024. The capital expenditures were primarily related to broadening the product offering in the Oceans and Connectivity segments. The development projects progressed as planned during the year.

Total investments in property, plant and equipment were NOK 8.4 million in the first quarter 2024, primarily related to machinery and equipment.

At the end of each reporting period, the group assess whether there are indications that any tangible or intangible asset has been impaired. If such indications are present, an estimate to the recoverable amount of the asset is calculated. No indications of impairment were identified as of 31 March 2024.



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NOTE 08 Interest-bearing borrowings

<i>Amounts in NOK million</i>	31.03.2024	31.12.2023
Overdraft facility	11.3	20.0
Term loans	161.5	166.8
Other borrowings	23.7	24.7
Total interest-bearing borrowings	196.5	211.5
Non-current borrowings	110.1	122.6
Current borrowings	86.5	88.9
Total interest-bearing borrowings	196.5	211.5

The group had four main loan facilities per end of Q1 2024, comprising of a long-term revolving credit facility (RCF), a short-term overdraft facility and two term loans. The credit limits are NOK 200 million and NOK 350 million on the RCF and overdraft facility, respectively.

NORBIT had drawn NOK 11.3 million on the overdraft facility as of March 31, 2024, while the RCF was undrawn. NOK 161.5 million was outstanding on the two terms loans.

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

The financial covenants are as follows:

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

At 31 March 2024, NORBIT was in compliance with both financial covenants.

NOTE 09 Right-of-use assets and lease liabilities

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

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

<i>Amounts in NOK million</i>	Right of use assets			Lease liabilities
	Office rent	Machinery and vehicles	Total	
Balance at 31 December 2023	22.2	32.0	54.2	54.7
Additions	2.3	8.1	10.4	10.4
Depreciation expense	(3.1)	(1.4)	(4.4)	0.0
Interest expense	0.0	0.0	0.0	0.3
Lease payments	0.0	0.0	0.0	(4.4)
Balance at 31 March 2024	21.4	38.7	60.2	61.0



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NOTE 10 Share capital and equity

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

At 31 March 2024, the total number of shares in NORBIT ASA amounted to 60 017 415 and the number of outstanding shares was 59 973 855, each with a par value of NOK 0.10 per share. At the same date, NORBIT ASA held 43 560 own shares. All

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

At 31 March 2024, there were 131 197 restricted stock units ('RSUs') outstanding. The RSU will vest in second quarter 2024 and 2025. The RSUs are included in the calculation of diluted earnings per share.

NOTE 11 Business combination

CPS AS

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

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

Amounts in NOK million

Purchase price

Purchase price

Considerations shares	9.0
Cash consideration	3.6
Total	12.6

Recognised amount of identifiable assets and acquired liabilities assumed

Technology	4.8
Customer relationships	11.4
Inventories	0.0
Trade receivables	2.0
Cash and cash equivalents	1.3
Deferred tax liability	(3.2)
Interest-bearing borrowings	(1.5)
Trade payables	(1.1)
Other current liabilities	(1.2)
Total identifiable net assets	12.6
Cash and cash equivalents in acquired business	1.3
Total cash outflow from acquisition of business	2.3



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Seahorse Geomatics

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

265 670 consideration shares at a price of NOK 39.22, or NOK 10.4 million, NOK 8.7 million in cash and a seller credit of NOK 7.1 million. The seller credit will be repaid in equal instalments in second quarter 2024 and second quarter 2025.

<i>Amounts in NOK million</i>	<i>Purchase price</i>
Purchase price	
Considerations shares	10.4
Cash consideration	8.7
Seller credit	7.1
Total	26.2
Recognised amount of identifiable assets and acquired liabilities assumed ¹⁾	
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

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

Ping Digital Signal Processing

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

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

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

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



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NOTE 12 Related party transactions

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

NOTE 13 Subsequent events

NORBIT ASA held its annual general meeting 6 May 2024. All proposed resolutions were approved, including the annual accounts for 2023 and the board's proposal to distribute a dividend of NOK 2.55 per share.



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DEFINITIONS OF ALTERNATIVE PERFORMANCE MEASURES NOT DEFINED BY IFRS

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



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Definitions of alternative performance measures not defined by IFRS

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