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# INTERIM REPORT

## Q4 2022





# NORBIT

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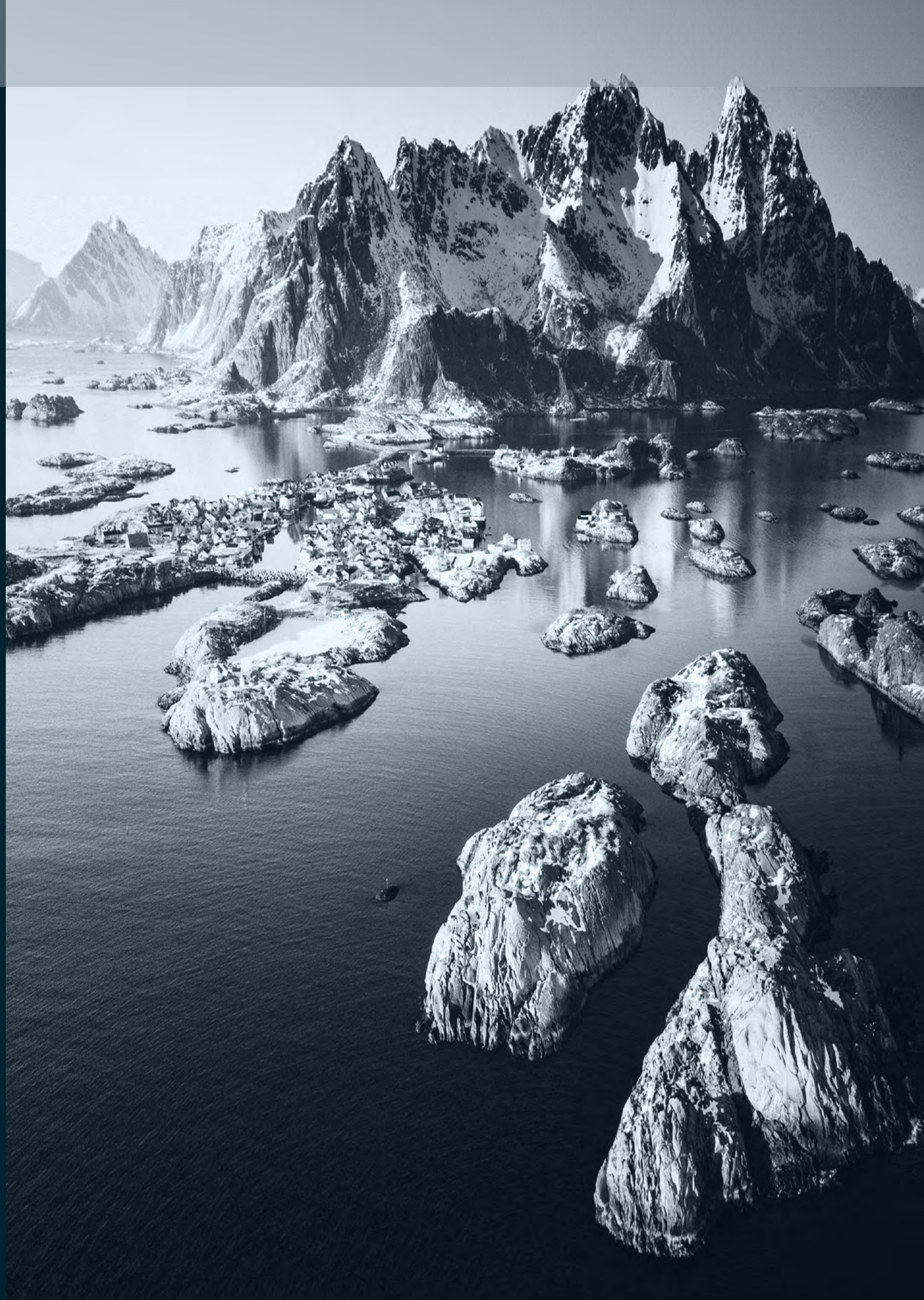
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# HIGHLIGHTS

## SUMMARY OF THE FOURTH QUARTER AND PRELIMINARY ANNUAL RESULTS 2022

- In 2022, NORBIT continued to make solid progress towards its ambition level to deliver revenues of NOK 1.5 billion and an EBITDA margin above 25 per cent in 2024. Revenues for the year ended at NOK 1 167.5 million, up 48 per cent from 2021, exceeding the guidance provided. The EBITDA was NOK 235.3 million, an increase from NOK 142.6 million in 2021, and the EBITDA margin improved to 20 per cent.
- In the fourth quarter, NORBIT delivered all-time high revenues of NOK 347.3 million and an EBITDA result of NOK 66.5 million, representing a margin of 19 per cent. Revenues grew by 40 per cent from the fourth quarter of 2021, with all three segments contributing to the growth.
- Segment Oceans reported revenues of NOK 127.0 million, up from NOK 116.6 million in the fourth quarter of 2021 as a result of continued growth in sale of sonars. The EBITDA margin in the quarter was 32 per cent. For the full year, the segment delivered revenues of NOK 443.0 million and an EBITDA margin of 33 per cent.
- Segment Connectivity reported revenues of NOK 80.7 million, up 25 per cent from NOK 64.6 million in the corresponding quarter of 2021. The EBITDA margin was 30 per cent. Growth was primarily driven by increased demand for dedicated short-range communications technology ("DSRC") products. For the full year, Connectivity delivered revenues of NOK 308.0 million and an EBITDA margin of 25 per cent.
- Segment Product Innovation & Realization (PIR) reported NOK 150.2 million in revenues in the fourth quarter, up 96 per cent from NOK 76.5 million in the corresponding quarter of 2021. The increase in revenues was primarily driven by contract manufacturing on solid demand from automotive clients and new customers, as well as customer reimbursements for extraordinary material costs. The EBITDA margin for the quarter was 9 per cent. For the full year, the segment delivered revenues of NOK 456.5 million and an EBITDA margin of 10 per cent.
- Diluted earnings per share were NOK 0.67 for the fourth quarter, up from NOK 0.21 one year earlier. For the full year, earnings per share more than doubled to NOK 1.82 from NOK 0.83 in 2021.
- The Board of Directors proposes a dividend for the fiscal year 2022 of NOK 0.70 per share, representing 38 per cent of the reported net profit, in line with the dividend policy.
- In 2023, NORBIT targets to deliver revenues in excess of NOK 1.4 billion and continued margin improvement.

## SUBSEQUENT EVENTS

- Connectivity received a NOK 150 million order for On-Board Units with delivery in the first half of 2023. Discussions are ongoing with respect to additional volume deliveries in the second half of 2023.



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# FOURTH QUARTER AND PRELIMINARY ANNUAL RESULTS 2022

## FINANCIAL REVIEW

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

### PROFIT AND LOSS

**Revenues** for the fourth quarter of 2022 amounted to NOK 347.3 million, representing an increase of 40 per cent compared to the corresponding quarter of 2021 (NOK 248.9 million). All segments reported an increase in revenues compared to the same period last year. Further details are provided in the review of the segments.

For the full year of 2022, NORBIT's revenues came in at NOK 1 167.5 million, an increase of 48 per cent compared to full year 2021 (NOK 787.8 million).

**Raw material expenses and inventory changes** were NOK 176.3 million for the fourth quarter (NOK 110.5 million). The increase from the same period last year is primarily explained by the higher activity level. The gross margin was 49 per cent (56 per cent).

For the full year 2022, raw material expenses and inventory changes amounted to NOK 549.5 million (NOK 363.3 million). The gross margin for the year was 53 per cent, on par with the level reported in 2021.

**Employee benefit expenses** amounted to NOK 73.4 million for the fourth quarter this year (NOK 62.5 million). The increase from last year is primarily explained by a strengthening of the organisation to support further growth and strategic initiatives.

In 2022, a total of NOK 250.2 million incurred in employee benefit expenses (NOK 187.7 million).

**Other operating expenses** amounted to NOK 31.0 million (NOK 34.4 million) for the fourth quarter of 2022.

For the full year, a total of NOK 132.4 million (NOK 95.5 million) incurred in other operating expense, of which full-year contribution from iData explains NOK 15.9 million of the increase from 2021.

**EBITDA** amounted to NOK 66.5 million for the fourth quarter (NOK 41.5 million), corresponding to a margin of 19 per cent (17 per cent).

For the full year, EBITDA was NOK 235.3 million (NOK 142.6 million), representing a margin of 20 per cent (18 per cent).

**Operating profit (EBIT)** came in at NOK 42.6 million for the fourth quarter (NOK 21.9 million), representing a margin of 12 per cent (9 per cent).

For the full year, EBIT was NOK 148.8 million (NOK 73.5 million), corresponding to a margin of 13 per cent (9 per cent).

**Net financial items** amounted to negative NOK 8.9 million for the quarter (negative NOK 4.6 million). This included NOK 5.4 million in net interest expenses and NOK 3.6 million in foreign exchange losses and other financial expenses.

**Net financial items** for the whole of 2022 ended at negative NOK 28.0 million, compared with negative NOK 9.8 million in 2021.

**A tax income** of NOK 6.1 million was recorded for the quarter (negative NOK 5.2 million) and a tax expense of NOK 14.1 million for the full year (NOK 15.9 million).

**Profit for the period** was NOK 39.8 million (NOK 12.1 million) and NOK 106.7 million for the year (NOK 47.9 million). Diluted earnings per share were NOK 0.67 (NOK 0.21) and NOK 1.82 for the year (NOK 0.83).

## CONSOLIDATED KEY FIGURES\*

Amounts in NOK million (except percentages and EPS)	Fourth quarter		Full year	
	2022	2021	2022	2021
Revenues	<b>347.3</b>	248.9	<b>1 167.5</b>	787.8
EBITDA	<b>66.5</b>	41.5	<b>235.3</b>	142.6
EBITDA margin (%)	<b>19%</b>	17%	<b>20%</b>	18%
EBIT	<b>42.6</b>	21.9	<b>148.8</b>	73.5
EBIT margin (%)	<b>12%</b>	9%	<b>13%</b>	9%
Profit for the period	<b>39.8</b>	12.1	<b>106.7</b>	47.9
Earnings per share (EPS) - diluted	<b>0.67</b>	0.21	<b>1.82</b>	0.83

\* See definitions on page 9.

# NORBIT

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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

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

The segment has generally 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.

#### Key figures – Oceans

NOK million	Fourth quarter		Full year	
	2022	2021	2022	2021
Revenues	127.0	116.6	443.0	378.5
Raw materials	45.2	43.6	149.8	139.2
<b>Gross profit</b>	<b>81.8</b>	73.1	<b>293.2</b>	239.3
Operating expenses	41.2	35.8	145.6	105.6
<b>EBITDA</b>	<b>40.6</b>	37.3	<b>147.6</b>	133.6
Depreciation and amortisation	9.7	7.1	33.2	24.7
<b>EBIT</b>	<b>30.8</b>	30.2	<b>114.4</b>	108.9
Gross margin (%)	64%	63%	66%	63%
EBITDA margin (%)	32%	32%	33%	35%
EBIT margin (%)	24%	26%	26%	29%

Revenues amounted to NOK 127.0 million for the fourth quarter of 2022, an increase of 9 per cent from the same period last year (NOK 116.6 million). The improvement was driven by sale of sonars which increased 27 per cent. The increase in sonar sales was partly offset by lower revenue generation within environmental monitoring in the quarter.

For the full year, Oceans recorded revenues of NOK 443.0 million, 17 per cent higher than for 2021 (NOK 378.5 million).

Revenue growth was primarily driven by the entry into the security market, with NORBIT recognising NOK 23.2 million in revenues in 2022, in addition to increasing demand for sonars. Revenues from sale of sonars and related services increased 18 per cent to NOK 360.9 million in 2022. The WINGHEAD sonar platform was a strong contributor to the revenue growth in 2022, representing 37 per cent of the sonar systems sold and growing at a rate of 72 per cent year over year. During the year, Oceans' continued to invest in the platform, expanding product offering into new applications.

Gross margin for the fourth quarter ended at 64 per cent compared to 63 per cent in the fourth quarter last year.

For the full year, the gross margin was 66 per cent, compared to 63 per cent in 2021.

Operating expenses, including employee expenses and other operating expenses, amounted to NOK 41.2 million for the fourth quarter of 2022 (NOK 35.8 million). The increase is primarily explained by a strengthening of the organisation.

For the full year of 2022, operating expenses came in at NOK 145.6 million (NOK 105.6 million).

EBITDA for the Oceans segment amounted to NOK 40.6 million for the quarter (NOK 37.3 million), representing a margin of 32 per cent (32 per cent).

For the full year, EBITDA was NOK 147.6 million (NOK 133.6 million), resulting in an EBITDA margin of 33 per cent (35 per cent).

EBIT was NOK 30.8 million in the fourth quarter of 2022 (NOK 30.2 million), corresponding to a margin of 24 per cent (26 per cent).

For the full year, EBIT was NOK 114.4 million (NOK 108.9 million), resulting in an EBIT margin of 26 per cent (29 per cent).

## CONNECTIVITY

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

#### Key figures – Connectivity

NOK million	Fourth quarter		Full year	
	2022	2021	2022	2021
Revenues	80.7	64.6	308.0	146.3
Raw materials	28.3	20.2	109.7	50.5
<b>Gross profit</b>	<b>52.3</b>	44.4	<b>198.3</b>	95.7
Operating expenses	28.4	32.2	121.0	72.0
<b>EBITDA</b>	<b>23.9</b>	12.1	<b>77.4</b>	23.8
Depreciation and amortisation	9.5	7.9	36.9	22.8
<b>EBIT</b>	<b>14.5</b>	4.2	<b>40.5</b>	0.9
Gross margin (%)	65%	69%	64%	65%
EBITDA margin (%)	30%	19%	25%	16%
EBIT margin (%)	18%	7%	13%	1%

Revenues amounted to NOK 80.7 million for the fourth quarter of 2022, an increase of 25 per cent from the corresponding period of 2021 (NOK 64.6 million). The increase from last year was driven by continued strong demand for DSRC products.

For the full year, revenues came in at NOK 308.0 million (NOK 146.3 million), corresponding to an increase of 111 per cent. The increase was largely explained by higher sales of DSRC products, where revenues increased to NOK 231.0 million in 2022 (NOK 113.1 million), supported by increased deliveries of On-Board Units and satellite-based tolling units. Full-year effect of the iData acquisition contributed to further revenue growth in 2022. Adjusting for this effect, subscription and e-toll revenues in iData grew 15 per cent in 2022 from 2021.

Gross margin for the fourth quarter was 65 per cent compared to 69 per cent in the fourth quarter last year. The decrease is explained by the revenue mix with DSRC products increasing share of revenues where the gross margin is lower than for the subscription and e-toll-based part of the business.



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For the year, the gross margin for Connectivity was 64 per cent, compared to 65 per cent in 2021.

**Operating expenses** amounted to NOK 28.4 million for the quarter, a decrease of NOK 3.8 million compared to the corresponding period last year (NOK 32.2 million).

For the full year, Connectivity recorded a total of NOK 121.0 million in operating expenses (NOK 72.0 million). Full-year contribution from iData explains NOK 31.6 million of the increase from 2021.

**EBITDA** for the fourth quarter of 2022 amounted to NOK 23.9 million (NOK 12.1 million), representing a margin of 30 per cent (19 per cent).

For the full year 2022, EBITDA was NOK 77.4 million (NOK 23.8 million), representing a margin of 25 per cent (16 per cent).

The increase in EBITDA is explained by the higher revenue base and profit contribution from iData, partly offset by higher operating expenses.

**EBIT** was NOK 14.5 million in the fourth quarter of 2022 (NOK 4.2 million), representing a margin of 18 per cent (7 per cent).

For the full year, EBIT was NOK 40.5 million (NOK 0.9 million), resulting in an EBIT margin of 13 per cent (1 per cent).

#### Main events

- Subsequent to quarter-end, Connectivity received a NOK 150 million order for On-Board Units with delivery in the first half of 2023. Discussions are ongoing with respect to additional volume deliveries in the second half of 2023.

### PRODUCT INNOVATION & REALIZATION (PIR)

The Product Innovation & 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 tailored proprietary technology, including special instrumentation based on radar, radio frequency and embedded signal processing technology.

#### Key figures – PIR

NOK million	Fourth quarter		Full year	
	2022	2021	2022	2021
Revenues	150.2	76.5	456.5	291.0
Raw materials	108.9	49.4	307.4	181.0
<b>Gross profit</b>	<b>41.2</b>	27.1	<b>149.1</b>	110.0
Operating expenses	27.9	24.6	101.3	93.6
<b>EBITDA</b>	<b>13.3</b>	2.6	<b>47.8</b>	16.4
Depreciation and amortisation	3.8	3.9	13.8	20.3
<b>EBIT</b>	<b>9.5</b>	(1.4)	<b>34.0</b>	(3.8)
Gross margin (%)	27%	35%	33%	38%
EBITDA margin (%)	9%	3%	10%	6%
EBIT margin (%)	6%	(2%)	7%	(1%)

**Revenues** amounted to NOK 150.2 million for the fourth quarter of the year, almost a doubling from the corresponding period last year (NOK 76.5 million). The increase is primarily explained by higher activity within contract manufacturing and customer reimbursements for extraordinary material costs.

Demand from the automotive clients was particularly solid in the fourth quarter. The strong revenue growth was also driven by increased deliveries to new customers.

Prices of certain components have increased significantly due to low availability. To compensate for this cost increase, NORBIT invoices customers for the additional cost. NORBIT recognised NOK 38.3 million in revenues from such reimbursements in the quarter, compared to NOK 14.2 million in the corresponding quarter of last year. Adjusted for this effect, revenues grew by 79 per cent year over year.

For the full year 2022, revenues amounted to NOK 456.5 million (NOK 291.0 million), an increase of 57 per cent year over year. Adjusted for customer reimbursements, revenue growth was 39 per cent.

**Gross margin** for the fourth quarter was 27 per cent compared to 35 per cent in the fourth quarter last year. Adjusted for the customer reimbursement effect in revenues and raw material costs, the gross margin was 37 per cent in the quarter, compared to 44 per cent in the fourth quarter of 2021. The margin decline is primarily explained by some sale of inventory at cost.

For the full year, the gross margin was 33 per cent, compared to 38 per cent in 2021. Adjusted for the customer reimbursement effect, the gross margin was 43 per cent for the year, compared to 44 per cent in 2021.

**Operating expenses** for the PIR segment amounted to NOK 27.9 million for the fourth quarter (NOK 24.6 million). The increase is primarily explained by payroll increase following a strengthening of the organisation.

For the full year, operating expenses came in at NOK 101.3 million (NOK 93.6 million).

**EBITDA** amounted to NOK 13.3 million for the fourth quarter of 2022 (NOK 2.6 million), representing a margin of 9 per cent (3 per cent). Adjusted for customer reimbursements, the margin was 12 per cent.

For the full year, the PIR segment has recorded an EBITDA of NOK 47.8 million (NOK 16.4 million), a margin of 10 per cent (6 per cent). Adjusted for customer reimbursements, the full year margin was 14 per cent (7 per cent).

**EBIT** was NOK 9.5 million in the fourth quarter of 2022 (negative NOK 1.4 million), representing a margin of 6 per cent (negative 2 per cent).

For the full year, EBIT was NOK 34.0 million (negative NOK 3.8 million), resulting in an EBIT margin of 7 per cent (negative 1 per cent).

### FINANCIAL POSITION AND LIQUIDITY

#### Consolidated financial position

**Assets** amounted to NOK 1 220.8 million at 31 December 2022, up from NOK 1 122.8 million at 30 September this year and NOK 976.9 million at 31 December 2021.

**Intangible assets** amounted to NOK 258.8 million at the end of the fourth quarter of 2022, on par with the level reported at the end of the previous quarter and up from NOK 242.3 million at the end of 2021.

**Goodwill** stood at NOK 84.4 million at 31 December 2022, up from NOK 82.1 million at 30 September 2022 and year-end 2021. The increase is explained by the acquisition of Aursund Maskinering. Reference is made to note 11 to the financial statements. Goodwill primarily relates to the acquisition of iData in 2021.

**Inventories** amounted to NOK 426.3 million at the end of the fourth quarter of 2022, compared to NOK 430.7 million at the end of the third quarter and NOK 263.2 million at the end of 2021. The increase in inventory during 2022 is primarily related to the activity increase and NORBIT securing components to safeguard





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deliveries due to the challenging situation in the market for supply of electronic components.

**Trade receivables** were NOK 168.0 million at 31 December 2022, up from NOK 106.9 million at 30 September 2022 and NOK 154.9 million at year-end 2021. The increase from the previous quarter is primarily explained by the revenue growth and intra-quarter effects with revenues skewed towards the back end of the quarter.

**Cash and cash equivalents** amounted to NOK 41.7 million at the end of the year, compared to NOK 30.6 million at the end of September and NOK 21.7 million at the end of 2021.

**Interest-bearing borrowings** totalled NOK 337.4 million at the end of the fourth quarter, compared to NOK 307.4 million three months earlier and NOK 288.2 million at the end of 2021.

The company had NOK 439.4 million in undrawn committed credit facilities at 31 December 2022.

During the quarter, NORBIT secured a new NOK 120 million term loan and refinanced its overdraft facility by increasing the credit limit with NOK 100 million to NOK 350 million. The margin on the overdraft facility remains unchanged at 1.40 per cent p.a., while the margin on the new term loan is 2.15 per cent p.a.

**Total equity** was NOK 599.3 million at the end of the quarter, representing an equity ratio of 49 per cent, compared to NOK 557.6 million at the end of September this year and NOK 497.9 million at the end of 2021. The increase in the quarter is primarily explained by a positive net profit.

## SHARE INFORMATION

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

In the fourth quarter of 2022, the share traded between NOK 23.50 and NOK 30.00 per share, with a closing price of NOK 28.80 at 31 December 2022.

At 31 December 2022, the company had approximately 1 800 shareholders, of which the 20 largest shareholders held 80.4 per cent of the total outstanding shares.

## 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 2021.

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 products and systems. A large portion of the components are bought in a global market.

There are signs of some improvement in the supply environment for components, but for certain semiconductor components the supply market is still challenging. Lead times remain elevated and are unreliable, resulting in low visibility. This impacts the scheduling of planned deliveries leading to delays and, in worst

### Consolidated cash flow

**Operating activities** generated a cash flow of NOK 7.0 million for the fourth quarter of 2022 (negative NOK 2.6 million), including a net increase in the working capital of NOK 42.2 million (increase of NOK 39.5 million), mainly related to an increase in trade receivables and a decrease in trade payables.

For 2022 in total, operating activities generated a cash flow of NOK 84.5 million (NOK 47.7 million), including a net increase in the working capital of NOK 112.0 million (increase of NOK 83.7 million).

**Investing activities** generated a cash outflow of NOK 27.2 million for the fourth quarter of 2022 (NOK 19.6 million). This mainly included NOK 10.8 million invested in machinery, equipment and capitalisation of assets, NOK 11.8 million in R&D investments and NOK 7.8 million in net cash outflow relating to the acquisition of Aursund Maskinering. The R&D investments represented 3.4 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.

For the twelve months ended 31 December 2022, cash outflow from investment activities was NOK 96.4 million (NOK 217.6 million). This mainly includes NOK 60.5 million in investments in R&D, NOK 31.5 million in investments in fixed assets and NOK 9.3 million in net cash outflow relating to acquisitions.

**Financing activities** led to a cash inflow of NOK 31.4 million in the quarter (cash inflow of NOK 14.7 million) following a net increase in borrowings.

For the full year of 2022, NORBIT had a positive cash flow of NOK 31.8 million from financing activities (NOK 176.6 million), primarily explained by an increase in interest-bearing borrowings of NOK 44.7 million and proceeds from equity issues of NOK 9.6 million, partly offset by dividends paid of NOK 17.5 million.

At 31 December 2022, the total number of shares in NORBIT ASA amounted to 58 901 139 and the number of outstanding shares was 58 884 307. At the same date, NORBIT ASA held 16 832 own shares.

case, cancellation of planned orders. There is also a risk that customers may re-schedule orders due to challenges in their own supply chain beyond the scope of NORBIT.

NORBIT is working actively to manage unreliable lead times and to mitigate the risk of supply shortages by purchasing larger series of components to inventory, 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 increase in inventory requires careful management as changes in market dynamics or reduced demand may negatively impact NORBIT as supplier, potentially leading to obsolete inventory that has not been provided for in the financial statements.



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Price increases on raw materials components continue to persist. Over the last year, inflation has become broader and remain elevated. Combined, this leads to upwards pressure on the cost base. NORBIT continues to manage inflation by taking appropriate measures to maintain acceptable margins.

Given NORBIT's dependency on foreign trade, business operation is subject to regulatory and political risk, including, but not limited to, regulatory changes,

trade barriers, increased tariffs, restrictive governmental actions and changes in laws and policies.

Following the war in Ukraine, geopolitical risk has increased. While NORBIT has no direct exposure to Ukraine, Belarus or Russia, the war could have indirect effects on NORBIT through the supply chain, which may lead to disruptions and shortage of components.

## OUTLOOK

Activity has been high in all three business segments in the first weeks of 2023, and the board is optimistic about the outlook for the year. The target for 2023 is to deliver revenues in excess of NOK 1.4 billion, supported by growth 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. Margins are expected to continue improving.

Subsurface navigation and seabed mapping for inspection continues to be a growing market for Oceans' sonar platform, in particular towards the renewable energy market and for autonomous navigation. Launch of new product innovations will expand the addressable market further, where Oceans is benefiting from its global sales and distribution platform. In addition, given the current geopolitical unrest, Oceans is well positioned for continued growth with its security and monitoring solutions, providing a range of products to detect and monitor activity both over and below the sea surface. First quarter has started out well and Oceans is targeting to deliver growth compared to the corresponding period of 2022.

Connectivity continues to benefit from strong demand for DSRC products and its strategy of partnering with the insurance industry on existing products and innovations, evidenced by the recently awarded NOK 150 million contract to deliver On-Board Units in the first half of 2023. Discussions are ongoing with respect to additional deliveries in the second half of the year. Supported by this award, Connectivity is expected to report revenues between NOK 270 – 300 million in the first six months of 2023. Capitalising on its capabilities within low power wireless devices for asset monitoring and safety solutions, Connectivity is investing in new innovations to broaden the product offering further to secure long-term growth.

Growth in segment PIR is supported by a general electrification trend and an increasing preference among new clients to manufacture products in geographical

proximity to its operations. In the first quarter, PIR is expected to report growth from the corresponding quarter of 2022.

Over the last years, NORBIT has made significant investments in broadening the product offering, expanding the production capacity and increasing inventories to maintain a safety stock of components to safeguard deliveries and seize opportunities. These strategic decisions have been an enabler for organic growth and enhanced the flexibility, positioning NORBIT to deliver on larger contracts. Continued long-term growth will require further investments in R&D to broaden the product portfolio and in manufacturing equipment. In 2023, NORBIT expects its R&D investments to be NOK 60 – 70 million, while investments in fixed assets are anticipated to be NOK 35 – 45 million.

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 of Directors 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 adapt and to successfully introduce new market-driven innovation makes the company robust.

For the fiscal year 2022, the Board of Directors proposes a dividend of NOK 0.70 per share, in line with the company's dividend policy. When proposing the annual dividend, the Board of Directors has considered the company's financial position, investment plans and the needed financial flexibility to provide for sustainable growth. Considering NORBIT's solid liquidity position, the Board of Directors considers the financial capacity for further profitable growth to be strong.

The board wishes to thank its external stakeholders for their continued support, as well as thank all employees for their efforts and for the results achieved in 2022.

Trondheim, Norway, 14 February 2023  
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

Magnus Reitan  
Director

Per Jørgen Weisethaunet  
Chief executive officer





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## DEFINITIONS OF ALTERNATIVE PERFORMANCE MEASURES NOT DEFINED BY IFRS

<b>EBITDA</b>	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.
<b>EBITDA margin</b>	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.
<b>EBIT</b>	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.
<b>EBIT margin</b>	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.
<b>Equity ratio</b>	Total equity divided by total assets. The equity ratio is a key performance indicator that the company considers relevant for assessing its financial leverage.
<b>Net interest-bearing debt</b>	Net interest-bearing debt is defined as total interest-bearing borrowings less cash and cash equivalents.
<b>Gross profit</b>	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.
<b>Gross margin</b>	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.



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# CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

<i>Amounts in NOK million</i>	<i>Note</i>	<b>Q4 2022</b>	Q4 2021	<b>2022</b>	2021
Revenue	4	<b>347.3</b>	248.9	<b>1 167.5</b>	787.8
Other gains and losses		-	-	-	1.2
Raw materials and change in inventories		<b>176.3</b>	110.5	<b>549.5</b>	363.3
Employee benefit expenses		<b>73.4</b>	62.5	<b>250.2</b>	187.7
Depreciation and amortisation expenses	7, 9	<b>24.0</b>	19.7	<b>86.5</b>	69.0
Other operating expenses		<b>31.0</b>	34.4	<b>132.4</b>	95.5
<b>Operating profit</b>		<b>42.6</b>	21.9	<b>148.8</b>	73.5
Net financial items	6	<b>(8.9)</b>	(4.6)	<b>(28.0)</b>	(9.8)
<b>Profit before tax</b>		<b>33.7</b>	17.3	<b>120.8</b>	63.7
Income tax expense	12	<b>6.1</b>	(5.2)	<b>(14.1)</b>	(15.9)
<b>Profit for the period</b>		<b>39.8</b>	12.1	<b>106.7</b>	47.9
<b>Attributable to:</b>					
Owners of the Company		<b>39.8</b>	12.1	<b>106.7</b>	47.9
Non-controlling interests		-	-	-	-
<b>Total</b>		<b>39.8</b>	12.1	<b>106.7</b>	47.9
Average no. of shares outstanding - basic	10	<b>58 884 307</b>	58 459 302	<b>58 662 698</b>	57 467 325
Average no. of shares outstanding - diluted	10	<b>59 006 566</b>	58 459 302	<b>58 725 000</b>	57 467 325
<b>Earnings per share</b>					
Basic (NOK per share)	10	<b>0.68</b>	0.21	<b>1.82</b>	0.83
Diluted (NOK per share)	10	<b>0.67</b>	0.21	<b>1.82</b>	0.83

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>Amounts in NOK million</i>	<b>Q4 2022</b>	Q4 2021	<b>2022</b>	2021
<b>Profit for the period</b>	<b>39.8</b>	12.1	<b>106.7</b>	47.9
<b>Items that may be reclassified to profit or loss</b>				
Exchange differences on translation of foreign operations	<b>1.9</b>	(4.3)	<b>1.5</b>	(3.2)
<b>Items that will not be reclassified to profit or loss</b>				
Changes in the fair value of equity investments at fair value through other comprehensive income	-	-	-	-
<b>Other comprehensive income for the period, net of tax</b>	<b>1.9</b>	(4.3)	<b>1.5</b>	(3.2)
<b>Total comprehensive income for the period</b>	<b>41.7</b>	7.8	<b>108.2</b>	44.7
<b>Total comprehensive income for the period is attributable to:</b>				
Owners of the Company	<b>41.7</b>	7.8	<b>108.2</b>	44.7
Non-controlling interests	-	-	-	-
<b>Total</b>	<b>41.7</b>	7.8	<b>108.2</b>	44.7





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## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>Amounts in NOK million</i>	<i>Note</i>	<b>31.12.2022</b>	30.09.2022	31.12.2021
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	7, 9	<b>187.7</b>	162.4	164.9
Intangible assets	7	<b>258.8</b>	258.6	242.3
Goodwill	11	<b>84.4</b>	82.1	82.1
Deferred tax asset	12	<b>15.6</b>	-	13.3
Equity-accounted investees		<b>0.7</b>	0.6	0.9
Shares in other companies		<b>0.6</b>	0.6	0.2
Other non-current assets		-	-	-
<b>Total non-current assets</b>		<b>547.8</b>	504.4	503.8
<b>Current assets</b>				
Inventories		<b>426.3</b>	430.7	263.2
Trade receivables		<b>168.0</b>	106.9	154.9
Other receivables and prepayments		<b>37.0</b>	50.2	33.3
Cash and cash equivalents		<b>41.7</b>	30.6	21.7
<b>Total current assets</b>		<b>673.0</b>	618.4	473.2
<b>Total assets</b>		<b>1 220.8</b>	1 122.8	976.9
<b>EQUITY AND LIABILITIES</b>				
<b>Liabilities</b>				
Interest-bearing borrowings	8	<b>154.6</b>	156.6	162.6
Lease liabilities	9	<b>24.0</b>	9.1	6.5
Other non-current liabilities		<b>9.0</b>	9.6	7.2
<b>Total non-current liabilities</b>		<b>187.6</b>	175.4	176.3
Trade payables		<b>132.6</b>	151.4	100.2
Other current liabilities		<b>93.3</b>	70.4	59.7
Tax liabilities		<b>13.4</b>	8.5	8.8
Interest-bearing borrowings	8	<b>182.8</b>	150.8	125.6
Lease liabilities	9	<b>11.8</b>	8.7	8.5
<b>Total current liabilities</b>		<b>433.8</b>	389.9	302.7
<b>Total liabilities</b>		<b>621.5</b>	565.2	479.1
<b>Equity</b>				
Share capital	10	<b>5.9</b>	5.9	5.8
Share premium		<b>319.9</b>	319.9	308.8
Retained earnings		<b>273.5</b>	231.7	183.3
Non-controlling interests		-	-	-
<b>Total equity</b>		<b>599.3</b>	557.6	497.9
<b>Total equity and liabilities</b>		<b>1 220.8</b>	1 122.8	976.9



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## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in NOK million	Note	Attributable to owners			Total	Non-controlling interests	Total equity
		Share capital	Share premium	Retained earnings			
<b>Balance at 31 December 2021</b>		5.8	308.8	183.3	<b>497.9</b>	-	<b>497.9</b>
Profit for the period		-	-	106.7	<b>106.7</b>	-	<b>106.7</b>
Other comprehensive income		-	-	1.5	<b>1.5</b>	-	<b>1.5</b>
<b>Total comprehensive income for the period</b>		-	-	108.2	<b>108.2</b>	-	<b>108.2</b>
Treasury shares		-	-	(0.5)	<b>(0.5)</b>	-	<b>(0.5)</b>
Share issue		0.0	11.2		<b>11.2</b>	-	<b>11.2</b>
Dividends paid	10	-	-	(17.5)	<b>(17.5)</b>	-	<b>(17.5)</b>
<b>Total transactions with owners</b>		0.0	11.2	(18.0)	<b>(6.8)</b>	-	<b>(6.8)</b>
<b>Balance at 31 December 2022</b>		5.9	319.9	273.5	<b>599.3</b>	-	<b>599.3</b>

Amounts in NOK million	Note	Attributable to owners			Total	Non-controlling interests	Total equity
		Share capital	Share premium	Retained earnings			
<b>Balance at 31 December 2020</b>		5.7	275.4	155.2	<b>436.3</b>	0.5	<b>436.8</b>
Profit for the period		-	-	47.9	<b>47.9</b>	-	<b>47.9</b>
Other comprehensive income		-	-	(3.2)	<b>(3.2)</b>	(0.0)	<b>(3.3)</b>
Other changes in equity		-	-	0.4	<b>0.4</b>	(0.4)	-
<b>Total comprehensive income for the period</b>		-	-	45.1	<b>45.1</b>	<b>(0.5)</b>	<b>44.6</b>
Share issue		0.2	33.3	-	<b>33.5</b>	-	<b>33.5</b>
Dividends paid	10	-	-	(17.0)	<b>(17.0)</b>	-	<b>(17.0)</b>
<b>Total transactions with owners</b>		0.2	33.3	(17.0)	<b>16.5</b>	-	<b>16.5</b>
<b>Balance at 31 December 2021</b>		5.8	308.8	183.3	<b>497.9</b>	-	<b>497.9</b>





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## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

<i>Amounts in NOK million</i>	<i>Note</i>	<b>Q4 2022</b>	Q4 2021	<b>2022</b>	2021
<b>Profit for the period</b>		<b>39.8</b>	12.1	<b>106.7</b>	47.9
<b>Adjustments for:</b>					
Income tax expense recognised in profit or loss		<b>(6.1)</b>	5.2	<b>14.1</b>	15.9
Income taxes paid		<b>(8.4)</b>	(0.4)	<b>(10.9)</b>	(0.4)
Share of profit of associates		<b>(0.1)</b>	0.3	<b>0.1</b>	0.3
Gain on disposal of interest in former associate		-	-	-	(1.2)
Depreciation and amortisation	7, 9	<b>24.0</b>	19.7	<b>86.5</b>	69.0
<b>Movements in working capital:</b>					
(Increase)/decrease in trade receivables		<b>(59.0)</b>	(19.7)	<b>(11.0)</b>	(24.9)
(Increase)/decrease in inventories		<b>6.2</b>	(14.1)	<b>(161.3)</b>	(91.2)
Increase/(decrease) in trade payables		<b>(18.9)</b>	(7.4)	<b>32.0</b>	31.0
Increase/(decrease) in accruals		<b>29.5</b>	1.7	<b>28.2</b>	1.4
<b>Net cash generated by operating activities</b>		<b>7.0</b>	(2.6)	<b>84.5</b>	47.7
<b>Cash flows from investing activities</b>					
Payments for property, plant and equipment	7	<b>(10.8)</b>	(9.6)	<b>(31.5)</b>	(29.0)
Reclassified from inventory to property, plant and equipment	7	<b>3.2</b>	-	<b>4.9</b>	(10.5)
Payments for intangible assets	7	<b>(11.8)</b>	(10.0)	<b>(60.5)</b>	(51.2)
Net cash outflow from acquisitions	11	<b>(7.8)</b>	-	<b>(9.3)</b>	(126.9)
<b>Net cash (used in)/generated by investing activities</b>		<b>(27.2)</b>	(19.6)	<b>(96.4)</b>	(217.6)
<b>Cash flows from financing activities</b>					
Payment for share buy-back costs		-	-	<b>(0.5)</b>	-
Proceeds from issuance of common shares	10	-	-	<b>9.6</b>	7.2
Proceeds from borrowings	8	-	0.5	<b>30.0</b>	166.3
Repayment of borrowings	8	<b>(2.4)</b>	(1.8)	<b>(39.4)</b>	(7.4)
Repayment of lease liabilities	9	<b>(3.2)</b>	(2.0)	<b>(10.0)</b>	(8.2)
Net change in overdraft facility	8	<b>31.3</b>	18.0	<b>54.0</b>	35.7
Dividends paid	10	-	-	<b>(17.5)</b>	(17.0)
Other	11	<b>5.6</b>	-	<b>5.6</b>	-
<b>Net cash (used in)/generated by financing activities</b>		<b>31.4</b>	14.7	<b>31.8</b>	176.6
Net increase in cash and cash equivalents		<b>11.2</b>	(7.5)	<b>20.0</b>	6.7
Cash and cash equivalents at the beginning of the period		<b>30.6</b>	29.1	<b>21.7</b>	15.0
<b>Cash and cash equivalents at the end of the period</b>		<b>41.7</b>	21.7	<b>41.7</b>	21.7



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## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1 GENERAL

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

NORBIT is headquartered in Trondheim, with manufacturing in Norway. In addition, in Q4 2022 NORBIT also had operations through its foreign subsidiaries in Denmark, Czech Republic, Poland, Austria, Hungary, Italy, Singapore, China, Sweden, Croatia, Slovakia, Brazil, United Kingdom and United States.

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 fourth quarter and twelve months ending 31 December 2022 incorporate the financial statements of the company and its subsidiaries (collectively referred to as the "group").

### NOTE 2 STATEMENT OF COMPLIANCE

The interim consolidated statements for the fourth quarter 2022, ending 31 December 2022, 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 2021. The consolidated financial statements of the group as at and for the year ended 31 December 2021 are available at [www.norbit.com](http://www.norbit.com).

The new standards and interpretations effective from 1 January 2022 do not have a significant impact on the group's consolidated interim financial statements.

### NOTE 3 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 2021. The groups accounting principles are described in the annual report for 2021.

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 2021 also apply to these interim financial statements. In preparing these interim financial statements, NORBIT has focused on estimates and assumptions related to impairment assessment of intangible assets and goodwill, loss allowance for expected credit losses on trade receivables, provisions for obsolete inventory and guarantee provisions. Based on the assessment, no impairment of intangible assets and goodwill was recognised in the quarter. In the fourth quarter of 2022, NORBIT reversed NOK 0.1 million in provisions on expected loss on trade receivables. In total, NOK 2.9 million has been provided for the year.

### NOTE 4 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 operating segments are Oceans, Connectivity and Product Innovation and Realization (PIR).





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2022	Oceans	Connectivity	PIR	Eliminations	Total
<i>Amounts in NOK million</i>					
Revenues	443.0	308.0	456.5	(40.1)	<b>1 167.5</b>
Other gains and losses	-	-	-	-	-
Raw materials and change in inventories	149.8	109.7	307.4	(17.4)	<b>549.5</b>
Operating expenses	145.6	121.0	101.3	14.7	<b>382.6</b>
<b>EBITDA</b>	<b>147.6</b>	<b>77.4</b>	<b>47.8</b>	<b>(37.5)</b>	<b>235.3</b>
EBITDA margin	33%	25%	10%	-	<b>20%</b>
Depreciation	17.6	7.8	13.6	2.7	<b>41.7</b>
Amortisation and impairment	15.5	29.1	0.1	0.0	<b>44.8</b>
<b>EBIT</b>	<b>114.4</b>	<b>40.5</b>	<b>34.0</b>	<b>(40.1)</b>	<b>148.8</b>
Total financial items (not allocated)					<b>(28.0)</b>
<b>Profit before tax</b>					<b>120.8</b>
Taxes (not allocated)					<b>(14.1)</b>
<b>Profit after tax</b>					<b>106.7</b>
<b>Timing of revenues</b>					
- At point in time	389.9	268.2	418.6	(40.1)	<b>1 036.6</b>
- Over time	53.1	39.9	37.9	-	<b>130.9</b>
<b>Total</b>	<b>443.0</b>	<b>308.0</b>	<b>456.5</b>	<b>(40.1)</b>	<b>1 167.5</b>

2021	Oceans	Connectivity	PIR	Eliminations	Total
<i>Amounts in NOK million</i>					
Revenues	378.5	146.3	291.0	(27.9)	<b>787.8</b>
Other gains and losses	-	-	-	1.2	<b>1.2</b>
Raw materials and change in inventories	139.2	50.5	181.0	(7.5)	<b>363.3</b>
Operating expenses	105.6	72.0	93.6	12.1	<b>283.2</b>
<b>EBITDA</b>	<b>133.6</b>	<b>23.8</b>	<b>16.4</b>	<b>(31.3)</b>	<b>142.6</b>
EBITDA margin	35%	16%	6%	-	<b>18%</b>
Depreciation	11.9	4.7	15.0	1.6	<b>33.2</b>
Amortisation and impairment	12.8	18.1	5.3	(0.4)	<b>35.8</b>
<b>EBIT</b>	<b>108.9</b>	<b>0.9</b>	<b>(3.8)</b>	<b>(32.5)</b>	<b>73.5</b>
Total financial items (not allocated)					<b>(9.8)</b>
<b>Profit before tax</b>					<b>63.7</b>
Taxes (not allocated)					<b>(15.9)</b>
<b>Profit after tax</b>					<b>47.9</b>
<b>Timing of revenues</b>					
- At point in time	325.7	130.9	261.6	(27.9)	<b>690.3</b>
- Over time	52.7	15.3	29.4	-	<b>97.5</b>
<b>Total</b>	<b>378.5</b>	<b>146.3</b>	<b>291.0</b>	<b>(27.9)</b>	<b>787.8</b>

# NORBIT

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Q4 2022	Oceans	Connectivity	PIR	Eliminations	Total
<i>Amounts in NOK million</i>					
Revenues	127.0	80.7	150.2	(10.6)	<b>347.3</b>
Other gains and losses	-	-	-	-	-
Raw materials and change in inventories	45.2	28.3	108.9	(6.2)	<b>176.3</b>
Operating expenses	41.2	28.4	27.9	6.9	<b>104.5</b>
<b>EBITDA</b>	<b>40.6</b>	<b>23.9</b>	<b>13.3</b>	<b>(11.3)</b>	<b>66.5</b>
EBITDA margin	32%	30%	9%	-	<b>19%</b>
Depreciation	5.2	1.9	3.7	0.9	<b>11.8</b>
Amortisation and impairment	4.5	7.5	0.1	-	<b>12.1</b>
<b>EBIT</b>	<b>30.8</b>	<b>14.5</b>	<b>9.5</b>	<b>(12.3)</b>	<b>42.6</b>
Total financial items (not allocated)					<b>(8.9)</b>
<b>Profit before tax</b>					<b>33.7</b>
Taxes (not allocated)					<b>6.1</b>
<b>Profit after tax</b>					<b>39.8</b>
<b>Timing of revenues</b>					
- At point in time	107.6	71.4	140.9	(10.6)	<b>309.4</b>
- Over time	19.4	9.3	9.2	-	<b>37.9</b>
<b>Total</b>	<b>127.0</b>	<b>80.7</b>	<b>150.2</b>	<b>(10.6)</b>	<b>347.3</b>

Q4 2021	Oceans	Connectivity	PIR	Eliminations	Total
<i>Amounts in NOK million</i>					
Revenues	116.6	64.6	76.5	(8.9)	<b>248.9</b>
Other gains and losses	-	-	-	-	-
Raw materials and change in inventories	43.6	20.2	49.4	(2.7)	<b>110.5</b>
Operating expenses	35.8	32.2	24.6	4.3	<b>96.9</b>
<b>EBITDA</b>	<b>37.3</b>	<b>12.1</b>	<b>2.6</b>	<b>(10.5)</b>	<b>41.5</b>
EBITDA margin	32%	19%	3%	-	<b>17%</b>
Depreciation	3.6	1.7	2.8	0.5	<b>8.6</b>
Amortisation and impairment	3.5	6.2	1.1	0.3	<b>11.1</b>
<b>EBIT</b>	<b>30.2</b>	<b>4.2</b>	<b>(1.4)</b>	<b>(11.2)</b>	<b>21.9</b>
Total financial items (not allocated)					<b>(4.6)</b>
<b>Profit before tax</b>					<b>17.3</b>
Taxes (not allocated)					<b>(5.2)</b>
<b>Profit after tax</b>					<b>12.1</b>
<b>Timing of revenues</b>					
- At point in time	94.8	49.2	68.8	(8.9)	<b>204.0</b>
- Over time	21.8	15.3	7.7	-	<b>44.9</b>
<b>Total</b>	<b>116.6</b>	<b>64.6</b>	<b>76.5</b>	<b>(8.9)</b>	<b>248.9</b>

## NOTE 5 DERIVATIVE FINANCIAL INSTRUMENTS

The group has the following derivative financial instruments:

	31.12.22	31.12.21
Foreign currency forwards NOK/EUR (amounts in currency '000)	-	-
Foreign currency forwards USD/EUR (amounts in currency '000)	-	-
Average FX rate in contract (NOK/EUR)	-	-
Average FX rate in contract (USD/EUR)	-	-
Fair value of contracts based on MTM reports from counterpart banks	-	-



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## NOTE 6 NET FINANCIAL ITEMS

Net financial items consist of:

Amounts in NOK million	2022	2021	Q4 2022	Q4 2021
Share of profit of associates	(0.2)	(0.3)	0.1	(0.3)
Net interest income / (expense)	(16.0)	(8.1)	(5.4)	(3.3)
Agio/disagio and other financial expenses	(11.8)	(1.3)	(3.6)	(1.0)
<b>Net financial items</b>	<b>(28.0)</b>	<b>(9.8)</b>	<b>(8.9)</b>	<b>(4.6)</b>

## NOTE 7 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Amounts in NOK million	Land and properties	Machinery, fixtures and fittings	Intangible assets
Balance at 31 December 2021	68.6	81.5	242.3
Additions from acquisition of companies	-	5.7	1.0
Additions	2.8	28.7	60.5
Reclassified to inventory	-	(3.2)	-
Depreciation	(5.9)	(26.2)	-
Amortisation	-	-	(44.8)
Currency effects	-	-	(0.3)
<b>Balance at 31 December 2022</b>	<b>65.5</b>	<b>86.6</b>	<b>258.8</b>

The group invested NOK 11.8 million in intangible assets in Q4 2022, and NOK 60.5 million for the full-year 2022. 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 was NOK 10.8 million in Q4 2022, and NOK 31.5 million for the full year, 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 December 31, 2022.

## NOTE 8 INTEREST-BEARING BORROWINGS

Amounts in NOK million	31.12.2022	30.09.2022	31.12.2021
Revolving credit facility	90.0	90.0	60.0
Overdraft facility	140.6	109.2	86.5
Term loans	50.4	51.3	54.1
Seller's credit	32.6	32.6	60.2
Other borrowings	23.8	24.2	27.4
<b>Total interest-bearing borrowings</b>	<b>337.4</b>	<b>307.4</b>	<b>288.2</b>
Non-current borrowings	154.6	156.6	162.6
Current borrowings	182.8	150.8	125.6
<b>Total interest-bearing borrowings</b>	<b>337.4</b>	<b>307.4</b>	<b>288.2</b>





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The group had four main loan facilities per end of Q4 2022, 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. In addition, a NOK 120 million term loan was not drawn on at the end of the fourth quarter.

NORBIT had drawn NOK 140.6 million on the overdraft facility as of 31 December 2022, while NOK 90.0 million was drawn on the RCF. NOK 50.4 million was outstanding on one of the term 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 December 31, 2022, NORBIT was in compliance with both financial covenants.

In connection with the acquisition of iData Kft. completed in July 2021, the transaction was partly settled through issuance of a EUR 6.0 million sellers' credit. The seller's credit bears an interest of 3% p.a and accrues on the loan. Half of the seller's credit was paid in July 2022, while the remainder is due in July 2023.

## NOTE 9 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 2022 is summarised below. In the fourth quarter of 2022, additions were NOK 21.0 million and primarily relate to leasing of new production lines at the Røros and Selbu manufacturing sites. For the full year 2022, total additions were NOK 30.4 million.

Amounts in NOK million	Right of use assets			Lease liabilities
	Office rent	Machinery and vehicles	Total	
Balance at 31 December 2021	14.7	-	14.8	15.0
Additions	3.2	27.2	30.4	30.4
Depreciation expense	(8.6)	(1.1)	(9.7)	-
Interest expense	-	-	-	0.5
Lease payments	-	-	-	(10.0)
<b>Balance at 31 December 2022</b>	<b>9.3</b>	<b>26.2</b>	<b>35.5</b>	<b>35.9</b>

## NOTE 10 SHARE CAPITAL AND EQUITY

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

As of December 31, 2022, the total number of shares in NORBIT ASA amounted to 58,901,139 and the number of outstanding shares was 58,884,307, each with a par value of NOK 0.10 per share. As per the same date, NORBIT ASA held 16,832 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 2021 and 2022.

As of December 31, 2022, there were 122,266 restricted stock units ('RSUs') outstanding. Half will vest in the second quarter of 2023, while the remaining half will vest in second quarter 2024. The RSUs are included in the calculation of diluted earnings per share.



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## NOTE 11 BUSINESS COMBINATIONS

### Nicarnica Aviation AS

In March 2022, NORBIT ASA acquired 100 per cent ownership in Nicarnica Aviation AS, a Norwegian technology company that has developed remote sensing solutions for detecting hazardous emissions. The technology broadens and complements the existing environmental monitoring solutions

developed by segment Oceans. The total consideration for the shares was NOK 0.9 million, paid in cash to the sellers. 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.

<i>Amounts in NOK million</i>	Purchase price
Cash consideration	0.9
<b>Total</b>	<b>0.9</b>

### Recognised amount of identifiable assets and acquired liabilities assumed\*

Intangible assets	1.0
Deferred tax asset	2.0
Cash and cash equivalents	-
Interest-bearing borrowings	(1.6)
Trade payables	(0.4)
Other current liabilities	(0.1)
<b>Total identifiable net assets</b>	<b>0.9</b>
Cash and cash equivalents in acquired business	-
<b>Total cash outflow from acquisition of business</b>	<b>0.9</b>

\* The purchase price allocation is preliminary and may be subject to adjustments

### Aursund Maskinering AS

In November 2022, NORBIT ASA acquired 100 per cent ownership in Aursund Maskinering AS. The company has been a key supplier for segment Oceans for several years. The total consideration for the shares was NOK 9.3 million and was paid through a combination of cash and an interest-free sellers credit. Half of the sellers' credit is due November 2023, while the remainder is due November 2024. 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 2.3 million. In 2021, Aursund Maskinering reported revenues of NOK 8.1 million and an EBITDA of NOK 1.6 million (Norwegian GAAP). Aursund Maskinering is reported under segment Oceans.

<i>Amounts in NOK million</i>	Purchase price
Cash consideration	3.7
Sellers credit	5.6
<b>Total</b>	<b>9.3</b>

### Recognised amount of identifiable assets and acquired liabilities assumed\*

Property, plant and equipment	5.7
Inventory	1.7
Trade receivables	2.1
Other receivables	0.1
Cash and cash equivalents	1.5
Deferred tax liability	(0.3)
Interest-bearing borrowings	(1.1)
Trade payables	(0.1)
Other short-term debt	(2.6)
<b>Total identifiable net assets</b>	<b>7.0</b>
Goodwill	2.3
Cash and cash equivalents in acquired business	1.5
<b>Total cash outflow from acquisition of business</b>	<b>7.8</b>

\* The purchase price allocation is preliminary and may be subject to adjustments



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### NOTE 12 TAXES

In the fourth quarter of 2022, NORBIT recognised a NOK 14.0 million deferred tax asset.

### NOTE 13 RELATED PARTY TRANSACTIONS

There were no related party transactions in the fourth quarter of 2022.

### NOTE 14 SUBSEQUENT EVENTS

Segment Connectivity received a NOK 150 million order for On-Board Units with delivery in the first half of 2023. Discussions are ongoing with respect to additional volume deliveries in the second half of 2023.

NORBIT announced the closing of the acquisition of the IoT start-up CPS AS. The transaction valued CPS at an enterprise value of NOK 13 million, implying an equity value of NOK 12.6 million. The acquisition was financed by the issuance of consideration shares at a price equal to the five-day volume weighted share price of NORBIT ASA prior to signing of the share purchase price agreement with a total value of NOK 9.0 million, and NOK 3.6 million was paid in cash.





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**NORBIT ASA**  
Stiklestadveien 1  
NO-7041 Trondheim  
Norway  
T: +47 73 98 25 50  
www.norbit.com