



INTERIM | REPORT
Q2 & H1 | 2022

NORBIT

~ explore more ~



HIGHLIGHTS AND KEY FIGURES

SUMMARY OF THE SECOND QUARTER AND FIRST HALF YEAR RESULTS 2022

- NORBIT delivered its strongest quarter in its history, with revenues of NOK 315.3 million and an EBITDA result of NOK 77.7 million, representing a margin of 25 per cent. Revenue growth was 66 per cent from the second quarter of 2021.
- For the first half of 2022, revenues amounted to NOK 550.5 million. This represents an increase of 63 per cent from NOK 338.7 million reported in the corresponding period of 2021. The EBITDA for the first half of 2022 was NOK 121.6 million (22 per cent margin) compared to NOK 68.1 million (20 per cent margin) in the corresponding period of 2021.
- Segment Oceans delivered a strong second quarter with revenues of NOK 131.4 million, representing a growth of 29 per cent from second quarter of 2021. The EBITDA margin was 41 per cent. Revenues for the first half of 2022 were NOK 212.2 million, up 25 per cent from the same period last year, while the EBITDA margin was 38 per cent.
- Revenues from segment Connectivity amounted to NOK 83.0 million in the second quarter compared to NOK 16.4 million in the corresponding quarter of 2021. The EBITDA margin in the quarter was 24 per cent. For the first half of 2022, revenues came in at NOK 146.7 million, compared to NOK 35.7 million in the corresponding period of last year. The EBITDA margin was 23 per cent.
- Segment Product Innovation & Realization (PIR) reported NOK 111.5 million in revenues in the second quarter, up 42 per cent from the corresponding quarter of 2021. The EBITDA margin for the quarter was 10 per cent. Revenues for the first half of 2022 were NOK 210.4 million, an increase of 44 per cent from the same period of last year. The EBITDA margin was 11 per cent.
- Earnings per share for the first six months were NOK 0.95, more than a doubling from the corresponding period of 2021.
- NORBIT is on track to meet its target for 2022 to deliver revenues in excess of NOK 1.0 billion.
- NORBIT ASA held its annual general meeting on the 4th of May 2022. All proposed resolutions were approved, including the annual results for 2021 and the board's proposal to distribute a dividend of NOK 0.30 per share.

CONSOLIDATED KEY FIGURES*

Amounts in NOK million (except percentages and EPS)	Second quarter		First half year		Full year
	2022	2021	2022	2021	2021
Revenues	315.3	190.0	550.5	338.7	787.8
EBITDA	77.7	50.5	121.6	68.1	142.6
EBITDA margin (%)	25%	27%	22%	20%	18%
EBIT	56.9	35.1	80.6	37.8	73.5
EBIT margin (%)	18%	18%	15%	11%	9%
Profit for the period	42.8	27.3	55.3	25.7	47.9
Earnings per share (EPS) – diluted	0.73	0.48	0.95	0.45	0.83

* See definitions on page 9.

SECOND QUARTER AND FIRST HALF YEAR RESULTS 2022

FINANCIAL REVIEW

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

PROFIT AND LOSS

Revenues for the second quarter of 2022 amounted to NOK 315.3 million, representing an increase of 66 per cent compared to the corresponding quarter of 2021 (NOK 190.0 million). When adjusting for the iData acquisition, organic growth was 55 per cent. All segments reported an increase in revenues compared to the same period last year, where Connectivity grew at the strongest rate. Further details are provided in the review of the segments.

For the first six months of 2022, NORBIT's revenues came in at NOK 550.5 million, up 63 per cent compared to the same period in 2021 (NOK 338.7 million) and 50 per cent adjusted for the iData acquisition.

Raw material expenses and inventory changes were NOK 149.1 million for the second quarter (NOK 88.1 million). The increase from the same period last year is primarily explained by the activity increase. The gross margin was 53 per cent and in line with the level reported in the second quarter of 2021.

For the first half of 2022, raw material expenses and inventory changes amounted to NOK 249.5 million (NOK 160.7 million). The gross margin for the second half of the year was 55 per cent, an increase from 53 per cent in the corresponding period of 2021.

Employee benefit expenses amounted to NOK 50.6 million for the second quarter this year (NOK 34.3 million). The increase from last year is primarily explained by a strengthening of the organisation due to the higher activity level, in addition to NOK 5.6 million attributable to iData.

For the first six months of this year, a total of NOK 110.5 million (NOK 75.9 million) have incurred in employee benefit expenses, of which iData explains NOK 11.5 million of the increase.

Other operating expenses amounted to NOK 37.9 million (NOK 17.0 million) for the second quarter of 2022. The increase from last year is primarily explained by NOK 10.0 million in operating expenses from iData, increased expenses on external consultants and legal advisory, provisions for loss on trade receivables and increased cost for freight, electricity and travel.

For the first half of 2022, other operating revenues amounted to NOK 68.9 million (NOK 35.2 million), where iData represents NOK 19.4 million of the increase.

EBITDA amounted to NOK 77.7 million for the second quarter (NOK 50.5 million), corresponding to a margin of 25 per cent (27 per cent).

For the first six months of the year, EBITDA was NOK 121.6 million (NOK 68.1 million). This represents margin of 22 per cent (20 per cent).

Operating profit came in at NOK 56.9 million for the second quarter (NOK 35.1 million) and NOK 80.6 million for the first half of 2022 (NOK 37.8 million).

Net financial items amounted to negative NOK 2.5 million for the quarter (positive NOK 0.1 million). The change from second quarter last year is primarily explained by an increase in interest expenses.

For the first six months of the year, net financial items ended at negative NOK 8.9 million (negative NOK 4.1 million).

Income tax expenses amounted to NOK 11.7 million for the quarter (NOK 7.9 million) and NOK 16.3 million for the first half of 2022 (NOK 8.0 million).

Profit for the period was NOK 42.8 million for the second quarter (NOK 27.3 million) and NOK 55.3 million for the first half of the year (NOK 25.7 million). Earnings per share for the second quarter were NOK 0.73 (NOK 0.48) and NOK 0.95 for the first half of 2022 (NOK 0.45).

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. 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

<i>NOK million</i>	Second quarter		First half year		Full year
	2022	2021	2022	2021	2021
Revenues	131.4	101.5	212.2	170.0	378.5
Raw materials	47.2	37.2	68.6	62.6	139.2
Gross profit	84.2	64.3	143.6	107.4	239.3
Operating expenses	30.1	20.1	63.8	42.2	105.6
EBITDA	54.1	44.3	79.8	65.2	133.6
D&A	7.8	5.6	15.3	10.4	24.7
EBIT	46.3	38.7	64.4	54.7	108.9
Gross margin (%)	64%	63%	68%	63%	63%
EBITDA margin (%)	41%	44%	38%	38%	35%
EBIT margin (%)	35%	38%	30%	32%	29%

Revenues amounted to a record high NOK 131.4 million for the second quarter of 2022, an increase of 29 per cent from the same period last year (NOK 101.5 million). The increase in revenues was driven by higher sonar sales where Americas was a particularly strong region supported by the contract to deliver several WINGHEAD i80S sonar systems, with a total value of around NOK 15 million. In addition, NOK 10.2 million was recognised in revenues related to the Guardpoint underwater surveillance sonar project.

For the first six months of the year, Oceans recorded revenues of NOK 212.2 million, 25 per cent higher than for the same period last year (NOK 170.0 million).

The WINGHEAD sonar platform was a strong contributor to the results in the first half of the year, representing 35 per cent of the sonar system revenues and growing by more than 50 per cent compared to the same period of last year. At the same time, Oceans is making good progress in capturing further value from its focus on broadening the product portfolio, as demonstrated by the Guardpoint sonar surveillance project in the security market domain.

Gross margin for the second quarter was 64 per cent, in line with the level reported in the second quarter of last year.

For the first six months of the year, the gross margin was 68 per cent, compared to 63 per cent in the first half of 2021.

Operating expenses, including employee expenses and other operating expenses, amounted to NOK 30.1 million for the second quarter of 2022 (NOK 20.1 million). The increase from last year is primarily related to the strengthening of the organisation and increased cost related to travel.

For the first half of 2022, operating expenses came in at NOK 63.8 million (NOK 42.2 million).

EBITDA for the Oceans segment amounted to NOK 54.1 million for the quarter (NOK 44.3 million), representing a margin of 41 per cent (44 per cent).

For the first six months of the year, EBITDA was NOK 79.8 million (NOK 65.2 million), resulting in an EBITDA margin of 38 per cent (38 per cent).

CONNECTIVITY

The Connectivity segment is a leading technology solution provider for asset identification, monitoring and tracking. Connectivity consists of the two sub-segments ITS and Smart Data.

Key figures – Connectivity

<i>NOK million</i>	Second quarter		First half year		Full year
	2022	2021	2022	2021	2021
Revenues	83.0	16.4	146.7	35.7	146.3
Raw materials	29.6	6.6	49.3	17.4	50.5
Gross profit	53.4	9.8	97.4	18.4	95.7
Operating expenses	33.4	10.0	63.7	19.2	72.0
EBITDA	20.0	(0.2)	33.7	(0.9)	23.8
D&A	9.0	4.2	17.7	8.5	22.8
EBIT	11.0	(4.4)	16.0	(9.4)	0.9
Gross margin (%)	64%	60%	66%	51%	65%
EBITDA margin (%)	24%	(1%)	23%	(2%)	16%
EBIT margin (%)	13%	(27%)	11%	(26%)	1%

Revenues amounted to NOK 83.0 million for the second quarter of 2022 (NOK 16.4 million). The increase from last year is explained by continued strong demand for dedicated short-range communication ('DSRC') products delivered by sub-segment ITS, driven particularly by the recent On-Board Unit contracts won, in addition to iData reporting NOK 21.6 million in revenues (acquired July 2021).

For the first half of 2022, revenues came in at NOK 146.7 million (NOK 35.7 million), of which iData represented NOK 42.2 million of the revenue growth.

Gross margin for the second quarter was 64 per cent compared to 60 per cent in the second quarter last year. The increase is attributed to the acquisition of iData, which generates revenues from sale of subscriptions with a low share of raw material costs. The gross margin in sub-segment ITS declined by 6 per centage points compared to the corresponding quarter of last year as a result of less favorable product mix and increased component prices.

For the first six months of the year, the gross margin for Connectivity was 66 per cent, compared to 51 per cent in the first half of 2021.

Operating expenses amounted to NOK 33.4 million for the quarter, compared to NOK 10.0 million in the second quarter of 2021. iData accounted for NOK 15.7 million of the increase, while NOK 4.3 million relates to increased direct and allocated indirect costs from the Røros factory. The remaining balance is largely explained by increased external consultancy and legal advisory costs and provisions for loss on trade receivables.

So far this year, Connectivity has recorded a total of NOK 63.7 million in operating expenses compared to NOK 19.2 million in the same period last year, of which iData represented NOK 30.9 million of the increase.

EBITDA for the second quarter of 2022 amounted to NOK 20.0 million (negative NOK 0.2 million), representing a margin of 24 per cent (negative 1 per cent).

For the first half of 2022, EBITDA was NOK 33.7 million (negative NOK 0.9 million), representing a margin of 23 per cent (negative 2 per cent). The increase in EBITDA is explained by the higher revenue base and profit contribution from iData, partly offset by higher operating expenses in sub-segment ITS.

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 proprietary technology, including special instrumentation based on radar, radio frequency and embedded signal processing technology.

Key figures – PIR

NOK million	Second quarter		First half year		Full year
	2022	2021	2022	2021	2021
Revenues	111.5	78.5	210.4	145.7	291.0
Raw materials	76.2	44.8	137.6	83.2	181.0
Gross profit	35.4	33.6	72.7	62.5	110.0
Operating expenses	24.1	22.8	50.1	48.2	93.6
EBITDA	11.3	10.8	22.7	14.3	16.4
D&A	3.4	5.4	6.7	11.3	20.3
EBIT	7.9	5.4	16.0	3.0	(3.8)
Gross margin (%)	32%	43%	35%	43%	38%
EBITDA margin (%)	10%	14%	11%	10%	6%
EBIT margin (%)	7%	7%	8%	2%	(1%)

Revenues amounted to NOK 111.5 million for the second quarter of the year, 42 per cent higher than for the corresponding period of last year (NOK 78.5 million). The increase is explained both by higher activity within contract manufacturing and price increases to compensate for extraordinary material costs.

Prices of certain components have increased significantly as availability is low. To compensate for this cost increase, NORBIT invoices the additional cost directly to certain customers without margin (referred to as 'spotbuy invoicing'). NORBIT recognised NOK 33.4 million in revenues related to spotbuy invoicing in the quarter, compared to NOK 5.2 million in the corresponding quarter of last year.

Adjusted for this effect, revenues grew by 7 per cent year over year. While the underlying demand for contract manufacturing is strong, PIR's volume growth is negatively impacted by component shortages, leading to delays in the production.

For the first six months of 2022, revenues amounted to NOK 210.4 million (NOK 145.7 million), an increase of 44 per cent from the same period last year. Adjusted for spotbuy invoicing, revenue growth was 16 per cent.

Gross margin for the second quarter was 32 per cent compared to 43 per cent in the second quarter last year. The abovementioned spotbuy invoicing had a significant impact on the margin. Adjusted for this effect in revenues and raw material costs, the gross margin was 45 per cent in the quarter.

For the first six months of the year, the gross margin was 35 per cent, compared to 43 per cent in the first half of 2021. Adjusted for spotbuy invoicing, the gross margin was 45 per cent in both first half of 2022 and 2021.

Operating expenses for the PIR segment amounted to NOK 24.1 million for the quarter (NOK 22.8 million).

For the first half of 2022, operating expenses came in at NOK 50.1 million (NOK 48.2 million).

EBITDA for the PIR segment amounted to NOK 11.3 million for the second quarter of 2022 (NOK 10.8 million), representing a margin of 10 per cent (14 per cent). Adjusted for spotbuy invoicing, the margin was 14 per cent.

So far this year, the PIR segment has recorded an EBITDA of NOK 22.7 million (NOK 14.3 million), corresponding to a margin of 11 per cent (10 per cent).

FINANCIAL POSITION AND LIQUIDITY

Consolidated financial position

Assets amounted to NOK 1 101.4 million at 30 June 2022, up from NOK 1 069.6 at 31 March this year and NOK 976.9 million at 31 December 2021.

Intangible assets amounted to NOK 255.1 million at the end of the second quarter of 2022, an increase from NOK 248.3 million at the end of the previous quarter and up from NOK 242.3 million at the end of 2021. The quarterly increase relates to NOK 17.8 million investments in R&D, partly offset by amortisation.

Goodwill remained at NOK 82.1 million at 30 June 2022, which is the same level as at the end of the first quarter and at year-end 2021. Goodwill is primarily related to the acquisition of iData.

Inventories amounted to NOK 370.9 million at the end of the second quarter of 2022, compared to NOK 334.9 million at the end of the first quarter and NOK 263.2 million at the end of 2021. The inventory build-up is primarily related to the activity increase and NORBIT acquiring components to mitigate the risk of shortage in the challenging market for supply of electronic components.

Trade receivables were NOK 145.0 million at 30 June 2022, down from NOK 163.3 million at 31 March 2022 and NOK 154.9 million at 31 December 2021. Despite the quarterly increase in revenues of 34 per cent, trade receivables declined as a result of invoices being sold under the non-recourse factoring facility. This had a positive cash flow impact of around NOK 70 million in the quarter.

Cash and cash equivalents amounted to NOK 37.5 million at the end of June, compared to NOK 22.3 million at the end of March and NOK 21.7 million at the end of December 2021.

Total interest-bearing borrowings stood at NOK 318.7 million at the end of the second quarter compared to NOK 300.6 million three months earlier and NOK 288.2 million at the end of 2021.

The company had NOK 272.3 million in undrawn committed credit facilities at 30 June 2022.

Total equity was NOK 538.6 million at the end of the quarter, representing an equity ratio of 49 per cent, compared to NOK 512.3 million at the end of March and NOK 497.9 million at the end of 2021. The increase is primarily explained by a positive net profit, partly offset by dividends paid of NOK 17.5 million in the second quarter.

Consolidated cash flow

Operating activities generated a cash flow of NOK 44.9 million for the second quarter of 2022 (NOK 23.4 million), including a net increase in the working capital of NOK 29.7 million (increase of NOK 27.1 million), mainly related to purchase of inventory and reduction in trade payables, partly offset by a reduction of trade receivables.

For the first six months of 2022, operating activities generated a cash flow of NOK 63.2 million (NOK 33.1 million), including a net increase in the working capital of NOK 48.2 million (increase of NOK 29.5 million).

Investing activities generated a cash outflow of NOK 23.4 million for the second quarter of 2022 (NOK 25.8 million). This included NOK 5.7 million investments in machinery, equipment and capitalisation of assets, and NOK 17.8 million in R&D investments. The R&D investments represented 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.

For the first six months of the year, cash flow from investing activities was NOK 51.0 million (NOK 52.4 million), including R&D investments of NOK 33.8 million.

Financing activities led to a cash outflow of NOK 6.4 million this quarter (cash inflow of NOK 6.4 million). This mainly consists of dividends paid of NOK 17.5

million in the period (NOK 17.0 million), partly offset by an increase in interest-bearing borrowings of NOK 13.7 million.

For the first half of 2022, NORBIT had a positive cash flow of NOK 3.6 million from financing activities (NOK 26.7 million).

SHARE INFORMATION

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

In the second quarter of 2022, the share traded between NOK 23.30 and NOK 28.20 per share, with a closing price of NOK 25.60 at 30 June 2022.

As per 30 June 2022, the company had a total of 1 796 shareholders, of which the 20 largest shareholders held 83 per cent of the total outstanding shares.

As per 30 June 2022, the total number of shares in NORBIT ASA amounted to 58 520 431 and the number of outstanding shares was 58 503 599. As per the same date, NORBIT ASA held 16 832 own shares.

On 4 May, NORBIT held its annual general meeting. The general meeting approved the annual accounts and the board's dividend proposal, including dividend distribution of NOK 0.30 per share.

On 19 May, the board of directors resolved to award a total of 183 395 restricted stock units ('RSUs') to members of the executive management based on the

performance of the financial year 2021. Simultaneously with the award approximately one third of the RSUs vested, whereby the board of directors resolved to issue 61 129 new shares. 16 832 of the issued shares were repurchased by NORBIT ASA. The remaining RSUs will vest in the second quarter of 2023 and 2024.

Subsequent to quarter-end, the board of directors approved incentive share purchase programs for all employees in NORBIT. The first program is a share purchase program where the employees were offered the opportunity to acquire shares at a 20 per cent discount, subject to a lock-up period of 24 months. The second program is a share matching program, where the participants were offered the opportunity to acquire shares at market value, and in turn, obtain a right to receive compensation in new shares equivalent to their invested amount after 24 months if certain conditions are met. In connection with the programs, the board of directors resolved to issue 380 708 new shares, of which 83 829 under the first program and 296 879 under the second program. The dilution impact on the market value of the shares, assuming the rights are exercised in full, is estimated to 0.5 per cent. The resolutions were based on the authorisations to increase the share capital granted by the general meeting on 4 May 2022.

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 equipment and systems. A large portion of the components are bought in a global market, including from China, where several cities were in full or partial lockdown in parts of the second quarter and some are still in isolation. While the number of new covid cases has reduced significantly in China, sudden lockdowns may be imposed as long as the Chinese governments' zero-covid approach remains in place. This represents a potential risk of production being halted among suppliers in the regions exposed. In turn, this could lead to unplanned delays and component shortages.

Overall, the current supply environment for raw material components continues to be challenging, particularly within the semiconductor industry. The supply market is characterised by low visibility as lead times have increased and remain unreliable due to capacity constraints, both in manufacturing and freight. This impacts the scheduling of planned deliveries leading to delays and, in worst case, cancellation of planned orders. There is also a risk that customers may cancel orders due to challenges in their own supply chain beyond the scope of NORBIT.

NORBIT is actively working to mitigate the risk of supply shortages by increasing inventory levels, 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 plan.

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

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.

A potential energy crisis in Europe creates uncertainty. There is a risk that rationing of energy may impact demand from the industrial sector negatively. In particular Germany is exposed, and segments PIR and Connectivity both have exposure to the German automotive industry.

OUTLOOK

Second quarter was another record quarter for NORBIT, delivering more than NOK 300 million in revenues for the first time and an historically high EBITDA result. Growth was fuelled by all business segments, each reporting all-time high revenues. The quarter also marked another milestone in which NORBIT over the last twelve months has reported revenues of NOK 1.0 billion. Despite the challenging market for the supply of components, first half of the year has largely moved forward according to plan.

NORBIT has over the past years remained firm to its strategy of maintaining a safety stock of components. This strategy has served the company well in the current supply market, both as a risk mitigating action and as an enabler for continued growth. In addition, by having in-house R&D engineers who thrive on challenges, NORBIT has also been able to resolve some of the component shortage issues faced by providing design adaptations to make use of alternative components. Thanks to these actions, the negative impact from the supply market has largely been limited to PIR's ability to ramp up production.

Oceans delivered all-time high revenues in the second quarter, benefitting from the inherent survey seasonality and revenue recognition of two large contracts. Third quarter has started out well, particularly in the sonar business. The quarter has historically, however, not been as strong as the second and fourth quarter. As a result, demand is expected to be lower compared to the second quarter.

Still, the target is to continue on the growth path compared to third quarter last year.

Connectivity delivered on its plan to reach more than NOK 130 million in revenues in the first half of the year. Looking into the second half, activity is expected to sustain around the same level as the first six months of 2022. The guidance is supported by the backlog to be delivered by sub-segment ITS, as well as the recurring revenue stream in iData.

PIR is benefiting from increasing demand for both contract manufacturing and R&D services. PIR is expected to deliver revenues in the third quarter on par with that of second quarter, and up from third quarter last year. The directional guidance is subject to PIR receiving the necessary components to deliver as planned.

The target for 2022 to deliver revenues in excess of NOK 1.0 billion is reiterated. The board of directors remains optimistic about NORBIT's long-term outlook. The company has set out an ambition to deliver organic revenues of NOK 1.5 billion and an EBITDA margin above 25 per cent in 2024. In addition, NORBIT will continue to explore value-accretive acquisitions through its defined criteria to accelerate further growth.

RESPONSIBILITY STATEMENT FROM THE BOARD OF DIRECTORS AND CEO

We declare that, to the best of our knowledge, the half year financial statements for the period 1 January to 30 June 2022 have been prepared in accordance with IAS 34 – Interim Reporting, and that the information contained therein provides a true and fair view of the Group's assets, liabilities, financial position and overall results. We further declare that, to the best of our knowledge, the

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

Trondheim, Norway, 11 August 2022
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

DEFINITIONS OF ALTERNATIVE PERFORMANCE MEASURES NOT DEFINED BY IFRS

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 debt Net interest-bearing debt is defined as total interest-bearing borrowings less cash and cash equivalents.

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.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

<i>Amounts in NOK million</i>	<i>Note</i>	Q2 2022	Q2 2021	1H 2022	1H 2021	2021
Revenue	4	315.3	190.0	550.5	338.7	787.8
Other gains and losses		-	-	-	1.2	1.2
Raw materials and change in inventories		149.1	88.1	249.5	160.7	363.3
Employee benefit expenses		50.6	34.3	110.5	75.9	187.7
Depreciation and amortisation expenses	7, 9	20.8	15.3	41.0	30.3	69.0
Other operating expenses		37.9	17.0	68.9	35.2	95.5
Operating profit		56.9	35.1	80.6	37.8	73.5
Net financial items	6	(2.5)	0.1	(8.9)	(4.1)	(9.8)
Profit before tax		54.4	35.2	71.6	33.7	63.7
Income tax expense		(11.7)	(7.9)	(16.3)	(8.0)	(15.9)
Profit for the period		42.8	27.3	55.3	25.7	47.9
Attributable to:						
Owners of the Company		42.8	27.3	55.3	25.7	47.9
Non-controlling interests		-	-	-	-	-
Total		42.8	27.3	55.3	25.7	47.9
Average number of shares outstanding - basic	10	58 472 367	56 786 918	58 465 871	56 786 918	57 467 325
Average number of shares outstanding - diluted	10	58 499 239	56 786 918	58 479 381	56 786 918	57 467 325
Earnings per share						
Basic (NOK per share)	10	0.73	0.48	0.95	0.45	0.83
Diluted (NOK per share)	10	0.73	0.48	0.95	0.45	0.83

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>Amounts in NOK million</i>	Q2 2022	Q2 2021	1H 2022	1H 2021	2021
Profit for the period	42.8	27.3	55.3	25.7	47.9
Items that may be reclassified to profit or loss					
Exchange differences on translation of foreign operations	(0.1)	0.1	1.7	(0.1)	(3.2)
Items that will not be reclassified to profit or loss					
Changes in the fair value of equity investments at fair value through other comprehensive income	-	-	-	-	-
Other comprehensive income for the period, net of tax	(0.1)	0.1	1.7	(0.1)	(3.2)
Total comprehensive income for the period	42.7	27.4	57.1	25.7	44.7
Total comprehensive income for the period is attributable to:					
Owners of the Company	42.7	27.4	57.1	25.7	44.7
Non-controlling interests	-	0.0	-	(0.0)	(0.0)
Total	42.7	27.4	57.1	25.7	44.7

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>Amounts in NOK million</i>	<i>Note</i>	30.06.2022	31.03.2022	31.12.2021	30.06.2021
ASSETS					
Non-current assets					
Property, plant and equipment	7, 9	162.0	164.9	164.9	156.9
Intangible assets	7	255.1	248.3	242.3	183.4
Goodwill	11	82.1	82.1	82.1	6.0
Deferred tax asset		0.0	11.1	13.3	12.2
Equity-accounted investees		0.7	0.8	0.9	0.9
Shares in other companies		0.6	0.6	0.2	0.2
Other non-current assets		0.0	0.0	0.0	0.0
Total non-current assets		500.5	507.8	503.8	359.6
Current assets					
Inventories		370.9	334.9	263.2	202.4
Trade receivables		145.0	163.3	154.9	151.4
Other receivables and prepayments		47.4	41.2	33.3	20.5
Cash and cash equivalents		37.5	22.3	21.7	22.4
Total current assets		600.8	561.7	473.2	396.7
Total assets		1 101.4	1 069.6	976.9	756.4
EQUITY AND LIABILITIES					
Liabilities					
Interest-bearing borrowings	8	160.3	159.4	162.6	24.7
Lease liabilities	9	3.4	4.6	6.5	10.6
Other non-current liabilities		6.6	7.0	7.2	1.4
Total non-current liabilities		170.3	170.9	176.3	36.8
Trade payables		136.3	153.2	100.2	108.0
Other current liabilities		80.1	74.9	59.7	38.8
Tax liabilities		9.0	8.5	8.8	1.1
Interest-bearing borrowings	8	158.4	141.3	125.6	117.9
Lease liabilities	9	8.7	8.4	8.5	8.4
Total current liabilities		392.5	386.3	302.7	274.2
Total liabilities		562.8	557.3	479.1	311.0
Equity					
Share capital	10	5.9	5.8	5.8	5.7
Share premium		310.4	308.8	308.8	275.4
Retained earnings		222.3	197.6	183.3	163.8
Non-controlling interests		-	-	0.0	0.4
Total equity		538.6	512.3	497.9	445.4
Total equity and liabilities		1 101.4	1 069.6	976.9	756.4

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in NOK million	Attributable to owners				Non-controlling interests	Total equity
	Share capital	Share premium	Retained earnings	Total		
Balance at 31 December 2021	5.8	308.8	183.3	497.9	-	497.9
Profit for the period	-	-	55.3	55.3	-	55.3
Other comprehensive income	-	-	1.7	1.7	-	1.7
Total comprehensive income for the period	-	-	57.1	57.1	-	57.1
Repurchase of shares	-	-	(0.5)	(0.5)	-	(0.5)
Share issue	0.0	1.6	-	1.7	-	1.7
Dividends paid	-	-	(17.5)	(17.5)	-	(17.5)
Total transactions with owners	0.0	1.6	(18.0)	(16.3)	-	(16.3)
Balance at 30 June 2022	5.9	310.4	222.3	538.6	-	538.6

Amounts in NOK million	Attributable to owners				Non-controlling interests	Total equity
	Share capital	Share premium	Retained earnings	Total		
Balance at 31 December 2020	5.7	275.4	155.2	436.3	0.5	436.8
Profit for the period	-	-	25.7	25.7	-	25.7
Other comprehensive income	-	-	(0.1)	(0.1)	(0.0)	(0.1)
Total comprehensive income for the period	-	-	25.7	25.7	(0.0)	25.7
Dividends paid	-	-	(17.0)	(17.0)	-	(17.0)
Total transactions with owners	-	-	(17.0)	(17.0)	-	(17.0)
Balance at 30 June 2021	5.7	275.4	163.8	444.9	0.4	445.4

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in NOK million	Note	Q2 2022	Q2 2021	1H 2022	1H 2021	2021
Profit for the period		42.8	27.3	55.3	25.7	47.9
Adjustments for:						
Income tax expense recognised in profit or loss		11.7	7.9	16.3	8.0	15.9
Income taxes paid		(0.7)	-	(1.5)	-	(0.4)
Share of profit of associates		0.1	(0.1)	0.2	(0.1)	0.3
Gain on disposal of interest in former associate		-	-	-	(1.2)	(1.2)
Depreciation and amortisation	7, 9	20.8	15.3	41.0	30.3	69.0
Movements in working capital:						
(Increase)/decrease in trade receivables		18.3	(43.8)	9.9	(30.1)	(24.9)
(Increase)/decrease in inventories		(36.0)	(32.1)	(107.6)	(37.8)	(91.2)
Increase/(decrease) in trade payables		(16.9)	31.3	35.8	40.7	31.0
Increase/(decrease) in accruals		4.9	17.5	13.7	(2.3)	1.4
Net cash generated by operating activities		44.9	23.4	63.2	33.1	47.7
Cash flows from investing activities						
Payments for property, plant and equipment	7	(5.7)	(3.9)	(15.7)	(11.8)	(29.0)
Reclassified from inventory to property, plant and equip.	7	-	(10.5)	-	(10.5)	(10.5)
Payments for intangible assets	7	(17.8)	(11.4)	(33.8)	(26.9)	(51.2)
Net cash outflow on acquisition of subsidiaries and other shares	11	-	-	(1.5)	(3.2)	(126.9)
Net cash (used in)/generated by investing activities		(23.4)	(25.8)	(51.0)	(52.4)	(217.6)
Cash flows from financing activities						
Payment for repurchase of common shares		(0.5)	-	(0.5)	-	-
Proceeds from issuance of common shares	10	-	-	-	-	7.2
Proceeds from borrowings	8	-	15.8	-	15.8	166.3
Repayment of borrowings	8	(2.4)	(2.6)	(5.4)	(5.0)	(7.4)
Repayment of lease liabilities	9	(2.1)	(2.1)	(4.2)	(4.1)	(8.2)
Net change in overdraft facility	8	16.1	12.3	31.2	37.1	35.7
Dividends paid	10	(17.5)	(17.0)	(17.5)	(17.0)	(17.0)
Net cash (used in)/generated by financing activities		(6.4)	6.4	3.6	26.7	176.6
Net increase in cash and cash equivalents		15.1	4.0	15.8	7.4	6.7
Cash and cash equivalents at the beginning of the period		22.4	18.4	21.7	15.0	15.0
Cash and cash equivalents at the end of the period		37.5	22.4	37.5	22.4	21.7

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 Q2 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 second quarter and six months ending 30 June 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 second quarter 2022, ending 30 June 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.

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, loss allowance for expected credit losses on trade receivables and guarantee provisions. Based on the assessment, no impairment of intangible assets was recognised in the first and second quarter of 2022. In the second quarter of 2022, NORBIT made a NOK 0.9 million provision on expected loss on trade receivables, and NOK 0.8 million in the first quarter.

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 & Realization (PIR).

H1 2022

<i>Amounts in NOK million</i>	Oceans	Connectivity	PIR	Eliminations	Total
Revenues	212.2	146.7	210.4	(18.7)	550.5
Other gains and losses	-	-	-	-	-
Raw materials and change in inventories	68.6	49.3	137.6	(6.0)	249.5
Operating expenses	63.8	63.7	50.1	1.9	179.4
EBITDA	79.8	33.7	22.7	(14.6)	121.6
EBITDA margin	38%	23%	11%		22%
Depreciation	8.0	3.4	6.7	1.3	19.4
Amortisation and impairment	7.3	14.4	0.0	0.0	21.6
EBIT	64.4	16.0	16.0	(15.9)	80.6
Total financial items (not allocated)					(8.9)
Profit before tax					71.6
Taxes (not allocated)					(16.3)
Profit after tax					55.3

Timing of revenues

- At point in time	186.7	130.0	191.9	(18.7)	489.8
- Over time	25.5	16.7	18.5	0.0	60.7
Total	212.2	146.7	210.4	(18.7)	550.5

H1 2021

<i>Amounts in NOK million</i>	Oceans	Connectivity	PIR	Eliminations	Total
Revenues	170.0	35.7	145.7	(12.8)	338.7
Other gains and losses	-	-	-	1.2	1.2
Raw materials and change in inventories	62.6	17.4	83.2	(2.6)	160.7
Operating expenses	42.2	19.2	48.2	1.4	111.1
EBITDA	65.2	(0.9)	14.3	(10.5)	68.1
EBITDA margin	38%	(2%)	10%		20%
Depreciation	4.9	1.6	8.5	0.4	15.4
Amortisation and impairment	5.6	7.0	2.8	(0.4)	14.9
EBIT	54.7	(9.4)	3.0	(10.5)	37.8
Total financial items (not allocated)					(4.1)
Profit before tax					33.7
Taxes (not allocated)					(8.0)
Profit after tax					25.7

Timing of revenues

- At point in time	150.9	35.7	130.3	(12.8)	304.1
- Over time	19.1	0.0	15.5	0.0	34.6
Total	170.0	35.7	145.7	(12.8)	338.7

Q2 2022

<i>Amounts in NOK million</i>	Oceans	Connectivity	PIR	Eliminations	Total
Revenues	131.4	83.0	111.5	(10.6)	315.3
Other gains and losses	-	-	-	-	-
Raw materials and change in inventories	47.2	29.6	76.2	(3.9)	149.1
Operating expenses	30.1	33.4	24.1	1.0	88.5
EBITDA	54.1	20.0	11.3	(7.7)	77.7
EBITDA margin	41%	24%	10%		25%
Depreciation	4.1	1.8	3.3	0.7	9.8
Amortisation and impairment	3.7	7.2	0.1	0.0	10.9
EBIT	46.3	11.0	7.9	(8.3)	56.9
Total financial items (not allocated)					(2.5)
Profit before tax					54.4
Taxes (not allocated)					(11.7)
Profit after tax					42.8

Timing of revenues

- At point in time	119.5	74.5	99.9	(10.6)	283.4
- Over time	11.9	8.5	11.6	0.0	32.0
Total	131.4	83.0	111.5	(10.6)	315.3

Q2 2021

<i>Amounts in NOK million</i>	Oceans	Connectivity	PIR	Eliminations	Total
Revenues	101.5	16.4	78.5	(6.4)	190.0
Other gains and losses	-	-	-	-	-
Raw materials and change in inventories	37.2	6.6	44.8	(0.5)	88.1
Operating expenses	20.1	10.0	22.8	(1.5)	51.4
EBITDA	44.3	(0.2)	10.8	(4.5)	50.5
EBITDA margin	44%	(1%)	14%		27%
Depreciation	2.6	0.7	4.1	0.2	7.5
Amortisation and impairment	3.0	3.5	1.4	(0.1)	7.8
EBIT	38.7	(4.4)	5.4	(4.6)	35.1
Total financial items (not allocated)					0.1
Profit before tax					35.2
Taxes (not allocated)					(7.9)
Profit after tax					27.3

Timing of revenues

- At point in time	91.2	16.4	70.0	(6.4)	171.2
- Over time	10.3	-	8.4	-	18.8
Total	101.5	16.4	78.5	(6.4)	190.0

NOTE 5 DERIVATIVE FINANCIAL INSTRUMENTS

The group has the following derivative financial instruments:

	30.06.22	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	-	-

NOTE 6 NET FINANCIAL ITEMS

Net financial items consist of:

<i>Amounts in NOK million</i>	H1 2022	H1 2021	Q2 2022	Q2 2021
Share of profit of associates	(0.2)	0.1	(0.1)	0.1
Net interest income / (expense)	(6.7)	(2.7)	(3.5)	(1.5)
Agio/disagio and other financial expenses	(2.0)	(1.5)	1.1	1.6
Net financial items	(8.9)	(4.1)	(2.5)	0.1

NOTE 7 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

<i>Amounts in NOK million</i>	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	-	-	1.0
Additions	2.2	13.4	33.8
Depreciation	(2.9)	(12.4)	-
Amortisation	-	-	(21.6)
Currency effects	(0.1)	(0.4)	(0.4)
Balance at 30 June 2022	67.8	82.2	255.1

The Group invested NOK 17.8 million in intangible assets in Q2 2022, and NOK 33.8 million in the first half of 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 first half of the year.

Total investments in property, plant and equipment was NOK 5.7 million in Q2 2022, and NOK 15.7 million for the first half of 2022, 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 30 June 2022.

NOTE 8 INTEREST-BEARING BORROWINGS

<i>Amounts in NOK million</i>	30.06.2022	31.12.2021	30.06.2021
Revolving credit facility	60.0	60.0	25.8
Overdraft facility	117.7	86.5	87.9
Term loan	52.3	54.1	-
Seller's credit	63.3	60.2	-
Other borrowings	25.5	27.4	28.9
Total interest-bearing borrowings	318.7	288.2	142.6
Non-current borrowings	160.3	162.6	24.7
Current borrowings	158.4	125.6	117.9
Total interest-bearing borrowings	318.7	288.2	142.6

The Group had three main loan facilities per end of Q2 2022, comprising of a long-term revolving credit facility (RCF), a short-term overdraft facility and a term loan. The credit limits are NOK 200 million and NOK 250 million on the RCF and overdraft facility, respectively. The maturity date for the RCF is February 2025 and July 2024 for the term loan, while the overdraft is a 12 month rolling facility. The term loan amortises over 15 years.

NORBIT had drawn NOK 117.7 million on the overdraft facility as of 30 June 2022, while NOK 60.0 million was drawn on the RCF. NOK 52.3 million was outstanding on the term loan. The RCF and term loan are priced at 3M NIBOR + 1.8 per cent margin p.a., while the overdraft facility is priced at 1M NIBOR + 1.4 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.

As of 30 June 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 per cent p.a and accrues on the loan. Half of the seller's credit is to be repaid 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:

<i>Amounts in NOK million</i>	Right of use assets			Lease liabilities
	Office rent	Machinery and vehicles	Total	
Balance at 31 December 2021	14.7	0.0	14.8	15.0
Additions	-	1.2	1.2	1.2
Depreciation expense	(4.0)	(0.1)	(4.1)	-
Interest expense	-	-	-	0.1
Lease payments	-	-	-	(4.2)
Balance at 30 June 2022	10.7	1.1	11.9	12.1

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 NORBIT.

At June 30, 2022, the total number of shares in NORBIT ASA amounted to 58 520 431 and the number of outstanding shares was 58 503 599, each with a par value of NOK 0.10 per share. At 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.

On 4 May 2022, NORBIT held its annual general meeting. The general meeting approved the annual accounts and the board's dividend proposal, including dividend distribution of NOK 0.30 per share.

On 19 May, the board of directors resolved to award a total of 183 395 restricted stock units ("RSUs") to members of the executive management based on the performance of the financial year 2021. Simultaneously with the award approximately one third of the RSUs vested, whereby the board of directors resolved to issue 61 129 new shares. 16 832 of the issued shares were repurchased by NORBIT ASA. The remaining 122 266 RSUs will vest in the second quarter of 2023 and 2024 and are included in the calculation of diluted earnings per share.

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 company 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.

<i>Amounts in NOK million</i>	Purchase price
Cash consideration	0.9
Total	0.9
Recognised amount of identifiable assets and acquired liabilities assumed*	
Intangible assets	1.0
Deferred tax asset	2.0
Cash and cash equivalents	0.0
Interest-bearing borrowings	(1.6)
Trade payables	(0.4)
Other current liabilities	(0.1)
Total identifiable net assets	0.9
Cash and cash equivalents	0.0
Total cash outflow from acquisition of business	0.9

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

iData Kft.

On 30 July 2021, NORBIT completed the acquisition of iData, a Hungarian technology company specialised in vehicle tracking and fleet management related services. iData has three subsidiaries in Hungary (Beta Blue Kft.), Croatia (iData Fleet Management d.o.o.) and Slovakia (iData Slovakia s.r.o.), collectively with iData Kft. referred to as "iData". iData is reported under segment Connectivity in the segment reporting. Through the acquisition, the Connectivity segment is creating a broader platform for growth into the asset and vehicle tracking market, where iData has a strong position in its

home markets. The total consideration for the shares was EUR 14.5 million and was paid through a combination of cash, seller's credit and issuance of consideration shares. The purchase price and fair value of assets and liabilities acquired are presented in the table below. The main fair value adjustments were related to customer relationships and trademark. The company was consolidated from the date of acquisition and the preliminary acquisition analysis gave rise to goodwill of NOK 76.1 million. Goodwill is not tax deductible.

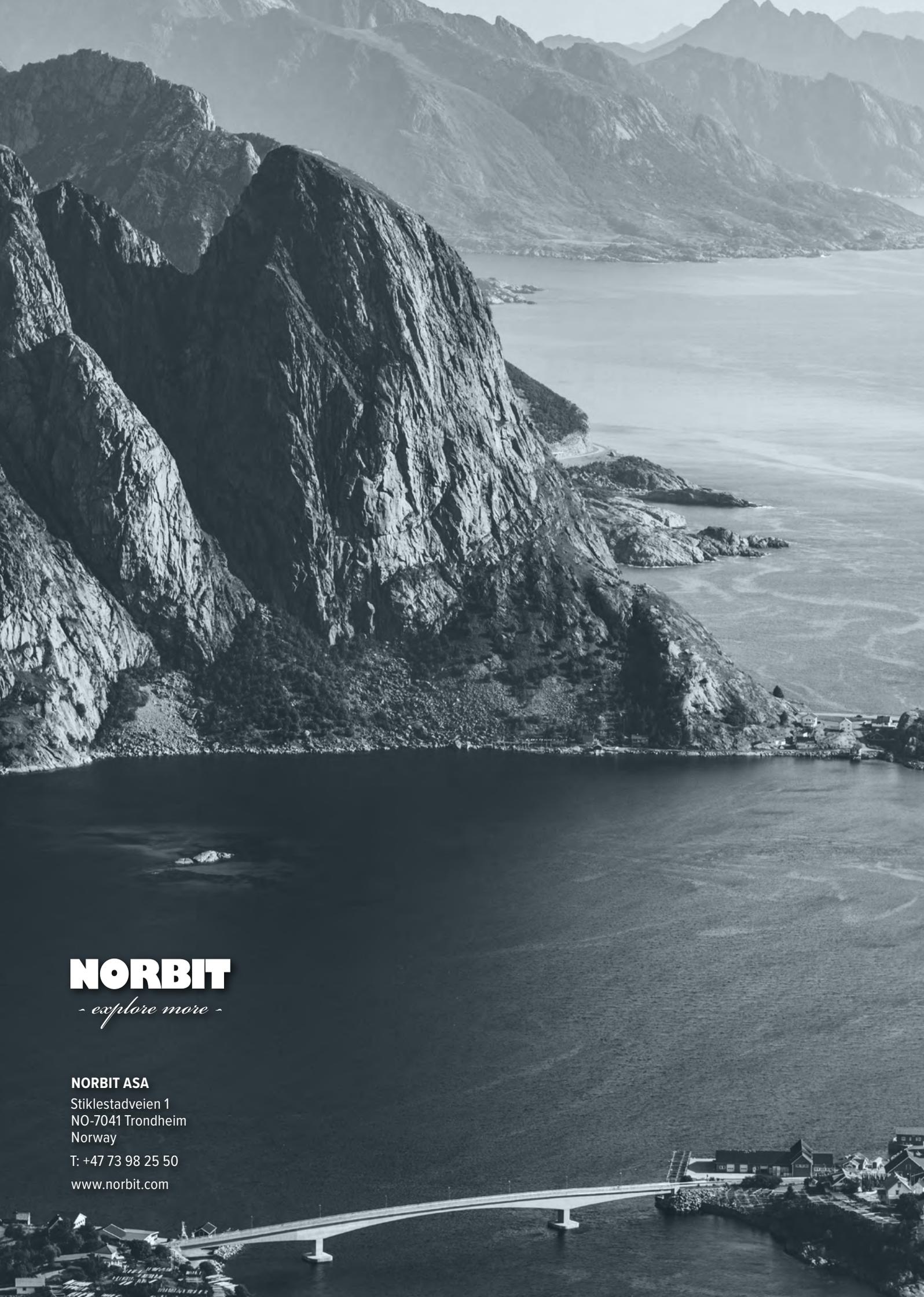
<i>Amounts in NOK million</i>	Purchase price
Considerations shares	26.1
Cash consideration	62.7
Seller's credit	62.2
Total	151.0
Recognised amount of identifiable assets and acquired liabilities assumed	
Trademark	2.2
Customer relationships	43.9
Other intangible assets	10.1
Property, plant and equipment	9.3
Inventories	7.4
Trade receivables	8.7
Other current assets	3.8
Cash and cash equivalents	1.2
Deferred tax	(4.1)
Non-current liabilities	(1.3)
Trade payables	(1.8)
Other current liabilities	(4.5)
Total identifiable net assets	74.8
Goodwill	76.1
Cash and cash equivalents in acquired business	1.2
Total cash outflow from acquisition of business	123.7

NOTE 12 RELATED PARTY TRANSACTIONS

There were no related party transactions in the first half of 2022.

NOTE 13 SUBSEQUENT EVENTS

There were no subsequent events after quarter-end.



NORBIT

- explore more -

NORBIT ASA

Stiklestadveien 1
NO-7041 Trondheim
Norway

T: +47 73 98 25 50

www.norbit.com