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HIGHLIGHTS

SUMMARY OF THE FOURTH QUARTER AND PRELIMINARY ANNUAL RESULTS 2023

- In 2023, NORBIT delivered revenues of NOK 1 518.9 million and an EBITDA result of NOK 391.8 million, representing a margin of 26 per cent. Revenues grew by 30 per cent from 2022.
- In the fourth quarter, revenues came in at NOK 396.0 million, while the EBITDA result was NOK 92.1 million, representing a margin of 23 per cent. Revenues grew by 14 per cent from the fourth quarter of 2022.
- Continued strong demand for Oceans' sonar solutions led to the segment reporting all-time high revenues of NOK 176.9 million, up from NOK 127.0 million in the fourth quarter of 2022. The EBITDA margin for the quarter was 37 per cent. For the full year, the segment delivered revenues of NOK 599.0 million and an EBITDA margin of 35 per cent.
- NORBIT completed the acquisition of the Canadian maritime technology company Ping Digital Signal Processing, supporting the strategy of broadening the product offering in the Oceans domain. Total consideration paid in shares and cash at closing was USD 3.7 million.
- The Connectivity segment benefited from an increase in demand for dedicated short-range communications ('DSRC') solutions, reporting revenues of NOK 116.4 million in the fourth quarter, an increase of 44 per cent from the corresponding quarter of 2022. The EBITDA margin was 33 per cent. For the full year, Connectivity delivered revenues of NOK 540.3 million and an EBITDA margin of 34 per cent.
- The Product Innovation & Realization (PIR) segment reported NOK 112.3 million in revenues in the fourth quarter, on par with the level in the corresponding quarter of 2022 when adjusting for customer reimbursement. The EBITDA margin for the quarter was 3 per cent. For the full year, the segment delivered revenues of NOK 411.8 million and an EBITDA margin of 13 per cent.
- Diluted earnings per share were NOK 0.71 for the fourth quarter, up from NOK 0.67 one year earlier. For the full year, earnings per share increased by 71 per cent to NOK 3.10.
- For 2023, the board of directors proposes an ordinary dividend of NOK 1.55 per share (50 per cent of reported net profit). In addition, the board proposes an extraordinary dividend of NOK 1.00, bringing the total dividend to NOK 2.55 per share (82 per cent of the reported net profit).
- NORBIT provides an update on its strategic roadmap and long-term financial targets for 2027, where the ambition is to deliver organic revenues in excess of NOK 2.75 billion, an EBIT margin of around 20 per cent and a return on capital employed around 30 per cent.

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FOURTH QUARTER AND PRELIMINARY ANNUAL RESULTS 2023

FINANCIAL REVIEW

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

PROFIT AND LOSS

Revenues for the fourth quarter of 2023 amounted to NOK 396.0 million, representing an increase of 14 per cent compared to the corresponding quarter of 2022 (NOK 347.3 million). The revenue growth was mainly driven by strong growth in the Oceans and Connectivity segments.

For the full year of 2023, NORBIT's revenues came in at NOK 1 518.9 million, an increase of 30 per cent compared to full year 2022 (NOK 1 167.5 million).

Raw material expenses and inventory changes were NOK 159.7 million for the fourth quarter (NOK 176.3 million). The increase from the same period last year is primarily explained by the higher activity level. The gross margin was 60 per cent (49 per cent).

For the full year 2023, raw material expenses and inventory changes amounted to NOK 614.7 million (NOK 549.5 million). The gross margin for the year was 60 per cent (53 per cent).

Employee benefit expenses amounted to NOK 104.3 million for the fourth quarter of 2023 (NOK 73.4 million). The increase from last year is primarily explained by a strengthening of the organisation to support the activity level and strategic initiatives, a depreciating Norwegian krone and acquisitions throughout 2023.

In 2023, a total of NOK 360.3 million incurred in employee benefit expenses (NOK 250.2 million).

Other operating expenses amounted to NOK 40.0 million for the fourth quarter of 2023 (NOK 31.0 million). The increase from the corresponding quarter of last

year is primarily explained by freight expenses, insurance, IT costs, setup costs for a new office in the US and a depreciating Norwegian krone.

For the full year, a total of NOK 152.2 million (NOK 132.4 million) incurred in other operating expenses.

EBITDA amounted to NOK 92.1 million for the fourth quarter (NOK 66.5 million), corresponding to a margin of 23 per cent (19 per cent).

For the full year, EBITDA was NOK 391.8 million (NOK 235.3 million), representing a margin of 26 per cent (20 per cent).

Operating profit (EBIT) came in at NOK 63.6 million for the fourth quarter (NOK 42.6 million), representing a margin of 16 per cent (12 per cent).

For the full year, EBIT was NOK 284.2 million (NOK 148.8 million), corresponding to a margin of 19 per cent (13 per cent).

Net financial items amounted to negative NOK 7.6 million for the quarter (negative NOK 8.9 million). This included NOK 7.9 million in net interest expenses and NOK 0.2 million in foreign exchange gains.

Net financial items for the full-year period ended at negative NOK 38.1 million, compared with negative NOK 28.0 million in 2022.

A tax expense of NOK 13.2 million was recorded for the quarter (tax income of NOK 6.1 million) and a tax expense of NOK 60.8 million for the full year (NOK 14.1 million).

Profit for the period was NOK 42.9 million (NOK 39.8 million) and NOK 185.3 million for the year (NOK 106.7 million). Diluted earnings per share were NOK 0.71 (NOK 0.67) and NOK 3.10 for the year (NOK 1.82).

CONSOLIDATED KEY FIGURES ¹⁾

Amounts in NOK million (except percentages and EPS)	Fourth quarter		Full year	
	2023	2022	2023	2022
Revenues	396.0	347.3	1 518.9	1 167.5
EBITDA	92.1	66.5	391.8	235.3
EBITDA margin (%)	23%	19%	26%	20%
EBIT	63.6	42.6	284.2	148.8
EBIT margin (%)	16%	12%	19%	13%
Profit for the period	42.9	39.8	185.3	106.7
Earnings per share (EPS) - diluted	0.71	0.67	3.10	1.82

¹⁾ See definitions on page 21.

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

Oceans – financial figures

Amounts in NOK million	Fourth quarter		Full year	
	2023	2022	2023	2022
Revenues	176.9	127.0	599.0	443.0
Raw materials	46.7	45.2	175.9	149.8
Gross profit	130.1	81.8	423.0	293.2
Operating expenses	65.4	41.2	211.9	145.6
EBITDA	64.7	40.6	211.1	147.6
Depreciation and amortisation	12.1	9.7	45.4	33.2
EBIT	52.6	30.8	165.7	114.4
Gross margin (%)	74%	64%	71%	66%
EBITDA margin (%)	37%	32%	35%	33%
EBIT margin (%)	30%	24%	28%	26%

Revenues amounted to NOK 176.9 million for the fourth quarter of 2023, an increase of 39 per cent from the same period last year (NOK 127.0 million). The improvement was driven by a strong increase in the sale of sonars, with Europe and Americas being the best performing regions in the quarter.

For the full year, Oceans recorded revenues of NOK 599.0 million, 35 per cent higher than for 2022 (NOK 443.0 million).

Oceans – revenue split

Amounts in NOK million	Fourth quarter		Full year	
	2023	2022	2023	2022
Subsea sonars	151.7	114.0	509.1	360.9
Security	10.6	0.2	29.1	23.2
Environmental monitoring	6.9	7.7	29.3	37.4
Aqua	2.1	0.0	4.9	0.0
Connect	5.6	5.1	26.5	21.5
Total	176.9	127.0	599.0	443.0

Gross margin for the fourth quarter ended at 74 per cent, compared to 64 per cent in the fourth quarter last year. The increase in the gross margin is primarily

explained by a lower share of sales on commission, partly as a result of NORBIT's acquisition of its distributor Seahorse Geomatics earlier this year, as well as a favourable product mix.

For the full year, the gross margin was 71 per cent, compared to 66 per cent in 2022.

Operating expenses, including employee expenses and other operating expenses, amounted to NOK 65.4 million for the fourth quarter of 2023 (NOK 41.2 million). The increase is primarily explained by acquisitions of Seahorse Geomatics and Ping Digital Signal Processing, bonus provisions, a depreciating Norwegian krone and a general strengthening of the organisation.

For the full year of 2023, operating expenses came in at NOK 211.9 million (NOK 145.6 million).

EBITDA for the Oceans segment amounted to NOK 64.7 million for the quarter (NOK 40.6 million), representing a margin of 37 per cent (32 per cent).

For the full year, EBITDA was NOK 211.1 million (NOK 147.6 million), resulting in an EBITDA margin of 35 per cent (33 per cent).

EBIT was NOK 52.6 million in the fourth quarter of 2023 (NOK 30.8 million), corresponding to a margin of 30 per cent (24 per cent).

For the full year, EBIT was NOK 165.7 million (NOK 114.4 million), resulting in an EBIT margin of 28 per cent (26 per cent).

Main events

■ NORBIT completed the acquisition of the Canadian maritime technology company Ping Digital Signal Processing. The company has developed an interferometric side scan sonar technology which is complementary to the current product portfolio in Oceans, thus broadening the product offering in the segment. Total consideration paid in shares and cash at closing was USD 3.7 million. In the fiscal year 2023, the company reported revenues of USD 1.7 million¹⁾ and an adjusted operating profit of USD 0.5 million.¹⁾

CONNECTIVITY

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

Connectivity – financial figures

Amounts in NOK million	Fourth quarter		Full year	
	2023	2022	2023	2022
Revenues	116.4	80.7	540.3	308.0
Raw materials	42.9	28.3	208.4	109.7
Gross profit	73.5	52.3	331.9	198.3
Operating expenses	34.8	28.4	146.6	121.0
EBITDA	38.7	23.9	185.3	77.4
Depreciation and amortisation	12.6	9.5	46.1	36.9
EBIT	26.0	14.5	139.3	40.5
Gross margin (%)	63%	65%	61%	64%
EBITDA margin (%)	33%	30%	34%	25%
EBIT margin (%)	22%	18%	26%	13%

1) Converted from CAD to USD applying an average exchange rate of 0.74 in the period from fiscal year 1 September 2022 to 31 August 2023.

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Revenues amounted to NOK 116.4 million for the fourth quarter of 2023, an increase of 44 per cent from the corresponding period of 2022 (NOK 80.7 million). The revenue growth was primarily driven by increased sale of enforcement modules for tachographs and units for satellite-based toll collection.

In total, revenues from DSRC technology were NOK 91.9 million in the quarter (NOK 62.6 million), while revenues from subscription and e-toll represented NOK 24.5 million (NOK 18.0 million).

For the full year, revenues came in at NOK 540.3 million (NOK 308.0 million), corresponding to an increase of 75 per cent. DSRC represented NOK 447.8 million of the total revenues (NOK 231.0 million).

Connectivity – revenue split

<i>Amounts in NOK million</i>	Fourth quarter		Full year	
	2023	2022	2023	2022
On-Board Units	26.6	31.9	295.7	135.6
Tachograph enforcement modules	30.1	10.9	79.6	36.5
Satellite-based tolling	29.4	13.9	60.0	47.7
Subscription and e-toll	24.5	18.0	92.4	77.0
Other	5.8	5.9	12.5	11.2
Total	116.4	80.7	540.3	308.0

Gross margin for the fourth quarter was 63 per cent compared to 65 per cent in the fourth quarter last year. The decrease is primarily related to the product mix.

For the year, the gross margin for Connectivity was 61 per cent, compared to 64 per cent in 2022.

Operating expenses amounted to NOK 34.8 million for the quarter, an increase of NOK 6.4 million compared to the corresponding period last year (NOK 28.4 million). The increase was primarily driven by a strengthening of the organisation, wage inflation, as well as a stronger Hungarian forint versus NOK with approximately 50 per cent of the operating costs being forint denominated in the quarter.

For the full year, Connectivity has recorded a total of NOK 146.6 million in operating expenses (NOK 121.0 million).

EBITDA for the fourth quarter of 2023 amounted to NOK 38.7 million (NOK 23.9 million), representing a margin of 33 per cent (30 per cent).

For the full year 2023, EBITDA was NOK 185.3 million (NOK 77.4 million), representing a margin of 34 per cent (25 per cent).

EBIT was NOK 26.0 million in the fourth quarter of 2023 (NOK 14.5 million), representing a margin of 22 per cent (18 per cent).

For the full year, EBIT was NOK 139.3 million (NOK 40.5 million), resulting in an EBIT margin of 26 per cent (13 per cent).

PRODUCT INNOVATION & REALIZATION (PIR)

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

PIR – financial figures

<i>Amounts in NOK million</i>	Fourth quarter		Full year	
	2023	2022	2023	2022
Revenues	112.3	150.2	411.8	456.5
Raw materials	71.0	108.9	233.2	307.4
Gross profit	41.3	41.2	178.6	149.1
Operating expenses	38.0	27.9	126.6	101.3
EBITDA	3.3	13.3	52.0	47.8
Depreciation and amortisation	4.5	3.8	17.3	13.8
EBIT	(1.2)	9.5	34.7	34.0
Gross margin (%)	37%	27%	43%	33%
EBITDA margin (%)	3%	9%	13%	10%
EBIT margin (%)	(1)%	6%	8%	7%

Revenues amounted to NOK 112.3 million for the fourth quarter of the year, a decrease of 25 per cent from the corresponding period last year (NOK 150.2 million). In the quarter, PIR recognised no customer reimbursements of extraordinary material costs (NOK 38.3 million). Adjusted for this effect, revenues were on par with that of the corresponding period of 2022. Revenues from contract manufacturing were NOK 94.4 million in the quarter, compared with NOK 85.2 million in the prior-year period, adjusted for customer reimbursements.

For the full year, revenues amounted to NOK 411.8 million (NOK 456.5 million), a decrease of 10 per cent from the same period last year. Adjusted for customer reimbursements, revenue growth was 16 per cent.

PIR – revenue split

<i>Amounts in NOK million</i>	Fourth quarter		Full year	
	2023	2022	2023	2022
Contract manufacturing	94.4	85.2	318.7	256.2
Customer reimbursements	0.0	38.3	6.6	106.7
R&D products and services	17.8	26.6	86.4	93.6
Total	112.3	150.2	411.8	456.6

Gross margin for the fourth quarter was 37 per cent compared to 27 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 37 per cent in the fourth quarter of 2022. The sequential margin decline from the prior quarters of 2023 is caused by delivery of a low-margin project, provisions for obsolete inventory and sale of inventory at cost. Adjusted for these effects, the gross margin was 44 per cent in the fourth quarter. The gross margin in first quarter of 2024 is expected to be negatively impacted by continued delivery on the low-margin project.

For the full year, the gross margin was 43 per cent, compared to 33 per cent in 2022. Adjusted for the customer reimbursement effect, the gross margin was 44 per cent for the year, compared to 43 per cent in 2022.

Operating expenses for the PIR segment amounted to NOK 38.0 million for the fourth quarter (NOK 27.9 million). The increase is primarily explained by higher payroll expenses following a strengthening of the organisation, as well as an increase in freight costs, maintenance expenses and consultancy services.

For the full year, operating expenses came in at NOK 126.6 million (NOK 101.3 million).



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EBITDA amounted to NOK 3.3 million for the fourth quarter of 2023 (NOK 13.3 million), representing a margin of 3 per cent (9 per cent). The results were negatively impacted by increased operating expenses.

For the full year, the PIR segment recorded an EBITDA of NOK 52.0 million (NOK 47.8 million) and a margin of 13 per cent (10 per cent).

EBIT was negative NOK 1.2 million in the fourth quarter of 2023 (NOK 9.5 million), representing a margin of negative 1 per cent (6 per cent).

For the full year, EBIT was NOK 34.7 million (NOK 34.0 million), resulting in an EBIT margin of 8 per cent (7 per cent).

FINANCIAL POSITION AND LIQUIDITY

Consolidated financial position

Assets amounted to NOK 1 496.6 million at 31 December 2023, up from NOK 1 400.7 million at 30 September 2023 and NOK 1 220.8 million at 31 December 2022.

Intangible assets amounted to NOK 303.2 million at the end of the fourth quarter of 2023, up from NOK 296.3 million at the end of the previous quarter and up from NOK 258.8 million at the end of 2022. The increase is primarily explained by NOK 8.1 million in fair value adjustments relating to the acquisition of Ping Digital Signal Processing.

Goodwill stood at NOK 111.1 million at 31 December 2023, up from NOK 84.4 million at 30 September 2023 and year-end 2022. The increase is explained by NOK 26.6 million in preliminary allocation of goodwill relating to the acquisition of Ping Digital Signal Processing. Reference is made to note 11 to the financial statements.

Inventories amounted to NOK 562.0 million at the end of the fourth quarter of 2023, compared to NOK 545.2 million at the end of the third quarter and NOK 426.3 million at the end of 2022. The increase in inventory from the prior quarter relates to re-scheduling of On-Board Unit deliveries from fourth quarter to January.

Trade receivables were NOK 170.3 million at 31 December 2023, down from NOK 178.8 million at 30 September 2023 and up from NOK 168.0 million at year-end 2022. The decrease from the previous quarter is primarily explained by intra-quarter effects with revenues more balanced throughout the fourth quarter versus back-end loaded revenue recognition in the third quarter.

SHARE INFORMATION

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

In the fourth quarter of 2023, the share traded between NOK 48.60 and NOK 59.80 per share, with a closing price of NOK 57.00 at 31 December 2023.

At 31 December 2023, the company had approximately 2 300 shareholders, of which the 20 largest shareholders held 77.9 per cent of the total outstanding shares.

Cash and cash equivalents amounted to NOK 60.7 million at the end of the year, compared to NOK 43.4 million at the end of September and NOK 41.7 million at the end of 2022.

Net interest-bearing borrowings were NOK 150.8 million at the end of the fourth quarter, compared to NOK 242.5 million three months earlier and NOK 295.6 million at the end of 2022.

The company had NOK 530.0 million in undrawn committed credit facilities at 31 December 2023.

Total equity was NOK 793.4 million at the end of the quarter, representing an equity ratio of 53 per cent, compared to NOK 740.1 million at the end of September this year and NOK 599.3 million at the end of 2022. The increase in the quarter is primarily explained by a positive net profit.

Consolidated cash flow

Operating activities generated a cash flow of NOK 161.8 million for the fourth quarter of 2023 (NOK 8.1 million), including a net decrease in the working capital of NOK 83.1 million (increase of NOK 41.1 million), mainly related to advance payments from customers.

For the full year, operating activities generated a cash flow of NOK 345.7 million (NOK 85.7 million), including a net decrease in the working capital of NOK 11.9 million (increase of NOK 110.9 million).

Investing activities generated a cash outflow of NOK 66.5 million for the fourth quarter of 2023 (NOK 22.7 million), of which NOK 31.4 million is explained by net cash outflow from the acquisition of Ping Digital Signal Processing and the investment in the EV charger company Enea. In addition, NORBIT invested NOK 19.8 million in machinery, equipment and capitalisation of assets and NOK 15.3 million in R&D in the quarter. The R&D investments represented 3.9 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 full year, cash flow from investing activities was NOK 149.0 million (NOK 91.9 million), including R&D investments of NOK 60.2 million.

Financing activities led to a cash outflow of NOK 78.0 million in the quarter (cash inflow of NOK 25.8 million) following repayment of debt and leases.

For the full year, NORBIT had a cash outflow of NOK 177.7 million from financing activities (cash inflow of NOK 26.2 million).

At 31 December 2023, the total number of shares in NORBIT ASA amounted to 60 017 415 and the number of outstanding shares was 59 973 855. At the same date, NORBIT ASA held 43 560 own shares.

In October and in connection with the closing of the acquisition of Ping Digital Signal Processing, the board of directors resolved to issue 196 668 consideration shares to the sellers at a price of NOK 53.07 per share as partial settlement of the transaction.

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RISKS AND UNCERTAINTIES

NORBIT is exposed to various risk factors, including, but not limited to, operational, market and financial risks. For a more detailed description of the risk factors, please see an overview in the annual report for 2022.

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.

There are signs of improvement in the supply environment for components, but for certain semiconductor components the supply market is still challenging. Lead times are generally improving but remain elevated for certain components with a corresponding low visibility. To some extent, this impacts the scheduling of planned deliveries, leading to delays. 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 and mitigate the risk of supply shortage by evaluating the use of component equivalents in close dialogue with customers,

as well as working with suppliers to secure the raw material components needed to deliver according to plans. The increase in inventory requires careful management, as changes in market dynamics or reduced demand may negatively impact NORBIT as a supplier, potentially leading to obsolete inventory that has not been provided for in the financial statements.

Price increases on raw materials components continue to persist. 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.

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

OUTLOOK

A record year supports increased dividends, positive outlook for 2024

As a result of solid operational performance and continued strong demand, NORBIT ended 2023 by delivering on its ambitions one year ahead of target, with revenues surpassing NOK 1.5 billion and the EBITDA margin coming in at 26 per cent. All three business segments contributed positively to the development with underlying growth and margin improvement.

Considering the strong performance and NORBIT's solid financial position, the board of directors proposes an ordinary dividend of NOK 1.55 per share. In addition, the board proposes an extraordinary dividend of NOK 1.00, bringing the total dividend to NOK 2.55 per share for the fiscal year 2023. When proposing the annual dividend, the board has considered the company's financial position, investment plans and the necessary financial flexibility to provide for sustainable growth. Considering NORBIT's solid liquidity position and balance sheet, the board considers the financial capacity for further profitable growth to be strong.

The board is optimistic about the outlook for the year. The target for 2024 is to deliver revenues of NOK 1.7 – 1.8 billion, supported by growth in all three business segments. First half revenues are expected to be in line with the level reported in the corresponding period of 2023. The EBIT margin for the year is targeted to be in line with that of 2023. As in previous years, quarterly seasonal fluctuations are expected, along with the impact of currency movements as a substantial share of NORBIT's revenues is denominated in foreign currencies.

Continued long-term growth will require further investments in R&D to broaden the product portfolio and in manufacturing equipment. In 2024, NORBIT expects its R&D investments to be NOK 65 – 75 million. Investments in fixed assets are anticipated to be NOK 90 – 100 million with a significant share of the investments being allocated to the factories to increase production capacity and de-risk operations.

Update on the strategic roadmap and new long-term financial targets towards 2027

Concluding two consecutive strategy periods since the listing in 2019, NORBIT has demonstrated its ability to grow profitably and deliver on the targets set by developing and introducing new innovative solutions through a global sales and distribution network. Since 2018, the annual revenue growth has been 28 per

cent, and the EBIT margin has increased from 9 per cent to 19 per cent. This in a period with a global pandemic lockdown and a subsequent challenging market for supply of components, during which strategic priorities and operational performance were stress tested.

NORBIT is now preparing for the next phase with an updated strategic roadmap and new financial targets. While the targets are new, the success criteria for value creation remain largely unchanged. The driving forces that have served the company well in the past continue to be cornerstones also in the period ahead:

- Strong corporate culture based on “explore more” as the core purpose
- Market-driven innovation in carefully selected applications
- Tailored and dynamic growth strategy
- Opportunity driven with entrepreneurial and commercial spirit
- Diversified business model
- Recruiting and refining top talents

A landscape shaped by global shifts towards resilience, digitalisation and sustainability represents opportunities for expansion and innovation across all NORBIT's segments. Growth in the blue economy, shift towards renewable energy, alongside geopolitical unrest drives increased demand for NORBIT's advanced seabed exploration, inspection, and security surveillance solutions in the Oceans segment. For the Connectivity segment, there is an increased demand for digital transformation of operations, in addition to technologies enabling safe and green mobility. These global mega trends further impact supply chains, positioning Norway - and consequently, the PIR segment - as a pivotal and reliable centre for R&D and contract manufacturing excellence.

Central to NORBIT's strategy going forward is a further broadening of the product offerings through market driven innovation tailored to evolving market needs. The company's demonstrated ability in handling large industrial customers has established NORBIT as a reliable and experienced partner in this endeavour. In its strategic approach, NORBIT also remains dedicated to a continued pursuit of operational excellence and scalability. This includes developing leadership to unlock the potential of all colleagues, maintaining a flat organisational structure, and refining internal processes to ensure agility, enabling NORBIT to act on opportunities and adapt to changing context, also as a larger organisation.



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NORBIT's ambition in 2027 is to deliver organic revenues in excess of NOK 2.75 billion and an EBIT margin of around 20 per cent. Combined with active balance sheet management, the targeted return on capital employed is around 30 per cent. The revenue trajectory implies a growth rate of 16 per cent per year from 2023, with all segments expected to contribute positively.

As part of the capital allocation framework, NORBIT will continue to remain a financially robust company, supporting the flexibility needed to grow towards the set targets by investing and employing capital in accretive R&D projects and expanding production capacity. In order to accelerate growth beyond the organic target, NORBIT will continue to explore value-accretive acquisitions through its

defined criteria. Capital left shall be distributed to the shareholders subject to the financial policy. In presenting the new targets, the board has decided to amend the dividend policy by aligning it with the capital allocation framework and capital structure targets. The dividend policy is to pay out annual ordinary dividends between 30 and 50 per cent of the company's net profit after tax, with the intention to pay out potential excess capital as extraordinary dividends.

The board remains optimistic about NORBIT's long-term outlook. The group's diversified product offering targeting multiple industries and geographies, combined with the organisation's ability to leverage mega trends and to successfully introduce new market-driven innovation, makes the company robust.

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

Finn Haugan
 Chair of the board

Bente Avnung Landsnes
 Deputy chair of the board

Christina Hallin
 Director

Trond Tuvstein
 Director

Magnus Reitan
 Director

Per Jørgen Weisethaunet
 Chief executive officer



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CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

<i>Amounts in NOK million</i>	<i>Note</i>	Q4 2023	Q4 2022	2023	2022
Revenue	4	396.0	347.3	1 518.9	1 167.5
Other gains and losses	11	-	-	-	-
Raw materials and change in inventories		159.7	176.3	614.7	549.5
Employee benefit expenses		104.3	73.4	360.3	250.2
Depreciation and amortisation expenses	7, 9	28.5	24.0	107.7	86.5
Other operating expenses		40.0	31.0	152.2	132.4
Operating profit		63.6	42.6	284.2	148.8
Net financial items	6	(7.6)	(8.9)	(38.1)	(28.0)
Profit before tax		56.0	33.7	246.0	120.8
Income tax expense		(13.2)	6.1	(60.8)	(14.1)
Profit for the period		42.9	39.8	185.3	106.7

Attributable to:

Owners of the Company	42.9	39.8	185.3	106.7
Non-controlling interests	-	-	-	-
Total	42.9	39.8	185.3	106.7

Average no. of shares outstanding - basic	10	59 961 994	58 884 307	59 564 339	58 662 698
Average no. of shares outstanding - diluted	10	60 093 191	59 006 566	59 684 428	58 725 000

Earnings per share

Basic (NOK per share)	10	0.71	0.68	3.11	1.82
Diluted (NOK per share)	10	0.71	0.67	3.10	1.82

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>Amounts in NOK million</i>	Q4 2023	Q4 2022	2023	2022
Items that may be reclassified to profit or loss	42.9	39.8	185.3	106.7
Exchange differences on translation of foreign operations	0.0	1.9	4.0	1.5
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	0.0	1.9	4.0	1.5
Total comprehensive income for the period	42.9	41.7	189.3	108.2

Total comprehensive income for the period is attributable to:

Owners of the Company	42.9	41.7	189.3	108.2
Non-controlling interests	-	-	-	-
Total	42.9	41.7	189.3	108.2



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>Amounts in NOK million</i>	<i>Note</i>	31.12.2023	30.09.2023	31.12.2022
ASSETS				
Non-current assets				
Property, plant and equipment	7, 9	220.5	182.8	187.7
Intangible assets	7	303.2	296.3	258.8
Goodwill	11	111.1	84.4	84.4
Deferred tax asset		14.1	14.6	15.6
Equity-accounted investees		0.7	0.6	0.7
Shares in other companies		5.9	0.8	0.6
Other non-current assets		0.0	0.0	0.0
Total non-current assets		655.5	579.6	547.8
Current assets				
Inventories		562.0	545.2	426.3
Trade receivables		170.3	178.8	168.0
Other receivables and prepayments		48.1	53.7	37.0
Cash and cash equivalents		60.7	43.4	41.7
Total current assets		841.1	821.1	673.0
Total assets		1 496.6	1 400.7	1 220.8
EQUITY AND LIABILITIES				
Non-current liabilities				
Interest-bearing borrowings	8	122.6	123.2	154.6
Lease liabilities	9	37.5	21.3	24.0
Deferred tax liabilities		3.1	3.5	3.6
Other non-current liabilities		8.7	6.1	5.4
Total non-current liabilities		171.9	154.1	187.6
Current liabilities				
Trade payables		174.5	164.5	132.6
Other current liabilities		191.8	123.8	93.3
Tax liabilities		58.9	49.3	13.4
Interest-bearing borrowings	8	88.9	162.7	182.8
Lease liabilities	9	17.2	6.3	11.8
Derivative financial instruments	5	0.0	0.0	0.0
Total current liabilities		531.3	506.5	433.8
Total liabilities		703.2	660.6	621.5
Equity				
Share capital	10	6.0	6.0	5.9
Share premium		367.7	357.3	319.9
Retained earnings		419.7	376.8	273.5
Non-controlling interests		0.0	0.0	0.0
Total equity		793.4	740.1	599.3
Total equity and liabilities		1 496.6	1 400.7	1 220.8



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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			
Balance at 31 December 2022		5.9	319.9	273.5	599.3	0.0	599.3
Profit for the period		-	-	185.3	185.3	-	185.3
Other comprehensive income		-	-	4.0	4.0	-	4.0
Total comprehensive income for the period		0.0	0.0	189.3	189.3	0.0	189.3
Repurchase of shares		(0.0)	-	(1.4)	(1.4)	-	(1.4)
Share issue		0.1	47.8	-	47.9	-	47.9
Dividends paid	10	-	-	(41.6)	(41.6)	-	(41.6)
Total transactions with owners		0.1	47.8	(43.1)	4.8	0.0	4.8
Balance at 31 December 2023		6.0	367.7	419.7	793.4	0.0	793.4

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



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

<i>Amounts in NOK million</i>	Q4 2023	Q4 2022	2023	2022
Profit for the period	42.9	39.8	185.3	106.7
Adjustments for:				
Income tax expense recognised in profit or loss	13.2	(6.1)	60.8	14.1
Income taxes paid	(5.7)	(8.4)	(19.9)	(10.9)
Share of profit of associates	(0.1)	(0.1)	0.0	0.2
Depreciation and amortisation	28.5	24.0	107.7	86.5
Movements in working capital:				
(Increase)/decrease in trade receivables	10.5	(59.0)	1.7	(11.0)
(Increase)/decrease in inventories	(13.3)	6.2	(125.4)	(161.3)
Increase/(decrease) in trade payables	9.6	(18.9)	40.4	32.0
Increase/(decrease) in accruals	76.3	30.6	95.2	29.3
Net cash generated by operating activities	161.8	8.1	345.7	85.7
Cash flows from investing activities				
Payments for property, plant and equipment	(19.8)	(10.8)	(46.3)	(31.5)
Reclassified from inventory to property, plant and equipment	-	1.5	-	3.2
Payments for intangible assets	(15.3)	(11.8)	(60.2)	(60.5)
Net cash outflow from acquisition and other shares	(31.4)	(1.6)	(42.6)	(3.1)
Net cash (used in)/generated by investing activities	(66.5)	(22.7)	(149.0)	(91.9)
Cash flows from financing activities				
Payment for share buy-back costs	-	-	(1.4)	(0.5)
Proceeds from issuance of common shares	-	-	8.1	9.6
Proceeds from borrowings	-	-	126.3	30.0
Repayment of borrowings	(2.4)	(2.4)	(135.3)	(39.4)
Repayment of lease liabilities	(3.5)	(3.2)	(13.1)	(10.0)
Net change in overdraft facility	(72.1)	31.3	(120.6)	54.0
Dividends paid	-	-	(41.6)	(17.5)
Net cash (used in)/generated by financing activities	(78.0)	25.8	(177.7)	26.2
Net increase in cash and cash equivalents	17.3	11.2	19.0	20.0
Cash and cash equivalents at the beginning of the period	43.4	30.6	41.7	21.7
Cash and cash equivalents at the end of the period	60.7	41.7	60.7	41.7



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NOTE 1 GENERAL

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

NORBIT is headquartered in Trondheim, with manufacturing in Norway and Hungary. In addition, at 31 December 2023 NORBIT also had operations through its foreign subsidiaries in Denmark, Czech Republic, Poland, Austria, Hungary, Italy, Singapore, China, Sweden, Croatia, Slovakia, Brazil, United Kingdom, Chile, United States and Canada.

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

The consolidated financial statements of NORBIT ASA for the fourth quarter and 12 months ending 31 December 2023 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 of 2023, ending 31 December 2023, 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 2022. The consolidated financial statements of the Group as at and for the year ended 31 December 2022 are available at www.norbit.com.

The new standards and interpretations effective from 1 January 2023 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 2022. The Groups accounting principles are described in the annual report for 2022.

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 at 31 December 2022 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 warranty provisions. Based on the assessment, no impairment of intangible assets and goodwill was recognised in the quarter.



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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 Relization (PIR).

2023	Oceans	Connectivity	PIR	Group/Elim.	Total
<i>Amounts in NOK million</i>					
Revenues	599.0	540.3	411.8	(32.2)	1 518.9
Other gains and losses	-	-	-	-	-
Raw materials and change in inventories	175.9	208.4	233.2	(2.8)	614.7
Operating expenses	211.9	146.6	126.6	27.3	512.4
EBITDA	211.1	185.3	52.0	(56.6)	391.8
EBITDA margin	35%	34%	13%	-	26%
Depreciation	21.1	8.8	16.1	2.7	48.6
Amortisation and impairment	24.3	37.2	1.2	(3.7)	59.0
EBIT	165.7	139.3	34.7	(55.6)	284.2
Total financial items (not allocated)					(38.1)
Profit before tax					246.0
Taxes (not allocated)					(60.8)
Profit after tax					185.3

Timing of revenues

- At point in time	523.0	468.0	367.4	(32.2)	1 376.3
- Over time	26.0	72.2	44.4	-	142.6
Total	599.0	540.3	411.8	(32.2)	1 518.9

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

Timing of revenues

- At point in time	389.9	268.2	418.6	(40.1)	1 036.6
- Over time	53.1	39.9	37.9	-	130.9
Total	443.0	308.0	456.5	(40.1)	1 167.5



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Q4 2023

<i>Amounts in NOK million</i>	Oceans	Connectivity	PIR	Group/Elim.	Total
Revenues	176.9	116.4	112.3	(9.5)	396.0
Other gains and losses	-	-	-	-	-
Raw materials and change in inventories	46.7	42.9	71.0	(0.9)	159.7
Operating expenses	65.4	34.8	38.0	6.0	144.2
EBITDA	64.7	38.7	3.3	(14.6)	92.1
EBITDA margin	37%	33%	3%	-	23%
Depreciation	5.5	2.4	4.1	0.6	12.6
Amortisation and impairment	6.6	10.2	0.3	(1.2)	15.9
EBIT	52.6	26.0	(1.2)	(13.9)	63.6
Total financial items (not allocated)					(7.6)
Profit before tax					56.0
Taxes (not allocated)					(13.2)
Profit after tax					42.9

Timing of revenues

- At point in time	166.2	98.3	101.3	(9.5)	356.3
- Over time	10.7	18.0	11.0	-	39.7
Total	176.9	116.4	112.3	(9.5)	396.0

Q4 2022

<i>Amounts in NOK million</i>	Oceans	Connectivity	PIR	Group/Elim.	Total
Revenues	127.0	80.7	150.2	(10.6)	347.3
Other gains and losses	-	-	-	-	-
Raw materials and change in inventories	45.2	28.3	108.9	(6.2)	176.3
Operating expenses	41.2	28.4	27.9	6.9	104.5
EBITDA	40.6	23.9	13.3	(11.3)	66.5
EBITDA margin	32%	30%	9%	-	19%
Depreciation	5.2	1.9	3.7	0.9	11.8
Amortisation and impairment	4.5	7.5	0.1	-	12.1
EBIT	30.8	14.5	9.5	(12.3)	42.6
Total financial items (not allocated)					(8.9)
Profit before tax					33.7
Taxes (not allocated)					6.1
Profit after tax					39.8

Timing of revenues

- At point in time	107.6	71.4	140.9	(10.6)	309.4
- Over time	19.4	9.3	9.2	-	37.9
Total	127.0	80.7	150.2	(10.6)	347.3



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NOTE 5 DERIVATIVE FINANCIAL INSTRUMENTS

The group has the following derivative financial instruments:

	31.12.2023	31.12.2022
Foreign currency forwards EUR/NOK (amounts in EUR)	-	-
Foreign currency forwards USD/EUR (amounts in USD)	-	-
Average FX rate in contract (EUR/NOK)	-	-
Average FX rate in contract (USD/NOK)	-	-
Fair value of contracts based on MTM reports from counterpart banks (NOK million)	-	-

NOTE 6 NET FINANCIAL ITEMS

Net financial items consist of:

Amounts in NOK million	2023	2022	Q4 2023	Q4 2022
Share of profit of associates	0.0	(0.2)	0.1	0.1
Net interest income / (expense)	(28.6)	(16.0)	(7.9)	(5.4)
Agio/disagio and other financial expenses	(9.5)	(11.8)	0.2	(3.6)
Net financial items	(38.1)	(28.0)	(7.6)	(8.9)

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 2022	65.5	86.7	258.8
Additions from acquisition of companies	0.0	1.6	42.5
Additions	2.5	43.8	0.0
Depreciation	(6.1)	(29.2)	0.0
Capitalised development	0.0	0.0	60.2
Amortisation	0.0	0.0	(59.0)
Currency effects	0.0	1.5	0.8
Balance at 31 December 2023	61.9	104.4	303.2

The Group invested NOK 15.3 million in intangible assets in Q4 2023 and NOK 60.2 million in 2023. The capital expenditures were primarily related to broadening the product offering in the Oceans and Connectivity segments. The development projects progressed as planned during the year.

Total investments in property, plant and equipment were NOK 19.8 million in Q4 2023 and NOK 46.3 million for the 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 31 December 2023.



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NOTE 8 INTEREST-BEARING BORROWINGS

Amounts in NOK million	31.12.2023	30.09.2023	31.12.2022
Revolving credit facility	0.0	0.0	90.0
Overdraft facility	20.0	92.1	140.6
Term loans	166.8	167.7	50.4
Seller's credit	0.0	0.0	32.6
Other borrowings	24.7	26.1	23.8
Total interest-bearing borrowings	211.5	285.9	337.4
Non-current borrowings	122.6	123.2	154.6
Current borrowings	88.9	162.7	182.8
Total interest-bearing borrowings	211.5	285.9	337.4

The Group had four main loan facilities per end of Q4 2023, comprising of a long-term revolving credit facility (RCF), a short-term overdraft facility and two term loans. The credit limits are NOK 200 million and NOK 350 million on the RCF and overdraft facility, respectively.

NORBIT had drawn NOK 20.0 million on the overdraft facility at 31 December 2023, while the RCF was undrawn. NOK 166.8 million was outstanding on the two terms loans.

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

The financial covenants are as follows:

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

At 31 December 2023, NORBIT was in compliance with both financial covenants.

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 2023 is summarised below.

Amounts in NOK million	Right of use assets			Lease liabilities
	Office rent	Machinery and vehicles	Total	
Balance at 31 December 2022	9.3	26.2	35.5	35.9
Additions	22.4	9.6	32.0	32.0
Depreciation expense	(9.6)	(3.8)	(13.4)	
Interest expense				(1.7)
Lease payments				(11.5)
Balance at 31 December 2023	22.2	32.0	54.2	54.7

NOTE 10 SHARE CAPITAL AND EQUITY

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

At 31 December 2023, the total number of shares in NORBIT ASA amounted to 60 017 415 and the number of outstanding shares was 59 973 855, each with a par value of NOK 0.10 per share. At the same date, NORBIT ASA held 43 560 own shares. All issued shares are fully paid. Average outstanding number of shares is used in the calculation of earnings per share in all periods of 2022 and 2023.

The acquisition of Ping Digital Processing Inc closed early October. In connection with closing, the board of directors resolved to issue 196 668 consideration shares to the sellers of Ping Digital Processing Inc at a price of NOK 53.07 per share as partial settlement of the transaction.

At 31 December 2023, there were 131 197 restricted stock units ('RSUs') outstanding. The RSU will vest in second quarter 2024 and 2025. The RSUs are included in the calculation of diluted earnings per share.



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NOTE 11 BUSINESS COMBINATION

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
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 in acquired business	0.0
Total cash outflow from acquisition of business	0.9

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 was 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. Aursund Maskinering is reported under segment Oceans.

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

Recognised amount of identifiable assets and acquired liabilities assumed

Property, plant and equipment	5.7
Inventories	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 current liabilities	(2.6)
Total identifiable net assets	7.0
Goodwill	2.3
Cash and cash equivalents in acquired business	1.5
Total cash outflow from acquisition of business	7.8



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CPS AS

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

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

<i>Amounts in NOK million</i>	Purchase price
Considerations shares	9.0
Cash consideration	3.6
Total	12.6

Recognised amount of identifiable assets and acquired liabilities assumed*

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

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

Seahorse Geomatics

In April 2023, NORBIT acquired the business and certain assets from Seahorse Geomatics Inc, Oceans' distributor and reseller in the North American market for more than a decade. The purchase price was USD 2.5 million, including value of purchased inventory. This was financed by the issuance of 265 670

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

<i>Amounts in NOK million</i>	Purchase price
Considerations shares	10.4
Cash consideration	8.7
Sellers credit	7.1
Total	26.2

Recognised amount of identifiable assets and acquired liabilities assumed*

Property, plant and equipment	1.5
Technology	5.5
Customer relationships	12.4
Inventories	6.8
Total identifiable net assets	26.2
Cash and cash equivalents in acquired business	0.0
Total cash outflow from acquisition of business	8.7

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



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Ping Digital Signal Processing

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

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

<i>Amounts in NOK million</i>	Purchase price
Considerations shares	10.4
Cash consideration	29.1
Total	39.5

Recognised amount of identifiable assets and acquired liabilities assumed*

Property, plant and equipment	0.1
Technology	4.6
Trademark	3.6
Inventories	3.5
Trade receivables	2.0
Other receivables	0.6
Cash and cash equivalents	2.8
Deferred tax liability	(2.2)
Trade payables	(0.4)
Other current liabilities	(1.7)
Total identifiable net assets	12.9
Goodwill	26.6
Cash and cash equivalents in acquired business	2.8
Total cash outflow from acquisition of business	26.2

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

NOTE 12 RELATED PARTY TRANSACTIONS

There were no related party transactions in 2023.

NOTE 13 SUBSEQUENT EVENTS

There were no subsequent events after the end of the reporting period.



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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 borrowings	Net interest-bearing borrowings 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.



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